



MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.



(Final Report, Revised January 31, 2023)
Condition Assessment
&
Reserve Fund Plan Update
2022

RESERVE AT JAMISON'S FARM
Warrenton, Virginia



Prepared for:
The Board of Directors
&
ARMI Property Management



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January 31, 2023

Mrs. Cathi Stanley, CMCA, AMS, Community Association Manager
ARMI Property Management
P.O. Box 3413
Warrenton, Virginia 20188

RE: **CONDITION ASSESSMENT AND RESERVE FUND PLAN UPDATE 2022**
Reserve at Jamison's Farm
(Final Report, Revised January 31, 2023)
Warrenton, Virginia
Project No. 9624

Dear Mrs. Stanley:

Mason & Mason Capital Reserve Analysts, Inc. has completed the report for Reserve at Jamison's Farm.

We have revised the report to reflect changes that were requested by you and the Board via email on January 30, 2023.

We genuinely appreciate the opportunity to work with you and the Association.

Sincerely,

Mason & Mason Capital Reserve Analysts, Inc.

James G. Mason, R.S.
Principal



TABLE OF CONTENTS

| | |
|--|----|
| TABLE OF CONTENTS..... | 1 |
| FOREWORD..... | 2 |
| SUMMARY OF KEY ISSUES..... | 3 |
| VISUAL EVALUATION METHODOLOGY..... | 4 |
| 1. INTRODUCTION..... | 5 |
| 2. METHODS OF FUNDING | 7 |
| 3. FINANCIAL ANALYSIS..... | 9 |
| 4. TYPES OF RESERVE STUDIES..... | 10 |
| 5. RESERVE PROGRAMMING | 11 |
| 6. UPDATING THE RESERVE FUND PLAN..... | 13 |
| 7. PREVENTIVE MAINTENANCE | 13 |

RESERVE FUND PLAN

| | |
|--|-----------|
| COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE | TABLE 1 |
| CALENDAR OF EXPENDITURES | TABLE 2 |
| CURRENT FUNDING ANALYSIS, CASH FLOW METHOD | TABLE 3 |
| ALTERNATIVE FUNDING ANALYSIS, CASH FLOW METHOD | TABLE 3.1 |
| FUNDING ANALYSIS, COMPONENT METHOD | TABLE 4 |
| PHOTOGRAPHS | #1 - #6 |

FOREWORD

PLEASE READ THIS FIRST

This report contains information the Board requires to fulfill its fiduciary responsibilities with respect to the financial health of the Association. Even if you are already familiar with the concepts of capital reserve planning, it requires some study. The information in this report is vital to your Association's financial health. Unless you understand it, your Association may not follow it. This may lead to underfunding and financial stress at some time in the future.

Our years of experience providing reserve analysis to both first-time and multi-update return clients have compelled us to develop a logical funding approach, which is based on generational equity and fairness to common-interest property owners that helps ensure realistic reserve funding levels.

Our approach is neither standard, nor is it necessarily easy to understand without first becoming familiar with some basic concepts. Section 3 explains these concepts in more detail. We want you to understand them because a well-informed Association makes the best decisions for its common-property owners.

SUMMARY OF KEY ISSUES

Different readers will look for different things from this report. Perhaps the homeowner will just be looking for the high points. A prospective buyer may be looking at the general financial condition of the Association's reserves. A Board member should probe deeper in order to understand the financial tools that will be helpful in fulfilling their fiduciary responsibilities to the Association.

The Summary of Key Issues presents a recapitulation of the most important findings of Reserve at Jamison's Farm's Reserve Fund Plan Update. Each is discussed in greater detail in the body of the report. We encourage the reader to 'go deeper' into the report, and we have written it in a way that is understandable to a first-time reader.

Analyzing the capital reserves reveals that:

- The fund is approximately **57%** funded through 2021, **See Paragraph 2.1**. Our goal is to become fully funded by the end of the 20-year period (2041).

To achieve this goal, the Board should:

- Increase the annual contribution in **2023** from **\$0** to **\$13,300**, followed by annual adjustments of **4%** to reflect inflation thereafter.
- This represents a **2023** adjustment from **\$0.00** to **\$11.67** (a net adjustment of **\$11.67**) per residence, per month (based on **95** units).

Supporting data are contained in the body of this report, and we encourage the reader to take the time to understand it.

VISUAL EVALUATION METHODOLOGY

The first step in the process is collection of specific data on each of your community's commonly held components. This information includes quantity and condition of each included component. We collect most of this data during the on-site field survey. When this information is not available in the field, we may obtain it by discussion with those knowledgeable through management or service activities.

The field survey or condition assessment is visual and non-invasive. We do not perform destructive testing to uncover hidden conditions; perform operational testing of mechanical, electrical, plumbing, fire, and life safety protection; or perform code compliance analysis.

We make no warranty that every defect has been identified. Our scope of work does not include an evaluation of moisture penetration, mold, indoor air quality, or other environmental issues. While we may identify, pedestrian hazards observed during the course of the field survey, this report should not be considered a safety evaluation of components.

Replacement costs are sometimes based on published references, such as R. S. Means. However, our opinions of replacement costs usually include removal and disposal and are usually based on experience with similar projects including information provided by local contractors and reported client experience. Actual construction costs can vary significantly due to seasonal considerations, material availability, labor, economy of scale, and other factors beyond our control.

Projected useful service lives are based on statistical data and our opinion of their current visual condition. No guarantee of component service life expectancies is expressed or implied and none should be inferred by this report. Your actual experience in replacing components may differ significantly from the projections in the report, because of conditions beyond our control or that were not visually apparent at the time of the survey.

Visual Condition Ratings Definitions

Excellent Condition - No problems noted, like new condition.

Good Condition - No deterioration.

Fair Condition - Minor deterioration, but still serviceable.

Poor Condition - Significant deterioration, reaching the end of its service life.

Failed Condition - Beyond repair, must be removed and replaced.

1. INTRODUCTION

1.1 Background: The Reserve at Jamison's Farm is comprised of 95 single-family homes located at Lee Highway and Baldwin Street in Warrenton, Virginia. The community was constructed in 2007. No private streets are within the community. The common elements of the community include perimeter fencing, an entrance monument, one asphalt footpath, and storm water drainage system with two management ponds.

We are providing the Condition Assessment and Reserve Fund Plan Update based on Proposal Acceptance Agreement No. 9624 dated August 31, 2022. Our services are subject to all terms and conditions specified therein.

