Sandalwood Cove HOA

Level 2 Reserve Study

Report Period – 01/01/2018 – 12/31/2018

Client Reference Number	14020
Property Type	Townhouse
Number of Units	68
Fiscal Year End	05/31

Type of Study	Update w/Site Visit
Date of Property Inspection	6/7/2017
Prepared By	Dale Gifford
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on – Thursday, June 29, 2017

COMPLEX SOLUTIONS, LTD.

TEL: (888) 356-3783 | Fax: (866) 279-9662
WWW.COMPLEXSOLUTIONSLTD.COM

DRAFT

Table of Contents

Introduction

Reserve Analysis

Component Evaluation

Glossary of Commonly used Words and Phrases

Executive Summary – Sandalwood Cove HOA - ID # 14020

Information to complete this Reserve Study was gathered by performing an on-site inspection of the common area elements. In addition, we also obtained information by contacting any vendors and/or contractors that have worked on the property recently, as well as communicating with the property representative (BOD Member and/or Community Manager). To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate insofar as the information obtained from these sources.

Projected Starting Balance as of 01/01/2018	**$79,239**
Ideal Reserve Balance as of 01/01/2018	**$357,471**
Percent Funded as of 01/01/2018	**22%**
Recommended Reserve Contribution (per month)	**$4,060**
Minimum Reserve Contribution (per month)	**$3,525**
Recommended Special Assessment	**$0**

Sandalwood Cove HOA is a 68-unit Townhome community. The community offers landscaped areas as amenities. Construction on the community was completed in 2014.

Currently Programmed Projects
Projects programmed to occur this fiscal year (FY2018) include doors 2002-2011 repaint (Comp# 204), and metal railing repaint (Comp# 207). We have programmed an estimated $16,800 in reserve expenditures toward the completion of these projects. (See page 15)

Significant Reserve Projects
The association's significant reserve projects are roofs 2002-06 replace (Comp# 105), roofs 2007-11 replace (Comp# 105), roofs 2012-14 replace (Comp# 105), and asphalt seal coat and crack seal (Comp# 402). The fiscal significance of these components is approximately 17%, 13%, 9%, and 9% 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 $79,239 versus the ideal reserve balance of $357,471 we find the association's reserve fund to be approximately 22% 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 $4,060 ($59.71/unit) per month. We have also included a minimum reserve contribution of $3,525 ($51.84/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

Introduction

Reserve Study Purpose
The purpose of this Reserve Study is to provide the Association with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. The detailed schedules will serve as an advance warning that major projects will need to be addressed in the future. This will allow the Association to have ample time to obtain competitive bids for each project. It will also help to ensure the physical well-being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to special assessments.

Preparer's Credentials
Mr. Gifford has been working in the community association industry for the last 14 years. Prior to taking a position, as the Regional Project Manager covering the Utah region, at Complex Solutions, he worked in community association management in Utah. While in community association management his positions included, Maintenance Supervisor, Senior Portfolio Manager and Vice President of Community Management. His work in community association management gave him extensive experience with; budget creation, reserves and reserve budgeting, community inspections and analyzing common area components.

- Professional Reserve Analyst (PRA) designation from Association of Professional Reserve Analysts (APRA), PRA #2320
- Reserve Specialist (RS) designation from Community Associations Institute (CAI), RS# 231
- Personally has prepared over 1,100 reserve studies in Salt Lake City Utah and surrounding areas
- Bachelor of Science in Chemistry from Emporia State University
- Certified Manager of Community Associations® (CMCA®) designation from the National Board of Certification for Community Association Managers (NBC-CAM)
- Association Management Specialist® (AMS®) designation from Community Associations Institute (CAI)
- Professional Community Association Manager® (PCAM®) designation from Community Associations Institute (CAI), PCAM# 1740,
- Active member and former Board member and chapter President of the Utah Chapter of Community Associations Institute (UCCAI)
- Recipient of Community Associations Institute's (CAI) annual award of Excellence in Chapter Leadership for service an achievement in 2010

Budget Breakdown
Every association conducts their business within a budget. There are typically two main parts to this budget, the Operating budget and the Reserve budget. The operating budget includes all expenses that occur on an annual basis as well as general maintenance and repairs. Typical operating budget line items include management fees, maintenance expenses, utilities, etc. The reserve budget is primarily made up of replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

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

General Information and Frequently Asked Questions

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

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

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

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

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

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

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

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

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

Measures of reserve fund financial strength are as follows:

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

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

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

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

Disclosures:

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

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

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

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

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

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

Update Reserve Studies:

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

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

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

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

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

Funding Summary

Beginning Assumptions

# of units	68
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	$1,924
Projected Starting Reserve Balance	$79,239
Ideal Starting Reserve Balance	$357,471

