

RESERVE ANALYSIS REPORT

North Barrington

Chandler, Arizona

Version 004

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North Barrington

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Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

Introduction to Reserve Budgeting	page i
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◆ ◆ ◆ ◆ INTRODUCTION TO RESERVE BUDGETING ◆ ◆ ◆ ◆

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes his “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

◆ ◆ ◆ ◆ UNDERSTANDING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget

Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

Percent Funded

Measure of the reserve fund “health” (expressed as a percentage) as of the beginning of the fiscal year for which the

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reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is “100% funded” means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections

Indicate the “level of service” the association will provide the membership as well as a “road map” for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will “catch up” or how a properly funded association will remain fiscally “healthy.”

Inventory

Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst’s comments.

◆ ◆ ◆ ◆ RESERVE FUNDING GOALS / OBJECTIVES ◆ ◆ ◆ ◆

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding

Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding

Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association’s percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

Threshold Funding

Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding

Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

◆ ◆ ◆ ◆ RESERVE FUNDING CALCULATION METHODS ◆ ◆ ◆ ◆

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

Component Calculation Method

This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the “straight line”

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method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate \$100,000 in ten years, \$10,000 could be contributed each year. Alternatively, the association could contribute \$8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

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	<u>0% Increase</u>	<u>3% Increase</u>	<u>10% Increase</u>
Year 1	\$10,000.00	\$8,723.05	\$6,274.54
Year 2	\$10,000.00	\$8,984.74	\$6,901.99
Year 3	\$10,000.00	\$9,254.28	\$7,592.19
Year 4	\$10,000.00	\$9,531.91	\$8,351.41
Year 5	\$10,000.00	\$9,817.87	\$9,186.55
Year 6	\$10,000.00	\$10,112.41	\$10,105.21
Year 7	\$10,000.00	\$10,415.78	\$11,115.73
Year 8	\$10,000.00	\$10,728.25	\$12,227.30
Year 9	\$10,000.00	\$11,050.10	\$13,450.03
Year 10	\$10,000.00	\$11,381.60	\$14,795.04
TOTAL	\$100,000.00	\$100,000.00	\$100,000.00

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds “in the bank” for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

Cash Flow Calculation Method

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding). Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The **Directed Cash Flow Calculation Method** is our primary calculation method. It allows for several funding strategies to be manually tested until the optimal funding strategy accomplishing three goals is created:

Goal #1: Ensures that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period (typically 30 years)

Goal #2: Uniformly distributes the costs of replacements over time to benefit both current & future members of the association by using consistent, incremental contribution increases

Goal #3: Provides for the lowest reserve funding recommendation as possible over time with the goal of approaching, reaching and/or maintaining a 100% fully funded reserve balance

These very important aspects of the **Directed Cash Flow Calculation Method** will greatly aid the board of directors during the annual budgeting process.

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◆ ◆ ◆ ◆ READING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a “red flag” is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

Executive Summary

Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information

Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

Global Parameters

Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.

Community Profile

Provides brief description of the community, as well as other “global” type comments.

Budget

Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution

Sample Homeowners Association Executive Summary Component Calculation Method			
Client Information:		Global Parameters:	
Account Number	99999	Inflation Rate	2.00%
Version Number	1	Annual Contribution Increase	2.00%
Analysis Date	3/18/2014	Investment Rate	1.00%
Fiscal Year	6/1/2014 to 5/31/2015	Taxes on Investments	30.00%
Number of Units	187	Contingency	3.00%
Phasing	8 of 8		
Community Profile:			
This community consists of 187 attached units with private roadways, pool area and extensive landscaped areas.			
For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.			
ARS site visits: March 1, 2014; January 2011; February 2008; April 2008; March 2005; March 2003; March 2002; April 2001 and March 2000			
Adequacy of Reserves as of June 1, 2014:			
Anticipated Reserve Balance		\$865,450.00	
Fully Funded Reserve Balance		\$1,011,228.83	
Percent Funded		85.58%	
Recommended Funding for the 2014-2015 Fiscal Year:			
	Annual	Monthly	Per Unit Per Month
Member Contribution	\$110,659	\$9,221.58	\$55.22
Interest Contribution	\$5,977	\$498.09	\$2.98
Total Contribution	\$116,636	\$9,719.66	\$58.20
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Adequacy of Reserves

Displays the results of calculations with regard to the “health” of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

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Calculation of Percent Funded

Summary displays all reserve components, shown here in “category” order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

Reserve Components
All components are displayed (shown here in “category” order).

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	8	27	\$101,697.50	\$71,564.91
Streets - Asphalt, Repair	0	4	\$3,621.75	\$3,621.75
Streets - Asphalt, Seal Coat	0	4	\$5,926.50	\$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Sub Total	0-8	4-27	\$111,245.75	\$81,113.16
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				
Sub Total				

Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	\$8,591.63	\$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Pool Area - Furniture (Refurbish)	0	12	\$9,255.00	\$9,255.00
Pool Area - Furniture (Replace)	6	25	\$17,315.00	\$13,159.40
Pool Area - Mastic	0	4	\$5,131.50	\$5,131.50
Spa - Filter	0	13	\$1,350.00	\$1,350.00
Spa - Heater	0	10	\$3,050.00	\$3,050.00
Spa - Replaster & Tile Replace	3	8	\$5,250.00	\$3,126.40
Sub Total	0-6	4-25	\$91,747.38	\$71,964.53
070 Decks				
Decks - Clean & Top Coat	2	5	\$30,480.00	\$18,288.00
Decks - Resurface	2	13	\$65,227.20	\$54,720.81
Sub Total	2	5-13	\$95,707.20	\$73,008.81
080 Misc (Buildings)				
Fire Extinguisher Cabinets	2	21	\$27,625.00	\$24,904.05
Utility Closet Doors	2	21	\$73,900.00	\$68,881.90
Sub Total	2	21	\$101,525.00	\$93,785.95
090 Misc (Grounds)				
Landscape - Irrigation Controllers	0	12	\$28,000.00	\$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Mailboxes	2	21	\$37,200.00	\$32,657.14
Sub Total	0-2	12-21	\$66,200.00	\$62,657.14
100 Termite Control				
Termite Control	n.a.	n.a.	\$0.00	\$100,000.00
Sub Total	n.a.	n.a.	\$0.00	\$100,000.00
Contingency	n.a.	n.a.	n.a.	\$29,453.27
Total	0-11	2-30	\$1,091,533.70	\$1,011,228.83
Anticipated Reserve Balance				\$865,450.00
Percent Funded				85.58%

Current Cost
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays the fully funded balance for each component. This column is conveniently sub totaled.

The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.

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Management / Accounting Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

Balance at FYB
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	\$17,837.90	\$948.09	\$13.37	\$983.07
Streets - Asphalt, Repair	\$3,021.75	\$78.20	\$0.25	\$78.45
Streets - Asphalt, Seal Coat	\$5,028.50	\$127.96	\$0.41	\$128.37
Streets - Concrete, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total	\$27,186.15	\$1,155.84	\$14.04	\$1,169.88
020 Roofs				
Roofs - Tile				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork & Trim				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing				
Fencing - Wrought Iron, Pool Area				
Railing - Wrought Iron, Buildings				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Grounds				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile				
Cabana - Doors				
Cabana - Plumbing Fixtures				
Cabana - Restroom Partitions				
Cabana - Water Heater				
Pool - Filter				
Sub Total				
070 Decks				
Decks - Clean & Top Coat	\$18,288.00	\$539.52	\$12.44	\$551.96
Decks - Resurfacing	\$54,720.81	\$506.93	\$33.85	\$540.58
Sub Total	\$73,008.81	\$1,046.45	\$46.09	\$1,092.54
080 Misc (Buildings)				
Fire Extinguisher Cabinets	\$24,994.05	\$139.11	\$15.07	\$154.19
Utility Closet Doors	\$66,861.80	\$372.15	\$40.32	\$412.47
Sub Total	\$91,855.95	\$511.26	\$55.40	\$566.66
090 Misc (Grounds)				
Landscape - Irrigation Controllers	\$28,000.00	\$219.48	\$0.71	\$220.19
Landscape - Renovation, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Mailboxes	\$33,657.14	\$187.33	\$20.30	\$207.63
Sub Total	\$62,657.14	\$406.82	\$21.00	\$427.82
100 Termite Control				
Termite Control	\$100,000.00	\$0.00	\$58.52	\$58.52
Sub Total	\$100,000.00	\$0.00	\$58.52	\$58.52
Contingency	\$25,207.28	\$268.59	\$15.61	\$284.20
Total	\$865,450.00	\$9,221.58	\$498.09	\$9,719.66

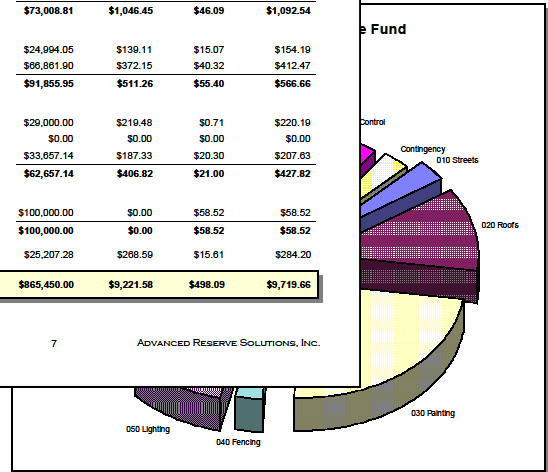
Monthly Funding
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

