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## **RIVERWALK TUCSON HOA**



***Level 2 Reserve Study Update (With Site-Visit)***

***Prepared For Fiscal Year 2019***

***January 11, 2019***

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## ***Preface***

*This comprehensive reserve study report was produced using specialized web-based software powered by Global Reserves.*

*The individual responsible for report preparation and/or oversight is Robert Petrisin, RS.*

*Information contained in the report is considered reliable, but is not guaranteed. The report does not warrant against the contingency of unforeseen conditions or circumstances, unreliable information, or an unpredictable inflationary or deflationary spiral. The report is not intended to predict precise expectations, but rather to chart the expectations that a reasonable person might anticipate in planning for the fiscal future. The scope of this report is expressly limited to the components described herein.*

*It is strongly recommended by the Reserve Study Industry to have this reserve study report updated on an annual basis to ensure the security of a long-term funding plan. These necessary updates provide statutory compliance (as applicable) and allow for adjustments due to actual year-end inflation rate, actual year-end reserve balance and the unpredictable nature of the lives of many of the reserve components under consideration.*

## *Reserve Disclosures*

### Profile

Name	Riverwalk Tucson HOA
Location	Tucson, AZ 85718
Units/General Type	98 / Planned Development (PD)
Base Year / Age	2006 / 13
Fiscal Year Ends	December-31

### Parameters

Level of Service	Level 2 Reserve Study Update (With Site-Visit)
Prepared for Fiscal Year (FY)	2019
Most Recent On-Site Inspection Date	October 04, 2018
Allocation Increase Rate	ref Cash Flow Analysis
Contingency Rate	ref Component Details
Inflation Rate	3.0%
Interest Rate / Tax Rate	2.5% / 30.0%
Interest Rate (net effective)	1.8%
Current Reserve Allocation	\$48,540 per year
Current Reserve Balance	\$197,851 as of July 31, 2018
Funding Plan - Method / Goal	Cash Flow / Threshold - average Percent Funded 65%

### Summary

<b>FY Start Balance</b>	<b>\$219,519</b> <i>(projected to current FY end/next FY start)</i>
<b>Fully Funded Balance</b>	<b>\$392,517</b>
<b>Percent Funded</b>	<b>56%</b>
<i>Proposed Budget</i>	<i>per year</i> <i>per month</i> <i>per unit per month</i>
<b>Reserve Allocation</b>	<b>\$50,433</b> <b>\$4,203</b> <b>\$42.89</b>

*Association management/members need to understand that Percent Funded is a general indication of reserve strength and that the parameter fluctuates from year to year due to the Disbursement Schedule.*

*The Reserve Allocation was determined using the Funding Plan indicated above under the Parameters section. This allocation should be increased annually using the Allocation Increase Rate found in the Cash Flow Analysis.*

*Association management should budget the Reserve Allocation amount toward reserves for next fiscal year, to ensure the availability of reserves to fund future reserve component expenditures. This amount reflects an increase of 3.90% from the Current Reserve Allocation. The Reserve Allocation must be reviewed and adjusted for inflation (and other vital factors) in succeeding years to ensure the- Security of a Successful Plan!*

## *Reserve Disclosures*

<i>Reserve Component</i>	<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>
<b>01 Coat/Paint/Stain</b>			
01.01 exterior,clubhouse/guardhouse,paint	\$2,238	10	8
01.02 exterior,SFH units,paint-owner resp.	\$0	999	999
01.03 exterior,townhouse units,paint(26)	\$75,075	10	4
01.04 exterior,townhouse units,paint(32)	\$92,400	10	8
01.05 gate/fence,patio yard,paint	\$2,118	5	3
01.06 interior,clubhouse,paint	\$1,684	8	1
01.07 wrought iron,perimeter,paint	\$4,126	5	3
01.08 wrought iron,perimeter-NW,paint-unfund	\$0	999	999
01.09 wrought iron,pool area,paint	\$1,532	5	3
<b>02 Equipment</b>			
02.01 appliance,kitchen	\$2,434	15	3
02.02 doors,CH	\$10,492	30	18
02.03 fitness equipment	\$16,438	15	3
02.04 fitness equipment,treadmills	\$9,450	10	8
02.05 fixtures,light,accent/pagoda-entry	\$3,480	20	8
02.06 fixtures,light,post mount	\$2,983	20	8
02.07 fixtures,light,walkway	\$1,071	20	13
02.08 fountain pump,main entry	\$913	8	1
02.09 gate operators	\$16,236	10	1
02.10 hvac,clubhouse/fitness	\$7,915	20	8
02.11 hvac,guardhouse	\$2,319	20	8
02.12 mailbox,CBUs	\$14,126	20	8
02.13 mailboxes,parcels	\$5,355	20	18
02.14 phone system,entry	\$3,479	10	1
02.15 security/access system-pool/gym	\$5,250	20	8
02.16 security/surveillance system	\$2,255	10	9
02.17 signage,street	\$2,922	30	18
02.18 water heater,clubhouse	\$791	10	1
<b>03 Fencing</b>			
03.01 fence,patio yard(06)	\$1,064	30	18
03.02 fence,patio yard(26)	\$4,610	30	24
03.03 gate,patio yard(26)	\$13,832	30	24
03.04 gate,patio yard(32)	\$17,025	30	18
03.05 gates,vehicular	\$7,306	30	18
03.06 walls,perimeter repairs(10%)	\$14,978	30	18
03.07 wrought iron,perimeter,replace	\$25,019	30	18

## Reserve Disclosures

<i>Reserve Component</i>	<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>
<b>03 Fencing</b>			
03.08 wrought iron,perimeter-NW,replace-unfund	\$0	999	999
03.09 wrought iron,pool area,replace	\$8,694	25	13
<b>04 Pavement</b>			
04.01 asphalt,major rehab	\$136,564	20	8
04.02 asphalt,repairs	\$8,841	10	6
04.03 asphalt,sealcoat/slurry	\$8,841	5	1
04.04 concrete,repairs	\$5,798	10	1
04.05 paver blocks,entry,repairs(5%)	\$18,369	20	8
<b>05 Pools/Spas</b>			
05.01 deck,kooldeck,pool area,repair/rehab	\$8,569	10	9
05.02 filter,pool	\$1,339	15	3
05.03 filter,spa	\$1,339	15	3
05.04 furniture,pool area	\$3,997	6	5
05.05 furniture,pool area,fabric shade cover	\$1,791	10	8
05.06 furniture,pool area,rectangle table	\$936	10	10
05.07 furniture,pool area,trash receptacles	\$1,050	10	10
05.08 heater,pool	\$6,088	15	3
05.09 heater,spa	\$3,684	12	6
05.10 pump,pool	\$913	8	1
05.11 pumps,spa	\$2,739	8	1
05.12 rehab,pool	\$10,959	15	3
05.13 rehab,spa	\$3,653	10	1
<b>06 Restoration</b>			
06.01 bathrooms,rehab	\$4,676	20	8
06.02 drainage channel repairs,east	\$29,557	30	18
06.03 erosion control/stabilization	\$1,159	10	1
06.04 flooring,carpet,fitness room	\$1,570	10	1
06.05 flooring,tile,clubhouse/bathrooms	\$13,103	30	18
06.06 fountain,common area-unfunded	\$0	999	999
06.07 fountain,main entry,rehab	\$1,826	10	1
06.08 guardhouse,rehab	\$11,873	30	18
06.09 irrigation/landscape,rehab-oper bdgt	\$0	999	999
06.10 kitchen,rehab	\$6,088	30	18
06.11 utility lines,rehab-unfunded	\$0	999	999

## *Reserve Disclosures*

<i>Reserve Component</i>	<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>
<b>07 Roofs</b>			
07.01 low slope/flat roof,clubhouse	\$4,196	12	12
07.02 metal roof,guardhouse	\$2,362	40	28
07.03 roof inspection-oper budget	\$0	999	999
07.04 roof,SFH-owner resp.	\$0	999	999
07.05 roof,townhouse-owner resp.	\$0	999	999
<b>Grand Total:</b>	<b>\$681,490</b>		

