



Arizona | Nevada | Texas | Utah | New Mexico

9/12/2016

## Summit Park HOA

Regarding: Fiscal Year beginning 1/1/2017 - Level II Capital Replacement Reserve Study

We are pleased to submit this Level II Reserve Study for Summit Park HOA. This report is a budgeting tool designed to help you navigate the uncertain future. It contains financial projections to help you understand your future reserve expenses. This report will help you answer the questions "Do we have enough in our Reserve account?" and "How much do we need to contribute to our reserve fund?"

If you have questions about the Reserve Study, please contact us. We look forward to doing business with you in the future.

Thank you,

Casey Arnett, P.R.A  
Project Manager



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## Disclosure and Limitations

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters. Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan.

Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections.

It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually. We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association’s representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were developed by Capital Reserves unless otherwise noted in our “Site Inspection Notes” comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

# Report Guide

The Board of Directors or governing body of common interest entities has a fiduciary responsibility to maintain and preserve the value of common area assets belonging to the entity. As part of their fiduciary duty, board members are responsible for the long-term planning and funding of future major repairs and replacements of community assets such as; remodeling the clubhouse, retrofit of the fire alarm system and resurfacing of private streets.

The purpose of this study is to provide the Association with an inventory of reserve components that require periodic repair and replacement and a reserve funding plan to offset the associated costs of these projects. This report provides condition assessments and maintenance schedules of each reserve component to assist the association in making budget decisions regarding reserve funding.

This reserve study adheres to the Community Association Institute's (CAI) standards regarding service levels and disclosures. This report is in compliance with The American Institute of Certified Public Accountants (AICPA) guidelines for Common Interest Realty Associations. Recommendations and accompanying assumptions included herein are based on information provided to Capital Reserve Analysts and assembled for the Association's use.

The report has been divided into five easy-to-understand sections:

## **Report Summary**

Provides an overview of the Association's current physical condition and financial situation, outlining significant findings and conclusions. This section of the report should be used as a quick reference in helping the reader to understand the parameters and results of the study.

## **Methodology**

Details the framework, methods, and materials used in developing the reserve study and the associated funding plan. This section provides a comprehensive understanding of the methodology and the process taken to develop the report.

## **Expense Projections**

Examines report finding and results with projections for individual reserve components expenses and recommended funding. This section includes detailed tables outlining projected expenses, funding requirements and reserve balance calculations.

## **Funding Plans**

Examines projected reserve expenses and outlines our recommended funding plan compared with Baseline and Threshold alternatives. This section includes detailed tables outlining projected expenses, funding requirements and reserve balance calculations.

## **Physical Analysis/Maintenance Recommendations**

Provides in-depth, detailed condition assessments for each reserve component along with maintenance recommendations and depreciation schedules based on estimated useful life, remaining useful life and current replacement costs.

# REPORT SUMMARY - Project Overview

<b>Association Name:</b> Summit Park HOA	<b>Project Description</b> Condominiums	<b>Number of Units</b> 124
<b>Location:</b> Flagstaff, Arizona	<b>Type of Study</b> Level II Reserve Study	<b>Date Prepared</b> 9/12/2016
<b>Year Constructed</b> 1995	<b>Funding Strategy Recommended</b> Full Funding	<b>Next Study</b> 2017



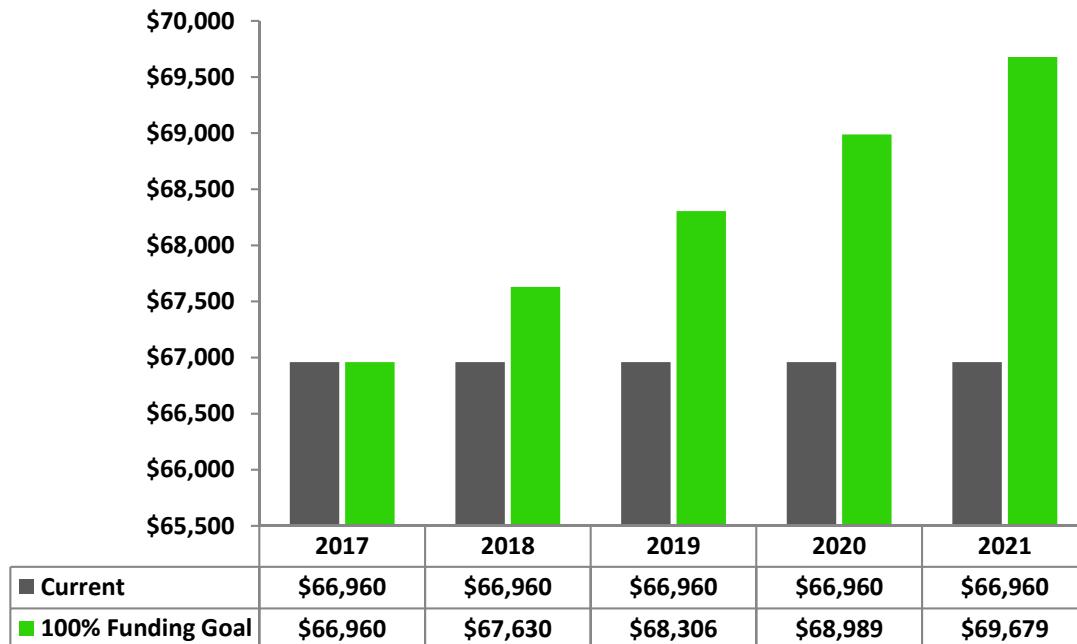
## Project Summary

Report Period (Fiscal Year)	1/1/2017–10/31/2046
Inflation Rate (Years 1-5)	3%
Inflation Rate (Years 6-30)	3.00%
Average Interest Rate	1.54%
Projected Starting Reserve Balance	\$289,429
Fully Funded Balance	\$521,873
Percent Funded	55.46%
Recommended Reserve Contribution	\$66,960
Special Assessment (Year 1)	\$N/A

