

# RESERVE ANALYSIS REPORT

## Sienna

Chandler, Arizona

Version 005

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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

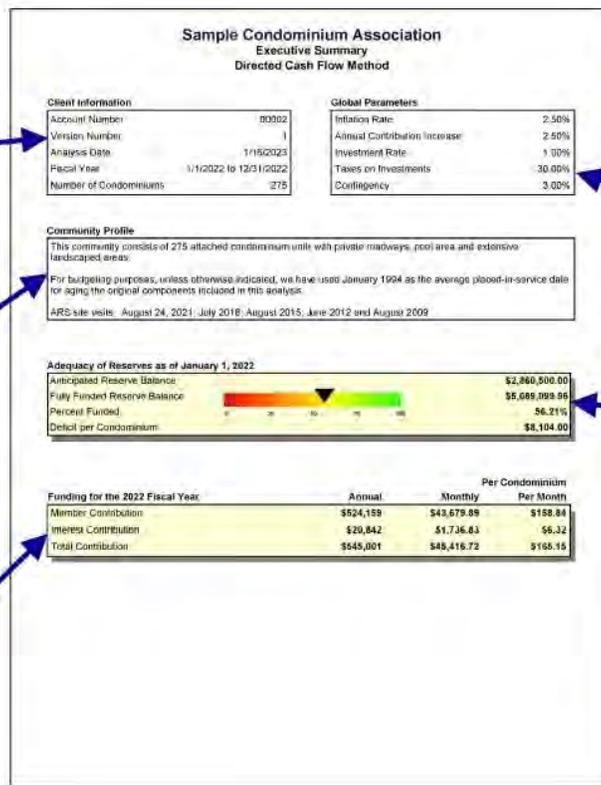
Provides general information about project, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

**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.

#### 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.

**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 Repair	6	24	\$390,000.00	\$821,176.47
Streets - Asphalt, Repair	3	4	\$24,800.00	\$12,180.00
Streets - Asphalt, Seal Coat	3	4	\$14,560.00	\$7,280.00
Streets - Concrete	3	4	\$20,000.00	\$10,000.00
<b>Sub Total</b>	<b>2-8</b>	<b>4-24</b>	<b>\$448,860.00</b>	<b>\$850,616.47</b>
<b>020 Roofs</b>				
Roofs - Rain Gutters	12	40	\$123,785.00	\$66,645.50
Roofs - Tile, Clean & Maintain	0	5	\$97,500.00	\$37,000.00
Roofs - Tile, Replace				
<b>Sub Total</b>				
<b>030 Painting</b>				
Painting - Cabinets 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, Lines				
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, Particles				
Cabana - Water Heater				
<b>Sub Total</b>				
<b>070 Decks</b>				
Decks/Stairs - Clean & Seal	2	4	\$103,868.25	\$45,695.27
Decks/Stairs - Resurface	6	20	\$126,800.00	\$52,180.97
<b>Sub Total</b>	<b>2-6</b>	<b>4-20</b>	<b>\$230,668.25</b>	<b>\$97,876.24</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	\$59,000.00	\$6,444.44
Wood Repair - Shutters	4	20	\$44,000.00	\$39,267.50
<b>Sub Total</b>	<b>4</b>	<b>5-20</b>	<b>\$103,000.00</b>	<b>\$365,711.94</b>
<b>090 Landscape</b>				
Landscape - Irrigation Controllers	7	12	\$34,150.00	\$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>\$51,650.00</b>	<b>\$26,950.00</b>
<b>100 Miscellaneous</b>				
Fire Safety - Control Panels	1	20	\$128,000.00	\$121,666.17
Fire Safety - Extinguisher Cabinets	3	30	\$61,000.00	\$49,115.51
Mastives	18	20	\$67,000.00	\$8,700.00
Signage	11	20	\$75,000.00	\$75,000.00
Tennis Court Doors	4	20	\$157,100.00	\$137,462.50
<b>Sub Total</b>	<b>0-18</b>	<b>20-30</b>	<b>\$488,000.00</b>	<b>\$385,931.16</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>\$6,098,099.96</b>
Anticipated Reserve Balance				<b>\$2,840,800.00</b>
Percent Funded				<b>56.21%</b>

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

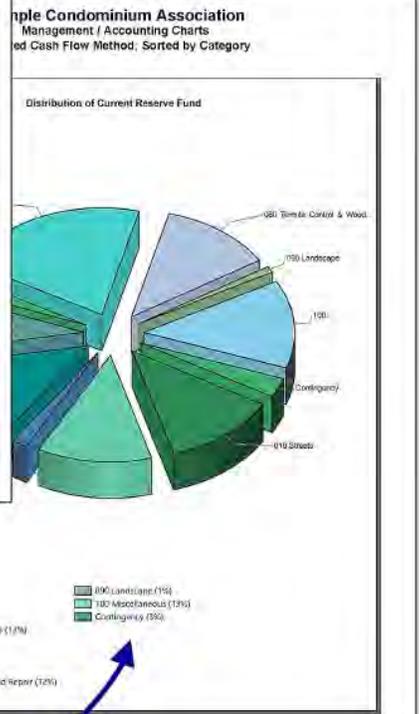
	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
<b>010 Streets</b>				
Streets - Asphalt Overlay / Major Rehab.	\$291,178.47	\$1,160.31	\$188.16	\$1,348.46
Streets - Asphalt Repair	\$12,190.00	\$414.08	\$8.83	\$422.73
Streets - Asphalt Seal Coat	\$7,200.00	\$248.45	\$8.18	\$253.64
Streets - Concrete	\$10,000.00	\$349.82	\$7.11	\$347.92
<b>Sub Total</b>	<b>\$360,618.47</b>	<b>\$2,162.67</b>	<b>\$208.08</b>	<b>\$2,362.75</b>
<b>020 Roofs</b>				
Roofs - Rain Gutters	\$86,649.50	\$321.63	\$50.81	\$372.84
Roofs - Tile Clean & Maintain	\$17,500.00	\$2,449.91	\$10.02	\$2,469.93
Roofs - Tile Replace	\$226,722.63	\$19.24		
<b>Sub Total</b>	<b>\$360,872.13</b>	<b>\$22,08</b>		
<b>030 Painting</b>				
Painting - Cabana Interior	\$64.21	\$1		
Painting - Red Curbs	\$2,557.50	\$9		
Painting - Stucco	\$20,250.79	\$3.85		
Painting - Woodwork	\$19,001.11	\$2.08		
Painting - Wrought Iron Buildings	\$4,277.78	\$67		
Painting - Wrought Iron Pool Area	\$870.63	\$4		
<b>Sub Total</b>	<b>\$46,832.22</b>	<b>\$6.78</b>		
<b>040 Fencing, Railing &amp; Walls</b>				
Fencing - Glass Sound Attenuation	\$38,027.00	\$19		
Fencing - Wrought Iron, Pool Area	\$19,456.89	\$15		
Railing & Gates - Wrought Iron, Units	\$298,472.22	\$1.08		
Walls - Stucco Repair	\$8,369.84	\$3		
<b>Sub Total</b>	<b>\$564,323.97</b>	<b>\$1.31</b>		
<b>050 Lighting</b>				
Lighting - Buildings	\$154,894.23	\$81		
Lighting - Landscape	\$11,340.00	\$13		
Lighting - Streets & Walkways	\$77,437.60	\$23		
<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	\$2,393.39	\$1		
Cabana - Plumbing Fixtures	\$7,464.12	\$2		
Cabana - Restroom Partitions	\$3,809.57	\$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	\$45,855.27	\$1,901.80	\$34.24	\$1,893.22
Decks/Stairs - Resurface	\$90,136.97	\$2,641.42	\$305.21	\$2,957.63
<b>Sub Total</b>	<b>\$395,092.24</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	\$30,000.00	\$0.00	\$174.36	\$174.36
Wood Repair - Plant Cycle	\$5,464.44	\$571.43	\$7.25	\$628.68
Wood Repair - Shutters	\$39,287.50	\$139.05	\$23.01	\$162.06
<b>Sub Total</b>	<b>\$345,731.94</b>	<b>\$1,010.48</b>	<b>\$207.61</b>	<b>\$1,212.09</b>
<b>090 Landscape</b>				
Landscape - Irrigation Controllers	\$9,450.00	\$155.33	\$6.03	\$161.36
Landscape - Removal	\$17,500.00	\$1,142.95	\$4.67	\$1,147.54
<b>Sub Total</b>	<b>\$26,950.00</b>	<b>\$1,297.99</b>	<b>\$10.71</b>	<b>\$1,308.70</b>
<b>100 Miscellaneous</b>				
Fire Safety - Control Panels	\$121,665.17	\$423.02	\$71.22	\$494.24
Fire Safety - Extinguisher Cabinets	\$48,113.51	\$179.05	\$28.70	\$207.63
Mailboxes	\$0.00	\$281.30	\$1.15	\$282.45
Signage	\$9,000.00	\$288.19	\$1.18	\$289.36
Utility, Closet Doors	\$137,462.50	\$485.94	\$80.51	\$567.05
<b>Sub Total</b>	<b>\$395,231.18</b>	<b>\$1,658.08</b>	<b>\$182.84</b>	<b>\$1,840.92</b>
Contingency	\$63,819.33	\$1,272.23	\$52.79	\$1,325.02
<b>Total</b>	<b>\$2,860,606.50</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.

