

Hartford Parke HOA

Level 1 Reserve Study



Report Period – 01/01/2026 – 12/31/2026

Client Reference Number	19319
Property Type	Townhouse
Number of Units	32
Fiscal Year End	12/31

Type of Study	Full Study
Date of Property Inspection	3/12/2025
Prepared By	Dale Gifford
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on – Friday, May 16, 2025



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Glossary of Commonly used Words and Phrases

Executive Summary – Hartford Parke HOA - ID # 19319

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 01/01/2026	\$111,000
Ideal Reserve Balance as of 01/01/2026	\$807,696
Percent Funded as of 01/01/2026	14%
Recommended Reserve Contribution (per month)	\$5,500
Recommended Special Assessment 2026	\$250,000

Hartford Parke HOA is a 32-unit Townhome community. The community offers landscaped areas as amenities. Construction on the community was completed in 1981.

Currently Programmed Projects

There are multiple projects programmed to occur this fiscal year (FY2026). We have programmed an estimated \$257,750 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), metal siding repair/repaint (Comp# 212), and cement fiberboard siding replace (Comp# 303). The fiscal significance of these components is approximately 19%, 17%, 13%, and 9% respectively (see page 9). A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives.

Reserve Funding

In comparing the projected starting reserve balance of \$111,000 versus the ideal reserve balance of \$807,696 we find the association's reserve fund to be approximately 14% 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 \$5,500 (\$171.88/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	32
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	\$583
Projected Starting Reserve Balance	\$110,000
Ideal Starting Reserve Balance	\$807,696
Special Assessment 2026	\$250,000

Economic Assumptions

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

Current Reserve Status

Current Balance as a % of Ideal Balance	14%
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Recommendations

