

# Sample Community Association

## Level 1 Reserve Study



**Report Period - 1/1/2024 to 12/31/2024**

<b>Client Reference Number</b>	<b>10014</b>
<b>Property Type</b>	<b>Condominium</b>
<b>Number of Units</b>	<b>150</b>
<b>Fiscal Year End</b>	<b>12/31</b>
<b>Type of Study</b>	<b>Full Study</b>
<b>Date of Site Visit</b>	<b>4/16/2023</b>
<b>Prepared By</b>	<b>Robert Forney</b>
<b>NV Permit #</b>	<b>RSS.0000004</b>
<b>Analysis Method</b>	<b>Cash Flow</b>
<b>Funding Goal</b>	<b>Full Funding</b>

**Report prepared on - May 3, 2023**



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## Executive Summary - Sample Community Association - ID # 10014

Information to complete this Full Study was gathered by performing an on-site visit of the common area elements. In addition, we may also have obtained information by contacting any vendors and/or contractors that have worked on the property recently, as well as communicating with the property representative (BOD Member and/or Community Manager). To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate insofar as the information obtained from these sources.

<b>Projected Starting Balance as of 1/1/2024</b>	<b>\$502,430</b>
<b>Ideal Reserve Balance as of 1/1/2024</b>	<b>\$669,908</b>
<b>Percent Funded as of 1/1/2024</b>	<b>75%</b>
<b>Recommended Reserve Contribution (per month)</b>	<b>\$9,650</b>
<b>Minimum Reserve Contribution (per month)</b>	<b>\$8,750</b>
<b>Recommended Special Assessment (FY 2024)</b>	<b>\$0</b>

### Property Details

Sample Association is an 150-unit Condominium community. The property offers a pool area as well as landscaped areas as amenities. Construction on the community was completed in approximately 2000.

### Currently Programmed Projected

Projects programmed to occur this fiscal year (FY 2024) include: Wrought Iron Fencing - Repaint (Comp #207). Asphalt - Preventative Maintenance (Comp #402). Spa - Resurface (Comp #1102). Pool Furniture - Replace (Comp #1120). We have programmed an estimated \$46,262.5 in reserve expenditures toward the completion of these projects. (See Page(s) 18 - 20)

### Significant Reserve Projects

The association's significant reserve projects include: Stucco Surfaces - Repaint (Comp #201). Pitched Roof - Tile - Replace (Comp #106). Building Trim - Repaint (Comp #202). Landscaping / Irrigation - Major Renovate (Comp #1813). The fiscal significance of these components is approximately 20%, 14%, 9% and 6% respectively. A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives. (See Page(s) 12) - 13

### Reserve Funding

In comparing the projected starting reserve balance of \$502,430 versus the ideal reserve balance of \$669,907.71 we find the association's reserve fund to be approximately 75% funded. This indicates a strong reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$9,650 (\$64.33/unit) per month. For comparison purposes, we have also set a minimum reserve contribution of \$8,750 (\$58.33/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

### Starting Reserve Balance

The starting Reserve Balance was provided by the client and was not audited or verified.

# Introduction

## Reserve Study Purpose

The purpose of this Reserve Study is to provide the board with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. In this respect our estimates of the current and future Fully Funded balances are less significant than the recommended reserve contribution. The board should weigh carefully our recommendations when setting the Reserve Contribution. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample time to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. It will also ensure the physical well-being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to special assessments.

## Preparer's Credentials

This reserve study was prepared under the responsible charge of Robert Forney. Any persons assisting in the preparation of this study worked under his responsible charge and have appropriate experience and training. Mr. Forney has been preparing Reserve Studies since 2001. He serves on the board of the Association of Professional Reserve Analysts and is a frequent speaker on reserve study topics for trade organizations as well as management companies and individual client.

- Nevada permit number RSS.0000004
- Vice President of The Association of Professional Reserve Analysts (APRA)
- Holds the APRA "Professional Reserve Analyst" designation
- Personally has prepared over 3,000 reserve studies.
- Created the proprietary software and databases used to prepare Complex Solutions' reserve studies. This proprietary software gives Complex Solutions the freedom and ability to create reports tailored to the individual client's needs.
- Projects have ranged in size from small apartment-style condominium communities to 1000+ Planned Unit Communities.
- Clients have ranged from developers interested in setting initial reserve accounts for communities under construction to high-rise communities, worship facilities, day schools and more.
- Active member of three local chapters of CAI (Nevada, Utah, and Channel Islands, CA).
- Frequent guest speaker for trade organizations, management companies, and other entities
- Member of CAMEO (Community Association Management Executive Officers)

## Budget Breakdown

Every association conducts their business within a budget. There are typically two main parts to this budget, the Operating budget and the Reserve budget. The operating budget typically includes all expenses that occur on an annual basis as well as general maintenance and repairs. Typical Operating budget line items include management fees, maintenance expenses, utilities, etc. The reserves are primarily made up of capital replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis. Typically, the reserve contribution makes up 15% - 40% of the association's total budget. Therefore, reserves are considered to be a major part of the overall monthly association assessment.

## Report Sections

The **Reserve Analysis Section** contains the evaluation of the association's reserve balance, income, and expenses. It includes a finding of the client's current reserve fund status (measured as percent funded) and a recommendation for an appropriate reserve allocation rate (also known as the funding plan).

The **Component Evaluation Section** contains information regarding the physical status and replacement cost of major common area components the association is responsible to maintain. It is important to understand that while the component inventory will remain relatively "stable" from year to year, the condition assessment and life estimates will most likely vary from year to year.

## General Information and Frequently Asked Questions

### Is it the law to have a Reserve Study conducted?

The Government requires reserve analyses in approximately 20 States. Even if it is not currently governed by your State, the chances are very good that the documents of the association require the association to have a reserve fund established. This doesn't mean a Reserve Study is required, but how are you going to know if you have enough funds in the reserve account if you don't have the proper information? Some associations look at the Reserve fund and think that \$500,000 is a lot of money and they are in good shape. What they don't know is that the roof is going to need to be replaced within 5 years, and the cost of the roof is going to exceed \$750,000. So while \$500,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the association is responsible to maintain.

### Why is it important to perform a Reserve Study?

As previously mentioned, the reserve allocation makes up a significant portion of the total monthly assessment. This report provides the essential information that is needed to guide the Board of Directors in establishing the reserve portion of the total monthly assessment. The reserve fund is critical to the future of the association because it helps ensure that significant reserve projects can be completed on time with quality contractors. In this way deferred maintenance can be avoided as well as the lower property values that typically accompanies it. It is suggested that a third party professionally prepare the Reserve Study since there is no vested interest in the property.

### After we have a Reserve Study completed, what do we do with it?

Hopefully, you will not look at this report and think it is too cumbersome to comprehend. Our intention is to make this Reserve Study easy to read and understand. Please take the time to review it carefully and make sure the "main ingredients" (component information) are complete and accurate. If there are any components that the association feels should be added, removed, or altered as well as any other inaccuracies or changes that should be made, please inform us immediately so we may revise the report. In order to ensure the Board understands its role in the completion of this report, all reports are labeled as "DRAFT" until their input has been given and the report has been approved as finalized. **Note to user:** If this report has a "DRAFT" watermark it is not a finalized report and is not to be relied upon or used for budgeting purposes.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The reserve allocation makes up a large portion of the total monthly assessment and this report should help you determine the correct amount of money to go into the reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending projects. This will give you an opportunity to shop around for the best price available.

### How often do we update or review the Reserve Study?

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Study should be professionally reviewed (Level III "no site visit" update study) each year before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Deterioration rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the results of the Reserve Study. Because of this projected future Fully Funded balances cannot be relied upon (in other words the Fully Funded balance for the current year of a report prepared 3 years earlier cannot be considered accurate or reliable). Therefore, this analysis should be professionally reviewed annually, and a "site visit" reserve study should be conducted at least once every three years

### What is a "Reserve Component" versus an "Operating Component"?

A "Reserve" component is an item that is the responsibility of the association to maintain, has a limited useful life, predictable remaining useful life, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold amount. An "Operating" expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an "Operating" expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a reserve expense.

### What are the GREY areas of "maintenance" items that are often seen in a Reserve Study?

One of the most popular questions revolves around major "maintenance" items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a "capital" item, it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers, including Complex Solutions Ltd, that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a reserve component.



## What are the GREY areas of major expenses that are not included in a Reserve Study?

Some components may appear to satisfy the requirements of being a reserve component but are still not included in the reserve study. Several Reserve Study providers, including Complex Solutions Ltd, limit the component list to physical components of the common area that are owned by the association. Certain elements of an association's common area, such as leased items, or non-physical components such as future reserve studies, financial audits, inspection reports etc. are not included in our reserve studies. In addition we typically do not fund for utility systems, plumbing, or components with an extended useful life. Associations that feel any of these components should be included in our reserve study should notify us with their request. These components will be added to help the association better plan and prepare their own budget and will not necessarily reflect the professional opinions of Complex Solutions Ltd.

## Information and Data Gathered

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at the time of the site visit. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have also been excluded from this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgment of Complex Solutions Ltd and should not be construed as a guarantee or assurance of predicting future events.

## What happens during the Site Visit? (Site Visit Studies Only)

The Site Visit was conducted of the common areas as reported by client. There may be certain areas that are not located inside the community but still a part of the association's common area. This may include drainage easements or landscaped areas located outside of the community, such as across a street. It is the responsibility of the Association to inform us of all common area locations. From our site visit we identified those common area components that we have determined require reserve funding. Based on information provided by the client, client's vendors, and our assessment of the components we have developed a component list and life and cost estimates.

## What is the Financial Analysis?

We project the starting balance by taking the most recent reserve fund balance as stated by the client and add expected reserve contributions to the end of the fiscal year. We then subtract the expenses of any pending projects. We compare this number to the Fully Funded Balance and arrive at the Percent Funded level. Based on that level of funding we then recommend a Funding Plan to help ensure the adequacy of funding in the future

**Percent Funded Breakdown:** The percentage of the current reserve fund balance versus the Fully Funded Balance. A “snap-shot” indicator of the general strength of the account at the time of report preparation. Because many variables affect the Fully Funded balance it is more important to maintain the recommended reserve contribution or “cash flow” moving forward rather than striving to attain a certain Fully Funded figure.

### Measures of strength are as follows:

**0% - 30% Funded** is generally considered to be a “weak” financial position. Associations that fall into this category are subject to higher frequencies of special assessments and deferred maintenance, which could lead to lower property values. Furthermore, should components fail sooner than expected our recommendations may not be enough to get the community into a better financial position. In this case additional actions beyond our initial recommendations may be necessary to improve the financial strength of the reserve fund.

