

RESERVE ANALYSIS REPORT

San Michelle

Mesa, Arizona

Version 002

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San Michelle

Table Of Contents

	Page
Preface	i
Executive Summary	1
Snapshot	2
Distribution of Current Reserve Funds	3
Calculation of Percent Funded	5
Projections	7
Annual Expenditures	8
Component Detail	12
Cross-Tabular Summary	54
Component Detail Index	60

San Michelle

Preface

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

Introduction to Reserve Budgeting	page i
Understanding the Reserve Analysis	page i
Reserve Funding Goals / Objectives	page ii
Reserve Funding Calculation Methods	page iii
Reading the Reserve Analysis	page vi
Glossary of Key Terms	page xi
Limitations of Reserve Analysis	page xiv

◆ ◆ ◆ ◆ 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.

San Michelle

Preface

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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Preface

◆ ◆ ◆ ◆ 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.

San Michelle

Preface

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-

San Michelle

Preface

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.

San Michelle

Preface

◆ ◆ ◆ ◆ READING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a “red flag” is raised in this review, the reader should then check the detail information (“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

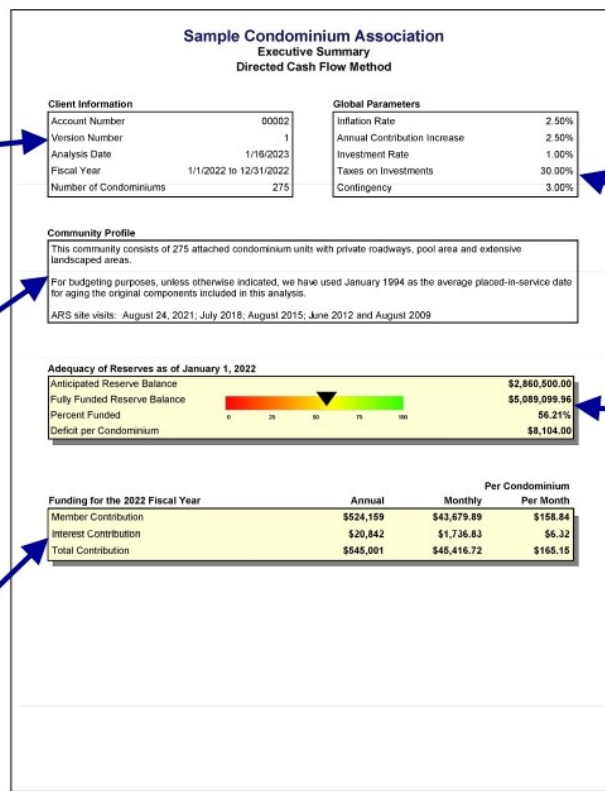
Displays calculation parameters that were used to calculate reserve analysis including inflation, contribution increase, investment rate, tax rate and contingency.

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.

San Michelle

Preface

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
010 Streets				
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
Sub Total	2-6	4-24	\$448,880.00	\$350,616.47
020 Roofs				
Roofs - Rain Gutters	12	40	\$123,785.00	\$66,648.50
Roofs - Tile, Clean & Maintain	0	1	\$37,500.00	\$37,500.00
Roofs - Tile, Replace				
Sub Total				
030 Painting				
Painting - Cabena Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation				
Fencing - Wrought Iron, Pool Area				
Railing & Gates - Wrought Iron, Units				
Walls - Stucco, Repair				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Landscape				
Lighting - Streets & Walkways				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile, Interior				
Cabana - Ceramic Tile, Showers				
Cabana - Doors				
Cabana - Plumbing Fixtures%				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Sub Total				

**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
Sub Total	2-17	6-30	\$152,107.50	\$69,326.46
070 Decks				
Decks/Stairs - Clean & Seal	2	4	\$103,868.25	\$45,695.27
Decks/Stairs - Resurface	6	20	\$728,900.00	\$552,196.97
Sub Total	2-6	4-20	\$832,768.25	\$598,092.24
080 Termite Control & Wood Repair				
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
Sub Total	4	5-20	\$102,900.00	\$365,731.94
090 Landscape				
Landscape - Irrigation Controllers	7	12	\$24,150.00	\$9,450.00
Landscape - Renovation	0	1	\$17,500.00	\$17,500.00
Sub Total	0-7	1-12	\$41,650.00	\$28,950.00
100 Miscellaneous				
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
Sub Total	0-18	20-30	\$490,000.00	\$389,931.16
Contingency	n.a.	n.a.	n.a.	\$148,226.21
Total	0-18	1-40	\$7,044,161.25	\$6,089,099.96
Anticipated Reserve Balance				\$2,840,800.00
Percent Funded				56.21%

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.

San Michelle

Preface

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

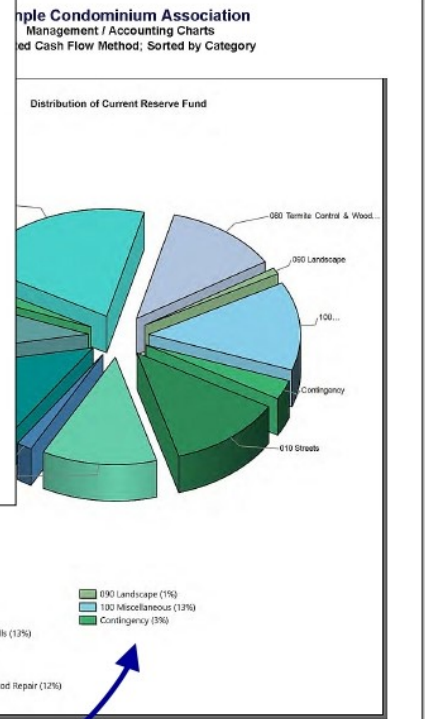
	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	\$321,178.47	\$1,150.31	\$188.16	\$1,338.46
Streets - Asphalt, Repair	\$42,150.00	\$414.00	\$8.63	\$422.73
Streets - Asphalt, Seal Coat	\$7,200.00	\$248.45	\$5.18	\$253.64
Streets - Concrete	\$10,000.00	\$340.82	\$7.11	\$347.92
Sub Total	\$350,616.47	\$2,153.67	\$209.08	\$2,362.75
020 Roofs				
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		
Sub Total	\$350,872.33	\$22.05		
030 Painting				
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		
Sub Total	\$46,832.22	\$6.19		
040 Fencing, Railing & Walls				
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		
Sub Total	\$364,323.97	\$1.31		
050 Lighting				
Lighting - Buildings	\$154,994.23	\$81		
Lighting - Landscape	\$11,340.00	\$12		
Lighting - Streets & Walkways	\$77,437.60	\$27		
Sub Total	\$243,771.73	\$1.21		
060 Pool Area				
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
070 Decks				
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
Sub Total	\$98,032.24	\$4,603.40	\$360.45	\$4,963.85
080 Termite Control & Wood Repair				
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
Sub Total	\$345,731.94	\$1,010.48	\$201.61	\$1,212.09
090 Landscape				
Landscape - Irrigation Controllers	\$9,450.00	\$155.33	\$6.03	\$161.36
Landscape - Renovation	\$17,800.00	\$1,142.95	\$4.67	\$1,147.34
Sub Total	\$26,650.00	\$1,297.99	\$10.71	\$1,308.70
100 Miscellaneous				
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
Sub Total	\$383,231.19	\$1,658.08	\$182.84	\$1,840.92
Contingency	\$83,315.33	\$1,272.23	\$52.79	\$1,325.02
Total	\$2,860,500.30	\$43,679.89	\$1,736.83	\$45,416.72

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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Preface

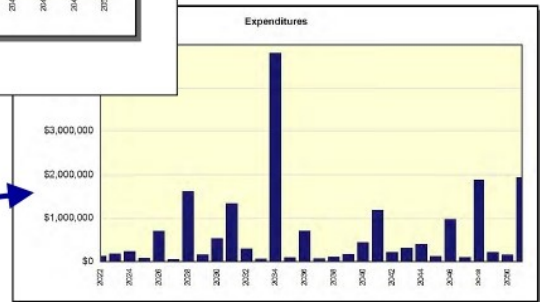
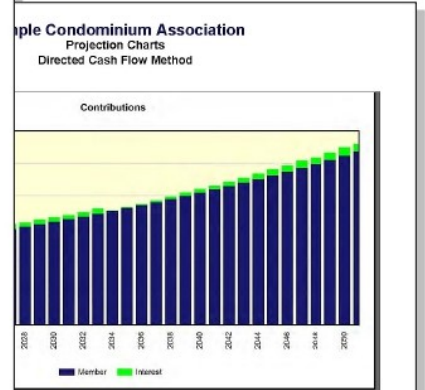
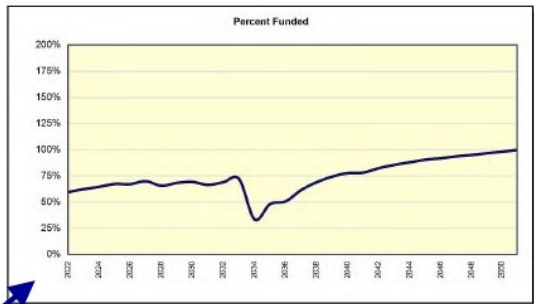
Projections and Charts