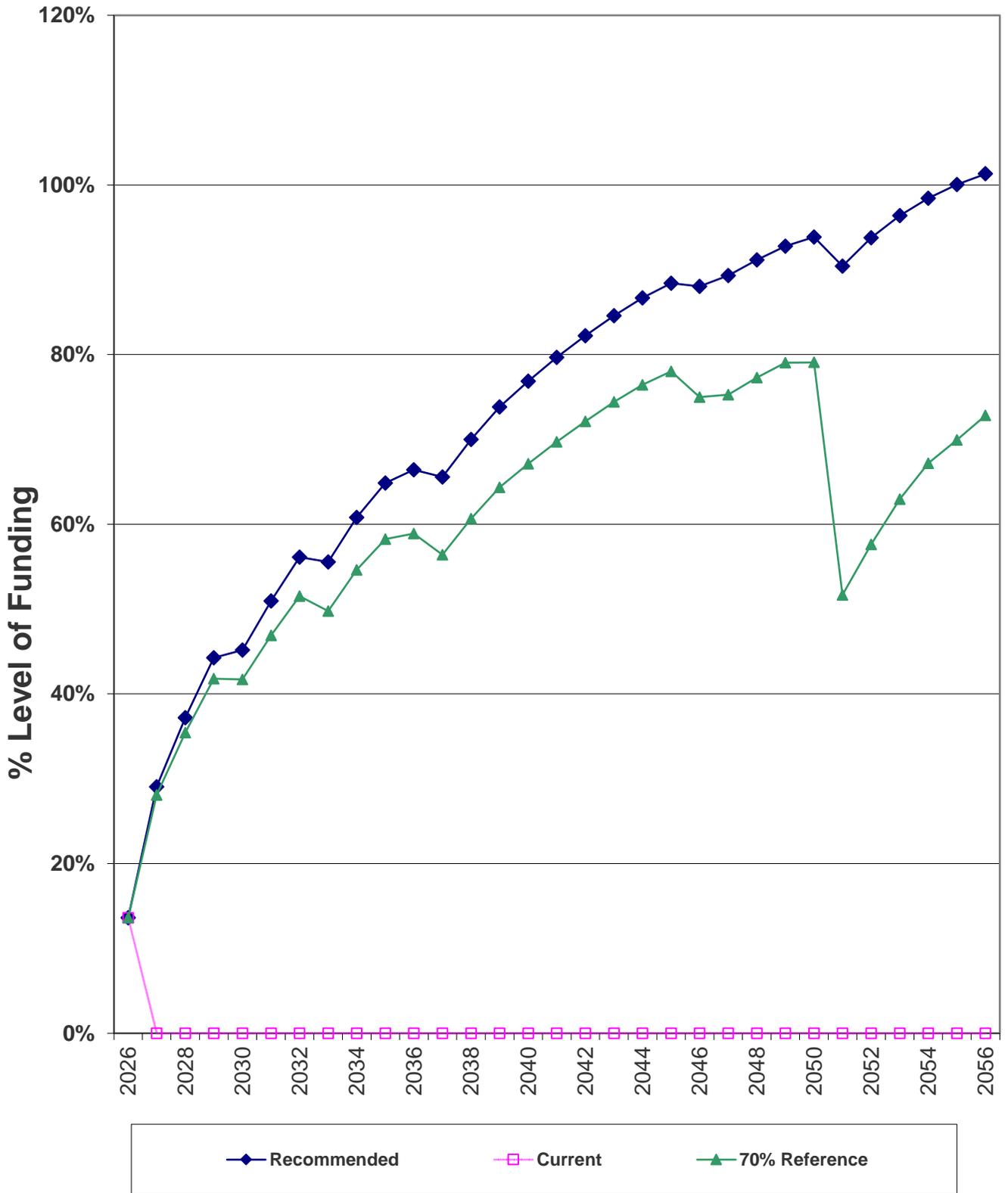
Recommended Monthly Reserve Allocation	\$5,500
Per Unit	\$171.88
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	\$5,020
Per Unit	\$156.88
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation as Percentage	\$4,917 843%
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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	19	\$182,000	\$220,000
	120	Rain Gutters/Downspouts - Replace	30	10	\$45,000	\$55,000
Painted Surfaces	202	Wood Trim - Repair/Repaint	5	0	\$2,500	\$3,000
	204	Front Doors - Repaint	10	0	\$6,000	\$7,000
	212	Metal Siding - Repair/Repaint	10	0	\$50,000	\$60,000
	215	Cement Fiberboard Siding - Repair/Repa	N/A		\$0	\$0
Siding Materials	302	Vinyl Siding - Replace	50	24	\$319,000	\$399,000
	303	Cement Fiberboard Siding - Replace	50	0	\$172,000	\$215,000
	304	Metal Siding - Replace	50	24	\$157,000	\$196,000
	390	Brick Siding - Replace	N/A		\$0	\$0
	390	Shutters - Replace	40	14	\$7,000	\$9,000
Drive Materials	401	Asphalt - Major Rehab	30	6	\$86,000	\$110,000
	402	Asphalt - Seal Coat	5	3	\$10,000	\$12,000
	403	Concrete - Partial Repair/Replace	10	5	\$3,000	\$4,000
Prop. Identification	803	Mailboxes - Replace	20	4	\$6,000	\$7,000
Fencing	1001	Wood Fencing - Replace	30	9	\$57,000	\$68,000
Light Fixtures	1602	Exterior Light Fixtures - Replace	20	3	\$20,000	\$26,000
	1604	Pole Lights - Replace	20	3	\$2,000	\$2,500
Landscaping	1812	Landscaping & Irrigation System - Renov	20	3	\$30,000	\$40,000