Economic Assumptions

Projected Inflation Rate	2.20%
Reported After-Tax Interest Rate	0.10%

Current Reserve Status

Current Balance as a % of Ideal Balance	22%

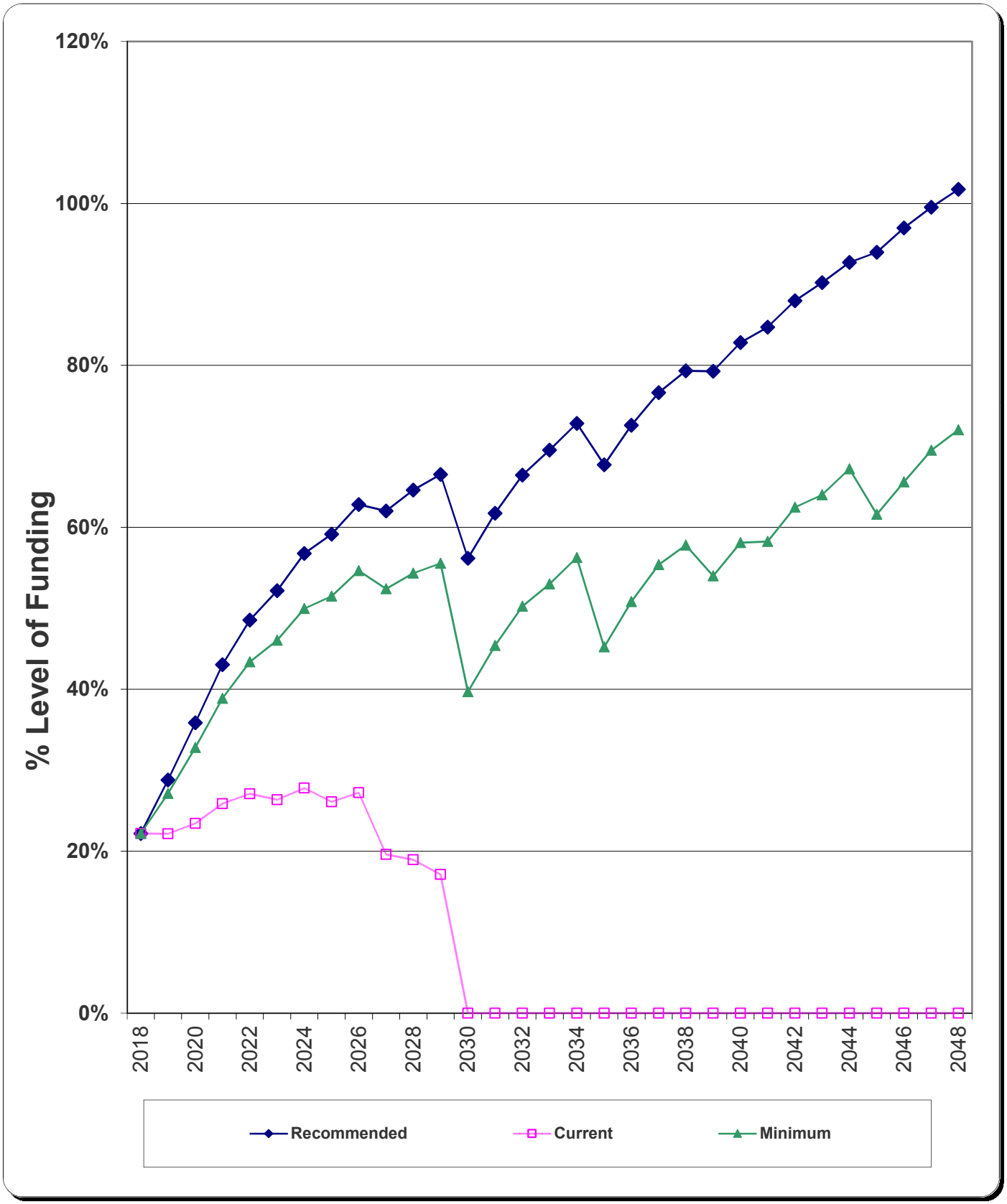
Recommendations

Recommended Monthly Reserve Allocation	$4,060
Per Unit	$59.71
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
Minimum Recommended Monthly Reserve Allocation	$3,525
Per Unit	$51.84
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation	$2,136
as Percentage	111%
Minimum Recommended Increase to Reserve Allocation	$1,601
as Percentage	83%

Percent Funded - Graph



DRAFT

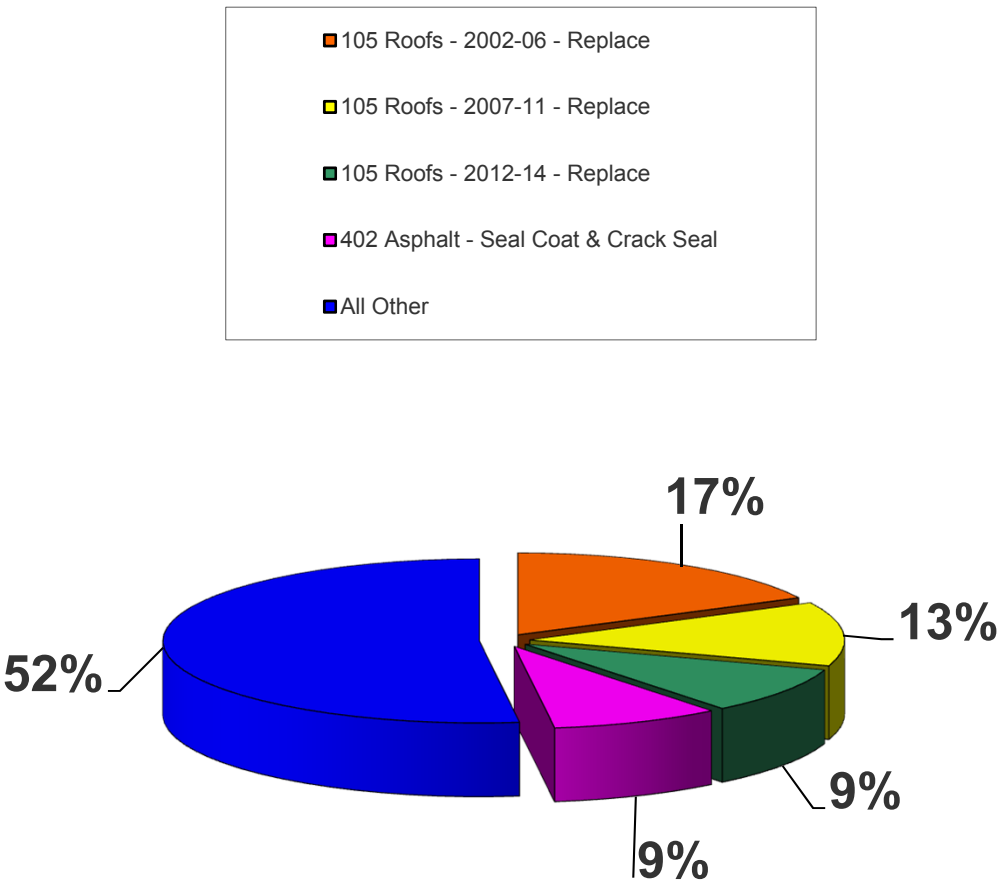
Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Roofs - 2002-06 - Replace	25	11	$153,580	$175,520
	105	Roofs - 2007-11 - Replace	25	16	$110,425	$126,200
	105	Roofs - 2012-14 - Replace	25	20	$80,815	$92,360
	120	Rain Gutters/Downspouts - 2002-06 - Re	25	11	$21,918	$25,903
	120	Rain Gutters/Downspouts - 2007-11 - Re	25	16	$13,695	$16,185
	120	Rain Gutters/Downspouts - 2012-14 - Re	25	20	$7,853	$9,598
Painted Surfaces	201	Stucco Surfaces - 2002-06 - Repair/Repa	15	1	$7,525	$10,535
	201	Stucco Surfaces - 2007-11 - Repair/Repa	15	6	$5,425	$7,595
	201	Stucco Surfaces - 2012-14 - Repair/Repa	15	10	$3,900	$5,460
	204	Doors - 2002-2011 - Repaint	8	0	$11,850	$19,750
	204	Doors - 2012-2014 - Repaint	8	3	$3,450	$5,750
	207	Metal Railing - Repaint	6	0	$800	$1,200
Siding Materials	302	Vinyl Siding - 2002-06 - Replace	40	26	$100,640	$150,960
	302	Vinyl Siding - 2007-11 - Replace	40	31	$73,120	$109,680
	302	Vinyl Siding - 2012-14 - Replace	40	35	$51,600	$77,400
Drive Materials	401	Asphalt - Overlay	25	8	$44,775	$59,700
	402	Asphalt - Seal Coat & Crack Seal	5	4	$15,250	$17,250
	403	Concrete - Repair/Replace	10	6	$2,500	$3,500
Prop. Identification	803	Mailboxes - Replace	N/A		$0	$0
Fencing	1008	Vinyl Fencing - Replace	30	22	$46,900	$56,950
	1090	Metal Railing - Replace	40	27	$2,975	$3,825
Light Fixtures	1602	Exterior Light Fixtures - 2002-06 - Replac	20	6	$8,925	$14,875
	1602	Exterior Light Fixtures - 2007-11 - Replac	20	11	$6,450	$10,750
	1602	Exterior Light Fixtures - 2012-14 - Replac	20	15	$4,650	$7,750
Landscaping	1812	Landscaping & Irrigation System - Renov	20	10	$15,000	$25,000

Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
105	Roofs - 2002-06 - Replace	25	11	$164,550	$6,582	17.5153%
105	Roofs - 2007-11 - Replace	25	16	$118,313	$4,733	12.5936%
105	Roofs - 2012-14 - Replace	25	20	$86,588	$3,464	9.2167%
120	Rain Gutters/Downspouts - 2002-06 - R	25	11	$23,910	$956	2.5451%
120	Rain Gutters/Downspouts - 2007-11 - R	25	16	$14,940	$598	1.5903%
120	Rain Gutters/Downspouts - 2012-14 - R	25	20	$8,725	$349	0.9287%
201	Stucco Surfaces - 2002-06 - Repair/Rep	15	1	$9,030	$602	1.6020%
201	Stucco Surfaces - 2007-11 - Repair/Rep	15	6	$6,510	$434	1.1549%
201	Stucco Surfaces - 2012-14 - Repair/Rep	15	10	$4,680	$312	0.8303%
204	Doors - 2002-2011 - Repaint	8	0	$15,800	$1,975	5.2557%
204	Doors - 2012-2014 - Repaint	8	3	$4,600	$575	1.5301%
207	Metal Railing - Repaint	6	0	$1,000	$167	0.4435%
302	Vinyl Siding - 2002-06 - Replace	40	26	$125,800	$3,145	8.3691%
302	Vinyl Siding - 2007-11 - Replace	40	31	$91,400	$2,285	6.0806%
302	Vinyl Siding - 2012-14 - Replace	40	35	$64,500	$1,613	4.2910%
401	Asphalt - Overlay	25	8	$52,238	$2,090	5.5604%
402	Asphalt - Seal Coat & Crack Seal	5	4	$16,250	$3,250	8.6486%
403	Concrete - Repair/Replace	10	6	$3,000	$300	0.7983%
1008	Vinyl Fencing - Replace	30	22	$51,925	$1,731	4.6059%
1090	Metal Railing - Replace	40	27	$3,400	$85	0.2262%
1602	Exterior Light Fixtures - 2002-06 - Repla	20	6	$11,900	$595	1.5834%
1602	Exterior Light Fixtures - 2007-11 - Repla	20	11	$8,600	$430	1.1443%
1602	Exterior Light Fixtures - 2012-14 - Repla	20	15	$6,200	$310	0.8249%
1812	Landscaping & Irrigation System - Renc	20	10	$20,000	$1,000	2.6611%

Significant Components - Graph



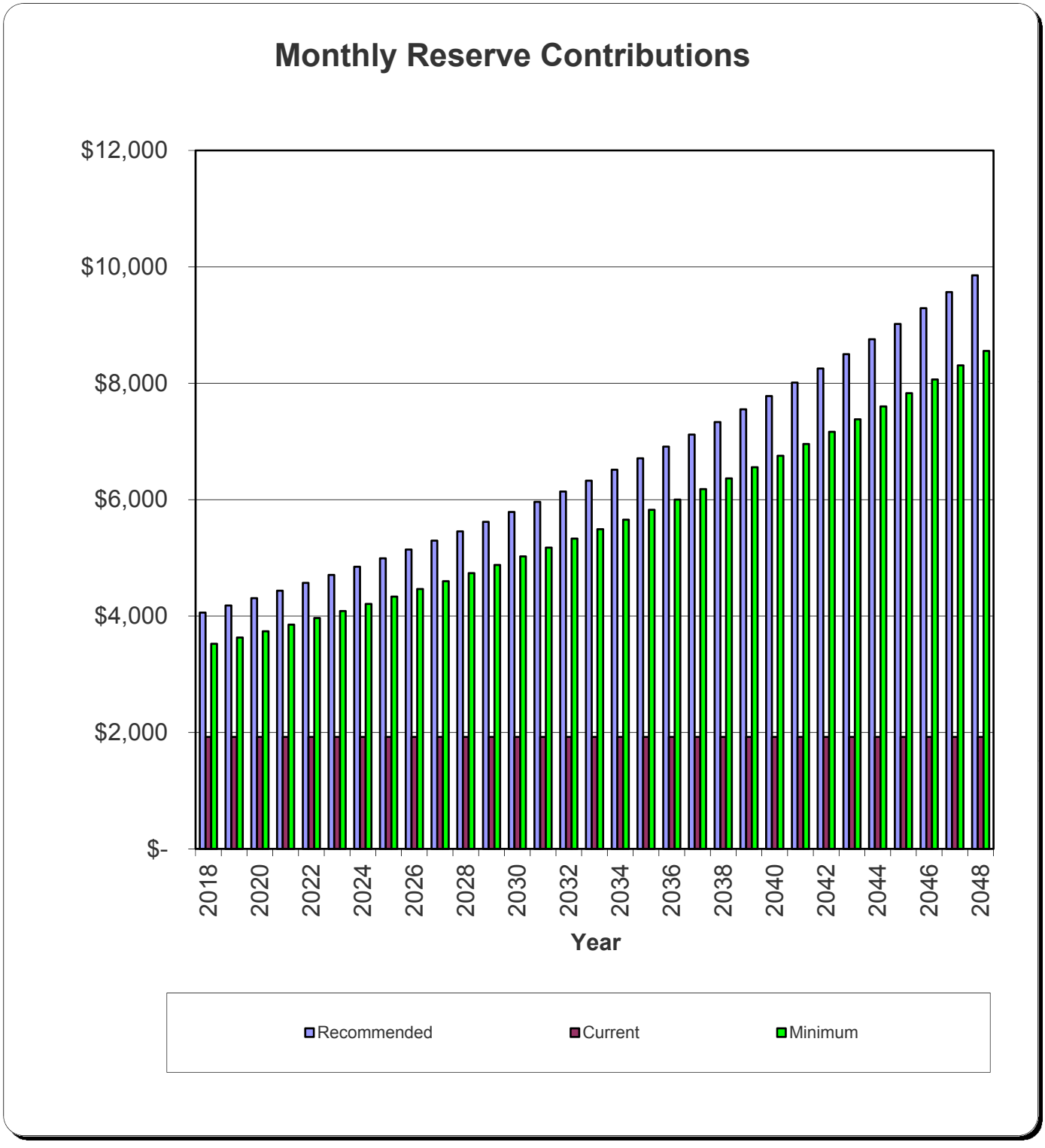
ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As $	As %
105	Roofs - 2002-06 - Replace	25	11	$164,550	$6,582	17%
105	Roofs - 2007-11 - Replace	25	16	$118,313	$4,733	13%
105	Roofs - 2012-14 - Replace	25	20	$86,588	$3,464	9%
402	Asphalt - Seal Coat & Crack Seal	5	4	$16,250	$3,250	9%
All Other	See Expanded Table For Breakdown				$19,551	52%