# Cash Flow Analysis

Fiscal Year	FY Start Balance	Interest Earned	Reserve Allocation	Allocation Increase Rate	Special Assessment	Disbursement	FY End Balance	Fully Funded Balance	Percent Funded
2018	--	--	--	--	--	\$0	\$219,519	\$333,598	--
2019	\$219,519	\$3,842	\$50,433	3.9%	\$0	\$51,090	\$222,704	\$392,517	56%
2020	\$222,704	\$3,897	\$52,399	3.9%	\$0	\$0	\$279,001	\$402,048	55%
2021	\$279,001	\$4,883	\$54,443	3.9%	\$0	\$50,671	\$287,656	\$465,988	60%
2022	\$287,656	\$5,034	\$56,566	3.9%	\$0	\$84,497	\$264,760	\$481,229	60%
2023	\$264,760	\$4,633	\$58,772	3.9%	\$0	\$4,634	\$323,532	\$463,698	57%
2024	\$323,532	\$5,662	\$61,065	3.9%	\$0	\$25,513	\$364,746	\$529,549	61%
2025	\$364,746	\$6,383	\$63,446	3.9%	\$0	\$0	\$434,576	\$577,551	63%
2026	\$434,576	\$7,605	\$65,920	3.9%	\$0	\$391,869	\$116,233	\$655,035	66%
2027	\$116,233	\$2,034	\$68,491	3.9%	\$0	\$22,276	\$164,483	\$333,022	35%
2028	\$164,483	\$2,878	\$71,163	3.9%	\$0	\$2,669	\$235,855	\$383,874	43%
2029	\$235,855	\$4,127	\$73,938	3.9%	\$0	\$65,543	\$248,377	\$458,367	51%
2030	\$248,377	\$4,347	\$76,822	3.9%	\$0	\$5,983	\$323,563	\$472,338	53%
2031	\$323,563	\$5,662	\$79,818	3.9%	\$0	\$25,759	\$383,284	\$550,056	59%
2032	\$383,284	\$6,707	\$82,931	3.9%	\$0	\$113,558	\$359,364	\$611,870	63%
2033	\$359,364	\$6,289	\$86,165	3.9%	\$0	\$0	\$451,818	\$587,253	61%
2034	\$451,818	\$7,907	\$89,525	3.9%	\$0	\$28,374	\$520,877	\$681,057	66%
2035	\$520,877	\$9,115	\$93,017	3.9%	\$0	\$16,934	\$606,075	\$750,733	69%
2036	\$606,075	\$10,606	\$96,644	3.9%	\$0	\$511,945	\$201,381	\$836,660	72%
2037	\$201,381	\$3,524	\$100,414	3.9%	\$0	\$18,980	\$286,339	\$417,733	48%
2038	\$286,339	\$5,011	\$104,330	3.9%	\$0	\$3,587	\$392,093	\$496,480	58%
2039	\$392,093	\$6,862	\$108,399	3.9%	\$0	\$80,650	\$426,704	\$596,024	66%
2040	\$426,704	\$7,467	\$112,626	3.9%	\$0	\$0	\$546,798	\$621,823	69%
2041	\$546,798	\$9,569	\$117,019	3.9%	\$0	\$23,235	\$650,151	\$734,203	74%
2042	\$650,151	\$11,378	\$121,582	3.9%	\$0	\$198,631	\$584,481	\$828,825	78%
2043	\$584,481	\$10,228	\$126,324	3.9%	\$0	\$13,085	\$707,949	\$748,532	78%
2044	\$707,949	\$12,389	\$131,251	3.9%	\$0	\$38,134	\$813,455	\$859,916	82%
2045	\$813,455	\$14,235	\$136,370	3.9%	\$0	\$0	\$964,060	\$951,920	85%
2046	\$964,060	\$16,871	\$141,688	3.9%	\$0	\$713,137	\$409,482	\$1,089,105	89%
2047	\$409,482	\$7,166	\$147,214	3.9%	\$0	\$34,927	\$528,935	\$499,166	82%
2048	\$528,935	\$9,256	\$152,955	3.9%	\$0	\$13,763	\$677,384	\$593,431	89%

1.8% - Interest Rate
3.0% - Inflation

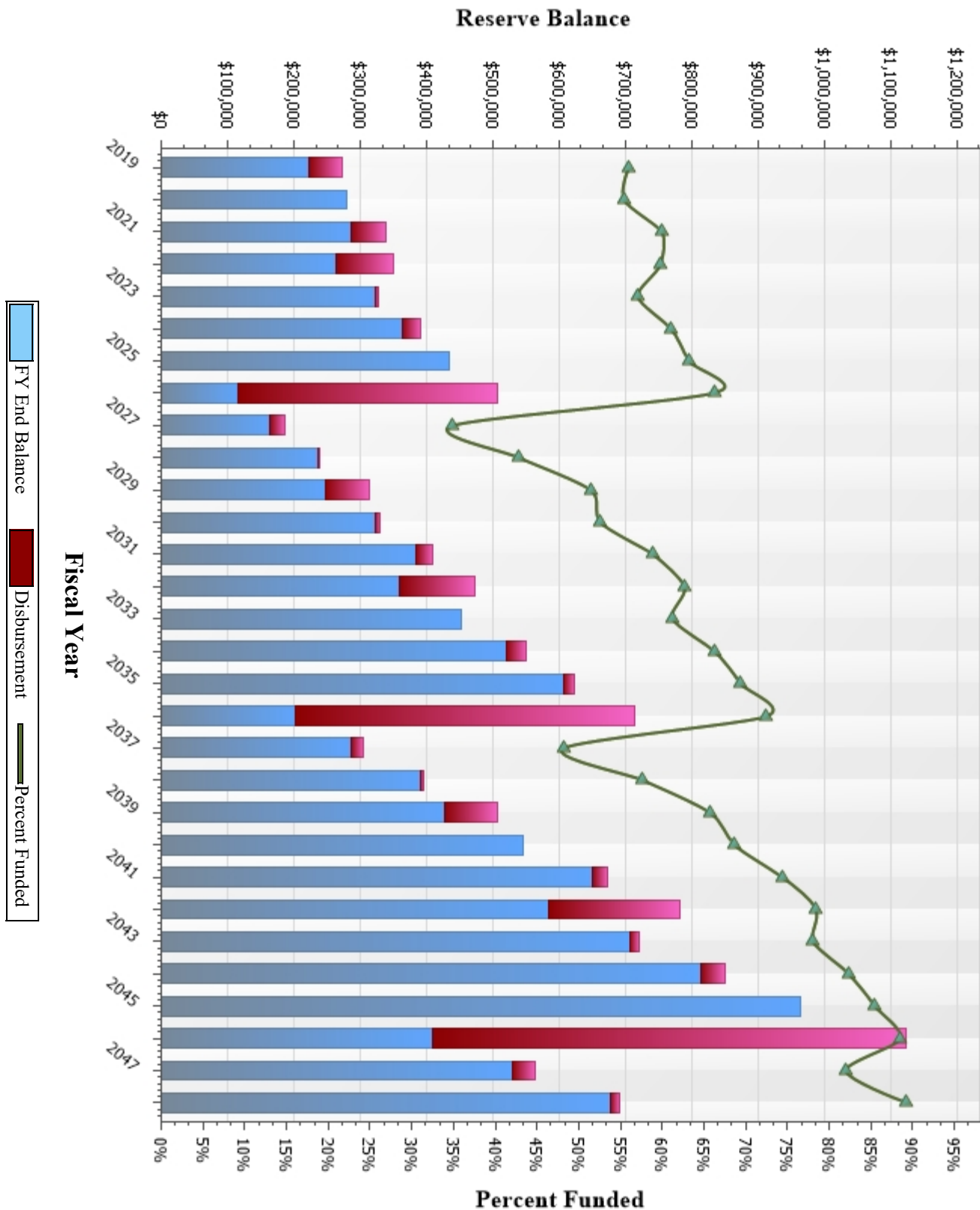
Min FY End Balance:	\$116,233
Avg FY End Balance:	\$425,871

