

South Willow Creek HOA

Level 2 Reserve Study



Report Period – 01/01/2023 – 12/31/2023

Client Reference Number	12490
Property Type	Townhouse
Number of Units	126
Fiscal Year End	12/31

Type of Study	Update w/Site Visit
Date of Property Inspection	8/5/2022
Prepared By	Dale Gifford
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on – Tuesday, September 20, 2022



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Draft

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Glossary of Commonly used Words and Phrases

Executive Summary – South Willow Creek HOA - ID # 12490

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 01/01/2023	\$275,000
Ideal Reserve Balance as of 01/01/2023	\$1,635,875
Percent Funded as of 01/01/2023	17%
Recommended Reserve Contribution (per month)	\$17,075
Recommended Special Assessment	\$0

South Willow Creek HOA is a 126-unit Townhome community. The community offers covered parking, a clubhouse, fitness room, playground, swimming pool, and landscaped areas as amenities. Construction on the community was completed in 1999.

Currently Programmed Projects

Projects programmed to occur this fiscal year (FY2023) include metal fencing repaint (Comp# 207), pool heater replace (Comp# 1104), and vinyl flooring replace (Comp# 1502). We have programmed an estimated \$20,500 in reserve expenditures toward the completion of these projects. (See page 16)

Significant Reserve Projects

The association's significant reserve projects are roofs replace (Comp# 105), vinyl siding replace (Comp# 302), vinyl fencing replace (Comp# 1008), and stucco surfaces repair/repaint (Comp# 201). The fiscal significance of these components is approximately 24%, 16%, 12%, and 9% respectively (see page 10). 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 \$275,000 versus the ideal reserve balance of \$1,635,875 we find the association's reserve fund to be approximately 17% 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 \$17,075 (\$135.52/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)
- Certified Manager of Community Associations® (CMCA®) designation from the National Board of Certification for Community Association Managers (NBC-CAM)

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 warranty or guarantee regarding our life and cost estimates/predictions. There is no implied warranty or guarantee in any of our work product. Our results and findings will vary from another preparer’s results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.

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	126
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	\$5,667
Projected Starting Reserve Balance	\$275,000
Ideal Starting Reserve Balance	\$1,635,875

Economic Assumptions

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

Current Reserve Status

Current Balance as a % of Ideal Balance	17%
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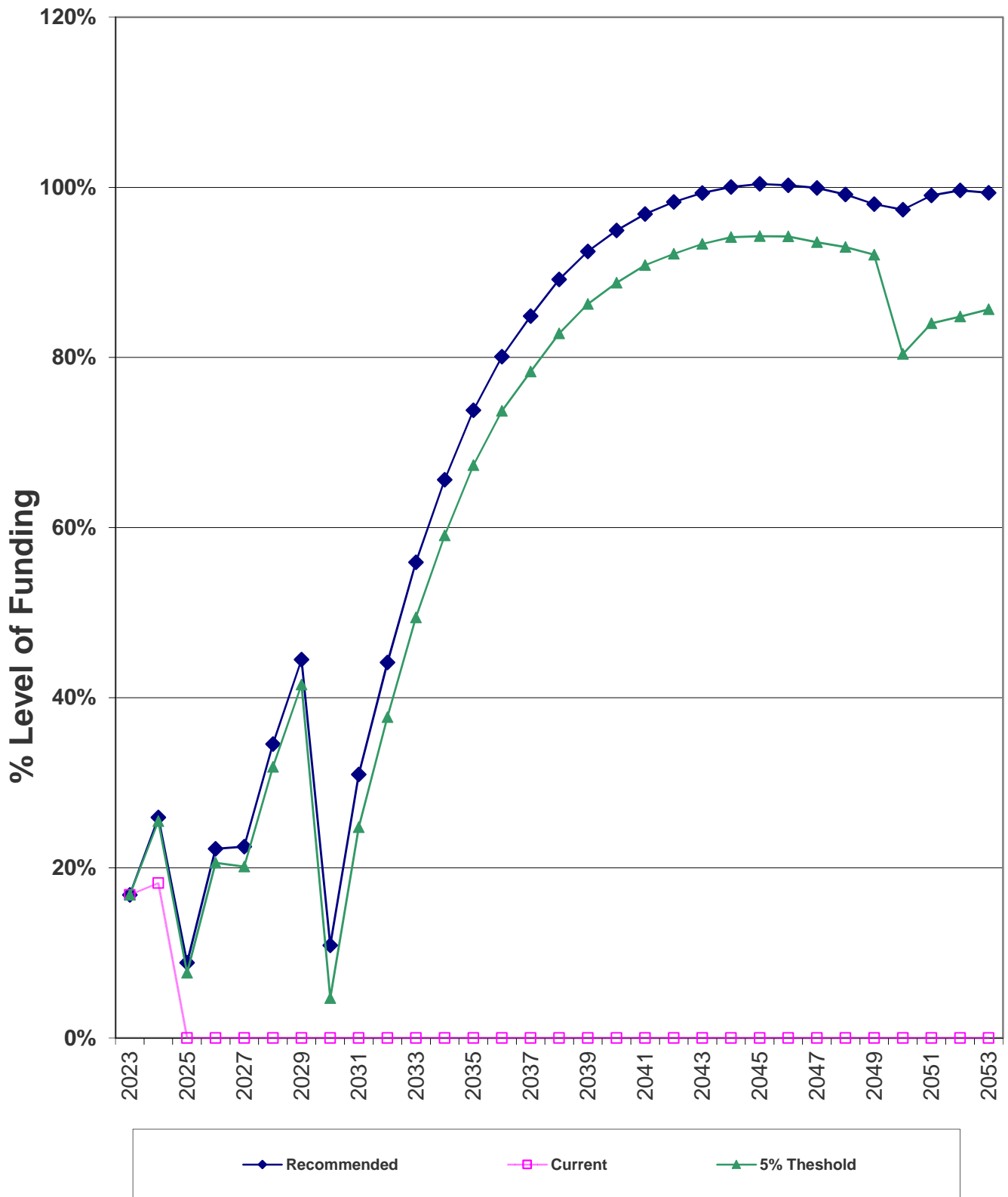
Recommendations

Recommended Monthly Reserve Allocation	\$17,075
Per Unit	\$135.52
Future Annual Increases	3.00%
For number of years:	20
Increases thereafter:	0.00%
5% Theshold Monthly Reserve Allocation Reference	\$16,400
Per Unit	\$130.16
Future Annual Increases	3.00%
For number of years:	20
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation as Percentage	\$11,408 201%
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Percent Funded - Graph



