



ACCURATE RESERVE PROFESSIONALS, LLC

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Level III No Site Visit Reserve Study Report

For Fiscal Year Beginning January 1, 2023



Twin Lakes

Federal Way, WA

August 10, 2022





Reserve Study Summary for Twin Lakes

1363 Units
For Fiscal Year Beginning January 1, 2023

Overview	
Starting Reserve Balance	\$183,000
Fully Funded Balance	\$213,338
Percent Funded	86%
Reserve Fund Strength (Weak, Fair or Strong)	Strong
Total Surplus or (Deficit) of Reserve Funding	\$(30,338)
Surplus or (Deficit) on a Per Unit Average Basis***	\$(22)
Current Reserve Contribution Based on Last Approved Budget	
Current Reserve Contribution Rate, Annually	\$12,000
Current Special Assessment, Annually	n/a
Is the Current Contribution Rate Within Range Provided by Study Below?	No
Reserve Study Funding Plan Options Beginning January 1, 2023	
100% Full Funding Contribution Rate, Annually	\$49,600
70% Threshold Funding Contribution Rate, Annually	\$46,400
Baseline Funding Contribution Rate, Annually	\$40,600
Recommended Annual Special Assessment	n/a

Study Description & Assumptions

This is a Level III No-Site-Visit reserve study. No site inspection was performed as part of this report. This report assumes a 3% annual inflation rate and 1% interest rate. Taxes on interest income and other outside factors are not included.

Property Description

Twin Lakes consists of 1363 single family homes located in Federal Way, WA. It was constructed in approximately 1965.

Recommended Funding Plan

We recommend that the association budget for annual reserve contributions of \$46,400 to \$49,600 per year in 2023. The current contribution rate is not sufficient to maintain a reserve balance above zero over time.

Recommended Special Assessment(s)

No special assessments are recommended at this time.

Other Notes

None.

***Current surplus or deficit is calculated on an average per unit. If the association calculates its assessments based on a fraction or percentage that varies by unit, it should calculate the current deficit or surplus based on that schedule. To do so, subtract the association's starting reserve balance above from the fully funded balance, and multiply the resulting number by the fraction or percentage allocable to each unit.

**Twin Lakes
Component List**

Asset ID	Description	Useful Life	Adjustment	Remaining Life	Current Cost
Grounds					
1000	Concrete - Repair Allotment	3		1	\$7,400
1035	Asphalt Path - Repair & Seal	5		2	\$11,706
1040	Asphalt Path - Grind & Overlay	30		17	\$117,056
1045	Bollards - Replace	30		28	\$9,000
1055	Bridge - Repair/Replace	25		0	\$12,500
1060	Monument Sign - Refurb/Replace (a)	30		28	\$10,500
1065	Monument Sign - Refurb/Replace (b)	30		12	\$10,500
1070	Park Signage - Replace	20		14	\$15,000
1135	Landscape/Irrigation - Refurbish Allotment	5		0	\$25,000
1175	Pole Lights - Replace	30		24	\$22,500
1190	Pond Aerator Heads - Replace (Lake Lorene)	7		3	\$4,800
1195	Pond Aerator Heads - Replace (Lake Ponce)	7		6	\$3,200
1200	Fountain Pump - Replace	10		8	\$16,000
1230	Shed - Replace (a)	30		17	\$7,100
1235	Shed - Replace (b)	30		27	\$7,100
Recreation					
2000	Play Equipment - Replace	20		16	\$75,000
2010	Picnic Assets - Replace	5		0	\$10,000
2015	Pet Stations - Replace	20		7	\$7,000
Equipment & Mechanical					
5000	Electrical System - Repair/Replace	15		14	\$3,300
5015	Office Equipment & Fixtures - Replace	3		0	\$15,000
5020	Vehicle - Replace (a)	5		3	\$24,000
5025	Vehicle - Replace (b)	5		1	\$40,000
Professional					
6005	Reserve Study - Annual Update	Unfunded			

An Introduction to Your Reserve Study

The Purpose of Your Reserve Study

The purpose of your reserve study is to develop a budgetary model to assist the association with preparing for the maintenance, repair and replacement of the assets which are under the association's responsibility. The report provides both estimated timeframes in which these projects are expected to occur as well as a cost allowance for the project. A reserve study consists of two parts; the physical analysis and the financial analysis. The physical analysis includes the component inventory and associated information including useful life, remaining useful life and cost allowances. The financial analysis includes the association's current reserve fund status (the percent funded) and funding recommendations.

Reserve Study Standards

This report is prepared in accordance with the National Reserve Study Standards (NRSS) by Community Associations Institute (CAI). First published in 1998, the NRSS provides guidelines related to the preparation of reserve studies including what information is included and how calculations are prepared. The full NRSS can be viewed at [National Reserve Study Standards](#) and an explanation of the NRSS is available at [NRSS Explanation](#).

Types of Reserve Studies

There are four types of reserve studies under National Reserve Study Standards:

- **Level I Full** – This is the initial report prepared by the association. This report includes a site visit, in which a non-intrusive basic visual review is conducted and association assets are counted, measured and/or quantified. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly. A Full study is typically only prepared once as the quantities and other data can be used in all other reports going forward.
- **Level II With-Site-Visit** – This report includes a site visit in which a non-intrusive basic visual review is conducted. No assets are quantified as this process was previously completed during the Full study process. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated accordingly. After the initial full study, most associations perform a with-site-visit report every third year; this cycle is required for Washington State associations with significant assets.
- **Level III No-Site-Visit** – This report does not include a site visit. The remaining useful life and cost allowances are updated for the association's assets and the funding plan is updated. The No-Site-Visit update is primarily based on the current reserve account balance, projects completed since the last report, current industry costs, and any proposals the association may have received for upcoming projects.
- **Level IV Preliminary, Community Not Yet Constructed** – This report is prepared for communities that are in the development phase and have not yet been constructed. The component list is typically developed using building and site plans along with details provided by the developer. A useful life, remaining useful life and cost allowances are assigned to the association's assets and a funding plan is developed accordingly.

What Components are Included

National Reserve Study Standards provide for a four-part test to determine which items are funded within a reserve study. First, the component needs to be an item that the association is responsible to maintain, repair and replace. The second and third parts of the test go hand in hand; the item must have a predictable useful life (i.e. we need to be able to determine how long, on average, the item will last), and it must have a predictable remaining useful life (i.e. we need to be able to determine how much longer until that item requires replacement). Lastly, the cost to maintain, repair and replace the component must be above a minimum cost which is typically defined as 1% or more of the annual operating budget, however some associations may opt to define a different funding threshold. Using 1% of the annual operating budget, an association with a \$100,000 annual budget would have a \$1,000 reserve funding threshold.

One consideration that is not included within the NRSS four-part test are significant expenses which occur annually. Some associations opt to include annual expenses that exceed the 1% funding threshold in their study, however it is our opinion that these expenses are best handled through the operating budget. From an administrative and practical standpoint it is most advantageous to budget and pay for those expenses through the operating account, particularly in states such as Washington State which feature statutory limitations regarding reserve fund disbursements.

The intent of funding for reserve components is to maintain, repair or replace those exact components in the future. Capital improvements are not included within a reserve study and reserve funds should not be used accordingly. A capital improvement is the addition of an item that does not previously exist, such as an association installing a swimming pool when one was not previously present. Repurposing of an existing item into something new is also considered a capital improvement; an example would be converting a janitorial closet in the clubhouse into an additional restroom. Replacing an existing item with an upgraded but like-kind product is not considered a capital improvement and reserve funds may be used in this instance; an example would be replacement of a wood deck with a composite (Trex®) material.

How Are Costs Determined

The cost allowances within a reserve study are determined in a number of ways. First, the association's prior cost history or recent vendor proposals are generally the best predictor of future costs as they are specific to your community. When a cost history is unavailable, a number of methods to determine costs may be used by the reserve study provider including, but not limited to research with vendors (including the association's vendors) and/or industry average costs. When industry average costs are used, they are adjusted based on the geographical location and current economical market of each client.

Fully Funded Balance Calculation

One of the most common questions related to a reserve study is how the fully funded balance is calculated. Contrary to popular belief, the fully funded balance is *not* the cost to replace all the association's assets today. Rather, it is the total accumulated deterioration of the association's assets. Let's take the example of a roof. If the roof lasts 30 years and costs \$30,000 to replace, the association would save \$1,000 per year so that it would have the \$30,000 it needs to replace the roof by the 30th year. If the roof is two years old, the association would need \$2,000 on hand to be 100% funded, meaning that it had the exact amount of cash on hand that the roof had deteriorated to date. If the association only saved \$1,000 by the second year, it would then be 50% funded instead. The reserve study calculates the deterioration of each of the association's assets through the date of the study, taking into consideration their age and replacement cost allowances, and the cumulative total of those numbers is the association's fully funded balance.

Reserve Fund Strength, Also Known As Percent Funded

The association's percent funded is calculated by comparing the association's current reserve balance against the fully funded balance, which we defined above. Generally speaking, an association that is less than 30% funded is considered to have a weak reserve account balance and thus a high risk of requiring a special assessment. Associations which are between 30% and 69% funded are considered to have a moderate funding position and therefore a medium risk of a special assessment. Association's which are 70% or more funded have a strong funding position and a low risk of requiring a special assessment. One of the many goals of your reserve study is to help the association achieve, and keep, a strong funding position with a low risk of a special assessment.

How to Pay for Reserve Projects

The question of reserve expenses is not if they will occur, but when they will occur. The best and most cost-effective way to ensure that funds are available for these expenses is to save for future projects through regular contributions to the reserve fund. This not only ensures that funds are available as projects arise, thus reducing the chances of deferred maintenance, but it is also the most equitable to ownership groups over time. If a person owns a unit for one year, they

contribute toward one year of reserves. The same goes for a person who owns their unit for five years, or for 30 years. If the association does not fund the reserve account through regular contributions and instead assesses a special assessment or takes out a loan for the project, the current ownership group is unfairly burdened with paying the full project cost even though previous owners enjoyed the use of those assets.

Properly reserving for anticipated maintenance, repair and replacement projects also results in lower overall costs to the association. Inadequate reserve funds often result in deferred maintenance, which can cause higher project costs and risk potential damage to association assets. For example, deferring an exterior paint project may result in increased future costs due to the additional prep work required to address peeling paint, repairs to exposed wood which has started to decay, etc. There are also administrative expenses associated with levying a special assessment and interest expenses associated with taking out a loan, both of which are avoided when adequate reserve funds are available.

Report Sections

This report was designed to provide clear, distinct chapters for the different funding plan options so the association can easily compare and select a funding plan to follow. Your report includes separate sections detailing the Full Funding plan, 70% Funding plan, Baseline Funding plan, as well as data illustrating the reserve funding projections based on the association's current contribution rate. The different funding options are also summarized in the Report Summary at the beginning of this study. In rare instances, associations with unique funding scenarios may not have a 70% Funding option available; in those cases the 70% Funding chapter has been omitted.



