RESERVE STUDY

FOR

SUMMIT SHADOWS COMMUNITY ASSOCIATION

Management By:

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July 2, 2019

EXECUTIVE SUMMARY

SUMMIT SHADOWS ASSOCIATION

July 2, 2019

Starting Reserve Balance 1/1/2019	$164,663
Projected Fully Funded Reserve Balance 1/1/2019	$331,874
Percent Fully Funded 1/1/2019	50%
Annual Reserve Contribution 2019	$36,576

This study is an update to a previous study performed by FDRS dated August 31, 2016. 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 financial information was provided by the association and was not audited. 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 1/1/2019.
2. The study reflects a beginning balance for the reserve fund of $164,663 and an annual contribution of $36,576. As reflected by the Current Assessment Funding Model Projection in the report, the reserve fund is not in a healthy condition. 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.
3. Because the current assessment funding model is under 70%, we have added an alternate funding plan for your consideration. We can develop additional alternate funding models at your request.
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 April 3, 2019. 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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SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Part One

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.

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

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

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

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

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

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

The Reserve Study: A Physical and a Financial Analysis

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

Physical Analysis

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

Developing a Component List

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

Operational Expenses

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

Utilities:
- Electricity
- Gas
- Water
- Telephone
- Cable TV

Administrative:
- Supplies
- Bank Service Charges
- Dues & Publications
- Licenses, Permits & Fees
- Insurance(s)

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

Repair Expenses:
- Tile Roof Repairs
- Equipment Repairs
- Minor Concrete Repairs
- Operating Contingency

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

Budgeting is Normally Excluded for:

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

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

Financial Analysis

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

Preparing the Reserve Study

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

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

Funding Methods

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

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

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

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

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.

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.

Investment Yield Before Taxes

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

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

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

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

Phase Increment Detail and/or Age
Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment
The assessment to reserves required by the association each month.

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

Total Monthly Allocation
The sum of the monthly assessment and interest contribution figures.

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

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

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

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

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

replacement cycles for future replacements.

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

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

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

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

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

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

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

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

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

A Multi-Purpose Tool

Your 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.

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Current Assessment Funding Model Summary

Report Date	July 2, 2019
Budget Year Beginning	January 1, 2019
Budget Year Ending	December 31, 2019
Total Units	60

Report Parameters

Inflation	3.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
Contingency	3.00%
2019 Beginning Balance	$164,663

Current Assessment Funding Model Summary of Calculations

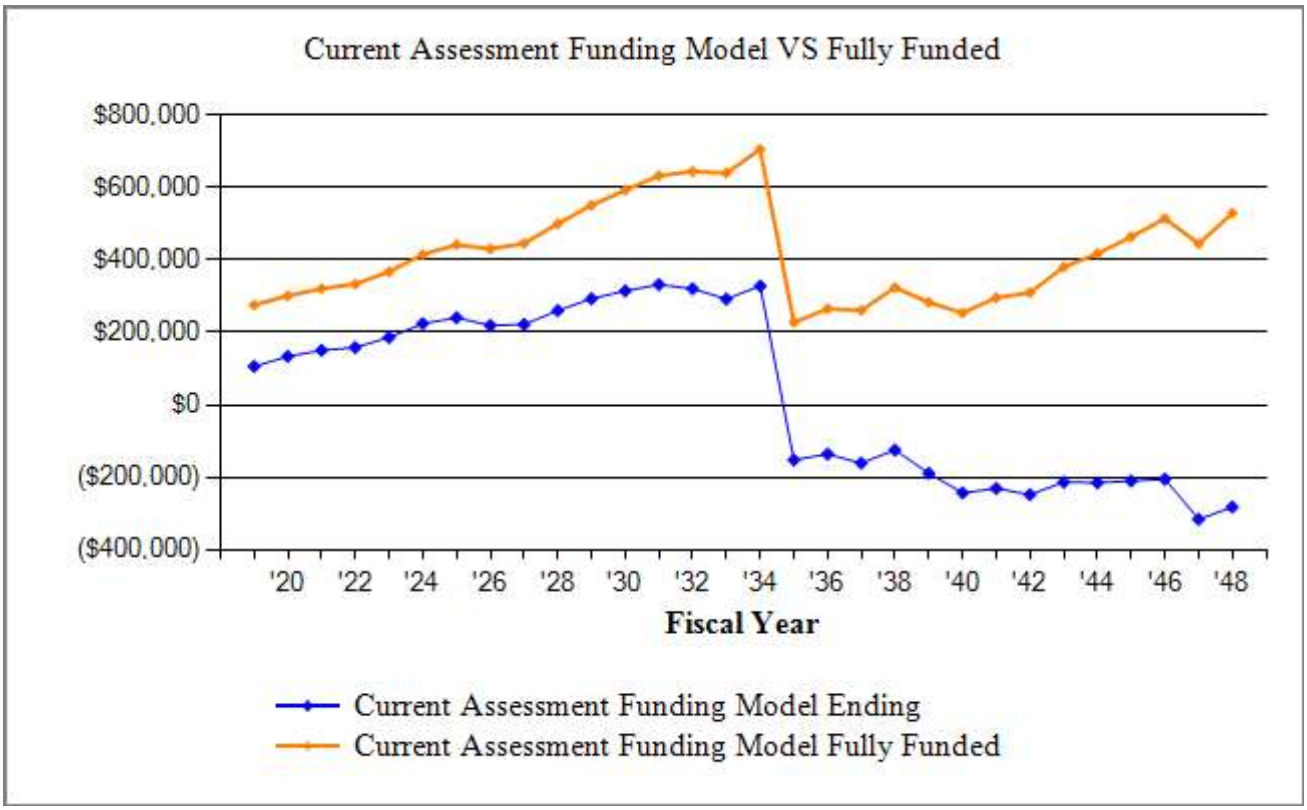
Required Annual Contribution	$36,576.00
$609.60 per unit annually	
Average Net Annual Interest Earned	$738.01
Total Annual Allocation to Reserves	$37,314.01
$621.90 per unit annually	

