

RDA REPORT

Crystal Bay
Chandler, Arizona
Account 1189 - Version 005
March 10, 2015

RESERVE DATA ANALYSIS, INC.

2761 East Bridgeport Parkway
Gilbert, Arizona 85295
FAX (480) 473-7658
(480) 473-7643

Prepared By

KARL THOMPSON

RDA Reserve Management Software
Copyright 2015, Edwin G. Edgley
All Rights Reserved

Please Note

This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the express written permission of Reserve Data Analysis, Inc., until it has been paid for in full. The Client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

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 Associations Institute, 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 the McGraw Hill Book Company. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and preparation of reserve analysis studies.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and each estimated useful life will approximate that of the norm per industry standards and/or manufacture specifications used. 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 every two to three years 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 subsequent computations made in preparing this reserve analysis study are retained in our computer files. Therefore, updates can typically be completed in a more timely manner than the original study.

Reserve Data Analysis, Inc. would like to thank you for using our services, and we invite you to call us at any time should you have any questions or 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 you with a revised study.

RESERVE DATA ANALYSIS, INC.

(480) 473-7643

TABLE OF CONTENTS

PART I - INTRODUCTION

THE RESERVE BUDGET

Funding Options	1-1
The Reserve Study	1-2
Developing a Component List	1-3
Preparing the Reserve Study	1-4
Funding Methods	1-5
Funding Strategies	1-5
Distribution of Accumulated Reserves	1-7
Funding Reserves	1-8

USING YOUR RESERVE ANALYSIS STUDY

User's Guide to Your Reserve Analysis Study	1-9
Definitions	1-10
A Multi-Purpose Tool	1-13

PART II - RESERVE ANALYSIS STUDY

Cash Flow Specific Summary of Calculations	2-1
Distribution of Accumulated Reserves	2-2
Cash Flow Specific Projections	2-4
Annual Expenditure Detail	2-5
Cash Flow Detail Report by Category	2-10
Detail Report Index	2-27

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.

■ 1. 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 option is to pass a "special assessment" to the membership in an amount required to cover the expenditure. Although not commonplace, there have been special assessments in the amount of \$10,000 per member assessed in associations in Virginia and southern California. 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 operating on a special assessment basis cannot guarantee that an assessment, when needed, will be passed. Consequently, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated to maintain 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, can be devastating to an association's overall budget.

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 money to an association using "future homeowner assessments" as collateral for the loan. With this method, not only is the current board of directors pledging the future assets of an association, they are also required to pay interest fees on the loan payback in addition to the original principal. 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; 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 in order 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 third option, too often used, is simply to defer the required repair or replacement. This option can create an environment of declining property values due to the increasing deferred maintenance 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, many lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association, a prospective purchaser, or for an individual within such association.

The fourth, and only logical means that the board of directors has to ensure its ability to maintain the assets for which it is obligated, uniformly distributing the costs of the replacements over the entire membership, is by assessing an adequate level of reserves as part of the regular membership assessment. 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.

■ 2. The Reserve Study

There are two components of a reserve study – a physical analysis and a financial analysis. During the physical analysis, a reserve 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. A financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent funded) to determine a recommendation for an appropriate reserve contribution rate in the future known as the "funding plan."

Reserve studies fit into one of three categories: 1) Full Study; 2) Update - with site inspection; and 3) 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), a condition assessment (based on 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.”

■ 3. Developing a Component List

The budget process begins with an accurate 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 effectively budgeted for 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:

- Electricity
- Gas
- Water
- Telephone
- Cable TV

Services:

- Landscaping
- Pool Maintenance
- Street Sweeping
- Accounting
- Reserve Study

Administrative:

- Supplies
- Bank Service Charges
- Dues & Publications
- Licenses, Permits & Fees

Repair Expenses:

- Tile Roof Repairs
- Equipment Repairs
- Minor Concrete Repairs
- Operating Contingency

RESERVE EXPENSES are major expenses that occur other than annually and which must be budgeted for in advance in order to provide the necessary funds in time

for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets which have an indeterminable but potential liability which may be demonstrated as a likely occurrence. They are expenses that when incurred would have a significant affect 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
- Painting
- Deck Resurfacing
- Fencing Replacement
- Street Seal/Slurry Coatings
- Asphalt Overlays
- Pool Re-plastering
- Pool Equipment Replacement
- Pool Furniture Replacement
- Tennis Court Resurfacing
- Park & Play Equipment
- Equipment Replacement
- Interior Furnishings
- Lighting Replacement

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 which may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Costs which are caused by acts of God, accidents or other occurrences which are more properly insured for, rather than reserved for, are also excluded.

■ 4. 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, manufacture 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 every two to three years 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.

■ 5. Funding Methods

From the simplest to 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 on the individual lives of the components under consideration.

The component method develops a reserve-funding plan where the total contribution is based on 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 reserves over time. This method also allows for computations on individual components in the analysis. The RDA Summary and RDA Projection Reports are based upon the component methodology.

■ 6. Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are two basic strategies widely used by associations. 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 two funding plans and descriptions of both are detailed below.

- 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 that 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. The formula is based on current replacement cost, and is a measure in time, independent of future inflationary or investment factors:

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

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

- **Threshold Funding (RDA Modified Cash Flow Reports)** — There are two goals of this funding method. The first goal is to make sure that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period. The second goal is to reach and maintain a 100% fully funded reserve balance during the projected period. Depending on the association's current percent funded, it may take the entire projected period (typically 30 years) before the 100% fully funded level is achieved.

Reaching and maintaining a 100% fully funded reserve balance by uniformly distributing the costs of the replacements over time benefits both current and future members of an association, and is the best approach the board of directors can take to fulfill its fiduciary responsibility. The modified cash flow method creates a funding strategy that gives the membership the lowest reserve funding recommendation as possible over time, while approaching the 100% fully funded level.

