Reserve Analysis Report

Worthington Place

Tempe, Arizona

Version 004

July 11, 2019

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Worthington Place

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Preface

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Step 1: Calculation of fully funded balance for each component

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

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

Step 2: Distribution of current reserve funds

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

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

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

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

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

Step 3: Developing a funding plan

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

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

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

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

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

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

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

Cash Flow Calculation Method

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

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

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

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

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

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

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

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

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

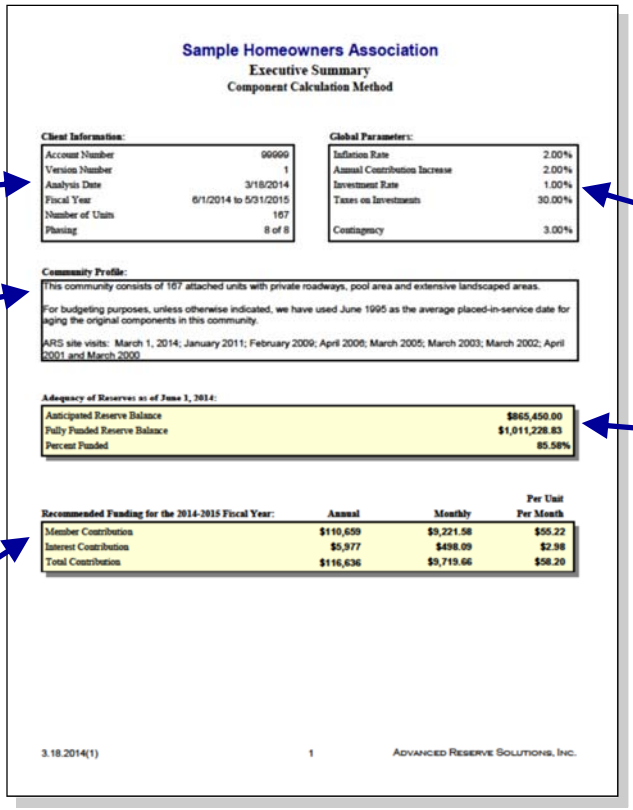
Executive Summary

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

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

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

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



Sample Homeowners Association
Executive Summary
Component Calculation Method

Client Information:

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

Global Parameters:

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

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

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

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

Adequacy of Reserves as of June 1, 2014:

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

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

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

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

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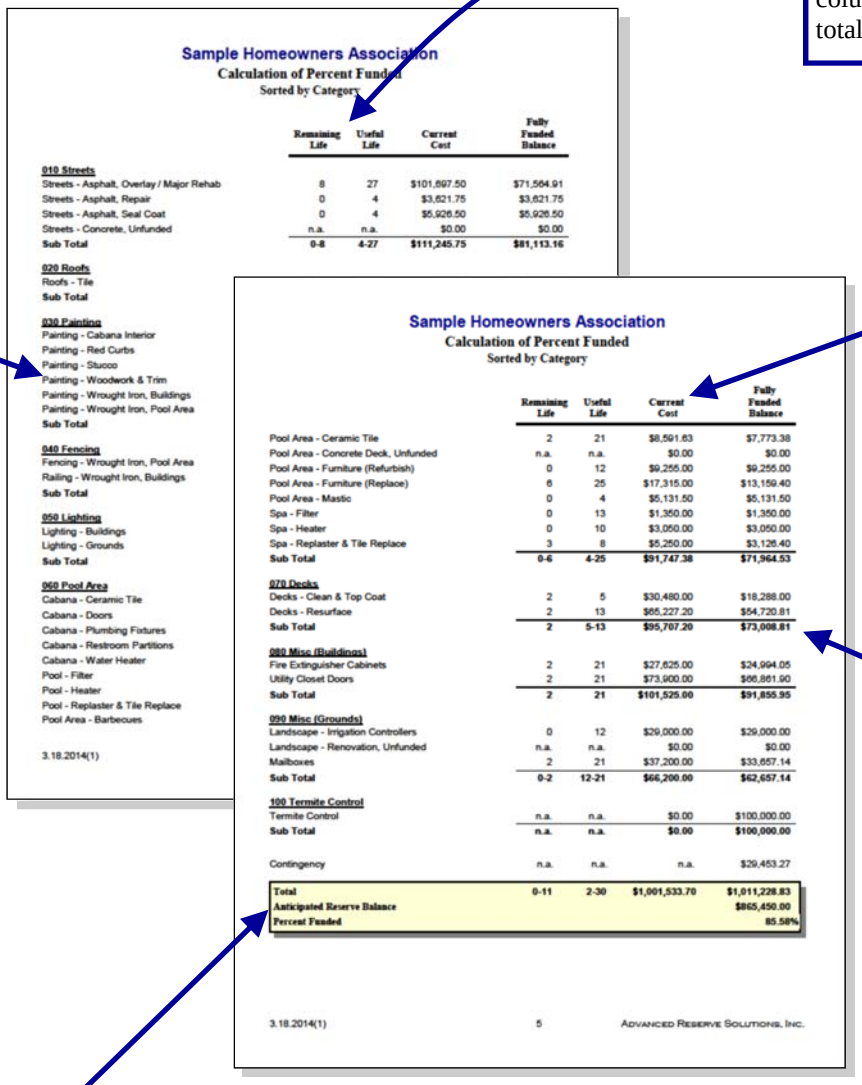
Calculation of Percent Funded

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

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

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



Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

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

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Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

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

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

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

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

Preface

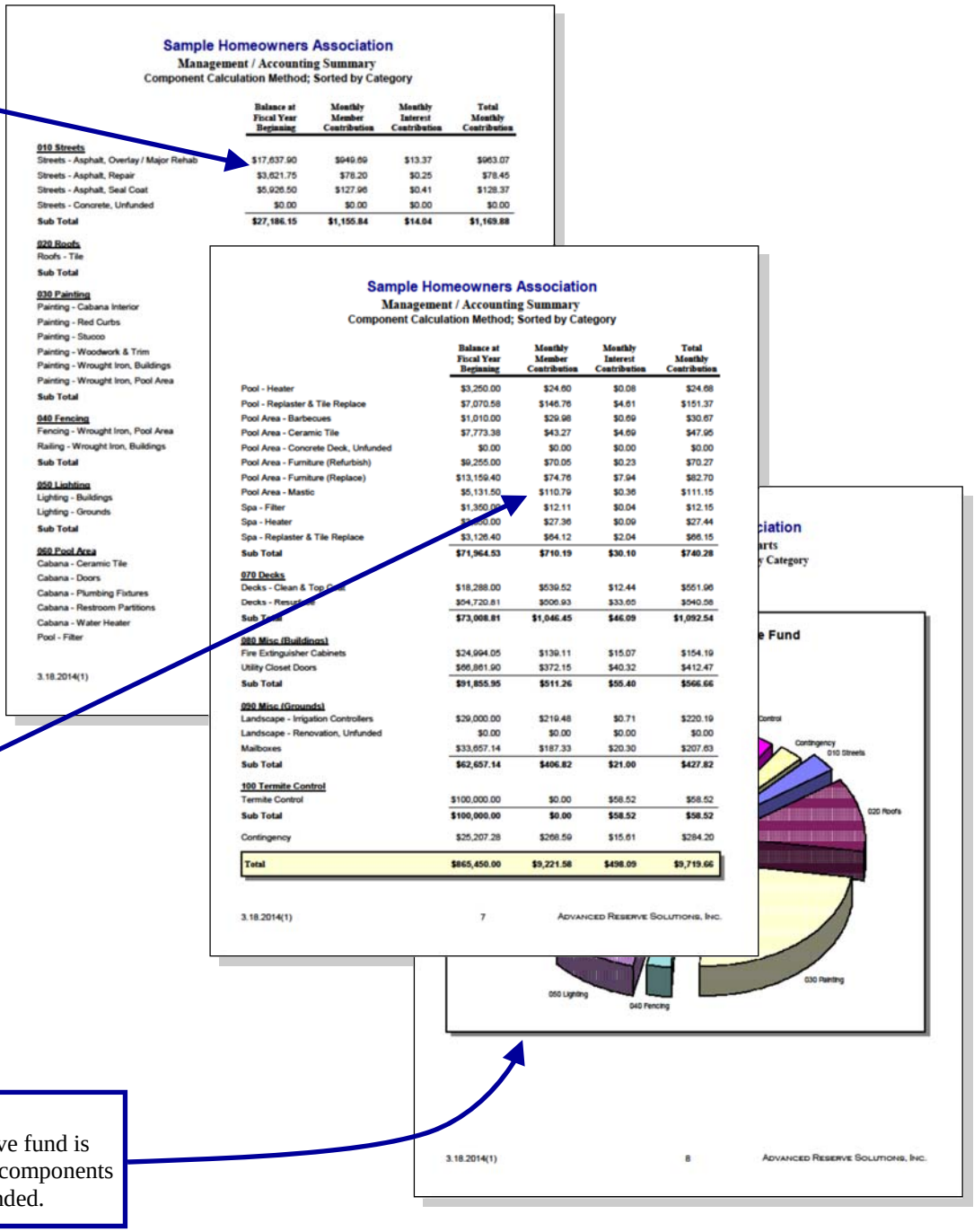
Management / Accounting Summary and Charts

