Reserve Analysis Report

Sample HOA

www.mccafferyreserveconsulting.com

Level I Study with Site Inspection

Fiscal Year End Date: December 31, 2018

MCCAFFERY
RESERVE CONSULTING
15 YEARS-10,000 STUDIES

Phone: 858-764-1895
Fax: 800-436-3816
brian@mccafferyreserveconsulting.com
www.mccafferyreserveconsulting.com

Sections of This Report

Section

1 Preface

Written description of a reserve study and the figures in the report

Includes glossary, preparer qualifications, and calculation description

2-7 Executive Summary

Summarizes key findings of the report. Includes development description and lists the projected balance and percent funded. Summarizes the funding plans

Includes category breakdown pie chart

2-8 Percent Funded

Describes percent funded calculation and funding levels

Includes current percent funded chart and 30 year percent funded projection chart

2-9 30 Year Projections

Includes 30 year projection charts for annual expenses and reserve balance projections for each of the 3 funding plans

2-10 Category Significance

Includes category percentage column charts for fully funded balance and annual depreciation

2-11 Theoretical 30 Year Funding Plan

Lists details of each of the 3 funding plans (current, recommended, and threshold) over the next 30 years

Charts of the figures in this table are located in the 30 year projections

2-12 Future Percent Funded

Includes table and chart of percent funded for various levels of funding over the next 15 years

3 Component Summary & Component Significance

Lists all components included in the study in table form

Shows Depreciation and Fully Funded Balance Significance including quick glance graph

These figures are the basis for all other calculations in the study

4 Annual Expenses by Component

Lists all projected expenses for each component over the next 30 years in table form

5 Component Details

Lists details of each individual component

Includes notes and pictures of selected components if site inspection was conducted

6 Assessment and Reserve Funding Disclosure Summary

Form that is required to be sent out with annual budget package by California Civil Code

Preface

A reserve study is a detailed report that assists common interest developments (CID) in planning for long-term common area repair and replacement expenses. These common areas differ for every development. They can include streets, roofs, recreational facilities and many other items.
A reserve study estimates the costs of common area repairs and replacements over a 30 year period. Each component is given a useful life, remaining life, and estimated cost. A reserve study then calculates the funds necessary to cover these expenses by creating funding plans.

The Big Picture - What are the significant figures to look at in the report?

- **The Component List –** What are our reserve components and when will they need maintenance

Every reserve study must start with a list of the components. The component summary contains the list of all the components, their useful and remaining lives, and their estimated costs. These numbers are the building blocks for most of the figures in the study.

- **Percent Funded -** What is our current financial standing

Probably the most important number in a reserve study is percent funded. It's almost like a credit score for an association. It tells them the current strength of their reserve fund.

Over 70% = Well Funded Between 30-70% = Fairly Funded Below 30% = Poorly Funded

The lower your percent funded the higher the risk of a special assessment. A low percent funded also increases the likelihood of deferred maintenance which can cause declining property values.

- **Funding Plans -** How much do we need to save for the future

The next important part of the study is the theoretical 30 year funding plans. The study contains 3 funding plans. It projects what the percent funded will be over the next 30 years if the CID follows each of these plans.

Current Funding Plan – This plan is based on what the association is currently contributing to its reserve fund. This information is supplied by the board or management

Recommended Funding Plan – This is McCaffery's recommendation, if a CID follows the recommended plan they should end up well funded and near the 100% funded level.

5% Threshold Funding Plan - The threshold funding plan is a 30 year cash flow plan that calculates the minimum amount a CID should contribute so their reserve balance won't fall below 5% funded and cause the need for a special assessment. The percent funded will at some point fall into poorly funded levels but will never drop below 5%. If a CID has a funding plan that is below this threshold plan they should also plan on a future special assessment and/or a deferred maintenance. (Following this plan does carry higher risk of a special assessment if a component fails early or costs more than expected)

Why Should a Reserve Study be performed?

Certain states, such as California, require that reserve studies be completed and updated annually and that the board of directors inform owners of the reserve status with their annual budget. In addition, the board of directors of a common interest development (CID) has a legal and fiduciary duty to maintain the community in a good state of repair. Property Values are directly affected by the level of maintenance and upkeep of the common area components. Reserve studies create a maintenance plan, which keeps a development in good condition, therefore increasing property appreciation and value. The amount of funds in the reserve account also greatly affects property values. Reserve studies inform CID's how much they should have in their reserve account, which eliminates costly special assessments. Over time each member of a CID should contribute their fair share to the reserve account so when expenses arise the required funds are available. Reserve Studies help board members fulfill their fiduciary duty and also help avoid litigation against an association.

Where do Component Repair/Replacement Cost Estimates Come From?

The most accurate cost source is actual bids from contractors or to look at contracts from when the repair/replacement was last performed. In most cases bids or contracts are not available so unit costs for similar work done in the same local area are used. In addition, it is helpful to talk to local vendors who have knowledge of the work and can help with a cost estimate. A third source is to use construction cost estimators such as RS Means. Many times the entire quantity of a component will not need to be replaced or repaired all at once. An example of this is concrete sidewalks. All sidewalks should never have to be replaced, but some sections may experience cracking. In this case an allowance can be created for their partial replacement.

The cost source number for each component is provided in the component summary and details. An explanation of each follows:

1. **Local Historical Cost** – Cost based on bids for similar work done in same area.
2. **McCaffery Estimate** – Estimate or Allowance made by McCaffery Staff Member.
3. **Board/Manager Direction** – Cost estimate provided by board member or property manager.
4. **Bid/Contract** – Bid came from actual bid or contract.
5. **Cost Manual** – Cost came from estimating manual.
6. **Previous Study** – Cost came from previous reserve study.

Glossary of Terms:

Contingency – An allowance for miscellaneous components, unpredictable expenses and/or costs that were higher than expected. (5% of total current cost unless directed otherwise)

Current Budgeted Reserve Assessment – Amount currently being deposited into reserve account. Provided by Property Manager or Board Member.

Depreciation This Year – Amount that should be saved for component during current year. Provided for each component and summed for all components. If the association is 100% funded this is the amount they should contribute to the reserve fund annually. =(Total Current Cost / Normal Useful Life)

Depreciation Percent – A components percentage of the total depreciation of all components. =(Component Depreciation/Total Depreciation of all components)

Fully Funded Balance – The total depreciation over the life of the component. In other words, the amount that should have been saved during the life of the component. Provided for each component and summed for all components =((Useful Life – Remaining Life) * Depreciation This Year)

Full Funded Balance Percent – A component's percentage of the total fully funded balance of all components. =(Component FFB/Total FFB of all Components)

Monthly Contribution – The amount that should be allocated to each component using the recommended funding plan. =((Component Depreciation/Total Depreciation)*Recommended Monthly Funding)

Life Remaining Percent – The percentage of life that a component has remaining =(Remaining Live/Useful Life)

Normal Useful Life – Typical useable life for a component.

Percent Funded – The percentage of the fully funded balance that the CID has in reserve fund. (Projected Balance/ Fully Funded Balance)

Projected Balance – Projected balance at fiscal year end with current funding plan. Calculated using current reserve balance, remaining contributions to reserves before year-end, and planned expenses before year-end. Supplied by board or management.

Recommended Reserve Contribution – Recommended amount that the CID should allocate into reserves to offset future expenses.

Remaining Life – Expected remaining useable life of component. (0 year remaining life means the component will be serviced in the upcoming fiscal year)

Replacement Year – Year that component is projected to be replaced or repaired.

Total Cost – Total cost to replace or repair component in today's dollars. =(Quantity x Unit Cost)

Total Future Cost - Current cost adjusted to future cost taking into account inflation and replacement year. =(Current Cost * (1+ inflation rate)^(Replacement Year-Present Year))

Threshold Reserve Contribution – Reserve contribution that should be allocated into reserves to keep reserve balance above a minimum amount during the next 30 years. (Minimum amount is 5% funded unless otherwise noted)

Under Funded – Amount association is short of fully funded balance; also known as a deficit. =(Fully Funded Balance – Projected Balance)

Unit Cost – Cost per Unit.

Unit of Measure – Unit used to measure component. (Explanations shown below)

SF – Square Feet
SY – Square Yard
LF – Linear Feet
Each – Per Single Unit
Lump Sum - Total cost for component
Allowance – Allowance for component repair or replacement
Contract – Cost obtained from actual contract or bid

Useful Life – Time in years component is expected to last.

What Procedures were used for calculation and establishment of reserves?

In this study the fully funded reserve balance for a component at a given time was computed using the component method. Using the component method the fully funded reserve balance equals the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component.

For example if the cost of a boiler is $10,000, the useful life is 10 years and the remaining life is 3 years. The recommended reserve balance would be:

$10,000 x ((10-3)/10) = $7,000.

Preparer Qualifications

Brian McCaffery, President and founder of McCaffery Reserve Consulting, earned his Bachelor of Science Degree in Architectural Engineering from the University of Colorado in Boulder. His degree program included coursework in Building Exterior, Lighting, Electrical Systems, Heating Ventilating and Air Conditioning, Concrete and Steel Design, Civil Engineering, Structural Engineering, and Estimating. He has worked in the Building Construction/Architectural Engineering industry for 11 years and has been performing reserve studies for the past 9 years. During his professional career, Brian has worked for multiple companies that perform reserve studies. He has performed over 3,000 reserve studies throughout the state of California and the United States. Brian is a certified Reserve Specialist, designated by the Community Associations Institute (CAI). The Reserve Specialist designation is awarded to experienced, qualified reserve specialists, who through years of specialized experience, can help ensure that your community association prepares its reserve budget as accurately as possible. Brian also has a permit to perform reserve studies in the state of Nevada (Reserve study permit #9).

McCaffery understands that most homeowners, board members, and property managers can have a difficult time understanding all the numbers in a reserve study. That is why we make it a priority to make our report easy for anyone to understand. The layout of this report is set up with graphs, explanations and figures to make it easy to follow. If you read though the full report you should have a good understanding of the numbers and calculations. We strive to make sure our studies are second to none in the industry. The important figures are summarized in the executive summary and the supporting graphs and figures give a full explanation of how the findings were derived. Further descriptions are provided in the descriptions section.

For more useful information on reserve studies please visit:

www.mccafferyreserveconsulting.com

For a quick video that highlights the main sections please see:
http://www.mccafferyreserveconsulting.com/sample-reserve-study

Or scan QR code below with a smart phone

One Page Description of how we come up with the Numbers in this Report

The numbers in this report start with the components listed in the component summary.

1. Every component is given a useful life, remaining life, and an estimated cost

We will use a boiler as an example. This boiler is expected to last 10 years and has been in use for 7 years. The estimated cost is $10,000.

Component	Useful Life	Remaining Life	Cost
Boiler	10	3	$10,000

2. The fully funded balance is calculated

Fully Funded Balance = (Useful life-Remaining Life)/Useful Life * Cost

(10-3)/10 * $10,000 = $7,000

The fully funded balance is then summed for all components and this is the total fully funded balance for the development.

3. Fully Funded Balance is then compared to the actual projected year-end balance that the development has saved for reserves

This is called the percent funded. For our example let's say the development had $5,000 saved for their boiler. Their percent funded would be:

Percent Funded = Projected Year End Reserve Balance/Fully Funded Balance
$5,000/$7,000 = 71%

4. Next expenses are projected for each component for the next 30 years using the useful and remaining lives

This information is shown in the annual expenses by component section. Inflation is included in these figures.

