Wasatch Reserve Study
Analyst Report

Berkley Manor Homeowner's Association

UPDATE

Salt Lake City, Utah

January 1, 2023

Wasatch Reserve Studies

Lehi, UT 84043

Phone: 801-721-7147

TABLE OF CONTENTS
Berkley Manor

PART I INFORMATION ABOUT YOUR RESERVE STUDY

PART II RESERVE STUDY

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 **Wasatch Reserve Studies**. 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 Wasatch Reserve Study reserve analysis 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 and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management 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 every 3 years 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.

Wasatch Reserve Studies 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.

This Wasatch Reserve 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.

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.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four

options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a $150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "fund status" and "funding plan".

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition

assessment (based upon on-site visual observations), and life and valuation estimates to determine both the "fund status and "funding plan."

In an **Update <u>without</u> site inspection**, the reserve provider conducts life and valuation estimates to determine the "fund status" and "funding plan."

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 cost 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.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. 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

Occur at least 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. Examples of ***operational expenses*** include:

Utilities:
- Electricity
- Gas
- Water
- Telephone
- Cable TV

Administrative:
- Supplies
- Bank Service Charges
- Dues & Publications
- Licenses, Permits & Fees
- Insurance(s)

Services:
- Landscaping
- Pool Maintenance
- Street Sweeping
- Accounting
- Reserve Study

Repair Expenses:
- Tile Roof Repairs
- Equipment Repairs
- Minor Concrete Repairs
- Operating Contingency

Reserve Expenses

These are 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. Examples of reserve expenses include:

- Roof Replacements
- Painting
- Deck Resurfacing
- Fencing Replacement
- Asphalt Seal Coating
- Asphalt Repairs
- Asphalt Overlays
- Equipment Replacement
- Interior Furnishings
- Park/Play Equipment
- Pool/Spa Re-plastering
- Pool Equipment Replacement
- Pool Furniture Replacement
- Tennis Court Resurfacing
- Lighting Replacement
- Insurance(s)
- Reserve Study

Budgeting is Normally Excluded for:

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".

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.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

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 **Wasatch Reserve Studies** Threshold and the **Wasatch Reserve Studies** 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 **Wasatch Reserve Studies** Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. 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. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

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** divided by **Useful Life** the results multiplied by **Current Replacement Cost**

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

The **Wasatch Reserve Studies Threshold Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

The **Wasatch Reserve Studies Threshold Funding Model.** This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than $0).

The **Wasatch Reserve Studies 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 **Wasatch Reserve Studies 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.

Component Funding Model Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" is a "Component Funding Model" calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can "fix" the accumulated reserve balance within the program on the individual asset's detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component's age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

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

The **Wasatch Reserve Studies** program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of $50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to "replenish" the account. If the $50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the "Monthly Reserve Assessment Required", the "Average Net Monthly Interest Earned" contribution and the "Total Monthly Allocation to Reserves." The association should allocate the "Monthly Reserve Assessment Required" amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the "Total Monthly Allocation" to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users' Guide to your Reserve Analysis Study

Part II of your **Wasatch Reserve Studies** Report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the "Component Funding Model" calculation.

The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The **Wasatch Reserve Studies** Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.
Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending
The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases
If applicable, the number of units and/or phases included in this version of the report.

Inflation
This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

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 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.

Taxes on Interest Yield
The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

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.

Phase Increment Detail and/or Age
Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment
The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)
The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

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. 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.

Annual Fixed Reserves
An optional figure which, if used, will override the normal process of allocating reserves to each asset.

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.

Salvage Value
The salvage value of the asset at the time of replacement, if applicable.

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.

Component Inventory
The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your **Wasatch Reserve Studies** Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your **Wasatch Reserve Studies** reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The **Wasatch Reserve Studies** reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your **Wasatch Reserve Studies** Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your **Wasatch Reserve Studies** Report is a tool that can assist the Board in fulfilling its obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the **Wasatch Reserve Studies** reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The **Wasatch Reserve Studies** reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- Your **Wasatch Reserve Studies** Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.

Berkley Manor
Salt Lake City, UT
Component Funding Model Summary

Report Date	January 1, 2023
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	18
Phase Development	1 of 1

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
2023 Beginning Balance	$17,651

Component Funding Model Summary of Calculations

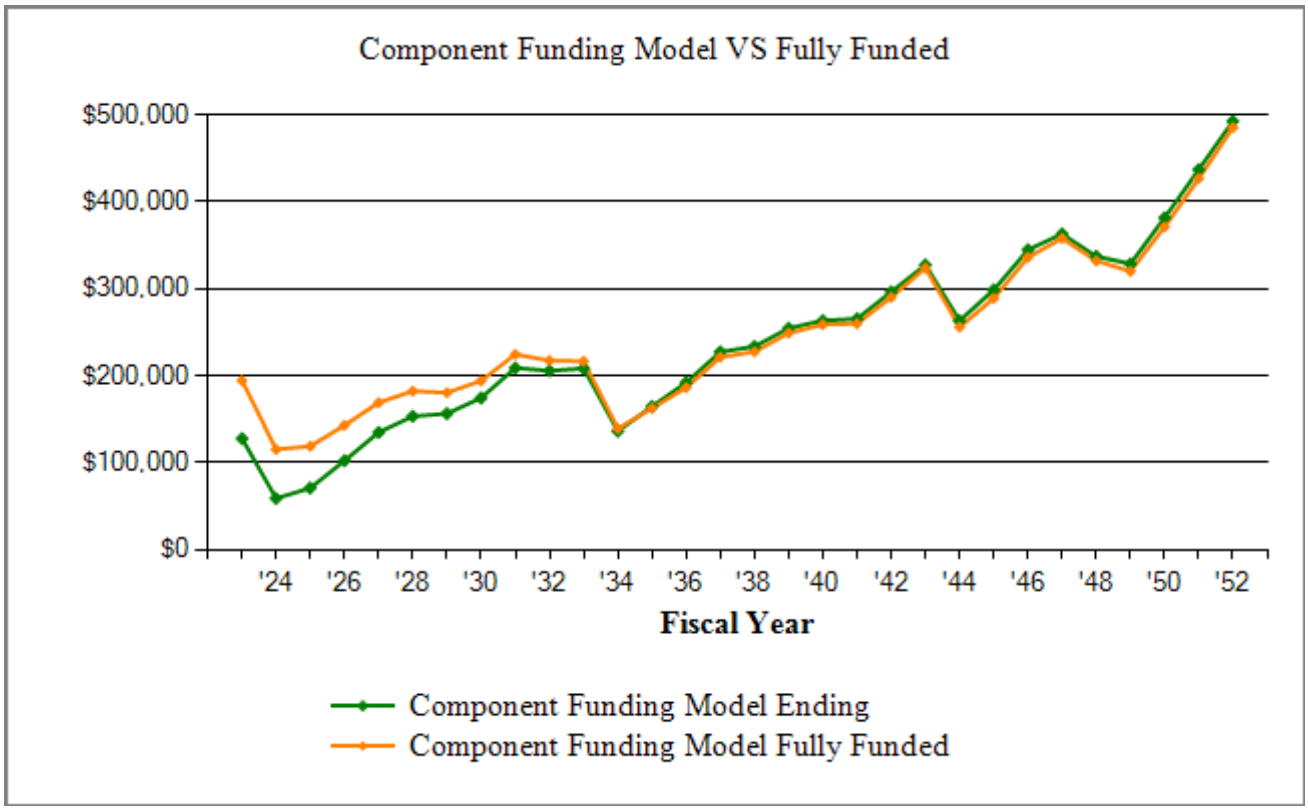
Required Annual Contribution	$121,698.95
$6,761.05 per unit annually	
Average Net Annual Interest Earned	$889.00
Total Annual Allocation to Reserves	$122,587.95
$6,810.44 per unit annually	