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

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

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

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



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

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

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

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

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Fund

Contingency
010 Streets
020 Roofs
030 Painting
040 Fencing
050 Lighting

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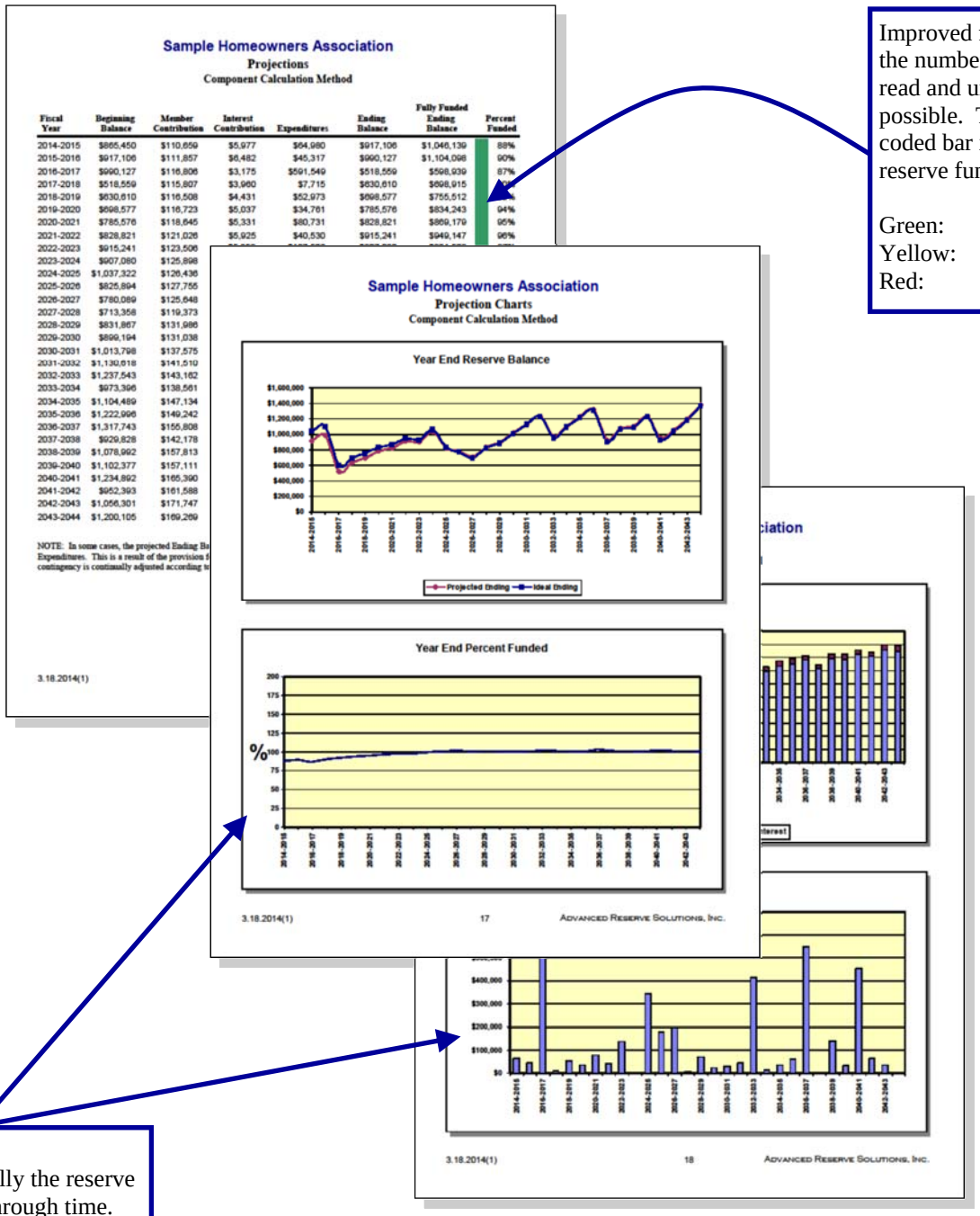
Projections and Charts

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



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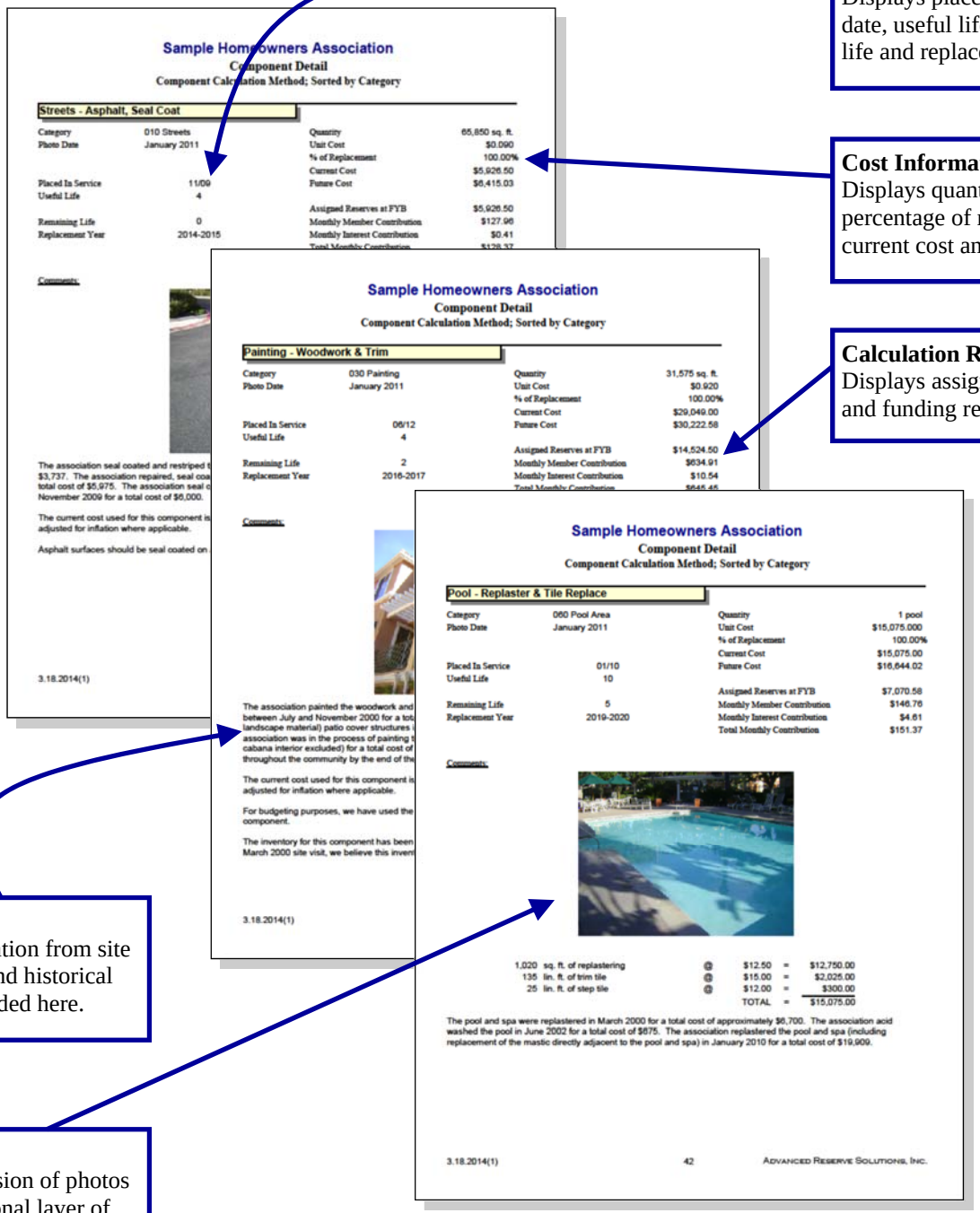
Component Detail

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



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

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

Calculation Results
Displays assigned reserves and funding requirements.

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

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

Preface

♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Reserve Components
Line items included in the reserve analysis.

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

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

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

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

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

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

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

Worthington Place

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	1498
Version Number	004
Analysis Date	07/11/2019
Fiscal Year	1/1/2020 to 12/31/2020
Number of Units	96
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.55 %
Annual Contribution Increase	6.00 %
Investment Rate	0.06 %
Taxes on Investments	0.00 %
Contingency	0.00 %

Community Profile:

This property was built in 1986. Refer to the Component Detail section for the dates used to age the components examined in this analysis.

