

# RESERVE ANALYSIS REPORT

## **Colonia Encantada**

Scottsdale, Arizona

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**ADVANCED RESERVE SOLUTIONS, INC.**

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# Colonia Encantada

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## Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

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### ◆ ◆ ◆ ◆ INTRODUCTION TO RESERVE BUDGETING ◆ ◆ ◆ ◆

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

### ◆ ◆ ◆ ◆ UNDERSTANDING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

#### **Budget**

Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

#### **Percent Funded**

Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the

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reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is “100% funded” means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

### **Projections**

Indicate the “level of service” the association will provide the membership as well as a “road map” for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will “catch up” or how a properly funded association will remain fiscally “healthy.”

### **Inventory**

Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst’s comments.

## ◆ ◆ ◆ ◆ RESERVE FUNDING GOALS / OBJECTIVES ◆ ◆ ◆ ◆

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

### **Full Funding**

Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

### **Baseline Funding**

Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association’s percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

### **Threshold Funding**

Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

### **Statutory Funding**

Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

## ◆ ◆ ◆ ◆ RESERVE FUNDING CALCULATION METHODS ◆ ◆ ◆ ◆

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

### **Component Calculation Method**

This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the “straight line”

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method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

### Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

### Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

### Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate \$100,000 in ten years, \$10,000 could be contributed each year. Alternatively, the association could contribute \$8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

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	<u>0% Increase</u>	<u>3% Increase</u>	<u>10% Increase</u>
Year 1	\$10,000.00	\$8,723.05	\$6,274.54
Year 2	\$10,000.00	\$8,984.74	\$6,901.99
Year 3	\$10,000.00	\$9,254.28	\$7,592.19
Year 4	\$10,000.00	\$9,531.91	\$8,351.41
Year 5	\$10,000.00	\$9,817.87	\$9,186.55
Year 6	\$10,000.00	\$10,112.41	\$10,105.21
Year 7	\$10,000.00	\$10,415.78	\$11,115.73
Year 8	\$10,000.00	\$10,728.25	\$12,227.30
Year 9	\$10,000.00	\$11,050.10	\$13,450.03
Year 10	\$10,000.00	\$11,381.60	\$14,795.04
TOTAL	\$100,000.00	\$100,000.00	\$100,000.00

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds “in the bank” for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

### **Cash Flow Calculation Method**

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding). Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The **Directed Cash Flow Calculation Method** is our primary calculation method. It allows for several funding strategies to be manually tested until the optimal funding strategy accomplishing three goals is created:

Goal #1: Ensures that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period (typically 30 years)

Goal #2: Uniformly distributes the costs of replacements over time to benefit both current & future members of the association by using consistent, incremental contribution increases

Goal #3: Provides for the lowest reserve funding recommendation as possible over time with the goal of approaching, reaching and/or maintaining a 100% fully funded reserve balance

These very important aspects of the **Directed Cash Flow Calculation Method** will greatly aid the board of directors during the annual budgeting process.

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## ◆ ◆ ◆ ◆ READING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a “red flag” is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

### Executive Summary

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

#### **Client Information**

Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

#### **Global Parameters**

Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.

#### **Community Profile**

Provides brief description of the community, as well as other “global” type comments.

#### **Budget**

Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution

**Sample Homeowners Association**  
**Executive Summary**  
**Component Calculation Method**

Client Information:		Global Parameters:	
Account Number	99999	Inflation Rate	2.00%
Version Number	1	Annual Contribution Increase	2.00%
Analysis Date	3/18/2014	Investment Rate	1.00%
Fiscal Year	6/1/2014 to 5/31/2015	Taxes on Investments	30.00%
Number of Units	167	Contingency	3.00%
Phasing	8 of 8		

**Community Profile:**  
(This community consists of 167 attached units with private roadways, pool area and extensive landscaped areas.  
For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.  
ARS site visits: March 1, 2014; January 2011; February 2008; April 2006; March 2005; March 2003; March 2002; April 2001 and March 2000

**Adequacy of Reserves as of June 1, 2014:**

Anticipated Reserve Balance	\$865,450.00
Fully Funded Reserve Balance	\$1,011,228.83
Percent Funded	85.58%

**Recommended Funding for the 2014-2015 Fiscal Year:**

	Annual	Monthly	Per Unit Per Month
Member Contribution	\$110,659	\$9,221.58	\$55.22
Interest Contribution	\$5,977	\$498.09	\$2.98
Total Contribution	\$116,636	\$9,719.66	\$58.20

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#### **Adequacy of Reserves**

Displays the results of calculations with regard to the “health” of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

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## Calculation of Percent Funded

Summary displays all reserve components, shown here in “category” order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

**Reserve Components**  
All components are displayed (shown here in “category” order).

### Lifespans

Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

#### Sample Homeowners Association Calculation of Percent Funded Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<b>010 Streets</b>				
Streets - Asphalt, Overlay / Major Rehab	8	27	\$101,697.50	\$71,584.91
Streets - Asphalt, Repair	0	4	\$3,621.75	\$3,621.75
Streets - Asphalt, Seal Coat	0	4	\$5,926.50	\$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	\$0.00	\$0.00
<b>Sub Total</b>	<b>0-8</b>	<b>4-27</b>	<b>\$111,245.75</b>	<b>\$81,113.16</b>

**010 Streets**  
Streets - Asphalt, Overlay / Major Rehab  
Streets - Asphalt, Repair  
Streets - Asphalt, Seal Coat  
Streets - Concrete, Unfunded  
**Sub Total**

#### 020 Roofs

Roofs - Tile  
**Sub Total**

#### 030 Painting

Painting - Cabana Interior  
Painting - Red Curbs  
Painting - Stucco  
Painting - Woodwork & Trim  
Painting - Wrought Iron, Buildings  
Painting - Wrought Iron, Pool Area  
**Sub Total**

#### 040 Fencing

Fencing - Wrought Iron, Pool Area  
Railing - Wrought Iron, Buildings  
**Sub Total**

#### 050 Lighting

Lighting - Buildings  
Lighting - Grounds  
**Sub Total**

#### 060 Pool Area

Cabana - Ceramic Tile  
Cabana - Doors  
Cabana - Plumbing Fixtures  
Cabana - Restroom Partitions  
Cabana - Water Heater  
Pool - Filter  
Pool - Heater  
Pool - Replaster & Tile Replace  
Pool Area - Barbecues

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#### Sample Homeowners Association Calculation of Percent Funded Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	\$8,501.63	\$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Pool Area - Furniture (Refurbish)	0	12	\$9,255.00	\$9,255.00
Pool Area - Furniture (Replace)	6	25	\$17,315.00	\$13,159.40
Pool Area - Mastic	0	4	\$5,131.50	\$5,131.50
Spa - Filter	0	13	\$1,350.00	\$1,350.00
Spa - Heater	0	10	\$3,050.00	\$3,050.00
Spa - Replaster & Tile Replace	3	8	\$5,250.00	\$3,126.40
<b>Sub Total</b>	<b>0-6</b>	<b>4-25</b>	<b>\$91,747.38</b>	<b>\$71,964.53</b>

Pool Area - Ceramic Tile  
Pool Area - Concrete Deck, Unfunded  
Pool Area - Furniture (Refurbish)  
Pool Area - Furniture (Replace)  
Pool Area - Mastic  
Spa - Filter  
Spa - Heater  
Spa - Replaster & Tile Replace  
**Sub Total**

#### 070 Decks

Decks - Clean & Top Coat  
Decks - Resurface  
**Sub Total**

#### 080 Misc (Buildings)

Fire Extinguisher Cabinets  
Utility Closet Doors  
**Sub Total**

#### 090 Misc (Grounds)

Landscape - Irrigation Controllers  
Landscape - Renovation, Unfunded  
Mailboxes  
**Sub Total**

#### 100 Termite Control

Termite Control  
**Sub Total**

Contingency

<b>Total</b>	<b>0-11</b>	<b>2-30</b>	<b>\$1,001,533.70</b>	<b>\$1,011,228.83</b>
<b>Anticipated Reserve Balance</b>				<b>\$865,458.00</b>
<b>Percent Funded</b>				<b>85.58%</b>

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### Current Cost

Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

### Fully Funded Balance

Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.



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## Management / Accounting Summary and Charts

Summary displays all reserve components, shown here in “category” order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

### Balance at FYB

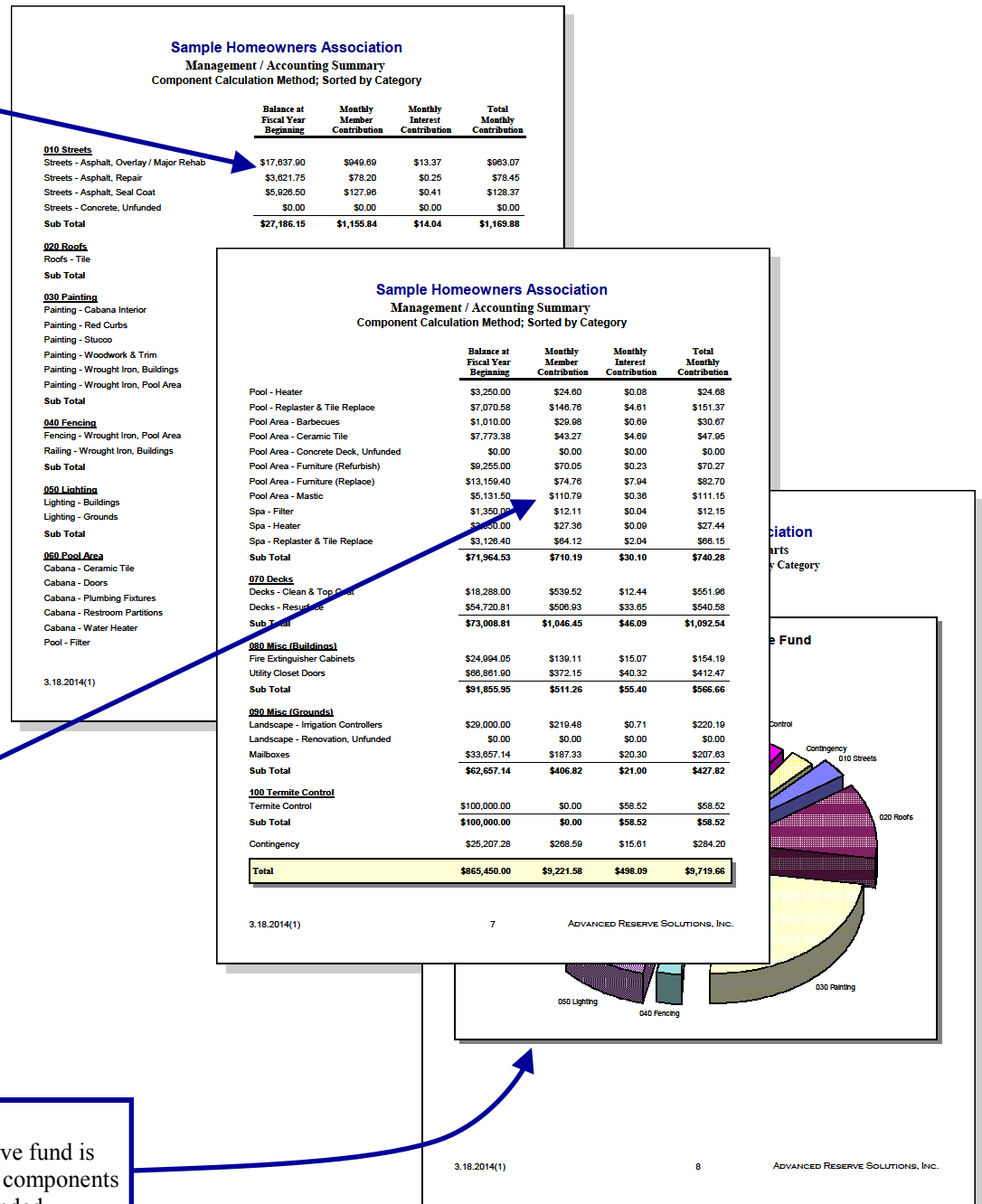
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

