

Island Park Village Resort

Level 3 Reserve Study



Report Period – 10/01/2015 – 9/30/2016

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 03, 2015



TEL: (888) 356-3783 | Fax: (866) 279-9662
WWW.COMPLEXSOLUTIONSLTD.COM

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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 10/01/2015	\$541,000
Ideal Reserve Balance as of 10/01/2015	\$679,793
Percent Funded as of 10/01/2015	80%
Recommended Reserve Contribution (per month)	\$10,900
Minimum Reserve Contribution (per month)	\$9,560
Recommended Special Assessment	\$0

Island Park Village Resort is a 166-lot resort community. The community offers a clubhouse, golf course and tennis courts as amenities. Construction on the community was completed in 1975.

Currently Programmed Projects

Projects programmed to occur this fiscal year (FY2015/16) include roof replace, clubhouse (Comp# 107), roofs replace (Comp# 107), siding replace, clubhouse (Comp# 390), electrical panel replace, clubhouse (Comp# 990), furniture replace, clubhouse (Comp# 1405), irrigation system repair/replace phase 1, golf course (Comp# 1701), and outfront mower replace, golf course (Comp# 1801). We have programmed an estimated \$178,545 in reserve expenditures toward the completion of these projects. (See page 18)

Significant Reserve Projects

The association's significant reserve projects are asphalt maintenance (Comp# 401), asphalt seal coat (Comp# 402), bobcat toolcat replace (Comp# 1913), and greens mowers replace, newer, golf course (Comp# 1801). The fiscal significance of these components is approximately 18%, 13%, 7%, and 4% 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 \$541,000 versus the ideal reserve balance of \$679,793 we find the association's reserve fund to be approximately 80% funded. This indicates a relatively strong reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$10,900 (\$65.66/unit) per month. We have also included a minimum reserve contribution of \$9,560 (\$57.59/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 advanced 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 12 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 700 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	31-Dec
Budgeted Monthly Reserve Allocation	\$2,083
Projected Starting Reserve Balance	\$541,000
Ideal Starting Reserve Balance	\$679,793

Economic Assumptions

Projected Inflation Rate	3.00%
Reported After-Tax Interest Rate	0.25%

Current Reserve Status

Current Balance as a % of Ideal Balance	80%
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Recommendations

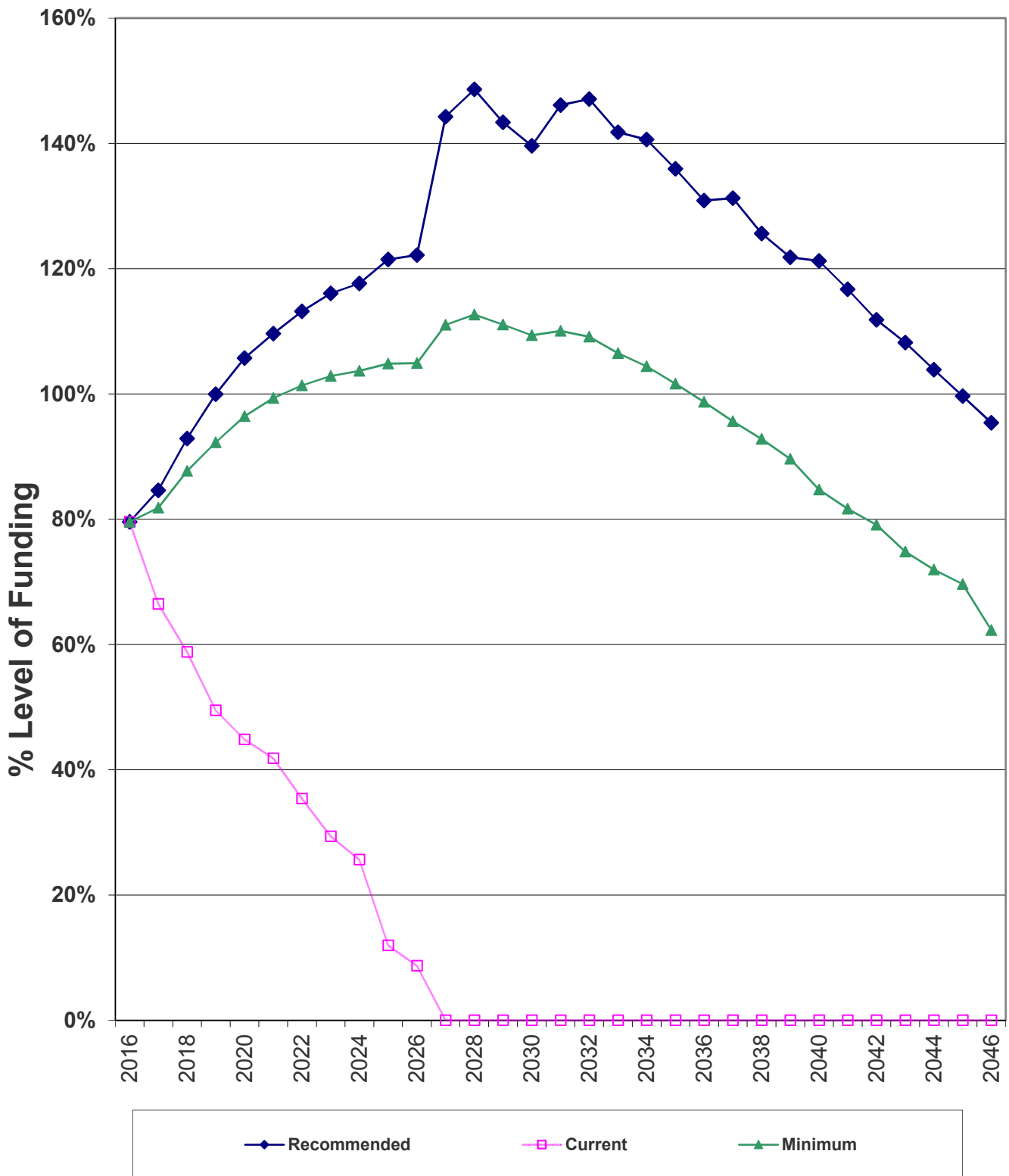
Recommended Monthly Reserve Allocation	\$10,900
Per Unit	\$65.66
Future Annual Increases	0.00%
For number of years:	30
Increases thereafter:	0.00%
Minimum Recommended Monthly Reserve Allocation	\$9,560
Per Unit	\$57.59
Future Annual Increases	0.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation as Percentage	\$8,817 423%
Minimum Recommended Increase to Reserve Allocation as Percentage	\$7,477 359%