Min % Funded:	35%
Avg % Funded:	65%



# Yearly Review Chart

Disbursement with Percent Funded Comparison



## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2019</b>	<b>\$51,090</b>			
		\$1,735	01.06	interior,clubhouse,paint
		\$940	02.08	fountain pump,main entry
		\$16,723	02.09	gate operators
		\$3,583	02.14	phone system,entry
		\$815	02.18	water heater,clubhouse
		\$9,106	04.03	asphalt,sealcoat/slurry
		\$5,972	04.04	concrete,repairs
		\$940	05.10	pump,pool
		\$2,821	05.11	pumps,spa
		\$3,763	05.13	rehab,spa
		\$1,194	06.03	erosion control/stabilization
		\$1,617	06.04	flooring,carpet,fitness room
		\$1,881	06.07	fountain,main entry,rehab
<b>2021</b>	<b>\$50,671</b>			
		\$2,314	01.05	gate/fence,patio yard,paint
		\$4,508	01.07	wrought iron,perimeter,paint
		\$1,674	01.09	wrought iron,pool area,paint
		\$2,660	02.01	appliance,kitchen
		\$17,962	02.03	fitness equipment
		\$1,463	05.02	filter,pool
		\$1,463	05.03	filter,spa
		\$6,652	05.08	heater,pool
		\$11,975	05.12	rehab,pool
<b>2022</b>	<b>\$84,497</b>			
		\$84,497	01.03	exterior,townhouse units,paint(26)
<b>2023</b>	<b>\$4,634</b>			
		\$4,634	05.04	furniture,pool area
<b>2024</b>	<b>\$25,513</b>			
		\$10,557	04.02	asphalt,repairs
		\$10,557	04.03	asphalt,sealcoat/slurry
		\$4,399	05.09	heater,spa

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2026</b>	<b>\$391,869</b>			
		\$2,835	01.01	exterior,clubhouse/guardhouse,paint
		\$117,052	01.04	exterior,townhouse units,paint(32)
		\$2,683	01.05	gate/fence,patio yard,paint
		\$5,227	01.07	wrought iron,perimeter,paint
		\$1,941	01.09	wrought iron,pool area,paint
		\$11,971	02.04	fitness equipment,treadmills
		\$4,408	02.05	fixtures,light,accent/pagoda-entry
		\$3,779	02.06	fixtures,light,post mount
		\$10,027	02.10	hvac,clubhouse/fitness
		\$2,938	02.11	hvac,guardhouse
		\$17,895	02.12	mailbox,CBUs
		\$6,651	02.15	security/access system-pool/gym
		\$172,999	04.01	asphalt,major rehab
		\$23,270	04.05	paver blocks,entry,repairs(5%)
		\$2,269	05.05	furniture,pool area,fabric shade cover
		\$5,924	06.01	bathrooms,rehab
<b>2027</b>	<b>\$22,276</b>			
		\$2,197	01.06	interior,clubhouse,paint
		\$1,191	02.08	fountain pump,main entry
		\$2,942	02.16	security/surveillance system
		\$11,181	05.01	deck,kooldeck,pool area,repair/rehab
		\$1,191	05.10	pump,pool
		\$3,574	05.11	pumps,spa
<b>2028</b>	<b>\$2,669</b>			
		\$1,258	05.06	furniture,pool area,rectangle table
		\$1,411	05.07	furniture,pool area,trash receptacles

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2029</b>	<b>\$65,543</b>			
		\$22,474	02.09	gate operators
		\$4,816	02.14	phone system,entry
		\$1,095	02.18	water heater,clubhouse
		\$12,238	04.03	asphalt,sealcoat/slurry
		\$8,026	04.04	concrete,repairs
		\$5,533	05.04	furniture,pool area
		\$5,056	05.13	rehab,spa
		\$1,604	06.03	erosion control/stabilization
		\$2,173	06.04	flooring,carpet,fitness room
		\$2,528	06.07	fountain,main entry,rehab
<b>2030</b>	<b>\$5,983</b>			
		\$5,983	07.01	low slope/flat roof,clubhouse
<b>2031</b>	<b>\$25,759</b>			
		\$3,110	01.05	gate/fence,patio yard,paint
		\$6,059	01.07	wrought iron,perimeter,paint
		\$2,250	01.09	wrought iron,pool area,paint
		\$1,573	02.07	fixtures,light,walkway
		\$12,767	03.09	wrought iron,pool area,replace
<b>2032</b>	<b>\$113,558</b>			
		\$113,558	01.03	exterior,townhouse units,paint(26)
<b>2034</b>	<b>\$28,374</b>			
		\$14,187	04.02	asphalt,repairs
		\$14,187	04.03	asphalt,sealcoat/slurry
<b>2035</b>	<b>\$16,934</b>			
		\$2,783	01.06	interior,clubhouse,paint
		\$1,509	02.08	fountain pump,main entry
		\$6,606	05.04	furniture,pool area
		\$1,509	05.10	pump,pool
		\$4,527	05.11	pumps,spa

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2036</b>	<b>\$511,945</b>			
		\$3,810	01.01	exterior,clubhouse/guardhouse,paint
		\$157,302	01.04	exterior,townhouse units,paint(32)
		\$3,606	01.05	gate/fence,patio yard,paint
		\$7,024	01.07	wrought iron,perimeter,paint
		\$2,608	01.09	wrought iron,pool area,paint
		\$4,144	02.01	appliance,kitchen
		\$17,862	02.02	doors,CH
		\$27,984	02.03	fitness equipment
		\$16,088	02.04	fitness equipment,treadmills
		\$9,116	02.13	mailboxes,parcels
		\$4,974	02.17	signage,street
		\$1,811	03.01	fence,patio yard(06)
		\$28,983	03.04	gate,patio yard(32)
		\$12,438	03.05	gates,vehicular
		\$25,499	03.06	walls,perimeter repairs(10%)
		\$42,592	03.07	wrought iron,perimeter,replace
		\$2,280	05.02	filter,pool
		\$2,280	05.03	filter,spa
		\$3,049	05.05	furniture,pool area,fabric shade cover
		\$10,364	05.08	heater,pool
		\$6,272	05.09	heater,spa
		\$18,657	05.12	rehab,pool
		\$50,318	06.02	drainage channel repairs,east
		\$22,307	06.05	flooring,tile,clubhouse/bathrooms
		\$20,213	06.08	guardhouse,rehab
		\$10,364	06.10	kitchen,rehab
<b>2037</b>	<b>\$18,980</b>			
		\$3,954	02.16	security/surveillance system
		\$15,026	05.01	deck,kooldeck,pool area,repair/rehab
<b>2038</b>	<b>\$3,587</b>			
		\$1,691	05.06	furniture,pool area,rectangle table
		\$1,896	05.07	furniture,pool area,trash receptacles

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2039</b>	<b>\$80,650</b>			
		\$30,204	02.09	gate operators
		\$6,472	02.14	phone system,entry
		\$1,471	02.18	water heater,clubhouse
		\$16,447	04.03	asphalt,sealcoat/slurry
		\$10,786	04.04	concrete,repairs
		\$6,796	05.13	rehab,spa
		\$2,156	06.03	erosion control/stabilization
		\$2,921	06.04	flooring,carpet,fitness room
		\$3,397	06.07	fountain,main entry,rehab
<b>2041</b>	<b>\$23,235</b>			
		\$4,180	01.05	gate/fence,patio yard,paint
		\$8,143	01.07	wrought iron,perimeter,paint
		\$3,024	01.09	wrought iron,pool area,paint
		\$7,888	05.04	furniture,pool area
<b>2042</b>	<b>\$198,631</b>			
		\$152,612	01.03	exterior,townhouse units,paint(26)
		\$9,371	03.02	fence,patio yard(26)
		\$28,118	03.03	gate,patio yard(26)
		\$8,530	07.01	low slope/flat roof,clubhouse
<b>2043</b>	<b>\$13,085</b>			
		\$3,526	01.06	interior,clubhouse,paint
		\$1,912	02.08	fountain pump,main entry
		\$1,912	05.10	pump,pool
		\$5,735	05.11	pumps,spa
<b>2044</b>	<b>\$38,134</b>			
		\$19,067	04.02	asphalt,repairs
		\$19,067	04.03	asphalt,sealcoat/slurry

