Knollwood Condo Association

Level 2 Reserve Study

Report Period – 01/01/2021 – 12/31/2021

Client Reference Number	**14010**
Property Type	**Townhouse**
Number of Units	**60**
Fiscal Year End	**12/31**

Type of Study	**Update w/Site Visit**
Date of Property Inspection	**10/22/2020**
Prepared By	**Dale Gifford**
Analysis Method	**Cash Flow**
Funding Goal	**Full Funding**

Report prepared on – Monday, November 23, 2020

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Executive Summary – Knollwood Condo Association - ID # 14010

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 01/01/2021	**$88,245**
Ideal Reserve Balance as of 01/01/2021	**$737,645**
Percent Funded as of 01/01/2021	**12%**
Recommended Reserve Contribution (per month)	**$7,625**
Recommended Special Assessment	**$0**

Knollwood Condo Association is a 60-unit Townhome community. The community offers clubhouse, swimming pool, and landscaped areas as amenities. Construction on the community was completed in 1980.

Currently Programmed Projects
Projects programmed to occur this fiscal year (FY2021) include wood fencing repaint (Comp# 209), asphalt slurry seal (Comp# 402), wood fencing repairs (Comp# 1090), pool resurface (Comp# 1101), and pool pump replace (Comp# 110). We have programmed an estimated $72,900 in reserve expenditures toward the completion of these projects. (See page 15)

Significant Reserve Projects
The association's significant reserve projects are roofs replace (Comp# 105), building exteriors repair/repaint (Comp# 217), wood fencing repaint (Comp# 209), and asphalt major rehab (Comp# 401). The fiscal significance of these components is approximately 35%, 21%, 7%, and 7% 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 $88,245 versus the ideal reserve balance of $737,645 we find the association's reserve fund to be approximately 12% 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 $7,625 ($127.08/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 for the last 16 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.

- Professional Reserve Analyst (PRA) designation from Association of Professional Reserve Analysts (APRA), PRA #2320
- Reserve Specialist (RS) designation from Community Associations Institute (CAI), RS# 231
- Personally has prepared over 1,400 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), PCAM# 1740,
- 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, the Operating budget and the Reserve budget. The operating budget includes all expenses that occur on an annual basis as well as general maintenance and repairs. Typical operating budget line items include management fees, maintenance expenses, utilities, etc. The reserve budget is primarily made up of replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

Report Sections
Reserve Analysis: this section contains the evaluation of the association's reserve balance, income, and expenses. It includes a finding of the client's current reserve fund status (measured as percent funded) and a recommendation for an appropriate reserve allocation rate (also known as the funding plan).
Component Evaluation: this section contains information regarding the physical status and replacement cost of reserve components the association is responsible to maintain. It is important to understand that while the component inventory will remain relatively "stable" from year to year, the condition assessment and life estimates will most likely vary from year to year.

General Information and Frequently Asked Questions

Is it the law to have a Reserve Study conducted?
The Government requires a reserve study in approximately 20 states. Also, the Association's governing documents may require a reserve fund be established. This does not mean a Reserve Study is required, but how are you going to know if you have enough money in the reserve fund if you do not have the proper information?

Why is it important to perform a Reserve Study?
This report provides the essential information that is needed to guide the Association in establishing the reserve portion of the total monthly assessment. The reserve fund is critical to the future of the association because it helps ensure that reserve projects can be completed on time. When projects are completed on time, deferred maintenance and the lower property values that typically accompany it can be avoided. It is suggested that a third party professionally prepare the Reserve Analysis Study since there is no vested interest in the property.

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

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

What is a "Reserve Component" versus an "Operating Component"?
A "Reserve" component is an item that is the responsibility of the association to maintain, has a limited useful life, predictable remaining useful life, typically occurs on a cyclical basis that exceeds one year, and costs above a minimum threshold amount. An "Operating" component is typically a fixed expense that occurs on an annual basis.

What are the GREY areas of "maintenance" items that are often seen in a Reserve Study?
One of the most popular questions revolves around major "maintenance" items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a "capital" item, it cannot be considered a reserve component. However, it is the opinion of several major Reserve Study providers, including Complex Solutions, that these components meet the criteria of a reserve component.

Information and Data Gathered:
The information contained in this report is based on estimates and assumptions gathered from various sources. Estimated life expectancies are based upon conditions that were readily visible and accessible at the time of the site visit. While every effort has been made to ensure accurate results, this report reflects the judgment of Complex Solutions, Ltd. and should not be construed as a guarantee or assurance of predicting future events.

What happens during the Site Visit?
During the site visit we identify the common area components that we have determined require reserve funding. These components are quantified and a physical condition is observed. The site visit is conducted on the common areas as reported by client.

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

Measures of reserve fund financial strength are as follows:

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

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

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

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

Disclosures:

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

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

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

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

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

Site Visits: Should a site visit have been performed during the preparation of this reserve study no invasive testing was performed. The physical analysis performed during the site visit was not intended to be exhaustive in nature and may have included representative sampling. Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We have assumed any and all components have been properly built and will reach normal, typical life expectancies. A reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), have been excluded from this report.

Update Reserve Studies:

Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies.

Level III Studies: In addition to the above we have not visited the property when completing a Level III “No Site Visit” study. Therefore we have not verified the current condition of the components.

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

Actual or Perceived Conflicts of Interest: There are no potential actual or perceived conflicts of interest that we are aware of.