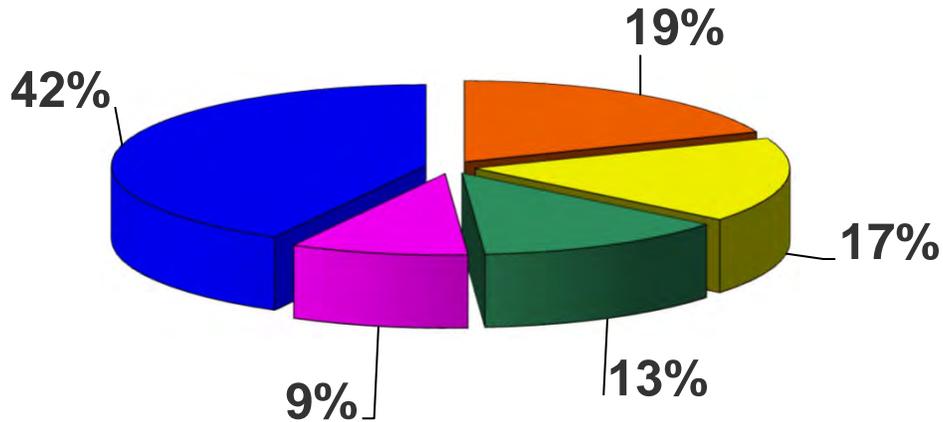


Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Roofs - Replace	25	19	\$201,000	\$8,040	18.9515%
120	Rain Gutters/Downspouts - Replace	30	10	\$50,000	\$1,667	3.9286%
202	Wood Trim - Repair/Repaint	5	0	\$2,750	\$550	1.2964%
204	Front Doors - Repaint	10	0	\$6,500	\$650	1.5321%
212	Metal Siding - Repair/Repaint	10	0	\$55,000	\$5,500	12.9643%
302	Vinyl Siding - Replace	50	24	\$359,000	\$7,180	16.9243%
303	Cement Fiberboard Siding - Replace	50	0	\$193,500	\$3,870	9.1222%
304	Metal Siding - Replace	50	24	\$176,500	\$3,530	8.3207%
390	Shutters - Replace	40	14	\$8,000	\$200	0.4714%
401	Asphalt - Major Rehab	30	6	\$98,000	\$3,267	7.7000%
402	Asphalt - Seal Coat	5	3	\$11,000	\$2,200	5.1857%
403	Concrete - Partial Repair/Replace	10	5	\$3,500	\$350	0.8250%
803	Mailboxes - Replace	20	4	\$6,500	\$325	0.7661%
1001	Wood Fencing - Replace	30	9	\$62,500	\$2,083	4.9107%
1602	Exterior Light Fixtures - Replace	20	3	\$23,000	\$1,150	2.7107%
1604	Pole Lights - Replace	20	3	\$2,250	\$113	0.2652%
1812	Landscaping & Irrigation System - Rend	20	3	\$35,000	\$1,750	4.1250%



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	19	\$201,000	\$8,040	19%
302	Vinyl Siding - Replace	50	24	\$359,000	\$7,180	17%
212	Metal Siding - Repair/Repaint	10	0	\$55,000	\$5,500	13%
303	Cement Fiberboard Siding - Replace	50	0	\$193,500	\$3,870	9%
All Other	See Expanded Table For Breakdown				\$17,834	42%



Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2026	\$807,696	\$110,000	14%	\$66,000	\$10,624	\$257,750	-\$71,126
2027	\$616,065	\$178,874	29%	\$67,980	\$8,562	\$0	\$255,416
2028	\$686,593	\$255,416	37%	\$70,019	\$11,682	\$0	\$337,117
2029	\$761,779	\$337,117	44%	\$72,120	\$13,398	\$80,147	\$342,489
2030	\$758,528	\$342,489	45%	\$74,284	\$15,117	\$7,604	\$424,285
2031	\$832,576	\$424,285	51%	\$76,512	\$18,452	\$7,604	\$511,645
2032	\$911,651	\$511,645	56%	\$78,807	\$19,671	\$124,001	\$486,123
2033	\$874,983	\$486,123	56%	\$81,172	\$21,186	\$0	\$588,480
2034	\$968,042	\$588,480	61%	\$83,607	\$25,049	\$15,054	\$682,082
2035	\$1,051,491	\$682,082	65%	\$86,115	\$27,378	\$88,957	\$706,618
2036	\$1,063,833	\$706,618	66%	\$88,698	\$26,805	\$169,118	\$653,004
2037	\$995,814	\$653,004	66%	\$91,359	\$28,103	\$0	\$772,466
2038	\$1,103,569	\$772,466	70%	\$94,100	\$32,963	\$0	\$899,530
2039	\$1,218,351	\$899,530	74%	\$96,923	\$37,763	\$18,316	\$1,015,900
2040	\$1,321,501	\$1,015,900	77%	\$99,831	\$42,592	\$13,853	\$1,144,469
2041	\$1,436,358	\$1,144,469	80%	\$102,826	\$47,876	\$11,256	\$1,283,915
2042	\$1,561,565	\$1,283,915	82%	\$105,911	\$53,773	\$0	\$1,443,598
2043	\$1,706,666	\$1,443,598	85%	\$109,088	\$60,260	\$0	\$1,612,946
2044	\$1,860,876	\$1,612,946	87%	\$112,361	\$66,689	\$22,284	\$1,769,712
2045	\$2,001,517	\$1,769,712	88%	\$115,731	\$64,994	\$423,477	\$1,526,960
2046	\$1,734,119	\$1,526,960	88%	\$119,203	\$60,985	\$140,780	\$1,566,369
2047	\$1,753,748	\$1,566,369	89%	\$122,779	\$65,473	\$0	\$1,754,622
2048	\$1,924,439	\$1,754,622	91%	\$126,463	\$73,120	\$0	\$1,954,204
2049	\$2,105,980	\$1,954,204	93%	\$130,257	\$77,692	\$175,611	\$1,986,542
2050	\$2,116,330	\$1,986,542	94%	\$134,164	\$54,662	\$1,389,311	\$786,057
2051	\$869,196	\$786,057	90%	\$138,189	\$34,062	\$16,661	\$941,647
2052	\$1,004,256	\$941,647	94%	\$142,335	\$40,738	\$0	\$1,124,720
2053	\$1,166,750	\$1,124,720	96%	\$146,605	\$48,188	\$0	\$1,319,513
2054	\$1,340,638	\$1,319,513	98%	\$151,003	\$55,448	\$32,986	\$1,492,979
2055	\$1,492,264	\$1,492,979	100%	\$155,533	\$63,180	\$0	\$1,711,693