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2046</b>	<b>\$713,137</b>			
		\$5,120	01.01	exterior,clubhouse/guardhouse,paint
		\$211,402	01.04	exterior,townhouse units,paint(32)
		\$4,846	01.05	gate/fence,patio yard,paint
		\$9,440	01.07	wrought iron,perimeter,paint
		\$3,505	01.09	wrought iron,pool area,paint
		\$21,621	02.04	fitness equipment,treadmills
		\$7,962	02.05	fixtures,light,accent/pagoda-entry
		\$6,825	02.06	fixtures,light,post mount
		\$18,109	02.10	hvac,clubhouse/fitness
		\$5,306	02.11	hvac,guardhouse
		\$32,319	02.12	mailbox,CBUs
		\$12,011	02.15	security/access system-pool/gym
		\$312,445	04.01	asphalt,major rehab
		\$42,026	04.05	paver blocks,entry,repairs(5%)
		\$4,098	05.05	furniture,pool area,fabric shade cover
		\$10,698	06.01	bathrooms,rehab
		\$5,404	07.02	metal roof,guardhouse
<b>2047</b>	<b>\$34,927</b>			
		\$5,314	02.16	security/surveillance system
		\$20,194	05.01	deck,kooldeck,pool area,repair/rehab
		\$9,419	05.04	furniture,pool area
<b>2048</b>	<b>\$13,763</b>			
		\$2,272	05.06	furniture,pool area,rectangle table
		\$2,549	05.07	furniture,pool area,trash receptacles
		\$8,942	05.09	heater,spa
<b>Grand Total:</b>	<b>\$2,539,444</b>			

## Reserve Balance Distribution

<p><i>Note- This distribution is based on the disbursement by year in ascending order.</i></p>	<p><b>\$219,519 : FY Start Balance</b>  <b>\$219,519 : Distributed Funds</b></p>
	<p><b>\$0 : Remaining Funds</b></p>

<i>Reserve Component</i>	<i>Distribution</i>	<i>Percentage</i>
01 Coat/Paint/Stain		
01.01 exterior,clubhouse/guardhouse,paint		
01.02 exterior,SFH units,paint-owner resp.		
01.03 exterior,townhouse units,paint(26)	\$75,075	34.2%
01.04 exterior,townhouse units,paint(32)		
01.05 gate/fence,patio yard,paint	\$4,236	1.9%
01.06 interior,clubhouse,paint	\$3,353	1.5%
01.07 wrought iron,perimeter,paint	\$8,252	3.8%
01.08 wrought iron,perimeter-NW,paint-unfund		
01.09 wrought iron,pool area,paint	\$3,064	1.4%
02 Equipment		
02.01 appliance,kitchen	\$2,434	1.1%
02.02 doors,CH		
02.03 fitness equipment	\$16,438	7.5%
02.04 fitness equipment,treadmills		
02.05 fixtures,light,accent/pagoda-entry		
02.06 fixtures,light,post mount		
02.07 fixtures,light,walkway	\$1,071	0.5%
02.08 fountain pump,main entry	\$913	0.4%
02.09 gate operators	\$16,236	7.4%
02.10 hvac,clubhouse/fitness		
02.11 hvac,guardhouse		
02.12 mailbox,CBUs		
02.13 mailboxes,parcels		
02.14 phone system,entry	\$3,479	1.6%
02.15 security/access system-pool/gym		
02.16 security/surveillance system	\$2,255	1.0%
02.17 signage,street		
02.18 water heater,clubhouse	\$791	0.4%
03 Fencing		
03.01 fence,patio yard(06)		
03.02 fence,patio yard(26)		
03.03 gate,patio yard(26)		
03.04 gate,patio yard(32)		
03.05 gates,vehicular		



## Reserve Balance Distribution

<i>Note- This distribution is based on the disbursement by year in ascending order.</i>	<b>\$219,519 : FY Start Balance</b> <b>\$219,519 : Distributed Funds</b>
	<b>\$0 : Remaining Funds</b>

<i>Reserve Component</i>	<i>Distribution</i>	<i>Percentage</i>
03 Fencing		
03.06 walls,perimeter repairs(10%)		
03.07 wrought iron,perimeter,replace		
03.08 wrought iron,perimeter-NW,replace-unfund		
03.09 wrought iron,pool area,replace	\$8,694	4.0%
04 Pavement		
04.01 asphalt,major rehab		
04.02 asphalt,repairs	\$8,841	4.0%
04.03 asphalt,sealcoat/slurry	\$17,682	8.1%
04.04 concrete,repairs	\$5,798	2.6%
04.05 paver blocks,entry,repairs(5%)		
05 Pools/Spas		
05.01 deck,kooldeck,pool area,repair/rehab		
05.02 filter,pool	\$1,339	0.6%
05.03 filter,spa	\$1,339	0.6%
05.04 furniture,pool area		
05.05 furniture,pool area,fabric shade cover		
05.06 furniture,pool area,rectangle table	\$936	0.4%
05.07 furniture,pool area,trash receptacles	\$1,050	0.5%
05.08 heater,pool	\$6,088	2.8%
05.09 heater,spa	\$3,684	1.7%
05.10 pump,pool	\$1,826	0.8%
05.11 pumps,spa	\$5,478	2.5%
05.12 rehab,pool	\$10,959	5.0%
05.13 rehab,spa	\$3,653	1.7%
06 Restoration		
06.01 bathrooms,rehab		
06.02 drainage channel repairs,east		
06.03 erosion control/stabilization	\$1,159	0.5%
06.04 flooring,carpet,fitness room	\$1,570	0.7%
06.05 flooring,tile,clubhouse/bathrooms		
06.06 fountain,common area-unfunded		
06.07 fountain,main entry,rehab	\$1,826	0.8%
06.08 guardhouse,rehab		
06.09 irrigation/landscape,rehab-oper bdgt		
06.10 kitchen,rehab		
06.11 utility lines,rehab-unfunded		

## *Reserve Balance Distribution*

<i>Note- This distribution is based on the disbursement by year in ascending order.</i>	<b>\$219,519 : FY Start Balance</b> <b>\$219,519 : Distributed Funds</b>
	<b>\$0 : Remaining Funds</b>

	<i>Reserve Component</i>	<i>Distribution</i>	<i>Percentage</i>
06	Restoration		
07	Roofs		
07.01	low slope/flat roof,clubhouse		
07.02	metal roof,guardhouse		
07.03	roof inspection-oper budget		
07.04	roof,SFH-owner resp.		
07.05	roof,townhouse-owner resp.		