# REPORT SUMMARY - Financial Overview

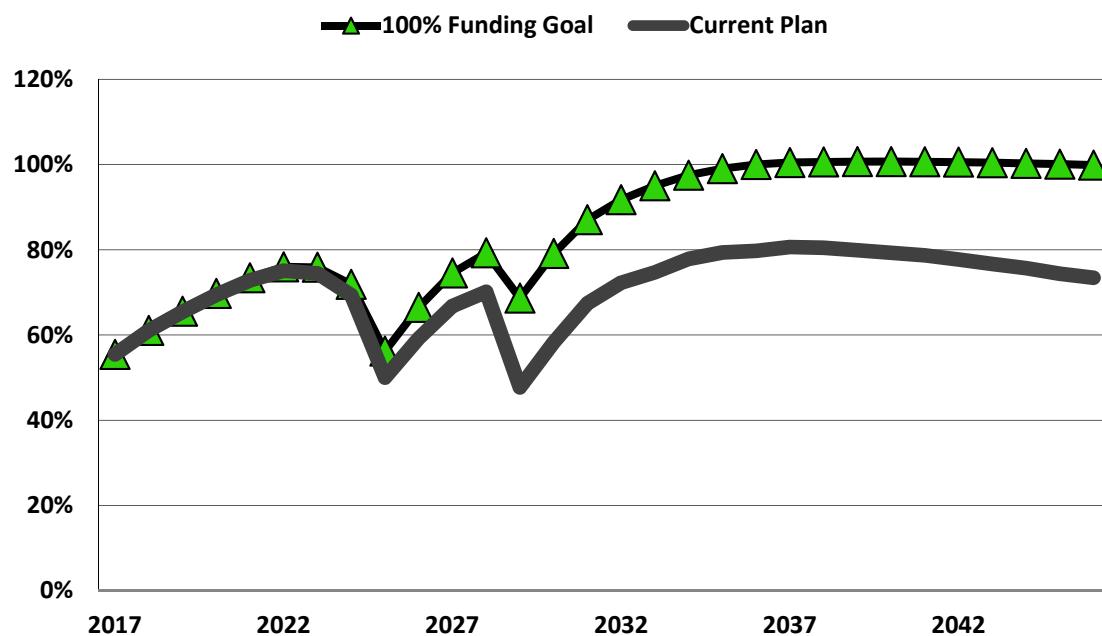
## 5-Year Summary of Reserve Funding

The graph below shows a comparison between the current levels of annual reserve contributions as measured against our recommended level of reserve contributions with a Full Funding approach.



## Percent Funded

The graph below tracks the movement of the association's reserve fund status (55.46%) over time with the current level of reserve contributions and our recommended level of reserve contributions.



# REPORT SUMMARY – Projected Reserve Expenses

## Immediately Necessary Repairs and Replacements

The table below identifies systems or components which are expected to have a remaining useful life of less than five (5) years, which are found to be in need of attention, which must be modified, repaired or replaced in order to maintain or preserve the useful life of the asset, or which are otherwise in a state of deferred maintenance.

## Site Inspection Notes/Observations:

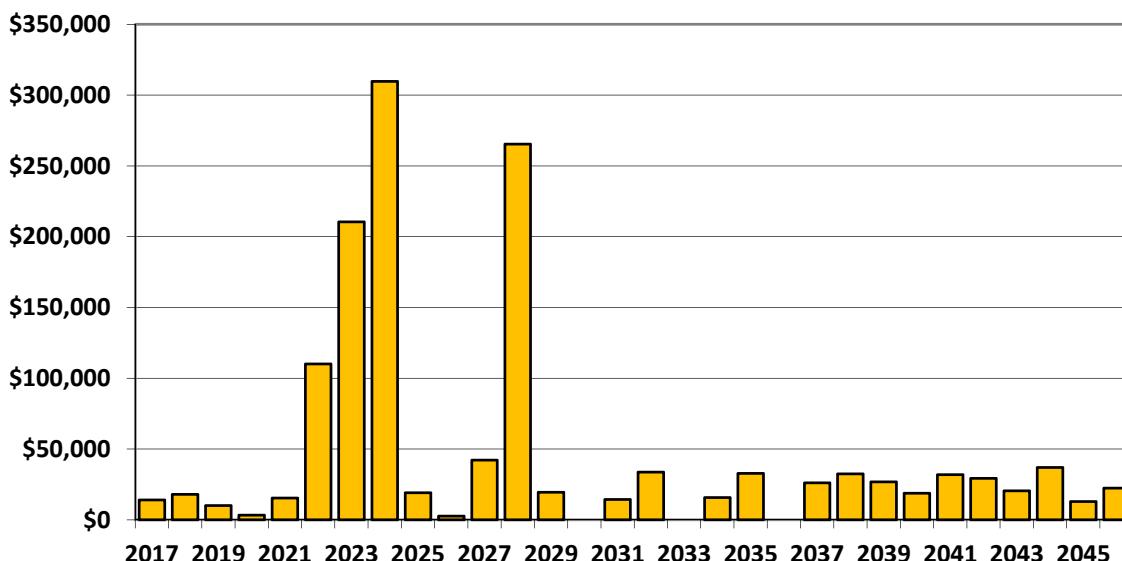
During our site inspection, we observed rusting located on the building stair stringer beams. This was discussed with the Association and repairs will be handled out of the Operating budget. The association inquired on the inclusion of underground water and sewer utilities in the Reserve Study. Per National Reserve Study Standards, all Reserve components must pass the **Four-Part Test**: (refer to page 11). Underground utilities cannot be inspected due to the non-invasive nature of this report and therefore a reasonable condition or remaining life cannot be established. Underground utilities fail part 3 of the Four-Part Test. Planning for unexpected failures to underground utilities can be done outside of a Reserve Study with a “Contingency” fund.

Reserve Asset	Location	2017	2018	2019	2020	2021
Asphalt - Seal Coat	Parking Lot	\$0	\$14,080	\$0	\$0	\$15,386
BBQ Grills - Replace	Common Area	\$0	\$0	\$0	\$3,278	\$0
Concrete Walkways - Repair	Common Area	\$0	\$0	\$10,079	\$0	\$0
Stairs - Repair (Treads/Railing/Stringers)	Buildings	\$5,000	\$0	\$0	\$0	\$0
Block Walls - Repair (10% of Total)	Perimeter	\$0	\$3,914	\$0	\$0	\$0
View Fence - Install (North)	Perimeter	\$9,000	\$0	\$0	\$0	\$0
<b>TOTAL EXPENSES</b>		<b>\$14,000</b>	<b>\$17,994</b>	<b>\$10,079</b>	<b>\$3,278</b>	<b>\$15,386</b>

## Long-term future Reserve Expenses

The graph below illustrates all of the projected reserve expenses for the next 30 years.

