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RESERVE STUDY REPORT



Bridgerland Meadows
503 West 1530 North
Logan, Utah 84341

Account - Version

January 1, 2018

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Bridgerland Meadows

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Important Information

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This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Community HOAM LLC. would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Part I

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

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

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

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

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

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

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

The Reserve Study: A Physical and a Financial Analysis

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

Physical Analysis

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

Developing a Component List

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

Operational Expenses

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

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

Reserve Expenses

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

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

Budgeting is Normally Excluded for:

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

Financial Analysis

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

Preparing the Reserve Study

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

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

Funding Methods

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

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

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

Funding Strategies

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

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

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

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

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

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

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

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

Component Funding Model Distribution of Accumulated Reserves

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

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual

calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

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

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

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

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

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

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

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

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

Funding Reserves

Three assessment and contribution figures are provided in the report, the “Monthly Reserve Assessment

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

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

Users’ Guide to your Reserve Analysis Study

Part II of this report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

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

Index Reports

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

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

Detail Reports

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

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

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

Projections

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

Definitions

Report I.D.

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

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aid those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset

was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

This Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- This Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- This Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since this reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- The Owners' Summary meets the disclosure requirements of the California Civil Code and also the recently adopted ECHO standards.
- Your Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.

Bridgerland Meadows
 Logan, Utah
Current Assessment Funding Model Summary

Report Date	January 01, 2018
Budget Year Beginning	January 01, 2018
Budget Year Ending	December 31, 2018
Total Units	278

<i>Report Parameters</i>	
Inflation	2.50%
Annual Assessment Increase	2.50%
Interest Rate on Reserve Deposit	0.26%
Tax Rate Included in Interest Rate	
2018 Beginning Balance	\$87,276

Current Assessment Funding Model

Bridgerland Meadows has currently budgeted to contribute \$10 per month for each homeowner to the reserve fund. The contribution will need to increase in order to meet the long-term maintenance demands of the association. Regular increases to match inflation have been factored into this analysis.

<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Annual Contribution <i>\$120.00 per unit annually</i>	\$33,360.00
Average Net Annual Interest Earned	<u>\$284.34</u>
Total Annual Allocation to Reserves <i>\$121.02 per unit annually</i>	\$33,644.34

Bridgerland Meadows
Current Assessment Funding Model Projection

Beginning Balance: \$87,276

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2018	2,160,207	33,360	284		120,920	696,082	17%
2019	2,214,212	34,194	345		155,459	797,569	19%
2020	2,269,568	35,049	379	15,759	175,128	887,542	20%
2021	2,326,307	35,925	443		211,495	998,073	21%
2022	2,384,465	36,823	437	40,546	208,210	1,072,016	19%
2023	2,444,076	37,744	474	16,971	229,456	1,174,235	20%
2024	2,505,178	38,687	538	2,609	266,072	1,296,051	21%
2025	2,567,808	39,655	608		306,335	1,425,966	21%
2026	2,632,003	40,646	616	36,905	310,691	1,523,738	20%
2027	2,697,803	41,662	609	46,223	306,739	1,616,902	19%
2028	2,765,248	42,704	685		350,127	1,762,336	20%
2029	2,834,379	43,771	728	19,681	374,945	1,893,857	20%
2030	2,905,239	44,865	808		420,619	2,051,531	21%
2031	2,977,870	45,987	870	11,028	456,448	2,204,600	21%
2032	3,052,316	47,137	819	77,335	427,069	2,296,359	19%
2033	3,128,624	48,315		850,726	-375,342	1,600,584	-23%
2034	3,206,840	49,523			-325,819	1,762,379	-18%
2035	3,287,011	50,761		52,039	-327,097	1,877,923	-17%
2036	3,369,186	52,030		3,509	-278,576	2,049,220	-14%
2037	3,453,416	53,331		39,538	-264,783	2,191,068	-12%
2038	3,539,751	54,664		24,579	-234,698	2,355,074	-10%
2039	3,628,245	56,031			-178,668	2,551,734	-7%
2040	3,718,951	57,432		1,122,938	-1,244,174	1,608,142	-77%
2041	3,811,925	58,867		26,469	-1,211,776	1,768,431	-69%
2042	3,907,223	60,339		88,650	-1,240,086	1,872,673	-66%
2043	4,004,904	61,848			-1,178,239	2,074,159	-57%
2044	4,105,026	63,394		28,504	-1,143,349	2,255,333	-51%
2045	4,207,652	64,979			-1,078,371	2,474,216	-44%
2046	4,312,843	66,603		715,686	-1,727,454	1,969,055	-88%
2047	4,420,664	68,268		518,268	-2,177,453	1,657,783	-131%

Bridgerland Meadows
 Logan, Utah
Proposed Funding Model Summary

Report Date	January 01, 2018
Budget Year Beginning	January 01, 2018
Budget Year Ending	December 31, 2018
Total Units	278

<i>Report Parameters</i>	
Inflation	2.50%
Annual Assessment Increase	2.50%
Interest Rate on Reserve Deposit	0.26%
Tax Rate Included in Interest Rate	
2018 Beginning Balance	\$87,276

Proposed Funding Model

The Proposed Funding Model is set by the Board of Directors. It is important that the board take careful consideration of the financial state of the association when determining this funding level. This funding level should exceed the threshold funding level but is often less aggressive than full funding.

