The Park Master

Level 1 Reserve Study

Report Period – 01/01/2025 – 12/31/2025

Client Reference Number	**19327**
Property Type	**Master**
Number of Units	**272**
Fiscal Year End	**12/31**

Type of Study	**Full Study**
Date of Property Inspection	**8/8/2024**
Prepared By	**Dale Gifford**
Analysis Method	**Cash Flow**
Funding Goal	**Full Funding**

Report prepared on – Wednesday, October 02, 2024

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Information to complete a Level 1, and Level 2 Reserve Study was gathered by performing an in-person site visit of the community. Information to complete the Level 1, Level 2, and Level 3 Reserve Study was gathered by researching the expenditures of the community with the client. In addition, we may have also obtained information by contacting vendors and/or contractors that have worked with the community. To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate as far as the information obtained from these sources.

Projected Starting Balance as of 01/01/2025	**$111,182.48**
Ideal Reserve Balance as of 01/01/2025	**$131,050**
Percent Funded as of 01/01/2025	**85%**
Recommended Reserve Contribution (per month)	**$1,250**
Recommended Special Assessment 2025	**$0**

The Park Master is a 272-unit Master community. The community offers a hot tub, pickleball courts, swimming pool, and landscaped areas as amenities. Construction on the community was completed in 2023.

Currently Programmed Projects
There are multiple projects programmed to occur this fiscal year (FY2025). We have programmed an estimated $14,250 in reserve expenditures toward the completion of these projects. (See page 15)

Significant Reserve Projects
The association's significant reserve projects are metal fencing replace (Comp# 1002), pool and splash pad deck replace (Comp# 1116), asphalt major rehab (Comp# 401), and landscaping and irrigation system renovate (Comp# 1812). The fiscal significance of these components is approximately 16%, 10%, 10%, and 8% 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 $111,182.48 versus the ideal reserve balance of $131,050 we find the association's reserve fund to be approximately 85% funded. This indicates a srong reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of $1,250 ($4.60/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 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 experience with budget creation, reserves and reserve budgeting, community inspections, and analyzing common area components.

- Bachelor of Science in Chemistry from Emporia State University.
- Personally, has prepared over 2,500 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). Former Board member, and former Utah Chapter President.
- Reserve Specialist (RS) designation from Community Associations Institute (CAI), RS# 231.
- Professional Community Association Manager® (PCAM®) designation from Community Associations Institute (CAI), PCAM# 1740.
- Association Management Specialist® (AMS®) designation from Community Associations Institute (CAI).
- Recipient of Community Associations Institute's (CAI) annual award of Excellence in Chapter Leadership for service and achievement in 2010.
- Member of the CAI Utah Legislative Action Committee.

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 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 twenty states. Also, the Association's governing documents may require a reserve fund to 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 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 frequently asked 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 identified 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 the 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 reflect 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 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 on any of our work products. 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 all components have been properly built and will reach normal, typical life expectancies. A reserve study is not intended to identify or fund 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 of which we are aware.

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	272
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	$3,892
Projected Starting Reserve Balance	$111,182
Ideal Starting Reserve Balance	$131,050

Economic Assumptions

Projected Inflation Rate	4.00%
Reported After-Tax Interest Rate	10.00%

Current Reserve Status

Current Balance as a % of Ideal Balance	85%

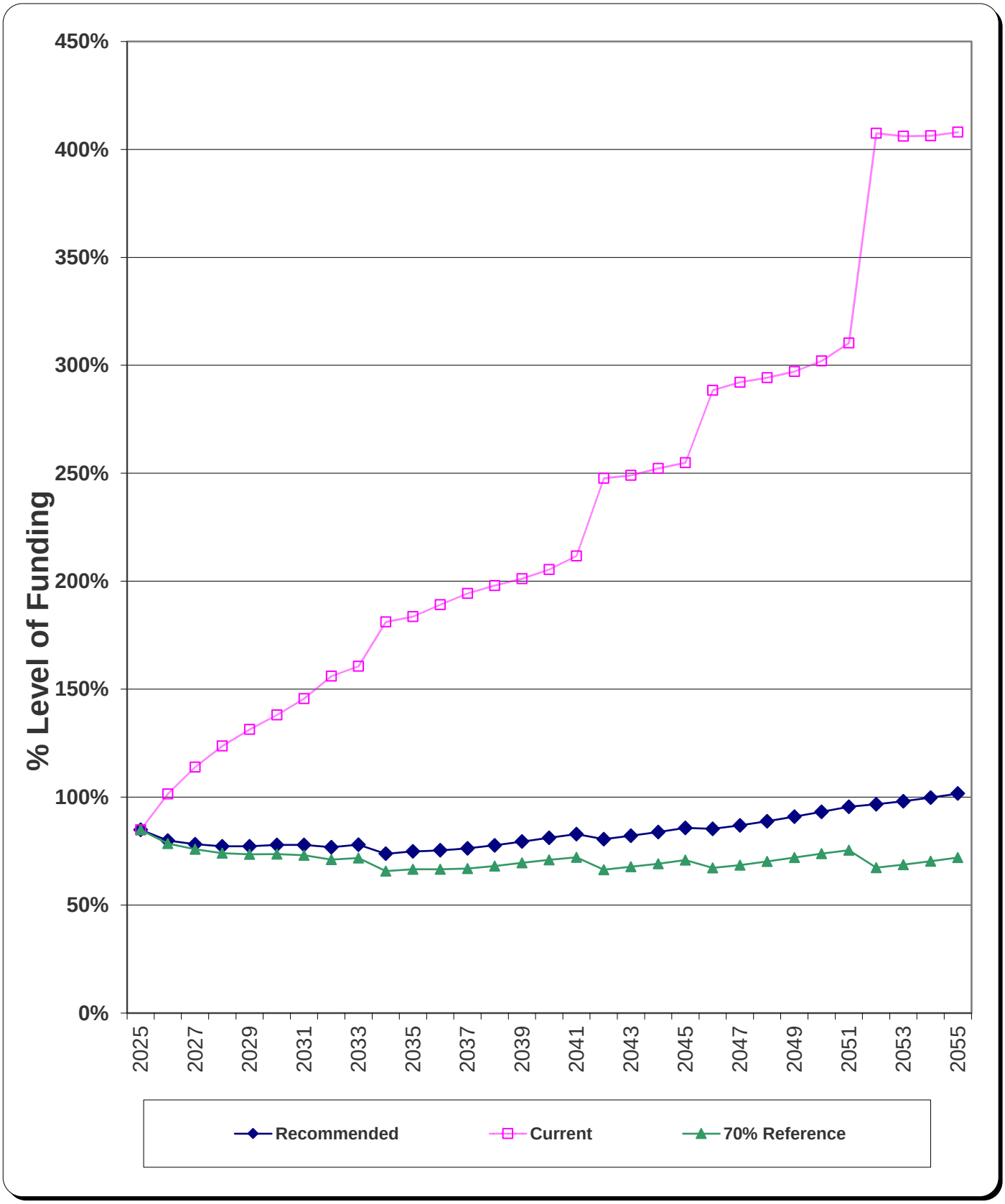
Recommendations

Recommended Monthly Reserve Allocation	$1,250
Per Unit	$4.60
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	$1,080
Per Unit	$3.97
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation	-$2,642
as Percentage	-68%

