Wasatch Reserve Study Analyst Report

Grandview Acres Condominiums Homeowner's Association
Ogden, Utah
July 1, 2025

Wasatch Reserve Studies
Lindon, UT 84042
Phone: 801-721-7147

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Important Information

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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 <u>current</u> board is pledging the <u>future</u> 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 <u>with</u> site inspection; and

Update <u>without</u> 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 <u>with</u> 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:

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

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

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

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

Reserve Expenses

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

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

Budgeting is Normally Excluded for:

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

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

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

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

Funding Methods

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

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The **Wasatch Reserve Studies** Threshold and the **Wasatch Reserve Studies** Current Assessment funding models are based upon the cash flow method.

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

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

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

Fully Funded Reserves = **Age** <u>divided by</u> **Useful Life** <u>the results multiplied by</u> **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 **<u>does not</u>** apply to the cash flow funding models.

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

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

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

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

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

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

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

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

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

Funding Reserves

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

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

Users' Guide to your Reserve Analysis Study

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

Report Summaries

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

Index Reports

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

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

Detail Reports

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

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

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

Projections

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

Definitions

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

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

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

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

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

Investment Yield Before Taxes

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

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

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

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

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

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

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

Total Monthly Allocation
The sum of the monthly assessment and interest contribution figures.

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

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

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

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

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

Estimated Remaining Life
This calculation is completed internally based upon the report's fiscal year date and the date the asset

was placed-in-service.

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

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

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

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

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

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

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

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

A Multi-Purpose Tool

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

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

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

Grandview Acres Condominiums
Ogden , UT
Component Funding Model Summary

Report Date	July 1, 2025
Budget Year Beginning	July 1, 2025
Budget Year Ending	June 30, 2026
Total Units	150
Phase Development	1 of 1

Report Parameters

Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
Contingency	3.00%
2025 Beginning Balance	$150,617

Component Funding Model Summary of Calculations

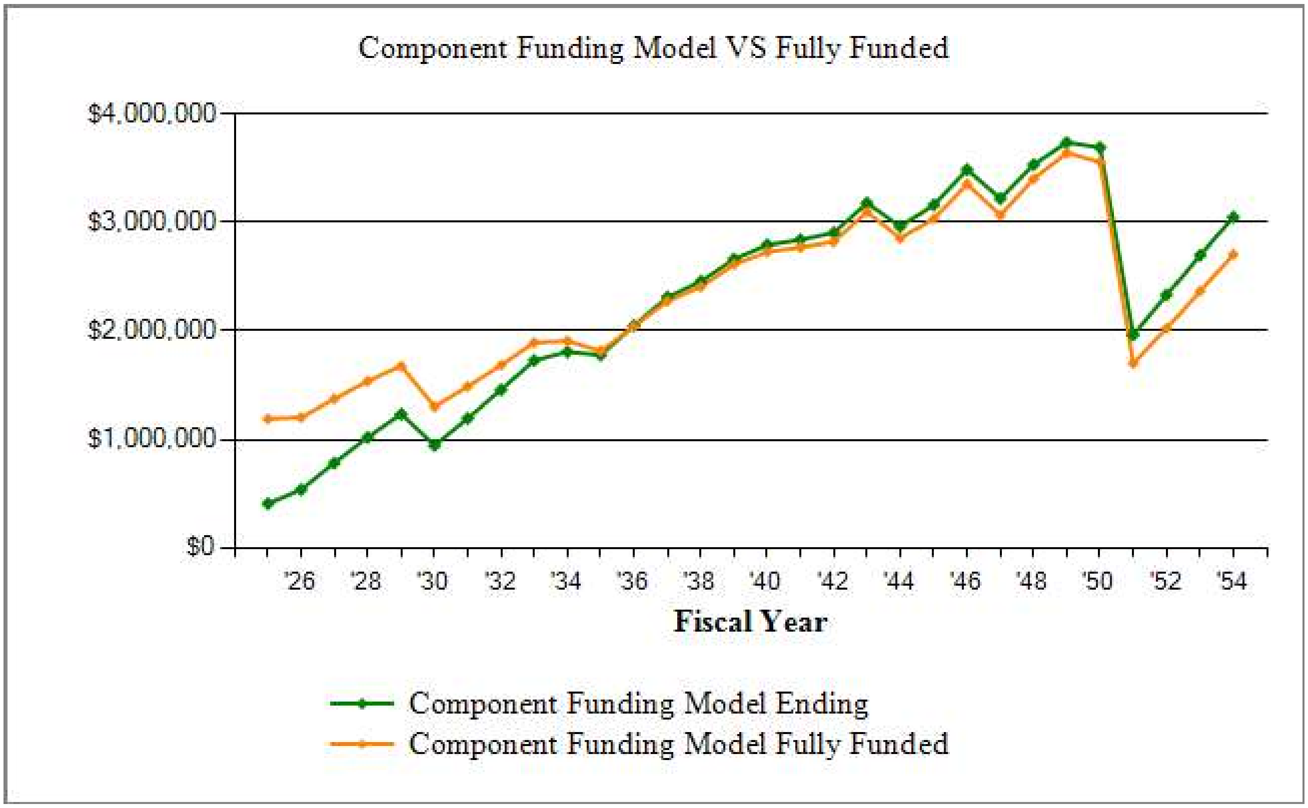
Required Annual Contribution	$348,863.40
$2,325.76 per unit annually	
Average Net Annual Interest Earned	$2,834.86
Total Annual Allocation to Reserves	$351,698.27
$2,344.66 per unit annually	

Grandview Acres Condominiums
Component Funding Model Projection

Beginning Balance: $150,617

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2025	2,629,056	348,863	2,835	94,500	407,815	1,191,985	34%
2026	2,707,928	266,783	3,742	140,080	538,260	1,205,903	45%
2027	2,789,166	240,995	5,455		784,709	1,372,653	57%
2028	2,872,841	241,179	7,098	11,911	1,021,076	1,536,046	66%
2029	2,959,026	249,433	8,590	43,332	1,235,767	1,675,051	74%
2030	3,047,797	238,816	6,576	535,121	946,038	1,301,421	73%
2031	3,139,231	243,512	8,314	1,791	1,196,073	1,486,707	80%
2032	3,233,408	249,709	10,120		1,455,903	1,683,896	86%
2033	3,330,410	258,640	12,002		1,726,544	1,891,578	91%
2034	3,430,322	259,309	12,559	191,671	1,806,741	1,906,862	95%
2035	3,533,232	255,483	12,347	298,320	1,776,252	1,814,317	98%
2036	3,639,229	257,292	14,235		2,047,779	2,040,486	100%
2037	3,748,406	249,286	16,064	2,139	2,310,990	2,276,323	102%
2038	3,860,858	242,108	17,080	113,061	2,457,118	2,406,864	102%
2039	3,976,684	239,125	18,519	50,672	2,664,090	2,612,976	102%
2040	4,095,984	253,826	19,401	146,293	2,791,024	2,729,457	102%
2041	4,218,864	254,275	19,732	226,499	2,838,532	2,770,140	102%
2042	4,345,430	268,239	20,174	224,787	2,902,157	2,819,833	103%
2043	4,475,793	273,476	22,092	19,578	3,178,148	3,094,875	103%
2044	4,610,066	282,955	20,579	521,305	2,960,376	2,852,223	104%
2045	4,748,368	300,037	21,963	122,816	3,159,561	3,031,575	104%
2046	4,890,820	304,372	24,236	1,674	3,486,494	3,351,548	104%
2047	5,037,544	299,761	22,373	590,076	3,218,553	3,063,811	105%
2048	5,188,670	288,639	24,550		3,531,743	3,400,584	104%
2049	5,344,331	286,670	25,975	107,738	3,736,649	3,640,506	103%
2050	5,504,660	355,603	25,656	427,131	3,690,777	3,556,349	104%
2051	5,669,800	361,709	13,646	2,103,095	1,963,038	1,699,430	116%
2052	5,839,894	355,187	16,214	1,999	2,332,439	2,023,883	115%
2053	6,015,091	348,027	18,763		2,699,230	2,368,458	114%
2054	6,195,544	349,484	21,176	23,566	3,046,324	2,706,885	113%

