

Line Item	2028	2029	2030	2031
	360,500	352,860	25,900	32,097
	\$	\$	\$	\$
BUILDING-Balconies-balcony decking, phase i-[4]	-	-	-	-
BUILDING-Balconies-balcony decking, phase ii-[4]	-	-	-	-
BUILDING-Breezeways-breezeway decking, phase i-[4]	-	-	-	-
BUILDING-Breezeways-breezeway decking, phase ii-[4]	-	-	-	-
BUILDING-Cladding-cement board paneling-[5]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs + clubhouse-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '18-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '21-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 4 bldgs, '22-[6]	-	-	-	-
BUILDING-Concrete-breezeway and patio slab, 5%-[6]	12,000	-	-	-
BUILDING-Fire Safety-fire alarm panels-[10]	-	-	-	-
BUILDING-Fire Safety-fire sprinkler controls repair fund-[7, 10]	-	-	-	-
BUILDING-Illumination-breezeway lighting	-	-	-	-
BUILDING-Postal-mailbox banks	-	-	-	-
BUILDING-Roof-chimney chase caps, stainless, 80%-[7, 8]	-	-	-	-
BUILDING-Roof-gutters and leaders, commercial-[7,8]	-	-	-	-
BUILDING-Roof-shingle roof reconstruction-[8]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase i-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase ii-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iii-[6]	330,000	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iv-[6]	-	330,000	-	-
CLUBHOUSE-Equipment-fitness center equipment-[9]	-	-	15,000	-
CLUBHOUSE-Equipment-kitchen equipment/appliances-[6]	10,000	-	-	-
CLUBHOUSE-Flooring-carpeting-[6]	-	-	-	-
CLUBHOUSE-Furnishings-furniture replacement-[6]	-	-	-	-
CLUBHOUSE-Hvac-heat pump, smaller-[6, 11]	-	-	-	-
CLUBHOUSE-Hvac-heat pumps, large-[6, 11]	-	-	-	-
CLUBHOUSE-Interior Finish-racquet ball flooring, hardwood-[7]	-	-	-	-
CLUBHOUSE-Interior Finish-repaint interiors-[6]	-	-	-	-
CLUBHOUSE-Interior Finish-restroom refurbishment-[6]	-	-	-	-
CLUBHOUSE-Plumbing-water heater, gas, 199 mbh, 100 gal-[6, 11]	-	-	-	-
CLUBHOUSE-Pool-pool and spa coping and tiles-[7, 12]	-	7,360	-	-
CLUBHOUSE-Pool-pool and spa covers-[7]	-	-	5,400	-
CLUBHOUSE-Pool-pool furniture-[6]	8,500	-	-	-
CLUBHOUSE-Pool-pool heater, gas-fired-[6, 11]	-	-	-	-
CLUBHOUSE-Pool-pool/spa filtration/treatment equipment-[13]	-	-	-	-
CLUBHOUSE-Pool-pool and spa shell replaster-[12]	-	15,500	-	-
CLUBHOUSE-Security-controlled card access reader-[7]	-	-	-	-
SITE-Fence-perimeter fence, pvc-[14, 15]	-	-	-	-
SITE-Fence-pool enclosure fence, aluminum-[14]	-	-	-	-
SITE-Furnishings-outdoor benches, tables, bbq-[7, 18]	-	-	-	-
SITE-Illumination-pole mount site lighting-[14, 23]	-	-	-	-
SITE-Pavement-asphalt pavement reconstruction-[16]	-	-	-	-
SITE-Pavement-asphalt pavement seal coat/stripe-[16]	-	-	-	23,097
SITE-Pavement-concrete compactor slab-[6]	-	-	-	-
SITE-Pavement-concrete curb/gutter, 5%-[7, 14, 17]	-	-	-	-
SITE-Picnic Area-timber edging and retaining wall-[7, 18]	-	-	-	-
SITE-Plumbing-site drainage/utility repair fund-[6]	-	-	5,500	-
SITE-Retaining Wall-masonry wall repairs, 5%, pool area-[7, 19]	-	-	-	-
SITE-Retaining Wall-timber retaining wall allowance-[6, 22]	-	-	-	9,000

[illegible]

	2032	2033	2034	2035
Line Item	73,920	20,500	16,500	9,300
	\$	\$	\$	\$
BUILDING-Balconies-balcony decking, phase i-[4]	-	-	-	-
BUILDING-Balconies-balcony decking, phase ii-[4]	-	-	-	-
BUILDING-Breezeways-breezeway decking, phase i-[4]	-	-	-	-
BUILDING-Breezeways-breezeway decking, phase ii-[4]	-	-	-	-
BUILDING-Cladding-cement board paneling-[5]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs + clubhouse-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '18-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '21-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 4 bldgs, '22-[6]	-	-	-	-
BUILDING-Concrete-breezeway and patio slab, 5%-[6]	-	12,000	-	-
BUILDING-Fire Safety-fire alarm panels-[10]	-	-	-	-
BUILDING-Fire Safety-fire sprinkler controls repair fund-[7, 10]	-	-	-	-
BUILDING-Illumination-breezeway lighting	-	-	-	-
BUILDING-Postal-mailbox banks	-	-	-	-
BUILDING-Roof-chimney chase caps, stainless, 80%-[7, 8]	-	-	-	-
BUILDING-Roof-gutters and leaders, commercial-[7,8]	-	-	-	-
BUILDING-Roof-shingle roof reconstruction-[8]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase i-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase ii-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iii-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iv-[6]	-	-	-	-
CLUBHOUSE-Equipment-fitness center equipment-[9]	-	-	-	-
CLUBHOUSE-Equipment-kitchen equipment/appliances-[6]	-	-	-	-
CLUBHOUSE-Flooring-carpeting-[6]	12,000	-	-	-
CLUBHOUSE-Furnishings-furniture replacement-[6]	15,000	-	-	-
CLUBHOUSE-Hvac-heat pump, smaller-[6, 11]	-	-	-	-
CLUBHOUSE-Hvac-heat pumps, large-[6, 11]	-	-	-	-
CLUBHOUSE-Interior Finish-racquet ball flooring, hardwood-[7]	-	-	-	-
CLUBHOUSE-Interior Finish-repaint interiors-[6]	12,500	-	-	-
CLUBHOUSE-Interior Finish-restroom refurbishment-[6]	-	-	-	-
CLUBHOUSE-Plumbing-water heater, gas, 199 mbh, 100 gal-[6, 11]	-	-	-	3,800
CLUBHOUSE-Pool-pool and spa coping and tiles-[7, 12]	-	-	-	-
CLUBHOUSE-Pool-pool and spa covers-[7]	-	-	-	-
CLUBHOUSE-Pool-pool furniture-[6]	-	8,500	-	-
CLUBHOUSE-Pool-pool heater, gas-fired-[6, 11]	-	-	16,500	-
CLUBHOUSE-Pool-pool/spa filtration/treatment equipment-[13]	-	-	-	-
CLUBHOUSE-Pool-pool and spa shell replaster-[12]	-	-	-	-
CLUBHOUSE-Security-controlled card access reader-[7]	-	-	-	-
SITE-Fence-perimeter fence, pvc-[14, 15]	-	-	-	-
SITE-Fence-pool enclosure fence, aluminum-[14]	-	-	-	-
SITE-Furnishings-outdoor benches, tables, bbq-[7, 18]	-	-	-	-
SITE-Illumination-pole mount site lighting-[14, 23]	-	-	-	-
SITE-Pavement-asphalt pavement reconstruction-[16]	-	-	-	-
SITE-Pavement-asphalt pavement seal coat/stripe-[16]	-	-	-	-
SITE-Pavement-concrete compactor slab-[6]	-	-	-	-
SITE-Pavement-concrete curb/gutter, 5%-[7, 14, 17]	-	-	-	-
SITE-Picnic Area-timber edging and retaining wall-[7, 18]	-	-	-	-
SITE-Plumbing-site drainage/utility repair fund-[6]	-	-	-	5,500
SITE-Retaining Wall-masonry wall repairs, 5%, pool area-[7, 19]	-	-	-	-
SITE-Retaining Wall-timber retaining wall allowance-[6, 22]	-	-	-	-

[illegible]