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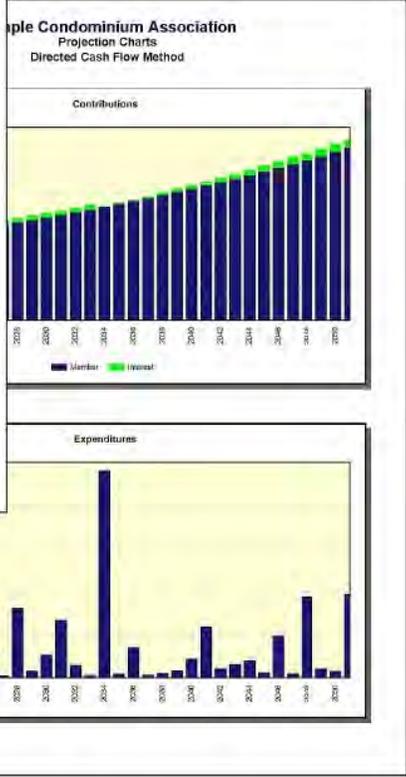
### Projections and Charts

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	\$20,642	\$132,558	\$3,272,943	\$5,483,426	60%	
2023	\$3,272,943	\$537,263	\$25,408	\$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	\$68,653	\$4,493,752	\$6,686,405	67%	
2026	\$4,493,752	\$578,573	\$28,443	\$708,377	\$4,382,391	\$6,531,322	67%	
2027	\$4,382,391	\$593,037	\$32,315	\$62,227	\$4,955,515	\$7,088,290	70%	
2028	\$4,955,515	\$607,863	\$26,316	\$1,628,558	\$3,960,138	\$6,027,958	67%	
2029	\$3,960,138	\$623,060	\$28,629	\$108,630	\$4,443,167	\$6,496,358	68%	
2030	\$4,443,167	\$638,638	\$29,479	\$537,690	\$4,923,594	\$6,988,444	70%	
2031	\$4,923,594	\$654,602	\$24,850	\$1,334,626	\$3,959,390	\$6,496,358	70%	
2032	\$3,959,390	\$670,967	\$27,585	\$301,723	\$4,356,119	\$6,988,444	72%	
2033	\$4,356,119	\$687,742	\$32,008	\$72,165	\$4,917,632	\$7,496,358	74%	
2034	\$4,917,632	\$704,935	\$3,269	\$4,621,403	\$3,299,390	\$6,496,358	74%	
2035	\$3,299,390	\$722,559	\$7,600	\$98,150	\$4,021,399	\$6,988,444	76%	
2036	\$4,021,399	\$740,623	\$7,798	\$710,165	\$3,550,547	\$6,496,358	76%	
2037	\$3,550,547	\$759,138	\$12,554	\$79,699	\$4,222,429	\$6,988,444	78%	
2038	\$4,222,429	\$778,117	\$17,274	\$108,306	\$5,000,516	\$7,496,358	80%	
2039	\$5,000,516	\$797,569	\$21,563	\$179,342	\$5,902,241	\$7,996,358	82%	
2040	\$5,902,241	\$817,509	\$24,333	\$448,099	\$6,276,944	\$8,496,358	84%	
2041	\$6,276,944	\$837,946	\$21,842	\$1,191,890	\$5,821,802	\$7,996,358	84%	
2042	\$5,821,802	\$858,896	\$26,523	\$217,211	\$6,479,986	\$8,496,358	86%	
2043	\$6,479,986	\$880,367	\$30,606	\$313,830	\$7,284,129	\$8,996,358	88%	
2044	\$7,284,129	\$902,377	\$34,200	\$409,227	\$8,007,479	\$9,496,358	90%	
2045	\$8,007,479	\$924,936	\$39,968	\$125,840	\$8,846,533	\$9,996,358	92%	
2046	\$8,846,533	\$948,059	\$39,968	\$972,832	\$7,750,718	\$9,496,358	92%	
2047	\$7,750,718	\$971,761	\$46,295	\$101,967	\$8,664,807	\$9,996,358	94%	
2048	\$8,664,807	\$996,055	\$43,299	\$1,881,629	\$6,730,422	\$9,496,358	94%	
2049	\$6,730,422	\$1,020,956	\$46,111	\$220,077	\$7,536,402	\$9,996,358	96%	
2050	\$7,536,402	\$1,046,480	\$52,534	\$164,168	\$8,481,186	\$9,496,358	96%	
2051	\$8,481,186	\$1,072,642	\$46,633	\$1,951,295	\$7,588,056	\$9,996,358	97%	

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.

# Sienna

## 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.

**Sample Condominium Association**  
Component Detail  
Directed Cash Flow Calculation Method; Sorted By Category

**Streets - Asphalt, Seal Coat**

Category	010 Streets	Quantity	162,000 sq. ft.
		Unit Cost	\$0.09
		% of Replacement	100.00%
		Current Cost	\$14,580.00
		Future Cost	\$15,316.11

Placed In Service: 01/2020  
Useful Life: 4  
Remaining Life: 2  
Replacement Year: 2024

Assigned Reserves at FYB: \$7,290.00  
Monthly Member Contribution: \$248.45  
Monthly Interest Contribution: \$5.15  
Total Monthly Contribution: \$253.64



The association repaired, seal coated and restriped the asphalt throughout the community in October 2019 for a total cost of \$15,316.11. The association repaired, seal coated (2 coats) and restriped the asphalt throughout the community during 2015 for an unknown cost. The association repaired and restriped the asphalt throughout the community in October 2019 for a total cost of \$15,316.11. The association repaired, seal coated and restriped the asphalt throughout the community in October 2019 for a total cost of \$15,316.11.

The current cost used for this component is based on actual expenditures incurred and adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the replacement year.

Asphalt surfaces should be seal coated on a 3 to 4 year cycle.

**Sample Condominium Association**  
Component Detail  
Directed Cash Flow Calculation Method; Sorted By Category

**Painting - Stucco**

Category	030 Painting	Quantity	325,750 sq. ft.
		Unit Cost	\$1.16
		% of Replacement	100.00%
		Current Cost	\$384,385.00
		Future Cost	\$480,044.19

Placed In Service: 07/2021  
Useful Life: 10  
Remaining Life: 9  
Replacement Year: 2031

Assigned Reserves at FYB: \$20,230.79  
Monthly Member Contribution: \$2,859.92  
Monthly Interest Contribution: \$23.24  
Total Monthly Contribution: \$2,883.16



The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$306,000. The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$306,000. The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$306,000. The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$306,000.

The current cost used for this component is based on actual expenditures incurred and adjusted for inflation where applicable.