Grandview Acres Condominiums
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.

Grandview Acres Condominiums
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Asphalt							
Asphalt - 2" Mill Edge and Overlay	2030	30	0	5	300,000	0	250,000
Asphalt - Crack Fill	2025	5	0	0	7,500	7,500	7,500
Asphalt - Slurry Seal	2025	5	0	0	48,000	48,000	48,000
Asphalt - Total					$355,500	$55,500	$305,500
Concrete							
Concrete - Repair/Replace	2025	5	0	0	7,500	7,500	7,500
Concrete - Total					$7,500	$7,500	$7,500
Fencing							
Fencing - Replace	2030	25	5	5	93,600	0	78,000
Fencing - Total					$93,600		$78,000
Landscape							
Landscaping - Renovation	2025	5	0	0	5,000	5,000	5,000
Landscape - Total					$5,000	$5,000	$5,000
Roofing							
Asphalt Shingles 2005/06 - Remove/Replace	2035	30	0	10	153,978	0	102,652
Asphalt Shingles 2007/10 - Remove/Replace	2038	30	0	13	76,989	0	43,627
Asphalt Shingles 2011/13 - Remove/Replace	2041	30	0	16	141,146	0	65,868
Asphalt Shingles 2014/2016 - Remove/Repla..	2044	30	0	19	282,293	0	103,507
Asphalt Shingles 2017/19 - Remove/Replace	2047	30	0	22	307,956	0	82,122
Asphalt Shingles 2020/24 - Remove/Replace	2051	30	0	26	975,194	0	130,026
Roofing - Total					$1,937,556		$527,802
Repair/Painting							
Hardyboard Siding - Repair/Repaint	2026	8	0	1	136,000	51,730	120,889
Repair/Painting - Total					$136,000	$51,730	$120,889
Recreational							
Clubhouse - Remodel	2025	15	0	0	15,000	15,000	15,000
Recreational - Total					$15,000	$15,000	$15,000
Building Component							
Furnishings and Decor - Update	2025	15	0	0	5,000	5,000	5,000
Building Component - Total					$5,000	$5,000	$5,000
Remodel							
Bathrooms - Remodel	2025	15	10	0	5,000	5,000	5,000
Kitchen - Remodel	2028	15	13	3	10,000	0	8,929
Remodel - Total					$15,000	$5,000	$13,929

Grandview Acres Condominiums
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Electrical							
Electrical Meters - Update	2049	30	0	24	18,000	0	3,600
Electrical - Total					$18,000		$3,600
Engineering							
Structural - Repair Allowance	2029	10	0	4	15,000	0	9,000
Structural Engineering - Inspection	2029	10	0	4	3,500	0	2,100
Water/Sewer - Engineering	2029	15	0	4	5,000	0	3,667
Water/Sewer line - Repair Allowance	2029	5	0	4	10,000	0	2,000
Engineering - Total					$33,500		$16,767
Erosion							
Erosion - Repairs	2029	10	0	4	5,000	0	3,000
Erosion - Total					$5,000		$3,000
Reserve Study							
Reserve Study - Full	2025	6	0	0	1,500	1,500	1,500
Reserve Study - Update	2028	6	0	3	900	0	450
Reserve Study - Total					$2,400	$1,500	$1,950
Total Asset Summary					$2,629,056	$146,230	$1,103,936
Contingency at 3.00%						$4,387	$33,118
Summary Total						$150,617	$1,137,055

Percent Fully Funded 13%

Current Average Liability per Unit (Total Units: 150) -$6,576

'D' Component Deferred, Life Extended One Year

Grandview Acres Condominiums
Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Reserve Study - Full	0	2025	1,500	1,500
Landscaping - Renovation	0	2025	5,000	5,000
Bathrooms - Remodel	0	2025	5,000	5,000
Furnishings and Decor - Update	0	2025	5,000	5,000
Asphalt - Crack Fill	0	2025	7,500	7,500
Concrete - Repair/Replace	0	2025	7,500	7,500
Clubhouse - Remodel	0	2025	15,000	15,000
Asphalt - Slurry Seal	0	2025	48,000	48,000
Fencing - Replace	5	2030		78,000
Reserve Study - Update	3	2028		450
Kitchen - Remodel	3	2028		8,929
Hardyboard Siding - Repair/Repaint	1	2026	* D 51,730	120,889
Structural Engineering - Inspection	4	2029		2,100
Erosion - Repairs	4	2029		3,000
Water/Sewer - Engineering	4	2029		3,667
Water/Sewer line - Repair Allowance	4	2029		2,000
Structural - Repair Allowance	4	2029		9,000
Asphalt - 2" Mill Edge and Overlay	5	2030		250,000
Asphalt Shingles 2005/06 - Remove/Replace	10	2035		102,652
Asphalt Shingles 2007/10 - Remove/Replace	13	2038		43,627
Asphalt Shingles 2011/13 - Remove/Replace	16	2041		65,868
Asphalt Shingles 2014/2016 - Remove/Repl..	19	2044		103,507
Asphalt Shingles 2017/19 - Remove/Replace	22	2047		82,122
Electrical Meters - Update	24	2049		3,600
Asphalt Shingles 2020/24 - Remove/Replace	26	2051		130,026
Total Asset Summary			$146,230	$1,103,936
Contingency at 3.00%			$4,387	$33,118
Summary Total			$150,617	$1,137,055

Percent Fully Funded	13%
Current Average Liability per Unit (Total Units: 150)	-$6,576

