

3-Minute Executive Summary

Association: The Lakes Community Association **Assoc. #:** 2198-4
Location: Tempe, Arizona
of Units: 1313
Report Period: January 1, 2014 through December 31, 2014

Results as-of 1/1/2014:

Projected Starting Reserve Balance:	\$1,186,302
Fully Funded Reserve Balance:	\$1,399,042
Average Reserve Deficit (Surplus) Per Unit:	\$162
Percent Funded:	84.8%
Recommended 2014 Annual Reserve Contribution:	\$250,000
Recommended 2014 Special Assessment for Reserves:	\$0
Most Recent Reserve Contribution Rate:	\$310,000

Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 0.50%
Annual Inflation Rate..... 3.00%

- This is an “Update No-Site-Visit” Reserve Study, based on a prior Report prepared by Association Reserves for your 2013 Fiscal Year. No site inspection was performed as part of this Reserve Study.
- The Reserve expense threshold for this report was increased to \$2,500, so no expenses under \$2,500 are included, except for sealing the boat ramp asphalt.
- Because your Reserve Fund is 84.8% Funded, this represents a strong financial position. In perspective, association’s with a Reserve Fund over 70% Funded typically enjoy fiscal stability with low risk of special assessments and deferred maintenance.
- Based on this starting point and your anticipated future expenses, we recommend decreasing Reserve contributions to \$250,000 for the next few years. Nominal annual increases (see tables herein) to help offset inflation should be expected eventually.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
CLUBHOUSE EXTERIOR				
104 Entry Walkway Pavers - Replace	20	20	\$15,000	\$27,092
108 Balcony Deck - Resurface	24	3	\$17,650	\$19,287
109 Balcony Deck - Seal/Repair	3	0	\$5,250	\$5,737
112 Wood Stairway - Replace	30	29	\$8,150	\$19,206
150 Lounge Lift - Replace	20	10	\$38,750	\$52,077
560 Trellises (Metal Slats) - Replace	20	12	\$5,000	\$7,129
562 Trellises (Wood Beams) - Replace	40	12	\$40,000	\$57,030
600 Doors & Windows - Replace	30	5	\$45,050	\$52,225
620 Wall Lights - Replace	20	15	\$8,250	\$12,853
1115 Stucco Surfaces - Repaint	10	6	\$15,000	\$17,911
1116 Wood Surfaces - Repaint	5	1	\$8,000	\$8,240
1117 Wood Surfaces - Repair	10	1	\$10,000	\$10,300
1301 Foam Roof - Replace	25	18	\$25,350	\$43,157
1302 Foam Roof - Recoat	5	3	\$8,250	\$9,015
1304 Tile Roof - Refurbish (A)	30	2	\$27,550	\$29,228
1305 Tile Roof - Refurbish (B)	30	13	\$9,350	\$13,731
CLUBHOUSE EQUIPMENT				
300 HVAC Air Handler - Lobby & Offices	15	14	\$7,650	\$11,571
301 HVAC Air Handler - Game Rm. & Lockers	15	0	\$7,650	\$11,918
302 HVAC Air Handler - Multipurpose	15	14	\$7,650	\$11,571
303 HVAC Air Handler - Gym #1	15	2	\$2,950	\$3,130
304 HVAC Air Handler - Gym #2	15	2	\$3,750	\$3,978
320 HVAC Condenser - Lobby & Offices	15	14	\$8,650	\$13,084
321 HVAC Condenser - Game Rm. & Lockers	15	0	\$7,500	\$11,685
322 HVAC Condenser - Multipurpose	15	14	\$8,650	\$13,084
323 HVAC Condenser - Gym #1	15	2	\$3,250	\$3,448
324 HVAC Condenser - Gym #2	15	2	\$5,950	\$6,312
330 HVAC Units - Adult Lounge #1	15	2	\$6,300	\$6,684
331 HVAC Units - Adult Lounge #2	15	2	\$6,300	\$6,684
332 HVAC Units - Racquetball #1	15	2	\$5,350	\$5,676
333 HVAC Units - Racquetball #2	15	2	\$5,350	\$5,676
CLUBHOUSE INTERIOR - 1ST FLOOR				
801 Carpet Floor - Replace	6	1	\$26,800	\$27,604
803 Tile Surfaces - Replace	15	10	\$3,750	\$5,040
804 Vinyl Floor - Replace	15	10	\$2,500	\$3,360
808 Lobby Furniture - Replace	6	1	\$2,950	\$3,039
810 Front Desk - Remodel	10	5	\$14,900	\$17,273
813 Photo ID Printer - Replace	6	4	\$2,850	\$3,208
817 Door Openers (Halls) - Replace	10	1	\$4,100	\$4,223
824 Interior Lights - Replace	20	5	\$23,800	\$27,591
826 Window Blinds - Replace	10	5	\$5,450	\$6,318
830 Game Furniture - Replace	5	1	\$2,500	\$2,575
832 Billiards Table - Replace	25	4	\$4,100	\$4,615

