Thursday, November 20, 2025

Level 2, Premium Reserve Analysis

Aspen Mountain Condominium Association
731 S. Mill St.
Aspen, CO. 81611

FINAL VERSION

Report Period – 01/01/26 – 12/31/26

Client Reference Number – 08403

Property Type – Condominiums

Fiscal Year End – December 31st

Number of Units – 11

Date of Property Observation – August 12, 2025

Property Observation Conducted by – Mike Kelsen

Project Manager – Mike Kelsen, RS, PRA

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ASSOCIATION OF PROFESSIONAL RESERVE ANALYSTS
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Table of Contents

ARS
Aspen Reserve Specialties

Introduction to the Reserve Analysis –

The elected officials of this association made a wise decision to invest in a Reserve Analysis to get a better understanding of the status of the Reserve funds. This Analysis will be a valuable tool to assist the Board of Directors in making the decision to which the dues are derived. Typically, the Reserve contribution makes up 15% - 40% of the association's total budget. Therefore, Reserves is considered to be a significant part of the overall monthly association payment.

Every association conducts its business within a budget. There are typically two main parts to this budget, Operating and Reserves. The Operating budget includes all expenses that are fixed on an annual basis. These would include management fees, maintenance fees, utilities, etc. The Reserves is primarily made up of Capital Replacement items such as asphalt, roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

The Reserve Analysis is also broken down into two different parts, the Physical Analysis and the Financial Analysis. The Physical Analysis is information regarding the physical status and replacement cost of major common area components that the association is responsible to maintain. It is important to understand that while the Component Inventory will remain relatively "stable" from year to year, the Condition Assessment and Life/Valuation Estimates will most likely vary from year to year. You can find this information in the ***Asset Inventory Section*** (Section 2) of this Reserve Analysis. The ***Financial Analysis Section*** is the evaluation of the association's Reserve balance, income, and expenses. This is made up of a finding of the clients current Reserve Fund Status (measured as Percent Funded) and a recommendation for an appropriate Reserve Allocation rate (also known as the Funding Plan). You can find this information in Section 3 of this Reserve Analysis.

The purpose of this Reserve Analysis is to provide an educated estimate as to what the Reserve Allocation needs to be. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample timing to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. This will also ensure the physical well being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to Special Assessments.

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at time of the observation. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have not been investigated in the preparation of this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgement of Aspen Reserve Specialties and should not be construed as a guarantee or assurance of predicting future events.

General Information and Answers to Frequently Asked Questions –

Why is it important to perform a Reserve Study?

As previously mentioned, the Reserve allocation makes up a significant portion of the total monthly dues. This report provides the essential information that is needed to guide the Board of Directors in establishing the budget in order to run the daily operations of your association. It is suggested that a third party professionally prepare a Reserve Study since there is no vested interest in the property. Also, a professional knows what to look for and how to properly develop an accurate and reliable component list.

Now that we have "it", what do we do with "it"?

Hopefully, you will not look at this report and think it is too cumbersome to understand. Our intention is to make this Reserve Analysis very easy to read and understand. Please take the time to review it carefully and make sure the "main ingredients" (asset information) are complete and accurate. If there are any inaccuracies, please inform us immediately so we may revise the report.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The Reserve allocation makes up a significant portion of the total monthly dues and this report should help you determine the correct amount of money to go into the Reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending normal maintenance and replacement projects. This will give you an opportunity to shop around for the best price available.

The Reserve Study should be readily available for Real Estate agents, brokerage firms, and lending institutions for potential future homeowners. As the importance of Reserves becomes more of a household term, people are requesting homeowners associations to reveal the strength of the Reserve fund prior to purchasing a condominium or townhome.

How often do we update or review "it"?

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Analysis should be reviewed ***each year*** before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Aging rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the content of the Reserve Analysis. Therefore, this analysis should be reviewed annually, and a property observation should be conducted at least once every three years.

Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 states. The State of Colorado currently requires all associations to adopt a Reserve policy, but does not currently enforce a Reserve Study be completed. Despite enacting this current law, the chances are also very good the documents of the association require the association to have a Reserve fund established. This may not mean a Reserve Analysis is required, but how are you going to know there are enough funds in the account if you don't have the proper information? Hypothetically, some associations look at the Reserve fund and think $150,000 is a lot of money and they are in good shape. What they don't realized is a major component will need to be replaced within 5 years, and the cost of the project is going to exceed $200,000. So while $150,000 sounds like a lot of money, in reality it won't even cover the cost of a major project, let alone all the other amenities the association is responsible to maintain.

What makes an asset a "Reserve" item versus an "Operating" item?

A "Reserve" asset is an item that is the responsibility of the association to maintain, has a limited Useful Life, predictable Remaining Useful Life expectancies, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold cost. An "operating" expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a component for damage caused by high winds or other weather elements would be considered an "operating" expense. However, if the entire component needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a Reserve expense.

The GREY area of "maintenance" items that are often seen in a Reserve Study –

One of the most popular questions revolves around major "maintenance" items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a "capital" item, then it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a Reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a Reserve component.

The Property Observation –

The Property Observation was conducted following a review of the documents that were established by the developer identifying all common area assets. In some cases, the Board of Directors at some point may have revised the documents. In either case, the most current set of documents was reviewed prior to inspecting the property. In addition, common area assets may have been reported to Aspen Reserve Specialties by the client, or by other parties.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the observation. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the observation. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property.

The Reserve Fund Analysis –

We projected the starting balance from taking the most recent balance statement, adding expected Reserve contributions for the rest of the year, and subtracting any pending projects for the rest of the year. We compared this number to the ideal Reserve Balance and arrived at the Percent funded level. Measures of strength are as follows:

0% - 30% Funded – Is considered to be a "weak" financial position. Associations that fall into this category are subject to Special Assessments and deferred maintenance, which could lead to lower property values. If the association is in this position, actions should be taken to improve the financial strength of the Reserve Fund.

31% - 69% Funded – The majority of associations are considered to be in this "fair" financial position. While this doesn't represent financial strength and stability, the likelihood of Special Assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the Reserve fund.

70% - 99% Funded – This indicates financial strength of a Reserve fund and every attempt to maintain this level should be a goal of the association.

100% Funded – This is the ideal amount of Reserve funding. This means that the association has the exact amount of funds in the Reserve account that should be at any given time.

Summary of Aspen Mountain Condominiums - Assoc.# - 08403

Projected Starting Balance as of January 1, 2026 -	**$83,675**
Ideal Reserve Balance as of January 1, 2026 -	**$295,384**
Percent Funded as of January 1, 2026 -	**28%**
Recommended Reserve Allocation (per month) -	**$5,000**
Minimum Reserve Allocation (per month) -	**$4,425**
Recommended Special Assessment 2026 -	**$44,000 ($4,000 per unit)**

Information to complete this Reserve Analysis was gathered during a property observation of the common area elements on August 12, 2025. In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representatives (Community Manager). To the best of our knowledge, the conclusions and suggestions of this report are considered reliable and accurate insofar as the information obtained from these sources.

This property contains 11 units within a single condominium building that were originally constructed in the mid 1970's. Common area components the association is responsible to maintain include building exterior surfaces, common parking areas, mechanical systems, a spa deck area, and a small irrigation system. Please refer to the ***Projected Reserve Expenditures*** table of the Financial Analysis section for a list of when components are scheduled to be addressed.

In comparing the projected balance of $83,675 versus the ideal Reserve Balance of $295,384, we find the association Reserve fund to be in a poor financial position at this point in time (approximately 28% funded of the ideal position). Associations in this situation are typically susceptible to Special Assessments and deferred maintenance which can lead to lower property values. As a result of the information in this report, we find no alternative but to recommend a one-time Special Assessment of $44,000 ($4,000 per unit) for the 2026 fiscal period. This will help address the major projects that are scheduled during this year. Despite this poor financial position, we find the current budgeted Reserve allocation of $5,000 per month is sufficient to fund the Reserves for the next 7 years, followed by nominal annual increases of 4.85% thereafter to help offset the effects of inflation. By following the recommendation, the plan will increase the Reserve account to a fully funded position within the thirty-year period.

In the percent Funded graph, you will see we have also provided a "minimum Reserve contribution" of $4,425 per month. If the Reserve contribution falls below this rate, then the Reserve fund will fall into a situation where additional Special Assessments, deferred maintenance, and lower property values are possible at some point in the future. The minimum Reserve allocation follows the "threshold" theory of Reserve funding where the "percent funded" status is not allowed to dip below 30% funded at any point during the thirty-year period. This was provided for one purpose only, to show the association how small the difference is between the two scenarios and how it would not make financial sense to contribute less money (approximately 12% in this case) to the Reserve fund to only stay above a certain threshold.

Comp #: 105 Comp Shingle Roof - Replace

Observations:
- Roof is at least 35 years old and has far exceeded the normal life expectancy for this quality of roof in this climate.
- Due to the harsh winters, extensive freeze/thaw cycle, and high UV levels over the useful life of the roof, we typically see associations replacing roofs sooner than the manufacturer's suggested useful life.
- Reserve to replace future roofs every 20-25 years as that is the typical life expectancy for properly installed roofs in this climate

Location: **Unit building roof**

Quantity: **Approx. 65 squares**

Life Expectancy: **24** *Remaining Life:* **0**

Best Cost: **$84,500**
Estimate to remove and replace

Worst Cost: **$97,500**
Higher estimate for more labor

Source Information: Cost Database

General Notes:

Comp #: 120 Gutters/Downspouts - Replace

Observations:
- No unusual conditions observed at the time of site visit.
- Damaged extensions can be replaced as needed with general operating funds.
- The life expectancy for gutters and downspouts ranges between 20 - 25 years, depending on maintenance.
- Keep gutters and downspouts free from debris which can cause corrosion of metal materials or blockage which can cause the downspouts to freeze and expand during winter months.
- Expect to replace at same time as roof replacement for best drainage and best replacement cost.

Location: **Roof perimeter**

Quantity: **Approx. 510 LF**

Life Expectancy: **24** *Remaining Life:* **0**

Best Cost: **$8,160**
Estimate to replace

Worst Cost: **$9,690**
Higher estimate for larger lines

Source Information: Cost database

General Notes:

Comp #: 121 Heat Tape - Replace

Observations:
- The useful life of heat tape varies based on working time, exposure, damage, etc.
- High use/exposure areas may require replacement every 10-15 years
- In between replacement cycles, repairs should be handled as needed with operating funds.