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

Grandview Acres Condominiums
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025	
Asphalt - Crack Fill	7,500
Asphalt - Slurry Seal	48,000
Bathrooms - Remodel	5,000
Clubhouse - Remodel	15,000
Concrete - Repair/Replace	7,500
Furnishings and Decor - Update	5,000
Landscaping - Renovation	5,000
Reserve Study - Full	1,500
Total for 2025	**$94,500**
Replacement Year 2026	
Hardyboard Siding - Repair/Repaint	140,080
Total for 2026	**$140,080**
No Replacement in 2027	
Replacement Year 2028	
Kitchen - Remodel	10,927
Reserve Study - Update	983
Total for 2028	**$11,911**
Replacement Year 2029	
Erosion - Repairs	5,628
Structural - Repair Allowance	16,883
Structural Engineering - Inspection	3,939
Water/Sewer - Engineering	5,628
Water/Sewer line - Repair Allowance	11,255
Total for 2029	**$43,332**
Replacement Year 2030	
Asphalt - 2" Mill Edge and Overlay	347,782
Asphalt - Crack Fill	8,695
Asphalt - Slurry Seal	55,645
Concrete - Repair/Replace	8,695
Fencing - Replace	108,508
Landscaping - Renovation	5,796
Total for 2030	**$535,121**

Grandview Acres Condominiums
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2031	
Reserve Study - Full	1,791
Total for 2031	**$1,791**
No Replacement in 2032	
No Replacement in 2033	
Replacement Year 2034	
Hardyboard Siding - Repair/Repaint	177,449
Reserve Study - Update	1,174
Water/Sewer line - Repair Allowance	13,048
Total for 2034	**$191,671**
Replacement Year 2035	
Asphalt - Crack Fill	10,079
Asphalt - Slurry Seal	64,508
Asphalt Shingles 2005/06 - Remove/Replace	206,934
Concrete - Repair/Replace	10,079
Landscaping - Renovation	6,720
Total for 2035	**$298,320**
No Replacement in 2036	
Replacement Year 2037	
Reserve Study - Full	2,139
Total for 2037	**$2,139**
Replacement Year 2038	
Asphalt Shingles 2007/10 - Remove/Replace	113,061
Total for 2038	**$113,061**
Replacement Year 2039	
Erosion - Repairs	7,563
Structural - Repair Allowance	22,689
Structural Engineering - Inspection	5,294
Water/Sewer line - Repair Allowance	15,126
Total for 2039	**$50,672**

Grandview Acres Condominiums
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2040	
Asphalt - Crack Fill	11,685
Asphalt - Slurry Seal	74,782
Bathrooms - Remodel	7,790
Clubhouse - Remodel	23,370
Concrete - Repair/Replace	11,685
Furnishings and Decor - Update	7,790
Landscaping - Renovation	7,790
Reserve Study - Update	1,402
Total for 2040	**$146,293**
Replacement Year 2041	
Asphalt Shingles 2011/13 - Remove/Replace	226,499
Total for 2041	**$226,499**
Replacement Year 2042	
Hardyboard Siding - Repair/Repaint	224,787
Total for 2042	**$224,787**
Replacement Year 2043	
Kitchen - Remodel	17,024
Reserve Study - Full	2,554
Total for 2043	**$19,578**
Replacement Year 2044	
Asphalt Shingles 2014/2016 - Remove/Replace	495,002
Water/Sewer - Engineering	8,768
Water/Sewer line - Repair Allowance	17,535
Total for 2044	**$521,305**
Replacement Year 2045	
Asphalt - Crack Fill	13,546
Asphalt - Slurry Seal	86,693
Concrete - Repair/Replace	13,546
Landscaping - Renovation	9,031
Total for 2045	**$122,816**
Replacement Year 2046	
Reserve Study - Update	1,674
Total for 2046	**$1,674**

Grandview Acres Condominiums
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2047	
Asphalt Shingles 2017/19 - Remove/Replace	590,076
Total for 2047	**$590,076**
No Replacement in 2048	
Replacement Year 2049	
Electrical Meters - Update	36,590
Erosion - Repairs	10,164
Reserve Study - Full	3,049
Structural - Repair Allowance	30,492
Structural Engineering - Inspection	7,115
Water/Sewer line - Repair Allowance	20,328
Total for 2049	**$107,738**
Replacement Year 2050	
Asphalt - Crack Fill	15,703
Asphalt - Slurry Seal	100,501
Concrete - Repair/Replace	15,703
Hardyboard Siding - Repair/Repaint	284,754
Landscaping - Renovation	10,469
Total for 2050	**$427,131**
Replacement Year 2051	
Asphalt Shingles 2020/24 - Remove/Replace	2,103,095
Total for 2051	**$2,103,095**
Replacement Year 2052	
Reserve Study - Update	1,999
Total for 2052	**$1,999**
No Replacement in 2053	
Replacement Year 2054	
Water/Sewer line - Repair Allowance	23,566
Total for 2054	**$23,566**

Asphalt - 2" Mill Edge and Overlay - 2030

		120,000 SQ FT	@ $2.50
Asset ID	1003	Asset Actual Cost	$300,000.00
		Percent Replacement	100%
Category	Asphalt	Future Cost	$347,782.22
Placed in Service	January 2001	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2030	Annual Assessment	$60,073.13
Remaining Life	5	Interest Contribution	$420.51
		Reserve Allocation	$60,493.64

This component provides funding to do a 2-inch mill edge and overlay. This is recommended every 30 years.

Asphalt - Crack Fill - 2025

		1 QTY	@ $7,500.00
Asset ID	1001	Asset Actual Cost	$7,500.00
		Percent Replacement	100%
Category	Asphalt	Future Cost	$7,500.00
Placed in Service	January 2001	Assigned Reserves	$7,500.00
Useful Life	5		
Replacement Year	2025	Annual Assessment	$1,498.48
Remaining Life	0	Interest Contribution	$10.49
		Reserve Allocation	$1,508.97

Asphalt - Crack Fill continued...

This component provides funding to do a crack fill on the asphalt in the community. At a minimum, this needs to be done every 5 years. Poor conditions observed.

Asphalt - Slurry Seal - 2025

		120,000 SQ FT	@ $0.40
Asset ID	1002	Asset Actual Cost	$48,000.00
		Percent Replacement	100%
Category	Asphalt	Future Cost	$48,000.00
Placed in Service	January 2001	Assigned Reserves	$48,000.00
Useful Life	5		
Replacement Year	2025	Annual Assessment	$9,590.26
Remaining Life	0	Interest Contribution	$67.13
		Reserve Allocation	$9,657.39

This component provides funding for a slurry seal on the asphalt, which is needed every 5 years. The asphalt is in poor condition, with cracks and some crumbling requiring repairs. The streets are also in poor condition but are the city's responsibility. Dan has confirmed with the city, and the road is on the list for repairs, though no date has been provided. to be repaired

Asphalt - Total Current Cost	**$355,500**
Assigned Reserves	**$55,500**
Fully Funded Reserves	**$305,500**

Concrete - Repair/Replace - 2025

		1 QTY	@ $7,500.00
Asset ID	1004	Asset Actual Cost	$7,500.00
		Percent Replacement	100%
Category	Concrete	Future Cost	$7,500.00
Placed in Service	January 2001	Assigned Reserves	$7,500.00
Useful Life	5		
Replacement Year	2025	Annual Assessment	$1,498.48
Remaining Life	0	Interest Contribution	$10.49
		Reserve Allocation	$1,508.97

This component provides funding for concrete to be repaired or replaced as needed. The driveways and sidewalks in the community are in fair condition, with some cracking and surface pealing. The homeowners are reportedly responsible for their indivual patios.

