

Reserve Analysis Report

4127 Florida HOA

4127 Florida St
San Diego, CA

Level III Study without Site Inspection

Fiscal Year End Date: 12/31/2014



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Written description of a reserve study and the figures in the report

Includes glossary, preparer qualifications, and calculation description

2-7 Executive Summary

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Charts of the figures in this table are located in the 30 year projections

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These figures are the basis for all other calculations in the study

4 Annual Expenses by Component

Lists all projected expenses for each component over the next 30 years in table form

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Form that is required to be sent out with annual budget package by California Civil Code

Preface

A reserve study is a detailed report that assists common interest developments (CID) in planning for long-term common area repair and replacement expenses. These common areas differ for every development. They can include streets, roofs, recreational facilities and many other items.

A reserve study estimates the costs of common area repairs and replacements over a 30 year period. Each component is given a useful life, remaining life, and estimated cost. A reserve study then calculates the funds necessary to cover these expenses by creating funding plans.

The Big Picture - What are the significant figures to look at in the report?

- **The Component List** – What are our reserve components and when will they need maintenance

Every reserve study must start with a list of the components. The component summary contains the list of all the components, their useful and remaining lives, and their estimated costs. These numbers are the building blocks for most of the figures in the study.

- **Percent Funded** - What is our current financial standing

Probably the most important number in a reserve study is percent funded. It's almost like a credit score for an association. It tells them the current strength of their reserve fund.

Over 70% = Well Funded Between 30-70% = Fairly Funded Below 30% = Poorly Funded

The lower your percent funded the higher the risk of a special assessment. A low percent funded also increases the likelihood of deferred maintenance which can cause declining property values.

- **Funding Plans** - How much do we need to save for the future

The next important part of the study is the theoretical 30 year funding plans. The study contains 3 funding plans. It projects what the percent funded will be over the next 30 years if the CID follows each of these plans.

Current Funding Plan – This plan is based on what the association is currently contributing to its reserve fund. This information is supplied by the board or management

Recommend Funding Plan – This is McCaffery's recommendation, if a CID follows the recommended plan they should end up well funded and near the 100% funded level.

5% Threshold Funding Plan - The threshold funding plan is a 30 year cash flow plan that calculates the minimum amount a CID should contribute so their reserve balance won't fall below 5% funded and cause the need for a special assessment. The percent funded will at some point fall into poorly funded levels but will never drop below 5%. If a CID has a funding plan that is below this threshold plan they should also plan on a future special assessment and/or a deferred maintenance. (Following this plan does carry higher risk of a special assessment if a component fails early or costs more than expected)

Why Should a Reserve Study be performed?

Certain states, such as California, require that reserve studies be completed and updated annually and that the board of directors inform owners of the reserve status with their annual budget. In addition, the board of directors of a common interest development (CID) has a legal and fiduciary duty to maintain the community in a good state of repair. Property Values are directly affected by the level of maintenance and upkeep of the common area components. Reserve studies create a maintenance plan, which keeps a development in good condition, therefore increasing property appreciation and value. The amount of funds in the reserve account also greatly affects property values. Reserve studies inform CID's how much they should have in their reserve account, which eliminates costly special assessments. Over time each member of a CID should contribute their fair share to the reserve account so when expenses arise the required funds are available. Reserve Studies help board members fulfill their fiduciary duty and also help avoid litigation against CID board members.

Where do Component Repair/Replacement Cost Estimates Come From?

The most accurate cost source is actual bids from contractors or to look at contracts from when the repair/replacement was last performed. In most cases bids or contracts are not available so unit costs for similar work done in the same local area are used. In addition, it is helpful to talk to local vendors who have knowledge of the work and can help with a cost estimate. A third source is to use construction cost estimators such as RS Means. Many times the entire quantity of a component will not need to be replaced or repaired all at once. An example of this is concrete sidewalks. All sidewalks should never have to be replaced, but some sections may experience cracking. In this case an allowance can be created for their partial replacement.

The cost source number for each component is provided in the component summary and details. An explanation of each follows:

- 1. Local Historical Cost** – Cost based on bids for similar work done in same area.
- 2. McCaffery Estimate** – Estimate or Allowance made by McCaffery Staff Member.
- 3. Board/Manager Direction** – Cost estimate provided by board member or property manager.
- 4. Bid/Contract** – Bid came from actual bid or contract.
- 5. Cost Manual** – Cost came from estimating manual.
- 6. Previous Study** – Cost came from previous reserve study.

Glossary of Terms:

Contingency – An allowance for miscellaneous components, unpredictable expenses and/or costs that were higher than expected. (5% of total current cost unless directed otherwise)

Current Budgeted Reserve Assessment – Amount currently being deposited into reserve account. Provided by Property Manager or Board Member.

Depreciation This Year – Amount that should be saved for component during current year. Provided for each component and summed for all components. If the association is 100% funded this is the amount they should contribute to the reserve fund annually. $= (\text{Total Current Cost} / \text{Normal Useful Life})$

Depreciation Percent – A components percentage of the total depreciation of all components. $= (\text{Component Depreciation} / \text{Total Depreciation of all components})$

Fully Funded Balance – The total depreciation over the life of the component. In other words, the amount that should have been saved during the life of the component. Provided for each component and summed for all components $= ((\text{Useful Life} - \text{Remaining Life}) * \text{Depreciation This Year})$

Full Funded Balance Percent – A components percentage of the total fully funded balance of all components. $= (\text{Component FFB} / \text{Total FFB of all Components})$

Monthly Contribution – The amount that should be allocated to each component using the recommended funding plan. $= ((\text{Component Depreciation} / \text{Total Depreciation}) * \text{Recommended Monthly Funding})$

Life Remaining Percent – The percentage of life that a component has remaining $= (\text{Remaining Live} / \text{Useful Life})$

Normal Useful Life – Typical useable life for a component.

Percent Funded – The percentage of the fully funded balance that the CID has in reserve fund. $(\text{Projected Balance} / \text{Fully Funded Balance})$

Projected Balance – Projected balance at fiscal year end with current funding plan. Calculated using current reserve balance, remaining contributions to reserves before year-end, and planned expenses before year-end. Supplied by board or management.

Recommended Reserve Contribution – Recommended amount that the CID should allocate into reserves to offset future expenses.

Remaining Life – Expected remaining useable life of component. (0 year remaining life means the component will be serviced in the upcoming fiscal year)

Replacement Year – Year that component is projected to be replaced or repaired.

Total Cost – Total cost to replace or repair component in today’s dollars. $=(\text{Quantity} \times \text{Unit Cost})$

Total Future Cost - Current cost adjusted to future cost taking into account inflation and replacement year. $=(\text{Current Cost} * (1 + \text{inflation rate})^{(\text{Replacement Year} - \text{Present Year})})$

Threshold Reserve Contribution – Reserve contribution that should be allocated into reserves to keep reserve balance above a minimum amount during the next 30 years. (Minimum amount is 5% funded unless otherwise noted)

Under Funded – Amount association is short of fully funded balance; also known as a deficit. $=(\text{Fully Funded Balance} - \text{Projected Balance})$

Unit Cost – Cost per Unit.

Unit of Measure – Unit used to measure component. (Explanations shown below)

SF – Square Feet

SY – Square Yard

LF – Linear Feet

Each – Per Single Unit

Lump Sum - Total cost for component

Allowance – Allowance for component repair or replacement

Contract – Cost obtained from actual contract or bid

Useful Life – Time in years component is expected to last.

What Procedures were used for calculation and establishment of reserves?

In this study the fully funded reserve balance for a component at a given time was computed using the component method. Using the component method the fully funded reserve balance equals the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component.

For example if the cost of a boiler is \$10,000, the useful life is 10 years and the remaining life is 3 years. The recommended reserve balance would be:

$$\$10,000 \times ((10-3)/10) = \$7,000.$$

Preparer Qualifications

Brian McCaffery, President and founder of McCaffery Reserve Consulting earned his Bachelor of Science Degree in Architectural Engineering from the University of Colorado in Boulder. His degree program included coursework in Building Exterior, Lighting, Electrical Systems, Heating Ventilating and Air Conditioning, Concrete and Steel Design, Civil Engineering, Structural Engineering, and Estimating. He has worked in the Building Construction/Architectural Engineering industry for 11 years and has been performing reserve studies for the past 9 years. During his professional career, Brian has worked for multiple companies that perform reserve studies. He has performed over 3,000 reserve studies throughout the state of California and the United States. Brian is a certified Reserve Specialist, designated by the Community Associations Institute (CAI). The Reserve Specialist designation is awarded to experienced, qualified reserve specialists, who through years of specialized experience, can help ensure that your community association prepares its reserve budget as accurately as possible. Brian also has a permit to perform reserve studies in the state of Nevada (Reserve study permit #9).

