

Pinehurst Place HOA

Level 1 Reserve Study



Report Period – 01/01/2024 – 12/31/2024

Client Reference Number	19145
Property Type	Single Family Homes
Number of Units	86
Fiscal Year End	12/31

Type of Study	Full Study
Date of Property Inspection	12/5/2023
Prepared By	Dale Gifford
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on – Wednesday, January 31, 2024



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Glossary of Commonly used Words and Phrases

Executive Summary – Pinehurst Place HOA - ID # 19145

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 01/01/2024	\$120,000
Ideal Reserve Balance as of 01/01/2024	\$133,966
Percent Funded as of 01/01/2024	90%
Recommended Reserve Contribution (per month)	\$1,180
Recommended Special Assessment 2024	\$0

Pinehurst Place HOA is a 86-unit Single Family Home community. The community offers a basketball court, playground, swimming pool, and landscaped areas as amenities. Construction on the community was completed in 2016.

Currently Programmed Projects

There are no projects programmed to occur this fiscal year (FY2024). (See page 15)

Significant Reserve Projects

The association's significant reserve projects are play structure replace (Comp# 1301), mailboxes replace (Comp# 803), pool resurface (Comp# 1101), and pool deck replace (Comp# 1116). The fiscal significance of these components is approximately 19%, 11%, 11%, and 7% respectively (see page 9). A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives.

Reserve Funding

In comparing the projected starting reserve balance of \$120,000 versus the ideal reserve balance of \$133,966 we find the association's reserve fund to be approximately 90% funded. This indicates a fair reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$1,335 (\$15.52/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

Introduction

Reserve Study Purpose

The purpose of this Reserve Study is to provide the Association with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. The detailed schedules will serve as an advance warning that major projects will need to be addressed in the future. This will allow the Association to have ample time to obtain competitive bids for each project. It will also help to ensure the physical well-being of the property and 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 warranty or guarantee regarding our life and cost estimates/predictions. There is no implied warranty 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	85
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	\$450
Projected Starting Reserve Balance	\$120,000
Ideal Starting Reserve Balance	\$133,966

Economic Assumptions

Projected Inflation Rate	4.00%
Reported After-Tax Interest Rate	5.00%

Current Reserve Status

Current Balance as a % of Ideal Balance	90%
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Recommendations

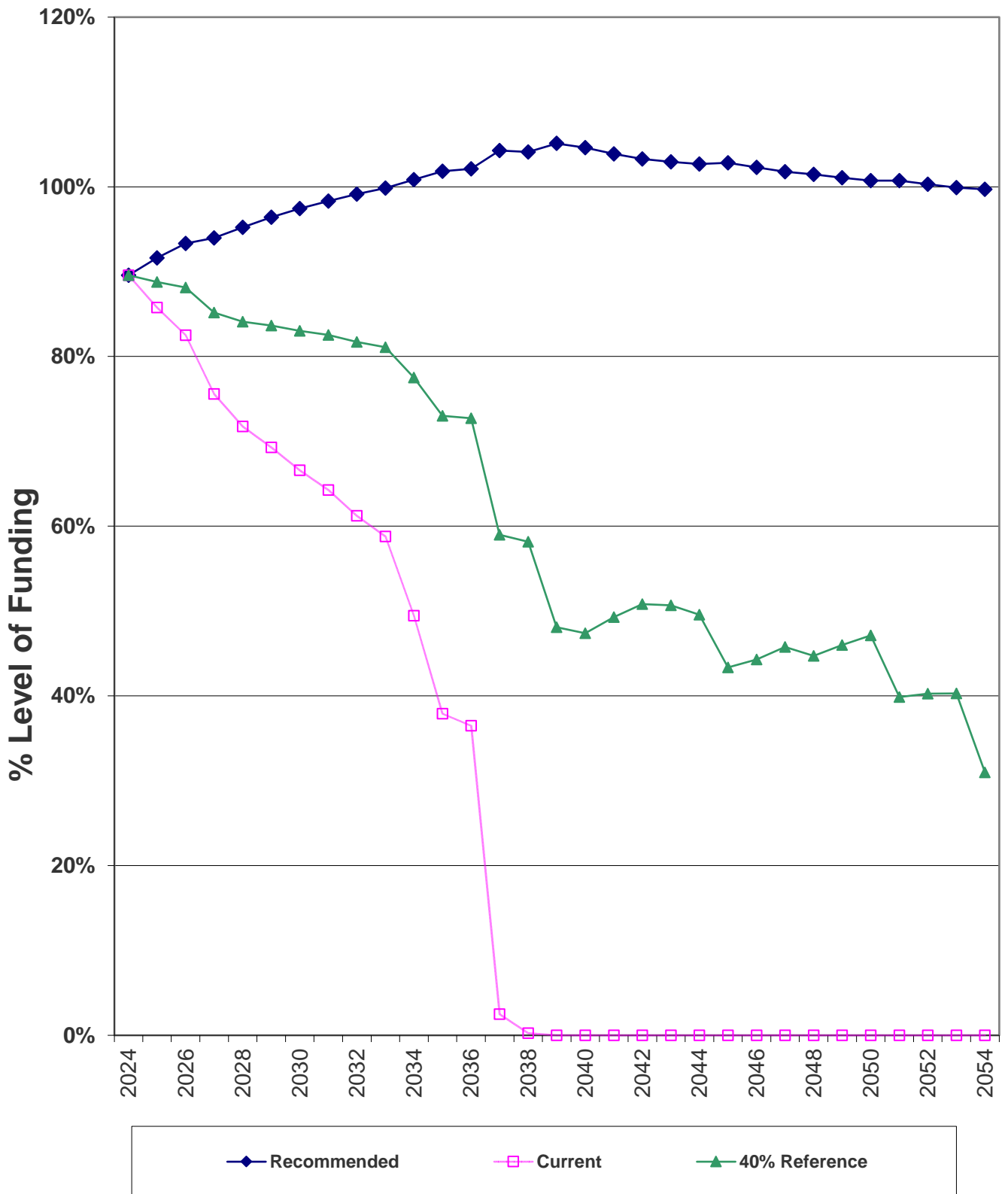
Recommended Monthly Reserve Allocation	\$1,180
Per Unit	\$13.88
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
40% Funded Monthly Reserve Allocation Reference	\$825
Per Unit	\$9.71
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation as Percentage	\$730 162%
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Percent Funded - Graph



Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Roofs - Replace	25	15	\$6,000	\$7,000
	120	Rain Gutters/Downspouts - Replace	N/A		\$0	\$0
Painted Surfaces	215	Siding - Repair/Repaint	10	3	\$3,000	\$4,000
Property Access	508	Access Control System - Replace	12	2	\$5,000	\$6,000
Mechanical Equip.	703	Water Heater - Replace	12	2	\$2,000	\$2,500
Prop. Identification	801	Monument Signs - Refurbish	N/A		\$0	\$0
	803	Mailboxes - Replace	20	9	\$29,000	\$32,000
Life / Safety	903	Security Camera System - Replace	12	7	\$3,000	\$4,000
Fencing	1008	Vinyl Fencing - Replace	30	20	\$15,000	\$18,000
Pool / Spa	1101	Pool - Resurface	12	2	\$15,000	\$20,000
	1104	Pool Heater - Replace	12	2	\$5,000	\$7,000
	1107	Pool Filter - Replace	15	5	\$2,500	\$3,500
	1110	Pool Pump - Replace	10	8	\$2,000	\$2,500
	1111	Pool Chemical Controller System - Repla	12	11	\$2,200	\$2,300
	1112	Pool Cover - Replace	10	9	\$4,400	\$4,500
	1116	Pool Deck - Replace	50	40	\$40,000	\$50,000
	1121	Pool Furniture - Replace	N/A		\$0	\$0
1190	Pool Gate - Replace	30	20	\$3,000	\$5,000	
Courts	1206	Basketball Court - Replace	50	37	\$25,000	\$30,000
	1207	Basketball Equipment - Replace	20	7	\$3,000	\$4,000
Recreation Equip.	1301	Play Structure - Replace	25	12	\$60,000	\$70,000
	1303	Play Area Groundcover - Refill	5	3	\$2,000	\$3,000
	1304	Drinking Fountain - Replace	N/A		\$0	\$0
	1307	Benches - Replace	15	6	\$2,000	\$2,500
Interiors	1413	Restrooms - Remodel	20	10	\$14,000	\$18,000
Light Fixtures	1602	Exterior Light Fixtures - Replace	N/A		\$0	\$0
Landscaping	1812	Landscaping & Irrigation System - Renov	20	10	\$15,000	\$20,000
Buildings / Structu	2303	Windows - Replace	50	40	\$5,000	\$7,000
	2304	Doors - Replace	50	40	\$10,000	\$12,000

