# Reserve Analysis Report

**Sample Condominium Association**

Denver, Colorado

Version 1

March 31, 2004


Advanced Reserve Solutiions, Inc.

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# Sample Condominium Association

## Table of Contents

# Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format and reserve fund calculation methods. The following sections are included in this preface:



## ◆ ◆ INTRODUCTION TO RESERVE BUDGETING ◆ ◆

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

## ◆ ◆ UNDERSTANDING THE RESERVE ANALYSIS ◆ ◆

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

# Preface

There are four key bits of information that a comprehensive reserve analysis should provide. These items include:

- **Budget**

Amount recommended to be transferred into the reserve account each month of the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different calculation models (i.e. Component Method, Minimum Cash Flow Method, etc.). The Board should have a clear understanding of the differences among these funding models prior to implementing one of them in the annual budget.

- **Percent Funded**

Measure of the reserve fund "health" (expressed as a percentage) as of the beginning of the fiscal year for which the reserve analysis was prepared. Remember, "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

- **Projections**

Indicate the "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

- **Inventory**

Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section. All reserve analyses may not include all of the summaries or report formats described herein.

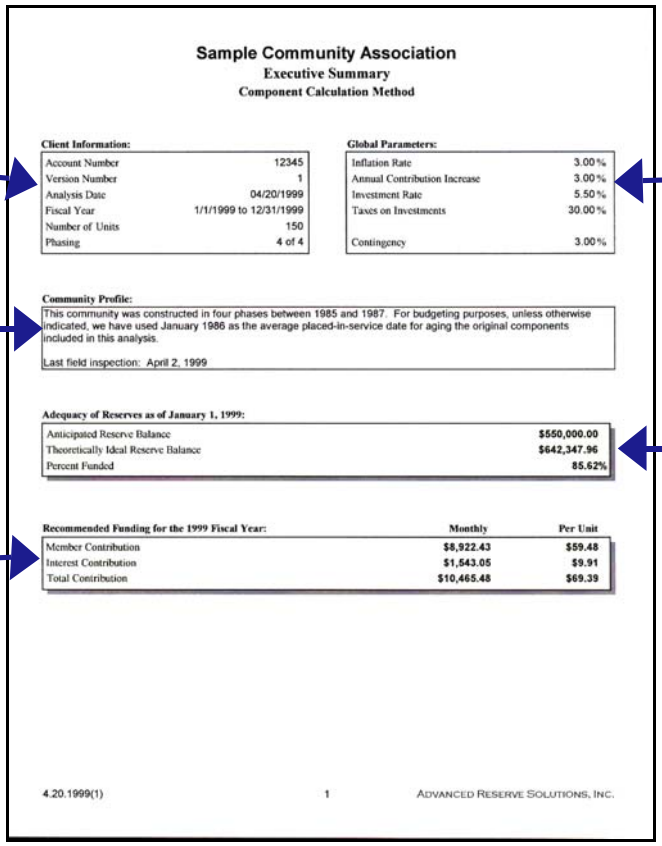
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information.

- **Executive Summary**

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

**Client Information**
Provides various client information including fiscal year for which the analysis was prepared, number of units, phasing, etc.

**Global Parameters**
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.



Sample Community Association
Executive Summary
Component Calculation Method

Client Information:

| | |
|---|---|
| Account Number | 12345 |
| Version Number | 1 |
| Analysis Date | 04/20/1999 |
| Fiscal Year | 1/1/1999 to 12/31/1999 |
| Number of Units | 150 |
| Phasing | 4 of 4 |

Global Parameters:

| | |
|---|---|
| Inflation Rate | 3.00% |
| Annual Contribution Increase | 3.00% |
| Investment Rate | 5.50% |
| Taxes on Investments | 30.00% |
| Contingency | 3.00% |

Community Profile:
This community was constructed in four phases between 1985 and 1987. For budgeting purposes, unless otherwise indicated, we have used January 1986 as the average placed-in-service date for aging the original components included in this analysis.

Last field inspection: April 2, 1999

Adequacy of Reserves as of January 1, 1999:

| | |
|---|---|
| Anticipated Reserve Balance | $550,000.00 |
| Theoretically Ideal Reserve Balance | $642,347.96 |
| Percent Funded | 85.62% |

| Recommended Funding for the 1999 Fiscal Year: | Monthly | Per Unit |
|---|---|---|
| Member Contribution | $8,922.43 | $59.48 |
| Interest Contribution | $1,543.05 | $9.91 |
| Total Contribution | $10,465.48 | $69.39 |

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**Community Profile**
Provides brief description of the community, as well as other "global" type comments.

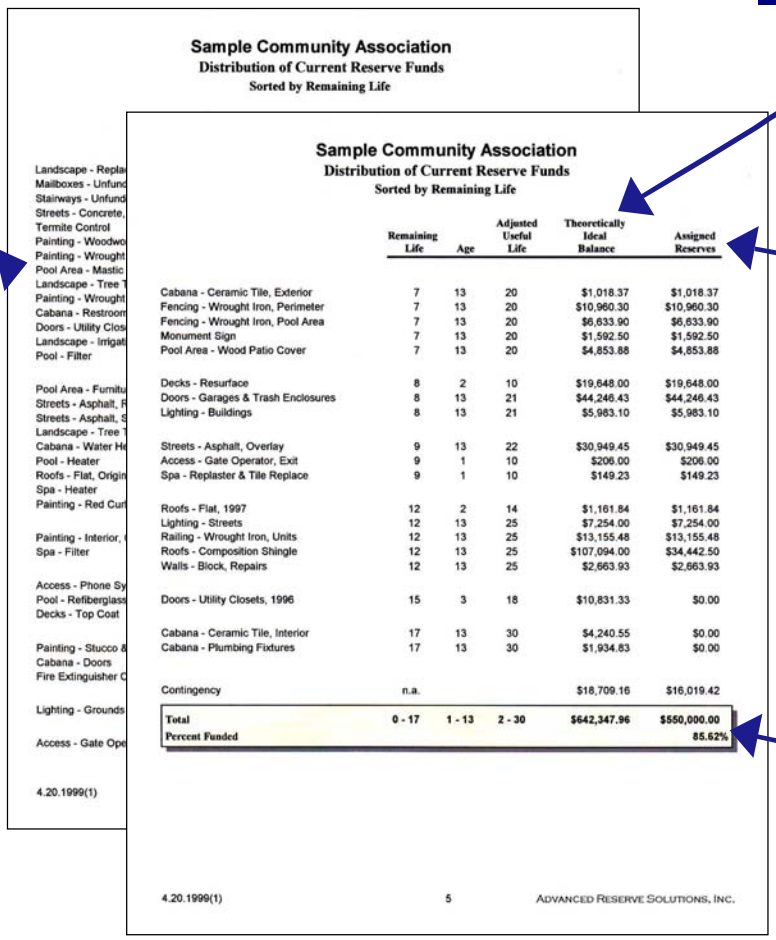
**Adequacy of Reserves**
Displays the results of calculations with regard to the "health" of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, theoretically ideal reserve balance and the percent funded.

**Recommended Funding**
Provides the results of calculations with regard to the "bottom line." Indicates the monthly reserve funding recommendation from the membership, anticipated interest contribution and the total contribution requirement.

- **Distribution of Current Reserve Funds**

Displays all reserve components, shown here in ascending "remaining life" order. Provides the remaining life, age and useful life of each component along with its theoretically ideal reserve balance as of the beginning of the fiscal year for which the reserve analysis was prepared. The far right-hand column displays the amount of money that was actually assigned to each component during the calculation process.

**Theoretically Ideal Reserves**
Displays the ideal reserve balance for each component.



Sample Community Association
Distribution of Current Reserve Funds
Sorted by Remaining Life

| | Remaining Life | Age | Adjusted Useful Life | Theoretically Ideal Balance | Assigned Reserves |
|---|---|---|---|---|---|
| Cabana - Ceramic Tile, Exterior | 7 | 13 | 20 | $1,018.37 | $1,018.37 |
| Fencing - Wrought Iron, Perimeter | 7 | 13 | 20 | $10,960.30 | $10,960.30 |
| Fencing - Wrought Iron, Pool Area | 7 | 13 | 20 | $6,633.90 | $6,633.90 |
| Monument Sign | 7 | 13 | 20 | $1,592.50 | $1,592.50 |
| Pool Area - Wood Patio Cover | 7 | 13 | 20 | $4,853.88 | $4,853.88 |
| Decks - Resurface | 8 | 2 | 10 | $19,648.00 | $19,648.00 |
| Doors - Garages & Trash Enclosures | 8 | 13 | 21 | $44,246.43 | $44,246.43 |
| Lighting - Buildings | 8 | 13 | 21 | $5,983.10 | $5,983.10 |
| Streets - Asphalt, Overlay | 9 | 13 | 22 | $30,949.45 | $30,949.45 |
| Access - Gate Operator, Exit | 9 | 1 | 10 | $206.00 | $206.00 |
| Spa - Replaster & Tile Replace | 9 | 1 | 10 | $149.23 | $149.23 |
| Roofs - Flat, 1997 | 12 | 2 | 14 | $1,161.84 | $1,161.84 |
| Lighting - Streets | 12 | 13 | 25 | $7,254.00 | $7,254.00 |
| Railing - Wrought Iron, Units | 12 | 13 | 25 | $13,155.48 | $13,155.48 |
| Roofs - Composition Shingle | 12 | 13 | 25 | $107,094.00 | $34,442.50 |
| Walls - Block, Repairs | 12 | 13 | 25 | $2,663.93 | $2,663.93 |
| Doors - Utility Closets, 1996 | 15 | 3 | 18 | $10,831.33 | $0.00 |
| Cabana - Ceramic Tile, Interior | 17 | 13 | 30 | $4,240.55 | $0.00 |
| Cabana - Plumbing Fixtures | 17 | 13 | 30 | $1,934.83 | $0.00 |
| Contingency | n.a. | | | $18,709.16 | $16,019.42 |
| **Total** | **0 - 17** | **1 - 13** | **2 - 30** | **$642,347.96** | **$550,000.00** |
| **Percent Funded** | | | | | **85.62%** |

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**Reserve Components**
All components are displayed (shown here in ascending "remaining life" order).

**Assigned Reserves**
Displays the actual amount assigned to each component.

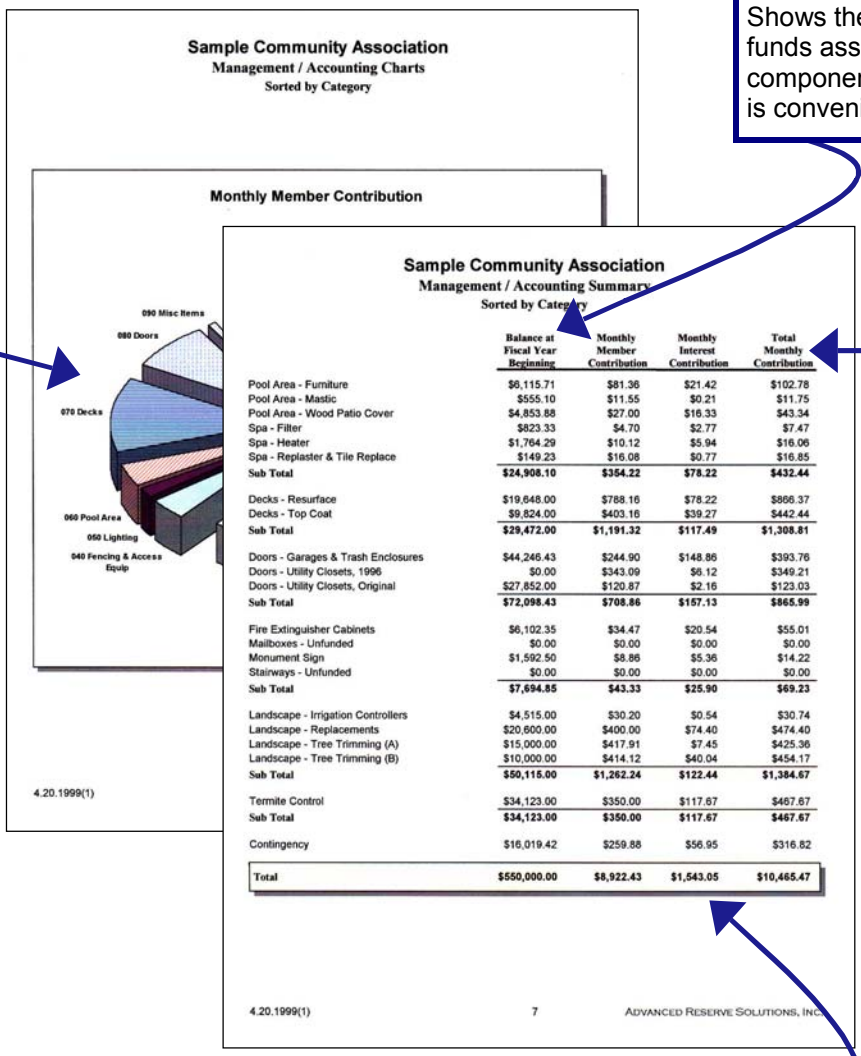
The total theoretically ideal reserves, assigned reserves and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives, ages and useful lives.

- **Management / Accounting Summary and Charts**

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Three pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

**Pie Charts**
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.

**Balance at FYB**
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.



Sample Community Association
Management / Accounting Charts
Sorted by Category

Monthly Member Contribution

090 Misc Items
080 Doors
070 Decks
060 Pool Area
050 Lighting
040 Fencing & Access Equip

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Sample Community Association
Management / Accounting Summary
Sorted by Category

| | Balance at Fiscal Year Beginning | Monthly Member Contribution | Monthly Interest Contribution | Total Monthly Contribution |
|---|---|---|---|---|
| Pool Area - Furniture | $6,115.71 | $81.36 | $21.42 | $102.78 |
| Pool Area - Mastic | $555.10 | $11.55 | $0.21 | $11.75 |
| Pool Area - Wood Patio Cover | $4,853.88 | $27.00 | $16.33 | $43.34 |
| Spa - Filter | $823.33 | $4.70 | $2.77 | $7.47 |
| Spa - Heater | $1,764.29 | $10.12 | $5.94 | $16.06 |
| Spa - Replaster & Tile Replace | $149.23 | $16.08 | $0.77 | $16.85 |
| **Sub Total** | **$24,908.10** | **$354.22** | **$78.22** | **$432.44** |
| Decks - Resurface | $19,648.00 | $788.16 | $78.22 | $866.37 |
| Decks - Top Coat | $9,824.00 | $403.16 | $39.27 | $442.44 |
| **Sub Total** | **$29,472.00** | **$1,191.32** | **$117.49** | **$1,308.81** |
| Doors - Garages & Trash Enclosures | $44,246.43 | $244.90 | $148.86 | $393.76 |
| Doors - Utility Closets, 1996 | $0.00 | $343.09 | $6.12 | $349.21 |
| Doors - Utility Closets, Original | $27,852.00 | $120.87 | $2.16 | $123.03 |
| **Sub Total** | **$72,098.43** | **$708.86** | **$157.13** | **$865.99** |
| Fire Extinguisher Cabinets | $6,102.35 | $34.47 | $20.54 | $55.01 |
| Mailboxes - Unfunded | $0.00 | $0.00 | $0.00 | $0.00 |
| Monument Sign | $1,592.50 | $8.86 | $5.36 | $14.22 |
| Stairways - Unfunded | $0.00 | $0.00 | $0.00 | $0.00 |
| **Sub Total** | **$7,694.85** | **$43.33** | **$25.90** | **$69.23** |
| Landscape - Irrigation Controllers | $4,515.00 | $30.20 | $0.54 | $30.74 |
| Landscape - Replacements | $20,600.00 | $400.00 | $74.40 | $474.40 |
| Landscape - Tree Trimming (A) | $15,000.00 | $417.91 | $7.45 | $425.36 |
| Landscape - Tree Trimming (B) | $10,000.00 | $414.12 | $40.04 | $454.17 |
| **Sub Total** | **$50,115.00** | **$1,262.24** | **$122.44** | **$1,384.67** |
| Termite Control | $34,123.00 | $350.00 | $117.67 | $467.67 |
| **Sub Total** | **$34,123.00** | **$350.00** | **$117.67** | **$467.67** |
| Contingency | $16,019.42 | $259.88 | $56.95 | $316.82 |
| **Total** | **$550,000.00** | **$8,922.43** | **$1,543.05** | **$10,465.47** |

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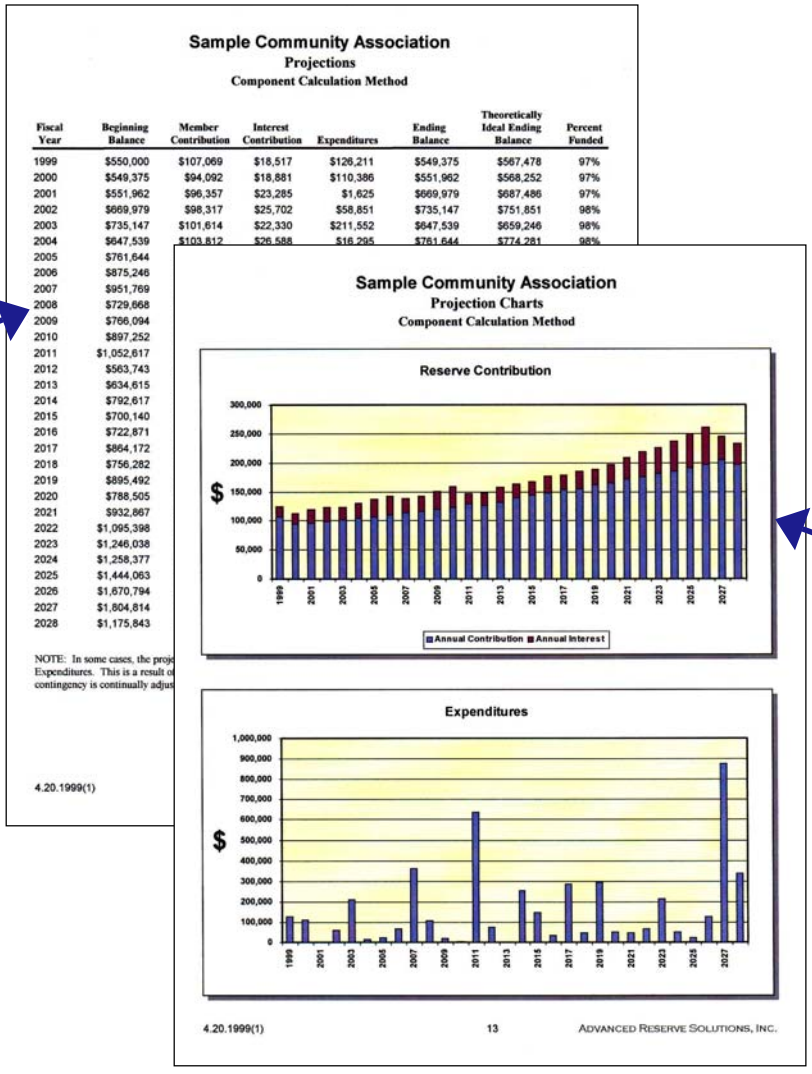
**Monthly Funding**
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

The total assigned reserves and monthly funding are provided at the bottom of this summary.