Management Proposed Funding Summary of Calculations

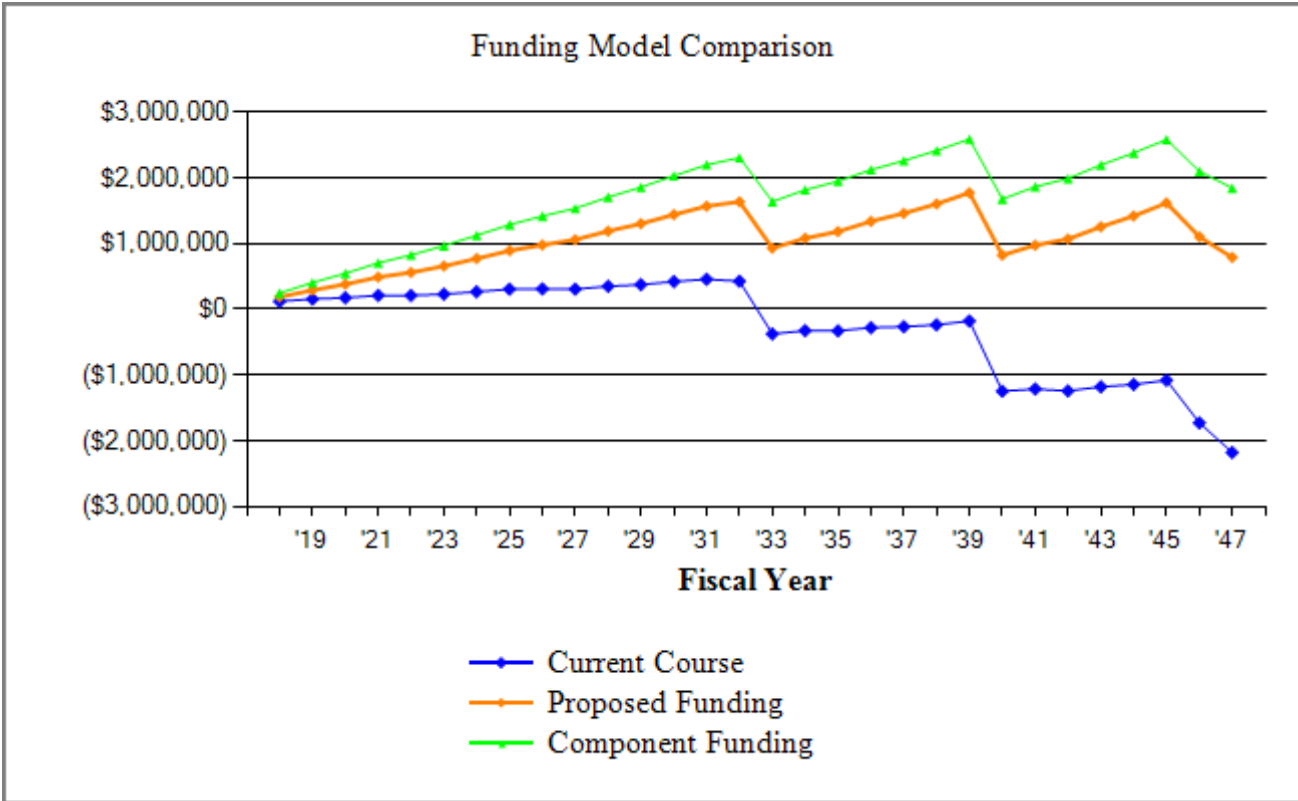
Required Annual Contribution	\$99,800.00
<i>\$358.99 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$400.61</u>
Total Annual Allocation to Reserves	\$100,200.61
<i>\$360.43 per unit annually</i>	

**Bridgerland Meadows
Proposed Funding Model Projection**

Beginning Balance: \$87,276

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2018	2,160,207	99,800	401		187,477	696,082	27%
2019	2,214,212	102,295	580		290,352	797,569	36%
2020	2,269,568	104,852	737	15,759	380,182	887,542	43%
2021	2,326,307	107,474	927		488,582	998,073	49%
2022	2,384,465	110,161	1,050	40,546	559,248	1,072,016	52%
2023	2,444,076	112,915	1,220	16,971	656,411	1,174,235	56%
2024	2,505,178	115,737	1,420	2,609	770,959	1,296,051	59%
2025	2,567,808	118,631	1,630		891,220	1,425,966	62%
2026	2,632,003	121,597	1,781	36,905	977,692	1,523,738	64%
2027	2,697,803	124,637	1,921	46,223	1,058,027	1,616,902	65%
2028	2,765,248	127,752	2,148		1,187,927	1,762,336	67%
2029	2,834,379	130,946	2,347	19,681	1,301,539	1,893,857	69%
2030	2,905,239	134,220	2,586		1,438,345	2,051,531	70%
2031	2,977,870	137,575	2,812	11,028	1,567,704	2,204,600	71%
2032	3,052,316	141,015	2,928	77,335	1,634,312	2,296,359	71%
2033	3,128,624	144,540	1,697	850,726	929,823	1,600,584	58%
2034	3,206,840	148,154	1,960		1,079,936	1,762,379	61%
2035	3,287,011	151,858	2,138	52,039	1,181,892	1,877,923	63%
2036	3,369,186	155,654	2,408	3,509	1,336,445	2,049,220	65%
2037	3,453,416	159,545	2,622	39,538	1,459,074	2,191,068	67%
2038	3,539,751	163,534	2,870	24,579	1,600,898	2,355,074	68%
2039	3,628,245	167,622	3,168		1,771,688	2,551,734	69%
2040	3,718,951	171,813	1,509	1,122,938	822,073	1,608,142	51%
2041	3,811,925	176,108	1,774	26,469	973,485	1,768,431	55%
2042	3,907,223	180,511	1,938	88,650	1,067,284	1,872,673	57%
2043	4,004,904	185,024	2,265		1,254,572	2,074,159	60%
2044	4,105,026	189,649	2,551	28,504	1,418,268	2,255,333	63%
2045	4,207,652	194,390	2,895		1,615,554	2,474,216	65%
2046	4,312,843	199,250	1,997	715,686	1,101,114	1,969,055	56%
2047	4,420,664	204,231	1,451	518,268	788,529	1,657,783	48%

Bridgerland Meadows Proposed Funding VS Fully Funded Chart



This funding model comparison show the level of funding over time with each of the funding options listed. Most associations choose a funding level between Threshold and Full Funding. It is important that a funding model is chosen that can meet the goals of the association in a responsible manner.

Bridgerland Meadows
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Streets/Asphalt							
Asphalt Pavement Overlay (phase 1-3)	2033	25	0	15	248,980	50,179	99,592
Asphalt Pavement Overlay (phase 4)	2033	25	0	15	78,358	0	31,343
Asphalt Pavement Seal Coat	2022	5	0	4	<u>24,732</u>	<u>4,946</u>	<u>4,946</u>
Streets/Asphalt - Total					\$352,071	\$55,125	\$135,882
Roofing							
Asphalt Shingles (Phase 4)	2047	30	0	29	213,525	0	7,117
Gutters and Downspouts (phase 1-3)	2046	40	0	28	71,325	0	21,397
Gutters and Downspouts (phase 4)	2056	40	0	38	26,415	0	1,321
Soffit and Fascia Metal (Phase 1-3)					<i>Unfunded</i>		
Soffit and Fascia Metal (phase 4)	2057	40	0	39	<u>64,440</u>	0	<u>1,611</u>
Roofing - Total					\$375,705		\$31,447
Fencing/Security							
Metal Fence Refurbish	2026	20	0	8	<u>15,290</u>	<u>9,174</u>	<u>9,174</u>
Fencing/Security - Total					\$15,290	\$9,174	\$9,174
Lighting							
Light Poles and Fixtures	2035	25	0	17	<u>19,200</u>	0	<u>6,144</u>
Lighting - Total					\$19,200		\$6,144
Building Components							
Stucco Resurface (phase 1-3)	2033	25	0	15	235,758	0	94,303
Vinyl Siding (phase 1-3)	2046	40	0	28	271,856	0	81,557
Vinyl Siding (phase 4)	2057	40	0	39	<u>161,221</u>	0	<u>4,031</u>
Building Components - Total					\$668,836		\$179,891
Grounds Components							
Concrete Replacement Allowance	2020	3	0	2	15,000	5,000	5,000
Picnic Tables	2032	20	0	14	3,000	900	900
Playground Equipment	2031	25	0	13	<u>8,000</u>	<u>3,840</u>	<u>3,840</u>
Grounds Components - Total					\$26,000	\$9,740	\$9,740
Mailboxes							
Mailbox Housing	2033	25	0	15	<u>24,300</u>	0	<u>9,720</u>
Mailboxes - Total					\$24,300		\$9,720
Signs							
Asphalt Shingles (phase 1-3)	2040	30	2	22	<u>652,275</u>	0	<u>203,836</u>
Signs - Total					\$652,275		\$203,836
Clubhouse							
Exercise Equipment Replacement Allowance	2022	10	0	4	5,000	3,000	3,000
Flooring	2027	15	0	9	2,280	912	912

