RESERVE ANALYSIS REPORT

Condominium Sample Report

Any City, Any State Version 1 Friday, July 31, 2015





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

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♦ ♦ ♦ 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.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget

Amount recommended to be transferred into the reserve account for 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 goals/ objectives. The Board should have a clear understanding of the differences among these funding goals/objectives 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. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "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.

♦ ♦ ♦ RESERVE FUNDING GOALS / OBJECTIVES ♦ ♦ ♦ ♦

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding

Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding

Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

Threshold Funding

Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding

Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/ objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

Component Calculation Method

This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line"

method and is widely believed to be the most conservative reserve funding method. 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. The following is a detailed description of the component calculation method:

Step 1: Calculation of fully funded balance for each component

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

Fully Funded Balance = $\frac{Age}{Useful Life}$ X 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 fully funded 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 fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded 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 a "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.

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 precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The component calculation method is typically used for well-funded associations (greater that 65% funded) with a goal/ objective of full funding.

Cash Flow Calculation Method

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding).

Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The cash flow calculation method is typically used for under-funded associations (less than 65% funded) with a goal/ objective of full funding, threshold funding, baseline funding or statutory funding.

◆ ◆ ◆ ◆ READING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

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. 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.

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.



Calculation of Percent Funded

Summary displays all reserve components, shown here in "category" order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.



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. 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.



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 fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.



♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦

Annual Contribution Increase Parameter

The rate used in the calculation of the funding plan. 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 "reserve funding 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.

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.

Cash Flow Calculation Method

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

Component Calculation Method

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

Contingency Parameter

The rate used as a built-in buffer in the calculation of the funding plan. 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.

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.

Fully Funded 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. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

Fully Funded Reserves = $\frac{Age}{Useful Life}$ X Current Replacement Cost

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded 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.

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 also "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 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.

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.

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.

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 commercial/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 fully funded reserve balance:

Percent Funded = <u>Anticipated Reserve Fund Balance</u> Fully Funded 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.

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.

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."

♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS • ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

Executive Summary Component Calculation Method

Client Information:

Account Number	70007
Version Number	1
Analysis Date	7/31/2015
Fiscal Year	1/1/2016 to 12/31/2016
Number of Units	13
Phasing	1 of 1

Global Parameters:

Inflation Rate	3.00 %
Annual Contribution Increase	3.00 %
Investment Rate	1.00 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

This building was constructed in 1994

For budgeting purposes, unless otherwise indicated, we have used January 1994 as the average placed-in-service date for aging the original components included in this analysis.

Many of the components in this analysis have been repaired, replaced or otherwise maintained since original installation. When known, the date of the last repair, replacement or other maintenance has been used as the placed-in-service date for aging each component; when this date is unknown, it has been estimated based on the component's condition at our most recent field inspection.

ARS field inspection: November 20, 2009 ARS update field inspection: May 5, 2013

Adequacy of Reserves as of January 1, 2016:

Anticipated Reserve Balance	\$111,151.00
Fully Funded Reserve Balance	\$295,765.74
Percent Funded	37.58%

			Per Unit
Recommended Funding for the 2016 Fiscal Year:	Annual	Monthly	Per Month
Member Contribution	\$48,874	\$4,072.83	\$313.29
Interest Contribution	\$628	\$52.37	\$4.03
Total Contribution	\$49,502	\$4,125.19	\$317.32

Preparer's Disclosure Statement

PREPARER'S DISCLOSURE STATEMENT

The level of Reserve Study performed: Update with no visual site inspection Level III

Your reserve consultant for this job is: Jim Moore

Jim Moore is a designated Reserve Specialist (RS). He worked as a project manager on large commercial and residential projects and was the President of his own company before becoming a Reserve Specialist. He is experienced in cost estimating and preparing budgets for construction projects as well as non-profit organizations.

for construction projects as well as non-profit organizations.

Consultant advises that:

1. Consultant has no other involvement with this association which could result in an actual or perceived conflict of interest.

2. Consultant made a field inspection of this property on May, 15 2013. Component inventories were developed by actual field inventory, representative sampling or were provided by the association's previous reserve analysis.

3. Component conditional assessments were developed by actual field observations and representative sampling.

4. Financial assumptions used in this analysis are listed on the Executive Summary and further explained in the Preface of this report.

5. There are no material issues known to consultant at this time which would cause a distortion of the association's situation.

WA STATE SENATE BILL 6215 DISCLOSURE

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

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Roof			• · • - • • • •	•
Roof	13	20	\$19,765.00	\$6,700.00
Sub Total	13	20	\$19,765.00	\$6,700.00
020 Painting & Siding				
Painting - Exterior, Stucco	0	13	\$35,520.00	\$35,520.00
Painting - Interior Foyer, Stairwells	3	15	\$16,329.50	\$13,063.60
Painting - Interior Hallways	5	10	\$3,772.00	\$1,854.03
Painting - Metal Trim	0	10	\$5,520.00	\$5,520.00
Siding - Vinyl	8	30	\$6,970.00	\$5,111.33
Sub Total	0-8	10-30	\$68,111.50	\$61,068.97
030 Lighting				
Lighting - Building Exterior	3	25	\$4,840.00	\$4,259.20
Lighting - Building Interior	8	30	\$20,440.00	\$14,989.33
Sub Total	3-8	25-30	\$25,280.00	\$19,248.53
040 Building				
Building - Access Phone System	0	22	\$3,000.00	\$3,000.00
Building - Breezeway Decking, Resurface	18	20	\$5,492.00	\$356.62
Building - Doors, Garage Upper Level	3	25	\$1,400.00	\$1,232.00
Building - Doors, Exterior & Interior	3	25	\$8,900.00	\$7,832.00
Building - Doors, Garage Lower Level	3	25	\$3,750.00	\$3,300.00
Building - Elevator, Cab Refurbish	6	20	\$2,500.00	\$1,750.00
Building - Elevator, Major Rehab	13	35	\$20,000.00	\$12,571.43
Building - Fire Alarm System	4	15	\$3,000.00	\$2,200.00
Building - Interior, Carpeting Foyer & Hallways	5	10	\$14,997.12	\$7,371.47
Building - Interior, Carpeting Stairwells	3	15	\$7,383.00	\$5,864.21
Building - Interior, Furniture	8	30	\$11,550.00	\$8,470.00
Building - Interior, Heating	8	30	\$1,000.00	\$733.33
Building - Interior, Mailboxes	8	30	\$420.00	\$308.00
Building - Interior, Tile	8	30	\$6,399.75	\$4,693.15
Building - Patio Railing	8	30	\$33,600.00	\$24,640.00
Building - Surveilance Equipment	7	10	\$8,541.00	\$2,562.30
Building - Windows	8	30	\$141,940.00	\$104,089.33
Sub Total	0-18	10-35	\$273,872.87	\$190,973.85
050 Grounds				
Grounds - Entry Water Feature	8	30	\$4,000.00	\$2,933.33