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	66%
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	\$4,503,592	\$6,889,444	69%
2031	\$4,503,592	\$654,602	\$24,850	\$1,334,626	\$3,739,318	\$6,300,000	67%
2032	\$3,739,318	\$670,967	\$27,555	\$301,723	\$4,136,053	\$6,711,000	69%
2033	\$4,136,053	\$687,742	\$32,008	\$72,165	\$4,755,640	\$7,144,000	71%
2034	\$4,755,640	\$704,935	\$3,259	\$4,821,403	\$3,937,121	\$6,599,000	67%
2035	\$3,937,121	\$722,559	\$7,600	\$98,150	\$4,669,030	\$7,071,000	69%
2036	\$4,669,030	\$740,623	\$7,798	\$710,165	\$4,696,175	\$7,561,000	70%
2037	\$4,696,175	\$759,138	\$12,554	\$79,656	\$5,547,217	\$8,061,000	71%
2038	\$5,547,217	\$778,117	\$17,274	\$108,305	\$6,442,293	\$8,571,000	73%
2039	\$6,442,293	\$797,569	\$21,663	\$179,342	\$7,342,113	\$9,091,000	74%
2040	\$7,342,113	\$817,509	\$24,333	\$448,099	\$7,611,844	\$9,621,000	75%
2041	\$7,611,844	\$837,946	\$21,842	\$1,101,590	\$7,248,102	\$10,161,000	75%
2042	\$7,248,102	\$858,895	\$26,523	\$217,211	\$8,224,209	\$10,711,000	75%
2043	\$8,224,209	\$880,367	\$30,606	\$313,830	\$9,121,242	\$11,271,000	76%
2044	\$9,121,242	\$902,377	\$34,200	\$409,227	\$9,438,592	\$11,841,000	76%
2045	\$9,438,592	\$924,936	\$39,968	\$125,640	\$10,458,856	\$12,421,000	76%
2046	\$10,458,856	\$948,059	\$39,966	\$972,832	\$9,463,047	\$13,011,000	76%
2047	\$9,463,047	\$971,761	\$46,285	\$101,967	\$10,477,066	\$13,611,000	76%
2048	\$10,477,066	\$996,055	\$40,299	\$1,881,629	\$8,530,781	\$14,221,000	76%
2049	\$8,530,781	\$1,020,956	\$46,111	\$220,077	\$9,377,660	\$14,841,000	76%
2050	\$9,377,660	\$1,046,480	\$52,534	\$164,158	\$10,422,412	\$15,471,000	76%
2051	\$10,422,412	\$1,072,642	\$46,633	\$1,951,295	\$9,487,282	\$16,111,000	76%

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.

San Michelle

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	\$15,318.11

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: \$5.18
Total Monthly Contribution: \$253.64



The association repaired, seal coated and restriped the asphalt throughout the community in Summer 2019 for a total cost of \$14,580.00. The association repaired, seal coated (2 coats) and restriped the asphalt throughout the community during 2015 for an unknown cost. The association repaired, seal coated and restriped the asphalt throughout the community in October 2019 for a total cost of \$14,580.00. The association repaired, seal coated and restriped the asphalt throughout the community in October 2019 for a total cost of \$14,580.00. The association repaired, seal coated and restriped the asphalt throughout the community in October 2019 for a total cost of \$14,580.00.

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 for this component.

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	\$1.18
		% 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: \$2,855.92
Monthly Interest Contribution: \$23.24
Total Monthly Contribution: \$2,879.16



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.

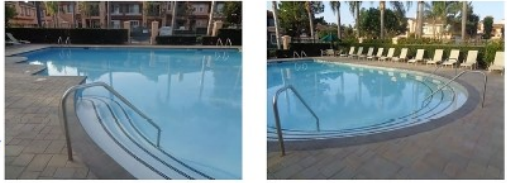
Sample Condominium Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

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	\$40,875.93

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

Assigned Reserves at FYB: \$9,465.21
Monthly Member Contribution: \$255.65
Monthly Interest Contribution: \$6.48
Total Monthly Contribution: \$262.11



2,125 sq. ft. of replastering	@	\$13.90	=	\$28,887.50
180 lin. ft. of waterline/tim tile	@	\$17.50	=	\$3,150.00
170 lin. ft. of step/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 spa, 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 \$41,541. 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.

San Michelle

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-

San Michelle

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:

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

San Michelle

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."

San Michelle

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.

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Executive Summary

Directed Cash Flow Method

Client Information

Account Number	2436
Version Number	002
Analysis Date	4/17/2026
Fiscal Year	1/1/2026 to 12/31/2026
Number of Units	148

Global Parameters

Inflation Rate	3.00%
Annual Contribution Increase	4.50%
Investment Rate	0.00%
Taxes on Investments	0.00%
Contingency	0.00%

Community Profile

This community was built in 2001. Refer to the Component Detail section of this report for the dates used to age each reserve component.

We have been advised that the 1/1/2026 reserve balance was \$87,046.94 and that the 2026 budgeted reserve contribution is \$54,569.32.

Completed Reports: 2005, 5/2025 (updated with site visit) (revised 4/2026)

Adequacy of Reserves as of January 1, 2026

Anticipated Reserve Balance	\$87,046.94
Fully Funded Reserve Balance	\$558,513.64
Percent Funded	15.59%

Funding for the 2026 Fiscal Year	Annual	Monthly	Per Unit Per Month
Member Contribution	\$54,569	\$4,547.44	\$30.73
Interest Contribution	\$0	\$0.00	\$0.00
Total Contribution	\$54,569	\$4,547.44	\$30.73

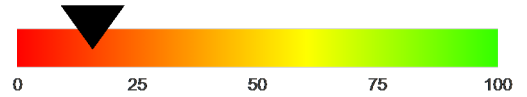


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Mesa, Arizona

148 Units

12/31/2026 Fiscal Year End



Adequacy of Reserves as of 01/01/2026

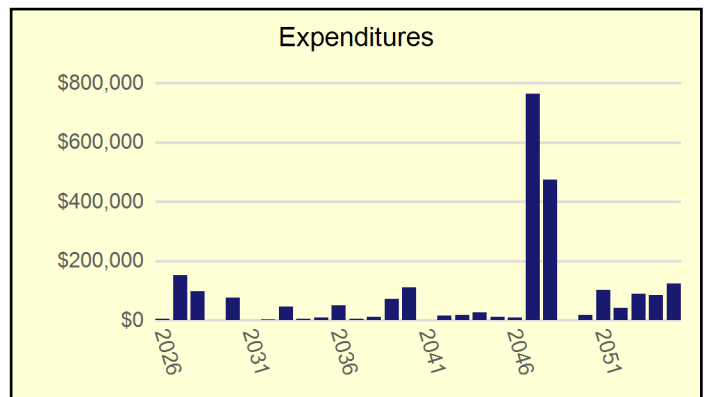
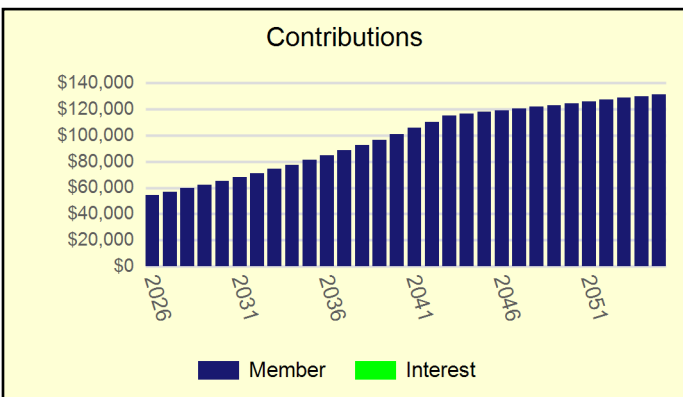
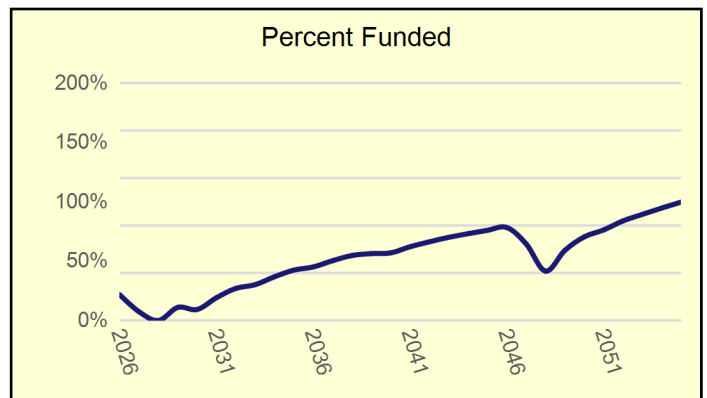
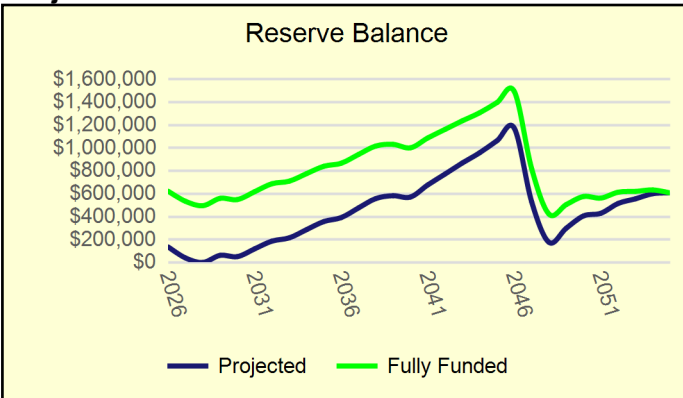
Percent Funded	15.59%
Reserve Fund Balance	\$87,046.94
Fully Funded Balance	\$558,513.64
Deficit per Unit	\$3,185.59