Bridgerland Meadows
Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
<i>Clubhouse continued...</i>							
Furniture Replacement Allowance.	2022	10	0	4	7,000	4,200	4,200
Kitchen Renovation	2027	15	0	9	10,000	4,000	4,000
Painting, Interior Walls	2024	12	0	6	<u>2,250</u>	<u>1,125</u>	<u>1,125</u>
Clubhouse - Total					<u>\$26,530</u>	<u>\$13,237</u>	<u>\$13,237</u>
Total Asset Summary					<u>\$2,160,207</u>	<u>\$87,276</u>	<u>\$599,070</u>

Percent Fully Funded	15%
Current Average Liability per Unit (Total Units: 278)	-\$1,841

Bridgerland Meadows
Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Concrete Replacement Allowance	2	2020	5,000	5,000
Asphalt Pavement Seal Coat	4	2022	4,946	4,946
Exercise Equipment Replacement Allowance	4	2022	3,000	3,000
Furniture Replacement Allowance.	4	2022	4,200	4,200
Painting, Interior Walls	6	2024	1,125	1,125
Metal Fence Refurbish	8	2026	9,174	9,174
Flooring	9	2027	912	912
Kitchen Renovation	9	2027	4,000	4,000
Playground Equipment	13	2031	3,840	3,840
Picnic Tables	14	2032	900	900
Asphalt Pavement Overlay (phase 1-3)	15	2033	* 50,179	99,592
Asphalt Pavement Overlay (phase 4)	15	2033		31,343
Mailbox Housing	15	2033		9,720
Stucco Resurface (phase 1-3)	15	2033		94,303
Light Poles and Fixtures	17	2035		6,144
Asphalt Shingles (phase 1-3)	22	2040		203,836
Gutters and Downspouts (phase 1-3)	28	2046		21,397
Vinyl Siding (phase 1-3)	28	2046		81,557
Asphalt Shingles (Phase 4)	29	2047		7,117
Gutters and Downspouts (phase 4)	38	2056		1,321
Soffit and Fascia Metal (phase 4)	39	2057		1,611
Vinyl Siding (phase 4)	39	2057		4,031
Soffit and Fascia Metal (Phase 1-3)		Unfunded		
Total Asset Summary			<u>\$87,276</u>	<u>\$599,070</u>

Percent Fully Funded	15%
Current Average Liability per Unit (Total Units: 278)	-\$1,841

'' Indicates Partially Funded*

**Bridgerland Meadows
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2018</i>	
<i>No Replacement in 2019</i>	
Replacement Year 2020	
Concrete Replacement Allowance	15,759
Total for 2020	\$15,759
<i>No Replacement in 2021</i>	
Replacement Year 2022	
Asphalt Pavement Seal Coat	27,300
Exercise Equipment Replacement Allowance	5,519
Furniture Replacement Allowance.	7,727
Total for 2022	\$40,546
Replacement Year 2023	
Concrete Replacement Allowance	16,971
Total for 2023	\$16,971
Replacement Year 2024	
Painting, Interior Walls	2,609
Total for 2024	\$2,609
<i>No Replacement in 2025</i>	
Replacement Year 2026	
Concrete Replacement Allowance	18,276
Metal Fence Refurbish	18,629
Total for 2026	\$36,905
Replacement Year 2027	
Asphalt Pavement Seal Coat	30,887
Flooring	2,847
Kitchen Renovation	12,489
Total for 2027	\$46,223
<i>No Replacement in 2028</i>	
Replacement Year 2029	
Concrete Replacement Allowance	19,681
Total for 2029	\$19,681

**Bridgerland Meadows
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Playground Equipment	11,028
Total for 2031	<u>\$11,028</u>
Replacement Year 2032	
Asphalt Pavement Seal Coat	34,946
Concrete Replacement Allowance	21,195
Exercise Equipment Replacement Allowance	7,065
Furniture Replacement Allowance.	9,891
Picnic Tables	4,239
Total for 2032	<u>\$77,335</u>
Replacement Year 2033	
Asphalt Pavement Overlay (phase 1-3)	360,598
Asphalt Pavement Overlay (phase 4)	113,486
Mailbox Housing	35,194
Stucco Resurface (phase 1-3)	341,448
Total for 2033	<u>\$850,726</u>
<i>No Replacement in 2034</i>	
Replacement Year 2035	
Concrete Replacement Allowance	22,824
Light Poles and Fixtures	29,215
Total for 2035	<u>\$52,039</u>
Replacement Year 2036	
Painting, Interior Walls	3,509
Total for 2036	<u>\$3,509</u>
Replacement Year 2037	
Asphalt Pavement Seal Coat	39,538
Total for 2037	<u>\$39,538</u>
Replacement Year 2038	
Concrete Replacement Allowance	24,579
Total for 2038	<u>\$24,579</u>

**Bridgerland Meadows
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2039</i>	
Replacement Year 2040	
Asphalt Shingles (phase1-3)	1,122,938
Total for 2040	<u>\$1,122,938</u>
Replacement Year 2041	
Concrete Replacement Allowance	26,469
Total for 2041	<u>\$26,469</u>
Replacement Year 2042	
Asphalt Pavement Seal Coat	44,734
Exercise Equipment Replacement Allowance	9,044
Flooring	4,124
Furniture Replacement Allowance.	12,661
Kitchen Renovation	18,087
Total for 2042	<u>\$88,650</u>
<i>No Replacement in 2043</i>	
Replacement Year 2044	
Concrete Replacement Allowance	28,504
Total for 2044	<u>\$28,504</u>
<i>No Replacement in 2045</i>	
Replacement Year 2046	
Gutters and Downspouts (phase 1-3)	142,400
Metal Fence Refurbish	30,526
Vinyl Siding (phase 1-3)	542,760
Total for 2046	<u>\$715,686</u>
Replacement Year 2047	
Asphalt Pavement Seal Coat	50,612
Asphalt Shingles (Phase 4)	436,959
Concrete Replacement Allowance	30,696
Total for 2047	<u>\$518,268</u>

