RESERVE ANALYSIS REPORT

Peachtree Lane Improvement Association

Phoenix, Arizona

Version 002

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Peachtree Lane Improvement Association

Table Of Contents

Peachtree Lane Improvement Association

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:

♦ ♦ ♦ ♦ 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 a “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 association common areas and property values of 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 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 is 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 reserve analysis is 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 "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. Projections define the timetables for repairs and replacements, such as when buildings will be painted or when asphalt will be seal coated. 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 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 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. Component calculation method or directed cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding
Describes 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. Minimum cash flow calculation method or directed cash flow calculation method s typically used to develop a baseline funding plan.

Threshold Funding
Describes 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. Minimum cash flow calculation method or directed cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding
Describes goal/objective as described or required by local laws or codes. Component calculation method, minimum cash flow calculation method or directed cash flow calculation method may be used to develop a statutory funding plan, depending on the requirements.

♦ ♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS ♦ ♦ ♦ ♦

There are three funding methods which can be used to develop a reserve funding plan based on reserve funding goals/ objectives: Component Calculation Method, Minimum Cash Flow Calculation Method and Directed Cash Flow Calculation Method.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow calculation method funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user "directs" the funding plan as needed to achieve reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using the directed cash flow calculation method. Whereas component calculation method funding plans and minimum cash flow calculation method funding plans are typically used as reference information; usually considered the "floor" (minimum cash flow calculation method) and "ceiling" (component calculation method) of a reasonable reserve funding plan.

The three calculation methods are described as follows:

Component Calculation Method

Component 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" 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 fully funded reserves in time, and then enables the association to maintain fully funded reserves through time. The following is a detailed description of component calculation method:

Step 1: Calculation of fully funded balance for each component

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

Association's current reserve funds are assigned to (or distributed amongst) 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 reserve funds 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, components are organized in remaining life order, from least to greatest, and remaining current reserve funds are assigned to each component up to its current cost, until reserve funds 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, until reserve funds are exhausted. After pass 3, if additional reserve funds remain, there are excess reserves.

Distributing, or assigning, 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 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, the contribution increase parameter should match the inflation parameter. Matching the 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 a contribution increase parameter that is greater than the inflation parameter will reduce the burden to current members at the expense of future members. Using a contribution increase parameter that is less than the inflation parameter will increase the burden to the current members to the benefit of future members. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
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

One major benefit of using component calculation method is that for any single component (or group of components), 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 Summary and Charts as well as elsewhere within the report.

Minimum Cash Flow Calculation Method

Minimum cash flow 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 concerned with the ideal level of reserves or percent funded through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding). This calculation method will determine the minimum reserve contribution to ensure that the beginning reserve balance is sufficient to pay for the scheduled expenditures in each year. By definition, this calculation method will create a funding plan where, at some point over the projection period, the beginning reserve fund balance will equal the expenditures for that year. Under some conditions, based on reserve expenditure profile, this calculation method produces a funding plan that will take the association into an overfunded status through time; in these cases, directed cash flow calculation method can be used to optimize results.

Minimum cash flow calculation method is not without downsides… Unlike component calculation method, the minimum cash flow calculation method cannot precisely calculate 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 calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using minimum cash flow calculation method typical-

ly requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

Directed Cash Flow Calculation Method

Directed cash flow 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 and, if possible, determine the optimal funding plan to achieve 100% funding over the projection period.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user "directs" the funding plan as needed to achieve any reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using this calculation method.

Directed cash flow calculation method is not without downsides… Unlike component calculation method, the directed cash flow calculation method cannot precisely calculate 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 calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using directed cash flow calculation method typically requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

♦ ♦ ♦ ♦ 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 ("Component Detail"), 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 project, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

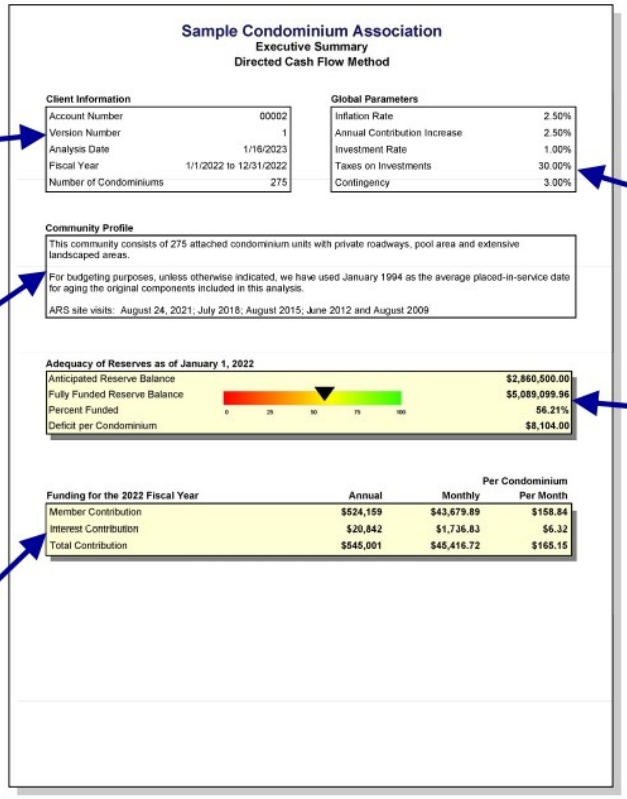
Client Information
Provides information including fiscal year for which reserve analysis is prepared, number of units, etc.

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

Community Profile
Provides brief description of community as well as other "global" comments.

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

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



Sample Condominium Association
Executive Summary
Directed Cash Flow Method

Client Information

Account Number	00002
Version Number	1
Analysis Date	1/16/2023
Fiscal Year	1/1/2022 to 12/31/2022
Number of Condominiums	275

Global Parameters

Inflation Rate	2.50%
Annual Contribution Increase	2.50%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile

This community consists of 275 attached condominium units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used January 1994 as the average placed-in-service date for aging the original components included in this analysis.

ARS site visits: August 24, 2021; July 2018; August 2015; June 2012 and August 2009

Adequacy of Reserves as of January 1, 2022

Anticipated Reserve Balance	$2,860,500.00
Fully Funded Reserve Balance	$5,089,099.96
Percent Funded	56.21%
Deficit per Condominium	$8,104.00

Funding for the 2022 Fiscal Year	Annual	Monthly	Per Condominium Per Month
Member Contribution	$524,159	$43,679.89	$158.84
Interest Contribution	$20,842	$1,736.83	$6.32
Total Contribution	$545,001	$45,416.72	$165.15

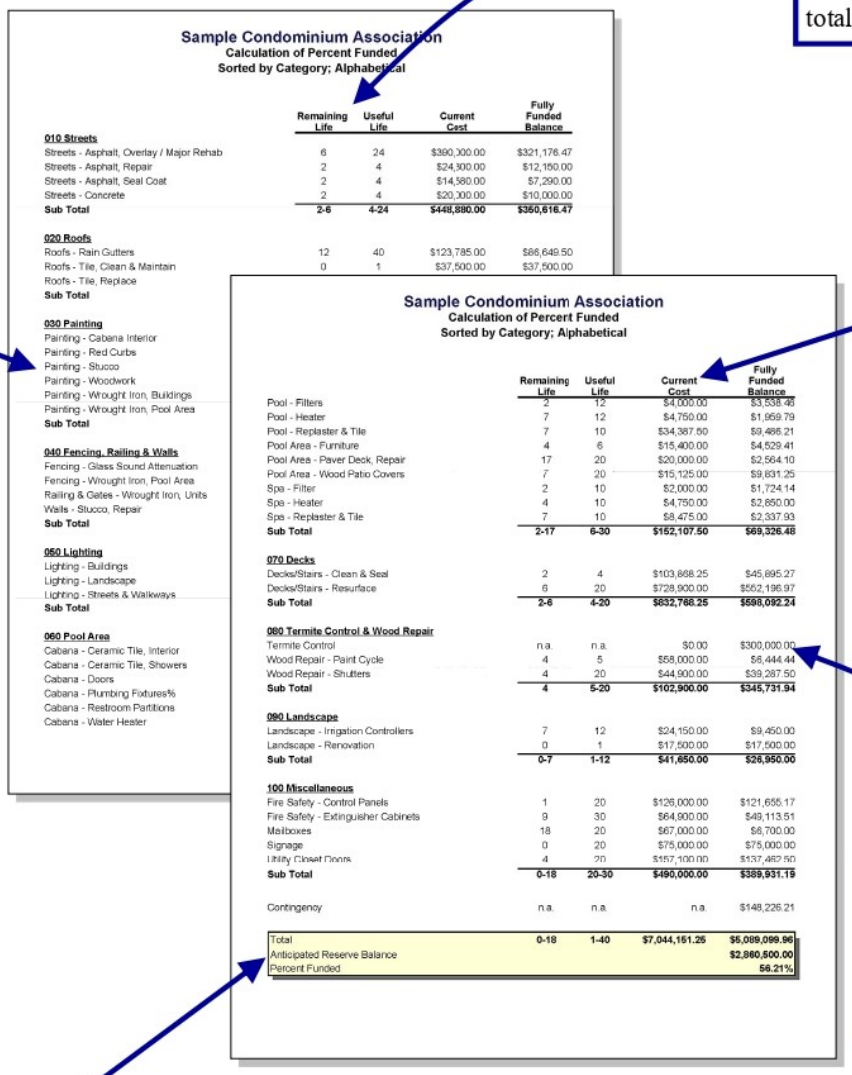
Preface

Calculation of Percent Funded

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

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

Reserve Components
All components are displayed (shown here in "category" order).