	Balance at Fiscal Year Beginning	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Heater	\$3,250.00	\$24.60	\$0.08	\$24.68
Pool - Replaster & Tile Replace	\$7,070.58	\$146.76	\$4.61	\$151.37
Pool Area - Barbecues	\$1,010.00	\$28.98	\$0.69	\$30.67
Pool Area - Ceramic Tile	\$7,773.38	\$43.27	\$4.69	\$47.95
Pool Area - Concrete Deck, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Pool Area - Furniture (Refurbish)	\$8,255.00	\$70.05	\$0.23	\$70.27
Pool Area - Furniture (Replace)	\$13,159.40	\$74.76	\$7.94	\$82.70
Pool Area - Mastic	\$5,131.50	\$110.79	\$0.36	\$111.15
Spa - Filter	\$1,350.00	\$12.11	\$0.04	\$12.15
Spa - Heater	\$2,000.00	\$27.36	\$0.09	\$27.44
Spa - Replaster & Tile Replace	\$3,128.40	\$64.12	\$2.04	\$66.15
Sub Total	\$71,964.53	\$710.19	\$30.10	\$740.28
070 Decks				
Decks - Clean & Top Coat	\$18,288.00	\$539.52	\$12.44	\$551.96
Decks - Resurfacing	\$54,720.81	\$506.93	\$33.85	\$540.58
Sub Total	\$73,008.81	\$1,046.45	\$46.09	\$1,092.54
080 Misc (Buildings)				
Fire Extinguisher Cabinets	\$24,994.05	\$139.11	\$15.07	\$154.19
Utility Closet Doors	\$66,861.80	\$372.15	\$40.32	\$412.47
Sub Total	\$91,855.95	\$511.26	\$55.40	\$566.66
090 Misc (Grounds)				
Landscape - Irrigation Controllers	\$28,000.00	\$219.48	\$0.71	\$220.19
Landscape - Renovation, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Mailboxes	\$33,657.14	\$187.33	\$20.30	\$207.63
Sub Total	\$62,657.14	\$406.82	\$21.00	\$427.82
100 Termite Control				
Termite Control	\$100,000.00	\$0.00	\$58.52	\$58.52
Sub Total	\$100,000.00	\$0.00	\$58.52	\$58.52
Contingency	\$25,207.28	\$268.59	\$15.61	\$284.20
Total	\$865,450.00	\$9,221.58	\$498.09	\$9,719.66

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e Fund



Pie Charts
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.

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Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.

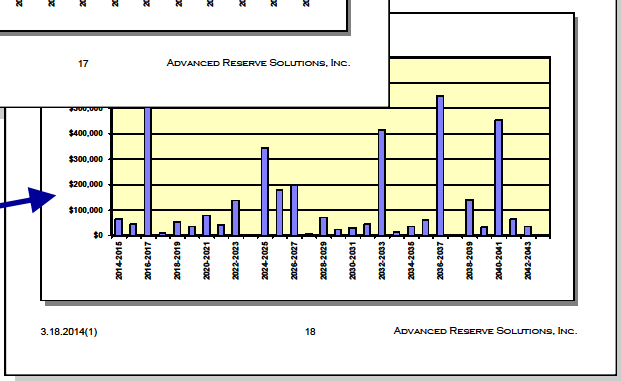
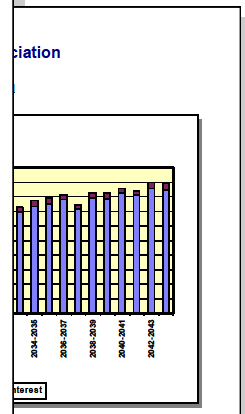
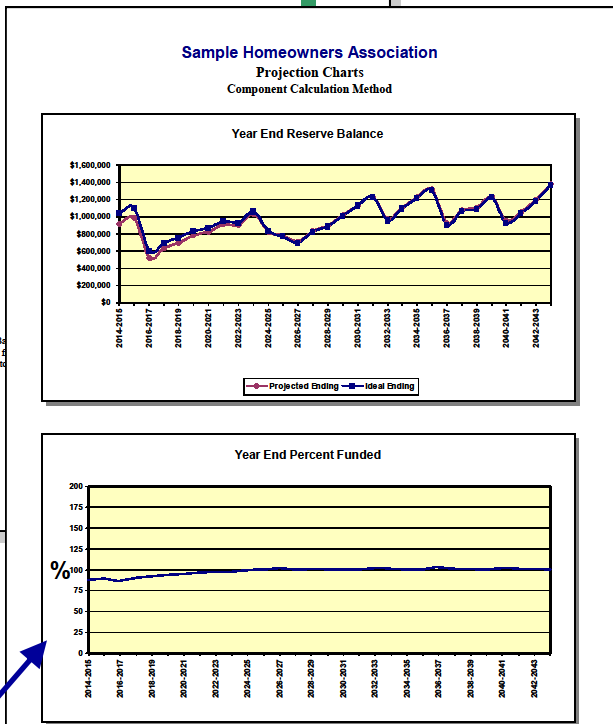
**Sample Homeowners Association
Projections
Component Calculation Method**

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2014-2015	\$865,450	\$110,659	\$5,977	\$54,980	\$917,106	\$1,046,139	88%
2015-2016	\$917,106	\$111,857	\$6,482	\$45,317	\$990,127	\$1,104,068	90%
2016-2017	\$990,127	\$118,806	\$3,175	\$591,549	\$518,559	\$568,939	87%
2017-2018	\$518,559	\$115,807	\$3,960	\$7,715	\$630,610	\$686,915	79%
2018-2019	\$630,610	\$116,508	\$4,431	\$52,973	\$998,577	\$755,512	94%
2019-2020	\$998,577	\$116,723	\$5,037	\$34,701	\$785,576	\$834,243	94%
2020-2021	\$785,576	\$118,645	\$5,331	\$80,731	\$828,821	\$886,179	95%
2021-2022	\$828,821	\$121,026	\$5,925	\$40,530	\$915,241	\$948,147	96%
2022-2023	\$915,241	\$123,506					
2023-2024	\$907,080	\$125,898					
2024-2025	\$1,037,322	\$128,436					
2025-2026	\$825,894	\$127,755					
2026-2027	\$780,089	\$125,648					
2027-2028	\$713,358	\$119,373					
2028-2029	\$631,867	\$131,699					
2029-2030	\$699,194	\$131,038					
2030-2031	\$1,013,798	\$137,575					
2031-2032	\$1,130,618	\$141,510					
2032-2033	\$1,237,543	\$143,182					
2033-2034	\$973,396	\$138,581					
2034-2035	\$1,104,489	\$147,134					
2035-2036	\$1,222,996	\$149,242					
2036-2037	\$1,317,743	\$155,898					
2037-2038	\$929,828	\$142,179					
2038-2039	\$1,079,962	\$157,613					
2039-2040	\$1,102,377	\$157,111					
2040-2041	\$1,234,892	\$165,390					
2041-2042	\$852,393	\$161,588					
2042-2043	\$1,056,301	\$171,747					
2043-2044	\$1,200,105	\$169,289					

NOTE: In some cases, the projected Ending Balance Expenditures. This is a result of the provision of contingency is continually adjusted according to

Improved format makes the numbers as easy to read and understand as possible. The color-coded bar indicates the reserve fund status:

Green: Good
Yellow: Fair
Red: Poor



Charts
Show graphically the reserve funding plan through time.

Preface

Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.

Streets - Asphalt, Seal Coat

Category	010 Streets	Quantity	65,850 sq. ft.
Photo Date	January 2011	Unit Cost	\$0.090
		% of Replacement	100.00%
		Current Cost	\$5,626.50
		Future Cost	\$8,415.03
Placed In Service	11/09	Assigned Reserves at FYB	\$5,626.50
Useful Life	4	Monthly Member Contribution	\$127.96
Remaining Life	0	Monthly Interest Contribution	\$0.41
Replacement Year	2014-2015	Total Monthly Contribution	\$128.37

Painting - Woodwork & Trim

Category	030 Painting	Quantity	31,575 sq. ft.
Photo Date	January 2011	Unit Cost	\$0.920
		% of Replacement	100.00%
		Current Cost	\$29,049.00
		Future Cost	\$30,222.58
Placed In Service	06/12	Assigned Reserves at FYB	\$14,524.50
Useful Life	4	Monthly Member Contribution	\$634.91
Remaining Life	2	Monthly Interest Contribution	\$10.54
Replacement Year	2016-2017	Total Monthly Contribution	\$645.45

Pool - Replaster & Tile Replace

Category	060 Pool Area	Quantity	1 pool
Photo Date	January 2011	Unit Cost	\$15,075.000
		% of Replacement	100.00%
		Current Cost	\$15,075.00
		Future Cost	\$16,844.02
Placed In Service	01/10	Assigned Reserves at FYB	\$7,070.58
Useful Life	10	Monthly Member Contribution	\$146.76
Remaining Life	5	Monthly Interest Contribution	\$4.61
Replacement Year	2019-2020	Total Monthly Contribution	\$151.37

Comments:

The association seal coated and restriped for a total cost of \$5,075. The association seal coated and restriped for a total cost of \$6,000.