DRAFT

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2018	$357,471	$79,239	22%	$48,720	$95	$16,800	$111,254
2019	$386,571	$111,254	29%	$50,182	$132	$9,229	$152,339
2020	$424,894	$152,339	36%	$51,687	$178	$0	$204,204
2021	$474,355	$204,204	43%	$53,238	$228	$4,910	$252,760
2022	$520,769	$252,760	49%	$54,835	$271	$17,728	$290,138
2023	$556,006	$290,138	52%	$56,480	$319	$0	$346,937
2024	$611,058	$346,937	57%	$58,174	$363	$25,536	$379,939
2025	$642,165	$379,939	59%	$59,919	$410	$0	$440,268
2026	$701,017	$440,268	63%	$61,717	$431	$80,976	$421,440
2027	$679,391	$421,440	62%	$63,569	$444	$19,766	$465,687
2028	$720,851	$465,687	65%	$65,476	$483	$30,680	$500,966
2029	$753,097	$500,966	67%	$67,440	$407	$256,200	$312,612
2030	$556,621	$312,612	56%	$69,463	$347	$1,298	$381,124
2031	$617,405	$381,124	62%	$71,547	$417	$0	$453,088
2032	$681,951	$453,088	66%	$73,693	$479	$22,038	$505,223
2033	$726,515	$505,223	70%	$75,904	$539	$8,593	$573,073
2034	$786,945	$573,073	73%	$78,181	$498	$228,172	$423,580
2035	$625,467	$423,580	68%	$80,527	$464	$0	$504,571
2036	$694,825	$504,571	73%	$82,943	$546	$1,480	$586,579
2037	$765,420	$586,579	77%	$85,431	$614	$31,526	$641,098
2038	$808,110	$641,098	79%	$87,994	$612	$147,288	$582,415
2039	$734,708	$582,415	79%	$90,634	$623	$10,281	$663,390
2040	$801,018	$663,390	83%	$93,353	$668	$83,810	$673,601
2041	$794,975	$673,601	85%	$96,153	$722	$0	$770,476
2042	$875,816	$770,476	88%	$99,038	$792	$55,718	$814,589
2043	$902,887	$814,589	90%	$102,009	$862	$8,063	$909,396
2044	$980,680	$909,396	93%	$105,069	$838	$247,752	$767,552
2045	$816,678	$767,552	94%	$108,221	$815	$14,397	$862,191
2046	$889,045	$862,191	97%	$111,468	$918	$0	$974,577
2047	$979,238	$974,577	100%	$114,812	$1,017	$30,544	$1,059,862

Reserve Contributions - Graph



DRAFT

Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Roofs - 2002-06 - Replace	25	11	Approx 43,880 Sq.ft.	$164,550	$92,148	$0	$711.12
105	Roofs - 2007-11 - Replace	25	16	Approx 31,550 Sq.ft.	$118,313	$42,593	$0	$511.30
105	Roofs - 2012-14 - Replace	25	20	Approx 23,090 Sq.ft.	$86,588	$17,318	$0	$374.20
120	Rain Gutters/Downspouts - 2002-06 - Replac	25	11	Approx 3,985 Linear ft.	$23,910	$13,390	$0	$103.33
120	Rain Gutters/Downspouts - 2007-11 - Replac	25	16	Approx 2,490 Linear ft.	$14,940	$5,378	$0	$64.57
120	Rain Gutters/Downspouts - 2012-14 - Replac	25	20	Approx 1,745 Linear ft.	$8,725	$1,745	$0	$37.71
201	Stucco Surfaces - 2002-06 - Repair/Repaint	15	1	Approx 6,020 Sq.ft.	$9,030	$8,428	$8,428	$65.04
201	Stucco Surfaces - 2007-11 - Repair/Repaint	15	6	Approx 4,340 Sq.ft.	$6,510	$3,906	$3,906	$46.89
201	Stucco Surfaces - 2012-14 - Repair/Repaint	15	10	Approx 3,120 Sq.ft.	$4,680	$1,560	$0	$33.71
204	Doors - 2002-2011 - Repaint	8	0	(158) Doors	$15,800	$15,800	$15,800	$213.38
204	Doors - 2012-2014 - Repaint	8	3	(46) Doors	$4,600	$2,875	$2,875	$62.12
207	Metal Railing - Repaint	6	0	Approx 85 Linear ft.	$1,000	$1,000	$1,000	$18.01
302	Vinyl Siding - 2002-06 - Replace	40	26	Approx 25,160 Sq.ft.	$125,800	$44,030	$0	$339.79
302	Vinyl Siding - 2007-11 - Replace	40	31	Approx 18,280 Sq.ft.	$91,400	$20,565	$0	$246.87
302	Vinyl Siding - 2012-14 - Replace	40	35	Approx 12,900 Sq.ft.	$64,500	$8,063	$0	$174.22
401	Asphalt - Overlay	25	8	Approx 29,850 Sq.ft.	$52,238	$35,522	$34,450	$225.75
402	Asphalt - Seal Coat & Crack Seal	5	4	Approx 80,500 Sq.ft.	$16,250	$3,250	$3,250	$351.13
403	Concrete - Repair/Replace	10	6	Extensive Sq.ft.	$3,000	$1,200	$1,200	$32.41
1008	Vinyl Fencing - Replace	30	22	Approx 1,675 Linear ft.	$51,925	$13,847	$0	$187.00
1090	Metal Railing - Replace	40	27	Approx 85 Linear ft.	$3,400	$1,105	$0	$9.18
1602	Exterior Light Fixtures - 2002-06 - Replace	20	6	(119) Fixtures	$11,900	$8,330	$8,330	$64.28
1602	Exterior Light Fixtures - 2007-11 - Replace	20	11	(86) Fixtures	$8,600	$3,870	$0	$46.46
1602	Exterior Light Fixtures - 2012-14 - Replace	20	15	(62) Fixtures	$6,200	$1,550	$0	$33.49
1812	Landscaping & Irrigation System - Renovate	20	10	Extensive Sq.ft.	$20,000	$10,000	$0	$108.04
					$913,858	$357,471	$79,239	$4,060

