

# Wyngate Townhomes

## Level 2 Reserve Study



**Report Period – 1/1/2012 – 12/31/2012**

<b>Client Reference Number</b>	<b>10993</b>
<b>Property Type</b>	<b>Townhouse</b>
<b>Number of Units</b>	<b>160</b>
<b>Fiscal Year End</b>	<b>12/31</b>

<b>Date of Property Inspection</b>	<b>12/16/2011</b>
<b>Prepared By</b>	<b>Dale Gifford</b>
<b>Analysis Method</b>	<b>Cash Flow</b>
<b>Funding Goal</b>	<b>Full Funding</b>

**Report prepared on – Friday, April 13, 2012**



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## Glossary of Commonly used Words and Phrases

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## Executive Summary – Wyngate Townhomes - ID # 10993

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.

<b>Projected Starting Balance as of 1/1/2012</b>	<b>\$72,500</b>
<b>Ideal Reserve Balance as of 1/1/2012</b>	<b>\$737,256</b>
<b>Percent Funded as of 1/1/2012</b>	<b>10%</b>
<b>Recommended Reserve Contribution (per month)</b>	<b>\$12,550</b>
<b>Minimum Reserve Contribution (per month)</b>	<b>\$11,600</b>
<b>Recommended Special Assessment</b>	<b>\$0</b>

Wyngate Townhomes is a 160-unit Townhome community. The community offers a swimming pool, play ground and landscaped areas as amenities. Construction on the community was completed in 2002.

### Currently Programmed Projects

There are no projects programmed to occur this fiscal year (FY2012). (See page 15)

### Major Reserve Expenditures

The first major reserve expenditure is programmed to occur in fiscal year 2016. Projects programmed to occur in fiscal year 2016 include buildings repaint (Comp# 201), water heater replace (Comp# 703), pool resurface (Comp# 1101), pool heater replace (Comp# 1104), pool filter replace (Comp# 1107), basketball equipment replace (Comp# 1207), and play area groundcover refill (Comp# 1303). We have programmed approximately \$424,035 in reserve funds or approximately 63% of fiscal year 2016's recommended starting balance towards the completion of these projects (see pages 10 & 15).

### Significant Reserve Projects

The association's significant reserve projects include pitched comp shingle (Comp# 105), buildings repaint (Comp# 201), vinyl fencing replace (Comp# 1008), and asphalt overlay (Comp# 401). The fiscal significance of these components is approximately 37%, 31%, 9%, and 5% 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 \$72,500 versus the ideal reserve balance of \$737,256 we find the association's reserve fund to be approximately 10% funded. This indicates a weak reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$12,550 (\$78.44/unit) per month. We have also included a minimum reserve contribution of \$11,600 (\$72.50/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 an educated estimate of the necessary reserve balance and allocation. 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

Mr. Gifford has been working in the community association industry for the last 9 years. Prior to taking a position, as the Regional Project Manager covering the Utah region, at Complex Solutions, 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.

- Reserve Specialist (RS) designation from Community Associations Institute (CAI)
- Personally has prepared over 200 reserve studies in Salt Lake City Utah and surrounding areas
- Bachelor of Science in Chemistry from Emporia State University
- Certified Manager of Community Associations® (CMCA®) designation from the National Board of Certification for Community Association Managers (NBC-CAM)
- Association Management Specialist® (AMS®) designation from Community Associations Institute (CAI)
- Professional Community Association Manager® (PCAM®) designation from Community Associations Institute (CAI)
- Active member and former Board member and chapter President of the Utah Chapter of Community Associations Institute (UCCAI)
- Recipient of Community Associations Institute's (CAI) annual award of Excellence In Chapter Leadership for service an achievement in 2010

## Budget Breakdown

Every association conducts their business within a budget. There are typically two main parts to this budget, operating and reserves. The operating budget includes all expenses that occur on an annual basis. These would 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

### **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 budget in order to run the daily and long term operations of your association. 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 understand. 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 inaccuracies, please inform us immediately so we may revise the report.

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.

The Reserve Study should be readily available for real estate agents, brokerage firms, and lending institutions for potential future homeowners. As the importance of reserves becomes more of a household term, people are requesting homeowners associations reveal the strength of the reserve fund prior to purchasing a condominium, town home, or any property that belongs to an association.

### **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 reviewed 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 content of the Reserve Study. Therefore, this analysis should be reviewed annually, and a property inspection 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 (for Reserve purposes less than 30 years), 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 as well as general repairs and maintenance.

### **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, then it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers 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 happens during the Site Visit?**

The Site Visit was conducted of the common areas as reported by client. 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.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the inspection. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the inspection. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. 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.

## **What is the Financial Analysis?**

We projected the starting balance by taking the most recent balance statement, adding expected reserve contributions for the rest of the fiscal year, and subtracting any pending projects that will be paid for before the end of the current fiscal year. We compared this number to the ideal reserve balance and arrived at the percent funded level.

## **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 special assessments and deferred maintenance, which could lead to lower property values. If the association is in this position, actions should be taken 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 has the exact amount of funds in the reserve account.

## **Disclosures:**

We will identify only those major components with a useful life of 30-years or less that generally meet industry standards for reserve funding.

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 the full and expected useful lives.

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.

**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 “Financial Update” 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:** 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.

# Funding Summary

## Beginning Assumptions

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# of units	160
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	\$1,600
Projected Starting Reserve Balance	\$72,500
Ideal Starting Reserve Balance	\$737,256

## Economic Assumptions

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Projected Inflation Rate	3.00%
Reported After-Tax Interest Rate	1.00%

## Current Reserve Status

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Current Balance as a % of Ideal Balance	10%
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## Recommendations

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Recommended Monthly Reserve Allocation	\$12,550
Per Unit	\$78.44
Future Annual Increases	3.00%
For number of years:	13
Increases thereafter:	0.00%
Minimum Recommended Monthly Reserve Allocation	\$11,600
Per Unit	\$72.50
Future Annual Increases	3.00%
For number of years:	13
Increases thereafter:	0.00%

