RESERVE DATA ANALYST

Sector 2A Snohomish Cascade Association

Snohomish, WA

Level III Reserve Study Update (No Site-Visit)

Fiscal Year: 2025

Report#: 17688

Version: Draft1

Reserve Data Analyst, Inc.

www.reservedataanalyst.com

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Report Date: July 23, 2024

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Sector 2A Snohomish Cascade Association
Introduction

Thank you for utilizing the services of Reserve Data Analyst for your reserve study. We strive to create a comprehensive report that can be utilized for your budgeting needs. If there are any questions, concerns, corrections, or revisions needed please do not hesitate to call or email us. While this study does have some explanations of the methodology used, we have kept it to a minimum for brevity. More detailed explanations of methodology & concepts are explained in our Reserve Study Guidebook available at the following link:

www.reservedataanalyst.com/guidebook

The recommendations for the allocation rates of the different funding models are only for the beginning year of this reserve study; all future years are projections which are educated guesses and have numerous assumptions (e.g., inflation, proper maintenance, proper installation, known reserve account balances, etc.) built into the models. The further out in time a reader of the study goes, the less reliable the projections are likely to be. Note that the recommendations for the first fiscal year in the study are based on current cost and current useful life estimate levels as opposed to future cost and future useful life projections which again are educated guesses.

From year to year the recommendations of the reserve analyst will typically change (sometimes significantly) based on variables such as what projects have been done, what projects has been deferred, changes to the allocation rate, changes to the starting balance, changes to the component list, actual inflation rate figure (versus projections), maintenance or lack of maintenance of components, etc. Annual updates to this report help to incorporate changes to these variables as they occur so revisions to the recommendations are less significant than if updates are done infrequently. .

There are a couple of tips to consider that will help you both navigate this study and understand the different sections within the study:

- ***Study Navigation*** - To navigate this study more easily, we recommend printing out the Table of Contents page at the beginning of the study and the Component Index page(s) at the rear of the study. We have found it easiest for most readers to have the PDF of this study open on their computer while referring to the printed-out Table of Contents and Component Index pages.

Within this reserve study you will find:

- A list of common questions that a typical reader of our reserve study will have, as well as links to additional information on the topics: (*Reserve Study Knowledge Base*)
- A list of the site and building components that are reportedly the Client's responsibility along with their respective costs and quantity: (*The Component List*)
- A timeline of the estimated dates that we recommend funds be allocated to the repair/replacement project. (*Projected Expenditures - Chart, List & Spreadsheet*)
- Various funding models with different goals in mind. (*Summary Comments Page and Projections Page*)

Sector 2A Snohomish Cascade Association
Executive Summary

Name	Sector 2A Snohomish Cascade Association
Location	Snohomish, WA
Contributing Members	247
Base Year / Age	June 1, 1997
Fiscal Year Ends	December 31, 2025

Level of Service	Level III Reserve Study Update (No Site-Visit)
Prepared for Fiscal Year	2025
Last On-Site Inspection Date	January 12, 2023
Inflation Rate for Projections	3.00%
*Interest Rate for Projections	0.05%
*Tax Rate on Interest Earned	30.0%
Funding Plan Method	Inflation Adjusted Pooled Cash Flow Method

Reserve Account Summary

Current Percent Funded (as of January 1, 2025)		
36.7%	**Fiscal Year Beginning Fully Funded Balance**	$417,017
	***Estimated FY Start Balance**	$153,075
	Total Reserve Account Surplus or (Deficit)	($263,942)
	Avg. Surplus or (Deficit) Per Contributing Member	($1,069)
	***Current Annual Reserve Allocation Rate**	$51,000 per year
	***Approved Special Assessments**	None in fiscal year 2025.
	***Approved Loans**	None in fiscal year 2025.

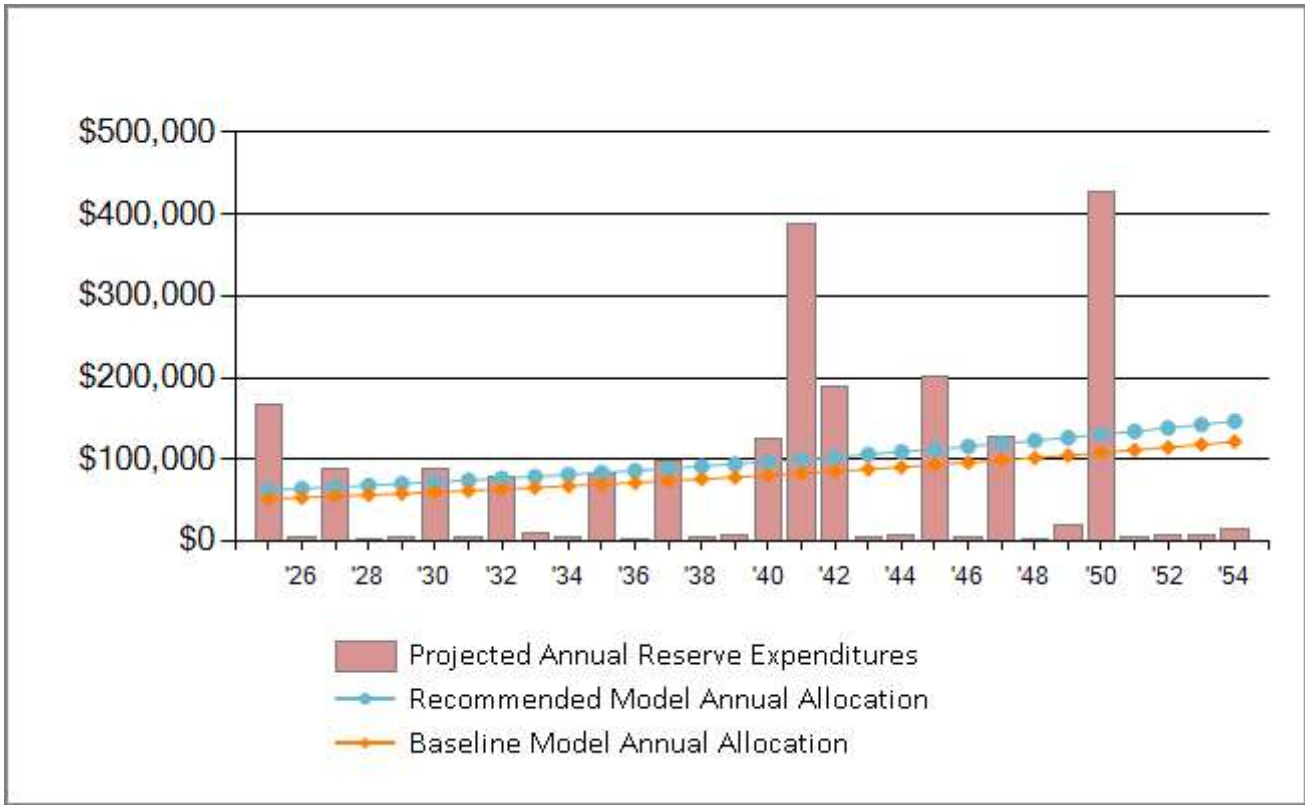
0-30% Low | 30-70% Fair | 70-100% Good

5-Year Summary - Annual Reserve Allocation Rates & Year End % Funded

	100% Funding Model		Recommended Funding Model		Baseline Funding Model		**Current Funding Model		
2025	314,934	100%	62,250	16%	51,582	13%	51,000	12%	***2025***
2026	59,829	102%	64,118	31%	53,129	25%	52,530	25%	***2026***
2027	61,624	101%	66,041	27%	54,723	17%	54,106	16%	***2027***
2028	68,430	101%	68,022	39%	56,365	27%	55,729	27%	***2028***
2029	70,482	101%	70,063	48%	58,056	35%	57,401	35%	***2029***
	Account is at least 100% funded each year.		*Achieve 100% funded within the timeframe of this study.*		*Reserve account above $0 within timeframe of study.*		*Current allocation rate has been supplied by the Client.*		

** Data supplied by the Client, assumed to be correct and not independently verified.*
***Any negative percent funded shown is for visual representation of deficiency.*

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - Chart



The above chart provides a visual of the reserve account projected expenditures over the 30 years covered in this study. We suggest making a note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for, as they are often overlooked, or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later.

One of the greatest challenges when planning for reserve budgeting is creating and implementing a funding model that is stable and fair while also adequate to cover reserve project expenditures that are typically infrequent and erratic. This is particularly true for reserve accounts that drop to low levels of funding; there will be a need to catch up the reserve account to a more suitable level while also being as fair and stable as possible as time progresses.

We have created numerous funding models with various goals in mind; the above models (Recommended & Baseline) adhere to the principle of having stability going forward in time while also covering the projected annual reserve expenditures. Their respective annual allocation rates (lines on the chart) are shown compared to the annual reserve expenditures (columns on the chart) within the timeframe of the projections. Note the relative stableness of the annual funding model allocation rates versus the infrequent and erratic nature of the reserve expenditures.

What is a Reserve Study?

A reserve study is a budgeting tool that can be utilized to make more informed budgeting decisions regarding a reserve account, it is an independent assessment of the adequacy of the reserve account balance and allocation rate utilizing a mathematical formula known as the "Percent Funded" calculation.

The Reserve Analyst develops funding models that:

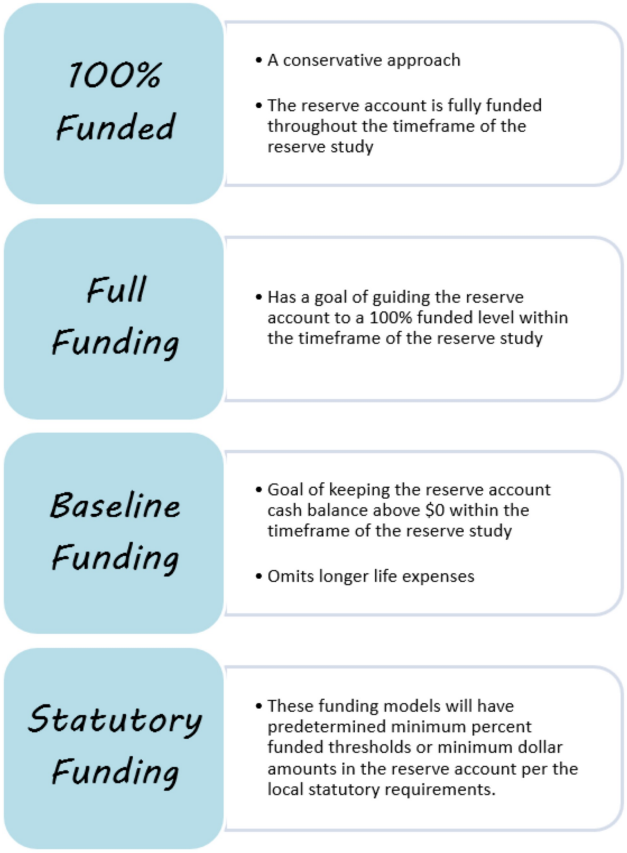
- Distribute the costs as fairly as possible over time
- Have stable budgets over time (i.e., limiting large fluctuations from one year to the next)
- Limit the risk for reliance on emergency financing or having to defer overdue projects

A Reserve Study is an independent assessment of the reserve account and is not the Budget ….

This study is not the budget, and it should not be revised to just reflect the budgeting decisions of the Client. An example of this is to push off overdue projects that the Client may not have the funds to complete. This report should reflect the replacement dates of the components utilizing average or historical records for the useful lives & costs for these projects; the useful lives can be updated to reflect actual on-site conditions as the components age and in updates to this report. Should the Client decide to make budgeting decisions such as deferring projects (typically due to a lack of funds) and that appear to be overdue carries its own risk with relation to scenarios like higher project costs later and marketability issues.

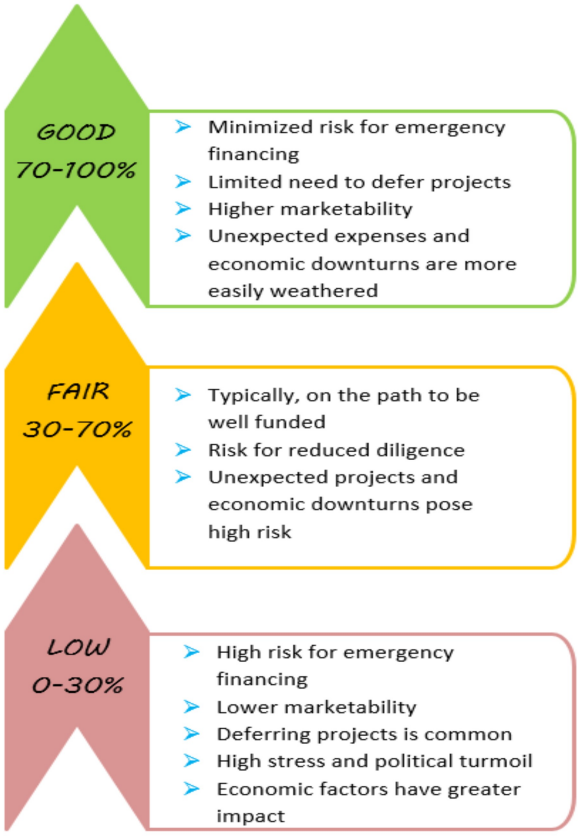
How Much Should We Reserve?

There is no right or wrong answer to the question of "How Much Should We Reserve?" as the reserve contributions in all the funding models in this study are based on different funding goals. It is more appropriate to consider the risk levels associated with different funding models as each Client has different risk tolerances and challenges in enacting whatever funding model is most appropriate to them. In our opinion any funding model that projects the reserve account balance to dip to zero would not be appropriate or fiscally responsible as future emergency financing or deferring projects are typically the outcome. Below are some of the more common funding models utilized:



About Percent Funded

Percent funded is a calculation of how much is in the reserve account versus an ideal amount known as the Fully Funded Balance. The different risk levels associated with the levels of funding are explained in more depth below.



The below video link explains the Percent Funded calculation in more detail:

www.reservedataanalyst.com/pf

About the Fully Funded Balance

The Fully Funded balance is a mathematical calculation that represents the accrued deterioration of a component or a group of components at a specific point in time. It is an answer to the question of "How much should be in a reserve account at a specific point in time?" When the reserve account balance is the same as the Fully Funded Balance the reserve account is considered Fully Funded (100% Funded) at that specific point in time.

The below video link provides a more in-depth explanation of the Fully Funded balance:

www.reservedataanalyst.com/ffb

Calculating Inflation in the Reserve Study

Inflationary factors impact the project costs over time and are the main driving force that must be overcome with diligent and steadfast budgeting towards reserves. Due to the compounding impact of inflation on costs, in a relatively short period of time, a reserve account can be become severely underfunded if it is not considered in the budgeting scenarios. Follow the below link to learn more about how we calculate inflationary factors (escalation of the prices) in the reserve study and some of the tools we use in the process:

www.reservedataanalyst.com/inf

Component Useful Life Estimates

The useful life of components in the reserve study are predominantly based on our experiences with many different types of organizations and their respective repair and replacement cycles with building and site components. In addition to our own experiences working with many organizations over the years there is ample data available online regarding useful life estimates of building and site components. It is important to note that the estimates in the reserve study are based on averages and are not specific to any one property. Follow the below link to view some of the various useful life tables that we utilize:

www.reservedataanalyst.com/ul

Determining Component Project Costs

We utilize many sources for determining what is an appropriate component project cost in the reserve study. These can include:

- Client invoices, bids, estimates
- Our in-house database that is based on the collection of many Client invoices, bids, and estimates
- Cost manuals that, when used correctly, are very accurate for average cost figures

It's important to understand that unless we are provided actual project costs based on a client invoice/bid or estimate we utilize average costs figures that are not specific to any one Client. In the bidding process you will find that there is a ... large difference in price from one vendor to the next for a variety of reasons. We aim to be in the middle of these estimates unless we have Client data to incorporate into the reserve study. Future costs (projections) for the component expenses are simply inflated from current cost based on the inflation assumption in the reserve study. It is important to remember that our current recommendations are based on current project costs and not the inflated number that is utilized in the projections portion of the reserve study. The below link goes into this topic in more detail:

www.reservedataanalyst.com/cost

National Reserve Study Standards

There are two recognized organizations that dictate national reserve study standards in the industry. The Community Association's Institute and the Association of Professional Reserve Analysts award designations to those reserve study professionals that meet education & work experience, adhere to the minimum report requirements, complete ongoing continuing education courses, and abide by ethical considerations in the field. The standards for both organizations can be viewed at the links below:

www.reservedataanalyst.com/CAI

www.reservedataanalyst.com/APRA

What Components to Include in the Study?

