

Vintage on the Bluffs

Level 3 Reserve Study



Report Period – 01/01/2017 – 12/31/2017

Client Reference Number	11034
Property Type	Mixed Use
Number of Units	184
Fiscal Year End	12/31

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

Report prepared on – Saturday, June 11, 2016



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Glossary of Commonly used Words and Phrases

Executive Summary – Vintage on the Bluffs - ID # 11034

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 01/01/2017	\$670,000
Ideal Reserve Balance as of 01/01/2017	\$1,057,457
Percent Funded as of 01/01/2017	63%
Recommended Reserve Contribution (per month)	\$10,700
Minimum Reserve Contribution (per month)	\$9,250
Recommended Special Assessment	\$0

Vintage on the Bluffs is a 184-unit Mixed Condominium and Townhome community. The community offers a clubhouse, fitness room, playground areas, swimming pool and landscaped areas as amenities. Construction on the community was completed in 2004.

Currently Programmed Projects

Projects programmed to occur this fiscal year (FY2017) include carports repaint (Comp# 223), pool resurface (Comp# 1101), pool heater replace (Comp# 1104), pool cover replace (Comp# 1112), furniture replace (Comp# 1405), cardio equipment replace (Comp# 1407), and carpeting replace (Comp# 1501). We have programmed an estimated \$40,600 in reserve expenditures toward the completion of these projects. (See page 18)

Significant Reserve Projects

The association's significant reserve projects are pitched roof comp shingle replace (Comp# 105), stucco surfaces repair/repaint (Comp# 201), asphalt overlay (Comp# 401), and vinyl fencing replace (Comp# 1008). The fiscal significance of these components is approximately 29%, 17%, 10%, and 6% 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 \$670,000 versus the ideal reserve balance of \$1,057,457 we find the association's reserve fund to be approximately 63% funded. This indicates a fair reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$10,700 (\$58.15/unit) per month. We have also included a minimum reserve contribution of \$9,250 (\$50.27/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 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 900 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	184
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	\$0
Projected Starting Reserve Balance	\$670,000
Ideal Starting Reserve Balance	\$1,057,457

Economic Assumptions

Projected Inflation Rate	3.00%
Reported After-Tax Interest Rate	0.10%

Current Reserve Status

Current Balance as a % of Ideal Balance	63%
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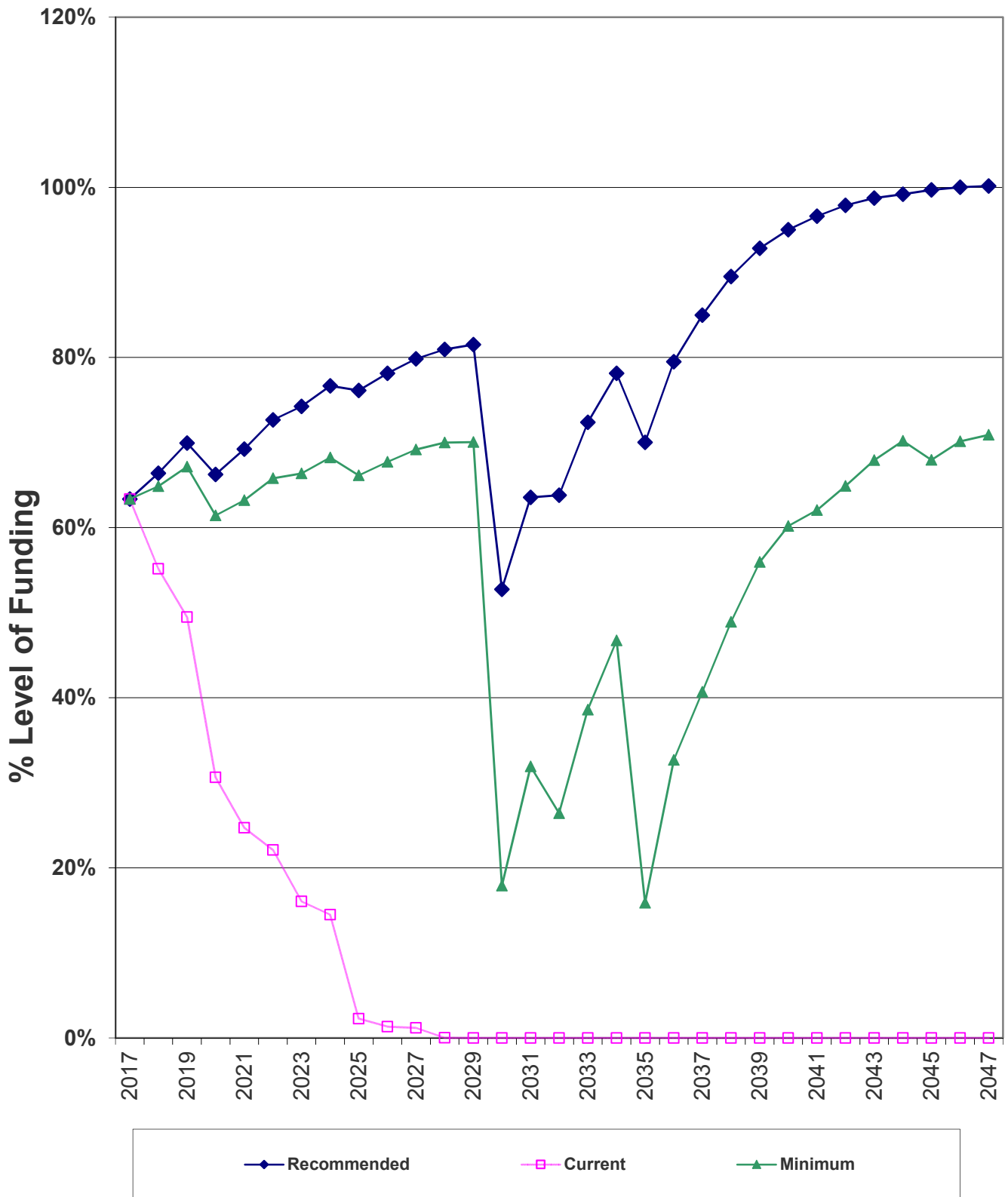
Recommendations

