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**Stonebridge at Eagle Ridge  
Golden, CO**



Report #: 16147-1  
Beginning: January 1, 2022  
Expires: December 31, 2022

**RESERVE STUDY  
Update "No-Site-Visit"**

June 20, 2022

# Welcome to your Reserve Study!

**A** Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

**R**egardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**  
Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**  
A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**  
A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

## Questions?

Please contact your Project Manager directly.



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## Table of Contents

<b>Executive Summary</b>	<b>4</b>
Executive Summary (Component List)	5
<b>Introduction, Objectives, and Methodology</b>	<b>6</b>
Which Physical Assets are Funded by Reserves?	7
How do we establish Useful Life and Remaining Useful Life estimates?	7
How do we establish Current Repair/Replacement Cost Estimates?	7
How much Reserves are enough?	8
How much should we contribute?	9
What is our Recommended Funding Goal?	9
<b>Projected Expenses</b>	<b>10</b>
Annual Reserve Expenses Graph	10
<b>Reserve Fund Status &amp; Recommended Funding Plan</b>	<b>11</b>
Annual Reserve Funding Graph	11
30-Yr Cash Flow Graph	12
Percent Funded Graph	12
<b>Table Descriptions</b>	<b>13</b>
Reserve Component List Detail	14
Fully Funded Balance	15
Component Significance	16
30-Year Reserve Plan Summary	17
30-Year Income/Expense Detail	18
<b>Accuracy, Limitations, and Disclosures</b>	<b>24</b>
<b>Terms and Definitions</b>	<b>25</b>
<b>Component Details</b>	<b>26</b>
Sites & Grounds	27
Mechanical	29
Amenities	30



Stonebridge at Eagle Ridge

Golden, CO

Level of Service: Update "No-Site-Visit"

Report #: 16147-1

# of Units: 232

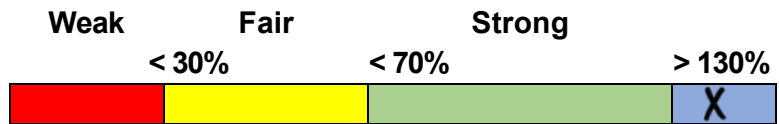
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Starting Reserve Balance	\$347,883
Fully Funded Reserve Balance	\$232,434
Annual Rate (Cost) of Deterioration	\$137,127
Percent Funded	149.7 %
Recommended 2022 Monthly "Fully Funding" Contributions	\$3,800
Alternate/Baseline Monthly Minimum Contributions to Keep Reserves Above \$0	\$3,300
Recommended 2022 Special Assessments for Reserves	\$0
Most Recent Monthly Reserve Contribution Rate	\$1,667

Reserve Fund Strength: 149.7%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves 1.00 %

Annual Inflation Rate 3.00 %

- This Update "No-Site-Visit", is based on a prior Reserve Study for your 2016 Fiscal Year. No site inspection was performed as part of this Reserve Study.
- The Reserve Study was reviewed by a credentialed Reserve Specialist (RS).
- Your Reserve Fund is currently 149.7 % Funded. This means the client's special assessment & deferred maintenance risk is currently Low.
- Based on this starting point and your anticipated future expenses, our recommendation is to budget the Monthly Reserve contributions at \$3,800 with 3% annual increases in order to be within the 70% to 130% level as noted above. 100% "Full" contribution rates are designed to achieve these funding objectives by the end of our 30-year report scope.
- The goal of the Reserve Study is to help the client offset inevitable annual deterioration of the common area components. The Reserve Study will guide the client to establish an appropriate Reserve Contribution rate that offsets the annual deterioration of the components and 'keep pace' with the rate of ongoing deterioration. No assets appropriate for Reserve designation were excluded. See photo appendix for component details; the basis of our assumptions.
- We recommend that this Reserve Study be updated annually, with a With-Site-Visit Reserve Study every three years. Research has found that clients who update their Reserve Study annually with a No-Site-Visit Reserve Study reduce their risk of special assessment by ~ 35%.
- Please watch this 5-minute video to understand the key results of a Reserve Study - <https://youtu.be/u83t4BRRIRE>

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Sites &amp; Grounds</b>			
2129 Trails - Refurbish	3	0	\$37,500
2151 3-Rail Fence - Repair/Paint	5	0	\$2,200
2157 3- Rail Fence - Replace	20	2	\$8,850
2183 Stone Columns - Repair	20	1	\$7,250
2184 Stone Column Cap Lights - Replace	24	6	\$17,000
2195 Landscaping - Refurbish	8	0	\$63,000
21710 Fire Mitigation - One-Time Project	1	0	\$92,000
21710 Fire Mitigation - Ongoing	1	1	\$15,000
<b>Mechanical</b>			
2579 Irrigation Controllers - Replace	12	1	\$2,800
<b>Amenities</b>			
2601 Play Equipment - Replace	20	19	\$83,000
2603 Playground Padding - Replace	20	19	\$54,500
2605 Park Furnishings - Replace - 35%	5	4	\$3,450
<b>12 Total Funded Components</b>			

## Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

## Methodology



For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

## *Which Physical Assets are Funded by Reserves?*

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

## *How do we establish Useful Life and Remaining Useful Life estimates?*

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

## *How do we establish Current Repair/Replacement Cost Estimates?*

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks



## How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!



## How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

## What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

## Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses as defined by your Reserve Component List. A summary of these expenses are shown in the 30-Year Reserve Plan Summary Table, while details of the projects that make up these expenses are shown in the 30-Year Income/Expense Detail.