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Current Assessment Funding Model Projection

Beginning Balance: $164,663

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2019	509,729	36,576	738	95,809	106,168	271,085	39%
2020	520,756	36,576	929	10,094	133,579	300,783	44%
2021	536,379	36,576	1,044	20,979	150,220	320,782	47%
2022	552,471	36,576	1,100	29,689	158,206	333,130	47%
2023	569,045	36,576	1,292	10,214	185,860	367,555	51%
2024	586,116	36,576	1,557		223,993	414,918	54%
2025	603,699	36,576	1,670	22,060	240,179	441,452	54%
2026	621,810	36,576	1,523	59,149	219,128	430,523	51%
2027	640,465	36,576	1,540	35,685	221,560	445,342	50%
2028	659,679	36,576	1,807		259,943	499,692	52%
2029	679,469	36,576	2,036	5,644	292,910	550,908	53%
2030	699,853	36,576	2,185	17,407	314,264	592,437	53%
2031	720,849	36,576	2,305	21,529	331,616	632,139	52%
2032	742,474	36,576	2,226	50,180	320,239	643,953	50%
2033	764,748	36,576	2,028	67,036	291,807	639,607	46%
2034	787,691	36,576	2,281	2,571	328,093	705,008	47%
2035	811,322	36,576		516,876	-152,207	227,723	
2036	835,661	36,576		20,289	-135,920	264,934	
2037	860,731	36,576		61,705	-161,048	260,842	
2038	886,553	36,576			-124,472	323,754	
2039	913,150	36,576		101,142	-189,039	282,806	
2040	940,544	36,576		90,399	-242,861	253,741	
2041	968,760	36,576		24,478	-230,764	295,555	
2042	997,823	36,576		53,622	-247,810	309,482	
2043	1,027,758	36,576		2,033	-213,267	380,468	
2044	1,058,591	36,576		38,264	-214,955	417,027	
2045	1,090,348	36,576		31,702	-210,080	463,623	
2046	1,123,059	36,576		31,320	-204,825	514,056	
2047	1,156,751	36,576		147,546	-315,794	444,680	
2048	1,191,453	36,576		3,064	-282,282	528,798	

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Current Assessment Funding Model VS Fully Funded



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

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Alternate Funding Model Summary

Report Date	July 2, 2019
Budget Year Beginning	January 1, 2019
Budget Year Ending	December 31, 2019
Total Units	60

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
Contingency	3.00%
2019 Beginning Balance	$164,663

- The alternate funding model is based on an increase of 10% in the annual contribution to the reserve fund in 2020 thru 2025.

Alternate Funding Model Summary of Calculations

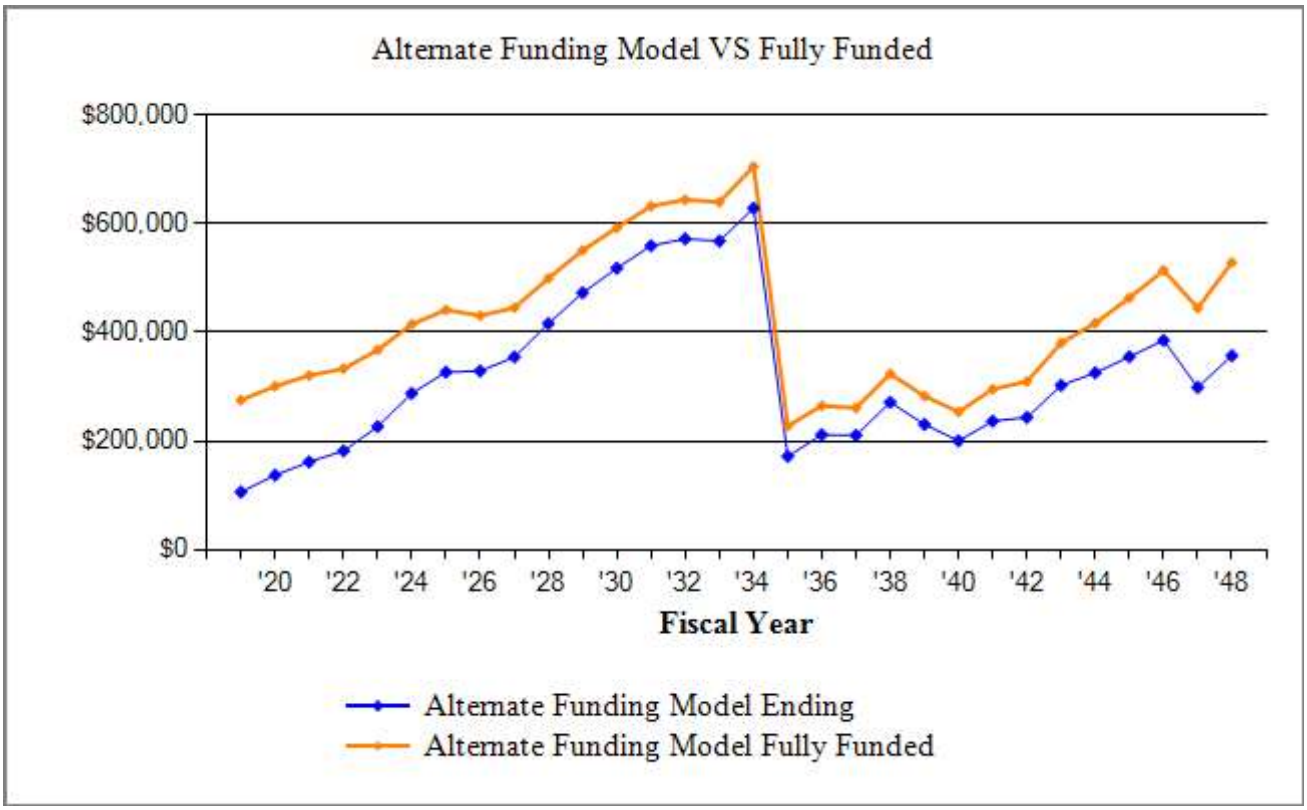
Required Annual Contribution	$36,576.00
$609.60 per unit annually	
Average Net Annual Interest Earned	$738.01
Total Annual Allocation to Reserves	$37,314.01
$621.90 per unit annually	