Percent Funded - Graph



Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Common						
Roofing	107	Roofs - Replace	20	0	\$4,020	\$4,690
Painted Surfaces	218	Building Exteriors - Repair/Stain	N/A		\$0	\$0
Drive Materials	401	Asphalt 2013 - Maintenance	25	22	\$37,500	\$52,500
	401	Asphalt - Maintenance	25	10	\$245,000	\$343,000
	402	Asphalt - Seal Coat	3	2	\$24,000	\$26,000
Fencing	1003	Tennis Court Chain Link Fencing - R	N/A		\$0	\$0
Courts	1201	Tennis Court - Repair/Resurface	15	11	\$20,000	\$22,000
Utility Equip.	1901	Pickup Truck w/ Plow - Replace	10	8	\$19,000	\$21,000
	1905	Snow Blower - Replace	8	1	\$2,900	\$3,100
	1906	Four Wheeler - Replace	10	1	\$5,000	\$7,000
	1907	Dump Trailer - Replace	15	14	\$4,500	\$5,500
	1909	Tractor - Replace	12	1	\$10,000	\$15,000
	1913	Bobcat Toolcat - Replace	15	14	\$64,000	\$66,000
	1914	Wheel Loader - Replace	20	10	\$30,000	\$30,000
	1915	Loader Snow Blower Assembly - Re	20	10	\$50,000	\$50,000
Buildings / Structur	2304	Shop Building - Replace	N/A		\$0	\$0
Golf Course						
Irrig. System	1701	GC - Irrigation System - Phase 3 - R	99	6	\$25,000	\$25,000
	1701	GC - Irrigation System - Phase 4 - R	99	2	\$25,000	\$25,000
	1701	GC - Irrigation System - Phase 1 - R	99	0	\$25,000	\$25,000
	1701	GC - Irrigation System - Phase 2 - R	99	2	\$25,000	\$25,000
	1702	GC - Frequency Broadcaster & Com	10	7	\$22,000	\$24,000
	1705	GC - Irrigation Pumps - Rebuild	4	3	\$4,000	\$4,000
	1705	GC - Irrigation Pumps - Replace	30	15	\$50,000	\$50,000
	1790	GC - Expansion Tank - Replace	20	3	\$10,000	\$15,000
	1790	GC - Filter - Replace	10	1	\$3,000	\$5,000
Landscaping	1801	GC - Rough Gang Mower - Replace	15	5	\$11,000	\$13,000
	1801	GC - Utility Vehicle - Replace	15	1	\$15,000	\$20,000
	1801	GC - Fairway Mower - 2012 - Repla	15	14	\$23,000	\$25,000
	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 Aerator - Replace	15	8	\$15,000	\$20,000
	1801	GC - Fairway Mower - 2010 - Repla	15	9	\$23,000	\$25,000
	1801	GC - Core Harvester - Replace	15	11	\$5,000	\$7,000
	1801	GC - Greens Mower - Older - Replac	15	5	\$15,000	\$20,000



Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Landscaping	1802	GC - Signs & Furniture - Replace	10	4	\$8,000	\$11,200
	1803	GC - Cart Path - Repair/Seal	4	3	\$4,563	\$7,605
	1806	GC - Bridge - Rebuild/Replace	20	17	\$8,000	\$12,000
	1890	GC - Golf Ball Dispenser - Replace	12	6	\$5,000	\$6,000
Utility Equip.	1902	GC - Golf Carts - Replace	N/A		\$0	\$0
Clubhouse						
Roofing	107	CH - Roof - Replace	20	0	\$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	40	0	\$60,000	\$90,000
Decking	607	CH - Wood Deck - Replace	20	6	\$16,800	\$22,400
Mechanical Equip.	703	CH - Water Heater - Replace	12	11	\$900	\$1,100
	705	CH - Heat Pumps - Replace	N/A		\$0	\$0
Life / Safety	990	CH - Electrical Panel - Replace	99	0	\$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	8	1	\$3,000	\$3,500
Interiors	1401	CH - Laundry Equipment - Replace	N/A		\$0	\$0
	1402	CH - Appliances - Replace	N/A		\$0	\$0
	1405	CH - Furniture - Replace	10	0	\$4,000	\$5,000
	1406	CH - Fitness Equipment - Replace	N/A		\$0	\$0
	1409	CH - Sauna Room & Heater- Refurbi	N/A		\$0	\$0
	1413	CH - Restrooms - Remodel	18	6	\$2,500	\$3,500
	1418	CH - Office Equipment - Replace	N/A		\$0	\$0
	1490	CH - Video Arcade Games - Replace	N/A		\$0	\$0
Flooring	1490	CH - Table Games - Replace	N/A		\$0	\$0
	1501	CH- Carpeting - Replace	10	9	\$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	18	1	\$650	\$975
	1602	CH - Exterior Light Fixtures - Replac	N/A		\$0	\$0