Reserve Funding for 2026

Directed Cash Flow Method

	Annual	Monthly	Per Unit Per Month
Member Contribution	\$54,569	\$4,547.44	\$30.73
Interest Contribution	\$0	\$0.00	\$0.00
Total Contribution	\$54,569	\$4,547.44	\$30.73

Projections



San Michelle
Distribution of Current Reserve Funds
Sorted by Remaining Life; Alphabetical

	Remaining Life	Fully Funded Balance	Assigned Reserves
Grounds: Granite Replenishment	0	\$0.00	\$0.00
Paint: Shade Support Structure Poles	0	\$1,200.00	\$1,200.00
Paint: Wrought Iron Fencing & Gates	0	\$4,500.00	\$4,500.00
Asphalt: Repair & Rubberized Chip Seal (2027)	1	\$112,088.89	\$51,819.72
Pool: Deck Resurface	1	\$10,168.89	\$10,168.89
Pool: Pumps & Motors	1	\$2,400.00	\$2,400.00
Pool: Replaster & Retile	1	\$16,958.33	\$16,958.33
Asphalt: HA5 High Density Mineral Bond (2028)	2	\$27,936.00	\$0.00
Grounds: Mailboxes	2	\$30,457.14	\$0.00
Paint: Common Area Walls	2	\$9,460.50	\$0.00
Pool: Shade Structure Fabric	2	\$6,514.29	\$0.00
Walls: Common Areas (Repair)	2	\$2,703.00	\$0.00
Play Area: Park Equipment (Newer)	4	\$1,200.00	\$0.00
Play Area: Park Equipment (Original)	4	\$2,080.00	\$0.00
Play Area: Playstructure	4	\$43,333.33	\$0.00
Play Area: Shade Structure Fabric	4	\$5,280.00	\$0.00
Pool: Furniture	4	\$1,333.33	\$0.00
Asphalt: HA5 High Density Mineral Bond (2033)	7	\$0.00	\$0.00
Pool: Deck Recoat (Cycle 1)	9	\$0.00	\$0.00
Pool: Filters	9	\$2,000.00	\$0.00
Entrance: Gate Operators	10	\$6,666.67	\$0.00
Grounds: Irrigation Controllers	12	\$517.24	\$0.00
Entrance: Access Phone	13	\$666.67	\$0.00
Entrance: Artificial Turf	13	\$3,440.00	\$0.00
Asphalt: HA5 High Density Mineral Bond (2040)	14	\$0.00	\$0.00
Asphalt: Repairs (2040)	14	\$0.00	\$0.00
Fencing: Wrought Iron (Perimeter)	14	\$16,250.00	\$0.00
Play Area: Tot Turf (Replace)	14	\$412.50	\$0.00
Pool: Deck Recoat (Cycle 2)	17	\$0.00	\$0.00
Asphalt: Remove & Repave	21	\$221,413.04	\$0.00
Grounds: Irrigation System (Replace)	22	\$24,790.82	\$0.00
Grounds: Monument Sign (Replace)	22	\$600.00	\$0.00
Pool: Gates	29	\$825.00	\$0.00

San Michelle
Distribution of Current Reserve Funds
Sorted by Remaining Life; Alphabetical

	Remaining Life	Fully Funded Balance	Assigned Reserves
Entrance: Fencing & Gates	34	\$3,318.00	\$0.00
Fencing: Steel Split Rail (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Concrete Components (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	\$0.00	\$0.00
Pool: PVC Fencing (Unfunded)	n.a.	\$0.00	\$0.00
Asphalt: Rubberized Chip Seal (Before & After)	n.a.	\$0.00	\$0.00
Contingency	n.a.	\$0.00	\$0.00
Total	0-34	\$558,513.64	\$87,046.94
Percent Funded			15.59%

San Michelle
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<u>010 Asphalt</u>				
Asphalt: HA5 High Density Mineral Bond (2028)	2	8	\$37,248.00	\$27,936.00
Asphalt: HA5 High Density Mineral Bond (2033)	7	7	\$37,248.00	\$0.00
Asphalt: HA5 High Density Mineral Bond (2040)	14	14	\$37,248.00	\$0.00
Asphalt: Remove & Repave	21	46	\$407,400.00	\$221,413.04
Asphalt: Repair & Rubberized Chip Seal (2027)	1	27	\$116,400.00	\$112,088.89
Asphalt: Repairs (2040)	14	14	\$10,476.00	\$0.00
Asphalt: Rubberized Chip Seal (Before & After)	n.a.	n.a.	\$0.00	\$0.00
Sub Total	1-21	7-46	\$646,020.00	\$361,437.93
<u>030 Painting</u>				
Paint: Common Area Walls	2	8	\$12,614.00	\$9,460.50
Paint: Shade Support Structure Poles	0	10	\$1,200.00	\$1,200.00
Paint: Wrought Iron Fencing & Gates	0	4	\$4,500.00	\$4,500.00
Sub Total	0-2	4-10	\$18,314.00	\$15,160.50
<u>040 Fencing/Walls</u>				
Fencing: Steel Split Rail (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Fencing: Wrought Iron (Perimeter)	14	40	\$25,000.00	\$16,250.00
Walls: Common Areas (Repair)	2	8	\$3,604.00	\$2,703.00
Sub Total	2-14	8-40	\$28,604.00	\$18,953.00
<u>060 Pool</u>				
Pool: Deck Recoat (Cycle 1)	9	24	\$3,960.00	\$0.00
Pool: Deck Recoat (Cycle 2)	17	24	\$3,960.00	\$0.00
Pool: Deck Resurface	1	24	\$10,560.00	\$10,168.89
Pool: Filters	9	18	\$4,000.00	\$2,000.00
Pool: Furniture	4	12	\$2,000.00	\$1,333.33
Pool: Gates	29	40	\$3,000.00	\$825.00
Pool: Pumps & Motors	1	5	\$3,000.00	\$2,400.00
Pool: PVC Fencing (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Pool: Replaster & Retile	1	12	\$18,500.00	\$16,958.33
Pool: Shade Structure Fabric	2	15	\$7,200.00	\$6,514.29
Sub Total	1-29	5-40	\$56,180.00	\$40,199.84
<u>065 Play Area</u>				
Play Area: Park Equipment (Newer)	4	20	\$1,500.00	\$1,200.00
Play Area: Park Equipment (Original)	4	20	\$2,400.00	\$2,080.00
Play Area: Playstructure	4	25	\$50,000.00	\$43,333.33
Play Area: Shade Structure Fabric	4	15	\$7,200.00	\$5,280.00

San Michelle
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Play Area: Tot Turf (Replace)	14	20	\$1,375.00	\$412.50
Sub Total	4-14	15-25	\$62,475.00	\$52,305.83
<u>080 Entrance</u>				
Entrance: Access Phone	13	15	\$5,000.00	\$666.67
Entrance: Artificial Turf	13	15	\$25,800.00	\$3,440.00
Entrance: Fencing & Gates	34	40	\$22,120.00	\$3,318.00
Entrance: Gate Operators	10	15	\$20,000.00	\$6,666.67
Sub Total	10-34	15-40	\$72,920.00	\$14,091.33
<u>100 Grounds</u>				
Grounds: Concrete Components (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Grounds: Granite Replenishment	0	12	\$0.00	\$0.00
Grounds: Irrigation Controllers	12	15	\$3,000.00	\$517.24
Grounds: Irrigation System (Replace)	22	25	\$242,950.00	\$24,790.82
Grounds: Mailboxes	2	25	\$32,800.00	\$30,457.14
Grounds: Monument Sign (Replace)	22	25	\$5,000.00	\$600.00
Grounds: Tree Trimming (Unfunded)	n.a.	n.a.	\$0.00	\$0.00
Sub Total	0-22	12-25	\$283,750.00	\$56,365.20
Contingency	n.a.	n.a.	n.a.	\$0.00
Total	0-34	4-46	\$1,168,263.00	\$558,513.64
Anticipated Reserve Balance				\$87,046.94
Percent Funded				15.59%