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Grounds - Fencing	8	30	\$2,016.00	\$1,478.40
Sidewalks - Tile	8	30	\$5,040.00	\$3,696.00
Sub Total	8	30	\$11,056.00	\$8,107.73
060 Unfunded				
Building - Decking, Clean & Seal. Unfunded	n.a.	n.a.	\$7,440.00	\$1,052.12
Sidewalks & Drives - Concrete. Unfunded	n.a.	n.a.	\$0.00	\$0.00
Sub Total	n.a.	n.a.	\$7,440.00	\$1,052.12
Contingency	n.a.	n.a.	n.a.	\$8,614.54
Total	0-18	10-35	\$405,525.37	\$295,765.74
Anticipated Reserve Balance				\$111,151.00
Percent Funded				37.58%

Management / Accounting Summary Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
<u>010 Roof</u>				
Roof	\$0.00	\$148.41	\$0.48	\$148.89
Sub Total	\$0.00	\$148.41	\$0.48	\$148.89
020 Painting & Siding				
Painting - Exterior, Stucco	\$35,520.00	\$335.67	\$1.08	\$336.75
Painting - Interior Foyer, Stairwells	\$13,063.60	\$120.18	\$8.03	\$128.22
Painting - Interior Hallways	\$1,854.03	\$37.86	\$1.21	\$39.06
Painting - Metal Trim	\$5,520.00	\$98.77	\$0.32	\$99.08
Siding - Vinyl	\$0.00	\$80.56	\$0.26	\$80.82
Sub Total	\$55,957.63	\$673.04	\$10.89	\$683.93
030 Lighting				
Lighting - Building Exterior	\$4,259.20	\$25.07	\$2.57	\$27.64
Lighting - Building Interior	\$0.00	\$236.25	\$0.76	\$237.01
Sub Total	\$4,259.20	\$261.32	\$3.33	\$264.65
040 Building				
Building - Access Phone System	\$3,000.00	\$15.77	\$0.05	\$15.82
Building - Breezeway Decking, Resurface	\$0.00	\$31.41	\$0.10	\$31.51
Building - Doors, Garage Upper Level	\$1,232.00	\$7.25	\$0.74	\$8.00
Building - Doors, Exterior & Interior	\$7,832.00	\$46.10	\$4.73	\$50.83
Building - Doors, Garage Lower Level	\$3,300.00	\$19.42	\$1.99	\$21.42
Building - Elevator, Cab Refurbish	\$1,750.00	\$14.65	\$1.07	\$15.72
Building - Elevator, Major Rehab	\$0.00	\$150.17	\$0.48	\$150.66
Building - Fire Alarm System	\$2,200.00	\$21.89	\$1.36	\$23.25
Building - Interior, Carpeting Foyer & Hallways	\$7,371.47	\$150.51	\$4.80	\$155.31
Building - Interior, Carpeting Stairwells	\$5,864.21	\$55.49	\$3.61	\$59.10
Building - Interior, Furniture	\$0.00	\$133.50	\$0.43	\$133.92
Building - Interior, Heating	\$733.33	\$4.48	\$0.44	\$4.93
Building - Interior, Mailboxes	\$308.00	\$1.88	\$0.19	\$2.07
Building - Interior, Tile	\$3,435.71	\$40.82	\$2.14	\$42.96
Building - Patio Railing	\$0.00	\$388.35	\$1.25	\$389.60
Building - Surveilance Equipment	\$2,562.30	\$83.00	\$1.77	\$84.77
Building - Windows	\$0.00	\$1,640.55	\$5.27	\$1,645.83

Management / Accounting Summary Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Sub Total	\$39,589.03	\$2,805.24	\$30.43	\$2,835.67
050 Grounds				
Grounds - Entry Water Feature	\$2,933.33	\$17.93	\$1.77	\$19.70
Grounds - Fencing	\$1,478.40	\$9.04	\$0.89	\$9.93
Sidewalks - Tile	\$3,696.00	\$22.59	\$2.24	\$24.82
Sub Total	\$8,107.73	\$49.55	\$4.90	\$54.46
060 Unfunded				
Building - Decking, Clean & Seal. Unfunded	\$0.00	\$16.65	\$0.05	\$16.70
Sidewalks & Drives - Concrete. Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total	\$0.00	\$16.65	\$0.05	\$16.70
Contingency	\$3,237.41	\$118.63	\$2.28	\$120.90
Total	\$111,151.00	\$4,072.83	\$52.37	\$4,125.19

