

**BRYDON WALK**  
STRATA BCS 2287

**DEPRECIATION REPORT**

**NOVEMBER 30, 2014**

**REVISION 0**

*PREPARED BY*

**RESERVE DATA ANALYSIS**  
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# RDA Reserve Data Analysis

(a division of Mountainside Enterprises)

July 22, 2014

Brydon Walk - Strata BCS 2287  
C/O Ms. Sue Bell  
13468 77<sup>th</sup> Avenue  
Surrey, BC V3W 6Y3

Members of the Strata Council,

The following report represents the completed Depreciation Report for BCS 2287 as of November 30, 2014. The analysis was prepared subsequent to careful review of the appropriate governing documents and all applicable financial reports. Additionally, an on-site inspection was conducted in order to identify the appropriate reserve components and accurately determine their quantity and condition. We have also relied on information provided by the Strata Corporation and its Representatives.

Financial parameters incorporated into the Reserve Study are as follows: An inflation factor of 1.5% is applied for cost calculations, net investment yield is estimated at 2.0%, and projected annual reserve contributions are increased by a factor of 0.0%. The current reserve contribution is \$29.06 per unit per month on average. (Not based on unit entitlement.)

As it presently stands, our analysis yields the following results;

The **CURRENT RESERVE METHOD (Option 1)** indicates a total monthly contribution to reserves of \$1,560.76 or \$36.29 per unit will be required to meet the future anticipated needs of the Strata Corporation. This method is predicated on *Current Replacement Costs* and necessitates an annual review and adjustment for actual inflation.

The **STRAIGHT LINE METHOD (Option 2)** indicates a total monthly contribution to reserves of \$2,044.33 or \$47.53 per unit will be required. This method of funding is predicated on *Future Replacement Costs* which have been adjusted for inflation. Theoretically, the required funding will remain level over all years.

The **MIXED MODEL / SPECIAL LEVY METHOD (Option 3)** indicates a total monthly contribution of \$1,365.84 or \$31.76 per unit will be required. This method of funding is predicated on roof replacement costs being funded by special levy (\$1,627.83 per unit) and other expenditures calculated on current replacement costs.

Available reserves are projected to be \$38,057 as of November 30, 2014 which is 45% of your Ideal Reserve Balance of \$84,220. This indicates an **IDEAL RESERVE DEFICIENCY** of \$46,163 or \$1,073.56 (unfunded liability) per unit.

Additional calculations reveal that in the event your Projected Available Reserves were \$84,220 or exactly 100% of your Ideal Reserve, the Current Reserve Method would require a total monthly contribution of \$1,276 while the Straight Line Method would necessitate a monthly contribution of \$1,759.

Based on the results of our analysis, we recommend that your strata corporation fund reserves at the level indicated by the *CURRENT RESERVE METHOD* for the upcoming year. .

Should questions arise or if I can be of any assistance please feel free to call.

Sincerely,



Dan Leiker  
Reserve Analyst CAI

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# **SECTION ONE**

## ***EXECUTIVE SUMMARY***

The following Executive Summary is intended to be of service in two capacities. First, the Strata Property Act of British Columbia establishes minimum requirements regarding reserves. These requirements are discussed in detail in Section Two of this report. The Executive Summary is specifically designed to satisfy those requirements. It eliminates the confusion over which information to include in the annual budget and saves the time and expense of duplicating and distributing the entire report.

Secondly, by providing all critical data and key indices in an overview perspective, the Executive Summary serves as a meaningful working document to assist the Strata Council and/or the Management Team in the scheduling, planning, and budgeting processes.

# EXECUTIVE SUMMARY

## DEPRECIATION REPORT

STRATA BCS 2287

NOVEMBER 30, 2014

<i>COMPONENT</i>	<i>CURRENT REPLACEMENT COST</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED RESERVES 11/30/14</i>	<i>MONTHLY FUNDING REQUIREMENT</i>	<i>IDEAL RESERVE</i>
<b><u>BUILDING ELEMENTS</u></b>						
<b>ROOF REPLACEMENT;</b>						
Fiber Comp Shingle	\$49,686	23	30	\$4,979	\$162.00	\$11,593
Gutters & Downspouts	10,238	33	40	770	23.92	1,792
Green Roof Parkade - footnote	0	43	50	0	0.00	0
<b>SIDING REPLACEMENT;</b>						
Vinyl Siding - footnote	0	43	50	0	0.00	0
Vinyl Siding - repairs	2,500	7	15	573	22.92	1,333
<b>FLOOR COVERING;</b>						
Carpet - ballways	20,700	7	15	4,742	190.00	11,040
Carpet - stairwells	6,120	18	25	736	24.92	1,714
Tile - regROUT	4,095	17	25	563	17.33	1,310
<b>METAL RAILING;</b>						
42" Alum Rails - re-powder coat	16,960	23	30	1,700	55.25	3,957
<b>DECKS;</b>						
DuraDeck - resurface	43,200	18	25	5,196	175.92	12,096
<b>DOORS;</b>						
Metal Access & Utility Doors	3,900	33	40	293	9.08	683
Alum/Glass Access Doors	4,300	33	40	323	10.08	753
Interior Doors - footnote	0	1	1	0	0.00	0
<b>ELEVATORS;</b>						
Controllers & Pump	25,000	33	40	1,879	58.42	4,375
Door Operators	15,000	33	40	1,127	35.00	2,625
Cab Refurb & Panel	12,000	33	40	902	28.00	2,100
<b>MECHANICAL SYSTEMS;</b>						
Eng A MUA - rooftop	17,500	23	30	1,754	57.08	4,083
Hot Water Heaters - 100 gal.	15,000	13	15	859	90.67	2,000
Recirculation Pumps	450	5	10	97	5.92	225
Parkade Fans - rebuild	600	13	20	90	3.25	210
CO2 Monitor	1,000	13	20	150	5.42	350
Baseboard Heaters - footnote	0	1	1	0	0.00	0
Mircom Fire Panel	7,800	23	30	782	25.42	1,820
<b>OTHER;</b>						
Fire Systems - footnote	0	1	1	0	0.00	0
Water Pipe Repairs - footnote	2,500	8	15	501	20.83	1,167
Misc. Fans & Blowers	1,000	23	30	100	3.25	233
Category Total	\$259,549			\$28,116	1,024.68	\$65,459
<b><u>FENCES &amp; GATES</u></b>						
<b>ENTRY SYSTEM;</b>						
Enterphones	8,000	23	25	275	28.00	640
<b>GATE OPERATORS;</b>						
12' Rollup Gates	3,500	18	25	421	14.25	980
Operators & Motors	1,300	8	15	261	10.83	607
Category Total	\$12,800			\$957	53.08	\$2,227

# EXECUTIVE SUMMARY

## DEPRECIATION REPORT

STRATA BCS 2287

NOVEMBER 30, 2014

COMPONENT	CURRENT REPLACEMENT COST	REMAINING LIFE	USEFUL LIFE	PROJECTED RESERVES 11/30/14	MONTHLY FUNDING REQUIREMENT	IDEAL RESERVE
<b><u>PAINT</u></b>						
<i>EXTERIOR SURFACES;</i>						
Trim & Caulk	24,295	8	8	0	253.08	0
Concrete Wall	1,650	8	15	331	13.75	770
<i>INTERIOR SURFACES;</i>						
Hallway Ceilings & Walls	15,430	8	15	3,093	128.50	7,201
Stairs & Amenity Areas	5,313	13	20	799	28.92	1,860
Category Total	\$46,688			\$4,223	424.25	\$9,831
<b><u>LIGHTING</u></b>						
<i>BUILDING LIGHTING;</i>						
Interior Lighting - footnote	0	1	1	0	0.00	0
Wallmount Fixtures	850	23	30	85	2.75	198
Patio Fixtures	3,225	23	30	323	10.50	753
Hanging Lanterns	400	23	30	40	1.33	93
<i>LANDSCAPE LIGHTING;</i>						
Pedestal Globe Fixtures	2,375	18	25	286	9.67	665
Category Total	\$6,850			\$734	24.25	\$1,709
<b><u>LANDSCAPE</u></b>						
<i>GENERAL LANDSCAPE;</i>						
Landscape Replacement Reserve	1,000	3	10	301	19.42	700
Irrigation Controller	175	18	25	21	0.75	49
Irrigation Zone Valves	500	18	25	60	2.00	140
Category Total	\$1,675			\$382	22.17	\$889





# **SECTION TWO**

## ***OVERVIEW TO STRATA TITLE DEVELOPMENTS***

Section Two is designed to provide a general understanding of some of the concepts and requirements of Strata Title Developments as they relate to reserves and reserve funding. It will also explain a strata corporation's specific legal requirements as established by the Strata Property Act of British Columbia and discuss the importance of a well prepared Depreciation Report.

# **STRATA TITLE DEVELOPMENTS**

## ***INTRODUCTION***

A Strata Title Development is defined by shared property and deed restrictions on the use of that property. Strata's have distinct legal characteristics that distinguish them from other forms of ownership. One important feature is that ownership in a Strata combines individual ownership, or the right of exclusive occupancy of a unit, with the shared ownership of the common area within the development. Another distinguishing trait is that owners in a Strata Corporation are automatically members of an Owners Association that is responsible for the operation and maintenance of the common area and must provide for a system of self-government. Finally, in order to cover the costs of operating the strata, owners are assessed dues for their proportionate share of the strata corporation's expenses in accordance with unit entitlement.

A Strata Title Development is governed by a mandatory Association of Members which elects representatives to make decisions regarding its management. This Strata Council administers the property, enforces its restrictions, and is responsible for maintaining, repairing, or replacing the common areas.

The Strata Property Act, By-laws, and Strata Plan of the Corporation are the documents used to establish the framework for the operation of the Strata Corporation. They form the legal basis for the "mini-government" that is created and are generally enforceable in a court of law should the need arise.

## ***CONTINGENCY RESERVES***

Prompt payment of assessments by all owners is essential to cover the day-to-day operating costs of the Strata and to build a Contingency Reserve Fund for future repair and replacement of major components of the common area. These reserves are an important part of the Strata Corporation's annual budget. They are generally collected with the regular assessments and accumulated in a separate Reserve Account until they are needed. Ideally, all major repair and replacement costs will be covered by funds in the Reserve Account.

It is important that strata corporation members understand the difference between operating expenses and reserve expenses. Operating expenses occur at least annually and are normally recurring administrative expenses or those that relate to the day-to-day maintenance of the common area. They are funded through a non-reserve or "operating" account. Some examples of typical operating expenses are; insurance premiums, utility bills, pool and landscape contracts, and minor repairs. Reserve expenses, on the other hand, are non-annual costs for the maintenance, repair and replacement of common area components. They are funded from the replacement reserve account. Typical reserve expenses are roof replacement, carpet replacement and painting of the common area.

As the governing body is charged with the responsibility for maintaining the strata's property, it is important that accumulated cash reserves be available when they are needed. Insufficient reserves at a time when a major repair or replacement is needed results in the governing body either deferring the work, levying a potentially burdensome special assessment, or deferring payment by borrowing the necessary funds. Deferred maintenance and the financial inability to keep up with the normal aging of the common area components can lead to a state of disrepair and declination of property values. Additionally, lending

institutions may refuse to grant favorable mortgage financing to the its owners, or its prospective owners if the strata corporation is inadequately reserved or financially unsound.

By contrast, a well-funded reserve goes a long way toward maintaining property values within a Strata Title Development. Not only does it spread the cost of predictable repairs and replacements over time, helping to eliminate the need for special assessments, but it ensures that all common area components are well maintained. Proper reserve planning does away with the inequitable concentration of costs on the owners in the project at the time the repair or replacement is required.

## ***IMPORTANCE OF DEPRECIATION REPORTS***

A well prepared Depreciation report is vitally important for many reasons. First, it ensures that the strata corporation complies with the applicable legal requirements. The Strata Property Act of British Columbia Section 93.(3) requires a strata corporation to follow this minimum provision: "If, at the end of any fiscal year after the first annual general meeting, the amount of money in the contingency reserve fund is less than 25% of the average yearly expenditure, the annual contribution to the contingency reserve fund must be at least 10% of the total contribution to the operating fund for the current year."

Second, because the Strata Council has a fiduciary duty to manage the strata funds and property, a Reserve Study is an important tool as they strive to balance and optimize long-term property values and costs to the membership. Reserve planning helps assure property values by protecting against declination due to deferred maintenance and the financial inability to keep up with component wear. A well prepared Depreciation Report serves as a management tool for scheduling, coordinating, and planning of future repairs and replacement of components.

Third, a Depreciation Report provides a more accurate and complete picture of a strata corporation's financial strength and market value. As such, outside parties often request a copy. Lending institutions for the strata's individual owners, and its prospective owners often refer to the Reserve Study when considering financing decisions. For perspective buyers, reserve information is an important factor in evaluating a property and its value. The Depreciation Report is also necessary to the Accountant in order to prepare the Annual Audit.

Finally, many strata owners assume that their reserve requirements have been adequately established because developers prepare a budget worksheet as part of the submission to the land title office when registering the strata plan.

However, the interim budget projections should ***not*** be used as the basis for the Strata Corporation's reserve planning. Developer estimates may have been prepared several years before the project is actually constructed and are frequently obsolete by the time the first unit is sold. More seriously, the project may not have been actually constructed as originally planned and therefore the interim budget calculations will not reflect the strata's true liability.