San Michelle
Projections
Directed Cash Flow Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2026	\$87,047	\$54,569	\$0	\$5,700	\$135,916	\$622,541	22%
2027	\$135,916	\$57,025	\$0	\$152,914	\$40,027	\$534,719	7%
2028	\$40,027	\$59,591	\$0	\$99,158	\$460	\$496,377	0%
2029	\$460	\$62,273	\$0	\$0	\$62,733	\$560,450	11%
2030	\$62,733	\$65,075	\$0	\$76,084	\$51,724	\$549,986	9%
2031	\$51,724	\$68,003	\$0	\$0	\$119,727	\$619,108	19%
2032	\$119,727	\$71,063	\$0	\$3,582	\$187,208	\$688,193	27%
2033	\$187,208	\$74,261	\$0	\$45,810	\$215,659	\$710,741	30%
2034	\$215,659	\$77,603	\$0	\$5,700	\$287,562	\$776,750	37%
2035	\$287,562	\$81,095	\$0	\$10,386	\$358,271	\$840,988	43%
2036	\$358,271	\$84,744	\$0	\$50,287	\$392,729	\$867,603	45%
2037	\$392,729	\$88,558	\$0	\$4,153	\$477,134	\$944,131	51%
2038	\$477,134	\$92,543	\$0	\$10,693	\$558,984	\$1,017,851	55%
2039	\$558,984	\$96,708	\$0	\$72,399	\$583,293	\$1,031,918	57%
2040	\$583,293	\$101,059	\$0	\$112,081	\$572,271	\$1,001,966	57%
2041	\$572,271	\$105,607	\$0	\$0	\$677,878	\$1,088,196	62%
2042	\$677,878	\$110,359	\$0	\$15,245	\$772,992	\$1,162,995	66%
2043	\$772,992	\$115,326	\$0	\$18,446	\$869,872	\$1,238,336	70%
2044	\$869,872	\$116,594	\$0	\$27,610	\$958,856	\$1,308,282	73%
2045	\$958,856	\$117,877	\$0	\$12,625	\$1,064,108	\$1,397,598	76%
2046	\$1,064,108	\$119,173	\$0	\$10,295	\$1,172,986	\$1,493,886	79%
2047	\$1,172,986	\$120,484	\$0	\$763,465	\$530,005	\$819,246	65%
2048	\$530,005	\$121,810	\$0	\$475,098	\$176,717	\$423,001	42%
2049	\$176,717	\$123,149	\$0	\$0	\$299,867	\$506,275	59%
2050	\$299,867	\$124,504	\$0	\$17,075	\$407,295	\$576,578	71%
2051	\$407,295	\$125,874	\$0	\$102,721	\$430,448	\$562,955	76%
2052	\$430,448	\$127,258	\$0	\$41,445	\$516,261	\$614,284	84%
2053	\$516,261	\$128,658	\$0	\$88,407	\$556,512	\$621,097	90%
2054	\$556,512	\$130,073	\$0	\$85,340	\$601,245	\$633,656	95%
2055	\$601,245	\$131,504	\$0	\$124,898	\$607,851	\$608,302	100%

San Michelle
Annual Expenditures
Sorted by Alphabetical

2026 Fiscal Year

Paint: Shade Support Structure Poles	\$1,200.00
Paint: Wrought Iron Fencing & Gates	\$4,500.00
Sub Total	\$5,700.00

2027 Fiscal Year

Asphalt: Repair & Rubberized Chip Seal (2027)	\$119,892.00
Pool: Deck Resurface	\$10,876.80
Pool: Pumps & Motors	\$3,090.00
Pool: Replaster & Retile	\$19,055.00
Sub Total	\$152,913.80

2028 Fiscal Year

Asphalt: HA5 High Density Mineral Bond (2028)	\$39,516.40
Grounds: Mailboxes	\$34,797.52
Paint: Common Area Walls	\$13,382.19
Pool: Shade Structure Fabric	\$7,638.48
Walls: Common Areas (Repair)	\$3,823.48
Sub Total	\$99,158.08

2030 Fiscal Year

Paint: Wrought Iron Fencing & Gates	\$5,064.79
Play Area: Park Equipment (Newer)	\$1,688.26
Play Area: Park Equipment (Original)	\$2,701.22
Play Area: Playstructure	\$56,275.44
Play Area: Shade Structure Fabric	\$8,103.66
Pool: Furniture	\$2,251.02
Sub Total	\$76,084.40

2032 Fiscal Year

Pool: Pumps & Motors	\$3,582.16
Sub Total	\$3,582.16

2033 Fiscal Year

Asphalt: HA5 High Density Mineral Bond (2033)	\$45,810.34
Sub Total	\$45,810.34

2034 Fiscal Year

Paint: Wrought Iron Fencing & Gates	\$5,700.47
Sub Total	\$5,700.47

2035 Fiscal Year

San Michelle
Annual Expenditures
Sorted by Alphabetical

Pool: Deck Recoat (Cycle 1)	\$5,166.90
Pool: Filters	\$5,219.09
Sub Total	\$10,385.99
<u>2036 Fiscal Year</u>	
Entrance: Gate Operators	\$26,878.33
Paint: Common Area Walls	\$16,952.16
Paint: Shade Support Structure Poles	\$1,612.70
Walls: Common Areas (Repair)	\$4,843.47
Sub Total	\$50,286.66
<u>2037 Fiscal Year</u>	
Pool: Pumps & Motors	\$4,152.70
Sub Total	\$4,152.70
<u>2038 Fiscal Year</u>	
Grounds: Irrigation Controllers	\$4,277.28
Paint: Wrought Iron Fencing & Gates	\$6,415.92
Sub Total	\$10,693.21
<u>2039 Fiscal Year</u>	
Entrance: Access Phone	\$7,342.67
Entrance: Artificial Turf	\$37,888.17
Pool: Replaster & Retile	\$27,167.87
Sub Total	\$72,398.71
<u>2040 Fiscal Year</u>	
Asphalt: HA5 High Density Mineral Bond (2040)	\$56,340.94
Asphalt: Repairs (2040)	\$15,845.89
Fencing: Wrought Iron (Perimeter)	\$37,814.74
Play Area: Tot Turf (Replace)	\$2,079.81
Sub Total	\$112,081.39
<u>2042 Fiscal Year</u>	
Paint: Wrought Iron Fencing & Gates	\$7,221.18
Pool: Furniture	\$3,209.41
Pool: Pumps & Motors	\$4,814.12
Sub Total	\$15,244.71
<u>2043 Fiscal Year</u>	
Pool: Deck Recoat (Cycle 2)	\$6,545.28
Pool: Shade Structure Fabric	\$11,900.50

San Michelle
Annual Expenditures
Sorted by Alphabetical

Sub Total	\$18,445.78
<u>2044 Fiscal Year</u>	
Paint: Common Area Walls	\$21,474.49
Walls: Common Areas (Repair)	\$6,135.57
Sub Total	\$27,610.06
<u>2045 Fiscal Year</u>	
Play Area: Shade Structure Fabric	\$12,625.24
Sub Total	\$12,625.24
<u>2046 Fiscal Year</u>	
Paint: Shade Support Structure Poles	\$2,167.33
Paint: Wrought Iron Fencing & Gates	\$8,127.50
Sub Total	\$10,294.83
<u>2047 Fiscal Year</u>	
Asphalt: Remove & Repave	\$757,884.01
Pool: Pumps & Motors	\$5,580.88
Sub Total	\$763,464.89
<u>2048 Fiscal Year</u>	
Grounds: Irrigation System (Replace)	\$465,517.32
Grounds: Monument Sign (Replace)	\$9,580.52
Sub Total	\$475,097.84
<u>2050 Fiscal Year</u>	
Paint: Wrought Iron Fencing & Gates	\$9,147.57
Play Area: Park Equipment (Newer)	\$3,049.19
Play Area: Park Equipment (Original)	\$4,878.71
Sub Total	\$17,075.47
<u>2051 Fiscal Year</u>	
Entrance: Gate Operators	\$41,875.56
Pool: Deck Resurface	\$22,110.29
Pool: Replaster & Retile	\$38,734.89
Sub Total	\$102,720.75
<u>2052 Fiscal Year</u>	
Paint: Common Area Walls	\$27,203.24
Pool: Pumps & Motors	\$6,469.77
Walls: Common Areas (Repair)	\$7,772.35

San Michelle
Annual Expenditures
Sorted by Alphabetical

Sub Total	<hr/> \$41,445.37
 <u>2053 Fiscal Year</u>	
Grounds: Irrigation Controllers	\$6,663.87
Grounds: Mailboxes	\$72,858.28
Pool: Filters	\$8,885.16
Sub Total	<hr/> \$88,407.30
 <u>2054 Fiscal Year</u>	
Entrance: Access Phone	\$11,439.64
Entrance: Artificial Turf	\$59,028.53
Paint: Wrought Iron Fencing & Gates	\$10,295.67
Pool: Furniture	\$4,575.86
Sub Total	<hr/> \$85,339.70
 <u>2055 Fiscal Year</u>	
Play Area: Playstructure	\$117,828.28
Pool: Gates	\$7,069.70
Sub Total	<hr/> \$124,897.97

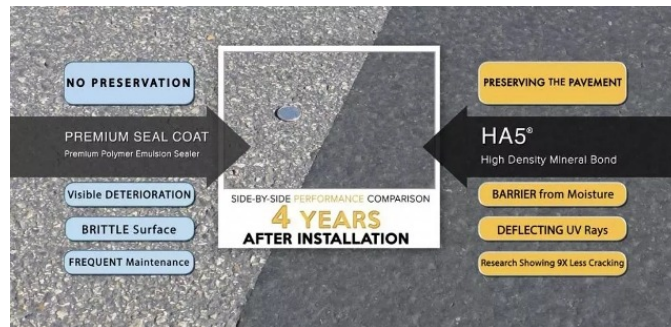
San Michelle

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: HA5 High Density Mineral Bond (2028)

Category	010 Asphalt	Quantity	116,400 sq. ft.
		Unit Cost	\$0.32
		% of Replacement	100.00%
		Current Cost	\$37,248.00
Placed In Service	01/2020	Future Cost	\$39,516.40
Useful Life	8		
		Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$456.82
Replacement Year	2028	Monthly Interest Contribution	\$0.00
	One-Time Replacement	Total Monthly Contribution	\$456.82



This component budgets for the application of an HA5, High Density Mineral Bond in 2028, a summer after the rubberized chip seal has been applied. This is a one-time expense for 2028 that is not recurring in this analysis.

