

# Wasatch Reserve Study Analyst Report

Berkley Manor Homeowner's Association

**UPDATE**

Salt Lake City, Utah

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**Wasatch Reserve Studies**

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# 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 without 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:

|                        |                          |                         |
|------------------------|--------------------------|-------------------------|
| <b>Utilities:</b>      | Bank Service Charges     | Accounting              |
| Electricity            | Dues & Publications      | Reserve Study           |
| Gas                    | Licenses, Permits & Fees | <b>Repair Expenses:</b> |
| Water                  | Insurance(s)             | Tile Roof Repairs       |
| Telephone              | <b>Services:</b>         | Equipment Repairs       |
| Cable TV               | Landscaping              | Minor Concrete Repairs  |
| <b>Administrative:</b> | Pool Maintenance         | Operating Contingency   |
| Supplies               | Street Sweeping          |                         |

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

## 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 31<sup>st</sup>, 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**

| <i>Report Parameters</i>         |                   |
|----------------------------------|-------------------|
| 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            |
| 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***

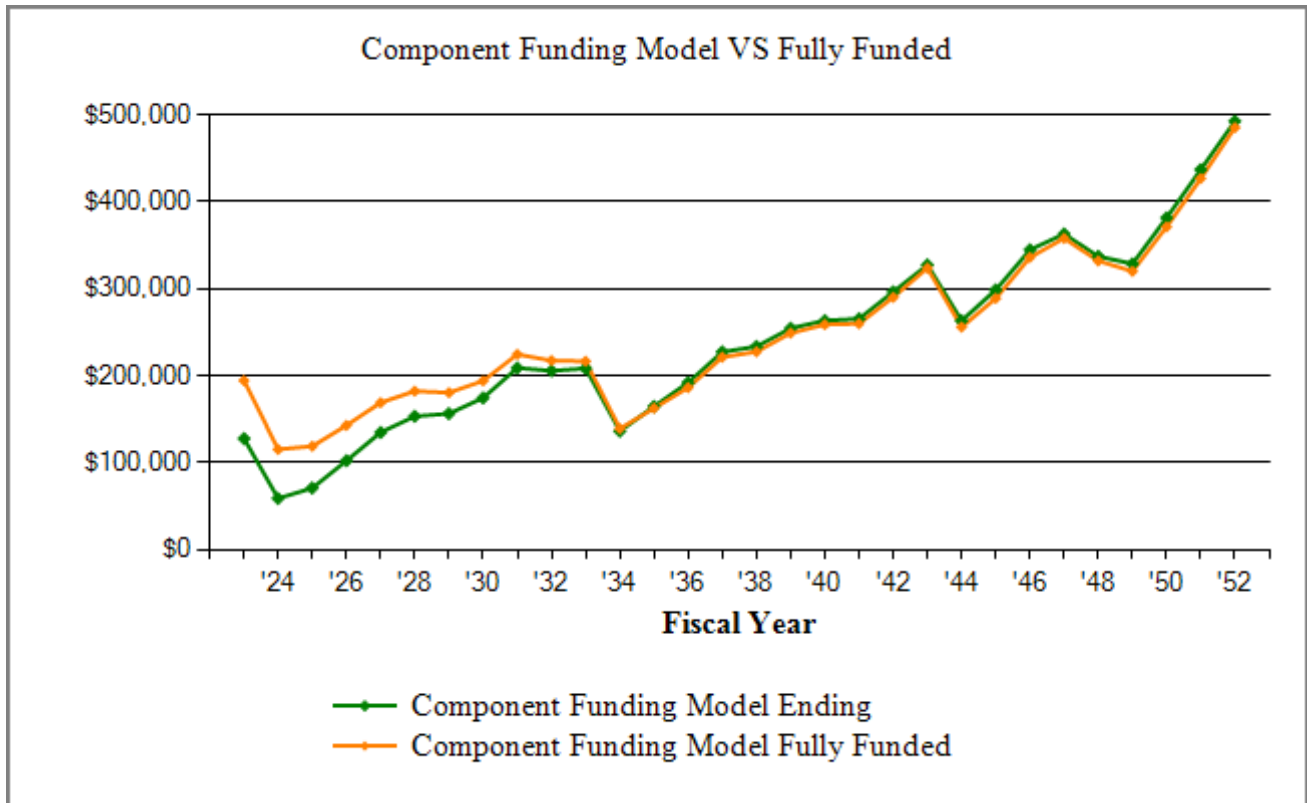
|                                     |                 |
|-------------------------------------|-----------------|
| Required Annual Contribution        | \$121,698.95    |
| <i>\$6,761.05 per unit annually</i> |                 |
| Average Net Annual Interest Earned  | <u>\$889.00</u> |
| Total Annual Allocation to Reserves | \$122,587.95    |
| <i>\$6,810.44 per unit annually</i> |                 |