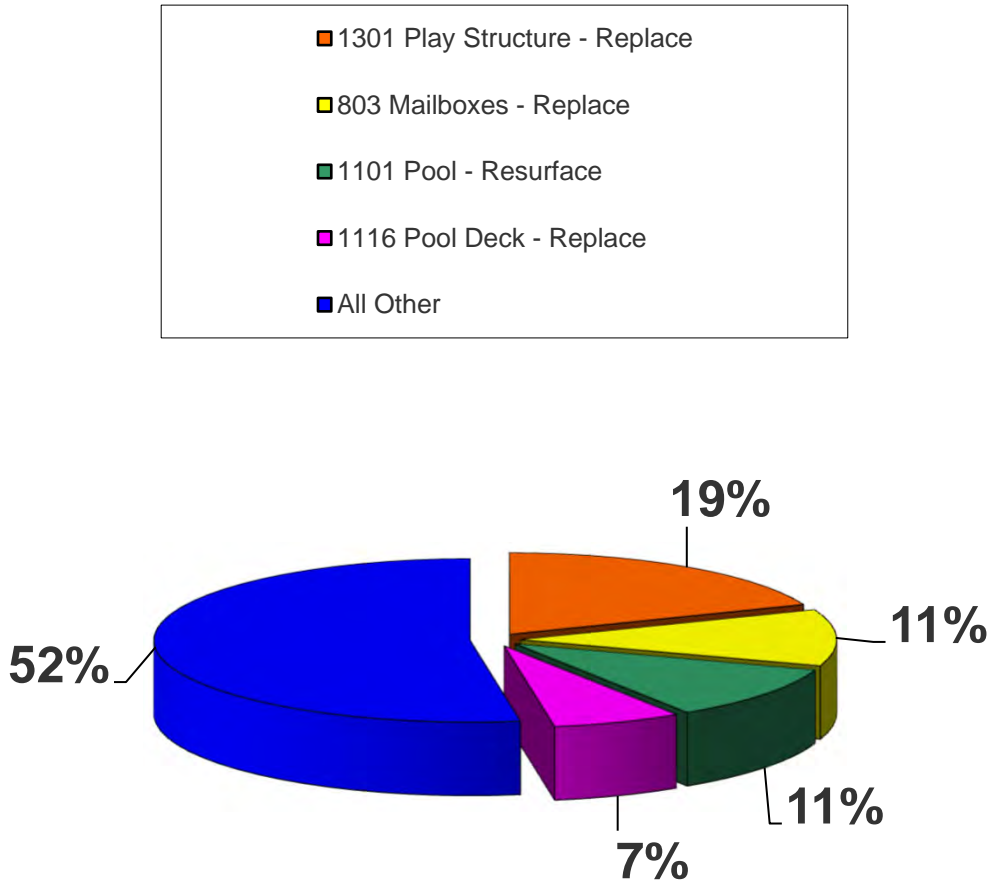


Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Roofs - Replace	25	15	\$6,500	\$260	1.9031%
215	Siding - Repair/Repaint	10	3	\$3,500	\$350	2.5619%
508	Access Control System - Replace	12	2	\$5,500	\$458	3.3549%
703	Water Heater - Replace	12	2	\$2,250	\$188	1.3725%
803	Mailboxes - Replace	20	9	\$30,500	\$1,525	11.1626%
903	Security Camera System - Replace	12	7	\$3,500	\$292	2.1349%
1008	Vinyl Fencing - Replace	30	20	\$16,500	\$550	4.0259%
1101	Pool - Resurface	12	2	\$17,500	\$1,458	10.6746%
1104	Pool Heater - Replace	12	2	\$6,000	\$500	3.6599%
1107	Pool Filter - Replace	15	5	\$3,000	\$200	1.4640%
1110	Pool Pump - Replace	10	8	\$2,250	\$225	1.6469%
1111	Pool Chemical Controller System - Rep	12	11	\$2,250	\$188	1.3725%
1112	Pool Cover - Replace	10	9	\$4,450	\$445	3.2573%
1116	Pool Deck - Replace	50	40	\$45,000	\$900	6.5878%
1190	Pool Gate - Replace	30	20	\$4,000	\$133	0.9760%
1206	Basketball Court - Replace	50	37	\$27,500	\$550	4.0259%
1207	Basketball Equipment - Replace	20	7	\$3,500	\$175	1.2810%
1301	Play Structure - Replace	25	12	\$65,000	\$2,600	19.0314%
1303	Play Area Groundcover - Refill	5	3	\$2,500	\$500	3.6599%
1307	Benches - Replace	15	6	\$2,250	\$150	1.0980%
1413	Restrooms - Remodel	20	10	\$16,000	\$800	5.8558%
1812	Landscaping & Irrigation System - Rend	20	10	\$17,500	\$875	6.4048%
2303	Windows - Replace	50	40	\$6,000	\$120	0.8784%
2304	Doors - Replace	50	40	\$11,000	\$220	1.6103%



Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
1301	Play Structure - Replace	25	12	\$65,000	\$2,600	19%
803	Mailboxes - Replace	20	9	\$30,500	\$1,525	11%
1101	Pool - Resurface	12	2	\$17,500	\$1,458	11%
1116	Pool Deck - Replace	50	40	\$45,000	\$900	7%
All Other	See Expanded Table For Breakdown				\$7,178	52%