Reserve Balance as of January 31, 2019: $187,767

Remaining 2019 Reserve Contributions: $57,430 ($5,220.95/month x 11 months)

Remaining 2019 Interest to be Earned (0.06%): $115

Remaining 2019 Reserve Expenditures: $6,232 (Landscape Refurbish - entry area)
1,957 (Landscape Refurbish - clubhouse & pool areas)

Projected January 1, 2020 Reserve Balance: $237,123

REPORTS: 2000. Updated 2006, 2015 & 2019.

Adequacy of Reserves as of January 1, 2020:

Anticipated Reserve Balance	**$237,123.00**
Fully Funded Reserve Balance	**$676,079.13**
Percent Funded	**35.07%**

Recommended Funding for the 2020 Fiscal Year:	**Annual**	**Monthly**	**Per Unit Per Month**
Member Contribution	**$66,410**	**$5,534.17**	**$57.65**
Interest Contribution	**$155**	**$12.89**	**$0.13**
Total Contribution	**$66,565**	**$5,547.06**	**$57.78**

Worthington Place

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Grounds: Irrigation Controllers	0	$600.00	$600.00
Lighting: Pole Mounted Fixtures	0	$1,750.00	$1,750.00
Pool Area: Deck Recoat	0	$4,707.50	$4,707.50
Spa: Heater	0	$2,750.00	$2,750.00
Grounds: Monument Sign	1	$2,914.29	$2,914.29
Paint: Community Exteriors	1	$97,500.00	$97,500.00
Pool Building: Water Heater (Laundry Room)	1	$1,125.00	$1,125.00
Clubhouse: Remodel Provision	2	$8,000.00	$8,000.00
Grounds: Landscape/Irrigation (Patio Areas)	2	$26,873.22	$26,873.22
Grounds: Plant & Tree Replacements	2	$0.00	$0.00
Pool Area: Chaise Lounges (Restrap)	2	$660.00	$660.00
Pool/Spa: Pumps & Motors	2	$3,600.00	$3,600.00
Roofs: Asphalt Shingle	3	$173,268.92	$84,934.66
Spa: Filter	3	$958.33	$958.33
Streets/Parking: Asphalt Seal Coat	3	$750.00	$750.00
Grounds: Granite Replenishment	5	$2,546.25	$0.00
Grounds: Landscape/Irrigation (Common Areas)	5	$28,751.79	$0.00
Grounds: Park Equipment	5	$4,500.00	$0.00
Spa: Retile	5	$3,750.00	$0.00
Pool Area: Deck Resurface	6	$5,186.47	$0.00
Grounds: Concrete Curbing (Parking Areas)	7	$3,250.00	$0.00
Pool: Filter	8	$722.22	$0.00
Buildings: Patio/Balcony Structures (2029)	9	$246,697.67	$0.00
Clubhouse: HVAC	9	$2,200.00	$0.00
Grounds: Mailboxes (Wall Mounted)	12	$3,380.00	$0.00
Lighting: Carport Structures	12	$17,680.00	$0.00
Lighting: Wall Mounted Fixtures	12	$19,500.00	$0.00
Pool Building: Drinking Fountain	15	$275.00	$0.00
Streets/Parking: Asphalt Repairs	15	$546.75	$0.00
Pool Area: Chaise Lounges (Replace)	17	$375.00	$0.00

Worthington Place

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Pool: Resurface & Retile	19	$2,371.12	$0.00
Pool Area: Fencing & Gates	20	$2,833.33	$0.00
Pool Building: Remodel Provision	20	$1,500.00	$0.00
Streets/Parking: Asphalt Rehabilitation	31	$4,556.25	$0.00
Grounds: Drywell Maintenance (Unfunded)	n.a.	$0.00	$0.00
Roofs: Metal, Carports (Unfunded)	n.a.	$0.00	$0.00
Contingency	n.a.	$0.00	$0.00
Total	**0-31**	**$676,079.13**	**$237,123.00**
Percent Funded			**35.07%**

Worthington Place

Projections

Directed Cash Flow Calculation Method

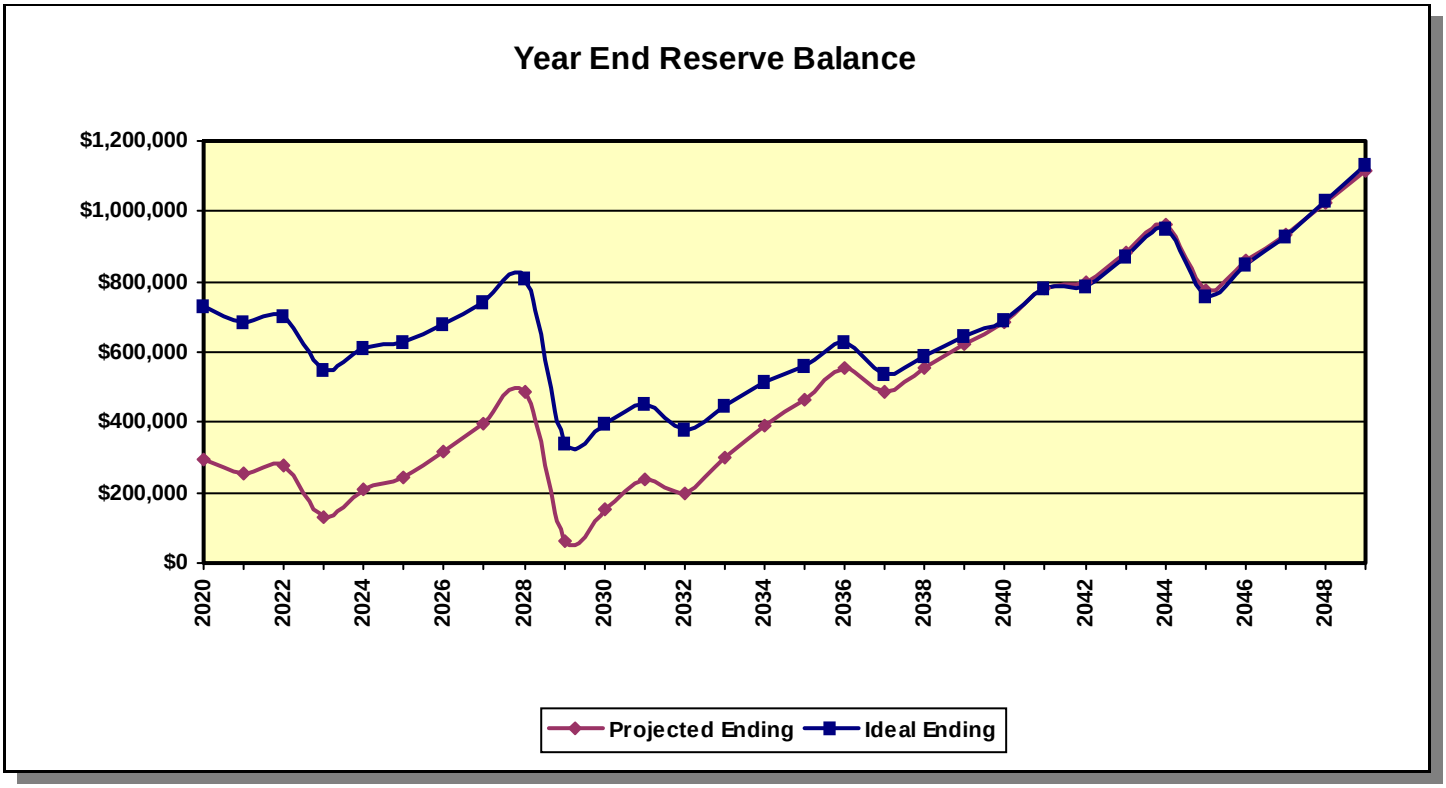
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2020	$237,123	$66,410	$155	$9,808	$293,880	$728,582	40%
2021	$293,880	$70,395	$128	$112,036	$252,367	$684,675	37%
2022	$252,367	$74,618	$141	$51,588	$275,539	$703,656	39%
2023	$275,539	$79,095	$54	$222,067	$132,621	$547,696	24%
2024	$132,621	$83,841	$99	$5,530	$211,032	$611,190	35%
2025	$211,032	$88,872	$118	$55,716	$244,305	$627,178	39%
2026	$244,305	$94,204	$158	$23,806	$314,861	$677,728	46%
2027	$314,861	$99,856	$207	$16,221	$398,703	$738,848	54%
2028	$398,703	$99,856	$260	$11,070	$487,749	$808,352	60%
2029	$487,749	$99,856	$3	$528,084	$59,524	$341,678	17%
2030	$59,524	$99,856	$58	$8,683	$150,756	$397,133	38%
2031	$150,756	$99,856	$111	$11,543	$239,180	$452,488	53%
2032	$239,180	$99,856	$87	$140,564	$198,559	$378,399	52%
2033	$198,559	$99,856	$147	$0	$298,562	$448,061	67%
2034	$298,562	$99,856	$202	$7,113	$391,507	$513,736	76%
2035	$391,507	$99,856	$246	$27,863	$463,746	$561,376	83%
2036	$463,746	$99,856	$299	$11,595	$552,306	$628,522	88%
2037	$552,306	$99,856	$259	$166,623	$485,797	$540,050	90%
2038	$485,797	$99,856	$300	$32,204	$553,749	$588,861	94%
2039	$553,749	$99,856	$342	$28,947	$625,001	$643,981	97%
2040	$625,001	$99,856	$380	$37,644	$687,593	$693,368	99%
2041	$687,593	$99,856	$438	$4,072	$783,815	$780,266	100%
2042	$783,815	$99,856	$447	$85,361	$798,756	$787,890	101%
2043	$798,756	$99,856	$499	$13,384	$885,727	$871,441	102%
2044	$885,727	$99,856	$545	$23,895	$962,233	$948,310	101%
2045	$962,233	$99,856	$431	$289,244	$773,276	$757,043	102%
2046	$773,276	$99,856	$484	$12,125	$861,492	$847,155	102%
2047	$861,492	$99,856	$528	$26,841	$935,035	$926,595	101%
2048	$935,035	$99,856	$583	$10,120	$1,025,354	$1,027,386	100%
2049	$1,025,354	$99,856	$638	$8,302	$1,117,546	$1,134,843	98%