Location: **Raingutters and edge of roof**

Quantity: **Approx. 800 LF**

Life Expectancy: **12** *Remaining Life:* **0**

Best Cost: **$20,000**
$25/LF: Estimate to replace

Worst Cost: **$22,400**
$28/LF; Higher estimate for more labor

Source Information: Cost Database

General Notes:

Comp #: 202 Building Exterior Surfaces - Repaint

Observations:
- Repaint these surfaces approximately every 4 to 6 years to maintain appearance and protect wood materials
- Remaining life based on current age and condition.

Location: **Trim, doors, railing, eaves, etc.**

Quantity: **See general notes**

Life Expectancy: **5** *Remaining Life:* **0**

Best Cost: **$17,500**
Estimate to repaint railings and ceilings

Worst Cost: **$20,000**
Higher estimate for more prep work

Source Information: Cost Database

General Notes:

Iron handrails -
3rd floor - Approx. 320 LF
2nd floor - Approx. 260 LF
1st floor - 80 LF
Stairways - Approx. 75 LF
Wood eave/ceilings -
3rd floor - Approx. 1,475 GSF
2nd floor - Approx. 1,475 GSF
1st floor - Approx. 800 GSF

Comp #: 305 Wood Ceiling - Major Repairs

Observations:
- At the time of observation, the 3rd floor has a lot of leaks, possibly from the roof
- With limited exposure to elements, and by following our recommended staining/sealing cycles, the life expectancy of this material should be indefinite.
- However, based on the observed conditions and the age of the building, we recommend establishing some funding for periodic repairs to the ceilings and trim work
- Coordinate with painting cycle for best results

Location: **See General Notes**

Quantity: **Approx. 4,380 GSF**

Life Expectancy: **5** *Remaining Life:* **0**

Best Cost: **$5,000**
Allowance for repairs

Worst Cost: **$5,800**
Higher allowance for more repairs

Source Information: Cost Database

General Notes:
3rd floor - Approx. 1,920 GSF
2nd floor - Approx. 1,500 GSF
1st floor - Approx. 960 GSF

Comp #: 306 Brick - Inspect/Major Repairs

Observations:
- Typically, this material has an extended life expectancy and complete replacement is unlikely.
- No unusual conditions noted during recent site visit.
- There are times where minor repairs may become necessary, but this is unpredictable when and how much would occur.
- Based on the age of the buildings and the observed conditions, we recommend establishing a line item for periodic major repairs and tuck pointing every 10 years.

Location: **Sides Of Building**

Quantity: **Approx. 6,700 GSF**

Life Expectancy: **10** *Remaining Life:* **5**

Best Cost: **$16,750**
Allowance for periodic inspections and repairs

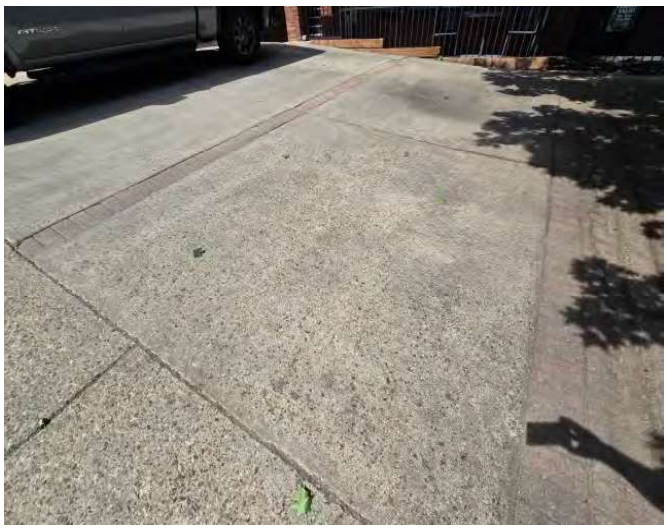
Worst Cost: **$20,100**
Higher allowance for more repairs

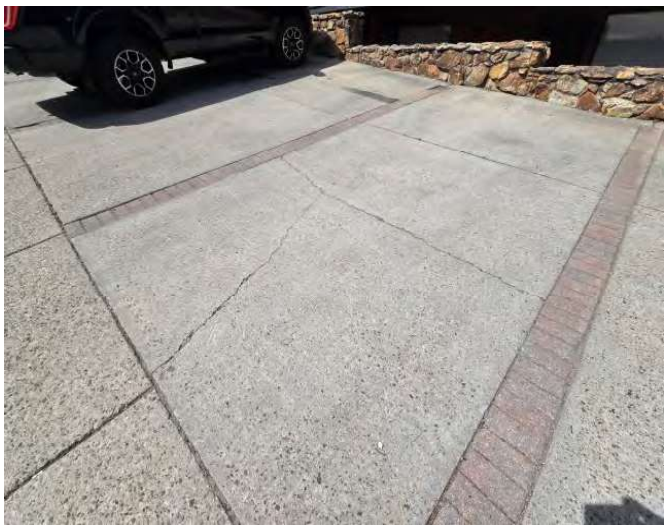
Source Information: Cost database

General Notes:

Bottom Floor- Approx. 950 GSF
Second Floor- Approx. 2,250 GSF
Third Floor- Approx. 2,750 GSF
Stairwells- Approx. 750 GSF

Comp #: 403 Concrete Parking - Repair/Replace





Observations:
- Concrete is in good condition, considering age, with no major signs of cracking or deterioration. Over a period of time, concrete will crack and deteriorate due to the climate and the wintery conditions.
- Since it is unlikely all concrete surfaces will fail at the same time, we suggest establishing a Reserve fund for periodic repairs and replacement to approximately 20% of the total area (460 GSF) every 6 years.
- Repairs should be coordinated with other concrete surfaces for best cost estimate

Location: **Parking area**

Quantity: **Approx. 2,300 GSF**

Life Expectancy: **6** *Remaining Life:* **3**

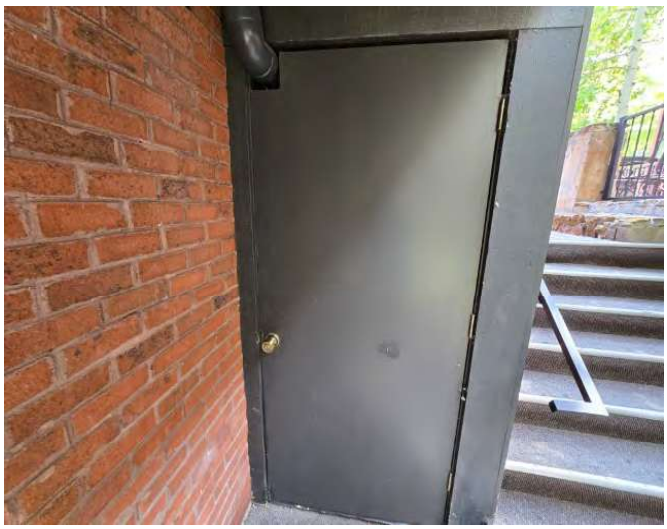
Best Cost: **$10,120**
Estimate to replace 20% of area every 6 years

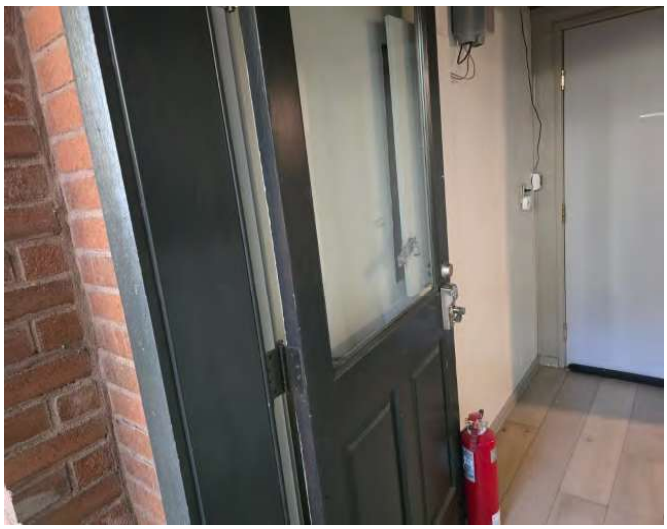
Worst Cost: **$11,500**
Higher estimate for more repairs

Source Information: Cost Database

General Notes:

Comp #: 503 Doors - Replace





Observations:
- According to the associations declarations, the unit owner is responsible for doors, doorways, door frames, and hardware that are part of the entry system. We assume this includes the storage doors that are for unit owner use only. Therefore, Reserve funding is not required for the entry doors.
- Common area doors that are exposed to the elements typically have a life expectancy of 25 - 30 years, depending on the quality of the door and the level of maintenance.
- To maintain a consistent appearance, we recommend establishing funds to replace common area doors every 30 years
- While doors are older than the useful life, we suggest replacing during the next paint cycle to enhance the appearance of the building

Location: **Hallways**

Quantity: **(3) Common doors**

Life Expectancy: **30** *Remaining Life:* **5**

Best Cost: **$4,050**
Allowance to replace 12 doors every 10 years

Worst Cost: **$4,500**
Higher allowance for better quality doors

Source Information: Cost Database

General Notes:
3rd floor - (8) 3x7 Unit, (4) 2.5x7 Storage
2nd floor - (8) 3x7 Unit, (1) 3x7 Common, (4) 2.5x7 Storage
1st floor - (5) 3x7 Unit, (2) 3x7 Common

Comp #: 506 Windows - Replace

Observations:
- According to the associations declarations, the unit owner is responsible for window maintenance and replacement
- Therefore, separate Reserve funding is not required for this component at this time.