Sample Condominium Association
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	6	24	$390,000.00	$321,176.47
Streets - Asphalt, Repair	2	4	$24,300.00	$12,150.00
Streets - Asphalt, Seal Coat	2	4	$14,580.00	$7,290.00
Streets - Concrete	2	4	$20,000.00	$10,000.00
Sub Total	**2-6**	**4-24**	**$448,880.00**	**$350,616.47**
020 Roofs				
Roofs - Rain Gutters	12	40	$123,785.00	$86,649.50
Roofs - Tile, Clean & Maintain	0	1	$37,500.00	$37,500.00
Roofs - Tile, Replace				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation				
Fencing - Wrought Iron, Pool Area				
Railing & Gates - Wrought Iron, Units				
Walls - Stucco, Repair				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Landscape				
Lighting - Streets & Walkways				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile, Interior				
Cabana - Ceramic Tile, Showers				
Cabana - Doors				
Cabana - Plumbing Fixtures%				
Cabana - Restroom Partitions				
Cabana - Water Heater				

Sample Condominium Association
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool - Filters	2	12	$4,000.00	$3,538.46
Pool - Heater	7	12	$4,750.00	$1,959.79
Pool - Replaster & Tile	7	10	$34,387.50	$9,486.21
Pool Area - Furniture	4	6	$15,400.00	$4,529.41
Pool Area - Paver Deck, Repair	17	20	$20,000.00	$2,564.10
Pool Area - Wood Patio Covers	7	20	$15,125.00	$9,631.25
Spa - Filter	2	10	$2,000.00	$1,724.14
Spa - Heater	4	10	$4,750.00	$2,850.00
Spa - Replaster & Tile	7	10	$8,475.00	$2,337.93
Sub Total	**2-17**	**6-30**	**$152,107.50**	**$69,326.48**
070 Decks				
Decks/Stairs - Clean & Seal	2	4	$103,868.25	$45,895.27
Decks/Stairs - Resurface	6	20	$728,900.00	$552,196.97
Sub Total	**2-6**	**4-20**	**$832,768.25**	**$598,092.24**
080 Termite Control & Wood Repair				
Termite Control	n.a.	n.a.	$0.00	$300,000.00
Wood Repair - Paint Cycle	4	5	$58,000.00	$8,444.44
Wood Repair - Shutters	4	20	$44,900.00	$39,287.50
Sub Total	**4**	**5-20**	**$102,900.00**	**$345,731.94**
090 Landscape				
Landscape - Irrigation Controllers	7	12	$24,150.00	$9,450.00
Landscape - Renovation	0	1	$17,500.00	$17,500.00
Sub Total	**0-7**	**1-12**	**$41,650.00**	**$26,950.00**
100 Miscellaneous				
Fire Safety - Control Panels	1	20	$126,000.00	$121,655.17
Fire Safety - Extinguisher Cabinets	9	30	$64,900.00	$49,113.51
Mailboxes	18	20	$67,000.00	$8,700.00
Signage	0	20	$75,000.00	$75,000.00
Utility Closet Doors	4	20	$157,100.00	$137,462.50
Sub Total	**0-18**	**20-30**	**$490,000.00**	**$389,931.19**
Contingency	n.a.	n.a.	n.a.	$148,226.21
Total	0-18	1-40	$7,044,151.25	$5,089,099.96
Anticipated Reserve Balance				$2,860,500.00
Percent Funded				56.21%

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

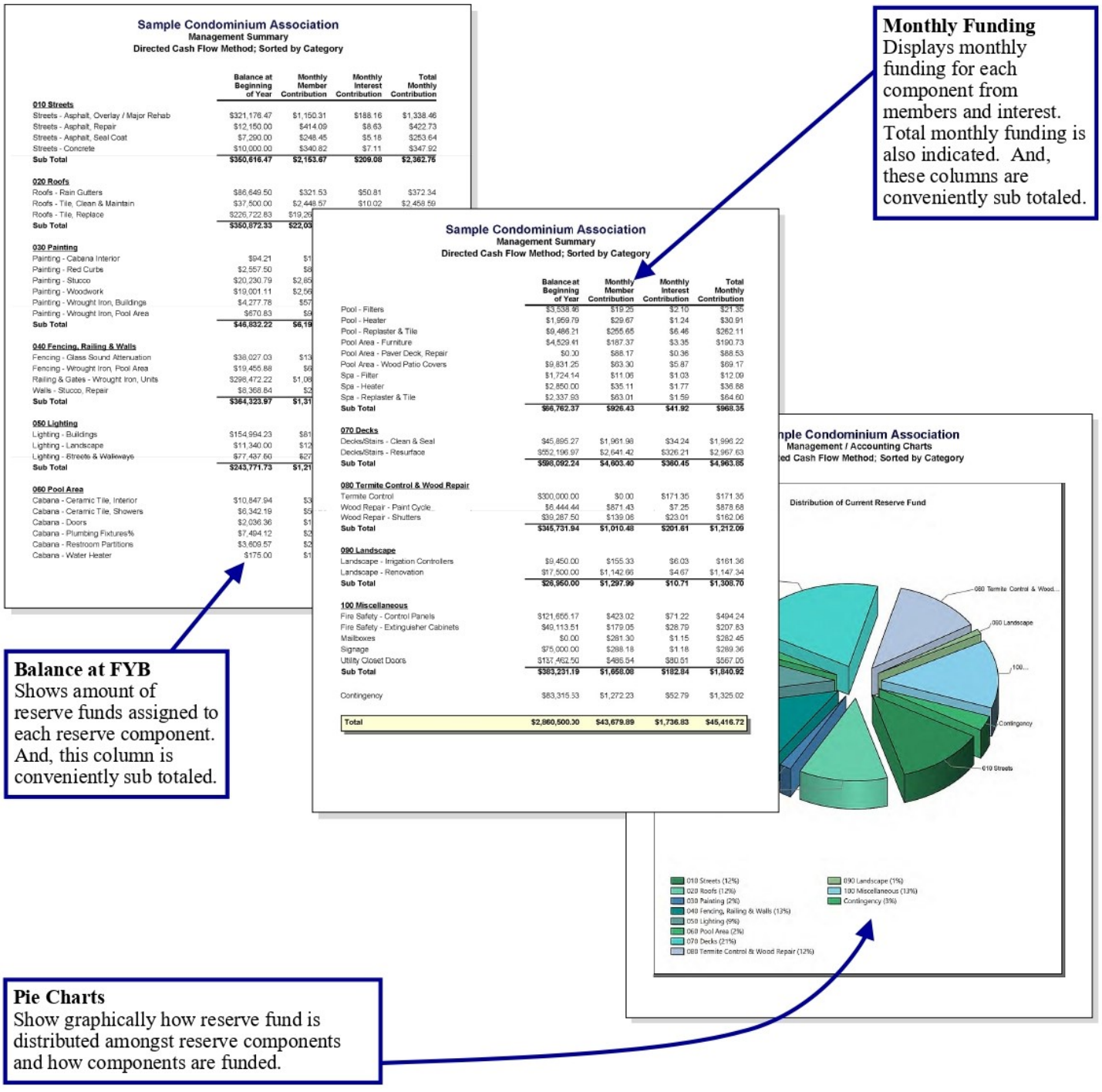
Fully Funded Balance
Displays fully funded balance for each component. This column is conveniently sub totaled.

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

Preface

Management Summary and Charts

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



Sample Condominium Association
Management Summary
Directed Cash Flow Method; Sorted by Category

	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	$321,176.47	$1,150.31	$188.16	$1,338.46
Streets - Asphalt, Repair	$12,150.00	$414.09	$8.63	$422.73
Streets - Asphalt, Seal Coat	$7,290.00	$248.45	$5.18	$253.64
Streets - Concrete	$10,000.00	$340.82	$7.11	$347.92
Sub Total	**$350,616.47**	**$2,153.67**	**$209.08**	**$2,362.75**
020 Roofs				
Roofs - Rain Gutters	$86,649.50	$321.53	$50.81	$372.34
Roofs - Tile, Clean & Maintain	$37,500.00	$2,448.57	$10.02	$2,458.59
Roofs - Tile, Replace	$226,722.83	$19,26		
Sub Total	**$350,872.33**	**$22,03**		
030 Painting				
Painting - Cabana Interior	$94.21	$1		
Painting - Red Curbs	$2,557.50	$8		
Painting - Stucco	$20,230.79	$2,85		
Painting - Woodwork	$19,001.11	$2,56		
Painting - Wrought Iron, Buildings	$4,277.78	$57		
Painting - Wrought Iron, Pool Area	$670.83	$9		
Sub Total	**$46,832.22**	**$6,19**		
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation	$38,027.03	$13		
Fencing - Wrought Iron, Pool Area	$19,455.88	$6		
Railing & Gates - Wrought Iron, Units	$298,472.22	$1,08		
Walls - Stucco, Repair	$8,368.84	$2		
Sub Total	**$364,323.97**	**$1,31**		
050 Lighting				
Lighting - Buildings	$154,994.23	$81		
Lighting - Landscape	$11,340.00	$12		
Lighting - Streets & Walkways	$77,437.50	$27		
Sub Total	**$243,771.73**	**$1,21**		
060 Pool Area				
Cabana - Ceramic Tile, Interior	$10,847.94	$3		
Cabana - Ceramic Tile, Showers	$6,342.19	$5		
Cabana - Doors	$2,036.36	$1		
Cabana - Plumbing Fixtures%	$7,494.12	$2		
Cabana - Restroom Partitions	$3,609.57	$2		
Cabana - Water Heater	$175.00	$1		

