

Island Park Village Resort

Level 3 Reserve Study



Report Period – 10/01/2017 – 9/30/2018

Client Reference Number	18101
Property Type	Single Family Homes
Number of Units	166
Fiscal Year End	09/30

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 – Friday, July 28, 2017



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Glossary of Commonly used Words and Phrases

Executive Summary – Island Park Village Resort - ID # 18101

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 10/01/2017	\$351,000
Ideal Reserve Balance as of 10/01/2017	\$445,428
Percent Funded as of 10/01/2017	79%
Recommended Reserve Contribution (per month)	\$4,675
Minimum Reserve Contribution (per month)	\$4,265
Recommended Special Assessment	\$0

Island Park Village Resort is a 166-unit Single Family Home community. The community offers clubhouse, golf course, tennis court and landscaped areas as amenities. Construction on the community was completed in 1975.

Currently Programmed Projects

Projects programmed to occur this fiscal year (FY2017-18) include pump house roofs replace (Comp# 107), CH siding replace (Comp# 390), asphalt 2013 seal coat (Comp# 402), and GC outfront mower replace (Comp# 1801). We have programmed an estimated \$72,355 in reserve expenditures toward the completion of these projects. (See page 18)

Significant Reserve Projects

The association's significant reserve projects are asphalt seal coat (Comp# 402), asphalt part 1 maintenance (Comp# 401), asphalt part 2 maintenance (Comp# 401), and asphalt part 3 maintenance (Comp# 401). The fiscal significance of these components is approximately 15%, 7%, 7%, and 7% respectively (see page 11). 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 \$351,000 versus the ideal reserve balance of \$445,428 we find the association's reserve fund to be approximately 79% funded. This indicates a strong reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$4,675 (\$28.16/unit) per month. We have also included a minimum reserve contribution of \$4,265 (\$25.69/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 for the last 14 years. Prior to taking a position, as the Regional Project Manager covering the Utah region, at Complex Solutions, 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.

- Professional Reserve Analyst (PRA) designation from Association of Professional Reserve Analysts (APRA), PRA #2320
- Reserve Specialist (RS) designation from Community Associations Institute (CAI), RS# 231
- Personally has prepared over 1,100 reserve studies in Salt Lake City Utah and surrounding areas
- Bachelor of Science in Chemistry from Emporia State University
- Certified Manager of Community Associations® (CMCA®) designation from the National Board of Certification for Community Association Managers (NBC-CAM)
- Association Management Specialist® (AMS®) designation from Community Associations Institute (CAI)
- Professional Community Association Manager® (PCAM®) designation from Community Associations Institute (CAI), PCAM# 1740,
- Active member and former Board member and chapter President of the Utah Chapter of Community Associations Institute (UCCAI)
- Recipient of Community Associations Institute's (CAI) annual award of Excellence in Chapter Leadership for service an achievement in 2010

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	166
Fiscal Year End	30-Sep
Budgeted Monthly Reserve Allocation	\$2,917
Projected Starting Reserve Balance	\$351,000
Ideal Starting Reserve Balance	\$445,428

Economic Assumptions

Projected Inflation Rate	2.20%
Reported After-Tax Interest Rate	1.35%

Current Reserve Status

Current Balance as a % of Ideal Balance	79%
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Recommendations

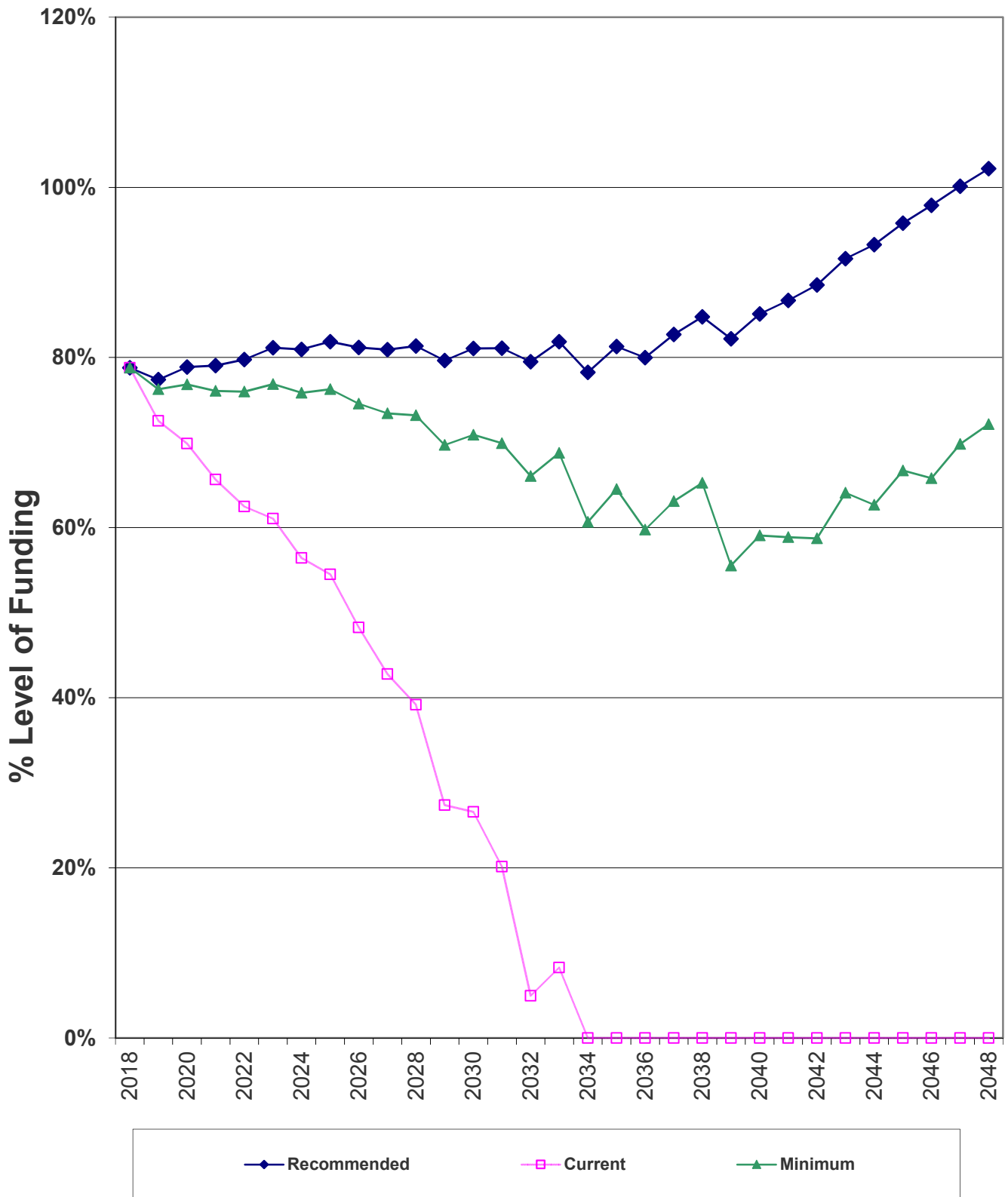
Recommended Monthly Reserve Allocation	\$4,675
Per Unit	\$28.16
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
Minimum Recommended Monthly Reserve Allocation	\$4,265
Per Unit	\$25.69
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation as Percentage	\$1,758 60%
Minimum Recommended Increase to Reserve Allocation as Percentage	\$1,348 46%



