Reserve Analysis Report

Threamoor in the Park
Lakewood, Colorado
Version 2
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Threamoor in the Park

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Preface

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

♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

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

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

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

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

♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

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

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:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \text{ X Current Cost}$$

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.

Preface

♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

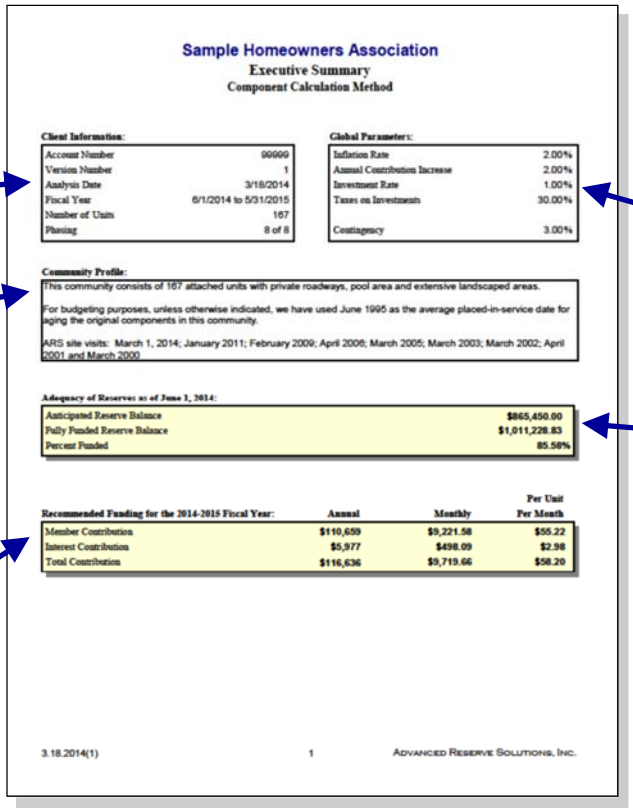
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this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

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

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



Sample Homeowners Association
Executive Summary
Component Calculation Method

Client Information:

Account Number	99999
Version Number	1
Analysis Date	3/18/2014
Fiscal Year	6/1/2014 to 5/31/2015
Number of Units	167
Phasing	8 of 8

Global Parameters:

Inflation Rate	2.00%
Annual Contribution Increase	2.00%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

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

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

ARS site visits: March 1, 2014; January 2011; February 2009; April 2006; March 2005; March 2003; March 2002; April 2001 and March 2000

Adequacy of Reserves as of June 1, 2014:

Anticipated Reserve Balance	$865,450.00
Fully Funded Reserve Balance	$1,011,228.83
Percent Funded	85.58%

Recommended Funding for the 2014-2015 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	$110,659	$9,221.58	$55.22
Interest Contribution	$5,977	$498.09	$2.98
Total Contribution	$116,636	$9,719.66	$58.20

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

Budget
Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution

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

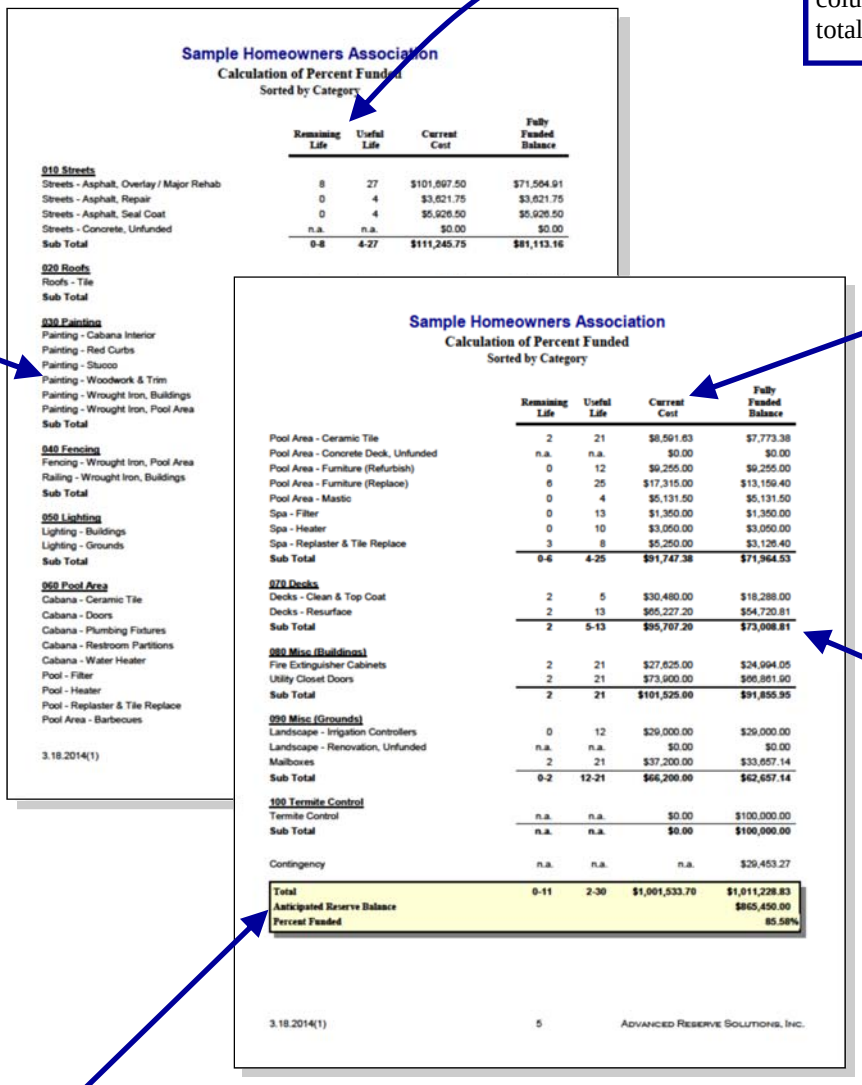
Preface

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.

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Reserve Components
All components are displayed (shown here in "category" order).



Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	8	27	$101,697.50	$71,564.91
Streets - Asphalt, Repair	0	4	$3,621.75	$3,621.75
Streets - Asphalt, Seal Coat	0	4	$5,926.50	$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-8**	**4-27**	**$111,245.75**	**$81,113.16**
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				

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Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	$8,591.63	$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	$0.00	$0.00
Pool Area - Furniture (Refurbish)	0	12	$9,255.00	$9,255.00
Pool Area - Furniture (Replace)	6	25	$17,315.00	$13,159.40
Pool Area - Mastic	0	4	$5,131.50	$5,131.50
Spa - Filter	0	13	$1,350.00	$1,350.00
Spa - Heater	0	10	$3,050.00	$3,050.00
Spa - Replaster & Tile Replace	3	8	$5,250.00	$3,126.40
Sub Total	**0-6**	**4-25**	**$91,747.38**	**$71,964.53**
070 Decks				
Decks - Clean & Top Coat	2	5	$30,480.00	$18,288.00
Decks - Resurface	2	13	$65,227.20	$54,720.81
Sub Total	**2**	**5-13**	**$95,707.20**	**$73,008.81**
080 Misc (Buildings)				
Fire Extinguisher Cabinets	2	21	$27,625.00	$24,994.05
Utility Closet Doors	2	21	$73,900.00	$66,861.90
Sub Total	**2**	**21**	**$101,525.00**	**$91,855.95**
090 Misc (Grounds)				
Landscape - Irrigation Controllers	0	12	$29,000.00	$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	$0.00	$0.00
Mailboxes	2	21	$37,200.00	$33,657.14
Sub Total	**0-2**	**12-21**	**$66,200.00**	**$62,657.14**
100 Termite Control				
Termite Control	n.a.	n.a.	$0.00	$100,000.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$100,000.00**
Contingency	n.a.	n.a.	n.a.	$29,453.27
Total	**0-11**	**2-30**	**$1,001,533.70**	**$1,011,228.83**
Anticipated Reserve Balance				**$865,450.00**
Percent Funded				**85.58%**

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Current Cost
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.