Recommended Monthly Reserve Allocation	\$10,700
Per Unit	\$58.15
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
Minimum Recommended Monthly Reserve Allocation	\$9,250
Per Unit	\$50.27
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation	\$10,700
as Percentage	0%
Minimum Recommended Increase to Reserve Allocation	\$9,250
as Percentage	0%

Percent Funded - Graph



Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Roofing	105	Pitched Roof - Comp Shingle - Replace	25	12	\$638,750	\$730,000
	120	Rain Gutters/Downspouts - Replace	25	12	\$81,675	\$96,525
Painted Surfaces	201	Stucco Surfaces - Repair/Repaint	15	2	\$202,831	\$273,381
	204	Doors - Repaint	6	5	\$21,600	\$36,000
	207	Metal Fencing - Repaint	6	5	\$1,350	\$1,650
	212	Metal Railing - Repaint	6	5	\$11,025	\$14,175
	216	Interior Surfaces - Repaint	10	7	\$3,581	\$4,536
	223	Carports - Repaint	10	0	\$6,000	\$10,000
Drive Materials	401	Asphalt - Overlay	25	12	\$194,250	\$259,000
	402	Asphalt - Seal Coat	5	2	\$16,835	\$24,605
	403	Concrete - Repair/Replace	10	7	\$6,000	\$8,000
Decking	609	Balcony Decks - Repair/Replace	20	7	\$46,100	\$69,150
Mechanical Equip.	703	Water Heater - Replace	15	13	\$1,000	\$1,200
	705	HVAC Condenser - Replace	18	5	\$2,500	\$3,500
	706	HVAC Furnace - Replace	20	7	\$2,500	\$3,500
Prop. Identification	801	Monument Sign - Refurbish	15	2	\$2,000	\$3,000
	803	Mailboxes - Replace	N/A		\$0	\$0
Fencing	1002	Metal Fencing - Replace	30	17	\$7,500	\$9,000
	1008	Vinyl Fencing - Replace	30	14	\$141,700	\$174,400
	1090	Metal Railing - Replace	30	17	\$39,375	\$55,125
Pool / Spa	1101	Pool - Resurface	12	0	\$10,000	\$14,000
	1104	Pool Heater - Replace	12	0	\$4,000	\$5,000
	1107	Pool Filter - Replace	12	10	\$1,200	\$1,400
	1110	Pool Pump - Replace	10	8	\$1,000	\$1,200
	1112	Pool Cover - Replace	10	0	\$2,000	\$3,000
Recreation Equip.	1301	Play Structures - Replace	25	12	\$32,000	\$44,000
	1304	Drinking Fountain - Replace	15	2	\$1,000	\$1,200
	1306	Picnic Table - Replace	15	2	\$800	\$1,000
	1307	Bench - Replace	12	2	\$600	\$800
	1309	Wood Trellises - Replace	20	7	\$7,500	\$10,500
Interiors	1405	Furniture - Replace	10	0	\$2,000	\$4,000
	1406	Fitness Equipment - Replace	15	2	\$2,500	\$3,500
	1407	Cardio Equipment - 2012 - Replace	8	3	\$5,000	\$7,000
	1407	Cardio Equipment - Replace	8	0	\$7,500	\$10,500
	1413	Restrooms - Remodel	18	5	\$12,000	\$16,000
	1417	Kitchen - Remodel	20	7	\$5,000	\$7,000
Flooring	1501	Carpeting - Replace	10	0	\$1,500	\$1,700
	1590	Safety Flooring - Replace	15	2	\$5,200	\$6,500
Light Fixtures	1601	Interior Light Fixtures - Replace	25	12	\$1,400	\$2,100

