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## **“Full” Reserve Study**



# **Snowbridge Square HOA**

## **Copper Mountain, CO**

**Report #: 15359-0**  
**For Period Beginning: January 1, 2007**  
**Ending: December 31, 2007**

**Date Prepared: April 4, 2007**

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## Hello, and welcome to your Reserve Study!

It's all very simple, really. A Reserve Study is the *art and science* of anticipating, and preparing for, major common area repair and replacement costs. With our experience in this industry, we have gathered the information necessary to make an evaluation of the current status of your Reserve Components, an evaluation of the current status of your Reserve Fund, and a recommended Reserve Funding Plan.

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

While this Report has been prepared to answer all of your questions, please don't hesitate to call us if unanswered questions remain. Our toll-free number is 877.344.8868, and answers to most frequently asked questions are on our web site ([www.ReserveStudy.com](http://www.ReserveStudy.com)). A *Quick Reference Guide* is provided on the following page, to map out your Reserve Study and provide directions to the most valuable areas. From the entire staff of Association Reserves, thank you for selecting us as your Reserve-planning partner!



## Quick Reference Guide

### **What do I distribute to the homeowners?**

A good choice is to distribute copies of the “Executive Summary” immediately following the Table of Contents (a summary page and the Reserve Component Listing).



### **Where do I find...**

#### ***...a listing of our Reserve Components?***

Table 2 shows the name, Useful Life, Remaining Useful Life, and current Replacement Cost.

#### ***...our Percent Funded rating and recommended Reserve Contribution Rate?***

With our major financial summary information, in the Executive Summary (Page i)

#### ***...a description of our objectives and methodology?***

Beginning on Page 1 we introduce the Reserve Study, our objectives, and methodology.

#### ***...more detailed information on our site inspection?***

General site inspection notes can be found on Page 5. Photographs and specific information on each component can be found in the Photographic Inventory Appendix.

### **More questions?**

Visit our web site at [www.ReserveStudy.com](http://www.ReserveStudy.com)



or call us at 877.344.8868.

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## Executive Summary

**Association:** Snowbridge Square HOA **Assoc. #:** 15359-0  
**Location:** Copper Mountain, CO  
**# of Units:** 26  
**Report Period:** January 1, 2007 through December 31, 2007

### *Results*

Projected Starting Reserve Balance: .....	\$155,000
Fully Funded Reserve Balance: .....	\$509,619
Percent Funded: .....	30.4%
Recommended 2007 monthly Reserve Contribution: .....	\$6,000
Recommended Special Assessment this year: .....	\$0
Most Recent Reserve Contribution Rate:.....	\$0

### *Economic Assumptions:*

Net Annual "After Tax" Interest Earnings Accruing to Reserves..... 4.50%  
Annual Inflation Rate ..... 3.00%

- The information in this Reserve Study is based on our site inspection on February 20, 2007.
- Because your Reserve Fund is 30.4% Funded, this represents a mid-range Reserve Fund position, wherein 0-30% is a "weak" range, and 70% funded or higher typifies Reserve Fund Strength.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to meet future demand.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".
- Reserve projects anticipated this year include those items listed on the following table with a zero in the remaining useful life column.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
<b>GENERAL</b>				
103 Concrete Walks - Repair	7	4	\$23,632	\$26,598
108 Landscape Timbers - Replace	20	15	\$26,250	\$40,897
111 Metal Stairs - Repair/Replace	30	15	\$1,900	\$2,960
201 Asphalt - Resurface	20	11	\$30,297	\$41,937
202 Asphalt - Seal/Repair	5	0	\$2,301	\$2,667
321 Safety Lights - Replace	15	10	\$5,400	\$7,257
404 Patio Furniture - Replace	8	4	\$1,500	\$1,688
701 Garage Entrance Door - Replace	10	2	\$5,500	\$5,835
705 Garage Door Operator - Replace	7	5	\$1,900	\$2,203
905 Sauna Heater - Replace	10	3	\$1,150	\$1,257
906 Sauna Room - Refurbish	12	5	\$1,800	\$2,087
1205 Acrylic Spa - Replace	15	9	\$6,000	\$7,829
<b>BUILDINGS</b>				
103 Concrete Decks - Repair	7	5	\$16,272	\$18,864
112 Exterior Wood Walkways - Replace	15	8	\$36,050	\$45,667
112 Trex Deck - Replace	15	14	\$11,200	\$16,941
112 Wood Deck - Replace	15	8	\$34,160	\$43,273
205 Concrete Garage - Repair	5	4	\$17,545	\$19,747
318 Exit Signs - Replace	25	20	\$1,575	\$2,845
321 Mall Lighting - Replace	30	10	\$7,200	\$9,676
505 Wood Fence - Replace	12	8	\$1,988	\$2,518
513 Railings - Replace	15	6	\$17,105	\$20,424
601 Mall Carpet - Replace	6	1	\$19,013	\$19,583
603 Tile Floor - Replace	25	15	\$6,750	\$10,516
700 Common Area Windows - Replace	25	9	\$22,500	\$29,357
702 Glass Doors - Replace	12	7	\$17,600	\$21,646
702 Unit Doors - Refurbish	15	14	\$11,050	\$16,714
909 Lobby Bathrooms - Refurbish	12	6	\$4,550	\$5,433
910 Laundry Room - Refurbish	12	9	\$1,760	\$2,296
910 Lobby - Refurbish	12	8	\$50,380	\$63,820
1116 Exterior Surfaces - Repaint	10	6	\$40,950	\$48,896
1116 Stairwell Surfaces - Repaint	5	3	\$1,260	\$1,377
1303 Composition Shingle Roof - Replace	25	13	\$40,793	\$59,905
1307 Flat Roof - Replace	18	4	\$150,670	\$169,580
1310 Gutters/Downspouts - Replace	10	2	\$3,850	\$4,084
1802 Elevator Cab - Remodel	8	5	\$4,500	\$5,217
<b>MECHANICAL</b>				
303 Cabinet Heaters - Replace	25	14	\$3,200	\$4,840
303 Central Air Handler Unit - Replace	15	15	\$17,000	\$26,485
303 Fan Coil Units - Replace	15	15	\$30,000	\$46,739
303 Garage Makeup Air Units - Replace	20	9	\$30,000	\$39,143
304 Boiler Controller - Replace	15	9	\$22,500	\$29,357
304 CO Detection System - Replace	15	10	\$1,250	\$1,680
306 Garage Exhaust Fans - Replace	15	11	\$1,700	\$2,353
312 Valves - Replace	5	2	\$6,500	\$6,896
313 Boiler Circulating Pumps - Replace	10	5	\$1,100	\$1,275

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
313 Heating Circulating Pumps - Replace	10	8	\$8,000	\$10,134
801 Boiler - Replace	40	0	\$121,000	\$394,707
803 Hot Water Storage Tanks - Replace	30	17	\$5,600	\$9,256
803 Storage Tank - Replace	30	15	\$1,900	\$2,960
803 Water Heater/Tank - Replace	14	11	\$6,400	\$8,859
1001 Backflow Device - Replace	14	10	\$1,750	\$2,352
1207 Spa Equipment - Replace	10	4	\$3,625	\$4,080
1208 Spa Heater - Replace	8	6	\$1,725	\$2,060
1801 Hydraulic Elevator - Modernize	30	14	\$32,500	\$49,159
1803 East Fire Alarm System - Replace	30	25	\$2,775	\$5,810
1812 Bobcat - Replace	20	15	\$27,500	\$42,844
1812 Compressor - Replace	12	10	\$1,750	\$2,352
<b>56 Total Funded Components</b>				



## Introduction

It is all very simple, really. A Reserve Study is the art and science of anticipating and preparing for major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

A Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. The Physical Analysis contains the information about the current condition and repair or replacement cost of the major common area components the association is obligated to maintain. The Financial Analysis contains an evaluation of the association's Reserve balance (measured by Percent Funded) and a recommended Funding Plan to offset the anticipated Reserve expenses.

**Reserve Study**

- Physical Analysis
- Financial Analysis

The primary responsibility of the Board of Directors is to maintain, protect, and enhance the assets of the association. As the physical assets age and deteriorate, it is important to accumulate financial assets, keeping the two “in balance”. The Reserve Study is the document that helps keep the physical and financial assets of the association in balance. This Reserve Study is a budget-planning document. The primary information you will get from this document is a list of your major Reserve components, a finding of the current status (strength) of your Reserve Fund, and a recommended Funding Plan. The basic objective of the Reserve Study is to provide a plan to collect funds at a stable rate to offset the predicted irregular Reserve expenses. Setting a stable Reserve contribution rate will ensure that each owner pays their own “fair share” of the ongoing, gradual deterioration of the common areas.