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	19	Approx. 38,150 SF	\$201,000	\$48,240	\$0	\$1,042.33
120	Rain Gutters/Downspouts - Replace	30	10	Approx. 4,940 LF	\$50,000	\$33,333	\$0	\$216.07
202	Wood Trim - Repair/Repaint	5	0	Approx. 1,200 SF	\$2,750	\$2,750	\$2,750	\$71.30
204	Front Doors - Repaint	10	0	(32) Doors	\$6,500	\$6,500	\$6,500	\$84.27
212	Metal Siding - Repair/Repaint	10	0	Approx. 13,050 SF	\$55,000	\$55,000	\$55,000	\$713.04
302	Vinyl Siding - Replace	50	24	Approx. 26,575 SF	\$359,000	\$186,680	\$0	\$930.84
303	Cement Fiberboard Siding - Replace	50	0	Approx. 14,280 SF	\$193,500	\$193,500	\$45,750	\$501.72
304	Metal Siding - Replace	50	24	Approx. 13,050 SF	\$176,500	\$91,780	\$0	\$457.64
390	Shutters - Replace	40	14	(64) Shutters	\$8,000	\$5,200	\$0	\$25.93
401	Asphalt - Major Rehab	30	6	Approx. 24,315 SF	\$98,000	\$78,400	\$0	\$423.50
402	Asphalt - Seal Coat	5	3	Approx. 24,315 SF	\$11,000	\$4,400	\$0	\$285.21
403	Concrete - Partial Repair/Replace	10	5	Minimal SF	\$3,500	\$1,750	\$0	\$45.38
803	Mailboxes - Replace	20	4	(2) Clusters	\$6,500	\$5,200	\$0	\$42.13
1001	Wood Fencing - Replace	30	9	Approx. 1,035 LF	\$62,500	\$43,750	\$0	\$270.09
1602	Exterior Light Fixtures - Replace	20	3	(128) Lights	\$23,000	\$19,550	\$0	\$149.09
1604	Pole Lights - Replace	20	3	(3) Lights	\$2,250	\$1,913	\$0	\$14.58
1812	Landscaping & Irrigation System - Renovate	20	3	Moderate SF	\$35,000	\$29,750	\$0	\$226.88
					\$1,294,000	\$807,696	\$110,000	\$5,500

Current Fund Balance as a percentage of Ideal Balance: 14%



Yearly Cash Flow

Year	2026	2027	2028	2029	2030
Starting Balance	\$110,000	\$178,874	\$255,416	\$337,117	\$342,489
<i>Reserve Income</i>	\$66,000	\$67,980	\$70,019	\$72,120	\$74,284
<i>Interest Earnings</i>	\$10,624	\$8,562	\$11,682	\$13,398	\$15,117
<i>Special Assessments</i>	\$250,000	\$0	\$0	\$0	\$0
Funds Available	\$436,624	\$255,416	\$337,117	\$422,636	\$431,890
Reserve Expenditures	\$257,750	\$0	\$0	\$80,147	\$7,604
Ending Balance	\$178,874	\$255,416	\$337,117	\$342,489	\$424,285