Preface

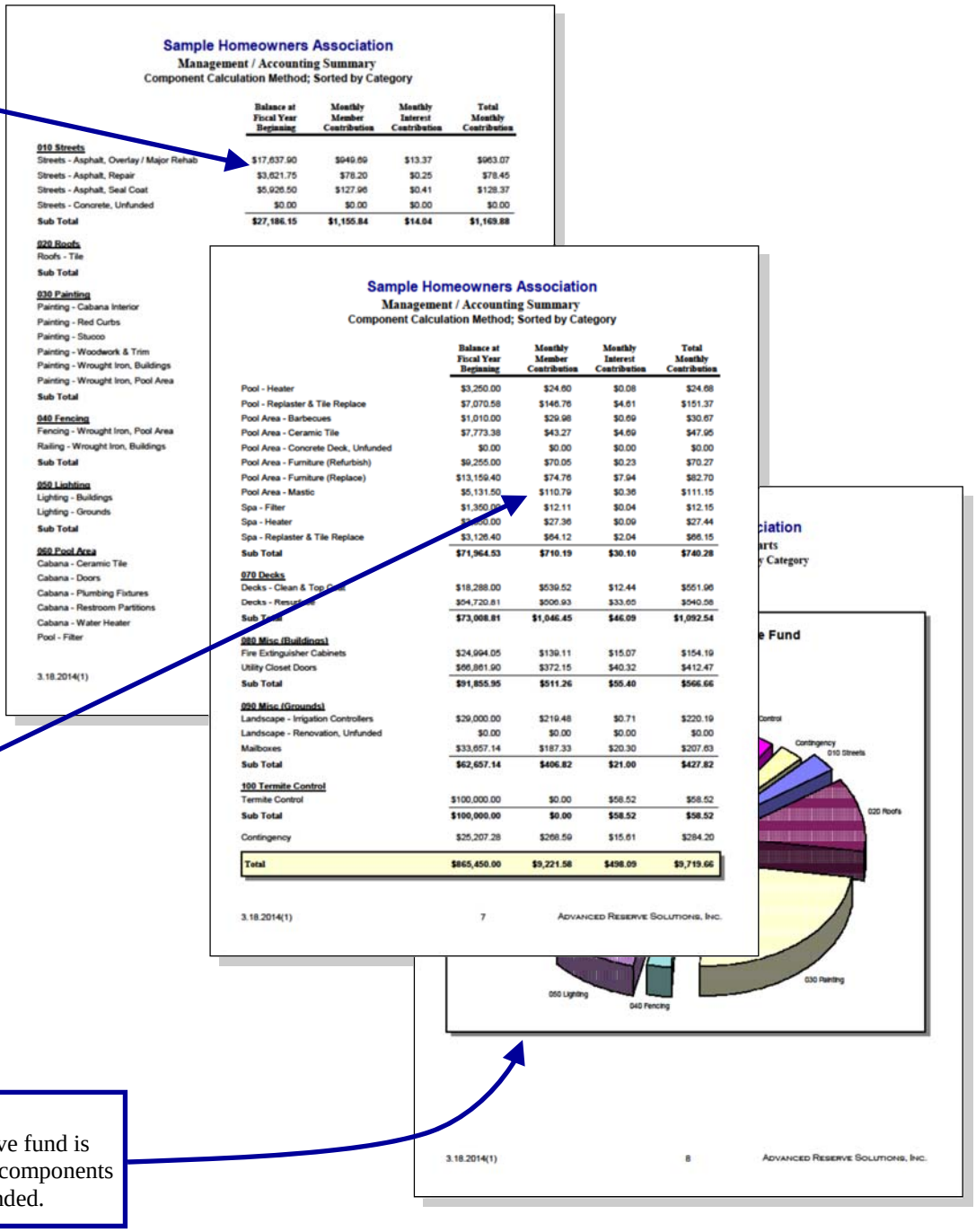
Management / Accounting Summary and Charts

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.

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

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

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



Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	$17,637.90	$949.69	$13.37	$963.07
Streets - Asphalt, Repair	$3,621.75	$78.20	$0.25	$78.45
Streets - Asphalt, Seal Coat	$5,926.50	$127.96	$0.41	$128.37
Streets - Concrete, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	$27,186.15	$1,155.84	$14.04	$1,169.88
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				

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Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Heater	$3,250.00	$24.60	$0.08	$24.68
Pool - Replaster & Tile Replace	$7,070.58	$146.76	$4.61	$151.37
Pool Area - Barbecues	$1,010.00	$29.98	$0.69	$30.67
Pool Area - Ceramic Tile	$7,773.38	$43.27	$4.69	$47.95
Pool Area - Concrete Deck, Unfunded	$0.00	$0.00	$0.00	$0.00
Pool Area - Furniture (Refurbish)	$9,255.00	$70.05	$0.23	$70.27
Pool Area - Furniture (Replace)	$13,159.40	$74.76	$7.94	$82.70
Pool Area - Mastic	$5,131.50	$110.79	$0.36	$111.15
Spa - Filter	$1,350.00	$12.11	$0.04	$12.15
Spa - Heater	$3,060.00	$27.36	$0.09	$27.44
Spa - Replaster & Tile Replace	$3,126.40	$64.12	$2.04	$66.15
Sub Total	$71,964.53	$710.19	$30.10	$740.28
070 Decks				
Decks - Clean & Top Coat	$18,288.00	$539.52	$12.44	$551.96
Decks - Resurface	$54,720.81	$506.93	$33.65	$540.58
Sub Total	$73,008.81	$1,046.45	$46.09	$1,092.54
080 Misc (Buildings)				
Fire Extinguisher Cabinets	$24,994.05	$139.11	$15.07	$154.19
Utility Closet Doors	$66,861.90	$372.15	$40.32	$412.47
Sub Total	$91,855.95	$511.26	$55.40	$566.66
090 Misc (Grounds)				
Landscape - Irrigation Controllers	$29,000.00	$219.48	$0.71	$220.19
Landscape - Renovation, Unfunded	$0.00	$0.00	$0.00	$0.00
Mailboxes	$33,657.14	$187.33	$20.30	$207.63
Sub Total	$62,657.14	$406.82	$21.00	$427.82
100 Termite Control				
Termite Control	$100,000.00	$0.00	$58.52	$58.52
Sub Total	$100,000.00	$0.00	$58.52	$58.52
Contingency	$25,207.28	$268.59	$15.61	$284.20
Total	$865,450.00	$9,221.58	$498.09	$9,719.66

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Control
Contingency
010 Streets
020 Roofs
030 Painting
040 Fencing
050 Lighting

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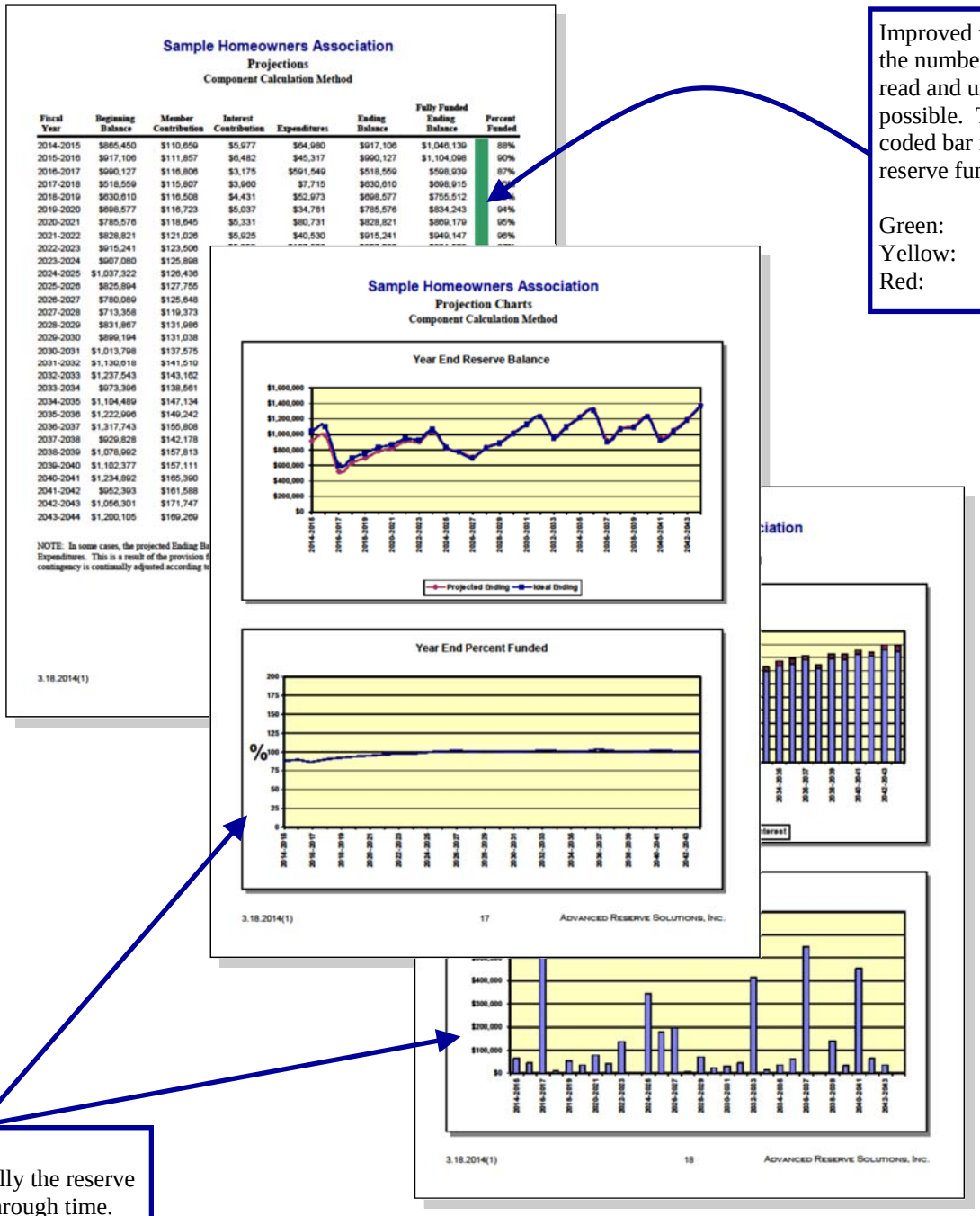
Projections and Charts

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.