Sample Condominium Association
Management Summary
Directed Cash Flow Method; Sorted by Category

	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Filters	$3,538.96	$19.25	$2.10	$21.35
Pool - Heater	$1,959.79	$29.67	$1.24	$30.91
Pool - Replaster & Tile	$9,486.21	$255.65	$6.46	$262.11
Pool Area - Furniture	$4,529.41	$187.37	$3.35	$190.73
Pool Area - Paver Deck, Repair	$0.00	$88.17	$0.36	$88.53
Pool Area - Wood Patio Covers	$9,831.25	$93.30	$5.87	$99.17
Spa - Filter	$1,724.14	$11.06	$1.03	$12.09
Spa - Heater	$2,850.00	$35.11	$1.77	$36.88
Spa - Replaster & Tile	$2,337.93	$63.01	$1.59	$64.60
Sub Total	**$56,762.37**	**$926.43**	**$41.92**	**$968.35**
070 Decks				
Decks/Stairs - Clean & Seal	$45,895.27	$1,961.98	$34.24	$1,996.22
Decks/Stairs - Resurface	$552,196.97	$2,641.42	$326.21	$2,967.63
Sub Total	**$598,092.24**	**$4,603.40**	**$360.45**	**$4,963.85**
080 Termite Control & Wood Repair				
Termite Control	$300,000.00	$0.00	$171.35	$171.35
Wood Repair - Paint Cycle	$6,444.44	$871.43	$7.25	$878.68
Wood Repair - Shutters	$39,287.50	$139.06	$23.01	$162.06
Sub Total	**$345,731.94**	**$1,010.48**	**$201.61**	**$1,212.09**
090 Landscape				
Landscape - Irrigation Controllers	$9,450.00	$155.33	$6.03	$161.36
Landscape - Renovation	$17,500.00	$1,142.66	$4.67	$1,147.34
Sub Total	**$26,950.00**	**$1,297.99**	**$10.71**	**$1,308.70**
100 Miscellaneous				
Fire Safety - Control Panels	$121,655.17	$423.02	$71.22	$494.24
Fire Safety - Extinguisher Cabinets	$49,113.51	$179.05	$28.79	$207.83
Mailboxes	$0.00	$281.30	$1.15	$282.45
Signage	$75,000.00	$288.18	$1.18	$289.36
Utility Closet Doors	$137,462.50	$486.54	$80.51	$567.05
Sub Total	**$383,231.19**	**$1,658.08**	**$182.84**	**$1,840.92**
Contingency	$83,315.53	$1,272.23	$52.79	$1,325.02
Total	**$2,860,500.30**	**$43,679.89**	**$1,736.83**	**$45,416.72**

nple Condominium Association
Management / Accounting Charts
ed Cash Flow Method; Sorted by Category

Distribution of Current Reserve Fund

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

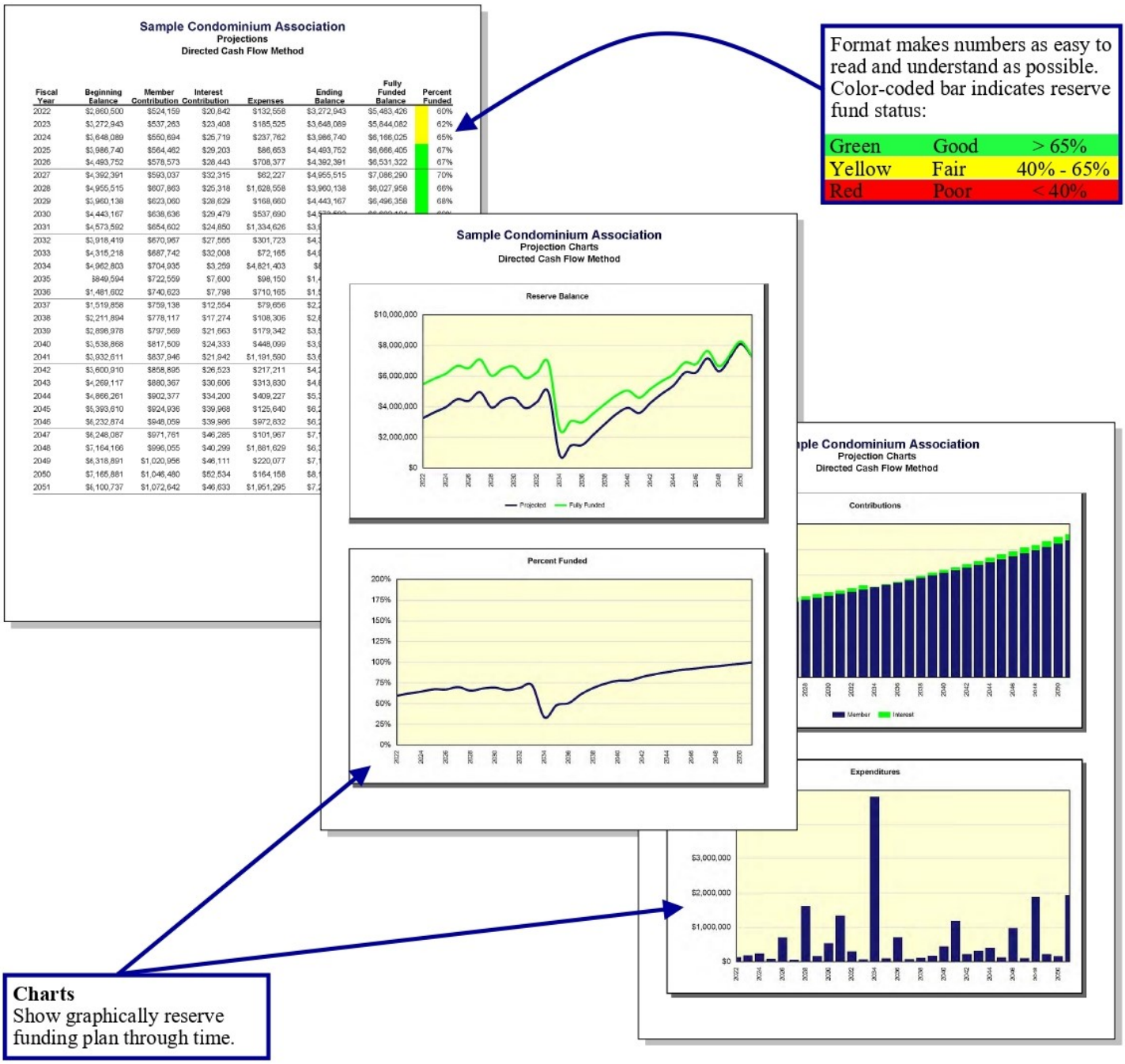
Balance at FYB
Shows amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

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

Preface

Projections and Charts

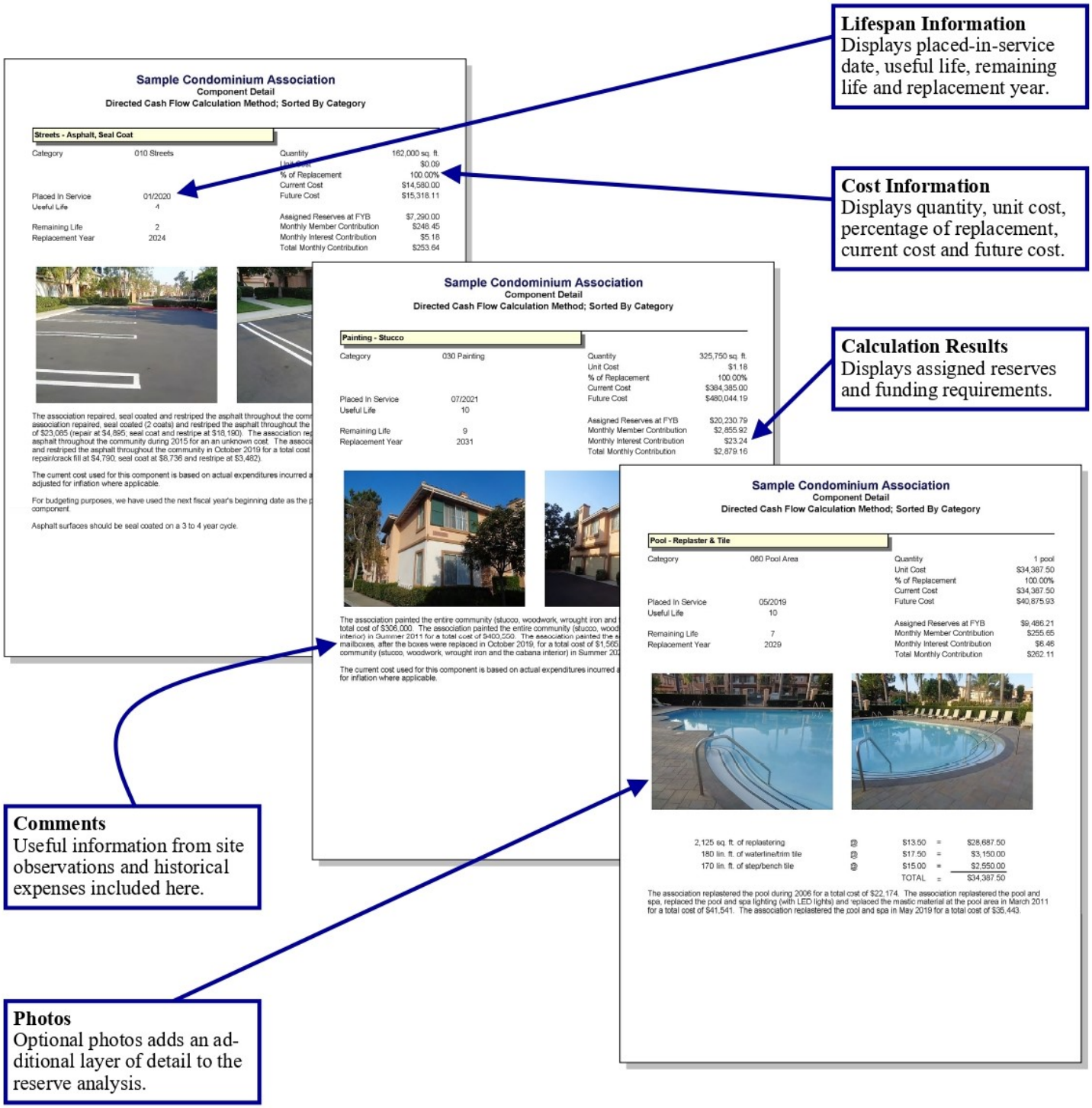
Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of projection period (shown here for 30 years). Two columns on the right-hand side provide fully funded ending balance and percent funded for each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