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Alternate Funding Model Projection

Beginning Balance: $164,663

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2019	509,729	36,576	738	95,809	106,168	271,085	39%
2020	520,756	40,234	954	10,094	137,262	300,783	46%
2021	536,379	44,257	1,124	20,979	161,663	320,782	50%
2022	552,471	48,683	1,265	29,689	181,921	333,130	55%
2023	569,045	53,551	1,577	10,214	226,835	367,555	62%
2024	586,116	58,906	2,000		287,741	414,918	69%
2025	603,699	58,906	2,272	22,060	326,859	441,452	74%
2026	621,810	58,906	2,286	59,149	328,902	430,523	76%
2027	640,465	58,906	2,465	35,685	354,588	445,342	80%
2028	659,679	58,906	2,894		416,389	499,692	83%
2029	679,469	58,906	3,288	5,644	472,938	550,908	86%
2030	699,853	58,906	3,601	17,407	518,038	592,437	87%
2031	720,849	58,906	3,888	21,529	559,303	632,139	88%
2032	742,474	58,906	3,976	50,180	572,005	643,953	89%
2033	764,748	58,906	3,947	67,036	567,822	639,607	89%
2034	787,691	58,906	4,369	2,571	628,527	705,008	89%
2035	811,322	58,906	1,194	516,876	171,751	227,723	75%
2036	835,661	58,906	1,473	20,289	211,841	264,934	80%
2037	860,731	58,906	1,463	61,705	210,505	260,842	81%
2038	886,553	58,906	1,886		271,297	323,754	84%
2039	913,150	58,906	1,603	101,142	230,665	282,806	82%
2040	940,544	58,906	1,394	90,399	200,566	253,741	79%
2041	968,760	58,906	1,645	24,478	236,639	295,555	80%
2042	997,823	58,906	1,693	53,622	243,616	309,482	79%
2043	1,027,758	58,906	2,103	2,033	302,592	380,468	80%
2044	1,058,591	58,906	2,263	38,264	325,497	417,027	78%
2045	1,090,348	58,906	2,469	31,702	355,170	463,623	77%
2046	1,123,059	58,906	2,679	31,320	385,436	514,056	75%
2047	1,156,751	58,906	2,078	147,546	298,873	444,680	67%
2048	1,191,453	58,906	2,483	3,064	357,199	528,798	68%

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Alternate Funding Model VS Fully Funded



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

Asphalt - Rehabilitation

		123,500 SF	@ $2.60
Asset ID	1003	Asset Cost	$321,100.00
	Streets/Asphalt	Percent Replacement	100%
	Streets/Asphalt	Future Cost	$515,271.24
Placed in Service	March 2000		
Useful Life	35		
Replacement Year	2035		
Remaining Life	16		

The original pavement was installed in 2000 and was badly raveling when a hot asphalt chip seal with a HA5 surface treatment was applied in 2016 in an effort to stabalize the asphalt material. The pavement appears to be in good condition with some minor raveling. It is estimated that the chip seal will preserve the pavement structure for several years. This component provides an estimate for removal and replacement of the asphalt surface in the future. This study should be updated in 2-3 years and appropriate adjustments made to the remaining useful life based on the condition of the pavement.

Asphalt - Surface Treatment

		123,500 SF	@ $0.20
Asset ID	1004	Asset Cost	$24,700.00
	Streets/Asphalt	Percent Replacement	100%
	Streets/Asphalt	Future Cost	$26,990.36
Placed in Service	August 2017		
Useful Life	5		
Replacement Year	2022		
Remaining Life	3		

Asphalt - Surface Treatment continued...


HA5 was applied in 2017 after the application of the hot asphalt chip seal treatment. That surface treatment looks to be in good condition and should last 5+ years. Depending on how well the chip seal performs some cracks from the base pavement may reflect through the chip seal so crack sealing may be required and with each application of HA5 and oftener if the HA5 should last longer than 5 years. This component is a budget for an application of HA5 every 5 years. Future updates to the study should monitor the condition of the surface treatment and make appropriate adjustments.