**Will your Treasurer or accountant ask for anything else?**

- **Projections and Charts**

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the theoretically ideal ending balance and the percent funded for each year. Four charts show the same information in an easy-to-understand graphic format.



Sample Community Association
Projections
Component Calculation Method

| Fiscal Year | Beginning Balance | Member Contribution | Interest Contribution | Expenditures | Ending Balance | Theoretically Ideal Ending Balance | Percent Funded |
|---|---|---|---|---|---|---|---|
| 1999 | $550,000 | $107,069 | $18,517 | $126,211 | $549,375 | $567,478 | 97% |
| 2000 | $549,375 | $94,092 | $18,881 | $110,386 | $551,962 | $568,252 | 97% |
| 2001 | $551,962 | $96,357 | $23,285 | $1,625 | $669,979 | $687,486 | 97% |
| 2002 | $669,979 | $98,317 | $25,702 | $58,851 | $735,147 | $751,851 | 98% |
| 2003 | $735,147 | $101,614 | $22,330 | $211,552 | $647,539 | $659,246 | 98% |
| 2004 | $647,539 | $103,812 | $26,588 | $16,295 | $761,644 | $774,281 | 98% |
| 2005 | $761,644 | | | | | | |
| 2006 | $875,246 | | | | | | |
| 2007 | $951,769 | | | | | | |
| 2008 | $729,668 | | | | | | |
| 2009 | $766,094 | | | | | | |
| 2010 | $897,252 | | | | | | |
| 2011 | $1,052,617 | | | | | | |
| 2012 | $563,743 | | | | | | |
| 2013 | $634,615 | | | | | | |
| 2014 | $792,617 | | | | | | |
| 2015 | $700,140 | | | | | | |
| 2016 | $722,871 | | | | | | |
| 2017 | $864,172 | | | | | | |
| 2018 | $756,282 | | | | | | |
| 2019 | $895,492 | | | | | | |
| 2020 | $788,505 | | | | | | |
| 2021 | $932,867 | | | | | | |
| 2022 | $1,095,398 | | | | | | |
| 2023 | $1,246,038 | | | | | | |
| 2024 | $1,258,377 | | | | | | |
| 2025 | $1,444,063 | | | | | | |
| 2026 | $1,670,794 | | | | | | |
| 2027 | $1,804,814 | | | | | | |
| 2028 | $1,175,843 | | | | | | |

NOTE: In some cases, the proj
Expenditures. This is a result o
contingency is continually adjus

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Sample Community Association
Projection Charts
Component Calculation Method



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Improved format makes the numbers as easy to read and understand as possible.

Charts make it easy to understand the funding plan through time.

## ◆ ◆ CALCULATION METHODS ◆ ◆

There are only a few *true* reserve funding calculation methods used by reserve analysis firms. Some articles in trade publications seem to indicate that there are dozens of "unique" and different reserve calculation methods (i.e. component, cash flow, pooling, front-loading, splitting, etc.). Most "unique" calculation methods are actually hybrid derivatives of either the component method or the cash flow method.

The following sections describe the calculation methods utilized most often for our clients.

- **Component Calculation Method**

This calculation method develops a funding plan for each individual reserve component included in the reserve analysis. The sum of the funding plans for each component equal the total funding plan for the association.

This calculation method is typically the most conservative. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be reported. For example, using this calculation method, the reserve analysis can indicate the amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. Using other calculation methods, this information cannot be calculated and therefore, cannot be reported.

The following is a detailed description of the Component Calculation Method:

**Step 1:** Calculation of Theoretically Ideal Balance for each component

The theoretically ideal balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Theoretically Ideal Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

**Step 2:** Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and theoretically ideal balance as follows:

*Pass 1:* Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its theoretically ideal balance, until reserves are exhausted.

*Pass 2:* If all components are assigned their theoretically ideal balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

*Pass 3:* If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

**Step 3**: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the Inflation Parameter. Matching the Annual Contribution Increase Parameter to the Inflation Parameter indicates, in theory, that Member Contributions should increase at the same rate as the cost of living (Inflation Parameter). Due to the "time value of money," this creates the most equitable distribution of Member Contributions through time.

Using an Annual Contribution Increase Parameter that is greater than the Inflation Parameter will reduce the burden to the current membership at the expense of the future membership. Using an Annual Contribution Increase Parameter that is less than the Inflation Parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

| | 0% Increase | 3% Increase | 10% Increase |
|---|---|---|---|
| Year 1 | $10,000.00 | $8,723.05 | $6,274.54 |
| Year 2 | $10,000.00 | $8,984.74 | $6,901.99 |
| Year 3 | $10,000.00 | $9,254.28 | $7,592.19 |
| Year 4 | $10,000.00 | $9,531.91 | $8,351.41 |
| Year 5 | $10,000.00 | $9,817.87 | $9,186.55 |
| Year 6 | $10,000.00 | $10,112.41 | $10,105.21 |
| Year 7 | $10,000.00 | $10,415.78 | $11,115.73 |
| Year 8 | $10,000.00 | $10,728.25 | $12,227.30 |
| Year 9 | $10,000.00 | $11,050.10 | $13,450.03 |
| Year 10 | $10,000.00 | $11,381.60 | $14,795.04 |
| TOTAL | $100,000.00 | $100,000.00 | $100,000.00 |

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a Total Reserve Contribution increase or decrease from year to year than this parameter.

- **Minimum Cash Flow Method**

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a "window," typically 30 years.

This calculation method is not as conservative as the Component Method and will typically produce a lower monthly reserve contribution. This method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not concerned with the ideal level of reserves through time. Consequently, this funding method can allow an association to become increasingly underfunded, while never running completely out of money during the "window."

This calculation method structures a funding plan that is the "bare" minimum required to pay for all reserve expenditures as they come due during the "window." This method disregards components that do not have an expenditure associated with them during the "window." This method tests reserve contributions to determine the minimum contribution necessary, based on the association's beginning reserve balance and anticipated expenses through time, so that the reserve balance in any one year does not drop below $0 (or some other threshold level).

- **Directed Cash Flow Method**

This calculation method is a hybrid of the Minimum Cash Flow Method which enables the development of "custom" or "non-traditional" funding plans which may include deferred contributions or special assessments.

This method is similar to the Minimum Cash Flow Method in the sense that it is making calculations

based on all reserve expenditures during the “window.” This calculation method can be used to calculate a reserve contribution that enables the association to become "ideally funded" in time.

## ◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆

- **Annual Contribution Increase Parameter**

The rate used in the calculation of the funding plan developed by the Component Calculation Method and Minimum Cash Flow Method. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the Inflation Parameter. Matching the Annual Contribution Increase Parameter to the Inflation Parameter indicates, in theory, that Member Contributions should increase at the same rate as the cost of living (Inflation Parameter). Due to the “time value of money,” this creates the most equitable distribution of Member Contributions through time.

This parameter is used to develop a funding plan only; it does not mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a Total Reserve Contribution increase or decrease from year to year than this parameter.

See the description of “Calculation Methods” in this preface for more detail on this parameter.

- **Anticipated Reserve Balance (or Reserve Funds)**

The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of Reserve Components.

This figure is “anticipated” because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the Fiscal Year beginning date for which the reserve analysis is prepared.

- **Assigned Funds (and “Fixed” Assigned Funds)**

The amount of money, as of the Fiscal Year beginning date for which the reserve analysis is prepared, that a Reserve Component has been assigned based on the Component Calculation Method.

Assigned Funds do not apply to the Minimum Cash Flow Calculation Method or the Directed Cash Flow Calculation Method.

The Assigned Funds are considered “Fixed” when the normal calculation process is bypassed and a specific amount of money is assigned to a Reserve Component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, “fixed” funds of $20,000 can be assigned.

The Component Calculation Method assigns funds to each component in the most efficient manner possible; assigning "fixed" reserves in this manner can have a detrimental impact on the association's overall budget structure in the long run. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Component Calculation Method (or Component Method)**

Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Contingency Parameter**

The rate used as a built-in buffer in the calculation of the funding plan developed by the Component Calculation Method. This rate will assign a percentage of the Reserve Funds, as of the Fiscal Year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

- **Current Replacement Cost**

The amount of money, as of the Fiscal Year beginning date for which the reserve analysis is prepared, that a Reserve Component is expected to cost to replace.

- **Directed Cash Flow Calculation Method (or Directed Cash Flow Method)**

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Fiscal Year**

Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

- **Future Replacement Cost**

The amount of money, as of the Fiscal Year during which replacement of a Reserve Component is scheduled, that a Reserve Component is expected to cost to replace. This cost is calculated using the Current Replacement Cost compounded annually by the Inflation Parameter.

- **Global Parameters**

The financial parameters used to calculate the reserve analysis (see Inflation Parameter, Annual Contribution Increase Parameter, Investment Rate Parameter and Taxes on Investments Parameter).

- **Inflation Parameter**

The rate used in the calculation of future costs for Reserve Components. This rate is used on an annual compounding basis. This rate represents the rate the association expects to the cost of goods and services relating to their Reserve Components to increase each year.

- **Interest Contribution**

The amount of money contributed to the Reserve Fund by the interest earned on the Reserve Fund and Member Contributions.

- **Investment Rate Parameter**

The gross rate used in the calculation of Interest Contribution (interest earned) from the Reserve Balance and Member Contributions. This rate (net of the Taxes on Investments Parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their Reserve Fund investments.

- **Membership Contribution**

The amount of money contributed to the Reserve Fund by the association's membership.

- **Minimum Cash Flow Calculation Method (or Minimum Cash Flow Method)**

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Monthly Contribution (and "Fixed" Monthly Contribution)**

The amount of money, for the Fiscal Year which the reserve analysis is prepared, that a Reserve Component will be funded based on the Component Calculation Method.

Monthly Contribution does not apply to the Minimum Cash Flow Calculation Method or the Directed Cash Flow Calculation Method.

The Monthly Contribution is considered "Fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a Reserve Component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

The Component Calculation Method funds each component in the most efficient manner possible; assigning a "fixed" contribution in this manner can have a detrimental impact on the association's overall budget structure in the long run. A more detailed description of the actual calculation process is included in the "Calculation Methods" section of the preface.

- **Number of Units (or other assessment basis)**

Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see Phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for industrial developments.

- **One-Time Replacement**

Used for components that will be budgeted for only once.

- **Percent Funded**

A measure (expressed as a percentage) of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the Anticipated Reserve Fund Balance to the Theoretically Ideal Reserve Balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Theoretically Ideal Reserve Balance}}$$

An association that is 100% funded does not have all of the Reserve Funds necessary to replace all of its Reserve Components immediately; it has the proportionately appropriate Reserve Funds for the Reserve Components it maintains, based on each component's Current Replacement Cost, age and Useful Life.

- **Percentage of Replacement**

The percentage of the Reserve Component that is expected to be replaced.

For most Reserve Components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

- **Phasing**

Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

- **Placed-In-Service Date**

The date (month and year) that the Reserve Component was originally put into service or last replaced.

- **Remaining Life**

The length of time, in years, until a Reserve Component is scheduled to be replaced.

- **Remaining Life Adjustment**

The length of time, in years, that a Reserve Component is expected to last in excess (or deficiency) of its Useful Life for the current cycle of replacement.

If the current cycle of replacement for a Reserve Component is expected to be greater than or less than the "normal" life expectancy, the Reserve Component's life should be adjusted using a Remaining Life Adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the Useful Life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the Useful Life should remain at 4 years and a Remaining Life Adjustment of +1 year should be used.

- **Replacement Year**

The Fiscal Year that a Reserve Component is scheduled to be replaced.

- **Reserve Components**

Line items included in the reserve analysis.

- **Salvage Value**

The amount of money that is expected to be received at the point in time that a Reserve Component is replaced.

For example, the "trade-in allowance" received at the time a security vehicle is replaced should be considered as its Salvage Value.

- **Taxes on Investments Parameter**

The rate used to offset the Investment Rate Parameter in the calculation of the Interest Contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the Reserve Funds and Member Contributions.

- **Theoretically Ideal Reserve Balance (or Ideal Reserves)**

The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Ideal reserves are calculated for each Reserve Component based on the Current Replacement Cost, Age and Useful Life:

$$\text{Ideal Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The Theoretically Ideal Reserve Balance is the sum of the Ideal Reserves for each Reserve Component.

An association that has accumulated the Theoretically Ideal Reserve Balance does not have all of the funds necessary to replace all of its Reserve Components immediately; it has the proportionately appropriate Reserve Funds for the Reserve Components it maintains, based on each component's Current Replacement Cost, Age and Useful Life.

- **Total Contribution**

The sum of the Membership Contribution and Interest Contribution.

- **Useful Life**

The length of time, in years, that a Reserve Component is expected to last each time it is replaced. See also Remaining Life Adjustment.

# Sample Condominium Association

## Executive Summary

### Component Calculation Method

**Client Information:**

| | |
|---|---|
| Account Number | 99999 |
| Version Number | 1 |
| Analysis Date | 3/31/2004 |
| Fiscal Year | 6/1/2004 to 5/31/2005 |
| Number of Units | 167 |
| Phasing | 8 of 8 |

**Global Parameters:**

| | |
|---|---|
| Inflation Rate | 2.50% |
| Annual Contribution Increase | 2.50% |
| Investment Rate | 2.75% |
| Taxes on Investments | 30.00% |
| | |
| Contingency | 3.00% |

**Community Profile:**

This community consists of 167 attached units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.

ARS field inspections: March 13, 2003; March 2002; April 2001 and March 2000

**Adequacy of Reserves as of June 1, 2004:**

| | |
|---|---|
| Anticipated Reserve Balance | **$400,000.00** |
| Theoretically Ideal Reserve Balance | **$601,291.98** |
| Percent Funded | **66.52%** |

| **Recommended Funding for the 2004-2005 Fiscal Year:** | **Annual** | **Monthly** | **Per Unit Per Month** |
|---|---|---|---|
| Member Contribution | **$128,843** | **$10,736.90** | **$64.29** |
| Interest Contribution | **$3,557** | **$296.44** | **$1.78** |
| Total Contribution | **$132,400** | **$11,033.35** | **$66.07** |

# Sample Condominium Association

## Calculation of Percent Funded

### Sorted by Category

| | Remaining Life | Useful Life | Current Cost | Theoretically Ideal Balance |
|---|---|---|---|---|
| **010 Streets** | | | | |
| Streets - Asphalt, Overlay | 16 | 25 | $70,895.00 | $25,522.20 |
| Streets - Asphalt, Repair | 0 | 4 | $2,634.00 | $2,634.00 |
| Streets - Asphalt, Slurry Seal | 0 | 4 | $4,214.40 | $4,214.40 |
| Streets - Concrete, Unfunded | n.a. | n.a. | $0.00 | $0.00 |
| **Sub Total** | **0-16** | **4-25** | **$77,743.40** | **$32,370.60** |
| **020 Roofs** | | | | |
| Roofs - Rain Gutters, Unfunded | n.a. | n.a. | $0.00 | $0.00 |
| Roofs - Tile, Unfunded | n.a. | n.a. | $0.00 | $0.00 |
| **Sub Total** | **n.a.** | **n.a.** | **$0.00** | **$0.00** |
| **030 Painting** | | | | |
| Painting - Interior, Cabana | 0 | 6 | $945.25 | $945.25 |
| Painting - Stucco | 0 | 9 | $205,237.50 | $205,237.50 |
| Painting - Woodwork & Trim | 0 | 4 | $54,624.75 | $54,624.75 |
| Painting - Wrought Iron, Buildings | 4 | 4 | $11,003.75 | $0.00 |
| Painting - Wrought Iron, Pool Area | 3 | 3 | $2,266.00 | $0.00 |
| **Sub Total** | **0-4** | **3-9** | **$274,077.25** | **$260,807.50** |
| **040 Fencing** | | | | |
| Fencing - Wrought Iron, Pool Area | 11 | 20 | $18,989.00 | $8,545.05 |
| Railing - Wrought Iron, Buildings | 21 | 30 | $90,540.00 | $27,162.00 |
| **Sub Total** | **11-21** | **20-30** | **$109,529.00** | **$35,707.05** |
| **050 Lighting** | | | | |
| Lighting - Buildings | 11 | 20 | $43,085.00 | $19,388.25 |
| Lighting - Grounds | 11 | 20 | $22,875.00 | $10,293.75 |
| **Sub Total** | **11** | **20** | **$65,960.00** | **$29,682.00** |
| **060 Pool Area** | | | | |
| Cabana - Ceramic Tile | 21 | 30 | $5,299.35 | $1,589.81 |
| Cabana - Doors | 9 | 18 | $1,620.00 | $810.00 |
| Cabana - Plumbing Fixtures | 21 | 30 | $4,019.00 | $1,205.70 |
| Cabana - Restroom Partitions | 6 | 15 | $2,575.00 | $1,545.00 |
| Cabana - Water Heater | 1 | 10 | $775.00 | $697.50 |
| Pool - Filter | 8 | 12 | $1,200.00 | $352.94 |
| Pool - Heater | 8 | 12 | $2,500.00 | $833.33 |
| Pool - Replaster & Tile Replace | 1 | 5 | $6,042.00 | $4,833.60 |
| Pool Area - Barbecues | 4 | 6 | $1,730.00 | $508.82 |