**31% - 69% Funded** is generally considered a “fair” financial position. The majority of associations fall into this category. While this doesn't represent financial strength and stability, the likelihood of special assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the reserve fund.

**70% - 99% Funded** is generally considered a “strong” financial position. This indicates financial strength of a reserve fund and every attempt to maintain this level should be a goal of the association.

**100% Funded** is considered an “ideal” financial position. This means that the association theoretically has the exact amount of funds in the reserve account.

**100%+ Funded** is considered over-funded. This means that the association has more reserve funds than the theoretically ideal amount.

## Disclosures:

Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will be a reflection of information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited.

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. A site visit conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection.

The results of this study are based on the independent opinion of the preparer and his experience and research during the course of his career in preparing Reserve Studies. In addition any opinions of experts on certain components have been gathered through research within their industry and with client's actual vendors. There is no implied warranty or guarantee regarding our life and cost estimates/predictions. There is no implied warranty or guarantee in any of our work product. Our results and findings will vary from another preparer's results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.

The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components and dramatically increase the funding needs of the reserves of the association.

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach their full and expected useful lives.

We have assumed any and all components have been properly built and will reach normal, typical life expectancies. In general a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

**Site Visits:** Should a site visit have been performed during the preparation of this reserve study no invasive testing was performed. The physical analysis performed during the site visit was not intended to be exhaustive in nature and may have included representative sampling.

**Update Reserve Studies: Level II Studies:** Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies. **Level III Studies:** In addition to the above we have not visited the property when completing a Level III "No Site Visit" study. Therefore we have not verified the current condition of the common area components.

**Insurance:** We carry general and professional liability insurance as well as workers' compensation insurance.

**Actual or Perceived Conflicts of Interest:** Unless otherwise stated there are no potential actual or perceived conflicts of interest that we are aware of.

**Inflation and Interest Rates:** The after tax interest rate used in the financial analysis may or may not be based on the clients reported after tax interest rate. If it is we have not verified or audited the reported rate. The interest rate may also be based on an amount we believe appropriate given the 30-year horizon of this study and may or may not reflect current or historical inflation rates.

**California Clients:** CA Civil Code §5551 requires California condominium associations with 3 or more units to inspect all exterior elevated elements "that extend beyond the exterior walls of the building to deliver structural loads to the building from decks, balconies, stairways, walkways, and their railings, that have a walking surface elevated more than six feet above ground level, that are designed for human occupancy or use, and that are supported in whole or in substantial part by wood or wood-based products." We have not determined if any exterior elevated element is required to be inspected pursuant to CA Civil Code §5551. Any funding for such inspections within this report is not a determination that your association is required to perform such inspection on any of the exterior elements. Further lack of funding for these inspection is not a determination that your association is not required to perform such inspections. We recommend contacting your association's legal counsel for such a determination. Further we do not warrant that any such inspections have occurred and are not responsible for the findings of any such inspection. Should any such inspection recommend remediation or repairs we recommend those repairs be performed immediately as required whether or not they are funded for in this report. We will not/have not performed any inspections that would comply with CA Civil Code §5551 on your exterior elevated elements. This reserve study is a budgeting tool and nothing within this study should be construed as a requirement to perform any specific maintenance at any time or cost.



# Funding Summary

## Beginning Assumptions

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# of units	150
Fiscal Year End	12/31
Budgeted Monthly Reserve Contribution	\$8,000
Projected Starting Reserve Balance	\$502,430
Ideal Starting Reserve Balance	\$669,908

## Economic Assumptions

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Current Inflation Rate	4.00%
Reported After-Tax Interest Rate	0.50%

## Current Reserve Status

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Current Balance as a % of Ideal Balance	75%
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## Recommendations

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Recommended Special Assessment (FY 2024)	\$0
Recommended Monthly Reserve Contribution	\$9,650
Per Unit	\$64.33
Future Annual Increases	3.50%
For number of years:	20
Increases thereafter:	4.00%
Minimum Recommended MRC	\$8,750
Per Unit	\$58.33
Future Annual Increases	3.50%
For number of years:	20
Increases thereafter:	4.00%

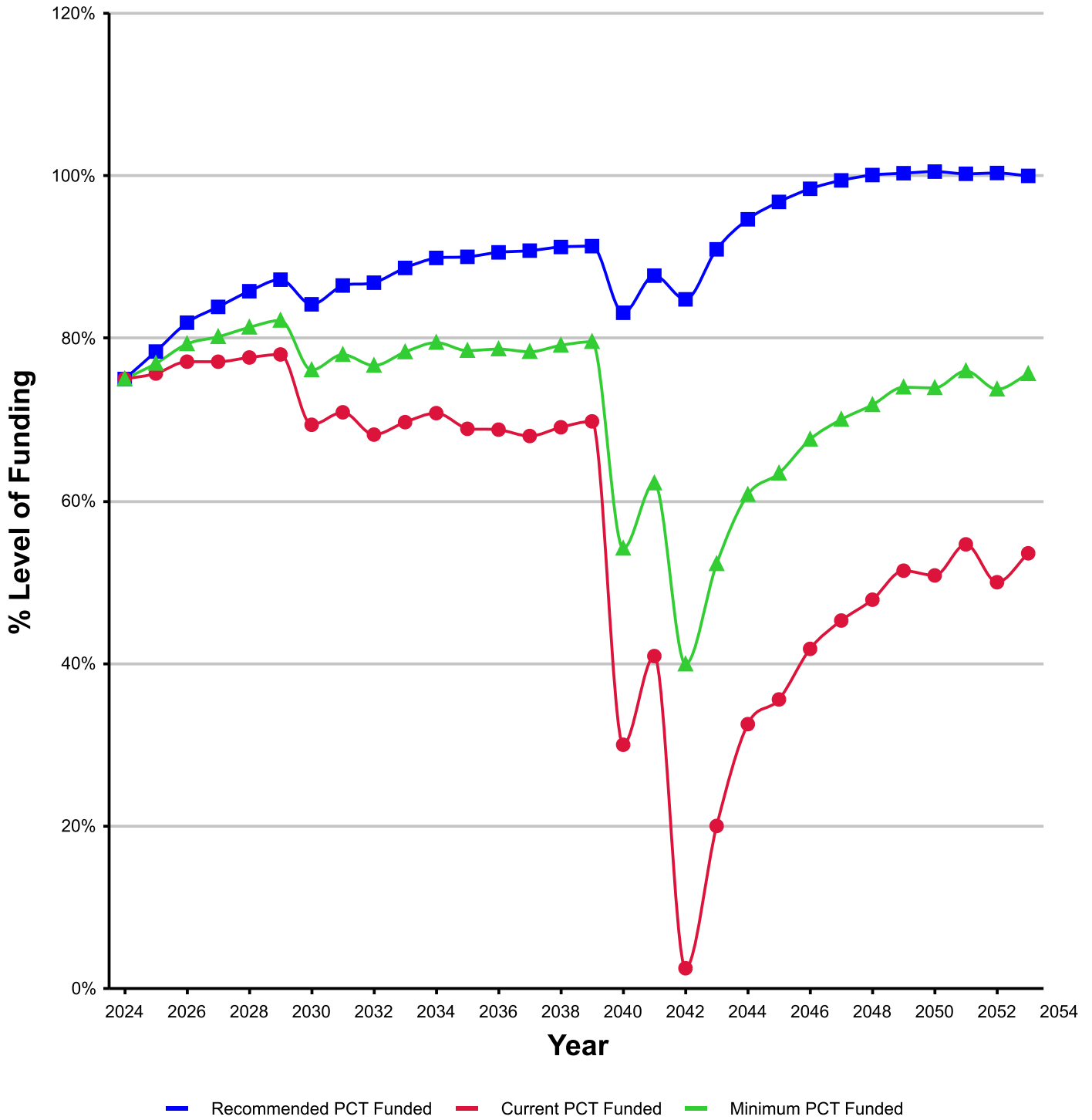
## Changes From Prior Year

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Recommended Increase to Reserve Contribution	\$1,650
as Percentage	21%
Minimum Recommended Increase to Reserve Contribution	\$750
as Percentage	9%



# Percent Funded - Graph



## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
<b>Common Area</b>								
207	Wrought Iron Fencing - Repaint	5	0	Approx 1,800 Sq.ft.	\$18,000	\$18,000	\$18,000	\$427.16
401	Asphalt - Major Rehab.	30	15	Approx 74,500 Sq.ft.	\$139,688	\$69,844	\$69,844	\$552.49
402	Asphalt - Preventative Maintenance	5	0	Approx 74,500 Sq.ft.	\$16,763	\$16,763	\$16,763	\$397.79
590	Trash Enclosure Gates - Replace	15	5	(6) Enclosures	\$16,500	\$11,000	\$11,000	\$130.52
601	Concrete Surfaces - Repair	10	2	Extensive Sq.ft.	\$12,500	\$10,000	\$10,000	\$148.32
803	Mailboxes - Replace	16	8	(7) Clusters	\$18,900	\$9,450	\$9,450	\$140.16
1002	Wrought Iron Fencing - Repair/Replace	25	15	Approx 1,800 Linear ft.	\$117,000	\$46,800	\$46,800	\$555.30
1005	Block/Stucco Wall - Repair	20	10	Approx 3,250 Linear ft.	\$24,388	\$12,194	\$12,194	\$144.68
1604	Pole Light Fixtures - Replace	25	10	(35) Pole Light Fixtures	\$35,875	\$21,525	\$21,525	\$170.27
1813	Landscaping / Irrigation - Major Renovate	20	7	Extensive Sq.ft.	\$100,000	\$65,000	\$65,000	\$593.27
1814	Landscaping / Irrigation - Minor Renovate	5	2	Extensive Sq.ft.	\$20,000	\$12,000	\$12,000	\$474.62
<b>Subtotals:</b>					<b>\$519,613</b>	<b>\$292,575</b>	<b>\$292,575</b>	<b>\$3,735</b>
<b>Entry Area</b>								
206	Vehicle Gates - Repaint	5	2	(4) Gates	\$2,000	\$1,200	\$1,200	\$47.46
504	Vehicle Gates - Replace	30	17	(4) Gate Leafs	\$22,000	\$9,533	\$0	\$87.01
505	Vehicle Gate Hinges - Replace	8	4	(8) Gate Hinges	\$3,600	\$1,800	\$1,800	\$53.39
506	Phone Entry System - Replace	10	5	(1) Entry System	\$5,000	\$2,500	\$2,500	\$59.33
507	Vehicle Gate Operators - Replace	10	5	(4) Gate Operators	\$22,000	\$11,000	\$11,000	\$261.04
508	Gate Loops - Replace	10	5	(2) sets	\$3,600	\$1,800	\$1,800	\$42.72
<b>Subtotals:</b>					<b>\$58,200</b>	<b>\$27,833</b>	<b>\$18,300</b>	<b>\$551</b>
<b>Pool Area</b>								
603	Pool Deck - Reseal / Repair	5	2	Approx 2,450 Sq.ft.	\$6,738	\$4,043	\$4,043	\$159.89
604	Pool Deck - Resurface	20	12	Approx 2,450 Sq.ft.	\$17,150	\$6,860	\$6,860	\$101.75
1101	Pool - Resurface	12	6	(1) Pool	\$15,000	\$7,500	\$7,500	\$148.32
1102	Spa - Resurface	6	0	(1) Spa	\$5,000	\$5,000	\$5,000	\$98.88
1104	Pool Heater - Replace	10	1	(1) Pool Heater	\$4,500	\$4,050	\$4,050	\$53.39
1105	Spa Heater - Replace	8	5	(1) Spa Heater	\$4,500	\$1,688	\$1,688	\$66.74
1107	Pool Filter - Replace	12	2	(1) Pool Filter	\$2,000	\$1,667	\$1,667	\$19.78
1108	Spa Filter - Replace	12	2	(1) Spa Filter	\$2,000	\$1,667	\$1,667	\$19.78
1110	Pool/Spa Pumps - Partial Replace	3	1	(3) Pumps	\$1,500	\$1,000	\$1,000	\$59.33
1120	Pool Furniture - Replace	5	0	(23) Pieces	\$6,500	\$6,500	\$6,500	\$154.25
1390	Outdoor Shower - Re-Tile	18	9	(1) 5 X 3 X 9 ft. High shower	\$2,500	\$1,250	\$1,250	\$16.48



## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
1413	Restrooms - Remodel	10	9	(2) Restrooms	\$14,000	\$1,400	\$1,400	\$166.12
<b>Subtotals:</b>					<b>\$81,388</b>	<b>\$42,623</b>	<b>\$42,623</b>	<b>\$1,065</b>
<b>Community Buildings</b>								
106	Pitched Roof - Tile - Replace	30	15	Approx 96,750 Sq.ft.	\$338,638	\$169,319	\$11,374	\$1,339.37
201	Stucco Surfaces - Repaint	12	5	(150) Units	\$195,000	\$113,750	\$113,750	\$1,928.14
202	Building Trim - Repaint	6	5	(150) Units	\$45,000	\$7,500	\$7,500	\$889.91
805	Building Signs - Replace	18	3	(15) Buildings / (150) Units	\$14,000	\$11,667	\$11,667	\$92.29
1602	Exterior Wall Mount Lights - Replace	16	5	(30) Fixtures	\$6,750	\$4,641	\$4,641	\$50.06
<b>Subtotals:</b>					<b>\$599,388</b>	<b>\$306,876</b>	<b>\$148,932</b>	<b>\$4,300</b>
<b>Grand Total:</b>					<b>\$1,258,588</b>	<b>\$669,908</b>	<b>\$502,430</b>	<b>\$9,650</b>

<b>Current Fund Balance as a percentage of Ideal Balance:      75%</b>
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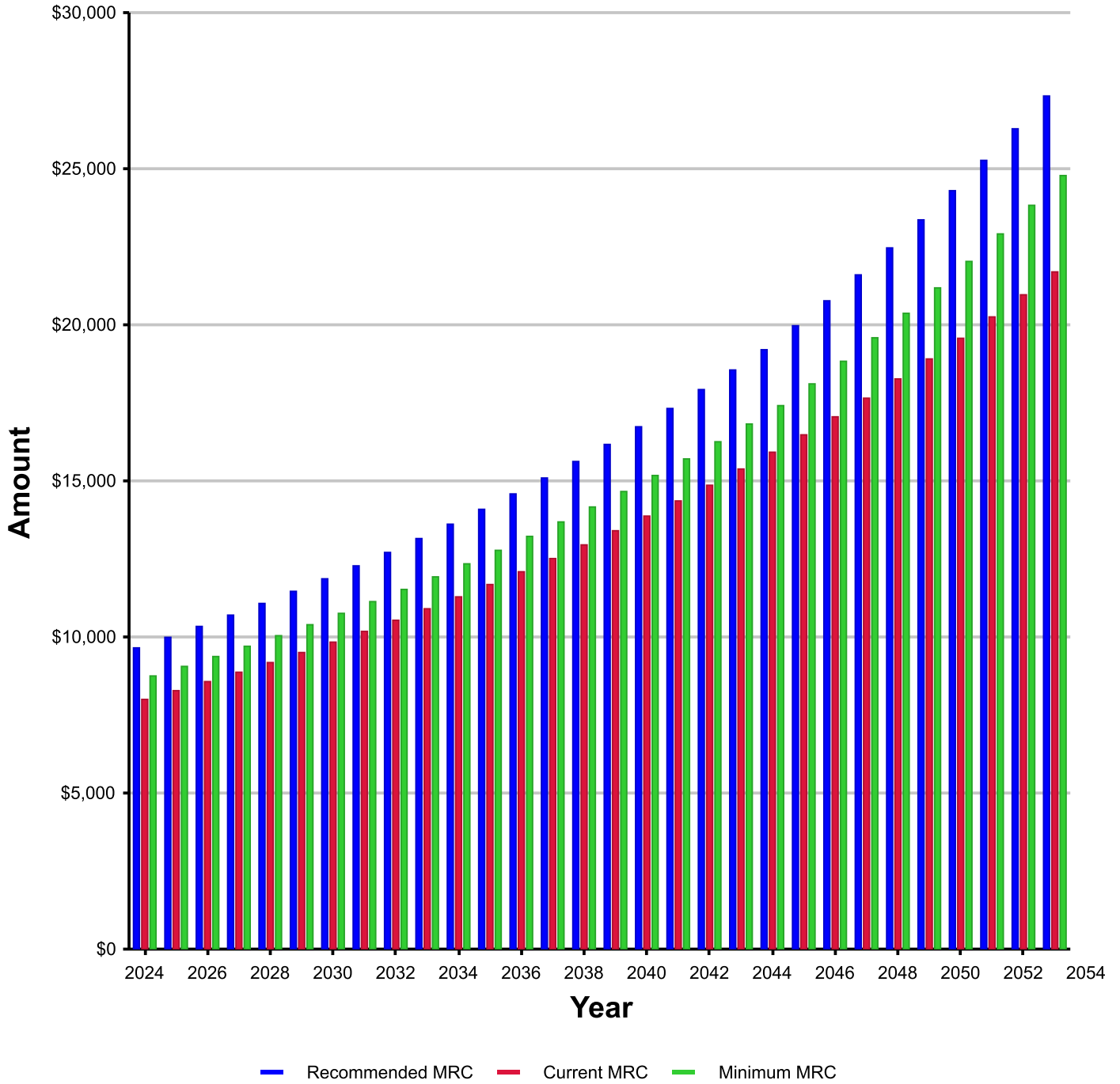
## Yearly Summary

Year	Beginning Fully Funded Balance	Beginning Reserve Balance	Beginning % Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance	Ending Fully Funded Balance
2024	\$669,908	\$502,430	75%	\$115,800	\$2,692	\$46,263	\$574,660	\$733,172
2025	\$733,172	\$574,660	78%	\$119,853	\$3,165	\$6,240	\$691,437	\$843,975
2026	\$843,975	\$691,437	82%	\$124,048	\$3,653	\$48,929	\$770,210	\$918,331
2027	\$918,331	\$770,210	84%	\$128,390	\$4,142	\$15,748	\$886,993	\$1,033,829
2028	\$1,033,829	\$886,993	86%	\$132,883	\$4,763	\$5,966	\$1,018,673	\$1,167,925
2029	\$1,167,925	\$1,018,673	87%	\$137,534	\$4,414	\$413,191	\$747,431	\$887,830
2030	\$887,830	\$747,431	84%	\$142,348	\$4,039	\$25,306	\$868,511	\$1,004,047
2031	\$1,004,047	\$868,511	87%	\$147,330	\$4,292	\$171,384	\$848,750	\$977,274
2032	\$977,274	\$848,750	87%	\$152,486	\$4,571	\$25,866	\$979,941	\$1,105,220
2033	\$1,105,220	\$979,941	89%	\$157,824	\$5,248	\$23,485	\$1,119,528	\$1,245,390
2034	\$1,245,390	\$1,119,528	90%	\$163,347	\$5,638	\$152,502	\$1,136,011	\$1,261,805
2035	\$1,261,805	\$1,136,011	90%	\$169,064	\$5,926	\$76,203	\$1,234,798	\$1,363,235
2036	\$1,363,235	\$1,234,798	91%	\$174,982	\$6,358	\$107,249	\$1,308,888	\$1,441,643
2037	\$1,441,643	\$1,308,888	91%	\$181,106	\$6,988	\$9,990	\$1,486,992	\$1,629,753
2038	\$1,629,753	\$1,486,992	91%	\$187,445	\$7,904	\$6,927	\$1,675,415	\$1,834,207
2039	\$1,834,207	\$1,675,415	91%	\$194,005	\$5,872	\$1,201,567	\$673,725	\$810,272
2040	\$810,272	\$673,725	83%	\$200,796	\$3,872	\$2,809	\$875,583	\$998,181
2041	\$998,181	\$875,583	88%	\$207,823	\$3,490	\$566,328	\$520,569	\$613,884
2042	\$613,884	\$520,569	85%	\$215,097	\$3,046	\$40,516	\$698,196	\$767,648
2043	\$767,648	\$698,196	91%	\$222,626	\$3,975	\$32,656	\$892,140	\$942,592
2044	\$942,592	\$892,140	95%	\$230,418	\$4,711	\$134,453	\$992,816	\$1,025,794
2045	\$1,025,794	\$992,816	97%	\$239,634	\$5,406	\$67,793	\$1,170,063	\$1,189,062
2046	\$1,189,062	\$1,170,063	98%	\$249,220	\$6,234	\$101,284	\$1,324,233	\$1,331,740
2047	\$1,331,740	\$1,324,233	99%	\$259,188	\$7,008	\$110,912	\$1,479,517	\$1,478,130
2048	\$1,478,130	\$1,479,517	100%	\$269,556	\$7,936	\$61,263	\$1,695,747	\$1,690,350
2049	\$1,690,350	\$1,695,747	100%	\$280,338	\$8,711	\$195,572	\$1,789,223	\$1,780,049
2050	\$1,780,049	\$1,789,223	101%	\$291,552	\$9,669	\$11,090	\$2,079,354	\$2,074,217
2051	\$2,074,217	\$2,079,354	100%	\$303,214	\$10,232	\$378,406	\$2,014,394	\$2,007,523
2052	\$2,007,523	\$2,014,394	100%	\$315,342	\$10,847	\$15,293	\$2,325,290	\$2,325,553
2053	\$2,325,553	\$2,325,290	100%	\$327,956	\$10,455	\$806,171	\$1,857,529	END



