



RESERVE FUND REPORT

**KINGS HEIGHTS HOA
1402 KINGS HEIGHTS BLVD SE
AIRDRIE, ALBERTA**

5012158274



July 13, 2023

File No. RI135412

Kings Heights Home Owner Association
c/o Astoria Asset Management Ltd.
Suite 202, 150 Edwards Way NW
Airdrie, Alberta
T4A 4B9

Attention: Shannalee Ward

**RE: Reserve Fund Report
Kings Heights HOA
1402 Kings Heights Blvd SE
Airdrie, Alberta
5012158274**

Pursuant to your request, we have completed a reserve fund study of the above referenced property. This report, which summarizes the study, provides current and future replacement cost estimates and recommends a reserve fund program for the above noted property.

Certain assumptions and conditions were applied in preparing this study. They are contained in the Standard Limiting Conditions and Assumptions and elsewhere within the report. It is the Standard Limiting Conditions and Assumptions, Underlying Assumptions as well as Scope of Investigation & Analysis. It is the reader's responsibility to read and review all limiting conditions and assumptions prior to making any decision related to the use of the report. Additional funds may be required outside the Reserve Fund to address any building deficiencies reported to the Association and noted in the Special Assumptions and Terms of Reference. To the extent that any conditions and assumptions noted herein are modified or amended, then the data, analyses, and conclusions contained herein may require adjustment.

The reader is referred to the copyright provisions contained in the Executive Summary page.

We appreciate the opportunity of providing this reserve fund study and report. If you have any questions, please contact the undersigned.

Yours truly,

Reliance Asset Consulting Inc.

Daniel B. Jablonski, CRP



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EXECUTIVE SUMMARY

Details:	Kings Heights HOA 1402 Kings Heights Blvd SE Airdrie, Alberta
Legal Description:	5012158274
Property Description:	Kings Heights Home Owner Association
Report Date:	July 13, 2023
Inspection Date:	November 23, 2022
Plan Commencement Date:	January 01, 2023
Financial Year End:	December 31

Limiting Conditions & Assumptions

Certain assumptions were made as part of the analyses contained herein. These assumptions are contained in the Standard Limiting Conditions & Assumptions, Underlying Assumptions and Scope of Investigation and Analysis sections of the report.

Copyright Provisions

All rights are reserved. The client and only the client, as noted herein, has permission to photocopy the report, for the legitimate purpose of providing information to the board of directors and the members of the client. In order to recognize the full scope of this report it must be reviewed in its entirety.



ASSUMPTIONS, CONCLUSIONS, AND RECOMMENDATIONS

Assumptions

The Stabilized Interest Rate for the study horizon was set at 3% per annum and a short-term interest rate of 2% was utilized for the first five years. The Stabilized Inflation Rate was set at 3.5% per annum.

Conclusions

The goal of the financial plan(s) recommended is to maintain sufficiently funded position during the 30-year study horizon. At this level of funding the Association should be able to adequately provide for all regularly expected expenditures for the next 25 years and additionally 40 years. The plan also provides a buffer for some pre-mature failures if they occur. The plan is designed to provide a fair and stabilized reserve contribution. If the recommended plan is followed, reserve contribution increases should be fairly stable and should remove the likelihood of special levies. However as pre-mature failures and unforeseen repairs do occur it is impossible to predict this with certainty. These conclusions are based on the provision that the interest rates and inflation rate assumptions remain reflective of the local economy, and regular maintenance is being completed.

Recommendations

Based on the analysis contained herein, no special assessments are recommended.



RESERVE FUND STUDY, AND REPORT

Introduction

The intent of this document is to assist in establishing and maintaining a capital replacement reserve fund to be used to provide sufficient funds that can reasonably be expected to provide for major repairs and replacement of any real and personal property owned by the Association where the repair and replacement is of a nature that does not normally occur annually.

The study is divided between the Physical and Financial Analysis.

Physical Analysis

The physical analysis includes an inventory of all of the depreciating property that, under the circumstances under which that property will be or is normally used, may need to be repaired or replaced. The present observed condition or state of repair of the depreciating property and an estimate as to when each component of the depreciating property may be required to be repaired or replaced is provided. Estimated costs of repairs or replacement of the depreciating property are also provided and forecasted at a future date. The basis for these estimated costs is such that they are not less than the costs existing at the time that the reserve fund report is prepared. The life expectancy of each component of the depreciating property is included once that property has been repaired or replaced.

Financial Analysis

The financial analysis determines the current amount of funds, if any, included in the reserve or contingency fund if it exists. Recommends the amount of funds, if any, that should be included in or added to the reserve fund in order to provide the necessary funds to establish and maintain sufficient funds that will be available by means of contributions, or any other method that is reasonable in the circumstances, to repair or replace, as the case may be, the depreciating property in accordance with the reserve fund report.



STANDARD LIMITING CONDITIONS AND ASSUMPTIONS

The certification at the end of this report is subject to these limiting conditions and assumptions:

This report is prepared for the purpose of reserve fund planning, as outlined herein. No person other than the Association (hereinafter referred to as "the client") or a bona-fide purchaser may use or rely upon this report without first obtaining prior written authorization from Reliance Asset Consulting Inc. (hereinafter referred to as "Reliance"). Reliance and the authors of this report shall not assume any of the duties or liabilities of the owners and/or builders of the property. This report may contain other limiting conditions, qualifications, or assumptions, in addition to those set forth below, that pertain to the purpose of this report.

Reliance reserves the right, at its sole discretion, at any time to alter statements, analyses, conclusions, or any estimates contained herein if Reliance becomes aware of facts pertinent to the process which were unknown at the time the report was prepared. Certain assumptions were made throughout this report. No investigation, legal or otherwise, has been undertaken to verify these assumptions except as expressly noted herein.

Once any reserve fund study is issued subsequent to the date of this report, whether it is issued by Reliance or by any other firm person or Association, then this report shall become null and void. The onus is on the reader to determine if any there is any such reserve fund study in existence prior to relying upon this report.

The reserve estimates contained herein should be reviewed from time to time, particularly, in the context of repair experience and problem investigations, including the following: water damage, building envelope failures, structural problems, cracks in the walls and foundation, post tension construction concerns, waterproofing membranes, and environmental issues, etc.

Reserve fund estimates are subjective, and they are based on the writer's understanding of the life cycle of building components and experience gained from analyzing buildings. The level of maintenance for any component described herein may alter the estimated remaining life of that component. Decisions to replace components are not to be made solely based on this report. A detailed review should be made prior to considering a major repair or replacement as to scope and timing. It must be appreciated that reserve fund budgeting and projections are not exact sciences. They are, at best, prudent provisions for all possible contingencies, if, as, and when they arise. Industry costs of labour and materials are dependent on competition and supply and demand cycles. The cost projections are approximate and intended for general budgeting purposes only. Reserve fund requirements are subject to change and should be reviewed and modified over time. The Association should adopt a long-term policy regarding reserve fund allocations. The policy must be flexible to accommodate changes in reserve fund requirements in the future.

To arrive at supportable replacement cost estimates, it was necessary to utilize both documented and other cost data. A concerted effort was put forth to verify the accuracy of the information contained herein. Accordingly, the information is believed to be reliable and correct, and it has been gathered to standard professional procedures. However, no guarantee as to the accuracy of the data is implied. In estimating various reserve items, certain assumptions are made with respect to structural repairs and replacements of improvements. For example, reserves for structural repairs, and replacements of certain mechanical and electrical components, are difficult to predict and/or quantify. Thus, the best approach is to provide allowances that provide a range of cost estimates which can be reviewed regularly and adjusted as required.



The distribution of cost and other estimates in this report applies only under the program of utilization as identified in this report. The estimates herein must not be used in conjunction with any other study and may be invalid if so used. Unless otherwise noted, all fees, costs, and cost estimates are expressed in Canadian dollars. The agreed compensation for services rendered in preparing this report does not include fees for consultations and/or arbitrations, if any. Should personal appearances be required in connection with this report, additional fees will have to be negotiated.