Annual Expenditure Charts

The data within this section represents the association's projected expenses over the 30 year scope of this report. These expenses are projected to occur independent of which funding plan the association chooses to follow (Full, 70% or Baseline), and the charts are particularly helpful to the association in planning near term projects (i.e. within the next 1-5 years).

This section also includes a deterioration summary, which shows the total deterioration of the association's assets on an annual basis. It is important that the association consider this data when selecting an annual reserve contribution, as contributing significantly less than the annual deterioration rate means that the association's assets are deteriorating at a faster rate than the association is reserving.

Twin Lakes
Federal Way, WA
Year By Year Spread Sheet

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
ID Description										
Grounds										
1000 Concrete - Repair Allotment		7,622			8,329			9,101		
1035 Asphalt Path - Repair & Seal			12,418					14,396		
1040 Asphalt Path - Grind & Overlay										
1045 Bollards - Replace										
1055 Bridge - Repair/Replace	12,500									
1060 Monument Sign - Refurb/Replace (a)										
1065 Monument Sign - Refurb/Replace (b)										
1070 Park Signage - Replace										
1135 Landscape/Irrigation - Refurbish Allotment	25,000					28,982				
1175 Pole Lights - Replace										
1190 Pond Aerator Heads - Replace (Lake Lorene)				5,245						
1195 Pond Aerator Heads - Replace (Lake Ponce)							3,821			
1200 Fountain Pump - Replace									20,268	
1230 Shed - Replace (a)										
1235 Shed - Replace (b)										
Grounds Total:	37,500	7,622	12,418	5,245	8,329	28,982	3,821	23,497	20,268	
Recreation										
2000 Play Equipment - Replace										
2010 Picnic Assets - Replace	10,000					11,593				
2015 Pet Stations - Replace								8,609		
Recreation Total:	10,000					11,593		8,609		
Equipment & Mechanical										
5000 Electrical System - Repair/Replace										
5015 Office Equipment & Fixtures - Replace	15,000			16,391			17,911			19,572
5020 Vehicle - Replace (a)				26,225					30,402	
5025 Vehicle - Replace (b)		41,200					47,762			
Equipment & Mechanical Total:	15,000	41,200		42,616			65,673		30,402	19,572

Twin Lakes
Federal Way, WA
Year By Year Spread Sheet

ID	Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Professional											
6005	Reserve Study - Annual Update	<i>Unfunded</i>									
Year Total:		62,500	48,822	12,418	47,861	8,329	40,575	69,494	32,107	50,671	19,572

Twin Lakes
Federal Way, WA
Year By Year Spread Sheet

ID	Description	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Grounds											
1000	Concrete - Repair Allotment	9,945			10,867			11,875			12,976
1035	Asphalt Path - Repair & Seal			16,689					19,348		
1040	Asphalt Path - Grind & Overlay								193,476		
1045	Bollards - Replace										
1055	Bridge - Repair/Replace										
1060	Monument Sign - Refurb/Replace (a)										
1065	Monument Sign - Refurb/Replace (b)			14,970							
1070	Park Signage - Replace					22,689					
1135	Landscape/Irrigation - Refurbish Allotment	33,598					38,949				
1175	Pole Lights - Replace										
1190	Pond Aerator Heads - Replace (Lake Lorene)	6,451							7,934		
1195	Pond Aerator Heads - Replace (Lake Ponce)				4,699						
1200	Fountain Pump - Replace									27,239	
1230	Shed - Replace (a)								11,735		
1235	Shed - Replace (b)										
Grounds Total:		49,994		31,660	15,566	22,689	38,949	11,875	232,492	27,239	12,976
Recreation											
2000	Play Equipment - Replace							120,353			
2010	Picnic Assets - Replace	13,439					15,580				
2015	Pet Stations - Replace										
Recreation Total:		13,439					15,580	120,353			
Equipment & Mechanical											
5000	Electrical System - Repair/Replace					4,992					
5015	Office Equipment & Fixtures - Replace			21,386			23,370			25,536	
5020	Vehicle - Replace (a)				35,245					40,858	
5025	Vehicle - Replace (b)		55,369					64,188			
Equipment & Mechanical Total:			55,369	21,386	35,245	4,992	23,370	64,188		66,395	

Twin Lakes
Federal Way, WA
Year By Year Spread Sheet

ID	Description	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Professional											
6005	Reserve Study - Annual Update	<i>Unfunded</i>									
Year Total:		63,433	55,369	53,046	50,811	27,680	77,898	196,416	232,492	93,634	12,976

Twin Lakes
Federal Way, WA
Year By Year Spread Sheet

ID	Description	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Grounds											
1000	Concrete - Repair Allotment			14,179			15,494			16,931	
1035	Asphalt Path - Repair & Seal			22,429					26,002		
1040	Asphalt Path - Grind & Overlay										
1045	Bollards - Replace									20,591	
1055	Bridge - Repair/Replace						26,172				
1060	Monument Sign - Refurb/Replace (a)									24,023	
1065	Monument Sign - Refurb/Replace (b)										
1070	Park Signage - Replace										
1135	Landscape/Irrigation - Refurbish Allotment	45,153					52,344				
1175	Pole Lights - Replace					45,738					
1190	Pond Aerator Heads - Replace (Lake Lorene)					9,757					
1195	Pond Aerator Heads - Replace (Lake Ponce)	5,780							7,108		
1200	Fountain Pump - Replace									36,607	
1230	Shed - Replace (a)										
1235	Shed - Replace (b)								15,771		
Grounds Total:		50,932		36,608		55,495	94,011		48,881	98,152	
Recreation											
2000	Play Equipment - Replace										
2010	Picnic Assets - Replace	18,061					20,938				
2015	Pet Stations - Replace								15,549		
Recreation Total:		18,061					20,938		15,549		
Equipment & Mechanical											
5000	Electrical System - Repair/Replace										7,777
5015	Office Equipment & Fixtures - Replace		27,904			30,492			33,319		
5020	Vehicle - Replace (a)				47,366					54,910	
5025	Vehicle - Replace (b)		74,412					86,264			
Equipment & Mechanical Total:			102,316		47,366	30,492		86,264	33,319	54,910	7,777

Twin Lakes
Federal Way, WA
Year By Year Spread Sheet

ID	Description	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Professional											
6005	Reserve Study - Annual Update	<i>Unfunded</i>									
Year Total:		68,993	102,316	36,608	47,366	85,987	114,948	86,264	97,749	153,062	7,777

Twin Lakes
Federal Way, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2023	
Office Equipment & Fixtures - Replace	15,000
Landscape/Irrigation - Refurbish Allotment	25,000
Picnic Assets - Replace	10,000
Bridge - Repair/Replace	12,500
Total for 2023	\$62,500
Replacement Year 2024	
Concrete - Repair Allotment	7,622
Vehicle - Replace (b)	41,200
Total for 2024	\$48,822
Replacement Year 2025	
Asphalt Path - Repair & Seal	12,418
Total for 2025	\$12,418
Replacement Year 2026	
Office Equipment & Fixtures - Replace	16,391
Vehicle - Replace (a)	26,225
Pond Aerator Heads - Replace (Lake Lorene)	5,245
Total for 2026	\$47,861
Replacement Year 2027	
Concrete - Repair Allotment	8,329
Total for 2027	\$8,329
Replacement Year 2028	
Landscape/Irrigation - Refurbish Allotment	28,982
Picnic Assets - Replace	11,593
Total for 2028	\$40,575
Replacement Year 2029	
Office Equipment & Fixtures - Replace	17,911
Vehicle - Replace (b)	47,762
Pond Aerator Heads - Replace (Lake Ponce)	3,821
Total for 2029	\$69,494

Twin Lakes
Federal Way, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2030	
Concrete - Repair Allotment	9,101
Asphalt Path - Repair & Seal	14,396
Pet Stations - Replace	8,609
Total for 2030	\$32,107
Replacement Year 2031	
Vehicle - Replace (a)	30,402
Fountain Pump - Replace	20,268
Total for 2031	\$50,671
Replacement Year 2032	
Office Equipment & Fixtures - Replace	19,572
Total for 2032	\$19,572
Replacement Year 2033	
Concrete - Repair Allotment	9,945
Landscape/Irrigation - Refurbish Allotment	33,598
Picnic Assets - Replace	13,439
Pond Aerator Heads - Replace (Lake Lorene)	6,451
Total for 2033	\$63,433
Replacement Year 2034	
Vehicle - Replace (b)	55,369
Total for 2034	\$55,369
Replacement Year 2035	
Office Equipment & Fixtures - Replace	21,386
Asphalt Path - Repair & Seal	16,689
Monument Sign - Refurb/Replace (b)	14,970
Total for 2035	\$53,046
Replacement Year 2036	
Concrete - Repair Allotment	10,867
Vehicle - Replace (a)	35,245

Twin Lakes
Federal Way, WA
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2036 continued...</i>	
Pond Aerator Heads - Replace (Lake Ponce)	4,699
Total for 2036	\$50,811
Replacement Year 2037	
Electrical System - Repair/Replace	4,992
Park Signage - Replace	22,689
Total for 2037	\$27,680
Replacement Year 2038	
Office Equipment & Fixtures - Replace	23,370
Landscape/Irrigation - Refurbish Allotment	38,949
Picnic Assets - Replace	15,580
Total for 2038	\$77,898
Replacement Year 2039	
Concrete - Repair Allotment	11,875
Vehicle - Replace (b)	64,188
Play Equipment - Replace	120,353
Total for 2039	\$196,416
Replacement Year 2040	
Asphalt Path - Repair & Seal	19,348
Pond Aerator Heads - Replace (Lake Lorene)	7,934
Asphalt Path - Grind & Overlay	193,476
Shed - Replace (a)	11,735
Total for 2040	\$232,492
Replacement Year 2041	
Office Equipment & Fixtures - Replace	25,536
Vehicle - Replace (a)	40,858
Fountain Pump - Replace	27,239
Total for 2041	\$93,634
Replacement Year 2042	
Concrete - Repair Allotment	12,976
Total for 2042	\$12,976

Twin Lakes
Federal Way, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2043	
Landscape/Irrigation - Refurbish Allotment	45,153
Picnic Assets - Replace	18,061
Pond Aerator Heads - Replace (Lake Ponce)	5,780
Total for 2043	\$68,993
Replacement Year 2044	
Office Equipment & Fixtures - Replace	27,904
Vehicle - Replace (b)	74,412
Total for 2044	\$102,316
Replacement Year 2045	
Concrete - Repair Allotment	14,179
Asphalt Path - Repair & Seal	22,429
Total for 2045	\$36,608
Replacement Year 2046	
Vehicle - Replace (a)	47,366
Total for 2046	\$47,366
Replacement Year 2047	
Office Equipment & Fixtures - Replace	30,492
Pond Aerator Heads - Replace (Lake Lorene)	9,757
Pole Lights - Replace	45,738
Total for 2047	\$85,987
Replacement Year 2048	
Concrete - Repair Allotment	15,494
Landscape/Irrigation - Refurbish Allotment	52,344
Picnic Assets - Replace	20,938
Bridge - Repair/Replace	26,172
Total for 2048	\$114,948
Replacement Year 2049	
Vehicle - Replace (b)	86,264
Total for 2049	\$86,264