Concrete - Total Current Cost	**$7,500**
Assigned Reserves	**$7,500**
Fully Funded Reserves	**$7,500**

Fencing - Replace - 2030

		5,200 LF	@ $18.00
Asset ID	1005	Asset Actual Cost	$93,600.00
		Percent Replacement	100%
Category	Fencing	Future Cost	$108,508.05
Placed in Service	January 2001	Assigned Reserves	*none*
Useful Life	25		
Adjustment	5	Annual Assessment	$18,742.82
Replacement Year	2030	Interest Contribution	$131.20
Remaining Life	5	Reserve Allocation	$18,874.02

This component provides funding to replace the fencing when deemed necessary. The 6' Chain link fence around the border and RV lot was observed in fair condition.

Fencing - Total Current Cost	**$93,600**
Assigned Reserves	**$0**
Fully Funded Reserves	**$78,000**

Landscaping - Renovation - 2025

		1 QTY	@ $5,000.00
Asset ID	1006	Asset Actual Cost	$5,000.00
		Percent Replacement	100%
Category	Landscape	Future Cost	$5,000.00
Placed in Service	January 2021	Assigned Reserves	$5,000.00
Useful Life	5		
Replacement Year	2025	Annual Assessment	$998.99
Remaining Life	0	Interest Contribution	$6.99
		Reserve Allocation	$1,005.98

This component provides funding for landscaping renovations as determined by the board. The landscaping, including large mature trees in grassy areas, is in fair condition. A 2020 wind event caused significant damage, toppling trees and branches, resulting in $80,000 in costs.

Landscape - Total Current Cost	**$5,000**
Assigned Reserves	**$5,000**
Fully Funded Reserves	**$5,000**

Asphalt Shingles 2005/06 - Remove/Replace - 2035

		27,996 SQ FT	@ $5.50
Asset ID	1009	Asset Actual Cost	$153,978.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$206,933.56
Placed in Service	January 2006	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2035	Annual Assessment	$17,244.78
Remaining Life	10	Interest Contribution	$120.71
		Reserve Allocation	$17,365.49

This component provides funding to remove and replace the asphalt shingles within the community. Buildings 043, 020, and 021 were completed in 2005 - 2006.

Asphalt Shingles 2007/10 - Remove/Replace - 2038

		13,998 SQ FT	@ $5.50
Asset ID	1008	Asset Actual Cost	$76,989.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$113,060.94
Placed in Service	January 2009	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2038	Annual Assessment	$7,140.59
Remaining Life	13	Interest Contribution	$49.98
		Reserve Allocation	$7,190.57

This component provides funding to remove and replace the asphalt shingles within the community. Buildings 029, 013, and 010 were completed in 2007 - 2010.

Asphalt Shingles 2011/13 - Remove/Replace - 2041

		25,663 SQ FT	@ $5.50
Asset ID	1007	Asset Actual Cost	$141,146.50
		Percent Replacement	100%
Category	Roofing	Future Cost	$226,498.70
Placed in Service	January 2012	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2041	Annual Assessment	$11,468.89
Remaining Life	16	Interest Contribution	$80.28
		Reserve Allocation	$11,549.18

Asphalt Shingles 2011/13 - Remove/Replace continued...

This component provides funding to remove and replace the asphalt shingles within the community. Buildings 001, 003, 004, 007, 011, and 030 were completed in 2011 - 2013.

Asphalt Shingles 2014/2016 - Remove/Replace - 2044

		51,326 SQ FT	@ $5.50
Asset ID	1012	Asset Actual Cost	$282,293.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$495,002.48
Placed in Service	January 2015	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2044	Annual Assessment	$20,844.44
Remaining Life	19	Interest Contribution	$145.91
		Reserve Allocation	$20,990.35

This component provides funding to remove and replace the asphalt shingles within the community. Buildings 015, 019, 022, 023, 026, 052, 048, 047, 039, 034, 031, 026, 022, 023, 019, and 015 were completed in 2014 - 2016.

Asphalt Shingles 2017/19 - Remove/Replace - 2047

		55,992 SQ FT	@ $5.50
Asset ID	1011	Asset Actual Cost	$307,956.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$590,075.54
Placed in Service	January 2018	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2047	Annual Assessment	$21,202.31
Remaining Life	22	Interest Contribution	$148.42
		Reserve Allocation	$21,350.73

This component provides funding to remove and replace the asphalt shingles within the community. Buildings 008, 012, 033, 038, 042, 045, and 049 were completed in 2017 - 2019.

Asphalt Shingles 2020/24 - Remove/Replace - 2051

		177,308 SQ FT	@ $5.50
Asset ID	1010	Asset Actual Cost	$975,194.00
		Percent Replacement	100%
Category	Roofing	Future Cost	$2,103,094.86
Placed in Service	January 2022	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2051	Annual Assessment	$62,948.29
Remaining Life	26	Interest Contribution	$440.64
		Reserve Allocation	$63,388.93

This component provides funding to remove and replace the asphalt shingles within the community. Buildings 051, 046, 041, 044, 040, 037, 036, 035, 032, 028, 027, 025, 024, 018, 017, 016, 014, 009, 006, 005, 002 and 050 were completed in 2020 - 2024.

Roofing - Total Current Cost	**$1,937,556**
Assigned Reserves	**$0**
Fully Funded Reserves	**$527,802**

Hardyboard Siding - Repair/Repaint - 2026

		32,000 SQ FT	@ $4.25
Asset ID	1013	Asset Actual Cost	$136,000.00
		Percent Replacement	100%
Category	Repair/Painting	Future Cost	$140,080.00
Placed in Service	January 2001	Assigned Reserves	$51,730.10
Useful Life	8		
Replacement Year	Deferred 2026	Annual Assessment	$88,882.86
Remaining Life	1	Interest Contribution	$984.29
		Reserve Allocation	$89,867.15

This component provides funding to repair/repaint the siding every 8 years. The siding within the community is in fair condition. At the inspection it was reported the siding is repaired as needed.

Repair/Painting - Total Current Cost	**$136,000**
Assigned Reserves	**$51,730**
Fully Funded Reserves	**$120,889**

Clubhouse - Remodel - 2025

		1 QTY	@ $15,000.00
Asset ID	1014	Asset Actual Cost	$15,000.00
		Percent Replacement	100%
Category	Recreational	Future Cost	$15,000.00
Placed in Service	January 2001	Assigned Reserves	$15,000.00
Useful Life	15		
Replacement Year	2025	Annual Assessment	$1,266.55
Remaining Life	0	Interest Contribution	$8.87
		Reserve Allocation	$1,275.42



This component provides funding for the remodel of the Recreational Hall, last updated in 2008. The facility is in fair condition, with furnishings and flooring also in fair condition. This funding will replace the tables and chairs to maintain the hall's functionality and appearance.