## Methodology

By necessity, the Physical Analysis occurs before the Financial Analysis (first we establish what the projected expenses are, then we determine the association's financial status and create a Funding Plan). For this “Full” Reserve Study, the Physical Analysis starts with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to inventory (quantify and evaluate) your common areas, creating your Reserve Component List “from scratch”. Your Reserve Component List (Table 1 or Table 2) contains a description and

**Reserve Study Types**

- ➔ • Full
- Update With-Site-Visit
- Update No-Site-Visit
- Do-It-Yourself Kit



quantification of individual line items, and estimates for the Useful Life, Remaining Useful Life, and current Replacement Cost of each component. The average of the Best and Worst Case cost estimates are used for all calculations throughout the Financial Analysis. With this information and an assumed inflation rate (as shown on the Executive Summary), we are able to project the array of future major expenses facing the association.

### *Which Physical Assets are Covered by Reserves?*

Reserve expenses are the larger, infrequent expenses that require significant advance planning. Operating expenses, on the other hand, are those ongoing daily, weekly, or monthly expenses that occur and recur throughout the year. Small surprises are typically handled as maintenance contingencies, while the larger ones may be covered by insurance or require special assessments.

There is a national-standard four-part test to determine which expense items should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve Components to major, predictable expenses. We do not typically Reserve for building foundations and major infrastructure elements since they do not have limited life expectancies. Light bulbs or other small items are not listed as Reserve Components since their individual costs are insignificant. Finally, it is usually inappropriate to include unpredictable expenses such as damage due to fire, flood, or earthquake since these typically cannot be considered “reasonably predictable”.

#### **Reserve Components**

- **Common Area**
- **Limited Useful Life**
- **Predictable Life Limit**
- **Cost must be Significant**

### *How are Useful Life and Remaining Useful Life established?*

Useful Life is typically established by our experience with the component, adjusted by assumptions for quality, rate of wear and tear, expected normal maintenance, and weather exposure. Remaining Useful Life is established primarily by the component’s current observed condition. The observed age of the component may or may not equal the “Chronological Age” of the component due to accelerated wear or low usage. For components requiring a particular expertise or components where age characteristics are not visible (elevators, chillers, security electronics, etc.), it is typical that we interview the association’s service vendor to obtain a recommendation for Useful Life and Remaining Useful Life.

*How are Cost Estimates Established?*

The best way to obtain an accurate cost for a component is for it to be repaired or replaced, providing us with a valuable benchmark from which to make current cost estimates. In absence of “actual” costs, we regularly make comparisons to projects that were done recently at similar associations. In addition, we often contact local vendors who provide us with insights into current pricing trends. For components that require a particular expertise (major roof or roadway systems, elevators, etc.), it is our normal practice to interview your vendor who maintains that asset. In the absence of these estimating tools, we look to reliable industry cost guidebooks. A “Best Case” and “Worst Case” cost estimate is made for each component in an attempt to bracket the actual cost.

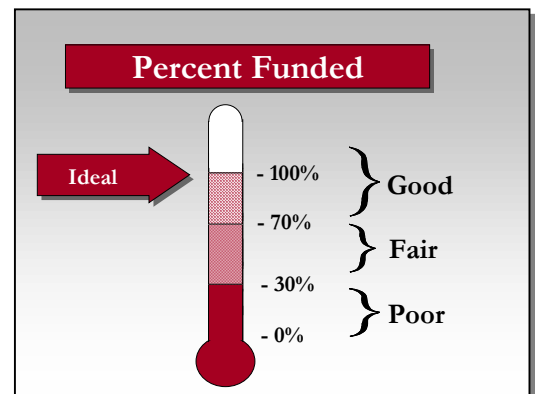
Cost Estimating Tools

- Association History
- Similar Properties
- Vendor Interviews
- Printed cost guides

*How much Reserves are enough?*

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate for the needs of the association. Reserve Fund size is therefore measured by Percent Funded, which is the actual (or projected) Reserve Balance divided by the association’s calculated Fully Funded Balance (FFB), expressed as a percentage. Table 3 shows that the Fully Funded Balance is the current “value” of the deteriorated portion (not the total replacement value) of all the Reserve Components. To show how this works with one component, in the case of a \$10,000 component with a 10 year Useful Life, in the third year the Fully Funded Balance is three tenths of \$10,000, or \$3,000. The FFB grows as assets age, but shrinks as components are replaced. Deteriorated associations have a higher FFB than association with assets in good condition. The Fully Funded Balance changes each year, and is a predictable, but moving target.

Special assessments and deferred maintenance are common when the Percent Funded is weak (below 30%). While the 100% point is Ideal, a Reserve Fund above the 70% level should be considered “strong” because cash flow problems are rare. Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. An association with a strong Reserve Fund should experience smooth sailing financially, while an association with a weak Reserve Fund should expect cash flow problems. New buyers should be very aware of this important disclosure!



*How much should we contribute?*

There are four Funding Principles that we balance in developing your Reserve Funding Plan. First and foremost, our objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it indicates the association is being run on a stable financial platform, not being driven by the winds of change from year to year. For fairness, it is important to evenly distribute the contributions over the years so each owner pays their fair share of the deterioration in direct proportion to the amount of time they are owners. And finally, any Funding Plan must be based on fiscally responsible principles. Your Funding Plan was created by a process where different solutions were tested until one was found that most successfully met all four of these principles and achieved your Funding Goal.

**Funding Principles**

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

*What is our Funding Goal?*

There are different Funding Goals to strive for, ranging from conservative to risky. Establishing a goal of simply having sufficient cash for all future years is called “Baseline Funding”. The drawback is that there is little or no “margin for error”, and expenses that are higher than budgeted or projects that occur earlier than planned will often cause special assessments.

“Full Funding” is when the association has the goal of becoming Fully Funded (Reserve Cash equals the FFB). Such an objective means the association is following the simple and responsible principle that you “replace what you use up”. Believing this to be the responsible choice, our Funding Plan will direct you to Full Funding. Members of Fully Funded associations enjoy low exposure to the risk of special assessments or deferred maintenance. Strong interest earnings will minimize their Reserve contributions. Board members enjoy peace of mind that the association’s physical and financial assets are in balance, and therefore a degree of insulation from claims of fiscal irresponsibility.

**Funding Goals**

- Full Funding
- Threshold Funding
- Baseline Funding

Threshold Funding option is different in that the association selects a target other than 0% or 100%. This objective may be between 0% and 100% Funded, higher than 100% Funded, or a particular Reserve cash balance. Associations choosing Threshold Funding select this option to customize their risk exposure.

## **Site Inspection**

During our site visit on February 20, 2007, we started with a brief meeting with Kathy Anderson, Manager, and then started the site inspection beginning with the lobby area and exterior of the building. We then looked at the spa and deck area and spa and sauna equipment.

We visually inspected all the buildings, and were able to see only isolated portions of the rooftop areas from three elevations. We did review the 2006 roof analysis provided to use by Turner Morris Roof Systems and included their suggestions herein.

We were not able to inspect the landscaping equipment due to the snow load, nor were we able to inspect equipment on the roof.

Overall the community is showing signs of age and deterioration and we have reflected anticipated work for 2007 in this analysis.

### Projected Expenses

The figure below shows the array of the projected future expenses at your association. As with all computations in this Report, the estimates in this figure are based on the average of Best and Worst Case expense projections. As you can see, expenses are projected 30 years into the future, using the Inflation rate shown in the Executive Summary. This figure clearly shows the near term and future expenses which your association will face. Note the large future expenses.

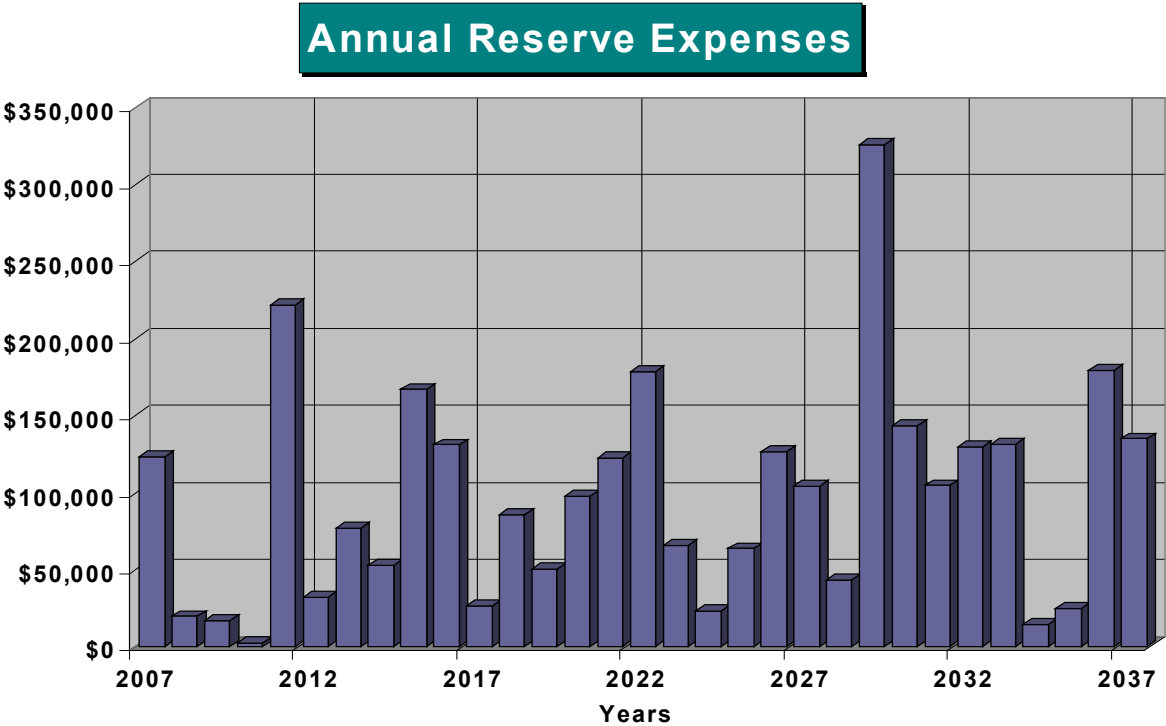


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.

### Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, which was \$155,000 as-of the start of your Fiscal Year on January 1, 2007. This is based on your actual balance. As of January 1, 2007, your Fully Funded Balance is computed to be \$509,619 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 30% Funded. This represents a fair Reserve Fund status at this point in time.

### Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$6,000/month this Fiscal Year. This represents the first year of a 30-year Funding Plan. To most fairly spread out the contribution burden over current and future owners in our inflationary economic environment, nominal annual increases should be expected in future years. This Reserve contribution rate was established by testing different contribution rates and balancing the four Funding Principles in an attempt to eventually achieve Full Funding. Generally, the tools we utilize are regular ongoing contributions (for stability and fairness), and special assessments (used only as a last resort). Our recommended multi-year Funding Plan is shown below. This same information is shown numerically in both Table 4 and Table 5.

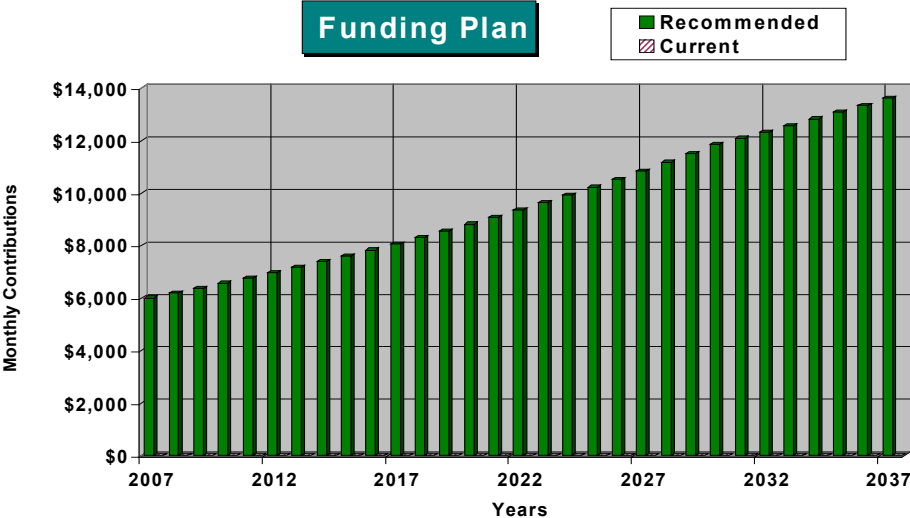


Figure 2

Your projected Reserve Balance as a result of following this Recommended multi-year Funding Plan and your Current Funding Plan is shown below, compared to your Fully Funded Balance target. This assumes the future expenses we have projected in this Reserve Study. Note that your Reserve Fund gradually draws close to the Fully Funded

Balance profile over a period of approximately twenty-five years. While your Reserve Balance might seem high in future years, remember that these figures are “inflated” future dollars. In addition, this Reserve Balance is necessary to prepare for expenses in following years and provide necessary “margin” for projects that will probably not occur exactly as planned.

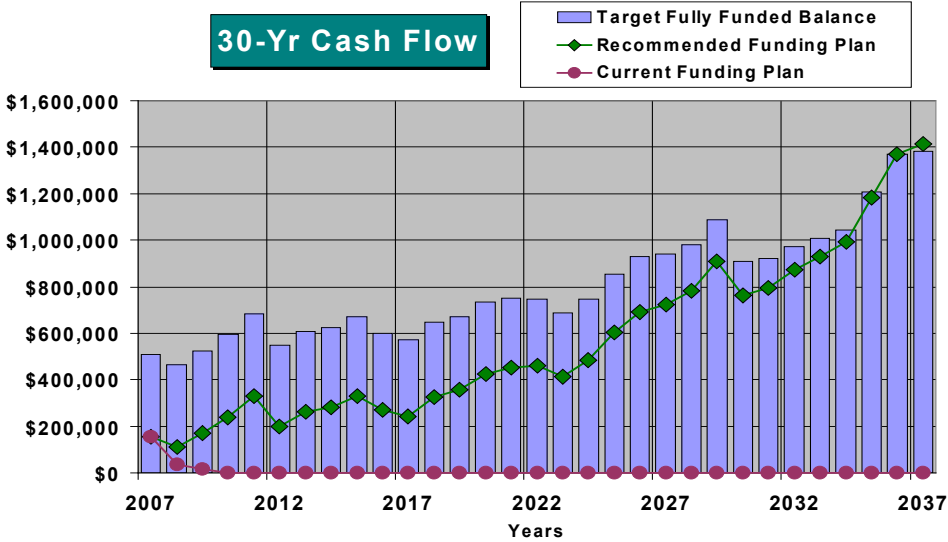


Figure 3

A simple comparison (a percentage comparison) of your Actual Reserve Balance to the moving Fully Funded Balance target is shown below. In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