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

Funding Summary

Beginning Assumptions

# of units	60
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	$3,098
Annual Increases to Budgeted Monthly Reserve Allocation	3%
Projected Starting Reserve Balance	$88,245
Ideal Starting Reserve Balance	$737,645

Economic Assumptions

Projected Inflation Rate	3.00%
Reported After-Tax Interest Rate	0.10%

Current Reserve Status

Current Balance as a % of Ideal Balance	12%

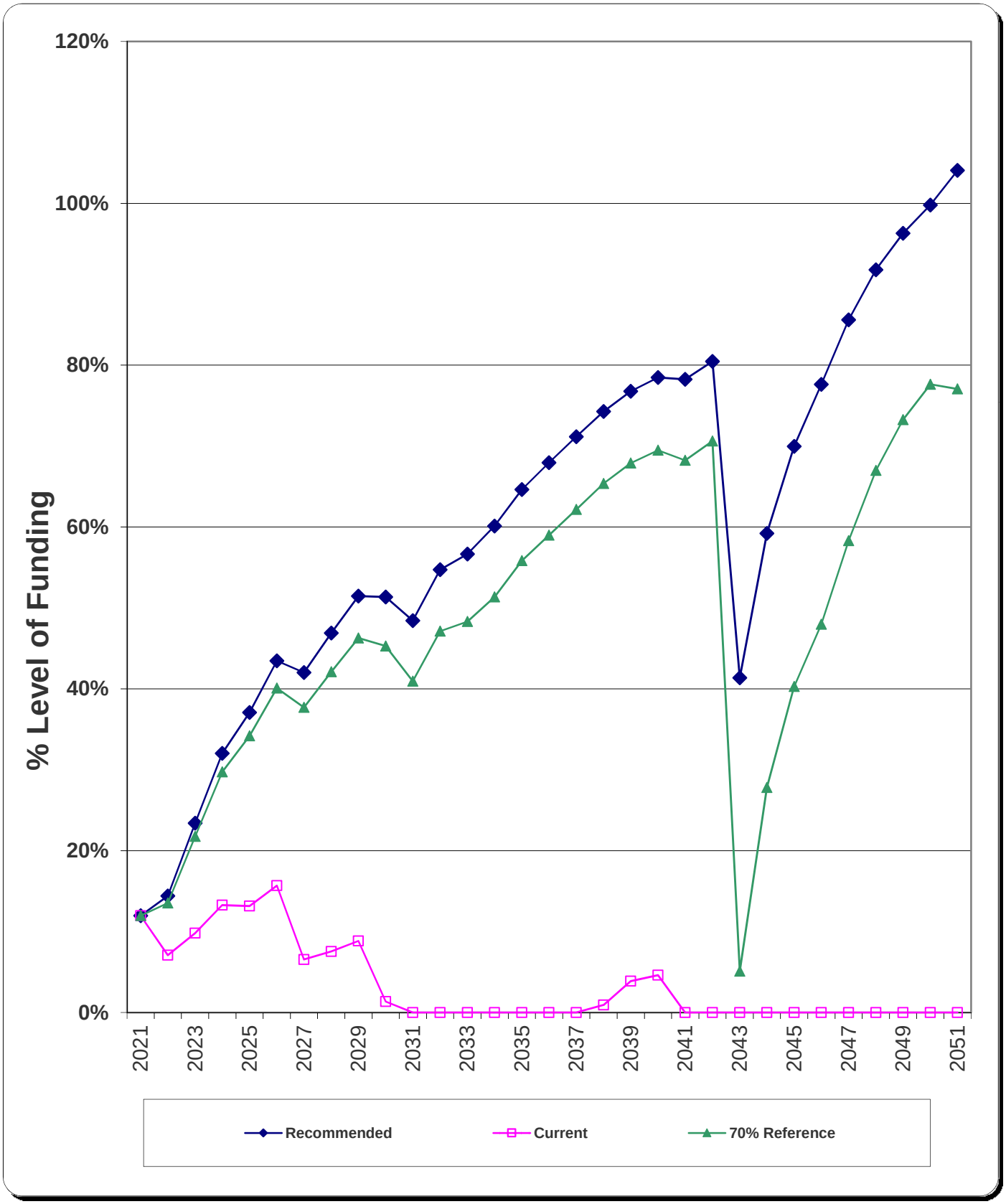
Recommendations

Recommended Monthly Reserve Allocation	$7,625
Per Unit	$127.08
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	$7,075
Per Unit	$117.92
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation	$4,528
as Percentage	146%