Recreational - Total Current Cost	**$15,000**
Assigned Reserves	**$15,000**
Fully Funded Reserves	**$15,000**

Furnishings and Decor - Update - 2025

		1 QTY	@ $5,000.00
Asset ID	1015	Asset Actual Cost	$5,000.00
		Percent Replacement	100%
Category	Building Component	Future Cost	$5,000.00
Placed in Service	January 2001	Assigned Reserves	$5,000.00
Useful Life	15		
Replacement Year	2025	Annual Assessment	$422.18
Remaining Life	0	Interest Contribution	$2.96
		Reserve Allocation	$425.14

This component provides funding to update the furniture in the Recreational Room. While no damage or outdated appearances were observed, this funding is recommended for periodic replacement or refurbishment of interior furnishings and décor (e.g., furniture, artwork, window treatments, etc.) to maintain a desirable aesthetic in the common areas. Costs will vary depending on the scope and quality of replacements. It is best to coordinate this with other interior projects, like flooring and painting. Cost estimates should be re-evaluated during future Reserve Study updates.

Building Component - Total Current Cost	**$5,000**
Assigned Reserves	**$5,000**
Fully Funded Reserves	**$5,000**

Bathrooms - Remodel - 2025

		2 QTY	@ $2,500.00
Asset ID	1017	Asset Actual Cost	$5,000.00
		Percent Replacement	100%
Category	Remodel	Future Cost	$5,000.00
Placed in Service	January 2001	Assigned Reserves	$5,000.00
Useful Life	15		
Adjustment	10	Annual Assessment	$422.18
Replacement Year	2025	Interest Contribution	$2.96
Remaining Life	0	Reserve Allocation	$425.14

This component provides funding to remodel the bathrooms, which are in fair condition. The flooring is intact, and while fixtures are slightly outdated, no major issues were observed. Regular inspections and prompt repairs should be handled with general operating funds. Remodeling may include replacing plumbing fixtures, partitions, countertops, lighting, flooring, ventilation, and accessories. It is recommended to coordinate with other area projects, and cost estimates should be re-evaluated during future Reserve Study updates.

Kitchen - Remodel - 2028

		1 QTY	@ $10,000.00
Asset ID	1016	Asset Actual Cost	$10,000.00
		Percent Replacement	100%
Category	Remodel	Future Cost	$10,927.27
Placed in Service	January 2001	Assigned Reserves	*none*
Useful Life	15		
Adjustment	13	Annual Assessment	$3,242.42
Replacement Year	2028	Interest Contribution	$22.70
Remaining Life	3	Reserve Allocation	$3,265.12

Kitchen - Remodel continued...

This component provides funding to remodel the kitchen in the Recreational Building. The kitchen is dated b ut still functional and in fair condition, with clean counters, cabinets, and fixtures. While kitchen materials have a long lifespan, periodic updates may be desired for aesthetic purposes, such as refurbishing cabinets, replacing sinks, or installing new lighting. It is recommended to coordinate this project with appliance replacement and other amenity room updates.

Remodel - Total Current Cost	**$15,000**
Assigned Reserves	**$5,000**
Fully Funded Reserves	**$13,929**

Electrical Meters - Update - 2049

		6 QTY	@ $3,000.00
Asset ID	1018	Asset Actual Cost	$18,000.00
		Percent Replacement	100%
Category	Electrical	Future Cost	$36,590.29
Placed in Service	January 2020	Assigned Reserves	*none*
Useful Life	30		
Replacement Year	2049	Annual Assessment	$1,195.73
Remaining Life	24	Interest Contribution	$8.37
		Reserve Allocation	$1,204.10

This component provides funding to replace Electrical Meters as needed. Duplex 3871 & 3873 Grandview and 4 Plexus 3842, 3846, 3848 & 3852 Quincy were updated in 2020 to 200 amps. The rest of the buildings were updated around 2000 to 100 amps.

Electrical - Total Current Cost	**$18,000**
Assigned Reserves	**$0**
Fully Funded Reserves	**$3,600**

Structural - Repair Allowance - 2029

		1 QTY	@ $15,000.00
Asset ID	1023	Asset Actual Cost	$15,000.00
		Percent Replacement	100%
Category	Engineering	Future Cost	$16,882.63
Placed in Service	January 2030	Assigned Reserves	*none*
Useful Life	10		
Replacement Year	2029	Annual Assessment	$3,690.49
Remaining Life	4	Interest Contribution	$25.83
		Reserve Allocation	$3,716.32

This component provides funding to do repairs deemed necessary after the Structural Engineer's report.

Structural Engineering - Inspection - 2029

		1 QTY	@ $3,500.00
Asset ID	1022	Asset Actual Cost	$3,500.00
		Percent Replacement	100%
Category	Engineering	Future Cost	$3,939.28
Placed in Service	January 2030	Assigned Reserves	*none*
Useful Life	10		
Replacement Year	2029	Annual Assessment	$861.11
Remaining Life	4	Interest Contribution	$6.03
		Reserve Allocation	$867.14

The Structural Engineer's report is a necessity to ensure the safety and longevity of your buildings. We recommend the general guideline being a maximum of every 10 years for buildings up to 20 years of age and every five years for buildings older than 20 years. This component provides funding for the inspection and report.

Water/Sewer - Engineering - 2029

		1 QTY	@ $5,000.00
Asset ID	1021	Asset Actual Cost	$5,000.00
		Percent Replacement	100%
Category	Engineering	Future Cost	$5,627.54
Placed in Service	January 2030	Assigned Reserves	*none*
Useful Life	15		
Replacement Year	2029	Annual Assessment	$1,230.16
Remaining Life	4	Interest Contribution	$8.61
		Reserve Allocation	$1,238.77

This component provides an allowance for your water/sewer infrastructure to be routinely inspected.

Water/Sewer line - Repair Allowance - 2029

		1 QTY	@ $10,000.00
Asset ID	1020	Asset Actual Cost	$10,000.00
		Percent Replacement	100%
Category	Engineering	Future Cost	$11,255.09
Placed in Service	January 2030	Assigned Reserves	*none*
Useful Life	5		
Replacement Year	2029	Annual Assessment	$2,460.32
Remaining Life	4	Interest Contribution	$17.22
		Reserve Allocation	$2,477.55

This component provides funding for your water/sewer infrastructure to be repaired as needed or after the inspection.

Engineering - Total Current Cost	**$33,500**
Assigned Reserves	**$0**
Fully Funded Reserves	**$16,767**

Erosion - Repairs - 2029

		1 QTY	@ $5,000.00
Asset ID	1024	Asset Actual Cost	$5,000.00
		Percent Replacement	100%
Category	Erosion	Future Cost	$5,627.54
Placed in Service	January 2030	Assigned Reserves	*none*
Useful Life	10		
Replacement Year	2029	Annual Assessment	$1,230.16
Remaining Life	4	Interest Contribution	$8.61
		Reserve Allocation	$1,238.77

This component provides funding to repair any erosion damage within the community.