McCaffery understands that most homeowners, board members, and property managers can have a difficult time understanding all the numbers in a reserve study. That is why we make it a priority to make our report easy for anyone to understand. The layout of this report is set up with graphs, explanations and figures to make it easy to follow. If you read though the full report you should have a good understanding of the numbers and calculations. We strive to make sure our studies are second to none in the industry. The important figures are summarized in the executive summary and the supporting graphs and figures give a full explanation of how the findings were derived. Further descriptions are provided in the descriptions section.

For more useful information on reserve studies please visit:

www.mccafferyreserveconsulting.com

For a quick video that highlights the main sections please see:

<http://www.mccafferyreserveconsulting.com/sample-reserve-study>

Or scan QR code below with a smart phone



One Page Description of how we come up with the Numbers in this Report

The numbers in this report start with the components listed in the component summary.

1. Every component is given a useful life, remaining life, and an estimated cost

We will use a boiler as an example. This boiler is expected to last 10 years and has been in use for 7 years. The estimated cost is \$10,000.

Component	Useful Life	Remaining Life	Cost
Boiler	10	3	\$10,000

2. The fully funded balance is calculated

Fully Funded Balance = (Useful life-Remaining Life)/Useful Life * Cost

$$(10-3)/10 * \$10,000 = \$7,000$$

The fully funded balance is then summed for all components and this is the total fully funded balance for the development.

3. Fully Funded Balance is then compared to the actual projected year-end balance that the development has saved for reserves

This is called the percent funded. For our example let's say the development had \$5,000 saved for their boiler. Their percent funded would be:

$$\text{Percent Funded} = \text{Projected Year End Reserve Balance}/\text{Fully Funded Balance}$$
$$\$5,000/\$7,000 = 71\%$$

4. Next expenses are projected for each component for the next 30 years using the useful and remaining lives

This information is shown in the annual expenses by component section. Inflation is included in these figures.

5. Using the projected expenses for the next 30 years the funding plans are created

Funding plans are created so that the development has enough money to offset their projected expenses for the next 30 years.

We try to create funding plans that have a uniform contribution over a 30 year period with a slight increase over time for inflation.

Executive Summary

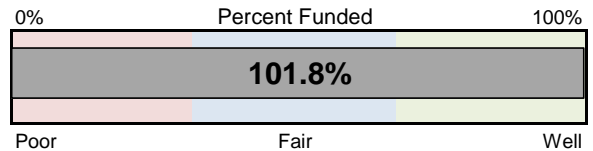
4127 Florida HOA

This is a Homeowners Association with 10 Condominium Units.

The common area components include: fencing, water heater, and building exterior.

This is a level III annual update, the last site inspection was performed in 2012

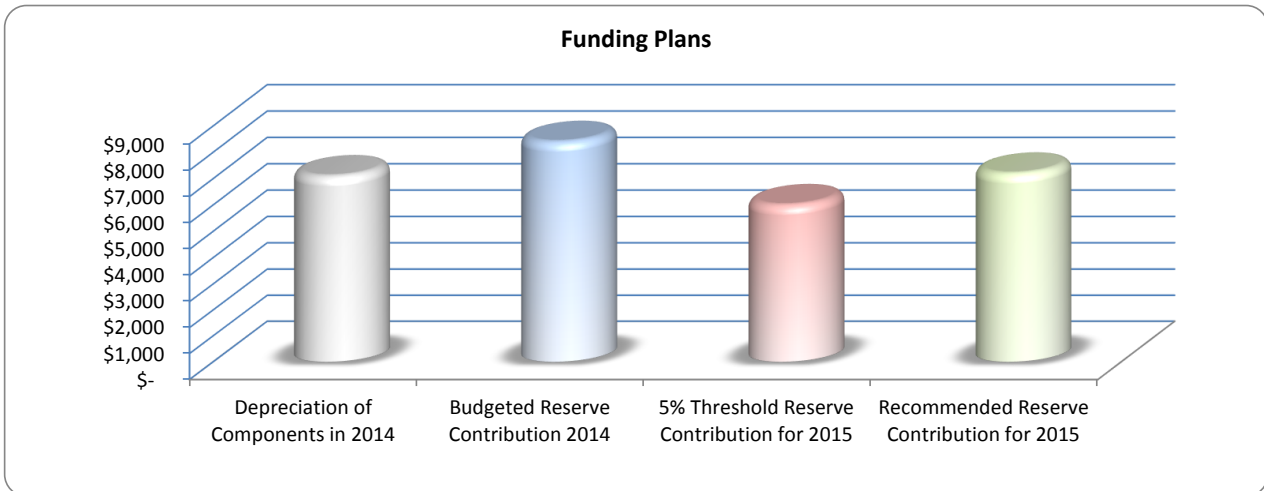
Number of Units	10
Year Built	1958
Fiscal Year End	December 31, 2014



Reserve Fund Balance December 31, 2014

Fully Funded Reserve Balance	\$ 49,088
Projected Balance	\$ 49,992
Under Funded (Deficiency in Reserve Funding)	\$ -
Deficiency in Reserve Funding Per Unit	\$ -
Percent Funded	101.8%

Funding Plans	Annually	Monthly	Per Unit Monthly
Depreciation of Components in 2014	\$ 7,098	\$ 591	\$ 59.15
Budgeted Reserve Contribution 2014	\$ 8,400	\$ 700	\$ 70.00
5% Threshold Reserve Contribution for 2015	\$ 6,000	\$ 500	\$ 50.00
Recommended Reserve Contribution for 2015	\$ 7,200	\$ 600	\$ 60.00



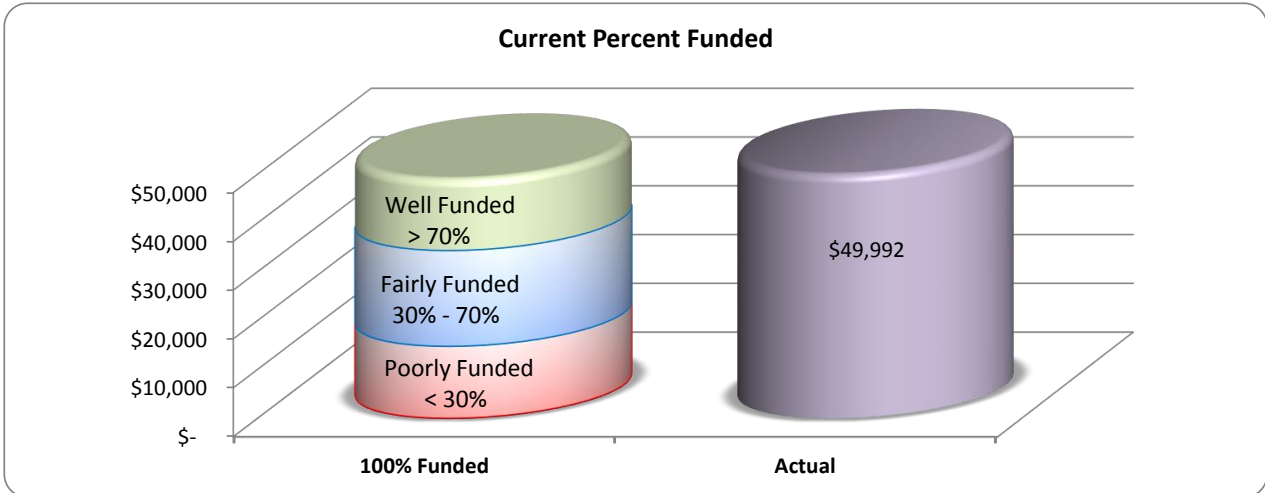
Percent Funded

Percent Funded is probably the most important number in a reserve study

Your current percent funded is:
$$\frac{\text{Year End Balance } \$ 49,992}{\text{Fully Funded Balance } \$ 49,088} = \boxed{102\%}$$