Berkley Manor
Component Funding Model Projection

Beginning Balance: $17,651

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	278,295	121,699	889	12,350	127,889	194,654	66%
2024	286,644	31,256	411	100,502	59,053	115,453	51%
2025	295,243	31,301	494	19,839	71,009	119,094	60%
2026	304,100	31,532	712	820	102,433	143,053	72%
2027	313,223	31,617	938		134,989	169,212	80%
2028	322,620	31,349	1,067	13,911	153,494	182,483	84%
2029	332,299	31,576	1,088	29,636	156,521	180,631	87%
2030	342,268	32,151	1,214	15,220	174,667	194,268	90%
2031	352,536	32,939	1,453		209,059	224,708	93%
2032	363,112	33,348	1,430	38,099	205,738	217,557	95%
2033	374,005	33,912	1,450	32,523	208,577	216,696	96%
2034	385,225	34,446	948	107,555	136,417	139,309	98%
2035	396,782	35,473	1,146	8,198	164,838	162,745	101%
2036	408,686	35,477	1,337	9,362	192,289	186,516	103%
2037	420,946	33,644	1,582		227,515	221,499	103%
2038	433,575	34,452	1,625	29,835	233,757	227,683	103%
2039	446,582	35,253	1,771	16,047	254,734	249,163	102%
2040	459,979	35,856	1,832	28,925	263,496	258,958	102%
2041	473,779	38,941	1,847	38,645	265,638	259,998	102%
2042	487,992	40,042	2,062	11,179	296,563	290,352	102%
2043	502,632	38,615	2,277	9,934	327,521	323,921	101%
2044	517,711	44,550	1,832	110,408	263,494	256,061	103%
2045	533,242	44,730	2,077	11,497	298,805	289,129	103%
2046	549,239	43,737	2,398		344,940	336,147	103%
2047	565,716	42,542	2,525	26,833	363,173	358,088	101%
2048	582,688	46,960	2,345	75,114	337,364	332,142	102%
2049	600,169	51,074	2,286	61,894	328,830	320,255	103%
2050	618,174	51,989	2,654	1,666	381,807	371,304	103%
2051	636,719	52,338	3,039		437,184	426,894	102%
2052	655,820	52,236	3,426		492,845	485,486	102%

Berkley Manor
Component Funding Model VS Fully Funded Chart



The **Component Funding Model's** long-term objective is to provide a plan to a fully funded reserve position over the longest period of time practical. This is the most conservative funding model.

Berkley Manor
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Streets/Asphalt							
Asphalt - Overlay with 2" Mill Edge	2023	30	0	0	25,000	0	25,000
Asphalt - Slurry Seal/Crack Fill	2023	10	0	0	5,500	5,500	5,500
Streets/Asphalt - Total					$30,500	$5,500	$30,500
Roofing							
Asphalt Shingles - Remove/Replace	2044	30	0	21	38,500	0	11,550
Carport Roofs - Replace	2024	40	0	1	30,000	0	29,250
EPDM Flat Roof Membrane - Remove/Repl..	2034	20	0	11	61,200	0	27,540
Roofing - Total					$129,700		$68,340
Painting							
Decks - Resurface		*Unfunded*					
Interior Paint - Repaint	2023	8	0	0	17,500	0	17,500
Railing - Repaint		*Unfunded*					
Stucco - Repair/Repaing	2025	8	13	2	18,700	0	16,919
Painting - Total					$36,200		$34,419
Fencing/Security							
Entry System - Replace	2023	15	0	0	4,600	4,600	4,600
Gate Opener - Replace	2038	20	0	15	1,800	0	450
Gate and Fence - Replace	2032	15	0	9	7,750	0	3,100
Perimeter Fence - Replace	2029	25	0	6	11,220	0	8,527
Surveillance System - Replace	2032	15	0	9	3,200	0	1,280
Fencing/Security - Total					$28,570	$4,600	$17,957
Lighting							
Exterior Wall Lights - Replace	2041	20	0	18	1,750	0	175
Interior Ceiling Lights - Replace	2029	25	0	6	1,350	0	1,026
Lighting - Total					$3,100		$1,201
Interior Furnishings							
Carpet - Remove/Replace	2028	10	0	5	12,000	0	6,000
Interior Doors - Repaint	2023	6	0	0	6,375	5,301	6,375
Interior Furnishings - Total					$18,375	$5,301	$12,375
Building Components							
Brick - Repair Allowance	2024	10	10	1	6,500	0	6,175
Sewer/Waterline - Inspection	2023	5	0	0	10,000	0	10,000
Building Components - Total					$16,500		$16,175
Gutters and Downspouts							
Gutters/Downspouts - Replace	2044	30	0	21	1,400	0	420
Gutters and Downspouts - Total					$1,400		$420

Berkley Manor
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Railings							
Railing - Replace		*Unfunded*					
Fire Extinquishers							
Fire System - Replace	2024	20	0	1	2,200	0	2,090
Fire Extinquishers - Total					$2,200		$2,090
Mailboxes							
Mailboxes - Replace	2035	20	0	12	3,500	0	1,400
Mailboxes - Total					$3,500		$1,400
Signs							
Monument Sign - Replace	2030	15	0	7	6,000	0	3,200
Signs - Total					$6,000		$3,200
Reserve Study							
Reserve Study - Full	2023	6	0	0	1,500	1,500	1,500
Reserve Study - Update	2023	3	0	0	750	750	750
Reserve Study - Total					$2,250	$2,250	$2,250
Total Asset Summary					$278,295	$17,651	$190,327

Percent Fully Funded	9%
Current Average Liability per Unit (Total Units: 18)	-$9,593

