

# RESERVE ANALYSIS REPORT

## Scottsdale 2000

Scottsdale, Arizona

Version 001

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## 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:

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### ◆ ◆ ◆ ◆ INTRODUCTION TO RESERVE BUDGETING ◆ ◆ ◆ ◆

The Board of Directors of an association has a legal and 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 a “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 association common areas and property values of 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 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 is 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.

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### **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 is 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 “level of service” the association will provide the membership as well as a “road map” for the fiscal future of the association. Projections define the timetables for repairs and replacements, such as when buildings will be painted or when asphalt will be seal coated. 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 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 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. Component calculation method or directed cash flow calculation method is typically used to develop a full funding plan.

### **Baseline Funding**

Describes 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. Minimum cash flow calculation method or directed cash flow calculation method s typically used to develop a baseline funding plan.

### **Threshold Funding**

Describes 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. Minimum cash flow calculation method or directed cash flow calculation method is typically used to develop a threshold funding plan.

### **Statutory Funding**

Describes goal/objective as described or required by local laws or codes. Component calculation method, minimum cash flow calculation method or directed cash flow calculation method may be used to develop a statutory funding plan, depending on the requirements.

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### ◆ ◆ ◆ ◆ RESERVE FUNDING CALCULATION METHODS ◆ ◆ ◆ ◆

There are three funding methods which can be used to develop a reserve funding plan based on reserve funding goals/objectives: Component Calculation Method, Minimum Cash Flow Calculation Method and Directed Cash Flow Calculation Method.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow calculation method funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user “directs” the funding plan as needed to achieve reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using the directed cash flow calculation method. Whereas component calculation method funding plans and minimum cash flow calculation method funding plans are typically used as reference information; usually considered the “floor” (minimum cash flow calculation method) and “ceiling” (component calculation method) of a reasonable reserve funding plan.

The three calculation methods are described as follows:

#### **Component Calculation Method**

Component 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. 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 fully funded reserves in time, and then enables the association to maintain fully funded reserves through time. The following is a detailed description of component calculation method:

Step 1: Calculation of fully funded balance for each component

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

Association’s current reserve funds are assigned to (or distributed amongst) 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 reserve funds 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, components are organized in remaining life order, from least to greatest, and remaining current reserve funds are assigned to each component up to its current cost, until reserve funds 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, until reserve funds are exhausted. After pass 3, if additional reserve funds remain, there are excess reserves.

Distributing, or assigning, 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 contribution increase parameter to develop a “stair stepped” contribution.

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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, the contribution increase parameter should match the inflation parameter. Matching the 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 a contribution increase parameter that is greater than the inflation parameter will reduce the burden to current members at the expense of future members. Using a contribution increase parameter that is less than the inflation parameter will increase the burden to the current members to the benefit of future members. The following chart shows a comparison:

	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

One major benefit of using component calculation method is that for any single component (or group of components), 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 Summary and Charts as well as elsewhere within the report.

### **Minimum Cash Flow Calculation Method**

Minimum cash flow 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 concerned with the ideal level of reserves or percent funded through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding). This calculation method will determine the minimum reserve contribution to ensure that the beginning reserve balance is sufficient to pay for the scheduled expenditures in each year. By definition, this calculation method will create a funding plan where, at some point over the projection period, the beginning reserve fund balance will equal the expenditures for that year. Under some conditions, based on reserve expenditure profile, this calculation method produces a funding plan that will take the association into an overfunded status through time; in these cases, directed cash flow calculation method can be used to optimize results.

Minimum cash flow calculation method is not without downsides... Unlike component calculation method, the minimum cash flow calculation method cannot precisely calculate 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 calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using minimum cash flow calculation method typical-

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ly requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

### **Directed Cash Flow Calculation Method**

Directed cash flow 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 and, if possible, determine the optimal funding plan to achieve 100% funding over the projection period.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user “directs” the funding plan as needed to achieve any reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using this calculation method.

Directed cash flow calculation method is not without downsides... Unlike component calculation method, the directed cash flow calculation method cannot precisely calculate 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 calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using directed cash flow calculation method typically requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

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### ◆ ◆ ◆ ◆ 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 (“Component Detail”), 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 project, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

#### **Client Information**

Provides information including fiscal year for which reserve analysis is prepared, number of units, etc.

#### **Global Parameters**

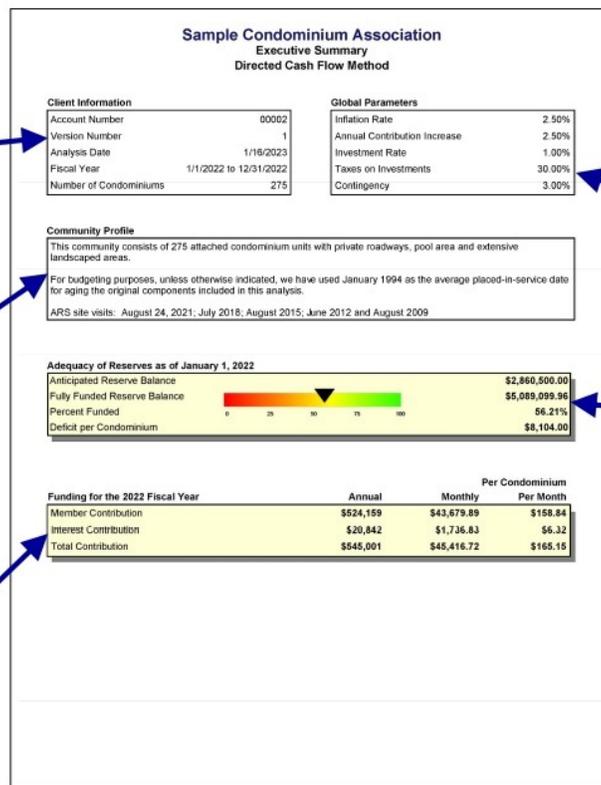
Displays calculation parameters that were used to calculate reserve analysis including inflation, contribution increase, investment rate, tax rate and contingency.

#### **Community Profile**

Provides brief description of community as well as other “global” comments.

#### **Budget**

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



#### **Adequacy of Reserves**

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

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### Calculation of Percent Funded

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

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

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

**Sample Condominium Association**  
Calculation of Percent Funded  
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<b>010 Streets</b>				
Streets - Asphalt, Overlay / Major Rehab	6	24	\$360,300.00	\$321,176.47
Streets - Asphalt, Repair	2	4	\$24,300.00	\$12,100.00
Streets - Asphalt, Seal Coat	2	4	\$14,580.00	\$7,290.00
Streets - Concrete	2	4	\$20,300.00	\$10,000.00
<b>Sub Total</b>	<b>2-6</b>	<b>4-24</b>	<b>\$448,880.00</b>	<b>\$350,616.47</b>
<b>020 Roofs</b>				
Roofs - Rain Gutters	12	40	\$123,785.00	\$66,648.50
Roofs - Tie, Clean & Maintain	0	1	\$37,500.00	\$37,500.00
Roofs - Tie, Replace				
<b>Sub Total</b>				
<b>030 Painting</b>				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
<b>Sub Total</b>				
<b>040 Fencing, Railing &amp; Walls</b>				
Fencing - Glass Sound Attenuation				
Fencing - Wrought Iron, Pool Area				
Railing & Gates - Wrought Iron, Units				
Walls - Stucco, Repair				
<b>Sub Total</b>				
<b>050 Lighting</b>				
Lighting - Buildings				
Lighting - Landscape				
Lighting - Streets & Walkways				
<b>Sub Total</b>				
<b>060 Pool Area</b>				
Cabana - Ceramic Tile, Interior				
Cabana - Ceramic Tile, Showers				
Cabana - Doors				
Cabana - Plumbing Fixtures%				
Cabana - Restroom Partitions				
Cabana - Water Heater				
<b>Sub Total</b>				