Year	2031	2032	2033	2034	2035
Starting Balance	\$424,285	\$511,645	\$486,123	\$588,480	\$682,082
<i>Reserve Income</i>	\$76,512	\$78,807	\$81,172	\$83,607	\$86,115
<i>Interest Earnings</i>	\$18,452	\$19,671	\$21,186	\$25,049	\$27,378
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$519,249	\$610,124	\$588,480	\$697,136	\$795,575
Reserve Expenditures	\$7,604	\$124,001	\$0	\$15,054	\$88,957
Ending Balance	\$511,645	\$486,123	\$588,480	\$682,082	\$706,618

Year	2036	2037	2038	2039	2040
Starting Balance	\$706,618	\$653,004	\$772,466	\$899,530	\$1,015,900
<i>Reserve Income</i>	\$88,698	\$91,359	\$94,100	\$96,923	\$99,831
<i>Interest Earnings</i>	\$26,805	\$28,103	\$32,963	\$37,763	\$42,592
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$822,121	\$772,466	\$899,530	\$1,034,216	\$1,158,323
Reserve Expenditures	\$169,118	\$0	\$0	\$18,316	\$13,853
Ending Balance	\$653,004	\$772,466	\$899,530	\$1,015,900	\$1,144,469

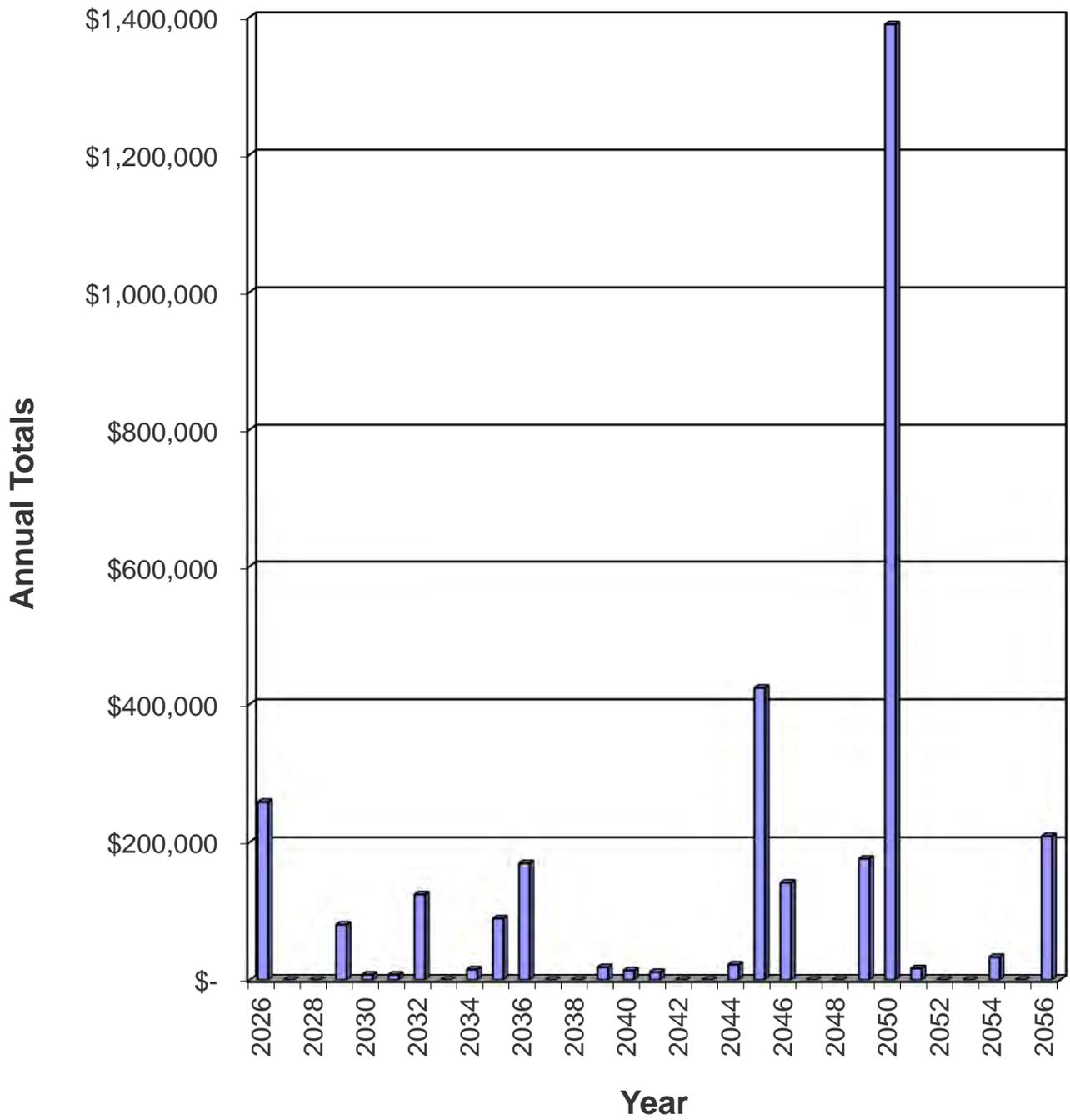
Year	2041	2042	2043	2044	2045
Starting Balance	\$1,144,469	\$1,283,915	\$1,443,598	\$1,612,946	\$1,769,712
<i>Reserve Income</i>	\$102,826	\$105,911	\$109,088	\$112,361	\$115,731
<i>Interest Earnings</i>	\$47,876	\$53,773	\$60,260	\$66,689	\$64,994
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,295,171	\$1,443,598	\$1,612,946	\$1,791,996	\$1,950,437
Reserve Expenditures	\$11,256	\$0	\$0	\$22,284	\$423,477
Ending Balance	\$1,283,915	\$1,443,598	\$1,612,946	\$1,769,712	\$1,526,960

