



## CALIFORNIA BUILDER SERVICES

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# RESERVE ANALYSIS REPORT



### Lushmeadows Mountain Estates

Triamgle Rd. & Meadow Ln.  
Mariposa, CA 95338



Update | FY23

**October 17, 2022**



**TABLE OF CONTENTS**  
**Lushmeadows Mountain Estates**

**PART I DISCLOSURE**

California Disclosure ..... 1-1

**PART II RESERVE STUDY**

Current Assessment Funding Model Summary ..... 2-1  
Current Assessment Funding Model Projection ..... 2-2  
Recommended Funding Model Summary ..... 2-3  
Recommended Funding Model Projection ..... 2-4  
Component Funding Summary ..... 2-5  
Annual Expenditure Detail ..... 2-7  
Spread Sheet ..... 2-14

**PART III INFORMATION ABOUT YOUR RESERVE STUDY**

Important Information ..... 3-1  
Introduction ..... 3-2  
Funding Methods ..... 3-3  
Funding Strategies ..... 3-3  
Definitions ..... 3-4  
Supplemental Disclosures ..... 3-6

**Assessment and Reserve Funding Disclosure Summary  
for the Fiscal Year Ending 2023**

(1) The regular assessment per ownership interest is \$150 per lot per Month. Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page 2-1 of the attached summary.

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

Date Assessment Will Be Due:	Amount Per Ownership Interest Per Month or Year (If Assessments Are Variable, See Note Immediately Below):	Purpose Of The Assessment:
	None	
	None	
	None	
	Total:	

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

Yes \_\_\_ No \*X

**\*If the association continues with its current funding model, they will not be able to meet their financial obligations by year 2029.**

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate Date Assessment Will Be Due:	Amount Per Ownership Interest Per Month or Year:
Year 2023	An annual reserve contribution of \$12,142.
2024 – 2025	A 15% Contribution increase to the reserves
2026 – 2029	A 10% Contribution increase to the reserves
2030 and Continuing	A 3% Contribution increase to the reserves
	Total:

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$113,662, based in whole or in part on the last reserve study or update prepared by California Builder Services as of June, 2021. The projected reserve fund cash balance at the end of the current fiscal year is \$54,330, resulting in reserves being 48% funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is:

Year	Estimated Reserve Amount Required
2023	\$113,662
2024	\$125,866
2025	\$124,458
2026	\$134,950
2027	\$131,326

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be:

Year	Projected Reserve Fund Balance	Percent Funded
2023	\$54,330	48%
2024	\$56,930	45%
2025	\$47,349	38%
2026	\$49,212	36%
2027	\$36,386	28%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 0.05% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 4.5% per year.

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

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

(2) “Major component” has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to **Section 5300**. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

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

**Lushmeadows Mountain Estates**  
 Mariposa, CA  
**Current Assessment Funding Model Summary**

Report Date	October 17, 2022
Account Number	Update   FY23
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	1

<i>Report Parameters</i>	
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.05%
Tax Rate on Interest	30.00%
2023 Beginning Balance	\$73,683

**Current Assessment Funding Model Summary**

- This 15-Acre Development is located near the intersection of Triangle Rd. and Meadow Lane, Mariposa, California.
- The last Reserve Analyst field inspection was completed on April 20, 2021.
- The current monthly reserve allocation is \$927.50, for an annual contribution of \$11,130.
- The projected percentage funded at the end of year 2023 is 48%.
- **If the association continues with its current funding model, they will not be able to meet their financial obligations by year 2029.**

<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Monthly Contribution <i>\$927.50 per unit monthly</i>	\$927.50
Average Net Monthly Interest Earned	<u>\$1.44</u>
Total Monthly Allocation to Reserves	\$928.94

**Lushmeadows Mountain Estates  
Current Assessment Funding Model Projection**

Beginning Balance: \$73,683

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	198,156	11,130	17	30,500	54,330	113,662	48%
2024	207,073	11,464	18	8,882	56,930	125,866	45%
2025	216,391	11,808	15	21,404	47,349	124,458	38%
2026	222,883	12,162	15	10,313	49,212	134,950	36%
2027	229,569	12,527	11	25,364	36,386	131,326	28%
2028	236,456	12,903	11	11,761	37,539	142,189	26%
2029	243,550	13,290		58,491	-7,663	105,818	
2030	250,856	13,688		13,834	-7,809	114,947	
2031	258,382	14,099		13,300	-7,010	125,549	
2032	266,133	14,522		4,701	2,812	145,952	2%
2033	274,117	14,958		19,191	-1,421	152,687	
2034	282,341	15,407		7,342	6,644	172,493	4%
2035	290,811	15,869		30,192	-7,680	170,141	
2036	299,536	16,345		9,070	-405	190,182	
2037	308,522	16,835	2	2,764	13,669	218,047	6%
2038	317,777	17,340		37,686	-6,677	211,528	
2039	327,311	17,860		92,647	-81,464	148,977	
2040	337,130	18,396		29,983	-93,050	149,889	
2041	347,244	18,948		13,842	-87,944	168,276	
2042	357,661	19,517		49,497	-117,924	151,335	
2043	368,391	20,102		18,324	-116,146	166,863	
2044	379,443	20,705		6,511	-101,951	195,920	
2045	390,826	21,326		13,313	-93,938	219,765	
2046	402,551	21,966		11,478	-83,450	247,166	
2047	414,627	22,625		6,587	-67,412	281,406	
2048	427,066	23,304		38,045	-82,153	285,280	
2049	439,878	24,003		123,489	-181,640	202,301	
2050	453,074	24,723		8,341	-165,258	236,504	
2051	466,667	25,465		21,666	-161,460	259,110	
2052	480,667	26,229		8,490	-143,721	297,101	