**Berkley Manor  
Component Funding Model Projection**

Beginning Balance: \$17,651

| Year | Current<br>Cost | Annual<br>Contribution | Annual<br>Interest | Annual<br>Expenditures | Projected<br>Ending<br>Reserves | Fully<br>Funded<br>Reserves | Percent<br>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<br>Year | Useful<br>Life  | Adjustment | Remaining<br>Life | Current<br>Cost | Assigned<br>Reserves | Fully<br>Funded |
|-----------------------------------------|---------------------|-----------------|------------|-------------------|-----------------|----------------------|-----------------|
| <b>Streets/Asphalt</b>                  |                     |                 |            |                   |                 |                      |                 |
| Asphalt - Overlay with 2" Mill Edge     | 2023                | 30              | 0          | 0                 | 25,000          | 0                    | 25,000          |
| Asphalt - Slurry Seal/Crack Fill        | 2023                | 10              | 0          | 0                 | <u>5,500</u>    | <u>5,500</u>         | <u>5,500</u>    |
| Streets/Asphalt - Total                 |                     |                 |            |                   | \$30,500        | \$5,500              | \$30,500        |
| <b>Roofing</b>                          |                     |                 |            |                   |                 |                      |                 |
| 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                | <u>61,200</u>   | 0                    | <u>27,540</u>   |
| Roofing - Total                         |                     |                 |            |                   | \$129,700       |                      | \$68,340        |
| <b>Painting</b>                         |                     |                 |            |                   |                 |                      |                 |
| Decks - Resurface                       |                     | <i>Unfunded</i> |            |                   |                 |                      |                 |
| Interior Paint - Repaint                | 2023                | 8               | 0          | 0                 | 17,500          | 0                    | 17,500          |
| Railing - Repaint                       |                     | <i>Unfunded</i> |            |                   |                 |                      |                 |
| Stucco - Repair/Repaing                 | 2025                | 8               | 13         | 2                 | <u>18,700</u>   | 0                    | <u>16,919</u>   |
| Painting - Total                        |                     |                 |            |                   | \$36,200        |                      | \$34,419        |
| <b>Fencing/Security</b>                 |                     |                 |            |                   |                 |                      |                 |
| 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                 | <u>3,200</u>    | <u>0</u>             | <u>1,280</u>    |
| Fencing/Security - Total                |                     |                 |            |                   | \$28,570        | \$4,600              | \$17,957        |
| <b>Lighting</b>                         |                     |                 |            |                   |                 |                      |                 |
| Exterior Wall Lights - Replace          | 2041                | 20              | 0          | 18                | 1,750           | 0                    | 175             |
| Interior Ceiling Lights - Replace       | 2029                | 25              | 0          | 6                 | <u>1,350</u>    | 0                    | <u>1,026</u>    |
| Lighting - Total                        |                     |                 |            |                   | \$3,100         |                      | \$1,201         |
| <b>Interior Furnishings</b>             |                     |                 |            |                   |                 |                      |                 |
| Carpet - Remove/Replace                 | 2028                | 10              | 0          | 5                 | 12,000          | 0                    | 6,000           |
| Interior Doors - Repaint                | 2023                | 6               | 0          | 0                 | <u>6,375</u>    | <u>5,301</u>         | <u>6,375</u>    |
| Interior Furnishings - Total            |                     |                 |            |                   | \$18,375        | \$5,301              | \$12,375        |
| <b>Building Components</b>              |                     |                 |            |                   |                 |                      |                 |
| Brick - Repair Allowance                | 2024                | 10              | 10         | 1                 | 6,500           | 0                    | 6,175           |
| Sewer/Waterline - Inspection            | 2023                | 5               | 0          | 0                 | <u>10,000</u>   | 0                    | <u>10,000</u>   |
| Building Components - Total             |                     |                 |            |                   | \$16,500        |                      | \$16,175        |
| <b>Gutters and Downspouts</b>           |                     |                 |            |                   |                 |                      |                 |
| Gutters/Downspouts - Replace            | 2044                | 30              | 0          | 21                | <u>1,400</u>    | 0                    | <u>420</u>      |
| Gutters and Downspouts - Total          |                     |                 |            |                   | \$1,400         |                      | \$420           |

**Berkley Manor**  
**Component Funding Model Assessment & Category Summary**

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

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<br>Life | Replacement<br>Year | Assigned<br>Reserves | Fully Funded<br>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                      |                   |                     | <u>\$17,651</u>      | <u>\$190,327</u>         |

|                                                      |          |
|------------------------------------------------------|----------|
| 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     |
|-------------------------------------|------------------|
| <b>Replacement Year 2023</b>        |                  |
| Asphalt - Slurry Seal/Crack Fill    | 5,500            |
| Entry System - Replace              | 4,600            |
| Reserve Study - Full                | 1,500            |
| Reserve Study - Update              | 750              |
| <b>Total for 2023</b>               | <b>\$12,350</b>  |
| <b>Replacement Year 2024</b>        |                  |
| 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           |
| <b>Total for 2024</b>               | <b>\$100,502</b> |
| <b>Replacement Year 2025</b>        |                  |
| Stucco - Repair/Repaing             | 19,839           |
| <b>Total for 2025</b>               | <b>\$19,839</b>  |
| <b>Replacement Year 2026</b>        |                  |
| Reserve Study - Update              | 820              |
| <b>Total for 2026</b>               | <b>\$820</b>     |
| <i>No Replacement in 2027</i>       |                  |
| <b>Replacement Year 2028</b>        |                  |
| Carpet - Remove/Replace             | 13,911           |
| <b>Total for 2028</b>               | <b>\$13,911</b>  |
| <b>Replacement Year 2029</b>        |                  |
| 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           |
| <b>Total for 2029</b>               | <b>\$29,636</b>  |