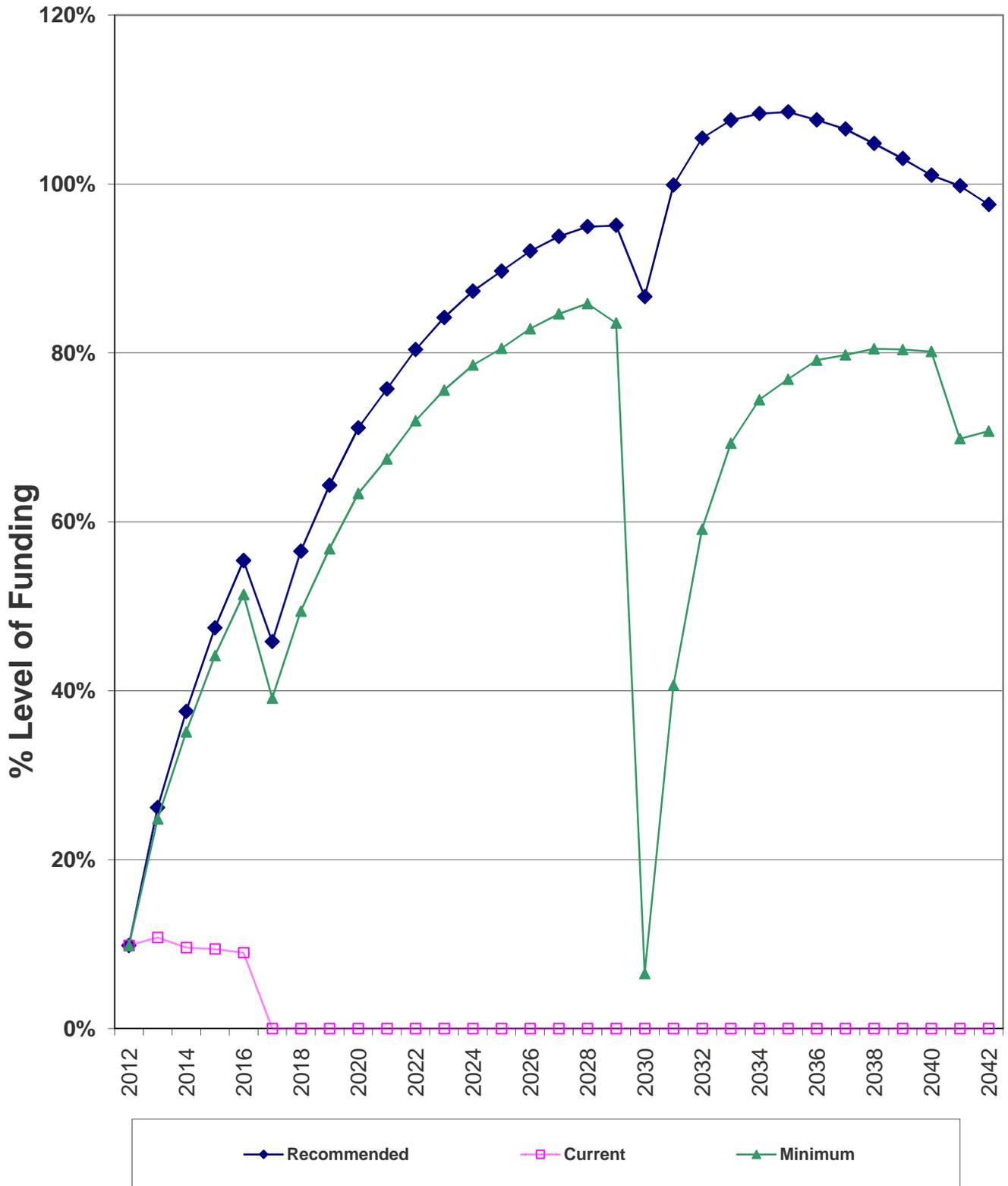
## Changes From Prior Year

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Recommended Increase to Reserve Allocation as Percentage	\$10,950 684%
Minimum Recommended Increase to Reserve Allocation as Percentage	\$10,000 625%



# Percent Funded - Graph



## Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Pitched Roof - Comp Shingle - Replace	25	17	\$812,500	\$937,500
	120	Rain Gutters/Downspouts - Replace	25	17	\$48,825	\$59,675
Painted Surfaces	201	Buildings - Repaint	12	4	\$320,000	\$400,000
	207	Wrought Iron Fencing - Repaint	5	1	\$6,660	\$8,140
Drive Materials	401	Asphalt - Overlay	25	17	\$99,600	\$132,800
	402	Asphalt - Seal Coat	5	3	\$8,632	\$12,616
	403	Concrete - Repair/Replace	10	2	\$7,500	\$10,000
Decking	603	Kool Deck - Reseal	5	1	\$8,125	\$9,750
	604	Kool Deck - Resurface	20	12	\$16,250	\$19,500
Mechanical Equip.	703	Water Heater - Replace	12	4	\$1,000	\$1,250
Prop. Identification	801	Monument Sign - Rebuild	18	10	\$500	\$1,000
	803	Mailboxes - Replace	N/A		\$0	\$0
Fencing	1002	Wrought Iron Fencing - Replace	30	22	\$29,600	\$33,300
	1008	Vinyl Fencing - Replace	25	17	\$210,000	\$240,000
	1012	Prefab Concrete Fence - Replace	N/A		\$0	\$0
Pool/Spa	1101	Pool - Resurface	12	4	\$8,000	\$10,000
	1104	Pool Heater - Replace	12	4	\$3,250	\$3,750
	1107	Pool Filter - Replace	12	4	\$1,100	\$1,300
	1110	Pool Pump - Replace	5	2	\$700	\$900
	1111	Pool Chlorinator - Replace	8	1	\$3,000	\$3,500
	1121	Pool Furniture - Replace	6	3	\$1,500	\$2,000
Courts	1207	Basketball Equipment - Replace	12	4	\$500	\$750
Recreation Equip.	1301	Play Structure - Replace	20	12	\$20,000	\$25,000
	1303	Play Area Groundcover - Refill	5	4	\$1,200	\$1,400
	1307	Bench - Replace	10	8	\$800	\$1,200
Interiors	1413	Restrooms - Remodel	18	10	\$8,000	\$12,000
Light Fixtures	1602	Exterior Light Fixtures - Replace	16	8	\$15,375	\$20,500
	1604	Pole Light - Replace	16	8	\$14,250	\$19,950
	1609	Pool Light Fixture - Replace	20	12	\$4,500	\$6,000
Landscaping	1812	Landscaping - Renovate	20	12	\$5,000	\$7,500

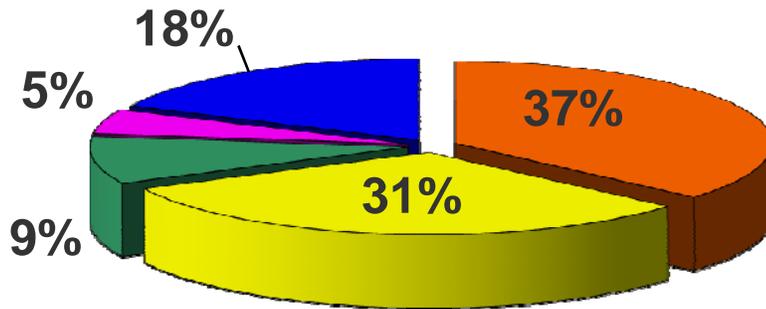


## Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Pitched Roof - Comp Shingle - Replace	25	17	\$875,000	\$35,000	36.4508%
120	Rain Gutters/Downspouts - Replace	25	17	\$54,250	\$2,170	2.2599%
201	Buildings - Repaint	12	4	\$360,000	\$30,000	31.2435%
207	Wrought Iron Fencing - Repaint	5	1	\$7,400	\$1,480	1.5413%
401	Asphalt - Overlay	25	17	\$116,200	\$4,648	4.8407%
402	Asphalt - Seal Coat	5	3	\$10,624	\$2,125	2.2129%
403	Concrete - Repair/Replace	10	2	\$8,750	\$875	0.9113%
603	Kool Deck - Reseal	5	1	\$8,938	\$1,788	1.8616%
604	Kool Deck - Resurface	20	12	\$17,875	\$894	0.9308%
703	Water Heater - Replace	12	4	\$1,125	\$94	0.0976%
801	Monument Sign - Rebuild	18	10	\$750	\$42	0.0434%
1002	Wrought Iron Fencing - Replace	30	22	\$31,450	\$1,048	1.0918%
1008	Vinyl Fencing - Replace	25	17	\$225,000	\$9,000	9.3731%
1101	Pool - Resurface	12	4	\$9,000	\$750	0.7811%
1104	Pool Heater - Replace	12	4	\$3,500	\$292	0.3038%
1107	Pool Filter - Replace	12	4	\$1,200	\$100	0.1041%
1110	Pool Pump - Replace	5	2	\$800	\$160	0.1666%
1111	Pool Chlorinator - Replace	8	1	\$3,250	\$406	0.4231%
1121	Pool Furniture - Replace	6	3	\$1,750	\$292	0.3038%
1207	Basketball Equipment - Replace	12	4	\$625	\$52	0.0542%
1301	Play Structure - Replace	20	12	\$22,500	\$1,125	1.1716%
1303	Play Area Groundcover - Refill	5	4	\$1,300	\$260	0.2708%
1307	Bench - Replace	10	8	\$1,000	\$100	0.1041%
1413	Restrooms - Remodel	18	10	\$10,000	\$556	0.5786%
1602	Exterior Light Fixtures - Replace	16	8	\$17,938	\$1,121	1.1676%
1604	Pole Light - Replace	16	8	\$17,100	\$1,069	1.1131%
1609	Pool Light Fixture - Replace	20	12	\$5,250	\$263	0.2734%
1812	Landscaping - Renovate	20	12	\$6,250	\$313	0.3255%



## Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Pitched Roof - Comp Shingle - Replac	25	17	\$875,000	\$35,000	37%
201	Buildings - Repaint	12	4	\$360,000	\$30,000	31%
1008	Vinyl Fencing - Replace	25	17	\$225,000	\$9,000	9%
401	Asphalt - Overlay	25	17	\$116,200	\$4,648	5%
All Other	See Expanded Table For Breakdown				\$17,372	18%



## Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2012	\$737,256	\$72,500	10%	\$150,600	\$1,485	\$0	\$224,585
2013	\$858,274	\$224,585	26%	\$155,118	\$2,934	\$20,175	\$362,462
2014	\$965,109	\$362,462	38%	\$159,772	\$4,393	\$10,132	\$516,495
2015	\$1,088,550	\$516,495	47%	\$164,565	\$5,947	\$13,521	\$673,485
2016	\$1,215,351	\$673,485	55%	\$169,502	\$5,487	\$424,035	\$424,439
2017	\$926,368	\$424,439	46%	\$174,587	\$5,141	\$0	\$604,166
2018	\$1,068,812	\$604,166	57%	\$179,824	\$6,875	\$19,508	\$771,357
2019	\$1,198,876	\$771,357	64%	\$185,219	\$8,674	\$984	\$964,267
2020	\$1,355,464	\$964,267	71%	\$190,776	\$10,348	\$59,109	\$1,106,281
2021	\$1,460,529	\$1,106,281	76%	\$196,499	\$12,059	\$8,220	\$1,306,620
2022	\$1,624,921	\$1,306,620	80%	\$202,394	\$14,070	\$14,447	\$1,508,637
2023	\$1,791,702	\$1,508,637	84%	\$208,466	\$16,089	\$22,615	\$1,710,576
2024	\$1,959,061	\$1,710,576	87%	\$214,720	\$17,823	\$87,577	\$1,855,542
2025	\$2,068,637	\$1,855,542	90%	\$221,161	\$19,673	\$15,602	\$2,080,774
2026	\$2,259,865	\$2,080,774	92%	\$221,161	\$22,004	\$1,966	\$2,321,974
2027	\$2,475,231	\$2,321,974	94%	\$221,161	\$24,424	\$2,726	\$2,564,832
2028	\$2,700,763	\$2,564,832	95%	\$221,161	\$23,719	\$628,704	\$2,181,008
2029	\$2,292,927	\$2,181,008	95%	\$221,161	\$12,440	\$2,106,554	\$308,055
2030	\$355,432	\$308,055	87%	\$221,161	\$4,106	\$19,789	\$513,534
2031	\$514,083	\$513,534	100%	\$221,161	\$6,258	\$2,280	\$738,674
2032	\$700,580	\$738,674	105%	\$221,161	\$8,532	\$0	\$968,366
2033	\$900,223	\$968,366	108%	\$221,161	\$10,670	\$33,648	\$1,166,549
2034	\$1,076,556	\$1,166,549	108%	\$221,161	\$12,435	\$78,560	\$1,321,586
2035	\$1,217,439	\$1,321,586	109%	\$221,161	\$14,282	\$20,967	\$1,536,062
2036	\$1,427,555	\$1,536,062	108%	\$221,161	\$16,171	\$73,867	\$1,699,527
2037	\$1,595,343	\$1,699,527	107%	\$221,161	\$18,150	\$6,805	\$1,932,034
2038	\$1,843,270	\$1,932,034	105%	\$221,161	\$20,343	\$35,233	\$2,138,305
2039	\$2,075,566	\$2,138,305	103%	\$221,161	\$22,564	\$5,664	\$2,376,365
2040	\$2,351,685	\$2,376,365	101%	\$221,161	\$20,412	\$910,193	\$1,707,746
2041	\$1,711,014	\$1,707,746	100%	\$221,161	\$18,251	\$3,064	\$1,944,095



# Reserve Contributions - Graph

## Monthly Reserve Contributions



## Component Funding Information

ID	Component Name	JL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Pitched Roof - Comp Shingle - Replace	25	17	Approx 250,000 Sq.ft.	\$875,000	\$280,000	\$0	\$4,574.57
120	Rain Gutters/Downspouts - Replace	25	17	Approx 10,850 Linear ft.	\$54,250	\$17,360	\$0	\$283.62
201	Buildings - Repaint	12	4	(160) Units	\$360,000	\$240,000	\$43,982	\$3,921.06
207	Wrought Iron Fencing - Repaint	5	1	Approx 740 Linear ft.	\$7,400	\$5,920	\$5,920	\$193.44
401	Asphalt - Overlay	25	17	Approx 66,400 Sq.ft.	\$116,200	\$37,184	\$0	\$607.50
402	Asphalt - Seal Coat	5	3	Approx 66,400 Sq.ft.	\$10,624	\$4,250	\$4,250	\$277.72
403	Concrete - Repair/Replace	10	2	Extensive Sq.ft.	\$8,750	\$7,000	\$7,000	\$114.36
603	Kool Deck - Reseal	5	1	Approx 3,250 Sq.ft.	\$8,938	\$7,150	\$7,150	\$233.63
604	Kool Deck - Resurface	20	12	Approx 3,250 Sq.ft.	\$17,875	\$7,150	\$0	\$116.82
703	Water Heater - Replace	12	4	(1) 75 Gal heater	\$1,125	\$750	\$0	\$12.25
801	Monument Sign - Rebuild	18	10	(1) Sign	\$750	\$333	\$0	\$5.45
1002	Wrought Iron Fencing - Replace	30	22	Approx 740 Linear ft.	\$31,450	\$8,387	\$0	\$137.02
1008	Vinyl Fencing - Replace	25	17	Approx 7,500 Linear ft.	\$225,000	\$72,000	\$0	\$1,176.32
1101	Pool - Resurface	12	4	(1) 22 ft. x 38 ft. Pool	\$9,000	\$6,000	\$0	\$98.03
1104	Pool Heater - Replace	12	4	(1) 300,000 BTU	\$3,500	\$2,333	\$0	\$38.12
1107	Pool Filter - Replace	12	4	(1) Filter	\$1,200	\$800	\$0	\$13.07
1110	Pool Pump - Replace	5	2	(1) Pump	\$800	\$480	\$480	\$20.91
1111	Pool Chlorinator - Replace	8	1	(1) Polaris System	\$3,250	\$2,844	\$2,844	\$53.10
1121	Pool Furniture - Replace	6	3	(15) Pieces	\$1,750	\$875	\$875	\$38.12
1207	Basketball Equipment - Replace	12	4	(1) Backboard	\$625	\$417	\$0	\$6.81
1301	Play Structure - Replace	20	12	(1) Large Structure	\$22,500	\$9,000	\$0	\$147.04
1303	Play Area Groundcover - Refill	5	4	Approx 1,375 Sq.ft.	\$1,300	\$260	\$0	\$33.98
1307	Bench - Replace	10	8	(2) Benches	\$1,000	\$200	\$0	\$13.07
1413	Restrooms - Remodel	18	10	(2) Restrooms	\$10,000	\$4,444	\$0	\$72.61
1602	Exterior Light Fixtures - Replace	16	8	(214) Fixtures	\$17,938	\$8,969	\$0	\$146.53
1604	Pole Light - Replace	16	8	(57) Pole Lights	\$17,100	\$8,550	\$0	\$139.69
1609	Pool Light Fixture - Replace	20	12	(6) Pool Lights	\$5,250	\$2,100	\$0	\$34.31
1812	Landscaping - Renovate	20	12	Extensive Sq.ft.	\$6,250	\$2,500	\$0	\$40.84
					<b>\$1,818,824</b>	<b>\$737,256</b>	<b>\$72,500</b>	<b>\$12,550.00</b>