Year	2046	2047	2048	2049	2050
Starting Balance	\$1,526,960	\$1,566,369	\$1,754,622	\$1,954,204	\$1,986,542
<i>Reserve Income</i>	\$119,203	\$122,779	\$126,463	\$130,257	\$134,164
<i>Interest Earnings</i>	\$60,985	\$65,473	\$73,120	\$77,692	\$54,662
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,707,149	\$1,754,622	\$1,954,204	\$2,162,153	\$2,175,368
Reserve Expenditures	\$140,780	\$0	\$0	\$175,611	\$1,389,311
Ending Balance	\$1,566,369	\$1,754,622	\$1,954,204	\$1,986,542	\$786,057

Year	2051	2052	2053	2054	2055
Starting Balance	\$786,057	\$941,647	\$1,124,720	\$1,319,513	\$1,492,979
<i>Reserve Income</i>	\$138,189	\$142,335	\$146,605	\$151,003	\$155,533
<i>Interest Earnings</i>	\$34,062	\$40,738	\$48,188	\$55,448	\$63,180
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$958,308	\$1,124,720	\$1,319,513	\$1,525,965	\$1,711,693
Reserve Expenditures	\$16,661	\$0	\$0	\$32,986	\$0
Ending Balance	\$941,647	\$1,124,720	\$1,319,513	\$1,492,979	\$1,711,693