5. Using the projected expenses for the next 30 years the funding plans are created

Funding plans are created so that the development has enough money to offset their projected expenses for the next 30 years.

We try to create funding plans that have a uniform contribution over a 30 year period with a slight increase over time for inflation.

Executive Summary

Sample HOA

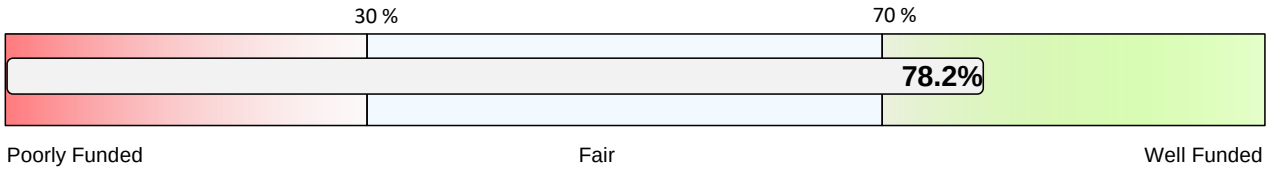
This is a Homeowners Association with 37 Condominium Units.

The common area components include: hallways, gym, and building exterior.

A Full Study with an on-site inspection was performed on May 3rd, 2018

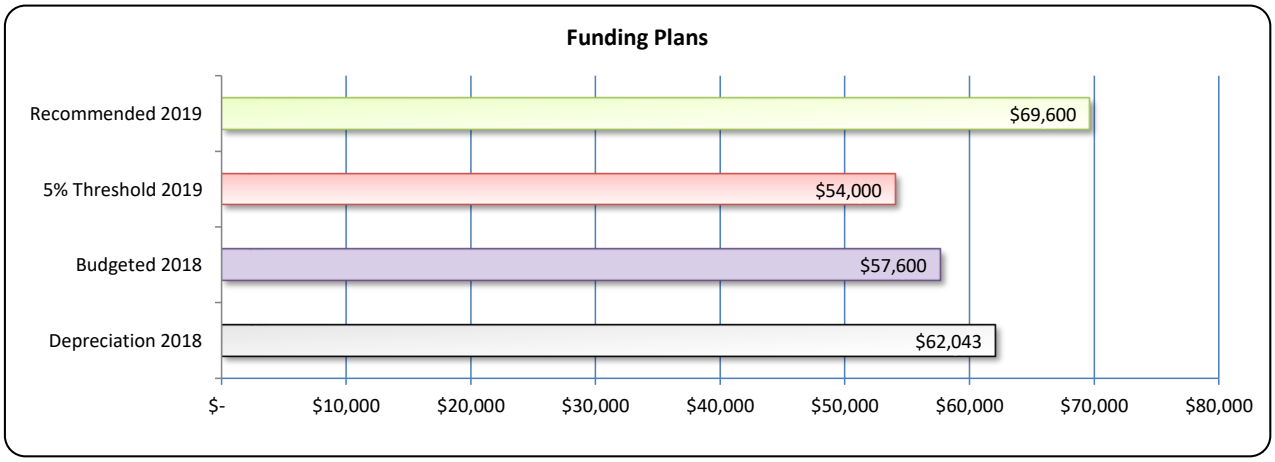
Reserve Fund Balance at Fiscal Year End

Fully Funded Reserve Balance		$ 282,639
Projected Balance	December 31, 2018	$ 221,000
Under Funded (Deficiency in Reserve Funding)		$ 61,639
Deficiency in Reserve Funding Per Unit		$ 1,665.92
Percent Funded		**78.2%**



5 Year Percet Funded	2019	2020	2021	2022	2023
Projection	80%	81%	81%	81%	81%

Funding Plans	Annually	Monthly	Per Unit Monthly
Depreciation of Components in 2018	$ 62,043	$ 5,170	$ 139.74
Budgeted Reserve Contribution 2018	$ 57,600	$ 4,800	$ 129.73
5% Threshold Reserve Contribution for 2019	$ 54,000	$ 4,500	$ 121.62
Recommended Reserve Contribution for 2019	**$ 69,600**	**$ 5,800**	**$ 156.76**



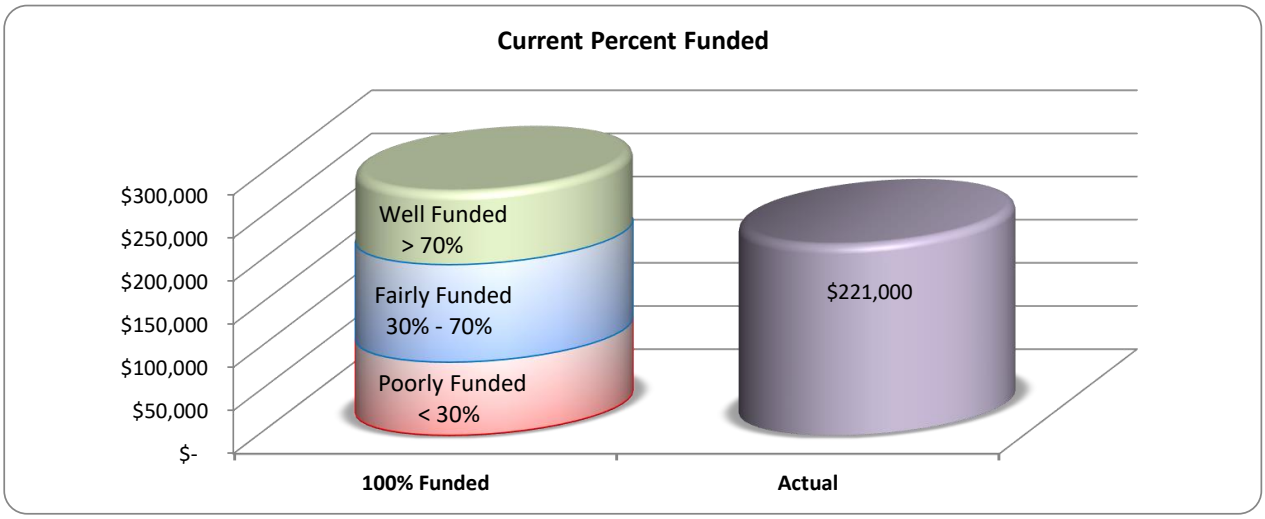
Percent Funded

Percent Funded is probably the most important number in a reserve study

Your current percent funded is:	Year End Balance	$	221,000	=	**78%**
	Fully Funded Balance	$	282,639		

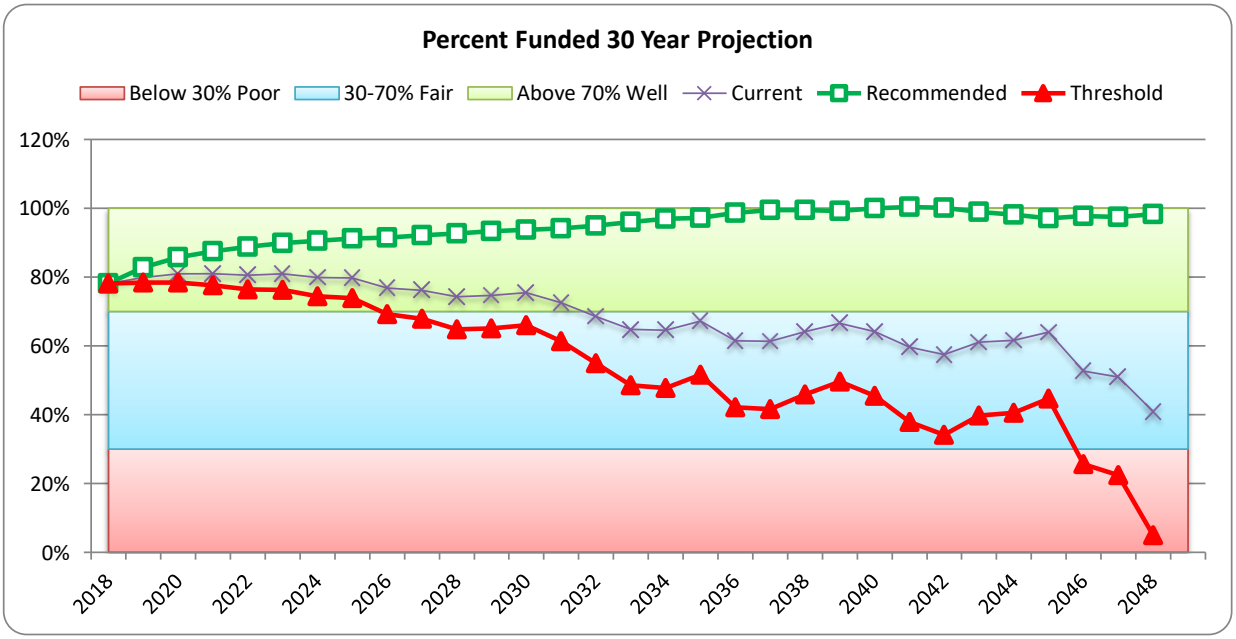
Above 70% = Well Funded Between 30% and 70% = Fairly Funded Below 30% = Poorly Funded

The higher your percent funded, the lower the risk of special assessments and deferred maintenance.



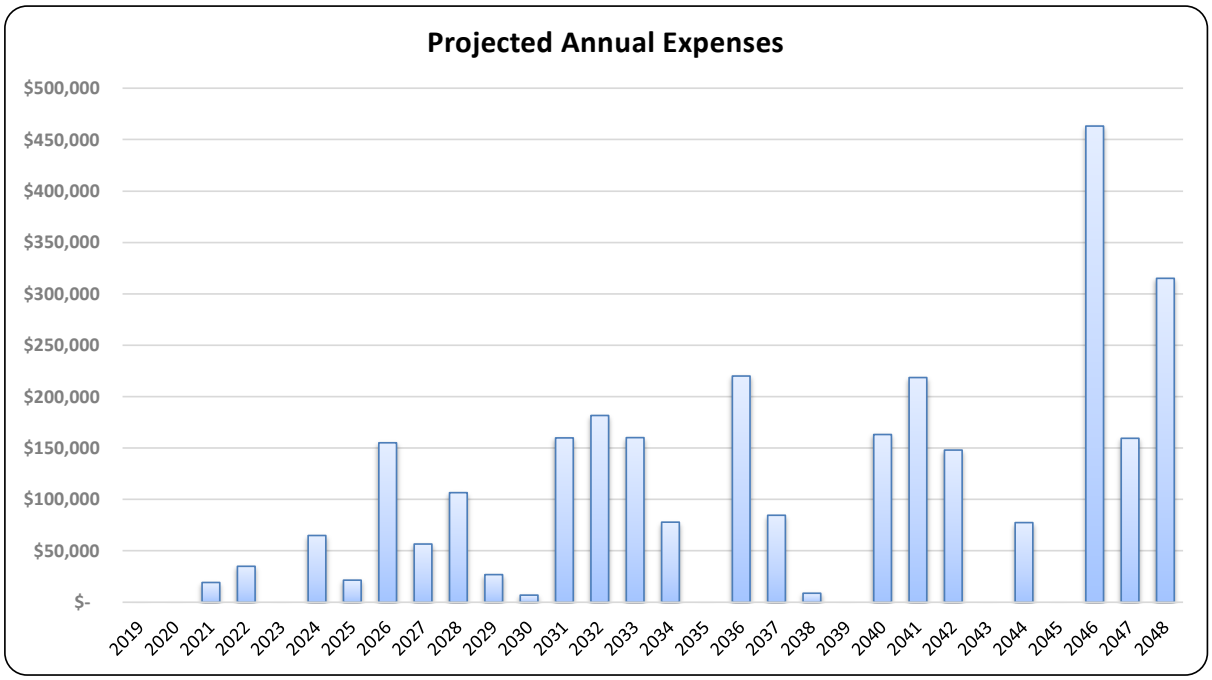
If you follow one of the 3 funding plans in this reserve study this is what your percent funded may look like over the next 30 years. Anytime the Current line drops below 0% a special assessment is likely.