Within the complex certain components will require replacement during the study horizon. Except as expressly stated otherwise within this report, it is assumed that all such components will be replaced with components which are similar in terms of design, quality, workmanship and materials unless otherwise specified.

Unless otherwise stated in this report, the existence of hazardous materials, substances or gases, which may or may not be present within, on, or near the property, has been disregarded in the analysis. Reliance is not qualified to detect substances such as asbestos, mold, bacteria, fungi, volatile organic compounds (voc's), radon or other similar gases, urea-formaldehyde foam insulation, or other potentially hazardous or toxic materials and/or substances which may affect the property. The analyses in this report assume that there are no such substances, materials and/or conditions. Reliance is not responsible for any such matters and/or the expertise required to discover them. The Client is urged to retain the appropriate experts for all such matters.

No legal surveys; soil, air or water quality tests; construction code reviews; technical audits; condition surveys, engineering investigations; environmental investigations; detailed quantity surveys; nor exhaustive physical examinations have been made. Therefore, no responsibility is assumed for such matters. When buildings and/or other ancillary improvements are present the architectural, structural, mechanical, electrical, and other plans and specifications provided are assumed to be correct. Furthermore, all buildings and improvements are deemed to have been constructed and finished in accordance with such plans and specifications, unless otherwise noted. No responsibility is assumed for any inherent, latent or hidden defects, damages or conditions of the property. The analysis herein assumes that the structural components within the complex will last the physical life of the complex unless specified herein. For that reason, replacement of such components was not accounted for within this report.

No investigation has been undertaken with the local zoning office, the fire department, the building inspectors, the health department, or any other municipal or government regulatory agencies. It is assumed that the subject property complies with all current government codes, regulations, bylaws and legislation. If the subject property does not comply in any respect, then the data, analyses and conclusions contained herein may require adjustment. To be certain of compliance, further investigations would be required by the appropriate qualified experts. To determine if there is compliance is beyond the scope of this report.

The legal and survey descriptions of the property as stated herein are those which are recorded by the Registrar of the Land Titles Office. All such descriptions are assumed to be correct. For purposes of this report, the following conversion factors were used: 1 foot = 0.3048 meters; and 1 square meter = 10.7639 square feet.

This report assumes that the existing service providers for natural gas, electrical power, cable television and telephone will be responsible for the maintenance, repair and replacement of their respective infrastructures on the complex. If the governing body engages other service providers who do not provide the same level of maintenance, repair and replacement as the existing service providers, then the data, analyses and conclusions contained herein may require adjustment.



SCOPE OF INVESTIGATION AND ANALYSIS

A reserve fund report is a financial document and is not a structural analysis or technical audit. Unlike a technical audit which may include test openings, air leakage testing, thermography, water testing and indoor quality testing as examples the reserve fund study is meant to be a financial guide in the budgeting and forecasting for replacement and repair of the Associations' depreciating assets. The common areas for the buildings, where applicable and for the site were inspected. Available plans and documents were examined for construction details and other relevant component data. For purposes of the study, the data was calculated using dimensions and information taken from the plans that were available. In addition, some of the dimensions and information were obtained from the onsite inspection.

The inspection process was based on the following:

- Only a visual sampling and a visual surface review of the complex were made.
- Areas were inspected if access was provided.
- None of the components were dismantled and no invasive testing was conducted.
- Some components were not exposed for view and documentation was limited.
- The findings herein describe the general condition of the complex only.
- No technical audits or condition surveys were conducted. Technical audits and condition surveys are outside the scope of this reserve study.



The following plans, drawings and documents were requested in the Letter of Engagement for examination from the Association:

1. A written list of the repairs, replacements and renovations that will be undertaken by the client on all the common area components.
2. Any pertinent component Audits, Studies or Estimates
3. List of components as HOA responsibility

Items 1, 2, and partial 3 were provided.

This report is subject to the following terms and conditions:

- There is no guarantee provided for the life expectancies and/or replacement cost estimates for any of the components.
- It is assumed that all components will receive proper preventative maintenance and repair during the study horizon.
- The complex may have hidden damages, defects or conditions. No responsibility or liability is assumed for such matters.
- This report is not intended to be a definitive or exhaustive review or investigation of required repairs, replacements or improvements for the property.



UNDERLYING ASSUMPTIONS

This reserve fund study was based on the assumptions set forth below. These assumptions were applied in the investigation, observation and analysis of the subject property reserve components. Experience gained from observing similar properties was also applied in the following analysis.

Interest & Inflation

The basic concept in reserve fund planning is to forecast the necessary amount of reserve required to meet the future financial needs of the complex. This involves factoring future costs and the future value of invested funds. To accurately forecast future costs and values we must project the rates of inflation and interest rates and apply these to our current costs. In analyzing long term cost increases, construction cost statistics rather than the consumer price index were examined, since building repair and replacement cost will be more comparable to construction costs than to the cost of consumer products. Fifty-year historical indicators have been reviewed as well as consideration of running 10-year averages.

As with inflation, interest rates tend to fluctuate and can be difficult to predict. The current trend in interest rates has been low and they are expected to continue at this rate for some time. Based on the current data available, an estimated long term stabilized interest rate was selected for this report. Consideration for the "Estimated First Five-Year Rate" is based on the size of the current fund, the review of historical interest returns, if any, and anticipated significant expenditures which may impact the ability of the fund to earn interest in the immediate future. Abrupt changes in the marketplace should be discounted until a well-founded trend is established. Hence, in projecting future replacement cost estimates and reserve fund requirements the following rates were used:

Estimated Long-Term Stabilized Inflation Rate: 3.50%

Estimated First Five-Year Interest Rate: 2.00%

Estimated Long-Term Stabilized Interest Rate: 3.00%

Reserve fund projections should be reviewed on a regular basis to adjust for changes in inflationary trends and investment returns, as these will significantly impact reserve fund requirements.

Demolition and Disposal Costs

The estimates herein include provisions for demolition and disposal costs including dumping fees. These costs have been rising in recent years. Particularly, dumping of certain materials has become problematic and very costly. It appears that certain codes and environmental regulations will become more stringent in future years, all of which will further impact disposal costs. Hazardous materials such as asbestos require further review and are outside the scope of the analysis given these can be extensive and volatile in nature.

Goods and Services Tax

The Goods and Services Tax ("GST") applies to all repairs and replacements including disposal costs. Therefore, this tax is included in the reserve fund estimates noted herein.

Engineering Reports and Other Studies

Details of any studies or reports are reviewed in the Individual Component Analysis.



Repair and Replacement Cost Estimates

The costs of repairs and/or replacements of many building components are invariably higher than original building costs where contractors have considerable latitude in terms of planning their work and utilizing economies of scale to keep costs within construction budgets. Conversely, repair work must frequently be performed in an expedient manner with proper safety precautions and within certain constraints. Cost estimates must therefore consider such additional costs as special construction, safety installations, limited access, noise abatements, and the convenience of the occupants.

Property Management and Maintenance

The subject property is managed by a professional property management company.

Maintenance is expected to assist the various components to reach their normal life expectancy. Maintenance typically includes regular monitoring and repair of a component to ensure it functions properly. Life expectancies of components listed in the study are reflective of regular maintenance being performed. In the case that regular maintenance is not being completed pre-mature failure may occur.

Special Assumptions and Terms of Reference

Exclusions

Based on instructions provided by the client, the following items were either excluded from the reserve fund study or required special treatment within the study. They are as follows:

(I) NONE



SUBJECT PROPERTY INFORMATION

The property is described municipally and legally as follows:

**Kings Heights HOA
1402 Kings Heights Blvd SE
Airdrie Alberta
5012158274**

The subject property is located in the southeast quadrant of the City of Airdrie. The association is responsible for the maintenance, repair or replacement of landscaping, and signage, timber bridge, sandstone armoring, wood post and rail fencing, wrought iron fence with stone posts, amphitheaters, lighting, masonry walls, columns and arches.



