



ASSOCIATION RESERVES™

Planning For The Inevitable™

SAMPLE
Reserve Study

UPDATE - No Site Visit

Serving the Nation



Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because *planning for the inevitable* is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Reserve Funding Plan**
A multi-year funding plan based on current Reserve Fund strength that allows for component repairs & replacements to be completed in a timely manner, with an emphasis on avoiding "catch-up" funding sources.
- **Reserve Fund Strength**
A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Component List**
Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.

Questions?

Please contact your Project Manager directly.



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[YOUR PROPERTY NAME]

Report #: 17918-15

[Anywhere in the world]

of Units: 237

Level of Service: **Update- No Site Visit (NSV)**

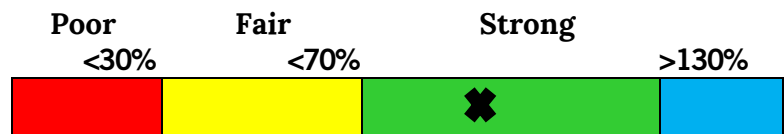
January 1, 2019 through December 31, 2019

Findings & Recommendations

as of January 1, 2019

Starting Reserve Balance	\$857,895
Fully Funded Reserve Balance	\$939,368
Average Reserve Deficit (Surplus) per Unit.....	\$344
%-Funded	91.3%
Recommended 2019 Annual "Full Funding" Reserve Contribution	\$121,760
Recommended 2019 "Special Assessment" for Reserves	\$0
Most recent Reserve Contribution Rate	\$120,000

Reserve Fund Strength (%-Funded)



Risk of Special Assessment -----

High Medium Low

Economic Assumptions:

Net Annual "After Tax" Interest Earnings, accruing to Reserves	1.00%
Annual Inflation Rate	3.00%

Comments:

This is an Update "No-Site-Visit" Reserve Study, based on a prior Reserve Study prepared by Association Reserves for your 2018 Fiscal Year. No site inspection was performed as part of this engagement.

This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

Because your Reserve Fund is above the 70% Funded level at 91.3 % Funded, this represents a "strong" Reserve position. Associations in this range have a Low risk of Reserve cash-flow problems (such as special assessments and/or deferred maintenance) in the near future. Good job for all your years of properly funding Reserves!

Your big project here continues to be preparing for your significant asphalt resurface project, just past the 5-yr horizon. You appear on schedule to execute that project on time (as well as all your others).

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is for a slight increase to your Reserve contribution rate. Your multi-year Funding Plan is designed to provide for timely execution of Reserve projects, spread Reserve contributions fairly over all owners over all the years, and gradually bring your Association closer to the "Fully Funded" (100%) level.

#	Component	Useful Life UL (years)	Remaining Useful Life RUL (years)	Current Average Cost (\$)
General Common Areas				
103	Concrete Sidewalk - Repair	2	0	\$3,500
201	Roadway Surface - Remove/Replace	20	6	\$893,500
202	Asphalt - Seal	4	2	\$49,500
203	Asphalt/Curbing - Misc Repairs	4	1	\$16,100
305	Security System - Modernize	2	0	\$12,750
351	Guard House - Refurbish	10	7	\$5,100
705	Gate Operator - Replace	6	2	\$10,700
709	Gates/Railing - Repair	15	12	\$22,150
1604	Tennis Courts - Resurface	6	4	\$17,300
1616	Tennis Chain Link Fence - Replace	40	4	\$53,500
Clubhouse				
105	Clubhouse Deck - Replace	15	9	\$90,000
106	Clubhouse Hdcp Ramp - Seal/Repair	3	0	\$5,750
302	Emergency Generator - Replace	15	6	\$16,150
303	Furnace - Repair/Replace	25	14	\$9,200
303	Rooftop Main HVAC - Replace	12	7	\$8,650
601	Carpet - Replace	8	2	\$20,800
603	Entry Tile Floor - Replace	16	10	\$10,200
701	Entry Wood/Glass Doors - Replace	15	4	\$20,200
803	Water Heaters - Replace	12	8	\$4,100
901	Kitchen Appliances - Replace	20	10	\$12,250
903	Furniture - Replenish	10	5	\$27,500
904	Kitchen - Remodel	20	10	\$12,250
909	Bathrooms - Remodel	15	9	\$26,850
911	Office - Refurbish	12	1	\$9,200
1110	Interior - Repaint	8	2	\$7,150
1115	Clubhouse Exterior - Repaint	10	2	\$25,500
1301	Flat Roof - Replace	15	0	\$28,200
27	Total Funded Components			

Yellow highlights indicate items with RUL = 0 years, requiring attention in 2019.

Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How do we establish Useful Life and Remaining Useful Life estimates?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table. Note the future years of high projected Reserve expenses. It is clear to see the large expense years which are your roadway resurface years. This project continues to dominate your Reserve expense scenario.

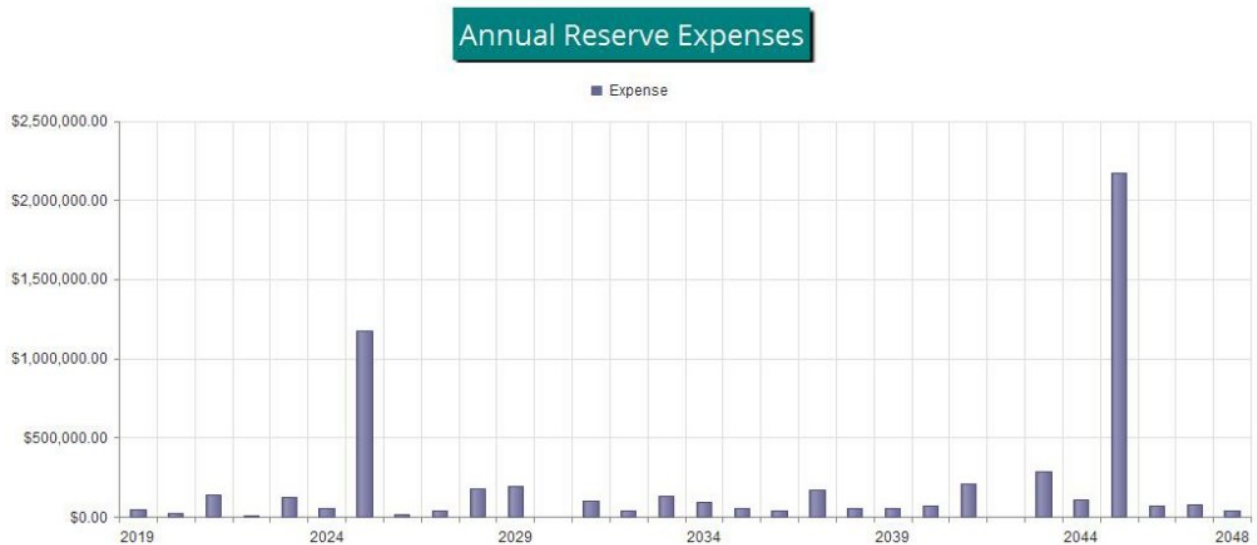


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$857,895 as-of the start of your Fiscal Year on 1/1/2019. This is based on your actual balance on 10/30/2018 of \$865,921 and anticipated minor Reserve expenses projected through the end of your Fiscal Year. As of your Fiscal Year Start, your Fully Funded Balance is computed to be \$939,368. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 91.3 % Funded. Across the country less than 1% of associations that over 90% Funded experience special assessments or deferred maintenance expenses. So your association is in good company. Your association seems well prepared financially for your upcoming Reserve projects.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$121,760 per month this Fiscal Year. This represents only a minor increase from last year's contribution rate. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