Mason & Mason did not review the declarations, covenants, or other organization documents pertaining to the establishment and governance of the Association. Ultimately, the establishment, management, and expenditure of reserves are within the discretion of the Association and its Board of Directors pursuant to their organizational documents and subject to the laws of the applicable jurisdiction. We are not otherwise financially associated with the Management Company or the Association and we therefore do not have any conflicts of interest that would bias this report. Information provided by Management is deemed reliable. This report is not intended to be an audit or a forensic investigation. This report is not a mandate but is intended to be a guide for future planning.

Mason & Mason provided a Level I Condition Assessment and Reserve Fund Plan for Reserve at Jamison's Farm in 2015. This report is a Level II Update of the previous report and includes a new condition assessment. All common components were visually observed. Measurements and quantities were generally accepted from the previous report except where changes have occurred. The update report is a stand-alone document and reference to the previous report should not be necessary.

Eva Pastalkova, Ph.D., Analyst conducted the field evaluation for this report on December 19, 2022. The sky was clear, and the temperature was approximately 28 degrees F. Precipitation had not occurred for several days prior to the site visit. The pavements, walkways, and grounds were generally dry and clean of debris.

1.2 Principal Findings: The common assets appear to be in overall fair to good condition. The asphalt footpath between the main branch of Jamison Farm Trail and Hi-Rock Ridge Road appeared to be in fair condition. We observed several areas of pavement heaving and indication of localized ponding, both forming potential for personal injury. The liability and costs associated with personal injury lawsuits resulting primarily from footpath tripping and slipping hazards are too great to defer repair. It is our opinion that deficiencies, which pose a hazard to pedestrians should be corrected expeditiously. Thus, we have scheduled a near-term repair project to address these deficiencies.

The entrance monument, landscape lighting, information signs, newly installed wood fencing, and storm water drainage system were all in excellent to good condition and we observed only minor deficiencies.

Please, note we removed several components from this study compared to our 2015 report. Specifically, we removed most of the asphalt footpaths and two wood footbridges. It is our understanding that the main part of the Jamison Farm Trail, including the two footbridges, and the branch toward Eiseley Court are responsibility of Fauquier County. We also removed the entrance monument landscape irrigation system as it appeared to be cut away and partially removed and no longer in service.

For the final report we changed the number of units from 94 to 95 and have scheduled a near-term storm water drainage pond repair project.

Currently, the reserve fund requires a reasonable annual contribution to get to the point where annual inflationary adjustments will eventually achieve the fully funded goal at the end of the 20-year period.

In order to maintain the physical attributes that preserve property values and provide a safe environment for occupants and guests, a series of capital expenditures should be anticipated. Consequently, we have scheduled near-, mid-, and late-term restoration and replacement projects based on anticipated need from our experience with similar properties.

Generally, our approach is to group appropriately related component replacement items into projects. This creates a more realistic model and allows a grouping timeline that is more convenient to schedule and logical to accomplish. Please see the Table 1 Discussion, Column 18, for specific information.

2. METHODS OF FUNDING

Once the data are compiled, our proprietary software produces two distinct funding methods. These are the **Component Method and Cash Flow Method**. Each of these methods is used in analyzing your Association's reserve status and each plays a role in the Board's decision on how to fund reserves. While we provide the guidance, the choice of funding method is ultimately the prerogative of the Board. Considering the vulnerability of the Association's assets, its risk tolerance, and its ability to fund contributions, the Board should decide how the Association will fund its reserves and at what level.

2.1 Component Method: As reserve analysts, we recognize the value of Component Method calculations as they address both future replacement costs and the time remaining to fund them. **This is the foundation of the savings concept. You will see the term 'fully funded.' This simply means you are on schedule, in any given year, to accrue sufficient funds by the component's replacement date. It does not mean you must have 100% of the funds ahead of time.** Simplified Example: A component projected to cost \$1,000 at the end of its 10-year life cycle would require a \$100 annual contribution in each of the 10 years. As long as you follow this contribution plan, the component is 'fully funded.'

Prior to determining the actual required annual contribution, a complex calculation apportions the existing reserve fund to each component. Each component's remaining unfunded balance forms the basis for the required contribution going forward.

Funds set aside for replacement of individual components are not normally used for the replacement of other components, even though the funds reside in the same bank account. In rare cases where a reserve fund is actually overfunded, \$0 will be displayed on the Component Method tables, indicating that the component is fully funded for that cycle.

While the time basis for the report is a 20-year period, the Component Method allows for inclusion of long-life components that may require replacement after the specified period. **This allows for funding of long-life components contemporaneously, which is fundamentally fair if they are serving the current owners. This is in contrast to saying, 'if it doesn't require replacement within our 20-year period, we're going to ignore it.'**

Due to replacement cycle time and cost differentials, the Component Method typically results in annual contribution fluctuations, which often makes it difficult for a Board to implement. **However, its guidance is essential and invaluable for understanding funding liabilities and making informed recommendations.** Table 4 shows these calculations, as well as projects interest income, expenses with inflation, and yearly balances, which will be 'fully funded.'

2.2 Cash Flow Method: The Cash Flow Method is easier to implement. It is a simple 20-year spread sheet that includes the starting balance, current contribution, interest income, inflation rate, projected expenses, and resulting yearly balances. The Cash Flow Method pools the contributions allocated to each of the Association's common components into a single 'account.'

Table 3 shows these calculations. This table reflects the information you provided on your reserve fund balance and current contribution. It also shows projected yearly positive or negative balances. **The Cash Flow Method does not include replacement funding for anything beyond the 20-year period, thus leaving a potential shortfall in funding and failing to address generational equity if not specifically set to do so.** It does not provide any real guidance beyond the basic information. There are several variations on cash flow goals such as Threshold Funding (just enough to stay positive) and Percentage Funding (a predetermined level based on some arbitrary percentage), but these schemes don't address the reality of fully funding, and typically are just a way of passing the obligation on to the next generation.

2.3 Hybrid Approach: Please note that this is not a method, rather a way (approach) for us to utilize the Cash Flow Method, while ensuring the appropriate funding levels are achieved long-term. Our Hybrid Approach uses the projected fully funded balance at the end of the 20-year period from Table 4 as a funding goal. We then set up Cash Flow funding plans. Table 3 is your 'where we are now' Cash Flow spreadsheet modeling your reserve balance and current contribution. Table 3.1 (and possibly others) provides alternative(s) to this that meet the fully funded goal from Table 4.

We usually establish a new Cash Flow contribution that requires only small annual inflationary increases to reach the fully funded goal at the end of the 20-year period. This has the added effect of establishing a funding plan that addresses inflation. The contribution in the first year, adjusted for inflation, is equal to the contribution in the last year, based on inflated dollars (future value of money). This approach will also allow underfunded Associations the time to catch up, mitigating undue hardships. It balances the risk of temporary underfunding with the benefit of consistent predictable increasing contributions. The combination of the Component and Cash Flow Methods (Hybrid Approach) provides the advantages of both methods.

