

## Veteran Owned Business

SPECIALIZING IN RESERVE STUDIES SINCE 1990  
A PROFESSIONAL CORPORATION

## APRA

Association of Professional Reserve Analysts

October 10, 2012

Pinecrest Swim & Tennis Club  
Mr. Dan Hamad, CPA  
Daly, Hamad & Associates, PLLC  
1037 Sterling Road, Suite 204  
Herndon, VA 20170

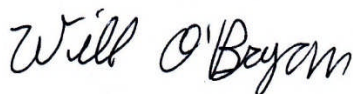
Dear Mr. Hamad:

Enclosed please find the revised Level I Full Repair and Replacement Reserve Study for Pinecrest Swim & Tennis Club. This revision now includes the sub-total amount of \$350,600 for the Swimming Pool category in the total estimated cost for all components and revises the amount-on-hand the association had on April 1, 2012 from \$90,000 to \$200,000.

Consider this version a "Final Draft." It will become the "Final Report" after review by the Board of Directors (or their representatives) and all concerns have been addressed. If desired I will attend a meeting to discuss this study at a mutual agreeable time. In the meantime, please let me know if there are any questions.

We thank the Board of Directors for selecting **PM+** to do this study and hope you will continue to call upon **PM+** for your future reserve studies.

Sincerely,



Will O'Bryan  
Intern – Reserve Analyst



Mario B. "Ben" Ginnetti, PRA, RS, P.E.  
President

Enclosure:  
Study - PDF File

## RESERVE STUDY Level I, Full Study

### PINECREST SWIM & TENNIS CLUB

**Herndon, Virginia**

**Prepared for:**

**Board of Directors**

**Date:**

**October 10, 2012**



**Engineer**

**Mario B. "Ben" Ginnett, PRA, RS, P.E.**

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## Executive Summary

- This study was prepared by comparing “Your Funding” plan to the two Community Association Institute (CAI) recommended methods for preparing reserve studies; “Cash Flow Method” and “Component Method.” The Cash Flow Method is also known as the Pooling Method.

- The following relevant data was used in preparing this study:

1st Study Year FY13	\$200,000 AOH at Start of Fiscal Year ♦
FY Begins 01-Apr-12	\$50,000 Your Contribution in FY13♦
Inspection Date(s) 31-Jul-12	2.42% Inflation ♦♦
# Families 500	3.95% Interest ♦♦

- ♦ AOH (cash amount on hand at start of fiscal year) and current year contribution were supplied by management and are considered best information available as of the proposal acceptance date. They are not audited amounts.
- ♦♦ Interest and inflation factors<sup>1</sup> best project the future needs of the property. Inflation is based on the last ten year average for the Consumer Price Index (CPI); interest on savings is based on the ten year average of the Constant Maturity Yield for the 10-Year U.S. Treasury note.
- The following table summarizes our findings of the funding needed to meet the property's reserve requirement and compares your current funding to the two recognized methods for funding the reserves (detail information can be found in "Funding Plans - 30 Year Projection" chart, columns (13) through (18):

<u>FY13</u>			
<u>Contribution Summary</u>			
	<u>Yours<sup>2</sup></u>	<u>Cash Flow</u>	<u>Component</u>
		<u>Method</u>	<u>Method</u>
Contribution	\$50,000	\$57,410	\$114,760
Avg/Owner	\$100	\$115	\$230
<u>30-Yr Average</u>			
Contribution	\$72,250	\$82,950	\$109,570
Avg/Owner	\$145	\$166	\$219
<u>30-Yr Minimum/Maximum Balance</u>			
	(\$381,920)	\$187,680	\$330,590
	\$294,940	\$455,840	\$1,816,790

- Analysis:
  - Your contribution will need to be increased to meet the reserve needs of the property.
  - The cash flow method requires the less contribution throughout the life of the study than the component method plan and is the preferred method for funding the reserves. It provides the most consistency in the annual contribution, from one year to the next year. Future contribution increases can be mostly attributable to inflation.
  - The component method requires the greatest contribution and yearly contributions can be expected to fluctuate considerably from year to year, making it less practical as a funding plan. If this method is chosen, the reserve tables should be updated more frequently, preferably annually.

1. Although the factors used may not prove to be precise they should be reasonable predictors of cost increases and contributions needed to support the reserve requirement over the life of the study.

2. If the study is being done for other than the current fiscal year, inflation is applied to your current contribution.

- In the funding plan we recommend, column (16) portrays the year end balances, both minimum and maximum, we expect will be available, based on the assumptions in this study. These amounts are calculated to assure: 1) funds are available for needed work, 2) there is always a minimum amount of savings available to provide for unforeseen contingencies, and 3) when studies are updated there is not a substantial increase needed to meet the reserve requirement. To prevent against substantial increases **PM+** studies take into consideration the first thirty years of the study and an additional twenty years, making the "look at" period a total of fifty years. The 50-year projection is to assure our recommended contribution is based on a sound analysis of the reserve needs of the property.
- Recommendation:
  - Because the cash flow method requires the least contribution and yearly contribution increases are mostly inflation adjustments, we recommend the association fund their reserves using this method.

## Study Information

### Introduction

The purpose of this study is to design a **Table of Repair/Replacement Reserves** for the common and limited common elements of the property based on the current condition of the components. If the property is to preserve the owner's investment and its quality of life features, a reserve of funds is necessary to do future work.

In addition to the above, Properties located in the state of Virginia are required by Virginia Statutes, 2003 Condominium and Property Owner's Association Act, to conduct reserve studies at least every five years, review the results of the study at least annually and make adjustments as necessary unless the condominium instruments/declaration imposes more stringent requirements. Your attention is called to Sections 55-79.83:1 and 55-514.1 of the Statutes for the complete text.

This study is the first engagement for the property by **PM+**. **PM+** has neither collaborated with nor provided consulting advice to others on issues pertaining to the property.

In developing the table we consider items that have a predictable life cycle as well as those that will most likely need annual maintenance and repairs to keep them in serviceable condition. They are as follows:

#### Predictable life cycle (Non # sign items).

These components have a predictable life cycle (an average useful life). At the end of its useful life total replacement will be needed.

#### Annual Allowances (Items preceded by the # sign).

We reserve an average annual amount for these items. These items are typically "life of the property" or long lasting components that do not have a predictable life cycle. We assume the association will keep these components in satisfactory condition with timely spot repairs.

The following considerations should be taken into account to properly manage the reserves: 1) properly funded reserves avoids "special assessments", 2) each owner should pay their fair share for the time they use the component, 3) when reserve funds are available the Association is more inclined not to defer work deferral results in additional deterioration and "catch-up" costs to restore the item to a good condition, 4) government mortgage guarantees agencies, i.e. FHA, require a current reserve study to be available before backing a loan, and 5) some state laws require them. In addition to these considerations, a new factor has recently become apparent. Years ago owners were poorly informed on the importance of the reserves and paid very little attention to whether or not a property had an adequate plan for funding the reserves. With the inclusion of reserve tables in resale packages and other publicity, many potential buyers are now verifying the reserve status before they buy.

Although we use generally accepted techniques and the best information available, it is possible actual costs and useful life can vary from our estimates. We recognize that possibility and attempt with our methodology to arrive at the overall funding recommendation that will avoid, or minimize the need for a special assessment to do reserve work.

Unless otherwise noted, this study does not take into consideration any work the association may need to correct hazardous or defective conditions, such as issues with asbestos, radon, lead, mold, FRT, etc., nor will it fund major projects to repair/replace facades, building tension cables, utilities and other essential systems. Projects of this nature require the services of engineers or other consultants to determine scope, timing and projects costs. If requested, once costs and project timing are known, we will provide a revised study at no additional cost.

This purpose of this study is to determine the funding needed to support the property's reserve requirement and recommended a funding plan to meet that requirement. No other use is intended.

For any reserve projects in progress on the date(s) of our visit our observation of the work should not be considered a project audit or quality control inspection. We leave that to others to determine.