The current cost used for this component is adjusted for inflation where applicable.

Asphalt surfaces should be seal coated on

3.18.2014(1)

The association painted the woodwork and between July and November 2000 for a total cost of \$29,049. The association was in the process of painting the cabana interior (excluded) for a total cost of \$11,173.50 throughout the community by the end of the year.

The current cost used for this component is adjusted for inflation where applicable.

For budgeting purposes, we have used the current cost for this component.

The inventory for this component has been reviewed as of the March 2000 site visit, we believe this inventory is accurate.

3.18.2014(1)

1,020 sq. ft. of replastering @ \$12.50 = \$12,750.00
 135 lin. ft. of trim tile @ \$15.00 = \$2,025.00
 25 lin. ft. of step tile @ \$12.00 = \$300.00
TOTAL = \$15,075.00

The pool and spa were replastered in March 2000 for a total cost of approximately \$8,700. The association acid washed the pool in June 2002 for a total cost of \$675. The association replastered the pool and spa (including replacement of the mastic directly adjacent to the pool and spa) in January 2010 for a total cost of \$16,900.

3.18.2014(1) 42 ADVANCED RESERVE SOLUTIONS, INC.

Lifespan Information
Displays placed-in-service date, useful life, remaining life and replacement year.

Cost Information
Displays quantity, unit cost, percentage of replacement, current cost and future cost.

Calculation Results
Displays assigned reserves and funding requirements.

Comments
Useful information from site observations and historical expenses included here.

Photos
Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

Preface

◆ ◆ ◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆ ◆ ◆

Annual Contribution Increase Parameter

The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the “time value of money,” this creates the most equitable distribution of member contributions through time.

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of “reserve funding calculation methods” in this preface for more detail on this parameter.

Anticipated Reserve Balance (or Reserve Funds)

The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is “anticipated” because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and “Fixed” Assigned Funds)

The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered “fixed” when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns \$10,000 to the roofs, but the association would like to show \$20,000 assigned to roofs, “fixed” funds of \$20,000 can be assigned.

Cash Flow Calculation Method

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the “reserve funding calculation methods” section of the preface.

Component Calculation Method

Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the “reserve funding calculation methods” section of the preface.

Contingency Parameter

The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

Current Replacement Cost

The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

Fiscal Year

Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

Fully Funded Reserve Balance (or Ideal Reserves)

The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life.

Preface

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

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost

The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters

The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter

The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution

The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

Investment Rate Parameter

The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

Membership Contribution

The amount of money contributed to the reserve fund by the association's membership.

Monthly Contribution (and "Fixed" Monthly Contribution)

The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds \$1,000 to the roofs each month, but the association would like to show \$500 funded to roofs each month, a "fixed" contribution of \$500 can be assigned.

Number of Units (or other assessment basis)

Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

Preface

One-Time Replacement

Used for components that will be budgeted for only once.

Percent Funded

A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

Percentage of Replacement

The percentage of the reserve component that is expected to be replaced.

For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

Phasing

Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

Placed-In-Service Date

The date (month and year) that the reserve component was originally put into service or last replaced.

Remaining Life

The length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment

The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year

The fiscal year that a reserve component is scheduled to be replaced.

Reserve Components

Line items included in the reserve analysis.

Taxes on Investments Parameter

The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

Preface

Total Contribution

The sum of the membership contribution and interest contribution.

Useful Life

The length of time, in years, that a reserve component is expected to last each time it is replaced. See also “remaining life adjustment.”

◆ ◆ ◆ ◆ LIMITATIONS OF RESERVE ANALYSIS ◆ ◆ ◆ ◆

This reserve analysis is intended as a tool for the association’s Board of Directors to be used in evaluating the association’s current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association’s obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

North Barrington

Preface

◆ ◆ ◆ ◆ LIMITATIONS OF RESERVE ANALYSIS ◆ ◆ ◆ ◆

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North Barrington

Executive Summary

Directed Cash Flow Method

Client Information

Account Number	2361
Version Number	004
Analysis Date	7/27/2024
Fiscal Year	1/1/2025 to 12/31/2025
Number of Units	83

Global Parameters

Inflation Rate	3.00%
Annual Contribution Increase	100.00%
Investment Rate	0.50%
Taxes on Investments	0.00%
Contingency	0.00%

Community Profile

This community was built in 2004. Refer to the Component Detail section for the dates used to age the components examined in this analysis.

Reserve Balance as of May 31, 2024: \$145,145

Remaining 2024 Reserve Contributions: \$10,061 (\$1,437.31/month x 7 months)

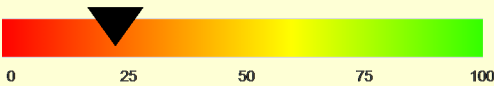
Remaining 2024 Interest to be Earned (0.50%): \$438

Remaining 2024 Reserve Expenditures: None Planned or Anticipated

Projected January 1, 2025 Reserve Balance: \$155,644

REPORTS: 2005. Updated 2015, 2019 & 2024.

Adequacy of Reserves as of January 1, 2025

Anticipated Reserve Balance		\$155,644.00
Fully Funded Reserve Balance		\$702,635.00
Percent Funded	0 25 50 75 100	22.15%

Funding for the 2025 Fiscal Year	Annual	Monthly	Per Unit Per Month
Member Contribution	\$34,496	\$2,874.67	\$34.63
Interest Contribution	\$483	\$40.23	\$0.48
Total Contribution	\$34,979	\$2,914.90	\$35.12

North Barrington
Distribution of Current Reserve Funds
Sorted by Remaining Life; Alphabetical

	Remaining Life	Fully Funded Balance	Assigned Reserves
Grounds: Catch Basin Maintenance	0	\$3,000.00	\$3,000.00
Grounds: Irrigation Controller (Lot 62)	0	\$300.00	\$300.00
Paint: Block Walls	0	\$20,900.00	\$20,900.00
Paint: Ramada Support Structure	0	\$900.00	\$900.00
Paint: Wrought Iron	0	\$15,000.00	\$15,000.00
Streets: Asphalt Repair & Seal Coat	0	\$35,000.00	\$35,000.00
Amenity Area: Playstructure	1	\$76,363.64	\$42,776.73
Grounds: Irrigation Controller (Lot 63)	1	\$270.00	\$270.00
Grounds: Irrigation Controller (Lot 71)	1	\$270.00	\$270.00
Security: Access Phone (Brooks Farm Road)	1	\$5,727.27	\$5,727.27
Security: Gate Operators (Brooks Farm Road)	1	\$21,000.00	\$21,000.00
Security: Gate Operators (Cooper Road)	1	\$10,500.00	\$10,500.00
Grounds: Granite Replenishment	2	\$85,000.00	\$0.00
Grounds: Irrigation Controller (Lot 70)	3	\$205.26	\$0.00
Grounds: Irrigation Pump Station Equipment	3	\$5,815.79	\$0.00
Amenity Area: Park Equipment	4	\$3,780.00	\$0.00
Grounds: Mailboxes (Kiosk Mounted)	4	\$16,800.00	\$0.00
Grounds: Lighting (Landscape Fixtures)	5	\$1,339.74	\$0.00
Walls: Block (Repair/Replace)	8	\$3,008.85	\$0.00
Grounds: Irrigation Controller (South Perimeter)	10	\$465.52	\$0.00
Grounds: Irrigation Controller (Lot 44)	12	\$279.66	\$0.00
Fencing/Gates: Wrought Iron (Brooks Farm Road)	14	\$10,500.00	\$0.00
Fencing/Gates: Wrought Iron (Cooper Road)	14	\$7,800.00	\$0.00
Grounds: Lighting (Pole Mounted Fixtures)	15	\$655.63	\$0.00
Grounds: Monument Sign Components	15	\$2,307.69	\$0.00
Streets: Asphalt Rehabilitation	16	\$301,945.95	\$0.00
Fencing/Gates: Wrought Iron (Perimeter/Interior)	19	\$73,500.00	\$0.00
Grounds: Concrete Components (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Drywell Maintenance (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Irrigation System Replacement (Unfunded)	n.a.	\$0.00	\$0.00
Grounds: Metal Ramada Roof (Unfunded)	n.a.	\$0.00	\$0.00
Contingency	n.a.	\$0.00	\$0.00

North Barrington
Distribution of Current Reserve Funds
Sorted by Remaining Life; Alphabetical

