

# Summit Creek Place

## Level 1 Reserve Study



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

<b>Client Reference Number</b>	<b>19366</b>
<b>Property Type</b>	<b>Townhouse</b>
<b>Number of Units</b>	<b>32</b>
<b>Fiscal Year End</b>	<b>12/31</b>

<b>Type of Study</b>	<b>Full Study</b>
<b>Date of Property Inspection</b>	<b>10/21/2024</b>
<b>Prepared By</b>	<b>Dale Gifford</b>
<b>Analysis Method</b>	<b>Cash Flow</b>
<b>Funding Goal</b>	<b>Full Funding</b>

**Report prepared on – Tuesday, December 10, 2024**



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## Glossary of Commonly used Words and Phrases

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## Executive Summary – Summit Creek Place - ID # 19366

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.

<b>Projected Starting Balance as of 01/01/2025</b>	<b>\$25,555</b>
<b>Ideal Reserve Balance as of 01/01/2025</b>	<b>\$147,340</b>
<b>Percent Funded as of 01/01/2025</b>	<b>17%</b>
<b>Recommended Reserve Contribution (per month)</b>	<b>\$5,570</b>
<b>Recommended Special Assessment 2025</b>	<b>\$0</b>

Summit Creek Place is a 32-unit Townhome community. The community offers a playground, and landscaped areas as amenities. Construction on the community was completed in 2021.

### Currently Programmed Projects

There are multiple projects programmed to occur this fiscal year (FY2025). We have programmed an estimated \$14,500 in reserve expenditures toward the completion of these projects. (See page 15)

### Significant Reserve Projects

The association's significant reserve projects are roofs replace (Comp# 105), vinyl siding replace (Comp# 302), siding repair/repaint (Comp# 215), and asphalt major rehab (Comp# 290). The fiscal significance of these components is approximately 25%, 22%, 11%, and 10% 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 \$25,555 versus the ideal reserve balance of \$147,340 we find the association's reserve fund to be approximately 17% funded. This indicates a weak reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$5,570 (\$174.06/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

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# of units	32
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	\$0
Projected Starting Reserve Balance	\$25,555
Ideal Starting Reserve Balance	\$147,340

## Economic Assumptions

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Projected Inflation Rate	4.00%
Reported After-Tax Interest Rate	0.10%

## Current Reserve Status

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Current Balance as a % of Ideal Balance	17%
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## Recommendations

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Recommended Monthly Reserve Allocation	\$5,570
Per Unit	\$174.06
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	\$4,850
Per Unit	\$151.56
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

