Reserve Analysis Report

Sun West Trails
Chandler, Arizona
Version 004
March 13, 2021

Advanced Reserve Solutions
2761 E. Bridgeport Pkwy - Gilbert, AZ 85295
Email: tthompson@arsinc.com
Phone (480) 473-7643

www.arsinc.com

Sun West Trails

Table of Contents

Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

The Board of Directors of an association has a fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget
Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

Percent Funded
Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the

reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections
Indicate the "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

Inventory
Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

♦ ♦ ♦ ♦ RESERVE FUNDING GOALS / OBJECTIVES ♦ ♦ ♦ ♦

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding
Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding
Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

Threshold Funding
Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding
Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

♦ ♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS ♦ ♦ ♦ ♦

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

Component Calculation Method
This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line"

method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

Preface

	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55
Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

Cash Flow Calculation Method

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding). Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The **Directed Cash Flow Calculation Method** is our primary calculation method. It allows for several funding strategies to be manually tested until the optimal funding strategy accomplishing three goals is created:

Goal #1: Ensures that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period (typically 30 years)

Goal #2: Uniformly distributes the costs of replacements over time to benefit both current & future members of the association by using consistent, incremental contribution increases

Goal #3: Provides for the lowest reserve funding recommendation as possible over time with the goal of approaching, reaching and/or maintaining a 100% fully funded reserve balance

These very important aspects of the **Directed Cash Flow Calculation Method** will greatly aid the board of directors during the annual budgeting process.

Preface

♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

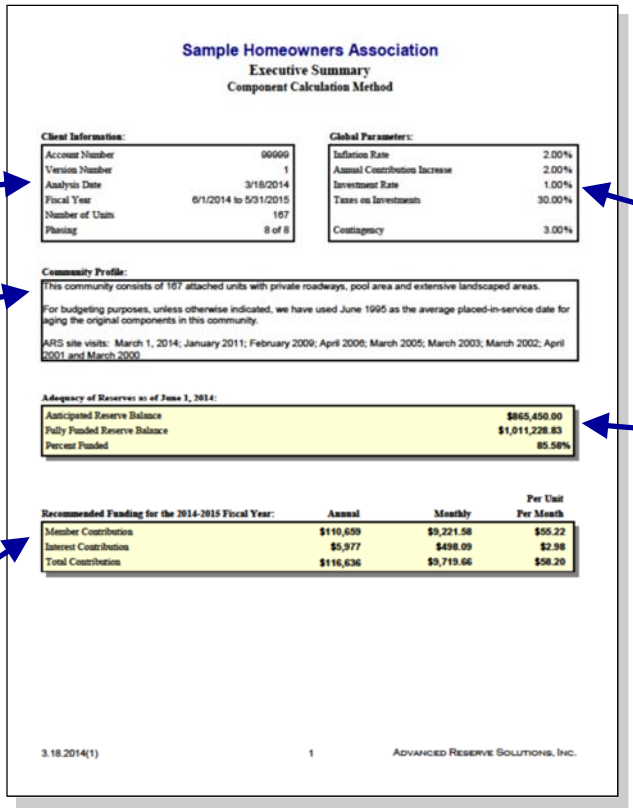
Executive Summary

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information
Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

Community Profile
Provides brief description of the community, as well as other "global" type comments.

Budget
Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution



Sample Homeowners Association
Executive Summary
Component Calculation Method

Client Information:

Account Number	99999
Version Number	1
Analysis Date	3/18/2014
Fiscal Year	6/1/2014 to 5/31/2015
Number of Units	167
Phasing	8 of 8

Global Parameters:

Inflation Rate	2.00%
Annual Contribution Increase	2.00%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile:
This community consists of 167 attached units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.

ARS site visits: March 1, 2014; January 2011; February 2009; April 2006; March 2005; March 2003; March 2002; April 2001 and March 2000

Adequacy of Reserves as of June 1, 2014:

Anticipated Reserve Balance	$865,450.00
Fully Funded Reserve Balance	$1,011,228.83
Percent Funded	85.58%

Recommended Funding for the 2014-2015 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	$110,659	$9,221.58	$55.22
Interest Contribution	$5,977	$498.09	$2.98
Total Contribution	$116,636	$9,719.66	$58.20

3.18.2014(1) 1 Advanced Reserve Solutions, Inc.

Global Parameters
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.

Adequacy of Reserves
Displays the results of calculations with regard to the "health" of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

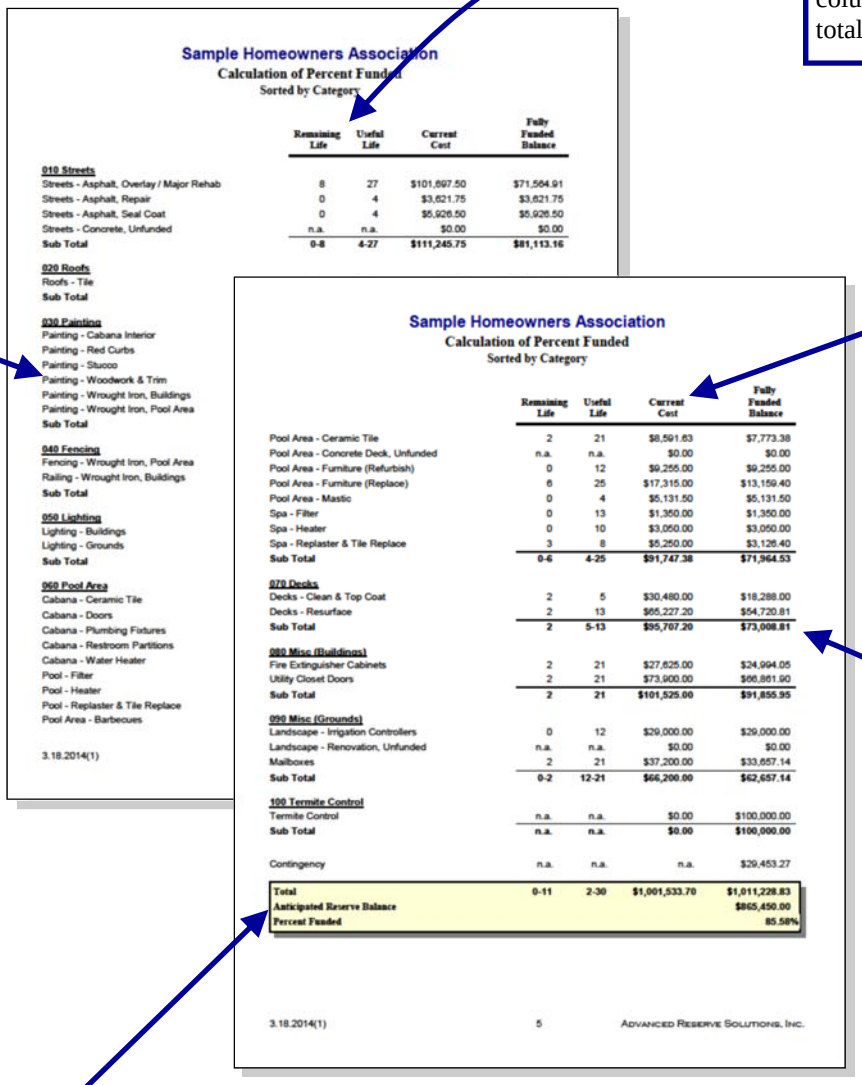
Preface

Calculation of Percent Funded

Summary displays all reserve components, shown here in "category" order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Reserve Components
All components are displayed (shown here in "category" order).



Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	8	27	$101,697.50	$71,564.91
Streets - Asphalt, Repair	0	4	$3,621.75	$3,621.75
Streets - Asphalt, Seal Coat	0	4	$5,926.50	$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-8**	**4-27**	**$111,245.75**	**$81,113.16**
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				

3.18.2014(1)

Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	$8,591.63	$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	$0.00	$0.00
Pool Area - Furniture (Refurbish)	0	12	$9,255.00	$9,255.00
Pool Area - Furniture (Replace)	6	25	$17,315.00	$13,159.40
Pool Area - Mastic	0	4	$5,131.50	$5,131.50
Spa - Filter	0	13	$1,350.00	$1,350.00
Spa - Heater	0	10	$3,050.00	$3,050.00
Spa - Replaster & Tile Replace	3	8	$5,250.00	$3,126.40
Sub Total	**0-6**	**4-25**	**$91,747.38**	**$71,964.53**
070 Decks				
Decks - Clean & Top Coat	2	5	$30,480.00	$18,288.00
Decks - Resurface	2	13	$65,227.20	$54,720.81
Sub Total	**2**	**5-13**	**$95,707.20**	**$73,008.81**
080 Misc (Buildings)				
Fire Extinguisher Cabinets	2	21	$27,625.00	$24,994.05
Utility Closet Doors	2	21	$73,900.00	$66,861.90
Sub Total	**2**	**21**	**$101,525.00**	**$91,855.95**
090 Misc (Grounds)				
Landscape - Irrigation Controllers	0	12	$29,000.00	$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	$0.00	$0.00
Mailboxes	2	21	$37,200.00	$33,657.14
Sub Total	**0-2**	**12-21**	**$66,200.00**	**$62,657.14**
100 Termite Control				
Termite Control	n.a.	n.a.	$0.00	$100,000.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$100,000.00**
Contingency	n.a.	n.a.	n.a.	$29,453.27
Total	**0-11**	**2-30**	**$1,001,533.70**	**$1,011,228.83**
Anticipated Reserve Balance				**$865,450.00**
Percent Funded				**85.58%**

3.18.2014(1) 5 Advanced Reserve Solutions, Inc.

Current Cost
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.