**Sample Condominium Association**  
Calculation of Percent Funded  
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool - Filters	2	12	\$4,000.00	\$3,538.46
Pool - Heater	7	12	\$4,750.00	\$1,959.79
Pool - Replaster & Tile	7	10	\$34,387.50	\$9,486.21
Pool Area - Furniture	4	6	\$15,400.00	\$4,529.41
Pool Area - Paver Deck, Repair	17	20	\$20,000.00	\$2,564.10
Pool Area - Wood Patio Covers	7	20	\$15,125.00	\$9,691.25
Spa - Filter	2	10	\$2,000.00	\$1,724.14
Spa - Heater	4	10	\$4,750.00	\$2,850.00
Spa - Replaster & Tile	7	10	\$8,475.00	\$2,337.93
<b>Sub Total</b>	<b>2-17</b>	<b>6-30</b>	<b>\$152,107.50</b>	<b>\$69,326.46</b>
<b>070 Decks</b>				
Decks/Stairs - Clean & Seal	2	4	\$103,868.25	\$45,695.27
Decks/Stairs - Resurface	6	20	\$728,900.00	\$552,196.97
<b>Sub Total</b>	<b>2-6</b>	<b>4-20</b>	<b>\$832,768.25</b>	<b>\$598,092.24</b>
<b>080 Termite Control &amp; Wood Repair</b>				
Termite Control	n.a.	n.a.	\$0.00	\$300,000.00
Wood Repair - Paint Cycle	4	5	\$58,000.00	\$6,444.44
Wood Repair - Shutters	4	20	\$44,900.00	\$39,287.50
<b>Sub Total</b>	<b>4</b>	<b>5-20</b>	<b>\$102,900.00</b>	<b>\$35,731.94</b>
<b>090 Landscape</b>				
Landscape - Irrigation Controllers	7	12	\$24,150.00	\$9,450.00
Landscape - Renovation	0	1	\$17,500.00	\$17,500.00
<b>Sub Total</b>	<b>0-7</b>	<b>1-12</b>	<b>\$41,650.00</b>	<b>\$26,950.00</b>
<b>100 Miscellaneous</b>				
Fire Safety - Control Panels	1	20	\$126,000.00	\$121,655.17
Fire Safety - Extinguisher Cabinets	9	30	\$64,900.00	\$49,113.51
Matboxes	18	20	\$67,000.00	\$6,700.00
Signage	0	20	\$75,000.00	\$75,000.00
Utility Closet Doors	4	20	\$157,100.00	\$137,487.50
<b>Sub Total</b>	<b>0-18</b>	<b>20-30</b>	<b>\$490,000.00</b>	<b>\$389,931.16</b>
Contingency	n.a.	n.a.	n.a.	\$148,226.21
<b>Total</b>	<b>0-18</b>	<b>1-40</b>	<b>\$7,044,161.25</b>	<b>\$6,089,099.96</b>
Anticipated Reserve Balance				<b>\$2,840,800.00</b>
Percent Funded				<b>56.21%</b>

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

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

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

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### Management Summary and Charts

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

**Sample Condominium Association Management Summary**  
Directed Cash Flow Method; Sorted by Category

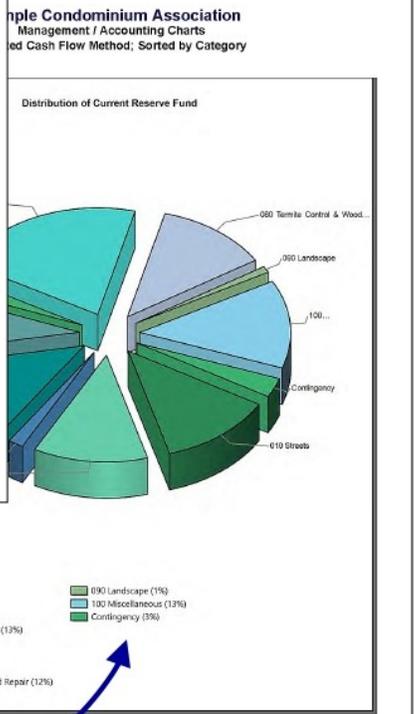
	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
<b>010 Streets</b>				
Streets - Asphalt, Overlay / Major Rehab	\$321,178.47	\$1,150.31	\$188.16	\$1,338.46
Streets - Asphalt, Repair	\$42,150.00	\$414.00	\$8.63	\$422.73
Streets - Asphalt, Seal Coat	\$7,200.00	\$248.45	\$5.18	\$253.64
Streets - Concrete	\$10,000.00	\$340.82	\$7.11	\$347.92
<b>Sub Total</b>	<b>\$350,616.47</b>	<b>\$2,153.67</b>	<b>\$209.08</b>	<b>\$2,362.75</b>
<b>020 Roofs</b>				
Roofs - Rain Gutters	\$86,649.50	\$321.53	\$50.81	\$372.34
Roofs - Tile, Clean & Maintain	\$37,500.00	\$2,448.57	\$10.02	\$2,458.59
Roofs - Tile, Replace	\$228,722.83	\$19.25		
<b>Sub Total</b>	<b>\$350,872.33</b>	<b>\$22.05</b>		
<b>030 Painting</b>				
Painting - Cabana Interior	\$94.21	\$1		
Painting - Red Curbs	\$2,557.50	\$8		
Painting - Stucco	\$20,230.79	\$2.85		
Painting - Woodwork	\$19,001.11	\$2.05		
Painting - Wrought Iron, Buildings	\$4,277.78	\$57		
Painting - Wrought Iron, Pool Area	\$670.83	\$4		
<b>Sub Total</b>	<b>\$46,832.22</b>	<b>\$6.19</b>		
<b>040 Fencing, Railing &amp; Walls</b>				
Fencing - Glass Sound Attenuation	\$38,027.03	\$13		
Fencing - Wrought Iron, Pool Area	\$19,456.88	\$68		
Railing & Gates - Wrought Iron, Units	\$298,472.22	\$1.08		
Walls - Stucco, Repair	\$8,368.84	\$2		
<b>Sub Total</b>	<b>\$364,323.97</b>	<b>\$1.31</b>		
<b>050 Lighting</b>				
Lighting - Buildings	\$154,994.23	\$81		
Lighting - Landscape	\$11,340.00	\$12		
Lighting - Streets & Walkways	\$77,437.60	\$27		
<b>Sub Total</b>	<b>\$243,771.73</b>	<b>\$1.21</b>		
<b>060 Pool Area</b>				
Cabana - Ceramic Tile, Interior	\$10,847.94	\$3		
Cabana - Ceramic Tile, Showers	\$6,342.19	\$9		
Cabana - Doors	\$2,030.36	\$1		
Cabana - Plumbing Fixtures%	\$7,404.12	\$2		
Cabana - Restroom Partitions	\$3,609.57	\$2		
Cabana - Water Heater	\$175.00	\$1		

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

**Sample Condominium Association Management Summary**  
Directed Cash Flow Method; Sorted by Category

	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
<b>070 Decks</b>				
Decks/Stairs - Clean & Seal	\$45,895.27	\$1,901.90	\$34.24	\$1,936.22
Decks/Stairs - Resurface	\$62,136.97	\$2,641.42	\$326.21	\$2,967.63
<b>Sub Total</b>	<b>\$98,032.24</b>	<b>\$4,603.40</b>	<b>\$360.45</b>	<b>\$4,963.85</b>
<b>080 Termite Control &amp; Wood Repair</b>				
Termite Control	\$300,000.00	\$0.00	\$171.35	\$171.35
Wood Repair - Paint Cycle	\$6,444.44	\$871.43	\$7.25	\$878.68
Wood Repair - Shutters	\$39,287.50	\$139.06	\$23.01	\$162.06
<b>Sub Total</b>	<b>\$345,731.94</b>	<b>\$1,010.48</b>	<b>\$201.61</b>	<b>\$1,212.09</b>
<b>090 Landscape</b>				
Landscape - Irrigation Controllers	\$9,450.00	\$155.33	\$6.03	\$161.36
Landscape - Renovation	\$17,800.00	\$1,142.95	\$4.67	\$1,147.54
<b>Sub Total</b>	<b>\$26,650.00</b>	<b>\$1,297.99</b>	<b>\$10.71</b>	<b>\$1,308.70</b>
<b>100 Miscellaneous</b>				
Fire Safety - Control Panels	\$121,656.17	\$423.02	\$71.22	\$494.24
Fire Safety - Extinguisher Cabinets	\$48,113.51	\$179.05	\$28.79	\$207.83
Mailboxes	\$0.00	\$281.30	\$1.15	\$282.45
Signage	\$75,000.00	\$288.18	\$1.18	\$289.36
Utility Closet Doors	\$137,462.50	\$485.94	\$80.51	\$567.05
<b>Sub Total</b>	<b>\$383,231.19</b>	<b>\$1,658.08</b>	<b>\$182.84</b>	<b>\$1,840.92</b>
Contingency	\$83,315.33	\$1,272.23	\$52.79	\$1,325.02
<b>Total</b>	<b>\$2,860,500.30</b>	<b>\$43,679.89</b>	<b>\$1,736.83</b>	<b>\$45,416.72</b>