Reserve expenses for components are major expenses which must be budgeted for in advance to provide the necessary funds in time for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. They are expenses that when incurred would have a significant impact on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance.

A common concern when beginning this process is what components are to be included and funded for in the Reserve Study. Nationally recognized CAI Reserve Study Standards as well as APRA Standards of Practice dictate that the reserve components need to meet the following criteria:

- It's not already covered in the Operating Budget
- The component has a limited life expectancy
- The component has a reasonably defined remaining useful life
- As required by local statutes

When to Complete Reserve Projects?

Components should be replaced when they are no longer functioning as designed. This is best determined by your component specific Vendor who can inspect and give their best professional advice on the condition assessment and timeframe on when/what needs to be done. Note that this reserve study is ***not*** a "to do list"; it is a budgeting document with recommendations for when we suggest having the funds allocated towards the projects ... If something fails earlier than projected than replace it, if it lasts longer (as determined by your component specific Vendor) then take their advice as they are the professionals in their specific field. Projects should be completed when they need to be completed regardless of our projections in the study. Note that this does not mean it would be appropriate to delay projects simply because funds are not available though as that is a budgeting decision not based on component specific Vendor recommendations. A common issue we see is the delay of projects simply because there is a lack of reserve funds available, only to have a much larger and more expensive project later due to collateral damage (e.g., not replacing a roof in a timely manner, which then leaks and causes siding damage).

Ongoing Component Maintenance

While this reserve study has been developed to disclose and inform the Client of the predictable larger long-term project costs related to site and building components, there is also a need to complete regular inspections and repairs to virtually all components on much shorter cycles. These costs would typically be covered in the annual and ongoing Operating Budget.

Virtually all the components should receive regular cycles of inspection and repairs by a qualified Vendor. Failure to complete ongoing maintenance typically leads to shorter useful lives and higher costs later. RSMeans provides a free link to common building and site component items to inspect at various corresponding time frames.

www.reservedataanalyst.com/RSmeans

Recommendations Versus Projections

In the reserve study the Reserve Analyst' *recommendations* for the allocation rates of the different funding models apply only to the year the reserve study is being developed for. All *projections* in the study are future educated guesses with assumptions about a significant number of variables (e.g., inflation rate, financials, component useful life, component remaining useful life, proper maintenance, etc.).

Projections can be accurate or extremely inaccurate based on these assumptions; because of this we do not suggest giving much consideration to projections in the decision making for overall reserve budgeting. This may sound counterintuitive, but this is due to recommendations for the allocation rates, in the initial year of the study, being based on predominantly current known factors (e.g., *current* costs, *current* inflation, *current* maintenance practices) versus projections which are based on future assumptions to a variety of variables (e.g., *future* costs, *future* inflation rates, and *future* maintenance practices). Follow the below link to our website to learn more about recommendations versus projections.

www.reservedataanalyst.com/projections

You Have a Study Now What?… Goal Setting

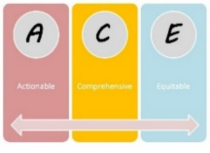
Adequately budgeting for reserves is often one of the more difficult tasks our clients face. Reserve component projects are infrequent and often years down the line, making it very easy to just "deal with it later". We have found those that are most successful with reserve budgeting goals typically follow these simple … rules when creating and implementing a reserve budget.

Actionable
Is your goal possible within the constraints & limitations of very important but often overlooked factors related to statutory requirements and the governing documents? What may seem very "Reasonable" to the Board may very well be illegal or against the governing documents.

Comprehensive
Your goal should be clear and specific, otherwise you won't be able to focus your efforts or feel truly motivated to achieve it. When drafting your goal, try to answer the four "W" questions - *What* do we want to accomplish? *Why* is this goal important? *Who* is involved? *When* is this goal set to occur?

Equitable
Your goal should be reasonable and attainable to be successful. In other words, it should stretch your abilities but remain possible. When you set an achievable goal, you may be able to identify previously overlooked opportunities or resources that can bring you closer to it. This often means that transitioning to a more stable financial track will take years of smaller goals being obtained. Severely underfunded reserve accounts typically develop after many years or decades; it's usually not reasonable for the answers to come quick or easily.

Follow the below link to our website to learn more about the ACE way to reserve budgeting.



https://www.reservedataanalyst.com/ace

Sector 2A Snohomish Cascade Association
Plat Map

Sector 2A Snohomish Cascade Association
Reserve Analyst Comments

Reserve Study Update Comments - Inflation

Per the most recent construction cost data in this region the inflation rate has been 2.3% since the prior reserve study was performed for fiscal year 2023 2022 (construction cost inflation index link https://www.mortenson.com/cost-index/seattle). An inflation rate has been applied to the component project estimated costs in this reserve study update. Note that the above average inflation percent rate increase is for all construction jobs, actual individual component increases may be above or below this average (e.g. lumber prices have risen significantly more than the average.

Note that a historical average 3.0% has been applied to projections (future estimated project costs) in the reserve study as even though there will be time periods of inflation that are well above and below this historical average inflation rate, we would expect the long-term average to fall back in line with the historical average in the United States based on data going back over 100 years. To learn more about how inflation is applied to the reserve study please visit www.reserveataanalyst.com/inf

Comments on Fully Funded Balance Calculations (Fully Funded Balance Calculation Page)

The Fully Funded balance calculations for each component (age & useful life) have been adjusted if a component has been superseded by another component, received a positive or negative life adjustment, been phased over a period of time or is overdue (e.g., has an age greater than the typical useful life of the component). These adjustments are needed so that the fully funded balance mathematical calculation for each component is accurate and appropriately contributes to the total fully funded balance calculation (located on the executive summary & projection pages) for all components in this reserve study.

Comments on Maintenance & Inspections

The Client stated that they have been working with the Vendors for ongoing maintenance of components. Note that a lack of ongoing maintenance at any point in the past or future can significantly reduce the useful life of components. It is assumed that all proper maintenance has and will be completed per the component specific Vendor's recommendations (unless otherwise noted). It is assumed all inspections will be completed per local statute and are assumed to be paid for from the operational account, as reported by the Client (unless otherwise noted).

Comments on Assessment & Disclosure Form

Included in the fee for this reserve study is an Assessment & Disclosure Form which complies with statutory requirements for common interest communities. Please follow the following link to complete the request form on our website: https://www.reservedataanalyst.com/rad/

Note that this form can only be requested after the budget has been voted on and approved by the Board and/or Community Membership. This disclosure is a requirement for Boards to provide to the membership annually.

Excluded Components

Unless noted otherwise the below components have been excluded from funding in this reserve study. Note that the inclusion of any of these items later via a revision or update to this study will impact the funding strategies developed by the Reserve Analyst.

Not Client's Responsibility

The below components are reportedly not the Client's responsibility per their interpretation of their governing

documents. Note that the Reserve Analyst does not interpret governing documents and have excluded items based on the Client' s request and their interpretation of their own governing documents. If there is ambiguity or questions as to what specific wording means in the governing documents, we recommend consulting with a qualified and experienced attorney.

1. Utility Main Lines - Utility Companies / County
2. Asphalt Streets - County
3. Utility Lines - County
4. Streetlights - County
5. Public Sidewalks (31,900 sf abutting common area parcels) - County
6. Hydrants - County
7. Fencing at Private Lots (excluding Sno-Cascade Dr)- Lot Owner's Responsibility
8. Landscaping & Chain Link Fence at Puget Park Drive - County

Operating Account Expense

The below components are reportedly paid for from the Operating Account and have not been included in this reserve study.

1. Storm Sewer System Maintenance - We recommend setting up an annual contract with a qualified Vendor.
2. Asphalt Crack Sealing - Complete Annually as needed.
3. Small Signage (at parks and native growth area)
4. Ongoing Landscaping
5. Minor Irrigation System Repairs (e.g., sprinkler heads)
6. Baseball Field Upkeep

Sector 2A Snohomish Cascade Association
The Component List

Report Date	July 23, 2024
Beginning Fiscal Year	January 01, 2025
Account Number	17688

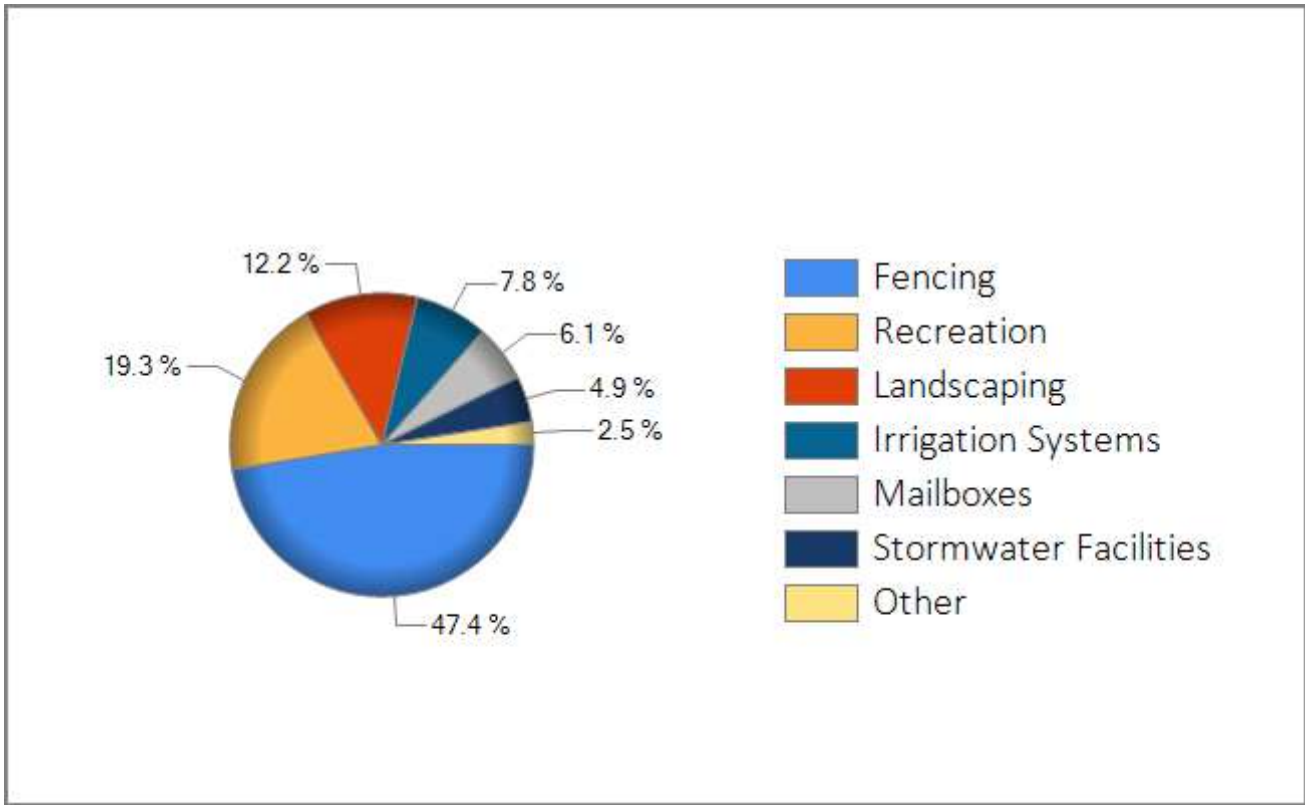
Version Number Draft1

Component Description	Approx. Date In Service	Replacement Year	Useful Life	Adjustment	Remaining UL	Units	Per Unit Cost And Percent Replacement	Current Co
Asphalt - Overlay	1997	2025	25	0	0	4,113 sf	2.68	11,023
Asphalt - Sealcoat	2015	2025	5	0	0	4,113 sf	0.37	1,514
Baseball Backstop (chain link) - Replace	1997	2042	45	0	17	1 ea	9,737.25	9,737
Baseball Infield Fence (chain link) - Replace	1997	2042	45	0	17	152 lf	49.90	7,585
Concrete Curb - 20% Repair	1997	2025	5	15	0	227 lf	45.03@ 20%	2,044
Fence (chn link - NE Pond) - Replace	2010	2050	40	0	25	760 lf	56.32	42,800
Fence (chn link - NW Pond/2016) - Replace	2016	2056	40	0	31	430 lf	56.32	24,216
Fence (chn link - NW Pond/2023) - Replace	2023	2063	40	0	38	214 lf	53.42	11,432
Fence (chn link baseball 3.5') - Replace	1997	2037	40	0	12	345 lf	30.42	10,496
Fence (sno-cascade drive) - Paint/Stain	2016	2025	5	0	0	3,821 lf	10.34	39,509
Fence (sno-cascade drive) - Replace	2016	2041	25	0	16	3,821 lf	61.38	234,533
Irrigation Backflow Valve - Replace	1997	2025	25	0	0	1 ea	1,825.74	1,826
Irrigation Controller Panels - Replace	1997	2032	35	0	7	4 ea	912.86	3,651
Irrigation Controllers (2015) - Replace	2015	2030	15	0	5	2 ea	915.00	1,830
Irrigation Controllers (2024) - Replace	2024	2039	15	0	14	1 ea	915.00	915
Irrigation Controllers (abv grnd) - Replace	2024	2039	15	0	14	1 ea	915.00	915
Irrigation Piping - 25% Replace	1997	2027	5	25	2	105,307 sf	2.05@ 25%	53,970
Irrigation Valves (in-ground) - 10% Replace	2019	2025	1	0	0	52 ea	304.29@ 10%	1,582
Landscape Drainage (boat park) - Refurbish	2020	2040	20	0	15	1 ls	18,076.58	18,077
Landscape Drainage (small park) - Refurbish	2022	2042	20	0	17	1 ls	42,024.84	42,025
Landscaping (gravel) - Replenish	2017	2025	5	0	0	2,451 sf	1.52	3,726
Landscaping - 25% Tree Care	1997	2025	5	20	0	111 ea	426.00@ 25%	11,821
Lights (pole) - Replace	1997	2027	30	0	2	1 ea	2,994.27	2,994
Mailbox Cluster (2009) - Replace	2009	2033	24	0	8	3 ea	1,932.19	5,797
Mailbox Cluster (2013) - Replace	2013	2037	24	0	12	1 ea	1,932.19	1,932
Mailbox Cluster (2015) - Replace	2015	2039	24	0	14	1 ea	1,932.19	1,932
Mailbox Cluster (2017) - Replace	2017	2041	24	0	16	2 ea	1,932.19	3,864
Mailbox Clusters (2021) - Replace	2021	2045	24	0	20	18 ea	1,932.19	34,779
Parking Bollards (boat park) - Replace	1997	2032	35	0	7	3 ea	1,217.15	3,651
Pavers (sand set) - Replace	1997	2025	25	0	0	145 sf	19.44	2,818
Playground Structure (boat park) - Replace	2022	2047	25	0	22	1 ea	63,037.26	63,037
Playground Structure (small park) - Replace	1997	2025	25	3	0	1 ea	63,037.26	63,037
Playground Surface (boat park) - Replenish	2023	2026	3	0	1	1,600 sf	1.16	1,849
Playground Surface (small park) - Replenish	2022	2025	3	0	0	1,271 sf	1.16	1,474
Playground Timber Edging (boat park) - Repl..	1997	2025	25	0	0	160 lf	40.85	6,536
Playground Timber Edging (small park) - Repl..	1997	2025	24	4	0	144 lf	40.85	5,882
Recreation - Benches (wood) - Replace	1997	2025	25	0	0	11 ea	912.86	10,041
Recreation - Picnic Table (wood) - Replace	1997	2025	25	0	0	3 ea	1,034.58	3,104
Retaining Walls (masonry) - Replace	2014	2054	40	0	29	67 sf	39.92	2,675
Retaining Walls (wood) - Replace	1997	2025	25	0	0	33 sf	29.42	971