Preface

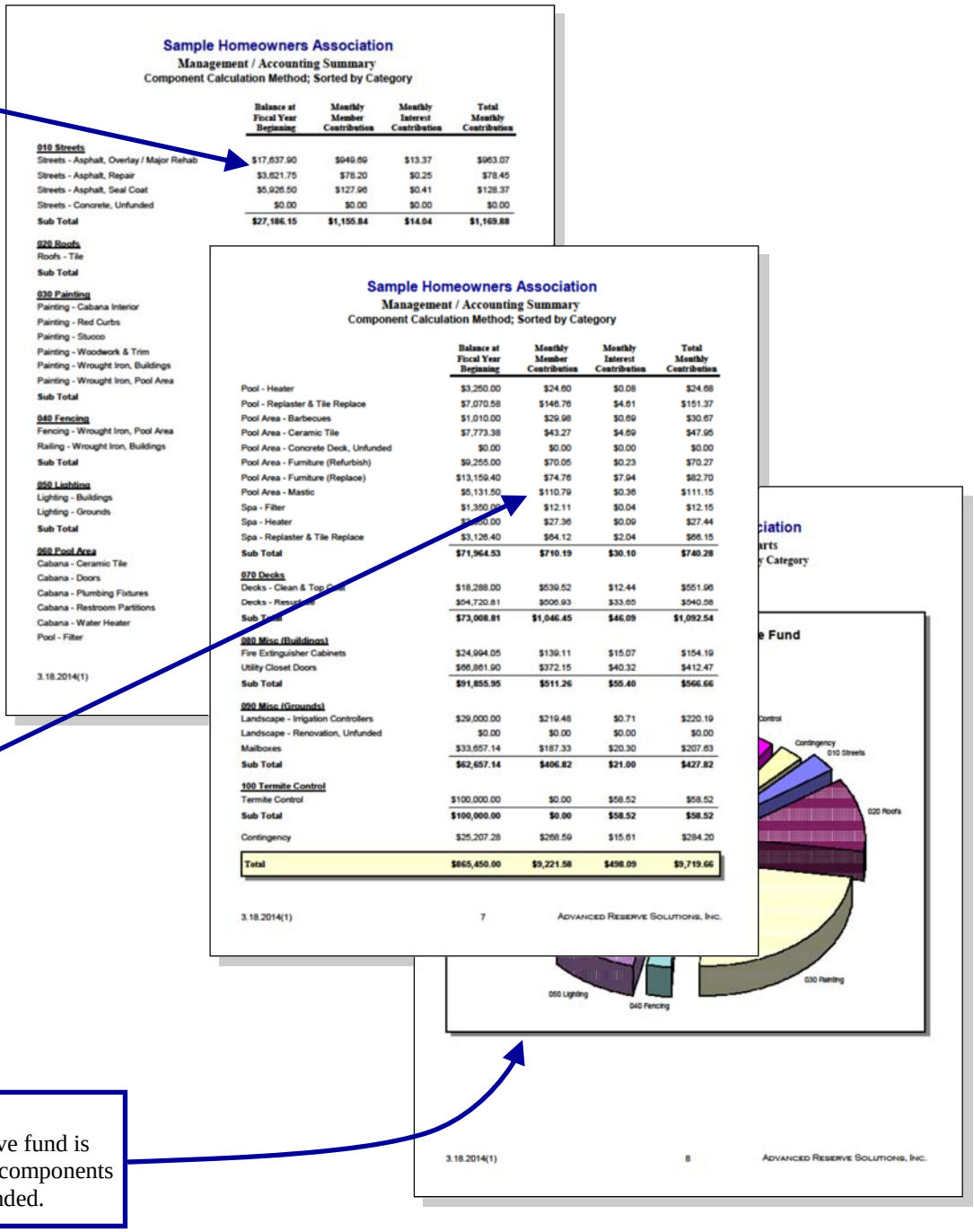
Management / Accounting Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

Balance at FYB
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

Monthly Funding
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

Pie Charts
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.



Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	$17,637.90	$949.69	$13.37	$963.07
Streets - Asphalt, Repair	$3,621.75	$78.20	$0.25	$78.45
Streets - Asphalt, Seal Coat	$5,926.50	$127.96	$0.41	$128.37
Streets - Concrete, Unfunded	$0.00	$0.00	$0.00	$0.00
Sub Total	$27,186.15	$1,155.84	$14.04	$1,169.88
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				

3.18.2014(1)

Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Heater	$3,250.00	$24.60	$0.08	$24.68
Pool - Replaster & Tile Replace	$7,070.58	$146.76	$4.61	$151.37
Pool Area - Barbecues	$1,010.00	$29.98	$0.69	$30.67
Pool Area - Ceramic Tile	$7,773.38	$43.27	$4.69	$47.95
Pool Area - Concrete Deck, Unfunded	$0.00	$0.00	$0.00	$0.00
Pool Area - Furniture (Refurbish)	$9,255.00	$70.05	$0.23	$70.27
Pool Area - Furniture (Replace)	$13,159.40	$74.76	$7.94	$82.70
Pool Area - Mastic	$5,131.50	$110.79	$0.36	$111.15
Spa - Filter	$1,350.00	$12.11	$0.04	$12.15
Spa - Heater	$3,060.00	$27.36	$0.09	$27.44
Spa - Replaster & Tile Replace	$3,126.40	$64.12	$2.04	$66.15
Sub Total	$71,964.53	$710.19	$30.10	$740.28
070 Decks				
Decks - Clean & Top Coat	$18,288.00	$539.52	$12.44	$551.96
Decks - Resurface	$54,720.81	$506.93	$33.65	$540.58
Sub Total	$73,008.81	$1,046.45	$46.09	$1,092.54
080 Misc (Buildings)				
Fire Extinguisher Cabinets	$24,994.05	$139.11	$15.07	$154.19
Utility Closet Doors	$66,861.90	$372.15	$40.32	$412.47
Sub Total	$91,855.95	$511.26	$55.40	$566.66
090 Misc (Grounds)				
Landscape - Irrigation Controllers	$29,000.00	$219.48	$0.71	$220.19
Landscape - Renovation, Unfunded	$0.00	$0.00	$0.00	$0.00
Mailboxes	$33,657.14	$187.33	$20.30	$207.63
Sub Total	$62,657.14	$406.82	$21.00	$427.82
100 Termite Control				
Termite Control	$100,000.00	$0.00	$58.52	$58.52
Sub Total	$100,000.00	$0.00	$58.52	$58.52
Contingency	$25,207.28	$268.59	$15.61	$284.20
Total	$865,450.00	$9,221.58	$498.09	$9,719.66

3.18.2014(1) 7 Advanced Reserve Solutions, Inc.

Fund

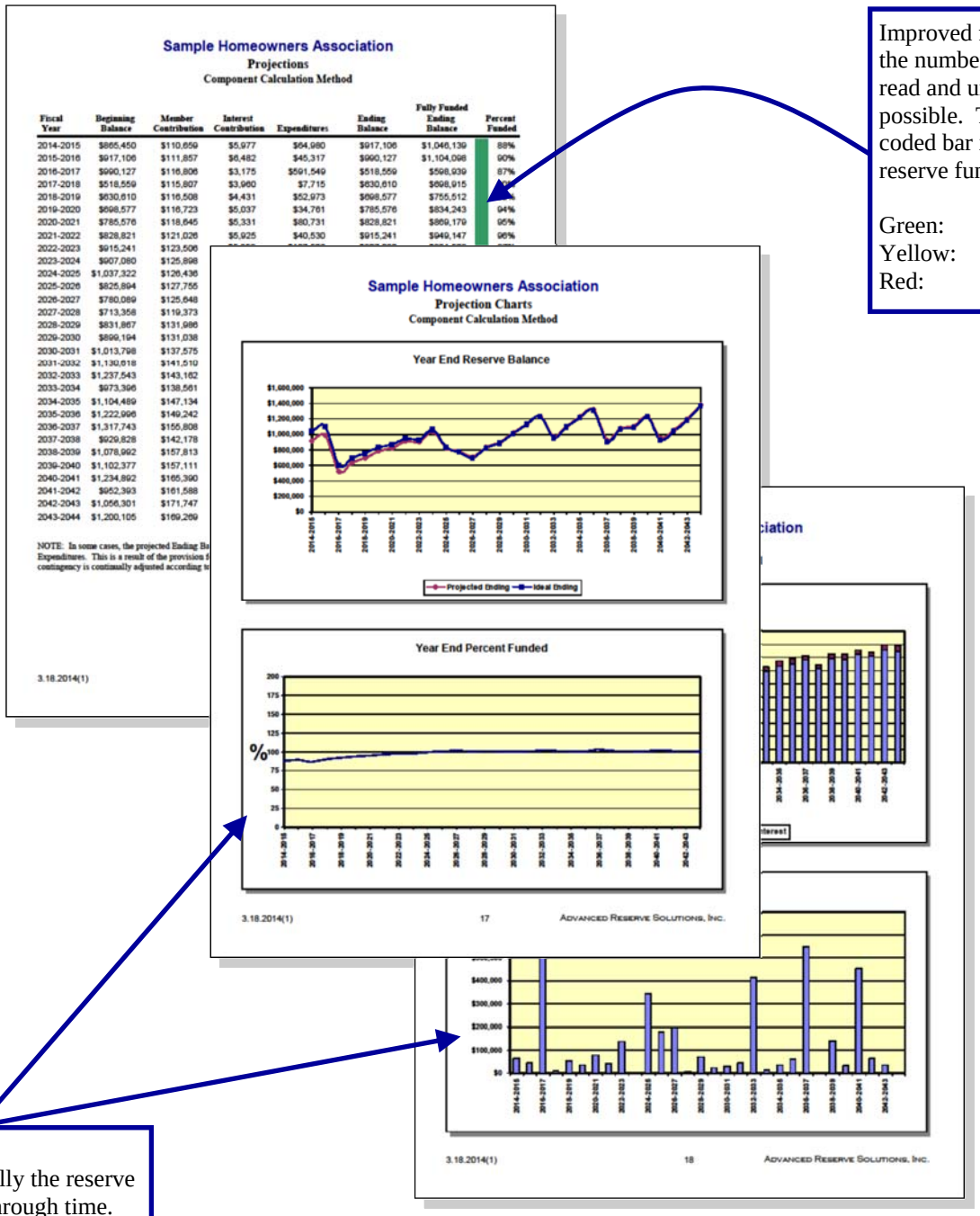
Contingency
010 Streets
020 Roofs
030 Painting
040 Fencing
050 Lighting

3.18.2014(1) 8 Advanced Reserve Solutions, Inc.

