

Mt. Aire Gardens

Level 3 Reserve Study



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

Client Reference Number	18782
Property Type	Condominium
Number of Units	52
Fiscal Year End	12/31

Type of Study	Update No Site Visit
Date of Property Inspection	N/A
Prepared By	Dale Gifford
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on – Monday, March 17, 2025



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Glossary of Commonly used Words and Phrases

Executive Summary – Mt. Aire Gardens - ID # 18782

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

Projected Starting Balance as of 01/01/2025	\$32,203.49
Ideal Reserve Balance as of 01/01/2025	\$491,953
Percent Funded as of 01/01/2025	7%
Recommended Reserve Contribution (per month)	\$4,860
Recommended Special Assessment 2025	\$150,000

Mt. Aire Gardens is a 52-unit Condominium community. The community offers a swimming pool, and landscaped areas as amenities. Construction on the community was completed in 1974.

Currently Programmed Projects

There are multiple projects programmed to occur this fiscal year (FY2025). We have programmed an estimated \$126,250 in reserve expenditures toward the completion of these projects. (See page 15)

Significant Reserve Projects

The association's significant reserve projects are building exteriors and fence repair/repaint (Comp# 215), building roofs 2024 replace (Comp# 104), building roofs replace (Comp# 104), and asphalt major rehab (Comp# 401). The fiscal significance of these components is approximately 13%, 13%, 12%, and 12% 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 \$32,203.49 versus the ideal reserve balance of \$491,953 we find the association's reserve fund to be approximately 7% funded. This indicates a weak reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$4,860 (\$93.46/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 3,000 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 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	52
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	\$0
Projected Starting Reserve Balance	\$32,203
Ideal Starting Reserve Balance	\$491,953
Special Assessment 2025	\$150,000

Economic Assumptions

Projected Inflation Rate	4.00%
Reported After-Tax Interest Rate	3.95%

Current Reserve Status

Current Balance as a % of Ideal Balance	7%
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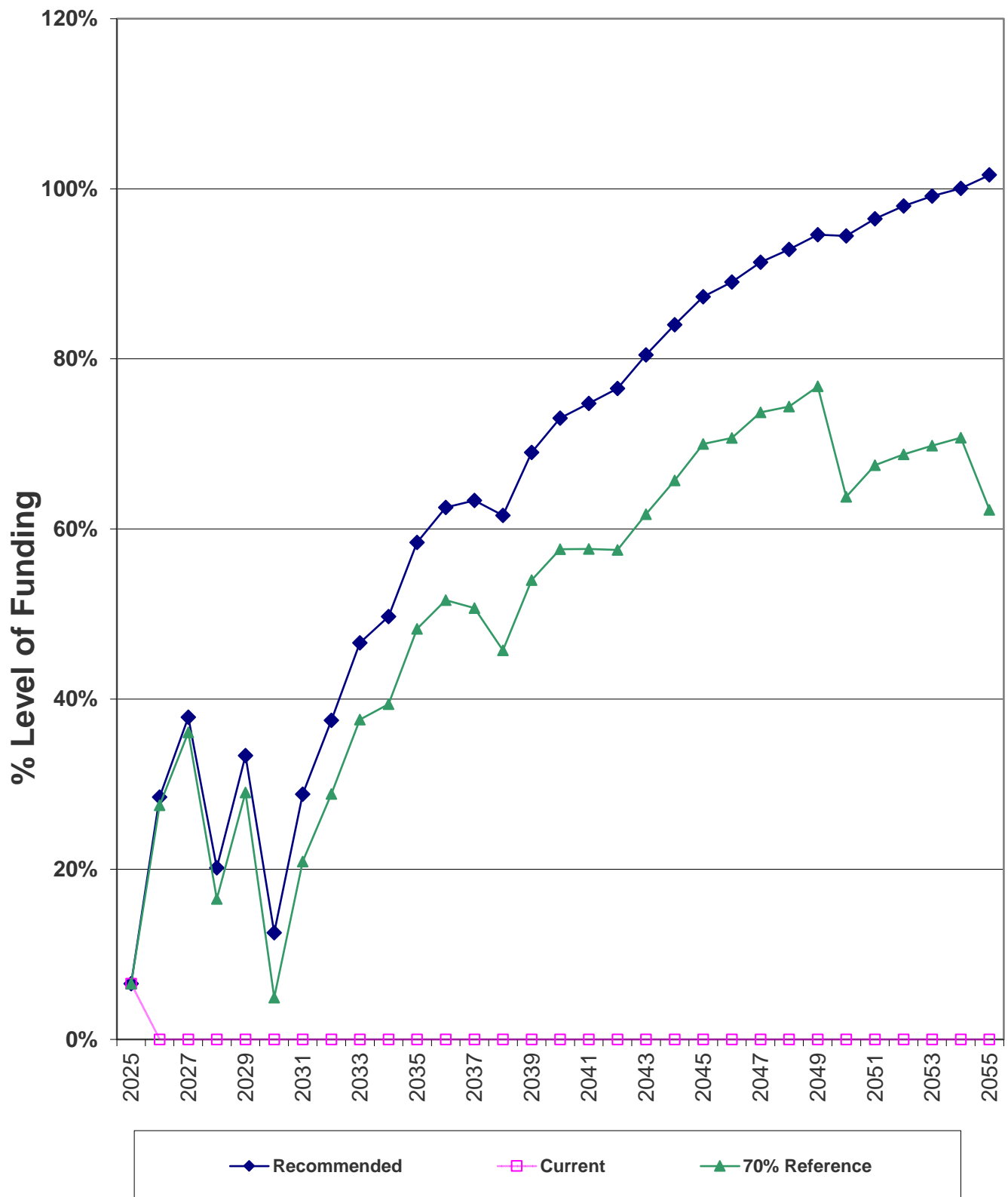
Recommendations

Recommended Monthly Reserve Allocation	\$4,860
Per Unit	\$93.46
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	\$4,525
Per Unit	\$87.02
Future Annual Increases	3.00%
For number of years:	22
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation as Percentage	\$4,860 0%
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Percent Funded - Graph