Reserve Expenditures



## REPORT SUMMARY - Financial Analysis

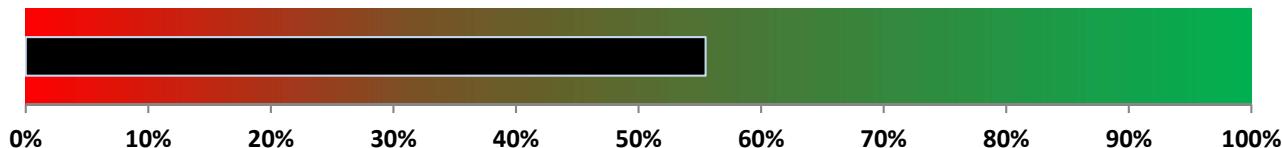
The Financial Analysis is made up of a finding of the client's current *Reserve Fund Status* (measured in cash and Percent Funded) and a recommendation for an appropriate Reserve contribution rate (*Funding Plan*) in order to adequately plan for the ongoing major maintenance, repair and replacement of common area elements.

<b>1. Projected Starting Reserve Balance</b>	<b>\$289,429</b>
<b>2. Fully Funded Balance</b>	<b>\$521,873</b>
<b>3. Percent Funded</b>	<b>55.46%</b>
<b>4. Recommended Annual Reserve Contributions</b>	<b>\$66,960</b>
<b>5. Report Start Date</b>	<b>1/1/2017</b>

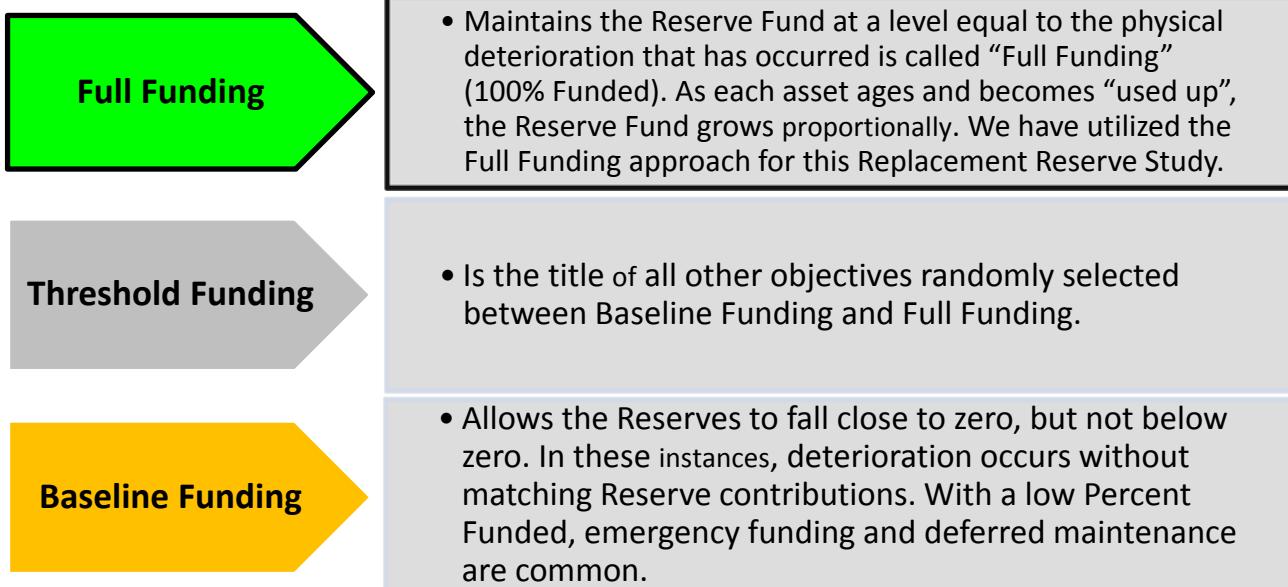
1. Your projected starting reserve balance is the dollar amount projected to be in the reserve account at the beginning of the report period. This amount is calculated based on client figures and is not audited.
2. Fully funded balance is the amount needed to cover future reserve expenses and reduce special assessment risk.
3. Percent funded compares what you currently have in the reserve account to the "Ideal" amount that should be in reserves i.e. The Fully Funded Balance.
4. Recommended reserve contributions are the amount we recommend contributing to the reserve fund in order to increase or maintain your Reserve Fund at the 100% funded level. It should be noted, we are recommending contributions of **\$66,960/year** or **\$5,580/month** with annual increases of **1%** for 10 years followed by annual increases of **0.75%** for 10 years and **3%** for 10 years.
5. Report start date is the date the funding model begins to calculate

### Reserve Fund Strength

Reserve fund strength is measured as a percentage. Typically, associations with a percent funded level of 70% and above have a low risk for special assessments. Associations with a percent funded level of 30% and below have a high risk of special assessments and deferred maintenance. The chart below illustrates the reserve fund percentage at **Summit Park HOA** which is currently **55.46%** this represents a Fair position.



## REPORT SUMMARY - Recommended Funding Goal



### Recommended Reserve Contribution

Current reserve contributions at Summit Park HOA are **\$5,580/month**. The association’s major Reserve obligations include: Asphalt parking, common area deck, perimeter fencing, roofing systems, balcony decks, wall lights, and windows associated with (11) unit buildings. In order to prepare for major capital expenditures associated with these assets, we recommend monthly reserve contributions of **\$5,580/month beginning on 1/1/2017 with 1.00% annual increases for 10 years followed by 0.75% for 10 years and 3% for 10 years.**

