

The Village Property Owners

Level 3 Reserve Study



Report Period – 04/01/2023 – 03/31/2024

Client Reference Number	18627
Property Type	Single Family Homes
Number of Units	71
Fiscal Year End	03/31

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 – Tuesday, December 20, 2022



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Glossary of Commonly used Words and Phrases

Executive Summary – The Village Property Owners - ID # 18627

Information to complete this Level III Reserve Study was gathered through research with the client as well as from the previous report. In addition, we also obtained information by contacting any vendors and/or contractors that have worked on the property recently. To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate insofar as the information obtained from these sources.

Projected Starting Balance as of 04/01/2023	\$121,000
Ideal Reserve Balance as of 04/01/2023	\$418,105
Percent Funded as of 04/01/2023	29%
Recommended Reserve Contribution (per month)	\$5,850
Recommended Special Assessment	\$0

The Village Property Owners is a 71-unit Condominium community. The community offers gated entrance, hot tub, swimming pool, and landscaped areas as amenities. Construction on the community was completed in 1996.

Currently Programmed Projects

There are multiple projects programmed to occur this fiscal year (FY2023-24). We have programmed an estimated \$39,500 in reserve expenditures toward the completion of these projects. (See page 15)

Significant Reserve Projects

The association's significant reserve projects are landscaping and irrigation system renovate (Comp# 1812), vinyl fencing replace (Comp# 1008), asphalt major rehab (Comp# 402), and asphalt seal coat (Comp# 402). The fiscal significance of these components is approximately 23%, 19%, 13%, and 10% respectively (see page 9). A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives.

Reserve Funding

In comparing the projected starting reserve balance of \$121,000 versus the ideal reserve balance of \$418,105 we find the association's reserve fund to be approximately 29% 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 \$5,850 (\$82.39/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

Introduction

Reserve Study Purpose

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

Preparer's Credentials

Mr. Gifford has been working in the community association industry 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 extensive experience with budget creation, reserves and reserve budgeting, community inspections, and analyzing common area components.

- Personally has prepared over 2,200 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). Current member of the CAI Utah Legislative Action Committee. Former Board member, and former Utah Chapter President
- Reserve Specialist (RS) designation from Community Associations Institute (CAI), RS# 231
- Bachelor of Science in Chemistry from Emporia State University
- Professional Community Association Manager® (PCAM®) designation from Community Associations Institute (CAI), PCAM# 1740
- Association Management Specialist® (AMS®) designation from Community Associations Institute (CAI)

Budget Breakdown

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

Report Sections

Reserve Analysis: this section contains the evaluation of the association's reserve balance, income, and expenses. It includes a finding of the client's current reserve fund status (measured as percent funded) and a recommendation for an appropriate reserve allocation rate (also known as the funding plan).

Component Evaluation: this section contains information regarding the physical status and replacement cost of reserve components the association is responsible to maintain. It is important to understand that while the component inventory will remain relatively "stable" from year to year, the condition assessment and life estimates will most likely vary from year to year.

General Information and Frequently Asked Questions

Is it the law to have a Reserve Study conducted?

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

Why is it important to perform a Reserve Study?

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

After we have a Reserve Study, what do we do with it?

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

How often do we review and update our Reserve Study?

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

What is a "Reserve Component" versus an "Operating Component"?

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

What are the GREY areas of "maintenance" items that are often seen in a Reserve Study?

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

Information and Data Gathered:

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

What happens during the Site Visit?

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

What is the Financial Analysis?

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

Measures of reserve fund financial strength are as follows:

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

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

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

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

Disclosures:

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

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

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

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

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

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

Update Reserve Studies:

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

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

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

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

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

Funding Summary

Beginning Assumptions

# of units	71
Fiscal Year End	31-Mar
Budgeted Monthly Reserve Allocation	\$0
Projected Starting Reserve Balance	\$121,000
Ideal Starting Reserve Balance	\$418,105