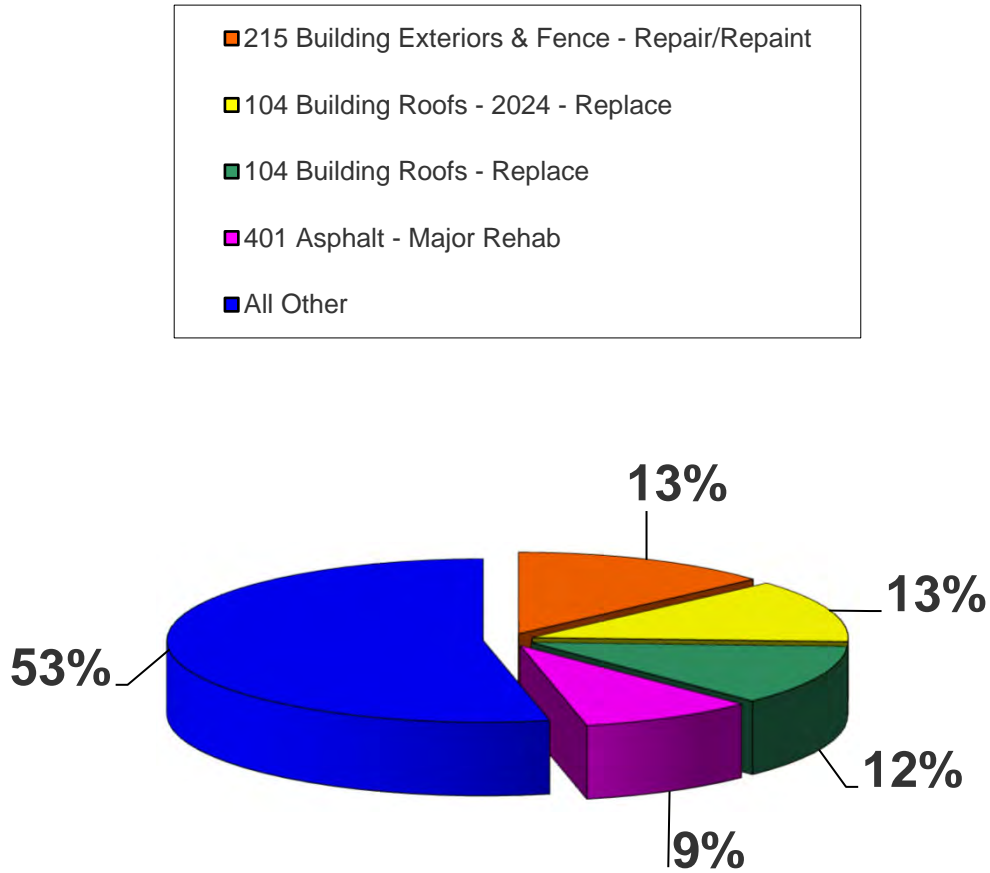
Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	104	Building Roofs - 2024 - Replace	25	24	\$125,000	\$126,000
	104	Building Roofs - Replace	25	4	\$109,000	\$131,000
	120	Rain Gutters/Downspouts - Replace	30	11	\$5,000	\$7,000
Painted Surfaces	204	Doors - Repaint/Refinish	10	0	\$17,000	\$23,000
	212	Metal Surfaces - Repaint	6	0	\$12,000	\$15,000
	215	Building Exteriors & Fence - Repair/Repa	8	0	\$37,000	\$49,000
	216	Laundry Room - Repaint	10	2	\$2,500	\$3,000
	219	Breezeway Walls/Ceilings - Repair/Repai	10	2	\$24,000	\$31,000
	290	Laundry Room Floor - Repaint	N/A		\$0	\$0
Drive Materials	401	Asphalt - Major Rehab	30	2	\$97,000	\$119,000
	402	Asphalt - Seal Coat	5	2	\$12,000	\$13,000
	403	Concrete - Partial Repair/Replace	10	0	\$3,000	\$4,000
Decking	605	Indoor/Outdoor Carpet - Replace	10	0	\$8,000	\$10,000
	690	Metal Railing - Replace	50	11	\$48,000	\$60,000
Mechanical Equip.	703	Water Heater - Replace	12	0	\$2,500	\$3,000
	703	Water Heater - Replace	12	5	\$2,000	\$2,500
Prop. Identification	801	Monument Sign - Replace	N/A		\$0	\$0
	802	Map - Replace	N/A		\$0	\$0
	803	Mailboxes - Replace	20	0	\$12,000	\$15,000
Life / Safety	903	Security Camera System - Replace	12	4	\$6,000	\$8,000
Fencing	1001	Wood Fencing - Replace	N/A		\$0	\$0
Pool / Spa	1101	Pool - Resurface	12	0	\$15,000	\$20,000
	1104	Pool Heater - Replace	12	2	\$7,000	\$8,000
	1107	Pool Filter - Replace	15	2	\$3,000	\$4,000
	1110	Pool Pump - Replace	10	6	\$2,500	\$3,000
	1112	Pool Cover - Replace	10	1	\$5,000	\$6,000
	1116	Pool Deck - Replace	50	15	\$52,000	\$61,000
	1117	Pool Deck - Repaint	8	0	\$3,000	\$4,000
	1121	Pool Furniture - Replace	N/A		\$0	\$0
Interiors	1401	Laundry Equipment - Replace	10	4	\$17,000	\$21,000
Light Fixtures	1601	Laundry Room Light Fixtures - Replace	N/A		\$0	\$0
	1602	Exterior Light Fixtures - Replace	N/A		\$0	\$0
	1609	Street Light Fixtures - Replace	20	6	\$5,000	\$7,000
Landscaping	1812	Landscaping & Irrigation System - Renov	20	12	\$10,000	\$15,000

Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
104	Building Roofs - 2024 - Replace	25	24	\$125,500	\$5,020	12.4537%
104	Building Roofs - Replace	25	4	\$120,000	\$4,800	11.9080%
120	Rain Gutters/Downspouts - Replace	30	11	\$6,000	\$200	0.4962%
204	Doors - Repaint/Refinish	10	0	\$20,000	\$2,000	4.9617%
212	Metal Surfaces - Repaint	6	0	\$13,500	\$2,250	5.5819%
215	Building Exteriors & Fence - Repair/Rep	8	0	\$43,000	\$5,375	13.3344%
216	Laundry Room - Repaint	10	2	\$2,750	\$275	0.6822%
219	Breezeway Walls/Ceilings - Repair/Rep	10	2	\$27,500	\$2,750	6.8223%
401	Asphalt - Major Rehab	30	2	\$108,000	\$3,600	8.9310%
402	Asphalt - Seal Coat	5	2	\$12,500	\$2,500	6.2021%
403	Concrete - Partial Repair/Replace	10	0	\$3,500	\$350	0.8683%
605	Indoor/Outdoor Carpet - Replace	10	0	\$9,000	\$900	2.2327%
690	Metal Railing - Replace	50	11	\$54,000	\$1,080	2.6793%
703	Water Heater - Replace	12	0	\$2,750	\$229	0.5685%
703	Water Heater - Replace	12	5	\$2,250	\$188	0.4652%
803	Mailboxes - Replace	20	0	\$13,500	\$675	1.6746%
903	Security Camera System - Replace	12	4	\$7,000	\$583	1.4471%
1101	Pool - Resurface	12	0	\$17,500	\$1,458	3.6179%
1104	Pool Heater - Replace	12	2	\$7,500	\$625	1.5505%
1107	Pool Filter - Replace	15	2	\$3,500	\$233	0.5789%
1110	Pool Pump - Replace	10	6	\$2,750	\$275	0.6822%
1112	Pool Cover - Replace	10	1	\$5,500	\$550	1.3645%
1116	Pool Deck - Replace	50	15	\$56,500	\$1,130	2.8033%
1117	Pool Deck - Repaint	8	0	\$3,500	\$438	1.0854%
1401	Laundry Equipment - Replace	10	4	\$19,000	\$1,900	4.7136%
1609	Street Light Fixtures - Replace	20	6	\$6,000	\$300	0.7442%
1812	Landscaping & Irrigation System - Rend	20	12	\$12,500	\$625	1.5505%

Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
215	Building Exteriors & Fence - Repair/Re	8	0	\$43,000	\$5,375	13%
104	Building Roofs - 2024 - Replace	25	24	\$125,500	\$5,020	13%
104	Building Roofs - Replace	25	4	\$120,000	\$4,800	12%
401	Asphalt - Major Rehab	30	2	\$108,000	\$3,600	9%
All Other	See Expanded Table For Breakdown				\$21,514	53%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2025	\$491,953	\$32,203	7%	\$58,320	\$5,963	\$126,250	-\$29,764
2026	\$422,252	\$120,236	28%	\$60,070	\$5,929	\$5,720	\$180,515
2027	\$476,792	\$180,515	38%	\$61,872	\$4,987	\$174,949	\$72,425
2028	\$359,259	\$72,425	20%	\$63,728	\$4,195	\$0	\$140,347
2029	\$420,785	\$140,347	33%	\$65,640	\$3,530	\$170,799	\$38,718
2030	\$309,028	\$38,718	13%	\$67,609	\$2,862	\$2,737	\$106,451
2031	\$369,546	\$106,451	29%	\$69,637	\$5,116	\$28,153	\$153,051
2032	\$408,092	\$153,051	38%	\$71,726	\$7,268	\$16,449	\$215,596
2033	\$462,475	\$215,596	47%	\$73,878	\$8,878	\$63,638	\$234,714
2034	\$472,162	\$234,714	50%	\$76,094	\$10,971	\$0	\$321,779
2035	\$550,716	\$321,779	58%	\$78,377	\$13,552	\$48,108	\$365,600
2036	\$584,767	\$365,600	63%	\$80,729	\$14,301	\$100,834	\$359,796
2037	\$567,826	\$359,796	63%	\$83,150	\$13,279	\$142,492	\$313,733
2038	\$509,465	\$313,733	62%	\$85,645	\$14,342	\$0	\$413,719
2039	\$599,646	\$413,719	69%	\$88,214	\$17,492	\$45,889	\$473,536
2040	\$648,502	\$473,536	73%	\$90,861	\$18,828	\$101,753	\$481,472
2041	\$644,117	\$481,472	75%	\$93,586	\$19,130	\$105,355	\$488,833
2042	\$638,830	\$488,833	77%	\$96,394	\$20,886	\$35,549	\$570,563
2043	\$709,071	\$570,563	80%	\$99,286	\$24,397	\$27,349	\$666,897
2044	\$793,917	\$666,897	84%	\$102,264	\$28,881	\$0	\$798,043
2045	\$913,996	\$798,043	87%	\$105,332	\$32,191	\$100,792	\$834,775
2046	\$937,588	\$834,775	89%	\$108,492	\$35,507	\$12,533	\$966,241
2047	\$1,057,586	\$966,241	91%	\$111,747	\$39,075	\$101,314	\$1,015,749
2048	\$1,093,874	\$1,015,749	93%	\$115,100	\$43,171	\$0	\$1,174,020
2049	\$1,240,953	\$1,174,020	95%	\$118,553	\$38,021	\$576,103	\$754,491
2050	\$798,902	\$754,491	94%	\$122,109	\$32,804	\$0	\$909,403
2051	\$942,614	\$909,403	96%	\$125,772	\$38,202	\$45,053	\$1,028,326
2052	\$1,049,690	\$1,028,326	98%	\$129,546	\$43,243	\$36,042	\$1,165,072
2053	\$1,175,069	\$1,165,072	99%	\$133,432	\$49,124	\$20,991	\$1,326,637
2054	\$1,325,952	\$1,326,637	100%	\$137,435	\$48,458	\$381,255	\$1,131,275

Reserve Contributions - Graph

Monthly Reserve Contributions



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
104	Building Roofs - 2024 - Replace	25	24	Approx 15,900 SF	\$125,500	\$5,020	\$0	\$605.25
104	Building Roofs - Replace	25	4	Approx 16,600 SF	\$120,000	\$100,800	\$0	\$578.73
120	Rain Gutters/Downspouts - Replace	30	11	Approx 440 LF	\$6,000	\$3,800	\$0	\$24.11
204	Doors - Repaint/Refinish	10	0	(112) Doors	\$20,000	\$20,000	\$20,000	\$241.14
212	Metal Surfaces - Repaint	6	0	(3) Buildings	\$13,500	\$13,500	\$12,203	\$271.28
215	Building Exteriors & Fence - Repair/Repaint	8	0	Approx 24,330 SF	\$43,000	\$43,000	\$0	\$648.05
216	Laundry Room - Repaint	10	2	Approx 1,500 SF	\$2,750	\$2,200	\$0	\$33.16
219	Breezeway Walls/Ceilings - Repair/Repaint	10	2	Approx 15,400 SF	\$27,500	\$22,000	\$0	\$331.56
401	Asphalt - Major Rehab	30	2	Approx 43,000 SF	\$108,000	\$100,800	\$0	\$434.05
402	Asphalt - Seal Coat	5	2	Approx 43,000 SF	\$12,500	\$7,500	\$0	\$301.42
403	Concrete - Partial Repair/Replace	10	0	Minimal SF	\$3,500	\$3,500	\$0	\$42.20
605	Indoor/Outdoor Carpet - Replace	10	0	Approx 1,800 SF	\$9,000	\$9,000	\$0	\$108.51
690	Metal Railing - Replace	50	11	Approx 475 LF	\$54,000	\$42,120	\$0	\$130.21
703	Water Heater - Replace	12	0	(1) Water Heater	\$2,750	\$2,750	\$0	\$27.63
703	Water Heater - Replace	12	5	(1) Water Heater	\$2,250	\$1,313	\$0	\$22.61
803	Mailboxes - Replace	20	0	(4) Clusters	\$13,500	\$13,500	\$0	\$81.38
903	Security Camera System - Replace	12	4	(1) System	\$7,000	\$4,667	\$0	\$70.33
1101	Pool - Resurface	12	0	(1) Pool	\$17,500	\$17,500	\$0	\$175.83
1104	Pool Heater - Replace	12	2	(1) Heater	\$7,500	\$6,250	\$0	\$75.36
1107	Pool Filter - Replace	15	2	(1) Filter	\$3,500	\$3,033	\$0	\$28.13
1110	Pool Pump - Replace	10	6	(1) Pump	\$2,750	\$1,100	\$0	\$33.16
1112	Pool Cover - Replace	10	1	(1) Cover	\$5,500	\$4,950	\$0	\$66.31
1116	Pool Deck - Replace	50	15	Approx 1,725 SF	\$56,500	\$39,550	\$0	\$136.24
1117	Pool Deck - Repaint	8	0	Approx 1,725 SF	\$3,500	\$3,500	\$0	\$52.75
1401	Laundry Equipment - Replace	10	4	(13) Pieces	\$19,000	\$11,400	\$0	\$229.08
1609	Street Light Fixtures - Replace	20	6	(5) Fixtures	\$6,000	\$4,200	\$0	\$36.17
1812	Landscaping & Irrigation System - Renovate	20	12	Approx 11,500 SF	\$12,500	\$5,000	\$0	\$75.36
					\$705,000	\$491,953	\$32,203	\$4,860

