



RESERVE STUDY
FOR
ARROWHEAD WEST CONDOMINIUMS
HOMEOWNERS ASSOCIATION



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November 24, 2021



EXECUTIVE SUMMARY

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION

November 24, 2021

Starting Reserve Balance 1/1/2022	\$17,507
Projected Fully Funded Reserve Balance 1/1/2022	\$66,267
Percent Fully Funded 1/1/2022	26%
Annual Reserve Contribution 2021	\$12,579

This study is based on the cash flow method of funding. This reserve analysis is based on an observation and assessment of the condition of the reserve fund based on a field assessment of the condition of the assets of the association, a projection of the useful life and remaining useful life of those assets, and the replacement costs for those assets. The general guideline used in our studies to determine whether the cost to replace or maintain an asset is paid from reserves or operations is if the replacement cost exceeds \$500 it is included in reserves. That can be modified at the direction of the Board.

Following are some key points relative to your study:

1. The study has a fiscal year beginning date of January 1, 2022.
2. The study reflects a beginning balance for the reserve fund of \$17,507 and an annual contribution of \$12,579. The financial information was provided by the association and was not audited. As reflected by the Current Assessment Funding Model Projection in the report on pages 2-1 and 2-2, the reserve fund is underfunded and actually runs out of funds in 2032 unless some increase is made in the reserve contribution. Reserve funds are generally considered to be in a healthy condition if the reserve balance is at or above 70% of the fully funded balance.
2. Because of the underfunded condition based on the current funding, an Alternate Funding Model was prepared and included in the report on pages 2-3 and 2-4 for consideration by the Association. The model suggests increasing the reserve contribution to \$13,837 in 2022 followed by a 10% annual increase in the reserve contribution in 2023 thru 2027 and a 5% annual increase in later years beginning in 2043 and following years. With this funding alternative the reserve fund will remain near a healthy balance for many years. Other funding alternatives can be prepared if desired by the Board.
3. Note that the study includes a 3% inflation on costs based on current construction cost

indexes so some increase in funding over time is recommended to stay even with cost increase from inflation.

4. This study should be compared with the operating budget to make sure there are no overlaps or gaps of items in this study and in the operating budget.
5. The physical assessment of components was based on field reviews conducted on August 25, 2021. The field review consisted of on-site observations of common areas and facilities. No sampling or destructive testing was performed. The on-site observation is not a comprehensive quality inspection. Quantification of assets was accomplished with a combination of on-site measurements, aerial photos and information provided by the association.
6. The consultant has no other involvement with the association that could be considered a conflict of interest. To our knowledge, there are no material issues that have not been disclosed that would cause a distortion of the association's reserve fund.

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Important Information

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

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

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Part I

Document

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

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

Funding Options

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

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

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

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

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

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and

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

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

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

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

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

The Reserve Study: A Physical and a Financial Analysis

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

Physical Analysis

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

Developing a Component List

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

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Operational Expenses

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

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

Reserve Expenses

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

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

Budgeting is Normally Excluded for:

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

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properly insured for, rather than reserved for, are also excluded.

Financial Analysis

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

Preparing the Reserve Study

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

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

Funding Methods

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

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

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

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Funding Strategies

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

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

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

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

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

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

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

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

Component Funding Model Distribution of Accumulated Reserves

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

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

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

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

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

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

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

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

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

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

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment

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may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

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

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

Users’ Guide to your Reserve Analysis Study

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

Report Summaries

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

Index Reports

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

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

Detail Reports

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

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

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

Projections

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

Definitions

Report I.D.

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

Budget Year Beginning/Ending

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

Number of Units and/or Phases

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

Inflation

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

Annual Assessment Increase

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

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Investment Yield Before Taxes

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

Taxes on Interest Yield

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

Projected Reserve Balance

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

Percent Fully Funded

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

Phase Increment Detail and/or Age

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

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

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

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

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

Percentage of Replacement or Repairs

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

Placed-In-Service Date

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

Estimated Useful Life

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

Adjustment to Useful Life

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

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replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year

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

Annual Fixed Reserves

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

Fixed Assessment

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

Salvage Value

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

One-Time Replacement

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

Current Replacement Cost

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

Future Replacement Cost

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

Component Inventory

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

A Multi-Purpose Tool

Your 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".