**Bridgerland Meadows
Spread Sheet**

Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Asphalt Pavement Overlay (phase 1-3)										
Asphalt Pavement Overlay (phase 4)										
Asphalt Pavement Seal Coat					27,300					30,887
Asphalt Shingles (Phase 4)										
Asphalt Shingles (phase1-3)										
Concrete Replacement Allowance			15,759			16,971			18,276	
Exercise Equipment Replacement Allowance					5,519					
Flooring										2,847
Furniture Replacement Allowance.					7,727					
Gutters and Downspouts (phase 1-3)										
Gutters and Downspouts (phase 4)										
Kitchen Renovation										12,489
Light Poles and Fixtures										
Mailbox Housing										
Metal Fence Refurbish									18,629	
Painting, Interior Walls							2,609			
Picnic Tables										
Playground Equipment										
Soffit and Fascia Metal (Phase 1-3)				<i>Unfunded</i>						
Soffit and Fascia Metal (phase 4)										
Stucco Resurface (phase 1-3)										
Vinyl Siding (phase 1-3)										
Vinyl Siding (phase 4)										
Year Total:			15,759		40,546	16,971	2,609		36,905	46,223

**Bridgerland Meadows
Spread Sheet**

Description	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Asphalt Pavement Overlay (phase 1-3)						360,598				
Asphalt Pavement Overlay (phase 4)						113,486				
Asphalt Pavement Seal Coat					34,946					39,538
Asphalt Shingles (Phase 4)										
Asphalt Shingles (phase1-3)										
Concrete Replacement Allowance		19,681			21,195			22,824		
Exercise Equipment Replacement Allowance					7,065					
Flooring										
Furniture Replacement Allowance.					9,891					
Gutters and Downspouts (phase 1-3)										
Gutters and Downspouts (phase 4)										
Kitchen Renovation										
Light Poles and Fixtures								29,215		
Mailbox Housing						35,194				
Metal Fence Refurbish										
Painting, Interior Walls									3,509	
Picnic Tables					4,239					
Playground Equipment				11,028						
Soffit and Fascia Metal (Phase 1-3)		<i>Unfunded</i>								
Soffit and Fascia Metal (phase 4)										
Stucco Resurface (phase 1-3)						341,448				
Vinyl Siding (phase 1-3)										
Vinyl Siding (phase 4)										
Year Total:		19,681		11,028	77,335	850,726		52,039	3,509	39,538

**Bridgerland Meadows
Spread Sheet**

	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Description										
Asphalt Pavement Overlay (phase 1-3)										
Asphalt Pavement Overlay (phase 4)										
Asphalt Pavement Seal Coat					44,734					50,612
Asphalt Shingles (Phase 4)										436,959
Asphalt Shingles (phase1-3)			1,122,938							
Concrete Replacement Allowance	24,579			26,469			28,504			30,696
Exercise Equipment Replacement Allowance					9,044					
Flooring					4,124					
Furniture Replacement Allowance.					12,661					
Gutters and Downspouts (phase 1-3)									142,400	
Gutters and Downspouts (phase 4)										
Kitchen Renovation					18,087					
Light Poles and Fixtures										
Mailbox Housing										
Metal Fence Refurbish									30,526	
Painting, Interior Walls										
Picnic Tables										
Playground Equipment										
Soffit and Fascia Metal (Phase 1-3)		<i>Unfunded</i>								
Soffit and Fascia Metal (phase 4)										
Stucco Resurface (phase 1-3)										
Vinyl Siding (phase 1-3)									542,760	
Vinyl Siding (phase 4)										
Year Total:	24,579		1,122,938	26,469	88,650		28,504		715,686	518,268

**Bridgerland Meadows
Detail Report by Category**

Asphalt Pavement Overlay (phase 1-3) - 2033		110,658	@ \$2.25
Asset ID	1010	Asset Cost	\$248,980.50
		Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$360,598.00
Placed in Service	January 2008	Assigned Reserves	\$50,178.54
Useful Life	25		
Replacement Year	2033	Annual Assessment	\$3,880.40
Remaining Life	15	Interest Contribution	\$139.96
		Reserve Allocation	\$4,020.36



Asphalt replacement is expected to be an overlay of the existing asphalt. Regular sealing of the asphalt will help this component reach it expected life. Other factors that can cause the asphalt to fail early are, poor drainage, regular use by large trucks including garbage trucks. This category does not included replacement of concrete waterways.

Asphalt Pavement Overlay (phase 4) - 2033		34,826	@ \$2.25
Asset ID	1011	Asset Cost	\$78,358.50
		Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$113,486.47
Placed in Service	January 2008	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2033	Annual Assessment	\$1,427.76
Remaining Life	15	Interest Contribution	\$3.70
		Reserve Allocation	\$1,431.46

**Bridgerland Meadows
Detail Report by Category**

Asphalt Pavement Overlay (phase 4) continued...



Asphalt replacement is expected to be an overlay of the existing asphalt. Regular sealing of the asphalt will help this component reach its expected life. Other factors that can cause the asphalt to fail early are, poor drainage, regular use by large trucks including garbage trucks. This category does not include replacement of concrete waterways.

Asphalt Pavement Seal Coat - 2022

Asset ID	1012	145,484	@ \$0.17
		Asset Cost	\$24,732.28
		Percent Replacement	100%
Streets/Asphalt		Future Cost	\$27,299.81
Placed in Service	January 2017	Assigned Reserves	\$4,946.46
Useful Life	5		
Replacement Year	2022	Annual Assessment	\$1,067.30
Remaining Life	4	Interest Contribution	<u>\$15.57</u>
		Reserve Allocation	\$1,082.87



Regular sealing of the asphalt will help the asphalt reach its expected life. This estimate is for a seal coat with a 5 year life. The estimate also includes sealing of cracks with a rubberized crack filler and painting of lines as needed.

**Bridgerland Meadows
Detail Report by Category**

Streets/Asphalt - Total Current Cost	\$352,071
Assigned Reserves	\$55,125
Fully Funded Reserves	\$135,882

**Bridgerland Meadows
Detail Report by Category**

Asphalt Shingles (Phase 4) - 2047		109,500	@ \$1.95
Asset ID	1002	Asset Cost	\$213,525.00
		Percent Replacement	100%
	Roofing	Future Cost	\$436,959.14
Placed in Service	January 2017	Assigned Reserves	<i>none</i>
Useful Life	30		
Replacement Year	2047	Annual Assessment	\$2,791.97
Remaining Life	29	Interest Contribution	\$7.23
		Reserve Allocation	\$2,799.20



All roofs have a standard 30 year asphalt architectural shingle. Although the life of the shingle is estimated to be 30 years many factors including weather, temperature swings, ice buildup, proper ventilation can contribute to the early deterioration of asphalt shingles. This category includes phase 4, most of these roofs were installed between 2015 and 2018. Phase 1-3 has been entered as another component because most of these buildings were completed between 2008 and 2012.