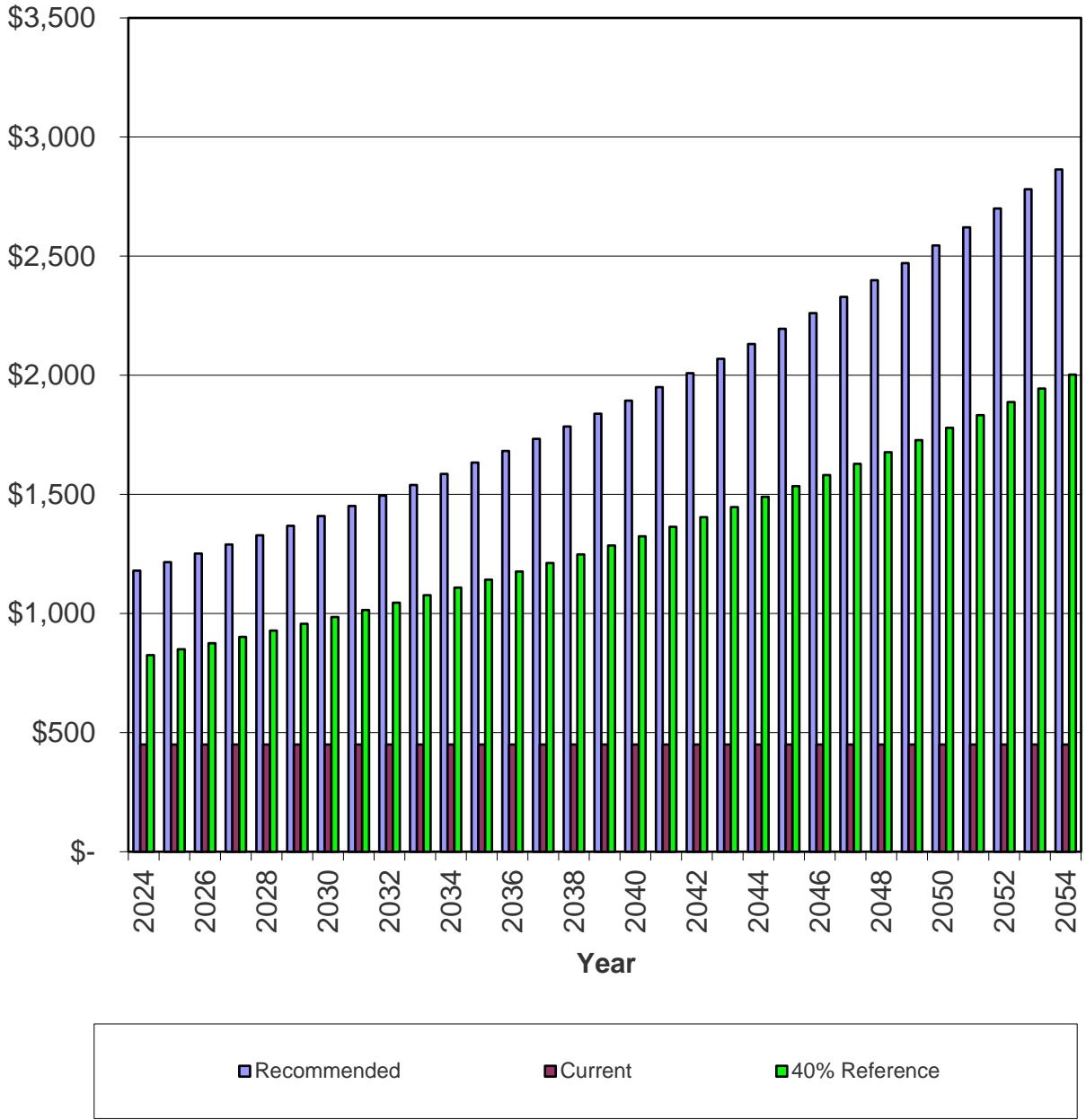
Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2024	\$133,966	\$120,000	90%	\$14,160	\$6,502	\$0	\$140,662
2025	\$153,533	\$140,662	92%	\$14,585	\$7,570	\$0	\$162,816
2026	\$174,450	\$162,816	93%	\$15,022	\$7,850	\$33,800	\$151,888
2027	\$161,644	\$151,888	94%	\$15,473	\$7,994	\$6,749	\$168,606
2028	\$177,073	\$168,606	95%	\$15,937	\$9,034	\$0	\$193,577
2029	\$200,777	\$193,577	96%	\$16,415	\$10,230	\$3,650	\$216,573
2030	\$222,299	\$216,573	97%	\$16,908	\$11,440	\$2,847	\$242,073
2031	\$246,208	\$242,073	98%	\$17,415	\$12,595	\$9,212	\$262,872
2032	\$265,173	\$262,872	99%	\$17,937	\$13,742	\$6,501	\$288,050
2033	\$288,464	\$288,050	100%	\$18,476	\$13,937	\$49,745	\$270,718
2034	\$268,490	\$270,718	101%	\$19,030	\$13,069	\$49,588	\$253,229
2035	\$248,690	\$253,229	102%	\$19,601	\$13,368	\$3,464	\$282,734
2036	\$276,908	\$282,734	102%	\$20,189	\$12,320	\$104,067	\$211,175
2037	\$202,502	\$211,175	104%	\$20,794	\$11,081	\$9,990	\$233,060
2038	\$223,870	\$233,060	104%	\$21,418	\$11,087	\$54,115	\$211,451
2039	\$201,149	\$211,451	105%	\$22,061	\$11,083	\$11,706	\$232,888
2040	\$222,609	\$232,888	105%	\$22,723	\$12,496	\$0	\$268,107
2041	\$258,124	\$268,107	104%	\$23,404	\$14,316	\$0	\$305,827
2042	\$296,125	\$305,827	103%	\$24,106	\$16,017	\$9,623	\$336,328
2043	\$326,746	\$336,328	103%	\$24,830	\$17,414	\$16,749	\$361,822
2044	\$352,331	\$361,822	103%	\$25,575	\$17,849	\$51,491	\$353,754
2045	\$344,005	\$353,754	103%	\$26,342	\$18,641	\$5,127	\$393,610
2046	\$384,810	\$393,610	102%	\$27,132	\$20,832	\$0	\$441,574
2047	\$433,874	\$441,574	102%	\$27,946	\$22,786	\$20,334	\$471,972
2048	\$465,101	\$471,972	101%	\$28,784	\$24,883	\$0	\$525,640
2049	\$520,125	\$525,640	101%	\$29,648	\$27,651	\$0	\$582,939
2050	\$578,806	\$582,939	101%	\$30,537	\$28,389	\$86,640	\$555,226
2051	\$551,245	\$555,226	101%	\$31,453	\$28,953	\$10,092	\$605,540
2052	\$603,766	\$605,540	100%	\$32,397	\$31,445	\$14,244	\$655,139
2053	\$655,709	\$655,139	100%	\$33,369	\$31,583	\$108,997	\$611,094