# **ALTERNATIVE FUNDING MODELS**

We can identify at least three basic funding models. Depending on the financial position of the strata corporation, one or more of these models may be operating.

## ***UNFUNDED & SPECIAL ASSESSMENT MODEL***

This is the default model in place in many Strata Title Developments today. The Strata does not have the reserve funds to cover a necessary major repair or replacement and the only recourse is to require a potentially burdensome special assessment. This scenario imposes an inequitable concentration of costs on the owners in the project at the time the repair or replacement is required and creates additional financial burden on owners who have often chosen strata ownership for cost reasons. It is the riskiest of all models and may jeopardize the financial viability of the Strata Corporation if assessments cannot be raised when needed.

## ***MIXED MODEL***

This is also a common model. It uses a combination of regular and special assessments to meet the cash requirements of major repairs and replacements. The degree to which a Strata Corporation can meet its cash requirements through regular as opposed to special assessments may be an indicator of the Strata's financial stability.

## ***FULLY FUNDED MODEL***

This is the most conservative of all models and calls for a reserve balance equal to the estimated value of accumulated component wear. In this model the Strata does not have any unfunded reserve liability in any projected year. Because the concept of unfunded liability is new to many Strata's, and because an understanding of unfunded liability is important in distinguishing between alternative funding plans, it is explained here in detail.

If a component currently valued at \$10,000 has a useful life of ten years we can estimate the annual wear, or the annual provision for the replacement fund at \$1,000. By year five assuming no inflation, this component has accrued a liability of \$5,000. If the strata corporation is "Fully Funded" we expect that this \$5,000 would be in the reserve account by the end of the fifth year via planned regular assessment contributions.

The choice of funding strategy will have a direct impact on the amount of cash required of each owner as well as the timing of those requirements. Currently, British Columbia law does not specify a model for funding, however it is obvious that the model that eliminates unfunded liability is the most conservative, provides the most stability, and more equitably divides the cost of predictable repairs and replacements over time

# **SECTION THREE**

## ***REPORT OVERVIEW***

Section Three provides an overview of this report. Here we explain the basis of our analysis. We also provide insight into our objectives and the purpose and use of this document. Additionally, we will describe the scope of our analysis, explain the parameters and assumptions employed, and define the terms and concepts used.

## **UNDERSTANDING THIS REPORT**

This Depreciation Report represents the completed analysis for your Strata. The analysis was prepared subsequent to careful review of the appropriate governing documents and all applicable financial reports. Additionally, an on-site inspection of your Strata was conducted in order to identify the appropriate reserve components and accurately determine their quantity and condition. We have also relied on information compiled from a number of sources familiar with the strata, its operating practices and its history. These may include Professional Management Representatives, Council Members, Homeowners, Maintenance Contractors, On-site Personnel, or Service Representatives. The results of our analysis, as presented in this report, are designed to serve your strata corporation in a variety of capacities.

First, we will help clarify the strata corporation's responsibilities as they relate to reserves. In order for a strata to address its responsibilities appropriately they must be clearly identified. This necessitates the generation of an accurate list of all items that will require repair or replacement, or may represent a potential liability to the strata. Some components such as roofing or painting may be obvious while others such as potential slope failure or wood destroying pest control may not. The assignment of responsibility for some components may be very clearly defined by the governing documents while others may be addressed in an ambiguous fashion necessitating interpretation by the Strata Council or a legal opinion.

These and other issues will be identified and appropriately addressed resulting in a clearly defined, item by item compilation of those components for which the Strata Corporation is responsible. Once identified, the components are measured or counted to accurately determine their quantities. Additionally, each component will be evaluated with respect to replacement cost, anticipated life expectancy, and estimated remaining life.

Second, we will offer specific recommendations for the proper funding of reserves. Subsequent to the identification and evaluation of all reserve components, the data must then be analyzed to determine the optimum level of funding that will meet the future anticipated needs of the Strata Corporation. This analysis is performed on the schedules in Section Four which reveal the annual, monthly and average per unit per month funding requirements under each of two funding models. Please refer to Section Four for a detailed explanation.

Third, we provide insight into the overall financial strength of the Strata Corporation. This is accomplished by calculating an "Ideal Reserve" and comparing it to your actual accumulated reserves. This comparison is usually expressed in a percent format. For example, the strata is 85% funded, which means the strata has actually accumulated 85% of what is considered to be its ideal reserve balance. This would indicate an overall deficit of 15%. Section Five of this report contains these calculations as well as a detailed explanation of the concepts and formulas used.

Fourth, we offer financial projections to assist the Council in the decision making process and provide guidance in keeping the Strata Corporation on the desired course. In Section Five you will find analysis that examine the results of two different funding scenarios. They provide insight into the anticipated financial position of the strata under the two funding models.

Section Nine calculates 30-Year Cash Flow Projections which reveal anticipated ending reserve balances for each year. And finally in Section Eight we have graphically displayed many of the key indices examined in this analysis. This provides a visual reinforcement of the results of our Reserve Study.

Fifth, our report will serve as a budgeting and planning tool. One of the fundamental responsibilities of the Strata Council Members is to protect and maintain the common area assets of the Strata Corporation, and to spread the related costs as evenly as possible among the owners. Obviously this requires a considerable budgeting effort as they strive to balance optimization of long-term property values with costs to the membership. A well prepared Depreciation Report will provide a framework for these financial decisions and serve as a valuable management tool for the scheduling, coordinating, and planning processes.

It should be noted that this report, and the recommendations contained within, represent our opinions as your consultant. Currently, there are no legal requirements which mandate the Strata Corporation to fund its reserves at any specific amount or maintain its reserves at any specific level, other than the minimal requirements of the Strata Property Act. However, these decisions should be made in compliance with the standards of "sound business practice" and in accordance with the Strata Council Fiduciary Responsibilities. A poorly funded strata corporation may face serious ramifications.

## **PARAMETERS & ASSUMPTIONS**

The preparation of this study is based on information compiled from a number of sources familiar with the strata, its operating practices and its history. These may include but are not limited to Professional Management Representatives, Council Members, Homeowners, Maintenance Contractors, On-site Personnel, or Service Representatives. We may have also relied on information collected at an on site inspection, data provided by specialists and independent consultants, national construction pricing & scheduling manuals or catalogs. It is assumed, unless otherwise indicated in writing, that any information provided by any outside source is provided in good faith and is indeed true and accurate.

Every effort has been made to insure the accuracy and integrity of the data presented. However, the long term nature of this study requires that certain assumptions and predictions be made about past occurrences and future events. Some assumptions may not materialize, and unanticipated events and circumstances may develop. For these reasons the actual replacement cost and/or the expected useful life and/or the remaining life of a reserve element may materially vary from the Depreciation Report.

It is assumed, unless otherwise indicated to us in writing, that all reserve elements have been designed and constructed properly, and the useful life of each element will approximate that of the norm per industry standards or manufacturers specifications. In isolated cases an arbitrary estimate may have been used for any of the variables where data is limited or an indeterminable but potential liability to the strata corporation exists. The decision for the inclusion of these as well as all assets considered is left to the client.

The estimated remaining life of a reserve element does not include an allowance factor for unusual weather or natural disasters. Additionally, since the timing and cost of repair or replacement of a reserve element can be greatly effected by the intermediate maintenance it receives, it is assumed that a reasonable schedule of maintenance has been performed and will be continued.

This study addresses the normal deterioration of properly built and installed components with predictable life expectancies. The inspection and evaluation of plumbing, telephone lines, electrical wiring and any other component that is inaccessible or has an indeterminable life expectancy will be funded as a contingency percentage of the total reserve budget. Additionally, the evaluation of repairs or replacements arising from original or subsequent construction defects, environmental hazards (asbestos, radon, etc.) and acts of nature are excluded from this Study. If the scope, magnitude and timing of inaccessible components have been disclosed (engineering report, tendering documents, etc.), a reasonable effort will be made to incorporate the anticipated expenses.

The recommendations in this Study are valid for the base year period only (the twelve months following the report date). We strongly recommend that this analysis be updated on an annual basis due to the constant fluctuations in economic conditions and the unpredictable nature of the lives of many of the reserve elements. This report does not warrant against unforeseen conditions or circumstances, unreliable information, or the unpredictable changes in economic conditions. The scope of the report is expressly limited to the components described herein.

## DEFINITIONS

**RESERVE ELEMENT** - A significant asset that requires the budgeting for its eventual replacement in order to accumulate the necessary funds in time for their requirement.

**USEFUL LIFE** - The estimated normal life expectancy of a reserve element, based on industry standards, manufacturer's specifications, and visual inspection.

**REMAINING LIFE** - The estimation of time remaining until a reserve element will require replacement. It is based on age, present condition and anticipated future usage and wear.

**CURRENT REPLACEMENT COST** - The cost of replacing a reserve element based on estimates at current year prices.

**FUTURE REPLACEMENT COST** - The cost of replacing a reserve element at the end of its useful life calculated for the year of replacement based on an estimated inflation factor.

**AVAILABLE RESERVES** - The amount of actual reserve savings on hand for future repair and replacement of reserve elements.



**REQUIRED RESERVES** - The difference between the current or future replacement cost and the available reserves.

**ANNUAL RESERVE REQUIREMENT** - The amount of required reserves divided by the estimated remaining life.

**ANNUAL COST** - The current or future replacement cost divided by the estimated remaining life.

**CURRENT RESERVE SUMMARY** - A summary of reserve elements based on current replacement costs. This summary reflects the annual, monthly, and average per unit per month reserve allocation required. It will be necessary to adjust these requirements for annual inflationary effects to the year of replacement.

**STRAIGHT LINE RESERVE SUMMARY** - A summary of reserve elements based on future replacement costs. This summary reflects the annual, monthly, and average per unit per month reserve allocation required if level assessed to the year of replacement. It is not necessary to adjust these requirements for annual inflationary effects since they are provided for in the calculation of future replacement cost .

**MIXED MODEL / SPECIAL LEVY SUMMARY** – A summary of reserve elements based on current replacement costs and selected components identified for special levy funding. This summary reflects the annual, monthly, and average per unit per month reserve allocation required. The special levy component allocation includes the annual inflation factor up to the year of replacement.

# SECTION FOUR

## *FUNDING SUMMARIES*

This section contains the calculations of reserve funding requirements. In order to offer the Strata Corporation some alternatives in the funding of reserves we have performed these calculations under three different models - The Current Reserve Method, Straight Line Method and Mixed Model / Special Levy Method. The following schedules calculate the annual, monthly, and average per unit per month funding requirements for each of the three models. The differences are explained below:

The Current Reserve Method is predicated on *Current Replacement Costs* and necessitates an annual review and adjustment for actual inflation. The data generated on the Detail Worksheets in Section Eight for Useful Life and Current Replacement Costs are used in conjunction with the Distribution of Available Reserves in Section Six. The calculation is performed by subtracting the Available Reserves from the Current Replacement Cost and dividing the result (Total Required Funding) by the remaining life of the component.

The Straight Line Method is based on *Future Replacement Costs* which include a factor for inflation. Theoretically the required funding will remain level over all years. Again, the data generated on the Detail Worksheets in Section Eight for Useful Life and Future Replacement Costs are used in conjunction with the Distribution of Available Reserves in Section Six. The calculation is performed by subtracting the Available Reserves from the Future Replacement Cost and dividing the result (Total Required Funding) by the remaining life of the component.

The Mixed Model / Special Levy Method is predicated on *Current Replacement Costs* along with selected component replacement(s) to be funded by a special levy or series of special levies. This method is typically determined in consultation with the Strata Owners or Council

It should be noted that these funding requirements reflect our recommendation as your consultant and there are no current legal requirements obligating the strata corporation to fund at any specific level. These decisions however, should be made in compliance with the standards of "sound business practice" and in accordance with the Councils Fiduciary Responsibilities.