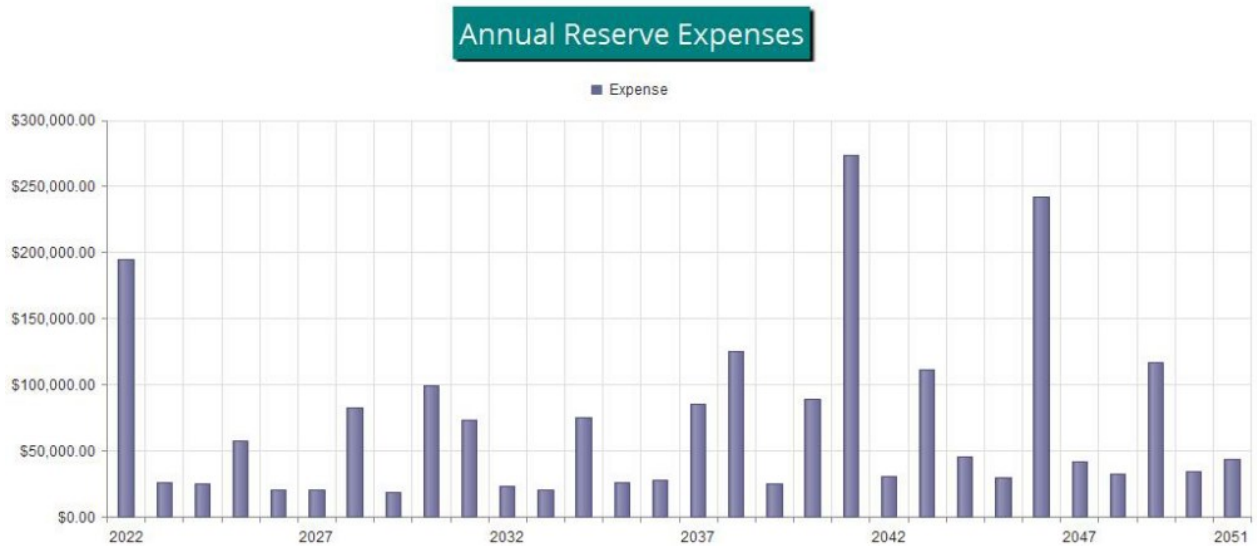


Figure 1

## Reserve Fund Status

As of 1/1/2022 your Reserve Fund balance is projected to be \$347,883 and your Fully Funded Balance is computed to be \$232,434 (see the Fully Funded Balance Table). The Fully Funded Balance represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 149.7 % Funded.

## Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending Monthly budgeted contributions of \$3,800. The overall 30-Year Plan, in perspective, is shown below in the Annual Reserve Funding (Fig. 2). This same information is shown numerically in both the 30-Year Reserve Plan Summary Table and the 30-Year Income/Expense Detail.

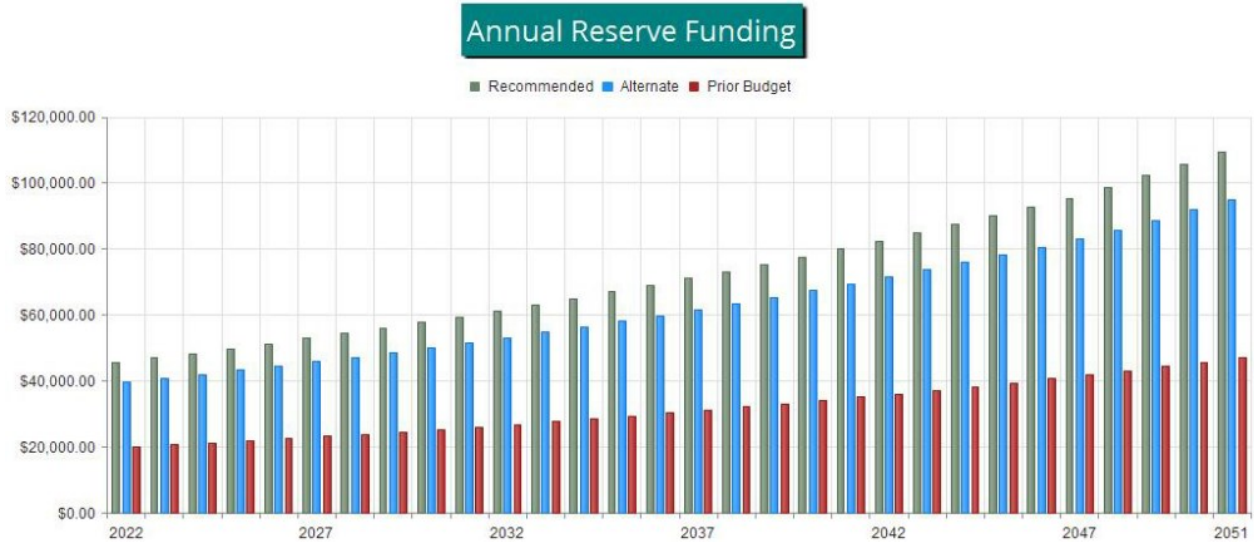


Figure 2

The reserve balance under our recommended Full Funding Plan, an alternate Baseline Funding Plan, and at your current budgeted contribution rate, compared to your always—changing Fully Funded Balance target is shown in the 30-Yr Cash Flow (Fig. 3).