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
840 Multipurpose Furniture - Replace	5	0	\$4,000	\$4,637
848 Ceiling Fans - Replace	10	6	\$2,650	\$3,164
850 Catering Kitchen - Remodel	25	6	\$5,550	\$6,627
854 Kitchen Refrigerator - Replace	15	6	\$3,200	\$3,821
855 Kitchen Ranges - Replace	12	7	\$4,250	\$5,227
860 Locker Rooms - Remodel	15	11	\$103,300	\$142,991
862 Locker Rooms - Repair	5	1	\$5,600	\$5,768
865 Sauna Heater (Men's) - Replace	10	9	\$2,500	\$3,262
866 Sauna Heater (Wm's) - Replace	10	3	\$2,500	\$2,732
1100 Interior Surfaces - Repaint	6	1	\$11,250	\$11,588
CLUBHOUSE INTERIOR - FITNESS				
870 Rubber Floor - Replace	10	5	\$2,500	\$2,898
872 Elliptical - Replace (A)	8	0	\$5,400	\$6,841
873 Elliptical - Replace (B)	8	0	\$5,400	\$6,841
876 Recumbent Bike - Replace (A)	8	5	\$2,500	\$2,898
877 Recumbent Bike - Replace (B)	8	1	\$2,500	\$2,575
880 Upright Bike - Replace (A)	8	5	\$2,500	\$2,898
881 Upright Bike - Replace (B)	8	2	\$2,500	\$2,652
884 Stair Climber - Replace	10	0	\$3,400	\$4,569
886 Treadmills - Replace	6	4	\$13,750	\$15,476
890 Strength Equipment - Replace	15	0	\$30,000	\$46,739
894 Racquetball Floors - Replace	30	10	\$25,800	\$34,673
895 Racquetball Floors - Refinish	5	0	\$7,000	\$8,115
897 Racquetball Lights - Replace	30	4	\$11,400	\$12,831
CLUBHOUSE INTERIOR - MGMT OFFICE				
902 Office Desks - Replace	12	5	\$11,000	\$12,752
906 Office Computers - Replace	5	3	\$7,200	\$7,868
910 Office Copier - Replace	8	0	\$7,000	\$8,867
915 Surveillance Cameras & DVR - Replace	10	10	\$27,000	\$36,286
916 Server Computer - Replace	5	3	\$2,500	\$2,732
918 Telephone System - Replace	10	3	\$5,550	\$6,065
920 Interior Lights - Replace	20	5	\$5,000	\$5,796
930 Conference Furniture - Replace	15	2	\$6,850	\$7,267
934 Kitchen - Remodel	25	10	\$7,350	\$9,878
938 Fire Alarm Panel - Replace	15	3	\$3,100	\$3,387
CLUBHOUSE INTERIOR - 2ND FLOOR				
940 Carpet Floor - Replace	6	0	\$8,050	\$9,612
942 Tile Floor - Replace	20	14	\$6,900	\$10,437
946 Lounge Sofas - Replace	5	1	\$9,200	\$9,476
948 Lounge Furniture - Replace	10	4	\$3,500	\$3,939
950 Lounge Television - Replace	8	1	\$2,500	\$2,575
952 Banquet Chairs - Replace	10	1	\$7,650	\$7,880
954 PA System - Replace	10	10	\$5,000	\$6,720