3. FINANCIAL ANALYSIS

We have tracked the annual inflation rate among our clients based on their reported costs for typical services for over 20 years. The average rate of inflation since the 2008 recession was 1.46% according to the U.S. Labor Department and is similar in our experience with clients. Substantially higher inflation rates did not materialize until recently. It is impossible to predict what these rates will do in the coming years, but the reported annual rate of 9.5% for the previous 12 months we are currently experiencing, in our opinion, is unsustainable, but may persist for a while. It appears that the Covid 19 impact on the world and U.S. economies, and a war in Europe are exerting significant upward pressure on inflation. We have programmed starting base costs in most cases higher than normal in anticipation that near-term high inflation will continue. Unless otherwise directed, we are using a **4.00% long-term annual rate of inflation**, with the assumption that higher inflation will not be too long lived. The next five years will be a critical time in this regard. Interest income is expected to rise as Federal Reserve rates rise to combat inflation. Unless otherwise directed, we are using a **2.0% long-term annual rate of return** on investments. However, unlike reserves, interest income can be taxable, which may reduce the net gain even further. Annual Administrative Updates are increasingly important to respond to rapidly changing inflationary pressures during these unprecedented times. It is prudent to keep a close watch on the economy and be ready to respond by updating the reserve fund plan as economic changes dictate.

3.1 Calculation Basics: The Association is on a calendar fiscal year. Management reported that the reserve fund balance, including cash and securities as of **December 31, 2021**, was projected to be **\$56,858**. We have used **4%** inflation factor and **2%** annual interest income in our calculations. The total expenditures for the twenty-year period for both the **Cash Flow Method** and **Component Method** are projected to be **\$328,283**.

3.2 Current Funding Analysis, Cash Flow Method (Table 3): The **2022** annual contribution to reserves has been set at **\$0** with a presumed **4%** annual increase. At this level, the total for all annual contributions for the twenty-year period would be **\$0**, and the total interest income is projected to be **\$1,742**. **This contribution level does not provide adequate funding.**

3.3 Alternative Funding Analysis, Cash Flow Method, Hybrid Approach (Table 3.1): This plan provides the annual contributions necessary to maintain balances more consistent with the **fully funded goal by increasing the annual contribution to \$13,300 in 2023 and providing annual adjustments of 4%, matching inflation thereafter. This plan allows for a gradual increase over time after the initial increase and addresses generational equity issues.** The total for all annual contributions for the twenty-year period would be **\$368,023**, and the total interest income is projected to be **\$44,417**. **The fully funded balance in 2041 is \$141,015.**

3.4 Funding Analysis, Component Method (Table 4): This method of funding would require variable annual contributions, averaging **\$17,516** over the twenty-year period. The total for all annual contributions would be **\$350,318**, and the total interest income is projected to be **\$62,122**. **The fully funded balance in 2041 is \$141,015.** The Component Method model considers the current reserve fund balance in computing individual component contributions for current cycles.

4. TYPES OF RESERVE STUDIES

4.1 Full Reserve Study, Level I, the analyst develops a component inventory and condition assessment which is based upon on-site visual observations, and is the basis for the estimated remaining-useful-life of the components as well as their replacement cost. This information is used to develop the Financial Analysis which includes the fund status and funding plan.

4.2 Full Update, With-Site-Visit, Level II, the analyst conducts an onsite verification of the component inventory included within the study being updated (not quantification) as well as performing a condition assessment], which is the basis for the estimated remaining-useful-life of the components and their replacement costs. This information is used to develop the Financial Plan which includes the fund status and funding plan.

4.3 Administrative Update, Level III, the analyst updates the remaining-useful-life of the components based on information provided by Management and not condition as a site visit is not performed. The replacement costs and other pertinent information are also updated. This information is used to develop the Financial Plan which includes the fund status and funding plan.

4.4 Residential and Commercial Development Services, before construction an analyst develops budget estimates based on design documents such as the architectural and engineering plans, and developer founding documents.

5. RESERVE PROGRAMMING

The Mason & Mason proprietary software used to produce the financial tables (Tables 1 through 4) have been under continual refinement for over a decade. It is unique in the industry as it provides comprehensive modeling through Microsoft Access and Excel that addresses the many challenges of reserve funding, allows analysts and clients to run 'what if' scenarios, provides an easy to understand matrix of views and functions, and is easily provided to clients through e-mail.

5.1 Interest Income on Reserve Funds: Most Associations invest at least part of their reserve funds. Small Associations may simply use a savings account or certificates of deposit, while large Associations may have multiple investments with short-, medium-, and long-term instruments. One issue that is difficult to quantify is the percentage of funds invested. Some Associations invest a fairly substantial portion, while others hold back due to current cash outflow obligations. Some Associations do not reinvest the investment proceeds in their reserves; rather they divert the cash into their operations fund. We do not agree with this approach as it has the effect of requiring additional reserve contributions to make up for the difference. There is also the issue of changing rates over the 20-year period. In the recent past we have seen large swings in relatively short time periods. While reserve funds are not usually taxable by the IRS, the investment income generated by the reserve fund is taxable in most situations. Even with all these potential pitfalls, investment income still represents a substantial source of additional funds and for this reason should not be ignored. There is no way to make 'one size fits all' with any accuracy for the individual Association. Our approach to this dilemma is to use lower approximations that compensate for less than 100% of funds invested. We feel this is still better than not recognizing it, and periodic updates allow for adjustments based on experience. The rate can be set at any level, including zero, for Associations desiring to not recognize interest. **The rate should reflect, as accurately as possible, the actual composite rate of return on all securities and other instruments of investment including allowances for taxes.**

The interest income displayed on Table 3 and Table 4 is the summation of the beginning reserve fund interest accrual and the interest earned on the contributions minus the interest lost by withdrawing the capital expenditures. This method of calculation, while not exact, approximates the averages of the three principal components of a reserve fund for each twelve-month period.

5.2 Future Replacement Costs (Inflation): Inflation is a fact of life. In order to replicate future financial conditions as accurately as possible, inflation on replacement costs should be recognized. The financial tables have been programmed to calculate inflation based upon a pre-determined rate. This rate can be set at any level, including zero. **A plan that does not include inflation is a 1-year plan, and any data beyond that first year will not reflect reality.**

5.3 Simultaneous Funding: This is a method of calculating funding for multiple replacement cycles of a single component over a period of time from the same starting date. Simple Example: Funding for a re-roofing project, while, at the same time, funding for a second, subsequent re-roofing project. This method serves a special purpose if multiple-phase projects are all near-term but will result in higher annual contribution requirements and leads to generational equity issues otherwise. We use this type of programming only in special circumstances.