## CURRENT RESERVE SUMMARY

COMPONENT	CURRENT REMAINING LIFE	REPLACEMENT COST	RESERVES AVAILABLE	TOTAL REQUIRED FUNDING	REQUIRED ANNUAL FUNDING	REQUIRED MONTHLY FUNDING	PER UNIT MONTHLY 43 UNITS
<b><u>BUILDING ELEMENTS</u></b>							
<b>ROOF REPLACEMENT;</b>							
Fiber Comp Shingle	23	\$49,686	\$4,979	\$44,707	\$1,944	\$162.00	\$3.77
Gutters & Downspouts	33	10,238	770	9,468	287	23.92	0.56
Green Roof Parkade - footnote	43	0	0	0	0	0.00	0.00
<b>SIDING REPLACEMENT;</b>							
Vinyl Siding - footnote	43	0	0	0	0	0.00	0.00
Vinyl Siding - repairs	7	2,500	573	1,927	275	22.92	0.53
<b>FLOOR COVERING;</b>							
Carpet - hallways	7	20,700	4,742	15,958	2,280	190.00	4.42
Carpet - stairwells	18	6,120	736	5,384	299	24.92	0.58
Tile - regrout	17	4,095	563	3,532	208	17.33	0.40
<b>METAL RAILING;</b>							
42" Alum Rails - re-powder co	23	16,960	1,700	15,260	663	55.25	1.28
<b>DECKS;</b>							
DuraDeck - resurface	18	43,200	5,196	38,004	2,111	175.92	4.09
<b>DOORS;</b>							
Metal Access & Utility Doors	33	3,900	293	3,607	109	9.08	0.21
Alum/Glass Access Doors	33	4,300	323	3,977	121	10.08	0.23
Interior Doors - footnote	1	0	0	0	0	0.00	0.00
<b>ELEVATORS;</b>							
Controllers & Pump	33	25,000	1,879	23,121	701	58.42	1.36
Door Operators	33	15,000	1,127	13,873	420	35.00	0.81
Cab Refurb & Panel	33	12,000	902	11,098	336	28.00	0.65
<b>MECHANICAL SYSTEMS;</b>							
Eng A MUA - rooftop	23	17,500	1,754	15,746	685	57.08	1.33
Hot Water Heaters - 100 gal.	13	15,000	859	14,141	1,088	90.67	2.11
Recirculation Pumps	5	450	97	353	71	5.92	0.14
Parkade Fans - rebuild	13	600	90	510	39	3.25	0.08
CO2 Monitor	13	1,000	150	850	65	5.42	0.13
Baseboard Heaters - footnote	1	0	0	0	0	0.00	0.00
Mircom Fire Panel	23	7,800	782	7,018	305	25.42	0.59
<b>OTHER;</b>							
Fire Systems - footnote	1	0	0	0	0	0.00	0.00
Water Pipe Repairs - footnote	8	2,500	501	1,999	250	20.83	0.48
Misc. Fans & Blowers	23	1,000	100	900	39	3.25	0.08
<b><u>FENCES &amp; GATES</u></b>							
<b>ENTRY SYSTEM;</b>							
Enterphones	23	8,000	275	7,725	336	28.00	0.65
<b>GATE OPERATORS;</b>							
12' Rollup Gates	18	3,500	421	3,079	171	14.25	0.33
Operators & Motors	8	1,300	261	1,039	130	10.83	0.25

## CURRENT RESERVE SUMMARY

<i>COMPONENT</i>	<i>CURRENT REMAINING LIFE</i>	<i>CURRENT REPLACEMENT COST</i>	<i>RESERVES AVAILABLE</i>	<i>TOTAL REQUIRED FUNDING</i>	<i>REQUIRED ANNUAL FUNDING</i>	<i>REQUIRED MONTHLY FUNDING</i>	<i>PER UNIT MONTHLY 43 UNITS</i>
<b><u>PAINT</u></b>							
<i>EXTERIOR SURFACES;</i>							
Trim & Caulk	8	24,295	0	24,295	3,037	253.08	5.89
Concrete Wall	8	1,650	331	1,319	165	13.75	0.32
<i>INTERIOR SURFACES;</i>							
Hallway Ceilings & Walls	8	15,430	3,093	12,337	1,542	128.50	2.99
Stairs & Amenity Areas	13	5,313	799	4,514	347	28.92	0.67
<b><u>LIGHTING</u></b>							
<i>BUILDING LIGHTING;</i>							
Interior Lighting - footnote	1	0	0	0	0	0.00	0.00
Wallmount Fixtures	23	850	85	765	33	2.75	0.06
Patio Fixtures	23	3,225	323	2,902	126	10.50	0.24
Hanging Lanterns	23	400	40	360	16	1.33	0.03
<i>LANDSCAPE LIGHTING;</i>							
Pedestal Globe Fixtures	18	2,375	286	2,089	116	9.67	0.22
<b><u>LANDSCAPE</u></b>							
<i>GENERAL LANDSCAPE;</i>							
Landscape Replacement Reser	3	1,000	301	699	233	19.42	0.45
Irrigation Controller	18	175	21	154	9	0.75	0.02
Irrigation Zone Valves	18	500	60	440	24	2.00	0.05
<b><u>OTHER</u></b>							
<i>OTHER;</i>							
Security Cameras	13	800	120	680	52	4.33	0.10
Digital Recorder	13	600	90	510	39	3.25	0.08
Monitor	13	300	45	255	20	1.67	0.04
Refrigerator	18	750	90	660	37	3.08	0.07
Windows & Glass Doors - foot	43	0	0	0	0	0.00	0.00
Contingency (1.0%)	1	3,300	3,300	0	0	0.00	0.00
		<b>\$333,312</b>	<b>\$38,057</b>	<b>\$295,255</b>	<b>\$18,729</b>	<b>\$1,560.76</b>	<b>\$36.29</b>

## STRAIGHT LINE RESERVE SUMMARY

COMPONENT	FUTURE REMAINING LIFE	REPLACEMENT COST	RESERVES AVAILABLE	TOTAL REQUIRED FUNDING	REQUIRED ANNUAL FUNDING	REQUIRED MONTHLY FUNDING	PER UNIT MONTHLY 43 UNITS
<b><u>BUILDING ELEMENTS</u></b>							
<b>ROOF REPLACEMENT;</b>							
Fiber Comp Shingle	23	\$69,977	\$4,979	\$64,998	\$2,826	\$235.50	\$5.48
Gutters & Downspouts	33	16,734	770	15,964	484	40.33	0.94
Green Roof Parkade - footnote	43	0	0	0	0	0.00	0.00
<b>SIDING REPLACEMENT;</b>							
Vinyl Siding - footnote	43	0	0	0	0	0.00	0.00
Vinyl Siding - repairs	7	2,775	573	2,202	315	26.25	0.61
<b>FLOOR COVERING;</b>							
Carpet - hallways	7	22,974	4,742	18,232	2,605	217.08	5.05
Carpet - stairwells	18	8,001	736	7,265	404	33.67	0.78
Tile - regROUT	17	5,274	563	4,711	277	23.08	0.54
<b>METAL RAILING;</b>							
42" Alum Rails - re-powder co	23	23,886	1,700	22,186	965	80.42	1.87
<b>DECKS;</b>							
DuralDeck - resurface	18	56,477	5,196	51,281	2,849	237.42	5.52
<b>DOORS;</b>							
Metal Access & Utility Doors	33	6,371	293	6,081	184	15.33	0.36
Alum/Glass Access Doors	33	7,028	323	6,705	203	16.92	0.39
Interior Doors - footnote	1	0	0	0	0	0.00	0.00
<b>ELEVATORS;</b>							
Controllers & Pump	33	40,862	1,879	38,983	1,181	98.42	2.29
Door Operators	33	24,517	1,127	23,390	709	59.08	1.37
Cab Refurb & Panel	33	19,614	902	18,712	567	47.25	1.10
<b>MECHANICAL SYSTEMS;</b>							
Eng A MUA - rooftop	23	24,647	1,754	22,893	995	82.92	1.93
Hot Water Heaters - 100 gal.	13	18,203	859	17,344	1,334	111.17	2.59
Recirculation Pumps	5	485	97	388	78	6.50	0.15
Parkade Fans - rebuild	13	728	90	638	49	4.08	0.09
CO2 Monitor	13	1,214	150	1,064	82	6.83	0.16
Baseboard Heaters - footnote	1	0	0	0	0	0.00	0.00
Mircom Fire Panel	23	10,985	782	10,203	444	37.00	0.86
<b>OTHER;</b>							
Fire Systems - footnote	1	0	0	0	0	0.00	0.00
Water Pipe Repairs - footnote	8	2,816	501	2,315	289	24.08	0.56
Misc. Fans & Blowers	23	1,408	100	1,308	57	4.75	0.11
<b><u>FENCES &amp; GATES</u></b>							
<b>ENTRY SYSTEM;</b>							
Enterphones	23	11,267	275	10,992	478	39.83	0.93
<b>GATE OPERATORS;</b>							
12' Rollup Gates	18	4,576	421	4,155	231	19.25	0.45
Operators & Motors	8	1,464	261	1,203	150	12.50	0.29

## STRAIGHT LINE RESERVE SUMMARY

COMPONENT	FUTURE REMAINING LIFE	REPLACEMENT COST	RESERVES AVAILABLE	TOTAL REQUIRED FUNDING	REQUIRED ANNUAL FUNDING	REQUIRED MONTHLY FUNDING	PER UNIT MONTHLY 43 UNITS
<b><u>PAINT</u></b>							
<b>EXTERIOR SURFACES;</b>							
Trim & Caulk	8	27,368	0	27,368	3,421	285.08	6.63
Concrete Wall	8	1,859	331	1,528	191	15.92	0.37
<b>INTERIOR SURFACES;</b>							
Hallway Ceilings & Walls	8	17,382	3,093	14,289	1,786	148.83	3.46
Stairs & Amenity Areas	13	6,448	799	5,649	435	36.25	0.84
<b><u>LIGHTING</u></b>							
<b>BUILDING LIGHTING;</b>							
Interior Lighting - footnote	1	0	0	0	0	0.00	0.00
Wallmount Fixtures	23	1,197	85	1,112	48	4.00	0.09
Patio Fixtures	23	4,542	323	4,219	183	15.25	0.35
Hanging Lanterns	23	563	40	523	23	1.92	0.04
<b>LANDSCAPE LIGHTING;</b>							
Pedestal Globe Fixtures	18	3,105	286	2,819	157	13.08	0.30
<b><u>LANDSCAPE</u></b>							
<b>GENERAL LANDSCAPE;</b>							
Landscape Replacement Reserv	3	1,046	301	745	248	20.67	0.48
Irrigation Controller	18	229	21	208	12	1.00	0.02
Irrigation Zone Valves	18	654	60	594	33	2.75	0.06
<b><u>OTHER</u></b>							
<b>OTHER;</b>							
Security Cameras	13	971	120	851	65	5.42	0.13
Digital Recorder	13	728	90	638	49	4.08	0.09
Monitor	13	364	45	319	25	2.08	0.05
Refrigerator	18	981	90	891	50	4.17	0.10
Windows & Glass Doors - foot	43	0	0	0	0	0.00	0.00
Contingency (1.0%)	1	3,350	3,300	50	50	4.17	0.10
		<b>\$453,073</b>	<b>\$38,057</b>	<b>\$415,016</b>	<b>\$24,532</b>	<b>\$2,044.33</b>	<b>\$47.53</b>

## MIXED MODEL / SPECIAL LEVY SUMMARY

COMPONENT	REMAINING LIFE	CURRENT REPLACEMENT COST	RESERVES AVAILABLE	TOTAL REQUIRED FUNDING	REQUIRED ANNUAL FUNDING	REQUIRED MONTHLY FUNDING	PER UNIT MONTHLY 43 UNITS
<b><u>BUILDING ELEMENTS</u></b>							
<b>ROOF REPLACEMENT;</b>							
Fiber Comp Shingle	23	\$49,686	\$0	\$1,627.83 LEVY PER UNIT		\$0.00	\$0.00
Gutters & Downspouts	33	10,238	898	9,340	283	23.58	0.55
Green Roof Parkade - footnote	43	0	0	0	0	0.00	0.00
<b>SIDING REPLACEMENT;</b>							
Vinyl Siding - footnote	43	0	0	0	0	0.00	0.00
Vinyl Siding - repairs	7	2,500	668	1,832	262	21.83	0.51
<b>FLOOR COVERING;</b>							
Carpet - hallways	7	20,700	5,535	15,165	2,166	180.50	4.20
Carpet - stairwells	18	6,120	859	5,261	292	24.33	0.57
Tile - regrout	17	4,095	657	3,438	202	16.83	0.39
<b>METAL RAILING;</b>							
42" Alum Rails - re-powder co	23	16,960	1,984	14,976	651	54.25	1.26
<b>DECKS;</b>							
DuraDeck - resurface	18	43,200	6,064	37,136	2,063	171.92	4.00
<b>DOORS;</b>							
Metal Access & Utility Doors	33	3,900	342	3,558	108	9.00	0.21
Alum/Glass Access Doors	33	4,300	378	3,922	119	9.92	0.23
Interior Doors - footnote	1	0	0	0	0	0.00	0.00
<b>ELEVATORS;</b>							
Controllers & Pump	33	25,000	2,193	22,807	691	57.58	1.34
Door Operators	33	15,000	1,316	13,684	415	34.58	0.80
Cab Refurb & Panel	33	12,000	1,053	10,947	332	27.67	0.64
<b>MECHANICAL SYSTEMS;</b>							
Eng A MUA - rooftop	23	17,500	2,047	15,453	672	56.00	1.30
Hot Water Heaters - 100 gal.	13	15,000	1,003	13,997	1,077	89.75	2.09
Recirculation Pumps	5	450	113	337	67	5.58	0.13
Parkade Fans - rebuild	13	600	105	495	38	3.17	0.07
CO2 Monitor	13	1,000	175	825	63	5.25	0.12
Baseboard Heaters - footnote	1	0	0	0	0	0.00	0.00
Mirecom Fire Panel	23	7,800	912	6,888	299	24.92	0.58
<b>OTHER;</b>							
Fire Systems - footnote	1	0	0	0	0	0.00	0.00
Water Pipe Repairs - footnote	8	2,500	585	1,915	239	19.92	0.46
Misc. Fans & Blowers	23	1,000	117	883	38	3.17	0.07
<b><u>FENCES &amp; GATES</u></b>							
<b>ENTRY SYSTEM;</b>							
Enterphones	23	8,000	321	7,679	334	27.83	0.65
<b>GATE OPERATORS;</b>							
12' Rollup Gates	18	3,500	491	3,009	167	13.92	0.32
Operators & Motors	8	1,300	304	996	125	10.42	0.24