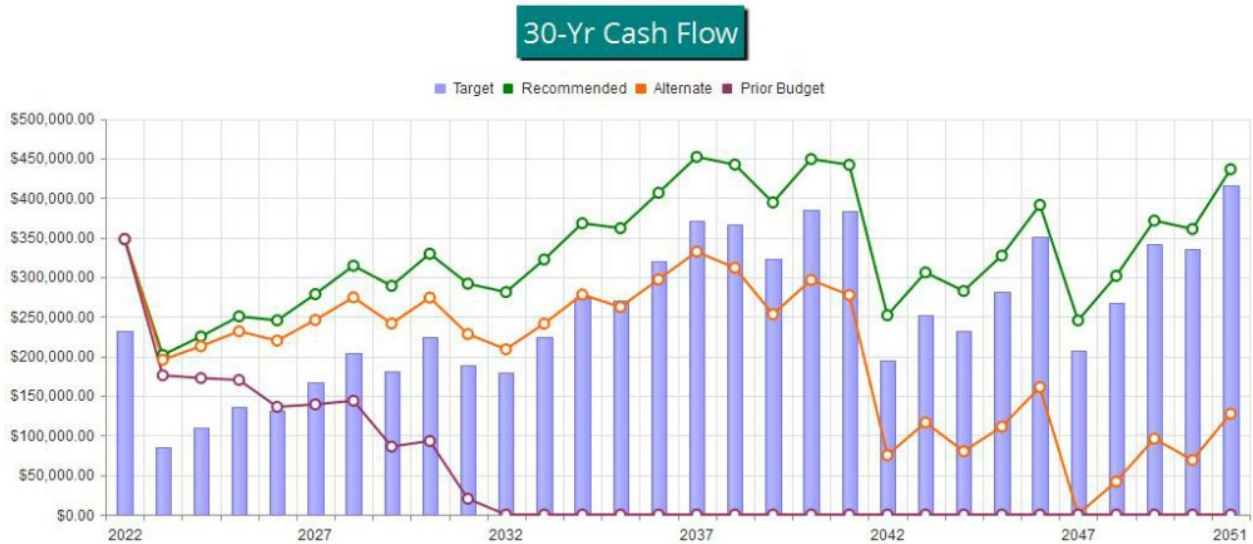


Figure 3

The information from Figure 3 is plotted on a Percent Funded scale in Figure 4. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan. A client that has a percent funded level of <30% may experience an ~ 20%-60% chance risk of special assessment. A client that is between 30% and 70% may experience an ~ 20%-5% chance risk of special assessment. A client that has a percent funded of >70% may experience an ~ <1% chance risk of special assessment.