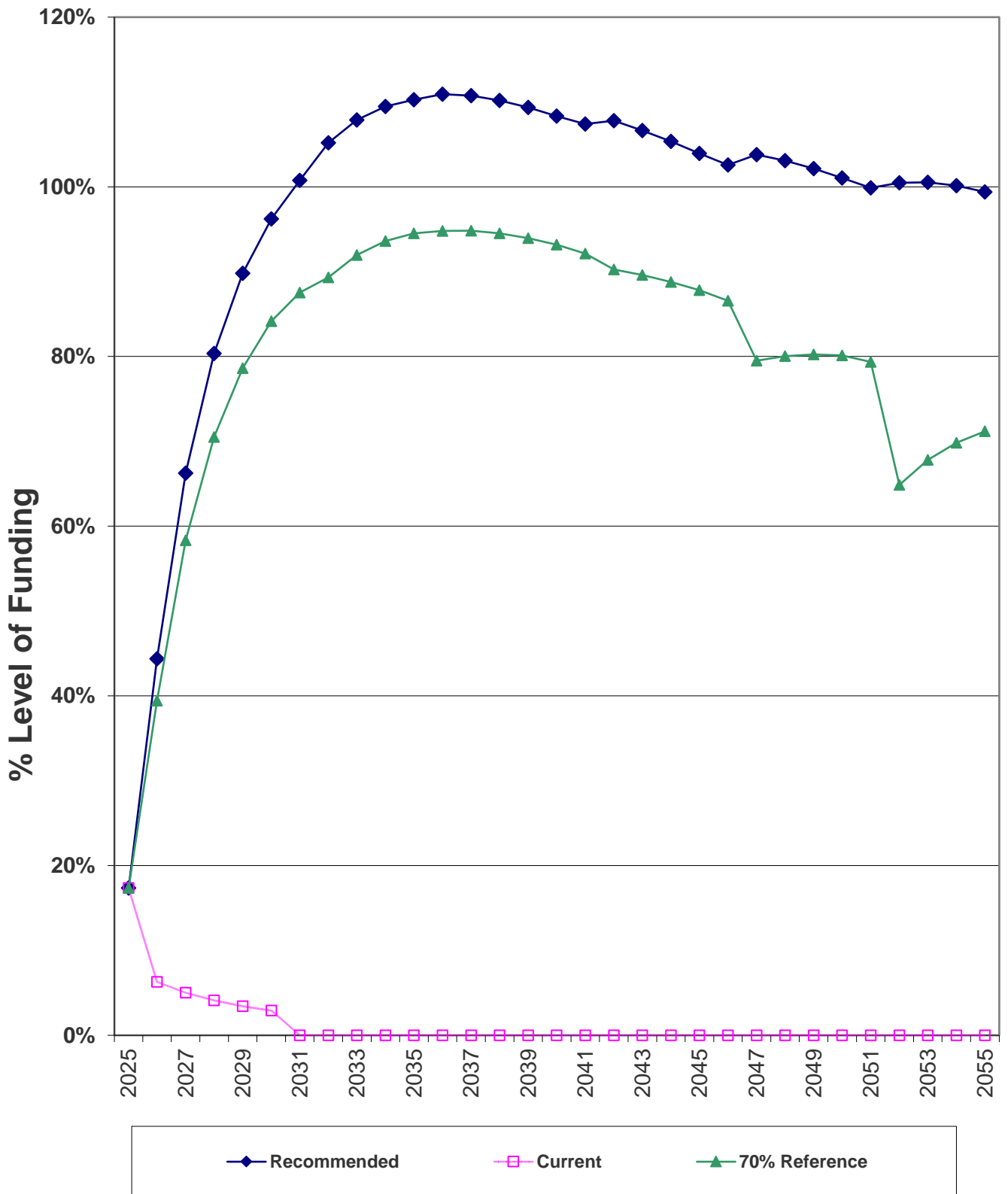
## Changes From Prior Year

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Recommended Increase to Reserve Allocation as Percentage	\$5,570 0%
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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	21	\$204,000	\$247,000
	120	Rain Gutters/Downspouts - Replace	30	26	\$26,000	\$32,000
Painted Surfaces	204	Front Doors - Repaint	10	6	\$6,000	\$7,000
	215	Siding - Repair/Repaint	10	6	\$36,000	\$47,000
Siding Materials	302	Vinyl Siding - Replace	50	46	\$313,000	\$469,000
Drive Materials	401	Asphalt - Major Rehab	30	26	\$99,000	\$119,000
	402	Asphalt - Seal Coat	5	0	\$13,000	\$16,000
	403	Concrete - Partial Repair/Replace	10	6	\$2,000	\$3,000
Prop. Identification	803	Mailboxes - Replace	N/A		\$0	\$0
Life / Safety	901	Fire Protection System - Renovate	20	16	\$5,000	\$6,000
Fencing	1008	Vinyl Fencing - Replace	30	26	\$83,000	\$100,000
Recreation Equip.	1301	Play Structure - Replace	25	21	\$30,000	\$36,000
	1303	Play Area Groundcover - Refill	10	6	\$2,000	\$2,500
Light Fixtures	1602	Exterior Light Fixtures - Replace	20	16	\$16,000	\$20,000
	1609	Street Light Fixtures - Replace	20	16	\$5,000	\$6,000
Landscaping	1812	Landscaping & Irrigation System - Renov	20	16	\$12,000	\$15,000