**Sample Condominium Association**  
Component Detail  
Directed Cash Flow Calculation Method; Sorted By Category

**Pool - Replaster & Tile**

Category	060 Pool Area	Quantity	1 pool
		Unit Cost	\$34,387.50
		% of Replacement	100.00%
		Current Cost	\$34,387.50
		Future Cost	\$40,875.03

Placed In Service: 05/2019  
Useful Life: 10  
Remaining Life: 7  
Replacement Year: 2029

Assigned Reserves at FYB: \$9,409.21  
Monthly Member Contribution: \$255.65  
Monthly Interest Contribution: \$8.46  
Total Monthly Contribution: \$263.11



2,125 sq. ft. of replastering	⊗	\$13.50	=	\$28,687.50
180 lin. ft. of waterline/tile	⊗	\$17.50	=	\$3,150.00
170 lin. ft. of steps/bench tile	⊗	\$15.00	=	\$2,550.00
		TOTAL	=	\$34,387.50

The association replastered the pool during 2006 for a total cost of \$22,174. The association replastered the pool and also replaced the pool and spa lighting (with LED lights) and replaced the mosaic material at the pool area in March 2011 for a total cost of \$41,511. The association replastered the pool and spa in May 2019 for a total cost of \$35,443.

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

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

# Sienna

## 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-

# Sienna

## 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:

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

# Sienna

## 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."

# Sienna

## 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.

# Sienna

## Executive Summary

### Directed Cash Flow Method

#### Client Information

Account Number	1831
Version Number	005
Analysis Date	2/6/2024
Fiscal Year	1/1/2024 to 12/31/2024
Number of Lots	405

#### Global Parameters

Inflation Rate	3.00%
Annual Contribution Increase	10.00%
Investment Rate	1.80%
Taxes on Investments	0.00%
Contingency	0.00%

#### Community Profile

This community was built in 2004. Refer to the Component Detail section for the dates used to age the components examined in this analysis.

Reserve Balance as of September 30, 2023: \$231,358

Remaining 2023 Reserve Contributions: \$11,335 (\$3,778.25/month x 3 months)

Remaining 2023 Interest to be Earned (1.80%): \$1,067

Remaining 2023 Reserve Expenditures: None Planned or Anticipated

Projected January 1, 2024 Reserve Balance: \$243,760

REPORTS: 2002 (from plans). Updated 2006, 2010, 2018 & 2024.

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

Anticipated Reserve Balance		<b>\$243,760.00</b>
Fully Funded Reserve Balance		<b>\$253,061.29</b>
Percent Funded	0      25      50      75      100	<b>96.32%</b>

Funding for the 2024 Fiscal Year	Annual	Monthly	Per Lot Per Month
Member Contribution	<b>\$43,307</b>	<b>\$3,608.88</b>	<b>\$8.91</b>
Interest Contribution	<b>\$3,876</b>	<b>\$322.97</b>	<b>\$0.80</b>
Total Contribution	<b>\$47,182</b>	<b>\$3,931.85</b>	<b>\$9.71</b>

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

	<b>Remaining Life</b>	<b>Fully Funded Balance</b>	<b>Assigned Reserves</b>
Grounds: Granite Replenishment	0	\$50,000.00	\$50,000.00
Grounds: Monument Sign Components	2	\$4,000.00	\$4,000.00
North Park: Park Equipment (Benches)	2	\$2,727.27	\$2,727.27
Paint: Stucco Walls & Wrought Iron	2	\$56,666.67	\$56,666.67
South Park: Basketball Court Resurface	2	\$3,942.86	\$3,942.86
South Park: Park Equipment (Benches)	2	\$2,727.27	\$2,727.27
South Park: Park Equipment (Picnic Tables)	5	\$2,333.33	\$2,333.33
Grounds: Irrigation Booster Station Equipment	9	\$1,578.95	\$1,578.95
North Park: Park Equipment (Picnic Tables)	10	\$1,058.14	\$1,058.14
North Park: Tile Roof Underlayment (Ramada)	10	\$3,200.00	\$3,200.00
South Park: Tile Roof Underlayment (Ramada)	10	\$3,200.00	\$3,200.00
Walls: Common Area (Repair/Replace)	10	\$26,666.67	\$26,666.67
North Park: Park Equipment (Trash Receptacles)	11	\$1,292.13	\$1,292.13
South Park: Park Equipment (Trash Receptacles)	11	\$1,033.71	\$1,033.71
Grounds: Park Equipment (Markwood Drive)	12	\$1,000.00	\$1,000.00
North Park: Shade Structure Fabric	12	\$651.72	\$651.72
South Park: Shade Structure Fabric	12	\$1,143.85	\$1,143.85
Fencing: Wrought Iron, Replace (Lots)	15	\$64,742.86	\$64,742.86
North Park: Playstructure & Swing Set	16	\$8,076.92	\$8,076.92
South Park: Basketball Backboards & Rims	16	\$579.83	\$579.83
South Park: Playstructure & Swing Set	16	\$12,564.10	\$7,137.81
Grounds: Mailboxes	19	\$3,875.00	\$0.00
Fencing: Steel Split Rail (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Concrete Components (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Drywell Maintenance (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Irrigation System Infrastructure (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	\$0.00	\$0.00
Paint: Ramadas & Steel Split Rail Fencing (Unfunded)	n.a.	\$0.00	\$0.00
Contingency	n.a.	\$0.00	\$0.00
<b>Total</b>	<b>0-19</b>	<b>\$253,061.29</b>	<b>\$243,760.00</b>
<b>Percent Funded</b>			<b>96.32%</b>