In order for the Table to be an effective budget management tool it will need periodic updates. Because reserves on hand, current costs, quality of maintenance, acts of God, vandalism, and useful life can vary from year to year, a periodic review will assure it remains an effective management tool.

## **Maintenance/Repair/Replacement “Tips” and Reserve Considerations**

There are three levels of care needed to maximize the useful life of equipment and property components:  
1) Maintenance, 2) Repair and 3) Replacement.

Maintenance is taking care of an item by doing such tasks as sealing pavement cracks to prevent water from undermining the base, painting to prevent metal corrosion or wood rot, lubricating moving parts on mechanical equipment, fan belt adjustments, etc. It involves the least expenditure of funds and is the best way to maximize useful life. Repair is replacing a portion of an item, such as, a section of pavement, a part of a roof, an air conditioning compressor, etc. It's usually more expensive than maintenance. The most costly is replacement. It involves the entire replacement of the item.

The application of good maintenance and repair techniques can be explained by the following example: An asphalt parking lot of 1000 square yards develops a 10 foot long crack in the surface. The crack can be sealed for about a dollar a linear foot. By doing so, water will not seep through the asphalt causing damage to the base course. That simple maintenance action extended the useful life of the pavement at minimum cost. Assume the crack was not sealed and it grew to a 12' by 12' base damaged area. Cost of repairs would be approximately 60 times as much as fixing the crack. If the damaged area was not repaired and eventually the entire lot had to be replaced it would cost considerably more. Therefore, the prudent thing to do is good maintenance. It's the least costly of the three levels of work.

Prior to totally replacing an item, e.g., a roof, a fence, an air conditioner, etc., all measures should be taken to extend the useful life of the item with repairs. If the roof is leaking don't automatically think the entire roof needs to be replaced. Most leaks occur around penetrations and flashed areas and they can be repaired for less than replacing the entire roof. Fence posts almost always rot out at ground level before the rest of the fence. Posts can be replaced without purchasing a complete new fence. The same applies to most mechanical/electrical equipment. Tube leaks frequently occur in boilers; compressor failures occur in air conditioners and circuit breakers wear out in electric panels. These kinds of failures are repairable without replacing the entire item. The reserve table should be used as an aid in establishing budgets - not as a work plan. When used as a budget management tool its effectiveness will be recognized when funds are readily available to do work - when it must be done. Do not use the remaining useful life data as a work plan. It should be treated as a “window of probable expectancy”, based on statistical information, historical trends, conditions at time of survey and experience of when repair or replacement is most likely to be needed. Actual work should not be done until needed. For example, if paving is estimated to need replacement in five years but it's not a problem at that time, put it off until it is a problem. Conversely, if repairs are necessary sooner, do them sooner.

When contracting for services, seek competitive bids and purchase only what's necessary to restore the item to its “like original” condition. Include state-of-the-art improvements but avoid over buying or substantially enhancing an item beyond its original condition. Such improvements are not included in the cost estimates.

Catastrophic failures to such items as footers, foundations, floors, exterior walls and total replacement of utility systems, etc., are not included in the table. They are not included because they are not predictable and it is rare that these items have to be replaced in total. We do recommend a reasonable annual amount be set aside for some repairs and reflect that in the reserve table.



Funding for reserves should be fair to all owners; past, present and future. The worst case scenario for a property is to have no money set aside to pay for repairs/replacements forcing the current owners to pay the total cost. Additionally, having insufficient reserves also presents some injustices as illustrated by the following example:

Mr. and Mrs. "X" owned a unit at the property for the first ten years of its existence when reserve funding was suppressed and insufficient to take care of future problems. Mr. and Mrs. "X" sell their unit and leave. Five years after they leave the pavement and sidewalks need to be repaired. Mr. & Mrs. "Y" now own the unit and receive notice they are to be "specially assessed" to pay for the repair costs.

For demonstration purposes let's say the pavement and sidewalk repairs costs \$150,000 and the association has \$50,000 in the reserve account. Let's also assume there are 100 units at this property.

Over the last fifteen years, past and present owners set aside \$50,000 to take care of the \$150,000 expenditure. Expressed in \$/year that equates to \$3,333/yr or \$33.33 per owner per year.

Mr. & Mrs. "X" had the benefit of good paving and sidewalks for 10 years at a total cost to them of \$333.30. Unfortunately for Mr. & Mrs. "Y", they only used the items for five years, but it will cost them \$1166.50 for their share of the repairs.

Calculations for the above are as follows:

$$5 \text{ years they lived there} \times \$33.33/\text{yr} = \$166.50$$

The difference between amount in reserves and repair costs divided by number of unit owners:

$$\begin{array}{rcl} (\$150,000 - \$50,000) / 100 & = & \$1000.00 \\ \text{Total cost to Mr. \& Mrs. "Y"} & = & \$1166.50 \end{array}$$

Or, said another way:

Mr. and Mrs. "X" used the items for 66% of their useful life but only paid 22% of the repair cost.

Mr. and Mrs. "Y" used the items for 34% of their useful life but had to pay 78% of the cost.

For funding to be fair all owners should contribute their share of the costs for the period of time they use the item.

Where we describe preventive maintenance recommendations in this study they are intended to be general in nature and the most common tasks needed to extend item useful life. They are not all inclusive; we do not imply that is all that is necessary for good maintenance. Manufactures brochures, service specialty companies and other qualified sources should be consulted to establish the full array of actions needed for proper preventive maintenance.

## **Level of Service and Engineer's Qualification**

This is a Level I, Full Study (with on-site visit) as defined by CAI's National Reserve Study Standards and the Association of Professional Reserve Analysts (APRA). The association requested this study be a Level I, Full Study in the proposal acceptance.

This study was compiled in accordance with generally accepted standards and represents our professional opinion on the items, timing and dollar amounts that should be budgeted for repair and replacement. The contents of this study comply with the proposal acceptance. In compiling this study we used information obtained from field measurements, observations and management (information provided by management is considered to be reliable). We also took into consideration construction features, current conditions and component age. Testing was not performed, nor was demolition done or panels removed to determine conditions that are not obvious. Based on our observations and the information gained during the visit this study contains, to the best of our ability, all material issues required to determine the funding needed to meet the property's reserve requirement.

This reserve study was done in its entirety by Mario B. "Ben" Ginnetti, a registered professional engineer (**P.E.**) licensed to practice engineering in the states of Virginia, Maryland and the District of Columbia, and Will O'Bryan, intern. Mr. Ginnetti is also a CAI Certified Reserve Specialist (**RS**) and a Professional Reserve Analyst (**PRA**).

## **Age, Units and Style**

Constructed in the mid 1970's.

Swimming pool and racquet club configuration.

## **"Cash flow" and "Component" Method Studies**

This study was calculated using both the Cash flow and Component methods. A synopsis of each method is as follows:

Cash flow method - This method develops the funding plan by having the annual contributions offset the variable annual expenses. All expenses are averaged over the life of the study to calculate the annual contribution needed to support the reserve requirement.

Component method - This method develops the funding plan by dividing the remaining useful life into the balance needed to fund the item for only the next cycle of work. The individual item contributions are then added to calculate the total annual contribution needed to support the reserve requirement for that year.

Because of averaging the cash flow method provides a more consistent annual contribution from one update to another and the annual contribution can be calculated so that a special assessment is not anticipated over the life of the study. With the component method, annual contributions can vary significantly from year to year depending on where the components are in their life cycle. If the component method is chosen the reserve tables should be updated more frequently, preferably annually.

## **Funding Goals**

The following represent the basic categories of Funding Plan goals as defined by the Community Association Institute (CAI) for reserve studies:

- Baseline Funding - Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- Component Full Funding - Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- Statutory Funding - Establishing a Reserve funding goal of setting aside the specific minimum amount of reserves required by local statutes or financing agencies.
- Threshold Funding - Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding." This study complies with this goal.