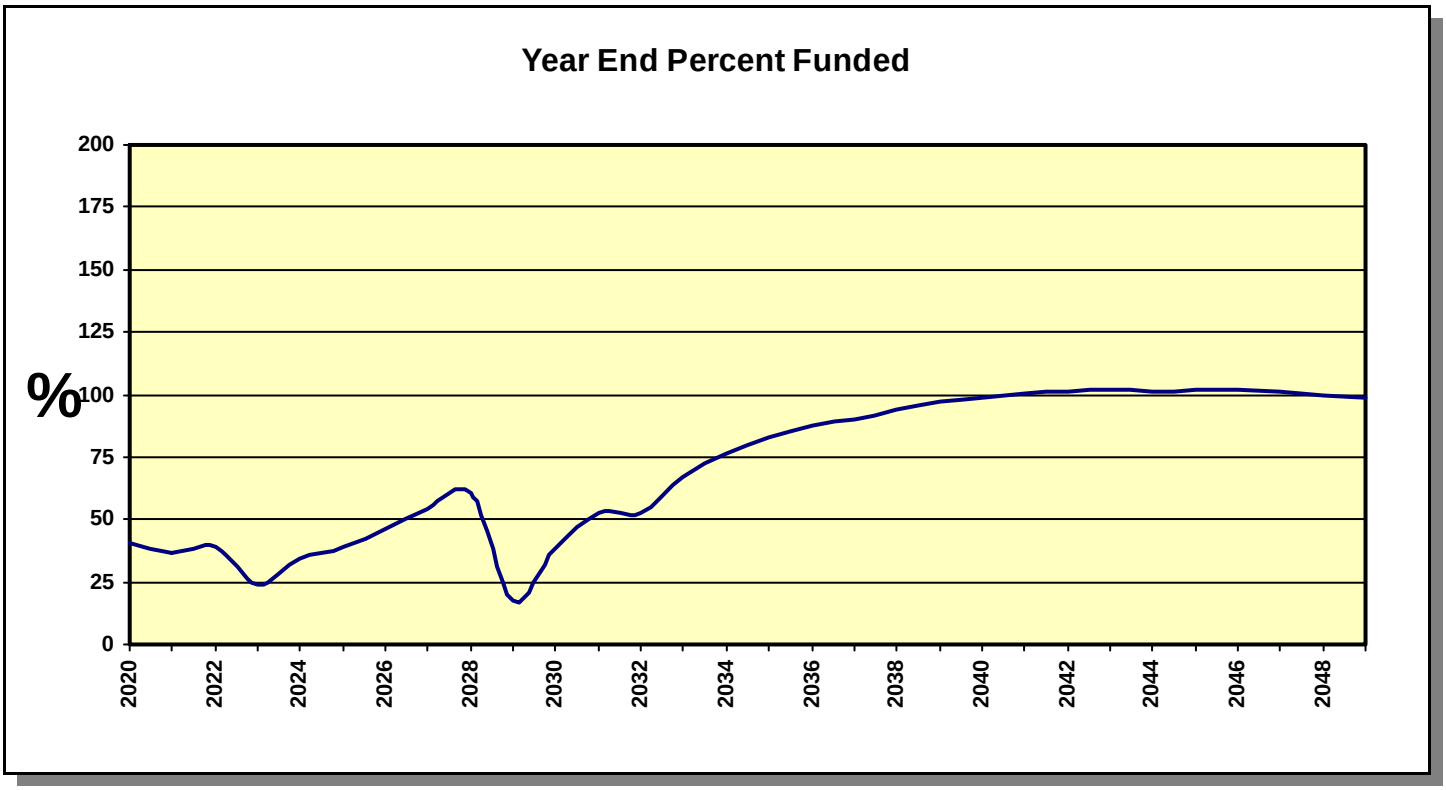
The 2019 reserve contribution is $62,651. We are recommending a 6.00% annual increase to the reserve contribution from 2020 - 2027. Then, beginning in 2028, the reserve contribution can be held steady through the end of the 30 year period.