'D' Component Deferred, Life Extended One Year

Berkley Manor
Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Reserve Study - Update	0	2023	750	750
Reserve Study - Full	0	2023	1,500	1,500
Entry System - Replace	0	2023	4,600	4,600
Asphalt - Slurry Seal/Crack Fill	0	2023	5,500	5,500
Interior Ceiling Lights - Replace	6	2029		1,026
Interior Doors - Repaint	0	2023	* D 5,301	6,375
Brick - Repair Allowance	1	2024		6,175
Sewer/Waterline - Inspection	0	2023	D	10,000
Perimeter Fence - Replace	6	2029		8,527
Asphalt - Overlay with 2" Mill Edge	0	2023	D	25,000
EPDM Flat Roof Membrane - Remove/Repla..	11	2034		27,540
Mailboxes - Replace	12	2035		1,400
Interior Paint - Repaint	0	2023	D	17,500
Stucco - Repair/Repaing	2	2025		16,919
Gate Opener - Replace	15	2038		450
Carpet - Remove/Replace	5	2028		6,000
Monument Sign - Replace	7	2030		3,200
Exterior Wall Lights - Replace	18	2041		175
Surveillance System - Replace	9	2032		1,280
Gate and Fence - Replace	9	2032		3,100
Fire System - Replace	1	2024		2,090
Carport Roofs - Replace	1	2024		29,250
Gutters/Downspouts - Replace	21	2044		420
Asphalt Shingles - Remove/Replace	21	2044		11,550
Decks - Resurface		Unfunded		
Railing - Repaint		Unfunded		
Railing - Replace		Unfunded		
Total Asset Summary			$17,651	$190,327

Percent Fully Funded	9%
Current Average Liability per Unit (Total Units: 18)	-$9,593

'' Indicates Partially Funded*
'D' Indicates Deferred Funding

Berkley Manor
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2023	
Asphalt - Slurry Seal/Crack Fill	5,500
Entry System - Replace	4,600
Reserve Study - Full	1,500
Reserve Study - Update	750
Total for 2023	**$12,350**
Replacement Year 2024	
Asphalt - Overlay with 2" Mill Edge	25,750
Brick - Repair Allowance	6,695
Carport Roofs - Replace	30,900
Fire System - Replace	2,266
Interior Doors - Repaint	6,566
Interior Paint - Repaint	18,025
Sewer/Waterline - Inspection	10,300
Total for 2024	**$100,502**
Replacement Year 2025	
Stucco - Repair/Repaing	19,839
Total for 2025	**$19,839**
Replacement Year 2026	
Reserve Study - Update	820
Total for 2026	**$820**
No Replacement in 2027	
Replacement Year 2028	
Carpet - Remove/Replace	13,911
Total for 2028	**$13,911**
Replacement Year 2029	
Interior Ceiling Lights - Replace	1,612
Perimeter Fence - Replace	13,397
Reserve Study - Full	1,791
Reserve Study - Update	896
Sewer/Waterline - Inspection	11,941
Total for 2029	**$29,636**

Berkley Manor
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2030	
Interior Doors - Repaint	7,840
Monument Sign - Replace	7,379
Total for 2030	**$15,220**
No Replacement in 2031	
Replacement Year 2032	
Gate and Fence - Replace	10,112
Interior Paint - Repaint	22,834
Reserve Study - Update	979
Surveillance System - Replace	4,175
Total for 2032	**$38,099**
Replacement Year 2033	
Asphalt - Slurry Seal/Crack Fill	7,392
Stucco - Repair/Repaing	25,131
Total for 2033	**$32,523**
Replacement Year 2034	
Brick - Repair Allowance	8,998
EPDM Flat Roof Membrane - Remove/Replace	84,715
Sewer/Waterline - Inspection	13,842
Total for 2034	**$107,555**
Replacement Year 2035	
Mailboxes - Replace	4,990
Reserve Study - Full	2,139
Reserve Study - Update	1,069
Total for 2035	**$8,198**
Replacement Year 2036	
Interior Doors - Repaint	9,362
Total for 2036	**$9,362**
No Replacement in 2037	
Replacement Year 2038	
Carpet - Remove/Replace	18,696

Berkley Manor
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2038 continued...	
Entry System - Replace	7,167
Gate Opener - Replace	2,804
Reserve Study - Update	1,168
Total for 2038	**$29,835**
Replacement Year 2039	
Sewer/Waterline - Inspection	16,047
Total for 2039	**$16,047**
Replacement Year 2040	
Interior Paint - Repaint	28,925
Total for 2040	**$28,925**
Replacement Year 2041	
Exterior Wall Lights - Replace	2,979
Reserve Study - Full	2,554
Reserve Study - Update	1,277
Stucco - Repair/Repaing	31,835
Total for 2041	**$38,645**
Replacement Year 2042	
Interior Doors - Repaint	11,179
Total for 2042	**$11,179**
Replacement Year 2043	
Asphalt - Slurry Seal/Crack Fill	9,934
Total for 2043	**$9,934**
Replacement Year 2044	
Asphalt Shingles - Remove/Replace	71,621
Brick - Repair Allowance	12,092
Fire System - Replace	4,093
Gutters/Downspouts - Replace	2,604
Reserve Study - Update	1,395
Sewer/Waterline - Inspection	18,603
Total for 2044	**$110,408**

Berkley Manor
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2045	
Monument Sign - Replace	11,497
Total for 2045	**$11,497**
No Replacement in 2046	
Replacement Year 2047	
Gate and Fence - Replace	15,754
Reserve Study - Full	3,049
Reserve Study - Update	1,525
Surveillance System - Replace	6,505
Total for 2047	**$26,833**
Replacement Year 2048	
Carpet - Remove/Replace	25,125
Interior Doors - Repaint	13,348
Interior Paint - Repaint	36,641
Total for 2048	**$75,114**
Replacement Year 2049	
Sewer/Waterline - Inspection	21,566
Stucco - Repair/Repaing	40,328
Total for 2049	**$61,894**
Replacement Year 2050	
Reserve Study - Update	1,666
Total for 2050	**$1,666**
No Replacement in 2051	
No Replacement in 2052	

Asphalt - Overlay with 2" Mill Edge - 2023

		10,000 Sq Ft	@ $2.50
Asset ID	1014	Asset Actual Cost	$25,000.00
		Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	$25,000.00
Placed in Service	January 1984	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	Deferred 2023	Annual Assessment	$25,571.00
Remaining Life	0	Interest Contribution	$4.00
		Reserve Allocation	$25,575.00

Asphalt - Slurry Seal/Crack Fill - 2023

		10,000 Sq Ft	@ $0.55
Asset ID	1015	Asset Actual Cost	$5,500.00
		Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	$5,500.00
Placed in Service	January 2010	Assigned Reserves	$5,500.00
Useful Life	10		
Replacement Year	2023	Annual Assessment	$615.18
Remaining Life	0	Interest Contribution	$4.31
		Reserve Allocation	$619.49

Streets/Asphalt - Total Current Cost	**$30,500**
Assigned Reserves	**$5,500**
Fully Funded Reserves	**$30,500**

Asphalt Shingles - Remove/Replace - 2044

		7,000 Sq Ft	@ $5.50
Asset ID	1005	Asset Actual Cost	$38,500.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$71,621.34
Placed in Service	January 2014	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2044	Annual Assessment	$2,706.77
Remaining Life	21	Interest Contribution	$18.95
		Reserve Allocation	$2,725.71

This component provides funding to remove and replace the shingles.