Reserve Contributions - Graph

Monthly Reserve Contributions



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Roofs - Replace	25	15	Approx 1,200 SF	\$6,500	\$2,600	\$2,600	\$22.46
215	Siding - Repair/Repaint	10	3	Approx 2,000 SF	\$3,500	\$2,450	\$2,450	\$30.23
508	Access Control System - Replace	12	2	(1) System	\$5,500	\$4,583	\$4,583	\$39.59
703	Water Heater - Replace	12	2	(1) Water Heater	\$2,250	\$1,875	\$1,875	\$16.19
803	Mailboxes - Replace	20	9	(9) Clusters	\$30,500	\$16,775	\$16,775	\$131.72
903	Security Camera System - Replace	12	7	(1) System	\$3,500	\$1,458	\$1,458	\$25.19
1008	Vinyl Fencing - Replace	30	20	Approx 270 LF	\$16,500	\$5,500	\$5,500	\$47.51
1101	Pool - Resurface	12	2	(1) Pool	\$17,500	\$14,583	\$14,583	\$125.96
1104	Pool Heater - Replace	12	2	(1) Heater	\$6,000	\$5,000	\$5,000	\$43.19
1107	Pool Filter - Replace	15	5	(1) Filter	\$3,000	\$2,000	\$2,000	\$17.27
1110	Pool Pump - Replace	10	8	(1) Pump	\$2,250	\$450	\$450	\$19.43
1111	Pool Chemical Controller System - Replace	12	11	(1) System	\$2,250	\$188	\$188	\$16.19
1112	Pool Cover - Replace	10	9	(1) Cover	\$4,450	\$445	\$445	\$38.44
1116	Pool Deck - Replace	50	40	(1) Pool Deck	\$45,000	\$9,000	\$0	\$77.74
1190	Pool Gate - Replace	30	20	(1) Gate	\$4,000	\$1,333	\$1,333	\$11.52
1206	Basketball Court - Replace	50	37	(1) Court	\$27,500	\$7,150	\$5,584	\$47.51
1207	Basketball Equipment - Replace	20	7	(1) Standard	\$3,500	\$2,275	\$2,275	\$15.12
1301	Play Structure - Replace	25	12	(1) Structure	\$65,000	\$33,800	\$33,800	\$224.57
1303	Play Area Groundcover - Refill	5	3	Approx 1,400 SF	\$2,500	\$1,000	\$1,000	\$43.19
1307	Benches - Replace	15	6	(2) Benches	\$2,250	\$1,350	\$1,350	\$12.96
1413	Restrooms - Remodel	20	10	(2) Restrooms	\$16,000	\$8,000	\$8,000	\$69.10
1812	Landscaping & Irrigation System - Renovate	20	10	Moderate SF	\$17,500	\$8,750	\$8,750	\$75.58
2303	Windows - Replace	50	40	(9) Windows	\$6,000	\$1,200	\$0	\$10.36
2304	Doors - Replace	50	40	(4) Doors	\$11,000	\$2,200	\$0	\$19.00
					\$303,950	\$133,966	\$120,000	\$1,180

Current Fund Balance as a percentage of Ideal Balance: 90%



Yearly Cash Flow

Year	2024	2025	2026	2027	2028
Starting Balance	\$120,000	\$140,662	\$162,816	\$151,888	\$168,606
<i>Reserve Income</i>	\$14,160	\$14,585	\$15,022	\$15,473	\$15,937
<i>Interest Earnings</i>	\$6,502	\$7,570	\$7,850	\$7,994	\$9,034
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$140,662	\$162,816	\$185,688	\$175,355	\$193,577
Reserve Expenditures	\$0	\$0	\$33,800	\$6,749	\$0
Ending Balance	\$140,662	\$162,816	\$151,888	\$168,606	\$193,577

Year	2029	2030	2031	2032	2033
Starting Balance	\$193,577	\$216,573	\$242,073	\$262,872	\$288,050
<i>Reserve Income</i>	\$16,415	\$16,908	\$17,415	\$17,937	\$18,476
<i>Interest Earnings</i>	\$10,230	\$11,440	\$12,595	\$13,742	\$13,937
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$220,223	\$244,920	\$272,083	\$294,551	\$320,463
Reserve Expenditures	\$3,650	\$2,847	\$9,212	\$6,501	\$49,745
Ending Balance	\$216,573	\$242,073	\$262,872	\$288,050	\$270,718

Year	2034	2035	2036	2037	2038
Starting Balance	\$270,718	\$253,229	\$282,734	\$211,175	\$233,060
<i>Reserve Income</i>	\$19,030	\$19,601	\$20,189	\$20,794	\$21,418
<i>Interest Earnings</i>	\$13,069	\$13,368	\$12,320	\$11,081	\$11,087
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$302,817	\$286,198	\$315,242	\$243,050	\$265,565
Reserve Expenditures	\$49,588	\$3,464	\$104,067	\$9,990	\$54,115
Ending Balance	\$253,229	\$282,734	\$211,175	\$233,060	\$211,451