Line Item	2036	2037	2038	2039
	\$	\$	\$	\$
BUILDING-Balconies-balcony decking, phase i-[4]	-	-	-	-
BUILDING-Balconies-balcony decking, phase ii-[4]	-	-	-	-
BUILDING-Breezeways-breezeway decking, phase i-[4]	-	-	-	-
BUILDING-Breezeways-breezeway decking, phase ii-[4]	-	-	-	-
BUILDING-Cladding-cement board paneling-[5]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs + clubhouse-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '18-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '21-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 4 bldgs, '22-[6]	-	-	-	-
BUILDING-Concrete-breezeway and patio slab, 5%-[6]	-	-	12,000	-
BUILDING-Fire Safety-fire alarm panels-[10]	-	-	-	-
BUILDING-Fire Safety-fire sprinkler controls repair fund-[7, 10]	-	-	-	-
BUILDING-Illumination-breezeway lighting	-	-	-	-
BUILDING-Postal-mailbox banks	-	-	-	-
BUILDING-Roof-chimney chase caps, stainless, 80%-[7, 8]	-	-	-	-
BUILDING-Roof-gutters and leaders, commercial-[7,8]	-	-	-	-
BUILDING-Roof-shingle roof reconstruction-[8]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase i-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase ii-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iii-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iv-[6]	-	-	-	-
CLUBHOUSE-Equipment-fitness center equipment-[9]	-	-	-	-
CLUBHOUSE-Equipment-kitchen equipment/appliances-[6]	-	-	-	-
CLUBHOUSE-Flooring-carpeting-[6]	-	-	-	-
CLUBHOUSE-Furnishings-furniture replacement-[6]	-	-	-	-
CLUBHOUSE-Hvac-heat pump, smaller-[6, 11]	-	6,000	-	-
CLUBHOUSE-Hvac-heat pumps, large-[6, 11]	-	-	-	-
CLUBHOUSE-Interior Finish-racquet ball flooring, hardwood-[7]	-	-	-	-
CLUBHOUSE-Interior Finish-repaint interiors-[6]	-	-	-	-
CLUBHOUSE-Interior Finish-restroom refurbishment-[6]	-	-	-	-
CLUBHOUSE-Plumbing-water heater, gas, 199 mbh, 100 gal-[6, 11]	-	-	-	-
CLUBHOUSE-Pool-pool and spa coping and tiles-[7, 12]	-	-	-	-
CLUBHOUSE-Pool-pool and spa covers-[7]	-	-	-	-
CLUBHOUSE-Pool-pool furniture-[6]	-	-	8,500	-
CLUBHOUSE-Pool-pool heater, gas-fired-[6, 11]	-	-	-	-
CLUBHOUSE-Pool-pool/spa filtration/treatment equipment-[13]	-	-	-	-
CLUBHOUSE-Pool-pool and spa shell replaster-[12]	-	15,500	-	-
CLUBHOUSE-Security-controlled card access reader-[7]	-	-	-	-
SITE-Fence-perimeter fence, pvc-[14, 15]	-	-	-	-
SITE-Fence-pool enclosure fence, aluminum-[14]	-	-	-	-
SITE-Furnishings-outdoor benches, tables, bbq-[7, 18]	-	-	-	-
SITE-Illumination-pole mount site lighting-[14, 23]	-	-	-	-
SITE-Pavement-asphalt pavement reconstruction-[16]	-	435,292	-	-
SITE-Pavement-asphalt pavement seal coat/stripe-[16]	-	-	-	-
SITE-Pavement-concrete compactor slab-[6]	-	-	-	-
SITE-Pavement-concrete curb/gutter, 5%-[7, 14, 17]	-	9,620	-	-
SITE-Picnic Area-timber edging and retaining wall-[7, 18]	-	-	-	-
SITE-Plumbing-site drainage/utility repair fund-[6]	-	-	-	-
SITE-Retaining Wall-masonry wall repairs, 5%, pool area-[7, 19]	-	-	-	-
SITE-Retaining Wall-timber retaining wall allowance-[6, 22]	-	-	-	-

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Line Item	2040	2041	2042	2043
	64,900	15,500	56,420	78,672
	\$	\$	\$	\$
BUILDING-Balconies-balcony decking, phase i-[4]	-	-	-	-
BUILDING-Balconies-balcony decking, phase ii-[4]	-	-	-	-
BUILDING-Breezeways-breezeway decking, phase i-[4]	-	-	-	-
BUILDING-Breezeways-breezeway decking, phase ii-[4]	-	-	-	-
BUILDING-Cladding-cement board paneling-[5]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs + clubhouse-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '18-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '21-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 4 bldgs, '22-[6]	-	-	-	-
BUILDING-Concrete-breezeway and patio slab, 5%-[6]	-	-	-	12,000
BUILDING-Fire Safety-fire alarm panels-[10]	-	-	-	-
BUILDING-Fire Safety-fire sprinkler controls repair fund-[7, 10]	-	-	-	-
BUILDING-Illumination-breezeway lighting	-	-	-	27,075
BUILDING-Postal-mailbox banks	-	-	-	-
BUILDING-Roof-chimney chase caps, stainless, 80%-[7, 8]	-	-	-	-
BUILDING-Roof-gutters and leaders, commercial-[7,8]	-	-	-	-
BUILDING-Roof-shingle roof reconstruction-[8]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase i-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase ii-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iii-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iv-[6]	-	-	-	-
CLUBHOUSE-Equipment-fitness center equipment-[9]	-	-	-	-
CLUBHOUSE-Equipment-kitchen equipment/appliances-[6]	-	-	-	-
CLUBHOUSE-Flooring-carpeting-[6]	-	-	-	-
CLUBHOUSE-Furnishings-furniture replacement-[6]	-	-	-	-
CLUBHOUSE-Hvac-heat pump, smaller-[6, 11]	-	-	-	-
CLUBHOUSE-Hvac-heat pumps, large-[6, 11]	24,000	-	-	-
CLUBHOUSE-Interior Finish-racquet ball flooring, hardwood-[7]	-	-	-	-
CLUBHOUSE-Interior Finish-repaint interiors-[6]	-	-	12,500	-
CLUBHOUSE-Interior Finish-restroom refurbishment-[6]	30,000	-	-	-
CLUBHOUSE-Plumbing-water heater, gas, 199 mbh, 100 gal-[6, 11]	-	-	-	-
CLUBHOUSE-Pool-pool and spa coping and tiles-[7, 12]	-	-	-	-
CLUBHOUSE-Pool-pool and spa covers-[7]	5,400	-	-	-
CLUBHOUSE-Pool-pool furniture-[6]	-	-	-	8,500
CLUBHOUSE-Pool-pool heater, gas-fired-[6, 11]	-	-	-	-
CLUBHOUSE-Pool-pool/spa filtration/treatment equipment-[13]	-	-	9,500	-
CLUBHOUSE-Pool-pool and spa shell replaster-[12]	-	-	-	-
CLUBHOUSE-Security-controlled card access reader-[7]	-	-	-	-
SITE-Fence-perimeter fence, pvc-[14, 15]	-	-	-	-
SITE-Fence-pool enclosure fence, aluminum-[14]	-	-	-	-
SITE-Furnishings-outdoor benches, tables, bbq-[7, 18]	-	6,500	-	-
SITE-Illumination-pole mount site lighting-[14, 23]	-	-	-	-
SITE-Pavement-asphalt pavement reconstruction-[16]	-	-	-	-
SITE-Pavement-asphalt pavement seal coat/stripe-[16]	-	-	-	23,097
SITE-Pavement-concrete compactor slab-[6]	-	-	-	8,000
SITE-Pavement-concrete curb/gutter, 5%-[7, 14, 17]	-	-	-	-
SITE-Picnic Area-timber edging and retaining wall-[7, 18]	-	-	-	-
SITE-Plumbing-site drainage/utility repair fund-[6]	5,500	-	-	-
SITE-Retaining Wall-masonry wall repairs, 5%, pool area-[7, 19]	-	-	-	-
SITE-Retaining Wall-timber retaining wall allowance-[6, 22]	-	9,000	-	-



