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New Claim

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Important Information

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Association Reserve Consultants, Inc. would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Part I

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a “fund status” and “funding plan”.

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association’s major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of *operational expenses* include:

Utilities:	Bank Service Charges	Accounting
Electricity	Dues & Publications	Reserve Study
Gas	Licenses, Permits & Fees	Repair Expenses:
Water	Insurance(s)	Tile Roof Repairs
Telephone	Services:	Equipment Repairs
Cable TV	Landscaping	Minor Concrete Repairs
Administrative:	Pool Maintenance	Operating Contingency
Supplies	Street Sweeping	

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance. Examples of reserve expenses include:

Roof Replacements	Park/Play Equipment
Painting	Pool/Spa Re-plastering
Deck Resurfacing	Pool Equipment Replacement
Fencing Replacement	Pool Furniture Replacement
Asphalt Seal Coating	Tennis Court Resurfacing
Asphalt Repairs	Lighting Replacement
Asphalt Overlays	Insurance(s)
Equipment Replacement	Reserve Study
Interior Furnishings	

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Association Reserve Consultants, Inc. Threshold and the Association Reserve Consultants, Inc. Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Association Reserve Consultants, Inc. Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = Age divided by Useful Life the results multiplied by Current Replacement Cost

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

The Association Reserve Consultants, Inc. **Threshold Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

The Association Reserve Consultants, Inc. **Threshold Funding Model**. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0).

The Association Reserve Consultants, Inc. **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The Association Reserve Consultants, Inc. **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" is a "Component Funding Model" calculation. This

distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can “fix” the accumulated reserve balance within the program on the individual asset’s detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component’s age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The Association Reserve Consultants, Inc. software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to “replenish” the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under

consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the “Monthly Reserve Assessment Required”, the “Average Net Monthly Interest Earned” contribution and the “Total Monthly Allocation to Reserves.” The association should allocate the “Monthly Reserve Assessment Required” amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the “Total Monthly Allocation” to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association’s operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users’ Guide to your Reserve Analysis Study

Part II of your Association Reserve Consultants, Inc. Report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the “Component Funding Model” calculation.

The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The Association Reserve Consultants, Inc. Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.

Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset

was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your Association Reserve Consultants, Inc. report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your Association Reserve Consultants, Inc. reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The Association Reserve Consultants, Inc. reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your Association Reserve Consultants, Inc. report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your Association Reserve Consultants, Inc. report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the Association Reserve Consultants, Inc. reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The Association Reserve Consultants, Inc. reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- The Association Reserve Consultants, Inc. Owners' Summary meets the disclosure requirements of the California Civil Code and also the recently adopted ECHO standards.
- Your Association Reserve Consultants, Inc. report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.

New Claim
 Park City, Utah
ARC Current Assessment Funding Model Summary

Report Date	April 12, 2016
Account Number	9103
Budget Year Beginning	January 01, 2016
Budget Year Ending	December 31, 2016
Total Units	58

<i>Report Parameters</i>	
Inflation	2.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	2.00%
Tax Rate on Interest	30.00%
Contingency	5.00%
2016 Beginning Balance	

The following parameters are included in this report:

- The contribution for 2016 is 45,600. The inflation rate is 2% and we have changed the contribution increase from 3% to 0% annually.
- ARC recommends that you look at both the Current Assessment Funding Model and the Threshold Model to determine the best path forward.
- The Annual Contribution in the Current Assessment Model will be sufficient to fund the projects in this report. However, ARC recommends that the HOA Board revisit the annual contribution rate before the roof replacement takes place or at the time of the required 3 year reserve study update.
- This is the final report for New Claim HOA that begins in 2016.

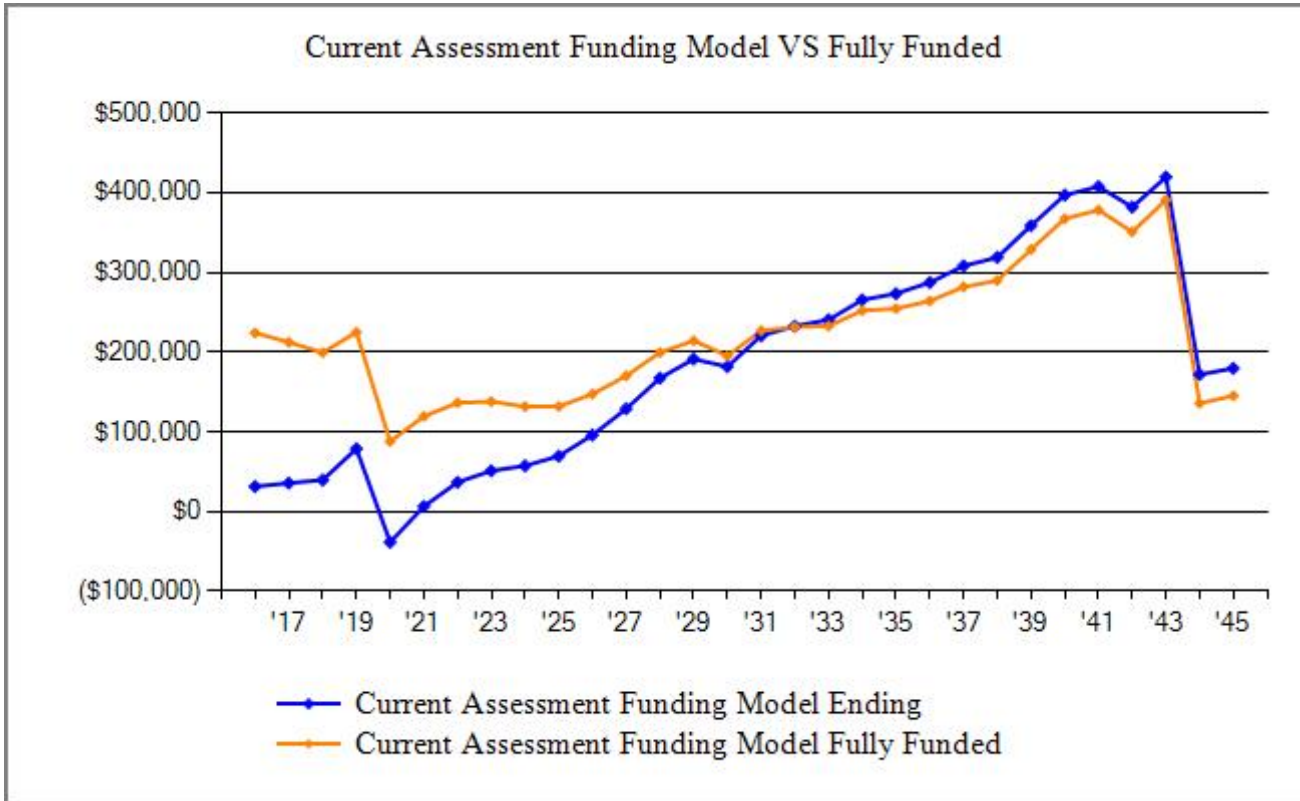
<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Annual Contribution	\$45,600.00
<i>\$786.21 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$435.40</u>
Total Annual Allocation to Reserves	\$46,035.40
<i>\$793.71 per unit annually</i>	