	Annually	Monthly	Per Unit Monthly
Current Reserve Contribution 2017	$ 57,600	$ 4,800	$ 129.73
5% Threshold Reserve Contribution for 2019	$ 54,000	$ 4,500	$ 121.62
Recommended Reserve Contribution for 2019	$ 69,600	$ 5,800	$ 156.76

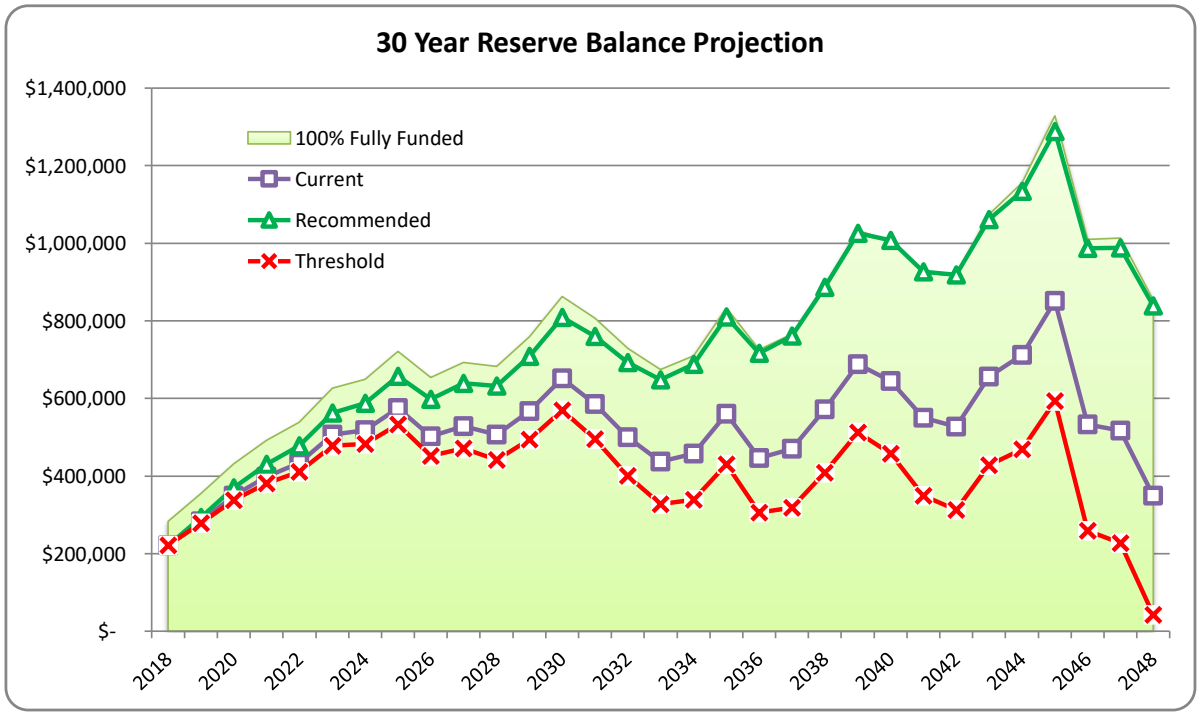


30 Year Projections

Reserve expenses will vary from year to year. A reserve study predicts these expenses and offsets them by creating a uniform funding plan that increases slightly over time to keep up with inflation.



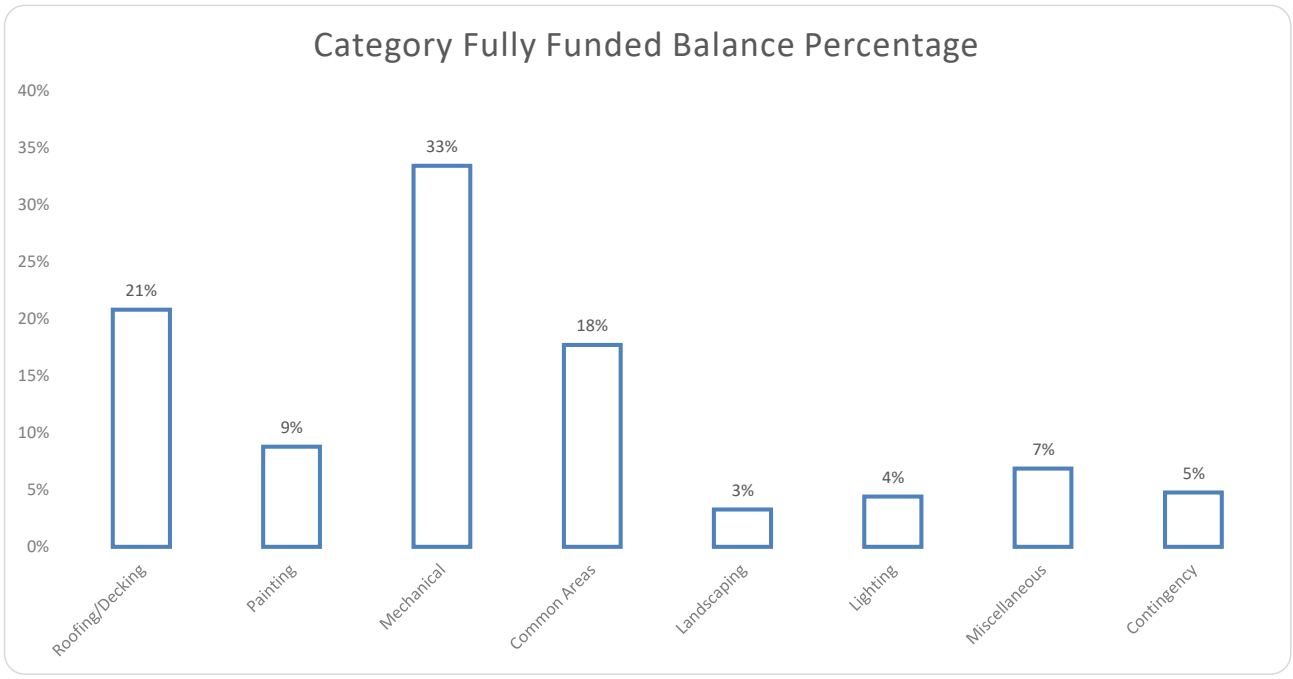
The green 100% funded shaded area shows the ideal balance over the next 30 years. It increases over time due to infla and depreciation of your components. The 100% funded area will drop after years with large expenses. The recommend funding plan will keep you well funded. The threshold plan will approach $0 dollars, following this plan has a higher risk of special assessments or deferred maintenance.



Category Significance

This chart breaks down the total fully funded balance for each category

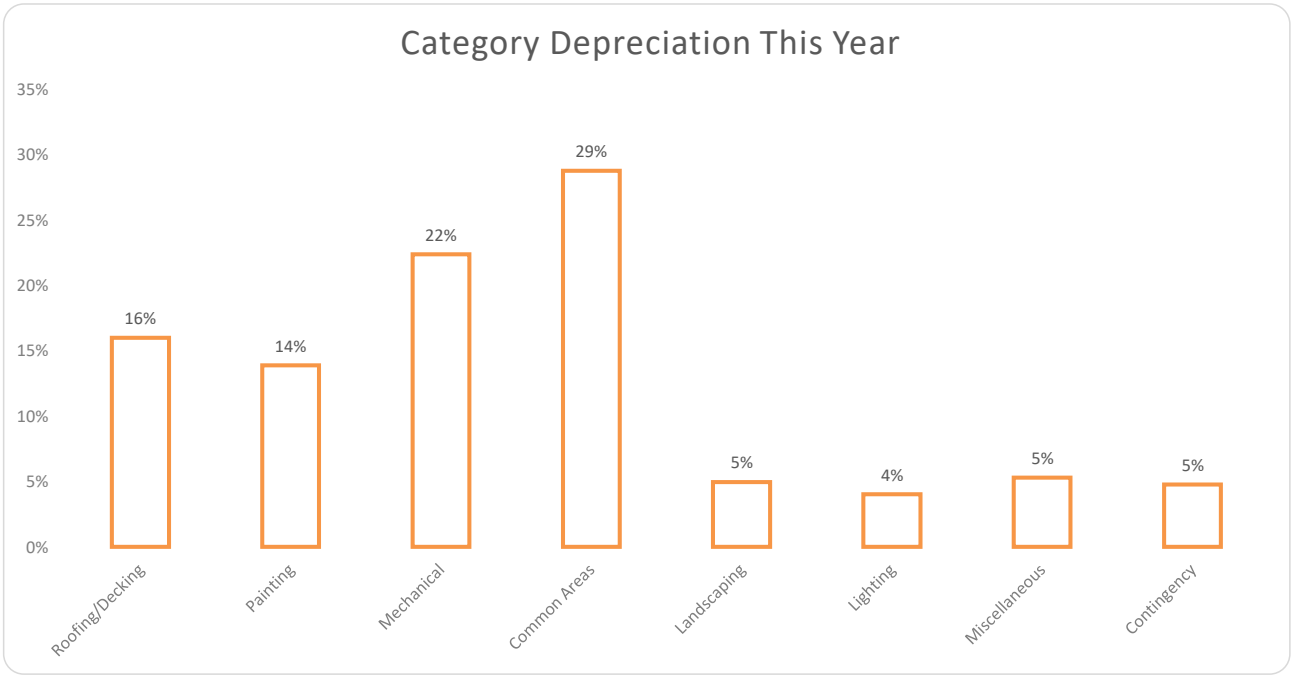
Roofing/Decking	Fully Funded Balance	$	58,797	=	**21%**
Total	Fully Funded Balance	$	282,639		



This chart breaks down the total annual depreciation for each category

Roofing/Decking	Annual Depreciation	$	9,914	=	**16%**
Total	Annual Depreciation	$	62,043		

This chart may differ from the chart above because it does not account for remaining life



Theoretical 30 Year Funding Plans

Sample HOA

Above 70% = Well Funded (Low Risk of Special Assessment) Between 30% and 70% = Fairly Funded Below 30% = Poorly Funded (Higher Risk of Special Assessment)

Before Tax Interest Rate	1.5%
Annual Inflation Rate	3.0%
Annual Funding Increase	3.0%