# Reserve Contributions - Graph

## Monthly Reserve Contributions





## Significant Components

ID #	Component Name	UL	RUL	Average Current	Significance: (Curr Cost/UL)	
					As \$	As %
<b>Common Area</b>						
207	Wrought Iron Fencing - Repaint	5	0	\$18,000	\$3,600	4.43%
401	Asphalt - Major Rehab.	30	15	\$139,688	\$4,656	5.73%
402	Asphalt - Preventative Maintenance	5	0	\$16,763	\$3,353	4.12%
590	Trash Enclosure Gates - Replace	15	5	\$16,500	\$1,100	1.35%
601	Concrete Surfaces - Repair	10	2	\$12,500	\$1,250	1.54%
803	Mailboxes - Replace	16	8	\$18,900	\$1,181	1.45%
1002	Wrought Iron Fencing - Repair/Replace	25	15	\$117,000	\$4,680	5.75%
1005	Block/Stucco Wall - Repair	20	10	\$24,388	\$1,219	1.50%
1604	Pole Light Fixtures - Replace	25	10	\$35,875	\$1,435	1.76%
1813	Landscaping / Irrigation - Major Renovate	20	7	\$100,000	\$5,000	6.15%
1814	Landscaping / Irrigation - Minor Renovate	5	2	\$20,000	\$4,000	4.92%
<b>Entry Area</b>						
206	Vehicle Gates - Repaint	5	2	\$2,000	\$400	0.49%
504	Vehicle Gates - Replace	30	17	\$22,000	\$733	0.90%
505	Vehicle Gate Hinges - Replace	8	4	\$3,600	\$450	0.55%
506	Phone Entry System - Replace	10	5	\$5,000	\$500	0.61%
507	Vehicle Gate Operators - Replace	10	5	\$22,000	\$2,200	2.71%
508	Gate Loops - Replace	10	5	\$3,600	\$360	0.44%
<b>Pool Area</b>						
603	Pool Deck - Reseal / Repair	5	2	\$6,738	\$1,348	1.66%
604	Pool Deck - Resurface	20	12	\$17,150	\$858	1.05%
1101	Pool - Resurface	12	6	\$15,000	\$1,250	1.54%
1102	Spa - Resurface	6	0	\$5,000	\$833	1.02%
1104	Pool Heater - Replace	10	1	\$4,500	\$450	0.55%
1105	Spa Heater - Replace	8	5	\$4,500	\$563	0.69%
1107	Pool Filter - Replace	12	2	\$2,000	\$167	0.20%
1108	Spa Filter - Replace	12	2	\$2,000	\$167	0.20%
1110	Pool/Spa Pumps - Partial Replace	3	1	\$1,500	\$500	0.61%
1120	Pool Furniture - Replace	5	0	\$6,500	\$1,300	1.60%
1390	Outdoor Shower - Re-Tile	18	9	\$2,500	\$139	0.17%
1413	Restrooms - Remodel	10	9	\$14,000	\$1,400	1.72%

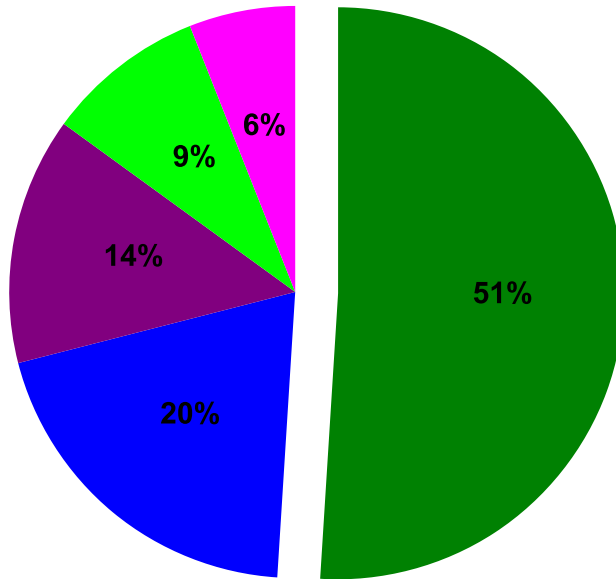
## Significant Components

ID #	Component Name	UL	RUL	Average Current	Significance: (Curr Cost/UL)	
					As \$	As %
<b>Community Buildings</b>						
106	Pitched Roof - Tile - Replace	30	15	\$338,638	\$11,288	13.88%
201	Stucco Surfaces - Repaint	12	5	\$195,000	\$16,250	19.98%
202	Building Trim - Repaint	6	5	\$45,000	\$7,500	9.22%
805	Building Signs - Replace	18	3	\$14,000	\$778	0.96%
1602	Exterior Wall Mount Lights - Replace	16	5	\$6,750	\$422	0.52%



## Significant Components - Graph

- See Expanded Table For Breakdown
- Stucco Surfaces - Repaint
- Pitched Roof - Tile - Replace
- Building Trim - Repaint
- Landscaping / Irrigation - Major Renovate



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL) AS %	
201	Stucco Surfaces - Repaint	12	5	\$195,000	\$16,250	20%
106	Pitched Roof - Tile - Replace	30	15	\$338,638	\$11,288	14%
202	Building Trim - Repaint	6	5	\$45,000	\$7,500	9%
1813	Landscaping / Irrigation - Major Renovate	20	7	\$100,000	\$5,000	6%
All Other	See Expanded Table For Breakdown				\$40,038	51%



## Yearly Cash Flow

Year	2024	2025	2026	2027	2028
<b>Starting Balance</b>	\$502,430	\$574,660	\$691,437	\$770,210	\$886,993
<i>Reserve Income</i>	\$115,800	\$119,853	\$124,048	\$128,390	\$132,883
<i>Interest Earnings</i>	\$2,692	\$3,165	\$3,653	\$4,142	\$4,763
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$620,922	\$697,678	\$819,138	\$902,742	\$1,024,639
<b>Reserve Expenditures</b>	\$46,263	\$6,240	\$48,929	\$15,748	\$5,966
<b>Ending Balance</b>	\$574,660	\$691,437	\$770,210	\$886,993	\$1,018,673

Year	2029	2030	2031	2032	2033
<b>Starting Balance</b>	\$1,018,673	\$747,431	\$868,511	\$848,750	\$979,941
<i>Reserve Income</i>	\$137,534	\$142,348	\$147,330	\$152,486	\$157,824
<i>Interest Earnings</i>	\$4,414	\$4,039	\$4,292	\$4,571	\$5,248
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,160,621	\$893,818	\$1,020,133	\$1,005,807	\$1,143,013
<b>Reserve Expenditures</b>	\$413,191	\$25,306	\$171,384	\$25,866	\$23,485
<b>Ending Balance</b>	\$747,431	\$868,511	\$848,750	\$979,941	\$1,119,528

Year	2034	2035	2036	2037	2038
<b>Starting Balance</b>	\$1,119,528	\$1,136,011	\$1,234,798	\$1,308,888	\$1,486,992
<i>Reserve Income</i>	\$163,347	\$169,064	\$174,982	\$181,106	\$187,445
<i>Interest Earnings</i>	\$5,638	\$5,926	\$6,358	\$6,988	\$7,904
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,288,513	\$1,311,001	\$1,416,138	\$1,496,982	\$1,682,341
<b>Reserve Expenditures</b>	\$152,502	\$76,203	\$107,249	\$9,990	\$6,927
<b>Ending Balance</b>	\$1,136,011	\$1,234,798	\$1,308,888	\$1,486,992	\$1,675,415

Year	2039	2040	2041	2042	2043
<b>Starting Balance</b>	\$1,675,415	\$673,725	\$875,583	\$520,569	\$698,196
<i>Reserve Income</i>	\$194,005	\$200,796	\$207,823	\$215,097	\$222,626
<i>Interest Earnings</i>	\$5,872	\$3,872	\$3,490	\$3,046	\$3,975
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,875,292	\$878,393	\$1,086,896	\$738,712	\$924,797
<b>Reserve Expenditures</b>	\$1,201,567	\$2,809	\$566,328	\$40,516	\$32,656
<b>Ending Balance</b>	\$673,725	\$875,583	\$520,569	\$698,196	\$892,140

Year	2044	2045	2046	2047	2048
<b>Starting Balance</b>	\$892,140	\$992,816	\$1,170,063	\$1,324,233	\$1,479,517
<i>Reserve Income</i>	\$230,418	\$239,634	\$249,220	\$259,188	\$269,556
<i>Interest Earnings</i>	\$4,711	\$5,406	\$6,234	\$7,008	\$7,936
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,127,269	\$1,237,856	\$1,425,517	\$1,590,429	\$1,757,009
<b>Reserve Expenditures</b>	\$134,453	\$67,793	\$101,284	\$110,912	\$61,263
<b>Ending Balance</b>	\$992,816	\$1,170,063	\$1,324,233	\$1,479,517	\$1,695,747