Another advantage of the modified cash flow method is that in most cases several strategies can be manually tested by Reserve Data Analysis, Inc. (the strategy is not based strictly on each components current funding status) until the best funding strategy is created – one that has consistent, incremental contribution increases from year to year. This very important aspect of the reserve study will aid the board of directors during the annual budgeting process.

■ 7. Distribution of Accumulated Reserves

The first 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:

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

The RDA RESERVE MANAGEMENT SOFTWARE™ program performs the above calculations to the very month the component was placed-in-service. It also allows for the accumulation of the necessary reserves for the replacement to be available on the first day of the fiscal year it is scheduled to be replaced.

After identifying the ideal level of reserves for each asset, the beginning reserve balance must be allocated to each of the individual components identified in the analysis.

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 are depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (schedule for replacement this 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 item to 1 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 which 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 initially, but are then considered to be available reserves in the report funding computations.

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

If the reserves are underfunded, the monthly contribution requirements as outlined in this report may be higher than normal depending on the calculation method that is used. 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 which may be under consideration.

■ 8. Funding Reserves

Two contribution numbers are provided in the report, the "Monthly Membership Contribution" and the "Net Monthly Allocation." The association should contribute to reserves each month the "Monthly Membership Contribution" figure, when the interest earned on the reserves is left in the reserve accounts as part of the contribution. When interest is earned on the reserves, that interest must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the "Net Monthly Allocation" to reserves (this is the member contribution 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.

■ 9. Users' Guide to Your Reserve Analysis Study

Part II of your RDA REPORT contains the reserve analysis study for your association. There are seven types of pages in the study as described below.

REPORT SUMMARY

The **Report Summary** lists all of the parameters which 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 which should have accumulated for the association as well as the actual reserves available.

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.

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

The **Detail Report Index** is an alphabetical listing of all assets together with the page number of the asset's detail report and asset number.

PROJECTIONS AND CHARTS

Thirty-year Projections of projected data add to the usefulness of your reserve analysis study.

■ 10. Definitions

REPORT I.D. - Includes the REPORT DATE (ex. November 15, 1992), VERSION (ex. 001), and ACCOUNT NUMBER (ex. 9773). Please use this information when referencing your report. (Displayed on the summary page.)

BUDGET YEAR BEGINNING/ENDING - The budgetary year for which the report is prepared. For associations with fiscal years ending December 31, the monthly contribution figures indicated are for the 12 month period beginning 1/1/2X and ending 12/31/2X.

NUMBER OF UNITS/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 which will be necessary in order to accumulate the required funds in time for replacement.

ANNUAL CONTRIBUTION INCREASE - The percentage rate at which the association will increase its contribution to reserves at the end of each year until the year in which the asset is replaced. 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 aid those associations that have not set aside appropriate reserves in the past by making the initial year's allocation less formidable.

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

TAXES ON YIELD - The estimated percentage of interest income which will be set aside for taxes.

ACCUMULATED RESERVE BALANCE - The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. 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/AGE - Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

MONTHLY CONTRIBUTION - The contribution to reserves required by the association each month.

INTEREST CONTRIBUTION - 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.

NET MONTHLY ALLOCATION - The sum of the monthly contribution and interest contribution figures.

GROUP OR FACILITY NUMBER/CATEGORY NUMBER - The report may be prepared and sorted either by group or facility (location, building, phase, etc.) or by category (roofing, painting, etc.). Standard report printing format is by category.

PERCENTAGE OF REPLACEMENT - 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 - 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 +/- 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.

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

FIXED MONTHLY CONTRIBUTION - An optional figure which, if used, will override all calculations and set the contribution at this amount.

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

■ 11. A Multi-Purpose Tool

Your RDA 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 RDA 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.
- A 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 RDA 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 RDA REPORT is a tool which 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 which the association is obligated to maintain.
- Since the RDA reserve analysis study includes precise 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 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.

© Copyright 2001, Edwin G. Edgley
All Rights Reserved

Crystal Bay
 Chandler, Arizona
CFS Reserve Analysis Report Summary

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Report Date</td> <td>March 10, 2015</td> </tr> <tr> <td>Version</td> <td>005</td> </tr> <tr> <td>Account Number</td> <td>1189</td> </tr> <tr> <td>Budget Year Beginning</td> <td>1/ 1/15</td> </tr> <tr> <td style="padding-left: 20px;">Ending</td> <td>12/31/15</td> </tr> <tr> <td>Total Units Included</td> <td>169</td> </tr> <tr> <td>Phase Development</td> <td>1 of 1</td> </tr> </table>	Report Date	March 10, 2015	Version	005	Account Number	1189	Budget Year Beginning	1/ 1/15	Ending	12/31/15	Total Units Included	169	Phase Development	1 of 1	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Parameters:</td> </tr> <tr> <td>Inflation</td> <td style="text-align: right;">3.00%</td> </tr> <tr> <td>Annual Contribution Increase</td> <td style="text-align: right;">3.00%</td> </tr> <tr> <td>Investment Yield</td> <td style="text-align: right;">0.01%</td> </tr> <tr> <td>Taxes on Yield</td> <td style="text-align: right;">0.00%</td> </tr> <tr> <td>Contingency</td> <td style="text-align: right;">0.00%</td> </tr> <tr> <td colspan="2">Reserve Fund Balance as of</td> </tr> <tr> <td>1/ 1/15:</td> <td style="text-align: right;">\$137,073.00</td> </tr> </table>	Parameters:		Inflation	3.00%	Annual Contribution Increase	3.00%	Investment Yield	0.01%	Taxes on Yield	0.00%	Contingency	0.00%	Reserve Fund Balance as of		1/ 1/15:	\$137,073.00
Report Date	March 10, 2015																														
Version	005																														
Account Number	1189																														
Budget Year Beginning	1/ 1/15																														
Ending	12/31/15																														
Total Units Included	169																														
Phase Development	1 of 1																														
Parameters:																															
Inflation	3.00%																														
Annual Contribution Increase	3.00%																														
Investment Yield	0.01%																														
Taxes on Yield	0.00%																														
Contingency	0.00%																														
Reserve Fund Balance as of																															
1/ 1/15:	\$137,073.00																														

Project Profile & Introduction

Unless otherwise indicated in this report, we have used 1995 as the basis for aging the original components examined in this analysis.