Percent Funded - Graph



Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Common						
Roofing	107	Pump House Roofs - Replace	40	0	\$4,020	\$4,690
Painted Surfaces	218	Building Exteriors - Repair/Stain	N/A		\$0	\$0
Drive Materials	401	Asphalt - 2013 - Maintenance	30	25	\$37,500	\$52,500
	401	Asphalt - Part 2 - Maintenance	25	15	\$81,666	\$114,333
	401	Asphalt - Part 1 - Maintenance	25	10	\$81,666	\$114,333
	401	Asphalt - Part 3 - Maintenance	25	20	\$81,666	\$114,333
	402	Asphalt - 2013 - Seal Coat	5	0	\$5,000	\$6,000
	402	Asphalt - Seal Coat	5	2	\$39,000	\$43,000
Fencing	1003	Tennis Court Chain Link Fencing - R	N/A		\$0	\$0
Courts	1201	Tennis Court - Repair/Resurface	10	9	\$20,000	\$22,000
Vehicles / Equipme	1901	Pickup Truck w/ Plow - Replace	15	11	\$14,000	\$16,000
	1905	Snow Blower - Replace	10	5	\$1,600	\$1,800
	1906	Four Wheeler - Replace	12	1	\$5,000	\$7,000
	1913	Bobcat Toolcat - Replace	20	17	\$64,000	\$66,000
	1914	Wheel Loader - Replace	25	13	\$30,000	\$40,000
	1915	Loader Snow Blower Assembly - Re	25	13	\$45,000	\$55,000
Buildings / Structur	2304	Shop Building - Replace	N/A		\$0	\$0
	2305	Fuel Containment Building - Replace	N/A		\$0	\$0
Golf Course						
Irrig. System	1702	GC - Frequency Broadcaster & Com	10	5	\$22,000	\$24,000
	1705	GC - Irrigation Pumps - Rebuild	2	1	\$2,500	\$3,500
	1705	GC - Irrigation Pumps - 75HP - Repl	30	13	\$11,000	\$12,000
	1705	GC - Irrigation Pump - 20HP - Repla	30	29	\$3,100	\$3,300
	1790	GC - Filter - Replace	10	9	\$3,000	\$5,000
	1790	GC - Pump House Compressor - Re	15	5	\$2,500	\$3,500
Landscaping	1801	GC - Core Harvester - Replace	15	9	\$5,000	\$7,000
	1801	GC - Utility Vehicle - Replace	15	13	\$9,000	\$10,000
	1801	GC - Rough Mower - Replace	15	6	\$13,000	\$13,500
	1801	GC - Outfront Mower - Replace	15	0	\$10,000	\$15,000
	1801	GC - Hydrojet Aerator - Replace	15	8	\$15,000	\$20,000
	1801	GC - Greens Mowers - Newer - Repl	15	8	\$40,000	\$50,000
	1801	GC - Greens Mower - Older - Replac	15	3	\$15,000	\$20,000
	1801	GC - Greens Aerator - Replace	15	5	\$15,000	\$20,000
	1801	GC - Fairway Mower - 2010 - Repla	15	7	\$23,000	\$25,000
	1801	GC - Greens Roller - Replace	15	14	\$4,000	\$4,500
	1801	GC - Fairway Mower - 2012 - Repla	15	12	\$23,000	\$25,000



Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Landscaping	1803	GC - Cart Path - Repair/Seal	6	3	\$6,084	\$9,126
	1890	GC - Golf Ball Dispenser - Replace	12	4	\$5,000	\$6,000
Vehicles / Equipme	1902	GC - Golf Carts - Replace	N/A		\$0	\$0
Clubhouse						
Roofing	107	CH - Roof - Repair/Replace	40	20	\$43,560	\$50,820
Painted Surfaces	216	CH - Interior Surfaces - Repaint	N/A		\$0	\$0
	218	CH - Building Exteriors - Repair/Stai	N/A		\$0	\$0
Siding Materials	390	CH - Siding - Replace	99	0	\$45,000	\$55,000
Decking	607	CH - Wood Deck - Replace	20	15	\$16,800	\$22,400
Mechanical Equip.	703	CH - Water Heater - Replace	12	9	\$900	\$1,100
	705	CH - Heat Pumps - Replace	N/A		\$0	\$0
Life / Safety	990	CH - Electrical Panel - Replace	99	10	\$9,000	\$11,000
Pool / Spa	1101	CH - Pools & Spas - Maintain	N/A		\$0	\$0
Recreation Equip.	1304	CH - Drinking Fountains - Replace	N/A		\$0	\$0
	1309	CH - Patio Furniture - Replace	10	1	\$3,000	\$3,500
Interiors	1401	CH - Laundry Equipment - Replace	N/A		\$0	\$0
	1402	CH - Appliances - Replace	N/A		\$0	\$0
	1406	CH - Fitness Equipment - Replace	N/A		\$0	\$0
	1409	CH - Sauna Room & Heater- Refurbi	N/A		\$0	\$0
	1413	CH - Restrooms - Remodel	20	6	\$2,500	\$3,500
	1418	CH - Office Equipment - Replace	N/A		\$0	\$0
	1490	CH - Table Games - Replace	N/A		\$0	\$0
	1490	CH - Video Arcade Games - Replace	N/A		\$0	\$0
Flooring	1501	CH - Carpeting - Replace	10	7	\$6,056	\$7,671
	1590	CH - Racquetball Court - Remodel	N/A		\$0	\$0
	1590	CH - Safety Flooring - Replace	N/A		\$0	\$0
Light Fixtures	1601	CH - Interior Light Fixtures - Replace	25	6	\$1,950	\$2,600
	1602	CH - Exterior Light Fixtures - Replac	N/A		\$0	\$0



Significant Components

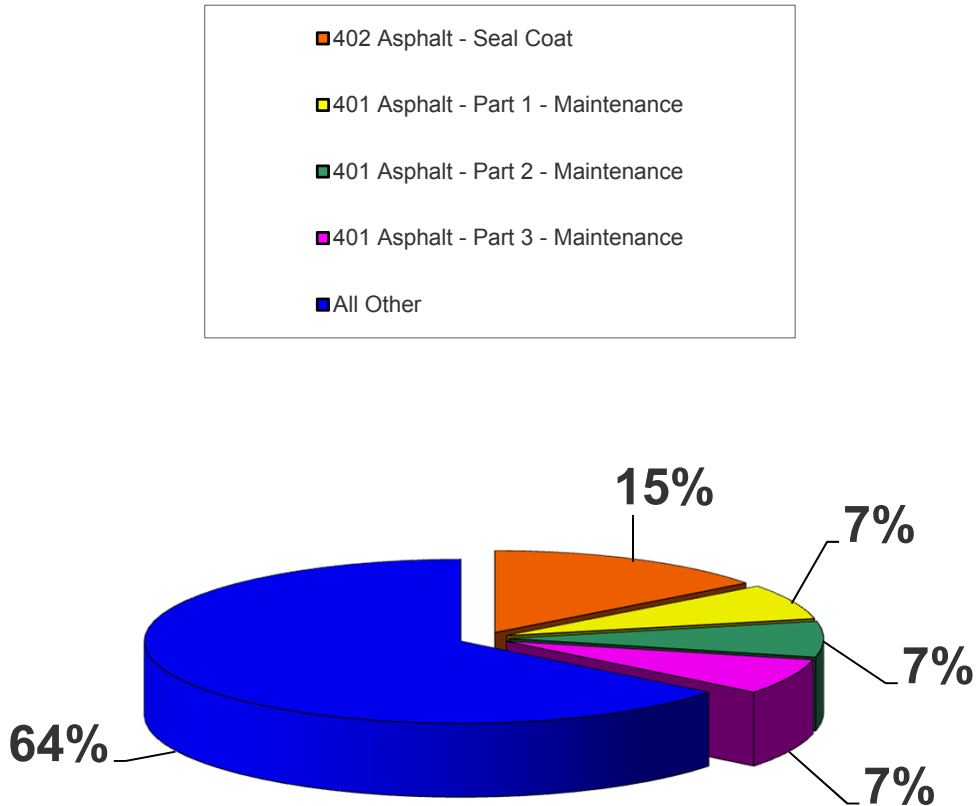
ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
107	CH - Roof - Repair/Replace	40	20	\$47,190	\$1,180	2.1092%
107	Pump House Roofs - Replace	40	0	\$4,355	\$109	0.1947%
390	CH - Siding - Replace	99	0	\$50,000	\$0	0.0000%
401	Asphalt - 2013 - Maintenance	30	25	\$45,000	\$1,500	2.6818%
401	Asphalt - Part 1 - Maintenance	25	10	\$98,000	\$3,920	7.0083%
401	Asphalt - Part 2 - Maintenance	25	15	\$98,000	\$3,920	7.0083%
401	Asphalt - Part 3 - Maintenance	25	20	\$98,000	\$3,920	7.0083%
402	Asphalt - 2013 - Seal Coat	5	0	\$5,500	\$1,100	1.9666%
402	Asphalt - Seal Coat	5	2	\$41,000	\$8,200	14.6603%
607	CH - Wood Deck - Replace	20	15	\$19,600	\$980	1.7521%
703	CH - Water Heater - Replace	12	9	\$1,000	\$83	0.1490%
990	CH - Electrical Panel - Replace	99	10	\$10,000	\$0	0.0000%
1201	Tennis Court - Repair/Resurface	10	9	\$21,000	\$2,100	3.7545%
1309	CH - Patio Furniture - Replace	10	1	\$3,250	\$325	0.5810%
1413	CH - Restrooms - Remodel	20	6	\$3,000	\$150	0.2682%
1501	CH - Carpeting - Replace	10	7	\$6,864	\$686	1.2271%
1601	CH - Interior Light Fixtures - Replace	25	6	\$2,275	\$91	0.1627%
1702	GC - Frequency Broadcaster & Comput	10	5	\$23,000	\$2,300	4.1120%
1705	GC - Irrigation Pump - 20HP - Replace	30	29	\$3,200	\$107	0.1907%
1705	GC - Irrigation Pumps - 75HP - Replace	30	13	\$11,500	\$383	0.6853%
1705	GC - Irrigation Pumps - Rebuild	2	1	\$3,000	\$1,500	2.6818%
1790	GC - Filter - Replace	10	9	\$4,000	\$400	0.7151%
1790	GC - Pump House Compressor - Repla	15	5	\$3,000	\$200	0.3576%
1801	GC - Core Harvester - Replace	15	9	\$6,000	\$400	0.7151%
1801	GC - Fairway Mower - 2010 - Replace	15	7	\$24,000	\$1,600	2.8605%
1801	GC - Fairway Mower - 2012 - Replace	15	12	\$24,000	\$1,600	2.8605%
1801	GC - Greens Aerator - Replace	15	5	\$17,500	\$1,167	2.0858%
1801	GC - Greens Mower - Older - Replace	15	3	\$17,500	\$1,167	2.0858%
1801	GC - Greens Mowers - Newer - Replace	15	8	\$45,000	\$3,000	5.3635%
1801	GC - Greens Roller - Replace	15	14	\$4,250	\$283	0.5066%
1801	GC - Hydrojet Aerator - Replace	15	8	\$17,500	\$1,167	2.0858%
1801	GC - Outfront Mower - Replace	15	0	\$12,500	\$833	1.4899%
1801	GC - Rough Mower - Replace	15	6	\$13,250	\$883	1.5793%
1801	GC - Utility Vehicle - Replace	15	13	\$9,500	\$633	1.1323%
1803	GC - Cart Path - Repair/Seal	6	3	\$7,605	\$1,268	2.2661%
1890	GC - Golf Ball Dispenser - Replace	12	4	\$5,500	\$458	0.8194%
1901	Pickup Truck w/ Plow - Replace	15	11	\$15,000	\$1,000	1.7878%
1905	Snow Blower - Replace	10	5	\$1,700	\$170	0.3039%
1906	Four Wheeler - Replace	12	1	\$6,000	\$500	0.8939%