### Monthly Funding

Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

### Pie Charts

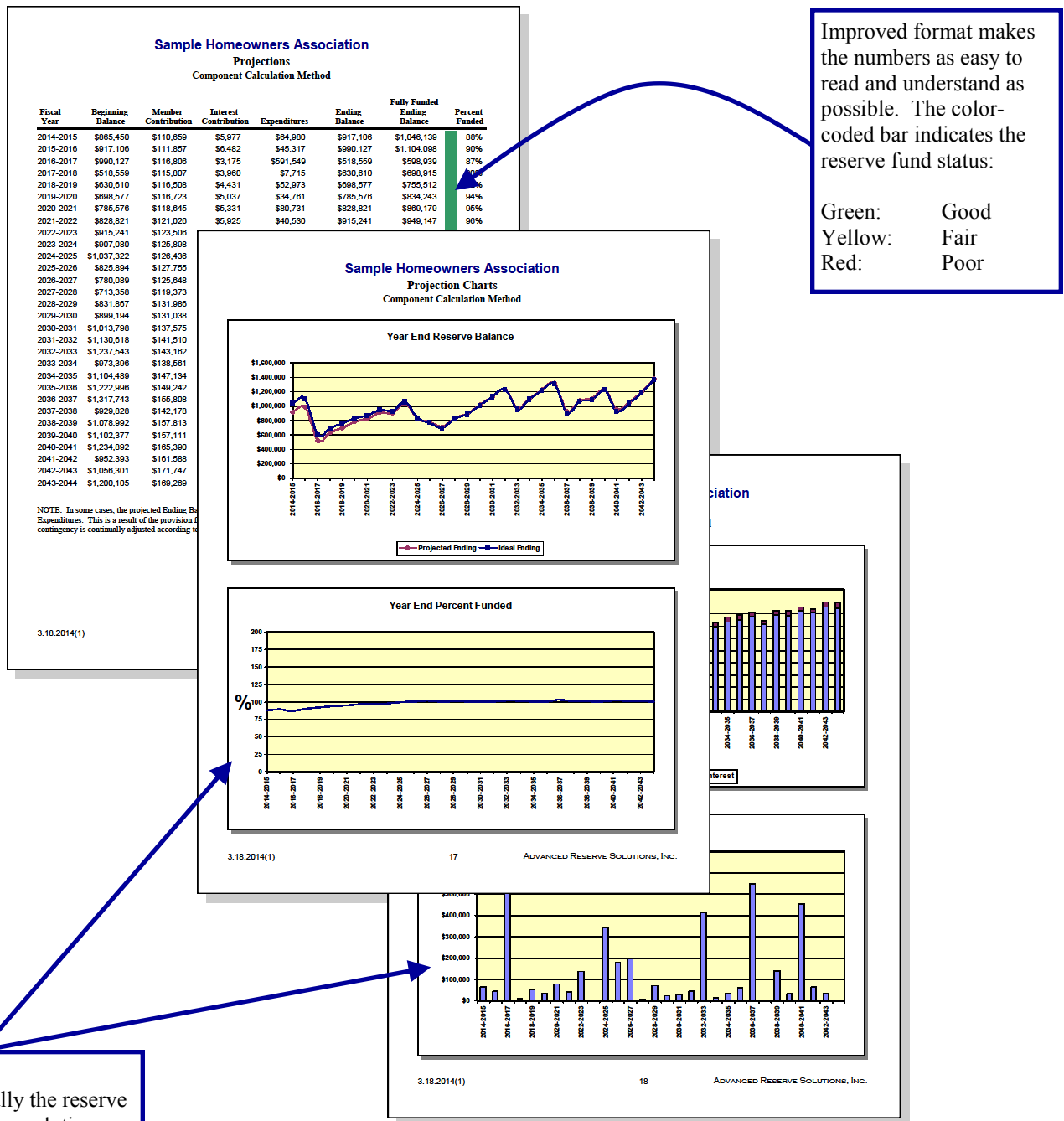
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.



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## Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



## Charts

Show graphically the reserve funding plan through time.

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## Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.

### Lifespan Information

Displays placed-in-service date, useful life, remaining life and replacement year.

### Cost Information

Displays quantity, unit cost, percentage of replacement, current cost and future cost.

### Calculation Results

Displays assigned reserves and funding requirements.

### Comments

Useful information from site observations and historical expenses included here.

### Photos

Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

**Sample Homeowners Association**  
**Component Detail**  
Component Calculation Method; Sorted by Category

**Streets - Asphalt, Seal Coat**

Category	010 Streets	Quantity	65,850 sq. ft.
Photo Date	January 2011	Unit Cost	\$0.090
		% of Replacement	100.00%
		Current Cost	\$5,926.50
		Future Cost	\$6,415.03
Placed In Service	11/09	Assigned Reserves at FYB	\$5,926.50
Useful Life	4	Monthly Member Contribution	\$127.96
Remaining Life	0	Monthly Interest Contribution	\$0.41
Replacement Year	2014-2015	Total Monthly Contribution	\$128.37

**Comments:**

The association seal coated and restriped the streets for a total cost of \$5,975. The association seal coated the streets for a total cost of \$6,000.

The current cost used for this component is adjusted for inflation where applicable.

Asphalt surfaces should be seal coated on

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**Sample Homeowners Association**  
**Component Detail**  
Component Calculation Method; Sorted by Category

**Painting - Woodwork & Trim**

Category	030 Painting	Quantity	31,575 sq. ft.
Photo Date	January 2011	Unit Cost	\$0.920
		% of Replacement	100.00%
		Current Cost	\$29,049.00
		Future Cost	\$30,222.58
Placed In Service	06/12	Assigned Reserves at FYB	\$14,524.50
Useful Life	4	Monthly Member Contribution	\$634.91
Remaining Life	2	Monthly Interest Contribution	\$10.54
Replacement Year	2016-2017	Total Monthly Contribution	\$645.45

**Comments:**

The association painted the woodwork and trim between July and November 2000 for a total cost of \$3,737. The association repaired, seal coated and repainted the patio cover structures (cabana interior excluded) for a total cost of \$6,000 throughout the community by the end of the year.

The current cost used for this component is adjusted for inflation where applicable.

For budgeting purposes, we have used the current cost.

The inventory for this component has been updated as of March 2000 site visit, we believe this inventory is accurate.

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**Sample Homeowners Association**  
**Component Detail**  
Component Calculation Method; Sorted by Category

**Pool - Replaster & Tile Replace**

Category	060 Pool Area	Quantity	1 pool
Photo Date	January 2011	Unit Cost	\$15,075.000
		% of Replacement	100.00%
		Current Cost	\$15,075.00
		Future Cost	\$16,644.02
Placed In Service	01/10	Assigned Reserves at FYB	\$7,070.58
Useful Life	10	Monthly Member Contribution	\$146.76
Remaining Life	5	Monthly Interest Contribution	\$4.61
Replacement Year	2019-2020	Total Monthly Contribution	\$151.37

**Comments:**

The pool and spa were replastered in March 2000 for a total cost of approximately \$6,700. The association washed the pool in June 2002 for a total cost of \$675. The association replastered the pool and spa (including replacement of the mastic directly adjacent to the pool and spa) in January 2010 for a total cost of \$16,600.

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1,020 sq. ft. of replastering @ \$12.50 = \$12,750.00  
135 lin. ft. of trim tile @ \$15.00 = \$2,025.00  
25 lin. ft. of step tile @ \$12.00 = \$300.00  
TOTAL = \$15,075.00

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### ◆ ◆ ◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆ ◆ ◆

#### **Annual Contribution Increase Parameter**

The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the “time value of money,” this creates the most equitable distribution of member contributions through time.

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of “reserve funding calculation methods” in this preface for more detail on this parameter.

#### **Anticipated Reserve Balance (or Reserve Funds)**

The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is “anticipated” because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

#### **Assigned Funds (and “Fixed” Assigned Funds)**

The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered “fixed” when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns \$10,000 to the roofs, but the association would like to show \$20,000 assigned to roofs, “fixed” funds of \$20,000 can be assigned.

#### **Cash Flow Calculation Method**

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the “reserve funding calculation methods” section of the preface.

#### **Component Calculation Method**

Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the “reserve funding calculation methods” section of the preface.

#### **Contingency Parameter**

The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

#### **Current Replacement Cost**

The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

#### **Fiscal Year**

Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

#### **Fully Funded Reserve Balance (or Ideal Reserves)**

The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

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$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

### **Future Replacement Cost**

The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

### **Global Parameters**

The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

### **Inflation Parameter**

The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their reserve components to increase each year.

### **Interest Contribution**

The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

### **Investment Rate Parameter**

The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

### **Membership Contribution**

The amount of money contributed to the reserve fund by the association's membership.

### **Monthly Contribution (and "Fixed" Monthly Contribution)**

The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds \$1,000 to the roofs each month, but the association would like to show \$500 funded to roofs each month, a "fixed" contribution of \$500 can be assigned.

### **Number of Units (or other assessment basis)**

Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

## Preface

### **One-Time Replacement**

Used for components that will be budgeted for only once.

### **Percent Funded**

A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

### **Percentage of Replacement**

The percentage of the reserve component that is expected to be replaced.

For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

### **Phasing**

Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

### **Placed-In-Service Date**

The date (month and year) that the reserve component was originally put into service or last replaced.

### **Remaining Life**

The length of time, in years, until a reserve component is scheduled to be replaced.

### **Remaining Life Adjustment**

The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

### **Replacement Year**

The fiscal year that a reserve component is scheduled to be replaced.

### **Reserve Components**

Line items included in the reserve analysis.

### **Taxes on Investments Parameter**

The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

## Preface

### **Total Contribution**

The sum of the membership contribution and interest contribution.

### **Useful Life**

The length of time, in years, that a reserve component is expected to last each time it is replaced. See also “remaining life adjustment.”

## ◆ ◆ ◆ ◆ LIMITATIONS OF RESERVE ANALYSIS ◆ ◆ ◆ ◆

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

# Colonia Encantada

## Executive Summary

### Directed Cash Flow Calculation Method

#### Client Information:

Account Number	2250
Version Number	006 (revised)
Analysis Date	10/31/2022
Fiscal Year	1/1/2023 to 12/31/2023
Number of Property	1
Phasing	1 of 1

#### Global Parameters:

Inflation Rate	3.00 %
Annual Contribution Increase	15.00 %
Investment Rate	1.00 %
Taxes on Investments	0.00 %
Contingency	0.00 %

#### Community Profile:

This community was built in 1979. Refer to the Component Detail section for the dates used to age the components examined in this analysis.

Reserve Balance as of August 31, 2022: \$325,132

Remaining 2022 Reserve Contributions: \$12,552 (\$3,138/month x 4 months)

Remaining 2022 Interest to be Earned (1.00%): \$1,047

Remaining 2022 Reserve Expenditures: \$14,295 (Roadrunner Paving - crack seal & seal coat)  
3,000 (clubhouse healthcare equipment)

Projected January 1, 2023 Reserve Balance: \$321,436

REPORTS: 2005. Updated 2012, 2016, 2019, 2021 & 2022 (no site inspection in 2021 or 2022).