Location: **Unit windows**

Quantity: **(103) Assorted windows**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

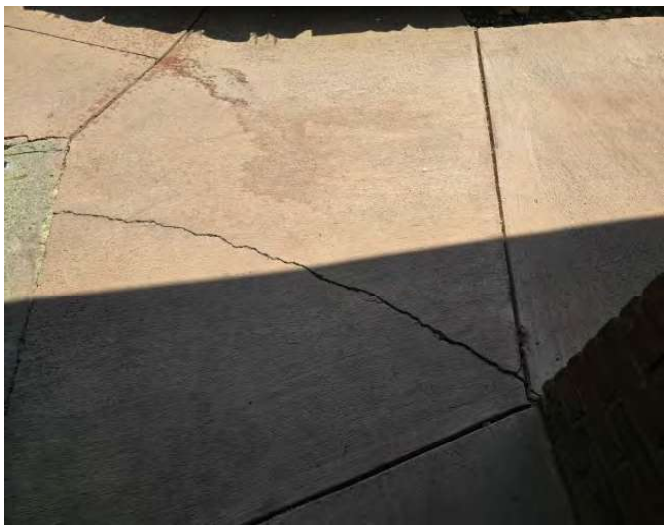
Worst Cost: **$0**

Source Information:

General Notes:

Bottom floor - (1) 4'2"x4'5" (1) 5x7 slider (8) 4'3"x 2'x0" (9) 4'3"x 5'8" (2) 4'3"x4'7" (2) 5'4"x2'0"
2nd level - (5) 4'3"x4'7" (15) 4'3"x 2'x0" (8) 4'3"x 5'4" (1) 4'8"x2'0" (10) 4'8"x5'4"
3rd level - (6) 4'3"x4'7" (16) 4'3"x 2'x0" (8) 4'3"x 5'4" (1) 4'8"x2'0" (10) 4'8"x5'4"

Comp #: 601 Concrete Sidewalks/Decks - Repair



Observations:
- Similar to other concrete surfaces, it is unlikely that all concrete surfaces will fail and need to be replaced at the same time.
- A few cracks were noted, but not severe enough to cause tripping hazards or other concerns at this time.
- Therefore, we suggest establishing a Reserve fund for frequent repairs and replacement to a percentage of the area (30% or 330 GSF) every 12 years.
- Coordinate repairs with other concrete surfaces for best cost estimate.
- This line item is for periodic major repairs and should not be misinterpreted as complete replacement.

Location: **Lower level**

Quantity: **Approx. 1,100 GSF**

Life Expectancy: **12** *Remaining Life:* **3**

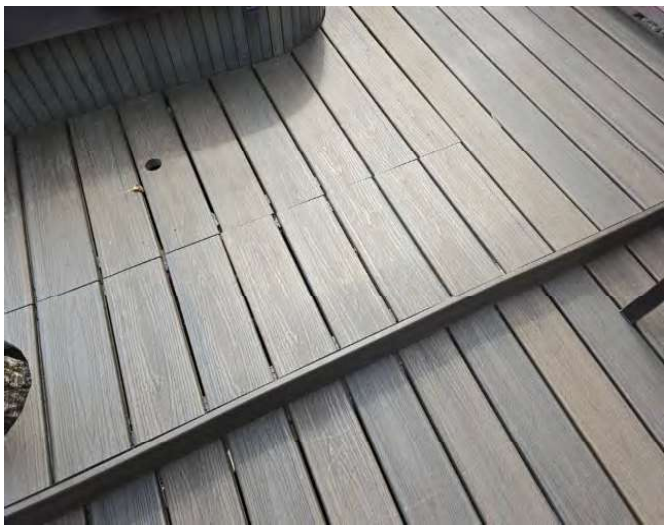
Best Cost: **$6,600**
Allowance for periodic repairs

Worst Cost: **$7,590**
Higher estimate for more repairs

Source Information: Cost Database

General Notes:

Comp #: 609 Composite Deck - Replace



Observations:
- At the time of observation, it appears the decking is new but the rails are older
- Even though composite materials are considered "lifetime", this material is also subject to scratching and deterioration that could warrant replacement within 20 - 25 years of installation.
- With periodic inspections and repairs, we can extend the replacement cycle to occur every 25 years.
- If it later turns out that the deterioration rate is not as we expected, then the life and remaining life can be adjusted in future Reserve Study updates.

Location: **Spa Area**

Quantity: **Approx. 450 GSF**

Life Expectancy: **25** *Remaining Life:* **19**

Best Cost: **$29,250**
$65/GSF; Estimate to replace

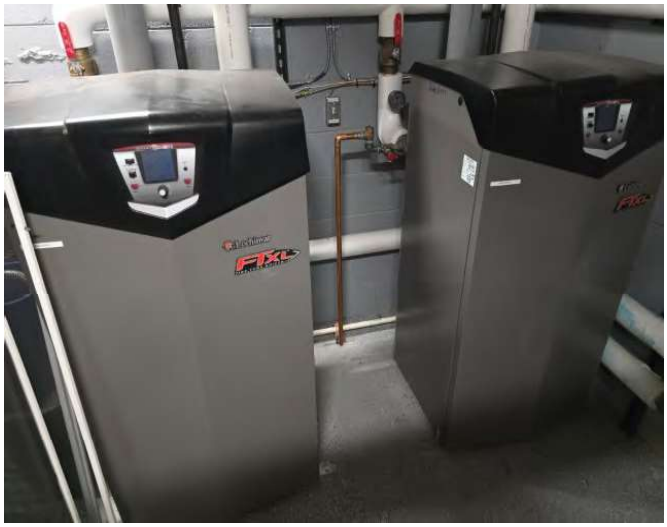
Worst Cost: **$31,500**
$70/GSF; Higher estimate for more labor

Source Information: Cost Database

General Notes:

Trex Decking- Approx. 405 GSF
Trex Railing- Approx. 45 LF
Trek post & cap w/ wood slates - Approx. 13 LF

Comp #: 702 Boilers - Replace



Observations:
- It was reported the boilers were replaced 2 - 3 years ago
- The average life expectancy for these boilers ranges from 20 - 25 years with proper maintenance under normal conditions.
- Remaining life is based on age of unit

Location: **Boiler Room**

Quantity: **(2) Boilers**

Life Expectancy: **24** *Remaining Life:* **21**

Best Cost: **$110,000**
Estimate to replace and install

Worst Cost: **$125,000**
Higher estimate for more labor

Source Information: Cost Database

General Notes:
(2) Lochinvar FTXL400N
S/N #2346136563111, #2344136374115
399,000 Input BTU/HR
2023

Comp #: 703 Hot Water Storage Tanks - Replace

Observations:
- The average life expectancy for these storage tanks range from 10-15 years with proper maintenance under normal conditions.
- Remaining life is based on age of units

Location: **Mechanical Room**

Quantity: **(2) Units**

Life Expectancy: **12** *Remaining Life:* **9**

Best Cost: **$13,500**
$6750/tank; Estimate to replace

Worst Cost: **$15,000**
$7500/tank; Higher estimate for more labor

Source Information: Cost Database

General Notes:
(2) Lochinvar Squire SIT119
S/N #2247131834261, #2247131834256
Capacity: 113 Gallons

Comp #: 715 Pumps - Replace

Observations:
- Due to varying ages, sizes, and levels of use, we recommend establishing an allowance for periodic major repairs or partial replacement.
- This line item is not intended to be represent complete replacement of all pumps/motors at the same time.

Location: **Mechanical Room**

Quantity: **(6) Pumps**

Life Expectancy: **6** *Remaining Life:* **3**

Best Cost: **$8,000**
Allowance for partial replacement every 6 years

Worst Cost: **$9,000**
Higher allowance for more replacement

Source Information: Cost database

General Notes:
Grundsfos Circ Pumps -
(2) Large
(3) Small
(1) Small Taco Circ Pump

Comp #: 721 Expansion Tanks - Replace

Observations:
- Under normal conditions and without sudden pressurization, these tanks typically have an indefinite life expectancy.
- Due to the low replacement cost of these tanks and an unpredictable life, we recommend replacing these tanks as needed with general operating funds.

Location: **Boiler room**

Quantity: **(2) Tanks**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source Information:

General Notes:
(1) Extrol Expansion Tank
(1) Small Amtrol Expansion Tank

Comp #: 801 Identification Sign - Replace

Observations:
- Extensive wood rot on the posts as they are unstable. There is wear and tear on the sign as well and in our opinion, the entire sign needs to be replaced
- Materials used to construct this sign typically has a replacement cycle of 15 - 20 years under normal conditions.
- Most associations decide to replace and upgrade monuments to maintain current trends and an appropriate appearance for the community.
- Based on observed conditions, we recommend the association be prepared to replace this sign anytime in the near future
- Exact cost will depend on the design of the new sign and whatever materials are selected for the new sign.

Location: **Front of building**

Quantity: **(1) Sign**

Life Expectancy: **17** *Remaining Life:* **1**

Best Cost: **$5,500**
Estimate to replace

Worst Cost: **$6,300**
Higher estimate for upgraded materials

Source Information: Cost Database

General Notes:
(1) 2x3 wood sign

Comp #: 803 Mailboxes - Replace

Observations:
- Due to the low quantity, Reserve funding is not required for this component

Location: **Attached to wall**

Quantity: **(4) Assorted boxes**

Life Expectancy: **N/A** *Remaining Life:*

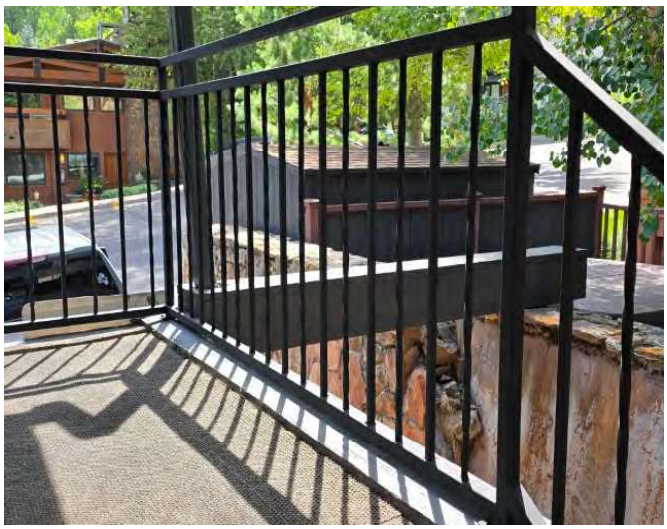
Best Cost: **$0**

Worst Cost: **$0**

Source Information:

General Notes:
(1) Three Box Recessed
(1) Outgoing

Comp #: 1002 Metal Handrails - Replace



Observations:
- Rails need to be painted on an as needed basis with general operating funds to preserve and protect the metal from rusting.
- The average life expectancy for metal rails ranges between 25 - 30 years, depending on maintenance levels and exposure to elements.
- There is minimal exposure to the elements since the rails are on balconies and not exposed to elements which can cause major deterioration which will result in eventual replacement
- In order to maintain a safe environment, we recommend establishing funds to replace rails every 50 years
- While railings may still be stable at the 50-year mark, it is important to ensure funds are available in case these need to be replaced.
- At this time, since rails are in fact stable, we have extended the remaining life by 10 years at this time.

