



Sunland Division 7 Condo

Report #: 23127-8

Sequim, WA

# of Units: 63

Level of Service: Update "No-Site-Visit"

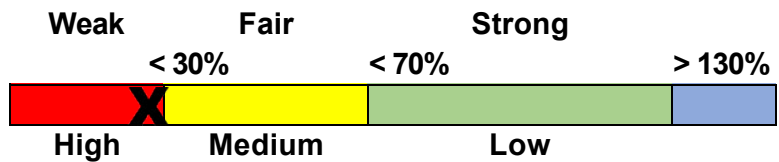
January 1, 2024 through December 31, 2024

Findings & Recommendations

as of January 1, 2024

Starting Reserve Balance	\$265,160
Current Fully Funded Reserve Balance	\$994,973
Percent Funded	26.6 %
Average Reserve (Deficit) or Surplus Per Unit	(\$11,584)
Recommended 2024 100% Annual "Full Funding" Contributions	\$121,000
2024 "Baseline Funding" minimum to keep Reserves above \$0	\$118,500
Most Recent Budgeted Contribution Rate	\$18,940

Reserve Fund Strength: 26.6%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	1.50 %
Annual Inflation Rate	3.00 %

• This is a Update "No-Site-Visit", meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by, or under the supervision of a credentialed Reserve Specialist (RS™).

• **The reader should note that a number of significant expenses have historically been and continue to be treated as annual operating budget items, including exterior painting, deck repairs and replacements, among others. Going forward, this Reserve Study continues to assume excluding impact of those type expenses upon your maintenance reserves, primarily accruing for asphalt and roof replacements as you have historically indicated.** Further, as in the last 2023 WSV report current BOD directed us to continue reserve funding for ~\$40,000 monies to be accrued by end FY 2025 for "Emergency Landscape/Maintenance Reserves". Lastly, we continue to recommend an expert, one-time evaluation of your 50 year old COA plumbing systems and now we are recommending expert, cyclical Building Envelope/Structure inspections to benefit future long term planning.

• **With the preceding understanding, your Reserve Fund is currently 26.6 % Funded.** This means the association's special assessment & deferred maintenance risk is currently High. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.

• Based on this starting point and your anticipated future expenses, **we continue to recommend significantly increasing your Annual Reserve Contributions, this time to the 100% range as noted above (over 500% your current 2023 rate).** The 100% "Full" contribution rate is designed to gradually achieve the funding objective by the end of our 30-year report scope. **Going forward, collection of reserve monies to provide for fair distribution of expense burden to offset ongoing deterioration of reserve category projects and improve reserve fund status should be undertaken. In other words, current owners should contribute "their fair share" to maintenance reserves. The reader should note that the FY 2024 "Annual Deterioration" of reserve components is \$69,954.**

- No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Baseline Funding" in this report is as defined within the RCW, "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates, and reserves deficit or (surplus) are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents, and assessment computational tools to adjust for any variation.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Site/Grounds</b>			
110 Asphalt - Resurface	32	6	\$134,500
112 Asphalt - Seal/Repair	4	0	\$18,500
<b>Building Exteriors</b>			
600 Comp Roof: #116 - Replace	25	24	\$88,550
600 Comp Roof: #126 - Replace	25	0	\$86,600
601 Comp Roof: #156 - Replace	25	1	\$78,850
602 Comp Roofs: #125/#133 - Replace	25	3	\$146,000
602 Comp Roofs: #137/#138/140 - Replace	25	4	\$130,500
603 Comp Roof: #142 - Replace	25	5	\$78,850
605 Comp Roof: #148 - Replace	25	6	\$80,850
606 Comp Roof:#143/145,145/147- Replace	25	7	\$82,300
607 Comp Roof: #117 - Replace	25	19	\$60,000
609 Comp Roof: #119,121, 134 -Replace	25	21	\$187,000
610 Comp Roof: #108 - Replace	25	23	\$83,150
614 Tile Roof,1990 - Comp Transition	25	8	\$275,000
<b>Equipment/Systems</b>			
899 Plumbing - Systems Evaluation	50	0	\$38,500
<b>Professional/Special Projects</b>			
900 Contingency/Emergency Fund	0	1	\$41,000
995 Building Envelope/Structure	4	0	\$21,000
<b>17 Total Funded Components</b>			

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.