Current Fund Balance as a percentage of Ideal Balance: 10%



## Yearly Cash Flow

Year	2012	2013	2014	2015	2016
<b>Starting Balance</b>	\$72,500	\$224,585	\$362,462	\$516,495	\$673,485
<i>Reserve Income</i>	\$150,600	\$155,118	\$159,772	\$164,565	\$169,502
<i>Interest Earnings</i>	\$1,485	\$2,934	\$4,393	\$5,947	\$5,487
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$224,585	\$382,637	\$526,626	\$687,007	\$848,474
<b>Reserve Expenditures</b>	\$0	\$20,175	\$10,132	\$13,521	\$424,035
<b>Ending Balance</b>	\$224,585	\$362,462	\$516,495	\$673,485	\$424,439

Year	2017	2018	2019	2020	2021
<b>Starting Balance</b>	\$424,439	\$604,166	\$771,357	\$964,267	\$1,106,281
<i>Reserve Income</i>	\$174,587	\$179,824	\$185,219	\$190,776	\$196,499
<i>Interest Earnings</i>	\$5,141	\$6,875	\$8,674	\$10,348	\$12,059
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$604,166	\$790,865	\$965,251	\$1,165,391	\$1,314,840
<b>Reserve Expenditures</b>	\$0	\$19,508	\$984	\$59,109	\$8,220
<b>Ending Balance</b>	\$604,166	\$771,357	\$964,267	\$1,106,281	\$1,306,620

Year	2022	2023	2024	2025	2026
<b>Starting Balance</b>	\$1,306,620	\$1,508,637	\$1,710,576	\$1,855,542	\$2,080,774
<i>Reserve Income</i>	\$202,394	\$208,466	\$214,720	\$221,161	\$221,161
<i>Interest Earnings</i>	\$14,070	\$16,089	\$17,823	\$19,673	\$22,004
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,523,084	\$1,733,191	\$1,943,119	\$2,096,376	\$2,323,940
<b>Reserve Expenditures</b>	\$14,447	\$22,615	\$87,577	\$15,602	\$1,966
<b>Ending Balance</b>	\$1,508,637	\$1,710,576	\$1,855,542	\$2,080,774	\$2,321,974

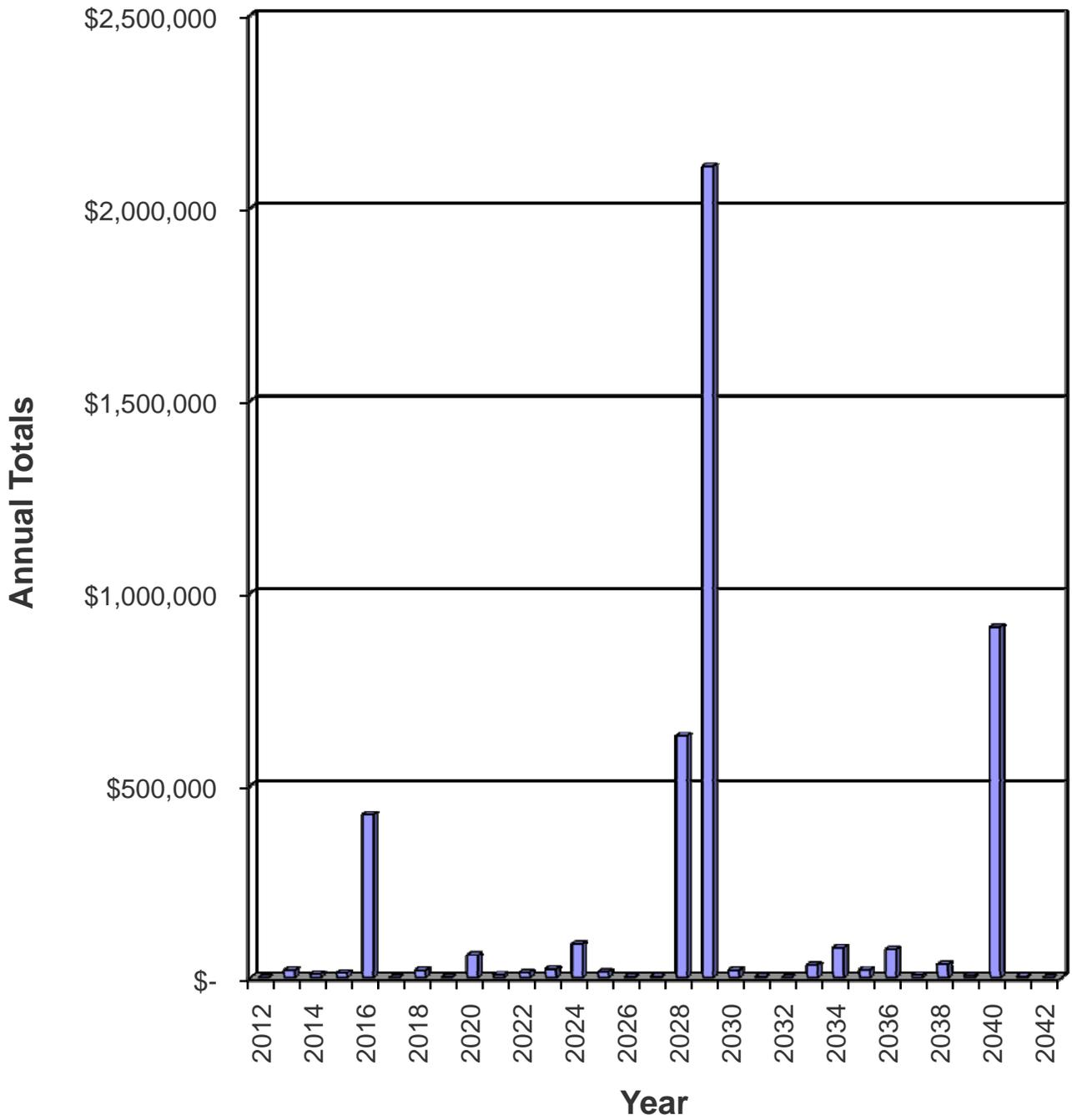
Year	2027	2028	2029	2030	2031
<b>Starting Balance</b>	\$2,321,974	\$2,564,832	\$2,181,008	\$308,055	\$513,534
<i>Reserve Income</i>	\$221,161	\$221,161	\$221,161	\$221,161	\$221,161
<i>Interest Earnings</i>	\$24,424	\$23,719	\$12,440	\$4,106	\$6,258
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$2,567,558	\$2,809,712	\$2,414,610	\$533,323	\$740,953
<b>Reserve Expenditures</b>	\$2,726	\$628,704	\$2,106,554	\$19,789	\$2,280
<b>Ending Balance</b>	\$2,564,832	\$2,181,008	\$308,055	\$513,534	\$738,674