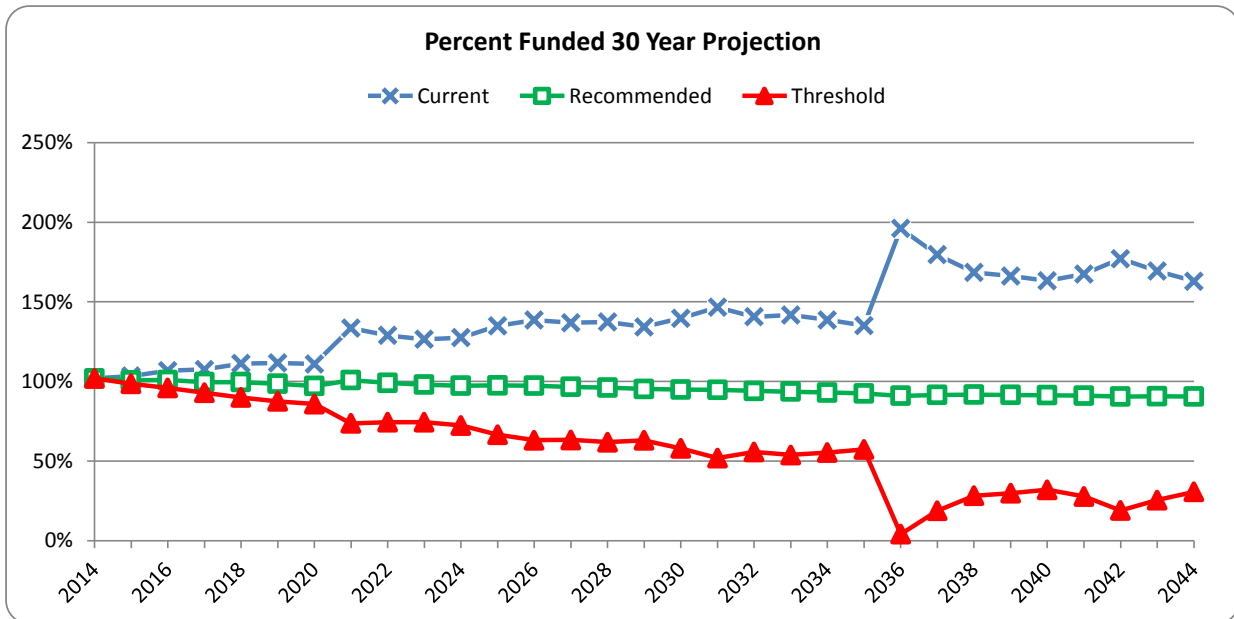
Above 70% = Well Funded Between 30% and 70% = Fairly Funded Below 30% = Poorly Funded

The higher your percent funded, the lower the risk of special assessments and deferred maintenance.



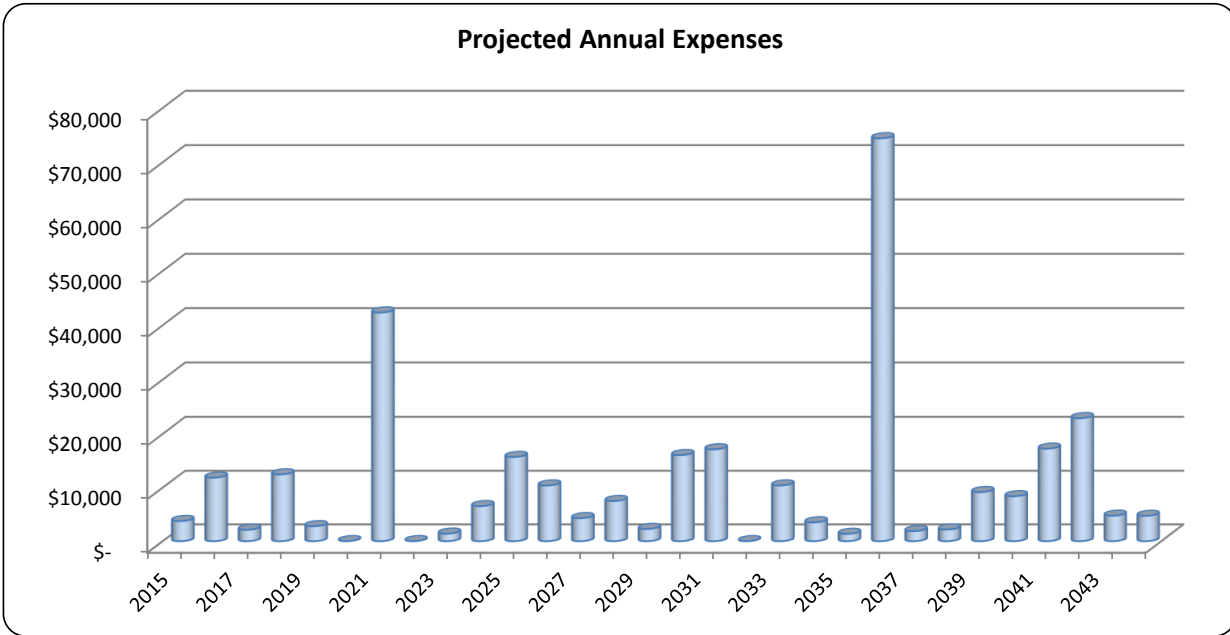
If you follow one of the 3 funding plans in this reserve study this is what your percent funded may look like over the next 30 years. Anytime the Current line drops below 0% a special assessment is likely.

	Annually	Monthly	Per Unit Monthly
Current Reserve Contribution 2014	\$ 8,400	\$ 700	\$ 70.00
5% Threshold Reserve Contribution for 2015	\$ 6,000	\$ 500	\$ 50.00
Recommended Reserve Contribution for 2015	\$ 7,200	\$ 600	\$ 60.00

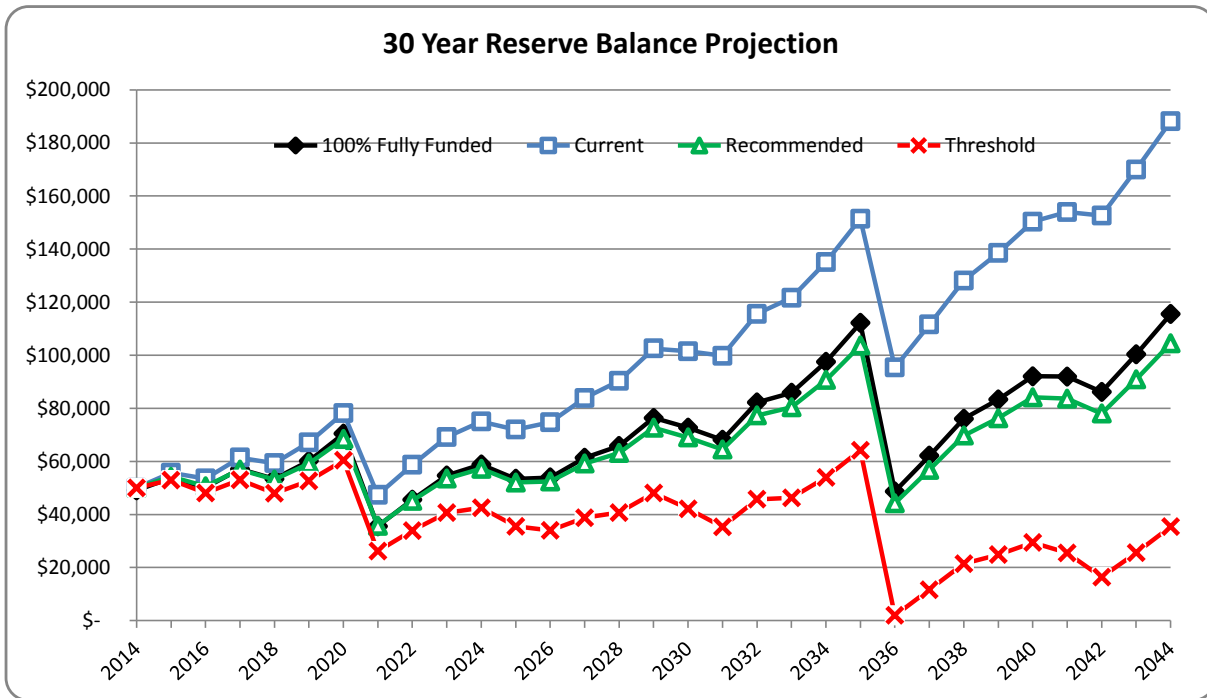


30 Year Projections

Reserve expenses will vary from year to year. A reserve study predicts these expenses and offsets them by creating a uniform funding plan that increases slightly over time to keep up with inflation.