THE RESERVE FUND PROCESS

The reserve fund study process consists of a physical and a financial analysis.

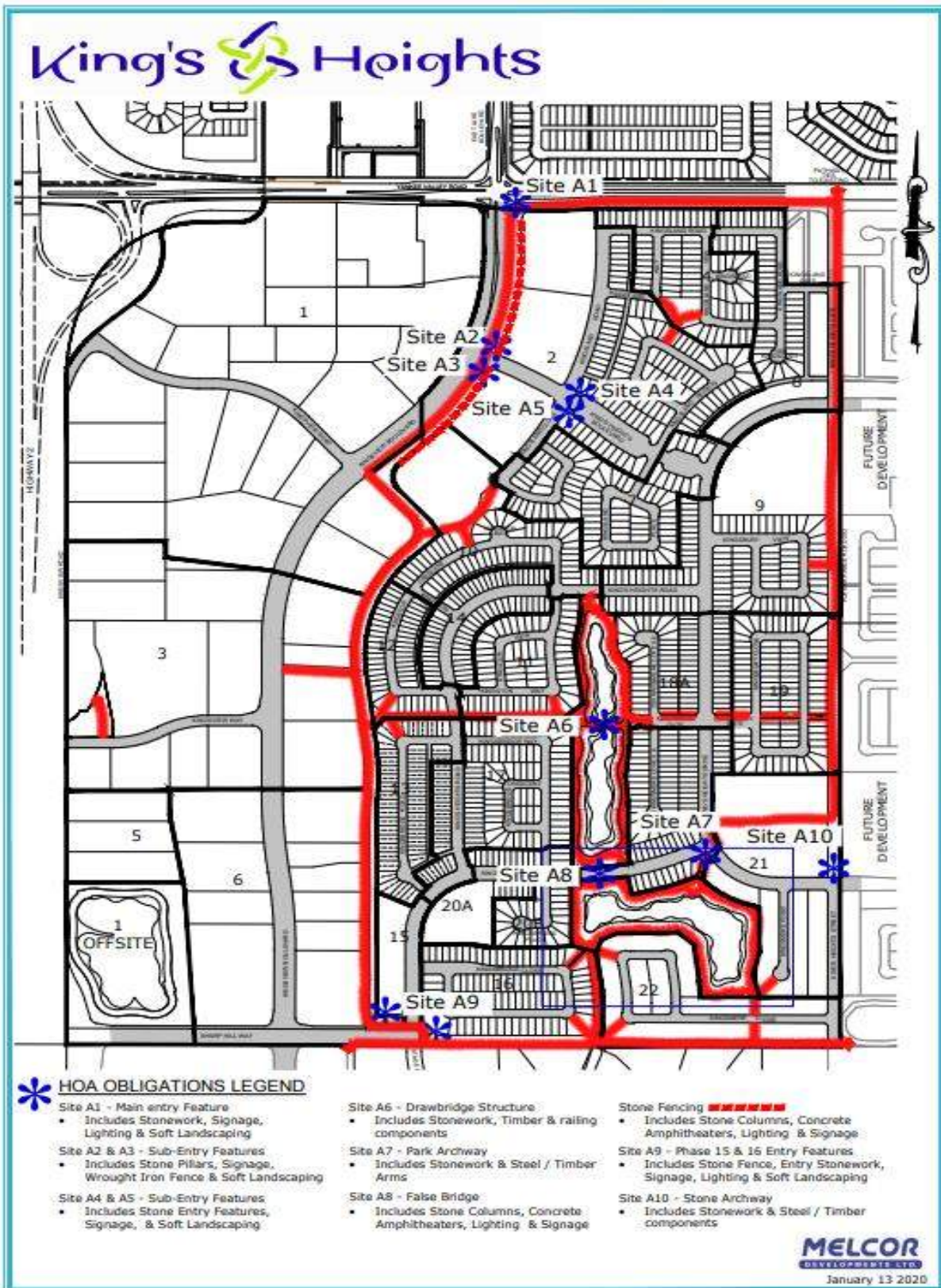
Physical Analysis

All the reserve components within the complex are identified and grouped into specific categories. Quantity take-offs and onsite measurements as well as physical counts are included to estimate the quantity and amount of the components.

Each component is analyzed to determine its estimated total life span, effective age, and remaining life. For this purpose, depreciation tables and technical resources such as information supplied by manufacturers and suppliers as well as contractors and industry professional's observation of normal life span records are considered. Finally, the writer's own judgment, and experience in estimating the current condition and remaining life spans of reserve components, is relied upon.

Where a component has a long-term life expectancy but could still require infrequent and/or indeterminate repairs and/or replacements, these will be identified in the specific component analysis by having a Life Expectancy, Estimated Effective Age and Estimated Remaining Life noted as non-applicable (N/A). Additionally, if the component is replaced or repaired as required it will be identified as such. Over the 30-year horizon periodic cash injections for these components are set out in the financial analysis.

The reserve components for the Association are discussed in detail as follows.





Reserve Component: Concrete Works: Amphitheaters

Physical Description:	Exterior Concrete Structures are wood, or steel frame structures designed to provide a specific function to improve the complex.
Items Included:	Amphitheaters
Location:	Site A.8.
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some deterioration of concrete edges and alligator type cracks with localized scuffing were observed. Funding for refinishing or replacement as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from adverse weather conditions, general wear and tear, water penetration, and settlement.

Reserve Component: Concrete Works: Stamped Concrete

Physical Description:	Concrete works are poured or pre-cast concrete that is not considered part of any building structure. This reserve provides for repairs to the foregoing components. As replacement of these reserve items is not typically required, this provision is for periodic repairs only. This is essentially a contingency reserve, which should be reviewed on a regular basis.
Items Included:	Stamped Concrete
Location:	Site A.7, Site A.8.
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Some cracks were observed, otherwise no issues. Recommend regular review and repairs as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from improper installation or manufacturing, erosion, physical damage, excess use of salt or other corrosive materials, and settlement.



Reserve Component: Drawbridge: Boards, Post and Rail Fencing - Repairs

Physical Description:	Wood fencing is a free standing structure designed to restrict movement across a boundary. Wood fencing is typically constructed using concrete poured posts with beams that cross the posts in order to provide support for the wooden boards.
Items Included:	Wood Boards and Post – Rails Style Fencing/Rails
Location:	Site A.6
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Generals wear with water staining. Recommend regular reviews and maintenance.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, water damage, adverse weather conditions, settlement, and freeze thaw cycles.

Reserve Component: Drawbridge: Structure

Physical Description:	Exterior Structures are wood, or steel frame structures designed to provide a specific function to improve the complex.
Items Included:	Bridge Structure
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Graffiti was observed on the beams, otherwise no issues. Recommend regular reviews and repairs as required. No funding was provided for a full replacement. If maintained regularly minimal repairs may occur in 30 year horizon. One injection of funds was provided.
Location:	Site A.6
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from adverse weather conditions, general wear and tear, water penetration, and settlement.



Reserve Component: Electrical and Exterior Lighting

Physical Description:	Exterior lights provide illumination to common areas for owner and visitor safety.
Items Included:	Electrical and Exterior Lighting
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Broken conduit cover was observed on false bridge pillar. Loose light strings were observed on amphitheater, otherwise no issues. Repairs are being scheduled for 2023.
Location:	Lighting located in sites: A.1, A.8, and A.9
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	General wear and tear, settlement, and water penetration.