Percent Funded - Graph



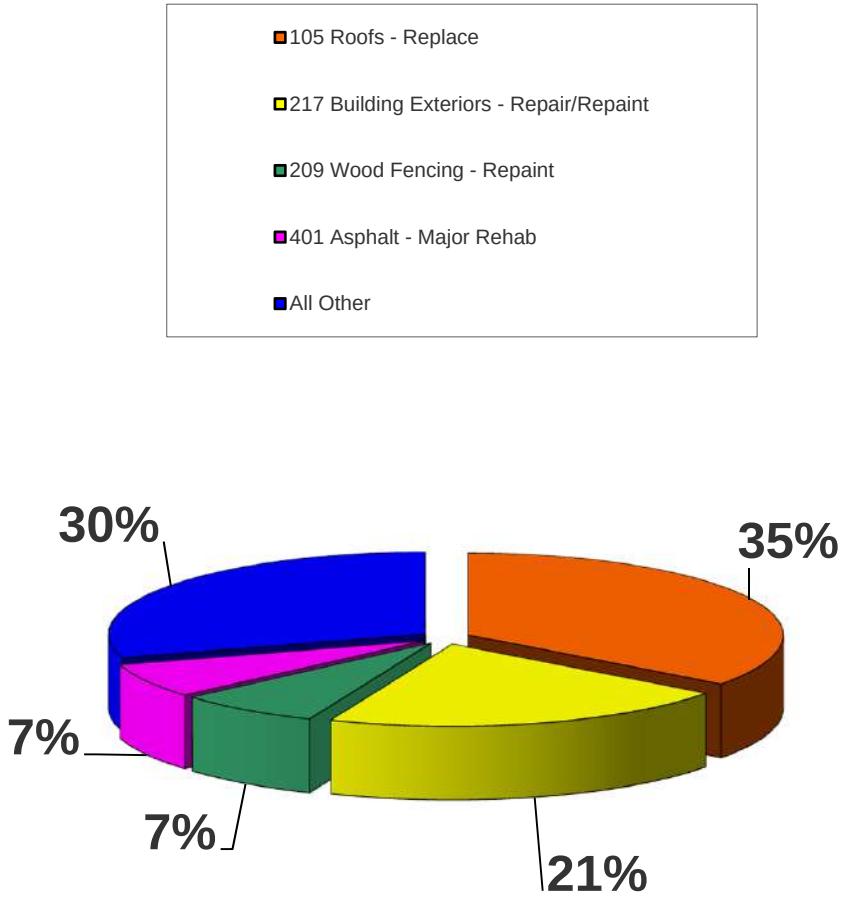
Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Roofs - Replace	40	21	$746,000	$829,000
	120	Rain Gutters/Downspouts - Replace	30	11	$64,000	$73,000
	190	Roofs - Repairs	10	9	$6,000	$7,000
Painted Surfaces	209	Wood Fencing - Repaint	6	0	$24,000	$25,000
	216	Interior Surfaces - Repaint	10	3	$2,000	$3,000
	217	Building Exteriors - Repair/Repaint	10	9	$115,000	$120,000
Drive Materials	401	Asphalt - Major Rehab	30	5	$97,000	$129,000
	402	Asphalt - Slurry Seal	7	0	$20,000	$21,000
	403	Concrete - Repair/Replace	10	5	$3,000	$5,000
Decking	604	Balcony Deck - Unit - Resurface	N/A		$0	$0
	604	Clubhouse Deck - Resurface	5	4	$3,000	$4,000
	607	Clubhouse Deck - Replace	30	29	$20,000	$25,000
Mechanical Equip.	703	Water Heater - Replace	12	1	$1,200	$1,600
	706	HVAC Furnace - Replace	20	11	$3,000	$4,000
Prop. Identification	801	Monument Sign - Refurbish	N/A		$0	$0
	803	Mailboxes - Repair/Replace	20	17	$4,000	$6,000
Fencing	1001	Wood Fencing - Replace	30	8	$95,000	$115,000
	1002	Metal Fencing & Railing - Replace	N/A		$0	$0
	1003	Chain Link Fencing - Pool - Replace	40	9	$20,000	$30,000
	1003	Chain Link Fencing - Tennis - Replace	N/A		$0	$0
	1090	Wood Fencing - 2021 - Repairs	99	0	$9,000	$10,000
	1090	Wood Fencing - 2022 - Repairs	99	1	$9,000	$10,000
Pool / Spa	1101	Pool - Resurface	12	0	$14,000	$20,000
	1104	Pool Heater - Replace	12	3	$5,000	$6,000
	1107	Pool Filters - Replace	15	3	$2,200	$2,600
	1110	Pool Pump - Replace	10	0	$1,200	$1,600
	1112	Pool Cover - Replace	10	5	$4,000	$6,000
	1121	Pool Furniture - Replace	N/A		$0	$0
Courts	1201	Tennis Courts - Resurface/Replace	N/A		$0	$0
Interiors	1413	Restrooms - Remodel	20	3	$10,000	$14,000
	1417	Kitchenette - Remodel	20	3	$4,000	$6,000
Flooring	1501	Carpeting - Replace	10	3	$4,000	$5,000
Light Fixtures	1601	Interior Light Fixtures - Replace	N/A		$0	$0
	1602	Exterior Light Fixtures - Clubhouse - Repl	N/A		$0	$0
	1602	Exterior Light Fixtures - Unit - Replace	N/A		$0	$0
	1604	Pole Lights - Replace	N/A		$0	$0
Landscaping	1812	Landscaping & Irrigation System - Renov	N/A		$0	$0

Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
105	Roofs - Replace	40	21	$787,500	$19,688	35.2248%
120	Rain Gutters/Downspouts - Replace	30	11	$68,500	$2,283	4.0853%
190	Roofs - Repairs	10	9	$6,500	$650	1.1630%
209	Wood Fencing - Repaint	6	0	$24,500	$4,083	7.3059%
216	Interior Surfaces - Repaint	10	3	$2,500	$250	0.4473%
217	Building Exteriors - Repair/Repaint	10	9	$117,500	$11,750	21.0230%
401	Asphalt - Major Rehab	30	5	$113,000	$3,767	6.7393%
402	Asphalt - Slurry Seal	7	0	$20,500	$2,929	5.2398%
403	Concrete - Repair/Replace	10	5	$4,000	$400	0.7157%
604	Clubhouse Deck - Resurface	5	4	$3,500	$700	1.2524%
607	Clubhouse Deck - Replace	30	29	$22,500	$750	1.3419%
703	Water Heater - Replace	12	1	$1,400	$117	0.2087%
706	HVAC Furnace - Replace	20	11	$3,500	$175	0.3131%
803	Mailboxes - Repair/Replace	20	17	$5,000	$250	0.4473%
1001	Wood Fencing - Replace	30	8	$105,000	$3,500	6.2622%
1003	Chain Link Fencing - Pool - Replace	40	9	$25,000	$625	1.1182%
1090	Wood Fencing - 2021 - Repairs	99	0	$9,500	$0	0.0000%
1090	Wood Fencing - 2022 - Repairs	99	1	$9,500	$0	0.0000%
1101	Pool - Resurface	12	0	$17,000	$1,417	2.5347%
1104	Pool Heater - Replace	12	3	$5,500	$458	0.8200%
1107	Pool Filters - Replace	15	3	$2,400	$160	0.2863%
1110	Pool Pump - Replace	10	0	$1,400	$140	0.2505%
1112	Pool Cover - Replace	10	5	$5,000	$500	0.8946%
1413	Restrooms - Remodel	20	3	$12,000	$600	1.0735%
1417	Kitchenette - Remodel	20	3	$5,000	$250	0.4473%
1501	Carpeting - Replace	10	3	$4,500	$450	0.8051%