Current Fund Balance as a percentage of Ideal Balance: 7%



Yearly Cash Flow

Year	2025	2026	2027	2028	2029
Starting Balance	\$32,203	\$120,236	\$180,515	\$72,425	\$140,347
<i>Reserve Income</i>	\$58,320	\$60,070	\$61,872	\$63,728	\$65,640
<i>Interest Earnings</i>	\$5,963	\$5,929	\$4,987	\$4,195	\$3,530
<i>Special Assessments</i>	\$150,000	\$0	\$0	\$0	\$0
Funds Available	\$246,486	\$186,235	\$247,373	\$140,347	\$209,517
Reserve Expenditures	\$126,250	\$5,720	\$174,949	\$0	\$170,799
Ending Balance	\$120,236	\$180,515	\$72,425	\$140,347	\$38,718

Year	2030	2031	2032	2033	2034
Starting Balance	\$38,718	\$106,451	\$153,051	\$215,596	\$234,714
<i>Reserve Income</i>	\$67,609	\$69,637	\$71,726	\$73,878	\$76,094
<i>Interest Earnings</i>	\$2,862	\$5,116	\$7,268	\$8,878	\$10,971
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$109,189	\$181,204	\$232,045	\$298,352	\$321,779
Reserve Expenditures	\$2,737	\$28,153	\$16,449	\$63,638	\$0
Ending Balance	\$106,451	\$153,051	\$215,596	\$234,714	\$321,779

Year	2035	2036	2037	2038	2039
Starting Balance	\$321,779	\$365,600	\$359,796	\$313,733	\$413,719
<i>Reserve Income</i>	\$78,377	\$80,729	\$83,150	\$85,645	\$88,214
<i>Interest Earnings</i>	\$13,552	\$14,301	\$13,279	\$14,342	\$17,492
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$413,708	\$460,630	\$456,225	\$413,719	\$519,426
Reserve Expenditures	\$48,108	\$100,834	\$142,492	\$0	\$45,889
Ending Balance	\$365,600	\$359,796	\$313,733	\$413,719	\$473,536

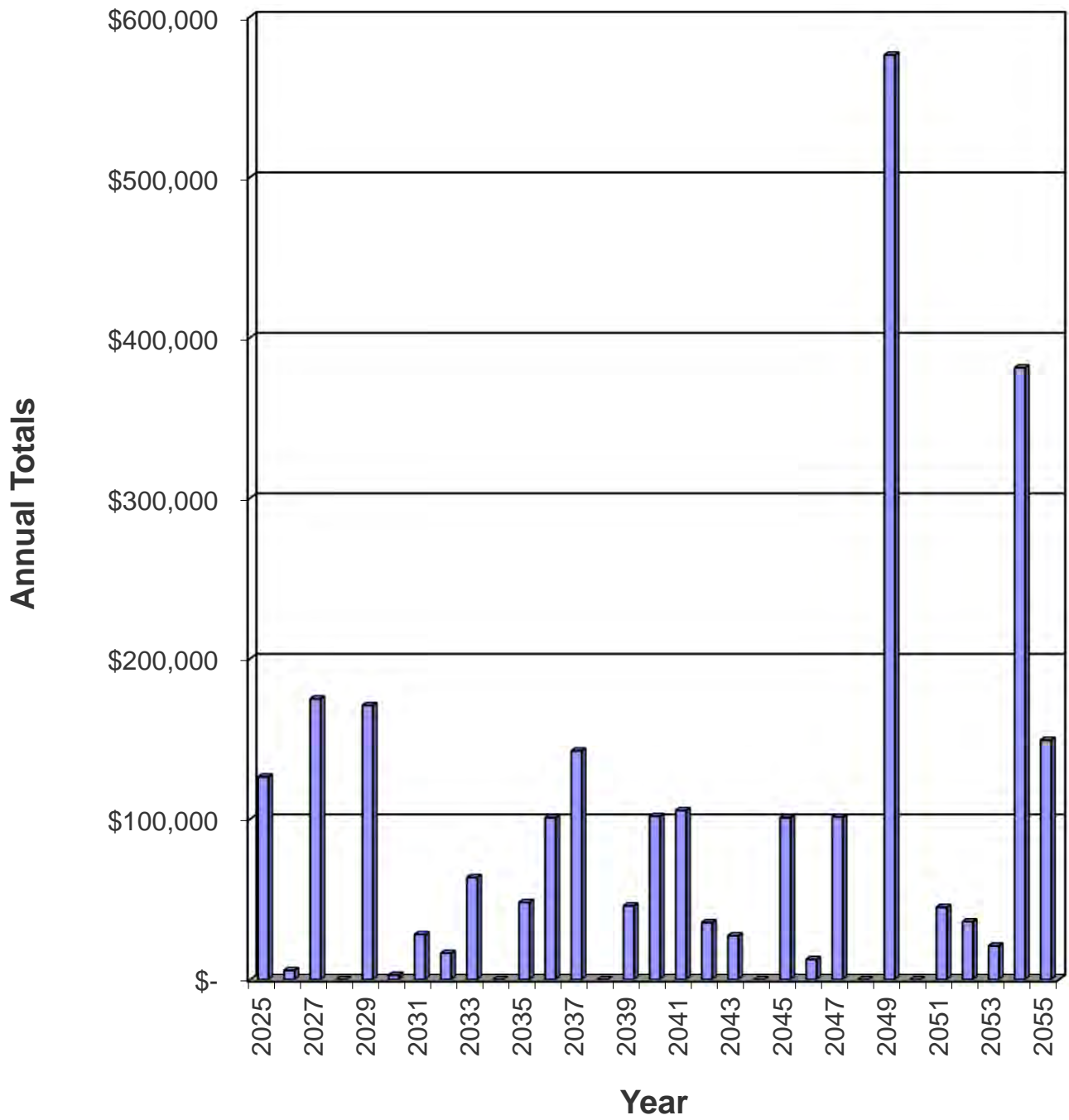
Year	2040	2041	2042	2043	2044
Starting Balance	\$473,536	\$481,472	\$488,833	\$570,563	\$666,897
<i>Reserve Income</i>	\$90,861	\$93,586	\$96,394	\$99,286	\$102,264
<i>Interest Earnings</i>	\$18,828	\$19,130	\$20,886	\$24,397	\$28,881
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$583,225	\$594,188	\$606,113	\$694,246	\$798,043
Reserve Expenditures	\$101,753	\$105,355	\$35,549	\$27,349	\$0
Ending Balance	\$481,472	\$488,833	\$570,563	\$666,897	\$798,043