Worthington Place

Projection Charts

Directed Cash Flow Calculation Method

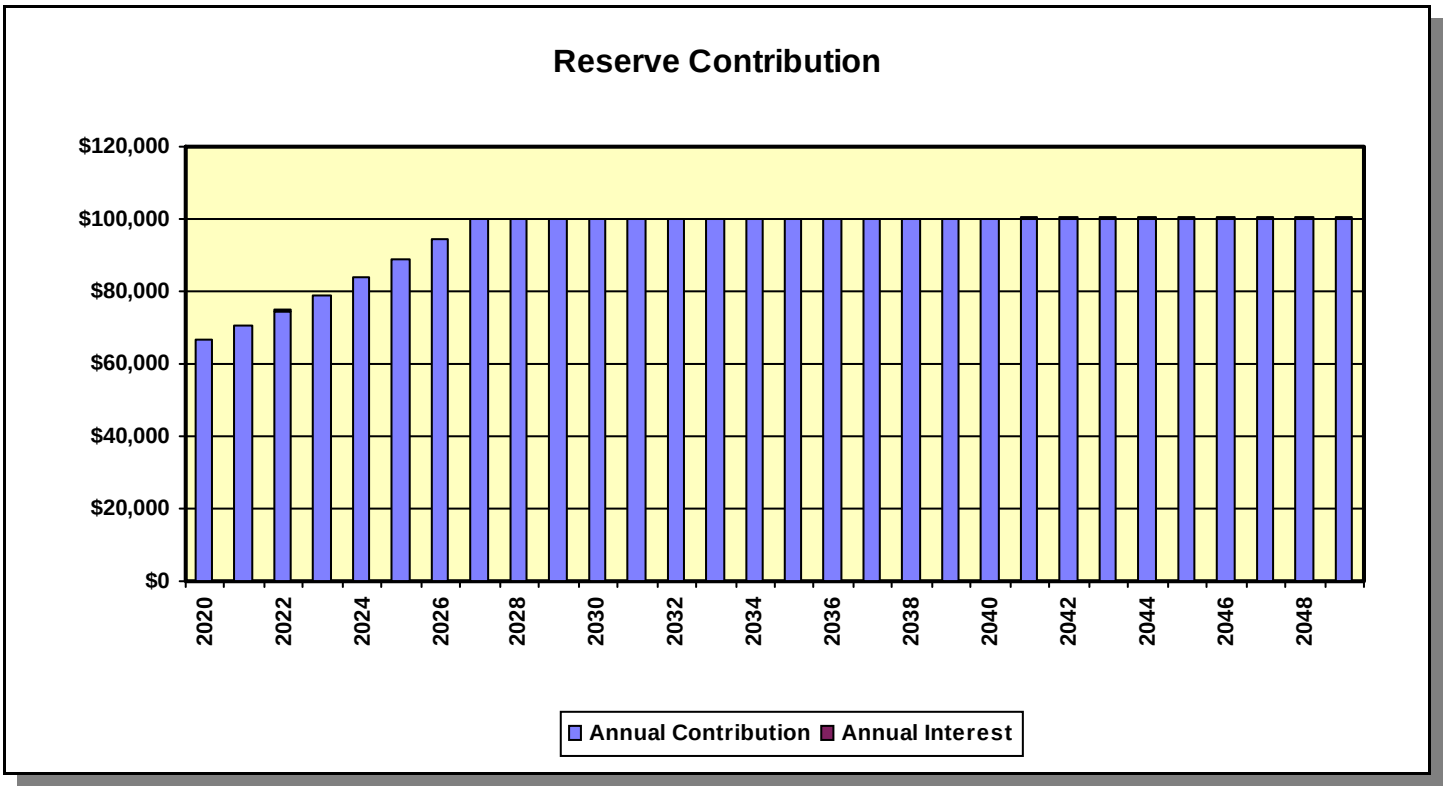


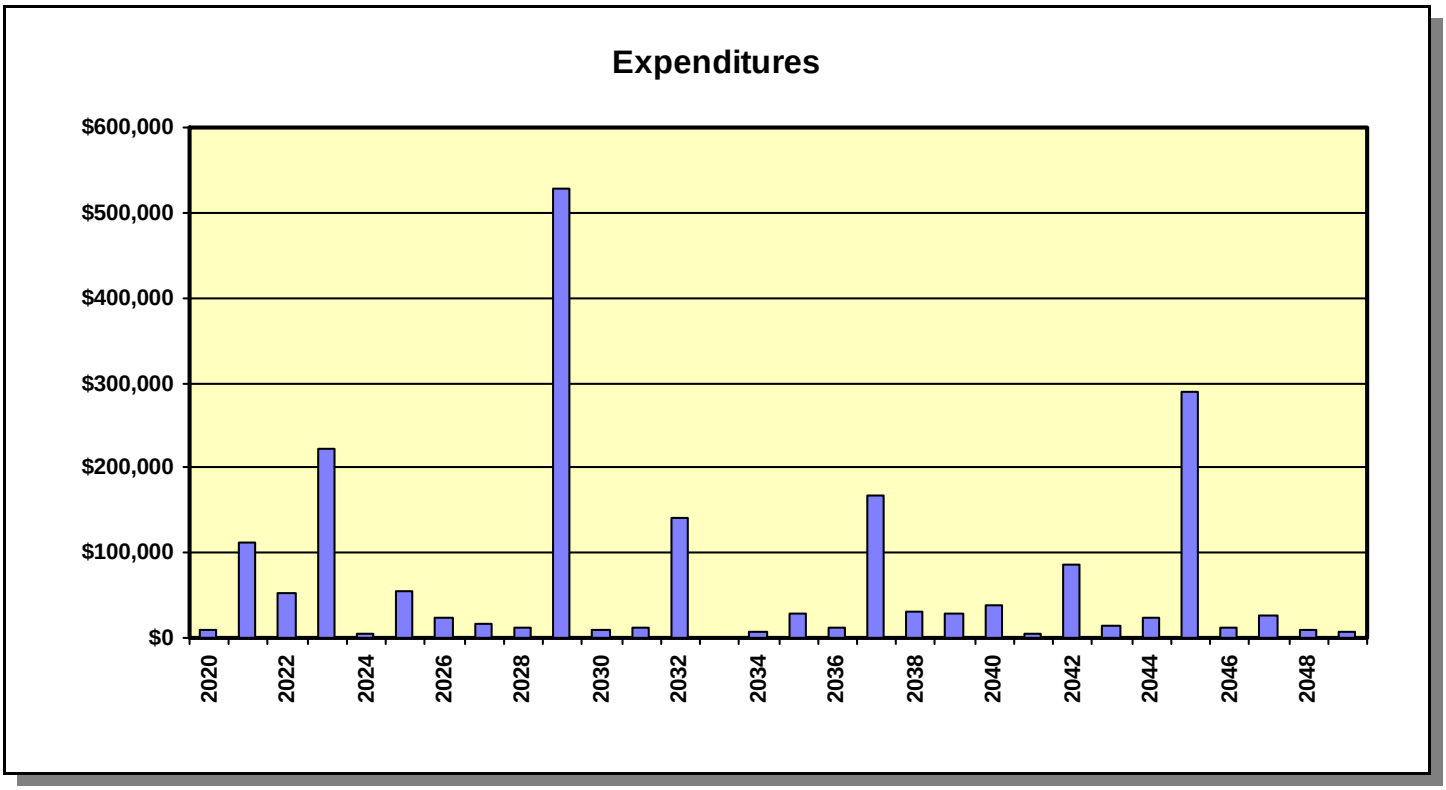


Worthington Place

Projection Charts

Directed Cash Flow Calculation Method





Worthington Place

Annual Expenditure Detail

Sorted by Description

2020 Fiscal Year	
Grounds: Irrigation Controllers	$600.00
Lighting: Pole Mounted Fixtures	$1,750.00
Pool Area: Deck Recoat	$4,707.50
Spa: Heater	$2,750.00
Sub Total	**$9,807.50**
2021 Fiscal Year	
Grounds: Monument Sign	$3,076.50
Paint: Community Exteriors	$107,677.50
Pool Building: Water Heater (Laundry Room)	$1,281.88
Sub Total	**$112,035.88**
2022 Fiscal Year	
Clubhouse: Remodel Provision	$10,516.50
Grounds: Landscape/Irrigation (Patio Areas)	$29,923.66
Grounds: Plant & Tree Replacements	$5,258.25
Pool Area: Chaise Lounges (Restrap)	$1,156.82
Pool/Spa: Pumps & Motors	$4,732.43
Sub Total	**$51,587.65**
2023 Fiscal Year	
Roofs: Asphalt Shingle	$212,738.47
Spa: Filter	$1,240.24
Streets/Parking: Asphalt Seal Coat	$8,088.51
Sub Total	**$222,067.21**
2024 Fiscal Year	
Grounds: Plant & Tree Replacements	$5,529.84
Sub Total	**$5,529.84**
2025 Fiscal Year	
Grounds: Granite Replenishment	$3,850.51
Grounds: Landscape/Irrigation (Common Areas)	$37,404.94
Grounds: Park Equipment	$6,805.02
Lighting: Pole Mounted Fixtures	$1,984.80
Spa: Retile	$5,670.85
Sub Total	**$55,716.12**
2026 Fiscal Year	
Grounds: Plant & Tree Replacements	$5,815.46

Worthington Place

Annual Expenditure Detail

Sorted by Description

Pool Area: Deck Recoat	$5,475.25
Pool Area: Deck Resurface	$12,514.87
Sub Total	**$23,805.58**
2027 Fiscal Year	
Grounds: Concrete Curbing (Parking Areas)	$5,963.75
Pool Area: Chaise Lounges (Restrap)	$1,312.03
Streets/Parking: Asphalt Seal Coat	$8,945.63
Sub Total	**$16,221.41**
2028 Fiscal Year	
Grounds: Plant & Tree Replacements	$6,115.83
Pool: Filter	$1,590.12
Spa: Heater	$3,363.71
Sub Total	**$11,069.65**
2029 Fiscal Year	
Buildings: Patio/Balcony Structures (2029)	$391,359.23
Clubhouse: HVAC	$5,017.43
Paint: Community Exteriors	$131,707.43
Sub Total	**$528,084.08**
2030 Fiscal Year	
Grounds: Plant & Tree Replacements	$6,431.71
Lighting: Pole Mounted Fixtures	$2,251.10
Sub Total	**$8,682.81**
2031 Fiscal Year	
Pool Building: Water Heater (Laundry Room)	$1,648.93
Streets/Parking: Asphalt Seal Coat	$9,893.58
Sub Total	**$11,542.51**
2032 Fiscal Year	
Clubhouse: Remodel Provision	$13,527.83
Grounds: Irrigation Controllers	$811.67
Grounds: Mailboxes (Wall Mounted)	$8,793.09
Grounds: Plant & Tree Replacements	$6,763.91
Lighting: Carport Structures	$45,994.61
Lighting: Wall Mounted Fixtures	$50,729.34
Pool Area: Chaise Lounges (Restrap)	$1,488.06
Pool Area: Deck Recoat	$6,368.22

Worthington Place

Annual Expenditure Detail

Sorted by Description

Pool/Spa: Pumps & Motors	$6,087.52
Sub Total	**$140,564.25**
2034 Fiscal Year	
Grounds: Plant & Tree Replacements	$7,113.27
Sub Total	**$7,113.27**
2035 Fiscal Year	
Lighting: Pole Mounted Fixtures	$2,553.13
Pool Building: Drinking Fountain	$1,604.82
Streets/Parking: Asphalt Repairs	$12,762.73
Streets/Parking: Asphalt Seal Coat	$10,941.99
Sub Total	**$27,862.68**
2036 Fiscal Year	
Grounds: Plant & Tree Replacements	$7,480.67
Spa: Heater	$4,114.37
Sub Total	**$11,595.04**
2037 Fiscal Year	
Paint: Community Exteriors	$161,100.02
Pool Area: Chaise Lounges (Replace)	$3,835.71
Pool Area: Chaise Lounges (Restrap)	$1,687.71
Sub Total	**$166,623.45**
2038 Fiscal Year	
Grounds: Plant & Tree Replacements	$7,867.05
Pool Area: Deck Recoat	$7,406.83
Pool Area: Deck Resurface	$16,929.89
Sub Total	**$32,203.77**
2039 Fiscal Year	
Pool: Resurface & Retile	$16,845.28
Streets/Parking: Asphalt Seal Coat	$12,101.49
Sub Total	**$28,946.77**
2040 Fiscal Year	
Grounds: Plant & Tree Replacements	$8,273.39
Lighting: Pole Mounted Fixtures	$2,895.69
Pool Area: Fencing & Gates	$14,064.76
Pool Building: Remodel Provision	$12,410.08