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



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

# Scottsdale 2000

## Preface

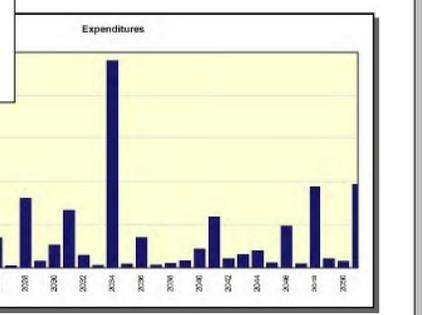
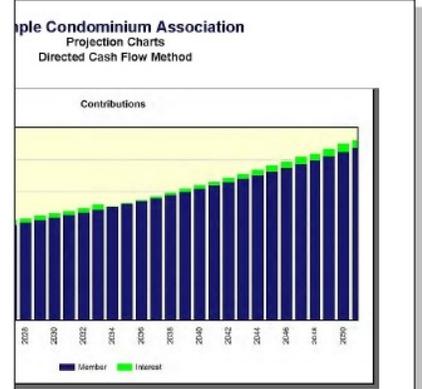
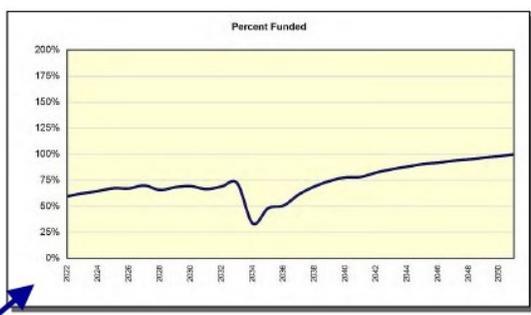
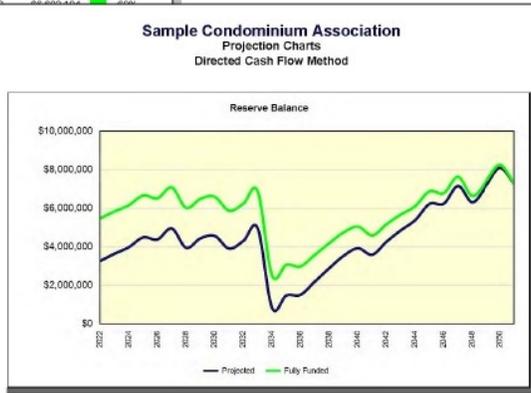
### Projections and Charts

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

Sample Condominium Association Projections Directed Cash Flow Method							
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2022	\$2,860,500	\$524,159	\$20,842	\$132,558	\$3,272,943	\$5,483,426	60%
2023	\$3,272,943	\$537,263	\$23,408	\$185,525	\$3,648,089	\$5,844,082	62%
2024	\$3,648,089	\$550,694	\$26,719	\$237,782	\$3,966,740	\$6,166,025	65%
2025	\$3,966,740	\$564,462	\$29,203	\$86,653	\$4,493,752	\$6,666,405	67%
2026	\$4,493,752	\$578,573	\$28,443	\$708,377	\$4,392,391	\$6,531,322	67%
2027	\$4,392,391	\$593,037	\$32,315	\$62,227	\$4,955,515	\$7,086,290	70%
2028	\$4,955,515	\$607,863	\$26,318	\$1,028,558	\$3,960,138	\$6,027,958	68%
2029	\$3,960,138	\$623,060	\$28,629	\$108,690	\$4,443,167	\$6,496,358	68%
2030	\$4,443,167	\$638,636	\$29,479	\$537,690	\$4,503,502	\$6,889,444	69%
2031	\$4,503,502	\$654,602	\$24,850	\$1,334,626	\$3,639,228	\$6,300,000	67%
2032	\$3,639,228	\$670,967	\$27,555	\$301,723	\$4,035,967	\$6,711,000	69%
2033	\$4,035,967	\$687,742	\$32,008	\$72,165	\$4,623,552	\$7,144,000	70%
2034	\$4,623,552	\$704,935	\$3,259	\$4,821,403	\$9,402,150	\$7,588,000	80%
2035	\$9,402,150	\$722,559	\$7,600	\$98,150	\$10,124,159	\$8,043,000	79%
2036	\$10,124,159	\$740,623	\$7,798	\$710,165	\$9,151,211	\$8,508,000	92%
2037	\$9,151,211	\$759,138	\$12,554	\$79,656	\$9,823,138	\$8,973,000	91%
2038	\$9,823,138	\$778,117	\$17,274	\$108,305	\$10,616,234	\$9,448,000	89%
2039	\$10,616,234	\$797,569	\$21,663	\$179,342	\$11,339,014	\$9,923,000	87%
2040	\$11,339,014	\$817,509	\$24,333	\$448,099	\$11,622,755	\$10,408,000	90%
2041	\$11,622,755	\$837,946	\$21,842	\$1,101,590	\$10,328,813	\$10,893,000	104%
2042	\$10,328,813	\$858,895	\$26,523	\$217,211	\$11,200,000	\$11,378,000	100%
2043	\$11,200,000	\$880,367	\$30,606	\$313,830	\$11,876,133	\$11,863,000	100%
2044	\$11,876,133	\$902,377	\$34,200	\$409,227	\$12,403,483	\$12,348,000	100%
2045	\$12,403,483	\$924,936	\$39,968	\$125,640	\$13,312,747	\$12,293,000	92%
2046	\$13,312,747	\$948,059	\$39,966	\$972,832	\$12,217,930	\$12,238,000	100%
2047	\$12,217,930	\$971,761	\$46,285	\$101,967	\$13,033,000	\$12,183,000	93%
2048	\$13,033,000	\$996,055	\$40,299	\$1,881,629	\$11,106,696	\$12,138,000	91%
2049	\$11,106,696	\$1,020,956	\$46,111	\$220,077	\$12,053,675	\$12,093,000	100%
2050	\$12,053,675	\$1,046,480	\$52,534	\$164,158	\$13,098,529	\$12,048,000	92%
2051	\$13,098,529	\$1,072,642	\$46,633	\$1,951,295	\$11,115,209	\$12,003,000	99%

Format makes numbers as easy to read and understand as possible. Color-coded bar indicates reserve fund status:

Green	Good	> 65%
Yellow	Fair	40% - 65%
Red	Poor	< 40%



**Charts**  
Show graphically reserve funding plan through time.



# Scottsdale 2000

## Preface

### ◆ ◆ ◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆ ◆ ◆

#### **Anticipated Reserve Balance (or Reserve Funds)**

Amount of money, as of a certain point in time, held by 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)**

Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component has been assigned.

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.

#### **Component Calculation Method**

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

#### **Contingency Parameter**

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

#### **Contribution Increase Parameter**

Rate used in calculation of 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 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.

#### **Current Replacement Cost**

Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component is expected to cost to replace.

#### **Directed 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.

#### **Fiscal Year**

Budget year for association for which reserve analysis is prepared. Fiscal year beginning (FYB) is first day of budget year; fiscal year end (FYE) is last day of budget year.

#### **Fully Funded Reserve Balance**

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:

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

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 com-

# Scottsdale 2000

## Preface

ponents it maintains, based on each component's current replacement cost, age and useful life.

### **Future Replacement Cost**

Amount of money, as of 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**

Financial parameters used to calculate reserve analysis. See also "inflation parameter," "contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

### **Inflation Parameter**

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

### **Interest Contribution**

Amount of money contributed to reserve fund by interest earned on reserve fund and member contributions.

### **Investment Rate Parameter**

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

### **Membership Contribution**

Amount of money contributed to reserve fund by association's membership.

### **Minimum 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.

### **Monthly Contribution (and "Fixed" Monthly Contribution)**

Amount of money, for fiscal year which reserve analysis is prepared, that a reserve component will be funded.

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)**

Number of units for which reserve analysis is prepared. In "phased" developments, this number represents the number of units, and corresponding common area components, that exist as of a certain point in time.

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

### **One-Time Replacement**

Used for components that will be budgeted for only once.

### **Percent Funded**

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

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

# Scottsdale 2000

## Preface

Reserve fund health:

Green	Good	> 65%
Yellow	Fair	40% to 65%
Red	Poor	< 40%

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

### **Percentage of Replacement**

Percentage of reserve component that is expected to be replaced.

For most reserve components, this percentage is 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%. Another example would be a component where partial replacement is expected, such as interior doors.

### **Placed-In-Service Date**

Date (month and year) that a reserve component was originally put into service or last replaced.

### **Remaining Life**

Length of time, in years, until a reserve component is scheduled to be replaced.

### **Remaining Life Adjustment**

Length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for current cycle of replacement (only).

If 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, 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, useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

### **Replacement Year**

Fiscal year that a reserve component is scheduled to be replaced.

### **Reserve Components**

Line items included in the reserve analysis.

### **Taxes on Investments Parameter**

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

### **Total Contribution**

Sum of membership contribution and interest contribution.

### **Useful Life**

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

# Scottsdale 2000

## Preface

### ◆ ◆ ◆ ◆ 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.

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 of 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, climate change, 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 reserve components.

# Scottsdale 2000

## Executive Summary

### Directed Cash Flow Method

#### Client Information

Account Number	5629
Version Number	001
Analysis Date	10/24/2023
Fiscal Year	1/1/2024 to 12/31/2024
Number of Units	40

#### Global Parameters

Inflation Rate	5.00%
Annual Contribution Increase	12.00%
Investment Rate	0.34%
Taxes on Investments	0.00%
Contingency	0.00%

#### Community Profile

This community was built in the 1960s. Refer to the Component Detail section for the dates used to age the components examined in this analysis. The client has advised us to use a 5.00% inflation rate.

Reserve Balance as of July 31, 2023: \$106,780

Remaining 2023 Reserve Contributions: \$13,016 (\$2,603.22/month x 5 months)

Remaining 2023 Interest to be Earned (0.34%): \$152

Remaining 2023 Reserve Expenditures: \$7,948 (loan principal payments)  
2,085 (final payment for pool resurfacing project)

Projected January 1, 2024 Reserve Balance: \$109,915

REPORTS: 2023 (update of 2018 reserve study by Capital Reserve Analysts).