5.4 Sequential Funding: This is a method of calculating funding for multiple replacement cycles of a single component over a period of time where each funding cycle begins when the previous cycle ends. Simple Example: Funding for the second re-roofing project begins after the completion of the initial re-roofing project. This method of funding appears to be fundamentally equitable. We use this type of programming except in special circumstances.

5.5 Normal Replacement: Components are scheduled for complete replacement at the end of their useful service lives. Simple Example: An entrance sign is generally replaced all at once.

5.6 Cyclic Replacement: Components are replaced in stages over a period of time. Simple Example: Deficient sidewalk panels are typically replaced individually as a small percentage, rather than the complete system.

5.7 Minor Components: A minimum component value is usually established for inclusion in the reserve fund. Components of insignificant value in relation to the scale of the Association should not be included and should be deferred to the operations budget. A small Association might exclude components with aggregate values less than \$1,000, while a large Association might exclude components with aggregate values of less than \$10,000. Including many small components tends to over complicate the plan and does not provide any relative value or utility.

5.8 Long Life Components: Almost all Associations have some components with long or very long useful service lives typically ranging between thirty and sixty years. Traditionally, this type of component has been ignored completely. Simple Example: Single replacement components such as entrance monuments should be programmed for full replacement at their statistical service life. This allows for all common property owners to pay their fair share during the time the component serves them. This also has the added effect of reducing the funding burden significantly as it is carried over many years.

5.9 Projected Useful Service Life: Useful service lives of components are established using construction industry standards and our local experience as a guideline. Useful service lives can vary greatly due to initial quality and installation, inappropriate materials, maintenance practices or lack thereof, environment, parts attrition, and obsolescence. By visual observation, the projected useful service life may be shortened or extended due to the present condition. The projected useful service life is not a mandate, but a guideline, for anticipating when a component will require replacement and how many years remain to fund it.

5.10 Generational Equity: As the term applies to reserves, it is the state of fairness between and over the generations relating to responsibility for assets you are utilizing during your time of ownership. It is neither reasonable, nor good business to defer current liabilities to future owners. This practice is not only unfair; it can also have a very negative impact on future property values.

6. UPDATING THE RESERVE FUND PLAN

A reserve fund plan should be periodically updated to remain a viable planning tool. Changing financial conditions and widely varying aging patterns of components dictate that revisions should be undertaken periodically from one to five years, depending upon the complexity of the common assets and the age of the community. Weather, which is unpredictable, plays a large part in the aging process.

Full Updates (Level II) include a site visit to observe current conditions. These updates include adjustments to the component inventory, replacement schedules, annual contributions, balances, replacement costs, inflation rates, and interest income.

We encourage Associations that are undergoing multiple simultaneous or sequential costly restoration projects (usually high-rise buildings) to perform Level III Administrative Updates. Administrative updates do not include a condition assessment. They are accomplished by comparing original projections with actual experience during the interim period as reported by Management. These updates can be performed annually and include adjustments to the replacement schedules, contributions, balances, replacement costs, inflation rates, and interest income. The Level III Administrative Update can be a cost-effective way of keeping current between Level II Full Update cycles. Full Updates (Level II) and Administrative Updates (Level III) help to ensure the integrity of the reserve fund plan.

7. PREVENTIVE MAINTENANCE

The following preventive maintenance practices are suggested to assist the Association in the development of a routine maintenance program. The recommendations are not to be considered the only maintenance required but should be included in an overall program. The development of a maintenance checklist and an annual condition survey will help extend the useful service lives of the Association's assets.

This section includes best maintenance practices or life-extension maintenance for many, but not necessarily all, components in the report. Items for which no maintenance is necessary, appropriate or beyond the purview of this report are not included in this section. We typically include them for townhomes and garden condominiums while mid- and high-rise buildings are generally too complex.

7.1 Asphalt Footpaths: Transverse and longitudinal cracks should be cleaned of debris and plant growth (lanced) and filled with a rubberized asphaltic compound to prevent water infiltration. Cracks and deflection of the asphalt pavement can develop in the areas where tree roots cross the path. Tree roots should be removed and damaged areas repaired. An additional maintenance issue with footpaths is vegetation control. In areas where vegetation encroaches on the paths, both underfoot and overhead, visibility is reduced and personal injury can occur from low-growing branches. Vegetation control should be accomplished on a regular basis under the maintenance budget for safety considerations and to extend the useful service life of the pavement.

7.2 Stone Monuments: Stone monuments should be inspected periodically for cracks indicating settlement problems. All vegetation, such as vines, tree limbs, and tree roots should be kept clear to prevent damage. As stone monument walls age, depending upon the initial quality of the mortar and the long-term environment of the wall, mortar joints may deteriorate. This condition can be corrected by tuckpointing. Deteriorated or cracked mortar should be removed, and the void should then be filled with new mortar. Major settlement cracks or deflection may require the rebuilding of that section.

7.3 Wood Fencing: Wood components, such as privacy fences, generally will achieve a greater useful service life and improved appearance if preventative maintenance is performed. Periodic pressure washing and sealing with an appropriate wood preservative is recommended on all wood components. Damaged, missing, or deteriorated wood components should be replaced as necessary. Generally, securing or repairing wood components with screws will provide a better fastening method than nails. Vegetation should be controlled to extend the useful service life. Loose or leaning sections should be straightened and secured. Landscaping practices, such as weed eating, will shorten the useful service life of wood components. Encroaching tree branches may cause damage over time and should be trimmed. Vines and smaller bushes can cause deterioration of wood components and should be removed from fencing. Bases may be protected with metal sleeves to prevent damage.

7.4 Street Signage: Metal perforated-post and pressure-treated wood post street signs generally require very little maintenance over their useful service life. Signage tends to fade due to environmental exposure. Cleaning of peeled paint, periodic cleaning of rust (metal posts) and repainting of wood and metal posts will maintain appearance. There is little that can be done with the signs except to replace them periodically. The wood components of entrance signs should be periodically cleaned of loose paint and repainted to maintain appearance. Out-of-plumb posts should be straightened and secured.