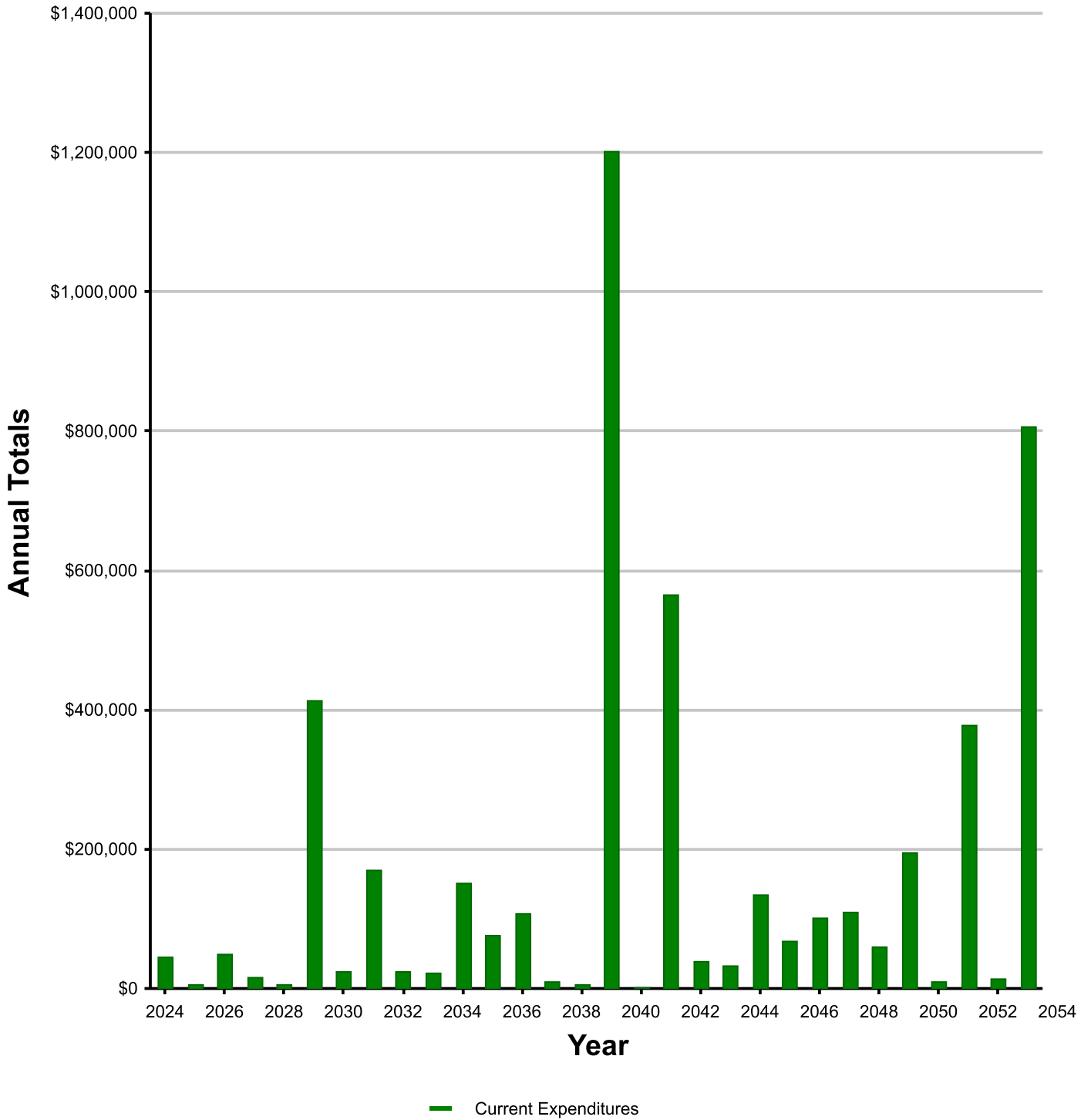
## Yearly Cash Flow

Year	2049	2050	2051	2052	2053
<b>Starting Balance</b>	\$1,695,747	\$1,789,223	\$2,079,354	\$2,014,394	\$2,325,290
<i>Reserve Income</i>	\$280,338	\$291,552	\$303,214	\$315,342	\$327,956
<i>Interest Earnings</i>	\$8,711	\$9,669	\$10,232	\$10,847	\$10,455
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,984,796	\$2,090,444	\$2,392,800	\$2,340,583	\$2,663,701
<b>Reserve Expenditures</b>	\$195,572	\$11,090	\$378,406	\$15,293	\$806,171
<b>Ending Balance</b>	\$1,789,223	\$2,079,354	\$2,014,394	\$2,325,290	\$1,857,529





## Yearly Reserve Expenditures - Graph



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2024	Common Area	207	Wrought Iron Fencing - Repaint	\$18,000	
	Common Area	402	Asphalt - Preventative Maintenance	\$16,763	
	Pool Area	1102	Spa - Resurface	\$5,000	
	Pool Area	1120	Pool Furniture - Replace	\$6,500	\$46,263
2025	Pool Area	1104	Pool Heater - Replace	\$4,680	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$1,560	\$6,240
2026	Entry Area	206	Vehicle Gates - Repaint	\$2,163	
	Common Area	601	Concrete Surfaces - Repair	\$13,520	
	Pool Area	603	Pool Deck - Reseal / Repair	\$7,287	
	Pool Area	1107	Pool Filter - Replace	\$2,163	
	Pool Area	1108	Spa Filter - Replace	\$2,163	
	Common Area	1814	Landscaping / Irrigation - Minor Renovate	\$21,632	\$48,929
2027	Community Buildings	805	Building Signs - Replace	\$15,748	\$15,748
2028	Entry Area	505	Vehicle Gate Hinges - Replace	\$4,211	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$1,755	\$5,966
2029	Community Buildings	201	Stucco Surfaces - Repaint	\$237,247	
	Community Buildings	202	Building Trim - Repaint	\$54,749	
	Common Area	207	Wrought Iron Fencing - Repaint	\$21,900	
	Common Area	402	Asphalt - Preventative Maintenance	\$20,394	
	Entry Area	506	Phone Entry System - Replace	\$6,083	
	Entry Area	507	Vehicle Gate Operators - Replace	\$26,766	
	Entry Area	508	Gate Loops - Replace	\$4,380	
	Common Area	590	Trash Enclosure Gates - Replace	\$20,075	
	Pool Area	1105	Spa Heater - Replace	\$5,475	
	Pool Area	1120	Pool Furniture - Replace	\$7,908	
	Community Buildings	1602	Exterior Wall Mount Lights - Replace	\$8,212	\$413,191
2030	Pool Area	1101	Pool - Resurface	\$18,980	
	Pool Area	1102	Spa - Resurface	\$6,327	\$25,306
2031	Entry Area	206	Vehicle Gates - Repaint	\$2,632	
	Pool Area	603	Pool Deck - Reseal / Repair	\$8,866	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$1,974	
	Common Area	1813	Landscaping / Irrigation - Major Renovate	\$131,593	
	Common Area	1814	Landscaping / Irrigation - Minor Renovate	\$26,319	\$171,384
2032	Common Area	803	Mailboxes - Replace	\$25,866	\$25,866
2033	Pool Area	1390	Outdoor Shower - Re-Tile	\$3,558	
	Pool Area	1413	Restrooms - Remodel	\$19,926	\$23,485
2034	Common Area	207	Wrought Iron Fencing - Repaint	\$26,644	
	Common Area	402	Asphalt - Preventative Maintenance	\$24,813	
	Common Area	1005	Block/Stucco Wall - Repair	\$36,099	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$2,220	
	Pool Area	1120	Pool Furniture - Replace	\$9,622	
	Common Area	1604	Pole Light Fixtures - Replace	\$53,104	\$152,502



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2035	Community Buildings	202	Building Trim - Repaint	\$69,275	
	Pool Area	1104	Pool Heater - Replace	\$6,928	\$76,203
2036	Entry Area	206	Vehicle Gates - Repaint	\$3,202	
	Entry Area	505	Vehicle Gate Hinges - Replace	\$5,764	
	Common Area	601	Concrete Surfaces - Repair	\$20,013	
	Pool Area	603	Pool Deck - Reseal / Repair	\$10,787	
	Pool Area	604	Pool Deck - Resurface	\$27,458	
	Pool Area	1102	Spa - Resurface	\$8,005	
	Common Area	1814	Landscaping / Irrigation - Minor Renovate	\$32,021	\$107,249
2037	Pool Area	1105	Spa Heater - Replace	\$7,493	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$2,498	\$9,990
2038	Pool Area	1107	Pool Filter - Replace	\$3,463	
	Pool Area	1108	Spa Filter - Replace	\$3,463	\$6,927
2039	Community Buildings	106	Pitched Roof - Tile - Replace	\$609,867	
	Common Area	207	Wrought Iron Fencing - Repaint	\$32,417	
	Common Area	401	Asphalt - Major Rehab.	\$251,569	
	Common Area	402	Asphalt - Preventative Maintenance	\$30,188	
	Entry Area	506	Phone Entry System - Replace	\$9,005	
	Entry Area	507	Vehicle Gate Operators - Replace	\$39,621	
	Entry Area	508	Gate Loops - Replace	\$6,483	
	Common Area	1002	Wrought Iron Fencing - Repair/Replace	\$210,710	
Pool Area	1120	Pool Furniture - Replace	\$11,706	\$1,201,567	
2040	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$2,809	\$2,809
2041	Community Buildings	201	Stucco Surfaces - Repaint	\$379,841	
	Community Buildings	202	Building Trim - Repaint	\$87,656	
	Entry Area	206	Vehicle Gates - Repaint	\$3,896	
	Entry Area	504	Vehicle Gates - Replace	\$42,854	
	Pool Area	603	Pool Deck - Reseal / Repair	\$13,124	
	Common Area	1814	Landscaping / Irrigation - Minor Renovate	\$38,958	\$566,328
2042	Pool Area	1101	Pool - Resurface	\$30,387	
	Pool Area	1102	Spa - Resurface	\$10,129	\$40,516
2043	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$3,160	
	Pool Area	1413	Restrooms - Remodel	\$29,496	\$32,656
2044	Common Area	207	Wrought Iron Fencing - Repaint	\$39,440	
	Common Area	402	Asphalt - Preventative Maintenance	\$36,729	
	Entry Area	505	Vehicle Gate Hinges - Replace	\$7,888	
	Common Area	590	Trash Enclosure Gates - Replace	\$36,154	
	Pool Area	1120	Pool Furniture - Replace	\$14,242	\$134,453
2045	Community Buildings	805	Building Signs - Replace	\$31,903	
	Pool Area	1104	Pool Heater - Replace	\$10,254	
	Pool Area	1105	Spa Heater - Replace	\$10,254	
	Community Buildings	1602	Exterior Wall Mount Lights - Replace	\$15,382	\$67,793