**New Claim
ARC Current Assessment Funding Model Projection**

Beginning Balance: \$0

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2016	279,250	45,600	435	14,500	31,535	224,175	14%
2017	284,835	45,600	494	41,820	35,810	212,396	17%
2018	290,532	45,600	548	42,240	39,718	199,435	20%
2019	296,342	45,600	1,089	7,535	78,872	224,882	35%
2020	302,269	45,600		162,798	-38,325	87,990	-44%
2021	308,315	45,600	89	883	6,481	119,458	5%
2022	314,481	45,600	508	15,766	36,823	136,503	27%
2023	320,770	45,600	707	31,933	51,196	138,079	37%
2024	327,186	45,600	793	40,129	57,460	131,709	44%
2025	333,730	45,600	961	34,419	69,603	131,885	53%
2026	340,404	45,600	1,326	20,479	96,050	147,413	65%
2027	347,212	45,600	1,781	14,423	129,008	170,315	76%
2028	354,157	45,600	2,311	9,512	167,407	199,548	84%
2029	361,240	45,600	2,642	24,320	191,329	214,495	89%
2030	368,464	45,600	2,510	57,661	181,778	195,376	93%
2031	375,834	45,600	3,046	9,825	220,598	226,974	97%
2032	383,350	45,600	3,212	36,791	232,619	231,580	100%
2033	391,017	45,600	3,323	40,887	240,655	232,742	103%
2034	398,838	45,600	3,667	24,352	265,570	252,124	105%
2035	406,814	45,600	3,775	41,519	273,426	254,630	107%
2036	414,951	45,600	3,967	35,663	287,331	264,174	109%
2037	423,250	45,600	4,256	28,949	308,237	281,816	109%
2038	431,715	45,600	4,402	39,422	318,816	289,642	110%
2039	440,349	45,600	4,952	10,723	358,645	328,709	109%
2040	449,156	45,600	5,482	12,707	397,020	367,360	108%
2041	458,139	45,600	5,627	40,687	407,560	378,241	108%
2042	467,302	45,600	5,274	76,475	381,958	350,892	109%
2043	476,648	45,600	5,792	13,826	419,525	390,722	107%
2044	486,181	45,600	2,374	295,539	171,960	135,757	127%
2045	495,905	45,600	2,481	40,312	179,730	145,318	124%

New Claim
ARC Current Assessment Funding Model VS Fully Funded Chart



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

New Claim
 Park City, Utah
ARC Threshold Funding Model Summary

Report Date	April 12, 2016
Account Number	9103
Budget Year Beginning	January 01, 2016
Budget Year Ending	December 31, 2016
Total Units	58

<i>Report Parameters</i>	
Inflation	2.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	2.00%
Tax Rate on Interest	30.00%
Contingency	5.00%
2016 Beginning Balance	\$45,600.00

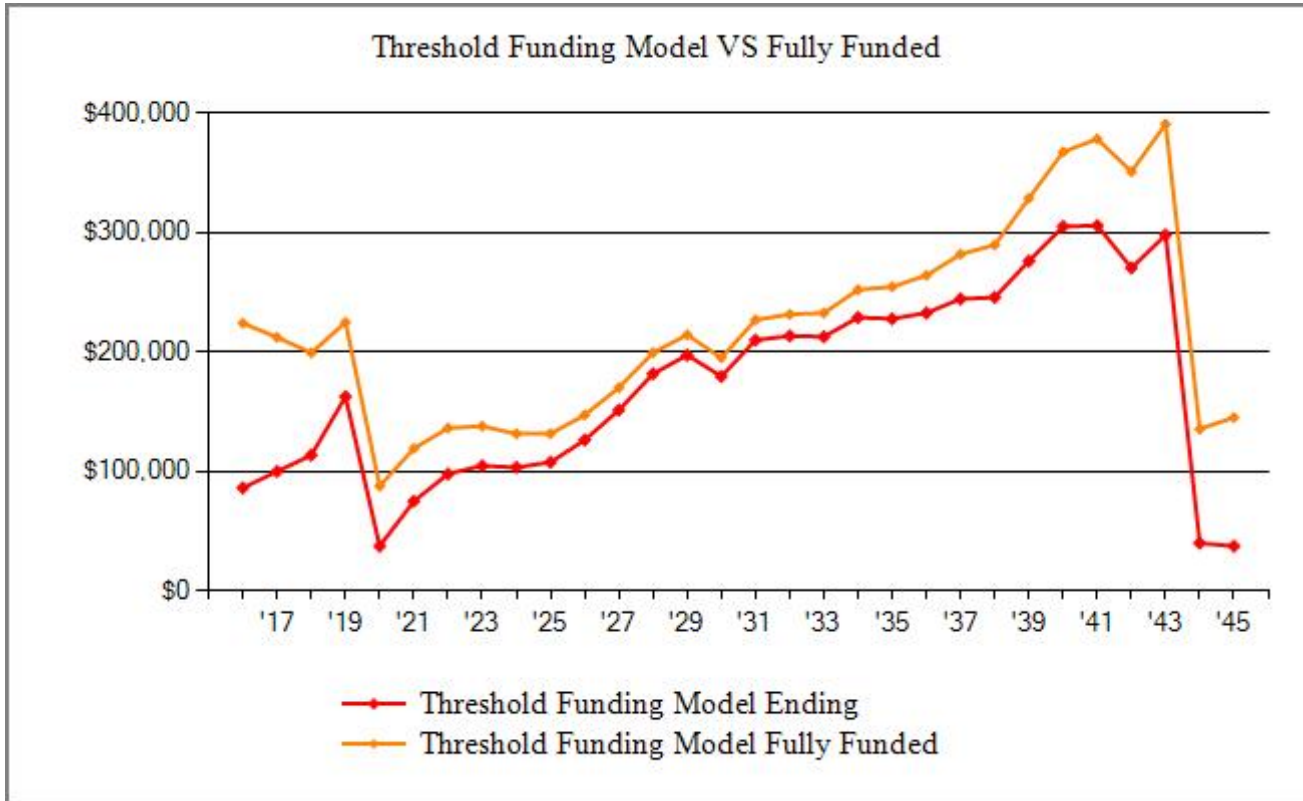
<i>Threshold Funding Model Summary of Calculations</i>	
Required Annual Contribution	\$54,223.39
<i>\$934.89 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,194.53</u>
Total Annual Allocation to Reserves	\$55,417.92
<i>\$955.48 per unit annually</i>	