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Light Fixtures	1602	Exterior Light Fixtures - Replace	16	3	\$25,350	\$42,250
	1609	Street Light Fixtures - Replace	20	7	\$18,000	\$24,000
Landscaping	1812	Landscaping - Renovate	20	7	\$20,000	\$40,000

Significant Components

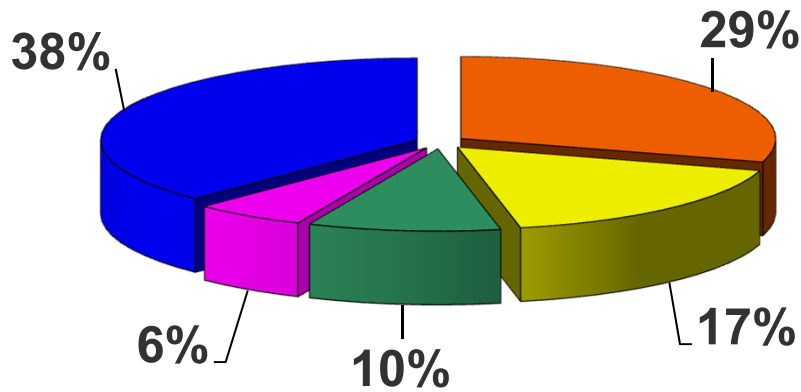
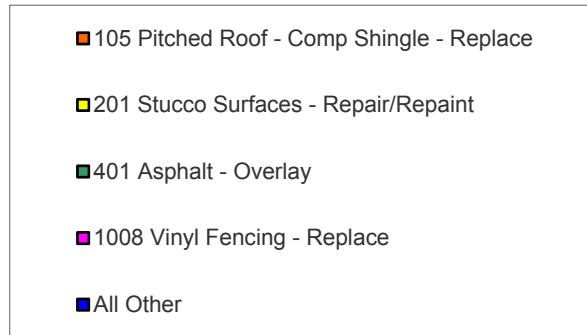
ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Pitched Roof - Comp Shingle - Replace	25	12	\$684,375	\$27,375	29.6349%
120	Rain Gutters/Downspouts - Replace	25	12	\$89,100	\$3,564	3.8582%
201	Stucco Surfaces - Repair/Repaint	15	2	\$238,106	\$15,874	17.1842%
204	Doors - Repaint	6	5	\$28,800	\$4,800	5.1963%
207	Metal Fencing - Repaint	6	5	\$1,500	\$250	0.2706%
212	Metal Railing - Repaint	6	5	\$12,600	\$2,100	2.2734%
216	Interior Surfaces - Repaint	10	7	\$4,059	\$406	0.4394%
223	Carports - Repaint	10	0	\$8,000	\$800	0.8660%
401	Asphalt - Overlay	25	12	\$226,625	\$9,065	9.8134%
402	Asphalt - Seal Coat	5	2	\$20,720	\$4,144	4.4861%
403	Concrete - Repair/Replace	10	7	\$7,000	\$700	0.7578%
609	Balcony Decks - Repair/Replace	20	7	\$57,625	\$2,881	3.1191%
703	Water Heater - Replace	15	13	\$1,100	\$73	0.0794%
705	HVAC Condenser - Replace	18	5	\$3,000	\$167	0.1804%
706	HVAC Furnace - Replace	20	7	\$3,000	\$150	0.1624%
801	Monument Sign - Refurbish	15	2	\$2,500	\$167	0.1804%
1002	Metal Fencing - Replace	30	17	\$8,250	\$275	0.2977%
1008	Vinyl Fencing - Replace	30	14	\$158,050	\$5,268	5.7033%
1090	Metal Railing - Replace	30	17	\$47,250	\$1,575	1.7050%
1101	Pool - Resurface	12	0	\$12,000	\$1,000	1.0826%
1104	Pool Heater - Replace	12	0	\$4,500	\$375	0.4060%
1107	Pool Filter - Replace	12	10	\$1,300	\$108	0.1173%
1110	Pool Pump - Replace	10	8	\$1,100	\$110	0.1191%
1112	Pool Cover - Replace	10	0	\$2,500	\$250	0.2706%
1301	Play Structures - Replace	25	12	\$38,000	\$1,520	1.6455%
1304	Drinking Fountain - Replace	15	2	\$1,100	\$73	0.0794%
1306	Picnic Table - Replace	15	2	\$900	\$60	0.0650%
1307	Bench - Replace	12	2	\$700	\$58	0.0631%
1309	Wood Trellises - Replace	20	7	\$9,000	\$450	0.4871%
1405	Furniture - Replace	10	0	\$3,000	\$300	0.3248%
1406	Fitness Equipment - Replace	15	2	\$3,000	\$200	0.2165%
1407	Cardio Equipment - 2012 - Replace	8	3	\$6,000	\$750	0.8119%
1407	Cardio Equipment - Replace	8	0	\$9,000	\$1,125	1.2179%
1413	Restrooms - Remodel	18	5	\$14,000	\$778	0.8420%
1417	Kitchen - Remodel	20	7	\$6,000	\$300	0.3248%
1501	Carpeting - Replace	10	0	\$1,600	\$160	0.1732%
1590	Safety Flooring - Replace	15	2	\$5,850	\$390	0.4222%
1601	Interior Light Fixtures - Replace	25	12	\$1,750	\$70	0.0758%
1602	Exterior Light Fixtures - Replace	16	3	\$33,800	\$2,113	2.2869%



