

Wasatch Reserve Study Analyst Report

Greener Hills Homeowner's Association
Heber, Utah
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Greener Hills

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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 current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

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

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

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

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

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification

only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

The Reserve Study: A Physical and a Financial Analysis

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

Physical Analysis

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

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

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

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

Reserve Expenses

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

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

Budgeting is Normally Excluded for:

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

Financial Analysis

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

Preparing the Reserve Study

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

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

Funding Methods

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

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

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

Funding Strategies

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

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

Fully Funded Reserves = **Age** divided by **Useful Life** the results multiplied by **Current Replacement Cost**

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

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

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

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

The **Wasatch Reserve Studies Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves

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

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

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

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

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

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

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

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

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

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

Funding Reserves

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

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

Users’ Guide to your Reserve Analysis Study

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

Report Summaries

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

Index Reports

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

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

Detail Reports

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

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

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

Projections

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

Definitions

Report I.D.

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

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 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.

Greener Hills
 Heber, Utah
Component Funding Model Summary

Report Date	June 1, 2023
Budget Year Beginning	June 1, 2023
Budget Year Ending	May 31, 2024
Total Units	51
Phase Development	1 of 1

<i>Report Parameters</i>	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
Contingency	3.00%
2023 Beginning Balance	\$62,829

Component Funding Model Summary of Calculations

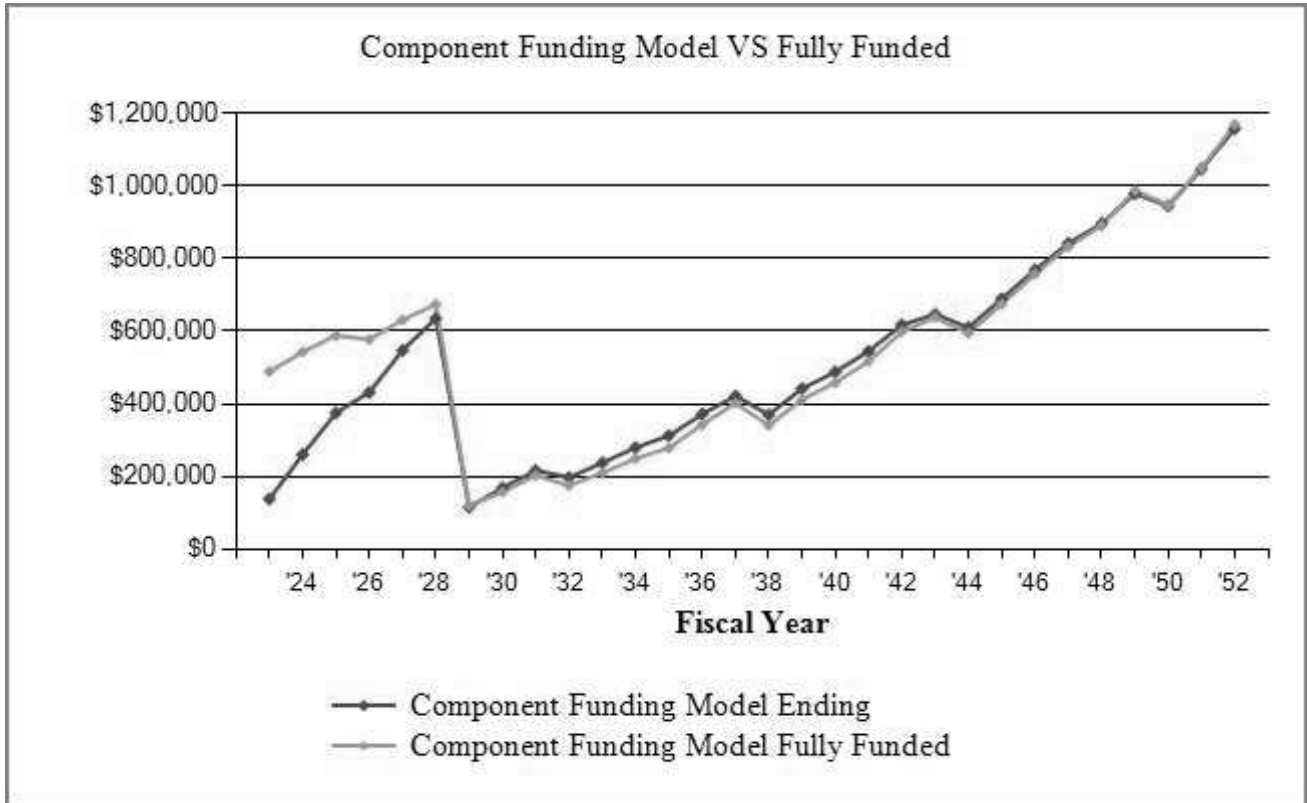
Required Annual Contribution	\$106,704.45
<i>\$2,092.24 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,045.33</u>
Total Annual Allocation to Reserves	\$107,749.79
<i>\$2,112.74 per unit annually</i>	

**Greener Hills
Component Funding Model Projection**

Beginning Balance: \$62,829

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2023	609,710	106,704	1,045	32,500	138,079	489,022	28%
2024	628,001	119,891	2,580		260,549	542,759	48%
2025	646,841	121,686	3,610	10,609	375,236	588,025	64%
2026	666,247	118,837	3,618	66,132	431,559	576,953	75%
2027	686,234	115,931	5,362	5,628	547,225	630,980	87%
2028	706,821	100,211	6,107	18,374	635,168	674,385	94%
2029	728,026	64,454		584,417	115,206	119,910	96%
2030	749,866	64,218	1,548	12,299	168,673	157,120	107%
2031	772,362	52,169	2,082	6,334	216,590	203,175	107%
2032	795,533	58,324	1,170	78,965	197,120	174,998	113%
2033	819,399	58,451	2,153	20,159	237,564	209,849	113%
2034	843,981	57,742	2,583	18,480	279,410	249,056	112%
2035	869,301	60,318	2,793	30,226	312,294	278,553	112%
2036	895,380	55,290	3,676		371,260	342,625	108%
2037	922,241	53,826	4,100	7,563	421,623	402,266	105%
2038	949,908	71,482	2,422	125,448	370,079	340,355	109%
2039	978,406	67,322	4,374		441,775	411,447	107%
2040	1,007,758	67,830	4,572	26,198	487,980	458,705	106%
2041	1,037,990	70,388	5,202	19,067	544,503	516,827	105%
2042	1,069,130	66,520	6,110		617,134	598,858	103%
2043	1,101,204	68,687	5,955	45,153	646,623	637,444	101%
2044	1,134,240	83,767	4,798	125,309	609,879	594,204	103%
2045	1,168,267	82,533	6,733	9,581	689,564	674,562	102%
2046	1,203,315	83,187	7,497	11,545	768,702	757,426	101%
2047	1,239,415	88,123	8,113	22,767	842,170	833,118	101%
2048	1,276,597	89,944	8,429	44,597	895,946	890,234	101%
2049	1,314,895	83,881	9,583	10,783	978,627	987,321	99%
2050	1,354,342	103,272	7,908	145,539	944,268	946,812	100%
2051	1,394,972	103,304	10,247	11,440	1,046,379	1,049,882	100%
2052	1,436,822	101,678	11,441	2,003	1,157,495	1,168,660	99%