#### Adequacy of Reserves as of January 1, 2023:

Anticipated Reserve Balance	<b>\$321,436.00</b>
Fully Funded Reserve Balance	<b>\$457,291.55</b>
Percent Funded	<b>70.29%</b>

Recommended Funding for the 2023 Fiscal Year:	Annual	Monthly	Per Property Per Month
Member Contribution	<b>\$43,304</b>	<b>\$3,608.67</b>	<b>\$3,608.67</b>
Interest Contribution	<b>\$2,729</b>	<b>\$227.41</b>	<b>\$227.41</b>
Total Contribution	<b>\$46,033</b>	<b>\$3,836.08</b>	<b>\$3,836.08</b>



# Colonia Encantada

## Distribution of Current Reserve Funds

### Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Grounds: Large Tree Remove/Replace (2023)	0	\$5,000.00	\$5,000.00
Grounds: Main Sewer Lines	0	\$1,000.00	\$1,000.00
Grounds: Main Water Distribution & Irrigation	0	\$5,000.00	\$5,000.00
Grounds: Next Phase of Landscape Plan (2023)	0	\$5,000.00	\$5,000.00
Grounds: Water Fountain, Entrance (Retile)	0	\$12,000.00	\$12,000.00
Guardhouse: Fabric Awnings (Recover)	0	\$6,000.00	\$6,000.00
Main Pool: Heater	0	\$4,000.00	\$4,000.00
Main Spa: Filter	0	\$1,100.00	\$1,100.00
Main Spa: Heater	0	\$2,500.00	\$2,500.00
Roof: Flat, Built-Up (Pool Ramada)	0	\$4,480.00	\$4,480.00
Roofs: Flat, Foam, Repair & Recoat (Clubhouse)	0	\$3,525.00	\$3,525.00
Security: Gate Operators (Exit Gates)	0	\$14,000.00	\$14,000.00
Tower: Concractor Restroom (Remodel)	0	\$6,000.00	\$6,000.00
Grounds: Large Tree Remove/Replace (2024)	1	\$0.00	\$0.00
Roofs: Tile (Clubhouse, GH, Tower & Ramada)	1	\$15,998.89	\$15,998.89
Grounds: Large Tree Remove/Replace (2025)	2	\$0.00	\$0.00
Main Pool: Resurface & Retile	2	\$15,640.00	\$15,640.00
Main Spa: Resurface (Pebble) & Retile	2	\$5,750.00	\$5,750.00
Clubhouse: Health Club Equipment	3	\$0.00	\$0.00
Grounds: Large Tree Remove/Replace (2026)	3	\$0.00	\$0.00
Pools & Spas: Pumps & Motors	3	\$1,517.24	\$1,517.24
Tennis Courts: Light Fixtures	3	\$13,200.00	\$13,200.00
Tennis Courts: Resurface	3	\$110,500.00	\$110,500.00
Grounds: Large Tree Remove/Replace (2027+)	4	\$0.00	\$0.00
Main Pool Area: Deck Recoat	4	\$236.11	\$236.11
Main Pool Area: Deck Resurface	4	\$11,469.08	\$11,469.08
Main Pool: Filter	4	\$1,400.00	\$1,400.00
Paint: Buildings, Walls & Fencing	4	\$16,285.71	\$16,285.71
Streets: Asphalt Seal Coat	4	\$0.00	\$0.00
West Pool Area: Deck Recoat	4	\$163.89	\$163.89
West Pool Area: Deck Resurface	4	\$8,107.89	\$8,107.89
West Pool: Filter	4	\$1,244.44	\$1,244.44
Main Pool Area: Drinking Fountain	5	\$733.33	\$733.33
Fencing & Gates: Wrought Iron (Main Pool)	6	\$3,080.00	\$3,080.00
Fencing: Wrought Iron (Perimeters)	6	\$23,320.00	\$23,320.00

**Colonia Encantada**  
**Distribution of Current Reserve Funds**  
**Sorted by Remaining Life**

	<b>Remaining Life</b>	<b>Fully Funded Balance</b>	<b>Assigned Reserves</b>
Clubhouse: HVAC (Roof)	7	\$5,850.00	\$5,850.00
Gates: Wrought Iron (Emergency)	7	\$3,526.67	\$3,526.67
Main Pool Area: Furniture	7	\$9,600.00	\$9,600.00
West Pool Area: Furniture	7	\$1,950.00	\$1,950.00
Clubhouse: Treadmill	8	\$600.00	\$600.00
Grounds: Monument Signs (Numbers & Letters)	8	\$3,300.00	\$1,657.74
Grounds: Concrete Repairs/Replacements	9	\$500.00	\$0.00
Streets: Asphalt Repairs	9	\$8,098.00	\$0.00
West Pool: Resurface & Retile	10	\$7,500.00	\$0.00
Clubhouse: HVAC (Ground)	13	\$3,299.16	\$0.00
Fencing & Gates: Wrought Iron (Dog Park)	13	\$1,104.00	\$0.00
Fencing & Gates: Wrought Iron (Entrance/Exit)	13	\$11,040.00	\$0.00
Guardhouse: HVAC (Ductless Split)	13	\$1,000.00	\$0.00
Security: Gate Operators (Entrance Gates)	14	\$933.33	\$0.00
Gate: Wrought Iron (West Pool Entrance)	17	\$411.67	\$0.00
Gate: Wrought Iron (Main Pool Equipment Area)	20	\$236.24	\$0.00
Gate: Wrought Iron (West Pool Equipment Area)	20	\$236.24	\$0.00
Clubhouse/Guardhouse: Remodel	22	\$37,333.33	\$0.00
Streets: Asphalt Remove & Replace	28	\$62,521.32	\$0.00
Grounds: Granite Replenishment (Unfunded)	n.a.	\$0.00	\$0.00
Contingency	n.a.	\$0.00	\$0.00
<b>Total</b>	<b>0-28</b>	<b>\$457,291.55</b>	<b>\$321,436.00</b>
<b>Percent Funded</b>			<b>70.29%</b>

# Colonia Encantada

## Projections

### Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2023	\$321,436	\$43,304	\$2,729	\$69,605	\$297,864	\$463,639	64%
2024	\$297,864	\$49,800	\$2,938	\$28,183	\$322,419	\$514,964	63%
2025	\$322,419	\$57,270	\$3,137	\$36,336	\$346,490	\$561,424	62%
2026	\$346,490	\$65,860	\$1,994	\$178,115	\$236,230	\$465,269	51%
2027	\$236,230	\$75,739	\$1,646	\$107,027	\$206,587	\$436,757	47%
2028	\$206,587	\$87,100	\$2,352	\$12,317	\$283,722	\$506,974	56%
2029	\$283,722	\$89,887	\$2,796	\$46,568	\$329,837	\$546,605	60%
2030	\$329,837	\$92,764	\$3,022	\$71,456	\$354,167	\$563,963	63%
2031	\$354,167	\$95,732	\$3,498	\$49,778	\$403,619	\$606,406	67%
2032	\$403,619	\$98,795	\$3,947	\$55,903	\$450,458	\$646,118	70%
2033	\$450,458	\$101,957	\$4,616	\$37,663	\$519,368	\$708,181	73%
2034	\$519,368	\$105,220	\$5,089	\$60,906	\$568,770	\$750,609	76%
2035	\$568,770	\$108,587	\$5,879	\$33,213	\$650,023	\$825,352	79%
2036	\$650,023	\$112,061	\$6,340	\$70,196	\$698,228	\$866,829	81%
2037	\$698,228	\$115,647	\$7,111	\$43,260	\$777,727	\$939,965	83%
2038	\$777,727	\$119,348	\$7,946	\$41,325	\$863,696	\$1,020,038	85%
2039	\$863,696	\$123,167	\$8,811	\$42,998	\$952,676	\$1,103,624	86%
2040	\$952,676	\$127,108	\$9,400	\$75,122	\$1,014,062	\$1,159,548	87%
2041	\$1,014,062	\$131,176	\$9,848	\$93,804	\$1,061,282	\$1,200,913	88%
2042	\$1,061,282	\$135,374	\$10,939	\$34,369	\$1,173,225	\$1,307,833	90%
2043	\$1,173,225	\$139,706	\$11,542	\$88,229	\$1,236,244	\$1,365,672	91%
2044	\$1,236,244	\$144,176	\$12,914	\$16,743	\$1,376,591	\$1,502,162	92%
2045	\$1,376,591	\$148,790	\$11,637	\$286,266	\$1,250,753	\$1,368,521	91%
2046	\$1,250,753	\$153,551	\$10,495	\$276,302	\$1,138,497	\$1,244,617	91%
2047	\$1,138,497	\$158,465	\$10,462	\$169,611	\$1,137,812	\$1,230,477	92%
2048	\$1,137,812	\$163,536	\$11,182	\$99,507	\$1,213,023	\$1,291,817	94%
2049	\$1,213,023	\$168,769	\$12,832	\$12,940	\$1,381,683	\$1,447,969	95%
2050	\$1,381,683	\$174,169	\$12,901	\$177,148	\$1,391,606	\$1,443,593	96%
2051	\$1,391,606	\$179,743	\$5,564	\$919,936	\$656,978	\$678,053	97%
2052	\$656,978	\$185,494	\$6,657	\$79,181	\$769,948	\$759,685	101%

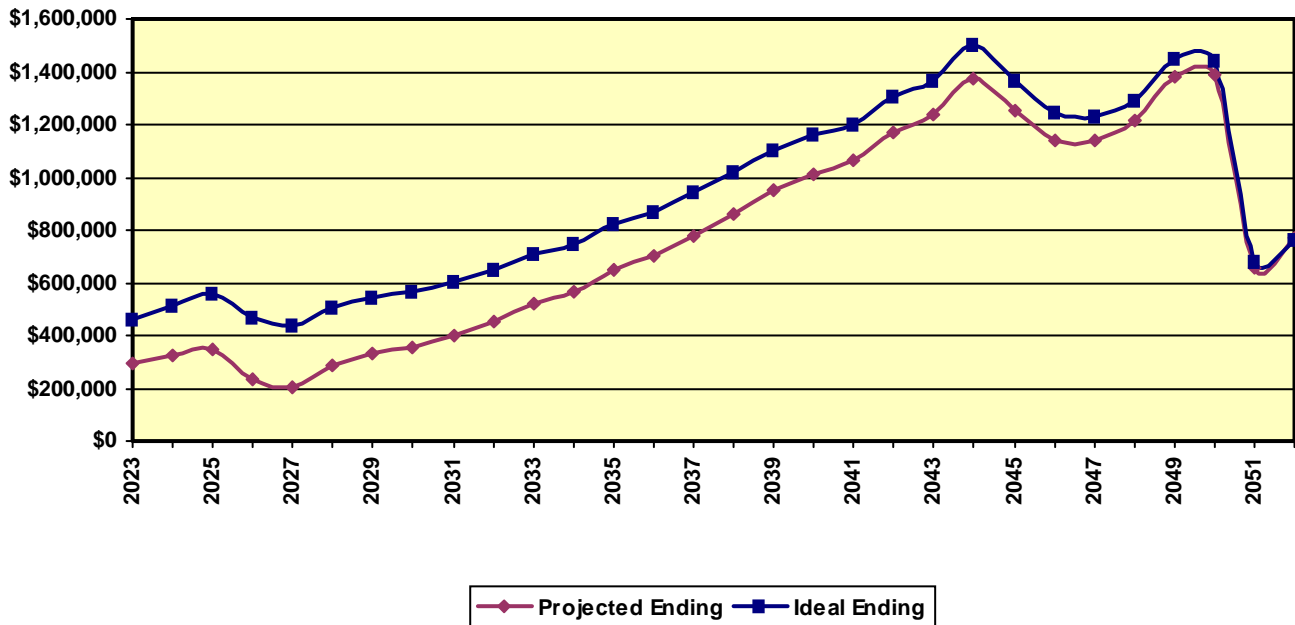
The client's 2022 budgeted reserve contribution is \$37,656. Based on the reserve schedule of expenses outlined in this report, we recommend incorporating a 15.00% annual contribution increase from 2023 - 2028, and then a 3.20% annual contribution increase thereafter.