## MIXED MODEL / SPECIAL LEVY SUMMARY

COMPONENT	CURRENT REMAINING LIFE	REPLACEMENT COST	RESERVES AVAILABLE	TOTAL REQUIRED FUNDING	REQUIRED ANNUAL FUNDING	REQUIRED MONTHLY FUNDING	PER UNIT MONTHLY 43 UNITS
<b><u>PAINT</u></b>							
<b>EXTERIOR SURFACES;</b>							
Trim & Caulk	8	24,295	0	24,295	3,037	253.08	5.89
Concrete Wall	8	1,650	386	1,264	158	13.17	0.31
<b>INTERIOR SURFACES;</b>							
Hallway Ceilings & Walls	8	15,430	3,610	11,820	1,478	123.17	2.86
Stairs & Amenity Areas	13	5,313	933	4,380	337	28.08	0.65
<b><u>LIGHTING</u></b>							
<b>BUILDING LIGHTING;</b>							
Interior Lighting - footnote	1	0	0	0	0	0.00	0.00
Wallmount Fixtures	23	850	99	751	33	2.75	0.06
Patio Fixtures	23	3,225	378	2,847	124	10.33	0.24
Hanging Lanterns	23	400	47	353	15	1.25	0.03
<b>LANDSCAPE LIGHTING;</b>							
Pedestal Globe Fixtures	18	2,375	333	2,042	113	9.42	0.22
<b><u>LANDSCAPE</u></b>							
<b>GENERAL LANDSCAPE;</b>							
Landscape Replacement Reserv	3	1,000	351	649	216	18.00	0.42
Irrigation Controller	18	175	25	150	8	0.67	0.02
Irrigation Zone Valves	18	500	70	430	24	2.00	0.05
<b><u>OTHER</u></b>							
<b>OTHER;</b>							
Security Cameras	13	800	140	660	51	4.25	0.10
Digital Recorder	13	600	105	495	38	3.17	0.07
Monitor	13	300	53	247	19	1.58	0.04
Refrigerator	18	750	107	643	36	3.00	0.07
Windows & Glass Doors - foot	43	0	0	0	0	0.00	0.00
Contingency (1.0%)	1	3,300	3,300	0	0	0.00	0.00
		<b>\$333,312</b>	<b>\$38,057</b>	<b>\$245,569</b>	<b>\$16,390</b>	<b>\$1,365.84</b>	<b>\$31.76</b>



# **SECTION FIVE**

## ***IDEAL RESERVES***

In this section we will compute the strata corporations Ideal Reserve and compare it to the Projected Available Reserves to reveal a measure of overall financial strength of the strata. This computation is reflective of the “Fully Funded Model” which is recommended and discussed in detail in Section Two of this report.

The schedule utilizes data derived from the Detail Worksheets in Section Eight with respect to the Current Replacement Cost, Useful Life, and Remaining Life of each component. The calculation is very much like a straight-line depreciation formula. The Ideal Reserve for each component is calculated by dividing the Current Replacement Cost by the anticipated Useful Life and multiplying the result by the Consumed Life. The total Ideal Reserve is then compared to the Projected Available Reserves which indicates a measure of the overall financial strength of the strata corporation. It is important to note that a positive result indicates an Ideal Reserve Deficiency while a negative balance reflects an Overfunded Condition.

It is generally considered optimum for a strata corporation to be “Fully” or 100% Funded. Though there are no current legal requirements to maintain any specific level of funding, decisions should be made in compliance with the standards of “sound business practice” and in accordance with the Councils Fiduciary Responsibilities. An underfunded strata may not have the ability to adequately maintain its reserve components which could lead to a state of disrepair and declination of property values. Additionally, lenders may refuse to fund loans on re-sales due to inadequate reserves.

## IDEAL RESERVE CALCULATION

COMPONENT	CURRENT REPLACEMENT COST	USEFUL LIFE	REMAINING LIFE	CONSUMED LIFE (UL-RM)	IDEAL RESERVE
<b><u>BUILDING ELEMENTS</u></b>					
<b>ROOF REPLACEMENT;</b>					
Fiber Comp Shingle	\$49,686	30	23	7	\$11,593
Gutters & Downspouts	10,238	40	33	7	1,792
Green Roof Parkade - footnote	0	50	43	7	0
<b>SIDING REPLACEMENT;</b>					
Vinyl Siding - footnote	0	50	43	7	0
Vinyl Siding - repairs	2,500	15	7	8	1,333
<b>FLOOR COVERING;</b>					
Carpet - hallways	20,700	15	7	8	11,040
Carpet - stairwells	6,120	25	18	7	1,714
Tile - regROUT	4,095	25	17	8	1,310
<b>METAL RAILING;</b>					
42" Alum Rails - re-powder coat	16,960	30	23	7	3,957
<b>DECKS;</b>					
DuraDeck - resurface	43,200	25	18	7	12,096
<b>DOORS;</b>					
Metal Access & Utility Doors	3,900	40	33	7	683
Alum/Glass Access Doors	4,300	40	33	7	753
Interior Doors - footnote	0	1	1	0	0
<b>ELEVATORS;</b>					
Controllers & Pump	25,000	40	33	7	4,375
Door Operators	15,000	40	33	7	2,625
Cab Refurb & Panel	12,000	40	33	7	2,100
<b>MECHANICAL SYSTEMS;</b>					
Eng A MUA - rooftop	17,500	30	23	7	4,083
Hot Water Heaters - 100 gal.	15,000	15	13	2	2,000
Recirculation Pumps	450	10	5	5	225
Parkade Fans - rebuild	600	20	13	7	210
CO2 Monitor	1,000	20	13	7	350
Baseboard Heaters - footnote	0	1	1	0	0
Mireom Fire Panel	7,800	30	23	7	1,820
<b>OTHER;</b>					
Fire Systems - footnote	0	1	1	0	0
Water Pipe Repairs - footnote	2,500	15	8	7	1,167
Misc. Fans & Blowers	1,000	30	23	7	233
<b><u>FENCES &amp; GATES</u></b>					
<b>ENTRY SYSTEM;</b>					
Enterphones	8,000	25	23	2	640
<b>GATE OPERATORS;</b>					
12' Rollup Gates	3,500	25	18	7	980
Operators & Motors	1,300	15	8	7	607

## IDEAL RESERVE CALCULATION

COMPONENT	CURRENT REPLACEMENT COST	USEFUL LIFE	REMAINING LIFE	CONSUMED LIFE (UL-RM)	IDEAL RESERVE
<b><u>PAINT</u></b>					
<b>EXTERIOR SURFACES;</b>					
Trim & Caulk	24,295	8	8	0	0
Concrete Wall	1,650	15	8	7	770
<b>INTERIOR SURFACES;</b>					
Hallway Ceilings & Walls	15,430	15	8	7	7,201
Stairs & Amenity Areas	5,313	20	13	7	1,860
<b><u>LIGHTING</u></b>					
<b>BUILDING LIGHTING;</b>					
Interior Lighting - footnote	0	1	1	0	0
Wallmount Fixtures	850	30	23	7	198
Patio Fixtures	3,225	30	23	7	753
Hanging Lanterns	400	30	23	7	93
<b>LANDSCAPE LIGHTING;</b>					
Pedestal Globe Fixtures	2,375	25	18	7	665
<b><u>LANDSCAPE</u></b>					
<b>GENERAL LANDSCAPE;</b>					
Landscape Replacement Reserve	1,000	10	3	7	700
Irrigation Controller	175	25	18	7	49
Irrigation Zone Valves	500	25	18	7	140
<b><u>OTHER</u></b>					
<b>OTHER;</b>					
Security Cameras	800	20	13	7	280
Digital Recorder	600	20	13	7	210
Monitor	300	20	13	7	105
Refrigerator	750	25	18	7	210
Windows & Glass Doors - foot	0	50	43	7	0
Contingency (1.0%)	3,300	1	1	0	3,300
	<b>\$333,312</b>				
Total Ideal Reserve (Current Replacement Costs)					<b>\$84,220</b>
Projected Available Reserves					<b>38,057</b>
Ideal Reserve Deficiency (Overfunding)*					<b>\$46,163</b>
Percent of Projected Available Reserves to Total Ideal Reserves					<b>45%</b>
Deficiency (Overfunding) Per Unit*					<b>\$1,073.56</b>

\* A positive result indicates an Ideal Reserve Deficiency while a negative balance reflects an Overfunded Condition.

## **SECTION SIX**

### ***AVAILABLE RESERVES***

Ideally, your Depreciation Report should coincide with your financial year-end. Since this requires advanced preparation it becomes necessary to project the ending balance of available reserves. This is accomplished by a simple accounting roll-forward, beginning with the reserves currently available, adding anticipated contributions and subtracting planned utilization to arrive at a projected reserve balance.

Once the Projected Available Reserves are established it is necessary to distribute them among the various components. Since our goal is to provide the optimum funding requirement the distribution may not coincide with the Balance Sheet on a line by line basis. This is usually corrected by a simple accounting entry at the end of the fiscal year.

**PROJECTED AVAILABLE RESERVES**

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**CURRENT BALANCE OF AVAILABLE RESERVES:**

*Available Reserves 06/30/14* \$31,807

**ADD: PLANNED ADDITIONS TO RESERVES:**

*Budgeted Monthly Contribution (5 months)* \$6,250

*Total Additions:* 6,250

**LESS: ANTICIPATED UTILIZATION OF RESERVES:**

*None Anticipated* \$0

*Total Utilization:* 0

**TOTAL RESERVES AVAILABLE** **11/30/14** **\$38,057**

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## DISTRIBUTION OF AVAILABLE RESERVES

COMPONENT	IMMEDIATE FUNDING	OTHER	REMAINING RESERVE DISTRIBUTION	RESERVE DISTRIBUTION 11/30/14
<b><u>BUILDING ELEMENTS</u></b>				
<b><u>ROOF REPLACEMENT;</u></b>				
Fiber Comp Shingle	\$0	\$0	\$4,979	\$4,979
Gutters & Downspouts	0	0	770	770
Green Roof Parkade - footnote	0	0	0	0
<b><u>SIDING REPLACEMENT;</u></b>				
Vinyl Siding - footnote	0	0	0	0
Vinyl Siding - repairs	0	0	573	573
<b><u>FLOOR COVERING;</u></b>				
Carpet - hallways	0	0	4,742	4,742
Carpet - stairwells	0	0	736	736
Tile - regrout	0	0	563	563
<b><u>METAL RAILING;</u></b>				
42" Alum Rails - re-powder coat	0	0	1,700	1,700
<b><u>DECKS;</u></b>				
DuralDeck - resurface	0	0	5,196	5,196
<b><u>DOORS;</u></b>				
Metal Access & Utility Doors	0	0	293	293
Alum/Glass Access Doors	0	0	323	323
Interior Doors - footnote	0	0	0	0
<b><u>ELEVATORS;</u></b>				
Controllers & Pump	0	0	1,879	1,879
Door Operators	0	0	1,127	1,127
Cab Refurb & Panel	0	0	902	902
<b><u>MECHANICAL SYSTEMS;</u></b>				
Eng A MUA - rooftop	0	0	1,754	1,754
Hot Water Heaters - 100 gal.	0	0	859	859
Recirculation Pumps	0	0	97	97
Parkade Fans - rebuild	0	0	90	90
CO2 Monitor	0	0	150	150
Baseboard Heaters - footnote	0	0	0	0
Mircom Fire Panel	0	0	782	782
<b><u>OTHER;</u></b>				
Fire Systems - footnote	0	0	0	0
Water Pipe Repairs - footnote	0	0	501	501
Misc. Fans & Blowers	0	0	100	100
 <b><u>FENCES &amp; GATES</u></b>				
<b><u>ENTRY SYSTEM;</u></b>				
Enterphones	0	0	275	275
<b><u>GATE OPERATORS;</u></b>				
12' Rollup Gates	0	0	421	421
Operators & Motors	0	0	261	261

## ***DISTRIBUTION OF AVAILABLE RESERVES***

<i><b>COMPONENT</b></i>	<i><b>IMMEDIATE FUNDING</b></i>	<i><b>OTHER</b></i>	<i><b>REMAINING RESERVE DISTRIBUTION</b></i>	<i><b>RESERVE DISTRIBUTION 11/30/14</b></i>
<b><u>PAINT</u></b>				
<i><b>EXTERIOR SURFACES;</b></i>				
Trim & Caulk	0	0	0	0
Concrete Wall	0	0	331	331
<i><b>INTERIOR SURFACES;</b></i>				
Hallway Ceilings & Walls	0	0	3,093	3,093
Stairs & Amenity Areas	0	0	799	799
<b><u>LIGHTING</u></b>				
<i><b>BUILDING LIGHTING;</b></i>				
Interior Lighting - footnote	0	0	0	0
Wallmount Fixtures	0	0	85	85
Patio Fixtures	0	0	323	323
Hanging Lanterns	0	0	40	40
<i><b>LANDSCAPE LIGHTING;</b></i>				
Pedestal Globe Fixtures	0	0	286	286
<b><u>LANDSCAPE</u></b>				
<i><b>GENERAL LANDSCAPE;</b></i>				
Landscape Replacement Reserve	0	0	301	301
Irrigation Controller	0	0	21	21
Irrigation Zone Valves	0	0	60	60
<b><u>OTHER</u></b>				
<i><b>OTHER;</b></i>				
Security Cameras	0	0	120	120
Digital Recorder	0	0	90	90
Monitor	0	0	45	45
Refrigerator	0	0	90	90
Windows & Glass Doors - foot	0	0	0	0
Contingency (1.0%)	3,300	0	0	3,300
	<u>\$3,300</u>	<u>\$0</u>	<u>\$34,757</u>	<u>\$38,057</u>