HA5 was designed to limit oxidative damage from moisture and from UV rays which are intense in Arizona. HA5 provides a durable surface that reduces the frequency of "coating", preserves the underlying asphalt, and can eliminate the need for replacement if applied every 6 years.

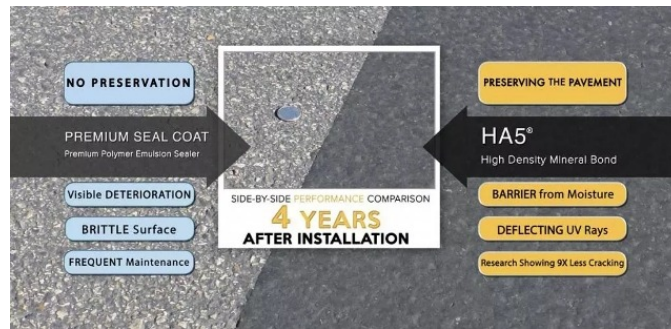
San Michelle

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: HA5 High Density Mineral Bond (2033)

Category	010 Asphalt	Quantity	116,400 sq. ft.
		Unit Cost	\$0.32
		% of Replacement	100.00%
		Current Cost	\$37,248.00
Placed In Service	01/2026	Future Cost	\$45,810.34
Useful Life	7		
		Assigned Reserves at FYB	\$0.00
Remaining Life	7	Monthly Member Contribution	\$135.05
Replacement Year	2033	Monthly Interest Contribution	\$0.00
	One-Time Replacement	Total Monthly Contribution	\$135.05



This component budgets for the application of an HA5, High Density Mineral Bond in 2033. This is a one-time expense for 2033 that is not recurring in this analysis.

HA5 was designed to limit oxidative damage from moisture and from UV rays which are intense in Arizona. HA5 provides a durable surface that reduces the frequency of "coating", preserves the underlying asphalt, and can eliminate the need for replacement if applied every 6 years.

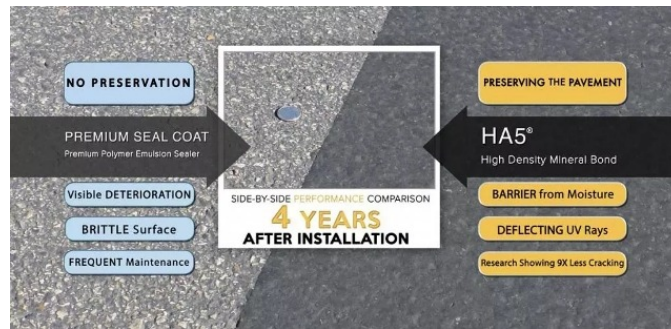
San Michelle

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: HA5 High Density Mineral Bond (2040)

Category	010 Asphalt	Quantity	116,400 sq. ft.
		Unit Cost	\$0.32
		% of Replacement	100.00%
		Current Cost	\$37,248.00
Placed In Service	01/2026	Future Cost	\$56,340.94
Useful Life	14		
		Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$70.35
Replacement Year	2040	Monthly Interest Contribution	\$0.00
	One-Time Replacement	Total Monthly Contribution	\$70.35



This component budgets for the application of an HA5, High Density Mineral Bond in 2040. This is a one-time expense for 2040 that is not recurring in this analysis.

HA5 was designed to limit oxidative damage from moisture and from UV rays which are intense in Arizona. HA5 provides a durable surface that reduces the frequency of "coating", preserves the underlying asphalt, and can eliminate the need for replacement if applied every 6 years.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Remove & Repave

Category	010 Asphalt	Quantity	116,400 sq. ft.
		Unit Cost	\$3.50
		% of Replacement	100.00%
		Current Cost	\$407,400.00
Placed In Service	01/2001	Future Cost	\$757,884.01
Useful Life	46		
		Assigned Reserves at FYB	\$0.00
Remaining Life	21	Monthly Member Contribution	\$530.35
Replacement Year	2047	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$530.35



The Board has requested that we budget to remove and repave the asphalt in 20 years.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Repair & Rubberized Chip Seal (2027)

Category	010 Asphalt	Quantity	116,400 sq. ft.
		Unit Cost	\$1.00
		% of Replacement	100.00%
		Current Cost	\$116,400.00
Placed In Service	01/2000	Future Cost	\$119,892.00
Useful Life	27		
		Assigned Reserves at FYB	\$51,819.72
Remaining Life	1	Monthly Member Contribution	\$1,609.27
Replacement Year	2027	Monthly Interest Contribution	\$0.00
	One-Time Replacement	Total Monthly Contribution	\$1,609.27



The asphalt is in fair to poor condition overall with significant cracking, surface deterioration, exposed aggregate and areas where ponding is present. Removal and replacement is a disruptive and expensive process (\$372,806.35 per Rose Paving 4/2023 proposal - would be more like \$425,000 now) and the Association has not saved properly in the reserve fund to be able to pay to remove and replace the asphalt in the near future. That being said, the asphalt has not completely failed and there are options to continue to maintain the asphalt without having to remove and replace.

This is an estimate for the application of a rubberized chip seal to be applied in 2027 at the Board's request.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

A rubberized chip seal provides a durable, flexible, wearing surface that seals the existing pavement and is fairly resistant to cracking. Some reflective cracking will occur, but the application of HA5 atop the rubberized chip seal will significantly improve the appearance and texture, slow the reemergence of cracks, and will protect the underlying asphalt from UV rays and water penetration.

Measurement obtained by ARS on site.

The photos below show current condition of the asphalt at San Michelle.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Repairs (2040)

Category	010 Asphalt	Quantity	116,400 sq. ft.
		Unit Cost	\$6.00
		% of Replacement	1.50%
		Current Cost	\$10,476.00
		Future Cost	\$15,845.89
Placed In Service	01/2026		
Useful Life	14		
		Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$19.79
Replacement Year	2040	Monthly Interest Contribution	\$0.00
	One-Time Replacement	Total Monthly Contribution	\$19.79



It is estimated that a percentage of the asphalt areas will require repair or replacement. We have scheduled repairs for 2040.

San Michelle

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Rubberized Chip Seal (Before & After)

Category	010 Asphalt	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2025	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 following photos show the "before" and "after" of a project where a rubberized chip seal was done at an Association with asphalt in similar condition to San Michelle.

Top left: Condition prior to rubberized chip seal

Top Right: Shows half of the road after chip seal

Bottom Left: Shows condition of the road after rubberized chip seal and HA5 have been applied

Bottom Right: Shows condition of the road after 2nd coating of HA5 has been applied in year 6

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Paint: Common Area Walls

Category	030 Painting	Quantity	18,020 sq. ft.
		Unit Cost	\$0.70
		% of Replacement	100.00%
		Current Cost	\$12,614.00
		Future Cost	\$13,382.19
Placed In Service	01/2020		
Useful Life	8		
		Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$154.70
Replacement Year	2028	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$154.70



This is an estimate for painting the common area walls on an eight (8) year cycle. We have estimated that the walls were last painted in 2020.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Paint: Shade Support Structure Poles

Category	030 Painting	Quantity	1 total
		Unit Cost	\$1,200.00
		% of Replacement	100.00%
		Current Cost	\$1,200.00
Placed In Service	01/2015	Future Cost	\$1,612.70
Useful Life	10		
		Assigned Reserves at FYB	\$1,200.00
Remaining Life	0	Monthly Member Contribution	\$3.10
Replacement Year	2026	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$3.10



This is an estimate for painting the vertical, metal shade support structure poles (pool and play area).

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Paint: Wrought Iron Fencing & Gates

Category	030 Painting	Quantity	1 total
		Unit Cost	\$4,500.00
		% of Replacement	100.00%
		Current Cost	\$4,500.00
		Future Cost	\$5,064.79
Placed In Service	01/2022	Assigned Reserves at FYB	\$4,500.00
Useful Life	4	Monthly Member Contribution	\$27.99
Remaining Life	0	Monthly Interest Contribution	\$0.00
Replacement Year	2026	Total Monthly Contribution	\$27.99



This is an estimate for painting the entrance wrought iron (fencing & gates), perimeter wrought iron fencing and the wrought iron pool gates.