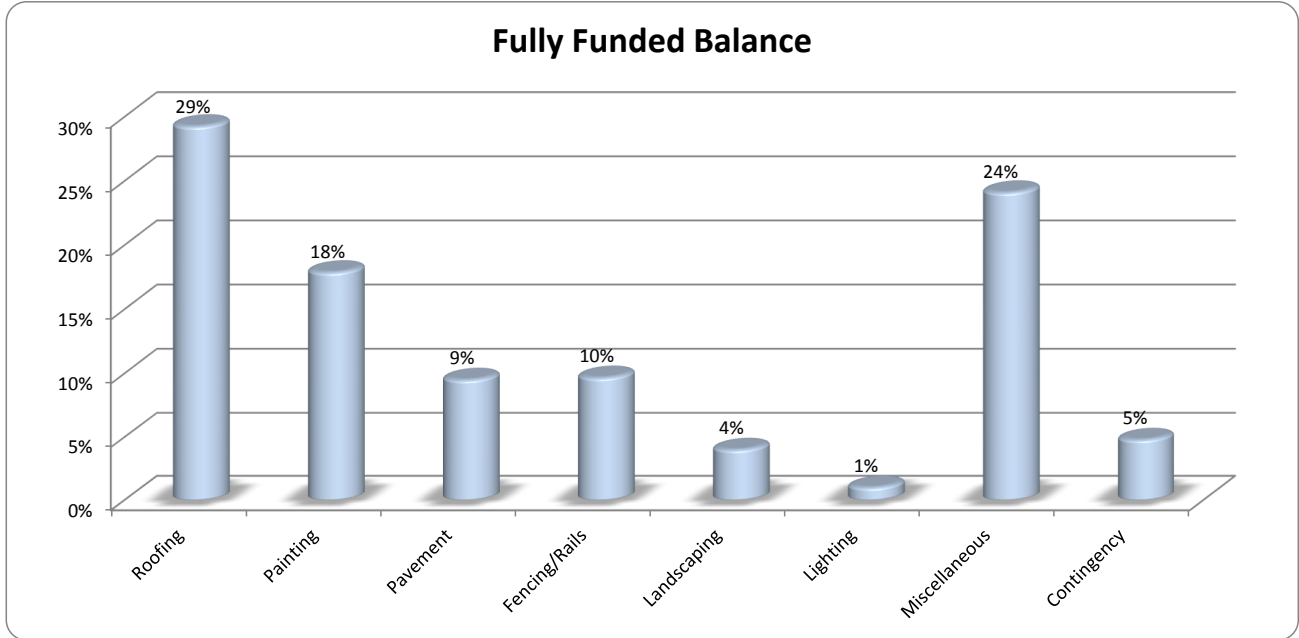
The black 100% funded line shows the ideal balance over the next 30 years. It increases over time due to inflation and depreciation of your components. The 100% funded line will drop after years with large expenses. The recommend funding plan will keep you well funded. The threshold plan will approach \$0 dollars, following this plan has a higher risk of special assessments or deferred maintenance.



Category Significance

This chart breaks down the total fully funded balance for each category

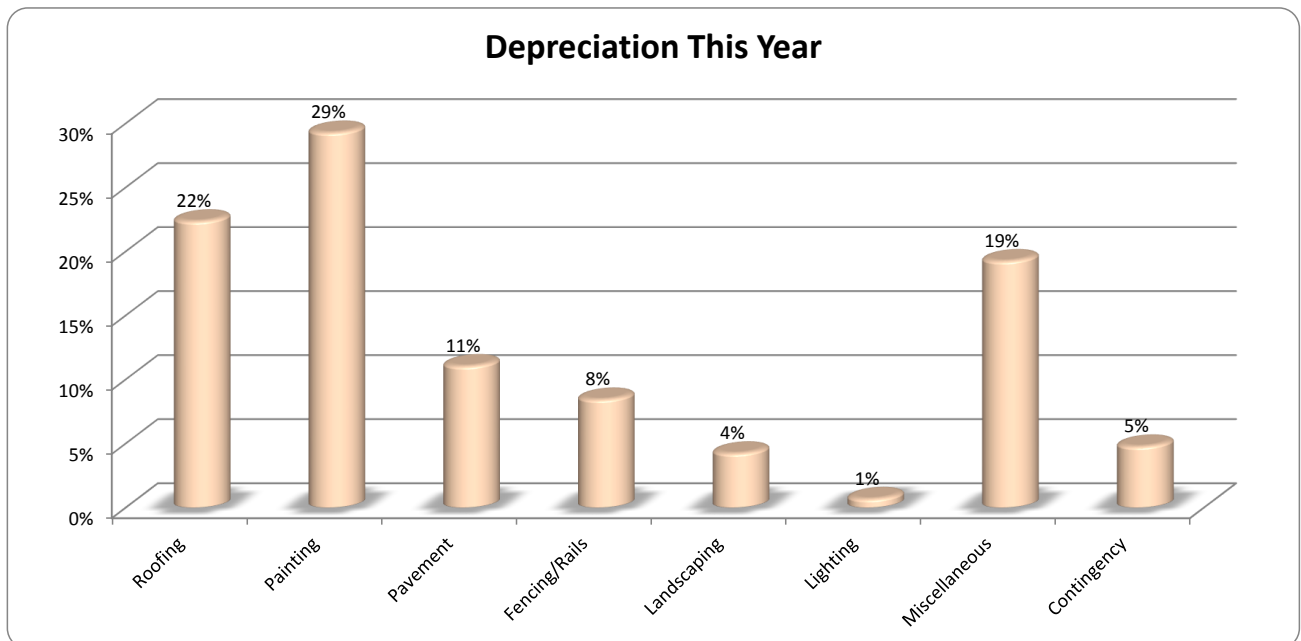
Roofing	Fully Funded Balance	\$	14,352	=	29%
Total	Fully Funded Balance	\$	49,088		



This chart breaks down the total annual depreciation for each category

Roofing	Annual Depreciation	\$	1,586	=	22%
Total	Annual Depreciation	\$	7,098		

This chart may differ from the chart above because it does not account for remaining life



Theoretical 30 Year Funding Plans

4127 Florida HOA

Above 70% = Well Funded (Low Risk of Special Assessment)
Between 30% and 70% = Fairly Funded
Below 30% = Poorly Funded (Higher Risk of Special Assessment)

Before Tax Interest Rate	1.5%
Annual Inflation Rate	3.0%
Annual Funding Increase	3.0%

