

LEVEL I RESERVE STUDY

Kala Point Owners' Association
1760 Kala Point Drive
Port Townsend, WA 98368

Number of Units: 601

September 13, 2022



KALA POINT

A Wooded Community on Port Townsend Bay

Prepared By

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EXECUTIVE SUMMARY

RESERVES DISCLOSURE

RECOMMENDED FUNDING PLAN

FULLY FUNDED PLAN SUMMARY

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EXECUTIVE SUMMARY

August 26, 2022

Kala Point Owners' Association

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Kala Point Owners' Association
1760 Kala Point Drive
Port Townsend, WA 98368

This Level 1 Reserve Study Update with a site visit completed on July 12, 2022 meets the **requirements of RCW 64.38.070.**

Number of Reserve Units	601
Number of Commercial Units	0
Date of Construction	1978
Current Budgeted Contribution to Reserves	\$178,000.00
Recommended 2023 Contribution to Reserves	\$227,000.00 (with a 3% annual contribution increase)
Projected Year 2022 Ending Reserve Account Balance	\$434,031.00
Projected Year 2022 Ending Fully Funded "Ideal" Balance	\$2,142,812.00
Percent funded as of 12/31/2021	20%
*Average percent allocation for common areas	
Deficit in reserve funding as of 12/31/2022	\$1,708,781.00

*Annual contribution per unit is average. If the fraction or percentage of the common expenses of the Association allocable vary by unit, the Association must calculate any current deficit or surplus in a manner that reflects the variation.

FULLY FUNDED CONTRIBUTION RATE – with a 3% annual contribution increase

A contribution rate for a fully funded plan to achieve 100% fully funded reserves by the end of the thirty-year study period.

\$19,958.33	Association Monthly
\$239,500.00	Association Annual

BASELINE FUNDING PLAN

A baseline funding plan to maintain the reserve balance above zero throughout the thirty-year study plan without special assessments.

\$19,355.58	Association Monthly
\$232,267.00	Association Annual

RECOMMENDED CONTRIBUTION RATE – with a 3% annual contribution increase

A contribution rate recommended by an independent reserve study professional.

\$18,916.67	Association Monthly
\$227,000.00	Association Annual

RECOMMENDATION:

Contribute \$227,000.00 to reserves in 2023 and then maintain a 3 % annual contribution increase through the remaining study term. ASSUMING the study's thirty-year expenditures materialize as projected, the recommended contribution will provide for a fair and stable contribution, ensure that adequate funds are available as needed and reduce the risk of supplementing regular scheduled repairs and replacements of common elements through special assessments.

KPOA 2023 Funding Plan Summary/ \$205,000.00 with a 3.0% Annual Increase

Table #1

Funding Plan Summary (Cash Flow)

August 26, 2022

Kala Point Owners' Association

		Unadjusted	Inflation	Contrib					Inflation	
Percent		Ideal	Adjusted	Increase	Starting	Annual	Interest	Tax	Adjusted	Unadjusted
<u>Year</u>	<u>Funded</u>	<u>Balance</u>	<u>Ideal Bal</u>	<u>Rate</u>	<u>Balance</u>	<u>Contribution</u>	<u>Income</u>	<u>Liability</u>	<u>Expenditures</u>	<u>Expenditures</u>
2023	20%	2,142,812	2,142,812	3.00%	434,031	205,000	10,787	(3,236)	(176,962)	(176,962)
2024	21%	2,155,377	2,209,262	3.00%	469,620	211,150	14,412	(4,323)	(94,808)	(92,496)
2025	25%	2,252,409	2,366,437	3.00%	596,050	217,484	12,150	(3,645)	(299,805)	(285,359)
2026	22%	2,156,578	2,322,399	3.00%	522,234	224,009	13,707	(4,112)	(177,325)	(164,664)
2027	24%	2,181,441	2,407,903	3.00%	578,513	230,729	14,171	(4,251)	(221,507)	(200,674)
2028	24%	2,170,294	2,455,489	3.00%	597,655	237,651	14,305	(4,291)	(239,659)	(211,824)
2029	24%	2,147,998	2,491,019	3.00%	605,660	244,781	10,370	(3,111)	(382,377)	(329,723)
2030	20%	2,007,804	2,386,648	3.00%	475,323	252,124	16,848	(5,054)	(39,776)	(33,462)
2031	27%	2,163,869	2,636,464	3.00%	699,465	259,688	22,330	(6,699)	(84,965)	(69,735)
2032	31%	2,283,661	2,851,980	3.00%	889,818	267,479	25,159	(7,548)	(184,934)	(148,082)
2033	33%	2,325,106	2,976,332	3.00%	989,974	275,503	19,553	(5,866)	(475,972)	(371,829)
2034	29%	2,142,806	2,811,548	3.00%	803,191	283,768	20,130	(6,039)	(274,086)	(208,893)
2035	29%	2,123,441	2,855,792	3.00%	826,964	292,281	19,078	(5,723)	(337,183)	(250,714)
2036	28%	2,062,254	2,842,840	3.00%	795,417	301,049	18,957	(5,687)	(314,057)	(227,823)
2037	28%	2,023,959	2,859,801	3.00%	795,680	310,081	17,373	(5,212)	(371,632)	(263,014)
2038	26%	1,950,472	2,824,865	3.00%	746,289	319,383	21,381	(6,414)	(193,284)	(133,456)
2039	30%	2,006,544	2,978,727	3.00%	887,355	328,965	22,044	(6,613)	(317,053)	(213,575)
2040	30%	1,982,496	3,016,603	3.00%	914,697	338,834	28,543	(8,563)	(132,670)	(87,190)
2041	35%	2,084,835	3,251,631	3.00%	1,140,841	348,999	36,581	(10,974)	(95,978)	(61,538)
2042	40%	2,212,824	3,537,531	3.00%	1,419,468	359,469	42,832	(12,850)	(171,476)	(107,263)
2043	44%	2,295,088	3,760,769	3.00%	1,637,443	370,253	42,873	(12,862)	(393,476)	(240,127)
2044	44%	2,244,489	3,769,804	3.00%	1,644,231	381,360	47,444	(14,233)	(253,442)	(150,896)
2045	46%	2,283,120	3,930,555	3.00%	1,805,360	392,801	51,812	(15,544)	(274,687)	(159,556)
2046	48%	2,313,093	4,081,708	3.00%	1,959,743	404,585	61,162	(18,349)	(123,292)	(69,869)
2047	52%	2,432,751	4,400,180	3.00%	2,283,850	416,723	68,783	(20,635)	(199,459)	(110,276)
2048	55%	2,512,003	4,657,113	3.00%	2,549,262	429,224	77,129	(23,139)	(192,895)	(104,046)
2049	58%	2,597,485	4,935,981	3.00%	2,839,581	442,101	84,599	(25,380)	(240,676)	(126,652)
2050	60%	2,660,360	5,181,849	3.00%	3,100,226	455,364	93,545	(28,064)	(209,731)	(107,676)
2051	62%	2,742,212	5,474,812	3.00%	3,411,340	469,025	79,906	(23,972)	(982,305)	(492,015)
2052	59%	2,439,724	4,992,669	3.00%	2,953,995	483,096	88,613	(26,584)	(241,781)	(118,149)
Total						9,752,960	1,096,575	(328,973)	(7,697,255)	(5,317,538)
Average						1,312,443	325,099	36,553	(10,966)	(177,251)
Maximum			5,474,812		3,411,340		93,545	(28,064)	(982,305)	(492,015)
Minimum			2,142,812		434,031		10,370	(3,111)	(39,776)	(33,462)

3.00% **Investment Rate**
30.00% **Tax Rate**
2.50% **Inflation Rate**

2023 Contributions
37.46 Monthly Per Unit
449.56 Annually Per Unit
17,083.33 Association Monthly

Table #2

Funding Plan Summary (Cash Flow)

August 26, 2022

Kala Point Owners' Association

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2023	20%	2,142,812	2,142,812	3.00%	434,031	239,500	11,305	(3,391)	(176,962)	(176,962)
2024	23%	2,155,377	2,209,262	3.00%	504,482	246,685	15,990	(4,797)	(94,808)	(92,496)
2025	28%	2,252,409	2,366,437	3.00%	667,552	254,086	14,844	(4,453)	(299,805)	(285,359)
2026	27%	2,156,578	2,322,399	3.00%	632,223	261,708	17,573	(5,272)	(177,325)	(164,664)
2027	30%	2,181,441	2,407,903	3.00%	728,907	269,559	19,265	(5,780)	(221,507)	(200,674)
2028	32%	2,170,294	2,455,489	3.00%	790,445	277,646	20,688	(6,206)	(239,659)	(211,824)
2029	34%	2,147,998	2,491,019	3.00%	842,914	285,976	18,106	(5,432)	(382,377)	(329,723)
2030	32%	2,007,804	2,386,648	3.00%	759,186	294,555	26,001	(7,800)	(39,776)	(33,462)
2031	39%	2,163,869	2,636,464	3.00%	1,032,165	303,391	32,967	(9,890)	(84,965)	(69,735)
2032	45%	2,283,661	2,851,980	3.00%	1,273,668	312,493	37,349	(11,205)	(184,934)	(148,082)
2033	48%	2,325,106	2,976,332	3.00%	1,427,372	321,868	33,370	(10,011)	(475,972)	(371,829)
2034	46%	2,142,806	2,811,548	3.00%	1,296,627	331,524	35,649	(10,695)	(274,086)	(208,893)
2035	48%	2,123,441	2,855,792	3.00%	1,379,019	341,470	36,377	(10,913)	(337,183)	(250,714)
2036	50%	2,062,254	2,842,840	3.00%	1,408,770	351,714	38,117	(11,435)	(314,057)	(227,823)
2037	52%	2,023,959	2,859,801	3.00%	1,473,110	362,265	38,478	(11,543)	(371,632)	(263,014)
2038	53%	1,950,472	2,824,865	3.00%	1,490,678	373,133	44,519	(13,356)	(193,284)	(133,456)
2039	57%	2,006,544	2,978,727	3.00%	1,701,690	384,327	47,304	(14,191)	(317,053)	(213,575)
2040	60%	1,982,496	3,016,603	3.00%	1,802,077	395,857	56,020	(16,806)	(132,670)	(87,190)
2041	65%	2,084,835	3,251,631	3.00%	2,104,478	407,733	66,371	(19,911)	(95,978)	(61,538)
2042	70%	2,212,824	3,537,531	3.00%	2,462,692	419,965	75,036	(22,511)	(171,476)	(107,263)
2043	73%	2,295,088	3,760,769	3.00%	2,763,706	432,564	77,595	(23,279)	(393,476)	(240,127)
2044	76%	2,244,489	3,769,804	3.00%	2,857,110	445,541	84,793	(25,438)	(253,442)	(150,896)
2045	79%	2,283,120	3,930,555	3.00%	3,108,564	458,907	91,900	(27,570)	(274,687)	(159,556)
2046	82%	2,313,093	4,081,708	3.00%	3,357,114	472,674	104,105	(31,231)	(123,292)	(69,869)
2047	86%	2,432,751	4,400,180	3.00%	3,779,369	486,854	114,700	(34,410)	(199,459)	(110,276)
2048	89%	2,512,003	4,657,113	3.00%	4,147,054	501,460	126,147	(37,844)	(192,895)	(104,046)
2049	92%	2,597,485	4,935,981	3.00%	4,543,921	516,504	136,845	(41,053)	(240,676)	(126,652)
2050	95%	2,660,360	5,181,849	3.00%	4,915,541	531,999	149,154	(44,746)	(209,731)	(107,676)
2051	98%	2,742,212	5,474,812	3.00%	5,342,216	547,959	139,017	(41,705)	(982,305)	(492,015)
2052	100%	2,439,724	4,992,669	3.00%	5,005,181	564,397	151,368	(45,410)	(241,781)	(118,149)
Total						11,394,312	1,860,953	(558,286)	(7,697,255)	(5,317,538)
Average					2,134,395	379,810	62,032	(18,610)	(256,575)	(177,251)
Maximum			5,474,812		5,342,216		151,368	(45,410)	(982,305)	(492,015)
Minimum			2,142,812		434,031		11,305	(3,391)	(39,776)	(33,462)