Location: **Second and Third Floors**

Quantity: **Approx. 650 LF**

Life Expectancy: **50** *Remaining Life:* **10**

Best Cost: **$55,250**
$85/LF; Estimate to replace

Worst Cost: **$61,750**
$95/LF: Higher estimate

Source Information: Cost database

General Notes:
3rd floor - Approx. 320 LF
2nd floor - Approx. 250 LF
1st floor - Approx. 80 LF

Comp #: 1005 Block Wall - Replace

Observations:
- As long as block wall was installed conforming to county code requirements, this wall should have an extended useful life.
- This type of material has an indefinite life expectancy and complete replacement is unlikely.
- However, establish some funds for periodic major repairs due to the possibility of shifting and minor deterioration of blocks.

Location: **Back side of the building**

Quantity: **Approx. 300 GSF**

Life Expectancy: **10** *Remaining Life:* **5**

Best Cost: **$4,500**
Allowance for periodic inspections and repairs

Worst Cost: **$6,000**
Higher allowance for more repairs

Source Information: Cost database

General Notes:

Comp #: 1005 Stone Walls - Major Repairs

Observations:
- As these walls typically have an extended useful life, if installed properly and there are no unexpected drainage or soil issues that would cause damage, we do not recommend funding for the replacement of these walls.
- Based on the age of the walls, we have included a small allowance for periodic inspections and repairs

Location: **See General Notes**

Quantity: **Approx. 685 GSF**

Life Expectancy: **10** *Remaining Life:* **5**

Best Cost: **$8,500**
Allowance for major repairs every 10 years

Worst Cost: **$9,000**
Higher allowance for more repairs

Source Information: Cost database

General Notes:
2nd floor - Approx. 270 GSF
1st floor - Approx. 415 GSF

Comp #: 1016 Landscape Timber Walls - Major Repairs

Observations:
- Timbers are in good condition, with no signs of leaning or deterioration noted.
- The top timber tends to become the first piece to deteriorate and need to be replaced.
- This type of wall also tends to be susceptible to movement and leaning.
- When replacement is necessary, most associations are converting to block wall for longer life expectancy and less maintenance.

Location: **2nd floor**

Quantity: **Approx. 60 GSF**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source Information:

General Notes:

Comp #: 1114 Spa Cover - Replace

Observations:
- Cover was in good condition at time of inspection.
- Due to low cost of cover replacement, address this expense as an operating issue, not Reserves

Location: **Spa/Jacuzzi**

Quantity: **(1) Spa Cover**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source Information:

General Notes:

Spa Cover- 7' 5" x 7' 5"

Comp #: 1116 Acrylic Spa - Replace

Observations:
- Hot tub is older, but functioning well with no unusual conditions observed or reported at time of inspection.
- In normal conditions, the average replacement cycle for acrylic spas range between 15-20 years depending on the level of use and care.
- The remaining life has been extended a few years based on no reported issues.
- New hot tubs has improved features and are more efficient

Location: **Side of building**

Quantity: **(1) Spa**

Life Expectancy: **20** *Remaining Life:* **2**

Best Cost: **$16,500**
Estimate to replace, deliver and install

Worst Cost: **$19,000**
Higher estimate for an upgraded spa

Source Information: Research with contractor

General Notes:
(1) 7' 5" x 7' 5" Spa
30 Jets

Comp #: 1121 Spa Deck Furniture - Partial Replace

Observations:
- Due to varying types of furniture and different levels of use each piece received, we recommend establishing funds for partial replacement every 5 years.

Location: **Adjacent to spa**

Quantity: **(6) Various pieces**

Life Expectancy: **5** *Remaining Life:* **2**

Best Cost: **$2,500**
Allowance to replace needed pieces

Worst Cost: **$3,000**
Higher estimate for more replacement, upgrades

Source Information: Cost database

General Notes:
(1) Metal round table w/ 4 chairs
(1) Metal welcome bench
(2) Sling chairs
(1) Rectangle table w/ 8 chairs "Indosoulby Higold"
(1) Weber BBQ

Comp #: 1401 Laundry Equipment - Replace

Observations:
- Due to low replacement cost of these machines, we recommend replacing on an as needed basis with general operating funds.
- Therefore, at this time, separate Reserve funding is not required for this component

Location: **Lower lever by boiler room**

Quantity: **(2) Units**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

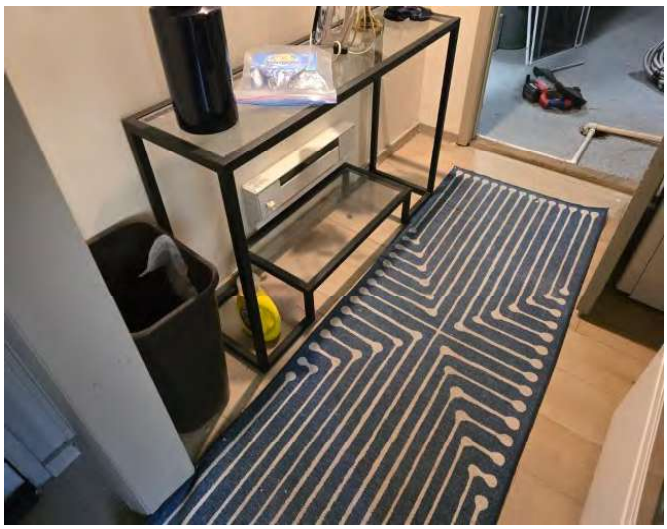
Worst Cost: **$0**

Source Information:

General Notes:

(1) Maytag Dryer
(1) Maytag Washer

Comp #: 1413 Laundry Room - Remodel



Observations:
- It appears the laundry area has been remodeled within the past several years and is in very good condition.
- Most associations perform a general remodel of the common interiors every 10 - 15 years to maintain appearance and keep up with current decorative trends.
- The final decision is up to the community members in deciding when to spend the money to perform this project since it is considered cosmetic.

Location: **Lower level**

Quantity: **Approx. 100 GSF**

Life Expectancy: **15** *Remaining Life:* **12**

Best Cost: **$4,750**
Allowance to remodel area

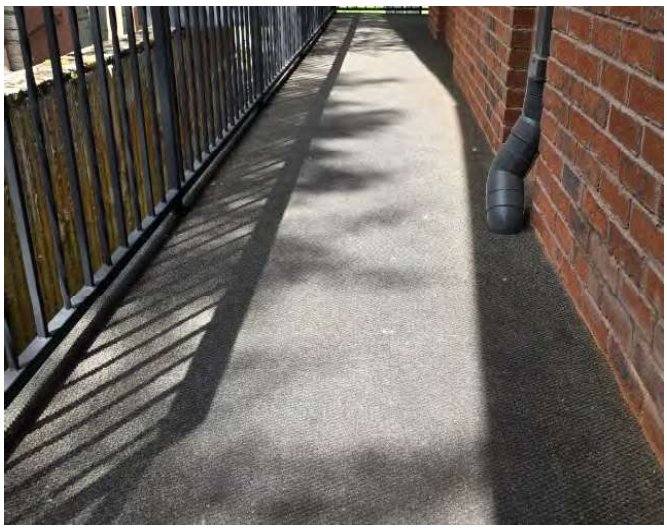
Worst Cost: **$5,250**
Higher allowance for more upgrades

Source Information: Cost database

General Notes:

LVP Flooring - Approx. 70 GSF
Paint - Approx. 180 GSF
(1) Small baseboard heater
(1) Glass/metal frame table
(3) Canvas art pieces

Comp #: 1507 Indoor/Outdoor Carpet - Replace



Observations:
- Carpet of this quality, installed in these types of areas with current traffic patterns, typically has a useful life of approximately 10 - 12 years before needing to be replaced.

Location: **See General Notes**

Quantity: **Approx. 405 GSY**

Life Expectancy: **12** *Remaining Life:* **4**

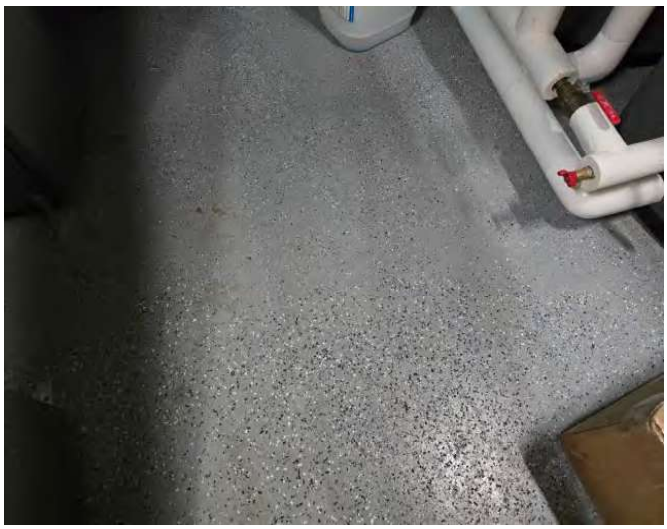
Best Cost: **$18,225**
$45/GSY; Estimate to remove and replace

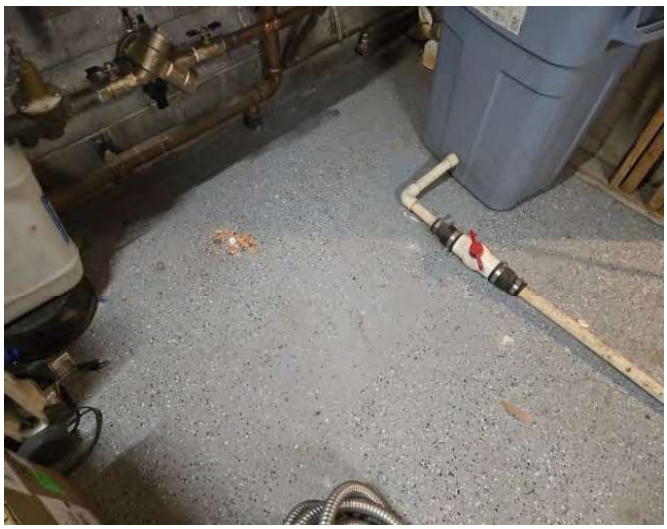
Worst Cost: **$21,870**
$54/GSY; Higher estimate for better quality

Source Information: Cost database

General Notes:
3rd floor - Approx. 180 GSY
2nd floor - Approx. 190 GSY
Stairs - Approx. 35 GSY

Comp #: 1511 Epoxy Flooring - Replace





Observations:
- Due to the minimal area, recoat as needed with operating funds

Location: **Boiler room**

Quantity: **Approx. 165 GSF**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source Information: Cost database

General Notes:

Comp #: 1602 Exterior Lighting - Replace

Observations:
- While replacement can occur on an as needed basis, it is our opinion and recommendation to replace all lights at the same time every 15 - 20 years to maintain a consistent appearance throughout the property.
- In addition, by replacing multiple fixtures, the association will be able to obtain a quantity discount for the fixtures.
- These can be replaced on an as needed basis with general operating funds.
- At this time, Reserve funding is not required for this component.