Gutters and Downspouts (phase 1-3) - 2046		15,850	@ \$4.50
Asset ID	1005	Asset Cost	\$71,325.00
		Percent Replacement	100%
	Roofing	Future Cost	\$142,400.01
Placed in Service	January 2006	Assigned Reserves	<i>none</i>
Useful Life	40		
Replacement Year	2046	Annual Assessment	\$943.60
Remaining Life	28	Interest Contribution	\$2.44
		Reserve Allocation	\$946.05

**Bridgerland Meadows
Detail Report by Category**

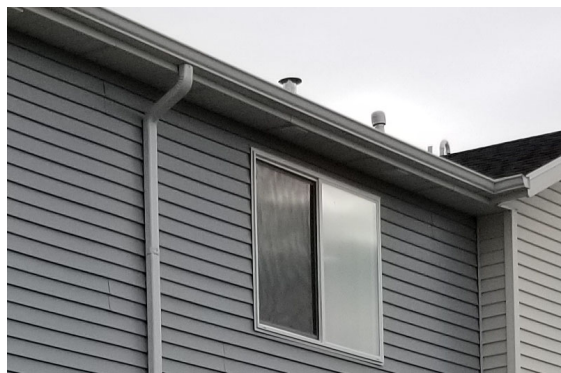
Gutters and Downspouts (phase 1-3) continued...



For the rain gutters and downspouts to work properly they must be maintained regularly. Regular maintenance to insure this component is clean and properly sloped is important to its proper function and overall life. When properly maintained this component may exceed it's expected life.

Gutters and Downspouts (phase 4) - 2056

Asset ID	1006	5,870	@ \$4.50
		Asset Cost	\$26,415.00
		Percent Replacement	100%
		Future Cost	\$67,508.35
Placed in Service	Roofing	Assigned Reserves	<i>none</i>
Useful Life	January 2016		
Replacement Year	40	Annual Assessment	\$325.32
Remaining Life	2056	Interest Contribution	<u>\$0.84</u>
	38	Reserve Allocation	\$326.17



For the rain gutters and downspouts to work properly they must be maintained regularly. Regular maintenance to insure this component is clean and properly sloped is important to its proper function and overall life. When properly maintained this component may exceed it's expected life.

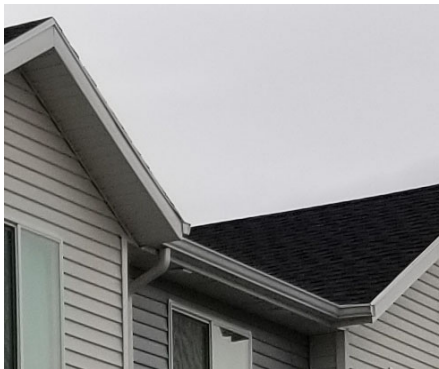
**Bridgerland Meadows
Detail Report by Category**

Soffit and Fascia Metal (Phase 1-3)		21,740	@ \$8.00
Asset ID	1004	Asset Cost	\$173,920.00
		Percent Replacement	100%
	Roofing	Future Cost	\$173,920.00
Placed in Service	January 2006	Assigned Reserves	<i>none</i>
No Useful Life		Annual Assessment	No Assessment
		Interest Contribution	



Soffit and fascia metal is composed of aluminum material with a factory white paint. Regular inspections to make sure that this component is secure and that pests are not building nests in the eaves will help this component reach its maximum life.

Soffit and Fascia Metal (phase 4) - 2057		8,055	@ \$8.00
Asset ID	1003	Asset Cost	\$64,440.00
		Percent Replacement	100%
	Roofing	Future Cost	\$168,805.38
Placed in Service	January 2017	Assigned Reserves	<i>none</i>
Useful Life	40	Annual Assessment	\$791.58
Replacement Year	2057	Interest Contribution	\$2.05
Remaining Life	39	Reserve Allocation	\$793.63



Soffit and fascia metal is composed of aluminum material with a factory white paint. Regular

**Bridgerland Meadows
Detail Report by Category**

Soffit and Fascia Metal (phase 4) continued...

inspections to make sure that this component is secure and that pests are not building nests in the eaves will help this component reach it's maximum life.

Roofing - Total Current Cost	\$375,705
Assigned Reserves	\$0
Fully Funded Reserves	\$31,447

**Bridgerland Meadows
Detail Report by Category**

Metal Fence Refurbish - 2026

Asset ID	1015	278	@ \$55.00
		Asset Cost	\$15,290.00
		Percent Replacement	100%
Fencing/Security		Future Cost	\$18,629.38
Placed in Service	January 2006	Assigned Reserves	\$9,174.00
Useful Life	20		
Replacement Year	2026	Annual Assessment	\$220.52
Remaining Life	8	Interest Contribution	\$24.32
		Reserve Allocation	\$244.84



There is a metal fence enclosing each front yard. This category is not a full replacement of this fence but an allowance to refurbish the fences on a regular basis. This may include replacement of bolts, caps, and painting as needed. Full replacement of the fence has not been included in this reserve study.

Fencing/Security - Total Current Cost	\$15,290
Assigned Reserves	\$9,174
Fully Funded Reserves	\$9,174

**Bridgerland Meadows
Detail Report by Category**

Light Poles and Fixtures - 2035

		32	@ \$600.00
Asset ID	1022	Asset Cost	\$19,200.00
		Percent Replacement	100%
	Lighting	Future Cost	\$29,215.07
Placed in Service	January 2010	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2035	Annual Assessment	\$323.47
Remaining Life	17	Interest Contribution	_ \$0.84
		Reserve Allocation	\$324.31



Light posts and fixtures are found throughout the property. This category includes replacement of the fixture or necessary parts and components. It also includes any necessary repairs to the post and base. It is not expected that the post and base of all units will need to be replaced.

Lighting - Total Current Cost	\$19,200
Assigned Reserves	\$0
Fully Funded Reserves	\$6,144

**Bridgerland Meadows
Detail Report by Category**

Stucco Resurface (phase 1-3) - 2033		72,541 sq. ft.	@ \$3.25
Asset ID	1009	Asset Cost	\$235,758.25
		Percent Replacement	100%
	Building Components	Future Cost	\$341,448.24
Placed in Service	January 2008	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2033	Annual Assessment	\$4,295.73
Remaining Life	15	Interest Contribution	<u>\$11.12</u>
		Reserve Allocation	\$4,306.86



The exterior of the buildings for phase 1-3 are a combination of vinyl siding, stucco, and rock. The stucco in some areas appears to have deficiencies or that are outside the normal deterioration of this component. Be cause these issues are not spread throughout the entire community but are in specific areas this deterioration has not been factored into the estimated life of the stucco. Repairs to the stucco should be completed to help this component reach it's expected life.

Vinyl Siding (phase 1-3) - 2046		120,825 sq. ft.	@ \$2.25
Asset ID	1007	Asset Cost	\$271,856.25
		Percent Replacement	100%
	Building Components	Future Cost	\$542,759.65
Placed in Service	January 2006	Assigned Reserves	<i>none</i>
Useful Life	40		
Replacement Year	2046	Annual Assessment	\$3,596.55
Remaining Life	28	Interest Contribution	<u>\$9.31</u>
		Reserve Allocation	\$3,605.87

**Bridgerland Meadows
Detail Report by Category**

Vinyl Siding (phase 1-3) continued...



The exterior of the buildings for phase 1-3 are a combination of vinyl siding, stucco, and rock. The vinyl siding can last a very long time if it is properly maintained. Regular inspections of this component are recommended.