Sector 2A Snohomish Cascade Association
The Component List

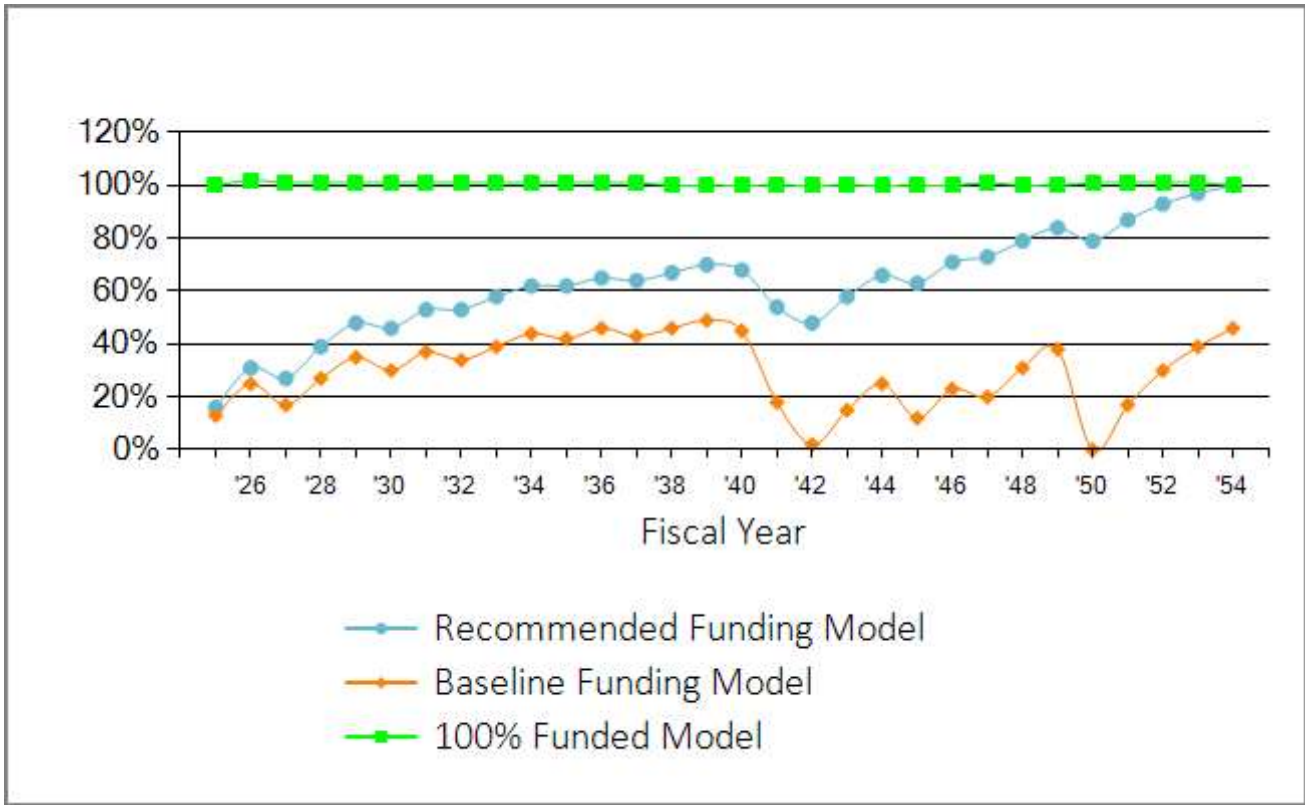
Component Description	Approx. Date In Service	Replacement Year	Useful Life	Adjustment	Remaining UL	Units	Per Unit Cost And Percent Replacement	Current Co
Stormwater Pond (NE pond) - Refurbish	1997	2027	30	0	2	1 ea	24,343.13	24,343
Stormwater Pond (NW pond) - Refurbish	2015	2030	15	0	5	1 ea	13,997.31	13,997
Total Asset Summary								$789,945

Sector 2A Snohomish Cascade Association
Current Cost by Category Chart



The above chart illustrates the current cost breakdown percentage of the Component Categories in this reserve study (highest percentage components listed at top). Special attention should be given to those component categories which take up a bulk of the % of the current cost as these may require significant planning to adequately budget for their replacement. These large expenses may be well into the future during "Peak Year" cycles. Refer to the Cash Flow Projections and the Annual Expenditure Report for the projected timeline of expected expenditures.

Sector 2A Snohomish Cascade Association
Projected Percent Funded Chart



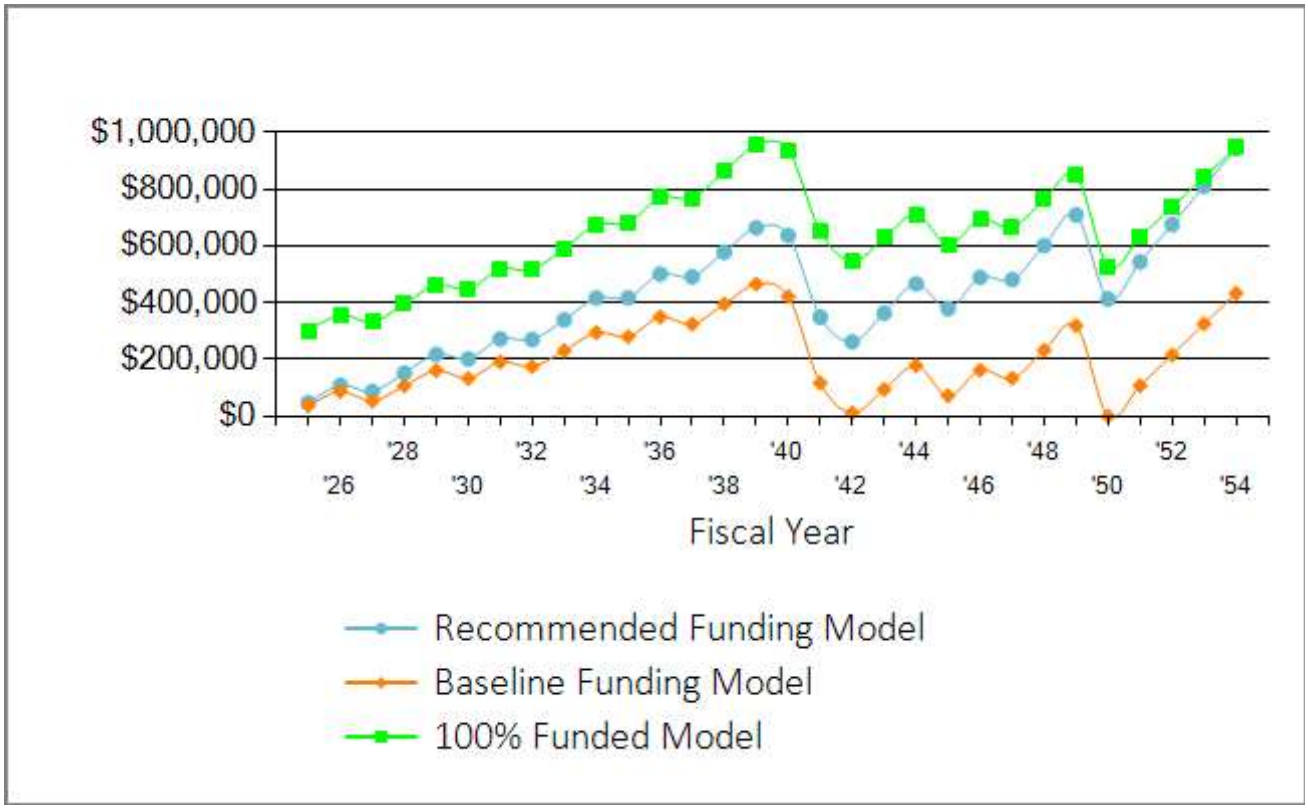
The above chart compares the funding models by the percentage funded levels over the 30-year timeframe of this reserve study, as calculated at the end of each fiscal year.

The *Recommended Funding Model* increase the Client's reserve account Percent Funded Level to 100% funding within the timeframe of this study. Once this 100% funded level is reached it is a good indicator that the Client is on track to meet its future obligations with minimal risk of reliance on emergency financing or having to defer projects that come due.

The *Baseline Funding Model* has only a goal of keeping the reserve account cash positive within the timeframe of the reserve study. This model carries significant risk for reliance on emergency financing and/or having to defer projects due to the common occurrence of components failing earlier than projected or costs increasing more rapidly than projected.

The *100% Funded Model* assumes the reserve account is an average of 100% Funded in each year of the reserve study. This model minimizes risk for reliance on emergency financing and places the reserve account onto a low risk path for budgeting.

Sector 2A Snohomish Cascade Association
Projected Reserve Account Balance Chart



The chart above compares the annual year-end balance of the reserve account for the respective funding models over the 30 years covered in this reserve study. Projected reserve account balances will see large fluctuations from year to year due to projects occurring in any given year.

Sector 2A Snohomish Cascade Association
100% Funded - Summary

Report Date	July 23, 2024
Account Number	17688
Version	Draft1
Budget Year Beginning	January 1, 2025
Budget Year Ending	December 31, 2025
Total Units	247

Report Parameters

Inflation	3.00%
Annual Contribution Increase	3.00%
Interest Rate on Reserve Deposit	0.03%
Tax Rate Included in Interest Rate	
2025 Beginning Balance	$153,075

This funding model has a goal of being a minimum of 100% funded, annually, over the timeframe of this reserve study. Allocation rates will fluctuate based on the expenditures projected in any given year. The initial year has a much higher allocation rate than subsequent years as the reserve account is currently underfunded and requires a significant cash injection in the initial fiscal year to elevate the reserve account to a 100% Funded track.

The following page provides the 30-year projections for this funding model.

Full Funding Model 30 Year Summary of Calculations

Required Annual Contribution	$314,933.63
Average Net Annual Interest Earned	$105.38
Total Annual Allocation to Reserves	$315,039.02

Sector 2A Snohomish Cascade Association
100% Funding - Year End Projections

Begining Balance: $153,075

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2025	789,945	3.0%	314,934		105	166,910	301,204	301,204	100%
2026	813,643	3.0%	59,829	-81.00%	125	3,534	357,624	351,502	102%
2027	838,053	3.0%	61,624	3.00%	116	87,938	331,426	327,549	101%
2028	863,194	3.0%	68,430	11.04%	139	3,340	396,655	391,696	101%
2029	889,090	3.0%	70,482	3.00%	162	3,862	463,437	458,963	101%
2030	915,763	3.0%	72,597	3.00%	157	88,133	448,058	443,232	101%
2031	943,236	3.0%	74,775	3.00%	182	3,650	519,364	515,886	101%
2032	971,533	3.0%	77,018	3.00%	181	79,578	516,986	514,408	101%
2033	1,000,679	3.0%	84,474	9.68%	207	9,347	592,320	587,172	101%
2034	1,030,699	3.0%	87,009	3.00%	236	3,988	675,577	669,649	101%
2035	1,061,620	3.0%	89,619	3.00%	239	83,385	682,049	674,890	101%
2036	1,093,468	3.0%	92,307	3.00%	270	2,190	772,437	766,050	101%
2037	1,126,273	3.0%	95,077	3.00%	269	99,026	768,756	762,398	101%
2038	1,160,061	3.0%	97,929	3.00%	302	5,039	861,948	857,706	100%
2039	1,194,862	3.0%	102,372	4.53%	335	8,084	956,570	955,064	100%
2040	1,230,708	3.0%	105,443	3.00%	328	124,245	938,096	938,096	100%
2041	1,267,630	3.0%	101,096	-4.12%	228	388,064	651,357	651,357	100%
2042	1,305,659	3.0%	84,623	-16.29%	191	189,912	546,260	544,280	100%
2043	1,252,948	3.0%	87,162	3.00%	220	5,204	628,438	626,310	100%
2044	1,290,537	3.0%	89,777	3.00%	249	6,016	712,448	712,096	100%
2045	1,329,253	3.0%	92,470	3.00%	212	200,124	605,006	602,720	100%
2046	1,369,130	3.0%	95,244	3.00%	243	5,686	694,807	692,596	100%
2047	1,410,204	3.0%	98,102	3.00%	233	127,360	665,781	662,173	101%
2048	1,452,510	3.0%	101,045	3.00%	267	3,123	763,971	761,202	100%
2049	1,496,086	3.0%	104,076	3.00%	297	18,171	850,173	850,173	100%
2050	1,540,968	3.0%	104,703	0.60%	185	427,555	527,506	522,693	101%
2051	1,587,197	3.0%	107,845	3.00%	221	3,412	632,160	624,878	101%
2052	1,634,813	3.0%	111,080	3.00%	258	6,790	736,708	729,350	101%
2053	1,683,858	3.0%	114,412	3.00%	295	7,850	843,565	838,646	101%
2054	1,734,373	3.0%	117,845	3.00%	331	14,345	947,396	947,396	100%

Sector 2A Snohomish Cascade Association
Recommended Funding - Summary

Report Date	July 23, 2024
Account Number	17688
Version	Draft1
Budget Year Beginning	January 1, 2025
Budget Year Ending	December 31, 2025
Total Units	247

Report Parameters

Inflation	3.00%
Annual Contribution Increase	3.00%
Interest Rate on Reserve Deposit	0.03%
Tax Rate Included in Interest Rate	
2025 Beginning Balance	$153,075

We have developed funding plans which will help steer the reserve account into a high funded range within the 30-year timeframe of this reserve study. This Recommended Funding Model requires the Client to allocate the recommended allocation amount into the reserve account with annual increases thereafter. In the following pages you will find the recommended allocation rates to the reserve account, annual projected expenditures and the percent funded of the reserve account if following this Recommended Funding Model.

This Recommended Funding Plan Considers 4 Basic Principles:

1. There are adequate reserves when needed.
2. The budget should remain stable but increasing to offset inflationary factors.
3. The costs are fairly distributed over time.
4. The funding plan must allow the Client to be fiscally responsible.

The following page provides the 30-year projections for this funding model.

Recommended Funding Model Summary of Calculations

Required Annual Contribution	$62,250.00
Average Net Annual Interest Earned	$16.95
Total Annual Allocation to Reserves	$62,266.95

Sector 2A Snohomish Cascade Association
Recommended Funding - Year End Projections

Begining Balance: $153,075

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2025	789,945	3.0%	62,250		17	166,910	48,432	301,204	16%
2026	813,643	3.0%	64,118	3.00%	38	3,534	109,053	351,502	31%
2027	838,053	3.0%	66,041	3.00%	31	87,938	87,187	327,549	27%
2028	863,194	3.0%	68,022	3.00%	53	3,340	151,923	391,696	39%
2029	889,090	3.0%	70,063	3.00%	76	3,862	218,200	458,963	48%
2030	915,763	3.0%	72,165	3.00%	71	88,133	202,302	443,232	46%
2031	943,236	3.0%	74,330	3.00%	96	3,650	273,078	515,886	53%
2032	971,533	3.0%	76,560	3.00%	95	79,578	270,154	514,408	53%
2033	1,000,679	3.0%	78,856	3.00%	119	9,347	339,782	587,172	58%
2034	1,030,699	3.0%	81,222	3.00%	146	3,988	417,162	669,649	62%
2035	1,061,620	3.0%	83,659	3.00%	146	83,385	417,582	674,890	62%
2036	1,093,468	3.0%	86,169	3.00%	176	2,190	501,736	766,050	65%
2037	1,126,273	3.0%	88,754	3.00%	172	99,026	491,636	762,398	64%
2038	1,160,061	3.0%	91,416	3.00%	202	5,039	578,215	857,706	67%
2039	1,194,862	3.0%	94,159	3.00%	233	8,084	664,523	955,064	70%
2040	1,230,708	3.0%	96,983	3.00%	223	124,245	637,484	938,096	68%
2041	1,267,630	3.0%	99,893	3.00%	122	388,064	349,435	651,357	54%
2042	1,305,659	3.0%	102,890	3.00%	92	189,912	262,505	544,280	48%
2043	1,252,948	3.0%	105,976	3.00%	127	5,204	363,405	626,310	58%
2044	1,290,537	3.0%	109,156	3.00%	163	6,016	466,708	712,096	66%
2045	1,329,253	3.0%	112,430	3.00%	133	200,124	379,147	602,720	63%
2046	1,369,130	3.0%	115,803	3.00%	171	5,686	489,435	692,596	71%
2047	1,410,204	3.0%	119,277	3.00%	168	127,360	481,520	662,173	73%
2048	1,452,510	3.0%	122,856	3.00%	210	3,123	601,464	761,202	79%
2049	1,496,086	3.0%	126,541	3.00%	248	18,171	710,082	850,173	84%
2050	1,540,968	3.0%	130,338	3.00%	145	427,555	413,010	522,693	79%
2051	1,587,197	3.0%	134,248	3.00%	190	3,412	544,036	624,878	87%
2052	1,634,813	3.0%	138,275	3.00%	236	6,790	675,758	729,350	93%
2053	1,683,858	3.0%	142,423	3.00%	284	7,850	810,615	838,646	97%
2054	1,734,373	3.0%	146,696	3.00%	330	14,345	943,296	947,396	100%

Sector 2A Snohomish Cascade Association
Alternate Recommended Model - Year End Projections