Location: **Attached to wall and ceilings**

Quantity: **Approx. (39) Lights**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

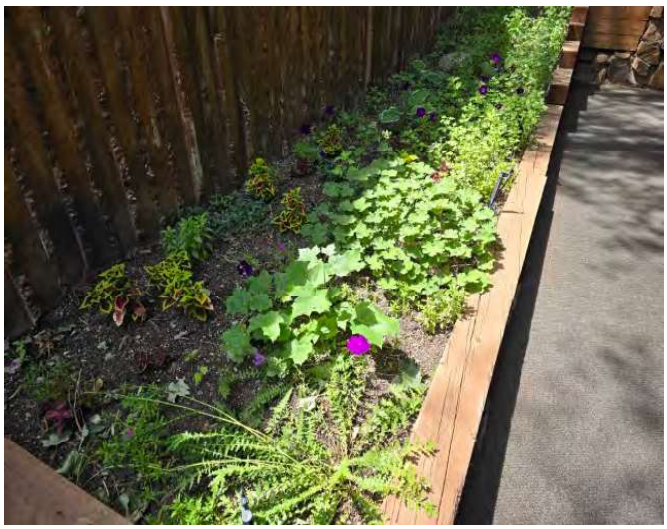
Worst Cost: **$0**

Source Information:

General Notes:

3rd floor - (12) Drop
2nd floor - (15) Can
1st floor - (9) Can
Stairs - (3) Drop

Comp #: 1703 Irrigation Controller/System - Replace



Observations:
- Due to the minimal replacement cost associated with this small system, Reserve funding is not appropriate.
- Perform major repairs as necessary as an operating expense

Location: **Mechanical Room**

Quantity: **(1) Controller**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source Information:

General Notes:
(1) Rainbird ESPME3, 3 stations, 2025

Comp #: 1904 Storage Shed - Replace

Observations:
- At the time of observation, there are holes in the side of the unit. Repair holes as a maintenance expense to extend the life of the shed.
- It was reported this is for trash
- Plan on replacing the shed every 15-20 years under normal conditions.
- Remaining life is based on observed condition of the shed

Location: **Adjacent to spa area**

Quantity: **(1) Shed**

Life Expectancy: **20** *Remaining Life:* **4**

Best Cost: **$4,250**
Estimate to replace with similar size

Worst Cost: **$4,750**
Higher estimate for more options

Source Information: Cost database

General Notes:
(1) Tuff Shed- 11' x 9'

Comp #: 2002 Plumbing/Backflow Preventer - Major Repairs

Observations:
- Utility lines are not typically included as a Reserve item due to unpredictable nature of this component.
- However, due to the age of the building, we recommend establishing an allowance for major repairs every 4 - 5 years.
- As the association establishes a history of expenses, we can adjust the figures accordingly based on actual costs.

Location: **Boiler room**

Quantity: **(1) Device**

Life Expectancy: **4** *Remaining Life:* **2**

Best Cost: **$3,500**
Allowance for major repairs

Worst Cost: **$4,000**
Higher allowance for more repairs

Source Information: Cost database

General Notes:

Comp #: 2003 Electrical System

Observations:
- Since the life of expectancy of electrical systems is unpredictable, Reserve funding is not included for this component.
- If the association establishes a pattern of frequent repairs or inspections, then an allowance could be added to the report at the request of the client.

Location: **Interior walls of building**

Quantity:

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source Information:

General Notes:

Funding Summary For Aspen Mountain Condominiums

NOTE: The results of this report are based on replacement costs we know as of the date of this report. We are not responsible for higher than normal price increases after the date of this report.

Beginning Assumptions	
Financial Information Source	Research With Client
# of units	11
Fiscal Year End	December 31, 2026
Monthly Dues from 2025 budget	$14,297.75
Monthly Reserve Allocation from 2025 Budget	$5,000.00
Projected Starting Reserve Balance (as of 1/1/2026)	$83,675
Reserve Balance: Average Per Unit	$7,607
Ideal Starting Reserve Balance (as of 1/1/2026)	$295,384
Ideal Reserve Balance: Average Per Unit	$26,853

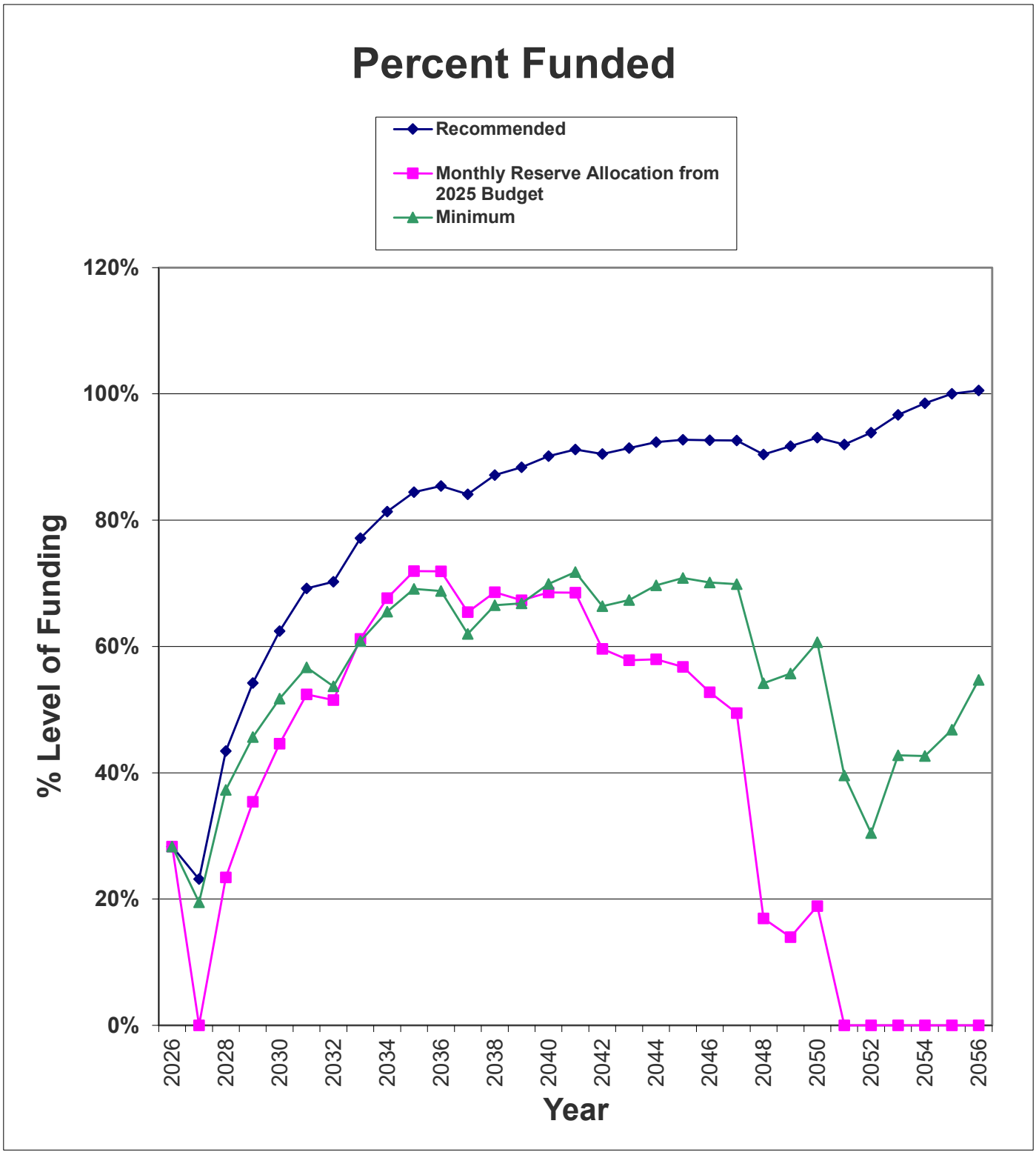
Economic Factors	
Past 20 year Average Inflation Rate (Based on CCI)	5.20%
Current Average Interest Rate	2.10%

Current Reserve Status	
Current Balance as a % of Ideal Balance	28%

Recommendations for 2026 Fiscal Year	
Monthly Reserve Allocation	$5,000
Per Unit	$454.55
Minimum Monthly Reserve Allocation	$4,425
Per Unit	$402.27
Primary Annual Increases	0.00%
# of Years	7
Additional Funding Req'd	$44,000
Per Unit	$4,000

Changes From Prior Year (2025 to 2026)	
Increase/Decrease to Reserve Allocation	$0
as Percentage	0%
Average Per Unit	$0.00