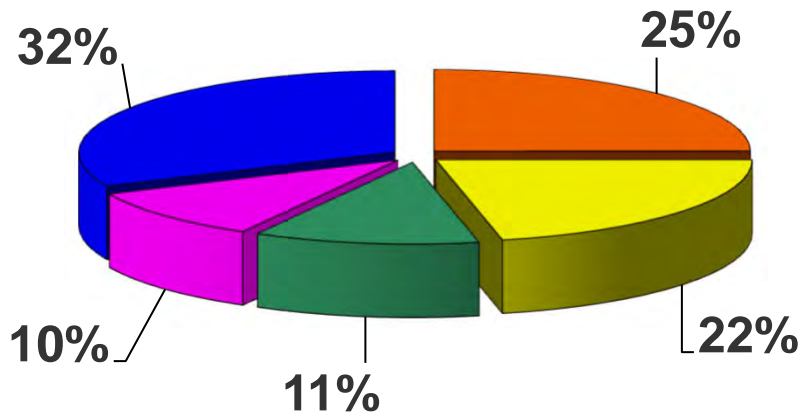
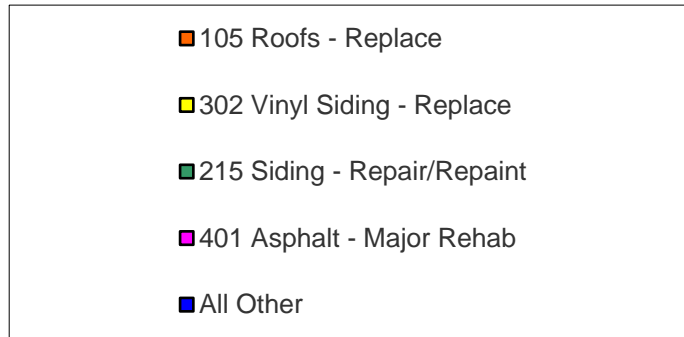


## Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Roofs - Replace	25	21	\$225,500	\$9,020	24.9792%
120	Rain Gutters/Downspouts - Replace	30	26	\$29,000	\$967	2.6770%
204	Front Doors - Repaint	10	6	\$6,500	\$650	1.8001%
215	Siding - Repair/Repaint	10	6	\$41,500	\$4,150	11.4927%
302	Vinyl Siding - Replace	50	46	\$391,000	\$7,820	21.6561%
401	Asphalt - Major Rehab	30	26	\$109,000	\$3,633	10.0618%
402	Asphalt - Seal Coat	5	0	\$14,500	\$2,900	8.0310%
403	Concrete - Partial Repair/Replace	10	6	\$2,500	\$250	0.6923%
901	Fire Protection System - Renovate	20	16	\$5,500	\$275	0.7616%
1008	Vinyl Fencing - Replace	30	26	\$91,500	\$3,050	8.4464%
1301	Play Structure - Replace	25	21	\$33,000	\$1,320	3.6555%
1303	Play Area Groundcover - Refill	10	6	\$2,250	\$225	0.6231%
1602	Exterior Light Fixtures - Replace	20	16	\$18,000	\$900	2.4924%
1609	Street Light Fixtures - Replace	20	16	\$5,500	\$275	0.7616%
1812	Landscaping & Irrigation System - Rend	20	16	\$13,500	\$675	1.8693%



## Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Roofs - Replace	25	21	\$225,500	\$9,020	25%
302	Vinyl Siding - Replace	50	46	\$391,000	\$7,820	22%
215	Siding - Repair/Repaint	10	6	\$41,500	\$4,150	11%
401	Asphalt - Major Rehab	30	26	\$109,000	\$3,633	10%
All Other	See Expanded Table For Breakdown				\$11,487	32%



## Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2025	\$147,340	\$25,555	17%	\$66,840	\$52	\$14,500	\$77,947
2026	\$175,708	\$77,947	44%	\$68,845	\$112	\$0	\$146,904
2027	\$221,793	\$146,904	66%	\$70,911	\$182	\$0	\$217,997
2028	\$271,283	\$217,997	80%	\$73,038	\$255	\$0	\$291,290
2029	\$324,378	\$291,290	90%	\$75,229	\$329	\$0	\$366,848
2030	\$381,287	\$366,848	96%	\$77,486	\$397	\$17,641	\$427,089
2031	\$423,882	\$427,089	101%	\$79,810	\$434	\$66,746	\$440,588
2032	\$418,940	\$440,588	105%	\$82,205	\$482	\$0	\$523,275
2033	\$485,117	\$523,275	108%	\$84,671	\$566	\$0	\$608,511
2034	\$555,917	\$608,511	109%	\$87,211	\$652	\$0	\$696,375
2035	\$631,605	\$696,375	110%	\$89,827	\$731	\$21,464	\$765,470
2036	\$690,137	\$765,470	111%	\$92,522	\$812	\$0	\$858,804
2037	\$775,556	\$858,804	111%	\$95,298	\$907	\$0	\$955,009
2038	\$866,704	\$955,009	110%	\$98,157	\$1,005	\$0	\$1,054,170
2039	\$963,903	\$1,054,170	109%	\$101,101	\$1,105	\$0	\$1,156,377
2040	\$1,067,491	\$1,156,377	108%	\$104,135	\$1,196	\$26,114	\$1,235,594
2041	\$1,150,666	\$1,235,594	107%	\$107,259	\$1,201	\$178,401	\$1,165,651
2042	\$1,081,494	\$1,165,651	108%	\$110,476	\$1,221	\$0	\$1,277,349
2043	\$1,197,906	\$1,277,349	107%	\$113,791	\$1,335	\$0	\$1,392,474
2044	\$1,321,900	\$1,392,474	105%	\$117,204	\$1,452	\$0	\$1,511,131
2045	\$1,453,898	\$1,511,131	104%	\$120,720	\$1,556	\$31,771	\$1,601,636
2046	\$1,561,298	\$1,601,636	103%	\$124,342	\$1,370	\$589,062	\$1,138,287
2047	\$1,096,704	\$1,138,287	104%	\$128,072	\$1,203	\$0	\$1,267,562
2048	\$1,229,573	\$1,267,562	103%	\$131,915	\$1,334	\$0	\$1,400,810
2049	\$1,371,316	\$1,400,810	102%	\$135,872	\$1,469	\$0	\$1,538,152
2050	\$1,522,432	\$1,538,152	101%	\$139,948	\$1,590	\$38,655	\$1,641,035
2051	\$1,643,243	\$1,641,035	100%	\$144,147	\$1,322	\$782,530	\$1,003,974
2052	\$999,260	\$1,003,974	100%	\$148,471	\$1,079	\$0	\$1,153,524
2053	\$1,147,514	\$1,153,524	101%	\$152,925	\$1,231	\$0	\$1,307,679
2054	\$1,306,029	\$1,307,679	100%	\$157,513	\$1,387	\$0	\$1,466,579



# 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	21	Approx. 42,885 SF	\$225,500	\$36,080	\$0	\$1,391.34
120	Rain Gutters/Downspouts - Replace	30	26	Approx. 2,850 LF	\$29,000	\$3,867	\$0	\$149.11
204	Front Doors - Repaint	10	6	(32) Doors	\$6,500	\$2,600	\$2,600	\$100.26
215	Siding - Repair/Repaint	10	6	Approx. 23,360 SF	\$41,500	\$16,600	\$8,455	\$640.14
302	Vinyl Siding - Replace	50	46	Approx. 31,260 SF	\$391,000	\$31,280	\$0	\$1,206.24
401	Asphalt - Major Rehab	30	26	Approx. 39,545 SF	\$109,000	\$14,533	\$0	\$560.44
402	Asphalt - Seal Coat	5	0	Approx. 39,545 SF	\$14,500	\$14,500	\$14,500	\$447.33
403	Concrete - Partial Repair/Replace	10	6	Minimal SF	\$2,500	\$1,000	\$0	\$38.56
901	Fire Protection System - Renovate	20	16	(1) System	\$5,500	\$1,100	\$0	\$42.42
1008	Vinyl Fencing - Replace	30	26	Approx. 1,495 LF	\$91,500	\$12,200	\$0	\$470.47
1301	Play Structure - Replace	25	21	(1) Structure	\$33,000	\$5,280	\$0	\$203.61
1303	Play Area Groundcover - Refill	10	6	Approx. 585 SF	\$2,250	\$900	\$0	\$34.71
1602	Exterior Light Fixtures - Replace	20	16	(96) Lights	\$18,000	\$3,600	\$0	\$138.83
1609	Street Light Fixtures - Replace	20	16	(4) Lights	\$5,500	\$1,100	\$0	\$42.42
1812	Landscaping & Irrigation System - Renovate	20	16	Extensive SF	\$13,500	\$2,700	\$0	\$104.12
					\$988,750	\$147,340	\$25,555	\$5,570