Percent Funded - Graph



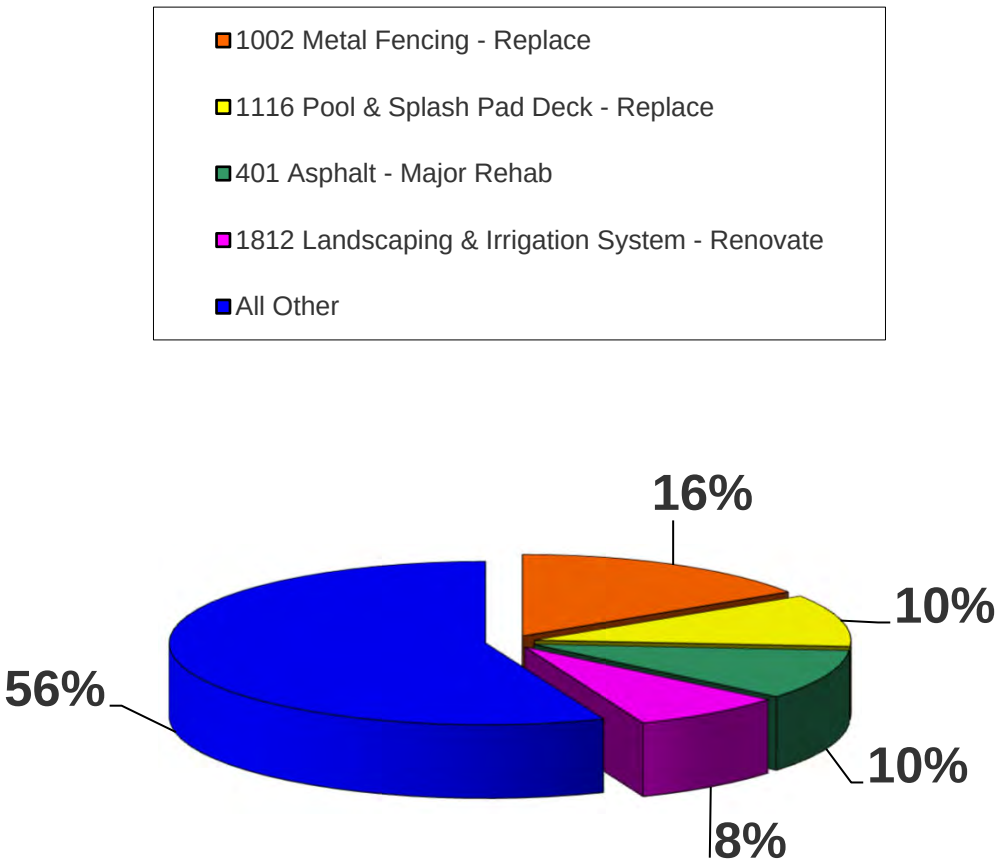
Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Roofs - Replace	25	21	$5,000	$6,000
	120	Rain Gutters/Downspouts - Replace	N/A		$0	$0
Painted Surfaces	201	Stucco Surfaces - Repair/Repaint	N/A		$0	$0
Drive Materials	401	Asphalt - Major Rehab	30	26	$86,000	$103,000
	402	Asphalt - Seal Coat	5	0	$10,000	$12,000
	403	Concrete - Partial Repair/Replace	10	6	$2,000	$3,000
Property Access	508	Access Control System - Replace	12	8	$6,000	$8,000
Mechanical Equip.	705	HVAC System - Replace	20	16	$10,000	$12,000
Prop. Identification	803	Mailboxes - Replace	N/A		$0	$0
Life / Safety	903	Security Camera System - Replace	12	8	$4,000	$6,000
Fencing	1002	Metal Fencing - Replace	50	46	$226,000	$282,000
	1003	Chain Link Fencing - Replace	40	36	$16,000	$20,000
Pool / Spa	1101	Pool - Resurface	12	8	$15,000	$20,000
	1102	Spa - Resurface	12	8	$6,000	$8,000
	1104	Pool & Spa Heaters - Replace	12	8	$12,000	$14,000
	1107	Pool, Spa, & Splash Filters - Replace	15	11	$9,000	$11,000
	1110	Pool, Spa, & Splash Pumps - Replace	10	6	$13,000	$15,000
	1111	Chemical Controller Systems - Replace	12	8	$11,000	$14,000
	1112	Pool Cover - Replace	10	6	$5,000	$7,000
	1116	Pool & Splash Pad Deck - Replace	50	46	$150,000	$180,000
	1120	Pool ADA Lift - Replace	12	8	$6,000	$8,000
	1121	Pool Furniture - Replace	6	2	$3,000	$4,000
	1190	Pool Gate - Replace	30	26	$4,000	$5,000
Courts	1201	Pickleball Courts - Resurface	10	6	$4,000	$5,000
	1203	Pickleball Courts - Replace	50	46	$60,000	$75,000
Recreation Equip.	1309	Pergola - Replace	30	26	$18,000	$22,000
	1312	Asphalt Trail - Repair/Seal	6	0	$3,000	$3,500
	1390	Asphalt Trail - Replace	30	26	$21,000	$26,000
Interiors	1413	Restrooms - Remodel	20	16	$20,000	$24,000
Light Fixtures	1602	Exterior Light Fixtures - Replace	N/A		$0	$0
Landscaping	1812	Landscaping & Irrigation System - Renov	20	16	$40,000	$60,000
Buildings / Structu	2303	Windows - Replace	N/A		$0	$0
	2304	Exterior Doors - Replace	50	46	$9,000	$11,000