Percent Funded Graph For Aspen Mountain Condominiums

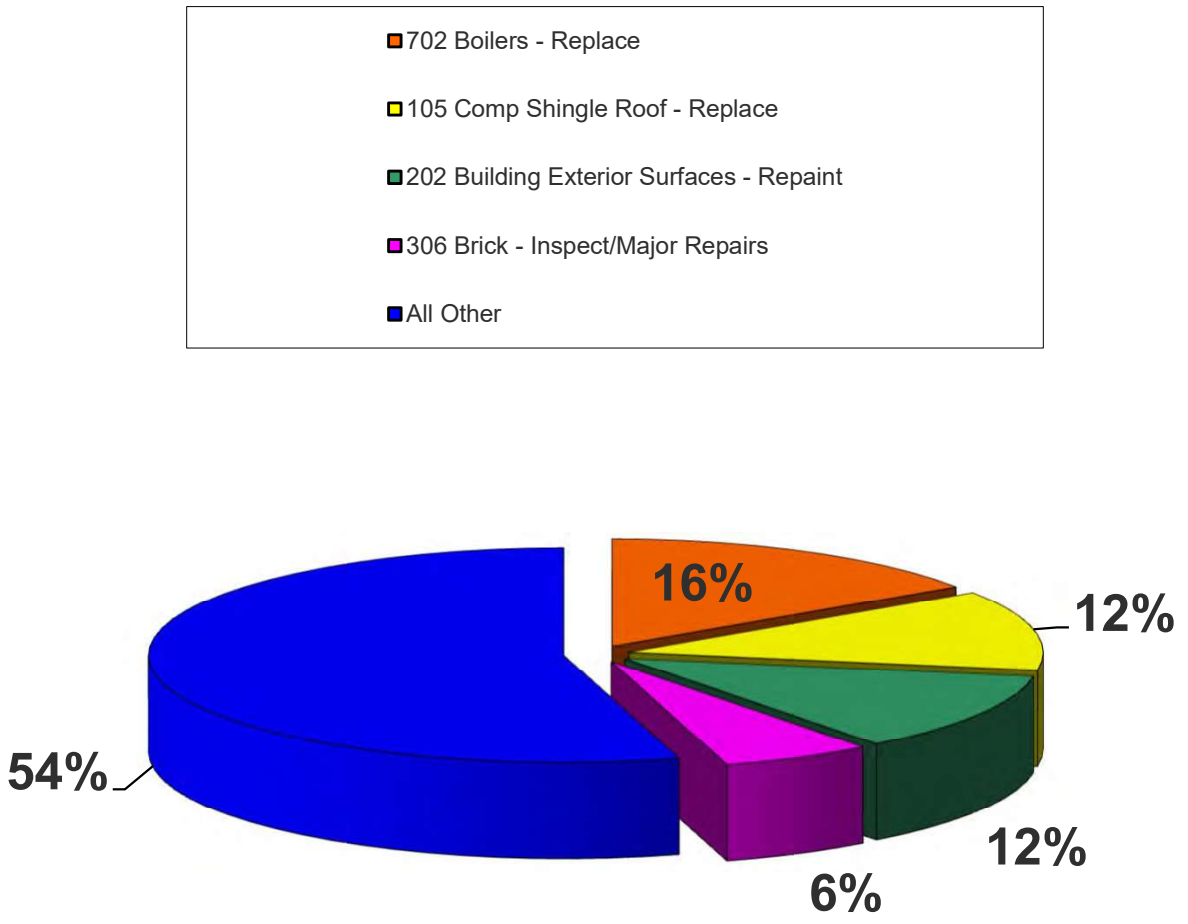


Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	105	Comp Shingle Roof - Replace	24	0	$84,500	$97,500
	120	Gutters/Downspouts - Replace	24	0	$8,160	$9,690
	121	Heat Tape - Replace	12	0	$20,000	$22,400
Painted Surfaces	202	Building Exterior Surfaces - Repaint	5	0	$17,500	$20,000
Siding Materials	305	Wood Ceiling - Major Repairs	5	0	$5,000	$5,800
	306	Brick - Inspect/Major Repairs	10	5	$16,750	$20,100
Drive Materials	403	Concrete Parking - Repair/Replace	6	3	$10,120	$11,500
Property Access	503	Doors - Replace	30	5	$4,050	$4,500
	506	Windows - Replace	N/A		$0	$0
Walking Surfaces	601	Concrete Sidewalks/Decks - Repair	12	3	$6,600	$7,590
	609	Composite Deck - Replace	25	19	$29,250	$31,500
Mechanical Equip.	702	Boilers - Replace	24	21	$110,000	$125,000
	703	Hot Water Storage Tanks - Replace	12	9	$13,500	$15,000
	715	Pumps - Replace	6	3	$8,000	$9,000
	721	Expansion Tanks - Replace	N/A		$0	$0
Prop. Identification	801	Identification Sign - Replace	17	1	$5,500	$6,300
	803	Mailboxes - Replace	N/A		$0	$0
Fencing/Walls	1002	Metal Handrails - Replace	50	10	$55,250	$61,750
	1005	Block Wall - Replace	10	5	$4,500	$6,000
	1005	Stone Walls - Major Repairs	10	5	$8,500	$9,000
	1016	Landscape Timber Walls - Major Repairs	N/A		$0	$0
Pool/Spa	1114	Spa Cover - Replace	N/A		$0	$0
	1116	Acrylic Spa - Replace	20	2	$16,500	$19,000
	1121	Spa Deck Furniture - Partial Replace	5	2	$2,500	$3,000
Interiors	1401	Laundry Equipment - Replace	N/A		$0	$0
	1413	Laundry Room - Remodel	15	12	$4,750	$5,250
Flooring	1507	Indoor/Outdoor Carpet - Replace	12	4	$18,225	$21,870
	1511	Epoxy Flooring - Replace	N/A		$0	$0
Light Fixtures	1602	Exterior Lighting - Replace	N/A		$0	$0
Irrig. System	1703	Irrigation Controller/System - Replace	N/A		$0	$0
Maintenance Equip.	1904	Storage Shed - Replace	20	4	$4,250	$4,750
Miscellaneous	2002	Plumbing/Backflow Preventer - Major Repairs	4	2	$3,500	$4,000
	2003	Electrical System	N/A		$0	$0

Significant Components For Aspen Mountain Condominiums

ID	Asset Name	UL	RUL	Ave Curr Cost	Significance: (Curr Cost/UL) As $	As %
105	Comp Shingle Roof - Replace	24	0	$91,000	$3,792	12.0853%
120	Gutters/Downspouts - Replace	24	0	$8,925	$372	1.1853%
121	Heat Tape - Replace	12	0	$21,200	$1,767	5.6310%
202	Building Exterior Surfaces - Repaint	5	0	$18,750	$3,750	11.9525%
305	Wood Ceiling - Major Repairs	5	0	$5,400	$1,080	3.4423%
306	Brick - Inspect/Major Repairs	10	5	$18,425	$1,843	5.8727%
403	Concrete Parking - Repair/Replace	6	3	$10,810	$1,802	5.7425%
503	Doors - Replace	30	5	$4,275	$143	0.4542%
601	Concrete Sidewalks/Decks - Repair	12	3	$7,095	$591	1.8845%
609	Composite Deck - Replace	25	19	$30,375	$1,215	3.8726%
702	Boilers - Replace	24	21	$117,500	$4,896	15.6047%
703	Hot Water Storage Tanks - Replace	12	9	$14,250	$1,188	3.7850%
715	Pumps - Replace	6	3	$8,500	$1,417	4.5154%
801	Identification Sign - Replace	17	1	$5,900	$347	1.1062%
1002	Metal Handrails - Replace	50	10	$58,500	$1,170	3.7292%
1005	Block Wall - Replace	10	5	$5,250	$525	1.6734%
1005	Stone Walls - Major Repairs	10	5	$8,750	$875	2.7889%
1116	Acrylic Spa - Replace	20	2	$17,750	$888	2.8288%
1121	Spa Deck Furniture - Partial Replace	5	2	$2,750	$550	1.7530%
1413	Laundry Room - Remodel	15	12	$5,000	$333	1.0624%
1507	Indoor/Outdoor Carpet - Replace	12	4	$20,048	$1,671	5.3248%
1904	Storage Shed - Replace	20	4	$4,500	$225	0.7172%
2002	Plumbing/Backflow Preventer - Major Repairs	4	2	$3,750	$938	2.9881%

Significant Components Graph For Aspen Mountain Condominiums

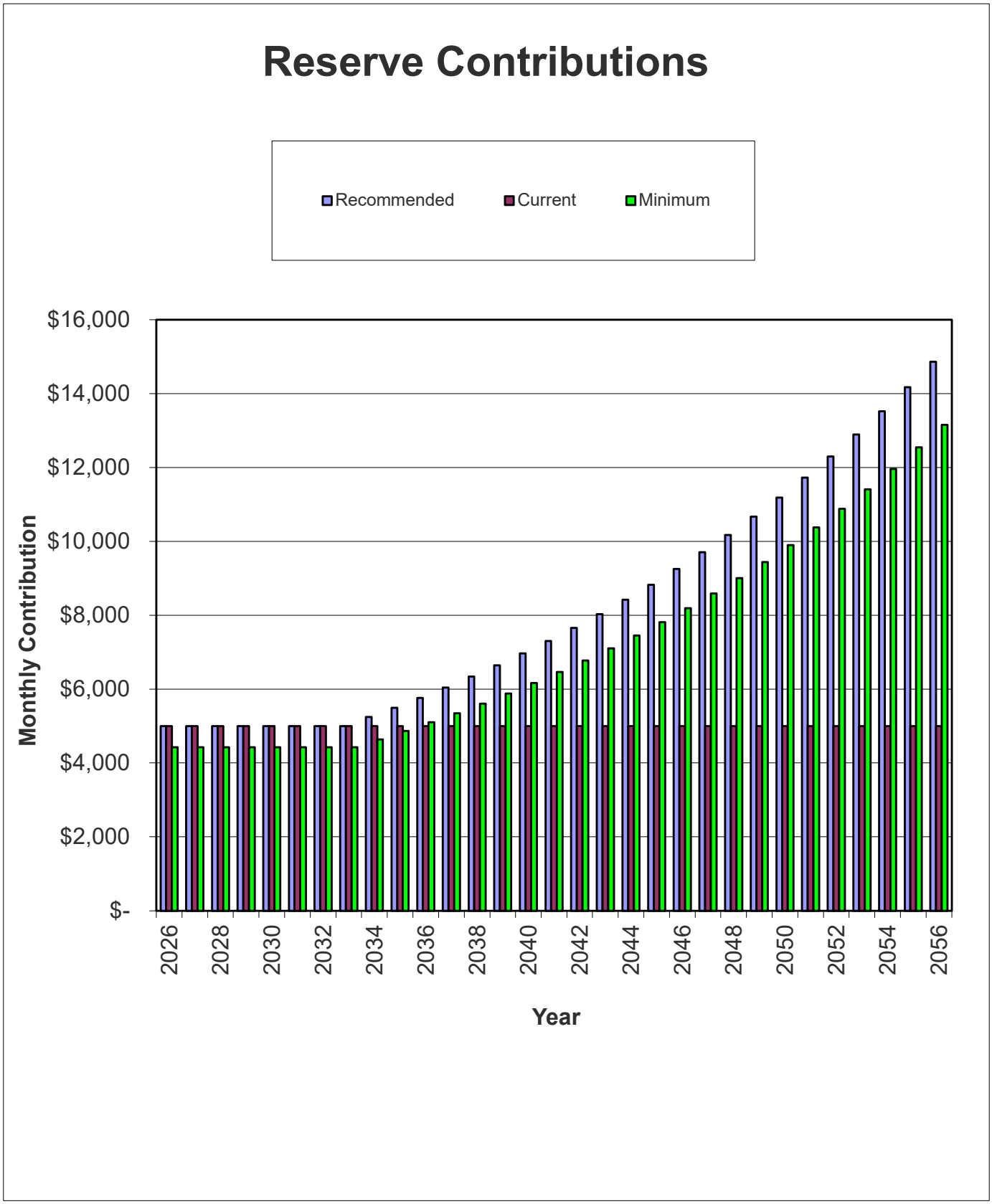


Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL) As $	As %
702	Boilers - Replace	24	21	$117,500	$4,896	16%
105	Comp Shingle Roof - Replace	24	0	$91,000	$3,792	12%
202	Building Exterior Surfaces - Repaint	5	0	$18,750	$3,750	12%
306	Brick - Inspect/Major Repairs	10	5	$18,425	$1,843	6%
All Other	See Expanded Table on Page 4 For Additional Breakdown				$17,094	54%