Twin Lakes
Federal Way, WA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2050	
Office Equipment & Fixtures - Replace	33,319
Asphalt Path - Repair & Seal	26,002
Pond Aerator Heads - Replace (Lake Ponce)	7,108
Pet Stations - Replace	15,549
Shed - Replace (b)	15,771
Total for 2050	\$97,749
Replacement Year 2051	
Concrete - Repair Allotment	16,931
Vehicle - Replace (a)	54,910
Fountain Pump - Replace	36,607
Bollards - Replace	20,591
Monument Sign - Refurb/Replace (a)	24,023
Total for 2051	\$153,062
Replacement Year 2052	
Electrical System - Repair/Replace	7,777
Total for 2052	\$7,777

**Twin Lakes
Deterioration Summary**

Asset ID	Description	Useful Life	Current Cost	Annual Deterioration
1000	Concrete - Repair Allotment	3	\$7,400	\$2,467
1035	Asphalt Path - Repair & Seal	5	\$11,706	\$2,341
1040	Asphalt Path - Grind & Overlay	30	\$117,056	\$3,902
1045	Bollards - Replace	30	\$9,000	\$300
1055	Bridge - Repair/Replace	25	\$12,500	\$500
1060	Monument Sign - Refurb/Replace (a)	30	\$10,500	\$350
1065	Monument Sign - Refurb/Replace (b)	30	\$10,500	\$350
1070	Park Signage - Replace	20	\$15,000	\$750
1135	Landscape/Irrigation - Refurbish Allotment	5	\$25,000	\$5,000
1175	Pole Lights - Replace	30	\$22,500	\$750
1190	Pond Aerator Heads - Replace (Lake Lorene)	7	\$4,800	\$686
1195	Pond Aerator Heads - Replace (Lake Ponce)	7	\$3,200	\$457
1200	Fountain Pump - Replace	10	\$16,000	\$1,600
1230	Shed - Replace (a)	30	\$7,100	\$237
1235	Shed - Replace (b)	30	\$7,100	\$237
2000	Play Equipment - Replace	20	\$75,000	\$3,750
2010	Picnic Assets - Replace	5	\$10,000	\$2,000
2015	Pet Stations - Replace	20	\$7,000	\$350
5000	Electrical System - Repair/Replace	15	\$3,300	\$220
5015	Office Equipment & Fixtures - Replace	3	\$15,000	\$5,000
5020	Vehicle - Replace (a)	5	\$24,000	\$4,800
5025	Vehicle - Replace (b)	5	\$40,000	\$8,000
6005	Reserve Study - Annual Update	Unfunded		
Total Annual Deterioration of Association Assets				<u>\$44,046</u>



Full Funding Model

The data within this section represents the 100% full funding model. In this model the association works to fund the reserve account to a level in which the reserve account balance equals the fully funded balance, thus achieving 100% funding. This is accomplished over the 30 year scope of the report. Following this funding model is recommended, as it puts the association at the lowest risk of requiring a special assessment should a project occur earlier than projected or cost more than anticipated.

Twin Lakes
Federal Way, WA
Full Funding Model Summary

		Report Parameters	
Report Date	January 1, 2023	Inflation	3.00%
Account Number	0092	Interest Rate on Reserve Deposit	1.00%
Budget Year Beginning	January 1, 2023		
Budget Year Ending	December 31, 2023		
Total Units	1363	2023 Beginning Balance	\$183,000

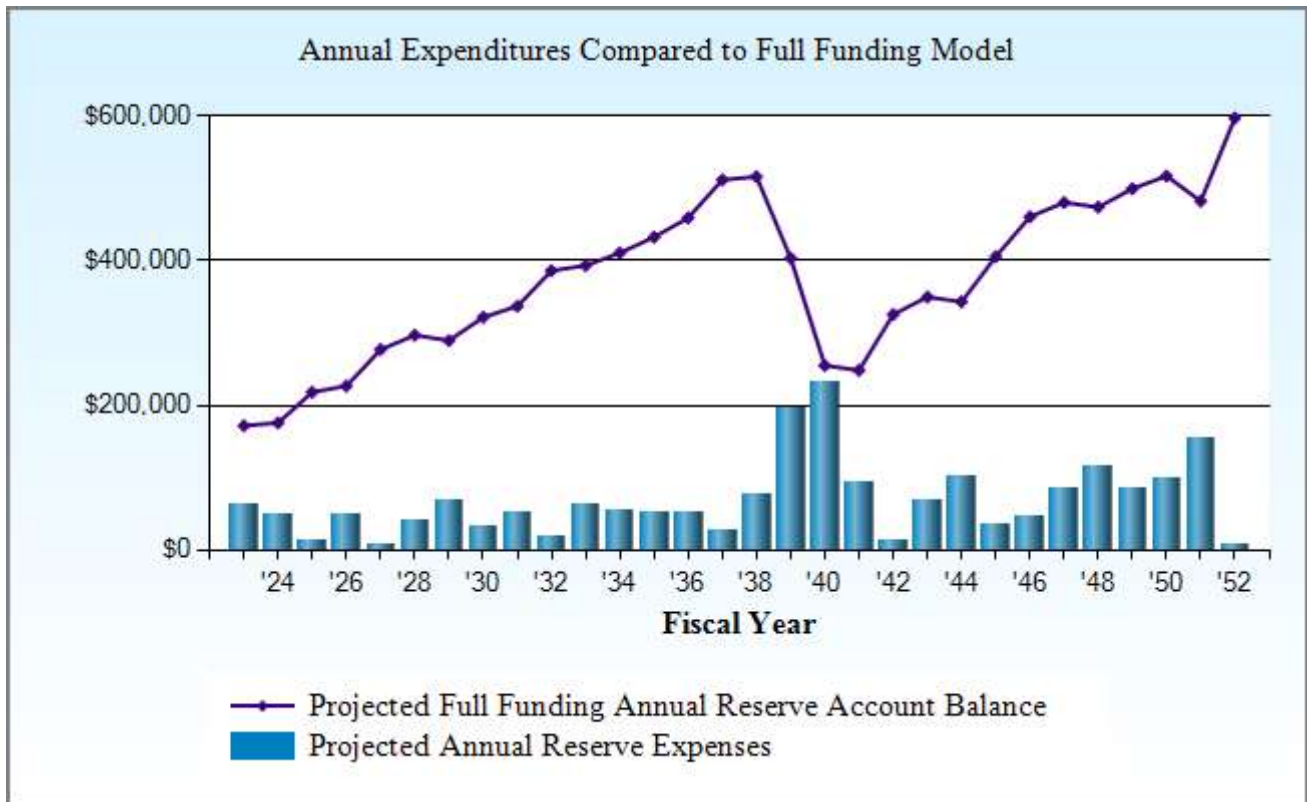
Full Funding Model

Full Funding Model Summary of Calculations	
Required Annual Contribution	\$49,600.00
<i>\$36.39 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,701.00</u>
Total Annual Allocation to Reserves	\$51,301.00
<i>\$37.64 per unit annually</i>	

Twin Lakes
Full Funding Model Projection

Beginning Balance: \$183,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	453,662	49,600	1,701	62,500	171,801	200,730	86%
2024	467,271	51,088	1,741	48,822	175,808	203,193	87%
2025	481,290	52,621	2,160	12,418	218,170	244,628	89%
2026	495,728	54,199	2,245	47,861	226,753	252,244	90%
2027	510,600	55,825	2,742	8,329	276,992	302,294	92%
2028	525,918	57,500	2,939	40,575	296,856	322,164	92%
2029	541,696	59,225	2,866	69,494	289,453	314,421	92%
2030	557,947	61,002	3,183	32,107	321,532	346,580	93%
2031	574,685	62,832	3,337	50,671	337,030	362,256	93%
2032	591,925	64,717	3,822	19,572	385,997	412,159	94%
2033	609,683	66,658	3,892	63,433	393,114	420,157	94%
2034	627,974	68,658	4,064	55,369	410,467	438,531	94%
2035	646,813	70,718	4,281	53,046	432,420	461,732	94%
2036	666,217	72,839	4,544	50,811	458,992	489,871	94%
2037	686,204	75,024	5,063	27,680	511,400	544,679	94%
2038	706,790	77,275	5,108	77,898	515,884	551,464	94%
2039	727,994	79,593	3,991	196,416	403,052	438,501	92%
2040	749,833	81,981	2,525	232,492	255,067	287,174	89%
2041	772,328	84,441	2,459	93,634	248,333	276,581	90%
2042	795,498	86,974	3,223	12,976	325,554	351,065	93%
2043	819,363	89,583	3,461	68,993	349,605	372,472	94%
2044	843,944	92,271	3,396	102,316	342,955	362,657	95%
2045	869,263	95,039	4,014	36,608	405,399	422,758	96%
2046	895,340	97,890	4,559	47,366	460,482	476,190	97%
2047	922,201	100,827	4,753	85,987	480,075	494,131	97%
2048	949,867	103,851	4,690	114,948	473,668	485,547	98%
2049	978,363	106,967	4,944	86,264	499,315	509,100	98%
2050	1,007,713	110,176	5,117	97,749	516,859	524,465	99%
2051	1,037,945	113,481	4,773	153,062	482,050	486,342	99%
2052	1,069,083	116,886	5,912	7,777	597,071	599,833	100%



This chart compares the projected yearly reserve balance within the full funding plan against the cumulative expenses anticipated within that year.



70% Threshold Funding Model

The data within this section represents the 70% threshold funding model. In this model the association aims to become 70% funded over the 30 year scope of the report. While the 100% full funding model in the prior section features the lowest risk of a special assessment, this 70% model provides an alternate option for associations that do not wish to fund reserves to 100% but wish to actively mitigate the risk of a special assessment by funding reserves to a level in which the risk of a special assessment is still relatively low.