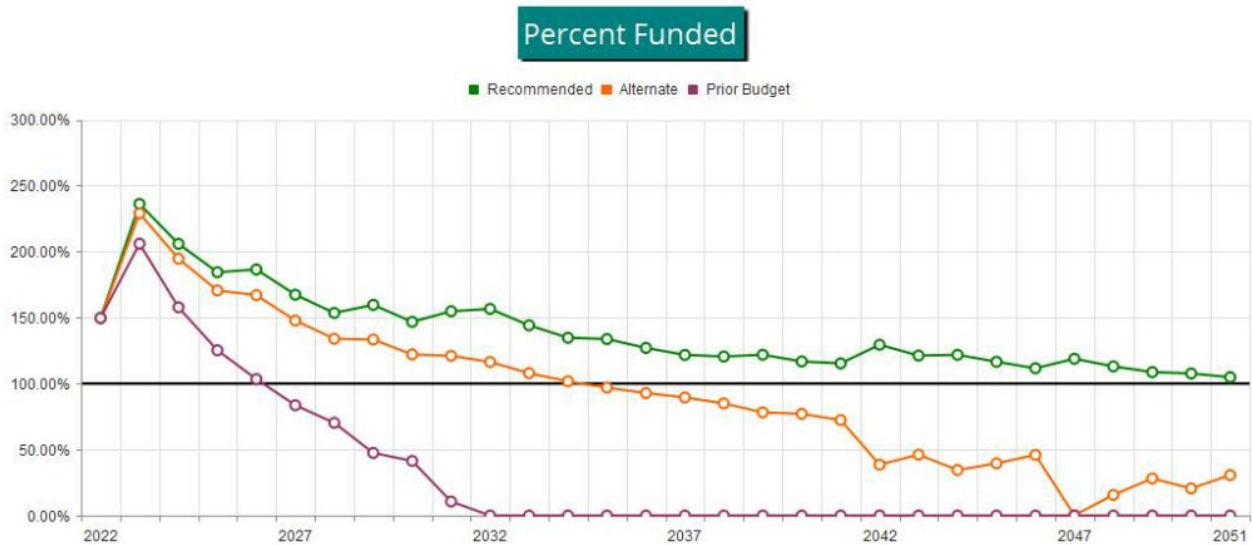


Figure 4



Executive Summary is a summary of your Reserve Components

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
					Best Case	Worst Case
<b>Sites &amp; Grounds</b>						
2129	Trails - Refurbish	~ 21,000 GSF	3	0	\$35,000	\$40,000
2151	3-Rail Fence - Repair/Paint	~ 300 LF	5	0	\$1,800	\$2,600
2157	3- Rail Fence - Replace	~ 300 LF	20	2	\$8,300	\$9,400
2183	Stone Columns - Repair	~ (15) Fixtures, ~ 760 GSF	20	1	\$6,900	\$7,600
2184	Stone Column Cap Lights - Replace	~ (16) Fixtures	24	6	\$16,000	\$18,000
2195	Landscaping - Refurbish	Ground Areas	8	0	\$61,000	\$65,000
21710	Fire Mitigation - One-Time Project	Mitigation	1	0	\$92,000	\$92,000
21710	Fire Mitigation - Ongoing	Mitigation	1	1	\$14,000	\$16,000
<b>Mechanical</b>						
2579	Irrigation Controllers - Replace	~ (2) Controllers	12	1	\$2,500	\$3,100
<b>Amenities</b>						
2601	Play Equipment - Replace	(1) Large Structure	20	19	\$76,000	\$90,000
2603	Playground Padding - Replace	~ 2,450 GSF	20	19	\$44,000	\$65,000
2605	Park Furnishings - Replace - 35%	35% of ~ (15) Pieces	5	4	\$3,100	\$3,800

12 Total Funded Components

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
<b>Sites &amp; Grounds</b>								
2129	Trails - Refurbish	\$37,500	X	3	/	3	=	\$37,500
2151	3-Rail Fence - Repair/Paint	\$2,200	X	5	/	5	=	\$2,200
2157	3- Rail Fence - Replace	\$8,850	X	18	/	20	=	\$7,965
2183	Stone Columns - Repair	\$7,250	X	19	/	20	=	\$6,888
2184	Stone Column Cap Lights - Replace	\$17,000	X	18	/	24	=	\$12,750
2195	Landscaping - Refurbish	\$63,000	X	8	/	8	=	\$63,000
21710	Fire Mitigation - One-Time Project	\$92,000	X	1	/	1	=	\$92,000
21710	Fire Mitigation - Ongoing	\$15,000	X	0	/	1	=	\$0
<b>Mechanical</b>								
2579	Irrigation Controllers - Replace	\$2,800	X	11	/	12	=	\$2,567
<b>Amenities</b>								
2601	Play Equipment - Replace	\$83,000	X	1	/	20	=	\$4,150
2603	Playground Padding - Replace	\$54,500	X	1	/	20	=	\$2,725
2605	Park Furnishings - Replace - 35%	\$3,450	X	1	/	5	=	\$690
								\$232,434



#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
<b>Sites &amp; Grounds</b>					
2129	Trails - Refurbish	3	\$37,500	\$12,500	9.12 %
2151	3-Rail Fence - Repair/Paint	5	\$2,200	\$440	0.32 %
2157	3- Rail Fence - Replace	20	\$8,850	\$443	0.32 %
2183	Stone Columns - Repair	20	\$7,250	\$363	0.26 %
2184	Stone Column Cap Lights - Replace	24	\$17,000	\$708	0.52 %
2195	Landscaping - Refurbish	8	\$63,000	\$7,875	5.74 %
21710	Fire Mitigation - One-Time Project	1	\$92,000	\$92,000	67.09 %
21710	Fire Mitigation - Ongoing	1	\$15,000	\$15,000	10.94 %
<b>Mechanical</b>					
2579	Irrigation Controllers - Replace	12	\$2,800	\$233	0.17 %
<b>Amenities</b>					
2601	Play Equipment - Replace	20	\$83,000	\$4,150	3.03 %
2603	Playground Padding - Replace	20	\$54,500	\$2,725	1.99 %
2605	Park Furnishings - Replace - 35%	5	\$3,450	\$690	0.50 %
12	Total Funded Components			\$137,127	100.00 %

