



Update "No-Site-Visit" Capital Funding Plan



The Bridges Community Association CC5:ViaDeLasFlores Rancho Santa Fe, CA

Report #: 14591-15
For Period Beginning: January 1, 2023
Expires: December 31, 2023

Date Prepared: September 9, 2022



Hello, and welcome to your Capital Plan!

This Report is a valuable budget planning tool, for with it you control the future of your property. It contains all the fundamental information needed to understand your current and future obligations, some of the most significant expenses that ownership will face.

With respect to Reserves, this Report will tell you "where you are," and "where to go from here."

In this Report, you will find...

- 1) A List of What you're Reserving For
- 2) An Evaluation of your Reserve Fund Size and Strength
- 3) A Recommended Multi-Year Reserve Funding Plan

More Questions?

Visit our website at www.reservestudy.com or call us at:

619-567-5239



ASSOCIATION
RESERVES™

Table of Contents

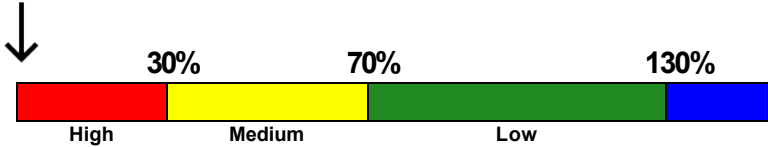
Executive Summary	4
Reserve Study Summary	4
Reserve Component List	5
Introduction, Objectives, and Methodology	6
Which Physical Assets are Funded by Capital Funds?	7
How do we establish Useful Life and Remaining Useful Life estimates?	7
How do we establish Current Repair/Replacement Cost Estimates?	7
How much money is enough?	8
How much should we contribute?	9
What is our Recommended Funding Goal?	9
Projected Expenses	10
Annual Reserve Expense Graph	10
Reserve Fund Status & Recommended Funding Plan	11
Table Descriptions	12
Budget Summary	13
Fully Funded Balance	14
Component Significance	15
Accounting & Tax Summary	16
30-Year Reserve Plan Summary	17
30-Year Income/Expense Detail	18
30-Year Reserve Plan Summary (Alternate Funding Plan)	24
Accuracy, Limitations, and Disclosures	30
Terms and Definitions	31
Component Details	32
VIA DE LA FLORES	33

3- Minute Executive Summary

Property: The Bridges Community Association **Property #: 14591-15**
Location: CC5:ViaDeLasFlores **# of Units: 1**
Report Period: Rancho Santa Fe, CA
 January 1, 2023 through December 31, 2023

Projected Starting Reserve Balance	\$0
Currently Fully Funded Reserve Balance	\$102,385
Average Reserve Deficit (Surplus) Per Unit	\$102,385
Percent Funded	0.0 %
Recommended 2023 Monthly Full Funding Contribution	\$1,470
Alternate minimum contributions to keep Reserve above \$0	\$1,420
Most Recent Reserve Contribution Rate	\$0

Reserves % Funded: 0.0%



Special Assessment Risk:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	0.00 %
Annual Inflation Rate	3.00 %

This is an Update "No-Site-Visit" Capital Plan, based on a prior Report (HOA Lot 40) prepared by Association Reserves for your 2022 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

Because your Reserve Fund is at 0.0 % Funded, this means the association's special assessment and deferred maintenance risk is currently High. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where associations enjoy a low risk of Reserve cash-flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to establish regular monthly Reserve contributions to offset the annual rate of deterioration occurring to your Reserve components and build up reserve fund strength.

No assets appropriate for Reserve designation were excluded. Responsibilities of "Lot 40" were updated this year to reflect majority of Via de las Flores as a separate financial entity / responsibility, thus the road that is not a part of Lot 40 has been split into this separate study apart from HOA Lot 40.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
VIA DE LA FLORES				
201	Asphalt - Resurface	24	12	\$122,000
202	Asphalt - Seal/Repair	4	0	\$12,810
203	Concrete Spillways - Repair	40	22	\$63,500
3 Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

Introduction



A Capital Plan is the art and science of anticipating, and preparing for, a property major predictable repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Capital Plan is your Component List (what you are reserving for). This is because the Component List defines the *scope and schedule* of all your anticipated upcoming major, predictable capital projects. Based on that List and your starting balance, we calculate the property Capital Fund Strength (reported in terms of "Percent Funded"). Then we compute a Funding Plan to provide for the needs of the property. These form the three results of your Capital Plan.