Current Fund Balance as a percentage of Ideal Balance: 22%

Yearly Cash Flow

Year	2018	2019	2020	2021	2022
Starting Balance	$79,239	$111,254	$152,339	$204,204	$252,760
Reserve Income	$48,720	$50,182	$51,687	$53,238	$54,835
Interest Earnings	$95	$132	$178	$228	$271
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$128,054	$161,568	$204,204	$257,670	$307,866
Reserve Expenditures	$16,800	$9,229	$0	$4,910	$17,728
Ending Balance	$111,254	$152,339	$204,204	$252,760	$290,138

Year	2023	2024	2025	2026	2027
Starting Balance	$290,138	$346,937	$379,939	$440,268	$421,440
Reserve Income	$56,480	$58,174	$59,919	$61,717	$63,569
Interest Earnings	$319	$363	$410	$431	$444
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$346,937	$405,474	$440,268	$502,416	$485,452
Reserve Expenditures	$0	$25,536	$0	$80,976	$19,766
Ending Balance	$346,937	$379,939	$440,268	$421,440	$465,687

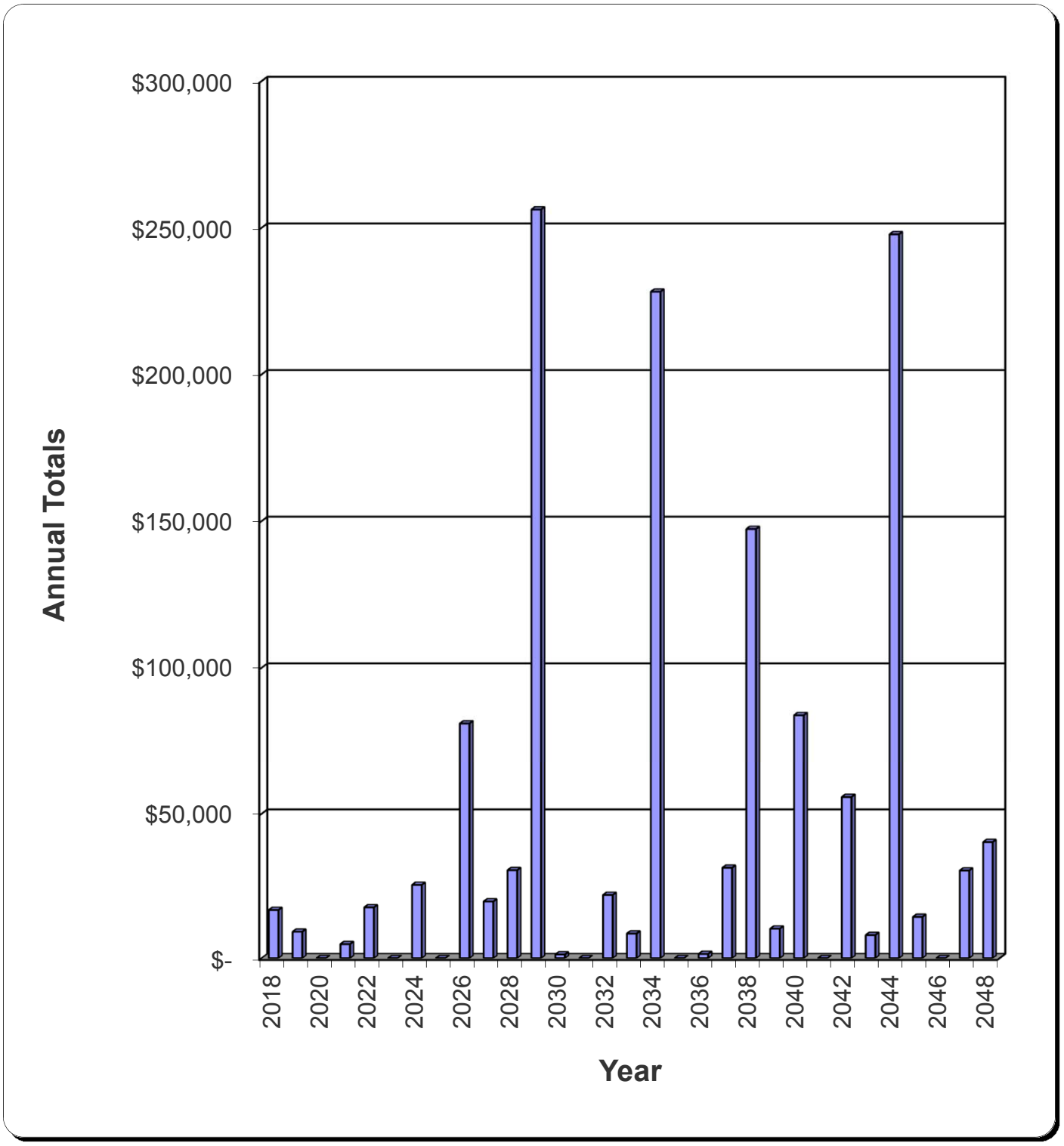
Year	2028	2029	2030	2031	2032
Starting Balance	$465,687	$500,966	$312,612	$381,124	$453,088
Reserve Income	$65,476	$67,440	$69,463	$71,547	$73,693
Interest Earnings	$483	$407	$347	$417	$479
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$531,646	$568,812	$382,422	$453,088	$527,260
Reserve Expenditures	$30,680	$256,200	$1,298	$0	$22,038
Ending Balance	$500,966	$312,612	$381,124	$453,088	$505,223