**Sienna**  
**Projections**  
**Directed Cash Flow Method**

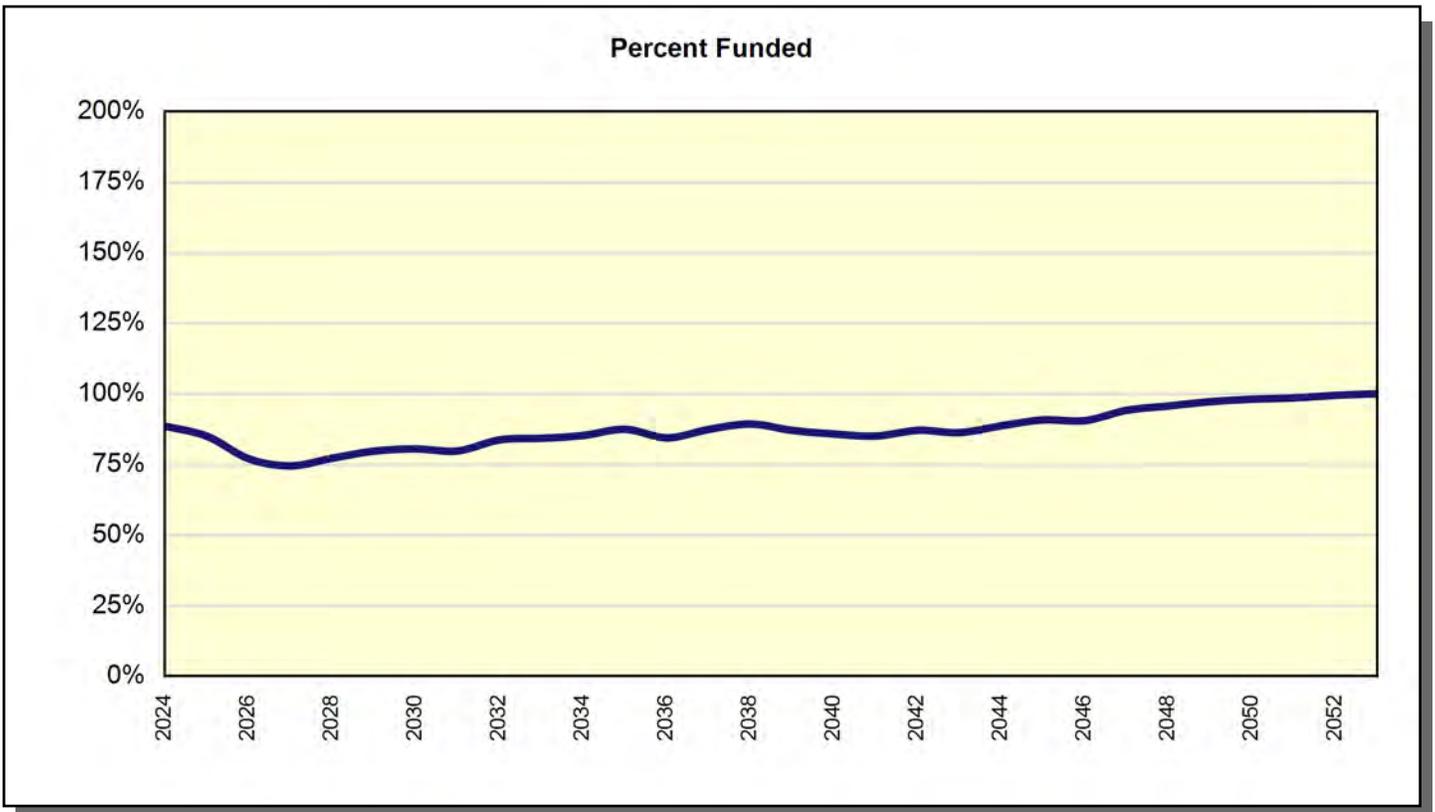
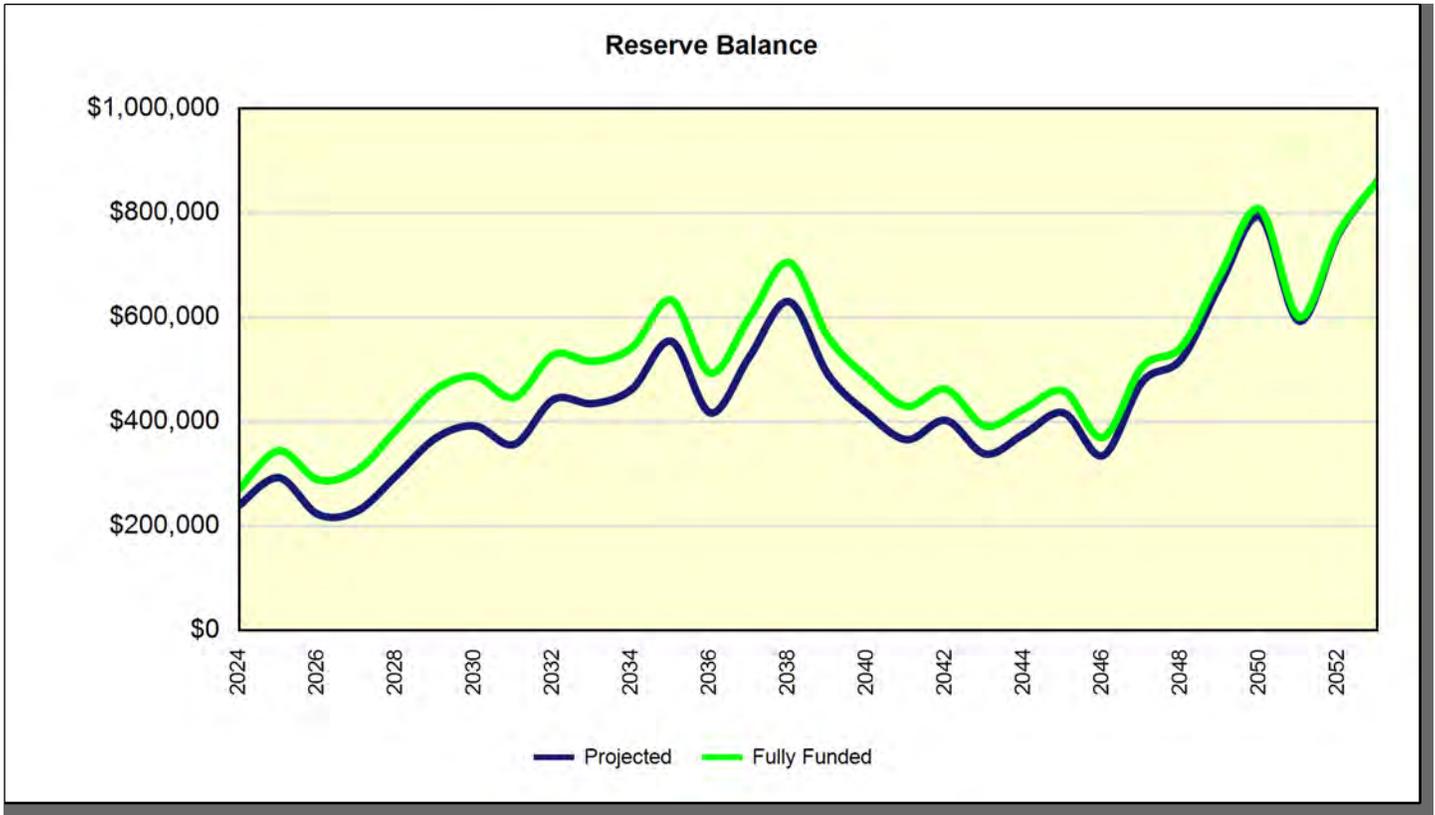
<b>Fiscal Year</b>	<b>Beginning Balance</b>	<b>Member Contribution</b>	<b>Interest Contribution</b>	<b>Expenses</b>	<b>Ending Balance</b>	<b>Fully Funded Balance</b>	<b>Percent Funded</b>
2024	\$243,760	\$43,307	\$3,876	\$50,000	\$240,942	\$271,951	89%
2025	\$240,942	\$47,637	\$4,768	\$0	\$293,347	\$344,791	85%
2026	\$293,347	\$52,401	\$3,467	\$126,247	\$222,968	\$289,245	77%
2027	\$222,968	\$57,641	\$3,533	\$54,636	\$229,506	\$307,715	75%
2028	\$229,506	\$63,405	\$4,691	\$0	\$297,602	\$384,997	77%
2029	\$297,602	\$69,746	\$5,906	\$4,057	\$369,196	\$462,459	80%
2030	\$369,196	\$76,720	\$6,253	\$59,703	\$392,467	\$487,034	81%
2031	\$392,467	\$84,392	\$5,546	\$125,447	\$356,958	\$446,795	80%
2032	\$356,958	\$86,865	\$7,061	\$7,601	\$443,283	\$528,962	84%
2033	\$443,283	\$89,410	\$6,892	\$104,382	\$435,203	\$515,994	84%
2034	\$435,203	\$92,030	\$7,366	\$71,362	\$463,237	\$542,684	85%
2035	\$463,237	\$94,726	\$8,967	\$12,458	\$554,472	\$633,378	88%
2036	\$554,472	\$97,502	\$6,495	\$241,139	\$417,329	\$493,853	85%
2037	\$417,329	\$100,358	\$8,406	\$0	\$526,094	\$601,211	88%
2038	\$526,094	\$103,299	\$10,240	\$9,076	\$630,558	\$705,218	89%
2039	\$630,558	\$106,326	\$7,708	\$254,416	\$490,175	\$562,503	87%
2040	\$490,175	\$109,441	\$6,367	\$189,355	\$416,628	\$485,220	86%
2041	\$416,628	\$112,648	\$5,436	\$168,590	\$366,121	\$430,032	85%
2042	\$366,121	\$115,948	\$6,061	\$85,122	\$403,008	\$462,278	87%
2043	\$403,008	\$119,345	\$4,883	\$188,502	\$338,735	\$392,221	86%
2044	\$338,735	\$122,842	\$5,544	\$89,403	\$377,718	\$425,442	89%
2045	\$377,718	\$126,441	\$6,216	\$93,015	\$417,360	\$459,344	91%
2046	\$417,360	\$130,146	\$4,724	\$216,520	\$335,711	\$370,562	91%
2047	\$335,711	\$133,959	\$7,204	\$0	\$476,874	\$505,746	94%
2048	\$476,874	\$137,884	\$7,953	\$101,640	\$521,072	\$544,017	96%
2049	\$521,072	\$141,925	\$10,501	\$7,328	\$666,169	\$684,412	97%
2050	\$666,169	\$146,083	\$12,715	\$32,349	\$792,618	\$807,196	98%
2051	\$792,618	\$150,363	\$9,116	\$359,027	\$593,070	\$601,252	99%
2052	\$593,070	\$154,769	\$12,047	\$0	\$759,886	\$763,116	100%
2053	\$759,886	\$159,303	\$13,829	\$70,697	\$862,322	\$861,334	100%

The client's 2024 budgeted reserve contribution is \$43,307, as shown above. Based on the reserve schedule of expenses outlined in this report, we have incorporated a 10.00% annual reserve contribution increase from 2025 - 2031, and then a 2.93% annual reserve contribution increase thereafter.