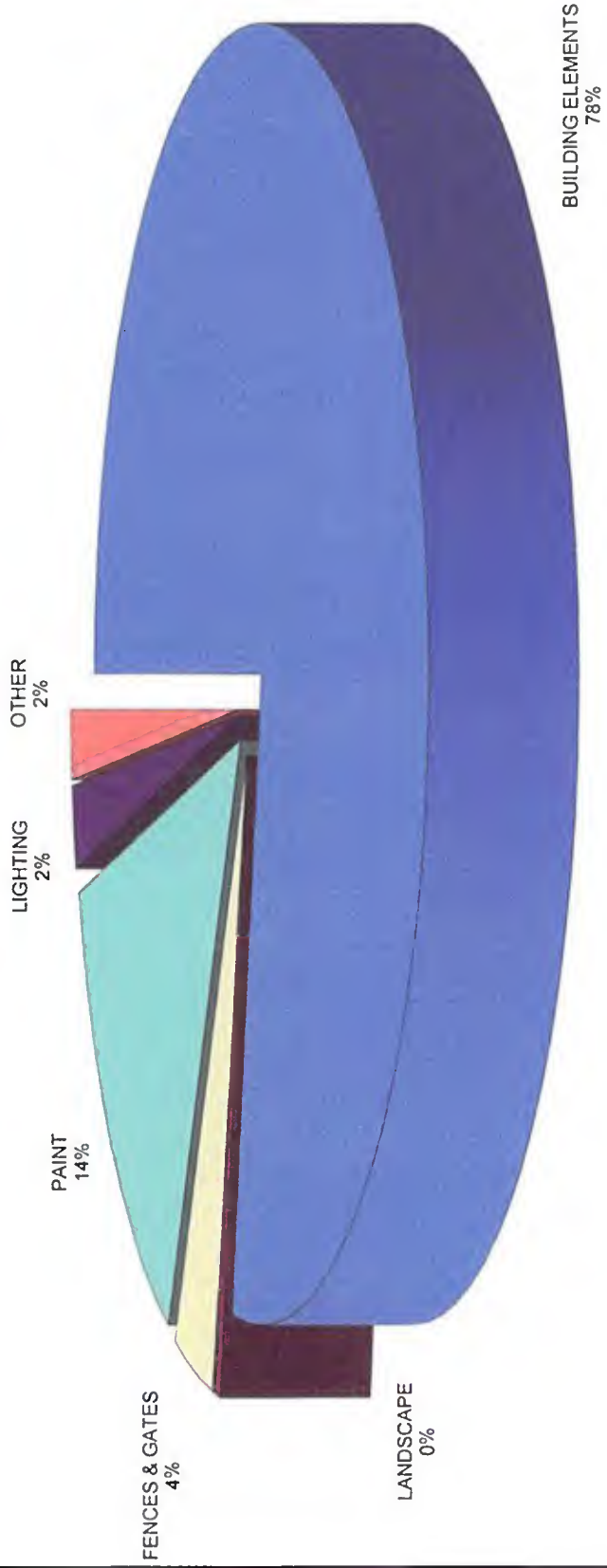
# **SECTION SEVEN**

## ***GRAPHICS***

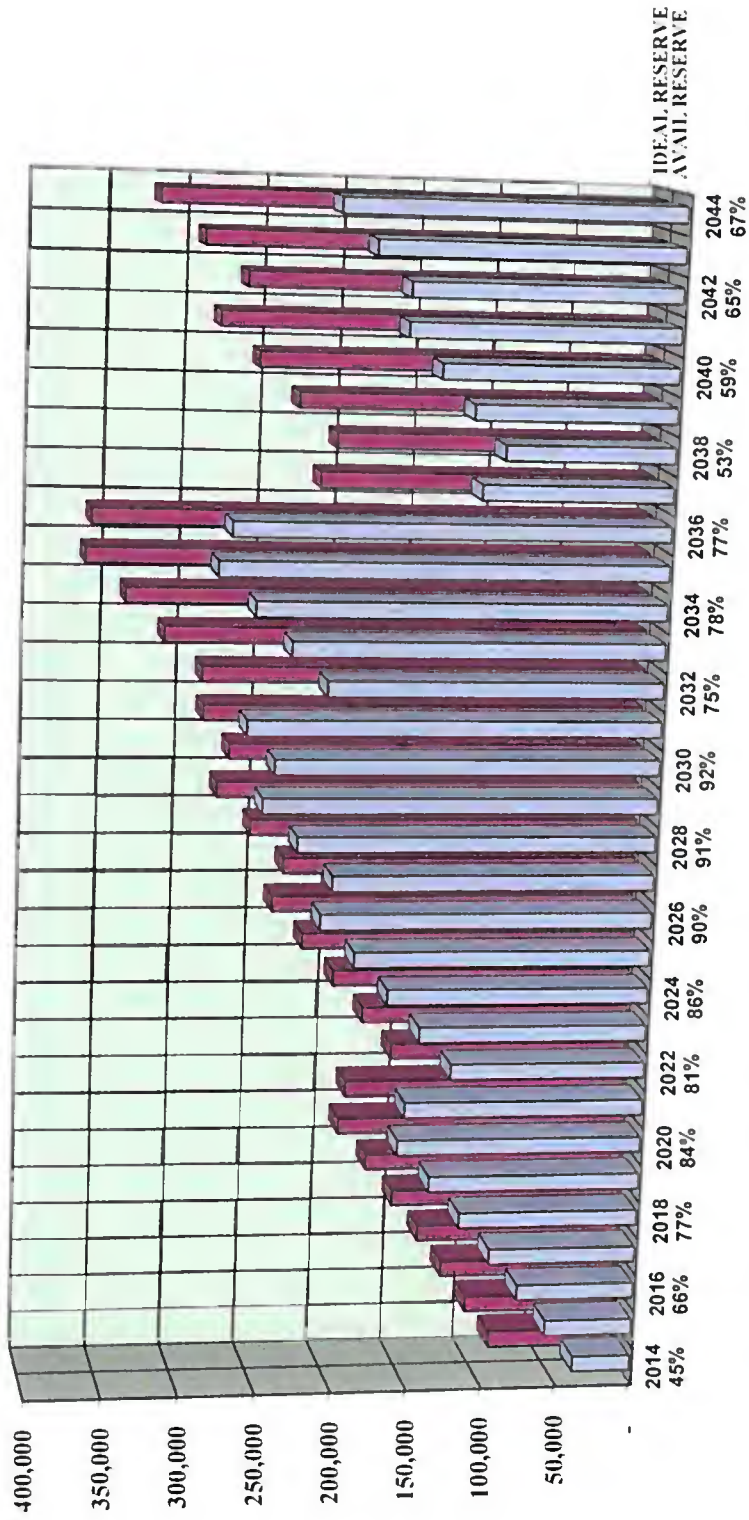
Section seven contains graphic representations of several of the key indices of our analysis. Specifically they include the Composition of Reserve Components, Thirty-Year Projections of Financial Position under the Current Reserve and Straight Line Methods of Funding, a Thirty-Year Projection of Reserve Balances, and a Thirty-Year Projection of Reserve Expenditures. The graphics are provided to visually reinforce the results of our analysis.



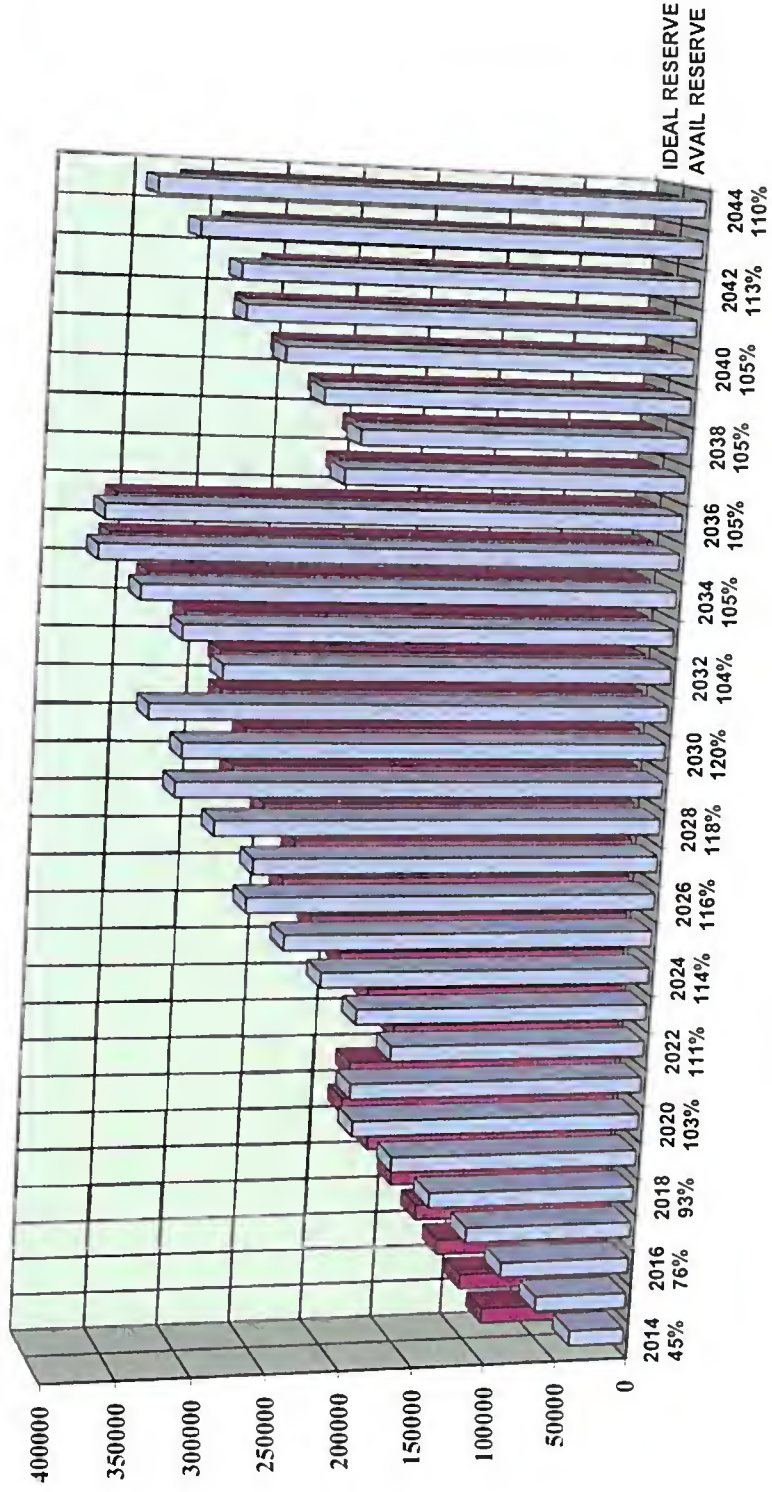
**COMPOSITION OF RESERVE COMPONENTS**



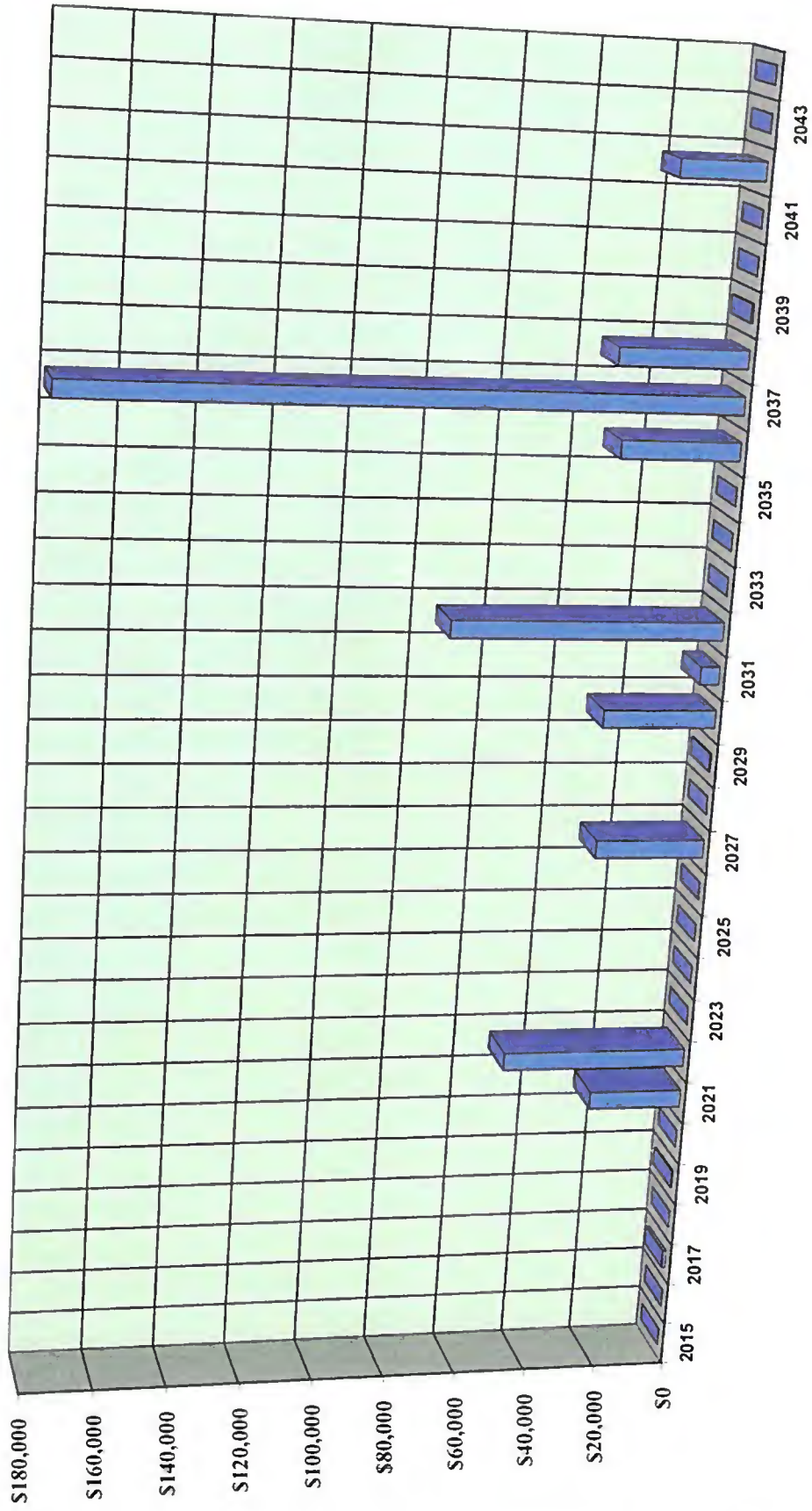
**PROJECTED FINANCIAL POSITION - CURRENT METHOD**