Vinyl Siding (phase 4) - 2057

Asset ID	1008	71,654 sq. ft.	@ \$2.25
		Asset Cost	\$161,221.50
		Percent Replacement	100%
Building Components		Future Cost	\$422,331.72
Placed in Service	January 2017	Assigned Reserves	<i>none</i>
Useful Life	40		
Replacement Year	2057	Annual Assessment	\$1,980.44
Remaining Life	39	Interest Contribution	<u>\$5.13</u>
		Reserve Allocation	\$1,985.56



The exterior of the buildings for phase 4 is primarily vinyl siding. The vinyl siding can last a very long time if it is properly maintained. Regular inspections of this component are recommended.

**Bridgerland Meadows
Detail Report by Category**

Building Components - Total Current Cost	\$668,836
Assigned Reserves	\$0
Fully Funded Reserves	\$179,891

**Bridgerland Meadows
Detail Report by Category**

Concrete Replacement Allowance - 2020

Asset ID	1023	Asset Cost	\$15,000.00
		Percent Replacement	100%
Grounds Components		Future Cost	\$15,759.37
Placed in Service	January 2017	Assigned Reserves	\$5,000.00
Useful Life	3		
Replacement Year	2020	Annual Assessment	\$1,030.00
Remaining Life	2	Interest Contribution	<u>\$15.61</u>
		Reserve Allocation	\$1,045.62



This item is an allowance to cover replacement of sidewalks, cross drains, and parking lot waterways. Concrete does not have a perfectible life, this allowance is simply an estimate to cover replacement of areas that may have failed. Future updates to this reserve study should adjust this item as needed depending on need and deterioration of the current concrete.

Picnic Tables - 2032

Asset ID	1019	4	@ \$750.00
		Asset Cost	\$3,000.00
Grounds Components		Percent Replacement	100%
Placed in Service	January 2012	Future Cost	\$4,238.92
Useful Life	20	Assigned Reserves	\$900.00
Replacement Year	2032	Annual Assessment	\$44.62
Remaining Life	14	Interest Contribution	<u>\$2.45</u>
		Reserve Allocation	\$47.06

Bridgerland Meadows Detail Report by Category

Picnic Tables continued...



There are 4 large picnic tables located in a covered picnic area of the common area.

Playground Equipment - 2031		1	@ \$8,000.00
Asset ID	1014	Asset Cost	\$8,000.00
		Percent Replacement	100%
	Grounds Components	Future Cost	\$11,028.09
Placed in Service	January 2006	Assigned Reserves	\$3,840.00
Useful Life	25		
Replacement Year	2031	Annual Assessment	\$102.71
Remaining Life	13	Interest Contribution	<u>\$10.21</u>
		Reserve Allocation	\$112.91



The playground in the common area consists of a large swing set and playground with slides. It also includes a park bench. Prices for these components can vary greatly depending on the quality and manufacturer.

Grounds Components - Total Current Cost	\$26,000
Assigned Reserves	\$9,740
Fully Funded Reserves	\$9,740

Bridgerland Meadows Detail Report by Category

Mailbox Housing - 2033

		18	@ \$1,350.00
Asset ID	1013	Asset Cost	\$24,300.00
		Percent Replacement	100%
	Mailboxes	Future Cost	\$35,193.64
Placed in Service	January 2008	Assigned Reserves	<i>none</i>
Useful Life	25		
Replacement Year	2033	Annual Assessment	\$442.77
Remaining Life	15	Interest Contribution	<u>\$1.15</u>
		Reserve Allocation	\$443.91



Mail is delivered to cluster mailboxes along 1530 North. These mailboxes are a USPS approved mailbox. Most of the housings have 16 compartments plus two parcel boxes. The estimated cost includes a bulk discount for purchasing the mailboxes in quantities of more than 5 at a time and includes the labor to install the housing.

Mailboxes - Total Current Cost	\$24,300
Assigned Reserves	\$0
Fully Funded Reserves	\$9,720

**Bridgerland Meadows
Detail Report by Category**

Asphalt Shingles (phase1-3) - 2040		334,500	@ \$1.95
Asset ID	1001	Asset Cost	\$652,275.00
		Percent Replacement	100%
	Signs	Future Cost	\$1,122,937.98
Placed in Service	January 2008	Assigned Reserves	<i>none</i>
Useful Life	30		
Adjustment	2	Annual Assessment	\$9,544.98
Replacement Year	2040	Interest Contribution	\$24.71
Remaining Life	22	Reserve Allocation	\$9,569.70



All roofs have a standard 30 year asphalt architectural shingle. Although the life of the shingle is estimated to be 30 years many factors including weather, temperature swings, ice buildup, proper ventilation can contribute to the early deterioration of asphalt shingles. This category includes phase 1-3, most of these roofs were installed between 2008 and 2012. Phase 4 has been entered as another component because most of these buildings were completed between 2015 and 2018

Signs - Total Current Cost	\$652,275
Assigned Reserves	\$0
Fully Funded Reserves	\$203,836

**Bridgerland Meadows
Detail Report by Category**

Exercise Equipment Replacement Allowance - 2022

		1	@ \$5,000.00
Asset ID	1021	Asset Cost	\$5,000.00
		Percent Replacement	100%
	Clubhouse	Future Cost	\$5,519.06
Placed in Service	January 2012	Assigned Reserves	\$3,000.00
Useful Life	10		
Replacement Year	2022	Annual Assessment	\$119.06
Remaining Life	4	Interest Contribution	<u>\$8.08</u>
		Reserve Allocation	\$127.14

This is an allowance to replace exercise equipment in the clubhouse. Because exercise equipment can vary greatly in price this is simply an allowance and it not necessarily intended to cover replacement of all exercise equipment. The life of the exercise equipment is largely dependent on the initial quality and the amount of use that it receives.

Flooring - 2027

		380 sq. ft.	@ \$6.00
Asset ID	1016	Asset Cost	\$2,280.00
		Percent Replacement	100%
	Clubhouse	Future Cost	\$2,847.41
Placed in Service	January 2012	Assigned Reserves	\$912.00
Useful Life	15		
Replacement Year	2027	Annual Assessment	\$40.45
Remaining Life	9	Interest Contribution	<u>\$2.47</u>
		Reserve Allocation	\$42.91

This includes a small amount of flooring in the clubhouse. Most of the flooring in the clubhouse is a finished concrete surface and should need only a little maintenance. Flooring costs have a wide range depending on quality and style of flooring.

Furniture Replacement Allowance. - 2022

		1	@ \$7,000.00
Asset ID	1020	Asset Cost	\$7,000.00
		Percent Replacement	100%
	Clubhouse	Future Cost	\$7,726.69
Placed in Service	January 2012	Assigned Reserves	\$4,200.00
Useful Life	10		
Replacement Year	2022	Annual Assessment	\$166.69
Remaining Life	4	Interest Contribution	<u>\$11.31</u>
		Reserve Allocation	\$177.99

Bridgerland Meadows Detail Report by Category

Furniture Replacement Allowance. continued...