# 30-Year Reserve Plan Summary

Report # 16147-1  
No-Site-Visit

Fiscal Year Start: 2022

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2022	\$347,883	\$232,434	149.7 %	Low	128.00 %	\$45,600	\$0	\$2,746	\$194,700
2023	\$201,529	\$85,347	236.1 %	Low	3.00 %	\$46,968	\$0	\$2,131	\$25,802
2024	\$224,826	\$109,206	205.9 %	Low	3.00 %	\$48,377	\$0	\$2,374	\$25,302
2025	\$250,275	\$135,732	184.4 %	Low	3.00 %	\$49,828	\$0	\$2,476	\$57,368
2026	\$245,212	\$131,505	186.5 %	Low	3.00 %	\$51,323	\$0	\$2,617	\$20,766
2027	\$278,386	\$166,376	167.3 %	Low	3.00 %	\$52,863	\$0	\$2,962	\$19,940
2028	\$314,272	\$204,713	153.5 %	Low	3.00 %	\$54,449	\$0	\$3,014	\$82,987
2029	\$288,748	\$180,879	159.6 %	Low	3.00 %	\$56,082	\$0	\$3,090	\$18,448
2030	\$329,472	\$224,468	146.8 %	Low	3.00 %	\$57,765	\$0	\$3,104	\$98,808
2031	\$291,532	\$188,310	154.8 %	Low	3.00 %	\$59,498	\$0	\$2,861	\$73,002
2032	\$280,888	\$179,414	156.6 %	Low	3.00 %	\$61,283	\$0	\$3,014	\$23,115
2033	\$322,069	\$223,453	144.1 %	Low	3.00 %	\$63,121	\$0	\$3,448	\$20,764
2034	\$367,875	\$273,110	134.7 %	Low	3.00 %	\$65,015	\$0	\$3,646	\$74,852
2035	\$361,684	\$270,476	133.7 %	Low	3.00 %	\$66,965	\$0	\$3,839	\$26,140
2036	\$406,347	\$319,924	127.0 %	Low	3.00 %	\$68,974	\$0	\$4,288	\$27,907
2037	\$451,703	\$371,083	121.7 %	Low	3.00 %	\$71,043	\$0	\$4,467	\$85,221
2038	\$441,992	\$366,853	120.5 %	Low	3.00 %	\$73,175	\$0	\$4,179	\$125,167
2039	\$394,178	\$323,524	121.8 %	Low	3.00 %	\$75,370	\$0	\$4,214	\$24,793
2040	\$448,969	\$384,519	116.8 %	Low	3.00 %	\$77,631	\$0	\$4,451	\$89,378
2041	\$441,674	\$383,125	115.3 %	Low	3.00 %	\$79,960	\$0	\$3,465	\$273,459
2042	\$251,639	\$194,459	129.4 %	Low	3.00 %	\$82,359	\$0	\$2,786	\$31,065
2043	\$305,719	\$252,245	121.2 %	Low	3.00 %	\$84,829	\$0	\$2,939	\$111,153
2044	\$282,335	\$231,793	121.8 %	Low	3.00 %	\$87,374	\$0	\$3,046	\$45,699
2045	\$327,055	\$280,738	116.5 %	Low	3.00 %	\$89,996	\$0	\$3,589	\$29,604
2046	\$391,036	\$350,401	111.6 %	Low	3.00 %	\$92,695	\$0	\$3,179	\$241,801
2047	\$245,110	\$206,344	118.8 %	Low	3.00 %	\$95,476	\$0	\$2,732	\$41,876
2048	\$301,442	\$266,722	113.0 %	Low	3.50 %	\$98,818	\$0	\$3,362	\$32,349
2049	\$371,274	\$341,644	108.7 %	Low	3.50 %	\$102,277	\$0	\$3,658	\$116,618
2050	\$360,590	\$335,023	107.6 %	Low	3.50 %	\$105,856	\$0	\$3,982	\$34,319
2051	\$436,109	\$416,069	104.8 %	Low	3.50 %	\$109,561	\$0	\$4,713	\$43,479

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$347,883	\$201,529	\$224,826	\$250,275	\$245,212
Annual Reserve Funding	\$45,600	\$46,968	\$48,377	\$49,828	\$51,323
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,746	\$2,131	\$2,374	\$2,476	\$2,617
Total Income	\$396,229	\$250,628	\$275,578	\$302,580	\$299,152
# Component					
<b>Sites &amp; Grounds</b>					
2129 Trails - Refurbish	\$37,500	\$0	\$0	\$40,977	\$0
2151 3-Rail Fence - Repair/Paint	\$2,200	\$0	\$0	\$0	\$0
2157 3- Rail Fence - Replace	\$0	\$0	\$9,389	\$0	\$0
2183 Stone Columns - Repair	\$0	\$7,468	\$0	\$0	\$0
2184 Stone Column Cap Lights - Replace	\$0	\$0	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$63,000	\$0	\$0	\$0	\$0
21710 Fire Mitigation - One-Time Project	\$92,000	\$0	\$0	\$0	\$0
21710 Fire Mitigation - Ongoing	\$0	\$15,450	\$15,914	\$16,391	\$16,883
<b>Mechanical</b>					
2579 Irrigation Controllers - Replace	\$0	\$2,884	\$0	\$0	\$0
<b>Amenities</b>					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Padding - Replace	\$0	\$0	\$0	\$0	\$0
2605 Park Furnishings - Replace - 35%	\$0	\$0	\$0	\$0	\$3,883
Total Expenses	\$194,700	\$25,802	\$25,302	\$57,368	\$20,766
Ending Reserve Balance	\$201,529	\$224,826	\$250,275	\$245,212	\$278,386