Year	Annual	Fully Funded	Current Funding Plan			Recommended Funding Plan			5% Threshold Funding Plan		
End	Expenses	Balance	Contribution	Balance	% Funded	Contribution	Balance	% Funded	Contribution	Balance	% Funded
2018	$ -	$ 282,639	$ 57,600	$ 221,000	78%	$ -	$ 221,000	78%	$ -	$ 221,000	78%
2019	$ -	$ 355,022	$ 59,328	$ 283,643	80%	$ 69,600	$ 293,915	83%	$ 54,000	$ 278,315	78%
2020	$ -	$ 431,494	$ 61,108	$ 349,005	81%	$ 71,688	$ 370,012	86%	$ 55,620	$ 338,110	78%
2021	$ 19,224	$ 491,445	$ 62,941	$ 397,958	81%	$ 73,839	$ 430,177	88%	$ 57,289	$ 381,246	78%
2022	$ 34,967	$ 538,201	$ 64,829	$ 433,790	81%	$ 76,054	$ 477,716	89%	$ 59,007	$ 411,005	76%
2023	$ -	$ 626,271	$ 66,774	$ 507,071	81%	$ 78,335	$ 563,217	90%	$ 60,777	$ 477,948	76%
2024	$ 64,919	$ 648,932	$ 68,777	$ 518,535	80%	$ 80,685	$ 587,432	91%	$ 62,601	$ 482,798	74%
2025	$ 21,493	$ 721,460	$ 70,841	$ 575,661	80%	$ 83,106	$ 657,856	91%	$ 64,479	$ 533,026	74%
2026	$ 155,112	$ 653,944	$ 72,966	$ 502,150	77%	$ 85,599	$ 598,212	91%	$ 66,413	$ 452,323	69%
2027	$ 56,625	$ 693,275	$ 75,155	$ 528,212	76%	$ 88,167	$ 638,727	92%	$ 68,406	$ 470,889	68%
2028	$ 106,600	$ 682,165	$ 77,410	$ 506,945	74%	$ 90,812	$ 632,521	93%	$ 70,458	$ 441,810	65%
2029	$ 26,878	$ 759,443	$ 79,732	$ 567,403	75%	$ 93,537	$ 708,667	93%	$ 72,571	$ 494,130	65%
2030	$ 6,921	$ 863,200	$ 82,124	$ 651,116	75%	$ 96,343	$ 808,718	94%	$ 74,749	$ 569,370	66%
2031	$ 159,856	$ 807,323	$ 84,588	$ 585,614	73%	$ 99,233	$ 760,226	94%	$ 76,991	$ 495,045	61%
2032	$ 181,658	$ 728,925	$ 87,125	$ 499,866	69%	$ 102,210	$ 692,181	95%	$ 79,301	$ 400,114	55%
2033	$ 160,123	$ 674,281	$ 89,739	$ 436,980	65%	$ 105,276	$ 647,718	96%	$ 81,680	$ 327,673	49%
2034	$ 77,898	$ 709,823	$ 92,431	$ 458,068	65%	$ 108,435	$ 687,969	97%	$ 84,130	$ 338,820	48%
2035	$ -	$ 833,665	$ 95,204	$ 560,143	67%	$ 111,688	$ 809,977	97%	$ 86,654	$ 430,556	52%
2036	$ 220,027	$ 726,339	$ 98,060	$ 446,578	61%	$ 115,038	$ 717,137	99%	$ 89,254	$ 306,241	42%
2037	$ 84,611	$ 765,415	$ 101,002	$ 469,668	61%	$ 118,489	$ 761,773	100%	$ 91,931	$ 318,155	42%
2038	$ 8,768	$ 890,951	$ 104,032	$ 571,977	64%	$ 122,044	$ 886,476	99%	$ 94,689	$ 408,849	46%
2039	$ -	$ 1,033,098	$ 107,153	$ 687,710	67%	$ 125,705	$ 1,025,478	99%	$ 97,530	$ 512,512	50%
2040	$ 163,148	$ 1,006,527	$ 110,368	$ 645,245	64%	$ 129,477	$ 1,007,189	100%	$ 100,456	$ 457,508	45%
2041	$ 218,551	$ 922,807	$ 113,679	$ 550,052	60%	$ 122,447	$ 926,193	100%	$ 103,470	$ 349,289	38%
2042	$ 148,019	$ 916,529	$ 117,089	$ 527,372	58%	$ 126,120	$ 918,187	100%	$ 106,574	$ 313,083	34%
2043	$ -	$ 1,073,928	$ 120,602	$ 655,885	61%	$ 129,904	$ 1,061,864	99%	$ 109,771	$ 427,551	40%
2044	$ 77,470	$ 1,156,164	$ 124,220	$ 712,473	62%	$ 133,801	$ 1,134,123	98%	$ 113,064	$ 469,558	41%
2045	$ -	$ 1,328,663	$ 127,946	$ 851,106	64%	$ 137,815	$ 1,288,950	97%	$ 116,456	$ 593,057	45%
2046	$ 463,183	$ 1,009,540	$ 131,785	$ 532,474	53%	$ 141,949	$ 987,050	98%	$ 119,950	$ 258,720	26%
2047	$ 159,469	$ 1,013,569	$ 135,738	$ 516,731	51%	$ 146,208	$ 988,596	98%	$ 123,548	$ 226,680	22%
2048	$ 315,073	$ 853,819	$ 139,810	$ 349,219	41%	$ 150,594	$ 838,946	98%	$ 127,255	$ 42,262	5%

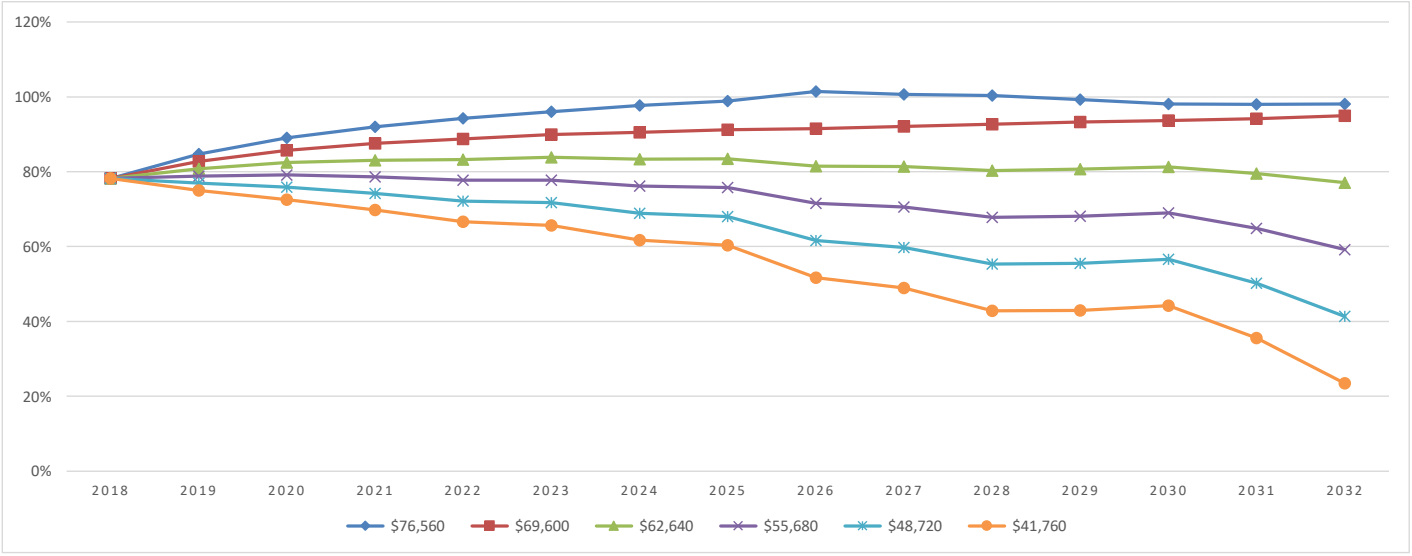
Note: All future projections are theoretical. The estimated lives and costs of components will likely change over time depending on factors such as inflation rates and levels of maintenance. Reserve analysis should be performed annually to account for these factors.

Future Percent Funded

This table and chart shows where your percent funded will be over the next 15 years starting with different levels of funding. Keep in mind all figures assume a 3% annual increase in funding to keep up with inflation.

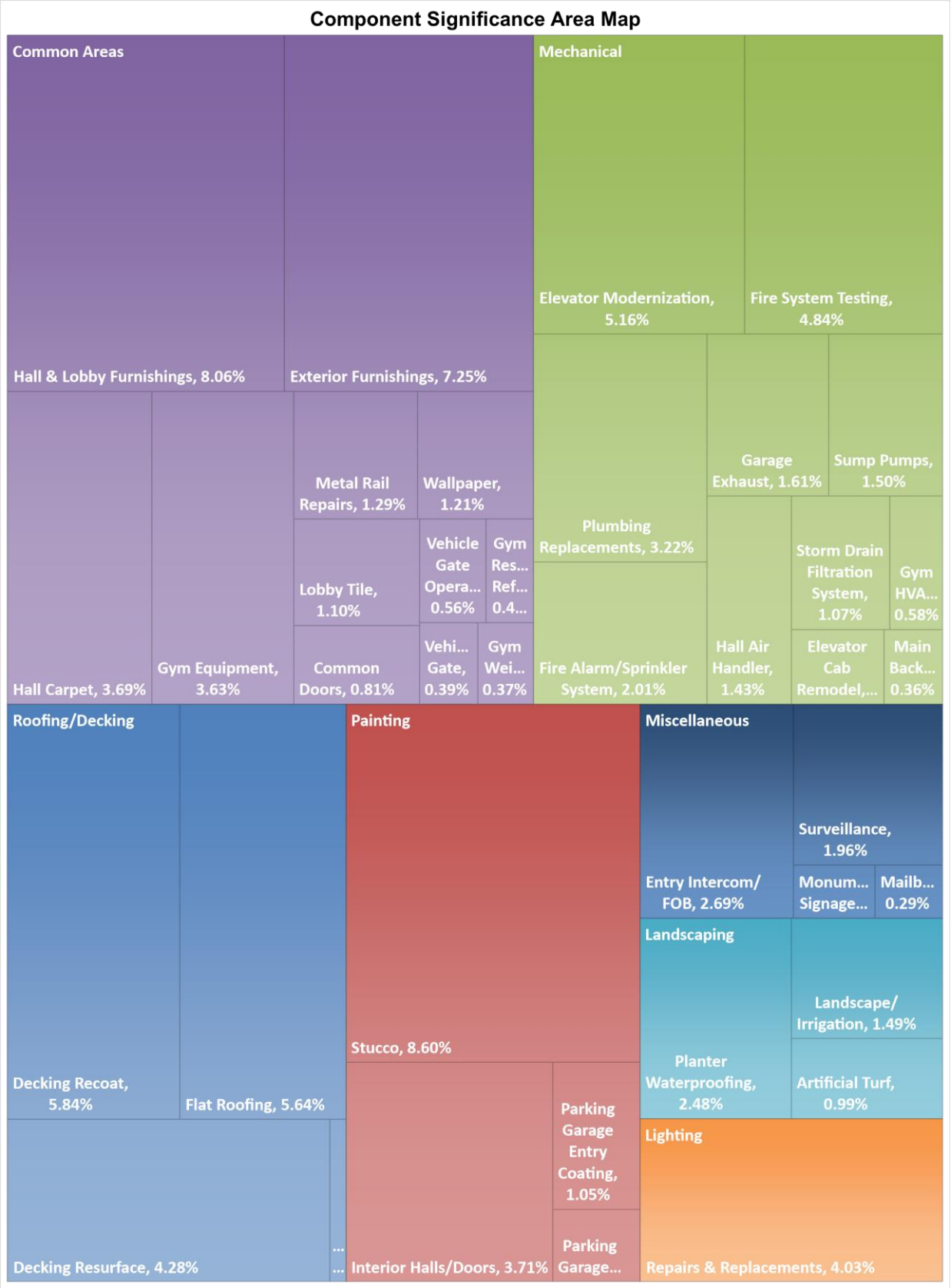
Above 70% = Well Funded (Low Risk of Special Assessment) | Between 30% and 70% = Fairly Funded | Below 30% = Poorly Funded (Higher Risk of Special Assessment)