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
1609	Street Light Fixtures - Replace	20	7	\$21,000	\$1,050	1.1367%
1812	Landscaping - Renovate	20	7	\$30,000	\$1,500	1.6238%



Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
105	Pitched Roof - Comp Shingle - Replac	25	12	\$684,375	\$27,375	29%
201	Stucco Surfaces - Repair/Repaint	15	2	\$238,106	\$15,874	17%
401	Asphalt - Overlay	25	12	\$226,625	\$9,065	10%
1008	Vinyl Fencing - Replace	30	14	\$158,050	\$5,268	6%
All Other	See Expanded Table For Breakdown				\$34,792	38%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2017	\$1,057,457	\$670,000	63%	\$128,400	\$714	\$40,600	\$758,514
2018	\$1,142,508	\$758,514	66%	\$132,252	\$825	\$0	\$891,591
2019	\$1,274,783	\$891,591	70%	\$136,220	\$815	\$289,494	\$739,132
2020	\$1,115,787	\$739,132	66%	\$140,306	\$788	\$43,491	\$836,735
2021	\$1,208,433	\$836,735	69%	\$144,515	\$909	\$0	\$982,160
2022	\$1,351,773	\$982,160	73%	\$148,851	\$1,022	\$69,441	\$1,062,593
2023	\$1,431,102	\$1,062,593	74%	\$153,316	\$1,140	\$0	\$1,217,049
2024	\$1,587,644	\$1,217,049	77%	\$157,916	\$1,199	\$194,817	\$1,181,347
2025	\$1,551,629	\$1,181,347	76%	\$162,653	\$1,257	\$12,794	\$1,332,463
2026	\$1,705,527	\$1,332,463	78%	\$167,533	\$1,417	\$0	\$1,501,412
2027	\$1,880,836	\$1,501,412	80%	\$172,559	\$1,577	\$22,040	\$1,653,509
2028	\$2,042,427	\$1,653,509	81%	\$177,736	\$1,709	\$67,689	\$1,765,264
2029	\$2,165,683	\$1,765,264	82%	\$183,068	\$1,089	\$1,535,644	\$413,777
2030	\$784,595	\$413,777	53%	\$188,560	\$507	\$1,615	\$601,229
2031	\$946,193	\$601,229	64%	\$194,217	\$579	\$240,124	\$555,901
2032	\$871,167	\$555,901	64%	\$200,043	\$656	\$0	\$756,600
2033	\$1,045,536	\$756,600	72%	\$206,044	\$853	\$14,442	\$949,055
2034	\$1,214,707	\$949,055	78%	\$212,226	\$740	\$630,785	\$531,236
2035	\$758,701	\$531,236	70%	\$218,592	\$640	\$1,873	\$748,595
2036	\$941,511	\$748,595	80%	\$225,150	\$827	\$69,790	\$904,783
2037	\$1,064,712	\$904,783	85%	\$231,905	\$1,008	\$27,272	\$1,110,423
2038	\$1,240,406	\$1,110,423	90%	\$238,862	\$1,230	\$0	\$1,350,515
2039	\$1,454,616	\$1,350,515	93%	\$246,028	\$1,453	\$42,193	\$1,555,803
2040	\$1,637,105	\$1,555,803	95%	\$253,409	\$1,624	\$118,218	\$1,692,618
2041	\$1,752,231	\$1,692,618	97%	\$261,011	\$1,798	\$51,836	\$1,903,590
2042	\$1,944,818	\$1,903,590	98%	\$268,841	\$2,039	\$0	\$2,174,471
2043	\$2,202,375	\$2,174,471	99%	\$276,906	\$2,313	\$1,510	\$2,452,180
2044	\$2,472,081	\$2,452,180	99%	\$285,214	\$2,413	\$365,188	\$2,374,619
2045	\$2,381,445	\$2,374,619	100%	\$293,770	\$2,520	\$5,033	\$2,665,876
2046	\$2,665,390	\$2,665,876	100%	\$302,583	\$2,768	\$101,097	\$2,870,130



