South Ogden Meadow

Level 1 Reserve Study

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

Client Reference Number	19222
Property Type	Condominium
Number of Units	120
Fiscal Year End	12/31

Type of Study	Full Study
Date of Property Inspection	3/12/2024
Prepared By	Dale Gifford
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on – Wednesday, October 16, 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	**$136,180.92**
Ideal Reserve Balance as of 01/01/2025	**$794,146**
Percent Funded as of 01/01/2025	**17%**
Recommended Reserve Contribution (per month)	**$10,000**
Recommended Special Assessment 2025	**$0**

South Ogden Meadow is a 120-unit Condominium community. The community offers laundry rooms, and landscaped areas as amenities. Construction on the community was completed in 1977.

Currently Programmed Projects
There are multiple projects programmed to occur this fiscal year (FY2025). We have programmed an estimated $193,000 in reserve expenditures toward the completion of these projects. (See page 15)

Significant Reserve Projects
The association's significant reserve projects are interior surfaces repaint (Comp# 216), flat roofs bldgs. 2-4 replace (Comp# 104), stucco surfaces repair/repaint (Comp# 201), and carpeting replace (Comp# 1501). The fiscal significance of these components is approximately 13%, 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 $136,180.92 versus the ideal reserve balance of $794,146 we find the association's reserve fund to be approximately 17% funded. This indicates a weak reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of $10,000 ($83.33/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	120
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	$1,200
Projected Starting Reserve Balance	$136,181
Ideal Starting Reserve Balance	$794,146

Economic Assumptions

Projected Inflation Rate	4.00%
Reported After-Tax Interest Rate	3.50%

Current Reserve Status

Current Balance as a % of Ideal Balance	17%

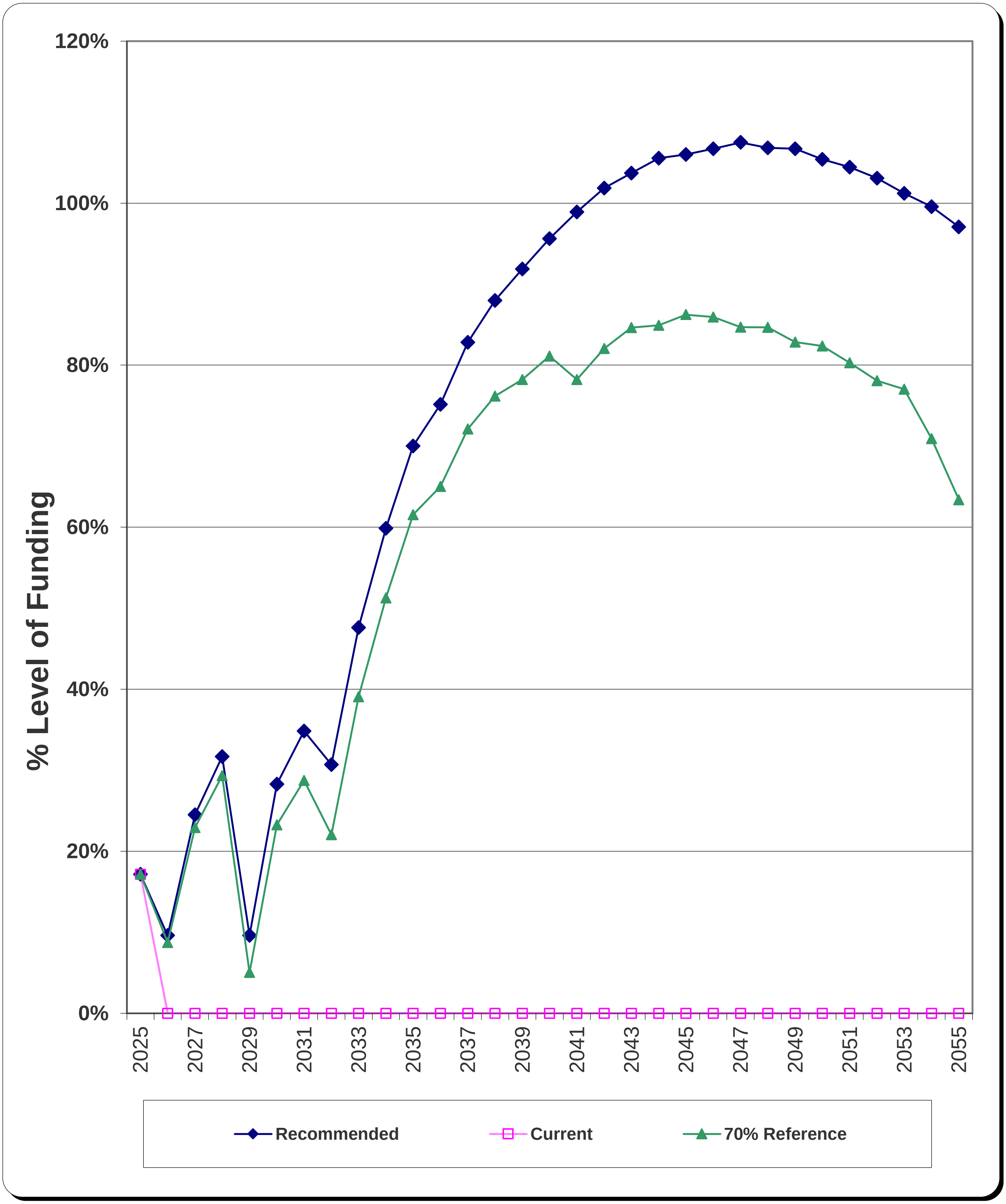
Recommendations

Recommended Monthly Reserve Allocation	$10,000
Per Unit	$83.33
Future Annual Increases	3.00%
For number of years:	11
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	$9,500
Per Unit	$79.17
Future Annual Increases	3.00%
For number of years:	9
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation	$8,800
as Percentage	733%