San Michelle
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	01/2000	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, and should last for the life of the community if properly maintained. Any repairs should be handled on an as needed basis and the expense paid for out of the annual operating budget.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Fencing: Wrought Iron (Perimeter)

Category	040 Fencing/Walls	Quantity	1 total
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$25,000.00
		Future Cost	\$37,814.74
Placed In Service	01/2000		
Useful Life	40		
		Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$47.22
Replacement Year	2040	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$47.22



500 LF of 3'10" fencing	@	\$50.00	=	<u>\$25,000.00</u>
		TOTAL	=	\$25,000.00

The Association is 100% responsible for maintaining this fencing.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Walls: Common Areas (Repair)

Category	040 Fencing/Walls	Quantity	18,020 sq. ft.
		Unit Cost	\$40.00
		% of Replacement	0.50%
		Current Cost	\$3,604.00
Placed In Service	01/2020	Future Cost	\$3,823.48
Useful Life	8		
		Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$44.20
Replacement Year	2028	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$44.20



This component will accumulate funds for 25 years, and then on a continuous 10 year cycle, for the major repair/replacement of a percentage of the common area walls. The accumulate funds should be used as needed, and the percentage budgeted for repair/replacement should be adjusted over time as conditions dictate.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Deck Recoat (Cycle 1)

Category	060 Pool	Quantity	1,320 sq. ft.
		Unit Cost	\$3.00
		% of Replacement	100.00%
		Current Cost	\$3,960.00
Placed In Service	01/2027	Future Cost	\$5,166.90
Useful Life	24		
Adjustment	-16	Assigned Reserves at FYB	\$0.00
Remaining Life	9	Monthly Member Contribution	\$11.31
Replacement Year	2035	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$11.31



This is an estimate for recoating the pool deck eight (8) years after the deck has been resurfaced.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Deck Recoat (Cycle 2)

Category	060 Pool	Quantity	1,320 sq. ft.
		Unit Cost	\$3.00
		% of Replacement	100.00%
		Current Cost	\$3,960.00
Placed In Service	01/2027	Future Cost	\$6,545.28
Useful Life	24		
Adjustment	-8	Assigned Reserves at FYB	\$0.00
Remaining Life	17	Monthly Member Contribution	\$6.25
Replacement Year	2043	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$6.25



This is an estimate for recoating the pool deck 16 years after the deck has been resurfaced.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Deck Resurface

Category	060 Pool	Quantity	1,320 sq. ft.
		Unit Cost	\$8.00
		% of Replacement	100.00%
		Current Cost	\$10,560.00
		Future Cost	\$10,876.80
Placed In Service	01/2000	Assigned Reserves at FYB	\$10,168.89
Useful Life	24	Monthly Member Contribution	\$16.74
Adjustment	+3	Monthly Interest Contribution	\$0.00
Remaining Life	1	Total Monthly Contribution	\$16.74
Replacement Year	2027		



This component budgets to remove the existing acrylic surface down to the concrete, replace expansion joints, repair cracks and apply a new acrylic lace texture surface. CDC Pools provided a proposal of \$9,105 in 2023 (cost has been adjusted for inflation). This project was not done based on the current condition of the pool deck. We are budgeting for this project in 2027 to allow the Association time to accumulate the funds needed, considering that the asphalt should be a higher priority.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Filters

Category	060 Pool	Quantity	2 filters
		Unit Cost	\$2,000.00
		% of Replacement	100.00%
		Current Cost	\$4,000.00
Placed In Service	01/2017	Future Cost	\$5,219.09
Useful Life	18		
		Assigned Reserves at FYB	\$0.00
Remaining Life	9	Monthly Member Contribution	\$11.42
Replacement Year	2035	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$11.42



This component budgets to replace the Triton II, 4.91 SF sand filter and the Hayward 4.9 SF sand filter. The Triton II filter has a 7/2016 date on it.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Furniture

Category	060 Pool	Quantity	1 total
		Unit Cost	\$2,000.00
		% of Replacement	100.00%
		Current Cost	\$2,000.00
Placed In Service	01/2018	Future Cost	\$2,251.02
Useful Life	12		
		Assigned Reserves at FYB	\$0.00
Remaining Life	4	Monthly Member Contribution	\$12.44
Replacement Year	2030	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$12.44



This component budgets to replace the strapped chaise lounges (3), strapped chairs (5) and lounge side tables.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Gates

Category	060 Pool	Quantity	3 gates
		Unit Cost	\$1,000.00
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	01/2015	Future Cost	\$7,069.70
Useful Life	40		
		Assigned Reserves at FYB	\$0.00
Remaining Life	29	Monthly Member Contribution	\$2.91
Replacement Year	2055	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$2.91



This component budgets to replace the two (2) pedestrian pool entrance gates and the equipment enclosure gate.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Pumps & Motors

Category	060 Pool	Quantity	1 total
		Unit Cost	\$3,000.00
		% of Replacement	100.00%
		Current Cost	\$3,000.00
		Future Cost	\$3,090.00
Placed In Service	01/2022		
Useful Life	5		
		Assigned Reserves at FYB	\$2,400.00
Remaining Life	1	Monthly Member Contribution	\$16.31
Replacement Year	2027	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$16.31



This component will accumulate \$3,000 every five (5) years to be used as needed for repair/replacement of the pumps and motors.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: PVC Fencing (Unfunded)

Category	060 Pool	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2015	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 PVC plastic pool fencing as it has an indefinite useful life and should not require replacement.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Replaster & Retile

Category	060 Pool	Quantity	1 total
		Unit Cost	\$18,500.00
		% of Replacement	100.00%
		Current Cost	\$18,500.00
Placed In Service	01/2015	Future Cost	\$19,055.00
Useful Life	12		
		Assigned Reserves at FYB	\$16,958.33
Remaining Life	1	Monthly Member Contribution	\$49.57
Replacement Year	2027	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$49.57



CDC Pools provided a proposal in 2023 to replaster the pool, replace the waterline and step tiles, replace the light and startup for \$16,482 (cost has been adjusted for inflation). Based on the current condition of the pool plaster which is stained and badly chipped, this project has not been completed. We are budgeting for this project in 2027 to allow the Association time to accumulate the funds needed, considering that the asphalt should be a higher priority.

Measurements: 1,280 SF (IA), 120 LF trim tile, 24 LF step tile

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Shade Structure Fabric

Category	060 Pool	Quantity	600 sq. ft.
		Unit Cost	\$12.00
		% of Replacement	100.00%
		Current Cost	\$7,200.00
		Future Cost	\$7,638.48
Placed In Service	01/2007	Assigned Reserves at FYB	\$0.00
Useful Life	15	Monthly Member Contribution	\$88.30
Adjustment	+6	Monthly Interest Contribution	\$0.00
Remaining Life	2	Total Monthly Contribution	\$88.30
Replacement Year	2028		



Installed in 2007.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Play Area: Park Equipment (Newer)

Category	065 Play Area	Quantity	1 total
		Unit Cost	\$1,500.00
		% of Replacement	100.00%
		Current Cost	\$1,500.00
Placed In Service	01/2010	Future Cost	\$1,688.26
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	4	Monthly Member Contribution	\$9.33
Replacement Year	2030	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$9.33



This component budgets for replacement of the following park equipment:

1 6' benches with backs	@	\$1,500.00	=	<u>\$1,500.00</u>
		TOTAL	=	\$1,500.00

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Play Area: Park Equipment (Original)

Category	065 Play Area	Quantity	1 total
		Unit Cost	\$2,400.00
		% of Replacement	100.00%
		Current Cost	\$2,400.00
		Future Cost	\$2,701.22
Placed In Service	01/2000	Assigned Reserves at FYB	\$0.00
Useful Life	20	Monthly Member Contribution	\$14.93
Adjustment	+10	Monthly Interest Contribution	\$0.00
Remaining Life	4	Total Monthly Contribution	\$14.93
Replacement Year	2030		



This component budgets for replacement of the following park equipment:

2 6' benches (no backs)	@	\$1,200.00	=	<u>\$2,400.00</u>
		TOTAL	=	\$2,400.00

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Play Area: Playstructure

Category	065 Play Area	Quantity	1 total
		Unit Cost	\$50,000.00
		% of Replacement	100.00%
		Current Cost	\$50,000.00
		Future Cost	\$56,275.44
Placed In Service	01/2000		
Useful Life	25		
Adjustment	+5	Assigned Reserves at FYB	\$0.00
Remaining Life	4	Monthly Member Contribution	\$310.97
Replacement Year	2030	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$310.97



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

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Play Area: Shade Structure Fabric

Category	065 Play Area	Quantity	600 sq. ft.
		Unit Cost	\$12.00
		% of Replacement	100.00%
		Current Cost	\$7,200.00
		Future Cost	\$8,103.66
Placed In Service	01/2015		
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	4	Monthly Member Contribution	\$44.78
Replacement Year	2030	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$44.78



Installed in 2015.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Play Area: Tot Turf (Replace)

Category	065 Play Area	Quantity	55 sq. ft.
		Unit Cost	\$25.00
		% of Replacement	100.00%
		Current Cost	\$1,375.00
		Future Cost	\$2,079.81
Placed In Service	01/2020		
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$2.60
Replacement Year	2040	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$2.60



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

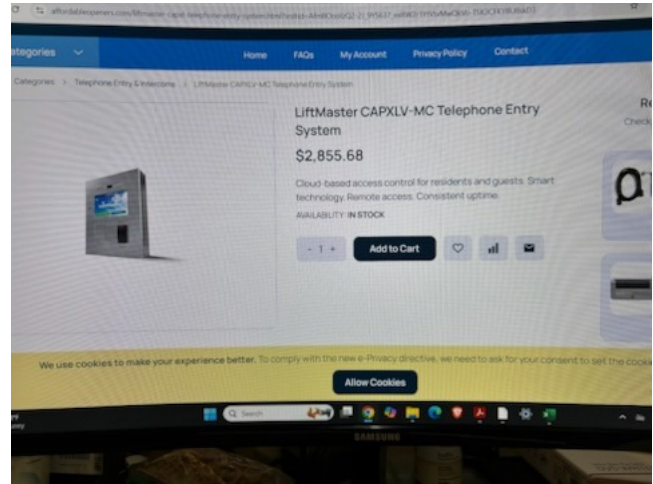
Accumulated funds can be used for FlexCoat applications as needed.