Year	2045	2046	2047	2048	2049
Starting Balance	\$798,043	\$834,775	\$966,241	\$1,015,749	\$1,174,020
<i>Reserve Income</i>	\$105,332	\$108,492	\$111,747	\$115,100	\$118,553
<i>Interest Earnings</i>	\$32,191	\$35,507	\$39,075	\$43,171	\$38,021
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$935,567	\$978,774	\$1,117,063	\$1,174,020	\$1,330,593
Reserve Expenditures	\$100,792	\$12,533	\$101,314	\$0	\$576,103
Ending Balance	\$834,775	\$966,241	\$1,015,749	\$1,174,020	\$754,491

Year	2050	2051	2052	2053	2054
Starting Balance	\$754,491	\$909,403	\$1,028,326	\$1,165,072	\$1,326,637
<i>Reserve Income</i>	\$122,109	\$125,772	\$129,546	\$133,432	\$137,435
<i>Interest Earnings</i>	\$32,804	\$38,202	\$43,243	\$49,124	\$48,458
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$909,403	\$1,073,378	\$1,201,114	\$1,347,628	\$1,512,530
Reserve Expenditures	\$0	\$45,053	\$36,042	\$20,991	\$381,255
Ending Balance	\$909,403	\$1,028,326	\$1,165,072	\$1,326,637	\$1,131,275



Yearly Reserve Expenditures - Graph



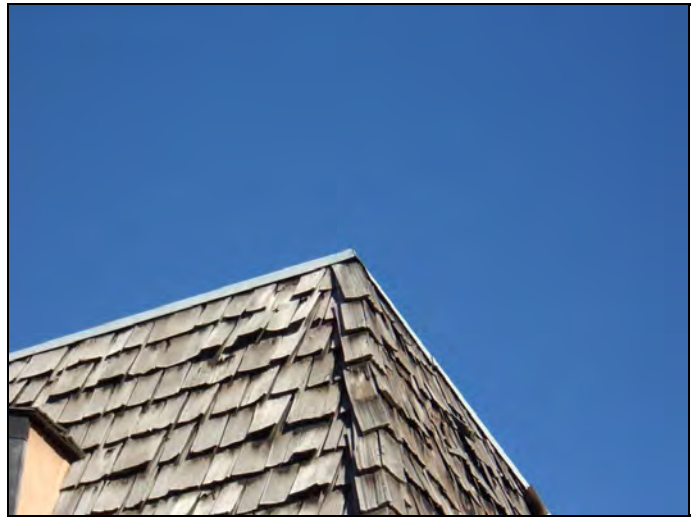
Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2025	204	Doors - Repaint/Refinish	\$20,000	
	212	Metal Surfaces - Repaint	\$13,500	
	215	Building Exteriors & Fence - Repair/Repaint	\$43,000	
	403	Concrete - Partial Repair/Replace	\$3,500	
	605	Indoor/Outdoor Carpet - Replace	\$9,000	
	703	Water Heater - Replace	\$2,750	
	803	Mailboxes - Replace	\$13,500	
	1101	Pool - Resurface	\$17,500	
	1117	Pool Deck - Repaint	\$3,500	\$126,250
2026	1112	Pool Cover - Replace	\$5,720	\$5,720
2027	216	Laundry Room - Repaint	\$2,974	
	219	Breezeway Walls/Ceilings - Repair/Repaint	\$29,744	
	401	Asphalt - Major Rehab	\$116,813	
	402	Asphalt - Seal Coat	\$13,520	
	1104	Pool Heater - Replace	\$8,112	
	1107	Pool Filter - Replace	\$3,786	\$174,949
2028		No Expenditures Projected		\$0
2029	104	Building Roofs - Replace	\$140,383	
	903	Security Camera System - Replace	\$8,189	
	1401	Laundry Equipment - Replace	\$22,227	\$170,799
2030	703	Water Heater - Replace	\$2,737	\$2,737
2031	212	Metal Surfaces - Repaint	\$17,082	
	1110	Pool Pump - Replace	\$3,480	
	1609	Street Light Fixtures - Replace	\$7,592	\$28,153
2032	402	Asphalt - Seal Coat	\$16,449	\$16,449
2033	215	Building Exteriors & Fence - Repair/Repaint	\$58,848	
	1117	Pool Deck - Repaint	\$4,790	\$63,638
2034		No Expenditures Projected		\$0
2035	204	Doors - Repaint/Refinish	\$29,605	
	403	Concrete - Partial Repair/Replace	\$5,181	
	605	Indoor/Outdoor Carpet - Replace	\$13,322	\$48,108
2036	120	Rain Gutters/Downspouts - Replace	\$9,237	
	690	Metal Railing - Replace	\$83,131	
	1112	Pool Cover - Replace	\$8,467	\$100,834
2037	212	Metal Surfaces - Repaint	\$21,614	
	216	Laundry Room - Repaint	\$4,403	
	219	Breezeway Walls/Ceilings - Repair/Repaint	\$44,028	
	402	Asphalt - Seal Coat	\$20,013	
	703	Water Heater - Replace	\$4,403	
	1101	Pool - Resurface	\$28,018	
	1812	Landscaping & Irrigation System - Renovate	\$20,013	\$142,492
2038		No Expenditures Projected		\$0
2039	1104	Pool Heater - Replace	\$12,988	
	1401	Laundry Equipment - Replace	\$32,902	\$45,889