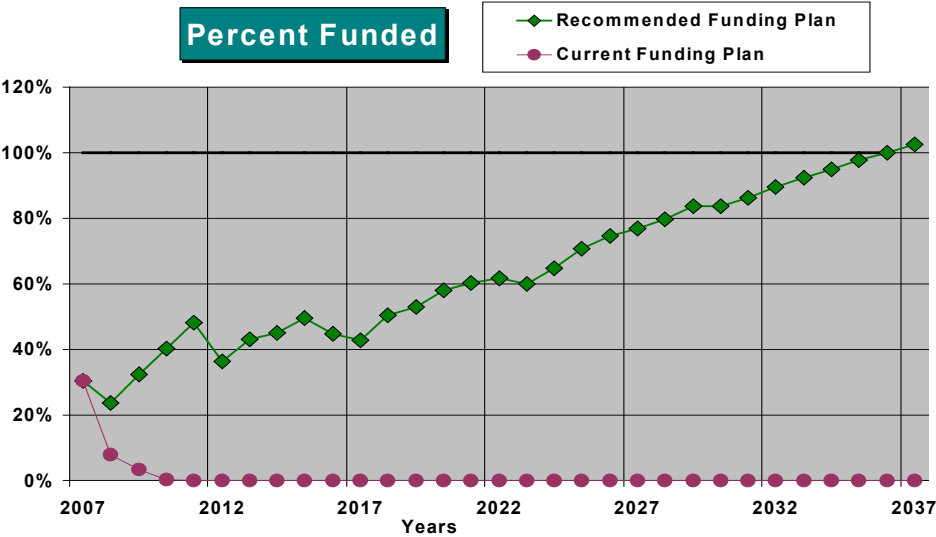


Figure 4



## Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

**Table 2: Reserve Component List Detail**

**15359-0**

# Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
<b>GENERAL</b>					
103 Concrete Walks - Repair	Apprx 2,230 GSF Walks	7	4	\$22,155	\$25,109
108 Landscape Timbers - Replace	Apprx 1,500 LF Timbers	20	15	\$22,500	\$30,000
111 Metal Stairs - Repair/Replace	(1) Metal Stairwell	30	15	\$1,800	\$2,000
201 Asphalt - Resurface	Apprx 15,340 GSF Asphalt	20	11	\$26,845	\$33,748
202 Asphalt - Seal/Repair	Apprx 15,340 GSF Asphalt	5	0	\$1,840	\$2,761
321 Safety Lights - Replace	Apprx (24) Safety Lights	15	10	\$4,800	\$6,000
404 Patio Furniture - Replace	(6) Chairs/(2) Tables	8	4	\$1,400	\$1,600
701 Garage Entrance Door - Replace	Metal Garage Door	10	2	\$5,000	\$6,000
705 Garage Door Operator - Replace	(1) Door Operator	7	5	\$1,800	\$2,000
905 Sauna Heater - Replace	(1) Wet Sauna Heater	10	3	\$1,100	\$1,200
906 Sauna Room - Refurbish	Apprx 60 GSF Sauna	12	5	\$1,500	\$2,100
1205 Acrylic Spa - Replace	Large Outdoor Spa	15	9	\$5,000	\$7,000
<b>BUILDINGS</b>					
103 Concrete Decks - Repair	Apprx 4,070 GSF Decks	7	5	\$15,255	\$17,289
112 Exterior Wood Walkways - Replace	Apprx 1,030 GSF Deck	15	8	\$30,900	\$41,200
112 Trex Deck - Replace	Apprx 320 GSF Deck	15	14	\$9,600	\$12,800
112 Wood Deck - Replace	Apprx 976 GSF Deck	15	8	\$29,280	\$39,040
205 Concrete Garage - Repair	Apprx 12,140 GSF Concrete	5	4	\$16,940	\$18,150
318 Exit Signs - Replace	Apprx (7) Exit Signs	25	20	\$1,400	\$1,750
321 Mall Lighting - Replace	(8) Lights	30	10	\$6,400	\$8,000
505 Wood Fence - Replace	Apprx 75 LF Fence	12	8	\$1,875	\$2,100
513 Railings - Replace	Apprx 622 LF Railing	15	6	\$15,550	\$18,660
601 Mall Carpet - Replace	Apprx 585 GSY Carpet	6	1	\$17,550	\$20,475
603 Tile Floor - Replace	Apprx 300 GSF Tile	25	15	\$6,000	\$7,500
700 Common Area Windows - Replace	Apprx (30) Windows	25	9	\$21,000	\$24,000
702 Glass Doors - Replace	Apprx (16) Glass Doors	12	7	\$16,000	\$19,200
702 Unit Doors - Refurbish	Apprx (26) Doors	15	14	\$10,400	\$11,700
909 Lobby Bathrooms - Refurbish	Apprx 130 GSF Bathrooms	12	6	\$3,900	\$5,200
910 Laundry Room - Refurbish	Apprx 160 GSF Room	12	9	\$1,600	\$1,920
910 Lobby - Refurbish	Apprx 4,580 GSF Lobby	12	8	\$45,800	\$54,960
1116 Exterior Surfaces - Repaint	Exterior Surfaces	10	6	\$40,300	\$41,600
1116 Stairwell Surfaces - Repaint	Apprx 1,120 GSF Stairwell	5	3	\$1,120	\$1,400
1303 Composition Shingle Roof - Replace	Apprx 7,770 GSF Roof	25	13	\$38,850	\$42,735
1307 Flat Roof - Replace	Apprx 15,860 GSF Roof	18	4	\$142,740	\$158,600
1310 Gutters/Downspouts - Replace	Apprx 140 LF Gutters	10	2	\$3,500	\$4,200
1802 Elevator Cab - Remodel	(3) Standard Cabs	8	5	\$4,000	\$5,000
<b>MECHANICAL</b>					
303 Cabinet Heaters - Replace	(2) Cabinet Heaters	25	14	\$2,800	\$3,600
303 Central Air Handler Unit - Replace	(1) HVAC Unit	15	15	\$16,000	\$18,000
303 Fan Coil Units - Replace	Fan Coils	15	15	\$28,000	\$32,000
303 Garage Makeup Air Units - Replace	(2) Make-Up Air Unit	20	9	\$28,000	\$32,000
304 Boiler Controller - Replace	(1) Controller	15	9	\$20,000	\$25,000

**Table 2: Reserve Component List Detail****15359-0**

# Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
304 CO Detection System - Replace	(1) Detection System	15	10	\$1,000	\$1,500
306 Garage Exhaust Fans - Replace	(2) Exhaust Fans	15	11	\$1,400	\$2,000
312 Valves - Replace	Extensive Valves	5	2	\$6,000	\$7,000
313 Boiler Circulating Pumps - Replace	(1) 5-HP Pump	10	5	\$1,000	\$1,200
313 Heating Circulating Pumps - Replace	(2) 15-HP Pumps	10	8	\$6,000	\$10,000
801 Boiler - Replace	(1) 4,186 MBH Boiler	40	0	\$120,000	\$122,000
803 Hot Water Storage Tanks - Replace	(2) Large Storage Tanks	30	17	\$5,000	\$6,200
803 Storage Tank - Replace	(1) 250-Gallon Tank	30	15	\$1,800	\$2,000
803 Water Heater/Tank - Replace	(2) 399,000 BTU Boilers	14	11	\$6,200	\$6,600
1001 Backflow Device - Replace	(1) 4" Backflow Device	14	10	\$1,500	\$2,000
1207 Spa Equipment - Replace	(5) Pumps/Filter/Chemical	10	4	\$3,250	\$4,000
1208 Spa Heater - Replace	(1) Electric Heater	8	6	\$1,500	\$1,950
1801 Hydraulic Elevator - Modernize	(1) Hydraulic Elevator	30	14	\$30,000	\$35,000
1803 East Fire Alarm System - Replace	(1) Central System	30	25	\$2,550	\$3,000
1812 Bobcat - Replace	(1) Rubber Tire Bobcat	20	15	\$25,000	\$30,000
1812 Compressor - Replace	(1) Air Compressor	12	10	\$1,500	\$2,000
56 Total Funded Components					

**Table 3: Contribution and Fund Breakdown**

**15359-0**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
<b>GENERAL</b>						
103 Concrete Walks - Repair	7	4	\$23,632	\$10,128	\$0.00	\$332.83
108 Landscape Timbers - Replace	20	15	\$26,250	\$6,563	\$0.00	\$129.40
111 Metal Stairs - Repair/Replace	30	15	\$1,900	\$950	\$0.00	\$6.24
201 Asphalt - Resurface	20	11	\$30,297	\$13,633	\$0.00	\$149.34
202 Asphalt - Seal/Repair	5	0	\$2,301	\$2,301	\$2,300.50	\$45.36
321 Safety Lights - Replace	15	10	\$5,400	\$1,800	\$0.00	\$35.49
404 Patio Furniture - Replace	8	4	\$1,500	\$750	\$0.00	\$18.49
701 Garage Entrance Door - Replace	10	2	\$5,500	\$4,400	\$4,400.00	\$54.22
705 Garage Door Operator - Replace	7	5	\$1,900	\$543	\$0.00	\$26.76
905 Sauna Heater - Replace	10	3	\$1,150	\$805	\$805.00	\$11.34
906 Sauna Room - Refurbish	12	5	\$1,800	\$1,050	\$0.00	\$14.79
1205 Acrylic Spa - Replace	15	9	\$6,000	\$2,400	\$0.00	\$39.43
<b>BUILDINGS</b>						
103 Concrete Decks - Repair	7	5	\$16,272	\$4,649	\$0.00	\$229.17
112 Exterior Wood Walkways - Replace	15	8	\$36,050	\$16,823	\$0.00	\$236.94
112 Trex Deck - Replace	15	14	\$11,200	\$747	\$0.00	\$73.61
112 Wood Deck - Replace	15	8	\$34,160	\$15,941	\$0.00	\$224.51
205 Concrete Garage - Repair	5	4	\$17,545	\$3,509	\$3,166.75	\$345.94
318 Exit Signs - Replace	25	20	\$1,575	\$315	\$0.00	\$6.21
321 Mall Lighting - Replace	30	10	\$7,200	\$4,800	\$0.00	\$23.66
505 Wood Fence - Replace	12	8	\$1,988	\$663	\$0.00	\$16.33
513 Railings - Replace	15	6	\$17,105	\$10,263	\$0.00	\$112.42
601 Mall Carpet - Replace	6	1	\$19,013	\$15,844	\$15,843.75	\$312.40
603 Tile Floor - Replace	25	15	\$6,750	\$2,700	\$0.00	\$26.62
700 Common Area Windows - Replace	25	9	\$22,500	\$14,400	\$0.00	\$88.73
702 Glass Doors - Replace	12	7	\$17,600	\$7,333	\$0.00	\$144.59
702 Unit Doors - Refurbish	15	14	\$11,050	\$737	\$0.00	\$72.63
909 Lobby Bathrooms - Refurbish	12	6	\$4,550	\$2,275	\$0.00	\$37.38
910 Laundry Room - Refurbish	12	9	\$1,760	\$440	\$0.00	\$14.46
910 Lobby - Refurbish	12	8	\$50,380	\$16,793	\$0.00	\$413.90
1116 Exterior Surfaces - Repaint	10	6	\$40,950	\$16,380	\$0.00	\$403.71
1116 Stairwell Surfaces - Repaint	5	3	\$1,260	\$504	\$504.00	\$24.84
1303 Composition Shingle Roof - Replace	25	13	\$40,793	\$19,580	\$0.00	\$160.86
1307 Flat Roof - Replace	18	4	\$150,670	\$117,188	\$0.00	\$825.23
1310 Gutters/Downspouts - Replace	10	2	\$3,850	\$3,080	\$3,080.00	\$37.96
1802 Elevator Cab - Remodel	8	5	\$4,500	\$1,688	\$0.00	\$55.46
<b>MECHANICAL</b>						
303 Cabinet Heaters - Replace	25	14	\$3,200	\$1,408	\$0.00	\$12.62
303 Central Air Handler Unit - Replace	15	15	\$17,000	\$0	\$0.00	\$0.00
303 Fan Coil Units - Replace	15	15	\$30,000	\$0	\$0.00	\$0.00
303 Garage Makeup Air Units - Replace	20	9	\$30,000	\$16,500	\$0.00	\$147.88
304 Boiler Controller - Replace	15	9	\$22,500	\$9,000	\$0.00	\$147.88
304 CO Detection System - Replace	15	10	\$1,250	\$417	\$0.00	\$8.22
306 Garage Exhaust Fans - Replace	15	11	\$1,700	\$453	\$0.00	\$11.17