**PROJECTED FINANCIAL POSITION - STRAIGHT LINE**



**RESERVE EXPENDITURES**



# **SECTION EIGHT**

## ***RESERVE ANALYSIS DETAIL SHEETS***

Section Eight is comprised of Detail Worksheets. These schedules provide an item by item compilation of all reserve elements contained in the project. They also include all detail information regarding component quantities, units of measure, projected unit costs, expected useful life, and anticipated remaining life. Additionally, we will calculate the Future Replacement Cost of each component by applying the stated interest rate to the current replacement cost for the anticipated remaining life of the component. It should also be noted that these schedules contain footnotes which include important data about the reserve components and other detailed information. Accordingly, we ask that you pay particular attention to these footnotes.

**RESERVE ANALYSIS DETAIL SHEET**

**BUILDING ELEMENTS**

<i>COMPONENT</i>	<i>QTY</i>	<i>UNIT OF MEASURE</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED UNIT COST</i>	<i>CURRENT REPLACEMENT COST</i>	<i>INFLA FACTOR</i>	<i>FUTURE REPLACEMENT COST</i>
<b>ROOF REPLACEMENT;</b>								
Fiber Comp Shingle	16,562	SF	23	30	\$3.00	\$49,686	1.5%	\$69,977
Gutters & Downspouts	585	LF	33	40	17.50	10,238	1.5%	16,734
Green Roof Parkade - footnote	3,300	SF	43	50	0.00	0	1.5%	0
<b>SIDING REPLACEMENT;</b>								
Vinyl Siding - footnote	26,280	SF	43	50	0.00	0	1.5%	0
Vinyl Siding - repairs	1	EA	7	15	2,500.00	2,500	1.5%	2,775
<b>FLOOR COVERING;</b>								
Carpet - hallways	460	YD	7	15	45.00	20,700	1.5%	22,974
Carpet - stairwells	136	YD	18	25	45.00	6,120	1.5%	8,001
Tile - regrout	630	SF	17	25	6.50	4,095	1.5%	5,274
<b>METAL RAILING;</b>								
-12" Alum Rails - re-powder co.	848	LF	23	30	20.00	16,960	1.5%	23,886
<b>DECKS;</b>								
DuralDeck - resurface	3,456	SF	18	25	12.50	43,200	1.5%	56,477
<b>DOORS;</b>								
Metal Access & Utility Doors	12	EA	33	40	325.00	3,900	1.5%	6,374
Alum/Glass Access Doors	2	EA	33	40	2,150.00	4,300	1.5%	7,028
Interior Doors - footnote	43	EA	1	1	0.00	0	1.5%	0
<b>ELEVATORS;</b>								
Controllers & Pump	1	EA	33	40	25,000.00	25,000	1.5%	40,862
Door Operators	1	EA	33	40	15,000.00	15,000	1.5%	24,517
Cab Refurb & Panel	1	EA	33	40	12,000.00	12,000	1.5%	19,614
<b>MECHANICAL SYSTEMS;</b>								
Eng A MUA - rooftop	1	EA	23	30	17,500.00	17,500	1.5%	24,647
Hot Water Heaters - 100 gal.	2	EA	13	15	7,500.00	15,000	1.5%	18,203
Recirculation Pumps	1	EA	5	10	450.00	450	1.5%	485
Parkade Fans - rebuild	1	EA	13	20	600.00	600	1.5%	728
CO2 Monitor	1	EA	13	20	1,000.00	1,000	1.5%	1,214
Baseboard Heaters - footnote	6	EA	1	1	0.00	0	1.5%	0
Mircom Fire Panel	1	EA	23	30	7,800.00	7,800	1.5%	10,985
<b>OTHER;</b>								
Fire Systems - footnote	1	EA	1	1	0.00	0	1.5%	0
Water Pipe Repairs - footnote	1	EA	8	15	2,500.00	2,500	1.5%	2,816
Misc. Fans & Blowers	4	EA	23	30	250.00	1,000	1.5%	1,408
<b>CATEGORY TOTAL:</b>						<b>\$259,549</b>		<b>\$364,979</b>

**Vinyl Siding** - Because the siding is of standard style and color, replacement panels are readily available. Therefore, no replacement allocation is required. However, a repair allocation has been established in the event of wind, storm or barbecue related damages.

**Fire Safety Systems** - Because the systems are required to be inspected, tested and repaired on an annual basis, no replacement allocation is required. Service and replacement of components are typically funded from the operating maintenance budget.

**Interior Doors** - Because the doors are not exposed to the elements, they are expected to last the life of the structure, therefore, no replacement allocation has been established.

**Electric Baseboard Heaters** - Given the relatively low cost and infrequency of replacement, no replacement allocation has been established. Servicing of minor components are typically funded from the operating maintenance budget.

**NOTES:**

**Parkade Roof Membrane (Green Roof)** - With proper plant & irrigation maintenance the roof membrane is expected to last the life of the structure. However, the area should be monitored quite closely. I would recommend that a certified horticulturist do a plant root assessment so as to determine that there is no invasion into the waterproof membrane. Additionally, the irrigation should be monitored closely so as to prevent over watering. Most importantly, the system should be cleaned, flushed and inspected regularly so as to prevent any standing water on the waterproof membrane.

Replacement of green roof systems is quite expensive. Should this roof membrane fail, the estimated cost of replacement is \$95,000.

**Water Pipe Repairs** - Because of the repair history a repair allocation has been established. The amount established in this report should be monitored and adjusted periodically to the specific needs of the building.

**RESERVE ANALYSIS DETAIL SHEET**

**FENCES & GATES**

<i>COMPONENT</i>	<i>QTY</i>	<i>UNIT OF MEASURE</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED UNIT COST</i>	<i>CURRENT REPLACEMENT COST</i>	<i>INFLA FACTOR</i>	<i>FUTURE REPLACEMENT COST</i>
<b><i>ENTRY SYSTEM:</i></b>								
Enterphones	2	EA	23	25	4,000.00	8,000	1.5%	11,267
<b><i>GATE OPERATORS:</i></b>								
12' Rollup Gates	2	EA	18	25	1,750.00	3,500	1.5%	4,576
Operators & Motors	2	EA	8	15	650.00	1,300	1.5%	1,464
<b>CATEGORY TOTAL:</b>						<b>\$12,800</b>		<b>\$17,307</b>

**MASONRY PRODUCTS:**

It is generally anticipated that masonry products such as block walls and concrete walks will last the life of the project and are therefore not usually established as reserve elements. However, in the event your association is experiencing acute problems regarding any of these components which could eventually require a significant expense, it would be appropriate to establish a reserve. It is also recommended that a provision for minor repairs and maintenance be incorporated into the operating budget.

**NOTES:**



## RESERVE ANALYSIS DETAIL SHEET

### PAINT

<i>COMPONENT</i>	<i>QTY</i>	<i>UNIT OF MEASURE</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED UNIT COST</i>	<i>CURRENT REPLACEMENT COST</i>	<i>INFLA FACTOR</i>	<i>FUTURE REPLACEMENT COST</i>
<b><i>EXTERIOR SURFACES:</i></b>								
Trim & Caulk	43	EA	8	8	565.00	24,295	1.5%	27,368
Concrete Wall	1,320	SF	8	15	1.25	1,650	1.5%	1,859
<b><i>INTERIOR SURFACES:</i></b>								
Hallway Ceilings & Walls	12,344	SF	8	15	1.25	15,430	1.5%	17,382
Stairs & Amenity Areas	4,250	EA	13	20	1.25	5,313	1.5%	6,448
<b>CATEGORY TOTAL:</b>						<b>\$46,688</b>		<b>\$53,057</b>

### PAINTING COSTS:

Painting costs are highly sensitive to many variables including selections of contractors and materials, time of year, availability of labor, and economies of scale. Variations in any of these can cause dramatic fluctuations in actual painting costs.

### NOTES:

**RESERVE ANALYSIS DETAIL SHEET**

**LIGHTING**

<i>COMPONENT</i>	<i>QTY</i>	<i>UNIT OF MEASURE</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED UNIT COST</i>	<i>CURRENT REPLACEMENT COST</i>	<i>INFLA FACTOR</i>	<i>FUTURE REPLACEMENT COST</i>
<b><i>BUILDING LIGHTING;</i></b>								
Interior Lighting - footnote	1	EA	1	1	\$0.00	\$0	1.5%	\$0
Wallmount Fixtures	10	EA	23	30	85.00	850	1.5%	1,197
Patio Fixtures	43	EA	23	30	75.00	3,225	1.5%	4,542
Hanging Lanterns	2	EA	23	30	200.00	400	1.5%	563
<b><i>LANDSCAPE LIGHTING;</i></b>								
Pedestal Globe Fixtures	19	EA	18	25	125.00	2,375	1.5%	3,105
<b>CATEGORY TOTAL:</b>						<b>\$6,850</b>		<b>\$9,407</b>

**INTERIOR LIGHTING:**

Due to extended and erratic life cycles which are often subject to aesthetic decisions, we generally do not fund for interior light fixtures. Instead it is recommended that a provision be incorporated into the operating budget when appropriate.

**NOTES:**

**RESERVE ANALYSIS DETAIL SHEET**

**LANDSCAPE**

<i>COMPONENT</i>	<i>QTY</i>	<i>UNIT OF MEASURE</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED UNIT COST</i>	<i>CURRENT REPLACEMENT COST</i>	<i>INFLA FACTOR</i>	<i>FUTURE REPLACEMENT COST</i>
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**GENERAL LANDSCAPE:**

Landscape Replacement Reser	1	EA	3	10	1,000.00	1,000	1.5%	1,016
Irrigation Controller	1	EA	18	25	175.00	175	1.5%	229
Irrigation Zone Valves	4	EA	18	25	125.00	500	1.5%	654

**CATEGORY TOTAL:**

<b>\$1,675</b>	<b>\$1,929</b>
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**TREE TRIMMING:**

Tree trimming can be appropriately addressed as either an operating expense or a reserve component. If included as part of the landscape contract or if trees are trimmed every year it would generally be treated as an operating expense. Conversely, if the trimming is performed in cycles greater than one year it would be appropriate to establish a reserve and fund accordingly.

**LANDSCAPE REPLACEMENT:**

Landscape replacement can be appropriately addressed as either an operating expense or a reserve component. If included as part of the landscape contract or if some foliage is replaced every year it would generally be treated as an operating expense. Conversely, if replacement is performed in cycles greater than one year it would be appropriate to establish a reserve fund accordingly.

**NOTES:**

**RESERVE ANALYSIS DETAIL SHEET**

**OTHER:**

<i>COMPONENT</i>	<i>QTY</i>	<i>UNIT OF MEASURE</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED</i>	<i>CURRENT</i>	<i>FUTURE</i>
					<i>UNIT COST</i>	<i>REPLACEMENT COST</i>	<i>INFLA REPLACEMENT FACTOR COST</i>

**OTHER:**

Security Cameras	4	EA	13	20	200.00	800	1.5%	971
Digital Recorder	1	EA	13	20	600.00	600	1.5%	728
Monitor	1	EA	13	20	300.00	300	1.5%	364
Refrigerator	1	EA	18	25	750.00	750	1.5%	981
Windows & Glass Doors - foot	262	EA	43	50	0.00	0	1.5%	0
Contingency (1.0%)	1	EA	1	1	3,300.00	3,300	1.5%	3,350

**CATEGORY TOTAL:**

**\$5,750**

**\$6,394**

**CONTINGENCY:**

A contingency reserve has been established to accommodate fluctuations in variables such as component pricing, timing of repairs or replacement and the unpredictable nature of some reserve components such as; sewer lines, water lines, electrical services, wiring and other components which can not be visually inspected or analysed. Additionally, the contingency funds may be allocated for periodic replacement of windows or window seals as they may arise. The contingency allocation is also established so that the strata complies with Section 6.2 (2)(ii)(vi) of the Strata Property Regulations.