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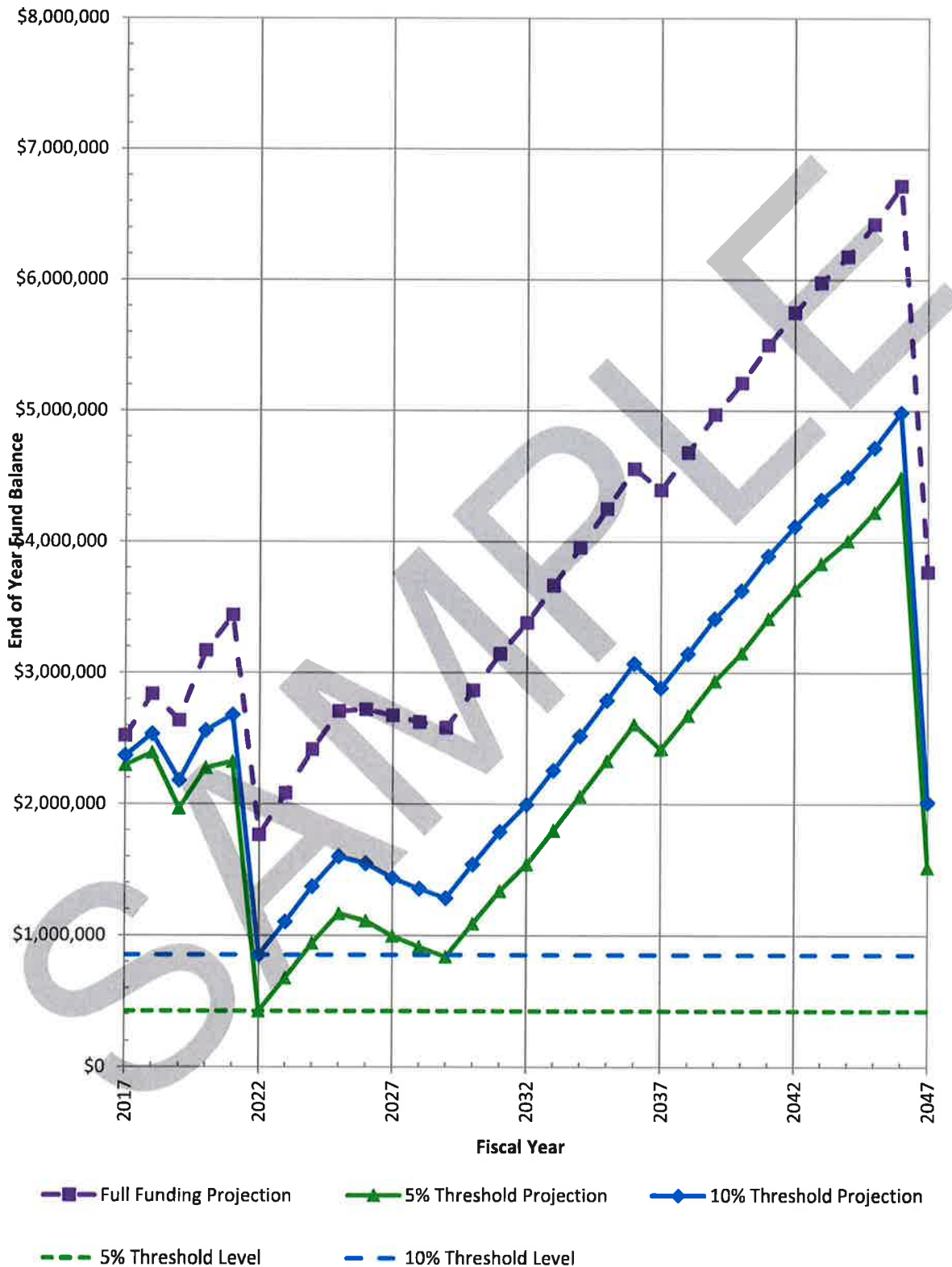
Line Item	2044	2045	2046	2047
	104,900	59,760	12,000	3,253,000
	\$	\$	\$	\$
BUILDING-Balconies-balcony decking, phase i-[4]	-	-	-	1,500,000
BUILDING-Balconies-balcony decking, phase ii-[4]	-	-	-	-
BUILDING-Breezeways-breezeway decking, phase i-[4]	-	-	-	600,000
BUILDING-Breezeways-breezeway decking, phase ii-[4]	-	-	-	-
BUILDING-Cladding-cement board paneling-[5]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs + clubhouse-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '18-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 3 bldgs, '21-[6]	-	-	-	-
BUILDING-Cladding-clapboard siding, 4 bldgs, '22-[6]	-	-	-	-
BUILDING-Concrete-breezeway and patio slab, 5%-[6]	-	-	-	-
BUILDING-Fire Safety-fire alarm panels-[10]	56,000	-	-	-
BUILDING-Fire Safety-fire sprinkler controls repair fund-[7, 10]	-	-	-	-
BUILDING-Illumination-breezeway lighting	-	-	-	-
BUILDING-Postal-mailbox banks	9,900	-	-	-
BUILDING-Roof-chimney chase caps, stainless, 80%-[7, 8]	-	-	-	-
BUILDING-Roof-gutters and leaders, commercial-[7,8]	-	-	-	108,675
BUILDING-Roof-shingle roof reconstruction-[8]	-	-	-	896,325
BUILDING-Windows/Doors-windows + doors, phase i-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase ii-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iii-[6]	-	-	-	-
BUILDING-Windows/Doors-windows + doors, phase iv-[6]	-	-	-	-
CLUBHOUSE-Equipment-fitness center equipment-[9]	-	15,000	-	-
CLUBHOUSE-Equipment-kitchen equipment/appliances-[6]	-	-	-	-
CLUBHOUSE-Flooring-carpeting-[6]	12,000	-	-	-
CLUBHOUSE-Furnishings-furniture replacement-[6]	15,000	-	-	-
CLUBHOUSE-Hvac-heat pump, smaller-[6, 11]	-	-	-	-
CLUBHOUSE-Hvac-heat pumps, large-[6, 11]	-	-	-	-
CLUBHOUSE-Interior Finish-racquet ball flooring, hardwood-[7]	-	-	-	-
CLUBHOUSE-Interior Finish-repaint interiors-[6]	-	-	-	-
CLUBHOUSE-Interior Finish-restroom refurbishment-[6]	-	-	-	-
CLUBHOUSE-Plumbing-water heater, gas, 199 mbh, 100 gal-[6, 11]	-	-	-	-
CLUBHOUSE-Pool-pool and spa coping and tiles-[7, 12]	-	7,360	-	-
CLUBHOUSE-Pool-pool and spa covers-[7]	-	-	-	-
CLUBHOUSE-Pool-pool furniture-[6]	-	-	-	-
CLUBHOUSE-Pool-pool heater, gas-fired-[6, 11]	-	-	-	-
CLUBHOUSE-Pool-pool/spa filtration/treatment equipment-[13]	-	-	-	-
CLUBHOUSE-Pool-pool and spa shell replaster-[12]	-	15,500	-	-
CLUBHOUSE-Security-controlled card access reader-[7]	-	-	4,000	-
SITE-Fence-perimeter fence, pvc-[14, 15]	-	-	-	70,200
SITE-Fence-pool enclosure fence, aluminum-[14]	-	-	-	-
SITE-Furnishings-outdoor benches, tables, bbq-[7, 18]	-	-	-	-
SITE-Illumination-pole mount site lighting-[14, 23]	-	-	-	72,000
SITE-Pavement-asphalt pavement reconstruction-[16]	-	-	-	-
SITE-Pavement-asphalt pavement seal coat/stripe-[16]	-	-	-	-
SITE-Pavement-concrete compactor slab-[6]	-	-	-	-
SITE-Pavement-concrete curb/gutter, 5%-[7, 14, 17]	-	-	-	-
SITE-Picnic Area-timber edging and retaining wall-[7, 18]	-	-	8,000	-
SITE-Plumbing-site drainage/utility repair fund-[6]	-	5,500	-	-
SITE-Retaining Wall-masonry wall repairs, 5%, pool area-[7, 19]	-	16,400	-	-
SITE-Retaining Wall-timber retaining wall allowance-[6, 22]	-	-	-	-

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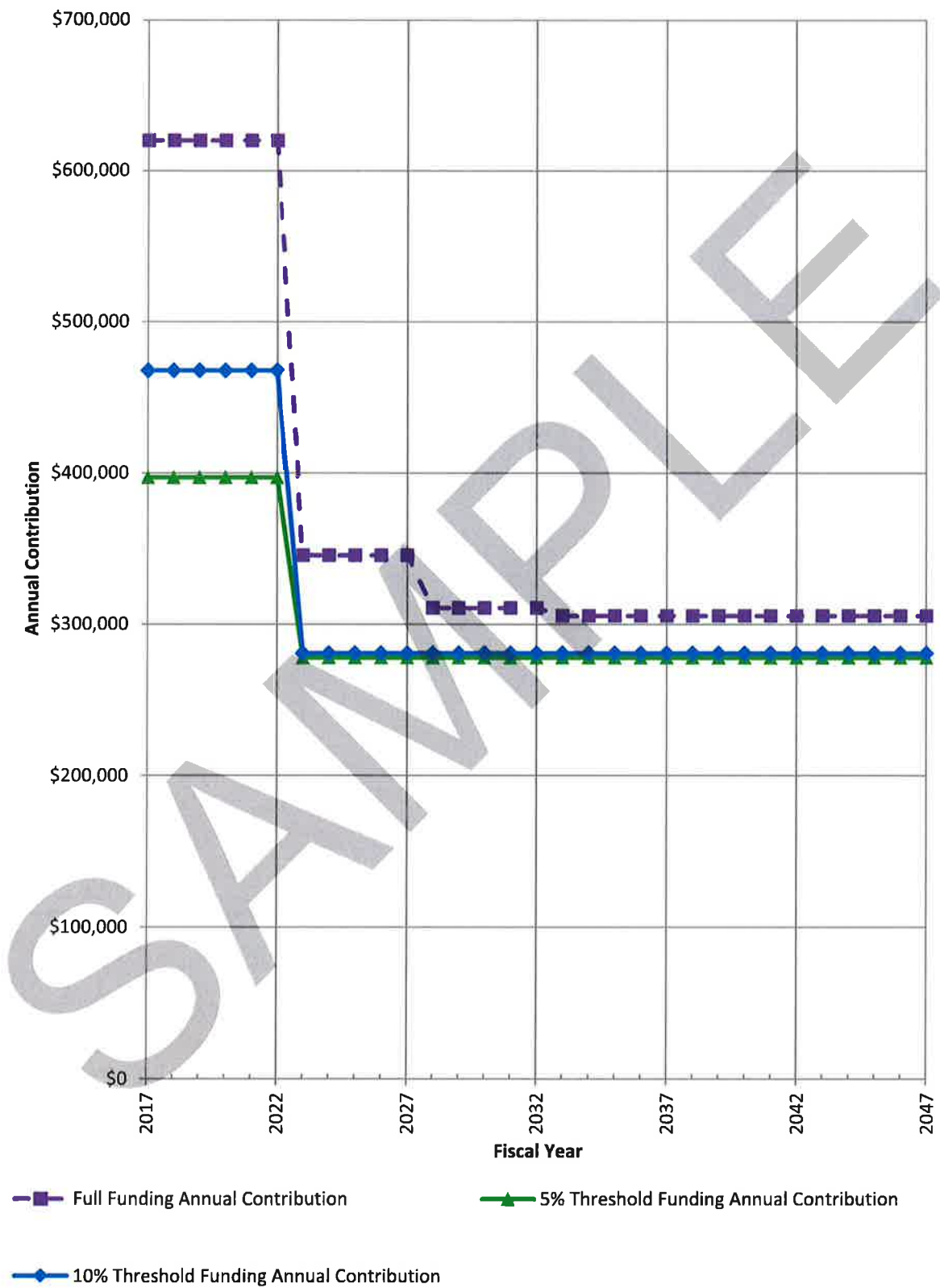
Fiscal Year	Nominal Expenditure (in Future Dollars) in Fiscal Year	Full Funding Scenario Projection		
		Start of Year Fund Balance	Projected Contribution	End of Year Fund Balance
2017	\$ 2,100,000	\$ 4,000,000	\$ 620,151	\$ 2,520,151
2018	302,575	2,520,151	620,151	2,837,728
2019	821,581	2,837,728	620,151	2,636,298
2020	88,100	2,636,298	620,151	3,168,350
2021	349,200	3,168,350	620,151	3,439,301
2022	2,295,095	3,439,301	620,151	1,764,357
2023	28,500	1,764,357	345,486	2,081,344
2024	12,000	2,081,344	345,486	2,414,830
2025	52,597	2,414,830	345,486	2,707,719
2026	334,000	2,707,719	345,486	2,719,205
2027	392,300	2,719,205	345,486	2,672,391
2028	360,500	2,672,391	310,684	2,622,575
2029	352,860	2,622,575	310,684	2,580,399
2030	25,900	2,580,399	310,684	2,865,183
2031	32,097	2,865,183	310,684	3,143,770
2032	73,920	3,143,770	310,684	3,380,533
2033	20,500	3,380,533	305,410	3,665,444
2034	16,500	3,665,444	305,410	3,954,354
2035	9,300	3,954,354	305,410	4,250,465
2036	-	4,250,465	305,410	4,555,875
2037	466,411	4,555,875	305,410	4,394,875
2038	20,500	4,394,875	305,410	4,679,785
2039	14,270	4,679,785	305,410	4,970,926
2040	64,900	4,970,926	305,410	5,211,437
2041	15,500	5,211,437	305,410	5,501,347
2042	56,420	5,501,347	305,410	5,750,338
2043	78,672	5,750,338	305,410	5,977,076
2044	104,900	5,977,076	305,410	6,177,587
2045	59,760	6,177,587	305,410	6,423,237
2046	12,000	6,423,237	305,410	6,716,648
2047	3,253,000	6,716,648	305,410	3,769,058