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2046	Entry Area	206	Vehicle Gates - Repaint	\$4,740	
	Common Area	601	Concrete Surfaces - Repair	\$29,624	
	Pool Area	603	Pool Deck - Reseal / Repair	\$15,967	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$3,555	
	Common Area	1814	Landscaping / Irrigation - Minor Renovate	\$47,398	\$101,284
2047	Community Buildings	202	Building Trim - Repaint	\$110,912	\$110,912
2048	Common Area	803	Mailboxes - Replace	\$48,446	
	Pool Area	1102	Spa - Resurface	\$12,817	\$61,263
2049	Common Area	207	Wrought Iron Fencing - Repaint	\$47,985	
	Common Area	402	Asphalt - Preventative Maintenance	\$44,686	
	Entry Area	506	Phone Entry System - Replace	\$13,329	
	Entry Area	507	Vehicle Gate Operators - Replace	\$58,648	
	Entry Area	508	Gate Loops - Replace	\$9,597	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$3,999	
	Pool Area	1120	Pool Furniture - Replace	\$17,328	\$195,572
2050	Pool Area	1107	Pool Filter - Replace	\$5,545	
	Pool Area	1108	Spa Filter - Replace	\$5,545	\$11,090
2051	Entry Area	206	Vehicle Gates - Repaint	\$5,767	
	Pool Area	603	Pool Deck - Reseal / Repair	\$19,427	
	Pool Area	1390	Outdoor Shower - Re-Tile	\$7,208	
	Common Area	1813	Landscaping / Irrigation - Major Renovate	\$288,337	
	Common Area	1814	Landscaping / Irrigation - Minor Renovate	\$57,667	\$378,406
2052	Entry Area	505	Vehicle Gate Hinges - Replace	\$10,795	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$4,498	\$15,293
2053	Community Buildings	201	Stucco Surfaces - Repaint	\$608,137	
	Community Buildings	202	Building Trim - Repaint	\$140,339	
	Pool Area	1105	Spa Heater - Replace	\$14,034	
	Pool Area	1413	Restrooms - Remodel	\$43,661	\$806,171



# Component Evaluation

Comp # 106 Pitched Roof - Tile - Replace

## Subgroup: Community Buildings

**Location:** Building roofs

**Quantity:** Approx 96,750 Sq.ft.

**Life Expectancy:** 30 **Remaining Life:** 15

**Best Cost:** \$314,450.00

\$3.25/Sq.ft.; Estimate to replace underlayment

**Worst Cost:** \$362,825.00

\$3.75/Sq.ft.; Higher estimate

**Source of Information:** Research with vendor

### Observations:

No problems noted or reported. Tile roofs have a typical life expectancy of approximately 25 to 30 years before underlayment deterioration causes significant leaks. Inspect roofs regularly and make repairs as necessary as an operating expense to ensure full life. Remaining life based on current age.





# Component Evaluation

Comp # 201 Stucco Surfaces - Repaint

## Subgroup: Community Buildings

**Location:** Community buildings

**Quantity:** (150) Units

**Life Expectancy:** 12 **Remaining Life:** 5

**Best Cost:** \$172,500.00

\$1,150/Unit; Estimate to repaint stucco surfaces

**Worst Cost:** \$217,500.00

\$1,450/Unit; Higher estimate for more prep. costs

**Source of Information:** In-House Costs Database

### Observations:

Painted stucco surfaces are generally in good to fair condition. Some staining and discoloration noted in local areas. Stucco surfaces should typically be repainted approximately every 10 to 12 years to protect stucco surface and maintain appearance. Remaining life based on current condition.



# Component Evaluation

Comp # 202 Building Trim - Repaint

## Subgroup: Community Buildings

**Location:** Community buildings

**Quantity:** (150) Units

**Life Expectancy:** 6 **Remaining Life:** 5

**Best Cost:** \$37,500.00

\$250/Unit; Estimate to repaint wood trim

**Worst Cost:** \$52,500.00

\$350/Unit; Higher estimate for more prep costs

**Source of Information:** In-House Costs Database

### Observations:

This component includes the railing, doors, fascia board and any other painted surfaces besides the stucco. Repaint these surfaces approximately every 4 to 6 years to maintain appearance and protect wood and other surfaces. Remaining life based on current age and condition.

### General Notes:

Quantity breakdown:

50 Linear ft. - 8 Unit Building Handrails (Painted with building exteriors)  
250 Linear ft. - 11 Unit "A" Building  
300 Linear ft. - 11 Unit "B" Building  
150 Front doors



# Component Evaluation

Comp # 206 Vehicle Gates - Repaint

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (4) Gates

**Life Expectancy:** 5 **Remaining Life:** 2

**Best Cost:** \$1,600.00

\$400/Gate leaf; Estimate to repaint gate

**Worst Cost:** \$2,400.00

\$600/Gate leaf; Higher estimate for more prep work

**Source of Information:** In-House Costs Database

### Observations:

Painted gate surfaces are in good condition. No significant paint loss or appearance concerns noted. We recommend funding to repaint these gates approximately every 3 to 5 years. Remaining life based on current condition.



# Component Evaluation

Comp # 207 Wrought Iron Fencing - Repaint

## Subgroup: Common Area

**Location:** Common area

**Quantity:** Approx 1,800 Sq.ft.

**Life Expectancy:** 5 **Remaining Life:** 0

**Best Cost:** \$16,200.00

\$9.00/Linear ft.; Estimate to repaint iron fence

**Worst Cost:** \$19,800.00

\$11.00/Linear ft; Higher estimate for additional prep work

**Source of Information:** Research with vendor

### Observations:

Minor surface rusting noted in local areas. No significant deterioration or broken welds noted. Touch-up problem areas immediately as an operating issue and repaint all fencing approximately every 5 years to ensure full useful life from this component. Remaining life based on current condition.

### General Notes:

Quantity breakdown:

50 Linear ft. - Entry area  
250 Linear ft. - Pool area  
1,500 Linear ft. - Perimeter fencing  
1,800 Linear ft. - Total





# Component Evaluation

Comp # 401 Asphalt - Major Rehab.

## Subgroup: Common Area

**Location:** Community streets

**Quantity:** Approx 74,500 Sq.ft.

**Life Expectancy:** 30 **Remaining Life:** 15

**Best Cost:** \$111,750.00

\$1.50/Sq.ft.; Estimate for overlay

**Worst Cost:** \$167,625.00

\$2.25/Sq.ft.; Higher estimate for local repairs

**Source of Information:** In-House Costs Database

### Observations:

No problems noted at the time of site visit. With regular sealing and repairs (see Comp# 402 Asphalt - Preventive Maintenance) asphalt surface should reach a typical useful life of approximately 30 years before a major rehabilitation (overlay, R & R, etc.) is necessary.

### General Notes:

Quantity Breakdown:

15,350 Sq.ft. - Augusta Ave.  
15,775 Sq.ft. - Blackridge Ave.  
9,625 Sq.ft. - Copper St.  
33,750 Sq.ft. - Webster Ave

74,500 Sq.ft. - Total



# Component Evaluation

Comp # 402 Asphalt - Preventative Maintenance

## Subgroup: Common Area

**Location:** Community streets

**Quantity:** Approx 74,500 Sq.ft.

**Life Expectancy:** 5 **Remaining Life:** 0

**Best Cost:** \$14,900.00

\$0.20/Sq.ft.; Estimate for seal coat only

**Worst Cost:** \$18,625.00

\$0.25/Sq.ft.; Higher estimate for local repairs

**Source of Information:** Research with vendor

### Observations:

Asphalt seal coat is in fair to poor condition. Minor deterioration and loss of seal noted in local areas throughout. Asphalt surfaces should be sealed approximately every 5 years to prevent damage to asphalt surface and ensure full asphalt life. Seal asphalt surfaces this year based on age and current condition.

### General Notes:

Quantity Breakdown:

15,350 Sq.ft. - Augusta Ave.  
15,775 Sq.ft. - Blackridge Ave.  
9,625 Sq.ft. - Copper St.  
33,750 Sq.ft. - Webster Ave

74,500 Sq.ft. - Total



# Component Evaluation

Comp # 504 Vehicle Gates - Replace

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (4) Gate Leafs

**Life Expectancy:** 30 **Remaining Life:** 17

**Best Cost:** \$20,000.00

\$5,000/Leaf; Estimate to replace

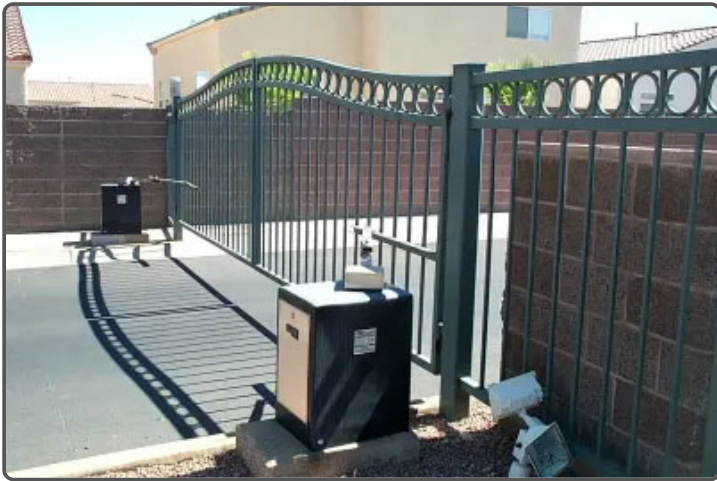
**Worst Cost:** \$24,000.00

\$6,000/Leaf; Higher estimate

**Source of Information:** In-House Costs Database

### Observations:

Although these gates may reach an extended life we recommend funding to completely replace them approximately every 30 years to ensure appearance and function. We have included funding for the replacement of the adjacent pedestrian gates and fencing at the same time.





# Component Evaluation

Comp # 505 Vehicle Gate Hinges - Replace

**Subgroup: Entry Area**

**Location:** Entrance to community

**Quantity:** (8) Gate Hinges

**Life Expectancy:** 8 **Remaining Life:** 4

**Best Cost:** \$3,200.00

\$400/Hinge; Estimate to replace hinges

**Worst Cost:** \$4,000.00

\$500/Hinge; Higher estimate

**Source of Information:** In-House Costs Database

**Observations:**

Although vehicle gates may reach an extended life the hinges will need to be periodically replaced to ensure proper function.



# Component Evaluation

Comp # 506 Phone Entry System - Replace

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (1) Entry System

**Life Expectancy:** 10 **Remaining Life:** 5

**Best Cost:** \$4,500.00

Estimate to replace system

**Worst Cost:** \$5,500.00

Higher estimate for more installation costs

**Source of Information:** Research with vendor

### Observations:

No problems noted at the time of inspection. System was observed to be functioning normally. This type of system has a typical life expectancy of approximately 10 to 12 years. Remaining life based on current age and condition.