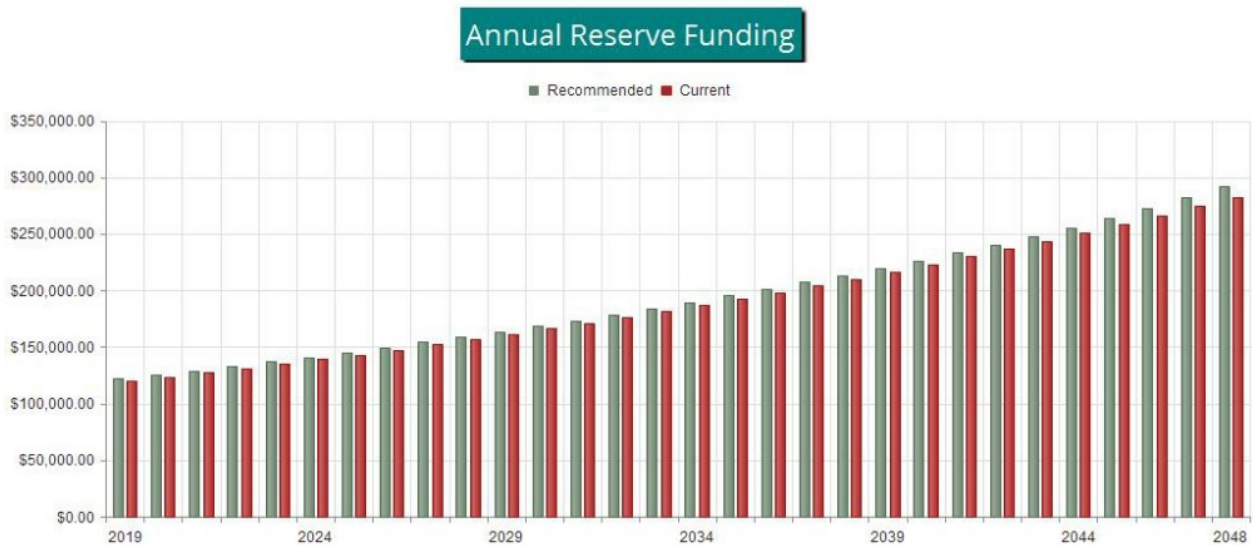


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target. Note that while your asphalt project is very expensive, your Reserve Fund is projected to be sufficient to handle that expense.

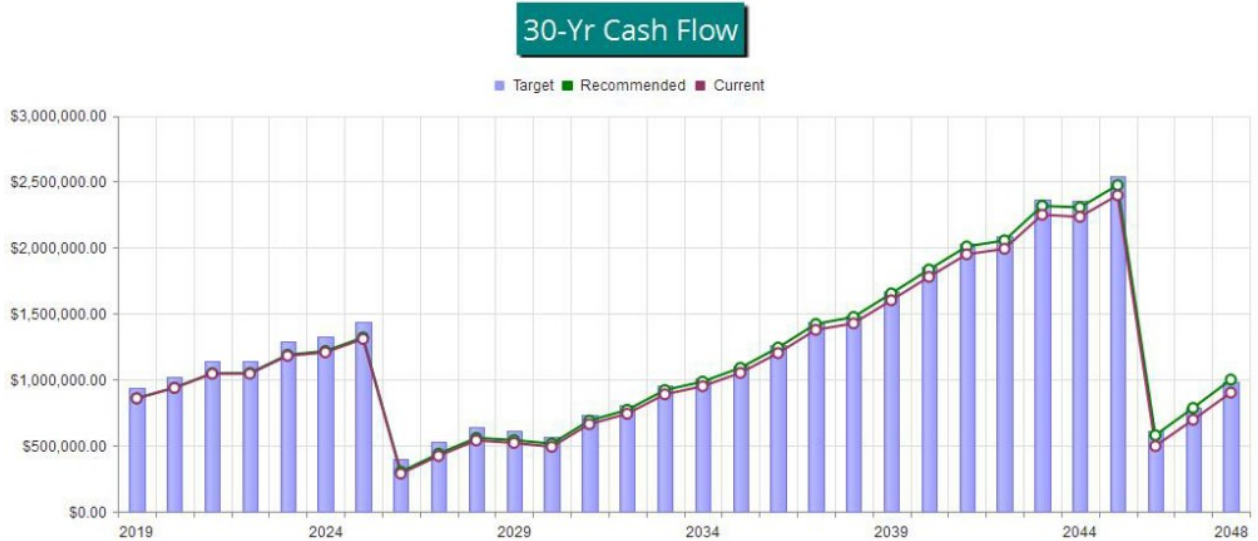


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan. Being well funded provides some margin should your asphalt project occur earlier or more expensive than anticipated.



Figure 4

Table Descriptions

The tabular information in this Report is broken down into nine tables, **not all which may have been chosen by your Project Manager to appear in your report.** Tables are listed in the order in which they appear in your Report.

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Analysis Summary provides a summary of the starting financial information and your Project Manager's Financial Analysis decision points.

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the association total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Accounting-Tax Summary provides information on each Component's proportionate portion of key totals, valuable to accounting professionals primarily during tax preparation time of year.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