Year	2032	2033	2034	2035	2036
<b>Starting Balance</b>	\$738,674	\$968,366	\$1,166,549	\$1,321,586	\$1,536,062
<i>Reserve Income</i>	\$221,161	\$221,161	\$221,161	\$221,161	\$221,161
<i>Interest Earnings</i>	\$8,532	\$10,670	\$12,435	\$14,282	\$16,171
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$968,366	\$1,200,198	\$1,400,146	\$1,557,029	\$1,773,394
<b>Reserve Expenditures</b>	\$0	\$33,648	\$78,560	\$20,967	\$73,867
<b>Ending Balance</b>	\$968,366	\$1,166,549	\$1,321,586	\$1,536,062	\$1,699,527

Year	2037	2038	2039	2040	2041
<b>Starting Balance</b>	\$1,699,527	\$1,932,034	\$2,138,305	\$2,376,365	\$1,707,746
<i>Reserve Income</i>	\$221,161	\$221,161	\$221,161	\$221,161	\$221,161
<i>Interest Earnings</i>	\$18,150	\$20,343	\$22,564	\$20,412	\$18,251
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,938,839	\$2,173,538	\$2,382,030	\$2,617,938	\$1,947,159
<b>Reserve Expenditures</b>	\$6,805	\$35,233	\$5,664	\$910,193	\$3,064
<b>Ending Balance</b>	\$1,932,034	\$2,138,305	\$2,376,365	\$1,707,746	\$1,944,095



## Yearly Reserve Expenditures - Graph



## Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2012		No Expenditures Projected		\$0
2013	207	Wrought Iron Fencing - Repaint	\$7,622	
	603	Kool Deck - Reseal	\$9,206	
	1111	Pool Chlorinator - Replace	\$3,348	\$20,175
2014	403	Concrete - Repair/Replace	\$9,283	
	1110	Pool Pump - Replace	\$849	\$10,132
2015	402	Asphalt - Seal Coat	\$11,609	
	1121	Pool Furniture - Replace	\$1,912	\$13,521
2016	201	Buildings - Repaint	\$405,183	
	703	Water Heater - Replace	\$1,266	
	1101	Pool - Resurface	\$10,130	
	1104	Pool Heater - Replace	\$3,939	
	1107	Pool Filter - Replace	\$1,351	
	1207	Basketball Equipment - Replace	\$703	
	1303	Play Area Groundcover - Refill	\$1,463	\$424,035
2017		No Expenditures Projected		\$0
2018	207	Wrought Iron Fencing - Repaint	\$8,836	
	603	Kool Deck - Reseal	\$10,672	\$19,508
2019	1110	Pool Pump - Replace	\$984	\$984
2020	402	Asphalt - Seal Coat	\$13,458	
	1307	Bench - Replace	\$1,267	
	1602	Exterior Light Fixtures - Replace	\$22,723	
	1604	Pole Light - Replace	\$21,662	\$59,109
2021	1111	Pool Chlorinator - Replace	\$4,241	
	1121	Pool Furniture - Replace	\$2,283	
	1303	Play Area Groundcover - Refill	\$1,696	\$8,220
2022	801	Monument Sign - Rebuild	\$1,008	
	1413	Restrooms - Remodel	\$13,439	\$14,447
2023	207	Wrought Iron Fencing - Repaint	\$10,243	
	603	Kool Deck - Reseal	\$12,372	\$22,615
2024	403	Concrete - Repair/Replace	\$12,475	
	604	Kool Deck - Resurface	\$25,485	
	1110	Pool Pump - Replace	\$1,141	
	1301	Play Structure - Replace	\$32,080	
	1609	Pool Light Fixture - Replace	\$7,485	
	1812	Landscaping - Renovate	\$8,911	\$87,577
2025	402	Asphalt - Seal Coat	\$15,602	\$15,602
2026	1303	Play Area Groundcover - Refill	\$1,966	\$1,966
2027	1121	Pool Furniture - Replace	\$2,726	\$2,726
2028	201	Buildings - Repaint	\$577,694	
	207	Wrought Iron Fencing - Repaint	\$11,875	
	603	Kool Deck - Reseal	\$14,342	
	703	Water Heater - Replace	\$1,805	

<b>Year</b>	<b>Comp ID</b>	<b>Component Name</b>	<b>Projected Cost</b>	<b>Total Per Annum</b>
	1101	Pool - Resurface	\$14,442	
	1104	Pool Heater - Replace	\$5,616	
	1107	Pool Filter - Replace	\$1,926	
	1207	Basketball Equipment - Replace	\$1,003	\$628,704
2029	105	Pitched Roof - Comp Shingle - Replace	\$1,446,242	
	120	Rain Gutters/Downspouts - Replace	\$89,667	
	401	Asphalt - Overlay	\$192,061	
	1008	Vinyl Fencing - Replace	\$371,891	
	1110	Pool Pump - Replace	\$1,322	
	1111	Pool Chlorinator - Replace	\$5,372	\$2,106,554
2030	402	Asphalt - Seal Coat	\$18,087	
	1307	Bench - Replace	\$1,702	\$19,789
2031	1303	Play Area Groundcover - Refill	\$2,280	\$2,280
2032		No Expenditures Projected		\$0
2033	207	Wrought Iron Fencing - Repaint	\$13,766	
	603	Kool Deck - Reseal	\$16,626	
	1121	Pool Furniture - Replace	\$3,256	\$33,648
2034	403	Concrete - Repair/Replace	\$16,766	
	1002	Wrought Iron Fencing - Replace	\$60,261	
	1110	Pool Pump - Replace	\$1,533	\$78,560
2035	402	Asphalt - Seal Coat	\$20,967	\$20,967
2036	1303	Play Area Groundcover - Refill	\$2,643	
	1602	Exterior Light Fixtures - Replace	\$36,463	
	1604	Pole Light - Replace	\$34,761	\$73,867
2037	1111	Pool Chlorinator - Replace	\$6,805	\$6,805
2038	207	Wrought Iron Fencing - Repaint	\$15,959	
	603	Kool Deck - Reseal	\$19,275	\$35,233
2039	1110	Pool Pump - Replace	\$1,777	
	1121	Pool Furniture - Replace	\$3,887	\$5,664
2040	201	Buildings - Repaint	\$823,654	
	402	Asphalt - Seal Coat	\$24,307	
	703	Water Heater - Replace	\$2,574	
	801	Monument Sign - Rebuild	\$1,716	
	1101	Pool - Resurface	\$20,591	
	1104	Pool Heater - Replace	\$8,008	
	1107	Pool Filter - Replace	\$2,746	
	1207	Basketball Equipment - Replace	\$1,430	
	1307	Bench - Replace	\$2,288	
	1413	Restrooms - Remodel	\$22,879	\$910,193
2041	1303	Play Area Groundcover - Refill	\$3,064	\$3,064

## Component Evaluation

Comp #: 105 Pitched Roof - Comp Shingle - Replace



*Location:* **Building Roofs**

*Quantity:* **Approx 250,000 Sq.ft.**

*Life Expectancy:* **25** *Remaining Life:* **17**

*Best Cost:* **\$812,500**

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

*Worst Cost:* **\$937,500**

\$3.75/Sq.ft.; Higher estimate for more labor costs

*Source of Information:* CSL Cost Database

*Observations:*

The roofs are in good condition. No problems were noted at the time of the inspection. Typically this type of roofing material has a useful life of approximately 25 years. Inspect roofs regularly and make local repairs as necessary as an operating expense to ensure full life from this component. Remaining life based on current age.