Significant Components - Graph

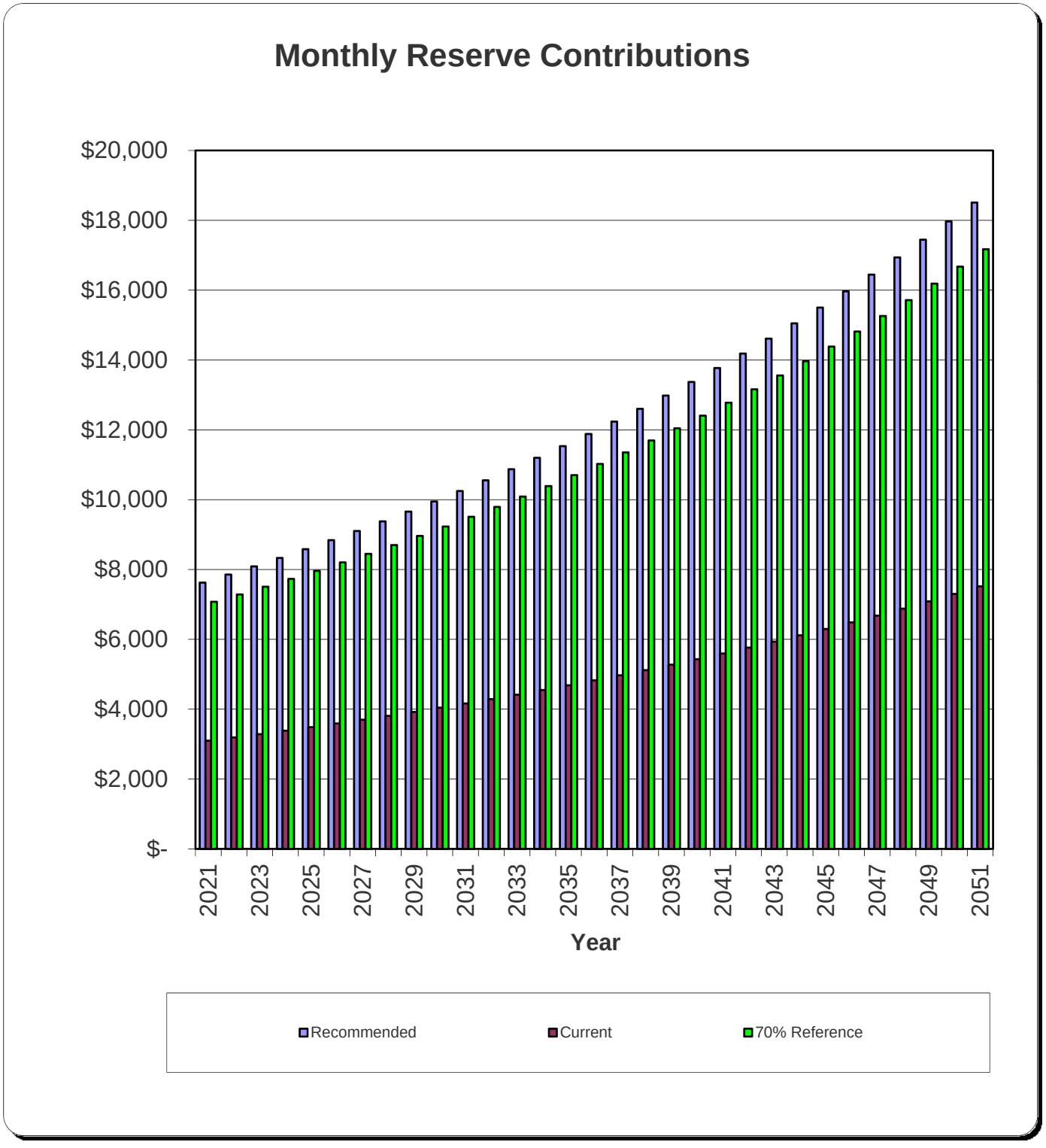


ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
105	Roofs - Replace	40	21	$787,500	$19,688	35%
217	Building Exteriors - Repair/Repaint	10	9	$117,500	$11,750	21%
209	Wood Fencing - Repaint	6	0	$24,500	$4,083	7%
401	Asphalt - Major Rehab	30	5	$113,000	$3,767	7%
All Other	See Expanded Table For Breakdown				$16,604	30%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2021	$737,645	$88,245	12%	$91,500	$98	$72,900	$106,943
2022	$742,354	$106,943	14%	$94,245	$149	$11,227	$190,109
2023	$812,356	$190,109	23%	$97,072	$239	$0	$287,420
2024	$897,800	$287,420	32%	$99,985	$320	$34,858	$352,867
2025	$951,736	$352,867	37%	$102,984	$403	$3,939	$452,314
2026	$1,041,024	$452,314	43%	$106,074	$435	$141,431	$417,391
2027	$993,317	$417,391	42%	$109,256	$458	$29,254	$497,850
2028	$1,061,723	$497,850	47%	$112,533	$542	$25,212	$585,713
2029	$1,138,408	$585,713	51%	$115,909	$577	$133,011	$569,189
2030	$1,108,484	$569,189	51%	$119,387	$530	$198,978	$490,128
2031	$1,011,904	$490,128	48%	$122,968	$551	$1,881	$611,765
2032	$1,117,689	$611,765	55%	$126,657	$626	$99,665	$639,384
2033	$1,128,253	$639,384	57%	$130,457	$675	$59,169	$711,347
2034	$1,183,234	$711,347	60%	$134,371	$773	$12,336	$834,155
2035	$1,290,566	$834,155	65%	$138,402	$886	$36,302	$937,140
2036	$1,378,968	$937,140	68%	$142,554	$998	$22,591	$1,058,101
2037	$1,486,757	$1,058,101	71%	$146,831	$1,132	$0	$1,206,064
2038	$1,623,739	$1,206,064	74%	$151,236	$1,278	$8,264	$1,350,313
2039	$1,759,090	$1,350,313	77%	$155,773	$1,406	$45,795	$1,461,696
2040	$1,862,699	$1,461,696	78%	$160,446	$1,431	$223,572	$1,400,001
2041	$1,789,246	$1,400,001	78%	$165,259	$1,482	$2,529	$1,564,214
2042	$1,944,293	$1,564,214	80%	$170,217	$898	$1,503,118	$232,211
2043	$561,503	$232,211	41%	$175,323	$320	$0	$407,854
2044	$688,654	$407,854	59%	$180,583	$475	$47,366	$541,546
2045	$774,142	$541,546	70%	$186,001	$589	$91,476	$636,660
2046	$820,170	$636,660	78%	$191,581	$722	$21,775	$807,187
2047	$942,880	$807,187	86%	$197,328	$906	$0	$1,005,422
2048	$1,095,317	$1,005,422	92%	$203,248	$1,101	$12,217	$1,197,554
2049	$1,243,468	$1,197,554	96%	$209,345	$1,279	$46,903	$1,361,276
2050	$1,364,173	$1,361,276	100%	$215,626	$1,293	$353,485	$1,224,710