Refer to Asset ID #1000 (** Reserve Balance Calculation) for an explanation of how the projected January 1, 2015 reserve balance was determined. This report has been calculated using the client's 2015 budgeted reserve contribution of \$900 per month.

Calculation Method: Modified Cash Flow Funding Strategy: Threshold
 RDA Reports: 1998. Updated 1999, 2003, 2007 & 2015 (revised 2015).

Cash Flow Specific Summary of Calculations

Monthly Contribution to Reserves Required:	\$900.00
(\$5.33 per unit per month)	
Average Net Monthly Interest Contribution This Year:	0.50
Net Monthly Allocation to Reserves 1/ 1/15 to 12/31/15:	\$900.50
(\$5.33 per unit per month)	

RDA Reserve Management Software
 Copyright 2015, Edwin G. Edgley
 All Rights Reserved

Crystal Bay
Distribution of Accumulated Reserves

REPORT DATE: March 10, 2015
 VERSION: 005
 ACCOUNT NUMBER: 1189

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
** Reserve Balance Calculation	0	0.00	0.00
Fencing - Wrought Iron Repairs	0	12,500.00	12,500.00
Lakes - Dredging, Unfunded	0	0.00	0.00
Landscape Renovations (Phase 2)	0	20,000.00	20,000.00
Monument Sign	0	10,000.00	10,000.00
Walls - Stucco Repairs & Painting	0	40,000.00	40,000.00
Granite Replenishment (C)	1	5,125.45	5,125.45
Landscape Renovations (Phase 3)	1	19,047.62	19,047.62
Walls - Major Repairs/Replacement	1	9,523.81	9,523.81
Concrete Sidewalk (South Path)	2	9,090.91	9,090.91
Granite Replenishment (D)	2	12,402.50	11,785.21
Lakes - Concrete Wall Repairs	2	1,800.00	0.00
Lakes - Liner Repairs	2	6,000.00	0.00
Landscape Renovations (Phase 4)	2	18,181.82	0.00
Granite Replenishment (E)	3	6,591.54	0.00
Irrigation Controller (Phase 1)	3	525.00	0.00
Irrigation System (Phase 1)	3	6,440.00	0.00
Landscape Renovations (Phase 5)	3	17,391.30	0.00
Irrigation Controller (Phase 2)	6	375.00	0.00
Irrigation System (Phase 2)	6	3,650.00	0.00
Irrigation Controller (Phase 3)	7	312.50	0.00
Irrigation System (Phase 3)	7	4,375.00	0.00
Irrigation Controller (Phase 4)	8	250.00	0.00
Irrigation System (Phase 4)	8	3,800.00	0.00
Granite Replenishment (A)	9	1,082.40	0.00
Lakes - Pumps & Motors (2024)	9	1,936.21	0.00
Light Fixtures - Bollards	9	1,500.00	0.00
Granite Replenishment (B)	10	0.00	0.00
Landscape Renovations (Phase 1)	11	1,666.67	0.00
Lakes - Pumps & Motors (2034...)	19	0.00	0.00

Crystal Bay
Distribution of Accumulated Reserves

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Total Asset Summary:		213,567.73	137,073.00
Contingency @ 0.00%:		0.00	0.00
Grand Total:		213,567.73	137,073.00
Excess Reserves Not Used:			0.00
Percent Fully Funded:	64%		

Crystal Bay
Modified Cash Flow Projections

REPORT DATE:	3/10/2015	Contribution Increase	3.00%
VERSION:	005	Interest Rate	0.01%
ACCOUNT NUMBER:	1189	Inflation Rate	3.00%

Beginning Reserve Balance \$137,073

<u>Year</u>	<u>Annual Contribution</u>	<u>Interest Contribution</u>	<u>Annual Expenditures</u>	<u>Projected Ending Reserves</u>	<u>Fully Funded Reserves</u>	<u>Percent Funded</u>
2015	10,800	6	82,500	65,379	170,635	38%
2016	44,935	5	36,707	73,612	176,018	42%
2017	46,283	4	61,408	58,491	160,051	37%
2018	47,672	4	42,091	64,075	165,535	39%
2019	49,102	9	-	113,186	215,859	52%
2020	50,575	9	46,371	117,399	221,292	53%
2021	52,092	13	9,612	159,892	266,016	60%
2022	53,655	14	42,123	171,438	279,829	61%
2023	55,264	18	15,391	211,330	322,835	65%
2024	56,922	16	81,684	186,584	293,806	64%
2025	58,630	14	77,525	167,703	269,562	62%
2026	60,389	15	49,331	178,776	275,035	65%
2027	62,201	13	82,527	158,462	247,926	64%
2028	64,067	15	43,056	179,487	262,148	68%
2029	65,989	18	30,252	215,242	291,520	74%
2030	67,968	16	93,478	189,748	258,229	73%
2031	70,007	22	1,204	258,574	320,610	81%
2032	72,107	26	39,255	291,452	347,345	84%
2033	74,271	31	16,939	348,814	399,595	87%
2034	76,499	29	93,981	331,362	379,496	87%
2035	78,794	25	122,248	287,932	331,621	87%
2036	81,158	29	42,671	326,447	366,273	89%
2037	83,592	28	92,707	317,360	352,487	90%
2038	86,100	28	80,362	323,126	353,125	92%
2039	88,683	33	40,656	371,186	396,864	94%
2040	91,344	29	125,627	336,932	356,646	94%
2041	94,084	34	44,749	386,301	400,844	96%
2042	96,906	34	97,181	386,060	394,750	98%
2043	99,814	43	1,716	484,201	489,262	99%
2044	102,808	41	126,302	460,748	460,819	100%

This cash flow projection reflects the Association's 2015 budgeted reserve contribution of \$900 per month. RDA's funding recommendation begins in budget year 2016.