# Component Evaluation

Comp # 507 Vehicle Gate Operators - Replace

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (4) Gate Operators

**Life Expectancy:** 10 **Remaining Life:** 5

**Best Cost:** \$20,000.00

\$5,000/Operator; Estimate to replace operators

**Worst Cost:** \$24,000.00

\$6,000/Operator; Higher estimate

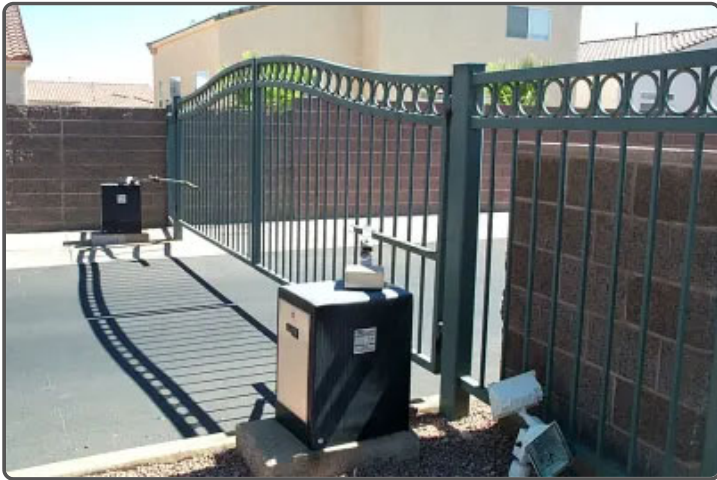
**Source of Information:** Research with local vendor

### Observations:

No problems noted or reported. Expect a typical useful life of approximately 10 years from these operators. Remaining life based on current age.

### General Notes:

Elite Access Systems  
Model GSW-200-UL  
1/2 HP, 125lbs Pull Rating  
Serial #s:  
06309851051  
06309851051  
06309851051  
06309851051



# Component Evaluation

Comp # 508 Gate Loops - Replace

**Subgroup: Entry Area**

**Location:** Entrance to community

**Quantity:** (2) sets

**Life Expectancy:** 10 **Remaining Life:** 5

**Best Cost:** \$2,600.00

\$1,300/Set; Estimate to replace

**Worst Cost:** \$4,600.00

\$2,300/Set; Estimate to replace

**Source of Information:** In-House Costs Database

**Observations:**

We recommend funding to replace gate loops approximately every 12 to 15 years to ensure proper function.



# Component Evaluation

Comp # 590 Trash Enclosure Gates - Replace

## Subgroup: Common Area

**Location:** Common area

**Quantity:** (6) Enclosures

**Life Expectancy:** 15 **Remaining Life:** 5

**Best Cost:** \$15,000.00

\$2,500/Set; Estimate to replace enclosure doors

**Worst Cost:** \$18,000.00

\$3,000/Set; Higher estimate

**Source of Information:** In-House Costs Database

## Observations:

We recommend funding to replace the trash enclosure gates approximately every 15 years depending on use and wear. Remaining life based on current condition.

## General Notes:

At each enclosure:

- (1) 3 ft. Ped gate
- (2) 4.5 ft. Trash gates





# Component Evaluation

Comp # 601 Concrete Surfaces - Repair

**Subgroup: Common Area**

**Location:** Common area

**Quantity:** Extensive Sq.ft.

**Life Expectancy:** 10 **Remaining Life:** 2

**Best Cost:** \$10,000.00

Allowance to make repairs

**Worst Cost:** \$15,000.00

Higher allowance

**Source of Information:** In-House Costs Database

**Observations:**

Concrete walks are in good condition. No significant cracking or settling noted. Although concrete is not typically life limited, periodic repairs will be necessary to fix local cracking and settling.



# Component Evaluation

Comp # 603 Pool Deck - Reseal / Repair

## Subgroup: Pool Area

**Location:** Pool arerea

**Quantity:** Approx 2,450 Sq.ft.

**Life Expectancy:** 5 **Remaining Life:** 2

**Best Cost:** \$6,125.00

\$2.50/Sq.ft.; Estimate to seal

**Worst Cost:** \$7,350.00

\$3.00/Sq.ft.: Higher estimate for more repairs

**Source of Information:** In-House Costs Database

### Observations:

Decks are in good condition. Seal these decks approximately every 5 years to protect deck surface and prevent premature deck resurface (see Comp# 604 Pool Deck - Resurface).





# Component Evaluation

Comp # 604 Pool Deck - Resurface

## Subgroup: Pool Area

**Location:** Pool area

**Quantity:** Approx 2,450 Sq.ft.

**Life Expectancy:** 20 **Remaining Life:** 12

**Best Cost:** \$14,700.00

\$6/Sq.ft.; Estimate to resurface

**Worst Cost:** \$19,600.00

\$8/Sq.ft.; Higher estimate for more installation costs

**Source of Information:** In-House Costs Database

### Observations:

Deck is in good condition. Expect to seal this component approximately every 5 years (see Comp# 603 Pool Deck - Reseal) and to completely resurface approximately every 20 years.



# Component Evaluation

Comp # 803 Mailboxes - Replace

## Subgroup: Common Area

**Location:** Common area

**Quantity:** (7) Clusters

**Life Expectancy:** 16 **Remaining Life:** 8

**Best Cost:** \$15,750.00

\$2,250/Cluster; Estimate to replace mailbox clusters

**Worst Cost:** \$22,050.00

\$3,150/Cluster; Higher estimate for more installation costs

**Source of Information:** CSL Costs Database

### Observations:

Mailboxes are generally in good condition. No rust or deterioration noted, no broken doors or hinges observed. Boxes are covered and well protected from the elements. Expect these mailboxes to reach a full useful life of approximately 15 to 20 years.

### General Notes:

Quantity Breakdown:

(1) 3-Parcel cluster

(6) 25-Box clusters

(7) Total clusters



# Component Evaluation

Comp # 805 Building Signs - Replace

## Subgroup: Community Buildings

**Location:** Community Buildings

**Quantity:** (15) Buildings / (150) Units

**Life Expectancy:** 18 **Remaining Life:** 3

**Best Cost:** \$12,000.00

Estimate to replace

**Worst Cost:** \$16,000.00

Higher estimate

**Source of Information:** In-House Costs Database

### Observations:

Signs are in fair condition. No significant appearance or legibility concerns noted. Expect a typical useful life of approximately 15 to 20 years from these signs. Remaining life based on current condition.



# Component Evaluation

Comp # 1002 Wrought Iron Fencing - Repair/Replace

## Subgroup: Common Area

**Location:** Common area

**Quantity:** Approx 1,800 Linear ft.

**Life Expectancy:** 25 **Remaining Life:** 15

**Best Cost:** \$108,000.00

\$60/Linear ft.; Estimate to replace fence

**Worst Cost:** \$126,000.00

\$70/Linear ft.; Higher estimate for more labor

**Source of Information:** In-House Costs Database

### Observations:

Fencing is in good condition. No significant rusting or structural problems noted at the time of site visit. With regular painting and maintenance, expect a useful life of 20 to 25 years from this component. Remaining life based on current age. 1

### General Notes:

Quantity breakdown:

50 Linear ft. - Entry area  
250 Linear ft. - Pool area  
1,500 Linear ft. - Perimeter fencing  
1,800 Linear ft. - Total





# Component Evaluation

Comp # 1005 Block/Stucco Wall - Repair

## Subgroup: Common Area

**Location:** Common area

**Quantity:** Approx 3,250 Linear ft.

**Life Expectancy:** 20 **Remaining Life:** 10

**Best Cost:** \$21,950.00

\$225/Linear ft.; Estimate to repair approx 3%

**Worst Cost:** \$26,825.00

\$275/Linear ft.; Higher estimate

**Source of Information:** In-House Costs Database

### Observations:

No expectation to completely replace walls. Expect to make local repairs as necessary as an operating expense and funding for an allowance to make more significant repairs approximately every 20 years.



# Component Evaluation

Comp # 1101 Pool - Resurface

## Subgroup: Pool Area

**Location:** Pool area

**Quantity:** (1) Pool

**Life Expectancy:** 12 **Remaining Life:** 6

**Best Cost:** \$12,000.00

Estimate to replaster pool

**Worst Cost:** \$18,000.00

Higher estimate for local repairs

**Source of Information:** Research with vendor

### Observations:

Pool is generally in good to fair condition. Pool is approximately five years old. No significant cracking or surface loss noted. Pool plaster has a typical useful life of approximately 10 to 12 years assuming regular maintenance and normal wear.



# Component Evaluation

Comp # 1102 Spa - Resurface

## Subgroup: Pool Area

**Location:** Pool area

**Quantity:** (1) Spa

**Life Expectancy:** 6 **Remaining Life:** 0

**Best Cost:** \$4,000.00

Estimate to resurface spa

**Worst Cost:** \$6,000.00

Higher estimate for local repairs

**Source of Information:** Research with vendor

### Observations:

Spa is in poor condition. Significant discoloration and surface loss noted at the time of site visit. With regular, professional maintenance expect a useful life of approximately 5 to 6 years from this component. Remaining life based on current condition.





# Component Evaluation

Comp # 1104 Pool Heater - Replace

## Subgroup: Pool Area

**Location:** Pool equipment room

**Quantity:** (1) Pool Heater

**Life Expectancy:** 10 **Remaining Life:** 1

**Best Cost:** \$4,000.00

Estimate to replace pool heater

**Worst Cost:** \$5,000.00

Higher estimate for more installation costs

**Source of Information:** CSL Costs Database

## Observations:

Pool heater is in older but in good condition. No significant carbon build-up or rust noted at inside base of unit. This type of pool heater typically has a useful life of approximately 10 to 12 years. Remaining life based on current age and condition.

## General Notes:

Jandy Lite 2  
Mod# LJ400NX  
Ser# I06PK0394  
400,000 BTU



# Component Evaluation

Comp # 1105 Spa Heater - Replace

## Subgroup: Pool Area

**Location:** Pool equipment room

**Quantity:** (1) Spa Heater

**Life Expectancy:** 8 **Remaining Life:** 5

**Best Cost:** \$4,000.00

Estimate to replace spa heater

**Worst Cost:** \$5,000.00

Higher estimate for more installation costs

**Source of Information:** CSL Costs Database

## Observations:

Spa heater is in good condition. No problems noted at the time of inspection. Because spa heaters have to maintain a higher water temperature they typically have a shorter life expectancy. We recommend funding to replace this heater approximately every 8 years.