# Sample Condominium Association

## Calculation of Percent Funded

### Sorted by Category

| | Remaining Life | Useful Life | Current Cost | Theoretically Ideal Balance |
|---|---|---|---|---|
| Pool Area - Ceramic Tile | 11 | 20 | $5,016.62 | $2,257.48 |
| Pool Area - Deck Drains | 4 | 13 | $2,691.00 | $1,863.00 |
| Pool Area - Furniture (Refurbish) | 0 | 8 | $8,020.00 | $8,020.00 |
| Pool Area - Furniture (Replace) | 6 | 15 | $14,120.00 | $8,472.00 |
| Pool Area - Mastic, Deck | 4 | 6 | $3,230.00 | $1,076.67 |
| Pool Area - Mastic, Pool/Spa | 2 | 4 | $735.25 | $367.63 |
| Pool Area - Patio Cover Structures | 11 | 20 | $14,040.00 | $6,318.00 |
| Spa - Filter | 6 | 10 | $1,200.00 | $428.57 |
| Spa - Heater | 6 | 10 | $2,500.00 | $1,000.00 |
| Spa - Replaster & Tile Replace | 4 | 8 | $2,170.00 | $1,085.00 |
| **Sub Total** | **0-21** | **4-30** | **$79,483.22** | **$43,265.04** |
| **070 Decks** | | | | |
| Decks - Clean & Top Coat | 2 | 3 | $23,774.40 | $4,099.03 |
| Decks - Resurface | 5 | 6 | $48,158.40 | $3,704.49 |
| **Sub Total** | **2-5** | **3-6** | **$71,932.80** | **$7,803.53** |
| **080 Miscellaneous** | | | | |
| Fire Alarm Control Panels | 1 | 10 | $43,350.00 | $39,015.00 |
| Fire Extinguisher Cabinets | 11 | 20 | $20,150.00 | $9,067.50 |
| Fire Sprinkler System Inspection | 3 | 5 | $2,725.00 | $1,090.00 |
| Irrigation Controllers | 3 | 12 | $26,400.00 | $19,800.00 |
| Mailboxes | 6 | 15 | $5,250.00 | $3,150.00 |
| Monument Signs | 1 | 10 | $3,400.00 | $3,060.00 |
| Patio Cover Structures | 11 | 20 | $6,912.00 | $3,110.40 |
| Termite Control | 6 | 15 | $124,800.00 | $74,880.00 |
| Utility Closet Doors | 9 | 18 | $41,940.00 | $20,970.00 |
| **Sub Total** | **1-11** | **5-20** | **$274,927.00** | **$174,142.90** |
| Contingency | n.a. | n.a. | n.a. | $17,513.36 |
| **Total** | **0-21** | **3-30** | **$953,652.67** | **$601,291.98** |
| **Anticipated Reserve Balance** | | | | **$400,000.00** |
| **Percent Funded** | | | | **66.52%** |

# Sample Condominium Association

## Distribution of Current Reserve Funds

### Sorted by Remaining Life

| | Remaining Life | Theoretically Ideal Balance | Assigned Reserves |
|---|---|---|---|
| Painting - Interior, Cabana | 0 | $945.25 | $945.25 |
| Painting - Stucco | 0 | $205,237.50 | $205,237.50 |
| Painting - Woodwork & Trim | 0 | $54,624.75 | $54,624.75 |
| Pool Area - Furniture (Refurbish) | 0 | $8,020.00 | $8,020.00 |
| Streets - Asphalt, Repair | 0 | $2,634.00 | $2,634.00 |
| Streets - Asphalt, Slurry Seal | 0 | $4,214.40 | $4,214.40 |
| Cabana - Water Heater | 1 | $697.50 | $697.50 |
| Fire Alarm Control Panels | 1 | $39,015.00 | $39,015.00 |
| Monument Signs | 1 | $3,060.00 | $3,060.00 |
| Pool - Replaster & Tile Replace | 1 | $4,833.60 | $4,833.60 |
| Decks - Clean & Top Coat | 2 | $4,099.03 | $4,099.03 |
| Pool Area - Mastic, Pool/Spa | 2 | $367.63 | $367.63 |
| Fire Sprinkler System Inspection | 3 | $1,090.00 | $1,090.00 |
| Irrigation Controllers | 3 | $19,800.00 | $19,800.00 |
| Painting - Wrought Iron, Pool Area | 3 | $0.00 | $0.00 |
| Painting - Wrought Iron, Buildings | 4 | $0.00 | $0.00 |
| Pool Area - Barbecues | 4 | $508.82 | $508.82 |
| Pool Area - Deck Drains | 4 | $1,863.00 | $1,863.00 |
| Pool Area - Mastic, Deck | 4 | $1,076.67 | $1,076.67 |
| Spa - Replaster & Tile Replace | 4 | $1,085.00 | $1,085.00 |
| Decks - Resurface | 5 | $3,704.49 | $3,704.49 |
| Cabana - Restroom Partitions | 6 | $1,545.00 | $1,545.00 |
| Mailboxes | 6 | $3,150.00 | $3,150.00 |
| Pool Area - Furniture (Replace) | 6 | $8,472.00 | $8,472.00 |
| Spa - Filter | 6 | $428.57 | $428.57 |
| Spa - Heater | 6 | $1,000.00 | $1,000.00 |
| Termite Control | 6 | $74,880.00 | $16,877.30 |
| Pool - Filter | 8 | $352.94 | $0.00 |
| Pool - Heater | 8 | $833.33 | $0.00 |
| Cabana - Doors | 9 | $810.00 | $0.00 |
| Utility Closet Doors | 9 | $20,970.00 | $0.00 |
| Fencing - Wrought Iron, Pool Area | 11 | $8,545.05 | $0.00 |
| Fire Extinguisher Cabinets | 11 | $9,067.50 | $0.00 |

# Sample Condominium Association

## Distribution of Current Reserve Funds

### Sorted by Remaining Life

| | Remaining Life | Theoretically Ideal Balance | Assigned Reserves |
|---|---|---|---|
| Lighting - Buildings | 11 | $19,388.25 | $0.00 |
| Lighting - Grounds | 11 | $10,293.75 | $0.00 |
| Patio Cover Structures | 11 | $3,110.40 | $0.00 |
| Pool Area - Ceramic Tile | 11 | $2,257.48 | $0.00 |
| Pool Area - Patio Cover Structures | 11 | $6,318.00 | $0.00 |
| Streets - Asphalt, Overlay | 16 | $25,522.20 | $0.00 |
| Cabana - Ceramic Tile | 21 | $1,589.81 | $0.00 |
| Cabana - Plumbing Fixtures | 21 | $1,205.70 | $0.00 |
| Railing - Wrought Iron, Buildings | 21 | $27,162.00 | $0.00 |
| Roofs - Rain Gutters, Unfunded | n.a. | $0.00 | $0.00 |
| Roofs - Tile, Unfunded | n.a. | $0.00 | $0.00 |
| Streets - Concrete, Unfunded | n.a. | $0.00 | $0.00 |
| Contingency | n.a. | $17,513.36 | $11,650.49 |
| **Total** | **0-21** | **$601,291.98** | **$400,000.00** |
| **Percent Funded** | | | **66.52%** |

# Sample Condominium Association

## Management / Accounting Summary

### Sorted by Category

| | Balance at Fiscal Year Beginning | Monthly Member Contribution | Monthly Interest Contribution | Total Monthly Contribution |
|---|---|---|---|---|
| **010 Streets** | | | | |
| Streets - Asphalt, Overlay | $0.00 | $390.70 | $3.47 | $394.17 |
| Streets - Asphalt, Repair | $2,634.00 | $56.21 | $0.50 | $56.71 |
| Streets - Asphalt, Slurry Seal | $4,214.40 | $89.94 | $0.80 | $90.73 |
| Streets - Concrete, Unfunded | $0.00 | $0.00 | $0.00 | $0.00 |
| **Sub Total** | **$6,848.40** | **$536.85** | **$4.76** | **$541.61** |
| **020 Roofs** | | | | |
| Roofs - Rain Gutters, Unfunded | $0.00 | $0.00 | $0.00 | $0.00 |
| Roofs - Tile, Unfunded | $0.00 | $0.00 | $0.00 | $0.00 |
| **Sub Total** | **$0.00** | **$0.00** | **$0.00** | **$0.00** |
| **030 Painting** | | | | |
| Painting - Interior, Cabana | $945.25 | $13.52 | $0.12 | $13.64 |
| Painting - Stucco | $205,237.50 | $2,213.79 | $19.64 | $2,233.43 |
| Painting - Woodwork & Trim | $54,624.75 | $1,165.69 | $10.34 | $1,176.03 |
| Painting - Wrought Iron, Buildings | $0.00 | $234.82 | $2.08 | $236.90 |
| Painting - Wrought Iron, Pool Area | $0.00 | $64.30 | $0.57 | $64.87 |
| **Sub Total** | **$260,807.50** | **$3,692.12** | **$32.75** | **$3,724.87** |
| **040 Fencing** | | | | |
| Fencing - Wrought Iron, Pool Area | $0.00 | $150.18 | $1.33 | $151.51 |
| Railing - Wrought Iron, Buildings | $0.00 | $385.30 | $3.42 | $388.71 |
| **Sub Total** | **$0.00** | **$535.47** | **$4.75** | **$540.22** |
| **050 Lighting** | | | | |
| Lighting - Buildings | $0.00 | $340.74 | $3.02 | $343.77 |
| Lighting - Grounds | $0.00 | $180.91 | $1.60 | $182.51 |
| **Sub Total** | **$0.00** | **$521.65** | **$4.63** | **$526.28** |
| **060 Pool Area** | | | | |
| Cabana - Ceramic Tile | $0.00 | $22.55 | $0.20 | $22.75 |
| Cabana - Doors | $0.00 | $15.57 | $0.14 | $15.71 |
| Cabana - Plumbing Fixtures | $0.00 | $17.10 | $0.15 | $17.25 |
| Cabana - Restroom Partitions | $1,545.00 | $15.45 | $2.64 | $18.08 |
| Cabana - Water Heater | $697.50 | $6.88 | $1.19 | $8.07 |
| Pool - Filter | $0.00 | $12.94 | $0.11 | $13.06 |
| Pool - Heater | $0.00 | $26.97 | $0.24 | $27.21 |

# Sample Condominium Association

## Management / Accounting Summary

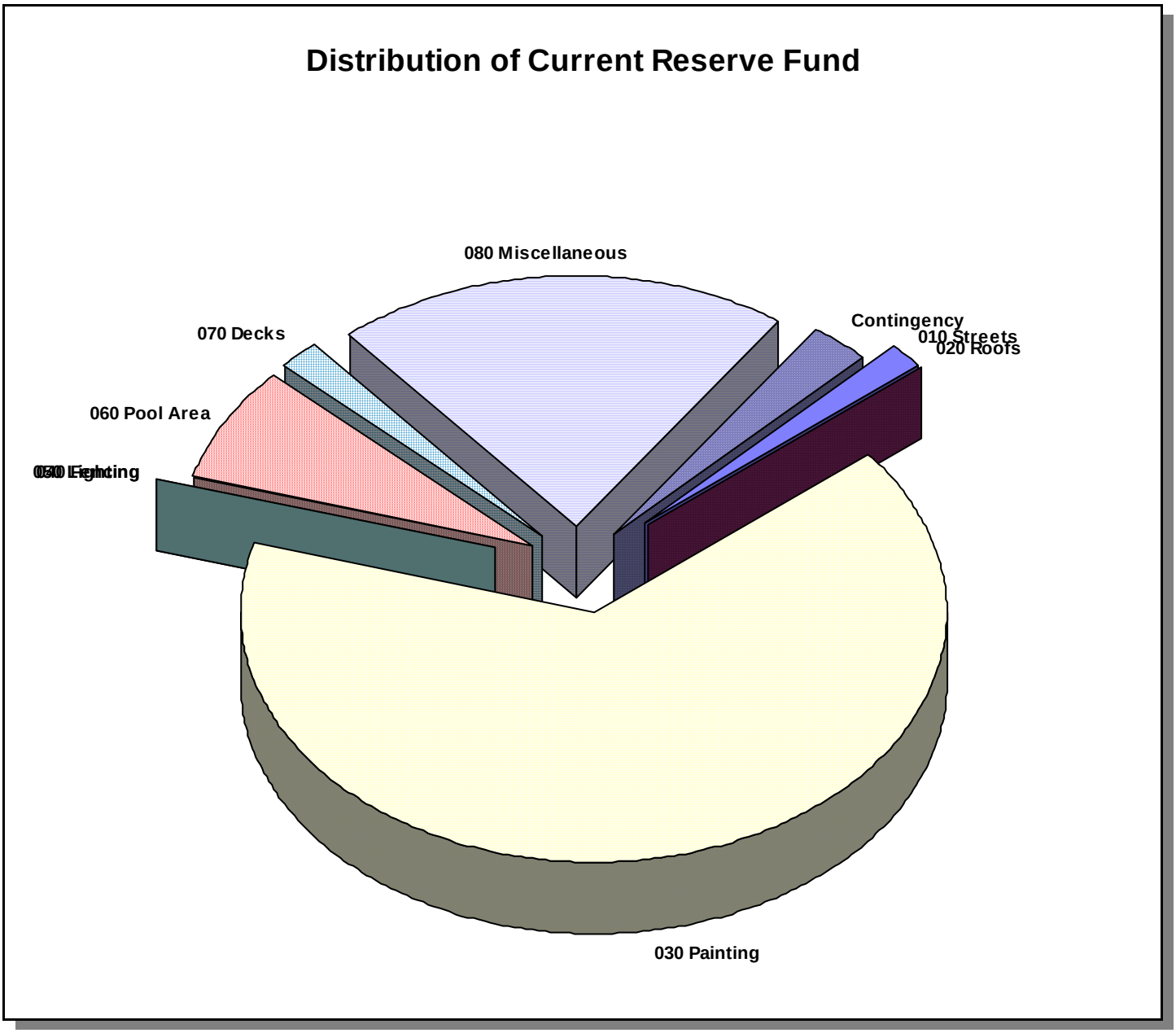
### Sorted by Category

| | Balance at Fiscal Year Beginning | Monthly Member Contribution | Monthly Interest Contribution | Total Monthly Contribution |
|---|---|---|---|---|
| Pool - Replaster & Tile Replace | $4,833.60 | $104.54 | $8.75 | $113.29 |
| Pool Area - Barbecues | $508.82 | $26.29 | $1.06 | $27.35 |
| Pool Area - Ceramic Tile | $0.00 | $39.67 | $0.35 | $40.03 |
| Pool Area - Deck Drains | $1,863.00 | $18.53 | $3.18 | $21.71 |
| Pool Area - Furniture (Refurbish) | $8,020.00 | $58.30 | $0.52 | $58.82 |
| Pool Area - Furniture (Replace) | $8,472.00 | $84.69 | $14.46 | $99.16 |
| Pool Area - Mastic, Deck | $1,076.67 | $46.45 | $2.15 | $48.60 |
| Pool Area - Mastic, Pool/Spa | $367.63 | $15.77 | $0.73 | $16.51 |
| Pool Area - Patio Cover Structures | $0.00 | $111.04 | $0.98 | $112.02 |
| Spa - Filter | $428.57 | $11.23 | $0.79 | $12.03 |
| Spa - Heater | $1,000.00 | $21.92 | $1.81 | $23.73 |
| Spa - Replaster & Tile Replace | $1,085.00 | $23.65 | $1.97 | $25.62 |
| **Sub Total** | **$29,897.79** | **$679.56** | **$41.43** | **$720.99** |
| **070 Decks** | | | | |
| Decks - Clean & Top Coat | $4,099.03 | $837.08 | $14.06 | $851.13 |
| Decks - Resurface | $3,704.49 | $762.69 | $12.76 | $775.45 |
| **Sub Total** | **$7,803.53** | **$1,599.77** | **$26.82** | **$1,626.59** |
| **080 Miscellaneous** | | | | |
| Fire Alarm Control Panels | $39,015.00 | $385.01 | $66.56 | $451.56 |
| Fire Extinguisher Cabinets | $0.00 | $159.36 | $1.41 | $160.77 |
| Fire Sprinkler System Inspection | $1,090.00 | $46.90 | $2.18 | $49.08 |
| Irrigation Controllers | $19,800.00 | $196.41 | $33.79 | $230.19 |
| Mailboxes | $3,150.00 | $31.49 | $5.38 | $36.87 |
| Monument Signs | $3,060.00 | $30.20 | $5.22 | $35.42 |
| Patio Cover Structures | $0.00 | $54.66 | $0.48 | $55.15 |
| Termite Control | $16,877.30 | $1,551.52 | $41.08 | $1,592.60 |
| Utility Closet Doors | $0.00 | $403.21 | $3.58 | $406.79 |
| **Sub Total** | **$82,992.30** | **$2,858.75** | **$159.67** | **$3,018.43** |
| Contingency | $11,650.49 | $312.73 | $21.63 | $334.35 |
| **Total** | **$400,000.00** | **$10,736.90** | **$296.44** | **$11,033.35** |