Crystal Bay
Annual Expenditure Detail

REPORT DATE: March 10, 2015
VERSION: 005
ACCOUNT NUMBER: 1189

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2015	
Fencing - Wrought Iron Repairs	12,500.00
Landscape Renovations (Phase 2)	20,000.00
Monument Sign	10,000.00
Walls - Stucco Repairs & Painting	40,000.00
*** ANNUAL TOTAL:	82,500.00
REPLACEMENT YEAR 2016	
Granite Replenishment (C)	5,807.14
Landscape Renovations (Phase 3)	20,600.00
Walls - Major Repairs/Replacement	10,300.00
*** ANNUAL TOTAL:	36,707.14
REPLACEMENT YEAR 2017	
Concrete Sidewalk (South Path)	10,609.00
Granite Replenishment (D)	15,789.37
Lakes - Concrete Wall Repairs	3,182.70
Lakes - Liner Repairs	10,609.00
Landscape Renovations (Phase 4)	21,218.00
*** ANNUAL TOTAL:	61,408.07
REPLACEMENT YEAR 2018	
Granite Replenishment (E)	9,363.58
Irrigation Controller (Phase 1)	819.55
Irrigation System (Phase 1)	10,053.09
Landscape Renovations (Phase 5)	21,854.54
*** ANNUAL TOTAL:	42,090.76
REPLACEMENT YEAR 2019	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2020	
Walls - Stucco Repairs & Painting	46,370.96
*** ANNUAL TOTAL:	46,370.96

Crystal Bay
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2021	
Irrigation Controller (Phase 2)	895.54
Irrigation System (Phase 2)	8,716.59
*** ANNUAL TOTAL:	9,612.13
REPLACEMENT YEAR 2022	
Concrete Sidewalk (South Path)	12,298.74
Irrigation Controller (Phase 3)	922.41
Irrigation System (Phase 3)	12,913.68
Lakes - Concrete Wall Repairs	3,689.62
Lakes - Liner Repairs	12,298.74
*** ANNUAL TOTAL:	42,123.19
REPLACEMENT YEAR 2023	
Irrigation Controller (Phase 4)	950.08
Irrigation System (Phase 4)	14,441.18
*** ANNUAL TOTAL:	15,391.26
REPLACEMENT YEAR 2024	
Granite Replenishment (A)	14,122.87
Lakes - Pumps & Motors (2024)	48,000.00
Light Fixtures - Bollards	19,571.60
*** ANNUAL TOTAL:	81,694.47
REPLACEMENT YEAR 2025	
Fencing - Wrought Iron Repairs	16,798.96
Granite Replenishment (B)	6,969.55
Walls - Stucco Repairs & Painting	53,756.65
*** ANNUAL TOTAL:	77,525.16
REPLACEMENT YEAR 2026	
Granite Replenishment (C)	7,804.30
Landscape Renovations (Phase 1)	27,684.67
Walls - Major Repairs/Replacement	13,842.33
*** ANNUAL TOTAL:	49,331.30

Crystal Bay
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2027	
Concrete Sidewalk (South Path)	14,257.60
Granite Replenishment (D)	21,219.60
Lakes - Concrete Wall Repairs	4,277.28
Lakes - Liner Repairs	14,257.60
Landscape Renovations (Phase 2)	28,515.21
*** ANNUAL TOTAL:	82,527.29
REPLACEMENT YEAR 2028	
Granite Replenishment (E)	12,583.85
Irrigation Controller (Phase 1)	1,101.41
Landscape Renovations (Phase 3)	29,370.67
*** ANNUAL TOTAL:	43,055.93
REPLACEMENT YEAR 2029	
Landscape Renovations (Phase 4)	30,251.79
*** ANNUAL TOTAL:	30,251.79
REPLACEMENT YEAR 2030	
Landscape Renovations (Phase 5)	31,159.34
Walls - Stucco Repairs & Painting	62,318.69
*** ANNUAL TOTAL:	93,478.03
REPLACEMENT YEAR 2031	
Irrigation Controller (Phase 2)	1,203.53
*** ANNUAL TOTAL:	1,203.53
REPLACEMENT YEAR 2032	
Concrete Sidewalk (South Path)	16,528.47
Irrigation Controller (Phase 3)	1,239.64
Lakes - Concrete Wall Repairs	4,958.54
Lakes - Liner Repairs	16,528.47
*** ANNUAL TOTAL:	39,255.12
REPLACEMENT YEAR 2033	
Irrigation Controller (Phase 4)	1,276.83
Irrigation System (Phase 1)	15,662.41

Crystal Bay
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
*** ANNUAL TOTAL:	16,939.24
REPLACEMENT YEAR 2034	
Granite Replenishment (A)	18,979.95
Lakes - Pumps & Motors (2034...)	75,000.92
*** ANNUAL TOTAL:	93,980.87
REPLACEMENT YEAR 2035	
Fencing - Wrought Iron Repairs	22,576.41
Granite Replenishment (B)	9,366.49
Monument Sign	18,061.10
Walls - Stucco Repairs & Painting	72,244.45
*** ANNUAL TOTAL:	122,248.45
REPLACEMENT YEAR 2036	
Granite Replenishment (C)	10,488.33
Irrigation System (Phase 2)	13,580.17
Walls - Major Repairs/Replacement	18,602.93
*** ANNUAL TOTAL:	42,671.43
REPLACEMENT YEAR 2037	
Concrete Sidewalk (South Path)	19,161.02
Granite Replenishment (D)	28,517.38
Irrigation System (Phase 3)	20,119.07
Lakes - Concrete Wall Repairs	5,748.32
Lakes - Liner Repairs	19,161.02
*** ANNUAL TOTAL:	92,706.81
REPLACEMENT YEAR 2038	
Granite Replenishment (E)	16,911.65
Irrigation Controller (Phase 1)	1,480.19
Irrigation System (Phase 4)	22,498.90
Landscape Renovations (Phase 1)	39,471.72
*** ANNUAL TOTAL:	80,362.46
REPLACEMENT YEAR 2039	
Landscape Renovations (Phase 2)	40,655.87