Yearly Summary For Aspen Mountain Condominiums

Fiscal Year Start	Fully Funded Balance	Starting Reserve Balance	Percent Funded	Annual Reserve Contribs	Additional Funding Req'd	Interest Income	Reserve Expenses
2026	$295,384	$83,675	28%	$60,000	$44,000	$1,803	$145,275
2027	$190,920	$44,203	23%	$60,000	$0	$1,508	$6,207
2028	$229,041	$99,504	43%	$60,000	$0	$2,461	$26,838
2029	$249,245	$135,128	54%	$60,000	$0	$3,175	$30,742
2030	$268,292	$167,561	62%	$60,000	$0	$3,870	$30,066
2031	$291,039	$201,365	69%	$60,000	$0	$4,074	$78,404
2032	$266,219	$187,036	70%	$60,000	$0	$4,548	$5,083
2033	$319,454	$246,501	77%	$60,000	$0	$5,821	$3,921
2034	$379,005	$308,400	81%	$62,910	$0	$7,206	$0
2035	$448,226	$378,516	84%	$65,961	$0	$8,164	$52,962
2036	$467,904	$399,679	85%	$69,160	$0	$7,687	$143,440
2037	$396,132	$333,086	84%	$72,515	$0	$7,831	$0
2038	$474,375	$413,432	87%	$76,031	$0	$9,008	$53,191
2039	$503,729	$445,281	88%	$79,719	$0	$10,287	$0
2040	$593,718	$535,287	90%	$83,585	$0	$12,155	$7,625
2041	$683,683	$623,402	91%	$87,639	$0	$12,265	$177,505
2042	$603,103	$545,802	90%	$91,890	$0	$12,069	$45,114
2043	$661,279	$604,646	91%	$96,346	$0	$13,773	$6,510
2044	$766,953	$708,256	92%	$101,019	$0	$15,834	$24,033
2045	$863,752	$801,075	93%	$105,919	$0	$17,265	$79,582
2046	$911,421	$844,676	93%	$111,056	$0	$18,382	$66,563
2047	$979,761	$907,551	93%	$116,442	$0	$15,834	$438,006
2048	$665,628	$601,821	90%	$122,089	$0	$13,271	$73,970
2049	$723,102	$663,210	92%	$128,011	$0	$15,419	$0
2050	$866,616	$806,641	93%	$134,219	$0	$14,030	$424,086
2051	$576,962	$530,804	92%	$140,729	$0	$10,617	$200,918
2052	$512,813	$481,232	94%	$147,554	$0	$11,620	$14,010
2053	$648,050	$626,396	97%	$154,711	$0	$13,499	$134,239
2054	$670,251	$660,366	99%	$162,214	$0	$14,843	$82,890
2055	$754,371	$754,533	100%	$170,081	$0	$17,802	$0

Reserve Contributions For Aspen Mountain Condominiums



Component Funding Information For Aspen Mountain Condominiums

ID	Component Name	Ave Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Comp Shingle Roof - Replace	$91,000	$91,000	$83,675	$604.27
120	Gutters/Downspouts - Replace	$8,925	$8,925	$0	$59.26
121	Heat Tape - Replace	$21,200	$21,200	$0	$281.55
202	Building Exterior Surfaces - Repaint	$18,750	$18,750	$0	$597.63
305	Wood Ceiling - Major Repairs	$5,400	$5,400	$0	$172.12
306	Brick - Inspect/Major Repairs	$18,425	$9,213	$0	$293.63
403	Concrete Parking - Repair/Replace	$10,810	$5,405	$0	$287.13
503	Doors - Replace	$4,275	$3,563	$0	$22.71
601	Concrete Sidewalks/Decks - Repair	$7,095	$5,321	$0	$94.23
609	Composite Deck - Replace	$30,375	$7,290	$0	$193.63
702	Boilers - Replace	$117,500	$14,688	$0	$780.23
703	Hot Water Storage Tanks - Replace	$14,250	$3,563	$0	$189.25
715	Pumps - Replace	$8,500	$4,250	$0	$225.77
801	Identification Sign - Replace	$5,900	$5,553	$0	$55.31
1002	Metal Handrails - Replace	$58,500	$46,800	$0	$186.46
1005	Block Wall - Replace	$5,250	$2,625	$0	$83.67
1005	Stone Walls - Major Repairs	$8,750	$4,375	$0	$139.45
1116	Acrylic Spa - Replace	$17,750	$15,975	$0	$141.44
1121	Spa Deck Furniture - Partial Replace	$2,750	$1,650	$0	$87.65
1413	Laundry Room - Remodel	$5,000	$1,000	$0	$53.12
1507	Indoor/Outdoor Carpet - Replace	$20,048	$13,365	$0	$266.24
1904	Storage Shed - Replace	$4,500	$3,600	$0	$35.86
2002	Plumbing/Backflow Preventer - Major Repairs	$3,750	$1,875	$0	$149.41

Yearly Cash Flow For Aspen Mountain Condominiums

Year	2026	2027	2028	2029	2030
Starting Balance	$83,675	$44,203	$99,504	$135,128	$167,561
Reserve Income	$60,000	$60,000	$60,000	$60,000	$60,000
Interest Earnings	$1,803	$1,508	$2,461	$3,175	$3,870
Additional Funding Req'd	$44,000	$0	$0	$0	$0
Funds Available	$189,478	$105,711	$161,965	$198,303	$231,431
Reserve Expenditures	$145,275	$6,207	$26,838	$30,742	$30,066
Ending Balance	$44,203	$99,504	$135,128	$167,561	$201,365

Year	2031	2032	2033	2034	2035
Starting Balance	$201,365	$187,036	$246,501	$308,400	$378,516
Reserve Income	$60,000	$60,000	$60,000	$62,910	$65,961
Interest Earnings	$4,074	$4,548	$5,821	$7,206	$8,164
Additional Funding Req'd	$0	$0	$0	$0	$0
Funds Available	$265,440	$251,584	$312,322	$378,516	$452,641
Reserve Expenditures	$78,404	$5,083	$3,921	$0	$52,962
Ending Balance	$187,036	$246,501	$308,400	$378,516	$399,679

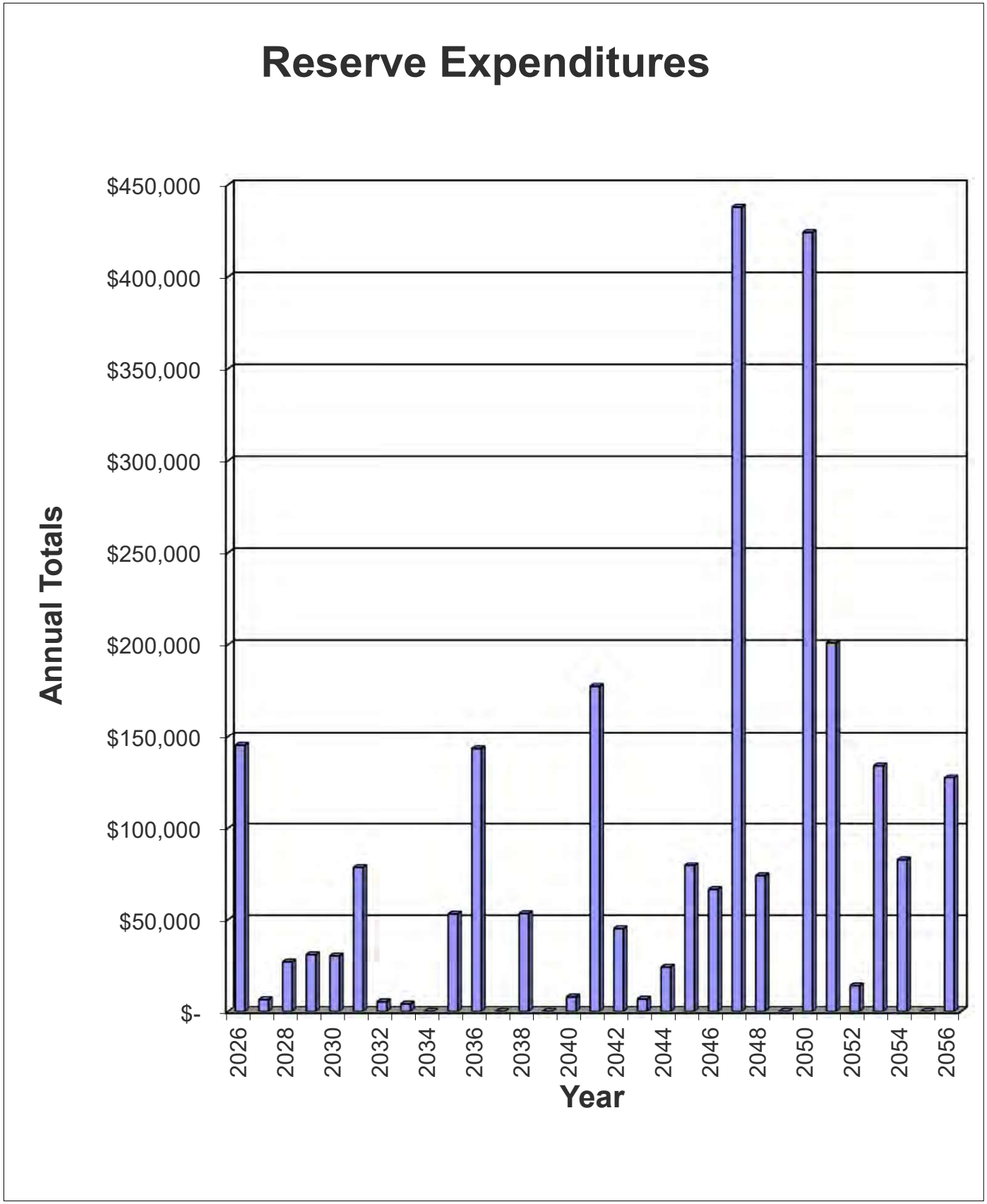
Year	2036	2037	2038	2039	2040
Starting Balance	$399,679	$333,086	$413,432	$445,281	$535,287
Reserve Income	$69,160	$72,515	$76,031	$79,719	$83,585
Interest Earnings	$7,687	$7,831	$9,008	$10,287	$12,155
Additional Funding Req'd	$0	$0	$0	$0	$0
Funds Available	$476,527	$413,432	$498,472	$535,287	$631,027
Reserve Expenditures	$143,440	$0	$53,191	$0	$7,625
Ending Balance	$333,086	$413,432	$445,281	$535,287	$623,402