# Sample Condominium Association

## Management / Accounting Charts

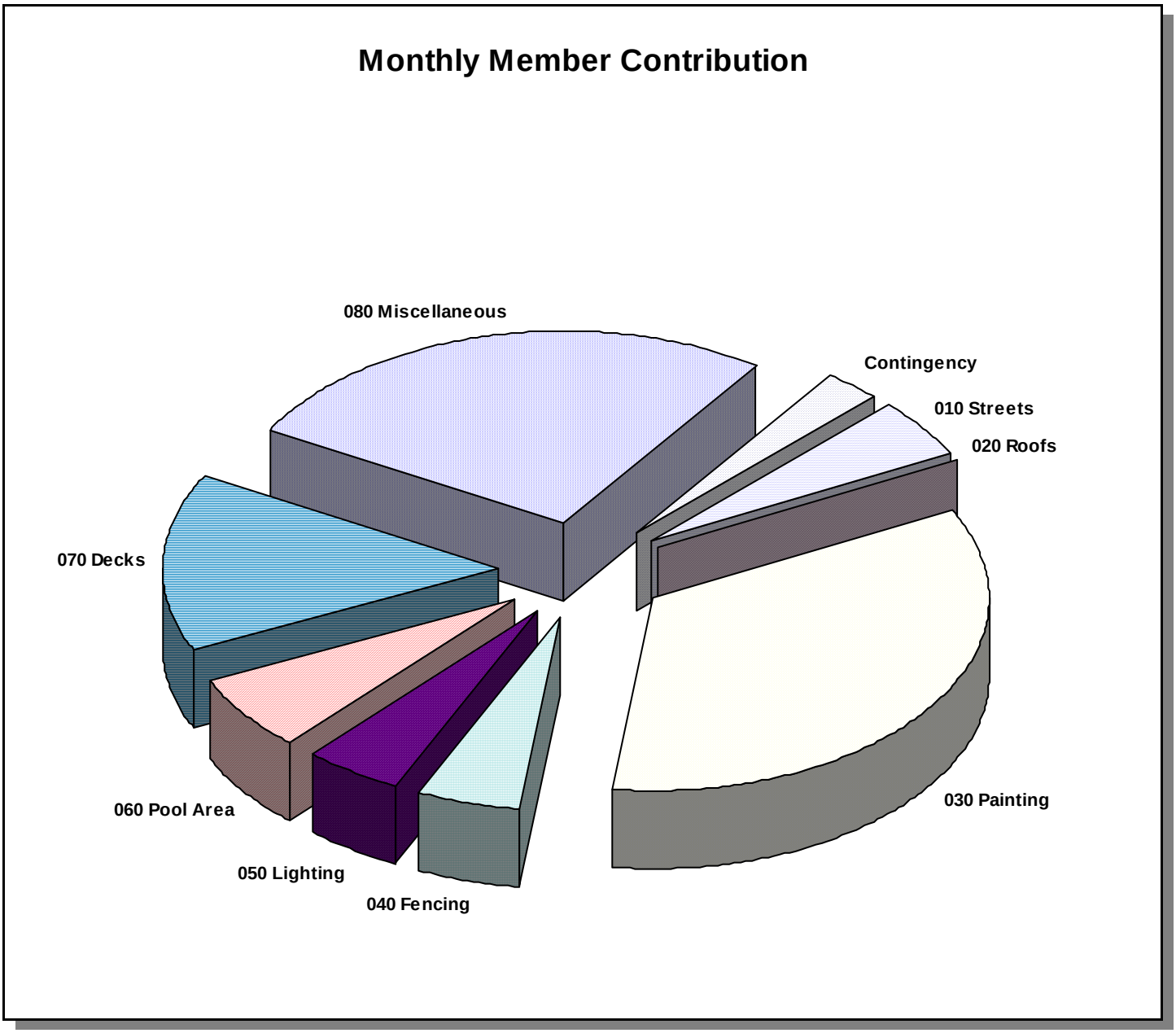
### Sorted by Category



# Sample Condominium Association

## Management / Accounting Charts

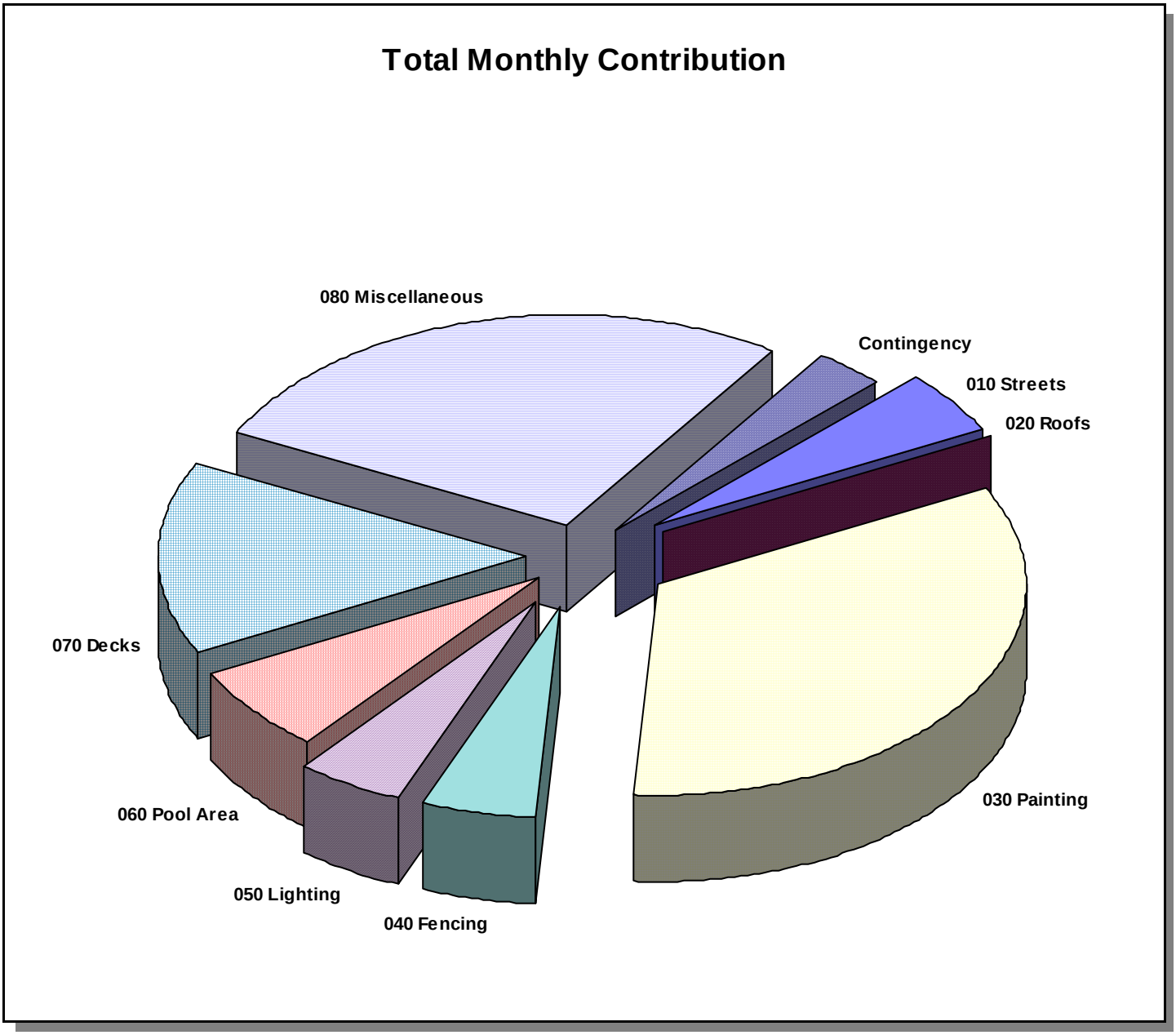
### Sorted by Category



# Sample Condominium Association

## Management / Accounting Charts

### Sorted by Category



# Sample Condominium Association

## Projections

### Component Calculation Method

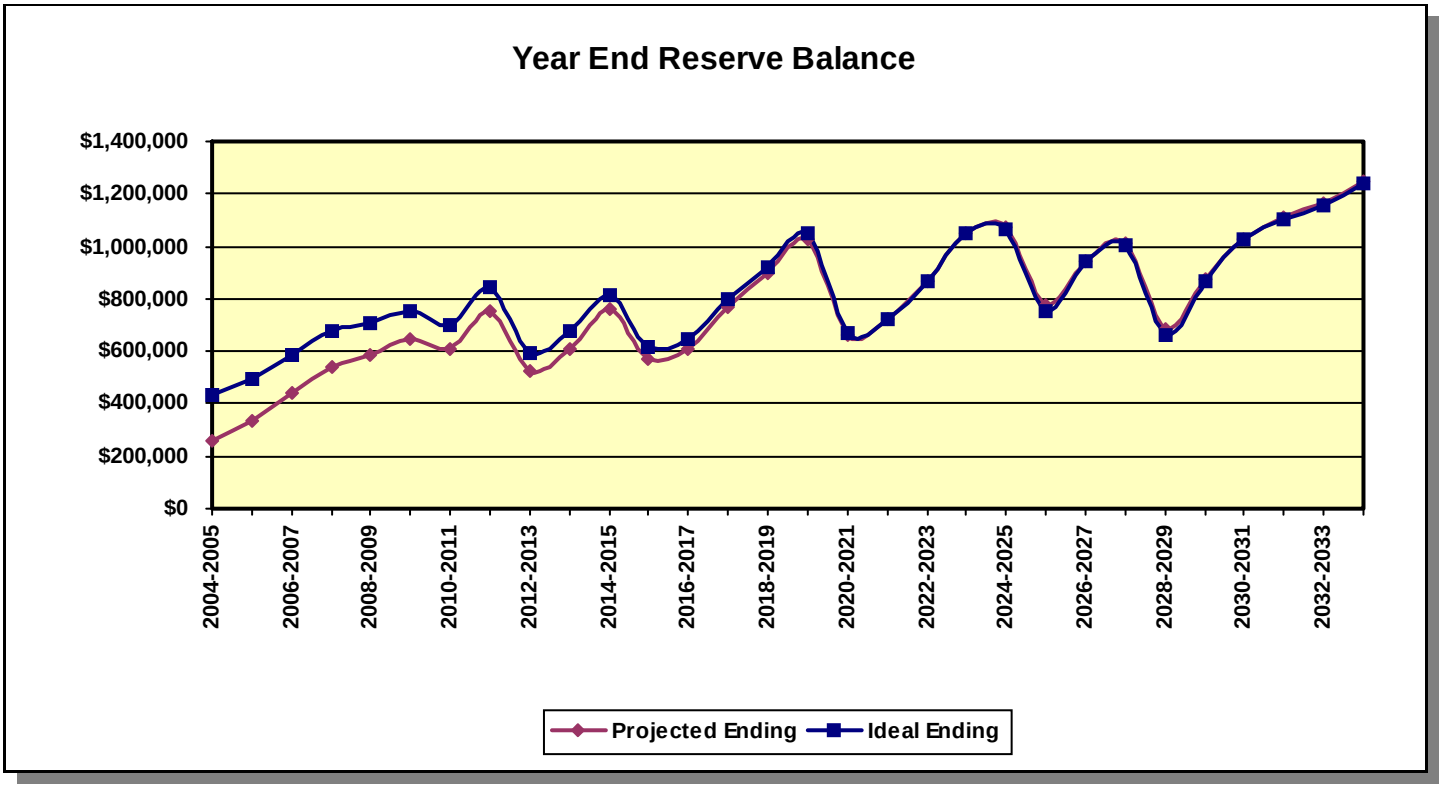
| Fiscal Year | Beginning Balance | Member Contribution | Interest Contribution | Expenditures | Ending Balance | Theoretically Ideal Ending Balance | Percent Funded |
|---|---|---|---|---|---|---|---|
| 2004-2005 | $400,000 | $128,843 | $3,557 | $275,676 | $256,724 | $430,758 | 60% |
| 2005-2006 | $256,724 | $125,653 | $5,034 | $54,906 | $332,505 | $491,022 | 68% |
| 2006-2007 | $332,505 | $124,626 | $7,063 | $25,750 | $438,443 | $584,138 | 75% |
| 2007-2008 | $438,443 | $126,976 | $8,985 | $33,805 | $540,599 | $673,779 | 80% |
| 2008-2009 | $540,599 | $128,864 | $9,878 | $90,841 | $588,499 | $708,266 | 83% |
| 2009-2010 | $588,499 | $128,985 | $10,993 | $81,385 | $647,092 | $755,404 | 86% |
| 2010-2011 | $647,092 | $130,559 | $10,248 | $179,047 | $608,852 | $703,776 | 87% |
| 2011-2012 | $608,852 | $132,608 | $13,001 | $0 | $754,461 | $842,849 | 90% |
| 2012-2013 | $754,461 | $134,311 | $8,558 | $375,163 | $522,166 | $592,350 | 88% |
| 2013-2014 | $522,166 | $136,769 | $10,243 | $57,230 | $611,948 | $674,359 | 91% |
| 2014-2015 | $611,948 | $140,114 | $12,986 | $7,290 | $757,758 | $814,332 | 93% |
| 2015-2016 | $757,758 | $142,747 | $9,445 | $336,639 | $573,311 | $613,366 | 93% |
| 2016-2017 | $573,311 | $144,302 | $10,171 | $115,497 | $612,288 | $644,198 | 95% |
| 2017-2018 | $612,288 | $146,704 | $13,119 | $3,756 | $768,355 | $797,206 | 96% |
| 2018-2019 | $768,355 | $150,323 | $15,509 | $38,434 | $895,754 | $920,951 | 97% |
| 2019-2020 | $895,754 | $154,201 | $17,958 | $41,517 | $1,026,395 | $1,048,144 | 98% |
| 2020-2021 | $1,026,395 | $156,994 | $11,026 | $530,368 | $664,047 | $666,298 | 100% |
| 2021-2022 | $664,047 | $159,672 | $12,187 | $109,454 | $726,452 | $723,082 | 100% |
| 2022-2023 | $726,452 | $162,205 | $14,917 | $32,428 | $871,147 | $866,499 | 101% |
| 2023-2024 | $871,147 | $163,742 | $18,371 | $0 | $1,053,259 | $1,051,726 | 100% |
| 2024-2025 | $1,053,259 | $171,074 | $18,723 | $167,338 | $1,075,718 | $1,069,006 | 101% |
| 2025-2026 | $1,075,718 | $171,776 | $13,010 | $484,251 | $776,254 | $756,329 | 103% |
| 2026-2027 | $776,254 | $160,753 | $16,311 | $9,805 | $943,514 | $941,027 | 100% |
| 2027-2028 | $943,514 | $183,006 | $17,389 | $131,742 | $1,012,166 | $1,006,011 | 101% |
| 2028-2029 | $1,012,166 | $186,057 | $11,063 | $527,491 | $681,796 | $659,321 | 103% |
| 2029-2030 | $681,796 | $174,867 | $14,792 | $0 | $871,455 | $865,489 | 101% |
| 2030-2031 | $871,455 | $193,592 | $17,600 | $53,607 | $1,029,041 | $1,024,958 | 100% |
| 2031-2032 | $1,029,041 | $200,623 | $19,032 | $140,682 | $1,108,014 | $1,101,345 | 101% |
| 2032-2033 | $1,108,014 | $203,208 | $20,129 | $164,375 | $1,166,976 | $1,159,610 | 101% |
| 2033-2034 | $1,166,976 | $209,199 | $21,660 | $147,204 | $1,250,631 | $1,242,566 | 101% |

