Pineae Village Master Association

Level 2 Reserve Study

Report Period – 01/01/2024 – 12/31/2024

Client Reference Number	**18198**
Property Type	**Master**
Number of Units	**227**
Fiscal Year End	**12/31**

Type of Study	**Update w/Site Visit**
Date of Property Inspection	**05/24/2023**
Prepared By	**Dale Gifford**
Analysis Method	**Cash Flow**
Funding Goal	**Full Funding**

Report prepared on – Friday, June 16, 2023

COMPLEX SOLUTIONS, LTD.

TEL: (888) 356-3783 | Fax: (866) 279-9662
WWW.COMPLEXSOLUTIONSLTD.COM

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Executive Summary – Pineae Village Master Association – ID # 18198

Information to complete this Reserve Study was gathered by performing an on-site inspection of the common area elements. In addition, we also 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.

Projected Starting Balance as of 01/01/2024	**$177,055**
Ideal Reserve Balance as of 01/01/2024	**$281,754**
Percent Funded as of 01/01/2024	**63%**
Recommended Reserve Contribution (per month)	**$3,260**
Recommended Special Assessment	**$0**

Pineae Village Master Association is a 227-unit Master community. The community offers a picnic pavilion, playground areas, swimming pool, and landscaped areas as amenities. Construction on the community was completed in 2008.

Currently Programmed Projects
There are multiple projects programmed to occur this fiscal year (FY2024). We have programmed an estimated $64,500 in reserve expenditures toward the completion of these projects. (See page 15)

Significant Reserve Projects
The association's significant reserve projects are vinyl fencing replace (Comp# 1008), play structure West replace (Comp# 1301), pool resurface (Comp# 1101), play structure East replace (Comp# 1301). and The fiscal significance of these components is approximately 24%, 7%, 7%, and 6% respectively (see page 9). 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.

Reserve Funding
In comparing the projected starting reserve balance of $177,055 versus the ideal reserve balance of $281,754 we find the association's reserve fund to be approximately 63% funded. This indicates a fair reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of $3,260 ($14.36/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.

Introduction

Reserve Study Purpose
The purpose of this Reserve Study is to provide the Association with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. The detailed schedules will serve as an advance warning that major projects will need to be addressed in the future. This will allow the Association to have ample time to obtain competitive bids for each project. It will also help to 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
Mr. Gifford has been working in the community association industry since 2002. Prior to taking a position as the Regional Project Manager covering the Utah region at Complex Solutions in 2010, he worked in community association management in Utah. While in community association management his positions included, Maintenance Supervisor, Senior Portfolio Manager and Vice President of Community Management. His work in community association management gave him extensive experience with budget creation, reserves and reserve budgeting, community inspections, and analyzing common area components.

- Personally, has prepared over 2,200 reserve studies in Utah
- Member of the Association of Professional Reserve Analysts (APRA).
- Professional Reserve Analyst (PRA) designation from Association of Professional Reserve Analysts (APRA), PRA #2320
- Member of the Utah Chapter of Community Associations Institute (UCCAI). Current member of the CAI Utah Legislative Action Committee. Former Board member, and former Utah Chapter President
- Reserve Specialist (RS) designation from Community Associations Institute (CAI), RS# 231
- Bachelor of Science in Chemistry from Emporia State University
- Professional Community Association Manager® (PCAM®) designation from Community Associations Institute (CAI), PCAM# 1740
- Association Management Specialist® (AMS®) designation from Community Associations Institute (CAI)

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 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 reserve budget is primarily made up of replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

Report Sections
Reserve Analysis: this 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).
Component Evaluation: this section contains information regarding the physical status and replacement cost of reserve 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 a reserve study in approximately 20 states. Also, the Association's governing documents may require a reserve fund be established. This does not mean a Reserve Study is required, but how are you going to know if you have enough money in the reserve fund if you do not have the proper information?

Why is it important to perform a Reserve Study?
This report provides the essential information that is needed to guide the Association 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 reserve projects can be completed on time. When projects are completed on time, deferred maintenance and the lower property values that typically accompany it can be avoided. It is suggested that a third party professionally prepare the Reserve Analysis Study since there is no vested interest in the property.

After we have a Reserve Study, what do we do with it?
Please take the time to review the report carefully and make sure the component information is complete and accurate. If there are any inaccuracies, or changes such as a component that the association feels should be added, removed, or altered, please inform us immediately so we may revise the report. Use the report to help establish your budget for the upcoming fiscal year.

How often do we review and update our Reserve Study?
There is a misconception that a Reserve Study is good for an extended period of time since the report has projections for a thirty year period. The assumptions, interest rates, inflation rates and other information used to create this report change each year. Scheduled events may not happen, unpredictable circumstances could occur, deterioration rates can be unpredictable and repair/replacement costs will vary from causes that are unforeseen. These variations alter the results of the Reserve Study. The Reserve Study should be professionally reviewed each year by having a Level III "no site visit" update reserve study performed. The Reserve Study should be professionally updated every three years by having a Level II "site visit" update reserve study performed.

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 one year, and costs above a minimum threshold amount. An "Operating" component is typically a fixed expense that occurs on an annual basis.

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 component. However, it is the opinion of several major Reserve Study providers, including Complex Solutions, that these components meet the criteria of a reserve component.

Information and Data Gathered:
The information contained in this report is based on estimates and assumptions gathered from various sources. Estimated life expectancies are based upon conditions that were readily visible and accessible at the time of the site visit. 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?
During the site visit we identify the common area components that we have determined require reserve funding. These components are quantified and a physical condition is observed. The site visit is conducted on the common areas as reported by client.

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.

Measures of reserve fund financial strength are as follows:

0% - 30% Funded is considered a “weak” financial position. Associations that fall into this category are more likely to have special assessments and deferred maintenance. Action should be taken to improve the financial strength of the reserve fund.

31% - 69% Funded is considered a “fair” financial position. Associations that fall into this category are less likely to experience special assessments and deferred maintenance than being in a weak financial position. Action should be taken to improve the financial strength of the reserve fund.

70% - 99% Funded is considered a “strong” financial position. Associations that fall into this category are less likely to experience special assessments and deferred maintenance than being in a fair financial position. Action should be taken to improve the financial strength of the reserve fund.

100% Funded is considered an “ideal” financial position. Action should be taken to maintain the financial strength of the reserve fund.

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. An on-site inspection 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 the opinions of experts on certain components have been gathered through research within their industry and with client’s actual vendors. There is no implied warrantee or guarantee regarding our life and cost estimates/predictions. There is no implied warrantee 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.

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

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. Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We have assumed any and all components have been properly built and will reach normal, typical life expectancies. 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. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), have been excluded from this report.

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 components.

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

Actual or Perceived Conflicts of Interest: 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 inflation 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.