## Allocation Breakdown

<i>Reserve Component</i>		<i>Reserve Allocation (per year)</i>	<i>Reserve Allocation (per month)</i>	<i>Reserve Allocation (per unit per month)</i>	<i>Allocation %</i>
<b>01</b>	<b>Coat/Paint/Stain</b>	<b>\$19,899.53</b>	<b>\$1,658.29</b>	<b>\$16.92</b>	<b>39.46%</b>
01.01	exterior,clubhouse/guardhouse,paint	\$237.69	\$19.81	\$0.20	0.47%
01.02	exterior,SFH units,paint-owner resp.	\$0.00	\$0.00	\$0.00	0.00%
01.03	exterior,townhouse units,paint(26)	\$7,973.30	\$664.44	\$6.78	15.81%
01.04	exterior,townhouse units,paint(32)	\$9,813.29	\$817.77	\$8.34	19.46%
01.05	gate/fence,patio yard,paint	\$449.88	\$37.49	\$0.38	0.89%
01.06	interior,clubhouse,paint	\$223.56	\$18.63	\$0.19	0.44%
01.07	wrought iron,perimeter,paint	\$876.40	\$73.03	\$0.75	1.74%
01.08	wrought iron,perimeter-NW,paint-unfund	\$0.00	\$0.00	\$0.00	0.00%
01.09	wrought iron,pool area,paint	\$325.41	\$27.12	\$0.28	0.65%
<b>02</b>	<b>Equipment</b>	<b>\$7,610.01</b>	<b>\$634.17</b>	<b>\$6.47</b>	<b>15.08%</b>
02.01	appliance,kitchen	\$172.33	\$14.36	\$0.15	0.34%
02.02	doors,CH	\$371.43	\$30.95	\$0.32	0.74%
02.03	fitness equipment	\$1,163.86	\$96.99	\$0.99	2.31%
02.04	fitness equipment,treadmills	\$1,003.63	\$83.64	\$0.85	1.99%
02.05	fixtures,light,accent/pagoda-entry	\$184.80	\$15.40	\$0.16	0.37%
02.06	fixtures,light,post mount	\$158.40	\$13.20	\$0.13	0.31%
02.07	fixtures,light,walkway	\$56.87	\$4.74	\$0.05	0.11%
02.08	fountain pump,main entry	\$121.21	\$10.10	\$0.10	0.24%
02.09	gate operators	\$1,724.34	\$143.69	\$1.47	3.42%
02.10	hvac,clubhouse/fitness	\$420.30	\$35.03	\$0.36	0.83%
02.11	hvac,guardhouse	\$123.14	\$10.26	\$0.10	0.24%
02.12	mailbox,CBUs	\$750.12	\$62.51	\$0.64	1.49%
02.13	mailboxes,parcels	\$284.36	\$23.70	\$0.24	0.56%
02.14	phone system,entry	\$369.49	\$30.79	\$0.31	0.73%
02.15	security/access system-pool/gym	\$278.79	\$23.23	\$0.24	0.55%
02.16	security/surveillance system	\$239.49	\$19.96	\$0.20	0.47%
02.17	signage,street	\$103.44	\$8.62	\$0.09	0.21%
02.18	water heater,clubhouse	\$84.01	\$7.00	\$0.07	0.17%
<b>03</b>	<b>Fencing</b>	<b>\$3,337.18</b>	<b>\$278.11</b>	<b>\$2.83</b>	<b>6.61%</b>
03.01	fence,patio yard(06)	\$37.67	\$3.14	\$0.03	0.07%

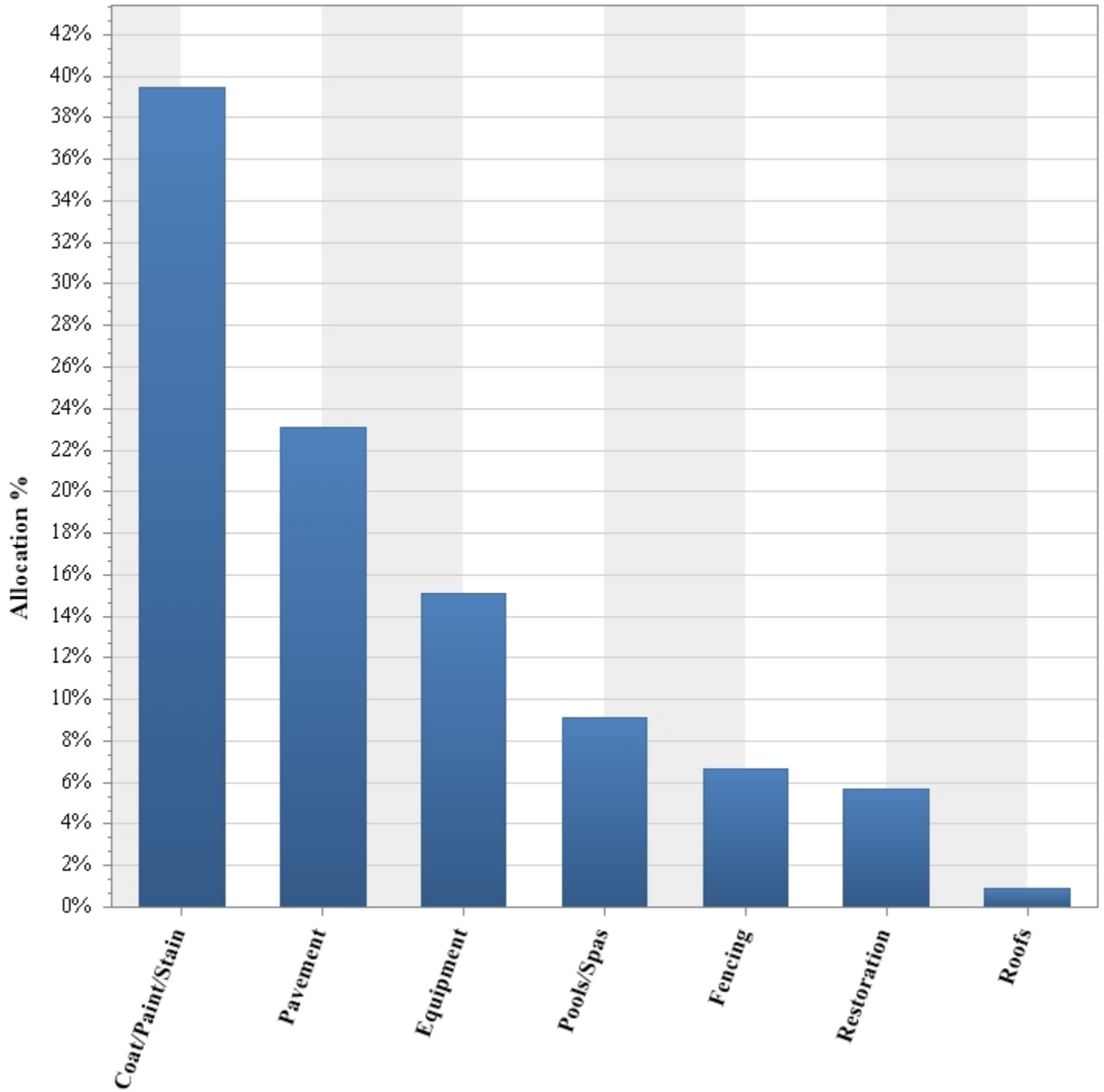
## Allocation Breakdown

<i>Reserve Component</i>		<i>Reserve Allocation (per year)</i>	<i>Reserve Allocation (per month)</i>	<i>Reserve Allocation (per unit per month)</i>	<i>Allocation %</i>
<b>03</b>	<b>Fencing</b>	<b>\$3,337.18</b>	<b>\$278.11</b>	<b>\$2.83</b>	<b>6.61%</b>
03.02	fence,patio yard(26)	\$163.20	\$13.60	\$0.14	0.32%
03.03	gate,patio yard(26)	\$489.67	\$40.81	\$0.42	0.97%
03.04	gate,patio yard(32)	\$602.71	\$50.23	\$0.51	1.20%
03.05	gates,vehicular	\$258.64	\$21.55	\$0.22	0.51%
03.06	walls,perimeter repairs(10%)	\$530.24	\$44.19	\$0.45	1.05%
03.07	wrought iron,perimeter,replace	\$885.71	\$73.81	\$0.75	1.76%
03.08	wrought iron,perimeter-NW,replace-unfund	\$0.00	\$0.00	\$0.00	0.00%
03.09	wrought iron,pool area,replace	\$369.34	\$30.78	\$0.31	0.73%
<b>04</b>	<b>Pavement</b>	<b>\$11,659.91</b>	<b>\$971.66</b>	<b>\$9.92</b>	<b>23.11%</b>
04.01	asphalt,major rehab	\$7,251.85	\$604.32	\$6.17	14.38%
04.02	asphalt,repairs	\$938.95	\$78.25	\$0.80	1.86%
04.03	asphalt,sealcoat/slurry	\$1,877.91	\$156.49	\$1.60	3.72%
04.04	concrete,repairs	\$615.77	\$51.31	\$0.52	1.22%
04.05	paver blocks,entry,repairs(5%)	\$975.43	\$81.29	\$0.83	1.93%
<b>05</b>	<b>Pools/Spas</b>	<b>\$4,614.12</b>	<b>\$384.50</b>	<b>\$3.91</b>	<b>9.15%</b>
05.01	deck,kooldeck,pool area,repair/rehab	\$910.07	\$75.84	\$0.77	1.80%
05.02	filter,pool	\$94.80	\$7.90	\$0.08	0.19%
05.03	filter,spa	\$94.80	\$7.90	\$0.08	0.19%
05.04	furniture,pool area	\$707.50	\$58.96	\$0.60	1.40%
05.05	furniture,pool area,fabric shade cover	\$190.21	\$15.85	\$0.16	0.38%
05.06	furniture,pool area,rectangle table	\$99.41	\$8.28	\$0.08	0.20%
05.07	furniture,pool area,trash receptacles	\$111.51	\$9.29	\$0.09	0.22%
05.08	heater,pool	\$431.05	\$35.92	\$0.37	0.85%
05.09	heater,spa	\$326.05	\$27.17	\$0.28	0.65%
05.10	pump,pool	\$121.21	\$10.10	\$0.10	0.24%
05.11	pumps,spa	\$363.62	\$30.30	\$0.31	0.72%
05.12	rehab,pool	\$775.93	\$64.66	\$0.66	1.54%
05.13	rehab,spa	\$387.96	\$32.33	\$0.33	0.77%
<b>06</b>	<b>Restoration</b>	<b>\$2,878.14</b>	<b>\$239.86</b>	<b>\$2.43</b>	<b>5.69%</b>