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
2040	1116	Pool Deck - Replace	\$101,753	\$101,753
2041	215	Building Exteriors & Fence - Repair/Repaint	\$80,538	
	903	Security Camera System - Replace	\$13,111	
	1110	Pool Pump - Replace	\$5,151	
	1117	Pool Deck - Repaint	\$6,555	\$105,355
2042	402	Asphalt - Seal Coat	\$24,349	
	703	Water Heater - Replace	\$4,383	
	1107	Pool Filter - Replace	\$6,818	\$35,549
2043	212	Metal Surfaces - Repaint	\$27,349	\$27,349
2044		No Expenditures Projected		\$0
2045	204	Doors - Repaint/Refinish	\$43,822	
	403	Concrete - Partial Repair/Replace	\$7,669	
	605	Indoor/Outdoor Carpet - Replace	\$19,720	
	803	Mailboxes - Replace	\$29,580	\$100,792
2046	1112	Pool Cover - Replace	\$12,533	\$12,533
2047	216	Laundry Room - Repaint	\$6,517	
	219	Breezeway Walls/Ceilings - Repair/Repaint	\$65,173	
	402	Asphalt - Seal Coat	\$29,624	\$101,314
2048		No Expenditures Projected		\$0
2049	104	Building Roofs - 2024 - Replace	\$321,695	
	212	Metal Surfaces - Repaint	\$34,605	
	215	Building Exteriors & Fence - Repair/Repaint	\$110,222	
	703	Water Heater - Replace	\$7,049	
	1101	Pool - Resurface	\$44,858	
	1117	Pool Deck - Repaint	\$8,972	
	1401	Laundry Equipment - Replace	\$48,703	\$576,103
2050		No Expenditures Projected		\$0
2051	1104	Pool Heater - Replace	\$20,794	
	1110	Pool Pump - Replace	\$7,624	
	1609	Street Light Fixtures - Replace	\$16,635	\$45,053
2052	402	Asphalt - Seal Coat	\$36,042	\$36,042
2053	903	Security Camera System - Replace	\$20,991	\$20,991
2054	104	Building Roofs - Replace	\$374,238	
	703	Water Heater - Replace	\$7,017	\$381,255

Component Evaluation

Comp #: 104 Building Roofs - 2024 - Replace



Location: Building Roofs, South Building

Quantity: Approx 15,900 SF

Life Expectancy: 25 *Remaining Life:* 24

Best Cost: \$125,000

Estimate to replace

Worst Cost: \$126,000

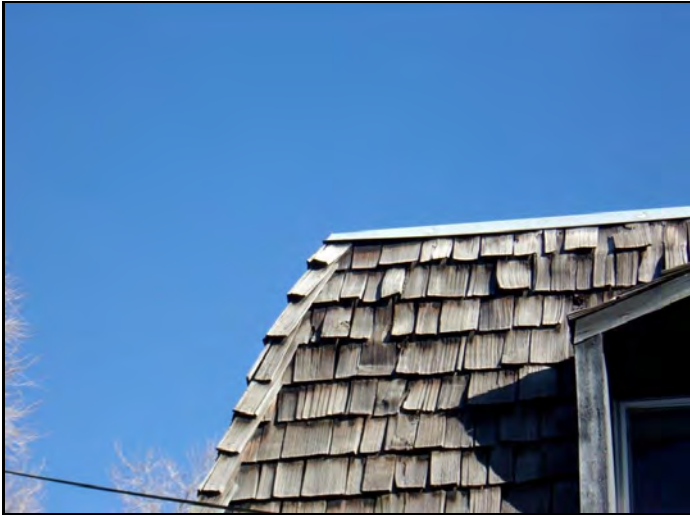
Higher estimate

Source of Information: Research with Client

Observations:

General Notes:

Comp #: 104 Building Roofs - Replace



Location: **Building Roofs, North Buildings**

Quantity: **Approx 16,600 SF**

Life Expectancy: **25** *Remaining Life:* **4**

Best Cost: **\$109,000**

Estimate to replace

Worst Cost: **\$131,000**

Higher estimate

Source of Information: Research with Client

Observations:

General Notes:

Comp #: 120 Rain Gutters/Downspouts - Replace



Location: **Building Exteriors**

Quantity: **Approx 440 LF**

Life Expectancy: **30** *Remaining Life:* **11**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 204 Doors - Repaint/Refinish



Location: **Building Exteriors**

Quantity: **(112) Doors**

Life Expectancy: **10** *Remaining Life:* **0**

Best Cost: **\$17,000**

Estimate to repaint

Worst Cost: **\$23,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 212 Metal Surfaces - Repaint



Location: **Breezeways & Stairwells**

Quantity: **(3) Buildings**

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

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

Estimate to repaint

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The painted metal surfaces are in good to fair condition. We recommend funding to paint this component approximately every 6 - 8 years. Remaining life based on current condition.

General Notes:

Comp #: 215 Building Exteriors & Fence - Repair/Repaint



Location: **Building Exteriors**

Quantity: **Approx 24,330 SF**

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

Best Cost: **\$37,000**

Estimate to repair/repaint

Worst Cost: **\$49,000**

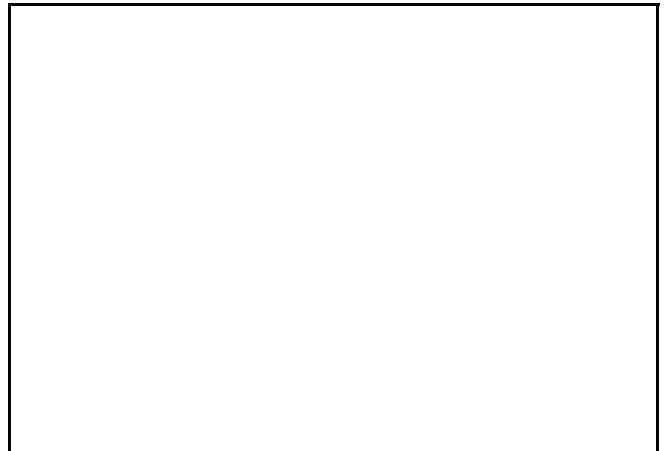
Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:



Comp #: 216 Laundry Room - Repaint



Location: **Laundry Room**

Quantity: **Approx 1,500 SF**

Life Expectancy: **10** *Remaining Life:* **2**

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

Estimate to repaint

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 219 Breezeway Walls/Ceilings - Repair/Repaint