Economic Assumptions

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

Current Reserve Status

Current Balance as a % of Ideal Balance	29%
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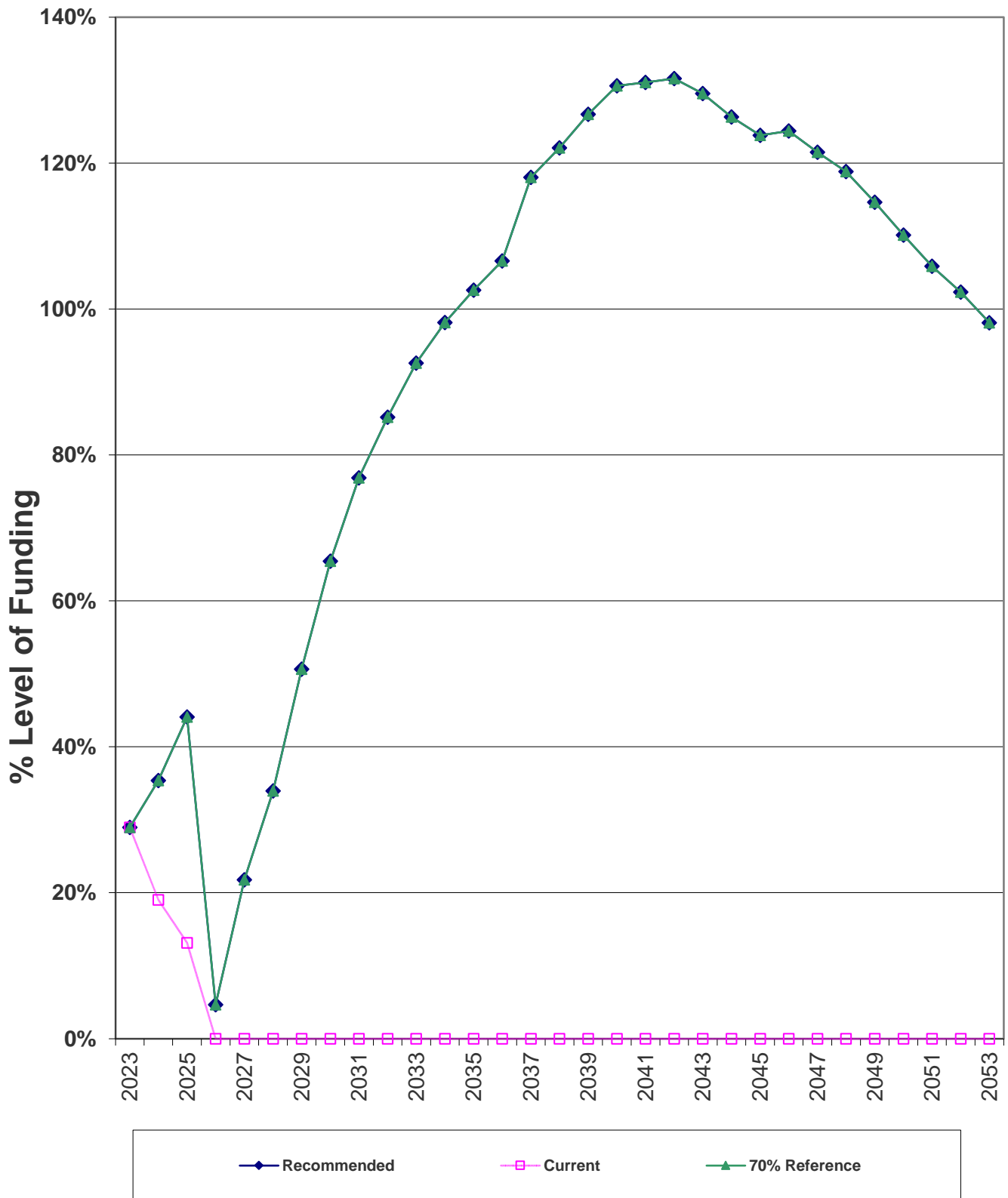
Recommendations

Recommended Monthly Reserve Allocation	\$5,850
Per Unit	\$82.39
Future Annual Increases	3.00%
For number of years:	13
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	\$5,850
Per Unit	\$82.39
Future Annual Increases	3.00%
For number of years:	13
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation as Percentage	\$5,850 0%
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Percent Funded - Graph