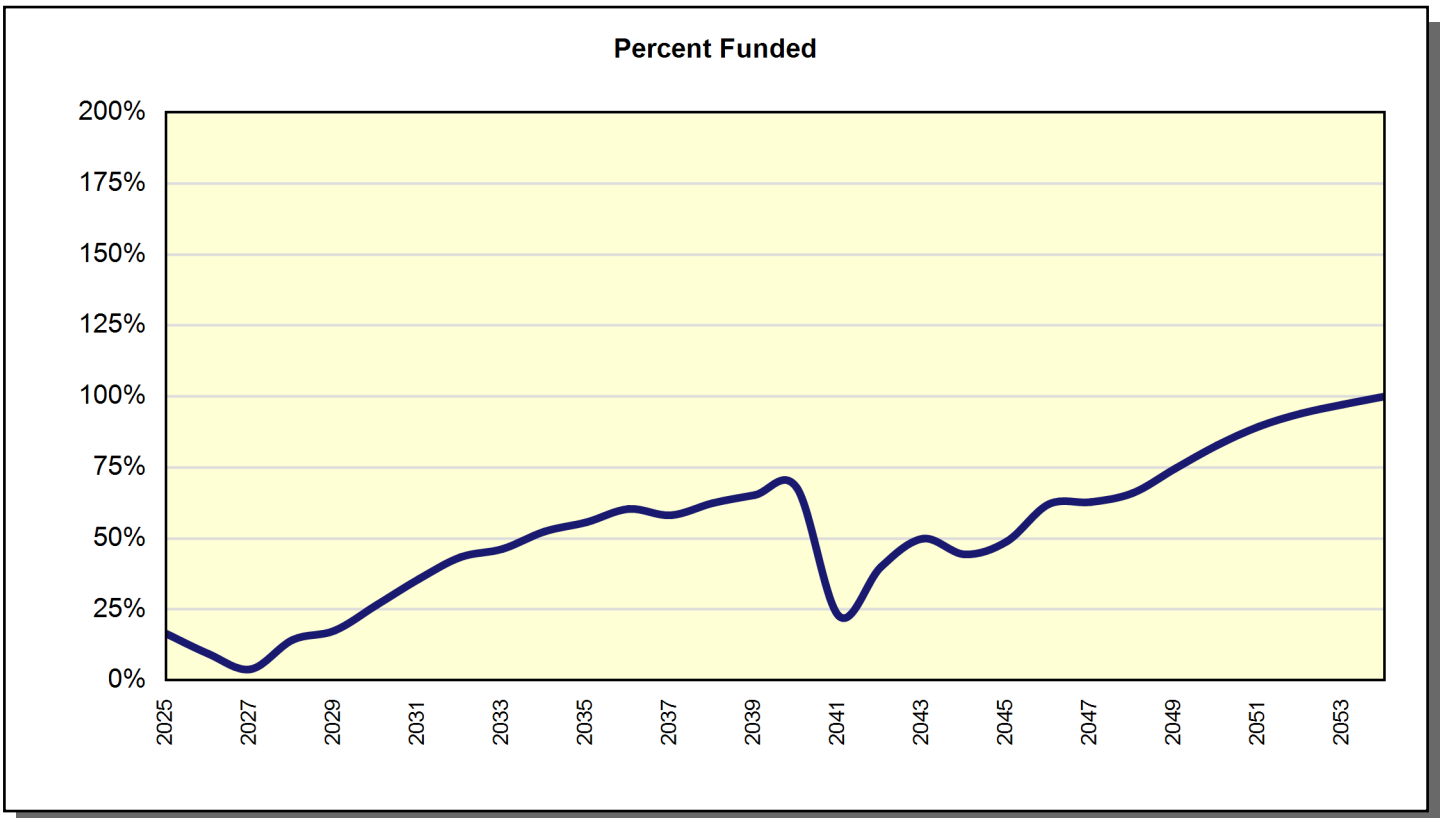
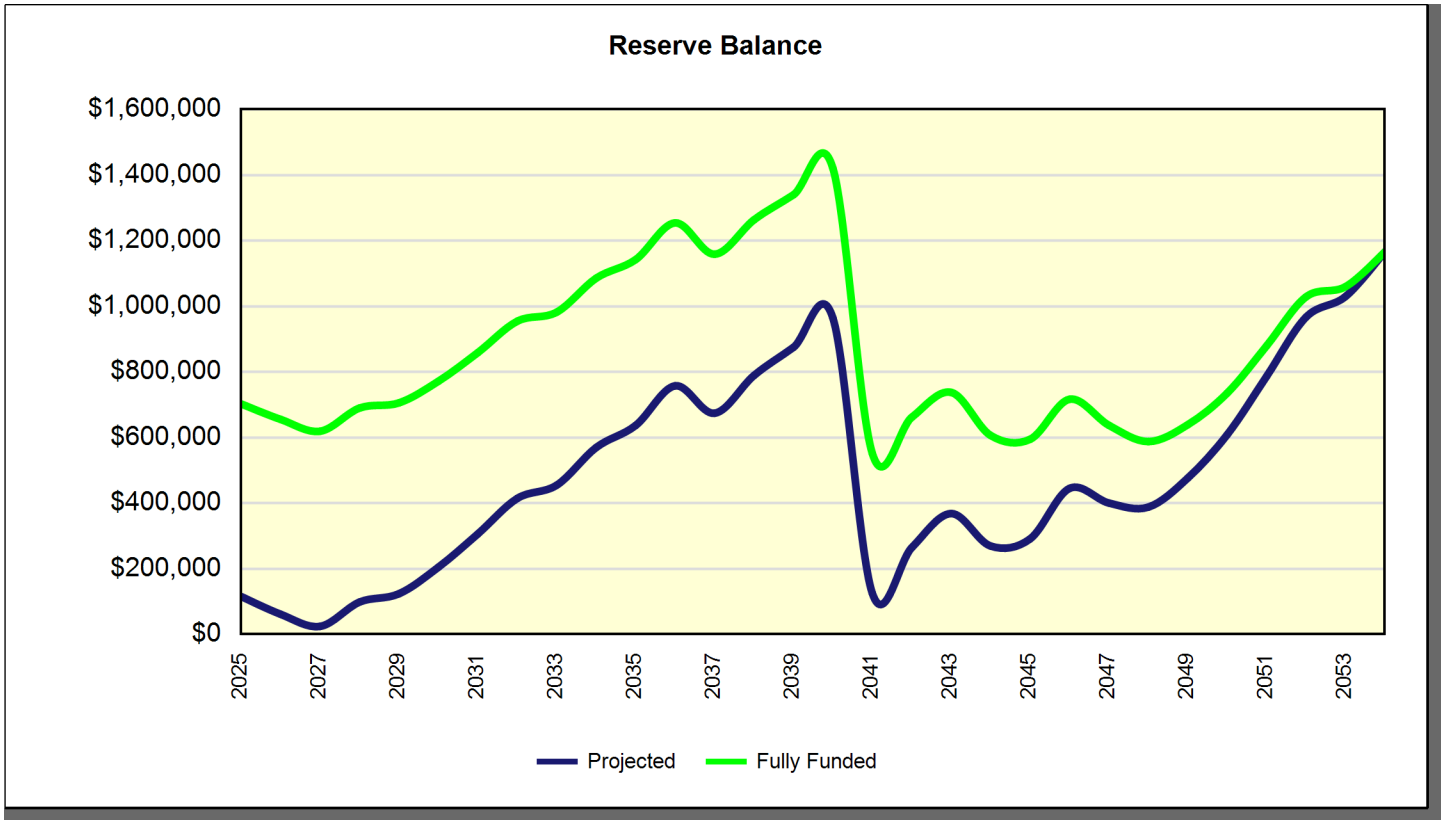
Total	0-19	\$702,635.00	\$155,644.00
Percent Funded			22.15%