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
1913	Bobcat Toolcat - Replace	20	17	\$65,000	\$3,250	5.8105%
1914	Wheel Loader - Replace	25	13	\$35,000	\$1,400	2.5030%
1915	Loader Snow Blower Assembly - Repla	25	13	\$50,000	\$2,000	3.5757%



Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
402	Asphalt - Seal Coat	5	2	\$41,000	\$8,200	15%
401	Asphalt - Part 1 - Maintenance	25	10	\$98,000	\$3,920	7%
401	Asphalt - Part 2 - Maintenance	25	15	\$98,000	\$3,920	7%
401	Asphalt - Part 3 - Maintenance	25	20	\$98,000	\$3,920	7%
All Other	See Expanded Table For Breakdown				\$35,974	64%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2018	\$445,428	\$351,000	79%	\$56,100	\$4,658	\$72,355	\$339,403
2019	\$438,548	\$339,403	77%	\$57,783	\$4,918	\$12,520	\$389,584
2020	\$493,928	\$389,584	79%	\$59,516	\$5,405	\$42,824	\$411,682
2021	\$520,843	\$411,682	79%	\$61,302	\$5,805	\$30,001	\$448,788
2022	\$562,772	\$448,788	80%	\$63,141	\$6,484	\$6,000	\$512,413
2023	\$631,496	\$512,413	81%	\$65,035	\$6,996	\$59,873	\$524,571
2024	\$648,049	\$524,571	81%	\$66,986	\$7,437	\$21,109	\$577,886
2025	\$705,987	\$577,886	82%	\$68,996	\$7,726	\$87,182	\$567,426
2026	\$699,109	\$567,426	81%	\$71,066	\$7,685	\$74,385	\$571,792
2027	\$706,625	\$571,792	81%	\$73,198	\$7,912	\$51,823	\$601,079
2028	\$738,865	\$601,079	81%	\$75,394	\$7,719	\$141,092	\$543,100
2029	\$681,985	\$543,100	80%	\$77,656	\$7,721	\$26,997	\$601,479
2030	\$742,022	\$601,479	81%	\$79,985	\$8,140	\$84,396	\$605,209
2031	\$746,315	\$605,209	81%	\$82,385	\$7,744	\$152,602	\$542,736
2032	\$682,630	\$542,736	80%	\$84,856	\$7,910	\$5,764	\$629,738
2033	\$769,281	\$629,738	82%	\$87,402	\$7,539	\$236,874	\$487,805
2034	\$623,350	\$487,805	78%	\$90,024	\$7,185	\$7,791	\$577,223
2035	\$710,074	\$577,223	81%	\$92,725	\$7,331	\$167,731	\$509,549
2036	\$637,028	\$509,549	80%	\$95,506	\$7,394	\$25,891	\$586,558
2037	\$709,156	\$586,558	83%	\$98,372	\$8,348	\$42,337	\$650,941
2038	\$767,924	\$650,941	85%	\$101,323	\$7,734	\$264,542	\$495,455
2039	\$602,792	\$495,455	82%	\$104,363	\$7,138	\$44,387	\$562,569
2040	\$660,971	\$562,569	85%	\$107,493	\$7,659	\$104,914	\$572,807
2041	\$660,556	\$572,807	87%	\$110,718	\$7,799	\$108,047	\$583,278
2042	\$658,960	\$583,278	89%	\$114,040	\$8,629	\$10,115	\$695,832
2043	\$759,490	\$695,832	92%	\$117,461	\$9,265	\$145,072	\$677,485
2044	\$726,426	\$677,485	93%	\$120,985	\$9,809	\$31,695	\$776,583
2045	\$810,672	\$776,583	96%	\$124,614	\$10,387	\$148,410	\$763,175
2046	\$779,703	\$763,175	98%	\$128,353	\$11,051	\$27,588	\$874,991
2047	\$873,797	\$874,991	100%	\$132,203	\$12,331	\$66,633	\$952,892