# Colonia Encantada

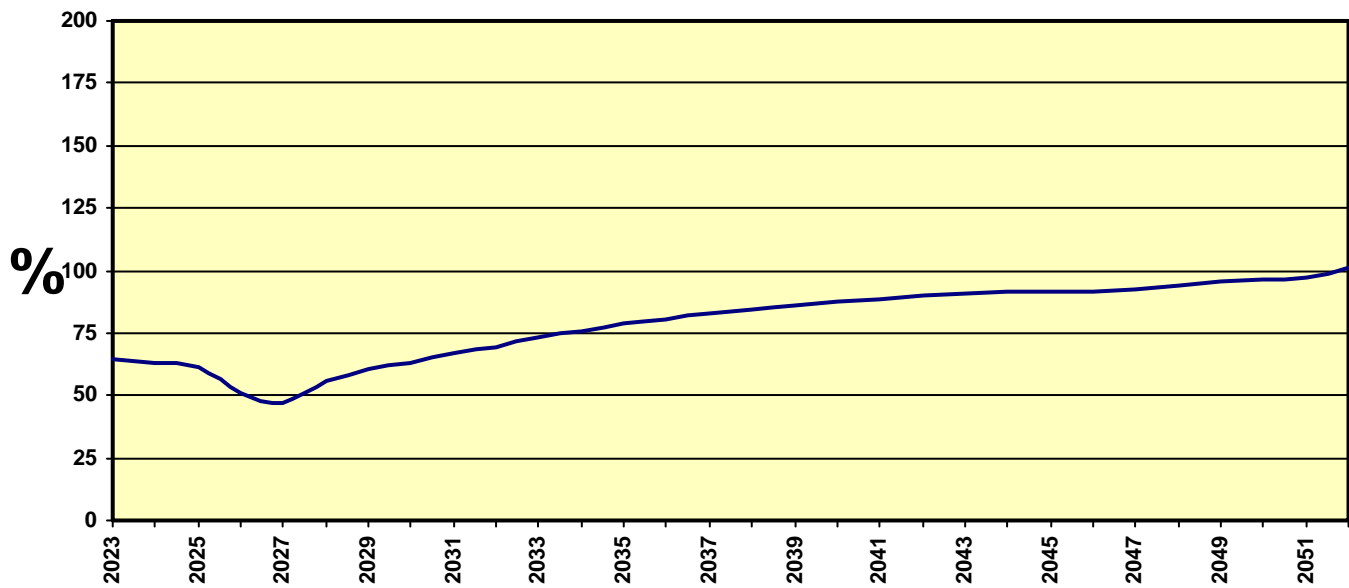
## Projection Charts

### Directed Cash Flow Calculation Method

#### Year End Reserve Balance



#### Year End Percent Funded

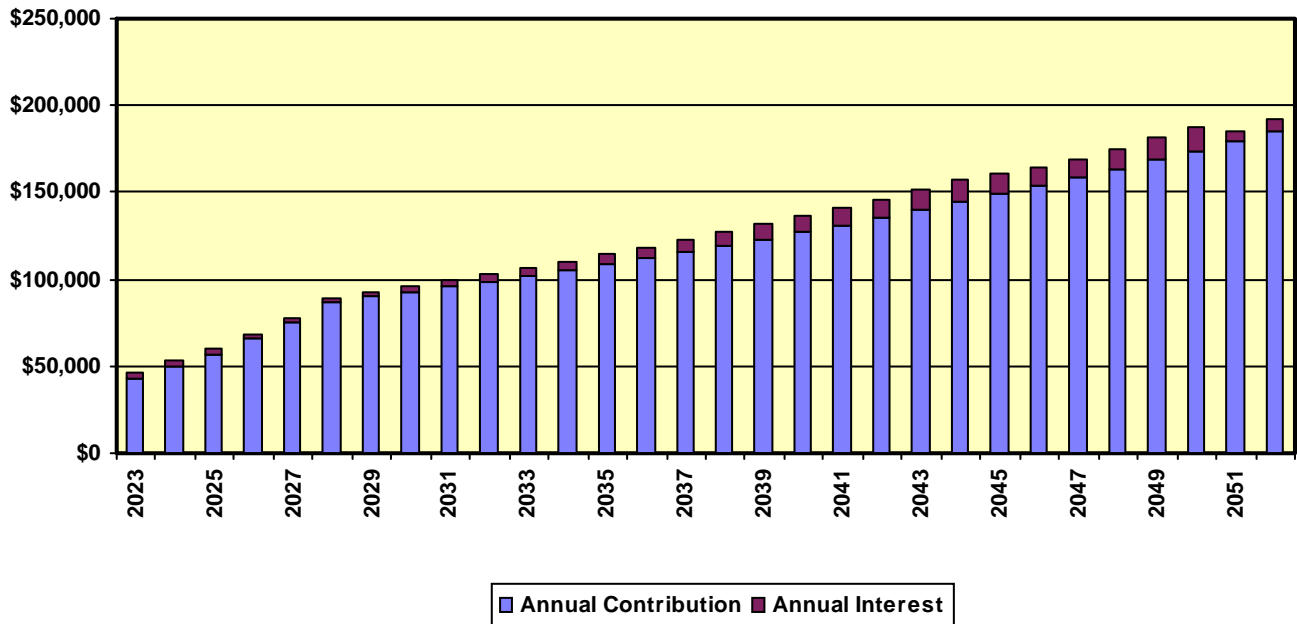


# Colonia Encantada

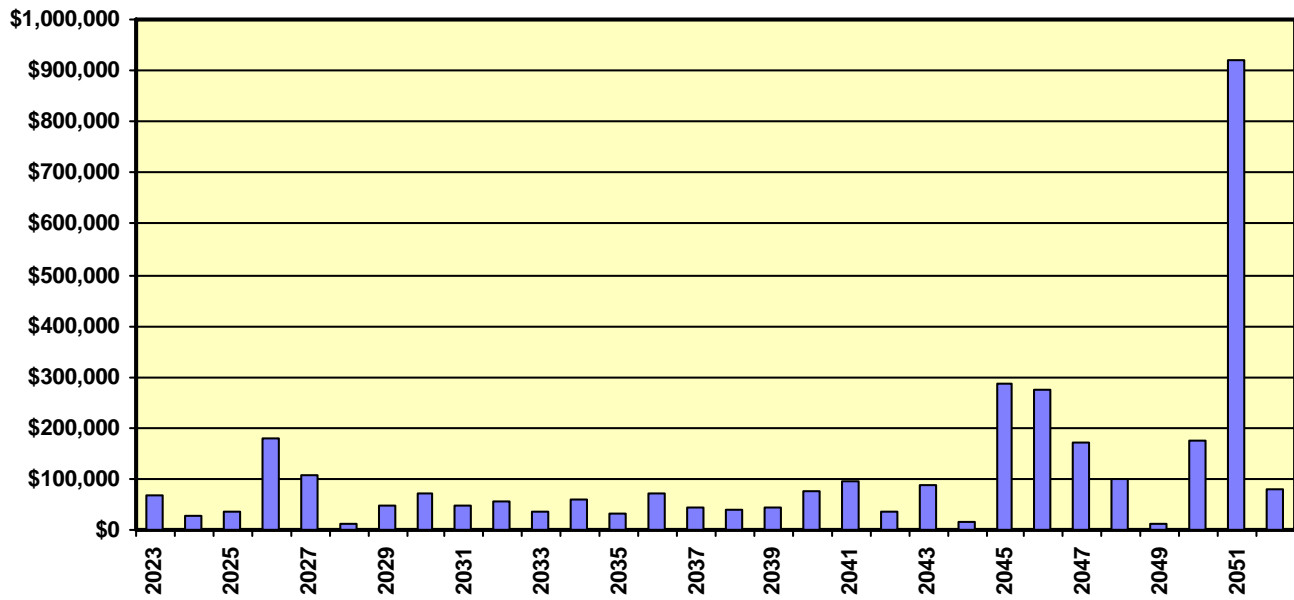
## Projection Charts

### Directed Cash Flow Calculation Method

**Reserve Contribution**



**Expenditures**



# Colonia Encantada

## Annual Expenditure Detail

### Sorted by Description

#### 2023 Fiscal Year

Grounds: Large Tree Remove/Replace (2023)	\$5,000.00
Grounds: Main Sewer Lines	\$1,000.00
Grounds: Main Water Distribution & Irrigation	\$5,000.00
Grounds: Next Phase of Landscape Plan (2023)	\$5,000.00
Grounds: Water Fountain, Entrance (Retile)	\$12,000.00
Guardhouse: Fabric Awnings (Recover)	\$6,000.00
Main Pool: Heater	\$4,000.00
Main Spa: Filter	\$1,100.00
Main Spa: Heater	\$2,500.00
Roof: Flat, Built-Up (Pool Ramada)	\$4,480.00
Roofs: Flat, Foam, Repair & Recoat (Clubhouse)	\$3,525.00
Security: Gate Operators (Exit Gates)	\$14,000.00
Tower: Concractor Restroom (Remodel)	\$6,000.00

<b>Sub Total</b>	<b>\$69,605.00</b>
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#### 2024 Fiscal Year

Grounds: Large Tree Remove/Replace (2024)	\$5,150.00
Grounds: Main Sewer Lines	\$1,030.00
Grounds: Main Water Distribution & Irrigation	\$5,150.00
Roofs: Tile (Clubhouse, GH, Tower & Ramada)	\$16,853.38

<b>Sub Total</b>	<b>\$28,183.38</b>
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#### 2025 Fiscal Year

Grounds: Large Tree Remove/Replace (2025)	\$5,304.50
Grounds: Main Sewer Lines	\$1,060.90
Grounds: Main Water Distribution & Irrigation	\$5,304.50
Main Pool: Resurface & Retile	\$18,035.30
Main Spa: Resurface (Pebble) & Retile	\$6,630.63

<b>Sub Total</b>	<b>\$36,335.83</b>
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#### 2026 Fiscal Year

Clubhouse: Health Club Equipment	\$3,278.18
Grounds: Large Tree Remove/Replace (2026)	\$5,463.64
Grounds: Main Sewer Lines	\$1,092.73
Grounds: Main Water Distribution & Irrigation	\$5,463.64
Pools & Spas: Pumps & Motors	\$4,370.91
Tennis Courts: Light Fixtures	\$16,390.91
Tennis Courts: Resurface	\$142,054.51

# Colonia Encantada

## Annual Expenditure Detail

### Sorted by Description

<b>Sub Total</b>	<b>\$178,114.50</b>
<b>2027 Fiscal Year</b>	
Grounds: Large Tree Remove/Replace (2027+)	\$5,627.54
Grounds: Main Sewer Lines	\$1,125.51
Grounds: Main Water Distribution & Irrigation	\$5,627.54
Main Pool Area: Deck Recoat	\$2,391.71
Main Pool Area: Deck Resurface	\$16,350.83
Main Pool: Filter	\$2,025.92
Paint: Buildings, Walls & Fencing	\$42,769.33
Streets: Asphalt Seal Coat	\$16,089.15
West Pool Area: Deck Recoat	\$1,660.13
West Pool Area: Deck Resurface	\$11,558.98
West Pool: Filter	\$1,800.81
<b>Sub Total</b>	<b>\$107,027.45</b>
<b>2028 Fiscal Year</b>	
Grounds: Main Sewer Lines	\$1,159.27
Grounds: Main Water Distribution & Irrigation	\$5,796.37
Main Pool Area: Drinking Fountain	\$1,275.20
Roofs: Flat, Foam, Repair & Recoat (Clubhouse)	\$4,086.44
<b>Sub Total</b>	<b>\$12,317.29</b>
<b>2029 Fiscal Year</b>	
Clubhouse: Health Club Equipment	\$3,582.16
Fencing & Gates: Wrought Iron (Main Pool)	\$4,179.18
Fencing: Wrought Iron (Perimeters)	\$31,642.39
Grounds: Main Sewer Lines	\$1,194.05
Grounds: Main Water Distribution & Irrigation	\$5,970.26
<b>Sub Total</b>	<b>\$46,568.04</b>
<b>2030 Fiscal Year</b>	
Clubhouse: HVAC (Roof)	\$11,068.86
Gates: Wrought Iron (Emergency)	\$5,657.42
Grounds: Main Sewer Lines	\$1,229.87
Grounds: Main Water Distribution & Irrigation	\$6,149.37
Main Pool Area: Furniture	\$39,355.96
West Pool Area: Furniture	\$7,994.18
<b>Sub Total</b>	<b>\$71,455.67</b>