Component Inventory

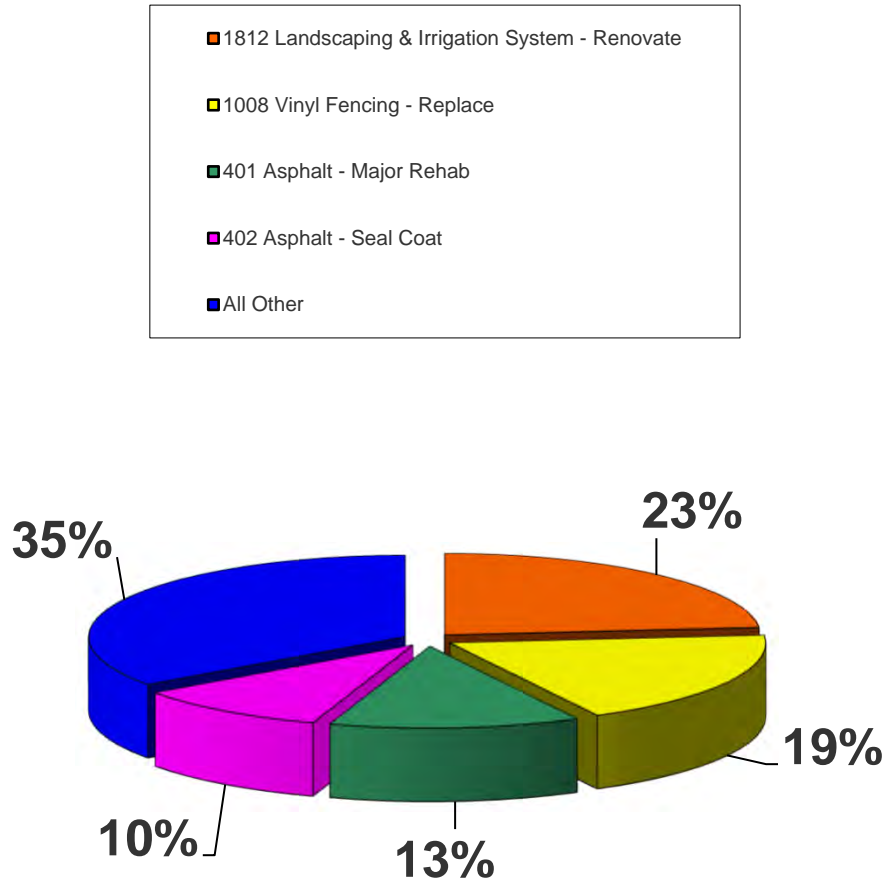
Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Roof - Replace	25	0	\$3,000	\$3,500
	120	Rain Gutters/Downspouts - Replace	N/A		\$0	\$0
Painted Surfaces	201	Stucco Surfaces - Repair/Repaint	N/A		\$0	\$0
	204	Doors - Repaint	N/A		\$0	\$0
	207	Metal Fencing - East - Repaint	6	1	\$2,500	\$3,000
	207	Metal Fencing - South - Repaint	6	0	\$2,500	\$3,000
Drive Materials	401	Asphalt - Major Rehab	30	13	\$114,000	\$147,000
	402	Asphalt - Seal Coat	5	3	\$15,000	\$19,000
	404	Concrete - Partial Repair/Replace	10	1	\$4,000	\$5,000
Property Access	504	Vehicle Gates - Replace	30	2	\$20,000	\$25,000
	505	Pedestrian Gates - Replace	30	2	\$9,000	\$12,000
	506	Phone Entry System - East - Replace	12	5	\$3,000	\$3,500
	507	Vehicle Gate Operators - East 2009 - Re	12	5	\$3,500	\$4,500
	507	Vehicle Gate Operators - East 2017 - Re	12	5	\$3,500	\$4,500
	507	Vehicle Gate Operators - South - Replac	12	0	\$7,000	\$9,000
	508	Access Control System - Replace	12	3	\$3,000	\$4,000
	590	Key Pads - Replace	12	0	\$3,000	\$4,000
Mechanical Equip.	703	Water Heater - Replace	N/A		\$0	\$0
Prop. Identification	801	Monument Sign - Refurbish	N/A		\$0	\$0
	803	Mailboxes - Replace	25	15	\$20,000	\$21,000
Fencing	1008	Vinyl Fencing - Replace	30	2	\$165,000	\$219,000
Pool / Spa	1101	Pool - Resurface	12	4	\$15,000	\$20,000
	1102	Spa - Resurface	12	4	\$4,000	\$5,000
	1104	Pool Heater - Replace	12	0	\$5,000	\$6,000
	1105	Spa Heater - Replace	12	0	\$5,000	\$6,000
	1107	Pool Filter - Replace	15	0	\$2,500	\$3,500
	1108	Spa Filter - Replace	15	4	\$2,500	\$3,500
	1110	Pool Pump - Replace	N/A		\$0	\$0
	1110	Spa Pumps - Replace	N/A		\$0	\$0
	1111	Chemical Controller Systems - Replace	12	4	\$6,000	\$8,000
	1112	Pool Cover - Replace	10	1	\$4,000	\$6,000
	1116	Pool Deck - Replace	50	22	\$36,000	\$45,000
	1121	Pool Furniture - Replace	N/A		\$0	\$0
Recreation Equip.	1307	Benches - Replace	N/A		\$0	\$0
Interiors	1413	Restrooms - Remodel	20	11	\$4,000	\$5,000
Light Fixtures	1602	Exterior Light Fixtures - Replace	N/A		\$0	\$0
	1604	Pole Lights - 2016 - Replace	20	21	\$2,000	\$2,500
	1604	Pole Lights - 2018 - Replace	20	14	\$4,000	\$5,000
	1604	Pole Lights - Replace	20	2	\$12,000	\$15,000

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Landscaping	1812	Landscaping & Irrigation System - Renov 1		0	\$7,000	\$9,000

Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Roof - Replace	25	0	\$3,250	\$130	0.3820%
207	Metal Fencing - East - Repaint	6	1	\$2,750	\$458	1.3467%
207	Metal Fencing - South - Repaint	6	0	\$2,750	\$458	1.3467%
401	Asphalt - Major Rehab	30	13	\$130,500	\$4,350	12.7810%
402	Asphalt - Seal Coat	5	3	\$17,000	\$3,400	9.9897%
404	Concrete - Partial Repair/Replace	10	1	\$4,500	\$450	1.3222%
504	Vehicle Gates - Replace	30	2	\$22,500	\$750	2.2036%
505	Pedestrian Gates - Replace	30	2	\$10,500	\$350	1.0284%
506	Phone Entry System - East - Replace	12	5	\$3,250	\$271	0.7957%
507	Vehicle Gate Operators - East 2009 - R	12	5	\$4,000	\$333	0.9794%
507	Vehicle Gate Operators - East 2017 - R	12	5	\$4,000	\$333	0.9794%
507	Vehicle Gate Operators - South - Repla	12	0	\$8,000	\$667	1.9588%
508	Access Control System - Replace	12	3	\$3,500	\$292	0.8570%
590	Key Pads - Replace	12	0	\$3,500	\$292	0.8570%
803	Mailboxes - Replace	25	15	\$20,500	\$820	2.4093%
1008	Vinyl Fencing - Replace	30	2	\$192,000	\$6,400	18.8042%
1101	Pool - Resurface	12	4	\$17,500	\$1,458	4.2848%
1102	Spa - Resurface	12	4	\$4,500	\$375	1.1018%
1104	Pool Heater - Replace	12	0	\$5,500	\$458	1.3467%
1105	Spa Heater - Replace	12	0	\$5,500	\$458	1.3467%
1107	Pool Filter - Replace	15	0	\$3,000	\$200	0.5876%
1108	Spa Filter - Replace	15	4	\$3,000	\$200	0.5876%
1111	Chemical Controller Systems - Replace	12	4	\$7,000	\$583	1.7139%
1112	Pool Cover - Replace	10	1	\$5,000	\$500	1.4691%
1116	Pool Deck - Replace	50	22	\$40,500	\$810	2.3799%
1413	Restrooms - Remodel	20	11	\$4,500	\$225	0.6611%
1604	Pole Lights - 2016 - Replace	20	21	\$2,250	\$113	0.3305%
1604	Pole Lights - 2018 - Replace	20	14	\$4,500	\$225	0.6611%
1604	Pole Lights - Replace	20	2	\$13,500	\$675	1.9833%
1812	Landscaping & Irrigation System - Rend	1	0	\$8,000	\$8,000	23.5052%

Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
1812	Landscaping & Irrigation System - Renovate	1	0	\$8,000	\$8,000	24%
1008	Vinyl Fencing - Replace	30	2	\$192,000	\$6,400	19%
401	Asphalt - Major Rehab	30	13	\$130,500	\$4,350	13%
402	Asphalt - Seal Coat	5	3	\$17,000	\$3,400	10%
All Other	See Expanded Table For Breakdown				\$11,885	35%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2023	\$418,105	\$121,000	29%	\$70,200	\$136	\$39,500	\$151,836
2024	\$429,146	\$151,836	35%	\$72,306	\$178	\$21,060	\$203,260
2025	\$461,221	\$203,260	44%	\$74,475	\$107	\$266,614	\$11,228
2026	\$240,676	\$11,228	5%	\$76,709	\$34	\$32,059	\$55,912
2027	\$256,778	\$55,912	22%	\$79,011	\$72	\$46,794	\$88,201
2028	\$259,792	\$88,201	34%	\$81,381	\$117	\$23,421	\$146,278
2029	\$288,891	\$146,278	51%	\$83,822	\$181	\$13,602	\$216,680
2030	\$331,088	\$216,680	65%	\$86,337	\$253	\$14,146	\$289,124
2031	\$376,199	\$289,124	77%	\$88,927	\$317	\$34,214	\$344,154
2032	\$404,107	\$344,154	85%	\$91,595	\$384	\$11,386	\$424,747
2033	\$458,809	\$424,747	93%	\$94,343	\$466	\$11,842	\$507,714
2034	\$517,241	\$507,714	98%	\$97,173	\$540	\$33,868	\$571,559
2035	\$557,199	\$571,559	103%	\$100,088	\$595	\$53,234	\$619,008
2036	\$580,794	\$619,008	107%	\$103,091	\$539	\$263,498	\$459,140
2037	\$388,926	\$459,140	118%	\$103,091	\$500	\$21,646	\$541,086
2038	\$443,266	\$541,086	122%	\$103,091	\$561	\$63,033	\$581,705
2039	\$459,189	\$581,705	127%	\$103,091	\$599	\$69,300	\$616,095
2040	\$471,782	\$616,095	131%	\$103,091	\$649	\$37,497	\$682,338
2041	\$520,604	\$682,338	131%	\$103,091	\$706	\$56,216	\$729,918
2042	\$554,670	\$729,918	132%	\$103,091	\$767	\$28,969	\$804,808
2043	\$621,304	\$804,808	130%	\$103,091	\$848	\$17,529	\$891,218
2044	\$705,484	\$891,218	126%	\$103,091	\$921	\$45,006	\$950,224
2045	\$767,557	\$950,224	124%	\$103,091	\$929	\$146,935	\$907,309
2046	\$729,334	\$907,309	124%	\$103,091	\$928	\$61,618	\$949,710
2047	\$781,667	\$949,710	121%	\$103,091	\$959	\$85,230	\$968,531
2048	\$815,026	\$968,531	119%	\$103,091	\$1,002	\$37,322	\$1,035,302
2049	\$903,174	\$1,035,302	115%	\$103,091	\$1,076	\$22,180	\$1,117,289
2050	\$1,014,369	\$1,117,289	110%	\$103,091	\$1,153	\$33,159	\$1,188,375
2051	\$1,122,520	\$1,188,375	106%	\$103,091	\$1,159	\$161,930	\$1,130,695
2052	\$1,105,157	\$1,130,695	102%	\$103,091	\$1,153	\$60,034	\$1,174,905