Reserve Contributions - Graph

Monthly Reserve Contributions



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
107	CH - Roof - Repair/Replace	40	20	Approx 7,260 Sq.ft.	\$47,190	\$23,595	\$0	\$98.61
107	Pump House Roofs - Replace	40	0	Approx 670 Sq.ft.	\$4,355	\$4,355	\$4,355	\$9.10
390	CH - Siding - Replace	99	0	Approx 7,500 Sq.ft.	\$50,000	\$50,000	\$50,000	\$0.00
401	Asphalt - 2013 - Maintenance	30	25	Approx 30,000 Sq.ft.	\$45,000	\$7,500	\$0	\$125.37
401	Asphalt - Part 1 - Maintenance	25	10	Approx 65,333 Sq.ft.	\$98,000	\$58,800	\$58,800	\$327.64
401	Asphalt - Part 2 - Maintenance	25	15	Approx 65,333 Sq.ft.	\$98,000	\$39,200	\$10,223	\$327.64
401	Asphalt - Part 3 - Maintenance	25	20	Approx 65,333 Sq.ft.	\$98,000	\$19,600	\$0	\$327.64
402	Asphalt - 2013 - Seal Coat	5	0	Approx 30,000 Sq.ft.	\$5,500	\$5,500	\$5,500	\$91.94
402	Asphalt - Seal Coat	5	2	Approx 226,000 Sq.ft.	\$41,000	\$24,600	\$24,600	\$685.37
607	CH - Wood Deck - Replace	20	15	Approx 1,120 Sq.ft.	\$19,600	\$4,900	\$0	\$81.91
703	CH - Water Heater - Replace	12	9	(1) Water Heater	\$1,000	\$250	\$250	\$6.97
990	CH - Electrical Panel - Replace	99	10	(1) Panel	\$10,000	\$8,990	\$8,990	\$0.00
1201	Tennis Court - Repair/Resurface	10	9	Approx 15,800 Sq.ft.	\$21,000	\$2,100	\$2,100	\$175.52
1309	CH - Patio Furniture - Replace	10	1	(24) Pieces	\$3,250	\$2,925	\$2,925	\$27.16
1413	CH - Restrooms - Remodel	20	6	(2) Restrooms	\$3,000	\$2,100	\$2,100	\$12.54
1501	CH - Carpeting - Replace	10	7	Approx 1,615 Sq.ft.	\$6,864	\$2,059	\$2,059	\$57.37
1601	CH - Interior Light Fixtures - Replace	25	6	(13) Fixtures	\$2,275	\$1,729	\$1,729	\$7.61
1702	GC - Frequency Broadcaster & Computer - R	10	5	(1) System	\$23,000	\$11,500	\$11,500	\$192.24
1705	GC - Irrigation Pump - 20HP - Replace	30	29	(1) Pump	\$3,200	\$107	\$0	\$8.92
1705	GC - Irrigation Pumps - 75HP - Replace	30	13	(1) Pump	\$11,500	\$6,517	\$6,517	\$32.04
1705	GC - Irrigation Pumps - Rebuild	2	1	(2) Pumps	\$3,000	\$1,500	\$1,500	\$125.37
1790	GC - Filter - Replace	10	9	(1) Filter	\$4,000	\$400	\$400	\$33.43
1790	GC - Pump House Compressor - Replace	15	5	(1) Compressor	\$3,000	\$2,000	\$2,000	\$16.72
1801	GC - Core Harvester - Replace	15	9	(1) Core Harvester	\$6,000	\$2,400	\$2,400	\$33.43
1801	GC - Fairway Mower - 2010 - Replace	15	7	(1) Mower	\$24,000	\$12,800	\$12,800	\$133.73
1801	GC - Fairway Mower - 2012 - Replace	15	12	(1) Mower	\$24,000	\$4,800	\$4,800	\$133.73
1801	GC - Greens Aerator - Replace	15	5	(1) Aerator	\$17,500	\$11,667	\$11,667	\$97.51
1801	GC - Greens Mower - Older - Replace	15	3	(1) Mower	\$17,500	\$14,000	\$14,000	\$97.51
1801	GC - Greens Mowers - Newer - Replace	15	8	(2) Mowers	\$45,000	\$21,000	\$21,000	\$250.74
1801	GC - Greens Roller - Replace	15	14	(1) Mower	\$4,250	\$283	\$283	\$23.68



ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
1801	GC - Hydrojet Aerator - Replace	15	8	(1) Aerator	\$17,500	\$8,167	\$8,167	\$97.51
1801	GC - Outfront Mower - Replace	15	0	(1) Mower	\$12,500	\$12,500	\$12,500	\$69.65
1801	GC - Rough Mower - Replace	15	6	(1) Mower	\$13,250	\$7,950	\$7,950	\$73.83
1801	GC - Utility Vehicle - Replace	15	13	(1) Workman	\$9,500	\$1,267	\$1,267	\$52.93
1803	GC - Cart Path - Repair/Seal	6	3	Approx 15,210 Sq.ft.	\$7,605	\$3,803	\$3,803	\$105.94
1890	GC - Golf Ball Dispenser - Replace	12	4	(1) Golf Ball Dispenser	\$5,500	\$3,667	\$3,667	\$38.31
1901	Pickup Truck w/ Plow - Replace	15	11	(1) Pickup Truck	\$15,000	\$4,000	\$4,000	\$83.58
1905	Snow Blower - Replace	10	5	(1) Snow Blower	\$1,700	\$850	\$850	\$14.21
1906	Four Wheeler - Replace	12	1	(1) Four Wheeler	\$6,000	\$5,500	\$5,500	\$41.79
1913	Bobcat Toolcat - Replace	20	17	(1) Tool Cat	\$65,000	\$9,750	\$0	\$271.64
1914	Wheel Loader - Replace	25	13	(1) Wheel Loader	\$35,000	\$16,800	\$16,800	\$117.01
1915	Loader Snow Blower Assembly - Replace	25	13	(1) Assembly	\$50,000	\$24,000	\$24,000	\$167.16
					\$978,537	\$445,428	\$351,000	\$4,675

Current Fund Balance as a percentage of Ideal Balance: 79%



Yearly Cash Flow

Year	2018	2019	2020	2021	2022
Starting Balance	\$351,000	\$339,403	\$389,584	\$411,682	\$448,788
<i>Reserve Income</i>	\$56,100	\$57,783	\$59,516	\$61,302	\$63,141
<i>Interest Earnings</i>	\$4,658	\$4,918	\$5,405	\$5,805	\$6,484
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$411,758	\$402,103	\$454,506	\$478,789	\$518,413
Reserve Expenditures	\$72,355	\$12,520	\$42,824	\$30,001	\$6,000
Ending Balance	\$339,403	\$389,584	\$411,682	\$448,788	\$512,413

Year	2023	2024	2025	2026	2027
Starting Balance	\$512,413	\$524,571	\$577,886	\$567,426	\$571,792
<i>Reserve Income</i>	\$65,035	\$66,986	\$68,996	\$71,066	\$73,198
<i>Interest Earnings</i>	\$6,996	\$7,437	\$7,726	\$7,685	\$7,912
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$584,444	\$598,995	\$654,608	\$646,177	\$652,902
Reserve Expenditures	\$59,873	\$21,109	\$87,182	\$74,385	\$51,823
Ending Balance	\$524,571	\$577,886	\$567,426	\$571,792	\$601,079

Year	2028	2029	2030	2031	2032
Starting Balance	\$601,079	\$543,100	\$601,479	\$605,209	\$542,736
<i>Reserve Income</i>	\$75,394	\$77,656	\$79,985	\$82,385	\$84,856
<i>Interest Earnings</i>	\$7,719	\$7,721	\$8,140	\$7,744	\$7,910
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$684,192	\$628,477	\$689,605	\$695,337	\$635,502
Reserve Expenditures	\$141,092	\$26,997	\$84,396	\$152,602	\$5,764
Ending Balance	\$543,100	\$601,479	\$605,209	\$542,736	\$629,738