Begining Balance: $153,075

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2025	789,945	3.0%	51,000		13	166,910	37,178	301,204	12%
2026	813,643	3.0%	53,152	4.22%	30	3,534	86,826	351,502	25%
2027	838,053	3.0%	55,395	4.22%	19	87,938	54,303	327,549	17%
2028	863,194	3.0%	57,733	4.22%	38	3,340	108,734	391,696	28%
2029	889,090	3.0%	60,169	4.22%	58	3,862	165,099	458,963	36%
2030	915,763	3.0%	62,708	4.22%	49	88,133	139,723	443,232	32%
2031	943,236	3.0%	65,355	4.22%	70	3,650	201,498	515,886	39%
2032	971,533	3.0%	68,113	4.22%	67	79,578	190,100	514,408	37%
2033	1,000,679	3.0%	70,987	4.22%	88	9,347	251,828	587,172	43%
2034	1,030,699	3.0%	73,983	4.22%	113	3,988	321,935	669,649	48%
2035	1,061,620	3.0%	77,105	4.22%	110	83,385	315,765	674,890	47%
2036	1,093,468	3.0%	80,359	4.22%	138	2,190	394,071	766,050	51%
2037	1,126,273	3.0%	83,750	4.22%	133	99,026	378,927	762,398	50%
2038	1,160,061	3.0%	87,284	4.22%	161	5,039	461,334	857,706	54%
2039	1,194,862	3.0%	90,967	4.22%	190	8,084	544,407	955,064	57%
2040	1,230,708	3.0%	94,806	4.22%	180	124,245	515,149	938,096	55%
2041	1,267,630	3.0%	98,807	4.22%	79	388,064	225,971	651,357	35%
2042	1,305,659	3.0%	102,977	4.22%	49	189,912	139,084	544,280	26%
2043	1,252,948	3.0%	107,322	4.22%	84	5,204	241,287	626,310	39%
2044	1,290,537	3.0%	111,851	4.22%	121	6,016	347,243	712,096	49%
2045	1,329,253	3.0%	116,571	4.22%	92	200,124	263,783	602,720	44%
2046	1,369,130	3.0%	121,491	4.22%	133	5,686	379,720	692,596	55%
2047	1,410,204	3.0%	126,617	4.22%	133	127,360	379,110	662,173	57%
2048	1,452,510	3.0%	131,961	4.22%	178	3,123	508,125	761,202	67%
2049	1,496,086	3.0%	137,529	4.22%	220	18,171	627,703	850,173	74%
2050	1,540,968	3.0%	143,333	4.22%	120	427,555	343,602	522,693	66%
2051	1,587,197	3.0%	149,382	4.22%	171	3,412	489,743	624,878	78%
2052	1,634,813	3.0%	155,686	4.22%	224	6,790	638,862	729,350	88%
2053	1,683,858	3.0%	162,256	4.22%	278	7,850	793,546	838,646	95%
2054	1,734,373	3.0%	169,103	4.22%	332	14,345	948,636	947,396	100%

Sector 2A Snohomish Cascade Association
Baseline Funding - Summary

Report Date	July 23, 2024
Account Number	17688
Version	Draft1
Budget Year Beginning	January 1, 2025
Budget Year Ending	December 31, 2025
Total Units	247

Report Parameters

Inflation	3.00%
Annual Contribution Increase	3.00%
Interest Rate on Reserve Deposit	0.03%
Tax Rate Included in Interest Rate	
2025 Beginning Balance	$153,075

The Baseline Funding Model is considered a bare minimum approach which has a goal of keeping the reserve account balance above $0 within the 30-year timeframe of this reserve study and *does not* take into consideration projected expenses that fall outside of the 30-year timeframe of the reserve study (i.e. longer life components are simply ignored).

This funding model carries a higher risk for reliance on emergency financing specifically in years when large component expenses occur earlier than projected or costs see significant increases. Additionally, in the future when longer life components come into the 30-year timeframe of future reserve studies their projected expenditures will have a significant impact on the allocation requirements to keep the reserve account cash positive going forward.

Should the Client have an interest in not funding longer life component projects (i.e. projects that are set to occur after the 30 year projections in this study) at this time then we suggest setting a goal of at least funding to the Baseline Funding Model which has the goal of only staying cash positive for the 30 year time-frame of the projections in this study.

The following page provides the 30-year projections for this funding model.

Baseline Threshold Funding Model Summary of Calculations

Required Annual Contribution	$51,581.65
Average Net Annual Interest Earned	$13.21
Total Annual Allocation to Reserves	$51,594.86

Sector 2A Snohomish Cascade Association
Baseline Funding - Year End Projections

Begining Balance: $153,075

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2025	789,945	3.0%	51,582		13	166,910	37,760	301,204	13%
2026	813,643	3.0%	53,129	3.00%	31	3,534	87,385	351,502	25%
2027	838,053	3.0%	54,723	3.00%	19	87,938	54,190	327,549	17%
2028	863,194	3.0%	56,365	3.00%	38	3,340	107,252	391,696	27%
2029	889,090	3.0%	58,056	3.00%	57	3,862	161,502	458,963	35%
2030	915,763	3.0%	59,797	3.00%	47	88,133	133,213	443,232	30%
2031	943,236	3.0%	61,591	3.00%	67	3,650	191,221	515,886	37%
2032	971,533	3.0%	63,439	3.00%	61	79,578	175,143	514,408	34%
2033	1,000,679	3.0%	65,342	3.00%	81	9,347	231,219	587,172	39%
2034	1,030,699	3.0%	67,302	3.00%	103	3,988	294,636	669,649	44%
2035	1,061,620	3.0%	69,321	3.00%	98	83,385	280,671	674,890	42%
2036	1,093,468	3.0%	71,401	3.00%	122	2,190	350,004	766,050	46%
2037	1,126,273	3.0%	73,543	3.00%	114	99,026	324,635	762,398	43%
2038	1,160,061	3.0%	75,749	3.00%	138	5,039	395,484	857,706	46%
2039	1,194,862	3.0%	78,022	3.00%	163	8,084	465,585	955,064	49%
2040	1,230,708	3.0%	80,363	3.00%	148	124,245	421,850	938,096	45%
2041	1,267,630	3.0%	82,773	3.00%	41	388,064	116,600	651,357	18%
2042	1,305,659	3.0%	85,257	3.00%	4	189,912	11,949	544,280	2%
2043	1,252,948	3.0%	87,814	3.00%	33	5,204	94,593	626,310	15%
2044	1,290,537	3.0%	90,449	3.00%	63	6,016	179,088	712,096	25%
2045	1,329,253	3.0%	93,162	3.00%	25	200,124	72,151	602,720	12%
2046	1,369,130	3.0%	95,957	3.00%	57	5,686	162,478	692,596	23%
2047	1,410,204	3.0%	98,836	3.00%	47	127,360	134,001	662,173	20%
2048	1,452,510	3.0%	101,801	3.00%	81	3,123	232,760	761,202	31%
2049	1,496,086	3.0%	104,855	3.00%	112	18,171	319,556	850,173	38%
2050	1,540,968	3.0%	108,001	3.00%		427,555	1	522,693	0%
2051	1,587,197	3.0%	111,241	3.00%	38	3,412	107,867	624,878	17%
2052	1,634,813	3.0%	114,578	3.00%	75	6,790	215,731	729,350	30%
2053	1,683,858	3.0%	118,015	3.00%	114	7,850	326,010	838,646	39%
2054	1,734,373	3.0%	121,556	3.00%	152	14,345	433,372	947,396	46%

Sector 2A Snohomish Cascade Association
Current Funding - Summary

Report Date	July 23, 2024
Account Number	17688
Version	Draft1
Budget Year Beginning	January 1, 2025
Budget Year Ending	December 31, 2025
Total Units	247

Report Parameters

Inflation	3.00%
Annual Contribution Increase	3.00%
Interest Rate on Reserve Deposit	0.03%
Tax Rate Included in Interest Rate	
2025 Beginning Balance	$153,075

The Current Funding Model is based on the reserve allocation data supplied by the Client; it has not been independently verified and is assumed to be correct.

The following page provides the 30-year projections for this funding model. It is assumed the reserve allocation rate will have annual increases to offset inflationary factors.

Current Assessment Funding Model Summary of Calculations

Required Annual Contribution	$51,000.00
Average Net Annual Interest Earned	$13.01
Total Annual Allocation to Reserves	$51,013.01

Sector 2A Snohomish Cascade Association
Current Funding - Year End Projections

Begining Balance: $153,075

Year	Asset Cost	Inflation Rate	Reserve Allocation	Allocation % Change	Net Interest	Projected Expenditures	Year End Acct. Balance	Year End FFB	Year End % Funded
2025	789,945	3.0%	51,000		13	166,910	37,178	301,204	12%
2026	813,643	3.0%	52,530	3.00%	30	3,534	86,204	351,502	25%
2027	838,053	3.0%	54,106	3.00%	18	87,938	52,391	327,549	16%
2028	863,194	3.0%	55,729	3.00%	37	3,340	104,816	391,696	27%
2029	889,090	3.0%	57,401	3.00%	55	3,862	158,411	458,963	35%
2030	915,763	3.0%	59,123	3.00%	45	88,133	129,446	443,232	29%
2031	943,236	3.0%	60,897	3.00%	65	3,650	186,758	515,886	36%
2032	971,533	3.0%	62,724	3.00%	59	79,578	169,963	514,408	33%
2033	1,000,679	3.0%	64,605	3.00%	79	9,347	225,300	587,172	38%
2034	1,030,699	3.0%	66,543	3.00%	101	3,988	287,956	669,649	43%
2035	1,061,620	3.0%	68,540	3.00%	96	83,385	273,207	674,890	40%
2036	1,093,468	3.0%	70,596	3.00%	120	2,190	341,732	766,050	45%
2037	1,126,273	3.0%	72,714	3.00%	110	99,026	315,530	762,398	41%
2038	1,160,061	3.0%	74,895	3.00%	135	5,039	385,521	857,706	45%
2039	1,194,862	3.0%	77,142	3.00%	159	8,084	454,738	955,064	48%
2040	1,230,708	3.0%	79,456	3.00%	143	124,245	410,093	938,096	44%
2041	1,267,630	3.0%	81,840	3.00%	36	388,064	103,906	651,357	16%
2042	1,305,659	3.0%	84,295	3.00%		189,912	-1,711	544,280	
2043	1,252,948	3.0%	86,824	3.00%	28	5,204	79,938	626,310	13%
2044	1,290,537	3.0%	89,429	3.00%	57	6,016	163,407	712,096	23%
2045	1,329,253	3.0%	92,112	3.00%	19	200,124	55,414	602,720	9%
2046	1,369,130	3.0%	94,875	3.00%	51	5,686	144,653	692,596	21%
2047	1,410,204	3.0%	97,721	3.00%	40	127,360	115,054	662,173	17%
2048	1,452,510	3.0%	100,653	3.00%	74	3,123	212,659	761,202	28%
2049	1,496,086	3.0%	103,672	3.00%	104	18,171	298,264	850,173	35%
2050	1,540,968	3.0%	106,783	3.00%		427,555	-22,508	522,693	
2051	1,587,197	3.0%	109,986	3.00%	29	3,412	84,096	624,878	13%
2052	1,634,813	3.0%	113,286	3.00%	67	6,790	190,658	729,350	26%
2053	1,683,858	3.0%	116,684	3.00%	105	7,850	299,597	838,646	36%
2054	1,734,373	3.0%	120,185	3.00%	142	14,345	405,579	947,396	43%

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - List

Description		Expenditures
Replacement Year 2025		
1001	Asphalt - Overlay	11,023
1002	Asphalt - Sealcoat	1,514
1005	Concrete Curb - 20% Repair	2,044
1009	Fence (sno-cascade drive) - Paint/Stain	39,509
1013	Irrigation Backflow Valve - Replace	1,826
1017	Irrigation Valves (in-ground) - 10% Replace	1,582
1019	Landscaping (gravel) - Replenish	3,726
1020	Landscaping - 25% Tree Care	11,821
1028	Pavers (sand set) - Replace	2,818
1030	Playground Structure (small park) - Replace	63,037
1032	Playground Surface (small park) - Replenish	1,474
1033	Playground Timber Edging (boat park) - Replace	6,536
1034	Playground Timber Edging (small park) - Replace	5,882
1035	Recreation - Benches (wood) - Replace	10,041
1036	Recreation - Picnic Table (wood) - Replace	3,104
1038	Retaining Walls (wood) - Replace	971
Total for 2025		**$166,910**
Replacement Year 2026		
1017	Irrigation Valves (in-ground) - 10% Replace	1,630
1031	Playground Surface (boat park) - Replenish	1,904
Total for 2026		**$3,534**
Replacement Year 2027		
1016	Irrigation Piping - 25% Replace	57,257
1017	Irrigation Valves (in-ground) - 10% Replace	1,679
1021	Lights (pole) - Replace	3,177
1039	Stormwater Pond (NE pond) - Refurbish	25,826
Total for 2027		**$87,938**
Replacement Year 2028		
1017	Irrigation Valves (in-ground) - 10% Replace	1,729
1032	Playground Surface (small park) - Replenish	1,611
Total for 2028		**$3,340**

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - List

	Description	Expenditures
Replacement Year 2029		
1017	Irrigation Valves (in-ground) - 10% Replace	1,781
1031	Playground Surface (boat park) - Replenish	2,081
Total for 2029		**$3,862**
Replacement Year 2030		
1002	Asphalt - Sealcoat	1,756
1005	Concrete Curb - 20% Repair	2,370
1009	Fence (sno-cascade drive) - Paint/Stain	45,802
1015	Irrigation Controllers (2015) - Replace	2,121
1017	Irrigation Valves (in-ground) - 10% Replace	1,834
1019	Landscaping (gravel) - Replenish	4,319
1020	Landscaping - 25% Tree Care	13,704
1040	Stormwater Pond (NW pond) - Refurbish	16,227
Total for 2030		**$88,133**
Replacement Year 2031		
1017	Irrigation Valves (in-ground) - 10% Replace	1,889
1032	Playground Surface (small park) - Replenish	1,760
Total for 2031		**$3,650**
Replacement Year 2032		
1014	Irrigation Controller Panels - Replace	4,491
1016	Irrigation Piping - 25% Replace	66,376
1017	Irrigation Valves (in-ground) - 10% Replace	1,946
1027	Parking Bollards (boat park) - Replace	4,491
1031	Playground Surface (boat park) - Replenish	2,274
Total for 2032		**$79,578**
Replacement Year 2033		
1017	Irrigation Valves (in-ground) - 10% Replace	2,004
1022	Mailbox Cluster (2009) - Replace	7,343
Total for 2033		**$9,347**
Replacement Year 2034		
1017	Irrigation Valves (in-ground) - 10% Replace	2,065

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - List

Description		Expenditures
Replacement Year 2034 continued...		
1032	Playground Surface (small park) - Replenish	1,924
Total for 2034		**$3,988**
Replacement Year 2035		
1002	Asphalt - Sealcoat	2,035
1005	Concrete Curb - 20% Repair	2,748
1009	Fence (sno-cascade drive) - Paint/Stain	53,097
1017	Irrigation Valves (in-ground) - 10% Replace	2,126
1019	Landscaping (gravel) - Replenish	5,007
1020	Landscaping - 25% Tree Care	15,887
1031	Playground Surface (boat park) - Replenish	2,485
Total for 2035		**$83,385**
Replacement Year 2036		
1017	Irrigation Valves (in-ground) - 10% Replace	2,190
Total for 2036		**$2,190**
Replacement Year 2037		
1008	Fence (chn link baseball 3.5') - Replace	14,965
1016	Irrigation Piping - 25% Replace	76,948
1017	Irrigation Valves (in-ground) - 10% Replace	2,256
1023	Mailbox Cluster (2013) - Replace	2,755
1032	Playground Surface (small park) - Replenish	2,102
Total for 2037		**$99,026**
Replacement Year 2038		
1017	Irrigation Valves (in-ground) - 10% Replace	2,324
1031	Playground Surface (boat park) - Replenish	2,715
Total for 2038		**$5,039**
Replacement Year 2039		
1043	Irrigation Controllers (2024) - Replace	1,384
1044	Irrigation Controllers (abv grnd) - Replace	1,384
1017	Irrigation Valves (in-ground) - 10% Replace	2,393