**Lushmeadows Mountain Estates**  
 Mariposa, CA  
**Recommended Funding Model Summary**

Report Date	October 17, 2022
Account Number	Update   FY23
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	1

<i>Report Parameters</i>	
Interest Rate on Reserve Deposit	0.05%
Tax Rate on Interest	30.00%
2023 Beginning Balance	\$73,683

**Recommended Funding Model Summary**

- This 15-Acre Development is located near the intersection of Triangle Rd. and Meadow Lane, Mariposa, California.
- The last Reserve Analyst field inspection was completed on April 20, 2021.
- **If the association continues with its current funding model, they will not be able to meet their financial obligations by year 2029. Therefore, we have included this recommended funding model which entails the following;**
  - **An annual reserve contribution of \$12,142 in year 2023**
  - **A 15% Contribution Increase to the reserves from year 2024 – 2025**
  - **A 10% Contribution Increase to the reserves from year 2026 – 2029**
  - **A 3% Contribution Increase to the reserves from year 2030 and continuing.**

<i>Recommended Funding Model Summary of Calculations</i>	
Required Monthly Contribution <i>\$1,011.83 per unit monthly</i>	\$1,011.83
Average Net Monthly Interest Earned	<u>\$1.45</u>
Total Monthly Allocation to Reserves	\$1,013.28

**Lushmeadows Mountain Estates  
Recommended Funding Model Projection**

Beginning Balance: \$73,683

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	198,156	12,142	17	30,500	55,342	113,662	49%
2024	207,073	13,963	19	8,882	60,442	125,866	48%
2025	216,391	16,058	17	21,404	55,113	124,458	44%
2026	222,883	18,466	19	10,313	63,285	134,950	47%
2027	229,569	20,313	17	25,364	58,251	131,326	44%
2028	236,456	22,344	21	11,761	68,855	142,189	48%
2029	243,550	24,579	8	58,491	34,951	105,818	33%
2030	250,856	27,037	13	13,834	48,166	114,947	42%
2031	258,382	27,848	17	13,300	62,731	125,549	50%
2032	266,133	28,683	26	4,701	86,740	145,952	59%
2033	274,117	29,544	29	19,191	97,122	152,687	64%
2034	282,341	30,430	37	7,342	120,247	172,493	70%
2035	290,811	31,343	37	30,192	121,436	170,141	71%
2036	299,536	32,283	45	9,070	144,695	190,182	76%
2037	308,522	33,252	56	2,764	175,239	218,047	80%
2038	317,777	34,249	55	37,686	171,857	211,528	81%
2039	327,311	35,277	34	92,647	114,521	148,977	77%
2040	337,130	36,335	36	29,983	120,910	149,889	81%
2041	347,244	37,425	45	13,842	144,538	168,276	86%
2042	357,661	38,548	41	49,497	133,630	151,335	88%
2043	368,391	39,704	48	18,324	155,058	166,863	93%
2044	379,443	40,896	60	6,511	189,503	195,920	97%
2045	390,826	42,122	70	13,313	218,382	219,765	99%
2046	402,551	43,386	81	11,478	250,371	247,166	101%
2047	414,627	44,688	94	6,587	288,565	281,406	103%
2048	427,066	46,028	96	38,045	296,645	285,280	104%
2049	439,878	47,409	70	123,489	220,634	202,301	109%
2050	453,074	48,831	84	8,341	261,208	236,504	110%
2051	466,667	50,296	93	21,666	289,931	259,110	112%
2052	480,667	51,805	108	8,490	333,355	297,101	112%