## Common and Limited Common Elements (Major Components)

### Building Envelope

Peaked Roof

Doors

Brick Façade with Wood Panels

Painting-Funded from Operating Account

### Pavements/Sidewalks

Asphalt Pavements

Concrete Curbs & Gutters

Concrete and Asphalt Sidewalks

### Tennis Courts

Asphalt Courts

Pole Lights

Chain Link Fencing

### Multi-Purpose Courts

Asphalt

### Tot-Lots

Metal & Plastic

### Swimming Pool

Bathhouse

Adult Pool

Wading Pool

Concrete Deck

Chain Link Fence

Lighting

Pool Furniture

Pool Cover

Water Slide

### Mechanical/Electrical

Hot Water Heaters

Exhaust Fans

Common Mechanical/Plumbing/Electrical  
Systems

Ancillary Equipment

### Retaining Walls/Fencing

Wood Retaining Wall

Wood and Chain Link Fencing

### Other Property Features

Awnings

Refrigerators and Freezer

Pole Mounted Site Lights

Signs

Storm Drainage

Hand Railing

Picnic Tables/Benches

Barbeque Stoves

Mature Trees/ Shrubbery

## Reading and Understanding the Tables and Charts

### General Comment

The Repair and Replacement Table shows the common or limited common element, average and remaining useful life and estimated cost for work. This information, for the most part, is self-explanatory; however, when we believe more information is needed, we provide comments or use photographs.

### Table of Repair & Replacement Reserves

#### Column

- (1) The various property components and major items of equipment we believe the community should include in the reserves. Where a 15%, 30%, etc., is shown means that total replacement of that item is not anticipated. These items generally have an indefinite life span and only need partial repairs. Items preceded by the pound (#) sign are budgeted for a year at a time. Typically, these items need annual repairs. These items should be adjusted at each update based on historical trends and the amount of work anticipated the following year. If we have omitted or added any items that are not common or limited common area responsibility, please inform us so we can provide a revised table. It also applies if the association accomplishes the work from their annual operating expense and a reserve set-aside is not needed.
- (2) Approximate quantity and unit of measure. The following abbreviations are used; however, they may not all appear in this study:

AC – Acres	HP – Horsepower
AOH - Amount-On-Hand	RC - Replacement Cost
AnAvg - Annual Average	SF - Square Feet
BLD - Building	SY - Square Yards
EA - Each	TN - Tons
CY - Cubic Yards	UN - Units
LF - Linear Feet	> - Greater Than
LS - Lump Sum	< - Less Than
- (3) The components average useful life (Avg). Leading publications on useful life data, our own experiences and historical trends are used to determine the average useful life.
- (4) Our best estimate of the remaining useful life (RUL). Some items in the table may not fail precisely as shown. We use the remaining useful life in conjunction with the estimated cost to calculate the annual contribution needed to fund the component.
- (5) Current cost estimates are in current dollars. Estimates are based on similar work in the greater Washington area, association experience, industry publications, such as R.S. Means and Home-Tech, contractors and other reliable sources. It assumes the association will competitively seek bids and obtain a fair price in today's market. Some work, such as, balconies, roofing, garages, façade, boiler and chiller replacements, etc. may need the services of an engineer or architect to determine scope and oversee repairs. Those estimates take precedence over those shown in the table. Conditions that are not obvious from observations, such as excessive deterioration in materials and systems could result in higher costs than shown.
- (6) Distribution of the funds the association had (is projected to have) at the start of their fiscal year or the amount we were requested to use. The program distributes a prorated amount to each item.
- (7) The amount needed to fund the balance of the requirement.
- (8) The contribution needed to fund the 1<sup>st</sup> year applying the cash flow method. This value is the product of the reserve components and the Funding Plans - 30 Year Projection chart. The annual

contribution is calculated so that the reserve balance never falls below the "X" axis and there is always a minimum balance for unforeseen contingencies.

- (9) The contribution needed to fund the 1<sup>st</sup> year applying the component method.

Fiscal Years 1 - 10 Expense Projection - The actual cash out-lays the association should be prepared to fund in the first ten years of the study.

Fiscal Years 11 - 30 Expense Projection - The actual cash out-lays the association should be prepared to fund in the next twenty years of the study. Note - these projections are needed to verify the association is funding the reserves to avoid a "Special Assessment" over the life of the study.

Average Contribution Per Owner - The average contribution needed per owner to fund the 1st year reserve contribution. This amount is not indicative of each owner's individual contribution.

### **Funding Plans - 30 Year Projection**

Column

- (10) Fiscal Year.
- (11) Projected annual expenses.
- (12) Cumulative expenses over 30-years.
- (13) 30-year projected contribution if your current funding plan continues, inflation applied.
- (14) Projected year-end balances based on your current contributions, interest applied.
- (15) 30-year projected contribution if the cash flow method is implemented to fund the reserves, inflation applied.
- (16) Projected year-end balances based on the cash flow method, interest applied.
- (17) 30-year projected contribution if the component method is implemented to fund the reserves, inflation applied.
- (18) Projected year-end balances based on the component method, interest applied.

### **Graphs**

Graphs depict the projected contributions and year end balances for each plan. The contribution objective should be to have a consistent contribution, year after year, that can be maintained with inflation adjustments. Avoid fluctuating contributions as they can impose financial hardships on owners. The plot objective for the reserve balance is to have the year end balances always above the "X" axis. If it falls below, it indicates a special assessment or loan will be needed to support the reserves.

### **Summary**

- 30-Year Annual Average - Average contribution needed to fund each funding plan.
- 30-Year Average/Owner - Average contribution per owner for each funding plan.
- 30-Year Minimum Balance - Projected minimum balance for each funding plan. An amount to be held in reserve to fund unforeseen contingencies. Expressed as a percentage.

### **Property Comparison (Not shown in some studies)**

The "Property Comparison" chart compares the property's current funding to the last 100 properties we have studied. The comparison shows the maximums, minimums and property averages compared to your property. Three comparisons are made:

- % Funded - Ratio of the current to the ideal Reserve Balance for each component in the Reserve Table. The ratio is a product of the "used-up" life, useful life and component cost.
- Reserve Depletion Factor - Number of years amount-on-hand will fund (It's the same as the "go broke" date if no more money is added to the reserves).
- Cost Per Owner – Average contribution per owner needed to meet the reserve requirement. Dollar amounts will vary from property to property based on construction features, common/limited common elements, past contributions to the reserves and other factors that may not result in a true comparison.

## PHOTOGRAPHS & COMMENTS



Pinecrest Swim & Tennis Club is located in Herndon, Virginia.



Front view of the building that houses the bathrooms, lifeguard room, and pool equipment.



Rear view of the building.



The club has two swimming pools. The larger pool contains 5985 square feet.....



.....The wading pool is a 300 square foot facility.



Bathrooms are in fair condition, but we assume they will need a future upgrade.





Pool filtration system that serves both pools.



Water slide will eventually need to be replaced. We reserve for its replacement.



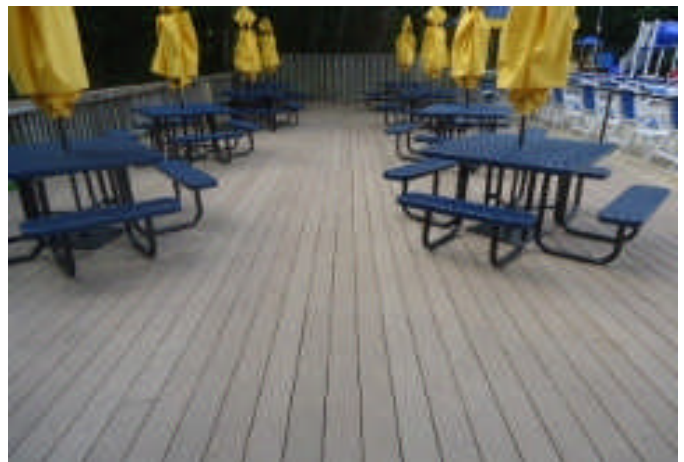
We also reserve for diving boards.



Tot lot is a metal and plastic unit that should achieve a useful life of at least 25 years.