Significant Components

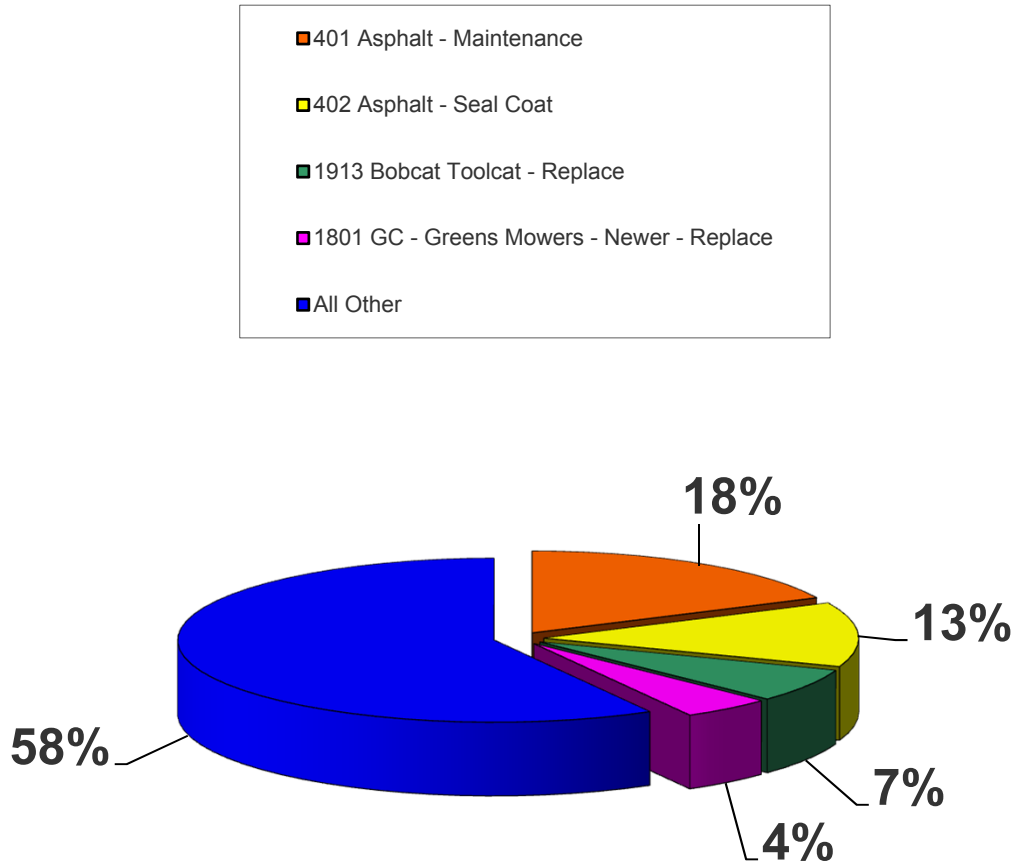
ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
107	CH - Roof - Replace	20	0	\$47,190	\$2,360	3.5980%
107	Roofs - Replace	20	0	\$4,355	\$218	0.3320%
390	CH - Siding - Replace	40	0	\$75,000	\$1,875	2.8592%
401	Asphalt - Maintenance	25	10	\$294,000	\$11,760	17.9329%
401	Asphalt 2013 - Maintenance	25	22	\$45,000	\$1,800	2.7448%
402	Asphalt - Seal Coat	3	2	\$25,000	\$8,333	12.7076%
607	CH - Wood Deck - Replace	20	6	\$19,600	\$980	1.4944%
703	CH - Water Heater - Replace	12	11	\$1,000	\$83	0.1271%
990	CH - Electrical Panel - Replace	99	0	\$10,000	\$0	0.0000%
1201	Tennis Court - Repair/Resurface	15	11	\$21,000	\$1,400	2.1349%
1309	CH - Patio Furniture - Replace	8	1	\$3,250	\$406	0.6195%
1405	CH - Furniture - Replace	10	0	\$4,500	\$450	0.6862%
1413	CH - Restrooms - Remodel	18	6	\$3,000	\$167	0.2542%
1501	CH- Carpeting - Replace	10	9	\$6,864	\$686	1.0467%
1601	CH - Interior Light Fixtures - Replace	18	1	\$813	\$45	0.0688%
1701	GC - Irrigation System - Phase 1 - Repair	99	0	\$25,000	\$0	0.0000%
1701	GC - Irrigation System - Phase 2 - Repair	99	2	\$25,000	\$0	0.0000%
1701	GC - Irrigation System - Phase 3 - Repair	99	6	\$25,000	\$0	0.0000%
1701	GC - Irrigation System - Phase 4 - Repair	99	2	\$25,000	\$0	0.0000%
1702	GC - Frequency Broadcaster & Computer	10	7	\$23,000	\$2,300	3.5073%
1705	GC - Irrigation Pumps - Rebuild	4	3	\$4,000	\$1,000	1.5249%
1705	GC - Irrigation Pumps - Replace	30	15	\$50,000	\$1,667	2.5415%
1790	GC - Expansion Tank - Replace	20	3	\$12,500	\$625	0.9531%
1790	GC - Filter - Replace	10	1	\$4,000	\$400	0.6100%
1801	GC - Core Harvester - Replace	15	11	\$6,000	\$400	0.6100%
1801	GC - Fairway Mower - 2010 - Replace	15	9	\$24,000	\$1,600	2.4399%
1801	GC - Fairway Mower - 2012 - Replace	15	14	\$24,000	\$1,600	2.4399%
1801	GC - Greens Aerator - Replace	15	8	\$17,500	\$1,167	1.7791%
1801	GC - Greens Mower - Older - Replace	15	5	\$17,500	\$1,167	1.7791%
1801	GC - Greens Mowers - Newer - Replace	15	8	\$45,000	\$3,000	4.5747%
1801	GC - Hydrojet Aerator - Replace	15	8	\$17,500	\$1,167	1.7791%
1801	GC - Outfront Mower - Replace	15	0	\$12,500	\$833	1.2708%
1801	GC - Rough Gang Mower - Replace	15	5	\$12,000	\$800	1.2199%
1801	GC - Utility Vehicle - Replace	15	1	\$17,500	\$1,167	1.7791%
1802	GC - Signs & Furniture - Replace	10	4	\$9,600	\$960	1.4639%
1803	GC - Cart Path - Repair/Seal	4	3	\$6,084	\$1,521	2.3194%
1806	GC - Bridge - Rebuild/Replace	20	17	\$10,000	\$500	0.7625%
1890	GC - Golf Ball Dispenser - Replace	12	6	\$5,500	\$458	0.6989%
1901	Pickup Truck w/ Plow - Replace	10	8	\$20,000	\$2,000	3.0498%