**Berkley Manor**  
**Annual Expenditure Detail**

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

**Berkley Manor**  
**Annual Expenditure Detail**

| Description                                      | Expenditures     |
|--------------------------------------------------|------------------|
| <b><i>Replacement Year 2038 continued...</i></b> |                  |
| Entry System - Replace                           | 7,167            |
| Gate Opener - Replace                            | 2,804            |
| Reserve Study - Update                           | 1,168            |
| <b>Total for 2038</b>                            | <b>\$29,835</b>  |
| <b>Replacement Year 2039</b>                     |                  |
| Sewer/Waterline - Inspection                     | 16,047           |
| <b>Total for 2039</b>                            | <b>\$16,047</b>  |
| <b>Replacement Year 2040</b>                     |                  |
| Interior Paint - Repaint                         | 28,925           |
| <b>Total for 2040</b>                            | <b>\$28,925</b>  |
| <b>Replacement Year 2041</b>                     |                  |
| Exterior Wall Lights - Replace                   | 2,979            |
| Reserve Study - Full                             | 2,554            |
| Reserve Study - Update                           | 1,277            |
| Stucco - Repair/Repaing                          | 31,835           |
| <b>Total for 2041</b>                            | <b>\$38,645</b>  |
| <b>Replacement Year 2042</b>                     |                  |
| Interior Doors - Repaint                         | 11,179           |
| <b>Total for 2042</b>                            | <b>\$11,179</b>  |
| <b>Replacement Year 2043</b>                     |                  |
| Asphalt - Slurry Seal/Crack Fill                 | 9,934            |
| <b>Total for 2043</b>                            | <b>\$9,934</b>   |
| <b>Replacement Year 2044</b>                     |                  |
| 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           |
| <b>Total for 2044</b>                            | <b>\$110,408</b> |

**Berkley Manor**  
**Annual Expenditure Detail**

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

**Berkley Manor**  
**Detail Report by Category**

**Asphalt - Overlay with 2" Mill Edge - 2023**

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



**Asphalt - Slurry Seal/Crack Fill - 2023**

|                   |                 |                       |               |
|-------------------|-----------------|-----------------------|---------------|
| Asset ID          | 1015            | 10,000 Sq Ft          | @ \$0.55      |
|                   |                 | 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 | <u>\$4.31</u> |
|                   |                 | Reserve Allocation    | \$619.49      |



**Berkley Manor  
Detail Report by Category**

|                                             |                 |
|---------------------------------------------|-----------------|
| <b>Streets/Asphalt - Total Current Cost</b> | <b>\$30,500</b> |
| <b>Assigned Reserves</b>                    | <b>\$5,500</b>  |
| <b>Fully Funded Reserves</b>                | <b>\$30,500</b> |

**Berkley Manor**  
**Detail Report by Category**

**Asphalt Shingles - Remove/Replace - 2044**

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



This component provides funding to remove and replace the shingles.

**Carport Roofs - Replace - 2024**

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

**Berkley Manor**  
**Detail Report by Category**

*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     | <i>none</i>    |
| Useful Life       | 20           |                       |                |
| Replacement Year  | 2034         | Annual Assessment     | \$6,384.57     |
| Remaining Life    | 11           | Interest Contribution | <u>\$44.69</u> |
|                   |              | Reserve Allocation    | \$6,429.27     |

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

|                                     |                  |
|-------------------------------------|------------------|
| <b>Roofing - Total Current Cost</b> | <b>\$129,700</b> |
| <b>Assigned Reserves</b>            | <b>\$0</b>       |
| <b>Fully Funded Reserves</b>        | <b>\$68,340</b>  |

**Berkley Manor**  
**Detail Report by Category**

| Decks - Resurface |              |                              |             |
|-------------------|--------------|------------------------------|-------------|
| Asset ID          | 1008         | 70 Sq Ft                     |             |
| Category          | Painting     | Asset Actual Cost            |             |
| Placed in Service | January 2004 | Percent Replacement          | 100%        |
| No Useful Life    |              | Future Cost                  |             |
|                   |              | Assigned Reserves            | <i>none</i> |
|                   |              | <i>No Future Assessments</i> |             |

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

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



| Railing - Repaint |              |                              |             |
|-------------------|--------------|------------------------------|-------------|
| Asset ID          | 1007         | 250 LF                       |             |
| Category          | Painting     | Asset Actual Cost            |             |
| Placed in Service | January 2004 | Percent Replacement          | 100%        |
| No Useful Life    |              | Future Cost                  |             |
|                   |              | Assigned Reserves            | <i>none</i> |
|                   |              | <i>No Future Assessments</i> |             |

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

**Berkley Manor**  
**Detail Report by Category**

|                                |              |                       |                |
|--------------------------------|--------------|-----------------------|----------------|
| 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     | <i>none</i>    |
| Useful Life                    | 8            |                       |                |
| Adjustment                     | 13           | Annual Assessment     | \$9,109.35     |
| Replacement Year               | 2025         | Interest Contribution | <u>\$63.77</u> |
| 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.

|                                      |                 |
|--------------------------------------|-----------------|
| <b>Painting - Total Current Cost</b> | <b>\$36,200</b> |
| <b>Assigned Reserves</b>             | <b>\$0</b>      |
| <b>Fully Funded Reserves</b>         | <b>\$34,419</b> |

**Berkley Manor**  
**Detail Report by Category**

**Entry System - Replace - 2023**

|                   |                  |                       |               |
|-------------------|------------------|-----------------------|---------------|
| Asset ID          | 1019             | 2 QTY                 | @ \$2,300.00  |
|                   |                  | 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 | <u>\$2.72</u> |
|                   |                  | Reserve Allocation    | \$391.13      |



Aiphone GH System.

**Gate Opener - Replace - 2038**

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

# **Berkley Manor** **Detail Report by Category**

*Gate Opener - Replace continued...*



Liftmaster.

## **Gate and Fence - Replace - 2032**

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



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

**Berkley Manor**  
**Detail Report by Category**

**Perimeter Fence - Replace - 2029**

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



Wood Fence.