Reserve Contributions - Graph

Monthly Reserve Contributions



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
105	Pitched Roof - Comp Shingle - Replace	25	12	Approx 182,500 Sq.ft.	\$684,375	\$355,875	\$0	\$3,170.94
120	Rain Gutters/Downspouts - Replace	25	12	Approx 14,850 Linear ft.	\$89,100	\$46,332	\$0	\$412.83
201	Stucco Surfaces - Repair/Repaint	15	2	Approx 176,375 Sq.ft.	\$238,106	\$206,359	\$206,359	\$1,838.71
204	Doors - Repaint	6	5	(288) Units	\$28,800	\$4,800	\$4,800	\$556.00
207	Metal Fencing - Repaint	6	5	Approx 150 Linear ft.	\$1,500	\$250	\$250	\$28.96
212	Metal Railing - Repaint	6	5	Approx 1,575 Linear ft.	\$12,600	\$2,100	\$2,100	\$243.25
216	Interior Surfaces - Repaint	10	7	Approx 4,775 Sq.ft.	\$4,059	\$1,218	\$1,218	\$47.01
223	Carports - Repaint	10	0	(15) Carports	\$8,000	\$8,000	\$8,000	\$92.67
401	Asphalt - Overlay	25	12	Approx 129,500 Sq.ft.	\$226,625	\$117,845	\$0	\$1,050.03
402	Asphalt - Seal Coat	5	2	Approx 129,500 Sq.ft.	\$20,720	\$12,432	\$12,432	\$480.01
403	Concrete - Repair/Replace	10	7	Extensive Sq.ft.	\$7,000	\$2,100	\$2,100	\$81.08
609	Balcony Decks - Repair/Replace	20	7	Approx 4,610 Sq.ft.	\$57,625	\$37,456	\$37,456	\$333.74
703	Water Heater - Replace	15	13	(1) Water Heater	\$1,100	\$147	\$0	\$8.49
705	HVAC Condenser - Replace	18	5	(1) Condenser	\$3,000	\$2,167	\$2,167	\$19.31
706	HVAC Furnace - Replace	20	7	(1) Furnace	\$3,000	\$1,950	\$1,950	\$17.37
801	Monument Sign - Refurbish	15	2	(1) Sign	\$2,500	\$2,167	\$2,167	\$19.31
1002	Metal Fencing - Replace	30	17	Approx 150 Linear ft.	\$8,250	\$3,575	\$0	\$31.85
1008	Vinyl Fencing - Replace	30	14	Approx 5,450 Linear ft.	\$158,050	\$84,293	\$0	\$610.25
1090	Metal Railing - Replace	30	17	Approx 1,575 Linear ft.	\$47,250	\$20,475	\$0	\$182.44
1101	Pool - Resurface	12	0	(1) Pool	\$12,000	\$12,000	\$12,000	\$115.83
1104	Pool Heater - Replace	12	0	(1) Heater	\$4,500	\$4,500	\$4,500	\$43.44
1107	Pool Filter - Replace	12	10	(1) Filter	\$1,300	\$217	\$0	\$12.55
1110	Pool Pump - Replace	10	8	(1) Pump	\$1,100	\$220	\$0	\$12.74
1112	Pool Cover - Replace	10	0	(1) Cover	\$2,500	\$2,500	\$2,500	\$28.96
1301	Play Structures - Replace	25	12	(3) Structures	\$38,000	\$19,760	\$0	\$176.07
1304	Drinking Fountain - Replace	15	2	(1) Drinking Fountain	\$1,100	\$953	\$953	\$8.49
1306	Picnic Table - Replace	15	2	(1) Picnic Table	\$900	\$780	\$780	\$6.95
1307	Bench - Replace	12	2	(1) Bench	\$700	\$583	\$583	\$6.76
1309	Wood Trellises - Replace	20	7	(3) Trellises	\$9,000	\$5,850	\$5,850	\$52.12
1405	Furniture - Replace	10	0	Various Pieces	\$3,000	\$3,000	\$3,000	\$34.75



ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
1406	Fitness Equipment - Replace	15	2	(2) Pieces	\$3,000	\$2,600	\$2,600	\$23.17
1407	Cardio Equipment - 2012 - Replace	8	3	(2) Pieces	\$6,000	\$3,750	\$3,750	\$86.87
1407	Cardio Equipment - Replace	8	0	(3) Pieces	\$9,000	\$9,000	\$9,000	\$130.31
1413	Restrooms - Remodel	18	5	(2) Restrooms	\$14,000	\$10,111	\$10,111	\$90.09
1417	Kitchen - Remodel	20	7	(1) Kitchen	\$6,000	\$3,900	\$3,900	\$34.75
1501	Carpeting - Replace	10	0	Approx 400 Sq.ft.	\$1,600	\$1,600	\$1,600	\$18.53
1590	Safety Flooring - Replace	15	2	Approx 650 Sq.ft.	\$5,850	\$5,070	\$5,070	\$45.17
1601	Interior Light Fixtures - Replace	25	12	(14) Fixtures	\$1,750	\$910	\$0	\$8.11
1602	Exterior Light Fixtures - Replace	16	3	(338) Fixtures	\$33,800	\$27,463	\$27,463	\$244.70
1609	Street Light Fixtures - Replace	20	7	(24) Fixtures	\$21,000	\$13,650	\$13,650	\$121.62
1812	Landscaping - Renovate	20	7	Extensive Sq.ft.	\$30,000	\$19,500	\$281,692	\$173.75
					\$1,807,760	\$1,057,457	\$670,000	\$10,700