Worthington Place

Annual Expenditure Detail

Sorted by Description

Sub Total	**$37,643.91**
2041 Fiscal Year	
Pool Building: Water Heater (Laundry Room)	$2,121.09
Spa: Filter	$1,951.40
Sub Total	**$4,072.49**
2042 Fiscal Year	
Clubhouse: Remodel Provision	$17,401.42
Grounds: Landscape/Irrigation (Patio Areas)	$49,513.99
Grounds: Plant & Tree Replacements	$8,700.71
Pool Area: Chaise Lounges (Restrap)	$1,914.16
Pool/Spa: Pumps & Motors	$7,830.64
Sub Total	**$85,360.91**
2043 Fiscal Year	
Streets/Parking: Asphalt Seal Coat	$13,383.87
Sub Total	**$13,383.87**
2044 Fiscal Year	
Grounds: Irrigation Controllers	$1,098.01
Grounds: Plant & Tree Replacements	$9,150.10
Pool Area: Deck Recoat	$8,614.82
Spa: Heater	$5,032.56
Sub Total	**$23,895.49**
2045 Fiscal Year	
Grounds: Granite Replenishment	$6,371.35
Grounds: Landscape/Irrigation (Common Areas)	$61,893.10
Grounds: Park Equipment	$11,260.12
Lighting: Pole Mounted Fixtures	$3,284.20
Paint: Community Exteriors	$197,052.03
Spa: Retile	$9,383.43
Sub Total	**$289,244.23**
2046 Fiscal Year	
Grounds: Plant & Tree Replacements	$9,622.71
Pool: Filter	$2,501.90
Sub Total	**$12,124.61**

Worthington Place

Annual Expenditure Detail

Sorted by Description

2047 Fiscal Year	
Grounds: Concrete Curbing (Parking Areas)	$9,868.09
Pool Area: Chaise Lounges (Restrap)	$2,170.98
Streets/Parking: Asphalt Seal Coat	$14,802.13
Sub Total	**$26,841.20**
2048 Fiscal Year	
Grounds: Plant & Tree Replacements	$10,119.72
Sub Total	**$10,119.72**
2049 Fiscal Year	
Clubhouse: HVAC	$8,302.22
Sub Total	**$8,302.22**

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Streets/Parking: Asphalt Rehabilitation

Category	010 Streets	Quantity	72,900 sq. ft.
		Unit Cost	$2.000
		% of Replacement	100.00%
		Current Cost	$145,800.00
Placed In Service	01/19	Future Cost	$318,246.13
Useful Life	32		
		Assigned Reserves at FYB	$0.00
Remaining Life	31	Monthly Member Contribution	$173.46
Replacement Year	2051	Monthly Interest Contribution	$0.08
		Total Monthly Contribution	$173.54

Comments:

In October 2018, Pinnacle Paving Inc completed an asphalt rehabilitation project at a cost of $112,850 that included the removal & replacement of the asphalt drives (35,400 sq. ft.), and a 1" overlay of the parking areas (37,500 sq. ft.). Also included in the total cost was the seal coating of the asphalt at a cost of $7,500, which is scheduled to be done in September 2019.

Going forward, this component budgets for the removal & replacement of all of the community asphalt (drives & parking spaces). For budgeting purposes we have used 2019 as the basis for aging this component.

Streets/Parking: Asphalt Repairs

Category	010 Streets	Quantity	72,900 sq. ft.
		Unit Cost	$3.000
		% of Replacement	4.00%
		Current Cost	$8,748.00
Placed In Service	01/19	Future Cost	$12,762.73
Useful Life	16		
		Assigned Reserves at FYB	$0.00
Remaining Life	15	Monthly Member Contribution	$25.41
Replacement Year	2035	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$25.42

Comments:

It is estimated that a percentage of the asphalt areas will require repair or replacement. The actual condition of the asphalt should be monitored through time and the estimate adjusted accordingly. The accumulated funds should be used for repairs on an "as needed" basis.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Streets/Parking: Asphalt Seal Coat

Category	010 Streets	Quantity	1 total
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$7,500.00
Placed In Service	09/19	Future Cost	$8,088.51
Useful Life	4		
		Assigned Reserves at FYB	$750.00
Remaining Life	3	Monthly Member Contribution	$107.14
Replacement Year	2023	Monthly Interest Contribution	$0.08
		Total Monthly Contribution	$107.22

Comments:

In October 2018, Pinnacle Paving Inc completed an asphalt rehabilitation project at a cost of $112,850 that included the removal & replacement of the asphalt drives (35,400 sq. ft.), and a 1" overlay of the parking areas (37,500 sq. ft.). Also included in the total cost was the seal coating of the asphalt at a cost of $7,500, which is scheduled to be done in September 2019 (no additional charge).

Going forward, this component budgets to seal coat & restripe the asphalt on a continuous four (4) year cycle.

It should be noted that the repair/seal coat and rehabilitation components are budgeted to occur in the same budget year. It is recommended that the asphalt be seal coated within 12 months of rehabilitation. Therefore, this component appears in the same year as the rehabilitation project. If the Association chooses not to seal coat within 12 months of rehabilitation, the accumulated funds can be used for any additional expenses associated with the rehabilitation, or remain in the reserve account to be reallocated to other future projects.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Roofs: Asphalt Shingle

Category	020 Roofing	Quantity	56,360 sq. ft.
		Unit Cost	$3.500
		% of Replacement	100.00%
		Current Cost	$197,260.00
Placed In Service	05/98	Future Cost	$212,738.47
Useful Life	30		
Adjustment	-5	Assigned Reserves at FYB	$84,934.66
Remaining Life	3	Monthly Member Contribution	$1,864.03
Replacement Year	2023	Monthly Interest Contribution	$4.73
		Total Monthly Contribution	$1,868.75

Comments:

The asphalt shingle roofs atop all buildings (condos, clubhouse, pool building, mailbox kiosk) were installed in May 1998. This component budgets to replace the asphalt shingle roofs after 25 years, and then on a 30 year cycle. Given that these roofs are approaching the end of their useful life cycle, we recommend having them inspected to determine their true remaining useful life.

Roofs: Metal, Carports (Unfunded)

Category	020 Roofing	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/86	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

We are not budgeting to replace the corrugated metal carport roofs because they should last indefinitely. However, the condition of these roofs should be monitored over time, and if future replacements are anticipated, we will include a provision for such in a future update of this report. Should the client wish to budget for these roofs at this time, we will revise this report to include these roofs at their request. Minor repairs should be handled on an “as needed” basis using operating funds.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Buildings: Patio/Balcony Structures (2029)

		One Time Replacement	
Category	025 Buildings	Quantity	24 structures
		Unit Cost	$13,000.000
		% of Replacement	100.00%
		Current Cost	$312,000.00
Placed In Service	01/86	Future Cost	$391,359.23
Useful Life	43		
		Assigned Reserves at FYB	$0.00
Remaining Life	9	Monthly Member Contribution	$1,580.74
Replacement Year	2029	Monthly Interest Contribution	$0.71
		Total Monthly Contribution	$1,581.46

Comments:

There are 48 patio/balcony structures. The wood components making up these structures have deteriorated to a point of becoming a safety hazard. In 2015/2016, 20 of these structures were replaced at a cost of approximately $12,000 each. The client has not provided to us any type of condition report for the remaining 24 structures, or a plan to replace them. However, they have advised us to account for the replacement of the remaining 24 structures within this reserve study. Therefore, this component will continue to accumulate funds for the next 10 years (thru 2029) to be used to replace these structures on an "as needed" basis. Should the client wish to budget for the replacement of these components in a different manner, we will do so at their request.

This component is for a one time expense in 2029, even though the accumulated funds should be used on an "as needed" basis. No provision has been included for a 2nd replacement cycle once all of them have been replaced. Should the client wish to have budgeting included for cyclical replacements of these structures every 30 years or so, we will do so at their request.