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	21	$5,500	$220	0.6888%
401	Asphalt - Major Rehab	30	26	$94,500	$3,150	9.8617%
402	Asphalt - Seal Coat	5	0	$11,000	$2,200	6.8876%
403	Concrete - Partial Repair/Replace	10	6	$2,500	$250	0.7827%
508	Access Control System - Replace	12	8	$7,000	$583	1.8262%
705	HVAC System - Replace	20	16	$11,000	$550	1.7219%
903	Security Camera System - Replace	12	8	$5,000	$417	1.3045%
1002	Metal Fencing - Replace	50	46	$254,000	$5,080	15.9040%
1003	Chain Link Fencing - Replace	40	36	$18,000	$450	1.4088%
1101	Pool - Resurface	12	8	$17,500	$1,458	4.5656%
1102	Spa - Resurface	12	8	$7,000	$583	1.8262%
1104	Pool & Spa Heaters - Replace	12	8	$13,000	$1,083	3.3916%
1107	Pool, Spa, & Splash Filters - Replace	15	11	$10,000	$667	2.0871%
1110	Pool, Spa, & Splash Pumps - Replace	10	6	$14,000	$1,400	4.3830%
1111	Chemical Controller Systems - Replace	12	8	$12,500	$1,042	3.2612%
1112	Pool Cover - Replace	10	6	$6,000	$600	1.8784%
1116	Pool & Splash Pad Deck - Replace	50	46	$165,000	$3,300	10.3313%
1120	Pool ADA Lift - Replace	12	8	$7,000	$583	1.8262%
1121	Pool Furniture - Replace	6	2	$3,500	$583	1.8262%
1190	Pool Gate - Replace	30	26	$4,500	$150	0.4696%
1201	Pickleball Courts - Resurface	10	6	$4,500	$450	1.4088%
1203	Pickleball Courts - Replace	50	46	$67,500	$1,350	4.2265%
1309	Pergola - Replace	30	26	$20,000	$667	2.0871%
1312	Asphalt Trail - Repair/Seal	6	0	$3,250	$542	1.6958%
1390	Asphalt Trail - Replace	30	26	$23,500	$783	2.4524%
1413	Restrooms - Remodel	20	16	$22,000	$1,100	3.4438%
1812	Landscaping & Irrigation System - Renc	20	16	$50,000	$2,500	7.8268%
2304	Exterior Doors - Replace	50	46	$10,000	$200	0.6261%