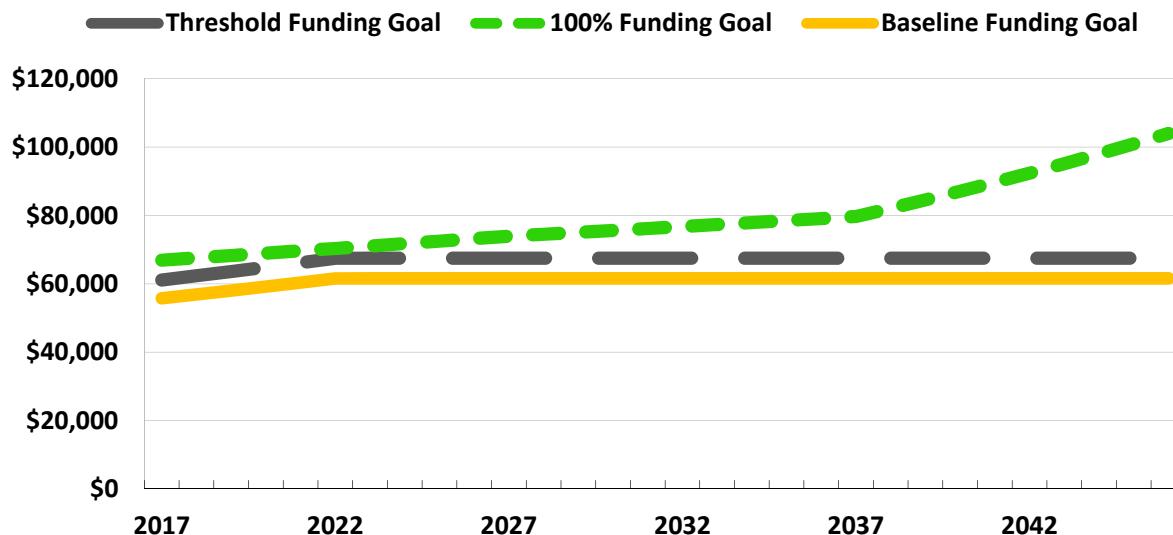
	Full Funding	Threshold Funding (70%)	Baseline Funding
Required Contributions:	\$66,960	\$61,157	\$55,800
Minimum Reserve Balance:	\$157,022	\$95,009	\$20,838
Total Reserve Contributions:	\$2,379,390	\$2,006,324	\$1,830,578
Average Percent Funded Level:	84.94%	68.51%	53.37%

For comparison purposes, the table above provides the financial results of three standard funding alternatives. Required contributions are equal to the amount needed each year to achieve a desired funding goal (Full, Threshold, and Baseline). Minimum Reserve Balance, Total Reserve Contributions and Average Percent Funded Level are indicators of the level of risk (probability of insufficient funds) associated with each plan. Special Assessment and Emergency Capital risks increase as these key indicators approach zero.

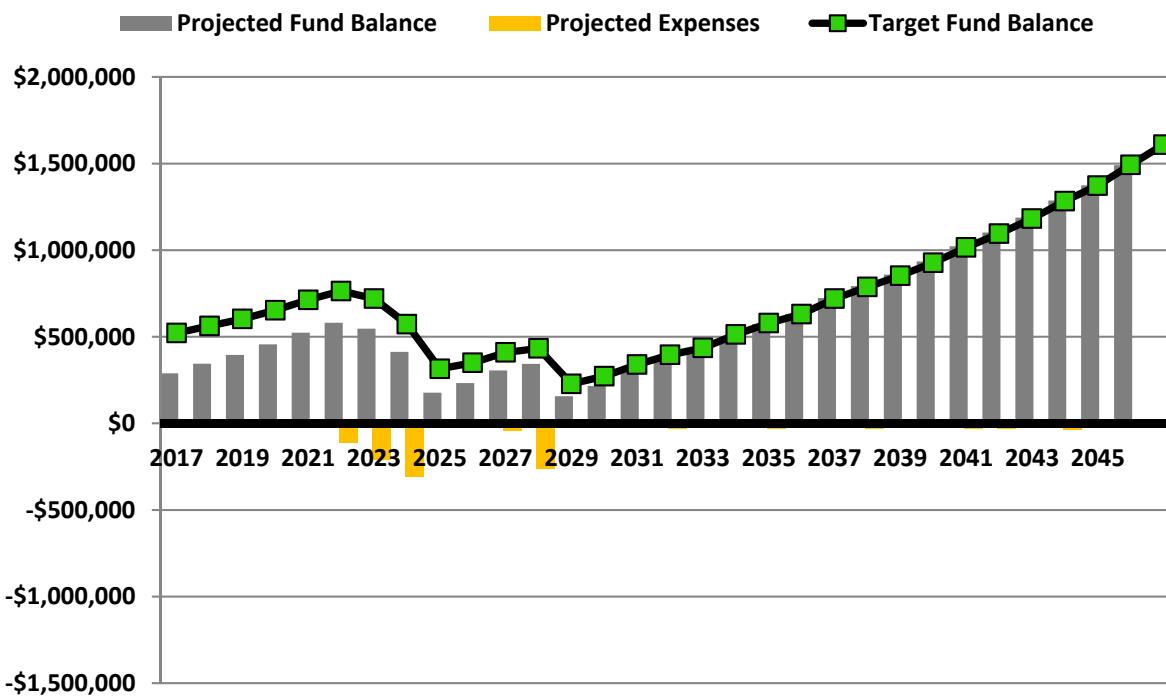
# REPORT SUMMARY - Reserve Fund Account

## Projected Reserve Contributions

Although projected reserve expenditures vary significantly from year to year, it is important to fund reserves with stable, evenly distributed contributions. Physical assets are utilized by current AND future members, therefore the most prudent and responsible funding plan will match annual deterioration with equal Reserve Contributions. Regular increases to Reserve Contributions should be made to keep up with inflation. Annual increases greater than 3%-5% and Special Assessments are common in under-funded reserve scenarios. This situation occurs when past and current reserve contributions have been insufficient and “Catch-up” contributions or Special Assessments are needed to fund current and future reserve expenses.



## Projected Reserve Account Balance – FULL FUNDING (Recommended)



# METHODOLOGY

## Reserve Study

A Reserve Study is a budgeting tool to help prepare and plan for future expenditures. It should be noted that the projections made in this study are just that, projections and do not predict with 100% surety the future. We do however, use well defined methodologies and extensive research is done in preparation of each Reserve Study. In this Report you will find the Reserve Component List. It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the client is responsible to maintain or replace. Based on that list and your starting balance we calculated the Reserve Fund Strength, which is measured as “Percent Funded”, and created a recommended 30-year Reserve Funding Strategy to offset future Reserve expenditures.

## Reserve Component Four-Part Test

Credentialed Reserve Study professionals utilize CAI's national-standard four-part test to determine which expenses should be funded through Reserves. **Part 1:** Item must be a common area maintenance responsibility. **Part 2:** the component must have a limited life. **Part 3:** the limited life must be predictable. **Part 4:** the component's repair or replacement cost must be above a minimum threshold cost (this dollar amount varies depending number of components). This means that Reserve Components should be major, predictable expenses. It is incorrect to include “lifetime” components, unpredictable expenses (such as insurance related losses), and expenses more appropriately handled from the Operational Budget.