#### Adequacy of Reserves as of January 1, 2024

Anticipated Reserve Balance		<b>\$109,915.00</b>
Fully Funded Reserve Balance		<b>\$216,632.94</b>
Percent Funded	<p>0      25      50      75      100</p>	<b>50.74%</b>

Funding for the 2024 Fiscal Year	Annual	Monthly	Per Unit Per Month
Member Contribution	<b>\$34,987</b>	<b>\$2,915.58</b>	<b>\$72.89</b>
Interest Contribution	<b>\$256</b>	<b>\$21.36</b>	<b>\$0.53</b>
Total Contribution	<b>\$35,243</b>	<b>\$2,936.95</b>	<b>\$73.42</b>

**Scottsdale 2000**  
**Distribution of Current Reserve Funds**  
**Sorted by Remaining Life; Alphabetical**

	<b>Remaining Life</b>	<b>Fully Funded Balance</b>	<b>Assigned Reserves</b>
Grounds: Irrigation System Replacement (2024)	0	\$15,000.00	\$15,000.00
Loan: Principal Payments (2024)	0	\$18,858.00	\$18,858.00
Pool: Filter	0	\$1,800.00	\$1,800.00
Streets: Asphalt Repair & Seal Coat	0	\$15,000.00	\$15,000.00
Grounds: Concrete Repairs/Replacements	1	\$2,000.00	\$2,000.00
Grounds: Irrigation System Replacement (2025)	1	\$14,500.00	\$14,500.00
Loan: Principal Payments (2025)	1	\$0.00	\$0.00
Pool Bldg: Restroom Improvements	1	\$1,800.00	\$1,800.00
Loan: Principal Payments (2026)	2	\$0.00	\$0.00
Grounds: Monument Signs	3	\$3,400.00	\$3,400.00
Loan: Principal Payments (2027)	3	\$0.00	\$0.00
Loan: Principal Payments (2028)	4	\$0.00	\$0.00
Pool: Pump/Motor	4	\$1,200.00	\$1,200.00
Loan: Principal Payments (2029)	5	\$0.00	\$0.00
Loan: Principal Payments (2030)	6	\$0.00	\$0.00
Pool Area: Furniture	6	\$1,400.00	\$1,400.00
Loan: Principal Payments (2031)	7	\$0.00	\$0.00
Paint/Repair: Community Exteriors	7	\$14,375.00	\$14,375.00
Loan: Principal Payments (2032)	8	\$0.00	\$0.00
Streets: Asphalt Rehabilitation	10	\$111,285.71	\$20,582.00
Pool Area: Wrought Iron Fencing & Gates	11	\$14,250.00	\$0.00
Lighting: Poles w/Lantern Fixtures, Etc.	18	\$1,000.00	\$0.00
Roofs: Flat, Built-Up (Pool Building)	18	\$305.04	\$0.00
Grounds: Irrigation System Replacement (Ongoing)	20	\$0.00	\$0.00
Pool: Resurface & Retile	24	\$459.18	\$0.00
Buildings/Grounds: Sewer & Plumbing Lines (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Granite Replenishment (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	\$0.00	\$0.00
Pool: Heater (Unfunded)	n.a.	\$0.00	\$0.00
Contingency	n.a.	\$0.00	\$0.00

**Scottsdale 2000**  
**Distribution of Current Reserve Funds**  
**Sorted by Remaining Life; Alphabetical**

<b>Total</b>	<b>0-24</b>	<b>\$216,632.94</b>	<b>\$109,915.00</b>
<b>Percent Funded</b>			<b>50.74%</b>