Improved format makes the numbers as easy to read and understand as possible. The color-coded bar indicates the reserve fund status:

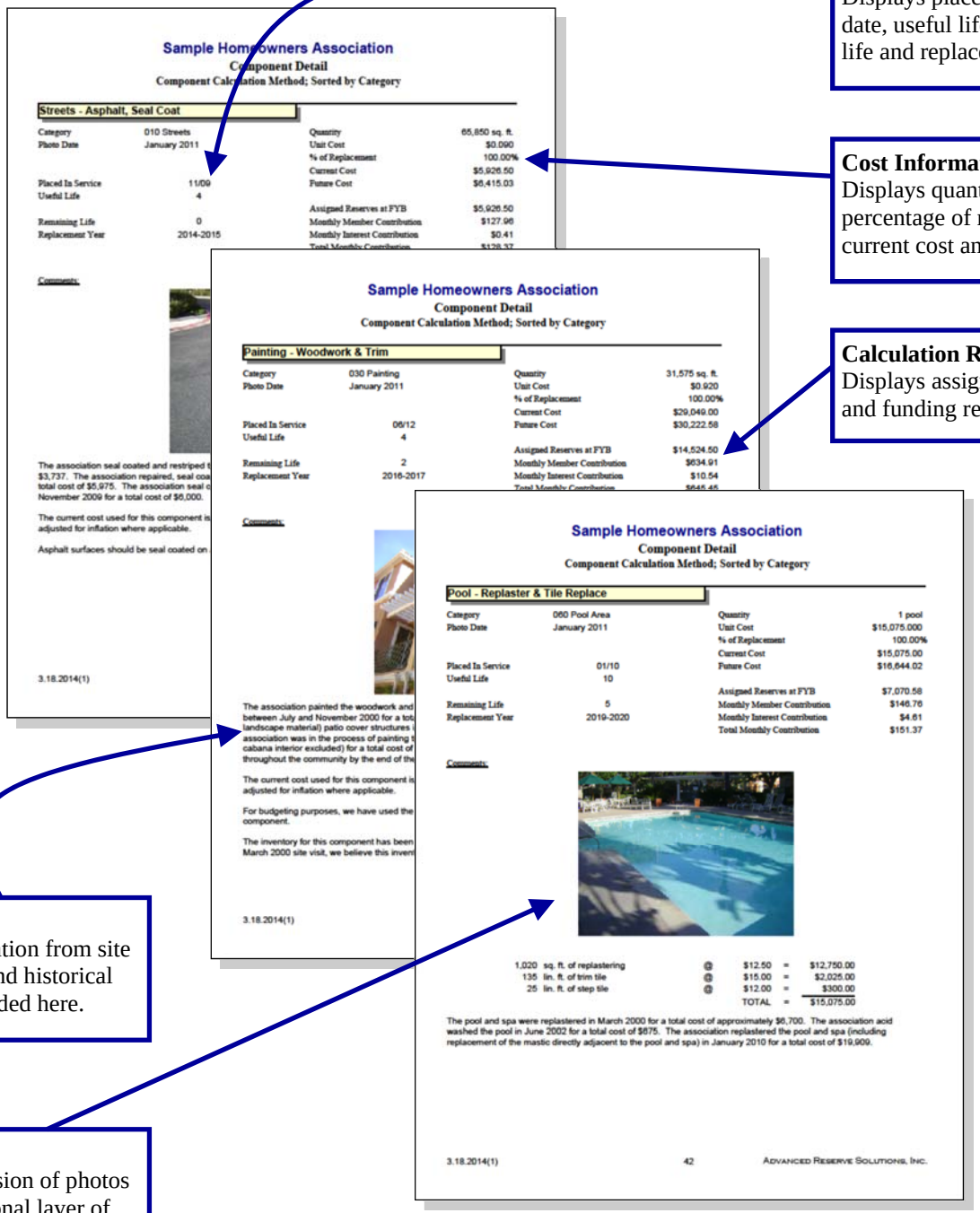
Green:	Good
Yellow:	Fair
Red:	Poor

Charts
Show graphically the reserve funding plan through time.

Preface

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.



Lifespan Information
Displays placed-in-service date, useful life, remaining life and replacement year.

Cost Information
Displays quantity, unit cost, percentage of replacement, current cost and future cost.

Calculation Results
Displays assigned reserves and funding requirements.

Comments
Useful information from site observations and historical expenses included here.

Photos
Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

Preface

♦ ♦ ♦ ♦ 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:

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

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:

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

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 of replacement costs and life expectancies as well as assumptions regarding future events. Some 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 and the variation may be significant. Additionally, inflation and other economic events may impact 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.

Threamoor in the Park

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	80766
Version Number	2
Analysis Date	09/17/2021
Fiscal Year	1/1/2022 to 12/31/2022
Number of Units	63
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.00%
Annual Contribution Increase	2.00%
Investment Rate	0.20%
Taxes on Investments	30.00%
Contingency	2.00%

Community Profile:

Threamoor in the Park Homeowners Association is a 63 unit residential association comprised of 22 buildings with common area that include but are not limited to; roofs, exterior paint, patio & deck railings, concrete, asphalt streets & parking and common area landscaping.

This community was built between 2007. For bugeting purposes, unless otherwise indicated, we have used January 2007 as the average placed in service date for aging the original components included in this analysis.

ARS, Inc. field inspection conducted April 23, 2018.

This is a level III reserve analysis; no onsite inspection was conducted during the preparation of this analysis.

Adequacy of Reserves as of January 1, 2022:

Anticipated Reserve Balance	**$73,818.33**
Fully Funded Reserve Balance	**$383,908.58**
Percent Funded	**19.23%**

Recommended Funding for the 2022 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	**$119,000**	**$9,916.67**	**$157.41**
Interest Contribution	**$131**	**$10.89**	**$0.17**
Total Contribution	**$119,131**	**$9,927.55**	**$157.58**

Threamoor in the Park

Preparer's Disclosure Statement

THIS RESERVE ANALYSIS REFLECTS THE COMPONENTS AS THEY WERE INTENDED TO HAVE BEEN DESIGNED AND CONSTRUCTED. THIS ANALYSIS DOES NOT INCLUDE ANY EXPENDITURES ANTICIPATED FOR REPAIRS REQUIRED DUE TO DEFECTIVE CONDITIONS.

In April 2011, Richard Hirschman was awarded the Reserve Specialist (RS) designation from Community Associations Institute (CAI). Mr. Hirschman was the two hundredth twenty first (#221) person in the United States to receive this professional designation.

The RS designation was developed by CAI for professional reserve analysts who wish to confirm to their peers and/or clients that they have demonstrated a basic level of competency within the industry. The RS designation is awarded to reserve analysts who are dedicated to the highest standards of professionalism and reserve analysis preparation.

Consultant certifies that:

1) Consultant has no other involvement with association which could result in actual or perceived conflicts of interest.

2) Consultant made field inspection of community on April 23, 2018. Component inventories were developed by actual field inventory, representative sampling, take-offs of scaled plans, provided by the association's previous reserve analysis prepared by another firm or provided by the association.

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

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

4) Consultant is a Reserve Specialist (RS) designee.

5) This analysis is an update of a previous reserve analysis prepared by our firm.

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

Threamoor in the Park

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Grounds - Landscape Refurbishment	0	$12,000.00	$12,000.00
Painting - Building Exterior, Phase 2	0	$23,100.00	$23,100.00
Grounds - Irrigation Controllers	1	$776.25	$776.25
Painting - Building Exterior, Phase 3	1	$20,125.00	$20,125.00
Asphalt - Streets, Repair	2	$1,040.60	$1,040.60
Asphalt - Streets, Seal Coat	2	$5,676.00	$4,529.06
Painting - Building Exterior, Phase 4	2	$10,800.00	$10,800.00
Grounds - Retention Ponds, Maintenance	3	$12,857.14	$0.00
Painting - Building Exterior, Phase 5	3	$13,500.00	$0.00
Painting - Building Exterior, Phase 1	5	$2,625.00	$0.00
Asphalt - Streets, Overlay	10	$97,059.60	$0.00
Grounds - Mailboxes	13	$3,428.57	$0.00
Roofs - Composition Shingle	17	$163,182.60	$0.00
Roofs - Gutters & Downspouts	17	$10,210.20	$0.00
Concrete - Unfunded	n.a.	$0.00	$0.00
Decks & Railings, Unfunded	n.a.	$0.00	$0.00
Doors - Garage, Unfunded	n.a.	$0.00	$0.00
Grounds - Monument Sign, Unfunded	n.a.	$0.00	$0.00
Lighting - Building Exterior, Unfunded	n.a.	$0.00	$0.00
Lighting - Grounds, Unfunded	n.a.	$0.00	$0.00
Roofs - Snow Melt Line, Unfunded	n.a.	$0.00	$0.00
Siding- Replacement & Repairs, Unfunded	n.a.	$0.00	$0.00
Skylights - Unfunded	n.a.	$0.00	$0.00
Contingency	n.a.	$7,527.62	$1,447.42
Total	**0-17**	**$383,908.58**	**$73,818.33**
Percent Funded			**19.23%**

Threamoor in the Park

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Asphalt				
Asphalt - Streets, Overlay	10	25	$161,766.00	$97,059.60
Asphalt - Streets, Repair	2	3	$3,121.80	$1,040.60
Asphalt - Streets, Seal Coat	2	3	$17,028.00	$5,676.00
Sub Total	**2-10**	**3-25**	**$181,915.80**	**$103,776.20**
020 Concrete				
Concrete - Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$0.00**
030 Grounds				
Grounds - Irrigation Controllers	1	4	$1,035.00	$776.25
Grounds - Landscape Refurbishment	0	3	$12,000.00	$12,000.00
Grounds - Mailboxes	13	28	$6,400.00	$3,428.57
Grounds - Monument Sign, Unfunded	n.a.	n.a.	$0.00	$0.00
Grounds - Retention Ponds, Maintenance	3	7	$22,500.00	$12,857.14
Sub Total	**0-13**	**3-28**	**$41,935.00**	**$29,061.96**
040 Roofs				
Roofs - Composition Shingle	17	20	$1,087,884.00	$163,182.60
Roofs - Gutters & Downspouts	17	20	$68,068.00	$10,210.20
Roofs - Snow Melt Line, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**17**	**20**	**$1,155,952.00**	**$173,392.80**
050 Painting				
Painting - Building Exterior, Phase 1	5	6	$15,750.00	$2,625.00
Painting - Building Exterior, Phase 2	0	6	$23,100.00	$23,100.00
Painting - Building Exterior, Phase 3	1	6	$24,150.00	$20,125.00
Painting - Building Exterior, Phase 4	2	6	$16,200.00	$10,800.00
Painting - Building Exterior, Phase 5	3	6	$27,000.00	$13,500.00
Sub Total	**0-5**	**6**	**$106,200.00**	**$70,150.00**
055 Lighting				
Lighting - Building Exterior, Unfunded	n.a.	n.a.	$0.00	$0.00
Lighting - Grounds, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$0.00**
060 Siding				
Siding- Replacement & Repairs, Unfunded	n.a.	n.a.	$0.00	$0.00