Erosion - Total Current Cost	**$5,000**
Assigned Reserves	**$0**
Fully Funded Reserves	**$3,000**

Reserve Study - Full - 2025

		1 QTY	@ $1,500.00
Asset ID	1025	Asset Actual Cost	$1,500.00
		Percent Replacement	100%
Category	Reserve Study	Future Cost	$1,500.00
Placed in Service	July 2025	Assigned Reserves	$1,500.00
Useful Life	6		
Replacement Year	2025	Annual Assessment	$254.88
Remaining Life	0	Interest Contribution	$1.78
		Reserve Allocation	$256.66

Wasatch
Reserve Studies

Please visit wasatchreservestudies.com to schedule your study.

Reserve Study - Update - 2028

		1 QTY	@ $900.00
Asset ID	1026	Asset Actual Cost	$900.00
		Percent Replacement	100%
Category	Reserve Study	Future Cost	$983.45
Placed in Service	July 2028	Assigned Reserves	*none*
Useful Life	6		
Replacement Year	2028	Annual Assessment	$291.82
Remaining Life	3	Interest Contribution	$2.04
		Reserve Allocation	$293.86

Reserve Study - Update continued...

Wasatch
Reserve Studies

Please visit wasatchreservestudies.com to schedule your study.

Reserve Study - Total Current Cost	**$2,400**
Assigned Reserves	**$1,500**
Fully Funded Reserves	**$1,950**

Detail Report Summary

Total of All Assets

Assigned Reserves	$146,230.10
Annual Contribution	$338,702.33
Annual Interest	$2,752.29
Annual Allocation	$341,454.63

Contingency at 3.00%

Assigned Reserves	$4,386.90
Annual Contribution	$10,161.07
Annual Interest	$82.57
Annual Allocation	$10,243.64

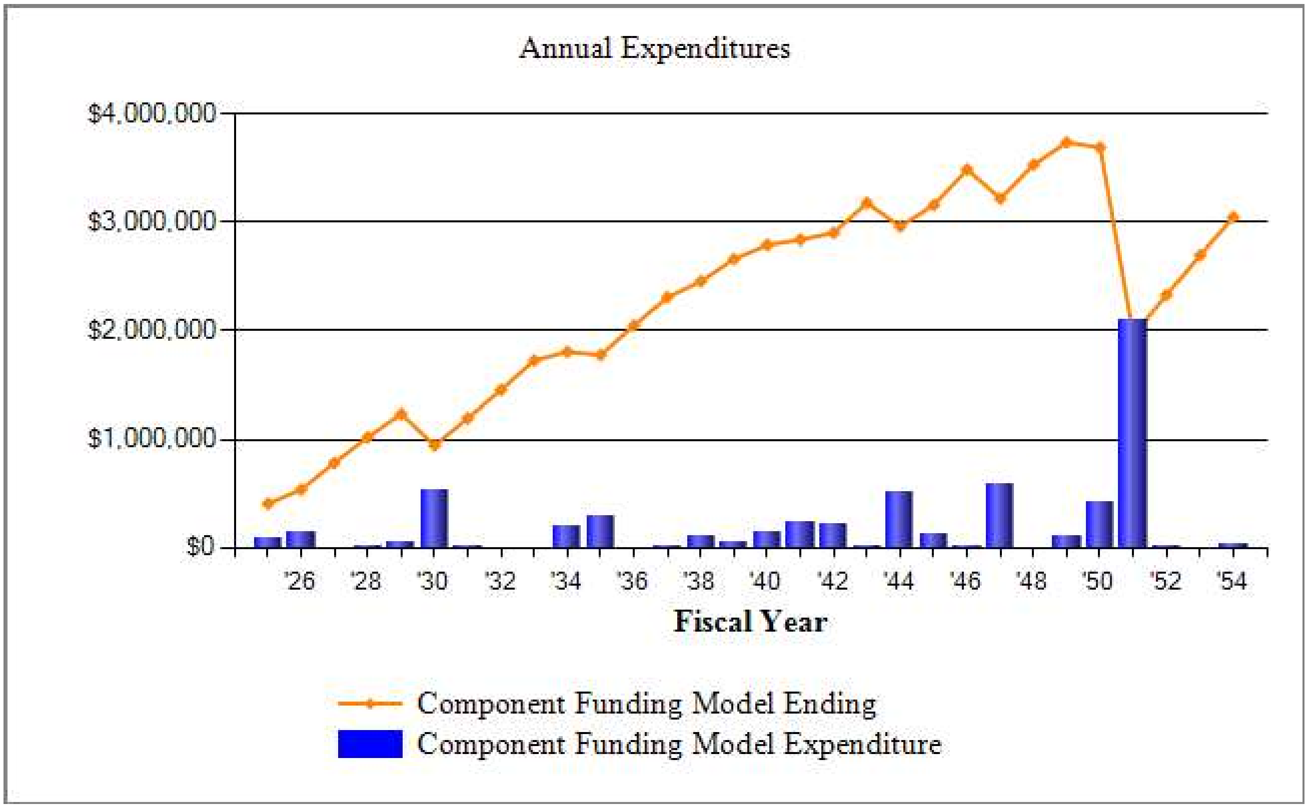
Grand Total

Assigned Reserves	$150,617.00
Annual Contribution	$348,863.40
Annual Interest	$2,834.86
Annual Allocation	$351,698.27