Component Inventory

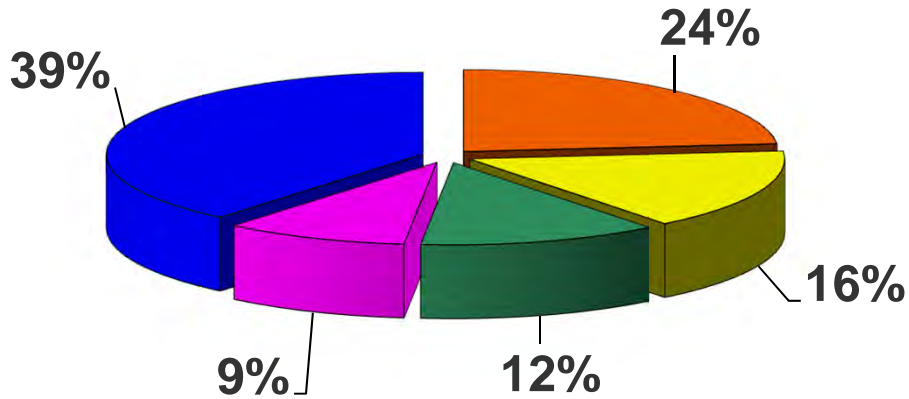
Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Roofs - Replace	25	1	\$465,000	\$581,000
	120	Rain Gutters/Downspouts - Replace	30	6	\$74,000	\$90,000
Painted Surfaces	201	Stucco Surfaces - Repair/Repaint	15	6	\$108,000	\$143,000
	204	Front Doors - Repaint	N/A		\$0	\$0
	205	Clubhouse Exterior Doors - Repaint	N/A		\$0	\$0
	207	Metal Fencing - Repaint	6	0	\$8,000	\$10,000
	216	Interior Surfaces - Repaint	N/A		\$0	\$0
	223	Carports - Repaint	15	8	\$9,000	\$11,000
Siding Materials	302	Vinyl Siding - Replace	50	26	\$648,000	\$778,000
	390	Faux Shutters - Replace	N/A		\$0	\$0
Drive Materials	401	Asphalt - Major Rehab	30	6	\$151,000	\$201,000
	402	Asphalt - Seal Coat	5	3	\$23,000	\$28,000
	403	Concrete - Repair/Replace	10	9	\$15,000	\$20,000
Property Access	508	Access Control System - Replace	12	11	\$5,000	\$6,000
Mechanical Equip.	703	Water Heater - Replace	N/A		\$0	\$0
	705	HVAC Condenser - Replace	20	16	\$4,000	\$5,000
	706	HVAC Furnace - Replace	20	16	\$4,000	\$5,000
Prop. Identification	801	Monument Sign - Refurbish	N/A		\$0	\$0
	803	Mailboxes - Replace	N/A		\$0	\$0
Fencing	1002	Metal Fencing - Replace	50	26	\$47,000	\$61,000
	1003	Chain Link Fencing - Replace	40	16	\$8,000	\$12,000
	1008	Vinyl Fencing - Replace	30	6	\$280,000	\$373,000
Pool / Spa	1101	Pool - Resurface	12	10	\$19,000	\$23,000
	1104	Pool Heater - Replace	12	0	\$5,000	\$6,000
	1107	Pool Filter - Replace	N/A		\$0	\$0
	1110	Pool Pump - Replace	N/A		\$0	\$0
	1111	Pool Chemical Controller System - Repla	12	8	\$4,000	\$5,000
	1112	Pool Covers - Replace	10	9	\$5,500	\$6,500
	1116	Pool Deck - Replace			\$0	\$0
	1121	Pool Furniture - Replace	N/A		\$0	\$0
Courts	1207	Basketball Equipment - Replace	N/A		\$0	\$0
Recreation Equip.	1301	Play Structure - Replace	25	3	\$40,000	\$60,000
	1303	Play Area Groundcover - Refill	N/A		\$0	\$0
	1304	Drinking Fountain - Replace	N/A		\$0	\$0
	1305	Barbecues - Replace	N/A		\$0	\$0
	1306	Picnic Tables - Replace	N/A		\$0	\$0
	1307	Benches - Replace	N/A		\$0	\$0
	Interiors	1405	Furniture - Replace	N/A		\$0
1406		Fitness Equipment - Replace	15	3	\$16,000	\$24,000

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Interiors	1407	Cardio Equipment - Replace	10	3	\$18,000	\$28,000
	1413	Restrooms - Remodel	20	3	\$4,000	\$8,000
	1417	Kitchenette - Remodel	20	3	\$6,000	\$8,000
	1419	Television - Replace	N/A		\$0	\$0
Flooring	1501	Carpeting - Fitness - Replace	10	6	\$4,500	\$5,500
	1502	Vinyl Flooring - Replace	20	0	\$5,000	\$7,000
	1503	Tile Flooring - Replace	30	6	\$9,000	\$11,000
Light Fixtures	1601	Interior Light Fixtures - Replace	25	1	\$5,000	\$7,000
	1602	Exterior Light Fixtures - Common - Repla	N/A		\$0	\$0
	1603	Exterior Light Fixtures - Residential - Rep	N/A		\$0	\$0
	1604	Pole Lights - Replace	20	3	\$10,000	\$12,000
	1606	Pool Light Fixtures - Replace	N/A		\$0	\$0
Landscaping	1812	Landscaping & Irrigation System - Renov	20	3	\$60,000	\$80,000

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	1	\$523,000	\$20,920	23.4595%
120	Rain Gutters/Downspouts - Replace	30	6	\$82,000	\$2,733	3.0651%
201	Stucco Surfaces - Repair/Repaint	15	6	\$125,500	\$8,367	9.3823%
207	Metal Fencing - Repaint	6	0	\$9,000	\$1,500	1.6821%
223	Carports - Repaint	15	8	\$10,000	\$667	0.7476%
302	Vinyl Siding - Replace	50	26	\$713,000	\$14,260	15.9910%
401	Asphalt - Major Rehab	30	6	\$176,000	\$5,867	6.5788%
402	Asphalt - Seal Coat	5	3	\$25,500	\$5,100	5.7191%
403	Concrete - Repair/Replace	10	9	\$17,500	\$1,750	1.9624%
508	Access Control System - Replace	12	11	\$5,500	\$458	0.5140%
705	HVAC Condenser - Replace	20	16	\$4,500	\$225	0.2523%
706	HVAC Furnace - Replace	20	16	\$4,500	\$225	0.2523%
1002	Metal Fencing - Replace	50	26	\$54,000	\$1,080	1.2111%
1003	Chain Link Fencing - Replace	40	16	\$10,000	\$250	0.2803%
1008	Vinyl Fencing - Replace	30	6	\$326,500	\$10,883	12.2045%
1101	Pool - Resurface	12	10	\$21,000	\$1,750	1.9624%
1104	Pool Heater - Replace	12	0	\$5,500	\$458	0.5140%
1111	Pool Chemical Controller System - Rep	12	8	\$4,500	\$375	0.4205%
1112	Pool Covers - Replace	10	9	\$6,000	\$600	0.6728%
1301	Play Structure - Replace	25	3	\$50,000	\$2,000	2.2428%
1406	Fitness Equipment - Replace	15	3	\$20,000	\$1,333	1.4952%
1407	Cardio Equipment - Replace	10	3	\$23,000	\$2,300	2.5792%
1413	Restrooms - Remodel	20	3	\$6,000	\$300	0.3364%
1417	Kitchenette - Remodel	20	3	\$7,000	\$350	0.3925%
1501	Carpeting - Fitness - Replace	10	6	\$5,000	\$500	0.5607%
1502	Vinyl Flooring - Replace	20	0	\$6,000	\$300	0.3364%
1503	Tile Flooring - Replace	30	6	\$10,000	\$333	0.3738%
1601	Interior Light Fixtures - Replace	25	1	\$6,000	\$240	0.2691%
1604	Pole Lights - Replace	20	3	\$11,000	\$550	0.6168%
1812	Landscaping & Irrigation System - Rend	20	3	\$70,000	\$3,500	3.9249%

Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Roofs - Replace	25	1	\$523,000	\$20,920	23%
302	Vinyl Siding - Replace	50	26	\$713,000	\$14,260	16%
1008	Vinyl Fencing - Replace	30	6	\$326,500	\$10,883	12%
201	Stucco Surfaces - Repair/Repaint	15	6	\$125,500	\$8,367	9%
All Other	See Expanded Table For Breakdown				\$34,745	39%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2023	\$1,635,875	\$275,000	17%	\$204,900	\$367	\$20,500	\$459,767
2024	\$1,772,732	\$459,767	26%	\$211,047	\$290	\$550,160	\$120,945
2025	\$1,367,927	\$120,945	9%	\$217,378	\$230	\$0	\$338,553
2026	\$1,522,953	\$338,553	22%	\$223,900	\$331	\$239,034	\$323,750
2027	\$1,439,599	\$323,750	22%	\$230,617	\$439	\$0	\$554,806
2028	\$1,605,678	\$554,806	35%	\$237,535	\$674	\$0	\$793,015
2029	\$1,782,740	\$793,015	44%	\$244,661	\$451	\$928,744	\$109,384
2030	\$1,005,503	\$109,384	11%	\$252,001	\$235	\$0	\$361,620
2031	\$1,167,766	\$361,620	31%	\$259,561	\$464	\$54,743	\$566,903
2032	\$1,284,468	\$566,903	44%	\$267,348	\$684	\$33,448	\$801,487
2033	\$1,433,061	\$801,487	56%	\$275,368	\$924	\$31,085	\$1,046,695
2034	\$1,595,336	\$1,046,695	66%	\$283,630	\$1,185	\$8,467	\$1,323,042
2035	\$1,793,116	\$1,323,042	74%	\$292,138	\$1,458	\$23,215	\$1,593,424
2036	\$1,989,180	\$1,593,424	80%	\$300,903	\$1,704	\$80,756	\$1,815,274
2037	\$2,139,183	\$1,815,274	85%	\$309,930	\$1,971	\$0	\$2,127,175
2038	\$2,385,350	\$2,127,175	89%	\$319,228	\$2,288	\$0	\$2,448,691
2039	\$2,647,787	\$2,448,691	92%	\$328,804	\$2,592	\$44,952	\$2,735,135
2040	\$2,880,653	\$2,735,135	95%	\$338,668	\$2,906	\$0	\$3,076,709
2041	\$3,176,531	\$3,076,709	97%	\$348,829	\$3,197	\$110,407	\$3,318,328
2042	\$3,376,647	\$3,318,328	98%	\$359,293	\$3,475	\$49,511	\$3,631,586
2043	\$3,655,615	\$3,631,586	99%	\$370,072	\$3,807	\$23,007	\$3,982,458
2044	\$3,981,122	\$3,982,458	100%	\$370,072	\$4,026	\$285,985	\$4,070,571
2045	\$4,054,279	\$4,070,571	100%	\$370,072	\$4,233	\$49,768	\$4,395,108
2046	\$4,384,482	\$4,395,108	100%	\$370,072	\$4,387	\$389,425	\$4,380,142
2047	\$4,383,442	\$4,380,142	100%	\$370,072	\$4,549	\$37,168	\$4,717,595
2048	\$4,757,851	\$4,717,595	99%	\$370,072	\$4,905	\$0	\$5,092,572
2049	\$5,195,400	\$5,092,572	98%	\$370,072	\$3,476	\$3,606,983	\$1,859,137
2050	\$1,909,078	\$1,859,137	97%	\$370,072	\$2,045	\$0	\$2,231,254
2051	\$2,252,851	\$2,231,254	99%	\$370,072	\$2,304	\$226,402	\$2,377,228
2052	\$2,385,612	\$2,377,228	100%	\$370,072	\$2,527	\$73,288	\$2,676,539



Reserve Contributions - Graph

Monthly Reserve Contributions



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Roofs - Replace	25	1	Approx 116,125 Sq.ft.	\$523,000	\$502,080	\$254,500	\$4,005.71
120	Rain Gutters/Downspouts - Replace	30	6	Approx 10,475 Linear ft.	\$82,000	\$65,600	\$0	\$523.37
201	Stucco Surfaces - Repair/Repaint	15	6	Approx 71,450 Sq.ft.	\$125,500	\$75,300	\$0	\$1,602.03
207	Metal Fencing - Repaint	6	0	Approx 670 Linear ft.	\$9,000	\$9,000	\$9,000	\$287.22
223	Carports - Repaint	15	8	Approx 730 Linear ft.	\$10,000	\$4,667	\$0	\$127.65
302	Vinyl Siding - Replace	50	26	Approx 64,800 Sq.ft.	\$713,000	\$342,240	\$0	\$2,730.47
401	Asphalt - Major Rehab	30	6	Approx 100,450 Sq.ft.	\$176,000	\$140,800	\$0	\$1,123.33
402	Asphalt - Seal Coat	5	3	Approx 100,450 Sq.ft.	\$25,500	\$10,200	\$0	\$976.53
403	Concrete - Repair/Replace	10	9	Extensive Sq.ft.	\$17,500	\$1,750	\$0	\$335.09
508	Access Control System - Replace	12	11	(1) System	\$5,500	\$458	\$0	\$87.76
705	HVAC Condenser - Replace	20	16	(1) Condenser	\$4,500	\$900	\$0	\$43.08
706	HVAC Furnace - Replace	20	16	(1) Furnace	\$4,500	\$900	\$0	\$43.08
1002	Metal Fencing - Replace	50	26	Approx 670 Linear ft.	\$54,000	\$25,920	\$0	\$206.80
1003	Chain Link Fencing - Replace	40	16	Approx 70 Linear ft.	\$10,000	\$6,000	\$0	\$47.87
1008	Vinyl Fencing - Replace	30	6	Approx 6,205 Linear ft.	\$326,500	\$261,200	\$0	\$2,083.91
1101	Pool - Resurface	12	10	(1) Pool	\$21,000	\$3,500	\$0	\$335.09
1104	Pool Heater - Replace	12	0	(1) Heater	\$5,500	\$5,500	\$5,500	\$87.76
1111	Pool Chemical Controller System - Replace	12	8	(1) Controller	\$4,500	\$1,500	\$0	\$71.80
1112	Pool Covers - Replace	10	9	(2) Covers	\$6,000	\$600	\$0	\$114.89
1301	Play Structure - Replace	25	3	(1) Structure	\$50,000	\$44,000	\$0	\$382.95
1406	Fitness Equipment - Replace	15	3	(4) Pieces	\$20,000	\$16,000	\$0	\$255.30
1407	Cardio Equipment - Replace	10	3	(5) Pieces	\$23,000	\$16,100	\$0	\$440.40
1413	Restrooms - Remodel	20	3	(2) Restrooms	\$6,000	\$5,100	\$0	\$57.44
1417	Kitchenette - Remodel	20	3	(1) Kitchenette	\$7,000	\$5,950	\$0	\$67.02
1501	Carpeting - Fitness - Replace	10	6	Approx 460 Sq.ft.	\$5,000	\$2,000	\$0	\$95.74
1502	Vinyl Flooring - Replace	20	0	Approx 800 Sq.ft.	\$6,000	\$6,000	\$6,000	\$57.44
1503	Tile Flooring - Replace	30	6	Approx 330 Sq.ft.	\$10,000	\$8,000	\$0	\$63.83
1601	Interior Light Fixtures - Replace	25	1	(32) Fixtures	\$6,000	\$5,760	\$0	\$45.95
1604	Pole Lights - Replace	20	3	(18) Pole Lights	\$11,000	\$9,350	\$0	\$105.31
1812	Landscaping & Irrigation System - Renovate	20	3	Extensive Sq.ft.	\$70,000	\$59,500	\$0	\$670.17

\$2,337,500 \$1,635,875 \$275,000 \$17,075

Current Fund Balance as a percentage of Ideal Balance: 17%



Yearly Cash Flow

Year	2023	2024	2025	2026	2027
Starting Balance	\$275,000	\$459,767	\$120,945	\$338,553	\$323,750
<i>Reserve Income</i>	\$204,900	\$211,047	\$217,378	\$223,900	\$230,617
<i>Interest Earnings</i>	\$367	\$290	\$230	\$331	\$439
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$480,267	\$671,105	\$338,553	\$562,784	\$554,806
Reserve Expenditures	\$20,500	\$550,160	\$0	\$239,034	\$0
Ending Balance	\$459,767	\$120,945	\$338,553	\$323,750	\$554,806