Preface

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.



♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

Anticipated Reserve Balance (or Reserve Funds)
Amount of money, as of a certain point in time, held by 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)
Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component has been assigned.

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.

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

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

Contribution Increase Parameter
Rate used in calculation of 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 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.

Current Replacement Cost
Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component is expected to cost to replace.

Directed 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.

Fiscal Year
Budget year for association for which reserve analysis is prepared. Fiscal year beginning (FYB) is first day of budget year; fiscal year end (FYE) is last day of budget year.

Fully Funded Reserve Balance
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:

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

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 com-

ponents it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost
Amount of money, as of 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
Financial parameters used to calculate reserve analysis. See also "inflation parameter," "contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

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

Interest Contribution
Amount of money contributed to reserve fund by interest earned on reserve fund and member contributions.

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

Membership Contribution
Amount of money contributed to reserve fund by association's membership.

Minimum 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.

Monthly Contribution (and "Fixed" Monthly Contribution)
Amount of money, for fiscal year which reserve analysis is prepared, that a reserve component will be funded.

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)
Number of units for which reserve analysis is prepared. In "phased" developments, this number represents the number of units, and corresponding common area components, that exist as of a certain point in time.

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

One-Time Replacement
Used for components that will be budgeted for only once.

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

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

Preface

Reserve fund health:

Green	Good	> 65%
Yellow	Fair	40% to 65%
Red	Poor	< 40%

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

Percentage of Replacement
Percentage of reserve component that is expected to be replaced.

For most reserve components, this percentage is 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%. Another example would be a component where partial replacement is expected, such as interior doors.

Placed-In-Service Date
Date (month and year) that a reserve component was originally put into service or last replaced.

Remaining Life
Length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment
Length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for current cycle of replacement (only).

If 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, 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, useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year
Fiscal year that a reserve component is scheduled to be replaced.

Reserve Components
Line items included in the reserve analysis.

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

Total Contribution
Sum of membership contribution and interest contribution.

Useful Life
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.

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 or 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, climate change, 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 reserve components.

Peachtree Lane Improvement Association
Executive Summary
Directed Cash Flow Method

Client Information

Account Number	4055
Version Number	002
Analysis Date	10/12/2023
Fiscal Year	1/1/2024 to 12/31/2024
Number of Units	331

Global Parameters

Inflation Rate	5.00%
Annual Contribution Increase	20.00%
Investment Rate	1.00%
Taxes on Investments	0.00%
Contingency	0.00%

Community Profile

This community was built in the early 1980s. Refer to the Component Detail section for the dates used to age the components examined in this analysis. The client has advised us to use a 5.00% inflation rate.

Reserve Balance as of July 31, 2023: $168,861

Remaining 2023 Reserve Contributions: $11,182 ($2,236.48/month x 5 months)

Remaining 2023 Interest to be Earned (1.00%): $695

Remaining 2023 Reserve Expenditures: $7,609 (Sunland Asphalt - crack seal, seal coat & restripe)

Projected January 1, 2024 Reserve Balance: $173,129

REPORTS: 2016. Updated 2023.

Adequacy of Reserves as of January 1, 2024

Anticipated Reserve Balance		**$173,129.00**
Fully Funded Reserve Balance		**$337,824.31**
Percent Funded	0 25 50 75 100	**51.25%**

Funding for the 2024 Fiscal Year	Annual	Monthly	Per Unit Per Month
Member Contribution	**$32,206**	**$2,683.83**	**$8.11**
Interest Contribution	**$1,044**	**$86.99**	**$0.26**
Total Contribution	**$33,250**	**$2,770.83**	**$8.37**

Peachtree Lane Improvement Association

Distribution of Current Reserve Funds

Sorted by Remaining Life; Alphabetical

	Remaining Life	Fully Funded Balance	Assigned Reserves
Fountain: Filter	0	$450.00	$450.00
Roofs: Foam (Repair/Recoat & Possible Replacement)	0	$80,000.00	$80,000.00
Spa: Heater	0	$3,500.00	$3,500.00
Paint: Wrought Iron	1	$1,200.00	$1,200.00
Pool Area: Deck Repair & Recoat	1	$3,120.00	$3,120.00
Pool Area: Furniture	4	$3,000.00	$3,000.00
Pool: Filter	4	$1,400.00	$1,400.00
Streets: Crack Seal, Seal Coat & Restripe	5	$0.00	$0.00
Buildings: Garage Doors (Replace)	6	$44,640.00	$44,640.00
Paint: Community Exteriors	6	$24,000.00	$24,000.00
Pool/Spa/Fountain: Pumps & Motors	6	$2,000.00	$2,000.00
Roofs: Tile Underlayment	6	$64,500.00	$9,819.00
Fountain: Drain, Repair & Seal	7	$2,400.00	$0.00
Grounds: Irrigation Controller	7	$144.07	$0.00
Grounds: Landscape Lighting	9	$29,615.38	$0.00
Pool Area: Deck Resurface	9	$3,690.32	$0.00
Spa: Filter	10	$711.11	$0.00
Streets: Asphalt Rehabilitation	10	$53,517.86	$0.00
Fencing/Gates: Wrought Iron (Replace)	11	$11,400.00	$0.00
Spa: Retile	12	$3,200.00	$0.00
Pool: Resurface & Retile	16	$5,335.57	$0.00
Grounds: Concrete Components (Unfunded)	n.a.	$0.00	$0.00
Grounds: Granite Replenishment (Unfunded)	n.a.	$0.00	$0.00
Grounds: Irrigation System (Unfunded)	n.a.	$0.00	$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	$0.00	$0.00
Contingency	n.a.	$0.00	$0.00
Total	**0-16**	**$337,824.31**	**$173,129.00**
Percent Funded			**51.25%**