**Table 3: Contribution and Fund Breakdown****15359-0**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
312 Valves - Replace	5	2	\$6,500	\$3,900	\$3,900.00	\$128.16
313 Boiler Circulating Pumps - Replace	10	5	\$1,100	\$550	\$0.00	\$10.84
313 Heating Circulating Pumps - Replace	10	8	\$8,000	\$1,600	\$0.00	\$78.87
801 Boiler - Replace	40	0	\$121,000	\$121,000	\$121,000.00	\$298.22
803 Hot Water Storage Tanks - Replace	30	17	\$5,600	\$2,427	\$0.00	\$18.40
803 Storage Tank - Replace	30	15	\$1,900	\$950	\$0.00	\$6.24
803 Water Heater/Tank - Replace	14	11	\$6,400	\$1,371	\$0.00	\$45.07
1001 Backflow Device - Replace	14	10	\$1,750	\$500	\$0.00	\$12.32
1207 Spa Equipment - Replace	10	4	\$3,625	\$2,175	\$0.00	\$35.74
1208 Spa Heater - Replace	8	6	\$1,725	\$431	\$0.00	\$21.26
1801 Hydraulic Elevator - Modernize	30	14	\$32,500	\$17,333	\$0.00	\$106.80
1803 East Fire Alarm System - Replace	30	25	\$2,775	\$463	\$0.00	\$9.12
1812 Bobcat - Replace	20	15	\$27,500	\$6,875	\$0.00	\$135.56
1812 Compressor - Replace	12	10	\$1,750	\$292	\$0.00	\$14.38
56 Total Funded Components				\$509,619	\$155,000	\$6,000

**Table 4: 30-Year Reserve Plan Summary****15359-0**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Annual Reserve Contribs.	Special Assessments	Interest Income	Reserve Expenses
2007	\$155,000	\$509,619	30.4%	\$72,000	\$0	\$5,942	\$123,301
2008	\$109,642	\$463,821	23.6%	\$74,160	\$0	\$6,291	\$19,583
2009	\$170,509	\$525,456	32.4%	\$76,385	\$0	\$9,201	\$16,815
2010	\$239,281	\$593,828	40.3%	\$78,676	\$0	\$12,739	\$2,633
2011	\$328,063	\$680,955	48.2%	\$81,037	\$0	\$11,840	\$221,694
2012	\$199,246	\$547,225	36.4%	\$83,468	\$0	\$10,328	\$32,312
2013	\$260,730	\$606,772	43.0%	\$85,972	\$0	\$12,188	\$76,813
2014	\$282,077	\$624,562	45.2%	\$88,551	\$0	\$13,775	\$53,023
2015	\$331,379	\$669,750	49.5%	\$91,207	\$0	\$13,482	\$167,008
2016	\$269,061	\$601,321	44.7%	\$93,944	\$0	\$11,512	\$130,875
2017	\$243,642	\$570,561	42.7%	\$96,762	\$0	\$12,809	\$26,409
2018	\$326,804	\$649,059	50.4%	\$99,665	\$0	\$15,330	\$85,862
2019	\$355,937	\$671,333	53.0%	\$102,655	\$0	\$17,546	\$50,646
2020	\$425,493	\$733,284	58.0%	\$105,734	\$0	\$19,725	\$97,973
2021	\$452,979	\$751,166	60.3%	\$108,906	\$0	\$20,502	\$122,285
2022	\$460,103	\$747,447	61.6%	\$112,174	\$0	\$19,609	\$178,700
2023	\$413,186	\$688,500	60.0%	\$115,539	\$0	\$20,126	\$65,713
2024	\$483,138	\$747,243	64.7%	\$119,005	\$0	\$24,401	\$22,975
2025	\$603,570	\$854,941	70.6%	\$122,575	\$0	\$29,079	\$63,742
2026	\$691,482	\$927,147	74.6%	\$126,252	\$0	\$31,753	\$126,830
2027	\$722,657	\$939,906	76.9%	\$130,040	\$0	\$33,790	\$104,290
2028	\$782,197	\$979,731	79.8%	\$133,941	\$0	\$38,012	\$43,466
2029	\$910,685	\$1,086,971	83.8%	\$137,959	\$0	\$37,524	\$325,728
2030	\$760,440	\$910,377	83.5%	\$142,098	\$0	\$34,906	\$143,322
2031	\$794,123	\$920,153	86.3%	\$144,940	\$0	\$37,410	\$104,526
2032	\$871,947	\$974,083	89.5%	\$147,839	\$0	\$40,477	\$129,542
2033	\$930,721	\$1,007,885	92.3%	\$150,796	\$0	\$43,208	\$131,168
2034	\$993,557	\$1,045,167	95.1%	\$153,812	\$0	\$48,845	\$14,438
2035	\$1,181,775	\$1,208,063	97.8%	\$156,888	\$0	\$57,329	\$24,618
2036	\$1,371,374	\$1,369,753	100.1%	\$160,026	\$0	\$62,557	\$179,323

**Table 5: 30-Year Reserve Plan Detail (yrs 0 through 4)**

**15359-0**

Fiscal Year	2007	2008	2009	2010	2011
Starting Reserve Balance	\$155,000	\$109,642	\$170,509	\$239,281	\$328,063
Annual Reserve Contribution	\$72,000	\$74,160	\$76,385	\$78,676	\$81,037
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,942	\$6,291	\$9,201	\$12,739	\$11,840
Subtotal	\$232,942	\$190,092	\$256,096	\$330,696	\$420,939
# Component					
<b>GENERAL</b>					
103 Concrete Walks - Repair	\$0	\$0	\$0	\$0	\$26,598
108 Landscape Timbers - Replace	\$0	\$0	\$0	\$0	\$0
111 Metal Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$2,301	\$0	\$0	\$0	\$0
321 Safety Lights - Replace	\$0	\$0	\$0	\$0	\$0
404 Patio Furniture - Replace	\$0	\$0	\$0	\$0	\$1,688
701 Garage Entrance Door - Replace	\$0	\$0	\$5,835	\$0	\$0
705 Garage Door Operator - Replace	\$0	\$0	\$0	\$0	\$0
905 Sauna Heater - Replace	\$0	\$0	\$0	\$1,257	\$0
906 Sauna Room - Refurbish	\$0	\$0	\$0	\$0	\$0
1205 Acrylic Spa - Replace	\$0	\$0	\$0	\$0	\$0
<b>BUILDINGS</b>					
103 Concrete Decks - Repair	\$0	\$0	\$0	\$0	\$0
112 Exterior Wood Walkways - Replace	\$0	\$0	\$0	\$0	\$0
112 Trex Deck - Replace	\$0	\$0	\$0	\$0	\$0
112 Wood Deck - Replace	\$0	\$0	\$0	\$0	\$0
205 Concrete Garage - Repair	\$0	\$0	\$0	\$0	\$19,747
318 Exit Signs - Replace	\$0	\$0	\$0	\$0	\$0
321 Mall Lighting - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
513 Railings - Replace	\$0	\$0	\$0	\$0	\$0
601 Mall Carpet - Replace	\$0	\$19,583	\$0	\$0	\$0
603 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
700 Common Area Windows - Replace	\$0	\$0	\$0	\$0	\$0
702 Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
702 Unit Doors - Refurbish	\$0	\$0	\$0	\$0	\$0
909 Lobby Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Laundry Room - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Lobby - Refurbish	\$0	\$0	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Stairwell Surfaces - Repaint	\$0	\$0	\$0	\$1,377	\$0
1303 Composition Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1307 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$169,580
1310 Gutters/Downspouts - Replace	\$0	\$0	\$4,084	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$0	\$0	\$0	\$0
<b>MECHANICAL</b>					
303 Cabinet Heaters - Replace	\$0	\$0	\$0	\$0	\$0
303 Central Air Handler Unit - Replace	\$0	\$0	\$0	\$0	\$0