**North Barrington
Projections
Directed Cash Flow Method**

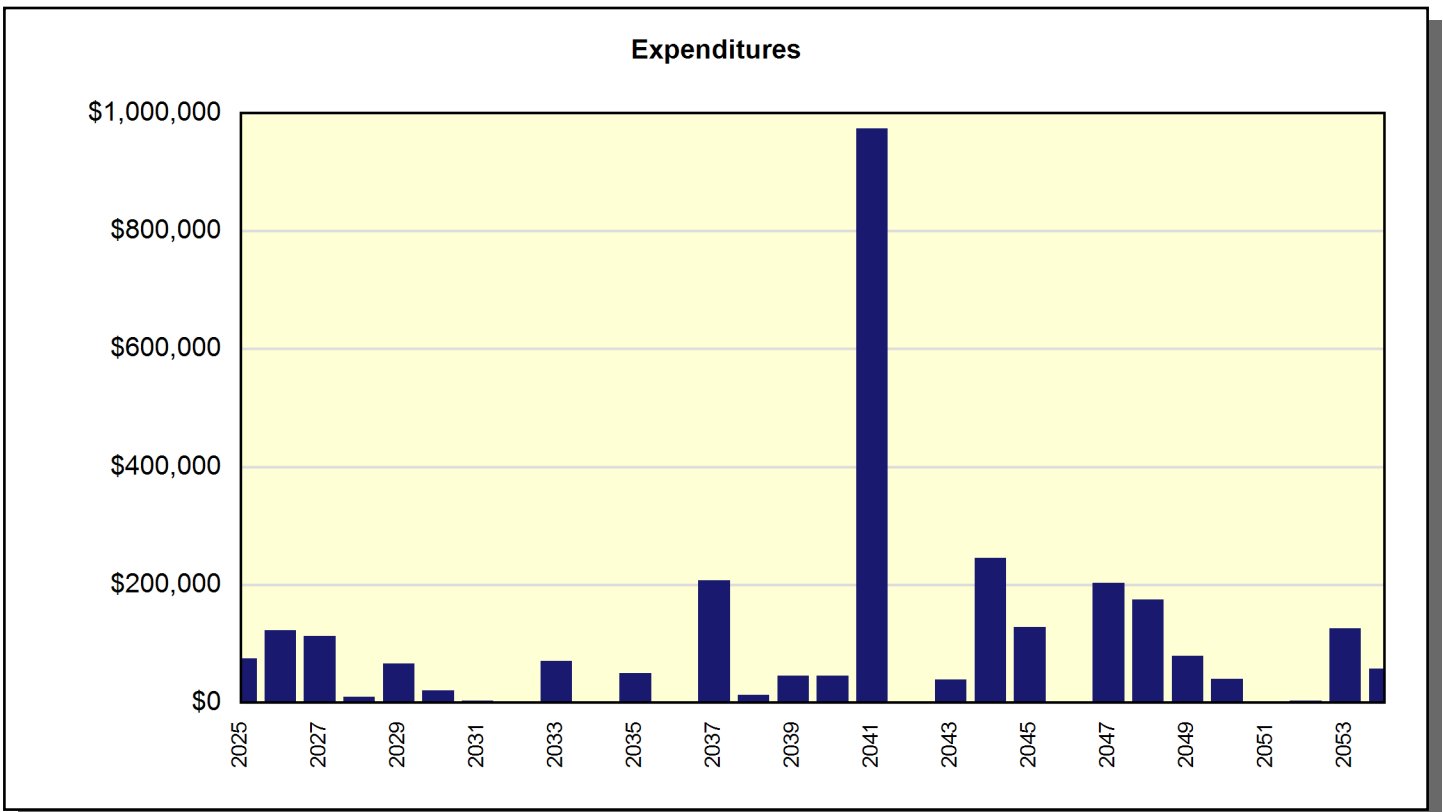
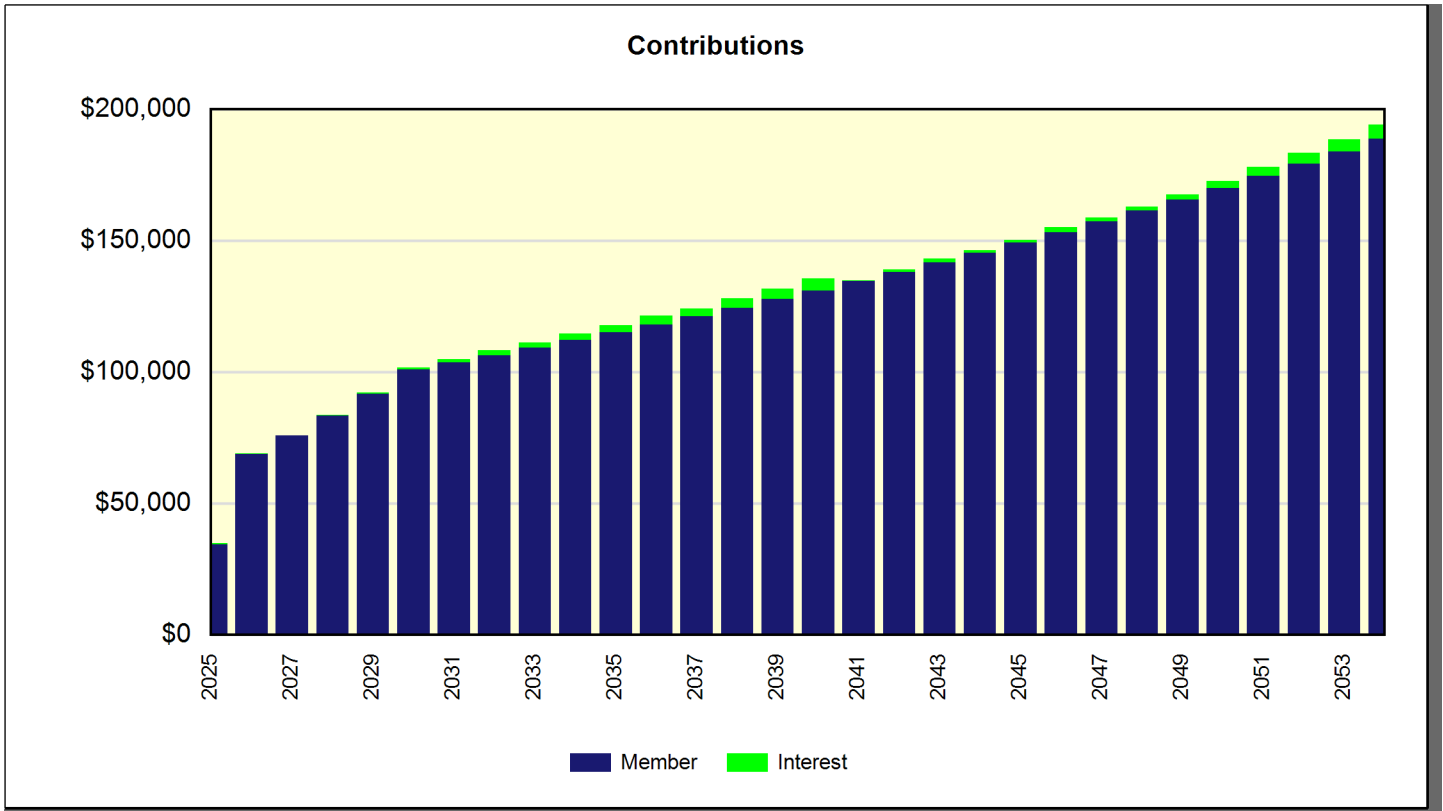
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2025	\$155,644	\$34,496	\$483	\$75,100	\$115,523	\$702,420	16%
2026	\$115,523	\$68,992	\$120	\$123,188	\$61,447	\$655,228	9%
2027	\$61,447	\$75,891	\$0	\$112,721	\$24,534	\$619,159	4%
2028	\$24,534	\$83,480	\$266	\$9,616	\$98,665	\$689,966	14%
2029	\$98,665	\$91,828	\$370	\$66,968	\$123,895	\$705,688	18%
2030	\$123,895	\$101,011	\$750	\$20,577	\$205,079	\$771,576	27%
2031	\$205,079	\$103,678	\$1,248	\$3,582	\$306,422	\$858,923	36%
2032	\$306,422	\$106,415	\$1,780	\$0	\$414,617	\$954,617	43%
2033	\$414,617	\$109,224	\$1,974	\$70,812	\$455,003	\$982,180	46%
2034	\$455,003	\$112,108	\$2,538	\$0	\$569,648	\$1,085,664	52%
2035	\$569,648	\$115,068	\$2,865	\$50,666	\$636,915	\$1,142,282	56%
2036	\$636,915	\$118,105	\$3,459	\$831	\$757,648	\$1,254,215	60%
2037	\$757,648	\$121,223	\$3,034	\$207,805	\$674,101	\$1,158,677	58%
2038	\$674,101	\$124,424	\$3,599	\$12,923	\$789,200	\$1,263,426	62%
2039	\$789,200	\$127,708	\$4,017	\$46,134	\$874,792	\$1,339,610	65%
2040	\$874,792	\$131,080	\$4,455	\$45,882	\$964,444	\$1,420,889	68%
2041	\$964,444	\$134,540	\$261	\$973,896	\$125,349	\$551,403	23%
2042	\$125,349	\$138,092	\$945	\$0	\$264,387	\$661,676	40%
2043	\$264,387	\$141,738	\$1,454	\$39,156	\$368,423	\$737,737	50%
2044	\$368,423	\$145,480	\$950	\$245,491	\$269,361	\$606,452	44%
2045	\$269,361	\$149,320	\$1,048	\$128,595	\$291,135	\$594,615	49%
2046	\$291,135	\$153,262	\$1,805	\$1,116	\$445,086	\$716,798	62%
2047	\$445,086	\$157,309	\$1,571	\$203,586	\$400,380	\$637,267	63%
2048	\$400,380	\$161,462	\$1,499	\$175,254	\$388,086	\$587,792	66%
2049	\$388,086	\$165,724	\$1,929	\$79,076	\$476,663	\$639,254	75%
2050	\$476,663	\$170,099	\$2,577	\$40,305	\$609,034	\$735,652	83%
2051	\$609,034	\$174,590	\$3,453	\$0	\$787,077	\$880,018	89%
2052	\$787,077	\$179,199	\$4,339	\$3,332	\$967,283	\$1,028,953	94%
2053	\$967,283	\$183,930	\$4,639	\$125,836	\$1,030,016	\$1,059,955	97%
2054	\$1,030,016	\$188,786	\$5,306	\$57,736	\$1,166,372	\$1,165,923	100%

The client's 2024 budgeted reserve contribution is \$17,248, which is significantly insufficient given the reserve schedule of expenses outlined in this report. Therefore, we have incorporated a 100% reserve contribution increase for 2025 & 2026, a 10.00% reserve contribution increase from 2027 - 2030, and then a 2.64% reserve contribution increase thereafter.