Funding Summary

Beginning Assumptions

# of units	227
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	$900
Projected Starting Reserve Balance	$177,055
Ideal Starting Reserve Balance	$281,754

Economic Assumptions

Projected Inflation Rate	4.00%
Reported After-Tax Interest Rate	0.10%

Current Reserve Status

Current Balance as a % of Ideal Balance	63%

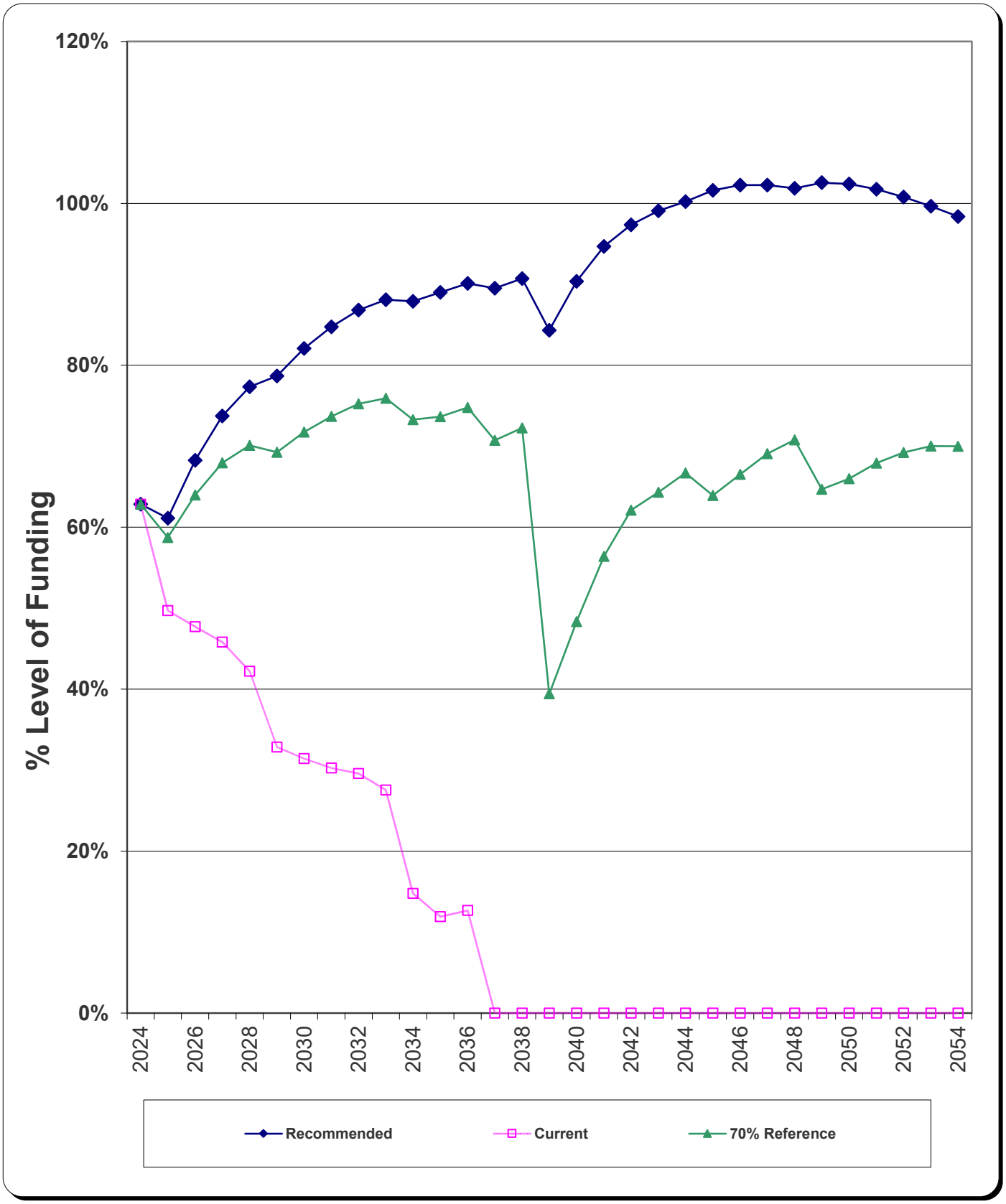
Recommendations

Recommended Monthly Reserve Allocation	$3,260
Per Unit	$14.36
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	$2,765
Per Unit	$12.18
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation	$2,360
as Percentage	262%

Percent Funded - Graph



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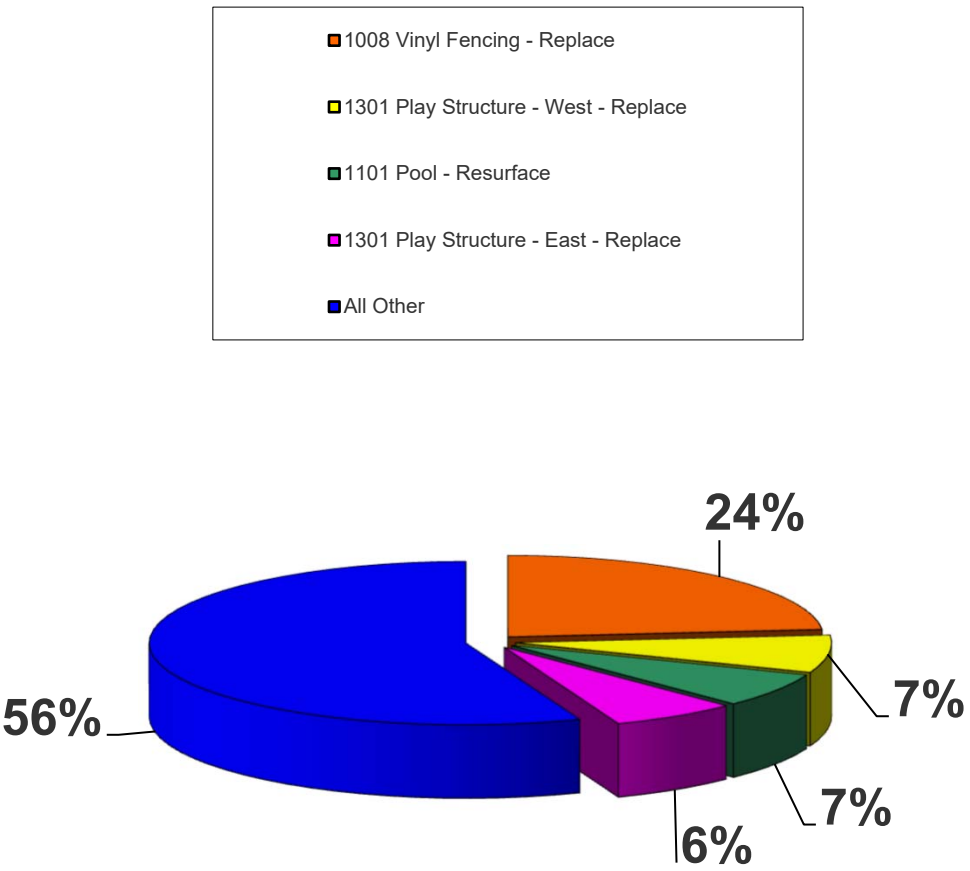
Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Roofs - Replace	25	9	$9,000	$11,000
	120	Rain Gutters/Downspouts - Replace	30	14	$3,000	$4,000
Painted Surfaces	201	Stucco Surfaces - Repair/Repaint	15	3	$2,500	$3,500
	204	Doors - Repaint	N/A		$0	$0
	216	Restrooms - Repaint	N/A		$0	$0
Drive Materials	401	Asphalt - Major Rehab	30	14	$31,000	$43,000
	402	Asphalt - Seal Coat	5	4	$4,900	$5,000
	403	Concrete - Partial Repair/Replace	10	4	$2,000	$3,000
Property Access	508	Access Control System - Replace	12	0	$4,000	$6,000
Mechanical Equip.	703	Water Heater - Replace	N/A		$0	$0
	706	HVAC Furnace - Replace	20	4	$3,500	$4,500
Prop. Identification	801	Monument Signs - Refurbish	20	4	$6,000	$9,000
Life / Safety	903	Security Camera System - Install	12	8	$6,000	$8,000
Fencing	1002	Metal Fencing - Replace	50	34	$21,000	$25,000
	1008	Vinyl Fencing - Replace	30	14	$131,000	$174,000
	1090	Faux Stone Columns - Repair/Replace	20	4	$4,000	$6,000
	1090	Pool Gate - Replace	30	14	$3,000	$4,000
Pool / Spa	1101	Pool - Resurface	12	0	$15,000	$20,000
	1104	Pool Heater - Replace	12	9	$5,000	$6,000
	1107	Pool Filter - Replace	15	4	$2,500	$3,500
	1110	Pool Pump - Replace	N/A		$0	$0
	1111	Chemical Controller System - Replace	12	0	$3,000	$4,000
	1112	Pool Cover - Replace	10	0	$4,000	$6,000
	1116	Pool Deck - Replace	50	34	$30,000	$40,000
	1121	Pool Furniture - Replace	6	0	$2,000	$3,000
	1190	Pool Control System - Replace	15	0	$2,000	$3,000
Recreation Equip.	1301	Play Structure - East - Replace	25	9	$30,000	$40,000
	1301	Play Structure - West - Replace	25	12	$35,000	$45,000
	1303	Play Area Groundcover - Refill	5	0	$3,000	$4,000
	1304	Drinking Fountain - Replace	N/A		$0	$0
	1306	Picnic Tables - Replace	15	10	$5,000	$6,000
	1307	Benches - Replace	15	3	$6,000	$8,000
	1309	Pool Shelter - Replace	40	31	$12,000	$17,000
Interiors	1413	Restrooms - Remodel	20	4	$10,000	$14,000
Light Fixtures	1602	Exterior Light Fixtures - Replace	N/A		$0	$0
Landscaping	1812	Landscaping & Irrigation System - Renov	20	0	$20,000	$30,000

Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
105	Roofs - Replace	25	9	$10,000	$400	1.8508%
120	Rain Gutters/Downspouts - Replace	30	14	$3,500	$117	0.5398%
201	Stucco Surfaces - Repair/Repaint	15	3	$3,000	$200	0.9254%
401	Asphalt - Major Rehab	30	14	$37,000	$1,233	5.7066%
402	Asphalt - Seal Coat	5	4	$4,950	$990	4.5807%
403	Concrete - Partial Repair/Replace	10	4	$2,500	$250	1.1567%
508	Access Control System - Replace	12	0	$5,000	$417	1.9279%
706	HVAC Furnace - Replace	20	4	$4,000	$200	0.9254%
801	Monument Signs - Refurbish	20	4	$7,500	$375	1.7351%
903	Security Camera System - Install	12	8	$7,000	$583	2.6991%
1002	Metal Fencing - Replace	50	34	$23,000	$460	2.1284%
1008	Vinyl Fencing - Replace	30	14	$152,500	$5,083	23.5203%
1090	Faux Stone Columns - Repair/Replace	20	4	$5,000	$250	1.1567%
1090	Pool Gate - Replace	30	14	$3,500	$117	0.5398%
1101	Pool - Resurface	12	0	$17,500	$1,458	6.7476%
1104	Pool Heater - Replace	12	9	$5,500	$458	2.1207%
1107	Pool Filter - Replace	15	4	$3,000	$200	0.9254%
1111	Chemical Controller System - Replace	12	0	$3,500	$292	1.3495%
1112	Pool Cover - Replace	10	0	$5,000	$500	2.3135%
1116	Pool Deck - Replace	50	34	$35,000	$700	3.2389%
1121	Pool Furniture - Replace	6	0	$2,500	$417	1.9279%
1190	Pool Control System - Replace	15	0	$2,500	$167	0.7712%
1301	Play Structure - East - Replace	25	9	$35,000	$1,400	6.4777%
1301	Play Structure - West - Replace	25	12	$40,000	$1,600	7.4031%
1303	Play Area Groundcover - Refill	5	0	$3,500	$700	3.2389%
1306	Picnic Tables - Replace	15	10	$5,500	$367	1.6965%
1307	Benches - Replace	15	3	$7,000	$467	2.1592%
1309	Pool Shelter - Replace	40	31	$14,500	$363	1.6773%
1413	Restrooms - Remodel	20	4	$12,000	$600	2.7762%
1812	Landscaping & Irrigation System - Renc	20	0	$25,000	$1,250	5.7837%