Crystal Bay
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
*** ANNUAL TOTAL:	40,655.87
REPLACEMENT YEAR 2040	
Landscape Renovations (Phase 3)	41,875.55
Walls - Stucco Repairs & Painting	83,751.10
*** ANNUAL TOTAL:	125,626.65
REPLACEMENT YEAR 2041	
Irrigation Controller (Phase 2)	1,617.45
Landscape Renovations (Phase 4)	43,131.82
*** ANNUAL TOTAL:	44,749.27
REPLACEMENT YEAR 2042	
Concrete Sidewalk (South Path)	22,212.88
Irrigation Controller (Phase 3)	1,665.97
Lakes - Concrete Wall Repairs	6,663.87
Lakes - Liner Repairs	22,212.88
Landscape Renovations (Phase 5)	44,425.77
*** ANNUAL TOTAL:	97,181.37
REPLACEMENT YEAR 2043	
Irrigation Controller (Phase 4)	1,715.95
*** ANNUAL TOTAL:	1,715.95
REPLACEMENT YEAR 2044	
Granite Replenishment (A)	25,507.47
Lakes - Pumps & Motors (2034...)	100,794.98
*** ANNUAL TOTAL:	126,302.45

Crystal Bay
Cash Flow Detail Report by Category

REPORT DATE: March 10, 2015
 VERSION: 005
 ACCOUNT NUMBER: 1189

**** Reserve Balance Calculation**

ASSET ID 1000
 GROUP/FACILITY 0
 CATEGORY 5

 PLACED IN SERVICE 0/ 0
 0 YEAR USEFUL LIFE
 +0 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2015
 0 YEAR REM LIFE

QUANTITY	1 comment
UNIT COST	0.000
PERCENT REPL	0.00%
CURRENT COST	0.00
FUTURE COST	0.00
SALVAGE VALUE	0.00

REMARKS:

Current Reserve Balance Per Client (10/15/14):	\$	133,170
Remaining 2014 Reserve Contributions:		
\$1,300/month x 3 months	+	3,900
Remaining 2014 Interest to be Earned (0.01%)	+	3
Projected January 1, 2015 Reserve Balance:	\$	----- 137,073

Crystal Bay
Cash Flow Detail Report by Category

Concrete Sidewalk (South Path)

	QUANTITY	1 total
	UNIT COST	10,000.000
ASSET ID 1014	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	10,000.00
CATEGORY 10	FUTURE COST	10,609.00
	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/95		
5 YEAR USEFUL LIFE		
+17 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2017		
2 YEAR REM LIFE		

REMARKS:

The client has advised us to budget \$10,000 for repairs to the south path concrete sidewalk in 2017, and then on a five year cycle going forward.

** NOTE: The concrete park equipment at the North Lake should be replaced on an "as needed" basis using operating funds.

Crystal Bay
Cash Flow Detail Report by Category

Walls - Major Repairs/Replacement

ASSET ID 1020
 GROUP/FACILITY 0
 CATEGORY 30

QUANTITY	1 total
UNIT COST	10,000.000
PERCENT REPL	100.00%
CURRENT COST	10,000.00
FUTURE COST	10,300.00
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/95
 10 YEAR USEFUL LIFE
 +11 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2016
 1 YEAR REM LIFE

REMARKS:

The client has advised us to budget \$10,000 for partial major wall repairs/replacements in 2016, and then on a 10 year cycle going forward.

** NOTE: There is approximately 45,550 sq. ft. of common area walls.

Walls - Stucco Repairs & Painting

ASSET ID 1006
 GROUP/FACILITY 0
 CATEGORY 30

QUANTITY	1 total
UNIT COST	40,000.000
PERCENT REPL	100.00%
CURRENT COST	40,000.00
FUTURE COST	40,000.00
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/09
 5 YEAR USEFUL LIFE
 +0 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2015
 0 YEAR REM LIFE

REMARKS:

Approximately \$40,000 was spent in 2009 on heavy stucco repairs & repainting. The client has requested that we budget \$40,000 for similar work every five years.

Crystal Bay
Cash Flow Detail Report by Category

Fencing - Wrought Iron Repairs		QUANTITY	1 total
ASSET ID	1019	UNIT COST	12,500.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	40	CURRENT COST	12,500.00
		FUTURE COST	12,500.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/95		
10 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2015		
0 YEAR REM LIFE			

REMARKS:

The client has advised us to budget \$12,500 for wrought iron repairs in 2015, and then on a 10 year cycle going forward.

Wrought Iron Locations Per the Client:

- every wrought iron fence adjacent to common grounds @ Lots 33, 39, 40, 49, 124, 134, 135, 136, 137, 148 & 149 (50% RESPONSIBILITY)
- @ Lots 22, 23, 114 & 115 (100% RESPONSIBILITY)

Crystal Bay
Cash Flow Detail Report by Category

Light Fixtures - Bollards

ASSET ID 1009
 GROUP/FACILITY 0
 CATEGORY 50

 PLACED IN SERVICE 1/14
 30 YEAR USEFUL LIFE
 -20 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2024
 9 YEAR REM LIFE

QUANTITY	1 total
UNIT COST	15,000.000
PERCENT REPL	100.00%
CURRENT COST	15,000.00
FUTURE COST	19,571.60
SALVAGE VALUE	0.00

REMARKS:

The client has advised us that \$5,000 was spent in 2014 to renovate the 15 metal bollard light fixtures located along the south perimeter walkway.

Going forward, the client has advised us to budget \$15,000 to replace the bollard light fixtures in 2024, and then on a 30 year cycle going forward.

We are not budgeting to replace any ground level pagoda type or spot/flood-light fixtures because the cost to do so is most often considered an operating expense. It is difficult to determine a useful life for these types of fixtures because they are frequently damaged by pedestrians, landscape personnel, and weather conditions. Any repairs and/or replacements should be handled on an "as needed" basis, and the expense paid for out of the operating budget.