COMPONENT DATA AND ASSET REPLACEMENT SCHEDULE TABLE 1 EXPLANATION

This table lists the common assets included in the reserve fund plan and provides details of the replacement schedules. A narrative discussion is provided adjacent to each component. Photo references and maintenance protocol reference numbers are also provided. An explanation of each column in the table follows:

- Column **1** **Component No.** is consistent throughout all tables.
- Column **2** **Component** is a brief description of the component.
- Column **3** **Quantity** of the component studied, which may be an exact number, a rough estimate, or simply a (1) if the expenditure forecast is a lump sum allowance for replacement of an unquantified component.
- Column **4** **Unit of Measurement** used to quantify the component: SY = Square Yards
 SF = Square Feet
 LF = Linear Feet
 EA = Each
 LS = Lump Sum
 PR = Pair
 CY = Cubic Yards
- Column **5** **Unit Cost** used to calculate the required expenditure. This unit cost includes removal of existing components and installation of new components, including materials, labor, and overhead and profit for the contractor.
- Column **6** **Total Asset Base** is the total value of common assets included in the study in current dollars. In addition to capital assets, this figure includes one cycle of maintenance liability.
- Column **7** **Typical Service Life (Yrs) or Cycle** is the typical life expectancy of similar components in average conditions or the length of years between replacement cycles, and does not necessarily reflect the conditions observed during the field evaluation. This number is furnished for reference and is not necessarily computed in the system.
- Column **8** **1st Cycle Year** is the scheduled year of the first projected replacement or repair.
- Column **9** **Percentage of Replacement** is the percentage of component value to be replaced in the first replacement cycle.
- Column **10** **Cost for 1st Cycle** is the future cost (with inflation) of the replacement. It is the product of Column 6 times Column 9 in future dollars.
- Column **11** **2nd Cycle Year** is the scheduled year of the second projected replacement or repair. If a second cycle is not listed, it is because the first cycle is beyond the end of the study.
- Column **12** **Percentage of Replacement** is the percentage of component value to be replaced in the second replacement cycle. This can vary from the percentage of the first cycle for various reasons, such as the increased age of a component may require a larger amount of repair.
- Columns **13** **Cycles, Percentage, and Cost** repeat as itemized above. Although not shown on the tables, Through **16** the cycles continue throughout the study period and beyond.
- Column **18** **Discussion** is the description and observed condition of the component and the methodology employed in the decision-making process. Includes the photo reference, **(Photo # 1, #2, etc.)** and Maintenance Protocol reference numbers **(7.1, 7.2 etc.)** if applicable.

Reserve Fund Plan for
THE RESERVE AT JAMISON'S FARM
Warrenton, Virginia

COMPONENT DATA AND
ASSET REPLACEMENT SCHEDULE
TABLE 1
2022 Through 2041



The cells within these Excel spreadsheets contain proprietary code and are intended only for the client and its management. Unauthorized use of the formulae for other clients or other purposes is strictly forbidden and will be considered piracy.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | DISCUSSION |
|-----------------------------|---------------------------------------|----------|---------------------|-------------|------------------|--------------------------------------|----------------|---------------------------|--------------------|----------------|---------------------------|--------------------|----------------|---------------------------|--------------------|--|
| Component No. | Component | Quantity | Unit of Measurement | Unit Cost | Total Asset Base | Typical Service or Cycle Life in Yrs | 1st Cycle Year | Percentage of Replacement | Cost For 1st Cycle | 2nd Cycle Year | Percentage of Replacement | Cost For 2nd Cycle | 3rd Cycle Year | Percentage of Replacement | Cost For 3rd Cycle | 18 |
| 1 ASPHALT COMPONENTS | | | | | | | | | | | | | | | | |
| 1.1 | Asphalt Footpaths | 354 | SY | \$75.00 | \$26,550 | 15 | 2024 | 100% | \$28,716 | 2039 | 100% | \$51,717 | 2054 | 100% | \$93,139 | One asphalt footpath that branches off of the Jamison Farm Trail and leads to High-Rock Ridge Road is responsibility of the community. We understand that the Jamison Farm Trail and its branch toward Eiseley Court is maintained by Fauquier County. The footpath is approximately 6 feet wide and 530 linear feet long. The path appears to be of original construction. The path is in fair condition. We observed one locations where the footpath asphalt was heaved by the roots of nearby trees, forming potential tripping hazards. These deficiencies should be mitigated expeditiously to prevent personal injury. We also observed approximately 90 linear feet of linear cracking. We have scheduled a near-term repair allowance to address these deficiencies. |
| 2 SITE FEATURES | | | | | | | | | | | | | | | | |
| 2.1 | Entrance Features Allowance | 1 | LS | \$38,750.00 | \$38,750 | 40 | 2047 | 100% | \$103,301 | | | | | | | One stone and mortar monument is constructed at the entrance to the community on Baldwin Street and Mill Valley Drive. The monument has a 39' x 3' curved short wall in the front and a larger 34' x 8' straight wall along the rear. The rear wall includes four 3' x 3' x 6' square bollards with concrete cast caps and pinecone shaped finials on each bollard. An 8' by 3' cast concrete name sign is attached to the main wall. The stone and mortar appear to be in good condition and we observed only very minor mortar cracking. With periodic maintenance performed under the operations budget, the monument should have a very long service life. |
| 2.2 | Landscape Lighting Allowance | 1 | LS | \$1,000.00 | \$1,000 | 10 | 2023 | 100% | \$1,040 | 2033 | 100% | \$1,539 | 2043 | 100% | \$2,279 | One eight inch by four inch landscape light is installed at the entrance to the community, providing light to the stone monument. It appears to be in serviceable condition, and was observed illuminated at dawn. Landscape lighting generally has a short service life due to the proximity to ground and moisture and damage from landscaping practices. |
| 2.3 | Pressure-Treated Wood Fencing | 3,340 | LF | \$16.50 | \$55,110 | 20 | 2040 | 100% | \$111,643 | 2060 | 100% | \$244,623 | | | | Portions of the old fencing was replaced and stained in 2020 by East Coast Fence for \$67,410. Portions of the old fencing were removed but not replaced during the same project and we have updated the quantity of this line item accordingly. Generally 8' sections of stained wood fencing is constructed at the community's boundary along Lee Highway and are in excellent condition. Two sections are also constructed by the entrance monument and are in fair condition. We have adjusted the pricing of this line item based on the recent project and scheduled replacement of the fencing at the end of its typical service life. |
| 2.4 | Informational Signage | 20 | EA | \$194.00 | \$3,880 | 20 | 2030 | 100% | \$5,310 | 2050 | 100% | \$11,635 | | | | Standard access control signs, (conservation area signs) typically 12" by 18" and mounted on perforated metal posts, are located throughout the community and typically along the asphalt footpath and at the storm water retention ponds. Posts and signs appear to be in good condition. Several sign posts were out of plumb and should be straightened under operations. |
| 2.5 | Storm Water Drainage System Allowance | 1 | LS | \$50,000.00 | \$50,000 | 6 | 2023 | 100% | \$52,000 | 2029 | 30% | \$19,739 | 2035 | 30% | \$24,976 | Storm water drainage is provided by concrete yard drains and underground structures, leading storm water offsite. Two storm water retention ponds are located on Hi-Rock Ridge Road and have a square concrete and metal drainage structures. The ponds appear to be healthy and in continuing good condition. It may be necessary in the future to install a bubbler or fountain, but is not included with this allowance at this time. A third pond is located in the community, however, this pond is located in the wetlands area, and we understand that it is not to be serviced by the Association. We understand that responsibility for some or parts of the system may rest with local government. Though storm water drainage systems are a long life component and catastrophic failure is not anticipated, it is prudent for the community to plan for localized repairs and repairs to ancillary damage, even if a public entity has primary responsibility. This category may also be used to address localized erosion issues. This line item addresses potential storm water collection, drainage, and erosion issues throughout the study period and does not represent a single expense or action already identified as necessary. The Association is planning a large near-term storm water management pond repair project, which we have scheduled. |