3.00% Investment Rate
30.00% Tax Rate
2.50% Inflation Rate

2023 Contributions
43.77 Monthly Per Unit
525.22 Annually Per Unit
19,958.33 Association Monthly

Baseline Funding Plan

Table #3

Funding Plan Summary (Cash Flow)

August 26, 2022

Kala Point Owners' Association

Year	Percent Funded	Unadjusted Ideal Balance	Inflation Adjusted Ideal Bal	Contrib Increase Rate	Starting Balance	Annual Contribution	Interest Income	Tax Liability	Inflation Adjusted Expenditures	Unadjusted Expenditures
2023	20%	2,142,812	2,142,812	0.00%	434,031	232,267	11,196	(3,359)	(176,962)	(176,962)
2024	23%	2,155,377	2,209,262	0.00%	497,173	232,267	15,555	(4,666)	(94,808)	(92,496)
2025	27%	2,252,409	2,366,437	0.00%	645,520	232,267	13,855	(4,157)	(299,805)	(285,359)
2026	25%	2,156,578	2,322,399	0.00%	587,681	232,267	15,795	(4,738)	(177,325)	(164,664)
2027	27%	2,181,441	2,407,903	0.00%	653,679	232,267	16,449	(4,935)	(221,507)	(200,674)
2028	28%	2,170,294	2,455,489	0.00%	675,954	232,267	16,573	(4,972)	(239,659)	(211,824)
2029	27%	2,147,998	2,491,019	0.00%	680,162	232,267	12,418	(3,725)	(382,377)	(329,723)
2030	23%	2,007,804	2,386,648	0.00%	538,744	232,267	18,453	(5,536)	(39,776)	(33,462)
2031	28%	2,163,869	2,636,464	0.00%	744,153	232,267	23,260	(6,978)	(84,965)	(69,735)
2032	32%	2,283,661	2,851,980	0.00%	907,736	232,267	25,168	(7,550)	(184,934)	(148,082)
2033	33%	2,325,106	2,976,332	0.00%	972,687	232,267	18,385	(5,516)	(475,972)	(371,829)
2034	26%	2,142,806	2,811,548	0.00%	741,851	232,267	17,517	(5,255)	(274,086)	(208,893)
2035	25%	2,123,441	2,855,792	0.00%	712,294	232,267	14,737	(4,421)	(337,183)	(250,714)
2036	22%	2,062,254	2,842,840	0.00%	617,695	232,267	12,593	(3,778)	(314,057)	(227,823)
2037	19%	2,023,959	2,859,801	0.00%	544,720	232,267	8,677	(2,603)	(371,632)	(263,014)
2038	15%	1,950,472	2,824,865	0.00%	411,429	232,267	10,028	(3,009)	(193,284)	(133,456)
2039	15%	2,006,544	2,978,727	0.00%	457,432	232,267	7,695	(2,309)	(317,053)	(213,575)
2040	13%	1,982,496	3,016,603	0.00%	378,032	232,267	10,845	(3,253)	(132,670)	(87,190)
2041	15%	2,084,835	3,251,631	0.00%	485,221	232,267	15,161	(4,548)	(95,978)	(61,538)
2042	18%	2,212,824	3,537,531	0.00%	632,122	232,267	17,303	(5,191)	(171,476)	(107,263)
2043	19%	2,295,088	3,760,769	0.00%	705,026	232,267	12,831	(3,849)	(393,476)	(240,127)
2044	15%	2,244,489	3,769,804	0.00%	552,798	232,267	12,465	(3,739)	(253,442)	(150,896)
2045	14%	2,283,120	3,930,555	0.00%	540,348	232,267	11,454	(3,436)	(274,687)	(159,556)
2046	12%	2,313,093	4,081,708	0.00%	505,946	232,267	14,964	(4,489)	(123,292)	(69,869)
2047	14%	2,432,751	4,400,180	0.00%	625,396	232,267	16,262	(4,879)	(199,459)	(110,276)
2048	14%	2,512,003	4,657,113	0.00%	669,587	232,267	17,785	(5,335)	(192,895)	(104,046)
2049	15%	2,597,485	4,935,981	0.00%	721,408	232,267	17,906	(5,372)	(240,676)	(126,652)
2050	14%	2,660,360	5,181,849	0.00%	725,534	232,267	18,958	(5,687)	(209,731)	(107,676)
2051	14%	2,742,212	5,474,812	0.00%	761,340	232,267	-3,145	943	(982,305)	(492,015)
2052	0%	2,439,724	4,992,669	0.00%	9,100	232,267	-3,496	1,049	(241,781)	(118,149)
Total						6,968,010	417,647	(125,294)	(7,697,255)	(5,317,538)
Average					604,493	232,267	13,922	(4,176)	(256,575)	(177,251)
Maximum			5,474,812		972,687		25,168	(7,550)	(982,305)	(492,015)
Minimum			2,142,812		9,100		-3,496	1,049	(39,776)	(33,462)

3.00% Investment Rate

30.00% Tax Rate

2.50% Inflation Rate

2023 Contributions

42.45 Monthly Per Unit

509.36 Annually Per Unit

19,355.58 Association Monthly

David Bach & Associates Recommended Funding Plan Summary (Cash Flow)

Table #4

Funding Plan Summary (Cash Flow)

August 26, 2022

Kala Point Owners' Association

		Unadjusted	Inflation	Contrib	Inflation					
Percent		Ideal	Adjusted	Increase	Starting	Annual	Interest	Tax	Adjusted	Unadjusted
<u>Year</u>	<u>Funded</u>	<u>Balance</u>	<u>Ideal Bal</u>	<u>Rate</u>	<u>Balance</u>	<u>Contribution</u>	<u>Income</u>	<u>Liability</u>	<u>Expenditures</u>	<u>Expenditures</u>
2023	20%	2,142,812	2,142,812	3.00%	434,031	227,000	11,117	(3,335)	(176,962)	(176,962)
2024	22%	2,155,377	2,209,262	3.00%	491,851	233,810	15,418	(4,626)	(94,808)	(92,496)
2025	27%	2,252,409	2,366,437	3.00%	641,645	240,824	13,868	(4,160)	(299,805)	(285,359)
2026	26%	2,156,578	2,322,399	3.00%	592,372	248,049	16,172	(4,852)	(177,325)	(164,664)
2027	28%	2,181,441	2,407,903	3.00%	674,416	255,490	17,420	(5,226)	(221,507)	(200,674)
2028	29%	2,170,294	2,455,489	3.00%	720,594	263,155	18,375	(5,513)	(239,659)	(211,824)
2029	30%	2,147,998	2,491,019	3.00%	756,952	271,050	15,303	(4,591)	(382,377)	(329,723)
2030	28%	2,007,804	2,386,648	3.00%	656,337	279,181	22,685	(6,805)	(39,776)	(33,462)
2031	35%	2,163,869	2,636,464	3.00%	911,622	287,557	29,113	(8,734)	(84,965)	(69,735)
2032	40%	2,283,661	2,851,980	3.00%	1,134,592	296,184	32,932	(9,880)	(184,934)	(148,082)
2033	43%	2,325,106	2,976,332	3.00%	1,268,894	305,069	28,364	(8,509)	(475,972)	(371,829)
2034	40%	2,142,806	2,811,548	3.00%	1,117,846	314,221	30,026	(9,008)	(274,086)	(208,893)
2035	41%	2,123,441	2,855,792	3.00%	1,178,999	323,648	30,109	(9,033)	(337,183)	(250,714)
2036	42%	2,062,254	2,842,840	3.00%	1,186,541	333,357	31,175	(9,352)	(314,057)	(227,823)
2037	43%	2,023,959	2,859,801	3.00%	1,227,664	343,358	30,831	(9,249)	(371,632)	(263,014)
2038	43%	1,950,472	2,824,865	3.00%	1,220,972	353,659	36,136	(10,841)	(193,284)	(133,456)
2039	47%	2,006,544	2,978,727	3.00%	1,406,641	364,268	38,152	(11,445)	(317,053)	(213,575)
2040	49%	1,982,496	3,016,603	3.00%	1,480,562	375,196	46,065	(13,819)	(132,670)	(87,190)
2041	54%	2,084,835	3,251,631	3.00%	1,755,334	386,452	55,577	(16,673)	(95,978)	(61,538)
2042	59%	2,212,824	3,537,531	3.00%	2,084,712	398,046	63,368	(19,010)	(171,476)	(107,263)
2043	63%	2,295,088	3,760,769	3.00%	2,355,640	409,987	65,015	(19,504)	(393,476)	(240,127)
2044	64%	2,244,489	3,769,804	3.00%	2,417,661	422,287	71,261	(21,378)	(253,442)	(150,896)
2045	67%	2,283,120	3,930,555	3.00%	2,636,389	434,955	77,375	(23,213)	(274,687)	(159,556)
2046	70%	2,313,093	4,081,708	3.00%	2,850,820	448,004	88,546	(26,564)	(123,292)	(69,869)
2047	74%	2,432,751	4,400,180	3.00%	3,237,515	461,444	98,063	(29,419)	(199,459)	(110,276)
2048	77%	2,512,003	4,657,113	3.00%	3,568,144	475,288	108,387	(32,516)	(192,895)	(104,046)
2049	80%	2,597,485	4,935,981	3.00%	3,926,407	489,546	117,915	(35,375)	(240,676)	(126,652)
2050	82%	2,660,360	5,181,849	3.00%	4,257,818	504,233	129,006	(38,702)	(209,731)	(107,676)
2051	85%	2,742,212	5,474,812	3.00%	4,642,623	519,360	117,600	(35,280)	(982,305)	(492,015)
2052	85%	2,439,724	4,992,669	3.00%	4,261,997	534,940	128,631	(38,589)	(241,781)	(118,149)
Total						10,799,619	1,584,004	(475,201)	(7,697,255)	(5,317,538)
Average						1,836,586	359,987	52,800	(15,840)	(177,251)
Maximum			5,474,812		4,642,623		129,006	(38,702)	(982,305)	(492,015)
Minimum			2,142,812		434,031		11,117	(3,335)	(39,776)	(33,462)

3.00% Investment Rate
30.00% Tax Rate
2.50% Inflation Rate

2023 Contributions
41.48 Monthly Per Unit
497.81 Annually Per Unit
18,916.67 Association Monthly

INTRODUCTION

LEVEL OF STUDY PERFORMED

DATE OF STUDY

GENERAL DESCRIPTION OF PROPERTY

RESERVE STUDY GOAL

SUMMARY OF FINANCIAL ASSUMPTIONS

METHODOLOGY

Introduction

The Community Associations Institute (CAI), a non-profit organization created in 1973 to educate and represent the nation's growing number of community associations, condominium associations, homeowner associations, and cooperatives, defines a reserve study as a combination of:

- 1) Physical Analysis – Information about the physical status and the repair/replacement cost of the major common area components the association is obligation to maintain; and
- 2) Financial Analysis – Evaluation and analysis of the association's reserve balance, income, and expenses.