Asphalt-Crack Seal

		123,500 SF	@ $0.02
Asset ID	1029	Asset Cost	$2,470.00
	Streets/Asphalt	Percent Replacement	100%
	Streets/Asphalt	Future Cost	$2,699.04
Placed in Service	March 2017		
Useful Life	5		
Replacement Year	2022		
Remaining Life	3		

This component provides a budget for crack sealing in between applications of HA5 if the HA5 should last longer than 5 years.

Block Walls - Paint

		1 LS	@ $8,075.00
Asset ID	1005	Asset Cost	$8,075.00
	Grounds	Percent Replacement	100%
	Painting	Future Cost	$9,088.48
Placed in Service	May 2016		
Useful Life	7		
Replacement Year	2023		
Remaining Life	4		


New condition. Walls were painted in 2016 at a cost of $8,075.

Wrought Iron - Paint

		1 LS	@ $9,775.00
Asset ID	1006	Asset Cost	$9,775.00
	Grounds	Percent Replacement	100%
	Painting	Future Cost	$10,370.30
Placed in Service	May 2016		
Useful Life	5		
Replacement Year	2021		
Remaining Life	2		


Good condition. All wrought iron fencing was painted in 2016 at a cost of $9,775.

Wrought Iron Fencing & Gates - Repair/Replace

		1 LS	@ $2,000.00
Asset ID	1007	Asset Cost	$2,000.00
	Grounds	Percent Replacement	100%
	Fencing/Security	Future Cost	$2,121.80
Placed in Service	March 2016		
Useful Life	5		
Replacement Year	2021		
Remaining Life	2		

Good condition. Wrought iron fencing was repaired in 2016 at a cost of $1,897.50. It is unlikely that all the fencing/gates will have to replaced at the same time. This component provides a budget for repair of fencing and gates on a 5 year cycle.

1505 - lin. ft of 4'8" fencing

50 - lin. ft of 6'0" fencing

3 - 6'0" X 3'6" pedestrian gates

2 - 6'3" X 10'0" vehicle gates

2 - 6'0" X 10'0" emergency vehicle gate

Lighting - Replace

		1 LS	
Asset ID	1009	Asset Cost	
	Grounds	Percent Replacement	100%
	Lighting	Future Cost	
Placed in Service	March 2000		
No Useful Life			

Fair condition. Noted many broken. Considered operating expense as these are replaced frequently due to damaged single units.

BBQ Grill - Replace

		1 Un	@ $350.00
Asset ID	1010	Asset Cost	$350.00
	Recreation	Percent Replacement	100%
	Recreation Components	Future Cost	$350.00
Placed in Service	March 2000		
Useful Life	15		
Replacement Year	2019		
Remaining Life	0		

Fair condition. Kish Valley, pedestal mounted charcoal grill.

Concrete Park Equipment - Replace

		1 LS	@ $4,500.00
Asset ID	1012	Asset Cost	$4,500.00
	Recreation	Percent Replacement	100%
	Recreation Components	Future Cost	$6,229.05
Placed in Service	March 2010		
Useful Life	20		
Replacement Year	2030		
Remaining Life	11		

Good condition. 1 bench was replaced in 2016 invoice total $750.

Concrete Park Equipment - Replace continued...

1 - 6' concrete picnic table @ $1300 = $ 1300

1 - 5' concrete bus stop bench @ $700 = $ 700

2 - 6' concrete bus stop benches @ $750 = $ 1500

2 - trash receptacles (1 concrete, 1 thermoplastic coated) @ $500 = $ 1000

Playstructure - Repair

		1 LS	@ $4,140.00
Asset ID	1030	Asset Cost	$4,140.00
	Recreation	Percent Replacement	100%
	Recreation Components	Future Cost	$4,140.00
Placed in Service	March 2019		
Useful Life	1		
Replacement Year	2019		
Remaining Life	0		

Slide and one top triangle piece faded from sun exposure, replaced in 2019 by the Playground Police for a total of $4,140.

Playstructure - Repair/Replacement

		1 LS	@ $1,000.00
Asset ID	1011	Asset Cost	$1,000.00
	Recreation	Percent Replacement	100%
	Recreation Components	Future Cost	$1,060.90
Placed in Service	January 2021		
Useful Life	2		
Replacement Year	2021		
Remaining Life	2		

Playstructure - Repair/Replacement continued...


Good condition. Noted slide and one top triangle piece fading from sun exposure, replaced in 2019 by the Playground Police for a total of $4,140. The Board requested to reserve for component replacement instead of replacement of the entire fixture. This asset is for repair/replacement to playground structures of $1,000 every 2 years on an "as needed" basis.

Spring Mate - Replace

		1 EA	@ $1,300.00
Asset ID	1013	Asset Cost	$1,300.00
	Recreation	Percent Replacement	100%
	Recreation Components	Future Cost	$1,339.00
Placed in Service	March 2006		
Useful Life	14		
Replacement Year	2020		
Remaining Life	1		

Good condition. Spring two seat airplane.

Access Phone - Replaced

		1 Un	@ $3,200.00
Asset ID	1016	Asset Cost	$3,200.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$4,300.53
Placed in Service	July 2014		
Useful Life	15		
Replacement Year	2029		
Remaining Life	10		

Good condition. Door King Systems 1835 TEU W3000 hands free entry access phone installed in 7/2014 by Signature Gate Systems.