**Lushmeadows Mountain Estates  
Component Funding Summary**

Description	Future Cost	Useful Life	Remaining Life	Distribution	Required Contribution	Future Liability	Fully Funded
<b>General</b>							
Contingency - Barn Building; Replacement	<i>unfunded</i>						
Landscape - Tree Trimming	5,225	3	1	3,333	704	1,892	3,333
Mechanical - Septic Tank; Repairs/Replace..	1,747	25	2	1,472	51	275	1,472
Mechanical - Well Pump; Repairs/Replace..	5,250	15	0	5,250	209	0	5,250
Mechanical - Well Pump; Repairs/Replace..	17,745	15	2	14,083	680	3,662	14,083
Signage - Development Entrance; Repairs/..	2,152	30	7		114	2,152	1,303
Signage - Message Center; Replacement	7,485	25	12		232	7,485	2,652
Signage - Miscellaneous; Replacement	1,250	15	0	1,250	50	0	1,250
General - Total				<u>\$25,389</u>	<u>\$2,040</u>	<u>\$15,466</u>	<u>\$29,344</u>
<b>Clubhouse</b>							
Clubhouse - Concrete Walkways; Repairs/..	896	15	3	647	31	249	647
Clubhouse - Exteriors (Siding); Repairs/Re..	41,347	10	6		2,564	41,347	13,456
Clubhouse - Flooring; Carpeting	694	20	7		37	694	395
Clubhouse - Flooring; Vinyl	20,506	30	12		635	20,506	9,182
Clubhouse - Furnishing; Replacement	2,500	15	0	2,500	99	0	2,500
Clubhouse - Gravel Road; Refurbishment	5,969	7	4	2,576	315	3,393	2,576
Clubhouse - Painting; Exterior	17,144	10	6		1,063	17,144	5,579
Clubhouse - Painting; Interior	2,812	15	5		209	2,812	1,702
Clubhouse - Paneling; Interior	1,698	15	4	1,249	42	450	1,249
Clubhouse - Remodel; Cabinetry & Fixtures	9,847	15	4	7,231	243	2,616	7,241
Clubhouse - Restroom; Remodel	7,000	15	0	7,000	278	0	7,000
Equipment - Kitchen Items; Replacement	2,056	10	4	1,357	65	699	1,357
Equipment - Picnic Table; Replacement	731	20	3	575	19	156	575
Lighting - Exterior Fixtures; Replacement	1,911	20	2	1,575	62	336	1,575
Lighting - Interior Fixtures; Replacement	4,659	25	7		248	4,659	2,650
Mechanical - Furnace; Repairs/Replacement	2,500	30	0	2,500	77	0	2,500
Mechanical - Main Lines; Repairs/Replace..	4,500	40	0	4,500	140	0	4,500
Mechanical - Pump House; Repairs/Replac..	4,701	10	9		194	4,701	350
Mechanical - Swamp Cooler; Repairs/Repl..	3,824	20	3	2,992	103	832	2,992
Mechanical - Water Heater; Replacement	1,314	20	18		27	1,314	75
Roofing - Comp. Shingle; Replacement	16,167	30	19		316	16,167	3,284
Roofing - Gutters & Downspouts; Replace..	4,682	30	26		67	4,682	281
Clubhouse - Total				<u>\$34,702</u>	<u>\$6,835</u>	<u>\$122,756</u>	<u>\$71,666</u>
<b>Dawn Lake</b>							
Dawn Lake - Restroom; Remodel	3,657	15	1	2,800	319	857	2,800
Equipment - Bench; Replacement	1,518	40	3	1,147	46	371	1,147
Equipment - Charcoal Barbecues; Replace..	1,800	20	3	1,360	54	440	1,360
Equipment - Kids Area; Footbridge	1,956	25	8		91	1,956	1,020
Equipment - Kids Area; Play Structure	7,172	25	8		333	7,172	3,740
Equipment - Kids Area; Swing Set	4,173	20	8		194	4,173	2,176
Equipment - Picnic Table; Replacement	6,511	25	21		115	6,511	544
Fencing - Chain Link; Repairs/Replacement	13,167	30	26		188	13,167	791

**Lushmeadows Mountain Estates  
Component Funding Summary**

Description	Future Cost	Useful Life	Remaining Life	Distribution	Required Contribution	Future Liability	Fully Funded
<i>Dawn Lake continued...</i>							
Ground Cover - Culvert; Refurbishment	7,500	5	0	7,500	666	0	7,500
Ground Cover - Kids Area; Mulch Area	1,544	7	3	785	94	760	785
Mechanical - Pump House; Repairs/Replac..	1,512	15	13		43	1,512	133
Dawn Lake - Total				<u>\$13,592</u>	<u>\$2,144</u>	<u>\$36,917</u>	<u>\$21,996</u>
<b>Mallard Lake</b>							
Equipment - Bench; Replacement	2,201	15	12		68	2,201	300
Vehicle Gate - Metal; Replacement	2,103	30	18		43	2,103	503
Mallard Lake - Total				\$0	<u>\$112</u>	<u>\$4,304</u>	<u>\$803</u>
 Grand Total:	 <u>\$253,126</u>			 <u>\$73,683</u>	 <u>\$11,130</u>	 <u>\$179,443</u>	 <u>\$123,809</u>

Percent Fully Funded	60%
Current Average Liability per Unit (Total Units: 1)	-\$50,126