There are three levels of Reserve Studies available:

LEVEL I: Full Reserve Study Analysis and Plan

A Reserve Study in which the following five tasks are performed:

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

Level II: Reserve Study Update with Visual Site Inspection

A Reserve Study update in which the following five tasks are performed:

- Component Inventory (verification only, no quantification)
- Condition Assessment (based on visual site observations)
- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level III: Reserve Study Update with No Visual Site Inspection

A Reserve Study update with no visual site inspection in which the following three tasks are performed:

- Life and Valuation Estimates
- Funding Status
- Funding Plan

Level of Reserve Study Performed

This **Level 1 Full Reserve Study Analysis and Plan** was conducted at the request of the Kala Point Owners' Association's Board of Directors and performed per Washington State requirements outlined under **RCW 64.38.070**.

Date of Study

July 12, 2022

General Description of Property

The following description is general in nature. A detailed description of the property is not included as part of this report. The Kala Point Community is a larger common interest residential homeowners association that was built around 1978. The HOA is located at 1760 Kala Point Drive, Port Townsend, Washington. According to the Kala Point Web Site, common areas include approximately 7 ½ miles of paved roads and parking areas, the bluff slopes, "Tract A" between Nantucket and Windship Drives, the large areas between Cedarview and Kala Heights Drives, and the narrow easements connecting some streets as well as walking trails. This area includes entrance gates and gate house, mail stations with bulletin boards, RV storage lots, clubhouse with indoor / outdoor pool, administration building, three pickleball courts, five tennis courts, and 1.7 miles of beach with boat ramp, boat dock, gazebo, playground, small boat storage and wildlife preserve.

Reserve Study Goal

The Association's Board of Directors has a fiduciary responsibility to maintain the community in a good state of repair and to protect the Association from financial hardship. A long-range plan should be initiated to provide adequate funding for maintenance repairs and/or replacements of common area components. This reserve analysis will help the Association:

- Comply with Washington State requirements.
- Ensure adequate funds are available for future major repair and replacements.
- Maintain the community in a good state of repair.
- Reduce special assessments or borrowing.
- Protect property value and enhance your ability to obtain loans or sell.
- Comply with the American Institute of Certified Public Accountants (AICPA) disclosure requirements for reserves.

Summary of Financial Assumptions

Assumptions were made based on the following information used to develop the parameters for the Reserve Study calculations:

<i>Date Study Begins</i>	July 12, 2022
<i>Number of Analysis Years to be Covered in the Study</i>	30 Years
<i>Number Reserve of Units</i>	601
<i>Projected Year 2022 Ending Reserve Balance</i>	\$434,031.00
<i>Average Current Rate of Investment on Reserve Funds</i>	3 %
<i>Tax Rate applied to Interest or Dividends earned on the Invested Funds</i>	30%
<i>Current and Projected Inflation Rate for Construction Costs</i>	2.5%
<i>Contribution increase the Association can reasonably adopt</i>	

Reserve Component List

The following worksheet has a list of all components that have been included in this study, including any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component.

The Association has opted to exclude the following components from the study:

ITEM NAME	BASIS FOR EXCLUSION

There are two main methods used in the preparation of a reserve study, Cash Flow Method and Component Method.

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 Method: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.

David Bach & Associates utilizes the Cash Flow Method in the preparation of our Reserve Studies. This method examines and projects the reserving needs (i.e., contributions and expenditures) over many years, combining funds from all components, in order to establish a stable annual contribution. This type of method allows an Association to customize its funding plan and usually generates a lower starting contribution.

Worksheet

August 26, 2022

Sorted Alphabetically

Kala Point Owners' Association

Item Description	Group	Sub-Group	Number Of Items	Item Type	Item Cost	%	Total Item Cost	Year Built	Useful Life	Life Adj	Year Life Replace	Left	One Time?
001. Road Repair	10	0	1	Total	29,469.000	100	29,469	2021	2	0	2023	1	no
002. Alderwood Place	10	0	1	Total	22,895.000	100	22,895	2016	35	0	2051	29	no
003. Baycliff Dr/So KP to Pinecrest	10	0	1	Total	87,571.000	100	87,571	2006	30	0	2036	14	no
004. Baycliff Dr/ Pinecrest to No KP	10	0	1	Total	106,769.000	100	106,769	2021	35	0	2056	34	no
005. Baycliff Place	10	0	1	Total	15,185.000	100	15,185	2011	40	0	2051	29	no
006. Belvedere Drive	10	0	1	Total	82,469.000	100	82,469	2001	35	0	2036	14	no
007. Blenheim Place	10	0	1	Total	18,115.000	100	18,115	2011	40	0	2051	29	no
008. Brrokhaven Place	10	0	1	Total	12,740.000	100	12,740	2011	40	0	2051	29	no
009. Buckhord Place	10	0	1	Total	24,587.000	100	24,587	2009	40	0	2049	27	no
010. Cedarview Drive	10	0	1	Total	118,347.000	100	118,347	2018	35	0	2053	31	no
011. Cedarview Lane	10	0	1	Total	17,685.000	100	17,685	1988	40	0	2028	6	no
012. Clubhouse Parking	10	0	1	Total	43,871.000	100	43,871	2016	35	0	2051	29	no
013. Compton Place	10	0	1	Total	12,299.000	100	12,299	1998	40	0	2038	16	no
014. Corbridge Place	10	0	1	Total	13,082.000	100	13,082	2011	40	0	2051	29	no
015. Creekwood Place	10	0	1	Total	11,600.000	100	11,600	2009	40	0	2049	27	no
016. Danbury Court	10	0	1	Total	12,473.000	100	12,473	2011	40	0	2051	29	no
017. Dunraven Place	10	0	1	Total	17,828.000	100	17,828	2013	40	0	2053	31	no
018. Fairbreeze Drive	10	0	1	Total	117,755.000	100	117,755	2004	35	0	2039	17	no
019. Foxfield Drive	10	0	1	Total	149,632.000	100	149,632	1993	35	0	2028	6	no
020. Grenville Court	10	0	1	Total	32,349.000	100	32,349	1992	35	0	2027	5	no
021. Hemlock Court	10	0	1	Total	29,703.000	100	29,703	1988	35	0	2023	1	no
022. Kala Point Dr / Baycliff Intersection	10	0	1	Total	223,974.000	100	223,974	2007	22	0	2029	7	no
023. Kala Point Dr / Fairbreeze Dr Intersection	10	0	1	Total	184,485.000	100	184,485	2015	22	0	2037	15	no
024. Kala Point Dr / Fairbreeze Int/ RV B Lot	10	0	1	Total	72,884.000	100	72,884	2000	35	0	2035	13	no
025. Kala Heights Drive - Paving	10	0	1	Total	83,323.000	100	83,323	2017	35	0	2052	30	no
026. Nantucket Place	10	0	1	Total	23,797.000	100	23,797	2011	40	0	2051	29	no
027. Oak Shore Court	10	0	1	Total	17,593.000	100	17,593	1990	35	0	2025	3	no

Worksheet

August 26, 2022

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Kala Point Owners' Association

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028. Oak Shore Drive	10	0	1	Total	104,256.000	100	104,256	1990	35	0	2025	3	no
029. Parkplace Court	10	0	1	Total	26,795.000	100	26,795	2011	40	0	2051	29	no
030. Pinecrest Court	10	0	1	Total	21,263.000	100	21,263	2021	40	0	2061	39	no
031. Pinecrest Drive	10	0	1	Total	217,397.000	100	217,397	2021	35	0	2056	34	no
032. Pinewood Court	10	0	1	Total	23,932.000	100	23,932	1988	35	0	2023	1	no
033. Saddletree Drive	10	0	1	Total	85,294.000	100	85,294	2003	35	0	2038	16	no
034. Salview Drive	10	0	1	Total	144,370.000	100	144,370	2004	30	0	2034	12	no
035. Shorecrest Court	10	0	1	Total	34,795.000	100	34,795	2008	40	0	2048	26	no
036. Shorecrest Place	10	0	1	Total	18,800.000	100	18,800	1990	35	0	2025	3	no
037. Sulgrave Place	10	0	1	Total	24,189.000	100	24,189	2012	35	0	2047	25	no
038. Terrace Drive	10	0	1	Total	114,297.000	100	114,297	2014	40	0	2054	32	no
039. Trafaigar Drive	10	0	1	Total	85,670.000	100	85,670	2008	35	0	2043	21	no
040. Wellington Court	0	0	1	Total	28,795.000	100	28,795	2010	40	0	2050	28	no
041. Westridge Court	10	0	1	Total	21,063.000	100	21,063	2021	40	0	2061	39	no
042. Windship Drive	10	0	1	Total	115,995.000	100	115,995	1991	35	0	2026	4	no
043. Roofs - Administration, Decra Shake	20	0	1	Total	23,605.000	100	23,605	2008	40	0	2048	26	no
044. Roofs - Administration, Gutters / Dps	20	0	1	Total	3,470.000	100	3,470	2021	30	0	2051	29	no
045. Roofs - Clubhouse, Decra Shake	20	0	1	Total	29,348.000	100	29,348	1993	40	0	2033	11	no
046. Roofs - Clubhouse, Flat Roof PVC	20	0	1	Total	9,175.000	100	9,175	2021	20	0	2041	19	no
047. Roofs - Clubhouse, Gutters / Downspouts	20	0	1	Total	3,276.000	100	3,276	2003	30	0	2033	11	no
048. Roofs - Clubhouse, Skylights Mtg Room	20	0	1	Total	5,529.000	100	5,529	2012	25	0	2037	15	no
049. Roof - Clubhouse Skylights	20	0	1	Total	8,987.000	100	8,987	2012	25	0	2037	15	no
050. Pool - Blankets (Outdoor)	25	0	1	Total	5,125.000	100	5,125	2015	10	0	2025	3	no
051. Pool - Blankets (Outdoor) Reel	25	0	1	Total	4,322.000	100	4,322	2010	15	0	2025	3	no
052. Pool - Propane Boiler Heater, Pool	25	0	1	Total	13,005.000	100	13,005	2009	15	0	2024	2	no
053. Pool - Electric Back-up Heaters, Pool	25	0	1	Total	5,973.000	100	5,973	2018	10	0	2028	6	no
054. Pool - Electric Back-up Heaters, Spa	25	0	1	Total	4,114.000	100	4,114	2019	10	0	2029	7	no

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Kala Point Owners' Association