Preface

Projections and Charts

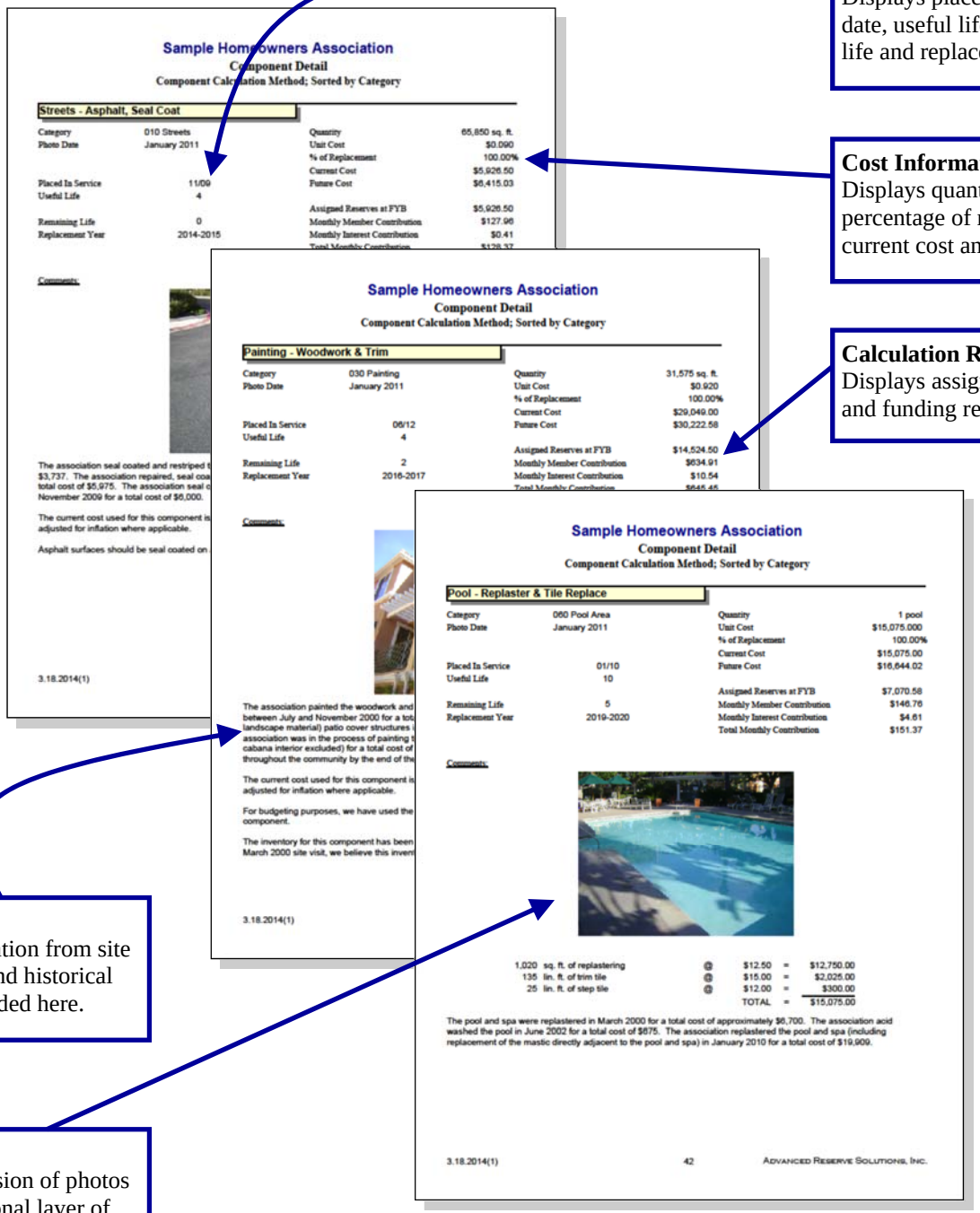
Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



Preface

Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.



Lifespan Information
Displays placed-in-service date, useful life, remaining life and replacement year.

Cost Information
Displays quantity, unit cost, percentage of replacement, current cost and future cost.

Calculation Results
Displays assigned reserves and funding requirements.

Comments
Useful information from site observations and historical expenses included here.

Photos
Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

Preface

♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

Annual Contribution Increase Parameter
The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of "reserve funding calculation methods" in this preface for more detail on this parameter.

Anticipated Reserve Balance (or Reserve Funds)
The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and "Fixed" Assigned Funds)
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered "fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, "fixed" funds of $20,000 can be assigned.

Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Component Calculation Method
Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Contingency Parameter
The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

Current Replacement Cost
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

Fiscal Year
Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

Fully Funded Reserve Balance (or Ideal Reserves)
The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

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

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost
The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters
The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter
The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution
The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

Investment Rate Parameter
The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

Membership Contribution
The amount of money contributed to the reserve fund by the association's membership.

Monthly Contribution (and "Fixed" Monthly Contribution)
The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

Number of Units (or other assessment basis)
Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

One-Time Replacement
Used for components that will be budgeted for only once.

Percent Funded
A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Percentage of Replacement
The percentage of the reserve component that is expected to be replaced.

For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

Phasing
Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

Placed-In-Service Date
The date (month and year) that the reserve component was originally put into service or last replaced.

Remaining Life
The length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment
The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year
The fiscal year that a reserve component is scheduled to be replaced.

Reserve Components
Line items included in the reserve analysis.

Taxes on Investments Parameter
The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

Total Contribution
The sum of the membership contribution and interest contribution.

Useful Life
The length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS ♦ ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

Sun West Trails

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	3378
Version Number	004
Analysis Date	03/13/2021
Fiscal Year	1/1/2021 to 12/31/2021
Number of Lots	287
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.45 %
Annual Contribution Increase	2.45 %
Investment Rate	0.65 %
Taxes on Investments	0.00 %
Contingency	0.00 %

Community Profile:

This community was built in 2005. Refer to the Component Detail section of this report for the dates used to age each reserve component.

We have been advised that the 1/1/2021 reserve balance was $267,697.39.

Many useful lives used in this report were provided by the client (see component detail for information).

Completed Reports: 2010, 2015, 2018, 3/2021 (updated with site visit)

Adequacy of Reserves as of January 1, 2021:

Anticipated Reserve Balance	**$267,697.39**
Fully Funded Reserve Balance	**$291,906.60**
Percent Funded	**91.71%**

Recommended Funding for the 2021 Fiscal Year:	**Annual**	**Monthly**	**Per Lot Per Month**
Member Contribution	**$43,080**	**$3,590.00**	**$12.51**
Interest Contribution	**$1,580**	**$131.71**	**$0.46**
Total Contribution	**$44,660**	**$3,721.71**	**$12.97**

Sun West Trails

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Grounds - Irrigation Controllers	0	$4,650.00	$4,650.00
Grounds - Mailboxes	0	$37,700.00	$37,700.00
Paint - Ramada Support Structures	0	$1,400.00	$1,400.00
Reserve Study	0	$1,240.00	$1,240.00
Grounds - Community Signs	1	$1,028.57	$1,028.57
Grounds - Mulch Replenishment (Monuments)	1	$1,512.50	$1,512.50
Wilson Park - Tot Turf (Replace)	1	$5,101.18	$5,101.18
Paint - Walls, Letters, Steel Split Rails	2	$25,500.00	$25,500.00
Paint - Wrought Iron Fencing	2	$6,438.17	$6,438.17
Grounds - Irrigation System (Repairs)	3	$4,000.00	$4,000.00
Fencing - Wrought Iron (Replace)	4	$50,820.00	$50,820.00
Grounds - Drywells (Repair & Clean Out)	4	$1,500.00	$1,500.00
Grounds - Irrigation Booster Pump Station	4	$12,000.00	$12,000.00
Grounds - Monument Signs Letters	4	$5,400.00	$5,400.00
Grounds - Monument Signs Solar Systems	4	$9,672.41	$9,672.41
Markwood Park - Spring Mate	4	$1,000.00	$1,000.00
Roofs - Metal, Ramadas	4	$12,000.00	$12,000.00
Wilson Park - Park Equipment	4	$3,420.00	$3,420.00
Wilson Park - Spin Feature	4	$3,315.00	$3,315.00
Grounds - Landscaping (Trees & Shrubs)	6	$10,000.00	$10,000.00
Play Areas - General Repairs	6	$3,000.00	$3,000.00
Wilson Park - Sail Shade Fabric	6	$2,500.00	$2,500.00
Grounds - Tree Trimming	7	$9,375.00	$9,375.00
Wilson Park - Mulch Replenishment	7	$281.82	$281.82
Grounds - Irrigation Booster Station (VFD)	8	$1,400.00	$1,400.00
Markwood Park - Playstructure	9	$10,880.00	$10,880.00
Markwood Park - Tot Turf (Replace)	9	$2,675.20	$2,675.20
Wilson Park - Playstructure	9	$25,600.00	$25,600.00
Markwood Park - Shade Structure Fabric	10	$700.00	$700.00
Walls - Common Areas (Repair)	10	$10,698.46	$10,698.46
Grounds - Golf Cart	11	$331.25	$331.25
Grounds - Trash Receptacles (Mailboxes)	11	$1,073.33	$1,073.33

Sun West Trails

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Grounds - Granite Replenishment (2015)	14	$12,900.00	$0.00
Grounds - Monument Signs Planters	14	$2,100.00	$374.50
Markwood Park - Park Equipment (2015)	14	$480.00	$480.00
Wilson Park - Park Equipment (2015)	14	$630.00	$630.00
Grounds - Granite Replenishment (2016)	15	$8,950.00	$0.00
Grounds - Concrete Components (Unfunded)	16	$600.00	$0.00
Markwood Park - Park Equipment (2020)	19	$33.71	$0.00
Fencing - Steel Split Rail (Unfunded)	n.a.	$0.00	$0.00
Contingency	n.a.	$0.00	$0.00
Total	**0-19**	**$291,906.60**	**$267,697.39**
Percent Funded			**91.71%**

Sun West Trails

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
020 Roofs				
Roofs - Metal, Ramadas	4	20	$15,000.00	$12,000.00
Sub Total	**4**	**20**	**$15,000.00**	**$12,000.00**
030 Painting				
Paint - Ramada Support Structures	0	10	$1,400.00	$1,400.00
Paint - Walls, Letters, Steel Split Rails	2	8	$34,000.00	$25,500.00
Paint - Wrought Iron Fencing	2	8	$8,645.54	$6,438.17
Sub Total	**0-2**	**8-10**	**$44,045.54**	**$33,338.17**
040 Fencing/Walls				
Fencing - Steel Split Rail (Unfunded)	n.a.	n.a.	$0.00	$0.00
Fencing - Wrought Iron (Replace)	4	20	$63,525.00	$50,820.00
Walls - Common Areas (Repair)	10	26	$17,385.00	$10,698.46
Sub Total	**4-10**	**20-26**	**$80,910.00**	**$61,518.46**
065 Wilson Park				
Wilson Park - Mulch Replenishment	7	8	$6,200.00	$281.82
Wilson Park - Park Equipment	4	20	$4,275.00	$3,420.00
Wilson Park - Park Equipment (2015)	14	20	$2,100.00	$630.00
Wilson Park - Playstructure	9	25	$40,000.00	$25,600.00
Wilson Park - Sail Shade Fabric	6	12	$5,000.00	$2,500.00
Wilson Park - Spin Feature	4	10	$5,525.00	$3,315.00
Wilson Park - Tot Turf (Replace)	1	17	$5,420.00	$5,101.18
Sub Total	**1-14**	**8-25**	**$68,520.00**	**$40,847.99**
066 Markwood Park				
Markwood Park - Park Equipment (2015)	14	20	$1,600.00	$480.00
Markwood Park - Park Equipment (2020)	19	20	$2,595.76	$33.71
Markwood Park - Playstructure	9	25	$17,000.00	$10,880.00
Markwood Park - Shade Structure Fabric	10	12	$4,200.00	$700.00
Markwood Park - Spring Mate	4	20	$1,250.00	$1,000.00
Markwood Park - Tot Turf (Replace)	9	25	$4,180.00	$2,675.20
Sub Total	**4-19**	**12-25**	**$30,825.76**	**$15,768.91**
067 Play Areas				
Play Areas - General Repairs	6	10	$7,500.00	$3,000.00
Sub Total	**6**	**10**	**$7,500.00**	**$3,000.00**