*General Notes:*

Comp #: 120 Rain Gutters/Downspouts - Replace



*Location:* **Building Roofs**

*Quantity:* **Approx 10,850 Linear ft.**

*Life Expectancy:* **25** *Remaining Life:* **17**

*Best Cost:* **\$48,825**

\$4.50/Linear ft.; Estimate to replace

*Worst Cost:* **\$59,675**

\$5.50/Linear ft.; Higher estimate to replace

*Source of Information:* CSL Cost Database

*Observations:*

The rain gutters and downspouts are in good condition. No problems were noted at the time of the inspection. We recommend replacing the rain gutters and downspouts at the same time as the roof replacement (see Comp# 105 Pitched Roof - Comp Shingle - Replace) to ensure proper function and to take advantage of the cost savings benefits. We recommend funding to replace these gutters and downspouts every 25 years. Remaining life based on current age.

*General Notes:*

Comp #: 201 Buildings - Repaint



*Location:* **Building Exteriors**

*Quantity:* **(160) Units**

*Life Expectancy:* **12** *Remaining Life:* **4**

*Best Cost:* **\$320,000**  
\$2,000/Unit; Estimate to repaint stucco surfaces

*Worst Cost:* **\$400,000**  
\$2,500/Unit; Higher estimate for more prep. Costs

*Source of Information:* CSL Cost Database

*Observations:*

The stucco surfaces are generally in good to fair condition. Minor cracking and discoloration were noted at the time of the inspection. Stucco surfaces should typically be repainted approximately every 10 to 12 years to protect the stucco surface and maintain appearance. Remaining life based on current age.

*General Notes:*

Comp #: 207 Wrought Iron Fencing - Repaint



*Location:* Pool Area & Unit Entrances

*Quantity:* Approx 740 Linear ft.

*Life Expectancy:* 5 *Remaining Life:* 1

*Best Cost:* \$6,660

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

*Worst Cost:* \$8,140

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

*Source of Information:* CSL Cost Database

*Observations:*

The painted metal fencing surfaces are in generally fair condition. Minor areas of rust, fading and thinning paint were noted at the time of the inspection. Repaint this component approximately every 5 years to maintain appearance and protect metal surfaces. Remaining life based on current condition.

*General Notes:*

<b>Quantity breakdown:</b> 295 Linear ft. - Pool area 445 Linear ft. - Railings  740 Linear ft. - Total
---

Comp #: 401 Asphalt - Overlay



*Location:* **Community Streets**

*Quantity:* **Approx 66,400 Sq.ft.**

*Life Expectancy:* **25** *Remaining Life:* **17**

*Best Cost:* **\$99,600**

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

*Worst Cost:* **\$132,800**

\$2.00/Sq.ft.; Higher estimate for local repairs

*Source of Information:* CSL Cost Database

*Observations:*

The asphalt streets are in good condition. Minor cracking was noted at the time of the inspection. Asphalt overlay generally has a useful life of 20 - 25 years. Maintain seal coat schedule to ensure full useful life (see Comp# 402 Asphalt - Seal Coat). Remaining life based on current age.

*General Notes:*

<b>Quantity breakdown:</b>
<b>18,450 Sq.ft. - Wynview Lane/1540 W.</b>
<b>10,350 Sq.ft. - Wynview Lane/10875 S.</b>
<b>16,150 Sq.ft. - Wyngate Park Dr./10785 S.</b>
<b>14,450 Sq.ft. - Wyngate Park Dr./1625 W.</b>
<b>7,000 Sq.ft. - 10790 South</b>
<b>66,400 Sq.ft. - Total</b>

Comp #: 402 Asphalt - Seal Coat



*Location:* **Community Streets**

*Quantity:* **Approx 66,400 Sq.ft.**

*Life Expectancy:* **5** *Remaining Life:* **3**

*Best Cost:* **\$8,632**

\$0.13/Sq.ft.; Estimate for seal coat

*Worst Cost:* **\$12,616**

\$0.19/Sq.ft.; Higher estimate for local repairs

*Source of Information:* CSL Cost Database

*Observations:*

The asphalt seal coat is in fair condition. Minor cracking was noted at the time of the inspection. Seal asphalt surfaces regularly to prevent premature overlay (see Comp# 401 Asphalt - Overlay). Asphalt surfaces should be sealed every 3 to 5 years. Remaining life based on current age.

*General Notes:*

<b>Quantity breakdown:</b>
18,450 Sq.ft. - Wynview Lane/1540 W.
10,350 Sq.ft. - Wynview Lane/10875 S.
16,150 Sq.ft. - Wyngate Park Dr./10785 S.
14,450 Sq.ft. - Wyngate Park Dr./1625 W.
7,000 Sq.ft. - 10790 South
<b>66,400 Sq.ft. - Total</b>

Comp #: 403 Concrete - Repair/Replace



*Location:* **Community Curb, Driveways, Gutter & Side walks**

*Quantity:* **Extensive Sq.ft.**

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

*Best Cost:* **\$7,500**

Allowance to repair/replace

*Worst Cost:* **\$10,000**

Higher allowance for more repairs/replacements

*Source of Information:* CSL Cost Database

*Observations:*

The concrete is generally in good condition. Areas of cracking and spalling were noted at the time of the inspection. No expectation to completely replace the concrete surfaces. We recommend making local repairs as necessary as an operating expense and funding to make more significant repairs approximately every 10 years. Remaining life based on current age and condition.

*General Notes:*

Comp #: 603 Kool Deck - Reseal



*Location:* **Pool Deck**

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

*Life Expectancy:* **5** *Remaining Life:* **1**

*Best Cost:* **\$8,125**  
\$2.50/Sq.ft.; Estimate to reseal

*Worst Cost:* **\$9,750**  
\$3.00/Sq.ft.; Higher estimate for more prep work

*Source of Information:* CSL Cost Database

*Observations:*

The kool deck pool deck coating is in good to fair condition. Minor cracking was noted but no significant surface loss or unusual wear was noted at the time of the inspection. Expect to reseal this deck material approximately every 3 to 5 years depending on use and wear. Remaining life based on current condition.

*General Notes:*

Comp #: 604 Kool Deck - Resurface



*Location:* **Pool Deck**

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

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

*Best Cost:* **\$16,250**

\$5.00/Sq.ft.; Estimate to resurface

*Worst Cost:* **\$19,500**

\$6.00/Sq.ft.; Higher estimate for more prep work

*Source of Information:* CSL Cost Database

*Observations:*

The kool deck pool deck coating is in good to fair condition. Minor cracking was noted but no significant surface loss or unusual wear was noted at the time of the inspection. With regular sealing (see Comp# 603 Kool Deck - Reseal) expect a useful life of approximately 20 years from this surface. Remaining life based on current age.