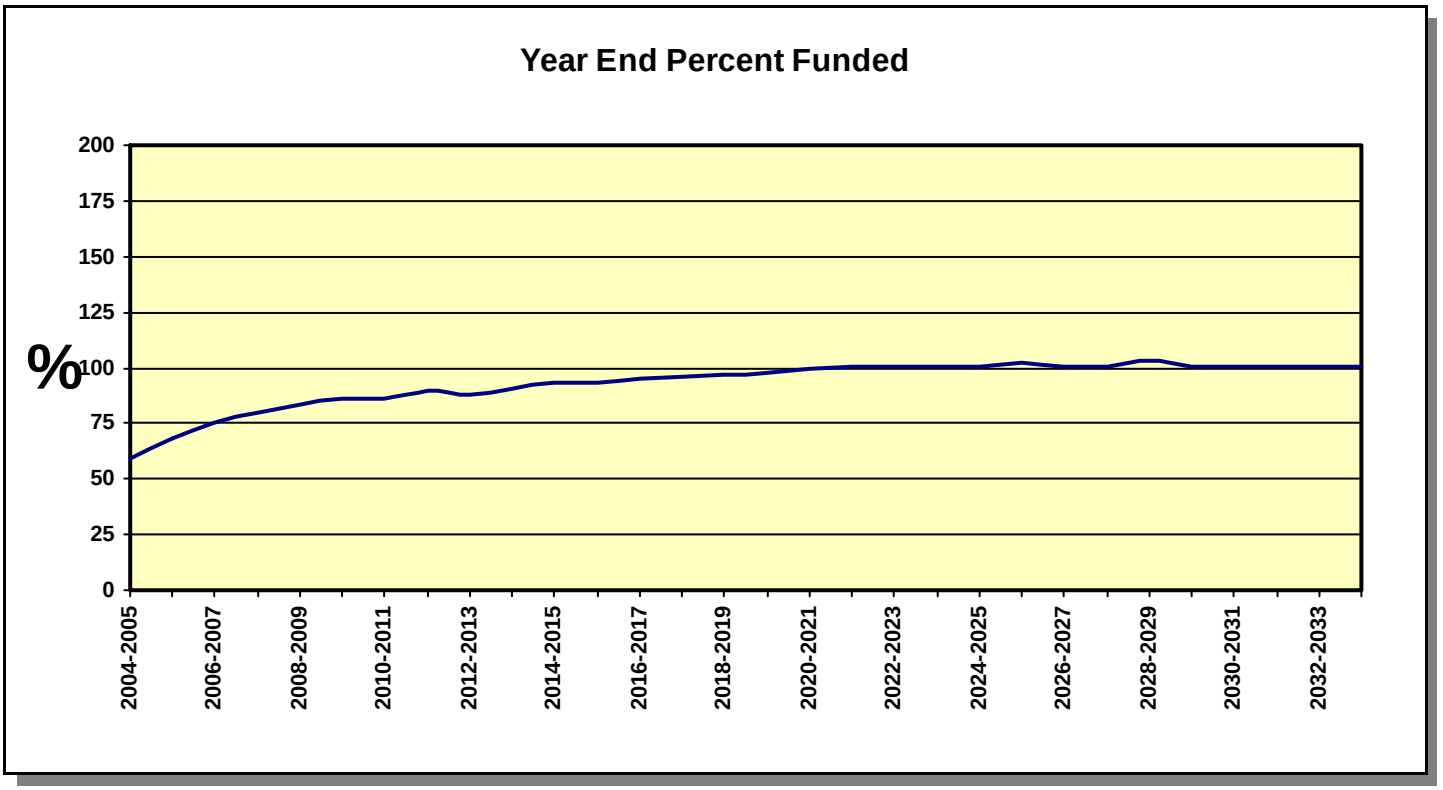
NOTE: In some cases, the projected Ending Balance may exceed the Theoretically Ideal Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

# Sample Condominium Association

## Projection Charts

### Component Calculation Method

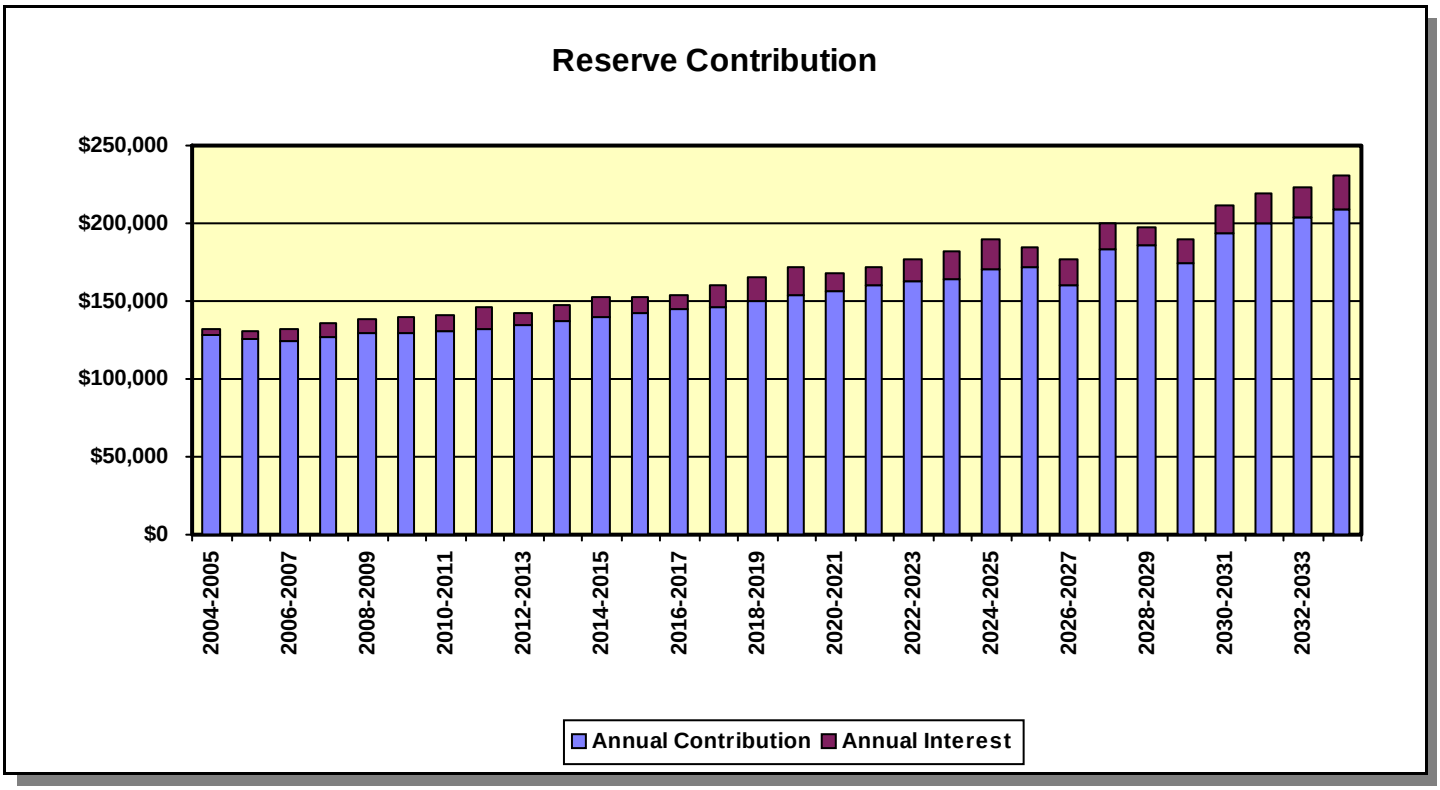


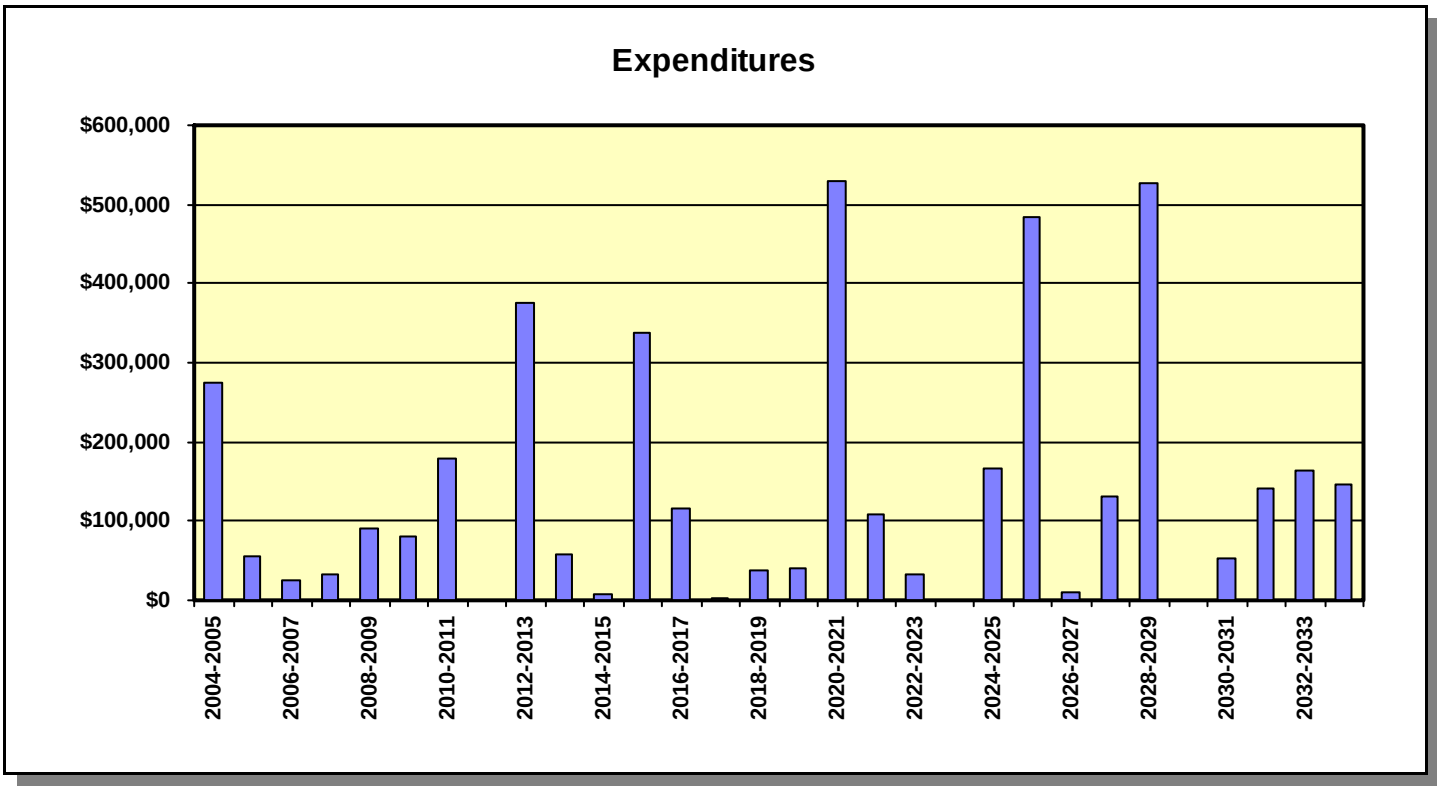



# Sample Condominium Association

## Projection Charts

### Component Calculation Method



# Sample Condominium Association

## Annual Expenditure Detail

### Sorted by Description

| | |
|---|---|
| **2004-2005 Fiscal Year** | |
| Painting - Interior, Cabana | $945.25 |
| Painting - Stucco | $205,237.50 |
| Painting - Woodwork & Trim | $54,624.75 |
| Pool Area - Furniture (Refurbish) | $8,020.00 |
| Streets - Asphalt, Repair | $2,634.00 |
| Streets - Asphalt, Slurry Seal | $4,214.40 |
| **Sub Total** | **$275,675.90** |
| **2005-2006 Fiscal Year** | |
| Cabana - Water Heater | $794.38 |
| Fire Alarm Control Panels | $44,433.75 |
| Monument Signs | $3,485.00 |
| Pool - Replaster & Tile Replace | $6,193.05 |
| **Sub Total** | **$54,906.18** |
| **2006-2007 Fiscal Year** | |
| Decks - Clean & Top Coat | $24,977.98 |
| Pool Area - Mastic, Pool/Spa | $772.47 |
| **Sub Total** | **$25,750.45** |
| **2007-2008 Fiscal Year** | |
| Fire Sprinkler System Inspection | $2,934.53 |
| Irrigation Controllers | $28,429.91 |
| Painting - Wrought Iron, Pool Area | $2,440.23 |
| **Sub Total** | **$33,804.67** |
| **2008-2009 Fiscal Year** | |
| Painting - Woodwork & Trim | $60,295.50 |
| Painting - Wrought Iron, Buildings | $12,146.08 |
| Pool Area - Barbecues | $1,909.60 |
| Pool Area - Deck Drains | $2,970.36 |
| Pool Area - Mastic, Deck | $3,565.32 |
| Spa - Replaster & Tile Replace | $2,395.27 |
| Streets - Asphalt, Repair | $2,907.44 |
| Streets - Asphalt, Slurry Seal | $4,651.91 |
| **Sub Total** | **$90,841.48** |
| **2009-2010 Fiscal Year** | |
| Decks - Clean & Top Coat | $26,898.55 |
| Decks - Resurface | $54,486.81 |

# Sample Condominium Association

## Annual Expenditure Detail

### Sorted by Description

| | |
|---|---|
| **Sub Total** | **$81,385.36** |
| **2010-2011 Fiscal Year** | |
| Cabana - Restroom Partitions | $2,986.21 |
| Mailboxes | $6,088.39 |
| Painting - Interior, Cabana | $1,096.20 |
| Painting - Wrought Iron, Pool Area | $2,627.87 |
| Pool Area - Furniture (Replace) | $16,374.87 |
| Pool Area - Mastic, Pool/Spa | $852.66 |
| Spa - Filter | $1,391.63 |
| Spa - Heater | $2,899.23 |
| Termite Control | $144,729.74 |
| **Sub Total** | **$179,046.81** |
| **2012-2013 Fiscal Year** | |
| Decks - Clean & Top Coat | $28,966.80 |
| Fire Sprinkler System Inspection | $3,320.15 |
| Painting - Stucco | $250,061.96 |
| Painting - Woodwork & Trim | $66,554.95 |
| Painting - Wrought Iron, Buildings | $13,407.00 |
| Pool - Filter | $1,462.08 |
| Pool - Heater | $3,046.01 |
| Streets - Asphalt, Repair | $3,209.27 |
| Streets - Asphalt, Slurry Seal | $5,134.84 |
| **Sub Total** | **$375,163.07** |
| **2013-2014 Fiscal Year** | |
| Cabana - Doors | $2,023.16 |
| Painting - Wrought Iron, Pool Area | $2,829.92 |
| Utility Closet Doors | $52,377.31 |
| **Sub Total** | **$57,230.39** |
| **2014-2015 Fiscal Year** | |
| Pool Area - Barbecues | $2,214.55 |
| Pool Area - Mastic, Deck | $4,134.67 |
| Pool Area - Mastic, Pool/Spa | $941.18 |
| **Sub Total** | **$7,290.40** |
| **2015-2016 Fiscal Year** | |
| Cabana - Water Heater | $1,016.87 |

# Sample Condominium Association

## Annual Expenditure Detail

### Sorted by Description

| | |
|---|---|
| Decks - Clean & Top Coat | $31,194.07 |
| Decks - Resurface | $63,187.99 |
| Fencing - Wrought Iron, Pool Area | $24,915.21 |
| Fire Alarm Control Panels | $56,878.96 |
| Fire Extinguisher Cabinets | $26,438.55 |
| Lighting - Buildings | $56,531.25 |
| Lighting - Grounds | $30,013.98 |
| Monument Signs | $4,461.09 |
| Patio Cover Structures | $9,069.14 |
| Pool - Replaster & Tile Replace | $7,927.63 |
| Pool Area - Ceramic Tile | $6,582.23 |
| Pool Area - Patio Cover Structures | $18,421.70 |
| **Sub Total** | **$336,638.68** |
| **2016-2017 Fiscal Year** | |
| Painting - Interior, Cabana | $1,271.26 |
| Painting - Woodwork & Trim | $73,464.22 |
| Painting - Wrought Iron, Buildings | $14,798.82 |
| Painting - Wrought Iron, Pool Area | $3,047.52 |
| Pool Area - Furniture (Refurbish) | $10,786.01 |
| Spa - Replaster & Tile Replace | $2,918.41 |
| Streets - Asphalt, Repair | $3,542.44 |
| Streets - Asphalt, Slurry Seal | $5,667.90 |
| **Sub Total** | **$115,496.56** |
| **2017-2018 Fiscal Year** | |
| Fire Sprinkler System Inspection | $3,756.44 |
| **Sub Total** | **$3,756.44** |
| **2018-2019 Fiscal Year** | |
| Decks - Clean & Top Coat | $33,592.60 |
| Pool Area - Deck Drains | $3,802.31 |
| Pool Area - Mastic, Pool/Spa | $1,038.89 |
| **Sub Total** | **$38,433.81** |
| **2019-2020 Fiscal Year** | |
| Irrigation Controllers | $38,235.07 |
| Painting - Wrought Iron, Pool Area | $3,281.84 |
| **Sub Total** | **$41,516.92** |

# Sample Condominium Association

## Annual Expenditure Detail

### Sorted by Description

| | |
|---|---|
| **2020-2021 Fiscal Year** | |
| Painting - Stucco | $304,676.22 |
| Painting - Woodwork & Trim | $81,090.75 |
| Painting - Wrought Iron, Buildings | $16,335.13 |
| Pool Area - Barbecues | $2,568.19 |
| Pool Area - Mastic, Deck | $4,794.95 |
| Spa - Filter | $1,781.41 |
| Spa - Heater | $3,711.26 |
| Streets - Asphalt, Overlay | $105,244.03 |
| Streets - Asphalt, Repair | $3,910.19 |
| Streets - Asphalt, Slurry Seal | $6,256.30 |
| **Sub Total** | **$530,368.43** |
| **2021-2022 Fiscal Year** | |
| Decks - Clean & Top Coat | $36,175.56 |
| Decks - Resurface | $73,278.70 |
| **Sub Total** | **$109,454.26** |
| **2022-2023 Fiscal Year** | |
| Fire Sprinkler System Inspection | $4,250.07 |
| Painting - Interior, Cabana | $1,474.27 |
| Painting - Wrought Iron, Pool Area | $3,534.19 |
| Pool Area - Furniture (Replace) | $22,022.38 |
| Pool Area - Mastic, Pool/Spa | $1,146.74 |
| **Sub Total** | **$32,427.64** |
| **2024-2025 Fiscal Year** | |
| Decks - Clean & Top Coat | $38,957.12 |
| Painting - Woodwork & Trim | $89,509.01 |
| Painting - Wrought Iron, Buildings | $18,030.93 |
| Pool - Filter | $1,966.34 |
| Pool - Heater | $4,096.54 |
| Spa - Replaster & Tile Replace | $3,555.80 |
| Streets - Asphalt, Repair | $4,316.12 |
| Streets - Asphalt, Slurry Seal | $6,905.79 |
| **Sub Total** | **$167,337.64** |
| **2025-2026 Fiscal Year** | |
| Cabana - Ceramic Tile | $8,900.69 |
| Cabana - Plumbing Fixtures | $6,750.24 |