Reserve Contributions - Graph



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Roofs - Replace	40	21	Approx 165,700 Sq.ft.	$787,500	$374,063	$0	$2,685.89
120	Rain Gutters/Downspouts - Replace	30	11	Approx 9,720 Linear ft.	$68,500	$43,383	$0	$311.51
190	Roofs - Repairs	10	9	Approx 165,700 Sq.ft.	$6,500	$650	$0	$88.68
209	Wood Fencing - Repaint	6	0	Approx 3,500 Linear ft.	$24,500	$24,500	$24,500	$557.07
216	Interior Surfaces - Repaint	10	3	Approx 1,800 Sq.ft.	$2,500	$1,750	$1,750	$34.11
217	Building Exteriors - Repair/Repaint	10	9	(22) Buildings	$117,500	$11,750	$0	$1,603.01
401	Asphalt - Major Rehab	30	5	Approx 64,350 Sq.ft.	$113,000	$94,167	$0	$513.87
402	Asphalt - Slurry Seal	7	0	Approx 64,350 Sq.ft.	$20,500	$20,500	$20,500	$399.53
403	Concrete - Repair/Replace	10	5	Extensive Sq.ft.	$4,000	$2,000	$0	$54.57
604	Clubhouse Deck - Resurface	5	4	(1) Deck	$3,500	$700	$0	$95.50
607	Clubhouse Deck - Replace	30	29	(1) Deck	$22,500	$750	$0	$102.32
703	Water Heater - Replace	12	1	(1) Water Heater	$1,400	$1,283	$1,283	$15.92
706	HVAC Furnace - Replace	20	11	(1) Furnace	$3,500	$1,575	$0	$23.87
803	Mailboxes - Repair/Replace	20	17	(60) Mailboxes	$5,000	$750	$0	$34.11
1001	Wood Fencing - Replace	30	8	Approx 3,500 Linear ft.	$105,000	$77,000	$0	$477.49
1003	Chain Link Fencing - Pool - Replace	40	9	Approx 210 Linear ft.	$25,000	$19,375	$0	$85.27
1090	Wood Fencing - 2021 - Repairs	99	0	Approx 3,500 Linear ft.	$9,500	$9,500	$9,500	$0.00
1090	Wood Fencing - 2022 - Repairs	99	1	Approx 3,500 Linear ft.	$9,500	$9,404	$9,404	$0.00
1101	Pool - Resurface	12	0	(1) Pool	$17,000	$17,000	$17,000	$193.27
1104	Pool Heater - Replace	12	3	(1) Heater	$5,500	$4,125	$2,908	$62.53
1107	Pool Filters - Replace	15	3	(2) Filters	$2,400	$1,920	$0	$21.83
1110	Pool Pump - Replace	10	0	(1) Pump	$1,400	$1,400	$1,400	$19.10
1112	Pool Cover - Replace	10	5	(1) Cover	$5,000	$2,500	$0	$68.21
1413	Restrooms - Remodel	20	3	(2) Restrooms	$12,000	$10,200	$0	$81.86
1417	Kitchenette - Remodel	20	3	(1) Kitchenette	$5,000	$4,250	$0	$34.11
1501	Carpeting - Replace	10	3	Approx 860 Sq.ft.	$4,500	$3,150	$0	$61.39
					$1,382,200	$737,645	$88,245	$7,625

Current Fund Balance as a percentage of Ideal Balance: 12%

Yearly Cash Flow

Year	2021	2022	2023	2024	2025
Starting Balance	$88,245	$106,943	$190,109	$287,420	$352,867
Reserve Income	$91,500	$94,245	$97,072	$99,985	$102,984
Interest Earnings	$98	$149	$239	$320	$403
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$179,843	$201,336	$287,420	$387,725	$456,254
Reserve Expenditures	$72,900	$11,227	$0	$34,858	$3,939
Ending Balance	$106,943	$190,109	$287,420	$352,867	$452,314

Year	2026	2027	2028	2029	2030
Starting Balance	$452,314	$417,391	$497,850	$585,713	$569,189
Reserve Income	$106,074	$109,256	$112,533	$115,909	$119,387
Interest Earnings	$435	$458	$542	$577	$530
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$558,823	$527,105	$610,926	$702,200	$689,106
Reserve Expenditures	$141,431	$29,254	$25,212	$133,011	$198,978
Ending Balance	$417,391	$497,850	$585,713	$569,189	$490,128