Fiscal Year	Nominal Expenditure (in Future Dollars) in Fiscal Year	5% Threshold Funding Scenario Projection				10% Threshold Funding Scenario Projection			
		Initial Year Threshold of \$425,647				Initial Year Threshold of \$851,294			
		Start of Year Fund Balance	Projected Contribution	End of Year Fund Balance	Nominal Threshold in Year	Start of Year Fund Balance	Projected Contribution	End of Year Fund Balance	Nominal Threshold in Year
2017	\$ 2,100,000	\$ 4,000,000	\$ 397,033	\$ 2,297,033	\$ 425,647	\$ 4,000,000	\$ 467,974	\$ 2,367,974	\$ 851,294
2018	302,575	2,297,033	397,033	2,391,491	425,647	2,367,974	467,974	2,533,373	851,294
2019	821,581	2,391,491	397,033	1,966,943	425,647	2,533,373	467,974	2,179,766	851,294
2020	88,100	1,966,943	397,033	2,275,876	425,647	2,179,766	467,974	2,559,640	851,294
2021	349,200	2,275,876	397,033	2,323,709	425,647	2,559,640	467,974	2,678,414	851,294
2022	2,295,095	2,323,709	397,033	425,647	425,647	2,678,414	467,974	851,293	851,294
2023	28,500	425,647	277,923	675,071	425,647	851,293	280,784	1,103,578	851,294
2024	12,000	675,071	277,923	940,994	425,647	1,103,578	280,784	1,372,362	851,294
2025	52,597	940,994	277,923	1,166,320	425,647	1,372,362	280,784	1,600,550	851,294
2026	334,000	1,166,320	277,923	1,110,243	425,647	1,600,550	280,784	1,547,334	851,294
2027	392,300	1,110,243	277,923	995,866	425,647	1,547,334	280,784	1,435,818	851,294
2028	360,500	995,866	277,923	913,289	425,647	1,435,818	280,784	1,356,103	851,294
2029	352,860	913,289	277,923	838,352	425,647	1,356,103	280,784	1,284,027	851,294
2030	25,900	838,352	277,923	1,090,375	425,647	1,284,027	280,784	1,538,912	851,294
2031	32,097	1,090,375	277,923	1,336,201	425,647	1,538,912	280,784	1,787,599	851,294
2032	73,920	1,336,201	277,923	1,540,204	425,647	1,787,599	280,784	1,994,463	851,294
2033	20,500	1,540,204	277,923	1,797,627	425,647	1,994,463	280,784	2,254,748	851,294
2034	16,500	1,797,627	277,923	2,059,050	425,647	2,254,748	280,784	2,519,032	851,294
2035	9,300	2,059,050	277,923	2,327,674	425,647	2,519,032	280,784	2,790,516	851,294
2036	-	2,327,674	277,923	2,605,597	425,647	2,790,516	280,784	3,071,301	851,294
2037	466,411	2,605,597	277,923	2,417,109	425,647	3,071,301	280,784	2,885,674	851,294
2038	20,500	2,417,109	277,923	2,674,532	425,647	2,885,674	280,784	3,145,959	851,294
2039	14,270	2,674,532	277,923	2,938,185	425,647	3,145,959	280,784	3,412,474	851,294
2040	64,900	2,938,185	277,923	3,151,209	425,647	3,412,474	280,784	3,628,358	851,294
2041	15,500	3,151,209	277,923	3,413,632	425,647	3,628,358	280,784	3,893,642	851,294
2042	56,420	3,413,632	277,923	3,635,135	425,647	3,893,642	280,784	4,118,007	851,294
2043	78,672	3,635,135	277,923	3,834,386	425,647	4,118,007	280,784	4,320,119	851,294
2044	104,900	3,834,386	277,923	4,007,409	425,647	4,320,119	280,784	4,496,003	851,294
2045	59,760	4,007,409	277,923	4,225,572	425,647	4,496,003	280,784	4,717,028	851,294
2046	12,000	4,225,572	277,923	4,491,495	425,647	4,717,028	280,784	4,985,812	851,294
2047	3,253,000	4,491,495	277,923	1,516,418	425,647	4,985,812	280,784	2,013,597	851,294

End of Fiscal Year Fund Projection Graph



Annual Contribution in Fiscal Year Graph



2017 total expenditure \$2,100,000 consisting of these projects:	2018 total expenditure \$302,575 consisting of these projects:	2019 total expenditure \$821,581 consisting of these projects:	2020 total expenditure \$88,100 consisting of these projects:
<p>BUILDING-Balconies-balcony decking, phase i-[4] \$1,500,000</p> <p>BUILDING-Breezeways-breezeway decking, phase i-[4] \$600,000</p>	<p>BUILDING-Cladding-clapboard siding, 3 bldgs, '18-[6] \$255,000</p> <p>BUILDING-Illumination-breezeway lighting \$27,075</p> <p>BUILDING-Concrete-breezeway and patio slab, 5%-[6] \$12,000</p> <p>CLUBHOUSE-Pool-pool furniture-[6] \$8,500</p>	<p>SITE-Pavement-asphalt pavement reconstruction-[16] \$435,292</p> <p>BUILDING-Cladding-clapboard siding, 3 bldgs + clubhouse-[6] \$280,000</p> <p>BUILDING-Fire Safety-fire alarm panels-[10] \$56,000</p> <p>CLUBHOUSE-Pool-pool heater, gas-fired [6, 11] \$16,500</p> <p>SITE-Walkways-asphalt footpath reconstruction-[7, 16] \$14,270</p> <p>BUILDING-Postal-mailbox banks \$9,900</p> <p>SITE-Pavement-concrete curb/gutter, 5% [7, 14, 17] \$9,620</p>	<p>CLUBHOUSE-Interior Finish-restroom refurbishment-[6] \$30,000</p> <p>SITE-Retaining Wall-masonry wall repairs, 5%, pool area-[7, 19] \$16,400</p> <p>CLUBHOUSE-Furnishings-furniture replacement-[6] \$15,000</p> <p>CLUBHOUSE-Flooring-carpeting-[6] \$12,000</p> <p>SITE-Plumbing-site drainage/utility repair fund-[6] \$5,500</p> <p>CLUBHOUSE-Pool-pool and spa covers-[7] \$5,400</p> <p>CLUBHOUSE-Plumbing-water heater, gas, 199 mbh, 100 gal-[6, 11] \$3,800</p>



2021 total expenditure \$349,200 consisting of these projects:	2022 total expenditure \$2,295,095 consisting of these projects:	2023 total expenditure \$28,500 consisting of these projects:	2024 total expenditure \$12,000 consisting of these projects:
BUILDING-Cladding-clapboard siding, 3 bldgs, '21-[6] \$255,000  BUILDING-Roof-chimney chase caps, stainless, 80%-[7, 8] \$55,200  CLUBHOUSE-Pool-pool and spa shell replaster-[12] \$15,500  SITE-Retaining Wall-timber retaining wall allowance-[6, 22] \$9,000  SITE-Picnic Area-timber edging and retaining wall-[7, 18] \$8,000  SITE-Furnishings-outdoor benches, tables, bbq-[7, 18] \$6,500	BUILDING-Balconies-balcony decking, phase ii-[4] \$1,200,000  BUILDING-Breezeways-breezeway decking, phase ii-[4] \$600,000  BUILDING-Cladding-clapboard siding, 4 bldgs, '22-[6] \$340,000  SITE-Illumination-pole mount site lighting-[14, 23] \$72,000  SITE-Walkways-concrete sidewalk, 10%-[20] \$29,920  SITE-Fence-pool enclosure fence, aluminum-[14] \$24,375  CLUBHOUSE-Interior Finish-repaint interiors-[6] \$12,500  CLUBHOUSE-Hvac-heat pump, smaller-[6, 11] \$6,000  SITE-Walkways-wood foot bridge-[7] \$5,800  SITE-Water Garden-water amenity refurbishment fund-[7, 21] \$4,500	BUILDING-Concrete-breezeway and patio slab, 5%-[6] \$12,000  CLUBHOUSE-Pool-pool furniture-[6] \$8,500  SITE-Pavement-concrete compactor slab [6] \$8,000	SITE-Signage-main entrance sign-[6] \$12,000

2025 total expenditure \$52,597 consisting of these projects:	2026 total expenditure \$334,000 consisting of these projects:	2027 total expenditure \$392,300 consisting of these projects:	2028 total expenditure \$360,500 consisting of these projects:
<p>CLUBHOUSE-Hvac-heat pumps, large-[6, 11] \$24,000</p> <p>SITE-Pavement-asphalt pavement seal coat/stripe-[16] \$23,097</p> <p>SITE-Plumbing-site drainage/utility repair fund-[6] \$5,500</p>	<p>BUILDING-Windows/Doors-windows + doors, phase i-[6] \$330,000</p> <p>CLUBHOUSE-Security-controlled card access reader-[7] \$4,000</p>	<p>BUILDING-Windows/Doors-windows + doors, phase ii-[6] \$330,000</p> <p>BUILDING-Fire Safety-fire sprinkler controls repair fund-[7, 10] \$40,000</p> <p>CLUBHOUSE-Interior Finish-racquet ball flooring, hardwood-[7] \$12,800</p> <p>CLUBHOUSE-Pool-pool/spa filtration/treatment equipment-[13] \$9,500</p>	<p>BUILDING-Windows/Doors-windows + doors, phase iii-[6] \$330,000</p> <p>BUILDING-Concrete-breezeway and patio slab, 5%-[6] \$12,000</p> <p>CLUBHOUSE-Equipment-kitchen equipment/appliances-[6] \$10,000</p> <p>CLUBHOUSE-Pool-pool furniture-[6] \$8,500</p>