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - List

Description		Expenditures
Replacement Year 2039 continued...		
1024	Mailbox Cluster (2015) - Replace	2,923
Total for 2039		**$8,084**
Replacement Year 2040		
1002	Asphalt - Sealcoat	2,359
1005	Concrete Curb - 20% Repair	3,185
1009	Fence (sno-cascade drive) - Paint/Stain	61,554
1017	Irrigation Valves (in-ground) - 10% Replace	2,465
1018	Landscape Drainage (boat park) - Refurbish	28,163
1019	Landscaping (gravel) - Replenish	5,804
1020	Landscaping - 25% Tree Care	18,418
1032	Playground Surface (small park) - Replenish	2,297
Total for 2040		**$124,245**
Replacement Year 2041		
1010	Fence (sno-cascade drive) - Replace	376,357
1017	Irrigation Valves (in-ground) - 10% Replace	2,539
1025	Mailbox Cluster (2017) - Replace	6,201
1031	Playground Surface (boat park) - Replenish	2,967
Total for 2041		**$388,064**
Replacement Year 2042		
1003	Baseball Backstop (chain link) - Replace	16,094
1004	Baseball Infield Fence (chain link) - Replace	12,538
1016	Irrigation Piping - 25% Replace	89,204
1017	Irrigation Valves (in-ground) - 10% Replace	2,615
1041	Landscape Drainage (small park) - Refurbish	69,461
Total for 2042		**$189,912**
Replacement Year 2043		
1017	Irrigation Valves (in-ground) - 10% Replace	2,694
1032	Playground Surface (small park) - Replenish	2,510
Total for 2043		**$5,204**

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - List

	Description	Expenditures
Replacement Year 2044		
1017	Irrigation Valves (in-ground) - 10% Replace	2,775
1031	Playground Surface (boat park) - Replenish	3,242
Total for 2044		**$6,016**
Replacement Year 2045		
1002	Asphalt - Sealcoat	2,735
1005	Concrete Curb - 20% Repair	3,693
1009	Fence (sno-cascade drive) - Paint/Stain	71,358
1015	Irrigation Controllers (2015) - Replace	3,305
1017	Irrigation Valves (in-ground) - 10% Replace	2,858
1019	Landscaping (gravel) - Replenish	6,729
1020	Landscaping - 25% Tree Care	21,351
1026	Mailbox Clusters (2021) - Replace	62,815
1040	Stormwater Pond (NW pond) - Refurbish	25,281
Total for 2045		**$200,124**
Replacement Year 2046		
1017	Irrigation Valves (in-ground) - 10% Replace	2,944
1032	Playground Surface (small park) - Replenish	2,743
Total for 2046		**$5,686**
Replacement Year 2047		
1017	Irrigation Valves (in-ground) - 10% Replace	3,032
1029	Playground Structure (boat park) - Replace	120,786
1031	Playground Surface (boat park) - Replenish	3,542
Total for 2047		**$127,360**
Replacement Year 2048		
1017	Irrigation Valves (in-ground) - 10% Replace	3,123
Total for 2048		**$3,123**
Replacement Year 2049		
1017	Irrigation Valves (in-ground) - 10% Replace	3,217
1032	Playground Surface (small park) - Replenish	2,997

Description		Expenditures
Replacement Year 2049 continued...		
1034	Playground Timber Edging (small park) - Replace	11,958
Total for 2049		**$18,171**
Replacement Year 2050		
1001	Asphalt - Overlay	23,079
1002	Asphalt - Sealcoat	3,171
1005	Concrete Curb - 20% Repair	4,281
1006	Fence (chn link - NE Pond) - Replace	89,614
1009	Fence (sno-cascade drive) - Paint/Stain	82,723
1013	Irrigation Backflow Valve - Replace	3,823
1017	Irrigation Valves (in-ground) - 10% Replace	3,313
1019	Landscaping (gravel) - Replenish	7,800
1020	Landscaping - 25% Tree Care	24,752
1028	Pavers (sand set) - Replace	5,901
1030	Playground Structure (small park) - Replace	131,986
1031	Playground Surface (boat park) - Replenish	3,871
1033	Playground Timber Edging (boat park) - Replace	13,685
1035	Recreation - Benches (wood) - Replace	21,025
1036	Recreation - Picnic Table (wood) - Replace	6,499
1038	Retaining Walls (wood) - Replace	2,033
Total for 2050		**$427,555**
Replacement Year 2051		
1017	Irrigation Valves (in-ground) - 10% Replace	3,412
Total for 2051		**$3,412**
Replacement Year 2052		
1017	Irrigation Valves (in-ground) - 10% Replace	3,515
1032	Playground Surface (small park) - Replenish	3,275
Total for 2052		**$6,790**
Replacement Year 2053		
1017	Irrigation Valves (in-ground) - 10% Replace	3,620
1031	Playground Surface (boat park) - Replenish	4,230
Total for 2053		**$7,850**

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - List

Description		Expenditures
Replacement Year 2054		
1043	Irrigation Controllers (2024) - Replace	2,156
1044	Irrigation Controllers (abv grnd) - Replace	2,156
1017	Irrigation Valves (in-ground) - 10% Replace	3,729
1037	Retaining Walls (masonry) - Replace	6,303
Total for 2054		**$14,345**

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - Spreadsheet

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Balance	153,075	48,432	109,053	87,187	151,923	218,200	202,302	273,078	270,154	339,782
Annual Reserve Account Contribution	62,250	64,117	66,041	68,022	70,063	72,165	74,330	76,560	78,856	81,222
Interest Earned	17	38	31	53	76	71	96	95	119	146
Expenditures	166,910	3,534	87,938	3,340	3,862	88,133	3,650	79,578	9,347	3,988
Fully Funded Balance	301,204	351,502	327,549	391,696	458,963	443,232	515,886	514,408	587,172	669,649
Percent Funded	16%	31%	27%	39%	48%	46%	53%	53%	58%	62%
Ending Reserve Account Balance	48,432	109,053	87,187	151,923	218,200	202,302	273,078	270,154	339,782	417,162
ID Description										
1001 Asphalt - Overlay	11,023									
1002 Asphalt - Sealcoat	1,514					1,756				
1003 Baseball Backstop (chain link) - Replace										
1004 Baseball Infield Fence (chain link) - Replace										
1005 Concrete Curb - 20% Repair	2,044					2,370				
1006 Fence (chn link - NE Pond) - Replace										
1007 Fence (chn link - NW Pond/2016) - Replace										
1042 Fence (chn link - NW Pond/2023) - Replace										
1008 Fence (chn link baseball 3.5') - Replace										
1009 Fence (sno-cascade drive) - Paint/Stain	39,509					45,802				
1010 Fence (sno-cascade drive) - Replace										
1013 Irrigation Backflow Valve - Replace	1,826									
1014 Irrigation Controller Panels - Replace								4,491		
1015 Irrigation Controllers (2015) - Replace						2,121				
1043 Irrigation Controllers (2024) - Replace										
1044 Irrigation Controllers (abv grnd) - Replace										
1016 Irrigation Piping - 25% Replace			57,257					66,376		
1017 Irrigation Valves (in-ground) - 10% Replace	1,582	1,630	1,679	1,729	1,781	1,834	1,889	1,946	2,004	2,065
1018 Landscape Drainage (boat park) - Refurbish										
1041 Landscape Drainage (small park) - Refurbish										
1019 Landscaping (gravel) - Replenish	3,726					4,319				
1020 Landscaping - 25% Tree Care	11,821					13,704				
1021 Lights (pole) - Replace			3,177							
1022 Mailbox Cluster (2009) - Replace									7,343	

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - Spreadsheet

ID	Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1023	Mailbox Cluster (2013) - Replace										
1024	Mailbox Cluster (2015) - Replace										
1025	Mailbox Cluster (2017) - Replace										
1026	Mailbox Clusters (2021) - Replace										
1027	Parking Bollards (boat park) - Replace								4,491		
1028	Pavers (sand set) - Replace	2,818									
1029	Playground Structure (boat park) - Replace										
1030	Playground Structure (small park) - Replace	63,037									
1031	Playground Surface (boat park) - Replenish		1,904			2,081			2,274		
1032	Playground Surface (small park) - Replenish	1,474			1,611			1,760			1,924
1033	Playground Timber Edging (boat park) - Repla..	6,536									
1034	Playground Timber Edging (small park) - Repl..	5,882									
1035	Recreation - Benches (wood) - Replace	10,041									
1036	Recreation - Picnic Table (wood) - Replace	3,104									
1037	Retaining Walls (masonry) - Replace										
1038	Retaining Walls (wood) - Replace	971									
1039	Stormwater Pond (NE pond) - Refurbish			25,826							
1040	Stormwater Pond (NW pond) - Refurbish						16,227				
Year Total:		**166,910**	**3,534**	**87,938**	**3,340**	**3,862**	**88,133**	**3,650**	**79,578**	**9,347**	**3,988**

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - Spreadsheet

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Beginning Balance	417,162	417,582	501,736	491,636	578,215	664,523	637,484	349,435	262,505	363,405
Annual Reserve Account Contribution	83,659	86,169	88,754	91,416	94,159	96,983	99,893	102,890	105,976	109,156
Interest Earned	146	176	172	202	233	223	122	92	127	163
Expenditures	83,385	2,190	99,026	5,039	8,084	124,245	388,064	189,912	5,204	6,016
Fully Funded Balance	674,890	766,050	762,398	857,706	955,064	938,096	651,357	544,280	626,310	712,096
Percent Funded	62%	65%	64%	67%	70%	68%	54%	48%	58%	66%
Ending Reserve Account Balance	417,582	501,736	491,636	578,215	664,523	637,484	349,435	262,505	363,405	466,708
ID Description										
1001 Asphalt - Overlay										
1002 Asphalt - Sealcoat	2,035					2,359				
1003 Baseball Backstop (chain link) - Replace								16,094		
1004 Baseball Infield Fence (chain link) - Replace								12,538		
1005 Concrete Curb - 20% Repair	2,748					3,185				
1006 Fence (chn link - NE Pond) - Replace										
1007 Fence (chn link - NW Pond/2016) - Replace										
1042 Fence (chn link - NW Pond/2023) - Replace										
1008 Fence (chn link baseball 3.5') - Replace			14,965							
1009 Fence (sno-cascade drive) - Paint/Stain	53,097					61,554				
1010 Fence (sno-cascade drive) - Replace							376,357			
1013 Irrigation Backflow Valve - Replace										
1014 Irrigation Controller Panels - Replace										
1015 Irrigation Controllers (2015) - Replace										
1043 Irrigation Controllers (2024) - Replace					1,384					
1044 Irrigation Controllers (abv grnd) - Replace					1,384					
1016 Irrigation Piping - 25% Replace			76,948					89,204		
1017 Irrigation Valves (in-ground) - 10% Replace	2,126	2,190	2,256	2,324	2,393	2,465	2,539	2,615	2,694	2,775
1018 Landscape Drainage (boat park) - Refurbish						28,163				
1041 Landscape Drainage (small park) - Refurbish								69,461		
1019 Landscaping (gravel) - Replenish	5,007					5,804				
1020 Landscaping - 25% Tree Care	15,887					18,418				
1021 Lights (pole) - Replace										
1022 Mailbox Cluster (2009) - Replace										

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - Spreadsheet

ID	Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
1023	Mailbox Cluster (2013) - Replace			2,755							
1024	Mailbox Cluster (2015) - Replace					2,923					
1025	Mailbox Cluster (2017) - Replace							6,201			
1026	Mailbox Clusters (2021) - Replace										
1027	Parking Bollards (boat park) - Replace										
1028	Pavers (sand set) - Replace										
1029	Playground Structure (boat park) - Replace										
1030	Playground Structure (small park) - Replace										
1031	Playground Surface (boat park) - Replenish	2,485			2,715			2,967			3,242
1032	Playground Surface (small park) - Replenish			2,102			2,297			2,510	
1033	Playground Timber Edging (boat park) - Repla..										
1034	Playground Timber Edging (small park) - Repl..										
1035	Recreation - Benches (wood) - Replace										
1036	Recreation - Picnic Table (wood) - Replace										
1037	Retaining Walls (masonry) - Replace										
1038	Retaining Walls (wood) - Replace										
1039	Stormwater Pond (NE pond) - Refurbish										
1040	Stormwater Pond (NW pond) - Refurbish										
Year Total:		**83,385**	**2,190**	**99,026**	**5,039**	**8,084**	**124,245**	**388,064**	**189,912**	**5,204**	**6,016**

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - Spreadsheet

	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Beginning Balance	466,708	379,147	489,435	481,520	601,464	710,082	413,010	544,036	675,758	810,615
Annual Reserve Account Contribution	112,430	115,803	119,277	122,856	126,541	130,338	134,248	138,275	142,423	146,696
Interest Earned	133	171	168	210	248	145	190	236	284	330
Expenditures	200,124	5,686	127,360	3,123	18,171	427,555	3,412	6,790	7,850	14,345
Fully Funded Balance	602,720	692,596	662,173	761,202	850,173	522,693	624,878	729,350	838,646	947,396
Percent Funded	63%	71%	73%	79%	84%	79%	87%	93%	97%	100%
Ending Reserve Account Balance	379,147	489,435	481,520	601,464	710,082	413,010	544,036	675,758	810,615	943,296
ID Description										
1001 Asphalt - Overlay						23,079				
1002 Asphalt - Sealcoat	2,735					3,171				
1003 Baseball Backstop (chain link) - Replace										
1004 Baseball Infield Fence (chain link) - Replace										
1005 Concrete Curb - 20% Repair	3,693					4,281				
1006 Fence (chn link - NE Pond) - Replace						89,614				
1007 Fence (chn link - NW Pond/2016) - Replace										
1042 Fence (chn link - NW Pond/2023) - Replace										
1008 Fence (chn link baseball 3.5') - Replace										
1009 Fence (sno-cascade drive) - Paint/Stain	71,358					82,723				
1010 Fence (sno-cascade drive) - Replace										
1013 Irrigation Backflow Valve - Replace						3,823				
1014 Irrigation Controller Panels - Replace										
1015 Irrigation Controllers (2015) - Replace	3,305									
1043 Irrigation Controllers (2024) - Replace										2,156
1044 Irrigation Controllers (abv grnd) - Replace										2,156
1016 Irrigation Piping - 25% Replace										
1017 Irrigation Valves (in-ground) - 10% Replace	2,858	2,944	3,032	3,123	3,217	3,313	3,412	3,515	3,620	3,729
1018 Landscape Drainage (boat park) - Refurbish										
1041 Landscape Drainage (small park) - Refurbish										
1019 Landscaping (gravel) - Replenish	6,729					7,800				
1020 Landscaping - 25% Tree Care	21,351					24,752				
1021 Lights (pole) - Replace										
1022 Mailbox Cluster (2009) - Replace										

Sector 2A Snohomish Cascade Association
Projected Annual Expenditures - Spreadsheet

ID	Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
1023	Mailbox Cluster (2013) - Replace										
1024	Mailbox Cluster (2015) - Replace										
1025	Mailbox Cluster (2017) - Replace										
1026	Mailbox Clusters (2021) - Replace	62,815									
1027	Parking Bollards (boat park) - Replace										
1028	Pavers (sand set) - Replace						5,901				
1029	Playground Structure (boat park) - Replace			120,786							
1030	Playground Structure (small park) - Replace						131,986				
1031	Playground Surface (boat park) - Replenish			3,542			3,871			4,230	
1032	Playground Surface (small park) - Replenish		2,743			2,997			3,275		
1033	Playground Timber Edging (boat park) - Repla..						13,685				
1034	Playground Timber Edging (small park) - Repl..					11,958					
1035	Recreation - Benches (wood) - Replace						21,025				
1036	Recreation - Picnic Table (wood) - Replace						6,499				
1037	Retaining Walls (masonry) - Replace										6,303
1038	Retaining Walls (wood) - Replace						2,033				
1039	Stormwater Pond (NE pond) - Refurbish										
1040	Stormwater Pond (NW pond) - Refurbish	25,281									
Year Total:		**200,124**	**5,686**	**127,360**	**3,123**	**18,171**	**427,555**	**3,412**	**6,790**	**7,850**	**14,345**

Sector 2A Snohomish Cascade Association
Fully Funded Balance Calculations (Beginning Fiscal Year)