Current Fund Balance as a percentage of Ideal Balance: 63%



Yearly Cash Flow

Year	2017	2018	2019	2020	2021
Starting Balance	\$670,000	\$758,514	\$891,591	\$739,132	\$836,735
<i>Reserve Income</i>	\$128,400	\$132,252	\$136,220	\$140,306	\$144,515
<i>Interest Earnings</i>	\$714	\$825	\$815	\$788	\$909
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$799,114	\$891,591	\$1,028,626	\$880,226	\$982,160
Reserve Expenditures	\$40,600	\$0	\$289,494	\$43,491	\$0
Ending Balance	\$758,514	\$891,591	\$739,132	\$836,735	\$982,160

Year	2022	2023	2024	2025	2026
Starting Balance	\$982,160	\$1,062,593	\$1,217,049	\$1,181,347	\$1,332,463
<i>Reserve Income</i>	\$148,851	\$153,316	\$157,916	\$162,653	\$167,533
<i>Interest Earnings</i>	\$1,022	\$1,140	\$1,199	\$1,257	\$1,417
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,132,033	\$1,217,049	\$1,376,164	\$1,345,257	\$1,501,412
Reserve Expenditures	\$69,441	\$0	\$194,817	\$12,794	\$0
Ending Balance	\$1,062,593	\$1,217,049	\$1,181,347	\$1,332,463	\$1,501,412

Year	2027	2028	2029	2030	2031
Starting Balance	\$1,501,412	\$1,653,509	\$1,765,264	\$413,777	\$601,229
<i>Reserve Income</i>	\$172,559	\$177,736	\$183,068	\$188,560	\$194,217
<i>Interest Earnings</i>	\$1,577	\$1,709	\$1,089	\$507	\$579
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,675,549	\$1,832,953	\$1,949,422	\$602,845	\$796,024
Reserve Expenditures	\$22,040	\$67,689	\$1,535,644	\$1,615	\$240,124
Ending Balance	\$1,653,509	\$1,765,264	\$413,777	\$601,229	\$555,901

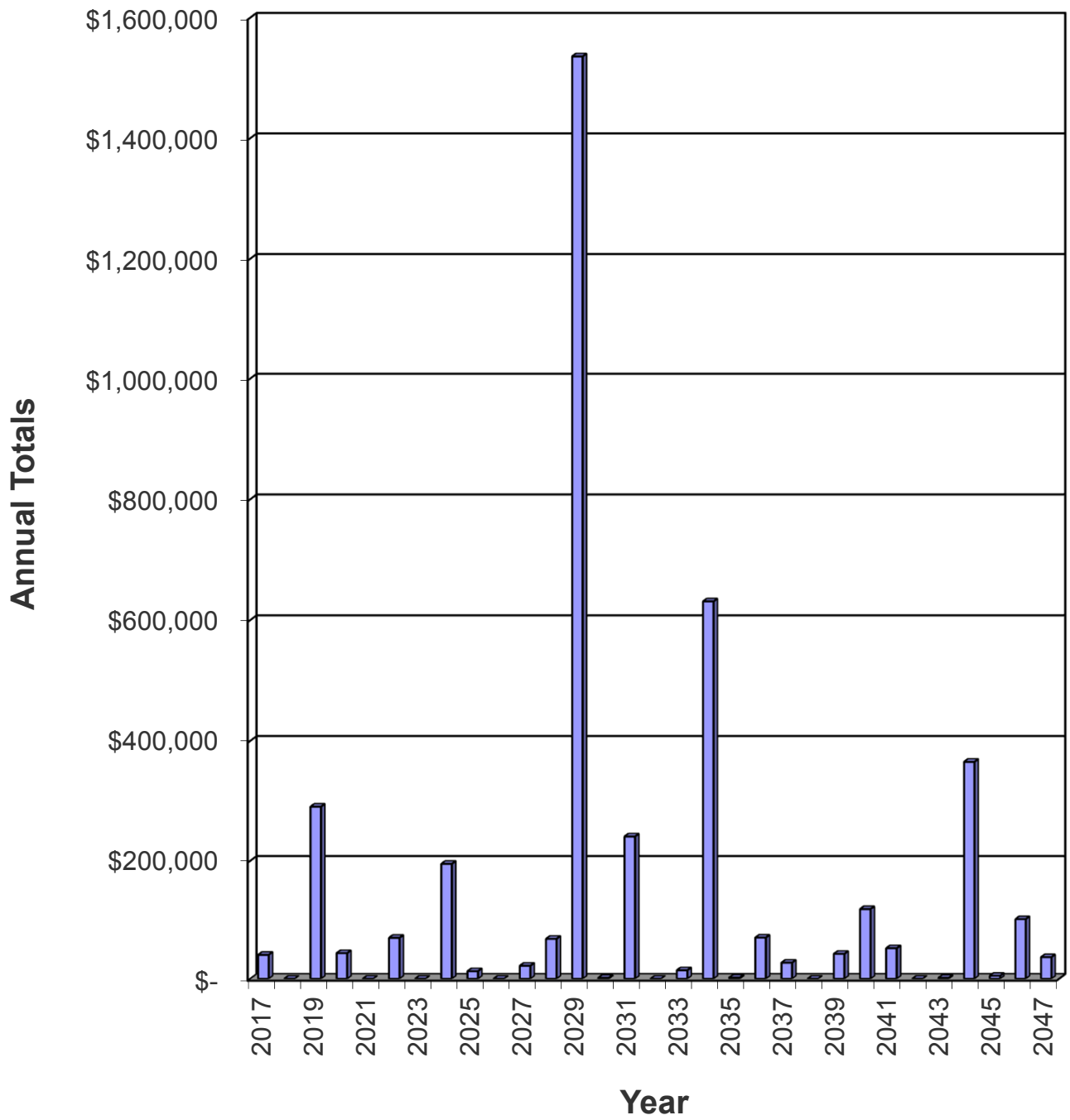
Year	2032	2033	2034	2035	2036
Starting Balance	\$555,901	\$756,600	\$949,055	\$531,236	\$748,595
<i>Reserve Income</i>	\$200,043	\$206,044	\$212,226	\$218,592	\$225,150
<i>Interest Earnings</i>	\$656	\$853	\$740	\$640	\$827
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$756,600	\$963,497	\$1,162,020	\$750,468	\$974,572
Reserve Expenditures	\$0	\$14,442	\$630,785	\$1,873	\$69,790
Ending Balance	\$756,600	\$949,055	\$531,236	\$748,595	\$904,783