Twin Lakes
Federal Way, WA
70% Funding Model Summary

Report Parameters	
Report Date	January 1, 2023
Account Number	0092
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	1363
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2023 Beginning Balance	\$183,000

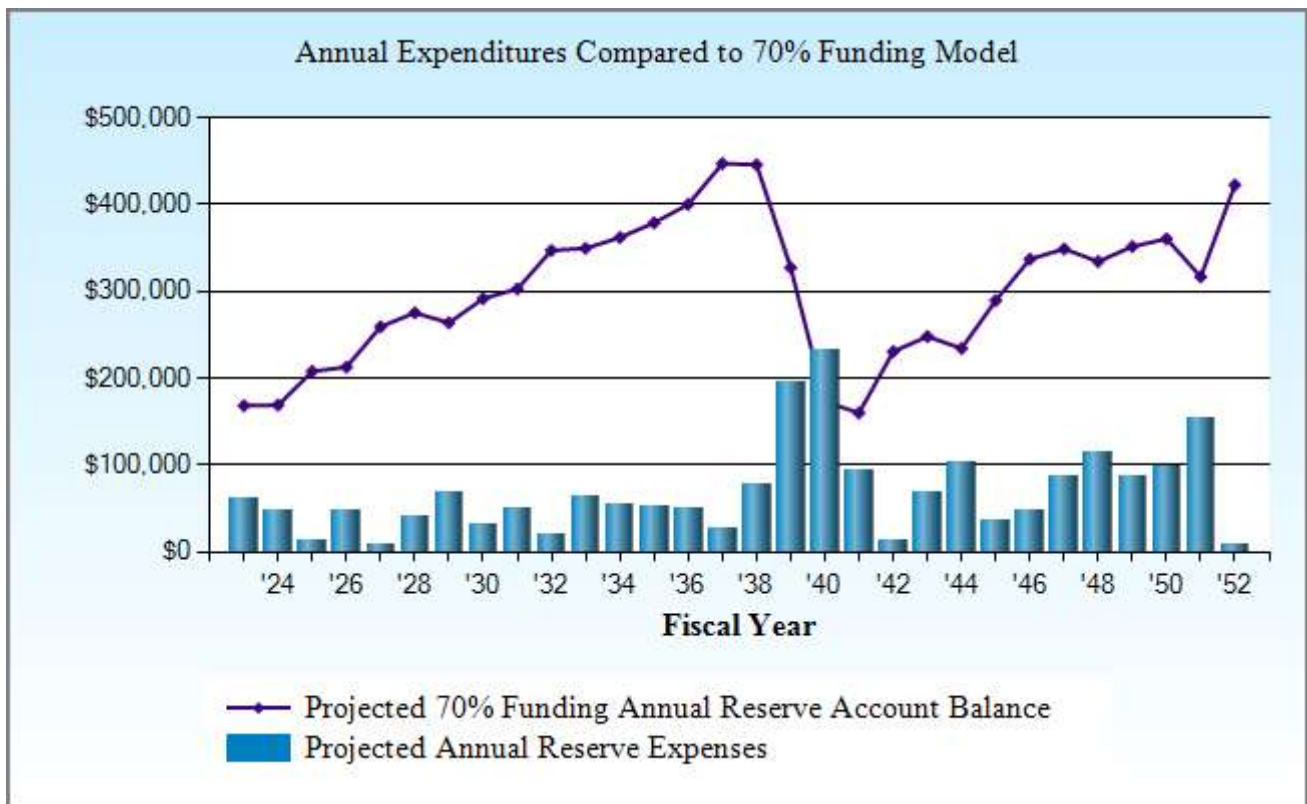
70% Funding Model

70% Funding Model Summary of Calculations	
Required Annual Contribution	\$46,400.00
<i>\$34.04 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,669.00</u>
Total Annual Allocation to Reserves	\$48,069.00
<i>\$35.27 per unit annually</i>	

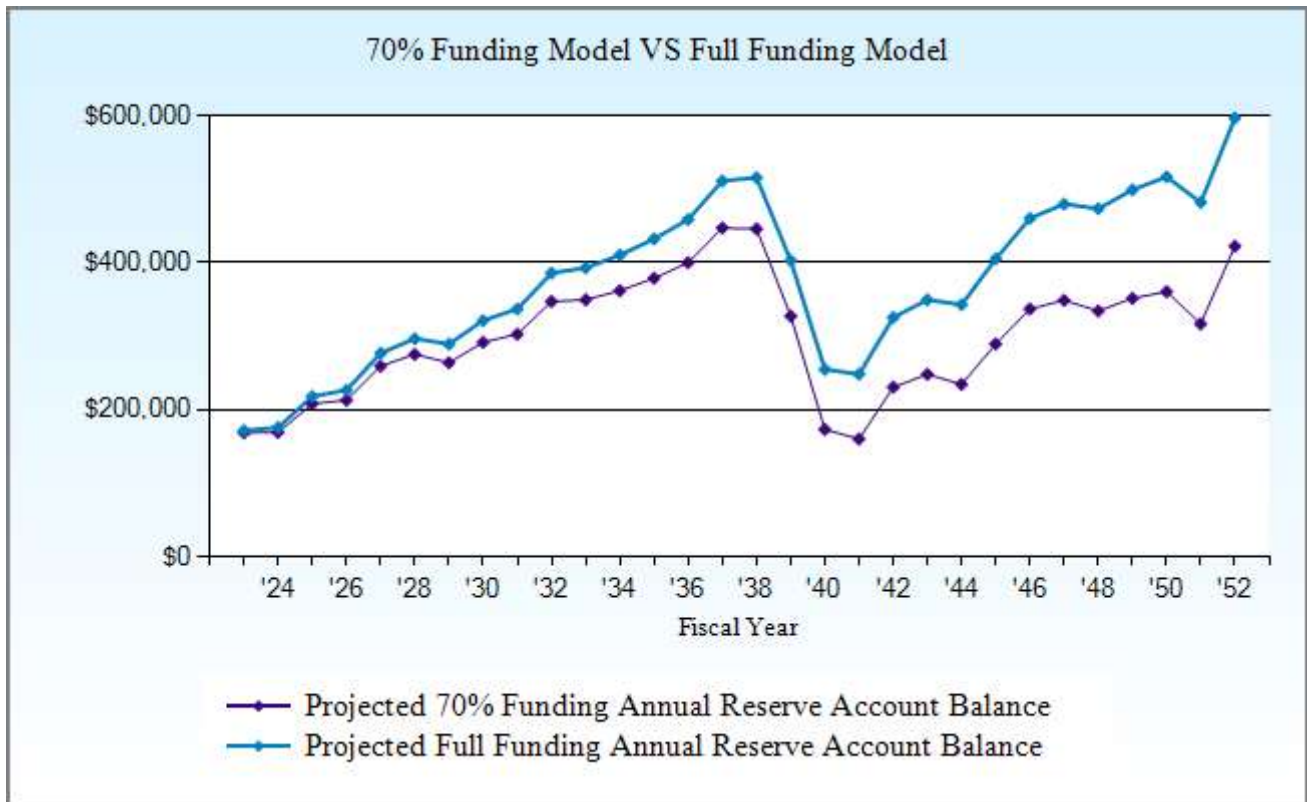
Twin Lakes
70% Funding Model Projection

Beginning Balance: \$183,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	453,662	46,400	1,669	62,500	168,569	200,730	84%
2024	467,271	47,792	1,675	48,822	169,214	203,193	83%
2025	481,290	49,226	2,060	12,418	208,082	244,628	85%
2026	495,728	50,703	2,109	47,861	213,032	252,244	84%
2027	510,600	52,224	2,569	8,329	259,496	302,294	86%
2028	525,918	53,790	2,727	40,575	275,439	322,164	85%
2029	541,696	55,404	2,613	69,494	263,963	314,421	84%
2030	557,947	57,066	2,889	32,107	291,812	346,580	84%
2031	574,685	58,778	2,999	50,671	302,918	362,256	84%
2032	591,925	60,541	3,439	19,572	347,327	412,159	84%
2033	609,683	62,358	3,463	63,433	349,714	420,157	83%
2034	627,974	64,228	3,586	55,369	362,159	438,531	83%
2035	646,813	66,155	3,753	53,046	379,021	461,732	82%
2036	666,217	68,140	3,963	50,811	400,313	489,871	82%
2037	686,204	70,184	4,428	27,680	447,245	544,679	82%
2038	706,790	72,290	4,416	77,898	446,053	551,464	81%
2039	727,994	74,458	3,241	196,416	327,336	438,501	75%
2040	749,833	76,692	1,715	232,492	173,251	287,174	60%
2041	772,328	78,993	1,586	93,634	160,196	276,581	58%
2042	795,498	81,363	2,286	12,976	230,869	351,065	66%
2043	819,363	83,804	2,457	68,993	248,136	372,472	67%
2044	843,944	86,318	2,321	102,316	234,459	362,657	65%
2045	869,263	88,907	2,868	36,608	289,625	422,758	69%
2046	895,340	91,574	3,338	47,366	337,172	476,190	71%
2047	922,201	94,322	3,455	85,987	348,961	494,131	71%
2048	949,867	97,151	3,312	114,948	334,476	485,547	69%
2049	978,363	100,066	3,483	86,264	351,761	509,100	69%
2050	1,007,713	103,068	3,571	97,749	360,650	524,465	69%
2051	1,037,945	106,160	3,137	153,062	316,885	486,342	65%
2052	1,069,083	109,345	4,185	7,777	422,638	599,833	70%



This chart compares the projected yearly reserve balance within the 70% Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the 70% Funding model and the Full Funding model.



Baseline Funding Model

The data within this section represents the baseline funding model. In this model, the association funds reserves at a level in which the reserve balance is not projected to drop below zero over the 30 year scope of this report. Baseline funding has the highest risk of a special assessment. Under this model, if a project comes in just slightly over budget, or occurs earlier than anticipated, the association has a high risk of requiring a special assessment.

Twin Lakes
Federal Way, WA
Baseline Funding Model Summary

		Report Parameters	
Report Date	January 1, 2023	Inflation	3.00%
Account Number	0092	Interest Rate on Reserve Deposit	1.00%
Budget Year Beginning	January 1, 2023		
Budget Year Ending	December 31, 2023		
Total Units	1363	2023 Beginning Balance	\$183,000

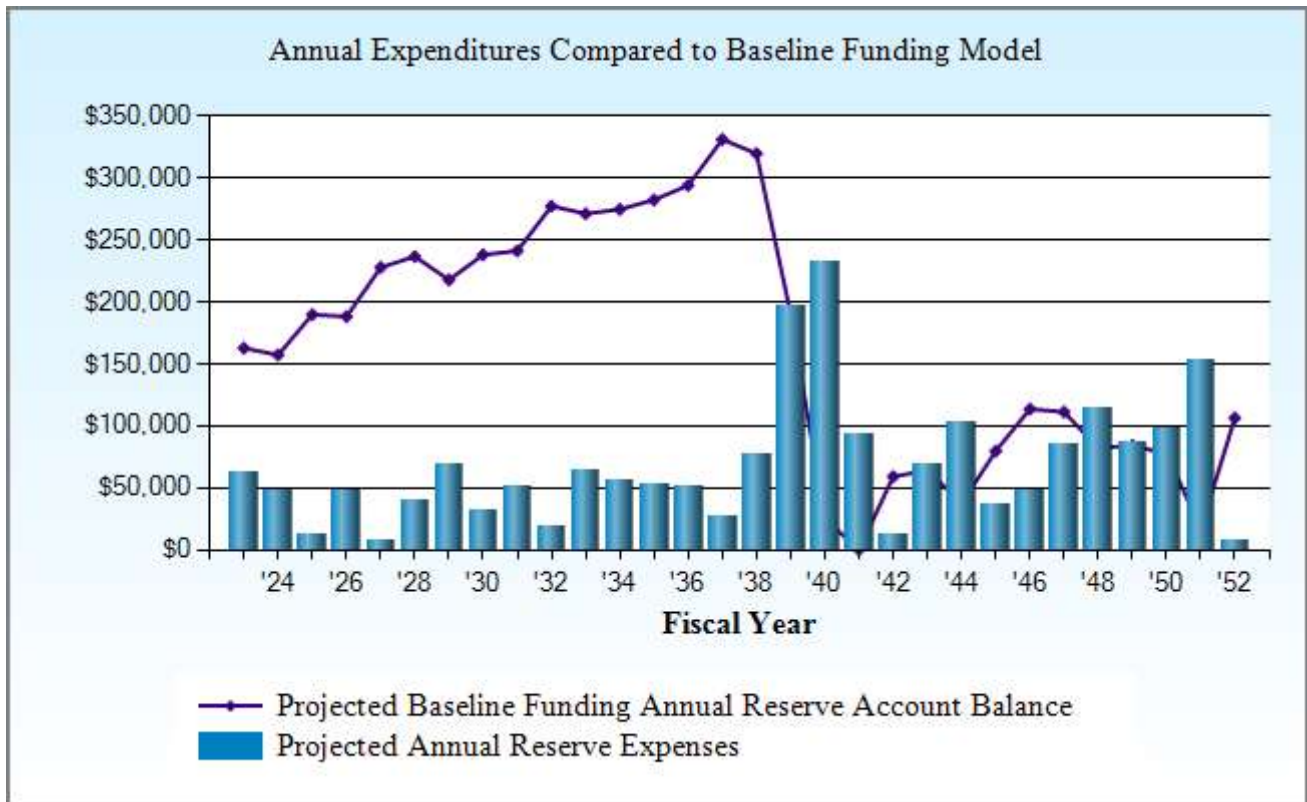
Baseline Funding Model

Baseline Funding Model Summary of Calculations	
Required Annual Contribution	\$40,600.00
<i>\$29.79 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,611.00</u>
Total Annual Allocation to Reserves	\$42,211.00
<i>\$30.97 per unit annually</i>	