Year End	Annual Expenses	Fully Funded Balance	Current Funding Plan			Recommended Funding Plan			5% Threshold Funding Plan		
			Contribution	Balance	% Funded	Contribution	Balance	% Funded	Contribution	Balance	% Funded
2014	\$ -	\$ 49,088	\$ 8,400	\$ 49,992	102%	\$ -	\$ 49,992	102%	\$ -	\$ 49,992	102%
2015	\$ 3,750	\$ 53,816	\$ 8,652	\$ 55,644	103%	\$ 7,200	\$ 54,192	101%	\$ 6,000	\$ 52,992	98%
2016	\$ 11,845	\$ 50,150	\$ 8,912	\$ 53,545	107%	\$ 7,416	\$ 50,576	101%	\$ 6,180	\$ 48,122	96%
2017	\$ 2,122	\$ 57,116	\$ 9,179	\$ 61,405	108%	\$ 7,638	\$ 56,851	100%	\$ 6,365	\$ 53,087	93%
2018	\$ 12,457	\$ 53,346	\$ 9,454	\$ 59,324	111%	\$ 7,868	\$ 53,114	100%	\$ 6,556	\$ 47,983	90%
2019	\$ 2,786	\$ 60,162	\$ 9,738	\$ 67,166	112%	\$ 8,104	\$ 59,229	98%	\$ 6,753	\$ 52,670	88%
2020	\$ -	\$ 70,442	\$ 10,030	\$ 78,203	111%	\$ 8,347	\$ 68,464	97%	\$ 6,956	\$ 60,416	86%
2021	\$ 42,329	\$ 35,506	\$ 10,331	\$ 47,378	133%	\$ 8,597	\$ 35,759	101%	\$ 7,164	\$ 26,157	74%
2022	\$ -	\$ 45,562	\$ 10,641	\$ 58,730	129%	\$ 8,855	\$ 45,151	99%	\$ 7,379	\$ 33,929	74%
2023	\$ 1,393	\$ 54,683	\$ 10,960	\$ 69,177	127%	\$ 9,121	\$ 53,555	98%	\$ 7,601	\$ 40,645	74%
2024	\$ 6,524	\$ 58,807	\$ 11,289	\$ 74,980	128%	\$ 9,394	\$ 57,229	97%	\$ 7,829	\$ 42,559	72%
2025	\$ 15,704	\$ 53,412	\$ 11,628	\$ 72,029	135%	\$ 9,676	\$ 52,060	97%	\$ 8,063	\$ 35,557	67%
2026	\$ 10,382	\$ 53,907	\$ 11,976	\$ 74,704	139%	\$ 9,966	\$ 52,426	97%	\$ 8,305	\$ 34,014	63%
2027	\$ 4,277	\$ 61,321	\$ 12,336	\$ 83,883	137%	\$ 10,265	\$ 59,200	97%	\$ 8,555	\$ 38,802	63%
2028	\$ 7,490	\$ 65,797	\$ 12,706	\$ 90,357	137%	\$ 10,573	\$ 63,172	96%	\$ 8,811	\$ 40,706	62%
2029	\$ 2,269	\$ 76,376	\$ 13,087	\$ 102,530	134%	\$ 10,891	\$ 72,742	95%	\$ 9,076	\$ 48,123	63%
2030	\$ 16,047	\$ 72,702	\$ 13,480	\$ 101,501	140%	\$ 11,217	\$ 69,003	95%	\$ 9,348	\$ 42,145	58%
2031	\$ 17,130	\$ 68,088	\$ 13,884	\$ 99,777	147%	\$ 11,554	\$ 64,462	95%	\$ 9,628	\$ 35,276	52%
2032	\$ -	\$ 82,214	\$ 14,300	\$ 115,574	141%	\$ 11,901	\$ 77,329	94%	\$ 9,917	\$ 45,722	56%
2033	\$ 10,385	\$ 85,896	\$ 14,729	\$ 121,652	142%	\$ 12,258	\$ 80,362	94%	\$ 10,215	\$ 46,237	54%
2034	\$ 3,507	\$ 97,499	\$ 15,171	\$ 135,141	139%	\$ 12,625	\$ 90,685	93%	\$ 10,521	\$ 53,945	55%
2035	\$ 1,355	\$ 112,163	\$ 15,626	\$ 151,441	135%	\$ 13,004	\$ 103,695	92%	\$ 10,837	\$ 64,236	57%
2036	\$ 74,393	\$ 48,672	\$ 16,095	\$ 95,414	196%	\$ 13,394	\$ 44,252	91%	\$ 11,162	\$ 1,968	4%
2037	\$ 1,868	\$ 62,120	\$ 16,578	\$ 111,555	180%	\$ 13,796	\$ 56,843	92%	\$ 11,497	\$ 11,626	19%
2038	\$ 2,171	\$ 76,064	\$ 17,075	\$ 128,133	168%	\$ 14,210	\$ 69,735	92%	\$ 11,842	\$ 21,471	28%
2039	\$ 9,148	\$ 83,314	\$ 17,588	\$ 138,495	166%	\$ 14,636	\$ 76,269	92%	\$ 12,197	\$ 24,843	30%
2040	\$ 8,375	\$ 92,063	\$ 18,115	\$ 150,313	163%	\$ 15,075	\$ 84,113	91%	\$ 12,563	\$ 29,403	32%
2041	\$ 17,253	\$ 91,932	\$ 18,659	\$ 153,974	167%	\$ 15,527	\$ 83,650	91%	\$ 12,940	\$ 25,531	28%
2042	\$ 22,879	\$ 86,186	\$ 19,219	\$ 152,623	177%	\$ 15,993	\$ 78,018	91%	\$ 13,328	\$ 16,362	19%
2043	\$ 4,747	\$ 100,363	\$ 19,795	\$ 169,960	169%	\$ 16,473	\$ 90,914	91%	\$ 13,728	\$ 25,588	25%
2044	\$ 4,713	\$ 115,505	\$ 20,389	\$ 188,185	163%	\$ 16,967	\$ 104,532	90%	\$ 14,139	\$ 35,398	31%

Note: All future projections are theoretical. The estimated lives and costs of components will likely change over time depending on factors such as inflation rates and levels of maintenance. Reserve analysis should be performed annually to account for these factors.

Component Summary
4127 Florida HOA

Category Component	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Cost Source
Roofing							
Built-Up Roofing	4100	SF	15	6	\$ 4.50	\$ 18,450	1
Roof Repair	1	Allowance	10	1	\$ 1,800	\$ 1,800	3
Gutters & Downspouts	380	LF	30	21	\$ 8.00	\$ 3,040	1
Gutter & Downspout Repair	1	Allowance	10	0	\$ 750.00	\$ 750	3
						\$ 24,040	
Painting							
Stucco	1	Allowance	12	3	\$ 6,700	\$ 6,700	1
Wood Trim	1	Each	3	0	\$ 3,000	\$ 3,000	3
Metal Rail/Fence	1	LF	5	3	\$ 1,100	\$ 1,100	1
Wood Fencing	250	LF	5	4	\$ 6.00	\$ 1,500	1
						\$ 12,300	
Pavement							
Front Parking Resurface	1250	SF	15	6	\$ 4.00	\$ 5,000	1
Rear Parking Restripe	1	Allowance	10	9	\$ 500	\$ 500	1
Concrete Repairs	1	Allowance	10	6	\$ 4,000	\$ 4,000	1
						\$ 9,500	
Fencing/Rails							
Wood Fencing	250	LF	20	10	\$ 28.00	\$ 7,000	1
Metal Rail Repairs	1	Allowance	10	6	\$ 2,000	\$ 2,000	1
Pedestrian Gates	2	Each	25	16	\$ 600	\$ 1,200	1
						\$ 10,200	
Landscaping							
Irrigation System Upgrade	1	Allowance	12	3	\$ 600	\$ 600	1
Landscape Replacements	1	Allowance	8	2	\$ 2,000	\$ 2,000	1
						\$ 2,600	
Lighting							
Exterior Fixtures	8	Each	20	10	\$ 120	\$ 960	1
						\$ 960	
Miscellaneous							
Mailboxes	1	Each	25	16	\$ 1,600	\$ 1,600	1
Termite Treatment	1	Each	12	1	\$ 4,000	\$ 4,000	3
Entry Intercom	1	Allowance	15	6	\$ 3,000	\$ 3,000	1
Water Heater	1	Each	10	1	\$ 5,700	\$ 5,700	1
Utility Doors	3	Each	25	16	\$ 300	\$ 900	1
Stair/Upper Walk Recoat	1	Allowance	6	4	\$ 975	\$ 975	1
						\$ 16,175	
Contingency							
5%							1

TOTALS

\$ 75,775

Notes: Any other items not listed are included in operating budget.