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
1905	Snow Blower - Replace	8	1	\$3,000	\$375	0.5718%
1906	Four Wheeler - Replace	10	1	\$6,000	\$600	0.9149%
1907	Dump Trailer - Replace	15	14	\$5,000	\$333	0.5083%
1909	Tractor - Replace	12	1	\$12,500	\$1,042	1.5884%
1913	Bobcat Toolcat - Replace	15	14	\$65,000	\$4,333	6.6079%
1914	Wheel Loader - Replace	20	10	\$30,000	\$1,500	2.2874%
1915	Loader Snow Blower Assembly - Repla	20	10	\$50,000	\$2,500	3.8123%



Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
401	Asphalt - Maintenance	25	10	\$294,000	\$11,760	18%
402	Asphalt - Seal Coat	3	2	\$25,000	\$8,333	13%
1913	Bobcat Toolcat - Replace	15	14	\$65,000	\$4,333	7%
1801	GC - Greens Mowers - Newer - Replac	15	8	\$45,000	\$3,000	4%
All Other	See Expanded Table For Breakdown				\$38,151	58%

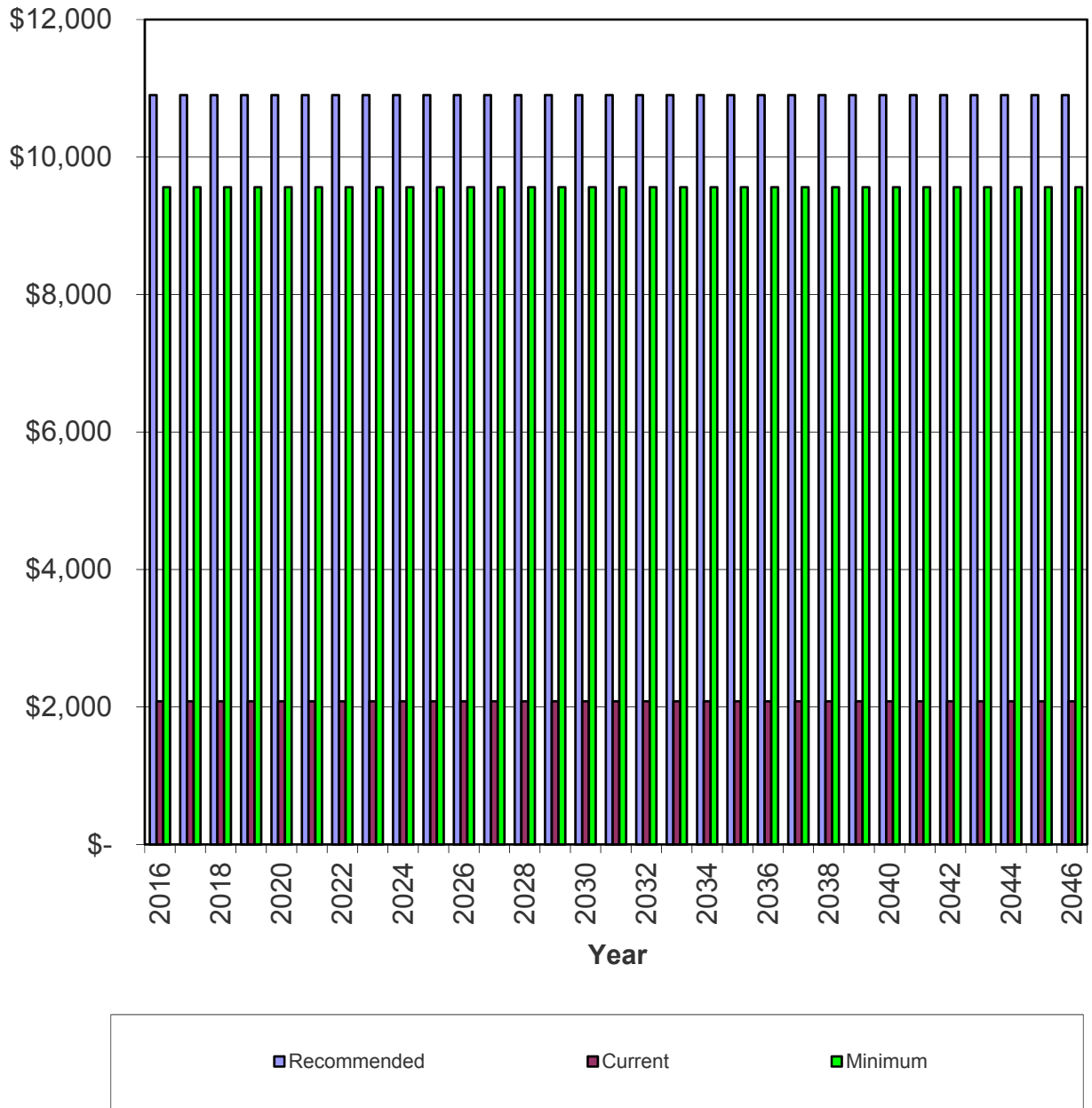
Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2016	\$679,793	\$541,000	80%	\$130,800	\$1,294	\$178,545	\$494,549
2017	\$584,611	\$494,549	85%	\$130,800	\$1,341	\$48,474	\$578,216
2018	\$622,596	\$578,216	93%	\$130,800	\$1,511	\$79,568	\$630,960
2019	\$631,254	\$630,960	100%	\$130,800	\$1,712	\$24,678	\$738,793
2020	\$698,865	\$738,793	106%	\$130,800	\$1,999	\$10,805	\$860,788
2021	\$785,017	\$860,788	110%	\$130,800	\$2,239	\$63,180	\$930,646
2022	\$822,097	\$930,646	113%	\$130,800	\$2,414	\$63,404	\$1,000,456
2023	\$862,106	\$1,000,456	116%	\$130,800	\$2,617	\$40,689	\$1,093,183
2024	\$929,131	\$1,093,183	118%	\$130,800	\$2,702	\$158,346	\$1,068,339
2025	\$879,472	\$1,068,339	121%	\$130,800	\$2,777	\$48,425	\$1,153,491
2026	\$944,109	\$1,153,491	122%	\$130,800	\$2,414	\$508,672	\$778,033
2027	\$539,275	\$778,033	144%	\$130,800	\$1,984	\$101,165	\$809,652
2028	\$544,751	\$809,652	149%	\$130,800	\$2,190	\$0	\$942,642
2029	\$657,397	\$942,642	143%	\$130,800	\$2,500	\$18,357	\$1,057,585
2030	\$757,403	\$1,057,585	140%	\$130,800	\$2,567	\$194,519	\$996,433
2031	\$681,939	\$996,433	146%	\$130,800	\$2,516	\$113,084	\$1,016,666
2032	\$691,154	\$1,016,666	147%	\$130,800	\$2,673	\$28,082	\$1,122,057
2033	\$791,353	\$1,122,057	142%	\$130,800	\$2,839	\$106,195	\$1,149,500
2034	\$817,354	\$1,149,500	141%	\$130,800	\$2,986	\$43,412	\$1,239,875
2035	\$912,151	\$1,239,875	136%	\$130,800	\$3,228	\$31,143	\$1,342,760
2036	\$1,025,879	\$1,342,760	131%	\$130,800	\$3,275	\$199,657	\$1,277,178
2037	\$973,003	\$1,277,178	131%	\$130,800	\$3,337	\$18,603	\$1,392,712
2038	\$1,108,686	\$1,392,712	126%	\$130,800	\$3,542	\$86,225	\$1,440,829
2039	\$1,182,559	\$1,440,829	122%	\$130,800	\$3,452	\$253,772	\$1,321,310
2040	\$1,089,956	\$1,321,310	121%	\$130,800	\$3,378	\$74,400	\$1,381,087
2041	\$1,183,328	\$1,381,087	117%	\$130,800	\$3,571	\$39,258	\$1,476,200
2042	\$1,319,816	\$1,476,200	112%	\$130,800	\$3,665	\$154,412	\$1,456,253
2043	\$1,346,033	\$1,456,253	108%	\$130,800	\$3,717	\$73,489	\$1,517,281
2044	\$1,460,757	\$1,517,281	104%	\$130,800	\$3,904	\$45,759	\$1,606,226
2045	\$1,611,987	\$1,606,226	100%	\$130,800	\$3,813	\$296,606	\$1,444,233