Reserve Component: False Bridge: Post and Rail Fencing - Repairs

Physical Description:	Wood fencing is a free standing structure designed to restrict movement across a boundary. Wood fencing is typically constructed using concrete poured posts with beams that cross the posts in order to provide support for the wooden boards.
Items Included:	Post and Rails Style Fencing
Location:	Site A.8
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Posts have some damage due to lawn mower and some water staining was observed, otherwise no issues. Recommend repairs and regular stain cycles. Reportedly this is due to City of Airdrie landscape contractors and the Board is considering back charge.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from physical damage, water damage, adverse weather conditions, settlement, and freeze thaw cycles.



Reserve Component: Landscaping: Hard Landscaping

Physical Description:	Landscaping includes boulders. This component should require minimal funding.
Items Included:	Hard Landscaping including Sandstone Armoring around Pond and Boulders
Location:	Site A.6, A.9
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported. Regular review of boulders shifting, or cracks should be completed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from UV Rays, general wear and damage.

Reserve Component: Landscaping: Soft Landscaping

Physical Description:	Landscaping includes site grading, lawns, trees, shrubs, and plants. This reserve provides for periodic replacement or removal of the above items.
Items Included:	General Landscaping
Location:	Site A.1, A.2, A.3, A.4, A.9.
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	N/A



Reserve Component: Miscellaneous Components

Physical Description:	Exterior Structure are designed to provide a specific function to improve the complex.
Items Included:	Benches, Tables
Location:	A.6, A.7
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed. Funding for repairs or replacements of benches as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from hydrostatic pressure, physical damage, and general wear and tear.

Reserve Component: Signage

Physical Description:	Signage is used to display information about the complex. Signs can be constructed from metal, wood, stone, and composite materials. It may in most cases be replaced for aesthetic purposes.
Items Included:	Signage: Full name and Logo.
Locations:	A.1, A.2, A.3, A.4, A.5, A.8, A.9, A.10
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	No issues were reported or observed. This funding includes repainting , replacing or partial replacement as required.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from wear and tear, physical damage, settling, and adverse weather conditions.



Reserve Component: Stonework Features

Physical Description:	Stonework exterior structures are wood, or steel frame structures designed to provide a specific function to improve the complex.
Items Included:	Pillars, Posts, Arches and Walls
Locations:	A.1, A.2, A.3, A.4, A.5, A.6, A.7, A.8, A.9, A.10.
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Efflorescence was noted on pillars of Site A.7. Cracks of mortar were observed on false bridge pillars and on pillar on Site A.10. Recommend regular monitoring and repairs to prevent stone pieces to become loose. Efflorescence was observed, especially of the concrete base in multiple locations. Oxidation of shelf angle was noted. Missing or deteriorated mortar and gaps between stone caps were noted throughout. Recommend re-application as required. Funding for repairs on regular basis was provided.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Deterioration can occur from adverse weather conditions, general wear and tear, water penetration, and settlement.



Reserve Component: Wrought Iron Fence with Stone Posts: Repairs Only

Physical Description:	Metal hand railings, and fencing provide protective boundaries for the complex and units. The component is either painted or powder coated to protect the metal from oxidation.
Items Included:	Fencing
Location:	Kings Heights Blvd
Type of Component:	Allowance - The reserve provides for the partial replacement or repair of the component.
Observed Condition:	Oxidation was noted especially on lower rails and post tops. Oxidation of fasteners was also observed as well as missing bolts. Recommend scheduling repairs pain touch-ups.
Typical Life Expectancy:	N/A
Estimated Effective Age:	N/A
Estimated Remaining Life:	N/A
Potential Deterioration:	Oxidization, extreme weather conditions, wear and tear, and physical damage.

Reserve Component: Drawbridge: Boards, Post and Rail Fencing - Replacement

Physical Description:	Wood fencing is a free standing structure designed to restrict movement across a boundary. Wood fencing is typically constructed using concrete poured posts with beams that cross the posts in order to provide support for the wooden boards.
Items Included:	Wood Boars, Post and Rail Style Fencing
Location:	Site A.6.
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Generals wear with water staining. Recommend regular reviews and maintenance.
Typical Life Expectancy:	25
Estimated Effective Age:	14
Estimated Remaining Life:	11
Potential Deterioration:	Deterioration can occur from physical damage, water damage, adverse weather conditions, settlement, and freeze thaw cycles.



Reserve Component: False Bridge: Post and Rail Fencing - Replacement

Physical Description:	Wood fencing is a free standing structure designed to restrict movement across a boundary. Wood fencing is typically constructed using concrete poured posts with beams that cross the posts in order to provide support for the wooden boards.
Items Included:	Post and Rail Style Fencing
Location:	Site A.8.
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Posts have some damage due to lawn mower and some water staining was observed, otherwise no issues. Recommend repairs and regular stain cycles. Reportedly this is due to City of Airdrie landscape contractors and the Board is considering back charge.
Typical Life Expectancy:	25
Estimated Effective Age:	14
Estimated Remaining Life:	11
Potential Deterioration:	Deterioration can occur from physical damage, water damage, adverse weather conditions, settlement, and freeze thaw cycles.



Reserve Component: Staining: Wood Post and Rail Fencing: Drawbridge and False Bridge

Physical Description:	All exterior wood should be painted or stained on a regular basis in order to prevent water penetration. Proper paint cycles can help prevent premature deterioration of the wood.
Items Included:	Staining Wood Post and Rail Fencing of Drawbridge and False Bridge
Location:	Site A.6, A.8.
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Component is weathered with water staining. Recommend regular stain cycles.
Typical Life Expectancy:	4
Estimated Effective Age:	3
Estimated Remaining Life:	1
Potential Deterioration:	Possible deterioration can occur from sun, and rain exposure, wear and tear.

Reserve Component: Timber Features: Replacement

Physical Description:	Wood beams are part of exterior designed to provide a specific function to improve the complex.
Items Included:	Steel and Timber Beams, Timber Beams
Location:	Site: A.7, A.8
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Water staining was observed. Recommend regular staining cycles.
Typical Life Expectancy:	28
Estimated Effective Age:	14
Estimated Remaining Life:	14
Potential Deterioration:	Possible deterioration can occur from sun, and rain exposure, wear and tear.



Reserve Component: Timber Features: Repairs, Staining & Caulking

Physical Description:	All exterior wood should be painted or stained on a regular basis in order to prevent water penetration. Proper paint cycles can help prevent premature deterioration of the wood.
Items Included:	Staining Timber Beams
Location:	A.7, A.8
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Water staining was observed. Recommend regular staining and re-caulking around beams to assure no water penetration into the columns.
Typical Life Expectancy:	5
Estimated Effective Age:	4
Estimated Remaining Life:	1
Potential Deterioration:	Possible deterioration can occur from sun, and rain exposure, wear and tear.

Reserve Component: Wrought Iron Fence with Stone Posts: Replacement

Physical Description:	Metal hand railings, and fencing provide protective boundaries for the complex. The component is either painted or powder coated to protect the metal from oxidization.
Items Included:	Metal Fencing
Location:	Kings Heigh Blvd
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Oxidation was noted especially on lower rails and post tops. Oxidation of fasteners was also observed as well as missing bolts. Recommend repairs and regular touch-ups between paint cycles.
Typical Life Expectancy:	40
Estimated Effective Age:	15
Estimated Remaining Life:	25
Potential Deterioration:	Oxidization, extreme weather conditions, wear and tear, and physical damage.



Reserve Component: Wrought Iron Fence with Stone Posts: Painting

Physical Description:	Painting of metal improvements can help prolong the life of the underlying component. All paints will deteriorate over time and will require re application.
Items Included:	Metal Painting
Location:	Kings Heigh Blvd
Type of Component:	Replacement - The reserve provides for the full replacement of the component with a similar system and material.
Observed Condition:	Oxidation was noted especially on lower rails and post tops. Recommend touch-ups between full paint cycles.
Typical Life Expectancy:	15
Estimated Effective Age:	9
Estimated Remaining Life:	6
Potential Deterioration:	Deterioration can occur from weather conditions, ultra violet rays, and physical damage.