North Barrington Projection Charts Directed Cash Flow Method



North Barrington Projection Charts Directed Cash Flow Method



North Barrington

Annual Expenditures

Sorted by Alphabetical

2025 Fiscal Year

Grounds: Catch Basin Maintenance	\$3,000.00
Grounds: Irrigation Controller (Lot 62)	\$300.00
Paint: Block Walls	\$20,900.00
Paint: Ramada Support Structure	\$900.00
Paint: Wrought Iron	\$15,000.00
Streets: Asphalt Repair & Seal Coat	\$35,000.00
Sub Total	\$75,100.00

2026 Fiscal Year

Amenity Area: Playstructure	\$82,400.00
Grounds: Irrigation Controller (Lot 63)	\$309.00
Grounds: Irrigation Controller (Lot 71)	\$309.00
Security: Access Phone (Brooks Farm Road)	\$6,180.00
Security: Gate Operators (Brooks Farm Road)	\$22,660.00
Security: Gate Operators (Cooper Road)	\$11,330.00
Sub Total	\$123,188.00

2027 Fiscal Year

Grounds: Granite Replenishment	\$112,720.63
Sub Total	\$112,720.63

2028 Fiscal Year

Grounds: Irrigation Controller (Lot 70)	\$327.82
Grounds: Irrigation Pump Station Equipment	\$9,288.18
Sub Total	\$9,616.00

2029 Fiscal Year

Amenity Area: Park Equipment	\$5,064.79
Grounds: Mailboxes (Kiosk Mounted)	\$22,510.18
Streets: Asphalt Repair & Seal Coat	\$39,392.81
Sub Total	\$66,967.77

2030 Fiscal Year

Grounds: Lighting (Landscape Fixtures)	\$3,188.00
Paint: Wrought Iron	\$17,389.11
Sub Total	\$20,577.11

2031 Fiscal Year

Grounds: Catch Basin Maintenance	\$3,582.16
Sub Total	\$3,582.16

North Barrington

Annual Expenditures

Sorted by Alphabetical

2033 Fiscal Year

Paint: Ramada Support Structure	\$1,140.09
Streets: Asphalt Repair & Seal Coat	\$44,336.95
Walls: Block (Repair/Replace)	\$25,335.40
Sub Total	\$70,812.45

2035 Fiscal Year

Grounds: Irrigation Controller (Lot 62)	\$403.17
Grounds: Irrigation Controller (South Perimeter)	\$2,015.87
Paint: Block Walls	\$28,087.85
Paint: Wrought Iron	\$20,158.75
Sub Total	\$50,665.65

2036 Fiscal Year

Grounds: Irrigation Controller (Lot 63)	\$415.27
Grounds: Irrigation Controller (Lot 71)	\$415.27
Sub Total	\$830.54

2037 Fiscal Year

Grounds: Catch Basin Maintenance	\$4,277.28
Grounds: Granite Replenishment	\$151,487.09
Grounds: Irrigation Controller (Lot 44)	\$2,138.64
Streets: Asphalt Repair & Seal Coat	\$49,901.63
Sub Total	\$207,804.65

2038 Fiscal Year

Grounds: Irrigation Controller (Lot 70)	\$440.56
Grounds: Irrigation Pump Station Equipment	\$12,482.54
Sub Total	\$12,923.10

2039 Fiscal Year

Fencing/Gates: Wrought Iron (Brooks Farm Road)	\$26,470.32
Fencing/Gates: Wrought Iron (Cooper Road)	\$19,663.67
Sub Total	\$46,133.99

2040 Fiscal Year

Grounds: Lighting (Landscape Fixtures)	\$4,284.41
Grounds: Lighting (Pole Mounted Fixtures)	\$2,648.54
Grounds: Monument Sign Components	\$15,579.67
Paint: Wrought Iron	\$23,369.51
Sub Total	\$45,882.14

North Barrington

Annual Expenditures

Sorted by Alphabetical

2041 Fiscal Year

Paint: Ramada Support Structure	\$1,444.24
Security: Access Phone (Brooks Farm Road)	\$9,628.24
Security: Gate Operators (Brooks Farm Road)	\$35,303.54
Security: Gate Operators (Cooper Road)	\$17,651.77
Streets: Asphalt Rehabilitation	\$853,703.83
Streets: Asphalt Repair & Seal Coat	\$56,164.73
Sub Total	\$973,896.34

2043 Fiscal Year

Grounds: Catch Basin Maintenance	\$5,107.30
Walls: Block (Repair/Replace)	\$34,048.66
Sub Total	\$39,155.96

2044 Fiscal Year

Fencing/Gates: Wrought Iron (Perimeter/Interior)	\$245,490.85
Sub Total	\$245,490.85

2045 Fiscal Year

Grounds: Irrigation Controller (Lot 62)	\$541.83
Paint: Block Walls	\$37,747.72
Paint: Wrought Iron	\$27,091.67
Streets: Asphalt Repair & Seal Coat	\$63,213.89
Sub Total	\$128,595.12

2046 Fiscal Year

Grounds: Irrigation Controller (Lot 63)	\$558.09
Grounds: Irrigation Controller (Lot 71)	\$558.09
Sub Total	\$1,116.18

2047 Fiscal Year

Grounds: Granite Replenishment	\$203,585.99
Sub Total	\$203,585.99

2048 Fiscal Year

Amenity Area: Playstructure	\$157,886.92
Grounds: Irrigation Controller (Lot 70)	\$592.08
Grounds: Irrigation Pump Station Equipment	\$16,775.49
Sub Total	\$175,254.48

2049 Fiscal Year

Grounds: Catch Basin Maintenance	\$6,098.38
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North Barrington
Annual Expenditures
Sorted by Alphabetical

Paint: Ramada Support Structure	\$1,829.51
Streets: Asphalt Repair & Seal Coat	\$71,147.79
Sub Total	\$79,075.69

2050 Fiscal Year

Grounds: Irrigation Controller (South Perimeter)	\$3,140.67
Grounds: Lighting (Landscape Fixtures)	\$5,757.89
Paint: Wrought Iron	\$31,406.67
Sub Total	\$40,305.23

2052 Fiscal Year

Grounds: Irrigation Controller (Lot 44)	\$3,331.93
Sub Total	\$3,331.93

2053 Fiscal Year

Streets: Asphalt Repair & Seal Coat	\$80,077.47
Walls: Block (Repair/Replace)	\$45,758.55
Sub Total	\$125,836.02

2054 Fiscal Year

Amenity Area: Park Equipment	\$10,604.54
Grounds: Mailboxes (Kiosk Mounted)	\$47,131.31
Sub Total	\$57,735.85

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Streets: Asphalt Rehabilitation

Category	010 Streets	Quantity	152,000 sq. ft.
		Unit Cost	\$3.50
		% of Replacement	100.00%
		Current Cost	\$532,000.00
Placed In Service	01/2004	Future Cost	\$853,703.83
Useful Life	37		
		Assigned Reserves at FYB	\$0.00
Remaining Life	16	Monthly Member Contribution	\$651.41
Replacement Year	2041	Monthly Interest Contribution	\$4.61
		Total Monthly Contribution	\$656.02

This component budgets to remove & repave the community asphalt.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Streets: Asphalt Repair & Seal Coat

Category	010 Streets	Quantity	1 total
		Unit Cost	\$35,000.00
		% of Replacement	100.00%
		Current Cost	\$35,000.00
Placed In Service	04/2020	Future Cost	\$39,392.81
Useful Life	4		
		Assigned Reserves at FYB	\$35,000.00
Remaining Life	0	Monthly Member Contribution	\$148.83
Replacement Year	2025	Monthly Interest Contribution	\$1.05
		Total Monthly Contribution	\$149.88

Known Historical Expenditures:

October 2014: crack seal & seal coat at a cost of \$17,445.82
 April 2020: repairs & modified slurry seal at a cost of \$39,750

The client did not provide to us any information on why they did a slurry seal application in 2020, or how they intend to maintain the asphalt going forward. Therefore, we have continued to incorporate our own asphalt maintenance program. This component includes a provision to crack seal, repair & seal coat the asphalt in 2025, and then on a four (4) year cycle.