Management / Accounting Charts Component Calculation Method; Sorted by Category



Management / Accounting Charts Component Calculation Method; Sorted by Category



Annual Expenditure Detail

Sorted by Description

2016 Fiscal Year	
Building - Access Phone System	\$3,000.00
Painting - Exterior, Stucco	\$35,520.00
Painting - Metal Trim	\$5,520.00
Sub Total	\$44,040.00
2019 Fiscal Year	
Building - Doors, Garage Upper Level	\$1,529.82
Building - Doors, Exterior & Interior	\$9,725.27
Building - Doors, Garage Lower Level	\$4,097.73
Building - Interior, Carpeting Stairwells	\$8,067.60
Lighting - Building Exterior	\$5,288.80
Painting - Interior Foyer, Stairwells	\$17,843.69
Sub Total	\$46,552.90
2020 Fiscal Year	
Building - Fire Alarm System	\$3,376.53
Sub Total	\$3,376.53
2021 Fiscal Year	
Building - Interior, Carpeting Foyer & Hallways	\$17,385.77
Painting - Interior Hallways	\$4,372.78
Painting - Metal Trim	\$6,399.19
Sub Total	\$28,157.75
2022 Fiscal Year	
Building - Elevator, Cab Refurbish	\$2,985.13
Sub Total	\$2,985.13
2023 Fiscal Year	
Building - Surveilance Equipment	\$10,504.35
Sub Total	\$10,504.35
2024 Fiscal Year	
Building - Interior, Furniture	\$14,631.19
Building - Interior, Heating	\$1,266.77
Building - Interior, Mailboxes	\$532.04
Building - Interior, Tile	\$8,107.01
Building - Patio Railing	\$42,563.47
Building - Windows	\$179,805.35
Grounds - Entry Water Feature	\$5,067.08

Annual Expenditure Detail

Sorted by Description

Grounds - Fencing	\$2,553.81
Lighting - Building Interior	\$25,892.78
Sidewalks - Tile	\$6,384.52
Siding - Vinyl	\$8,829.39
Sub Total	\$295,633.42
2026 Fiscal Year	
Painting - Exterior, Stucco	\$47,735.91
Painting - Metal Trim	\$7,418.42
Sub Total	\$55,154.33
2029 Fiscal Year	
Building - Elevator, Major Rehab	\$29,370.67
Building - Interior, Carpeting Stairwells	\$10,842.18
Painting - Interior Foyer, Stairwells	\$23,980.42
Roof	\$29,025.57
Sub Total	\$93,218.85
2031 Fiscal Year	
Building - Interior, Carpeting Foyer & Hallways	\$23,365.02
Painting - Interior Hallways	\$5,876.65
Painting - Metal Trim	\$8,599.98
Sub Total	\$37,841.66
2033 Fiscal Year	
Building - Surveilance Equipment	\$14,116.97
Sub Total	\$14,116.97
2034 Fiscal Year	
Building - Breezeway Decking, Resurface	\$9,349.76
Sub Total	\$9,349.76
2035 Fiscal Year	
Building - Fire Alarm System	\$5,260.52
Sub Total	\$5,260.52
2036 Fiscal Year	
Building - Access Phone System	\$5,418.33
Painting - Exterior, Stucco	\$64,153.07
Painting - Metal Trim	\$9,969.73
Sub Total	\$79,541.14

Annual Expenditure Detail

Sorted by Description

2039 Fiscal Year

Building - Doors, Garage Upper Level	\$2,763.02
Building - Doors, Exterior & Interior	\$17,564.92
Building - Doors, Garage Lower Level	\$7,400.95
Building - Interior, Carpeting Stairwells	\$14,570.99
Lighting - Building Exterior	\$9,552.16
Painting - Interior Foyer, Stairwells	\$32,227.68
Sub Total	\$84,079.72
2041 Fiscal Year	
Building - Interior, Carpeting Foyer & Hallways	\$31,400.64
Painting - Interior Hallways	\$7,897.73
Painting - Metal Trim	\$11,557.65
Sub Total	\$50,856.02
2042 Fiscal Year	
Building - Elevator, Cab Refurbish	\$5,391.48
Sub Total	\$5,391.48
2043 Fiscal Year	
Building - Surveilance Equipment	\$18,972.03
Sub Total	\$18,972.03

Membership Disclosure Summary Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
010 Roof	\$19,765	\$0	13	20
020 Painting & Siding	\$68,112	\$55,958	0-8	10-30
030 Lighting	\$25,280	\$4,259	3-8	25-30
040 Building	\$273,873	\$39,589	0-18	10-35
050 Grounds	\$11,056	\$8,108	8	30
060 Unfunded	\$7,440	\$0	n.a.	n.a.
Contingency	n.a.	\$3,237	n.a.	n.a.
Total	\$405,525	\$111,151	0-18	10-35

Projection Charts Component Calculation Method





Projection Charts Component Calculation Method





Component Detail Component Calculation Method; Sorted by Category

Roof			
Category	010 Roof	Quantity	1 roof
Photo Date	May, 2013	Unit Cost	\$19,765.000
		% of Replacement	100.00%
		Current Cost	\$19,765.00
Placed In Service	05/09	Future Cost	\$29,025.57
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	13	Monthly Member Contribution	\$148.41
Replacement Year	2029	Monthly Interest Contribution	\$0.48
		Total Monthly Contribution	\$148.89

Comments:



The association replaced the IB Roof System flat roof in May 2009 at a cost of \$19,423.