Financial Analysis

The financial requirement goal of this study is to provide at a minimum sufficient funding or a 1% funded scenario. This implies that the funds must be able to cover off the replacements or repairs of the depreciating property over the study period. The following steps are provided to complete the financial analysis:

Component Depreciation Analysis is prepared which shows where the reserve fund balances should be if the Association is 100% funded. This analysis is created without regard to the current financial position of the Association. This position provides the upper limit of the funding scenario.

Current replacement costs are estimated for each of the components. In making these cost estimates, several sources are relied upon including RS Means Repair and Remodeling Cost Data, Hanscombs' Yardsticks for Costing, and Marshall & Swift Valuation Service. These estimates are verified using information provided by local contractors and costing information retained on our files.

Where a component is a long-term item, only a proportionate share of the cost related to the 30-year horizon has been accounted for and is reflected in the cash flow as an ongoing requirement with periodic injections of cash to accommodate any future repairs or replacement. It however does not restrict the Association from drawing funds on an "as required" basis with the assumption that the funding be re-examined at the time of the study mandated cyclical review.

Future replacement reserves are estimated by applying a long-term inflationary rate to the current replacement cost reserve estimates.

A **Historical Reserve Fund Analysis** was prepared based on any provided current and prior year financial statements of the Association. This document shows the history of contributions to and expenditures from the reserve or contingency fund. This analysis will reveal patterns within the reserve fund which will be used when the Projected Cash Flow Analysis is prepared.

A recommended **Horizon Cash Flow Analysis** is prepared. This document incorporates the data contained in the Depreciation Component Analysis above with the Historical Reserve Fund Analysis discussed above. Both documents form the foundation for the recommended Horizon Plan Cash Flow Analysis. This latter document will determine where the reserve fund contributions should be set to ensure that there are no shortfalls within the reserve fund over the study horizon. Although the Depreciation Analysis is relied upon as a guide, the actual expenditures and closing balances of the fund are highly weighted in determining this analysis.

Planners Recommendations are provided based on the analysis of the above three steps to sufficiently fund the Association.




Component Depreciation Analysis Kings Heights HOA - Resident Association

June 19, 2023

Interest Rate (1st - 5 Years) : 2.00%

Interest Rate: 3.00%

Inflation Rate: 3.50%

 -Indicates Long Life (Allowed) Component

Component

Site	Horizon Years *	Effective Age *	Remaining Life *	Current Replacement Cost *	Future Replacement Cost *	Current Reserve Requirement *	Future Reserve Fund Accumulation	Future Reserve Fund Requirements	Annual Assessment *
Concrete Works: Amphitheaters	N/A	N/A	N/A	\$51,000	\$143,146	\$1,700	\$4,126	\$139,020	\$2,005
Concrete Works: Stamped Concrete	N/A	N/A	N/A	\$49,500	\$138,936	\$1,650	\$4,005	\$134,931	\$1,946
Drawbridge: Boards, Post and Rail Fencing - Repairs	N/A	N/A	N/A	\$6,100	\$14,416	\$244	\$511	\$13,905	\$279
Drawbridge: Structure	N/A	N/A	N/A	\$32,400	\$90,940	\$1,080	\$2,621	\$88,319	\$1,274
Electrical and Exterior Lighting	N/A	N/A	N/A	\$80,000	\$189,060	\$33,200	\$6,700	\$182,360	\$3,658
False Bridge: Post and Rail Fencing - Repairs	N/A	N/A	N/A	\$10,900	\$25,759	\$436	\$913	\$24,846	\$498
Landscaping: Hard Landscaping	N/A	N/A	N/A	\$20,000	\$56,136	\$667	\$1,619	\$54,517	\$786
Landscaping: Soft Landscaping	N/A	N/A	N/A	\$80,000	\$224,543	\$2,667	\$6,474	\$218,069	\$3,144
Miscellaneous Components	N/A	N/A	N/A	\$10,000	\$28,068	\$333	\$808	\$27,260	\$393
Signage	N/A	N/A	N/A	\$15,000	\$35,449	\$600	\$1,256	\$34,193	\$686
Stonework Features	N/A	N/A	N/A	\$174,100	\$488,663	\$30,803	\$14,085	\$474,578	\$6,843
Wrought Iron Fence with Stone Posts: Repairs Only	N/A	N/A	N/A	\$69,200	\$194,230	\$2,307	\$5,600	\$188,630	\$2,720
Drawbridge: Boards, Post and Rail Fencing - Replacement	25	14	11	\$13,600	\$19,856	\$7,616	\$10,041	\$9,815	\$677
False Bridge: Post and Rail Fencing - Replacement	25	14	11	\$19,900	\$29,053	\$11,144	\$14,692	\$14,361	\$990
Staining: Wood Post and Rail Fencing: Drawbridge and False Bridge	4	3	1	\$7,500	\$7,762	\$5,625	\$5,738	\$2,024	\$1,984
Timber Features: Replacement	28	14	14	\$20,000	\$32,374	\$10,000	\$14,406	\$17,968	\$891
Timber Features: Repairs, Staining & Caulking	5	4	1	\$8,000	\$8,280	\$6,400	\$6,528	\$1,752	\$1,718
Wrought Iron Fence with Stone Posts: Replacement	40	15	25	\$173,000	\$408,841	\$64,875	\$129,366	\$279,475	\$5,606
Wrought Iron Fence with Stone Posts: Painting	15	9	6	\$21,600	\$26,552	\$12,960	\$14,738	\$11,814	\$1,731
TOTALS: 100% FUNDED *				\$861,800	\$2,162,064	\$194,307	\$244,227	\$1,917,837	\$37,829

* See Glossary at the end for details.



Component Depreciation Analysis Summary

1) Current Replacement Costs of Reserve Components.....\$861,800

This is the sum of all costs, in current dollars, for all major repairs and replacements. These replacement costs are based on current prices and current economic conditions.

2) Future Replacement Costs of Reserve Components.....\$ 2,162,064

This shows all major repair and replacement costs in the future at the end of the expected life span of the reserve components.

3) Current Reserve Fund Requirement.....\$ 194,307

Reserve Fund Requirements is the current amount of depreciation of all the components evaluated in this study. The amount is calculated by dividing the effective age by the horizon years of each component and multiplying by the current replacement cost. In the case of allowed components this is one year of depreciation. Without consideration of pooled funds this amount should be the amount that the current owners have offset with funds in the Association's reserve fund. However, as a Association's number of components increase this requirement should decrease. This amount should be considered an upper limit of funding and not a goal to achieve.

4) Future Reserve Fund Accumulations.....\$ 244,227

These are the current reserve fund requirements together with compound interest over the remaining life spans of the components.

5) Future Reserve Fund Requirements.....\$1,917,837

These are the amounts to be funded by the unit owners to the reserve fund plus any interest earned.

6) Annual Reserve Fund Assessments.....\$ 37,829

The Annual Assessment is the annual sum of all the depreciation occurring to each component evaluated in the study. The amount assumes interest will be accumulated on the amount and does not consider the pooling of funds. Once the pooling of funds is considered this amount becomes an upper limit of funding assuming the current balance of the fund does not have a significant deficiency. Maintaining an annual assessment that is somewhere between 75% - 100% of the amount above is typically required to maintain a fund. This assessment amount is utilized to calculate the ongoing depreciation and the deficiency in relation to the actual balances of the Association's reserve fund. Which results in a percent funded amount. A contribution amount for the next 30 years has to be balanced with the current and future position of the fund and may not be reflective of this amount.