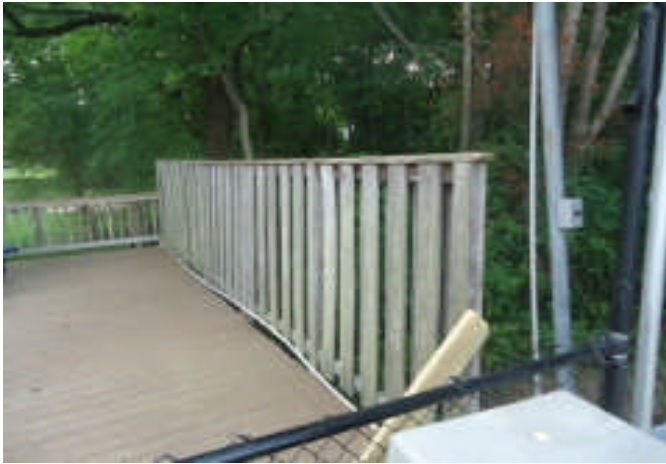


Pool furniture was recently replaced.



A sun deck is available adjacent to the pool. Decking is composite material. Composite material has a longer useful life than wood and requires far less maintenance than natural wood.





Board on board fence on one end of the sun deck is in fair condition.



We also reserve for the wood retaining wall and railing that is placed on and near the sun deck.



General maintenance consisting of spot repairs to rails and fence and tying up loose areas will extend the overall useful life of the fence.



The club has three tennis courts. These courts were recently repaired and color coated.



Twelve light fixtures illuminate the court.



There is also one multi-purpose court with a basketball standard. Likewise, this court was recently repaired and color coated.



The property and swimming pool are enclosed by fencing. Fence consists of both chain link and board on board.



Board on board fence located on the south property line.



A large parking lot consisting of approximately 138 square yards is available for vehicle parking.



The lot is showing wearing surface and perhaps base failures. We assume the association will find it necessary to overlay the lot in about three years.



We also reserve for bumper blocks.....



.....and concrete repairs to be made as needed.





We also reserve for concrete sidewalk repairs.



The pool equipment room door was recently replaced. We reserve for the remaining doors to be replaced when needed.



Small section of fencing outside both the men's and ladies' room is in good condition at this time.



We also provide for miscellaneous replacement of equipment, such as this bleacher.....



.....lighting fixtures.....



.....and signs.

## COMMENTS CONTINUED

The following additional comments are offered to clarify our assumptions or call to your attention items of concern.

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### **BATHHOUSE**

Best information available indicates the roofs were replaced circa 1994. Assuming the shingles have an average useful life of 20 years, replacement should be needed in about three years. Our experience supports not all roofs will need to be replaced at the same time; therefore, we reserve for the replacement to span a period of four years. The Association should establish priorities for replacement, doing the roofs that need it the most in the first year and so on for the remaining roofs. Also, although we reserve for the roofs to be replaced, replacement should not occur until minor repairs are no longer effective and there is no other alternative than to replace the shingles. The shingles appear to have been on the building for quite some time. We assume they will need to be replaced within the next two years.

### **ROOFING-SHINGLES**

### **POOL(S)**

#### **WHITECOAT**

Whitecoating is normally needed about every seven years on a covered pool. Although we allow for this work to occur on that schedule, the decision to whitecoat should be evaluated each year after the pool is drained.

#### **FILTER/PUMPS/WATER LINES**

Allows for filter replacement and usually encountered pump and water line problems.

#### **COPING/TILES/WALLS&FLOORS**

We budget a reasonable amount at every other whitecoating cycle to correct minor problems usually found in the pool shell. Major catastrophic repairs caused by high water table flotation or major wall/floor failures are not budgeted for in the reserves because this work is not predictable. If failures do occur they are sometimes covered by insurance, if not, repairs may need to be funded from other sources at that time.

#### **CANOPIES**

Replaced in 2011. We reserve for the next time replacement is most likely to be needed.

#### **REPLACE CONCRETE DECK-20%**

We assume the pool deck will need to be replaced after 50 years of use.

#### **SITE LIGHTING**

Provides for the replacement of the lights that illuminate the pool area at the end of their useful life.

#### **POOL COVERS**

Pool covers normally have a useful life of about ten years and are a good investment because they keep debris out of the pool and provide a measure of safety from animals falling into the water.

---

### **PAVEMENTS**

There are two considerations that apply to asphalt pavements:

1) Implement a preventive maintenance program - preventive maintenance consist of sealing open cracks (equal to or greater than 1/8"), repair wearing surface/base/sub-base areas that have failed (distinguished by "alligator" or "chicken wire" cracking), applying a seal coat to the entire surface and repaint all traffic markings. An additional benefit of the seal coat and traffic markings is the pavement will look uniform and that enhances property appearance. Funding for this work is identified as "Preventive Maintenance" in the reserve table. Although we allow for this work to be done every four years, if cracks open or asphalt failures occur sooner they should be repaired at that time. The contingency built into the funding plan should be more than adequate to fund these repairs in the off years. If additional funds are needed in the scheduled years, likewise, the contingency should be used.

2) Be prepared to repave all asphalt around the time period shown in the table. Although we allow for 100% of the asphalt to be repaved our experience supports a smaller percentage of the base/sub-base will need repairs. We show that percentage in the "Base Course/Concrete Repairs" entry. When repaving, there are two possible courses of action; 1) mill only near the gutter pans to preserve proper drainage and then place a 1-1/2" of compacted asphalt throughout, and 2) total milling of all the asphalt and repave to the thickness removed. Also reserves for major concrete repairs to curbs, gutters and sidewalks.

Note - We use current cost for the price of asphalt pavement work. Asphalt cost is dictated by the price of oil. Actual cost could be higher or lower depending on the cost of oil at the time work is done and how many base failures need repair to support the overlay.

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### **TENNIS/MULTI-PURPOSE COURTS**

#### **10' CHAIN LINK FENCE**

Fence useful life can be extended by painting to control rust, stretching fabric, straightening posts and adding tie wires to hold the fabric tight, when needed.

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### **TOT-LOTS**

Metal and plastic unit is in good condition. To extend useful life of the equipment repair components as needed, i.e., periodically check nuts, bolts and other fasteners to assure they are holding the components properly. Keep the running surface filled with "loose fill materials" to absorb the shock when children fall or jump. Children falling on non-absorbing materials cause 70% of tot-lot injuries.

## COMMENTS CONTINUED

TOT LOT(S)	Tot-lot replacements costs can vary greatly - we use an average cost. To extend useful life of the equipment repair components as needed, i.e., protectively coat metal surfaces to prevent deterioration/corrosion, periodically check nuts, bolts and other fasteners to assure they are holding the components properly. Keep the running surface filled with "loose fill materials" to absorb the shock when children fall or jump. Children falling on non-absorbing materials cause 70% of tot-lot injuries.
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### **RETAINING WALLS/FENCING**

WOOD RETAINING WALLS	Wood retaining walls typically have accelerated deterioration in the top member of the wall. In some cases these members can be replaced without replacing the entire wall. When total replacement is needed, consider installing a modular block system. These systems have a longer useful life and require less maintenance.
6' BOARD FENCE (PERIMETER)	We saw leaning post and loose boards. Spot repairs to loose members, straightening posts and applying a preservative or paint can extend useful life.
CHAIN LINK FENCE (PERIMETER AND POOL)	Fence useful life can be extended by painting to control rust, stretching fabric, straightening posts and adding tie wires to hold the fabric tight, when needed.

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### **OTHER PROPERTY FEATURES**

REFRIGERATORS AND FREEZER	Exact failure cannot be predicted. We assume replacement could be needed between five and fifteen years from now.
PICNIC TABLES/BENCHES	We reserve for their replacement and assume units costing approximately \$900 each will be purchased.
ASPHALT PATH	This path serves the tennis courts and the tot lot. It is currently in fair condition but will need to be overlaid in the future.