Significant Components - Graph

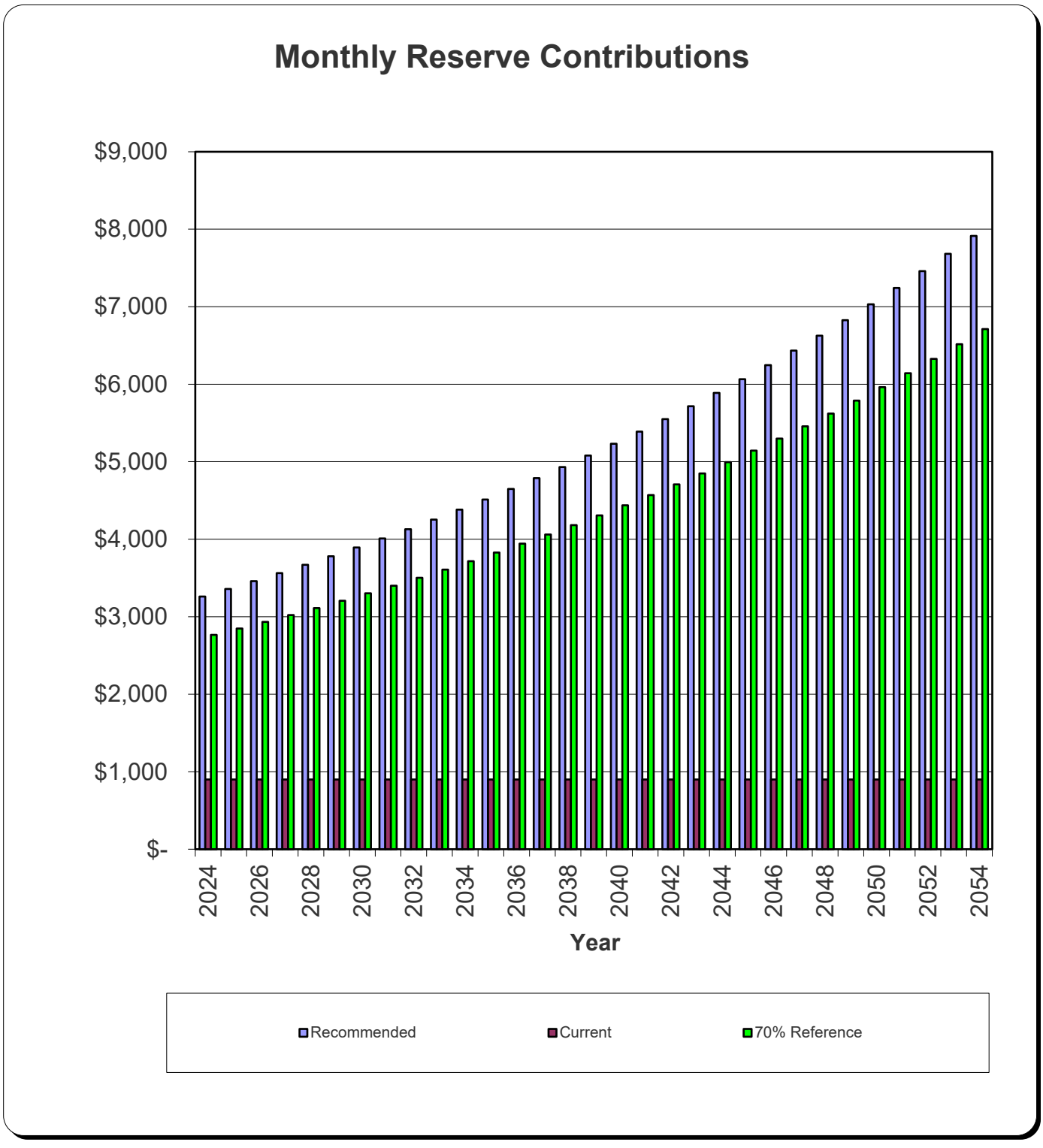


ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
1008	Vinyl Fencing - Replace	30	14	$152,500	$5,083	24%
1301	Play Structure - West - Replace	25	12	$40,000	$1,600	7%
1101	Pool - Resurface	12	0	$17,500	$1,458	7%
1301	Play Structure - East - Replace	25	9	$35,000	$1,400	6%
All Other	See Expanded Table For Breakdown				$12,071	56%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2024	$281,754	$177,055	63%	$39,120	$164	$64,500	$151,839
2025	$248,421	$151,839	61%	$40,294	$172	$0	$192,305
2026	$281,734	$192,305	68%	$41,502	$213	$0	$234,021
2027	$317,315	$234,021	74%	$42,747	$250	$11,249	$265,769
2028	$343,592	$265,769	77%	$44,030	$265	$45,566	$264,498
2029	$336,242	$264,498	79%	$45,351	$285	$4,258	$305,876
2030	$372,610	$305,876	82%	$46,711	$328	$3,163	$349,752
2031	$412,665	$349,752	85%	$48,113	$374	$0	$398,239
2032	$458,750	$398,239	87%	$49,556	$418	$9,580	$438,633
2033	$497,898	$438,633	88%	$51,043	$425	$78,923	$411,178
2034	$467,726	$411,178	88%	$52,574	$427	$20,723	$443,456
2035	$498,155	$443,456	89%	$54,151	$471	$0	$498,078
2036	$552,683	$498,078	90%	$55,776	$471	$109,671	$444,654
2037	$496,719	$444,654	90%	$57,449	$474	$0	$502,577
2038	$554,014	$502,577	91%	$59,173	$356	$353,175	$208,930
2039	$247,795	$208,930	84%	$60,948	$234	$10,806	$259,306
2040	$286,949	$259,306	90%	$62,776	$291	$0	$322,373
2041	$340,525	$322,373	95%	$64,659	$355	$0	$387,387
2042	$397,929	$387,387	97%	$66,599	$408	$25,323	$429,072
2043	$433,045	$429,072	99%	$68,597	$455	$16,749	$481,375
2044	$480,303	$481,375	100%	$70,655	$473	$88,740	$463,762
2045	$456,475	$463,762	102%	$72,775	$494	$12,533	$524,497
2046	$512,920	$524,497	102%	$74,958	$562	$0	$600,018
2047	$586,705	$600,018	102%	$77,207	$639	$0	$677,863
2048	$665,573	$677,863	102%	$79,523	$635	$165,205	$592,817
2049	$577,998	$592,817	103%	$81,909	$622	$23,993	$651,355
2050	$636,085	$651,355	102%	$84,366	$694	$0	$736,414
2051	$723,846	$736,414	102%	$86,897	$780	$0	$824,091
2052	$817,609	$824,091	101%	$89,504	$869	$0	$914,464
2053	$917,715	$914,464	100%	$92,189	$953	$15,437	$992,169

Reserve Contributions - Graph



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Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Roofs - Replace	25	9	Approx 1,790 SF	$10,000	$6,400	$6,400	$60.34
120	Rain Gutters/Downspouts - Replace	30	14	Approx 275 LF	$3,500	$1,867	$1,867	$17.60
201	Stucco Surfaces - Repair/Repaint	15	3	Approx 1,510 SF	$3,000	$2,400	$2,400	$30.17
401	Asphalt - Major Rehab	30	14	Approx 12,235 SF	$37,000	$19,733	$19,733	$186.03
402	Asphalt - Seal Coat	5	4	Approx 12,235 SF	$4,950	$990	$990	$149.33
403	Concrete - Partial Repair/Replace	10	4	Moderate SF	$2,500	$1,500	$1,500	$37.71
508	Access Control System - Replace	12	0	(1) System	$5,000	$5,000	$5,000	$62.85
706	HVAC Furnace - Replace	20	4	(1) Furnace	$4,000	$3,200	$3,200	$30.17
801	Monument Signs - Refurbish	20	4	(3) Signs	$7,500	$6,000	$6,000	$56.56
903	Security Camera System - Install	12	8	(1) System	$7,000	$2,333	$2,333	$87.99
1002	Metal Fencing - Replace	50	34	Approx 410 LF	$23,000	$7,360	$0	$69.39
1008	Vinyl Fencing - Replace	30	14	Approx 2,895 LF	$152,500	$81,333	$323	$766.76
1090	Faux Stone Columns - Repair/Replace	20	4	(19) Columns	$5,000	$4,000	$4,000	$37.71
1090	Pool Gate - Replace	30	14	(1) Gate	$3,500	$1,867	$0	$17.60
1101	Pool - Resurface	12	0	(1) Pool	$17,500	$17,500	$17,500	$219.97
1104	Pool Heater - Replace	12	9	(1) Heater	$5,500	$1,375	$1,375	$69.13
1107	Pool Filter - Replace	15	4	(1) Filter	$3,000	$2,200	$2,200	$30.17
1111	Chemical Controller System - Replace	12	0	(1) System	$3,500	$3,500	$3,500	$43.99
1112	Pool Cover - Replace	10	0	(1) Cover	$5,000	$5,000	$5,000	$75.42
1116	Pool Deck - Replace	50	34	Approx 2,200 SF	$35,000	$11,200	$0	$105.59
1121	Pool Furniture - Replace	6	0	Assorted Pieces	$2,500	$2,500	$2,500	$62.85
1190	Pool Control System - Replace	15	0	(1) System	$2,500	$2,500	$2,500	$25.14
1301	Play Structure - East - Replace	25	9	(1) Structure	$35,000	$22,400	$22,400	$211.17
1301	Play Structure - West - Replace	25	12	(1) Structure	$40,000	$20,800	$20,800	$241.34
1303	Play Area Groundcover - Refill	5	0	Approx 1,950 SF	$3,500	$3,500	$3,500	$105.59
1306	Picnic Tables - Replace	15	10	(4) Picnic Tables	$5,500	$1,833	$1,833	$55.31
1307	Benches - Replace	15	3	(5) Benches	$7,000	$5,600	$5,600	$70.39
1309	Pool Shelter - Replace	40	31	(1) Shelter	$14,500	$3,263	$0	$54.68
1413	Restrooms - Remodel	20	4	(2) Restrooms	$12,000	$9,600	$9,600	$90.50
1812	Landscaping & Irrigation System - Renovate	20	0	Extensive SF	$25,000	$25,000	$25,000	$188.55
					$485,450	$281,754	$177,055	$3,260