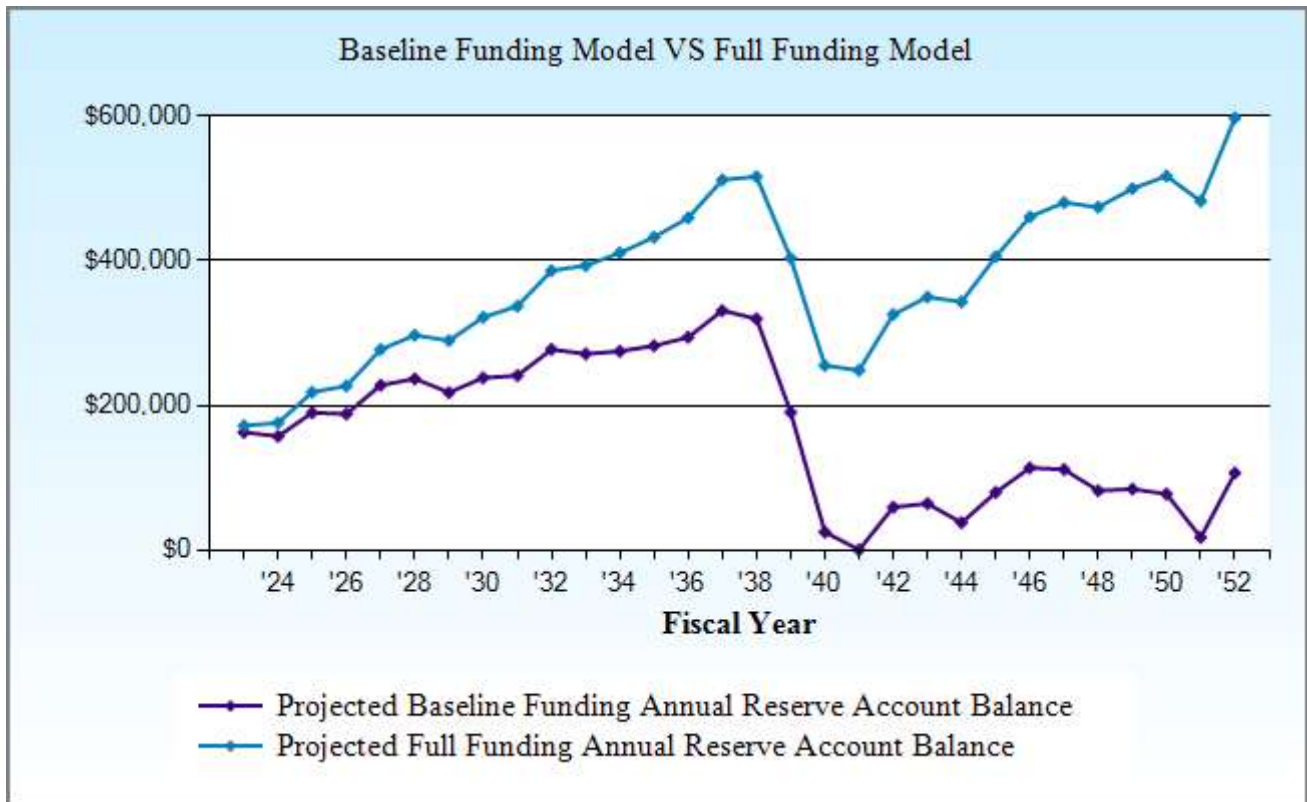
**Twin Lakes
Baseline Funding Model Projection**

Beginning Balance: \$183,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	453,662	40,600	1,611	62,500	162,711	200,730	81%
2024	467,271	41,818	1,557	48,822	157,264	203,193	77%
2025	481,290	43,073	1,879	12,418	189,797	244,628	78%
2026	495,728	44,365	1,863	47,861	188,164	252,244	75%
2027	510,600	45,696	2,255	8,329	227,786	302,294	75%
2028	525,918	47,067	2,343	40,575	236,621	322,164	73%
2029	541,696	48,479	2,156	69,494	217,761	314,421	69%
2030	557,947	49,933	2,356	32,107	237,943	346,580	69%
2031	574,685	51,431	2,387	50,671	241,090	362,256	67%
2032	591,925	52,974	2,745	19,572	277,238	412,159	67%
2033	609,683	54,563	2,684	63,433	271,051	420,157	65%
2034	627,974	56,200	2,719	55,369	274,601	438,531	63%
2035	646,813	57,886	2,794	53,046	282,235	461,732	61%
2036	666,217	59,622	2,910	50,811	293,956	489,871	60%
2037	686,204	61,411	3,277	27,680	330,964	544,679	61%
2038	706,790	63,253	3,163	77,898	319,482	551,464	58%
2039	727,994	65,151	1,882	196,416	190,100	438,501	43%
2040	749,833	67,106	247	232,492	24,960	287,174	9%
2041	772,328	69,119	4	93,634	450	276,581	0%
2042	795,498	71,192	587	12,976	59,253	351,065	17%
2043	819,363	73,328	636	68,993	64,223	372,472	17%
2044	843,944	75,528	374	102,316	37,809	362,657	10%
2045	869,263	77,794	790	36,608	79,785	422,758	19%
2046	895,340	80,128	1,125	47,366	113,672	476,190	24%
2047	922,201	82,531	1,102	85,987	111,318	494,131	23%
2048	949,867	85,007	814	114,948	82,191	485,547	17%
2049	978,363	87,558	835	86,264	84,320	509,100	17%
2050	1,007,713	90,184	768	97,749	77,522	524,465	15%
2051	1,037,945	92,890	173	153,062	17,523	486,342	4%
2052	1,069,083	95,677	1,054	7,777	106,478	599,833	18%



This chart compares the projected yearly reserve balance within the Baseline Funding model against the cumulative expenses anticipated within that year.



This chart compares the projected annual reserve account balances between the Baseline Funding model and the Full Funding model.



Current Funding Model

The data within this section represents the association's current funding model, based on the most recent annual budget. This data is helpful in determining whether current contribution rates are sufficient to meet the association's funding goals over time.

Twin Lakes
Federal Way, WA
Current Assessment Funding Model Summary

		Report Parameters	
Report Date	January 1, 2023	Inflation	3.00%
Account Number	0092	Annual Assessment Increase	3.00%
Budget Year Beginning	January 1, 2023	Interest Rate on Reserve Deposit	1.00%
Budget Year Ending	December 31, 2023		
Total Units	1363	2023 Beginning Balance	\$183,000

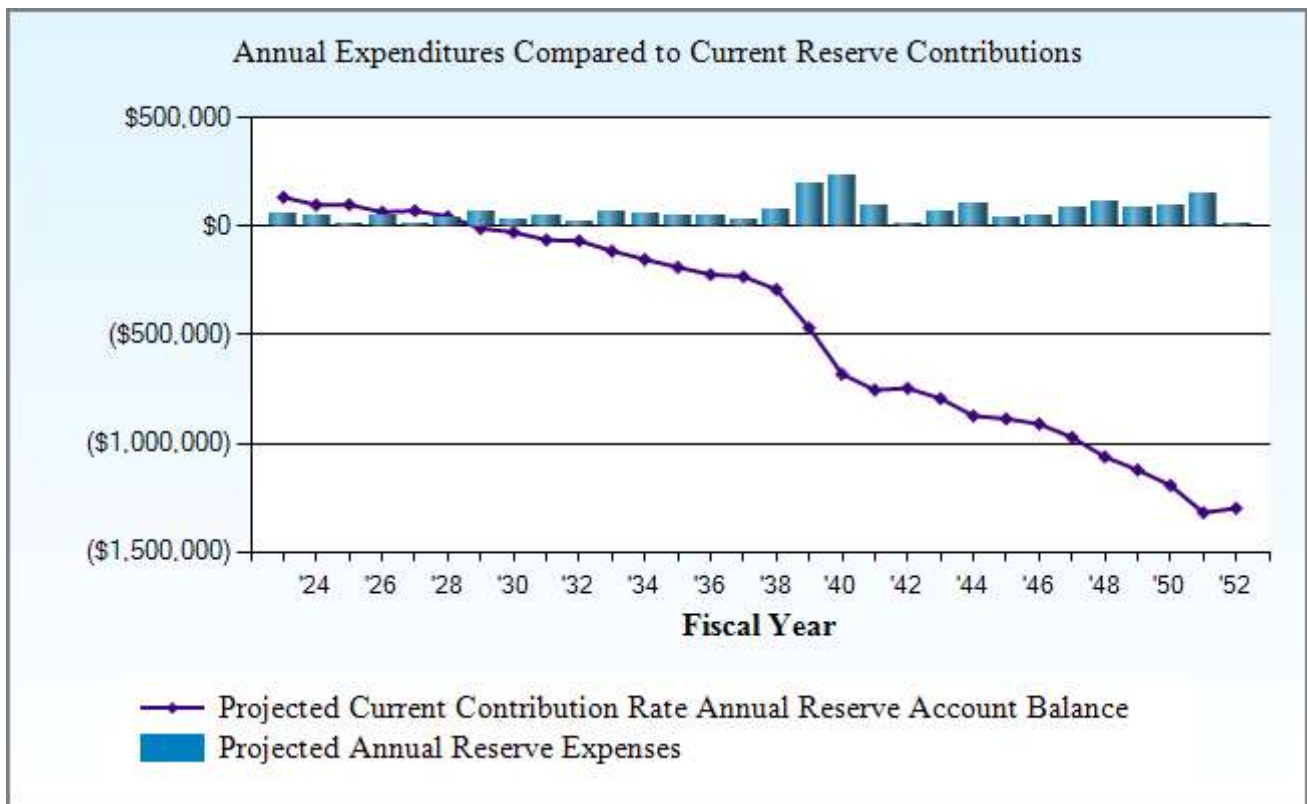
Current Assessment Funding Model

Current Assessment Funding Model Summary of Calculations	
Required Annual Contribution <i>\$8.80 per unit annually</i>	\$12,000.00
Average Net Annual Interest Earned	<u>\$1,325.00</u>
Total Annual Allocation to Reserves <i>\$9.78 per unit annually</i>	\$13,325.00