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### **ANNUAL ALLOWANCES**

	The below listed components are non-cyclical items that typically experience some kind of failure each year or every few years. We reserve a reasonable amount of money each year to keep them in good repair. Funding from other sources may be needed if major repairs are needed.
FACADE/CAULK/WATERPROOFING	Minor repairs to bricks, wood siding, sealing doors, walls, and other openings to keep buildings weather tight.
CURBS/GUTTERS/SIDEWALKS/STEPS	Curbs, gutters, sidewalks and steps will deteriorate, heave, settle, be damaged by vehicles or sustain other types of damage. Defective areas should be corrected as needed.
POOL DECK/COPING & TILE	Deck, coping and tiles will need joint and crack sealing and spot repairs to keep them in good condition to meet safety and health department requirements.
MECHANICAL/PLUMBING/ELECTRICAL	A annual expenditure to keep in good repair common area mechanical, plumbing and electric systems that are not reserved for elsewhere. Motors, pumps, gauges, valves, controls, fire, security, mechanical system, plumbing pipes, electric faults and other kinds of system deterioration will need repair as problems occur.
TREES/LANDSCAPE IMPROVEMENTS	Tree care and landscape needs can become expensive. Reserves for removal/replacement of diseased and dead units.
MISCELLANEOUS ITEMS	Repairs to interior doors, small lighting fixtures, drainage improvements, and other items that are not reserved for elsewhere.

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## EXCLUSIONS

### **ADA ACCESSIBLE SWIMMING POOL**

We make no allowance for making the pools ADA accessible as the pools are not considered to be for public use. If this assumption is incorrect please advise and we will revise the study.

## Appendix A

**TABLE OF REPAIR & REPLACEMENT RESERVES**

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ITEM	APPROX'MT USEFUL LIFE		ESTIMATED COST IN CURRENT \$	DISTR'BTN OF AOH AS OF 01-Apr-12	BALANCE NEEDED TO FUND RESERVE	FY13		FISCAL YEARS 1 - 10 EXPENSE PROJECTION										
	QUANTITY	AVG REM (YRS)				CONTRIBUTION	CASH FLOW COMPONENT	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
	(2)	(3) (4)				(8)	(9)											
<b>BATHHOUSE</b>																		
ROOFING-SHINGLES	1,488	SF	20	2	\$6,700	\$1,930	\$4,770	\$1,190	\$2,390	\$0	\$6,860	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ENTRANCE DOORS	5	EA	25	15	10,300	2,960	7,340	240	490	0	0	0	0	0	0	0	0	0
RENOVATE BATHHOUSE		LS	20	10	50,000	14,390	35,610	1,780	3,560	0	0	0	0	0	0	0	0	62,010
<b>POOL(S)</b>																		
WHITECOAT-ADULT POOL	5,985	SF	7	4	35,910	10,340	25,570	3,200	6,390	0	0	0	38,580	0	0	0	0	0
WHITECOAT-WADING POOL	300	SF	7	4	1,800	520	1,280	160	320	0	0	0	1,930	0	0	0	0	0
FILTER/PUMPS/WATER LINES		LS	15	7	18,000	5,180	12,820	920	1,830	0	0	0	0	0	20,780	0	0	0
COPING/TILES/WALLS&FLOORS		LS	14	11	54,010	15,550	38,460	1,750	3,500	0	0	0	0	0	0	0	0	0
HOT WATER HEATER	1	EA	15	3	6,000	1,730	4,270	710	1,420	0	0	6,290	0	0	0	0	0	0
REPLACE CONCRETE DECK-20%	2,223	SF	10	10	24,450	7,040	17,410	870	1,740	0	0	0	0	0	0	0	0	30,320
RESURFACE SUN DECK	1,500	SF	50	30	30,000	8,630	21,370	360	710	0	0	0	0	0	0	0	0	0
SUN DECK RAILS	80	LF	30	20	4,800	1,380	3,420	90	170	0	0	0	0	0	0	0	0	0
WATER SLIDE		LS	15	11	19,000	5,470	13,530	620	1,230	0	0	0	0	0	0	0	0	0
POOL FURNITURE		LS	6	5	29,000	8,350	20,650	2,070	4,130	0	0	0	0	31,910	0	0	0	0
CANOPIES		LS	10	9	15,000	4,320	10,680	590	1,190	0	0	0	0	0	0	0	18,160	0
SITE LIGHTING	12	EA	30	7	22,800	6,560	16,240	1,160	2,320	0	0	0	0	0	26,320	0	0	0
ADULT POOL COVER	5,985	SF	10	5	20,950	6,030	14,920	1,490	2,980	0	0	0	0	23,050	0	0	0	0
WADING POOL COVER	300	SF	10	5	1,880	540	1,340	130	270	0	0	0	0	2,070	0	0	0	0
<b>TOTAL SWIMMING POOL</b>					350,600	100,920	249,680	17,330	34,640									
<b>PAVEMENTS</b>																		
PREVENTIVE MAINTENANCE	3,138	SY	4	7	6,280	1,810	4,470	320	640	0	0	0	0	0	7,250	0	0	0
PAVEMENT OVERLAY	3,138	SY	13	3	40,790	11,740	29,050	4,840	9,680	0	0	42,790	0	0	0	0	0	0
BASE COURSE/CONCRETE RPRS @ 20%	628	SY	13	3	21,970	6,320	15,650	2,610	5,220	0	0	23,050	0	0	0	0	0	0
<b>TOTAL PAVEMENTS</b>					69,040	19,870	49,170	7,770	15,540									
<b>TENNIS/MULTI-PURPOSE COURTS</b>																		
RESURFACE-TENNIS & MULTI-PURPOSE	4	EA	5	5	17,500	5,040	12,460	1,250	2,490	0	0	0	0	19,260	0	0	0	21,700
COURT REPAIRS	4	EA	20	1	60,000	17,270	42,730	21,370	42,730	60,000	0	0	0	0	0	0	0	0
LIGHTS/POSTS	12	EA	30	15	45,600	13,120	32,480	1,080	2,170	0	0	0	0	0	0	0	0	0
10' CHAIN LINK FENCE	560	LF	30	15	23,520	6,770	16,750	560	1,120	0	0	0	0	0	0	0	0	0
<b>TOTAL TENNIS/MULTI-PURPOSE COURTS</b>					146,620	42,200	104,420	24,260	48,510									
<b>TOT-LOTS</b>																		
TOT LOT(S)	1	EA	25	17	27,000	7,770	19,230	570	1,130	0	0	0	0	0	0	0	0	0
<b>TOTAL TOT-LOTS</b>					27,000	7,770	19,230	570	1,130									
<b>RETAINING WALLS/FENCING</b>																		
WOOD RETAINING WALLS	60	SF	40	10	3,300	950	2,350	120	240	0	0	0	0	0	0	0	0	4,090
6' BOARD FENCE (PERIMETER)	300	LF	15	5	9,600	2,760	6,840	680	1,370	0	0	0	0	10,560	0	0	0	0
6' B ON B FENCE (POOL AREA)	45	LF	30	15	1,440	410	1,030	30	70	0	0	0	0	0	0	0	0	0
6' CHAIN LINK FENCE (PERIM. AND POOL)	1,860	LF	30	15	40,920	11,780	29,140	970	1,940	0	0	0	0	0	0	0	0	0