*General Notes:*

Comp #: 703 Water Heater - Replace



*Location:* Pool Equipment Room

*Quantity:* (1) 75 Gal heater

*Life Expectancy:* 12 *Remaining Life:* 4

*Best Cost:* \$1,000

Estimate to replace

*Worst Cost:* \$1,250

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

The water heater is in fair condition. No problems were noted or reported at the time of the inspection. Expect a typical useful life of approximately 12 years from this component. Remaining life based on current age.

*General Notes:*

Comp #: 801 Monument Sign - Rebuild



*Location:* **Community West Entrance**

*Quantity:* **(1) Sign**

*Life Expectancy:* **18** *Remaining Life:* **10**

*Best Cost:* **\$500**

Estimate to refurbish sign

*Worst Cost:* **\$1,000**

Higher estimate for better quality

*Source of Information:*

*Observations:*

The monument sign is in good condition. No problems were noted at the time of the inspection. We recommend refurbishing this component approximately every 18 years to ensure appearance and to keep up with current decorative tastes. Remaining life is based on current age.

*General Notes:*

Comp #: 803 Mailboxes - Replace



*Location:* **Common Area**

*Quantity:* **(8) Clusters**

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

*Best Cost:* **\$0**

*Worst Cost:* **\$0**

*Source of Information:*

*Observations:*

The mailboxes are in good condition. Typically these mailboxes are owned and maintained by the postal service. No reserve funding necessary.

*General Notes:*

**Quantity description:**

**(3) - 12 box, 1 outgoing, 1 parcel - Cluster**

**(5) - 16 box, 1 outgoing, 1 parcel - Cluster**

Comp #: 1002 Wrought Iron Fencing - Replace



*Location:* **Pool Area & Unit Entrances**

*Quantity:* **Approx 740 Linear ft.**

*Life Expectancy:* **30 Remaining Life: 22**

*Best Cost:* **\$29,600**

\$40/Linear ft.; Estimate to replace fence

*Worst Cost:* **\$33,300**

\$45/Linear ft.; Higher estimate for more labor

*Source of Information:* CSL Cost Database

*Observations:*

The metal fencing is in good condition. Minor areas of rust, fading and thinning paint were noted at the time of the inspection. With regular painting and maintenance, expect a useful life of 25 to 30 years from this component. Remaining life based on current age.

*General Notes:*

<b>Quantity breakdown:</b> 295 Linear ft. - Pool area 445 Linear ft. - Railings  740 Linear ft. - Total
---

Comp #: 1008 Vinyl Fencing - Replace



*Location:* **Backyards & Common Area**

*Quantity:* **Approx 7,500 Linear ft.**

*Life Expectancy:* **25** *Remaining Life:* **17**

*Best Cost:* **\$210,000**  
\$28/Linear ft.; Estimate for vinyl fence replacement

*Worst Cost:* **\$240,000**  
\$32/Linear ft.; Higher estimate for better quality material

*Source of Information:* CSL Cost Database

*Observations:*

The vinyl fencing is in good condition. No warped or broken areas were noted at the time of the inspection. This type of fencing material has a relatively long useful life. Reserve to replace the vinyl fencing every 25 years. Remaining life based on current age.

*General Notes:*

Comp #: 1012 Prefab Concrete Fence - Replace



*Location:* **Community Perimeter**

*Quantity:* **Approx 2,500 Linear ft.**

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

*Best Cost:* **\$0**

*Worst Cost:* **\$0**

*Source of Information:*

*Observations:*

The prefab concrete fencing is in good condition. No significant cracking or structural problems were noted at the time of the inspection. This type of fencing should have an extended useful life under normal conditions. Reserve funding is not appropriate.

*General Notes:*

**Quantity breakdown:**  
770 Linear ft. - East perimeter  
920 Linear ft. - West perimeter  
810 Linear ft. - North perimeter  
  
2,500 Linear ft. - Total

Comp #: 1101 Pool - Resurface



*Location:* Pool Area

*Quantity:* (1) 22 ft. x 38 ft. Pool

*Life Expectancy:* 12 *Remaining Life:* 4

*Best Cost:* \$8,000

Estimate to replaster pool

*Worst Cost:* \$10,000

Higher estimate for local repairs

*Source of Information:* CSL Cost Database

*Observations:*

Unable to inspect pool surface at the time of inspection. Research with the Client reveals the pool surface is in good condition. Perform regular, professional maintenance and keep debris from collecting at the bottom to ensure full life from this component. We recommend funding to resurface the pool every 10 to 12 years depending on use and wear. Remaining life based on current age.

*General Notes:*

Comp #: 1104 Pool Heater - Replace



*Location:* Pool Equipment Room

*Quantity:* (1) 300,000 BTU

*Life Expectancy:* 12 *Remaining Life:* 4

*Best Cost:* \$3,250

Estimate to replace heater

*Worst Cost:* \$3,750

Higher estimate for more installation costs

*Source of Information:* CSL Cost Database

*Observations:*

The pool heater is in good condition. No problems were reported at the time of the inspection. This type of pool heater typically has a useful life of approximately 12 years. Remaining life based on current age.

*General Notes:*

**Quantity description:**

**(1) - MiniMax NT, Mod# 300 TSI  
Ser# 11030120, 300,000 BTU**

Comp #: 1107 Pool Filter - Replace



*Location:* Pool Equipment Room

*Quantity:* (1) Filter

*Life Expectancy:* 12 *Remaining Life:* 4

*Best Cost:* \$1,100

Estimate to replace filter

*Worst Cost:* \$1,300

Higher estimate for more installation costs

*Source of Information:* CSL Cost Database

*Observations:*

The pool filter is in good condition. No problems were reported at the time of inspection. This type of pool filter has a life expectancy of approximately 12 years. Remaining life based on current age.

*General Notes:*

**Quantity description:**

**(1) - Triton II Commercial  
Mod# TR-100C, 4.91 Sq.ft.**

Comp #: 1110 Pool Pump - Replace



*Location:* **Pool Equipment Room**

*Quantity:* **(1) Pump**

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

*Best Cost:* **\$700**

Estimate to replace one pump every three years

*Worst Cost:* **\$900**

Higher estimate for more installation costs

*Source of Information:* CSL Cost Database

*Observations:*

The pool pump is in good condition. We recommend funding to replace this pump approximately every 5 years. Replace motors as necessary as an operating expense. Remaining life based on current age and condition.

*General Notes:*

Comp #: 1111 Pool Chlorinator - Replace



*Location:* Pool Equipment Room

*Quantity:* (1) Polaris System

*Life Expectancy:* 8 *Remaining Life:* 1

*Best Cost:* \$3,000

Estimate to replace system

*Worst Cost:* \$3,500

Higher estimate for more installation costs

*Source of Information:* CSL Cost Database

*Observations:*

The pool chlorinator system is in good condition. No problems were reported at time of the inspection. We recommend funding to replace this system approximately every 8 years to ensure proper function and to keep up with current technology. Remaining life based on current age and condition.