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055. Pool - Furniture	25	0	1	Total	7,395.000	100	7,395	2016	10	0	2026	4	no
056. Pool - Heating System	25	0	1	Total	14,686.000	100	14,686	2018	15	0	2033	11	no
057. Pool - Wading Replastering	25	0	1	Total	71,750.000	100	71,750	2020	12	0	2032	10	no
058. Jacuzzi - Replastering	25	0	1	Total	10,763.000	100	10,763	2020	12	0	2032	10	no
059. Tennis Courts - Resurfacing 1, 2	100	0	1	Total	13,599.000	100	13,599	2019	8	0	2027	5	no
060. Pickleball Court - Resurfacing	100	0	1	Total	8,323.000	100	8,323	2021	5	0	2026	4	no
061. Tennis Courts - Resurfacing 4 & 5	100	0	1	Total	12,690.000	100	12,690	2016	8	0	2024	2	no
062. Sports Court- Resurfacing	100	0	1	Total	7,052.000	100	7,052	2016	8	0	2024	2	no
063. Clubhouse - Benches, Shower Rooms	70	0	1	Total	4,380.000	100	4,380	2020	35	0	2055	33	no
064. Clubhouse - Cabinets, Natural Wood M.R./F.P.	70	0	1	Total	6,050.000	100	6,050	2020	35	0	2055	33	no
065. Clubhouse- Carpeting, Game Room	70	0	1	Total	5,381.000	100	5,381	2022	10	0	2032	10	no
066. Clubhouse - Laminate Floor, Meeting Room	70	0	1	Total	4,162.000	100	4,162	2017	12	0	2029	7	no
067. Clubhouse - Ceiling, Fiberboard Panels	70	0	1	Total	9,494.000	100	9,494	2018	35	0	2053	31	no
068. Club House - Ceramic Tile Entry	70	0	1	Total	7,929.000	100	7,929	2018	35	0	2053	31	no
069. Clubhouse - Ceramic Tile Showers	70	0	1	Total	20,249.000	100	20,249	2008	25	0	2033	11	no
070. Clubhouse Furnace - Florida Heat Pump	86	0	1	Total	14,881.000	100	14,881	2010	15	0	2025	3	no
071. Clubhouse - Furniture (Main room)	70	0	1	Total	5,723.000	100	5,723	2019	10	0	2029	7	no
072. Clubhouse - Furniture (Fireplace Room)	70	0	1	Total	6,280.000	100	6,280	2019	10	0	2029	7	no
073. ClubHouse - Hot Water Heater (Polaris)	87	0	1	Total	9,624.000	100	9,624	2008	16	0	2024	2	no
074. Clubhouse - Shower Replacements X4	70	0	1	Total	27,466.000	100	27,466	2022	35	0	2057	35	no
075. Clubhouse - Security, Surveillance System	80	0	1	Total	5,245.000	100	5,245	2018	10	0	2028	6	no
076. Clubhouse - Restrooms Flooring, Vinyl Sheet	70	0	1	Total	2,926.000	100	2,926	2010	15	0	2025	3	no
077. Clubhouse - Waterline Replacement	87	0	1	Total	10,150.000	100	10,150	2020	35	0	2055	33	no
078. Clubhouse - Window Coverings, Blinds	70	0	1	Total	3,048.000	100	3,048	2011	12	0	2023	1	no
079. Clubhouse - Wood Flooring (Main Room)	70	0	1	Total	6,331.000	100	6,331	2009	20	0	2029	7	no
080. Sauna - Heater	80	0	1	Total	3,510.000	100	3,510	2016	15	0	2031	9	no
081. Sauna - Wood Replacement	80	0	1	Total	14,561.000	100	14,561	2018	35	0	2053	31	no

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082. Admin. Bldg. Carpet	0	0	1	(none)	5,160.000	100	5,160	2022	12	0	2034	12	no
083. Admin - Computer System Replace Schedule	80	0	1	Total	15,375.000	100	15,375	2021	7	0	2028	6	no
084. Admin - All Counter, Reception/Office	70	0	1	Total	8,816.000	100	8,816	2018	35	0	2053	31	no
085. Access - Entrance, DoorKing Access Phone	80	0	1	Total	9,103.000	100	9,103	2020	5	0	2025	3	no
086. Access - Entrance, Electronic Card Reader	80	0	1	Total	16,495.000	100	16,495	2014	12	0	2026	4	no
087. Access - Exit Vehicle Access Gate	80	0	1	Total	22,108.000	100	22,108	2020	15	0	2035	13	no
088. Access - Entrance Vehicle Access Gate	80	0	1	Total	22,108.000	100	22,108	2020	15	0	2035	13	no
089. Gate - Security Surveillance System	80	0	1	Total	10,409.000	100	10,409	2021	10	0	2031	9	no
090. Jacuzzi - Heatpump, Jandy 2.5 Ton	25	0	1	Total	17,914.000	100	17,914	2013	15	0	2028	6	no
091. Air Cond - Split System, CH5 ton/Furnace 30Kw	86	0	1	Total	18,024.000	100	18,024	2016	15	0	2031	9	no
092. Office - Copier, Cannon	80	0	1	Total	18,693.000	100	18,693	2022	10	0	2032	10	no
093. Equipment - Brush Chipper, Vermer	80	0	1	Total	13,818.000	100	13,818	2015	12	0	2027	5	no
094. Equipment - Bucket Attachment	80	0	1	Total	5,558.000	100	5,558	2003	20	0	2023	1	no
095. Equipment Fiai Mover Attachment	80	0	1	Total	21,045.000	100	21,045	2017	10	0	2027	5	no
096. Equipment - Riding Mower	80	0	1	Total	11,001.000	100	11,001	2018	7	0	2025	3	no
097. Equipment - Sander Unit	80	0	1	Total	9,670.000	100	9,670	2014	15	0	2029	7	no
098. Equipment - Snow Plow Unit	80	0	1	Total	8,588.000	100	8,588	2014	15	0	2029	7	no
099. Equipment - Sweeper Attachment	80	0	1	Total	11,944.000	100	11,944	2004	20	0	2024	2	no
100. Equipmenty - Tractor, New Holland	80	0	1	Total	58,302.000	100	58,302	2003	20	0	2023	1	no
101. Equipment - Truck, Ford 350 4x4 Snowplow	80	0	1	Total	57,895.000	100	57,895	2015	10	0	2025	3	no
102. Equipment - Truck, Ram 2500 4x4 Snowplow	80	0	1	Total	57,964.000	100	57,964	2021	12	0	2033	11	no
103. Equipment - Truck, Dodge 4x4 2004	80	0	1	Total	30,750.000	100	30,750	2014	10	0	2024	2	no
104. Clubhouse - Deck Replacement	75	0	1	Total	32,682.000	100	32,682	2016	20	0	2036	14	no
105. Doors - Pool, Sectional Glass	75	0	1	Total	8,150.000	100	8,150	2013	25	0	2038	16	no
106. Doors - Roll-up, Sectional Metal	75	0	1	Total	5,933.000	100	5,933	2012	25	0	2037	15	no
107. Doors - Roll-up, Setional Wood	75	0	1	Total	5,574.000	100	5,574	2004	25	0	2029	7	no
108. Doors - Clubhouse, Solid Core Panel	70	0	1	Total	7,566.000	100	7,566	2012	25	0	2037	15	no

Worksheet

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Kala Point Owners' Association

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109. Beach Area - Playground Equipment	100	0	1	Total	17,957.000	100	17,957	2000	30	0	2030	8	no
110. Fencing - Chain Link, RV Lot "B"	40	0	1	Total	26,592.000	100	26,592	2005	35	0	2040	18	no
111. Fencing - Chain link, Sport Ct	40	0	1	Total	11,944.000	100	11,944	2018	35	0	2053	31	no
112. Fencing - Chain Link, Tennis Courts	40	0	1	Total	20,193.000	100	20,193	1998	35	0	2033	11	no
113. Fencing - Clubhouse, Solid Board, 304'	40	0	1	Total	10,752.000	100	10,752	2012	20	0	2032	10	no
114. Fencing - Clubhouse, Solid Board, 146'	40	0	1	Total	6,402.000	100	6,402	2010	20	0	2030	8	no
115. Fencing - Chain Link/Privacy/Gate 2,RV Lot A	40	0	1	Total	29,934.000	100	29,934	2018	35	0	2053	31	no
116. Fencing - Solid Board, Tract C 430 LF	40	0	1	Total	13,082.000	100	13,082	2014	20	0	2034	12	no
117. Fencing - Chain Link/Gate Privacy, RV Lot B	40	0	1	Total	6,770.000	100	6,770	2018	35	0	2053	31	no
118. Fencing - Chain Link, Clubhouse Pool	40	0	1	Total	8,100.000	100	8,100	2009	25	0	2034	12	no
119. Gravel Replacement - RV A	100	0	1	Total	6,718.000	100	6,718	2016	10	0	2026	4	no
120. Gravel Replacement - RV B	100	0	1	Total	12,410.000	100	12,410	2019	10	0	2029	7	no
121. Mailsite - Mailbox Gangs Replace - Main Gate	100	0	1	Total	10,763.000	100	10,763	2007	20	0	2027	5	no
122. Mailsite - Mailbox Gangs Replace -Foxfield Dr	100	0	1	Total	9,738.000	100	9,738	2006	20	0	2026	4	no
123. Mailsite -Mailbox Gangs Replace, Kala Heights	100	0	1	Total	10,250.000	100	10,250	2022	20	0	2042	20	no
124. Mailsite - Mailbox Gangs Replace- Sailview Dr	100	0	1	Total	7,794.000	100	7,794	2022	20	0	2042	20	no
125. Mailsite - Mailbox Gangs Replace -Pinecrest I	100	0	1	Total	10,788.000	100	10,788	2003	20	0	2023	1	no
126. Mailsite- Mailbox Gangs Replace- Pinecrest II	100	0	1	Total	10,763.000	100	10,763	2009	20	0	2029	7	no
127. Railing - Stair, Pipe, Clubhouse	70	0	1	Total	3,852.000	100	3,852	2020	35	0	2055	33	no
128. Boat Ramp - Concrete 50'	0	0	1	Total	21,762.000	100	21,762	2022	25	0	2047	25	no
129. Bridge - Replacement, Beach	100	0	1	Total	40,463.000	100	40,463	2013	50	0	2063	41	no
130. Dock - Replacement, Four Floats	100	0	1	Total	49,770.000	100	49,770	2017	25	0	2042	20	no
131. Dock - Metal Gangway Replacement	100	0	1	Total	9,988.000	100	9,988	1995	30	0	2025	3	no
132. Dock - Pile Replacement (7) Galv. Floats	100	0	1	Total	79,631.000	100	79,631	1997	30	0	2027	5	no
133. Moorings - Replacement Buoys/Chain	100	0	1	Total	2,665.000	100	2,665	2022	7	0	2029	7	no
134. Pier - Replacement (1100sf) 10 pilings	100	0	1	Total	180,482.000	100	180,482	1993	40	0	2033	11	no
135. Pier - Pilings Inspection & Treatment	100	0	1	Total	6,825.000	100	6,825	2013	10	0	2023	1	no

Worksheet

August 26, 2022

Sorted Alphabetically

Kala Point Owners' Association

<u>Item Description</u>	<u>Group</u>	<u>Sub-Group</u>	<u>Number Of Items</u>	<u>Item Type</u>	<u>Item Cost</u>	<u>%</u>	<u>Total Item Cost</u>	<u>Year Built</u>	<u>Useful Life</u>	<u>Life Adj</u>	<u>Year Replace</u>	<u>Life Left</u>	<u>One Time?</u>
136. Admin Building - Exterior Painting	30	0	1	Total	7,431.000	100	7,431	2014	10	0	2024	2	no
137. Clubhouse - Exterior Painting	30	0	1	Total	9,337.000	100	9,337	2013	10	0	2023	1	no
138. Building - Replacement - Gazebo	90	0	1	Total	11,547.000	100	11,547	2017	40	0	2057	35	no
139. Building - Replacement - Guardhouse	90	0	1	Total	22,609.000	100	22,609	2016	45	0	2061	39	no
Total	<i>139 items</i>												

Steps for Preparing Reserve Study Funding Plan

This Reserve Study was prepared with the assistance of an independent Reserve Study Professional and can be broken down into three main steps.

1. Component Analysis

All components the Association has an obligation to maintain were identified and inventoried. This list includes any reserve component, the replacement cost of which exceeds one percent of the annual budget of the association, excluding contributions to the reserves for that reserve component.