Windows & Patio Glass Doors - Although a contingency allocation has been established in part to replace windows which may fail from time to time, no replacement allocation has been established. In future years should chronic window failure become evident it would be prudent to establish a replacement reserve. The estimated cost to replace all 262 windows and patio glass doors is \$133,075.

# **SECTION NINE**

## ***30-YEAR PROJECTIONS***

This section provides 30-Year Cash Flow Projections which calculate the anticipated ending reserve balances for each year. They examine the results of the Current and Straight Line Funding scenarios based on the indicated financial parameters and the calculated amounts and timing of anticipated expenses. A negative balance indicates a deficit condition. These schedules can be extremely useful tools when budgeting for the repair or replacement of reserve elements.

## 30 YEAR EVALUATION

### PROJECTED RESERVE BALANCES

	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	R	1	2	3	4	5	6	7
COMPONENT	2015	2016	2017	2018	2019	2020	2021	2022

#### BUILDING ELEMENTS

##### *ROOF REPLACEMENT;*

Fiber Comp Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gutters & Downspouts	0	0	0	0	0	0	0	0
Green Roof Parkade - footnote	0	0	0	0	0	0	0	0

##### *SIDING REPLACEMENT;*

Vinyl Siding - footnote	0	0	0	0	0	0	0	0
Vinyl Siding - repairs	0	0	0	0	0	0	2,775	0

##### *FLOOR COVERING;*

Carpet - hallways	0	0	0	0	0	0	22,974	0
Carpet - stairwells	0	0	0	0	0	0	0	0
Tile - regrout	0	0	0	0	0	0	0	0

##### *METAL RAILING;*

42" Alum Rails - re-powder coat	0	0	0	0	0	0	0	0
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##### *DECKS;*

DuralDeck - resurface	0	0	0	0	0	0	0	0
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##### *DOORS;*

Metal Access & Utility Doors	0	0	0	0	0	0	0	0
Alum/Glass Access Doors	0	0	0	0	0	0	0	0
Interior Doors - footnote	0	0	0	0	0	0	0	0

##### *ELEVATORS;*

Controllers & Pump	0	0	0	0	0	0	0	0
Door Operators	0	0	0	0	0	0	0	0
Cab Refurb & Panel	0	0	0	0	0	0	0	0

##### *MECHANICAL SYSTEMS;*

Eng A MUA - rooftop	0	0	0	0	0	0	0	0
Hot Water Heaters - 100 gal.	0	0	0	0	0	0	0	0
Recirculation Pumps	0	0	0	0	485	0	0	0
Parkade Fans - rebuild	0	0	0	0	0	0	0	0
CO2 Monitor	0	0	0	0	0	0	0	0
Baseboard Heaters - footnote	0	0	0	0	0	0	0	0
Mircom Fire Panel	0	0	0	0	0	0	0	0

##### *OTHER;*

Fire Systems - footnote	0	0	0	0	0	0	0	0
Water Pipe Repairs - footnote	0	0	0	0	0	0	0	2,816
Misc. Fans & Blowers	0	0	0	0	0	0	0	0

#### FENCES & GATES

##### *ENTRY SYSTEM;*

Enterphones	0	0	0	0	0	0	0	0
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##### *GATE OPERATORS;*

12' Rollup Gates	0	0	0	0	0	0	0	0
Operators & Motors	0	0	0	0	0	0	0	1,464

#### PAINT

##### *EXTERIOR SURFACES;*

Trim & Caulk	0	0	0	0	0	0	0	27,368
Concrete Wall	0	0	0	0	0	0	0	1,859

### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

COMPONENT	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	R	1	2	3	4	5	6	7
	2015	2016	2017	2018	2019	2020	2021	2022

#### *INTERIOR SURFACES;*

Hallway Ceilings & Walls	0	0	0	0	0	0	0	17,382
Stairs & Amenity Areas	0	0	0	0	0	0	0	0

#### LIGHTING

#### *BUILDING LIGHTING;*

Interior Lighting - footnote	0	0	0	0	0	0	0	0
Wallmount Fixtures	0	0	0	0	0	0	0	0
Patio Fixtures	0	0	0	0	0	0	0	0
Hanging Lanterns	0	0	0	0	0	0	0	0

#### *LANDSCAPE LIGHTING;*

Pedestal Globe Fixtures	0	0	0	0	0	0	0	0
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#### LANDSCAPE

#### *GENERAL LANDSCAPE;*

Landscape Replacement Reserve	0	0	1,046	0	0	0	0	0
Irrigation Controller	0	0	0	0	0	0	0	0
Irrigation Zone Valves	0	0	0	0	0	0	0	0

#### OTHER

#### *OTHER;*

Security Cameras	0	0	0	0	0	0	0	0
Digital Recorder	0	0	0	0	0	0	0	0
Monitor	0	0	0	0	0	0	0	0
Refrigerator	0	0	0	0	0	0	0	0
Windows & Glass Doors - foot	0	0	0	0	0	0	0	0
Contingency (1.0%)	0	0	0	0	0	0	0	0

TOTAL	\$0	\$0	\$1,046	\$0	\$485	\$0	\$25,748	\$50,889
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#### CURRENT RESERVE METHOD

BEGINNING RESERVE BALANC	\$38,057	\$57,734	\$77,805	\$97,222	\$118,082	\$138,871	\$160,564	\$156,686
ANNUAL CONTRIBUTION	18,729	18,729	18,729	18,729	18,729	18,729	18,729	18,729
INTEREST - COMPUTED AT	948	1,342	1,733	2,132	2,544	2,965	3,141	2,812
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	0	1,046	0	485	0	25,748	50,889
PROJECTED ENDING BALAN	\$57,734	\$77,805	\$97,222	\$118,082	\$138,871	\$160,564	\$156,686	\$127,338

**30 YEAR EVALUATION**

**PROJECTED RESERVE BALANCES**

COMPONENT	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	R	1	2	3	4	5	6	7
	2015	2016	2017	2018	2019	2020	2021	2022

**STRAIGHT LINE METHOD**

BEGINNING RESERVE BALANC	\$38,057	\$63,595	\$89,645	\$115,159	\$142,239	\$169,372	\$197,536	\$200,259
ANNUAL CONTRIBUTION	24,532	24,532	24,532	24,532	24,532	24,532	24,532	21,108
INTEREST - COMPUTED AT	1,006	1,517	2,028	2,548	3,085	3,633	3,939	3,707
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	0	1,046	0	485	0	25,748	50,889
<b>PROJECTED ENDING BALAN</b>	<b>\$63,595</b>	<b>\$89,645</b>	<b>\$115,159</b>	<b>\$142,239</b>	<b>\$169,372</b>	<b>\$197,536</b>	<b>\$200,259</b>	<b>\$174,185</b>



### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

COMPONENT	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	
	R	9	10	11	12	13	14	15	16
	2023	2024	2025	2026	2027	2028	2029	2030	

#### BUILDING ELEMENTS

##### **ROOF REPLACEMENT;**

Fiber Comp Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gutters & Downspouts	0	0	0	0	0	0	0	0	0
Green Roof Parkade - footnote	0	0	0	0	0	0	0	0	0

##### **SIDING REPLACEMENT;**

Vinyl Siding - footnote	0	0	0	0	0	0	0	0	0
Vinyl Siding - repairs	0	0	0	0	0	0	0	0	0

##### **FLOOR COVERING;**

Carpet - hallways	0	0	0	0	0	0	0	0	0
Carpet - stairwells	0	0	0	0	0	0	0	0	0
Tile - regROUT	0	0	0	0	0	0	0	0	0

##### **METAL RAILING;**

42" Alum Rails - re-powder coat	0	0	0	0	0	0	0	0	0
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##### **DECKS;**

DnraDeck - resurface	0	0	0	0	0	0	0	0	0
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##### **DOORS;**

Metal Access & Utility Doors	0	0	0	0	0	0	0	0	0
Alum/Glass Access Doors	0	0	0	0	0	0	0	0	0
Interior Doors - footnote	0	0	0	0	0	0	0	0	0

##### **ELEVATORS;**

Controllers & Pump	0	0	0	0	0	0	0	0	0
Door Operators	0	0	0	0	0	0	0	0	0
Cab Refurb & Panel	0	0	0	0	0	0	0	0	0

##### **MECHANICAL SYSTEMS;**

Eng A MUA - rooftop	0	0	0	0	0	0	0	0	0
Hot Water Heaters - 100 gal.	0	0	0	0	18,203	0	0	0	0
Recirculation Pumps	0	0	0	0	0	0	563	0	0
Parkade Fans - rebuild	0	0	0	0	728	0	0	0	0
CO2 Monitor	0	0	0	0	1,214	0	0	0	0
Baseboard Heaters - footnote	0	0	0	0	0	0	0	0	0
Mirecom Fire Panel	0	0	0	0	0	0	0	0	0

##### **OTHER;**

Fire Systems - footnote	0	0	0	0	0	0	0	0	0
Water Pipe Repairs - footnote	0	0	0	0	0	0	0	0	0
Misc. Fans & Blowers	0	0	0	0	0	0	0	0	0

#### FENCES & GATES

##### **ENTRY SYSTEM;**

Enterphones	0	0	0	0	0	0	0	0	0
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##### **GATE OPERATORS;**

12' Rollup Gates	0	0	0	0	0	0	0	0	0
Operators & Motors	0	0	0	0	0	0	0	0	0

#### PAINT

##### **EXTERIOR SURFACES;**

Trim & Caulk	0	0	0	0	0	0	0	0	30,830
Concrete Wall	0	0	0	0	0	0	0	0	0

### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

COMPONENT	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	R 9 2023	10 2024	11 2025	12 2026	13 2027	14 2028	15 2029	16 2030
<b>INTERIOR SURFACES;</b>								
Hallway Ceilings & Walls	0	0	0	0	0	0	0	0
Stairs & Amenity Areas	0	0	0	0	6,448	0	0	0
<b>LIGHTING</b>								
<b>BUILDING LIGHTING;</b>								
Interior Lighting - footnote	0	0	0	0	0	0	0	0
Wallmount Fixtures	0	0	0	0	0	0	0	0
Patio Fixtures	0	0	0	0	0	0	0	0
Hanging Lanterns	0	0	0	0	0	0	0	0
<b>LANDSCAPE LIGHTING;</b>								
Pedestal Globe Fixtures	0	0	0	0	0	0	0	0
<b>LANDSCAPE</b>								
<b>GENERAL LANDSCAPE;</b>								
Landscape Replacement Reserve	0	0	0	0	1,214	0	0	0
Irrigation Controller	0	0	0	0	0	0	0	0
Irrigation Zone Valves	0	0	0	0	0	0	0	0
<b>OTHER</b>								
<b>OTHER;</b>								
Security Cameras	0	0	0	0	971	0	0	0
Digital Recorder	0	0	0	0	728	0	0	0
Monitor	0	0	0	0	364	0	0	0
Refrigerator	0	0	0	0	0	0	0	0
Windows & Glass Doors - foot	0	0	0	0	0	0	0	0
Contingency (1.0%)	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,869</b>	<b>\$0</b>	<b>\$563</b>	<b>\$30,830</b>
<b>CURRENT RESERVE METHOD</b>								
BEGINNING RESERVE BALANC	\$127,338	\$148,801	\$170,693	\$193,023	\$215,800	\$208,865	\$231,958	\$254,945
ANNUAL CONTRIBUTION	18,729	18,729	18,729	18,729	18,729	18,729	18,729	18,729
INTEREST - COMPUTED AT	2,734	3,163	3,601	4,048	4,205	4,365	4,821	4,978
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	0	0	0	29,869	0	563	30,830
<b>PROJECTED ENDING BALAN</b>	<b>\$148,801</b>	<b>\$170,693</b>	<b>\$193,023</b>	<b>\$215,800</b>	<b>\$208,865</b>	<b>\$231,958</b>	<b>\$254,945</b>	<b>\$247,822</b>

### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

COMPONENT	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	
	R	9	10	11	12	13	14	15	16
	2023	2024	2025	2026	2027	2028	2029	2030	

#### STRAIGHT LINE METHOD

BEGINNING RESERVE BALANC	\$174,185	\$198,987	\$224,286	\$250,091	\$276,412	\$273,091	\$299,872	\$326,621
ANNUAL CONTRIBUTION	21,108	21,108	21,108	21,108	21,108	21,108	21,108	21,108
INTEREST - COMPUTED AT	3,695	4,191	4,697	5,213	5,441	5,673	6,203	6,435
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	0	0	0	0	29,869	0	563	30,830
<b>PROJECTED ENDING BALAN</b>	<b>\$198,987</b>	<b>\$224,286</b>	<b>\$250,091</b>	<b>\$276,412</b>	<b>\$273,091</b>	<b>\$299,872</b>	<b>\$326,621</b>	<b>\$323,334</b>

# 30 YEAR EVALUATION

## PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
		17	18	19	20	21	22	23	24
		2031	2032	2033	2034	2035	2036	2037	2038

### BUILDING ELEMENTS

#### *ROOF REPLACEMENT;*

Fiber Comp Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$69,977	\$0
Gutters & Downspouts	0	0	0	0	0	0	0	0	0
Green Roof Parkade - footnote	0	0	0	0	0	0	0	0	0

#### *SIDING REPLACEMENT;*

Vinyl Siding - footnote	0	0	0	0	0	0	0	0	0
Vinyl Siding - repairs	0	0	0	0	0	3,469	0	0	0