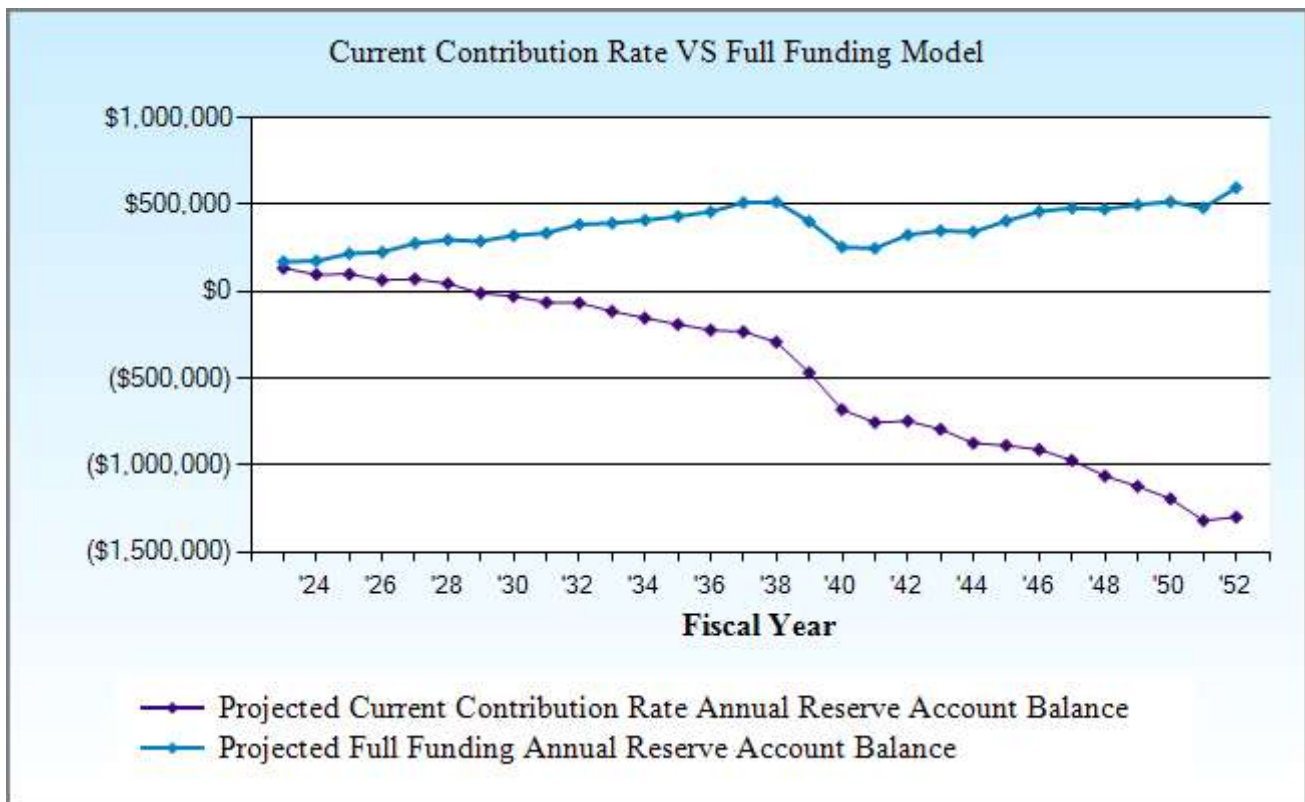
Twin Lakes
Current Assessment Funding Model Projection

Beginning Balance: \$183,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	453,662	12,000	1,325	62,500	133,825	200,730	67%
2024	467,271	12,360	974	48,822	98,337	203,193	48%
2025	481,290	12,731	986	12,418	99,635	244,628	41%
2026	495,728	13,113	649	47,861	65,536	252,244	26%
2027	510,600	13,506	707	8,329	71,420	302,294	24%
2028	525,918	13,911	448	40,575	45,204	322,164	14%
2029	541,696	14,329		69,494	-9,961	314,421	
2030	557,947	14,758		32,107	-27,309	346,580	
2031	574,685	15,201		50,671	-62,779	362,256	
2032	591,925	15,657		19,572	-66,693	412,159	
2033	609,683	16,127		63,433	-113,999	420,157	
2034	627,974	16,611		55,369	-152,757	438,531	
2035	646,813	17,109		53,046	-188,694	461,732	
2036	666,217	17,622		50,811	-221,883	489,871	
2037	686,204	18,151		27,680	-231,413	544,679	
2038	706,790	18,696		77,898	-290,615	551,464	
2039	727,994	19,256		196,416	-467,775	438,501	
2040	749,833	19,834		232,492	-680,433	287,174	
2041	772,328	20,429		93,634	-753,638	276,581	
2042	795,498	21,042		12,976	-745,571	351,065	
2043	819,363	21,673		68,993	-792,892	372,472	
2044	843,944	22,324		102,316	-872,884	362,657	
2045	869,263	22,993		36,608	-886,499	422,758	
2046	895,340	23,683		47,366	-910,182	476,190	
2047	922,201	24,394		85,987	-971,776	494,131	
2048	949,867	25,125		114,948	-1,061,599	485,547	
2049	978,363	25,879		86,264	-1,121,984	509,100	
2050	1,007,713	26,655		97,749	-1,193,077	524,465	
2051	1,037,945	27,455		153,062	-1,318,685	486,342	
2052	1,069,083	28,279		7,777	-1,298,182	599,833	



This chart compares the projected yearly reserve balance at the association's current contribution rate against the cumulative expenses anticipated within that year.



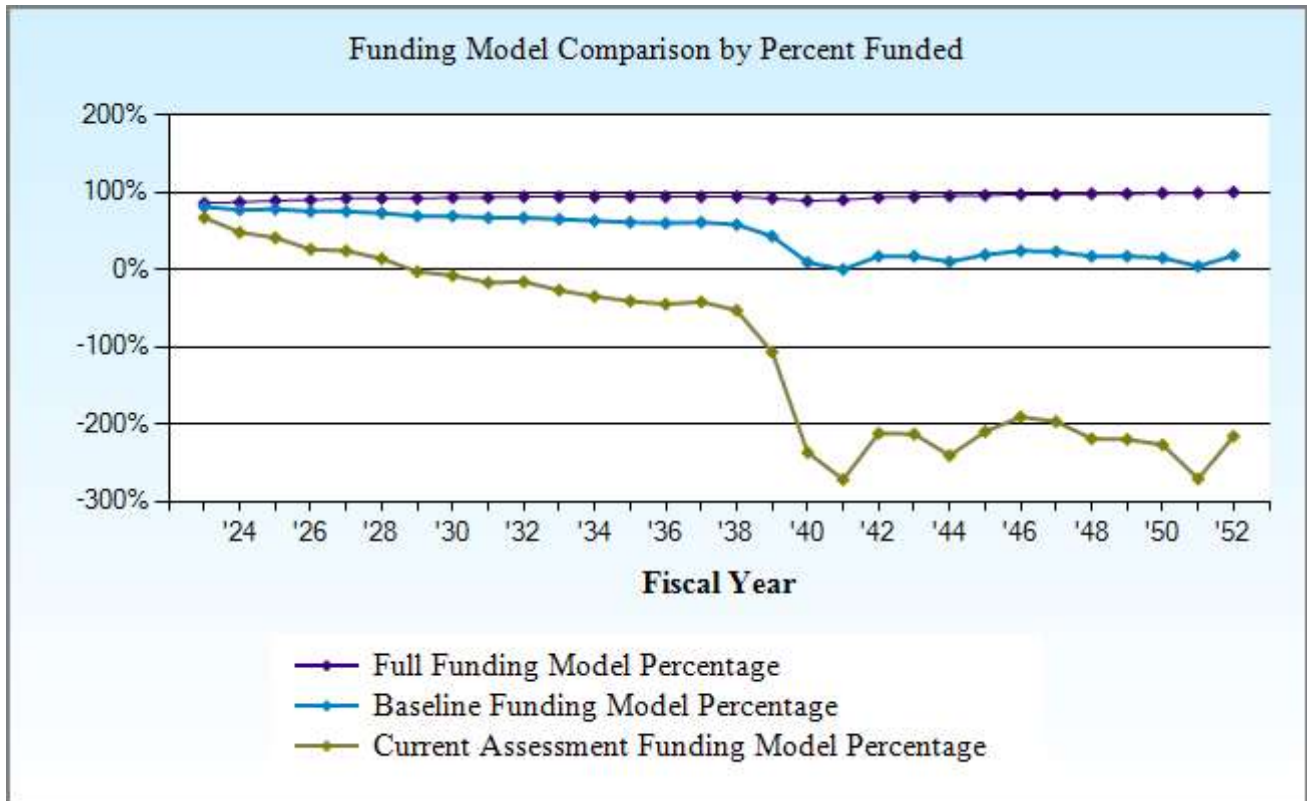
This chart compares the projected annual reserve account balances between the association's current contribution rate and the Full Funding model.