Reserve Component List Detail

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# Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate		
				Best Case	Worst Case	
General Common Areas						
103	Concrete Sidewalk - Repair	Extensive GSF	2	0	\$2,800	\$4,200
201	Roadway Surface - Remove/Replace	Approx 292,000 Sq Ft	20	6	\$819,000	\$968,000
202	Asphalt - Seal	~305800 Sq Ft	4	2	\$37,000	\$62,000
203	Asphalt/Curbing - Misc Repairs	Local Repairs	4	1	\$12,200	\$20,000
305	Security System - Modernize	(1) Monitor (21) Cameras	2	0	\$10,200	\$15,300
351	Guard House - Refurbish	(1) Small Guard House	10	7	\$4,100	\$6,100
705	Gate Operator - Replace	(2) Elite SL3000	6	2	\$9,200	\$12,200
709	Gates/Railing - Repair	(3) Gate systems	15	12	\$19,300	\$25,000
1604	Tennis Courts - Resurface	(2) Standard Court	6	4	\$14,200	\$20,400
1616	Tennis Chain Link Fence - Replace	(720) Linear Ft	40	4	\$46,000	\$61,000
Clubhouse						
105	Clubhouse Deck - Replace	Approx 1600 Sq Ft	15	9	\$82,000	\$98,000
106	Clubhouse Hdcp Ramp - Seal/Repair	Approx 2275 Sq Ft	3	0	\$4,600	\$6,900
302	Emergency Generator - Replace	(1) 20kW Generac	15	6	\$14,300	\$18,000
303	Furnace - Repair/Replace	(1) Bryant Unit	25	14	\$8,200	\$10,200
303	Rooftop Main HVAC - Replace	(1) 5-Ton unit	12	7	\$7,100	\$10,200
601	Carpet - Replace	Approx 320 Sq Yds	8	2	\$16,000	\$25,600
603	Entry Tile Floor - Replace	Approx 300 Sq Ft	16	10	\$9,200	\$11,200
701	Entry Wood/Glass Doors - Replace	(2) Double-Wide Set	15	4	\$15,400	\$25,000
803	Water Heaters - Replace	(2) American 50 Gallon	12	8	\$3,600	\$4,600
901	Kitchen Appliances - Replace	(1) Fridge, stove, MW, DW	20	10	\$10,200	\$14,300
903	Furniture - Replenish	(20) Tables (180) Chairs	10	5	\$22,400	\$32,600
904	Kitchen - Remodel	Counters, Cabinets, Floor	20	10	\$10,200	\$14,300
909	Bathrooms - Remodel	Men's & Women's Bathrooms	15	9	\$21,500	\$32,200
911	Office - Refurbish	Desk File Cabinet Etc.	12	1	\$8,200	\$10,200
1110	Interior - Repaint	Approx 7600 Sq Ft	8	2	\$6,100	\$8,200
1115	Clubhouse Exterior - Repaint	Entire Clubhouse Exterior	10	2	\$23,000	\$28,000
1301	Flat Roof - Replace	Approx 4700 Sq Ft	15	0	\$23,500	\$32,900

27 Total Funded Components

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
General Common Areas								
103	Concrete Sidewalk - Repair	\$3,500	X	2	/	2	=	\$3,500
201	Roadway Surface - Remove/Replace	\$893,500	X	14	/	20	=	\$625,450
202	Asphalt - Seal	\$49,500	X	2	/	4	=	\$24,750
203	Asphalt/Curbing - Misc Repairs	\$16,100	X	3	/	4	=	\$12,075
305	Security System - Modernize	\$12,750	X	2	/	2	=	\$12,750
351	Guard House - Refurbish	\$5,100	X	3	/	10	=	\$1,530
705	Gate Operator - Replace	\$10,700	X	4	/	6	=	\$7,133
709	Gates/Railing - Repair	\$22,150	X	3	/	15	=	\$4,430
1604	Tennis Courts - Resurface	\$17,300	X	2	/	6	=	\$5,767
1616	Tennis Chain Link Fence - Replace	\$53,500	X	36	/	40	=	\$48,150
Clubhouse								
105	Clubhouse Deck - Replace	\$90,000	X	6	/	15	=	\$36,000
106	Clubhouse Hdcp Ramp - Seal/Repair	\$5,750	X	3	/	3	=	\$5,750
302	Emergency Generator - Replace	\$16,150	X	9	/	15	=	\$9,690
303	Furnace - Repair/Replace	\$9,200	X	11	/	25	=	\$4,048
303	Rooftop Main HVAC - Replace	\$8,650	X	5	/	12	=	\$3,604
601	Carpet - Replace	\$20,800	X	6	/	8	=	\$15,600
603	Entry Tile Floor - Replace	\$10,200	X	6	/	16	=	\$3,825
701	Entry Wood/Glass Doors - Replace	\$20,200	X	11	/	15	=	\$14,813
803	Water Heaters - Replace	\$4,100	X	4	/	12	=	\$1,367
901	Kitchen Appliances - Replace	\$12,250	X	10	/	20	=	\$6,125
903	Furniture - Replenish	\$27,500	X	5	/	10	=	\$13,750
904	Kitchen - Remodel	\$12,250	X	10	/	20	=	\$6,125
909	Bathrooms - Remodel	\$26,850	X	6	/	15	=	\$10,740
911	Office - Refurbish	\$9,200	X	11	/	12	=	\$8,433
1110	Interior - Repaint	\$7,150	X	6	/	8	=	\$5,363
1115	Clubhouse Exterior - Repaint	\$25,500	X	8	/	10	=	\$20,400
1301	Flat Roof - Replace	\$28,200	X	15	/	15	=	\$28,200
								\$939,368

Component Significance

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#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
General Common Areas					
103	Concrete Sidewalk - Repair	2	\$3,500	\$1,750	1.68 %
201	Roadway Surface - Remove/Replace	20	\$893,500	\$44,675	42.93 %
202	Asphalt - Seal	4	\$49,500	\$12,375	11.89 %
203	Asphalt/Curbing - Misc Repairs	4	\$16,100	\$4,025	3.87 %
305	Security System - Modernize	2	\$12,750	\$6,375	6.13 %
351	Guard House - Refurbish	10	\$5,100	\$510	0.49 %
705	Gate Operator - Replace	6	\$10,700	\$1,783	1.71 %
709	Gates/Railing - Repair	15	\$22,150	\$1,477	1.42 %
1604	Tennis Courts - Resurface	6	\$17,300	\$2,883	2.77 %
1616	Tennis Chain Link Fence - Replace	40	\$53,500	\$1,338	1.29 %
Clubhouse					
105	Clubhouse Deck - Replace	15	\$90,000	\$6,000	5.77 %
106	Clubhouse Hdcp Ramp - Seal/Repair	3	\$5,750	\$1,917	1.84 %
302	Emergency Generator - Replace	15	\$16,150	\$1,077	1.03 %
303	Furnace - Repair/Replace	25	\$9,200	\$368	0.35 %
303	Rooftop Main HVAC - Replace	12	\$8,650	\$721	0.69 %
601	Carpet - Replace	8	\$20,800	\$2,600	2.50 %
603	Entry Tile Floor - Replace	16	\$10,200	\$638	0.61 %
701	Entry Wood/Glass Doors - Replace	15	\$20,200	\$1,347	1.29 %
803	Water Heaters - Replace	12	\$4,100	\$342	0.33 %
901	Kitchen Appliances - Replace	20	\$12,250	\$613	0.59 %
903	Furniture - Replenish	10	\$27,500	\$2,750	2.64 %
904	Kitchen - Remodel	20	\$12,250	\$613	0.59 %
909	Bathrooms - Remodel	15	\$26,850	\$1,790	1.72 %
911	Office - Refurbish	12	\$9,200	\$767	0.74 %
1110	Interior - Repaint	8	\$7,150	\$894	0.86 %
1115	Clubhouse Exterior - Repaint	10	\$25,500	\$2,550	2.45 %
1301	Flat Roof - Replace	15	\$28,200	\$1,880	1.81 %
27	Total Funded Components			\$104,054	100.00 %

