

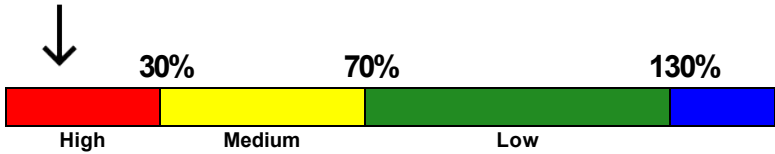
## 3- Minute Executive Summary

**Association:** Crestview Chateaux HOA **Assoc. #: 34441-0**  
**Location:** Chandler, AZ **# of Units:84**  
**Report Period:** January 1, 2019 through December 31, 2019

**Findings/Recommendations as-of: January 1, 2019**

Projected Starting Reserve Balance .....	\$49,731.
Current Fully Funded Reserve Balance .....	\$487,250
Average Reserve Deficit (Surplus) Per Unit .....	\$5,209.
Percent Funded .....	10.2 %
Recommended 2019 Monthly Reserve Contribution .....	\$4,500.
Recommended 2023 Special Assessments for Reserves .....	\$218,400
Most Recent Reserve Contribution Rate .....	\$500.

Reserves % Funded: 10.2%



Special Assessment Risk:

**Economic Assumptions:**

**Net Annual "After Tax" Interest Earnings Accruing to Reserves .....** 1.00 %  
**Annual Inflation Rate .....** 3.00 %

- This is an Update "With-Site-Visit" Reserve Study based on a prior report prepared by another firm for your 2007 Fiscal Year. We performed the site inspection on 3/15/2018.
- The Reserve expense threshold for this analysis is \$1,800, which means no expenses under that amount are funded in the Reserve Study.
- Your Reserve Fund is 10.2 % Funded. This means the Reserve Fund status is Weak, and special assessment risk is currently High.
- The objective of your multi-year Funding Plan is to Fully Fund Reserves, where associations enjoy a low risk of Reserve cash flow problems.
- The 2007 Reserve Study recommended Monthly Reserve Contributions of \$4,350. Despite that recommendation over 10 years ago, the HOA's Monthly Reserve Contributions are down to \$500! This is inadequate and severely underfunding the Reserve obligations.
- Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$4,500. This is a significant increase in comparison to the current budget but only nominal in comparison to the 2007 Reserve Study. This is an appropriate contribution for this type of community. Nominal annual increases are scheduled to help offset inflation (see tables herein for details).

- **Even if the HOA implements the large funding increase, there is not enough time to adequately save enough money toward refurbishing the tile roofs and resurfacing the asphalt. Therefore, we have scheduled a special assessment of \$218,400 (\$2,600/unit) to be collected in 2023. Failure to implement adequate funding will result in larger and/or more special assessments.**

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>GROUNDS</b>				
100	Monuments - Refurbish	20	6	\$2,000
120	Flagpole - Replace	40	8	\$4,300
201	Asphalt - Resurface	30	6	\$175,500
202	Asphalt - Seal/Repair	3	1	\$15,200
220	Concrete - Repair	4	2	\$3,500
300	Carports - Structural Repair	1	0	\$7,500
301	Carports - Structural Repair	30	30	\$67,500
304	Carport Roofs - Repair	10	10	\$4,600
306	Carport Lights - Replace	20	10	\$8,000
310	Carports - Repaint	10	2	\$5,000
420	Pole Lights - Replace	25	17	\$17,700
450	Path Lights - Replace	20	16	\$13,000
503	Metal Fence - Replace	40	6	\$2,200
510	Walls & Fence - Repaint	8	0	\$6,250
610	Landscape - Refurbish (A)	20	13	\$8,000
610	Landscape - Refurbish (B)	20	18	\$8,000
610	Landscape - Refurbish (C)	20	14	\$8,000
610	Landscape - Refurbish (D)	20	15	\$8,000
610	Landscape - Refurbish (E)	20	18	\$8,000
610	Landscape - Refurbish (F)	20	19	\$8,000
610	Landscape - Refurbish (G)	20	16	\$8,000
614	Landscape Granite - Replenish	10	0	\$21,500
630	Backflow Valves - Replace	20	18	\$5,000
<b>POOL AREA</b>				
1115	Stucco Surfaces - Repaint	10	5	\$2,850
1116	Wood Surfaces - Repaint	5	0	\$5,900
1120	Wood Pergola - Replace	30	5	\$31,000
1200	Pool Deck - Resurface	18	7	\$12,000
1201	Pool Deck - Seal/Repair	6	1	\$4,400
1210	Pool - Resurface	15	4	\$17,750
1212	Spa - Resurface	20	4	\$3,450
1214	Pool Furniture - Replace (A)	6	5	\$3,950
1214	Pool Furniture - Replace (B)	12	11	\$5,050
1217	Concrete Furniture - Replace	25	8	\$3,000
1220	Metal Fence - Replace	30	5	\$9,200
1222	Metal Fence - Repaint	5	0	\$1,800
1240	Pool Filters - Replace	15	12	\$3,600
<b>BUILDING EXTERIORS</b>				
800	Exterior Lights - Replace	20	2	\$11,250
1300	Flat Roofs - Replace	15	12	\$9,050
1304	Tile Roof - Refurbish	30	4	\$208,000

**39 Total Funded Components**

Note 1: **Yellow highlighted** line items are expected to require attention in this initial year.