**Greener Hills
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.

Greener Hills
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Asphalt Parking							
Asphalt - Crack Fill	2023	3	0	0	10,000	10,000	10,000
Asphalt - Slurry Seal	2026	6	0	3	49,920	21,866	24,960
Asphalt 2" - Mill Edge and Overlay	2029	30	0	6	<u>475,000</u>	<u>0</u>	<u>380,000</u>
Asphalt Parking - Total					\$534,920	\$31,866	\$414,960
Grounds							
Call Box - Replace	2029	25	5	6	1,500	0	1,200
Concrete - Repair/Replace	2030	8	0	7	5,000	0	625
Erosion - Repair Allowance	2023	5	0	0	10,000	10,000	10,000
Mailbox - Replace	2034	20	0	11	12,500	0	5,625
Mailbox Enclosure Structure - Stain/Seal	2028	6	0	5	850	0	142
Monument - Replacement/Refurbish	2040	20	0	17	<u>10,000</u>	<u>0</u>	<u>1,500</u>
Grounds - Total					\$39,850	\$10,000	\$19,092
Fencing							
Border Fence - Repair/Replace	2023	5	0	0	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Fencing - Total					\$5,000	\$5,000	\$5,000
Security							
Security System (6-Cameras) - Replace	2023	25	0	0	<u>6,300</u>	<u>6,300</u>	<u>6,300</u>
Security - Total					\$6,300	\$6,300	\$6,300
Roofing							
Mailbox Enclosure Roofing - Replace	2044	30	0	21	<u>1,100</u>	0	<u>330</u>
Roofing - Total					\$1,100		\$330
Lighting							
Outdoor Lamp - Replace	2029	15	0	6	<u>1,740</u>	0	<u>1,044</u>
Lighting - Total					\$1,740		\$1,044
Entrance							
Entry Gate - Stain/Seal	2025	6	0	2	5,000	3,333	3,333
Stone Facade - Repair	2025	5	0	2	<u>5,000</u>	<u>3,000</u>	<u>3,000</u>
Entrance - Total					\$10,000	\$6,333	\$6,333
Signage							
Signage - Replace	2027	8	0	4	<u>5,000</u>	0	<u>2,500</u>
Signage - Total					\$5,000		\$2,500
Gate Operator							
Gate Operator - Replace	2044	25	0	21	<u>4,000</u>	0	<u>640</u>
Gate Operator - Total					\$4,000		\$640

Greener Hills
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Reserve Study							
Reserve Study - Full	2023	6	0	0	1,200	1,200	1,200
Reserve Study - Update	2026	6	0	3	<u>600</u>	<u>300</u>	<u>300</u>
Reserve Study - Total					\$1,800	\$1,500	\$1,500
					<u>\$609,710</u>	<u>\$60,999</u>	<u>\$457,699</u>
						<u>\$1,830</u>	<u>\$13,731</u>
						\$62,829	\$471,430

Percent Fully Funded	13%
Current Average Liability per Unit (Total Units: 51)	-\$8,012

Greener Hills
Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Reserve Study - Full	0	2023	1,200	1,200
Border Fence - Repair/Replace	0	2023	5,000	5,000
Asphalt - Crack Fill	0	2023	10,000	10,000
Erosion - Repair Allowance	0	2023	10,000	10,000
Call Box - Replace	6	2029		1,200
Concrete - Repair/Replace	7	2030		625
Mailbox - Replace	11	2034		5,625
Stone Facade - Repair	2	2025	3,000	3,000
Entry Gate - Stain/Seal	2	2025	3,333	3,333
Reserve Study - Update	3	2026	300	300
Asphalt - Slurry Seal	3	2026	* 21,866	24,960
Mailbox Enclosure Structure - Stain/Seal	5	2028		142
Outdoor Lamp - Replace	6	2029		1,044
Signage - Replace	4	2027		2,500
Asphalt 2" - Mill Edge and Overlay	6	2029		380,000
Monument - Replacement/Refurbish	17	2040		1,500
Gate Operator - Replace	21	2044		640
Security System (6-Cameras) - Replace	0	2023	6,300	6,300
Mailbox Enclosure Roofing - Replace	21	2044		330
Total Asset Summary			<u>\$60,999</u>	<u>\$457,699</u>
Contingency at 3.00%			<u>\$1,830</u>	<u>\$13,731</u>
Summary Total			<u>\$62,829</u>	<u>\$471,430</u>

Percent Fully Funded	13%
Current Average Liability per Unit (Total Units: 51)	-\$8,012

*'**' Indicates Partially Funded*

**Greener Hills
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2023	
Asphalt - Crack Fill	10,000
Border Fence - Repair/Replace	5,000
Erosion - Repair Allowance	10,000
Reserve Study - Full	1,200
Security System (6-Cameras) - Replace	6,300
Total for 2023	\$32,500
<i>No Replacement in 2024</i>	
Replacement Year 2025	
Entry Gate - Stain/Seal	5,304
Stone Facade - Repair	5,304
Total for 2025	\$10,609
Replacement Year 2026	
Asphalt - Crack Fill	10,927
Asphalt - Slurry Seal	54,549
Reserve Study - Update	656
Total for 2026	\$66,132
Replacement Year 2027	
Signage - Replace	5,628
Total for 2027	\$5,628
Replacement Year 2028	
Border Fence - Repair/Replace	5,796
Erosion - Repair Allowance	11,593
Mailbox Enclosure Structure - Stain/Seal	985
Total for 2028	\$18,374
Replacement Year 2029	
Asphalt - Crack Fill	11,941
Asphalt 2" - Mill Edge and Overlay	567,175
Call Box - Replace	1,791
Outdoor Lamp - Replace	2,078
Reserve Study - Full	1,433
Total for 2029	\$584,417