Component Significance

Category Component	Fully Funded Balance			Depreciation This Year			Monthly Contribution
	\$ Amount	%	Quick Glance Graph	\$ Amount	%	Quick Glance Graph	
Roofing							
Built-Up Roofing	\$ 11,070	22.55%		\$ 1,230	17.33%		\$ 103.98
Roof Repair	\$ 1,620	3.30%		\$ 180	2.54%		\$ 15.22
Gutters & Downspouts	\$ 912	1.86%		\$ 101	1.43%		\$ 8.57
Gutter & Downspout Repair	\$ 750	1.53%		\$ 75	1.06%		\$ 6.34
	\$ 14,352	29.24%		\$ 1,586	22.35%		\$ 134.10
Painting							
Stucco	\$ 5,025	10.24%		\$ 558	7.87%		\$ 47.20
Wood Trim	\$ 3,000	6.11%		\$ 1,000	14.09%		\$ 84.53
Metal Rail/Fence	\$ 440	0.90%		\$ 220	3.10%		\$ 18.60
Wood Fencing	\$ 300	0.61%		\$ 300	4.23%		\$ 25.36
	\$ 8,765	17.86%		\$ 2,078	29.28%		\$ 175.69
Pavement							
Front Parking Resurface	\$ 3,000	6.11%		\$ 333	4.70%		\$ 28.18
Rear Parking Restripe	\$ 50	0.10%		\$ 50	0.70%		\$ 4.23
Concrete Repairs	\$ 1,600	3.26%		\$ 400	5.64%		\$ 33.81
	\$ 4,650	9.47%		\$ 783	11.04%		\$ 66.22
Fencing/Rails							
Wood Fencing	\$ 3,500	7.13%		\$ 350	4.93%		\$ 29.59
Metal Rail Repairs	\$ 800	1.63%		\$ 200	2.82%		\$ 16.91
Pedestrian Gates	\$ 432	0.88%		\$ 48	0.68%		\$ 4.06
	\$ 4,732	9.64%		\$ 598	8.43%		\$ 50.55
Landscaping							
Irrigation System Upgrade	\$ 450	0.92%		\$ 50	0.70%		\$ 4.23
Landscape Replacements	\$ 1,500	3.06%		\$ 250	3.52%		\$ 21.13
	\$ 1,950	3.97%		\$ 300	4.23%		\$ 25.36
Lighting							
Exterior Fixtures	\$ 480	0.98%		\$ 48	0.68%		\$ 4.06
	\$ 480	0.98%		\$ 48	0.68%		\$ 4.06
Miscellaneous							
Mailboxes	\$ 576	1.17%		\$ 64	0.90%		\$ 5.41
Termite Treatment	\$ 3,667	7.47%		\$ 333	4.70%		\$ 28.18
Entry Intercom	\$ 1,800	3.67%		\$ 200	2.82%		\$ 16.91
Water Heater	\$ 5,130	10.45%		\$ 570	8.03%		\$ 48.18
Utility Doors	\$ 324	0.66%		\$ 36	0.51%		\$ 3.04
Stair/Upper Walk Recoat	\$ 325	0.66%		\$ 163	2.29%		\$ 13.74
	\$ 11,822	24.08%		\$ 1,366	19.24%		\$ 115.46
Contingency							
5%	\$ 2,338	4.76%		\$ 338	4.76%		\$ 28.57
	\$ 49,088	100.00%	100%	\$ 7,098	100%	100%	\$ 600

Annual Expenses by Component

	2015	2016	2017	2018	2019	2020	2021	2022	2023
Roofing									
Built-Up Roofing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,030	\$ -	\$ -
Roof Repair	\$ -	\$ 1,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gutters & Downspouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gutter & Downspout Repair	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Painting									
Stucco	\$ -	\$ -	\$ -	\$ 7,321	\$ -	\$ -	\$ -	\$ -	\$ -
Wood Trim	\$ 3,000	\$ -	\$ -	\$ 3,278	\$ -	\$ -	\$ 3,582	\$ -	\$ -
Metal Rail/Fence	\$ -	\$ -	\$ -	\$ 1,202	\$ -	\$ -	\$ -	\$ -	\$ 1,393
Wood Fencing	\$ -	\$ -	\$ -	\$ -	\$ 1,688	\$ -	\$ -	\$ -	\$ -
Pavement									
Front Parking Resurface	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,970	\$ -	\$ -
Rear Parking Restripe	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Concrete Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,776	\$ -	\$ -
Fencing/Rails									
Wood Fencing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metal Rail Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,388	\$ -	\$ -
Pedestrian Gates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping									
Irrigation System Upgrade	\$ -	\$ -	\$ -	\$ 656	\$ -	\$ -	\$ -	\$ -	\$ -
Landscape Replacements	\$ -	\$ -	\$ 2,122	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lighting									
Exterior Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous									
Mailboxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Termite Treatment	\$ -	\$ 4,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Entry Intercom	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,582	\$ -	\$ -
Water Heater	\$ -	\$ 5,871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Doors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stair/Upper Walk Recoat	\$ -	\$ -	\$ -	\$ -	\$ 1,097	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ 3,750	\$ 11,845	\$ 2,122	\$ 12,457	\$ 2,786	\$ -	\$ 42,329	\$ 1,393

Annual Expenses by Component


	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Roofing													
Built-Up Roofing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,322
Roof Repair	\$ -	\$ -	\$ 2,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,349
Gutters & Downspouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,655
Gutter & Downspout Repair	\$ -	\$ 1,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,355	\$ -
Painting													
Stucco	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wood Trim	\$ 3,914	\$ -	\$ -	\$ 4,277	\$ -	\$ -	\$ 4,674	\$ -	\$ -	\$ 5,107	\$ -	\$ -	\$ 5,581
Metal Rail/Fence	\$ -	\$ -	\$ -	\$ -	\$ 1,615	\$ -	\$ -	\$ -	\$ -	\$ 1,873	\$ -	\$ -	\$ -
Wood Fencing	\$ 1,957	\$ -	\$ -	\$ -	\$ -	\$ 2,269	\$ -	\$ -	\$ -	\$ -	\$ 2,630	\$ -	\$ -
Pavement													
Front Parking Resurface	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,301
Rear Parking Restripe	\$ 652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 877	\$ -	\$ -
Concrete Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,419	\$ -	\$ -	\$ -	\$ -	\$ -
Fencing/Rails													
Wood Fencing	\$ -	\$ 9,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metal Rail Repairs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,209	\$ -	\$ -	\$ -	\$ -	\$ -
Pedestrian Gates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,926	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping													
Irrigation System Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscape Replacements	\$ -	\$ 2,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,405	\$ -	\$ -	\$ -
Lighting													
Exterior Fixtures	\$ -	\$ 1,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous													
Mailboxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,568	\$ -	\$ -	\$ -	\$ -	\$ -
Termite Treatment	\$ -	\$ -	\$ -	\$ -	\$ 5,874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Entry Intercom	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,581
Water Heater	\$ -	\$ -	\$ 7,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,604
Utility Doors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,444	\$ -	\$ -	\$ -	\$ -	\$ -
Stair/Upper Walk Recoat	\$ -	\$ 1,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,565	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ 6,524	\$ 15,704	\$ 10,382	\$ 4,277	\$ 7,490	\$ 2,269	\$ 16,047	\$ 17,130	\$ -	\$ 10,385	\$ 3,507	\$ 1,355	\$ 74,393

Annual Expenses by Component

	2037	2038	2039	2040	2041	2042	2043	2044
Roofing								
Built-Up Roofing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Roof Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gutters & Downspouts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gutter & Downspout Repair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Painting								
Stucco	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,883	\$ -	\$ -
Wood Trim	\$ -	\$ -	\$ 6,098	\$ -	\$ -	\$ 6,664	\$ -	\$ -
Metal Rail/Fence	\$ -	\$ 2,171	\$ -	\$ -	\$ -	\$ -	\$ 2,517	\$ -
Wood Fencing	\$ -	\$ -	\$ 3,049	\$ -	\$ -	\$ -	\$ -	\$ 3,535
Pavement								
Front Parking Resurface	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rear Parking Restripe	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,178
Concrete Repairs	\$ -	\$ -	\$ -	\$ -	\$ 8,626	\$ -	\$ -	\$ -
Fencing/Rails								
Wood Fencing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Metal Rail Repairs	\$ -	\$ -	\$ -	\$ -	\$ 4,313	\$ -	\$ -	\$ -
Pedestrian Gates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Landscaping								
Irrigation System Upgrade	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,333	\$ -	\$ -
Landscape Replacements	\$ -	\$ -	\$ -	\$ -	\$ 4,313	\$ -	\$ -	\$ -
Lighting								
Exterior Fixtures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous								
Mailboxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Termite Treatment	\$ -	\$ -	\$ -	\$ 8,375	\$ -	\$ -	\$ -	\$ -
Entry Intercom	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Heater	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Doors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stair/Upper Walk Recoat	\$ 1,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,231	\$ -
Totals	\$ 1,868	\$ 2,171	\$ 9,148	\$ 8,375	\$ 17,253	\$ 22,879	\$ 4,747	\$ 4,713

Component Details


Roofing

Approximate Component Quantity	-	4100
Unit of Measure	-	SF
Normal Useful Life (Years)	-	15
Estimated Remaining Useful Life (Years)	-	6
Estimated Replacement Year	-	2021
Cost Source	-	1
Depreciation Percent	-	17.33%
Life Remaining Percent	-	 40%

Built-Up Roofing

Estimated Current Unit Cost	\$	4.50
Estimated Total Current Cost	\$	18,450
Estimated Total Future Cost	\$	22,030
Fully Funded Balance	\$	11,070
Depreciation This Year	\$	1,230
Monthly Contribution	\$	103.98
Fully Funded Balance Percent		22.55%


Roofing

Approximate Component Quantity	-	1
Unit of Measure	-	Allowance
Normal Useful Life (Years)	-	10
Estimated Remaining Useful Life (Years)	-	1
Estimated Replacement Year	-	2016
Cost Source	-	3
Depreciation Percent	-	2.54%
Life Remaining Percent	-	 10%