Threamoor in the Park

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$0.00**
070 Doors				
Doors - Garage, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$0.00**
080 Skylights				
Skylights - Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$0.00**
090 Decks & Railings				
Decks & Railings, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$0.00**
Contingency	n.a.	n.a.	n.a.	$7,527.62
Total	**0-17**	**3-28**	**$1,486,002.80**	**$383,908.58**
Anticipated Reserve Balance				**$73,818.33**
Percent Funded				**19.23%**

Threamoor in the Park

Management / Accounting Summary

Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Asphalt				
Asphalt - Streets, Overlay	$0.00	$1,220.58	$0.85	$1,221.43
Asphalt - Streets, Repair	$1,040.60	$74.36	$0.16	$74.52
Asphalt - Streets, Seal Coat	$4,529.06	$444.42	$0.78	$445.20
Sub Total	**$5,569.66**	**$1,739.36**	**$1.79**	**$1,741.15**
020 Concrete				
Concrete - Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**
030 Grounds				
Grounds - Irrigation Controllers	$776.25	$18.98	$0.10	$19.08
Grounds - Landscape Refurbishment	$12,000.00	$283.35	$0.19	$283.54
Grounds - Mailboxes	$0.00	$38.15	$0.03	$38.18
Grounds - Monument Sign, Unfunded	$0.00	$0.00	$0.00	$0.00
Grounds - Retention Ponds, Maintenance	$0.00	$531.28	$0.37	$531.65
Sub Total	**$12,776.25**	**$871.76**	**$0.69**	**$872.45**
040 Roofs				
Roofs - Composition Shingle	$0.00	$5,136.03	$3.57	$5,139.60
Roofs - Gutters & Downspouts	$0.00	$321.36	$0.22	$321.58
Roofs - Snow Melt Line, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$0.00**	**$5,457.39**	**$3.79**	**$5,461.18**
050 Painting				
Painting - Building Exterior, Phase 1	$0.00	$227.23	$0.16	$227.39
Painting - Building Exterior, Phase 2	$23,100.00	$280.25	$0.19	$280.45
Painting - Building Exterior, Phase 3	$20,125.00	$305.48	$2.29	$307.77
Painting - Building Exterior, Phase 4	$10,800.00	$203.22	$1.26	$204.48
Painting - Building Exterior, Phase 5	$0.00	$637.54	$0.44	$637.98
Sub Total	**$54,025.00**	**$1,653.72**	**$4.35**	**$1,658.07**
055 Lighting				
Lighting - Building Exterior, Unfunded	$0.00	$0.00	$0.00	$0.00
Lighting - Grounds, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**
060 Siding				
Siding- Replacement & Repairs, Unfunded	$0.00	$0.00	$0.00	$0.00

Threamoor in the Park

Management / Accounting Summary

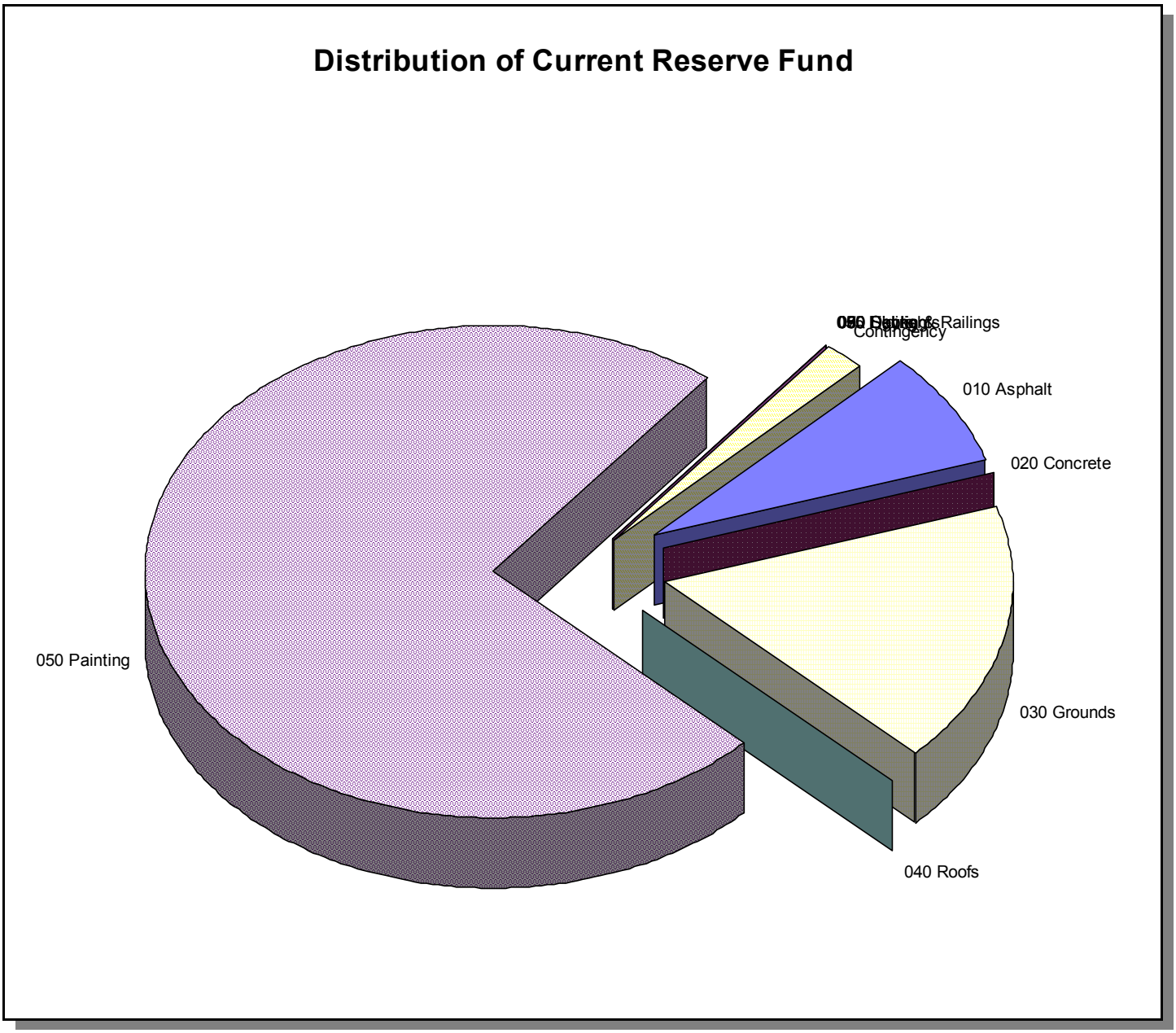
Directed Cash Flow Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Sub Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**
070 Doors				
Doors - Garage, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**
080 Skylights				
Skylights - Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**
090 Decks & Railings				
Decks & Railings, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Contingency	$1,447.42	$194.44	$0.29	$194.73
Total	**$73,818.33**	**$9,916.67**	**$10.89**	**$9,927.55**

Threamoor in the Park

Management / Accounting Charts

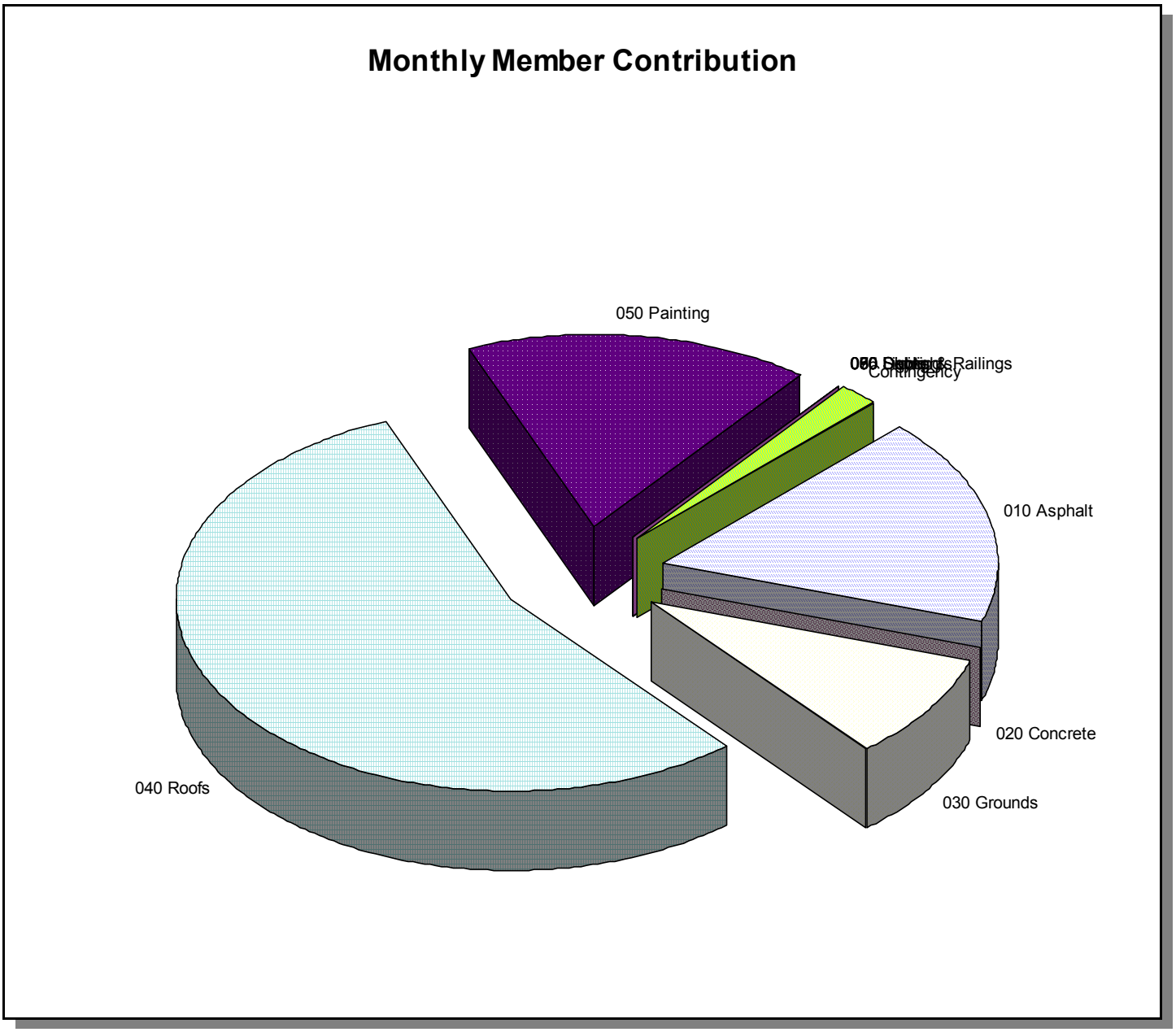
Directed Cash Flow Calculation Method; Sorted by Category