Percent Funded - Graph



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Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	104	Flat Roof - Bldg 1 - Replace	25	18	$47,000	$60,000
	104	Flat Roofs - Bldgs 2-4 - Replace	25	3	$153,000	$197,000
	105	Mansard Roofs - Replace	25	6	$25,000	$31,000
	120	Rain Gutters/Downspouts - Replace	30	10	$30,000	$36,000
Painted Surfaces	201	Stucco Surfaces - Repair/Repaint	15	6	$95,000	$109,000
	207	Metal Railing - Repaint	6	0	$9,000	$11,000
	208	Stucco Covered Wall - Repair/Repaint	12	0	$4,000	$6,000
	212	Metal Surfaces - Repaint	6	2	$7,000	$10,000
	216	Interior Surfaces - Repaint	10	3	$75,000	$100,000
	223	Carports - Repaint	15	3	$15,000	$18,000
Drive Materials	401	Asphalt - 2024 - Major Rehab	30	29	$157,000	$158,000
	401	Asphalt - 2025 - Major Rehab	30	0	$122,000	$123,000
	402	Asphalt - Seal Coat	5	0	$24,000	$29,000
	403	Concrete - Partial Repair/Replace	10	0	$3,000	$4,000
Decking	604	Balcony Decks - Resurface	N/A		$0	$0
	609	Composite Decking - Replace	30	15	$57,000	$67,000
Mechanical Equip.	702	Boiler System - Replace	20	2	$15,000	$20,000
	703	Water Heaters - Replace	12	2	$30,000	$40,000
Prop. Identification	803	Mailboxes - Replace	20	0	$24,000	$27,000
Life / Safety	903	Security Camera Systems - Replace	12	3	$16,000	$24,000
Fencing	1003	Chain Link Fencing - Replace	40	10	$21,000	$26,000
	1090	Metal Railing - Replace	50	15	$55,000	$69,000
Recreation Equip.	1307	Benches - Repaint/Replace	N/A		$0	$0
	1309	Pavilions - Refurbish	10	3	$4,000	$5,000
Flooring	1501	Carpeting - Replace	10	5	$49,000	$58,000
Light Fixtures	1601	Interior Light Fixtures - Replace	25	12	$27,000	$32,000
	1602	Exterior Light Fixtures - Replace	10	10	$5,000	$6,000
	1604	Pole Light - Replace	N/A		$0	$0
	1609	Street Light Fixtures - Replace	20	3	$2,500	$3,000
Landscaping	1812	Landscaping & Irrigation System - Renov	20	6	$25,000	$30,000
Buildings / Structu	2303	Windows - Replace	50	15	$11,000	$14,000
	2304	Exterior Doors - Repair	50	30	$34,000	$40,000

Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL) As $	As %
104	Flat Roof - Bldg 1 - Replace	25	18	$53,500	$2,140	3.1867%
104	Flat Roofs - Bldgs 2-4 - Replace	25	3	$175,000	$7,000	10.4239%
105	Mansard Roofs - Replace	25	6	$28,000	$1,120	1.6678%
120	Rain Gutters/Downspouts - Replace	30	10	$33,000	$1,100	1.6380%
201	Stucco Surfaces - Repair/Repaint	15	6	$102,000	$6,800	10.1261%
207	Metal Railing - Repaint	6	0	$10,000	$1,667	2.4819%
208	Stucco Covered Wall - Repair/Repaint	12	0	$5,000	$417	0.6205%
212	Metal Surfaces - Repaint	6	2	$8,500	$1,417	2.1096%
216	Interior Surfaces - Repaint	10	3	$87,500	$8,750	13.0299%
223	Carports - Repaint	15	3	$16,500	$1,100	1.6380%
401	Asphalt - 2024 - Major Rehab	30	29	$157,500	$5,250	7.8179%
401	Asphalt - 2025 - Major Rehab	30	0	$122,500	$4,083	6.0806%
402	Asphalt - Seal Coat	5	0	$26,500	$5,300	7.8924%
403	Concrete - Partial Repair/Replace	10	0	$3,500	$350	0.5212%
609	Composite Decking - Replace	30	15	$62,000	$2,067	3.0775%
702	Boiler System - Replace	20	2	$17,500	$875	1.3030%
703	Water Heaters - Replace	12	2	$35,000	$2,917	4.3433%
803	Mailboxes - Replace	20	0	$25,500	$1,275	1.8986%
903	Security Camera Systems - Replace	12	3	$20,000	$1,667	2.4819%
1003	Chain Link Fencing - Replace	40	10	$23,500	$588	0.8749%
1090	Metal Railing - Replace	50	15	$62,000	$1,240	1.8465%
1309	Pavilions - Refurbish	10	3	$4,500	$450	0.6701%
1501	Carpeting - Replace	10	5	$53,500	$5,350	7.9668%
1601	Interior Light Fixtures - Replace	25	12	$29,500	$1,180	1.7572%
1602	Exterior Light Fixtures - Replace	10	10	$5,500	$550	0.8190%
1609	Street Light Fixtures - Replace	20	3	$2,750	$138	0.2048%
1812	Landscaping & Irrigation System - Renc	20	6	$27,500	$1,375	2.0476%
2303	Windows - Replace	50	15	$12,500	$250	0.3723%
2304	Exterior Doors - Repair	50	30	$37,000	$740	1.1020%

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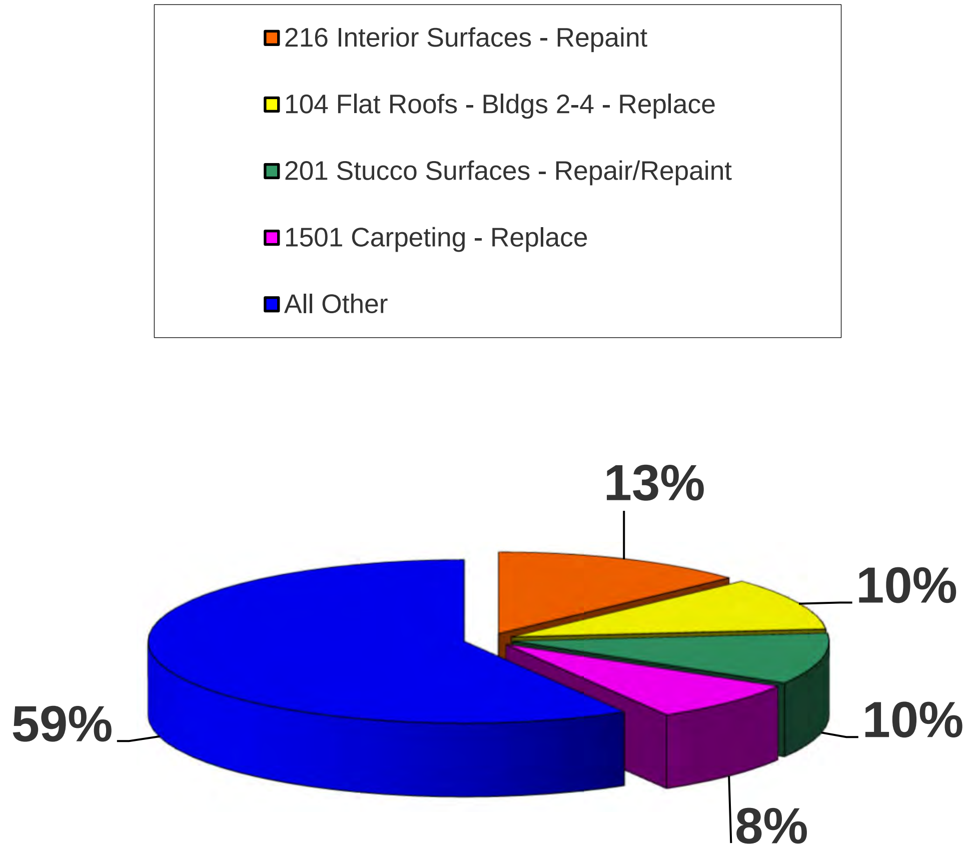
Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL) As $	As %
216	Interior Surfaces - Repaint	10	3	$87,500	$8,750	13%
104	Flat Roofs - Bldgs 2-4 - Replace	25	3	$175,000	$7,000	10%
201	Stucco Surfaces - Repair/Repaint	15	6	$102,000	$6,800	10%
1501	Carpeting - Replace	10	5	$53,500	$5,350	8%
All Other	See Expanded Table For Breakdown				$39,253	58%