Peachtree Lane Improvement Association

Projections

Directed Cash Flow Method

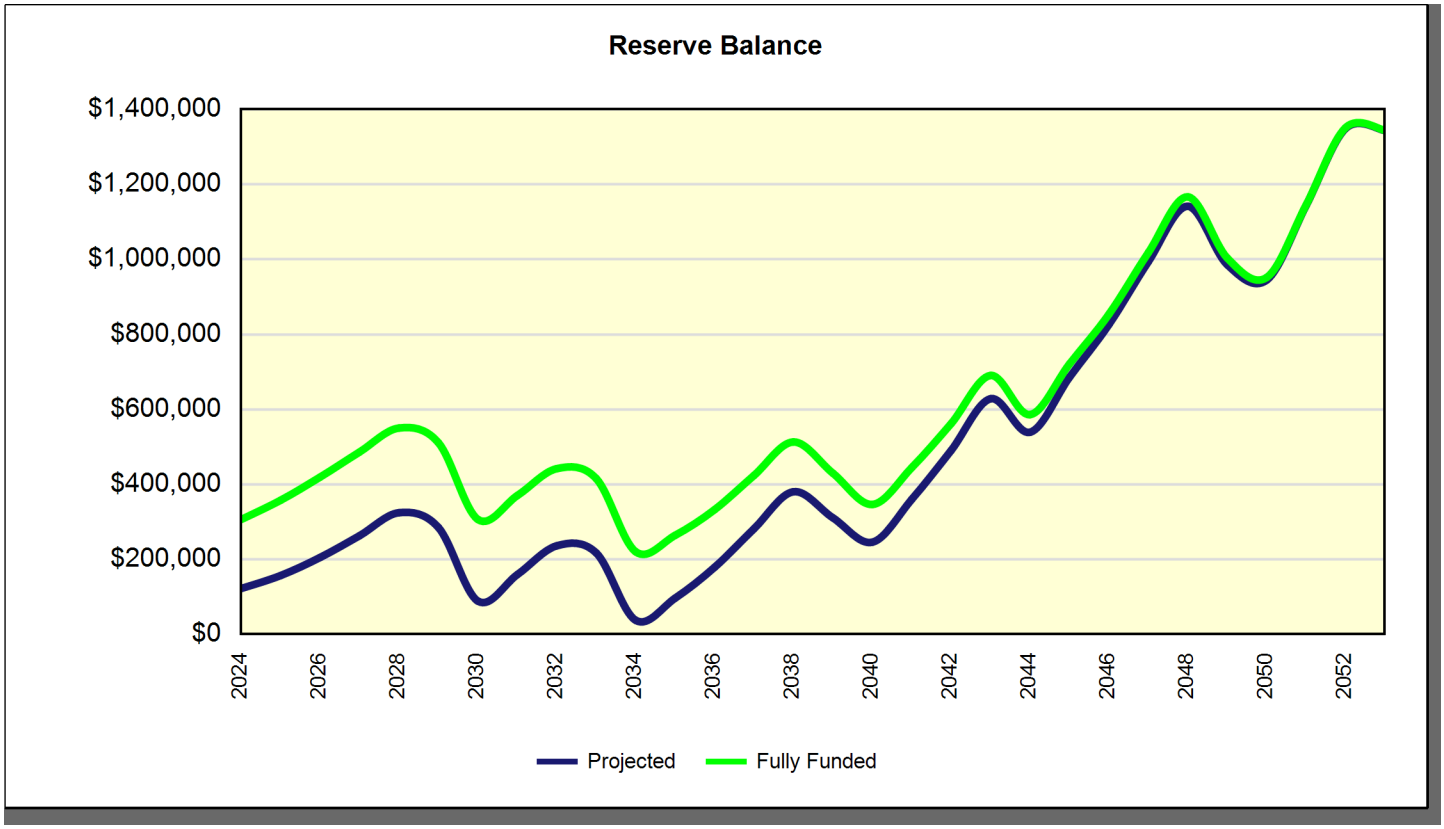
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2024	$173,129	$32,206	$1,044	$83,950	$122,429	$306,465	40%
2025	$122,429	$38,647	$1,354	$5,355	$157,075	$357,859	44%
2026	$157,075	$46,377	$1,791	$0	$205,243	$419,530	49%
2027	$205,243	$55,652	$2,318	$0	$263,212	$486,473	54%
2028	$263,212	$66,782	$2,868	$8,265	$324,597	$550,383	59%
2029	$324,597	$69,894	$2,459	$111,814	$285,137	$511,176	56%
2030	$285,137	$73,151	$489	$269,929	$88,849	$306,522	29%
2031	$88,849	$76,560	$1,174	$7,036	$159,547	$370,333	43%
2032	$159,547	$80,128	$1,919	$5,171	$236,423	$442,085	53%
2033	$236,423	$83,862	$1,710	$104,560	$217,436	$415,857	52%
2034	$217,436	$87,770	$0	$267,357	$37,751	$220,452	17%
2035	$37,751	$91,860	$466	$33,352	$96,726	$264,209	37%
2036	$96,726	$96,141	$1,261	$15,175	$178,953	$332,628	54%
2037	$178,953	$100,621	$2,260	$0	$281,834	$423,958	66%
2038	$281,834	$105,310	$3,216	$9,900	$380,460	$513,195	74%
2039	$380,460	$110,217	$2,499	$182,133	$311,043	$429,970	72%
2040	$311,043	$115,353	$1,824	$182,270	$245,950	$346,549	71%
2041	$245,950	$120,729	$2,931	$9,397	$360,213	$444,797	81%
2042	$360,213	$126,355	$4,199	$0	$490,768	$562,363	87%
2043	$490,768	$132,243	$5,538	$0	$628,549	$690,574	91%
2044	$628,549	$138,406	$4,615	$232,453	$539,117	$586,125	92%
2045	$539,117	$144,855	$6,040	$4,179	$685,833	$721,395	95%
2046	$685,833	$151,605	$7,402	$18,429	$826,411	$853,984	97%
2047	$826,411	$158,670	$9,031	$0	$994,112	$1,018,347	98%
2048	$994,112	$166,064	$10,460	$28,865	$1,141,772	$1,166,703	98%
2049	$1,141,772	$173,803	$8,867	$338,666	$985,776	$1,003,572	98%
2050	$985,776	$181,902	$8,417	$231,119	$944,977	$951,917	99%
2051	$944,977	$190,379	$10,349	$1,867	$1,143,838	$1,145,435	100%
2052	$1,143,838	$199,250	$12,344	$6,272	$1,349,160	$1,351,398	100%
2053	$1,349,160	$208,536	$12,238	$226,387	$1,343,546	$1,344,302	100%

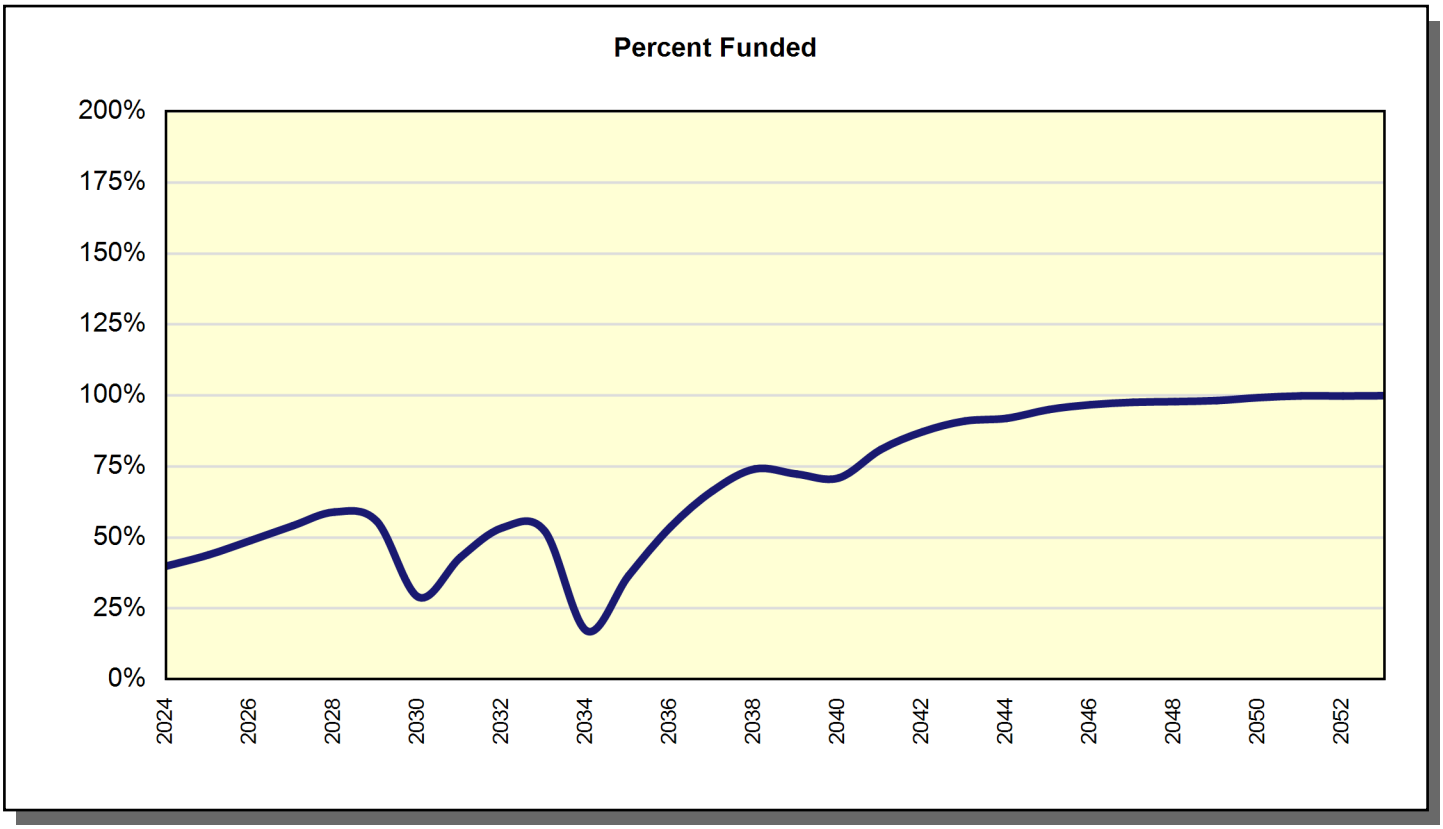
The client's 2023 budgeted reserve contribution is $26,838. Based on the reserve schedule of expenses outlined in this report, we have incorporated a 20.00% annual contribution increase from 2024 - 2028, and then a 4.66% annual contribution increase thereafter.