Backflow Preventer - Replace

		1 EA	@ $1,500.00
Asset ID	1027	Asset Cost	$1,500.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$1,545.00
Placed in Service	March 2000		
Useful Life	20		
Replacement Year	2020		
Remaining Life	1		

Febco 2".

Gate Operators (Entry) - Replace

		2 EA	@ $3,500.00
Asset ID	1018	Asset Cost	$7,000.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$7,210.00
Placed in Service	March 2008		
Useful Life	12		
Replacement Year	2020		
Remaining Life	1		

Good condition. 2 Chamberlain Elite Model # CSW-200-UL gate operators with back up battery.

Gate Operators (Exit) - Replace

		2 EA	@ $3,500.00
Asset ID	1019	Asset Cost	$7,000.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$7,426.30
Placed in Service	September 2009		
Useful Life	12		
Replacement Year	2021		
Remaining Life	2		

Good condition. 2 Chamberlain Elite Model # CSW-200-UL gate operators with back up

Gate Operators (Exit) - Replace continued...

battery.

Irrigation Controller - Replace

		1 EA	@ $2,325.00
Asset ID	1021	Asset Cost	$2,325.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	$3,314.89
Placed in Service	January 2016		
Useful Life	15		
Replacement Year	2031		
Remaining Life	12		

1Hunter I-Core model IC-600-PL. 10-station used on a 27-station controller.

Pet Station - Replace

		1 EA	@ $515.00
Asset ID	1028	Asset Cost	$515.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	$614.94
Placed in Service	March 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	6		

Pet Station - Replace continued...

Pet station with bags and trash. Placed in service date unavailable.

Irrigation System - Repair

		1 LS	@ $55,000.00
Asset ID	1022	Asset Cost	$55,000.00
	Grounds	Percent Replacement	100%
	Building Components	Future Cost	$55,000.00
Placed in Service	March 2019		
Useful Life	20		
Replacement Year	2019		
Remaining Life	0		

Unfunded. Bid from Slade Landscaping for 22 valves including labor and parts @ $2500 per valve total $55,000. This is a bid only.

Concrete - Repair & Replacement

Asset ID	1002	Asset Cost	
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	
Placed in Service	March 2000		
No Useful Life			

Good condition. Concrete components (sidewalks, concrete decks, pads, driveways) are anticipated to have an indefinite life. It is anticipated that any repairs would be paid from operating funds.

Granite - Replenish

		490 Ton	@ $74.12
Asset ID	1020	Asset Cost	$36,318.80
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	$36,318.80
Placed in Service	March 2019		
Useful Life	7		
Replacement Year	2019		
Remaining Life	0		

Good condition. Slade Landscape to install 490 tons of McKenna Gold Granite including labor

Granite - Replenish continued...

at $74.12 a ton total $36,319.

Pavers - Replace

Asset ID	1001	Asset Cost	
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	
Placed in Service	March 2000		
No Useful Life			

Good condition. Pavers are anticipated to have an indefinite life.

Playground Turf - Replace

		570 SF	@ $18.00
Asset ID	1014	Asset Cost	$10,260.00
		Percent Replacement	100%
	Grounds Components	Future Cost	$12,250.98
Placed in Service	March 2010		
Useful Life	15		
Replacement Year	2025		
Remaining Life	6		

Playground Turf - Replace continued...

Good condition. Edges replaced. Rubber turf. Useful life extended due to present condition. Urethand coating is normally required to maintain product applied every two years. Based component date in service on when concrete park furniture was installed.

Mailboxes - Replace

		67 EA	@ $100.00
Asset ID	1025	Asset Cost	$6,700.00
	Grounds	Percent Replacement	100%
	Mailboxes	Future Cost	$8,000.15
Placed in Service	March 2000		
Useful Life	20		
Adjustment	5		
Replacement Year	2025		
Remaining Life	6		

Good condition. Noted aging.

Monument Sign - Renovation

		1 Un	@ $500.00
Asset ID	1023	Asset Cost	$500.00
	Grounds	Percent Replacement	100%
	Signs	Future Cost	$826.42
Placed in Service	March 2016		
Useful Life	20		
Replacement Year	2036		
Remaining Life	17		

New condition. Invoice from Blue Marble Landscape 2/12/2016 for renovation, invoice included labor, material, painting, plants and irrigation total $ 1,225. Touch up paint when needed out of operating expense.

Tree - Trimming

Asset ID	1024	Asset Cost	
		Percent Replacement	100%
	Tree Trimming	Future Cost	
Placed in Service	March 2000		
No Useful Life			

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Category Detail Index

Asset ID	Description	Replacement	Page
Streets/Asphalt			
1003	Asphalt - Rehabilitation	2035	2-7
1004	Asphalt - Surface Treatment	2022	2-7
1029	Asphalt-Crack Seal	2022	2-8
Painting			
1005	Block Walls - Paint	2023	2-9
1006	Wrought Iron - Paint	2021	2-9
Fencing/Security			
1007	Wrought Iron Fencing & Gates - Repair/Replace	2021	2-10
Lighting			
1009	Lighting - Replace	Unfunded	2-11
Recreation Components			
1010	BBQ Grill - Replace	2019	2-12
1012	Concrete Park Equipment - Replace	2030	2-12
1030	Playstructure - Repair	2019	2-13
1011	Playstructure - Repair/Replacement	2021	2-13
1013	Spring Mate - Replace	2020	2-14
Equipment			
1016	Access Phone - Replaced	2029	2-15
1027	Backflow Preventer - Replace	2020	2-15
1018	Gate Operators (Entry) - Replace	2020	2-16
1019	Gate Operators (Exit) - Replace	2021	2-16
1021	Irrigation Controller - Replace	2031	2-17
1028	Pet Station - Replace	2025	2-17
Building Components			
1022	Irrigation System - Repair	2019	2-19
Grounds Components			
1002	Concrete - Repair & Replacement	Unfunded	2-20
1020	Granite - Replenish	2019	2-20
1001	Pavers - Replace	Unfunded	2-21
1014	Playground Turf - Replace	2025	2-21