**New Claim
ARC Threshold Funding Model Projection**

Beginning Balance: \$45,600

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2016	279,250	54,223	1,195	14,500	86,518	224,175	39%
2017	284,835	54,223	1,385	41,820	100,306	212,396	47%
2018	290,532	54,223	1,572	42,240	113,861	199,435	57%
2019	296,342	54,223	2,248	7,535	162,798	224,882	72%
2020	302,269	37,305	522	162,798	37,827	87,990	43%
2021	308,315	37,305	1,039	883	75,289	119,458	63%
2022	314,481	37,305	1,356	15,766	98,183	136,503	72%
2023	320,770	37,305	1,450	31,933	105,004	138,079	76%
2024	327,186	37,305	1,431	40,129	103,611	131,709	79%
2025	333,730	37,305	1,491	34,419	107,988	131,885	82%
2026	340,404	37,305	1,747	20,479	126,561	147,413	86%
2027	347,212	37,305	2,092	14,423	151,535	170,315	89%
2028	354,157	37,305	2,511	9,512	181,839	199,548	91%
2029	361,240	37,305	2,728	24,320	197,552	214,495	92%
2030	368,464	37,305	2,481	57,661	179,676	195,376	92%
2031	375,834	37,305	2,900	9,825	210,057	226,974	93%
2032	383,350	37,305	2,948	36,791	213,519	231,580	92%
2033	391,017	37,305	2,939	40,887	212,876	232,742	91%
2034	398,838	37,305	3,162	24,352	228,991	252,124	91%
2035	406,814	37,305	3,147	41,519	227,924	254,630	90%
2036	414,951	37,305	3,214	35,663	232,780	264,174	88%
2037	423,250	37,305	3,376	28,949	244,512	281,816	87%
2038	431,715	37,305	3,394	39,422	245,788	289,642	85%
2039	440,349	37,305	3,813	10,723	276,183	328,709	84%
2040	449,156	37,305	4,211	12,707	304,993	367,360	83%
2041	458,139	37,305	4,223	40,687	305,833	378,241	81%
2042	467,302	37,305	3,733	76,475	270,396	350,892	77%
2043	476,648	37,305	4,114	13,826	297,990	390,722	76%
2044	486,181	37,305	557	295,539	40,313	135,757	30%
2045	495,905	37,305	522	40,312	37,828	145,318	26%

New Claim
ARC Threshold Funding Model VS Fully Funded Chart



The **Threshold Funding Model** calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below \$0 or other predetermined threshold, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Threshold Funding Model** allows the client to choose the level of conservative funding they desire by choosing the threshold dollar amount.

New Claim
ARC Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Lighting/Exterior/Replacement	0	2016		2,500
Paint/Interior/Wood/Ceilings	0	2016		4,000
Paint/Outdoor Stairwell	0	2016		8,000
Concrete/Repairs	1	2017		4,000
Elevator/Motor/Repairs	1	2017		8,889
Landscape/Grounds Maintenance	1	2017		1,125
Paint/Metal Railings/Exterior	1	2017		4,960
Paint/Wood/Exterior	1	2017		10,286
Roof/Repairs	1	2017		1,933
Rooftop Fans/Replacement	1	2017		2,259
Asphalt/Parking Lot	2	2018		8,467
Carpet/Replacement	2	2018		15,833
Heaters/Replacement	2	2018		889
Tile Floor/Replacement	2	2018		3,545
Doors/Replacement	3	2019		5,217
Signs/Replacement	3	2019		550
Lighting/Interior	4	2020		1,750
Roof/Replacement	4	2020		110,833
Benches/Pictures/Replacement	5	2021		400
Paint/Interior/Metal Railings	7	2023		2,100
Hot Tub /Recoat	8	2024		920
Hot Tub Cover /Replacement	8	2024		150
Chem Automator/Heater/Filtration/Repl.	9	2025		1,300
Security System/Replacement	9	2025		270
Exit Lights/Replacement	11	2027		400
Fire Suppression	17	2033		1,410
Hot Tub /Gate/Replacement	18	2034		170
Wood Paneling/Replacement	20	2036		560
Throw Rugs/Mats/Replacement		Unfunded		
Total Asset Summary				<u>\$202,717</u>
Contingency at 5.00%				<u>\$10,669</u>
Summary Total				<u>\$213,386</u>

Percent Fully Funded	0%
Current Average Liability per Unit (Total Units: 58)	-\$3,679

New Claim
ARC Annual Expenditure Detail

Description	Expenditures
Replacement Year 2016	
Lighting/Exterior/Replacement	2,500
Paint/Interior/Wood/Ceilings	4,000
Paint/Outdoor Stairwell	8,000
Total for 2016	<u>\$14,500</u>
Replacement Year 2017	
Concrete/Repairs	6,120
Elevator/Motor/Repairs	10,200
Landscape/Grounds Maintenance	1,530
Paint/Metal Railings/Exterior	6,324
Paint/Wood/Exterior	12,240
Roof/Repairs	2,958
Rooftop Fans/Replacement	2,448
Total for 2017	<u>\$41,820</u>
Replacement Year 2018	
Asphalt/Parking Lot	13,213
Carpet/Replacement	19,768
Heaters/Replacement	1,040
Paint/Interior/Wood/Ceilings	4,162
Tile Floor/Replacement	4,058
Total for 2018	<u>\$42,240</u>
Replacement Year 2019	
Doors/Replacement	6,367
Signs/Replacement	1,167
Total for 2019	<u>\$7,535</u>
Replacement Year 2020	
Concrete/Repairs	6,495
Landscape/Grounds Maintenance	1,624
Lighting/Interior	3,789
Paint/Interior/Wood/Ceilings	4,330
Roof/Replacement	143,963
Rooftop Fans/Replacement	2,598
Total for 2020	<u>\$162,798</u>