# Sienna

## Projection Charts

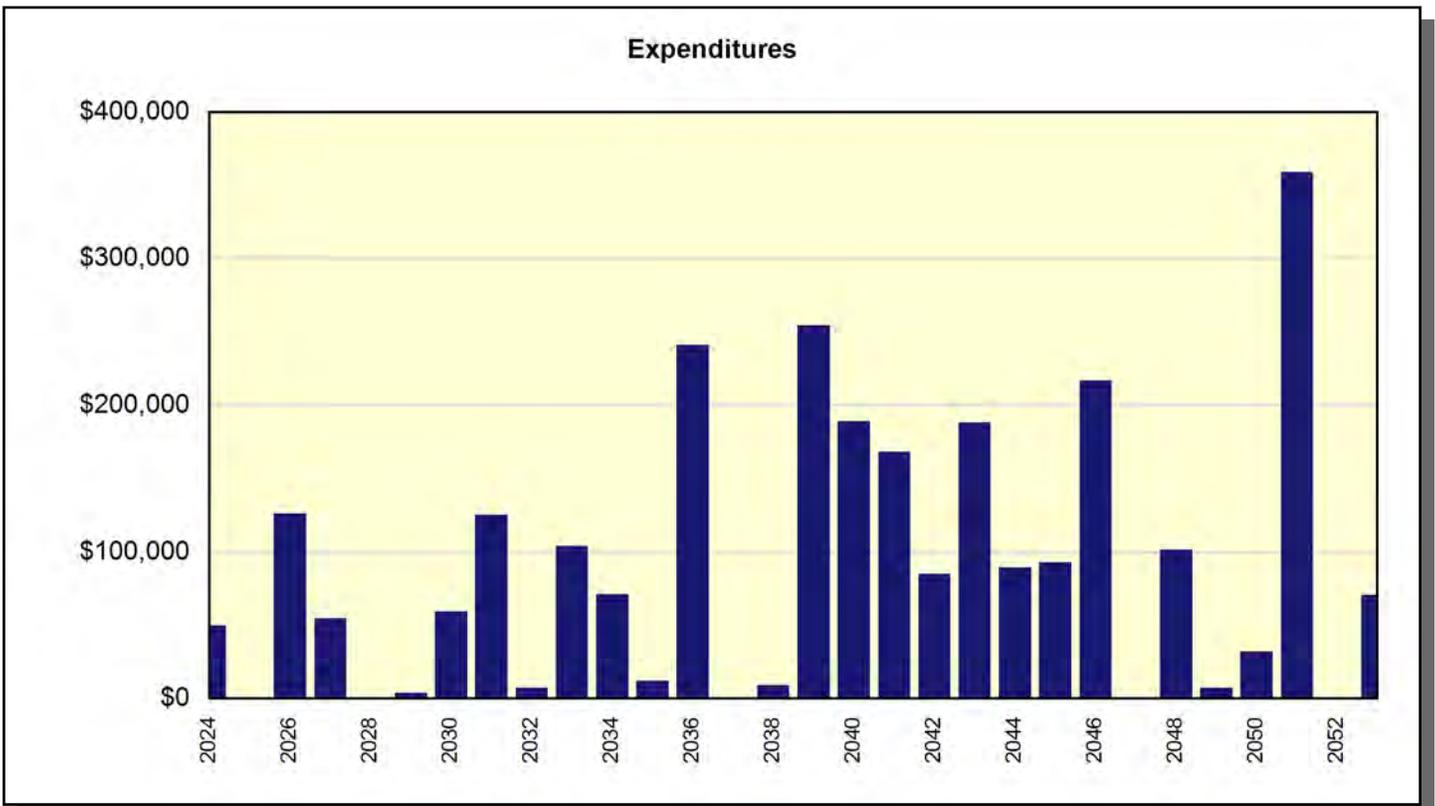
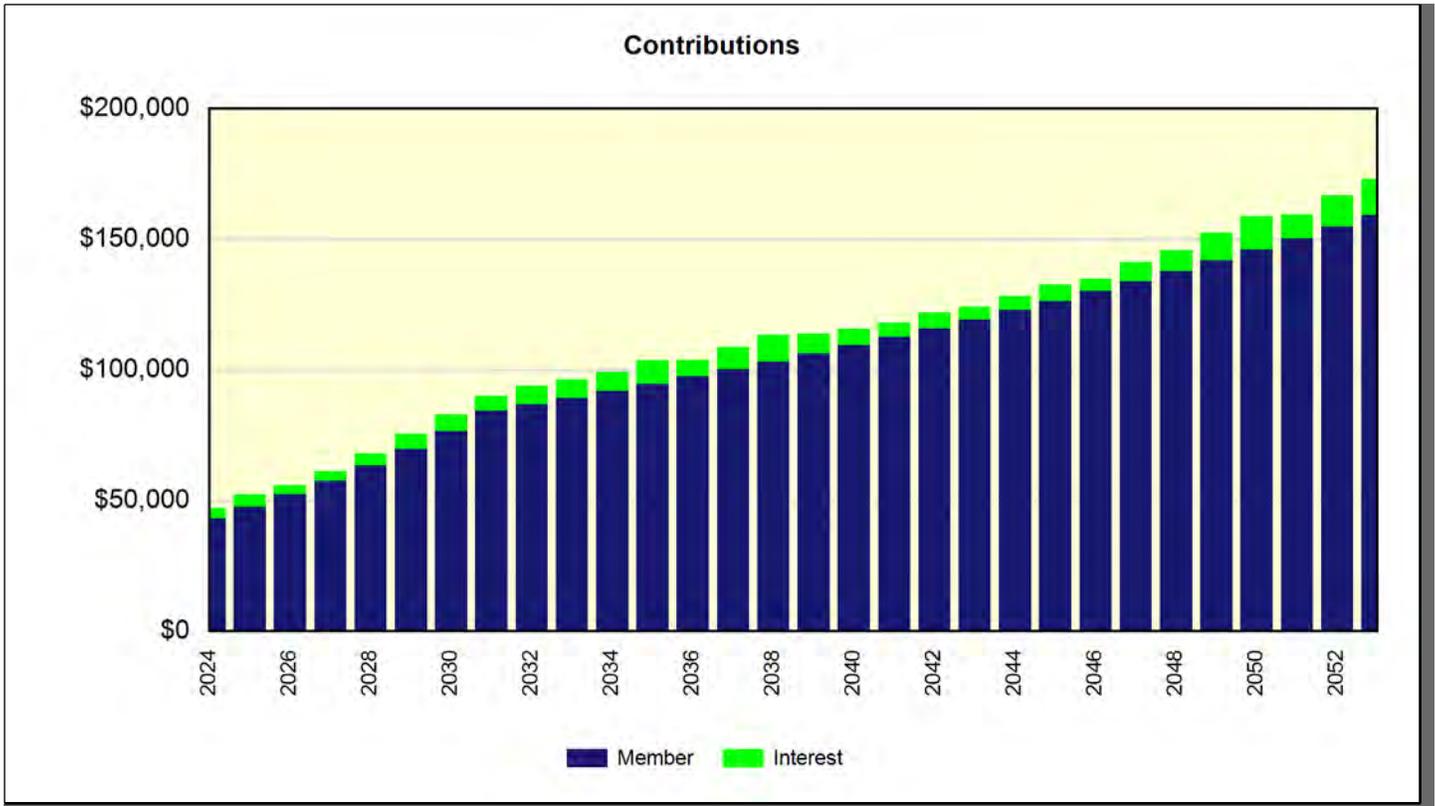
### Directed Cash Flow Method