30-Year Reserve Plan Summary

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Fiscal Year Start: 2019

Interest: 1.00 %

Inflation: 3.00 %

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contrb.	Loan or Special Assmts	Interest Income	Reserve Expenses
2019	\$857,895	\$939,368	91.3 %	Low	\$121,760	\$0	\$8,978	\$50,200
2020	\$938,433	\$1,023,019	91.7 %	Low	\$125,413	\$0	\$9,927	\$26,059
2021	\$1,047,713	\$1,137,260	92.1 %	Low	\$129,175	\$0	\$10,482	\$137,811
2022	\$1,049,559	\$1,143,135	91.8 %	Low	\$133,050	\$0	\$11,181	\$6,283
2023	\$1,187,507	\$1,288,072	92.2 %	Low	\$137,042	\$0	\$12,012	\$120,711
2024	\$1,215,850	\$1,323,009	91.9 %	Low	\$141,153	\$0	\$12,670	\$50,544
2025	\$1,319,128	\$1,434,885	91.9 %	Low	\$145,388	\$0	\$8,098	\$1,171,544
2026	\$301,069	\$399,214	75.4 %	Low	\$149,749	\$0	\$3,692	\$16,911
2027	\$437,600	\$525,585	83.3 %	Low	\$154,242	\$0	\$4,973	\$39,333
2028	\$557,482	\$636,607	87.6 %	Low	\$158,869	\$0	\$5,489	\$180,972
2029	\$540,868	\$609,144	88.8 %	Low	\$163,635	\$0	\$5,272	\$195,809
2030	\$513,967	\$569,771	90.2 %	Low	\$168,544	\$0	\$6,010	\$0
2031	\$688,521	\$735,221	93.6 %	Low	\$173,601	\$0	\$7,290	\$99,304
2032	\$770,108	\$807,801	95.3 %	Low	\$178,809	\$0	\$8,448	\$37,154
2033	\$920,210	\$951,158	96.7 %	Low	\$184,173	\$0	\$9,519	\$129,553
2034	\$984,349	\$1,008,366	97.6 %	Low	\$189,698	\$0	\$10,361	\$95,737
2035	\$1,088,670	\$1,106,984	98.3 %	Low	\$195,389	\$0	\$11,648	\$53,838
2036	\$1,241,869	\$1,256,727	98.8 %	Low	\$201,251	\$0	\$13,311	\$35,040
2037	\$1,421,390	\$1,435,482	99.0 %	Low	\$207,288	\$0	\$14,470	\$169,307
2038	\$1,473,842	\$1,486,620	99.1 %	Low	\$213,507	\$0	\$15,624	\$50,589
2039	\$1,652,384	\$1,667,046	99.1 %	Low	\$219,912	\$0	\$17,423	\$56,080
2040	\$1,833,639	\$1,852,867	99.0 %	Low	\$226,509	\$0	\$19,203	\$70,691
2041	\$2,008,661	\$2,035,020	98.7 %	Low	\$233,305	\$0	\$20,306	\$207,993
2042	\$2,054,279	\$2,087,198	98.4 %	Low	\$240,304	\$0	\$21,844	\$0
2043	\$2,316,427	\$2,361,334	98.1 %	Low	\$247,513	\$0	\$23,096	\$282,253
2044	\$2,304,783	\$2,359,320	97.7 %	Low	\$254,938	\$0	\$23,879	\$110,551
2045	\$2,473,049	\$2,540,634	97.3 %	Low	\$263,861	\$0	\$15,249	\$2,174,060
2046	\$578,099	\$608,706	95.0 %	Low	\$273,096	\$0	\$6,811	\$73,303
2047	\$784,704	\$789,534	99.4 %	Low	\$282,655	\$0	\$8,917	\$76,760
2048	\$999,517	\$979,368	102.1 %	Low	\$292,548	\$0	\$11,320	\$37,941

30-Year Income/Expense Detail

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NSV

Fiscal Year	2019	2020	2021	2022	2023
Starting Reserve Balance	\$857,895	\$938,433	\$1,047,713	\$1,049,559	\$1,187,507
Annual Reserve Contribution	\$121,760	\$125,413	\$129,175	\$133,050	\$137,042
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,978	\$9,927	\$10,482	\$11,181	\$12,012
Total Income	\$988,633	\$1,073,772	\$1,187,370	\$1,193,790	\$1,336,561
# Component					
General Common Areas					
103 Concrete Sidewalk - Repair	\$3,500	\$0	\$3,713	\$0	\$3,939
201 Roadway Surface - Remove/Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal	\$0	\$0	\$52,515	\$0	\$0
203 Asphalt/Curbing - Misc Repairs	\$0	\$16,583	\$0	\$0	\$0
305 Security System - Modernize	\$12,750	\$0	\$13,526	\$0	\$14,350
351 Guard House - Refurbish	\$0	\$0	\$0	\$0	\$0
705 Gate Operator - Replace	\$0	\$0	\$11,352	\$0	\$0
709 Gates/Railing - Repair	\$0	\$0	\$0	\$0	\$0
1604 Tennis Courts - Resurface	\$0	\$0	\$0	\$0	\$19,471
1616 Tennis Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$60,215
Clubhouse					
105 Clubhouse Deck - Replace	\$0	\$0	\$0	\$0	\$0
106 Clubhouse Hdcp Ramp - Seal/Repair	\$5,750	\$0	\$0	\$6,283	\$0
302 Emergency Generator - Replace	\$0	\$0	\$0	\$0	\$0
303 Furnace - Repair/Replace	\$0	\$0	\$0	\$0	\$0
303 Rooftop Main HVAC - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$22,067	\$0	\$0
603 Entry Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
701 Entry Wood/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$22,735
803 Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
901 Kitchen Appliances - Replace	\$0	\$0	\$0	\$0	\$0
903 Furniture - Replenish	\$0	\$0	\$0	\$0	\$0
904 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Remodel	\$0	\$0	\$0	\$0	\$0
911 Office - Refurbish	\$0	\$9,476	\$0	\$0	\$0
1110 Interior - Repaint	\$0	\$0	\$7,585	\$0	\$0
1115 Clubhouse Exterior - Repaint	\$0	\$0	\$27,053	\$0	\$0
1301 Flat Roof - Replace	\$28,200	\$0	\$0	\$0	\$0
Total Expenses	\$50,200	\$26,059	\$137,811	\$6,283	\$120,711
Ending Reserve Balance	\$938,433	\$1,047,713	\$1,049,559	\$1,187,507	\$1,215,850