**Greener Hills
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2030	
Concrete - Repair/Replace	6,149
Stone Facade - Repair	6,149
Total for 2030	\$12,299
Replacement Year 2031	
Entry Gate - Stain/Seal	6,334
Total for 2031	\$6,334
Replacement Year 2032	
Asphalt - Crack Fill	13,048
Asphalt - Slurry Seal	65,134
Reserve Study - Update	783
Total for 2032	\$78,965
Replacement Year 2033	
Border Fence - Repair/Replace	6,720
Erosion - Repair Allowance	13,439
Total for 2033	\$20,159
Replacement Year 2034	
Mailbox - Replace	17,303
Mailbox Enclosure Structure - Stain/Seal	1,177
Total for 2034	\$18,480
Replacement Year 2035	
Asphalt - Crack Fill	14,258
Reserve Study - Full	1,711
Signage - Replace	7,129
Stone Facade - Repair	7,129
Total for 2035	\$30,226
<i>No Replacement in 2036</i>	
Replacement Year 2037	
Entry Gate - Stain/Seal	7,563
Total for 2037	\$7,563

**Greener Hills
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2038	
Asphalt - Crack Fill	15,580
Asphalt - Slurry Seal	77,774
Border Fence - Repair/Replace	7,790
Concrete - Repair/Replace	7,790
Erosion - Repair Allowance	15,580
Reserve Study - Update	935
Total for 2038	\$125,448
<i>No Replacement in 2039</i>	
Replacement Year 2040	
Mailbox Enclosure Structure - Stain/Seal	1,405
Monument - Replacement/Refurbish	16,528
Stone Facade - Repair	8,264
Total for 2040	\$26,198
Replacement Year 2041	
Asphalt - Crack Fill	17,024
Reserve Study - Full	2,043
Total for 2041	\$19,067
<i>No Replacement in 2042</i>	
Replacement Year 2043	
Border Fence - Repair/Replace	9,031
Entry Gate - Stain/Seal	9,031
Erosion - Repair Allowance	18,061
Signage - Replace	9,031
Total for 2043	\$45,153
Replacement Year 2044	
Asphalt - Crack Fill	18,603
Asphalt - Slurry Seal	92,866
Gate Operator - Replace	7,441
Mailbox Enclosure Roofing - Replace	2,046
Outdoor Lamp - Replace	3,237
Reserve Study - Update	1,116
Total for 2044	\$125,309

**Greener Hills
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2045	
Stone Facade - Repair	9,581
Total for 2045	\$9,581
Replacement Year 2046	
Concrete - Repair/Replace	9,868
Mailbox Enclosure Structure - Stain/Seal	1,678
Total for 2046	\$11,546
Replacement Year 2047	
Asphalt - Crack Fill	20,328
Reserve Study - Full	2,439
Total for 2047	\$22,767
Replacement Year 2048	
Border Fence - Repair/Replace	10,469
Erosion - Repair Allowance	20,938
Security System (6-Cameras) - Replace	13,191
Total for 2048	\$44,597
Replacement Year 2049	
Entry Gate - Stain/Seal	10,783
Total for 2049	\$10,783
Replacement Year 2050	
Asphalt - Crack Fill	22,213
Asphalt - Slurry Seal	110,887
Reserve Study - Update	1,333
Stone Facade - Repair	11,106
Total for 2050	\$145,539
Replacement Year 2051	
Signage - Replace	11,440
Total for 2051	\$11,440
Replacement Year 2052	
Mailbox Enclosure Structure - Stain/Seal	2,003
Total for 2052	\$2,003

**Greener Hills
Detail Report by Category**

Asphalt - Crack Fill - 2023

		1 Sq Ft	@ \$10,000.00
Asset ID	1003	Asset Actual Cost	\$10,000.00
		Percent Replacement	100%
	Asphalt Parking	Future Cost	\$10,000.00
Placed in Service	June 2023	Assigned Reserves	\$10,000.00
Useful Life	3		
Replacement Year	2023	Annual Assessment	\$3,213.48
Remaining Life	0	Interest Contribution	<u>\$32.13</u>
		Reserve Allocation	\$3,245.62



This component provides funding to crack fill. 312,000 SQ FT found in good condition overall. A few places that are crumbling. Mostly cracks that they fill each year.

Asphalt - Slurry Seal - 2026

		1 Sq Ft	@ \$49,920.00
Asset ID	1001	Asset Actual Cost	\$49,920.00
		Percent Replacement	100%
	Asphalt Parking	Future Cost	\$54,548.93
Placed in Service	June 2020	Assigned Reserves	\$21,865.70
Useful Life	6		
Replacement Year	2026	Annual Assessment	\$9,638.44
Remaining Life	3	Interest Contribution	<u>\$315.04</u>
		Reserve Allocation	\$9,953.48

**Greener Hills
Detail Report by Category**

Asphalt - Slurry Seal continued...



This component provides funding to slurry seal after the cracks are filled. Based on the condition crack fill and slurry seal in recommended. (The cost of this component was adjusted at the request of Brian Harber via a bid from Advanced Paving. From \$124,800 to \$49,920).

Asphalt 2" - Mill Edge and Overlay - 2029

		1 Sq Ft	@ \$475,000.00
Asset ID	1002	Asset Actual Cost	\$475,000.00
		Percent Replacement	100%
	Asphalt Parking	Future Cost	\$567,174.84
Placed in Service	January 2000	Assigned Reserves	<i>none</i>
Useful Life	30		
Replacement Year	2029	Annual Assessment	\$80,026.77
Remaining Life	6	Interest Contribution	<u>\$800.27</u>
		Reserve Allocation	\$80,827.04



This component provides funding to mill edge and overlay. The inspection found that there is a section of road that the contractor has destroyed. The contractor is responsible for repairing it. (The cost of this component was adjusted at the request of Brian Harber via a bid from Eckles asphalt paving.. From \$780,00 to \$475,000).