# Colonia Encantada

## Annual Expenditure Detail

### Sorted by Description

#### 2031 Fiscal Year

Clubhouse: Treadmill	\$3,800.31
Grounds: Main Sewer Lines	\$1,266.77
Grounds: Main Water Distribution & Irrigation	\$6,333.85
Grounds: Monument Signs (Numbers & Letters)	\$6,967.24
Main Pool: Heater	\$5,067.08
Main Spa: Heater	\$3,166.93
Pools & Spas: Pumps & Motors	\$5,067.08
Streets: Asphalt Seal Coat	\$18,108.48

<b>Sub Total</b>	<b>\$49,777.73</b>
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#### 2032 Fiscal Year

Clubhouse: Health Club Equipment	\$3,914.32
Grounds: Concrete Repairs/Replacements	\$6,523.87
Grounds: Large Tree Remove/Replace (2027+)	\$6,523.87
Grounds: Main Sewer Lines	\$1,304.77
Grounds: Main Water Distribution & Irrigation	\$6,523.87
Main Pool Area: Deck Recoat	\$2,772.64
Streets: Asphalt Repairs	\$26,415.13
West Pool Area: Deck Recoat	\$1,924.54

<b>Sub Total</b>	<b>\$55,903.01</b>
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#### 2033 Fiscal Year

Grounds: Main Sewer Lines	\$1,343.92
Grounds: Main Water Distribution & Irrigation	\$6,719.58
Guardhouse: Fabric Awnings (Recover)	\$8,063.50
Roofs: Flat, Foam, Repair & Recoat (Clubhouse)	\$4,737.31
West Pool: Resurface & Retile	\$16,798.95

<b>Sub Total</b>	<b>\$37,663.26</b>
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#### 2034 Fiscal Year

Grounds: Main Sewer Lines	\$1,384.23
Grounds: Main Water Distribution & Irrigation	\$6,921.17
Paint: Buildings, Walls & Fencing	\$52,600.89

<b>Sub Total</b>	<b>\$60,906.29</b>
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#### 2035 Fiscal Year

Clubhouse: Health Club Equipment	\$4,277.28
Grounds: Main Sewer Lines	\$1,425.76
Grounds: Main Water Distribution & Irrigation	\$7,128.80



# Colonia Encantada

## Annual Expenditure Detail

### Sorted by Description

Streets: Asphalt Seal Coat	\$20,381.25
<b>Sub Total</b>	<b>\$33,213.10</b>
<b>2036 Fiscal Year</b>	
Clubhouse: HVAC (Ground)	\$13,951.07
Fencing & Gates: Wrought Iron (Dog Park)	\$3,377.63
Fencing & Gates: Wrought Iron (Entrance/Exit)	\$33,776.28
Grounds: Main Sewer Lines	\$1,468.53
Grounds: Main Water Distribution & Irrigation	\$7,342.67
Guardhouse: HVAC (Ductless Split)	\$4,405.60
Pools & Spas: Pumps & Motors	\$5,874.13
<b>Sub Total</b>	<b>\$70,195.91</b>
<b>2037 Fiscal Year</b>	
Grounds: Large Tree Remove/Replace (2027+)	\$7,562.95
Grounds: Main Sewer Lines	\$1,512.59
Grounds: Main Water Distribution & Irrigation	\$7,562.95
Main Pool Area: Deck Recoat	\$3,214.25
Security: Gate Operators (Entrance Gates)	\$21,176.26
West Pool Area: Deck Recoat	\$2,231.07
<b>Sub Total</b>	<b>\$43,260.07</b>
<b>2038 Fiscal Year</b>	
Clubhouse: Health Club Equipment	\$4,673.90
Grounds: Main Sewer Lines	\$1,557.97
Grounds: Main Water Distribution & Irrigation	\$7,789.84
Roofs: Flat, Foam, Repair & Recoat (Clubhouse)	\$5,491.84
Security: Gate Operators (Exit Gates)	\$21,811.54
<b>Sub Total</b>	<b>\$41,325.09</b>
<b>2039 Fiscal Year</b>	
Grounds: Main Sewer Lines	\$1,604.71
Grounds: Main Water Distribution & Irrigation	\$8,023.53
Main Pool: Heater	\$6,418.83
Main Spa: Heater	\$4,011.77
Streets: Asphalt Seal Coat	\$22,939.28
<b>Sub Total</b>	<b>\$42,998.11</b>
<b>2040 Fiscal Year</b>	
Gate: Wrought Iron (West Pool Entrance)	\$1,570.21

# Colonia Encantada

## Annual Expenditure Detail

### Sorted by Description

Grounds: Main Sewer Lines	\$1,652.85
Grounds: Main Water Distribution & Irrigation	\$8,264.24
Main Pool Area: Furniture	\$52,891.12
West Pool Area: Furniture	\$10,743.51
<b>Sub Total</b>	<b>\$75,121.92</b>
<b>2041 Fiscal Year</b>	
Clubhouse: Health Club Equipment	\$5,107.30
Clubhouse: Treadmill	\$5,107.30
Grounds: Main Sewer Lines	\$1,702.43
Grounds: Main Water Distribution & Irrigation	\$8,512.17
Main Spa: Filter	\$1,872.68
Paint: Buildings, Walls & Fencing	\$64,692.46
Pools & Spas: Pumps & Motors	\$6,809.73
<b>Sub Total</b>	<b>\$93,804.06</b>
<b>2042 Fiscal Year</b>	
Grounds: Concrete Repairs/Replacements	\$8,767.53
Grounds: Large Tree Remove/Replace (2027+)	\$8,767.53
Grounds: Main Sewer Lines	\$1,753.51
Grounds: Main Water Distribution & Irrigation	\$8,767.53
Main Pool Area: Deck Recoat	\$3,726.20
West Pool Area: Deck Recoat	\$2,586.42
<b>Sub Total</b>	<b>\$34,368.72</b>
<b>2043 Fiscal Year</b>	
Gate: Wrought Iron (Main Pool Equipment Area)	\$1,309.43
Gate: Wrought Iron (West Pool Equipment Area)	\$1,309.43
Grounds: Main Sewer Lines	\$1,806.11
Grounds: Main Water Distribution & Irrigation	\$9,030.56
Grounds: Water Fountain, Entrance (Retile)	\$21,673.33
Guardhouse: Fabric Awnings (Recover)	\$10,836.67
Main Pool Area: Drinking Fountain	\$1,986.72
Roof: Flat, Built-Up (Pool Ramada)	\$8,091.38
Roofs: Flat, Foam, Repair & Recoat (Clubhouse)	\$6,366.54
Streets: Asphalt Seal Coat	\$25,818.36
<b>Sub Total</b>	<b>\$88,228.53</b>
<b>2044 Fiscal Year</b>	
Clubhouse: Health Club Equipment	\$5,580.88

**Colonia Encantada**  
**Annual Expenditure Detail**  
**Sorted by Description**

Grounds: Main Sewer Lines	\$1,860.29
Grounds: Main Water Distribution & Irrigation	\$9,301.47
<b>Sub Total</b>	<b>\$16,742.65</b>
<b>2045 Fiscal Year</b>	
Clubhouse/Guardhouse: Remodel	\$268,254.48
Grounds: Main Sewer Lines	\$1,916.10
Grounds: Main Water Distribution & Irrigation	\$9,580.52
Main Pool: Filter	\$3,448.99
West Pool: Filter	\$3,065.77
<b>Sub Total</b>	<b>\$286,265.85</b>
<b>2046 Fiscal Year</b>	
Grounds: Main Sewer Lines	\$1,973.59
Grounds: Main Water Distribution & Irrigation	\$9,867.93
Pools & Spas: Pumps & Motors	\$7,894.35
Tennis Courts: Resurface	\$256,566.25
<b>Sub Total</b>	<b>\$276,302.11</b>
<b>2047 Fiscal Year</b>	
Clubhouse: Health Club Equipment	\$6,098.38
Grounds: Large Tree Remove/Replace (2027+)	\$10,163.97
Grounds: Main Sewer Lines	\$2,032.79
Grounds: Main Water Distribution & Irrigation	\$10,163.97
Main Pool Area: Deck Recoat	\$4,319.69
Main Pool Area: Deck Resurface	\$29,531.42
Main Pool: Heater	\$8,131.18
Main Spa: Heater	\$5,081.99
Streets: Asphalt Repairs	\$41,153.92
Streets: Asphalt Seal Coat	\$29,058.79
West Pool Area: Deck Recoat	\$2,998.37
West Pool Area: Deck Resurface	\$20,876.80
<b>Sub Total</b>	<b>\$169,611.26</b>
<b>2048 Fiscal Year</b>	
Grounds: Main Sewer Lines	\$2,093.78
Grounds: Main Water Distribution & Irrigation	\$10,468.89
Paint: Buildings, Walls & Fencing	\$79,563.56
Roofs: Flat, Foam, Repair & Recoat (Clubhouse)	\$7,380.57

# Colonia Encantada

## Annual Expenditure Detail

### Sorted by Description

<b>Sub Total</b>	<b>\$99,506.80</b>
<b>2049 Fiscal Year</b>	
Grounds: Main Sewer Lines	\$2,156.59
Grounds: Main Water Distribution & Irrigation	\$10,782.96
<b>Sub Total</b>	<b>\$12,939.55</b>
<b>2050 Fiscal Year</b>	
Clubhouse: Health Club Equipment	\$6,663.87
Clubhouse: HVAC (Roof)	\$19,991.60
Grounds: Main Sewer Lines	\$2,221.29
Grounds: Main Water Distribution & Irrigation	\$11,106.45
Main Pool Area: Furniture	\$71,081.25
Main Pool: Resurface & Retile	\$37,761.91
Main Spa: Resurface (Pebble) & Retile	\$13,883.06
West Pool Area: Furniture	\$14,438.38
<b>Sub Total</b>	<b>\$177,147.80</b>
<b>2051 Fiscal Year</b>	
Clubhouse: Treadmill	\$6,863.78
Grounds: Main Sewer Lines	\$2,287.93
Grounds: Main Water Distribution & Irrigation	\$11,439.64
Grounds: Monument Signs (Numbers & Letters)	\$12,583.60
Pools & Spas: Pumps & Motors	\$9,151.71
Streets: Asphalt Remove & Replace	\$810,584.18
Streets: Asphalt Seal Coat	\$32,705.93
Tennis Courts: Light Fixtures	\$34,318.92
<b>Sub Total</b>	<b>\$919,935.68</b>
<b>2052 Fiscal Year</b>	
Grounds: Concrete Repairs/Replacements	\$11,782.83
Grounds: Large Tree Remove/Replace (2027+)	\$11,782.83
Grounds: Main Sewer Lines	\$2,356.57
Grounds: Main Water Distribution & Irrigation	\$11,782.83
Main Pool Area: Deck Recoat	\$5,007.70
Security: Gate Operators (Entrance Gates)	\$32,991.92
West Pool Area: Deck Recoat	\$3,475.93
<b>Sub Total</b>	<b>\$79,180.60</b>

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Streets: Asphalt Remove & Replace

Category	010 Streets	Quantity	101,225 sq. ft.
		Unit Cost	\$3.500
		% of Replacement	100.00%
		Current Cost	\$354,287.50
Placed In Service	01/17	Future Cost	\$810,584.18
Useful Life	34		
		Assigned Reserves at FYB	\$0.00
Remaining Life	28	Monthly Member Contribution	\$149.32
Replacement Year	2051	Monthly Interest Contribution	\$0.87
		Total Monthly Contribution	\$150.19

#### Comments:

The community asphalt was removed & replaced in 2017 at a cost of \$240,000.

### Streets: Asphalt Repairs

Category	010 Streets	Quantity	101,225 sq. ft.
		Unit Cost	\$5.000
		% of Replacement	4.00%
		Current Cost	\$20,245.00
Placed In Service	01/17	Future Cost	\$26,415.13
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	9	Monthly Member Contribution	\$97.86
Replacement Year	2032	Monthly Interest Contribution	\$0.57
		Total Monthly Contribution	\$98.43

#### Comments:

It is estimated that a percentage of the asphalt areas will require repair or replacement. The actual condition of the asphalt should be monitored through time and the estimate adjusted accordingly. The accumulated funds should be used for repairs on an "as needed" basis.