<b>Fiscal Year</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Starting Reserve Balance	\$278,386	\$314,272	\$288,748	\$329,472	\$291,532
Annual Reserve Funding	\$52,863	\$54,449	\$56,082	\$57,765	\$59,498
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,962	\$3,014	\$3,090	\$3,104	\$2,861
<b>Total Income</b>	<b>\$334,211</b>	<b>\$371,734</b>	<b>\$347,920</b>	<b>\$390,340</b>	<b>\$353,891</b>
# Component					
<b>Sites &amp; Grounds</b>					
2129 Trails - Refurbish	\$0	\$44,777	\$0	\$0	\$48,929
2151 3-Rail Fence - Repair/Paint	\$2,550	\$0	\$0	\$0	\$0
2157 3- Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
2183 Stone Columns - Repair	\$0	\$0	\$0	\$0	\$0
2184 Stone Column Cap Lights - Replace	\$0	\$20,299	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$79,807	\$0
21710 Fire Mitigation - One-Time Project	\$0	\$0	\$0	\$0	\$0
21710 Fire Mitigation - Ongoing	\$17,389	\$17,911	\$18,448	\$19,002	\$19,572
<b>Mechanical</b>					
2579 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
<b>Amenities</b>					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Padding - Replace	\$0	\$0	\$0	\$0	\$0
2605 Park Furnishings - Replace - 35%	\$0	\$0	\$0	\$0	\$4,501
<b>Total Expenses</b>	<b>\$19,940</b>	<b>\$82,987</b>	<b>\$18,448</b>	<b>\$98,808</b>	<b>\$73,002</b>
Ending Reserve Balance	\$314,272	\$288,748	\$329,472	\$291,532	\$280,888

<b>Fiscal Year</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
Starting Reserve Balance	\$280,888	\$322,069	\$367,875	\$361,684	\$406,347
Annual Reserve Funding	\$61,283	\$63,121	\$65,015	\$66,965	\$68,974
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,014	\$3,448	\$3,646	\$3,839	\$4,288
<b>Total Income</b>	<b>\$345,185</b>	<b>\$388,639</b>	<b>\$436,536</b>	<b>\$432,487</b>	<b>\$479,610</b>
# Component					
<b>Sites &amp; Grounds</b>					
2129 Trails - Refurbish	\$0	\$0	\$53,466	\$0	\$0
2151 3-Rail Fence - Repair/Paint	\$2,957	\$0	\$0	\$0	\$0
2157 3- Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
2183 Stone Columns - Repair	\$0	\$0	\$0	\$0	\$0
2184 Stone Column Cap Lights - Replace	\$0	\$0	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
21710 Fire Mitigation - One-Time Project	\$0	\$0	\$0	\$0	\$0
21710 Fire Mitigation - Ongoing	\$20,159	\$20,764	\$21,386	\$22,028	\$22,689
<b>Mechanical</b>					
2579 Irrigation Controllers - Replace	\$0	\$0	\$0	\$4,112	\$0
<b>Amenities</b>					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Padding - Replace	\$0	\$0	\$0	\$0	\$0
2605 Park Furnishings - Replace - 35%	\$0	\$0	\$0	\$0	\$5,218
<b>Total Expenses</b>	<b>\$23,115</b>	<b>\$20,764</b>	<b>\$74,852</b>	<b>\$26,140</b>	<b>\$27,907</b>
Ending Reserve Balance	\$322,069	\$367,875	\$361,684	\$406,347	\$451,703

<b>Fiscal Year</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>
Starting Reserve Balance	\$451,703	\$441,992	\$394,178	\$448,969	\$441,674
Annual Reserve Funding	\$71,043	\$73,175	\$75,370	\$77,631	\$79,960
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,467	\$4,179	\$4,214	\$4,451	\$3,465
<b>Total Income</b>	<b>\$527,212</b>	<b>\$519,345</b>	<b>\$473,762</b>	<b>\$531,052</b>	<b>\$525,099</b>
# Component					
<b>Sites &amp; Grounds</b>					
2129 Trails - Refurbish	\$58,424	\$0	\$0	\$63,841	\$0
2151 3-Rail Fence - Repair/Paint	\$3,428	\$0	\$0	\$0	\$0
2157 3- Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
2183 Stone Columns - Repair	\$0	\$0	\$0	\$0	\$0
2184 Stone Column Cap Lights - Replace	\$0	\$0	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$0	\$101,097	\$0	\$0	\$0
21710 Fire Mitigation - One-Time Project	\$0	\$0	\$0	\$0	\$0
21710 Fire Mitigation - Ongoing	\$23,370	\$24,071	\$24,793	\$25,536	\$26,303
<b>Mechanical</b>					
2579 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
<b>Amenities</b>					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$145,541
2603 Playground Padding - Replace	\$0	\$0	\$0	\$0	\$95,566
2605 Park Furnishings - Replace - 35%	\$0	\$0	\$0	\$0	\$6,050
<b>Total Expenses</b>	<b>\$85,221</b>	<b>\$125,167</b>	<b>\$24,793</b>	<b>\$89,378</b>	<b>\$273,459</b>
Ending Reserve Balance	\$441,992	\$394,178	\$448,969	\$441,674	\$251,639