**Table 5: 30-Year Reserve Plan Detail (yrs 0 through 4)****15359-0**

Fiscal Year	2007	2008	2009	2010	2011
303 Fan Coil Units - Replace	\$0	\$0	\$0	\$0	\$0
303 Garage Makeup Air Units - Replace	\$0	\$0	\$0	\$0	\$0
304 Boiler Controller - Replace	\$0	\$0	\$0	\$0	\$0
304 CO Detection System - Replace	\$0	\$0	\$0	\$0	\$0
306 Garage Exhaust Fans - Replace	\$0	\$0	\$0	\$0	\$0
312 Valves - Replace	\$0	\$0	\$6,896	\$0	\$0
313 Boiler Circulating Pumps - Replace	\$0	\$0	\$0	\$0	\$0
313 Heating Circulating Pumps - Replace	\$0	\$0	\$0	\$0	\$0
801 Boiler - Replace	\$121,000	\$0	\$0	\$0	\$0
803 Hot Water Storage Tanks - Replace	\$0	\$0	\$0	\$0	\$0
803 Storage Tank - Replace	\$0	\$0	\$0	\$0	\$0
803 Water Heater/Tank - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1207 Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$4,080
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$0
1801 Hydraulic Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1803 East Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1812 Bobcat - Replace	\$0	\$0	\$0	\$0	\$0
1812 Compressor - Replace	\$0	\$0	\$0	\$0	\$0
Subtotal	\$123,301	\$19,583	\$16,815	\$2,633	\$221,694
Ending Reserve Balance:	\$109,642	\$170,509	\$239,281	\$328,063	\$199,246

**Table 5: 30-Year Reserve Plan Detail (yrs 5 through 9)**

**15359-0**

Fiscal Year	2012	2013	2014	2015	2016
Starting Reserve Balance	\$199,246	\$260,730	\$282,077	\$331,379	\$269,061
Annual Reserve Contribution	\$83,468	\$85,972	\$88,551	\$91,207	\$93,944
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$10,328	\$12,188	\$13,775	\$13,482	\$11,512
Subtotal	\$293,042	\$358,890	\$384,402	\$436,069	\$374,517
# Component					
<b>GENERAL</b>					
103 Concrete Walks - Repair	\$0	\$0	\$0	\$0	\$0
108 Landscape Timbers - Replace	\$0	\$0	\$0	\$0	\$0
111 Metal Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$2,667	\$0	\$0	\$0	\$0
321 Safety Lights - Replace	\$0	\$0	\$0	\$0	\$0
404 Patio Furniture - Replace	\$0	\$0	\$0	\$0	\$0
701 Garage Entrance Door - Replace	\$0	\$0	\$0	\$0	\$0
705 Garage Door Operator - Replace	\$2,203	\$0	\$0	\$0	\$0
905 Sauna Heater - Replace	\$0	\$0	\$0	\$0	\$0
906 Sauna Room - Refurbish	\$2,087	\$0	\$0	\$0	\$0
1205 Acrylic Spa - Replace	\$0	\$0	\$0	\$0	\$7,829
<b>BUILDINGS</b>					
103 Concrete Decks - Repair	\$18,864	\$0	\$0	\$0	\$0
112 Exterior Wood Walkways - Replace	\$0	\$0	\$0	\$45,667	\$0
112 Trex Deck - Replace	\$0	\$0	\$0	\$0	\$0
112 Wood Deck - Replace	\$0	\$0	\$0	\$43,273	\$0
205 Concrete Garage - Repair	\$0	\$0	\$0	\$0	\$22,892
318 Exit Signs - Replace	\$0	\$0	\$0	\$0	\$0
321 Mall Lighting - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$2,518	\$0
513 Railings - Replace	\$0	\$20,424	\$0	\$0	\$0
601 Mall Carpet - Replace	\$0	\$0	\$23,383	\$0	\$0
603 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
700 Common Area Windows - Replace	\$0	\$0	\$0	\$0	\$29,357
702 Glass Doors - Replace	\$0	\$0	\$21,646	\$0	\$0
702 Unit Doors - Refurbish	\$0	\$0	\$0	\$0	\$0
909 Lobby Bathrooms - Refurbish	\$0	\$5,433	\$0	\$0	\$0
910 Laundry Room - Refurbish	\$0	\$0	\$0	\$0	\$2,296
910 Lobby - Refurbish	\$0	\$0	\$0	\$63,820	\$0
1116 Exterior Surfaces - Repaint	\$0	\$48,896	\$0	\$0	\$0
1116 Stairwell Surfaces - Repaint	\$0	\$0	\$0	\$1,596	\$0
1303 Composition Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1307 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1802 Elevator Cab - Remodel	\$5,217	\$0	\$0	\$0	\$0
<b>MECHANICAL</b>					
303 Cabinet Heaters - Replace	\$0	\$0	\$0	\$0	\$0
303 Central Air Handler Unit - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Reserve Plan Detail (yrs 5 through 9)****15359-0**

Fiscal Year	2012	2013	2014	2015	2016
303 Fan Coil Units - Replace	\$0	\$0	\$0	\$0	\$0
303 Garage Makeup Air Units - Replace	\$0	\$0	\$0	\$0	\$39,143
304 Boiler Controller - Replace	\$0	\$0	\$0	\$0	\$29,357
304 CO Detection System - Replace	\$0	\$0	\$0	\$0	\$0
306 Garage Exhaust Fans - Replace	\$0	\$0	\$0	\$0	\$0
312 Valves - Replace	\$0	\$0	\$7,994	\$0	\$0
313 Boiler Circulating Pumps - Replace	\$1,275	\$0	\$0	\$0	\$0
313 Heating Circulating Pumps - Replace	\$0	\$0	\$0	\$10,134	\$0
801 Boiler - Replace	\$0	\$0	\$0	\$0	\$0
803 Hot Water Storage Tanks - Replace	\$0	\$0	\$0	\$0	\$0
803 Storage Tank - Replace	\$0	\$0	\$0	\$0	\$0
803 Water Heater/Tank - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1207 Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$0
1208 Spa Heater - Replace	\$0	\$2,060	\$0	\$0	\$0
1801 Hydraulic Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1803 East Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1812 Bobcat - Replace	\$0	\$0	\$0	\$0	\$0
1812 Compressor - Replace	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$32,312</b>	<b>\$76,813</b>	<b>\$53,023</b>	<b>\$167,008</b>	<b>\$130,875</b>
<b>Ending Reserve Balance:</b>	<b>\$260,730</b>	<b>\$282,077</b>	<b>\$331,379</b>	<b>\$269,061</b>	<b>\$243,642</b>

**Table 5: 30-Year Reserve Plan Detail (yrs 10 through 14)**

**15359-0**

Fiscal Year	2017	2018	2019	2020	2021
Starting Reserve Balance	\$243,642	\$326,804	\$355,937	\$425,493	\$452,979
Annual Reserve Contribution	\$96,762	\$99,665	\$102,655	\$105,734	\$108,906
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$12,809	\$15,330	\$17,546	\$19,725	\$20,502
<b>Subtotal</b>	<b>\$353,213</b>	<b>\$441,799</b>	<b>\$476,139</b>	<b>\$550,952</b>	<b>\$582,388</b>
# Component					
<b>GENERAL</b>					
103 Concrete Walks - Repair	\$0	\$32,712	\$0	\$0	\$0
108 Landscape Timbers - Replace	\$0	\$0	\$0	\$0	\$0
111 Metal Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$41,937	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$3,092	\$0	\$0	\$0	\$0
321 Safety Lights - Replace	\$7,257	\$0	\$0	\$0	\$0
404 Patio Furniture - Replace	\$0	\$0	\$2,139	\$0	\$0
701 Garage Entrance Door - Replace	\$0	\$0	\$7,842	\$0	\$0
705 Garage Door Operator - Replace	\$0	\$0	\$2,709	\$0	\$0
905 Sauna Heater - Replace	\$0	\$0	\$0	\$1,689	\$0
906 Sauna Room - Refurbish	\$0	\$0	\$0	\$0	\$0
1205 Acrylic Spa - Replace	\$0	\$0	\$0	\$0	\$0
<b>BUILDINGS</b>					
103 Concrete Decks - Repair	\$0	\$0	\$23,200	\$0	\$0
112 Exterior Wood Walkways - Replace	\$0	\$0	\$0	\$0	\$0
112 Trex Deck - Replace	\$0	\$0	\$0	\$0	\$16,941
112 Wood Deck - Replace	\$0	\$0	\$0	\$0	\$0
205 Concrete Garage - Repair	\$0	\$0	\$0	\$0	\$26,538
318 Exit Signs - Replace	\$0	\$0	\$0	\$0	\$0
321 Mall Lighting - Replace	\$9,676	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
513 Railings - Replace	\$0	\$0	\$0	\$0	\$0
601 Mall Carpet - Replace	\$0	\$0	\$0	\$27,920	\$0
603 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
700 Common Area Windows - Replace	\$0	\$0	\$0	\$0	\$0
702 Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
702 Unit Doors - Refurbish	\$0	\$0	\$0	\$0	\$16,714
909 Lobby Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Laundry Room - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Lobby - Refurbish	\$0	\$0	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Stairwell Surfaces - Repaint	\$0	\$0	\$0	\$1,850	\$0
1303 Composition Shingle Roof - Replace	\$0	\$0	\$0	\$59,905	\$0
1307 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$5,489	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$0	\$0	\$6,608	\$0
<b>MECHANICAL</b>					
303 Cabinet Heaters - Replace	\$0	\$0	\$0	\$0	\$4,840
303 Central Air Handler Unit - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Reserve Plan Detail (yrs 10 through 14)****15359-0**