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



## Yearly Cash Flow

Year	2025	2026	2027	2028	2029
<b>Starting Balance</b>	\$25,555	\$77,947	\$146,904	\$217,997	\$291,290
<i>Reserve Income</i>	\$66,840	\$68,845	\$70,911	\$73,038	\$75,229
<i>Interest Earnings</i>	\$52	\$112	\$182	\$255	\$329
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$92,447	\$146,904	\$217,997	\$291,290	\$366,848
<b>Reserve Expenditures</b>	\$14,500	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	\$77,947	\$146,904	\$217,997	\$291,290	\$366,848

Year	2030	2031	2032	2033	2034
<b>Starting Balance</b>	\$366,848	\$427,089	\$440,588	\$523,275	\$608,511
<i>Reserve Income</i>	\$77,486	\$79,810	\$82,205	\$84,671	\$87,211
<i>Interest Earnings</i>	\$397	\$434	\$482	\$566	\$652
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$444,731	\$507,334	\$523,275	\$608,511	\$696,375
<b>Reserve Expenditures</b>	\$17,641	\$66,746	\$0	\$0	\$0
<b>Ending Balance</b>	\$427,089	\$440,588	\$523,275	\$608,511	\$696,375

Year	2035	2036	2037	2038	2039
<b>Starting Balance</b>	\$696,375	\$765,470	\$858,804	\$955,009	\$1,054,170
<i>Reserve Income</i>	\$89,827	\$92,522	\$95,298	\$98,157	\$101,101
<i>Interest Earnings</i>	\$731	\$812	\$907	\$1,005	\$1,105
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$786,933	\$858,804	\$955,009	\$1,054,170	\$1,156,377
<b>Reserve Expenditures</b>	\$21,464	\$0	\$0	\$0	\$0
<b>Ending Balance</b>	\$765,470	\$858,804	\$955,009	\$1,054,170	\$1,156,377

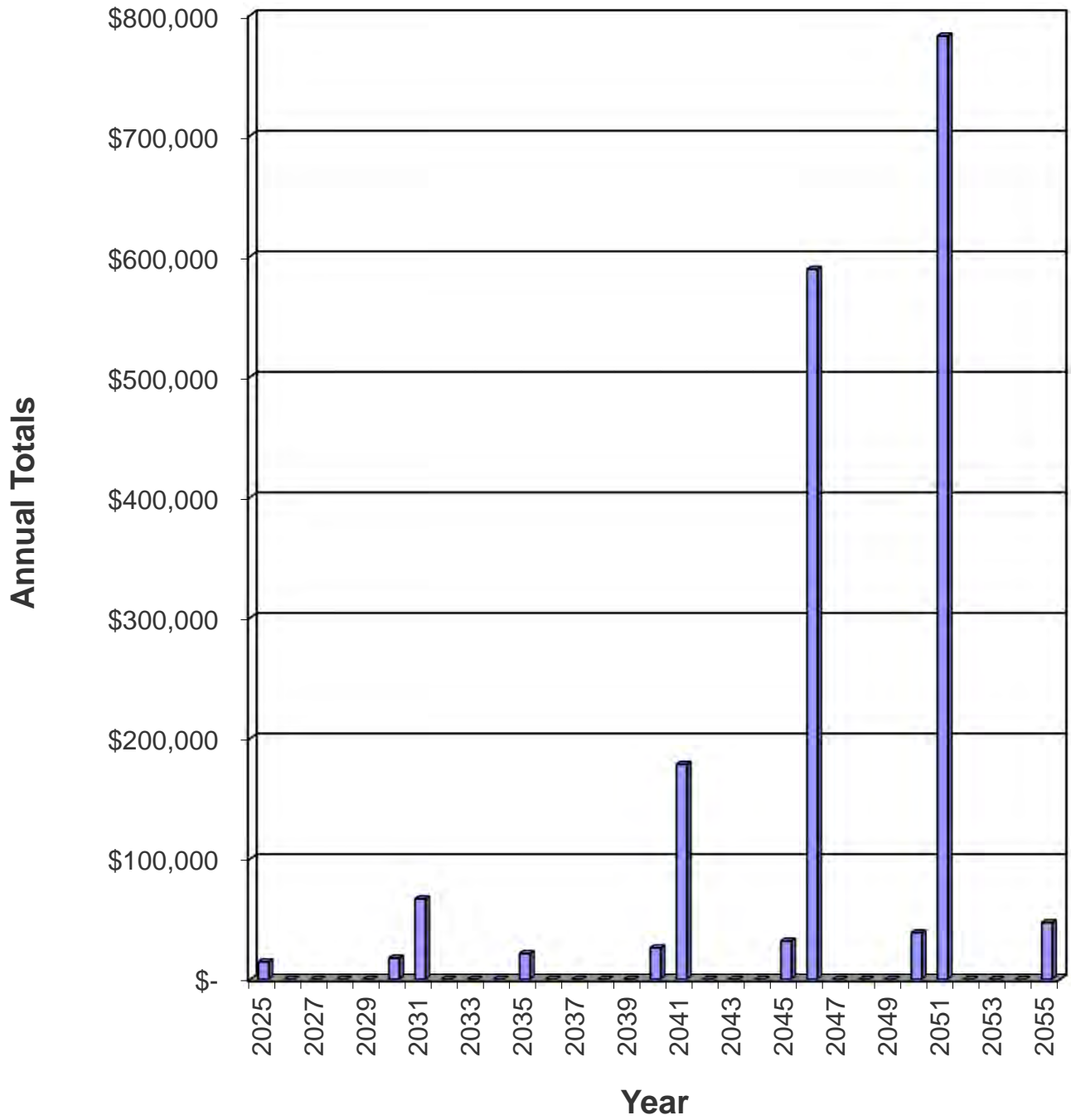
Year	2040	2041	2042	2043	2044
<b>Starting Balance</b>	\$1,156,377	\$1,235,594	\$1,165,651	\$1,277,349	\$1,392,474
<i>Reserve Income</i>	\$104,135	\$107,259	\$110,476	\$113,791	\$117,204
<i>Interest Earnings</i>	\$1,196	\$1,201	\$1,221	\$1,335	\$1,452
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,261,707	\$1,344,053	\$1,277,349	\$1,392,474	\$1,511,131
<b>Reserve Expenditures</b>	\$26,114	\$178,401	\$0	\$0	\$0
<b>Ending Balance</b>	\$1,235,594	\$1,165,651	\$1,277,349	\$1,392,474	\$1,511,131