# Sample Condominium Association

## Annual Expenditure Detail

### Sorted by Description

| | |
|---|---|
| Cabana - Restroom Partitions | $4,324.92 |
| Cabana - Water Heater | $1,301.68 |
| Fire Alarm Control Panels | $72,809.87 |
| Mailboxes | $8,817.80 |
| Monument Signs | $5,710.58 |
| Painting - Wrought Iron, Pool Area | $3,805.93 |
| Pool - Replaster & Tile Replace | $10,148.03 |
| Railing - Wrought Iron, Buildings | $152,069.34 |
| Termite Control | $209,611.82 |
| **Sub Total** | **$484,250.91** |
| **2026-2027 Fiscal Year** | |
| Pool Area - Barbecues | $2,978.32 |
| Pool Area - Mastic, Deck | $5,560.68 |
| Pool Area - Mastic, Pool/Spa | $1,265.79 |
| **Sub Total** | **$9,804.78** |
| **2027-2028 Fiscal Year** | |
| Decks - Clean & Top Coat | $41,952.56 |
| Decks - Resurface | $84,980.83 |
| Fire Sprinkler System Inspection | $4,808.56 |
| **Sub Total** | **$131,741.95** |
| **2028-2029 Fiscal Year** | |
| Painting - Interior, Cabana | $1,709.70 |
| Painting - Stucco | $371,218.39 |
| Painting - Woodwork & Trim | $98,801.20 |
| Painting - Wrought Iron, Buildings | $19,902.77 |
| Painting - Wrought Iron, Pool Area | $4,098.57 |
| Pool Area - Deck Drains | $4,867.28 |
| Pool Area - Furniture (Refurbish) | $14,505.98 |
| Streets - Asphalt, Repair | $4,764.18 |
| Streets - Asphalt, Slurry Seal | $7,622.69 |
| **Sub Total** | **$527,490.78** |
| **2030-2031 Fiscal Year** | |
| Decks - Clean & Top Coat | $45,178.32 |
| Pool Area - Mastic, Pool/Spa | $1,397.19 |
| Spa - Filter | $2,280.35 |
| Spa - Heater | $4,750.73 |

# Sample Condominium Association

## Annual Expenditure Detail

### Sorted by Description

| | |
|---|---|
| **Sub Total** | **$53,606.59** |
| | |
| **2031-2032 Fiscal Year** | |
| Cabana - Doors | $3,155.44 |
| Irrigation Controllers | $51,421.92 |
| Painting - Wrought Iron, Pool Area | $4,413.71 |
| Utility Closet Doors | $81,690.73 |
| **Sub Total** | **$140,681.80** |
| | |
| **2032-2033 Fiscal Year** | |
| Fire Sprinkler System Inspection | $5,440.45 |
| Painting - Woodwork & Trim | $109,058.04 |
| Painting - Wrought Iron, Buildings | $21,968.93 |
| Pool Area - Barbecues | $3,453.94 |
| Pool Area - Mastic, Deck | $6,448.68 |
| Spa - Replaster & Tile Replace | $4,332.39 |
| Streets - Asphalt, Repair | $5,258.77 |
| Streets - Asphalt, Slurry Seal | $8,414.03 |
| **Sub Total** | **$164,375.23** |
| | |
| **2033-2034 Fiscal Year** | |
| Decks - Clean & Top Coat | $48,652.11 |
| Decks - Resurface | $98,551.71 |
| **Sub Total** | **$147,203.81** |

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Streets - Asphalt, Overlay

| | | | |
|---|---|---|---|
| Category | 010 Streets | Quantity | 1 total |
| GL Code | 2500-001 Grounds | Unit Cost | $70,895.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $70,895.00 |
| Placed In Service | 06/95 | Future Cost | $105,244.03 |
| Useful Life | 24 | | |
| Adjustment | +1 | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 16 | Monthly Member Contribution | $390.70 |
| Replacement Year | 2020-2021 | Monthly Interest Contribution | $3.47 |
| | | Total Monthly Contribution | $394.17 |

Comments:

The association maintains the following roadways:

| | | |
|---|---|---|
| Sunset Drive | 30,350 | sq. ft. |
| Ocean Circle | 25,000 | |
| Bayfront Circle | 10,500 | |
| | 65,850 | sq. ft. |

The cost for this component is calculated as follows:

| | | | | | |
|---|---|---|---|---|---|
| 65,850 | sq. ft. of overlay | @ | $0.90 | = | $59,265.00 |
| 48 | valve cover adjustments | @ | $130.00 | = | $6,240.00 |
| 14 | manhole cover adjustments | @ | $385.00 | = | $5,390.00 |
| | | | TOTAL | = | $70,895.00 |

The surface area inventory for the asphalt has been provided by the client in the form of a previous reserve study.

Most asphalt areas can be expected to last approximately 20 to 25 years before it will become necessary for an overlay to be applied. This can double the life of the surface upon application. It will be necessary to adjust manhole and valve

covers at the time the overlay is applied. Deflection testing should be conducted by an independent consultant near the end of the estimated useful life to determine the condition of the asphalt and estimated remaining life before the overlay is required.

In addition to this service, a consultant may be obtained to prepare the application specifications, and to work with the contractor during actual installation. It is recommended that the client obtain bids for such a consultation near the end of the estimated useful life. As costs vary, a provision for this consulting has not been included in this cost estimate. Should the client request, this cost can be incorporated into this analysis.

The remaining life of the asphalt overlay has been adjusted to align with the future replacement cycles of the asphalt repairs and seal coating.

## Streets - Asphalt, Repair

| | | | |
|---|---|---|---|
| Category | 010 Streets | Quantity | 65,850 sq. ft. |
| GL Code | 2500-001 Grounds | Unit Cost | $4.000 |
| | | % of Replacement | 1.00% |
| | | Current Cost | $2,634.00 |
| Placed In Service | 09/00 | Future Cost | $2,907.44 |
| Useful Life | 4 | | |
| | | Assigned Reserves at FYB | $2,634.00 |
| Remaining Life | 0 | Monthly Member Contribution | $56.21 |
| Replacement Year | 2004-2005 | Monthly Interest Contribution | $0.50 |
| | | Total Monthly Contribution | $56.71 |

Comments:

We have budgeted for the asphalt to be repaired on the same cycle and in conjunction with the seal coating of the asphalt.

It is estimated that a percentage of the asphalt areas will require repair or replacement. The actual condition of the asphalt should be monitored through time and these estimates adjusted accordingly.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Streets - Asphalt, Slurry Seal

| | | | |
|---|---|---|---|
| Category | 010 Streets | Quantity | 65,850 sq. ft. |
| GL Code | 2500-001 Grounds | Unit Cost | $0.064 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $4,214.40 |
| Placed In Service | 09/00 | Future Cost | $4,651.91 |
| Useful Life | 4 | | |
| | | Assigned Reserves at FYB | $4,214.40 |
| Remaining Life | 0 | Monthly Member Contribution | $89.94 |
| Replacement Year | 2004-2005 | Monthly Interest Contribution | $0.80 |
| | | Total Monthly Contribution | $90.74 |

Comments:

The association slurry sealed and restriped the asphalt throughout the community in September 2000 for a total cost of $3,737.

The current cost used for this component is based on actual expenditures incurred at last slurry sealing and restriping, and has been adjusted for inflation where applicable.

Asphalt surfaces should be seal coated within 3 years of their initial installation. Thereafter, a 3 to 4 year cycle should be observed and adjusted according to the client's particular needs.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Streets - Concrete, Unfunded

| | | | |
|---|---|---|---|
| Category | 010 Streets | Quantity | 1 comment |
| GL Code | 2500-001 Grounds | Unit Cost | $0.000 |
| | | % of Replacement | 0.00% |
| | | Current Cost | $0.00 |
| Placed In Service | 06/95 | Future Cost | $0.00 |
| Useful Life | 99 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 90 | Monthly Member Contribution | $0.00 |
| Replacement Year | 2094-2095 | Monthly Interest Contribution | $0.00 |
| | | Total Monthly Contribution | $0.00 |

Comments:

The association spent $695 on concrete repairs in 2003.

The association spent $3,995 on concrete replacement at the pool area in July 2002.

There are areas of specialty concrete located at the entrances to the community and in the "motorcourt" areas as well as typical concrete sidewalks, curbs, gutters and drainage swales located throughout the community.

Typically, budgeting for concrete repairs as a reserve component is excluded as it is anticipated that any repairs required will be addressed immediately due to safety concerns. Good maintenance practice would not allow the need for repairs to accumulate to a point that they would become a major expense. Minor repairs, as needed, should be addressed immediately as a maintenance issue using the client's operating and/or reserve contingency funds. Should the client desire, funding for this component can be included.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Roofs - Rain Gutters, Unfunded

| | | | |
|---|---|---|---|
| Category | 020 Roofs | Quantity | 10,808 lin. ft. |
| GL Code | 2500-002 Buildings | Unit Cost | $0.000 |
| | | % of Replacement | 0.00% |
| | | Current Cost | $0.00 |
| Placed In Service | 06/95 | Future Cost | $0.00 |
| Useful Life | 99 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 90 | Monthly Member Contribution | $0.00 |
| Replacement Year | 2094-2095 | Monthly Interest Contribution | $0.00 |
| | | Total Monthly Contribution | $0.00 |

Comments:

The inventory for this component has been provided by the client in the form of a previous reserve study.

Rain gutters and downspouts typically last for a very long time and are seldon replaced in their entirety; accordingly, we have not budgeted for complete replacement. However, it is recommended that the client include a line item in the annual operating budget for periodic inspections and repairs that may be necessary from time to time.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Roofs - Tile, Unfunded

| | | | |
|---|---|---|---|
| Category | 020 Roofs | Quantity | 182,000 sq. ft. |
| GL Code | 2500-002 Buildings | Unit Cost | $0.000 |
| | | % of Replacement | 0.00% |
| | | Current Cost | $0.00 |
| Placed In Service | 06/95 | Future Cost | $0.00 |
| Useful Life | 99 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 90 | Monthly Member Contribution | $0.00 |
| Replacement Year | 2094-2095 | Monthly Interest Contribution | $0.00 |
| | | Total Monthly Contribution | $0.00 |

Comments:

The association spent $1,735 on tile roof repairs in 2003.

The inventory for this component has been provided by the client in the form of a previous reserve study.

Tile roofs are designed to last the life of the community. Accordingly, a funding provision has not been included for this component. However, it is recommended that the client include a line item in the annual operating budget for periodic inspections and repairs that may be necessary from time to time.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Painting - Interior, Cabana

| | | | |
|---|---|---|---|
| Category | 030 Painting | Quantity | 995 sq. ft. |
| GL Code | 2500-002 Buildings | Unit Cost | $0.950 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $945.25 |
| Placed In Service | 06/95 | Future Cost | $1,096.20 |
| Useful Life | 6 | | |
| | | Assigned Reserves at FYB | $945.25 |
| Remaining Life | 0 | Monthly Member Contribution | $13.52 |
| Replacement Year | 2004-2005 | Monthly Interest Contribution | $0.12 |
| | | Total Monthly Contribution | $13.64 |

Comments:

These surfaces have a "semi-gloss" finish.

The association plans to paint the entire community in September 2004.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Painting - Stucco

| | | | |
|---|---|---|---|
| Category | 030 Painting | Quantity | 315,750 sq. ft. |
| GL Code | 2500-002 Buildings | Unit Cost | $0.650 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $205,237.50 |
| Placed In Service | 06/95 | Future Cost | $250,061.96 |
| Useful Life | 8 | | |
| Adjustment | +1 | Assigned Reserves at FYB | $205,237.50 |
| Remaining Life | 0 | Monthly Member Contribution | $2,213.79 |
| Replacement Year | 2004-2005 | Monthly Interest Contribution | $19.64 |
| | | Total Monthly Contribution | $2,233.43 |

Comments:

The association plans to paint the entire community in September 2004.

The inventory for this component has been provided by the client in the form of a previous reserve study.

There are several colors of stucco on the buildings throughout the community. Color coated stucco can last from 10 to 15 years before it will require its first painting, as the coloring is mixed into the stucco material. Most of the stucco throughout the community is color coated; however, a large amount is not color coated and is in fact painted.

The remaining life for the stucco painting has been adjusted, based on its condition at our March 2000 and subsequent field inspections, to align with the future painting cycle of the woodwork and trim.

At our March 2000 and subsequent field inspections, we observed that there are a number of "horizontal" stucco surfaces throughout the community (decorative trim, window areas and "plant shelves"). These may present a "waterproofing" issue to the association. At this time, we have not included any provision for waterproofing of these areas. The association should be aware of this issue and monitor these areas.

There are stucco walls at the some of the unit entrance areas and patio areas. Typically, we include a component in the reserve analysis for the long-term repair and maintenance (other than painting) of stucco walls. This was not a

component in the association's previous reserve analysis prepared by another firm and an inventory of these walls was not available. In the future, the association may wish to have our firm inventory these walls and include such a component herein.

## Painting - Woodwork & Trim

| | | | |
|---|---|---|---|
| Category | 030 Painting | Quantity | 31,575 sq. ft. |
| GL Code | 2500-002 Buildings | Unit Cost | $1.730 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $54,624.75 |
| Placed In Service | 09/00 | Future Cost | $60,295.50 |
| Useful Life | 4 | | |
| | | Assigned Reserves at FYB | $54,624.75 |
| Remaining Life | 0 | Monthly Member Contribution | $1,165.69 |
| Replacement Year | 2004-2005 | Monthly Interest Contribution | $10.34 |
| | | Total Monthly Contribution | $1,176.03 |

Comments:

The association plans to paint the entire community in September 2004.

The association painted the woodwork and trim and the wrought iron railings and fencing throughout the community between July and November 2000 for a total cost of $64,995. The association painted two (of three; one covered by landscape material) patio cover structures in February 2003 for a total cost of $1,960.

The current cost used for this component is based on actual expenditures incurred at last painting, and has been adjusted for inflation where applicable.

The inventory for this component has been provided by the client in the form of a previous reserve study. Based on our March 2000 field inspection, we believe this inventory may be understated.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Painting - Wrought Iron, Buildings

| | | | |
|---|---|---|---|
| Category | 030 Painting | Quantity | 8,803 sq. ft. |
| GL Code | 2500-002 Buildings | Unit Cost | $1.250 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $11,003.75 |
| Placed In Service | 06/04 | Future Cost | $12,146.08 |
| Useful Life | 4 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 4 | Monthly Member Contribution | $234.82 |
| Replacement Year | 2008-2009 | Monthly Interest Contribution | $2.08 |
| | | Total Monthly Contribution | $236.90 |

Comments:

The association repaired and painted all the wrought iron throughout the community in early 2004 for a total cost of $13,500.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

We have budgeted for the wrought iron on the buildings to be painted on the same cycle and in conjunction with the woodwork and trim throughout the community.

The association painted the woodwork and trim and the wrought iron railings and fencing throughout the community between July and November 2000 for a total cost of $64,995.

The current cost used for this component is based on actual expenditures incurred at last painting, and has been adjusted for inflation where applicable.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Painting - Wrought Iron, Pool Area

| | | | |
|---|---|---|---|
| Category | 030 Painting | Quantity | 2,266 sq. ft. |
| GL Code | 2500-001 Grounds | Unit Cost | $1.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $2,266.00 |
| Placed In Service | 06/04 | Future Cost | $2,440.23 |
| Useful Life | 3 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 3 | Monthly Member Contribution | $64.30 |
| Replacement Year | 2007-2008 | Monthly Interest Contribution | $0.57 |
| | | Total Monthly Contribution | $64.87 |

Comments:

The association repaired and painted all the wrought iron throughout the community in early 2004 for a total cost of $13,500.

The association painted the woodwork and trim and the wrought iron railings and fencing throughout the community between July and November 2000 for a total cost of $64,995.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

To ensure that the wrought iron achieves its full useful life, it should be painted as recommended.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Fencing - Wrought Iron, Pool Area

| | | | |
|---|---|---|---|
| Category | 040 Fencing | Quantity | 1 total |
| GL Code | 2500-001 Grounds | Unit Cost | $18,989.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $18,989.00 |
| Placed In Service | 06/95 | Future Cost | $24,915.21 |
| Useful Life | 20 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 11 | Monthly Member Contribution | $150.18 |
| Replacement Year | 2015-2016 | Monthly Interest Contribution | $1.33 |
| | | Total Monthly Contribution | $151.51 |

Comments:

This fencing (and gates) has decorative "spikes" at the top of each picket and "balls" at the top of each post:

| | | | | | |
|---|---|---|---|---|---|
| 7 | - lin. ft. of 3' single handrail | @ | $27.00 | = | $189.00 |
| 60 | - lin. ft. of 5' fencing | @ | $39.00 | = | $2,340.00 |
| 310 | - lin. ft. of 6' fencing | @ | $46.00 | = | $14,260.00 |
| 2 | - 3' x 6' gates | @ | $410.00 | = | $820.00 |
| 3 | - 3.5' x 6' gates | @ | $460.00 | = | $1,380.00 |
| | | | TOTAL | = | $18,989.00 |

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Railing - Wrought Iron, Buildings

| | | | |
|---|---|---|---|
| Category | 040 Fencing | Quantity | 2,515 lin. ft. |
| GL Code | 2500-002 Buildings | Unit Cost | $36.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $90,540.00 |
| Placed In Service | 06/95 | Future Cost | $152,069.34 |
| Useful Life | 30 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 21 | Monthly Member Contribution | $385.30 |
| Replacement Year | 2025-2026 | Monthly Interest Contribution | $3.42 |
| | | Total Monthly Contribution | $388.72 |

Comments:

The association's previous reserve analysis, prepared by another firm, indicates that this is all 3.5' railing. At our March 2000 and subsequent field inspections, we observed that this railing is mostly 3.5' tall, but there are also shorter railings.