Fiscal Year	2017	2018	2019	2020	2021
303 Fan Coil Units - Replace	\$0	\$0	\$0	\$0	\$0
303 Garage Makeup Air Units - Replace	\$0	\$0	\$0	\$0	\$0
304 Boiler Controller - Replace	\$0	\$0	\$0	\$0	\$0
304 CO Detection System - Replace	\$1,680	\$0	\$0	\$0	\$0
306 Garage Exhaust Fans - Replace	\$0	\$2,353	\$0	\$0	\$0
312 Valves - Replace	\$0	\$0	\$9,267	\$0	\$0
313 Boiler Circulating Pumps - Replace	\$0	\$0	\$0	\$0	\$0
313 Heating Circulating Pumps - Replace	\$0	\$0	\$0	\$0	\$0
801 Boiler - Replace	\$0	\$0	\$0	\$0	\$0
803 Hot Water Storage Tanks - Replace	\$0	\$0	\$0	\$0	\$0
803 Storage Tank - Replace	\$0	\$0	\$0	\$0	\$0
803 Water Heater/Tank - Replace	\$0	\$8,859	\$0	\$0	\$0
1001 Backflow Device - Replace	\$2,352	\$0	\$0	\$0	\$0
1207 Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$5,483
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$2,609
1801 Hydraulic Elevator - Modernize	\$0	\$0	\$0	\$0	\$49,159
1803 East Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1812 Bobcat - Replace	\$0	\$0	\$0	\$0	\$0
1812 Compressor - Replace	\$2,352	\$0	\$0	\$0	\$0
Subtotal	\$26,409	\$85,862	\$50,646	\$97,973	\$122,285
Ending Reserve Balance:	\$326,804	\$355,937	\$425,493	\$452,979	\$460,103

**Table 5: 30-Year Reserve Plan Detail (yrs 15 through 19)**

**15359-0**

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$460,103	\$413,186	\$483,138	\$603,570	\$691,482
Annual Reserve Contribution	\$112,174	\$115,539	\$119,005	\$122,575	\$126,252
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$19,609	\$20,126	\$24,401	\$29,079	\$31,753
<b>Subtotal</b>	<b>\$591,885</b>	<b>\$548,851</b>	<b>\$626,544</b>	<b>\$755,224</b>	<b>\$849,487</b>
<b># Component</b>					
<b>GENERAL</b>					
103 Concrete Walks - Repair	\$0	\$0	\$0	\$40,232	\$0
108 Landscape Timbers - Replace	\$40,897	\$0	\$0	\$0	\$0
111 Metal Stairs - Repair/Replace	\$2,960	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$3,584	\$0	\$0	\$0	\$0
321 Safety Lights - Replace	\$0	\$0	\$0	\$0	\$0
404 Patio Furniture - Replace	\$0	\$0	\$0	\$0	\$0
701 Garage Entrance Door - Replace	\$0	\$0	\$0	\$0	\$0
705 Garage Door Operator - Replace	\$0	\$0	\$0	\$0	\$3,332
905 Sauna Heater - Replace	\$0	\$0	\$0	\$0	\$0
906 Sauna Room - Refurbish	\$0	\$0	\$2,975	\$0	\$0
1205 Acrylic Spa - Replace	\$0	\$0	\$0	\$0	\$0
<b>BUILDINGS</b>					
103 Concrete Decks - Repair	\$0	\$0	\$0	\$0	\$28,533
112 Exterior Wood Walkways - Replace	\$0	\$0	\$0	\$0	\$0
112 Trex Deck - Replace	\$0	\$0	\$0	\$0	\$0
112 Wood Deck - Replace	\$0	\$0	\$0	\$0	\$0
205 Concrete Garage - Repair	\$0	\$0	\$0	\$0	\$30,765
318 Exit Signs - Replace	\$0	\$0	\$0	\$0	\$0
321 Mall Lighting - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
513 Railings - Replace	\$0	\$0	\$0	\$0	\$0
601 Mall Carpet - Replace	\$0	\$0	\$0	\$0	\$33,339
603 Tile Floor - Replace	\$10,516	\$0	\$0	\$0	\$0
700 Common Area Windows - Replace	\$0	\$0	\$0	\$0	\$0
702 Glass Doors - Replace	\$0	\$0	\$0	\$0	\$30,862
702 Unit Doors - Refurbish	\$0	\$0	\$0	\$0	\$0
909 Lobby Bathrooms - Refurbish	\$0	\$0	\$0	\$7,746	\$0
910 Laundry Room - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Lobby - Refurbish	\$0	\$0	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$65,713	\$0	\$0	\$0
1116 Stairwell Surfaces - Repaint	\$0	\$0	\$0	\$2,145	\$0
1303 Composition Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1307 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$0	\$0	\$0	\$0
<b>MECHANICAL</b>					
303 Cabinet Heaters - Replace	\$0	\$0	\$0	\$0	\$0
303 Central Air Handler Unit - Replace	\$26,485	\$0	\$0	\$0	\$0

**Table 5: 30-Year Reserve Plan Detail (yrs 15 through 19)****15359-0**

Fiscal Year	2022	2023	2024	2025	2026
303 Fan Coil Units - Replace	\$46,739	\$0	\$0	\$0	\$0
303 Garage Makeup Air Units - Replace	\$0	\$0	\$0	\$0	\$0
304 Boiler Controller - Replace	\$0	\$0	\$0	\$0	\$0
304 CO Detection System - Replace	\$0	\$0	\$0	\$0	\$0
306 Garage Exhaust Fans - Replace	\$0	\$0	\$0	\$0	\$0
312 Valves - Replace	\$0	\$0	\$10,744	\$0	\$0
313 Boiler Circulating Pumps - Replace	\$1,714	\$0	\$0	\$0	\$0
313 Heating Circulating Pumps - Replace	\$0	\$0	\$0	\$13,619	\$0
801 Boiler - Replace	\$0	\$0	\$0	\$0	\$0
803 Hot Water Storage Tanks - Replace	\$0	\$0	\$9,256	\$0	\$0
803 Storage Tank - Replace	\$2,960	\$0	\$0	\$0	\$0
803 Water Heater/Tank - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1207 Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$0
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$0
1801 Hydraulic Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1803 East Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1812 Bobcat - Replace	\$42,844	\$0	\$0	\$0	\$0
1812 Compressor - Replace	\$0	\$0	\$0	\$0	\$0
Subtotal	\$178,700	\$65,713	\$22,975	\$63,742	\$126,830
Ending Reserve Balance:	\$413,186	\$483,138	\$603,570	\$691,482	\$722,657