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

Component Detail Component Calculation Method; Sorted by Category

Painting - Exterior, Stucco 020 Painting & Siding **Ouantity** 14,800 sq. ft. Category Photo Date May, 2013 Unit Cost \$2.400 100.00% % of Replacement Current Cost \$35,520.00 01/02 Placed In Service Future Cost \$47,735.91 10 Useful Life Adjustment +3 Assigned Reserves at FYB \$35,520.00 0 \$335.67 **Remaining Life** Monthly Member Contribution 2016 Monthly Interest Contribution \$1.08 Replacement Year \$336.75 **Total Monthly Contribution**

Comments:



This is for painting of the exterior stucco and concrete walls.

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. Thereafter, budgeting for the painting of the stucco has been scheduled to be completed every other time the metal trim is painted.

The remaining life of this component has been extended due to its condition at our most recent field inspection and, to coordinate this replacement in conjunction with other components included in this analysis.

Placed in service date has been changed based on information provided by Condo Management Inc.

Component Detail Component Calculation Method; Sorted by Category

Painting - Interio	or Foyer, Stairwells		
Category	020 Painting & Siding	Quantity	14,845 sq. ft.
Photo Date	May, 2013	Unit Cost	\$1.100
		% of Replacement	100.00%
		Current Cost	\$16,329.50
Placed In Service	01/04	Future Cost	\$17,843.69
Useful Life	10		
Adjustment	+5	Assigned Reserves at FYB	\$13,063.60
Remaining Life	3	Monthly Member Contribution	\$120.18
Replacement Year	2019	Monthly Interest Contribution	\$8.03
		Total Monthly Contribution	\$128.21

Comments:



This is for painting the interior foyer and stairwells.

The remaining life of this component has been extended at the request of the client. We have extended component life, 5 years from placed is service date.

Component Detail Component Calculation Method; Sorted by Category

Painting - Interio	or Hallways		
Category	020 Painting & Siding	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$3,772.000
		% of Replacement	100.00%
		Current Cost	\$3,772.00
Placed In Service	03/11	Future Cost	\$4,372.78
Useful Life	10		
		Assigned Reserves at FYB	\$1,854.03
Remaining Life	5	Monthly Member Contribution	\$37.86
Replacement Year	2021	Monthly Interest Contribution	\$1.21
		Total Monthly Contribution	\$39.07

Comments:



This is for painting the interior common area residental hallways.

The association had the hallways painted in 2011.

The cost for this component is based on actual cost provided by the client.

Component Detail Component Calculation Method; Sorted by Category

Painting - Metal Trim 020 Painting & Siding Category Quantity Photo Date May, 2013 Unit Cost % of Replacement Current Cost 01/05 Future Cost Placed In Service Useful Life 5 Adjustment +5 Assigned Reserves at FYB Remaining Life 0 Monthly Member Contribution 2016 Replacement Year Monthly Interest Contribution Total Monthly Contribution

Comments:



This is for painting of the metal handrails, awning, exterior doors, and metal mesh on front side of parking garage.

The remaining life of this component has been extended to coincide with other components in this analysis.

4,600 sq. ft.

\$1.200

100.00%

\$5,520.00

\$6,399.19

\$5,520.00

\$98.77

\$0.32

\$99.09

Component Detail Component Calculation Method; Sorted by Category

Siding - Vinyl 020 Painting & Siding Quantity 6,970 sq. ft. Category Photo Date May, 2013 Unit Cost \$4.000 25.00% % of Replacement Current Cost \$6,970.00 01/94 Placed In Service Future Cost \$8,829.39 Useful Life 30 Assigned Reserves at FYB \$0.00 8 \$80.56 **Remaining Life** Monthly Member Contribution 2024 \$0.26 Replacement Year Monthly Interest Contribution Total Monthly Contribution \$80.82

Comments:



This is the vinyl siding on the back of the building.

Vinyl siding is widely believed to be a "lifetime" material. However, older siding that is damaged or otherwise deteriorated may be very difficult to match (color, texture, trim, etc) with new vinyl. For the purposes of this analysis, we have budgeted for repairs only of the siding. The actual condition of the siding should be monitored and this component modified as required.

Component Detail Component Calculation Method; Sorted by Category

Lighting - Buildi	ng Exterior		
Category	030 Lighting	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$4,840.000
		% of Replacement	100.00%
		Current Cost	\$4,840.00
Placed In Service	01/94	Future Cost	\$5,288.80
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	\$4,259.20
Remaining Life	3	Monthly Member Contribution	\$25.07
Replacement Year	2019	Monthly Interest Contribution	\$2.57
		Total Monthly Contribution	\$27.64

Comments:



These are the exterior lights located throughout the project:

24	- recessed spot lights	@	\$130.00	=	\$3,120.00
8	- step & aisle lights	@	\$130.00	=	\$1,040.00
2	 pendant porch & patio lights 	@	\$70.00	=	\$140.00
2	- florecent lights	@	\$100.00	=	\$200.00
2	 small caged globe lights 	@	\$70.00	=	\$140.00
2	 sensored flood lights 	@	\$100.00	=	\$200.00
			TOTAL	=	\$4,840.00

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

Our cost is for the fixtures only.

Component Detail Component Calculation Method; Sorted by Category

Lighting - Buildi	ng Interior		
Category	030 Lighting	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$20,440.000
		% of Replacement	100.00%
		Current Cost	\$20,440.00
Placed In Service	01/94	Future Cost	\$25,892.78
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	8	Monthly Member Contribution	\$236.25
Replacement Year	2024	Monthly Interest Contribution	\$0.76
		Total Monthly Contribution	\$237.01

Comments:



These are the interior lights located throughout the project:

49	- recessed spot lights	@	\$130.00	=	\$6,370.00
32	 ceiling flush mouted lights 	@	\$100.00	=	\$3,200.00
27	- emergency double flood lights	@	\$150.00	=	\$4,050.00
22	- florecent lights	@	\$100.00	=	\$2,200.00
21	- illuminated "Exit" lights	@	\$120.00	=	\$2,520.00
9	- wall sconce	@	\$100.00	=	\$900.00
3	- pendant / chandelier lights	@	\$400.00	=	\$1,200.00
			TOTAL	=	\$20,440.00

Typically, budgeting for landscape and street lighting 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.