**Lushmeadows Mountain Estates  
Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2023</b>	
<b>General</b>	
Mechanical - Well Pump; Repairs/Replacement	5,250
Signage - Miscellaneous; Replacement	1,250
<b>Clubhouse</b>	
Clubhouse - Furnishing; Replacement	2,500
Clubhouse - Restroom; Remodel	7,000
Mechanical - Furnace; Repairs/Replacement	2,500
Mechanical - Main Lines; Repairs/Replacement	4,500
<b>Dawn Lake</b>	
Ground Cover - Culvert; Refurbishment	7,500
<b>Total for 2023</b>	<b>\$30,500</b>
<b>Replacement Year 2024</b>	
<b>General</b>	
Landscape - Tree Trimming	5,225
<b>Dawn Lake</b>	
Dawn Lake - Restroom; Remodel	3,657
<b>Total for 2024</b>	<b>\$8,882</b>
<b>Replacement Year 2025</b>	
<b>General</b>	
Mechanical - Septic Tank; Repairs/Replacement	1,747
Mechanical - Well Pump; Repairs/Replacement	17,745
<b>Clubhouse</b>	
Lighting - Exterior Fixtures; Replacement	1,911
<b>Total for 2025</b>	<b>\$21,404</b>
<b>Replacement Year 2026</b>	
<b>Clubhouse</b>	
Clubhouse - Concrete Walkways; Repairs/Replacement	896
Equipment - Picnic Table; Replacement	731
Mechanical - Swamp Cooler; Repairs/Replacement	3,824
<b>Dawn Lake</b>	
Equipment - Bench; Replacement	1,518

**Lushmeadows Mountain Estates  
Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2026 continued...</i></b>	
Equipment - Charcoal Barbecues; Replacement	1,800
Ground Cover - Kids Area; Mulch Area	1,544
<b>Total for 2026</b>	<b><u>\$10,313</u></b>
 <b>Replacement Year 2027</b>	
<b>General</b>	
Landscape - Tree Trimming	5,793
<b>Clubhouse</b>	
Clubhouse - Gravel Road; Refurbishment	5,969
Clubhouse - Paneling; Interior	1,698
Clubhouse - Remodel; Cabinetry & Fixtures	9,847
Equipment - Kitchen Items; Replacement	2,056
<b>Total for 2027</b>	<b><u>\$25,364</u></b>
 <b>Replacement Year 2028</b>	
<b>Clubhouse</b>	
Clubhouse - Painting; Interior	2,812
<b>Dawn Lake</b>	
Ground Cover - Culvert; Refurbishment	8,950
<b>Total for 2028</b>	<b><u>\$11,761</u></b>
 <b>Replacement Year 2029</b>	
<b>Clubhouse</b>	
Clubhouse - Exteriors (Siding); Repairs/Replacement	41,347
Clubhouse - Painting; Exterior	17,144
<b>Total for 2029</b>	<b><u>\$58,491</u></b>
 <b>Replacement Year 2030</b>	
<b>General</b>	
Landscape - Tree Trimming	6,330
Signage - Development Entrance; Repairs/Replacement	2,152
<b>Clubhouse</b>	
Clubhouse - Flooring; Carpeting	694
Lighting - Interior Fixtures; Replacement	4,659
<b>Total for 2030</b>	<b><u>\$13,834</u></b>

**Lushmeadows Mountain Estates  
Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2031</b>	
<b>Dawn Lake</b>	
Equipment - Kids Area; Footbridge	1,956
Equipment - Kids Area; Play Structure	7,172
Equipment - Kids Area; Swing Set	4,173
<b>Total for 2031</b>	<b>\$13,300</b>
<b>Replacement Year 2032</b>	
<b>Clubhouse</b>	
Mechanical - Pump House; Repairs/Replacement	4,701
<b>Total for 2032</b>	<b>\$4,701</b>
<b>Replacement Year 2033</b>	
<b>General</b>	
Landscape - Tree Trimming	6,917
<b>Dawn Lake</b>	
Ground Cover - Culvert; Refurbishment	10,375
Ground Cover - Kids Area; Mulch Area	1,899
<b>Total for 2033</b>	<b>\$19,191</b>
<b>Replacement Year 2034</b>	
<b>Clubhouse</b>	
Clubhouse - Gravel Road; Refurbishment	7,342
<b>Total for 2034</b>	<b>\$7,342</b>
<b>Replacement Year 2035</b>	
<b>General</b>	
Signage - Message Center; Replacement	7,485
<b>Clubhouse</b>	
Clubhouse - Flooring; Vinyl	20,506
<b>Mallard Lake</b>	
Equipment - Bench; Replacement	2,201
<b>Total for 2035</b>	<b>\$30,192</b>
<b>Replacement Year 2036</b>	
<b>General</b>	
Landscape - Tree Trimming	7,558