**Surveillance System - Replace - 2032**

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

**Berkley Manor  
Detail Report by Category**

*Surveillance System - Replace continued...*



Surveillance system was replaced in 2017.

|                                              |                 |
|----------------------------------------------|-----------------|
| <b>Fencing/Security - Total Current Cost</b> | <b>\$28,570</b> |
| <b>Assigned Reserves</b>                     | <b>\$4,600</b>  |
| <b>Fully Funded Reserves</b>                 | <b>\$17,957</b> |

**Berkley Manor**  
**Detail Report by Category**

**Exterior Wall Lights - Replace - 2041**

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

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

**Berkley Manor  
Detail Report by Category**

*Interior Ceiling Lights - Replace continued...*



|                                      |                |
|--------------------------------------|----------------|
| <b>Lighting - Total Current Cost</b> | <b>\$3,100</b> |
| <b>Assigned Reserves</b>             | <b>\$0</b>     |
| <b>Fully Funded Reserves</b>         | <b>\$1,201</b> |

**Berkley Manor**  
**Detail Report by Category**

**Carpet - Remove/Replace - 2028**

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



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

**Interior Doors - Repaint - 2023**

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

**Berkley Manor  
Detail Report by Category**

*Interior Doors - Repaint continued...*



|                                                  |                 |
|--------------------------------------------------|-----------------|
| <b>Interior Furnishings - Total Current Cost</b> | <b>\$18,375</b> |
| <b>Assigned Reserves</b>                         | <b>\$5,301</b>  |
| <b>Fully Funded Reserves</b>                     | <b>\$12,375</b> |

**Berkley Manor**  
**Detail Report by Category**

**Brick - Repair Allowance - 2024**

|                   |                     |                       |                |
|-------------------|---------------------|-----------------------|----------------|
| Asset ID          | 1003                | 1 QTY                 | @ \$6,500.00   |
|                   |                     | Asset Actual Cost     | \$6,500.00     |
|                   |                     | Percent Replacement   | 100%           |
| Category          | Building Components | Future Cost           | \$6,695.00     |
| Placed in Service | January 2004        | Assigned Reserves     | <i>none</i>    |
| Useful Life       | 10                  |                       |                |
| Adjustment        | 10                  | Annual Assessment     | \$6,648.46     |
| Replacement Year  | 2024                | Interest Contribution | <u>\$46.54</u> |
| 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**

|                   |                     |                       |               |
|-------------------|---------------------|-----------------------|---------------|
| Asset ID          | 1028                | 1 QTY                 | @ \$10,000.00 |
|                   |                     | Asset Actual Cost     | \$10,000.00   |
|                   |                     | Percent Replacement   | 100%          |
| Category          | Building Components | Future Cost           | \$10,000.00   |
| Placed in Service | December 2023       | Assigned Reserves     | <i>none</i>   |
| Useful Life       | 5                   |                       |               |
| Replacement Year  | Deferred 2023       | Annual Assessment     | \$10,228.40   |
| Remaining Life    | 0                   | Interest Contribution | <u>\$1.60</u> |
|                   |                     | 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**

|                                                 |                 |
|-------------------------------------------------|-----------------|
| <b>Building Components - Total Current Cost</b> | <b>\$16,500</b> |
| <b>Assigned Reserves</b>                        | <b>\$0</b>      |
| <b>Fully Funded Reserves</b>                    | <b>\$16,175</b> |

**Berkley Manor**  
**Detail Report by Category**

**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     | <i>none</i>   |
| Useful Life       | 30                     |                       |               |
| Replacement Year  | 2044                   | Annual Assessment     | \$98.43       |
| Remaining Life    | 21                     | Interest Contribution | <u>\$0.69</u> |
|                   |                        | Reserve Allocation    | \$99.12       |



|                                                    |                |
|----------------------------------------------------|----------------|
| <b>Gutters and Downspouts - Total Current Cost</b> | <b>\$1,400</b> |
| <b>Assigned Reserves</b>                           | <b>\$0</b>     |
| <b>Fully Funded Reserves</b>                       | <b>\$420</b>   |

# **Berkley Manor** **Detail Report by Category**

|                              |              |                     |             |
|------------------------------|--------------|---------------------|-------------|
| Railing - Replace            |              | 250 LF              |             |
| Asset ID                     | 1006         | Asset Actual Cost   |             |
|                              |              | Percent Replacement | 100%        |
| Category                     | Railings     | Future Cost         |             |
| Placed in Service            | January 2004 | Assigned Reserves   | <i>none</i> |
| No Useful Life               |              |                     |             |
| <i>No Future Assessments</i> |              |                     |             |



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

|                                      |            |
|--------------------------------------|------------|
| <b>Railings - Total Current Cost</b> | <b>\$0</b> |
| <b>Assigned Reserves</b>             | <b>\$0</b> |
| <b>Fully Funded Reserves</b>         | <b>\$0</b> |

**Berkley Manor**  
**Detail Report by Category**

**Fire System - Replace - 2024**

|                   |                    |                       |                |
|-------------------|--------------------|-----------------------|----------------|
| Asset ID          | 1023               | 1 QTY                 | @ \$2,200.00   |
|                   |                    | Asset Actual Cost     | \$2,200.00     |
|                   |                    | Percent Replacement   | 100%           |
| Category          | Fire Extinguishers | Future Cost           | \$2,266.00     |
| Placed in Service | January 2004       | Assigned Reserves     | <i>none</i>    |
| Useful Life       | 20                 |                       |                |
| Replacement Year  | 2024               | Annual Assessment     | \$2,250.25     |
| Remaining Life    | 1                  | Interest Contribution | <u>\$15.75</u> |
|                   |                    | Reserve Allocation    | \$2,266.00     |