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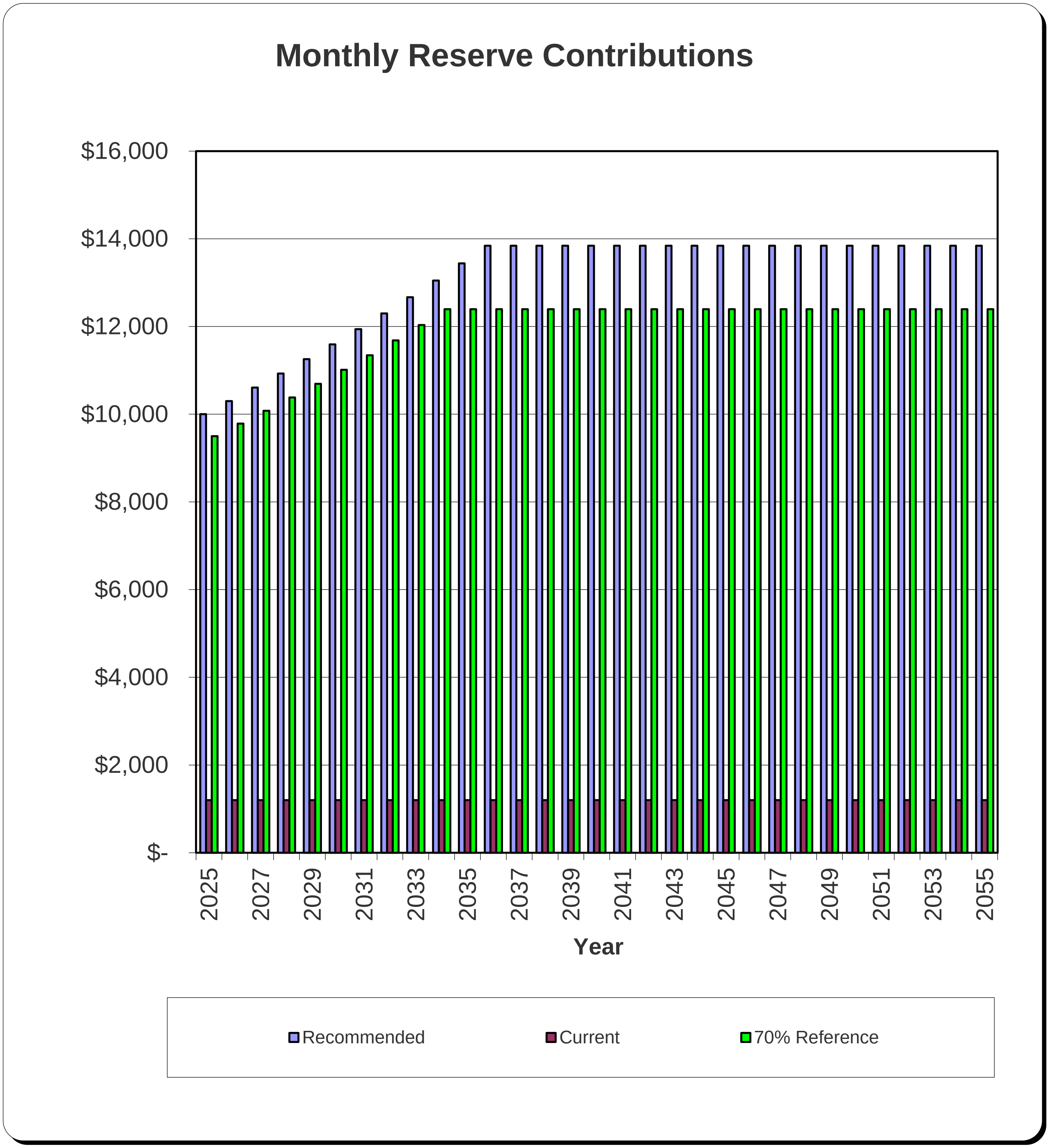
Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2025	$794,146	$136,181	17%	$120,000	$3,545	$193,000	$66,726
2026	$695,031	$66,726	10%	$123,600	$4,571	$0	$194,898
2027	$795,465	$194,898	25%	$127,308	$8,023	$65,978	$264,251
2028	$834,206	$264,251	32%	$131,127	$5,604	$344,490	$56,492
2029	$587,865	$56,492	10%	$135,061	$4,411	$0	$195,965
2030	$693,082	$195,965	28%	$139,113	$7,713	$97,332	$245,458
2031	$704,550	$245,458	35%	$143,286	$7,509	$211,941	$184,313
2032	$600,682	$184,313	31%	$147,585	$9,180	$0	$341,078
2033	$716,614	$341,078	48%	$152,012	$14,628	$11,633	$496,085
2034	$828,760	$496,085	60%	$156,573	$20,429	$0	$673,086
2035	$961,314	$673,086	70%	$161,270	$24,386	$136,182	$722,559
2036	$961,516	$722,559	75%	$166,108	$28,653	$0	$917,321
2037	$1,107,491	$917,321	83%	$166,108	$34,313	$71,246	$1,046,496
2038	$1,189,510	$1,046,496	88%	$166,108	$37,450	$153,187	$1,096,868
2039	$1,194,065	$1,096,868	92%	$166,108	$40,627	$75,328	$1,228,275
2040	$1,284,425	$1,228,275	96%	$166,108	$39,066	$425,923	$1,007,525
2041	$1,018,619	$1,007,525	99%	$166,108	$38,789	$0	$1,212,422
2042	$1,190,172	$1,212,422	102%	$166,108	$46,076	$0	$1,424,606
2043	$1,373,819	$1,424,606	104%	$166,108	$50,741	$162,065	$1,479,389
2044	$1,401,706	$1,479,389	106%	$166,108	$55,571	$0	$1,701,069
2045	$1,604,916	$1,701,069	106%	$166,108	$60,748	$152,283	$1,775,642
2046	$1,663,765	$1,775,642	107%	$166,108	$61,975	$232,434	$1,771,290
2047	$1,647,731	$1,771,290	107%	$166,108	$65,216	$41,474	$1,961,140
2048	$1,836,022	$1,961,140	107%	$166,108	$68,553	$233,532	$1,962,269
2049	$1,838,724	$1,962,269	107%	$166,108	$72,062	$38,450	$2,161,990
2050	$2,051,306	$2,161,990	105%	$166,108	$76,057	$213,267	$2,190,888
2051	$2,097,741	$2,190,888	104%	$166,108	$77,377	$196,845	$2,237,527
2052	$2,170,559	$2,237,527	103%	$166,108	$81,510	$57,667	$2,427,478
2053	$2,398,780	$2,427,478	101%	$166,108	$79,960	$524,773	$2,148,773
2054	$2,158,395	$2,148,773	100%	$166,108	$70,644	$491,188	$1,894,338