Current Fund Balance as a percentage of Ideal Balance: 63%

Yearly Cash Flow

Year	2024	2025	2026	2027	2028
Starting Balance	$177,055	$151,839	$192,305	$234,021	$265,769
Reserve Income	$39,120	$40,294	$41,502	$42,747	$44,030
Interest Earnings	$164	$172	$213	$250	$265
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$216,339	$192,305	$234,021	$277,018	$310,064
Reserve Expenditures	$64,500	$0	$0	$11,249	$45,566
Ending Balance	$151,839	$192,305	$234,021	$265,769	$264,498

Year	2029	2030	2031	2032	2033
Starting Balance	$264,498	$305,876	$349,752	$398,239	$438,633
Reserve Income	$45,351	$46,711	$48,113	$49,556	$51,043
Interest Earnings	$285	$328	$374	$418	$425
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$310,134	$352,915	$398,239	$448,213	$490,101
Reserve Expenditures	$4,258	$3,163	$0	$9,580	$78,923
Ending Balance	$305,876	$349,752	$398,239	$438,633	$411,178

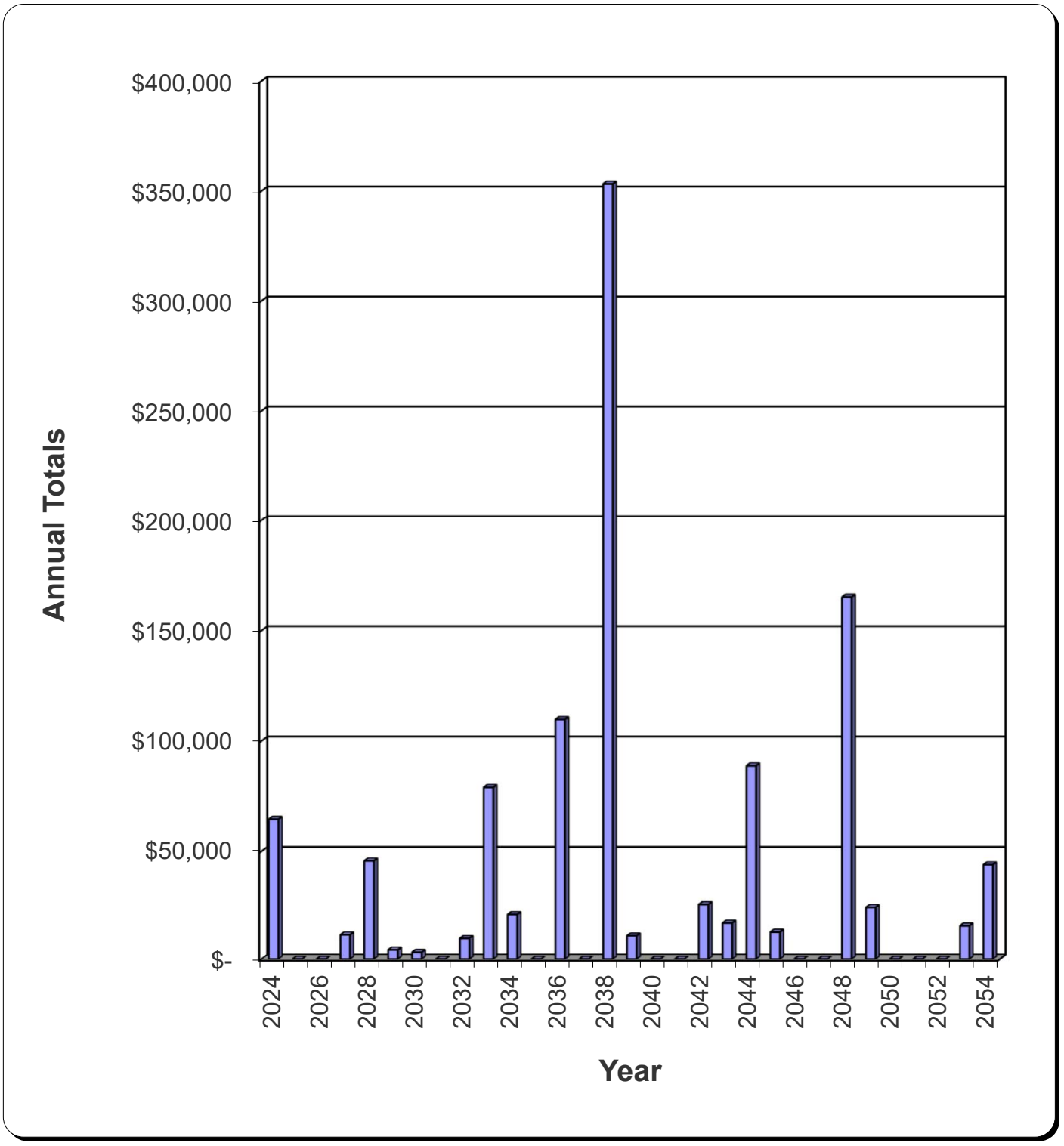
Year	2034	2035	2036	2037	2038
Starting Balance	$411,178	$443,456	$498,078	$444,654	$502,577
Reserve Income	$52,574	$54,151	$55,776	$57,449	$59,173
Interest Earnings	$427	$471	$471	$474	$356
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$464,179	$498,078	$554,325	$502,577	$562,105
Reserve Expenditures	$20,723	$0	$109,671	$0	$353,175
Ending Balance	$443,456	$498,078	$444,654	$502,577	$208,930

Year	2039	2040	2041	2042	2043
Starting Balance	$208,930	$259,306	$322,373	$387,387	$429,072
Reserve Income	$60,948	$62,776	$64,659	$66,599	$68,597
Interest Earnings	$234	$291	$355	$408	$455
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$270,112	$322,373	$387,387	$454,395	$498,124
Reserve Expenditures	$10,806	$0	$0	$25,323	$16,749
Ending Balance	$259,306	$322,373	$387,387	$429,072	$481,375

Year	2044	2045	2046	2047	2048
Starting Balance	$481,375	$463,762	$524,497	$600,018	$677,863
Reserve Income	$70,655	$72,775	$74,958	$77,207	$79,523
Interest Earnings	$473	$494	$562	$639	$635
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$552,502	$537,031	$600,018	$677,863	$758,022
Reserve Expenditures	$88,740	$12,533	$0	$0	$165,205
Ending Balance	$463,762	$524,497	$600,018	$677,863	$592,817