Comparison Charts

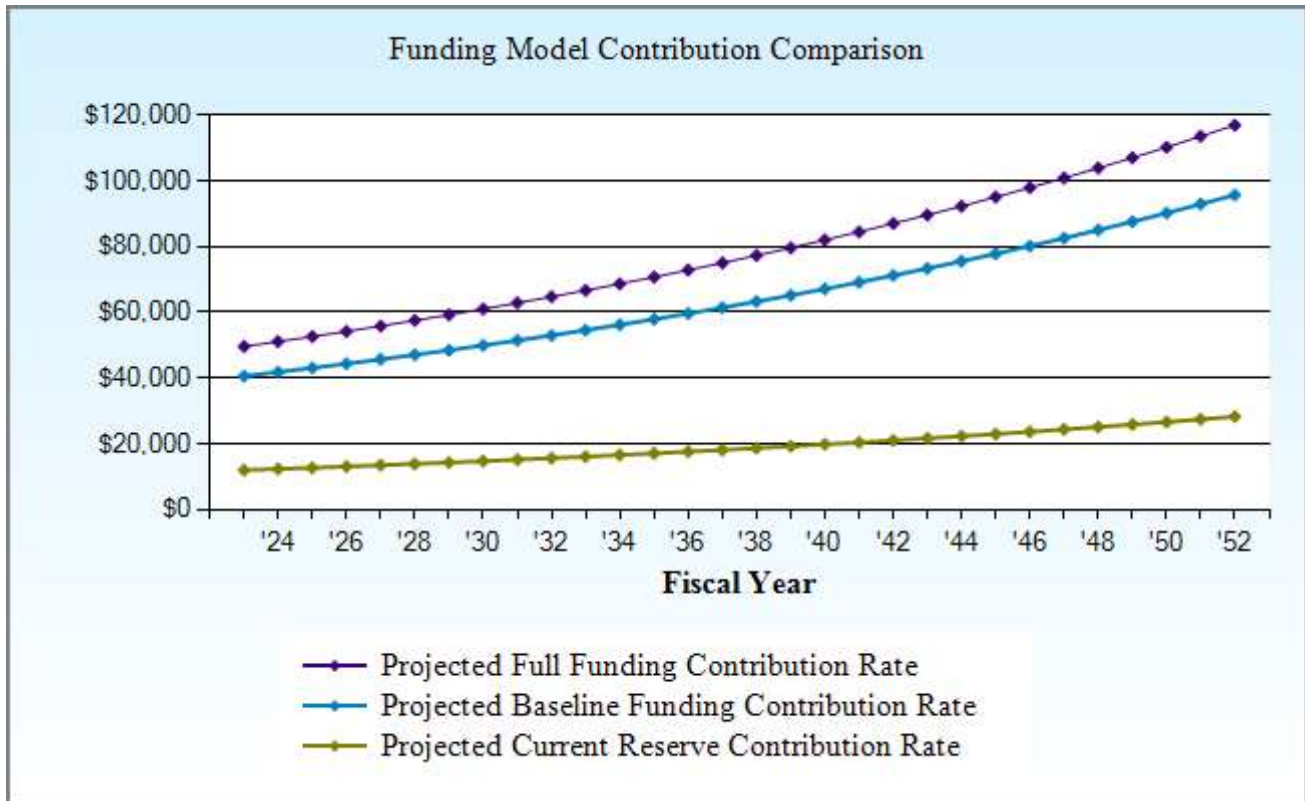
The charts within this section represent a visual comparison of the funding models included within this report. Each chart features a descriptive title indicating the data which is being compared and are extremely helpful for the association in comparing its current funding plan to the plans included within the study.

Twin Lakes
Funding Model Comparison by Percent Funded



This chart compares the association's projected percent funded on an annual basis between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.

Twin Lakes
Funding Model Assessment Comparison Chart



This chart compares the projected contribution rate between the Full and Baseline funding models, along with the association's current contribution rate, over 30 years.



Component Detail Report

The following section features a detailed breakdown of each of the association's reserve components. This section details component history, quantities, useful life, remaining useful life and cost breakdowns, among other important data. For Level I Full and Level II With-Site-Visit reports, this section also features maintenance recommendations and photographs of the components.

Twin Lakes
Index of Funded Components

Asset ID	Description	Replacement	Page
1000	Concrete - Repair Allotment	2024	43
1035	Asphalt Path - Repair & Seal	2025	44
1040	Asphalt Path - Grind & Overlay	2040	45
1045	Bollards - Replace	2051	46
1055	Bridge - Repair/Replace	2023	47
1060	Monument Sign - Refurb/Replace (a)	2051	48
1065	Monument Sign - Refurb/Replace (b)	2035	49
1070	Park Signage - Replace	2037	50
1135	Landscape/Irrigation - Refurbish Allotment	2023	51
1175	Pole Lights - Replace	2047	52
1190	Pond Aerator Heads - Replace (Lake Lorene)	2026	53
1195	Pond Aerator Heads - Replace (Lake Ponce)	2029	54
1200	Fountain Pump - Replace	2031	55
1230	Shed - Replace (a)	2040	56
1235	Shed - Replace (b)	2050	57
2000	Play Equipment - Replace	2039	58
2010	Picnic Assets - Replace	2023	59
2015	Pet Stations - Replace	2030	60
5000	Electrical System - Repair/Replace	2037	61
5015	Office Equipment & Fixtures - Replace	2023	62
5020	Vehicle - Replace (a)	2026	63
5025	Vehicle - Replace (b)	2024	64
6005	Reserve Study - Annual Update	2023	65
	Total Funded Assets	22	
	Total Unfunded Assets	<u>1</u>	
	Total Assets	23	

Twin Lakes
Detail Report by Category

Concrete - Repair Allotment - 2024		1 Allowance	@ \$7,400.00
Asset ID	1000	Asset Actual Cost	\$7,400.00
		Percent Replacement	100%
	Grounds	Future Cost	\$7,622.00
Placed in Service	January 2021		
Useful Life	3		
Replacement Year	2024		
Remaining Life	1		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work and number of roundabouts completed.

Cost Source: Client cost history

Location: Roundabouts within community (client reports there are 49 total roundabouts)

Component History: Roundabout curbing replaced at 2 roundabouts 2021 \$7,400.74 & \$7,015.24, one additional completed between 2017 & 2021

Twin Lakes
Detail Report by Category

Asphalt Path - Repair & Seal - 2025		29,264 GSF	@ \$0.40
Asset ID	1035	Asset Actual Cost	\$11,705.60
		Percent Replacement	100%
	Grounds	Future Cost	\$12,418.47
Placed in Service	January 2020		
Useful Life	5		
Replacement Year	2025		
Remaining Life	2		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Path(s) within common areas

Component History: Sealed 2020 \$10,291

Twin Lakes
Detail Report by Category

Asphalt Path - Grind & Overlay - 2040		29,264 GSF	@ \$4.00
Asset ID	1040	Asset Actual Cost	\$117,056.00
		Percent Replacement	100%
	Grounds	Future Cost	\$193,475.73
Placed in Service	January 2010		
Useful Life	30		
Replacement Year	2040		
Remaining Life	17		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Path(s) within common areas

Component History: Resurfaced 2010 per prior reserve study

Twin Lakes
Detail Report by Category

Bollards - Replace - 2051		9 Each	@ \$1,000.00
Asset ID	1045	Asset Actual Cost	\$9,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$20,591.35
Placed in Service	January 2021		
Useful Life	30		
Replacement Year	2051		
Remaining Life	28		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Cost allowance within prior study, adjusted for inflation

Location: TBD

Component History: Replaced 2021 per prior reserve study

Twin Lakes
Detail Report by Category

Bridge - Repair/Replace - 2023		1 Each	@ \$12,500.00
Asset ID	1055	Asset Actual Cost	\$12,500.00
		Percent Replacement	100%
	Grounds	Future Cost	\$12,500.00
Placed in Service	January 1998		
Useful Life	25		
Replacement Year	2023		
Remaining Life	0		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Allowance within prior reserve study, adjusted for inflation

Location: Within Ponce de Leon Park

Component History: Rebuilt/replaced 1998 per prior reserve study

Twin Lakes
Detail Report by Category

Monument Sign - Refurb/Replace (a) - 2051

		1 Each	@ \$10,500.00
Asset ID	1060	Asset Actual Cost	\$10,500.00
		Percent Replacement	100%
	Grounds	Future Cost	\$24,023.24
Placed in Service	January 2021		
Useful Life	30		
Replacement Year	2051		
Remaining Life	28		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Inflated client cost history

Location: Monument at 36th & 320th

Component History: Replaced 2021 \$9,909

Twin Lakes
Detail Report by Category

Monument Sign - Refurb/Replace (b) - 2035

		1 Each	@ \$10,500.00
Asset ID	1065	Asset Actual Cost	\$10,500.00
		Percent Replacement	100%
	Grounds	Future Cost	\$14,970.49
Placed in Service	January 2005		
Useful Life	30		
Replacement Year	2035		
Remaining Life	12		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Extrapolated client cost history from 2021 replacement

Location: TBD

Component History: Replaced 2005 per prior reserve study

Twin Lakes
Detail Report by Category

Park Signage - Replace - 2037			
Asset ID	1070	10 Each	@ \$1,500.00
		Asset Actual Cost	\$15,000.00
		Percent Replacement	100%
		Future Cost	\$22,688.85
	Grounds		
Placed in Service	January 2017		
Useful Life	20		
Replacement Year	2037		
Remaining Life	14		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Within community park(s)

Component History: Replaced 2017 per prior reserve study

Twin Lakes
Detail Report by Category

Landscape/Irrigation - Refurbish Allotment - 2023

Asset ID	1135	1 Allowance	@ \$25,000.00
		Asset Actual Cost	\$25,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$25,000.00
Placed in Service	January 2018		
Useful Life	5		
Replacement Year	2023		
Remaining Life	0		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Common area landscaping

Component History: Last refurbished 2018 per prior reserve study

Twin Lakes
Detail Report by Category

Pole Lights - Replace - 2047		9 Each	@ \$2,500.00
Asset ID	1175	Asset Actual Cost	\$22,500.00
		Percent Replacement	100%
	Grounds	Future Cost	\$45,737.87
Placed in Service	January 2017		
Useful Life	30		
Replacement Year	2047		
Remaining Life	24		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, quality of pole/fixture selected and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Within association common areas

Component History: Replaced 2017 per prior reserve study

Twin Lakes
Detail Report by Category

Pond Aerator Heads - Replace (Lake Lorene) - 2026

Asset ID	1190	6 Each	@ \$800.00
		Asset Actual Cost	\$4,800.00
		Percent Replacement	100%
	Grounds	Future Cost	\$5,245.09
Placed in Service	January 2019		
Useful Life	7		
Replacement Year	2026		
Remaining Life	3		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Within Lake Lorene

Component History: Replaced 2019 per prior reserve study

Twin Lakes
Detail Report by Category

Pond Aerator Heads - Replace (Lake Ponce) - 2029

		4 Each	@ \$800.00
Asset ID	1195	Asset Actual Cost	\$3,200.00
		Percent Replacement	100%
	Grounds	Future Cost	\$3,820.97
Placed in Service	January 2022		
Useful Life	7		
Replacement Year	2029		
Remaining Life	6		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Within Lake Ponce de Leon

Component History: 4 aerators added 2022 \$11,465

Twin Lakes
Detail Report by Category

Fountain Pump - Replace - 2031		1 Each	@ \$16,000.00
Asset ID	1200	Asset Actual Cost	\$16,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$20,268.32
Placed in Service	January 2021		
Useful Life	10		
Replacement Year	2031		
Remaining Life	8		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Inflated client cost history

Location: Within Lake Ponce de Leon

Component History: Replaced 2021 \$15,104.19

Twin Lakes
Detail Report by Category

Shed - Replace (a) - 2040		1 Each	@ \$7,100.00
Asset ID	1230	Asset Actual Cost	\$7,100.00
		Percent Replacement	100%
	Grounds	Future Cost	\$11,735.22
Placed in Service	January 2010		
Useful Life	30		
Replacement Year	2040		
Remaining Life	17		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Allowance within prior study (assume based on 2020 cost history)

Location: TBD

Component History: Replaced 2010 per prior reserve study

Twin Lakes
Detail Report by Category

Shed - Replace (b) - 2050		1 Each	@ \$7,100.00
Asset ID	1235	Asset Actual Cost	\$7,100.00
		Percent Replacement	100%
	Grounds	Future Cost	\$15,771.15
Placed in Service	January 2020		
Useful Life	30		
Replacement Year	2050		
Remaining Life	27		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Allowance within prior study (assume based on 2020 cost history)

Location: TBD

Component History: Replaced 2020 per prior reserve study

Twin Lakes
Detail Report by Category

Play Equipment - Replace - 2039

Asset ID	2000	1 Allowance	@ \$75,000.00
		Asset Actual Cost	\$75,000.00
		Percent Replacement	100%
		Future Cost	\$120,352.98
	Recreation		
Placed in Service	January 2019		
Useful Life	20		
Replacement Year	2039		
Remaining Life	16		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on size, material and quality of equipment selected.