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
962 Interior Lights - Replace	20	14	\$7,600	\$11,496
970 Kitchen - Remodel	20	14	\$5,250	\$7,941
974 Ice Machine - Replace	15	4	\$5,150	\$5,796
980 Restrooms - Remodel	20	14	\$4,900	\$7,412
1100 Interior Surfaces - Repaint	6	1	\$5,000	\$5,150

RECREATION CENTER POOLS

560 Wood Ramadas - Refurbish	5	0	\$7,000	\$8,115
580 Mist System - Replace	15	13	\$7,600	\$11,161
1200 Pool Deck - Partial Replace	5	4	\$15,000	\$16,883
1201 Pool Deck - Resurface	15	14	\$63,000	\$95,293
1202 Pool Deck - Seal/Repair	3	2	\$12,000	\$12,731
1203 Pool (Main) - Resurface	15	14	\$53,000	\$80,167
1204 Pool Cap Stone - Replace	25	24	\$64,000	\$130,099
1205 Pool (Play) - Resurface	15	2	\$4,400	\$4,668
1206 Spa - Resurface	15	5	\$6,350	\$7,361
1207 Pool Access Lift - Replace	10	7	\$6,750	\$8,302
1208 Pool Cover - Replace	6	4	\$10,000	\$11,255
1209 Pool Cover Reel - Replace	20	19	\$8,000	\$14,028
1210 Lane Lines - Replace	8	1	\$4,000	\$4,120
1211 Lane Line Reel - Replace	15	1	\$2,500	\$2,575
1214 Pool Furniture - Partial Replace	5	0	\$4,000	\$4,637
1218 Pool Vacuum & Cart - Replace	10	9	\$3,000	\$3,914
1220 Pool Filters (Main) - Replace	15	14	\$6,300	\$9,529
1222 Pool Pumps (Main) - Replace	15	14	\$3,600	\$5,445
1224 Pool Heaters (Main) - Replace	10	9	\$7,000	\$9,133
1225 Pool Heat Pumps - Replace	10	9	\$17,000	\$22,181
1226 Pool Chlorinator (Main) - Replace	12	1	\$4,000	\$4,120
1236 Pool Chlorinator (Play) - Replace	12	6	\$3,250	\$3,881
1244 Spa Heater - Replace	6	4	\$2,550	\$2,870
1246 Spa Chlorinator - Replace	12	8	\$3,250	\$4,117

RECREATION CENTER

180 Flag Pole - Replace	30	11	\$3,400	\$4,706
201 Parking Lot Asphalt - Repave	20	1	\$76,600	\$78,898
202 Parking Lot Asphalt - Seal/Repair	4	2	\$3,900	\$4,138
250 Maintenance Truck - Replace	10	1	\$20,400	\$21,012
360 Pole Lights - Replace	30	13	\$13,750	\$20,192
380 Picnic Tables (Metal) - Replace	15	14	\$8,250	\$12,479
408 Playground Furniture - Replace	15	3	\$5,200	\$5,682
410 Playground Structure - Replace	20	3	\$32,150	\$35,131
411 Playground Equipment - Replace	15	0	\$5,800	\$9,036
412 Playground Swings - Replace	20	9	\$3,200	\$4,175
415 Playground Shades - Replace	8	6	\$5,050	\$6,030
417 Playground Turf - Replace	12	2	\$4,450	\$4,721
424 Basketball Court - Replace	24	8	\$37,000	\$46,870
425 Basketball Court - Resurface	4	0	\$4,150	\$4,671