An onsite visit was scheduled to visually inspect all common area components. The Reserve Analysts inspection was limited to components that are normally visible without destructive or intrusive means of inspection or testing, or concealed mechanical, electrical, structural, or other components.

The Useful Life, Remaining Useful Life, and Current Replacement Cost of each component appropriate for reserve funding were established using information entered into a Commercial Cost & Useful Life Database. The data is based upon industry standards, manufacturer's specifications, and/or the actual repair and replacement costs to similar residential and commercial properties. Costs of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. Wherever possible, actual quotes from local contractors were used as a comparison.

2. Financial Analysis

The following financial information was provided by the Association and was not audited:

- The Association's current Reserve Balance.
- Current rate of investment on Reserve Fund.
- Special Assessments already implemented or planned.
- Tax rate applied to interest or dividends earned on the invested Reserve Funds.
- Interest and Inflation assumptions.
- Current Reserve Account Contribution Rate.
- Date of Fiscal Year End (FYE).

According to the U.S. Dept. of Labor, Bureau of Labor and Statistics, the average rate of inflation calculated from the Consumer Price Index – All Urban Consumers (CPI-U) for the twenty-year period 2000 to 2021 was 2.37%. In preparing Reserve Funding Plans we use an inflation rate of 3% to calculate inflation adjusted expenditures.

3. Reserve Study

The information obtained during the Component Analysis and Financial Analysis is entered into a Reserve Study Funding Plan computer program. The program calculates the necessary monthly and annual reserve contribution, projected annual expenditures for repair and replacement of identified components, percent funded, and reserve account balances for the analysis period.

The following Reserve Study Funding Plans were created:

- A recommended reserve account contribution rate for a full funding plan to achieve 100% fully funded reserves by the end of the 30-year study period.
- A recommended reserve account contribution rate for a baseline funding plan to maintain the reserve balance above 0 throughout the 30- year study period without special assessments.
- A David Bach & Associates recommended reserve account contribution rate.

The computer program provides a projected reserve account balance for 30 years and a funding plan to pay for projected costs from those reserves without reliance on future unplanned special assessments.

All applicable spreadsheets, expenditure graph, and funding charts were developed. In addition, Supplementary Information on Future Major Repairs and Replacement (AICPA) accountant's summary report was prepared.

ANNUAL EXPENDITURES

EXPENDITURES GRAPH

Annual Expenditures

August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
2023	29,469	001. Road Repair
	29,703	021. Hemlock Court
	23,932	032. Pinewood Court
	3,048	078. Clubhouse - Window Coverings, Blinds
	5,558	094. Equipment - Bucket Attachment
	58,302	100. Equipmenty - Tractor, New Holland
	10,788	125. Mailsite - Mailbox Gangs Replace -Pinecrest I
	6,825	135. Pier - Pilings Inspection & Treatment
	9,337	137. Clubhouse - Exterior Painting
	<u>176,962</u>	
2024	13,330	052. Pool - Propane Boiler Heater, Pool
	13,007	061. Tennis Courts - Resurfacing 4 & 5
	7,228	062. Sports Court- Resurfacing
	9,865	073. ClubHouse - Hot Water Heater (Polaris)
	12,243	099. Equipment - Sweeper Attachment
	31,519	103. Equipment - Truck, Dodge 4x4 2004
	7,617	136. Admin Building - Exterior Painting
	<u>94,808</u>	
2025	30,961	001. Road Repair
	18,484	027. Oak Shore Court
	109,534	028. Oak Shore Drive
	19,752	036. Shorecrest Place
	5,384	050. Pool - Blankets (Outdoor)
	4,541	051. Pool - Blankets (Outdoor) Reel
	15,634	070. Clubhouse Furnace - Florida Heat Pump
	3,074	076. Clubhouse - Restrooms Flooring, Vinyl Sheet
	9,564	085. Access - Entrance, DoorKing Access Phone
	11,558	096. Equipment - Riding Mower
	60,826	101. Equipment - Truck, Ford 350 4x4 Snowplow

Annual Expenditures

August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
	10,494	131. Dock - Metal Gangway Replacement
	<u>299,805</u>	
2026	124,914	042. Windship Drive
	7,964	055. Pool - Furniture
	8,963	060. Pickleball Court - Resurfacing
	17,763	086. Access - Entrance, Electronic Card Reader
	7,235	119. Gravel Replacement - RV A
	10,487	122. Mailsite - Mailbox Gangs Replace -Foxfield Dr
	<u>177,325</u>	
2027	32,528	001. Road Repair
	35,707	020. Grenville Court
	15,011	059. Tennis Courts - Resurfacing 1, 2
	15,252	093. Equipment - Brush Chipper, Vermer
	23,230	095. Equipment Fiai Mover Attachment
	11,880	121. Mailsite - Mailbox Gangs Replace - Main Gate
	87,898	132. Dock - Pile Repalcement (7) Galv. Floats
	<u>221,507</u>	
2028	20,009	011. Cedarview Lane
	169,295	019. Foxfield Drive
	6,758	053. Pool - Electric Back-up Heaters, Pool
	5,934	075. Clubhouse - Security, Surveillance System
	17,395	083. Admin - Computer System Replace Schedule
	20,268	090. Jacuzzi - Heatpump, Jandy 2.5 Ton
	<u>239,659</u>	
2029	34,175	001. Road Repair
	259,741	022. Kala Point Dr / Baycliff Intersection
	4,771	054. Pool - Electric Back-up Heaters, Spa
	4,827	066. Clubhouse - Laminate Floor, Meeting Room

Annual Expenditures

August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
	6,637	071. Clubhouse - Furniture (Main room)
	7,283	072. Clubhouse - Furniture (Fireplace Room)
	7,342	079. Clubhouse - Wood Flooring (Main Room)
	11,214	097. Equipment - Sander Unit
	9,959	098. Equipment - Snow Plow Unit
	6,464	107. Doors - Roll-up, Setional Wood
	14,392	120. Gravel Replacement - RV B
	12,482	126. Mailsite- Mailbox Gangs Replace- Pinecrest II
	3,091	133. Moorings - Replacement Buoys/Chain
	<u>382,377</u>	
2030	10,821	085. Access - Entrance, DoorKing Acess Phone
	21,345	109. Beach Area - Playground Equipment
	7,610	114. Fencing - Clubhouse, Solid Board, 146'
	<u>39,776</u>	
2031	35,905	001. Road Repair
	10,141	060. Pickleball Court - Resurfacing
	4,277	080. Sauna - Heater
	12,682	089. Gate - Security Surveillance System
	21,960	091. Air Cond - Split System, CH5 ton/Furnace 30Kw
	<u>84,965</u>	
2032	89,606	057. Pool - Wading Replastering
	13,442	058. Jacuzzi - Replastering
	15,848	061. Tennis Courts - Resurfacing 4 & 5
	8,807	062. Sports Court- Resurfacing
	6,720	065. Clubhouse- Carpeting, Game Room
	23,345	092. Office - Copier, Cannon
	13,739	096. Equipment - Riding Mower
	13,428	113. Fenieng - Clubhouse, Solid Board, 304'
	<u>184,934</u>	

Annual Expenditures

August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
2033	37,723	001. Road Repair
	37,568	045. Roofs - Clubhouse, Decra Shake
	4,194	047. Roofs - Clubhouse, Gutters / Downspouts
	18,799	056. Pool - Heating System
	25,920	069. Clubhouse - Ceramic Tile Showers
	74,199	102. Equipment - Truck, Ram 2500 4x4 Snowplow
	25,849	112. Fencing - Chain Link, Tennis Courts
	231,032	134. Pier - Replacement (1100sf) 10 pilings
	8,737	135. Pier - Pilings Inspection & Treatment
	11,952	137. Clubhouse - Exterior Painting
	<u>475,972</u>	
2034	189,426	034. Salview Drive
	6,770	082. Admin. Bldg. Carpet
	40,347	103. Equipment - Truck, Dodge 4x4 2004
	17,165	116. Fencing - Solid Board, Tract C 430 LF
	10,628	118. Fencing - Chain Link, Clubhouse Pool
	9,750	136. Admin Building - Exterior Painting
	<u>274,086</u>	
2035	39,633	001. Road Repair
	98,021	024. Kala Point Dr / Fairbreeze Int/ RV B Lot
	6,893	050. Pool - Blankets (Outdoor)
	18,289	059. Tennis Courts - Resurfacing 1, 2
	4,099	078. Clubhouse - Window Coverings, Blinds
	20,678	083. Admin - Computer System Replace Schedule
	12,243	085. Access - Entrance, DoorKing Access Phone
	29,733	087. Access - Exit Vehicle Access Gate
	29,733	088. Access - Entrance Vehicle Access Gate
	77,862	101. Equipment - Truck, Ford 350 4x4 Snowplow
	<u>337,183</u>	

Annual Expenditures

August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
2036	120,718	003. Baycliff Dr/So KP to Pinecrest
	113,684	006. Belvedere Drive
	10,194	055. Pool - Furniture
	11,473	060. Pickleball Court - Resurfacing
	45,052	104. Clubhouse - Deck Replacement
	9,261	119. Gravel Replacement - RV A
	3,674	133. Moorings - Replacement Buoys/Chain
	<u>314,057</u>	
2037	41,639	001. Road Repair
	260,673	023. Kala Point Dr / Fairbreeze Dr Intersection
	7,812	048. Roofs - Clubhouse, Skylights Mtg Room
	12,698	049. Roof - Clubhouse Skylights
	29,736	095. Equipment Fiai Mover Attachment
	8,383	106. Doors - Roll-up, Sectional Metal
	10,691	108. Doors - Clubhouse, Solid Core Panel
	<u>371,632</u>	
2038	17,813	013. Compton Place
	123,531	033. Saddletree Drive
	8,651	053. Pool - Electric Back-up Heaters, Pool
	7,596	075. Clubhouse - Security, Surveillance System
	23,890	086. Access - Entrance, Electronic Card Reader
	11,804	105. Doors - Pool, Sectional Glass
	<u>193,284</u>	
2039	43,747	001. Road Repair
	174,808	018. Fairbreeze Drive
	19,306	052. Pool - Propane Boiler Heater, Pool
	6,107	054. Pool - Electric Back-up Heaters, Spa
	8,496	071. Clubhouse - Furniture (Main room)

Annual Expenditures

August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
	9,323	072. Clubhouse - Furniture (Fireplace Room)
	20,513	093. Equipment - Brush Chipper, Vermer
	16,331	096. Equipment - Riding Mower
	18,423	120. Gravel Replacement - RV B
	<u>317,053</u>	
2040	6,576	051. Pool - Blankets (Outdoor) Reel
	19,309	061. Tennis Courts - Resurfacing 4 & 5
	10,730	062. Sports Court- Resurfacing
	22,643	070. Clubhouse Furnace - Florida Heat Pump
	14,644	073. ClubHouse - Hot Water Heater (Polaris)
	4,452	076. Clubhouse - Restrooms Flooring, Vinyl Sheet
	13,851	085. Access - Entrance, DoorKing Access Phone
	40,463	110. Fencing - Chain Link, RV Lot "B"
	<u>132,670</u>	
2041	45,962	001. Road Repair
	14,310	046. Roofs - Clubhouse, Flat Roof PVC
	12,981	060. Pickleball Court - Resurfacing
	6,491	066. Clubhouse - Laminate Floor, Meeting Room
	16,234	089. Gate - Security Surveillance System
	<u>95,978</u>	
2042	8,602	065. Clubhouse- Carpeting, Game Room
	24,579	083. Admin - Computer System Replace Schedule
	29,884	092. Office - Copier, Cannon
	16,386	123. Mailsite -Mailbox Gangs Replace, Kala Heights
	12,460	124. Mailsite - Mailbox Gangs Replace- Sailview Dr
	79,565	130. Dock - Replacement, Four Floats
	<u>171,476</u>	
2043	48,288	001. Road Repair