Sun West Trails

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
100 Grounds				
Grounds - Community Signs	1	7	$1,200.00	$1,028.57
Grounds - Concrete Components (Unfunded)	16	20	$3,000.00	$600.00
Grounds - Drywells (Repair & Clean Out)	4	10	$2,500.00	$1,500.00
Grounds - Golf Cart	11	12	$3,975.00	$331.25
Grounds - Granite Replenishment (2015)	14	20	$43,000.00	$12,900.00
Grounds - Granite Replenishment (2016)	15	20	$35,800.00	$8,950.00
Grounds - Irrigation Booster Pump Station	4	20	$15,000.00	$12,000.00
Grounds - Irrigation Booster Station (VFD)	8	10	$7,000.00	$1,400.00
Grounds - Irrigation Controllers	0	10	$4,650.00	$4,650.00
Grounds - Irrigation System (Repairs)	3	5	$10,000.00	$4,000.00
Grounds - Landscaping (Trees & Shrubs)	6	10	$25,000.00	$10,000.00
Grounds - Mailboxes	0	15	$37,700.00	$37,700.00
Grounds - Monument Signs Letters	4	20	$6,750.00	$5,400.00
Grounds - Monument Signs Planters	14	20	$7,000.00	$2,100.00
Grounds - Monument Signs Solar Systems	4	10	$16,500.00	$9,672.41
Grounds - Mulch Replenishment (Monuments)	1	2	$3,025.00	$1,512.50
Grounds - Trash Receptacles (Mailboxes)	11	15	$4,025.00	$1,073.33
Grounds - Tree Trimming	7	12	$22,500.00	$9,375.00
Sub Total	**0-16**	**2-20**	**$248,625.00**	**$124,193.07**
110 Miscellaneous				
Reserve Study	0	3	$1,240.00	$1,240.00
Sub Total	**0**	**3**	**$1,240.00**	**$1,240.00**
Contingency	n.a.	n.a.	n.a.	$0.00
Total	**0-19**	**2-26**	**$496,666.30**	**$291,906.60**
Anticipated Reserve Balance				**$267,697.39**
Percent Funded				**91.71%**

Sun West Trails

Projections

Directed Cash Flow Calculation Method

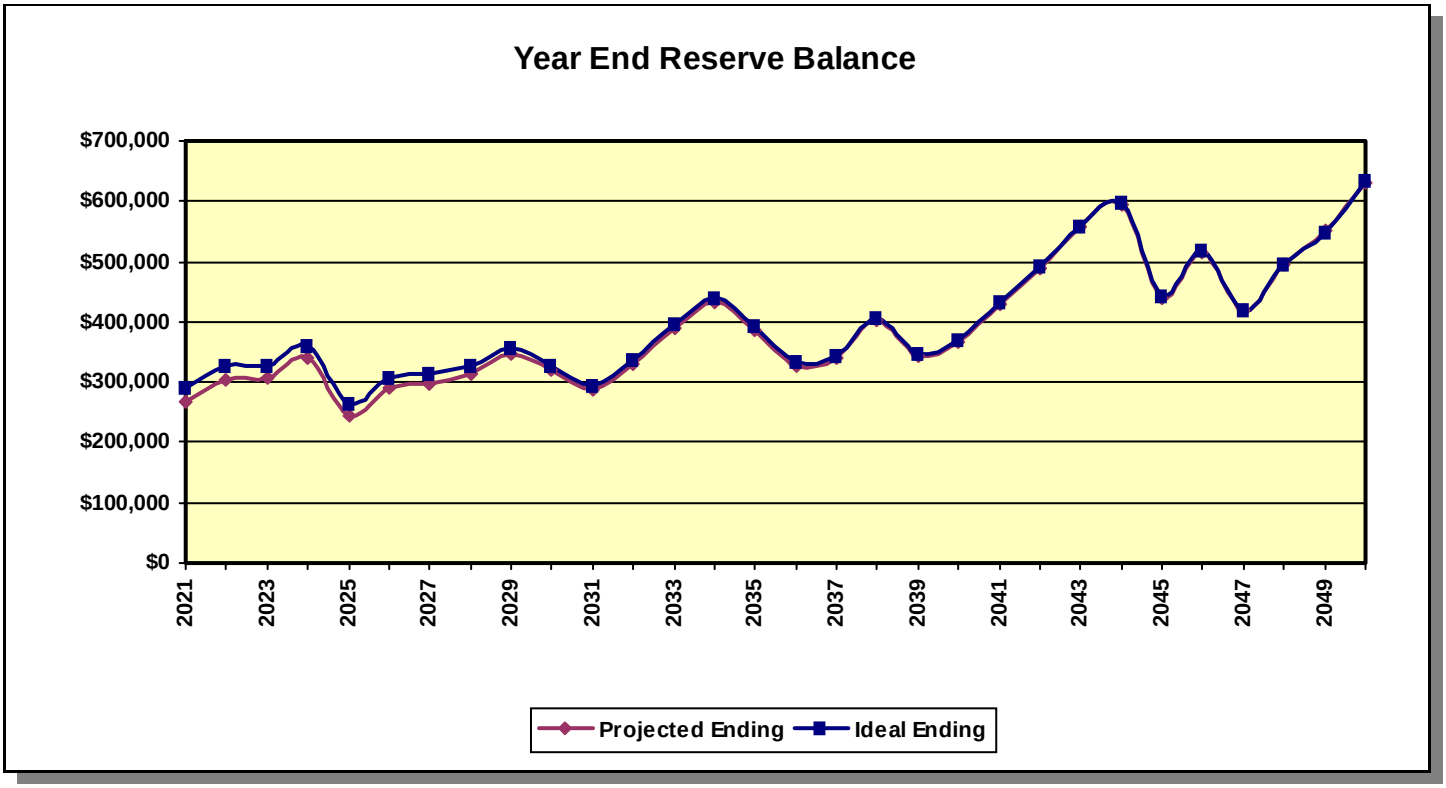
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2021	$267,697	$43,080	$1,580	$44,990	$267,368	$290,463	92%
2022	$267,368	$44,135	$1,810	$9,881	$303,432	$325,821	93%
2023	$303,432	$45,217	$1,821	$44,761	$305,710	$327,226	93%
2024	$305,710	$46,325	$2,031	$15,339	$338,726	$359,771	94%
2025	$338,726	$47,460	$1,414	$143,574	$244,026	$262,658	93%
2026	$244,026	$48,622	$1,714	$3,414	$290,948	$307,768	95%
2027	$290,948	$49,814	$1,753	$44,795	$297,720	$312,622	95%
2028	$297,720	$51,034	$1,848	$37,582	$313,019	$325,957	96%
2029	$313,019	$52,284	$2,053	$22,089	$345,268	$356,575	97%
2030	$345,268	$53,565	$1,880	$81,374	$319,340	$328,314	97%
2031	$319,340	$54,878	$1,662	$89,527	$286,352	$294,107	97%
2032	$286,352	$56,222	$1,941	$14,388	$330,127	$337,254	98%
2033	$330,127	$57,600	$2,313	$1,658	$388,382	$395,742	98%
2034	$388,382	$59,011	$2,592	$17,842	$432,143	$440,355	98%
2035	$432,143	$60,457	$2,282	$109,777	$385,104	$393,176	98%
2036	$385,104	$61,938	$1,897	$122,445	$326,494	$333,198	98%
2037	$326,494	$63,455	$1,977	$52,290	$339,636	$344,993	98%
2038	$339,636	$65,010	$2,378	$4,565	$402,460	$407,372	99%
2039	$402,460	$66,603	$1,983	$128,738	$342,307	$345,500	99%
2040	$342,307	$68,234	$2,145	$44,540	$368,146	$369,836	100%
2041	$368,146	$69,906	$2,545	$9,817	$430,780	$431,848	100%
2042	$430,780	$71,619	$2,917	$16,101	$489,215	$490,486	100%
2043	$489,215	$73,373	$3,348	$9,197	$556,739	$559,214	100%
2044	$556,739	$75,171	$3,590	$40,482	$595,018	$599,196	99%
2045	$595,018	$77,013	$2,576	$235,195	$439,412	$442,334	99%
2046	$439,412	$78,900	$3,064	$5,540	$515,836	$518,611	99%
2047	$515,836	$80,833	$2,423	$181,171	$417,921	$418,565	100%
2048	$417,921	$82,813	$2,918	$8,199	$495,453	$495,063	100%
2049	$495,453	$84,842	$3,265	$33,480	$550,080	$549,363	100%
2050	$550,080	$86,921	$3,790	$8,525	$632,266	$632,434	100%

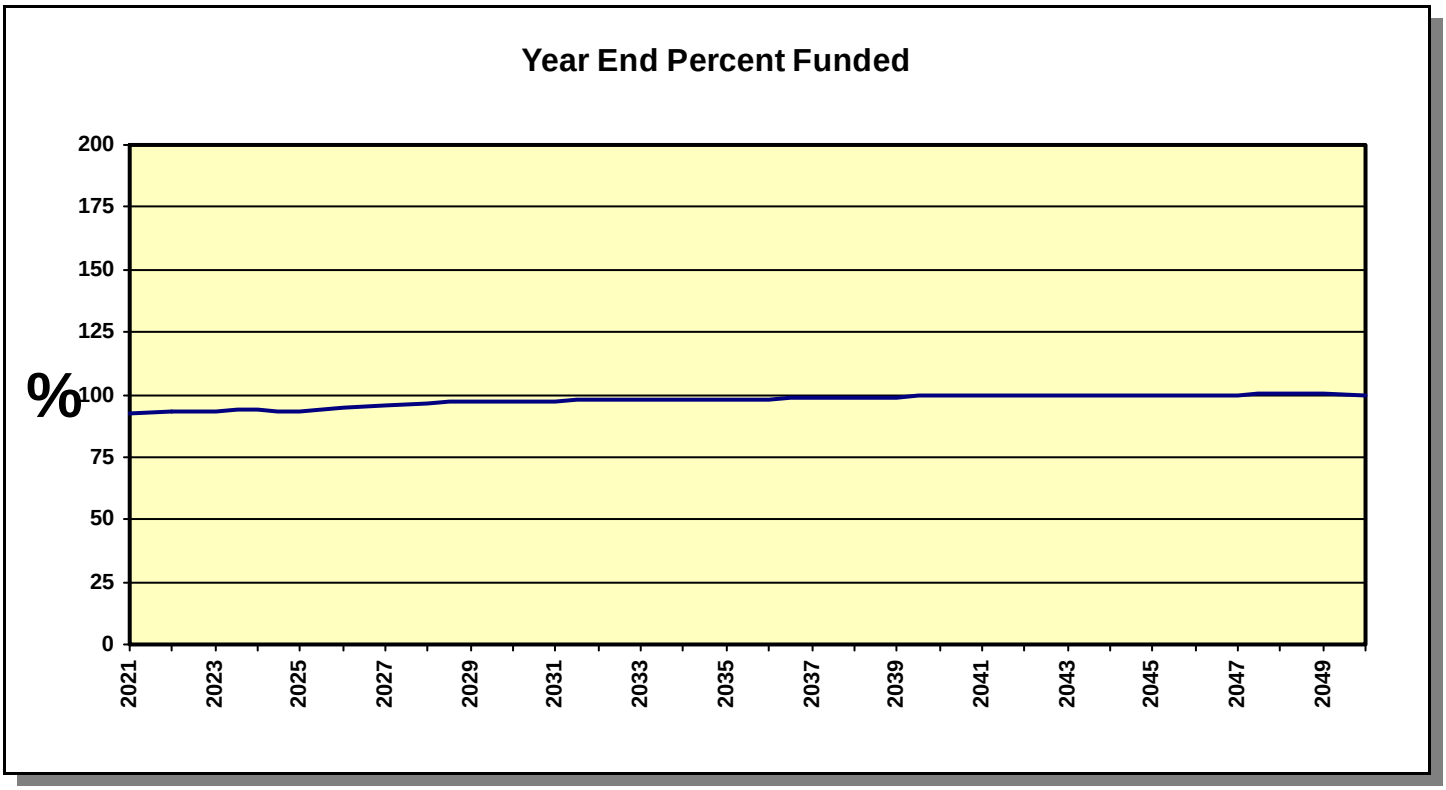
NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