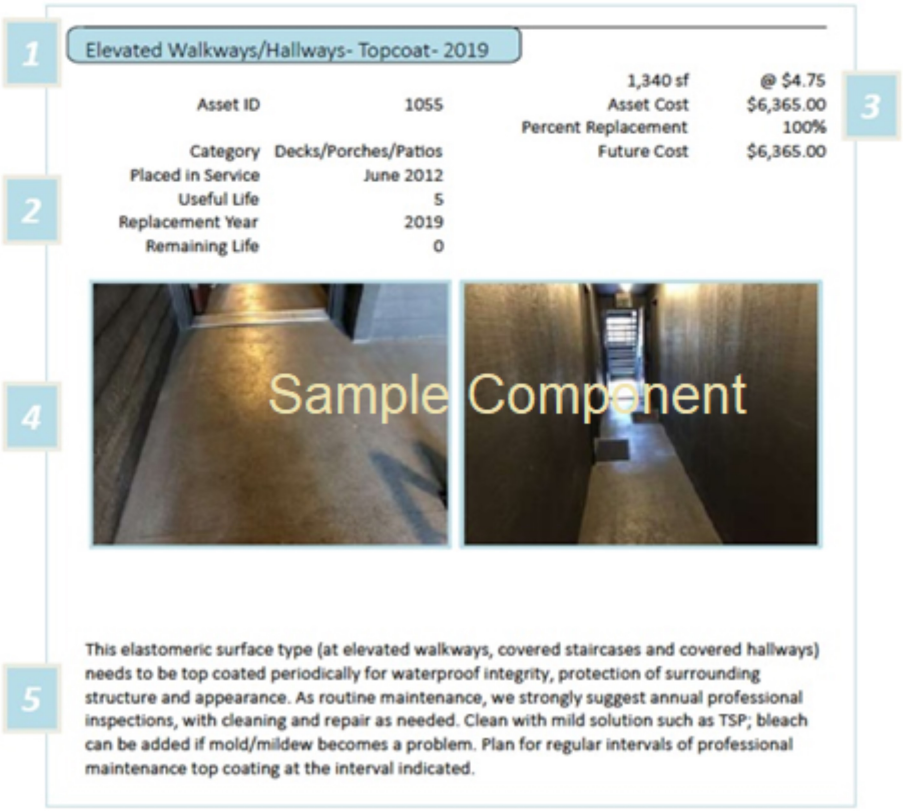
Asset ID	Description	Current Cost	x	Age	/	Useful Life	=	Fully Funded
1001	Asphalt - Overlay	$11,023	x	25	/	25	=	$11,023
1002	Asphalt - Sealcoat	$1,514	x	5	/	5	=	$1,514
1003	Baseball Backstop (chain link...	$9,737	x	28	/	45	=	$6,059
1004	Baseball Infield Fence (chain ...	$7,585	x	28	/	45	=	$4,720
1005	Concrete Curb - 20% Repair	$2,044	x	20	/	20	=	$2,044
1006	Fence (chn link - NE Pond) - ...	$42,800	x	15	/	40	=	$16,050
1007	Fence (chn link - NW Pond/2...	$24,216	x	9	/	40	=	$5,449
1042	Fence (chn link - NW Pond/2...	$11,432	x	2	/	40	=	$572
1008	Fence (chn link baseball 3.5')...	$10,496	x	28	/	40	=	$7,347
1009	Fence (sno-cascade drive) - P...	$39,509	x	5	/	5	=	$39,509
1010	Fence (sno-cascade drive) - R...	$234,533	x	9	/	25	=	$84,432
1013	Irrigation Backflow Valve - R...	$1,826	x	25	/	25	=	$1,826
1014	Irrigation Controller Panels - ...	$3,651	x	28	/	35	=	$2,921
1015	Irrigation Controllers (2015) ...	$1,830	x	10	/	15	=	$1,220
1043	Irrigation Controllers (2024) ...	$915	x	1	/	15	=	$61
1044	Irrigation Controllers (abv gr...	$915	x	1	/	15	=	$61
1016	Irrigation Piping - 25% Replace	$53,970	x	28	/	30	=	$50,372
1017	Irrigation Valves (in-ground) ...	$1,582	x	1	/	1	=	$1,582
1018	Landscape Drainage (boat pa...	$18,077	x	5	/	20	=	$4,519
1041	Landscape Drainage (small p...	$42,025	x	3	/	20	=	$6,304
1019	Landscaping (gravel) - Reple...	$3,726	x	5	/	5	=	$3,726
1020	Landscaping - 25% Tree Care	$11,822	x	25	/	25	=	$11,822
1021	Lights (pole) - Replace	$2,994	x	28	/	30	=	$2,795
1022	Mailbox Cluster (2009) - Repl...	$5,797	x	16	/	24	=	$3,864
1023	Mailbox Cluster (2013) - Repl...	$1,932	x	12	/	24	=	$966
1024	Mailbox Cluster (2015) - Repl...	$1,932	x	10	/	24	=	$805
1025	Mailbox Cluster (2017) - Repl...	$3,864	x	8	/	24	=	$1,288
1026	Mailbox Clusters (2021) - Re...	$34,779	x	4	/	24	=	$5,797
1027	Parking Bollards (boat park) -...	$3,651	x	28	/	35	=	$2,921
1028	Pavers (sand set) - Replace	$2,818	x	25	/	25	=	$2,818
1029	Playground Structure (boat p...	$63,037	x	3	/	25	=	$7,564
1030	Playground Structure (small ...	$63,037	x	28	/	28	=	$63,037
1031	Playground Surface (boat pa...	$1,849	x	2	/	3	=	$1,233
1032	Playground Surface (small pa...	$1,474	x	3	/	3	=	$1,474
1033	Playground Timber Edging (b...	$6,536	x	25	/	25	=	$6,536

Sector 2A Snohomish Cascade Association
Fully Funded Balance Calculations (Beginning Fiscal Year)

Asset ID	Description	Current Cost	x	Age	/	Useful Life	=	Fully Funded
1034	Playground Timber Edging (s...	$5,882	x	28	/	28	=	$5,882
1035	Recreation - Benches (wood)...	$10,041	x	25	/	25	=	$10,041
1036	Recreation - Picnic Table (wo...	$3,104	x	25	/	25	=	$3,104
1037	Retaining Walls (masonry) - ...	$2,675	x	11	/	40	=	$736
1038	Retaining Walls (wood) - Rep...	$971	x	25	/	25	=	$971
1039	Stormwater Pond (NE pond) ...	$24,343	x	28	/	30	=	$22,720
1040	Stormwater Pond (NW pond...	$13,997	x	10	/	15	=	$9,332
Total Asset Summary:								$417,017

Sector 2A Snohomish Cascade Association
About the Component Detail Reports Section

In the following Component Details Section of this reserve study you will find each component that has been listed within the Component List. This section has more detailed information for each component and reviewing it will often answer questions that arise regarding specific components within this reserve study. Below you will find an explanation of what and where this information is located.



1. Component Name and next Replacement Year as well as a unique Asset ID to cross reference with other sections within this reserve study.

2. This area has the category of the component, estimated placed in-service date (when last installed), the estimated useful life of the component (estimate of how long the component will last), the next replacement year in this reserve study and the remaining useful life (how many years before replacement is estimated to occur).

3. The area has the total measurement/unit count of the component, the cost per unit, the total asset cost (unit count X unit cost), the percent replacement (amount funded to be replaced in a cycle), and the future cost (estimated cost at the next replacement date).

4. Pictures of the component are included for Level I studies unless the Client has requested fewer pages in the study in which case we will omit them.

5. Specific comments about this component which can include explanations for adjustments to the useful life, phasing, maintenance of the component, Vendor recommendations, etc.

Asphalt - Overlay - 2025

		4,113 sf	@ $2.68
Asset ID	1001	Asset Actual Cost	$11,022.84
		Percent Replacement	100%
Category	Asphalt Surfaces	Future Cost	$11,022.84
Placed in Service	June 1997		
Useful Life	25		
Replacement Year	2025		
Remaining Life	0		

Appears to be deteriorating at a rate typical of its age. As routine maintenance, keep surface clean, ensure that drains are clean and free flowing, repair cracks and clean oils stains promptly. Best to plan for eventual intervals of resurfacing (overlay).

If properly built, asphalt surfaces will deteriorate from the top down, which only requires the replacement of a layer of asphalt, or preferably the application of a layer on top of the existing asphalt (overlay). The asphalt overlay not only provides a new paving surface for a fraction of the cost of rebuilding the entire surface, but it is the only preventive maintenance technique that adds structural value while extending a pavement's service life.

Cost estimate assumes a 2 inch overlay over existing surfaces.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Asphalt - Sealcoat - 2025

		4,113 sf	@ $0.37
Asset ID	1002	Asset Actual Cost	$1,514.41
		Percent Replacement	100%
Category	Asphalt Surfaces	Future Cost	$1,514.41
Placed in Service	June 2015		
Useful Life	5		
Replacement Year	2025		
Remaining Life	0		

The primary reason to seal-coat is to protect the pavement from the deteriorating effects of sun and water, which causes the asphalt to harden, or oxidize; the pavement turns brittle. The seal-coat provides a waterproof membrane which slows the oxidation process and helps the pavement shed water, preventing the water to infiltrate the base material.

Proper drainage is vital for the longevity of asphalt surfaces. Standing water can seep through the asphalt and get into the sub-base and sub-grade below, significantly weakening the structural integrity of the road and causing premature failure.

Asphalt - Sealcoat continued...

Oil spills eat through the asphalt seal and should be cleaned up between seal coats. Power washing is recommended annually where needed and treated as an operating expense.

Cost estimate includes crack filling and 2 coats are to be applied. In years when an Overlay/Replacement project is set to occur sealcoats will typically be applied 12 months after the project is completed. We typically recommend funding for this component within the same year as the Overlay/Replacement project for cost efficiency with the Vendor.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Baseball Backstop (chain link) - Replace - 2042

		1 ea	@ $9,737.25
Asset ID	1003	Asset Actual Cost	$9,737.25
		Percent Replacement	100%
Category	Recreation	Future Cost	$16,094.19
Placed in Service	June 1997		
Useful Life	45		
Replacement Year	2042		
Remaining Life	17		

Baseball backstop appears to be deteriorating at a rate typical of its age. We recommend budgeting for replacement at the timeframe indicated. Wood areas should be replaced repairs as need from the Operating Account.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Baseball Infield Fence (chain link) - Replace - 2042

		152 lf	@ $49.90
Asset ID	1004	Asset Actual Cost	$7,585.45
		Percent Replacement	100%
Category	Fencing	Future Cost	$12,537.60
Placed in Service	June 1997		
Useful Life	45		
Replacement Year	2042		
Remaining Life	17		

Appears to be deteriorating at a rate typical of its age. Sturdy component that can last for extended

Baseball Infield Fence (chain link) - Replace continued...

period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Concrete Curb - 20% Repair - 2025

		227 lf	@ $45.03
Asset ID	1005	Asset Actual Cost	$2,044.47
		Percent Replacement	20%
Category	Concrete Surfaces	Future Cost	$2,044.47
Placed in Service	June 1997		
Useful Life	5		
Adjustment	15		
Replacement Year	2025		
Remaining Life	0		

Concrete curbs appear to be deteriorating at a rate typical of their age. This repair contingency has been included due to the likelihood of additional damage from roots and vehicles.

This component has been set to cycle at 5 year increments after 20 years of age (typically when roots and vehicles have caused significant damage).

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Fence (chn link - NE Pond) - Replace - 2050

		760 lf	@ $56.32
Asset ID	1006	Asset Actual Cost	$42,800.24
		Percent Replacement	100%
Category	Fencing	Future Cost	$89,614.19
Placed in Service	June 2010		
Useful Life	40		
Replacement Year	2050		
Remaining Life	25		

Appears to be deteriorating at a rate typical of its age. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.

Fence (chn link - NE Pond) - Replace continued...

*Cost Source: Client Historical Records - cost provided by Client records for a section of the NW Pond fence which was replaced in 2023 - Inflated to Current Estimate

Fence (chn link - NW Pond/2016) - Replace - 2056

		430 lf	@ $56.32
Asset ID	1007	Asset Actual Cost	$24,215.92
		Percent Replacement	100%
Category	Fencing	Future Cost	$60,541.75
Placed in Service	June 2016		
Useful Life	40		
Replacement Year	2056		
Remaining Life	31		

Appears to be deteriorating at a rate typical of its age. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.

*Cost Source: Client Historical Records - cost provided by Client records for other section of the NW Pond fence which was replaced in 2023 - Inflated to Current Estimate

Fence (chn link - NW Pond/2023) - Replace - 2063

		214 lf	@ $53.42
Asset ID	1042	Asset Actual Cost	$11,432.09
		Percent Replacement	100%
Category	Fencing	Future Cost	$35,151.21
Placed in Service	June 2023		
Useful Life	40		
Replacement Year	2063		
Remaining Life	38		

Appears to be deteriorating at a rate typical of its age. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.

*Cost Source: Client Historical Records - Client provided records indicate the old wood fence was replaced with a chain link fence in 2023 for $11,175.42 - Inflated to Current Estimate

Fence (chn link - NW Pond/2023) - Replace continued...

Fence (chn link baseball 3.5') - Replace - 2037

		345 lf	@ $30.42
Asset ID	1008	Asset Actual Cost	$10,496.28
		Percent Replacement	100%
Category	Fencing	Future Cost	$14,965.18
Placed in Service	June 1997		
Useful Life	40		
Replacement Year	2037		
Remaining Life	12		

Chain link fence (3.5' high) at the baseball outfield appears to be deteriorating at a rate typical of its age. Sturdy component that can last for extended period of time if not damaged or abused. Clean, repair as needed from operating funds. Best to plan for eventual replacement at roughly the time frame indicated.

Damaged observed in numerous areas.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Fence (sno-cascade drive) - Paint/Stain - 2025

		3,821 lf	@ $10.34
Asset ID	1009	Asset Actual Cost	$39,509.14
		Percent Replacement	100%
Category	Fencing	Future Cost	$39,509.14
Placed in Service	January 2016		
Useful Life	5		
Replacement Year	2025		
Remaining Life	0		

Regular sealer applications (stain/paint, etc.) on the timeline indicated are strongly recommended for appearance and protection of wood fencing. Remove any contact with ground and surrounding landscape and sprinkler patterns, repair as needed and clean prior to sealer application. Life of finish will vary depending upon surface preparation, material quality, application method and weather conditions.

Fence (sno-cascade drive) - Paint/Stain continued...

Cost estimate assumes both sides of the fence will be coated to adequately protect from the elements.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Fence (sno-cascade drive) - Replace - 2041

		3,821 lf	@ $61.38
Asset ID	1010	Asset Actual Cost	$234,532.98
		Percent Replacement	100%
Category	Fencing	Future Cost	$376,356.58
Placed in Service	January 2016		
Useful Life	25		
Replacement Year	2041		
Remaining Life	16		

Wood fencing (at Snohomish Cascade Drive) appears to be deteriorating at a rate typical of its age. As routine maintenance, inspect regularly for any damage, repair as needed. Avoid contact with ground and surrounding vegetation. Regular cycles of stain/paint will help to maintain appearance and maximize life. Plan to replace at roughly the time frame indicated.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Irrigation Backflow Valve - Replace - 2025

		1 ea	@ $1,825.74
Asset ID	1013	Asset Actual Cost	$1,825.74
		Percent Replacement	100%
Category	Plumbing	Future Cost	$1,825.74
Placed in Service	June 1997		
Useful Life	25		
Replacement Year	2025		
Remaining Life	0		

Reportedly in functional and in operating condition. As routine maintenance, inspect regularly, test system, repair as needed from operating budget. We recommend funding for this component at the time frame indicated.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Irrigation Controller Panels - Replace - 2032

		4 ea	@ $912.86
Asset ID	1014	Asset Actual Cost	$3,651.44
		Percent Replacement	100%
Category	Irrigation Systems	Future Cost	$4,490.81
Placed in Service	June 1997		
Useful Life	35		
Replacement Year	2032		
Remaining Life	7		

Reported to be functioning properly with no significant repair/replacement history. We recommend funding for replacement at the timeframe indicated.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Irrigation Controllers (2015) - Replace - 2030

		2 ea	@ $915.00
Asset ID	1015	Asset Actual Cost	$1,830.00
		Percent Replacement	100%
Category	Irrigation Systems	Future Cost	$2,121.47
Placed in Service	June 2015		
Useful Life	15		
Replacement Year	2030		
Remaining Life	5		

Reported to be functioning properly with no significant repair/replacement history. We recommend funding for replacement at the timeframe indicated.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Irrigation Controllers (2024) - Replace - 2039

		1 ea	@ $915.00
Asset ID	1043	Asset Actual Cost	$915.00
		Percent Replacement	100%
Category	Irrigation Systems	Future Cost	$1,384.02
Placed in Service	July 2024		
Useful Life	15		
Replacement Year	2039		
Remaining Life	14		

Reported to be functioning properly with no significant repair/replacement history. We recommend funding for replacement at the timeframe indicated.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Irrigation Controllers (abv grnd) - Replace - 2039

		1 ea	@ $915.00
Asset ID	1044	Asset Actual Cost	$915.00
		Percent Replacement	100%
Category	Irrigation Systems	Future Cost	$1,384.02
Placed in Service	July 2024		
Useful Life	15		
Replacement Year	2039		
Remaining Life	14		

Reported to be functioning properly with no significant repair/replacement history. We recommend funding for replacement at the timeframe indicated.