Carport Roofs - Replace - 2024

		5,000 Sq Ft	@ $6.00
Asset ID	1016	Asset Actual Cost	$30,000.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$30,900.00
Placed in Service	January 1984	Assigned Reserves	*none*
Useful Life	40		
Replacement Year	2024	Annual Assessment	$30,685.20
Remaining Life	1	Interest Contribution	$214.80
		Reserve Allocation	$30,900.00

Carport Roofs - Replace continued...

Metal Roofs.

EPDM Flat Roof Membrane - Remove/Replace - 2034

		7,200 Sq Ft	@ $8.50
Asset ID	1004	Asset Actual Cost	$61,200.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$84,715.11
Placed in Service	January 2014	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2034	Annual Assessment	$6,384.57
Remaining Life	11	Interest Contribution	$44.69
		Reserve Allocation	$6,429.27

According to the HOA, the roof was replaced in 2014 for $34,000.

Roofing - Total Current Cost	**$129,700**
Assigned Reserves	**$0**
Fully Funded Reserves	**$68,340**

Decks - Resurface

		70 Sq Ft	
Asset ID	1008	Asset Actual Cost	
		Percent Replacement	100%
Category	Painting	Future Cost	
Placed in Service	January 2004	Assigned Reserves	*none*
No Useful Life			
		No Future Assessments	

According to the CC&R's these are Owners responsibility.

Interior Paint - Repaint - 2023

		5,000 Sq Ft	@ $3.50
Asset ID	1010	Asset Actual Cost	$17,500.00
		Percent Replacement	100%
Category	Painting	Future Cost	$17,500.00
Placed in Service	January 2004	Assigned Reserves	*none*
Useful Life	8		
Replacement Year	Deferred 2023	Annual Assessment	$17,899.70
Remaining Life	0	Interest Contribution	$2.80
		Reserve Allocation	$17,902.50

Railing - Repaint

		250 LF	
Asset ID	1007	Asset Actual Cost	
		Percent Replacement	100%
Category	Painting	Future Cost	
Placed in Service	January 2004	Assigned Reserves	*none*
No Useful Life			
		No Future Assessments	

According to the CC&R's these are Owners responsibility.

Stucco - Repair/Repaing - 2025

		4,400 Sq Ft	@ $4.25
Asset ID	1002	Asset Actual Cost	$18,700.00
		Percent Replacement	100%
Category	Painting	Future Cost	$19,838.83
Placed in Service	January 2004	Assigned Reserves	*none*
Useful Life	8		
Adjustment	13	Annual Assessment	$9,109.35
Replacement Year	2025	Interest Contribution	$63.77
Remaining Life	2	Reserve Allocation	$9,173.11

Stucco appears to be newer and in good condition. The stucco has embedded color and should last a long time however once repainted it will need to be painted every 8 years.

Painting - Total Current Cost	**$36,200**
Assigned Reserves	**$0**
Fully Funded Reserves	**$34,419**

Entry System - Replace - 2023

		2 QTY	@ $2,300.00
Asset ID	1019	Asset Actual Cost	$4,600.00
		Percent Replacement	100%
Category	Fencing/Security	Future Cost	$4,600.00
Placed in Service	January 2004	Assigned Reserves	$4,600.00
Useful Life	15		
Replacement Year	2023	Annual Assessment	$388.41
Remaining Life	0	Interest Contribution	$2.72
		Reserve Allocation	$391.13

Aiphone GH System.

Gate Opener - Replace - 2038

		1 QTY	@ $1,800.00
Asset ID	1018	Asset Actual Cost	$1,800.00
		Percent Replacement	100%
Category	Fencing/Security	Future Cost	$2,804.34
Placed in Service	January 2018	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2038	Annual Assessment	$152.12
Remaining Life	15	Interest Contribution	$1.06
		Reserve Allocation	$153.19

Gate Opener - Replace continued...

Liftmaster.

Gate and Fence - Replace - 2032

		1 LF	@ $7,750.00
Asset ID	1017	Asset Actual Cost	$7,750.00
		Percent Replacement	100%
Category	Fencing/Security	Future Cost	$10,111.99
Placed in Service	January 2017	Assigned Reserves	*none*
Useful Life	15		
Replacement Year	2032	Annual Assessment	$941.54
Remaining Life	9	Interest Contribution	$6.59
		Reserve Allocation	$948.14

According to the HOA, the Gate was replaced in 2017 for $3500

Perimeter Fence - Replace - 2029

		510 LF	@ $22.00
Asset ID	1020	Asset Actual Cost	$11,220.00
		Percent Replacement	100%
Category	Fencing/Security	Future Cost	$13,397.27
Placed in Service	January 2004	Assigned Reserves	*none*
Useful Life	25		
Replacement Year	2029	Annual Assessment	$1,910.24
Remaining Life	6	Interest Contribution	$13.37
		Reserve Allocation	$1,923.61

Wood Fence.

Surveillance System - Replace - 2032

		1 QTY	@ $3,200.00
Asset ID	1021	Asset Actual Cost	$3,200.00
		Percent Replacement	100%
Category	Fencing/Security	Future Cost	$4,175.27
Placed in Service	January 2017	Assigned Reserves	*none*
Useful Life	15		
Replacement Year	2032	Annual Assessment	$388.77
Remaining Life	9	Interest Contribution	$2.72
		Reserve Allocation	$391.49

Surveillance System - Replace continued...

Surveillance system was replaced in 2017.

Fencing/Security - Total Current Cost	**$28,570**
Assigned Reserves	**$4,600**
Fully Funded Reserves	**$17,957**

Exterior Wall Lights - Replace - 2041

		5 QTY	@ $350.00
Asset ID	1001	Asset Actual Cost	$1,750.00
		Percent Replacement	100%
Category	Lighting	Future Cost	$2,979.26
Placed in Service	January 2021	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2041	Annual Assessment	$132.97
Remaining Life	18	Interest Contribution	$0.93
		Reserve Allocation	$133.90

Typically these lights last a long time, however we recommend replacing them at the same time to update the appearance.