It should be noted that the repair/seal coat and rehabilitation assets are budgeted to occur in the same budget year. It is recommended that the asphalt be seal coated within 6 months of rehabilitation. Therefore, this component appears in the same year as the rehabilitation project. If the Association chooses not to seal coat within 6 months of rehabilitation, the accumulated funds can be used for any additional expenses associated with the rehabilitation, or remain in the reserve account to be reallocated to other future projects.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Paint: Block Walls

Category	030 Painting	Quantity	38,000 sq. ft.
		Unit Cost	\$0.55
		% of Replacement	100.00%
		Current Cost	\$20,900.00
Placed In Service	01/2004	Future Cost	\$28,087.85
Useful Life	10		
		Assigned Reserves at FYB	\$20,900.00
Remaining Life	0	Monthly Member Contribution	\$38.19
Replacement Year	2025	Monthly Interest Contribution	\$0.27
		Total Monthly Contribution	\$38.46

This component budgets to repaint the perimeter & interior common area facing block walls.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Paint: Ramada Support Structure

Category	030 Painting	Quantity	1 ramada
		Unit Cost	\$900.00
		% of Replacement	100.00%
		Current Cost	\$900.00
Placed In Service	01/2012	Future Cost	\$1,140.09
Useful Life	8		
		Assigned Reserves at FYB	\$900.00
Remaining Life	0	Monthly Member Contribution	\$2.01
Replacement Year	2025	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$2.02

This component budgets to repaint the metal ramada support structure.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Paint: Wrought Iron

Category	030 Painting	Quantity	1 total
		Unit Cost	\$15,000.00
		% of Replacement	100.00%
		Current Cost	\$15,000.00
Placed In Service	01/2016	Future Cost	\$17,389.11
Useful Life	5		
		Assigned Reserves at FYB	\$15,000.00
Remaining Life	0	Monthly Member Contribution	\$51.65
Replacement Year	2025	Monthly Interest Contribution	\$0.37
		Total Monthly Contribution	\$52.01

The following wrought iron components were repainted in early 2016 by Titan Painting, Inc. at a cost of \$8,050:

- Brooks Farm Road entrance/exit gates & fencing
- Cooper Road exit gates & fencing
- interior common area fencing
- perimeter fencing & gates

This component budgets to repaint these components every five (5) years.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Fencing/Gates: Wrought Iron (Brooks Farm Road)

Category	040 Fencing & Walls	Quantity	1 total
		Unit Cost	\$17,500.00
		% of Replacement	100.00%
		Current Cost	\$17,500.00
Placed In Service	01/2004	Future Cost	\$26,470.32
Useful Life	35		
		Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$23.93
Replacement Year	2039	Monthly Interest Contribution	\$0.17
		Total Monthly Contribution	\$24.10

This component includes a provision to replace the following wrought iron components at the Brooks Farm Road entrance/exit area:

- 24 - LF of 5'8" fencing
- 2 - 5'8" x 4'0" pedestrian gates
- 2 - 5'8" x 10'2" vehicle gates
- 2 - 5'8" x 10'4" vehicle gates

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Fencing/Gates: Wrought Iron (Cooper Road)

Category	040 Fencing & Walls	Quantity	1 total
		Unit Cost	\$13,000.00
		% of Replacement	100.00%
		Current Cost	\$13,000.00
Placed In Service	01/2004	Future Cost	\$19,663.67
Useful Life	35		
		Assigned Reserves at FYB	\$0.00
Remaining Life	14	Monthly Member Contribution	\$17.78
Replacement Year	2039	Monthly Interest Contribution	\$0.13
		Total Monthly Contribution	\$17.90

This component includes a provision to replace the following wrought iron components at the Cooper Road exit area::

- 2 - LF of 5'8" fencing
- 2 - 5'8" x 4'0" pedestrian gates
- 2 - 5'8" x 15'9" vehicle gates

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Fencing/Gates: Wrought Iron (Perimeter/Interior)

Category	040 Fencing & Walls	Quantity	1 total
		Unit Cost	\$140,000.00
		% of Replacement	100.00%
		Current Cost	\$140,000.00
Placed In Service	01/2004	Future Cost	\$245,490.85
Useful Life	40		
		Assigned Reserves at FYB	\$0.00
Remaining Life	19	Monthly Member Contribution	\$149.38
Replacement Year	2044	Monthly Interest Contribution	\$1.06
		Total Monthly Contribution	\$150.44

This component will accumulate funds on a 40 year cycle for the replacement of the following wrought iron components located in the greenbelt, at two locations along the north perimeter, and along Cooper Road between Lots 13 & 72 on an "as needed" basis. In August 2023, 20 lin. ft. of wrought iron fencing located in the greenbelt (1796 E. Tonto Drive) was replaced at a cost of \$1,400.

- 490 - lin. ft. of 3'9" fencing
- 1,650 - lin. ft. of 5'8" fencing
- 1 - 5'8" x 4'0" pedestrian gate
- 1 - 5'8" x 5'0" pedestrian gate

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Walls: Block (Repair/Replace)

Category	040 Fencing & Walls	Quantity	1 total
		Unit Cost	\$20,000.00
		% of Replacement	100.00%
		Current Cost	\$20,000.00
Placed In Service	08/2023	Future Cost	\$25,335.40
Useful Life	10		
		Assigned Reserves at FYB	\$0.00
Remaining Life	8	Monthly Member Contribution	\$44.61
Replacement Year	2033	Monthly Interest Contribution	\$0.32
		Total Monthly Contribution	\$44.93

There is approximately 38,000 sq. ft. of perimeter & interior common area facing block walls. Historical wall repair/replacement projects include:

- 2016: spent \$5,856 to replace two sections of walls
- 2023: spent \$16,000 to replace 78 lin. ft. of block walls

Going forward, this component will accumulate funds on a 10 year cycle for block wall repairs/replacements on an "as needed" basis. The budgeted amount and useful life cycle should be adjusted over time as wall conditions dictate.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Amenity Area: Park Equipment

Category	065 Amenity Area	Quantity	1 total
		Unit Cost	\$4,500.00
		% of Replacement	100.00%
		Current Cost	\$4,500.00
Placed In Service	01/2004	Future Cost	\$5,064.79
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	4	Monthly Member Contribution	\$19.14
Replacement Year	2029	Monthly Interest Contribution	\$0.14
		Total Monthly Contribution	\$19.27

This component includes a provision to replace the following park equipment at the amenity area on an "as needed" basis:

- 1 - 45" square picnic table w/4 seats (in-ground)
- 2 - trash receptacles w/lids

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Amenity Area: Playstructure

Category	065 Amenity Area	Quantity	1 total
		Unit Cost	\$80,000.00
		% of Replacement	100.00%
		Current Cost	\$80,000.00
Placed In Service	01/2004	Future Cost	\$82,400.00
Useful Life	22		
		Assigned Reserves at FYB	\$42,776.73
Remaining Life	1	Monthly Member Contribution	\$627.48
Replacement Year	2026	Monthly Interest Contribution	\$15.00
		Total Monthly Contribution	\$642.48

This component budgets to replace the Park Structures playstructure, and also includes a provision for mulch replenishment on an "as needed" basis.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Security: Access Phone (Brooks Farm Road)

Category	080 Access/Security	Quantity	1 access phone
		Unit Cost	\$6,000.00
		% of Replacement	100.00%
		Current Cost	\$6,000.00
Placed In Service	01/2004	Future Cost	\$6,180.00
Useful Life	15		
Adjustment	+7	Assigned Reserves at FYB	\$5,727.27
Remaining Life	1	Monthly Member Contribution	\$6.75
Replacement Year	2026	Monthly Interest Contribution	\$1.46
		Total Monthly Contribution	\$8.21

This is an original Door King entry access phone that is still operational. We have scheduled its replacement for 2026.

Location: Brooks Farm Road gated entrance

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Security: Gate Operators (Brooks Farm Road)

Category	080 Access/Security	Quantity	4 gate operators
		Unit Cost	\$5,500.00
		% of Replacement	100.00%
		Current Cost	\$22,000.00
Placed In Service	01/2004	Future Cost	\$22,660.00
Useful Life	15		
Adjustment	+7	Assigned Reserves at FYB	\$21,000.00
Remaining Life	1	Monthly Member Contribution	\$24.76
Replacement Year	2026	Monthly Interest Contribution	\$5.36
		Total Monthly Contribution	\$30.11

These are Elite swing gate operators that are still operational. We have scheduled their replacement for 2026.

Location: Brooks Farm Road gated entrance/exit

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Security: Gate Operators (Cooper Road)

Category	081 Access/Security	Quantity	2 gate operators
		Unit Cost	\$5,500.00
		% of Replacement	100.00%
		Current Cost	\$11,000.00
Placed In Service	01/2004	Future Cost	\$11,330.00
Useful Life	15		
Adjustment	+7	Assigned Reserves at FYB	\$10,500.00
Remaining Life	1	Monthly Member Contribution	\$12.38
Replacement Year	2026	Monthly Interest Contribution	\$2.68
		Total Monthly Contribution	\$15.06

These are Elite swing gate operators that are still operational. We have scheduled their replacement for 2026.

Location: Cooper Road gated exit

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Catch Basin Maintenance

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$3,000.00
		% of Replacement	100.00%
		Current Cost	\$3,000.00
Placed In Service	01/2016	Future Cost	\$3,582.16
Useful Life	6		
		Assigned Reserves at FYB	\$3,000.00
Remaining Life	0	Monthly Member Contribution	\$8.71
Replacement Year	2025	Monthly Interest Contribution	\$0.06
		Total Monthly Contribution	\$8.77

\$2,340 was spent to clean out the six (6) community catch basins in early 2016. This component will accumulate funds for similar work every six (6) years.