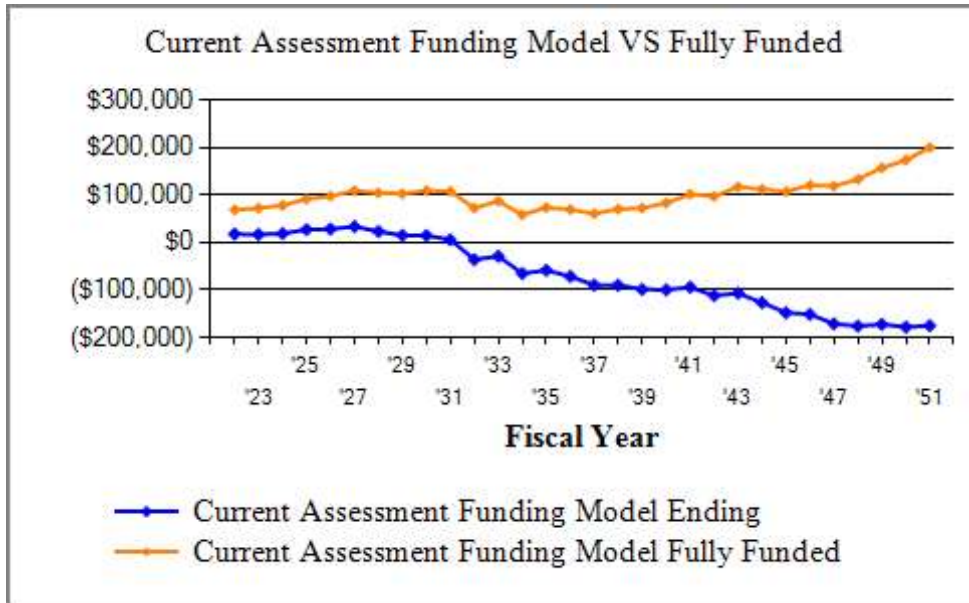
In addition, your reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The 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 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 Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The 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.

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Current Assessment Funding Model Summary

Report Date	November 24, 2021
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	11

<i>Report Parameters</i>	
Inflation	3.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
2022 Beginning Balance	\$17,507



<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Annual Contribution	\$12,579.00
<i>\$1,143.55 per unit annually</i>	
Average Net Annual Interest Earned	\$121.00
Total Annual Allocation to Reserves	\$12,700.00
<i>\$1,154.55 per unit annually</i>	

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Current Assessment Funding Model Projection

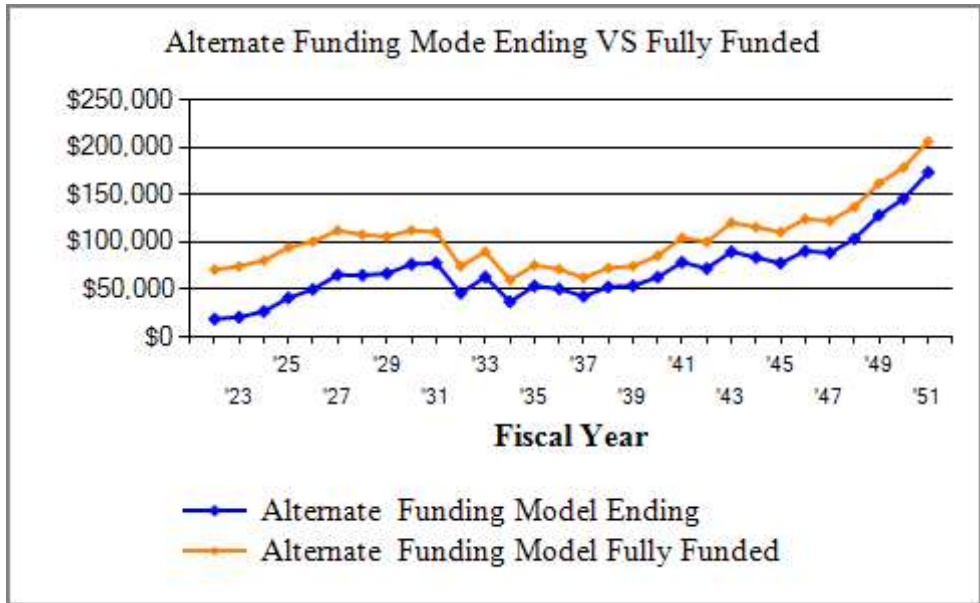
Beginning Balance: \$17,507

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	119,160	12,579	121	12,800	17,407	68,660	25%
2023	120,366	12,579	116	13,390	16,712	72,118	23%
2024	123,977	12,579	129	10,927	18,492	78,044	24%
2025	125,183	12,579	187	4,371	26,887	91,352	29%
2026	128,938	12,579	195	11,593	28,069	97,640	29%
2027	130,140	12,579	232	7,535	33,344	108,760	31%
2028	134,044	12,579	160	23,045	23,038	104,364	22%
2029	135,237	12,579	103	20,908	14,812	102,520	14%
2030	139,294	12,579	100	13,048	14,444	108,913	13%
2031	140,472	12,579	38	21,529	5,533	107,291	5%
2032	144,686	12,579		54,429	-36,317	72,252	
2033	149,027	12,579		5,537	-29,275	87,054	
2034	153,497	12,579		48,904	-65,599	58,183	
2035	158,102	12,579		5,874	-58,895	73,333	
2036	162,845	12,579		25,714	-72,030	69,086	
2037	167,731	12,579		30,380	-89,831	60,506	
2038	172,763	12,579		12,838	-90,090	70,357	
2039	177,946	12,579		21,487	-98,998	72,232	
2040	183,284	12,579		13,619	-100,038	82,925	
2041	188,782	12,579		7,014	-94,473	101,418	
2042	194,446	12,579		30,451	-112,345	97,022	
2043	200,279	12,579		7,441	-107,207	116,913	
2044	206,288	12,579		32,574	-127,202	112,254	
2045	212,476	12,579		33,551	-148,174	107,209	
2046	218,851	12,579		16,262	-151,857	120,605	
2047	225,416	12,579		32,454	-171,732	118,534	
2048	232,179	12,579		17,253	-176,406	132,889	
2049	239,144	12,579		8,885	-172,712	157,151	
2050	246,318	12,579		18,303	-178,436	173,323	
2051	253,708	12,579		9,426	-175,283	200,032	

**ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Alternate Funding Model Summary**

Report Date	November 24, 2021
Budget Year Beginning	January 1, 2022
Budget Year Ending	December 31, 2022
Total Units	11

<i>Report Parameters</i>	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
Contingency	3.00%
2022 Beginning Balance	\$17,507



Alternate Funding Model based on the following:

- Increase the annual contribution to the reserve fund to \$13,837 in 2022
- Annual increase of 10% in the annual contribution in 2023 thru 2027 and 5% in 2043 and following years.

<i>Alternate Funding Model Summary of Calculations</i>	
Required Annual Contribution <i>\$1,257.91 per unit annually</i>	\$13,837.00
Average Net Annual Interest Earned	<u>\$129.81</u>
Total Annual Allocation to Reserves <i>\$1,269.71 per unit annually</i>	\$13,966.81

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Alternate Funding Model Projection

Beginning Balance: \$17,507

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2022	119,160	13,837	130	12,800	18,674	70,720	26%
2023	120,366	15,221	144	13,390	20,648	74,282	28%
2024	123,977	16,743	185	10,927	26,649	80,386	33%
2025	125,183	18,417	285	4,371	40,980	94,092	44%
2026	128,938	20,259	348	11,593	49,993	100,569	50%
2027	130,140	22,285	453	7,535	65,196	112,023	58%
2028	134,044	22,285	451	23,045	64,886	107,495	60%
2029	135,237	22,285	464	20,908	66,727	105,595	63%
2030	139,294	22,285	532	13,048	76,496	112,180	68%
2031	140,472	22,285	541	21,529	77,792	110,509	70%
2032	144,686	22,285	320	54,429	45,968	74,419	62%
2033	149,027	22,285	439	5,537	63,154	89,666	70%
2034	153,497	22,285	256	48,904	36,791	59,929	61%
2035	158,102	22,285	372	5,874	53,574	75,533	71%
2036	162,845	22,285	351	25,714	50,496	71,158	71%
2037	167,731	22,285	297	30,380	42,697	62,321	69%
2038	172,763	22,285	365	12,838	52,509	72,468	72%
2039	177,946	22,285	373	21,487	53,680	74,399	72%
2040	183,284	22,285	436	13,619	62,781	85,412	74%
2041	188,782	22,285	546	7,014	78,598	104,460	75%
2042	194,446	23,399	501	30,451	72,047	99,933	72%
2043	200,279	24,569	624	7,441	89,799	120,421	75%
2044	206,288	25,797	581	32,574	83,603	115,621	72%
2045	212,476	27,087	540	33,551	77,679	110,425	70%
2046	218,851	28,441	629	16,262	90,487	124,223	73%
2047	225,416	29,864	615	32,454	88,513	122,090	72%
2048	232,179	31,357	718	17,253	103,335	136,876	75%
2049	239,144	32,925	892	8,885	128,266	161,866	79%
2050	246,318	34,571	1,012	18,303	145,545	178,522	82%
2051	253,708	36,299	1,207	9,426	173,625	206,033	84%

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Asset Summary Report

Description	Asset ID	Date In Service	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Building Components									
Balcony Support - Inspect Asset ID: 1020	2022	2022	1,500	5	0	0	1,500	1 @	1,500.00
Siding - Repair/Replace Asset ID: 1008	2002	2032	30,000	30	0	10	40,317	1 @	30,000.00
Grounds Components									
Concrete Components - Repair/Repla.. Asset ID: 1016	2022	2022	1,000	5	0	0	1,000	1 @	1,000.00
Steps - Reset Asset ID: 1002	2022	2022	2,300	2	0	0	2,300	1 @	2,300.00
Steps - Reset Asset ID: 1002	2022	2024	2,300	2	2	2	2,440	1 @	2,300.00
Steps - Reset Asset ID: 1002	2022	2026	2,300	2	4	4	2,589	1 @	2,300.00
Steps - Reset Asset ID: 1002	2022	2028	2,300	2	6	6	2,746	1 @	2,300.00
Steps - Reset Asset ID: 1002	2022	2030	2,300	2	8	8	2,914	1 @	2,300.00
Gutters and Downspouts									
Gutters & Downspouts - Clean & Ins.. Asset ID: 1009	2022	2022	1,800	1	0	0	1,800	1 @	1,800.00
Fencing/Security									
Chain Link Fencing - Replace Asset ID: 1019	2002	2042	6,360	40	0	20	11,487	265 @	24.00
Lighting									
Light Fixtures - Replace Asset ID: 1011	2002	2031	3,500	25	4	9	4,567	14 @	250.00
Security Lights & Transformer - Rep.. Asset ID: 1012	1012	<i>Unfunded</i>							
Mailboxes									
Mailboxes - Replace Asset ID: 1017	2009	2034	1,400	25	0	12	1,996	14 @	100.00
Painting									
Cedar Fencing - Repairs/Paint Asset ID: 1007	2022	2022	4,000	2	0	0	4,000	1 @	4,000.00
Community (Units 1 -4) - Paint Asset ID: 1003	2020	2028	9,000	8	0	6	10,746	1 @	9,000.00
Community (Units 5-7) - Paint Asset ID: 1004	2021	2029	13,000	8	0	7	15,988	1 @	13,000.00