*\*\*No items have been reserved for which have an estimated useful life of less than one year or a total cost less than \$2,000\*\**

## Determining Expected Useful Life

- 1) Visual Inspection (observed wear and age)
- 2) Cost Database of experience and similar projects
- 3) Client Component History
- 4) Vendor Expertise and Recommendations

## Cost Estimates

Financial projections and our current cost estimates are established in this order:

- 1) Client Cost History
- 2) Comparison to Cost database
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating software

## Establishing Current Reserve Funding Level and Status

Do you have enough money in Reserves to fund future capital replacements? Reserve adequacy is measured by comparing where you need to be to where you are currently at with respect to Reserves:

- 1) Calculate your Fully Funded Balance (where you need to be).
- 2) Compare to the Reserve Fund Balance (where you currently are), and express as a percentage.

The Fully Funded Balance increases as assets deteriorate and age. The Fully Funded Balance shrinks when projects are completed.

## Recommended Funding Strategy

We utilize four funding principles in establishing our recommended Reserve Contributions:

1. Ensuring that the client has sufficient funds to perform current reserve projects on time.
2. Put in place a stable contribution rate over the 30-years.
3. Evenly distributed contributions over the years. (Prepare now with manageable monthly contributions rather than face unmanageable expenses in the future)
4. Assist board members and officials in doing their fiduciary duty to guide the entity's future.

## **DATA TABLES APPENDIX**

**TABLE 2: Reserve Component List**

\*\*EL = Expected Useful Life

\*\*RUL = Remaining Useful Life

\*\*UOM = Unit of Measure

\*\*\$0 Items are listed for Inventory Purposes only

**Operating Expenses:**

Irrigation Controllers

Perimeter walls/fencing repairs/painting

**Lifetime Components:**

Foundations

Electrical Systems

Fire Protection System

Pipes, Subsurface, Water and Sewer

Structural Frames, Buildings

CATEGORY	LOCATION	RESERVE ASSET DESCRIPTION	QTY	UOM	EL	RUL	CURRENT COST
<b>GROUPS</b>							
GRNDS	Parking Lot	Asphalt - Resurface	91,102	SF	24	11	\$182,200
GRNDS	Parking Lot	Asphalt - Seal Coat	91,102	SF	3	1	\$13,670
BLDGS	Garages	Garage Building Roofs - Replace	15,764	SF	25	7	\$44,139
BLDGS	Garages	Roll-Up Doors - Replace	3	Ea.	25	6	\$6,120
BLDGS	Carports	Carport Roofs - Repair (5% of Total)	21,890	SF	10	8	\$5,630
GRNDS	Common Area	Mailboxes - Replace	124	Ea.	25	6	\$6,324
GRNDS	Common Area	Common Area Deck - Replace	1,000	SF	25	6	\$10,200
GRNDS	Common Area	Bollard Lights - Replace	150	Ea.	25	6	\$83,640
GRNDS	Common Area	Backflow Preventers - Replace	2	Ea.	25	6	\$2,600
GRNDS	Entrance	Monument Sign - Refurbish	1	Ea.	15	9	\$2,000
GRNDS	Common Area	BBQ Grills - Replace	2	Ea.	12	3	\$3,000
GRNDS	Common Area	Concrete Walkways - Repair	1	LS	3	2	\$9,500
BLDGS	Bldgs. 1-3	Building Roofs - Replace (Ph. 1)	28,730	SF	25	5	\$80,500
BLDGS	Bldgs. 4-11	Building Roofs - Replace (Ph. 2)	69,300	SF	25	7	\$194,040
BLDGS	Buildings	Building Wall Lights - Replace	230	Ea.	25	6	\$18,768
BLDGS	Buildings	Balcony Decks - Replace	3,970	SF	25	6	\$48,593
BLDGS	Buildings	Windows - Partial Replace	1	LS	30	10	\$26,400
BLDGS	Buildings	Stairs - Repair (Treads/Railing/Stringers)	1	LS	5	0	\$5,000
GRNDS	Perimeter	Block Walls - Repair (10% of Total)	6,600	SF	20	1	\$3,800
GRNDS	Perimeter	View Fence - Replace (South)	230	LF	25	22	\$14,000
GRNDS	Perimeter	View Fence - Install (North)	150	LF	25	0	\$9,000



TABLE 3: Projected Reserve Expenses (Years 1-10)

Location	Reserve Asset	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>GROUNDS</b>											
Parking Lot	Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Lot	Asphalt - Seal Coat	\$0	\$14,080	\$0	\$0	\$15,386	\$0	\$0	\$16,812	\$0	\$0
Garages	Garage Building Roofs - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,286	\$0	\$0
Garages	Roll-Up Doors - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$7,308	\$0	\$0	\$0
Carports	Carport Roofs - Repair (5% of Total)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,132	\$0
Common Area	Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$7,551	\$0	\$0	\$0
Common Area	Common Area Deck - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$12,179	\$0	\$0	\$0
Common Area	Bollard Lights - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$99,871	\$0	\$0	\$0
Common Area	Backflow Preventers - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$3,105	\$0	\$0	\$0
Entrance	Monument Sign - Refurbish	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,610
Common Area	BBQ Grills - Replace	\$0	\$0	\$0	\$3,278	\$0	\$0	\$0	\$0	\$0	\$0
Common Area	Concrete Walkways - Repair	\$0	\$0	\$10,079	\$0	\$0	\$11,013	\$0	\$0	\$12,034	\$0
Bldgs. 1-3	Building Roofs - Replace (Ph. 1)	\$0	\$0	\$0	\$0	\$0	\$93,322	\$0	\$0	\$0	\$0
Bldgs. 4-11	Building Roofs - Replace (Ph. 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$238,645	\$0	\$0
Buildings	Building Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$22,410	\$0	\$0	\$0
Buildings	Balcony Decks - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$58,022	\$0	\$0	\$0
Buildings	Windows - Partial Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	Stairs - Repair (Treads/Railing/Stringers)	\$5,000	\$0	\$0	\$0	\$0	\$5,796	\$0	\$0	\$0	\$0
Perimeter	Block Walls - Repair (10% of Total)	\$0	\$3,914	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perimeter	View Fence - Replace (South)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perimeter	View Fence - Install (North)	\$9,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Total Expenses</b>	\$14,000	\$17,994	\$10,079	\$3,278	\$15,386	\$110,131	\$210,446	\$309,743	\$19,166	\$2,610
	<b>Ending Reserve Balance:</b>	<b>\$343,972</b>	<b>\$395,456</b>	<b>\$455,811</b>	<b>\$523,971</b>	<b>\$581,026</b>	<b>\$546,908</b>	<b>\$412,336</b>	<b>\$177,330</b>	<b>\$232,721</b>	<b>\$306,038</b>