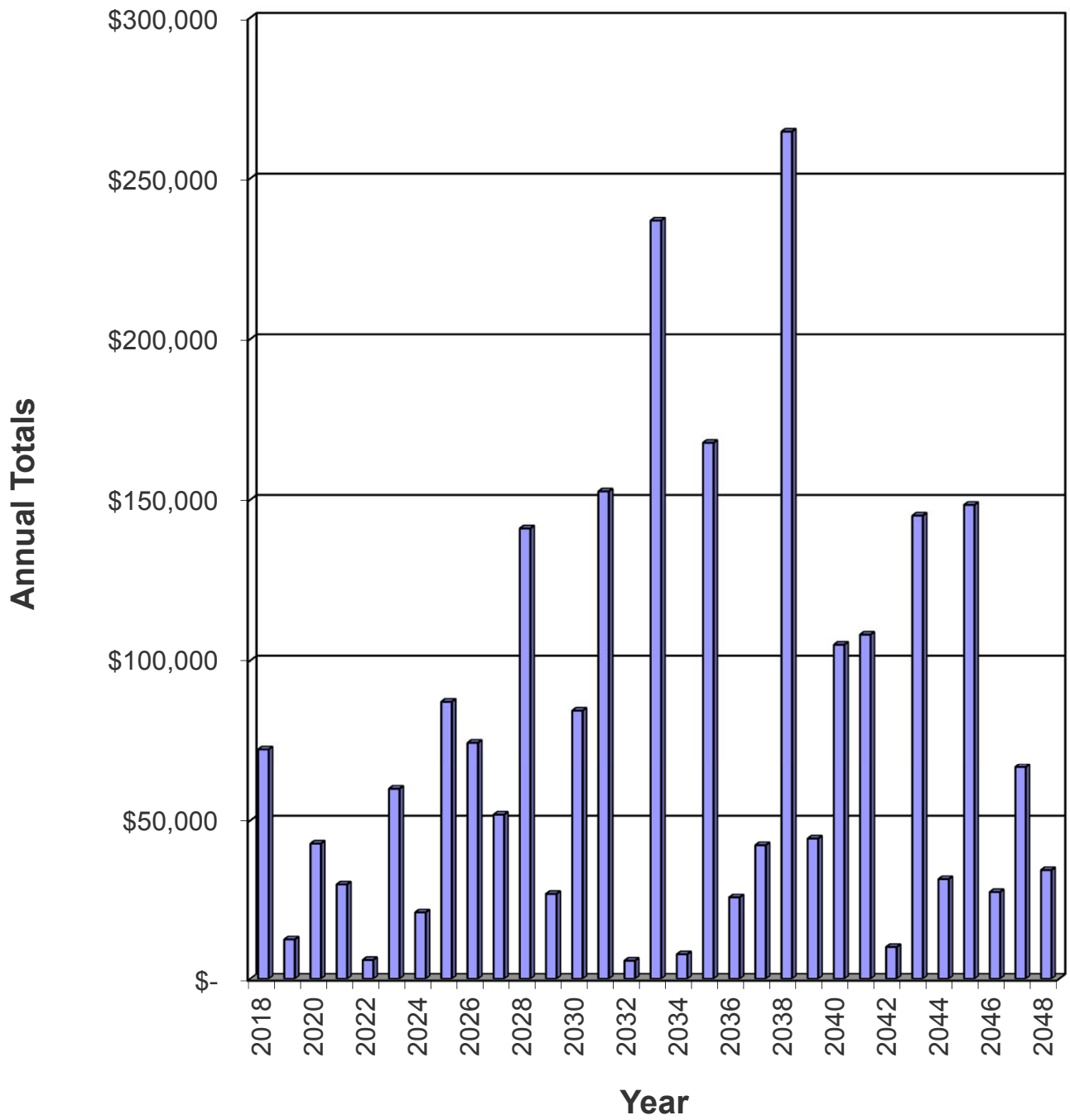
Year	2033	2034	2035	2036	2037
Starting Balance	\$629,738	\$487,805	\$577,223	\$509,549	\$586,558
<i>Reserve Income</i>	\$87,402	\$90,024	\$92,725	\$95,506	\$98,372
<i>Interest Earnings</i>	\$7,539	\$7,185	\$7,331	\$7,394	\$8,348
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$724,679	\$585,014	\$677,280	\$612,450	\$693,278
Reserve Expenditures	\$236,874	\$7,791	\$167,731	\$25,891	\$42,337
Ending Balance	\$487,805	\$577,223	\$509,549	\$586,558	\$650,941

Year	2038	2039	2040	2041	2042
Starting Balance	\$650,941	\$495,455	\$562,569	\$572,807	\$583,278
<i>Reserve Income</i>	\$101,323	\$104,363	\$107,493	\$110,718	\$114,040
<i>Interest Earnings</i>	\$7,734	\$7,138	\$7,659	\$7,799	\$8,629
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$759,997	\$606,955	\$677,721	\$691,325	\$705,947
Reserve Expenditures	\$264,542	\$44,387	\$104,914	\$108,047	\$10,115
Ending Balance	\$495,455	\$562,569	\$572,807	\$583,278	\$695,832

Year	2043	2044	2045	2046	2047
Starting Balance	\$695,832	\$677,485	\$776,583	\$763,175	\$874,991
<i>Reserve Income</i>	\$117,461	\$120,985	\$124,614	\$128,353	\$132,203
<i>Interest Earnings</i>	\$9,265	\$9,809	\$10,387	\$11,051	\$12,331
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$822,557	\$808,279	\$911,585	\$902,579	\$1,019,526
Reserve Expenditures	\$145,072	\$31,695	\$148,410	\$27,588	\$66,633
Ending Balance	\$677,485	\$776,583	\$763,175	\$874,991	\$952,892