Annual Expenditures

August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
	140,380	039. Trafaigar Drive
	22,284	059. Tennis Courts - Resurfacing 1, 2
	29,354	090. Jacuzzi - Heatpump, Jandy 2.5 Ton
	9,107	094. Equipment - Bucket Attachment
	95,535	100. Equipmenty - Tractor, New Holland
	17,677	125. Mailsite - Mailbox Gangs Replace -Pinecrest I
	4,367	133. Moorings - Replacement Buoys/Chain
	11,184	135. Pier - Pilings Inspection & Treatment
	15,300	137. Clubhouse - Exterior Painting
	<u>393,476</u>	
2044	120,510	057. Pool - Wading Replastering
	18,077	058. Jacuzzi - Replastering
	16,242	097. Equipment - Sander Unit
	14,424	098. Equipment - Snow Plow Unit
	20,061	099. Equipment - Sweeper Attachment
	51,647	103. Equipment - Truck, Dodge 4x4 2004
	12,481	136. Admin Building - Exterior Painting
	<u>253,442</u>	
2045	50,733	001. Road Repair
	8,823	050. Pool - Blankets (Outdoor)
	15,671	085. Access - Entrance, DoorKing Access Phone
	99,670	101. Equipment - Truck, Ford 350 4x4 Snowplow
	99,789	102. Equipment - Truck, Ram 2500 4x4 Snowplow
	<u>274,687</u>	
2046	13,049	055. Pool - Furniture
	14,687	060. Pickleball Court - Resurfacing
	6,194	080. Sauna - Heater
	9,105	082. Admin. Bldg. Carpet
	31,805	091. Air Cond - Split System, CH5 ton/Furnace 30Kw

Annual Expenditures

August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
	19,412	096. Equipment - Riding Mower
	11,855	119. Gravel Replacement - RV A
	17,184	122. Mailsite - Mailbox Gangs Replace -Foxfield Dr
	<u>123,292</u>	
2047	53,301	001. Road Repair
	43,751	037. Sulgrave Place
	5,513	078. Clubhouse - Window Coverings, Blinds
	38,065	095. Equipment Fiai Mover Attachment
	19,467	121. Mailsite - Mailbox Gangs Replace - Main Gate
	39,361	128. Boat Ramp - Concrete 50'
	<u>199,459</u>	
2048	64,508	035. Shorecrest Court
	43,762	043. Roofs - Administration, Decra Shake
	11,074	053. Pool - Electric Back-up Heaters, Pool
	27,227	056. Pool - Heating System
	23,527	061. Tennis Courts - Resurfacing 4 & 5
	13,074	062. Sports Court- Resurfacing
	9,724	075. Clubhouse - Security, Surveillance System
	<u>192,895</u>	
2049	56,000	001. Road Repair
	46,723	009. Buckhord Place
	22,043	015. Creekwood Place
	7,818	054. Pool - Electric Back-up Heaters, Spa
	10,875	071. Clubhouse - Furniture (Main room)
	11,934	072. Clubhouse - Furniture (Fireplace Room)
	12,031	079. Clubhouse - Wood Flooring (Main Room)
	29,217	083. Admin - Computer System Replace Schedule
	23,583	120. Gravel Replacement - RV B
	20,453	126. Mailsite- Mailbox Gangs Replace- Pinecrest II

Annual Expenditures

August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
	<u>240,676</u>	
2050	56,087	040. Wellington Court
	17,731	085. Access - Entrance, DoorKing Access Phone
	32,129	086. Access - Entrance, Electronic Card Reader
	43,062	087. Access - Exit Vehicle Access Gate
	43,062	088. Access - Entrance Vehicle Access Gate
	12,470	114. Fencing - Clubhouse, Solid Board, 146'
	5,191	133. Moorings - Replacement Buoys/Chain
	<u>209,731</u>	
2051	58,835	001. Road Repair
	45,710	002. Alderwood Place
	30,317	005. Baycliff Place
	36,167	007. Blenheim Place
	25,435	008. Brrokhaven Place
	87,588	012. Clubhouse Parking
	26,118	014. Corbridge Place
	24,902	016. Danbury Court
	447,163	022. Kala Point Dr / Baycliff Intersection
	47,511	026. Nantucket Place
	53,496	029. Parkplace Court
	6,928	044. Roofs - Administration, Gutters / Dps
	27,150	059. Tennis Courts - Resurfacing 1, 2
	16,617	060. Pickleball Court - Resurfacing
	20,782	089. Gate - Security Surveillance System
	27,588	093. Equipment - Brush Chipper, Vermer
	<u>982,305</u>	
2052	170,513	025. Kala Heights Drive - Paving
	11,012	065. Clubhouse- Carpeting, Game Room
	38,253	092. Office - Copier, Cannon

Annual Expenditures

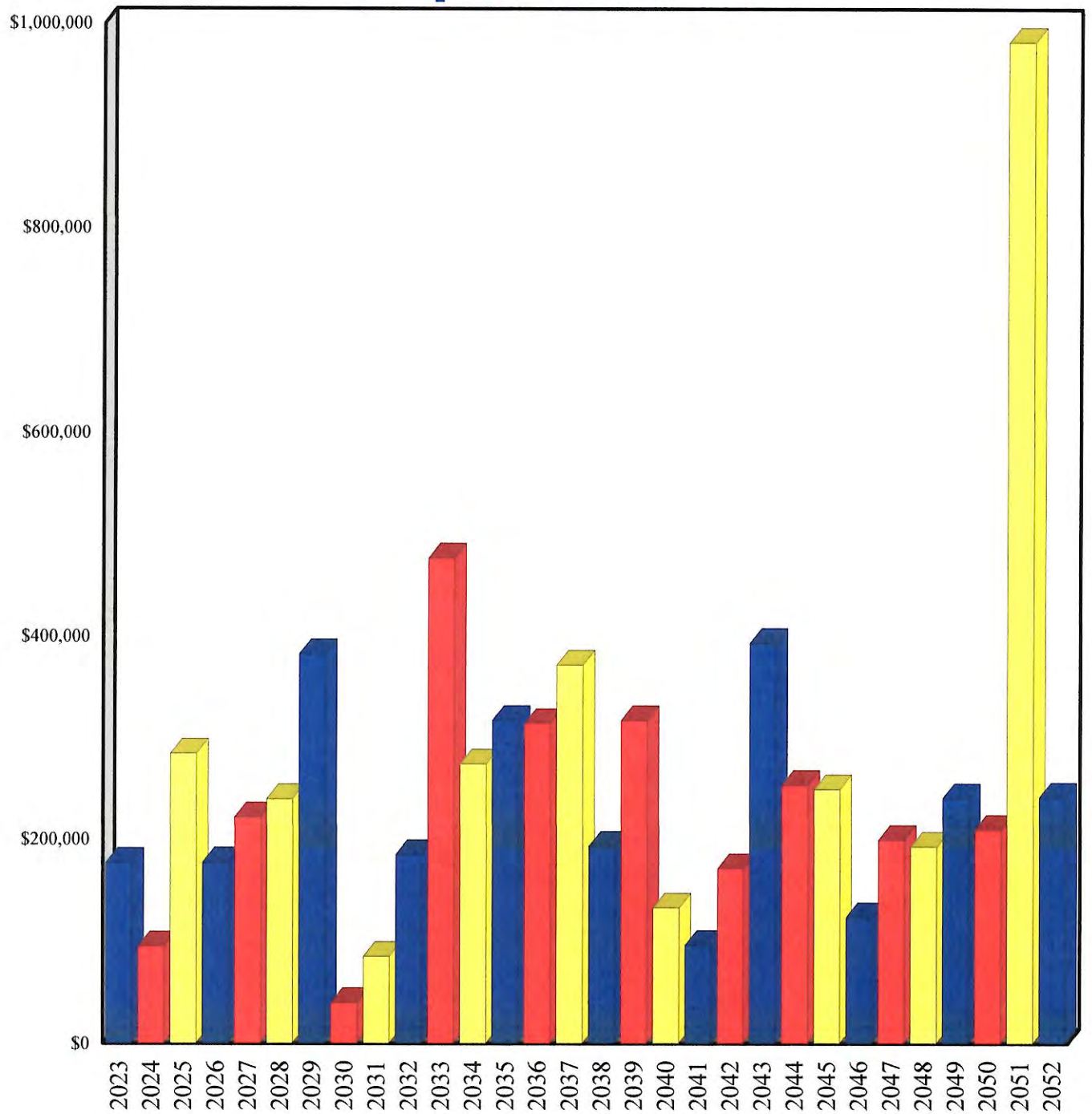
August 26, 2022

Kala Point Owners' Association

Year	Amount	Item Description
	22,003	113. Fenicng - Clubhouse, Solid Board, 304'
	<u>241,781</u>	

Total: 7,697,255

Expenditures



Expenditures

The basis to any reserve funding plan first starts with computing the ideal balance. The ideal balance is a benchmark against which the cash flow calculations can be compared. The formula for the ideal balance is:

$$\text{Ideal Balance} = (\text{Current Age} / \text{Useful Life}) \times \text{Current Cost}$$

Inflation and interest are also incorporated into this formula.

The Ideal vs. Cash Flow Balances Graph on the next page shows the cash flow balance in relationship to the "Ideal" balance. The spread between the annual cash flow and the "Ideal" is consistent.

This information is also presented in spread sheet form on the Funding Plan Summary page.