2029 total expenditure \$352,860 consisting of these projects:	2030 total expenditure \$25,900 consisting of these projects:	2031 total expenditure \$32,097 consisting of these projects:	2032 total expenditure \$73,920 consisting of these projects:
BUILDING-Windows/Doors-windows + doors, phase iv-[6] \$330,000  CLUBHOUSE-Pool-pool and spa shell replaster-[12] \$15,500  CLUBHOUSE-Pool-pool and spa coping and tiles-[7, 12] \$7,360	CLUBHOUSE-Equipment-fitness center equipment-[9] \$15,000  SITE-Plumbing-site drainage/utility repair fund-[6] \$5,500  CLUBHOUSE-Pool-pool and spa covers-[7] \$5,400	SITE-Pavement-asphalt pavement seal coat/stripe-[16] \$23,097  SITE-Retaining Wall-timber retaining wall allowance-[6, 22] \$9,000	SITE-Walkways-concrete sidewalk, 10%-[20] \$29,920  CLUBHOUSE-Furnishings-furniture replacement-[6] \$15,000  CLUBHOUSE-Interior Finish-repaint interiors-[6] \$12,500  CLUBHOUSE-Flooring-carpeting-[6] \$12,000  SITE-Water Garden-water amenity refurbishment fund-[7, 21] \$4,500

2033 total expenditure \$20,500 consisting of these projects:	2034 total expenditure \$16,500 consisting of these projects:	2035 total expenditure \$9,300 consisting of these projects:	2036 total expenditure \$0 consisting of these projects:
<p>BUILDING-Concrete-breezeway and patio slab, 5%-[6] \$12,000</p> <p>CLUBHOUSE-Pool-pool furniture-[6] \$8,500</p>	<p>CLUBHOUSE-Pool-pool heater, gas-fired [6, 11] \$16,500</p>	<p>SITE-Plumbing-site drainage/utility repair fund-[6] \$5,500</p> <p>CLUBHOUSE-Plumbing-water heater, gas, 199 mbh, 100 gal-[6, 11] \$3,800</p>	

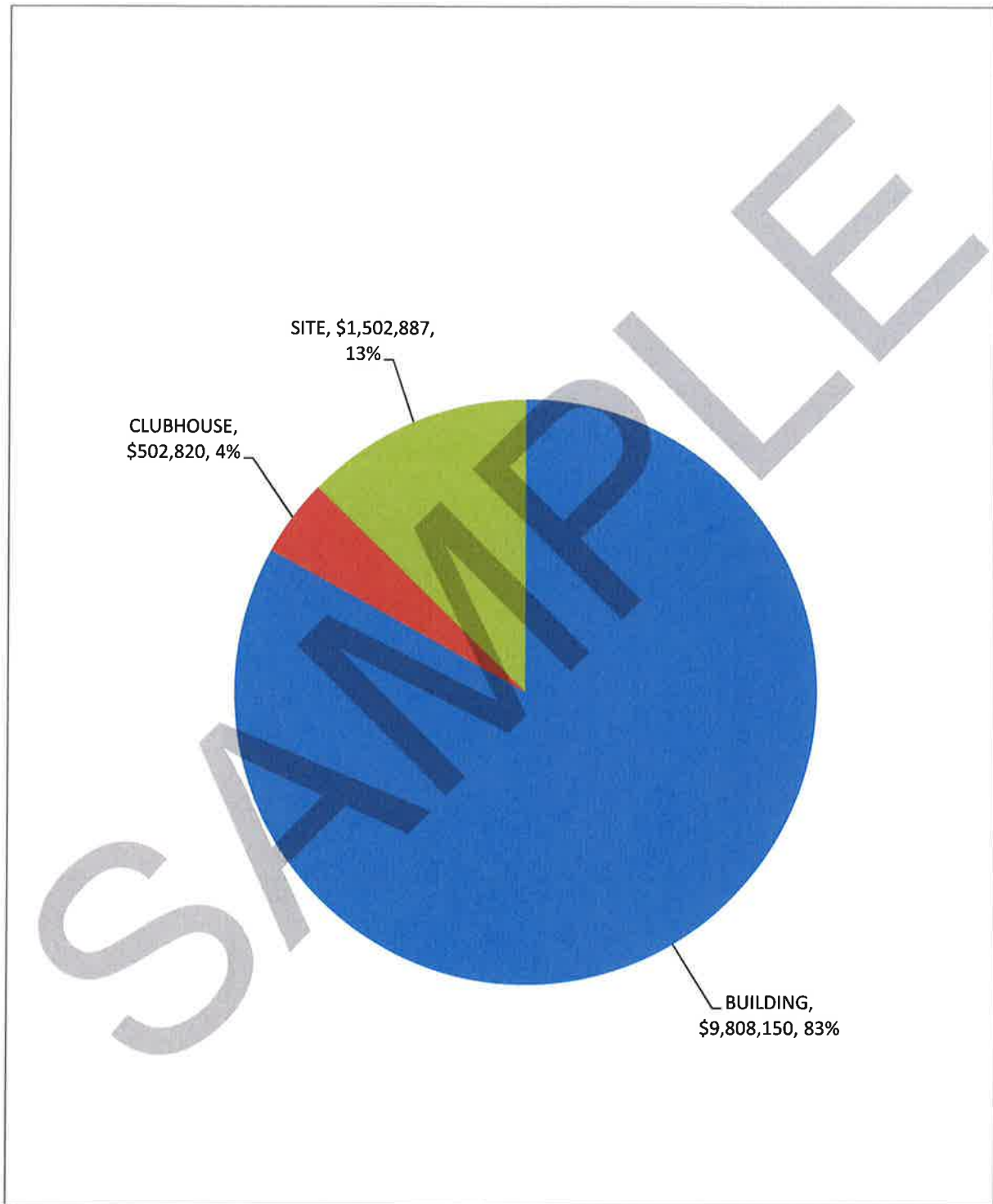
2037 total expenditure \$466,411 consisting of these projects:	2038 total expenditure \$20,500 consisting of these projects:	2039 total expenditure \$14,270 consisting of these projects:	2040 total expenditure \$64,900 consisting of these projects:
SITE-Pavement-asphalt pavement reconstruction-[16] \$435,292  CLUBHOUSE-Pool-pool and spa shell replaster-[12] \$15,500  SITE-Pavement-concrete curb/gutter, 5% [7, 14, 17] \$9,620  CLUBHOUSE-Hvac-heat pump, smaller-[6, 11] \$6,000	BUILDING-Concrete-breezeway and patio slab, 5%-[6] \$12,000  CLUBHOUSE-Pool-pool furniture-[6] \$8,500	SITE-Walkways-asphalt footpath reconstruction-[7, 16] \$14,270	CLUBHOUSE-Interior Finish-restroom refurbishment-[6] \$30,000  CLUBHOUSE-Hvac-heat pumps, large-[6, 11] \$24,000  SITE-Plumbing-site drainage/utility repair fund-[6] \$5,500  CLUBHOUSE-Pool-pool and spa covers-[7] \$5,400

2041 total expenditure \$15,500 consisting of these projects:	2042 total expenditure \$56,420 consisting of these projects:	2043 total expenditure \$78,672 consisting of these projects:	2044 total expenditure \$104,900 consisting of these projects:
<p>SITE-Retaining Wall-timber retaining wall allowance-[6, 22] \$9,000</p> <p>SITE-Furnishings-outdoor benches, tables, bbq-[7, 18] \$6,500</p>	<p>SITE-Walkways-concrete sidewalk, 10%-[20] \$29,920</p> <p>CLUBHOUSE-Interior Finish-repaint interiors-[6] \$12,500</p> <p>CLUBHOUSE-Pool-pool/spa filtration/treatment equipment-[13] \$9,500</p> <p>SITE-Water Garden-water amenity refurbishment fund-[7, 21] \$4,500</p>	<p>BUILDING-Illumination-breezeway lighting \$27,075</p> <p>SITE-Pavement-asphalt pavement seal coat/stripe-[16] \$23,097</p> <p>BUILDING-Concrete-breezeway and patio slab, 5%-[6] \$12,000</p> <p>CLUBHOUSE-Pool-pool furniture-[6] \$8,500</p> <p>SITE-Pavement-concrete compactor slab [6] \$8,000</p>	<p>BUILDING-Fire Safety-fire alarm panels-[10] \$56,000</p> <p>CLUBHOUSE-Furnishings-furniture replacement-[6] \$15,000</p> <p>SITE-Signage-main entrance sign-[6] \$12,000</p> <p>CLUBHOUSE-Flooring-carpeting-[6] \$12,000</p> <p>BUILDING-Postal-mailbox banks \$9,900</p>