**Table 5: 30-Year Reserve Plan Detail (yrs 20 through 24)**

**15359-0**

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$722,657	\$782,197	\$910,685	\$760,440	\$794,123
Annual Reserve Contribution	\$130,040	\$133,941	\$137,959	\$142,098	\$144,940
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$33,790	\$38,012	\$37,524	\$34,906	\$37,410
Subtotal	\$886,487	\$954,150	\$1,086,168	\$937,444	\$976,473
# Component					
<b>GENERAL</b>					
103 Concrete Walks - Repair	\$0	\$0	\$0	\$0	\$0
108 Landscape Timbers - Replace	\$0	\$0	\$0	\$0	\$0
111 Metal Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$4,155	\$0	\$0	\$0	\$0
321 Safety Lights - Replace	\$0	\$0	\$0	\$0	\$0
404 Patio Furniture - Replace	\$2,709	\$0	\$0	\$0	\$0
701 Garage Entrance Door - Replace	\$0	\$0	\$10,539	\$0	\$0
705 Garage Door Operator - Replace	\$0	\$0	\$0	\$0	\$0
905 Sauna Heater - Replace	\$0	\$0	\$0	\$2,270	\$0
906 Sauna Room - Refurbish	\$0	\$0	\$0	\$0	\$0
1205 Acrylic Spa - Replace	\$0	\$0	\$0	\$0	\$12,197
<b>BUILDINGS</b>					
103 Concrete Decks - Repair	\$0	\$0	\$0	\$0	\$0
112 Exterior Wood Walkways - Replace	\$0	\$0	\$0	\$71,148	\$0
112 Trex Deck - Replace	\$0	\$0	\$0	\$0	\$0
112 Wood Deck - Replace	\$0	\$0	\$0	\$67,418	\$0
205 Concrete Garage - Repair	\$0	\$0	\$0	\$0	\$35,665
318 Exit Signs - Replace	\$2,845	\$0	\$0	\$0	\$0
321 Mall Lighting - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$3,590	\$0	\$0	\$0	\$0
513 Railings - Replace	\$0	\$31,820	\$0	\$0	\$0
601 Mall Carpet - Replace	\$0	\$0	\$0	\$0	\$0
603 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
700 Common Area Windows - Replace	\$0	\$0	\$0	\$0	\$0
702 Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
702 Unit Doors - Refurbish	\$0	\$0	\$0	\$0	\$0
909 Lobby Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Laundry Room - Refurbish	\$0	\$3,274	\$0	\$0	\$0
910 Lobby - Refurbish	\$90,992	\$0	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Stairwell Surfaces - Repaint	\$0	\$0	\$0	\$2,487	\$0
1303 Composition Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1307 Flat Roof - Replace	\$0	\$0	\$288,699	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$7,377	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$8,371	\$0	\$0	\$0
<b>MECHANICAL</b>					
303 Cabinet Heaters - Replace	\$0	\$0	\$0	\$0	\$0
303 Central Air Handler Unit - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Reserve Plan Detail (yrs 20 through 24)****15359-0**

Fiscal Year	2027	2028	2029	2030	2031
303 Fan Coil Units - Replace	\$0	\$0	\$0	\$0	\$0
303 Garage Makeup Air Units - Replace	\$0	\$0	\$0	\$0	\$0
304 Boiler Controller - Replace	\$0	\$0	\$0	\$0	\$45,738
304 CO Detection System - Replace	\$0	\$0	\$0	\$0	\$0
306 Garage Exhaust Fans - Replace	\$0	\$0	\$0	\$0	\$0
312 Valves - Replace	\$0	\$0	\$12,455	\$0	\$0
313 Boiler Circulating Pumps - Replace	\$0	\$0	\$0	\$0	\$0
313 Heating Circulating Pumps - Replace	\$0	\$0	\$0	\$0	\$0
801 Boiler - Replace	\$0	\$0	\$0	\$0	\$0
803 Hot Water Storage Tanks - Replace	\$0	\$0	\$0	\$0	\$0
803 Storage Tank - Replace	\$0	\$0	\$0	\$0	\$0
803 Water Heater/Tank - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$3,557
1207 Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$7,369
1208 Spa Heater - Replace	\$0	\$0	\$3,305	\$0	\$0
1801 Hydraulic Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1803 East Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1812 Bobcat - Replace	\$0	\$0	\$0	\$0	\$0
1812 Compressor - Replace	\$0	\$0	\$3,353	\$0	\$0
Subtotal	\$104,290	\$43,466	\$325,728	\$143,322	\$104,526
Ending Reserve Balance:	\$782,197	\$910,685	\$760,440	\$794,123	\$871,947

**Table 5: 30-Year Reserve Plan Detail (yrs 25 through 29)**

**15359-0**

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$871,947	\$930,721	\$993,557	\$1,181,775	\$1,371,374
Annual Reserve Contribution	\$147,839	\$150,796	\$153,812	\$156,888	\$160,026
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$40,477	\$43,208	\$48,845	\$57,329	\$62,557
<b>Subtotal</b>	<b>\$1,060,263</b>	<b>\$1,124,725</b>	<b>\$1,196,213</b>	<b>\$1,395,992</b>	<b>\$1,593,957</b>
<b># Component</b>					
<b>GENERAL</b>					
103 Concrete Walks - Repair	\$49,480	\$0	\$0	\$0	\$0
108 Landscape Timbers - Replace	\$0	\$0	\$0	\$0	\$0
111 Metal Stairs - Repair/Replace	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$4,817	\$0	\$0	\$0	\$0
321 Safety Lights - Replace	\$11,306	\$0	\$0	\$0	\$0
404 Patio Furniture - Replace	\$0	\$0	\$0	\$3,432	\$0
701 Garage Entrance Door - Replace	\$0	\$0	\$0	\$0	\$0
705 Garage Door Operator - Replace	\$0	\$4,098	\$0	\$0	\$0
905 Sauna Heater - Replace	\$0	\$0	\$0	\$0	\$0
906 Sauna Room - Refurbish	\$0	\$0	\$0	\$0	\$4,242
1205 Acrylic Spa - Replace	\$0	\$0	\$0	\$0	\$0
<b>BUILDINGS</b>					
103 Concrete Decks - Repair	\$0	\$35,092	\$0	\$0	\$0
112 Exterior Wood Walkways - Replace	\$0	\$0	\$0	\$0	\$0
112 Trex Deck - Replace	\$0	\$0	\$0	\$0	\$26,394
112 Wood Deck - Replace	\$0	\$0	\$0	\$0	\$0
205 Concrete Garage - Repair	\$0	\$0	\$0	\$0	\$41,346
318 Exit Signs - Replace	\$0	\$0	\$0	\$0	\$0
321 Mall Lighting - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Replace	\$0	\$0	\$0	\$0	\$0
513 Railings - Replace	\$0	\$0	\$0	\$0	\$0
601 Mall Carpet - Replace	\$39,808	\$0	\$0	\$0	\$0
603 Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
700 Common Area Windows - Replace	\$0	\$0	\$0	\$0	\$0
702 Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
702 Unit Doors - Refurbish	\$0	\$0	\$0	\$0	\$26,040
909 Lobby Bathrooms - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Laundry Room - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Lobby - Refurbish	\$0	\$0	\$0	\$0	\$0
1116 Exterior Surfaces - Repaint	\$0	\$88,312	\$0	\$0	\$0
1116 Stairwell Surfaces - Repaint	\$0	\$0	\$0	\$2,883	\$0
1303 Composition Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1307 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$0	\$0	\$0	\$10,605
<b>MECHANICAL</b>					
303 Cabinet Heaters - Replace	\$0	\$0	\$0	\$0	\$0
303 Central Air Handler Unit - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Reserve Plan Detail (yrs 25 through 29)****15359-0**

Fiscal Year	2032	2033	2034	2035	2036
303 Fan Coil Units - Replace	\$0	\$0	\$0	\$0	\$0
303 Garage Makeup Air Units - Replace	\$0	\$0	\$0	\$0	\$70,697
304 Boiler Controller - Replace	\$0	\$0	\$0	\$0	\$0
304 CO Detection System - Replace	\$2,617	\$0	\$0	\$0	\$0
306 Garage Exhaust Fans - Replace	\$0	\$3,666	\$0	\$0	\$0
312 Valves - Replace	\$0	\$0	\$14,438	\$0	\$0
313 Boiler Circulating Pumps - Replace	\$2,303	\$0	\$0	\$0	\$0
313 Heating Circulating Pumps - Replace	\$0	\$0	\$0	\$18,303	\$0
801 Boiler - Replace	\$0	\$0	\$0	\$0	\$0
803 Hot Water Storage Tanks - Replace	\$0	\$0	\$0	\$0	\$0
803 Storage Tank - Replace	\$0	\$0	\$0	\$0	\$0
803 Water Heater/Tank - Replace	\$13,400	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1207 Spa Equipment - Replace	\$0	\$0	\$0	\$0	\$0
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$0
1801 Hydraulic Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1803 East Fire Alarm System - Replace	\$5,810	\$0	\$0	\$0	\$0
1812 Bobcat - Replace	\$0	\$0	\$0	\$0	\$0
1812 Compressor - Replace	\$0	\$0	\$0	\$0	\$0
Subtotal	\$129,542	\$131,168	\$14,438	\$24,618	\$179,323
Ending Reserve Balance:	\$930,721	\$993,557	\$1,181,775	\$1,371,374	\$1,414,634

## Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves, Inc., and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Robert M. Nordlund, P.E., R.S., company president, is a California licensed Professional Engineer (Mechanical, #22322), and credentialed Reserve Specialist (#5). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association’s situation.

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association’s representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were developed by Association Reserves unless otherwise noted in our “Site Inspection Notes” comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

## Terms and Definitions

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area)
<b>GSY</b>	Gross Square Yards (area)
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)

**Effective Age:** The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

**Fully Funded Balance (FFB):** The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

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

**Inflation:** Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

**Interest:** Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

**Percent Funded:** The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

**Remaining Useful Life:** The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

**Useful Life:** The estimated time, in years, that a common area component can be expected to serve its intended function.

**Photographic Inventory Appendix**