## Allocation Breakdown

<i>Reserve Component</i>		<i>Reserve Allocation (per year)</i>	<i>Reserve Allocation (per month)</i>	<i>Reserve Allocation (per unit per month)</i>	<i>Allocation %</i>
<b>06</b>	<b>Restoration</b>	<b>\$2,878.14</b>	<b>\$239.86</b>	<b>\$2.43</b>	<b>5.69%</b>
06.01	bathrooms,rehab	\$248.31	\$20.69	\$0.21	0.49%
06.02	drainage channel repairs,east	\$1,046.36	\$87.20	\$0.89	2.07%
06.03	erosion control/stabilization	\$123.09	\$10.26	\$0.10	0.24%
06.04	flooring,carpet,fitness room	\$166.74	\$13.90	\$0.14	0.33%
06.05	flooring,tile,clubhouse/bathrooms	\$463.87	\$38.66	\$0.39	0.92%
06.06	fountain,common area-unfunded	\$0.00	\$0.00	\$0.00	0.00%
06.07	fountain,main entry,rehab	\$193.93	\$16.16	\$0.16	0.38%
06.08	guardhouse,rehab	\$420.32	\$35.03	\$0.36	0.83%
06.09	irrigation/landscape,rehab-oper bdgt	\$0.00	\$0.00	\$0.00	0.00%
06.10	kitchen,rehab	\$215.52	\$17.96	\$0.18	0.43%
06.11	utility lines,rehab-unfunded	\$0.00	\$0.00	\$0.00	0.00%
<b>07</b>	<b>Roofs</b>	<b>\$434.07</b>	<b>\$36.18</b>	<b>\$0.37</b>	<b>0.86%</b>
07.01	low slope/flat roof,clubhouse	\$371.36	\$30.95	\$0.32	0.74%
07.02	metal roof,guardhouse	\$62.71	\$5.23	\$0.05	0.12%
07.03	roof inspection-oper budget	\$0.00	\$0.00	\$0.00	0.00%
07.04	roof,SFH-owner resp.	\$0.00	\$0.00	\$0.00	0.00%
07.05	roof,townhouse-owner resp.	\$0.00	\$0.00	\$0.00	0.00%
<b>Grand Total:</b>		<b>\$50,433</b>	<b>\$4,202.77</b>	<b>\$42.85</b>	<b>100%</b>

## Category Breakdown Chart



## Fully Funded Balance Breakdown - Next FY

Reserve Component	Current Cost	Useful Life	Remaining Life	Fully Funded Balance
<b>01 Coat/Paint/Stain</b>	<b>\$184,548</b>			<b>\$89,912</b>
01.01 exterior,clubhouse/guardhouse,paint	\$2,305	10	7	\$692
01.02 exterior,SFH units,paint-owner resp.	\$0	999	998	\$0
01.03 exterior,townhouse units,paint(26)	\$77,327	10	3	\$54,129
01.04 exterior,townhouse units,paint(32)	\$95,172	10	7	\$28,552
01.05 gate/fence,patio yard,paint	\$2,182	5	2	\$1,309
01.06 interior,clubhouse,paint	\$1,735	8	0	\$1,735
01.07 wrought iron,perimeter,paint	\$4,250	5	2	\$2,550
01.08 wrought iron,perimeter-NW,paint-unfund	\$0	999	998	\$0
01.09 wrought iron,pool area,paint	\$1,578	5	2	\$947
<b>02 Equipment</b>	<b>\$111,146</b>			<b>\$73,699</b>
02.01 appliance,kitchen	\$2,507	15	2	\$2,173
02.02 doors,CH	\$10,807	30	17	\$4,683
02.03 fitness equipment	\$16,931	15	2	\$14,674
02.04 fitness equipment,treadmills	\$9,734	10	7	\$2,920
02.05 fixtures,light,accent/pagoda-entry	\$3,584	20	7	\$2,330
02.06 fixtures,light,post mount	\$3,072	20	7	\$1,997
02.07 fixtures,light,walkway	\$1,103	20	12	\$441
02.08 fountain pump,main entry	\$940	8	0	\$940
02.09 gate operators	\$16,723	10	0	\$16,723
02.10 hvac,clubhouse/fitness	\$8,152	20	7	\$5,299
02.11 hvac,guardhouse	\$2,389	20	7	\$1,553
02.12 mailbox,CBUs	\$14,550	20	7	\$9,457
02.13 mailboxes,parcels	\$5,516	20	17	\$827
02.14 phone system,entry	\$3,583	10	0	\$3,583
02.15 security/access system-pool/gym	\$5,408	20	7	\$3,515
02.16 security/surveillance system	\$2,323	10	8	\$465
02.17 signage,street	\$3,010	30	17	\$1,304
02.18 water heater,clubhouse	\$815	10	0	\$815
<b>03 Fencing</b>	<b>\$95,304</b>			<b>\$38,275</b>
03.01 fence,patio yard(06)	\$1,096	30	17	\$475
03.02 fence,patio yard(26)	\$4,748	30	23	\$1,108
03.03 gate,patio yard(26)	\$14,247	30	23	\$3,324
03.04 gate,patio yard(32)	\$17,536	30	17	\$7,599
03.05 gates,vehicular	\$7,525	30	17	\$3,261
03.06 walls,perimeter repairs(10%)	\$15,427	30	17	\$6,685

## Fully Funded Balance Breakdown - Next FY

Reserve Component	Current Cost	Useful Life	Remaining Life	Fully Funded Balance
<b>03 Fencing</b>	<b>\$95,304</b>			<b>\$38,275</b>
03.07 wrought iron,perimeter,replace	\$25,770	30	17	\$11,167
03.08 wrought iron,perimeter-NW,replace-unfund	\$0	999	998	\$0
03.09 wrought iron,pool area,replace	\$8,955	25	12	\$4,657
<b>04 Pavement</b>	<b>\$183,765</b>			<b>\$123,359</b>
04.01 asphalt,major rehab	\$140,661	20	7	\$91,430
04.02 asphalt,repairs	\$9,106	10	5	\$4,553
04.03 asphalt,sealcoat/slurry	\$9,106	5	0	\$9,106
04.04 concrete,repairs	\$5,972	10	0	\$5,972
04.05 paver blocks,entry,repairs(5%)	\$18,920	20	7	\$12,298
<b>05 Pools/Spas</b>	<b>\$48,469</b>			<b>\$31,241</b>
05.01 deck,kooldeck,pool area,repair/rehab	\$8,826	10	8	\$1,765
05.02 filter,pool	\$1,379	15	2	\$1,195
05.03 filter,spa	\$1,379	15	2	\$1,195
05.04 furniture,pool area	\$4,117	6	4	\$1,372
05.05 furniture,pool area,fabric shade cover	\$1,845	10	7	\$553
05.06 furniture,pool area,rectangle table	\$964	10	9	\$96
05.07 furniture,pool area,trash receptacles	\$1,082	10	9	\$108
05.08 heater,pool	\$6,271	15	2	\$5,435
05.09 heater,spa	\$3,795	12	5	\$2,213
05.10 pump,pool	\$940	8	0	\$940
05.11 pumps,spa	\$2,821	8	0	\$2,821
05.12 rehab,pool	\$11,288	15	2	\$9,783
05.13 rehab,spa	\$3,763	10	0	\$3,763
<b>06 Restoration</b>	<b>\$71,948</b>			<b>\$34,879</b>
06.01 bathrooms,rehab	\$4,816	20	7	\$3,131
06.02 drainage channel repairs,east	\$30,444	30	17	\$13,192
06.03 erosion control/stabilization	\$1,194	10	0	\$1,194
06.04 flooring,carpet,fitness room	\$1,617	10	0	\$1,617
06.05 flooring,tile,clubhouse/bathrooms	\$13,496	30	17	\$5,848
06.06 fountain,common area-unfunded	\$0	999	998	\$0
06.07 fountain,main entry,rehab	\$1,881	10	0	\$1,881
06.08 guardhouse,rehab	\$12,229	30	17	\$5,299
06.09 irrigation/landscape,rehab-oper bdt	\$0	999	998	\$0
06.10 kitchen,rehab	\$6,271	30	17	\$2,717
06.11 utility lines,rehab-unfunded	\$0	999	998	\$0
<b>07 Roofs</b>	<b>\$6,755</b>			<b>\$1,151</b>
07.01 low slope/flat roof,clubhouse	\$4,322	12	11	\$360