CALENDAR OF EXPENDITURES TABLE 2 EXPLANATION

This table is a yearly plan of action of replacements and costs. A description of the columns in the table follows:

- Column 1 **Year** is the year of the projected replacement and expenditure.
- Column 2 **Component No.** itemizes the components and is consistent throughout the tables.
- Column 3 **Component** is a brief description of the component.
- Column 4 **Present Cost** is the cost for the cycle in today's dollars.
- Column 5 **Future Cost (Inflated)** is the cost for the cycle in future dollars.
- Column 6 **Total Annual Expenditures** gives the total expenditures by year.
- Column 7 **Action** is an area provided for the Board to make notations as to action taken on each component.

Reserve Fund Plan for
THE RESERVE AT JAMISON'S FARM
 Warrenton, Virginia

CALENDAR OF EXPENDITURES
TABLE 2
 2022 Through 2041



MASON & MASON
 CAPITAL RESERVE ANALYSTS, INC.

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| YEAR | COMPONENT NO. | COMPONENT | PRESENT COST 2022 | FUTURE COST (INFLATED) | TOTAL ANNUAL EXPENDITURES | ACTION |
|------|---------------|---------------------------------------|----------------------|---------------------------|------------------------------|--------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2022 | | | | | 2022 | |
| | | | | | NO EXPENDITURES | |
| 2023 | | | | | 2023 | |
| | 2.2 | Landscape Lighting Allowance | \$1,000 | \$1,040 | TOTAL EXPENDITURES | |
| | 2.5 | Storm Water Drainage System Allowance | \$50,000 | \$52,000 | | |
| | | | | | \$53,040 | |
| 2024 | | | | | 2024 | |
| | 1.1 | Asphalt Footpaths | \$26,550 | \$28,716 | TOTAL EXPENDITURES | |
| | | | | | \$28,716 | |
| 2025 | | | | | 2025 | |
| | | | | | NO EXPENDITURES | |
| 2026 | | | | | 2026 | |
| | | | | | NO EXPENDITURES | |
| 2027 | | | | | 2027 | |
| | | | | | NO EXPENDITURES | |
| 2028 | | | | | 2028 | |
| | | | | | NO EXPENDITURES | |
| 2029 | | | | | 2029 | |
| | 2.5 | Storm Water Drainage System Allowance | \$15,000 | \$19,739 | TOTAL EXPENDITURES | |
| | | | | | \$19,739 | |
| 2030 | | | | | 2030 | |
| | 2.4 | Informational Signage | \$3,880 | \$5,310 | TOTAL EXPENDITURES | |
| | | | | | \$5,310 | |
| 2031 | | | | | 2031 | |
| | | | | | NO EXPENDITURES | |
| 2032 | | | | | 2032 | |
| | | | | | NO EXPENDITURES | |
| 2033 | | | | | 2033 | |
| | 2.2 | Landscape Lighting Allowance | \$1,000 | \$1,539 | TOTAL EXPENDITURES | |
| | | | | | \$1,539 | |
| 2034 | | | | | 2034 | |
| | | | | | NO EXPENDITURES | |
| 2035 | | | | | 2035 | |
| | 2.5 | Storm Water Drainage System Allowance | \$15,000 | \$24,976 | TOTAL EXPENDITURES | |
| | | | | | \$24,976 | |
| 2036 | | | | | 2036 | |
| | | | | | NO EXPENDITURES | |
| 2037 | | | | | 2037 | |
| | | | | | NO EXPENDITURES | |
| 2038 | | | | | 2038 | |
| | | | | | NO EXPENDITURES | |
| 2039 | | | | | 2039 | |
| | 1.1 | Asphalt Footpaths | \$26,550 | \$51,717 | TOTAL EXPENDITURES | |
| | | | | | \$51,717 | |
| 2040 | | | | | 2040 | |
| | 2.3 | Pressure-Treated Wood Fencing | \$55,110 | \$111,643 | TOTAL EXPENDITURES | |
| | | | | | \$111,643 | |
| 2041 | | | | | 2041 | |
| | 2.5 | Storm Water Drainage System Allowance | \$15,000 | \$31,603 | TOTAL EXPENDITURES | |
| | | | | | \$31,603 | |

CURRENT FUNDING ANALYSIS CASH FLOW METHOD TABLE 3.0 EXPLANATION

and, if applicable,

ALTERNATIVE FUNDING ANALYSIS CASH FLOW METHOD TABLE 3.1, 3.2, 3.3 (etc.) EXPLANATION

Table 3.0 shows the financial picture over the twenty-year study period, using the current annual contribution and the reserve fund balance reported at the beginning of the study year. If the results of the study indicate a need to increase the annual contribution to maintain adequate balances throughout the study period, Table 3.1, and possibly, 3.2 will be provided for consideration. Alternatives might also be provided if a community is over-funded and desires to adjust the annual contribution downward.

Alternative funding may be achieved by increasing the annual contribution to a fixed yearly amount or by applying an annual escalation factor to increase contributions over time, or a combination of both methods. An inflation factor and interest income factor may be included in the calculations on this page.