#### *FLOOR COVERING;*

Carpet - hallways	0	0	0	0	0	28,723	0	0	0
Carpet - stairwells	0	8,001	0	0	0	0	0	0	0
Tile - regrout	5,274	0	0	0	0	0	0	0	0

#### *METAL RAILING;*

42" Alum Rails - re-powder coat	0	0	0	0	0	0	0	23,886	0
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#### *DECKS;*

DuralDeck - resurface	0	56,177	0	0	0	0	0	0	0
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#### *DOORS;*

Metal Access & Utility Doors	0	0	0	0	0	0	0	0	0
Alum/Glass Access Doors	0	0	0	0	0	0	0	0	0
Interior Doors - footnote	0	0	0	0	0	0	0	0	0

#### *ELEVATORS;*

Controllers & Pump	0	0	0	0	0	0	0	0	0
Door Operators	0	0	0	0	0	0	0	0	0
Cab Refurb & Panel	0	0	0	0	0	0	0	0	0

#### *MECHANICAL SYSTEMS;*

Eng A MUA - rooftop	0	0	0	0	0	0	0	24,647	0
Hot Water Heaters - 100 gal.	0	0	0	0	0	0	0	0	0
Recirculation Pumps	0	0	0	0	0	0	0	0	0
Parkade Fans - rebuild	0	0	0	0	0	0	0	0	0
CO2 Monitor	0	0	0	0	0	0	0	0	0
Basboard Heaters - footnote	0	0	0	0	0	0	0	0	0
Mircom Fire Panel	0	0	0	0	0	0	0	10,985	0

#### *OTHER;*

Fire Systems - footnote	0	0	0	0	0	0	0	0	0
Water Pipe Repairs - footnote	0	0	0	0	0	0	0	3,521	0
Misc. Fans & Blowers	0	0	0	0	0	0	0	1,408	0

### FENCES & GATES

#### *ENTRY SYSTEM;*

Enterphones	0	0	0	0	0	0	0	11,267	0
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#### *GATE OPERATORS;*

12' Rollup Gates	0	4,576	0	0	0	0	0	0	0
Operators & Motors	0	0	0	0	0	0	0	1,831	0

### PAINT

#### *EXTERIOR SURFACES;*

Trim & Caulk	0	0	0	0	0	0	0	0	34,730
Concrete Wall	0	0	0	0	0	0	0	2,324	0

### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
		17	18	19	20	21	22	23	24
		2031	2032	2033	2034	2035	2036	2037	2038

#### *INTERIOR SURFACES;*

Hallway Ceilings & Walls		0	0	0	0	0	0	21,731	0
Stairs & Amenity Areas		0	0	0	0	0	0	0	0

#### LIGHTING

#### *BUILDING LIGHTING;*

Interior Lighting - footnote		0	0	0	0	0	0	0	0
Wallmount Fixtures		0	0	0	0	0	0	1,197	0
Patio Fixtures		0	0	0	0	0	0	4,542	0
Hanging Lanterns		0	0	0	0	0	0	563	0

#### *LANDSCAPE LIGHTING;*

Pedestal Globe Fixtures		0	3,105	0	0	0	0	0	0
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#### LANDSCAPE

#### *GENERAL LANDSCAPE;*

Landscape Replacement Reserve		0	0	0	0	0	0	1,408	0
Irrigation Controller		0	229	0	0	0	0	0	0
Irrigation Zone Valves		0	654	0	0	0	0	0	0

#### OTHER

#### *OTHER;*

Security Cameras		0	0	0	0	0	0	0	0
Digital Recorder		0	0	0	0	0	0	0	0
Monitor		0	0	0	0	0	0	0	0
Refrigerator		0	981	0	0	0	0	0	0
Windows & Glass Doors - foot		0	0	0	0	0	0	0	0
Contingency (1.0%)		0	0	0	0	0	0	0	0

TOTAL		\$5,274	\$74,022	\$0	\$0	\$0	\$32,191	\$179,288	\$34,730
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#### CURRENT RESERVE METHOD

BEGINNING RESERVE BALANCE	\$247,822	\$266,368	\$215,850	\$239,083	\$262,781	\$286,953	\$279,095	\$122,512
ANNUAL CONTRIBUTION	18,729	18,729	18,729	18,729	18,729	18,729	18,729	18,729
INTEREST - COMPUTED AT	5,091	4,774	4,504	4,969	5,443	5,604	3,976	2,290
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDITURE	5,274	74,022	0	0	0	32,191	179,288	34,730
PROJECTED ENDING BALANCE	\$266,368	\$215,850	\$239,083	\$262,781	\$286,953	\$279,095	\$122,512	\$108,802

**30 YEAR EVALUATION**

**PROJECTED RESERVE BALANCES**

COMPONENT	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	17	18	19	20	21	22	23	24
R	2031	2032	2033	2034	2035	2036	2037	2038

**STRAIGHT LINE METHOD**

BEGINNING RESERVE BALANC	\$323,334	\$345,792	\$299,266	\$326,570	\$354,420	\$382,828	\$379,290	\$227,114
ANNUAL CONTRIBUTION	21,108	21,108	21,108	21,108	21,108	21,108	21,108	21,108
INTEREST - COMPUTED AT	6,625	6,387	6,196	6,742	7,299	7,546	6,004	4,406
OTHER	0	0	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	5,274	74,022	0	0	0	32,191	179,288	34,730
<b>PROJECTED ENDING BALAN</b>	<b>\$345,792</b>	<b>\$299,266</b>	<b>\$326,570</b>	<b>\$354,420</b>	<b>\$382,828</b>	<b>\$379,290</b>	<b>\$227,114</b>	<b>\$217,899</b>

# 30 YEAR EVALUATION

## PROJECTED RESERVE BALANCES

COMPONENT	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
	R 25 2039	26 2040	27 2041	28 2042	29 2043	30 2044

### BUILDING ELEMENTS

#### **ROOF REPLACEMENT;**

Fiber Comp Shingle	\$0	\$0	\$0	\$0	\$0	\$0
Gutters & Downspouts	0	0	0	0	0	0
Green Roof Parkade - footnote	0	0	0	0	0	0

#### **SIDING REPLACEMENT;**

Vinyl Siding - footnote	0	0	0	0	0	0
Vinyl Siding - repairs	0	0	0	0	0	0

#### **FLOOR COVERING;**

Carpet - hallways	0	0	0	0	0	0
Carpet - stairwells	0	0	0	0	0	0
Tile - regrout	0	0	0	0	0	0

#### **METAL RAILING;**

42" Alum Rails - re-powder coat	0	0	0	0	0	0
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#### **DECKS;**

DuraDeck - resurface	0	0	0	0	0	0
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#### **DOORS;**

Metal Access & Utility Doors	0	0	0	0	0	0
Alum/Glass Access Doors	0	0	0	0	0	0
Interior Doors - footnote	0	0	0	0	0	0

#### **ELEVATORS;**

Controllers & Pump	0	0	0	0	0	0
Door Operators	0	0	0	0	0	0
Cab Refurb & Panel	0	0	0	0	0	0

#### **MECHANICAL SYSTEMS;**

Eng A MUA - rooftop	0	0	0	0	0	0
Hot Water Heaters - 100 gal.	0	0	0	22,758	0	0
Recirculation Pumps	653	0	0	0	0	0
Parkade Fans - rebuild	0	0	0	0	0	0
CO2 Monitor	0	0	0	0	0	0
Baseboard Heaters - footnote	0	0	0	0	0	0
Mireom Fire Panel	0	0	0	0	0	0

#### **OTHER;**

Fire Systems - footnote	0	0	0	0	0	0
Water Pipe Repairs - footnote	0	0	0	0	0	0
Misc. Fans & Blowers	0	0	0	0	0	0

### FENCES & GATES

#### **ENTRY SYSTEM;**

Enterphones	0	0	0	0	0	0
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#### **GATE OPERATORS;**

12' Rollup Gates	0	0	0	0	0	0
Operators & Motors	0	0	0	0	0	0

### PAINT

#### **EXTERIOR SURFACES;**

Trim & Caulk	0	0	0	0	0	0
Concrete Wall	0	0	0	0	0	0

### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
		25	26	27	28	29	30
		2039	2040	2041	2042	2043	2044

#### *INTERIOR SURFACES;*

Hallway Ceilings & Walls	0	0	0	0	0	0	0
Stairs & Amenity Areas	0	0	0	0	0	0	0

#### LIGHTING

#### *BUILDING LIGHTING;*

Interior Lighting - footnote	0	0	0	0	0	0	0
Wallmount Fixtures	0	0	0	0	0	0	0
Patio Fixtures	0	0	0	0	0	0	0
Hanging Lanterns	0	0	0	0	0	0	0

#### *LANDSCAPE LIGHTING;*

Pedestal Globe Fixtures	0	0	0	0	0	0	0
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#### LANDSCAPE

#### *GENERAL LANDSCAPE;*

Landscape Replacement Reserve	0	0	0	0	0	0	0
Irrigation Controller	0	0	0	0	0	0	0
Irrigation Zone Valves	0	0	0	0	0	0	0

#### OTHER

#### *OTHER;*

Security Cameras	0	0	0	0	0	0	0
Digital Recorder	0	0	0	0	0	0	0
Monitor	0	0	0	0	0	0	0
Refrigerator	0	0	0	0	0	0	0
Windows & Glass Doors - foot	0	0	0	0	0	0	0
Contingency (1.0%)	0	0	0	0	0	0	0

TOTAL	\$653	\$0	\$0	\$22,758	\$0	\$0
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#### CURRENT RESERVE METHOD

BEGINNING RESERVE BALANCE	\$108,802	\$129,235	\$150,736	\$172,667	\$172,050	\$194,408
ANNUAL CONTRIBUTION	18,729	18,729	18,729	18,729	18,729	18,729
INTEREST - COMPUTED AT	2,357	2,772	3,202	3,413	3,628	4,075
OTHER	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	653	0	0	22,758	0	0
PROJECTED ENDING BALANCE	\$129,235	\$150,736	\$172,667	\$172,050	\$194,408	\$217,212



### 30 YEAR EVALUATION

#### PROJECTED RESERVE BALANCES

COMPONENT	R	YEAR	YEAR	YEAR	YEAR	YEAR	YEAR
		25	26	27	28	29	30
		2039	2040	2041	2042	2043	2044

#### STRAIGHT LINE METHOD

BEGINNING RESERVE BALANC	\$217,899	\$242,916	\$269,094	\$295,795	\$300,044	\$327,364
ANNUAL CONTRIBUTION	21,108	21,108	21,108	21,108	21,108	21,108
INTEREST - COMPUTED AT	4,563	5,069	5,593	5,899	6,212	6,758
OTHER	0	0	0	0	0	0
LESS ANTICIPATED EXPENDIT	653	0	0	22,758	0	0
<b>PROJECTED ENDING BALAN</b>	<b>\$242,916</b>	<b>\$269,094</b>	<b>\$295,795</b>	<b>\$300,044</b>	<b>\$327,364</b>	<b>\$355,230</b>

**Dan Leiker, Principal - RDA-Reserve Data Analysis  
(A Division of Mountainside Enterprises)  
Statement of Qualifications**

As a third party independent consultant Reserve Data Analysis concentrates its expertise on the issues and complexities related to contingency reserve funding and long-range financial planning for common interest developments, commercial and residential strata corporations, time shares and resort properties. Reserve planning helps assure property values by protecting against depreciation due to deferred maintenance and the financial inability to keep up with component wear. RDA provides the client with accurate funding goals and applicable funding requirements as well as cash flow projections for sound financial planning.

Mr. Leiker's background includes condominium property management as a Certified Manager of Community Associations – CMCA (California) as well as Western Regional Manager (Vancouver) for a multi-provincial property management firm (head office Calgary) combined with construction and project management experience. He has performed in the capacity of both owners' representative and lead project administrator on several multimillion-dollar structural deficiency reconstruction projects in California. Dan brings twenty years of experience in the preparation of depreciation reports and reserve analysis as annually required by law under the Department of Real Estate of California. He has received formal training and accreditation as a Reserve Analyst through the Community Association Institute (CAI) California. The CAI is a multi-national organization which provides training and designations in community association management, reserve planning and risk management. As an accredited Reserve Analyst he has served as expert witness successfully representing Homeowner Associations in legal cases pertaining to the Developers failure to accurately determine the quantity, quality and cost of materials used when filing the original Reserve Funding Plan with the California Department of Real Estate. His professional testimony has resulted in financial settlements for the Associations. His combined twenty years of experience in the commercial, industrial and residential markets has positioned him to provide quality services for the implementation of an effective financial and capital plan.

Since 1994, Mr. Leiker has prepared contingency reserve studies, depreciation reports and annual reserve updates for over three hundred self-managed and professionally-managed strata corporations, resort properties and institutional properties throughout the Lower Mainland, Fraser Valley, Whistler, Sunshine Coast, Okanagan, South Thompson, Nelson, Williams Lake, Edmonton & Calgary. RDA funding formulas and the reporting template is fully compliant with the Condominium Property Act of Alberta and the Strata Property Act of British Columbia.

Mountainside Enterprises has been a business member in good standing with CHOA (Condominium Home Owners' Association of BC) for over five years. Additionally, Dan has conducted educational seminars for both CHOA and PAMA (Professional Association of Managing Agents) in the area of reserve planning. Mr. Leiker and Mountainside Enterprises carry Professional Liability Insurance (Errors & Omissions), General Liability and Workers Compensation coverage.