Sun West Trails

Projection Charts

Directed Cash Flow Calculation Method

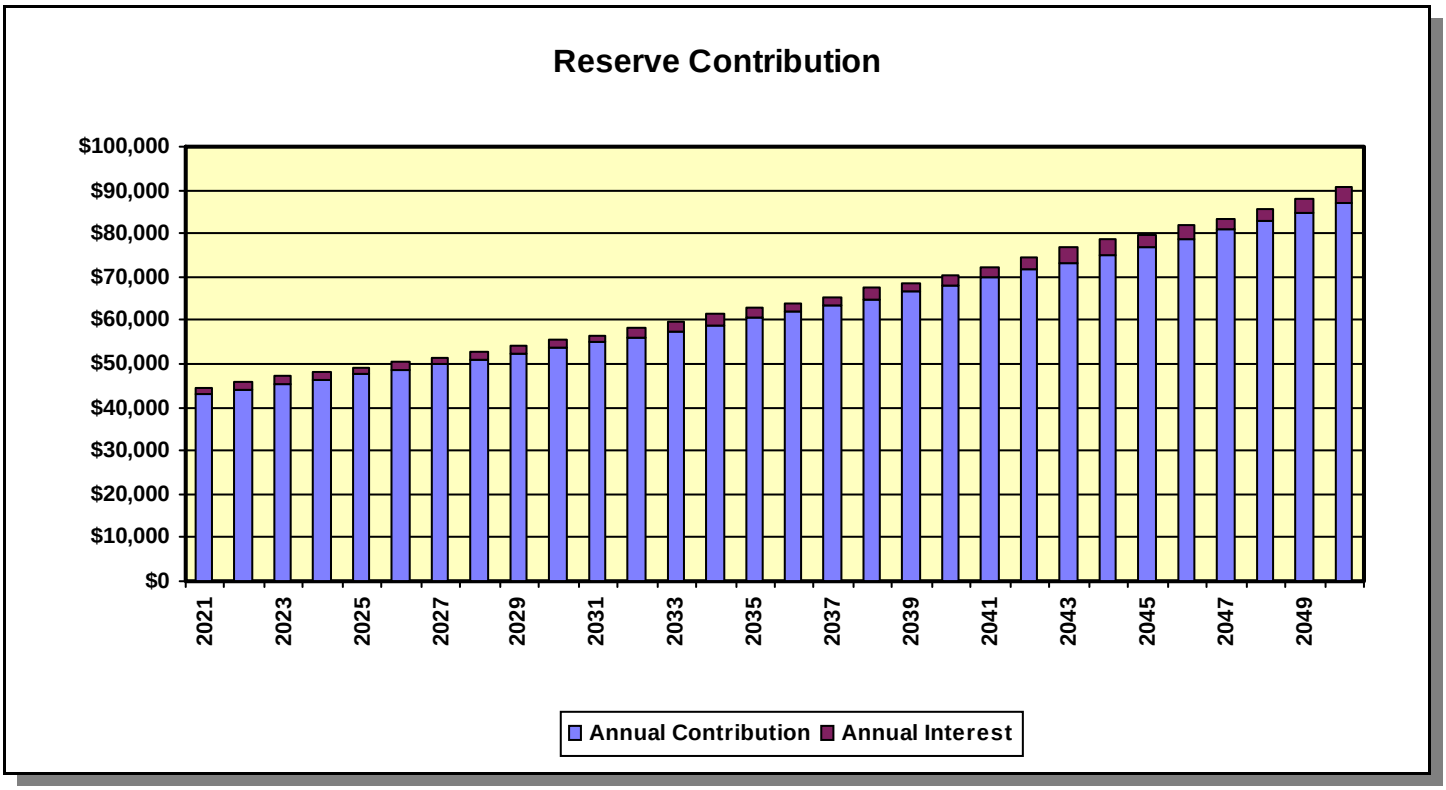


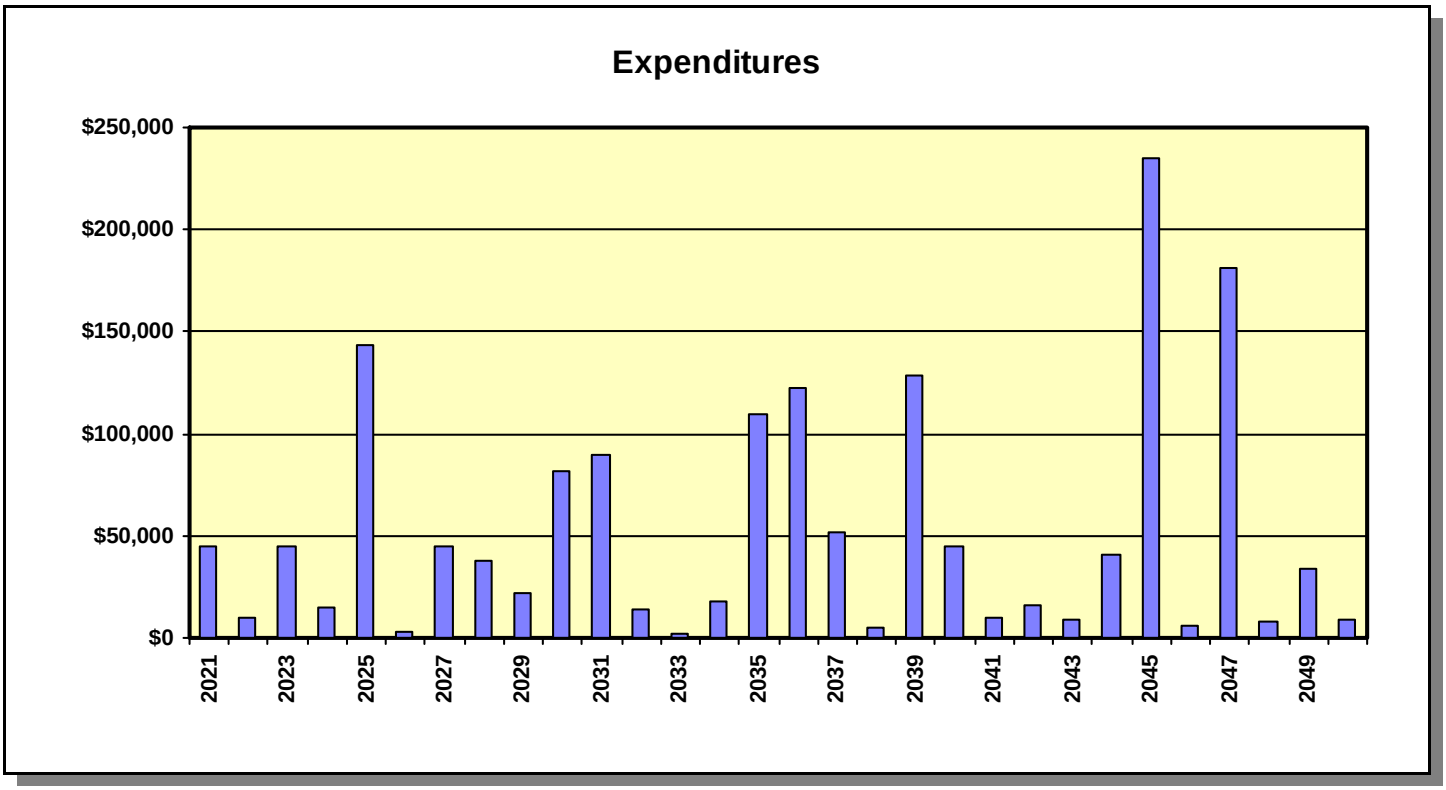


Sun West Trails

Projection Charts

Directed Cash Flow Calculation Method





Sun West Trails

Annual Expenditure Detail

Sorted by Description

2021 Fiscal Year	
Grounds - Irrigation Controllers	$4,650.00
Grounds - Mailboxes	$37,700.00
Paint - Ramada Support Structures	$1,400.00
Reserve Study	$1,240.00
Sub Total	**$44,990.00**
2022 Fiscal Year	
Grounds - Community Signs	$1,229.40
Grounds - Mulch Replenishment (Monuments)	$3,099.11
Wilson Park - Tot Turf (Replace)	$5,552.79
Sub Total	**$9,881.30**
2023 Fiscal Year	
Paint - Walls, Letters, Steel Split Rails	$35,686.41
Paint - Wrought Iron Fencing	$9,074.36
Sub Total	**$44,760.77**
2024 Fiscal Year	
Grounds - Irrigation System (Repairs)	$10,753.15
Grounds - Mulch Replenishment (Monuments)	$3,252.83
Reserve Study	$1,333.39
Sub Total	**$15,339.38**
2025 Fiscal Year	
Fencing - Wrought Iron (Replace)	$69,983.00
Grounds - Drywells (Repair & Clean Out)	$2,754.15
Grounds - Irrigation Booster Pump Station	$16,524.91
Grounds - Monument Signs Letters	$7,436.21
Grounds - Monument Signs Solar Systems	$18,177.40
Markwood Park - Spring Mate	$1,377.08
Roofs - Metal, Ramadas	$16,524.91
Wilson Park - Park Equipment	$4,709.60
Wilson Park - Spin Feature	$6,086.68
Sub Total	**$143,573.93**
2026 Fiscal Year	
Grounds - Mulch Replenishment (Monuments)	$3,414.17
Sub Total	**$3,414.17**

Sun West Trails

Annual Expenditure Detail

Sorted by Description

2027 Fiscal Year	
Grounds - Landscaping (Trees & Shrubs)	$28,907.58
Play Areas - General Repairs	$8,672.28
Reserve Study	$1,433.82
Wilson Park - Sail Shade Fabric	$5,781.52
Sub Total	**$44,795.19**
2028 Fiscal Year	
Grounds - Mulch Replenishment (Monuments)	$3,583.51
Grounds - Tree Trimming	$26,654.24
Wilson Park - Mulch Replenishment	$7,344.72
Sub Total	**$37,582.47**
2029 Fiscal Year	
Grounds - Community Signs	$1,456.39
Grounds - Irrigation Booster Station (VFD)	$8,495.59
Grounds - Irrigation System (Repairs)	$12,136.56
Sub Total	**$22,088.54**
2030 Fiscal Year	
Grounds - Mulch Replenishment (Monuments)	$3,761.26
Markwood Park - Playstructure	$21,137.64
Markwood Park - Tot Turf (Replace)	$5,197.37
Reserve Study	$1,541.80
Wilson Park - Playstructure	$49,735.63
Sub Total	**$81,373.71**
2031 Fiscal Year	
Grounds - Irrigation Controllers	$5,923.42
Markwood Park - Shade Structure Fabric	$5,350.19
Paint - Ramada Support Structures	$1,783.40
Paint - Walls, Letters, Steel Split Rails	$43,311.03
Paint - Wrought Iron Fencing	$11,013.15
Walls - Common Areas (Repair)	$22,145.95
Sub Total	**$89,527.14**
2032 Fiscal Year	
Grounds - Golf Cart	$5,187.63
Grounds - Mulch Replenishment (Monuments)	$3,947.82
Grounds - Trash Receptacles (Mailboxes)	$5,252.88