New Claim
ARC Annual Expenditure Detail

Description	Expenditures
Replacement Year 2021	
Benches/Pictures/Replacement	883
Total for 2021	<u>883</u>
Replacement Year 2022	
Elevator/Motor/Repairs	11,262
Paint/Interior/Wood/Ceilings	4,505
Total for 2022	<u>15,766</u>
Replacement Year 2023	
Concrete/Repairs	6,892
Landscape/Grounds Maintenance	1,723
Paint/Interior/Metal Railings	8,041
Paint/Outdoor Stairwell	9,189
Roof/Repairs	3,331
Rooftop Fans/Replacement	2,757
Total for 2023	<u>31,933</u>
Replacement Year 2024	
Asphalt/Parking Lot	14,880
Doors/Replacement	7,030
Hot Tub /Recoat	5,390
Hot Tub Cover /Replacement	879
Paint/Interior/Wood/Ceilings	4,687
Paint/Metal Railings/Exterior	7,264
Total for 2024	<u>40,129</u>
Replacement Year 2025	
Chem Automator/Heater/Filtration/Repl.	15,536
Paint/Wood/Exterior	14,341
Security System/Replacement	3,227
Signs/Replacement	1,315
Total for 2025	<u>34,419</u>
Replacement Year 2026	
Concrete/Repairs	7,314
Landscape/Grounds Maintenance	1,828
Paint/Interior/Wood/Ceilings	4,876

New Claim
ARC Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2026 continued...</i>	
Roof/Repairs	3,535
Rooftop Fans/Replacement	2,926
Total for 2026	<u>\$20,479</u>
Replacement Year 2027	
Benches/Pictures/Replacement	995
Elevator/Motor/Repairs	12,434
Exit Lights/Replacement	995
Total for 2027	<u>\$14,423</u>
Replacement Year 2028	
Lighting/Interior	4,439
Paint/Interior/Wood/Ceilings	5,073
Total for 2028	<u>\$9,512</u>
Replacement Year 2029	
Concrete/Repairs	7,762
Doors/Replacement	7,762
Landscape/Grounds Maintenance	1,940
Roof/Repairs	3,751
Rooftop Fans/Replacement	3,105
Total for 2029	<u>\$24,320</u>
Replacement Year 2030	
Asphalt/Parking Lot	16,757
Carpet/Replacement	25,070
Paint/Interior/Wood/Ceilings	5,278
Paint/Outdoor Stairwell	10,556
Total for 2030	<u>\$57,661</u>
Replacement Year 2031	
Paint/Metal Railings/Exterior	8,344
Signs/Replacement	1,480
Total for 2031	<u>\$9,825</u>
Replacement Year 2032	
Concrete/Repairs	8,237

New Claim
ARC Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2032 continued...</i>	
Elevator/Motor/Repairs	13,728
Landscape/Grounds Maintenance	2,059
Paint/Interior/Wood/Ceilings	5,491
Roof/Repairs	3,981
Rooftop Fans/Replacement	3,295
Total for 2032	<u>\$36,791</u>
Replacement Year 2033	
Benches/Pictures/Replacement	1,120
Fire Suppression	13,162
Paint/Interior/Metal Railings	9,802
Paint/Wood/Exterior	16,803
Total for 2033	<u>\$40,887</u>
Replacement Year 2034	
Doors/Replacement	8,569
Hot Tub /Gate/Replacement	2,428
Hot Tub /Recoat	6,570
Hot Tub Cover /Replacement	1,071
Paint/Interior/Wood/Ceilings	5,713
Total for 2034	<u>\$24,352</u>
Replacement Year 2035	
Chem Automator/Heater/Filtration/Repl.	18,939
Concrete/Repairs	8,741
Landscape/Grounds Maintenance	2,185
Roof/Repairs	4,225
Rooftop Fans/Replacement	3,496
Security System/Replacement	3,933
Total for 2035	<u>\$41,519</u>
Replacement Year 2036	
Asphalt/Parking Lot	18,872
Heaters/Replacement	1,486
Lighting/Interior	5,201
Paint/Interior/Wood/Ceilings	5,944
Wood Paneling/Replacement	4,161
Total for 2036	<u>\$35,663</u>

New Claim
ARC Annual Expenditure Detail

Description	Expenditures
Replacement Year 2037	
Elevator/Motor/Repairs	15,157
Paint/Outdoor Stairwell	12,125
Signs/Replacement	1,667
Total for 2037	<u>\$28,949</u>
Replacement Year 2038	
Concrete/Repairs	9,276
Landscape/Grounds Maintenance	2,319
Lighting/Exterior/Replacement	3,865
Paint/Interior/Wood/Ceilings	6,184
Paint/Metal Railings/Exterior	9,585
Roof/Repairs	4,483
Rooftop Fans/Replacement	3,710
Total for 2038	<u>\$39,422</u>
Replacement Year 2039	
Benches/Pictures/Replacement	1,262
Doors/Replacement	9,461
Total for 2039	<u>\$10,723</u>
Replacement Year 2040	
Paint/Interior/Wood/Ceilings	6,434
Tile Floor/Replacement	6,273
Total for 2040	<u>\$12,707</u>
Replacement Year 2041	
Concrete/Repairs	9,844
Landscape/Grounds Maintenance	2,461
Paint/Wood/Exterior	19,687
Roof/Repairs	4,758
Rooftop Fans/Replacement	3,937
Total for 2041	<u>\$40,687</u>
Replacement Year 2042	
Asphalt/Parking Lot	21,252
Carpet/Replacement	31,795
Elevator/Motor/Repairs	16,734