## *Fully Funded Balance Breakdown - Next FY*

<i>Reserve Component</i>	<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>Fully Funded Balance</i>
<b>07    Roofs</b>	<b>\$6,755</b>			<b>\$1,151</b>
07.02    metal roof,guardhouse	\$2,433	40	27	\$791
07.03    roof inspection-oper budget	\$0	999	998	\$0
07.04    roof,SFH-owner resp.	\$0	999	998	\$0
07.05    roof,townhouse-owner resp.	\$0	999	998	\$0
<b>Grand Total:</b>	<b>\$701,935</b>			<b>\$392,517</b>

## Category Summary - Next FY

<i>Category</i>	<i>Current Cost</i>	<i>Useful Life (Min - Max)</i>	<i>Remaining Life (Min - Max)</i>	<i>Fully Funded Balance</i>
01 Coat/Paint/Stain	\$184,548	5 - 999	0 - 998	\$89,912
02 Equipment	\$111,146	8 - 30	0 - 17	\$73,699
03 Fencing	\$95,304	25 - 999	12 - 998	\$38,275
04 Pavement	\$183,765	5 - 20	0 - 7	\$123,359
05 Pools/Spas	\$48,469	6 - 15	0 - 9	\$31,241
06 Restoration	\$71,948	10 - 999	0 - 998	\$34,879
07 Roofs	\$6,755	12 - 999	11 - 998	\$1,151
<b>Grand Total:</b>				<b>\$392,517</b>
		<b>\$701,935</b>		

## Component Details

Reserve Component	Quantity	Unit of Measure	Unit Cost	Source Code	Rplc %	Cont %	Extended Cost		
<b>01 Coat/Paint/Stain</b>									
01.01	exterior,clubhouse/guardhouse,paint UL: 10 RL: 8						\$2,238		
01.01.1	1	each	\$1,612.56	6	100%	5%	\$1,693		
	clubhouse approx 1,738 sq ft								
01.01.2	1	each	\$519.58	6	100%	5%	\$545		
	guardhouse approx 560 sq ft								
01.02	exterior,SFH units,paint-owner resp. UL: 999 RL: 999 Per BoD, the SFH exterior paint is the respective owner's responsibility.		1	each	\$0.00	3	100%	5%	\$0
01.03	exterior,townhouse units,paint(26) UL: 10 RL: 4		26	units	\$2,750.00	3	100%	5%	\$75,075
01.04	exterior,townhouse units,paint(32) UL: 10 RL: 8 fy2016- \$78,000		32	units	\$2,750.00	3	100%	5%	\$92,400
01.05	gate/fence,patio yard,paint UL: 5 RL: 3							\$2,118	
01.05.1	192	lin ft	\$3.94	6	100%	5%	\$794		
	fence approx 6 lin ft x 32 plcs								
01.05.2	32	each	\$39.41	6	100%	5%	\$1,324		
	gates								
01.06	interior,clubhouse,paint UL: 8 RL: 1 96- bathrooms 442- clubhouse 387- fitness room		925	sq ft	\$1.73	6	100%	5%	\$1,684
01.07	wrought iron,perimeter,paint UL: 5 RL: 3							\$4,126	
01.07.1	153	lin ft	\$6.96	6	100%	5%	\$1,117		
	fence,N (above pool area)								
01.07.2	130	lin ft	\$4.64	6	100%	5%	\$633		
	fence,S perimeter,3' hgt								
01.07.3	443	lin ft	\$4.64	6	100%	5%	\$2,157		
	fence,S perimeter,4' hgt								
01.07.4	30	lin ft	\$6.96	6	100%	5%	\$219		
	fence/gate,SW perimeter								
01.08	wrought iron,perimeter-NW,paint-unfund UL: 999 RL: 999 238- north 579- west		817	lin ft	\$0.00	6	100%	5%	\$0
01.09	wrought iron,pool area,paint UL: 5 RL: 3		210	lin ft	\$6.95	6	100%	5%	\$1,532
<b>02 Equipment</b>									

## Component Details

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
<b>02 Equipment</b>							
02.01	appliance,kitchen UL: 15      RL: 3						\$2,434
02.01.1	1	each	\$579.89	9	100%	5%	\$608
	Whirlpool #MH3184XPB-4						
02.01.2	1	each	\$869.84	9	100%	5%	\$913
	range/oven Whirlpool #RF367LXSB (electric range)						
02.01.3	1	each	\$869.84	9	100%	5%	\$913
	refrigerator Whirlpool #ET8CHMXKB07						
02.02	doors,CH UL: 30      RL: 18						\$10,492
02.02.1	7	each	\$1,104.55	6	100%	5%	\$8,118
	door,single pane 4- clubhouse 2- fitness room 1- guardhouse						
02.02.2	3	each	\$753.86	6	100%	5%	\$2,374
	door,solid 2- bathroom doors 1- water heater room door						
02.03	fitness equipment UL: 15      RL: 3						\$16,438
02.03.1	2	each	\$3,189.40	9	100%	5%	\$6,697
	bikes Precor 846i						
02.03.2	1	each	\$4,059.23	9	100%	5%	\$4,262
	cable crossover FreeMotion EXT Dual Stack Cable Crossover						
02.03.3	1	each	\$5,219.01	9	100%	5%	\$5,479
	elliptical Precor EFX576i						
02.04	2	each	\$4,500.00	6	100%	5%	\$9,450
	fitness equipment,treadmills UL: 10      RL: 8 Life Span TR7000   Pro Series						
02.05	39	each	\$85.00	6	100%	5%	\$3,480
	fixtures,light,accent/pagoda-entry UL: 20      RL: 8 16- accent 17- pagoda fountain: 4- accent 2- uplights						
02.06	7	each	\$405.92	6	100%	5%	\$2,983
	fixtures,light,post mount UL: 20      RL: 8						
02.07	12	each	\$85.00	6	100%	5%	\$1,071
	fixtures,light,walkway UL: 20      RL: 13						

## Component Details

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
<b>02 Equipment</b>							
02.08 fountain pump,main entry UL: 8 RL: 1	1	each	\$869.83	6	100%	5%	\$913
02.09 gate operators UL: 10 RL: 1 Apollo #n/a;sn n/a	4	each	\$3,865.92	9	100%	5%	\$16,236
02.10 hvac,clubhouse/fitness UL: 20 RL: 8 1- clubhouse (mfg #n/a;sn n/a) 1- fitness room (mfg #n/a;sn n/a)	1	each	\$7,538.57	6	100%	5%	\$7,915
02.11 hvac,guardhouse UL: 20 RL: 8 Fujitsu #AOU12RLQ;snGUN002242 (outdoor unit) Fujitsu ASU12RLQ-AOU12RLQ Halcyon 12,000 BTU 21 SEER Ductless Heat Pump Air Conditioner	1	each	\$2,209.10	6	100%	5%	\$2,319
02.12 mailbox,CBUs UL: 20 RL: 8 13 doors	8	each	\$1,681.68	9	100%	5%	\$14,126
02.13 mailboxes,parcels UL: 20 RL: 18	4	each	\$1,275.00	9	100%	5%	\$5,355
02.14 phone system,entry UL: 10 RL: 1	1	each	\$3,313.65	9	100%	5%	\$3,479
02.15 security/access system-pool/gym UL: 20 RL: 8 card- pool area access keys- gym/bathrooms	1	each	\$5,000.00	6	100%	5%	\$5,250
02.16 security/surveillance system UL: 10 RL: 9 fy2018- \$1,000 inside cams (gym/CH) fy2017- \$1,255 outside cams	1	each	\$2,147.62	3	100%	5%	\$2,255
02.17 signage,street UL: 30 RL: 18	8	each	\$347.93	6	100%	5%	\$2,922
02.18 water heater,clubhouse UL: 10 RL: 1 Rheem #82V40-2;snRH1206R04414 (12/2006; 40 gallon)	1	each	\$753.85	6	100%	5%	\$791
<b>03 Fencing</b>							
03.01 fence,patio yard(06) UL: 30 RL: 18 approx 6 lin ft x 6 ples	36	each	\$28.15	6	100%	5%	\$1,064