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Category Detail Index

Asset ID	Description	Replacement	Page
Mailboxes			
1025	Mailboxes - Replace	2025	2-23
Signs			
1023	Monument Sign - Renovation	2036	2-24
Tree Trimming			
1024	Tree - Trimming	Unfunded	2-25

Total Funded Assets	22
Total Unfunded Assets	4
Total Assets	26

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Asset Summary Report

Description	Asset ID	Date In Service	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Streets/Asphalt									
Asphalt - Rehabilitation	2000	2035	321,100	35	0	16	515,271	123500 @	2.60
Asphalt - Surface Treatment	2017	2022	24,700	5	0	3	26,990	123500 @	0.20
Asphalt-Crack Seal	2017	2022	2,470	5	0	3	2,699	123500 @	0.02
Painting									
Block Walls - Paint	2016	2023	8,075	7	0	4	9,088	1 @	8,075.00
Wrought Iron - Paint	2016	2021	9,775	5	0	2	10,370	1 @	9,775.00
Fencing/Security									
Wrought Iron Fencing & Gates - Rep..	2016	2021	2,000	5	0	2	2,122	1 @	2,000.00
Lighting									
Lighting - Replace	*1009*	*Unfunded*							
Recreation Components									
BBQ Grill - Replace	2000	2019	350	15	0	0	350	1 @	350.00
Concrete Park Equipment - Replace	2010	2030	4,500	20	0	11	6,229	1 @	4,500.00
Playstructure - Repair	2019	2019	4,140	1	0	0	4,140	1 @	4,140.00
Playstructure - Repair/Replacement	2021	2021	1,000	2	0	2	1,061	1 @	1,000.00
Spring Mate - Replace	2006	2020	1,300	14	0	1	1,339	1 @	1,300.00
Equipment									
Access Phone - Replaced	2014	2029	3,200	15	0	10	4,301	1 @	3,200.00
Backflow Preventer - Replace	2000	2020	1,500	20	0	1	1,545	1 @	1,500.00
Gate Operators (Entry) - Replace	2008	2020	7,000	12	0	1	7,210	2 @	3,500.00
Gate Operators (Exit) - Replace	2009	2021	7,000	12	0	2	7,426	2 @	3,500.00
Irrigation Controller - Replace	2016	2031	2,325	15	0	12	3,315	1 @	2,325.00
Pet Station - Replace	2010	2025	515	15	0	6	615	1 @	515.00
Building Components									
Irrigation System - Repair	2019	2019	55,000	20	0	0	55,000	1 @	55,000.00
Grounds Components									
Concrete - Repair & Replacement	*1002*	*Unfunded*							
Granite - Replenish	2019	2019	36,319	7	0	0	36,319	490 @	74.12
Pavers - Replace	*1001*	*Unfunded*							
Playground Turf - Replace	2010	2025	10,260	15	0	6	12,251	570 @	18.00
Mailboxes									
Mailboxes - Replace	2000	2025	6,700	20	5	6	8,000	67 @	100.00
Signs									
Monument Sign - Renovation	2016	2036	500	20	0	17	826	1 @	500.00
Tree Trimming									
Tree - Trimming	*1024*	*Unfunded*							

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2019	
Recreation Components	
BBQ Grill - Replace	350
Playstructure - Repair	4,140
Building Components	
Irrigation System - Repair	55,000
Grounds Components	
Granite - Replenish	36,319
Total for 2019	**$95,809**
Replacement Year 2020	
Recreation Components	
Spring Mate - Replace	1,339
Equipment	
Backflow Preventer - Replace	1,545
Gate Operators (Entry) - Replace	7,210
Total for 2020	**$10,094**
Replacement Year 2021	
Painting	
Wrought Iron - Paint	10,370
Fencing/Security	
Wrought Iron Fencing & Gates - Repair/Replace	2,122
Recreation Components	
Playstructure - Repair/Replacement	1,061
Equipment	
Gate Operators (Exit) - Replace	7,426
Total for 2021	**$20,979**
Replacement Year 2022	
Streets/Asphalt	
Asphalt - Surface Treatment	26,990
Asphalt-Crack Seal	2,699
Total for 2022	**$29,689**

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2023	
Painting	
Block Walls - Paint	9,088
Recreation Components	
Playstructure - Repair/Replacement	1,126
Total for 2023	**$10,214**
No Replacement in 2024	
Replacement Year 2025	
Recreation Components	
Playstructure - Repair/Replacement	1,194
Equipment	
Pet Station - Replace	615
Grounds Components	
Playground Turf - Replace	12,251
Mailboxes	
Mailboxes - Replace	8,000
Total for 2025	**$22,060**
Replacement Year 2026	
Painting	
Wrought Iron - Paint	12,022
Fencing/Security	
Wrought Iron Fencing & Gates - Repair/Replace	2,460
Grounds Components	
Granite - Replenish	44,668
Total for 2026	**$59,149**
Replacement Year 2027	
Streets/Asphalt	
Asphalt - Surface Treatment	31,289
Asphalt-Crack Seal	3,129
Recreation Components	
Playstructure - Repair/Replacement	1,267
Total for 2027	**$35,685**