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Asset Summary Report

Description	Asset ID	Date In Service	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
<i>Painting continued...</i>									
Community (Units 8 - 11) - Paint Asset ID: 1005	2022	2022	9,000	8	0	0	9,000	1 @	9,000.00
Roofing									
Shingle Roof - Replace Asset ID: 1010	2012	2034	24,900	22	0	12	35,501	8300 @	3.00
Tree Trimming									
Pine Tree - Trimming Asset ID: 1018	2022	2022	2,200	1	0	0	2,200	1 @	2,200.00

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Balcony Support - Inspect

		1 LS	@ \$1,500.00
Asset ID	1020	Asset Actual Cost	\$1,500.00
	Residential Buildings	Percent Replacement	100%
	Building Components	Future Cost	\$1,500.00
Placed in Service	September 2022		
Useful Life	5		
Replacement Year	2022		
Remaining Life	0		



Appears that the structural members of the balconies are not being painted and protected. Unprotected, the structural members could dry-rot. Recommend that the structural members be inspected on a regular basis and painted at the same time as the exterior of the buildings.

Siding - Repair/Replace

		1 LS	@ \$30,000.00
Asset ID	1008	Asset Actual Cost	\$30,000.00
	Residential Buildings	Percent Replacement	100%
	Building Components	Future Cost	\$40,317.49
Placed in Service	September 2002		
Useful Life	30		
Replacement Year	2032		
Remaining Life	10		

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Siding - Repair/Replace continued...



Good condition. Appears to be a composite material. Estimate 6200 sf of siding on all buildings. Replacement cost varies depending on replacement material.

**ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category**

Concrete Components - Repair/Replace

		1 LS	@ \$1,000.00
Asset ID	1016	Asset Actual Cost	\$1,000.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	\$1,000.00
Placed in Service	June 2022		
Useful Life	5		
Replacement Year	2022		
Remaining Life	0		



Good condition. Noted some cracking and settlement areas.

Steps - Reset

		1 LS	@ \$2,300.00
Asset ID	1002	Asset Actual Cost	\$2,300.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,300.00
Placed in Service	May 2022		
Useful Life	2		
Replacement Year	2022		
Remaining Life	0		



There are 6 sets of stairs made of step blocks. Arizona Residential Commercial Services in 5/2020 removed step blocks, cleaned, reset the blocks on one stairway for a total of \$2,340.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Steps - Reset continued...

Each set of stairs will need reset. This asset provides a budget for resetting each set of stairs every two years.

Steps - Reset

		1 LS	@ \$2,300.00
Asset ID	1002	Asset Actual Cost	\$2,300.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,440.07
Placed in Service	May 2022		
Useful Life	2		
Adjustment	2		
Replacement Year	2024		
Remaining Life	2		



There are 6 sets of stairs made of step blocks. Arizona Residential Commercial Services in 5/2020 removed step blocks, cleaned, reset the blocks on one stairway for a total of \$2,340. Each set of stairs will need reset. This asset provides a budget for resetting each set of stairs every two years.

Steps - Reset

		1 LS	@ \$2,300.00
Asset ID	1002	Asset Actual Cost	\$2,300.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,588.67
Placed in Service	May 2022		
Useful Life	2		
Adjustment	4		
Replacement Year	2026		
Remaining Life	4		

**ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category**

Steps - Reset continued...



There are 6 sets of stairs made of step blocks. Arizona Residential Commercial Services in 5/2020 removed step blocks, cleaned, reset the blocks on one stairway for a total of \$2,340. Each set of stairs will need reset. This asset provides a budget for resetting each set of stairs every two years.

Steps - Reset

		1 LS	@ \$2,300.00
Asset ID	1002	Asset Actual Cost	\$2,300.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,746.32
Placed in Service	May 2022		
Useful Life	2		
Adjustment	6		
Replacement Year	2028		
Remaining Life	6		



There are 6 sets of stairs made of step blocks. Arizona Residential Commercial Services in 5/2020 removed step blocks, cleaned, reset the blocks on one stairway for a total of \$2,340. Each set of stairs will need reset. This asset provides a budget for resetting each set of stairs every two years.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Steps - Reset

		1 LS	@ \$2,300.00
Asset ID	1002	Asset Actual Cost	\$2,300.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,913.57
Placed in Service	May 2022		
Useful Life	2		
Adjustment	8		
Replacement Year	2030		
Remaining Life	8		



There are 6 sets of stairs made of step blocks. Arizona Residential Commercial Services in 5/2020 removed step blocks, cleaned, reset the blocks on one stairway for a total of \$2,340. Each set of stairs will need reset. This asset provides a budget for resetting each set of stairs every two years.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Gutters & Downspouts - Clean & Inspect