Firetrol.

|                                                |                |
|------------------------------------------------|----------------|
| <b>Fire Extinguishers - Total Current Cost</b> | <b>\$2,200</b> |
| <b>Assigned Reserves</b>                       | <b>\$0</b>     |
| <b>Fully Funded Reserves</b>                   | <b>\$2,090</b> |

**Berkley Manor  
Detail Report by Category**

**Mailboxes - Replace - 2035**

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



19-Box.

|                                       |                |
|---------------------------------------|----------------|
| <b>Mailboxes - Total Current Cost</b> | <b>\$3,500</b> |
| <b>Assigned Reserves</b>              | <b>\$0</b>     |
| <b>Fully Funded Reserves</b>          | <b>\$1,400</b> |

**Berkley Manor**  
**Detail Report by Category**

**Monument Sign - Replace - 2030**

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



|                                   |                |
|-----------------------------------|----------------|
| <b>Signs - Total Current Cost</b> | <b>\$6,000</b> |
| <b>Assigned Reserves</b>          | <b>\$0</b>     |
| <b>Fully Funded Reserves</b>      | <b>\$3,200</b> |

**Berkley Manor**  
**Detail Report by Category**

**Reserve Study - Full - 2023**

|                   |               |                       |               |
|-------------------|---------------|-----------------------|---------------|
| Asset ID          | 1026          | 1 QTY                 | @ \$1,500.00  |
|                   |               | 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 | <u>\$1.78</u> |
|                   |               | Reserve Allocation    | \$256.67      |



Wasatch Reserve Studies

kenny@wasatchreservestudies.com

**Reserve Study - Update - 2023**

|                   |               |                       |               |
|-------------------|---------------|-----------------------|---------------|
| Asset ID          | 1027          | 1 QTY                 | @ \$750.00    |
|                   |               | 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 | <u>\$1.70</u> |
|                   |               | Reserve Allocation    | \$244.15      |

**Berkley Manor  
Detail Report by Category**

*Reserve Study - Update continued...*



Wasatch Reserve Studies

kenny@wasatchreservestudies.com

|                                           |                |
|-------------------------------------------|----------------|
| <b>Reserve Study - Total Current Cost</b> | <b>\$2,250</b> |
| <b>Assigned Reserves</b>                  | <b>\$2,250</b> |
| <b>Fully Funded Reserves</b>              | <b>\$2,250</b> |