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
430 Tennis Courts - Resurface	6	0	\$15,000	\$17,911
432 Tennis Windscreen - Replace	8	0	\$7,050	\$8,931
433 Tennis Fence - Replace	25	14	\$29,550	\$44,697
438 Tennis Lights - Replace	30	6	\$45,300	\$54,091
440 Tennis Ramada - Replace	25	14	\$3,400	\$5,143
503 Metal Fence (Club) - Replace	25	8	\$6,100	\$7,727
504 Metal Fence (Park) - Replace	25	2	\$17,400	\$18,460
505 Metal Fence (Main Pool) - Replace	25	8	\$22,425	\$28,407
506 Metal Fence (Spa) - Replace	25	16	\$2,800	\$4,493
507 Metal Fence (Play Pool) - Replace	25	16	\$2,800	\$4,493
508 Metal Fence (Playground) - Replace	20	5	\$10,405	\$12,062
650 Gas BBQ - Replace	15	4	\$4,150	\$4,671
1610 Pontoon Boat - Replace	20	8	\$30,000	\$38,003
1611 Pontoon Boat - Repair	20	18	\$13,000	\$22,132
1612 Pontoon Boat Motors - Replace	10	3	\$9,200	\$10,053
1615 Patrol Boat - Replace	20	4	\$7,350	\$8,272
1616 Patrol Boat Motor - Replace	15	2	\$10,000	\$10,609

COMMON AREA

182 X-Mas Isl. Flag Pole - Replace	20	14	\$6,100	\$9,227
203 Boat Ramp Asphalt - Repave	24	6	\$25,300	\$30,210
204 Boat Ramp Asphalt - Seal/Repair	4	2	\$1,350	\$1,432
370 Boardwalk Lights - Waterfront Com.	15	15	\$6,000	\$9,348
406 Park Benches - Replace	15	2	\$2,900	\$3,077
407 Pet Stations - Replace	15	5	\$5,300	\$6,144
501 Block Walls - Partial Replace	40	20	\$15,000	\$27,092
520 Metal Fence - Docks	4	1	\$5,120	\$5,274
521 Metal Fence - Waterfront	16	6	\$6,800	\$8,120
522 Metal Fence - Lakeshore Dr. (West)	16	12	\$16,000	\$22,812
523 Metal Fence - Lakeshore Dr. (East)	25	5	\$13,625	\$15,795
527 Metal Fence - Driftwood Dr.	25	3	\$2,680	\$2,929
530 Metal Fence - Boardwalk	25	25	\$9,000	\$18,844
540 View Fence - Parks	30	2	\$6,100	\$6,471
542 View Fence - Rapids	20	2	\$6,750	\$7,161
544 View Fence - The Island	30	9	\$34,450	\$44,949
546 View Fence - West Lake	30	11	\$12,650	\$17,511
548 View Fence - East Lake	30	13	\$15,050	\$22,101
700 Monuments (Tile) - Replace	15	3	\$17,300	\$18,904
702 Monument (Metal) - Replace	20	2	\$2,700	\$2,864
710 Storage Roof - Replace	30	3	\$4,500	\$4,917
720 Electric Panel - Replace	40	37	\$4,200	\$12,538

LAKE DOCKS

1601 Floating Dock - Recreation Ctr.	15	7	\$20,650	\$25,397
1602 Pontoon Dock - Recreation Ctr.	15	1	\$6,200	\$6,386
1620 Lake Dock - Bayview Dr.	15	0	\$2,500	\$3,895
1621 Lake Dock - Northshore Park	15	3	\$2,500	\$2,732