Significant Components - Graph

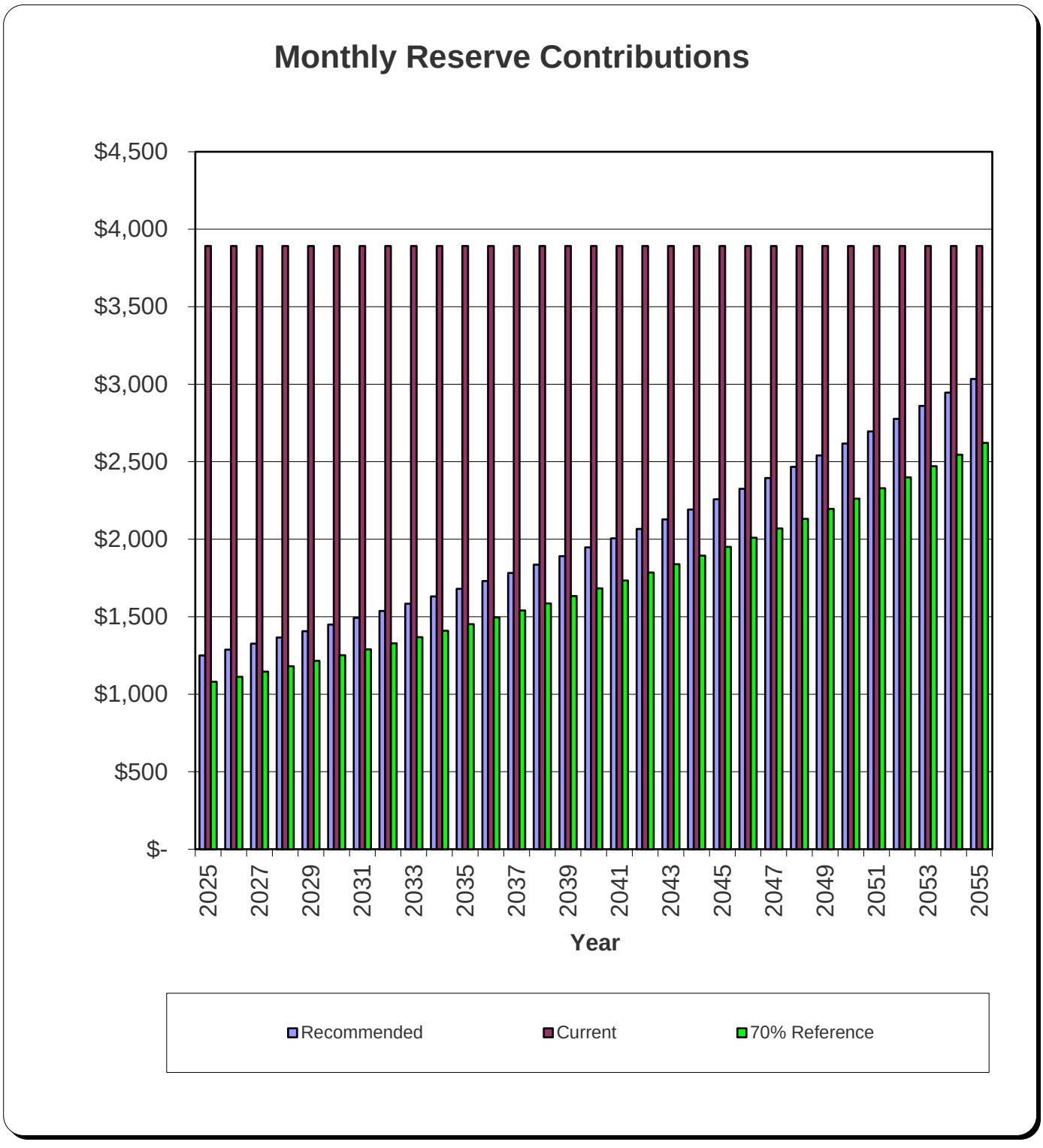


ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
1002	Metal Fencing - Replace	50	46	$254,000	$5,080	16%
1116	Pool & Splash Pad Deck - Replace	50	46	$165,000	$3,300	10%
401	Asphalt - Major Rehab	30	26	$94,500	$3,150	10%
1812	Landscaping & Irrigation System - Rer	20	16	$50,000	$2,500	8%
All Other	See Expanded Table For Breakdown				$17,912	56%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2025	$131,050	$111,182	85%	$15,000	$11,682	$14,250	$123,614
2026	$154,691	$123,614	80%	$15,450	$13,753	$0	$152,817
2027	$195,427	$152,817	78%	$15,914	$16,637	$3,786	$181,582
2028	$235,237	$181,582	77%	$16,391	$19,872	$0	$217,845
2029	$282,014	$217,845	77%	$16,883	$23,695	$0	$258,423
2030	$332,156	$258,423	78%	$17,389	$27,270	$13,383	$289,698
2031	$371,941	$289,698	78%	$17,911	$29,269	$38,276	$298,602
2032	$389,044	$298,602	77%	$18,448	$32,233	$0	$349,284
2033	$448,320	$349,284	78%	$19,002	$32,375	$99,221	$301,439
2034	$408,526	$301,439	74%	$19,572	$32,589	$0	$353,599
2035	$472,149	$353,599	75%	$20,159	$37,229	$16,283	$394,705
2036	$523,273	$394,705	75%	$20,764	$41,612	$15,395	$441,686
2037	$579,334	$441,686	76%	$21,386	$47,098	$5,203	$504,966
2038	$650,281	$504,966	78%	$22,028	$54,030	$0	$581,024
2039	$731,604	$581,024	79%	$22,689	$61,711	$6,061	$659,364
2040	$812,090	$659,364	81%	$23,370	$69,230	$19,810	$732,153
2041	$883,797	$732,153	83%	$24,071	$67,139	$206,028	$617,335
2042	$767,099	$617,335	80%	$24,793	$65,941	$0	$708,069
2043	$862,491	$708,069	82%	$25,536	$75,136	$6,584	$802,158
2044	$957,440	$802,158	84%	$26,303	$85,374	$0	$913,834
2045	$1,065,726	$913,834	86%	$27,092	$87,530	$182,959	$845,497
2046	$990,865	$845,497	85%	$27,904	$89,339	$12,533	$950,207
2047	$1,093,165	$950,207	87%	$28,742	$101,004	$0	$1,079,953
2048	$1,215,618	$1,079,953	89%	$29,604	$114,635	$0	$1,224,192
2049	$1,346,119	$1,224,192	91%	$30,492	$129,349	$8,331	$1,375,702
2050	$1,476,451	$1,375,702	93%	$31,407	$144,163	$29,324	$1,521,948
2051	$1,593,569	$1,521,948	96%	$32,349	$134,498	$507,362	$1,181,432
2052	$1,221,755	$1,181,432	97%	$33,319	$125,456	$0	$1,340,207
2053	$1,366,409	$1,340,207	98%	$34,319	$142,134	$0	$1,516,660
2054	$1,520,680	$1,516,660	100%	$35,348	$160,665	$0	$1,712,674

Reserve Contributions - Graph



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Roofs - Replace	25	21	Approx. 900 SF	$5,500	$880	$880	$8.61
401	Asphalt - Major Rehab	30	26	Approx. 34,115 SF	$94,500	$12,600	$12,600	$123.27
402	Asphalt - Seal Coat	5	0	Approx. 34,115 SF	$11,000	$11,000	$11,000	$86.09
403	Concrete - Partial Repair/Replace	10	6	Minimal SF	$2,500	$1,000	$1,000	$9.78
508	Access Control System - Replace	12	8	(1) System	$7,000	$2,333	$2,333	$22.83
705	HVAC System - Replace	20	16	(1) System	$11,000	$2,200	$2,200	$21.52
903	Security Camera System - Replace	12	8	(1) System	$5,000	$1,667	$1,667	$16.31
1002	Metal Fencing - Replace	50	46	Approx. 2,820 LF	$254,000	$20,320	$19,852	$198.80
1003	Chain Link Fencing - Replace	40	36	Approx. 235 LF	$18,000	$1,800	$1,800	$17.61
1101	Pool - Resurface	12	8	(1) Pool	$17,500	$5,833	$5,833	$57.07
1102	Spa - Resurface	12	8	(1) Spa	$7,000	$2,333	$2,333	$22.83
1104	Pool & Spa Heaters - Replace	12	8	(2) Heaters	$13,000	$4,333	$4,333	$42.39
1107	Pool, Spa, & Splash Filters - Replace	15	11	(3) Filters	$10,000	$2,667	$2,667	$26.09
1110	Pool, Spa, & Splash Pumps - Replace	10	6	(5) Pumps	$14,000	$5,600	$5,600	$54.79
1111	Chemical Controller Systems - Replace	12	8	(3) Systems	$12,500	$4,167	$4,167	$40.76
1112	Pool Cover - Replace	10	6	(1) Cover	$6,000	$2,400	$2,400	$23.48
1116	Pool & Splash Pad Deck - Replace	50	46	Approx. 6,000 SF	$165,000	$13,200	$0	$129.14
1120	Pool ADA Lift - Replace	12	8	(1) ADA Lift	$7,000	$2,333	$2,333	$22.83
1121	Pool Furniture - Replace	6	2	(21) Pieces	$3,500	$2,333	$2,333	$22.83
1190	Pool Gate - Replace	30	26	(1) Gate	$4,500	$600	$600	$5.87
1201	Pickleball Courts - Resurface	10	6	(2) Courts	$4,500	$1,800	$1,800	$17.61
1203	Pickleball Courts - Replace	50	46	(2) Courts	$67,500	$5,400	$0	$52.83
1309	Pergola - Replace	30	26	(1) Pergola	$20,000	$2,667	$2,667	$26.09
1312	Asphalt Trail - Repair/Seal	6	0	Approx. 5,185 SF	$3,250	$3,250	$3,250	$21.20
1390	Asphalt Trail - Replace	30	26	Approx. 5,185 SF	$23,500	$3,133	$3,133	$30.65
1413	Restrooms - Remodel	20	16	(2) Restrooms	$22,000	$4,400	$4,400	$43.05
1812	Landscaping & Irrigation System - Renovate	20	16	Extensive SF	$50,000	$10,000	$10,000	$97.83
2304	Exterior Doors - Replace	50	46	(3) Doors	$10,000	$800	$0	$7.83
					$869,250	$131,050	$111,182	$1,250

Current Fund Balance as a percentage of Ideal Balance: 85%

Yearly Cash Flow

Year	2025	2026	2027	2028	2029
Starting Balance	$111,182	$123,614	$152,817	$181,582	$217,845
Reserve Income	$15,000	$15,450	$15,914	$16,391	$16,883
Interest Earnings	$11,682	$13,753	$16,637	$19,872	$23,695
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$137,864	$152,817	$185,367	$217,845	$258,423
Reserve Expenditures	$14,250	$0	$3,786	$0	$0
Ending Balance	$123,614	$152,817	$181,582	$217,845	$258,423