<b>Fiscal Year</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>
Starting Reserve Balance	\$251,639	\$305,719	\$282,335	\$327,055	\$391,036
Annual Reserve Funding	\$82,359	\$84,829	\$87,374	\$89,996	\$92,695
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,786	\$2,939	\$3,046	\$3,589	\$3,179
<b>Total Income</b>	<b>\$336,784</b>	<b>\$393,487</b>	<b>\$372,754</b>	<b>\$420,640</b>	<b>\$486,911</b>
# Component					
<b>Sites &amp; Grounds</b>					
2129 Trails - Refurbish	\$0	\$69,761	\$0	\$0	\$76,230
2151 3-Rail Fence - Repair/Paint	\$3,973	\$0	\$0	\$0	\$0
2157 3- Rail Fence - Replace	\$0	\$0	\$16,958	\$0	\$0
2183 Stone Columns - Repair	\$0	\$13,487	\$0	\$0	\$0
2184 Stone Column Cap Lights - Replace	\$0	\$0	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$128,066
21710 Fire Mitigation - One-Time Project	\$0	\$0	\$0	\$0	\$0
21710 Fire Mitigation - Ongoing	\$27,092	\$27,904	\$28,742	\$29,604	\$30,492
<b>Mechanical</b>					
2579 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
<b>Amenities</b>					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Padding - Replace	\$0	\$0	\$0	\$0	\$0
2605 Park Furnishings - Replace - 35%	\$0	\$0	\$0	\$0	\$7,013
<b>Total Expenses</b>	<b>\$31,065</b>	<b>\$111,153</b>	<b>\$45,699</b>	<b>\$29,604</b>	<b>\$241,801</b>
Ending Reserve Balance	\$305,719	\$282,335	\$327,055	\$391,036	\$245,110



<b>Fiscal Year</b>	<b>2047</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>	<b>2051</b>
Starting Reserve Balance	\$245,110	\$301,442	\$371,274	\$360,590	\$436,109
Annual Reserve Funding	\$95,476	\$98,818	\$102,277	\$105,856	\$109,561
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,732	\$3,362	\$3,658	\$3,982	\$4,713
<b>Total Income</b>	<b>\$343,318</b>	<b>\$403,622</b>	<b>\$477,208</b>	<b>\$470,428</b>	<b>\$550,384</b>
# Component					
<b>Sites &amp; Grounds</b>					
2129 Trails - Refurbish	\$0	\$0	\$83,298	\$0	\$0
2151 3-Rail Fence - Repair/Paint	\$4,606	\$0	\$0	\$0	\$0
2157 3- Rail Fence - Replace	\$0	\$0	\$0	\$0	\$0
2183 Stone Columns - Repair	\$0	\$0	\$0	\$0	\$0
2184 Stone Column Cap Lights - Replace	\$0	\$0	\$0	\$0	\$0
2195 Landscaping - Refurbish	\$0	\$0	\$0	\$0	\$0
21710 Fire Mitigation - One-Time Project	\$0	\$0	\$0	\$0	\$0
21710 Fire Mitigation - Ongoing	\$31,407	\$32,349	\$33,319	\$34,319	\$35,348
<b>Mechanical</b>					
2579 Irrigation Controllers - Replace	\$5,863	\$0	\$0	\$0	\$0
<b>Amenities</b>					
2601 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
2603 Playground Padding - Replace	\$0	\$0	\$0	\$0	\$0
2605 Park Furnishings - Replace - 35%	\$0	\$0	\$0	\$0	\$8,130
<b>Total Expenses</b>	<b>\$41,876</b>	<b>\$32,349</b>	<b>\$116,618</b>	<b>\$34,319</b>	<b>\$43,479</b>
Ending Reserve Balance	\$301,442	\$371,274	\$360,590	\$436,109	\$506,905



## Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Bryan Farley, R.S., president of the Colorado LLC, is a credentialed Reserve Specialist (#260). All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.



## Terms and Definitions

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area). Equivalent to Square Feet
<b>GSY</b>	Gross Square Yards (area). Equivalent to Square Yards
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)
<b>Effective Age</b>	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
<b>Fully Funded Balance (FFB)</b>	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
<b>Inflation</b>	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
<b>Interest</b>	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
<b>Percent Funded</b>	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
<b>Remaining Useful Life (RUL)</b>	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
<b>Useful Life (UL)</b>	The estimated time, in years, that a common area component can be expected to serve its intended function.



## Component Details

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of elements that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

- 1) Common are maintenance, repair & replacement reasonability
- 2) Components must have a limited life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of annual operating expenses).

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life or how often the project is expected to occur, RUL = Remaining Useful Life or how many years from our reporting period) and a representative market cost range termed “Best Cost” and “Worst Cost” below the photo. There are many factors that can result in a wide variety of potential cost; we are attempting to represent a market average for budget purposes. Where there is no UL, the component is expected to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.

## Sites & Grounds

**Comp #: 2109 Concrete - Repair**

**Quantity: ~ 665 GSF**

Location: Drives  
 Funded?: No.  
 History:  
 Comments:  
 Useful Life:  
 Best Case:  
 Cost Source:

Remaining Life:  
 Worst Case:

**Comp #: 2129 Trails - Refurbish**

**Quantity: ~ 21,000 GSF**

Location: Common areas  
 Funded?: Yes.  
 History: \$30,000 of repairs in 2015  
 Comments:  
 Useful Life: 3 years  
 Best Case: \$ 35,000  
                 Lower allowance  
 Cost Source: Client Cost History

Remaining Life: 0 years  
 Worst Case: \$40,000  
                 Higher allowance

**Comp #: 2151 3-Rail Fence - Repair/Paint**

**Quantity: ~ 300 LF**

Location: Common areas  
 Funded?: Yes.  
 History:  
 Comments:  
 Useful Life: 5 years  
 Best Case: \$ 1,800  
                 Lower allowance  
 Cost Source: ARI Cost Database: Similar Project  
 Cost History