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1622 Lake Dock - Windjammer Way	15	0	\$2,500	\$3,895
1623 Lake Dock - Weathervane Ln.	15	0	\$2,500	\$3,895
1624 Lake Dock - Westwind Way	15	6	\$2,500	\$2,985
1625 Lake Dock - Edgewater Dr.	15	14	\$2,500	\$3,781
1626 Lake Dock - Candlestick Dr.	15	14	\$2,500	\$3,781
1627 Lake Dock - Marine Park	15	13	\$2,500	\$3,671
1628 Lake Dock - Crow's Nest Rd.	15	5	\$2,500	\$2,898
1629 Lake Dock - Outrigger Rd.	15	1	\$2,500	\$2,575
1630 Lake Dock - Rocky Point Rd.	15	1	\$2,500	\$2,575
1631 Lake Dock - Sailor's Reef Rd.	15	14	\$2,500	\$3,781
1632 Lake Dock - Whaler's Way	15	2	\$2,500	\$2,652
1640 Floating Dock - Waterfront	15	11	\$3,500	\$4,845
1642 Lake Dock - Driftwood Dr.	15	13	\$2,500	\$3,671
1643 Lake Dock - Compass Park	15	13	\$2,500	\$3,671
1644 Lake Dock - Lobster Trap Ln.	15	8	\$2,500	\$3,167
1645 Lake Dock - Leeward Ln.	15	14	\$2,500	\$3,781
1646 Lake Dock - Eveningstar Ln.	15	8	\$2,500	\$3,167
1647 Lake Dock - Morningstar Ln.	15	1	\$2,500	\$2,575
1648 Lake Dock - Lamplighter Ln.	15	0	\$2,500	\$3,895
1650 Lake Dock - Boat Ramp	15	1	\$2,500	\$2,575
1651 Lake Dock - Christmas East	15	7	\$3,550	\$4,366
1652 Lake Dock - Christmas West	15	9	\$3,550	\$4,632

LAKES & EQUIPMENT

1700 Lake Bed & Shoreline - Major Repair	45	15	\$178,500	\$278,097
1710 Bank Structure - Bridge	45	43	\$81,600	\$290,865
1712 Bank Structure - Watershed Rest.	45	44	\$80,000	\$293,716
1716 Bank Structure - Waterfront Com.	45	40	\$189,050	\$616,688
1720 Bank Structure - Village Landing	45	37	\$288,900	\$862,432
1722 Bank Structure - Boat Ramp	45	44	\$30,000	\$110,144
1724 Bank Structure - Apartments	45	42	\$84,050	\$290,871
1728 Bank Structures - Wood Sealing	10	9	\$7,000	\$9,133
1736 Lake Pump (Isl. Waterfall) - Replace	10	9	\$4,000	\$5,219
1740 Lake Pump (Boat Ramp) - Replace	15	9	\$10,000	\$13,048
1744 Pump Pipes (Boat Ramp) - Replace	50	9	\$10,000	\$13,048
1748 Lake Pump (Pier 54) - Replace	15	4	\$5,000	\$5,628
1752 Pump Pipes (Pier 54) - Replace	50	9	\$10,000	\$13,048
1756 Lake Pump (Whaler's) - Replace	15	3	\$10,000	\$10,927
1760 Pump Pipes (Whaler's) - Replace	50	9	\$10,000	\$13,048
1762 Lake Pump (Marine) - Replace	15	13	\$8,000	\$11,748
1768 Lake Pump (Compass) - Replace	15	2	\$8,000	\$8,487
1780 Rapids Intake Screen - Replace	20	4	\$11,050	\$12,437
1782 Rapids Vault Cover - Replace	20	16	\$11,150	\$17,892
1784 Rapids Pump (North) - Replace	15	6	\$15,000	\$17,911
1788 Rapids Pump (South) - Replace	15	2	\$15,000	\$15,914
1790 Lake Pumps - Repair	5	1	\$20,000	\$20,600
211 Total Funded Components				

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.
Note 2: highlighted line items are expected to require attention in the initial year