Year	2037	2038	2039	2040	2041
Starting Balance	\$904,783	\$1,110,423	\$1,350,515	\$1,555,803	\$1,692,618
<i>Reserve Income</i>	\$231,905	\$238,862	\$246,028	\$253,409	\$261,011
<i>Interest Earnings</i>	\$1,008	\$1,230	\$1,453	\$1,624	\$1,798
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$1,137,695	\$1,350,515	\$1,597,996	\$1,810,836	\$1,955,427
Reserve Expenditures	\$27,272	\$0	\$42,193	\$118,218	\$51,836
Ending Balance	\$1,110,423	\$1,350,515	\$1,555,803	\$1,692,618	\$1,903,590

Year	2042	2043	2044	2045	2046
Starting Balance	\$1,903,590	\$2,174,471	\$2,452,180	\$2,374,619	\$2,665,876
<i>Reserve Income</i>	\$268,841	\$276,906	\$285,214	\$293,770	\$302,583
<i>Interest Earnings</i>	\$2,039	\$2,313	\$2,413	\$2,520	\$2,768
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$2,174,471	\$2,453,690	\$2,739,807	\$2,670,909	\$2,971,227
Reserve Expenditures	\$0	\$1,510	\$365,188	\$5,033	\$101,097
Ending Balance	\$2,174,471	\$2,452,180	\$2,374,619	\$2,665,876	\$2,870,130