Reserve Contributions - Graph



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Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
104	Flat Roof - Bldg 1 - Replace	25	18	Approx. 6,585 SF	$53,500	$14,980	$0	$318.67
104	Flat Roofs - Bldgs 2-4 - Replace	25	3	Approx. 21,800 SF	$175,000	$154,000	$0	$1,042.39
105	Mansard Roofs - Replace	25	6	Approx. 5,250 SF	$28,000	$21,280	$0	$166.78
120	Rain Gutters/Downspouts - Replace	30	10	Approx. 3,270 LF	$33,000	$22,000	$0	$163.80
201	Stucco Surfaces - Repair/Repaint	15	6	Approx. 54,095 SF	$102,000	$61,200	$0	$1,012.61
207	Metal Railing - Repaint	6	0	Approx. 550 LF	$10,000	$10,000	$10,000	$248.19
208	Stucco Covered Wall - Repair/Repaint	12	0	Approx. 220 LF	$5,000	$5,000	$5,000	$62.05
212	Metal Surfaces - Repaint	6	2	Approx. 460 LF	$8,500	$5,667	$0	$210.96
216	Interior Surfaces - Repaint	10	3	Approx. 49,660 SF	$87,500	$61,250	$0	$1,302.99
223	Carports - Repaint	15	3	(7) Carports	$16,500	$13,200	$0	$163.80
401	Asphalt - 2024 - Major Rehab	30	29	Approx. 52,240 SF	$157,500	$5,250	$0	$781.79
401	Asphalt - 2025 - Major Rehab	30	0	Approx. 40,710 SF	$122,500	$122,500	$121,181	$608.06
402	Asphalt - Seal Coat	5	0	Approx. 92,950 SF	$26,500	$26,500	$0	$789.24
403	Concrete - Partial Repair/Replace	10	0	Minimal SF	$3,500	$3,500	$0	$52.12
609	Composite Decking - Replace	30	15	Approx. 1,890 SF	$62,000	$31,000	$0	$307.75
702	Boiler System - Replace	20	2	(1) Building	$17,500	$15,750	$0	$130.30
703	Water Heaters - Replace	12	2	(2) Buildings	$35,000	$29,167	$0	$434.33
803	Mailboxes - Replace	20	0	(12) Clusters	$25,500	$25,500	$0	$189.86
903	Security Camera Systems - Replace	12	3	(4) Systems	$20,000	$15,000	$0	$248.19
1003	Chain Link Fencing - Replace	40	10	Approx. 575 LF	$23,500	$17,625	$0	$87.49
1090	Metal Railing - Replace	50	15	Approx. 550 LF	$62,000	$43,400	$0	$184.65
1309	Pavilions - Refurbish	10	3	(2) Pavilions	$4,500	$3,150	$0	$67.01
1501	Carpeting - Replace	10	5	Approx. 9,645 SF	$53,500	$26,750	$0	$796.68
1601	Interior Light Fixtures - Replace	25	12	(180) Fixtures	$29,500	$15,340	$0	$175.72
1602	Exterior Light Fixtures - Replace	10	10	(27) Fixtures	$5,500	$0	$0	$81.90
1609	Street Light Fixtures - Replace	20	3	(2) Fixtures	$2,750	$2,338	$0	$20.48
1812	Landscaping & Irrigation System - Renovate	20	6	Extensive SF	$27,500	$19,250	$0	$204.76
2303	Windows - Replace	50	15	(6) Windows	$12,500	$8,750	$0	$37.23
2304	Exterior Doors - Repair	50	30	(12) Doors	$37,000	$14,800	$0	$110.20
					$1,247,250	$794,146	$136,181	$10,000

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

Yearly Cash Flow

Year	2025	2026	2027	2028	2029
Starting Balance	$136,181	$66,726	$194,898	$264,251	$56,492
Reserve Income	$120,000	$123,600	$127,308	$131,127	$135,061
Interest Earnings	$3,545	$4,571	$8,023	$5,604	$4,411
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$259,726	$194,898	$330,228	$400,982	$195,965
Reserve Expenditures	$193,000	$0	$65,978	$344,490	$0
Ending Balance	$66,726	$194,898	$264,251	$56,492	$195,965

Year	2030	2031	2032	2033	2034
Starting Balance	$195,965	$245,458	$184,313	$341,078	$496,085
Reserve Income	$139,113	$143,286	$147,585	$152,012	$156,573
Interest Earnings	$7,713	$7,509	$9,180	$14,628	$20,429
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$342,790	$396,254	$341,078	$507,718	$673,086
Reserve Expenditures	$97,332	$211,941	$0	$11,633	$0
Ending Balance	$245,458	$184,313	$341,078	$496,085	$673,086