We have estimated the placed in service date based on condition.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Entrance: Access Phone

Category	080 Entrance	Quantity	1 phone
		Unit Cost	\$5,000.00
		% of Replacement	100.00%
		Current Cost	\$5,000.00
		Future Cost	\$7,342.67
Placed In Service	01/2024		
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	13	Monthly Member Contribution	\$10.12
Replacement Year	2039	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$10.12



This is a LiftMaster entry access phone. Cost of \$2,858 found at affordableopeners.com. We have included an estimate for removal and installation of a new system.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Entrance: Artificial Turf

Category	080 Entrance	Quantity	3,225 sq. ft.
		Unit Cost	\$8.00
		% of Replacement	100.00%
		Current Cost	\$25,800.00
		Future Cost	\$37,888.17
Placed In Service	01/2024		
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	13	Monthly Member Contribution	\$52.20
Replacement Year	2039	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$52.20



Location: outside the gates on the east side

We have estimated that this turf was installed in 2024.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Entrance: Fencing & Gates

Category	080 Entrance	Quantity	1 total
		Unit Cost	\$22,120.00
		% of Replacement	100.00%
		Current Cost	\$22,120.00
		Future Cost	\$60,429.75
Placed In Service	01/2020	Assigned Reserves at FYB	\$0.00
Useful Life	40	Monthly Member Contribution	\$18.55
Remaining Life	34	Monthly Interest Contribution	\$0.00
Replacement Year	2060	Total Monthly Contribution	\$18.55



2 6'10" x 8'4" vehicle gates	@	\$4,250.00	=	\$8,500.00
2 6'10" x 11'5" vehicle gates	@	\$5,850.00	=	\$11,700.00
32 LF of 5'8" fencing	@	\$60.00	=	\$1,920.00
		TOTAL	=	<u>\$22,120.00</u>

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Entrance: Gate Operators

Category	080 Entrance	Quantity	4 operators
		Unit Cost	\$5,000.00
		% of Replacement	100.00%
		Current Cost	\$20,000.00
Placed In Service	01/2021	Future Cost	\$26,878.33
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	10	Monthly Member Contribution	\$51.71
Replacement Year	2036	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$51.71



These are LiftMaster CSw24UL swing gate operators (8/28/2020).

San Michelle
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	01/2000	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).

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Granite Replenishment

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2014	Future Cost	\$0.00
Useful Life	12		
		Assigned Reserves at FYB	\$0.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2026	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00



Measurement: 70,000 SF of landscape granite rock which equates to 292 tons at 1" depth

We are budgeting to replenish the common area landscape granite by adding a 1" layer to the existing base in 2026 and then every 12 years thereafter.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation Controllers

Category	100 Grounds	Quantity	2 controllers
		Unit Cost	\$1,500.00
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	07/2023	Future Cost	\$4,277.28
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	12	Monthly Member Contribution	\$6.54
Replacement Year	2038	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$6.54



The irrigation system was replaced in mid 2023 by EZ Landscape & Maintenance. Both irrigation controllers are locked in cages and not accessible. One of them is a Hunter brand controller. We are budgeting to replace these controllers every 15 years.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation System (Replace)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$242,950.00
		% of Replacement	100.00%
		Current Cost	\$242,950.00
		Future Cost	\$465,517.32
Placed In Service	07/2023		
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	22	Monthly Member Contribution	\$303.14
Replacement Year	2048	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$303.14



The irrigation system was replaced in mid 2023 by EZ Landscape & Maintenance for \$225,615. We have adjusted the cost for inflation.

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Mailboxes

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$32,800.00
		% of Replacement	100.00%
		Current Cost	\$32,800.00
		Future Cost	\$34,797.52
Placed In Service	01/2000		
Useful Life	25		
Adjustment	+3	Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$402.27
Replacement Year	2028	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$402.27



This component budgets to replace the following pedestal mounted mailboxes:

6 12 box sets w/1 parcel locker	@	\$2,800.00	=	\$16,800.00
5 16 box sets w/2 parcel lockers	@	\$3,200.00	=	\$16,000.00
		TOTAL	=	\$32,800.00

San Michelle
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Monument Sign (Replace)

Category	100 Grounds	Quantity	1 sign
		Unit Cost	\$5,000.00
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	01/2023	Future Cost	\$9,580.52
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	22	Monthly Member Contribution	\$6.24
Replacement Year	2048	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$6.24



This is a stone tile sign face with letters that are etched and painted that indicate "SAN MICHELLE". Previous sign was solid steel letters. We have estimated that this new sign was installed in 2023.

San Michelle
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	01/2000	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 included in the annual operating budget.

San Michelle
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING RESERVE BALANCE	\$87,047	\$135,916	\$40,027	\$460	\$62,733	\$51,724	\$119,727	\$187,208	\$215,659	\$287,562
Member Contribution	\$54,569	\$57,025	\$59,591	\$62,273	\$65,075	\$68,003	\$71,063	\$74,261	\$77,603	\$81,095
Interest Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures (detailed below)	\$5,700	\$152,914	\$99,158	\$0	\$76,084	\$0	\$3,582	\$45,810	\$5,700	\$10,386
ENDING RESERVE BALANCE	\$135,916	\$40,027	\$460	\$62,733	\$51,724	\$119,727	\$187,208	\$215,659	\$287,562	\$358,271
Asphalt: HA5 High Density Mineral Bond (2028)			\$39,516							
Asphalt: HA5 High Density Mineral Bond (2033)							\$45,810			
Asphalt: HA5 High Density Mineral Bond (2040)										
Asphalt: Remove & Repave										
Asphalt: Repair & Rubberized Chip Seal (2027)		\$119,892								
Asphalt: Repairs (2040)										
Asphalt: Rubberized Chip Seal (Before & After)										
Paint: Common Area Walls			\$13,382							
Paint: Shade Support Structure Poles	\$1,200									
Paint: Wrought Iron Fencing & Gates	\$4,500				\$5,065				\$5,700	
Fencing: Steel Split Rail (Unfunded)										
Fencing: Wrought Iron (Perimeter)										
Walls: Common Areas (Repair)			\$3,823							
Pool: Deck Recoat (Cycle 1)										\$5,167
Pool: Deck Recoat (Cycle 2)										
Pool: Deck Resurface		\$10,877								
Pool: Filters										\$5,219
Pool: Furniture					\$2,251					
Pool: Gates										
Pool: Pumps & Motors		\$3,090					\$3,582			
Pool: PVC Fencing (Unfunded)										
Pool: Replaster & Retile		\$19,055								
Pool: Shade Structure Fabric			\$7,638							
Play Area: Park Equipment (Newer)					\$1,688					
Play Area: Park Equipment (Original)					\$2,701					

San Michelle
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
BEGINNING RESERVE BALANCE	\$358,271	\$392,729	\$477,134	\$558,984	\$583,293	\$572,271	\$677,878	\$772,992	\$869,872	\$958,856
Member Contribution	\$84,744	\$88,558	\$92,543	\$96,708	\$101,059	\$105,607	\$110,359	\$115,326	\$116,594	\$117,877
Interest Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures (detailed below)	\$50,287	\$4,153	\$10,693	\$72,399	\$112,081	\$0	\$15,245	\$18,446	\$27,610	\$12,625
ENDING RESERVE BALANCE	\$392,729	\$477,134	\$558,984	\$583,293	\$572,271	\$677,878	\$772,992	\$869,872	\$958,856	\$1,064,108
Asphalt: HA5 High Density Mineral Bond (2028)										
Asphalt: HA5 High Density Mineral Bond (2033)										
Asphalt: HA5 High Density Mineral Bond (2040)					\$56,341					
Asphalt: Remove & Repave										
Asphalt: Repair & Rubberized Chip Seal (2027)										
Asphalt: Repairs (2040)					\$15,846					
Asphalt: Rubberized Chip Seal (Before & After)										
Paint: Common Area Walls	\$16,952								\$21,474	
Paint: Shade Support Structure Poles	\$1,613									
Paint: Wrought Iron Fencing & Gates			\$6,416				\$7,221			
Fencing: Steel Split Rail (Unfunded)										
Fencing: Wrought Iron (Perimeter)					\$37,815					
Walls: Common Areas (Repair)	\$4,843								\$6,136	
Pool: Deck Recoat (Cycle 1)										
Pool: Deck Recoat (Cycle 2)								\$6,545		
Pool: Deck Resurface										
Pool: Filters										
Pool: Furniture							\$3,209			
Pool: Gates										
Pool: Pumps & Motors		\$4,153					\$4,814			
Pool: PVC Fencing (Unfunded)										
Pool: Replaster & Retile				\$27,168						
Pool: Shade Structure Fabric								\$11,901		
Play Area: Park Equipment (Newer)										
Play Area: Park Equipment (Original)										