**Lushmeadows Mountain Estates  
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2036 continued...</i>	
<b>Dawn Lake</b>	
Mechanical - Pump House; Repairs/Replacement	1,512
<b>Total for 2036</b>	<b>\$9,070</b>
<b>Replacement Year 2037</b>	
<b>Clubhouse</b>	
Equipment - Kitchen Items; Replacement	2,764
<b>Total for 2037</b>	<b>\$2,764</b>
<b>Replacement Year 2038</b>	
<b>General</b>	
Mechanical - Well Pump; Repairs/Replacement	8,419
Signage - Miscellaneous; Replacement	2,005
<b>Clubhouse</b>	
Clubhouse - Furnishing; Replacement	4,009
Clubhouse - Restroom; Remodel	11,226
<b>Dawn Lake</b>	
Ground Cover - Culvert; Refurbishment	12,028
<b>Total for 2038</b>	<b>\$37,686</b>
<b>Replacement Year 2039</b>	
<b>General</b>	
Landscape - Tree Trimming	8,259
<b>Clubhouse</b>	
Clubhouse - Exteriors (Siding); Repairs/Replacement	55,567
Clubhouse - Painting; Exterior	23,040
<b>Dawn Lake</b>	
Dawn Lake - Restroom; Remodel	5,781
<b>Total for 2039</b>	<b>\$92,647</b>
<b>Replacement Year 2040</b>	
<b>General</b>	
Mechanical - Well Pump; Repairs/Replacement	27,647
<b>Dawn Lake</b>	
Ground Cover - Kids Area; Mulch Area	2,336
<b>Total for 2040</b>	<b>\$29,983</b>

**Lushmeadows Mountain Estates  
Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2041</b>	
<b>Clubhouse</b>	
Clubhouse - Concrete Walkways; Repairs/Replacement	1,395
Clubhouse - Gravel Road; Refurbishment	9,029
Mechanical - Water Heater; Replacement	1,314
<b>Mallard Lake</b>	
Vehicle Gate - Metal; Replacement	2,103
<b>Total for 2041</b>	<b>\$13,842</b>
 <b>Replacement Year 2042</b>	
<b>General</b>	
Landscape - Tree Trimming	9,025
<b>Clubhouse</b>	
Clubhouse - Paneling; Interior	2,646
Clubhouse - Remodel; Cabinetry & Fixtures	15,342
Mechanical - Pump House; Repairs/Replacement	6,317
Roofing - Comp. Shingle; Replacement	16,167
<b>Total for 2042</b>	<b>\$49,497</b>
 <b>Replacement Year 2043</b>	
<b>Clubhouse</b>	
Clubhouse - Painting; Interior	4,381
<b>Dawn Lake</b>	
Ground Cover - Culvert; Refurbishment	13,943
<b>Total for 2043</b>	<b>\$18,324</b>
 <b>Replacement Year 2044</b>	
<b>Dawn Lake</b>	
Equipment - Picnic Table; Replacement	6,511
<b>Total for 2044</b>	<b>\$6,511</b>
 <b>Replacement Year 2045</b>	
<b>General</b>	
Landscape - Tree Trimming	9,862
<b>Clubhouse</b>	
Lighting - Exterior Fixtures; Replacement	3,452
<b>Total for 2045</b>	<b>\$13,313</b>

**Lushmeadows Mountain Estates  
Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2046</b>	
<b>Clubhouse</b>	
Equipment - Picnic Table; Replacement	1,320
Mechanical - Swamp Cooler; Repairs/Replacement	6,907
<b>Dawn Lake</b>	
Equipment - Charcoal Barbecues; Replacement	3,250
<b>Total for 2046</b>	<b><u>\$11,478</u></b>
<b>Replacement Year 2047</b>	
<b>Clubhouse</b>	
Equipment - Kitchen Items; Replacement	3,714
<b>Dawn Lake</b>	
Ground Cover - Kids Area; Mulch Area	2,873
<b>Total for 2047</b>	<b><u>\$6,587</u></b>
<b>Replacement Year 2048</b>	
<b>General</b>	
Landscape - Tree Trimming	10,776
<b>Clubhouse</b>	
Clubhouse - Gravel Road; Refurbishment	11,105
<b>Dawn Lake</b>	
Ground Cover - Culvert; Refurbishment	16,164
<b>Total for 2048</b>	<b><u>\$38,045</u></b>
<b>Replacement Year 2049</b>	
<b>Clubhouse</b>	
Clubhouse - Exteriors (Siding); Repairs/Replacement	74,677
Clubhouse - Painting; Exterior	30,964
Roofing - Gutters & Downspouts; Replacement	4,682
<b>Dawn Lake</b>	
Fencing - Chain Link; Repairs/Replacement	13,167
<b>Total for 2049</b>	<b><u>\$123,489</u></b>
<b>Replacement Year 2050</b>	
<b>General</b>	
Mechanical - Septic Tank; Repairs/Replacement	3,658



**Lushmeadows Mountain Estates  
Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2050 continued...</i></b>	
<b>Clubhouse</b>	
Clubhouse - Flooring; Carpeting	1,253
<b>Mallard Lake</b>	
Equipment - Bench; Replacement	3,430
<b>Total for 2050</b>	<b><u>\$8,341</u></b>
<b>Replacement Year 2051</b>	
<b>General</b>	
Landscape - Tree Trimming	11,775
<b>Dawn Lake</b>	
Equipment - Kids Area; Swing Set	7,536
Mechanical - Pump House; Repairs/Replacement	2,355
<b>Total for 2051</b>	<b><u>\$21,666</u></b>
<b>Replacement Year 2052</b>	
<b>Clubhouse</b>	
Mechanical - Pump House; Repairs/Replacement	8,490
<b>Total for 2052</b>	<b><u>\$8,490</u></b>