Threamoor in the Park

Management / Accounting Charts

Directed Cash Flow Calculation Method; Sorted by Category



Threamoor in the Park

Annual Expenditure Detail

Sorted by Description

2022 Fiscal Year	
Grounds - Landscape Refurbishment	$12,000.00
Painting - Building Exterior, Phase 2	$23,100.00
Sub Total	**$35,100.00**
2023 Fiscal Year	
Grounds - Irrigation Controllers	$1,055.70
Painting - Building Exterior, Phase 3	$24,633.00
Sub Total	**$25,688.70**
2024 Fiscal Year	
Asphalt - Streets, Repair	$3,247.92
Asphalt - Streets, Seal Coat	$17,715.93
Painting - Building Exterior, Phase 4	$16,854.48
Sub Total	**$37,818.33**
2025 Fiscal Year	
Grounds - Landscape Refurbishment	$12,734.50
Grounds - Retention Ponds, Maintenance	$23,877.18
Painting - Building Exterior, Phase 5	$28,652.62
Sub Total	**$65,264.29**
2027 Fiscal Year	
Asphalt - Streets, Repair	$3,446.72
Asphalt - Streets, Seal Coat	$18,800.29
Grounds - Irrigation Controllers	$1,142.72
Painting - Building Exterior, Phase 1	$17,389.27
Sub Total	**$40,779.00**
2028 Fiscal Year	
Grounds - Landscape Refurbishment	$13,513.95
Painting - Building Exterior, Phase 2	$26,014.35
Sub Total	**$39,528.30**
2029 Fiscal Year	
Painting - Building Exterior, Phase 3	$27,740.76
Sub Total	**$27,740.76**
2030 Fiscal Year	
Asphalt - Streets, Repair	$3,657.69
Asphalt - Streets, Seal Coat	$19,951.02

Threamoor in the Park

Annual Expenditure Detail

Sorted by Description

Painting - Building Exterior, Phase 4	$18,980.88
Sub Total	**$42,589.58**
2031 Fiscal Year	
Grounds - Irrigation Controllers	$1,236.92
Grounds - Landscape Refurbishment	$14,341.11
Painting - Building Exterior, Phase 5	$32,267.50
Sub Total	**$47,845.53**
2032 Fiscal Year	
Asphalt - Streets, Overlay	$197,191.85
Grounds - Retention Ponds, Maintenance	$27,427.37
Sub Total	**$224,619.23**
2033 Fiscal Year	
Asphalt - Streets, Repair	$3,881.57
Asphalt - Streets, Seal Coat	$21,172.18
Painting - Building Exterior, Phase 1	$19,583.15
Sub Total	**$44,636.89**
2034 Fiscal Year	
Grounds - Landscape Refurbishment	$15,218.90
Painting - Building Exterior, Phase 2	$29,296.39
Sub Total	**$44,515.29**
2035 Fiscal Year	
Grounds - Irrigation Controllers	$1,338.88
Grounds - Mailboxes	$8,279.08
Painting - Building Exterior, Phase 3	$31,240.60
Sub Total	**$40,858.57**
2036 Fiscal Year	
Asphalt - Streets, Repair	$4,119.15
Asphalt - Streets, Seal Coat	$22,468.08
Painting - Building Exterior, Phase 4	$21,375.56
Sub Total	**$47,962.79**
2037 Fiscal Year	
Grounds - Landscape Refurbishment	$16,150.42
Painting - Building Exterior, Phase 5	$36,338.45
Sub Total	**$52,488.87**

Threamoor in the Park

Annual Expenditure Detail

Sorted by Description

2039 Fiscal Year	
Asphalt - Streets, Repair	$4,371.27
Asphalt - Streets, Seal Coat	$23,843.31
Grounds - Irrigation Controllers	$1,449.25
Grounds - Retention Ponds, Maintenance	$31,505.43
Painting - Building Exterior, Phase 1	$22,053.80
Roofs - Composition Shingle	$1,523,300.24
Roofs - Gutters & Downspouts	$95,311.63
Sub Total	**$1,701,834.94**
2040 Fiscal Year	
Grounds - Landscape Refurbishment	$17,138.96
Painting - Building Exterior, Phase 2	$32,992.49
Sub Total	**$50,131.44**
2041 Fiscal Year	
Painting - Building Exterior, Phase 3	$35,181.99
Sub Total	**$35,181.99**
2042 Fiscal Year	
Asphalt - Streets, Repair	$4,638.83
Asphalt - Streets, Seal Coat	$25,302.71
Painting - Building Exterior, Phase 4	$24,072.35
Sub Total	**$54,013.89**
2043 Fiscal Year	
Grounds - Irrigation Controllers	$1,568.71
Grounds - Landscape Refurbishment	$18,188.00
Painting - Building Exterior, Phase 5	$40,922.99
Sub Total	**$60,679.70**
2045 Fiscal Year	
Asphalt - Streets, Repair	$4,922.76
Asphalt - Streets, Seal Coat	$26,851.44
Painting - Building Exterior, Phase 1	$24,836.16
Sub Total	**$56,610.37**
2046 Fiscal Year	
Grounds - Landscape Refurbishment	$19,301.25
Grounds - Retention Ponds, Maintenance	$36,189.84
Painting - Building Exterior, Phase 2	$37,154.90

Threamoor in the Park

Annual Expenditure Detail

Sorted by Description

Sub Total	**$92,645.99**
2047 Fiscal Year	
Grounds - Irrigation Controllers	$1,698.03
Painting - Building Exterior, Phase 3	$39,620.63
Sub Total	**$41,318.66**
2048 Fiscal Year	
Asphalt - Streets, Repair	$5,224.08
Asphalt - Streets, Seal Coat	$28,494.96
Painting - Building Exterior, Phase 4	$27,109.37
Sub Total	**$60,828.41**
2049 Fiscal Year	
Grounds - Landscape Refurbishment	$20,482.64
Painting - Building Exterior, Phase 5	$46,085.93
Sub Total	**$66,568.57**
2051 Fiscal Year	
Asphalt - Streets, Repair	$5,543.83
Asphalt - Streets, Seal Coat	$30,239.08
Grounds - Irrigation Controllers	$1,838.00
Painting - Building Exterior, Phase 1	$27,969.55
Sub Total	**$65,590.47**