Year	2045	2046	2047	2048	2049
<b>Starting Balance</b>	\$1,511,131	\$1,601,636	\$1,138,287	\$1,267,562	\$1,400,810
<i>Reserve Income</i>	\$120,720	\$124,342	\$128,072	\$131,915	\$135,872
<i>Interest Earnings</i>	\$1,556	\$1,370	\$1,203	\$1,334	\$1,469
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,633,407	\$1,727,348	\$1,267,562	\$1,400,810	\$1,538,152
<b>Reserve Expenditures</b>	\$31,771	\$589,062	\$0	\$0	\$0
<b>Ending Balance</b>	\$1,601,636	\$1,138,287	\$1,267,562	\$1,400,810	\$1,538,152

Year	2050	2051	2052	2053	2054
<b>Starting Balance</b>	\$1,538,152	\$1,641,035	\$1,003,974	\$1,153,524	\$1,307,679
<i>Reserve Income</i>	\$139,948	\$144,147	\$148,471	\$152,925	\$157,513
<i>Interest Earnings</i>	\$1,590	\$1,322	\$1,079	\$1,231	\$1,387
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,679,689	\$1,786,504	\$1,153,524	\$1,307,679	\$1,466,579
<b>Reserve Expenditures</b>	\$38,655	\$782,530	\$0	\$0	\$0
<b>Ending Balance</b>	\$1,641,035	\$1,003,974	\$1,153,524	\$1,307,679	\$1,466,579