Amounts for points 1 to 6 above are prepared without regard to the current financial position of the Association or the current reserve fund contributions by the unit owners, and as such, they represent the depreciation, and accumulation of interest on said depreciation. These amounts should be considered upper limits of funding and are balanced with pooled funding to arrive a practical funding level in the resulting cash flows that follow in this report. has continuously assessed adequate reserve funding from the time of initial development.



Historical Reserve Fund Analysis

The historical reserve fund analysis consists of a review and examination of the financial statements of the Association with an emphasis on investment and spending related to major repairs and replacements of reserve components. Based on the documents which were provided, a summary of the historical reserve fund spending patterns was prepared. This summary is shown in the Historical Cash Flow document which follows. The following corporate documents were provided for analysis:

The financial statements for the fiscal years: ...

The budget statement for the fiscal year ending: December 31, 2022

The study takes into consideration the past performance of the complex, including reserve fund contributions and expenditures, as well as the age and condition of the improvements.

The Association's Estimated Reserve Fund Balance as of December 31, 2022: \$ 199,563



Horizon Cash Flow Analysis (Recommended)

This analysis projects the estimated expenditures from the reserve fund for the complex over a specified time horizon and recommends a contribution and funding plan for the 25 years. This document shows the Opening Balances, Total Cash Resources, Total Expenditures, Closing Balances, and the Percentage Funded in a form and detail which conforms to financial presentations for reserve fund operations. The above noted terms are defined as follows:

Opening Balances

This is the reserve fund position at the beginning of each fiscal year showing the cash resources available, which consist of bank deposits, qualified investments, and accrued interest income.

Cash Flows

These are the regular reserve fund contributions, interest income and special assessments, if any, based on the interest rate utilized in the Cash Flow Analysis. It is assumed that all reserve fund contributions and special assessments will be made at the end of each fiscal year.

Total Cash Resources

These represent the cash flow items noted above plus the open balance.

Total Expenditures

These are the sum of the reserve fund expenditures for all the components in each fiscal year. It is assumed that all reserve fund expenditures will be made at the beginning of each fiscal year.

Closing Balances

This amount is equal to the Total Cash Resources minus the Total Expenditures. This amount is carried forward to the next fiscal year as the Opening Balance.

Percent Funded

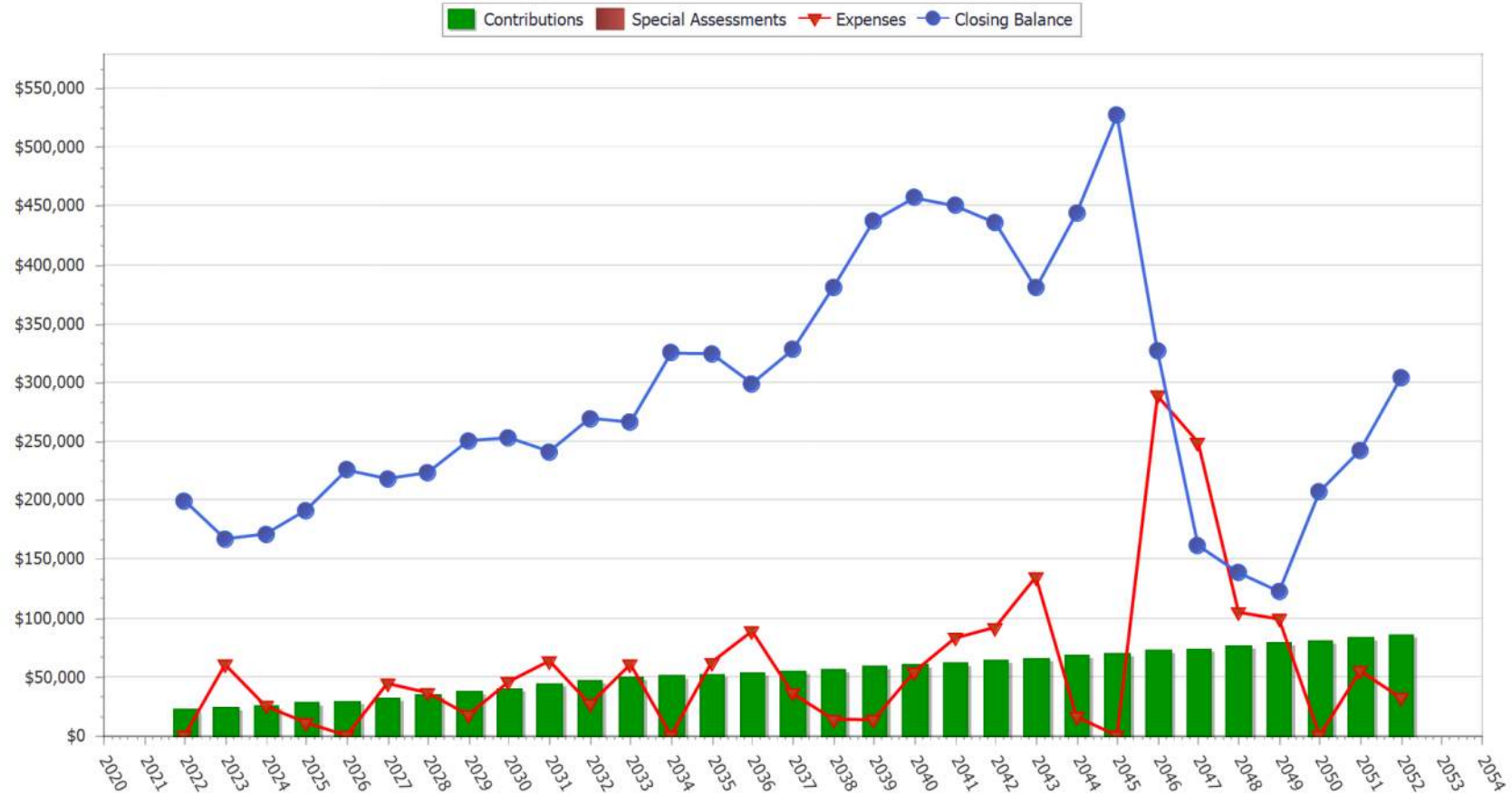
Percentage funded is the current level the Association is funded at the end of that fiscal year. The percentage funded is based on the depreciation of each individual component and calculated by dividing those years closing balance by the reserve fund requirement.

Percent funding levels are shown to help the Association gauge their current position in regard to all their common component expenses. 100% funding if achieved would be considered the upper limit of funding recommended, this level of funding provides for a fair funding model for current and future owners. If properly updated a 100% funding model should adequately fund the components listed for the life of the Association. Higher funding levels like 100% funding may not always be practical to achieve. Lower percent funding levels may be utilized that will sufficiently fund the plan. These models may result in increases to the reserve fund contributions and increase the chances of special assessments as the project ages. Depending on the nature of the complex a lower percent funding model may provide for adequate funding where most common expenses do not occur in a short span of time. The provided cash flows will more accurately reflect each individual complex's requirements.