A description of the columns in the table follows:

- Column 1 **Year**
- Column 2 **Total Asset Base** of all common capital assets included in the reserve fund with costs adjusted for inflation.
- Column 3 **Beginning Reserve Fund Balance** is the reserve fund balance after all activity in the prior year is completed.
- Column 4 **Annual Contribution**, on Table 3, is the amount contributed annually to the reserve fund as reported by the Board of Directors. On the Alternative Funding Analysis tables (3.1, 3.2, etc.), the annual contribution is projected to maintain positive balances throughout the study period.
- Column 5 **Interest Income**, which is indicated in the heading of the table, is applied to the reserve fund balance and is accrued monthly throughout each year after the yearly expenditures are deducted. The interest income percentage may be varied to reflect actual experience of the community investments.
- Column 6 **Capital Expenditures** are annual totals of expenditures for each year of the study period adjusted by the inflation percentage listed in the heading of the table.
- Column 7 **Ending Reserve Fund Balance** is the result of the beginning reserve fund balance plus the annual contribution, plus interest income, less capital expenditures for the year.

Reserve Fund Plan for
THE RESERVE AT JAMISON'S FARM
Warrenton, Virginia

CURRENT FUNDING ANALYSIS
CASH FLOW METHOD
TABLE 3



Beginning Reserve Fund Balance: **56,858** Annual Contribution To Reserves: **0** Contribution Percentage Increase: **4.00%** Annual Inflation Factor: **4.00%** Annual Interest Income Factor: **2.00%**

In Dollars

| YEAR | TOTAL ASSET BASE | BEGINNING RESERVE FUND BALANCE | ANNUAL CONTRIBUTION | INTEREST INCOME | CAPITAL EXPENDITURES | ENDING RESERVE FUND BALANCE |
|----------------------------|------------------|--------------------------------|---------------------|-----------------|----------------------|-----------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2022 | 175,290 | 56,858 | 0 | 1,148 | 0 | 58,006 |
| 2023 | 182,302 | 58,006 | 0 | 594 | 53,040 | 5,560 |
| 2024 | 189,594 | 5,560 | 0 | 0 | 28,716 | (23,156) |
| 2025 | 197,177 | (23,156) | 0 | 0 | 0 | (23,156) |
| 2026 | 205,065 | (23,156) | 0 | 0 | 0 | (23,156) |
| 2027 | 213,267 | (23,156) | 0 | 0 | 0 | (23,156) |
| 2028 | 221,798 | (23,156) | 0 | 0 | 0 | (23,156) |
| 2029 | 230,670 | (23,156) | 0 | 0 | 19,739 | (42,895) |
| 2030 | 239,896 | (42,895) | 0 | 0 | 5,310 | (48,205) |
| 2031 | 249,492 | (48,205) | 0 | 0 | 0 | (48,205) |
| 2032 | 259,472 | (48,205) | 0 | 0 | 0 | (48,205) |
| 2033 | 269,851 | (48,205) | 0 | 0 | 1,539 | (49,744) |
| 2034 | 280,645 | (49,744) | 0 | 0 | 0 | (49,744) |
| 2035 | 291,871 | (49,744) | 0 | 0 | 24,976 | (74,720) |
| 2036 | 303,546 | (74,720) | 0 | 0 | 0 | (74,720) |
| 2037 | 315,687 | (74,720) | 0 | 0 | 0 | (74,720) |
| 2038 | 328,315 | (74,720) | 0 | 0 | 0 | (74,720) |
| 2039 | 341,447 | (74,720) | 0 | 0 | 51,717 | (126,437) |
| 2040 | 355,105 | (126,437) | 0 | 0 | 111,643 | (238,080) |
| 2041 | 369,310 | (238,080) | 0 | 0 | 31,603 | (269,683) |
| STUDY PERIOD TOTALS | | | 0 | 1,742 | 328,283 | |

Reserve Fund Plan for
 THE RESERVE AT JAMISON'S FARM
 Warrenton, Virginia

ALTERNATIVE FUNDING ANALYSIS
CASH FLOW METHOD
HYBRID APPROACH
TABLE 3.1



Beginning Reserve Fund Balance: **56,858** Annual Contribution To Reserves: **0** Contribution Percentage Increase: **4.00%** Annual Inflation Factor: **4.00%** Annual Interest Income Factor: **2.00%**

In Dollars

| YEAR | TOTAL ASSET BASE | BEGINNING RESERVE FUND BALANCE | ANNUAL CONTRIBUTION | INTEREST INCOME | CAPITAL EXPENDITURES | ENDING RESERVE FUND BALANCE |
|------|------------------|--------------------------------|---------------------|-----------------|----------------------|-----------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 2022 | 175,290 | 56,858 | 0 | 1,148 | 0 | 58,006 |
| 2023 | 182,302 | 58,006 | 13,300 | 739 | 53,040 | 19,005 |
| 2024 | 189,594 | 19,005 | 13,832 | 222 | 28,716 | 4,343 |
| 2025 | 197,177 | 4,343 | 14,385 | 244 | 0 | 18,973 |
| 2026 | 205,065 | 18,973 | 14,961 | 546 | 0 | 34,479 |
| 2027 | 213,267 | 34,479 | 15,559 | 866 | 0 | 50,904 |
| 2028 | 221,798 | 50,904 | 16,181 | 1,204 | 0 | 68,289 |
| 2029 | 230,670 | 68,289 | 16,829 | 1,347 | 19,739 | 66,726 |
| 2030 | 239,896 | 66,726 | 17,502 | 1,480 | 5,310 | 80,397 |
| 2031 | 249,492 | 80,397 | 18,202 | 1,821 | 0 | 100,420 |
| 2032 | 259,472 | 100,420 | 18,930 | 2,233 | 0 | 121,583 |
| 2033 | 269,851 | 121,583 | 19,687 | 2,652 | 1,539 | 142,383 |
| 2034 | 280,645 | 142,383 | 20,475 | 3,097 | 0 | 165,955 |
| 2035 | 291,871 | 165,955 | 21,293 | 3,310 | 24,976 | 165,583 |
| 2036 | 303,546 | 165,583 | 22,145 | 3,584 | 0 | 191,311 |
| 2037 | 315,687 | 191,311 | 23,031 | 4,113 | 0 | 218,455 |
| 2038 | 328,315 | 218,455 | 23,952 | 4,670 | 0 | 247,078 |
| 2039 | 341,447 | 247,078 | 24,910 | 4,697 | 51,717 | 224,968 |
| 2040 | 355,105 | 224,968 | 25,907 | 3,610 | 111,643 | 142,842 |
| 2041 | 369,310 | 142,842 | 26,943 | 2,833 | 31,603 | 141,015 |

STUDY PERIOD TOTALS

368,023

44,417

328,283

FULLY FUNDED BALANCE GOAL



FUNDING ANALYSIS COMPONENT METHOD TABLE 4 EXPLANATION

Table 4 is a yearly list of annual contributions toward each component, which must be made to achieve 100% funding. The reserve fund balance is the balance at the beginning of the study year. The beginning reserve fund balance is applied, proportionately, to each component prior to calculating the yearly contribution for each component. Future costs (inflation) are factored into the replacement cycles. The annual contribution for each year is calculated in the bottom row of the study labeled **Annual Component Contribution Totals**. Interest and inflation are calculated at the same annual rates as the Cash Flow Method (Table 3).