Funding Plan	Reserve Contribution 2019	Percent Funded														
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
110% Recommended	$ 76,560	78%	85%	89%	92%	94%	96%	98%	99%	101%	101%	100%	99%	98%	98%	98%
Recommended	$ 69,600	78%	83%	86%	88%	89%	90%	91%	91%	91%	92%	93%	93%	94%	94%	95%
90% Recommended	$ 62,640	78%	81%	82%	83%	83%	84%	83%	83%	82%	81%	80%	81%	81%	80%	77%
80% Recommended	$ 55,680	78%	79%	79%	79%	78%	78%	76%	76%	72%	71%	68%	68%	69%	65%	59%
70% Recommended	$ 48,720	78%	77%	76%	74%	72%	72%	69%	68%	62%	60%	55%	56%	57%	50%	41%
60% Recommended	$ 41,760	78%	75%	73%	70%	67%	66%	62%	60%	52%	49%	43%	43%	44%	36%	23%



Note: All future projections are theoretical. The estimated lives and costs of components will likely change over time depending on factors such as inflation rates and levels of maintenance. Reserve analysis should be performed annually to account for these factors.

Components are mapped below according to their percent of the total annual depreciation and are color coated by category



Component Summary

Sample HOA

Category / Component	Approx. Quantity	Unit of Measure	Useful Life	Remaining Life	Unit Cost	Total Cost	Cost Source
Roofing/Decking							
Flat Roofing	8000	SF	16	5	$ 7.00	$ 56,000	1
Skylight	3	Each	25	14	$ 1,100	$ 3,300	1
Decking Recoat	6040	SF	5	2	$ 3.00	$ 18,120	1
Decking Resurface	6040	SF	25	22	$ 11.00	$ 66,440	1
						$ 143,860	
Painting							
Stucco	1	Allowance	15	12	$ 80,000	$ 80,000	1
Interior Halls/Doors	1	Allowance	10	7	$ 23,000	$ 23,000	1
Parking Garage Entry Coating	2500	SF	10	8	$ 2.60	$ 6,500	1
Parking Garage Stripe	1	Allowance	10	8	$ 3,200	$ 3,200	1
						$ 112,700	
Mechanical							
Gym HVAC	1	Each	14	11	$ 5,000	$ 5,000	1
Elevator Cab Remodel	1	Each	20	17	$ 7,000	$ 7,000	1
Elevator Modernization	1	Each	25	14	$ 80,000	$ 80,000	1
Main Backflow	1	Each	18	7	$ 4,000	$ 4,000	1
Garage Exhaust	1	Each	20	9	$ 20,000	$ 20,000	1
Hall Air Handler	1	Each	18	7	$ 16,000	$ 16,000	1
Storm Drain Filtration System	1	Each	18	7	$ 12,000	$ 12,000	1
Sump Pumps	4	Each	15	12	$ 3,500	$ 14,000	1
Fire Alarm/Sprinkler System	1	Allowance	20	9	$ 25,000	$ 25,000	1
Fire System Testing	1	Allowance	5	3	$ 15,000	$ 15,000	1
Plumbing Replacements	1	Allowance	10	8	$ 20,000	$ 20,000	1
						$ 218,000	
Common Areas							
Gym Weights	1	Allowance	16	13	$ 3,700	$ 3,700	1
Gym Equipment	1	Allowance	8	6	$ 18,000	$ 18,000	1
Gym Restroom Refurbish	1	Allowance	20	18	$ 5,000	$ 5,000	1
Hall Carpet	5000	SF	12	9	$ 6	$ 27,500	1
Hall & Lobby Furnishings	1	Allowance	16	13	$ 80,000	$ 80,000	1
Lobby Tile	680	SF	30	27	$ 30	$ 20,400	1
Metal Rail Repairs	1	Allowance	10	7	$ 8,000	$ 8,000	1
Vehicle Gate Operators	1	Each	12	9	$ 4,200	$ 4,200	1
Vehicle Gate	1	Each	25	22	$ 6,000	$ 6,000	1
Exterior Furnishings	1	Allowance	10	7	$ 45,000	$ 45,000	1
Wallpaper	5000	SF	20	17	$ 3	$ 15,000	1
Common Doors	1	Allowance	10	9	$ 5,000	$ 5,000	1
						$ 237,800	
Landscaping							
Landscape/Irrigation	1	Allowance	13	10	$ 12,000	$ 12,000	1
Planter Waterproofing	1	Allowance	26	23	$ 40,000	$ 40,000	1
Artificial Turf	800	SF	13	10	$ 10	$ 8,000	1
						$ 60,000	
Lighting							
Repairs & Replacements	1	Allowance	20	15	$ 50,000	$ 50,000	1
						$ 50,000	
Miscellaneous							
Mailboxes	38	Each	25	14	$ 120	$ 4,560	1
Surveillance	1	Allowance	14	3	$ 17,000	$ 17,000	1
Entry Intercom/FOB	1	Allowance	15	13	$ 25,000	$ 25,000	1
Monument/Signage	1	Allowance	25	22	$ 5,500	$ 5,500	1
						$ 52,060	
Contingency							
5%							1
				TOTALS		**$ 874,420**	

Notes: Any other items not listed are included in operating budget.

Component Significance

This table makes it easy to see what components are the most significant

Category / Component	Fully Funded Balance $ Amount	Fully Funded Balance %	Fully Funded Balance Quick Glance Graph	Depreciation This Year $ Amount	Depreciation This Year %	Depreciation This Year Quick Glance Graph	Monthly Contribution
Roofing/Decking							
Flat Roofing	$ 38,500	13.62%		$ 3,500	5.64%		$ 327.19
Skylight	$ 1,452	0.51%		$ 132	0.21%		$ 12.34
Decking Recoat	$ 10,872	3.85%		$ 3,624	5.84%		$ 338.79
Decking Resurface	$ 7,973	2.82%		$ 2,658	4.28%		$ 248.44
	$ 58,797	20.80%		$ 9,914	15.98%		$ 926.76
Painting							
Stucco	$ 16,000	5.66%		$ 5,333	8.60%		$ 498.58
Interior Halls/Doors	$ 6,900	2.44%		$ 2,300	3.71%		$ 215.01
Parking Garage Entry Coating	$ 1,300	0.46%		$ 650	1.05%		$ 60.76
Parking Garage Stripe	$ 640	0.23%		$ 320	0.52%		$ 29.91
	$ 24,840	8.79%		$ 8,603	13.87%		$ 804.27
Mechanical							
Gym HVAC	$ 1,071	0.38%		$ 357	0.58%		$ 33.39
Elevator Cab Remodel	$ 1,050	0.37%		$ 350	0.56%		$ 32.72
Elevator Modernization	$ 35,200	12.45%		$ 3,200	5.16%		$ 299.15
Main Backflow	$ 2,444	0.86%		$ 222	0.36%		$ 20.77
Garage Exhaust	$ 11,000	3.89%		$ 1,000	1.61%		$ 93.48
Hall Air Handler	$ 9,778	3.46%		$ 889	1.43%		$ 83.10
Storm Drain Filtration System	$ 7,333	2.59%		$ 667	1.07%		$ 62.32
Sump Pumps	$ 2,800	0.99%		$ 933	1.50%		$ 87.25
Fire Alarm/Sprinkler System	$ 13,750	4.86%		$ 1,250	2.01%		$ 116.85
Fire System Testing	$ 6,000	2.12%		$ 3,000	4.84%		$ 280.45
Plumbing Replacements	$ 4,000	1.42%		$ 2,000	3.22%		$ 186.97
	$ 94,427	33.41%		$ 13,868	22.35%		$1,296.46
Common Areas							
Gym Weights	$ 694	0.25%		$ 231	0.37%		$ 21.62
Gym Equipment	$ 4,500	1.59%		$ 2,250	3.63%		$ 210.34
Gym Restroom Refurbish	$ 500	0.18%		$ 250	0.40%		$ 23.37
Hall Carpet	$ 6,875	2.43%		$ 2,292	3.69%		$ 214.23
Hall & Lobby Furnishings	$ 15,000	5.31%		$ 5,000	8.06%		$ 467.42
Lobby Tile	$ 2,040	0.72%		$ 680	1.10%		$ 63.57
Metal Rail Repairs	$ 2,400	0.85%		$ 800	1.29%		$ 74.79
Vehicle Gate Operators	$ 1,050	0.37%		$ 350	0.56%		$ 32.72
Vehicle Gate	$ 720	0.25%		$ 240	0.39%		$ 22.44
Exterior Furnishings	$ 13,500	4.78%		$ 4,500	7.25%		$ 420.68
Wallpaper	$ 2,250	0.80%		$ 750	1.21%		$ 70.11
Common Doors	$ 500	0.18%		$ 500	0.81%		$ 46.74
	$ 50,029	17.70%		$ 17,843	28.76%		$1,668.02
Landscaping							
Landscape/Irrigation	$ 2,769	0.98%		$ 923	1.49%		$ 86.29
Planter Waterproofing	$ 4,615	1.63%		$ 1,538	2.48%		$ 143.82
Artificial Turf	$ 1,846	0.65%		$ 615	0.99%		$ 57.53
	$ 9,231	3.27%		$ 3,077	4.96%		$ 287.64
Lighting							
Repairs & Replacements	$ 12,500	4.42%		$ 2,500	4.03%		$ 233.71
	$ 12,500	4.42%		$ 2,500	4.03%		$ 233.71
Miscellaneous							
Mailboxes	$ 2,006	0.71%		$ 182	0.29%		$ 17.05
Surveillance	$ 13,357	4.73%		$ 1,214	1.96%		$ 113.52
Entry Intercom/FOB	$ 3,333	1.18%		$ 1,667	2.69%		$ 155.81
Monument/Signage	$ 660	0.23%		$ 220	0.35%		$ 20.57
	$ 19,357	6.85%		$ 3,283	5.29%		$ 306.94
Contingency							
5%	$ 13,459	4.76%		$ 2,954	4.76%		$ 276.19
	$ 282,639	**100.00%**	**100%**	**$ 62,043**	**100%**	**100%**	**$ 5,800**