FY 2025 Update: Per Client: “August 2024: Install new above ground controller and 3 solenoids along west side Sno Cascade across from Boat Park NGPA trailhead. $5,148. This is a test and if it works, we will install more above-ground controllers to replace all of the inground controllers.”

Note that replacing this controller will typically be significantly less than the above project was due to not having to relocate it along with electrical above ground. We have used a more typical *replacement* cost in this reserve study.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Irrigation Piping - 25% Replace - 2027

		105,307 sf	@ $2.05
Asset ID	1016	Asset Actual Cost	$53,969.84
		Percent Replacement	25%
Category	Irrigation Systems	Future Cost	$57,256.60
Placed in Service	June 1997		
Useful Life	5		
Adjustment	25		
Replacement Year	2027		
Remaining Life	2		

No reported problems with the irrigation distribution piping at this time. As routine maintenance, inspect and test system regularly, perform any minor repairs as necessary from maintenance budget. Although the failure rate of the elements within this component are typically difficult to predict, prudent planning suggests setting aside funding, for larger scale refurbishing of irrigation systems (i.e. piping, valves, etc.), on a cyclical basis.

This component is for the replacement of the underground irrigation piping. Note that ongoing repairs and replacement of sprinkler heads are assumed to be paid from the Operating Account as needed.

This component has been set to cycle at 5 year increments after 30 years of age (typically when roots begin to cause significant damage) so that that there is a total replacement cycles within a 40 year time period.

FY 2025 Update: Per Client: June 2024: Updated the baseball infield to sod with new irrigation heads. $14,485. We consider this to be n operational expense as irrigation heads are typically replaced as needed (often due to damage from pedestrians and mowers versus actual deterioration).

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Irrigation Valves (in-ground) - 10% Replace - 2025

		52 ea	@ $304.29
Asset ID	1017	Asset Actual Cost	$1,582.31
		Percent Replacement	10%
Category	Landscaping	Future Cost	$1,582.31
Placed in Service	June 2019		
Useful Life	1		
Replacement Year	2025		
Remaining Life	0		

The Client has stated that historically they replace about 5 in-ground irrigation valves per year. We

Irrigation Valves (in-ground) - 10% Replace continued...

recommend budgeting for this component at a timeframe and percentage that has been historically typical in the community.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Landscape Drainage (boat park) - Refurbish - 2040

		1 ls	@ $18,076.58
Asset ID	1018	Asset Actual Cost	$18,076.58
		Percent Replacement	100%
Category	Landscaping	Future Cost	$28,162.73
Placed in Service	June 2020		
Useful Life	20		
Replacement Year	2040		
Remaining Life	15		

Assumed to have been properly designed with adequate provisions for the site drainage needs. This component is for a refurbishment of the current drainage system which will tend to clog and have root intrusion issues with time; these drainage systems typically require periodic refurbishment to adequately operate as designed. If after invasive testing is completed a larger scale replacement project is determined more appropriate then the costs can be included in future reserve studies. Cost estimate based on past experiences with similar sized communities.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Landscape Drainage (small park) - Refurbish - 2042

		1 ls	@ $42,024.84
Asset ID	1041	Asset Actual Cost	$42,024.84
		Percent Replacement	100%
Category	Landscaping	Future Cost	$69,460.66
Placed in Service	June 2022		
Useful Life	20		
Replacement Year	2042		
Remaining Life	17		

Assumed to have been properly designed with adequate provisions for the site drainage needs. This component is for a refurbishment of the current drainage system which will tend to clog and have

Landscape Drainage (small park) - Refurbish continued...

root intrusion issues with time; these drainage systems typically require periodic refurbishment to adequately operate as designed. If after invasive testing is completed a larger scale replacement project is determined more appropriate then the costs can be included in future reserve studies. Cost estimate based on past experiences with similar sized communities.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Landscaping (gravel) - Replenish - 2025

		2,451 sf	@ $1.52
Asset ID	1019	Asset Actual Cost	$3,725.52
		Percent Replacement	100%
Category	Landscaping	Future Cost	$3,725.52
Placed in Service	June 2017		
Useful Life	5		
Replacement Year	2025		
Remaining Life	0		

Gravel areas require regular cycles of replenishment. Inspect regularly, maintain any containment borders, control vegetation and fill in any low spots which may develop as needed using operating/maintenance funds. Plan for larger scale refurbish project with gravel at the time frame indicated.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Landscaping - 25% Tree Care - 2025

		111 ea	@ $426.00
Asset ID	1020	Asset Actual Cost	$11,821.50
		Percent Replacement	25%
Category	Landscaping	Future Cost	$11,821.50
Placed in Service	June 1997		
Useful Life	5		
Adjustment	20		
Replacement Year	2025		
Remaining Life	0		

This component may be utilized for medium to large tree care projects which do not occur on an annual basis. If the Client has not already done so, we recommend consulting with a qualified arborist for a long term plan for the care and management of the trees on site; balancing aesthetics with

Landscaping - 25% Tree Care continued...

protection of asset as well as following a plan which is most cost effective for long term budgeting of the reserve account.

These trees require regular trimming/thinning/root control and/or removal as they mature to prevent damage to nearby walkways, roads, structures and underground piping. The provided cost estimate is based on our estimation for the total expected cost for each tree on site and based on similar sized sites (and tree count) we have worked with in the past. We suggest updating future reserve studies with actual cost figures and timeframes for projects.

This component has been set to cycle at 5 year increments after 25 years of age, when trees and roots have grown large enough that the cost to maintain the limbs and roots is significant. Cost assumes a qualified, licensed and insured professional complete the work.

FY 2025 Update: Per Client: "Apr – May 2024: Removed 1 tree and ground 33 stumps from common area landscapes. $ 7,315."

Note that we consider this to be an operational expense versus a much larger large scale pruning and tree care component which will typically be needed starting at around 25 years of age.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Lights (pole) - Replace - 2027

		1 ea	@ $2,994.27
Asset ID	1021	Asset Actual Cost	$2,994.27
		Percent Replacement	100%
Category	Lighting	Future Cost	$3,176.62
Placed in Service	June 1997		
Useful Life	30		
Replacement Year	2027		
Remaining Life	2		

Pole lights appear to be deteriorating at a rate typical of their age. Observed during daylight hours and assumed to be in functional operating condition. As routine maintenance, inspect, repair/change bulbs as needed. Best to plan for large scale replacement at roughly the time frame below, for cost efficiency and consistent quality/appearance. Cost estimated based on a licensed professional completing this replacement project.

This expense is only to replacement the pole and fixtures, not to rewire the whole system. It is assumed the wiring was appropriately installed and buried to a depth that has minimized the deterioration/damage to it. Should it be determined that the wiring also need to be redone this can be added into an update to this reserve study.

Lights (pole) - Replace continued...

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Mailbox Cluster (2009) - Replace - 3033

		3 ea	@ $1,932.19
Asset ID	1022	Asset Actual Cost	$5,796.56
		Percent Replacement	100%
Category	Mailboxes	Future Cost	$7,342.91
Placed in Service	January 2009		
Useful Life	24		
Replacement Year	2033		
Remaining Life	8		

Appears to be deteriorating at a rate typical of its age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Mailbox Cluster (2013) - Replace - 2037

		1 ea	@ $1,932.19
Asset ID	1023	Asset Actual Cost	$1,932.19
		Percent Replacement	100%
Category	Mailboxes	Future Cost	$2,754.83
Placed in Service	January 2013		
Useful Life	24		
Replacement Year	2037		
Remaining Life	12		

Appears to be deteriorating at a rate typical of its age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Mailbox Cluster (2015) - Replace - 2039

		1 ea	@ $1,932.19
Asset ID	1024	Asset Actual Cost	$1,932.19
		Percent Replacement	100%
Category	Mailboxes	Future Cost	$2,922.60
Placed in Service	January 2015		
Useful Life	24		
Replacement Year	2039		
Remaining Life	14		

Appears to be deteriorating at a rate typical of its age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Mailbox Cluster (2017) - Replace - 2041

		2 ea	@ $1,932.19
Asset ID	1025	Asset Actual Cost	$3,864.37
		Percent Replacement	100%
Category	Mailboxes	Future Cost	$6,201.18
Placed in Service	September 2017		
Useful Life	24		
Replacement Year	2041		
Remaining Life	16		

Appears to be deteriorating at a rate typical of its age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Mailbox Clusters (2021) - Replace - 2045

		18 ea	@ $1,932.19
Asset ID	1026	Asset Actual Cost	$34,779.36
		Percent Replacement	100%
Category	Mailboxes	Future Cost	$62,815.39
Placed in Service	June 2021		
Useful Life	24		
Replacement Year	2045		
Remaining Life	20		

Appears to be deteriorating at a rate typical of its age based on our visual inspection of this component. As routine maintenance, inspect regularly, clean by wiping down for appearance, change lock cylinders, lubricate hinges and repair as needed from operating budget. Best to plan for total replacement at roughly the time frame indicated due to constant usage and wear over time.

These mailboxes are still functional but dated looking and are no longer approved by the USPS. We recommend budgeting for replacement of all over the next 6 years, replacing with USPS approved mailbox clusters.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Parking Bollards (boat park) - Replace - 2032

		3 ea	@ $1,217.15
Asset ID	1027	Asset Actual Cost	$3,651.46
		Percent Replacement	100%
Category	Fencing	Future Cost	$4,490.84
Placed in Service	June 1997		
Useful Life	35		
Replacement Year	2032		
Remaining Life	7		

Parking bollards at Boat Park were recently installed. We recommend budgeting for eventual replacement due to exposure to the elements and the likelihood that they will receive vehicular damage over time.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Pavers (sand set) - Replace - 2025

		145 sf	@ $19.44
Asset ID	1028	Asset Actual Cost	$2,818.26
		Percent Replacement	100%
Category	Landscaping	Future Cost	$2,818.26
Placed in Service	June 1997		
Useful Life	25		
Replacement Year	2025		
Remaining Life	0		

We recommend budgeting for replacement at the timeframe indicated as these sand set paver systems will typically become uneven with time due to settling, root intrusion, drainage issues and use.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Playground Structure (boat park) - Replace - 2047

		1 ea	@ $63,037.26
Asset ID	1029	Asset Actual Cost	$63,037.26
		Percent Replacement	100%
Category	Recreation	Future Cost	$120,785.91
Placed in Service	June 2022		
Useful Life	25		
Replacement Year	2047		
Remaining Life	22		

We recommend budgeting for replacement at the timeframe indicated to limit liability issues that arise from old structures that require ongoing repairs and have safety issues and before actual failure of the structure. There is a very wide range in cost figures for this type of component due to significant quality variations. The estimate in this reserve study is based on replacement with a similar quality structure.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Playground Structure (small park) - Replace - 2025

		1 ea	@ $63,037.26
Asset ID	1030	Asset Actual Cost	$63,037.26
		Percent Replacement	100%
Category	Recreation	Future Cost	$63,037.26
Placed in Service	June 1997		
Useful Life	25		
Adjustment	3		
Replacement Year	2025		
Remaining Life	0		

Play structure appears to be deteriorating at a rate typical of its age. We recommend budgeting for replacement at the timeframe indicated to limit liability issues that arise from old structures that require ongoing repairs and have safety issues and before actual failure of the structure. There is a very wide range in cost figures for this type of component due to significant quality variations. The estimate in this reserve study is based on replacement with a similar quality structure.

Slight life adjustment as Client stated they will be replacing large Boat Park structures first then the Smaller Park play structures second at a later date.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Playground Surface (boat park) - Replenish - 2026

		1,600 sf	@ $1.16
Asset ID	1031	Asset Actual Cost	$1,848.80
		Percent Replacement	100%
Category	Recreation	Future Cost	$1,904.26
Placed in Service	June 2023		
Useful Life	3		
Replacement Year	2026		
Remaining Life	1		

We recommend budgeting for replenishment at the time scale indicated to limit liability and safety issues.

The second play area at Boat Park is reportedly not being replaced and has not been included in this measurement.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Playground Surface (small park) - Replenish - 2025

		1,271 sf	@ $1.16
Asset ID	1032	Asset Actual Cost	$1,474.36
		Percent Replacement	100%
Category	Recreation	Future Cost	$1,474.36
Placed in Service	June 2022		
Useful Life	3		
Replacement Year	2025		
Remaining Life	0		

We recommend budgeting for replenishment at the time scale indicated to limit liability and safety issues.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Playground Timber Edging (boat park) - Replace - 2025

		160 lf	@ $40.85
Asset ID	1033	Asset Actual Cost	$6,536.00
		Percent Replacement	100%
Category	Landscaping	Future Cost	$6,536.00
Placed in Service	June 1997		
Useful Life	25		
Replacement Year	2025		
Remaining Life	0		

We recommend budgeting for replacement of these wood surfaces at the time frame indicated due to constant exposure to the elements.

The second play area at Boat Park is reportedly not being replaced and has not been included in this measurement.

*Cost Source: Client Historical Records – (linear foot estimate taken from Small Park recent wood edging project) - Inflated to Current Estimate

Playground Timber Edging (small park) - Replace - 2025

		144 lf	@ $40.85
Asset ID	1034	Asset Actual Cost	$5,882.40
		Percent Replacement	100%
Category	Landscaping	Future Cost	$5,882.40
Placed in Service	June 1997		
Useful Life	24		
Adjustment	4		
Replacement Year	2025		
Remaining Life	0		

We recommend budgeting for replacement of these wood surfaces at the time frame indicated due to constant exposure to the elements.

Adjustment given so this cycles with the playground structure replacement component.

*Cost Source: Client Historical Records – Per Client the Small Park wood edging project was done in July of 2024 for $5,711 - Inflated to Current Estimate

Recreation - Benches (wood) - Replace - 2025

		11 ea	@ $912.86
Asset ID	1035	Asset Actual Cost	$10,041.50
		Percent Replacement	100%
Category	Recreation	Future Cost	$10,041.50
Placed in Service	June 1997		
Useful Life	25		
Replacement Year	2025		
Remaining Life	0		

We recommend planning for replacement at the time frame indicated due to constant exposure. Clean and inspect annually - paint/stain from paid for from the Operating budget as necessary.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Recreation - Picnic Table (wood) - Replace - 2025

		3 ea	@ $1,034.58
Asset ID	1036	Asset Actual Cost	$3,103.73
		Percent Replacement	100%
Category	Recreation	Future Cost	$3,103.73
Placed in Service	June 1997		
Useful Life	25		
Replacement Year	2025		
Remaining Life	0		

Picnic tables appear to be deteriorating at a rate typical of their age. We recommend for eventual replacement at the time frame indicated due to constant exposure. We recommend cleaning and inspecting annually - paint/stain and repair as needed paid for from the Operating account.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Retaining Walls (masonry) - Replace - 2054

		67 sf	@ $39.92
Asset ID	1037	Asset Actual Cost	$2,674.87
		Percent Replacement	100%
Category	Landscaping	Future Cost	$6,303.50
Placed in Service	June 2014		
Useful Life	40		
Replacement Year	2054		
Remaining Life	29		

Masonry retaining walls on site appear to be in generally fair and stable condition; no significant instability noted. We assume that retaining walls were designed and installed properly with adequate base and surrounding drainage. Monitor closely and if areas of instability emerge, consult with civil or geotechnical engineer for repair scope.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Retaining Walls (wood) - Replace - 2025

		33 sf	@ $29.42
Asset ID	1038	Asset Actual Cost	$970.77
		Percent Replacement	100%
Category	Landscaping	Future Cost	$970.77
Placed in Service	June 1997		
Useful Life	25		
Replacement Year	2025		
Remaining Life	0		

Wood retaining walls on site appear to be deteriorating at a rate typical of their age. We assume that these were designed and installed properly with adequate base and surrounding drainage. Monitor closely and if areas of deterioration emerge, consult with civil or geotechnical engineer for repair scope.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Stormwater Pond (NE pond) - Refurbish - 2027

		1 ea	@ $24,343.13
Asset ID	1039	Asset Actual Cost	$24,343.13
		Percent Replacement	100%
Category	Stormwater Facilities	Future Cost	$25,825.63
Placed in Service	June 1997		
Useful Life	30		
Replacement Year	2027		
Remaining Life	2		

The stormwater facilities are assumed to be functioning as designed. It has been our experience that it is best to budget for periodic refurbishment of these stormwater ponds which can include reseeding, regrading, sediment removal, vegetation removal, rodent control, concrete repair, invasive testing of the elements, etc. It has been our experience with similar size system that without periodic refurbishment there is a strong likelihood of much larger scale repairs/replacement of the elements of these systems at a much greater expense.