NOTE: Should the client indicate that catch basin maintenance will be an operating expense going forward, we will delete this component from the reserve study.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Concrete Components (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2004	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

There is a concrete repairs/replacements line item in the operating budget (\$0.00 budgeted for 2024). We have assumed that a dollar amount will be included when concrete repairs/replacements are needed.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Drywell Maintenance (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2004	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

\$8,700 was spent out of the reserve account in early 2016 to inspect & clean out the nine (9) community drywells in early 2016. However, there is now a line item in the client's operating budget for drywell maintenance (\$1,000 in 2024). Therefore, we have excluded drywell maintenance as a reserve expense going forward. The following comments apply:

Drywell systems should be inspected annually to determine how much debris has accumulated in the system and to develop a clean out schedule. Some drywell systems will require immediate repair of broken components and clean out, while others won't require maintenance for a number of years. On average, drywell systems require clean out every 5 - 7 years. A drywell should be cleaned out once 10% or more of the chamber is occupied. If maintained properly, drywells are designed to last as long as any other part of the community infrastructure. Thus, no provision has been included for their replacement.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Granite Replenishment

Category	100 Grounds	Quantity	1,250 tons
		Unit Cost	\$85.00
		% of Replacement	100.00%
		Current Cost	\$106,250.00
Placed In Service	01/2017	Future Cost	\$112,720.63
Useful Life	10		
		Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$881.95
Replacement Year	2027	Monthly Interest Contribution	\$6.25
		Total Monthly Contribution	\$888.19

Historical Granite Replenishment Expenditures:

2016 - 2018: spent \$40,836 to replenish the granite at various locations (front entrance, back exit area, park area, other interior areas)

2020: spent \$1,000 to replenish granite at the monument sign areas

2023: spent \$5,005 to replenish granite at the common area next to Lot 1 (NW corner of property)

Currently, the overall appearance/condition of the granite throughout the community's common areas is fair to poor, including the area at the NW corner that was recently replenished. This component budgets to replenish all of the community granite by 2027, and then on a 10 year cycle, with a 1" layer of new granite added to the existing base. The cost is an estimate for purchase, delivery & installation. Should the client wish to budget for granite replenishment in a different manner, we will do so at their request in a revision or future update of this report.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation Controller (Lot 44)

Category	100 Grounds	Quantity	1 controller
		Unit Cost	\$1,500.00
		% of Replacement	100.00%
		Current Cost	\$1,500.00
Placed In Service	04/2022	Future Cost	\$2,138.64
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	12	Monthly Member Contribution	\$2.34
Replacement Year	2037	Monthly Interest Contribution	\$0.02
		Total Monthly Contribution	\$2.35

This is a Weathermatic Smartline SL4800 controller that was purchased/installed in April 2022 at a cost of \$1,090.

Location: Lot 44

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation Controller (Lot 62)

Category	100 Grounds	Quantity	1 controller
		Unit Cost	\$300.00
		% of Replacement	100.00%
		Current Cost	\$300.00
Placed In Service	07/2015	Future Cost	\$403.17
Useful Life	10		
		Assigned Reserves at FYB	\$300.00
Remaining Life	0	Monthly Member Contribution	\$0.55
Replacement Year	2025	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.55

This is an RD-600-R controller.

Location: Lot 62

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation Controller (Lot 63)

Category	100 Grounds	Quantity	1 controller
		Unit Cost	\$300.00
		% of Replacement	100.00%
		Current Cost	\$300.00
Placed In Service	01/2016	Future Cost	\$309.00
Useful Life	10		
		Assigned Reserves at FYB	\$270.00
Remaining Life	1	Monthly Member Contribution	\$0.60
Replacement Year	2026	Monthly Interest Contribution	\$0.07
		Total Monthly Contribution	\$0.67

This is an RD-600-R controller.

Location: Lot 63

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation Controller (Lot 70)

Category	100 Grounds	Quantity	1 controller
		Unit Cost	\$300.00
		% of Replacement	100.00%
		Current Cost	\$300.00
Placed In Service	07/2018	Future Cost	\$327.82
Useful Life	10		
		Assigned Reserves at FYB	\$0.00
Remaining Life	3	Monthly Member Contribution	\$1.68
Replacement Year	2028	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$1.69

This is an RD-600-R controller.

Location: Lot 70 (next to the exit gates)

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation Controller (Lot 71)

Category	100 Grounds	Quantity	1 controller
		Unit Cost	\$300.00
		% of Replacement	100.00%
		Current Cost	\$300.00
Placed In Service	01/2016	Future Cost	\$309.00
Useful Life	10		
		Assigned Reserves at FYB	\$270.00
Remaining Life	1	Monthly Member Contribution	\$0.60
Replacement Year	2026	Monthly Interest Contribution	\$0.07
		Total Monthly Contribution	\$0.67

This is an RD-600-R controller.

Location: Lot 71 (next to the exit gates)

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation Controller (South Perimeter)

Category	100 Grounds	Quantity	1 controller
		Unit Cost	\$1,500.00
		% of Replacement	100.00%
		Current Cost	\$1,500.00
Placed In Service	07/2020	Future Cost	\$2,015.87
Useful Life	15		
		Assigned Reserves at FYB	\$0.00
Remaining Life	10	Monthly Member Contribution	\$2.74
Replacement Year	2035	Monthly Interest Contribution	\$0.02
		Total Monthly Contribution	\$2.76

This is a Weathermatic Smartline SL4800 controller that was purchased/installed in July 2020 at a cost of \$997.

Location: south perimeter wall across from the booster pump station

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation Pump Station Equipment

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$8,500.00
		% of Replacement	100.00%
		Current Cost	\$8,500.00
Placed In Service	07/2018	Future Cost	\$9,288.18
Useful Life	10		
		Assigned Reserves at FYB	\$0.00
Remaining Life	3	Monthly Member Contribution	\$47.61
Replacement Year	2028	Monthly Interest Contribution	\$0.34
		Total Monthly Contribution	\$47.95

\$3,515.33 was spent in mid-2018 to replace the centrifugal pump associated with the irrigation booster pump station. Going forward, this component will accumulate funds on a 10 year cycle for the major repair/replacement of the equipment at the pump station on an "as needed" basis.

Pump Station Location: along Brooks Farm Road near Lot 66

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Irrigation System Replacement (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2004	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

Irrigation systems are one of the most difficult items to budget for without specific information provided by an expert who is familiar with the system inventory and system condition. We have been advised by irrigation system experts that most system components (piping, sprinkler heads, valves, etc) have a useful life of 20+ years. However, budgeting for the replacement of an irrigation system requires evaluation of the present condition (to identify remaining useful life) and replacement cost - both of which call for expert evaluation, but fall outside the scope of a reserve study.

Therefore, we recommend that the Association board and/or management company have the system evaluated to determine the appropriate scope of work, projected replacement cost and remaining life, all of which are necessary so that budgeting can be included in a revision or future update of this analysis.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Lighting (Landscape Fixtures)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$2,750.00
		% of Replacement	100.00%
		Current Cost	\$2,750.00
Placed In Service	04/2020	Future Cost	\$3,188.00
Useful Life	10		
		Assigned Reserves at FYB	\$0.00
Remaining Life	5	Monthly Member Contribution	\$9.47
Replacement Year	2030	Monthly Interest Contribution	\$0.07
		Total Monthly Contribution	\$9.54

New, ground level landscape light fixtures were installed at the Brooks Farm Road entrance area & Cooper Road exit area in mid-late 2015 at a cost of \$1,505. Another \$2,400 was spent on a "lighting package" in 2020. This component will accumulate funds on a 10 year cycle for the replacement of the ground level landscape fixtures on an "as needed" basis.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Lighting (Pole Mounted Fixtures)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$1,700.00
		% of Replacement	100.00%
		Current Cost	\$1,700.00
Placed In Service	08/2015	Future Cost	\$2,648.54
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	15	Monthly Member Contribution	\$2.19
Replacement Year	2040	Monthly Interest Contribution	\$0.02
		Total Monthly Contribution	\$2.21

\$1,390 was spent in mid-late 2015 to replace the two, pole mounted box style light fixtures at the Brooks Farm Road entrance/exit area.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Mailboxes (Kiosk Mounted)

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$20,000.00
		% of Replacement	100.00%
		Current Cost	\$20,000.00
Placed In Service	01/2004	Future Cost	\$22,510.18
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	4	Monthly Member Contribution	\$85.04
Replacement Year	2029	Monthly Interest Contribution	\$0.60
		Total Monthly Contribution	\$85.65

This component includes a provision to replace the following kiosk mounted mailboxes:

- 2 - 12 box sets w/1 parcel locker
- 4 - 16 box sets w/2 parcel lockers

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Metal Ramada Roof (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
Placed In Service	01/2004	Future Cost	\$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00

We are not budgeting to replace the metal ramada roof because this type of roof has an indefinite useful life. Any required repairs should be handled on an "as needed" basis using operating funds.

North Barrington
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Monument Sign Components

Category	100 Grounds	Quantity	1 total
		Unit Cost	\$10,000.00
		% of Replacement	100.00%
		Current Cost	\$10,000.00
Placed In Service	07/2020	Future Cost	\$15,579.67
Useful Life	20		
		Assigned Reserves at FYB	\$0.00
Remaining Life	15	Monthly Member Contribution	\$12.91
Replacement Year	2040	Monthly Interest Contribution	\$0.09
		Total Monthly Contribution	\$13.00

The letters making up the two monument signs at the Brooks Farm Road entrance indicate "NORTH BARRINGTON". These letters were stripped & recoated in August 2013 at a cost of \$400. In 2020, \$6,550 was spent to add stone work to the monument signs. Going forward, this component will accumulate funds on a 20 year cycle for the refurbishment/replacement of the monument sign components (letters, tile work, etc.).

North Barrington

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