**Lushmeadows Mountain Estates  
Spread Sheet**

	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Description</b>										
<b>General</b>										
Contingency - Barn Building; Replacement	<i>Unfunded</i>									
Landscape - Tree Trimming		5,225			5,793			6,330		
Mechanical - Septic Tank; Repairs/Replacement			1,747							
Mechanical - Well Pump; Repairs/Replacement	5,250									
Mechanical - Well Pump; Repairs/Replacement			17,745							
Signage - Development Entrance; Repairs/Replace..								2,152		
Signage - Message Center; Replacement										
Signage - Miscellaneous; Replacement	1,250									
<b>General Total:</b>	<b>6,500</b>	<b>5,225</b>	<b>19,493</b>		<b>5,793</b>			<b>8,482</b>		
<b>Clubhouse</b>										
Clubhouse - Concrete Walkways; Repairs/Replace..				896						
Clubhouse - Exteriors (Siding); Repairs/Replacement							41,347			
Clubhouse - Flooring; Carpeting								694		
Clubhouse - Flooring; Vinyl										
Clubhouse - Furnishing; Replacement	2,500									
Clubhouse - Gravel Road; Refurbishment					5,969					
Clubhouse - Painting; Exterior							17,144			
Clubhouse - Painting; Interior						2,812				
Clubhouse - Paneling; Interior					1,698					
Clubhouse - Remodel; Cabinetry & Fixtures					9,847					
Clubhouse - Restroom; Remodel	7,000									
Equipment - Kitchen Items; Replacement					2,056					
Equipment - Picnic Table; Replacement				731						
Lighting - Exterior Fixtures; Replacement			1,911							
Lighting - Interior Fixtures; Replacement								4,659		
Mechanical - Furnace; Repairs/Replacement	2,500									
Mechanical - Main Lines; Repairs/Replacement	4,500									
Mechanical - Pump House; Repairs/Replacement										4,701
Mechanical - Swamp Cooler; Repairs/Replacement				3,824						
Mechanical - Water Heater; Replacement										
Roofing - Comp. Shingle; Replacement										
Roofing - Gutters & Downspouts; Replacement										
<b>Clubhouse Total:</b>	<b>16,500</b>		<b>1,911</b>	<b>5,451</b>	<b>19,571</b>	<b>2,812</b>	<b>58,491</b>	<b>5,353</b>		<b>4,701</b>

**Lushmeadows Mountain Estates  
Spread Sheet**

<b>Description</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Dawn Lake</b>										
Dawn Lake - Restroom; Remodel		3,657								
Equipment - Bench; Replacement				1,518						
Equipment - Charcoal Barbecues; Replacement				1,800						
Equipment - Kids Area; Footbridge									1,956	
Equipment - Kids Area; Play Structure									7,172	
Equipment - Kids Area; Swing Set									4,173	
Equipment - Picnic Table; Replacement										
Fencing - Chain Link; Repairs/Replacement										
Ground Cover - Culvert; Refurbishment	7,500					8,950				
Ground Cover - Kids Area; Mulch Area				1,544						
Mechanical - Pump House; Repairs/Replacement										
<b>Dawn Lake Total:</b>	<b>7,500</b>	<b>3,657</b>		<b>4,862</b>		<b>8,950</b>			<b>13,300</b>	
<b>Mallard Lake</b>										
Equipment - Bench; Replacement										
Vehicle Gate - Metal; Replacement										
<b>Mallard Lake Total:</b>										
<b>Year Total:</b>	<b>30,500</b>	<b>8,882</b>	<b>21,404</b>	<b>10,313</b>	<b>25,364</b>	<b>11,761</b>	<b>58,491</b>	<b>13,834</b>	<b>13,300</b>	<b>4,701</b>