Capital contributions are not “for the future”. Capital contributions are designed to offset the ongoing, daily deterioration of your Capital assets. Done well, a stable, budgeted Capital Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the property is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this [Update No-Site-Visit Capital Plan](#), we started with a review of your prior Capital Plan, then looked into recent Capital expenditures, evaluated how expenditures are handled (ongoing maintenance vs Capital), and researched any well-established property

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Capital Plan and interviews with property representatives.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Component List. First, it must be a maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an property total budget). This limits Capital Components to major, predictable expenses.



Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How do we establish Useful Life and Remaining Useful Life estimates?

- 1) Visual Inspection (observed wear and age)
- 2) Property Reserves database of experience
- 3) Property History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

- 1) Actual property cost history, or current proposals
- 2) Comparison to Property Reserves database of work done at similar properties
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Capital Fund adequacy is not measured in cash terms. Capital Fund adequacy is found when the *amount* of current Capital cash is compared to Capital asset component deterioration (the *needs of the property*). Having *enough* means the property can execute its projects in a timely manner with existing Capital funds. Not having *enough* typically creates deferred maintenance or special funding needs.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the property (called Fully Funded Balance, or FFB).
- 2) Compare that to the Capital Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the property changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special funding needs and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all properties are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special funding needs).

Measuring your Capital Funds by Percent Funded tells how well prepared your property is for upcoming Reserve expenses. Those charged with maintaining the physical property should be very aware of this important figure!

How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the property's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their property. Remember, it is the Board's job to provide for the ongoing care of the real property that supports your entity mission.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that properties in the 70 - 130% range *enjoy a low risk of special funding needs or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special funding needs & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table.

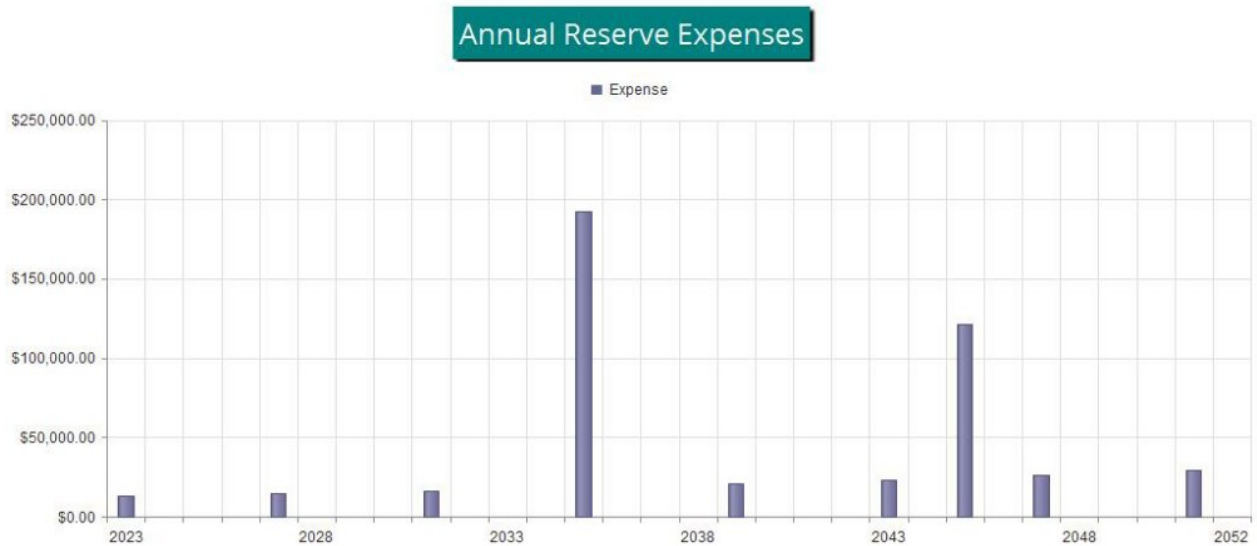


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$0 as-of the start of your Fiscal Year on 1/1/2023. As of your Fiscal Year Start, your Fully Funded Balance is computed to be \$102,385. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 0.0 % Funded.