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2017	223	Carports - Repaint	\$8,000	
	1101	Pool - Resurface	\$12,000	
	1104	Pool Heater - Replace	\$4,500	
	1112	Pool Cover - Replace	\$2,500	
	1405	Furniture - Replace	\$3,000	
	1407	Cardio Equipment - Replace	\$9,000	
	1501	Carpeting - Replace	\$1,600	\$40,600
2018		No Expenditures Projected		\$0
2019	201	Stucco Surfaces - Repair/Repaint	\$252,607	
	402	Asphalt - Seal Coat	\$21,982	
	801	Monument Sign - Refurbish	\$2,652	
	1304	Drinking Fountain - Replace	\$1,167	
	1306	Picnic Table - Replace	\$955	
	1307	Bench - Replace	\$743	
	1406	Fitness Equipment - Replace	\$3,183	
	1590	Safety Flooring - Replace	\$6,206	\$289,494
2020	1407	Cardio Equipment - 2012 - Replace	\$6,556	
	1602	Exterior Light Fixtures - Replace	\$36,934	\$43,491
2021		No Expenditures Projected		\$0
2022	204	Doors - Repaint	\$33,387	
	207	Metal Fencing - Repaint	\$1,739	
	212	Metal Railing - Repaint	\$14,607	
	705	HVAC Condenser - Replace	\$3,478	
	1413	Restrooms - Remodel	\$16,230	\$69,441
2023		No Expenditures Projected		\$0
2024	216	Interior Surfaces - Repaint	\$4,992	
	402	Asphalt - Seal Coat	\$25,483	
	403	Concrete - Repair/Replace	\$8,609	
	609	Balcony Decks - Repair/Replace	\$70,871	
	706	HVAC Furnace - Replace	\$3,690	
	1309	Wood Trellises - Replace	\$11,069	
	1417	Kitchen - Remodel	\$7,379	
	1609	Street Light Fixtures - Replace	\$25,827	
	1812	Landscaping - Renovate	\$36,896	\$194,817
2025	1110	Pool Pump - Replace	\$1,393	
	1407	Cardio Equipment - Replace	\$11,401	\$12,794
2026		No Expenditures Projected		\$0
2027	223	Carports - Repaint	\$10,751	
	1107	Pool Filter - Replace	\$1,747	
	1112	Pool Cover - Replace	\$3,360	
	1405	Furniture - Replace	\$4,032	
	1501	Carpeting - Replace	\$2,150	\$22,040
2028	204	Doors - Repaint	\$39,866	
	207	Metal Fencing - Repaint	\$2,076	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	212	Metal Railing - Repaint	\$17,441	
	1407	Cardio Equipment - 2012 - Replace	\$8,305	\$67,689
2029	105	Pitched Roof - Comp Shingle - Replace	\$975,755	
	120	Rain Gutters/Downspouts - Replace	\$127,035	
	401	Asphalt - Overlay	\$323,113	
	402	Asphalt - Seal Coat	\$29,542	
	1101	Pool - Resurface	\$17,109	
	1104	Pool Heater - Replace	\$6,416	
	1301	Play Structures - Replace	\$54,179	
	1601	Interior Light Fixtures - Replace	\$2,495	\$1,535,644
2030	703	Water Heater - Replace	\$1,615	\$1,615
2031	1008	Vinyl Fencing - Replace	\$239,065	
	1307	Bench - Replace	\$1,059	\$240,124
2032		No Expenditures Projected		\$0
2033	1407	Cardio Equipment - Replace	\$14,442	\$14,442
2034	201	Stucco Surfaces - Repair/Repaint	\$393,553	
	204	Doors - Repaint	\$47,602	
	207	Metal Fencing - Repaint	\$2,479	
	212	Metal Railing - Repaint	\$20,826	
	216	Interior Surfaces - Repaint	\$6,708	
	402	Asphalt - Seal Coat	\$34,247	
	403	Concrete - Repair/Replace	\$11,570	
	801	Monument Sign - Refurbish	\$4,132	
	1002	Metal Fencing - Replace	\$13,636	
	1090	Metal Railing - Replace	\$78,097	
	1304	Drinking Fountain - Replace	\$1,818	
	1306	Picnic Table - Replace	\$1,488	
	1406	Fitness Equipment - Replace	\$4,959	
	1590	Safety Flooring - Replace	\$9,669	\$630,785
2035	1110	Pool Pump - Replace	\$1,873	\$1,873
2036	1407	Cardio Equipment - 2012 - Replace	\$10,521	
	1602	Exterior Light Fixtures - Replace	\$59,269	\$69,790
2037	223	Carports - Repaint	\$14,449	
	1112	Pool Cover - Replace	\$4,515	
	1405	Furniture - Replace	\$5,418	
	1501	Carpeting - Replace	\$2,890	\$27,272
2038		No Expenditures Projected		\$0
2039	402	Asphalt - Seal Coat	\$39,702	
	1107	Pool Filter - Replace	\$2,491	\$42,193
2040	204	Doors - Repaint	\$56,839	
	207	Metal Fencing - Repaint	\$2,960	
	212	Metal Railing - Repaint	\$24,867	
	705	HVAC Condenser - Replace	\$5,921	
	1413	Restrooms - Remodel	\$27,630	\$118,218
2041	1101	Pool - Resurface	\$24,394	
	1104	Pool Heater - Replace	\$9,148	
	1407	Cardio Equipment - Replace	\$18,295	\$51,836

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
2042		No Expenditures Projected		\$0
2043	1307	Bench - Replace	\$1,510	\$1,510
2044	216	Interior Surfaces - Repaint	\$9,016	
	402	Asphalt - Seal Coat	\$46,025	
	403	Concrete - Repair/Replace	\$15,549	
	609	Balcony Decks - Repair/Replace	\$128,002	
	706	HVAC Furnace - Replace	\$6,664	
	1309	Wood Trellises - Replace	\$19,992	
	1407	Cardio Equipment - 2012 - Replace	\$13,328	
	1417	Kitchen - Remodel	\$13,328	
	1609	Street Light Fixtures - Replace	\$46,647	
	1812	Landscaping - Renovate	\$66,639	\$365,188
2045	703	Water Heater - Replace	\$2,517	
	1110	Pool Pump - Replace	\$2,517	\$5,033
2046	204	Doors - Repaint	\$67,869	
	207	Metal Fencing - Repaint	\$3,535	
	212	Metal Railing - Repaint	\$29,693	\$101,097

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.