New Claim
ARC Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2042 continued...</i>	
Paint/Interior/Wood/Ceilings	6,694
Total for 2042	<u>\$76,475</u>
Replacement Year 2043	
Paint/Interior/Metal Railings	11,948
Signs/Replacement	1,878
Total for 2043	<u>\$13,826</u>
Replacement Year 2044	
Concrete/Repairs	10,446
Doors/Replacement	10,446
Hot Tub /Recoat	8,009
Hot Tub Cover /Replacement	1,306
Landscape/Grounds Maintenance	2,612
Lighting/Interior	6,094
Paint/Interior/Wood/Ceilings	6,964
Paint/Outdoor Stairwell	13,928
Roof/Replacement	231,556
Rooftop Fans/Replacement	4,178
Total for 2044	<u>\$295,539</u>
Replacement Year 2045	
Benches/Pictures/Replacement	1,421
Chem Automator/Heater/Filtration/Repl.	23,086
Paint/Metal Railings/Exterior	11,010
Security System/Replacement	4,795
Total for 2045	<u>\$40,312</u>

New Claim
ARC Detail Report by Category

Asphalt/Parking Lot - 2018

Asset ID	1007	Asset Cost	\$12,700.00
		Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$13,213.08
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	6		
Replacement Year	2018	Annual Assessment	\$2,553.50
Remaining Life	2	Interest Contribution	<u>\$35.75</u>
		Reserve Allocation	\$2,589.25



Per discussion with property manager New Claim kicks in for any work that is done on the asphalt. We have budgeted money every 6 years beginning in 2020.

New Claim
ARC Detail Report by Category

Roof/Repairs - 2017

Asset ID	1017	Asset Cost	\$2,900.00
		Percent Replacement	100%
	Roofing	Future Cost	\$2,958.00
Placed in Service	January 2014	Assigned Reserves	<i>none</i>
Useful Life	3		
Replacement Year	2017	Annual Assessment	\$1,151.30
Remaining Life	1	Interest Contribution	<u>\$16.12</u>
		Reserve Allocation	\$1,167.42

We have budgeted for roof repairs every 3 years beginning in 2017.

New Claim
ARC Detail Report by Category

Roof/Replacement - 2020

Asset ID	1009	Asset Cost	\$133,000.00
		Percent Replacement	100%
	Roofing	Future Cost	\$143,963.48
Placed in Service	January 1996	Assigned Reserves	<i>none</i>
Useful Life	24		
Replacement Year	2020	Annual Assessment	\$13,717.50
Remaining Life	4	Interest Contribution	<u>\$192.04</u>
		Reserve Allocation	\$13,909.55



Per email the roof was replaced in 1996. Per property manager the roofing estimate was approximately \$133,000, and the roofing company thought it would last 4 or 5 years longer. We have budgeted for replacement in 2020.

New Claim
ARC Detail Report by Category

Paint/Interior/Metal Railings - 2023

Asset ID	1018	Asset Cost	\$7,000.00
		Percent Replacement	100%
	Painting	Future Cost	\$8,040.80
Placed in Service	January 2013	Assigned Reserves	<i>none</i>
Useful Life	10	Annual Assessment	\$428.66
Replacement Year	2023	Interest Contribution	<u>\$6.00</u>
Remaining Life	7	Reserve Allocation	\$434.66



Metal railings total approximately 5,820 lin. ft. I have a note stating interior was painted in 2013 or 2014. If this needs to be changed please let me know.

New Claim
ARC Detail Report by Category

Paint/Interior/Wood/Ceilings - 2016

Asset ID	1019	Asset Cost	\$4,000.00
		Percent Replacement	20%
	Painting	Future Cost	\$4,000.00
Placed in Service	January 2014	Assigned Reserves	<i>none</i>
Useful Life	2		
Replacement Year	2016	Annual Assessment	\$1,599.07
Remaining Life	0	Interest Contribution	<u>\$22.39</u>
		Reserve Allocation	\$1,621.46



Per discussion with various people we have budgeted for a percentage of the wood and ceiling be painted every other year.

New Claim
ARC Detail Report by Category

Paint/Metal Railings/Exterior - 2017

Asset ID	1002	Asset Cost	\$6,200.00
		Percent Replacement	100%
	Painting	Future Cost	\$6,324.00
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	7		
Adjustment	-2	Annual Assessment	\$2,461.41
Replacement Year	2017	Interest Contribution	<u>\$34.46</u>
Remaining Life	1	Reserve Allocation	\$2,495.87



Approximatel 4,860 lin. ft. We have budgeted to have these painted in 2017 in conjunction with the outside stairwell.

New Claim
ARC Detail Report by Category

Paint/Outdoor Stairwell - 2016

Asset ID	1001	Asset Cost	\$8,000.00
		Percent Replacement	100%
	Painting	Future Cost	\$8,000.00
Placed in Service	January 2010	Assigned Reserves	<i>none</i>
Useful Life	7		
Adjustment	-1	Annual Assessment	\$959.97
Replacement Year	2016	Interest Contribution	<u>\$13.44</u>
Remaining Life	0	Reserve Allocation	\$973.41



Outdoor stairwell includes metal railings, metal siding, metal platforms, and metal steps. The steps need a type of red oxide primer along with paint and the entire area needs a new paint job.
 Approximately 3,595 lin. ft.

New Claim
ARC Detail Report by Category

Paint/Wood/Exterior - 2017

Asset ID	1003	Asset Cost	\$12,000.00
		Percent Replacement	100%
	Painting	Future Cost	\$12,240.00
Placed in Service	January 2010	Assigned Reserves	<i>none</i>
Useful Life	8		
Adjustment	-1	Annual Assessment	\$4,764.02
Replacement Year	2017	Interest Contribution	<u>\$66.70</u>
Remaining Life	1	Reserve Allocation	\$4,830.72



Wood facade on the patios, ceiling panels above the patios and wood trim. 8,344 lin. ft.

New Claim
ARC Detail Report by Category

Security System/Replacement - 2025

Asset ID	1020	Asset Cost	\$2,700.00
		Percent Replacement	100%
	Fencing/Security	Future Cost	\$3,226.75
Placed in Service	January 2015	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2025	Annual Assessment	\$131.91
Remaining Life	9	Interest Contribution	<u>\$1.85</u>
		Reserve Allocation	\$133.76



This includes cameras, monitors software and anything else that is connected to security.