Table Descriptions

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Accounting & Tax Summary provides information on each Component's proportion of key totals. If shown, the Current Fund Balance is a re-distribution of the current Reserve total to near-term (low RUL) projects first. Any Reserve contribution shown is a portion of the total current contribution rate, assigned proportionally on the basis of that component's deterioration cost/yr. As this is a Cash Flow analysis in which no funds are assigned or restricted to particular components, all values shown are only representative and have no merit outside of tax preparation purposes. They are not useful for Reserve funding calculations.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

Budget Summary

14591-15
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	Useful Life		2023 Rem. Useful Life		Estimated Replacement Cost in 2023	2023 Expenditures	01/01/2023 Current Fund Balance	01/01/2023 Fully Funded Balance	Remaining Bal. to be Funded	2023 Contributions
	Min	Max	Min	Max						
	VIA DE LA FLORES	4	40	0						
					\$198,310	\$ 12,810	\$ 0	\$ 102,385	\$ 198,310	\$ 17,640
Percent Funded:									0.0%	

Fully Funded Balance

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#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
VIA DE LA FLORES								
201	Asphalt - Resurface	\$122,000	X	12	/	24	=	\$61,000
202	Asphalt - Seal/Repair	\$12,810	X	4	/	4	=	\$12,810
203	Concrete Spillways - Repair	\$63,500	X	18	/	40	=	\$28,575
								\$102,385

Component Significance**14591-15
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# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
VIA DE LA FLORES				
201 Asphalt - Resurface	24	\$122,000	\$5,083	51.49 %
202 Asphalt - Seal/Repair	4	\$12,810	\$3,203	32.44 %
203 Concrete Spillways - Repair	40	\$63,500	\$1,588	16.08 %
3 Total Funded Components			\$9,873	100.00 %

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Projected Reserve Balance	Proportional Reserve Funding
VIA DE LA FLORES							
201	Asphalt - Resurface	24	12	\$122,000	\$61,000	\$0	\$757
202	Asphalt - Seal/Repair	4	0	\$12,810	\$12,810	\$0	\$477
203	Concrete Spillways - Repair	40	22	\$63,500	\$28,575	\$0	\$236
3 Total Funded Components					\$102,385	\$0	\$1,470

30-Year Reserve Plan Summary

14591-15
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Fiscal Year Start: 2023

Interest:

0.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Funding Needs Risk	% Increase In Annual Reserve Funding	Reserve Funding	Loan or Special Funding Needs	Interest Income	Reserve Expenses
2023	\$0	\$102,385	0.0 %	High	0.00 %	\$17,640	\$0	\$0	\$12,810
2024	\$4,830	\$102,432	4.7 %	High	3.00 %	\$18,169	\$0	\$0	\$0
2025	\$22,999	\$115,979	19.8 %	High	3.00 %	\$18,714	\$0	\$0	\$0
2026	\$41,713	\$130,248	32.0 %	Medium	3.00 %	\$19,276	\$0	\$0	\$0
2027	\$60,989	\$145,268	42.0 %	Medium	3.00 %	\$19,854	\$0	\$0	\$14,418
2028	\$66,425	\$146,221	45.4 %	Medium	3.00 %	\$20,450	\$0	\$0	\$0
2029	\$86,875	\$162,397	53.5 %	Medium	3.00 %	\$21,063	\$0	\$0	\$0
2030	\$107,938	\$179,412	60.2 %	Medium	3.00 %	\$21,695	\$0	\$0	\$0
2031	\$129,633	\$197,302	65.7 %	Medium	3.00 %	\$22,346	\$0	\$0	\$16,227
2032	\$135,752	\$199,389	68.1 %	Medium	3.00 %	\$23,016	\$0	\$0	\$0
2033	\$158,768	\$218,640	72.6 %	Low	3.00 %	\$23,707	\$0	\$0	\$0
2034	\$182,474	\$238,866	76.4 %	Low	1.00 %	\$23,944	\$0	\$0	\$0
2035	\$206,418	\$260,109	79.4 %	Low	1.00 %	\$24,183	\$0	\$0	\$192,207
2036	\$38,395	\$84,438	45.5 %	Medium	1.00 %	\$24,425	\$0	\$0	\$0
2037	\$62,820	\$101,906	61.6 %	Medium	1.00 %	\$24,669	\$0	\$0	\$0
2038	\$87,489	\$120,345	72.7 %	Low	1.00 %	\$24,916	\$0	\$0	\$0
2039	\$112,405	\$139,799	80.4 %	Low	1.00 %	\$25,165	\$0	\$0	\$20,556
2040	\$117,014	\$139,139	84.1 %	Low	1.00 %	\$25,417	\$0	\$0	\$0
2041	\$142,430	\$160,122	89.0 %	Low	1.00 %	\$25,671	\$0	\$0	\$0
2042	\$168,101	\$182,239	92.2 %	Low	1.00 %	\$25,928	\$0	\$0	\$0
2043	\$194,029	\$205,538	94.4 %	Low	1.00 %	\$26,187	\$0	\$0	\$23,136
2044	\$197,080	\$206,242	95.6 %	Low	1.00 %	\$26,449	\$0	\$0	\$0
2045	\$223,528	\$231,347	96.6 %	Low	1.00 %	\$26,713	\$0	\$0	\$121,673
2046	\$128,569	\$132,451	97.1 %	Low	1.00 %	\$26,980	\$0	\$0	\$0
2047	\$155,550	\$156,495	99.4 %	Low	1.00 %	\$27,250	\$0	\$0	\$26,040
2048	\$156,760	\$155,041	101.1 %	Low	1.00 %	\$27,523	\$0	\$0	\$0
2049	\$184,282	\$180,985	101.8 %	Low	1.00 %	\$27,798	\$0	\$0	\$0
2050	\$212,080	\$208,346	101.8 %	Low	1.00 %	\$28,076	\$0	\$0	\$0
2051	\$240,156	\$237,186	101.3 %	Low	1.00 %	\$28,357	\$0	\$0	\$29,308
2052	\$239,205	\$237,381	100.8 %	Low	1.00 %	\$28,640	\$0	\$0	\$0