Fiscal Year	2024	2025	2026	2027	2028
Starting Reserve Balance	\$1,215,850	\$1,319,128	\$301,069	\$437,600	\$557,482
Annual Reserve Contribution	\$141,153	\$145,388	\$149,749	\$154,242	\$158,869
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$12,670	\$8,098	\$3,692	\$4,973	\$5,489
Total Income	\$1,369,673	\$1,472,614	\$454,511	\$596,815	\$721,840
# Component					
General Common Areas					
103 Concrete Sidewalk - Repair	\$0	\$4,179	\$0	\$4,434	\$0
201 Roadway Surface - Remove/Replace	\$0	\$1,066,886	\$0	\$0	\$0
202 Asphalt - Seal	\$0	\$59,106	\$0	\$0	\$0
203 Asphalt/Curbing - Misc Repairs	\$18,664	\$0	\$0	\$0	\$21,007
305 Security System - Modernize	\$0	\$15,224	\$0	\$16,151	\$0
351 Guard House - Refurbish	\$0	\$0	\$6,272	\$0	\$0
705 Gate Operator - Replace	\$0	\$0	\$0	\$13,554	\$0
709 Gates/Railing - Repair	\$0	\$0	\$0	\$0	\$0
1604 Tennis Courts - Resurface	\$0	\$0	\$0	\$0	\$0
1616 Tennis Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Clubhouse					
105 Clubhouse Deck - Replace	\$0	\$0	\$0	\$0	\$117,430
106 Clubhouse Hdcp Ramp - Seal/Repair	\$0	\$6,866	\$0	\$0	\$7,502
302 Emergency Generator - Replace	\$0	\$19,284	\$0	\$0	\$0
303 Furnace - Repair/Replace	\$0	\$0	\$0	\$0	\$0
303 Rooftop Main HVAC - Replace	\$0	\$0	\$10,638	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$0	\$0	\$0
603 Entry Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
701 Entry Wood/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
803 Water Heaters - Replace	\$0	\$0	\$0	\$5,194	\$0
901 Kitchen Appliances - Replace	\$0	\$0	\$0	\$0	\$0
903 Furniture - Replenish	\$31,880	\$0	\$0	\$0	\$0
904 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Remodel	\$0	\$0	\$0	\$0	\$35,033
911 Office - Refurbish	\$0	\$0	\$0	\$0	\$0
1110 Interior - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Clubhouse Exterior - Repaint	\$0	\$0	\$0	\$0	\$0
1301 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$50,544	\$1,171,544	\$16,911	\$39,333	\$180,972
Ending Reserve Balance	\$1,319,128	\$301,069	\$437,600	\$557,482	\$540,868

Fiscal Year	2029	2030	2031	2032	2033
Starting Reserve Balance	\$540,868	\$513,967	\$688,521	\$770,108	\$920,210
Annual Reserve Contribution	\$163,635	\$168,544	\$173,601	\$178,809	\$184,173
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,272	\$6,010	\$7,290	\$8,448	\$9,519
Total Income	\$709,776	\$688,521	\$869,412	\$957,364	\$1,113,902
# Component					
General Common Areas					
103 Concrete Sidewalk - Repair	\$4,704	\$0	\$4,990	\$0	\$5,294
201 Roadway Surface - Remove/Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal	\$66,524	\$0	\$0	\$0	\$74,873
203 Asphalt/Curbing - Misc Repairs	\$0	\$0	\$0	\$23,643	\$0
305 Security System - Modernize	\$17,135	\$0	\$18,178	\$0	\$19,286
351 Guard House - Refurbish	\$0	\$0	\$0	\$0	\$0
705 Gate Operator - Replace	\$0	\$0	\$0	\$0	\$16,185
709 Gates/Railing - Repair	\$0	\$0	\$31,581	\$0	\$0
1604 Tennis Courts - Resurface	\$23,250	\$0	\$0	\$0	\$0
1616 Tennis Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Clubhouse					
105 Clubhouse Deck - Replace	\$0	\$0	\$0	\$0	\$0
106 Clubhouse Hdcp Ramp - Seal/Repair	\$0	\$0	\$8,198	\$0	\$0
302 Emergency Generator - Replace	\$0	\$0	\$0	\$0	\$0
303 Furnace - Repair/Replace	\$0	\$0	\$0	\$0	\$13,916
303 Rooftop Main HVAC - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$27,953	\$0	\$0	\$0	\$0
603 Entry Tile Floor - Replace	\$13,708	\$0	\$0	\$0	\$0
701 Entry Wood/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
803 Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
901 Kitchen Appliances - Replace	\$16,463	\$0	\$0	\$0	\$0
903 Furniture - Replenish	\$0	\$0	\$0	\$0	\$0
904 Kitchen - Remodel	\$16,463	\$0	\$0	\$0	\$0
909 Bathrooms - Remodel	\$0	\$0	\$0	\$0	\$0
911 Office - Refurbish	\$0	\$0	\$0	\$13,511	\$0
1110 Interior - Repaint	\$9,609	\$0	\$0	\$0	\$0
1115 Clubhouse Exterior - Repaint	\$0	\$0	\$36,357	\$0	\$0
1301 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$195,809	\$0	\$99,304	\$37,154	\$129,553
Ending Reserve Balance	\$513,967	\$688,521	\$770,108	\$920,210	\$984,349

Fiscal Year	2034	2035	2036	2037	2038
Starting Reserve Balance	\$984,349	\$1,088,670	\$1,241,869	\$1,421,390	\$1,473,842
Annual Reserve Contribution	\$189,698	\$195,389	\$201,251	\$207,288	\$213,507
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$10,361	\$11,648	\$13,311	\$14,470	\$15,624
Total Income	\$1,184,407	\$1,295,707	\$1,456,431	\$1,643,149	\$1,702,973
# Component					
General Common Areas					
103 Concrete Sidewalk - Repair	\$0	\$5,616	\$0	\$5,959	\$0
201 Roadway Surface - Remove/Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal	\$0	\$0	\$0	\$84,270	\$0
203 Asphalt/Curbing - Misc Repairs	\$0	\$0	\$26,611	\$0	\$0
305 Security System - Modernize	\$0	\$20,460	\$0	\$21,706	\$0
351 Guard House - Refurbish	\$0	\$0	\$8,430	\$0	\$0
705 Gate Operator - Replace	\$0	\$0	\$0	\$0	\$0
709 Gates/Railing - Repair	\$0	\$0	\$0	\$0	\$0
1604 Tennis Courts - Resurface	\$0	\$27,761	\$0	\$0	\$0
1616 Tennis Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Clubhouse					
105 Clubhouse Deck - Replace	\$0	\$0	\$0	\$0	\$0
106 Clubhouse Hdcp Ramp - Seal/Repair	\$8,958	\$0	\$0	\$9,789	\$0
302 Emergency Generator - Replace	\$0	\$0	\$0	\$0	\$0
303 Furnace - Repair/Replace	\$0	\$0	\$0	\$0	\$0
303 Rooftop Main HVAC - Replace	\$0	\$0	\$0	\$0	\$15,168
601 Carpet - Replace	\$0	\$0	\$0	\$35,411	\$0
603 Entry Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
701 Entry Wood/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$35,421
803 Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
901 Kitchen Appliances - Replace	\$0	\$0	\$0	\$0	\$0
903 Furniture - Replenish	\$42,844	\$0	\$0	\$0	\$0
904 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Remodel	\$0	\$0	\$0	\$0	\$0
911 Office - Refurbish	\$0	\$0	\$0	\$0	\$0
1110 Interior - Repaint	\$0	\$0	\$0	\$12,172	\$0
1115 Clubhouse Exterior - Repaint	\$0	\$0	\$0	\$0	\$0
1301 Flat Roof - Replace	\$43,935	\$0	\$0	\$0	\$0
Total Expenses	\$95,737	\$53,838	\$35,040	\$169,307	\$50,589
Ending Reserve Balance	\$1,088,670	\$1,241,869	\$1,421,390	\$1,473,842	\$1,652,384