Year	2028	2029	2030	2031	2032
Starting Balance	\$554,806	\$793,015	\$109,384	\$361,620	\$566,903
<i>Reserve Income</i>	\$237,535	\$244,661	\$252,001	\$259,561	\$267,348
<i>Interest Earnings</i>	\$674	\$451	\$235	\$464	\$684
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$793,015	\$1,038,128	\$361,620	\$621,646	\$834,935
Reserve Expenditures	\$0	\$928,744	\$0	\$54,743	\$33,448
Ending Balance	\$793,015	\$109,384	\$361,620	\$566,903	\$801,487

Year	2033	2034	2035	2036	2037
Starting Balance	\$801,487	\$1,046,695	\$1,323,042	\$1,593,424	\$1,815,274
<i>Reserve Income</i>	\$275,368	\$283,630	\$292,138	\$300,903	\$309,930
<i>Interest Earnings</i>	\$924	\$1,185	\$1,458	\$1,704	\$1,971
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,077,780	\$1,331,509	\$1,616,639	\$1,896,031	\$2,127,175
Reserve Expenditures	\$31,085	\$8,467	\$23,215	\$80,756	\$0
Ending Balance	\$1,046,695	\$1,323,042	\$1,593,424	\$1,815,274	\$2,127,175

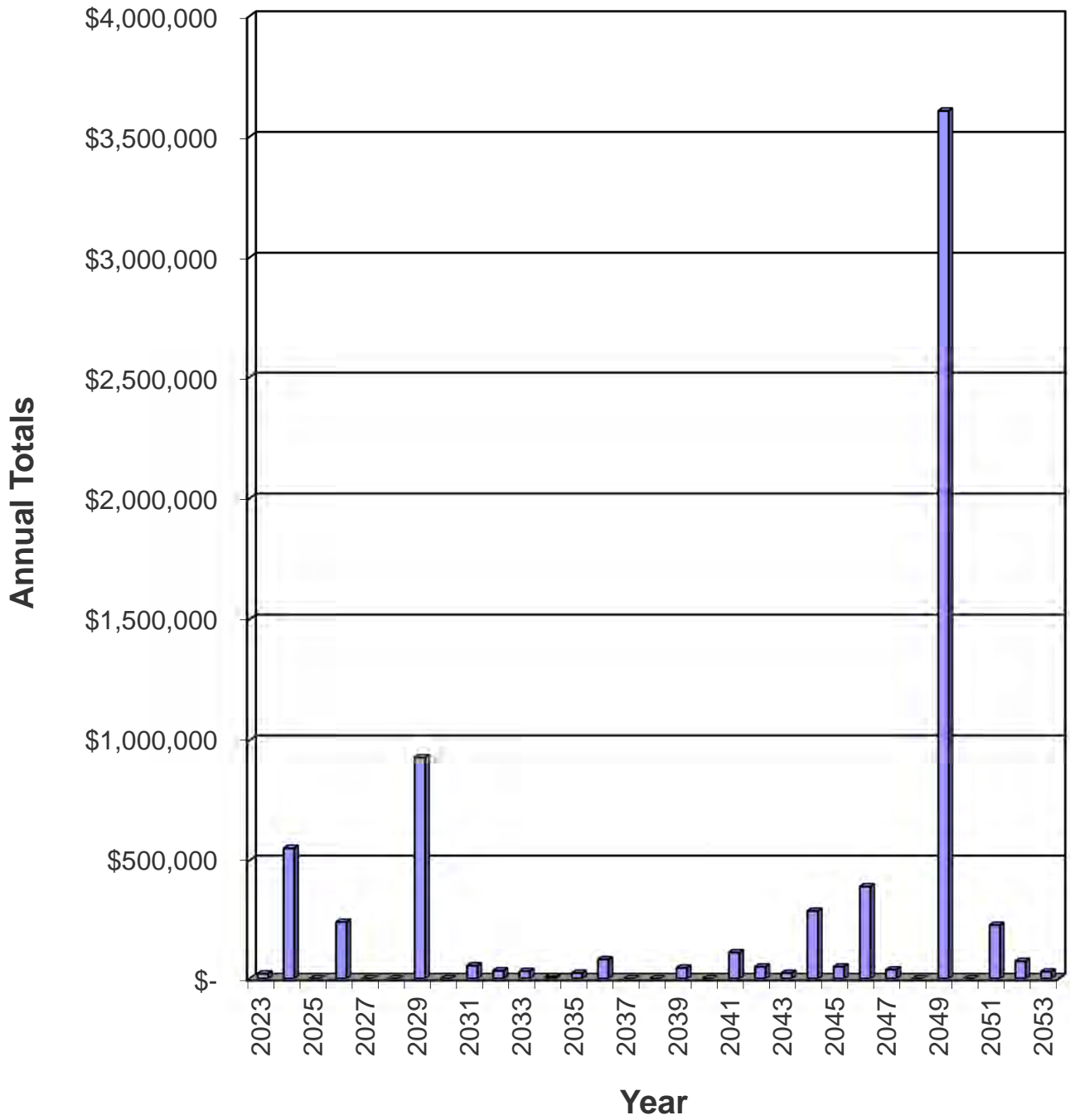
Year	2038	2039	2040	2041	2042
Starting Balance	\$2,127,175	\$2,448,691	\$2,735,135	\$3,076,709	\$3,318,328
<i>Reserve Income</i>	\$319,228	\$328,804	\$338,668	\$348,829	\$359,293
<i>Interest Earnings</i>	\$2,288	\$2,592	\$2,906	\$3,197	\$3,475
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$2,448,691	\$2,780,087	\$3,076,709	\$3,428,735	\$3,681,097
Reserve Expenditures	\$0	\$44,952	\$0	\$110,407	\$49,511
Ending Balance	\$2,448,691	\$2,735,135	\$3,076,709	\$3,318,328	\$3,631,586

Year	2043	2044	2045	2046	2047
Starting Balance	\$3,631,586	\$3,982,458	\$4,070,571	\$4,395,108	\$4,380,142
<i>Reserve Income</i>	\$370,072	\$370,072	\$370,072	\$370,072	\$370,072
<i>Interest Earnings</i>	\$3,807	\$4,026	\$4,233	\$4,387	\$4,549
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$4,005,465	\$4,356,556	\$4,444,876	\$4,769,567	\$4,754,763
Reserve Expenditures	\$23,007	\$285,985	\$49,768	\$389,425	\$37,168
Ending Balance	\$3,982,458	\$4,070,571	\$4,395,108	\$4,380,142	\$4,717,595

Year	2048	2049	2050	2051	2052
Starting Balance	\$4,717,595	\$5,092,572	\$1,859,137	\$2,231,254	\$2,377,228
<i>Reserve Income</i>	\$370,072	\$370,072	\$370,072	\$370,072	\$370,072
<i>Interest Earnings</i>	\$4,905	\$3,476	\$2,045	\$2,304	\$2,527
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$5,092,572	\$5,466,120	\$2,231,254	\$2,603,631	\$2,749,827
Reserve Expenditures	\$0	\$3,606,983	\$0	\$226,402	\$73,288
Ending Balance	\$5,092,572	\$1,859,137	\$2,231,254	\$2,377,228	\$2,676,539