Year	2049	2050	2051	2052	2053
Starting Balance	$592,817	$651,355	$736,414	$824,091	$914,464
Reserve Income	$81,909	$84,366	$86,897	$89,504	$92,189
Interest Earnings	$622	$694	$780	$869	$953
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$675,347	$736,414	$824,091	$914,464	$1,007,607
Reserve Expenditures	$23,993	$0	$0	$0	$15,437
Ending Balance	$651,355	$736,414	$824,091	$914,464	$992,169

Yearly Reserve Expenditures - Graph



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Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2024	508	Access Control System - Replace	$5,000	
	1101	Pool - Resurface	$17,500	
	1111	Chemical Controller System - Replace	$3,500	
	1112	Pool Cover - Replace	$5,000	
	1121	Pool Furniture - Replace	$2,500	
	1190	Pool Control System - Replace	$2,500	
	1303	Play Area Groundcover - Refill	$3,500	
	1812	Landscaping & Irrigation System - Renovate	$25,000	$64,500
2025		No Expenditures Projected		$0
2026		No Expenditures Projected		$0
2027	201	Stucco Surfaces - Repair/Repaint	$3,473	
	1307	Benches - Replace	$8,103	$11,576
2028	402	Asphalt - Seal Coat	$6,017	
	403	Concrete - Partial Repair/Replace	$3,039	
	706	HVAC Furnace - Replace	$4,862	
	801	Monument Signs - Refurbish	$9,116	
	1090	Faux Stone Columns - Repair/Replace	$6,078	
	1107	Pool Filter - Replace	$3,647	
	1413	Restrooms - Remodel	$14,586	$47,344
2029	1303	Play Area Groundcover - Refill	$4,467	$4,467
2030	1121	Pool Furniture - Replace	$3,350	$3,350
2031		No Expenditures Projected		$0
2032	903	Security Camera System - Install	$10,342	$10,342
2033	105	Roofs - Replace	$15,513	
	402	Asphalt - Seal Coat	$7,679	
	1104	Pool Heater - Replace	$8,532	
	1301	Play Structure - East - Replace	$54,296	$86,021
2034	1112	Pool Cover - Replace	$8,144	
	1303	Play Area Groundcover - Refill	$5,701	
	1306	Picnic Tables - Replace	$8,959	$22,805
2035		No Expenditures Projected		$0
2036	508	Access Control System - Replace	$8,979	
	1101	Pool - Resurface	$31,427	
	1111	Chemical Controller System - Replace	$6,285	
	1121	Pool Furniture - Replace	$4,490	
	1301	Play Structure - West - Replace	$71,834	$123,016
2037		No Expenditures Projected		$0
2038	120	Rain Gutters/Downspouts - Replace	$6,930	
	401	Asphalt - Major Rehab	$73,257	
	402	Asphalt - Seal Coat	$9,801	
	403	Concrete - Partial Repair/Replace	$4,950	
	1008	Vinyl Fencing - Replace	$301,940	
	1090	Pool Gate - Replace	$6,930	$403,807
2039	1190	Pool Control System - Replace	$5,197	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	1303	Play Area Groundcover - Refill	$7,276	$12,474
2040		No Expenditures Projected		$0
2041		No Expenditures Projected		$0
2042	201	Stucco Surfaces - Repair/Repaint	$7,220	
	1121	Pool Furniture - Replace	$6,017	
	1307	Benches - Replace	$16,846	$30,083
2043	402	Asphalt - Seal Coat	$12,508	
	1107	Pool Filter - Replace	$7,581	$20,089
2044	903	Security Camera System - Install	$18,573	
	1112	Pool Cover - Replace	$13,266	
	1303	Play Area Groundcover - Refill	$9,287	
	1812	Landscaping & Irrigation System - Renovate	$66,332	$107,459
2045	1104	Pool Heater - Replace	$15,323	$15,323
2046		No Expenditures Projected		$0
2047		No Expenditures Projected		$0
2048	402	Asphalt - Seal Coat	$15,964	
	403	Concrete - Partial Repair/Replace	$8,063	
	508	Access Control System - Replace	$16,125	
	706	HVAC Furnace - Replace	$12,900	
	801	Monument Signs - Refurbish	$24,188	
	1090	Faux Stone Columns - Repair/Replace	$16,125	
	1101	Pool - Resurface	$56,439	
	1111	Chemical Controller System - Replace	$11,288	
	1121	Pool Furniture - Replace	$8,063	
	1413	Restrooms - Remodel	$38,701	$207,858
2049	1303	Play Area Groundcover - Refill	$11,852	
	1306	Picnic Tables - Replace	$18,625	$30,477
2050		No Expenditures Projected		$0
2051		No Expenditures Projected		$0
2052		No Expenditures Projected		$0
2053	402	Asphalt - Seal Coat	$20,375	$20,375

Component Evaluation

Comp #: 105 Roofs - Replace

Location: **Pavilion & Pool Building**

Quantity: **Approx 1,790 SF**

Life Expectancy: **25** *Remaining Life:* **9**

Best Cost: **$9,000**
Estimate to replace

Worst Cost: **$11,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

870 Sq.ft. - Pavilion
920 Sq.ft. - Pool Building

1,790 Sq.ft. - Total

Observations:

The roofs are in good condition. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 120 Rain Gutters/Downspouts - Replace

Location: **Pavilion & Pool Building**

Quantity: **Approx 275 LF**

Life Expectancy: **30** *Remaining Life:* **14**

Best Cost: **$3,000**
Estimate to replace

Worst Cost: **$4,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

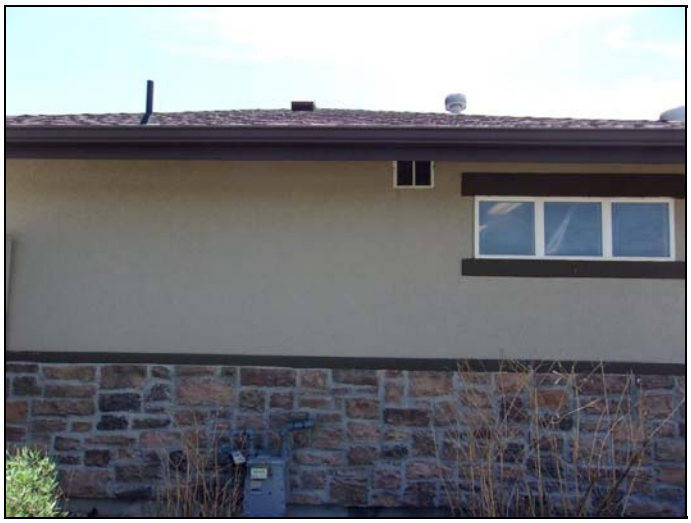
135 Linear ft. - Pavilion
140 Linear ft. - Pool Building

275 Linear ft. - Total

Observations:

The rain gutters and downspouts are in good condition. We recommend funding to replace this component approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 201 Stucco Surfaces - Repair/Repaint



Location: **Pavilion & Pool Building**

Quantity: **Approx 1,510 SF**

Life Expectancy: **15** *Remaining Life:* **3**

Best Cost: **$2,500**
Estimate to repair/repaint

Worst Cost: **$3,500**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

710 Sq.ft. - Pavilion
800 Sq.ft. - Pool Building

Observations:

The stucco surfaces are in fair condition. We recommend funding to repair/repaint this component approximately every 12 - 15 years. Remaining life based on current age and condition.