Interior Ceiling Lights - Replace - 2029

		9 QTY	@ $150.00
Asset ID	1012	Asset Actual Cost	$1,350.00
		Percent Replacement	100%
Category	Lighting	Future Cost	$1,611.97
Placed in Service	January 2004	Assigned Reserves	*none*
Useful Life	25		
Replacement Year	2029	Annual Assessment	$229.84
Remaining Life	6	Interest Contribution	$1.61
		Reserve Allocation	$231.45

Interior Ceiling Lights - Replace continued...

Lighting - Total Current Cost	**$3,100**
Assigned Reserves	**$0**
Fully Funded Reserves	**$1,201**

Carpet - Remove/Replace - 2028

		2,000 Sq Ft	@ $6.00
Asset ID	1011	Asset Actual Cost	$12,000.00
		Percent Replacement	100%
Category	Interior Furnishings	Future Cost	$13,911.29
Placed in Service	January 2018	Assigned Reserves	*none*
Useful Life	10		
Replacement Year	2028	Annual Assessment	$2,402.93
Remaining Life	5	Interest Contribution	$16.82
		Reserve Allocation	$2,419.75

According to the HOA, the carpet was replaced in 2018 for $4000.

Interior Doors - Repaint - 2023

		51 QTY	@ $125.00
Asset ID	1013	Asset Actual Cost	$6,375.00
	(null)	Percent Replacement	100%
Category	Interior Furnishings	Future Cost	$6,375.00
Placed in Service	January 2004	Assigned Reserves	$5,301.00
Useful Life	6		
Replacement Year	Deferred 2023	Annual Assessment	$1,219.61
Remaining Life	0	Interest Contribution	$1.02
		Reserve Allocation	$1,220.63

Interior Doors - Repaint continued...

Interior Furnishings - Total Current Cost	**$18,375**
Assigned Reserves	**$5,301**
Fully Funded Reserves	**$12,375**

Brick - Repair Allowance - 2024

		1 QTY	@ $6,500.00
Asset ID	1003	Asset Actual Cost	$6,500.00
		Percent Replacement	100%
Category	Building Components	Future Cost	$6,695.00
Placed in Service	January 2004	Assigned Reserves	*none*
Useful Life	10		
Adjustment	10	Annual Assessment	$6,648.46
Replacement Year	2024	Interest Contribution	$46.54
Remaining Life	1	Reserve Allocation	$6,695.00

There is no need to replace all of the brick at the same time. This component provides an allowance to make repairs as needed.

Sewer/Waterline - Inspection - 2023

		1 QTY	@ $10,000.00
Asset ID	1028	Asset Actual Cost	$10,000.00
		Percent Replacement	100%
Category	Building Components	Future Cost	$10,000.00
Placed in Service	December 2023	Assigned Reserves	*none*
Useful Life	5		
Replacement Year	Deferred 2023	Annual Assessment	$10,228.40
Remaining Life	0	Interest Contribution	$1.60
		Reserve Allocation	$10,230.00

Compenent requested by HOA.

Main sewer/water lines

(allowance of $10,000 cleaning/inspections every 5 years)

Berkley Manor
Detail Report by Category

Building Components - Total Current Cost	**$16,500**
Assigned Reserves	**$0**
Fully Funded Reserves	**$16,175**

Gutters/Downspouts - Replace - 2044

Asset ID	1009	200 LF	@ $7.00
		Asset Actual Cost	$1,400.00
		Percent Replacement	100%
Category	Gutters and Downspouts	Future Cost	$2,604.41
Placed in Service	January 2014	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2044	Annual Assessment	$98.43
Remaining Life	21	Interest Contribution	$0.69
		Reserve Allocation	$99.12

Gutters and Downspouts - Total Current Cost	**$1,400**
Assigned Reserves	**$0**
Fully Funded Reserves	**$420**

Railing - Replace

		250 LF	
Asset ID	1006	Asset Actual Cost	
		Percent Replacement	100%
Category	Railings	Future Cost	
Placed in Service	January 2004	Assigned Reserves	*none*
No Useful Life			
		No Future Assessments	

According to the CC&R's these are Owners responsibility.

Railings - Total Current Cost	**$0**
Assigned Reserves	**$0**
Fully Funded Reserves	**$0**

Fire System - Replace - 2024

		1 QTY	@ $2,200.00
Asset ID	1023	Asset Actual Cost	$2,200.00
		Percent Replacement	100%
Category	Fire Extinquishers	Future Cost	$2,266.00
Placed in Service	January 2004	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2024	Annual Assessment	$2,250.25
Remaining Life	1	Interest Contribution	$15.75
		Reserve Allocation	$2,266.00

Firetrol.

Fire Extinquishers - Total Current Cost	**$2,200**
Assigned Reserves	**$0**
Fully Funded Reserves	**$2,090**

Mailboxes - Replace - 2035

		1 QTY	@ $3,500.00
Asset ID	1022	Asset Actual Cost	$3,500.00
		Percent Replacement	100%
Category	Mailboxes	Future Cost	$4,990.16
Placed in Service	January 2015	Assigned Reserves	*none*
Useful Life	20		
Replacement Year	2035	Annual Assessment	$343.05
Remaining Life	12	Interest Contribution	$2.40
		Reserve Allocation	$345.45

19-Box.

Mailboxes - Total Current Cost	**$3,500**
Assigned Reserves	**$0**
Fully Funded Reserves	**$1,400**

Berkley Manor
Detail Report by Category

Monument Sign - Replace - 2030

		1 QTY	@ $6,000.00
Asset ID	1025	Asset Actual Cost	$6,000.00
		Percent Replacement	100%
Category	Signs	Future Cost	$7,379.24
Placed in Service	January 2015	Assigned Reserves	*none*
Useful Life	15		
Replacement Year	2030	Annual Assessment	$894.83
Remaining Life	7	Interest Contribution	$6.26
		Reserve Allocation	$901.09

Signs - Total Current Cost	**$6,000**
Assigned Reserves	**$0**
Fully Funded Reserves	**$3,200**

Reserve Study - Full - 2023

		1 QTY	@ $1,500.00
Asset ID	1026	Asset Actual Cost	$1,500.00
		Percent Replacement	100%
Category	Reserve Study	Future Cost	$1,500.00
Placed in Service	January 2017	Assigned Reserves	$1,500.00
Useful Life	6		
Replacement Year	2023	Annual Assessment	$254.88
Remaining Life	0	Interest Contribution	$1.78
		Reserve Allocation	$256.67