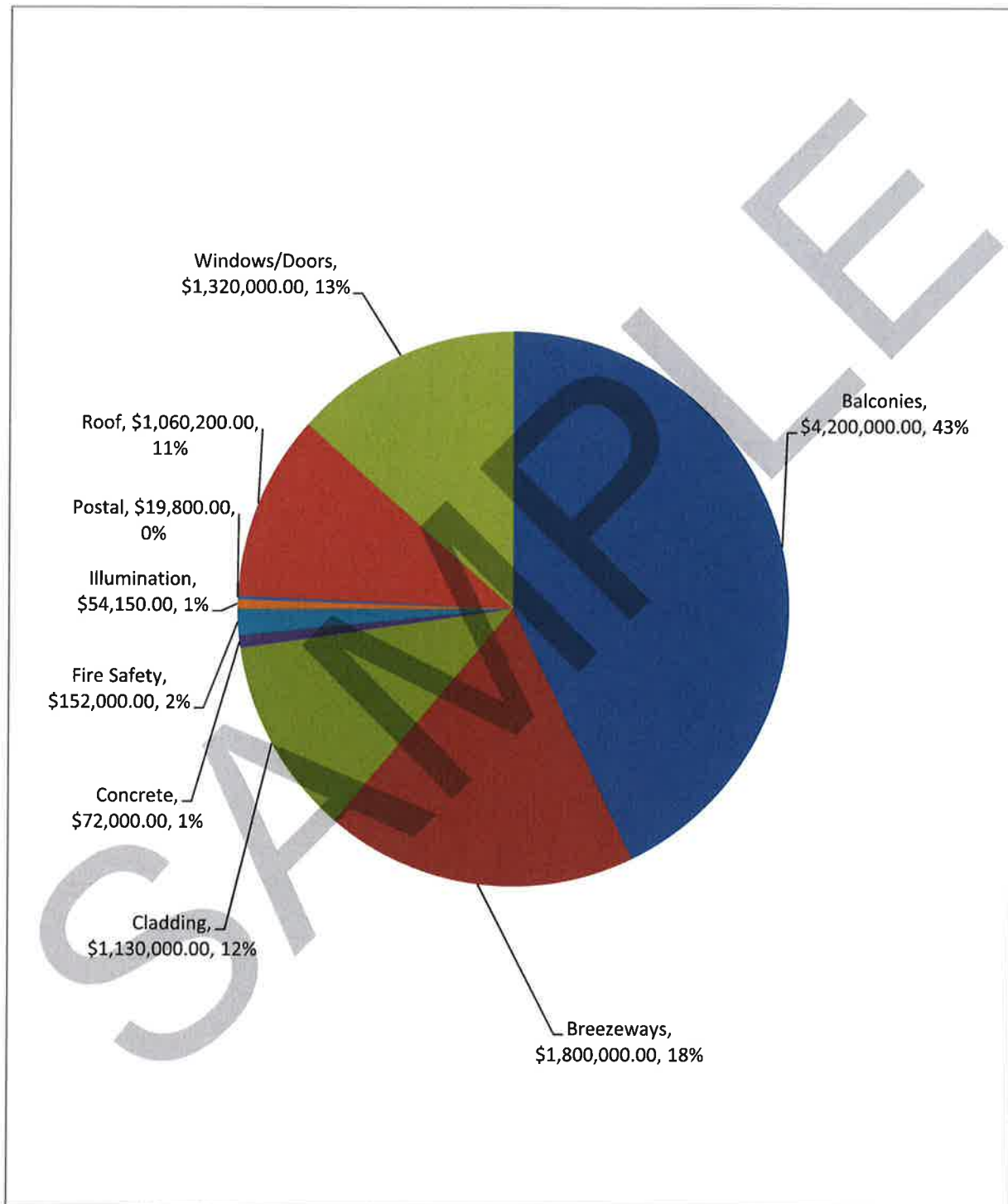
2045 total expenditure \$59,760 consisting of these projects:	2046 total expenditure \$12,000 consisting of these projects:	2047 total expenditure \$3,253,000 consisting of these projects:
SITE-Retaining Wall-masonry wall repairs, 5%, pool area-[7, 19] \$16,400  CLUBHOUSE-Pool-pool and spa shell replaster-[12] \$15,500  CLUBHOUSE-Equipment-fitness center equipment-[9] \$15,000  CLUBHOUSE-Pool-pool and spa coping and tiles-[7, 12] \$7,360  SITE-Plumbing-site drainage/utility repair fund-[6] \$5,500	SITE-Picnic Area-timber edging and retaining wall-[7, 18] \$8,000  CLUBHOUSE-Security-controlled card access reader-[7] \$4,000	BUILDING-Balconies-balcony decking, phase i-[4] \$1,500,000  BUILDING-Roof-shingle roof reconstruction-[8] \$896,325  BUILDING-Breezeways-breezeway decking, phase i-[4] \$600,000  BUILDING-Roof-gutters and leaders, commercial-[7, 8] \$108,675  SITE-Illumination-pole mount site lighting-[14, 23] \$72,000  SITE-Fence-perimeter fence, pvc-[14, 15] \$70,200  SITE-Walkways-wood foot bridge-[7] \$5,800



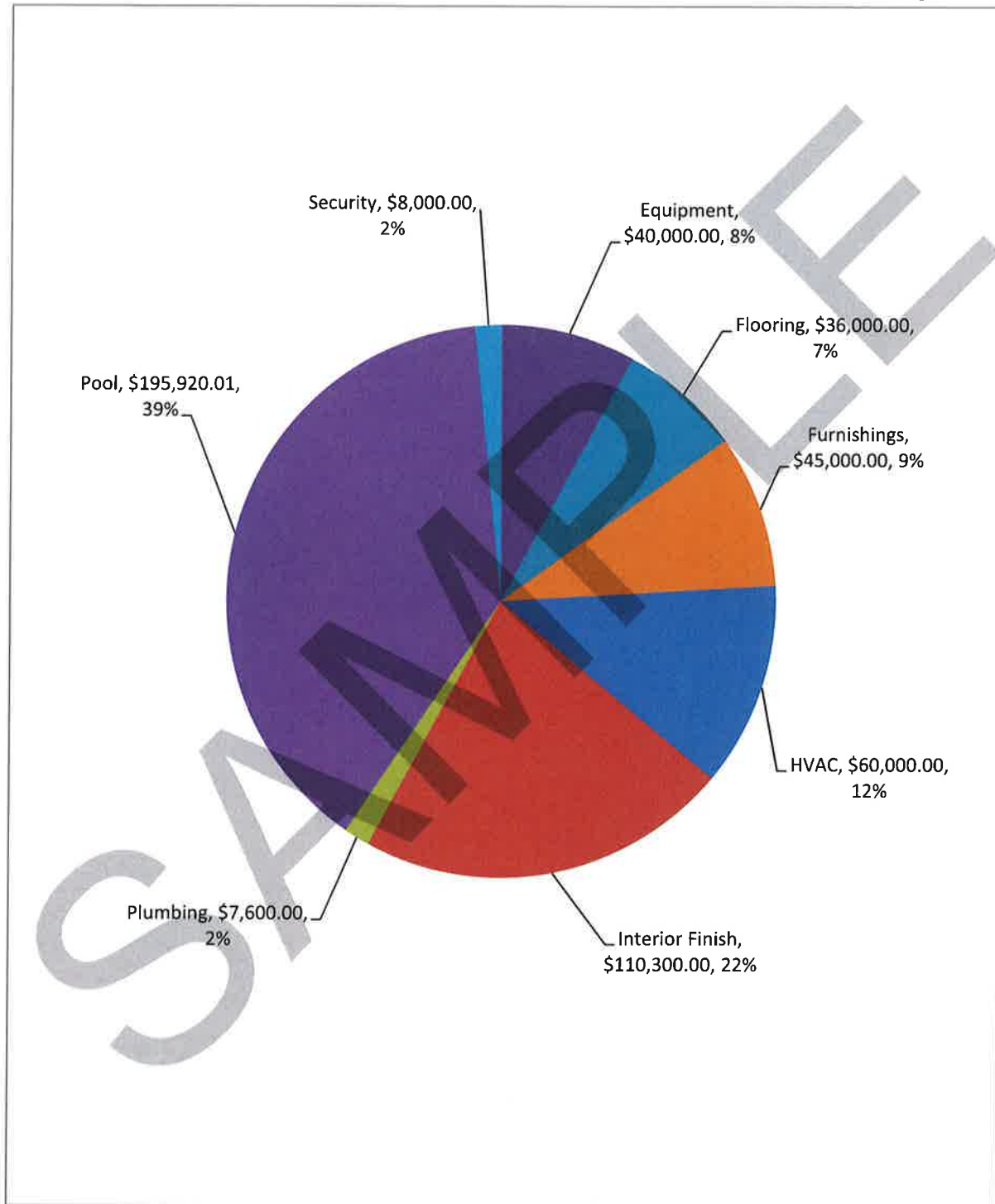
**Present Value Expenditure Over Time Window by Line Item Category**

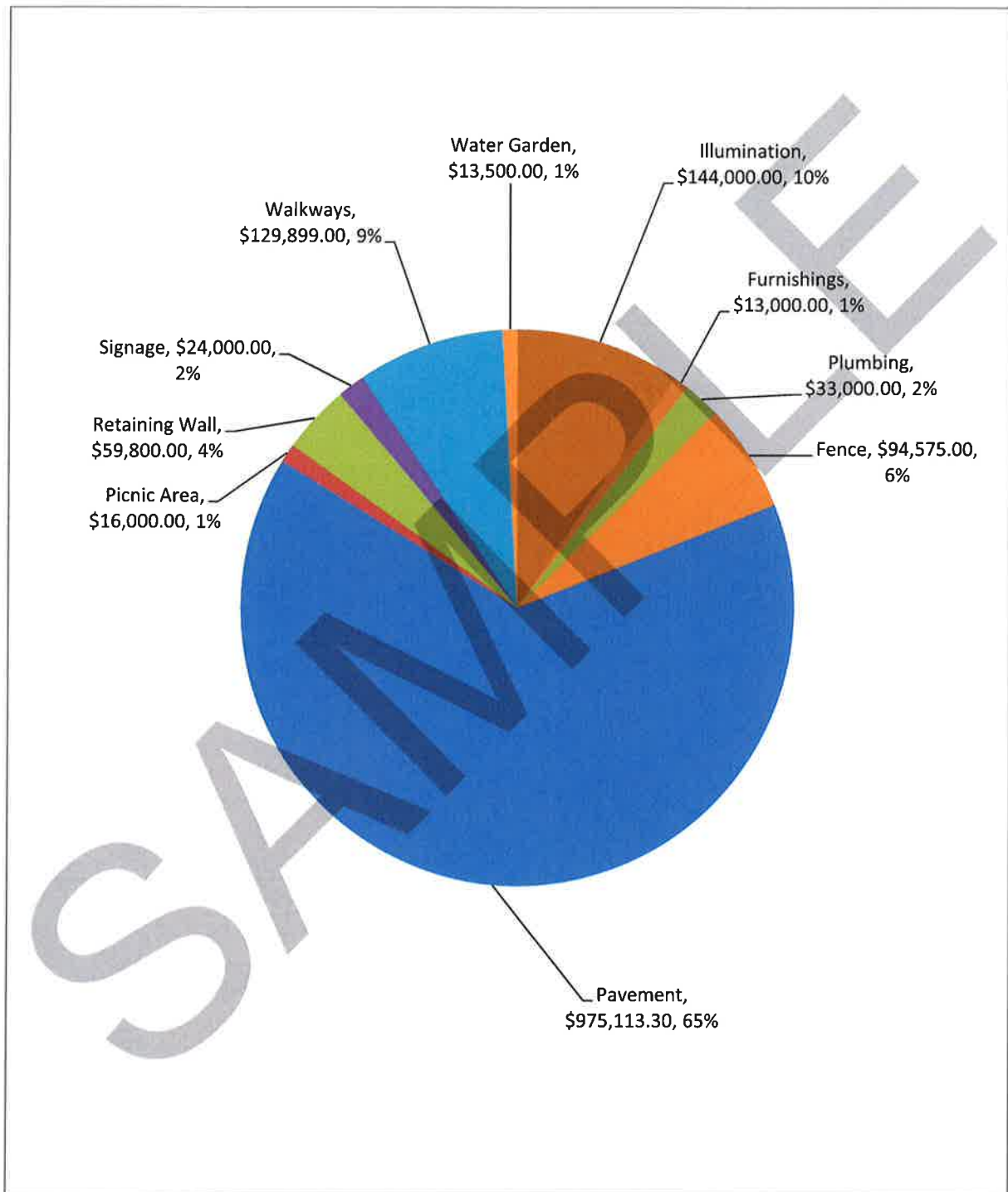


Present Value Expenditure Over Time Window for Building Category by Line Item Type