## Yearly Reserve Expenditures - Graph





## Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2025	402	Asphalt - Seal Coat	\$14,500	\$14,500
2026		No Expenditures Projected		\$0
2027		No Expenditures Projected		\$0
2028		No Expenditures Projected		\$0
2029		No Expenditures Projected		\$0
2030	402	Asphalt - Seal Coat	\$17,641	\$17,641
2031	204	Front Doors - Repaint	\$8,225	
	215	Siding - Repair/Repaint	\$52,511	
	403	Concrete - Partial Repair/Replace	\$3,163	
	1303	Play Area Groundcover - Refill	\$2,847	\$66,746
2032		No Expenditures Projected		\$0
2033		No Expenditures Projected		\$0
2034		No Expenditures Projected		\$0
2035	402	Asphalt - Seal Coat	\$21,464	\$21,464
2036		No Expenditures Projected		\$0
2037		No Expenditures Projected		\$0
2038		No Expenditures Projected		\$0
2039		No Expenditures Projected		\$0
2040	402	Asphalt - Seal Coat	\$26,114	\$26,114
2041	204	Front Doors - Repaint	\$12,174	
	215	Siding - Repair/Repaint	\$77,729	
	403	Concrete - Partial Repair/Replace	\$4,682	
	901	Fire Protection System - Renovate	\$10,301	
	1303	Play Area Groundcover - Refill	\$4,214	
	1602	Exterior Light Fixtures - Replace	\$33,714	
	1609	Street Light Fixtures - Replace	\$10,301	
	1812	Landscaping & Irrigation System - Renovate	\$25,285	\$178,401
2042		No Expenditures Projected		\$0
2043		No Expenditures Projected		\$0
2044		No Expenditures Projected		\$0
2045	402	Asphalt - Seal Coat	\$31,771	\$31,771
2046	105	Roofs - Replace	\$513,862	
	1301	Play Structure - Replace	\$75,199	\$589,062
2047		No Expenditures Projected		\$0
2048		No Expenditures Projected		\$0
2049		No Expenditures Projected		\$0
2050	402	Asphalt - Seal Coat	\$38,655	\$38,655
2051	120	Rain Gutters/Downspouts - Replace	\$80,402	
	204	Front Doors - Repaint	\$18,021	
	215	Siding - Repair/Repaint	\$115,057	
	401	Asphalt - Major Rehab	\$302,199	
	403	Concrete - Partial Repair/Replace	\$6,931	
	1008	Vinyl Fencing - Replace	\$253,681	
	1303	Play Area Groundcover - Refill	\$6,238	\$782,530

<b>Year</b>	<b>Comp ID</b>	<b>Component Name</b>	<b>Projected Cost</b>	<b>Total Per Annum</b>
2052		No Expenditures Projected		\$0
2053		No Expenditures Projected		\$0
2054		No Expenditures Projected		\$0

# Component Evaluation

Comp #: 105    Roofs - Replace



*Location:*            **Building Roofs**

*Quantity:*            **Approx. 42,885 SF**

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

*Best Cost:*            **\$204,000**

Estimate to replace

*Worst Cost:*         **\$247,000**

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:* **Building Exterior**

*Quantity:* **Approx. 2,850 LF**

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

*Best Cost:* **\$26,000**

Estimate to replace

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

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

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

*General Notes:*

Comp #: 204 Front Doors - Repaint



*Location:* **Building Exterior**

*Quantity:* **(32) Doors**

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

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

Estimate to repaint

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

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

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

*General Notes:*

Comp #: 215 Siding - Repair/Repaint



*Location:* **Building Exterior**

*Quantity:* **Approx. 23,360 SF**

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

*Best Cost:* **\$36,000**

Estimate to repair/repaint

*Worst Cost:* **\$47,000**

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

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

*General Notes:*



Comp #: 302 Vinyl Siding - Replace



*Location:* **Building Exterior**

*Quantity:* **Approx. 31,260 SF**

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

*Best Cost:* **\$313,000**

Estimate to replace

*Worst Cost:* **\$469,000**

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

The vinyl siding 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 #: 401 Asphalt - Major Rehab



*Location:* **Community Streets**

*Quantity:* **Approx. 39,545 SF**

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

*Best Cost:* **\$99,000**

Estimate for major rehab

*Worst Cost:* **\$119,000**

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

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

*General Notes:*





Comp #: 402 Asphalt - Seal Coat



*Location:* **Community Streets**

*Quantity:* **Approx. 39,545 SF**

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

*Best Cost:* **\$13,000**

Estimate for seal coat

*Worst Cost:* **\$16,000**

Higher estimate

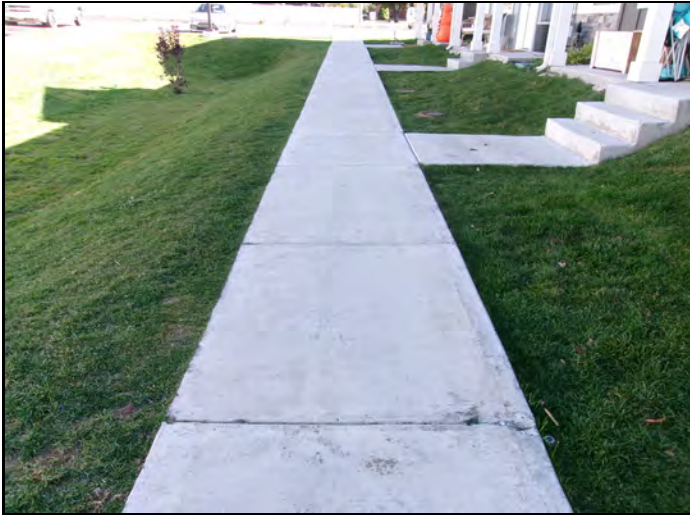
*Source of Information:* CSL Cost Database