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2026	202	Wood Trim - Repair/Repaint	\$2,750	
	204	Front Doors - Repaint	\$6,500	
	212	Metal Siding - Repair/Repaint	\$55,000	
	303	Cement Fiberboard Siding - Replace	\$193,500	\$257,750
2027		No Expenditures Projected		\$0
2028		No Expenditures Projected		\$0
2029	402	Asphalt - Seal Coat	\$12,374	
	1602	Exterior Light Fixtures - Replace	\$25,872	
	1604	Pole Lights - Replace	\$2,531	
	1812	Landscaping & Irrigation System - Renovate	\$39,370	\$80,147
2030	803	Mailboxes - Replace	\$7,604	\$7,604
2031	202	Wood Trim - Repair/Repaint	\$3,346	
	403	Concrete - Partial Repair/Replace	\$4,258	\$7,604
2032	401	Asphalt - Major Rehab	\$124,001	\$124,001
2033		No Expenditures Projected		\$0
2034	402	Asphalt - Seal Coat	\$15,054	\$15,054
2035	1001	Wood Fencing - Replace	\$88,957	\$88,957
2036	120	Rain Gutters/Downspouts - Replace	\$74,012	
	202	Wood Trim - Repair/Repaint	\$4,071	
	204	Front Doors - Repaint	\$9,622	
	212	Metal Siding - Repair/Repaint	\$81,413	\$169,118
2037		No Expenditures Projected		\$0
2038		No Expenditures Projected		\$0
2039	402	Asphalt - Seal Coat	\$18,316	\$18,316
2040	390	Shutters - Replace	\$13,853	\$13,853
2041	202	Wood Trim - Repair/Repaint	\$4,953	
	403	Concrete - Partial Repair/Replace	\$6,303	\$11,256
2042		No Expenditures Projected		\$0
2043		No Expenditures Projected		\$0
2044	402	Asphalt - Seal Coat	\$22,284	\$22,284
2045	105	Roofs - Replace	\$423,477	\$423,477
2046	202	Wood Trim - Repair/Repaint	\$6,026	
	204	Front Doors - Repaint	\$14,242	
	212	Metal Siding - Repair/Repaint	\$120,512	\$140,780
2047		No Expenditures Projected		\$0
2048		No Expenditures Projected		\$0
2049	402	Asphalt - Seal Coat	\$27,112	
	1602	Exterior Light Fixtures - Replace	\$56,688	
	1604	Pole Lights - Replace	\$5,546	
	1812	Landscaping & Irrigation System - Renovate	\$86,265	\$175,611
2050	302	Vinyl Siding - Replace	\$920,226	
	304	Metal Siding - Replace	\$452,423	
	803	Mailboxes - Replace	\$16,661	\$1,389,311
2051	202	Wood Trim - Repair/Repaint	\$7,331	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	403	Concrete - Partial Repair/Replace	\$9,330	\$16,661
2052		No Expenditures Projected		\$0
2053		No Expenditures Projected		\$0
2054	402	Asphalt - Seal Coat	\$32,986	\$32,986
2055		No Expenditures Projected		\$0
2056	202	Wood Trim - Repair/Repaint	\$8,919	
	204	Front Doors - Repaint	\$21,082	
	212	Metal Siding - Repair/Repaint	\$178,387	\$208,388

Component Evaluation

Comp #: 105 Roofs - Replace



Location: **Building Roofs**

Quantity: **Approx. 38,150 SF**

Life Expectancy: **25** *Remaining Life:* **19**

Best Cost: **\$182,000**

Estimate to replace

Worst Cost: **\$220,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 120 Rain Gutters/Downspouts - Replace



Location: **Building Exteriors**

Quantity: **Approx. 4,940 LF**

Life Expectancy: **30** *Remaining Life:* **10**

Best Cost: **\$45,000**

Estimate to replace

Worst Cost: **\$55,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 202 Wood Trim - Repair/Repaint



Location: **Garage Exteriors**

Quantity: **Approx. 1,200 SF**

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

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

Estimate to repair/repaint

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The painted wood trim surfaces are in poor condition. We recommend funding to repair/repaint this component approximately every 4 - 6 years. Remaining life based on current condition.

General Notes:

Comp #: 204 Front Doors - Repaint



Location: **Building Exteriors**

Quantity: **(32) Doors**

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

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 fair to poor condition. We recommend funding to repaint this component approximately every 8 - 10 years. Remaining life based on current condition.

General Notes:

Comp #: 212 Metal Siding - Repair/Repaint



Location: **Building Exteriors**

Quantity: **Approx. 13,050 SF**

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

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

Estimate to repair/repaint

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The painted metal siding surfaces are in 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 #: 215 Cement Fiberboard Siding - Repair/Repaint



Location: **Building Exteriors**

Quantity: **Approx. 14,280 SF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

Research with the client reveals plans to replace this component with vinyl siding.

General Notes:

Comp #: 302 Vinyl Siding - Replace



Location: **Building Exteriors**

Quantity: **Approx. 26,575 SF**

Life Expectancy: **50** *Remaining Life:* **24**

Best Cost: **\$319,000**

Estimate to replace

Worst Cost: **\$399,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 303 Cement Fiberboard Siding - Replace



Location: **Building Exteriors**

Quantity: **Approx. 14,280 SF**

Life Expectancy: **50** *Remaining Life:* **0**

Best Cost: **\$172,000**

Estimate to replace, with vinyl siding

Worst Cost: **\$215,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

Research with the client reveals plans to replace this component with vinyl siding. We recommend funding to replace this component approximately every 40 - 50 years. Remaining life based on current age.