For budgeting purposes we have used a current cost of $13,000 for each patio/balcony structure.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Paint: Community Exteriors

Category	030 Painting	Quantity	1 total
		Unit Cost	$105,000.000
		% of Replacement	100.00%
		Current Cost	$105,000.00
Placed In Service	01/07	Future Cost	$107,677.50
Useful Life	8		
Adjustment	+6	Assigned Reserves at FYB	$97,500.00
Remaining Life	1	Monthly Member Contribution	$470.69
Replacement Year	2021	Monthly Interest Contribution	$4.67
		Total Monthly Contribution	$475.36

Comments:

The community exteriors (condominium buildings, clubhouse, pool building, mailbox kiosk, stucco site walls, carports, metal light poles, etc.) were repainted, including the replacement of damaged & rotten wood trim, in 2007 at a cost of approximately $77,000. The client has advised us that there is no record of any painting projects completed since then. However, based on the overall appearance of the community exteriors, it appears as though at least some painting has been done. There are definitely areas that don't look so good, but, overall, I don't think a complete repaint is necessary at this time. Therefore, this component budgets to replace damaged/rotten wood and repaint the community exteriors (including the pool fencing/gates) in 2021, and then on an eight (8) year cycle.

Should the client wish to budget to repaint the community exteriors on a different schedule, we will do so at their request.

Lighting: Carport Structures

Category	050 Lighting	Quantity	1 total
		Unit Cost	$34,000.000
		% of Replacement	100.00%
		Current Cost	$34,000.00
Placed In Service	01/07	Future Cost	$45,994.61
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$126.46
Replacement Year	2032	Monthly Interest Contribution	$0.05
		Total Monthly Contribution	$126.51

Comments:

The carport lighting (56 fixtures) was replaced in 2007 at a cost of $24,000. As previously requested by the client, this component budgets to replace the carport lighting on a 25 year cycle.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Lighting: Pole Mounted Fixtures

Category	050 Lighting	Quantity	1 total
		Unit Cost	$1,750.000
		% of Replacement	100.00%
		Current Cost	$1,750.00
Placed In Service	01/07	Future Cost	$1,984.80
Useful Life	5		
		Assigned Reserves at FYB	$1,750.00
Remaining Life	0	Monthly Member Contribution	$16.36
Replacement Year	2020	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$16.37

Comments:

At the time of the 2015 reserve study update, we were advised by the client that the 27 pole mounted lantern light fixtures didn't meet code. Therefore, we budgeted to replace all of them in 2015. Since 2015, only three of these fixtures have been replaced (approximately $350 each, including installation). Going forward, the client has advised us that they will continue to replace these light fixtures on an "as needed" basis. Thus, this component will accumulate funds on a five year cycle for the replacement of the pole mounted light fixtures on an "as needed" basis. Should the client wish to budget for these in a different manner, we will do so at their request.

Lighting: Wall Mounted Fixtures

Category	050 Lighting	Quantity	1 total
		Unit Cost	$37,500.000
		% of Replacement	100.00%
		Current Cost	$37,500.00
Placed In Service	01/07	Future Cost	$50,729.34
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$139.47
Replacement Year	2032	Monthly Interest Contribution	$0.06
		Total Monthly Contribution	$139.54

Comments:

The wall mounted, lantern light fixtures on the buildings were installed in 2007 at a cost of approximately $26,500. This component budgets to replace the wall mounted fixtures on a 25 year cycle.

Front Door/Stairwell Areas: 48 light fixtures
Porches & Balconies: 96 light fixtures
Mailbox Kiosk & Clubhouse: 4 light fixtures

Pool Area: Chaise Lounges (Replace)

Category	060 Pool/Spa	Quantity	10 chaise lounges
		Unit Cost	$250.000
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	01/17	Future Cost	$3,835.71
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	17	Monthly Member Contribution	$6.30
Replacement Year	2037	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$6.30

Comments:

This component includes a provision to replace the criss-cross strapped chaise lounges every 20 years. We have estimated that they were purchased in 2017.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Area: Chaise Lounges (Restrap)

Category	060 Pool/Spa	Quantity	10 chaise lounges
		Unit Cost	$110.000
		% of Replacement	100.00%
		Current Cost	$1,100.00
Placed In Service	01/17	Future Cost	$1,156.82
Useful Life	5		
		Assigned Reserves at FYB	$660.00
Remaining Life	2	Monthly Member Contribution	$11.20
Replacement Year	2022	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$11.23

Comments:

This component includes a provision to restrap the criss-cross strapped chaise lounges every five years.

Pool Area: Deck Recoat

Category	060 Pool/Spa	Quantity	2,690 sq. ft.
		Unit Cost	$1.750
		% of Replacement	100.00%
		Current Cost	$4,707.50
Placed In Service	06/14	Future Cost	$5,475.25
Useful Life	6		
		Assigned Reserves at FYB	$4,707.50
Remaining Life	0	Monthly Member Contribution	$36.46
Replacement Year	2020	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$36.48

Comments:

This component budgets to repair & recoat the acrylic pool deck surface on a six (6) year cycle.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Area: Deck Resurface

Category	060 Pool/Spa	Quantity	2,690 sq. ft.
		Unit Cost	$4.000
		% of Replacement	100.00%
		Current Cost	$10,760.00
Placed In Service	06/14	Future Cost	$12,514.87
Useful Life	12		
		Assigned Reserves at FYB	$0.00
Remaining Life	6	Monthly Member Contribution	$83.34
Replacement Year	2026	Monthly Interest Contribution	$0.04
		Total Monthly Contribution	$83.38

Comments:

This component budgets to scrabble and resurface the acrylic pool deck on a 12 year cycle. The coating/coloring of the deck following the resurfacing is accounted for in the Deck Recoat component.

Pool Area: Fencing & Gates

Category	060 Pool/Spa	Quantity	1 total
		Unit Cost	$8,500.000
		% of Replacement	100.00%
		Current Cost	$8,500.00
Placed In Service	01/10	Future Cost	$14,064.76
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	20	Monthly Member Contribution	$17.70
Replacement Year	2040	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$17.71

Comments:

This component includes a provision to replace the aluminum fencing & gates at the pool area:

193 - LF of 5'10" fencing
3 - gates

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool/Spa: Pumps & Motors

Category	060 Pool/Spa	Quantity	1 total
		Unit Cost	$4,500.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/12	Future Cost	$4,732.43
Useful Life	10		
		Assigned Reserves at FYB	$3,600.00
Remaining Life	2	Monthly Member Contribution	$25.47
Replacement Year	2022	Monthly Interest Contribution	$0.17
		Total Monthly Contribution	$25.64

Comments:

This component includes a provision for the major repair/replacement of the pumps & motors (3) on an "as needed" basis. For budgeting purposes we have used 2012 as the basis for aging this component.

Pool: Filter

Category	060 Pool/Spa	Quantity	1 filter
		Unit Cost	$1,300.000
		% of Replacement	100.00%
		Current Cost	$1,300.00
Placed In Service	01/10	Future Cost	$1,590.12
Useful Life	18		
		Assigned Reserves at FYB	$0.00
Remaining Life	8	Monthly Member Contribution	$7.46
Replacement Year	2028	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$7.46

Comments:

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

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool: Resurface & Retile

Category	060 Pool/Spa	Quantity	1 total
		Unit Cost	$10,440.000
		% of Replacement	100.00%
		Current Cost	$10,440.00
Placed In Service	06/14	Future Cost	$16,845.28
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	19	Monthly Member Contribution	$23.11
Replacement Year	2039	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$23.12

Comments:

The pool was resurfaced with mini-pebble & retiled in June 2014 by CDC Pools.

1,110	sq. ft. (IA) of pebble resurfacing	@	$8.00	=	$8,880.00
104	LF of trim tile	@	$15.00	=	$1,560.00
			TOTAL	=	$10,440.00

Spa: Filter

Category	060 Pool/Spa	Quantity	1 filter
		Unit Cost	$1,150.000
		% of Replacement	100.00%
		Current Cost	$1,150.00
Placed In Service	01/05	Future Cost	$1,240.24
Useful Life	18		
		Assigned Reserves at FYB	$958.33
Remaining Life	3	Monthly Member Contribution	$4.09
Replacement Year	2023	Monthly Interest Contribution	$0.05
		Total Monthly Contribution	$4.14

Comments:

This is a Triton II, 3.14 sq. ft. sand filter.

Spa: Heater

Category	060 Pool/Spa	Quantity	1 heater
		Unit Cost	$2,750.000
		% of Replacement	100.00%
		Current Cost	$2,750.00
Placed In Service	01/18	Future Cost	$3,363.71
Useful Life	8		
Adjustment	-6	Assigned Reserves at FYB	$2,750.00
Remaining Life	0	Monthly Member Contribution	$15.78
Replacement Year	2020	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$15.79

Comments:

This is a Pentair MasterTemp 250 heater with a December 2017 manufactured date - we have assumed installation in 2018. Currently, this heater is in poor condition and is leaking a significant amount of water. We are budgeting to replace this heater in 2020, and then on an eight year cycle.