Comp #: 204 Doors - Repaint

Location: **Pool Building**

Quantity: **(3) Doors**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Due to the minimal cost of painting of this component, reserve funding is not appropriate. Repaint as necessary as an operating expense.

Comp #: 216 Restrooms - Repaint

Location: **Pool Building**

Quantity: **Approx 400 SF**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Due to the minimal cost of painting of this component, reserve funding is not appropriate. Repaint as necessary as an operating expense.

Comp #: 401 Asphalt - Major Rehab

Location: **Parking Areas**

Quantity: **Approx 12,235 SF**

Life Expectancy: **30** *Remaining Life:* **14**

Best Cost: **$31,000**
Estimate for major rehab

Worst Cost: **$43,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The asphalt surfaces are in good condition. We recommend funding for a major rehab of this component approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 402 Asphalt - Seal Coat

Location: **Parking Areas**

Quantity: **Approx 12,235 SF**

Life Expectancy: **5** *Remaining Life:* **4**

Best Cost: **$4,900**
Estimate for seal coat

Worst Cost: **$5,000**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The asphalt seal coat is in good condition. We recommend funding to seal this component approximately every 3 - 5 years. Remaining life based on current age.

Comp #: 403 Concrete - Partial Repair/Replace

Location: **Curb, Gutter, & Sidewalks**

Quantity: **Moderate SF**

Life Expectancy: **10** *Remaining Life:* **4**

Best Cost: **$2,000**

Allowance to repair/replace

Worst Cost: **$3,000**

Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The concrete is in good condition. This component has an extended useful life under normal conditions. We recommend funding to make repairs and partially replace this component approximately every 10 years. Remaining life based on current age.

Comp #: 508 Access Control System - Replace

Location: **Pool Area**

Quantity: **(1) System**

Life Expectancy: **12** *Remaining Life:* **0**

Best Cost: **$4,000**
Estimate to replace

Worst Cost: **$6,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The access control system is in working condition. We recommend funding to replace this component approximately every 10 - 12 years. Remaining life based on current age.

Comp #: 703 Water Heater - Replace

Location: **Pool Equipment Room**

Quantity: **(1) Water Heater**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Due to the minimal cost of replacing this component, reserve funding is not appropriate. Replace as necessary as an operating expense.

Comp #: 706 HVAC Furnace - Replace

Location: **Pool Equipment Room**

Quantity: **(1) Furnace**

Life Expectancy: **20** *Remaining Life:* **4**

Best Cost: **$3,500**
Estimate to replace

Worst Cost: **$4,500**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The furnace is in working condition. We recommend funding to replace this component approximately every 20 years. Remaining life based on current age.

Comp #: 801 Monument Signs - Refurbish

Location: **Community Entrances**

Quantity: **(3) Signs**

Life Expectancy: **20** *Remaining Life:* **4**

Best Cost: **$6,000**
Estimate to refurbish

Worst Cost: **$9,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The monument signs are in good to fair condition. We recommend funding to refurbish this component approximately every 15 - 20 years. Remaining life is based on current age.

Comp #: 903 Security Camera System - Install

Location: **Pool Area**

Quantity: **(1) System**

Life Expectancy: **12** *Remaining Life:* **8**

Best Cost: **$6,000**
Estimate to install

Worst Cost: **$8,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The security camera system is in working condition. We recommend funding to replace this component approximately every 10 - 12 years. Remaining life based on current age.

Comp #: 1002 Metal Fencing - Replace

Location: **Community Entrances**

Quantity: **Approx 410 LF**

Life Expectancy: **50** *Remaining Life:* **34**

Best Cost: **$21,000**
Estimate to replace

Worst Cost: **$25,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The metal fencing is in good to fair condition. We recommend funding to replace this component approximately every 40 - 50 years. Remaining life based on current age.

Comp #: 1008 Vinyl Fencing - Replace

Location: **Community Perimeter**

Quantity: **Approx 2,895 LF**

Life Expectancy: **30** *Remaining Life:* **14**

Best Cost: **$131,000**
Estimate to replace

Worst Cost: **$174,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

260 Linear ft. - East Entrance
985 Linear ft. - East & South of Pool
685 Linear ft. - North of Townhomes
60 Linear ft. - Playground
210 Linear ft. - Pool Fence
695 Linear ft. - South of Condos

2,895 Linear ft. - Total

Observations:

The vinyl fencing is generally in good condition. We recommend funding to replace this component approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 1090 Faux Stone Columns - Repair/Replace

Location: **Community Entrances**

Quantity: **(19) Columns**

Life Expectancy: **20** *Remaining Life:* **4**

Best Cost: **$4,000**
Allowance to repair/replace

Worst Cost: **$6,000**
Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The columns are in good to fair condition. We recommend funding an allowance to repair/replace this component approximately every 15 - 20 years. Remaining life is based on current age.

Comp #: 1090 Pool Gate - Replace

Location: **Pool Area**

Quantity: **(1) Gate**

Life Expectancy: **30** *Remaining Life:* **14**

Best Cost: **$3,000**
Estimate to replace

Worst Cost: **$4,000**
Higher estimate

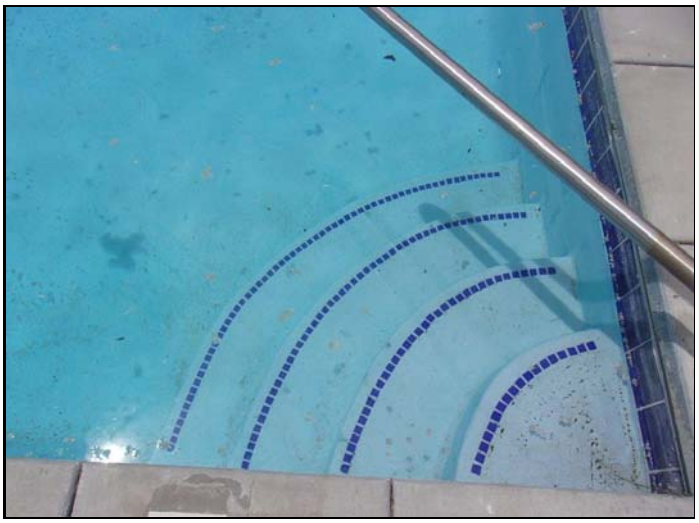
Source of Information: CSL Cost Database

General Notes:

Observations:

The gate is in good to fair condition. We recommend funding to completely replace this component approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 1101 Pool - Resurface



Location: **Pool Area**

Quantity: **(1) Pool**

Life Expectancy: **12** *Remaining Life:* **0**

Best Cost: **$15,000**

Estimate to resurface

Worst Cost: **$20,000**

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The pool surface is in fair condition. We recommend funding to resurface this component every 10 - 12 years. Remaining life based on current age.

Comp #: 1104 Pool Heater - Replace

Location: **Pool Equipment Room**

Quantity: **(1) Heater**

Life Expectancy: **12** *Remaining Life:* **9**

Best Cost: **$5,000**
Estimate to replace

Worst Cost: **$6,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The pool heater is in working condition. We recommend funding to replace this component approximately every 12 years. Remaining life based on current age.