WASATCH RESERVE S

Wasatch Reserve Studies

kenny@wasatchreservestudies.com

Reserve Study - Update - 2023

		1 QTY	@ $750.00
Asset ID	1027	Asset Actual Cost	$750.00
		Percent Replacement	100%
Category	Reserve Study	Future Cost	$750.00
Placed in Service	January 2023	Assigned Reserves	$750.00
Useful Life	3		
Replacement Year	2023	Annual Assessment	$242.45
Remaining Life	0	Interest Contribution	$1.70
		Reserve Allocation	$244.15

Wasatch Reserve Studies

kenny@wasatchreservestudies.com

Reserve Study - Total Current Cost	**$2,250**
Assigned Reserves	**$2,250**
Fully Funded Reserves	**$2,250**

Detail Report Summary

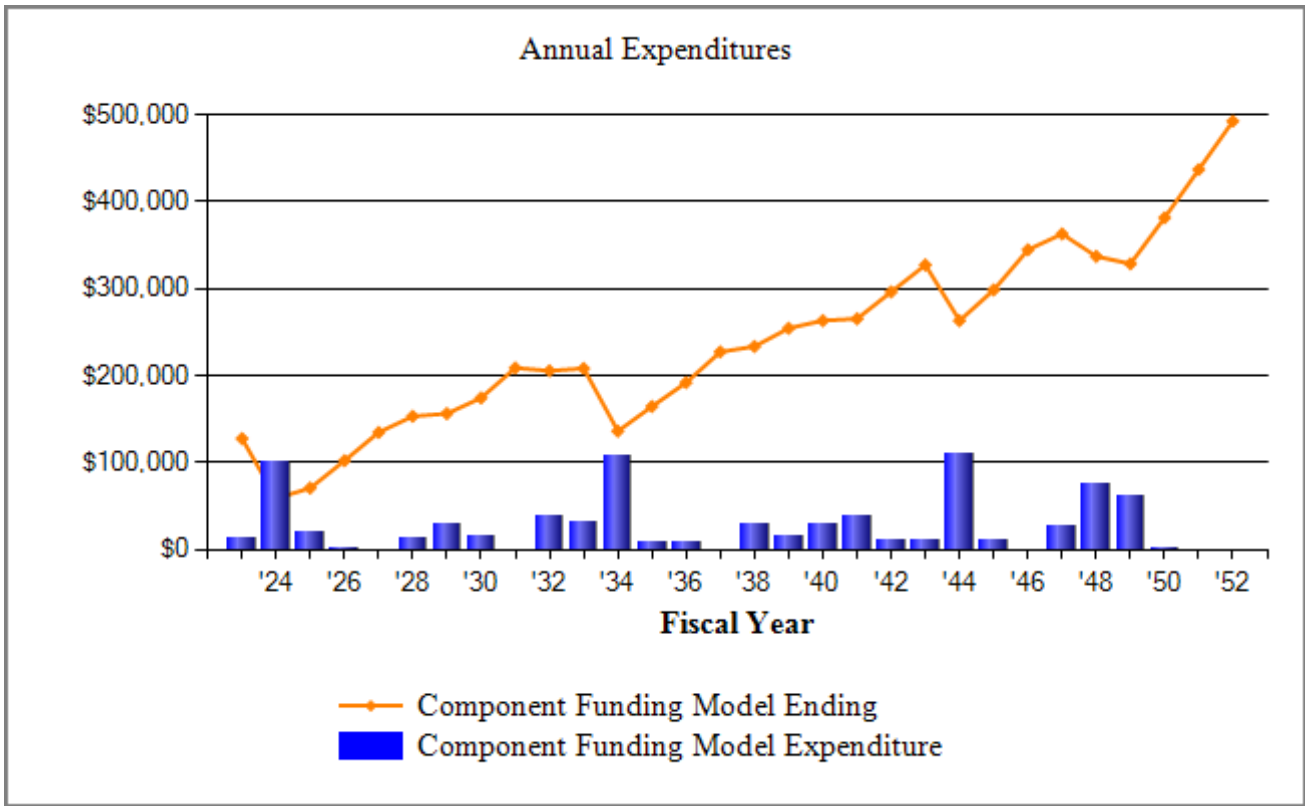
Grand Total

Assigned Reserves	$17,651.00
Annual Contribution	$121,698.95
Annual Interest	$889.00
Annual Allocation	$122,587.95