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	Roof - Replace	25	0	Approx 600 Sq.ft.	\$3,250	\$3,250	\$3,250	\$22.34
207	Metal Fencing - East - Repaint	6	1	Approx 37 Linear ft.	\$2,750	\$2,292	\$2,292	\$78.78
207	Metal Fencing - South - Repaint	6	0	Approx 29 Linear ft.	\$2,750	\$2,750	\$2,750	\$78.78
401	Asphalt - Major Rehab	30	13	Approx 65,000 Sq.ft.	\$130,500	\$73,950	\$0	\$747.69
402	Asphalt - Seal Coat	5	3	Approx 65,000 Sq.ft.	\$17,000	\$6,800	\$0	\$584.40
404	Concrete - Partial Repair/Replace	10	1	Moderate Sq.ft.	\$4,500	\$4,050	\$4,050	\$77.35
504	Vehicle Gates - Replace	30	2	(4) Gates	\$22,500	\$21,000	\$21,000	\$128.91
505	Pedestrian Gates - Replace	30	2	(3) Gates	\$10,500	\$9,800	\$9,800	\$60.16
506	Phone Entry System - East - Replace	12	5	(1) System	\$3,250	\$1,896	\$0	\$46.55
507	Vehicle Gate Operators - East 2009 - Replace	12	5	(1) Operator	\$4,000	\$2,333	\$0	\$57.29
507	Vehicle Gate Operators - East 2017 - Replace	12	5	(1) Operator	\$4,000	\$2,333	\$0	\$57.29
507	Vehicle Gate Operators - South - Replace	12	0	(2) Operators	\$8,000	\$8,000	\$8,000	\$114.59
508	Access Control System - Replace	12	3	(1) System	\$3,500	\$2,625	\$0	\$50.13
590	Key Pads - Replace	12	0	(3) Key Pads	\$3,500	\$3,500	\$3,500	\$50.13
803	Mailboxes - Replace	25	15	(6) Clusters	\$20,500	\$8,200	\$0	\$140.94
1008	Vinyl Fencing - Replace	30	2	Approx 3,650 Linear ft.	\$192,000	\$179,200	\$39,858	\$1,100.04
1101	Pool - Resurface	12	4	(1) Pool	\$17,500	\$11,667	\$0	\$250.66
1102	Spa - Resurface	12	4	(1) Spa	\$4,500	\$3,000	\$0	\$64.46
1104	Pool Heater - Replace	12	0	(1) Heater	\$5,500	\$5,500	\$5,500	\$78.78
1105	Spa Heater - Replace	12	0	(1) Heater	\$5,500	\$5,500	\$5,500	\$78.78
1107	Pool Filter - Replace	15	0	(1) Filter	\$3,000	\$3,000	\$3,000	\$34.38
1108	Spa Filter - Replace	15	4	(1) Filter	\$3,000	\$2,200	\$0	\$34.38
1111	Chemical Controller Systems - Replace	12	4	(2) Systems	\$7,000	\$4,667	\$0	\$100.26
1112	Pool Cover - Replace	10	1	(1) Cover	\$5,000	\$4,500	\$4,500	\$85.94
1116	Pool Deck - Replace	50	22	(1) Deck	\$40,500	\$22,680	\$0	\$139.22
1413	Restrooms - Remodel	20	11	(2) Restrooms	\$4,500	\$2,025	\$0	\$38.67
1604	Pole Lights - 2016 - Replace	20	21	(1) Pole	\$2,250	\$0	\$0	\$19.34
1604	Pole Lights - 2018 - Replace	20	14	(3) Poles	\$4,500	\$1,350	\$0	\$38.67
1604	Pole Lights - Replace	20	2	(15) Poles	\$13,500	\$12,150	\$0	\$116.02
1812	Landscaping & Irrigation System - Renovate	1	0	Extensive Sq.ft.	\$8,000	\$8,000	\$8,000	\$1,375.06