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 - Replace	20	0	Approx 7,260 Sq.ft.	\$47,190	\$47,190	\$47,190	\$392.18
107	Roofs - Replace	20	0	Approx 670 Sq.ft.	\$4,355	\$4,355	\$4,355	\$36.19
390	CH - Siding - Replace	40	0	Approx 7,500 Sq.ft.	\$75,000	\$75,000	\$75,000	\$311.65
401	Asphalt - Maintenance	25	10	Approx 196,000 Sq.ft.	\$294,000	\$176,400	\$123,057	\$1,954.69
401	Asphalt 2013 - Maintenance	25	22	Approx 30,000 Sq.ft.	\$45,000	\$5,400	\$0	\$299.19
402	Asphalt - Seal Coat	3	2	Approx 226,000 Sq.ft.	\$25,000	\$8,333	\$8,333	\$1,385.13
607	CH - Wood Deck - Replace	20	6	Approx 1,120 Sq.ft.	\$19,600	\$13,720	\$13,720	\$162.89
703	CH - Water Heater - Replace	12	11	(1) Water Heater	\$1,000	\$83	\$0	\$13.85
990	CH - Electrical Panel - Replace	99	0	(1) Panel	\$10,000	\$10,000	\$10,000	\$0.00
1201	Tennis Court - Repair/Resurface	15	11	Approx 15,800 Sq.ft.	\$21,000	\$5,600	\$0	\$232.70
1309	CH - Patio Furniture - Replace	8	1	(24) Pieces	\$3,250	\$2,844	\$2,844	\$67.52
1405	CH - Furniture - Replace	10	0	Multiple Pieces	\$4,500	\$4,500	\$4,500	\$74.80
1413	CH - Restrooms - Remodel	18	6	(2) Restrooms	\$3,000	\$2,000	\$2,000	\$27.70
1501	CH- Carpeting - Replace	10	9	Approx 1,615 Sq.ft.	\$6,864	\$686	\$686	\$114.09
1601	CH - Interior Light Fixtures - Replace	18	1	(13) Fixtures	\$813	\$767	\$767	\$7.50
1701	GC - Irrigation System - Phase 1 - Repair/Repl	99	0	(1) Phase 1	\$25,000	\$25,000	\$25,000	\$0.00
1701	GC - Irrigation System - Phase 2 - Repair/Repl	99	2	(1) Phase 2	\$25,000	\$24,495	\$24,495	\$0.00
1701	GC - Irrigation System - Phase 3 - Repair/Repl	99	6	(1) Phase 3	\$25,000	\$23,485	\$23,485	\$0.00
1701	GC - Irrigation System - Phase 4 - Repair/Repl	99	2	(1) Phase 4	\$25,000	\$24,495	\$24,495	\$0.00
1702	GC - Frequency Broadcaster & Computer - R	10	7	(1) System	\$23,000	\$6,900	\$6,900	\$382.29
1705	GC - Irrigation Pumps - Rebuild	4	3	(2) Pumps	\$4,000	\$1,000	\$1,000	\$166.22
1705	GC - Irrigation Pumps - Replace	30	15	(2) Pumps	\$50,000	\$25,000	\$0	\$277.03
1790	GC - Expansion Tank - Replace	20	3	(1) Tank	\$12,500	\$10,625	\$10,625	\$103.88
1790	GC - Filter - Replace	10	1	(1) Filter	\$4,000	\$3,600	\$3,600	\$66.49
1801	GC - Core Harvester - Replace	15	11	(1) Core Harvester	\$6,000	\$1,600	\$0	\$66.49
1801	GC - Fairway Mower - 2010 - Replace	15	9	(1) Mower	\$24,000	\$9,600	\$9,600	\$265.94
1801	GC - Fairway Mower - 2012 - Replace	15	14	(1) Mower	\$24,000	\$1,600	\$0	\$265.94
1801	GC - Greens Aerator - Replace	15	8	(1) Aerator	\$17,500	\$8,167	\$8,167	\$193.92
1801	GC - Greens Mower - Older - Replace	15	5	(1) Mower	\$17,500	\$11,667	\$11,667	\$193.92
1801	GC - Greens Mowers - Newer - Replace	15	8	(2) Mowers	\$45,000	\$21,000	\$21,000	\$498.65