**Greener Hills
Detail Report by Category**

Asphalt Parking - Total Current Cost	\$534,920
Assigned Reserves	\$31,866
Fully Funded Reserves	\$414,960

**Greener Hills
Detail Report by Category**

Call Box - Replace - 2029			
Asset ID	1004	2 QTY	@ \$750.00
		Asset Actual Cost	\$1,500.00
		Percent Replacement	100%
	Grounds	Future Cost	\$1,791.08
Placed in Service	January 2000	Assigned Reserves	<i>none</i>
Useful Life	25		
Adjustment	5	Annual Assessment	\$252.72
Replacement Year	2029	Interest Contribution	<u>\$2.53</u>
Remaining Life	6	Reserve Allocation	\$255.24

The metal box on a wood post and a cement pad were found to be in good condition.

Concrete - Repair/Replace - 2030			
Asset ID	1005	1 QTY	@ \$5,000.00
		Asset Actual Cost	\$5,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$6,149.37
Placed in Service	January 2023	Assigned Reserves	<i>none</i>
Useful Life	8		
Replacement Year	2030	Annual Assessment	\$736.79
Remaining Life	7	Interest Contribution	<u>\$7.37</u>
		Reserve Allocation	\$744.16



This component provides funding for concrete repairs. The inspection found a 20' x 4' concrete pad in excellent condition.

**Greener Hills
Detail Report by Category**

Erosion - Repair Allowance - 2023

Asset ID	1016	1 QTY	@ \$10,000.00
		Asset Actual Cost	\$10,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$10,000.00
Placed in Service	January 2000	Assigned Reserves	\$10,000.00
Useful Life	5		
Replacement Year	2023	Annual Assessment	\$1,980.12
Remaining Life	0	Interest Contribution	<u>\$19.80</u>
		Reserve Allocation	\$1,999.92



This component provides funding to repair erosion. The inspection found that runoff of the melting snow has carved 1' to 2' divots alongside the roads that are causing the edges of the road to crumble.

Mailbox - Replace - 2034

Asset ID	1006	5 QTY	@ \$2,500.00
		Asset Actual Cost	\$12,500.00
		Percent Replacement	100%
	Grounds	Future Cost	\$17,302.92
Placed in Service	January 2015	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2034	Annual Assessment	\$1,280.65
Remaining Life	11	Interest Contribution	<u>\$12.81</u>
		Reserve Allocation	\$1,293.45

**Greener Hills
Detail Report by Category**

Mailbox - Replace continued...



This component provides funding to replace the mailboxes. Found at the time of inspection to be in good condition with no problems reported. (3) 16 Box, (1) 4 parcel box, (1) 13 box

Mailbox Enclosure Structure - Stain/Seal - 2028

Asset ID	1007	200 SQ FT	@ \$4.25
		Asset Actual Cost	\$850.00
		Percent Replacement	100%
	Grounds	Future Cost	\$985.38
Placed in Service	January 2023	Assigned Reserves	<i>none</i>
Useful Life	6		
Replacement Year	2028	Annual Assessment	\$168.69
Remaining Life	5	Interest Contribution	<u>\$1.69</u>
		Reserve Allocation	\$170.37

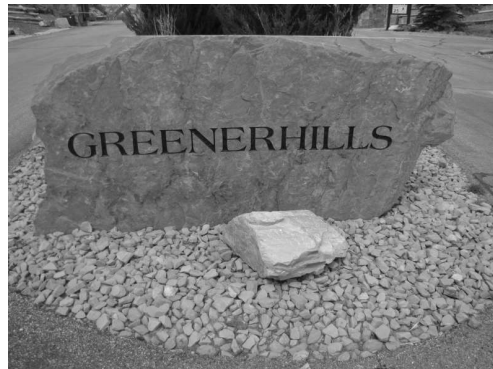


This component provides funding to stain and seal the wood mailbox covering. Wood slats are in excellent condition. Funding set based on observed condition.

**Greener Hills
Detail Report by Category**

Monument - Replacement/Refurbish - 2040

		1 QTY	@ \$10,000.00
Asset ID	1008	Asset Actual Cost	\$10,000.00
		Percent Replacement	100%
	Grounds	Future Cost	\$16,528.48
Placed in Service	January 2021	Assigned Reserves	<i>none</i>
Useful Life	20		
Replacement Year	2040	Annual Assessment	\$763.18
Remaining Life	17	Interest Contribution	<u>\$7.63</u>
		Reserve Allocation	\$770.81



This component provides funding to replace or refresh the paint in the community monument as needed. The monument was found upon inspection to be in good condition.

Grounds - Total Current Cost	\$39,850
Assigned Reserves	\$10,000
Fully Funded Reserves	\$19,092

**Greener Hills
Detail Report by Category**

Border Fence - Repair/Replace - 2023

		1 QTY	@ \$5,000.00
Asset ID	1009	Asset Actual Cost	\$5,000.00
		Percent Replacement	100%
	Fencing	Future Cost	\$5,000.00
Placed in Service	January 2000	Assigned Reserves	\$5,000.00
Useful Life	5		
Replacement Year	2023	Annual Assessment	\$990.06
Remaining Life	0	Interest Contribution	<u>\$9.90</u>
		Reserve Allocation	\$999.96



This component provides an allowance to repair/replace 4" wood pole fencing as needed. The fence was found to be in fair condition.

Fencing - Total Current Cost	\$5,000
Assigned Reserves	\$5,000
Fully Funded Reserves	\$5,000

**Greener Hills
Detail Report by Category**

Security System (6-Cameras) - Replace - 2023

		6 QTY	@ \$1,050.00
Asset ID	1010	Asset Actual Cost	\$6,300.00
		Percent Replacement	100%
Placed in Service	Security	Future Cost	\$6,300.00
Useful Life	June 2023	Assigned Reserves	\$6,300.00
Replacement Year	25		
Remaining Life	2023	Annual Assessment	\$395.83
	0	Interest Contribution	<u>\$3.96</u>
		Reserve Allocation	\$399.79



This component provides funding to replace cameras. Bryan indicated that they will be replacing the cameras costing approx. \$6,300.00.

Security - Total Current Cost	\$6,300
Assigned Reserves	\$6,300
Fully Funded Reserves	\$6,300

**Greener Hills
Detail Report by Category**

Mailbox Enclosure Roofing - Replace - 2044

		200 SQ FT	@ \$5.50
Asset ID	1011	Asset Actual Cost	\$1,100.00
		Percent Replacement	100%
	Roofing	Future Cost	\$2,046.32
Placed in Service	January 2015	Assigned Reserves	<i>none</i>
Useful Life	30		
Replacement Year	2044	Annual Assessment	\$74.78
Remaining Life	21	Interest Contribution	<u>\$0.75</u>
		Reserve Allocation	\$75.53



This component provides funding to replace the asphalt shingles on the mailbox housing. The shingles appear to be good condition. Funding based on observed condition.