		1 LS	@ \$1,800.00
Asset ID	1009	Asset Actual Cost	\$1,800.00
	Residential Buildings	Percent Replacement	100%
	Gutters and Downspouts	Future Cost	\$1,800.00
Placed in Service	June 2022		
Useful Life	1		
Replacement Year	2022		
Remaining Life	0		



This asset is for inspecting and cleaning the gutters and downspouts. Debris noted in gutters.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Chain Link Fencing - Replace		265 SF	@ \$24.00
Asset ID	1019	Asset Actual Cost	\$6,360.00
	Grounds	Percent Replacement	100%
	Fencing/Security	Future Cost	\$11,486.87
Placed in Service	September 2002		
Useful Life	40		
Replacement Year	2042		
Remaining Life	20		



Generally good condition. Noted some broken and loose areas. The fence provides fall protection along the wall. Association should verify that the fence provides proper protection per code and if it is, keep it in good condition. Approximately 265 sq ft of 4' high chain link fencing.

**ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category**

Light Fixtures - Replace

		14 EA	@ \$250.00
Asset ID	1011	Asset Actual Cost	\$3,500.00
	Residential Buildings	Percent Replacement	100%
	Lighting	Future Cost	\$4,566.71
Placed in Service	September 2002		
Useful Life	25		
Adjustment	4		
Replacement Year	2031		
Remaining Life	9		



Good condition. Wall sconces.

Security Lights & Transformer - Replace

		19 Un	
Asset ID	1012	Asset Actual Cost	
	Residential Buildings	Percent Replacement	100%
	Lighting	Future Cost	
Placed in Service	September 2002		
No Useful Life			



(18) security lights varying types. Some in working condition. Noted some broken or pulling

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Security Lights & Transformer - Replace continued...

away from buildings. (1) Hampton Bay transformer.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Mailboxes - Replace

		14 EA	@ \$100.00
Asset ID	1017	Asset Actual Cost	\$1,400.00
	Grounds	Percent Replacement	100%
	Mailboxes	Future Cost	\$1,996.06
Placed in Service	January 2009		
Useful Life	25		
Replacement Year	2034		
Remaining Life	12		



US Mail Salsbury Industries 13/1 cluster box.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Cedar Fencing - Repairs/Paint

		1 LS	@ \$4,000.00
Asset ID	1007	Asset Actual Cost	\$4,000.00
	Grounds	Percent Replacement	100%
	Painting	Future Cost	\$4,000.00
Placed in Service	June 2022		
Useful Life	2		
Replacement Year	2022		
Remaining Life	0		



Fair to poor condition. Recommend replacing slats and repairing with each staining cycle. Approximately 700 LF. Also includes lattice work underside of decks. Note metal support poles have a very long life.

Community (Units 1 -4) - Paint

		1 EA	@ \$9,000.00
Asset ID	1003	Asset Actual Cost	\$9,000.00
	Residential Buildings	Percent Replacement	100%
	Painting	Future Cost	\$10,746.47
Placed in Service	May 2020		
Useful Life	8		
Replacement Year	2028		
Remaining Life	6		

**ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category**

Community (Units 1 -4) - Paint continued...



Certa Pro Painters repaired and painted units 1 - 4 in 5/2020 for a total of \$8,981.

Community (Units 5-7) - Paint

Asset ID	1004	1 EA	@ \$13,000.00
Residential Buildings	Painting	Asset Actual Cost	\$13,000.00
Placed in Service	April 2021	Percent Replacement	100%
Useful Life	8	Future Cost	\$15,988.36
Replacement Year	2029		
Remaining Life	7		



Certa Pro Painters repaired and painted units 5 - 7 in 4/2021 for a total of \$13,073.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Community (Units 8 - 11) - Paint

		1 EA	@ \$9,000.00
Asset ID	1005	Asset Actual Cost	\$9,000.00
	Residential Buildings	Percent Replacement	100%
	Painting	Future Cost	\$9,000.00
Placed in Service	April 2022		
Useful Life	8		
Replacement Year	Deferred 2022		
Remaining Life	0		



Paint is scheduled for 2022 for units 8 -11.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Shingle Roof - Replace

		8,300 SF	@ \$3.00
Asset ID	1010	Asset Actual Cost	\$24,900.00
	Residential Buildings	Percent Replacement	100%
	Roofing	Future Cost	\$35,501.45
Placed in Service	June 2012		
Useful Life	22		
Replacement Year	2034		
Remaining Life	12		

All roofs replaced in 2012 with insurance claim. No information on type of shingle installed.
 Assume 20 year shingle.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Detail Report by Category

Pine Tree - Trimming

		1 LS	@ \$2,200.00
Asset ID	1018	Asset Actual Cost	\$2,200.00
	Grounds	Percent Replacement	100%
	Tree Trimming	Future Cost	\$2,200.00
Placed in Service	June 2022		
Useful Life	1		
Replacement Year	2022		
Remaining Life	0		



Tree trimming twice yearly.