TABLE 4: Projected Reserve Expenses (Years 11-20)

Location	Reserve Asset	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
<b>GROUPS</b>											
Parking Lot	Asphalt - Resurface	\$0	\$252,207	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Lot	Asphalt - Seal Coat	\$0	\$0	\$19,490	\$0	\$0	\$21,297	\$0	\$0	\$23,272	\$0
Garages	Garage Building Roofs - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garages	Roll-Up Doors - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carports	Carport Roofs - Repair (5% of Total)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,585	\$0
Common Area	Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Common Area	Common Area Deck - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Common Area	Bollard Lights - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Common Area	Backflow Preventers - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Entrance	Monument Sign - Refurbish	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Common Area	BBQ Grills - Replace	\$0	\$0	\$0	\$0	\$0	\$4,674	\$0	\$0	\$0	\$0
Common Area	Concrete Walkways - Repair	\$0	\$13,150	\$0	\$0	\$14,370	\$0	\$0	\$15,702	\$0	\$0
Bldgs. 1-3	Building Roofs - Replace (Ph. 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bldgs. 4-11	Building Roofs - Replace (Ph. 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	Building Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	Balcony Decks - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	Windows - Partial Replace	\$35,479	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	Stairs - Repair (Treads/Railing/Stringers)	\$6,720	\$0	\$0	\$0	\$0	\$7,790	\$0	\$0	\$0	\$0
Perimeter	Block Walls - Repair (10% of Total)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perimeter	View Fence - Replace (South)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perimeter	View Fence - Install (North)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Total Expenses</b>	\$42,199	\$265,358	\$19,490	\$0	\$14,370	\$33,761	\$0	\$15,702	\$32,857	\$0
	<b>Ending Reserve Balance:</b>	<b>\$343,483</b>	<b>\$157,022</b>	<b>\$215,871</b>	<b>\$295,989</b>	<b>\$363,596</b>	<b>\$414,389</b>	<b>\$500,891</b>	<b>\$573,864</b>	<b>\$631,573</b>	<b>\$724,230</b>

TABLE 5: Projected Reserve Expenses (Years 21-30)

Location	Reserve Asset	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
<b>GROUNDS</b>											
Parking Lot	Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parking Lot	Asphalt - Seal Coat	\$0	\$25,430	\$0	\$0	\$27,788	\$0	\$0	\$30,365	\$0	\$0
Garages	Garage Building Roofs - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Garages	Roll-Up Doors - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carports	Carport Roofs - Repair (5% of Total)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,881	\$0
Common Area	Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Common Area	Common Area Deck - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Common Area	Bollard Lights - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Common Area	Backflow Preventers - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Entrance	Monument Sign - Refurbish	\$0	\$0	\$0	\$0	\$4,066	\$0	\$0	\$0	\$0	\$0
Common Area	BBQ Grills - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,664	\$0	\$0
Common Area	Concrete Walkways - Repair	\$17,158	\$0	\$0	\$18,749	\$0	\$0	\$20,488	\$0	\$0	\$22,387
Bldgs. 1-3	Building Roofs - Replace (Ph. 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bldgs. 4-11	Building Roofs - Replace (Ph. 2)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	Building Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	Balcony Decks - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	Windows - Partial Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Buildings	Stairs - Repair (Treads/Railing/Stringers)	\$9,031	\$0	\$0	\$0	\$0	\$10,469	\$0	\$0	\$0	\$0
Perimeter	Block Walls - Repair (10% of Total)	\$0	\$7,069	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perimeter	View Fence - Replace (South)	\$0	\$0	\$26,825	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Perimeter	View Fence - Install (North)	\$0	\$0	\$0	\$0	\$0	\$18,844	\$0	\$0	\$0	\$0
	<b>Total Expenses</b>	\$26,189	\$32,499	\$26,825	\$18,749	\$31,854	\$29,313	\$20,488	\$37,029	\$12,881	\$22,387
	<b>Ending Reserve Balance:</b>	<b>\$792,903</b>	<b>\$859,004</b>	<b>\$934,657</b>	<b>\$1,022,558</b>	<b>\$1,101,635</b>	<b>\$1,187,593</b>	<b>\$1,287,001</b>	<b>\$1,374,591</b>	<b>\$1,491,310</b>	<b>\$1,603,843</b>