**TABLE OF REPAIR & REPLACEMENT RESERVES**

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ITEM	APPROX'MT USEFUL LIFE		ESTIMATED		DISTR'BTN OF AOH AS OF 01-Apr-12 (6)	BALANCE NEEDED TO FUND RESERVE (7)	FY13 CONTRIBUTION CASH FLOW COMPONENT METHODS (8)		FISCAL YEARS 1 - 10 EXPENSE PROJECTION									
	QUANTITY	AVG REM (YRS)	COST IN CURRENT \$						2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)										
3' CHAIN LINK FENCE (POOL)	105	LF	30	15		580	1,420	50	90	0	0	0	0	0	0	0	0	0
<b>TOTAL RETAINING WALLS/FENCING</b>						57,260	16,480	40,780	1,850	3,710								
<b>OTHER PROPERTY FEATURES</b>																		
REFRIGERATOR-OLDER	1	EA	15	5		800	230	570	60	110	0	0	0	0	880	0	0	0
REFRIGERATOR-NEWER	1	EA	15	14		800	230	570	20	40	0	0	0	0	0	0	0	0
FREEZER	1	EA	15	5		800	230	570	60	110	0	0	0	0	880	0	0	0
PICNIC TABLES/BENCHES	10	EA	20	15		9,000	2,590	6,410	210	430	0	0	0	0	0	0	0	0
ASPHALT PATH	1,080	SF	30	15		19,440	5,600	13,840	460	920	0	0	0	0	0	0	0	0
<b>TOTAL OTHER PROPERTY FEATURES</b>						30,840	8,880	21,960	810	1,610								
<b>ANNUAL ALLOWANCES</b>																		
# FACADE/CAULK/WATERPROOFING	LS	1	1			1,000	290	710	360	710	1,000	1,020	1,050	1,070	1,100	1,130	1,150	1,180
# CURBS/GUTTERS/SIDEWALKS/STEPS	LS	1	1			1,000	290	710	360	710	1,000	1,020	1,050	1,070	1,100	1,130	1,150	1,180
# POOL DECK/COPING & TILE	LS	1	1			2,500	720	1,780	890	1,780	2,500	2,560	2,620	2,690	2,750	2,820	2,890	2,960
# MECHANICAL/PLUMBING/ELECTRICAL	LS	1	1			3,000	860	2,140	1,070	2,140	3,000	3,070	3,150	3,220	3,300	3,380	3,460	3,550
# TREES/LANDSCAPE IMPROVEMENTS	LS	1	1			3,000	860	2,140	1,070	2,140	3,000	3,070	3,150	3,220	3,300	3,380	3,460	3,550
# MISCELLANEOUS ITEMS	LS	1	1			3,000	860	2,140	1,070	2,140	3,000	3,070	3,150	3,220	3,300	3,380	3,460	3,550
<b>TOTAL ANNUAL ALLOWANCES</b>						13,500	3,880	9,620	4,820	9,620								
<b>TOTAL RESERVES</b>						\$694,860	\$200,000	\$494,860	\$57,410	\$114,760	\$73,500	\$20,670	\$86,300	\$55,000	\$103,460	\$15,220	\$69,920	\$15,970
						=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
						<b>AVERAGE CONTRIBUTION PER OWNER =</b>				<b>\$115</b>	<b>\$230</b>							

Notes:

All dollars rounded to nearest \$10. Totals may not add due to rounding.

# - An annual allocation. Repairs are usually needed at least once a year.

One year remaining useful life indicates the useful life of the component is used up, except for # sign items that are treated as annual events.



ITEM	USEFUL LIFE ESTIMATED			FISCAL YEARS 11 - 30 EXPENSE PROJECTION																			
	AVGREM	COST IN		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
(1)	(3)	(4)	(5)																				
<b>SWIMMING POOL</b>																							
<b>BATHHOUSE</b>																							
ROOFING-SHINGLES	20	2	\$6,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$11,070	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ENTRANCE DOORS	25	15	10,300	0	0	0	0	14,400	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RENOVATE BATHHOUSE	20	10	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,030
<b>POOL(S)</b>																							
WHITECOAT-ADULT POOL	7	4	35,910	45,610	0	0	0	0	0	0	53,920	0	0	0	0	0	0	63,750	0	0	0	0	0
WHITECOAT-WADING POOL	7	4	1,800	2,290	0	0	0	0	0	0	2,700	0	0	0	0	0	0	3,200	0	0	0	0	0
FILTER/PUMPS/WATER LINES	15	7	18,000	0	0	0	0	0	0	0	0	0	0	0	29,740	0	0	0	0	0	0	0	0
COPING/TILES/WALLS&FLOORS	14	11	54,010	68,600	0	0	0	0	0	0	0	0	0	0	0	0	0	95,880	0	0	0	0	0
HOT WATER HEATER	15	3	6,000	0	0	0	0	0	0	0	9,010	0	0	0	0	0	0	0	0	0	0	0	0
REPLACE CONCRETE DECK-20%	10	10	24,450	0	0	0	0	0	0	0	0	0	38,510	0	0	0	0	0	0	0	0	0	48,910
RESURFACE SUN DECK	50	30	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60,020
SUN DECK RAILS	30	20	4,800	0	0	0	0	0	0	0	0	0	7,560	0	0	0	0	0	0	0	0	0	0
WATER SLIDE	15	11	19,000	24,130	0	0	0	0	0	0	0	0	0	0	0	0	0	34,540	0	0	0	0	0
POOL FURNITURE	6	5	29,000	36,830	0	0	0	0	0	42,520	0	0	0	0	0	49,080	0	0	0	0	0	56,650	0
CANOPIES	10	9	15,000	0	0	0	0	0	0	0	0	23,070	0	0	0	0	0	0	0	0	0	29,300	0
SITE LIGHTING	30	7	22,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ADULT POOL COVER	10	5	20,950	0	0	0	0	29,280	0	0	0	0	0	0	0	0	0	37,190	0	0	0	0	0
WADING POOL COVER	10	5	1,880	0	0	0	0	2,630	0	0	0	0	0	0	0	0	0	3,340	0	0	0	0	0
<b>TOTAL SWIMMING POOL</b>			350,600																				
<b>PAVEMENTS</b>																							
PREVENTIVE MAINTENANCE	4	7	6,280	7,980	0	0	0	8,780	0	0	0	9,660	0	0	0	10,630	0	0	0	11,690	0	0	0
PAVEMENT OVERLAY	13	3	40,790	0	0	0	0	0	58,390	0	0	0	0	0	0	0	0	0	0	0	0	79,680	0
BASE COURSE/CONCRETE RPRS @ 20%	13	3	21,970	0	0	0	0	0	31,450	0	0	0	0	0	0	0	0	0	0	0	0	42,910	0
<b>TOTAL PAVEMENTS</b>			69,040																				
<b>TENNIS/MULTI-PURPOSE COURTS</b>																							
RESURFACE-TENNIS & MULTI-PURPOSE	5	5	17,500	0	0	0	0	24,460	0	0	0	0	27,560	0	0	0	0	31,070	0	0	0	0	35,010
COURT REPAIRS	20	1	60,000	0	0	0	0	0	0	0	0	0	0	96,790	0	0	0	0	0	0	0	0	0
LIGHTS/POSTS	30	15	45,600	0	0	0	0	63,730	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10' CHAIN LINK FENCE	30	15	23,520	0	0	0	0	32,870	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL TENNIS/MULTI-PURPOSE COURTS</b>			146,620																				
<b>TOT-LOTS</b>																							
TOT LOT(S)	25	17	27,000	0	0	0	0	0	0	39,580	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL TOT-LOTS</b>			27,000																				
<b>RETAINING WALLS/FENCING</b>																							
WOOD RETAINING WALLS	40	10	3,300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6' BOARD FENCE (PERIMETER)	15	5	9,600	0	0	0	0	0	0	0	0	0	15,120	0	0	0	0	0	0	0	0	0	0
6' B ON B FENCE (POOL AREA)	30	15	1,440	0	0	0	0	2,010	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6' CHAIN LINK FENCE (PERIM. AND POOL)	30	15	40,920	0	0	0	0	57,190	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3' CHAIN LINK FENCE (POOL)	30	15	2,000	0	0	0	0	2,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL RETAINING WALLS/FENCING</b>			57,260																				
<b>OTHER PROPERTY FEATURES</b>																							
REFRIGERATOR-OLDER	15	5	800	0	0	0	0	0	0	0	0	0	1,260	0	0	0	0	0	0	0	0	0	0
REFRIGERATOR-NEWER	15	14	800	0	0	0	1,090	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,560	0