**Scottsdale 2000**  
**Projections**  
**Directed Cash Flow Method**

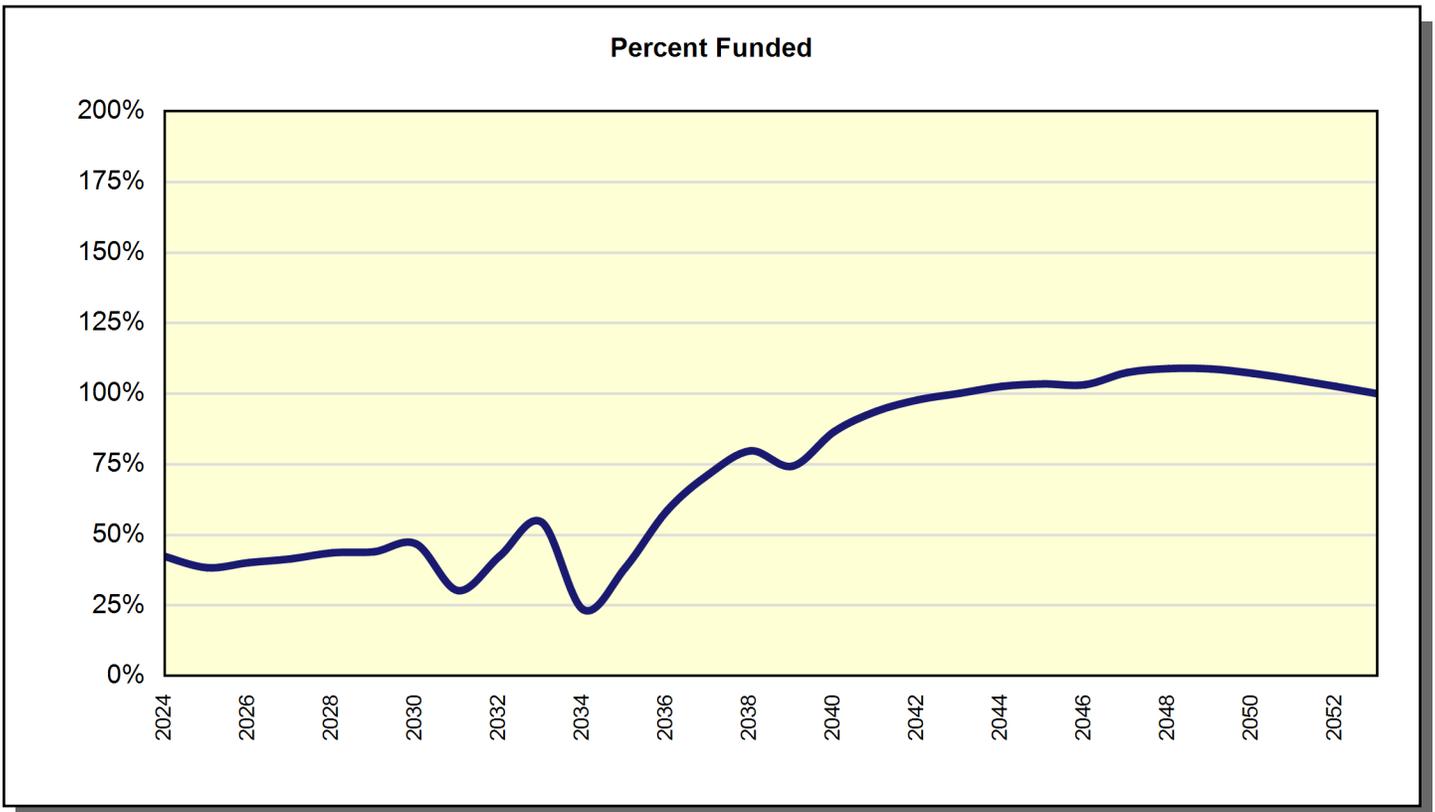
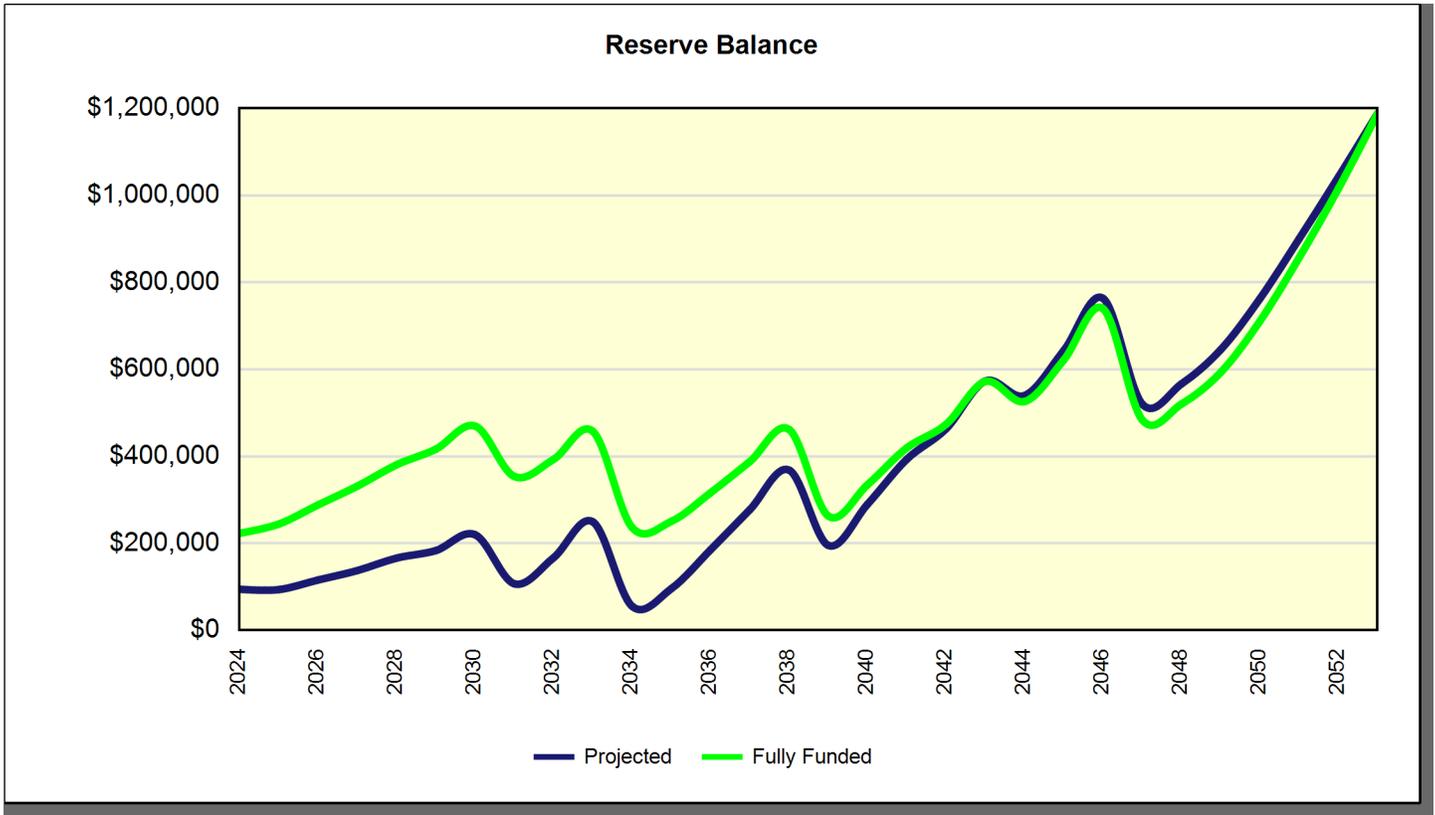
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2024	\$109,915	\$34,987	\$256	\$50,658	\$94,500	\$223,133	42%
2025	\$94,500	\$39,185	\$247	\$39,975	\$93,958	\$244,638	38%
2026	\$93,958	\$43,888	\$313	\$22,046	\$116,113	\$288,737	40%
2027	\$116,113	\$49,154	\$377	\$27,856	\$137,788	\$331,754	42%
2028	\$137,788	\$55,053	\$464	\$26,881	\$166,423	\$380,925	44%
2029	\$166,423	\$61,659	\$510	\$44,904	\$183,688	\$416,792	44%
2030	\$183,688	\$69,058	\$620	\$33,200	\$220,166	\$470,018	47%
2031	\$220,166	\$77,345	\$222	\$190,423	\$107,310	\$354,062	30%
2032	\$107,310	\$79,526	\$422	\$19,914	\$167,344	\$393,457	43%
2033	\$167,344	\$81,769	\$697	\$0	\$249,810	\$457,861	55%
2034	\$249,810	\$84,075	\$34	\$278,215	\$55,704	\$236,865	24%
2035	\$55,704	\$86,446	\$167	\$46,179	\$96,138	\$250,868	38%
2036	\$96,138	\$88,883	\$466	\$0	\$185,487	\$316,593	59%
2037	\$185,487	\$91,390	\$774	\$0	\$277,652	\$388,263	72%
2038	\$277,652	\$93,967	\$1,079	\$3,960	\$368,737	\$462,150	80%
2039	\$368,737	\$96,617	\$486	\$270,261	\$195,580	\$263,048	74%
2040	\$195,580	\$99,342	\$802	\$5,457	\$290,267	\$335,112	87%
2041	\$290,267	\$102,143	\$1,148	\$0	\$393,557	\$419,742	94%
2042	\$393,557	\$105,023	\$1,380	\$36,340	\$463,621	\$473,836	98%
2043	\$463,621	\$107,985	\$1,747	\$0	\$573,354	\$572,356	100%
2044	\$573,354	\$111,030	\$1,629	\$145,931	\$540,081	\$526,314	103%
2045	\$540,081	\$114,161	\$1,975	\$12,537	\$643,680	\$621,964	103%
2046	\$643,680	\$117,381	\$2,375	\$0	\$763,436	\$739,684	103%
2047	\$763,436	\$120,691	\$1,543	\$365,511	\$520,159	\$483,835	108%
2048	\$520,159	\$124,094	\$1,696	\$79,015	\$566,934	\$520,500	109%
2049	\$566,934	\$127,594	\$1,957	\$50,795	\$645,689	\$593,400	109%
2050	\$645,689	\$131,192	\$2,349	\$16,001	\$763,230	\$711,491	107%
2051	\$763,230	\$134,892	\$2,809	\$0	\$900,931	\$857,548	105%
2052	\$900,931	\$138,696	\$3,284	\$0	\$1,042,910	\$1,016,432	103%
2053	\$1,042,910	\$142,607	\$3,774	\$0	\$1,189,291	\$1,189,060	100%

The client's 2023 budgeted reserve contribution is \$31,238. Based on the reserve schedule of expenses outlined in this report, we have incorporated a 12.00% annual contribution increase from 2024 - 2031, and then a 2.82% annual contribution increase thereafter.