\$556,750 \$418,218 \$121,000 \$5,850

Current Fund Balance as a percentage of Ideal Balance: 29%



Yearly Cash Flow

Year	2023	2024	2025	2026	2027
Starting Balance	\$121,000	\$151,836	\$203,260	\$11,228	\$55,912
<i>Reserve Income</i>	\$70,200	\$72,306	\$74,475	\$76,709	\$79,011
<i>Interest Earnings</i>	\$136	\$178	\$107	\$34	\$72
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$191,336	\$224,320	\$277,842	\$87,971	\$134,995
Reserve Expenditures	\$39,500	\$21,060	\$266,614	\$32,059	\$46,794
Ending Balance	\$151,836	\$203,260	\$11,228	\$55,912	\$88,201

Year	2028	2029	2030	2031	2032
Starting Balance	\$88,201	\$146,278	\$216,680	\$289,124	\$344,154
<i>Reserve Income</i>	\$81,381	\$83,822	\$86,337	\$88,927	\$91,595
<i>Interest Earnings</i>	\$117	\$181	\$253	\$317	\$384
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$169,699	\$230,282	\$303,270	\$378,368	\$436,133
Reserve Expenditures	\$23,421	\$13,602	\$14,146	\$34,214	\$11,386
Ending Balance	\$146,278	\$216,680	\$289,124	\$344,154	\$424,747

Year	2033	2034	2035	2036	2037
Starting Balance	\$424,747	\$507,714	\$571,559	\$619,008	\$459,140
<i>Reserve Income</i>	\$94,343	\$97,173	\$100,088	\$103,091	\$103,091
<i>Interest Earnings</i>	\$466	\$540	\$595	\$539	\$500
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$519,556	\$605,427	\$672,242	\$722,638	\$562,731
Reserve Expenditures	\$11,842	\$33,868	\$53,234	\$263,498	\$21,646
Ending Balance	\$507,714	\$571,559	\$619,008	\$459,140	\$541,086

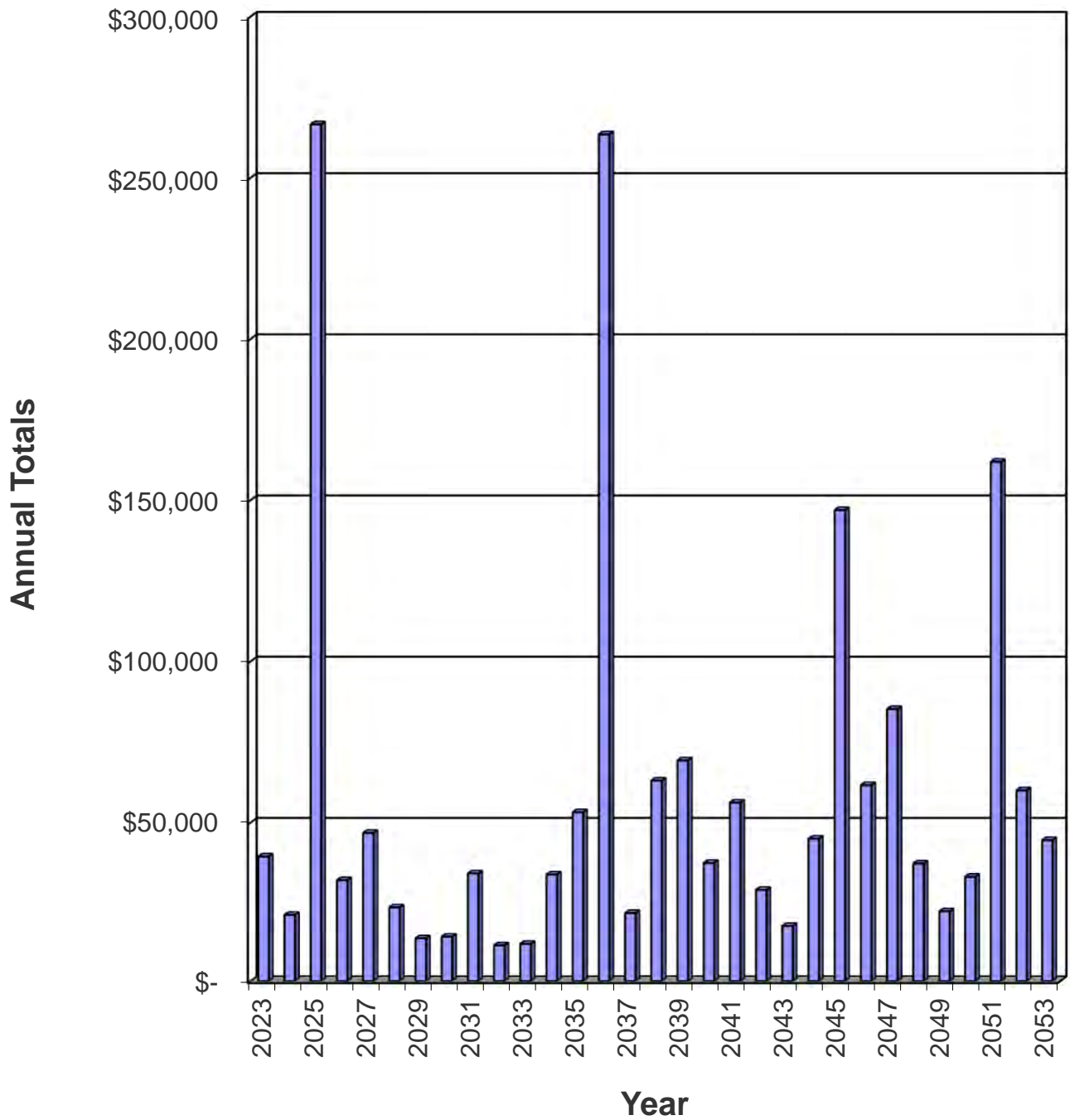
Year	2038	2039	2040	2041	2042
Starting Balance	\$541,086	\$581,705	\$616,095	\$682,338	\$729,918
<i>Reserve Income</i>	\$103,091	\$103,091	\$103,091	\$103,091	\$103,091
<i>Interest Earnings</i>	\$561	\$599	\$649	\$706	\$767
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$644,738	\$685,395	\$719,835	\$786,135	\$833,777
Reserve Expenditures	\$63,033	\$69,300	\$37,497	\$56,216	\$28,969
Ending Balance	\$581,705	\$616,095	\$682,338	\$729,918	\$804,808