Sun West Trails

Annual Expenditure Detail

Sorted by Description

Sub Total	**$14,388.32**
2033 Fiscal Year	
Reserve Study	$1,657.93
Sub Total	**$1,657.93**
2034 Fiscal Year	
Grounds - Irrigation System (Repairs)	$13,697.95
Grounds - Mulch Replenishment (Monuments)	$4,143.63
Sub Total	**$17,841.58**
2035 Fiscal Year	
Grounds - Drywells (Repair & Clean Out)	$3,508.39
Grounds - Granite Replenishment (2015)	$60,344.26
Grounds - Monument Signs Planters	$9,823.48
Grounds - Monument Signs Solar Systems	$23,155.35
Markwood Park - Park Equipment (2015)	$2,245.37
Wilson Park - Park Equipment (2015)	$2,947.05
Wilson Park - Spin Feature	$7,753.54
Sub Total	**$109,777.43**
2036 Fiscal Year	
Grounds - Community Signs	$1,725.28
Grounds - Granite Replenishment (2016)	$51,470.98
Grounds - Mailboxes	$54,202.68
Grounds - Mulch Replenishment (Monuments)	$4,349.15
Reserve Study	$1,782.79
Wilson Park - Mulch Replenishment	$8,913.97
Sub Total	**$122,444.87**
2037 Fiscal Year	
Grounds - Concrete Components (Unfunded)	$4,418.88
Grounds - Landscaping (Trees & Shrubs)	$36,824.04
Play Areas - General Repairs	$11,047.21
Sub Total	**$52,290.13**
2038 Fiscal Year	
Grounds - Mulch Replenishment (Monuments)	$4,564.87
Sub Total	**$4,564.87**

Sun West Trails

Annual Expenditure Detail

Sorted by Description

2039 Fiscal Year	
Grounds - Irrigation Booster Station (VFD)	$10,822.15
Grounds - Irrigation System (Repairs)	$15,460.21
Paint - Walls, Letters, Steel Split Rails	$52,564.71
Paint - Wrought Iron Fencing	$13,366.18
Reserve Study	$1,917.07
Walls - Common Areas (Repair)	$26,877.57
Wilson Park - Sail Shade Fabric	$7,730.10
Sub Total	**$128,737.98**
2040 Fiscal Year	
Grounds - Mulch Replenishment (Monuments)	$4,791.29
Grounds - Tree Trimming	$35,637.71
Markwood Park - Park Equipment (2020)	$4,111.42
Sub Total	**$44,540.42**
2041 Fiscal Year	
Grounds - Irrigation Controllers	$7,545.57
Paint - Ramada Support Structures	$2,271.79
Sub Total	**$9,817.36**
2042 Fiscal Year	
Grounds - Mulch Replenishment (Monuments)	$5,028.94
Reserve Study	$2,061.45
Wilson Park - Tot Turf (Replace)	$9,010.53
Sub Total	**$16,100.93**
2043 Fiscal Year	
Grounds - Community Signs	$2,043.83
Markwood Park - Shade Structure Fabric	$7,153.40
Sub Total	**$9,197.23**
2044 Fiscal Year	
Grounds - Golf Cart	$6,936.05
Grounds - Irrigation System (Repairs)	$17,449.18
Grounds - Mulch Replenishment (Monuments)	$5,278.38
Wilson Park - Mulch Replenishment	$10,818.49
Sub Total	**$40,482.11**
2045 Fiscal Year	
Fencing - Wrought Iron (Replace)	$113,561.67

Sun West Trails

Annual Expenditure Detail

Sorted by Description

Grounds - Drywells (Repair & Clean Out)	$4,469.17
Grounds - Irrigation Booster Pump Station	$26,815.03
Grounds - Monument Signs Letters	$12,066.77
Grounds - Monument Signs Solar Systems	$29,496.54
Markwood Park - Spring Mate	$2,234.59
Reserve Study	$2,216.71
Roofs - Metal, Ramadas	$26,815.03
Wilson Park - Park Equipment	$7,642.28
Wilson Park - Spin Feature	$9,876.87
Sub Total	**$235,194.67**
2046 Fiscal Year	
Grounds - Mulch Replenishment (Monuments)	$5,540.19
Sub Total	**$5,540.19**
2047 Fiscal Year	
Grounds - Landscaping (Trees & Shrubs)	$46,908.45
Grounds - Trash Receptacles (Mailboxes)	$7,552.26
Paint - Walls, Letters, Steel Split Rails	$63,795.49
Paint - Wrought Iron Fencing	$16,221.95
Play Areas - General Repairs	$14,072.53
Walls - Common Areas (Repair)	$32,620.13
Sub Total	**$181,170.80**
2048 Fiscal Year	
Grounds - Mulch Replenishment (Monuments)	$5,814.98
Reserve Study	$2,383.66
Sub Total	**$8,198.64**
2049 Fiscal Year	
Grounds - Irrigation Booster Station (VFD)	$13,785.83
Grounds - Irrigation System (Repairs)	$19,694.05
Sub Total	**$33,479.88**
2050 Fiscal Year	
Grounds - Community Signs	$2,421.19
Grounds - Mulch Replenishment (Monuments)	$6,103.41
Sub Total	**$8,524.59**

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Roofs - Metal, Ramadas

Category	020 Roofs	Quantity	2 ramadas
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$15,000.00
Placed In Service	01/05	Future Cost	$16,524.91
Useful Life	20		
		Assigned Reserves at FYB	$12,000.00
Remaining Life	4	Monthly Member Contribution	$79.42
Replacement Year	2025	Monthly Interest Contribution	$6.74
		Total Monthly Contribution	$86.16

Comments:

This component budgets to replace the metal ramada roofs.

Useful life per client: 20 years

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Paint - Ramada Support Structures

Category	030 Painting	Quantity	2 ramadas
		Unit Cost	$700.000
		% of Replacement	100.00%
		Current Cost	$1,400.00
Placed In Service	01/05	Future Cost	$1,783.40
Useful Life	10		
		Assigned Reserves at FYB	$1,400.00
Remaining Life	0	Monthly Member Contribution	$12.26
Replacement Year	2021	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$12.30

Comments:

This is an estimate for painting the metal ramada support structures.

Useful life per client: 10 years

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Paint - Walls, Letters, Steel Split Rails

Category	030 Painting	Quantity	1 total
		Unit Cost	$34,000.000
		% of Replacement	100.00%
		Current Cost	$34,000.00
Placed In Service	01/15	Future Cost	$35,686.41
Useful Life	8		
		Assigned Reserves at FYB	$25,500.00
Remaining Life	2	Monthly Member Contribution	$383.47
Replacement Year	2023	Monthly Interest Contribution	$15.00
		Total Monthly Contribution	$398.47

Comments:

$31,631.08 was spent between 2015 and 2017 to paint common block walls, monument letters and storm and steel split railings and bases.

Useful life per client: 8 years

Wall Measurement: 57,950 sq. ft.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Paint - Wrought Iron Fencing

Category	030 Painting	Quantity	1 total
		Unit Cost	$8,645.536
		% of Replacement	100.00%
		Current Cost	$8,645.54
Placed In Service	03/15	Future Cost	$9,074.36
Useful Life	8		
		Assigned Reserves at FYB	$6,438.17
Remaining Life	2	Monthly Member Contribution	$99.32
Replacement Year	2023	Monthly Interest Contribution	$3.79
		Total Monthly Contribution	$103.12

Comments:

JDM Painting completed a project to paint the wrought iron fencing in 3/2015 for $7,520.

Useful life per client: 8 years

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Fencing - Steel Split Rail (Unfunded)

Category	040 Fencing/Walls	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/05	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

We are not budgeting to replace the steel split rail fencing because it has an indefinite life, and should last for the life of the community if properly maintained. Any repairs should be handled on an as needed basis and the expense paid for out of the annual operating budget.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Fencing - Wrought Iron (Replace)

Category	040 Fencing/Walls	Quantity	1 total
		Unit Cost	$63,525.000
		% of Replacement	100.00%
		Current Cost	$63,525.00
Placed In Service	01/05	Future Cost	$69,983.00
Useful Life	20		
		Assigned Reserves at FYB	$50,820.00
Remaining Life	4	Monthly Member Contribution	$336.33
Replacement Year	2025	Monthly Interest Contribution	$28.54
		Total Monthly Contribution	$364.87

Comments:

1,515	LF of 5'10" fencing	@	$35.00	=	$53,025.00
300	LF of 6'0" fencing	@	$35.00	=	$10,500.00
			TOTAL	=	$63,525.00

Useful life per client: 20 years

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Walls - Common Areas (Repair)

Category	040 Fencing/Walls	Quantity	57,950 sq. ft.
		Unit Cost	$15.000
		% of Replacement	2.00%
		Current Cost	$17,385.00
Placed In Service	01/05	Future Cost	$22,145.95
Useful Life	8		
Adjustment	+18	Assigned Reserves at FYB	$10,698.46
Remaining Life	10	Monthly Member Contribution	$73.77
Replacement Year	2031	Monthly Interest Contribution	$6.01
		Total Monthly Contribution	$79.79

Comments:

This component will accumulate funds for 26 years, and then on a continuous eight (8) year cycle, for the major repair/replacement of a percentage of the common area walls. The accumulate funds should be used as needed, and the percentage budgeted for repair/replacement should be adjusted over time as conditions dictate.