General Notes:

Comp #: 304 Metal Siding - Replace



Location: **Building Exteriors**

Quantity: **Approx. 13,050 SF**

Life Expectancy: **50** *Remaining Life:* **24**

Best Cost: **\$157,000**

Estimate to replace

Worst Cost: **\$196,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 390 Brick Siding - Replace



Location: **Building Exteriors**

Quantity: **Approx. 8,300 SF**

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

Best Cost: **\$0**

Worst Cost: **\$0**

Source of Information:

Observations:

This component has an extended useful life. We recommend making repairs as necessary as an operating expense. No reserve funding necessary.

General Notes:

Comp #: 390 Shutters - Replace



Location: **Building Exteriors**

Quantity: **(64) Shutters**

Life Expectancy: **40** *Remaining Life:* **14**

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

Estimate to replace

Worst Cost: **\$9,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The shutters are in good condition. We recommend funding to replace this component approximately every 30 - 40 years. Remaining life based on current condition.

General Notes:

Comp #: 401 Asphalt - Major Rehab



Location: **Community Parking Lots**

Quantity: **Approx. 24,315 SF**

Life Expectancy: **30** *Remaining Life:* **6**

Best Cost: **\$86,000**

Estimate for major rehab

Worst Cost: **\$110,000**

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: **Community Parking Lots**

Quantity: **Approx. 24,315 SF**

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

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

Estimate for seal coat

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 403 Concrete - Partial Repair/Replace



Location: **Common Sidewalks**

Quantity: **Minimal SF**

Life Expectancy: **10** *Remaining Life:* **5**

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

General Notes:

Comp #: 803 Mailboxes - Replace



Location: **Common Area**

Quantity: **(2) Clusters**

Life Expectancy: **20** *Remaining Life:* **4**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1001 Wood Fencing - Replace



Location: **Community Perimeter**

Quantity: **Approx. 1,035 LF**

Life Expectancy: **30** *Remaining Life:* **9**

Best Cost: **\$57,000**

Estimate to replace with vinyl

Worst Cost: **\$68,000**

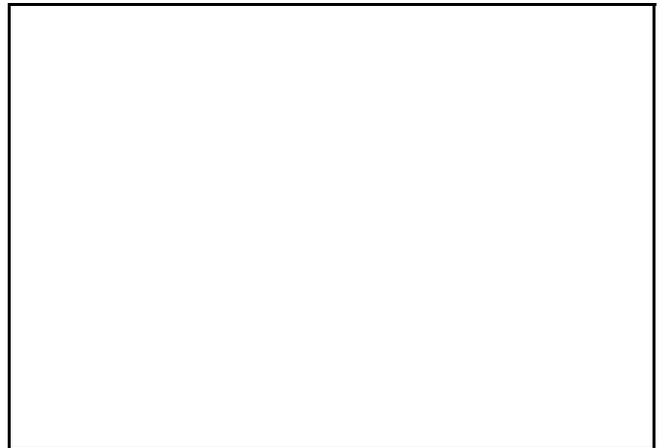
Higher estimate

Source of Information: CSL Cost Database

Observations:

Research with the client reveals this component is being replaced with vinyl fencing. We recommend funding to replace this component approximately every 25 - 30 years. Remaining life based on current age.

General Notes:



Comp #: 1602 Exterior Light Fixtures - Replace



Location: **Building Exteriors**

Quantity: **(128) Lights**

Life Expectancy: **20** *Remaining Life:* **3**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

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

General Notes:

Comp #: 1604 Pole Lights - Replace



Location: **Common Area**

Quantity: **(3) Lights**

Life Expectancy: **20** *Remaining Life:* **3**

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

Estimate to replace

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

Higher estimate

Source of Information: CSL Cost Database

Observations:

The pole lights are in fair to poor condition. We recommend funding to replace these pole light fixtures, poles and to refurbish the electrical approximately every 16 - 20 years. Remaining life based on current condition.

General Notes:

Comp #: 1812 Landscaping & Irrigation System - Renovate



Location: **Common Area**

Quantity: **Moderate SF**

Life Expectancy: **20** *Remaining Life:* **3**

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

Allowance to renovate

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

Higher allowance

Source of Information: CSL Cost Database

Observations:

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

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.