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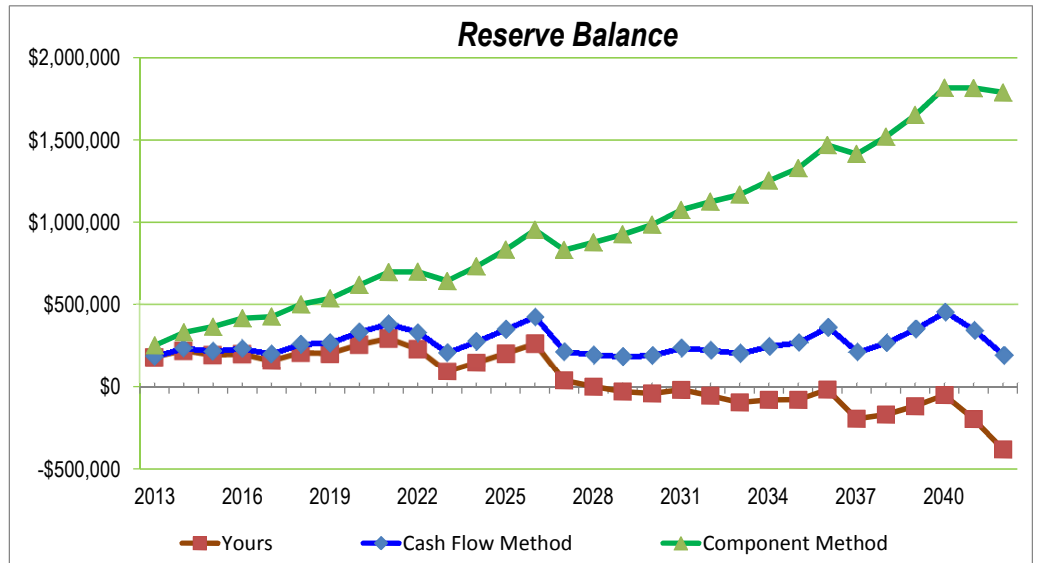
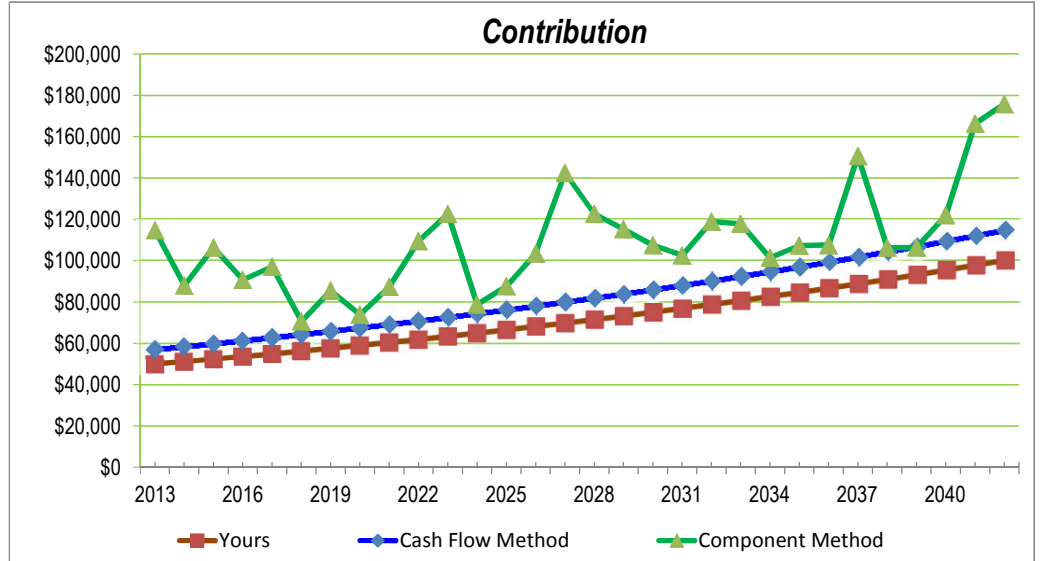
ITEM	USEFUL LIFE ESTIMATED			FISCAL YEARS 11 - 30 EXPENSE PROJECTION																			
	AVGREM	COST IN		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
(1)	(3)	(4)	(5)																				
FREEZER	15	5	800	0	0	0	0	0	0	0	0	0	1,260	0	0	0	0	0	0	0	0	0	0
PICNIC TABLES/BENCHES	20	15	9,000	0	0	0	0	12,580	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ASPHALT PATH	30	15	19,440	0	0	0	0	27,170	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER PROPERTY FEATURES			30,840																				
ANNUAL ALLOWANCES																							
# FACADE/CAULK/WATERPROOFING	1	1	1,000	1,270	1,300	1,330	1,360	1,400	1,430	1,470	1,500	1,540	1,580	1,610	1,650	1,690	1,730	1,780	1,820	1,860	1,910	1,950	2,000
# CURBS/GUTTERS/SIDEWALKS/STEPS	1	1	1,000	1,270	1,300	1,330	1,360	1,400	1,430	1,470	1,500	1,540	1,580	1,610	1,650	1,690	1,730	1,780	1,820	1,860	1,910	1,950	2,000
# POOL DECK/COPING & TILE	1	1	2,500	3,180	3,250	3,330	3,410	3,490	3,580	3,670	3,750	3,840	3,940	4,030	4,130	4,230	4,330	4,440	4,550	4,660	4,770	4,880	5,000
# MECHANICAL/PLUMBING/ELECTRICAL	1	1	3,000	3,810	3,900	4,000	4,090	4,190	4,290	4,400	4,500	4,610	4,730	4,840	4,960	5,080	5,200	5,330	5,450	5,590	5,720	5,860	6,000
# TREES/LANDSCAPE IMPROVEMENTS	1	1	3,000	3,810	3,900	4,000	4,090	4,190	4,290	4,400	4,500	4,610	4,730	4,840	4,960	5,080	5,200	5,330	5,450	5,590	5,720	5,860	6,000
# MISCELLANEOUS ITEMS	1	1	3,000	3,810	3,900	4,000	4,090	4,190	4,290	4,400	4,500	4,610	4,730	4,840	4,960	5,080	5,200	5,330	5,450	5,590	5,720	5,860	6,000
TOTAL ANNUAL ALLOWANCES			13,500																				
TOTAL RESERVES			\$344,260	\$202,590	\$17,550	\$17,990	\$19,490	\$296,760	\$109,150	\$101,910	\$85,880	\$53,480	\$112,560	\$118,560	\$63,120	\$82,560	\$23,390	\$258,420	\$59,080	\$36,840	\$25,750	\$236,460	\$270,970
			=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