*Observations:*

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

*General Notes:*

Comp #: 403 Concrete - Partial Repair/Replace



*Location:* **Common Area**

*Quantity:* **Minimal SF**

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

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

Allowance to repair/replace

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

Higher allowance

*Source of Information:* CSL Cost Database

*Observations:*

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

*General Notes:*

Comp #: 803 Mailboxes - Replace



*Location:* **Common Area**

*Quantity:* **(2) Clusters**

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

*Best Cost:* **\$0**

*Worst Cost:* **\$0**

*Source of Information:*

*Observations:*

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

*General Notes:*

Comp #: 901 Fire Protection System - Renovate



*Location:* **Commercial Building**

*Quantity:* **(1) System**

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

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

Allowance to renovate

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

Higher allowance

*Source of Information:* CSL Cost Database

*Observations:*

Although the fire protection system is designed to last the life of the community we recommend funding for an allowance to renovate this component approximately every 20 years to ensure proper function and to keep up with current technology and code requirements. Perform regular, professional inspections and repairs as an operating expense. Remaining life based on current age.

*General Notes:*



Comp #: 1008 Vinyl Fencing - Replace



*Location:* **Community Perimeter**

*Quantity:* **Approx. 1,495 LF**

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

*Best Cost:* **\$83,000**

Estimate to replace

*Worst Cost:* **\$100,000**

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 #: 1301 Play Structure - Replace



*Location:* **Common Area**

*Quantity:* **(1) Structure**

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

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

Estimate to replace

*Worst Cost:* **\$36,000**

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

The play structure is in good 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:* **Common Area**

*Quantity:* **Approx. 585 SF**

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

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

Estimate to refill

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

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

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

*General Notes:*



Comp #: 1602 Exterior Light Fixtures - Replace



*Location:* **Building Exteriors**

*Quantity:* **(96) Lights**

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

*Best Cost:* **\$16,000**

Estimate to replace

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

Higher estimate

*Source of Information:* CSL Cost Database

*Observations:*

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

*General Notes:*



Comp #: 1609 Street Light Fixtures - Replace



*Location:* **Community Streets**

*Quantity:* **(4) Lights**

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

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

Estimate to replace

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

Higher estimate

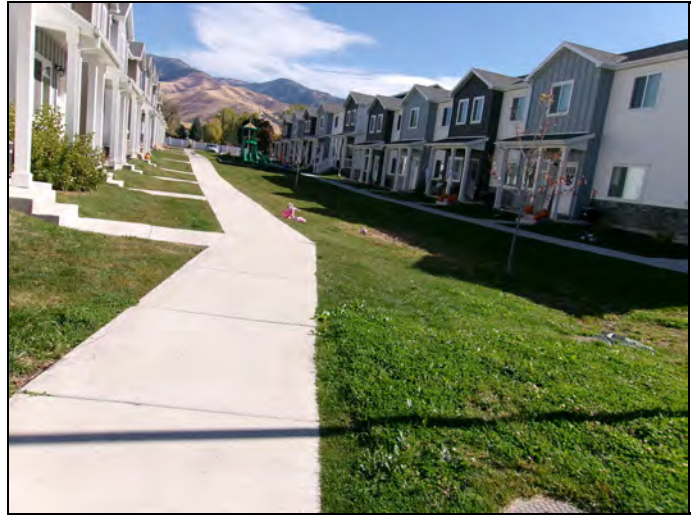
*Source of Information:* CSL Cost Database

*Observations:*

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

*General Notes:*

Comp #: 1812 Landscaping & Irrigation System - Renovate



*Location:* **Common Area**

*Quantity:* **Extensive SF**

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

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

Allowance to renovate

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

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 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.