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Streets: Asphalt Seal Coat

Category	010 Streets	Quantity	1 total
		Unit Cost	\$14,295.000
		% of Replacement	100.00%
		Current Cost	\$14,295.00
Placed In Service	01/23	Future Cost	\$16,089.15
Useful Life	4		
		Assigned Reserves at FYB	\$0.00
Remaining Life	4	Monthly Member Contribution	\$203.99
Replacement Year	2027	Monthly Interest Contribution	\$1.18
		Total Monthly Contribution	\$205.17

#### Comments:

The asphalt will be crack sealed & seal coated by Roadrunner Paving before the end of 2022 at a cost of \$14,295. This component budgets to crack seal & seal coat on a continuous four (4) year cycle.

It should be noted that the repair/seal coat and rehabilitation components are budgeted to occur in the same budget year. It is recommended that the asphalt be seal coated within 6 months of rehabilitation. Therefore, this component appears in the same year as the rehabilitation project. If the Association chooses not to seal coat within 6 months of rehabilitation, the accumulated funds can be used for any additional expenses associated with the rehabilitation, or remain in the reserve account to be reallocated to other future projects.

#### Roof: Flat, Built-Up (Pool Ramada)

Category	020 Roofing	Quantity	640 sq. ft.
		Unit Cost	\$7.000
		% of Replacement	100.00%
		Current Cost	\$4,480.00
Placed In Service	01/02	Future Cost	\$8,091.38
Useful Life	20		
		Assigned Reserves at FYB	\$4,480.00
Remaining Life	0	Monthly Member Contribution	\$4.80
Replacement Year	2023	Monthly Interest Contribution	\$0.03
		Total Monthly Contribution	\$4.83

#### Comments:

This component budgets to replace the flat, built-up roof atop the main pool area ramada.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Roofs: Flat, Foam, Repair & Recoat (Clubhouse)

Category	020 Roofing	Quantity	2,350 sq. ft.
		Unit Cost	\$1.500
		% of Replacement	100.00%
		Current Cost	\$3,525.00
Placed In Service	01/18	Future Cost	\$4,086.44
Useful Life	5		
		Assigned Reserves at FYB	\$3,525.00
Remaining Life	0	Monthly Member Contribution	\$38.22
Replacement Year	2023	Monthly Interest Contribution	\$0.23
		Total Monthly Contribution	\$38.44

#### Comments:

We have estimated that the foam roof sections atop the clubhouse were recoated in approximately 2018 (no information was provided by the client). This component includes a provision to repair & recoat these foam roofs on a continuous five year cycle.

NOTE: No provision has been included to replace the foam roofs. If maintained & recoated as recommended, the foam roofs should last indefinitely.

### Roofs: Tile (Clubhouse, GH, Tower & Ramada)

Category	020 Roofing	Quantity	1,925 sq. ft.
		Unit Cost	\$8.500
		% of Replacement	100.00%
		Current Cost	\$16,362.50
Placed In Service	01/79	Future Cost	\$16,853.38
Useful Life	30		
Adjustment	+15	Assigned Reserves at FYB	\$15,998.89
Remaining Life	1	Monthly Member Contribution	\$44.51
Replacement Year	2024	Monthly Interest Contribution	\$13.37
		Total Monthly Contribution	\$57.88

#### Comments:

There is approximately 1,925 sq. ft. of tile roofing atop the clubhouse tower, guardhouse & west pool ramada. As requested by the client, this component budgets \$30,000 to replace these tile roof systems (mortar set tiles & underlayment) in 2024, and then on a 30 year cycle. The \$30,000 cost includes a provision for wood/structural repairs on an "as needed" basis in conjunction with the roof replacement project.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Paint: Buildings, Walls & Fencing

Category	030 Painting	Quantity	1 total
		Unit Cost	\$38,000.000
		% of Replacement	100.00%
		Current Cost	\$38,000.00
Placed In Service	01/20	Future Cost	\$42,769.33
Useful Life	7		
		Assigned Reserves at FYB	\$16,285.71
Remaining Life	4	Monthly Member Contribution	\$327.35
Replacement Year	2027	Monthly Interest Contribution	\$15.25
		Total Monthly Contribution	\$342.60

#### Comments:

The common area components were repaired & repainted before the end of 2019 at a cost of \$32,700. As requested by the client, this component budgets to repair & repaint the following components every seven (7) years:

- common area site walls & wrought iron throughout
- clubhouse, tower, ramada & walls at the main pool area
- ramada & walls at the west pool area
- guardhouse exteriors

NOTE: \$4,200 was spent in 2022 to repair/repaint the frontage wall & monument sign wall/letters. These walls will be repainted with the rest of the components in 2027.



# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Fencing & Gates: Wrought Iron (Dog Park)

Category	040 Fencing/Gates	Quantity	1 total
		Unit Cost	\$2,300.000
		% of Replacement	100.00%
		Current Cost	\$2,300.00
Placed In Service	01/11	Future Cost	\$3,377.63
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	13	Monthly Member Contribution	\$6.05
Replacement Year	2036	Monthly Interest Contribution	\$0.04
		Total Monthly Contribution	\$6.09

#### Comments:

This component includes a provision to replace the following wrought iron components at the dog park:

- 12 - LF of 5'3" fencing
- 2 - 5'3" x 2'9" pedestrian gates
- 1 - 5'3" x 3'9" pedestrian gate

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Fencing & Gates: Wrought Iron (Entrance/Exit)

Category	040 Fencing/Gates	Quantity	1 total
		Unit Cost	\$23,000.000
		% of Replacement	100.00%
		Current Cost	\$23,000.00
		Future Cost	\$33,776.28
Placed In Service	01/11		
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	13	Monthly Member Contribution	\$60.49
Replacement Year	2036	Monthly Interest Contribution	\$0.35
		Total Monthly Contribution	\$60.84

#### Comments:

This component includes a provision to replace the following wrought iron components at the community entrance/exit area:

- 140 - LF of 4'10" fencing
- 1 - 4'9" x 3'7" pedestrian gate
- 1 - 4'10" x 3'4" pedestrian gate (tower)
- 1 - 5'10" x 3'7" pedestrian gate
- 2 - 7'8" x 10'9" vehicle gates
- 2 - 7'8" x 11'10" vehicle gates

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Fencing & Gates: Wrought Iron (Main Pool)

Category	040 Fencing/Gates	Quantity	1 total
		Unit Cost	\$3,500.000
		% of Replacement	100.00%
		Current Cost	\$3,500.00
Placed In Service	01/79	Future Cost	\$4,179.18
Useful Life	30		
Adjustment	+20	Assigned Reserves at FYB	\$3,080.00
Remaining Life	6	Monthly Member Contribution	\$6.52
Replacement Year	2029	Monthly Interest Contribution	\$2.57
		Total Monthly Contribution	\$9.09

#### Comments:

This component includes a provision to replace the following wrought iron components at the main pool area:

- 19 - LF of 4'8" fencing
- 1 - 4'8" x 2'9" pedestrian gate
- 1 - 4'10" x 3'1" pedestrian gate
- 1 - 5'4" x 3'5" pedestrian gate

The useful life has been extended due to its present condition.

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Fencing: Wrought Iron (Perimeters)

Category	040 Fencing/Gates	Quantity	1 total
		Unit Cost	\$26,500.000
		% of Replacement	100.00%
		Current Cost	\$26,500.00
Placed In Service	01/79	Future Cost	\$31,642.39
Useful Life	30		
Adjustment	+20	Assigned Reserves at FYB	\$23,320.00
Remaining Life	6	Monthly Member Contribution	\$49.38
Replacement Year	2029	Monthly Interest Contribution	\$19.41
		Total Monthly Contribution	\$68.78

#### Comments:

This component includes a provision to replace the following wrought iron fence panels within the perimeter walls along McCormick Parkway, as well as the east perimeter fencing facing the golf course (accumulated funds should be used on an "as needed" basis):

810 - LF of 3'6" fencing

The useful life has been extended due to its present condition.

#### Gate: Wrought Iron (Main Pool Equipment Area)

Category	040 Fencing/Gates	Quantity	1 gate
		Unit Cost	\$725.000
		% of Replacement	100.00%
		Current Cost	\$725.00
Placed In Service	05/13	Future Cost	\$1,309.43
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	20	Monthly Member Contribution	\$0.78
Replacement Year	2043	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.78

#### Comments:

The wrought iron pool equipment enclosure gate (5'6" x 3') was replaced in May 2013 at a cost of \$500.

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Gate: Wrought Iron (West Pool Entrance)

Category	040 Fencing/Gates	Quantity	1 gate
		Unit Cost	\$950.000
		% of Replacement	100.00%
		Current Cost	\$950.00
Placed In Service	01/10	Future Cost	\$1,570.21
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	17	Monthly Member Contribution	\$1.47
Replacement Year	2040	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$1.48

#### Comments:

We have estimated that the west pool entrance gate (5'10" x 3'8") was last replaced in 2010.

#### Gate: Wrought Iron (West Pool Equipment Area)

Category	040 Fencing/Gates	Quantity	1 gate
		Unit Cost	\$725.000
		% of Replacement	100.00%
		Current Cost	\$725.00
Placed In Service	05/13	Future Cost	\$1,309.43
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	20	Monthly Member Contribution	\$0.78
Replacement Year	2043	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.78

#### Comments:

The wrought iron pool equipment enclosure gate (5'3" x 3') was replaced in May 2013 at a cost of \$500.

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Gates: Wrought Iron (Emergency)

Category	040 Fencing/Gates	Quantity	2 gates
		Unit Cost	\$2,300.000
		% of Replacement	100.00%
		Current Cost	\$4,600.00
Placed In Service	01/00	Future Cost	\$5,657.42
Useful Life	30		
		Assigned Reserves at FYB	\$3,526.67
Remaining Life	7	Monthly Member Contribution	\$10.61
Replacement Year	2030	Monthly Interest Contribution	\$2.96
		Total Monthly Contribution	\$13.56

#### Comments:

Based on the current appearance/condition of the emergency vehicle gates (2 - 5'8" x 9'4" gates) we have used 2000 as the basis for aging them.

Location: between the west pool area & Lot 61

#### Main Pool Area: Deck Recoat

Category	060 Main Pool & Spa	Quantity	1 total
		Unit Cost	\$2,125.000
		% of Replacement	100.00%
		Current Cost	\$2,125.00
Placed In Service	07/22	Future Cost	\$2,391.71
Useful Life	5		
		Assigned Reserves at FYB	\$236.11
Remaining Life	4	Monthly Member Contribution	\$27.21
Replacement Year	2027	Monthly Interest Contribution	\$0.35
		Total Monthly Contribution	\$27.56

#### Comments:

Approximately \$2,125 was spent in mid-2022 to power wash, repair & recoat (repaint) this pool deck in mid-2022. This component budgets for similar work every five years.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Main Pool Area: Deck Resurface

Category	060 Main Pool & Spa	Quantity	2,235 sq. ft.
		Unit Cost	\$6.500
		% of Replacement	100.00%
		Current Cost	\$14,527.50
Placed In Service	01/08	Future Cost	\$16,350.83
Useful Life	20		
Adjustment	-1	Assigned Reserves at FYB	\$11,469.08
Remaining Life	4	Monthly Member Contribution	\$55.96
Replacement Year	2027	Monthly Interest Contribution	\$9.72
		Total Monthly Contribution	\$65.68

#### Comments:

This component budgets to scarify & resurface the acrylic pool deck surface in 2027, and then on a 20 year cycle. The coating/coloring of the deck following the resurfacing is accounted for in the "Main Pool Area: Deck Recoat" component.