**Lushmeadows Mountain Estates  
Spread Sheet**

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
<b>Description</b>										
<b>General</b>										
Contingency - Barn Building; Replacement	<i>Unfunded</i>									
Landscape - Tree Trimming	6,917			7,558			8,259			9,025
Mechanical - Septic Tank; Repairs/Replacement										
Mechanical - Well Pump; Repairs/Replacement						8,419				
Mechanical - Well Pump; Repairs/Replacement								27,647		
Signage - Development Entrance; Repairs/Replac..										
Signage - Message Center; Replacement			7,485							
Signage - Miscellaneous; Replacement						2,005				
<b>General Total:</b>	<b>6,917</b>		<b>7,485</b>	<b>7,558</b>		<b>10,424</b>	<b>8,259</b>	<b>27,647</b>		<b>9,025</b>
<b>Clubhouse</b>										
Clubhouse - Concrete Walkways; Repairs/Replac..									1,395	
Clubhouse - Exteriors (Siding); Repairs/Replacement							55,567			
Clubhouse - Flooring; Carpeting										
Clubhouse - Flooring; Vinyl			20,506							
Clubhouse - Furnishing; Replacement						4,009				
Clubhouse - Gravel Road; Refurbishment		7,342							9,029	
Clubhouse - Painting; Exterior							23,040			
Clubhouse - Painting; Interior										
Clubhouse - Paneling; Interior										2,646
Clubhouse - Remodel; Cabinetry & Fixtures										15,342
Clubhouse - Restroom; Remodel						11,226				
Equipment - Kitchen Items; Replacement					2,764					
Equipment - Picnic Table; Replacement										
Lighting - Exterior Fixtures; Replacement										
Lighting - Interior Fixtures; Replacement										
Mechanical - Furnace; Repairs/Replacement										
Mechanical - Main Lines; Repairs/Replacement										
Mechanical - Pump House; Repairs/Replacement										6,317
Mechanical - Swamp Cooler; Repairs/Replacement										
Mechanical - Water Heater; Replacement									1,314	
Roofing - Comp. Shingle; Replacement										16,167
Roofing - Gutters & Downspouts; Replacement										
<b>Clubhouse Total:</b>		<b>7,342</b>	<b>20,506</b>		<b>2,764</b>	<b>15,235</b>	<b>78,607</b>		<b>11,739</b>	<b>40,472</b>

**Lushmeadows Mountain Estates  
Spread Sheet**

<b>Description</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>
<b>Dawn Lake</b>										
Dawn Lake - Restroom; Remodel							5,781			
Equipment - Bench; Replacement										
Equipment - Charcoal Barbecues; Replacement										
Equipment - Kids Area; Footbridge										
Equipment - Kids Area; Play Structure										
Equipment - Kids Area; Swing Set										
Equipment - Picnic Table; Replacement										
Fencing - Chain Link; Repairs/Replacement										
Ground Cover - Culvert; Refurbishment	10,375					12,028				
Ground Cover - Kids Area; Mulch Area	1,899							2,336		
Mechanical - Pump House; Repairs/Replacement				1,512						
<b>Dawn Lake Total:</b>	<b>12,274</b>			<b>1,512</b>		<b>12,028</b>	<b>5,781</b>	<b>2,336</b>		
<b>Mallard Lake</b>										
Equipment - Bench; Replacement			2,201							
Vehicle Gate - Metal; Replacement									2,103	
<b>Mallard Lake Total:</b>			<b>2,201</b>						<b>2,103</b>	
<b>Year Total:</b>	<b>19,191</b>	<b>7,342</b>	<b>30,192</b>	<b>9,070</b>	<b>2,764</b>	<b>37,686</b>	<b>92,647</b>	<b>29,983</b>	<b>13,842</b>	<b>49,497</b>

**Lushmeadows Mountain Estates  
Spread Sheet**

<b>Description</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>	<b>2051</b>	<b>2052</b>
<b>General</b>										
Contingency - Barn Building; Replacement	<i>Unfunded</i>									
Landscape - Tree Trimming			9,862			10,776			11,775	
Mechanical - Septic Tank; Repairs/Replacement								3,658		
Mechanical - Well Pump; Repairs/Replacement										
Mechanical - Well Pump; Repairs/Replacement										
Signage - Development Entrance; Repairs/Replace..										
Signage - Message Center; Replacement										
Signage - Miscellaneous; Replacement										
<b>General Total:</b>			<b>9,862</b>			<b>10,776</b>		<b>3,658</b>	<b>11,775</b>	
<b>Clubhouse</b>										
Clubhouse - Concrete Walkways; Repairs/Replace..										
Clubhouse - Exteriors (Siding); Repairs/Replacement							74,677			
Clubhouse - Flooring; Carpeting								1,253		
Clubhouse - Flooring; Vinyl										
Clubhouse - Furnishing; Replacement										
Clubhouse - Gravel Road; Refurbishment						11,105				
Clubhouse - Painting; Exterior							30,964			
Clubhouse - Painting; Interior	4,381									
Clubhouse - Paneling; Interior										
Clubhouse - Remodel; Cabinetry & Fixtures										
Clubhouse - Restroom; Remodel										
Equipment - Kitchen Items; Replacement						3,714				
Equipment - Picnic Table; Replacement				1,320						
Lighting - Exterior Fixtures; Replacement			3,452							
Lighting - Interior Fixtures; Replacement										
Mechanical - Furnace; Repairs/Replacement										
Mechanical - Main Lines; Repairs/Replacement										
Mechanical - Pump House; Repairs/Replacement										8,490
Mechanical - Swamp Cooler; Repairs/Replacement				6,907						
Mechanical - Water Heater; Replacement										
Roofing - Comp. Shingle; Replacement										
Roofing - Gutters & Downspouts; Replacement							4,682			
<b>Clubhouse Total:</b>	<b>4,381</b>		<b>3,452</b>	<b>8,228</b>	<b>3,714</b>	<b>11,105</b>	<b>110,323</b>	<b>1,253</b>		<b>8,490</b>