## General Notes:

Raypak Professional  
Mod# B-R408-EN-X ASME  
Ser# E 1202336316  
399,000 BTU



# Component Evaluation

Comp # 1107 Pool Filter - Replace

## Subgroup: Pool Area

**Location:** Pool equipment room

**Quantity:** (1) Pool Filter

**Life Expectancy:** 12 **Remaining Life:** 2

**Best Cost:** \$1,750.00

Estimate to replace filter

**Worst Cost:** \$2,250.00

Higher estimate for more installation costs

**Source of Information:** In-House Costs Database

### Observations:

Pool filter is in good to fair condition. No problems noted at the time of inspection. This type of pool filter has a life expectancy of approximately 12 years. Remaining life based on current age and condition.



# Component Evaluation

Comp # 1108 Spa Filter - Replace

## Subgroup: Pool Area

**Location:** Pool equipment room

**Quantity:** (1) Spa Filter

**Life Expectancy:** 12 **Remaining Life:** 2

**Best Cost:** \$1,750.00

Estimate to replace filter

**Worst Cost:** \$2,250.00

Higher estimate for more installation costs

**Source of Information:** In-House Costs Database

### Observations:

Spa filter is in good condition. No evidence of significant leaks noted at the time of inspection. With regular maintenance expect a useful life of approximately 10 to 12 years from this component.



# Component Evaluation

Comp # 1110 Pool/Spa Pumps - Partial Replace

## Subgroup: Pool Area

**Location:** Pool equipment room

**Quantity:** (3) Pumps

**Life Expectancy:** 3 **Remaining Life:** 1

**Best Cost:** \$1,250.00

Estimate to replace one pump every three years

**Worst Cost:** \$1,750.00

Higher estimate for more installation costs

**Source of Information:** CSL Costs Database

## Observations:

Pumps are in good condition. No expectation to replace all pumps at one time. We recommend funding to replace one pump approximately every three years. Replace motors as necessary as an operating expense.

## General Notes:

Quantity Breakdown:

(2) 1 HP pumps

(1) 1.5 HP pump

(3) Total pumps





# Component Evaluation

Comp # 1120 Pool Furniture - Replace

## Subgroup: Pool Area

**Location:** Pool area

**Quantity:** (23) Pieces

**Life Expectancy:** 5 **Remaining Life:** 0

**Best Cost:** \$5,000.00

Estimate to replace pool furniture

**Worst Cost:** \$8,000.00

Higher estimate for better quality replacements

**Source of Information:** CSL Costs Database

### Observations:

Pool furniture is in fair to poor condition. Noted minor sun damage but no broken straps observed. We recommend funding to replace this furniture approximately every 4 to 6 years. We recommend replacing this furniture in the next 12 months based on current condition.

### General Notes:

Quantity Breakdown:

- (8) Chaise Lounges
- (5) Chairs
- (3) Glass-Top Tables
- (3) Umbrellas
- (4) Drink Tables

(23) Pieces



# Component Evaluation

Comp # 1390 Outdoor Shower - Re-Tile

## Subgroup: Pool Area

**Location:** Pool area

**Quantity:** (1) 5 X 3 X 9 ft. High shower

**Life Expectancy:** 18 **Remaining Life:** 9

**Best Cost:** \$2,000.00

Estimate to re-tile

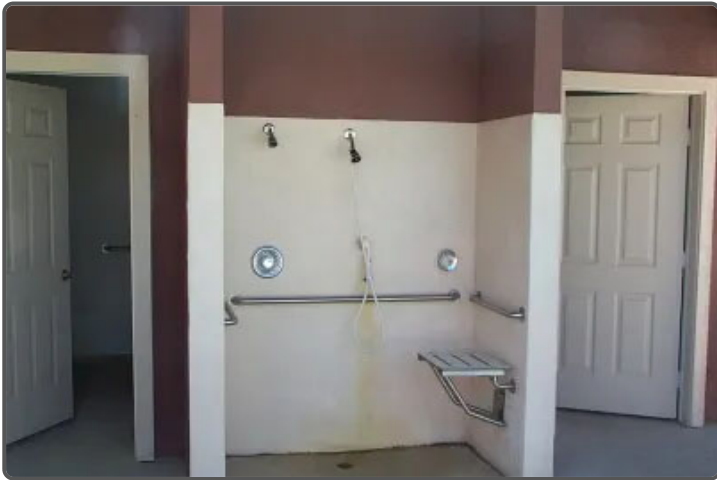
**Worst Cost:** \$3,000.00

Higher estimate

**Source of Information:** In-House Costs Database

### Observations:

No broken or missing tiles noted, no grout problems observed. We recommend funding to re-tile this shower approximately every 15 to 20 years to ensure appearance and function.





# Component Evaluation

Comp # 1413 Restrooms - Remodel

## Subgroup: Pool Area

**Location:** Pool area

**Quantity:** (2) Restrooms

**Life Expectancy:** 10 **Remaining Life:** 9

**Best Cost:** \$12,000.00

\$6,000/Restroom; Estimate to remodel restroom

**Worst Cost:** \$16,000.00

\$8,000/Restroom; Higher estimate for more extensive remodel

**Source of Information:** In-House Costs Database

### Observations:

Restrooms are in good condition. No appearance concerns noted at the time of inspection. We recommend funding to generally remodel and refurbish these restrooms approximately every 15 to 20 years to maintain appearance and keep up with current decorative tastes.



# Component Evaluation

Comp # 1602 Exterior Wall Mount Lights - Replace

**Subgroup: Community Buildings**

**Location:** Community buildings

**Quantity:** (30) Fixtures

**Life Expectancy:** 16 **Remaining Life:** 5

**Best Cost:** \$6,000.00

\$200/Fixture; Estimate to replace

**Worst Cost:** \$7,500.00

\$250/Fixture; Higher estimate

**Source of Information:** In-House Costs Database

**Observations:**

Lights are generally in good condition. No significant pitting or discoloration noted. Expect to replace these lights approximately every 16 years to maintain appearance. Remaining life based on current age and condition.



# Component Evaluation

Comp # 1604 Pole Light Fixtures - Replace

## Subgroup: Common Area

**Location:** Common area

**Quantity:** (35) Pole Light Fixtures

**Life Expectancy:** 25 **Remaining Life:** 10

**Best Cost:** \$29,750.00

\$850/Fixture; Estimate to replace light fixtures

**Worst Cost:** \$42,000.00

\$1,200/Fixture; Higher estimate for more installation costs

**Source of Information:** In-House Costs Database

### Observations:

Globes are in fair condition. Due to minimal replacement cost, replace plastic globes as necessary as an operating expense. Light poles have an extended life, no expectation to replace poles. No reserve funding necessary.



## Component Evaluation

Comp # 1813 Landscaping / Irrigation - Major Renovate

### Subgroup: Common Area

**Location:** Common area

**Quantity:** Extensive Sq.ft.

**Life Expectancy:** 20 **Remaining Life:** 7

**Best Cost:** \$90,000.00

Estimate to renovate landscaping

**Worst Cost:** \$110,000.00

Higher estimate for more extensive renovation

**Source of Information:** In-House Costs Database

### Observations:

We recommend funding for an allowance for a major project to the landscaping infrastructure including significant and/or total irrigation replacement approximately every 20 years. This allowance should be re-evaluated in future Reserve Studies as the community ages and the property develops a history of repairs, landscaping upgrades, etc.





# Component Evaluation

Comp # 1814 Landscaping / Irrigation - Minor Renovate

## Subgroup: Common Area

**Location:** Common area

**Quantity:** Extensive Sq.ft.

**Life Expectancy:** 5 **Remaining Life:** 2

**Best Cost:** \$18,000.00

Estimate to renovate landscaping

**Worst Cost:** \$22,000.00

Higher estimate for more extensive renovation

**Source of Information:** In-House Costs Database

### Observations:

No expectation to completely re-landscape the community. We recommend funding for an allowance to make repairs to the irrigation system, landscape lighting, and to generally renovate the landscaping approximately every 5 years.





# Glossary of Commonly Used Words and Phrases

## (Provided by the National Reserve Study Standards of the Community Associations Institute)

**Cash Flow Method** - A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

**Component** - Also referred to as an "Asset." Individual line items in the Reserve Study developed or updated in the physical analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited useful life expectancies, 3) have predictable remaining life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

**Component Full Funding** - When the actual (or projected) cumulative reserve balance for all components is equal to the fully funded balance.

**Component Inventory** - The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

**Deficit** - An actual (or projected reserve balance), which is less than the fully funded balance.

**Effective Age** - The difference between useful life and remaining useful life (UL - RUL).

**Financial Analysis** - The portion of the Reserve Study where current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived, and the projected reserve income and expenses over time is presented. The financial analysis is one of the two parts of the Reserve Study.

**Fully Funded Balance** - An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life "used up" of the current repair or replacement cost of a reserve component. This number is calculated for each component, and then summed together for an association total.

$$\text{FFB} = \text{Current Cost} * \text{Effective Age} / \text{Useful Life}$$

**Fund Status** - The status of the reserve fund as compared to an established benchmark, such as percent funded.

**Funding Goals** - Independent of calculation methodology utilized, the following represent the basic categories of funding plan goals:

- Baseline Funding: Establishing a reserve-funding goal of keeping the reserve balance above zero.
- Component Full Funding: Setting a reserve funding goal of attaining and maintaining cumulative reserves at or near 100% funded.
- Threshold Funding: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount.

**Funding Plan** - An association's plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

**Funding Principles** -

- Sufficient funds when required
- Stable contributions through the year
- Evenly distributed contributions over the years
- Fiscally responsible

**GSF** - Gross Square Feet

**Life and Valuation Estimates** - The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components.

**LF** - Linear Feet

**Percent Funded** - The ratio, at a particular point in time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the ideal fund balance, expressed as a percentage.

**Physical Analysis** - The portion of the Reserve Study where the component evaluation, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the Reserve Study.

**Remaining Useful Life (RUL)** - Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the current fiscal year have a “0” remaining useful life.

**Replacement Cost** - The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.

**Reserve Balance** - Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components that the association is obligated to maintain. Also known as “reserves,” “reserve accounts,” or “cash reserves.” In this report the reserve balance is based upon information provided and is not audited.

**Reserve Study** - A budget-planning tool, which identifies the current status of the reserve fund and a stable and equitable funding plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

**Special Assessment** - An assessment levied on the members of an association in addition to regular assessments. Governing documents or local statutes often regulate special assessments.

**Surplus** - An actual (or projected) reserve balance that is greater than the fully funded balance.

**Useful Life (UL)** - Also known as “life expectancy.” The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed and maintained in its present application of installation.