TABLE 6: Detailed Funding Plan – Full Funding

	Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
FULL FUNDING GOAL	<b>Beginning Balance</b>	\$289,429	\$343,972	\$395,456	\$455,811	\$523,971	\$581,026	\$546,908	\$412,336	\$177,330	\$232,721
	<b>Fully Funded Balance</b>	\$521,873	\$563,329	\$603,121	\$653,503	\$713,681	\$764,511	\$720,637	\$573,522	\$315,386	\$350,110
	<b>Percent Funded</b>	55%	61%	66%	70%	73%	76%	76%	72%	56%	66%
	<b>Rating</b>	Fair	Fair	Fair	Fair	Strong	Strong	Strong	Strong	Fair	Fair
	<b>Reserve Contribution</b>	\$66,960	\$67,630	\$68,306	\$68,989	\$69,679	\$70,376	\$71,079	\$71,790	\$72,508	\$73,233
	<b>Special Assessment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Interest Earnings</b>	\$1,583	\$1,848	\$2,128	\$2,449	\$2,762	\$5,637	\$4,794	\$2,947	\$2,049	\$2,693
	<b>Reserve Expenses</b>	\$14,000	\$17,994	\$10,079	\$3,278	\$15,386	\$110,131	\$210,446	\$309,743	\$19,166	\$2,610
	<b>Ending Balance</b>	\$343,972	\$395,456	\$455,811	\$523,971	\$581,026	\$546,908	\$412,336	\$177,330	\$232,721	\$306,038
	<b>Year</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
FULL FUNDING GOAL	<b>Beginning Balance</b>	\$306,038	\$343,483	\$157,022	\$215,871	\$295,989	\$363,596	\$414,389	\$500,891	\$573,864	\$631,573
	<b>Fully Funded Balance</b>	\$410,403	\$433,302	\$228,656	\$272,785	\$340,032	\$396,269	\$436,044	\$513,666	\$579,380	\$631,390
	<b>Percent Funded</b>	75%	79%	69%	79%	87%	92%	95%	98%	99%	100%
	<b>Rating</b>	Strong	Strong	Fair	Strong						
	<b>Reserve Contribution</b>	\$73,965	\$74,520	\$75,079	\$75,642	\$76,210	\$76,781	\$77,357	\$77,937	\$78,522	\$79,111
	<b>Special Assessment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Interest Earnings</b>	\$5,679	\$4,376	\$3,260	\$4,475	\$5,767	\$7,773	\$9,145	\$10,738	\$12,044	\$13,546
	<b>Reserve Expenses</b>	\$42,199	\$265,358	\$19,490	\$0	\$14,370	\$33,761	\$0	\$15,702	\$32,857	\$0
	<b>Ending Balance</b>	\$343,483	\$157,022	\$215,871	\$295,989	\$363,596	\$414,389	\$500,891	\$573,864	\$631,573	\$724,230
	<b>Year</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>
FULL FUNDING GOAL	<b>Beginning Balance</b>	\$724,230	\$792,903	\$859,004	\$934,657	\$1,022,558	\$1,101,635	\$1,187,593	\$1,287,001	\$1,374,591	\$1,491,310
	<b>Fully Funded Balance</b>	\$720,857	\$788,150	\$853,141	\$928,170	\$1,016,081	\$1,095,512	\$1,182,397	\$1,283,504	\$1,373,209	\$1,493,157
	<b>Percent Funded</b>	100%	101%	101%	101%	101%	101%	100%	100%	100%	100%
	<b>Rating</b>	Strong									
	<b>Reserve Contribution</b>	\$79,704	\$82,095	\$84,558	\$87,095	\$89,707	\$92,399	\$95,171	\$98,026	\$100,967	\$103,996
	<b>Special Assessment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Interest Earnings</b>	\$15,158	\$16,505	\$17,921	\$19,555	\$21,224	\$22,872	\$24,725	\$26,593	\$28,634	\$30,925
	<b>Reserve Expenses</b>	\$26,189	\$32,499	\$26,825	\$18,749	\$31,854	\$29,313	\$20,488	\$37,029	\$12,881	\$22,387
	<b>Ending Balance</b>	\$792,903	\$859,004	\$934,657	\$1,022,558	\$1,101,635	\$1,187,593	\$1,287,001	\$1,374,591	\$1,491,310	\$1,603,843

TABLE 7: Detailed Funding Plan – Threshold Funding

	Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
THRESHOLD FUNDING GOAL	<b>Beginning Balance</b>	\$289,429	\$338,155	\$384,347	\$439,956	\$503,938	\$557,403	\$520,180	\$381,765	\$142,163	\$192,191
	<b>Fully Funded Balance</b>	\$521,873	\$563,329	\$603,121	\$653,503	\$713,681	\$764,511	\$720,637	\$573,522	\$315,386	\$350,110
	<b>Percent Funded</b>	55%	60%	64%	67%	71%	73%	72%	67%	45%	55%
	<b>Rating</b>	Fair	Fair	Fair	Fair	Strong	Strong	Strong	Fair	Fair	Fair
	<b>Reserve Contribution</b>	\$61,157	\$62,380	\$63,628	\$64,900	\$66,198	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522
	<b>Special Assessment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Interest Earnings</b>	\$1,569	\$1,806	\$2,060	\$2,359	\$2,653	\$5,386	\$4,508	\$2,619	\$1,671	\$2,257
	<b>Reserve Expenses</b>	\$14,000	\$17,994	\$10,079	\$3,278	\$15,386	\$110,131	\$210,446	\$309,743	\$19,166	\$2,610
	<b>Ending Balance</b>	\$338,155	\$384,347	\$439,956	\$503,938	\$557,403	\$520,180	\$381,765	\$142,163	\$192,191	\$259,360
	<b>Year</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
THRESHOLD FUNDING GOAL	<b>Beginning Balance</b>	\$259,360	\$289,482	\$95,009	\$145,141	\$215,819	\$273,248	\$312,866	\$387,385	\$447,547	\$491,596
	<b>Fully Funded Balance</b>	\$410,403	\$433,302	\$228,656	\$272,785	\$340,032	\$396,269	\$436,044	\$513,666	\$579,380	\$631,390
	<b>Percent Funded</b>	63%	67%	42%	53%	63%	69%	72%	75%	77%	78%
	<b>Rating</b>	Fair	Fair	Fair	Fair	Fair	Fair	Strong	Strong	Strong	Strong
	<b>Reserve Contribution</b>	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522
	<b>Special Assessment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Interest Earnings</b>	\$4,799	\$3,362	\$2,100	\$3,156	\$4,276	\$5,856	\$6,996	\$8,342	\$9,383	\$10,604
	<b>Reserve Expenses</b>	\$42,199	\$265,358	\$19,490	\$0	\$14,370	\$33,761	\$0	\$15,702	\$32,857	\$0
	<b>Ending Balance</b>	\$289,482	\$95,009	\$145,141	\$215,819	\$273,248	\$312,866	\$387,385	\$447,547	\$491,596	\$569,722
	<b>Year</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>
THRESHOLD FUNDING GOAL	<b>Beginning Balance</b>	\$569,722	\$622,973	\$670,923	\$725,573	\$789,484	\$841,448	\$897,027	\$962,642	\$1,012,874	\$1,088,511
	<b>Fully Funded Balance</b>	\$720,857	\$788,150	\$853,141	\$928,170	\$1,016,081	\$1,095,512	\$1,182,397	\$1,283,504	\$1,373,209	\$1,493,157
	<b>Percent Funded</b>	79%	79%	79%	78%	78%	77%	76%	75%	74%	73%
	<b>Rating</b>	Strong									
	<b>Reserve Contribution</b>	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522	\$67,522
	<b>Special Assessment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Interest Earnings</b>	\$11,917	\$12,928	\$13,953	\$15,137	\$16,295	\$17,370	\$18,581	\$19,738	\$20,996	\$22,426
	<b>Reserve Expenses</b>	\$26,189	\$32,499	\$26,825	\$18,749	\$31,854	\$29,313	\$20,488	\$37,029	\$12,881	\$22,387
	<b>Ending Balance</b>	\$622,973	\$670,923	\$725,573	\$789,484	\$841,448	\$897,027	\$962,642	\$1,012,874	\$1,088,511	\$1,156,072