### Main Pool Area: Drinking Fountain

Category	060 Main Pool & Spa	Quantity	1 drinking fountain
		Unit Cost	\$1,100.000
		% of Replacement	100.00%
		Current Cost	\$1,100.00
Placed In Service	01/13	Future Cost	\$1,275.20
Useful Life	15		
		Assigned Reserves at FYB	\$733.33
Remaining Life	5	Monthly Member Contribution	\$4.72
Replacement Year	2028	Monthly Interest Contribution	\$0.63
		Total Monthly Contribution	\$5.34

#### Comments:

This is an Elkay, floor mounted, chilled drinking fountain at the pool ramada.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Main Pool Area: Furniture

Category	060 Main Pool & Spa	Quantity	1 total
		Unit Cost	\$32,000.000
		% of Replacement	100.00%
		Current Cost	\$32,000.00
Placed In Service	01/20	Future Cost	\$39,355.96
Useful Life	10		
		Assigned Reserves at FYB	\$9,600.00
Remaining Life	7	Monthly Member Contribution	\$164.36
Replacement Year	2030	Monthly Interest Contribution	\$8.82
		Total Monthly Contribution	\$173.18

#### Comments:

\$29,000 was spent in 2020 to replace the pool furniture (no details on what was purchased was provided by the client). This component will accumulate a similar amount on a 10 year cycle for the refurbishment/replacement of the pool furniture on an "as needed" basis.

### Main Pool: Filter

Category	060 Main Pool & Spa	Quantity	1 filter
		Unit Cost	\$1,800.000
		% of Replacement	100.00%
		Current Cost	\$1,800.00
Placed In Service	01/09	Future Cost	\$2,025.92
Useful Life	18		
		Assigned Reserves at FYB	\$1,400.00
Remaining Life	4	Monthly Member Contribution	\$7.21
Replacement Year	2027	Monthly Interest Contribution	\$1.18
		Total Monthly Contribution	\$8.40

#### Comments:

This is a Triton II, 4.91 sq. ft. sand filter.



# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Main Pool: Heater

Category	060 Main Pool & Spa	Quantity	1 heater
		Unit Cost	\$4,000.000
		% of Replacement	100.00%
		Current Cost	\$4,000.00
Placed In Service	01/10	Future Cost	\$5,067.08
Useful Life	8		
		Assigned Reserves at FYB	\$4,000.00
Remaining Life	0	Monthly Member Contribution	\$23.03
Replacement Year	2023	Monthly Interest Contribution	\$0.14
		Total Monthly Contribution	\$23.16

#### Comments:

This is a Raypak, 399,000 BTU input heater.

#### Main Pool: Resurface & Retile

Category	060 Main Pool & Spa	Quantity	1 total
		Unit Cost	\$17,000.000
		% of Replacement	100.00%
		Current Cost	\$17,000.00
Placed In Service	01/00	Future Cost	\$18,035.30
Useful Life	25		
		Assigned Reserves at FYB	\$15,640.00
Remaining Life	2	Monthly Member Contribution	\$61.76
Replacement Year	2025	Monthly Interest Contribution	\$13.18
		Total Monthly Contribution	\$74.94

#### Comments:

This component budgets to resurface (pebble) & retile the pool:

- 1,525 - sq. ft. (internal area) of pebble resurfacing
- 121 - LF of trim tile
- 24 - LF of bench tile

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Main Spa: Filter

Category	060 Main Pool & Spa	Quantity	1 filter
		Unit Cost	\$1,100.000
		% of Replacement	100.00%
		Current Cost	\$1,100.00
Placed In Service	01/03	Future Cost	\$1,872.68
Useful Life	18		
		Assigned Reserves at FYB	\$1,100.00
Remaining Life	0	Monthly Member Contribution	\$1.50
Replacement Year	2023	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$1.51

#### Comments:

This is a Triton II, 1.92 sq. ft. sand filter.

#### Main Spa: Heater

Category	060 Main Pool & Spa	Quantity	1 heater
		Unit Cost	\$2,500.000
		% of Replacement	100.00%
		Current Cost	\$2,500.00
Placed In Service	02/13	Future Cost	\$3,166.93
Useful Life	8		
		Assigned Reserves at FYB	\$2,500.00
Remaining Life	0	Monthly Member Contribution	\$14.39
Replacement Year	2023	Monthly Interest Contribution	\$0.09
		Total Monthly Contribution	\$14.48

#### Comments:

This Raypak, 192,000 BTU input heater, was installed in February 2013 at a cost of \$1,595.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Main Spa: Resurface (Pebble) & Retile

Category	060 Main Pool & Spa	Quantity	1 total
		Unit Cost	\$6,250.000
		% of Replacement	100.00%
		Current Cost	\$6,250.00
Placed In Service	01/00	Future Cost	\$6,630.63
Useful Life	25		
		Assigned Reserves at FYB	\$5,750.00
Remaining Life	2	Monthly Member Contribution	\$22.71
Replacement Year	2025	Monthly Interest Contribution	\$4.85
		Total Monthly Contribution	\$27.55

#### Comments:

This component budgets to resurface (pebble) & retile the spa:

- 1 - spa resurfacing (pebble)
- 32 - LF of trim tile
- 32 - LF of bench tile

### West Pool Area: Deck Recoat

Category	061 West Pool	Quantity	1 total
		Unit Cost	\$1,475.000
		% of Replacement	100.00%
		Current Cost	\$1,475.00
Placed In Service	07/22	Future Cost	\$1,660.13
Useful Life	5		
		Assigned Reserves at FYB	\$163.89
Remaining Life	4	Monthly Member Contribution	\$18.89
Replacement Year	2027	Monthly Interest Contribution	\$0.24
		Total Monthly Contribution	\$19.13

#### Comments:

Approximately \$1,475 was spent in mid-2022 to power wash, repair & recoat (repaint) this pool deck in mid-2022. This component budgets for similar work every five years.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### West Pool Area: Deck Resurface

Category	061 West Pool	Quantity	1,580 sq. ft.
		Unit Cost	\$6.500
		% of Replacement	100.00%
		Current Cost	\$10,270.00
Placed In Service	01/08	Future Cost	\$11,558.98
Useful Life	20		
Adjustment	-1	Assigned Reserves at FYB	\$8,107.89
Remaining Life	4	Monthly Member Contribution	\$39.56
Replacement Year	2027	Monthly Interest Contribution	\$6.87
		Total Monthly Contribution	\$46.43

#### Comments:

This component budgets to scarify & resurface the acrylic pool deck surface in 2027, and then on a 20 year cycle.. The coating/coloring of the deck following the resurfacing is accounted for in the "West Pool Area: Deck Recoat" component.

### West Pool Area: Furniture

Category	061 West Pool	Quantity	1 total
		Unit Cost	\$6,500.000
		% of Replacement	100.00%
		Current Cost	\$6,500.00
Placed In Service	01/20	Future Cost	\$7,994.18
Useful Life	10		
		Assigned Reserves at FYB	\$1,950.00
Remaining Life	7	Monthly Member Contribution	\$33.39
Replacement Year	2030	Monthly Interest Contribution	\$1.79
		Total Monthly Contribution	\$35.18

#### Comments:

\$6,000 was spent in 2020 to replace the pool furniture (no details on what was purchased was provided by the client). This component will accumulate a similar amount on a 10 year cycle for the refurbishment/replacement of the pool furniture on an "as needed" basis.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### West Pool: Filter

Category	061 West Pool	Quantity	1 filter
		Unit Cost	\$1,600.000
		% of Replacement	100.00%
		Current Cost	\$1,600.00
Placed In Service	01/09	Future Cost	\$1,800.81
Useful Life	18		
		Assigned Reserves at FYB	\$1,244.44
Remaining Life	4	Monthly Member Contribution	\$6.41
Replacement Year	2027	Monthly Interest Contribution	\$1.06
		Total Monthly Contribution	\$7.47

#### Comments:

This is a Triton II, 3.14 sq. ft. sand filter.

### West Pool: Resurface & Retile

Category	061 West Pool	Quantity	1 total
		Unit Cost	\$12,500.000
		% of Replacement	100.00%
		Current Cost	\$12,500.00
Placed In Service	01/08	Future Cost	\$16,798.95
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	10	Monthly Member Contribution	\$51.30
Replacement Year	2033	Monthly Interest Contribution	\$0.29
		Total Monthly Contribution	\$51.59

#### Comments:

This component budgets to resurface (pebble) & retile the pool:

- 1,100 - sq. ft. (internal area) of pebble resurfacing
- 116 - LF of trim tile
- 30 - LF of bench tile

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Pools & Spas: Pumps & Motors

Category	062 Pools	Quantity	1 total
		Unit Cost	\$4,000.000
		% of Replacement	100.00%
		Current Cost	\$4,000.00
Placed In Service	03/21	Future Cost	\$4,370.91
Useful Life	5		
		Assigned Reserves at FYB	\$1,517.24
Remaining Life	3	Monthly Member Contribution	\$51.40
Replacement Year	2026	Monthly Interest Contribution	\$1.55
		Total Monthly Contribution	\$52.95

#### Comments:

A new pump/motor was installed at the west pool area in 2021 at a cost of \$2,139. Going forward, this component will accumulate funds on a five year cycle for the replacement of the pool & spa pumps and motors at both pool areas on an "as needed" basis.

#### Tennis Courts: Light Fixtures

Category	065 Tennis Courts	Quantity	12 light fixtures
		Unit Cost	\$1,250.000
		% of Replacement	100.00%
		Current Cost	\$15,000.00
Placed In Service	01/01	Future Cost	\$16,390.91
Useful Life	25		
		Assigned Reserves at FYB	\$13,200.00
Remaining Life	3	Monthly Member Contribution	\$51.06
Replacement Year	2026	Monthly Interest Contribution	\$11.11
		Total Monthly Contribution	\$62.18

#### Comments:

This component budgets to replace the pole mounted, box style light fixtures in conjunction with the resurfacing of the tennis courts in 2026.

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Tennis Courts: Resurface

Category	065 Tennis Courts	Quantity	2 courts
		Unit Cost	\$65,000.000
		% of Replacement	100.00%
		Current Cost	\$130,000.00
Placed In Service	01/06	Future Cost	\$142,054.51
Useful Life	20		
		Assigned Reserves at FYB	\$110,500.00
Remaining Life	3	Monthly Member Contribution	\$516.13
Replacement Year	2026	Monthly Interest Contribution	\$93.57
		Total Monthly Contribution	\$609.70

#### Comments:

This component includes a provision every 20 years to remove & replace the synthetic green grass court surfaces. General Acrylics advised the client that the current replacement cost for these surfaces is \$65,000 per court.

#### Clubhouse/Guardhouse: Remodel

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	\$140,000.000
		% of Replacement	100.00%
		Current Cost	\$140,000.00
Placed In Service	01/15	Future Cost	\$268,254.48
Useful Life	30		
		Assigned Reserves at FYB	\$0.00
Remaining Life	22	Monthly Member Contribution	\$118.08
Replacement Year	2045	Monthly Interest Contribution	\$0.69
		Total Monthly Contribution	\$118.76

#### Comments:

An extensive clubhouse remodel project, including exterior wood repairs and/or replacements at various locations, was completed in late 2014 at a cost of approximately \$175,000. This component will accumulate funds on a 30 year cycle for clubhouse & guardhouse remodeling on an "as needed" basis. For budgeting purposes we have used a current cost basis of \$140,000 for this component.

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Clubhouse: Health Club Equipment

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	\$3,000.000
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	01/23	Future Cost	\$3,278.18
Useful Life	3		
		Assigned Reserves at FYB	\$0.00
Remaining Life	3	Monthly Member Contribution	\$60.02
Replacement Year	2026	Monthly Interest Contribution	\$0.35
		Total Monthly Contribution	\$60.37

#### Comments:

The client has advised us to budget \$3,000, every three years, next in 2026, for health club equipment improvements/replacements.

NOTE: This component excludes the treadmill that was replaced in late 2020.