Funding Horizon Chart - Model 30 Years Final
Kings Heights HOA - Resident Association - 5012158274

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%



Minimum Closing Balance in Year 27 :\$122,360

Total Cash Outlay: \$1,667,104

Total Expenditures: \$1,813,289



Kings Heights HOA - Resident Association-5012158274
30 Years - Reserve Fund Horizon Schedule

Short Term Interest Rate (Years 1-5): **2.00%**

Long Term Interest Rate: **3.00%**

Inflation Rate: **3.50%**

	Year Beginning	Opening Balance	Reserve Contributions	Special Assessments & Additional Allocations	Estimated Interest	Estimated Expenses	Closing Balance	Year End
1	01-Jan-23	\$199,563	\$23,904	\$0	\$3,991	\$60,342	\$167,116	31-Dec-23
2	01-Jan-24	\$167,116	\$25,800	\$0	\$3,342	\$25,000	\$171,258	31-Dec-24
3	01-Jan-25	\$171,258	\$27,900	\$0	\$3,425	\$11,000	\$191,583	31-Dec-25
4	01-Jan-26	\$191,583	\$30,100	\$0	\$3,832	\$0	\$225,515	31-Dec-26
5	01-Jan-27	\$225,515	\$32,500	\$0	\$4,510	\$44,308	\$218,217	31-Dec-27
6	01-Jan-28	\$218,217	\$35,100	\$0	\$6,547	\$36,386	\$223,478	31-Dec-28
7	01-Jan-29	\$223,478	\$37,900	\$0	\$6,704	\$17,600	\$250,482	31-Dec-29
8	01-Jan-30	\$250,482	\$40,900	\$0	\$7,514	\$45,850	\$253,046	31-Dec-30
9	01-Jan-31	\$253,046	\$44,200	\$0	\$7,591	\$63,472	\$241,365	31-Dec-31
10	01-Jan-32	\$241,365	\$47,700	\$0	\$7,241	\$26,700	\$269,606	31-Dec-32
11	01-Jan-33	\$269,606	\$49,100	\$0	\$8,088	\$60,589	\$266,205	31-Dec-33
12	01-Jan-34	\$266,205	\$50,600	\$0	\$7,986	\$0	\$324,791	31-Dec-34
13	01-Jan-35	\$324,791	\$52,100	\$0	\$9,744	\$62,230	\$324,405	31-Dec-35
14	01-Jan-36	\$324,405	\$53,700	\$0	\$9,732	\$88,724	\$299,113	31-Dec-36
15	01-Jan-37	\$299,113	\$55,300	\$0	\$8,973	\$35,750	\$327,636	31-Dec-37
16	01-Jan-38	\$327,636	\$57,000	\$0	\$9,829	\$13,872	\$380,593	31-Dec-38
17	01-Jan-39	\$380,593	\$58,700	\$0	\$11,418	\$13,460	\$437,251	31-Dec-39
18	01-Jan-40	\$437,251	\$60,500	\$0	\$13,118	\$54,200	\$456,669	31-Dec-40
19	01-Jan-41	\$456,669	\$62,300	\$0	\$13,700	\$82,750	\$449,919	31-Dec-41
20	01-Jan-42	\$449,919	\$64,200	\$0	\$13,498	\$92,050	\$435,567	31-Dec-42
21	01-Jan-43	\$435,567	\$66,100	\$0	\$13,067	\$134,755	\$379,979	31-Dec-43
22	01-Jan-44	\$379,979	\$68,100	\$0	\$11,399	\$16,000	\$443,478	31-Dec-44
23	01-Jan-45	\$443,478	\$70,100	\$0	\$13,304	\$0	\$526,882	31-Dec-45
24	01-Jan-46	\$526,882	\$72,200	\$0	\$15,806	\$288,450	\$326,438	31-Dec-46
25	01-Jan-47	\$326,438	\$74,400	\$0	\$9,793	\$249,144	\$161,487	31-Dec-47
26	01-Jan-48	\$161,487	\$76,600	\$0	\$4,845	\$104,718	\$138,214	31-Dec-48
27	01-Jan-49	\$138,214	\$78,900	\$0	\$4,146	\$98,900	\$122,360	31-Dec-49
28	01-Jan-50	\$122,360	\$81,300	\$0	\$3,671	\$0	\$207,331	31-Dec-50
29	01-Jan-51	\$207,331	\$83,700	\$0	\$6,220	\$54,939	\$242,312	31-Dec-51
30	01-Jan-52	\$242,312	\$86,200	\$0	\$7,269	\$32,100	\$303,681	31-Dec-52



Projected Cash Flow - Model 30 Years Final
Kings Heights HOA - Resident Association - 5012158274

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%

Year Beginning	2022-01-01	2023-01-01	2024-01-01	2025-01-01	2026-01-01	2027-01-01	2028-01-01	2029-01-01	2030-01-01	2031-01-01
Year	0	1	2	3	4	5	6	7	8	9
Opening Balance	\$175,559	\$199,563	\$167,116	\$171,258	\$191,583	\$225,515	\$218,217	\$223,478	\$250,482	\$253,046
Planned Contributions	\$23,404	\$23,904	\$25,800	\$27,900	\$30,100	\$32,500	\$35,100	\$37,900	\$40,900	\$44,200
Additional Allocations										
Interest Income	\$600	\$3,991	\$3,342	\$3,425	\$3,832	\$4,510	\$6,547	\$6,704	\$7,514	\$7,591
Cash Resources	\$199,563	\$227,458	\$196,258	\$202,583	\$225,515	\$262,525	\$259,864	\$268,082	\$298,896	\$304,837
Reserve Components										
Concrete Works: Amphitheaters						\$15,150				
Concrete Works: Stamped Concrete				\$11,000						\$13,500
Drawbridge: Boards, Post and Rail Fencing - Repairs						\$2,400				
Drawbridge: Structure										
Electrical and Exterior Lighting		\$30,000								\$36,350
False Bridge: Post and Rail Fencing - Repairs						\$4,300				
Landscaping: Hard Landscaping										
Landscaping: Soft Landscaping						\$13,550				
Miscellaneous Components										\$3,400
Signage										
Stonework Features			\$25,000						\$45,850	
Wrought Iron Fence with Stone Posts: Repairs Only		\$14,300						\$17,600		
Drawbridge: Boards, Post and Rail Fencing - Replacement										
False Bridge: Post and Rail Fencing - Replacement										
Staining: Wood Post and Rail Fencing: Drawbridge and False Bridge		\$7,762				\$8,908				\$10,222
Timber Features: Replacement										
Timber Features: Repairs, Staining & Caulking		\$8,280					\$9,834			
Wrought Iron Fence with Stone Posts: Replacement										
Wrought Iron Fence with Stone Posts: Painting							\$26,552			
Total Expenses	\$0	\$60,342	\$25,000	\$11,000	\$0	\$44,308	\$36,386	\$17,600	\$45,850	\$63,472
Closing Balance	\$199,563	\$167,116	\$171,258	\$191,583	\$225,515	\$218,217	\$223,478	\$250,482	\$253,046	\$241,365
Planned Contributions	\$23,404	\$23,904	\$25,800	\$27,900	\$30,100	\$32,500	\$35,100	\$37,900	\$40,900	\$44,200
Year End	2022-12-31	2023-12-31	2024-12-31	2025-12-31	2026-12-31	2027-12-31	2028-12-31	2029-12-31	2030-12-31	2031-12-31



Projected Cash Flow - Model 30 Years Final
Kings Heights HOA - Resident Association - 5012158274

Stabilized Long Term Inflation Rate - 3.50%
Stabilized Long Term Interest Rate - 3.00%
First Five Year Interest Rate - 2.00%