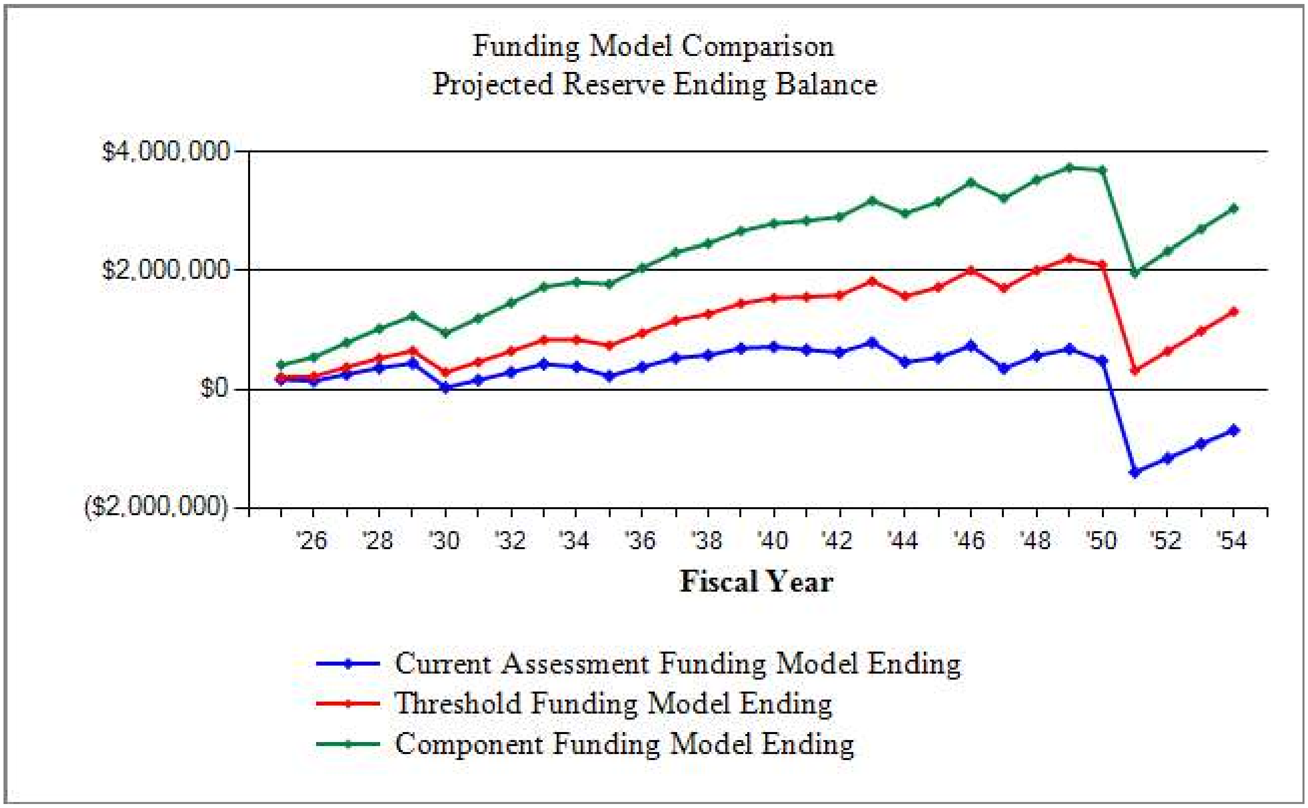
Grandview Acres Condominiums
Category Detail Index

Total Funded Assets	25
Total Unfunded Assets	0
Total Assets	25

Grandview Acres Condominiums
Annual Expenditure Chart

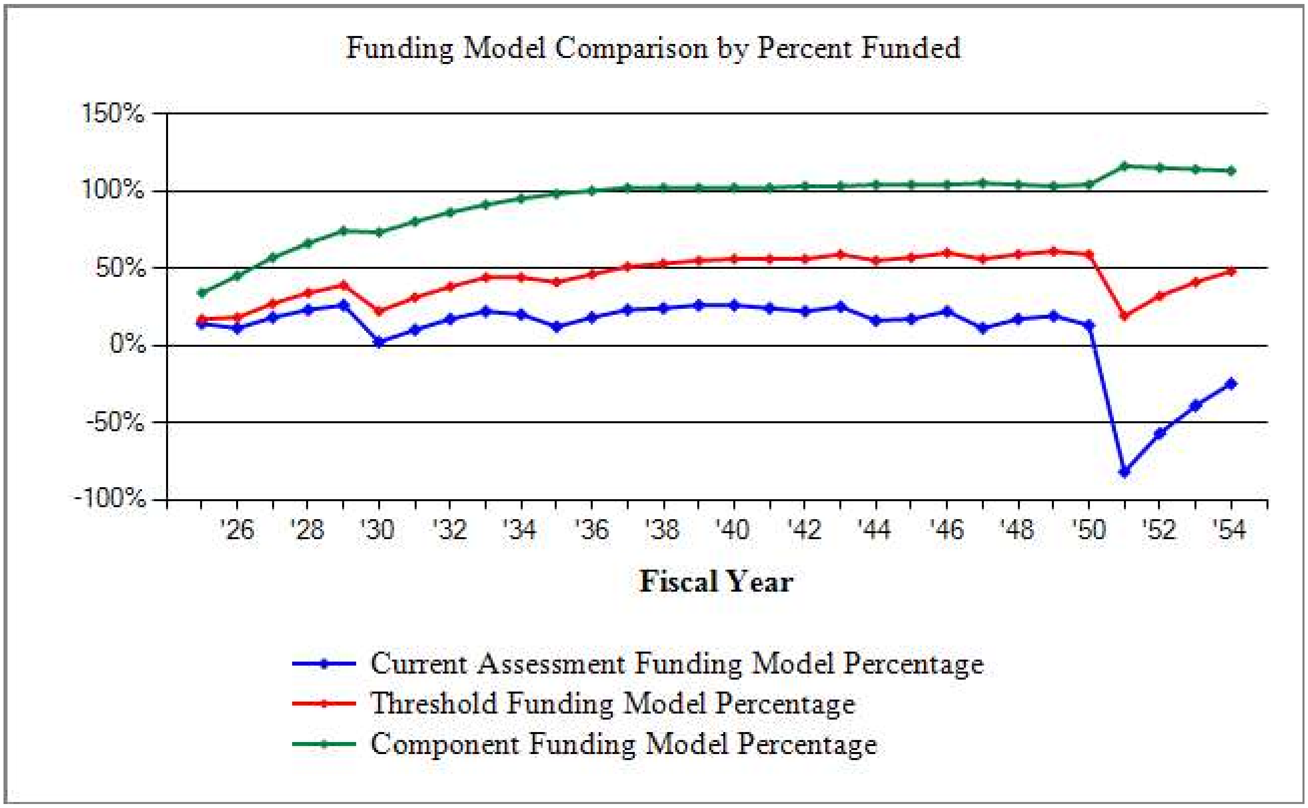


Grandview Acres Condominiums
Funding Model Reserve Ending Balance Comparison Chart