#### Clubhouse: HVAC (Ground)

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	\$9,500.000
		% of Replacement	100.00%
		Current Cost	\$9,500.00
Placed In Service	02/16	Future Cost	\$13,951.07
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	13	Monthly Member Contribution	\$24.98
Replacement Year	2036	Monthly Interest Contribution	\$0.15
		Total Monthly Contribution	\$25.13

#### Comments:

\$6,916.16 was spent in February 2016 to replace the HVAC system with the following:

- 1 - Trane, 5 ton split system w/heat pump



# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Clubhouse: HVAC (Roof)

Category	080 Clubhouse	Quantity	1 total
		Unit Cost	\$9,000.000
		% of Replacement	100.00%
		Current Cost	\$9,000.00
Placed In Service	01/10	Future Cost	\$11,068.86
Useful Life	20		
		Assigned Reserves at FYB	\$5,850.00
Remaining Life	7	Monthly Member Contribution	\$27.12
Replacement Year	2030	Monthly Interest Contribution	\$4.95
		Total Monthly Contribution	\$32.07

#### Comments:

This is a Trane, 4 ton package unit w/heat pump (manufactured 9/2009).

Location: roof

#### Clubhouse: Treadmill

Category	080 Clubhouse	Quantity	1 treadmill
		Unit Cost	\$3,000.000
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	01/21	Future Cost	\$3,800.31
Useful Life	10		
		Assigned Reserves at FYB	\$600.00
Remaining Life	8	Monthly Member Contribution	\$14.32
Replacement Year	2031	Monthly Interest Contribution	\$0.58
		Total Monthly Contribution	\$14.89

#### Comments:

The treadmill was replaced in November 2020 at a cost of \$2,816. For budgeting purposes we have used January 2021 as the placed in service date for the treadmill.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Tower: Concractor Restroom (Remodel)

Category	082 Tower	Quantity	1 total
		Unit Cost	\$6,000.000
		% of Replacement	100.00%
		Current Cost	\$6,000.00
Placed In Service	01/79	Future Cost	\$14,563.57
Useful Life	30		
		Assigned Reserves at FYB	\$6,000.00
Remaining Life	0	Monthly Member Contribution	\$2.02
Replacement Year	2023	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$2.03

#### Comments:

As directed by the client, this component budgets \$6,000 to remodel the contractor bathroom at the tower in 2023, and then on a 30 year cycle.

### Guardhouse: Fabric Awnings (Recover)

Category	085 Guardhouse	Quantity	1 total
		Unit Cost	\$6,000.000
		% of Replacement	100.00%
		Current Cost	\$6,000.00
Placed In Service	03/14	Future Cost	\$8,063.50
Useful Life	10		
Adjustment	-1	Assigned Reserves at FYB	\$6,000.00
Remaining Life	0	Monthly Member Contribution	\$24.62
Replacement Year	2023	Monthly Interest Contribution	\$0.15
		Total Monthly Contribution	\$24.77

#### Comments:

\$965.44 was spent in March 2014 to replace the fabric portions of the awnings at the guardhouse. The client has advised us to budget to replace the fabric awnings in 2023 at a cost of \$6,000.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Guardhouse: HVAC (Ductless Split)

Category	085 Guardhouse	Quantity	1 total
		Unit Cost	\$3,000.000
		% of Replacement	100.00%
		Current Cost	\$3,000.00
		Future Cost	\$4,405.60
Placed In Service	07/16		
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	13	Monthly Member Contribution	\$7.89
Replacement Year	2036	Monthly Interest Contribution	\$0.05
		Total Monthly Contribution	\$7.94

#### Comments:

\$2,217 was spent in mid-2016 to replace the HVAC system at the guardhouse (Daikin, 1.5 ton ductless split system w/heat pump).

### Security: Gate Operators (Entrance Gates)

Category	090 Access/Security	Quantity	2 gate operators
		Unit Cost	\$7,000.000
		% of Replacement	100.00%
		Current Cost	\$14,000.00
		Future Cost	\$21,176.26
Placed In Service	01/22		
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$32.09
Replacement Year	2037	Monthly Interest Contribution	\$0.19
		Total Monthly Contribution	\$32.28

#### Comments:

These are HySecurity Swing Smart CSW swing gate operators for the entrance gates that were installed in January 2022. The replacement cost was provided by Signature Gate Systems & Welding, LLC.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Security: Gate Operators (Exit Gates)

Category	090 Access/Security	Quantity	2 gate operators
		Unit Cost	\$7,000.000
		% of Replacement	100.00%
		Current Cost	\$14,000.00
Placed In Service	01/07	Future Cost	\$21,811.54
Useful Life	15		
		Assigned Reserves at FYB	\$14,000.00
Remaining Life	0	Monthly Member Contribution	\$28.08
Replacement Year	2023	Monthly Interest Contribution	\$0.17
		Total Monthly Contribution	\$28.24

#### Comments:

These are Elite, model #CSW200ULDC3, swing gate operators for the exit gates. The replacement cost was provided by Signature Gate Systems & Welding, LLC.

### Grounds: Concrete Repairs/Replacements

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,000.000
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	01/22	Future Cost	\$6,523.87
Useful Life	10		
		Assigned Reserves at FYB	\$0.00
Remaining Life	9	Monthly Member Contribution	\$24.17
Replacement Year	2032	Monthly Interest Contribution	\$0.14
		Total Monthly Contribution	\$24.31

#### Comments:

As directed by the client, this component budgets \$5,000 every 10 years for concrete repairs/replacements.

NOTE: \$1,935 was spent in 2022 on concrete repairs/replacements.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

### Grounds: Granite Replenishment (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/79	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

We are not budgeting to replenish the common area granite landscape rock located throughout the community because the cost to do so is most often considered an operating expense. We recommend that a line item be set up in the annual operating budget to account for ongoing granite replenishment projects. Should the Association wish to have granite replenishment included in the reserve study, we will budget for it at the Board's request. However, in order to do so, the following information will need to be provided:

- \$ amount to be budgeted (or total square footage of granite landscaped areas)
- Year in which the next expenditure should be scheduled to occur
- Number of years between expenditures (useful life cycle)

### Grounds: Large Tree Remove/Replace (2023)

#### One Time Replacement

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,000.00
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	01/22	Future Cost	\$0.00
Useful Life	1		
		Assigned Reserves at FYB	\$5,000.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2023	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

As directed by the client, this is a one time expense of \$5,000 for common area large tree removal & replacement in 2023.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Large Tree Remove/Replace (2024)		One Time Replacement	
Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,000.000
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	01/23	Future Cost	\$5,150.00
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	1	Monthly Member Contribution	\$330.41
Replacement Year	2024	Monthly Interest Contribution	\$1.92
		Total Monthly Contribution	\$332.33

### Comments:

As directed by the client, this is a one time expense of \$5,000 for common area large tree removal & replacement in 2024.

Grounds: Large Tree Remove/Replace (2025)		One Time Replacement	
Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,000.000
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	01/24	Future Cost	\$5,304.50
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$157.55
Replacement Year	2025	Monthly Interest Contribution	\$0.92
		Total Monthly Contribution	\$158.47

### Comments:

As directed by the client, this is a one time expense of \$5,000 for common area large tree removal & replacement in 2025.

# Colonia Encantada

## Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Grounds: Large Tree Remove/Replace (2026)			One Time Replacement
Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,000.000
		% of Replacement	100.00%
		Current Cost	\$5,000.00
		Future Cost	\$5,463.64
Placed In Service	01/25		
Useful Life	1		
		Assigned Reserves at FYB	\$0.00
Remaining Life	3	Monthly Member Contribution	\$100.03
Replacement Year	2026	Monthly Interest Contribution	\$0.58
		Total Monthly Contribution	\$100.61

### Comments:

As directed by the client, this is a one time expense of \$5,000 for common area large tree removal & replacement in 2026.

Grounds: Large Tree Remove/Replace (2027+)			
Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,000.000
		% of Replacement	100.00%
		Current Cost	\$5,000.00
		Future Cost	\$5,627.54
Placed In Service	01/26		
Useful Life	5		
Adjustment	-4	Assigned Reserves at FYB	\$0.00
Remaining Life	4	Monthly Member Contribution	\$71.35
Replacement Year	2027	Monthly Interest Contribution	\$0.41
		Total Monthly Contribution	\$71.76

### Comments:

As directed by the client, this component budgets \$5,000 for common area large tree removal & replacement in 2027, and then on a five year cycle.

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Grounds: Main Sewer Lines

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$1,000.000
		% of Replacement	100.00%
		Current Cost	\$1,000.00
Placed In Service	01/22	Future Cost	\$1,030.00
Useful Life	1		
		Assigned Reserves at FYB	\$1,000.00
Remaining Life	0	Monthly Member Contribution	\$66.08
Replacement Year	2023	Monthly Interest Contribution	\$0.38
		Total Monthly Contribution	\$66.46

#### Comments:

At the time of the 2020 update, the Colonia Encantada BOD noticed that future upgrades & replacements may be needed on the "Main Sewer Lines". The BOD previously planned to conduct a study to determine reasonable replacement/upgrade costs so that they could be accounted for in the next reserve study update. However, no additional information has been provided for this update. Therefore, we have continued to budget as previously requested by the board: \$1,000 annually for Main Sewer Line repairs.



# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Grounds: Main Water Distribution & Irrigation

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,000.000
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	01/22	Future Cost	\$5,150.00
Useful Life	1		
		Assigned Reserves at FYB	\$5,000.00
Remaining Life	0	Monthly Member Contribution	\$330.41
Replacement Year	2023	Monthly Interest Contribution	\$1.92
		Total Monthly Contribution	\$332.33

#### Comments:

In 2020, the Colonia Encantada BOD noticed that future upgrades & replacements may be needed on the "Main Water Distribution & Irrigation System", above and beyond what is already budgeted for in this component. The BOD planned to conduct a study to determine reasonable replacement/upgrade costs for inclusion in the next reserve study update. In 2022, \$13,629 was spent on these components. Going forward, the client has advised us to continue budgeting \$5,000 annually for this component.

NOTE: If the community experienced a major breach in the system, additional funding may be required.

#### Grounds: Monument Signs (Numbers & Letters)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,500.000
		% of Replacement	100.00%
		Current Cost	\$5,500.00
Placed In Service	01/11	Future Cost	\$6,967.24
Useful Life	20		
		Assigned Reserves at FYB	\$1,657.74
Remaining Life	8	Monthly Member Contribution	\$23.50
Replacement Year	2031	Monthly Interest Contribution	\$1.50
		Total Monthly Contribution	\$25.00

#### Comments:

This component includes a provision to replace the metal numbers/letters making up the two monument signs that indicate "7500 COLONIA ENCANTADA".

# Colonia Encantada

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

#### Grounds: Next Phase of Landscape Plan (2023)

#### One Time Replacement

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$5,000.000
		% of Replacement	100.00%
		Current Cost	\$5,000.00
Placed In Service	01/22	Future Cost	\$0.00
Useful Life	1		
		Assigned Reserves at FYB	\$5,000.00
Remaining Life	0	Monthly Member Contribution	\$0.00
Replacement Year	2023	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

#### Comments:

\$2,646 was spent in 2022 on landscaping. As directed by the client, this is a one time expense of \$5,000 for the next phase of the landscape plan in 2023.

NOTE: This is being added as a place marker to ensure that the item is classified, in the event funds are needed in the near term. Client advised that there is no need for future dates or cycling.

#### Grounds: Water Fountain, Entrance (Retile)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$12,000.000
		% of Replacement	100.00%
		Current Cost	\$12,000.00
Placed In Service	01/02	Future Cost	\$21,673.33
Useful Life	20		
		Assigned Reserves at FYB	\$12,000.00
Remaining Life	0	Monthly Member Contribution	\$12.85
Replacement Year	2023	Monthly Interest Contribution	\$0.08
		Total Monthly Contribution	\$12.93

#### Comments:

The client has advised us to budget \$12,000 to retile the walls & floor of the front entry fountain in 2023.

# Colonia Encantada

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# Colonia Encantada

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Number of components included in this reserve analysis is 55.