The useful life for this component is based on our standard practice for wall repairs.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Wilson Park - Mulch Replenishment

Category	065 Wilson Park	Quantity	62 cubic yards
		Unit Cost	$100.000
		% of Replacement	100.00%
		Current Cost	$6,200.00
Placed In Service	09/20	Future Cost	$7,344.72
Useful Life	8		
		Assigned Reserves at FYB	$281.82
Remaining Life	7	Monthly Member Contribution	$72.56
Replacement Year	2028	Monthly Interest Contribution	$0.38
		Total Monthly Contribution	$72.94

Comments:

The Wilson Park playground sand was removed and replaced with wood playground chips in 9/2020 for $14,785. This component budgets to replenish the wood chips at 4" depth on an eight (8) year cycle.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Wilson Park - Park Equipment

Category	065 Wilson Park	Quantity	1 total
		Unit Cost	$4,275.000
		% of Replacement	100.00%
		Current Cost	$4,275.00
Placed In Service	01/05	Future Cost	$4,709.60
Useful Life	20		
		Assigned Reserves at FYB	$3,420.00
Remaining Life	4	Monthly Member Contribution	$22.63
Replacement Year	2025	Monthly Interest Contribution	$1.92
		Total Monthly Contribution	$24.56

Comments:

This component budgets for replacement of the following park equipment:

2	6' picnic tables	@	$800.00	=	$1,600.00
3	6' benches (brown)	@	$700.00	=	$2,100.00
1	trash receptacle	@	$575.00	=	$575.00
			TOTAL	=	$4,275.00

This park equipment is in fair condition.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Wilson Park - Park Equipment (2015)

Category	065 Wilson Park	Quantity	1 total
		Unit Cost	$2,100.000
		% of Replacement	100.00%
		Current Cost	$2,100.00
Placed In Service	01/15	Future Cost	$2,947.05
Useful Life	20		
		Assigned Reserves at FYB	$630.00
Remaining Life	14	Monthly Member Contribution	$10.41
Replacement Year	2035	Monthly Interest Contribution	$0.37
		Total Monthly Contribution	$10.78

Comments:

This component budgets for replacement of the following park equipment based on our standard useful life for this type of park equipment:

3 6' benches (green)	@	$700.00	=	$2,100.00
		TOTAL	=	$2,100.00

These benches were installed in 2015 for $1,737.04.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Wilson Park - Playstructure

Category	065 Wilson Park	Quantity	1 total
		Unit Cost	$40,000.000
		% of Replacement	100.00%
		Current Cost	$40,000.00
Placed In Service	01/05	Future Cost	$49,735.63
Useful Life	25		
		Assigned Reserves at FYB	$25,600.00
Remaining Life	9	Monthly Member Contribution	$175.32
Replacement Year	2030	Monthly Interest Contribution	$14.40
		Total Monthly Contribution	$189.72

Comments:

This component budgets to replace the playstructure.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Wilson Park - Sail Shade Fabric

Category	065 Wilson Park	Quantity	2 sails
		Unit Cost	$2,500.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/15	Future Cost	$5,781.52
Useful Life	12		
		Assigned Reserves at FYB	$2,500.00
Remaining Life	6	Monthly Member Contribution	$38.81
Replacement Year	2027	Monthly Interest Contribution	$1.47
		Total Monthly Contribution	$40.28

Comments:

This component budgets to replace the two (2) sail shades above the playstructure. The sail shade structures were installed in 2015.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Wilson Park - Spin Feature

Category	065 Wilson Park	Quantity	1 total
		Unit Cost	$5,525.000
		% of Replacement	100.00%
		Current Cost	$5,525.00
Placed In Service	01/15	Future Cost	$6,086.68
Useful Life	10		
		Assigned Reserves at FYB	$3,315.00
Remaining Life	4	Monthly Member Contribution	$50.65
Replacement Year	2025	Monthly Interest Contribution	$1.95
		Total Monthly Contribution	$52.60

Comments:

This component budgets to replace the play spin feature added in 2015 for $4,802.15.

Useful life per client: 10 years

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Wilson Park - Tot Turf (Replace)

Category	065 Wilson Park	Quantity	1 total
		Unit Cost	$5,420.000
		% of Replacement	100.00%
		Current Cost	$5,420.00
Placed In Service	01/05	Future Cost	$5,552.79
Useful Life	20		
Adjustment	-3	Assigned Reserves at FYB	$5,101.18
Remaining Life	1	Monthly Member Contribution	$33.07
Replacement Year	2022	Monthly Interest Contribution	$2.87
		Total Monthly Contribution	$35.94

Comments:

This component budgets for replacement of the rubber safety surface (Tot Turf) at the play area.

Installed in 1/2020 by Tot Lot Services for $5,290.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Markwood Park - Park Equipment (2015)

Category	066 Markwood Park	Quantity	1 total
		Unit Cost	$1,600.000
		% of Replacement	100.00%
		Current Cost	$1,600.00
Placed In Service	01/15	Future Cost	$2,245.37
Useful Life	20		
		Assigned Reserves at FYB	$480.00
Remaining Life	14	Monthly Member Contribution	$7.93
Replacement Year	2035	Monthly Interest Contribution	$0.29
		Total Monthly Contribution	$8.22

Comments:

This component budgets for replacement of the following park equipment:

2 6' picnic tables	@	$800.00	=	$1,600.00
		TOTAL	=	$1,600.00

This park equipment is in good condition.

Markwood Park - Park Equipment (2020)

Category	066 Markwood Park	Quantity	1 total
		Unit Cost	$2,595.760
		% of Replacement	100.00%
		Current Cost	$2,595.76
Placed In Service	10/20	Future Cost	$4,111.42
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	19	Monthly Member Contribution	$12.91
Replacement Year	2040	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$12.95

Comments:

Three (3) in-ground benches with backs (blue) and a trash receptacle (1) (blue) were installed in 10/2020 for $2,595.76.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Markwood Park - Playstructure

Category	066 Markwood Park	Quantity	1 total
		Unit Cost	$17,000.000
		% of Replacement	100.00%
		Current Cost	$17,000.00
Placed In Service	01/05	Future Cost	$21,137.64
Useful Life	25		
		Assigned Reserves at FYB	$10,880.00
Remaining Life	9	Monthly Member Contribution	$74.51
Replacement Year	2030	Monthly Interest Contribution	$6.11
		Total Monthly Contribution	$80.63

Comments:

This component budgets to replace the playstructure. The cost includes a provision for sand replenishment on an "as needed" basis.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Markwood Park - Shade Structure Fabric

Category	066 Markwood Park	Quantity	700 sq. ft.
		Unit Cost	$6.000
		% of Replacement	100.00%
		Current Cost	$4,200.00
Placed In Service	01/19	Future Cost	$5,350.19
Useful Life	12		
		Assigned Reserves at FYB	$700.00
Remaining Life	10	Monthly Member Contribution	$31.65
Replacement Year	2031	Monthly Interest Contribution	$0.48
		Total Monthly Contribution	$32.13

Comments:

This is an estimate for replacement of the shade structure fabric. This structure was installed in late 2018 by MB Outdoor Services for $7,984.35.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Markwood Park - Spring Mate

Category	066 Markwood Park	Quantity	1 total
		Unit Cost	$1,250.000
		% of Replacement	100.00%
		Current Cost	$1,250.00
Placed In Service	01/05	Future Cost	$1,377.08
Useful Life	20		
		Assigned Reserves at FYB	$1,000.00
Remaining Life	4	Monthly Member Contribution	$6.62
Replacement Year	2025	Monthly Interest Contribution	$0.56
		Total Monthly Contribution	$7.18

Comments:

1	duck spring mate	@	$1,250.00	=	$1,250.00
			TOTAL	=	$1,250.00

Markwood Park - Tot Turf (Replace)

Category	066 Markwood Park	Quantity	190 sq. ft.
		Unit Cost	$22.000
		% of Replacement	100.00%
		Current Cost	$4,180.00
Placed In Service	01/05	Future Cost	$5,197.37
Useful Life	25		
		Assigned Reserves at FYB	$2,675.20
Remaining Life	9	Monthly Member Contribution	$18.32
Replacement Year	2030	Monthly Interest Contribution	$1.50
		Total Monthly Contribution	$19.83

Comments:

This component budgets for replacement of the rubber safety surface (Tot Turf) at the play area.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Play Areas - General Repairs

Category	067 Play Areas	Quantity	1 total
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$7,500.00
Placed In Service	01/17	Future Cost	$8,672.28
Useful Life	10		
		Assigned Reserves at FYB	$3,000.00
Remaining Life	6	Monthly Member Contribution	$67.72
Replacement Year	2027	Monthly Interest Contribution	$1.83
		Total Monthly Contribution	$69.55

Comments:

This component will accumulate funds ($7,500) for general repairs to the play areas on a 10 year cycle.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Community Signs

Category	100 Grounds	Quantity	1 total
		Unit Cost	$1,200.000
		% of Replacement	100.00%
		Current Cost	$1,200.00
Placed In Service	01/15	Future Cost	$1,229.40
Useful Life	7		
		Assigned Reserves at FYB	$1,028.57
Remaining Life	1	Monthly Member Contribution	$15.34
Replacement Year	2022	Monthly Interest Contribution	$0.61
		Total Monthly Contribution	$15.95

Comments:

$1,035.83 was spent in 2015 for community signs (HOA Meeetings and/or Water Warning). This component budgets to replace these signs.

Useful life per client: 7 years

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Concrete Components (Unfunded)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/17	Future Cost	$4,418.88
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$17.28
Replacement Year	2037	Monthly Interest Contribution	$0.05
		Total Monthly Contribution	$17.33

Comments:

$2,765 was spent in 2017 for concrete work.

Useful life per client: 20 years

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Grounds - Drywells (Repair & Clean Out)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$2,500.000
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/15	Future Cost	$2,754.15
Useful Life	10		
		Assigned Reserves at FYB	$1,500.00
Remaining Life	4	Monthly Member Contribution	$22.92
Replacement Year	2025	Monthly Interest Contribution	$0.89
		Total Monthly Contribution	$23.81

Comments:

We have been advised that the Association spent $2,300 in 2015 to clean out drywells.

Useful life per client: 10 years

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Golf Cart

Category	100 Grounds	Quantity	1 golf cart
		Unit Cost	$3,975.000
		% of Replacement	100.00%
		Current Cost	$3,975.00
Placed In Service	01/20	Future Cost	$5,187.63
Useful Life	12		
		Assigned Reserves at FYB	$331.25
Remaining Life	11	Monthly Member Contribution	$29.73
Replacement Year	2032	Monthly Interest Contribution	$0.27
		Total Monthly Contribution	$30.00

Comments:

Purchased in 10/2019 for $3,880.50.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

The photo above is not the actual golf cart purchased. It is representative of a standard golf cart.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Granite Replenishment (2015)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$43,000.000
		% of Replacement	100.00%
		Current Cost	$43,000.00
Placed In Service	01/15	Future Cost	$60,344.26
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	14	Monthly Member Contribution	$278.37
Replacement Year	2035	Monthly Interest Contribution	$0.87
		Total Monthly Contribution	$279.23

Comments:

We have been advised that common area granite was replenished at a cost of $37,295.82 in 2015.

Useful life per client: 20 years

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Grounds - Granite Replenishment (2016)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$35,800.000
		% of Replacement	100.00%
		Current Cost	$35,800.00
Placed In Service	01/16	Future Cost	$51,470.98
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	15	Monthly Member Contribution	$218.15
Replacement Year	2036	Monthly Interest Contribution	$0.68
		Total Monthly Contribution	$218.82

Comments:

We have been advised that common area granite was replenished at a cost of $31,735.50 in 2016.