Roofing - Total Current Cost	\$1,100
Assigned Reserves	\$0
Fully Funded Reserves	\$330

**Greener Hills
Detail Report by Category**

Outdoor Lamp - Replace - 2029		12 QTY	@ \$145.00
Asset ID	1012	Asset Actual Cost	\$1,740.00
		Percent Replacement	100%
	Lighting	Future Cost	\$2,077.65
Placed in Service	January 2015	Assigned Reserves	<i>none</i>
Useful Life	15		
Replacement Year	2029	Annual Assessment	\$293.15
Remaining Life	6	Interest Contribution	<u>\$2.93</u>
		Reserve Allocation	\$296.08



This component provides funding to replace the entrance lamps. They are made of metal and plastic were observed to be in fair condition.

Lighting - Total Current Cost	\$1,740
Assigned Reserves	\$0
Fully Funded Reserves	\$1,044

**Greener Hills
Detail Report by Category**

Entry Gate - Stain/Seal - 2025		1 QTY	@ \$5,000.00
Asset ID	1013	Asset Actual Cost	\$5,000.00
		Percent Replacement	100%
	Entrance	Future Cost	\$5,304.50
Placed in Service	January 2020	Assigned Reserves	\$3,333.33
Useful Life	6		
Replacement Year	2025	Annual Assessment	\$915.71
Remaining Life	2	Interest Contribution	<u>\$42.49</u>
		Reserve Allocation	\$958.20



This component provides funding to maintain the entry gate. We recommend staining and sealing every 6 years. 14' x 4' and 4" x 10" wood beams with metal braces. Observed in good condition with no problems reported.

Stone Facade - Repair - 2025		1 QTY	@ \$5,000.00
Asset ID	1014	Asset Actual Cost	\$5,000.00
		Percent Replacement	100%
	Entrance	Future Cost	\$5,304.50
Placed in Service	January 2021	Assigned Reserves	\$3,000.00
Useful Life	5		
Replacement Year	2025	Annual Assessment	\$1,066.61
Remaining Life	2	Interest Contribution	<u>\$40.67</u>
		Reserve Allocation	\$1,107.28

**Greener Hills
Detail Report by Category**

Stone Facade - Repair continued...



This component provides funding to maintain and refurbish the stone facade on the entrance pillars and walls. All stone facades were observed in fair condition at the time of inspection.

Entrance - Total Current Cost	\$10,000
Assigned Reserves	\$6,333
Fully Funded Reserves	\$6,333

**Greener Hills
Detail Report by Category**

Signage - Replace - 2027

Asset ID	1015	1 QTY	@ \$5,000.00
		Asset Actual Cost	\$5,000.00
		Percent Replacement	100%
		Future Cost	\$5,627.54
Placed in Service	January 2020	Assigned Reserves	<i>none</i>
Useful Life	8		
Replacement Year	2027	Annual Assessment	\$1,221.01
Remaining Life	4	Interest Contribution	<u>\$12.21</u>
		Reserve Allocation	\$1,233.22



This component provides funding to replace the community's custom signage and 6 x 6 posts as needed. There are 5 stop signs, 3 street signs, 3 "Children At Play" signs, and 1 "Steep Hill May Be Icy" sign. All were observed in fair condition and appear to have been replaced within the last few year.

Signage - Total Current Cost	\$5,000
Assigned Reserves	\$0
Fully Funded Reserves	\$2,500

**Greener Hills
Detail Report by Category**

Gate Operator - Replace - 2044

		2 QTY	@ \$2,000.00
Asset ID	1017	Asset Actual Cost	\$4,000.00
		Percent Replacement	100%
Placed in Service	Gate Operator January 2020	Future Cost	\$7,441.18
Useful Life	25	Assigned Reserves	<i>none</i>
Replacement Year	2044	Annual Assessment	\$271.92
Remaining Life	21	Interest Contribution	<u>\$2.72</u>
		Reserve Allocation	\$274.64



This component provides funding to replace the gate operator. Observed in good condition. It appears to have been replaced recently.

Gate Operator - Total Current Cost	\$4,000
Assigned Reserves	\$0
Fully Funded Reserves	\$640

**Greener Hills
Detail Report by Category**

Reserve Study - Full - 2023			1 QTY @ \$1,200.00
Asset ID	1018	Asset Actual Cost	\$1,200.00
		Percent Replacement	100%
	Reserve Study	Future Cost	\$1,200.00
Placed in Service	June 2023	Assigned Reserves	\$1,200.00
Useful Life	6		
Replacement Year	2023	Annual Assessment	\$201.78
Remaining Life	0	Interest Contribution	<u>\$2.02</u>
		Reserve Allocation	\$203.80



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Reserve Study - Update - 2026			1 QTY @ \$600.00
Asset ID	1019	Asset Actual Cost	\$600.00
		Percent Replacement	100%
	Reserve Study	Future Cost	\$655.64
Placed in Service	June 2026	Assigned Reserves	\$300.00
Useful Life	6		
Replacement Year	2026	Annual Assessment	\$104.87
Remaining Life	3	Interest Contribution	<u>\$4.05</u>
		Reserve Allocation	\$108.92

**Greener Hills
Detail Report by Category**

Reserve Study - Update continued...