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	\$193.92
1801	GC - Outfront Mower - Replace	15	0	(1) Mower	\$12,500	\$12,500	\$12,500	\$138.51
1801	GC - Rough Gang Mower - Replace	15	5	(1) Mower	\$12,000	\$8,000	\$8,000	\$132.97
1801	GC - Utility Vehicle - Replace	15	1	(1) Workman	\$17,500	\$16,333	\$16,333	\$193.92
1802	GC - Signs & Furniture - Replace	10	4	(32) Pieces	\$9,600	\$5,760	\$5,760	\$159.57
1803	GC - Cart Path - Repair/Seal	4	3	Approx 15,210 Sq.ft.	\$6,084	\$1,521	\$1,521	\$252.81
1806	GC - Bridge - Rebuild/Replace	20	17	(1) 20 ft. x 9 ft. Bridge	\$10,000	\$1,500	\$0	\$83.11
1890	GC - Golf Ball Dispenser - Replace	12	6	(1) Golf Ball Dispenser	\$5,500	\$2,750	\$2,750	\$76.18
1901	Pickup Truck w/ Plow - Replace	10	8	(1) Pickup Truck	\$20,000	\$4,000	\$4,000	\$332.43
1905	Snow Blower - Replace	8	1	(1) Snow Blower	\$3,000	\$2,625	\$2,625	\$62.33
1906	Four Wheeler - Replace	10	1	(1) Four Wheeler	\$6,000	\$5,400	\$5,400	\$99.73
1907	Dump Trailer - Replace	15	14	(1) Dump Trailer	\$5,000	\$333	\$0	\$55.41
1909	Tractor - Replace	12	1	(1) Tractor	\$12,500	\$11,458	\$11,458	\$173.14
1913	Bobcat Toolcat - Replace	15	14	(1) Tool Cat	\$65,000	\$4,333	\$0	\$720.27
1914	Wheel Loader - Replace	20	10	(1) Wheel Loader	\$30,000	\$15,000	\$0	\$249.32
1915	Loader Snow Blower Assembly - Replace	20	10	(1) Assembly	\$50,000	\$25,000	\$0	\$415.54
					\$1,170,255	\$679,793	\$541,000	\$10,900

Current Fund Balance as a percentage of Ideal Balance: 80%



Yearly Cash Flow

Year	2016	2017	2018	2019	2020
Starting Balance	\$541,000	\$494,549	\$578,216	\$630,960	\$738,793
<i>Reserve Income</i>	\$130,800	\$130,800	\$130,800	\$130,800	\$130,800
<i>Interest Earnings</i>	\$1,294	\$1,341	\$1,511	\$1,712	\$1,999
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$673,094	\$626,690	\$710,527	\$763,472	\$871,593
Reserve Expenditures	\$178,545	\$48,474	\$79,568	\$24,678	\$10,805
Ending Balance	\$494,549	\$578,216	\$630,960	\$738,793	\$860,788

Year	2021	2022	2023	2024	2025
Starting Balance	\$860,788	\$930,646	\$1,000,456	\$1,093,183	\$1,068,339
<i>Reserve Income</i>	\$130,800	\$130,800	\$130,800	\$130,800	\$130,800
<i>Interest Earnings</i>	\$2,239	\$2,414	\$2,617	\$2,702	\$2,777
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$993,827	\$1,063,860	\$1,133,873	\$1,226,685	\$1,201,916
Reserve Expenditures	\$63,180	\$63,404	\$40,689	\$158,346	\$48,425
Ending Balance	\$930,646	\$1,000,456	\$1,093,183	\$1,068,339	\$1,153,491

Year	2026	2027	2028	2029	2030
Starting Balance	\$1,153,491	\$778,033	\$809,652	\$942,642	\$1,057,585
<i>Reserve Income</i>	\$130,800	\$130,800	\$130,800	\$130,800	\$130,800
<i>Interest Earnings</i>	\$2,414	\$1,984	\$2,190	\$2,500	\$2,567
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,286,705	\$910,817	\$942,642	\$1,075,942	\$1,190,952
Reserve Expenditures	\$508,672	\$101,165	\$0	\$18,357	\$194,519
Ending Balance	\$778,033	\$809,652	\$942,642	\$1,057,585	\$996,433