Year	2030	2031	2032	2033	2034
Starting Balance	$258,423	$289,698	$298,602	$349,284	$301,439
Reserve Income	$17,389	$17,911	$18,448	$19,002	$19,572
Interest Earnings	$27,270	$29,269	$32,233	$32,375	$32,589
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$303,082	$336,878	$349,284	$400,660	$353,599
Reserve Expenditures	$13,383	$38,276	$0	$99,221	$0
Ending Balance	$289,698	$298,602	$349,284	$301,439	$353,599

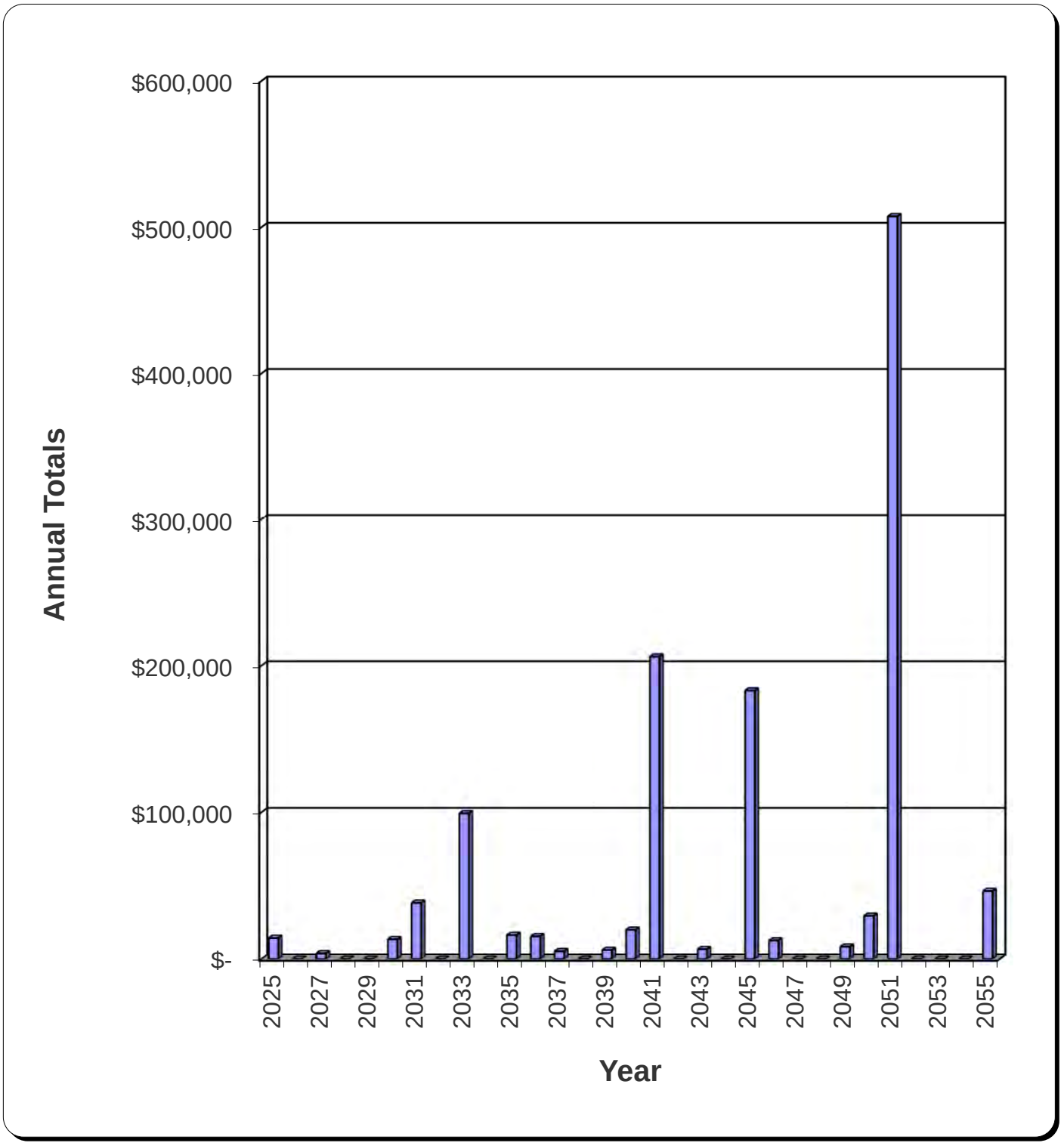
Year	2035	2036	2037	2038	2039
Starting Balance	$353,599	$394,705	$441,686	$504,966	$581,024
Reserve Income	$20,159	$20,764	$21,386	$22,028	$22,689
Interest Earnings	$37,229	$41,612	$47,098	$54,030	$61,711
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$410,988	$457,080	$510,170	$581,024	$665,425
Reserve Expenditures	$16,283	$15,395	$5,203	$0	$6,061
Ending Balance	$394,705	$441,686	$504,966	$581,024	$659,364

Year	2040	2041	2042	2043	2044
Starting Balance	$659,364	$732,153	$617,335	$708,069	$802,158
Reserve Income	$23,370	$24,071	$24,793	$25,536	$26,303
Interest Earnings	$69,230	$67,139	$65,941	$75,136	$85,374
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$751,964	$823,363	$708,069	$808,742	$913,834
Reserve Expenditures	$19,810	$206,028	$0	$6,584	$0
Ending Balance	$732,153	$617,335	$708,069	$802,158	$913,834

Year	2045	2046	2047	2048	2049
Starting Balance	$913,834	$845,497	$950,207	$1,079,953	$1,224,192
Reserve Income	$27,092	$27,904	$28,742	$29,604	$30,492
Interest Earnings	$87,530	$89,339	$101,004	$114,635	$129,349
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$1,028,456	$962,741	$1,079,953	$1,224,192	$1,384,033
Reserve Expenditures	$182,959	$12,533	$0	$0	$8,331
Ending Balance	$845,497	$950,207	$1,079,953	$1,224,192	$1,375,702

Year	2050	2051	2052	2053	2054
Starting Balance	$1,375,702	$1,521,948	$1,181,432	$1,340,207	$1,516,660
Reserve Income	$31,407	$32,349	$33,319	$34,319	$35,348
Interest Earnings	$144,163	$134,498	$125,456	$142,134	$160,665
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$1,551,272	$1,688,794	$1,340,207	$1,516,660	$1,712,674
Reserve Expenditures	$29,324	$507,362	$0	$0	$0
Ending Balance	$1,521,948	$1,181,432	$1,340,207	$1,516,660	$1,712,674

Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2025	402	Asphalt - Seal Coat	$11,000	
	1312	Asphalt Trail - Repair/Seal	$3,250	$14,250
2026		No Expenditures Projected		$0
2027	1121	Pool Furniture - Replace	$3,786	$3,786
2028		No Expenditures Projected		$0
2029		No Expenditures Projected		$0
2030	402	Asphalt - Seal Coat	$13,383	$13,383
2031	403	Concrete - Partial Repair/Replace	$3,163	
	1110	Pool, Spa, & Splash Pumps - Replace	$17,714	
	1112	Pool Cover - Replace	$7,592	
	1201	Pickleball Courts - Resurface	$5,694	
	1312	Asphalt Trail - Repair/Seal	$4,112	$38,276
2032		No Expenditures Projected		$0
2033	508	Access Control System - Replace	$9,580	
	903	Security Camera System - Replace	$6,843	
	1101	Pool - Resurface	$23,950	
	1102	Spa - Resurface	$9,580	
	1104	Pool & Spa Heaters - Replace	$17,791	
	1111	Chemical Controller Systems - Replace	$17,107	
	1120	Pool ADA Lift - Replace	$9,580	
	1121	Pool Furniture - Replace	$4,790	$99,221
2034		No Expenditures Projected		$0
2035	402	Asphalt - Seal Coat	$16,283	$16,283
2036	1107	Pool, Spa, & Splash Filters - Replace	$15,395	$15,395
2037	1312	Asphalt Trail - Repair/Seal	$5,203	$5,203
2038		No Expenditures Projected		$0
2039	1121	Pool Furniture - Replace	$6,061	$6,061
2040	402	Asphalt - Seal Coat	$19,810	$19,810
2041	403	Concrete - Partial Repair/Replace	$4,682	
	705	HVAC System - Replace	$20,603	
	1110	Pool, Spa, & Splash Pumps - Replace	$26,222	
	1112	Pool Cover - Replace	$11,238	
	1201	Pickleball Courts - Resurface	$8,428	
	1413	Restrooms - Remodel	$41,206	
	1812	Landscaping & Irrigation System - Renovate	$93,649	$206,028
2042		No Expenditures Projected		$0
2043	1312	Asphalt Trail - Repair/Seal	$6,584	$6,584
2044		No Expenditures Projected		$0
2045	402	Asphalt - Seal Coat	$24,102	
	508	Access Control System - Replace	$15,338	
	903	Security Camera System - Replace	$10,956	
	1101	Pool - Resurface	$38,345	
	1102	Spa - Resurface	$15,338	
	1104	Pool & Spa Heaters - Replace	$28,485	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	1111	Chemical Controller Systems - Replace	$27,389	
	1120	Pool ADA Lift - Replace	$15,338	
	1121	Pool Furniture - Replace	$7,669	$182,959
2046	105	Roofs - Replace	$12,533	$12,533
2047		No Expenditures Projected		$0
2048		No Expenditures Projected		$0
2049	1312	Asphalt Trail - Repair/Seal	$8,331	$8,331
2050	402	Asphalt - Seal Coat	$29,324	$29,324
2051	401	Asphalt - Major Rehab	$261,998	
	403	Concrete - Partial Repair/Replace	$6,931	
	1107	Pool, Spa, & Splash Filters - Replace	$27,725	
	1110	Pool, Spa, & Splash Pumps - Replace	$38,815	
	1112	Pool Cover - Replace	$16,635	
	1121	Pool Furniture - Replace	$9,704	
	1190	Pool Gate - Replace	$12,476	
	1201	Pickleball Courts - Resurface	$12,476	
	1309	Pergola - Replace	$55,449	
	1390	Asphalt Trail - Replace	$65,153	$507,362
2052		No Expenditures Projected		$0
2053		No Expenditures Projected		$0
2054		No Expenditures Projected		$0

Component Evaluation

Comp #: 105 Roofs - Replace

Location: **Pool Building**

Quantity: **Approx. 900 SF**

Life Expectancy: **25** *Remaining Life:* **21**

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 120 Rain Gutters/Downspouts - Replace

Location: **Pool Building**

Quantity: **Approx. 110 LF**

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

Best Cost: **$0**

Worst Cost: **$0**

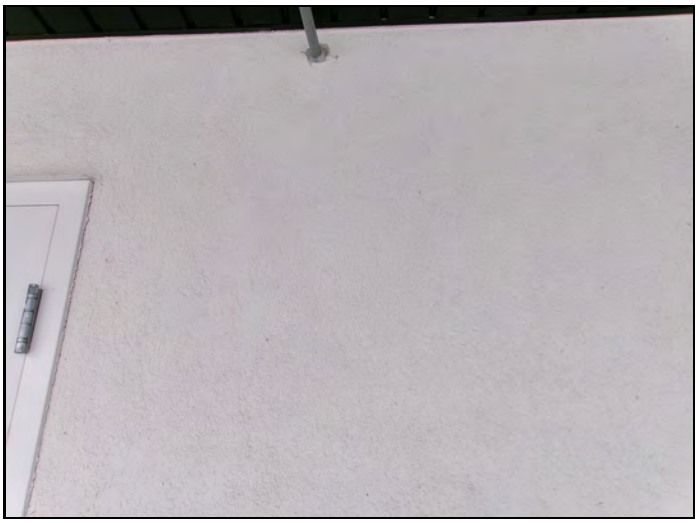
Source of Information:

General Notes:

Observations:

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

Comp #: 201 Stucco Surfaces - Repair/Repaint



Location: **Pool Building**

Quantity: **Approx. 300 SF**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

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

Comp #: 401 Asphalt - Major Rehab

Location: **Community Streets**

Quantity: **Approx. 34,115 SF**

Life Expectancy: **30** *Remaining Life:* **26**

Best Cost: **$86,000**
Estimate for major rehab

Worst Cost: **$103,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 402 Asphalt - Seal Coat

Location: **Community Streets**

Quantity: **Approx. 34,115 SF**

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

Best Cost: **$10,000**
Estimate for seal coat

Worst Cost: **$12,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 403 Concrete - Partial Repair/Replace

Location: **Common Area**

Quantity: **Minimal SF**

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

Best Cost: **$2,000**
Allowance to repair/replace

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 508 Access Control System - Replace

Location: **Pool Area**

Quantity: **(1) System**

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

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 705 HVAC System - Replace

Location: **Pool Building**

Quantity: **(1) System**

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

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

Worst Cost: **$12,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 803 Mailboxes - Replace