IDEAL vs. CASH FLOW BALANCES

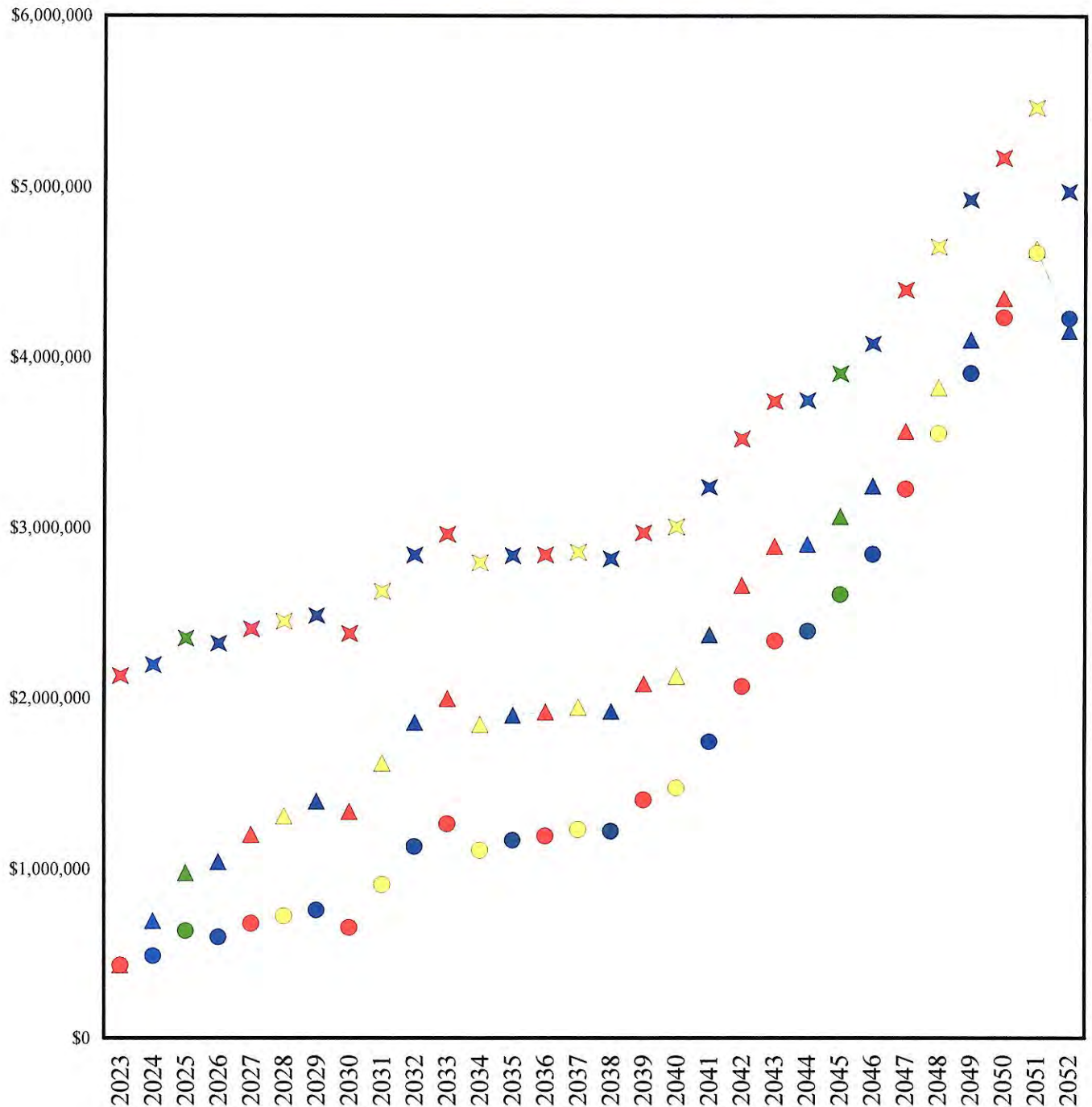
STARTING BALANCE FUNDS DISTRIBUTION

Ideal vs. Computed vs. Cash Flow Balances

July 12, 2022

Kala Point Owners' Association

All Balances



★ Ideal Balance

▲ Computed Balance

● Cash Flow

Starting Balance Funds Distribution (Cash Flow)

Sorted Alphabetically

August 26, 2022

Kala Point Owners' Association

Item Description	Useful Life		Year	Total	Ideal	Actual	2023
	Life	Left	Replace	Item Cost	Balance	Balance	Contribution
001. Road Repair	2	1	2023	29,469	29,469	29,469	7,646
002. Alderwood Place	35	29	2051	22,895	4,579	0	424
003. Baycliff Dr/So KP to Pinecrest	30	14	2036	87,571	49,624	0	3,496
004. Baycliff Dr/ Pinecrest to No KP	35	34	2056	106,769	6,101	0	1,679
005. Baycliff Place	40	29	2051	15,185	4,556	0	281
006. Belvedere Drive	35	14	2036	82,469	51,838	0	3,292
007. Blenheim Place	40	29	2051	18,115	5,435	0	336
008. Brrokhaven Place	40	29	2051	12,740	3,822	0	236
009. Buckhord Place	40	27	2049	24,587	8,605	0	491
010. Cedarview Drive	35	31	2053	118,347	16,907	0	2,047
011. Cedarview Lane	40	6	2028	17,685	15,474	0	1,835
012. Clubhouse Parking	35	29	2051	43,871	8,774	0	813
013. Compton Place	40	16	2038	12,299	7,687	0	425
014. Corbridge Place	40	29	2051	13,082	3,925	0	242
015. Creekwood Place	40	27	2049	11,600	4,060	0	232
016. Danbury Court	40	29	2051	12,473	3,742	0	231
017. Dunraven Place	40	31	2053	17,828	4,457	0	308
018. Fairbreeze Drive	35	17	2039	117,755	63,924	0	3,819
019. Foxfield Drive	35	6	2028	149,632	128,256	0	15,530
020. Grenville Court	35	5	2027	32,349	28,652	0	4,197
021. Hemlock Court	35	1	2023	29,703	29,703	29,703	440
022. Kala Point Dr / Baycliff Intersection	22	7	2029	223,974	162,890	0	19,371
023. Kala Point Dr / Fairbreeze Dr Intersection	22	15	2037	184,485	67,085	0	6,838
024. Kala Point Dr / Fairbreeze Int/ RV B Lot	35	13	2035	72,884	47,895	0	3,152
025. Kala Heights Drive - Paving	35	30	2052	83,323	14,284	0	1,491
026. Nantucket Place	40	29	2051	23,797	7,139	0	441
027. Oak Shore Court	35	3	2025	17,593	16,588	16,588	261
028. Oak Shore Drive	35	3	2025	104,256	98,299	92,691	3,001
029. Parkplace Court	40	29	2051	26,795	8,039	0	497
030. Pinecrest Court	40	39	2061	21,263	1,063	0	290
031. Pinecrest Drive	35	34	2056	217,397	12,423	0	3,419
032. Pinewood Court	35	1	2023	23,932	23,932	23,932	355
033. Saddletree Drive	35	16	2038	85,294	48,739	0	2,951
034. Salview Drive	30	12	2034	144,370	91,434	0	6,811
035. Shorecrest Court	40	26	2048	34,795	13,048	0	722
036. Shorecrest Place	35	3	2025	18,800	17,726	17,726	279
037. Sulgrave Place	35	25	2047	24,189	7,602	0	523
038. Terrace Drive	40	32	2054	114,297	25,717	0	1,913
039. Trafaigar Drive	35	21	2043	85,670	36,716	0	2,223
040. Wellington Court	40	28	2050	28,795	9,358	0	553
041. Westridge Court	40	39	2061	21,063	1,053	0	288
042. Windship Drive	35	4	2026	115,995	106,053	0	20,065
043. Roofs - Administration, Decra Shake	40	26	2048	23,605	8,852	0	490
044. Roofs - Administration, Gutters / Dps	30	29	2051	3,470	231	0	64

Starting Balance Funds Distribution (Cash Flow)

Sorted Alphabetically

August 26, 2022

Kala Point Owners' Association

Item Description	Useful Life		Year	Total	Ideal	Actual	2023
	Life Left	Replace	Item Cost	Balance	Balance	Contribution	
045. Roofs - Clubhouse, Decra Shake	40	11	2033	29,348	22,011	0	1,523
046. Roofs - Clubhouse, Flat Roof PVC	20	19	2041	9,175	918	0	265
047. Roofs - Clubhouse, Gutters / Downspouts	30	11	2033	3,276	2,184	0	170
048. Roofs - Clubhouse, Skylights Mtg Room	25	15	2037	5,529	2,433	0	205
049. Roof - Clubhouse Skylights	25	15	2037	8,987	3,954	0	333
050. Pool - Blankets (Outdoor)	10	3	2025	5,125	4,100	4,100	266
051. Pool - Blankets (Outdoor) Reel	15	3	2025	4,322	3,746	3,746	150
052. Pool - Propane Boiler Heater, Pool	15	2	2024	13,005	12,138	12,138	450
053. Pool - Electric Back-up Heaters, Pool	10	6	2028	5,973	2,987	0	620
054. Pool - Electric Back-up Heaters, Spa	10	7	2029	4,114	1,646	0	356
055. Pool - Furniture	10	4	2026	7,395	5,177	0	1,279
056. Pool - Heating System	15	11	2033	14,686	4,895	0	762
057. Pool - Wading Replastering	12	10	2032	71,750	17,938	0	4,137
058. Jacuzzi - Replastering	12	10	2032	10,763	2,691	0	621
059. Tennis Courts - Resurfacing 1, 2	8	5	2027	13,599	6,800	0	1,764
060. Pickleball Court - Resurfacing	5	4	2026	8,323	3,329	0	1,440
061. Tennis Courts - Resurfacing 4 & 5	8	2	2024	12,690	11,104	11,104	823
062. Sports Court- Resurfacing	8	2	2024	7,052	6,171	6,171	457
063. Clubhouse - Benches, Shower Rooms	35	33	2055	4,380	375	0	71
064. Clubhouse - Cabinets, Natural Wood M.R./F.P.	35	33	2055	6,050	519	0	98
065. Clubhouse- Carpeting, Game Room	10	10	2032	5,381	538	0	310
066. Clubhouse - Laminate Floor, Meeting Room	12	7	2029	4,162	2,081	0	360
067. Clubhouse - Ceiling, Fiberboard Panels	35	31	2053	9,494	1,356	0	164
068. Club House - Ceramic Tile Entry	35	31	2053	7,929	1,133	0	137
069. Clubhouse - Ceramic Tile Showers	25	11	2033	20,249	12,149	0	1,051
070. Clubhouse Furnace - Florida Heat Pump	15	3	2025	14,881	12,897	12,897	515
071. Clubhouse - Furniture (Main room)	10	7	2029	5,723	2,289	0	495
072. Clubhouse - Furniture (Fireplace Room)	10	7	2029	6,280	2,512	0	543
073. ClubHouse - Hot Water Heater (Polaris)	16	2	2024	9,624	9,023	9,023	312
074. Clubhouse - Shower Replacements X4	35	35	2057	27,466	785	0	419
075. Clubhouse - Security, Surveillance System	10	6	2028	5,245	2,623	0	544
076. Clubhouse - Restrooms Flooring, Vinyl Sheet	15	3	2025	2,926	2,536	2,536	101
077. Clubhouse - Waterline Replacement	35	33	2055	10,150	870	0	165
078. Clubhouse - Window Coverings, Blinds	12	1	2023	3,048	3,048	3,048	132
079. Clubhouse - Wood Flooring (Main Room)	20	7	2029	6,331	4,432	0	548
080. Sauna - Heater	15	9	2031	3,510	1,638	0	228
081. Sauna - Wood Replacement	35	31	2053	14,561	2,080	0	252
082. Admin. Bldg. Carpet	12	12	2034	5,160	430	0	243
083. Admin - Computer System Replace Schedule	7	6	2028	15,375	4,393	0	1,596
084. Admin - All Counter, Reception/Office	35	31	2053	8,816	1,259	0	152
085. Access - Entrance, DoorKing Access Phone	5	3	2025	9,103	5,462	5,462	945
086. Access - Entrance, Electronic Card Reader	12	4	2026	16,495	12,371	0	2,853
087. Access - Exit Vehicle Access Gate	15	13	2035	22,108	4,422	0	956
088. Access - Entrance Vehicle Access Gate	15	13	2035	22,108	4,422	0	956

Starting Balance Funds Distribution (Cash Flow)