**Lushmeadows Mountain Estates  
Spread Sheet**

<b>Description</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>	<b>2051</b>	<b>2052</b>
<b>Dawn Lake</b>										
Dawn Lake - Restroom; Remodel										
Equipment - Bench; Replacement										
Equipment - Charcoal Barbecues; Replacement				3,250						
Equipment - Kids Area; Footbridge										
Equipment - Kids Area; Play Structure										
Equipment - Kids Area; Swing Set									7,536	
Equipment - Picnic Table; Replacement		6,511								
Fencing - Chain Link; Repairs/Replacement							13,167			
Ground Cover - Culvert; Refurbishment	13,943					16,164				
Ground Cover - Kids Area; Mulch Area					2,873					
Mechanical - Pump House; Repairs/Replacement										2,355
<b>Dawn Lake Total:</b>	<b>13,943</b>	<b>6,511</b>		<b>3,250</b>	<b>2,873</b>	<b>16,164</b>	<b>13,167</b>		<b>9,891</b>	
<b>Mallard Lake</b>										
Equipment - Bench; Replacement									3,430	
Vehicle Gate - Metal; Replacement										
<b>Mallard Lake Total:</b>									<b>3,430</b>	
<b>Year Total:</b>	<b>18,324</b>	<b>6,511</b>	<b>13,313</b>	<b>11,478</b>	<b>6,587</b>	<b>38,045</b>	<b>123,489</b>	<b>8,341</b>	<b>21,666</b>	<b>8,490</b>

## *Important Information*

This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of California Builder Services. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual, McGraw-Hill Professional, and the Operating Cost Manual by the California Bureau of Real Estate. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of building design, HOA Budget preparation, Public Report processing, and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

California Builder Services would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study. Collaboration with the customer and the Association is vital to the accuracy and effectiveness of this study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.



# Part III

## Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

## The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a *physical analysis* and a *financial analysis*.

- **Physical Analysis:**

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement costs of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

This assessment does not include destructive testing, unless otherwise noted. Furthermore, field measurements are taken at the time of the site inspection along with review and measurement take-offs based on building and site plans, among others. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

**Operational Expenses:** Operational expenses are expenses that typically occur monthly or quarterly and sometimes annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next.

**Reserve Expenses:** Reserve Expenses are the major expenses that occur *other than annually*, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance.

### **Items not usually included in the Reserve Calculations:**

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

- **Financial Analysis**

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan." The Financial Analysis takes into account the balance of the reserve fund in cash or cash equivalents, investment yields, and inflation rate.

## Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

## Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The **cash flow method** develops 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 actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a “window” in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The **Threshold** and the **Current Assessment** funding models are based upon the cash flow method.

The **component method** develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Component Funding model is based upon the component methodology.

## Funding Strategies

There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association’s need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below:

Full Funding--Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be “fully-funded.” This model is important in that it is a measure of the adequacy of an association’s reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

When an association’s total accumulated reserves for all components meet this criterion, its reserves are considered “fully-funded.”

The **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association’s current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual

component assessments, hence the name “Component Funding Model”. This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

## **Definitions**

### **Annual Assessment Increase**

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be greater than or equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year’s allocation less formidable.

### **Investment Yield Before Taxes**

The average interest rate anticipated by the association based upon its current investment practices.

### **Projected Reserve Balance**

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

### **Percent Fully Funded**

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

### **Total Monthly Allocation**

The sum of the monthly assessment and interest contribution figures.

### **Group and Category**

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

### **Percentage of Replacement or Repairs**

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

### **Placed-In-Service Date**

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

### **Estimated Useful Life**

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards, and prior history, among other methods. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

### **Adjustment to Useful Life**

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

### **Estimated Remaining Life**

This calculation is completed internally based upon the report’s fiscal year date and the date the asset was placed-in-service.

### **Replacement Year**

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

**Fixed Assessment**

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

**One-Time Replacement**

Notation if the asset is to be replaced on a one-time basis.

**Current Replacement Cost**

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared.

**Future Replacement Cost**

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

# *Supplemental Disclosures*

## **General**

CBS has no other involvement(s) with the Association which could result in actual or perceived conflicts of interest.

## **California Builder Services Credentials**

With over half a century of combined experience in working with the Bureau of Real Estate's investigators as well as new home design, California Builder Services has the experience to accurately and efficiently complete reserve studies on all types and sizes of developments. We are acutely experienced in the application and use of reserve studies, as we have created thousands of homeowner association budgets, all of which have been reviewed and approved by the Bureau of Real Estate's investigators.

This Reserve Study was prepared by, or under the direct supervision of, a Community Associations Institute credentialed Reserve Specialist.

## **Completeness**

CBS 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 association regarding financial, physical, quantity, or historical issues will be deemed reliable by CBS.

## **Scope**

This Reserve Study is a reflection of information provided to CBS and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.

## **Reserve Balance**

The actual or projected total presented in the 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 or quality inspection.