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2023	207	Metal Fencing - Repaint	\$9,000	
	1104	Pool Heater - Replace	\$5,500	
	1502	Vinyl Flooring - Replace	\$6,000	\$20,500
2024	105	Roofs - Replace	\$543,920	
	1601	Interior Light Fixtures - Replace	\$6,240	\$550,160
2025		No Expenditures Projected		\$0
2026	402	Asphalt - Seal Coat	\$28,684	
	1301	Play Structure - Replace	\$56,243	
	1406	Fitness Equipment - Replace	\$22,497	
	1407	Cardio Equipment - Replace	\$25,872	
	1413	Restrooms - Remodel	\$6,749	
	1417	Kitchenette - Remodel	\$7,874	
	1604	Pole Lights - Replace	\$12,374	
	1812	Landscaping & Irrigation System - Renovate	\$78,740	\$239,034
2027		No Expenditures Projected		\$0
2028		No Expenditures Projected		\$0
2029	120	Rain Gutters/Downspouts - Replace	\$103,756	
	201	Stucco Surfaces - Repair/Repaint	\$158,798	
	207	Metal Fencing - Repaint	\$11,388	
	401	Asphalt - Major Rehab	\$222,696	
	1008	Vinyl Fencing - Replace	\$413,127	
	1501	Carpeting - Fitness - Replace	\$6,327	
	1503	Tile Flooring - Replace	\$12,653	\$928,744
	2030		No Expenditures Projected	
2031	223	Carports - Repaint	\$13,686	
	402	Asphalt - Seal Coat	\$34,899	
	1111	Pool Chemical Controller System - Replace	\$6,159	\$54,743
2032	403	Concrete - Repair/Replace	\$24,908	
	1112	Pool Covers - Replace	\$8,540	\$33,448
2033	1101	Pool - Resurface	\$31,085	\$31,085
2034	508	Access Control System - Replace	\$8,467	\$8,467
2035	207	Metal Fencing - Repaint	\$14,409	
	1104	Pool Heater - Replace	\$8,806	\$23,215
2036	402	Asphalt - Seal Coat	\$42,459	
	1407	Cardio Equipment - Replace	\$38,297	\$80,756
2037		No Expenditures Projected		\$0
2038		No Expenditures Projected		\$0
2039	705	HVAC Condenser - Replace	\$8,428	
	706	HVAC Furnace - Replace	\$8,428	
	1003	Chain Link Fencing - Replace	\$18,730	
	1501	Carpeting - Fitness - Replace	\$9,365	\$44,952
2040		No Expenditures Projected		\$0
2041	207	Metal Fencing - Repaint	\$18,232	
	402	Asphalt - Seal Coat	\$51,658	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	1406	Fitness Equipment - Replace	\$40,516	\$110,407
2042	403	Concrete - Repair/Replace	\$36,870	
	1112	Pool Covers - Replace	\$12,641	\$49,511
2043	1111	Pool Chemical Controller System - Replace	\$9,860	
	1502	Vinyl Flooring - Replace	\$13,147	\$23,007
2044	201	Stucco Surfaces - Repair/Repaint	\$285,985	\$285,985
2045	1101	Pool - Resurface	\$49,768	\$49,768
2046	223	Carports - Repaint	\$24,647	
	402	Asphalt - Seal Coat	\$62,850	
	508	Access Control System - Replace	\$13,556	
	1407	Cardio Equipment - Replace	\$56,688	
	1413	Restrooms - Remodel	\$14,788	
	1417	Kitchenette - Remodel	\$17,253	
	1604	Pole Lights - Replace	\$27,112	
	1812	Landscaping & Irrigation System - Renovate	\$172,530	\$389,425
2047	207	Metal Fencing - Repaint	\$23,070	
	1104	Pool Heater - Replace	\$14,098	\$37,168
2048		No Expenditures Projected		\$0
2049	105	Roofs - Replace	\$1,450,002	
	302	Vinyl Siding - Replace	\$1,976,771	
	1002	Metal Fencing - Replace	\$149,713	
	1501	Carpeting - Fitness - Replace	\$13,862	
	1601	Interior Light Fixtures - Replace	\$16,635	\$3,606,983
2050		No Expenditures Projected		\$0
2051	402	Asphalt - Seal Coat	\$76,467	
	1301	Play Structure - Replace	\$149,935	\$226,402
2052	403	Concrete - Repair/Replace	\$54,576	
	1112	Pool Covers - Replace	\$18,712	\$73,288

Component Evaluation

Comp #: 105 Roofs - Replace



Location: **Building Roofs**

Quantity: **Approx 116,125 Sq.ft.**

Life Expectancy: **25** *Remaining Life:* **1**

Best Cost: **\$465,000**

Estimate to replace

Worst Cost: **\$581,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

Research with the client reveals they plan to start roof replacements in 2024. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

General Notes:

Comp #: 120 Rain Gutters/Downspouts - Replace



Location: **Building Roofs**

Quantity: **Approx 10,475 Linear ft.**

Life Expectancy: **30** *Remaining Life:* **6**

Best Cost: **\$74,000**

Estimate to replace

Worst Cost: **\$90,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 201 Stucco Surfaces - Repair/Repaint



Location: **Building Exteriors**

Quantity: **Approx 71,450 Sq.ft.**

Life Expectancy: **15** *Remaining Life:* **6**

Best Cost: **\$108,000**

Estimate to repair/repaint

Worst Cost: **\$143,000**

Higher estimate

Source of Information: CSL Cost Database

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..

General Notes:

Comp #: 204 Front Doors - Repaint



Location: **Unit Front Doors**

Quantity: **(126) Doors**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

Research with the client reveals this component is not a responsibility of the association.

General Notes:

Comp #: 205 Clubhouse Exterior Doors - Repaint



Location: **Clubhouse Exterior**

Quantity: **(1) Clubhouse**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 207 Metal Fencing - Repaint



Location: **Community & Pool Perimeter**

Quantity: **Approx 670 Linear ft.**

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

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

Estimate to repaint

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The painted metal fencing surfaces are in poor condition. We recommend funding to repaint this component approximately every 6 years. Remaining life based on current condition.

General Notes:

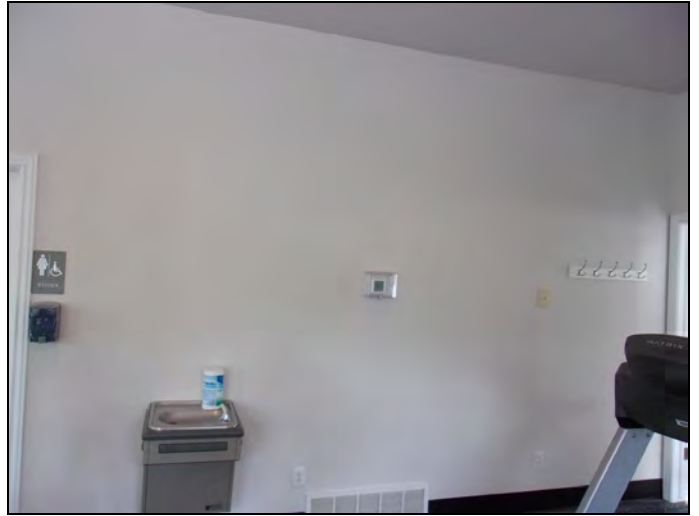
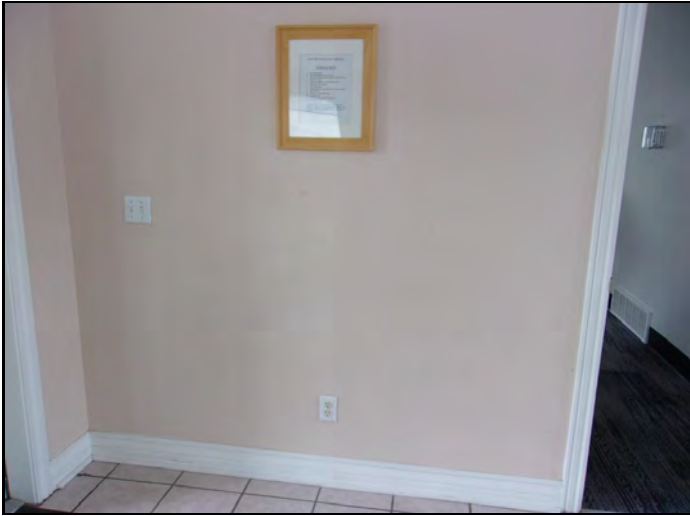
Quantity description:

430 Linear ft. - Perimeter

240 Linear ft. - Pool Area

670 Linear ft. - Total Fencing

Comp #: 216 Interior Surfaces - Repaint



Location: **Clubhouse Interior**

Quantity: **Approx 2,350 Sq.ft.**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 223 Carports - Repaint



Location: **Community Parking Areas**

Quantity: **Approx 730 Linear ft.**

Life Expectancy: **15** *Remaining Life:* **8**

Best Cost: **\$9,000**

Estimate to repaint

Worst Cost: **\$11,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The paint on the carport structure is in good to fair condition. We recommend funding to repaint this component approximately every 10 - 15 years. Remaining life based on current age.

General Notes:

Comp #: 302 Vinyl Siding - Replace



Location: **Building Exteriors**

Quantity: **Approx 64,800 Sq.ft.**

Life Expectancy: **50** *Remaining Life:* **26**

Best Cost: **\$648,000**

Estimate to replace

Worst Cost: **\$778,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 390 Faux Shutters - Replace



Location: **Building Exteriors**

Quantity: **(27) Buildings**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

Research with the client reveals this component is not a responsibility of the association.

General Notes:

Comp #: 401 Asphalt - Major Rehab



Location: **Community Parking Areas & Streets**

Quantity: **Approx 100,450 Sq.ft.**

Life Expectancy: **30** *Remaining Life:* **6**

Best Cost: **\$151,000**

Estimate for major rehab

Worst Cost: **\$201,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 402 Asphalt - Seal Coat



Location: **Community Parking Areas & Streets**

Quantity: **Approx 100,450 Sq.ft.**

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

Best Cost: **\$23,000**

Estimate for seal coat

Worst Cost: **\$28,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 403 Concrete - Repair/Replace



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

Quantity: **Extensive Sq.ft.**

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

Best Cost: **\$15,000**

Allowance to repair/replace

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

Higher allowance

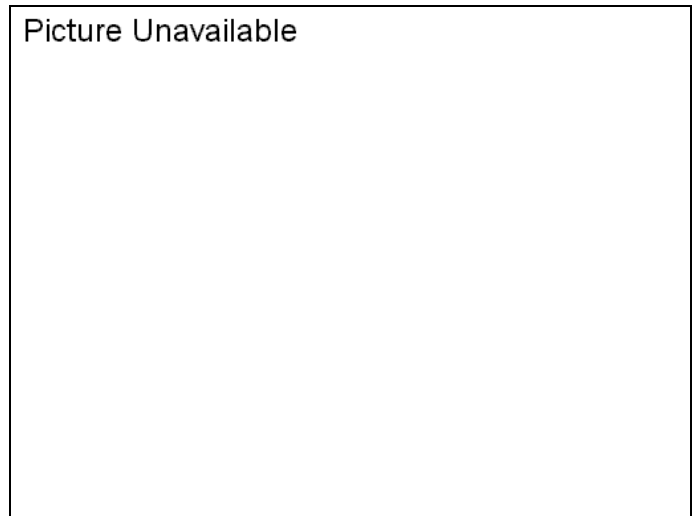
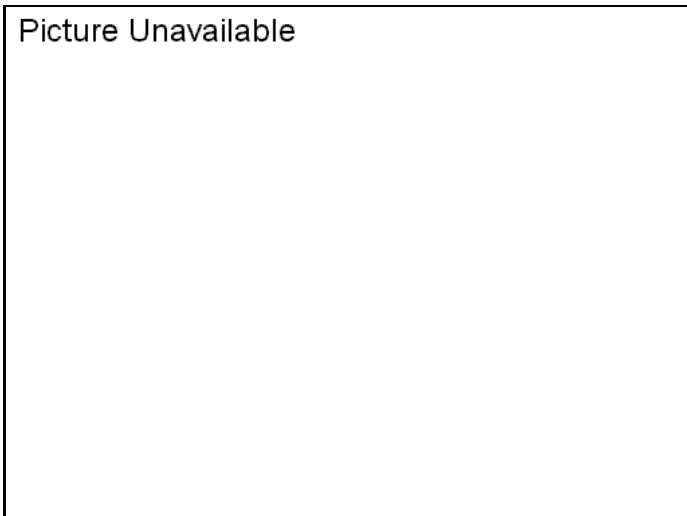
Source of Information: CSL Cost Database

Observations:

The concrete is generally 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.

General Notes:

Comp #: 508 Access Control System - Replace



Location: **Clubhouse & Pool Area**

Quantity: **(1) System**

Life Expectancy: **12** *Remaining Life:* **11**

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

Estimate to replace

Worst Cost: **\$6,000**

Higher estimate

Source of Information: Research with Client

Observations:

Research with the client reveals this component is being installed in 2022. We recommend funding to replace this component approximately every 10 - 12 years. Remaining life based on current age.

General Notes:



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:

Observations:

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

General Notes:

Comp #: 705 HVAC Condenser - Replace



Location: **Adjacent to Clubhouse**

Quantity: **(1) Condenser**

Life Expectancy: **20** *Remaining Life:* **16**

Best Cost: **\$4,000**

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The HVAC condenser is in working condition. We recommend replacing this component approximately every 20 years. Remaining life based on current age.

General Notes:

Comp #: 706 HVAC Furnace - Replace



Location: **Furnace Closet**

Quantity: **(1) Furnace**

Life Expectancy: **20** *Remaining Life:* **16**

Best Cost: **\$4,000**

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 801 Monument Sign - Refurbish



Location: **Community Entrance**

Quantity: **(1) Sign**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 803 Mailboxes - Replace



Location: **Common Area**

Quantity: **(7) Clusters**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1002 Metal Fencing - Replace



Location: **Community & Pool Perimeter**

Quantity: **Approx 670 Linear ft.**

Life Expectancy: **50** *Remaining Life:* **26**

Best Cost: **\$47,000**

Estimate to replace

Worst Cost: **\$61,000**

Higher estimate

Source of Information: CSL Cost Database

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.

General Notes:

Quantity description:
430 Linear ft. - Perimeter
240 Linear ft. - Pool Area
670 Linear ft. - Total Fencing

Comp #: 1003 Chain Link Fencing - Replace



Location: **Dumpster Enclosures**

Quantity: **Approx 70 Linear ft.**

Life Expectancy: **40** *Remaining Life:* **16**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The chain link fencing is in good condition. We recommend funding to replace this component approximately every 30 - 40 years. Remaining life based on current age.

General Notes:

Comp #: 1008 Vinyl Fencing - Replace



Location: **Backyards, Dumpster Areas & Perimeter**

Quantity: **Approx 6,205 Linear ft.**

Life Expectancy: **30** *Remaining Life:* **6**

Best Cost: **\$280,000**

Estimate to replace

Worst Cost: **\$373,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Quantity description:

3,975 Linear ft. - Backyards

200 Linear ft. - Dumpster Enclosure

2,030 Linear ft. - Perimeter

6,205 Linear ft. - Total Fencing

Comp #: 1101 Pool - Resurface



Location: **Pool Area**

Quantity: **(1) Pool**

Life Expectancy: **12** *Remaining Life:* **10**

Best Cost: **\$19,000**

Estimate to resurface pool

Worst Cost: **\$23,000**

Higher estimate

Source of Information: Research with Client

Observations:

Research with the client reveals this component is being resurfaced in 2022. We recommend funding to resurface this component every 10 - 12 years. Remaining life based on current age.