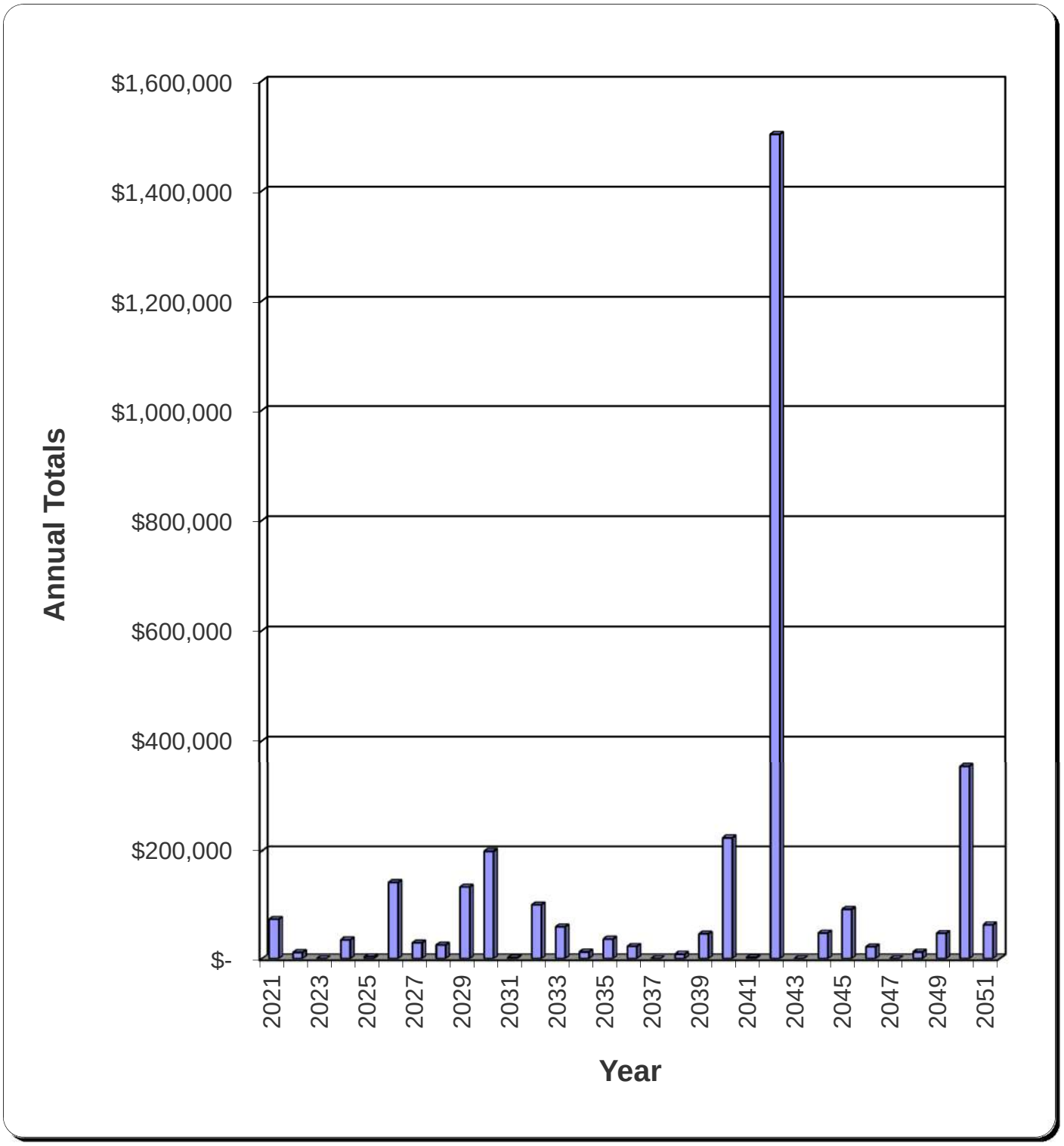
Year	2031	2032	2033	2034	2035
Starting Balance	$490,128	$611,765	$639,384	$711,347	$834,155
Reserve Income	$122,968	$126,657	$130,457	$134,371	$138,402
Interest Earnings	$551	$626	$675	$773	$886
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$613,647	$739,048	$770,516	$846,490	$973,442
Reserve Expenditures	$1,881	$99,665	$59,169	$12,336	$36,302
Ending Balance	$611,765	$639,384	$711,347	$834,155	$937,140

Year	2036	2037	2038	2039	2040
Starting Balance	$937,140	$1,058,101	$1,206,064	$1,350,313	$1,461,696
Reserve Income	$142,554	$146,831	$151,236	$155,773	$160,446
Interest Earnings	$998	$1,132	$1,278	$1,406	$1,431
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$1,080,692	$1,206,064	$1,358,578	$1,507,492	$1,623,573
Reserve Expenditures	$22,591	$0	$8,264	$45,795	$223,572
Ending Balance	$1,058,101	$1,206,064	$1,350,313	$1,461,696	$1,400,001

Year	2041	2042	2043	2044	2045
Starting Balance	$1,400,001	$1,564,214	$232,211	$407,854	$541,546
Reserve Income	$165,259	$170,217	$175,323	$180,583	$186,001
Interest Earnings	$1,482	$898	$320	$475	$589
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$1,566,742	$1,735,329	$407,854	$588,912	$728,136
Reserve Expenditures	$2,529	$1,503,118	$0	$47,366	$91,476
Ending Balance	$1,564,214	$232,211	$407,854	$541,546	$636,660

Year	2046	2047	2048	2049	2050
Starting Balance	$636,660	$807,187	$1,005,422	$1,197,554	$1,361,276
Reserve Income	$191,581	$197,328	$203,248	$209,345	$215,626
Interest Earnings	$722	$906	$1,101	$1,279	$1,293
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$828,963	$1,005,422	$1,209,771	$1,408,179	$1,578,195
Reserve Expenditures	$21,775	$0	$12,217	$46,903	$353,485
Ending Balance	$807,187	$1,005,422	$1,197,554	$1,361,276	$1,224,710

Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2021	209	Wood Fencing - Repaint	$24,500	
	402	Asphalt - Slurry Seal	$20,500	
	1090	Wood Fencing - 2021 - Repairs	$9,500	
	1101	Pool - Resurface	$17,000	
	1110	Pool Pump - Replace	$1,400	$72,900
2022	703	Water Heater - Replace	$1,442	
	1090	Wood Fencing - 2022 - Repairs	$9,785	$11,227
2023		No Expenditures Projected		$0
2024	216	Interior Surfaces - Repaint	$2,732	
	1104	Pool Heater - Replace	$6,010	
	1107	Pool Filters - Replace	$2,623	
	1413	Restrooms - Remodel	$13,113	
	1417	Kitchenette - Remodel	$5,464	
	1501	Carpeting - Replace	$4,917	$34,858
2025	604	Clubhouse Deck - Resurface	$3,939	$3,939
2026	401	Asphalt - Major Rehab	$130,998	
	403	Concrete - Repair/Replace	$4,637	
	1112	Pool Cover - Replace	$5,796	$141,431
2027	209	Wood Fencing - Repaint	$29,254	$29,254
2028	402	Asphalt - Slurry Seal	$25,212	$25,212
2029	1001	Wood Fencing - Replace	$133,011	$133,011
2030	190	Roofs - Repairs	$8,481	
	217	Building Exteriors - Repair/Repaint	$153,311	
	604	Clubhouse Deck - Resurface	$4,567	
	1003	Chain Link Fencing - Pool - Replace	$32,619	$198,978
2031	1110	Pool Pump - Replace	$1,881	$1,881
2032	120	Rain Gutters/Downspouts - Replace	$94,820	
	706	HVAC Furnace - Replace	$4,845	$99,665
2033	209	Wood Fencing - Repaint	$34,931	
	1101	Pool - Resurface	$24,238	$59,169
2034	216	Interior Surfaces - Repaint	$3,671	
	703	Water Heater - Replace	$2,056	
	1501	Carpeting - Replace	$6,608	$12,336
2035	402	Asphalt - Slurry Seal	$31,008	
	604	Clubhouse Deck - Resurface	$5,294	$36,302
2036	403	Concrete - Repair/Replace	$6,232	
	1104	Pool Heater - Replace	$8,569	
	1112	Pool Cover - Replace	$7,790	$22,591
2037		No Expenditures Projected		$0
2038	803	Mailboxes - Repair/Replace	$8,264	$8,264
2039	209	Wood Fencing - Repaint	$41,710	
	1107	Pool Filters - Replace	$4,086	$45,795
2040	190	Roofs - Repairs	$11,398	
	217	Building Exteriors - Repair/Repaint	$206,037	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	604	Clubhouse Deck - Resurface	$6,137	$223,572
2041	1110	Pool Pump - Replace	$2,529	$2,529
2042	105	Roofs - Replace	$1,464,982	
	402	Asphalt - Slurry Seal	$38,136	$1,503,118
2043		No Expenditures Projected		$0
2044	216	Interior Surfaces - Repaint	$4,934	
	1413	Restrooms - Remodel	$23,683	
	1417	Kitchenette - Remodel	$9,868	
	1501	Carpeting - Replace	$8,881	$47,366
2045	209	Wood Fencing - Repaint	$49,803	
	604	Clubhouse Deck - Resurface	$7,115	
	1101	Pool - Resurface	$34,557	$91,476
2046	403	Concrete - Repair/Replace	$8,375	
	703	Water Heater - Replace	$2,931	
	1112	Pool Cover - Replace	$10,469	$21,775
2047		No Expenditures Projected		$0
2048	1104	Pool Heater - Replace	$12,217	$12,217
2049	402	Asphalt - Slurry Seal	$46,903	$46,903
2050	190	Roofs - Repairs	$15,318	
	217	Building Exteriors - Repair/Repaint	$276,896	
	604	Clubhouse Deck - Resurface	$8,248	
	607	Clubhouse Deck - Replace	$53,023	$353,485