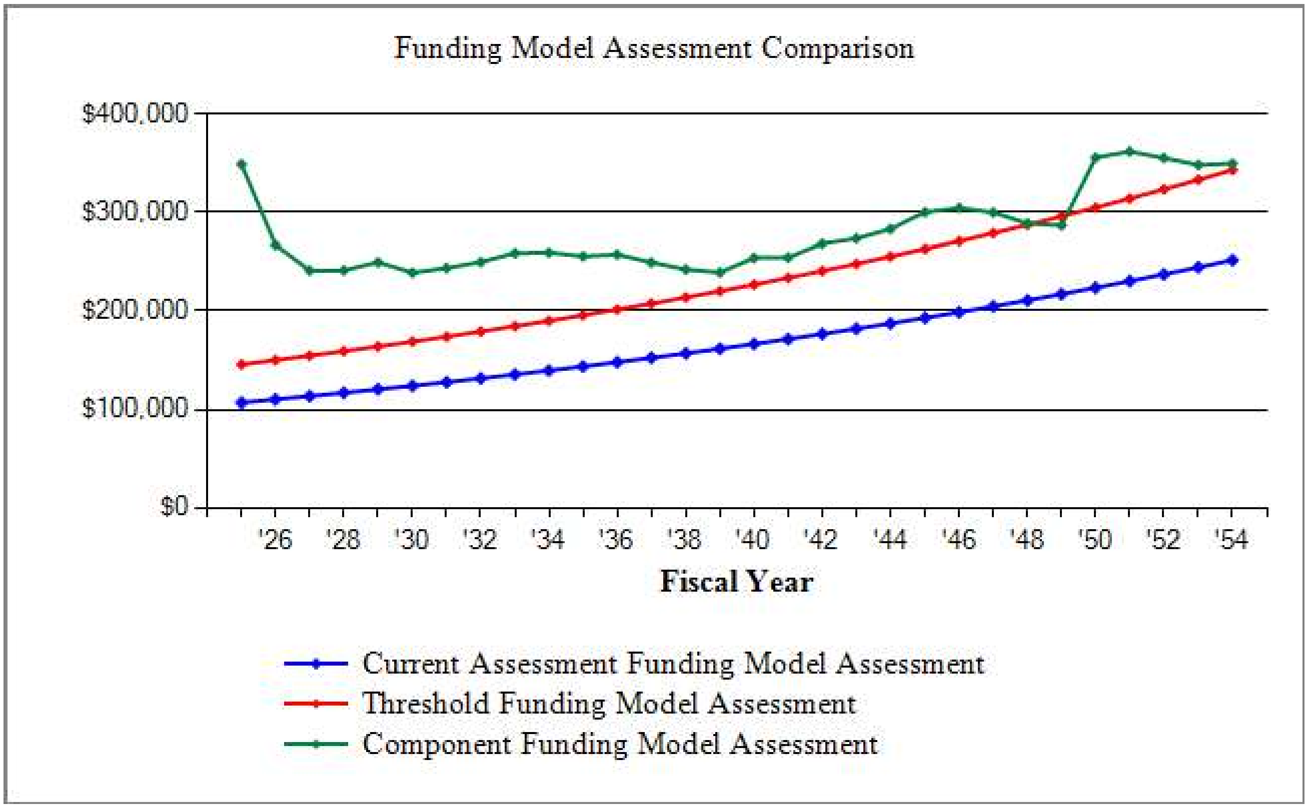
The chart above compares the projected reserve ending balances of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

Grandview Acres Condominiums
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.

Grandview Acres Condominiums
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.

Grandview Acres Condominiums
Spread Sheet

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Asphalt - 2" Mill Edge and Overlay						347,782				
Asphalt - Crack Fill	7,500					8,695				
Asphalt - Slurry Seal	48,000					55,645				
Asphalt Shingles 2005/06 - Remove/Replace										
Asphalt Shingles 2007/10 - Remove/Replace										
Asphalt Shingles 2011/13 - Remove/Replace										
Asphalt Shingles 2014/2016 - Remove/Replace										
Asphalt Shingles 2017/19 - Remove/Replace										
Asphalt Shingles 2020/24 - Remove/Replace										
Bathrooms - Remodel	5,000									
Clubhouse - Remodel	15,000									
Concrete - Repair/Replace	7,500					8,695				
Electrical Meters - Update										
Erosion - Repairs					5,628					
Fencing - Replace						108,508				
Furnishings and Decor - Update	5,000									
Hardyboard Siding - Repair/Repaint		140,080								177,449
Kitchen - Remodel				10,927						
Landscaping - Renovation	5,000					5,796				
Reserve Study - Full	1,500						1,791			
Reserve Study - Update				983						1,174
Structural - Repair Allowance					16,883					
Structural Engineering - Inspection					3,939					
Water/Sewer - Engineering					5,628					
Water/Sewer line - Repair Allowance					11,255					13,048
Year Total:	**94,500**	**140,080**		**11,911**	**43,332**	**535,121**	**1,791**			**191,671**

Grandview Acres Condominiums
Spread Sheet

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Asphalt - 2" Mill Edge and Overlay										
Asphalt - Crack Fill	10,079					11,685				
Asphalt - Slurry Seal	64,508					74,782				
Asphalt Shingles 2005/06 - Remove/Replace	206,934									
Asphalt Shingles 2007/10 - Remove/Replace				113,061						
Asphalt Shingles 2011/13 - Remove/Replace							226,499			
Asphalt Shingles 2014/2016 - Remove/Replace										495,002
Asphalt Shingles 2017/19 - Remove/Replace										
Asphalt Shingles 2020/24 - Remove/Replace										
Bathrooms - Remodel						7,790				
Clubhouse - Remodel						23,370				
Concrete - Repair/Replace	10,079					11,685				
Electrical Meters - Update										
Erosion - Repairs					7,563					
Fencing - Replace										
Furnishings and Decor - Update						7,790				
Hardyboard Siding - Repair/Repaint								224,787		
Kitchen - Remodel									17,024	
Landscaping - Renovation	6,720					7,790				
Reserve Study - Full			2,139						2,554	
Reserve Study - Update						1,402				
Structural - Repair Allowance					22,689					
Structural Engineering - Inspection					5,294					
Water/Sewer - Engineering										8,768
Water/Sewer line - Repair Allowance					15,126					17,535
Year Total:	**298,320**		**2,139**	**113,061**	**50,672**	**146,293**	**226,499**	**224,787**	**19,578**	**521,305**

Grandview Acres Condominiums
Spread Sheet

Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Asphalt - 2" Mill Edge and Overlay										
Asphalt - Crack Fill	13,546					15,703				
Asphalt - Slurry Seal	86,693					100,501				
Asphalt Shingles 2005/06 - Remove/Replace										
Asphalt Shingles 2007/10 - Remove/Replace										
Asphalt Shingles 2011/13 - Remove/Replace										
Asphalt Shingles 2014/2016 - Remove/Replace										
Asphalt Shingles 2017/19 - Remove/Replace			590,076							
Asphalt Shingles 2020/24 - Remove/Replace							2,103,095			
Bathrooms - Remodel										
Clubhouse - Remodel										
Concrete - Repair/Replace	13,546					15,703				
Electrical Meters - Update					36,590					
Erosion - Repairs					10,164					
Fencing - Replace										
Furnishings and Decor - Update										
Hardyboard Siding - Repair/Repaint						284,754				
Kitchen - Remodel										
Landscaping - Renovation	9,031					10,469				
Reserve Study - Full					3,049					
Reserve Study - Update		1,674						1,999		
Structural - Repair Allowance					30,492					
Structural Engineering - Inspection					7,115					
Water/Sewer - Engineering										
Water/Sewer line - Repair Allowance					20,328					23,566
Year Total:	**122,816**	**1,674**	**590,076**		**107,738**	**427,131**	**2,103,095**	**1,999**		**23,566**

Executive Summary - Grandview Acres Condominiums

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 July, 1 2025	$ 150,617.10
Ideal Reserve Balance as of July, 1 2025	$1,103,936
Percent Funded as of July, 1 2025	13%
Recommended Reserve Contribution (Per Annual)	$348,863
Recommended Special Assessment	$ 0

Grandview Acres Condominiums HOA is a 150-Unit community. This community offers A clubhouse as well as landscaped areas and amenities. Construction on the property was completed in 2001.

Reserve Funding

In comparing the projected starting reserve balance of $150,617.10 versus the ideal reserve balance of $1,103,936, we find the association's reserve fund to be 12% funded. This indicates a weak reserve fund position. We suggest adopting a monthly reserve contribution of $29,071 ($194/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.