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Reserve Study - Total Current Cost	\$1,800
Assigned Reserves	\$1,500
Fully Funded Reserves	\$1,500

**Greener Hills
Detail Report by Category**

Detail Report Summary

Total of All Assets

Assigned Reserves	\$60,999.03
Annual Contribution	\$103,596.56
Annual Interest	\$1,014.89
Annual Allocation	\$104,611.44

Contingency at 3.00%

Assigned Reserves	\$1,829.97
Annual Contribution	\$3,107.90
Annual Interest	\$30.45
Annual Allocation	\$3,138.34

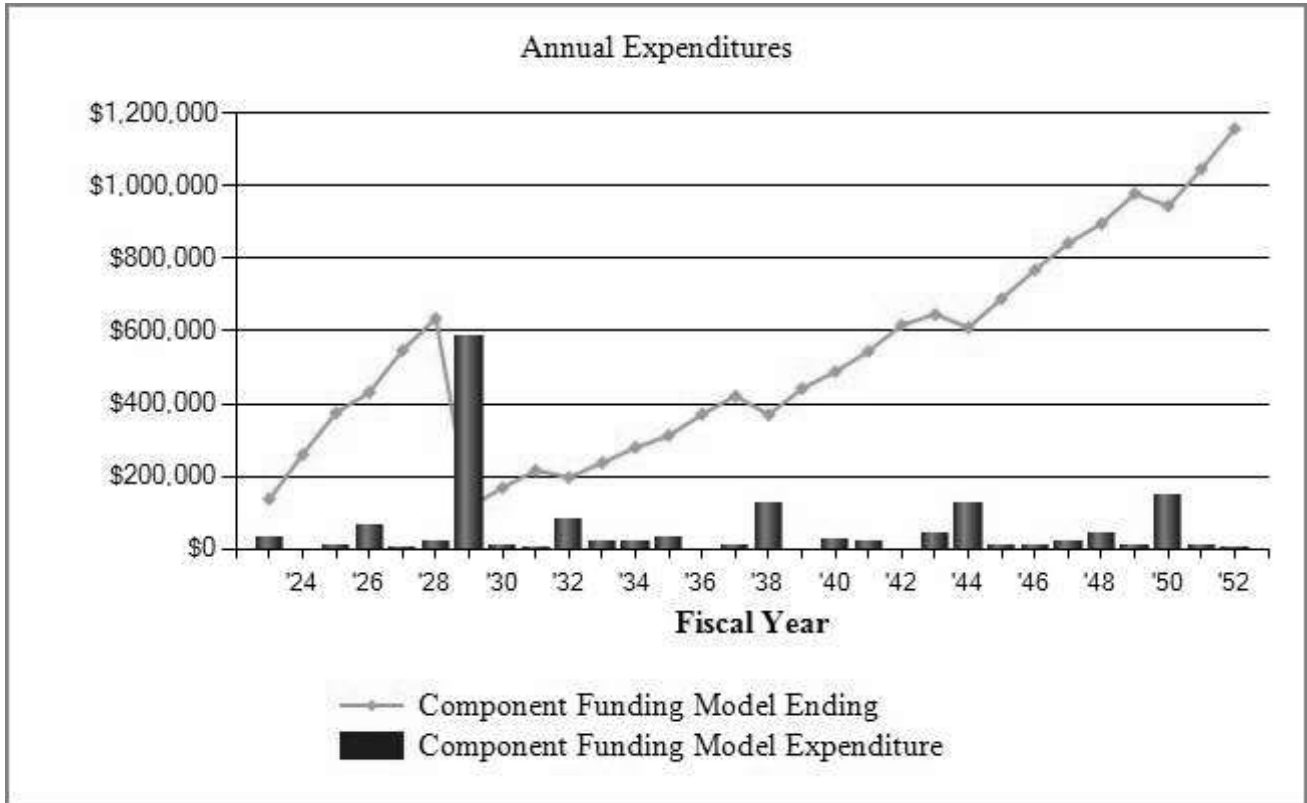
Grand Total

Assigned Reserves	\$62,829.00
Annual Contribution	\$106,704.45
Annual Interest	\$1,045.33
Annual Allocation	\$107,749.79