General Notes:

Comp #: 1104 Pool Heater - Replace



Location: **Pool Equipment Room**

Quantity: **(1) Heater**

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

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

Estimate to replace heater

Worst Cost: **\$6,000**

Higher estimate

Source of Information: CSL Cost Database

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.

General Notes:

Comp #: 1107 Pool Filter - Replace



Location: **Pool Equipment Room**

Quantity: **(1) Filter**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

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:

Observations:

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

General Notes:

Comp #: 1111 Pool Chemical Controller System - Replace



Location: Pool Equipment Room

Quantity: (1) Controller

Life Expectancy: 12 *Remaining Life:* 8

Best Cost: \$4,000

Estimate to replace

Worst Cost: \$5,000

Higher estimate

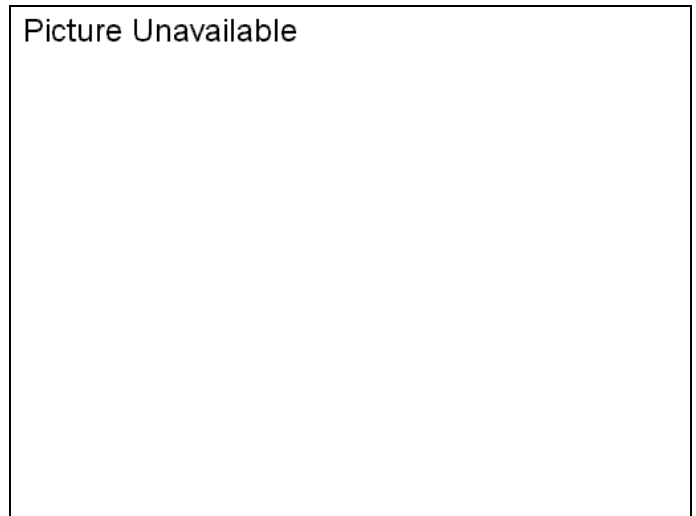
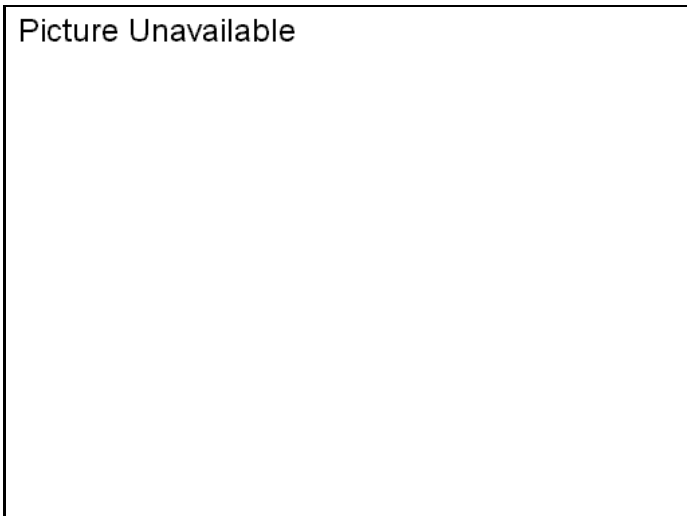
Source of Information: CSL Cost Database

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.

General Notes:

Comp #: 1112 Pool Covers - Replace



Location: **Pool Area**

Quantity: **(2) Covers**

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

Best Cost: **\$5,500**

Estimate to replace

Worst Cost: **\$6,500**

Higher estimate

Source of Information: CSL Cost Database

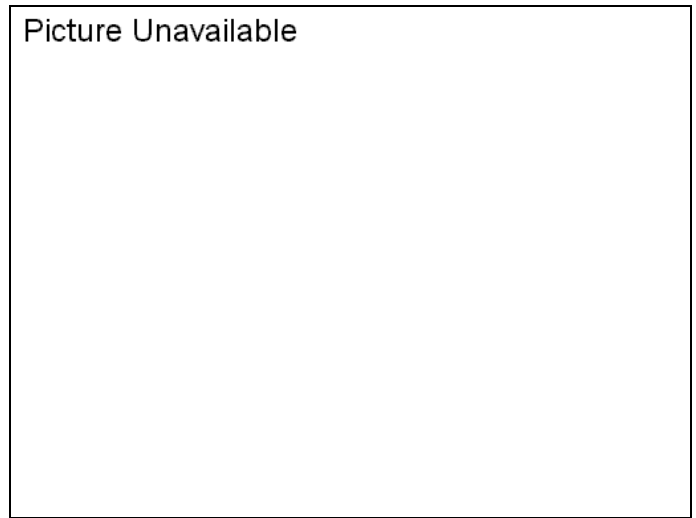
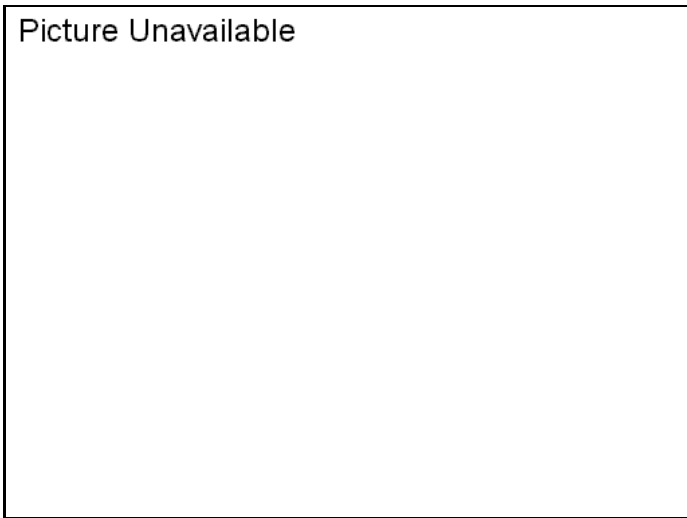
Observations:

Research with the client reveals this component was replaced in 2022. We recommend funding to replace this component approximately every 10 years. Remaining life based on current age.

General Notes:



Comp #: 1116 Pool Deck - Replace



Location:

Quantity:

Life Expectancy:

Remaining Life:

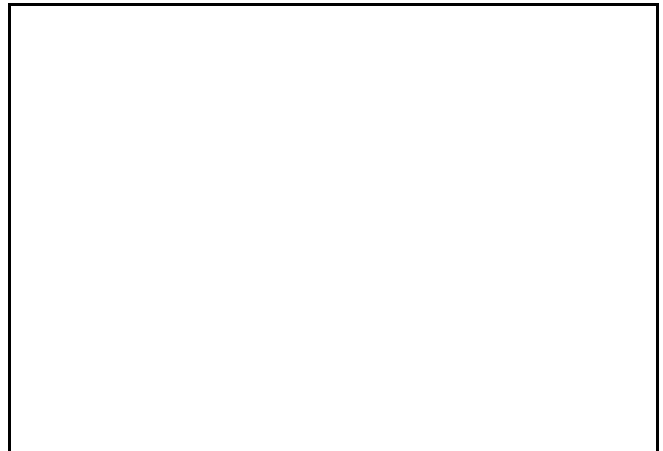
Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information: CSL Cost Database

Observations:

General Notes:



Comp #: 1121 Pool Furniture - Replace



Location: **Storage**

Quantity: **Assorted Pieces**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1207 Basketball Equipment - Replace



Location: **Adjacent to Play Area**

Quantity: **(1) Backboard**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1301 Play Structure - Replace



Location: **Play Areas**

Quantity: **(1) Structure**

Life Expectancy: **25** *Remaining Life:* **3**

Best Cost: **\$40,000**

Estimate to replace

Worst Cost: **\$60,000**

Higher estimate

Source of Information: CSL Cost Database

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 and condition.