This is an allowance to replace furniture throughout the clubhouse including the couches, TV, coffee table. and other docorations and furnishings.

Kitchen Renovation - 2027

		1	@ \$10,000.00
Asset ID	1018	Asset Cost	\$10,000.00
		Percent Replacement	100%
	Clubhouse	Future Cost	\$12,488.63
Placed in Service	January 2012	Assigned Reserves	\$4,000.00
Useful Life	15		
Replacement Year	2027	Annual Assessment	\$177.39
Remaining Life	9	Interest Contribution	<u>\$10.82</u>
		Reserve Allocation	\$188.21



Renovation of the kitchen is an allowance that includes updating or changing cabinets, countertops and appliances. This is simply an allowance and is not intended to be a full replacement.

**Bridgerland Meadows
Detail Report by Category**

Painting, Interior Walls - 2024		1,800 sq. ft.	@ \$1.25
Asset ID	1017	Asset Cost	\$2,250.00
	Clubhouse	Percent Replacement	100%
Placed in Service	January 2012	Future Cost	\$2,609.31
Useful Life	12	Assigned Reserves	\$1,125.00
Replacement Year	2024	Annual Assessment	\$46.67
Remaining Life	6	Interest Contribution	_ \$3.03
		Reserve Allocation	\$49.71

Painting of the interior of the clubhouse including the walls and ceiling. It does not include changes to color or style that may increase the cost of painting.

Clubhouse - Total Current Cost	\$26,530
Assigned Reserves	\$13,237
Fully Funded Reserves	\$13,237

**Bridgerland Meadows
Detail Report by Category**

Detail Report Summary

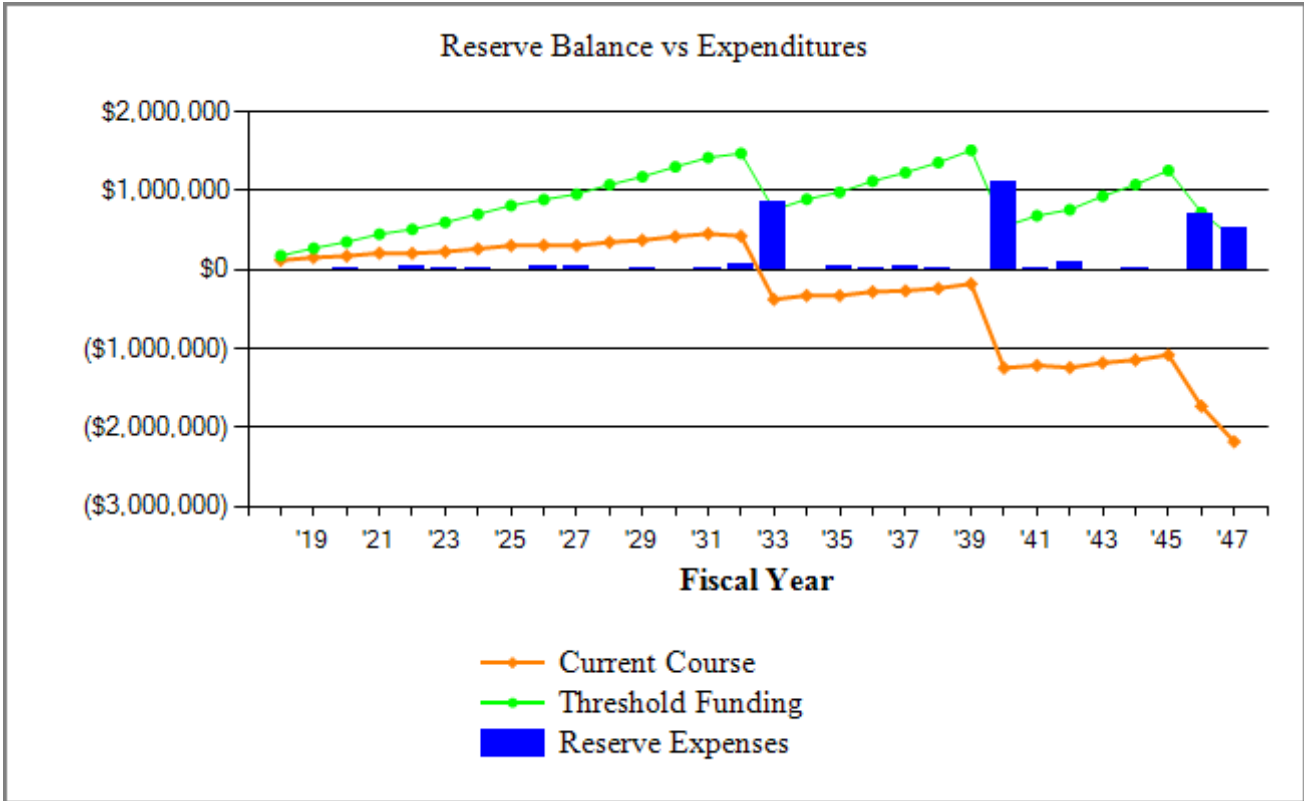
Grand Total

Assigned Reserves	\$87,276.00
Annual Contribution	\$33,360.00
Annual Interest	\$312.33
Annual Allocation	\$33,672.32

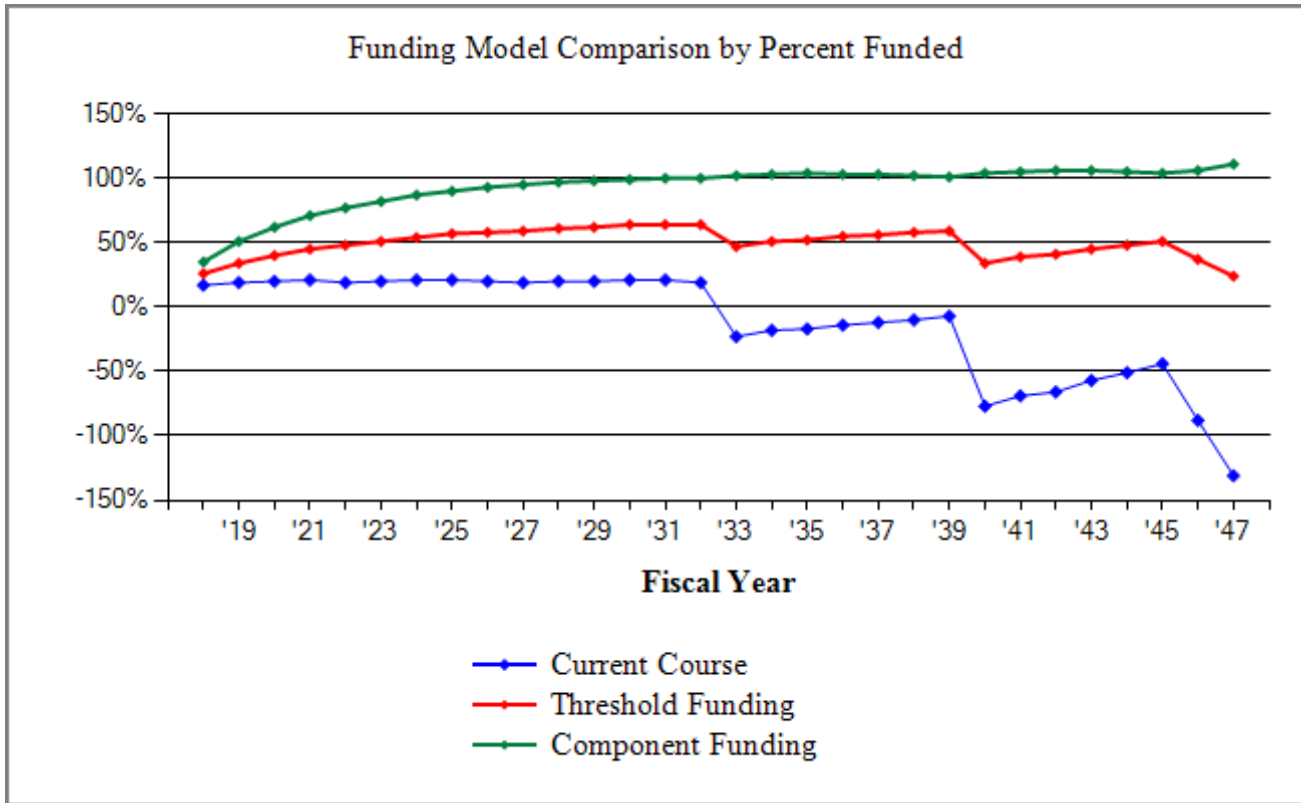
**Bridgerland Meadows
Category Detail Index**