Year	2043	2044	2045	2046	2047
Starting Balance	\$804,808	\$891,218	\$950,224	\$907,309	\$949,710
<i>Reserve Income</i>	\$103,091	\$103,091	\$103,091	\$103,091	\$103,091
<i>Interest Earnings</i>	\$848	\$921	\$929	\$928	\$959
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$908,747	\$995,230	\$1,054,244	\$1,011,328	\$1,053,760
Reserve Expenditures	\$17,529	\$45,006	\$146,935	\$61,618	\$85,230
Ending Balance	\$891,218	\$950,224	\$907,309	\$949,710	\$968,531

Year	2048	2049	2050	2051	2052
Starting Balance	\$968,531	\$1,035,302	\$1,117,289	\$1,188,375	\$1,130,695
<i>Reserve Income</i>	\$103,091	\$103,091	\$103,091	\$103,091	\$103,091
<i>Interest Earnings</i>	\$1,002	\$1,076	\$1,153	\$1,159	\$1,153
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,072,624	\$1,139,469	\$1,221,533	\$1,292,625	\$1,234,939
Reserve Expenditures	\$37,322	\$22,180	\$33,159	\$161,930	\$60,034
Ending Balance	\$1,035,302	\$1,117,289	\$1,188,375	\$1,130,695	\$1,174,905