General Notes:

Comp #: 1303 Play Area Groundcover - Refill



Location: **Play Area**

Quantity: **Approx 1,750 Sq.ft.**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1304 Drinking Fountain - Replace



Location: **Clubhouse Fitness Room**

Quantity: **(1) Drinking Fountain**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1305 Barbecues - Replace



Location: **Southeast Corner**

Quantity: **(2) Barbecues**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1306 Picnic Tables - Replace



Location: **Southeast Corner**

Quantity: **(2) Picnic Tables**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1307 Benches - Replace



Location: **Adjacent to Play Area**

Quantity: **(2) Benches**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1405 Furniture - Replace



Location: **Clubhouse Interior**

Quantity: **Assorted Pieces**

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

Best Cost: **\$0**

Worst Cost: **\$0**

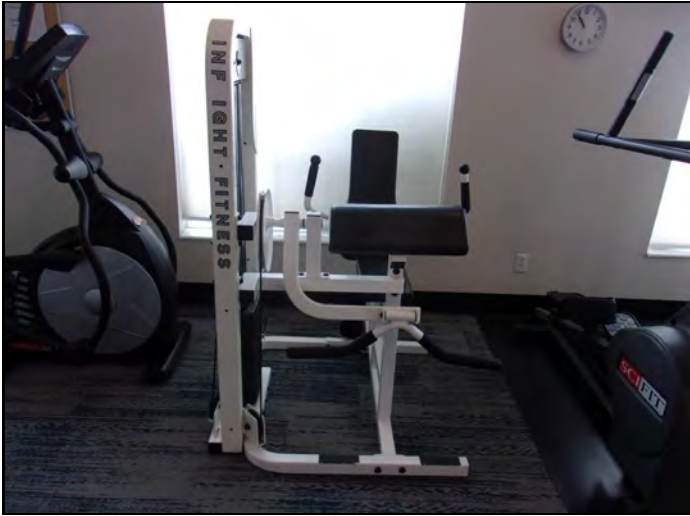
Source of Information:

Observations:

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

General Notes:

Comp #: 1406 Fitness Equipment - Replace



Location: Clubhouse Fitness Room

Quantity: (4) Pieces

Life Expectancy: 15 *Remaining Life:* 3

Best Cost: \$16,000

Estimate to replace

Worst Cost: \$24,000

Higher estimate

Source of Information: CSL Cost Database

Observations:

The fitness equipment is in working condition. We recommend funding to replace this component approximately every 15 years. Remaining life based on current age and condition.

General Notes:

Comp #: 1407 Cardio Equipment - Replace



Location: Clubhouse Fitness Room

Quantity: (5) Pieces

Life Expectancy: 10 *Remaining Life:* 3

Best Cost: \$18,000

Estimate to replace

Worst Cost: \$28,000

Higher estimate

Source of Information: CSL Cost Database

Observations:

The cardio fitness equipment is in working condition. We recommend funding to replace this component approximately every 8 - 10 years. Remaining life based on current age and condition.

General Notes:

Comp #: 1413 Restrooms - Remodel



Location: **Clubhouse Interior**

Quantity: **(2) Restrooms**

Life Expectancy: **20** *Remaining Life:* **3**

Best Cost: **\$4,000**

Estimate to remodel

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1417 Kitchenette - Remodel



Location: **Clubhouse Interior**

Quantity: **(1) Kitchenette**

Life Expectancy: **20** *Remaining Life:* **3**

Best Cost: **\$6,000**

Allowance to remodel

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

Higher allowance

Source of Information: CSL Cost Database

Observations:

The kitchenette is in fair condition. We recommend funding to remodel this component approximately every 20 years. Remaining life based on current age and condition.

General Notes:

Comp #: 1419 Television - Replace



Location: **Clubhouse Fitness Room**

Quantity: **(1) Television**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1501 Carpeting - Fitness - Replace



Location: **Fitness Room**

Quantity: **Approx 460 Sq.ft.**

Life Expectancy: **10** *Remaining Life:* **6**

Best Cost: **\$4,500**

Estimate to replace

Worst Cost: **\$5,500**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The carpeting is in good condition. We recommend funding to replace this component approximately every 8 - 10 years. Remaining life based on current age.

General Notes:

Comp #: 1502 Vinyl Flooring - Replace



Location: **Main Room & Kitchenette**

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

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

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

Estimate to replace

Worst Cost: **\$7,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

Research with the client reveals this component is being replaced in 2023. We recommend funding to replace this component approximately every 20 - 30 years. Remaining life based on current age.

General Notes:

Comp #: 1503 Tile Flooring - Replace



Location: **Clubhouse Interior**

Quantity: **Approx 330 Sq.ft.**

Life Expectancy: **30** *Remaining Life:* **6**

Best Cost: **\$9,000**

Estimate to replace

Worst Cost: **\$11,000**

Higher estimate

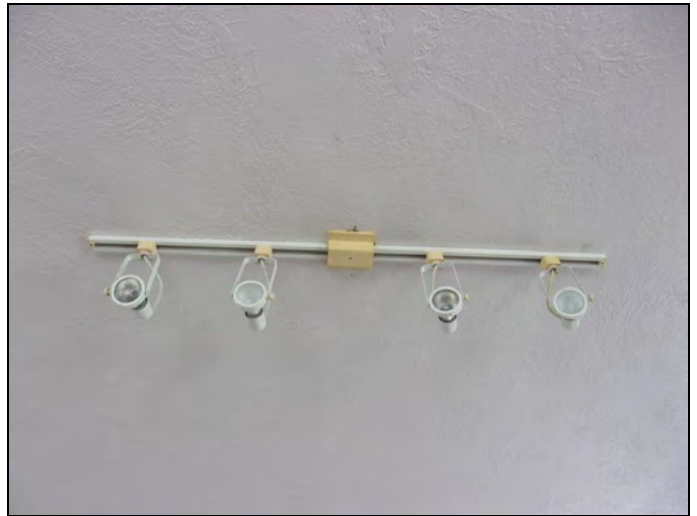
Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1601 Interior Light Fixtures - Replace



Location: **Clubhouse Interior**

Quantity: **(32) Fixtures**

Life Expectancy: **25** *Remaining Life:* **1**

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

Estimate to replace

Worst Cost: **\$7,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1602 Exterior Light Fixtures - Common - Replace



Location: **Clubhouse Exterior & West Entrance**

Quantity: **(12) Fixtures**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1603 Exterior Light Fixtures - Residential - Replace



Location: **Building Exteriors**

Quantity: **(27) Buildings**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

Research with the client reveals this component is not a responsibility of the association.

General Notes:

Comp #: 1604 Pole Lights - Replace



Location: **Common Area**

Quantity: **(18) Pole Lights**

Life Expectancy: **20** *Remaining Life:* **3**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The pole lights are in fair condition. We recommend funding to replace these pole light fixtures, poles and to refurbish the electrical approximately every 16 - 20 years. Remaining life based on current age and condition.

General Notes:

Comp #: 1606 Pool Light Fixtures - Replace



Location: **Common Area**

Quantity: **(3) Fixtures**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1812 Landscaping & Irrigation System - Renovate



Location: **Common Area**

Quantity: **Extensive Sq.ft.**

Life Expectancy: **20** *Remaining Life:* **3**

Best Cost: **\$60,000**

Allowance to renovate

Worst Cost: **\$80,000**

Higher allowance

Source of Information: CSL Cost Database

Observations:

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

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.