Column 1 **Component Number** is consistent throughout the tables.

Column 2 **Component** is a brief description of the component.

Columns 3 - 22 **Years** lists the annual contribution amount toward each component throughout the twenty-year study period, which is totaled at the bottom of the component table.

COMPONENT METHOD SUMMARY

The component method summary computes the beginning reserve fund balance, the annual component contribution, the annual expenditures, and interest income. It then provides the ending reserve fund balance for each year of the study.

Reserve Fund Plan for
THE RESERVE AT JAMISON'S FARM
Warrenton, Virginia

FUNDING ANALYSIS
COMPONENT METHOD
TABLE 4



Beginning Reserve Fund Balance:

In Dollars **56,858**

| Component Number | COMPONENT | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 |
|---|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 1 ASPHALT COMPONENTS | | | | | | | | | | | | | | | | | | | | | |
| 1.1 | Asphalt Footpaths | 8,098 | 8,098 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 2,954 | 5,321 | 5,321 | 5,321 |
| 2 SITE FEATURES | | | | | | | | | | | | | | | | | | | | | |
| 2.1 | Entrance Features Allowance | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 | 2,445 |
| 2.2 | Landscape Lighting Allowance | 539 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 139 | 206 | 206 | 206 | 206 | 206 | 206 | 206 | 206 | 206 |
| 2.3 | Pressure-Treated Wood Fencing | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 4,805 | 9,941 | 9,941 |
| 2.4 | Informational Signage | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 410 | 473 | 473 | 473 | 473 | 473 | 473 | 473 | 473 | 473 | 473 | 473 | 473 |
| 2.5 | Storm Water Drainage System Allowance | 27,792 | 3,094 | 3,094 | 3,094 | 3,094 | 3,094 | 3,094 | 3,915 | 3,915 | 3,915 | 3,915 | 3,915 | 3,915 | 4,954 | 4,954 | 4,954 | 4,954 | 4,954 | 4,954 | 6,268 |
| ANNUAL COMPONENT CONTRIBUTION TOTALS | | 44,089 | 18,991 | 13,847 | 13,847 | 13,847 | 13,847 | 13,847 | 14,668 | 14,731 | 14,731 | 14,731 | 14,798 | 14,798 | 15,837 | 15,837 | 15,837 | 15,837 | 18,204 | 23,340 | 24,654 |

| COMPONENT METHOD SUMMARY | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 | 2040 | 2041 |
|------------------------------------|---------|---------|--------|--------|--------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| BEGINNING RESERVE FUND BALANCE | 56,858 | 102,575 | 70,804 | 57,515 | 72,673 | 88,138 | 103,915 | 120,011 | 117,522 | 129,476 | 146,980 | 164,839 | 181,586 | 200,211 | 195,285 | 215,237 | 235,591 | 256,356 | 228,215 | 144,773 |
| PLUS ANNUAL COMPONENT CONTRIBUTION | 44,089 | 18,991 | 13,847 | 13,847 | 13,847 | 13,847 | 13,847 | 14,668 | 14,731 | 14,731 | 14,731 | 14,798 | 14,798 | 15,837 | 15,837 | 15,837 | 15,837 | 18,204 | 23,340 | 24,654 |
| CAPITAL EXPENDITURES | 0 | 53,040 | 28,716 | 0 | 0 | 0 | 0 | 19,739 | 5,310 | 0 | 0 | 1,539 | 0 | 24,976 | 0 | 0 | 0 | 51,717 | 111,643 | 31,603 |
| SUBTOTAL | 100,947 | 68,526 | 55,935 | 71,362 | 86,520 | 101,985 | 117,762 | 114,940 | 126,943 | 144,207 | 161,711 | 178,098 | 196,384 | 191,072 | 211,122 | 231,074 | 251,428 | 222,843 | 139,912 | 137,824 |
| PLUS INTEREST INCOME @ 2.00% | 1,628 | 2,277 | 1,580 | 1,312 | 1,618 | 1,930 | 2,248 | 2,582 | 2,533 | 2,774 | 3,127 | 3,488 | 3,826 | 4,214 | 4,114 | 4,517 | 4,928 | 5,373 | 4,861 | 3,191 |
| FULLY FUNDED RESERVE FUND BALANCE | 102,575 | 70,804 | 57,515 | 72,673 | 88,138 | 103,915 | 120,011 | 117,522 | 129,476 | 146,980 | 164,839 | 181,586 | 200,211 | 195,285 | 215,237 | 235,591 | 256,356 | 228,215 | 144,773 | 141,015 |

| | |
|----------------------------------|-----|
| PERCENT FUNDED FOR CURRENT CYCLE | 57% |
|----------------------------------|-----|

| | |
|--------------------|---------|
| TOTAL EXPENDITURES | 328,283 |
|--------------------|---------|

| | |
|---------------------|---------|
| TOTAL CONTRIBUTIONS | 350,318 |
|---------------------|---------|

| | |
|-----------------------------|--------|
| STUDY PERIOD TOTAL INTEREST | 62,122 |
|-----------------------------|--------|

| | |
|-----------------------------|--------|
| AVERAGE ANNUAL CONTRIBUTION | 17,516 |
|-----------------------------|--------|

FULLY FUNDED BALANCE GOAL

**PHOTOGRAPHS
WITH
DESCRIPTIVE
NARRATIVES**



MASON & MASON
CAPITAL RESERVE ANALYSTS, INC.



PHOTO #1

The asphalt footpath appeared to be in fair condition. We observed multiple areas of asphalt heaving (red arrows) due to nearby trees growing out of place. These areas might form potential tripping hazards and should be mitigated expeditiously to prevent personal injury.



PHOTO #2

We also observed approximately 90 feet of linear cracking. The color of the pavement suggested the path has issues with ponding (red arrows), which might potentially cause slipping hazards. If present, such hazards should be mitigated expeditiously to prevent personal injury.



PHOTO #3

The entrance monument appeared to be in excellent condition. We observed only very minor mortar cracking, which should be repaired under operations.



PHOTO #4
The monument halogen landscape light was functional, and we did not observe any deficiencies.



PHOTO #5
The old wood fencing along Lee Highway was replaced and stained in 2020 and was in excellent condition.



PHOTO #6
The two storm water management ponds appeared to be in good condition, and we did not observe any deficiencies.