Remaining Life: 0 years  
 Worst Case: \$2,600  
                 Higher allowance

**Comp #: 2157 3- Rail Fence - Replace**

**Quantity: ~ 300 LF**

Location: Common areas  
 Funded?: Yes.  
 History:  
 Comments:  
 Useful Life: 20 years  
 Best Case: \$ 8,300  
                 Lower allowance  
 Cost Source: ARI Cost Database: Similar Project  
 Cost History

Remaining Life: 2 years  
 Worst Case: \$9,400  
                 Higher allowance

**Comp #: 2165 Landscape Timbers - Repair**

**Quantity: ~ X LF**

Location: Common areas  
 Funded?: No. Unpredictable scope  
 History:  
 Comments:  
 Useful Life:  
 Best Case:  
 Cost Source:

Remaining Life:  
 Worst Case:

**Comp #: 2183 Stone Columns - Repair**

**Quantity: ~ (15) Fixtures,~ 760 GSF**

Location: Common areas  
 Funded?: Yes.  
 History:  
 Comments:  
 Useful Life: 20 years  
 Best Case: \$ 6,900  
                 Lower allowance  
 Cost Source: ARI Cost Database: Similar Project  
 Cost History

Remaining Life: 1 years  
 Worst Case: \$7,600  
                 Higher allowance

**Comp #: 2184 Stone Column Cap Lights - Replace****Quantity: ~ (16) Fixtures**

Location: Common areas

Funded?: Yes.

History:

Comments:

Useful Life: 24 years

Remaining Life: 6 years

Best Case: \$ 16,000

Worst Case: \$18,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

**Comp #: 2195 Landscaping - Refurbish****Quantity: Ground Areas**

Location: Common areas, islands, parks

Funded?: Yes.

History:

Comments:

Useful Life: 8 years

Remaining Life: 0 years

Best Case: \$ 61,000

Worst Case: \$65,000

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

**Comp #: 21710 Fire Mitigation - One-Time Project****Quantity: Mitigation**

Location: Common Areas

Funded?: Yes. Included at the request of the client

History: The client will plan to complete ~\$92,000 of one time mitigation in 2022. After the initial mitigation work, the client expects ~ \$15,000 annually.

Comments: The client will plan to complete ~\$92,000 of one time mitigation in 2022. After the initial mitigation work, the client expects ~ \$15,000 annually.

Useful Life: 1 years

Remaining Life: 0 years

Best Case: \$ 92,000

Worst Case: \$92,000

Cost Source: Estimate Provided by Client

**Comp #: 21710 Fire Mitigation - Ongoing****Quantity: Mitigation**

Location: Common Areas

Funded?: Yes. Included at the request of the client

History: The client will plan to complete ~\$92,000 of one time mitigation in 2022. After the initial mitigation work, the client expects ~ \$15,000 annually.

Comments: The client will plan to complete ~\$92,000 of one time mitigation in 2022. After the initial mitigation work, the client expects ~ \$15,000 annually.

Useful Life: 1 years

Remaining Life: 1 years

Best Case: \$ 14,000

Worst Case: \$16,000

Cost Source: Estimate Provided by Client

## Mechanical

**Comp #: 2579 Irrigation Controllers - Replace****Quantity: ~ (2) Controllers**

Location: Common areas

Funded?: Yes.

History:

Comments:

Useful Life: 12 years

Remaining Life: 1 years

Best Case: \$ 2,500

Worst Case: \$3,100

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

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**Comp #: 2583 Backflow Devices - Replace****Quantity: ~ (x) Devices**

Location: Common areas

Funded?: No.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

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**Comp #: 2589 Irrigation Contingency - Repairs****Quantity: Contingency**

Location:

Funded?: No.

History:

Comments:

Useful Life: 5 years

Remaining Life: 2 years

Best Case: \$ 2,000

Worst Case: \$3,000

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client



## Amenities

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**Comp #: 2601 Play Equipment - Replace****Quantity: (1) Large Structure**

Location: Play area

Funded?: Yes.

History: 2021

Comments:

Useful Life: 20 years

Remaining Life: 19 years

Best Case: \$ 76,000

Worst Case: \$90,000

Lower allowance

Higher allowance

Cost Source: ARI Cost Database: Similar Project

Cost History

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**Comp #: 2603 Playground Padding - Replace****Quantity: ~ 2,450 GSF**

Location: Play area

Funded?: Yes.

History: 2021

Comments:

Useful Life: 20 years

Remaining Life: 19 years

Best Case: \$ 44,000

Worst Case: \$65,000

Cost Source: ARI Cost Database: Similar Project

Cost History

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**Comp #: 2605 Park Furnishings - Replace - 35%****Quantity: 35% of ~ (15) Pieces**

Location: Common areas

Funded?: Yes.

History: 2021 replacements

Comments: Reported that (2) picnic tables were replace and we left one existing one, (1) trash receptable replaced, (2) charcoal BBQs are going to be removed summer 2022, (6) pet waste stations were replaced.

Useful Life: 5 years

Remaining Life: 4 years

Best Case: \$ 3,100

Worst Case: \$3,800

Lower allowance

Higher allowance

Cost Source: Allowance