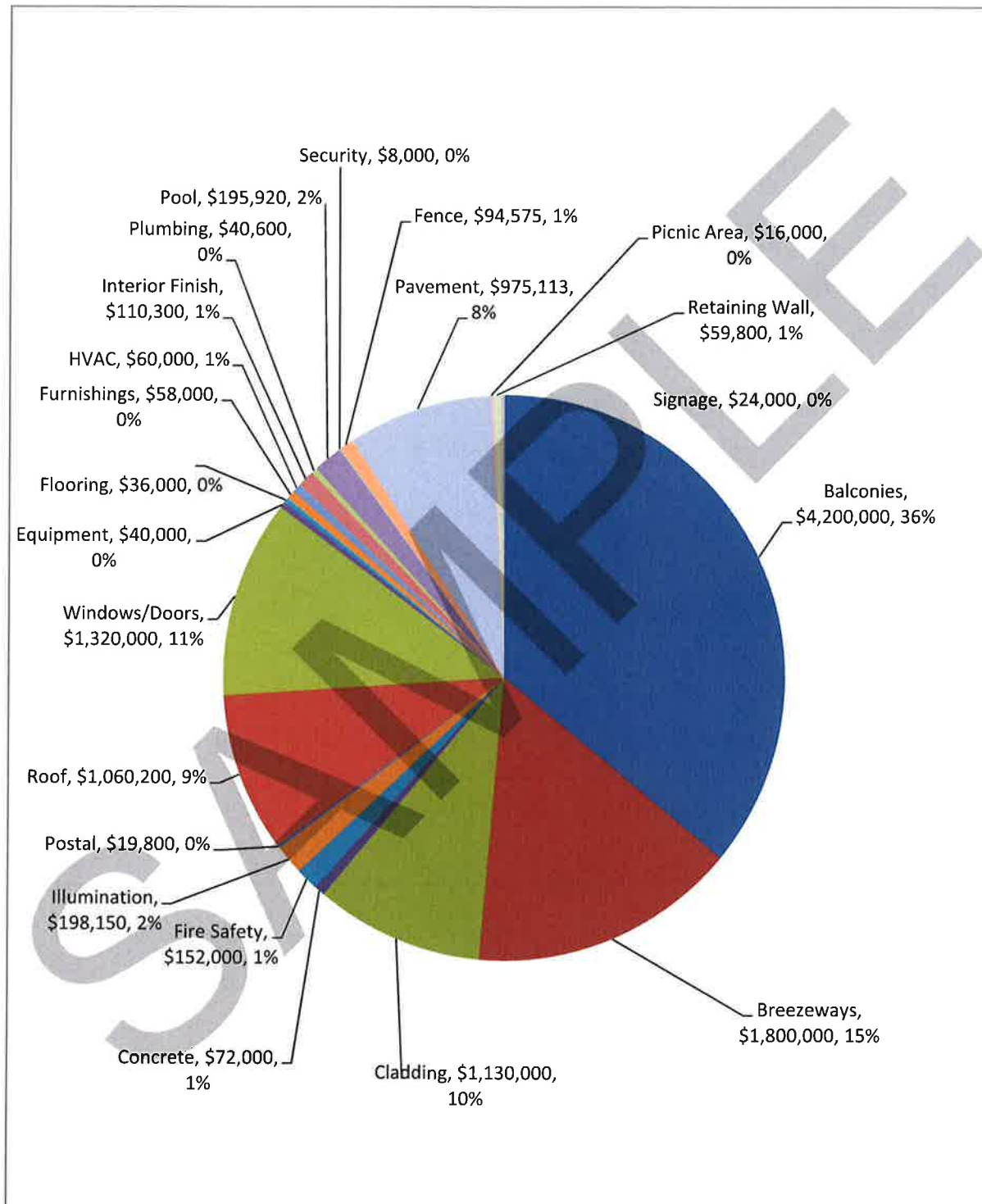


Present Value Expenditure Over Time Window for Clubhouse Category by Line Item Type



**Present Value Expenditure Over Time Window for Site Category by Line Item Type**

Present Value Expenditure Over Time Window by Line Item Type



## Calculation Table Explanatory Descriptions

The following sections describe the individual sheets of the Calculation Tables, in the order they appear in the report.

### Executive Summary

This page shows the basic fiscal and initial condition information upon which the remainder of the analysis has been based and includes basic information regarding the Association, the report (including its revision history), and a basic summary of the funding schedules considered in the analysis.

#### Client

This entry lists the full (official) name of the Association, to the best of The Falcon Group's knowledge.

#### File Number

This entry indicates the file/client number that The Falcon Group has assigned to the Association for our internal filing and archiving purposes. This number should remain constant through all of the communications that the Association has with The Falcon Group.

#### Version

This entry indicates the month and year in which this analysis was performed. This information is included to allow differentiation between precedent and antecedent analyses.

#### Community Information

These entries indicate the number of privately owned portions (be they detached single family dwellings, condominium units, attached single family dwellings [often called townhouses], business condominium units, or some combination thereof) within the Association, the approximate or median date of original construction, and the geographic location of the Association's physical components (which is often useful information in that construction costs tend to vary with geographic location and local market forces).

#### Initial Conditions

These entries list the conditions that The Falcon Group understands to exist as of the first day of the initial fiscal year of the analysis shown (while most Associations have fiscal years that run concurrent with calendar years, this is not universal, and the initial conditions therefore include an explicit listing of the last day of the Association's fiscal year), and include the initial fund balance, which is often pro-rated from the current fund balance, based upon the date of the current fund balance and the prior year's annual contribution. The initial conditions also include the initial percent funded, which gives an indication of how conservatively the Association has historically funded its capital reserve fund to the beginning of the initial fiscal year, and the initial estimated total replacement cost, which is the basis that The Falcon Group typically uses to determine the threshold levels for the cash-flow methodology fund projections.

Included in this area, for the Association's edification, is the "PV Expenditure in Time Window", which is the summation of the "Present Value of Line Item Expenditures in Time Window" column from the Expenditure Projection.

#### Scope of Work

This indicates the processes undertaken as part of the analysis evaluation. The Falcon Group, besides specifying scopes of work by CAI standards (updates with and without site visits and full studies) also indicates if the Association requested field measurement of the common elements, and indicates if other work scopes (e.g. roof or siding inspections, moisture testing, etc.) beyond typical visual inspection and quantity measurement, are included in the analysis evaluation.

#### Revisions

Many Capital Reserve Replacement Analyses are revised one or more times to reflect changes in assumptions, new information, or alternative funding goals. The revision entries indicate dates that The Falcon Group has revised the

current analysis, and include short descriptions of the revisions made and initials of the editor in The Falcon Group who performed the revision(s).

### **Analysis Calculation Constants**

These entries list the constants used in the analysis, including the time window (industry standard time window is thirty years), the assumed annual rate of cost inflation (The Falcon Group, unless otherwise directed by the Association, will assume this to be zero), and the assumed annual rate of investment return (The Falcon Group, unless otherwise directed by the Association, will assume this to be zero).

### **Summary of Funding Schedules Over Time Window**

These entries indicate the funding schedules (the various scenarios) considered in the analysis, along with relevant notes regarding these funding schedules, the contribution required in the initial fiscal year to comply with the funding schedule as calculated, and the maximum and minimum end of year fund balances projected to occur in each of the funding schedules.

### **Line Item Schedules**

There are two distinct line item schedules, the reserve schedule, which displays life cycle and estimated cost information that is used to develop the expenditure projection, and the depreciation schedule, which displays the depreciation and fund allocation information that is used to develop the full funding scenario projection.

#### **Line Item**

These entries name the individual projects/expenditures that are expected to be funded through the Association's capital reserve fund and are therefore being considered in the analysis. Each line item name is compounded of a category (typical categories are ANCILLARY, BUILDING, and SITE), a type (such as Pavement, Roof, Swimming Pool, or Utility, among others), a description (such as asphalt, concrete, metal railing, seal coating, wood deck, or so forth), and, in some cases a miscellaneous component including secondary descriptions (such as street names, building numbers, or phase numbers) and notes (typically in the form of one or more numbers in parenthesis that reference the notes in the narrative section of the report), with all components being separated by hyphens. The line item names are constructed in this fashion so that they can be easily organized into related categories. The organization of the individual line items in a systematic fashion (arranging similar or related line items in close proximity to each other) tends to make the Line Item Schedules and Expenditure Projection of the analysis more easily read, cross-referenced, and checked.

Always be mindful of notes – due to the tabular nature of the Calculation Sheets, important qualifications, disclosures, and observations regarding individual line items typically cannot be expected to fit within the space limitations of the Calculation Sheets, so the line item notes often include vital explanatory material.

#### **Life Cycle [Reserve Schedule]**

The typically expected life cycle is the number of years that The Falcon Group would expect to see between occurrences of the line item expenditure. The condition assessed remaining life cycle is the number of years that The Falcon Group expects to elapse before the next occurrence of the line item expenditure.

#### **Estimated Cost [Reserve Schedule]**

The total line item cost per occurrence of the line item expenditure in the initial year is determined by multiplying the line item quantity by the line item unit cost. Please note that each line item has also been given a unit of measure – this is very important, in that a both quantity and unit cost entries cannot be appropriately interpreted without knowing the unit of measurement (for instance, there is a vast difference between a square foot of concrete and a cubic yard of concrete, and quantities and unit costs based upon cubic yards will be very different from those based upon square feet).

It must be understood that estimated costs are shown for the initial fiscal year of the analysis. If inflation is assumed to be zero, then the estimated line item cost per occurrence will be constant over the time window – otherwise estimated line item costs will change over the time window.