Peachtree Lane Improvement Association

Projection Charts

Directed Cash Flow Method

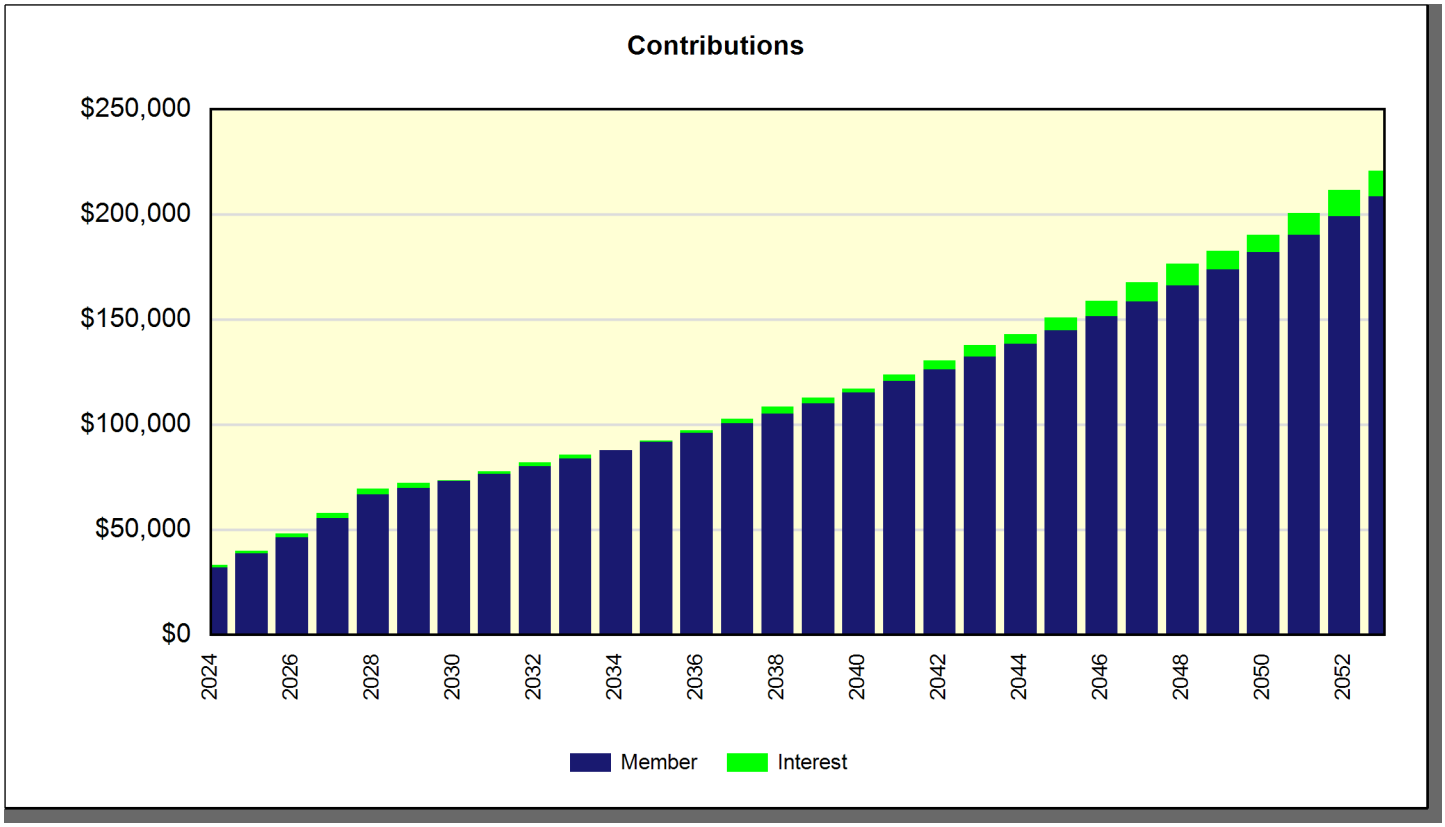


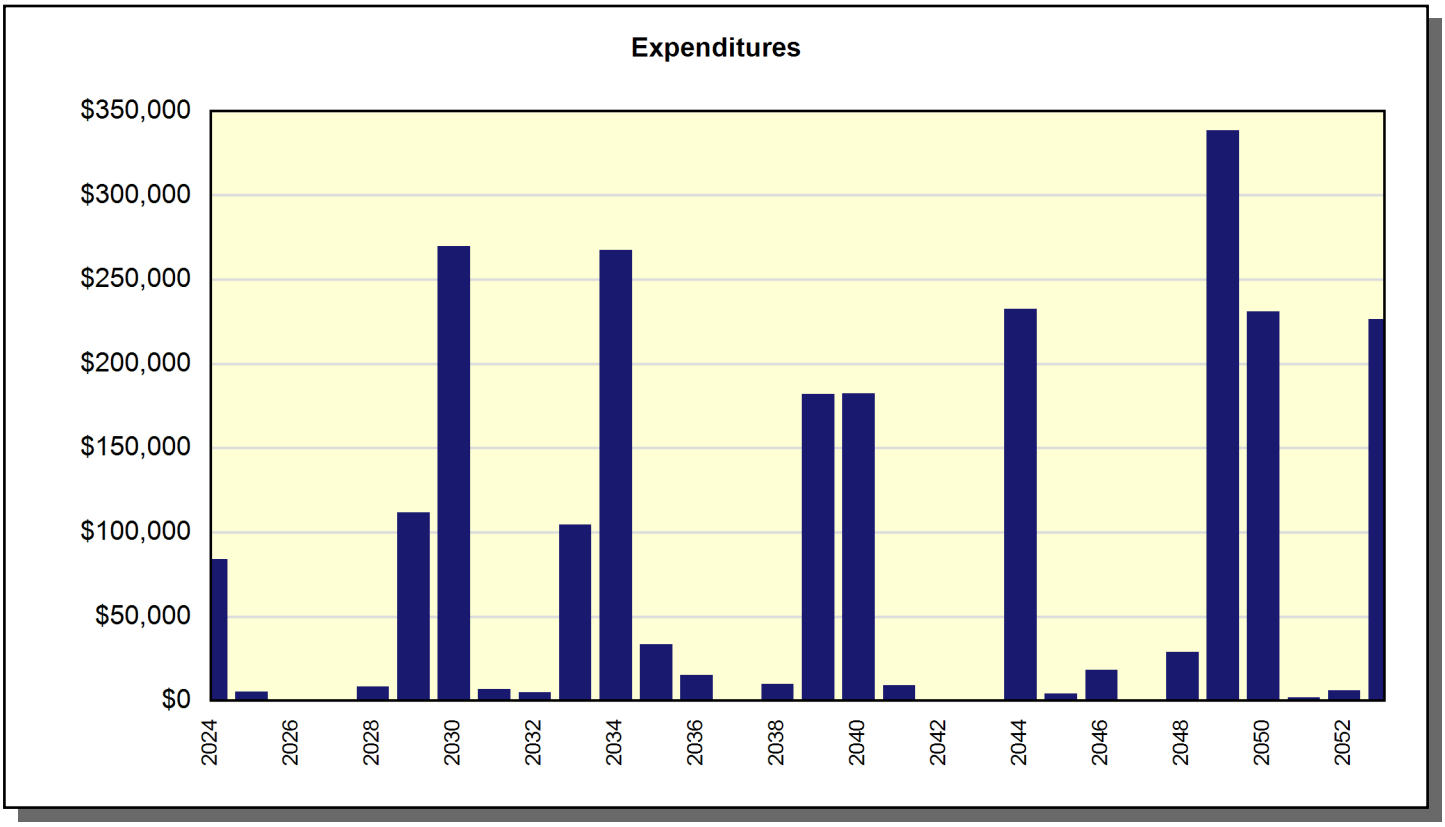


Peachtree Lane Improvement Association

Projection Charts

Directed Cash Flow Method





Peachtree Lane Improvement Association
Annual Expenditures
Sorted by Alphabetical

2024 Fiscal Year	
Fountain: Filter	$450.00
Roofs: Foam (Repair/Recoat & Possible Replacement)	$80,000.00
Spa: Heater	$3,500.00
Sub Total	**$83,950.00**
2025 Fiscal Year	
Paint: Wrought Iron	$1,575.00
Pool Area: Deck Repair & Recoat	$3,780.00
Sub Total	**$5,355.00**
2028 Fiscal Year	
Pool Area: Furniture	$6,077.53
Pool: Filter	$2,187.91
Sub Total	**$8,265.44**
2029 Fiscal Year	
Roofs: Foam (Repair/Recoat & Possible Replacement)	$102,102.53
Streets: Crack Seal, Seal Coat & Restripe	$9,711.23
Sub Total	**$111,813.75**
2030 Fiscal Year	
Buildings: Garage Doors (Replace)	$74,777.34
Paint: Community Exteriors	$80,405.74
Pool/Spa/Fountain: Pumps & Motors	$6,700.48
Roofs: Tile Underlayment	$108,045.21
Sub Total	**$269,928.76**
2031 Fiscal Year	
Fountain: Drain, Repair & Seal	$6,331.95
Grounds: Irrigation Controller	$703.55
Sub Total	**$7,035.50**
2032 Fiscal Year	
Spa: Heater	$5,171.09
Sub Total	**$5,171.09**
2033 Fiscal Year	
Grounds: Landscape Lighting	$85,323.05
Pool Area: Deck Repair & Recoat	$5,584.78
Pool Area: Deck Resurface	$13,651.69