Year	2033	2034	2035	2036	2037
Starting Balance	$505,223	$573,073	$423,580	$504,571	$586,579
Reserve Income	$75,904	$78,181	$80,527	$82,943	$85,431
Interest Earnings	$539	$498	$464	$546	$614
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$581,666	$651,752	$504,571	$588,059	$672,624
Reserve Expenditures	$8,593	$228,172	$0	$1,480	$31,526
Ending Balance	$573,073	$423,580	$504,571	$586,579	$641,098

Year	2038	2039	2040	2041	2042
Starting Balance	$641,098	$582,415	$663,390	$673,601	$770,476
Reserve Income	$87,994	$90,634	$93,353	$96,153	$99,038
Interest Earnings	$612	$623	$668	$722	$792
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$729,703	$673,671	$757,411	$770,476	$870,306
Reserve Expenditures	$147,288	$10,281	$83,810	$0	$55,718
Ending Balance	$582,415	$663,390	$673,601	$770,476	$814,589

Year	2043	2044	2045	2046	2047
Starting Balance	$814,589	$909,396	$767,552	$862,191	$974,577
Reserve Income	$102,009	$105,069	$108,221	$111,468	$114,812
Interest Earnings	$862	$838	$815	$918	$1,017
Special Assessments	$0	$0	$0	$0	$0
Funds Available	$917,460	$1,015,304	$876,588	$974,577	$1,090,406
Reserve Expenditures	$8,063	$247,752	$14,397	$0	$30,544
Ending Balance	$909,396	$767,552	$862,191	$974,577	$1,059,862

Yearly Reserve Expenditures - Graph



DRAFT

Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2018	204	Doors - 2002-2011 - Repaint	$15,800	
	207	Metal Railing - Repaint	$1,000	$16,800
2019	201	Stucco Surfaces - 2002-06 - Repair/Repaint	$9,229	$9,229
2020		No Expenditures Projected		$0
2021	204	Doors - 2012-2014 - Repaint	$4,910	$4,910
2022	402	Asphalt - Seal Coat & Crack Seal	$17,728	$17,728
2023		No Expenditures Projected		$0
2024	201	Stucco Surfaces - 2007-11 - Repair/Repaint	$7,418	
	207	Metal Railing - Repaint	$1,139	
	403	Concrete - Repair/Replace	$3,418	
	1602	Exterior Light Fixtures - 2002-06 - Replace	$13,560	$25,536
2025		No Expenditures Projected		$0
2026	204	Doors - 2002-2011 - Repaint	$18,805	
	401	Asphalt - Overlay	$62,171	$80,976
2027	402	Asphalt - Seal Coat & Crack Seal	$19,766	$19,766
2028	201	Stucco Surfaces - 2012-14 - Repair/Repaint	$5,818	
	1812	Landscaping & Irrigation System - Renovate	$24,862	$30,680
2029	105	Roofs - 2002-06 - Replace	$209,054	
	120	Rain Gutters/Downspouts - 2002-06 - Replace	$30,377	
	204	Doors - 2012-2014 - Repaint	$5,844	
	1602	Exterior Light Fixtures - 2007-11 - Replace	$10,926	$256,200
2030	207	Metal Railing - Repaint	$1,298	$1,298
2031		No Expenditures Projected		$0
2032	402	Asphalt - Seal Coat & Crack Seal	$22,038	$22,038
2033	1602	Exterior Light Fixtures - 2012-14 - Replace	$8,593	$8,593
2034	105	Roofs - 2007-11 - Replace	$167,589	
	120	Rain Gutters/Downspouts - 2007-11 - Replace	$21,162	
	201	Stucco Surfaces - 2002-06 - Repair/Repaint	$12,791	
	204	Doors - 2002-2011 - Repaint	$22,381	
	403	Concrete - Repair/Replace	$4,249	$228,172
2035		No Expenditures Projected		$0
2036	207	Metal Railing - Repaint	$1,480	$1,480
2037	204	Doors - 2012-2014 - Repaint	$6,955	
	402	Asphalt - Seal Coat & Crack Seal	$24,571	$31,526
2038	105	Roofs - 2012-14 - Replace	$133,805	
	120	Rain Gutters/Downspouts - 2012-14 - Replace	$13,483	$147,288
2039	201	Stucco Surfaces - 2007-11 - Repair/Repaint	$10,281	$10,281
2040	1008	Vinyl Fencing - Replace	$83,810	$83,810
2041		No Expenditures Projected		$0
2042	204	Doors - 2002-2011 - Repaint	$26,637	
	207	Metal Railing - Repaint	$1,686	
	402	Asphalt - Seal Coat & Crack Seal	$27,395	$55,718
2043	201	Stucco Surfaces - 2012-14 - Repair/Repaint	$8,063	$8,063
2044	302	Vinyl Siding - 2002-06 - Replace	$221,515	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	403	Concrete - Repair/Replace	$5,283	
	1602	Exterior Light Fixtures - 2002-06 - Replace	$20,954	$247,752
2045	204	Doors - 2012-2014 - Repaint	$8,278	
	1090	Metal Railing - Replace	$6,119	$14,397
2046		No Expenditures Projected		$0
2047	402	Asphalt - Seal Coat & Crack Seal	$30,544	$30,544

Component Evaluation

Comp #: 105 Roofs - 2002-06 - Replace

Location: **Building Roofs**

Quantity: **Approx 43,880 Sq.ft.**

Life Expectancy: **25** *Remaining Life:* **11**

Best Cost: **$153,580**

$3.50/Sq.ft.; Estimate to replace

Worst Cost: **$175,520**

$4.00/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 105 Roofs - 2007-11 - Replace

Location: **Building Roofs**

Quantity: **Approx 31,550 Sq.ft.**

Life Expectancy: **25** *Remaining Life:* **16**

Best Cost: **$110,425**

$3.50/Sq.ft.; Estimate to replace

Worst Cost: **$126,200**

$4.00/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 105 Roofs - 2012-14 - Replace