New Claim
ARC Detail Report by Category

Exit Lights/Replacement - 2027

Asset ID	1011	Asset Cost	\$800.00
		Percent Replacement	100%
	Lighting	Future Cost	\$994.70
Placed in Service	January 2005	Assigned Reserves	<i>none</i>
Useful Life	22		
Replacement Year	2027	Annual Assessment	\$32.80
Remaining Life	11	Interest Contribution	<u>\$0.46</u>
		Reserve Allocation	\$33.26



16 exit lights

New Claim
ARC Detail Report by Category

Lighting/Exterior/Replacement - 2016

Asset ID	1014	Asset Cost	\$2,500.00
		Percent Replacement	100%
	Lighting	Future Cost	\$2,500.00
Placed in Service	January 1995	Assigned Reserves	<i>none</i>
Useful Life	22		
Adjustment	-1	Annual Assessment	\$110.56
Replacement Year	2016	Interest Contribution	<u>\$1.55</u>
Remaining Life	0	Reserve Allocation	\$112.10

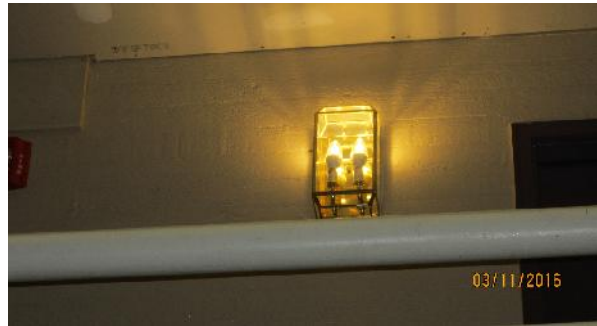
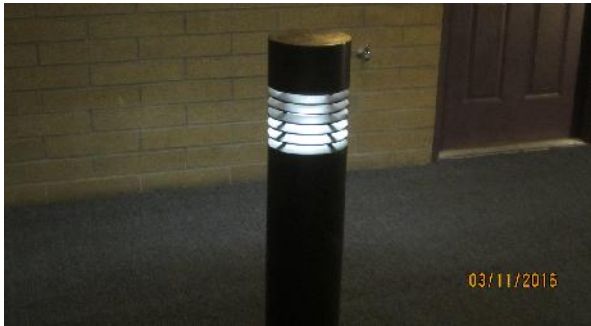


Lantern lights on the patios

New Claim
ARC Detail Report by Category

Lighting/Interior - 2020

Asset ID	1013	Asset Cost	\$3,500.00
		Percent Replacement	100%
	Lighting	Future Cost	\$3,788.51
Placed in Service	January 2012	Assigned Reserves	<i>none</i>
Useful Life	8		
Replacement Year	2020	Annual Assessment	\$360.99
Remaining Life	4	Interest Contribution	<u>\$5.05</u>
		Reserve Allocation	\$366.04



Interior lighting includes 14 hallogen 1000 watt, lantern lights, overhead lighting, and recessed lights in the lobby. We have budgeted for a percentage of lights be replaced every 8 years beginning in 2020.

New Claim
ARC Detail Report by Category

Hot Tub /Gate/Replacement - 2034

Asset ID	1023	Asset Cost	\$1,700.00
		Percent Replacement	100%
	Recreation/Pool	Future Cost	\$2,428.02
Placed in Service	January 2014	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2034	Annual Assessment	\$46.53
Remaining Life	18	Interest Contribution	<u>\$0.65</u>
		Reserve Allocation	\$47.18



The useful life for the gate is approximately 20 years.

New Claim
ARC Detail Report by Category

Hot Tub /Recoat - 2024

Asset ID	1010	Asset Cost	\$4,600.00
		Percent Replacement	100%
	Recreation/Pool	Future Cost	\$5,389.63
Placed in Service	January 2014	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2024	Annual Assessment	\$249.64
Remaining Life	8	Interest Contribution	<u>\$3.49</u>
		Reserve Allocation	\$253.13



Per discussion with Amber we have used 2014 as the Placed in Service date.

New Claim
ARC Detail Report by Category

Hot Tub Cover /Replacement - 2024

Asset ID	1022	Asset Cost	\$750.00
		Percent Replacement	100%
	Recreation/Pool	Future Cost	\$878.74
Placed in Service	January 2014	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2024	Annual Assessment	\$40.70
Remaining Life	8	Interest Contribution	<u>-\$0.57</u>
		Reserve Allocation	\$41.27



Per discussion with Amber we have used 2014 as the Placed in Service date.

New Claim
ARC Detail Report by Category

Benches/Pictures/Replacement - 2021

Asset ID	1030	Asset Cost	\$800.00
		Percent Replacement	100%
	Interior Furnishings	Future Cost	\$883.26
Placed in Service	January 2011	Assigned Reserves	<i>none</i>
Useful Life	6	Annual Assessment	\$66.86
Adjustment	4	Interest Contribution	<u>\$0.94</u>
Replacement Year	2021	Reserve Allocation	\$67.79
Remaining Life	5		



There are benches and pictures in the hallway and lobby. We have budgeted to have a percentage replaced every 6 years.

New Claim
ARC Detail Report by Category

Carpet/Replacement - 2018

Asset ID	1005	Asset Cost	\$19,000.00
		Percent Replacement	100%
	Interior Furnishings	Future Cost	\$19,767.60
Placed in Service	January 2006	Assigned Reserves	<i>none</i>
Useful Life	12		
Replacement Year	2018	Annual Assessment	\$3,820.20
Remaining Life	2	Interest Contribution	<u>\$53.48</u>
		Reserve Allocation	\$3,873.69



Approximately 4,633 sq. ft.

New Claim
ARC Detail Report by Category

Rooftop Fans/Replacement - 2017

Asset ID	1008	Asset Cost	\$2,400.00
		Percent Replacement	100%
	Interior Furnishings	Future Cost	\$2,448.00
Placed in Service	January 2000	Assigned Reserves	<i>none</i>
Useful Life	3		
Adjustment	14	Annual Assessment	\$952.80
Replacement Year	2017	Interest Contribution	<u>\$13.34</u>
Remaining Life	1	Reserve Allocation	\$966.14

Per property manager there are roof top fans. We have budgeted for a percentage of repairs and possible replacement of fans or motors every 3 years beginning in 2017.

New Claim
ARC Detail Report by Category

Throw Rugs/Mats/Replacement

Asset ID	1016	Asset Cost	
		Percent Replacement	100%
	Interior Furnishings	Future Cost	
Placed in Service	January 2008	Assigned Reserves	<i>none</i>
Useful Life	7		
Adjustment	2	<i>No Future Assessments</i>	
Replacement Year	2017		
Remaining Life	1		



We have listed throw rugs and mats in this reserve study, however we feel the operating budget should be used for replacement of these items.