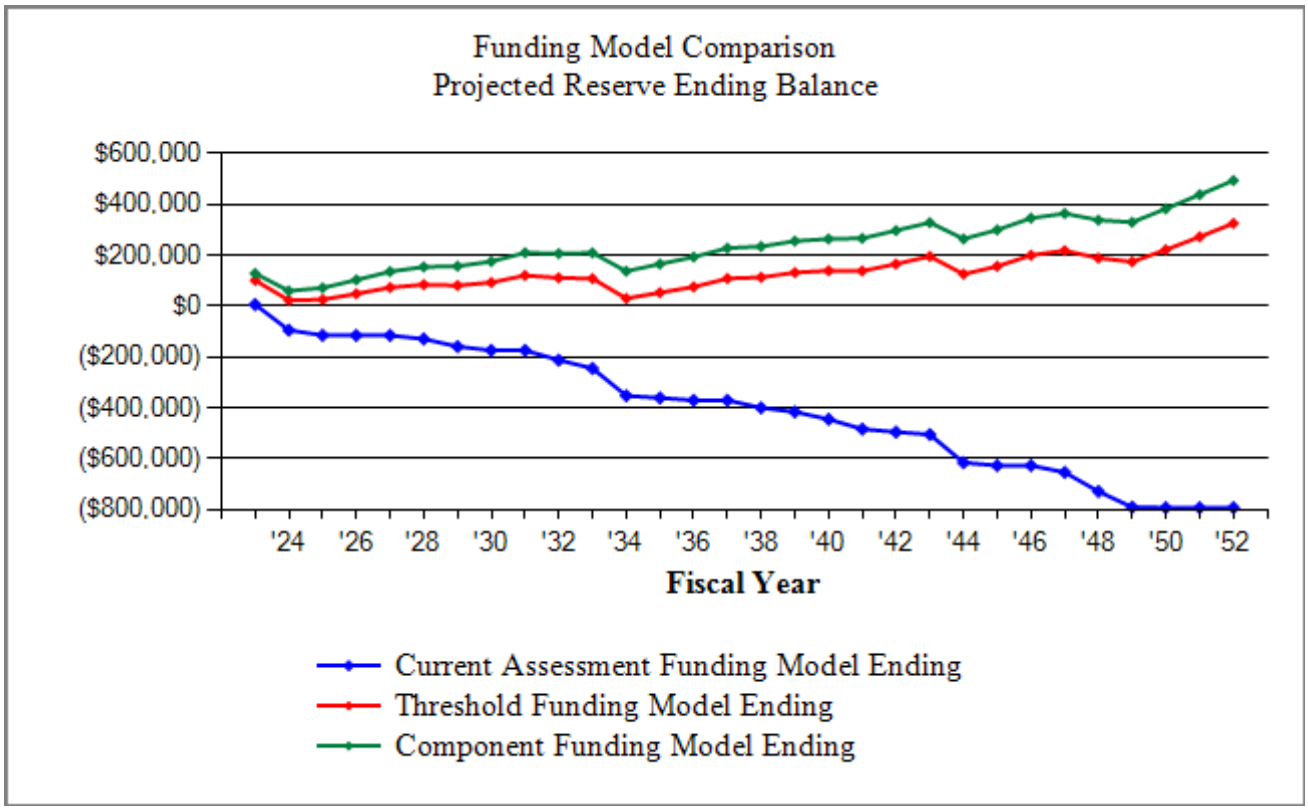
Berkley Manor
Category Detail Index

Total Funded Assets	24
Total Unfunded Assets	3
Total Assets	27

Berkley Manor
Annual Expenditure Chart

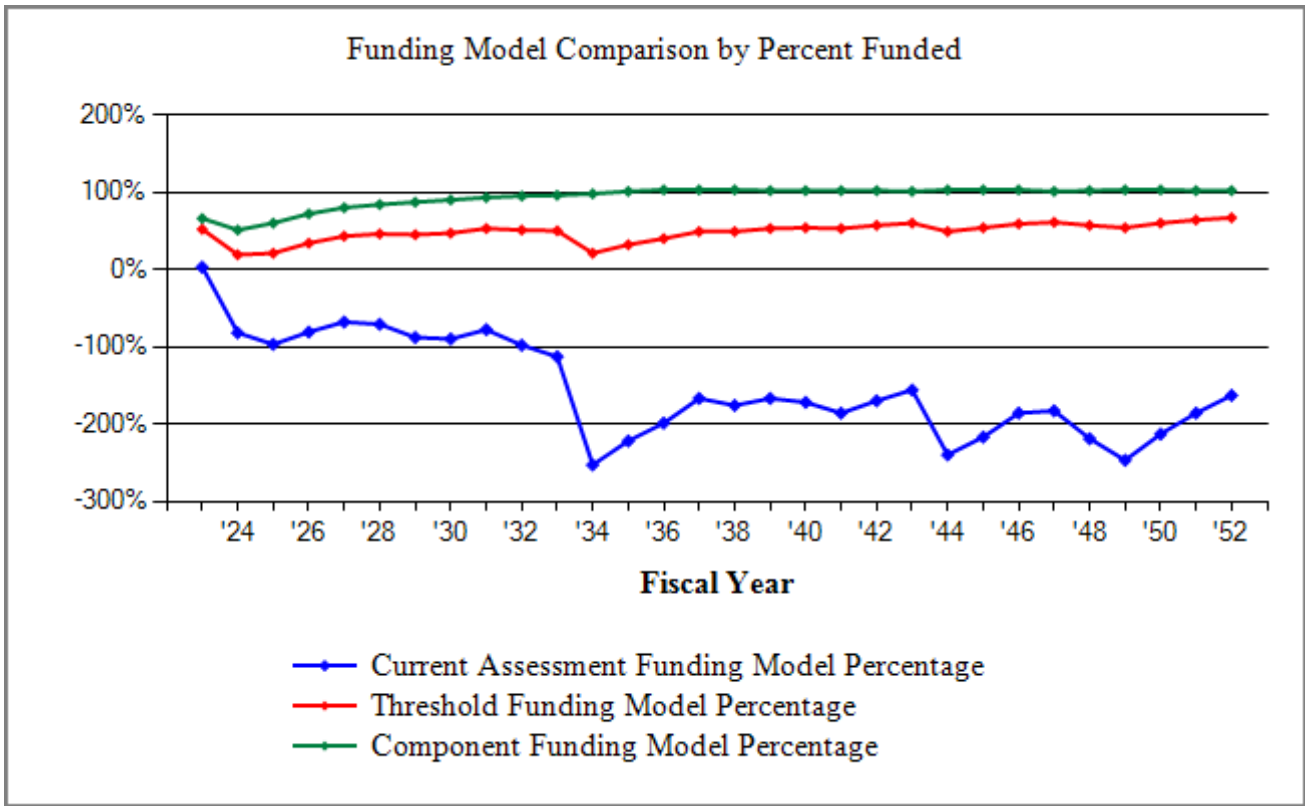


Berkley Manor
Funding Model Reserve Ending Balance Comparison Chart



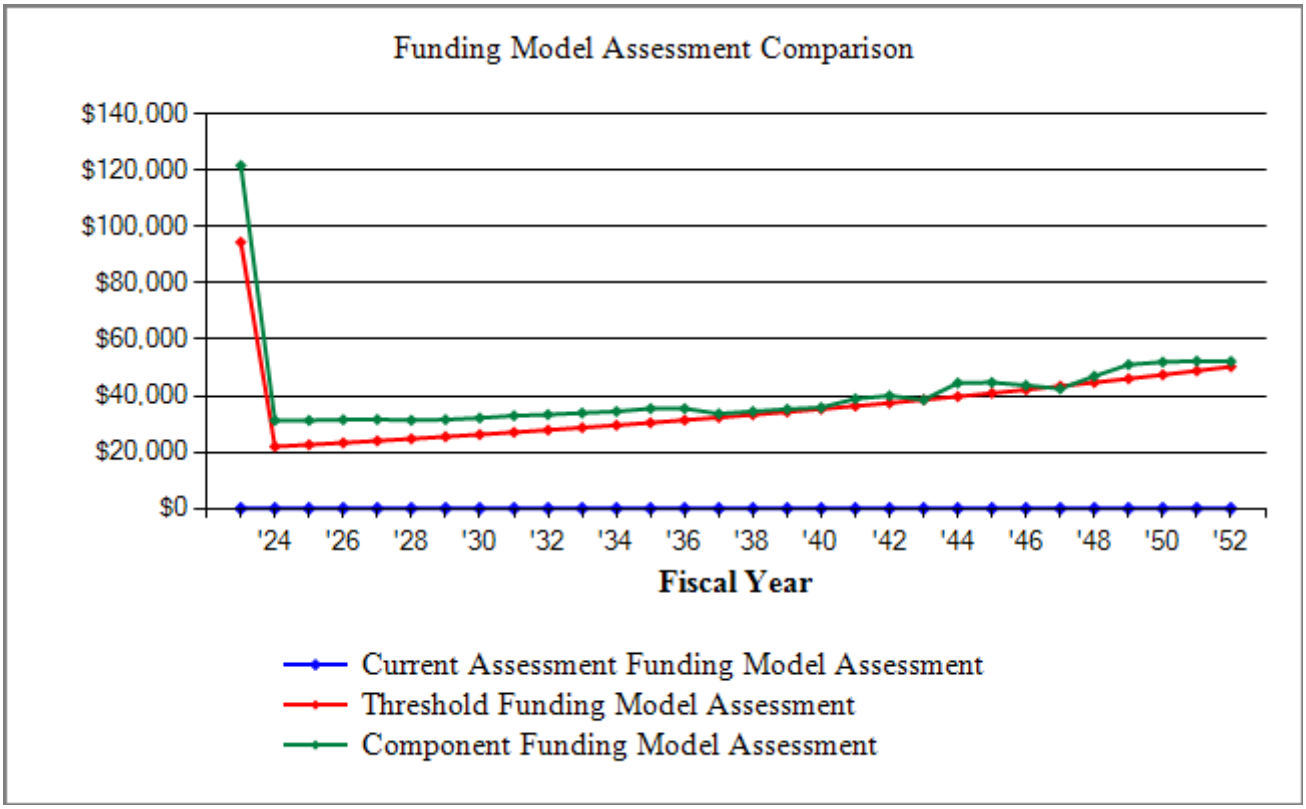
The chart above compares the projected reserve ending balances of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