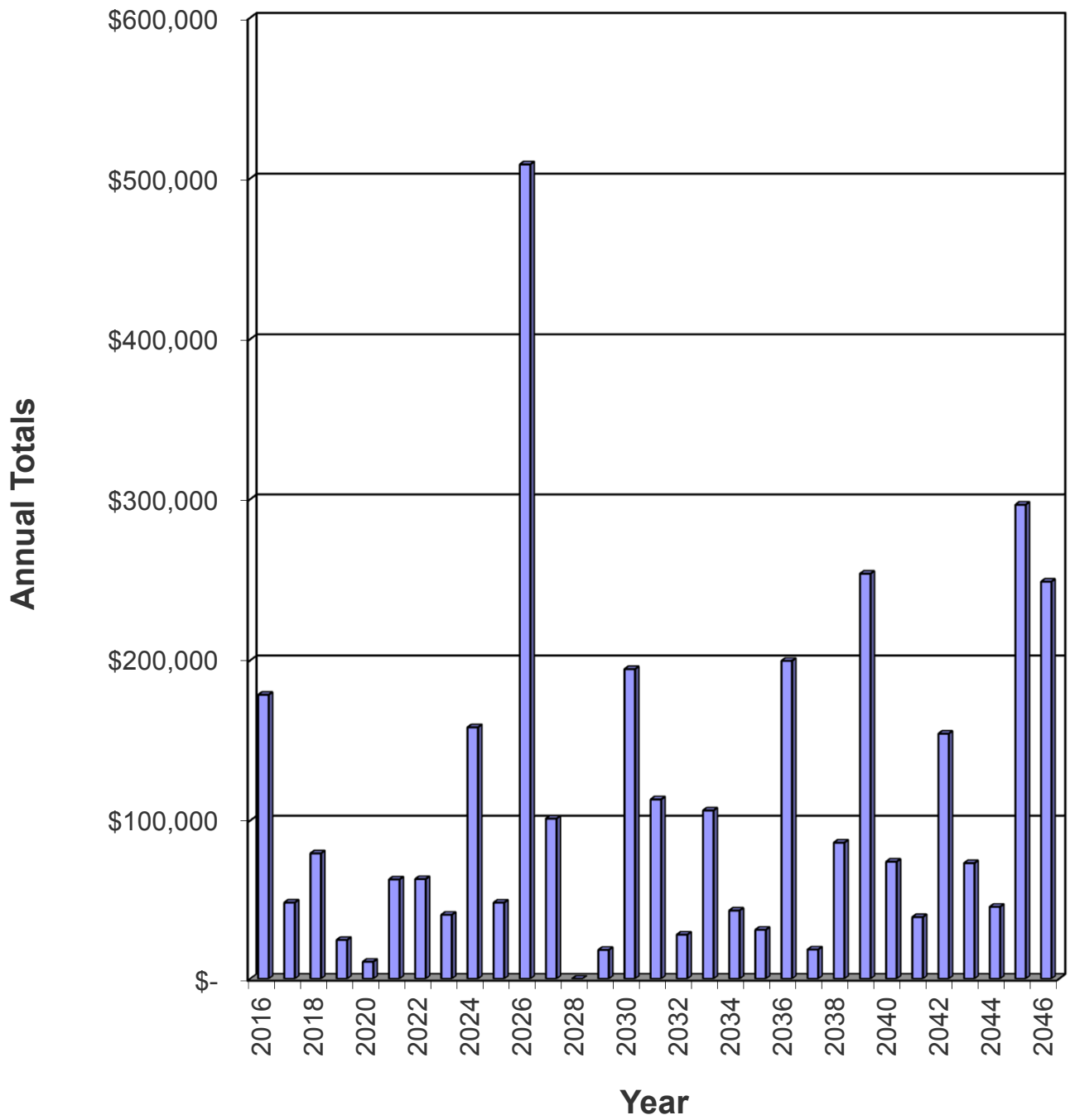
Year	2031	2032	2033	2034	2035
Starting Balance	\$996,433	\$1,016,666	\$1,122,057	\$1,149,500	\$1,239,875
<i>Reserve Income</i>	\$130,800	\$130,800	\$130,800	\$130,800	\$130,800
<i>Interest Earnings</i>	\$2,516	\$2,673	\$2,839	\$2,986	\$3,228
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,129,749	\$1,150,139	\$1,255,696	\$1,283,287	\$1,373,903
Reserve Expenditures	\$113,084	\$28,082	\$106,195	\$43,412	\$31,143
Ending Balance	\$1,016,666	\$1,122,057	\$1,149,500	\$1,239,875	\$1,342,760

Year	2036	2037	2038	2039	2040
Starting Balance	\$1,342,760	\$1,277,178	\$1,392,712	\$1,440,829	\$1,321,310
<i>Reserve Income</i>	\$130,800	\$130,800	\$130,800	\$130,800	\$130,800
<i>Interest Earnings</i>	\$3,275	\$3,337	\$3,542	\$3,452	\$3,378
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,476,835	\$1,411,315	\$1,527,054	\$1,575,081	\$1,455,487
Reserve Expenditures	\$199,657	\$18,603	\$86,225	\$253,772	\$74,400
Ending Balance	\$1,277,178	\$1,392,712	\$1,440,829	\$1,321,310	\$1,381,087

Year	2041	2042	2043	2044	2045
Starting Balance	\$1,381,087	\$1,476,200	\$1,456,253	\$1,517,281	\$1,606,226
<i>Reserve Income</i>	\$130,800	\$130,800	\$130,800	\$130,800	\$130,800
<i>Interest Earnings</i>	\$3,571	\$3,665	\$3,717	\$3,904	\$3,813
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,515,458	\$1,610,665	\$1,590,770	\$1,651,985	\$1,740,839
Reserve Expenditures	\$39,258	\$154,412	\$73,489	\$45,759	\$296,606
Ending Balance	\$1,476,200	\$1,456,253	\$1,517,281	\$1,606,226	\$1,444,233



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2016	107	CH - Roof - Replace	\$47,190	
	107	Roofs - Replace	\$4,355	
	390	CH - Siding - Replace	\$75,000	
	990	CH - Electrical Panel - Replace	\$10,000	
	1405	CH - Furniture - Replace	\$4,500	
	1701	GC - Irrigation System - Phase 1 - Repair/Replace	\$25,000	
	1801	GC - Outfront Mower - Replace	\$12,500	\$178,545
2017	1309	CH - Patio Furniture - Replace	\$3,348	
	1601	CH - Interior Light Fixtures - Replace	\$837	
	1790	GC - Filter - Replace	\$4,120	
	1801	GC - Utility Vehicle - Replace	\$18,025	
	1905	Snow Blower - Replace	\$3,090	
	1906	Four Wheeler - Replace	\$6,180	
	1909	Tractor - Replace	\$12,875	\$48,474
2018	402	Asphalt - Seal Coat	\$26,523	
	1701	GC - Irrigation System - Phase 2 - Repair/Replace	\$26,523	
	1701	GC - Irrigation System - Phase 4 - Repair/Replace	\$26,523	\$79,568
2019	1705	GC - Irrigation Pumps - Rebuild	\$4,371	
	1790	GC - Expansion Tank - Replace	\$13,659	
	1803	GC - Cart Path - Repair/Seal	\$6,648	\$24,678
2020	1802	GC - Signs & Furniture - Replace	\$10,805	\$10,805
2021	402	Asphalt - Seal Coat	\$28,982	
	1801	GC - Greens Mower - Older - Replace	\$20,287	
	1801	GC - Rough Gang Mower - Replace	\$13,911	\$63,180
2022	607	CH - Wood Deck - Replace	\$23,403	
	1413	CH - Restrooms - Remodel	\$3,582	
	1701	GC - Irrigation System - Phase 3 - Repair/Replace	\$29,851	
	1890	GC - Golf Ball Dispenser - Replace	\$6,567	\$63,404
2023	1702	GC - Frequency Broadcaster & Computer - Replace	\$28,287	
	1705	GC - Irrigation Pumps - Rebuild	\$4,919	
	1803	GC - Cart Path - Repair/Seal	\$7,483	\$40,689
2024	402	Asphalt - Seal Coat	\$31,669	
	1801	GC - Greens Aerator - Replace	\$22,168	
	1801	GC - Greens Mowers - Newer - Replace	\$57,005	
	1801	GC - Hydrojet Aerator - Replace	\$22,168	
	1901	Pickup Truck w/ Plow - Replace	\$25,335	\$158,346
2025	1309	CH - Patio Furniture - Replace	\$4,241	
	1501	CH- Carpeting - Replace	\$8,956	
	1801	GC - Fairway Mower - 2010 - Replace	\$31,315	
	1905	Snow Blower - Replace	\$3,914	\$48,425
2026	401	Asphalt - Maintenance	\$395,111	
	1405	CH - Furniture - Replace	\$6,048	
	1914	Wheel Loader - Replace	\$40,317	
	1915	Loader Snow Blower Assembly - Replace	\$67,196	\$508,672