**Berkley Manor  
Detail Report by Category**

**Detail Report Summary**

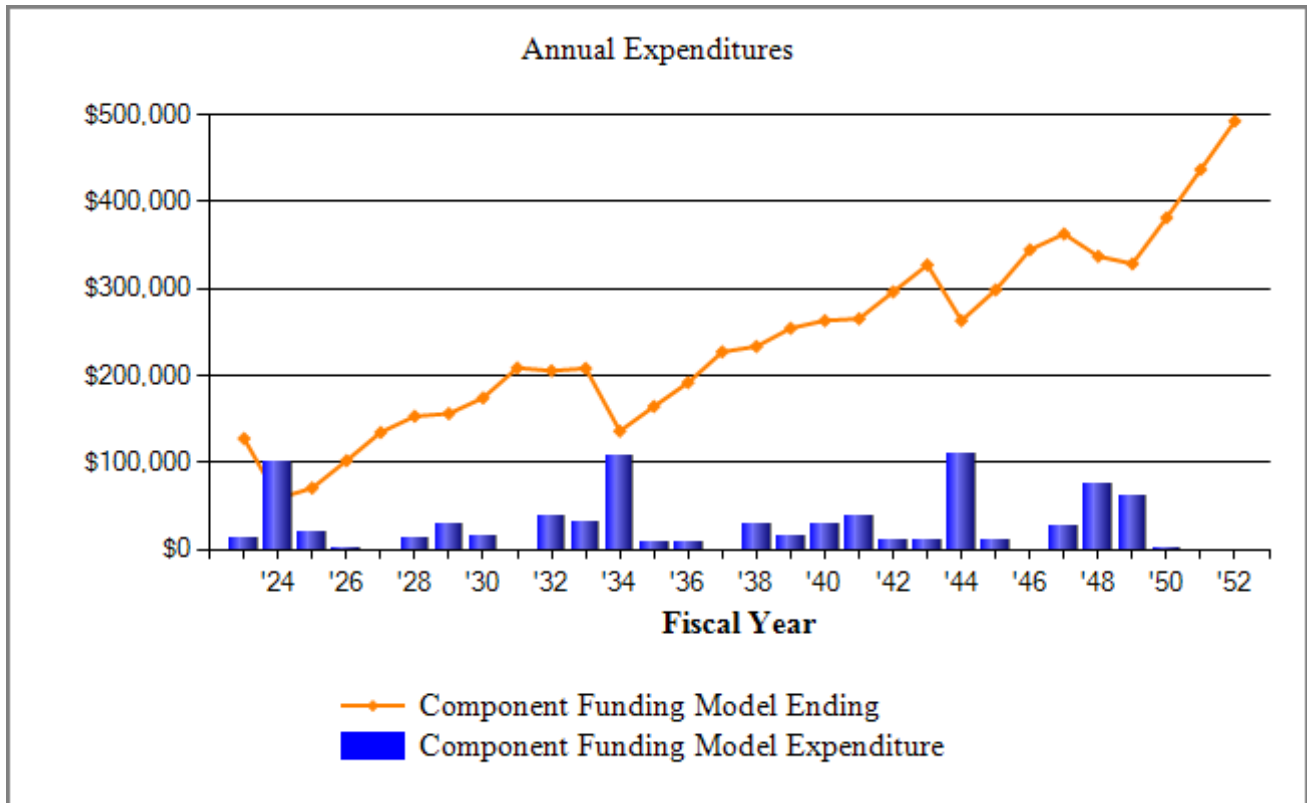
**Grand Total**

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

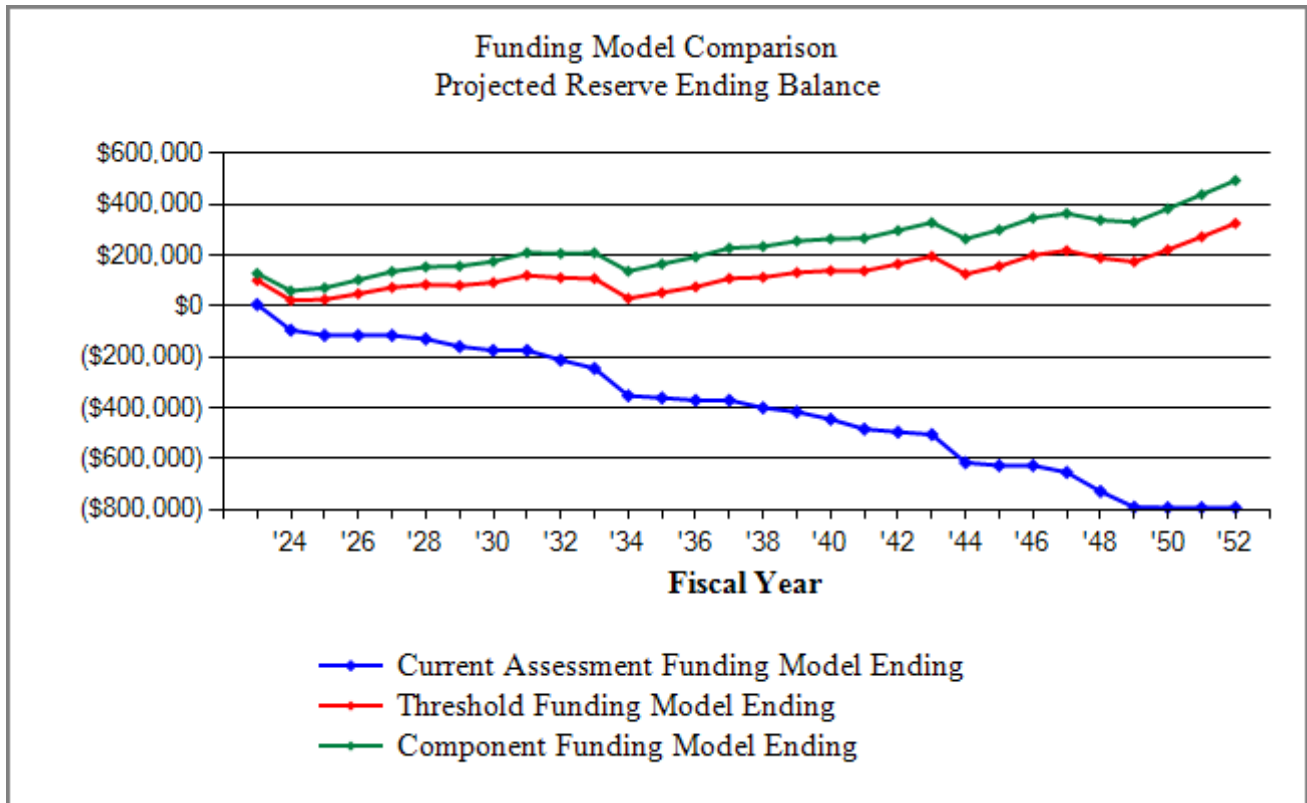
**Berkley Manor**  
**Category Detail Index**

| Asset ID              | Description                              | Replacement | Page |
|-----------------------|------------------------------------------|-------------|------|
| 1014                  | Asphalt - Overlay with 2" Mill Edge      | 2023        | 2-11 |
| 1015                  | Asphalt - Slurry Seal/Crack Fill         | 2023        | 2-11 |
| 1005                  | Asphalt Shingles - Remove/Replace        | 2044        | 2-13 |
| 1003                  | Brick - Repair Allowance                 | 2024        | 2-25 |
| 1011                  | Carpet - Remove/Replace                  | 2028        | 2-23 |
| 1016                  | Carport Roofs - Replace                  | 2024        | 2-13 |
| 1008                  | Decks - Resurface                        | Unfunded    | 2-15 |
| 1004                  | EPDM Flat Roof Membrane - Remove/Replace | 2034        | 2-14 |
| 1019                  | Entry System - Replace                   | 2023        | 2-17 |
| 1001                  | Exterior Wall Lights - Replace           | 2041        | 2-21 |
| 1023                  | Fire System - Replace                    | 2024        | 2-29 |
| 1018                  | Gate Opener - Replace                    | 2038        | 2-17 |
| 1017                  | Gate and Fence - Replace                 | 2032        | 2-18 |
| 1009                  | Gutters/Downspouts - Replace             | 2044        | 2-27 |
| 1012                  | Interior Ceiling Lights - Replace        | 2029        | 2-21 |
| 1013                  | Interior Doors - Repaint                 | 2023        | 2-23 |
| 1010                  | Interior Paint - Repaint                 | 2023        | 2-15 |
| 1022                  | Mailboxes - Replace                      | 2035        | 2-30 |
| 1025                  | Monument Sign - Replace                  | 2030        | 2-31 |
| 1020                  | Perimeter Fence - Replace                | 2029        | 2-19 |
| 1007                  | Railing - Repaint                        | Unfunded    | 2-15 |
| 1006                  | Railing - Replace                        | Unfunded    | 2-28 |
| 1026                  | Reserve Study - Full                     | 2023        | 2-32 |
| 1027                  | Reserve Study - Update                   | 2023        | 2-32 |
| 1028                  | Sewer/Waterline - Inspection             | 2023        | 2-25 |
| 1002                  | Stucco - Repair/Repaing                  | 2025        | 2-16 |
| 1021                  | Surveillance System - Replace            | 2032        | 2-19 |
| Total Funded Assets   |                                          | 24          |      |
| Total Unfunded Assets |                                          | <u>3</u>    |      |
| Total Assets          |                                          | 27          |      |