Sorted Alphabetically

August 26, 2022

Kala Point Owners' Association

	Useful Life	Year	Total	Ideal	Actual	2023	
<u>Item Description</u>	<u>Life Left</u>	<u>Replace</u>	<u>Item Cost</u>	<u>Balance</u>	<u>Balance</u>	<u>Contribution</u>	
089. Gate - Security Surveillance System	10	9	2031	10,409	2,082	0	675
090. Jacuzzi - Heatpump, Jandy 2.5 Ton	15	6	2028	17,914	11,943	0	1,859
091. Air Cond - Split System, CH5 ton/Furnace 30Kw	15	9	2031	18,024	8,411	0	1,169
092. Office - Copier, Cannon	10	10	2032	18,693	1,869	0	1,078
093. Equipment - Brush Chipper, Vermer	12	5	2027	13,818	9,212	0	1,793
094. Equipment - Bucket Attachment	20	1	2023	5,558	5,558	5,558	144
095. Equipment Fiai Mover Attachment	10	5	2027	21,045	12,627	0	2,730
096. Equipment - Riding Mower	7	3	2025	11,001	7,858	7,858	816
097. Equipment - Sander Unit	15	7	2029	9,670	5,802	0	836
098. Equipment - Snow Plow Unit	15	7	2029	8,588	5,153	0	743
099. Equipment - Sweeper Attachment	20	2	2024	11,944	11,347	11,347	310
100. Equipmenty - Tractor, New Holland	20	1	2023	58,302	58,302	58,302	1,513
101. Equipment - Truck, Ford 350 4x4 Snowplow	10	3	2025	57,895	46,316	0	15,022
102. Equipment - Truck, Ram 2500 4x4 Snowplow	12	11	2033	57,964	9,661	0	3,008
103. Equipment - Truck, Dodge 4x4 2004	10	2	2024	30,750	27,675	27,675	1,596
104. Clubhouse - Deck Replacement	20	14	2036	32,682	11,439	0	1,305
105. Doors - Pool, Sectional Glass	25	16	2038	8,150	3,260	0	282
106. Doors - Roll-up, Sectional Metal	25	15	2037	5,933	2,611	0	220
107. Doors - Roll-up, Setional Wood	25	7	2029	5,574	4,236	0	482
108. Doors - Clubhouse, Solid Core Panel	25	15	2037	7,566	3,329	0	280
109. Beach Area - Playground Equipment	30	8	2030	17,957	13,767	0	1,331
110. Fencing - Chain Link, RV Lot "B"	35	18	2040	26,592	13,676	0	812
111. Fencing - Chain link, Sport Ct	35	31	2053	11,944	1,706	0	207
112. Fencing - Chain Link, Tennis Courts	35	11	2033	20,193	14,424	0	1,048
113. Fencicng - Clubhouse, Solid Board, 304'	20	10	2032	10,752	5,914	0	620
114. Fencing - Clubhouse, Solid Board, 146'	20	8	2030	6,402	4,161	0	475
115. Fencing - Chain Link/Privacy/Gate 2,RV Lot A	35	31	2053	29,934	4,276	0	518
116. Fencing - Solid Board, Tract C 430 LF	20	12	2034	13,082	5,887	0	617
117. Fencing - Chain Link/Gate Privacy, RV Lot B	35	31	2053	6,770	967	0	117
118. Fencing - Chain Link, Clubhouse Pool	25	12	2034	8,100	4,536	0	382
119. Gravel Replacement - RV A	10	4	2026	6,718	4,703	0	1,162
120. Gravel Replacement - RV B	10	7	2029	12,410	4,964	0	1,073
121. Mailsite - Mailbox Gangs Replace - Main Gate	20	5	2027	10,763	8,610	0	1,396
122. Mailsite - Mailbox Gangs Replace -Foxfield Dr	20	4	2026	9,738	8,277	0	1,684
123. Mailsite -Mailbox Gangs Replace, Kala Heights	20	20	2042	10,250	513	0	280
124. Mailsite - Mailbox Gangs Replace- Sailview Dr	20	20	2042	7,794	390	0	213
125. Mailsite - Mailbox Gangs Replace -Pinecrest I	20	1	2023	10,788	10,788	10,788	280
126. Mailsite- Mailbox Gangs Replace- Pinecrest II	20	7	2029	10,763	7,534	0	931
127. Railing - Stair, Pipe, Clubhouse	35	33	2055	3,852	330	0	62
128. Boat Ramp - Concrete 50'	25	25	2047	21,762	870	0	471
129. Bridge - Replacement, Beach	50	41	2063	40,463	8,093	0	525
130. Dock - Replacement, Four Floats	25	20	2042	49,770	11,945	0	1,359
131. Dock - Metal Gangway Replacement	30	3	2025	9,988	9,322	9,322	173
132. Dock - Pile Repalcement (7) Galv. Floats	30	5	2027	79,631	69,014	0	10,331

Starting Balance Funds Distribution (Cash Flow)

Sorted Alphabetically

August 26, 2022

Kala Point Owners' Association

	Useful Life	Year	Total	Ideal	Actual	2023	
<u>Item Description</u>	<u>Life Left</u>	<u>Replace</u>	<u>Item Cost</u>	<u>Balance</u>	<u>Balance</u>	<u>Contribution</u>	
133. Moorings - Replacement Buoys/Chain	7	7	2029	2,665	381	0	230
134. Pier - Replacement (1100sf) 10 pilings	40	11	2033	180,482	135,362	0	9,366
135. Pier - Pilings Inspection & Treatment	10	1	2023	6,825	6,825	6,825	354
136. Admin Building - Exterior Painting	10	2	2024	7,431	6,688	6,688	386
137. Clubhouse - Exterior Painting	10	1	2023	9,337	9,337	9,337	485
138. Building - Replacement - Gazebo	40	35	2057	11,547	1,732	0	176
139. Building - Replacement - Guardhouse	45	39	2061	22,609	3,517	0	309
Total	<i>139 items</i>		4,266,925	2,142,812	434,031		227,000

139 items

3.00% Investment Rate

30.00% Tax Rate

2.50% Inflation Rate

Ideally Funded - 20%

Disclosures

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.

Every reasonable effort has been made to that the data obtained in this report is based on accurate information. The nature of this study requires assumptions be made about future events which may or may not occur as predicted. The study must be viewed in light of circumstances existing at the actual time of the study. In addition, the cost of repairing or replacing components can vary greatly depending on current labor costs, material costs, and the conditions of the component. This Reserve Study Funding Plan is a **budgeting tool to be used for general planning purposes only**. As the component nears the end of its useful life, estimates from qualified contractors should be obtained.

In conclusion, this study should be regarded as a guideline for developing sound business decisions to ensure adequate funds will be accumulated in anticipation of major repair and/or replacement projects. It is recommended that you review your reserve plan on an annual basis and make adjustments as necessary.

Conflict of Interest

No relationship exists between David Bach & Associates, LLC and the client which could result in a conflict of interest.

David Bach & Associates, LLC has earned the Community Association Institute's **Reserve Specialist Designation**, the only national credential for community association reserve study providers. The **RS** designation is awarded to experienced, qualified professionals who help condominium, co-operative, and homeowner associations plan for long-term repair and replacement of major components. The Reserve Specialist Designation Review Board recognizes David Bach's professionalism and dedication to the highest standard of reserve study preparation. **RS** designees must adhere to CAI's Professional Reserve Specialist Code of Ethics. David Bach is also an Honored Member in good standing with the Association of Professional Reserve Analysts.

ACCUMULATED RESERVE BALANCE	The anticipated Reserve Balance on the first day of the fiscal year for which the report has been prepared.
ALLOCATION (Net Monthly)	The sum of the monthly contribution and interest contribution figures.
ANNUAL CONTRIBUTION INCREASE	The percentage rate at which the association will increase its contribution to Reserves at the end of each year until the year in which the item is replaced.
BASELINE FUNDING PLAN	Establishing a Reserve Funding goal of maintaining a Reserve Account Balance above zero dollars throughout the thirty year study period.
CASH FLOW	The collection and expenditure of money over time.
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.
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. Components typically are: (1) Association responsibility, (2) with limited Useful Life expectancies, (3) predictable Remaining Useful Life expectancies, (4) above a minimum threshold cost, and (5) as required by local codes.
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, a review of established association precedents, and discussion with appropriate association representative(s) of the association or cooperative.
COMPONENT METHOD	A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.
CONDITION ASSESSMENT	The task of evaluating the current condition of the component based on observed or reported characteristics.

CONTRIBUTION RATE	The amount contributed to the Reserve Account so that the association will have cash Reserves to pay major maintenance, repair, or replacement costs without the need of a special assessment.
CURRENT RESERVE FUNDS	The amount currently held in Reserve for repair and replacement of components, with funds being allocated to projects with the shortest remaining useful life first.
DEFICIT	A actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a surplus.
EFFECTIVE AGE	The difference between the estimated useful life and remaining useful life.
EXPECTED LIFE	The estimated time, in years, that a Reserve item can be expected to perform its intended function.
EXPENDITURES	Disbursement of Reserve Funds for repair or replacement of Reserve Study identified components.
FINANCIAL ANALYSIS	The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.
FISCAL YEAR ENDING (FYE)	The budgetary year for which the report is prepared. For association with fiscal years ending December 31 st , the monthly contribution figures indicated are for the twelve-month period beginning 01/01/XX and ending 12/31/XX.
FULL FUNDING PLAN	Setting a Reserve Funding goal of achieving 100% fully funded reserves by the end of the thirty-year study period in which the reserve account balance equals the sum of the estimated costs required to maintain, repair, or replace the deteriorated portion of all reserve components.
FULLY FUNDED	100% funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FULLY FUNDED BALANCE	The current value of the deteriorated portion, not the total replacement value, of all the reserve components. The Fully Funded Balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum total of all reserve components' Fully Funded Balance is the association's Fully Funded Balance.
FUND STATUS	The status of the Reserve Fund as compared to an established benchmark such as Percent Funding.
FUNDING PLAN	An association's plan to provide income to a Reserve Fund to offset anticipated expenditures from that fund.
IDEAL BALANCE	The basis to any Reserve Funding Plan first starts with computing the Ideal Balance. The Ideal Balance is the benchmark against which the standard cash flow calculations can be compared. The formula for the Ideal Balance is: <i>Ideal Balance = (Current Age/Useful Life) x Current Cost</i> Inflation and interest are also calculated into the basic formula.
INFLATION	Cost factors are adjusted for inflation at the rate defined in the Funding Plan Summary, compounded annually.
LIFE & VALUATION ESTIMATES	The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.
MONTHLY CONTRIBUTION	The assessment for Reserves required by the association each month.
PERCENT FUNDED	The ratio, as a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
PHYSICAL ANALYSIS	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.

REMAINING USEFUL LIFE	The estimated time, in years, before a Reserve component will require major maintenance, repair, or replacement to perform its intended function.
REPLACEMENT COST	The estimated total cost to maintain, repair, or replace a Reserve component to its original functional condition.
RESERVE BALANCE	Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves.
RESERVE COMPONENT	A physical component of the common interest community which the association is obligated to maintain, repair, or replace, which has an estimated useful life of less than thirty years, and for which the cost of such maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget.
RESERVE STUDY PROFESSIONAL	An independent person suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study
RESERVE STUDY	A budget planning tool which identifies the current status of the Reserve Fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.
SIGNIFICANT ASSETS	The current total cost of major maintenance, repair, and replacement of the reserve components is 50% or more of the gross budget of the association, excluding reserve account funds.
SPECIAL ASSESSMENT	An assessment levied on the members of an association in addition to regular assessments.
STARTING BALANCE FUNDS DISTRIBUTION	A listing of how the starting balance is distributed to each reserve item. The first year's contribution for each item is listed.
STRAIGHT LINE CALCULATIONS & FUNDING MODEL	The most conservative method for Reserve Funding. It assures that the association will achieve and maintain an ideal level of reserves for the analysis period.

SURPLUS	An actual (or projected) Reserve Balance greater than the Fully Funded Balance.
TAXES LIABILITY	The estimated percentage of interest income which will be set-aside for taxes.
USEFUL LIFE	The estimated time, between years, that major maintenance, repair, or replacement is estimated to occur.