Component Evaluation

Comp #: 105 Roofs - Replace

Location: **Building Roofs**

Quantity: **Approx 165,700 Sq.ft.**

Life Expectancy: **40** *Remaining Life:* **21**

Best Cost: **$746,000**
Estimate to replace

Worst Cost: **$829,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The roofs are in good condition. Research with the client reveals the roofing product used has a 40 year warranty and a 40 year useful life. Remaining life based on current age.

Comp #: 120 Rain Gutters/Downspouts - Replace

Location: **Building Roofs**

Quantity: **Approx 9,720 Linear ft.**

Life Expectancy: **30** *Remaining Life:* **11**

Best Cost: **$64,000**

$6.50/Linear ft.; Estimate to replace

Worst Cost: **$73,000**

$7.50/Linear ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

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.

Comp #: 190 Roofs - Repairs

Location: **Building Roofs**

Quantity: **Approx 165,700 Sq.ft.**

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

Best Cost: **$6,000**
Allowance to repair

Worst Cost: **$7,000**
Higher allowance

Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals plans to repair this component every 10 years.

Comp #: 209 Wood Fencing - Repaint

Location: **Unit Rear Yards**

Quantity: **Approx 3,500 Linear ft.**

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

Best Cost: **$24,000**
Estimate to repaint

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

Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals this component will be repainted in 2021. Research with the client reveals plans to repaint this component every 6 years. Remaining life based on current age.

Comp #: 216 Interior Surfaces - Repaint

Location: **Clubhouse Interior**

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

Life Expectancy: **10** *Remaining Life:* **3**

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

The interior painted surfaces are in fair condition. We recommend funding to repaint this component approximately every 10 years. Remaining life based on current age and condition.

Comp #: 217 Building Exteriors - Repair/Repaint

Location: **Building Exteriors**

Quantity: **(22) Buildings**

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

Best Cost: **$115,000**
Estimate to repair/repaint

Worst Cost: **$120,000**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

The painted building exterior surfaces are in good condition. We recommend funding to repair/repaint this component approximately every 8 - 10 years. Remaining life based on current age.

Comp #: 401 Asphalt - Major Rehab

Location: **Community Parking Areas & Streets**

Quantity: **Approx 64,350 Sq.ft.**

Life Expectancy: **30** *Remaining Life:* **5**

Best Cost: **$97,000**
Estimate for major rehab

Worst Cost: **$129,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 402 Asphalt - Slurry Seal

Location: **Community Parking Areas & Streets**

Quantity: **Approx 64,350 Sq.ft.**

Life Expectancy: **7** *Remaining Life:* **0**

Best Cost: **$20,000**
Estimate for slurry seal

Worst Cost: **$21,000**
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals this component will be sealed in 2021. We recommend funding to seal this component approximately every 5 - 7 years. Remaining life based on current age.

Comp #: 403 Concrete - Repair/Replace

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

Quantity: **Extensive Sq.ft.**

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

Best Cost: **$3,000**

Allowance to repair/replace

Worst Cost: **$5,000**

Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 604 Balcony Deck - Unit - Resurface

Location: **Unit Balconies**

Quantity: **(60) Units**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

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

Comp #: 604 Clubhouse Deck - Resurface

Location: **Clubhouse Deck**

Quantity: **(1) Deck**

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

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

The deck surface is in good condition. We recommend funding to resurface this component approximately every 5 years. Remaining life based on current age.

Comp #: 607 Clubhouse Deck - Replace

Picture Unavailable

Picture Unavailable

Location: **Clubhouse Deck**

Quantity: **(1) Deck**

Life Expectancy: **30** *Remaining Life:* **29**

Best Cost: **$20,000**

Estimate to replace

Worst Cost: **$25,000**

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 703 Water Heater - Replace

Location: **Pool Equipment Room**

Quantity: **(1) Water Heater**

Life Expectancy: **12** *Remaining Life:* **1**

Best Cost: **$1,200**
Estimate to replace

Worst Cost: **$1,600**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 706 HVAC Furnace - Replace

Location: **Pool Equipment Room**

Quantity: **(1) Furnace**

Life Expectancy: **20** *Remaining Life:* **11**

Best Cost: **$3,000**

Estimate to replace

Worst Cost: **$4,000**

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 801 Monument Sign - Refurbish

Location: Common Area

Quantity: (1) Sign

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

Worst Cost: $0

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is maintained as necessary as an operating expense.

Comp #: 803 Mailboxes - Repair/Replace

Location: **Common Area**

Quantity: **(60) Mailboxes**

Life Expectancy: **20** *Remaining Life:* **17**

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

The mailboxes are in good to poor condition. Research with the client reveals they are repairing this component in fiscal years 2015-2022. We recommend funding to repair/replace this component approximately every approximately every 15 - 20 years. Remaining life based on average age.