Spa: Retile

Category	060 Pool/Spa	Quantity	1 total
		Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/05	Future Cost	$5,670.85
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	5	Monthly Member Contribution	$46.74
Replacement Year	2025	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$46.76

Comments:

This is an all ceramic tile spa (10' diameter). This component budgets to retile the spa on a 20 year cycle.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Building: Drinking Fountain

Category	065 Pool Building	Quantity	1 drinking fountain
		Unit Cost	$1,100.000
		% of Replacement	100.00%
		Current Cost	$1,100.00
Placed In Service	01/15	Future Cost	$1,604.82
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	15	Monthly Member Contribution	$3.20
Replacement Year	2035	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$3.20

Comments:

This is an Elkay, wall mounted, chilled drinking fountain at the pool building.

Pool Building: Remodel Provision

Category	065 Pool Building	Quantity	1 total
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$7,500.00
Placed In Service	01/15	Future Cost	$12,410.08
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	20	Monthly Member Contribution	$15.62
Replacement Year	2040	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$15.63

Comments:

Goodwill Commercial Maintenance completed a project in late 2014 at the pool building at a cost of $6,323.89, that included the following:

Laundry Room: lighting, flooring, doors & painting
Pool Restrooms: toilets, sinks, flooring & painting

This component budgets for similar work on a 25 year cycle.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Pool Building: Water Heater (Laundry Room)

Category	065 Pool Building	Quantity	1 water heater
		Unit Cost	$1,250.000
		% of Replacement	100.00%
		Current Cost	$1,250.00
Placed In Service	01/11	Future Cost	$1,281.88
Useful Life	10		
		Assigned Reserves at FYB	$1,125.00
Remaining Life	1	Monthly Member Contribution	$7.27
Replacement Year	2021	Monthly Interest Contribution	$0.05
		Total Monthly Contribution	$7.32

Comments:

This component includes a provision to replace the water heater for the laundry room. We haven't made any changes to this component because we didn't have access to where the water heater is located in order to inspect it.

Clubhouse: HVAC

Category	070 Clubhouse	Quantity	1 total
		Unit Cost	$4,000.000
		% of Replacement	100.00%
		Current Cost	$4,000.00
Placed In Service	01/09	Future Cost	$5,017.43
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	9	Monthly Member Contribution	$20.27
Replacement Year	2029	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$20.28

Comments:

1	Day & Night, 2 ton split system	@	$4,000.00	=	$4,000.00
			TOTAL	=	$4,000.00

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Clubhouse: Remodel Provision

Category	070 Clubhouse	Quantity	1 total
		Unit Cost	$10,000.000
		% of Replacement	100.00%
		Current Cost	$10,000.00
Placed In Service	01/12	Future Cost	$10,516.50
Useful Life	10		
		Assigned Reserves at FYB	$8,000.00
Remaining Life	2	Monthly Member Contribution	$56.59
Replacement Year	2022	Monthly Interest Contribution	$0.39
		Total Monthly Contribution	$56.98

Comments:

The clubhouse interiors are dated. However, it is doubtful that the Association will ever do a complete remodel of the clubhouse all at one time. Therefore, this component will accumulate funds on a 10 year cycle for the remodeling/improvement/replacement of the following components on an "as needed" basis: plumbing fixtures, counter tops, cabinets, furniture, carpet, window coverings, windows, doors, ceiling fans, interior painting, etc. For budgeting purposes we have used 2012 as the basis for aging this component.

Grounds: Concrete Curbing (Parking Areas)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/07	Future Cost	$5,963.75
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	7	Monthly Member Contribution	$32.99
Replacement Year	2027	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$33.01

Comments:

In 2007, the client advised us to budget $3,500, every 20 years, for repairs/replacements associated with the curbing around the parking areas. No changes to this were requested by the client for this update. The cost has been adjusted for inflation. The following comments apply to the rest of the concrete components throughout the property:

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.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Drywell Maintenance (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/86	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Drywell maintenance (repairs & hydrovactor cleaning) is accounted for in the client's operating budget. The following comments apply to the three drywells located in the drive lanes:

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

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Granite Replenishment

Category	100 Grounds	Quantity	1 total
		Unit Cost	$3,395.000
		% of Replacement	100.00%
		Current Cost	$3,395.00
Placed In Service	01/05	Future Cost	$3,850.51
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	5	Monthly Member Contribution	$31.74
Replacement Year	2025	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$31.76

Comments:

The client received a bid from Shamrock Landscaping dated July 1, 2019 to top dress the bare & thin areas of granite around the buildings ($3,394.79). The client has advised us to schedule this project to occur in 2025, and then on a 20 year cycle.

Grounds: Irrigation Controllers

Category	100 Grounds	Quantity	2 controllers
		Unit Cost	$300.000
		% of Replacement	100.00%
		Current Cost	$600.00
Placed In Service	07/08	Future Cost	$811.67
Useful Life	12		
		Assigned Reserves at FYB	$600.00
Remaining Life	0	Monthly Member Contribution	$2.23
Replacement Year	2020	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$2.23

Comments:

This component includes a provision to replace the following irrigation controllers located in the pool equipment enclosure:

2 - RD-1200 controllers

Grounds: Landscape/Irrigation (Common Areas)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$32,980.000
		% of Replacement	100.00%
		Current Cost	$32,980.00
Placed In Service	01/86	Future Cost	$37,404.94
Useful Life	20		
Adjustment	+19	Assigned Reserves at FYB	$0.00
Remaining Life	5	Monthly Member Contribution	$308.30
Replacement Year	2025	Monthly Interest Contribution	$0.14
		Total Monthly Contribution	$308.44

Comments:

The client received a bid from Shamrock Landscaping dated July 1, 2019 for the refurbishment of the landscaping & irrigation components located in common areas throughout the property, excluding the patio areas ($32,979.52). The client has advised us to schedule this project to occur in 2025, and then on a 20 year cycle.

Grounds: Landscape/Irrigation (Patio Areas)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$28,454.000
		% of Replacement	100.00%
		Current Cost	$28,454.00
Placed In Service	01/86	Future Cost	$29,923.66
Useful Life	20		
Adjustment	+16	Assigned Reserves at FYB	$26,873.22
Remaining Life	2	Monthly Member Contribution	$68.13
Replacement Year	2022	Monthly Interest Contribution	$1.26
		Total Monthly Contribution	$69.39

Comments:

The client received a bid from Shamrock Landscaping dated February 6, 2019 for the refurbishment of the landscaping & irrigation components located around the patio areas of the buildings ($28,454.06). The client has advised us to schedule this project to occur in 2022, and then on a 20 year cycle.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Mailboxes (Wall Mounted)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$6,500.000
		% of Replacement	100.00%
		Current Cost	$6,500.00
Placed In Service	01/07	Future Cost	$8,793.09
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$24.18
Replacement Year	2032	Monthly Interest Contribution	$0.01
		Total Monthly Contribution	$24.18

Comments:

This component includes a provision to replace the following wall mounted mailbox sets:

5 - 3 x 7 box sets

Grounds: Monument Sign

Category	100 Grounds	Quantity	1 total
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/86	Future Cost	$3,076.50
Useful Life	30		
Adjustment	+5	Assigned Reserves at FYB	$2,914.29
Remaining Life	1	Monthly Member Contribution	$7.46
Replacement Year	2021	Monthly Interest Contribution	$0.14
		Total Monthly Contribution	$7.60

Comments:

This is a sandblasted & painted wood sign measuring 2' x 8' that indicates "WORTHINGTON PLACE CONDOMINIUMS 616". This component includes a provision to replace this sign in conjunction with the repainting of the community exteriors in 2021, and then on a 30 year cycle.

Worthington Place

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Park Equipment

Category	100 Grounds	Quantity	1 total
		Unit Cost	$6,000.000
		% of Replacement	100.00%
		Current Cost	$6,000.00
Placed In Service	01/05	Future Cost	$6,805.02
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	5	Monthly Member Contribution	$56.09
Replacement Year	2025	Monthly Interest Contribution	$0.03
		Total Monthly Contribution	$56.12

Comments:

This component will accumulate funds on a 20 year cycle to replace the following park equipment on an "as needed" basis. For budgeting purposes we have used 2005 as the basis for aging this component.

2 - 46" sq. picnic tables (pool area)
2 - fiberglass umbrellas (pool area)
1 - aluminum umbrella (at the greenbelt picnic table)
4 - charcoal BBQ grills (at the greenbelt picnic areas & in front of the clubhouse)

Grounds: Plant & Tree Replacements

Category	100 Grounds	Quantity	1 total
		Unit Cost	$5,000.000
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/20	Future Cost	$5,258.25
Useful Life	2		
		Assigned Reserves at FYB	$0.00
Remaining Life	2	Monthly Member Contribution	$118.70
Replacement Year	2022	Monthly Interest Contribution	$0.05
		Total Monthly Contribution	$118.75

Comments:

The client has advised us to budget $5,000, every two years, for the replacement of plants & trees on an "as needed" basis.

Worthington Place

Detail Report Index

Number of components included in this reserve analysis is 36.