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
No Replacement in 2028	
Replacement Year 2029	
Recreation Components	
Playstructure - Repair/Replacement	1,344
Equipment	
Access Phone - Replaced	4,301
Total for 2029	**$5,644**
Replacement Year 2030	
Painting	
Block Walls - Paint	11,178
Recreation Components	
Concrete Park Equipment - Replace	6,229
Total for 2030	**$17,407**
Replacement Year 2031	
Painting	
Wrought Iron - Paint	13,937
Fencing/Security	
Wrought Iron Fencing & Gates - Repair/Replace	2,852
Recreation Components	
Playstructure - Repair/Replacement	1,426
Equipment	
Irrigation Controller - Replace	3,315
Total for 2031	**$21,529**
Replacement Year 2032	
Streets/Asphalt	
Asphalt - Surface Treatment	36,273
Asphalt-Crack Seal	3,627
Equipment	
Gate Operators (Entry) - Replace	10,280
Total for 2032	**$50,180**

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2033	
Recreation Components	
Playstructure - Repair/Replacement	1,513
Equipment	
Gate Operators (Exit) - Replace	10,588
Grounds Components	
Granite - Replenish	54,935
Total for 2033	**$67,036**
Replacement Year 2034	
Recreation Components	
BBQ Grill - Replace	545
Spring Mate - Replace	2,025
Total for 2034	**$2,571**
Replacement Year 2035	
Streets/Asphalt	
Asphalt - Rehabilitation	515,271
Recreation Components	
Playstructure - Repair/Replacement	1,605
Total for 2035	**$516,876**
Replacement Year 2036	
Painting	
Wrought Iron - Paint	16,157
Fencing/Security	
Wrought Iron Fencing & Gates - Repair/Replace	3,306
Signs	
Monument Sign - Renovation	826
Total for 2036	**$20,289**
Replacement Year 2037	
Streets/Asphalt	
Asphalt - Surface Treatment	42,050

Description	Expenditures
Replacement Year 2037 continued...	
Asphalt-Crack Seal	4,205
Painting	
Block Walls - Paint	13,747
Recreation Components	
Playstructure - Repair/Replacement	1,702
Total for 2037	**$61,705**
No Replacement in 2038	
Replacement Year 2039	
Recreation Components	
Playstructure - Repair/Replacement	1,806
Building Components	
Irrigation System - Repair	99,336
Total for 2039	**$101,142**
Replacement Year 2040	
Equipment	
Backflow Preventer - Replace	2,790
Pet Station - Replace	958
Grounds Components	
Granite - Replenish	67,564
Playground Turf - Replace	19,087
Total for 2040	**$90,399**
Replacement Year 2041	
Painting	
Wrought Iron - Paint	18,730
Fencing/Security	
Wrought Iron Fencing & Gates - Repair/Replace	3,832
Recreation Components	
Playstructure - Repair/Replacement	1,916
Total for 2041	**$24,478**

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2042	
Streets/Asphalt	
Asphalt - Surface Treatment	48,748
Asphalt-Crack Seal	4,875
Total for 2042	**$53,622**
Replacement Year 2043	
Recreation Components	
Playstructure - Repair/Replacement	2,033
Total for 2043	**$2,033**
Replacement Year 2044	
Painting	
Block Walls - Paint	16,907
Equipment	
Access Phone - Replaced	6,700
Gate Operators (Entry) - Replace	14,656
Total for 2044	**$38,264**
Replacement Year 2045	
Recreation Components	
Playstructure - Repair/Replacement	2,157
Equipment	
Gate Operators (Exit) - Replace	15,096
Mailboxes	
Mailboxes - Replace	14,449
Total for 2045	**$31,702**
Replacement Year 2046	
Painting	
Wrought Iron - Paint	21,713
Fencing/Security	
Wrought Iron Fencing & Gates - Repair/Replace	4,443
Equipment	
Irrigation Controller - Replace	5,164
Total for 2046	**$31,320**

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2047	
Streets/Asphalt	
Asphalt - Surface Treatment	56,512
Asphalt-Crack Seal	5,651
Recreation Components	
Playstructure - Repair/Replacement	2,288
Grounds Components	
Granite - Replenish	83,095
Total for 2047	**$147,546**
Replacement Year 2048	
Recreation Components	
Spring Mate - Replace	3,064
Total for 2048	**$3,064**

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Streets/Asphalt										
Asphalt - Rehabilitation										
Asphalt - Surface Treatment				26,990					31,289	
Asphalt-Crack Seal				2,699					3,129	
Streets/Asphalt Total:				**29,689**					**34,418**	
Painting										
Block Walls - Paint					9,088					
Wrought Iron - Paint			10,370					12,022		
Painting Total:			**10,370**		**9,088**			**12,022**		
Fencing/Security										
Wrought Iron Fencing & Gates - Repair/Replace			2,122					2,460		
Fencing/Security Total:			**2,122**					**2,460**		
Lighting										
Lighting - Replace	*Unfunded*									
Recreation Components										
BBQ Grill - Replace	350									
Concrete Park Equipment - Replace										
Playstructure - Repair	4,140									
Playstructure - Repair/Replacement			1,061		1,126		1,194		1,267	
Spring Mate - Replace		1,339								
Recreation Components Total:	**4,490**	**1,339**	**1,061**		**1,126**		**1,194**		**1,267**	
Equipment										
Access Phone - Replaced										
Backflow Preventer - Replace		1,545								
Gate Operators (Entry) - Replace		7,210								
Gate Operators (Exit) - Replace			7,426							
Irrigation Controller - Replace										
Pet Station - Replace							615			
Equipment Total:		**8,755**	**7,426**				**615**			