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Category Detail Index

Asset ID	Description	Replacement	Page
Building Components			
1020	Balcony Support - Inspect	2022	2-7
1008	Siding - Repair/Replace	2032	2-7
Grounds Components			
1016	Concrete Components - Repair/Replace	2022	2-9
1002	Steps - Reset	2022	2-9
1002	Steps - Reset	2024	2-10
1002	Steps - Reset	2026	2-10
1002	Steps - Reset	2028	2-11
1002	Steps - Reset	2030	2-12
Gutters and Downspouts			
1009	Gutters & Downspouts - Clean & Inspect	2022	2-13
Fencing/Security			
1019	Chain Link Fencing - Replace	2042	2-14
Lighting			
1011	Light Fixtures - Replace	2031	2-15
1012	Security Lights & Transformer - Replace	Unfunded	2-15
Mailboxes			
1017	Mailboxes - Replace	2034	2-17
Painting			
1007	Cedar Fencing - Repairs/Paint	2022	2-18
1003	Community (Units 1 -4) - Paint	2028	2-18
1004	Community (Units 5-7) - Paint	2029	2-19
1005	Community (Units 8 - 11) - Paint	2022	2-20
Roofing			
1010	Shingle Roof - Replace	2034	2-21
Tree Trimming			
1018	Pine Tree - Trimming	2022	2-22
	Total Funded Assets	18	
	Total Unfunded Assets	<u>1</u>	
	Total Assets	19	

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2022	
Building Components	
1020 Balcony Support - Inspect	1,500
Grounds Components	
1016 Concrete Components - Repair/Replace	1,000
1002 Steps - Reset	2,300
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	1,800
Painting	
1007 Cedar Fencing - Repairs/Paint	4,000
Tree Trimming	
1018 Pine Tree - Trimming	2,200
Total for 2022	\$12,800
Replacement Year 2023	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	1,854
Painting	
1005 Community (Units 8 - 11) - Paint	9,270
Tree Trimming	
1018 Pine Tree - Trimming	2,266
Total for 2023	\$13,390
Replacement Year 2024	
Grounds Components	
1002 Steps - Reset	2,440
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	1,910
Painting	
1007 Cedar Fencing - Repairs/Paint	4,244
Tree Trimming	
1018 Pine Tree - Trimming	2,334
Total for 2024	\$10,927

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	1,967
Tree Trimming	
1018 Pine Tree - Trimming	2,404
Total for 2025	\$4,371
Replacement Year 2026	
Grounds Components	
1002 Steps - Reset	2,589
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,026
Painting	
1007 Cedar Fencing - Repairs/Paint	4,502
Tree Trimming	
1018 Pine Tree - Trimming	2,476
Total for 2026	\$11,593
Replacement Year 2027	
Building Components	
1020 Balcony Support - Inspect	1,739
Grounds Components	
1016 Concrete Components - Repair/Replace	1,159
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,087
Tree Trimming	
1018 Pine Tree - Trimming	2,550
Total for 2027	\$7,535
Replacement Year 2028	
Grounds Components	
1002 Steps - Reset	2,746
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,149

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2028 continued...</i>	
Painting	
1007 Cedar Fencing - Repairs/Paint	4,776
1003 Community (Units 1 -4) - Paint	10,746
Tree Trimming	
1018 Pine Tree - Trimming	2,627
Total for 2028	<u>\$23,045</u>
 Replacement Year 2029	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,214
Painting	
1004 Community (Units 5-7) - Paint	15,988
Tree Trimming	
1018 Pine Tree - Trimming	2,706
Total for 2029	<u>\$20,908</u>
 Replacement Year 2030	
Grounds Components	
1002 Steps - Reset	2,914
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,280
Painting	
1007 Cedar Fencing - Repairs/Paint	5,067
Tree Trimming	
1018 Pine Tree - Trimming	2,787
Total for 2030	<u>\$13,048</u>
 Replacement Year 2031	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,349
Lighting	
1011 Light Fixtures - Replace	4,567
Painting	
1005 Community (Units 8 - 11) - Paint	11,743

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2031 continued...</i>	
Tree Trimming	
1018 Pine Tree - Trimming	2,871
Total for 2031	<u>\$21,529</u>
 Replacement Year 2032	
Building Components	
1020 Balcony Support - Inspect	2,016
1008 Siding - Repair/Replace	40,317
Grounds Components	
1016 Concrete Components - Repair/Replace	1,344
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,419
Painting	
1007 Cedar Fencing - Repairs/Paint	5,376
Tree Trimming	
1018 Pine Tree - Trimming	2,957
Total for 2032	<u>\$54,429</u>
 Replacement Year 2033	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,492
Tree Trimming	
1018 Pine Tree - Trimming	3,045
Total for 2033	<u>\$5,537</u>
 Replacement Year 2034	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,566
Mailboxes	
1017 Mailboxes - Replace	1,996
Painting	
1007 Cedar Fencing - Repairs/Paint	5,703
Roofing	
1010 Shingle Roof - Replace	35,501