The inventory for this component has been provided by the client in the form of a previous reserve study.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Lighting - Buildings

| | | | |
|---|---|---|---|
| Category | 050 Lighting | Quantity | 1 total |
| GL Code | 2500-002 Buildings | Unit Cost | $43,085.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $43,085.00 |
| Placed In Service | 06/95 | Future Cost | $56,531.25 |
| Useful Life | 20 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 11 | Monthly Member Contribution | $340.74 |
| Replacement Year | 2015-2016 | Monthly Interest Contribution | $3.02 |
| | | Total Monthly Contribution | $343.76 |

Comments:

| | | | | | |
|---|---|---|---|---|---|
| | Unit Buildings*: | | | | |
| 329 | medium size "box" lanterns | @ | $125.00 | = | $41,125.00 |
| | Cabana: | | | | |
| 10 | large "box" lanterns | @ | $150.00 | = | $1,500.00 |
| 4 | recessed spot fixtures | @ | $115.00 | = | $460.00 |
| | | | TOTAL | = | $43,085.00 |

* This inventory includes only the fixtures that are believed to be "common area" fixtures. According to the association, light fixtures that are actuated from within (or separately metered to) a unit are the unit owner's responsibility to maintain. Based on our site inspection, we believe that the recessed spot fixtures located near most unit front doors and the small "box" lanterns located at the balcony and patio areas are the responsibility of the unit owners to maintain.

The association spent $695 on common area lighting replacement during 2003.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Lighting - Grounds

| | | | |
|---|---|---|---|
| Category | 050 Lighting | Quantity | 1 total |
| GL Code | 2500-001 Grounds | Unit Cost | $22,875.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $22,875.00 |
| Placed In Service | 06/95 | Future Cost | $30,013.98 |
| Useful Life | 20 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 11 | Monthly Member Contribution | $180.91 |
| Replacement Year | 2015-2016 | Monthly Interest Contribution | $1.60 |
| | | Total Monthly Contribution | $182.51 |

Comments:

| | | | | | | |
|---|---|---|---|---|---|---|
| 12 | - bollard lights* | @ | $875.00 | = | $10,500.00 |
| 6 | - 8' pole lights** | @ | $1,850.00 | = | $11,100.00 |
| 5 | - step illumination fixtures*** | @ | $255.00 | = | $1,275.00 |
| | | | TOTAL | = | $22,875.00 |

* These are good quality metal bollard fixtures. The inventory for this component has been provided by the client in the form of a previous reserve study.

** These pole lights consist of a metal pole with an architecturally sculpted base and large vapor lantern fixture. The inventory for this component has been provided by the client in the form of a previous reserve study.

*** These are the wall-mounted step illumination fixtures located near the spa.

The street lights throughout the community consist of tall concrete light standards with metal mounting arms and "cobra" style vapor light fixtures. We have excluded budgeting for these lights because they have "E" tags indicating that they are owned and maintained by the association's electric utility provider or the city.

# Sample Condominium Association

## Component Detail

### Sorted by Category

We have excluded budgeting for the miscellaneous landscape flood lights at the pool area and elsewhere within the community as it is anticipated that they will be replaced on an "as needed" basis using the association's operating and/or reserve contingency funds.

## Cabana - Ceramic Tile

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 total |
| GL Code | 2500-003 Recreation | Unit Cost | $5,145.000 |
| | | % of Replacement | 103.00% |
| | | Current Cost | $5,299.35 |
| Placed In Service | 06/95 | Future Cost | $8,900.69 |
| Useful Life | 30 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 21 | Monthly Member Contribution | $22.55 |
| Replacement Year | 2025-2026 | Monthly Interest Contribution | $0.20 |
| | | Total Monthly Contribution | $22.75 |

Comments:

This is the ceramic tile in the restrooms:

| | | | | | |
|---|---|---|---|---|---|
| 210 | sq. ft. of floor tile | @ | $12.50 | = | $2,625.00 |
| 180 | sq. ft. of wall tile | @ | $14.00 | = | $2,520.00 |
| | | | TOTAL | = | $5,145.00 |

The unit cost indicated represents the actual area to be replaced. The percentage of replacement has been increased above 100% to allow for a waste factor which should be considered when replacing this component.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Cabana - Doors

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 total |
| GL Code | 2500-003 Recreation | Unit Cost | $1,620.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $1,620.00 |
| Placed In Service | 06/95 | Future Cost | $2,023.16 |
| Useful Life | 18 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 9 | Monthly Member Contribution | $15.57 |
| Replacement Year | 2013-2014 | Monthly Interest Contribution | $0.14 |
| | | Total Monthly Contribution | $15.71 |

Comments:


These are metal doors:

| | | | | | |
|---|---|---|---|---|---|
| | Restrooms: | | | | |
| 2 | - 3' x 6'8" doors | @ | $515.00 | = | $1,030.00 |
| | Pump Room: | | | | |
| 1 | - 3' x 6'8" door w/full louvered panel | @ | $590.00 | = | $590.00 |
| | | | TOTAL | = | $1,620.00 |

These metal doors were painted in November 2001 for a cost of $407.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Cabana - Plumbing Fixtures

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 total |
| GL Code | 2500-003 Recreation | Unit Cost | $4,019.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $4,019.00 |
| Placed In Service | 06/95 | Future Cost | $6,750.24 |
| Useful Life | 30 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 21 | Monthly Member Contribution | $17.10 |
| Replacement Year | 2025-2026 | Monthly Interest Contribution | $0.15 |
| | | Total Monthly Contribution | $17.25 |

Comments:

| | | | | | | |
|---|---|---|---|---|---|---|
| 7 | lin. ft. of counter top* | @ | $62.00 | = | $434.00 |
| 2 | toilets, tank type | @ | $675.00 | = | $1,350.00 |
| 2 | sinks, counter oval | @ | $490.00 | = | $980.00 |
| 1 | urinal, wall mount | @ | $695.00 | = | $695.00 |
| 1 | drinking fountain, stainless | @ | $560.00 | = | $560.00 |
| | | | TOTAL | = | $4,019.00 |

* These are laminated plastic counter tops. Interim replacement, if required, should be addressed as a maintenance issue.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Cabana - Restroom Partitions

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 total |
| GL Code | 2500-003 Recreation | Unit Cost | $2,575.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $2,575.00 |
| Placed In Service | 06/95 | Future Cost | $2,986.21 |
| Useful Life | 15 | | |
| | | Assigned Reserves at FYB | $1,545.00 |
| Remaining Life | 6 | Monthly Member Contribution | $15.45 |
| Replacement Year | 2010-2011 | Monthly Interest Contribution | $2.64 |
| | | Total Monthly Contribution | $18.09 |

Comments:

These are laminated plastic restroom partitions:

| | | | | | |
|---|---|---|---|---|---|
| 2 | toilet partitions | @ | $1,050.00 | = | $2,100.00 |
| 1 | urinal partition | @ | $475.00 | = | $475.00 |
| | | | TOTAL | = | $2,575.00 |

# Sample Condominium Association

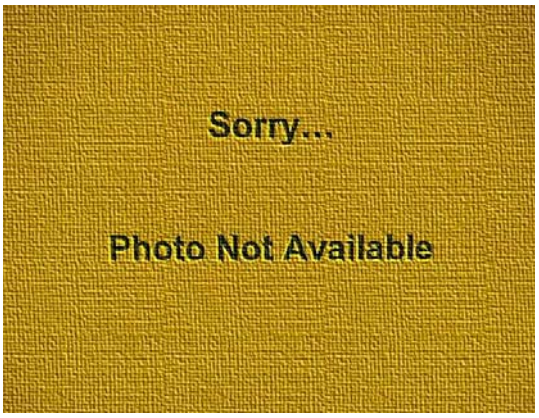
## Component Detail

### Sorted by Category

## Cabana - Water Heater

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 heater |
| GL Code | 2500-002 Buildings | Unit Cost | $775.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $775.00 |
| Placed In Service | 06/95 | Future Cost | $794.38 |
| Useful Life | 10 | | |
| | | Assigned Reserves at FYB | $697.50 |
| Remaining Life | 1 | Monthly Member Contribution | $6.88 |
| Replacement Year | 2005-2006 | Monthly Interest Contribution | $1.19 |
| | | Total Monthly Contribution | $8.07 |

Comments:




At our March 2000 and subsequent field inspections, we were unable to gain access to the water heater. For the purposes of this analysis, we have estimated that there is one original 40 gallon natural gas water heater.

# Sample Condominium Association

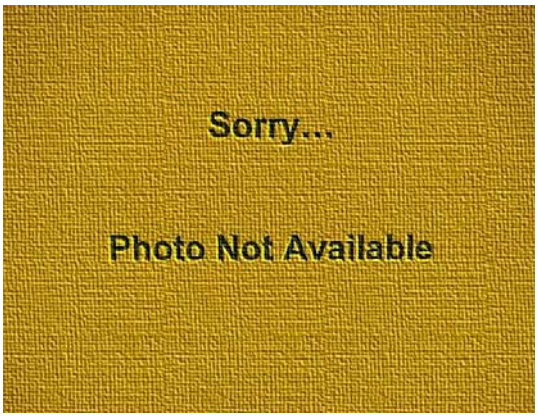
## Component Detail

### Sorted by Category

## Pool - Filter

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 filter |
| GL Code | 2500-003 Recreation | Unit Cost | $1,200.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $1,200.00 |
| Placed In Service | 02/01 | Future Cost | $1,462.08 |
| Useful Life | 12 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 8 | Monthly Member Contribution | $12.94 |
| Replacement Year | 2012-2013 | Monthly Interest Contribution | $0.11 |
| | | Total Monthly Contribution | $13.05 |

Comments:




This filter has a filter surface area of 72 sq. ft.

The association replaced the pool and spa filters in February 2001 for a total cost of $1,590.

The inventory for this component has been provided by the association's pool maintenance contractor.

# Sample Condominium Association

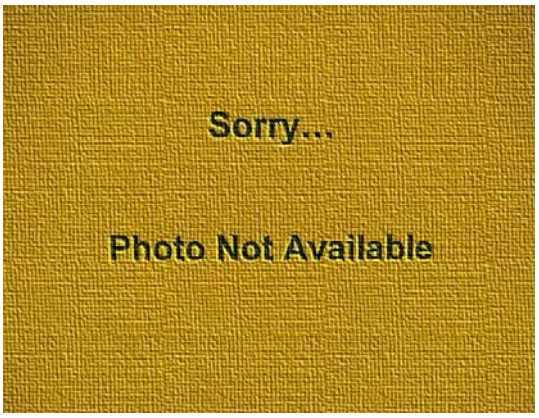
## Component Detail

### Sorted by Category

## Pool - Heater

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 heater |
| GL Code | 2500-003 Recreation | Unit Cost | $2,500.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $2,500.00 |
| Placed In Service | 06/00 | Future Cost | $3,046.01 |
| Useful Life | 12 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 8 | Monthly Member Contribution | $26.97 |
| Replacement Year | 2012-2013 | Monthly Interest Contribution | $0.24 |
| | | Total Monthly Contribution | $27.21 |

Comments:




This heater has an input capacity of 405K BTU/hr.

The association replaced the pool and spa heaters in June 2000 for a total cost of $3,920.

The inventory for this component has been provided by the association's pool maintenance contractor.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Pool - Replaster & Tile Replace

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 pool |
| GL Code | 2500-003 Recreation | Unit Cost | $6,042.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $6,042.00 |
| Placed In Service | 06/00 | Future Cost | $6,193.05 |
| Useful Life | 10 | | |
| Adjustment | -5 | Assigned Reserves at FYB | $4,833.60 |
| Remaining Life | 1 | Monthly Member Contribution | $104.54 |
| Replacement Year | 2005-2006 | Monthly Interest Contribution | $8.75 |
| | | Total Monthly Contribution | $113.29 |

Comments:

| | | | | | | |
|---|---|---|---|---|---|---|
| 1,020 | sq. ft. of replastering | @ | $4.60 | = | $4,692.00 |
| 135 | lin. ft. of trim tile | @ | $10.00 | = | $1,350.00 |
| | | | TOTAL | = | $6,042.00 |

The pool and spa were replastered in March 2000 for a total cost of approximately $6,700.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

The association acid washed the pool in June 2002 for a total cost of $675.

The remaining life of this component has been decreased due to its condition at our most recent field inspection.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Pool Area - Barbecues

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 2 BBQ's |
| GL Code | 2500-003 Recreation | Unit Cost | $865.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $1,730.00 |
| Placed In Service | 10/02 | Future Cost | $1,909.60 |
| Useful Life | 6 | | |
| | | Assigned Reserves at FYB | $508.82 |
| Remaining Life | 4 | Monthly Member Contribution | $26.29 |
| Replacement Year | 2008-2009 | Monthly Interest Contribution | $1.06 |
| | | Total Monthly Contribution | $27.35 |

Comments:

The association replaced these natural gas "built-in" barbecues in October 2002 for a total cost of $1,646.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Pool Area - Ceramic Tile

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 total |
| GL Code | 2500-003 Recreation | Unit Cost | $4,870.500 |
| | | % of Replacement | 103.00% |
| | | Current Cost | $5,016.62 |
| Placed In Service | 06/95 | Future Cost | $6,582.23 |
| Useful Life | 20 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 11 | Monthly Member Contribution | $39.67 |
| Replacement Year | 2015-2016 | Monthly Interest Contribution | $0.35 |
| | | Total Monthly Contribution | $40.02 |

Comments:

| | | | | | |
|---|---|---|---|---|---|
| 195 | sq. ft. of shower tile | @ | $15.50 | = | $3,022.50 |
| 42 | sq. ft. of counter top* | @ | $44.00 | = | $1,848.00 |
| | | | TOTAL | = | $4,870.50 |

* This is the ceramic tile counter top at the barbecue area.

The unit cost indicated represents the actual area to be replaced. The percentage of replacement has been increased above 100% to allow for a waste factor which should be considered when replacing this component.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Pool Area - Deck Drains

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 138 lin. ft. |
| GL Code | 2500-003 Recreation | Unit Cost | $19.500 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $2,691.00 |
| Placed In Service | 06/95 | Future Cost | $2,970.36 |
| Useful Life | 10 | | |
| Adjustment | +3 | Assigned Reserves at FYB | $1,863.00 |
| Remaining Life | 4 | Monthly Member Contribution | $18.53 |
| Replacement Year | 2008-2009 | Monthly Interest Contribution | $3.18 |
| | | Total Monthly Contribution | $21.71 |

Comments:

These are the 4.5" plastic drain grates in the pool deck.

The remaining life of this component has been extended due to its condition at our most recent field inspection.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Pool Area - Furniture (Refurbish)

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 total |
| GL Code | 2500-003 Recreation | Unit Cost | $8,020.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $8,020.00 |
| Placed In Service | 06/95 | Future Cost | $10,786.01 |
| Useful Life | 12 | | |
| Adjustment | -4 | Assigned Reserves at FYB | $8,020.00 |
| Remaining Life | 0 | Monthly Member Contribution | $58.30 |
| Replacement Year | 2004-2005 | Monthly Interest Contribution | $0.52 |
| | | Total Monthly Contribution | $58.82 |

Comments:

This is Tropitone "sling" type furniture:

| | | | | | |
|---|---|---|---|---|---|
| 26 | chaise lounges w/arms | @ | $140.00 | = | $3,640.00 |
| 16 | brunch chairs | @ | $80.00 | = | $1,280.00 |
| 9 | tea tables | @ | $60.00 | = | $540.00 |
| 4 | brunch tables | @ | $180.00 | = | $720.00 |
| 4 | "market" style fabric umbrellas | @ | $460.00 | = | $1,840.00 |
| | | | TOTAL | = | $8,020.00 |

This component budgets for refurbishing of this furniture (except for the umbrellas; budgeted for complete replacement). Complete replacement of this furniture is budgeted for in the next component.

The association spent $1,780 during 2001 and $1,275 in late 2002 on repairs to this furniture.

The remaining life of this component has been decreased due to its condition at our most recent field inspection.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Pool Area - Furniture (Replace)

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 total |
| GL Code | 2500-003 Recreation | Unit Cost | $14,120.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $14,120.00 |
| Placed In Service | 06/95 | Future Cost | $16,374.87 |
| Useful Life | 12 | | |
| Adjustment | +3 | Assigned Reserves at FYB | $8,472.00 |
| Remaining Life | 6 | Monthly Member Contribution | $84.69 |
| Replacement Year | 2010-2011 | Monthly Interest Contribution | $14.46 |
| | | Total Monthly Contribution | $99.15 |

Comments:

This is Tropitone "sling" type furniture:

| | | | | | |
|---|---|---|---|---|---|
| 26 | chaise lounges w/arms | @ | $280.00 | = | $7,280.00 |
| 16 | brunch chairs | @ | $155.00 | = | $2,480.00 |
| 9 | tea tables | @ | $120.00 | = | $1,080.00 |
| 4 | brunch tables | @ | $360.00 | = | $1,440.00 |
| 4 | "market" style fabric umbrellas | @ | $460.00 | = | $1,840.00 |
| | | | TOTAL | = | $14,120.00 |

This component budgets for complete replacement of this furniture. Interim refurbishing of this furnuiture is budgeted for in the previous component.