# Berkley Manor Annual Expenditure Chart

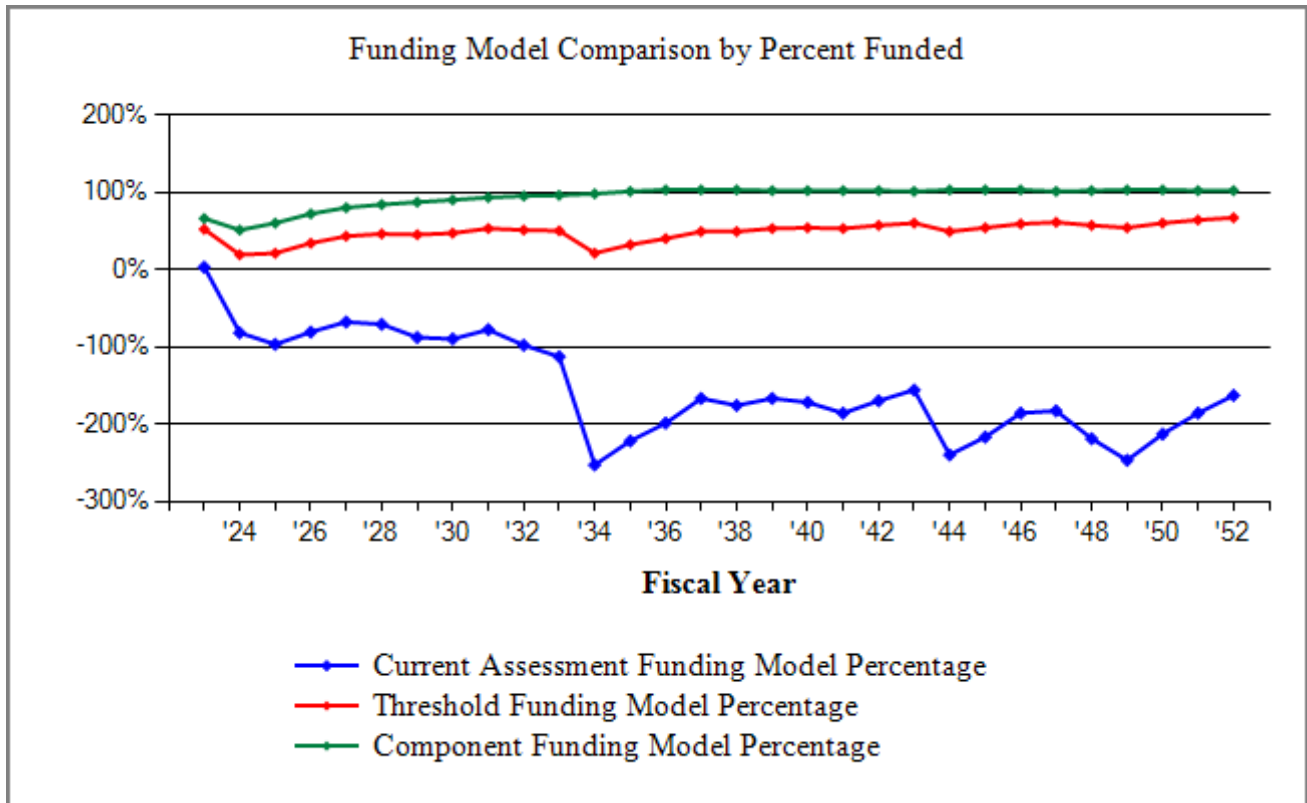


**Berkley Manor**  
**Funding Model Reserve Ending Balance Comparison Chart**



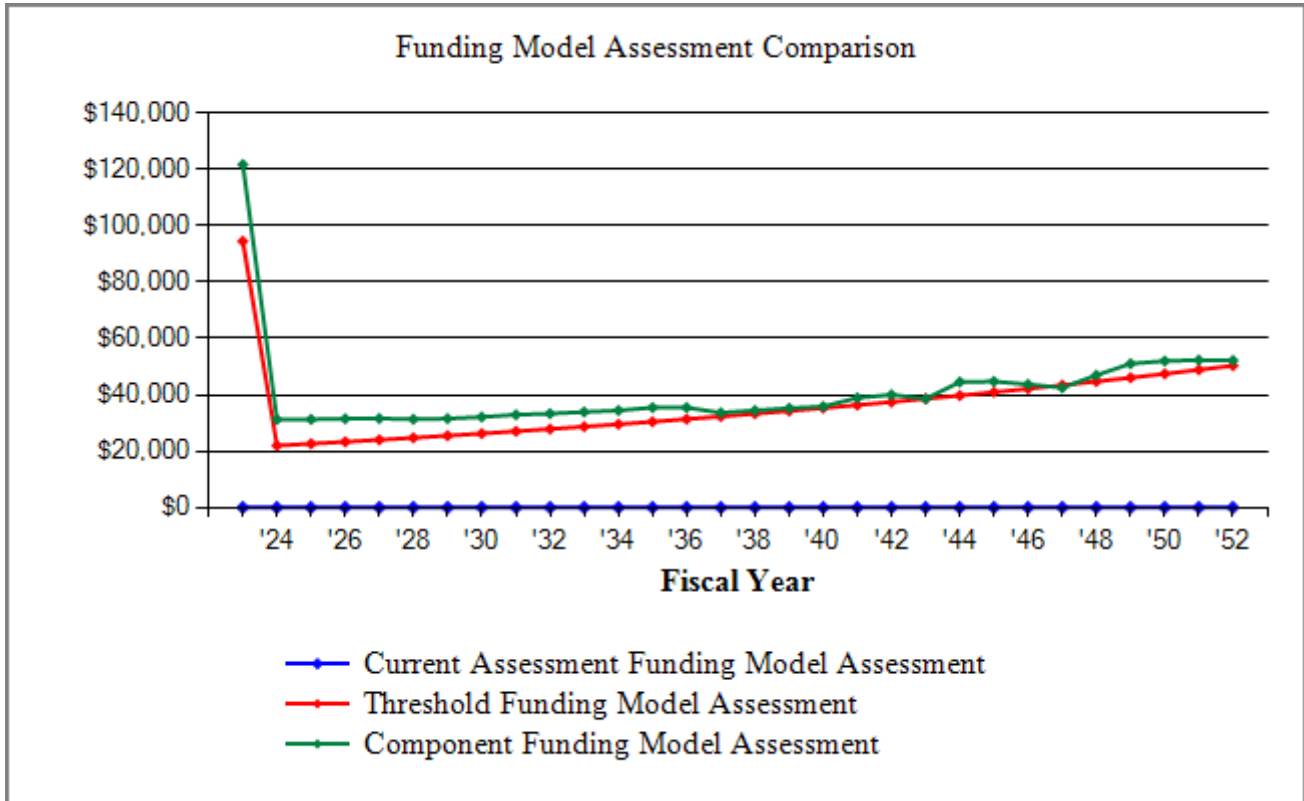
The chart above compares the projected reserve ending balances of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

**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

|                                          | 2023            | 2024           | 2025          | 2026       | 2027 | 2028          | 2029          | 2030          | 2031 | 2032          |
|------------------------------------------|-----------------|----------------|---------------|------------|------|---------------|---------------|---------------|------|---------------|
| <b>Description</b>                       |                 |                |               |            |      |               |               |               |      |               |
| 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                        | <i>Unfunded</i> |                |               |            |      |               |               |               |      |               |
| 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                        | <i>Unfunded</i> |                |               |            |      |               |               |               |      |               |
| Railing - Replace                        | <i>Unfunded</i> |                |               |            |      |               |               |               |      |               |
| 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         |
| <b>Year Total:</b>                       | <b>12,350</b>   | <b>100,502</b> | <b>19,839</b> | <b>820</b> |      | <b>13,911</b> | <b>29,636</b> | <b>15,220</b> |      | <b>38,099</b> |

# Berkley Manor Spread Sheet

|                                          | 2033            | 2034           | 2035         | 2036         | 2037 | 2038          | 2039          | 2040          | 2041          | 2042          |
|------------------------------------------|-----------------|----------------|--------------|--------------|------|---------------|---------------|---------------|---------------|---------------|
| <b>Description</b>                       |                 |                |              |              |      |               |               |               |               |               |