# Sienna

## Projection Charts

### Directed Cash Flow Method



# Sienna

## Annual Expenditures

### Sorted by Alphabetical

#### 2024 Fiscal Year

Grounds: Granite Replenishment	\$50,000.00
<b>Sub Total</b>	<b>\$50,000.00</b>

#### 2026 Fiscal Year

Grounds: Monument Sign Components	\$5,304.50
North Park: Park Equipment (Benches)	\$3,182.70
Paint: Stucco Walls & Wrought Iron	\$108,211.80
South Park: Basketball Court Resurface	\$6,365.40
South Park: Park Equipment (Benches)	\$3,182.70
<b>Sub Total</b>	<b>\$126,247.10</b>

#### 2027 Fiscal Year

Grounds: Granite Replenishment	\$54,636.35
<b>Sub Total</b>	<b>\$54,636.35</b>

#### 2029 Fiscal Year

South Park: Park Equipment (Picnic Tables)	\$4,057.46
<b>Sub Total</b>	<b>\$4,057.46</b>

#### 2030 Fiscal Year

Grounds: Granite Replenishment	\$59,702.61
<b>Sub Total</b>	<b>\$59,702.61</b>

#### 2031 Fiscal Year

Paint: Stucco Walls & Wrought Iron	\$125,447.13
<b>Sub Total</b>	<b>\$125,447.13</b>

#### 2032 Fiscal Year

South Park: Basketball Court Resurface	\$7,600.62
<b>Sub Total</b>	<b>\$7,600.62</b>

#### 2033 Fiscal Year

Grounds: Granite Replenishment	\$65,238.66
Grounds: Irrigation Booster Station Equipment	\$39,143.20
<b>Sub Total</b>	<b>\$104,381.85</b>

#### 2034 Fiscal Year

North Park: Park Equipment (Picnic Tables)	\$4,703.71
North Park: Tile Roof Underlayment (Ramada)	\$6,450.80
South Park: Tile Roof Underlayment (Ramada)	\$6,450.80
Walls: Common Area (Repair/Replace)	\$53,756.66

# Sienna

## Annual Expenditures

### Sorted by Alphabetical

<b>Sub Total</b>	<b>\$71,361.96</b>
 <b><u>2035 Fiscal Year</u></b>	
North Park: Park Equipment (Trash Receptacles)	\$6,921.17
South Park: Park Equipment (Trash Receptacles)	\$5,536.94
<b>Sub Total</b>	<b>\$12,458.10</b>
 <b><u>2036 Fiscal Year</u></b>	
Grounds: Granite Replenishment	\$71,288.04
Grounds: Monument Sign Components	\$7,128.80
Grounds: Park Equipment (Markwood Drive)	\$3,564.40
North Park: Shade Structure Fabric	\$5,389.38
Paint: Stucco Walls & Wrought Iron	\$145,427.61
South Park: Shade Structure Fabric	\$8,340.70
<b>Sub Total</b>	<b>\$241,138.94</b>
 <b><u>2038 Fiscal Year</u></b>	
South Park: Basketball Court Resurface	\$9,075.54
<b>Sub Total</b>	<b>\$9,075.54</b>
 <b><u>2039 Fiscal Year</u></b>	
Fencing: Wrought Iron, Replace (Lots)	\$176,517.71
Grounds: Granite Replenishment	\$77,898.37
<b>Sub Total</b>	<b>\$254,416.08</b>
 <b><u>2040 Fiscal Year</u></b>	
North Park: Playstructure & Swing Set	\$72,211.79
South Park: Basketball Backboards & Rims	\$4,814.12
South Park: Playstructure & Swing Set	\$112,329.45
<b>Sub Total</b>	<b>\$189,355.36</b>
 <b><u>2041 Fiscal Year</u></b>	
Paint: Stucco Walls & Wrought Iron	\$168,590.46
<b>Sub Total</b>	<b>\$168,590.46</b>
 <b><u>2042 Fiscal Year</u></b>	
Grounds: Granite Replenishment	\$85,121.65
<b>Sub Total</b>	<b>\$85,121.65</b>
 <b><u>2043 Fiscal Year</u></b>	
Grounds: Irrigation Booster Station Equipment	\$52,605.18
Grounds: Mailboxes	\$135,896.72

**Sienna**  
**Annual Expenditures**  
**Sorted by Alphabetical**

<b>Sub Total</b>	<b>\$188,501.90</b>
<b><u>2044 Fiscal Year</u></b>	
South Park: Basketball Court Resurface	\$10,836.67
South Park: Park Equipment (Picnic Tables)	\$6,321.39
Walls: Common Area (Repair/Replace)	\$72,244.45
<b>Sub Total</b>	<b>\$89,402.51</b>
<b><u>2045 Fiscal Year</u></b>	
Grounds: Granite Replenishment	\$93,014.73
<b>Sub Total</b>	<b>\$93,014.73</b>
<b><u>2046 Fiscal Year</u></b>	
Grounds: Monument Sign Components	\$9,580.52
North Park: Park Equipment (Benches)	\$5,748.31
Paint: Stucco Walls & Wrought Iron	\$195,442.55
South Park: Park Equipment (Benches)	\$5,748.31
<b>Sub Total</b>	<b>\$216,519.69</b>
<b><u>2048 Fiscal Year</u></b>	
Grounds: Granite Replenishment	\$101,639.71
<b>Sub Total</b>	<b>\$101,639.71</b>
<b><u>2049 Fiscal Year</u></b>	
North Park: Park Equipment (Picnic Tables)	\$7,328.22
<b>Sub Total</b>	<b>\$7,328.22</b>
<b><u>2050 Fiscal Year</u></b>	
North Park: Park Equipment (Trash Receptacles)	\$10,782.96
South Park: Basketball Court Resurface	\$12,939.55
South Park: Park Equipment (Trash Receptacles)	\$8,626.37
<b>Sub Total</b>	<b>\$32,348.87</b>
<b><u>2051 Fiscal Year</u></b>	
Grounds: Granite Replenishment	\$111,064.45
North Park: Shade Structure Fabric	\$8,396.47
Paint: Stucco Walls & Wrought Iron	\$226,571.48
South Park: Shade Structure Fabric	\$12,994.54
<b>Sub Total</b>	<b>\$359,026.94</b>
<b><u>2053 Fiscal Year</u></b>	
Grounds: Irrigation Booster Station Equipment	\$70,696.97

**Sienna**  
**Annual Expenditures**  
**Sorted by Alphabetical**

**Sub Total**

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**\$70,696.97**

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

**Paint: Ramadas & Steel Split Rail Fencing (Unfunded)**

Category	030 Painting	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 client previously advised us that they plan to repaint the two (2) park area ramadas & steel split rail culvert railings throughout the community on an "as needed" basis using operating funds. Therefore, we have continued to exclude budgeting for the repainting of these components as a reserve expense.

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

**Paint: Stucco Walls & Wrought Iron**

Category	030 Painting	Quantity	1 total
		Unit Cost	\$102,000.00
		% of Replacement	100.00%
		Current Cost	\$102,000.00
Placed In Service	07/2021	Future Cost	\$108,211.80
Useful Life	5		
		Assigned Reserves at FYB	\$56,666.67
Remaining Life	2	Monthly Member Contribution	\$1,288.23
Replacement Year	2026	Monthly Interest Contribution	\$97.30
		Total Monthly Contribution	\$1,385.53

In 2018, BCK/Pride completed a project to apply BASF MasterProtect wall sealer, re-stuccoed all common area walls and then primed & painted the walls (10 year warranty).

In 2021, Clouse Legacy Coatings repainted the stucco walls throughout the community & the wrought iron fencing at lots for a total cost of \$88,610.

This component budgets to repaint the stucco walls & wrought iron fencing every five (5) years.

NOTE: The cost to repaint the wrought iron fencing at lots is to be shared on a 50% - 50% basis between the Association and the individual lot owners. See page 21, Section 6.06 of the CCR's for an explanation of the maintenance responsibilities. However, the client did not indicate that the repainting of the wrought iron was shared with the lot owners. Therefore, we have assumed that the association paid 100% of this cost.