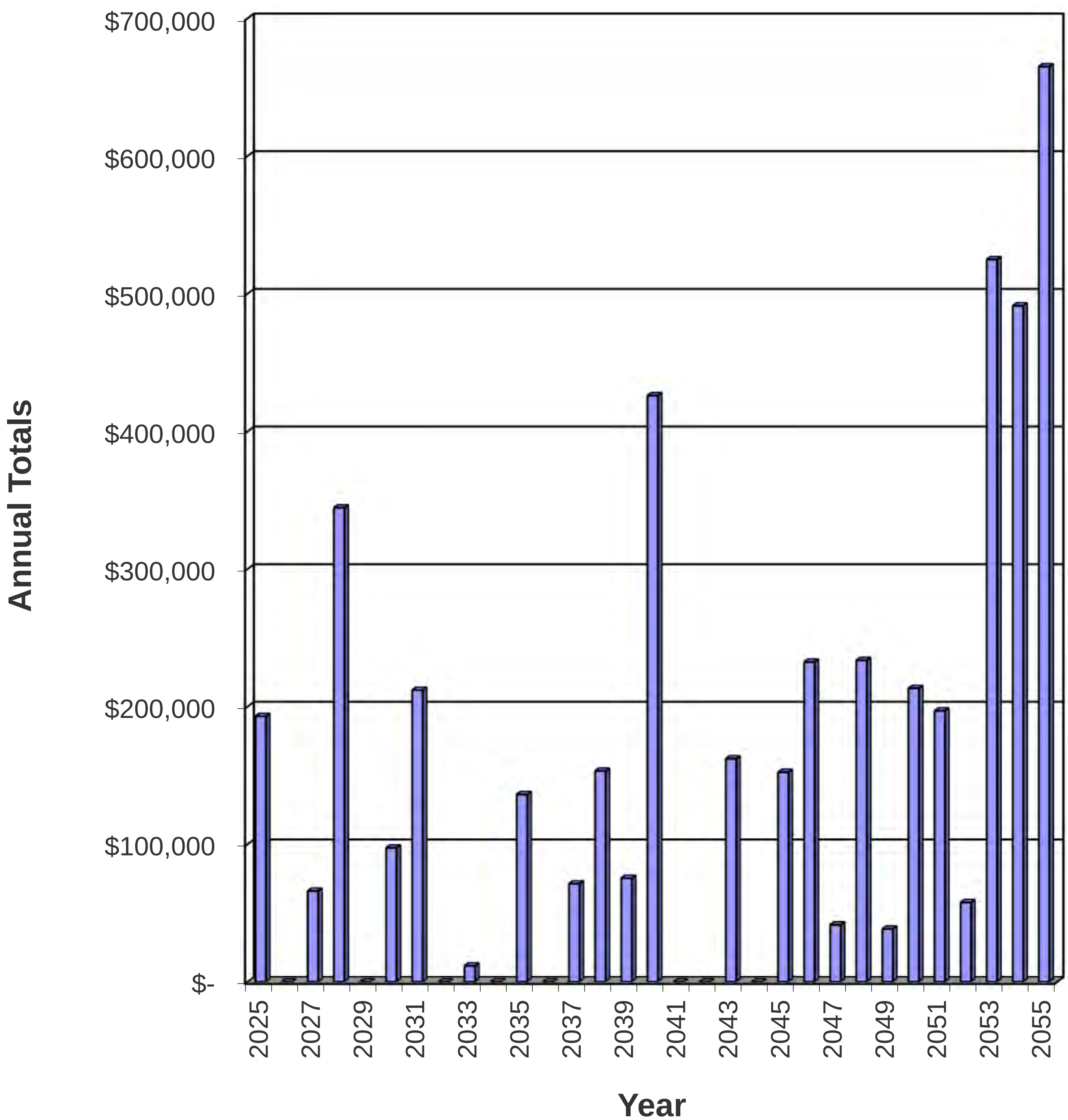
Year	2035	2036	2037	2038	2039
Starting Balance	$673,086	$722,559	$917,321	$1,046,496	$1,096,868
Reserve Income	$161,270	$166,108	$166,108	$166,108	$166,108
Interest Earnings	$24,386	$28,653	$34,313	$37,450	$40,627
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$858,742	$917,321	$1,117,742	$1,250,055	$1,303,603
Reserve Expenditures	$136,182	$0	$71,246	$153,187	$75,328
Ending Balance	$722,559	$917,321	$1,046,496	$1,096,868	$1,228,275

Year	2040	2041	2042	2043	2044
Starting Balance	$1,228,275	$1,007,525	$1,212,422	$1,424,606	$1,479,389
Reserve Income	$166,108	$166,108	$166,108	$166,108	$166,108
Interest Earnings	$39,066	$38,789	$46,076	$50,741	$55,571
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$1,433,448	$1,212,422	$1,424,606	$1,641,455	$1,701,069
Reserve Expenditures	$425,923	$0	$0	$162,065	$0
Ending Balance	$1,007,525	$1,212,422	$1,424,606	$1,479,389	$1,701,069

Year	2045	2046	2047	2048	2049
Starting Balance	$1,701,069	$1,775,642	$1,771,290	$1,961,140	$1,962,269
Reserve Income	$166,108	$166,108	$166,108	$166,108	$166,108
Interest Earnings	$60,748	$61,975	$65,216	$68,553	$72,062
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$1,927,925	$2,003,724	$2,002,614	$2,195,801	$2,200,440
Reserve Expenditures	$152,283	$232,434	$41,474	$233,532	$38,450
Ending Balance	$1,775,642	$1,771,290	$1,961,140	$1,962,269	$2,161,990

Year	2050	2051	2052	2053	2054
Starting Balance	$2,161,990	$2,190,888	$2,237,527	$2,427,478	$2,148,773
Reserve Income	$166,108	$166,108	$166,108	$166,108	$166,108
Interest Earnings	$76,057	$77,377	$81,510	$79,960	$70,644
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$2,404,155	$2,434,373	$2,485,146	$2,673,546	$2,385,525
Reserve Expenditures	$213,267	$196,845	$57,667	$524,773	$491,188
Ending Balance	$2,190,888	$2,237,527	$2,427,478	$2,148,773	$1,894,338

Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2025	207	Metal Railing - Repaint	$10,000	
	208	Stucco Covered Wall - Repair/Repaint	$5,000	
	401	Asphalt - 2025 - Major Rehab	$122,500	
	402	Asphalt - Seal Coat	$26,500	
	403	Concrete - Partial Repair/Replace	$3,500	
	803	Mailboxes - Replace	$25,500	$193,000
2026		No Expenditures Projected		$0
2027	212	Metal Surfaces - Repaint	$9,194	
	702	Boiler System - Replace	$18,928	
	703	Water Heaters - Replace	$37,856	$65,978
2028	104	Flat Roofs - Bldgs 2-4 - Replace	$196,851	
	216	Interior Surfaces - Repaint	$98,426	
	223	Carports - Repaint	$18,560	
	903	Security Camera Systems - Replace	$22,497	
	1309	Pavilions - Refurbish	$5,062	
	1609	Street Light Fixtures - Replace	$3,093	$344,490
2029		No Expenditures Projected		$0
2030	402	Asphalt - Seal Coat	$32,241	
	1501	Carpeting - Replace	$65,091	$97,332
2031	105	Mansard Roofs - Replace	$35,429	
	201	Stucco Surfaces - Repair/Repaint	$129,063	
	207	Metal Railing - Repaint	$12,653	
	1812	Landscaping & Irrigation System - Renovate	$34,796	$211,941
2032		No Expenditures Projected		$0
2033	212	Metal Surfaces - Repaint	$11,633	$11,633
2034		No Expenditures Projected		$0
2035	120	Rain Gutters/Downspouts - Replace	$48,848	
	402	Asphalt - Seal Coat	$39,226	
	403	Concrete - Partial Repair/Replace	$5,181	
	1003	Chain Link Fencing - Replace	$34,786	
	1602	Exterior Light Fixtures - Replace	$8,141	$136,182
2036		No Expenditures Projected		$0
2037	207	Metal Railing - Repaint	$16,010	
	208	Stucco Covered Wall - Repair/Repaint	$8,005	
	1601	Interior Light Fixtures - Replace	$47,230	$71,246
2038	216	Interior Surfaces - Repaint	$145,694	
	1309	Pavilions - Refurbish	$7,493	$153,187
2039	212	Metal Surfaces - Repaint	$14,719	
	703	Water Heaters - Replace	$60,609	$75,328
2040	402	Asphalt - Seal Coat	$47,725	
	609	Composite Decking - Replace	$111,658	
	903	Security Camera Systems - Replace	$36,019	
	1090	Metal Railing - Replace	$111,658	
	1501	Carpeting - Replace	$96,350	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	2303	Windows - Replace	$22,512	$425,923
2041		No Expenditures Projected		$0
2042		No Expenditures Projected		$0
2043	104	Flat Roof - Bldg 1 - Replace	$108,381	
	207	Metal Railing - Repaint	$20,258	
	223	Carports - Repaint	$33,426	$162,065
2044		No Expenditures Projected		$0
2045	212	Metal Surfaces - Repaint	$18,625	
	402	Asphalt - Seal Coat	$58,065	
	403	Concrete - Partial Repair/Replace	$7,669	
	803	Mailboxes - Replace	$55,874	
	1602	Exterior Light Fixtures - Replace	$12,051	$152,283
2046	201	Stucco Surfaces - Repair/Repaint	$232,434	$232,434
2047	702	Boiler System - Replace	$41,474	$41,474
2048	216	Interior Surfaces - Repaint	$215,663	
	1309	Pavilions - Refurbish	$11,091	
	1609	Street Light Fixtures - Replace	$6,778	$233,532
2049	207	Metal Railing - Repaint	$25,633	
	208	Stucco Covered Wall - Repair/Repaint	$12,817	$38,450
2050	402	Asphalt - Seal Coat	$70,645	
	1501	Carpeting - Replace	$142,622	$213,267
2051	212	Metal Surfaces - Repaint	$23,566	
	703	Water Heaters - Replace	$97,036	
	1812	Landscaping & Irrigation System - Renovate	$76,243	$196,845
2052	903	Security Camera Systems - Replace	$57,667	$57,667
2053	104	Flat Roofs - Bldgs 2-4 - Replace	$524,773	$524,773
2054	401	Asphalt - 2024 - Major Rehab	$491,188	$491,188

Component Evaluation

Comp #: 104 Flat Roof - Bldg 1 - Replace

Location: Building Roof

Quantity: Approx. 6,585 SF

Life Expectancy: 25 *Remaining Life:* 18

Best Cost: $47,000

Estimate to replace

Worst Cost: $60,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

Unable to inspect this component at the time of the site visit. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

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Comp #: 104 Flat Roofs - Bldgs 2-4 - Replace

Location: Building Roofs

Quantity: Approx. 21,800 SF

Life Expectancy: 25 *Remaining Life:* 3

Best Cost: $153,000

Estimate to replace

Worst Cost: $197,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

Unable to inspect this component at the time of the site visit. We recommend funding to replace this component approximately every 20 - 25 years. Remaining life based on current age.

Comp #: 105 Mansard Roofs - Replace

Location: Building Roofs

Quantity: Approx. 5,250 SF

Life Expectancy: 25 *Remaining Life:* 6

Best Cost: $25,000

Estimate to replace

Worst Cost: $31,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 120 Rain Gutters/Downspouts - Replace

Location: Building Exterior

Quantity: Approx. 3,270 LF

Life Expectancy: 30 *Remaining Life:* 10

Best Cost: $30,000

Estimate to replace

Worst Cost: $36,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 201 Stucco Surfaces - Repair/Repaint

Location: Building Exteriors

Quantity: Approx. 54,095 SF

Life Expectancy: 15 *Remaining Life:* 6

Best Cost: $95,000

Estimate to repair/repaint

Worst Cost: $109,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 207 Metal Railing - Repaint