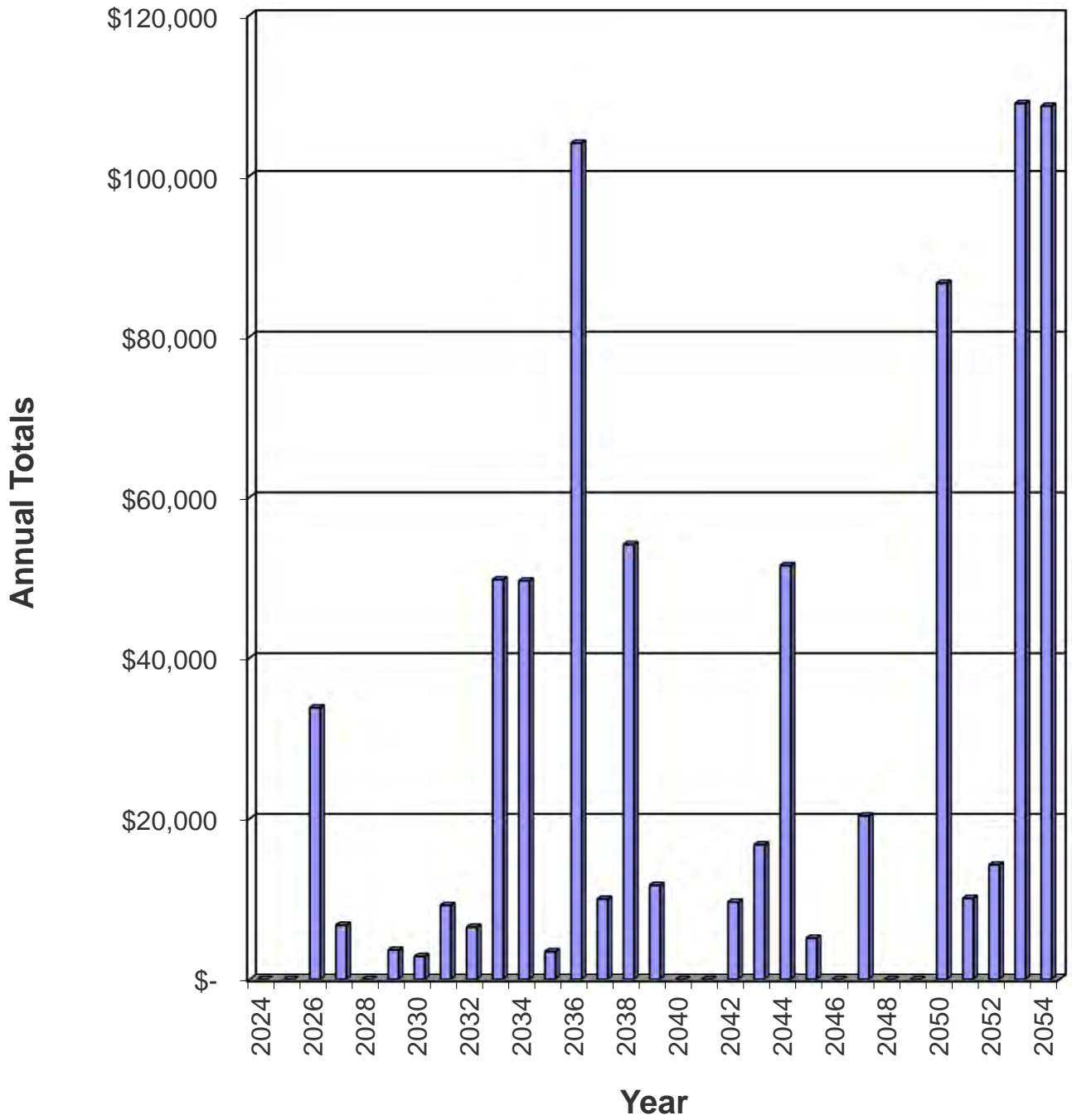
Year	2039	2040	2041	2042	2043
Starting Balance	\$211,451	\$232,888	\$268,107	\$305,827	\$336,328
<i>Reserve Income</i>	\$22,061	\$22,723	\$23,404	\$24,106	\$24,830
<i>Interest Earnings</i>	\$11,083	\$12,496	\$14,316	\$16,017	\$17,414
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$244,594	\$268,107	\$305,827	\$345,951	\$378,572
Reserve Expenditures	\$11,706	\$0	\$0	\$9,623	\$16,749
Ending Balance	\$232,888	\$268,107	\$305,827	\$336,328	\$361,822

Year	2044	2045	2046	2047	2048
Starting Balance	\$361,822	\$353,754	\$393,610	\$441,574	\$471,972
<i>Reserve Income</i>	\$25,575	\$26,342	\$27,132	\$27,946	\$28,784
<i>Interest Earnings</i>	\$17,849	\$18,641	\$20,832	\$22,786	\$24,883
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$405,245	\$398,737	\$441,574	\$492,306	\$525,640
Reserve Expenditures	\$51,491	\$5,127	\$0	\$20,334	\$0
Ending Balance	\$353,754	\$393,610	\$441,574	\$471,972	\$525,640

Year	2049	2050	2051	2052	2053
Starting Balance	\$525,640	\$582,939	\$555,226	\$605,540	\$655,139
<i>Reserve Income</i>	\$29,648	\$30,537	\$31,453	\$32,397	\$33,369
<i>Interest Earnings</i>	\$27,651	\$28,389	\$28,953	\$31,445	\$31,583
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$582,939	\$641,866	\$615,632	\$669,382	\$720,091
Reserve Expenditures	\$0	\$86,640	\$10,092	\$14,244	\$108,997
Ending Balance	\$582,939	\$555,226	\$605,540	\$655,139	\$611,094



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2024		No Expenditures Projected		\$0
2025		No Expenditures Projected		\$0
2026	508	Access Control System - Replace	\$5,949	
	703	Water Heater - Replace	\$2,434	
	1101	Pool - Resurface	\$18,928	
	1104	Pool Heater - Replace	\$6,490	\$33,800
2027	215	Siding - Repair/Repaint	\$3,937	
	1303	Play Area Groundcover - Refill	\$2,812	\$6,749
2028		No Expenditures Projected		\$0
2029	1107	Pool Filter - Replace	\$3,650	\$3,650
2030	1307	Benches - Replace	\$2,847	\$2,847
2031	903	Security Camera System - Replace	\$4,606	
	1207	Basketball Equipment - Replace	\$4,606	\$9,212
2032	1110	Pool Pump - Replace	\$3,079	
	1303	Play Area Groundcover - Refill	\$3,421	\$6,501
2033	803	Mailboxes - Replace	\$43,411	
	1112	Pool Cover - Replace	\$6,334	\$49,745
2034	1413	Restrooms - Remodel	\$23,684	
	1812	Landscaping & Irrigation System - Renovate	\$25,904	\$49,588
2035	1111	Pool Chemical Controller System - Replace	\$3,464	\$3,464
2036	1301	Play Structure - Replace	\$104,067	\$104,067
2037	215	Siding - Repair/Repaint	\$5,828	
	1303	Play Area Groundcover - Refill	\$4,163	\$9,990
2038	508	Access Control System - Replace	\$9,524	
	703	Water Heater - Replace	\$3,896	
	1101	Pool - Resurface	\$30,304	
	1104	Pool Heater - Replace	\$10,390	\$54,115
2039	105	Roofs - Replace	\$11,706	\$11,706
2040		No Expenditures Projected		\$0
2041		No Expenditures Projected		\$0
2042	1110	Pool Pump - Replace	\$4,558	
	1303	Play Area Groundcover - Refill	\$5,065	\$9,623
2043	903	Security Camera System - Replace	\$7,374	
	1112	Pool Cover - Replace	\$9,375	\$16,749
2044	1008	Vinyl Fencing - Replace	\$36,154	
	1107	Pool Filter - Replace	\$6,573	
	1190	Pool Gate - Replace	\$8,764	\$51,491
2045	1307	Benches - Replace	\$5,127	\$5,127
2046		No Expenditures Projected		\$0
2047	215	Siding - Repair/Repaint	\$8,627	
	1111	Pool Chemical Controller System - Replace	\$5,546	
	1303	Play Area Groundcover - Refill	\$6,162	\$20,334
2048		No Expenditures Projected		\$0
2049		No Expenditures Projected		\$0