Threamoor in the Park

Projections

Directed Cash Flow Calculation Method

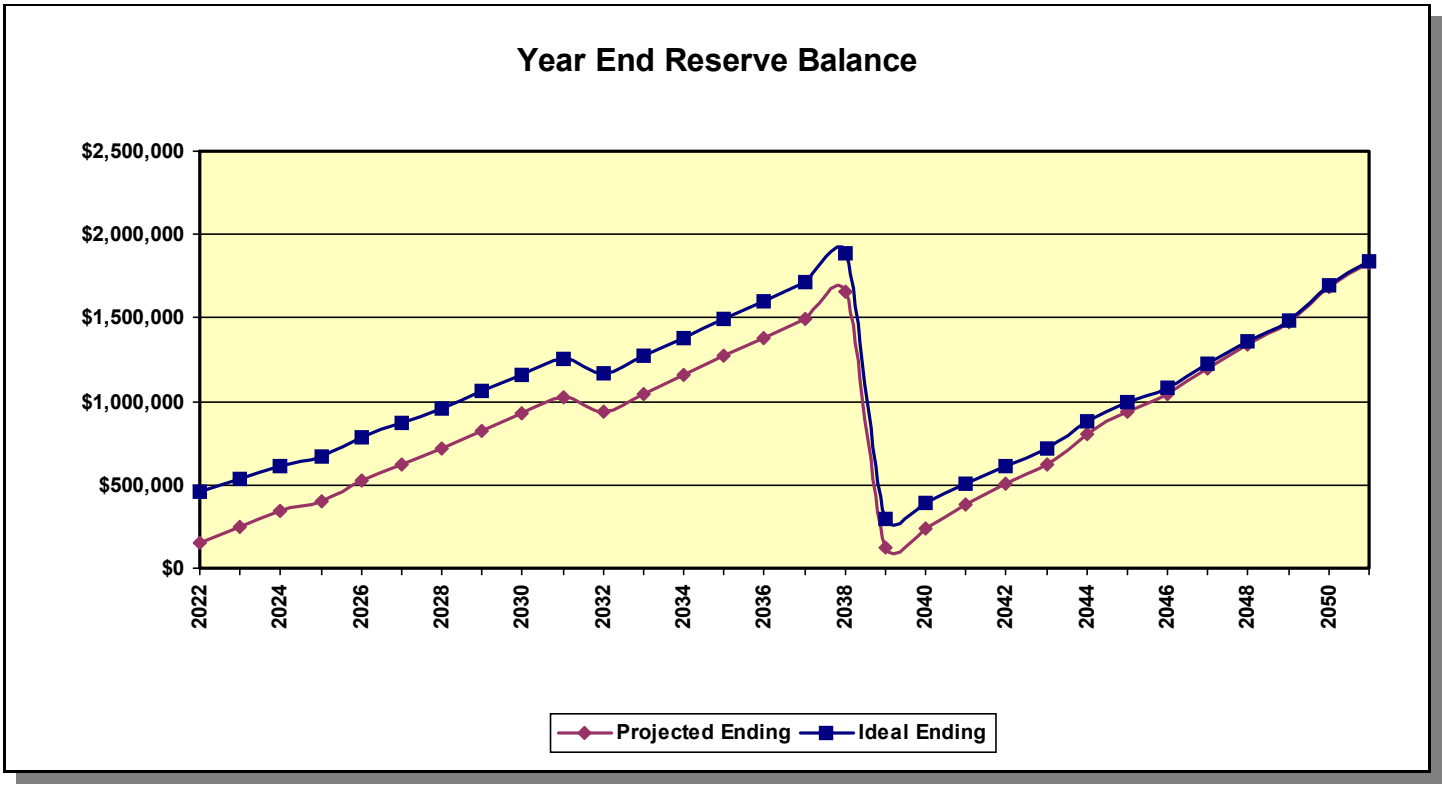
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2022	$73,818	$119,000	$131	$35,100	$157,849	$455,349	35%
2023	$157,849	$121,380	$263	$25,689	$253,803	$540,016	47%
2024	$253,803	$123,808	$382	$37,818	$340,175	$615,802	55%
2025	$340,175	$126,284	$466	$65,264	$401,660	$666,635	60%
2026	$401,660	$128,809	$645	$0	$531,115	$788,515	67%
2027	$531,115	$131,386	$771	$40,779	$622,493	$872,576	71%
2028	$622,493	$134,013	$903	$39,528	$717,881	$961,835	75%
2029	$717,881	$136,694	$1,055	$27,741	$827,888	$1,067,400	78%
2030	$827,888	$139,427	$1,190	$42,590	$925,916	$1,161,933	80%
2031	$925,916	$142,216	$1,321	$47,846	$1,021,607	$1,255,237	81%
2032	$1,021,607	$145,060	$1,210	$224,619	$943,258	$1,168,890	81%
2033	$943,258	$147,962	$1,354	$44,637	$1,047,937	$1,270,513	82%
2034	$1,047,937	$150,921	$1,503	$44,515	$1,155,845	$1,376,790	84%
2035	$1,155,845	$153,939	$1,661	$40,859	$1,270,586	$1,491,540	85%
2036	$1,270,586	$157,018	$1,814	$47,963	$1,381,455	$1,603,788	86%
2037	$1,381,455	$160,158	$1,965	$52,489	$1,491,089	$1,716,219	87%
2038	$1,491,089	$163,361	$2,194	$0	$1,656,644	$1,888,207	88%
2039	$1,656,644	$166,629	$44	$1,701,835	$121,482	$295,799	41%
2040	$121,482	$169,961	$209	$50,131	$241,521	$392,783	61%
2041	$241,521	$173,361	$400	$35,182	$380,099	$510,125	75%
2042	$380,099	$176,828	$570	$54,014	$503,484	$613,143	82%
2043	$503,484	$180,364	$736	$60,680	$623,904	$714,266	87%
2044	$623,904	$183,972	$992	$0	$808,868	$883,583	92%
2045	$808,868	$187,651	$1,174	$56,610	$941,083	$1,000,490	94%
2046	$941,083	$191,404	$1,311	$92,646	$1,041,152	$1,085,405	96%
2047	$1,041,152	$195,232	$1,526	$41,319	$1,196,592	$1,228,646	97%
2048	$1,196,592	$199,137	$1,719	$60,828	$1,336,619	$1,357,744	98%
2049	$1,336,619	$203,119	$1,910	$66,569	$1,475,080	$1,486,809	99%
2050	$1,475,080	$207,182	$2,199	$0	$1,684,461	$1,691,136	100%
2051	$1,684,461	$211,326	$2,404	$65,590	$1,832,599	$1,834,801	100%

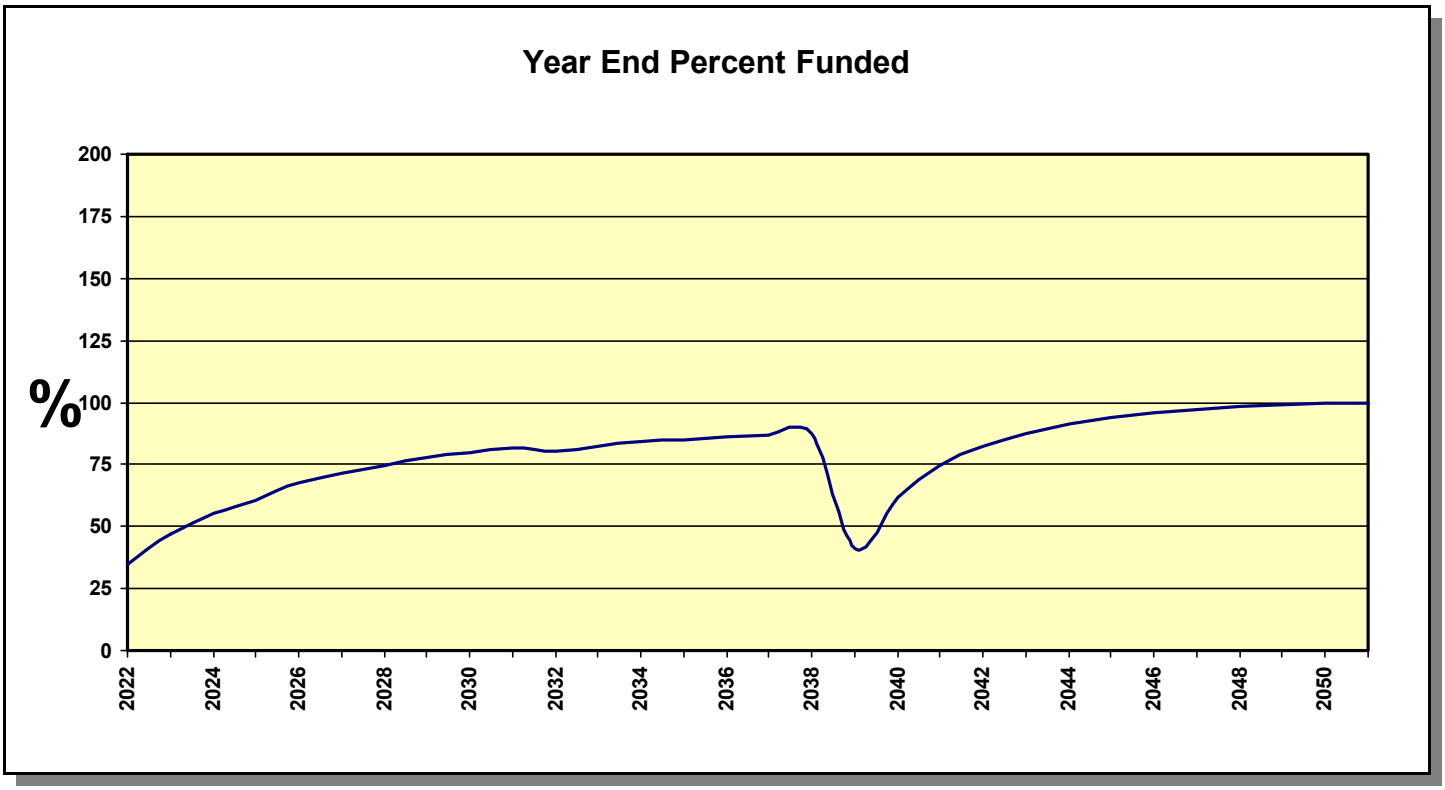
NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need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