30-Year Income/Expense Detail (yrs 0 through 4)

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Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$0	\$4,830	\$22,999	\$41,713	\$60,989
Annual Reserve Funding	\$17,640	\$18,169	\$18,714	\$19,276	\$19,854
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$17,640	\$22,999	\$41,713	\$60,989	\$80,843
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$12,810	\$0	\$0	\$0	\$14,418
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$12,810	\$0	\$0	\$0	\$14,418
Ending Reserve Balance	\$4,830	\$22,999	\$41,713	\$60,989	\$66,425

Fiscal Year	2028	2029	2030	2031	2032
Starting Reserve Balance	\$66,425	\$86,875	\$107,938	\$129,633	\$135,752
Annual Reserve Funding	\$20,450	\$21,063	\$21,695	\$22,346	\$23,016
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$86,875	\$107,938	\$129,633	\$151,979	\$158,768
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$16,227	\$0
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$16,227	\$0
Ending Reserve Balance	\$86,875	\$107,938	\$129,633	\$135,752	\$158,768

Fiscal Year	2033	2034	2035	2036	2037
Starting Reserve Balance	\$158,768	\$182,474	\$206,418	\$38,395	\$62,820
Annual Reserve Funding	\$23,707	\$23,944	\$24,183	\$24,425	\$24,669
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$182,474	\$206,418	\$230,601	\$62,820	\$87,489
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$173,943	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$18,264	\$0	\$0
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$192,207	\$0	\$0
Ending Reserve Balance	\$182,474	\$206,418	\$38,395	\$62,820	\$87,489

Fiscal Year	2038	2039	2040	2041	2042
Starting Reserve Balance	\$87,489	\$112,405	\$117,014	\$142,430	\$168,101
Annual Reserve Funding	\$24,916	\$25,165	\$25,417	\$25,671	\$25,928
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$112,405	\$137,570	\$142,430	\$168,101	\$194,029
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$20,556	\$0	\$0	\$0
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$20,556	\$0	\$0	\$0
Ending Reserve Balance	\$112,405	\$117,014	\$142,430	\$168,101	\$194,029

Fiscal Year	2043	2044	2045	2046	2047
Starting Reserve Balance	\$194,029	\$197,080	\$223,528	\$128,569	\$155,550
Annual Reserve Funding	\$26,187	\$26,449	\$26,713	\$26,980	\$27,250
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$220,216	\$223,528	\$250,242	\$155,550	\$182,800
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$23,136	\$0	\$0	\$0	\$26,040
203 Concrete Spillways - Repair	\$0	\$0	\$121,673	\$0	\$0
Total Expenses	\$23,136	\$0	\$121,673	\$0	\$26,040
Ending Reserve Balance	\$197,080	\$223,528	\$128,569	\$155,550	\$156,760

Fiscal Year	2048	2049	2050	2051	2052
Starting Reserve Balance	\$156,760	\$184,282	\$212,080	\$240,156	\$239,205
Annual Reserve Funding	\$27,523	\$27,798	\$28,076	\$28,357	\$28,640
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$184,282	\$212,080	\$240,156	\$268,513	\$267,845
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$29,308	\$0
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$29,308	\$0
Ending Reserve Balance	\$184,282	\$212,080	\$240,156	\$239,205	\$267,845



Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$0	\$4,230	\$21,781	\$39,859	\$58,479
Annual Reserve Funding	\$17,040	\$17,551	\$18,078	\$18,620	\$19,179
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$17,040	\$21,781	\$39,859	\$58,479	\$77,658
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$12,810	\$0	\$0	\$0	\$14,418
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$12,810	\$0	\$0	\$0	\$14,418
Ending Reserve Balance	\$4,230	\$21,781	\$39,859	\$58,479	\$63,240