San Michelle
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
BEGINNING RESERVE BALANCE	\$1,064,108	\$1,172,986	\$530,005	\$176,717	\$299,867	\$407,295	\$430,448	\$516,261	\$556,512	\$601,245
Member Contribution	\$119,173	\$120,484	\$121,810	\$123,149	\$124,504	\$125,874	\$127,258	\$128,658	\$130,073	\$131,504
Interest Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures (detailed below)	\$10,295	\$763,465	\$475,098	\$0	\$17,075	\$102,721	\$41,445	\$88,407	\$85,340	\$124,898
ENDING RESERVE BALANCE	\$1,172,986	\$530,005	\$176,717	\$299,867	\$407,295	\$430,448	\$516,261	\$556,512	\$601,245	\$607,851
Asphalt: HA5 High Density Mineral Bond (2028)										
Asphalt: HA5 High Density Mineral Bond (2033)										
Asphalt: HA5 High Density Mineral Bond (2040)										
Asphalt: Remove & Repave		\$757,884								
Asphalt: Repair & Rubberized Chip Seal (2027)										
Asphalt: Repairs (2040)										
Asphalt: Rubberized Chip Seal (Before & After)										
Paint: Common Area Walls							\$27,203			
Paint: Shade Support Structure Poles	\$2,167									
Paint: Wrought Iron Fencing & Gates	\$8,128				\$9,148				\$10,296	
Fencing: Steel Split Rail (Unfunded)										
Fencing: Wrought Iron (Perimeter)										
Walls: Common Areas (Repair)							\$7,772			
Pool: Deck Recoat (Cycle 1)										
Pool: Deck Recoat (Cycle 2)										
Pool: Deck Resurface						\$22,110				
Pool: Filters								\$8,885		
Pool: Furniture									\$4,576	
Pool: Gates										\$7,070
Pool: Pumps & Motors		\$5,581					\$6,470			
Pool: PVC Fencing (Unfunded)										
Pool: Replaster & Retile						\$38,735				
Pool: Shade Structure Fabric										
Play Area: Park Equipment (Newer)					\$3,049					
Play Area: Park Equipment (Original)					\$4,879					

San Michelle
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING RESERVE BALANCE	\$87,047	\$135,916	\$40,027	\$460	\$62,733	\$51,724	\$119,727	\$187,208	\$215,659	\$287,562
Member Contribution	\$54,569	\$57,025	\$59,591	\$62,273	\$65,075	\$68,003	\$71,063	\$74,261	\$77,603	\$81,095
Interest Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures (detailed below)	\$5,700	\$152,914	\$99,158	\$0	\$76,084	\$0	\$3,582	\$45,810	\$5,700	\$10,386
ENDING RESERVE BALANCE	\$135,916	\$40,027	\$460	\$62,733	\$51,724	\$119,727	\$187,208	\$215,659	\$287,562	\$358,271
Play Area: Playstructure					\$56,275					
Play Area: Shade Structure Fabric					\$8,104					
Play Area: Tot Turf (Replace)										
Entrance: Access Phone										
Entrance: Artificial Turf										
Entrance: Fencing & Gates										
Entrance: Gate Operators										
Grounds: Concrete Components (Unfunded)										
Grounds: Granite Replenishment										
Grounds: Irrigation Controllers										
Grounds: Irrigation System (Replace)										
Grounds: Mailboxes			\$34,798							
Grounds: Monument Sign (Replace)										
Grounds: Tree Trimming (Unfunded)										

San Michelle
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
BEGINNING RESERVE BALANCE	\$358,271	\$392,729	\$477,134	\$558,984	\$583,293	\$572,271	\$677,878	\$772,992	\$869,872	\$958,856
Member Contribution	\$84,744	\$88,558	\$92,543	\$96,708	\$101,059	\$105,607	\$110,359	\$115,326	\$116,594	\$117,877
Interest Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures (detailed below)	\$50,287	\$4,153	\$10,693	\$72,399	\$112,081	\$0	\$15,245	\$18,446	\$27,610	\$12,625
ENDING RESERVE BALANCE	\$392,729	\$477,134	\$558,984	\$583,293	\$572,271	\$677,878	\$772,992	\$869,872	\$958,856	\$1,064,108
Play Area: Playstructure										
Play Area: Shade Structure Fabric										\$12,625
Play Area: Tot Turf (Replace)					\$2,080					
Entrance: Access Phone				\$7,343						
Entrance: Artificial Turf				\$37,888						
Entrance: Fencing & Gates										
Entrance: Gate Operators	\$26,878									
Grounds: Concrete Components (Unfunded)										
Grounds: Granite Replenishment										
Grounds: Irrigation Controllers			\$4,277							
Grounds: Irrigation System (Replace)										
Grounds: Mailboxes										
Grounds: Monument Sign (Replace)										
Grounds: Tree Trimming (Unfunded)										

San Michelle
Cross-Tabular Summary
Directed Cash Flow Method; Sorted by Category

	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
BEGINNING RESERVE BALANCE	\$1,064,108	\$1,172,986	\$530,005	\$176,717	\$299,867	\$407,295	\$430,448	\$516,261	\$556,512	\$601,245
Member Contribution	\$119,173	\$120,484	\$121,810	\$123,149	\$124,504	\$125,874	\$127,258	\$128,658	\$130,073	\$131,504
Interest Contribution	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures (detailed below)	\$10,295	\$763,465	\$475,098	\$0	\$17,075	\$102,721	\$41,445	\$88,407	\$85,340	\$124,898
ENDING RESERVE BALANCE	\$1,172,986	\$530,005	\$176,717	\$299,867	\$407,295	\$430,448	\$516,261	\$556,512	\$601,245	\$607,851
Play Area: Playstructure										\$117,828
Play Area: Shade Structure Fabric										
Play Area: Tot Turf (Replace)										
Entrance: Access Phone									\$11,440	
Entrance: Artificial Turf									\$59,029	
Entrance: Fencing & Gates										
Entrance: Gate Operators						\$41,876				
Grounds: Concrete Components (Unfunded)										
Grounds: Granite Replenishment										
Grounds: Irrigation Controllers								\$6,664		
Grounds: Irrigation System (Replace)			\$465,517							
Grounds: Mailboxes								\$72,858		
Grounds: Monument Sign (Replace)			\$9,581							
Grounds: Tree Trimming (Unfunded)										

San Michelle

Component Detail Index

	Page
Asphalt: HA5 High Density Mineral Bond (2028)	12
Asphalt: HA5 High Density Mineral Bond (2033)	13
Asphalt: HA5 High Density Mineral Bond (2040)	14
Asphalt: Remove & Repave	15
Asphalt: Repair & Rubberized Chip Seal (2027)	16
Asphalt: Repairs (2040)	18
Asphalt: Rubberized Chip Seal (Before & After)	19
Entrance: Access Phone	42
Entrance: Artificial Turf	43
Entrance: Fencing & Gates	44
Entrance: Gate Operators	45
Fencing: Steel Split Rail (Unfunded)	24
Fencing: Wrought Iron (Perimeter)	25
Grounds: Concrete Components (Unfunded)	46
Grounds: Granite Replenishment	48
Grounds: Irrigation Controllers	49
Grounds: Irrigation System (Replace)	50
Grounds: Mailboxes	51
Grounds: Monument Sign (Replace)	52
Grounds: Tree Trimming (Unfunded)	53
Paint: Common Area Walls	21
Paint: Shade Support Structure Poles	22
Paint: Wrought Iron Fencing & Gates	23
Play Area: Park Equipment (Newer)	37
Play Area: Park Equipment (Original)	38
Play Area: Playstructure	39
Play Area: Shade Structure Fabric	40
Play Area: Tot Turf (Replace)	41
Pool: Deck Recoat (Cycle 1)	27
Pool: Deck Recoat (Cycle 2)	28
Pool: Deck Resurface	29
Pool: Filters	30
Pool: Furniture	31
Pool: Gates	32
Pool: Pumps & Motors	33
Pool: PVC Fencing (Unfunded)	34
Pool: Replaster & Retile	35
Pool: Shade Structure Fabric	36
Walls: Common Areas (Repair)	26

39 Components