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

**Fencing: Steel Split Rail (Unfunded)**

Category	040 Fencing/Walls	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

We are not budgeting to replace the steel split rail fencing because it has an indefinite life. Repairs should be handled on an “as needed” basis using operating funds.

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

**Fencing: Wrought Iron, Replace (Lots)**

Category	040 Fencing/Walls	Quantity	1 total
		Unit Cost	\$226,600.00
		% of Replacement	50.00%
		Current Cost	\$113,300.00
Placed In Service	01/2004	Future Cost	\$176,517.71
Useful Life	35		
		Assigned Reserves at FYB	\$64,742.86
Remaining Life	15	Monthly Member Contribution	\$233.52
Replacement Year	2039	Monthly Interest Contribution	\$96.03
		Total Monthly Contribution	\$329.55

This component budgets to replace the wrought iron fencing located on boundary lines between lots & common area. The cost to replace this fencing is to be shared on a 50% - 50% basis between the Association and the individual lot owners. See page 21, Section 6.06 of the CCR's for an explanation of the maintenance responsibilities.

4,120 Lf of 6'0" fencing	@	\$55.00	=	\$226,600.00
		TOTAL	=	<u>\$226,600.00</u>

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

**Walls: Common Area (Repair/Replace)**

Category	040 Fencing/Walls	Quantity	100,000 sq. ft.
		Unit Cost	\$40.00
		% of Replacement	1.00%
		Current Cost	\$40,000.00
Placed In Service	01/2004	Future Cost	\$53,756.66
Useful Life	10		
Adjustment	+20	Assigned Reserves at FYB	\$26,666.67
Remaining Life	10	Monthly Member Contribution	\$93.98
Replacement Year	2034	Monthly Interest Contribution	\$39.53
		Total Monthly Contribution	\$133.50

This component will accumulate funds for 30 years, and then on a continuous 10 year cycle, for the major repair/replacement of a percentage of the common area walls. The accumulated funds should be used "as needed", and the percentage budgeted for repair/replacement should be adjusted over time as conditions dictate.

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

**South Park: Basketball Backboards & Rims**

Category	065 South Park	Quantity	1 total
		Unit Cost	\$3,000.00
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	03/2020	Future Cost	\$4,814.12
Useful Life	20		
		Assigned Reserves at FYB	\$579.83
Remaining Life	16	Monthly Member Contribution	\$9.42
Replacement Year	2040	Monthly Interest Contribution	\$0.95
		Total Monthly Contribution	\$10.37

The metal basketball backboards & rims were replaced in 2020 by General Acrylics at a cost of \$2,374.15.

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

**South Park: Basketball Court Resurface**

Category	065 South Park	Quantity	1 court
		Unit Cost	\$6,000.00
		% of Replacement	100.00%
		Current Cost	\$6,000.00
Placed In Service	03/2020	Future Cost	\$6,365.40
Useful Life	6		
		Assigned Reserves at FYB	\$3,942.86
Remaining Life	2	Monthly Member Contribution	\$59.32
Replacement Year	2026	Monthly Interest Contribution	\$6.40
		Total Monthly Contribution	\$65.72

The acrylic basketball court surface was shot blasted/diamond ground & resurfaced in 2020 by General Acrylics at a cost of \$12,955.33. Going forward, this component budgets for a standard resurfacing of the basketball court on a six year cycle. At some point in the future, the shot blasting/diamond grinding of the coatings will be required again prior to resurfacing.

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

**South Park: Park Equipment (Benches)**

Category	065 South Park	Quantity	2 benches
		Unit Cost	\$1,500.00
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	01/2004	Future Cost	\$3,182.70
Useful Life	20		
Adjustment	+2	Assigned Reserves at FYB	\$2,727.27
Remaining Life	2	Monthly Member Contribution	\$9.26
Replacement Year	2026	Monthly Interest Contribution	\$4.04
		Total Monthly Contribution	\$13.30

These are 6' benches (surface mounted).

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

**South Park: Park Equipment (Picnic Tables)**

Category	065 South Park	Quantity	2 picnic tables
		Unit Cost	\$1,750.00
		% of Replacement	100.00%
		Current Cost	\$3,500.00
Placed In Service	01/2014	Future Cost	\$4,057.46
Useful Life	15		
		Assigned Reserves at FYB	\$2,333.33
Remaining Life	5	Monthly Member Contribution	\$14.59
Replacement Year	2029	Monthly Interest Contribution	\$3.54
		Total Monthly Contribution	\$18.13

These are 6' picnic tables.

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

**South Park: Park Equipment (Trash Receptacles)**

Category	065 South Park	Quantity	4 trash receptacles
		Unit Cost	\$1,000.00
		% of Replacement	100.00%
		Current Cost	\$4,000.00
Placed In Service	03/2020	Future Cost	\$5,536.94
Useful Life	15		
		Assigned Reserves at FYB	\$1,033.71
Remaining Life	11	Monthly Member Contribution	\$16.34
Replacement Year	2035	Monthly Interest Contribution	\$1.69
		Total Monthly Contribution	\$18.03

New trash receptacles were purchased/installed in March 2020 at a cost of \$794 each.

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

**South Park: Playstructure & Swing Set**

Category	065 South Park	Quantity	1 total
		Unit Cost	\$70,000.00
		% of Replacement	100.00%
		Current Cost	\$70,000.00
Placed In Service	07/2020	Future Cost	\$112,329.45
Useful Life	20		
		Assigned Reserves at FYB	\$7,137.81
Remaining Life	16	Monthly Member Contribution	\$239.58
Replacement Year	2040	Monthly Interest Contribution	\$13.20
		Total Monthly Contribution	\$252.78

The Little Tikes playstructure & swing set were purchased/installed in mid-2020 at a cost of \$47,380.23, which included \$13,509 worth of discounts. This component budgets to replace the play equipment, and includes a provision for sand replenishment on an "as needed" basis.

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

**South Park: Shade Structure Fabric**

Category	065 South Park	Quantity	975 sq. ft.
		Unit Cost	\$6.00
		% of Replacement	100.00%
		Current Cost	\$5,850.00
Placed In Service	02/2021	Future Cost	\$8,340.70
Useful Life	15		
		Assigned Reserves at FYB	\$1,143.85
Remaining Life	12	Monthly Member Contribution	\$23.67
Replacement Year	2036	Monthly Interest Contribution	\$1.94
		Total Monthly Contribution	\$25.60

The hip/ridge shade structure was purchased/installed in February 2021. This component budgets to replace the shade fabric.

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

**South Park: Tile Roof Underlayment (Ramada)**

Category	065 South Park	Quantity	600 sq. ft.
		Unit Cost	\$8.00
		% of Replacement	100.00%
		Current Cost	\$4,800.00
Placed In Service	01/2004	Future Cost	\$6,450.80
Useful Life	30		
		Assigned Reserves at FYB	\$3,200.00
Remaining Life	10	Monthly Member Contribution	\$11.28
Replacement Year	2034	Monthly Interest Contribution	\$4.74
		Total Monthly Contribution	\$16.02

This component budgets to replace the tile roof underlayment atop the ramada.

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

**North Park: Park Equipment (Benches)**

Category	066 North Park	Quantity	2 benches
		Unit Cost	\$1,500.00
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	01/2004	Future Cost	\$3,182.70
Useful Life	20		
Adjustment	+2	Assigned Reserves at FYB	\$2,727.27
Remaining Life	2	Monthly Member Contribution	\$9.26
Replacement Year	2026	Monthly Interest Contribution	\$4.04
		Total Monthly Contribution	\$13.30

These are 6' benches (surface mounted).

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

**North Park: Park Equipment (Picnic Tables)**

Category	066 North Park	Quantity	2 picnic tables
		Unit Cost	\$1,750.00
		% of Replacement	100.00%
		Current Cost	\$3,500.00
Placed In Service	09/2019	Future Cost	\$4,703.71
Useful Life	15		
		Assigned Reserves at FYB	\$1,058.14
Remaining Life	10	Monthly Member Contribution	\$14.79
Replacement Year	2034	Monthly Interest Contribution	\$1.70
		Total Monthly Contribution	\$16.50

These are 6' picnic tables that were purchased/installed in September 2019 at a cost of \$2,775.37.