Location: Common Area

Quantity: Approx. 550 LF

Life Expectancy: 6 *Remaining Life:* 0

Best Cost: $9,000

Estimate to repaint

Worst Cost: $11,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

DRAFT

Comp #: 208 Stucco Covered Wall - Repair/Repaint

Location: Common Area

Quantity: Approx. 220 LF

Life Expectancy: 12 *Remaining Life:* 0

Best Cost: $4,000
Estimate to repair/repaint

Worst Cost: $6,000
Higher estimate

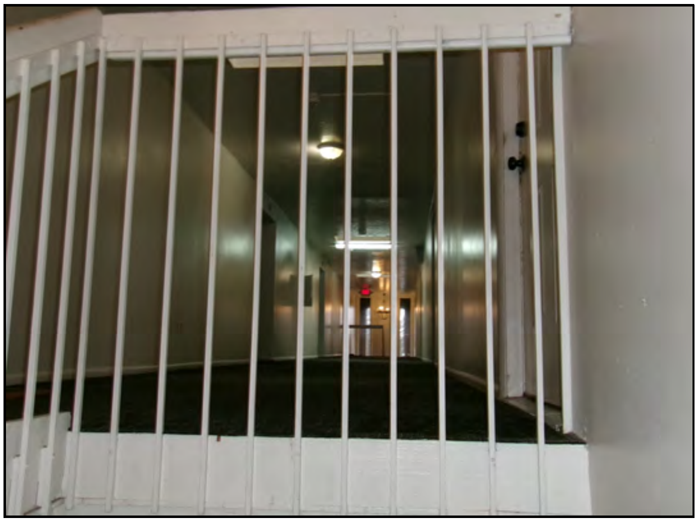
Source of Information: CSL Cost Database

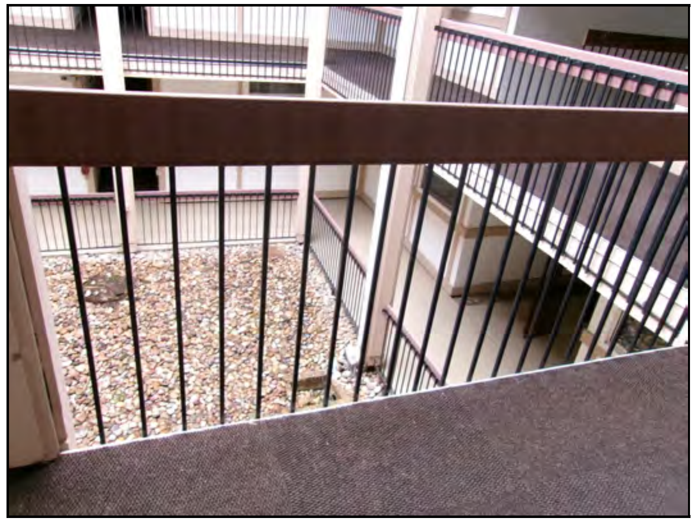
General Notes:

Observations:

The stucco covered wall surfaces are in fair to poor condition. We recommend funding to repair/repaint this component approximately every 10 - 12 years. Remaining life based on current condition

Comp #: 212 Metal Surfaces - Repaint





Location: Building Railing

Quantity: Approx. 460 LF

Life Expectancy: 6 *Remaining Life:* 2

Best Cost: $7,000

Estimate to repaint

Worst Cost: $10,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The painted metal railing surfaces are in fair condition. We recommend funding to paint this component approximately every 6 years. Remaining life based on current condition.

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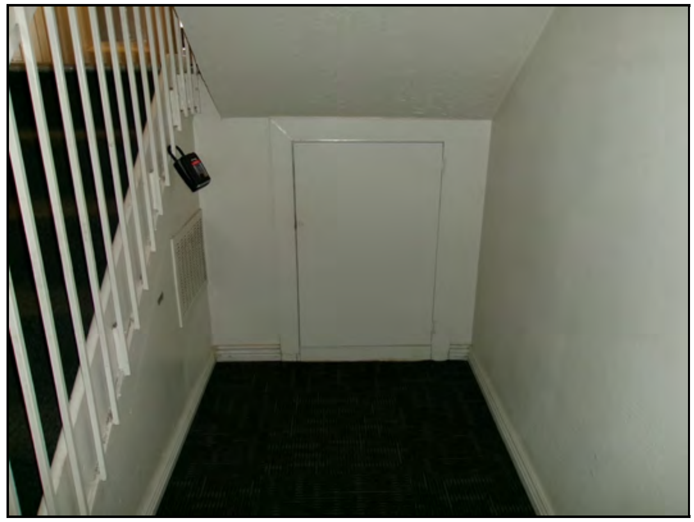
Comp #: 216 Interior Surfaces - Repaint



Location: Building Interiors

Quantity: Approx. 49,660 SF

Life Expectancy: 10 *Remaining Life:* 3

Best Cost: $75,000

Estimate to repaint

Worst Cost: $100,000

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 fair.

Comp #: 223 Carports - Repaint

Location: Common Area

Quantity: (7) Carports

Life Expectancy: 15 *Remaining Life:* 3

Best Cost: $15,000

Estimate to repaint

Worst Cost: $18,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 401 Asphalt - 2024 - Major Rehab

Location: **Community Streets**

Quantity: Approx. 52,240 SF

Life Expectancy: 30 *Remaining Life:* 29

Best Cost: $157,000
Estimate for major rehab

Worst Cost: $158,000
Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals this component is being completed in 2024. We recommend funding for a major rehab of this component approximately every 25 - 30 years. Remaining life based on current age.

DRAFT

Comp #: 401 Asphalt - 2025 - Major Rehab

Location: Community Streets

Quantity: Approx. 40,710 SF

Life Expectancy: 30 *Remaining Life:* 0

Best Cost: $122,000

Estimate for major rehab

Worst Cost: $123,000

Higher estimate

Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals this component is being completed in 2025. 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. 92,950 SF

Life Expectancy: 5 *Remaining Life:* 0

Best Cost: $24,000

Estimate for seal coat

Worst Cost: $29,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

Research with the client reveals this component will be replaced in 2024-2025. We recommend funding to seal this component approximately every 3 - 5 years. Remaining life based on current age.

Comp #: 403 Concrete - Partial Repair/Replace

Location: Common Area

Quantity: Minimal SF

Life Expectancy: 10 *Remaining Life:* 0

Best Cost: $3,000

Allowance to repair/replace

Worst Cost: $4,000

Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The concrete is generally in good to 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 condition.

Comp #: 604 Balcony Decks - Resurface

Location: Building Exterior

Quantity: Approx. 2,960 SF

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.