Sub Total	**$104,559.52**
2034 Fiscal Year	
Roofs: Foam (Repair/Recoat & Possible Replacement)	$130,311.57
Spa: Filter	$2,606.23
Streets: Asphalt Rehabilitation	$122,044.93
Streets: Crack Seal, Seal Coat & Restripe	$12,394.26
Sub Total	**$267,356.99**
2035 Fiscal Year	
Fencing/Gates: Wrought Iron (Replace)	$30,786.11
Paint: Wrought Iron	$2,565.51
Sub Total	**$33,351.62**
2036 Fiscal Year	
Fountain: Filter	$808.14
Spa: Retile	$14,366.85
Sub Total	**$15,174.99**
2038 Fiscal Year	
Pool Area: Furniture	$9,899.66
Sub Total	**$9,899.66**
2039 Fiscal Year	
Roofs: Foam (Repair/Recoat & Possible Replacement)	$166,314.25
Streets: Crack Seal, Seal Coat & Restripe	$15,818.56
Sub Total	**$182,132.82**
2040 Fiscal Year	
Paint: Community Exteriors	$130,972.48
Pool/Spa/Fountain: Pumps & Motors	$10,914.37
Pool: Resurface & Retile	$32,743.12
Spa: Heater	$7,640.06
Sub Total	**$182,270.03**
2041 Fiscal Year	
Grounds: Irrigation Controller	$1,146.01
Pool Area: Deck Repair & Recoat	$8,251.27
Sub Total	**$9,397.28**
2044 Fiscal Year	
Roofs: Foam (Repair/Recoat & Possible Replacement)	$212,263.82

Streets: Crack Seal, Seal Coat & Restripe	$20,188.94
Sub Total	**$232,452.76**

2045 Fiscal Year

Paint: Wrought Iron	$4,178.94
Sub Total	**$4,178.94**

2046 Fiscal Year

Fountain: Drain, Repair & Seal	$13,163.67
Pool: Filter	$5,265.47
Sub Total	**$18,429.14**

2048 Fiscal Year

Fountain: Filter	$1,451.30
Pool Area: Furniture	$16,125.50
Spa: Heater	$11,287.85
Sub Total	**$28,864.64**

2049 Fiscal Year

Pool Area: Deck Repair & Recoat	$12,190.88
Pool Area: Deck Resurface	$29,799.92
Roofs: Foam (Repair/Recoat & Possible Replacement)	$270,908.40
Streets: Crack Seal, Seal Coat & Restripe	$25,766.77
Sub Total	**$338,665.97**

2050 Fiscal Year

Paint: Community Exteriors	$213,340.36
Pool/Spa/Fountain: Pumps & Motors	$17,778.36
Sub Total	**$231,118.72**

2051 Fiscal Year

Grounds: Irrigation Controller	$1,866.73
Sub Total	**$1,866.73**

2052 Fiscal Year

Spa: Filter	$6,272.21
Sub Total	**$6,272.21**

2053 Fiscal Year

Grounds: Landscape Lighting	$226,387.46
Sub Total	**$226,387.46**

Streets: Asphalt Rehabilitation

Category	010 Streets	Quantity	16,650 sq. ft.
		Unit Cost	$4.50
		% of Replacement	100.00%
		Current Cost	$74,925.00
Placed In Service	01/1999	Future Cost	$122,044.93
Useful Life	35		
		Assigned Reserves at FYB	$0.00
Remaining Life	10	Monthly Member Contribution	$347.17
Replacement Year	2034	Monthly Interest Contribution	$3.02
		Total Monthly Contribution	$350.19

This component budgets to remove & repave the community asphalt in 10 years. The accumulated funds from this component should be used for asphalt repairs on an "as needed" basis up to the time of the rehabilitation project.

NOTE: There are concrete valley gutters down the center of the streets.

Streets: Crack Seal, Seal Coat & Restripe

Category	010 Streets	Quantity	1 total
		Unit Cost	$7,609.00
		% of Replacement	100.00%
		Current Cost	$7,609.00
Placed In Service	01/2024	Future Cost	$9,711.23
Useful Life	5		
		Assigned Reserves at FYB	$0.00
Remaining Life	5	Monthly Member Contribution	$64.30
Replacement Year	2029	Monthly Interest Contribution	$0.56
		Total Monthly Contribution	$64.86

The client has advised us that Sunland Asphalt will crack seal, seal coat & restripe the community asphalt in late 2023 at a cost of $7,609. This component budgets for similar work every five (5) years.

It should be noted that the repair/seal coat and rehabilitation components are scheduled 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.

Roofs: Foam (Repair/Recoat & Possible Replacement)

Category	020 Roofing	Quantity	1 total
		Unit Cost	$80,000.00
		% of Replacement	100.00%
		Current Cost	$80,000.00
Placed In Service	01/2017	Future Cost	$102,102.53
Useful Life	5		
		Assigned Reserves at FYB	$80,000.00
Remaining Life	0	Monthly Member Contribution	$676.01
Replacement Year	2024	Monthly Interest Contribution	$5.89
		Total Monthly Contribution	$681.90

At the time of the 2016 reserve study, the association had begun a foam roof restoration project with Stapleton Roofing that included repairs, partial roof replacements, and recoating. Based on historical Google Earth satellite images, it appears as though this project was completed in 2016, even though the community manager advised us that it wasn't done. Since 2016, the client has advised us of the following flat roofing expenses:

- foam roof repair & recoat of a 5' x 5' area at Unit 2 & a 5' x 5' area at Unit 27 ($775)
- foam roof replacement at upper roof area at Units 3 & 4 (+/- 1,500 sq. ft. at a cost of $11,522)

Going forward, this component includes a provision every five years for the repair, recoating and/or possible replacement of the foam roofs. We recommend getting all of the roofs evaluated by a professional roofing contractor or consultant as soon as possible so that a proper & specific plan/schedule can be incorporated into a revision or future update of this report.

NOTE: There is a total of approximately 38,000 sq. ft. of foam roofing atop the buildings.

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Roofs: Tile Underlayment

Category	020 Roofing	Quantity	10,750 sq. ft.
		Unit Cost	$7.50
		% of Replacement	100.00%
		Current Cost	$80,625.00
Placed In Service	01/2000	Future Cost	$108,045.21
Useful Life	30		
		Assigned Reserves at FYB	$9,819.00
Remaining Life	6	Monthly Member Contribution	$522.64
Replacement Year	2030	Monthly Interest Contribution	$11.56
		Total Monthly Contribution	$534.20

This component budgets to replace the tile roof underlayment atop the buildings. There are several small to medium sized tile roof areas at each building. No historical information pertaining to the tile roofs has been provided by the client. For budgeting purposes we have continued to use a placed in service date of 2000 for this component. We recommend getting the tile roofs evaluated by a professional roofing contractor or consultant as soon as possible so that a proper & specific plan/schedule for the replacement of the underlayment can be incorporated into a revision or future update of this report.

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Buildings: Garage Doors (Replace)

Category	025 Buildings	Quantity	1 total
		Unit Cost	$55,800.00
		% of Replacement	100.00%
		Current Cost	$55,800.00
Placed In Service	01/2000	Future Cost	$74,777.34
Useful Life	30		
		Assigned Reserves at FYB	$44,640.00
Remaining Life	6	Monthly Member Contribution	$146.58
Replacement Year	2030	Monthly Interest Contribution	$33.12
		Total Monthly Contribution	$179.70

This component budgets to replace the 7' x 16' metal sectional garage doors. We have estimated that all of the garage doors were last replaced in 2000 (no historical replacement information was provided by the client).

31 garage doors	@	$1,800.00	=	$55,800.00
		TOTAL	=	$55,800.00

Paint: Community Exteriors

Category	030 Painting	Quantity	1 total
		Unit Cost	$60,000.00
		% of Replacement	100.00%
		Current Cost	$60,000.00
Placed In Service	01/2020	Future Cost	$80,405.74
Useful Life	10		
		Assigned Reserves at FYB	$24,000.00
Remaining Life	6	Monthly Member Contribution	$294.05
Replacement Year	2030	Monthly Interest Contribution	$19.68
		Total Monthly Contribution	$313.73

Unfortunately, the community manager & board were unable to provide any historical painting information, and advised me that no painting has been done since the last reserve study in 2016. However, the community exteriors (buildings, walls, wrought iron) appear to have been repainted within the last few years, and this was verified by a resident during our site inspection. For budgeting purposes we have used 2020 as the basis for aging this component.

Peachtree Lane Improvement Association

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Paint: Wrought Iron

Category	030 Painting	Quantity	1 total
		Unit Cost	$1,500.00
		% of Replacement	100.00%
		Current Cost	$1,500.00
Placed In Service	01/2020	Future Cost	$1,575.00
Useful Life	10		
Adjustment	-5	Assigned Reserves at FYB	$1,200.00
Remaining Life	1	Monthly Member Contribution	$13.53
Replacement Year	2025	Monthly Interest Contribution	$0.97
		Total Monthly Contribution	$14.51

This component includes a provision to repaint the wrought iron fencing & gates at the pool area, including the patio fencing & gates facing the pool area tract, every 5th year after all of the community exteriors are repainted.

Fencing/Gates: Wrought Iron (Replace)

Category	040 Fencing & Gates	Quantity	1 total
		Unit Cost	$18,000.00
		% of Replacement	100.00%
		Current Cost	$18,000.00
Placed In Service	01/2005	Future Cost	$30,786.11
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	11	Monthly Member Contribution	$77.21
Replacement Year	2035	Monthly Interest Contribution	$0.67
		Total Monthly Contribution	$77.88

This component budgets to replace the following wrought iron components at the pool area, including the wrought iron at the patio areas facing the pool area tract. The age of this wrought iron is unknown. For budgeting purposes we have used 2005 as the placed in service date for this component. The wrought iron inventory includes:

35 - lin. ft. of 2'2" fencing
34 - lin. ft. of 5'0" fencing
23 - lin. ft. of 5'7" fencing
16 - lin. ft. of 6'2" fencing
14 - gates (pool access, pool equipment, patios)

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool Area: Deck Repair & Recoat

Category	060 Pool & Spa	Quantity	1,600 sq. ft.
		Unit Cost	$2.25
		% of Replacement	100.00%
		Current Cost	$3,600.00
Placed In Service	07/2017	Future Cost	$3,780.00
Useful Life	8		
		Assigned Reserves at FYB	$3,120.00
Remaining Life	1	Monthly Member Contribution	$23.44
Replacement Year	2025	Monthly Interest Contribution	$2.43
		Total Monthly Contribution	$25.87

This component includes a provision to repair & recoat (repaint) the acrylic pool deck surface every eight (8) years.