Location: **Common Area**

Quantity: **(13) Clusters**

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

Best Cost: **$0**

Worst Cost: **$0**

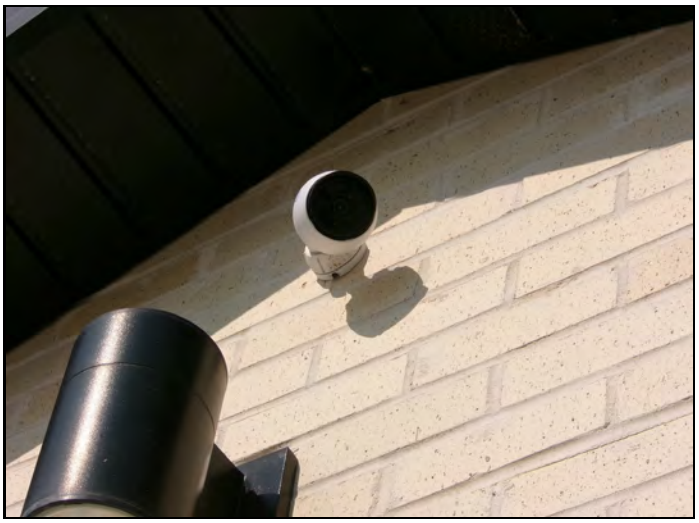
Source of Information:

General Notes:

Observations:

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

Comp #: 903 Security Camera System - Replace



Location: **Pool Area**

Quantity: **(1) System**

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

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1002 Metal Fencing - Replace

Location: **Common Area**

Quantity: **Approx. 2,820 LF**

Life Expectancy: **50** *Remaining Life:* **46**

Best Cost: **$226,000**
Estimate to replace

Worst Cost: **$282,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1003 Chain Link Fencing - Replace

Location: **Pickleball Court**

Quantity: **Approx. 235 LF**

Life Expectancy: **40** *Remaining Life:* **36**

Best Cost: **$16,000**
Estimate to replace

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

Source of Information: CSL Cost Database

General Notes:

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.

Comp #: 1101 Pool - Resurface

Location: **Pool Area**

Quantity: **(1) Pool**

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

Best Cost: **$15,000**
Estimate to resurface

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1102 Spa - Resurface

Location: **Pool Area**

Quantity: **(1) Spa**

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

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1104 Pool & Spa Heaters - Replace

Location: **Pool Equipment Room**

Quantity: **(2) Heaters**

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

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1107 Pool, Spa, & Splash Filters - Replace

Location: **Pool Equipment Room**

Quantity: **(3) Filters**

Life Expectancy: **15** *Remaining Life:* **11**

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1110 Pool, Spa, & Splash Pumps - Replace

Location: **Pool Equipment Room**

Quantity: **(5) Pumps**

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

Best Cost: **$13,000**
Estimate to replace

Worst Cost: **$15,000**
Higher estimate

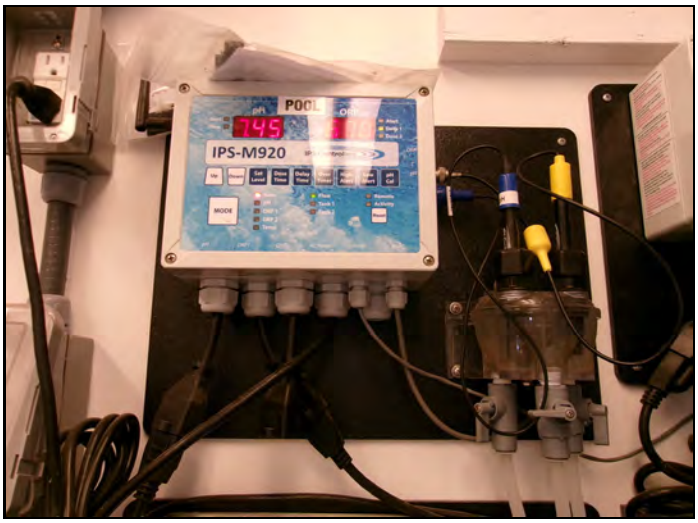
Source of Information: CSL Cost Database

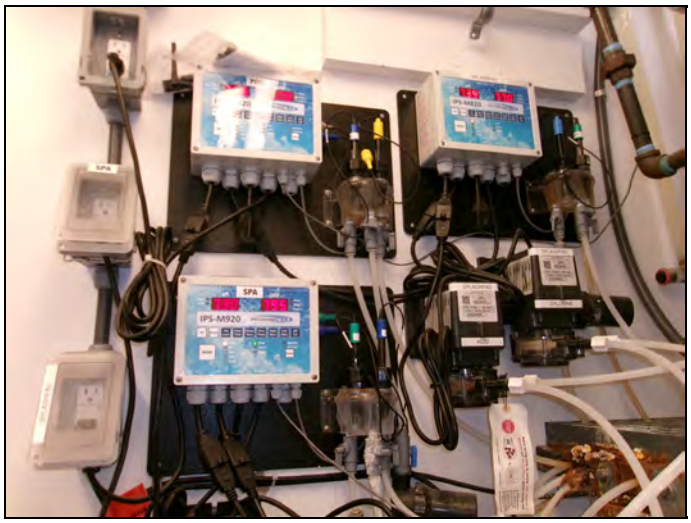
General Notes:

Observations:

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

Comp #: 1111 Chemical Controller Systems - Replace





Location: **Pool Equipment Room**

Quantity: **(3) Systems**

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

Best Cost: **$11,000**
Estimate to replace

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1112 Pool Cover - Replace

Location: **Pool Area**

Quantity: **(1) Cover**

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

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

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

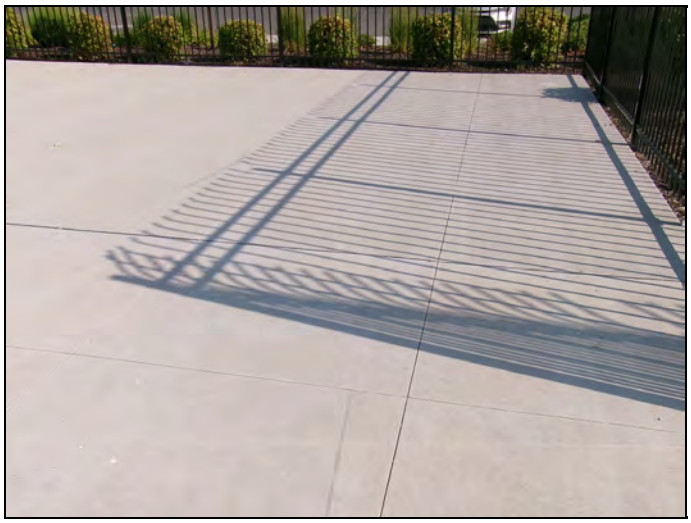
Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1116 Pool & Splash Pad Deck - Replace



Location: **Pool Area**

Quantity: **Approx. 6,000 SF**

Life Expectancy: **50** *Remaining Life:* **46**

Best Cost: **$150,000**
Estimate to replace

Worst Cost: **$180,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1120 Pool ADA Lift - Replace

Location: **Pool Area**

Quantity: **(1) ADA Lift**

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

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

The pool lift appears to be in working condition. We recommend funding to replace this component approximately every 10 - 12 years. Remaining life based on current age.