Cost Source: Allowance within prior reserve study (assume this is based on 2019 replacement costs)

Location: Within Treasure Island Park

Component History: Replaced 2019 per prior reserve study

Twin Lakes
Detail Report by Category

Picnic Assets - Replace - 2023		1 Allowance	@ \$10,000.00
Asset ID	2010	Asset Actual Cost	\$10,000.00
		Percent Replacement	100%
		Future Cost	\$10,000.00
	Recreation		
Placed in Service	January 2010		
Useful Life	5		
Replacement Year	2023		
Remaining Life	0		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Allowance within prior reserve study (will be adjusted once a site visit is performed and an inventory of equipment taken)

Location: Within community park(s)

Component History: No history reported, an estimated in-service date of 2010 has been used for the purposes of this report

Twin Lakes
Detail Report by Category

Pet Stations - Replace - 2030		14 Each	@ \$500.00
Asset ID	2015	Asset Actual Cost	\$7,000.00
		Percent Replacement	100%
	Recreation	Future Cost	\$8,609.12
Placed in Service	January 2010		
Useful Life	20		
Replacement Year	2030		
Remaining Life	7		

Cost Range: The cost range within this component could deviate by 5-10% from the cost used here and in some cases may vary by a larger degree. Factors affecting cost may include, but are not limited to, the actual scope of work, association specific site conditions, contractor and material availability, levels of maintenance and economic factors.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Within common areas

Component History: Replaced 2010 per prior reserve study

Twin Lakes
Detail Report by Category

Electrical System - Repair/Replace - 2037

Asset ID	5000	1 Allowance	@ \$3,300.00
		Asset Actual Cost	\$3,300.00
		Percent Replacement	100%
		Future Cost	\$4,991.55
Equipment & Mechanical			
Placed in Service	January 2022		
Useful Life	15		
Replacement Year	2037		
Remaining Life	14		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on final scope of work.

Cost Source: Client cost history

Location: Common area electrical

Component History: Electrical box at Lake Ponce de Leon replaced 2022 \$3,301.70

**Twin Lakes
Detail Report by Category**

Office Equipment & Fixtures - Replace - 2023

Asset ID	5015	1 Allowance	@ \$15,000.00
		Asset Actual Cost	\$15,000.00
		Percent Replacement	100%
		Future Cost	\$15,000.00
Equipment & Mechanical			
Placed in Service	January 2018		
Useful Life	3		
Replacement Year	2023		
Remaining Life	0		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on number and type of items purchased.

Cost Source: Allowance within prior reserve study (may be adjusted once a site visit is performed and equipment is inventoried)

Location: Within community office

Component History: No history reported, an estimated in-service date of 2018 has been used for the purposes of this report

Twin Lakes
Detail Report by Category

Vehicle - Replace (a) - 2026

Asset ID	5020	1 Each	@ \$24,000.00
		Asset Actual Cost	\$24,000.00
		Percent Replacement	100%
Equipment & Mechanical		Future Cost	\$26,225.45
Placed in Service	January 2021		
Useful Life	5		
Replacement Year	2026		
Remaining Life	3		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on make and model chosen, and whether vehicle is purchased new or used.

Cost Source: Inflated client cost history

Location: Association security vehicle - 2021 Toyota C-HR

Component History: Replaced 2021 \$22,650

Twin Lakes
Detail Report by Category

Vehicle - Replace (b) - 2024

Asset ID	5025	1 Each	@ \$40,000.00
		Asset Actual Cost	\$40,000.00
		Percent Replacement	100%
Equipment & Mechanical		Future Cost	\$41,200.00
Placed in Service	January 2019		
Useful Life	5		
Replacement Year	2024		
Remaining Life	1		

Cost Range: The allowance included here is a basic flat fee allowance. Actual cost may vary based on make and model chosen, and whether vehicle is purchased new or used.

Cost Source: Accurate Reserve Professionals, LLC Database

Location: Association vehicle - 2019 Honda Ridgeline

Component History: Presumed purchased new in 2019

Twin Lakes
Detail Report by Category

Reserve Study - Annual Update			
Asset ID	6005	1 Each Asset Actual Cost	
		Percent Replacement	100%
	Professional	Future Cost	
Placed in Service	January 2023		
No Useful Life			

Component History: 2022 NSV, 2023 NSV

It is recommended that this study is updated annually. Some states, including Washington and Oregon, feature statutes which require that studies be updated on an annual basis for many communities (consult with your legal counsel if you have questions about whether an update is required for your community). Some governing documents may also require that the study be updated annually. Regardless of any state requirements for updates, it is prudent to update your report annually to adjust for constantly changing information including, but not limited to, actual reserve account balance, actual project costs, vendor estimates, economic and market changes, etc. The cost to update your study annually is best treated through the operating budget, therefore no reserve funding included.

Key:

FULL = Level 1 Full Reserve Study

WSV = Level 2 With-Site-Visit Reserve Study

NSV = Level 3 No-Site-Visit Reserve Study

PCNYC = Level 4 Preliminary, Community Not Yet Constructed Reserve Study

Common Terms & Definitions

A portion of this information is from the National Reserve Study Standards published by Community Associations Institute, dated 03/2018. A link to the full National Reserve Study Standards document can be found here: [National Reserve Study Standards](#)

ALLOWANCE (QUANTITY)	When used in reference to quantity, the term allowance means that the component could not be reasonably quantified to assign a unit cost and therefore a flat cost allowance has been used.
ALLOWANCE (COST)	When used in reference to cost, the term allowance refers to the cost range assigned to that component. For example, the cost allowance for replacement of a roof may be \$4.00 per square foot to \$6.00 per square foot.
CAPITAL IMPROVEMENTS	Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.
CASH FLOW METHOD	A method of developing a reserve funding plan where contributions 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	The individual line items in the reserve study developed or updated in the physical analysis. These elements form the building blocks for the reserve study. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. with limited useful life expectancies, 3. predictable remaining useful life expectancies, and 4. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.
COMPONENT INVENTORY	The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.
COMPONENT METHOD	A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.
CONDITION ASSESSMENT	The task of evaluating the current condition of the component based on observed or reported characteristics.
CY	Cubic yards.
EFFECTIVE AGE	The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS

The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (funding plan) are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study.

FULLY FUNDED

100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

FULLY FUNDED BALANCE (FFB) An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost. This number is calculated for each component, and then summed for an association total.

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age/Useful Life}$$

Example: For a component with a \$10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be \$4,000.

FUND STATUS

The status of the reserve fund reported in terms of cash or percent funded.

FUNDING GOALS

Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.

- **Baseline Funding:** Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.
- **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “Fully Funded” with respective higher risk or less risk of cash problems.
- **Full Funding:** Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.

FUNDING PLAN

An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of twenty (20) years.

FUNDING PRINCIPLES	<p>The reserve study must provide a funding plan addressing these principles:</p> <ul style="list-style-type: none"> • Sufficient funds when required. • Stable contribution rate over the years. • Equitable contribution rate over the years. • Fiscally responsible.
GSF	Gross square feet.
GSY	Gross square yards.
LIFE & VALUATION ESTIMATES	The task of estimating useful life, remaining useful life, and current repair or replacement costs for the reserve components.
LF	Lineal feet.
PERCENT FUNDED	<p>The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan in light of the association's risk tolerance.</p>
PHYSICAL ANALYSIS	<p>The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.</p>
REMAINING USEFUL LIFE (RUL)	<p>Also referred to as "remaining life" (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.</p>
REPLACEMENT COST	<p>The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering and design, permits, installation, disposal, etc.).</p>
RESERVE BALANCE	<p>Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.</p>
RESERVE PROVIDER	<p>An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.</p>
RESERVE STUDY	<p>A budget planning tool which identifies the components that the association is responsible to maintain or replace, the current status of the reserve fund, and a stable and equitable funding plan to offset the anticipated future major</p>

common area expenditures. The reserve study consists of two parts: the physical analysis and the financial analysis.

SPECIAL ASSESSMENT

A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

USEFUL LIFE (UL)

The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Disclosures

The report was prepared by, or with the oversight of, Karen McDonald, CMCA, AMS, PCAM, RS, Reserve Study Specialist (RS) # 355 through Community Associations Institute.

As of the date of this report, there are no known conflicts of interest involving Accurate Reserve Professionals, LLC and the client for which this report was prepared.

Any site visit work performed in the process of preparing this report was done through a limited visual review and included a sampling of the organization's common areas. No destructive testing or structural evaluation was performed. Unless otherwise noted, and in addition to any information provided directly by client, the component list and quantities for Level IV Preliminary Community Not Yet Constructed reports are developed using plans and drawings. Level I Full report component lists are developed using field measurements, other technology available (satellite imagery, etc.) and data provided by client. All quantities are approximate and may not be exact.

If this report is an update of a prior reserve study, it is reliant on the validity of the prior study(s) and Accurate Reserve Professionals, LLC cannot guarantee the accuracy of this report.

All known reserve components are included within this report. Any components which are unfunded are notated within the inventory appendix. There are no known material issues excluded from this report which would affect the data provided.

Any information provided by client regarding financial, physical, quantity, or historical issues is deemed reliable by Accurate Reserve Professionals, LLC and is assembled within this report for the association's use. This information is not validated by Accurate Reserve Professionals, LLC and this report is not for the purpose of performing an audit, quality/forensics analysis or a background check of the client's historical records.

The actual or projected starting balance within this Reserve Study is based upon information provided by client and was not audited or verified in any way.

For Level II With-Site-Visit and Level III No-Site-Visit reports, the client is considered to have deemed the previously developed component quantities as accurate and reliable. This data is not audited or verified in any way for these reports.

Information provided about current and prior reserve projects will be considered reliable. Any site inspection is not considered a project audit or quality inspection for these projects.

Reserve studies are for budgetary purposes only and are based on limited information. Accurate Reserve Professionals, LLC does not guarantee the accuracy of the information and client may not be able to fully rely on the final figures in the report, due to a variety of factors outside of Accurate Reserve Professionals, LLC's control, including but not limited to reliance on information provided by client, hidden damages, latent defects, economical factors, environmental factors, deferred maintenance, third party information, and other such factors.

Washington State Client Disclosures

This reserve study report meets the requirements of RCW 64.34.382, 64.38.070 and 64.90.550.

Washington State Client Disclosure for Clients Under RCW 64.34.682 and 64.38.070

"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 Client Disclosure for Clients Under RCW 64.90.550

"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."