Fiscal Year	2039	2040	2041	2042	2043
Starting Reserve Balance	\$1,652,384	\$1,833,639	\$2,008,661	\$2,054,279	\$2,316,427
Annual Reserve Contribution	\$219,912	\$226,509	\$233,305	\$240,304	\$247,513
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$17,423	\$19,203	\$20,306	\$21,844	\$23,096
Total Income	\$1,889,719	\$2,079,352	\$2,262,272	\$2,316,427	\$2,587,036
# Component					
General Common Areas					
103 Concrete Sidewalk - Repair	\$6,321	\$0	\$6,706	\$0	\$7,115
201 Roadway Surface - Remove/Replace	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal	\$0	\$0	\$94,847	\$0	\$0
203 Asphalt/Curbing - Misc Repairs	\$0	\$29,951	\$0	\$0	\$0
305 Security System - Modernize	\$23,028	\$0	\$24,430	\$0	\$25,918
351 Guard House - Refurbish	\$0	\$0	\$0	\$0	\$0
705 Gate Operator - Replace	\$19,325	\$0	\$0	\$0	\$0
709 Gates/Railing - Repair	\$0	\$0	\$0	\$0	\$0
1604 Tennis Courts - Resurface	\$0	\$0	\$33,149	\$0	\$0
1616 Tennis Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Clubhouse					
105 Clubhouse Deck - Replace	\$0	\$0	\$0	\$0	\$182,951
106 Clubhouse Hdcp Ramp - Seal/Repair	\$0	\$10,697	\$0	\$0	\$11,689
302 Emergency Generator - Replace	\$0	\$30,044	\$0	\$0	\$0
303 Furnace - Repair/Replace	\$0	\$0	\$0	\$0	\$0
303 Rooftop Main HVAC - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$0	\$0	\$0
603 Entry Tile Floor - Replace	\$0	\$0	\$0	\$0	\$0
701 Entry Wood/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
803 Water Heaters - Replace	\$7,405	\$0	\$0	\$0	\$0
901 Kitchen Appliances - Replace	\$0	\$0	\$0	\$0	\$0
903 Furniture - Replenish	\$0	\$0	\$0	\$0	\$0
904 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Remodel	\$0	\$0	\$0	\$0	\$54,581
911 Office - Refurbish	\$0	\$0	\$0	\$0	\$0
1110 Interior - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Clubhouse Exterior - Repaint	\$0	\$0	\$48,861	\$0	\$0
1301 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$56,080	\$70,691	\$207,993	\$0	\$282,253
Ending Reserve Balance	\$1,833,639	\$2,008,661	\$2,054,279	\$2,316,427	\$2,304,783

Fiscal Year	2044	2045	2046	2047	2048
Starting Reserve Balance	\$2,304,783	\$2,473,049	\$578,099	\$784,704	\$999,517
Annual Reserve Contribution	\$254,938	\$263,861	\$273,096	\$282,655	\$292,548
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$23,879	\$15,249	\$6,811	\$8,917	\$11,320
Total Income	\$2,583,600	\$2,752,159	\$858,007	\$1,076,277	\$1,303,384
# Component					
General Common Areas					
103 Concrete Sidewalk - Repair	\$0	\$7,548	\$0	\$8,008	\$0
201 Roadway Surface - Remove/Replace	\$0	\$1,926,914	\$0	\$0	\$0
202 Asphalt - Seal	\$0	\$106,751	\$0	\$0	\$0
203 Asphalt/Curbing - Misc Repairs	\$33,710	\$0	\$0	\$0	\$37,941
305 Security System - Modernize	\$0	\$27,497	\$0	\$29,171	\$0
351 Guard House - Refurbish	\$0	\$0	\$11,329	\$0	\$0
705 Gate Operator - Replace	\$0	\$23,076	\$0	\$0	\$0
709 Gates/Railing - Repair	\$0	\$0	\$49,202	\$0	\$0
1604 Tennis Courts - Resurface	\$0	\$0	\$0	\$39,581	\$0
1616 Tennis Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
Clubhouse					
105 Clubhouse Deck - Replace	\$0	\$0	\$0	\$0	\$0
106 Clubhouse Hdcp Ramp - Seal/Repair	\$0	\$0	\$12,772	\$0	\$0
302 Emergency Generator - Replace	\$0	\$0	\$0	\$0	\$0
303 Furnace - Repair/Replace	\$0	\$0	\$0	\$0	\$0
303 Rooftop Main HVAC - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$44,857	\$0	\$0	\$0
603 Entry Tile Floor - Replace	\$0	\$21,997	\$0	\$0	\$0
701 Entry Wood/Glass Doors - Replace	\$0	\$0	\$0	\$0	\$0
803 Water Heaters - Replace	\$0	\$0	\$0	\$0	\$0
901 Kitchen Appliances - Replace	\$0	\$0	\$0	\$0	\$0
903 Furniture - Replenish	\$57,579	\$0	\$0	\$0	\$0
904 Kitchen - Remodel	\$0	\$0	\$0	\$0	\$0
909 Bathrooms - Remodel	\$0	\$0	\$0	\$0	\$0
911 Office - Refurbish	\$19,263	\$0	\$0	\$0	\$0
1110 Interior - Repaint	\$0	\$15,420	\$0	\$0	\$0
1115 Clubhouse Exterior - Repaint	\$0	\$0	\$0	\$0	\$0
1301 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$110,551	\$2,174,060	\$73,303	\$76,760	\$37,941
Ending Reserve Balance	\$2,473,049	\$578,099	\$784,704	\$999,517	\$1,265,444

Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Robert M. Nordlund, P.E., R.S., company Founder/CEO, is a California licensed Professional Engineer (Mechanical, #22322), and credentialed Reserve Specialist (#5). All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
HP	Horsepower
LF	Linear Feet (length)
Effective Age	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
Fully Funded Balance (FFB)	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
Inflation	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
Interest	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.

Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding.