New Claim
ARC Detail Report by Category

Tile Floor/Replacement - 2018

Asset ID	1004	Asset Cost	\$3,900.00
		Percent Replacement	100%
Interior Furnishings		Future Cost	\$4,057.56
Placed in Service	January 1996	Assigned Reserves	<i>none</i>
Useful Life	22		
Replacement Year	2018	Annual Assessment	\$784.15
Remaining Life	2	Interest Contribution	<u>\$10.98</u>
		Reserve Allocation	\$795.13



Approximately 504 sq. ft. We have budgeted for replacement in 2018.

New Claim
ARC Detail Report by Category

Wood Paneling/Replacement - 2036

Asset ID	1029	Asset Cost	\$2,800.00
		Percent Replacement	100%
	Interior Furnishings	Future Cost	\$4,160.65
Placed in Service	January 2011	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2036	Annual Assessment	\$70.72
Remaining Life	20	Interest Contribution	<u>\$0.99</u>
		Reserve Allocation	\$71.71



Wood paneling in lobby looks to be in great shape. We estimated the Placed in Service date due to its present condition.

New Claim
ARC Detail Report by Category

Chem Automator/Heater/Filtration/Repl. - 2025

Asset ID	1015	Asset Cost	\$13,000.00
		Percent Replacement	100%
	Equipment	Future Cost	\$15,536.20
Placed in Service	January 2015	Assigned Reserves	<i>none</i>
Useful Life	10		
Replacement Year	2025	Annual Assessment	\$635.13
Remaining Life	9	Interest Contribution	<u>\$8.89</u>
		Reserve Allocation	\$644.02

Per info sheet the above equipment was installed in 2015. The useful life is 10 years.

New Claim
ARC Detail Report by Category

Elevator/Motor/Repairs - 2017

Asset ID	1012	Asset Cost	\$10,000.00
		Percent Replacement	100%
	Equipment	Future Cost	\$10,200.00
Placed in Service	January 2008	Assigned Reserves	<i>none</i>
Useful Life	5		
Adjustment	4	Annual Assessment	\$3,970.02
Replacement Year	2017	Interest Contribution	<u>\$55.58</u>
Remaining Life	1	Reserve Allocation	\$4,025.60



We have budgeted for a facelift and repairs to the elevator in 2017.

New Claim
ARC Detail Report by Category

Fire Suppression - 2033

Asset ID	1024	Asset Cost	\$9,400.00
		Percent Replacement	100%
	Equipment	Future Cost	\$13,162.27
Placed in Service	January 2013	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2033	Annual Assessment	\$269.01
Remaining Life	17	Interest Contribution	<u>\$3.77</u>
		Reserve Allocation	\$272.77



Per accounting information a fire suppression was installed in 2013.

New Claim
ARC Detail Report by Category

Heaters/Replacement - 2018

Asset ID	1021	Asset Cost	\$1,000.00
		Percent Replacement	100%
	Equipment	Future Cost	\$1,040.40
Placed in Service	January 2000	Assigned Reserves	<i>none</i>
Useful Life	18		
Replacement Year	2018	Annual Assessment	\$201.06
Remaining Life	2	Interest Contribution	<u>\$2.81</u>
		Reserve Allocation	\$203.88



The Placed in Service date was unavailable, so we estimated based on present condition. Heaters are in the hallways inside the building.

New Claim
ARC Detail Report by Category

Concrete/Repairs - 2017

Asset ID	1028	Asset Cost	\$6,000.00
		Percent Replacement	100%
	Grounds Components	Future Cost	\$6,120.00
Placed in Service	January 2014	Assigned Reserves	<i>none</i>
Useful Life	3		
Replacement Year	2017	Annual Assessment	\$2,382.01
Remaining Life	1	Interest Contribution	<u>\$33.35</u>
		Reserve Allocation	\$2,415.36

Concrete repairs will be on an "as needed" basis. We have budgeted for repairs to the cracks in the sidewalk and the patios every 2 years beginning in 2017.

**New Claim
ARC Detail Report by Category**

Landscape/Grounds Maintenance - 2017

Asset ID	1027	Asset Cost	\$1,500.00
		Percent Replacement	100%
	Grounds Components	Future Cost	\$1,530.00
Placed in Service	January 2013	Assigned Reserves	<i>none</i>
Useful Life	3		
Adjustment	1	Annual Assessment	\$595.50
Replacement Year	2017	Interest Contribution	<u>\$8.34</u>
Remaining Life	1	Reserve Allocation	\$603.84



Trees, bushes, shrubs and irrigation are part of the landscaping component. We have budgeted for maintenance and modifications every 3 years beginning in 2017.

New Claim
ARC Detail Report by Category

Doors/Replacement - 2019

Asset ID	1006	Asset Cost	\$6,000.00
		Percent Replacement	100%
	Doors	Future Cost	\$6,367.25
Placed in Service	January 1996	Assigned Reserves	<i>none</i>
Useful Life	5		
Adjustment	18	Annual Assessment	\$814.62
Replacement Year	2019	Interest Contribution	<u>\$11.40</u>
Remaining Life	3	Reserve Allocation	\$826.03



Entry doors, office doors, exit doors and locks. We have budgeted for a % be replaced every 5 years beginning in 2019.

**New Claim
ARC Detail Report by Category**

Signs/Replacement - 2019

Asset ID	1026	Asset Cost	\$1,100.00
		Percent Replacement	100%
	Signs	Future Cost	\$1,167.33
Placed in Service	January 2013	Assigned Reserves	<i>none</i>
Useful Life	6		
Replacement Year	2019	Annual Assessment	\$149.35
Remaining Life	3	Interest Contribution	<u>\$2.09</u>
		Reserve Allocation	\$151.44



There are signs on the exterior of the building and also inside. WE have budgeted for replacement of a % of signs every 5 years beginning in 2019.