Fiscal Year	2028	2029	2030	2031	2032
Starting Reserve Balance	\$63,240	\$82,994	\$103,341	\$124,298	\$129,656
Annual Reserve Funding	\$19,754	\$20,347	\$20,957	\$21,586	\$22,233
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$82,994	\$103,341	\$124,298	\$145,883	\$151,889
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$16,227	\$0
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$16,227	\$0
Ending Reserve Balance	\$82,994	\$103,341	\$124,298	\$129,656	\$151,889

Fiscal Year	2033	2034	2035	2036	2037
Starting Reserve Balance	\$151,889	\$174,790	\$197,919	\$29,073	\$52,667
Annual Reserve Funding	\$22,900	\$23,129	\$23,361	\$23,594	\$23,830
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$174,790	\$197,919	\$221,280	\$52,667	\$76,497
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$173,943	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$18,264	\$0	\$0
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$192,207	\$0	\$0
Ending Reserve Balance	\$174,790	\$197,919	\$29,073	\$52,667	\$76,497

Fiscal Year	2038	2039	2040	2041	2042
Starting Reserve Balance	\$76,497	\$100,566	\$104,319	\$128,871	\$153,669
Annual Reserve Funding	\$24,068	\$24,309	\$24,552	\$24,798	\$25,046
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$100,566	\$124,875	\$128,871	\$153,669	\$178,714
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$20,556	\$0	\$0	\$0
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$20,556	\$0	\$0	\$0
Ending Reserve Balance	\$100,566	\$104,319	\$128,871	\$153,669	\$178,714

Fiscal Year	2043	2044	2045	2046	2047
Starting Reserve Balance	\$178,714	\$180,874	\$206,424	\$110,556	\$136,618
Annual Reserve Funding	\$25,296	\$25,549	\$25,805	\$26,063	\$26,323
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$204,011	\$206,424	\$232,228	\$136,618	\$162,942
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$23,136	\$0	\$0	\$0	\$26,040
203 Concrete Spillways - Repair	\$0	\$0	\$121,673	\$0	\$0
Total Expenses	\$23,136	\$0	\$121,673	\$0	\$26,040
Ending Reserve Balance	\$180,874	\$206,424	\$110,556	\$136,618	\$136,902

Fiscal Year	2048	2049	2050	2051	2052
Starting Reserve Balance	\$136,902	\$163,488	\$190,341	\$217,462	\$215,545
Annual Reserve Funding	\$26,587	\$26,852	\$27,121	\$27,392	\$27,666
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$163,488	\$190,341	\$217,462	\$244,854	\$243,212
# Component					
VIA DE LA FLORES					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$29,308	\$0
203 Concrete Spillways - Repair	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$29,308	\$0
Ending Reserve Balance	\$163,488	\$190,341	\$217,462	\$215,545	\$243,212

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Matthew Swain, R.S., company President, is a credentialed Reserve Specialist (#134). All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an property total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.



VIA DE LA FLORES

Comp #: 201 Asphalt - Resurface**Quantity: ~ 61,000 GSF**

Location: Via de las Flores: From Aliso Canyon to edge of (excluding) concrete curb by Gates at Lot 40, Map 14487
Funded?: Yes.

History: 2005 Renovation

Comments: Cost increased to reflect current market pricing, life cycle kept at 12 to coordinate with future seal cycle.

Useful Life: 24 years

Remaining Life: 12 years

Best Case: \$ 91,500

Worst Case: \$152,500

Lower allowance

Higher allowance

Cost Source: ARSD Cost Database

Comp #: 202 Asphalt - Seal/Repair**Quantity: ~ 61,000 GSF**

Location: Via de las Flores: From Aliso Canyon to edge of (excluding) concrete curb by Gates at Lot 40, Map 14487
Funded?: Yes.

History: 2005 Renovation

Comments: Cost increased to reflect current market pricing, life cycle reduced by 1 from prior FY Study.

Useful Life: 4 years

Remaining Life: 0 years

Best Case: \$ 10,980

Worst Case: \$14,640

Lower allowance

Higher allowance

Cost Source: ARSD Cost Database

Comp #: 203 Concrete Spillways - Repair**Quantity: ~ 3,430 GSF**

Location: South end of Via de las Flores, near Aliso Canyon

Funded?: Yes.

History: 2005 Renovation

Comments: Cost increased to reflect current market pricing, life cycle reduced by 1 from prior FY Study.

Useful Life: 40 years

Remaining Life: 22 years

Best Case: \$ 51,500

Worst Case: \$75,500

Lower allowance

Higher allowance

Cost Source: ARSD Cost Database