# Scottsdale 2000

## Projection Charts

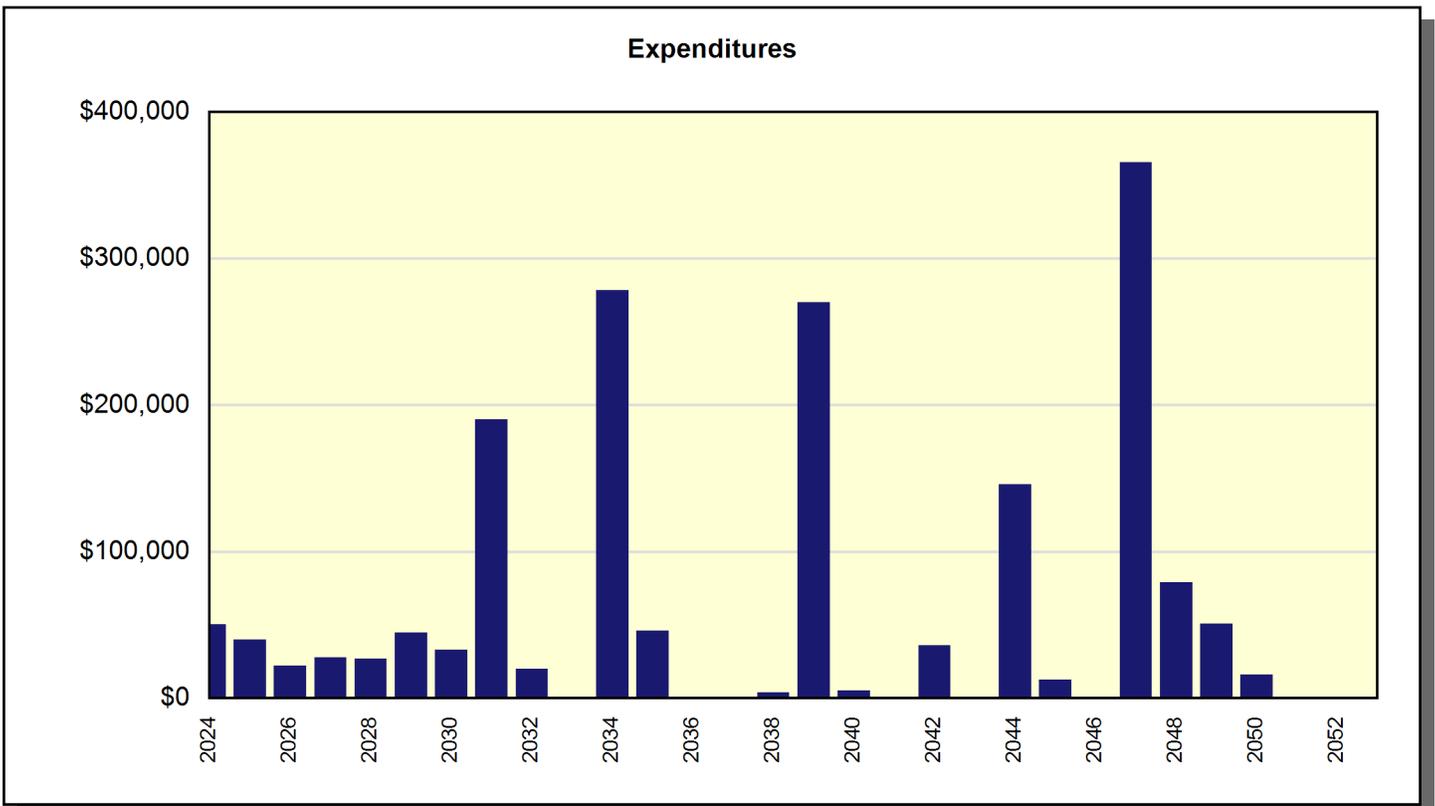
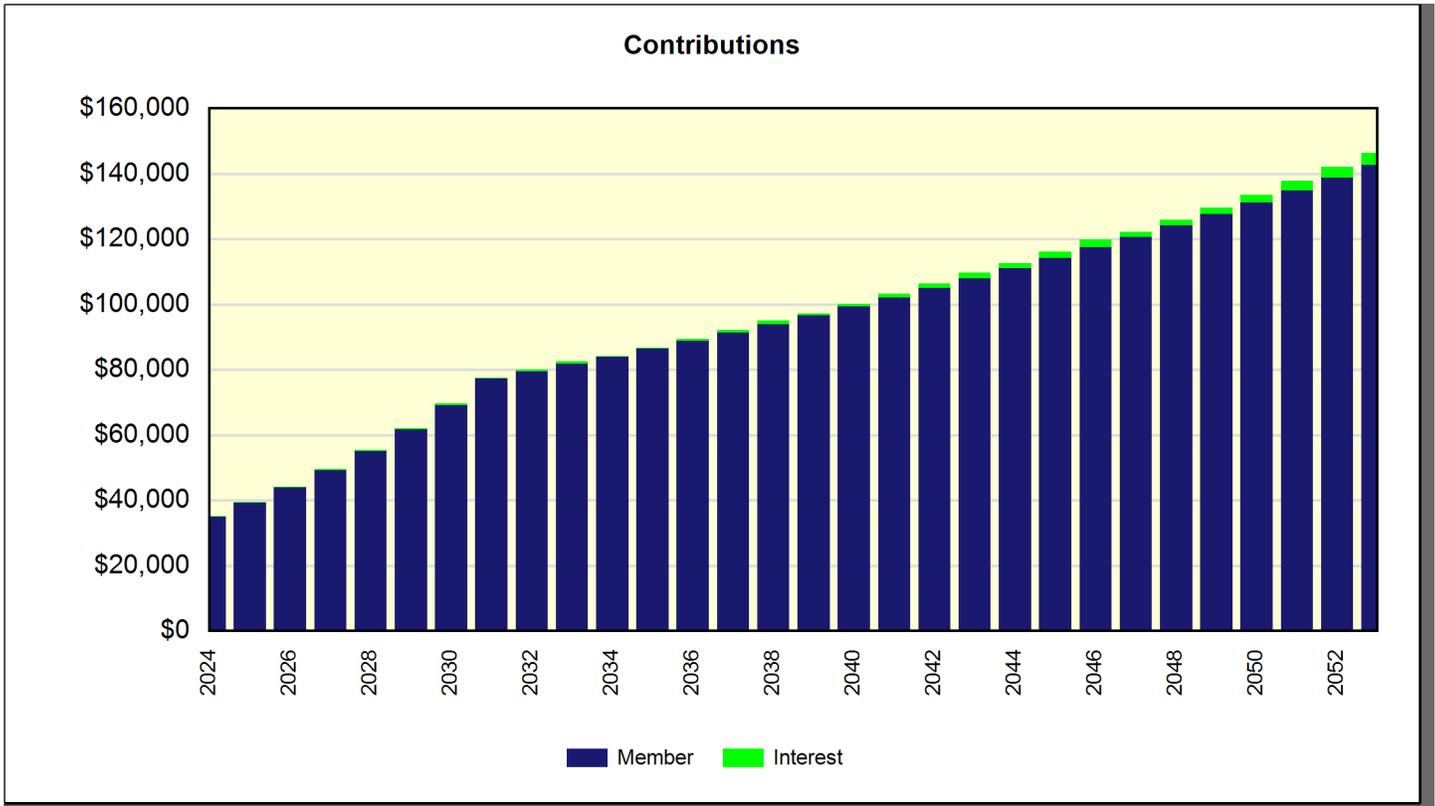
### Directed Cash Flow Method



# Scottsdale 2000

## Projection Charts

### Directed Cash Flow Method



**Scottsdale 2000**  
**Annual Expenditures**  
**Sorted by Alphabetical**

**2024 Fiscal Year**

Grounds: Irrigation System Replacement (2024)	\$15,000.00
Loan: Principal Payments (2024)	\$18,858.00
Pool: Filter	\$1,800.00
Streets: Asphalt Repair & Seal Coat	\$15,000.00
<b>Sub Total</b>	<b>\$50,658.00</b>

**2025 Fiscal Year**

Grounds: Concrete Repairs/Replacements	\$2,625.00
Grounds: Irrigation System Replacement (2025)	\$15,750.00
Loan: Principal Payments (2025)	\$19,500.00
Pool Bldg: Restroom Improvements	\$2,100.00
<b>Sub Total</b>	<b>\$39,975.00</b>

**2026 Fiscal Year**

Loan: Principal Payments (2026)	\$22,046.00
<b>Sub Total</b>	<b>\$22,046.00</b>

**2027 Fiscal Year**

Grounds: Monument Signs	\$4,630.50
Loan: Principal Payments (2027)	\$23,226.00
<b>Sub Total</b>	<b>\$27,856.50</b>

**2028 Fiscal Year**

Loan: Principal Payments (2028)	\$24,449.99
Pool: Pump/Motor	\$2,431.01
<b>Sub Total</b>	<b>\$26,881.01</b>

**2029 Fiscal Year**

Loan: Principal Payments (2029)	\$25,759.99
Streets: Asphalt Repair & Seal Coat	\$19,144.22
<b>Sub Total</b>	<b>\$44,904.22</b>

**2030 Fiscal Year**

Grounds: Concrete Repairs/Replacements	\$3,350.24
Loan: Principal Payments (2030)	\$27,170.00
Pool Area: Furniture	\$2,680.19
<b>Sub Total</b>	<b>\$33,200.43</b>

**2031 Fiscal Year**

Loan: Principal Payments (2031)	\$28,606.00
Paint/Repair: Community Exteriors	\$161,816.55

**Scottsdale 2000**  
**Annual Expenditures**  
**Sorted by Alphabetical**

<b>Sub Total</b>	<b>\$190,422.55</b>
<b><u>2032 Fiscal Year</u></b>	
Loan: Principal Payments (2032)	\$19,914.00
<b>Sub Total</b>	<b>\$19,914.00</b>
<b><u>2034 Fiscal Year</u></b>	
Streets: Asphalt Rehabilitation	\$253,781.78
Streets: Asphalt Repair & Seal Coat	\$24,433.42
<b>Sub Total</b>	<b>\$278,215.20</b>
<b><u>2035 Fiscal Year</u></b>	
Grounds: Concrete Repairs/Replacements	\$4,275.85
Pool Area: Wrought Iron Fencing & Gates	\$38,482.64
Pool Bldg: Restroom Improvements	\$3,420.68
<b>Sub Total</b>	<b>\$46,179.16</b>
<b><u>2038 Fiscal Year</u></b>	
Pool: Pump/Motor	\$3,959.86
<b>Sub Total</b>	<b>\$3,959.86</b>
<b><u>2039 Fiscal Year</u></b>	
Paint/Repair: Community Exteriors	\$239,076.74
Streets: Asphalt Repair & Seal Coat	\$31,183.92
<b>Sub Total</b>	<b>\$270,260.66</b>
<b><u>2040 Fiscal Year</u></b>	
Grounds: Concrete Repairs/Replacements	\$5,457.19
<b>Sub Total</b>	<b>\$5,457.19</b>
<b><u>2042 Fiscal Year</u></b>	
Lighting: Poles w/Lantern Fixtures, Etc.	\$24,066.19
Pool: Filter	\$4,331.91
Roofs: Flat, Built-Up (Pool Building)	\$7,941.84
<b>Sub Total</b>	<b>\$36,339.95</b>
<b><u>2044 Fiscal Year</u></b>	
Grounds: Irrigation System Replacement (Ongoing)	\$106,131.91
Streets: Asphalt Repair & Seal Coat	\$39,799.47
<b>Sub Total</b>	<b>\$145,931.37</b>
<b><u>2045 Fiscal Year</u></b>	

**Scottsdale 2000**  
**Annual Expenditures**  
**Sorted by Alphabetical**

Grounds: Concrete Repairs/Replacements	\$6,964.91
Pool Bldg: Restroom Improvements	\$5,571.93
<b>Sub Total</b>	<b>\$12,536.83</b>

**2047 Fiscal Year**

Grounds: Monument Signs	\$12,286.10
Paint/Repair: Community Exteriors	\$353,225.23
<b>Sub Total</b>	<b>\$365,511.33</b>