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2018	107	Pump House Roofs - Replace	\$4,355	
	390	CH - Siding - Replace	\$50,000	
	402	Asphalt - 2013 - Seal Coat	\$5,500	
	1801	GC - Outfront Mower - Replace	\$12,500	\$72,355
2019	1309	CH - Patio Furniture - Replace	\$3,322	
	1705	GC - Irrigation Pumps - Rebuild	\$3,066	
	1906	Four Wheeler - Replace	\$6,132	\$12,520
2020	402	Asphalt - Seal Coat	\$42,824	\$42,824
2021	1705	GC - Irrigation Pumps - Rebuild	\$3,202	
	1801	GC - Greens Mower - Older - Replace	\$18,681	
	1803	GC - Cart Path - Repair/Seal	\$8,118	\$30,001
2022	1890	GC - Golf Ball Dispenser - Replace	\$6,000	\$6,000
2023	402	Asphalt - 2013 - Seal Coat	\$6,132	
	1702	GC - Frequency Broadcaster & Computer - Replace	\$25,644	
	1705	GC - Irrigation Pumps - Rebuild	\$3,345	
	1790	GC - Pump House Compressor - Replace	\$3,345	
	1801	GC - Greens Aerator - Replace	\$19,512	
	1905	Snow Blower - Replace	\$1,895	\$59,873
2024	1413	CH - Restrooms - Remodel	\$3,418	
	1601	CH - Interior Light Fixtures - Replace	\$2,592	
	1801	GC - Rough Mower - Replace	\$15,098	\$21,109
2025	402	Asphalt - Seal Coat	\$47,746	
	1501	CH - Carpeting - Replace	\$7,993	
	1705	GC - Irrigation Pumps - Rebuild	\$3,494	
	1801	GC - Fairway Mower - 2010 - Replace	\$27,949	\$87,182
2026	1801	GC - Greens Mowers - Newer - Replace	\$53,557	
	1801	GC - Hydrojet Aerator - Replace	\$20,828	\$74,385
2027	703	CH - Water Heater - Replace	\$1,216	
	1201	Tennis Court - Repair/Resurface	\$25,543	
	1705	GC - Irrigation Pumps - Rebuild	\$3,649	
	1790	GC - Filter - Replace	\$4,865	
	1801	GC - Core Harvester - Replace	\$7,298	
	1803	GC - Cart Path - Repair/Seal	\$9,250	\$51,823
2028	401	Asphalt - Part 1 - Maintenance	\$121,824	
	402	Asphalt - 2013 - Seal Coat	\$6,837	
	990	CH - Electrical Panel - Replace	\$12,431	\$141,092
2029	1309	CH - Patio Furniture - Replace	\$4,129	
	1705	GC - Irrigation Pumps - Rebuild	\$3,811	
	1901	Pickup Truck w/ Plow - Replace	\$19,057	\$26,997
2030	402	Asphalt - Seal Coat	\$53,235	
	1801	GC - Fairway Mower - 2012 - Replace	\$31,162	\$84,396
2031	1705	GC - Irrigation Pumps - 75HP - Replace	\$15,260	
	1705	GC - Irrigation Pumps - Rebuild	\$3,981	
	1801	GC - Utility Vehicle - Replace	\$12,606	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	1906	Four Wheeler - Replace	\$7,962	
	1914	Wheel Loader - Replace	\$46,444	
	1915	Loader Snow Blower Assembly - Replace	\$66,349	\$152,602
2032	1801	GC - Greens Roller - Replace	\$5,764	\$5,764
2033	401	Asphalt - Part 2 - Maintenance	\$135,827	
	402	Asphalt - 2013 - Seal Coat	\$7,623	
	607	CH - Wood Deck - Replace	\$27,166	
	1702	GC - Frequency Broadcaster & Computer - Replace	\$31,878	
	1705	GC - Irrigation Pumps - Rebuild	\$4,158	
	1801	GC - Outfront Mower - Replace	\$17,325	
	1803	GC - Cart Path - Repair/Seal	\$10,541	
	1905	Snow Blower - Replace	\$2,356	\$236,874
2034	1890	GC - Golf Ball Dispenser - Replace	\$7,791	\$7,791
2035	402	Asphalt - Seal Coat	\$59,354	
	1501	CH - Carpeting - Replace	\$9,936	
	1705	GC - Irrigation Pumps - Rebuild	\$4,343	
	1913	Bobcat Toolcat - Replace	\$94,098	\$167,731
2036	1801	GC - Greens Mower - Older - Replace	\$25,891	\$25,891
2037	1201	Tennis Court - Repair/Resurface	\$31,753	
	1705	GC - Irrigation Pumps - Rebuild	\$4,536	
	1790	GC - Filter - Replace	\$6,048	\$42,337
2038	107	CH - Roof - Repair/Replace	\$72,924	
	401	Asphalt - Part 3 - Maintenance	\$151,440	
	402	Asphalt - 2013 - Seal Coat	\$8,499	
	1790	GC - Pump House Compressor - Replace	\$4,636	
	1801	GC - Greens Aerator - Replace	\$27,043	\$264,542
2039	703	CH - Water Heater - Replace	\$1,579	
	1309	CH - Patio Furniture - Replace	\$5,133	
	1705	GC - Irrigation Pumps - Rebuild	\$4,738	
	1801	GC - Rough Mower - Replace	\$20,926	
	1803	GC - Cart Path - Repair/Seal	\$12,011	\$44,387
2040	402	Asphalt - Seal Coat	\$66,176	
	1801	GC - Fairway Mower - 2010 - Replace	\$38,737	\$104,914
2041	1705	GC - Irrigation Pumps - Rebuild	\$4,949	
	1801	GC - Greens Mowers - Newer - Replace	\$74,231	
	1801	GC - Hydrojet Aerator - Replace	\$28,867	\$108,047
2042	1801	GC - Core Harvester - Replace	\$10,115	\$10,115
2043	401	Asphalt - 2013 - Maintenance	\$77,533	
	402	Asphalt - 2013 - Seal Coat	\$9,476	
	1702	GC - Frequency Broadcaster & Computer - Replace	\$39,628	
	1705	GC - Irrigation Pumps - Rebuild	\$5,169	
	1905	Snow Blower - Replace	\$2,929	
	1906	Four Wheeler - Replace	\$10,338	\$145,072
2044	1413	CH - Restrooms - Remodel	\$5,283	
	1901	Pickup Truck w/ Plow - Replace	\$26,413	\$31,695
2045	402	Asphalt - Seal Coat	\$73,783	
	1501	CH - Carpeting - Replace	\$12,352	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	1705	GC - Irrigation Pumps - Rebuild	\$5,399	
	1801	GC - Fairway Mower - 2012 - Replace	\$43,190	
	1803	GC - Cart Path - Repair/Seal	\$13,686	\$148,410
2046	1801	GC - Utility Vehicle - Replace	\$17,472	
	1890	GC - Golf Ball Dispenser - Replace	\$10,116	\$27,588
2047	1201	Tennis Court - Repair/Resurface	\$39,473	
	1705	GC - Irrigation Pump - 20HP - Replace	\$6,015	
	1705	GC - Irrigation Pumps - Rebuild	\$5,639	
	1790	GC - Filter - Replace	\$7,519	
	1801	GC - Greens Roller - Replace	\$7,988	\$66,633

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.