Location: **Building Breezeways**

Quantity: **Approx 15,400 SF**

Life Expectancy: **10** *Remaining Life:* **2**

Best Cost: **\$24,000**

Estimate to repair/repaint

Worst Cost: **\$31,000**

Higher estimate

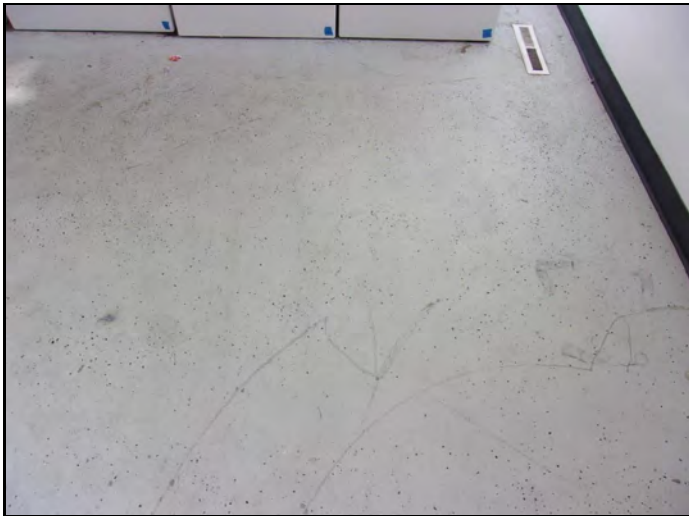
Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 290 Laundry Room Floor - Repaint



Location: **Laundry Room**

Quantity: **Approx 605 SF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 401 Asphalt - Major Rehab



Location: **Parking Lot**

Quantity: **Approx 43,000 SF**

Life Expectancy: **30** *Remaining Life:* **2**

Best Cost: **\$97,000**

Estimate for major rehab

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

Higher estimate

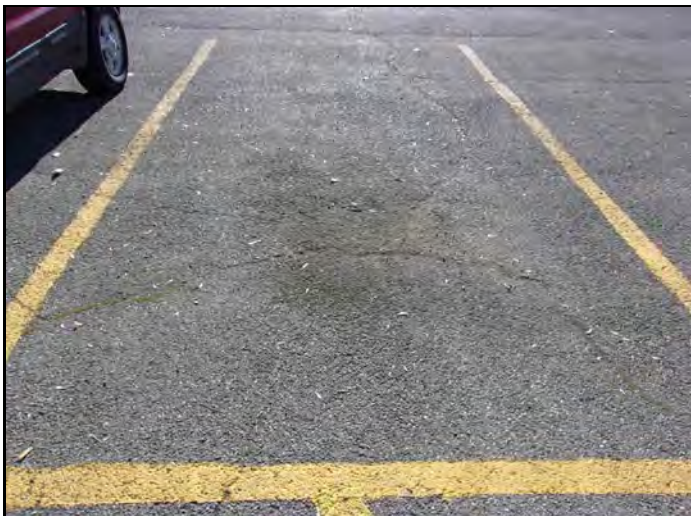
Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 402 Asphalt - Seal Coat



Location: **Parking Lot**

Quantity: **Approx 43,000 SF**

Life Expectancy: **5** *Remaining Life:* **2**

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

Estimate for seal coat

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

Higher estimate

Source of Information: Research with Client

Observations:

Research with the client reveals this component will be completed in 2025. 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:* 0

Best Cost: \$3,000

Allowance to repair/replace

Worst Cost: \$4,000

Higher allowance

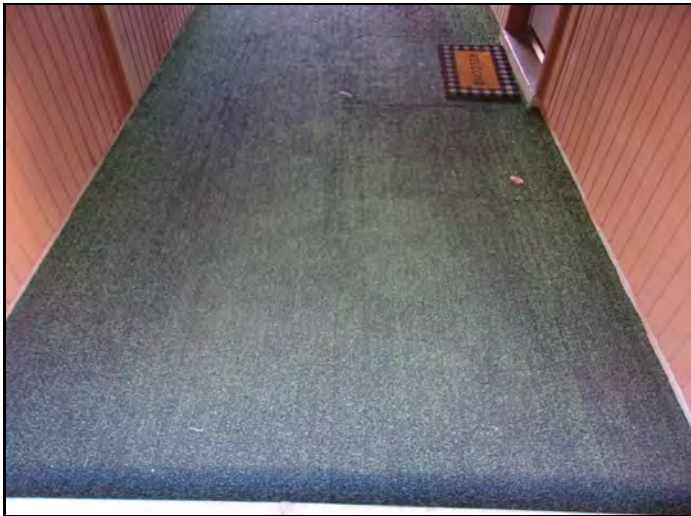
Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 605 Indoor/Outdoor Carpet - Replace



Location: **Building Breezeways**

Quantity: **Approx 1,800 SF**

Life Expectancy: **10** *Remaining Life:* **0**

Best Cost: **\$8,000**

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The indoor/outdoor carpeting is in fair to poor condition. We recommend funding to replace this component approximately every 8 - 10 years. Remaining life based on current condition.

General Notes:

Comp #: 690 Metal Railing - Replace



Location: **Building Breezeways & Stairwells**

Quantity: **Approx 475 LF**

Life Expectancy: **50** *Remaining Life:* **11**

Best Cost: **\$48,000**

Estimate to replace

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

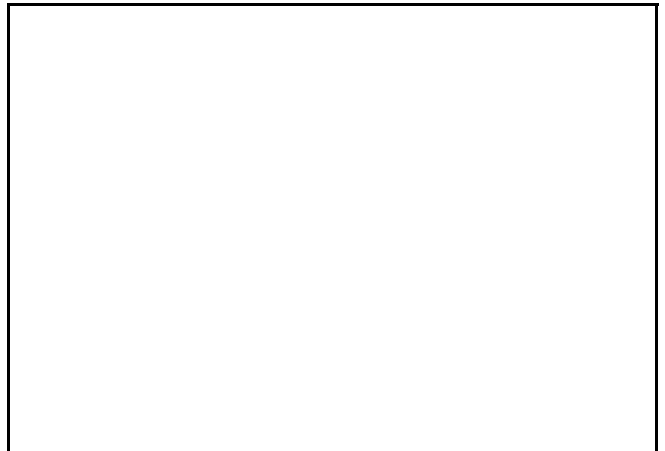
Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:



Comp #: 703 Water Heater - Replace



Location: **Laundry Room**

Quantity: **(1) Water Heater**

Life Expectancy: **12** *Remaining Life:* **0**

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

Estimate to replace

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

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 #: 703 Water Heater - Replace



Location: Laundry Room

Quantity: (1) Water Heater

Life Expectancy: 12 *Remaining Life:* 5

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 Sign - Replace



Location: **Community Entrance**

Quantity: **(1) Monument**

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 #: 802 Map - Replace



Location: Pool Area Fence

Quantity: (1) Map

Life Expectancy: N/A Remaining Life:

Best Cost: \$0

Worst Cost: \$0

Source of Information:

Observations:

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

General Notes:

Comp #: 803 Mailboxes - Replace



Location: Common Area

Quantity: (4) Clusters

Life Expectancy: 20 *Remaining Life:* 0

Best Cost: \$12,000

Estimate to replace

Worst Cost: \$15,000

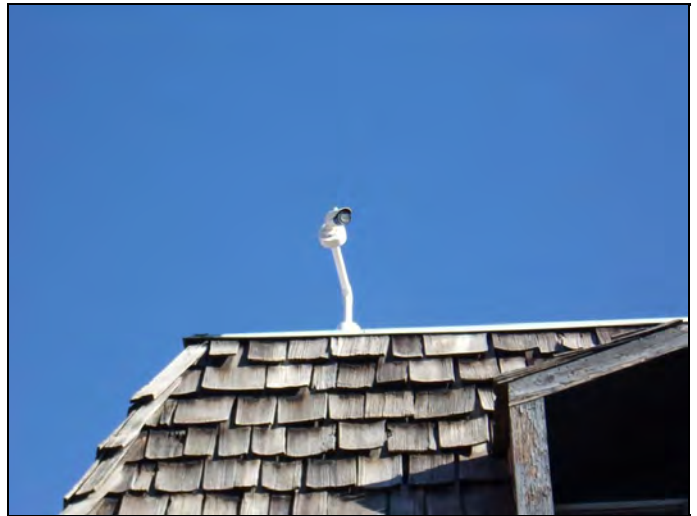
Higher estimate

Source of Information: CSL Cost Database

Observations:

General Notes:

Comp #: 903 Security Camera System - Replace



Location: **Building Roofs, Laundry Area**

Quantity: **(1) System**

Life Expectancy: **12** *Remaining Life:* **4**

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

Estimate to replace

Worst Cost: **\$8,000**

Higher estimate

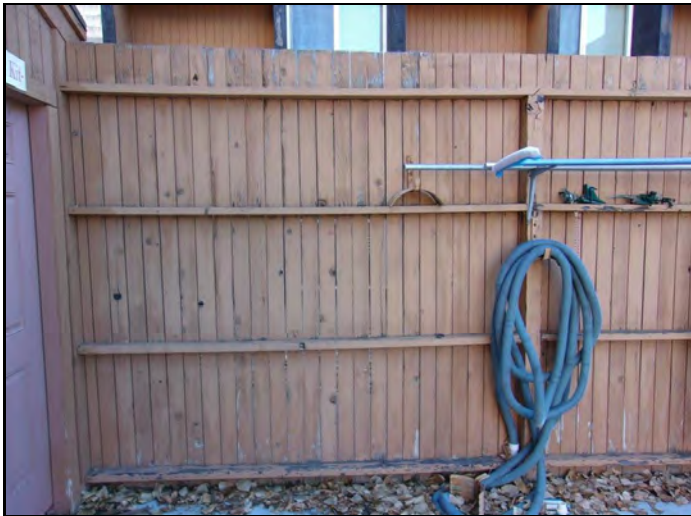
Source of Information: CSL Cost Database

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 #: 1001 Wood Fencing - Replace



Location: **Pool Area**

Quantity: **Approx 90 LF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

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

General Notes:

Comp #: 1101 Pool - Resurface



Location: **Pool Area**

Quantity: **(1) Pool**

Life Expectancy: **12** *Remaining Life:* **0**

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

Estimate to resurface

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

Research with the client reveals this component is being resurfaced in 2021. 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: **\$7,000**

Estimate to replace

Worst Cost: **\$8,000**

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:* **2**

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

Estimate to replace

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

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:* **6**

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

Estimate to replace

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

Higher estimate

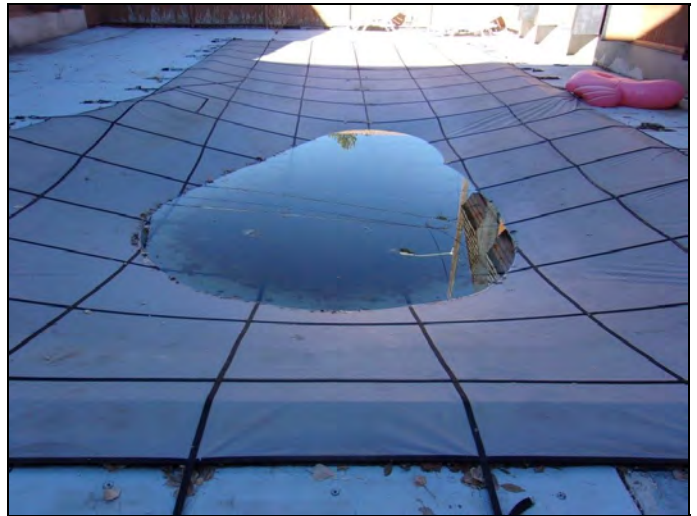
Source of Information: CSL Cost Database

Observations:

Research with the client reveals this component is being replaced in 2021. We recommend funding to replace this component approximately every 8 - 10 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:* **1**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1116 Pool Deck - Replace



Location: **Pool Area**

Quantity: **Approx 1,725 SF**

Life Expectancy: **50** *Remaining Life:* **15**

Best Cost: **\$52,000**

Estimate to replace

Worst Cost: **\$61,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

General Notes:

Comp #: 1117 Pool Deck - Repaint



Location: **Pool Area**

Quantity: **Approx 1,725 SF**

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

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The pool deck painted surfaces are in poor condition. We recommend funding to repaint this component approximately every 8 years. Remaining life based on current condition.

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 replacement cost associated with this component, reserve funding is not appropriate. Replace as necessary as an operating expense. No reserve funding necessary.

General Notes:

Comp #: 1401 Laundry Equipment - Replace



Location: **Laundry Room**

Quantity: **(13) Pieces**

Life Expectancy: **10** *Remaining Life:* **4**

Best Cost: **\$17,000**

Estimate to replace

Worst Cost: **\$21,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The laundry equipment is in working condition. We recommend replacing this component approximately every 10 - 15 years. Remaining life based on current age.

General Notes:

Comp #: 1601 Laundry Room Light Fixtures - Replace



Location: **Laundry Room**

Quantity: **(6) Fixtures**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

General Notes:

Comp #: 1602 Exterior Light Fixtures - Replace



Location: **Building Exteriors & Breezeways**

Quantity: **(53) Fixtures**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

Research with the client reveals this component is replaced as necessary as an operating expense.

General Notes:

Comp #: 1609 Street Light Fixtures - Replace



Location: **Parking Lot**

Quantity: **(5) Fixtures**

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

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

Estimate to replace

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

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 and condition.

General Notes:

Comp #: 1812 Landscaping & Irrigation System - Renovate



Location: **Common Area**

Quantity: **Approx 11,500 SF**

Life Expectancy: **20** *Remaining Life:* **12**

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

Allowance to renovate

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

Higher allowance

Source of Information: CSL Cost Database

Observations:

The landscaping and irrigation system are in good to fair condition. We recommend funding for an allowance to renovate the landscaping and irrigation system 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.