TABLE 8: Detailed Funding Plan – Baseline Funding

	Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
BASELINE FUNDING GOAL	<b>Beginning Balance</b>	\$289,429	\$332,784	\$373,471	\$423,439	\$481,638	\$529,179	\$485,728	\$341,022	\$95,067	\$138,676
	<b>Fully Funded Balance</b>	\$521,873	\$563,329	\$603,121	\$653,503	\$713,681	\$764,511	\$720,637	\$573,522	\$315,386	\$350,110
	<b>Percent Funded</b>	55%	59%	62%	65%	67%	69%	67%	59%	30%	40%
	<b>Rating</b>	Fair									
	<b>Reserve Contribution</b>	\$55,800	\$56,916	\$58,054	\$59,215	\$60,400	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608
	<b>Special Assessment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Interest Earnings</b>	\$1,555	\$1,765	\$1,992	\$2,262	\$2,527	\$5,072	\$4,132	\$2,180	\$1,168	\$1,689
	<b>Reserve Expenses</b>	\$14,000	\$17,994	\$10,079	\$3,278	\$15,386	\$110,131	\$210,446	\$309,743	\$19,166	\$2,610
	<b>Ending Balance</b>	\$332,784	\$373,471	\$423,439	\$481,638	\$529,179	\$485,728	\$341,022	\$95,067	\$138,676	\$199,364
	<b>Year</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>
BASELINE FUNDING GOAL	<b>Beginning Balance</b>	\$199,364	\$222,461	\$20,838	\$63,695	\$126,970	\$176,864	\$208,562	\$275,001	\$326,921	\$362,560
	<b>Fully Funded Balance</b>	\$410,403	\$433,302	\$228,656	\$272,785	\$340,032	\$396,269	\$436,044	\$513,666	\$579,380	\$631,390
	<b>Percent Funded</b>	49%	51%	9%	23%	37%	45%	48%	54%	56%	57%
	<b>Rating</b>	Fair	Fair	Weak	Weak	Fair	Fair	Fair	Fair	Fair	Fair
	<b>Reserve Contribution</b>	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608
	<b>Special Assessment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Interest Earnings</b>	\$3,688	\$2,127	\$739	\$1,667	\$2,657	\$3,851	\$4,831	\$6,014	\$6,889	\$7,940
	<b>Reserve Expenses</b>	\$42,199	\$265,358	\$19,490	\$0	\$14,370	\$33,761	\$0	\$15,702	\$32,857	\$0
	<b>Ending Balance</b>	\$222,461	\$20,838	\$63,695	\$126,970	\$176,864	\$208,562	\$275,001	\$326,921	\$362,560	\$432,108
	<b>Year</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>
BASELINE FUNDING GOAL	<b>Beginning Balance</b>	\$432,108	\$476,606	\$515,628	\$561,169	\$615,787	\$658,271	\$704,178	\$759,927	\$800,092	\$865,460
	<b>Fully Funded Balance</b>	\$720,857	\$788,150	\$853,141	\$928,170	\$1,016,081	\$1,095,512	\$1,182,397	\$1,283,504	\$1,373,209	\$1,493,157
	<b>Percent Funded</b>	60%	60%	60%	60%	61%	60%	60%	59%	58%	58%
	<b>Rating</b>	Fair									
	<b>Reserve Contribution</b>	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608	\$61,608
	<b>Special Assessment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	<b>Interest Earnings</b>	\$9,079	\$9,914	\$10,759	\$11,759	\$12,730	\$13,613	\$14,628	\$15,587	\$16,641	\$17,865
	<b>Reserve Expenses</b>	\$26,189	\$32,499	\$26,825	\$18,749	\$31,854	\$29,313	\$20,488	\$37,029	\$12,881	\$22,387
	<b>Ending Balance</b>	\$476,606	\$515,628	\$561,169	\$615,787	\$658,271	\$704,178	\$759,927	\$800,092	\$865,460	\$922,545

## Supplemental Disclosures

### **General:**

CRA has no other involvement(s) with Summit Park HOA which could result in actual or perceived conflicts of interest.

### **Physical Analysis:**

Capital Reserve Analysts did conduct a physical inspection.

### **Completeness:**

CRA has found no material issues which, if not disclosed, would cause a distortion of the Association's situation.

### **Reliance on Client Data:**

Information provided by the official representative of the client regarding financial, physical, quantity, or historical issues will be deemed reliable by CRA.

### **Scope:**

This Reserve Study is a reflection of information provided to CRA and assembled for the client's use, not for the purpose of performing an audit, quality/forensic analysis, health and safety inspection, or background checks of historical records.

### **Reserve Balance:**

The actual beginning reserve fund balance in this Reserve Study is based upon information provided and was not audited.

### **Reserve Projects:**

Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit, quality inspection, or health and safety review.

## Definitions

**CASH FLOW METHOD:** A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

**COMPONENT:** The individual line items in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

**COMPONENT INVENTORY:** The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s) of the association or cooperative.

**COMPONENT METHOD:** A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See “Cash Flow Method.”

**CONDITION ASSESSMENT:** The task of evaluating the current condition of the component based on observed or reported characteristics.

**CURRENT REPLACEMENT COST:** See “Replacement Cost.”

**DEFICIT:** An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

**EFFECTIVE AGE:** The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

**FINANCIAL ANALYSIS:** The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

**FULLY FUNDED:** 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

**FULLY FUNDED BALANCE (FFB):** Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider’s sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

Or

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate})] ^ \text{Remaining Life} - [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate})] ^ \text{Useful Life}$$

$(1 + \text{Inflation Rate})^{\text{Remaining Life}}$

**FUND STATUS:** The status of the reserve fund as compared to an established benchmark such as percent funding.

**FUNDING GOALS:** Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

Baseline Funding: Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Full Funding: Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding: Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than “Fully Funding.”

**FUNDING PLAN:** An association’s plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Funding Principles:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

**LIFE AND VALUATION ESTIMATES:** The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

**PERCENT FUNDED:** The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual (or projected)* Reserve Balance to the *Fully Funded Balance*, expressed as a percentage.

**PHYSICAL ANALYSIS:** The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

**REMAINING USEFUL LIFE (RUL):** Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have “zero” Remaining Useful Life.

**REPLACEMENT COST:** The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

**RESERVE BALANCE:** Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based upon information provided and not audited.

**RESERVE PROVIDER:** An individual that prepares Reserve Studies.

**RESERVE STUDY:** A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis. “Our budget and finance committee is soliciting proposals to update our Reserve Study for next year’s budget.”





## Physical Analysis