Component Detail Component Calculation Method; Sorted by Category

Our cost is for the fixtures only.

Building - Acces	s Phone System		
Category	040 Building	Quantity	1 Intercom
Photo Date	May, 2013	Unit Cost	\$3,000.000
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	01/94	Future Cost	\$5,418.33
Useful Life	20		
Adjustment	+2	Assigned Reserves at FYB	\$3,000.00
Remaining Life	0	Monthly Member Contribution	\$15.77
Replacement Year	2016	Monthly Interest Contribution	\$0.05
		Total Monthly Contribution	\$15.82

Comments:



This is the AI phone, access intercom.

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

Component Detail Component Calculation Method; Sorted by Category

Building - Breez	eway Decking, Resurface		
Category	040 Building	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$5,492.000
		% of Replacement	100.00%
		Current Cost	\$5,492.00
Placed In Service	10/14	Future Cost	\$9,349.76
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	18	Monthly Member Contribution	\$31.41
Replacement Year	2034	Monthly Interest Contribution	\$0.10
		Total Monthly Contribution	\$31.51

Comments:



This is for resurfacing of the breezway decks located at the back of the building.

The association had the breezeway decks cleaned and resurfaced 10-20-2014.

The cost for this component is based on actual cost provided by the client.

Balcony decks are subject to premature aging and deterioration due to numerous causes. It is recommended that the client have the decks inspected periodically by a qualified licensed contractor specializing in decks to determine condition and to obtain recommendations for current and future maintenance.

Component Detail Component Calculation Method; Sorted by Category

Building - Doors	, Garage Upper Level		
Category	040 Building	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$1,400.000
		% of Replacement	100.00%
		Current Cost	\$1,400.00
Placed In Service	01/94	Future Cost	\$1,529.82
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	\$1,232.00
Remaining Life	3	Monthly Member Contribution	\$7.25
Replacement Year	2019	Monthly Interest Contribution	\$0.74
		Total Monthly Contribution	\$7.99

Comments:



These are the metal garage doors for the two parking garages:

1 - 20'x8' sectional c	door @	\$750.00	=	\$750.00
1 - garage door ope	ner @	\$650.00	=	\$650.00
		TOTAL	=	\$1,400.00

The remaining life of this component has been extended at the request of the client. We have extended component life, 5 years from placed is service date.

Component Detail Component Calculation Method; Sorted by Category

Building - Doors	, Exterior & Interior		
Category	040 Building	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$8,900.000
		% of Replacement	100.00%
		Current Cost	\$8,900.00
Placed In Service	01/94	Future Cost	\$9,725.27
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	\$7,832.00
Remaining Life	3	Monthly Member Contribution	\$46.10
Replacement Year	2019	Monthly Interest Contribution	\$4.73
		Total Monthly Contribution	\$50.83

Comments:



These are the exterior and interior common area doors located throughout the building:

37	 - 3'x7' doors - 42'x7' with front entry door, with side lights 	@	\$200.00	=	\$7,400.00
1		@	\$1,500.00	=	\$1,500.00
	ing ite		TOTAL	=	\$8,900.00

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

Component Detail Component Calculation Method; Sorted by Category

Building - Doors	, Garage Lower Level		
Category	040 Building	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$3,750.000
		% of Replacement	100.00%
		Current Cost	\$3,750.00
Placed In Service	01/94	Future Cost	\$4,097.73
Useful Life	20		
Adjustment	+5	Assigned Reserves at FYB	\$3,300.00
Remaining Life	3	Monthly Member Contribution	\$19.42
Replacement Year	2019	Monthly Interest Contribution	\$1.99
		Total Monthly Contribution	\$21.41

Comments:



This is the metal garage door for the west side parking garage:

1	 10'x8' self storage single door and opener 	@	\$3,750.00	=	\$3,750.00
	•		TOTAL	=	\$3,750.00

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

Component Detail Component Calculation Method; Sorted by Category

Building - Elevat	or, Cab Refurbish		
Category	040 Building	Quantity	1 elevator
Photo Date	May, 2013	Unit Cost	\$2,500.000
		% of Replacement	100.00%
		Current Cost	\$2,500.00
Placed In Service	01/02	Future Cost	\$2,985.13
Useful Life	20		
		Assigned Reserves at FYB	\$1,750.00
Remaining Life	6	Monthly Member Contribution	\$14.65
Replacement Year	2022	Monthly Interest Contribution	\$1.07
		Total Monthly Contribution	\$15.72

Comments:



This is for refurbishing the interior of the elevator.

Placed in service date has been changed based on information provided by the client.

Component Detail Component Calculation Method; Sorted by Category

Building - Elevat	tor, Major Rehab		
Category	040 Building	Quantity	1 elevator
Photo Date	May, 2013	Unit Cost	\$20,000.000
		% of Replacement	100.00%
		Current Cost	\$20,000.00
Placed In Service	01/94	Future Cost	\$29,370.67
Useful Life	35		
		Assigned Reserves at FYB	\$0.00
Remaining Life	13	Monthly Member Contribution	\$150.17
Replacement Year	2029	Monthly Interest Contribution	\$0.48
		Total Monthly Contribution	\$150.65

Comments:



This is a Dover DCM hydraulic elevator.

Sound Elevator Co, serviced the elevator on March, 19 2013. The door motor bearing needed to be replaced, they also adjusted door for better operation.