The individual line item unit costs (the estimated cost for which the components represented by the line item can be realistically replaced, reconstructed, or refurbished as the case may be, per unit of measurement) are based upon the cost information available to us as of the time the analysis is performed, as well as various assumptions in regards to non-visible construction details and material characteristics. The Falcon Group bases unit costs upon current R.S. Means reference books (R.S. Means is a commercially available series of cost estimating guides published by Reed Construction Data), contractor bids for similar scopes of work with which The Falcon Group has been involved, industry/manufacturer specific information, and whatever historical expenditure information that the Association has supplied to The Falcon Group for review.

The Association should remain aware that these are estimated costs. Market forces can alter individual costs significantly in comparatively short periods of time due to material price increases, labor shortages, regulatory environment changes, and etcetera. Actual costs can also be significantly altered by design requirements (e.g. use of unusual materials or design details), project or community specific requirements (e.g. unusually restricted hours of work), or other factors that are not determined until the actual project designs and specifications are created. The actual cost that the Association will see can be expected to vary to a greater or lesser degree from what has been estimated for the purposes of this Capital Reserve Replacement Analysis.

Please note that the Line Item Occurrence Cost is not necessarily identical to the Total Line Item Cost (q.v.), in that line items, for various reasons, may not be showing the entire quantity of the common element considered in the analysis (this is typically done to allow more accurate modeling of items such as concrete pedestrian walks, where replacement is often performed on an as-needed basis for comparatively small portions of the total, and is generally combined with a very short life cycle to reflect many small expenditures rather than a single large expenditure).

#### **Total Line Item Cost**

This line item entry is simply the total quantity of the common element multiplied by the unit cost. Please note that, for various reasons, the analysis tables may not be showing the total quantity of the common element in question (q.v., Estimated Cost), in which case this entry will not agree with the Line Item Occurrence Cost entry under the Reserve Schedule heading. These entries have been included for the use of accounting professionals and community managers, and do not necessarily appear elsewhere in the analysis, as expenditure projections are based upon the Line Item Occurrence Cost entries.

#### **Current Theoretical Full Funding Line Item Balance [Full Funding Schedule]**

This line item entry is essentially the difference between the estimated line item occurrence cost and the depreciated value at the beginning of the initial fiscal year of the analysis (based upon simple straight-line depreciation of the occurrence cost over the typically expected life cycle with an assumed residual value of zero), and thus represents both the value of the common element(s) represented by the line item that has been lost to senescence (aging), wear, weathering, and other forms of deterioration since the installation of said element(s) and the theoretical "ideal" level of funding expected if the Association was attempting to maintain full funding.

#### **Initial Fund Allocation [Full Funding Schedule]**

This line item entry is the portion of the initial fund balance that has been allocated to the line item for calculation purposes. The process of determining this allocation is called "pooling", and tends to become a complex issue, especially in regards to fund distribution in severely under-funded situations. The Falcon Group uses an algorithm that preferentially directs funding allocation to cover expenditures occurring in the initial fiscal year and allocates the remainder based upon the individual line item current cumulative depreciations. Note the sum of all line item initial fund allocations, by definition, is equal to the initial fund balance.

The Association should remember that pooling is essentially an accounting convenience that is used to allow the component methodology calculations, not an intrinsic characteristic of the typical capital reserve fund. It is rare for an Association to explicitly divide their capital reserve fund into separate savings or investment accounts for each individual line item of their Capital Reserve Replacement Analysis, and the line item initial fund allocation is therefore not normally reflected in any administrative or fiscal structure within an Association.

**Current Coverage (+) or Shortage (-) [Full Funding Schedule]**

This line item entry is simply the difference between the initial fund allocation and the current theoretical full funding line item balance. Positive numbers indicate overages (the initial fund allocation is greater than the current theoretical full funding line item balance) while negative numbers indicates shortages (the initial fund allocation is less than the current theoretical full funding line item balance). An Association that is fully funded will have neither overages nor shortages.

**Effective Age of Component [Full Funding Schedule]**

This line item entry is essentially the numerical representation of the estimated number of full years of "typical" deterioration experienced by the components of the line item up to the initial year of the analysis. Thus, if a line item has an expected life cycle of 15 years and a condition assessed remaining life of 10 years, it has an effective age of 4, because the line item is in the midst of its 5<sup>th</sup> year.

**Current Theoretical Full Funding Line Item Annual Contribution [Full Funding Schedule]**

This line item entry is the estimated value of the common element(s) represented by the line item that is lost each year to senescence (aging), wear, weathering, and other forms of deterioration, and is therefore a form of depreciation. This analysis assumes all depreciation to be a linear function of the line item life cycle and occurrence cost for budgeting purposes. Depreciation is an accounting convention and mathematical construction, not necessarily a true reflection of the actual physical deterioration of many common elements. Many objects tend to experience a gradually increasing rate of deterioration as they age, and their actual value often more closely resembles a logarithmic or exponential function than a linear function. The difficulties in attempting to more accurately model actual material degradation mathematically make depreciation via linear functions the favored basis of calculation for full funding analyses.

**Expenditure Projection**

The expenditure projection sheets essentially cycle the line item life cycles, including various non-cyclical or meta-cyclical factors, over the analysis time window and generate the predicted cash-outflow from the Association's capital reserve fund over the course of the analysis time window.

The majority of the expenditure projection takes the form of an array or grid that cross-references each line item (the rows) with each fiscal year (the columns) in the analysis time window, with line item expenditure occurrences in each fiscal year being summed to produce the nominal expenditure (in future dollars) for each fiscal year.

**Line Item**

These entries are identical to the entries in the line item schedules.

**Fiscal Year**

These entries indicate the fiscal year in which the entries below are occurring. Please note that, depending upon the start/end date of the Association's fiscal year, these years may or may not match calendar periods. The Falcon Group will generally use the calendar year numeral in which the fiscal year starts as the fiscal year numeral – for instance, if an Association's fiscal year runs from April 1 to March 1, then The Falcon Group would indicate the fiscal year from April 1, 2013 to March 1, 2014 as the 2013 fiscal year.

**Nominal Expenditure (in Future Dollars) in Fiscal Year**

These entries are the sums of the expenditures projected to occur in each individual fiscal year. These entries reflect the effects of any assumed rate of cost inflation, and are therefore in terms of future dollars for the fiscal year in which they appear.

**Present Value of Line Item Expenditures in Time Window**

These entries are the summation of the projected expenditures for each individual line item. These entries reflect the effects of any assumed rate of cost inflation and rate of return on investment, and are therefore an estimate of the current dollar sum (present value) that is theoretically equivalent to the cash-flow represented for the line item. In other words, if

the Association has an initial reserve fund balance equal to the sum of all of the present value of line item expenditures in time window entries, then it would theoretically be able to fund all of the expenditures projected to occur within the current time window out of the reserve fund and its investment earnings without any contributions from the Association, with the last expenditures in the time window reducing the fund balance to zero. The Falcon Group has never observed such a situation, and would never advise an Association to attempt such a strategy; these entries have been included to give the Association an index by which it can determine which line items are likely to have the most influence on threshold funding scenario projections (and thus where changes are most likely to materially alter recommended annual contributions).

## **Annual Funding Projection**

The annual funding projection sheets display the projected expenditures from the capital reserve fund, contributions to the capital reserve fund, and the resulting start of year and end of year fund balances for the various funding scenarios considered in the analysis. Each sheet takes the form of an array or grid that cross-references each fiscal year (the rows) with the projected expenditures in that fiscal year, and the starting and ending fund balances, projected contribution, and (in the case of threshold funding scenarios) the nominal threshold (initial year threshold corrected for cost inflation) for each scenario considered in the analysis. Please note that each scenario is represented by the columns underneath the title of the scenario (located along the top of the sheet), and that these scenarios are each independently calculated.

### **Fiscal Year and Nominal Expenditure (in Future Dollars) in Fiscal Year**

These entries have identical values to the entries in the expenditure projection, although they have been transposed, which is to say that these entries are displayed horizontally from left to right in the expenditure projection but are displayed vertically from top to bottom in the annual funding projection.

### **Start of Year Fund Balance**

These entries are the projected capital reserve fund balance on the first day of the given fiscal year for the given scenario projection. Please observe that the start of year fund balance for all considered funding scenarios is the same in the initial fiscal year, and equals the initial fund balance.

The start of year fund balance for fiscal years after the initial year is equal to preceding fiscal years end of year fund balance for the given scenario plus any return on investment.

### **Projected Contribution**

These entries are the per annum contributions to the capital reserve fund for the given fiscal year and given scenario projection.

### **End of Year Fund Balance**

These entries are the projected capital reserve fund balances on the last day of the given fiscal year for the given scenario projection; it is essentially the sum of that fiscal year's start of year fund balance and projected contribution, less the expenditure in that fiscal year.

### **Nominal Threshold in Year**

These entries are initial year threshold (which is shown directly below the threshold scenario title), corrected for the estimated cumulative cost inflation since the initial fiscal year. Where the assumed rate of cost inflation is zero, all of these entries should be identical within a given funding scenario.

## **Projection Graphs**

These sheets contain graphic representations of subsets of the information within the annual funding projection.

The end of fiscal year fund project graph is a graphical comparison of the various scenario projections tabulated in the annual funding projection. This graph contains information given in the annual funding projection in a more accessible format that often proves helpful for qualitative judgments of the merits of the various funding scenarios offered in the

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Capital Reserve Replacement Analysis. This graph displays the end of year fund balances for the various funding scenarios, as well as the various non-zero threshold balances so as to allow for relatively simple comparison between the various scenarios over the analysis time window.

### **Expenditure Calendar**

These sheets display the total (nominal) expenditure within each fiscal year of the analysis time window, along with the list of line items and their associated expenditures (in order from greatest to least expenditure) occurring in the given fiscal year.

The expenditure calendar essentially displays the same basic information set as the expenditure projection, but organizes the information in a different format that many users find more accessible. While the expenditure projection predominantly organizes information by line item and only secondarily by year, the expenditure calendar organizes information predominantly by year.

SAMPLE