Crystal Bay
Cash Flow Detail Report by Category

Lakes - Concrete Wall Repairs		QUANTITY	1 total
ASSET ID	1004	UNIT COST	3,000.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	80	CURRENT COST	3,000.00
		FUTURE COST	3,182.70
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/12		
5 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2017		
2 YEAR REM LIFE			

REMARKS:

The lake walls are made of concrete that extends down to and covers the entire floor of the lake. We have been advised that if these walls crack they will still hold water. Therefore, it shouldn't be necessary to budget for the replacement of these walls. However, there will be a need over time for wall repairs to be made. At the time of the last study in 2007 we were advised by Water Resource Management to budget \$3,000 every five years for lake wall repairs. For this update we haven't been advised of any lake wall repairs being done over the past seven years. For budgeting purposes we have used 2012 as the basis for aging this component, which will continue to budget for lake wall repairs "as needed" on a five year basis.

Lakes - Dredging, Unfunded		QUANTITY	1 comment
ASSET ID	1002	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	80	CURRENT COST	0.00
		FUTURE COST	0.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	0/ 0		
0 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2015		
0 YEAR REM LIFE			

REMARKS:

The client has advised us that any future need for the dredging of the lakes will be funded by a special assessment.

Crystal Bay
Cash Flow Detail Report by Category

Lakes - Liner Repairs		QUANTITY	1 total
ASSET ID	1003	UNIT COST	10,000.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	80	CURRENT COST	10,000.00
		FUTURE COST	10,609.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/12		
5 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2017		
2 YEAR REM LIFE			

REMARKS:

Water Resource Management previously advised us that the PVC lake liner has an indefinite useful life, assuming that it remains submerged and not exposed to UV rays. However, there will be a need over time for repairs to be made to damaged areas. The client hasn't provided any information pertaining to lake liner repairs since the last study. Therefore, this component will continue to budget \$10,000, every five years, for lake liner repairs on an "as needed" basis. For budgeting purposes we have used 2012 as the basis for aging this component.

Lakes - Pumps & Motors (2024)		QUANTITY	1 total
ASSET ID	1016	UNIT COST	36,788.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	80	CURRENT COST	36,788.00
		FUTURE COST	48,000.00
		SALVAGE VALUE	0.00
PLACED IN SERVICE	7/14		
10 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2024		
9 YEAR REM LIFE	(One Time Repl)		

REMARKS:

There are four lake pumps, each of which was either rebuilt, replaced, or installed in 2014:

- Circulation Pump: rebuilt (\$7,000)
- Sump Pump (vault): replaced (\$2,000)
- Fountain Pump: replaced (\$7,000)
- Lake Water Irrigation Pump: new install (\$7,000)

The client has advised us to budget to have \$48,000 available in 2024 for the major repair/rebuilding and/or replacement of the pumps & motors.

Crystal Bay
Cash Flow Detail Report by Category

Lakes - Pumps & Motors (2034...)

ASSET ID 1034
GROUP/FACILITY 0
CATEGORY 80

QUANTITY	1 total
UNIT COST	42,772.000
PERCENT REPL	100.00%
CURRENT COST	42,772.00
FUTURE COST	75,000.96
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/15
10 YEAR USEFUL LIFE
+9 YEAR ADJUSTMENT
REPLACEMENT YEAR 2034
19 YEAR REM LIFE

REMARKS:

The client has advised us to budget to have \$75,000 available in 2034 for the major repair/rebuilding and/or replacement of the pumps & motors. This component will cycle on a 10 year basis.

Crystal Bay
Cash Flow Detail Report by Category

Granite Replenishment (A)		QUANTITY	1 total
ASSET ID	1008	UNIT COST	10,824.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	100	CURRENT COST	10,824.00
		FUTURE COST	14,122.86
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/14		
10 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2024		
9 YEAR REM LIFE			

REMARKS:

Granite Replenishment Information Provided by the Client:

Element (A)

Raintree Way West
 9 Year Remaining Life
 Current Cost of \$10,824

Granite Replenishment (B)		QUANTITY	1 total
ASSET ID	1035	UNIT COST	5,186.000
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	100	CURRENT COST	5,186.00
		FUTURE COST	6,969.55
		SALVAGE VALUE	0.00
PLACED IN SERVICE	1/15		
10 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT			
REPLACEMENT YEAR	2025		
10 YEAR REM LIFE			

REMARKS:

Granite Replenishment Information Provided by the Client:

Element (B)

Ray Road
 10 Year Remaining Life
 Current Cost of \$5,186

Crystal Bay
Cash Flow Detail Report by Category

Granite Replenishment (C)		QUANTITY	1 total
		UNIT COST	5,638.000
		PERCENT REPL	100.00%
ASSET ID	1036	CURRENT COST	5,638.00
GROUP/FACILITY	0	FUTURE COST	5,807.14
CATEGORY	100	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/05			
10 YEAR USEFUL LIFE			
+1 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2016			
1 YEAR REM LIFE			

REMARKS:

Granite Replenishment Information Provided by the Client:

Element (C)

Raintree Way East
 0 Year Remaining Life (requested replacement year 2016, 1 year rem. life)
 Current Cost of \$5,638

Granite Replenishment (D)		QUANTITY	1 total
		UNIT COST	14,883.000
		PERCENT REPL	100.00%
ASSET ID	1037	CURRENT COST	14,883.00
GROUP/FACILITY	0	FUTURE COST	15,789.37
CATEGORY	100	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/05			
10 YEAR USEFUL LIFE			
+2 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2017			
2 YEAR REM LIFE			

REMARKS:

Granite Replenishment Information Provided by the Client:

Element (D)

Coronado Blvd
 0 Year Remaining Life (requested replacement year 2017, 2 year rem. life)
 Current Cost of \$14,883

Crystal Bay
Cash Flow Detail Report by Category

Granite Replenishment (E)	QUANTITY	1 total
ASSET ID 1038	UNIT COST	8,569.000
GROUP/FACILITY 0	PERCENT REPL	100.00%
CATEGORY 100	CURRENT COST	8,569.00
	FUTURE COST	9,363.58
	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/05		
10 YEAR USEFUL LIFE		
+3 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2018		
3 YEAR REM LIFE		

REMARKS:

Granite Replenishment Information Provided by the Client:

Element (E)

South Border

0 Year Remaining Life (requested replacement year 2018, 3 year rem. life)
 Current Cost of \$8,569

Irrigation Controller (Phase 1)	QUANTITY	1 total
ASSET ID 1005	UNIT COST	750.000
GROUP/FACILITY 0	PERCENT REPL	100.00%
CATEGORY 100	CURRENT COST	750.00
	FUTURE COST	819.55
	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/08		
10 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2018		
3 YEAR REM LIFE		

REMARKS:

The client has requested that we budget to replace the irrigation controller associated with Phase 1 in 2018, and then on a 10 year cycle.