**New Claim
ARC Category Detail Index**

Asset ID	Description	Replacement	Page
1007	Asphalt/Parking Lot	2018	2-14
1030	Benches/Pictures/Replacement	2021	2-29
1005	Carpet/Replacement	2018	2-30
1015	Chem Automator/Heater/Filtration/Repl.	2025	2-35
1028	Concrete/Repairs	2017	2-39
1006	Doors/Replacement	2019	2-41
1012	Elevator/Motor/Repairs	2017	2-36
1011	Exit Lights/Replacement	2027	2-23
1024	Fire Suppression	2033	2-37
1021	Heaters/Replacement	2018	2-38
1023	Hot Tub /Gate/Replacement	2034	2-26
1010	Hot Tub /Recoat	2024	2-27
1022	Hot Tub Cover /Replacement	2024	2-28
1027	Landscape/Grounds Maintenance	2017	2-40
1014	Lighting/Exterior/Replacement	2016	2-24
1013	Lighting/Interior	2020	2-25
1018	Paint/Interior/Metal Railings	2023	2-17
1019	Paint/Interior/Wood/Ceilings	2016	2-18
1002	Paint/Metal Railings/Exterior	2017	2-19
1001	Paint/Outdoor Stairwell	2016	2-20
1003	Paint/Wood/Exterior	2017	2-21
1017	Roof/Repairs	2017	2-15
1009	Roof/Replacement	2020	2-16
1008	Rooftop Fans/Replacement	2017	2-31
1020	Security System/Replacement	2025	2-22
1026	Signs/Replacement	2019	2-42
1016	Throw Rugs/Mats/Replacement	Unfunded	2-32
1004	Tile Floor/Replacement	2018	2-33
1029	Wood Paneling/Replacement	2036	2-34
	Total Funded Assets	28	
	Total Unfunded Assets	<u>1</u>	
	Total Assets	29	

**New Claim
ARC Spread Sheet**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Description										
Asphalt/Parking Lot			13,213						14,880	
Benches/Pictures/Replacement						883				
Carpet/Replacement			19,768							
Chem Automator/Heater/Filtration/Repl.										15,536
Concrete/Repairs		6,120			6,495			6,892		
Doors/Replacement				6,367					7,030	
Elevator/Motor/Repairs		10,200					11,262			
Exit Lights/Replacement										
Fire Suppression										
Heaters/Replacement			1,040							
Hot Tub /Gate/Replacement										
Hot Tub /Recoat									5,390	
Hot Tub Cover /Replacement									879	
Landscape/Grounds Maintenance		1,530			1,624			1,723		
Lighting/Exterior/Replacement	2,500									
Lighting/Interior					3,789					
Paint/Interior/Metal Railings								8,041		
Paint/Interior/Wood/Ceilings	4,000		4,162		4,330		4,505		4,687	
Paint/Metal Railings/Exterior		6,324							7,264	
Paint/Outdoor Stairwell	8,000							9,189		
Paint/Wood/Exterior		12,240								14,341
Roof/Repairs		2,958						3,331		
Roof/Replacement					143,963					
Rooftop Fans/Replacement		2,448			2,598			2,757		
Security System/Replacement										3,227
Signs/Replacement				1,167						1,315
Throw Rugs/Mats/Replacement	<i>Unfunded</i>									
Tile Floor/Replacement			4,058							
Wood Paneling/Replacement										
Year Total:	14,500	41,820	42,240	7,535	162,798	883	15,766	31,933	40,129	34,419

**New Claim
ARC Spread Sheet**

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Description										
Asphalt/Parking Lot					16,757					
Benches/Pictures/Replacement		995						1,120		
Carpet/Replacement					25,070					
Chem Automator/Heater/Filtration/Repl.										18,939
Concrete/Repairs	7,314			7,762			8,237			8,741
Doors/Replacement				7,762					8,569	
Elevator/Motor/Repairs		12,434					13,728			
Exit Lights/Replacement		995								
Fire Suppression								13,162		
Heaters/Replacement										
Hot Tub /Gate/Replacement									2,428	
Hot Tub /Recoat									6,570	
Hot Tub Cover /Replacement									1,071	
Landscape/Grounds Maintenance	1,828			1,940			2,059			2,185
Lighting/Exterior/Replacement										
Lighting/Interior			4,439							
Paint/Interior/Metal Railings								9,802		
Paint/Interior/Wood/Ceilings	4,876		5,073		5,278		5,491		5,713	
Paint/Metal Railings/Exterior						8,344				
Paint/Outdoor Stairwell					10,556					
Paint/Wood/Exterior								16,803		
Roof/Repairs	3,535			3,751			3,981			4,225
Roof/Replacement										
Rooftop Fans/Replacement	2,926			3,105			3,295			3,496
Security System/Replacement										3,933
Signs/Replacement						1,480				
Throw Rugs/Mats/Replacement	<i>Unfunded</i>									
Tile Floor/Replacement										
Wood Paneling/Replacement										
Year Total:	20,479	14,423	9,512	24,320	57,661	9,825	36,791	40,887	24,352	41,519

**New Claim
ARC Spread Sheet**

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Description										
Asphalt/Parking Lot	18,872						21,252			
Benches/Pictures/Replacement				1,262						1,421
Carpet/Replacement							31,795			
Chem Automator/Heater/Filtration/Repl.										23,086
Concrete/Repairs			9,276			9,844			10,446	
Doors/Replacement				9,461					10,446	
Elevator/Motor/Repairs		15,157					16,734			
Exit Lights/Replacement										
Fire Suppression										
Heaters/Replacement	1,486									
Hot Tub /Gate/Replacement										
Hot Tub /Recoat									8,009	
Hot Tub Cover /Replacement									1,306	
Landscape/Grounds Maintenance			2,319			2,461			2,612	
Lighting/Exterior/Replacement			3,865							
Lighting/Interior	5,201								6,094	
Paint/Interior/Metal Railings								11,948		
Paint/Interior/Wood/Ceilings	5,944		6,184		6,434		6,694		6,964	
Paint/Metal Railings/Exterior			9,585							11,010
Paint/Outdoor Stairwell		12,125							13,928	
Paint/Wood/Exterior						19,687				
Roof/Repairs			4,483			4,758				
Roof/Replacement									231,556	
Rooftop Fans/Replacement			3,710			3,937			4,178	
Security System/Replacement										4,795
Signs/Replacement		1,667						1,878		
Throw Rugs/Mats/Replacement	<i>Unfunded</i>									
Tile Floor/Replacement					6,273					
Wood Paneling/Replacement	4,161									
Year Total:	35,663	28,949	39,422	10,723	12,707	40,687	76,475	13,826	295,539	40,312