- 1) Common area repair & replacement responsibility
- 2) Component must have a limited useful life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of Annual operating expenses).

Not all your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above four criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed “Best Cost” and “Worst Cost”. There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur.

Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

General Common Areas

Comp #: 103 Concrete Sidewalk - Repair

Quantity: Extensive GSF

Location: Sidewalks adjacent to roadway throughout association
 Funded?: Yes. Meets National Reserve Study Standards four-part test
 History: Last repair project in 2017.

Comments: No changes reported since last Reserve Study update. Due for repairs based on passage of time.

Useful Life: 2 years	Remaining Life: 0 years
Best Case: \$ 2,800	Worst Case: \$4,200
Lower estimate for local repairs	Higher estimate

Cost Source: Client Cost History

Comp #: 201 Roadway Surface - Remove/Replace

Quantity: Approx 292,000 Sq Ft

Location: Roadway throughout association
 Funded?: Yes. Meets National Reserve Study Standards four-part test
 History: Last major resurface project approx 2005.

Comments: No changes reported since last Reserve Study update. Gradually approaching this major project.

Useful Life: 20 years	Remaining Life: 6 years
Best Case: \$ 819,000	Worst Case: \$968,000
Lower estimate to grind and resurface (overlay), \$2.80/Sq Ft	Higher estimate, \$3.30/Sq Ft

Cost Source: ARI Cost Database

Comp #: 202 Asphalt - Seal

Quantity: ~305800 Sq Ft

Location:
 Funded?: Yes. Meets National Reserve Study Standards four-part test
 History: Last sealed summer 2015

Comments: No problems reported, no changes warranted.

Useful Life: 4 years	Remaining Life: 2 years
Best Case: \$ 37,000	Worst Case: \$62,000
Lower estimate to clean and seal, \$.12/Sq Ft	Higher estimate, \$.21/Sq Ft (more local repairs)

Cost Source: ARI Cost Database

Comp #: 203 Asphalt/Curbing - Misc Repairs

Quantity: Local Repairs

Location: Adjacent to roadways throughout association
 Funded?: Yes. Meets National Reserve Study Standards four-part test
 History: Last repairs in summer 2015.

Comments: No problems reported, no changes warranted.

Useful Life: 4 years	Remaining Life: 1 years
Best Case: \$ 12,200	Worst Case: \$20,000
Lower estimate to repair	Higher estimate

Cost Source: Client Cost History

Comp #: 305 Security System - Modernize

Quantity: (1) Monitor (21) Cameras

Location: Clubhouse
 Funded?: Yes. Meets National Reserve Study Standards four-part test
 History: New cameras installed in 2016. System predated those additional cameras.

Comments: Due for modernization based on passage of time.

Useful Life: 2 years	Remaining Life: 0 years
Best Case: \$ 10,200	Worst Case: \$15,300
Lower estimate for modernization project	Higher estimate

Cost Source: Client Cost History

Comp #: 351 Guard House - Refurbish

Quantity: (1) Small Guard House

Location: Entry to association
 Funded?: Yes. Meets National Reserve Study Standards four-part test
 History: Original to association

Comments: No changes reported. Gradually approaching next refurbish project.

Useful Life: 10 years	Remaining Life: 7 years
Best Case: \$ 4,100	Worst Case: \$6,100
Lower estimate for periodic refurb project	Higher estimate

Cost Source: Client Cost History

Comp #: 416 Wood Benches - Replace**Quantity: (2) Sets**

Location: Park areas of association

Funded?: No. Too small cost and life too indeterminate for Reserve designation

History: New in 2013.

Comments: No changes reported.

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 705 Gate Operator - Replace**Quantity: (2) Elite SL3000**

Location: Main entry/exit to association

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Latest units replaced in 2015

Comments: Still reportedly functioning effectively. No problems reported. Aging on schedule.

Useful Life: 6 years

Remaining Life: 2 years

Best Case: \$ 9,200

Worst Case: \$12,200

Lower estimate for replacement units, installed

Higher estimate

Cost Source: Client Cost History

Comp #: 709 Gates/Railing - Repair**Quantity: (3) Gate systems**

Location: Clubhouse & front entry to association

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Last refurb project in 2015.

Comments: Aging gradually, on schedule. No problems reported.

Useful Life: 15 years

Remaining Life: 12 years

Best Case: \$ 19,300

Worst Case: \$25,000

Lower estimate for mechanical/structural repairs

Higher estimate

Cost Source: Client Cost History

Comp #: 1604 Tennis Courts - Resurface**Quantity: (2) Standard Court**

Location: North end of association

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Last resurfaced in 2017 (and in 2010 prior to that)

Comments: Still reported to be in good playable condition. No issues.

Useful Life: 6 years

Remaining Life: 4 years

Best Case: \$ 14,200

Worst Case: \$20,400

Lower estimate to resurface

Higher estimate

Cost Source: Client Cost History

Comp #: 1616 Tennis Chain Link Fence - Replace**Quantity: (720) Linear Ft**

Location: Perimeter of tennis courts

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Unknown

Comments: Still not done. Still needs to be done, but best to wait until tennis court resurface project.

Useful Life: 40 years

Remaining Life: 4 years

Best Case: \$ 46,000

Worst Case: \$61,000

Lower estimate to replace, fence & structural poles

Higher estimate

Cost Source: ARI Cost Database

Clubhouse

Comp #: 105 Clubhouse Deck - Replace**Quantity: Approx 1600 Sq Ft**

Location: Rear side of clubhouse
Funded?: Yes. Meets National Reserve Study Standards four-part test
History: Replaced in 2013.
Comments: No problems reported. Aging on schedule.
Useful Life: 15 years
Best Case: \$ 82,000
Lower estimate to replace
Cost Source: Client Cost History

Remaining Life: 9 years
Worst Case: \$98,000
Higher estimate

Comp #: 106 Clubhouse Hdcp Ramp - Seal/Repair**Quantity: Approx 2275 Sq Ft**

Location: Front entry to clubhouse.
Funded?: Yes. Meets National Reserve Study Standards four-part test
History: New in approx 2013.
Comments: Overdue for seal and repair project.
Useful Life: 3 years
Best Case: \$ 4,600
Lower estimate to prep and seal
Cost Source: Client Cost History

Remaining Life: 0 years
Worst Case: \$6,900
Higher estimate, more repairs
and manpower

Comp #: 302 Emergency Generator - Replace**Quantity: (1) 20kW Generac**

Location: Adjacent to Clubhouse
Funded?: Yes. Meets National Reserve Study Standards four-part test
History: New in 2010.
Comments: Reportedly still functioning well, gradually deteriorating on schedule.
Useful Life: 15 years
Best Case: \$ 14,300
Lower estimate for replacement unit, installed
Cost Source: ARI Cost Database