Useful life per client: 20 years

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Irrigation Booster Pump Station

Category	100 Grounds	Quantity	1 total
		Unit Cost	$15,000.000
		% of Replacement	100.00%
		Current Cost	$15,000.00
Placed In Service	01/05	Future Cost	$16,524.91
Useful Life	20		
		Assigned Reserves at FYB	$12,000.00
Remaining Life	4	Monthly Member Contribution	$79.42
Replacement Year	2025	Monthly Interest Contribution	$6.74
		Total Monthly Contribution	$86.16

Comments:

This component will accumulate funds for the major repair/replacement of the Flowtronex reclaimed water irrigation pump station equipment.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Irrigation Booster Station (VFD)

Category	100 Grounds	Quantity	1 VFD
		Unit Cost	$7,000.000
		% of Replacement	100.00%
		Current Cost	$7,000.00
Placed In Service	01/19	Future Cost	$8,495.59
Useful Life	10		
		Assigned Reserves at FYB	$1,400.00
Remaining Life	8	Monthly Member Contribution	$62.25
Replacement Year	2029	Monthly Interest Contribution	$0.96
		Total Monthly Contribution	$63.21

Comments:

Clearwater Engineering installed a new Variable Frequency Drive (VFD) in 1/2019 for $6,580.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Irrigation Controllers

Category	100 Grounds	Quantity	1 total
		Unit Cost	$4,650.000
		% of Replacement	100.00%
		Current Cost	$4,650.00
Placed In Service	01/05	Future Cost	$5,923.42
Useful Life	10		
		Assigned Reserves at FYB	$4,650.00
Remaining Life	0	Monthly Member Contribution	$40.73
Replacement Year	2021	Monthly Interest Contribution	$0.13
		Total Monthly Contribution	$40.86

Comments:

1	Leit 4000, 4 station solar	@	$1,100.00	=	$1,100.00
2	Hunter, Pro C, 3 station	@	$250.00	=	$500.00
1	Hunter, ICC, 24 station	@	$800.00	=	$800.00
1	Hunter, ICC, 32 station	@	$1,000.00	=	$1,000.00
1	Hunter, ICC, 40 station	@	$1,250.00	=	$1,250.00
			TOTAL	=	$4,650.00

Useful life per client: 10 years

These controllers are still in place. We have continued to use a life of 10 years, but have adjusted the replacement date to 2023.

Sun West Trails

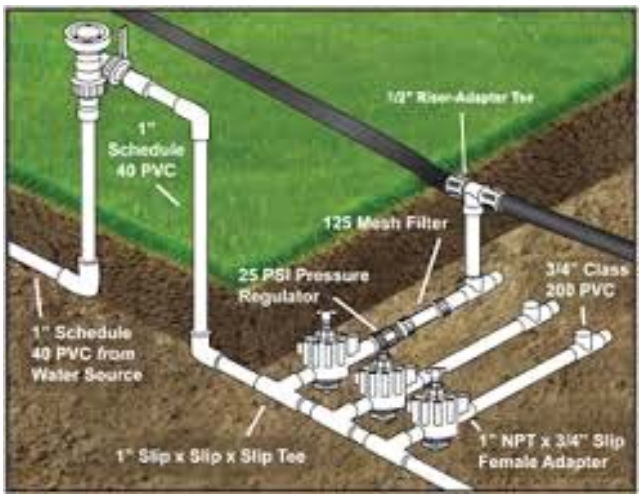
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Irrigation System (Repairs)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$10,000.000
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/19	Future Cost	$10,753.15
Useful Life	5		
		Assigned Reserves at FYB	$4,000.00
Remaining Life	3	Monthly Member Contribution	$170.53
Replacement Year	2024	Monthly Interest Contribution	$2.70
		Total Monthly Contribution	$173.23

Comments:



We were previously asked to budget $30,000 oevery 15 years for irrigation system repairs. At the time of the 2018 reserve study, the client's spreadsheet requested a useful life of 5 years but made no comment regarding cost. Therefore, since the useful life has been reduced to 1/3 of the previous useful life requested, we have also reduced the cost to 1/3 of the previous cost.

The last irrigation system work noted wasin 2019 ($5,174.79 for main line repairs).

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Landscaping (Trees & Shrubs)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$25,000.000
		% of Replacement	100.00%
		Current Cost	$25,000.00
Placed In Service	01/17	Future Cost	$28,907.58
Useful Life	10		
		Assigned Reserves at FYB	$10,000.00
Remaining Life	6	Monthly Member Contribution	$225.74
Replacement Year	2027	Monthly Interest Contribution	$6.11
		Total Monthly Contribution	$231.85

Comments:

We were previously advised to budget $25,000 every seven (7) years for trees and shrubs. Over the past three (3) years the Association spent approximately $20,300. We have continued to budget the same dollar amount as previously requested based on the useful life provided by the client.

Useful life per client: 10 years

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Mailboxes

Category	100 Grounds	Quantity	1 total
		Unit Cost	$37,700.000
		% of Replacement	100.00%
		Current Cost	$37,700.00
Placed In Service	01/05	Future Cost	$54,202.68
Useful Life	15		
		Assigned Reserves at FYB	$37,700.00
Remaining Life	0	Monthly Member Contribution	$229.72
Replacement Year	2021	Monthly Interest Contribution	$0.72
		Total Monthly Contribution	$230.44

Comments:

This component budgets to replace the following pedestal mounted mailboxes:

4	8 box sets w/ 2 parcel lockers	@	$1,550.00	=	$6,200.00
8	12 box sets w/1 parcel locker	@	$1,600.00	=	$12,800.00
11	16 box sets w/2 parcel lockers	@	$1,700.00	=	$18,700.00
			TOTAL	=	$37,700.00

Useful life per client: 15 years

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Monument Signs Letters

Category	100 Grounds	Quantity	54 letters
		Unit Cost	$125.000
		% of Replacement	100.00%
		Current Cost	$6,750.00
Placed In Service	01/05	Future Cost	$7,436.21
Useful Life	20		
		Assigned Reserves at FYB	$5,400.00
Remaining Life	4	Monthly Member Contribution	$35.74
Replacement Year	2025	Monthly Interest Contribution	$3.04
		Total Monthly Contribution	$38.77

Comments:

This component budgets to replace the monument sign letters that indicate "THE TRAILS".

Useful life per client: 20 years

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Monument Signs Planters

Category	100 Grounds	Quantity	1 total
		Unit Cost	$7,000.000
		% of Replacement	100.00%
		Current Cost	$7,000.00
Placed In Service	01/15	Future Cost	$9,823.48
Useful Life	20		
		Assigned Reserves at FYB	$374.50
Remaining Life	14	Monthly Member Contribution	$43.42
Replacement Year	2035	Monthly Interest Contribution	$0.34
		Total Monthly Contribution	$43.76

Comments:

This component budgets to refurbish the planter areas each of the six (6) monument sign locations. The last expense was in 2018 for approximately $7,000.

Useful life per client: 20 years

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Monument Signs Solar Systems

Category	100 Grounds	Quantity	1 total
		Unit Cost	$16,500.000
		% of Replacement	100.00%
		Current Cost	$16,500.00
Placed In Service	05/15	Future Cost	$18,177.40
Useful Life	10		
		Assigned Reserves at FYB	$9,672.41
Remaining Life	4	Monthly Member Contribution	$155.67
Replacement Year	2025	Monthly Interest Contribution	$5.72
		Total Monthly Contribution	$161.39

Comments:

This component budgets to replace the solar lighting systems at each of the six (6) monument sign locations. These systems were installed in 5/2015 for $14,300.

Useful life per client: 10 years

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Mulch Replenishment (Monuments)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$3,025.000
		% of Replacement	100.00%
		Current Cost	$3,025.00
Placed In Service	01/20	Future Cost	$3,099.11
Useful Life	2		
		Assigned Reserves at FYB	$1,512.50
Remaining Life	1	Monthly Member Contribution	$124.64
Replacement Year	2022	Monthly Interest Contribution	$1.20
		Total Monthly Contribution	$125.84

Comments:

Replenished in 12/2019 by Custom Desert Landscaping for $3,025.

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Trash Receptacles (Mailboxes)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$4,025.000
		% of Replacement	100.00%
		Current Cost	$4,025.00
Placed In Service	01/17	Future Cost	$5,252.88
Useful Life	15		
		Assigned Reserves at FYB	$1,073.33
Remaining Life	11	Monthly Member Contribution	$25.23
Replacement Year	2032	Monthly Interest Contribution	$0.66
		Total Monthly Contribution	$25.89

Comments:

Trash receptacles were added to some of the mailbox areas in 2017.

Useful life per client: 15 years

7 trash receptacles	@	$575.00	=	$4,025.00
		TOTAL	=	$4,025.00

Sun West Trails

Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Grounds - Tree Trimming

Category	100 Grounds	Quantity	1 total
		Unit Cost	$22,500.000
		% of Replacement	100.00%
		Current Cost	$22,500.00
Placed In Service	01/16	Future Cost	$26,654.24
Useful Life	12		
		Assigned Reserves at FYB	$9,375.00
Remaining Life	7	Monthly Member Contribution	$173.35
Replacement Year	2028	Monthly Interest Contribution	$5.62
		Total Monthly Contribution	$178.97

Comments:

Over the past three (3) years the Association has spent approximately $15,000 for tree trimming and replacements. The previous three (3) years the Association spent approximately $21,000. We are budgeting an average amount of $18,000 every three (3) years.

Sun West Trails

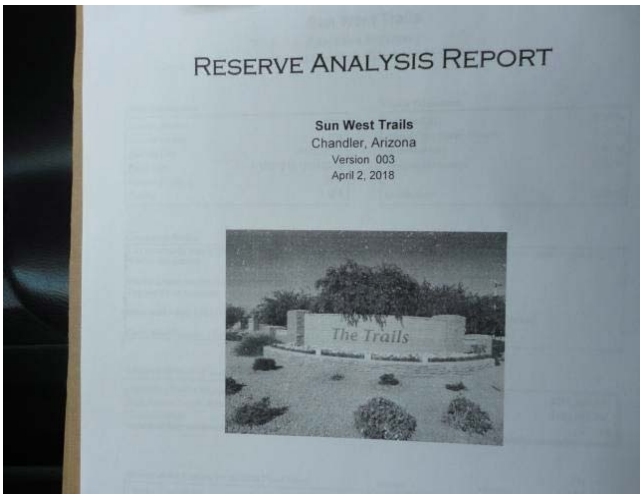
Component Detail

Directed Cash Flow Calculation Method; Sorted by Category

Reserve Study

Category	110 Miscellaneous	Quantity	1 total
		Unit Cost	$1,240.000
		% of Replacement	100.00%
		Current Cost	$1,240.00
Placed In Service	04/18	Future Cost	$1,333.39
Useful Life	3		
		Assigned Reserves at FYB	$1,240.00
Remaining Life	0	Monthly Member Contribution	$34.07
Replacement Year	2021	Monthly Interest Contribution	$0.11
		Total Monthly Contribution	$34.18

Comments:



We have been asked to budget to update the reserve study every three (3) years.

No Photo Available

Sun West Trails

Detail Report Index

Number of components included in this reserve analysis is 40.