NOTE: In the year that the recoat & resurface projects coincide, the funds available from this component are to be combined with the funds from the resurface component in order to fund the resurfacing project.

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool Area: Deck Resurface

Category	060 Pool & Spa	Quantity	1,600 sq. ft.
		Unit Cost	$5.50
		% of Replacement	100.00%
		Current Cost	$8,800.00
Placed In Service	07/2017	Future Cost	$13,651.69
Useful Life	16		
		Assigned Reserves at FYB	$0.00
Remaining Life	9	Monthly Member Contribution	$44.49
Replacement Year	2033	Monthly Interest Contribution	$0.39
		Total Monthly Contribution	$44.88

We have estimated that the pool deck was resurfaced in 2017. This component budgets to scarify & resurface the acrylic pool deck surface. The coating/coloring of the deck following the resurfacing is accounted for in the “Pool Area: Deck Recoat” component.

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool Area: Furniture

Category	060 Pool & Spa	Quantity	1 total
		Unit Cost	$5,000.00
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/2018	Future Cost	$6,077.53
Useful Life	10		
		Assigned Reserves at FYB	$3,000.00
Remaining Life	4	Monthly Member Contribution	$25.20
Replacement Year	2028	Monthly Interest Contribution	$2.36
		Total Monthly Contribution	$27.56

This component will accumulate funds on a 10 year cycle for the refurbishment/replacement of the following pool furniture on an "as needed" basis:

- 4 - Tropitone sling chaise lounges
- 6 - Tropitone sling chairs
- 3 - metal tables
- 3 - stone tea tables
- 5 - fabric umbrellas

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool/Spa/Fountain: Pumps & Motors

Category	060 Pool & Spa	Quantity	1 total
		Unit Cost	$5,000.00
		% of Replacement	100.00%
		Current Cost	$5,000.00
Placed In Service	01/2020	Future Cost	$6,700.48
Useful Life	10		
		Assigned Reserves at FYB	$2,000.00
Remaining Life	6	Monthly Member Contribution	$24.50
Replacement Year	2030	Monthly Interest Contribution	$1.64
		Total Monthly Contribution	$26.14

This component will accumulate funds on a 10 year cycle for the replacement of the pool, spa & fountain pumps & motors on an "as needed" basis. For budgeting purposes we have used 2020 as an average placed in service date for this component. The fountain pump & pool pump are relatively new, but the spa pump is much older.

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Filter

Category	060 Pool & Spa	Quantity	1 filter
		Unit Cost	$1,800.00
		% of Replacement	100.00%
		Current Cost	$1,800.00
Placed In Service	01/2010	Future Cost	$2,187.91
Useful Life	18		
		Assigned Reserves at FYB	$1,400.00
Remaining Life	4	Monthly Member Contribution	$6.23
Replacement Year	2028	Monthly Interest Contribution	$1.05
		Total Monthly Contribution	$7.29

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

Pool: Resurface & Retile

Category	060 Pool & Spa	Quantity	1 total
		Unit Cost	$15,000.00
		% of Replacement	100.00%
		Current Cost	$15,000.00
Placed In Service	03/2015	Future Cost	$32,743.12
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	16	Monthly Member Contribution	$48.33
Replacement Year	2040	Monthly Interest Contribution	$0.42
		Total Monthly Contribution	$48.75

The pool was resurface with mini-pebble in March 2015.

1,110 - sq. ft. (internal area) of pebble resurfacing
118 - lin. ft. of trim tile
1 - set of bench tile inserts

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Spa: Filter

Category	060 Pool & Spa	Quantity	1 filter
		Unit Cost	$1,600.00
		% of Replacement	100.00%
		Current Cost	$1,600.00
Placed In Service	01/2016	Future Cost	$2,606.23
Useful Life	18		
		Assigned Reserves at FYB	$0.00
Remaining Life	10	Monthly Member Contribution	$7.41
Replacement Year	2034	Monthly Interest Contribution	$0.06
		Total Monthly Contribution	$7.48

This is a Hayward sand filter.

Spa: Heater

Category	060 Pool & Spa	Quantity	1 heater
		Unit Cost	$3,500.00
		% of Replacement	100.00%
		Current Cost	$3,500.00
Placed In Service	01/2013	Future Cost	$5,171.09
Useful Life	8		
		Assigned Reserves at FYB	$3,500.00
Remaining Life	0	Monthly Member Contribution	$19.54
Replacement Year	2024	Monthly Interest Contribution	$0.17
		Total Monthly Contribution	$19.71

This is a RayPak, 199,500 BTU input heater.

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Spa: Retile

Category	060 Pool & Spa	Quantity	1 total
		Unit Cost	$8,000.00
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/2016	Future Cost	$14,366.85
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$32.02
Replacement Year	2036	Monthly Interest Contribution	$0.28
		Total Monthly Contribution	$32.30

We have assumed that the spa (8' diameter) was retiled in 2016 based on the MEH Pool Services bid dated 10/4/2015.

Fountain: Drain, Repair & Seal

Category	065 Fountain	Quantity	1 total
		Unit Cost	$4,500.00
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/2016	Future Cost	$6,331.95
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	7	Monthly Member Contribution	$28.19
Replacement Year	2031	Monthly Interest Contribution	$0.25
		Total Monthly Contribution	$28.44

We have assumed that the fountain received the following work in 2016 based on the MEH Pool Services bid dated 4/8/2015:

- drain fountain
- grind off interior and exterior basin surface
- remove & re-install and re-level top of fountain
- install dyed through seal in interior & exterior of fountain basin
- re-fill & start up when work is complete

This component budgets for similar work every 15 years.

Peachtree Lane Improvement Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Fountain: Filter

Category	065 Fountain	Quantity	1 filter
		Unit Cost	$450.00
		% of Replacement	100.00%
		Current Cost	$450.00
Placed In Service	01/2010	Future Cost	$808.14
Useful Life	12		
		Assigned Reserves at FYB	$450.00
Remaining Life	0	Monthly Member Contribution	$1.80
Replacement Year	2024	Monthly Interest Contribution	$0.02
		Total Monthly Contribution	$1.82

This is a Hayward, 25 sq. ft. cartridge filter.

Grounds: Concrete Components (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/1981	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

We are not budgeting for repair or replacement of concrete components in this analysis. It is anticipated that any repairs/replacements required will be addressed immediately due to safety concerns. There should not be a need for complete replacement at a single point in time, and good maintenance practice won't allow the need for repairs to accumulate to a point of major expense. We recommend that a line item be set up in the annual operating budget to account for potential concrete repairs/replacements on an "as needed" basis. However, should the client wish to include budgeting for concrete components as a reserve expense, we will do so at their request (cost and useful life to be provided by client).

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	01/1981	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

The following comments also apply to the river rock being used for landscape ground cover:

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: Irrigation Controller

Category	100 Grounds	Quantity	1 controller
		Unit Cost	$500.00
		% of Replacement	100.00%
		Current Cost	$500.00
Placed In Service	03/2021	Future Cost	$703.55
Useful Life	10		
		Assigned Reserves at FYB	$0.00
Remaining Life	7	Monthly Member Contribution	$3.13
Replacement Year	2031	Monthly Interest Contribution	$0.03
		Total Monthly Contribution	$3.16

This is an RD-1200-R controller (manufactured 3/2021).

Location: wall mounted to the exterior side of the pool equipment enclosure

Grounds: Irrigation System (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/1981	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

Irrigation systems are one of the most difficult items to budget for without specific information provided by an expert who is familiar with the system inventory and system condition. We have been advised by irrigation system experts that most system components (piping, sprinkler heads, valves, etc) have a useful life of 20+ years. However, budgeting for the replacement of an irrigation system requires evaluation of the present condition (to identify remaining useful life) and replacement cost - both of which call for expert evaluation, but fall outside the scope of a reserve study.

Therefore, we recommend that the Association board and/or management company have the system evaluated to determine the appropriate scope of work, projected replacement cost and remaining life, all of which are necessary so that budgeting can be included in a revision or future update of this analysis.

Grounds: Landscape Lighting

Category	100 Grounds	Quantity	1 total
		Unit Cost	$55,000.00
		% of Replacement	100.00%
		Current Cost	$55,000.00
Placed In Service	07/2013	Future Cost	$85,323.05
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	9	Monthly Member Contribution	$278.05
Replacement Year	2033	Monthly Interest Contribution	$2.42
		Total Monthly Contribution	$280.47

$37,039.26 was spent in mid-2013 on the purchase/installation of a landscape lighting system throughout the property. This component budgets to replace this system on a 20 year cycle.

Grounds: Tree Trimming (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/1981	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

Tree trimming is accounted for as an operating expense.

Peachtree Lane Improvement Association

Component Detail Index

25 Components