Location: **Building Roofs**

Quantity: **Approx 23,090 Sq.ft.**

Life Expectancy: **25** *Remaining Life:* **20**

Best Cost: **$80,815**

$3.50/Sq.ft.; Estimate to replace

Worst Cost: **$92,360**

$4.00/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The roofs are 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 - 2002-06 - Replace

Location: **Building Roofs**

Quantity: **Approx 3,985 Linear ft.**

Life Expectancy: **25** *Remaining Life:* **11**

Best Cost: **$21,918**

$5.50/Linear ft.; Estimate to replace

Worst Cost: **$25,903**

$6.50/Linear ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The rain gutters and downspouts are in good condition. We recommend replacing the rain gutters and downspouts at the same time as the roof replacement (see Comp# 105 Pitched Roof - Comp Shingle - Replace) to ensure proper function and to take advantage of the cost savings benefits. We recommend funding to replace this component approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 120 Rain Gutters/Downspouts - 2007-11 - Replace

Location: **Building Roofs**

Quantity: **Approx 2,490 Linear ft.**

Life Expectancy: **25** *Remaining Life:* **16**

Best Cost: **$13,695**

$5.50/Linear ft.; Estimate to replace

Worst Cost: **$16,185**

$6.50/Linear ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The rain gutters and downspouts are in good condition. We recommend replacing the rain gutters and downspouts at the same time as the roof replacement (see Comp# 105 Pitched Roof - Comp Shingle - Replace) to ensure proper function and to take advantage of the cost savings benefits. We recommend funding to replace this component approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 120 Rain Gutters/Downspouts - 2012-14 - Replace

Location: **Building Roofs**

Quantity: **Approx 1,745 Linear ft.**

Life Expectancy: **25** *Remaining Life:* **20**

Best Cost: **$7,853**

$4.50/Linear ft.; Estimate to replace

Worst Cost: **$9,598**

$5.50/Linear ft.; Higher estimate to replace

Source of Information: CSL Cost Database

General Notes:

Observations:

The rain gutters and downspouts are in good condition. We recommend replacing the rain gutters and downspouts at the same time as the roof replacement (see Comp# 105 Pitched Roof - Comp Shingle - Replace) to ensure proper function and to take advantage of the cost savings benefits. We recommend funding to replace this component approximately every 25 - 30 years. Remaining life based on current age.

Comp #: 201 Stucco Surfaces - 2002-06 - Repair/Repaint

Location: **Building Exteriors**

Quantity: **Approx 6,020 Sq.ft.**

Life Expectancy: **15** *Remaining Life:* **1**

Best Cost: **$7,525**

$1.25/Sq.ft.; Estimate to repair/repaint

Worst Cost: **$10,535**

$1.75/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The stucco surfaces are in good to fair condition. Minor damage and discoloration were noted at the time of the inspection. We recommend funding to repair/repaint this component approximately every 12 - 15 years to protect the stucco surface and maintain appearance. Remaining life based on current age.

Comp #: 201 Stucco Surfaces - 2007-11 - Repair/Repaint

Location: **Building Exteriors**

Quantity: **Approx 4,340 Sq.ft.**

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

Best Cost: **$5,425**

$1.25/Sq.ft.; Estimate to repair/repaint

Worst Cost: **$7,595**

$1.75/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The stucco surfaces are in good condition. We recommend funding to repair/repaint this component approximately every 12 - 15 years to protect the stucco surface and maintain appearance. Remaining life based on current age.

Comp #: 201 Stucco Surfaces - 2012-14 - Repair/Repaint

Location: **Building Exteriors**

Quantity: **Approx 3,120 Sq.ft.**

Life Expectancy: **15** *Remaining Life:* **10**

Best Cost: **$3,900**

$1.25/Sq.ft.; Estimate to repair/repaint

Worst Cost: **$5,460**

$1.75/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The stucco surfaces are in good condition. We recommend funding to repair/repaint this component approximately every 12 - 15 years to protect the stucco surface and maintain appearance. Remaining life based on current age.

Comp #: 204 Doors - 2002-2011 - Repaint

Location: **Building Walking Doors**

Quantity: **(158) Doors**

Life Expectancy: **8** *Remaining Life:* **0**

Best Cost: **$11,850**

$75/Door; Estimate to repaint

Worst Cost: **$19,750**

$125/Door; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

2002-2006:
(34) - Garage Rear
(30) - Residential Front
(30) - Residential Rear

2007-2011:
(20) - Garage Rear
(22) - Residential Front
(22) - Residential Rear

(158) - Total

Observations:

The painted door surfaces are in fair to poor condition. We recommend funding to repaint this component approximately every 6 - 8 years to maintain appearance and protect surfaces. Remaining life based on age.

Comp #: 204 Doors - 2012-2014 - Repaint

Location: **Building Walking Doors**

Quantity: **(46) Doors**

Life Expectancy: **8** *Remaining Life:* **3**

Best Cost: **$3,450**

$75/Door; Estimate to repaint

Worst Cost: **$5,750**

$125/Door; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

(14) - Garage Rear
(16) - Residential Front
(16) - Residential Rear

(46) - Total

Observations:

The painted door surfaces are in good condition. We recommend funding to repaint this component approximately every 6 - 8 years to maintain appearance and protect surfaces. Remaining life based on age.

Comp #: 207 Metal Railing - Repaint

Location: **One Building Front Porch Area**

Quantity: **Approx 85 Linear ft.**

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

Best Cost: **$800**
Estimate to repaint

Worst Cost: **$1,200**
Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The painted metal fencing surfaces are in fair to poor condition. Fading and rust were noted at the time of the inspection. We recommend funding to repaint this component approximately every 6 years to maintain appearance and protect metal surfaces. Remaining life based on current condition.

Comp #: 302 Vinyl Siding - 2002-06 - Replace

Location: **Building Exteriors**

Quantity: **Approx 25,160 Sq.ft.**

Life Expectancy: **40** *Remaining Life:* **26**

Best Cost: **$100,640**

$4.00/Sq.ft.; Estimate to replace

Worst Cost: **$150,960**

$6.00/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The vinyl siding is in good condition. Although this component may reach and extended useful life we recommend funding to replace this component approximately every 40 - 50 years to maintain appearance. Remaining life based on current age.