The cost for this component was provided by the client's elevator maintenance contractor in December 2009.

Component Detail Component Calculation Method; Sorted by Category

Building - Fire A	larm System		
Category	040 Building	Quantity	1 panel
Photo Date	May, 2013	Unit Cost	\$3,000.000
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	01/05	Future Cost	\$3,376.53
Useful Life	15		
		Assigned Reserves at FYB	\$2,200.00
Remaining Life	4	Monthly Member Contribution	\$21.89
Replacement Year	2020	Monthly Interest Contribution	\$1.36
		Total Monthly Contribution	\$23.25

Comments:



This is the Firequest Thorn Automated System located in the main level hallway. Silent Knight fire alarm panel located in the lower level parking garage, that is used as a communicator panel only.

Component Detail Component Calculation Method; Sorted by Category

Building - Interior, Carpeting Foyer & Hallways

Category	040 Building	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$14,016.000
		% of Replacement	107.00%
		Current Cost	\$14,997.12
Placed In Service	03/11	Future Cost	\$17,385.77
Useful Life	10		
		Assigned Reserves at FYB	\$7,371.47
Remaining Life	5	Monthly Member Contribution	\$150.51
Replacement Year	2021	Monthly Interest Contribution	\$4.80
		Total Monthly Contribution	\$155.31

Comments:



This is the high end grade carpeting in the foyer and hallways.

The association had the carpet replaced in 2011.

The cost for this component is based on actual cost provided by the client.

The useful life of carpeting can vary significantly from one project to another depending largely on the quality of the carpeting, usage and the level of routine maintenance. For the purpose of this analysis, we have used standard 10 year useful life for this component.

The measurement 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.

Component Detail Component Calculation Method; Sorted by Category

Building - Interic	or, Carpeting Stairwells		
Category	040 Building	Quantity	230 sq. yards
Photo Date	May, 2013	Unit Cost	\$30.000
		% of Replacement	107.00%
		Current Cost	\$7,383.00
Placed In Service	06/04	Future Cost	\$8,067.60
Useful Life	10		
Adjustment	+5	Assigned Reserves at FYB	\$5,864.21
Remaining Life	3	Monthly Member Contribution	\$55.49
Replacement Year	2019	Monthly Interest Contribution	\$3.61
		Total Monthly Contribution	\$59.10

Comments:



This is the carpeting in the fire escape hallways and stairwells.

The remaining life of this component has been extended at the request of the client. We have extended component life, 5 years from placed is service date.

The useful life of carpeting can vary significantly from one project to another depending largely on the quality of the carpeting, usage and the level of routine maintenance. For the purpose of this analysis, we have used standard 10 year useful life for this component.

The measurement 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.

Component Detail Component Calculation Method; Sorted by Category

Building - Interic	or, Furniture		
Category	040 Building	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$11,550.000
		% of Replacement	100.00%
		Current Cost	\$11,550.00
Placed In Service	01/94	Future Cost	\$14,631.19
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	8	Monthly Member Contribution	\$133.50
Replacement Year	2024	Monthly Interest Contribution	\$0.43
		Total Monthly Contribution	\$133.93

Comments:



These are the furnishings throughout the common areas in the building:

9	-potted silk plants	@	\$100.00	=	\$900.00
6	- sofas	@	\$900.00	=	\$5,400.00
4	- tables	@	\$350.00	=	\$1,400.00
3	- paintings	@	\$250.00	=	\$750.00
2	- club chairs	@	\$600.00	=	\$1,200.00
2	- mirrors	@	\$200.00	=	\$400.00
1	- coffee tables	@	\$800.00	=	\$800.00
1	- accent tables	@	\$100.00	=	\$100.00
1	- entry tables	@	\$600.00	=	\$600.00
			TOTAL	=	\$11,550.00

Component Detail Component Calculation Method; Sorted by Category

Building - Interic	or, Heating		
Category	040 Building	Quantity	4 heaters
Photo Date	May, 2013	Unit Cost	\$250.000
		% of Replacement	100.00%
		Current Cost	\$1,000.00
Placed In Service	01/94	Future Cost	\$1,266.77
Useful Life	30		
		Assigned Reserves at FYB	\$733.33
Remaining Life	8	Monthly Member Contribution	\$4.48
Replacement Year	2024	Monthly Interest Contribution	\$0.44
		Total Monthly Contribution	\$4.92

Comments:



These are the electric cadet wall heaters located thoughout the building.

Component Detail Component Calculation Method; Sorted by Category

Building - Interio	or, Mailboxes		
Category	040 Building	Quantity	1 cluster
Photo Date	May, 2013	Unit Cost	\$420.000
		% of Replacement	100.00%
		Current Cost	\$420.00
Placed In Service	01/94	Future Cost	\$532.04
Useful Life	30		
		Assigned Reserves at FYB	\$308.00
Remaining Life	8	Monthly Member Contribution	\$1.88
Replacement Year	2024	Monthly Interest Contribution	\$0.19
		Total Monthly Contribution	\$2.07

Comments:



This is the wall-mounted aluminum mailbox cluster with 16 boxes.

Component Detail Component Calculation Method; Sorted by Category

Building - Interio	or, Tile		
Category	040 Building	Quantity	460 sq. ft.
Photo Date	May, 2013	Unit Cost	\$13.250
		% of Replacement	105.00%
		Current Cost	\$6,399.75
Placed In Service	01/94	Future Cost	\$8,107.01
Useful Life	30		
		Assigned Reserves at FYB	\$3,435.71
Remaining Life	8	Monthly Member Contribution	\$40.82
Replacement Year	2024	Monthly Interest Contribution	\$2.14
		Total Monthly Contribution	\$42.96

Comments:



This is the slate and tile in the hallways and foyer.