The association spent $1,780 during 2001 and $1,275 in late 2002 on repairs to this furniture.

The remaining life of this component has been extended due to its condition at our most recent field inspection.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Pool Area - Mastic, Deck

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 760 lin. ft. |
| GL Code | 2500-003 Recreation | Unit Cost | $4.250 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $3,230.00 |
| Placed In Service | 06/02 | Future Cost | $3,565.32 |
| Useful Life | 6 | | |
| | | Assigned Reserves at FYB | $1,076.67 |
| Remaining Life | 4 | Monthly Member Contribution | $46.45 |
| Replacement Year | 2008-2009 | Monthly Interest Contribution | $2.15 |
| | | Total Monthly Contribution | $48.60 |

Comments:

| | | |
|---|---|---|
| pool deck | 485 | lin. ft. |
| deck drains | 275 | |
| | 760 | lin. ft. |

The association replaced all of the mastic material at the pool area in June 2002 for a total cost of $3,776.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Mastic material (deck caulking) prevents moisture from seeping through the expansion joints in the concrete pool deck, which otherwise could result in cracking these surfaces. The mastic material should be carefully monitored for deterioration and replaced as soon as water tight integrity is lost.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Pool Area - Mastic, Pool/Spa

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 173 lin. ft. |
| GL Code | 2500-003 Recreation | Unit Cost | $4.250 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $735.25 |
| Placed In Service | 06/02 | Future Cost | $772.47 |
| Useful Life | 4 | | |
| | | Assigned Reserves at FYB | $367.62 |
| Remaining Life | 2 | Monthly Member Contribution | $15.77 |
| Replacement Year | 2006-2007 | Monthly Interest Contribution | $0.73 |
| | | Total Monthly Contribution | $16.50 |

Comments:

| | | |
|---|---|---|
| pool | 142 | lin. ft. |
| spa | 31 | |
| | 173 | lin. ft. |

The mastic directly adjacent to the pool and spa was replaced in March 2000 in conjunction with the replastering of the pool and spa. The association replaced all of the mastic material at the pool area in June 2002 for a total cost of $3,776.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Pool Area - Patio Cover Structures

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 780 sq. ft. |
| GL Code | 2500-003 Recreation | Unit Cost | $18.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $14,040.00 |
| Placed In Service | 06/95 | Future Cost | $18,421.70 |
| Useful Life | 20 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 11 | Monthly Member Contribution | $111.04 |
| Replacement Year | 2015-2016 | Monthly Interest Contribution | $0.98 |
| | | Total Monthly Contribution | $112.02 |

Comments:

These are the decorative wood "patio cover" structures at the entrances to the pool area and near the spa. These structures are mounted on top of plastic "pillars" (which likely have steel support within).

# Sample Condominium Association

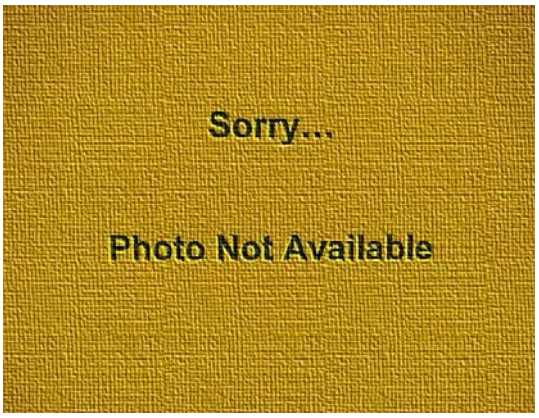
## Component Detail

### Sorted by Category

## Spa - Filter

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 filter |
| GL Code | 2500-003 Recreation | Unit Cost | $1,200.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $1,200.00 |
| Placed In Service | 02/01 | Future Cost | $1,391.63 |
| Useful Life | 10 | | |
| | | Assigned Reserves at FYB | $428.57 |
| Remaining Life | 6 | Monthly Member Contribution | $11.23 |
| Replacement Year | 2010-2011 | Monthly Interest Contribution | $0.79 |
| | | Total Monthly Contribution | $12.02 |

Comments:




This filter has a filter surface area of 72 sq. ft.

The association replaced the pool and spa filters in February 2001 for a total cost of $1,590.

The inventory for this component has been provided by the association's pool maintenance contractor.

# Sample Condominium Association

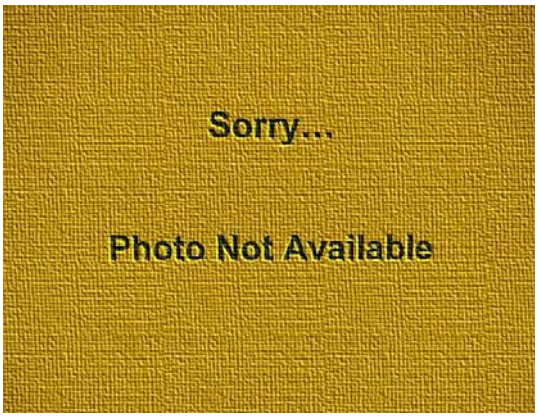
## Component Detail

### Sorted by Category

## Spa - Heater

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 heater |
| GL Code | 2500-003 Recreation | Unit Cost | $2,500.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $2,500.00 |
| Placed In Service | 06/00 | Future Cost | $2,899.23 |
| Useful Life | 10 | | |
| | | Assigned Reserves at FYB | $1,000.00 |
| Remaining Life | 6 | Monthly Member Contribution | $21.92 |
| Replacement Year | 2010-2011 | Monthly Interest Contribution | $1.81 |
| | | Total Monthly Contribution | $23.73 |

Comments:




This heater has an input capacity of 405K BTU/hr.

The association replaced the pool and spa heaters in June 2000 for a total cost of $3,920.

The inventory for this component has been provided by the association's pool maintenance contractor.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Spa - Replaster & Tile Replace

| | | | |
|---|---|---|---|
| Category | 060 Pool Area | Quantity | 1 spa |
| GL Code | 2500-003 Recreation | Unit Cost | $2,170.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $2,170.00 |
| Placed In Service | 06/00 | Future Cost | $2,395.27 |
| Useful Life | 8 | | |
| | | Assigned Reserves at FYB | $1,085.00 |
| Remaining Life | 4 | Monthly Member Contribution | $23.65 |
| Replacement Year | 2008-2009 | Monthly Interest Contribution | $1.97 |
| | | Total Monthly Contribution | $25.62 |

Comments:

| | | | | | |
|---|---|---|---|---|---|
| 1 | spa replastering (54 sq. ft.) | @ | $1,700.00 | = | $1,700.00 |
| 30 | lin. ft. of step/bench tile | @ | $7.00 | = | $210.00 |
| 26 | lin. ft. of trim tile | @ | $10.00 | = | $260.00 |
| | | | TOTAL | = | $2,170.00 |

The pool and spa were replastered in March 2000 for a total cost of approximately $6,700.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Decks - Clean & Top Coat

| | | | |
|---|---|---|---|
| Category | 070 Decks | Quantity | 12,192 sq. ft. |
| GL Code | 2500-002 Buildings | Unit Cost | $1.950 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $23,774.40 |
| Placed In Service | 01/04 | Future Cost | $24,977.98 |
| Useful Life | 3 | | |
| | | Assigned Reserves at FYB | $4,099.03 |
| Remaining Life | 2 | Monthly Member Contribution | $837.08 |
| Replacement Year | 2006-2007 | Monthly Interest Contribution | $14.06 |
| | | Total Monthly Contribution | $851.14 |

Comments:

The association cleaned and top coated the decks throughout the community in November 2000 for a total cost of $23,511.

The cost for this component is based on actual quotations provided to the client, and has been adjusted for inflation where applicable.

The inventory for this component has been provided by the client in the form of a previous reserve study.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Decks - Resurface

| | | | |
|---|---|---|---|
| Category | 070 Decks | Quantity | 12,192 sq. ft. |
| GL Code | 2500-002 Buildings | Unit Cost | $3.950 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $48,158.40 |
| Placed In Service | 01/04 | Future Cost | $54,486.81 |
| Useful Life | 6 | | |
| | | Assigned Reserves at FYB | $3,704.49 |
| Remaining Life | 5 | Monthly Member Contribution | $762.69 |
| Replacement Year | 2009-2010 | Monthly Interest Contribution | $12.76 |
| | | Total Monthly Contribution | $775.45 |

Comments:

The decks are being resurfaced in January 2004 for a total cost of $46,851. The new deck surface will carry a 5 year warranty, after which time the condition of the decks should be reevaluated. For budgeting purposes, we have used a useful life of 6 years for the future resurfacing cycle of the decks.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Fire Alarm Control Panels

| | | | |
|---|---|---|---|
| Category | 080 Miscellaneous | Quantity | 17 panels |
| GL Code | 2500-002 Buildings | Unit Cost | $2,550.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $43,350.00 |
| Placed In Service | 06/95 | Future Cost | $44,433.75 |
| Useful Life | 10 | | |
| | | Assigned Reserves at FYB | $39,015.00 |
| Remaining Life | 1 | Monthly Member Contribution | $385.01 |
| Replacement Year | 2005-2006 | Monthly Interest Contribution | $66.56 |
| | | Total Monthly Contribution | $451.57 |

Comments:

Each residential building has a Fire Lite Alarms, Inc. Miniscan 4024 fire alarm control panel.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Fire Extinguisher Cabinets

| | | | |
|---|---|---|---|
| Category | 080 Miscellaneous | Quantity | 65 cabinets |
| GL Code | 2500-002 Buildings | Unit Cost | $310.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $20,150.00 |
| Placed In Service | 06/95 | Future Cost | $26,438.55 |
| Useful Life | 20 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 11 | Monthly Member Contribution | $159.36 |
| Replacement Year | 2015-2016 | Monthly Interest Contribution | $1.41 |
| | | Total Monthly Contribution | $160.77 |

Comments:

Most of these metal fire extinguisher cabinets are mounted in a recessed configuration.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Fire Sprinkler System Inspection

| | | | |
|---|---|---|---|
| Category | 080 Miscellaneous | Quantity | 1 total |
| GL Code | 2500-002 Buildings | Unit Cost | $2,725.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $2,725.00 |
| Placed In Service | 06/02 | Future Cost | $2,934.53 |
| Useful Life | 5 | | |
| | | Assigned Reserves at FYB | $1,090.00 |
| Remaining Life | 3 | Monthly Member Contribution | $46.90 |
| Replacement Year | 2007-2008 | Monthly Interest Contribution | $2.18 |
| | | Total Monthly Contribution | $49.08 |

Comments:

The association received a 5 year fire sprinkler system inspection certificate in February 2002 for a total cost of $2,550.

According to the association, the fire sprinkler system requires an inspection for a Fire Code Title 19 certificate every 5 years.

The current cost used for this component is based on actual expenditures incurred at last inspection/certification, and has been adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Irrigation Controllers

| | | | |
|---|---|---|---|
| Category | 080 Miscellaneous | Quantity | 4 controllers |
| GL Code | 2500-001 Grounds | Unit Cost | $6,600.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $26,400.00 |
| Placed In Service | 06/95 | Future Cost | $28,429.91 |
| Useful Life | 12 | | |
| | | Assigned Reserves at FYB | $19,800.00 |
| Remaining Life | 3 | Monthly Member Contribution | $196.41 |
| Replacement Year | 2007-2008 | Monthly Interest Contribution | $33.79 |
| | | Total Monthly Contribution | $230.20 |

Comments:

These are CalSense (model 2000) 40 station irrigation controllers.

The inventory for this component has been provided by the association's landscape maintenance contractor.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Mailboxes

| | | | |
|---|---|---|---|
| Category | 080 Miscellaneous | Quantity | 10 structures |
| GL Code | 2500-001 Grounds | Unit Cost | $525.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $5,250.00 |
| Placed In Service | 06/95 | Future Cost | $6,088.39 |
| Useful Life | 15 | | |
| | | Assigned Reserves at FYB | $3,150.00 |
| Remaining Life | 6 | Monthly Member Contribution | $31.49 |
| Replacement Year | 2010-2011 | Monthly Interest Contribution | $5.38 |
| | | Total Monthly Contribution | $36.87 |

Comments:

These "wall mount" type mailbox clusters are located in ten stucco-covered structures throughout the community:

| | | |
|---|---|---|
| 15 mailbox clusters | 4 | clusters |
| 20 mailbox clusters | 3 | |
| 24 mailbox clusters | 3 | |
| double parcel lockers | 7 | |
| triple parcel lockers | 3 | |
| | 20 | clusters |

According to the association, the U.S. Post Office owns and maintains the mailbox clusters. The association, however, is responsible for repairs and maintenance of the stucco structures that house the mailboxes. We have budgeted for repairs to these structures that may be required at the time the mailbox clusters are replaced.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Monument Signs

| | | | |
|---|---|---|---|
| Category | 080 Miscellaneous | Quantity | 2 signs |
| GL Code | 2500-001 Grounds | Unit Cost | $1,700.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $3,400.00 |
| Placed In Service | 06/95 | Future Cost | $3,485.00 |
| Useful Life | 10 | | |
| | | Assigned Reserves at FYB | $3,060.00 |
| Remaining Life | 1 | Monthly Member Contribution | $30.20 |
| Replacement Year | 2005-2006 | Monthly Interest Contribution | $5.22 |
| | | Total Monthly Contribution | $35.42 |

Comments:


Each monument sign has a 2' x 3.5' plastic map attached to a stucco-coated "wall."

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Patio Cover Structures

| | | | |
|---|---|---|---|
| Category | 080 Miscellaneous | Quantity | 384 sq. ft. |
| GL Code | 2500-001 Grounds | Unit Cost | $18.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $6,912.00 |
| Placed In Service | 06/95 | Future Cost | $9,069.14 |
| Useful Life | 20 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 11 | Monthly Member Contribution | $54.66 |
| Replacement Year | 2015-2016 | Monthly Interest Contribution | $0.48 |
| | | Total Monthly Contribution | $55.14 |

Comments:

These are the "patio structure" arbors that exist at many of the walkways throughout the community. These structures are mounted on top of plastic "pillars" (which likely have steel support within).

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Termite Control

| | | | |
|---|---|---|---|
| Category | 080 Miscellaneous | Quantity | 1 total |
| GL Code | 2500-002 Buildings | Unit Cost | $124,800.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $124,800.00 |
| Placed In Service | 06/95 | Future Cost | $144,729.74 |
| Useful Life | 15 | | |
| | | Assigned Reserves at FYB | $16,877.30 |
| Remaining Life | 6 | Monthly Member Contribution | $1,551.52 |
| Replacement Year | 2010-2011 | Monthly Interest Contribution | $41.08 |
| | | Total Monthly Contribution | $1,592.60 |

Comments:

| | | | | | |
|---|---|---|---|---|---|
| 2 | - cabana/pump room buildings | @ | $1,250.00 | = | $2,500.00 |
| 4 | - 6 unit buildings | @ | $4,900.00 | = | $19,600.00 |
| 13 | - 11 unit buildings | @ | $7,900.00 | = | $102,700.00 |
| | | | TOTAL | = | $124,800.00 |

Effective September 25, 1987, an amendment to Civil Code Section 1364 relating to responsibilities for the repair and maintenance of termite damage in various types of common interest developments was signed into California law as follows:

Section 1364(b):

(1) In a community apartment project, condominium project, or stock cooperative, as defined in Section 1351, unless otherwise provided in the declaration, the association is responsible for the repair and maintenance of the common area occasioned by the presence of wood-destroying pests or organisms.

(2) In a planned development, unless a different maintenance scheme is provided in the declaration, each owner of a

separate interest is responsible for the repair and maintenance of that separate interest as may be occasioned by the presence of wood-destroying pests or organisms. Upon approval of the majority of all members of the association, the responsibility for such repair and maintenance may be delegated to the association, which shall be entitled to recover the cost thereof as a special assessment.

Section 1364(c):

The cost of temporary relocation during the repair and maintenance of the areas within the responsibility of the association shall be borne by the owner of the separate interest affected.

Please see the appropriate code sections for further details.

The consensus of pest control companies operating in this geographic area is that all buildings can be considered to warrant fumigation by 15 years of age. Additionally, it is recommended that each client provide a line item in their operating budget for "local treatments" annually which would include a provision for subterranean termites.

Due to the nature and size of this expense, it is appropriate to budget for "tenting" each building in the community on a 15 year cycle.

# Sample Condominium Association

## Component Detail

### Sorted by Category

## Utility Closet Doors

| | | | |
|---|---|---|---|
| Category | 080 Miscellaneous | Quantity | 1 total |
| GL Code | 2500-002 Buildings | Unit Cost | $41,940.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $41,940.00 |
| Placed In Service | 06/95 | Future Cost | $52,377.31 |
| Useful Life | 18 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 9 | Monthly Member Contribution | $403.21 |
| Replacement Year | 2013-2014 | Monthly Interest Contribution | $3.58 |
| | | Total Monthly Contribution | $406.79 |

Comments:

These are metal doors:

| | | | | | |
|---|---|---|---|---|---|
| 68 | - 2.5' x 6'8" doors w/2 vents | @ | $460.00 | = | $31,280.00 |
| 26 | - 2.5' x 6'8" doors | @ | $410.00 | = | $10,660.00 |
| | | | TOTAL | = | $41,940.00 |

The association repaired and painted these doors on an "as needed" basis during their 2001-02 fiscal year for a total cost of $2,652.

# Sample Condominium Association

## Detail Report Index

# Sample Condominium Association

## Detail Report Index



Number of components included in this reserve analysis is 45.