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

**North Park: Park Equipment (Trash Receptacles)**

Category	066 North Park	Quantity	5 trash receptacles
		Unit Cost	\$1,000.00
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	03/2020	Future Cost	\$6,921.17
Useful Life	15		
		Assigned Reserves at FYB	\$1,292.13
Remaining Life	11	Monthly Member Contribution	\$20.42
Replacement Year	2035	Monthly Interest Contribution	\$2.11
		Total Monthly Contribution	\$22.53

New trash receptacles were purchased/installed in March 2020 at a cost of \$794 each.

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

**North Park: Playstructure & Swing Set**

Category	066 North Park	Quantity	1 total
		Unit Cost	\$45,000.00
		% of Replacement	100.00%
		Current Cost	\$45,000.00
Placed In Service	07/2020	Future Cost	\$72,211.79
Useful Life	20		
		Assigned Reserves at FYB	\$8,076.92
Remaining Life	16	Monthly Member Contribution	\$143.18
Replacement Year	2040	Monthly Interest Contribution	\$13.37
		Total Monthly Contribution	\$156.55

The Little Tikes playstructure & swing set were purchased/installed in mid-2020 at a cost of \$38,125.66, which included \$9,792 worth of discounts. This component budgets to replace the play equipment, and includes a provision for sand replenishment on an "as needed" basis.

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

**North Park: Shade Structure Fabric**

Category	066 North Park	Quantity	630 sq. ft.
		Unit Cost	\$6.00
		% of Replacement	100.00%
		Current Cost	\$3,780.00
Placed In Service	07/2021	Future Cost	\$5,389.38
Useful Life	15		
		Assigned Reserves at FYB	\$651.72
Remaining Life	12	Monthly Member Contribution	\$15.66
Replacement Year	2036	Monthly Interest Contribution	\$1.13
		Total Monthly Contribution	\$16.79

The hip/ridge shade structure was purchased/installed in February 2021. This component budgets to replace the shade fabric.

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

**North Park: Tile Roof Underlayment (Ramada)**

Category	066 North Park	Quantity	600 sq. ft.
		Unit Cost	\$8.00
		% of Replacement	100.00%
		Current Cost	\$4,800.00
Placed In Service	01/2004	Future Cost	\$6,450.80
Useful Life	30		
		Assigned Reserves at FYB	\$3,200.00
Remaining Life	10	Monthly Member Contribution	\$11.28
Replacement Year	2034	Monthly Interest Contribution	\$4.74
		Total Monthly Contribution	\$16.02

This component budgets to replace the tile roof underlayment atop the ramada.

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

**Grounds: Concrete Components (Unfunded)**

Category	100 Grounds	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

We are not budgeting for repair or replacement of concrete components in this analysis. It is anticipated that any repairs/replacements required will be addressed immediately due to safety concerns. There should not be a need for complete replacement at a single point in time, and good maintenance practice won't allow the need for repairs to accumulate to a point of major expense. We recommend that a line item be set up in the annual operating budget to account for potential concrete repairs/replacements on an "as needed" basis. However, should the client wish to include budgeting for concrete components as a reserve expense, we will do so at their request (cost and useful life to be provided by client).

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

**Grounds: Drywell Maintenance (Unfunded)**

Category	100 Grounds	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

There are 42 drywells in the community water retention tracts. Drywell maintenance is accounted for as an operating expense. The following comments apply:

Drywell systems should be inspected annually to determine how much debris has accumulated in the system and to develop a clean out schedule. Some drywell systems will require immediate repair of broken components and clean out, while others won't require maintenance for a number of years. On average, drywell systems require clean out every 5 - 7 years. A drywell should be cleaned out once 10% or more of the chamber is occupied. If maintained properly, drywells are designed to last as long as any other part of the community infrastructure. Thus, no provision has been included for their replacement.

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

**Grounds: Granite Replenishment**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$50,000.00
		% of Replacement	100.00%
		Current Cost	\$50,000.00
Placed In Service	01/2019	Future Cost	\$54,636.35
Useful Life	3		
		Assigned Reserves at FYB	\$50,000.00
Remaining Life	0	Monthly Member Contribution	\$926.21
Replacement Year	2024	Monthly Interest Contribution	\$11.32
		Total Monthly Contribution	\$937.53

DHM Landscaping provided a proposal to replenish 373 of the 2,610 tons of granite in 2018 at a cost of \$31,934. We have assumed that this project occurred, even though no information to indicate so was provided by the client, nor was any information provided on any other granite replenishment projects since 2019. Going forward, this component will accumulate funds on a three year cycle for granite replenishment on an "as needed" basis.

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

**Grounds: Irrigation Booster Station Equipment**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$30,000.00
		% of Replacement	100.00%
		Current Cost	\$30,000.00
Placed In Service	07/2023	Future Cost	\$39,143.20
Useful Life	10		
		Assigned Reserves at FYB	\$1,578.95
Remaining Life	9	Monthly Member Contribution	\$182.62
Replacement Year	2033	Monthly Interest Contribution	\$4.50
		Total Monthly Contribution	\$187.12

The following projects were completed by Clearwater Engineering in 2023:

- removed & replaced failed contactors (2) at a cost of \$1,681.32
- overhauled flooded vault at a cost of \$42,500 (see bid for details)
- pump #2 mechanical seal & pump #3 replacement at a cost of \$11,402.22
- replacement of 25HP pump head at a cost of \$2,497.74

Going forward, this component will accumulate funds on a 10 year cycle for irrigation booster station equipment repairs & replacements on an "as needed" basis.

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

**Grounds: Irrigation System Infrastructure (Unfunded)**

Category	100 Grounds	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

Previously, we were advised by the board to exclude funding for the replacement of the irrigation system infrastructure as a reserve expense. They indicated that irrigation repairs would be handled on an "as needed" basis using operating funds. Should the client ever wish to have the irrigation system infrastructure included as a reserve expense, they would need to have the system evaluated to determine the appropriate scope of work, projected replacement cost & remaining useful life.

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

**Grounds: Mailboxes**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$77,500.00
		% of Replacement	100.00%
		Current Cost	\$77,500.00
Placed In Service	01/2023	Future Cost	\$135,896.72
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	19	Monthly Member Contribution	\$248.18
Replacement Year	2043	Monthly Interest Contribution	\$3.03
		Total Monthly Contribution	\$251.21

The mailboxes throughout the community were replaced between June 2022 & July 2023 at a cost of \$73,158. The inventory includes:

- 1 - 6 box set w/1 parcel box
- 1 - 7 box set w/1 parcel box
- 16 - 16 box sets w/2 parcel boxes
- 1 - 17 box set w/2 parcel boxes
- 7 - 18 box sets w/2 parcel boxes

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

**Grounds: Monument Sign Components**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,000.00
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	01/2016	Future Cost	\$5,304.50
Useful Life	10		
		Assigned Reserves at FYB	\$4,000.00
Remaining Life	2	Monthly Member Contribution	\$30.16
Replacement Year	2026	Monthly Interest Contribution	\$6.13
		Total Monthly Contribution	\$36.28

This component will accumulate funds on a 10 year cycle for repairs/replacements associated with the metal panel, metal letters & lighting system at the monument sign that indicates "SIENNA".

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

**Grounds: Park Equipment (Markwood Drive)**

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$2,500.00
		% of Replacement	100.00%
		Current Cost	\$2,500.00
Placed In Service	01/2016	Future Cost	\$3,564.40
Useful Life	20		
		Assigned Reserves at FYB	\$1,000.00
Remaining Life	12	Monthly Member Contribution	\$7.94
Replacement Year	2036	Monthly Interest Contribution	\$1.54
		Total Monthly Contribution	\$9.48

This component budgets to replace the following park equipment along Markwood Drive:

- 1 - 6' bench
- 1 - trash receptacle

**Sienna**  
**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	01/2004	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

Tree trimming is accounted for as an operating expense.

# Sienna

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**28 Components**