The measurement 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.

Component Detail Component Calculation Method; Sorted by Category

Building - Patio	Railing		
Category	040 Building	Quantity	420 lin. ft.
Photo Date	May, 2013	Unit Cost	\$80.000
		% of Replacement	100.00%
		Current Cost	\$33,600.00
Placed In Service	01/94	Future Cost	\$42,563.47
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	8	Monthly Member Contribution	\$388.35
Replacement Year	2024	Monthly Interest Contribution	\$1.25
		Total Monthly Contribution	\$389.60

Comments:



These are the aluminium / glass railings through out the project.

At our November 2009 field inspection, we were unable to gain access to the balcony decks located on the front of the building.

The inventory for this component has been provided by the client.

Component Detail Component Calculation Method; Sorted by Category

Building - Surve	ilance Equipment		
Category	040 Building	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$8,541.000
		% of Replacement	100.00%
		Current Cost	\$8,541.00
Placed In Service	01/13	Future Cost	\$10,504.35
Useful Life	10		
		Assigned Reserves at FYB	\$2,562.30
Remaining Life	7	Monthly Member Contribution	\$83.00
Replacement Year	2023	Monthly Interest Contribution	\$1.77
		Total Monthly Contribution	\$84.77

Comments:



This is for the surveilance equipment.

The current cost for this component was originally provided by the client, and has been adjusted to allow for inflation where applicable.

Component Detail Component Calculation Method; Sorted by Category

Building - Windo	ows		
Category	040 Building	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$141,940.000
		% of Replacement	100.00%
		Current Cost	\$141,940.00
Placed In Service	01/94	Future Cost	\$179,805.35
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	8	Monthly Member Contribution	\$1,640.55
Replacement Year	2024	Monthly Interest Contribution	\$5.27
		Total Monthly Contribution	\$1,645.82

Comments:



These are the metal framed and vinyl framed windows throughout the building:

18	- 5' x 5' dbl single hung	@	\$560.00	=	\$10,080.00
15	- 72" x 80" sliding door	@	\$920.00	=	\$13,800.00
15	- 1'6" x 6' single hung	@	\$305.00	=	\$4,575.00
10	- 3'6" x 6' single hung	@	\$475.00	=	\$4,750.00
9	- 5' x 6' horizontal slide below 1 lite	@	\$740.00	=	\$6,660.00
6	- 6' x 6' dbl slide below 2 lite	@	\$896.00	=	\$5,376.00
5	- 3' x 6' horizontal slide below 1 lite	@	\$540.00	=	\$2,700.00
5	- 4' x 4' dbl single hung	@	\$475.00	=	\$2,375.00
5	- 9' x 6' triple single hung	@	\$1,386.00	=	\$6,930.00
5	- 3' x 2' picture	@	\$240.00	=	\$1,200.00
5	- 5' x 6' dbl single hung	@	\$820.00	=	\$4,100.00
4	- 2' x 2' slider	@	\$145.00	=	\$580.00
3	- 3' x 3' picture	@	\$220.00	=	\$660.00

Component Detail

Component Calculation Method; Sorted by Category

2	- garden box window	@	\$730.00	=	\$1,460.00
2	- 3' x 2' slider	@	\$177.00	=	\$354.00
1	- metal framed glass on front of bldg	@	\$18,000.00	=	\$18,000.00
129	- labor to remove and install windows	@	\$400.00	=	\$51,600.00
20	- 2' x 6' single hung	@	\$337.00	=	\$6,740.00
			TOTAL	=	\$141,940.00

At our November 2009 field inspection, we had limited access to the windows. The sizes of the windows are an estimation.

For the purpose of this analysis we have budgeted for a total replacement of the windows.

Vinyl windows are considered to be a lifetime component if properly installed and maintained. Periodic window inspections and ongoing maintenance may prevent the necessity of a total building window replacement.

Window repairs, as needed, should be addressed immediately as a maintenance issue using the client's operating and/or reserve contingency fund.

At the boards discretion the useful life for this component can be extended at a future point in time.

Component Detail Component Calculation Method; Sorted by Category

Grounds - Entry	Water Feature		
Category	050 Grounds	Quantity	1 water feature
Photo Date	May, 2013	Unit Cost	\$4,000.000
		% of Replacement	100.00%
		Current Cost	\$4,000.00
Placed In Service	01/94	Future Cost	\$5,067.08
Useful Life	30		
		Assigned Reserves at FYB	\$2,933.33
Remaining Life	8	Monthly Member Contribution	\$17.93
Replacement Year	2024	Monthly Interest Contribution	\$1.77
		Total Monthly Contribution	\$19.70

Comments:



This is the water feature located at the entrance.

At our May, 15 2015 field inspection we observed that the water feature has been filled with dirt and plants, using the existing rocks.

Component Detail Component Calculation Method; Sorted by Category

Grounds - Fenci	ng		
Category	050 Grounds	Quantity	1 total
Photo Date	May, 2013	Unit Cost	\$2,016.000
		% of Replacement	100.00%
		Current Cost	\$2,016.00
Placed In Service	01/94	Future Cost	\$2,553.81
Useful Life	30		
		Assigned Reserves at FYB	\$1,478.40
Remaining Life	8	Monthly Member Contribution	\$9.04
Replacement Year	2024	Monthly Interest Contribution	\$0.89
		Total Monthly Contribution	\$9.93

Comments:



This is the chain link fencing (including gates) located on the north east side of the project:

- lin ft. of 4' fence	@	\$10.50	=	\$1,386.00
- lin ft. of 6' fence	@	\$12.00	=	\$180.00
 trash incloser gates 	@	\$450.00	=	\$450.00
		TOTAL	=	\$2,016.00

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Component Detail Component Calculation Method; Sorted by Category

Sidewalks - Tile			
Category	050 Grounds	Quantity	320 sq. ft.
Photo Date	May, 2013	Unit Cost	\$15.000
		% of Replacement	105.00%
		Current Cost	\$5,040.00
Placed In Service	01/94	Future Cost	\$6,384.52
Useful Life	30		
		Assigned Reserves at FYB	\$3,696.00
Remaining Life	8	Monthly Member Contribution	\$22.59
Replacement Year	2024	Monthly Interest Contribution	\$2.24
		Total Monthly Contribution	\$24.83

Comments:



This is the slate entry sidewalk and stairs.