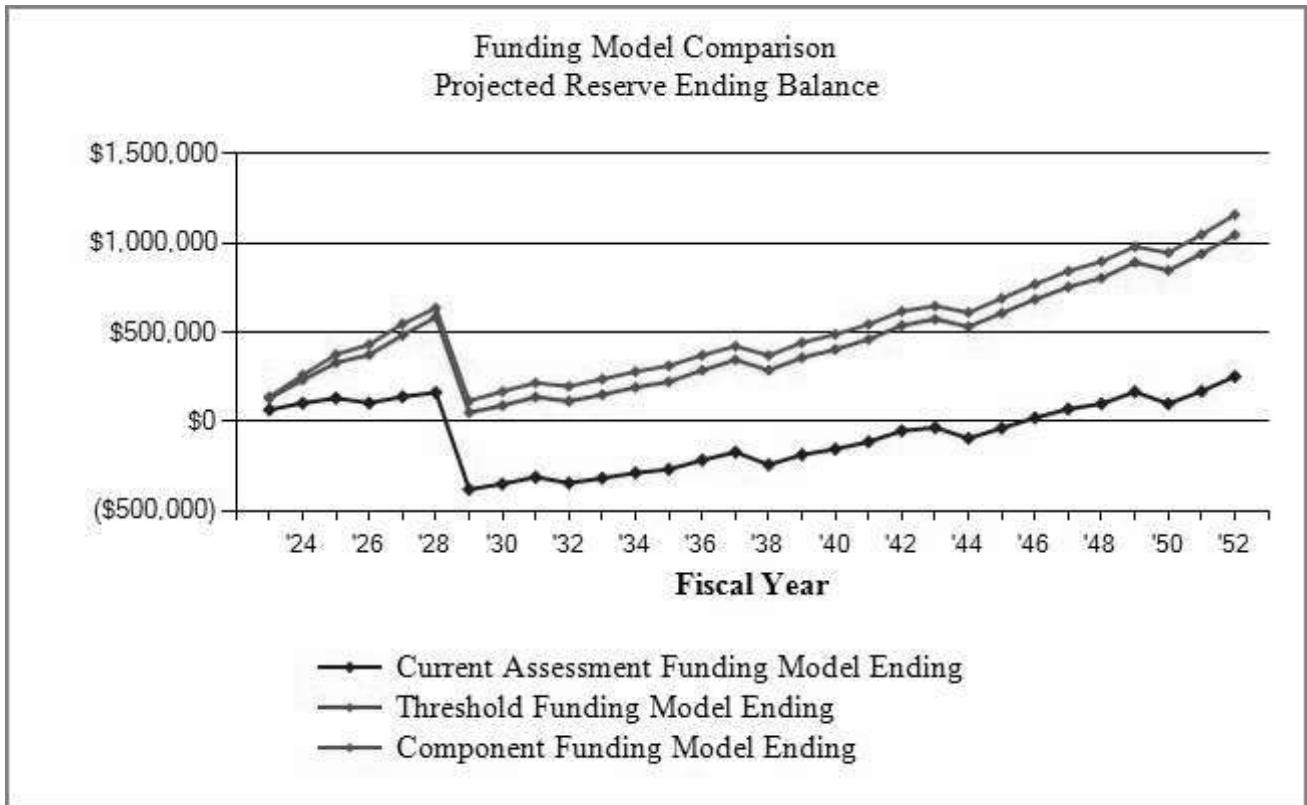
**Greener Hills
Category Detail Index**

Asset ID	Description	Replacement	Page
1003	Asphalt - Crack Fill	2023	2-11
1001	Asphalt - Slurry Seal	2026	2-11
1002	Asphalt 2" - Mill Edge and Overlay	2029	2-12
1009	Border Fence - Repair/Replace	2023	2-18
1004	Call Box - Replace	2029	2-14
1005	Concrete - Repair/Replace	2030	2-14
1013	Entry Gate - Stain/Seal	2025	2-22
1016	Erosion - Repair Allowance	2023	2-15
1017	Gate Operator - Replace	2044	2-25
1006	Mailbox - Replace	2034	2-15
1011	Mailbox Enclosure Roofing - Replace	2044	2-20
1007	Mailbox Enclosure Structure - Stain/Seal	2028	2-16
1008	Monument - Replacement/Refurbish	2040	2-17
1012	Outdoor Lamp - Replace	2029	2-21
1018	Reserve Study - Full	2023	2-26
1019	Reserve Study - Update	2026	2-26
1010	Security System (6-Cameras) - Replace	2023	2-19
1015	Signage - Replace	2027	2-24
1014	Stone Facade - Repair	2025	2-22
	Total Funded Assets	19	
	Total Unfunded Assets	<u>0</u>	
	Total Assets	19	