Asset ID	Description	Replacement	Page
1010	Asphalt Pavement Overlay (phase 1-3)	2033	2-15
1011	Asphalt Pavement Overlay (phase 4)	2033	2-15
1012	Asphalt Pavement Seal Coat	2022	2-16
1002	Asphalt Shingles (Phase 4)	2047	2-18
1001	Asphalt Shingles (phase 1-3)	2040	2-30
1023	Concrete Replacement Allowance	2020	2-27
1021	Exercise Equipment Replacement Allowance	2022	2-31
1016	Flooring	2027	2-31
1020	Furniture Replacement Allowance.	2022	2-31
1005	Gutters and Downspouts (phase 1-3)	2046	2-18
1006	Gutters and Downspouts (phase 4)	2056	2-19
1018	Kitchen Renovation	2027	2-32
1022	Light Poles and Fixtures	2035	2-23
1013	Mailbox Housing	2033	2-29
1015	Metal Fence Refurbish	2026	2-22
1017	Painting, Interior Walls	2024	2-33
1019	Picnic Tables	2032	2-27
1014	Playground Equipment	2031	2-28
1004	Soffit and Fascia Metal (Phase 1-3)	Unfunded	2-20
1003	Soffit and Fascia Metal (phase 4)	2057	2-20
1009	Stucco Resurface (phase 1-3)	2033	2-24
1007	Vinyl Siding (phase 1-3)	2046	2-24
1008	Vinyl Siding (phase 4)	2057	2-25
	Total Funded Assets	22	
	Total Unfunded Assets	<u>1</u>	
	Total Assets	23	

Bridgerland Meadows Annual Expenditure Chart

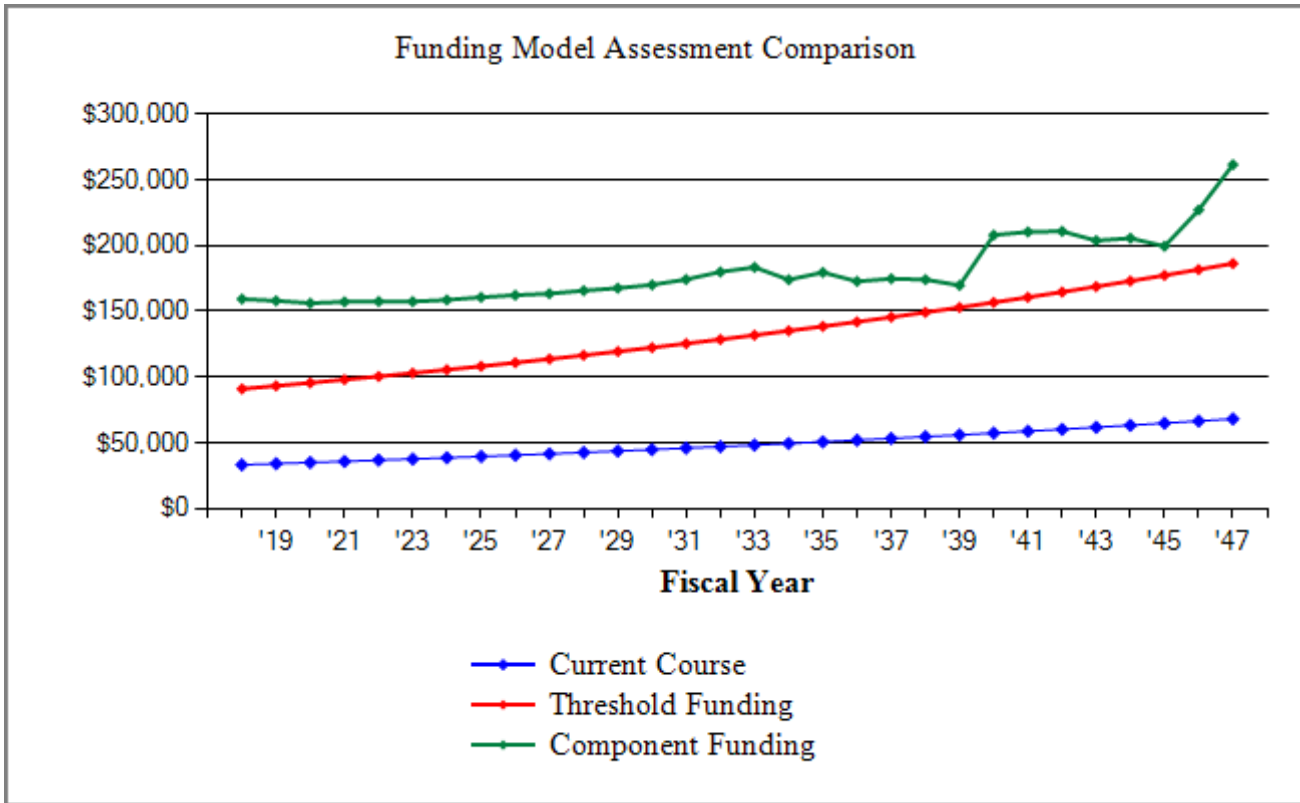


Bridgerland Meadows Funding Model Comparison by Percent Funded



The chart above compares the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) by the percentage fully funded over 30 years. This allows your association to view and then choose the funding model that might best fit your community’s needs.

Bridgerland Meadows Funding Model Assessment Comparison Chart



The chart above compares the annual assessment of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.