# FUNDING PLANS - 30 YEAR PROJECTION

# Units = 500

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FY (10)	Expenses		Yours		Cash Flow Method		Component Method	
	Annual * (11)	Cumulative (12)	Contr'b'tn (13)	Balance (14)	Contr'b'tn (15)	Balance (16)	Contr'b'tn (17)	Balance (18)
AOH				\$200,000		\$200,000		\$200,000
2013	73,500	73,500	50,000	183,470	57,410	191,170	114,760	250,790
2014	20,670	94,170	51,210	222,460	58,800	238,360	87,910	330,590
2015	86,300	180,470	52,450	196,060	60,220	220,670	106,360	364,500
2016	55,000	235,470	53,720	202,470	61,680	236,330	90,800	416,110
2017	103,460	338,930	55,020	160,110	63,170	203,780	97,070	425,900
2018	15,220	354,150	56,350	209,190	64,700	263,260	70,660	500,350
2019	69,920	424,070	57,710	204,760	66,270	269,860	85,530	536,340
2020	15,970	440,040	59,110	257,690	67,870	334,470	73,800	617,640
2021	34,500	474,540	60,540	294,940	69,510	384,070	87,360	696,980
2022	134,860	609,400	62,010	230,860	71,190	333,060	109,440	698,090
2023	202,590	811,990	63,510	95,410	72,910	211,410	122,650	642,570
2024	17,550	829,540	65,050	148,550	74,670	279,140	78,760	731,580
2025	17,990	847,530	66,620	204,970	76,480	350,970	87,700	832,940
2026	19,490	867,020	68,230	263,730	78,330	426,000	103,390	953,060
2027	296,760	1,163,780	69,880	38,310	80,230	217,740	142,410	830,260
2028	109,150	1,272,930	71,570	760	82,170	198,300	122,660	877,100
2029	101,910	1,374,840	73,300	(28,950)	84,160	187,680	115,140	925,500
2030	85,880	1,460,720	75,070	(41,330)	86,200	195,430	107,480	984,510
2031	53,480	1,514,200	76,890	(18,630)	88,290	239,330	102,570	1,074,430
2032	112,560	1,626,760	78,750	(54,510)	90,430	225,780	119,000	1,123,560
2033	118,560	1,745,320	80,660	(96,060)	92,620	207,730	117,840	1,167,190
2034	63,120	1,808,440	82,610	(79,590)	94,860	248,930	101,450	1,253,140
2035	82,560	1,891,000	84,610	(80,600)	97,160	273,940	107,270	1,328,330
2036	23,390	1,914,390	86,660	(18,010)	99,510	363,890	107,550	1,468,280
2037	258,420	2,172,810	88,760	(195,080)	101,920	215,580	150,680	1,414,280
2038	59,080	2,231,890	90,910	(169,700)	104,390	271,200	106,270	1,519,200
2039	36,840	2,268,730	93,110	(117,910)	106,920	354,760	106,420	1,651,540
2040	25,750	2,294,480	95,360	(50,210)	109,510	455,840	121,960	1,816,790
2041	236,460	2,530,940	97,670	(196,470)	112,160	344,640	166,260	1,815,580
2042	270,970	2,801,910	100,030	(381,920)	114,870	195,990	175,840	1,788,410
<b>SUMMARY</b>								
30-Year Annual Average =			\$72,250		\$82,950		\$109,570	
30-Year Average/Owner =			\$145		\$166		\$219	
30-Year Minimum Balance =			(\$381,920)		\$187,680		\$330,590	
30-Year Maximum Balance =			\$294,940		\$455,840		\$1,816,790	



Notes:

\* An annual average cost. Some expenditures may be needed in earlier years, some in later years, depending on when the actual work is done.

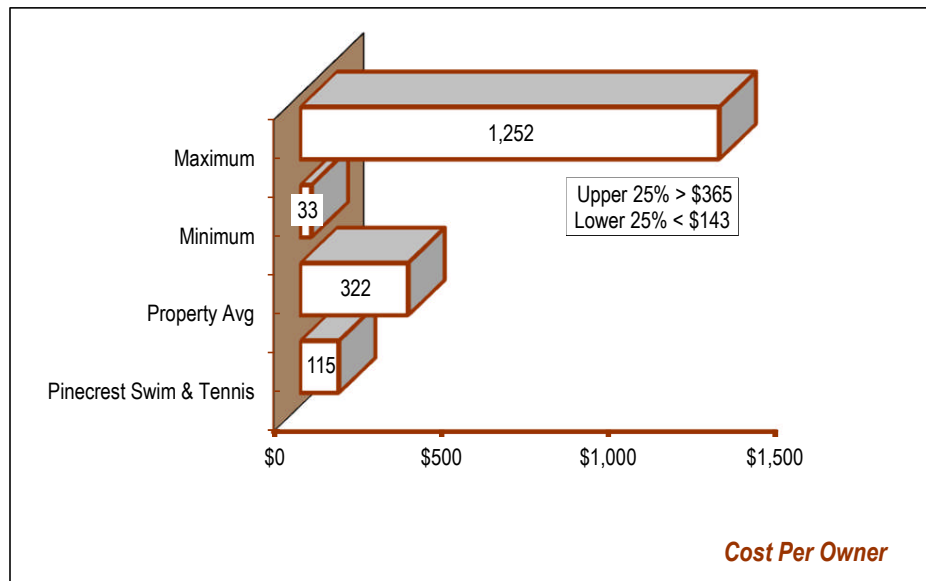
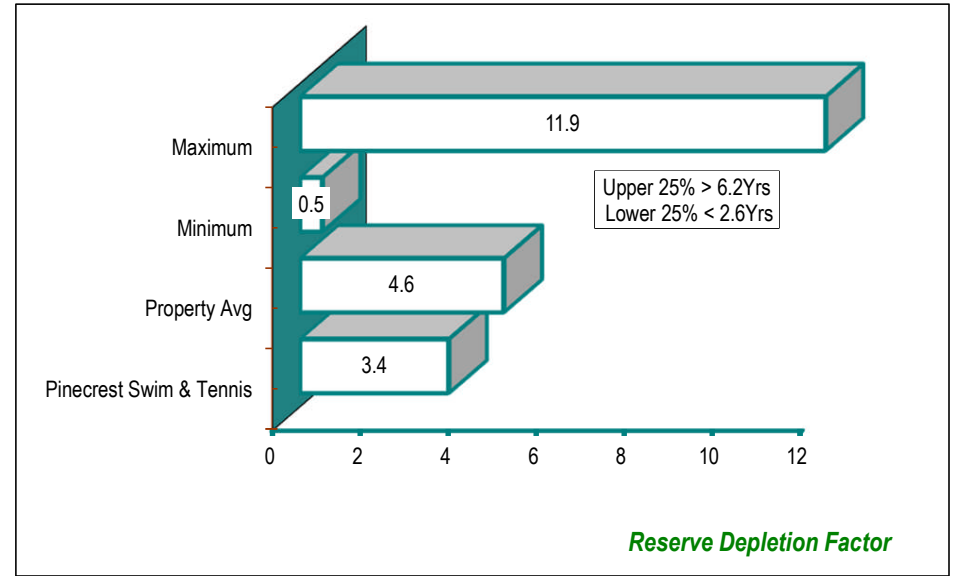
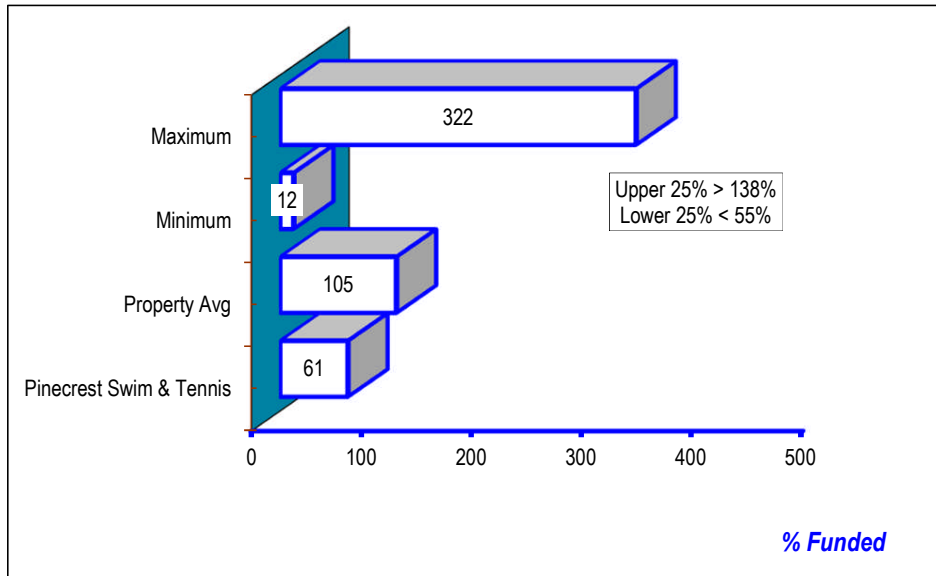
Data is a projection based on this point in time. The projection will change as useful life, current costs and amount-on-hand vary.

Data should be considered a more accurate projection for years 1 - 5 than the out-years.

Minimum balance does not include the first year.

**PROPERTY COMPARISON**  
**Sample Size = 100 HOA's/POA's**

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**Legend:**

This comparison only compares the first study year to other properties.

% Funded -- Used-up life divided by Useful Life times Current Cost.

Reserve Depletion Factor -- Number of years the amount-on-hand will fund if no more is contributed to the reserves.

Cost Per Owner - The average cost per owner to meet the reserve requirement compared to other properties.