Greener Hills Annual Expenditure Chart

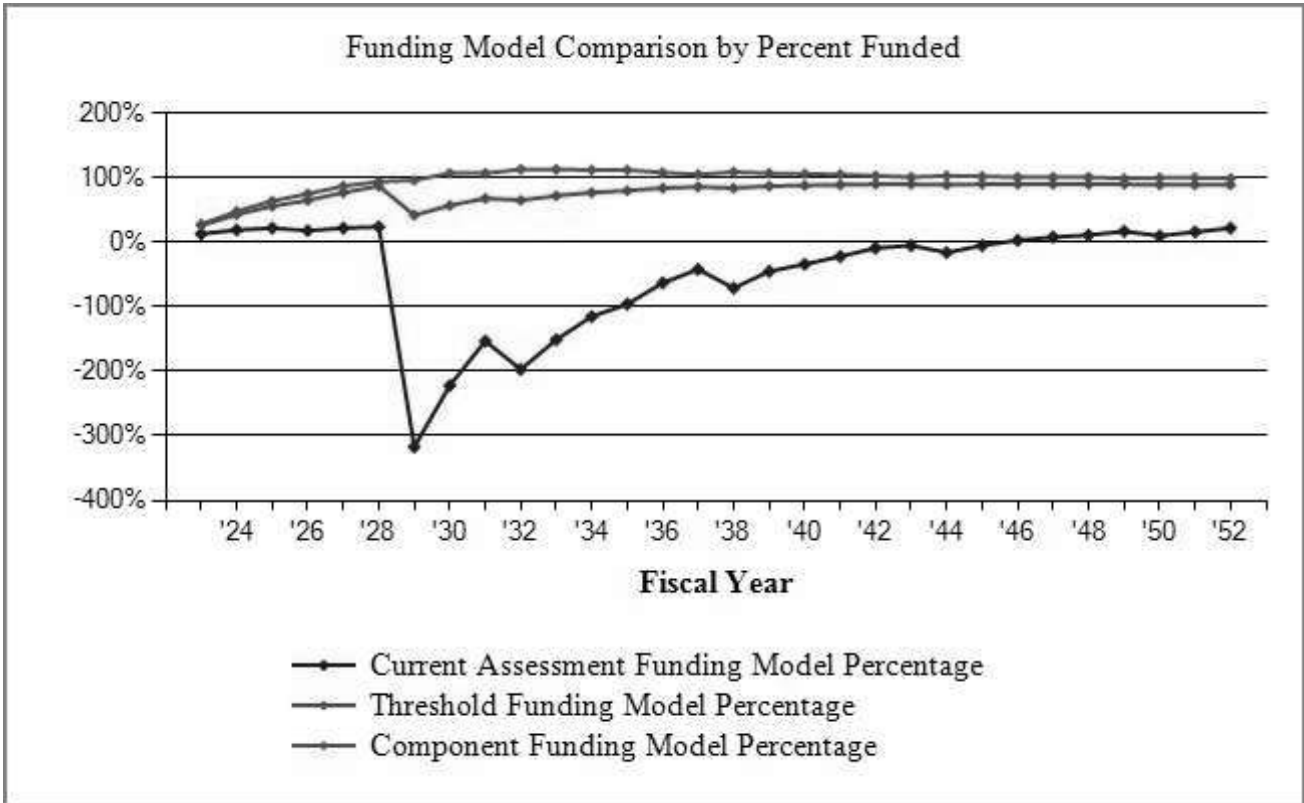


**Greener Hills
Funding Model Reserve Ending Balance Comparison Chart**



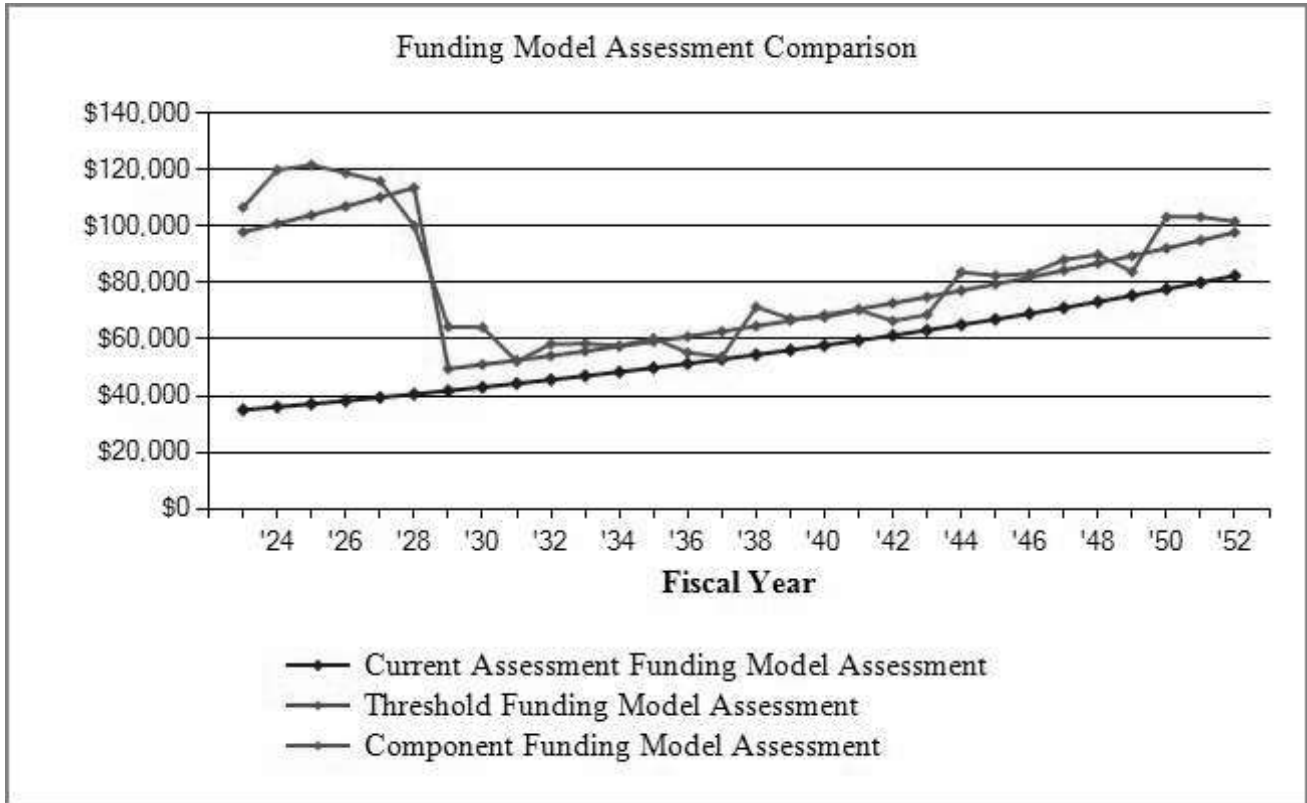
The chart above compares the projected reserve ending balances of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

**Greener Hills
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.

Greener Hills 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.

**Greener Hills
Spread Sheet**

Description	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Asphalt - Crack Fill	10,000			10,927			11,941			13,048
Asphalt - Slurry Seal				54,549						65,134
Asphalt 2" - Mill Edge and Overlay							567,175			
Border Fence - Repair/Replace	5,000					5,796				
Call Box - Replace							1,791			
Concrete - Repair/Replace								6,149		
Entry Gate - Stain/Seal			5,304						6,334	
Erosion - Repair Allowance	10,000					11,593				
Gate Operator - Replace										
Mailbox - Replace										
Mailbox Enclosure Roofing - Replace						985				
Mailbox Enclosure Structure - Stain/Seal										
Monument - Replacement/Refurbish										
Outdoor Lamp - Replace							2,078			
Reserve Study - Full	1,200						1,433			
Reserve Study - Update				656						783
Security System (6-Cameras) - Replace	6,300									
Signage - Replace					5,628					
Stone Facade - Repair			5,304					6,149		
Year Total:	32,500		10,609	66,132	5,628	18,374	584,417	12,299	6,334	78,965

**Greener Hills
Spread Sheet**

Description	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Asphalt - Crack Fill			14,258			15,580			17,024	
Asphalt - Slurry Seal						77,774				
Asphalt 2" - Mill Edge and Overlay						7,790				
Border Fence - Repair/Replace	6,720									
Call Box - Replace										
Concrete - Repair/Replace					7,563	7,790				
Entry Gate - Stain/Seal										
Erosion - Repair Allowance	13,439					15,580				
Gate Operator - Replace										
Mailbox - Replace		17,303								
Mailbox Enclosure Roofing - Replace										
Mailbox Enclosure Structure - Stain/Seal		1,177						1,405		
Monument - Replacement/Refurbish								16,528		
Outdoor Lamp - Replace										
Reserve Study - Full			1,711						2,043	
Reserve Study - Update						935				
Security System (6-Cameras) - Replace										
Signage - Replace			7,129							
Stone Facade - Repair			7,129					8,264		
Year Total:	20,159	18,480	30,226		7,563	125,448		26,198	19,067	

**Greener Hills
Spread Sheet**

Description	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Asphalt - Crack Fill		18,603			20,328			22,213		
Asphalt - Slurry Seal		92,866						110,887		
Asphalt 2" - Mill Edge and Overlay										
Border Fence - Repair/Replace	9,031					10,469				
Call Box - Replace										
Concrete - Repair/Replace				9,868						
Entry Gate - Stain/Seal	9,031						10,783			
Erosion - Repair Allowance	18,061					20,938				
Gate Operator - Replace		7,441								
Mailbox - Replace										
Mailbox Enclosure Roofing - Replace		2,046								2,003
Mailbox Enclosure Structure - Stain/Seal				1,678						
Monument - Replacement/Refurbish										
Outdoor Lamp - Replace		3,237								
Reserve Study - Full					2,439					
Reserve Study - Update		1,116						1,333		
Security System (6-Cameras) - Replace						13,191				
Signage - Replace	9,031								11,440	
Stone Facade - Repair								11,106		
Year Total:	45,153	125,309	9,581	11,545	22,767	44,597	10,783	145,539	11,440	2,003

Executive Summary - Greener Hills

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 June, 1 2023	\$ 62829.35
Ideal Reserve Balance as of June, 1 2023	\$ 457,699
Percent Funded as of June, 1 2023	13%
Recommended Reserve Contribution (Per Annual)	\$ 106,704
Recommended Special Assessment	\$ 0

Greener Hills HOA is a 51-lot HOA community. This community offers gated entry, asphalt roads, and beautiful mountain views. Construction on the property began in 2000.

Reserve Funding

In comparing the projected starting reserve balance of \$69,829.35 versus the ideal reserve balance of \$457,699 we find the association's reserve fund to be 13% funded. This indicates a weak reserve fund position. We suggest adopting a monthly reserve contribution of \$8,892 (\$174/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.