Year Beginning	2032-01-01	2033-01-01	2034-01-01	2035-01-01	2036-01-01	2037-01-01	2038-01-01	2039-01-01	2040-01-01	2041-01-01
Year	10	11	12	13	14	15	16	17	18	19
Opening Balance	\$241,365	\$269,606	\$266,205	\$324,791	\$324,405	\$299,113	\$327,636	\$380,593	\$437,251	\$456,669
Planned Contributions	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$57,000	\$58,700	\$60,500	\$62,300
Additional Allocations										
Interest Income	\$7,241	\$8,088	\$7,986	\$9,744	\$9,732	\$8,973	\$9,829	\$11,418	\$13,118	\$13,700
Cash Resources	\$296,306	\$326,794	\$324,791	\$386,635	\$387,837	\$363,386	\$394,465	\$450,711	\$510,869	\$532,669
Reserve Components										
Concrete Works: Amphitheaters				\$19,950						
Concrete Works: Stamped Concrete						\$16,600				
Drawbridge: Boards, Post and Rail Fencing - Repairs				\$3,200						
Drawbridge: Structure										
Electrical and Exterior Lighting									\$49,550	
False Bridge: Post and Rail Fencing - Repairs				\$5,700						
Landscaping: Hard Landscaping										\$56,150
Landscaping: Soft Landscaping	\$16,100					\$19,150				
Miscellaneous Components									\$4,650	
Signage	\$10,600									
Stonework Features					\$56,350					
Wrought Iron Fence with Stone Posts: Repairs Only				\$21,650						\$26,600
Drawbridge: Boards, Post and Rail Fencing - Replacement		\$19,856								
False Bridge: Post and Rail Fencing - Replacement		\$29,053								
Staining: Wood Post and Rail Fencing: Drawbridge and False Bridge				\$11,730				\$13,460		
Timber Features: Replacement					\$32,374					
Timber Features: Repairs, Staining & Caulking		\$11,680					\$13,872			
Wrought Iron Fence with Stone Posts: Replacement										
Wrought Iron Fence with Stone Posts: Painting										
Total Expenses	\$26,700	\$60,589	\$0	\$62,230	\$88,724	\$35,750	\$13,872	\$13,460	\$54,200	\$82,750
Closing Balance	\$269,606	\$266,205	\$324,791	\$324,405	\$299,113	\$327,636	\$380,593	\$437,251	\$456,669	\$449,919
Planned Contributions	\$47,700	\$49,100	\$50,600	\$52,100	\$53,700	\$55,300	\$57,000	\$58,700	\$60,500	\$62,300
Year End	2032-12-31	2033-12-31	2034-12-31	2035-12-31	2036-12-31	2037-12-31	2038-12-31	2039-12-31	2040-12-31	2041-12-31



Projected Cash Flow - Model 30 Years Final
Kings Heights HOA - Resident Association - 5012158274

Stabilized Long Term Inflation Rate - 3.50%

Stabilized Long Term Interest Rate - 3.00%

First Five Year Interest Rate - 2.00%

Year Beginning	2042-01-01	2043-01-01	2044-01-01	2045-01-01	2046-01-01	2047-01-01	2048-01-01	2049-01-01	2050-01-01	2051-01-01	2052-01-01
Year	20	21	22	23	24	25	26	27	28	29	30
Opening Balance	\$449,919	\$435,567	\$379,979	\$443,478	\$526,882	\$326,438	\$161,487	\$138,214	\$122,360	\$207,331	\$242,312
Planned Contributions	\$64,200	\$66,100	\$68,100	\$70,100	\$72,200	\$74,400	\$76,600	\$78,900	\$81,300	\$83,700	\$86,200
Additional Allocations											
Interest Income	\$13,498	\$13,067	\$11,399	\$13,304	\$15,806	\$9,793	\$4,845	\$4,146	\$3,671	\$6,220	\$7,269
Cash Resources	\$527,617	\$514,734	\$459,478	\$526,882	\$614,888	\$410,631	\$242,932	\$221,260	\$207,331	\$297,251	\$335,781
Reserve Components											
Concrete Works: Amphitheaters		\$26,250								\$34,600	
Concrete Works: Stamped Concrete		\$20,400						\$25,050			
Drawbridge: Boards, Post and Rail Fencing - Repairs		\$4,200									
Drawbridge: Structure					\$90,950						
Electrical and Exterior Lighting								\$67,500			
False Bridge: Post and Rail Fencing - Repairs		\$7,500									
Landscaping: Hard Landscaping											
Landscaping: Soft Landscaping	\$22,750					\$27,000					\$32,100
Miscellaneous Components								\$6,350			
Signage			\$16,000								
Stonework Features	\$69,300						\$85,150				
Wrought Iron Fence with Stone Posts: Repairs Only											
Drawbridge: Boards, Post and Rail Fencing - Replacement											
False Bridge: Post and Rail Fencing - Replacement											
Staining: Wood Post and Rail Fencing: Drawbridge and False Bridge		\$15,446				\$17,724				\$20,339	
Timber Features: Replacement											
Timber Features: Repairs, Staining & Caulking		\$16,475					\$19,568				
Wrought Iron Fence with Stone Posts: Replacement					\$197,500	\$204,420					
Wrought Iron Fence with Stone Posts: Painting		\$44,484									
Total Expenses	\$92,050	\$134,755	\$16,000	\$0	\$288,450	\$249,144	\$104,718	\$98,900	\$0	\$54,939	\$32,100
Closing Balance	\$435,567	\$379,979	\$443,478	\$526,882	\$326,438	\$161,487	\$138,214	\$122,360	\$207,331	\$242,312	\$303,681
Planned Contributions	\$64,200	\$66,100	\$68,100	\$70,100	\$72,200	\$74,400	\$76,600	\$78,900	\$81,300	\$83,700	\$86,200
Year End	2042-12-31	2043-12-31	2044-12-31	2045-12-31	2046-12-31	2047-12-31	2048-12-31	2049-12-31	2050-12-31	2051-12-31	2052-12-31



PLANNERS RECOMMENDATIONS

The Horizon Plan Cash Flow Analysis projection(s) provided herein represents only one example of a scenario and is not intended to be the only one that a governing body may rely on as an acceptable plan.

For the Association to carry out all major repairs and replacements necessary to maintain the property, the Association must be sufficiently funded.

1. To ensure that the reserve fund is sufficiently funded over the study horizon, it is recommended that the Association contribute the annual amounts noted in the Projected Cash Flow Analysis. The annual contributions may increase at different rates as noted in the Cash Flow Analysis. Applying these figures, the reserve fund should be able to meet the projected expenditures over the study horizon.
2. The Association should review the reserve fund every year to ensure that the underlying assumptions are still valid and that the estimates remain current.

NOTICE: Failure to implement an appropriate reserve fund strategy may result in large special assessments in the future when major repairs and replacements are required.



PLANNERS QUALIFICATIONS

Daniel B. Jablonski, CRP

Mr. Jablonski's qualifications as a reserve fund planner are based on Education and Experience in the fields of reserve fund planning, real estate appraisal, accounting system development, and consulting.

Daniel Jablonski has been involved in the real estate industry since 2005 and has experience in insurance appraisals, and depreciated costing of improvements for commercial and residential properties. He has experience with accounting, and statistic systems since 1997, developing various systems for tracking and analysis of real estate, consumer goods, human resources, and services.

Lidka Storm, CRP

Mrs. Storm's qualifications as a reserve fund provider are based on Education and Experience in the fields of reserve fund planning, architectural design, project management and construction.

In 2019 she received the CRP (Certified Reserve Planner) designation from the Real Estate Institute of Canada. In addition, she is a member of the Real Estate Institute of Canada.

Lidka Storm has been involved in the design and construction industry since 2006 and in the real estate industry since 2013. She has experience in architectural and mechanical designs, construction practices, Alberta Building Code, costing of new residential properties and take offs using AutoCAD based measurements.



PLANNERS CERTIFICATION

**KINGS HEIGHTS HOA
1402 KINGS HEIGHTS BLVD SE
AIRDRIE, ALBERTA
5012158274**

I certify to the best of my knowledge and belief that:

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions. These are my personal, impartial, and unbiased professional analyses, opinions and conclusions.
- (3) I have no interest, present or prospective, in the property or its management and I have no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (4) Neither the employment to prepare this Reserve Fund Study nor the compensation are contingent upon the amount of reserve fund estimates reported herein. My compensation is not contingent upon an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report. Moreover, I am solely responsible for the reserve fund estimates reported herein.
- (5) My analyses, opinions, and conclusions were developed, and this report was prepared, in conformity with the standards for reserve fund studies published by the Real Estate Institute of Canada.
- (6) I have the knowledge and experience to complete the assignment competently.
- (7) The undersigned personally inspected the within described property. The nature and extent of the property inspection is set forth within the report.

Daniel B. Jablonski, CRP
(Reviewed but not inspected by)

Lidka Storm, CRP

Report Date: July 13, 2023