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2023	105	Roof - Replace	\$3,250	
	207	Metal Fencing - South - Repaint	\$2,750	
	507	Vehicle Gate Operators - South - Replace	\$8,000	
	590	Key Pads - Replace	\$3,500	
	1104	Pool Heater - Replace	\$5,500	
	1105	Spa Heater - Replace	\$5,500	
	1107	Pool Filter - Replace	\$3,000	
	1812	Landscaping & Irrigation System - Renovate	\$8,000	\$39,500
2024	207	Metal Fencing - East - Repaint	\$2,860	
	404	Concrete - Partial Repair/Replace	\$4,680	
	1112	Pool Cover - Replace	\$5,200	
	1812	Landscaping & Irrigation System - Renovate	\$8,320	\$21,060
2025	504	Vehicle Gates - Replace	\$24,336	
	505	Pedestrian Gates - Replace	\$11,357	
	1008	Vinyl Fencing - Replace	\$207,667	
	1604	Pole Lights - Replace	\$14,602	
	1812	Landscaping & Irrigation System - Renovate	\$8,653	\$266,614
2026	402	Asphalt - Seal Coat	\$19,123	
	508	Access Control System - Replace	\$3,937	
	1812	Landscaping & Irrigation System - Renovate	\$8,999	\$32,059
2027	1101	Pool - Resurface	\$20,473	
	1102	Spa - Resurface	\$5,264	
	1108	Spa Filter - Replace	\$3,510	
	1111	Chemical Controller Systems - Replace	\$8,189	
	1812	Landscaping & Irrigation System - Renovate	\$9,359	\$46,794
2028	506	Phone Entry System - East - Replace	\$3,954	
	507	Vehicle Gate Operators - East 2009 - Replace	\$4,867	
	507	Vehicle Gate Operators - East 2017 - Replace	\$4,867	
	1812	Landscaping & Irrigation System - Renovate	\$9,733	\$23,421
2029	207	Metal Fencing - South - Repaint	\$3,480	
	1812	Landscaping & Irrigation System - Renovate	\$10,123	\$13,602
2030	207	Metal Fencing - East - Repaint	\$3,619	
	1812	Landscaping & Irrigation System - Renovate	\$10,527	\$14,146
2031	402	Asphalt - Seal Coat	\$23,266	
	1812	Landscaping & Irrigation System - Renovate	\$10,949	\$34,214
2032	1812	Landscaping & Irrigation System - Renovate	\$11,386	\$11,386
2033	1812	Landscaping & Irrigation System - Renovate	\$11,842	\$11,842
2034	404	Concrete - Partial Repair/Replace	\$6,928	
	1112	Pool Cover - Replace	\$7,697	
	1413	Restrooms - Remodel	\$6,928	
	1812	Landscaping & Irrigation System - Renovate	\$12,316	\$33,868
2035	207	Metal Fencing - South - Repaint	\$4,403	
	507	Vehicle Gate Operators - South - Replace	\$12,808	
	590	Key Pads - Replace	\$5,604	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	1104	Pool Heater - Replace	\$8,806	
	1105	Spa Heater - Replace	\$8,806	
	1812	Landscaping & Irrigation System - Renovate	\$12,808	\$53,234
2036	207	Metal Fencing - East - Repaint	\$4,579	
	401	Asphalt - Major Rehab	\$217,292	
	402	Asphalt - Seal Coat	\$28,306	
	1812	Landscaping & Irrigation System - Renovate	\$13,321	\$263,498
2037	1604	Pole Lights - 2018 - Replace	\$7,793	
	1812	Landscaping & Irrigation System - Renovate	\$13,853	\$21,646
2038	508	Access Control System - Replace	\$6,303	
	803	Mailboxes - Replace	\$36,919	
	1107	Pool Filter - Replace	\$5,403	
	1812	Landscaping & Irrigation System - Renovate	\$14,408	\$63,033
2039	1101	Pool - Resurface	\$32,777	
	1102	Spa - Resurface	\$8,428	
	1111	Chemical Controller Systems - Replace	\$13,111	
	1812	Landscaping & Irrigation System - Renovate	\$14,984	\$69,300
2040	506	Phone Entry System - East - Replace	\$6,331	
	507	Vehicle Gate Operators - East 2009 - Replace	\$7,792	
	507	Vehicle Gate Operators - East 2017 - Replace	\$7,792	
	1812	Landscaping & Irrigation System - Renovate	\$15,583	\$37,497
2041	207	Metal Fencing - South - Repaint	\$5,571	
	402	Asphalt - Seal Coat	\$34,439	
	1812	Landscaping & Irrigation System - Renovate	\$16,207	\$56,216
2042	207	Metal Fencing - East - Repaint	\$5,794	
	1108	Spa Filter - Replace	\$6,321	
	1812	Landscaping & Irrigation System - Renovate	\$16,855	\$28,969
2043	1812	Landscaping & Irrigation System - Renovate	\$17,529	\$17,529
2044	404	Concrete - Partial Repair/Replace	\$10,254	
	1112	Pool Cover - Replace	\$11,394	
	1604	Pole Lights - 2016 - Replace	\$5,127	
	1812	Landscaping & Irrigation System - Renovate	\$18,230	\$45,006
2045	1116	Pool Deck - Replace	\$95,982	
	1604	Pole Lights - Replace	\$31,994	
	1812	Landscaping & Irrigation System - Renovate	\$18,959	\$146,935
2046	402	Asphalt - Seal Coat	\$41,900	
	1812	Landscaping & Irrigation System - Renovate	\$19,718	\$61,618
2047	207	Metal Fencing - South - Repaint	\$7,049	
	507	Vehicle Gate Operators - South - Replace	\$20,506	
	590	Key Pads - Replace	\$8,972	
	1104	Pool Heater - Replace	\$14,098	
	1105	Spa Heater - Replace	\$14,098	
	1812	Landscaping & Irrigation System - Renovate	\$20,506	\$85,230
2048	105	Roof - Replace	\$8,664	
	207	Metal Fencing - East - Repaint	\$7,331	
	1812	Landscaping & Irrigation System - Renovate	\$21,327	\$37,322
2049	1812	Landscaping & Irrigation System - Renovate	\$22,180	\$22,180

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
2050	508	Access Control System - Replace	\$10,092	
	1812	Landscaping & Irrigation System - Renovate	\$23,067	\$33,159
2051	402	Asphalt - Seal Coat	\$50,978	
	1101	Pool - Resurface	\$52,477	
	1102	Spa - Resurface	\$13,494	
	1111	Chemical Controller Systems - Replace	\$20,991	
	1812	Landscaping & Irrigation System - Renovate	\$23,990	\$161,930
2052	506	Phone Entry System - East - Replace	\$10,136	
	507	Vehicle Gate Operators - East 2009 - Replace	\$12,475	
	507	Vehicle Gate Operators - East 2017 - Replace	\$12,475	
	1812	Landscaping & Irrigation System - Renovate	\$24,949	\$60,034

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.