Crystal Bay
Cash Flow Detail Report by Category

Irrigation Controller (Phase 2)		QUANTITY	1 total
		UNIT COST	750.000
ASSET ID	1027	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	750.00
CATEGORY	100	FUTURE COST	895.54
		SALVAGE VALUE	0.00
PLACED IN SERVICE 1/09			
10 YEAR USEFUL LIFE			
+2 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2021			
6 YEAR REM LIFE			

REMARKS:

The client has requested that we budget to replace the irrigation controller associated with Phase 2 in 2021, and then on a 10 year cycle.

Irrigation Controller (Phase 3)		QUANTITY	1 total
		UNIT COST	750.000
ASSET ID	1028	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	750.00
CATEGORY	100	FUTURE COST	922.41
		SALVAGE VALUE	0.00
PLACED IN SERVICE 1/10			
10 YEAR USEFUL LIFE			
+2 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2022			
7 YEAR REM LIFE			

REMARKS:

The client has requested that we budget to replace the irrigation controller associated with Phase 3 in 2022, and then on a 10 year cycle.

Irrigation Controller (Phase 4)		QUANTITY	1 total
		UNIT COST	750.000
ASSET ID	1029	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	750.00
CATEGORY	100	FUTURE COST	950.08
		SALVAGE VALUE	0.00
PLACED IN SERVICE 1/11			
10 YEAR USEFUL LIFE			
+2 YEAR ADJUSTMENT			
REPLACEMENT YEAR 2023			
8 YEAR REM LIFE			

Crystal Bay
Cash Flow Detail Report by Category

Irrigation Controller (Phase 4), Continued ...

REMARKS:

The client has requested that we budget to replace the irrigation controller associated with Phase 4 in 2023, and then on a 10 year cycle.

Irrigation System (Phase 1)

ASSET ID 1018
 GROUP/FACILITY 0
 CATEGORY 100

QUANTITY	1 total
UNIT COST	9,200.000
PERCENT REPL	100.00%
CURRENT COST	9,200.00
FUTURE COST	10,053.09
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/08
 15 YEAR USEFUL LIFE
 -5 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2018
 3 YEAR REM LIFE

REMARKS:

The client has advised us that the irrigation system infrastructure was replaced in phases between 2008 & 2011:

Phase 1 - \$ 8,000 (2008)	Phase 3 - \$ 9,500 (2010)
Phase 2 - \$ 6,500 (2009)	Phase 4 - \$10,500 (2011)

As requested by the client, this component budgets to replace the Phase 1 irrigation system infrastructure in 2018, and then on a 15 year cycle going forward. The cost has been adjusted for inflation.

Irrigation System (Phase 2)

ASSET ID 1024
 GROUP/FACILITY 0
 CATEGORY 100

QUANTITY	1 total
UNIT COST	7,300.000
PERCENT REPL	100.00%
CURRENT COST	7,300.00
FUTURE COST	8,716.58
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/09
 15 YEAR USEFUL LIFE
 -3 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2021
 6 YEAR REM LIFE

Crystal Bay
Cash Flow Detail Report by Category

Irrigation System (Phase 2), Continued ...

REMARKS:

The client has advised us that the irrigation system infrastructure was replaced in phases between 2008 & 2011:

Phase 1 - \$ 8,000 (2008)	Phase 3 - \$ 9,500 (2010)
Phase 2 - \$ 6,500 (2009)	Phase 4 - \$10,500 (2011)

As requested by the client, this component budgets to replace the Phase 2 irrigation system infrastructure in 2021, and then on a 15 year cycle going forward. The cost has been adjusted for inflation.

Irrigation System (Phase 3)

	QUANTITY	1 total
ASSET ID 1025	UNIT COST	10,500.000
GROUP/FACILITY 0	PERCENT REPL	100.00%
CATEGORY 100	CURRENT COST	10,500.00
	FUTURE COST	12,913.68
	SALVAGE VALUE	0.00

PLACED IN SERVICE 1/10
 15 YEAR USEFUL LIFE
 -3 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2022
 7 YEAR REM LIFE

REMARKS:

The client has advised us that the irrigation system infrastructure was replaced in phases between 2008 & 2011:

Phase 1 - \$ 8,000 (2008)	Phase 3 - \$ 9,500 (2010)
Phase 2 - \$ 6,500 (2009)	Phase 4 - \$10,500 (2011)

As requested by the client, this component budgets to replace the Phase 3 irrigation system infrastructure in 2022, and then on a 15 year cycle going forward. The cost has been adjusted for inflation.

Crystal Bay
Cash Flow Detail Report by Category

Irrigation System (Phase 4)

ASSET ID 1026
 GROUP/FACILITY 0
 CATEGORY 100

QUANTITY	1 total
UNIT COST	11,400.000
PERCENT REPL	100.00%
CURRENT COST	11,400.00
FUTURE COST	14,441.18
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/11
 15 YEAR USEFUL LIFE
 -3 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2023
 8 YEAR REM LIFE

REMARKS:

The client has advised us that the irrigation system infrastructure was replaced in phases between 2008 & 2011:

Phase 1 - \$ 8,000 (2008)	Phase 3 - \$ 9,500 (2010)
Phase 2 - \$ 6,500 (2009)	Phase 4 - \$10,500 (2011)

As requested by the client, this component budgets to replace the Phase 4 irrigation system infrastructure in 2023, and then on a 15 year cycle going forward. The cost has been adjusted for inflation.