Comp #: 1107 Pool Filter - Replace

Location: **Pool Equipment Room**

Quantity: **(1) Filter**

Life Expectancy: **15** *Remaining Life:* **4**

Best Cost: **$2,500**
Estimate to replace

Worst Cost: **$3,500**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The pool filter is in working condition. We recommend funding to replace this component approximately every 12 - 15 years. Remaining life based on current age.

Comp #: 1110 Pool Pump - Replace

Location: **Pool Equipment Room**

Quantity: **(1) Pump**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Due to the minimal cost of replacing this component, reserve funding is not appropriate. Replace as necessary as an operating expense.

Comp #: 1111 Chemical Controller System - Replace

Location: **Pool Equipment Room**

Quantity: **(1) System**

Life Expectancy: **12** *Remaining Life:* **0**

Best Cost: **$3,000**
Estimate to replace

Worst Cost: **$4,000**
Higher estimate

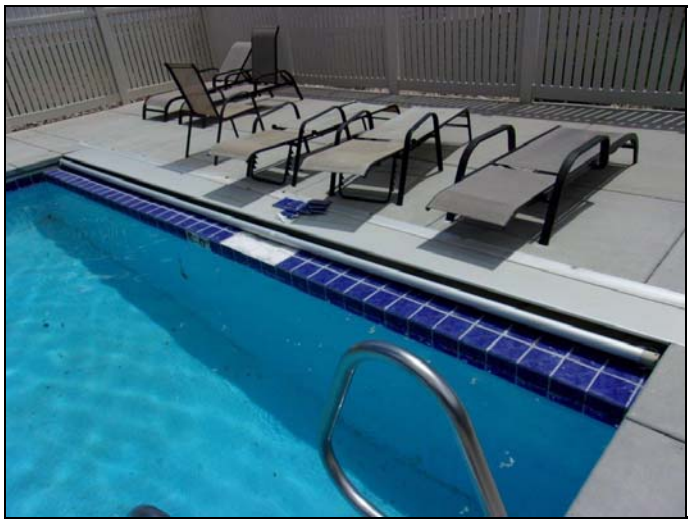
Source of Information: CSL Cost Database

General Notes:

Observations:

The pool chemical controller system is in working condition. We recommend funding to replace this component approximately every 10 - 12 years. Remaining life based on current age.

Comp #: 1112 Pool Cover - Replace



Location: **Pool Area**

Quantity: **(1) Cover**

Life Expectancy: **10** *Remaining Life:* **0**

Best Cost: **$4,000**
Estimate to replace

Worst Cost: **$6,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

Unable to inspect this component at the time of the site visit. We recommend funding to replace this component approximately every 10 years. Remaining life based on current age.

Comp #: 1116 Pool Deck - Replace

Location: **Pool Area**

Quantity: **Approx 2,200 SF**

Life Expectancy: **50** *Remaining Life:* **34**

Best Cost: **$30,000**
Estimate to replace

Worst Cost: **$40,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The pool deck is in good condition. We recommend funding to replace this component approximately every 40 - 50 years. Remaining life based on current age.

Comp #: 1121 Pool Furniture - Replace

Location: **Pool Area**

Quantity: **Assorted Pieces**

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

Best Cost: **$2,000**

Allowance to make replacements

Worst Cost: **$3,000**

Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The pool furniture is in good to poor condition. We recommend funding an allowance to make replacements to this component approximately every 6 years. Remaining life based on current average condition.

Comp #: 1190 Pool Control System - Replace

Location: **Pool Equipment Room**

Quantity: **(1) System**

Life Expectancy: **15** *Remaining Life:* **0**

Best Cost: **$2,000**
Estimate to replace

Worst Cost: **$3,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The system is in working condition. We recommend funding to replace this system approximately every 12 - 15 years. Remaining life based on current age.

Comp #: 1301 Play Structure - East - Replace

Location: **Common Area**

Quantity: **(1) Structure**

Life Expectancy: **25** *Remaining Life:* **9**

Best Cost: **$30,000**
Estimate to replace

Worst Cost: **$40,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The play structure is in fair condition. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 1301 Play Structure - West - Replace

Location: **Common Area**

Quantity: **(1) Structure**

Life Expectancy: **25** *Remaining Life:* **12**

Best Cost: **$35,000**
Estimate to replace

Worst Cost: **$45,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The play structure is generally in fair condition. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 1303 Play Area Groundcover - Refill

Location: **Play Areas**

Quantity: **Approx 1,950 SF**

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

Best Cost: **$3,000**
Estimate to refill

Worst Cost: **$4,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The play area groundcover is in fair to poor condition. We recommend funding to refill this component approximately every 3 - 5 years. Remaining life is based on current condition.

Comp #: 1304 Drinking Fountain - Replace

Location: **Pool Building**

Quantity: **(1) Drinking Fountain**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Due to the minimal cost of replacing this component, reserve funding is not appropriate. Replace as necessary as an operating expense.

Comp #: 1306 Picnic Tables - Replace

Location: **Pavilion Area**

Quantity: **(4) Picnic Tables**

Life Expectancy: **15** *Remaining Life:* **10**

Best Cost: **$5,000**
Estimate to replace

Worst Cost: **$6,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The picnic tables are in good condition. We recommend funding to replace this component approximately every 10 - 15 years. Remaining life based on current age.

Comp #: 1307 Benches - Replace

Location: **Play Areas**

Quantity: **(5) Benches**

Life Expectancy: **15** *Remaining Life:* **3**

Best Cost: **$6,000**
Estimate to replace

Worst Cost: **$8,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The benches are in fair condition. We recommend funding to replace this component approximately every 10 - 15 years. Remaining life based on current age and condition.

Comp #: 1309 Pool Shelter - Replace

Location: **Pool Area**

Quantity: **(1) Shelter**

Life Expectancy: **40** *Remaining Life:* **31**

Best Cost: **$12,000**
Estimate to replace

Worst Cost: **$17,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The pool shelter is in good condition. We recommend funding to replace this component approximately every 40 - 50 years. Remaining life based on current age.

Comp #: 1413 Restrooms - Remodel

Location: **Pool Building**

Quantity: **(2) Restrooms**

Life Expectancy: **20** *Remaining Life:* **4**

Best Cost: **$10,000**
Estimate to remodel

Worst Cost: **$14,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The restrooms are in good to fair condition. We recommend funding to remodel this component approximately every 20 years. Remaining life based on current age.

Comp #: 1602 Exterior Light Fixtures - Replace

Location: **Pool Building**

Quantity: **(9) Fixtures**

Life Expectancy: **N/A** *Remaining Life:*

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Due to the minimal cost of replacing this component, reserve funding is not appropriate. Replace as necessary as an operating expense.

Comp #: 1812 Landscaping & Irrigation System - Renovate

Location: **Common Area**

Quantity: **Extensive SF**

Life Expectancy: **20** *Remaining Life:* **0**

Best Cost: **$20,000**
Allowance to renovate

Worst Cost: **$30,000**
Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The landscaping and irrigation system are in good to poor condition. We recommend funding for an allowance to renovate this component approximately every 20 years. Remaining life based on current age and condition.

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.

FFB = Current Cost * Effective Age / 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.