Roof Repair

Estimated Current Unit Cost	\$	1,800.00
Estimated Total Current Cost	\$	1,800
Estimated Total Future Cost	\$	1,854
Fully Funded Balance	\$	1,620
Depreciation This Year	\$	180
Monthly Contribution	\$	15.22
Fully Funded Balance Percent		3.30%


Roofing

Approximate Component Quantity	-	380
Unit of Measure	-	LF
Normal Useful Life (Years)	-	30
Estimated Remaining Useful Life (Years)	-	21
Estimated Replacement Year	-	2036
Cost Source	-	1
Depreciation Percent	-	1.43%
Life Remaining Percent	-	 70%

Gutters & Downspouts

Estimated Current Unit Cost	\$	8.00
Estimated Total Current Cost	\$	3,040
Estimated Total Future Cost	\$	5,655
Fully Funded Balance	\$	912
Depreciation This Year	\$	101
Monthly Contribution	\$	8.57
Fully Funded Balance Percent		1.86%


Roofing

Approximate Component Quantity	-	1
Unit of Measure	-	Allowance
Normal Useful Life (Years)	-	10
Estimated Remaining Useful Life (Years)	-	0
Estimated Replacement Year	-	2015
Cost Source	-	3
Depreciation Percent	-	1.06%
Life Remaining Percent	-	 0%

Gutter & Downspout Repair

Estimated Current Unit Cost	\$	750.00
Estimated Total Current Cost	\$	750
Estimated Total Future Cost	\$	750
Fully Funded Balance	\$	750
Depreciation This Year	\$	75
Monthly Contribution	\$	6.34
Fully Funded Balance Percent		1.53%

Painting

Approximate Component Quantity	-	1
Unit of Measure	-	Allowance
Normal Useful Life (Years)	-	12
Estimated Remaining Useful Life (Years)	-	3
Estimated Replacement Year	-	2018
Cost Source	-	1
Depreciation Percent	-	7.87%
Life Remaining Percent	-	 25%

Stucco

Estimated Current Unit Cost	\$	6,700.00
Estimated Total Current Cost	\$	6,700
Estimated Total Future Cost	\$	7,321
Fully Funded Balance	\$	5,025
Depreciation This Year	\$	558
Monthly Contribution	\$	47.20
Fully Funded Balance Percent		10.24%

Painting**Wood Trim**

Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	3,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	\$	3,000
Normal Useful Life (Years)	-	3	Estimated Total Future Cost	\$	3,000
Estimated Remaining Useful Life (Years)	-	0	Fully Funded Balance	\$	3,000
Estimated Replacement Year	-	2015	Depreciation This Year	\$	1,000
Cost Source	-	3	Monthly Contribution	\$	84.53
Depreciation Percent	-	14.09%	Fully Funded Balance Percent		6.11%
Life Remaining Percent	-	0%			

Painting**Metal Rail/Fence**

Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	1,100.00
Unit of Measure	-	LF	Estimated Total Current Cost	\$	1,100
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	\$	1,202
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	\$	440
Estimated Replacement Year	-	2018	Depreciation This Year	\$	220
Cost Source	-	1	Monthly Contribution	\$	18.60
Depreciation Percent	-	3.10%	Fully Funded Balance Percent		0.90%
Life Remaining Percent	-	60%			

Painting**Wood Fencing**

Approximate Component Quantity	-	250	Estimated Current Unit Cost	\$	6.00
Unit of Measure	-	LF	Estimated Total Current Cost	\$	1,500
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	\$	1,688
Estimated Remaining Useful Life (Years)	-	4	Fully Funded Balance	\$	300
Estimated Replacement Year	-	2019	Depreciation This Year	\$	300
Cost Source	-	1	Monthly Contribution	\$	25.36
Depreciation Percent	-	4.23%	Fully Funded Balance Percent		0.61%
Life Remaining Percent	-	80%			


Pavement**Front Parking Resurface**

Approximate Component Quantity	-	1250	Estimated Current Unit Cost	\$	4.00
Unit of Measure	-	SF	Estimated Total Current Cost	\$	5,000
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	\$	5,970
Estimated Remaining Useful Life (Years)	-	6	Fully Funded Balance	\$	3,000
Estimated Replacement Year	-	2021	Depreciation This Year	\$	333
Cost Source	-	1	Monthly Contribution	\$	28.18
Depreciation Percent	-	4.70%	Fully Funded Balance Percent		6.11%
Life Remaining Percent	-	40%			


Pavement**Rear Parking Restripe**

Approximate Component Quantity	-	1	Estimated Current Unit Cost	\$	500.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	\$	500
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	\$	652
Estimated Remaining Useful Life (Years)	-	9	Fully Funded Balance	\$	50
Estimated Replacement Year	-	2024	Depreciation This Year	\$	50
Cost Source	-	1	Monthly Contribution	\$	4.23
Depreciation Percent	-	0.70%	Fully Funded Balance Percent		0.10%
Life Remaining Percent	-	90%			


Pavement**Concrete Repairs**

Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 4,000.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 4,000
Normal Useful Life (Years)	- 10	Estimated Total Future Cost	\$ 4,776
Estimated Remaining Useful Life (Years)	- 6	Fully Funded Balance	\$ 1,600
Estimated Replacement Year	- 2021	Depreciation This Year	\$ 400
Cost Source	- 1	Monthly Contribution	\$ 33.81
Depreciation Percent	- 5.64%	Fully Funded Balance Percent	3.26%
Life Remaining Percent	- 		


Fencing/Rails**Wood Fencing**

Approximate Component Quantity	- 250	Estimated Current Unit Cost	\$ 28.00
Unit of Measure	- LF	Estimated Total Current Cost	\$ 7,000
Normal Useful Life (Years)	- 20	Estimated Total Future Cost	\$ 9,407
Estimated Remaining Useful Life (Years)	- 10	Fully Funded Balance	\$ 3,500
Estimated Replacement Year	- 2025	Depreciation This Year	\$ 350
Cost Source	- 1	Monthly Contribution	\$ 29.59
Depreciation Percent	- 4.93%	Fully Funded Balance Percent	7.13%
Life Remaining Percent	- 		


Fencing/Rails**Metal Rail Repairs**

Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 2,000.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 2,000
Normal Useful Life (Years)	- 10	Estimated Total Future Cost	\$ 2,388
Estimated Remaining Useful Life (Years)	- 6	Fully Funded Balance	\$ 800
Estimated Replacement Year	- 2021	Depreciation This Year	\$ 200
Cost Source	- 1	Monthly Contribution	\$ 16.91
Depreciation Percent	- 2.82%	Fully Funded Balance Percent	1.63%
Life Remaining Percent	- 		

Fencing/Rails**Pedestrian Gates**


Approximate Component Quantity	- 2	Estimated Current Unit Cost	\$ 600.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 1,200
Normal Useful Life (Years)	- 25	Estimated Total Future Cost	\$ 1,926
Estimated Remaining Useful Life (Years)	- 16	Fully Funded Balance	\$ 432
Estimated Replacement Year	- 2031	Depreciation This Year	\$ 48
Cost Source	- 1	Monthly Contribution	\$ 4.06
Depreciation Percent	- 0.68%	Fully Funded Balance Percent	0.88%
Life Remaining Percent	- 		

Landscaping**Irrigation System Upgrade**

Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 600.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 600
Normal Useful Life (Years)	- 12	Estimated Total Future Cost	\$ 656
Estimated Remaining Useful Life (Years)	- 3	Fully Funded Balance	\$ 450
Estimated Replacement Year	- 2018	Depreciation This Year	\$ 50
Cost Source	- 1	Monthly Contribution	\$ 4.23
Depreciation Percent	- 0.70%	Fully Funded Balance Percent	0.92%
Life Remaining Percent	- 		


Landscaping

Landscape Replacements

Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 2,000.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 2,000
Normal Useful Life (Years)	- 8	Estimated Total Future Cost	\$ 2,122
Estimated Remaining Useful Life (Years)	- 2	Fully Funded Balance	\$ 1,500
Estimated Replacement Year	- 2017	Depreciation This Year	\$ 250
Cost Source	- 1	Monthly Contribution	\$ 21.13
Depreciation Percent	- 3.52%	Fully Funded Balance Percent	3.06%
Life Remaining Percent	-  25%		