**2048 Fiscal Year**

Pool: Pump/Motor	\$6,450.20
Pool: Resurface & Retile	\$72,564.75
<b>Sub Total</b>	<b>\$79,014.95</b>

**2049 Fiscal Year**

Streets: Asphalt Repair & Seal Coat	\$50,795.32
<b>Sub Total</b>	<b>\$50,795.32</b>

**2050 Fiscal Year**

Grounds: Concrete Repairs/Replacements	\$8,889.18
Pool Area: Furniture	\$7,111.35
<b>Sub Total</b>	<b>\$16,000.53</b>

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Streets: Asphalt Rehabilitation**

Category	010 Streets	Quantity	41,000 sq. ft.
		Unit Cost	\$3.80
		% of Replacement	100.00%
		Current Cost	\$155,800.00
Placed In Service	01/1999	Future Cost	\$253,781.78
Useful Life	30		
Adjustment	+5	Assigned Reserves at FYB	\$20,582.00
Remaining Life	10	Monthly Member Contribution	\$489.75
Replacement Year	2034	Monthly Interest Contribution	\$5.67
		Total Monthly Contribution	\$495.42

The client advised us that the community asphalt (streets & parking spaces) was overlaid in 1999, and it appears as though it was slurry sealed approximately 8 - 10 years ago. This component budgets to remove & replace the community asphalt in 2034.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Streets: Asphalt Repair & Seal Coat**

Category	010 Streets	Quantity	1 total
		Unit Cost	\$15,000.00
		% of Replacement	100.00%
		Current Cost	\$15,000.00
Placed In Service	01/2017	Future Cost	\$19,144.22
Useful Life	5		
		Assigned Reserves at FYB	\$15,000.00
Remaining Life	0	Monthly Member Contribution	\$92.49
Replacement Year	2024	Monthly Interest Contribution	\$0.31
		Total Monthly Contribution	\$92.80

This component includes a provision to crack seal, repair & seal coat the asphalt on a five year cycle.

It should be noted that the repair/seal coat and rehabilitation components are scheduled to occur in the same budget year. It is recommended that the asphalt be seal coated within 6 months of rehabilitation. Therefore, this component appears in the same year as the rehabilitation project. If the Association chooses not to seal coat within 6 months of rehabilitation, the accumulated funds can be used for any additional expenses associated with the rehabilitation, or remain in the reserve account to be reallocated to other future projects.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Roofs: Flat, Built-Up (Pool Building)**

Category	020 Roofs	Quantity	1 total
		Unit Cost	\$3,300.00
		% of Replacement	100.00%
		Current Cost	\$3,300.00
Placed In Service	03/2022	Future Cost	\$7,941.84
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	18	Monthly Member Contribution	\$7.40
Replacement Year	2042	Monthly Interest Contribution	\$0.02
		Total Monthly Contribution	\$7.43

Based on historical Google Earth satellite images, we have estimated that the flat, built-up roof (414 sq. ft.) atop the pool building was replaced in early 2022 (no information was provided by the client).

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Buildings/Grounds: Sewer & Plumbing Lines (Unfunded)**

Category	025 Buildings	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/1964	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

The 2018 reserve study by Capital Reserve Analysts included components for the partial replacement of sewer & plumbing lines. In preparation for this reserve study, we were not provided any information from the client regarding past sewer & plumbing line replacement projects, or any plans for such. We advised the client that it would be their responsibility to provide the budgeting data for sewer & plumbing line replacements if they wanted them included in this reserve study. The community manager provided the following response:

I am okay with "Unfunding" these items. The association is responsible for the sewer & plumbing in the community, but the Board has not spent any funds on this item, and most issues were found to be owner responsibility.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Paint/Repair: Community Exteriors**

Category	030 Painting	Quantity	1 total
		Unit Cost	\$115,000.00
		% of Replacement	100.00%
		Current Cost	\$115,000.00
Placed In Service	01/2023	Future Cost	\$161,816.55
Useful Life	8		
		Assigned Reserves at FYB	\$14,375.00
Remaining Life	7	Monthly Member Contribution	\$480.81
Replacement Year	2031	Monthly Interest Contribution	\$4.43
		Total Monthly Contribution	\$485.23

The community exteriors were repainted, including wood replacements, by EmpireWorks in late 2022/early 2023 at a cost of \$110,257.36. This component budgets for similar work every eight (8) years.

NOTE: Another \$76,409.07 was spent on restuccoing as part of the painting project. We have not accounted for future restuccoing at this time.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Lighting: Poles w/Lantern Fixtures, Etc.**

Category	050 Lighting	Quantity	1 total
		Unit Cost	\$10,000.00
		% of Replacement	100.00%
		Current Cost	\$10,000.00
Placed In Service	01/2022	Future Cost	\$24,066.19
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	18	Monthly Member Contribution	\$22.43
Replacement Year	2042	Monthly Interest Contribution	\$0.07
		Total Monthly Contribution	\$22.50

\$6,376 was spent in 2022 on the purchase & installation of the short metal posts & lantern fixtures (28) scattered throughout the community. This component budgets to replace this lighting on a 20 year cycle, and also includes a provision to replace the wall mounted lantern fixtures (4) at the community entry area next to the pool, and the taller metal light poles w/fixtures in the grass area around the pool.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Pool Area: Furniture**

Category	060 Pool	Quantity	1 total
		Unit Cost	\$2,000.00
		% of Replacement	100.00%
		Current Cost	\$2,000.00
Placed In Service	01/2010	Future Cost	\$2,680.19
Useful Life	20		
		Assigned Reserves at FYB	\$1,400.00
Remaining Life	6	Monthly Member Contribution	\$4.90
Replacement Year	2030	Monthly Interest Contribution	\$0.29
		Total Monthly Contribution	\$5.19

This component budgets to replace the following pool furniture:

- 11 - metal mesh chairs
- 2 - metal mesh tables
- 2 - metal umbrellas

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Pool Area: Wrought Iron Fencing & Gates**

Category	060 Pool	Quantity	1 total
		Unit Cost	\$22,500.00
		% of Replacement	100.00%
		Current Cost	\$22,500.00
Placed In Service	01/2005	Future Cost	\$38,482.64
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	11	Monthly Member Contribution	\$71.67
Replacement Year	2035	Monthly Interest Contribution	\$0.24
		Total Monthly Contribution	\$71.91

This component budgets to replace the wrought iron fencing & gates at the pool area:

- 270 - lin. ft. of 5'10" fencing
- 1 - 5'10" x 3'10" gate
- 1 - 6'6" x 3'10" gate

NOTE: \$1,003 was spent in 2019 to repair damaged fencing. The accumulated funds from this component should continue to be used on an "as needed" basis for wrought iron repairs/replacements.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Pool Bldg: Restroom Improvements**

Category	060 Pool	Quantity	1 total
		Unit Cost	\$2,000.00
		% of Replacement	100.00%
		Current Cost	\$2,000.00
Placed In Service	01/2015	Future Cost	\$2,100.00
Useful Life	10		
		Assigned Reserves at FYB	\$1,800.00
Remaining Life	1	Monthly Member Contribution	\$7.90
Replacement Year	2025	Monthly Interest Contribution	\$0.38
		Total Monthly Contribution	\$8.28

The pool building restroom components are in poor condition, but does not appear to be a priority for the association. This component will accumulate funds on a 10 year cycle for improvements/replacements of the pool building components (toilet, sink, partition, lighting, mirror, paint, doors) on an "as needed" basis. Should the client wish to budget for the pool building components in a different manner, we will do so at their request.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Pool: Filter**

Category	060 Pool	Quantity	1 filter
		Unit Cost	\$1,800.00
		% of Replacement	100.00%
		Current Cost	\$1,800.00
Placed In Service	01/2005	Future Cost	\$4,331.91
Useful Life	18		
		Assigned Reserves at FYB	\$1,800.00
Remaining Life	0	Monthly Member Contribution	\$4.04
Replacement Year	2024	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$4.05

This is a Triton II, 4.91 sq. ft. sand filter.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Pool: Heater (Unfunded)**

Category	060 Pool	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2004	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

The Laars Lite 2 pool heater is disconnected. We are not budgeting to replace this heater.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Pool: Pump/Motor**

Category	060 Pool	Quantity	1 total
		Unit Cost	\$2,000.00
		% of Replacement	100.00%
		Current Cost	\$2,000.00
Placed In Service	01/2018	Future Cost	\$2,431.01
Useful Life	10		
		Assigned Reserves at FYB	\$1,200.00
Remaining Life	4	Monthly Member Contribution	\$7.53
Replacement Year	2028	Monthly Interest Contribution	\$0.26
		Total Monthly Contribution	\$7.80

This component budgets to replace the 2HP pump & motor.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Pool: Resurface & Retile**

Category	060 Pool	Quantity	1 total
		Unit Cost	\$22,500.00
		% of Replacement	100.00%
		Current Cost	\$22,500.00
Placed In Service	07/2023	Future Cost	\$72,564.75
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	24	Monthly Member Contribution	\$42.45
Replacement Year	2048	Monthly Interest Contribution	\$0.14
		Total Monthly Contribution	\$42.59

The pool was resurfaced & retiled, including additional work (see Above & Beyond Pool Remodeling contract) in mid-2023 at a cost of \$28,720.45.