Threamoor in the Park

Projection Charts

Directed Cash Flow Calculation Method

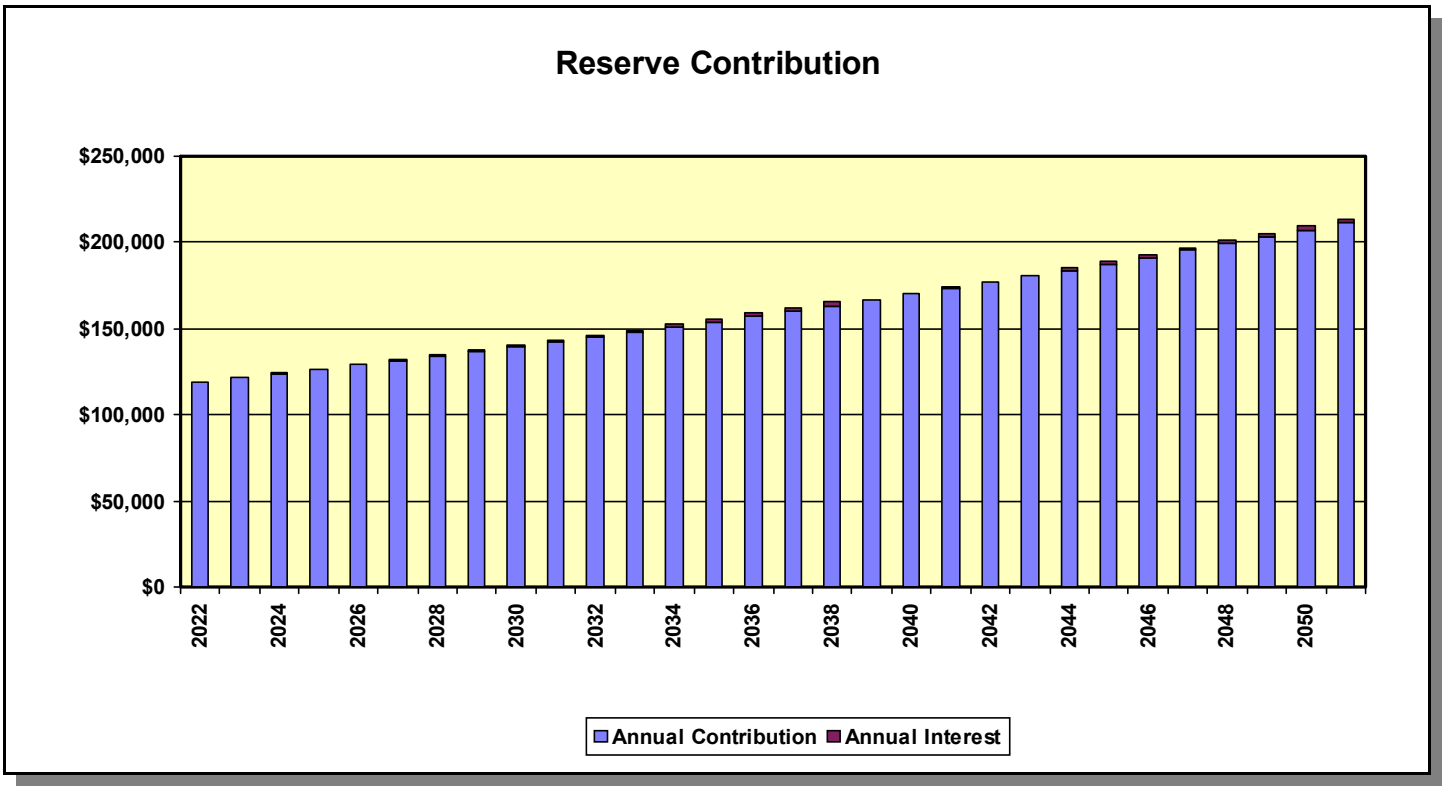


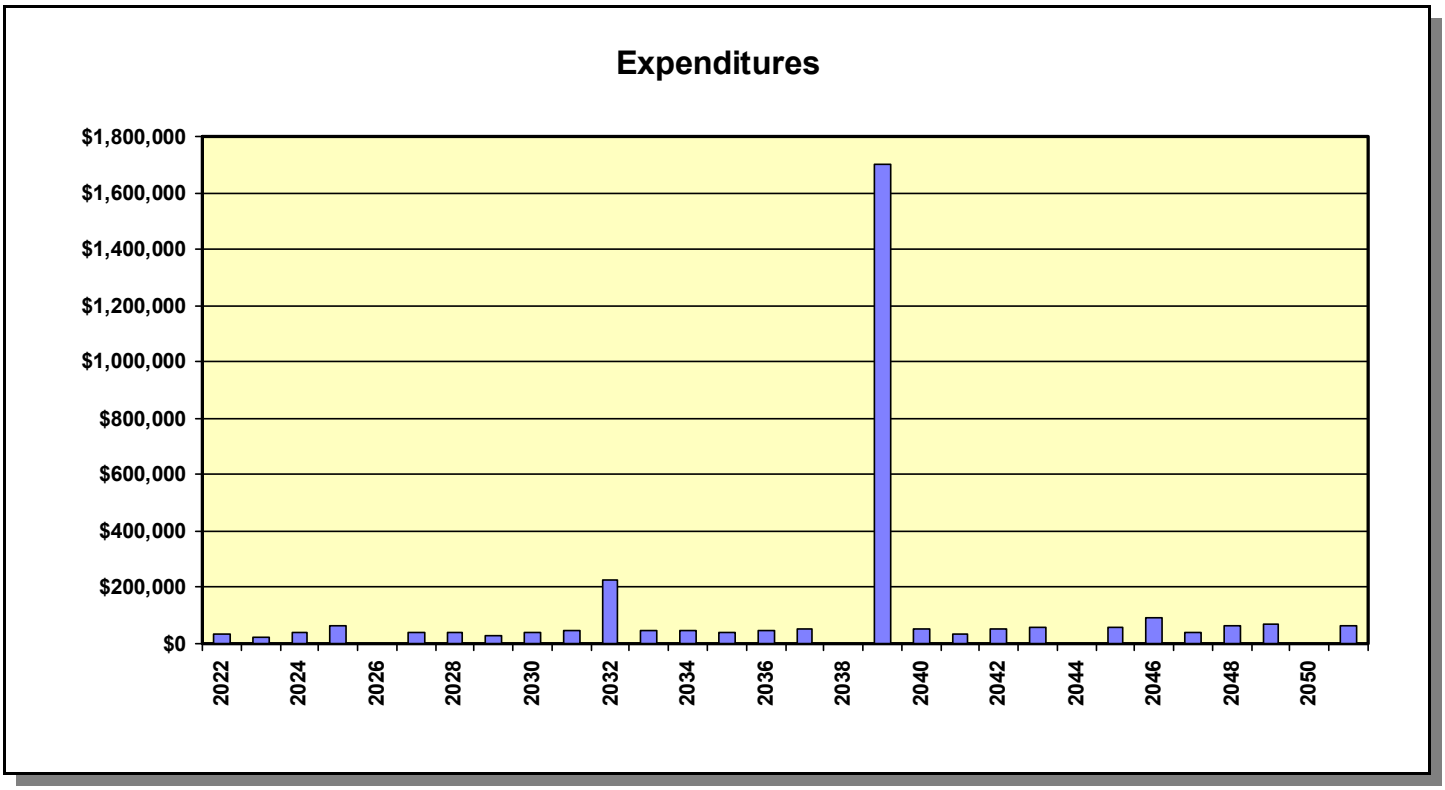


Threamoor in the Park

Projection Charts

Directed Cash Flow Calculation Method





Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Asphalt - Streets, Overlay

Category	010 Asphalt	Quantity	56,760 sq. ft.
		Unit Cost	$2.850
		% of Replacement	100.00%
		Current Cost	$161,766.00
Placed In Service	01/07	Future Cost	$197,191.85
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	10	Monthly Member Contribution	$1,220.58
Replacement Year	2032	Monthly Interest Contribution	$0.85
		Total Monthly Contribution	$1,221.43

Comments:

This is the asphalt streets and parking located throughout the community.

Most asphalt areas can be expected to last approximately 20-25 years before it will become necessary for an overlay to be applied. This can double the life of the surface upon application. It will be necessary to adjust manhole and valve covers at the time the overlay is applied. Deflection testing should be conducted by an independent consultant near the end of the estimated useful life to determine the condition of the asphalt and estimated remaining life before the overlay is required.

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

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Asphalt - Streets, Repair

Category	010 Asphalt	Quantity	56,760 sq. ft.
		Unit Cost	$5.500
		% of Replacement	1.00%
		Current Cost	$3,121.80
Placed In Service	01/21	Future Cost	$3,247.92
Useful Life	3		
		Assigned Reserves at FYB	$1,040.60
Remaining Life	2	Monthly Member Contribution	$74.36
Replacement Year	2024	Monthly Interest Contribution	$0.16
		Total Monthly Contribution	$74.52

Comments:

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

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

Asphalt - Streets, Seal Coat

Category	010 Asphalt	Quantity	56,760 sq. ft.
		Unit Cost	$0.300
		% of Replacement	100.00%
		Current Cost	$17,028.00
Placed In Service	01/21	Future Cost	$17,715.93
Useful Life	3		
		Assigned Reserves at FYB	$4,529.06
Remaining Life	2	Monthly Member Contribution	$444.42
Replacement Year	2024	Monthly Interest Contribution	$0.78
		Total Monthly Contribution	$445.20

Comments:

Asphalt surfaces should be seal coated within 3 years of their initial installation. Thereafter, a 3 to 5 year cycle should be observed and adjusted according to the client's particular needs.

The unit cost includes any restriping that may be necessary.

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Concrete - Unfunded

Category	020 Concrete	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/02	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:

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

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds - Irrigation Controllers

Category	030 Grounds	Quantity	1 total
		Unit Cost	$6,900.000
		% of Replacement	15.00%
		Current Cost	$1,035.00
Placed In Service	01/19	Future Cost	$1,055.70
Useful Life	4		
		Assigned Reserves at FYB	$776.25
Remaining Life	1	Monthly Member Contribution	$18.98
Replacement Year	2023	Monthly Interest Contribution	$0.10
		Total Monthly Contribution	$19.08

Comments:

These are the irrigation controllers located within the community. It is anticipated that not all of the irrigation controllers will need replacement at one time. Therefore, we have budgeted for 15% of the controllers to be replaced every 4 years. This component should be monitored over time and the replacement percentage and useful life adjusted accordingly.

6	10 station controllers	@	$750.00	=	$4,500.00
2	32 station controllers	@	$1,200.00	=	$2,400.00
			TOTAL	=	$6,900.00

Grounds - Landscape Refurbishment

Category	030 Grounds	Quantity	1 total
		Unit Cost	$12,000.000
		% of Replacement	100.00%
		Current Cost	$12,000.00
Placed In Service	01/18	Future Cost	$12,734.50
Useful Life	3		
		Assigned Reserves at FYB	$12,000.00
Remaining Life	0	Monthly Member Contribution	$283.35
Replacement Year	2022	Monthly Interest Contribution	$0.19
		Total Monthly Contribution	$283.54

Comments:

This is for the refurbishment and/or replacement of trees, plants, shrubs, mulch/rock, and any other landscaping needs that may become necessary over time. This component should be monitored over time and the replacement cost and useful life adjusted accordingly.