DRAFT

Comp #: 609 Composite Decking - Replace

Location: Buildings 3, & 4

Quantity: Approx. 1,890 SF

Life Expectancy: 30 *Remaining Life:* 15

Best Cost: $57,000

Estimate to replace

Worst Cost: $67,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 702 Boiler System - Replace

Location: Building 2

Quantity: (1) Building

Life Expectancy: 20 *Remaining Life:* 2

Best Cost: $15,000

Estimate to replace

Worst Cost: $20,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 703 Water Heaters - Replace

Location: Buildings 3, & 4

Quantity: (2) Buildings

Life Expectancy: 12 *Remaining Life:* 2

Best Cost: $30,000

Estimate to replace

Worst Cost: $40,000

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 803 Mailboxes - Replace

Location: Common Area

Quantity: (12) Clusters

Life Expectancy: 20 *Remaining Life:* 0

Best Cost: $24,000

Estimate to replace

Worst Cost: $27,000

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 903 Security Camera Systems - Replace

Location: Building Exterior

Quantity: (4) Systems

Life Expectancy: 12 *Remaining Life:* 3

Best Cost: $16,000

Estimate to replace

Worst Cost: $24,000

Higher estimate

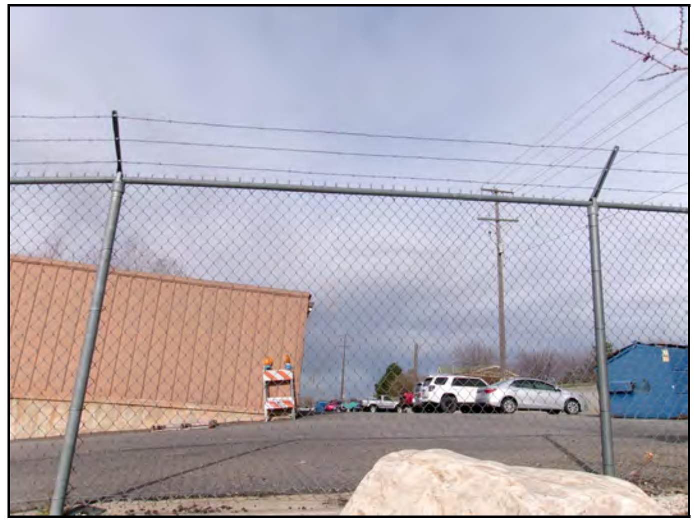
Source of Information: CSL Cost Database

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 #: 1003 Chain Link Fencing - Replace



Location: Community Perimeter

Quantity: Approx. 575 LF

Life Expectancy: 40 *Remaining Life:* 10

Best Cost: $21,000

Estimate to replace

Worst Cost: $26,000

Higher estimate

Source of Information: CSL Cost Database

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 and condition.

General Notes:

Comp #: 1090 Metal Railing - Replace

Location: Common Area

Quantity: Approx. 550 LF

Life Expectancy: 50 *Remaining Life:* 15

Best Cost: $55,000

Estimate to replace

Worst Cost: $69,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1307 Benches - Repaint/Replace

Location: Common Area

Quantity: (6) Benches

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 #: 1309 Pavilions - Refurbish

Location: Common Area

Quantity: (2) Pavilions

Life Expectancy: 10 *Remaining Life:* 3

Best Cost: $4,000

Allowance to refurbish

Worst Cost: $5,000

Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

The pavilions are generally in fair condition. We recommend funding an allowance to refurbish this component approximately every 8 - 10 years. Remaining life based on current age and condition.

Comp #: 1501 Carpeting - Replace

Location: Building Hallways

Quantity: Approx. 9,645 SF

Life Expectancy: 10 *Remaining Life:* 5

Best Cost: $49,000

Estimate to replace

Worst Cost: $58,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The carpeting is in good to 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: Building Hallways

Quantity: (180) Fixtures

Life Expectancy: 25 *Remaining Life:* 12

Best Cost: $27,000

Estimate to replace

Worst Cost: $32,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1602 Exterior Light Fixtures - Replace

Location: Building Exteriors

Quantity: (27) Fixtures

Life Expectancy: 10 *Remaining Life:* 10

Best Cost: $5,000

Estimate to replace

Worst Cost: $6,000

Higher estimate

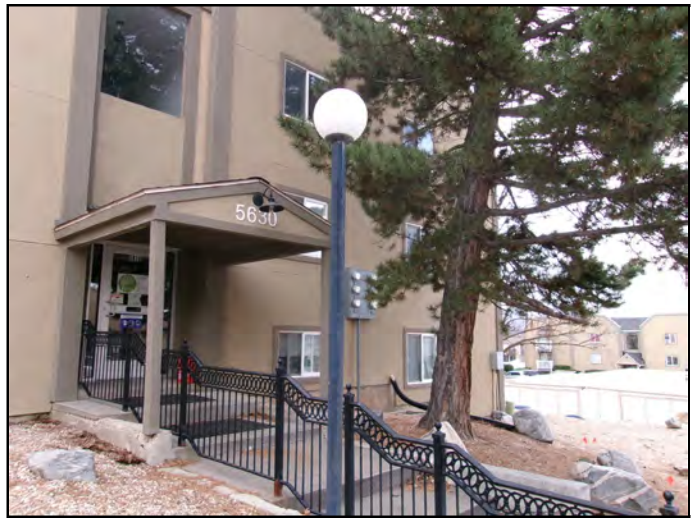
Source of Information: CSL Cost Database

General Notes:

Observations:

The exterior light fixtures are in fair condition. We recommend funding to replace this component approximately every 16 - 20 years. Remaining life based on current condition.

Comp #: 1604 Pole Light - Replace



Location: Common Area

Quantity: (1) Pole Light

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 #: 1609 Street Light Fixtures - Replace

Location: Community Streets

Quantity: (2) Fixtures

Life Expectancy: 20 *Remaining Life:* 3

Best Cost: $2,500

Estimate to replace

Worst Cost: $3,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The street light fixtures are in fair condition. No expectation to replace the light poles. Paint poles as necessary as an operating expense. We recommend funding to replace this component approximately every 20 years. Remaining life based on current condition.

DRAFT

Comp #: 1812 Landscaping & Irrigation System - Renovate

Location: Common Area

Quantity: Extensive SF

Life Expectancy: 20 *Remaining Life:* 6

Best Cost: $25,000

Allowance to renovate

Worst Cost: $30,000

Higher allowance

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 2303 Windows - Replace

Location: Building Common Areas

Quantity: (6) Windows

Life Expectancy: 50 *Remaining Life:* 15

Best Cost: $11,000

Estimate to replace

Worst Cost: $14,000

Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The windows appear to be in fair condition. We recommend funding to replace this component approximately every 40 - 50 years. Remaining life based on current age and condition.

Comp #: 2304 Exterior Doors - Repair

Location: Building Common Areas

Quantity: (12) Doors

Life Expectancy: 50 *Remaining Life:* 30

Best Cost: $34,000
Estimate to replace

Worst Cost: $40,000
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.