- 1,450 - sq. ft. (internal area) of mini-pebble resurfacing
- 125 - lin. ft. of trim tile
- 18 - lin. ft. of bench tile

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Concrete Repairs/Replacements**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$2,500.00
		% of Replacement	100.00%
		Current Cost	\$2,500.00
Placed In Service	01/2020	Future Cost	\$2,625.00
Useful Life	5		
		Assigned Reserves at FYB	\$2,000.00
Remaining Life	1	Monthly Member Contribution	\$16.61
Replacement Year	2025	Monthly Interest Contribution	\$0.45
		Total Monthly Contribution	\$17.06

This component will accumulate funds on a five year cycle for concrete repairs/replacements throughout the community on an "as needed" basis. The budgeted amount & useful life cycle estimates should be adjusted over time as experience/conditions dictate.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Granite Replenishment (Unfunded)**

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/1964	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

We are not budgeting to replenish the common area granite landscape rock located throughout the community because the cost to do so is most often considered an operating expense. We recommend that a line item be set up in the annual operating budget to account for ongoing granite replenishment projects. Should the Association wish to have granite replenishment included in the reserve study, we will budget for it at the Board's request. However, in order to do so, the following information will need to be provided:

- \$ amount to be budgeted (or total square footage of granite landscaped areas)
- Year in which the next expenditure should be scheduled to occur
- Number of years between expenditures (useful life cycle)

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation System Replacement (2024)**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$15,000.00
		% of Replacement	100.00%
		Current Cost	\$15,000.00
Placed In Service	01/1995	Future Cost	
Useful Life	29		
		Assigned Reserves at FYB	\$15,000.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2024	Monthly Interest Contribution	\$0.00
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$0.00

In mid-2023, \$10,750 was spent to replace the mainline irrigation system at the pool grass area. The client advised us that another \$30,000 needs to be spent to replace the rest of the community irrigation systems. The client advised us to budget \$15,000 to be spent in 2024.

This is a one time expense in 2024 for irrigation system replacement.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation System Replacement (2025)**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$15,000.00
		% of Replacement	100.00%
		Current Cost	\$15,000.00
Placed In Service	01/1995	Future Cost	\$15,750.00
Useful Life	30		
		Assigned Reserves at FYB	\$14,500.00
Remaining Life	1	Monthly Member Contribution	\$32.26
Replacement Year	2025	Monthly Interest Contribution	\$2.95
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$35.21

This is a one time expense in 2025 to complete the irrigation system replacement project.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Irrigation System Replacement (Ongoing)**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$40,000.00
		% of Replacement	100.00%
		Current Cost	\$40,000.00
Placed In Service	01/2024	Future Cost	\$106,131.91
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	20	Monthly Member Contribution	\$83.94
Replacement Year	2044	Monthly Interest Contribution	\$0.28
		Total Monthly Contribution	\$84.22

From 2023 - 2025, approximately \$40,000 will be spent to replace the irrigation system components throughout the community. As directed by the client, this component budgets to replace the irrigation system components on a 20 year cycle. We have used 2024 as an average placed in service date for this component.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Monument Signs**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$4,000.00
		% of Replacement	100.00%
		Current Cost	\$4,000.00
Placed In Service	01/2007	Future Cost	\$4,630.50
Useful Life	20		
		Assigned Reserves at FYB	\$3,400.00
Remaining Life	3	Monthly Member Contribution	\$10.16
Replacement Year	2027	Monthly Interest Contribution	\$0.70
		Total Monthly Contribution	\$10.86

There are two monument signs that consist of a tubular steel cross beam supported by block columns with a hanging steel sign face that indicates "SCOTTSDALE 2000". The age of these signs is unknown. This component includes a provision to replace the hanging down signs on a 20 year cycle, next in 2027.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Grounds: Tree Trimming (Unfunded)**

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/1964	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

Tree trimming is accounted for as an operating expense.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Loan: Principal Payments (2024)**

Category	110 Loan	Quantity	1 total
		Unit Cost	\$18,858.00
		% of Replacement	100.00%
		Current Cost	\$18,858.00
Placed In Service	01/2023	Future Cost	
Useful Life	1		
		Assigned Reserves at FYB	\$18,858.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2024	Monthly Interest Contribution	\$0.00
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$0.00

This component is a one time expense to account for the \$18,858 worth of loan principal payments that will be made out of the reserve account in 2024.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Loan: Principal Payments (2025)**

Category	110 Loan	Quantity	1 total
		Unit Cost	\$18,571.43
		% of Replacement	100.00%
		Current Cost	\$18,571.43
Placed In Service	01/2024	Future Cost	\$19,500.00
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	1	Monthly Member Contribution	\$523.95
Replacement Year	2025	Monthly Interest Contribution	\$1.75
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$525.70

This component is a one time expense to account for the \$19,500 worth of loan principal payments that will be made out of the reserve account in 2025.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Loan: Principal Payments (2026)**

Category	110 Loan	Quantity	1 total
		Unit Cost	\$19,996.37
		% of Replacement	100.00%
		Current Cost	\$19,996.37
Placed In Service	01/2025	Future Cost	\$22,046.00
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$288.48
Replacement Year	2026	Monthly Interest Contribution	\$0.96
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$289.44

This component is a one time expense to account for the \$22,046 worth of loan principal payments that will be made out of the reserve account in 2026.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Loan: Principal Payments (2027)**

Category	110 Loan	Quantity	1 total
		Unit Cost	\$20,063.49
		% of Replacement	100.00%
		Current Cost	\$20,063.49
Placed In Service	01/2026	Future Cost	\$23,226.00
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	3	Monthly Member Contribution	\$197.31
Replacement Year	2027	Monthly Interest Contribution	\$0.66
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$197.97

This component is a one time expense to account for the \$23,226 worth of loan principal payments that will be made out of the reserve account in 2027.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Loan: Principal Payments (2028)**

Category	110 Loan	Quantity	1 total
		Unit Cost	\$20,115.07
		% of Replacement	100.00%
		Current Cost	\$20,115.07
Placed In Service	01/2027	Future Cost	\$24,449.99
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	4	Monthly Member Contribution	\$151.68
Replacement Year	2028	Monthly Interest Contribution	\$0.51
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$152.18

This component is a one time expense to account for the \$24,450 worth of loan principal payments that will be made out of the reserve account in 2028.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Loan: Principal Payments (2029)**

Category	110 Loan	Quantity	1 total
		Unit Cost	\$20,183.63
		% of Replacement	100.00%
		Current Cost	\$20,183.63
Placed In Service	01/2028	Future Cost	\$25,759.99
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	5	Monthly Member Contribution	\$124.45
Replacement Year	2029	Monthly Interest Contribution	\$0.42
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$124.87

This component is a one time expense to account for the \$25,760 worth of loan principal payments that will be made out of the reserve account in 2029.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Loan: Principal Payments (2030)**

Category	110 Loan	Quantity	1 total
		Unit Cost	\$20,274.67
		% of Replacement	100.00%
		Current Cost	\$20,274.67
Placed In Service	01/2029	Future Cost	\$27,170.00
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	6	Monthly Member Contribution	\$106.47
Replacement Year	2030	Monthly Interest Contribution	\$0.36
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$106.82

This component is a one time expense to account for the \$27,170 worth of loan principal payments that will be made out of the reserve account in 2030.

# Scottsdale 2000

## Component Detail

### Directed Cash Flow Calculation Method; Sorted By Category

#### Loan: Principal Payments (2031)

Category	110 Loan	Quantity	1 total
		Unit Cost	\$20,329.75
		% of Replacement	100.00%
		Current Cost	\$20,329.75
Placed In Service	01/2030	Future Cost	\$28,606.00
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	7	Monthly Member Contribution	\$93.50
Replacement Year	2031	Monthly Interest Contribution	\$0.31
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$93.82

This component is a one time expense to account for the \$28,606 worth of loan principal payments that will be made out of the reserve account in 2031.

**Scottsdale 2000**  
**Component Detail**  
**Directed Cash Flow Calculation Method; Sorted By Category**

**Loan: Principal Payments (2032)**

Category	110 Loan	Quantity	1 total
		Unit Cost	\$13,478.58
		% of Replacement	100.00%
		Current Cost	\$13,478.58
Placed In Service	01/2031	Future Cost	\$19,914.00
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	8	Monthly Member Contribution	\$55.42
Replacement Year	2032	Monthly Interest Contribution	\$0.19
	<b>One-Time Replacement</b>	Total Monthly Contribution	\$55.60

This component is a one time expense to account for the \$19,914 worth of loan principal payments that will be made out of the reserve account in 2032.

# Scottsdale 2000

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