*Cost Source: Reserve Data Analyst In-House Research & Cost Records

Stormwater Pond (NW pond) - Refurbish - 2030

		1 ea	@ $13,997.31
Asset ID	1040	Asset Actual Cost	$13,997.31
		Percent Replacement	100%
Category	Stormwater Facilities	Future Cost	$16,226.72
Placed in Service	June 2015		
Useful Life	15		
Replacement Year	2030		
Remaining Life	5		

The stormwater facilities are assumed to be functioning as designed. It has been our experience that it is best to budget for periodic refurbishment of these stormwater ponds which can include reseeding, regrading, sediment removal, vegetation removal, rodent control, concrete repair, invasive testing of the elements, etc. It has been our experience with similar size system that without periodic refurbishment there is a strong likelihood of much larger scale repairs/replacement of the elements of these systems at a much greater expense.

Cost estimate from prior work performed by the county.

*Cost Source: Client Historical Records – Inflated to Current Estimate

Sector 2A Snohomish Cascade Association
Definitions, Disclosure & Calculations Appendixes

Definitions Index

Abbreviations

ea = each	FY = fiscal year	lf or lin ft = lineal feet	ls = lump sum
RL = remaining life	sf or sq ft = square feet	sy or sq yd= square yard	
UL = useful life	100 sq ft = 1 square)	% = percent	

1. **Allocation %**
   A percentage of the total Reserve Allocation. See - Calculations Appendix
2. **Allocation Increase Rate**
   Expressed as a percentage rate that reflects the increase of a given year's Reserve Allocation over the previous year's Reserve Allocation and utilized only in the Cash Flow Analysis.
3. **Base Year**
   The year in which the governing documents were recorded and/or the buildings constructed (average year may be used for phases built over a period) and utilized to determine the approximate complex age. This parameter is provided for information only.
4. **Common Interest Development (CID)**
   Defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory Association of homeowners which administers the property and enforces its restrictions. The following are two typical CID subdivision types:
   - Condominium- In general, the recorded owner has title to the unit (or airspace). They are typically responsible for the interior of their individual unit/garage, all utilities that service their unit and any exclusive use common area associated with their unit.
   - Planned Development- In general, the recorded owner has title to the lot. They are typically responsible for the maintenance and repair of any structure or improvement located on their respective lot.

   **Note- CIDs & subdivision types are general and may not apply or may vary, based on your local.*
5. **Component Inventory**
   The task of selecting and quantifying reserve items. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents, and discussion with appropriate association representatives.
6. **Condition Assessment**
   The task of evaluating the current condition of the component based on observed or reported characteristics and normal documented in the field report for a Level 1 or Level 2 Reserve Study.
7. **Contingency Rate**
   Expressed as a percentage rate that reflects a factor added to the unit cost to prepare for an event that is liable to occur, but not with certainty.
8. **Current Cost**
   The current fiscal year's estimated cost to maintain, replace, repair, or restore a reserve component to its original functional condition. Sources utilized to obtain estimates may include: the association, its contractors, other contractors, specialists and independent consultants, the State department of Real Estate (or other state department as applicable), construction pricing and estimating manuals, and the preparer's own experience and/or database of costs formulated in the preparation of other reserve study reports. See - Calculations Appendix.
9. **Disbursement / Expenditures**
   The funds expected to be paid or expended from the Reserve Balance.
10. **Extended Cost**
    See - Calculations Appendix.
11. **Fiscal Year (FY)**
    A twelve-month period for which an organization plans the use of its funds. There are two distinct types:
    - Calendar Fiscal Year (ends December 31)
    - Non-Calendar Fiscal Year (does not end December 31)
12. **Full Funded Balance (FFB)**
    Total Accrued Depreciation. An indicator against which the FY Start Balance can be compared. The balance that is in direct proportion to the fraction of life "used up" of the cost. See - Calculations Appendix.
13. **Funding Goal**
    Independent of methodology utilized, the following represents the basic categories of funding plan goals:
    - Baseline Funding- Maintaining a Net Reserve Balance above zero for length of the study.
    - Full Funding- Maintaining a Reserve Balance at or near Percent Funded of 100%.
    - Statutory Funding- Maintaining a specified Reserve Balance/Percent Funded per statutes.
    - Threshold Funding- Establishing and maintaining a set predetermined Reserve Balance or Percent Funded.
14. **Funding Method (or Funding Plan)**
    An Association's plan to provide income to the reserve fund to offset expected disbursements from that fund. The following represents two (2) basic methodologies used to fund reserves:
    - Cash Flow Method- A method of developing a reserve funding plan where allocations to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.
    - Component Method- The component method develops a reserve-funding plan where the total contribution is based on the sum of contributions for individual components. The component method is the more conservative (typically higher reserve account balance) of the two funding options and assures that the association will achieve and maintain an ideal level of reserves over time. This method also allows for computations on individual components in the analysis. However, this method has also limitations with respects to variations in actual useful life of components and is much more time intensive to accurately follow this funding strategy.

15. **Funding Plan**
The combined Funding Method & Funding Goal.
16. **FY End Balance (same as next FY Start Balance)**
The balance in reserves at end of applicable fiscal year. See - Calculations Appendix.
17. **FY Start Balance (same as prior year FY End Balance)**
The balance in reserves at start of applicable fiscal year.
18. **Inflation Rate**
Expressed as a percentage rate that reflects the increase of this year's costs over the previous year's costs. Also known as a 'cost increase factor'.
19. **Interest Earned**
The annual earning of reserve funds that have been deposited into certificates of deposit (CDs), money market accounts or other investment vehicles. See - Calculations Appendix.
20. **Interest Rate**
The ratio of the gain received from an investment and the investment over a period (usually one year), prior to any federal or state-imposed taxes.
21. **Interest Rate (net effective)**
The ratio of the gain received from an investment and the investment over a period (usually one year), after any federal or state-imposed taxes.
22. **Levels of Service**

Level 1 Reserve Study (Full or Comprehensive)- A Reserve Study in which the following five Reserve Study tasks are performed:

- Component Inventory
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

Level 2 Reserve Study (Update, With-Site-Visit/On-Site Review)- A Reserve Study update in which the following five tasks are performed:

- Component Inventory (from prior study)
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

*Note- Updates are reliant on the validity of prior Reserve Studies.

Level 3 Reserve Study (Update, No-Site-Visit/Off-Site Review)- A Reserve Study update with no on-site visual observations in which the following three tasks are performed:

- Component Inventory (from prior study)
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

*Note- Updates are reliant on the validity of prior Reserve Studies.

23. **Percent Funded**
A comparison of the Fully Funded Balance (ideal balance) to the Fiscal Year Actual Start Balance expressed as a percentage and used to provide a 'general indication' of reserve strength. See Calculations Appendix.
24. **Quantity**
The number or amount of a reserve component or subcomponent.
25. **Remaining Life (RL)**
The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.
26. **Replacement %**
A percentage of the total replacement for a reserve component or subcomponent. This parameter is normally 100%.
27. **Reserve Allocation**
The amount to be annually budgeted towards reserves based on a Funding Plan.
28. **Reserve Component (or subcomponent)**
The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:

- an association responsibility,
- with limited useful life expectancies,
- predictable remaining useful life expectancies,
- above a minimum threshold cost,
- and, as required by statutes.

29. **Restoration**
Defined as to bring back to an unimpaired or improved condition. General types follow:

- Building- In general, funding utilized to defray the cost (in whole or part) of major building components that are not necessarily included as line items and may include termite treatment.
- Irrigation System- In general, funding utilized to defray the cost (in whole or part) of sectional irrigation system areas including modernization to improve water management.
- Landscape- In general, funding utilized to defray the cost (in whole or part) of sectional landscape areas including modernization to improve water conservation & drainage.

30. **Risk Factor (Percent Funded)**
The associated risk of the availability of reserves to fund expenditures by interpreting the Percent Funded parameter as follows:

- 70% and above - LOW
- 30% to 70% - MODERATE
- 30% and below - HIGH

*High risk is associated with a higher risk for reliance on special assessments, loans and litigation.

31. **Unit Cost**
The current fiscal year's estimated cost to maintain, replace, repair, or restore an individual "unit of measure" of a reserve component or subcomponent to its original functional condition.
32. **Unit of Measure**
A system of units used in measuring a reserve component or subcomponent (i.e. each, lineal feet, square feet, etc.).
33. **Useful Life (UL)**
Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve item can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

Disclosures Index

The below disclosures are in accordance with reserve study standards developed by CAI, APRA and statutory requirements.

1. **Items Beyond the Scope of this Report**
   This reserve study has been conducted to outline a financial plan for the proper and adequate budgeting of the Association component repair and/or replacement. This report should not be utilized for any other purpose and should not be considered or deemed appropriate or reliable for, but not limited to, any of the following:

   - Building or land appraisals for any purpose
   - State or local zoning ordinance violations
   - Building code violations
   - Soils conditions, soils contamination or geological stability of site
   - Engineering analysis or structural stability of site
   - Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, or radon
   - Water quality or other environmental hazards
   - Invasions by termites and any or all other destroying organisms or insects
   - Damage or destruction due to pests, birds, bats or animals to buildings or site
   - Adequacy or efficiency of any system or component on site
   - Specifically excluded reserve items
   - Septic systems and septic tanks
   - Buried or concealed portions of swing pools, pool liners, Jacuzzis/spas or similar items
   - Items concealed by signs, carpets or other things
   - Missing or omitted information supplied by the Association for the purposes of reserve study preparation
   - Hidden improvements such as sewer lines, water lines, or other buried or concealed items

2. **Qualifications**
   We are a professional business in the market to prepare Reserve Studies. Our Reserve Analysts' are either designated with or working towards the RS and/or PRA designations which are given by the two leading industry organizations which require peer review, continuing education and provide resources to stay on top of industry trends.
3. **Invasive Testing**
   Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive/invasive testing during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.
4. **Conflicts of Interests**
   As the preparer of this reserve study; the Reserve Analyst certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.
5. **Representative Sampling**
   This study and report is based on observations of the visible and apparent conditions of a reasonable representative sampling of the property's elements at the time of inspection. Although due diligence was performed during the inspection phase, we make no representations regarding latent or concealed defects that may exist. The inspection did not constitute any invasive investigations and was not intended to determine whether applicable building components, systems, or equipment are adequate or in compliance with any specific or commonly accepted design requirement, building code, or specification. Such tasks as material testing, engineering analysis, destructive testing, or performance testing of building systems, components, or equipment are not considered as part of the scope of work, nor are they considered by the reserve study industry standard.
6. **Reliance on Client & Vendor Data Provided**
   Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will reflect information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited. A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. The results of this study are based on the independent opinion of the preparer and their experience and research during their career in preparing Reserve Studies. In addition, the opinions of experts on certain components have been gathered through research within their industry and with client's actual vendors. There is no implied warrantee or guarantee regarding our life and cost estimates/predictions. There is no implied warrantee or guarantee in any of our work product. Our results and findings will vary from another preparer's results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.
7. **Update to Prior Reserve Studies**
   Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies. Level III Studies: In addition to the above we have not visited the property when completing a Level III "No Site Visit" study. Therefore, we have not verified the current condition of the common area components. It is assumed all prior study component information related to quantities, condition assessments, useful life and remaining useful life are accurate.
8. **Assumption Regarding Ongoing Maintenance**
   The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components.

9. Assumptions Regarding Defect in Design or Construction

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach their full and expected useful lives. We have assumed all components have been properly built and will reach normal, typical life expectancies. In general, a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

10. Basis of Cost Estimates

Pricing used for the repair or replacement costs indicated in this report are derived from a variety of sources, e.g., recent contractor bids received by subject property HOA or prior clients, construction product vendor catalogs, internet, or national construction cost estimating publishers (RS Means / Marshall & Swift). The material and labor pricing provided are estimates and have been augmented, as necessary, to account for specific site conditions (i.e. material handling, scaffolding, etc.). The total expenses represent a useful guideline whereby reserve funds can be accumulated for future repairs and replacements. The estimated repair and replacement expenses, unless otherwise noted, do not include allowances for architectural, engineering, or permitting fees.

11. Limitations on Report Use

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection. This Reserve Study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. Additionally, other unanticipated expenses may arise that are not included within this reserve study. This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

12. State Specific Disclosures

Washington State

RCW 64.34.382 & WA State RCW 64.38.070

This reserve study includes all aspects required per WA State RCW requirements outlined in the Washington Condominium Act and the Homeowners' Association Act.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

Washington State

Disclosures Required by RCW 64.90.550.

This Reserve Study meets all requirements of the Washington Uniform Common Interest Ownership Act.

a) This Reserve Study was prepared with the assistance of a reserve study professional and that professional was independent;
b) This Reserve Study includes all information required by RCW 64.90.550 Reserve Study – Contents; and
c) This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.

Calculations Index

1. **Allocation % =**

   Reserve Allocation (Component Method) / Total Reserve Allocation (Component Method) x 100

2. **Current Cost =**

   Extended Cost (for a component without subcomponents)

   i. -or-

   Sum of subcomponent Extended Costs (for a component with subcomponents)

3. **Extended Cost =**

   Quantity x Unit Cost x Replacement % x (1+Contingency Rate)

4. **FY End Balance (same as Next FY Start Balance) =**

   Initial or current fiscal year-

   Current Reserve Balance + Interest Earned + Reserve Allocation to Fund + Special Assessment to Fund + Funds Due from Operating - Approved Funds to Disburse - Disbursements

   Subsequent fiscal years-

   FY Start Balance + Interest Earned + (Reserve Allocation (from previous year) x (1 + Reserve Allocation Rate) - Disbursements

5. **Interest Earned=**

   Initial fiscal year-

   Current Reserve Balance x (Interest Rate (net effective)/12 x Number of funding months remaining in current fiscal year)

   Subsequent fiscal years-

   FY Start Balance x Interest Rate (net effective)

   Accumulation Function and Amount Function

   https://www.reservedataanalyst.com/int

6. **Percent Funded =**

   (Reserve Account Balance / Fully Funded Balance) x 100

7. **Reserve Allocation (Component Method) =**

   Current Cost / Useful Life

8. **Fully Funded Balance (FFB) =**

   Basic Fully Funded

   Fully Funded = Age/Useful Life * Cost

   Note that "Age" is adjusted for each year of the study (e.g. one year later also equates to an Age which is one year greater). We do not use the age from the first year of the study for future FFB calculations as this would not appropriately address the deterioration of the component over time (i.e. when providing future projections one can make a valid assumption that a component will deteriorate by one year if providing projections for one year later).

   Cost (component project cost) is inflated for each year based on an annual inflation rate (compounding) given in this reserve study (e.g. a paint project "cost" may be $1,000 in Year 1 of the study but will have a "cost" of $1,030 in Year 2 of the study, and $1,060.90 in Year 3 of the study, when utilizing an annual 3% inflation rate. Note that we do not use the "cost" (current project cost) from the first year of the study for future year's FFB calculations as this approach does not consider the impact of inflation on the project cost and will usually result in a significantly underfunded reserve account over time. This is also known as the Inflation Adjusted Cost Method

   ***Unless specifically noted otherwise we have utilized the above FFB formula and methodology in this reserve study.*

   Community Association Institute FFB Formula

   The Community Association Institute published the below FFB formula to account for inflation and interest earned on deposit ("present value" is based on the current cost only - with no inflation of the project cost) the writers of 'RESERVE FUNDS: How & Why community Associations Invest Assets' published:

$$Basic\_FF = (\ Age / Useful\ Life\ ) * Present\ Value$$

$$\begin{aligned} CAI\_FF = {} & Basic\_FF \\ & + Basic\_FF/(1+interest)^{Remaining\ Life} \\ & - Basic\_FF/(1+inflation)^{Remaining\ Life} \end{aligned}$$

   More mathematical information can be found at the following link: www.reservedataanalyst.com/math

Sector 2A Snohomish Cascade Association
Component Index

Sector 2A Snohomish Cascade Association
Component Index

Total Funded Assets	42
Total Unfunded Assets	0
Total Assets	42