Year	Comp ID	Component Name	Projected Cost	Total Per Annum	
2027	402	Asphalt - Seal Coat	\$34,606		
	703	CH - Water Heater - Replace	\$1,384		
	1201	Tennis Court - Repair/Resurface	\$29,069		
	1705	GC - Irrigation Pumps - Rebuild	\$5,537		
	1790	GC - Filter - Replace	\$5,537		
	1801	GC - Core Harvester - Replace	\$8,305		
	1803	GC - Cart Path - Repair/Seal	\$8,422		
	1906	Four Wheeler - Replace	\$8,305	\$101,165	
2028		No Expenditures Projected		\$0	
2029	1909	Tractor - Replace	\$18,357	\$18,357	
2030	402	Asphalt - Seal Coat	\$37,815		
	1801	GC - Fairway Mower - 2012 - Replace	\$36,302		
	1802	GC - Signs & Furniture - Replace	\$14,521		
	1907	Dump Trailer - Replace	\$7,563		
	1913	Bobcat Toolcat - Replace	\$98,318	\$194,519	
	2031	1705	GC - Irrigation Pumps - Rebuild	\$6,232	
2031	1705	GC - Irrigation Pumps - Replace	\$77,898		
	1801	GC - Outfront Mower - Replace	\$19,475		
	1803	GC - Cart Path - Repair/Seal	\$9,479	\$113,084	
	2032	1801	GC - Utility Vehicle - Replace	\$28,082	\$28,082
2033	402	Asphalt - Seal Coat	\$41,321		
	1309	CH - Patio Furniture - Replace	\$5,372		
	1702	GC - Frequency Broadcaster & Computer - Replace	\$38,015		
	1806	GC - Bridge - Rebuild/Replace	\$16,528		
	1905	Snow Blower - Replace	\$4,959	\$106,195	
	2034	1890	GC - Golf Ball Dispenser - Replace	\$9,363	
2034	1901	Pickup Truck w/ Plow - Replace	\$34,049	\$43,412	
	2035	1501	CH- Carpeting - Replace	\$12,036	
	2035	1601	CH - Interior Light Fixtures - Replace	\$1,425	
		1705	GC - Irrigation Pumps - Rebuild	\$7,014	
1803		GC - Cart Path - Repair/Seal	\$10,668	\$31,143	
2036	107	CH - Roof - Replace	\$85,230		
	107	Roofs - Replace	\$7,866		
	402	Asphalt - Seal Coat	\$45,153		
	1405	CH - Furniture - Replace	\$8,128		
	1801	GC - Greens Mower - Older - Replace	\$31,607		
	1801	GC - Rough Gang Mower - Replace	\$21,673	\$199,657	
	2037	1790	GC - Filter - Replace	\$7,441	
2037	1906	Four Wheeler - Replace	\$11,162	\$18,603	
	2038	401	Asphalt 2013 - Maintenance	\$86,225	\$86,225
2039	402	Asphalt - Seal Coat	\$49,340		
	703	CH - Water Heater - Replace	\$1,974		
	1705	GC - Irrigation Pumps - Rebuild	\$7,894		
	1790	GC - Expansion Tank - Replace	\$24,670		
	1801	GC - Greens Aerator - Replace	\$34,538		
	1801	GC - Greens Mowers - Newer - Replace	\$88,811		
	1801	GC - Hydrojet Aerator - Replace	\$34,538		

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	1803	GC - Cart Path - Repair/Seal	\$12,007	\$253,772
2040	1413	CH - Restrooms - Remodel	\$6,098	
	1801	GC - Fairway Mower - 2010 - Replace	\$48,787	
	1802	GC - Signs & Furniture - Replace	\$19,515	\$74,400
2041	1309	CH - Patio Furniture - Replace	\$6,805	
	1905	Snow Blower - Replace	\$6,281	
	1909	Tractor - Replace	\$26,172	\$39,258
2042	402	Asphalt - Seal Coat	\$53,915	
	607	CH - Wood Deck - Replace	\$42,269	
	1201	Tennis Court - Repair/Resurface	\$45,288	
	1801	GC - Core Harvester - Replace	\$12,940	\$154,412
2043	1702	GC - Frequency Broadcaster & Computer - Replace	\$51,090	
	1705	GC - Irrigation Pumps - Rebuild	\$8,885	
	1803	GC - Cart Path - Repair/Seal	\$13,514	\$73,489
2044	1901	Pickup Truck w/ Plow - Replace	\$45,759	\$45,759
2045	402	Asphalt - Seal Coat	\$58,914	
	1501	CH- Carpeting - Replace	\$16,175	
	1801	GC - Fairway Mower - 2012 - Replace	\$56,558	
	1907	Dump Trailer - Replace	\$11,783	
	1913	Bobcat Toolcat - Replace	\$153,177	\$296,606

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.