Berkley Manor
Funding Model Comparison by Percent Funded



The chart above compares the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) by the percentage fully funded over 30 years. This allows your association to view and then choose the funding model that might best fit your community's needs.

Berkley Manor
Funding Model Assessment Comparison Chart



The chart above compares the annual assessment of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

Berkley Manor
Spread Sheet

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Asphalt - Overlay with 2" Mill Edge		25,750								
Asphalt - Slurry Seal/Crack Fill	5,500									
Asphalt Shingles - Remove/Replace										
Brick - Repair Allowance		6,695								
Carpet - Remove/Replace						13,911				
Carport Roofs - Replace		30,900								
Decks - Resurface	*Unfunded*									
EPDM Flat Roof Membrane - Remove/Replace										
Entry System - Replace	4,600									
Exterior Wall Lights - Replace										
Fire System - Replace		2,266								
Gate Opener - Replace										
Gate and Fence - Replace										10,112
Gutters/Downspouts - Replace										
Interior Ceiling Lights - Replace							1,612			
Interior Doors - Repaint		6,566						7,840		
Interior Paint - Repaint		18,025								22,834
Mailboxes - Replace										
Monument Sign - Replace								7,379		
Perimeter Fence - Replace							13,397			
Railing - Repaint	*Unfunded*									
Railing - Replace	*Unfunded*									
Reserve Study - Full	1,500						1,791			
Reserve Study - Update	750			820			896			979
Sewer/Waterline - Inspection		10,300					11,941			
Stucco - Repair/Repaing			19,839							
Surveillance System - Replace										4,175
Year Total:	**12,350**	**100,502**	**19,839**	**820**		**13,911**	**29,636**	**15,220**		**38,099**

Berkley Manor
Spread Sheet

Description	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Asphalt - Overlay with 2" Mill Edge										
Asphalt - Slurry Seal/Crack Fill	7,392									
Asphalt Shingles - Remove/Replace										
Brick - Repair Allowance		8,998								
Carpet - Remove/Replace						18,696				
Carport Roofs - Replace										
Decks - Resurface	*Unfunded*									
EPDM Flat Roof Membrane - Remove/Replace		84,715								
Entry System - Replace						7,167				
Exterior Wall Lights - Replace									2,979	
Fire System - Replace										
Gate Opener - Replace						2,804				
Gate and Fence - Replace										
Gutters/Downspouts - Replace										
Interior Ceiling Lights - Replace										
Interior Doors - Repaint				9,362						11,179
Interior Paint - Repaint								28,925		
Mailboxes - Replace			4,990							
Monument Sign - Replace										
Perimeter Fence - Replace										
Railing - Repaint	*Unfunded*									
Railing - Replace	*Unfunded*									
Reserve Study - Full			2,139						2,554	
Reserve Study - Update			1,069			1,168			1,277	
Sewer/Waterline - Inspection		13,842					16,047			
Stucco - Repair/Repaing	25,131								31,835	
Surveillance System - Replace										
Year Total:	**32,523**	**107,555**	**8,198**	**9,362**		**29,835**	**16,047**	**28,925**	**38,645**	**11,179**

Berkley Manor
Spread Sheet

Description	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Asphalt - Overlay with 2" Mill Edge										
Asphalt - Slurry Seal/Crack Fill	9,934									
Asphalt Shingles - Remove/Replace		71,621								
Brick - Repair Allowance		12,092								
Carpet - Remove/Replace						25,125				
Carport Roofs - Replace										
Decks - Resurface	*Unfunded*									
EPDM Flat Roof Membrane - Remove/Replace										
Entry System - Replace										
Exterior Wall Lights - Replace										
Fire System - Replace		4,093								
Gate Opener - Replace										
Gate and Fence - Replace					15,754					
Gutters/Downspouts - Replace		2,604								
Interior Ceiling Lights - Replace										
Interior Doors - Repaint						13,348				
Interior Paint - Repaint						36,641				
Mailboxes - Replace										
Monument Sign - Replace			11,497							
Perimeter Fence - Replace										
Railing - Repaint	*Unfunded*									
Railing - Replace	*Unfunded*									
Reserve Study - Full					3,049					
Reserve Study - Update		1,395			1,525			1,666		
Sewer/Waterline - Inspection		18,603					21,566			
Stucco - Repair/Repaing							40,328			
Surveillance System - Replace					6,505					
Year Total:	**9,934**	**110,408**	**11,497**		**26,833**	**75,114**	**61,894**	**1,666**		

Executive Summary - Berkley Manor

Information to complete this Reserve Study was gathered by performing an on-site inspection of the common area components. In addition, we also obtained information by contacting contractors as well as communicating with the property representative (BOD Member and/or Community Manager). To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate so far as the information obtained from these sources.

Projected Beginning Balance as of January, 1 2023	$ 17,651
Ideal Reserve Balance as of January, 1 2023	$ 190,327
Percent Funded as of January, 1 2023	9%
Recommended Reserve Contribution (Per Annual)	$ 121,699
Recommended Special Assessment	$ 0

Berkley Manor HOA is an 18-Unit Townhome community. This community offers secured downtown living, private patios, covered parking, as well as landscaped areas. Construction on the property was completed in 1984.

Reserve Funding

In comparing the projected starting reserve balance of $17,651 versus the ideal reserve balance of $190,327 we find the association's reserve fund to be 9% funded. This indicates a weak reserve fund position. We suggest adopting a reserve contribution of $10,142 per month ($564.00/unit). If the reserve fund contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance and lower property values are likely at some point in the future.