*General Notes:*

Comp #: 1121 Pool Furniture - Replace



*Location:* **Pool Area**

*Quantity:* **(15) Pieces**

*Life Expectancy:* **6** *Remaining Life:* **3**

*Best Cost:* **\$1,500**

Allowance to make replacements

*Worst Cost:* **\$2,000**

Higher allowance for more replacements/better quality

*Source of Information:* CSL Cost Database

*Observations:*

The pool furniture is in good condition. Minor discoloration and wear were noted at the time of inspection. Expect a useful life of approximately 6 years from this component. Remaining life based on current age.

*General Notes:*

**Quantity breakdown:**

**(6) - Chair**

**(9) - Chaise**

**(15) - Total Pieces**

Comp #: 1207 Basketball Equipment - Replace



*Location:* **Basketball Court**

*Quantity:* **(1) Backboard**

*Life Expectancy:* **12** *Remaining Life:* **4**

*Best Cost:* **\$500**

Estimate to replace

*Worst Cost:* **\$750**

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

The basketball equipment is in good condition. There is no expectation to replace the pole. We recommend funding to replace the backboard and rim approximately every 12 years. Remaining life is based on current age.

*General Notes:*

Comp #: 1301 Play Structure - Replace



*Location:* **Park Area**

*Quantity:* **(1) Large Structure**

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

*Best Cost:* **\$20,000**

Estimate to replace

*Worst Cost:* **\$25,000**

Higher estimate

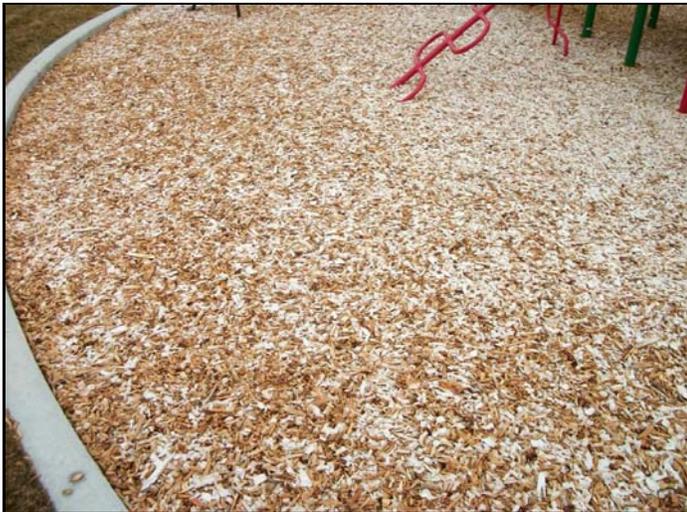
*Source of Information:* CSL Cost Database

*Observations:*

The play structure is in good condition. No significant signs of wear or damage were noted at the time of the inspection. Expect a useful life of approximately 20 years from this component. Remaining life based on current age.

*General Notes:*

Comp #: 1303 Play Area Groundcover - Refill



*Location:* **Play Area**

*Quantity:* **Approx 1,375 Sq.ft.**

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

*Best Cost:* **\$1,200**

Estimate to refill

*Worst Cost:* **\$1,400**

Higher estimate for more labor costs

*Source of Information:* CSL Cost Database

*Observations:*

The play area groundcover is in good condition. No problems were noted at the time of the inspection. Bed is full and even with no material deterioration noted. Expect to refill groundcover bed approximately every 3 to 5 years to maintain appearance and ensure proper function as a safety component. Remaining life is based on current age and condition.

*General Notes:*

Comp #: 1307 Bench - Replace



*Location:* **Play Area**

*Quantity:* **(2) Benches**

*Life Expectancy:* **10** *Remaining Life:* **8**

*Best Cost:* **\$800**  
\$400/Bench; Estimate to replace park bench

*Worst Cost:* **\$1,200**  
\$600/Bench; Higher estimate for better quality

*Source of Information:* CSL Cost Database

*Observations:*

The benches are in good condition. No problems were noted at the time of the inspection. Expect a useful life of approximately 10 years from this component. Remaining life based on current age.

*General Notes:*

Comp #: 1413 Restrooms - Remodel



*Location:* **Pool Building**

*Quantity:* **(2) Restrooms**

*Life Expectancy:* **18** *Remaining Life:* **10**

*Best Cost:* **\$8,000**

\$4,000/Restroom; Estimate to remodel restrooms

*Worst Cost:* **\$12,000**

\$6,000/Restroom; Higher estimate for more extensive remodel

*Source of Information:* CSL Cost Database

*Observations:*

The restrooms are in good condition. No appearance concerns were noted at the time of the inspection. We recommend funding to remodel these restrooms approximately every 18 years to maintain appearance and keep up with current decorative tastes. Remaining life based on current age.

*General Notes:*

**Quantity description:**

**At each restroom:**

**(1) - 6 X 2 ft. Counter**

**(1) - 5 ft. Mirror**

**(1) - Vanity light**

**12 Linear ft. - Partitions**

**300 Sq.ft. - Tile Wall**

**675 Sq.ft. - painted surfaces**

**Men's: (1) Urinal, (1) Toilet**

**Women's: (2) Toilets, 18 Linear ft. of partitions**

Comp #: 1602 Exterior Light Fixtures - Replace



*Location:* **Building Exteriors**

*Quantity:* **(214) Fixtures**

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

*Best Cost:* **\$15,375**  
\$75/Fixture; Estimate to replace

*Worst Cost:* **\$20,500**  
\$100/Fixture; Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

The exterior light fixtures are in good condition. No problems were noted at the time of the inspection. Expect to replace these lights approximately every 16 years to maintain appearance. Remaining life based on current age.

*General Notes:*

Comp #: 1604 Pole Light - Replace



*Location:* **Common Area**

*Quantity:* **(57) Pole Lights**

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

*Best Cost:* **\$14,250**  
\$250/Fixture; Estimate to replace

*Worst Cost:* **\$19,950**  
\$350/Fixture; Higher estimate for more installation costs

*Source of Information:* CSL Cost Database

*Observations:*

The pole lights are in good condition. No problems were noted at the time of the inspection. We recommend funding to replace these pole light fixtures, poles and to refurbish the electrical approximately every 16 years. Remaining life based on current age.

*General Notes:*

Comp #: 1609 Pool Light Fixture - Replace



*Location:* **Pool Area**

*Quantity:* **(6) Pool Lights**

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

*Best Cost:* **\$4,500**  
\$500/Fixture; Estimate to replace light fixtures

*Worst Cost:* **\$6,000**  
\$750/Fixture; Higher estimate for more installation costs

*Source of Information:* CSL Cost Database

*Observations:*

The pool light fixtures are in good condition. No problems were noted at the time of the inspection. No expectation to replace the light poles. Paint poles as necessary as an operating expense. Although poles may reach an extended life we recommend funding to replace the street light fixtures approximately every 20 years to ensure proper function. Remaining life based on current age.

*General Notes:*

Comp #: 1812 Landscaping - Renovate



*Location:* **Common Area**

*Quantity:* **Extensive Sq.ft.**

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

*Best Cost:* **\$5,000**

Allowance to renovate landscaping

*Worst Cost:* **\$7,500**

Higher allowance for more extensive renovation

*Source of Information:* CSL Cost Database

*Observations:*

The landscaping is in good condition. No expectation to completely re-landscape the community. We recommend funding for an allowance to renovate the landscaping and irrigation system to maintain appearance and keep up with current decorative tastes. This component should be funded approximately every 15-20 years. Remaining life based on current age.

*General Notes:*

## 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.