The measurement 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.

To ensure that this component achieves its full useful life, it should be cleaned and resealed periodicaly.

Component Detail Component Calculation Method; Sorted by Category

Building - Decki	ng, Clean & Seal. Unfunded		
Category	060 Unfunded	Quantity	2,480 sq. ft.
Photo Date	May, 2013	Unit Cost	\$3.000
		% of Replacement	100.00%
		Current Cost	\$7,440.00
Placed In Service	01/02	Future Cost	\$91,777.67
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$16.65
Replacement Year	n.a.	Monthly Interest Contribution	\$0.05
		Total Monthly Contribution	\$16.70

Comments:



This is for cleaning and sealing of the balcony decks located in the front and back of the building.

At our May 2013 field inspection, we were unable to gain access to the balcony decks located on the front of the building.

The inventory for this component has been provided by the client.

Balcony decks are subject to premature aging and deterioration due to numerous causes. It is recommended that the client have the decks inspected periodically by a qualified licensed contractor specializing in decks to determine condition and to obtain recommendations for current and future maintenance.

Placed in service date has been changed based on information provided by the client. The decks were rebuilt in 2002.

Information receved from client, indicate that do to the construction design of the decks they will not need to be sealed.

At the request of the client, budgeting for this component has been excluded at this time. This component is listed for inventory purposes only.

Component Detail Component Calculation Method; Sorted by Category

Sidewalks & Driv	ves - Concrete. Unfunded		
Category	060 Unfunded	Quantity	1 comment
Photo Date	May, 2013	Unit Cost	\$0.000
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/94	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

Comments:



These are the typical concrete sidewalks, curbs, and drives located throughout the project.

In some cases, the concrete installations may be owned and maintained by others.

Normally, 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.

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Number of components included in this reserve analysis is 30.

Projections Component Calculation Method

D• 1			T 4 4			Fully Funded	D (
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Ending Balance	Percent Funded
2016	\$111,151	\$48,874	\$628	\$44,040	\$116,613	\$279,093	42%
2017	\$116,613	\$49,767	\$979	\$0	\$167,359	\$309,277	54%
2018	\$167,359	\$50,695	\$1,338	\$0	\$219,392	\$341,021	64%
2019	\$219,392	\$51,950	\$1,381	\$46,553	\$226,170	\$326,122	69%
2020	\$226,170	\$51,031	\$1,729	\$3,377	\$275,553	\$357,310	77%
2021	\$275,553	\$48,492	\$1,893	\$28,158	\$297,781	\$363,853	82%
2022	\$297,781	\$45,080	\$2,215	\$2,985	\$342,091	\$398,069	86%
2023	\$342,091	\$44,656	\$2,472	\$10,504	\$378,715	\$426,129	89%
2024	\$378,715	\$42,214	\$719	\$295,633	\$126,014	\$153,355	82%
2025	\$126,014	\$38,300	\$1,008	\$0	\$165,322	\$186,878	88%
2026	\$165,322	\$38,218	\$897	\$55,154	\$149,282	\$163,760	91%
2027	\$149,282	\$39,482	\$1,175	\$0	\$189,939	\$199,357	95%
2028	\$189,939	\$40,840	\$1,465	\$0	\$232,244	\$236,941	98%
2029	\$232,244	\$41,211	\$1,109	\$93,219	\$181,345	\$177,679	102%
2030	\$181,345	\$39,032	\$1,399	\$0	\$221,775	\$216,511	102%
2031	\$221,775	\$41,818	\$1,426	\$37,842	\$227,178	\$217,367	105%
2032	\$227,178	\$41,801	\$1,730	\$0	\$270,709	\$259,430	104%
2033	\$270,709	\$43,021	\$1,940	\$14,117	\$301,553	\$288,844	104%
2034	\$301,553	\$42,345	\$2,188	\$9,350	\$336,736	\$325,277	104%
2035	\$336,736	\$41,244	\$2,460	\$5,261	\$375,180	\$368,272	102%
2036	\$375,180	\$49,397	\$2,235	\$79,541	\$347,271	\$334,917	104%
2037	\$347,271	\$47,494	\$2,591	\$0	\$397,357	\$386,147	103%
2038	\$397,357	\$47,573	\$2,943	\$0	\$447,873	\$440,148	102%
2039	\$447,873	\$53,017	\$2,725	\$84,080	\$419,536	\$407,842	103%
2040	\$419,536	\$50,880	\$3,110	\$0	\$473,526	\$465,077	102%
2041	\$473,526	\$57,725	\$3,154	\$50,856	\$483,549	\$471,427	103%
2042	\$483,549	\$58,556	\$3,546	\$5,391	\$540,259	\$527,591	102%
2043	\$540,259	\$60,979	\$3,857	\$18,972	\$586,123	\$572,464	102%
2044	\$586,123	\$60,827	\$4,312	\$0	\$651,261	\$640,286	102%
2045	\$651,261	\$59,164	\$4,764	\$0	\$715,189	\$711,662	100%

NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded 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.