| 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                        | <i>Unfunded</i> |                |              |              |      |               |               |               |               |               |
| 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                        | <i>Unfunded</i> |                |              |              |      |               |               |               |               |               |
| Railing - Replace                        | <i>Unfunded</i> |                |              |              |      |               |               |               |               |               |
| 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            |                 |                |              |              |      |               |               |               |               |               |
| <b>Year Total:</b>                       | <b>32,523</b>   | <b>107,555</b> | <b>8,198</b> | <b>9,362</b> |      | <b>29,835</b> | <b>16,047</b> | <b>28,925</b> | <b>38,645</b> | <b>11,179</b> |

# **Berkley Manor Spread Sheet**

|                                          | 2043            | 2044           | 2045          | 2046 | 2047          | 2048          | 2049          | 2050         | 2051 | 2052 |
|------------------------------------------|-----------------|----------------|---------------|------|---------------|---------------|---------------|--------------|------|------|
| <b>Description</b>                       |                 |                |               |      |               |               |               |              |      |      |
| 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                        | <i>Unfunded</i> |                |               |      |               |               |               |              |      |      |
| 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                        | <i>Unfunded</i> |                |               |      |               |               |               |              |      |      |
| Railing - Replace                        | <i>Unfunded</i> |                |               |      |               |               |               |              |      |      |
| 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         |               |               |              |      |      |
| <b>Year Total:</b>                       | <b>9,934</b>    | <b>110,408</b> | <b>11,497</b> |      | <b>26,833</b> | <b>75,114</b> | <b>61,894</b> | <b>1,666</b> |      |      |

# 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.