Comp #: 302 Vinyl Siding - 2007-11 - Replace

Location: **Building Exteriors**

Quantity: **Approx 18,280 Sq.ft.**

Life Expectancy: **40** *Remaining Life:* **31**

Best Cost: **$73,120**

$4.00/Sq.ft.; Estimate to replace

Worst Cost: **$109,680**

$6.00/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The vinyl siding is in good condition. Although this component may reach and extended useful life we recommend funding to replace this component approximately every 40 - 50 years to maintain appearance. Remaining life based on current age.

Comp #: 302 Vinyl Siding - 2012-14 - Replace

Location: **Building Exteriors**

Quantity: **Approx 12,900 Sq.ft.**

Life Expectancy: **40** *Remaining Life:* **35**

Best Cost: **$51,600**

$4.00/Sq.ft.; Estimate to replace

Worst Cost: **$77,400**

$6.00/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The vinyl siding is in good condition. Although this component may reach and extended useful life we recommend funding to replace this component approximately every 40 - 50 years to maintain appearance. Remaining life based on current age.

Comp #: 401 Asphalt - Overlay

Location: **Community Parking Areas & Street**

Quantity: **Approx 29,850 Sq.ft.**

Life Expectancy: **25** *Remaining Life:* **8**

Best Cost: **$44,775**

$1.50/Sq.ft.; Estimate for overlay

Worst Cost: **$59,700**

$2.00/Sq.ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 402 Asphalt - Seal Coat & Crack Seal

Location: **Community Parking Areas & Street**

Quantity: **Approx 80,500 Sq.ft.**

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

Best Cost: **$15,250**
Estimate for seal coat

Worst Cost: **$17,250**
Higher estimate

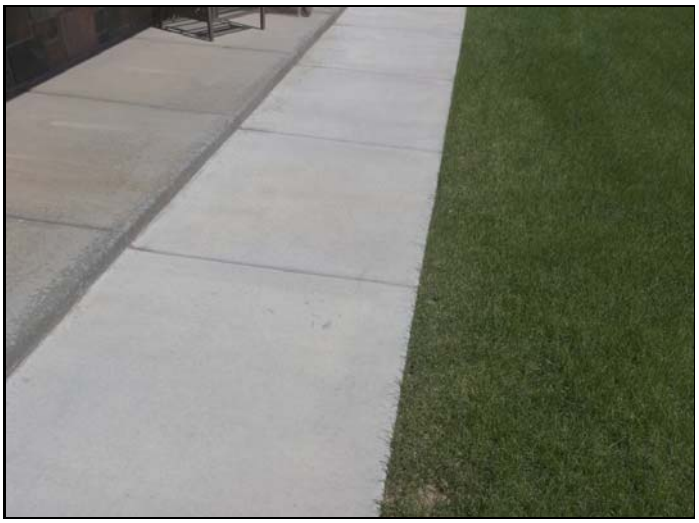
Source of Information: Research with Client

General Notes:

Observations:

Research with the client reveals this component is being sealed in 2017. Seal asphalt surfaces regularly to prevent premature overlay (see Comp# 401 Asphalt - Overlay). We recommend funding to seal this component approximately every 3 - 5 years. Remaining life based on current age.

Comp #: 403 Concrete - Repair/Replace



Location: **Common Area**

Quantity: **Extensive Sq.ft.**

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

Best Cost: **$2,500**
Allowance to repair/replace

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

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 803 Mailboxes - Replace

Location: **Common Area**

Quantity: **(5) Clusters**

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

Best Cost: **$0**

Worst Cost: **$0**

Source of Information:

General Notes:

Observations:

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

Comp #: 1008 Vinyl Fencing - Replace

Location: **Unit Rear Patios**

Quantity: **Approx 1,675 Linear ft.**

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

Best Cost: **$46,900**

$28/Linear ft.; Estimate to replace

Worst Cost: **$56,950**

$34/Linear ft.; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

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

Comp #: 1090 Metal Railing - Replace

Location: **One Building Front Porch Area**

Quantity: **Approx 85 Linear ft.**

Life Expectancy: **40** *Remaining Life:* **27**

Best Cost: **$2,975**

$35/Linear ft.; Estimate to replace

Worst Cost: **$3,825**

$45/Linear ft; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Observations:

The metal railing is in good condition. Areas of rust were noted at the time of inspection. We recommend funding to replace this component approximately every 30 - 40 years. Remaining life based on current age.

Comp #: 1602 Exterior Light Fixtures - 2002-06 - Replace

Location: **Buliding Exteriors**

Quantity: **(119) Fixtures**

Life Expectancy: **20** *Remaining Life:* **6**

Best Cost: **$8,925**

$75/Fixture; Estimate to replace

Worst Cost: **$14,875**

$125/Fixture; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

(23) - Garage Front
(34) - Garage Rear
(30) - Residential Front
(2) - Residential Other
(30) - Residential Rear

(119) - Total

Observations:

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

Comp #: 1602 Exterior Light Fixtures - 2007-11 - Replace

Location: **Buliding Exteriors**

Quantity: **(86) Fixtures**

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

Best Cost: **$6,450**

$75/Fixture; Estimate to replace

Worst Cost: **$10,750**

$125/Fixture; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

(22) - Garage Front
(20) - Garage Rear
(22) - Residential Front
(22) - Residential Rear

(86) - Total

Observations:

The exterior light fixtures are in good condition. We recommend funding to replace this component approximately every 16 years to maintain appearance and function. Remaining life based on current age.

Comp #: 1602 Exterior Light Fixtures - 2012-14 - Replace

Location: **Buliding Exteriors**

Quantity: **(62) Fixtures**

Life Expectancy: **20** *Remaining Life:* **15**

Best Cost: **$4,650**

$75/Fixture; Estimate to replace

Worst Cost: **$7,750**

$125/Fixture; Higher estimate

Source of Information: CSL Cost Database

General Notes:

Quantity description:

(16) - Garage Front
(14) - Garage Rear
(16) - Residential Front
(16) - Residential Rear

(62) - Total

Observations:

The exterior light fixtures are in good condition. We recommend funding to replace this component approximately every 16 years to maintain appearance and function. Remaining life based on current age.

Comp #: 1812 Landscaping & Irrigation System - Renovate

Location: **Common Area**

Quantity: **Extensive Sq.ft.**

Life Expectancy: **20** *Remaining Life:* **10**

Best Cost: **$15,000**
Allowance to renovate

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

Source of Information: CSL Cost Database

General Notes:

Observations:

The landscaping and irrigation system are in working condition. We recommend funding for an allowance to renovate the landscaping and irrigation system approximately every 20 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.