Landscape Renovations (Phase 1)

ASSET ID 1030
 GROUP/FACILITY 0
 CATEGORY 100

QUANTITY	1 total
UNIT COST	20,000.000
PERCENT REPL	100.00%
CURRENT COST	20,000.00
FUTURE COST	27,684.68
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/14
 12 YEAR USEFUL LIFE
 +0 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2026
 11 YEAR REM LIFE

REMARKS:

The client has advised us that \$20,000 was spent in 2014 on Phase 1 of the Landscape Renovation Project (landscape renovations and additional irrigation). The client has advised us to use a 12 year useful life cycle for this component.

Crystal Bay
Cash Flow Detail Report by Category

Landscape Renovations (Phase 2)

ASSET ID 1021
 GROUP/FACILITY 0
 CATEGORY 100

QUANTITY	1 total
UNIT COST	20,000.000
PERCENT REPL	100.00%
CURRENT COST	20,000.00
FUTURE COST	20,000.00
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/95
 12 YEAR USEFUL LIFE
 +0 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2015
 0 YEAR REM LIFE

REMARKS:

The client has advised us to budget \$20,000 for Phase 2 of the Landscape Renovation Project (landscape renovations and additional irrigation) to occur in 2015, and then on a 12 year cycle.

Landscape Renovations (Phase 3)

ASSET ID 1031
 GROUP/FACILITY 0
 CATEGORY 100

QUANTITY	1 total
UNIT COST	20,000.000
PERCENT REPL	100.00%
CURRENT COST	20,000.00
FUTURE COST	20,600.00
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/95
 12 YEAR USEFUL LIFE
 +9 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2016
 1 YEAR REM LIFE

REMARKS:

The client has advised us to budget \$20,000 for Phase 3 of the Landscape Renovation Project (landscape renovations and additional irrigation) to occur in 2016, and then on a 12 year cycle.

Landscape Renovations (Phase 4)

ASSET ID 1032
 GROUP/FACILITY 0
 CATEGORY 100

QUANTITY	1 total
UNIT COST	20,000.000
PERCENT REPL	100.00%
CURRENT COST	20,000.00
FUTURE COST	21,218.00
SALVAGE VALUE	0.00

PLACED IN SERVICE 1/95
 12 YEAR USEFUL LIFE
 +10 YEAR ADJUSTMENT
 REPLACEMENT YEAR 2017
 2 YEAR REM LIFE

Crystal Bay
Cash Flow Detail Report by Category

Landscape Renovations (Phase 4), Continued ...

REMARKS:

The client has advised us to budget \$20,000 for Phase 4 of the Landscape Renovation Project (landscape renovations and additional irrigation) to occur in 2017, and then on a 12 year cycle.

Landscape Renovations (Phase 5)

	QUANTITY	1 total
	UNIT COST	20,000.000
	PERCENT REPL	100.00%
ASSET ID 1033	CURRENT COST	20,000.00
GROUP/FACILITY 0	FUTURE COST	21,854.54
CATEGORY 100	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/95		
12 YEAR USEFUL LIFE		
+11 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2018		
3 YEAR REM LIFE		

REMARKS:

The client has advised us to budget \$20,000 for Phase 5 of the Landscape Renovation Project (landscape renovations and additional irrigation) to occur in 2018, and then on a 12 year cycle.

Monument Sign

	QUANTITY	1 total
	UNIT COST	10,000.000
	PERCENT REPL	100.00%
ASSET ID 1010	CURRENT COST	10,000.00
GROUP/FACILITY 0	FUTURE COST	10,000.00
CATEGORY 100	SALVAGE VALUE	0.00
PLACED IN SERVICE 1/95		
20 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT		
REPLACEMENT YEAR 2015		
0 YEAR REM LIFE		

REMARKS:

The client has advised us to budget \$10,000 for the renovation of the monument sign in 2015. For budgeting purposes we have used a 20 year useful life cycle for this component. The monument sign is located at the corner of Ray Road and Coronado Street.

DETAIL REPORT INDEX

ASSET	DESCRIPTION	PAGE
1000	** Reserve Balance Calculation	2-10
1014	Concrete Sidewalk (South Path)	2-11
1019	Fencing - Wrought Iron Repairs	2-13
1008	Granite Replenishment (A)	2-18
1035	Granite Replenishment (B)	2-18
1036	Granite Replenishment (C)	2-19
1037	Granite Replenishment (D)	2-19
1038	Granite Replenishment (E)	2-20
1005	Irrigation Controller (Phase 1)	2-20
1027	Irrigation Controller (Phase 2)	2-21
1028	Irrigation Controller (Phase 3)	2-21
1029	Irrigation Controller (Phase 4)	2-21
1018	Irrigation System (Phase 1)	2-22
1024	Irrigation System (Phase 2)	2-22
1025	Irrigation System (Phase 3)	2-23
1026	Irrigation System (Phase 4)	2-24
1004	Lakes - Concrete Wall Repairs	2-15
1002	Lakes - Dredging, Unfunded	2-15
1003	Lakes - Liner Repairs	2-16
1016	Lakes - Pumps & Motors (2024)	2-16
1034	Lakes - Pumps & Motors (2034...)	2-17
1030	Landscape Renovations (Phase 1)	2-24
1021	Landscape Renovations (Phase 2)	2-25
1031	Landscape Renovations (Phase 3)	2-25
1032	Landscape Renovations (Phase 4)	2-25
1033	Landscape Renovations (Phase 5)	2-26
1009	Light Fixtures - Bollards	2-14
1010	Monument Sign	2-26
1020	Walls - Major Repairs/Replacement	2-12
1006	Walls - Stucco Repairs & Painting	2-12

TOTAL ASSET LINES INCLUDED: 30