Comp #: 1121 Pool Furniture - Replace

Location: **Pool Area**

Quantity: **(21) Pieces**

Life Expectancy: **6** *Remaining Life:* **2**

Best Cost: **$3,000**

Allowance to make replacements

Worst Cost: **$4,000**

Higher allowance

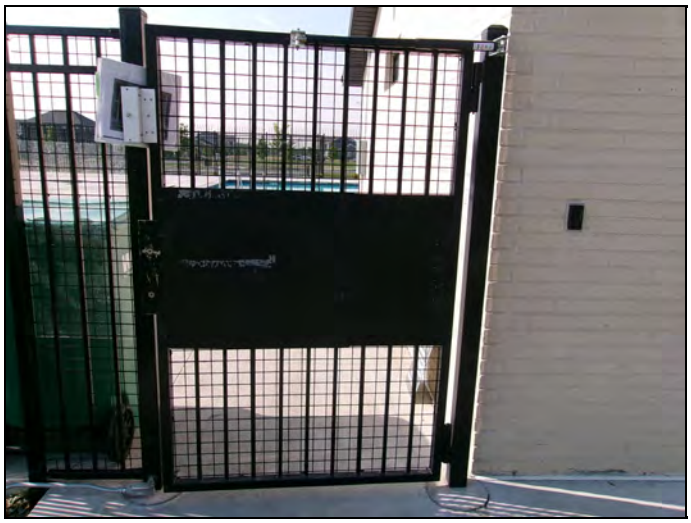
Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1190 Pool Gate - Replace



Location: **Pool Area**

Quantity: **(1) Gate**

Life Expectancy: **30** *Remaining Life:* **26**

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1201 Pickleball Courts - Resurface

Location: **Common Area**

Quantity: **(2) Courts**

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

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1203 Pickleball Courts - Replace

Location: **Common Area**

Quantity: **(2) Courts**

Life Expectancy: **50** *Remaining Life:* **46**

Best Cost: **$60,000**
Estimate to replace

Worst Cost: **$75,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1309 Pergola - Replace

Location: **Pool Area**

Quantity: **(1) Pergola**

Life Expectancy: **30** *Remaining Life:* **26**

Best Cost: **$18,000**
Estimate to replace

Worst Cost: **$22,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1312 Asphalt Trail - Repair/Seal

Location: **Common Area**

Quantity: **Approx. 5,185 SF**

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

Best Cost: **$3,000**
Estimate to repair/seal

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

Source of Information: CSL Cost Database

General Notes:

Observations:

The asphalt trail repair/seal is in poor condition. We recommend funding to repair/seal this component approximately every 6 years. Remaining life based on current condition.

Comp #: 1390 Asphalt Trail - Replace

Location: **Common Area**

Quantity: **Approx. 5,185 SF**

Life Expectancy: **30** *Remaining Life:* **26**

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

Worst Cost: **$26,000**
Higher estimate

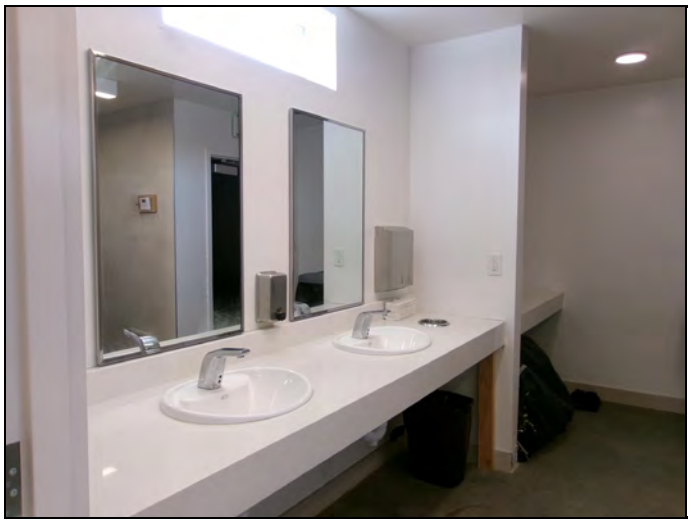
Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1413 Restrooms - Remodel



Location: **Pool Building**

Quantity: **(2) Restrooms**

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

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

Worst Cost: **$24,000**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1602 Exterior Light Fixtures - Replace

Location: **Pool House**

Quantity: **(6) Fixtures**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

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

Comp #: 1812 Landscaping & Irrigation System - Renovate

Location: **Common Area**

Quantity: **Extensive SF**

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

Best Cost: **$40,000**
Allowance to renovate

Worst Cost: **$60,000**
Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The landscaping and irrigation system appear to be 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.

Comp #: 2303 Windows - Replace

Location: **Pool Building**

Quantity: **(2) Windows**

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

Best Cost: **$0**

Worst Cost: **$0**

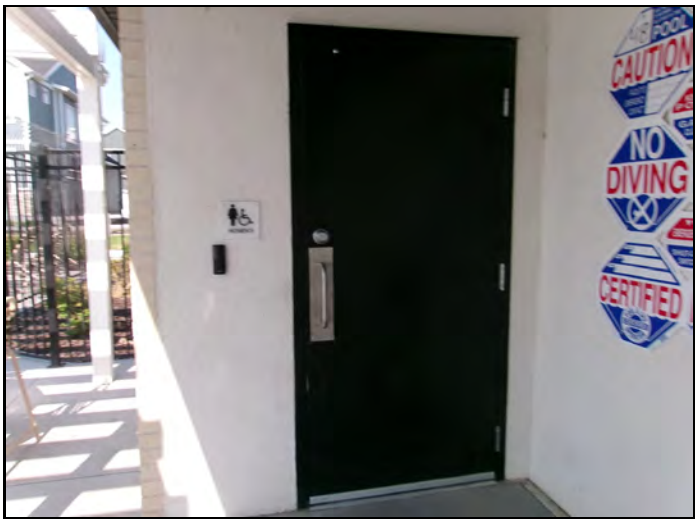
Source of Information:

General Notes:

Observations:

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

Comp #: 2304 Exterior Doors - Replace



Location: **Pool Building**

Quantity: **(3) Doors**

Life Expectancy: **50** *Remaining Life:* **46**

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

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

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.