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
2050	508	Access Control System - Replace	\$15,249	
	703	Water Heater - Replace	\$6,238	
	1101	Pool - Resurface	\$48,518	
	1104	Pool Heater - Replace	\$16,635	\$86,640
2051	1207	Basketball Equipment - Replace	\$10,092	\$10,092
2052	1110	Pool Pump - Replace	\$6,747	
	1303	Play Area Groundcover - Refill	\$7,497	\$14,244
2053	803	Mailboxes - Replace	\$95,119	
	1112	Pool Cover - Replace	\$13,878	\$108,997

Component Evaluation

Comp #: 105 Roofs - Replace



Location: **Pool Building**

Quantity: **Approx 1,200 SF**

Life Expectancy: **25** *Remaining Life:* **15**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 120 Rain Gutters/Downspouts - Replace



Location: **Pool Building**

Quantity: **Approx 110 LF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 215 Siding - Repair/Repaint



Location: **Pool Building**

Quantity: **Approx 2,000 SF**

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

Best Cost: **\$3,000**

Estimate to repair/repaint

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 508 Access Control System - Replace



Location: **Pool Gate**

Quantity: **(1) System**

Life Expectancy: **12** *Remaining Life:* **2**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 703 Water Heater - Replace



Location: Pool Equipment Room

Quantity: (1) Water Heater

Life Expectancy: 12 *Remaining Life:* 2

Best Cost: \$2,000

Estimate to replace

Worst Cost: \$2,500

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 801 Monument Signs - Refurbish



Location: **Community Entrance**

Quantity: **(2) Signs**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

Due to the extended useful life of this component, reserve funding is not appropriate. Repaint lettering as necessary as an operating expense. No reserve funding necessary.

General Notes:

Comp #: 803 Mailboxes - Replace



Location: **Common Area**

Quantity: **(9) Clusters**

Life Expectancy: **20** *Remaining Life:* **9**

Best Cost: **\$29,000**

Estimate to replace

Worst Cost: **\$32,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 903 Security Camera System - Replace



Location: **Pool Building**

Quantity: **(1) System**

Life Expectancy: **12** *Remaining Life:* **7**

Best Cost: **\$3,000**

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

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.

General Notes:

Comp #: 1008 Vinyl Fencing - Replace



Location: **Pool Area**

Quantity: **Approx 270 LF**

Life Expectancy: **30** *Remaining Life:* **20**

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

Estimate to replace

Worst Cost: **\$18,000**

Higher estimate

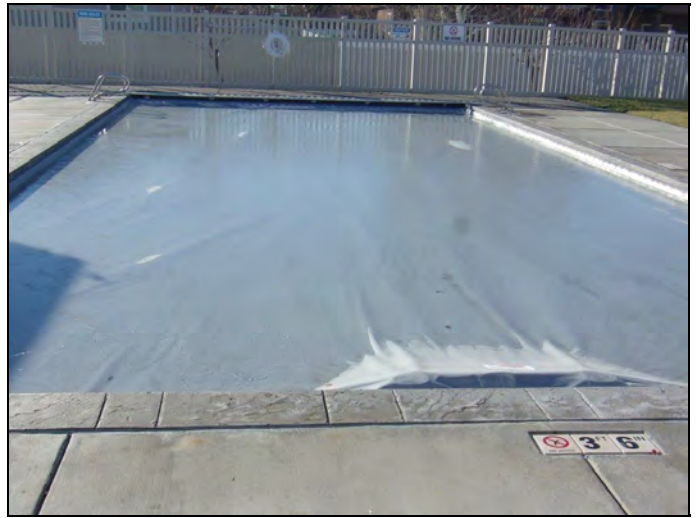
Source of Information: CSL Cost Database

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 age.

General Notes:

Comp #: 1101 Pool - Resurface



Location: **Pool Area**

Quantity: **(1) Pool**

Life Expectancy: **12** *Remaining Life:* **2**

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

Estimate to resurface

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

Unable to inspect this component at the time of the site visit. We recommend funding to resurface this component every 10 - 12 years. Remaining life based on current age.

General Notes:

Comp #: 1104 Pool Heater - Replace



Location: **Pool Equipment Room**

Quantity: **(1) Heater**

Life Expectancy: **12** *Remaining Life:* **2**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1107 Pool Filter - Replace



Location: **Pool Equipment Room**

Quantity: **(1) Filter**

Life Expectancy: **15** *Remaining Life:* **5**

Best Cost: **\$2,500**

Estimate to replace

Worst Cost: **\$3,500**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1110 Pool Pump - Replace



Location: Pool Equipment Room

Quantity: (1) Pump

Life Expectancy: 10 *Remaining Life:* 8

Best Cost: \$2,000

Estimate to replace

Worst Cost: \$2,500

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1111 Pool Chemical Controller System - Replace



Location: Pool Equipment Room

Quantity: (1) System

Life Expectancy: 12 *Remaining Life:* 11

Best Cost: \$2,200

Estimate to replace

Worst Cost: \$2,300

Higher estimate

Source of Information: Research with Client

Observations:

Research with the client reveals this component will be replaced in 2023. We recommend funding to replace this component approximately every 10 - 12 years. Remaining life based on current age.