Annual Expenses by Component

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Roofing/Decking										
Flat Roofing	$ -	$ -	$ -	$ -	$ -	$ 64,919	$ -	$ -	$ -	$ -
Skylight	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Decking Recoat	$ -	$ -	$ 19,224	$ -	$ -	$ -	$ -	$ 22,285	$ -	$ -
Decking Resurface	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Painting										
Stucco	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interior Halls/Doors	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 28,287	$ -	$ -
Parking Garage Entry Coating	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,234	$ -
Parking Garage Stripe	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,054	$ -
Mechanical										
Gym HVAC	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Cab Remodel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Modernization	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Main Backflow	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,919	$ -	$ -
Garage Exhaust	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,095
Hall Air Handler	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,678	$ -	$ -
Storm Drain Filtration System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,758	$ -	$ -
Sump Pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire Alarm/Sprinkler System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,619
Fire System Testing	$ -	$ -	$ -	$ 16,391	$ -	$ -	$ -	$ -	$ 19,002	$ -
Plumbing Replacements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,335	$ -

Annual Expenses by Component

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Common Areas										
Gym Weights	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gym Equipment	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,493	$ -	$ -	$ -
Gym Restroom Refurbish	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hall Carpet	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,881
Hall & Lobby Furnishings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lobby Tile	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Metal Rail Repairs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,839	$ -	$ -
Vehicle Gate Operators	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,480
Vehicle Gate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Exterior Furnishings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 55,344	$ -	$ -
Wallpaper	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Common Doors	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,524
Landscaping										
Landscape/Irrigation	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Planter Waterproofing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Artificial Turf	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lighting										
Repairs & Replacements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous										
Mailboxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Surveillance	$ -	$ -	$ -	$ 18,576	$ -	$ -	$ -	$ -	$ -	$ -
Entry Intercom/FOB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Monument/Signage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Totals	$ -	$ -	$ -	$ 19,224	$ 34,967	$ -	$ 64,919	$ 21,493	$ 155,112	$ 56,625	$ 106,600

Annual Expenses by Component

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Roofing/Decking											
Flat Roofing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Skylight	$ -	$ -	$ -	$ -	$ 4,992	$ -	$ -	$ -	$ -	$ -	$ -
Decking Recoat	$ -	$ -	$ 25,835	$ -	$ -	$ -	$ -	$ 29,950	$ -	$ -	$ -
Decking Resurface	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Painting											
Stucco	$ -	$ -	$ 114,061	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interior Halls/Doors	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 38,015	$ -	$ -	$ -
Parking Garage Entry Coatir	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,066	$ -	$ -
Parking Garage Stripe	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,448	$ -	$ -
Mechanical											
Gym HVAC	$ -	$ 6,921	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Cab Remodel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,570	$ -	$ -	$ -
Elevator Modernization	$ -	$ -	$ -	$ -	$ 121,007	$ -	$ -	$ -	$ -	$ -	$ -
Main Backflow	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Garage Exhaust	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hall Air Handler	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storm Drain Filtration Syster	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sump Pumps	$ -	$ -	$ 19,961	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire Alarm/Sprinkler System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fire System Testing	$ -	$ -	$ -	$ 22,028	$ -	$ -	$ -	$ -	$ 25,536	$ -	$ -
Plumbing Replacements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 34,049	$ -	$ -

Annual Expenses by Component

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Common Areas											
Gym Weights	$ -	$ -	$ -	$ 5,434	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gym Equipment	$ -	$ -	$ -	$ -	$ 27,227	$ -	$ -	$ -	$ -	$ -	$ -
Gym Restroom Refurbish	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,512	$ -	$ -
Hall Carpet	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hall & Lobby Furnishings	$ -	$ -	$ -	$ 117,483	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lobby Tile	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Metal Rail Repairs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 13,223	$ -	$ -	$ -
Vehicle Gate Operators	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Vehicle Gate	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Exterior Furnishings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 74,378	$ -	$ -	$ -
Wallpaper	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,793	$ -	$ -	$ -
Common Doors	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,768	$ -
Landscaping											
Landscape/Irrigation	$ 16,127	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Planter Waterproofing	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Artificial Turf	$ 13,439	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Lighting											
Repairs & Replacements	$ -	$ -	$ -	$ -	$ -	$ 77,898	$ -	$ -	$ -	$ -	$ -
Miscellaneous											
Mailboxes	$ -	$ -	$ -	$ -	$ 6,897	$ -	$ -	$ -	$ -	$ -	$ -
Surveillance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 28,098	$ -	$ -	$ -
Entry Intercom/FOB	$ -	$ -	$ -	$ 36,713	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Monument/Signage	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Totals	$ 29,566	$ 6,921	$ 159,856	$ 181,658	$ 160,123	$ 77,898	$ -	$ 220,027	$ 84,611	$ 8,768	$ -

Annual Expenses by Component

	2040	2041	2042	2043	2044	2045	2046	2047	2048
Roofing/Decking									
Flat Roofing	$ 104,176	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Skylight	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Decking Recoat	$ -	$ 34,720	$ -	$ -	$ -	$ -	$ 40,250	$ -	$ -
Decking Resurface	$ -	$ 127,306	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Painting									
Stucco	$ -	$ -	$ -	$ -	$ -	$ -	$ 177,703	$ -	$ -
Interior Halls/Doors	$ -	$ -	$ -	$ -	$ -	$ -	$ 51,090	$ -	$ -
Parking Garage Entry Coatir	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 14,872	$ -
Parking Garage Stripe	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,321	$ -
Mechanical									
Gym HVAC	$ -	$ -	$ -	$ -	$ 10,469	$ -	$ -	$ -	$ -
Elevator Cab Remodel	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Elevator Modernization	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Main Backflow	$ -	$ -	$ -	$ -	$ 8,375	$ -	$ -	$ -	$ -
Garage Exhaust	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 47,131
Hall Air Handler	$ -	$ -	$ -	$ -	$ 33,500	$ -	$ -	$ -	$ -
Storm Drain Filtration Syster	$ -	$ -	$ -	$ -	$ 25,125	$ -	$ -	$ -	$ -
Sump Pumps	$ -	$ -	$ -	$ -	$ -	$ -	$ 31,098	$ -	$ -
Fire Alarm/Sprinkler System	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 58,914
Fire System Testing	$ -	$ -	$ 29,604	$ -	$ -	$ -	$ -	$ 34,319	$ -
Plumbing Replacements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,759	$ -

Annual Expenses by Component

	2040	2041	2042	2043	2044	2045	2046	2047	2048
Common Areas									
Gym Weights	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,719
Gym Equipment	$ -	$ 34,490	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Gym Restroom Refurbish	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hall Carpet	$ 51,158	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hall & Lobby Furnishings	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 188,525
Lobby Tile	$ -	$ -	$ -	$ -	$ -	$ -	$ 45,314	$ -	$ -
Metal Rail Repairs	$ -	$ -	$ -	$ -	$ -	$ -	$ 17,770	$ -	$ -
Vehicle Gate Operators	$ 7,813	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Vehicle Gate	$ -	$ 11,497	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Exterior Furnishings	$ -	$ -	$ -	$ -	$ -	$ -	$ 99,958	$ -	$ -
Wallpaper	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Common Doors	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 11,783
Landscaping									
Landscape/Irrigation	$ -	$ -	$ 23,683	$ -	$ -	$ -	$ -	$ -	$ -
Planter Waterproofing	$ -	$ -	$ 78,943	$ -	$ -	$ -	$ -	$ -	$ -
Artificial Turf	$ -	$ -	$ 19,736	$ -	$ -	$ -	$ -	$ -	$ -
Lighting									
Repairs & Replacements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Miscellaneous									
Mailboxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Surveillance	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Entry Intercom/FOB	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 57,198	$ -
Monument/Signage	$ -	$ 10,539	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Totals	$ 163,148	$ 218,551	$ 151,966	$ -	$ 77,470	$ -	$ 463,183	$ 159,469	$ 315,073

Component Details

Roofing/Decking — Flat Roofing

Approximate Component Quantity	-	8000	Estimated Current Unit Cost	$	7.00
Unit of Measure	-	SF	Estimated Total Current Cost	$	56,000
Normal Useful Life (Years)	-	16	Estimated Total Future Cost	$	64,919
Estimated Remaining Useful Life (Years)	-	5	Fully Funded Balance	$	38,500
Estimated Replacement Year	-	2024	Depreciation This Year	$	3,500
Cost Source	-	1	Monthly Contribution	$	327.19
Depreciation Percent	-	5.64%	Fully Funded Balance Percent		13.62%
Life Remainging Percent	-	**31%**			

Roofing/Decking — Skylight

Approximate Component Quantity	-	3	Estimated Current Unit Cost	$	1,100.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	3,300
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	4,992
Estimated Remaining Useful Life (Years)	-	14	Fully Funded Balance	$	1,452
Estimated Replacement Year	-	2033	Depreciation This Year	$	132
Cost Source	-	1	Monthly Contribution	$	12.34
Depreciation Percent	-	0.21%	Fully Funded Balance Percent		0.51%
Life Remainging Percent	-	**56%**			

Roofing/Decking — Decking Recoat

Approximate Component Quantity	-	6040	Estimated Current Unit Cost	$	3.00
Unit of Measure	-	SF	Estimated Total Current Cost	$	18,120
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	$	19,224
Estimated Remaining Useful Life (Years)	-	2	Fully Funded Balance	$	10,872
Estimated Replacement Year	-	2021	Depreciation This Year	$	3,624
Cost Source	-	1	Monthly Contribution	$	338.79
Depreciation Percent	-	5.84%	Fully Funded Balance Percent		3.85%
Life Remainging Percent	-	**40%**			

Roofing/Decking — Decking Resurface

Approximate Component Quantity	-	6040	Estimated Current Unit Cost	$	11.00
Unit of Measure	-	SF	Estimated Total Current Cost	$	66,440
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	127,306
Estimated Remaining Useful Life (Years)	-	22	Fully Funded Balance	$	7,973
Estimated Replacement Year	-	2041	Depreciation This Year	$	2,658
Cost Source	-	1	Monthly Contribution	$	248.44
Depreciation Percent	-	4.28%	Fully Funded Balance Percent		2.82%
Life Remainging Percent	-	**88%**			

Painting — Stucco

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	80,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	80,000
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	$	114,061
Estimated Remaining Useful Life (Years)	-	12	Fully Funded Balance	$	16,000
Estimated Replacement Year	-	2031	Depreciation This Year	$	5,333
Cost Source	-	1	Monthly Contribution	$	498.58
Depreciation Percent	-	8.60%	Fully Funded Balance Percent		5.66%
Life Remainging Percent	-	**80%**			

Painting — Interior Halls/Doors

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	23,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	23,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	28,287
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	6,900
Estimated Replacement Year	-	2026	Depreciation This Year	$	2,300
Cost Source	-	1	Monthly Contribution	$	215.01
Depreciation Percent	-	3.71%	Fully Funded Balance Percent		2.44%
Life Remainging Percent	-	**70%**			

Painting — Parking Garage Entry Coating

Approximate Component Quantity	-	2500	Estimated Current Unit Cost	$	2.60
Unit of Measure	-	SF	Estimated Total Current Cost	$	6,500
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	8,234
Estimated Remaining Useful Life (Years)	-	8	Fully Funded Balance	$	1,300
Estimated Replacement Year	-	2027	Depreciation This Year	$	650
Cost Source	-	1	Monthly Contribution	$	60.76
Depreciation Percent	-	1.05%	Fully Funded Balance Percent		0.46%
Life Remainging Percent	-	80%			