Comp #: 1001 Wood Fencing - Replace

Location: **Unit Rear Yards**

Quantity: **Approx 3,500 Linear ft.**

Life Expectancy: **30** *Remaining Life:* **8**

Best Cost: **$95,000**
Estimate to replace

Worst Cost: **$115,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The wood 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.

Comp #: 1002 Metal Fencing & Railing - Replace

Location: Pool Area

Quantity: Approx 20 Linear ft.

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

Worst Cost: $0

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1003 Chain Link Fencing - Pool - Replace

Location: **Pool Area**

Quantity: **Approx 210 Linear ft.**

Life Expectancy: **40** *Remaining Life:* **9**

Best Cost: **$20,000**
Estimate to replace

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1003 Chain Link Fencing - Tennis - Replace

Location: Tennis Court Fencing

Quantity: Approx 600 Linear ft.

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

Worst Cost: $0

Source of Information:

General Notes:

Observations:

Research with the client reveals they have no plans to ever replace this component.

Comp #: 1090 Wood Fencing - 2021 - Repairs

Location: **Unit Rear Yards**

Quantity: **Approx 3,500 Linear ft.**

Life Expectancy: **99** *Remaining Life:* **0**

Best Cost: **$9,000**

Allowance to repair

Worst Cost: **$10,000**

Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

Research with the client reveals they are finishing repairs on this component in 2021 and 2022. This is a one-time project.

Comp #: 1090 Wood Fencing - 2022 - Repairs

Location: **Unit Rear Yards**

Quantity: **Approx 3,500 Linear ft.**

Life Expectancy: **99** *Remaining Life:* **1**

Best Cost: **$9,000**

Allowance to repair

Worst Cost: **$10,000**

Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

Research with the client reveals they are finishing repairs on this component in 2021 and 2022. This is a one-time project.

Comp #: 1101 Pool - Resurface

Location: **Pool Area**

Quantity: **(1) Pool**

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

Best Cost: **$14,000**
Estimate to resurface

Worst Cost: **$20,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

Unable to inspect this component at the time of the site visit. Research with the client reveals this component is in fair condition. We recommend funding to resurface this component every 10 - 12 years. Remaining life based on current age.

Comp #: 1104 Pool Heater - Replace

Location: **Pool Equipment Room**

Quantity: **(1) Heater**

Life Expectancy: **12** *Remaining Life:* **3**

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1107 Pool Filters - Replace

Location: **Pool Equipment Room**

Quantity: **(2) Filters**

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

Best Cost: **$2,200**
Estimate to replace

Worst Cost: **$2,600**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1110 Pool Pump - Replace

Location: **Pool Equipment Room**

Quantity: **(1) Pump**

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

Best Cost: **$1,200**
Estimate to replace

Worst Cost: **$1,600**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1112 Pool Cover - Replace

Location: **Pool Area**

Quantity: **(1) Cover**

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

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

The pool cover appears to be in fair condition. We recommend funding to replace this component approximately every 10 years. Remaining life based on current condition.

Comp #: 1121 Pool Furniture - Replace

Location: Pool Area

Quantity: Assorted Pieces

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

Worst Cost: $0

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1201 Tennis Courts - Resurface/Replace

Location: **Adjacent to Clubhouse**

Quantity: **(2) Tennis Courts**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals they have no plans to ever resurface or replace this component.

Comp #: 1413 Restrooms - Remodel

Location: **Clubhouse Interior**

Quantity: **(2) Restrooms**

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

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

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

Source of Information: CSL Cost Database

General Notes:

Quantity description:

7 Linear ft. - Cabinet, Base
7 Linear ft. - Countertop
(3) - Light Fixture
(1) - Mirror
600 Sq.ft. - Painted Surfaces
7 Linear ft. - Partition
(1) - Shower
115 Sq.ft. - Tile, Shower
(1) - Toilet / (2) - Toilet (Women's)
(1) - Urinal (Men's)
135 Sq.ft. - Vinyl Flooring

Observations:

The restrooms have passed there useful life but is still in functional condition. We recommend funding to remodel this component approximately every 20 years. Remaining life based on current age and condition.

Comp #: 1417 Kitchenette - Remodel

Location: **Clubhouse interior**

Quantity: **(1) Kitchenette**

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

Best Cost: **$4,000**
Allowance to remodel

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

Source of Information: CSL Cost Database

General Notes:

Quantity description:

7 Linear ft. - Cabinet, Base
5 Linear ft. - Cabinet, Wall
7 Linear ft. - Countertop
(1) - Fume Hood
(1) - Sink
(1) - Stove

Observations:

The kitchenette has passed its useful life but is still in functional condition. We recommend funding to remodel this component approximately every 20 years. Remaining life based on current age and condition.

Comp #: 1501 Carpeting - Replace

Location: **Clubhouse Interior**

Quantity: **Approx 860 Sq.ft.**

Life Expectancy: **10** *Remaining Life:* **3**

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1601 Interior Light Fixtures - Replace

Location: **Clubhouse Interior**

Quantity: **(15) Fixtures**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Quantity description:

(1) - Fluorescent
(14) - Track

(15) - Total Fixtures

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1602 Exterior Light Fixtures - Clubhouse - Replace

Location: **Clubhouse Exterior**

Quantity: **(9) Fixtures**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1602 Exterior Light Fixtures - Unit - Replace

Location: **Residential Building Exteriors**

Quantity: **(60) Units**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

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

Comp #: 1604 Pole Lights - Replace

Location: **Common Area**

Quantity: **(104) Pole Lights**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

Comp #: 1812 Landscaping & Irrigation System - Renovate

Location: Common Area

Quantity: Extensive Sq.ft.

Life Expectancy: N/A *Remaining Life:*

Best Cost: $0

Worst Cost: $0

Source of Information:

General Notes:

Observations:

Research with the client reveals this component is renovated as necessary as an operating expense.

Glossary of Commonly Used Words And Phrases

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

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

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

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

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

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

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

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

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

FFB = Current Cost * Effective Age / Useful Life

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

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

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

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

Funding Principles –

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

GSF - Gross Square Feet

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

LF - Linear Feet

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

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

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

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

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

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

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

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

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