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds - Mailboxes

Category	030 Grounds	Quantity	1 total
		Unit Cost	$6,400.000
		% of Replacement	100.00%
		Current Cost	$6,400.00
Placed In Service	01/07	Future Cost	$8,279.08
Useful Life	28		
		Assigned Reserves at FYB	$0.00
Remaining Life	13	Monthly Member Contribution	$38.15
Replacement Year	2035	Monthly Interest Contribution	$0.03
		Total Monthly Contribution	$38.18

Comments:

These are metal in-wall mounted mailboxes located within the community.

2	- 28 box unit	@	$1,600.00	=	$3,200.00
2	- 2 box stacking unit	@	$1,000.00	=	$2,000.00
1	- 21 box unit	@	$1,200.00	=	$1,200.00
			TOTAL	=	$6,400.00

Grounds - Monument Sign, Unfunded

Category	030 Grounds	Quantity	1 sign
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/07	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:

This is a stone monument structure located at the entrance into the community. It is anticipated that this sign will not be replaced. Therefore, budgeting for this component has been excluded as future maintenance should be completed by the client on an as needed basis. This component is listed for inventory purposes only.

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds - Retention Ponds, Maintenance

Category	030 Grounds	Quantity	5 total
		Unit Cost	$4,500.000
		% of Replacement	100.00%
		Current Cost	$22,500.00
Placed In Service	01/18	Future Cost	$23,877.18
Useful Life	7		
		Assigned Reserves at FYB	$0.00
Remaining Life	3	Monthly Member Contribution	$531.28
Replacement Year	2025	Monthly Interest Contribution	$0.37
		Total Monthly Contribution	$531.65

Comments:

This is for the cleaning and maintenance of the (5) retention ponds located within the community. This component should be monitored over time and the replacement cost and useful life adjusted accordingly.

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Roofs - Composition Shingle

Category	040 Roofs	Quantity	1 total
		Unit Cost	$1,087,884.000
		% of Replacement	100.00%
		Current Cost	$1,087,884.00
Placed In Service	01/19	Future Cost	$1,523,300.24
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$5,136.03
Replacement Year	2039	Monthly Interest Contribution	$3.57
		Total Monthly Contribution	$5,139.60

Comments:

This is for the replacement of the composition shingle roofs located within the communty. The cost and placed in service date for this component has been provided by the client.

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client, and have not been included in the cost used for this component. Should the client desire, a provision for a consultant can be incorporated into this analysis.

46,541	sq. ft. - 3-unit buildings	@	$10.50	=	$488,680.50
29,600	sq. ft. - 4-unit buildings	@	$10.50	=	$310,800.00
27,265	sq. ft. - 2-unit buildings	@	$10.50	=	$286,282.50
202	sq. ft. - mailbox building	@	$10.50	=	$2,121.00
			TOTAL	=	$1,087,884.00

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Roofs - Gutters & Downspouts

Category	040 Roofs	Quantity	1 comment
		Unit Cost	$68,068.000
		% of Replacement	100.00%
		Current Cost	$68,068.00
Placed In Service	01/19	Future Cost	$95,311.63
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$321.36
Replacement Year	2039	Monthly Interest Contribution	$0.22
		Total Monthly Contribution	$321.58

Comments:

These are painted metal gutter and downspouts located on the buildings.

We have budgeted for the gutters & downspouts to be replaced in the same schedule as the roof.

5,268	ln. ft. - gutters	@	$8.50	=	$44,778.00
2,740	ln. ft. - downspouts	@	$8.50	=	$23,290.00
			TOTAL	=	$68,068.00

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Roofs - Snow Melt Line, Unfunded

Category	040 Roofs	Quantity	660 in. Ft.
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/13	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:

During our most recent on-site inspection, we noticed that most of the buildings had snow melt line on the roofs in critical areas where needed. It is anticipated that not all of the snow melt line will need replacement at one time. Therefore, budgeting for this component has been excluded as future maintenance should be completed by the client on an as needed basis. This component is listed for inventory purposes only.

snow melt line	660	lin. ft.
	660	lin. ft.

Painting - Building Exterior, Phase 1

Category	050 Painting	Quantity	1 total
		Unit Cost	$15,750.000
		% of Replacement	100.00%
		Current Cost	$15,750.00
Placed In Service	01/21	Future Cost	$17,389.27
Useful Life	6		
		Assigned Reserves at FYB	$0.00
Remaining Life	5	Monthly Member Contribution	$227.23
Replacement Year	2027	Monthly Interest Contribution	$0.16
		Total Monthly Contribution	$227.39

Comments:

This is for the painting of phase 1 of the exterior areas of the buildings. The cost and useful life estimates for this component have been provided by the client.

Painting - Building Exterior, Phase 2

Category	050 Painting	Quantity	1 total
		Unit Cost	$23,100.000
		% of Replacement	100.00%
		Current Cost	$23,100.00
Placed In Service	01/16	Future Cost	$26,014.35
Useful Life	6		
		Assigned Reserves at FYB	$23,100.00
Remaining Life	0	Monthly Member Contribution	$280.25
Replacement Year	2022	Monthly Interest Contribution	$0.19
		Total Monthly Contribution	$280.45

Comments:

This is for the painting of phase 2 of the exterior areas of the buildings. The cost and useful life estimates for this component have been provided by the client.

Painting - Building Exterior, Phase 3

Category	050 Painting	Quantity	1 total
		Unit Cost	$24,150.000
		% of Replacement	100.00%
		Current Cost	$24,150.00
Placed In Service	01/17	Future Cost	$24,633.00
Useful Life	6		
		Assigned Reserves at FYB	$20,125.00
Remaining Life	1	Monthly Member Contribution	$305.48
Replacement Year	2023	Monthly Interest Contribution	$2.29
		Total Monthly Contribution	$307.77

Comments:

This is for the painting of phase 3 of the exterior areas of the buildings. The cost and useful life estimates for this component have been provided by the client.

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Painting - Building Exterior, Phase 4

Category	050 Painting	Quantity	1 total
		Unit Cost	$16,200.000
		% of Replacement	100.00%
		Current Cost	$16,200.00
Placed In Service	01/18	Future Cost	$16,854.48
Useful Life	6		
		Assigned Reserves at FYB	$10,800.00
Remaining Life	2	Monthly Member Contribution	$203.22
Replacement Year	2024	Monthly Interest Contribution	$1.26
		Total Monthly Contribution	$204.48

Comments:

This is for the painting of phase 4 of the exterior areas of the buildings. The cost and useful life estimates for this component have been provided by the client.

Painting - Building Exterior, Phase 5

Category	050 Painting	Quantity	1 total
		Unit Cost	$27,000.000
		% of Replacement	100.00%
		Current Cost	$27,000.00
Placed In Service	01/19	Future Cost	$28,652.62
Useful Life	6		
		Assigned Reserves at FYB	$0.00
Remaining Life	3	Monthly Member Contribution	$637.54
Replacement Year	2025	Monthly Interest Contribution	$0.44
		Total Monthly Contribution	$637.98

Comments:

This is for the painting of phase 5 of the exterior areas of the buildings. The cost and useful life estimates for this component have been provided by the client.

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Lighting - Building Exterior, Unfunded

Category	055 Lighting	Quantity	126 total
		Unit Cost	$0.000
		% of Replacement	100.00%
		Current Cost	$0.00
Placed In Service	01/07	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:

Budgeting for this component has been excluded as future maintenance should be completed by the client on an as needed basis. This component is listed for inventory purposes only.

Should the client choose, we can add a component for complete replacement.

entry fixtures	63	total
patio fixtures	63	
deck fixtures	41	
	167	total

Lighting - Grounds, Unfunded

Category	055 Lighting	Quantity	79 total
		Unit Cost	$0.000
		% of Replacement	100.00%
		Current Cost	$0.00
Placed In Service	01/07	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:

Budgeting for this component has been excluded as future maintenance should be completed by the client on an as needed basis. This component is listed for inventory purposes only.

Should the client choose, we can add a component for complete replacement.

5' pole fixtures	71	total
sconce fixtures	6	
monument fixtures	2	
12' pole fixtures	2	
	81	total

Siding- Replacement & Repairs, Unfunded

Category	060 Siding	Quantity	113,360 sq. ft.
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/07	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:

This is replacing the exterior siding on the buildings located throught the community.

It is anticipated that not all of the siding will need replacement at one time. Therefore, we suggest any replacements or repairs be handled on an as needed basis during the painting cycles.

Should the client choose, we can add a component for complete replacement. This component is listed for inventory purposes only.

2-unit buildings, cement	19,152	
2-unit buildings, stone	12,768	
4-unit buildings, cement	16,128	
4-unit buildings, stone	10,752	
3-unit buildings, cement	32,736	sq. ft.
3-unit buildings, stone	21,824	
	113,360	sq. ft.

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Doors - Garage, Unfunded

Category	070 Doors	Quantity	63 doors
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/07	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 double roll-up garage doors located within the community. It is anticipated that not all of the doors will need replacement at one time. Therefore, budgeting for this component has been excluded as future maintenance should be completed by the client on an as needed basis. This component is listed for inventory purposes only.

Skylights - Unfunded

Category	080 Skylights	Quantity	101 skylights
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/07	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 skylights located on the roofs. It is anticipated that not all of the skylights will need replacement at one time. Therefore, budgeting for this component has been excluded as future maintenance should be completed by the client on an as needed basis. This component is listed for inventory purposes only.

Threamoor in the Park

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Decks & Railings, Unfunded

Category	090 Decks & Railings	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	100.00%
		Current Cost	$0.00
Placed In Service	01/07	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:

This is for the replacement of the synthetic wood decks and wood railings with a synthetic wood caps located around the community. Budgeting for this component has been excluded as future maintenance will be completed by the client on an as needed basis. This component is listed for inventory purposes only.

5,456	sq. ft. - decks	@	$0.00	=	$0.00
2,934	ln. ft. - railings	@	$0.00	=	$0.00
			TOTAL	=	$0.00

Threamoor in the Park

Detail Report Index

Number of components included in this reserve analysis is 23.