Painting — Parking Garage Stripe

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	3,200.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	3,200
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	4,054
Estimated Remaining Useful Life (Years)	-	8	Fully Funded Balance	$	640
Estimated Replacement Year	-	2027	Depreciation This Year	$	320
Cost Source	-	1	Monthly Contribution	$	29.91
Depreciation Percent	-	0.52%	Fully Funded Balance Percent		0.23%
Life Remainging Percent	-	80%			

Mechanical — Gym HVAC

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	5,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	5,000
Normal Useful Life (Years)	-	14	Estimated Total Future Cost	$	6,921
Estimated Remaining Useful Life (Years)	-	11	Fully Funded Balance	$	1,071
Estimated Replacement Year	-	2030	Depreciation This Year	$	357
Cost Source	-	1	Monthly Contribution	$	33.39
Depreciation Percent	-	0.58%	Fully Funded Balance Percent		0.38%
Life Remainging Percent	-	79%			

Mechanical — Elevator Cab Remodel

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	7,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	7,000
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	11,570
Estimated Remaining Useful Life (Years)	-	17	Fully Funded Balance	$	1,050
Estimated Replacement Year	-	2036	Depreciation This Year	$	350
Cost Source	-	1	Monthly Contribution	$	32.72
Depreciation Percent	-	0.56%	Fully Funded Balance Percent		0.37%
Life Remainging Percent	-	**85%**			

Mechanical — Elevator Modernization

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	80,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	80,000
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	121,007
Estimated Remaining Useful Life (Years)	-	14	Fully Funded Balance	$	35,200
Estimated Replacement Year	-	2033	Depreciation This Year	$	3,200
Cost Source	-	1	Monthly Contribution	$	299.15
Depreciation Percent	-	5.16%	Fully Funded Balance Percent		12.45%
Life Remainging Percent	-	**56%**			

Mechanical — Main Backflow

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	4,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	4,000
Normal Useful Life (Years)	-	18	Estimated Total Future Cost	$	4,919
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	2,444
Estimated Replacement Year	-	2026	Depreciation This Year	$	222
Cost Source	-	1	Monthly Contribution	$	20.77
Depreciation Percent	-	0.36%	Fully Funded Balance Percent		0.86%
Life Remainging Percent	-	**39%**			

Mechanical — Garage Exhaust

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	20,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	20,000
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	26,095
Estimated Remaining Useful Life (Years)	-	9	Fully Funded Balance	$	11,000
Estimated Replacement Year	-	2028	Depreciation This Year	$	1,000
Cost Source	-	1	Monthly Contribution	$	93.48
Depreciation Percent	-	1.61%	Fully Funded Balance Percent		3.89%
Life Remainging Percent	-	**45%**			

Mechanical — Hall Air Handler

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	16,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	16,000
Normal Useful Life (Years)	-	18	Estimated Total Future Cost	$	19,678
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	9,778
Estimated Replacement Year	-	2026	Depreciation This Year	$	889
Cost Source	-	1	Monthly Contribution	$	83.10
Depreciation Percent	-	1.43%	Fully Funded Balance Percent		3.46%
Life Remainging Percent	-	**39%**			

Mechanical — Storm Drain Filtration System

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	12,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	12,000
Normal Useful Life (Years)	-	18	Estimated Total Future Cost	$	14,758
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	7,333
Estimated Replacement Year	-	2026	Depreciation This Year	$	667
Cost Source	-	1	Monthly Contribution	$	62.32
Depreciation Percent	-	1.07%	Fully Funded Balance Percent		2.59%
Life Remainging Percent	-	**39%**			

Mechanical — Sump Pumps

Approximate Component Quantity	-	4	Estimated Current Unit Cost	$	3,500.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	14,000
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	$	19,961
Estimated Remaining Useful Life (Years)	-	12	Fully Funded Balance	$	2,800
Estimated Replacement Year	-	2031	Depreciation This Year	$	933
Cost Source	-	1	Monthly Contribution	$	87.25
Depreciation Percent	-	1.50%	Fully Funded Balance Percent		0.99%
Life Remainging Percent	-	**80%**			

Mechanical — Fire Alarm/Sprinkler System

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	25,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	25,000
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	32,619
Estimated Remaining Useful Life (Years)	-	9	Fully Funded Balance	$	13,750
Estimated Replacement Year	-	2028	Depreciation This Year	$	1,250
Cost Source	-	1	Monthly Contribution	$	116.85
Depreciation Percent	-	2.01%	Fully Funded Balance Percent		4.86%
Life Remainging Percent	-	**45%**			

Mechanical — Fire System Testing

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	15,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	15,000
Normal Useful Life (Years)	-	5	Estimated Total Future Cost	$	16,391
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	$	6,000
Estimated Replacement Year	-	2022	Depreciation This Year	$	3,000
Cost Source	-	1	Monthly Contribution	$	280.45
Depreciation Percent	-	4.84%	Fully Funded Balance Percent		2.12%
Life Remainging Percent	-	**60%**			

Mechanical — Plumbing Replacements

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	20,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	20,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	25,335
Estimated Remaining Useful Life (Years)	-	8	Fully Funded Balance	$	4,000
Estimated Replacement Year	-	2027	Depreciation This Year	$	2,000
Cost Source	-	1	Monthly Contribution	$	186.97
Depreciation Percent	-	3.22%	Fully Funded Balance Percent		1.42%
Life Remainging Percent	-	**80%**			

Common Areas — Gym Weights

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	3,700.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	3,700
Normal Useful Life (Years)	-	16	Estimated Total Future Cost	$	5,434
Estimated Remaining Useful Life (Years)	-	13	Fully Funded Balance	$	694
Estimated Replacement Year	-	2032	Depreciation This Year	$	231
Cost Source	-	1	Monthly Contribution	$	21.62
Depreciation Percent	-	0.37%	Fully Funded Balance Percent		0.25%
Life Remainging Percent	-	**81%**			

Common Areas — Gym Equipment

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	18,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	18,000
Normal Useful Life (Years)	-	8	Estimated Total Future Cost	$	21,493
Estimated Remaining Useful Life (Years)	-	6	Fully Funded Balance	$	4,500
Estimated Replacement Year	-	2025	Depreciation This Year	$	2,250
Cost Source	-	1	Monthly Contribution	$	210.34
Depreciation Percent	-	3.63%	Fully Funded Balance Percent		1.59%
Life Remainging Percent	-	75%			

Common Areas — Gym Restroom Refurbish

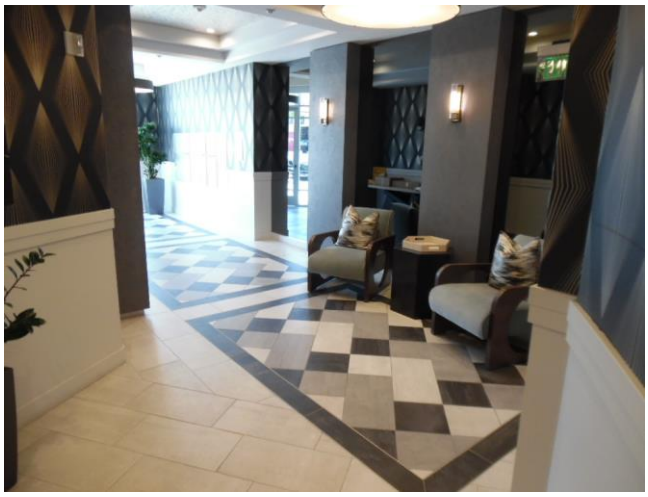
Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	5,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	5,000
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	8,512
Estimated Remaining Useful Life (Years)	-	18	Fully Funded Balance	$	500
Estimated Replacement Year	-	2037	Depreciation This Year	$	250
Cost Source	-	1	Monthly Contribution	$	23.37
Depreciation Percent	-	0.40%	Fully Funded Balance Percent		0.18%
Life Remainging Percent	-	90%			

Common Areas — Hall Carpet

Approximate Component Quantity	-	5000	Estimated Current Unit Cost	$	5.50
Unit of Measure	-	SF	Estimated Total Current Cost	$	27,500
Normal Useful Life (Years)	-	12	Estimated Total Future Cost	$	35,881
Estimated Remaining Useful Life (Years)	-	9	Fully Funded Balance	$	6,875
Estimated Replacement Year	-	2028	Depreciation This Year	$	2,292
Cost Source	-	1	Monthly Contribution	$	214.23
Depreciation Percent	-	3.69%	Fully Funded Balance Percent		2.43%
Life Remainging Percent	-	75%			

Common Areas — Hall & Lobby Furnishings

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	80,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	80,000
Normal Useful Life (Years)	-	16	Estimated Total Future Cost	$	117,483
Estimated Remaining Useful Life (Years)	-	13	Fully Funded Balance	$	15,000
Estimated Replacement Year	-	2032	Depreciation This Year	$	5,000
Cost Source	-	1	Monthly Contribution	$	467.42
Depreciation Percent	-	8.06%	Fully Funded Balance Percent		5.31%
Life Remainging Percent	-	**81%**			



Common Areas — Lobby Tile

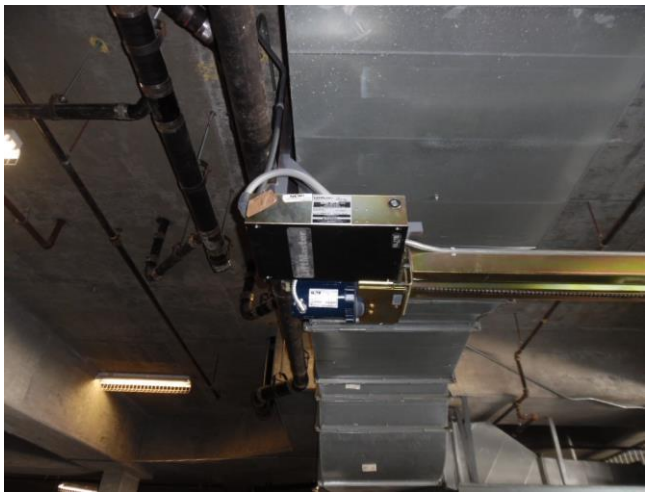
Approximate Component Quantity	-	680	Estimated Current Unit Cost	$	30.00
Unit of Measure	-	SF	Estimated Total Current Cost	$	20,400
Normal Useful Life (Years)	-	30	Estimated Total Future Cost	$	45,314
Estimated Remaining Useful Life (Years)	-	27	Fully Funded Balance	$	2,040
Estimated Replacement Year	-	2046	Depreciation This Year	$	680
Cost Source	-	1	Monthly Contribution	$	63.57
Depreciation Percent	-	1.10%	Fully Funded Balance Percent		0.72%
Life Remainging Percent	-	**90%**			

Common Areas — Metal Rail Repairs

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	8,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	8,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	9,839
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	2,400
Estimated Replacement Year	-	2026	Depreciation This Year	$	800
Cost Source	-	1	Monthly Contribution	$	74.79
Depreciation Percent	-	1.29%	Fully Funded Balance Percent		0.85%
Life Remainging Percent	-	**70%**			

Common Areas — Vehicle Gate Operators

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	4,200.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	4,200
Normal Useful Life (Years)	-	12	Estimated Total Future Cost	$	5,480
Estimated Remaining Useful Life (Years)	-	9	Fully Funded Balance	$	1,050
Estimated Replacement Year	-	2028	Depreciation This Year	$	350
Cost Source	-	1	Monthly Contribution	$	32.72
Depreciation Percent	-	0.56%	Fully Funded Balance Percent		0.37%
Life Remainging Percent	-	75%			