Remaining Life: 6 years
Worst Case: \$18,000
Higher estimate

Comp #: 303 Furnace - Repair/Replace**Quantity: (1) Bryant Unit**

Location: Closet of Clubhouse
Funded?: Yes. Meets National Reserve Study Standards four-part test
History: New in 2008. A/C module added approx 9/2010.
Comments: No issues reported. No changes warranted. Deteriorating on schedule.
Useful Life: 25 years
Best Case: \$ 8,200
Lower estimate for replacement unit, installed
Cost Source: Client Cost History

Remaining Life: 14 years
Worst Case: \$10,200
Higher estimate

Comp #: 303 Rooftop Main HVAC - Replace**Quantity: (1) 5-Ton unit**

Location: Rooftop of Clubhouse
Funded?: Yes. Meets National Reserve Study Standards four-part test
History: New in 2014.
Comments: No issues reported. No changes warranted. Deteriorating on schedule.
Useful Life: 12 years
Best Case: \$ 7,100
Lower estimate to replace, installed
Cost Source: Client Cost History

Remaining Life: 7 years
Worst Case: \$10,200
Higher estimate

Comp #: 601 Carpet - Replace**Quantity: Approx 320 Sq Yds**

Location: Clubhouse main flooring surfaces
Funded?: Yes. Meets National Reserve Study Standards four-part test
History: Unknown
Comments: Reportedly still attractive, but best to plan to replace on schedule with paint #1110.
Useful Life: 8 years
Best Case: \$ 16,000
Lower estimate for replacement flooring, \$50/Sq Yd
Cost Source: Client Cost History

Remaining Life: 2 years
Worst Case: \$25,600
Higher estimate, sturdier grade
carpet (\$80/Sq Yd)

Comp #: 603 Entry Tile Floor - Replace**Quantity: Approx 300 Sq Ft**

Location: Entry to Clubhouse

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Unknown

Comments: No problems reported. Plan to accomplish every-other carpet project.

Useful Life: 16 years

Remaining Life: 10 years

Best Case: \$ 9,200

Worst Case: \$11,200

Lower estimate to replace, \$30/Sq Ft

Higher estimate, \$37/Sq Ft

Cost Source: ARI Cost Database

Comp #: 701 Entry Wood/Glass Doors - Replace**Quantity: (2) Double-Wide Set**

Location: Front and rear of clubhouse

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Both sets new in 2008.

Comments: No issues reported. No changes warranted. Deteriorating on schedule.

Useful Life: 15 years

Remaining Life: 4 years

Best Case: \$ 15,400

Worst Case: \$25,000

Lower estimate to replace with similar sets

Higher estimate, add hdcp opener to front side

Cost Source: ARI Cost Database

Comp #: 803 Water Heaters - Replace**Quantity: (2) American 50 Gallon**

Location: Clubhouse mechanical room

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: New in approx 2015

Comments: No issues reported. No changes warranted. Deteriorating on schedule.

Useful Life: 12 years

Remaining Life: 8 years

Best Case: \$ 3,600

Worst Case: \$4,600

Lower estimate for replacement units, installed

Higher estimate, addnl material or labor costs

Cost Source: ARI Cost Database

Comp #: 901 Kitchen Appliances - Replace**Quantity: (1) Fridge, stove, MW, DW**

Location: Clubhouse

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: All appliances new in last kitchen refurb, approx 2009.

Comments: Reportedly still in good functional condition. Deteriorating on schedule.

Useful Life: 20 years

Remaining Life: 10 years

Best Case: \$ 10,200

Worst Case: \$14,300

Lower estimate for replacement units, installed

Higher estimate

Cost Source: Client Cost History

Comp #: 903 Furniture - Replenish**Quantity: (20) Tables (180) Chairs**

Location: Clubhouse floor or storage rm

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: All new pieces in 2014.

Comments: Plan is still appropriate - deteriorating on schedule. No issues at this time. Approx \$1000 in minor replacements accomplished in 2018.

Useful Life: 10 years

Remaining Life: 5 years

Best Case: \$ 22,400

Worst Case: \$32,600

Lower estimate for replacement pieces

Higher estimate

Cost Source: Client Cost History

Comp #: 904 Kitchen - Remodel**Quantity: Counters, Cabinets, Floor**

Location: Clubhouse

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Last refurbish project in 2009.

Comments: No issues reported. No changes warranted. Deteriorating on schedule.

Useful Life: 20 years

Remaining Life: 10 years

Best Case: \$ 10,200

Worst Case: \$14,300

Lower estimate for remodel/refurb project

Higher estimate

Cost Source: ARI Cost Databases

Comp #: 909 Bathrooms - Remodel**Quantity: Men's & Women's Bathrooms**

Location: Clubhouse

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Last remodeled in 2013 for \$37,800 (included "one-time" ADA-compliant stall remodel)

Comments: No issues reported. No changes warranted. Deteriorating on schedule.

Useful Life: 15 years

Remaining Life: 9 years

Best Case: \$ 21,500

Worst Case: \$32,200

Lower estimate for refurb project

Higher estimate

Cost Source: Client Cost History

Comp #: 911 Office - Refurbish**Quantity: Desk File Cabinet Etc.**

Location: Clubhouse

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Unknown

Comments: No issues reported. New computer and printer purchased (Op budget) in 2018. Staff reports they are ready for new furniture in near future.

Useful Life: 12 years

Remaining Life: 1 years

Best Case: \$ 8,200

Worst Case: \$10,200

Lower estimate for new office furniture

Higher estimate

Cost Source: ARI Cost Database

Comp #: 1110 Interior - Repaint**Quantity: Approx 7600 Sq Ft**

Location: Clubhouse interior surfaces

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Unknown

Comments: Reportedly still attractive, but best to plan to replace on schedule with carpet #601.

Useful Life: 8 years

Remaining Life: 2 years

Best Case: \$ 6,100

Worst Case: \$8,200

Lower estimate to prep & paint

Higher estimate

Cost Source: Client Cost History

Comp #: 1115 Clubhouse Exterior - Repaint**Quantity: Entire Clubhouse Exterior**

Location: Building exterior surfaces

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Last repainted in 2011.

Comments: No issues. Reportedly beginning to look aged. Gradually approaching time to repaint.

Useful Life: 10 years

Remaining Life: 2 years

Best Case: \$ 23,000

Worst Case: \$28,000

Lower estimate to prep and paint

Higher estimate

Cost Source: ARI Cost Database

Comp #: 1301 Flat Roof - Replace**Quantity: Approx 4700 Sq Ft**

Location: Rooftop of clubhouse

Funded?: Yes. Meets National Reserve Study Standards four-part test

History: Unknown. Scheduled for summer 2018, but was deferred

Comments: No leaks yet, but based on age it is time to execute this project.

Useful Life: 15 years

Remaining Life: 0 years

Best Case: \$ 23,500

Worst Case: \$32,900

Lower estimate to replace, \$5.00/Sq Ft

Higher estimate, \$7/Sq Ft

Cost Source: Client-Provided Cost Estimate