Year	2041	2042	2043	2044	2045
Starting Balance	$623,402	$545,802	$604,646	$708,256	$801,075
Reserve Income	$87,639	$91,890	$96,346	$101,019	$105,919
Interest Earnings	$12,265	$12,069	$13,773	$15,834	$17,265
Additional Funding Req'd	$0	$0	$0	$0	$0
Funds Available	$723,307	$649,761	$714,766	$825,108	$924,258
Reserve Expenditures	$177,505	$45,114	$6,510	$24,033	$79,582
Ending Balance	$545,802	$604,646	$708,256	$801,075	$844,676

Year	2046	2047	2048	2049	2050
Starting Balance	$844,676	$907,551	$601,821	$663,210	$806,641
Reserve Income	$111,056	$116,442	$122,089	$128,011	$134,219
Interest Earnings	$18,382	$15,834	$13,271	$15,419	$14,030
Additional Funding Req'd	$0	$0	$0	$0	$0
Funds Available	$974,114	$1,039,827	$737,181	$806,641	$954,890
Reserve Expenditures	$66,563	$438,006	$73,970	$0	$424,086
Ending Balance	$907,551	$601,821	$663,210	$806,641	$530,804

Year	2051	2052	2053	2054	2055
Starting Balance	$530,804	$481,232	$626,396	$660,366	$754,533
Reserve Income	$140,729	$147,554	$154,711	$162,214	$170,081
Interest Earnings	$10,617	$11,620	$13,499	$14,843	$17,802
Additional Funding Req'd	$0	$0	$0	$0	$0
Funds Available	$682,150	$640,406	$794,605	$837,423	$942,416
Reserve Expenditures	$200,918	$14,010	$134,239	$82,890	$0
Ending Balance	$481,232	$626,396	$660,366	$754,533	$942,416

Yearly Expenditures Graph For Aspen Mountain Condominiums



Projected Reserve Expenditures For Aspen Mountain Condominiums

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
2026	105	Comp Shingle Roof - Replace	$91,000	
	120	Gutters/Downspouts - Replace	$8,925	
	121	Heat Tape - Replace	$21,200	
	202	Building Exterior Surfaces - Repaint	$18,750	
	305	Wood Ceiling - Major Repairs	$5,400	$145,275
2027	801	Identification Sign - Replace	$6,207	$6,207
2028	1116	Acrylic Spa - Replace	$19,644	
	1121	Spa Deck Furniture - Partial Replace	$3,043	
	2002	Plumbing/Backflow Preventer - Major Repairs	$4,150	$26,838
2029	403	Concrete Parking - Repair/Replace	$12,586	
	601	Concrete Sidewalks/Decks - Repair	$8,260	
	715	Pumps - Replace	$9,896	$30,742
2030	1507	Indoor/Outdoor Carpet - Replace	$24,554	
	1904	Storage Shed - Replace	$5,512	$30,066
2031	202	Building Exterior Surfaces - Repaint	$24,159	
	305	Wood Ceiling - Major Repairs	$6,958	
	306	Brick - Inspect/Major Repairs	$23,740	
	503	Doors - Replace	$5,508	
	1005	Block Wall - Replace	$6,765	
	1005	Stone Walls - Major Repairs	$11,274	$78,404
2032	2002	Plumbing/Backflow Preventer - Major Repairs	$5,083	$5,083
2033	1121	Spa Deck Furniture - Partial Replace	$3,921	$3,921
2034		No Expenditures Projected		$0
2035	403	Concrete Parking - Repair/Replace	$17,060	
	703	Hot Water Storage Tanks - Replace	$22,488	
	715	Pumps - Replace	$13,414	$52,962
2036	202	Building Exterior Surfaces - Repaint	$31,129	
	305	Wood Ceiling - Major Repairs	$8,965	
	1002	Metal Handrails - Replace	$97,121	
	2002	Plumbing/Backflow Preventer - Major Repairs	$6,226	$143,440
2037		No Expenditures Projected		$0
2038	121	Heat Tape - Replace	$38,952	
	1121	Spa Deck Furniture - Partial Replace	$5,053	
	1413	Laundry Room - Remodel	$9,187	$53,191
2039		No Expenditures Projected		$0
2040	2002	Plumbing/Backflow Preventer - Major Repairs	$7,625	$7,625
2041	202	Building Exterior Surfaces - Repaint	$40,109	
	305	Wood Ceiling - Major Repairs	$11,551	
	306	Brick - Inspect/Major Repairs	$39,413	
	403	Concrete Parking - Repair/Replace	$23,124	
	601	Concrete Sidewalks/Decks - Repair	$15,177	
	715	Pumps - Replace	$18,183	
	1005	Block Wall - Replace	$11,230	
	1005	Stone Walls - Major Repairs	$18,717	$177,505
2042	1507	Indoor/Outdoor Carpet - Replace	$45,114	$45,114
2043	1121	Spa Deck Furniture - Partial Replace	$6,510	$6,510
2044	801	Identification Sign - Replace	$14,694	
	2002	Plumbing/Backflow Preventer - Major Repairs	$9,339	$24,033
2045	609	Composite Deck - Replace	$79,582	$79,582
2046	202	Building Exterior Surfaces - Repaint	$51,679	
	305	Wood Ceiling - Major Repairs	$14,884	$66,563
2047	403	Concrete Parking - Repair/Replace	$31,344	
	702	Boilers - Replace	$340,697	

Year	Asset ID	Asset Name	Projected Cost	Total Per Annum
	703	Hot Water Storage Tanks - Replace	$41,319	
	715	Pumps - Replace	$24,646	$438,006
2048	1116	Acrylic Spa - Replace	$54,143	
	1121	Spa Deck Furniture - Partial Replace	$8,388	
	2002	Plumbing/Backflow Preventer - Major Repairs	$11,439	$73,970
2049		No Expenditures Projected		$0
2050	105	Comp Shingle Roof - Replace	$307,199	
	120	Gutters/Downspouts - Replace	$30,129	
	121	Heat Tape - Replace	$71,567	
	1904	Storage Shed - Replace	$15,191	$424,086
2051	202	Building Exterior Surfaces - Repaint	$66,588	
	305	Wood Ceiling - Major Repairs	$19,177	
	306	Brick - Inspect/Major Repairs	$65,434	
	1005	Block Wall - Replace	$18,645	
	1005	Stone Walls - Major Repairs	$31,074	$200,918
2052	2002	Plumbing/Backflow Preventer - Major Repairs	$14,010	$14,010
2053	403	Concrete Parking - Repair/Replace	$42,486	
	601	Concrete Sidewalks/Decks - Repair	$27,885	
	715	Pumps - Replace	$33,407	
	1121	Spa Deck Furniture - Partial Replace	$10,808	
	1413	Laundry Room - Remodel	$19,651	$134,239
2054	1507	Indoor/Outdoor Carpet - Replace	$82,890	$82,890
2055		No Expenditures Projected		$0
2056	202	Building Exterior Surfaces - Repaint	$85,797	
	305	Wood Ceiling - Major Repairs	$24,710	
	2002	Plumbing/Backflow Preventer - Major Repairs	$17,159	$127,666

Glossary of Commonly used Words and Phrases (provided by the National Reserve Study Standards of the Community Associations Institute)

Asset or Component – Individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association Responsibility, 2) with limited Useful Life expectancies, 3) have predictable Remaining Life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

Cash Flow Method – A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

Component Inventory – The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

Deficit – An actual (or projected) Reserve Balance, which is less than the Fully Funded Balance.

Effective Age – The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

Financial Analysis – The portion of the Reserve Study where current status of the Reserves (Measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of the Reserve Study.

Component Full Funding – When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

Fully Fund Balance (aka – Ideal Balance) – An indicator against which Actual (or projected) Reserve Balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, and then summed together for an association total.

FFB = Replacement Cost X Effective Age / Useful Life

Fund Status – The status of the Reserve Fund as compared to an established benchmark, such as percent funding.

Funding Goals – Independent of methodology utilized, the following represent the basic categories of Funding Plan Goals.

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve Balance above zero.
- **Component Full Funding:** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than the "Component Fully Funding" method.

Funding Plan – An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Funding Principles –

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

Life and Valuation Estimates – The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

Percent Funded – The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage.

Physical Analysis – The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) – Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have "0" Remaining Useful Life.

Replacement Cost – The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

Reserve Balance – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited.

Reserve Provider – An individual that prepares Reserve Studies. Also known as ***Aspen Reserve Specialties.***

Reserve Study – A budget-planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

Surplus – An actual (or projected) Reserve Balance that is greater that the Fully Funded Balance.

Useful Life (UL) – Also known as "Life Expectancy", or "Depreciable Life". The estimated time, in years, that a Reserve component can be expected to serve its intended function if properly constructed and maintained in its present application or installation.