Lighting

Exterior Fixtures

Approximate Component Quantity	- 8	Estimated Current Unit Cost	\$ 120.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 960
Normal Useful Life (Years)	- 20	Estimated Total Future Cost	\$ 1,290
Estimated Remaining Useful Life (Years)	- 10	Fully Funded Balance	\$ 480
Estimated Replacement Year	- 2025	Depreciation This Year	\$ 48
Cost Source	- 1	Monthly Contribution	\$ 4.06
Depreciation Percent	- 0.68%	Fully Funded Balance Percent	0.98%
Life Remaining Percent	-  50%		


Miscellaneous

Mailboxes

Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 1,600.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 1,600
Normal Useful Life (Years)	- 25	Estimated Total Future Cost	\$ 2,568
Estimated Remaining Useful Life (Years)	- 16	Fully Funded Balance	\$ 576
Estimated Replacement Year	- 2031	Depreciation This Year	\$ 64
Cost Source	- 1	Monthly Contribution	\$ 5.41
Depreciation Percent	- 0.90%	Fully Funded Balance Percent	1.17%
Life Remaining Percent	-  64%		


Miscellaneous

Termite Treatment


Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 4,000.00
Unit of Measure	- Each	Estimated Total Current Cost	\$ 4,000
Normal Useful Life (Years)	- 12	Estimated Total Future Cost	\$ 4,120
Estimated Remaining Useful Life (Years)	- 1	Fully Funded Balance	\$ 3,667
Estimated Replacement Year	- 2016	Depreciation This Year	\$ 333
Cost Source	- 3	Monthly Contribution	\$ 28.18
Depreciation Percent	- 4.70%	Fully Funded Balance Percent	7.47%
Life Remaining Percent	-  8%		

Miscellaneous

Entry Intercom

Approximate Component Quantity	- 1	Estimated Current Unit Cost	\$ 3,000.00
Unit of Measure	- Allowance	Estimated Total Current Cost	\$ 3,000
Normal Useful Life (Years)	- 15	Estimated Total Future Cost	\$ 3,582
Estimated Remaining Useful Life (Years)	- 6	Fully Funded Balance	\$ 1,800
Estimated Replacement Year	- 2021	Depreciation This Year	\$ 200
Cost Source	- 1	Monthly Contribution	\$ 16.91
Depreciation Percent	- 2.82%	Fully Funded Balance Percent	3.67%
Life Remaining Percent	-  40%		


Miscellaneous

Approximate Component Quantity	-	1
Unit of Measure	-	Each
Normal Useful Life (Years)	-	10
Estimated Remaining Useful Life (Years)	-	1
Estimated Replacement Year	-	2016
Cost Source	-	1
Depreciation Percent	-	8.03%
Life Remaining Percent	-	 10%

Water Heater

Estimated Current Unit Cost	\$	5,700.00
Estimated Total Current Cost	\$	5,700
Estimated Total Future Cost	\$	5,871
Fully Funded Balance	\$	5,130
Depreciation This Year	\$	570
Monthly Contribution	\$	48.18
Fully Funded Balance Percent		10.45%


Miscellaneous

Approximate Component Quantity	-	3
Unit of Measure	-	Each
Normal Useful Life (Years)	-	25
Estimated Remaining Useful Life (Years)	-	16
Estimated Replacement Year	-	2031
Cost Source	-	1
Depreciation Percent	-	0.51%
Life Remaining Percent	-	 64%

Utility Doors

Estimated Current Unit Cost	\$	300.00
Estimated Total Current Cost	\$	900
Estimated Total Future Cost	\$	1,444
Fully Funded Balance	\$	324
Depreciation This Year	\$	36
Monthly Contribution	\$	3.04
Fully Funded Balance Percent		0.66%

Miscellaneous

Approximate Component Quantity	-	1
Unit of Measure	-	Allowance
Normal Useful Life (Years)	-	6
Estimated Remaining Useful Life (Years)	-	4
Estimated Replacement Year	-	2019
Cost Source	-	1
Depreciation Percent	-	2.29%
Life Remaining Percent	-	 67%

Stair/Upper Walk Recoat

Estimated Current Unit Cost	\$	975.00
Estimated Total Current Cost	\$	975
Estimated Total Future Cost	\$	1,097
Fully Funded Balance	\$	325
Depreciation This Year	\$	163
Monthly Contribution	\$	13.74
Fully Funded Balance Percent		0.66%

Assessment and Reserve Funding Disclosure Summary
4127 Florida HOA

(1) The current regular assessment per ownership interest per month is:

\$ 250.70 per month for the year ending 12/31/14

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members: As of 12/16/2014

Date Assessment is Due	Amount per unit	Purpose of Assessment
NA		
Total:		

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes No

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

(4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

NA

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

(5) All major components appropriate for reserve funding are included in the reserve study and are included in it's calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the estimated amount required in the reserve fund at the end of the current fiscal year is:

\$ 49,088 based in whole or in part on the last reserve study or update prepared by McCaffery Reserve Consulting as of 12/31/2014 the projected reserve fund cash balance at the end of the current fiscal year is: \$ 49,992 resulting in the reserves being 102% funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the projected required amount in reserves, projected reserve fund cash balance and projected percent funded for each of the next 5 years is:

Year	Amt Required	Proj. Balance	% Funded
2015	\$ 53,816	\$ 55,644	103%
2016	\$ 50,150	\$ 53,545	107%
2017	\$ 57,116	\$ 61,405	108%
2018	\$ 53,346	\$ 59,324	111%
2019	\$ 60,162	\$ 67,166	112%

For more detail see attached theoretical 30 year funding plans.

Note: This calculation assumes the association will raise their reserve contribution 3% per year over the next 30 years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate was : 1.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was: 3.00% per year

(b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 5530. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The Preparer of this form will be indemnified and held harmless against all losses, claims, action, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been provided to Preparer by others and relied upon by Preparer which may result from any improper use or reliance on this disclosure.

Disclaimer

This report attempts to determine the estimated remaining useful life of the components that can be visually observed. This report is expressly for the use of the client and only for the purpose of establishing reserve funding requirements. The study is not a guarantee or warranty, or a recommendation to purchase. Estimated remaining useful lives are calculated with reasonable consideration for weather conditions. Natural disasters, including seismic activity will not be addressed in this report. Reserve Funding for earthquake damages and other disasters exceeds the scope of the study. We recommend the development consider additional insurance to cover unforeseen disasters. We assume the components of the association will receive proper maintenance. The report is expressly for the use of the client and only for the purpose of establishing reserve funding requirements.

In providing the opinions of probable construction costs, the client understands that McCaffery Reserve Consulting (MRC) has no control over costs or the price of labor, equipment or materials, or over the contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of MRC's qualifications and experience. MRC makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as future inflation rates and levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement due to changes in manufacturing methods while others may cost more due to material shortages or high demand. All future projections are therefore theoretical and reserve studies should be updated annually.

MRC has made a reasonable effort to ensure that the report is accurate. This study does not preclude errors resulting from unforeseen conditions or circumstances. The scope of this report is expressly limited to the components described herein. MRC has obtained certain information, documentation and materials from the association agent and the reserve study is based upon the accuracy of such information. Material inaccuracies could adversely effect the reserve study. MRC is not responsible for such inaccuracies. This study is limited to a visual observation. There has been neither destructive testing nor inspection of the interior of private units; floors, wall or ceiling cavities, or structural elements. It is assumed that the components have been constructed per original construction documents and comply with applicable codes. This study is not designed to uncover latent or patent defects. Estimates represent replacement of a component with similar materials unless otherwise noted. Local building codes have not been researched to determine whether or not current ordinances will permit the replacement of any component with components of like material. The estimates do not take into account the abbreviated useful life of a component as a result of its original construction, installation, or design. MRC is not responsible for any claims, demands, or damages arising out of the discovery of asbestos, radon or any environmental claims, demands or damages. We do not assume any liability for damages which may result from this study. We are not responsible for conditions this report fails to disclose. The information contained in this study is deemed reliable as of the date of this study, but is not guaranteed.

The Association, by accepting this study, agrees to release MRC from any claims, demands or damages. The Association, in consideration of MRC performing the reserve study, hereby agrees to indemnify, defend and hold harmless MRC from and against any and all liability, damages, losses, claims, demands, or lawsuits arising out of or relating to this reserve study.

The information contained within the report is assembled in conjunction with the client and is intended to assist the client with its reserve planning. MRC does not guarantee, either explicitly or implied, that all repair and replacement items have been identified, the accuracy of the probable costs or the product lives associated with these items.