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2034 continued...</i>	
Tree Trimming	
1018 Pine Tree - Trimming	3,137
Total for 2034	<u>\$48,904</u>
 Replacement Year 2035	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,643
Tree Trimming	
1018 Pine Tree - Trimming	3,231
Total for 2035	<u>\$5,874</u>
 Replacement Year 2036	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,723
Painting	
1007 Cedar Fencing - Repairs/Paint	6,050
1003 Community (Units 1 -4) - Paint	13,613
Tree Trimming	
1018 Pine Tree - Trimming	3,328
Total for 2036	<u>\$25,714</u>
 Replacement Year 2037	
Building Components	
1020 Balcony Support - Inspect	2,337
Grounds Components	
1016 Concrete Components - Repair/Replace	1,558
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,804
Painting	
1004 Community (Units 5-7) - Paint	20,254
Tree Trimming	
1018 Pine Tree - Trimming	3,428
Total for 2037	<u>\$30,380</u>

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2038	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,888
Painting	
1007 Cedar Fencing - Repairs/Paint	6,419
Tree Trimming	
1018 Pine Tree - Trimming	3,530
Total for 2038	<u>\$12,838</u>
 Replacement Year 2039	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	2,975
Painting	
1005 Community (Units 8 - 11) - Paint	14,876
Tree Trimming	
1018 Pine Tree - Trimming	3,636
Total for 2039	<u>\$21,487</u>
 Replacement Year 2040	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,064
Painting	
1007 Cedar Fencing - Repairs/Paint	6,810
Tree Trimming	
1018 Pine Tree - Trimming	3,745
Total for 2040	<u>\$13,619</u>
 Replacement Year 2041	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,156
Tree Trimming	
1018 Pine Tree - Trimming	3,858
Total for 2041	<u>\$7,014</u>

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2042	
Building Components	
1020 Balcony Support - Inspect	2,709
Grounds Components	
1016 Concrete Components - Repair/Replace	1,806
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,251
Fencing/Security	
1019 Chain Link Fencing - Replace	11,487
Painting	
1007 Cedar Fencing - Repairs/Paint	7,224
Tree Trimming	
1018 Pine Tree - Trimming	3,973
Total for 2042	<u>\$30,451</u>
 Replacement Year 2043	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,349
Tree Trimming	
1018 Pine Tree - Trimming	4,093
Total for 2043	<u>\$7,441</u>
 Replacement Year 2044	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,449
Painting	
1007 Cedar Fencing - Repairs/Paint	7,664
1003 Community (Units 1 -4) - Paint	17,245
Tree Trimming	
1018 Pine Tree - Trimming	4,215
Total for 2044	<u>\$32,574</u>
 Replacement Year 2045	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,552

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2045 continued...</i>	
Painting	
1004 Community (Units 5-7) - Paint	25,657
Tree Trimming	
1018 Pine Tree - Trimming	4,342
Total for 2045	<u>\$33,551</u>
 Replacement Year 2046	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,659
Painting	
1007 Cedar Fencing - Repairs/Paint	8,131
Tree Trimming	
1018 Pine Tree - Trimming	4,472
Total for 2046	<u>\$16,262</u>
 Replacement Year 2047	
Building Components	
1020 Balcony Support - Inspect	3,141
Grounds Components	
1016 Concrete Components - Repair/Replace	2,094
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,769
Painting	
1005 Community (Units 8 - 11) - Paint	18,844
Tree Trimming	
1018 Pine Tree - Trimming	4,606
Total for 2047	<u>\$32,454</u>
 Replacement Year 2048	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,882
Painting	
1007 Cedar Fencing - Repairs/Paint	8,626

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2048 continued...</i>	
Tree Trimming	
1018 Pine Tree - Trimming	4,744
Total for 2048	<u>\$17,253</u>
 Replacement Year 2049	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	3,998
Tree Trimming	
1018 Pine Tree - Trimming	4,887
Total for 2049	<u>\$8,885</u>
 Replacement Year 2050	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	4,118
Painting	
1007 Cedar Fencing - Repairs/Paint	9,152
Tree Trimming	
1018 Pine Tree - Trimming	5,033
Total for 2050	<u>\$18,303</u>
 Replacement Year 2051	
Gutters and Downspouts	
1009 Gutters & Downspouts - Clean & Inspect	4,242
Tree Trimming	
1018 Pine Tree - Trimming	5,184
Total for 2051	<u>\$9,426</u>

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet

ID Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Building Components										
1020 Balcony Support - Inspect	1,500					1,739				
1008 Siding - Repair/Replace										
Building Components Total:	1,500					1,739				
Grounds Components										
1016 Concrete Components - Repair/Replace	1,000					1,159				
1002 Steps - Reset	2,300									
1002 Steps - Reset			2,440							
1002 Steps - Reset					2,589					
1002 Steps - Reset							2,746			
1002 Steps - Reset									2,914	
Grounds Components Total:	3,300		2,440		2,589	1,159	2,746		2,914	
Gutters and Downspouts										
1009 Gutters & Downspouts - Clean & Inspect	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Gutters and Downspouts Total:	1,800	1,854	1,910	1,967	2,026	2,087	2,149	2,214	2,280	2,349
Fencing/Security										
1019 Chain Link Fencing - Replace										
Fencing/Security Total:										
Lighting										
1011 Light Fixtures - Replace										4,567
1012 Security Lights & Transformer - Replace	<i>Unfunded</i>									
Lighting Total:										4,567
Mailboxes										
1017 Mailboxes - Replace										
Mailboxes Total:										
Painting										
1007 Cedar Fencing - Repairs/Paint	4,000		4,244		4,502		4,776		5,067	
1003 Community (Units 1 -4) - Paint							10,746			
1004 Community (Units 5-7) - Paint								15,988		
1005 Community (Units 8 - 11) - Paint		9,270								11,743
Painting Total:	4,000	9,270	4,244		4,502		15,523	15,988	5,067	11,743

**ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet**

ID Description	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Roofing										
1010 Shingle Roof - Replace										
Roofing Total:										
Tree Trimming										
1018 Pine Tree - Trimming	2,200	2,266	2,334	2,404	2,476	2,550	2,627	2,706	2,787	2,871
Tree Trimming Total:	2,200	2,266	2,334	2,404	2,476	2,550	2,627	2,706	2,787	2,871
Year Total:	12,800	13,390	10,927	4,371	11,593	7,535	23,045	20,908	13,048	21,529

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet

ID Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Building Components										
1020 Balcony Support - Inspect	2,016					2,337				
1008 Siding - Repair/Replace	40,317									
Building Components Total:	42,333					2,337				
Grounds Components										
1016 Concrete Components - Repair/Replace	1,344					1,558				
1002 Steps - Reset										
1002 Steps - Reset										
1002 Steps - Reset										
1002 Steps - Reset										
Grounds Components Total:	1,344					1,558				
Gutters and Downspouts										
1009 Gutters & Downspouts - Clean & Inspect	2,419	2,492	2,566	2,643	2,723	2,804	2,888	2,975	3,064	3,156
Gutters and Downspouts Total:	2,419	2,492	2,566	2,643	2,723	2,804	2,888	2,975	3,064	3,156
Fencing/Security										
1019 Chain Link Fencing - Replace										
Fencing/Security Total:										
Lighting										
1011 Light Fixtures - Replace										
1012 Security Lights & Transformer - Replace	<i>Unfunded</i>									
Lighting Total:										
Mailboxes										
1017 Mailboxes - Replace			1,996							
Mailboxes Total:			1,996							
Painting										
1007 Cedar Fencing - Repairs/Paint	5,376		5,703		6,050		6,419		6,810	
1003 Community (Units 1 -4) - Paint					13,613					
1004 Community (Units 5-7) - Paint						20,254				
1005 Community (Units 8 - 11) - Paint								14,876		
Painting Total:	5,376		5,703		19,664	20,254	6,419	14,876	6,810	

**ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet**

ID Description	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Roofing										
1010 Shingle Roof - Replace			35,501							
Roofing Total:			35,501							
Tree Trimming										
1018 Pine Tree - Trimming	2,957	3,045	3,137	3,231	3,328	3,428	3,530	3,636	3,745	3,858
Tree Trimming Total:	2,957	3,045	3,137	3,231	3,328	3,428	3,530	3,636	3,745	3,858
Year Total:	54,429	5,537	48,904	5,874	25,714	30,380	12,838	21,487	13,619	7,014

ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet

ID Description	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Building Components										
1020 Balcony Support - Inspect	2,709					3,141				
1008 Siding - Repair/Replace										
Building Components Total:	2,709					3,141				
Grounds Components										
1016 Concrete Components - Repair/Replace	1,806					2,094				
1002 Steps - Reset										
1002 Steps - Reset										
1002 Steps - Reset										
1002 Steps - Reset										
1002 Steps - Reset										
Grounds Components Total:	1,806					2,094				
Gutters and Downspouts										
1009 Gutters & Downspouts - Clean & Inspect	3,251	3,349	3,449	3,552	3,659	3,769	3,882	3,998	4,118	4,242
Gutters and Downspouts Total:	3,251	3,349	3,449	3,552	3,659	3,769	3,882	3,998	4,118	4,242
Fencing/Security										
1019 Chain Link Fencing - Replace	11,487									
Fencing/Security Total:	11,487									
Lighting										
1011 Light Fixtures - Replace										
1012 Security Lights & Transformer - Replace	<i>Unfunded</i>									
Lighting Total:										
Mailboxes										
1017 Mailboxes - Replace										
Mailboxes Total:										
Painting										
1007 Cedar Fencing - Repairs/Paint	7,224		7,664		8,131		8,626		9,152	
1003 Community (Units 1 -4) - Paint			17,245							
1004 Community (Units 5-7) - Paint				25,657						
1005 Community (Units 8 - 11) - Paint						18,844				
Painting Total:	7,224		24,909	25,657	8,131	18,844	8,626		9,152	

**ARROWHEAD WEST CONDOMINIUMS HOMEOWNERS ASSOCIATION
Spread Sheet**

ID Description	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Roofing										
1010 Shingle Roof - Replace										
Roofing Total:										
Tree Trimming										
1018 Pine Tree - Trimming	3,973	4,093	4,215	4,342	4,472	4,606	4,744	4,887	5,033	5,184
Tree Trimming Total:	3,973	4,093	4,215	4,342	4,472	4,606	4,744	4,887	5,033	5,184
Year Total:	30,451	7,441	32,574	33,551	16,262	32,454	17,253	8,885	18,303	9,426