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Building Components										
Irrigation System - Repair	55,000									
Building Components Total:	**55,000**									
Grounds Components										
Concrete - Repair & Replacement	*Unfunded*									
Granite - Replenish	36,319							44,668		
Pavers - Replace	*Unfunded*									
Playground Turf - Replace							12,251			
Grounds Components Total:	**36,319**						**12,251**	**44,668**		
Mailboxes										
Mailboxes - Replace							8,000			
Mailboxes Total:							**8,000**			
Signs										
Monument Sign - Renovation										
Signs Total:										
Tree Trimming										
Tree - Trimming	*Unfunded*									
Year Total:	**95,809**	**10,094**	**20,979**	**29,689**	**10,214**		**22,060**	**59,149**	**35,685**	

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Streets/Asphalt										
Asphalt - Rehabilitation							515,271			
Asphalt - Surface Treatment				36,273					42,050	
Asphalt-Crack Seal				3,627					4,205	
Streets/Asphalt Total:				**39,900**			**515,271**		**46,255**	
Painting										
Block Walls - Paint		11,178							13,747	
Wrought Iron - Paint			13,937					16,157		
Painting Total:		**11,178**	**13,937**					**16,157**	**13,747**	
Fencing/Security										
Wrought Iron Fencing & Gates - Repair/Replace			2,852					3,306		
Fencing/Security Total:			**2,852**					**3,306**		
Lighting										
Lighting - Replace	*Unfunded*									
Recreation Components										
BBQ Grill - Replace						545				
Concrete Park Equipment - Replace		6,229								
Playstructure - Repair										
Playstructure - Repair/Replacement	1,344		1,426		1,513		1,605		1,702	
Spring Mate - Replace						2,025				
Recreation Components Total:	**1,344**	**6,229**	**1,426**		**1,513**	**2,571**	**1,605**		**1,702**	
Equipment										
Access Phone - Replaced	4,301									
Backflow Preventer - Replace										
Gate Operators (Entry) - Replace				10,280						
Gate Operators (Exit) - Replace					10,588					
Irrigation Controller - Replace			3,315							
Pet Station - Replace										
Equipment Total:	**4,301**		**3,315**	**10,280**	**10,588**					

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Building Components										
Irrigation System - Repair										
Building Components Total:										
Grounds Components										
Concrete - Repair & Replacement	*Unfunded*									
Granite - Replenish					54,935					
Pavers - Replace	*Unfunded*									
Playground Turf - Replace										
Grounds Components Total:					**54,935**					
Mailboxes										
Mailboxes - Replace										
Mailboxes Total:										
Signs										
Monument Sign - Renovation								826		
Signs Total:								**826**		
Tree Trimming										
Tree - Trimming	*Unfunded*									
Year Total:	**5,644**	**17,407**	**21,529**	**50,180**	**67,036**	**2,571**	**516,876**	**20,289**	**61,705**	

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Streets/Asphalt										
Asphalt - Rehabilitation										
Asphalt - Surface Treatment				48,748					56,512	
Asphalt-Crack Seal				4,875					5,651	
Streets/Asphalt Total:				**53,622**					**62,163**	
Painting										
Block Walls - Paint						16,907				
Wrought Iron - Paint			18,730					21,713		
Painting Total:			**18,730**			**16,907**		**21,713**		
Fencing/Security										
Wrought Iron Fencing & Gates - Repair/Replace			3,832					4,443		
Fencing/Security Total:			**3,832**					**4,443**		
Lighting										
Lighting - Replace	*Unfunded*									
Recreation Components										
BBQ Grill - Replace										
Concrete Park Equipment - Replace										
Playstructure - Repair										
Playstructure - Repair/Replacement	1,806		1,916		2,033		2,157		2,288	
Spring Mate - Replace										3,064
Recreation Components Total:	**1,806**		**1,916**		**2,033**		**2,157**		**2,288**	**3,064**
Equipment										
Access Phone - Replaced						6,700				
Backflow Preventer - Replace		2,790								
Gate Operators (Entry) - Replace						14,656				
Gate Operators (Exit) - Replace							15,096			
Irrigation Controller - Replace								5,164		
Pet Station - Replace		958								
Equipment Total:		**3,748**				**21,357**	**15,096**	**5,164**		

SUMMIT SHADOWS HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Building Components										
Irrigation System - Repair	99,336									
Building Components Total:	**99,336**									
Grounds Components										
Concrete - Repair & Replacement	*Unfunded*									
Granite - Replenish		67,564							83,095	
Pavers - Replace	*Unfunded*									
Playground Turf - Replace		19,087								
Grounds Components Total:		**86,650**							**83,095**	
Mailboxes										
Mailboxes - Replace							14,449			
Mailboxes Total:							**14,449**			
Signs										
Monument Sign - Renovation										
Signs Total:										
Tree Trimming										
Tree - Trimming	*Unfunded*									
Year Total:	**101,142**	**90,399**	**24,478**	**53,622**	**2,033**	**38,264**	**31,702**	**31,320**	**147,546**	**3,064**