Common Areas — Vehicle Gate

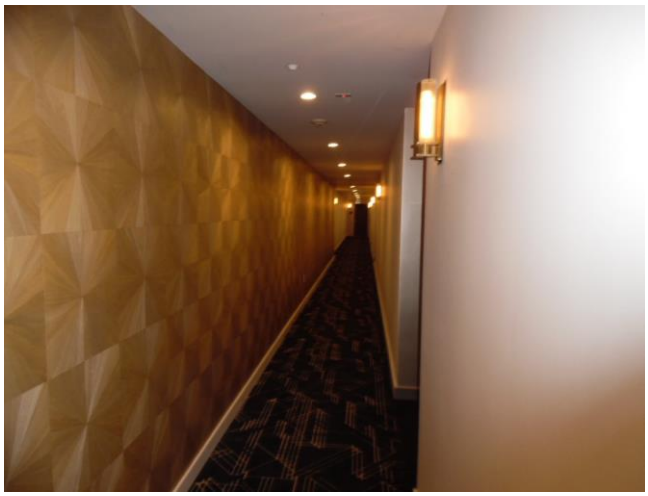
Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	6,000.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	6,000
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	11,497
Estimated Remaining Useful Life (Years)	-	22	Fully Funded Balance	$	720
Estimated Replacement Year	-	2041	Depreciation This Year	$	240
Cost Source	-	1	Monthly Contribution	$	22.44
Depreciation Percent	-	0.39%	Fully Funded Balance Percent		0.25%
Life Remainging Percent	-	88%			

Common Areas — Exterior Furnishings

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	45,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	45,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	55,344
Estimated Remaining Useful Life (Years)	-	7	Fully Funded Balance	$	13,500
Estimated Replacement Year	-	2026	Depreciation This Year	$	4,500
Cost Source	-	1	Monthly Contribution	$	420.68
Depreciation Percent	-	7.25%	Fully Funded Balance Percent		4.78%
Life Remainging Percent	-	**70%**			

Common Areas — Wallpaper

Approximate Component Quantity	-	5000	Estimated Current Unit Cost	$	3.00
Unit of Measure	-	SF	Estimated Total Current Cost	$	15,000
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	24,793
Estimated Remaining Useful Life (Years)	-	17	Fully Funded Balance	$	2,250
Estimated Replacement Year	-	2036	Depreciation This Year	$	750
Cost Source	-	1	Monthly Contribution	$	70.11
Depreciation Percent	-	1.21%	Fully Funded Balance Percent		0.80%
Life Remainging Percent	-	**85%**			



Common Areas — Common Doors

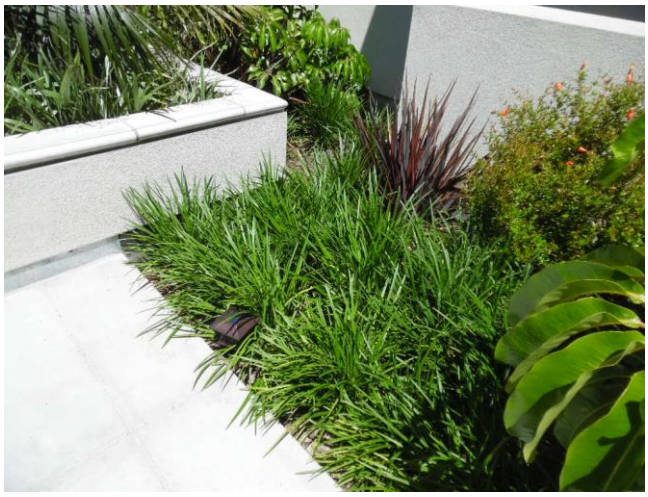
Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	5,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	5,000
Normal Useful Life (Years)	-	10	Estimated Total Future Cost	$	6,524
Estimated Remaining Useful Life (Years)	-	9	Fully Funded Balance	$	500
Estimated Replacement Year	-	2028	Depreciation This Year	$	500
Cost Source	-	1	Monthly Contribution	$	46.74
Depreciation Percent	-	0.81%	Fully Funded Balance Percent		0.18%
Life Remainging Percent	-	**90%**			

Landscaping — Landscape/Irrigation

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	12,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	12,000
Normal Useful Life (Years)	-	13	Estimated Total Future Cost	$	16,127
Estimated Remaining Useful Life (Years)	-	10	Fully Funded Balance	$	2,769
Estimated Replacement Year	-	2029	Depreciation This Year	$	923
Cost Source	-	1	Monthly Contribution	$	86.29
Depreciation Percent	-	1.49%	Fully Funded Balance Percent		0.98%
Life Remainging Percent	-	**77%**			

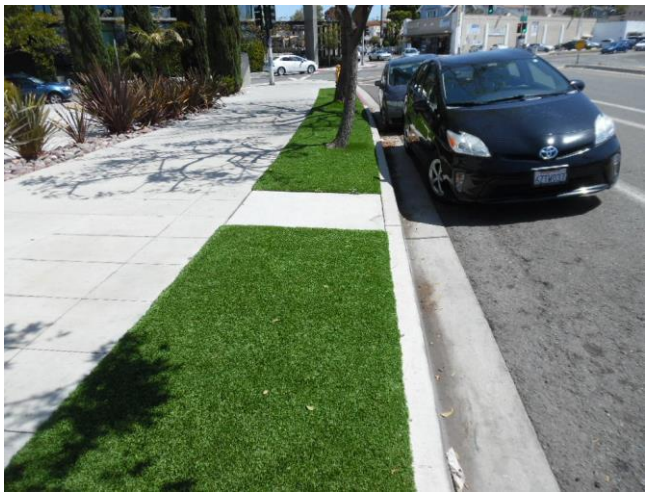
Landscaping — Planter Waterproofing

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	40,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	40,000
Normal Useful Life (Years)	-	26	Estimated Total Future Cost	$	78,943
Estimated Remaining Useful Life (Years)	-	23	Fully Funded Balance	$	4,615
Estimated Replacement Year	-	2042	Depreciation This Year	$	1,538
Cost Source	-	1	Monthly Contribution	$	143.82
Depreciation Percent	-	2.48%	Fully Funded Balance Percent		1.63%
Life Remainging Percent	-	**88%**			



Landscaping — Artificial Turf

Approximate Component Quantity	-	800	Estimated Current Unit Cost	$	10.00
Unit of Measure	-	SF	Estimated Total Current Cost	$	8,000
Normal Useful Life (Years)	-	13	Estimated Total Future Cost	$	10,751
Estimated Remaining Useful Life (Years)	-	10	Fully Funded Balance	$	1,846
Estimated Replacement Year	-	2029	Depreciation This Year	$	615
Cost Source	-	1	Monthly Contribution	$	57.53
Depreciation Percent	-	0.99%	Fully Funded Balance Percent		0.65%
Life Remainging Percent	-	77%			



Lighting — Repairs & Replacements

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	50,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	50,000
Normal Useful Life (Years)	-	20	Estimated Total Future Cost	$	77,898
Estimated Remaining Useful Life (Years)	-	15	Fully Funded Balance	$	12,500
Estimated Replacement Year	-	2034	Depreciation This Year	$	2,500
Cost Source	-	1	Monthly Contribution	$	233.71
Depreciation Percent	-	4.03%	Fully Funded Balance Percent		4.42%
Life Remainging Percent	-	75%			

Miscellaneous — Mailboxes

Approximate Component Quantity	-	38	Estimated Current Unit Cost	$	120.00
Unit of Measure	-	Each	Estimated Total Current Cost	$	4,560
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	6,897
Estimated Remaining Useful Life (Years)	-	14	Fully Funded Balance	$	2,006
Estimated Replacement Year	-	2033	Depreciation This Year	$	182
Cost Source	-	1	Monthly Contribution	$	17.05
Depreciation Percent	-	0.29%	Fully Funded Balance Percent		0.71%
Life Remainging Percent	-	**56%**			

Miscellaneous — Surveillance

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	17,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	17,000
Normal Useful Life (Years)	-	14	Estimated Total Future Cost	$	18,576
Estimated Remaining Useful Life (Years)	-	3	Fully Funded Balance	$	13,357
Estimated Replacement Year	-	2022	Depreciation This Year	$	1,214
Cost Source	-	1	Monthly Contribution	$	113.52
Depreciation Percent	-	1.96%	Fully Funded Balance Percent		4.73%
Life Remainging Percent	-	**21%**			

Miscellaneous — Entry Intercom/FOB

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	25,000.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	25,000
Normal Useful Life (Years)	-	15	Estimated Total Future Cost	$	36,713
Estimated Remaining Useful Life (Years)	-	13	Fully Funded Balance	$	3,333
Estimated Replacement Year	-	2032	Depreciation This Year	$	1,667
Cost Source	-	1	Monthly Contribution	$	155.81
Depreciation Percent	-	2.69%	Fully Funded Balance Percent		1.18%
Life Remainging Percent	-	87%			

Miscellaneous — Monument/Signage

Approximate Component Quantity	-	1	Estimated Current Unit Cost	$	5,500.00
Unit of Measure	-	Allowance	Estimated Total Current Cost	$	5,500
Normal Useful Life (Years)	-	25	Estimated Total Future Cost	$	10,539
Estimated Remaining Useful Life (Years)	-	22	Fully Funded Balance	$	660
Estimated Replacement Year	-	2041	Depreciation This Year	$	220
Cost Source	-	1	Monthly Contribution	$	20.57
Depreciation Percent	-	0.35%	Fully Funded Balance Percent		0.23%
Life Remainging Percent	-	88%			

Assessment and Reserve Funding Disclosure Summary
Sample HOA

(1) The current regular assessment per ownership interest per month is:

Variable see attached schedule
per month for the year ending 12/31/18

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members: As of 5/4/2018

Date Assessment is Due	Amount per unit	Purpose of Assessment
NA		
Total:		

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes [X] No [ ]

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

(4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Not Applicable

Note: This calculation assumes the association will raise their current reserve contribution 3% per year over the next 30 years.

(5) All major components appropriate for reserve funding are included in the reserve study and are included in it's calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the estimated amount required in the reserve fund at the end of the current fiscal year is:
$ 282,639
based in whole or in part on the last reserve study or update prepared by McCaffery Reserve Consulting as of 12/31/2018 the projected reserve fund cash balance at the end of the current fiscal year is: $ 221,000 resulting in the reserves being 78% funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the civil code the projected required amount in reserves, projected reserve fund cash balance and projected percent funded for each of the next 5 years is:

Year	Amt Required	Proj. Balance	% Funded
2019	$ 355,022	$ 283,643	80%
2020	$ 431,494	$ 349,005	81%
2021	$ 491,445	$ 397,958	81%
2022	$ 538,201	$ 433,790	81%
2023	$ 626,271	$ 507,071	81%

For more detail see attached theoretical 30 year funding plans.

Note: This calculation assumes the association will raise their reserve contribution 3% per year over the next 30 years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate was : 1.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was: 3.00% per year

(b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 5530. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The Preparer of this form will be indemnified and held harmless against all losses, claims, action, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been provided to Preparer by others and relied upon by Preparer which may result from any improper use or reliance on this disclosure.