General Notes:

Comp #: 1112 Pool Cover - Replace



Location: **Pool Area**

Quantity: **(1) Cover**

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

Best Cost: **\$4,400**

Estimate to replace

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

Higher estimate

Source of Information: Research with Client

Observations:

Research with the client reveals this component will be replaced in 2023. We recommend funding to replace this component approximately every 10 years. Remaining life based on current age and condition.

General Notes:

Comp #: 1116 Pool Deck - Replace



Location: **Pool Area**

Quantity: **(1) Pool Deck**

Life Expectancy: **50** *Remaining Life:* **40**

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

Estimate to replace

Worst Cost: **\$50,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1121 Pool Furniture - Replace



Location: **Pool Area**

Quantity: **Assorted Pieces**

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

Best Cost: **\$0**

Worst Cost: **\$0**

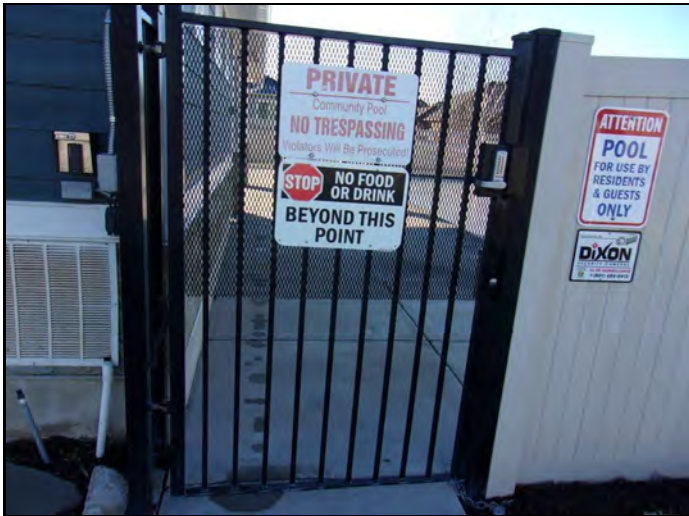
Source of Information:

Observations:

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

General Notes:

Comp #: 1190 Pool Gate - Replace



Location: Pool Area

Quantity: (1) Gate

Life Expectancy: 30 Remaining Life: 20

Best Cost: \$3,000

Estimate to replace

Worst Cost: \$5,000

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1206 Basketball Court - Replace



Location: **Common Area**

Quantity: **(1) Court**

Life Expectancy: **50** *Remaining Life:* **37**

Best Cost: **\$25,000**

Estimate to replace

Worst Cost: **\$30,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1207 Basketball Equipment - Replace



Location: **Common Area**

Quantity: **(1) Standard**

Life Expectancy: **20** *Remaining Life:* **7**

Best Cost: **\$3,000**

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The basketball equipment is in good condition. We recommend funding to replace this component approximately every 15 - 20 years. Remaining life is based on current age.

General Notes:

Comp #: 1301 Play Structure - Replace



Location: **Common Area**

Quantity: **(1) Structure**

Life Expectancy: **25** *Remaining Life:* **12**

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

Estimate to replace

Worst Cost: **\$70,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1303 Play Area Groundcover - Refill



Location: **Playground Area**

Quantity: **Approx 1,400 SF**

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

Best Cost: **\$2,000**

Estimate to replace

Worst Cost: **\$3,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The play area groundcover is in good to fair condition. We recommend funding to refill this component approximately every 3 - 5 years. Remaining life is based on current condition.

General Notes:

Comp #: 1304 Drinking Fountain - Replace



Location: **Pool Building**

Quantity: **(1) Drinking Fountain**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1307 Benches - Replace



Location: **Common Area**

Quantity: **(2) Benches**

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

Best Cost: **\$2,000**

Estimate to replace

Worst Cost: **\$2,500**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The benches are in good condition. We recommend funding to replace this component approximately every 10 - 15 years. Remaining life based on current age and condition.

General Notes:

Comp #: 1413 Restrooms - Remodel



Location: **Pool Building**

Quantity: **(2) Restrooms**

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

Best Cost: **\$14,000**

Estimate to remodel

Worst Cost: **\$18,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1602 Exterior Light Fixtures - Replace



Location: **Pool Building**

Quantity: **(6) Fixtures**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1812 Landscaping & Irrigation System - Renovate



Location: **Common Area**

Quantity: **Moderate SF**

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

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

Allowance to renovate

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

Higher allowance

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 2303 Windows - Replace



Location: **Pool Building**

Quantity: **(9) Windows**

Life Expectancy: **50** *Remaining Life:* **40**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 2304 Doors - Replace



Location: **Pool Building**

Quantity: **(4) Doors**

Life Expectancy: **50** *Remaining Life:* **40**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

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.

General Notes:

Glossary of Commonly Used Words And Phrases

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

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

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

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

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

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

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

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

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

$$\text{FFB} = \text{Current Cost} * \text{Effective Age} / \text{Useful Life}$$

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

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

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

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



Funding Principles –

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

GSF - Gross Square Feet

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

LF - Linear Feet

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

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

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

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

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

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

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

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

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