## Component Details

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
<b>03 Fencing</b>							
03.02 fence,patio yard(26) UL: 30 RL: 24 approx 6 lin ft x 26 plcs	156	lin ft	\$28.15	6	100%	5%	\$4,610
03.03 gate,patio yard(26) UL: 30 RL: 24	26	each	\$506.70	6	100%	5%	\$13,832
03.04 gate,patio yard(32) UL: 30 RL: 18	32	each	\$506.70	6	100%	5%	\$17,025
03.05 gates,vehicular UL: 30 RL: 18 4 @ 10.5 lin ft each	4	each	\$1,739.67	6	100%	5%	\$7,306
03.06 walls,perimeter repairs(10%) UL: 30 RL: 18 866- east 256- north 518- west	1,640	lin ft	\$86.98	1	10%	5%	\$14,978
03.07 wrought iron,perimeter,replace UL: 30 RL: 18							\$25,019
03.07.1 fence,N (above pool area)	153	lin ft	\$39.43	6	100%	5%	\$6,334
03.07.2 fence,S perimeter,3' hgt	130	lin ft	\$28.99	6	100%	5%	\$3,957
03.07.3 fence,S perimeter,4' hgt	443	lin ft	\$28.99	6	100%	5%	\$13,486
03.07.4 fence/gate,SW perimeter	30	lin ft	\$39.43	6	100%	5%	\$1,242
03.08 wrought iron,perimeter-NW,replace-unfund UL: 999 RL: 999 238- north 579- west	817	lin ft	\$0.00	6	100%	5%	\$0
03.09 wrought iron,pool area,replace UL: 25 RL: 13	210	lin ft	\$39.43	6	100%	5%	\$8,694
<b>04 Pavement</b>							
04.01 asphalt,major rehab UL: 20 RL: 8	93,455	sq ft	\$1.39	6	100%	5%	\$136,564
04.02 asphalt,repairs UL: 10 RL: 6 2,876- entry area 25,011- parking spaces 65,568- streets	93,455	sq ft	\$0.09	1	100%	5%	\$8,841

## Component Details

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
<b>04 Pavement</b>							
04.03 asphalt,sealcoat/slurry UL: 5 RL: 1 2,876- entry area 25,011- parking spaces 65,568- streets	93,455	sq ft	\$0.09	3	100%	5%	\$8,841
04.04 concrete,repairs UL: 10 RL: 1 curbs/gutters; driveway aprons; sidewalks	1	each	\$5,522.75	1	100%	5%	\$5,798
04.05 paver blocks,entry,repairs(5%) UL: 20 RL: 8 fy2017- \$3,365	30,190	sq ft	\$11.59	1	5%	5%	\$18,369
<b>05 Pools/Spas</b>							
05.01 deck,kooldeck,pool area,repair/rehab UL: 10 RL: 9 2,887- inside pool area 2,214- outside pool area fy2017- \$8566	5,101	sq ft	\$1.60	3	100%	5%	\$8,569
05.02 filter,pool UL: 15 RL: 3 #FLT-CNC-PLS-520;sn0196290060044H	1	each	\$1,275.76	9	100%	5%	\$1,339
05.03 filter,spa UL: 15 RL: 3 #FLT-CNC-PLS520;sn019629006005818	1	each	\$1,275.76	9	100%	5%	\$1,339
05.04 furniture,pool area UL: 6 RL: 5 10- chairs 8- chaise lounge 1- tables,dining (round)	1	each	\$3,806.94	6	100%	5%	\$3,997
05.05 furniture,pool area,fabric shade cover UL: 10 RL: 8 approx 16x16; shade4you.com	2	each	\$853.33	1	100%	5%	\$1,791
05.06 furniture,pool area,rectangle table UL: 10 RL: 10	1	each	\$892.38	3	100%	5%	\$936
05.07 furniture,pool area,trash receptacles UL: 10 RL: 10	2	each	\$500.00	6	100%	5%	\$1,050

## Component Details

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
<b>05 Pools/Spas</b>							
05.08 heater,pool UL: 15 RL: 3 #1- #C-R266A-EN-X;sn0610256831 #2- #C-R266A-EN-X;sn0610256833	2	each	\$2,899.45	9	100%	5%	\$6,088
05.09 heater,spa UL: 12 RL: 6 #C-R406A-EN-C;sn1111331157	1	each	\$3,508.83	3	100%	5%	\$3,684
05.10 pump,pool UL: 8 RL: 1 1- filter pump	1	each	\$869.84	6	100%	5%	\$913
05.11 pumps,spa UL: 8 RL: 1 2- booster pumps 1- filter pump	3	each	\$869.84	6	100%	5%	\$2,739
05.12 rehab,pool UL: 15 RL: 3 152 lin ft; 3.5-5-3.5' depth (PebbleTek) 2-railings; 2-ladders	1	each	\$10,438.02	6	100%	5%	\$10,959
05.13 rehab,spa UL: 10 RL: 1 30 lin ft; 3.5' depth (PebbleTek) 1-railing	1	each	\$3,479.34	6	100%	5%	\$3,653
<b>06 Restoration</b>							
06.01 bathrooms,rehab UL: 20 RL: 8 48- mens 48- womens	96	sq ft	\$46.39	6	100%	5%	\$4,676
06.02 drainage channel repairs,east UL: 30 RL: 18 approx 866 lin ft of 12' wide x 5.5' hgt	1	each	\$28,150.00	1	100%	5%	\$29,557
06.03 erosion control/stabilization UL: 10 RL: 1	1	each	\$1,104.55	1	100%	5%	\$1,159
06.04 flooring,carpet,fitness room UL: 10 RL: 1	43	sq yd	\$34.79	6	100%	5%	\$1,570
06.05 flooring,tile,clubhouse/bathrooms UL: 30 RL: 18 96- bathrooms 442- clubhouse	538	sq ft	\$23.20	6	100%	5%	\$13,103



## Component Details

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
<b>06 Restoration</b>							
06.06 fountain,common area-unfunded UL: 999 RL: 999	2	each	\$0.00	6	100%	5%	\$0
06.07 fountain,main entry,rehab UL: 10 RL: 1 approx 4x15	1	each	\$1,739.67	1	100%	5%	\$1,826
06.08 guardhouse,rehab UL: 30 RL: 18 13x15	195	sq ft	\$57.99	1	100%	5%	\$11,873
06.09 irrigation/landscape,rehab-oper bdtg UL: 999 RL: 999 includes rock replenish	1	each	\$0.00	1	100%	5%	\$0
06.10 kitchen,rehab UL: 30 RL: 18 21 lin ft- cabinets 12 lin ft- countertop	1	each	\$5,798.90	6	100%	5%	\$6,088
06.11 utility lines,rehab-unfunded UL: 999 RL: 999 electric/gas/storm-drain/waste/water Note- every unit has water meter located at street	98	units	\$0.00	10	100%	5%	\$0
<b>07 Roofs</b>							
07.01 low slope/flat roof,clubhouse UL: 12 RL: 12 fy2018- \$4,19	13	square	\$307.40	6	100%	5%	\$4,196
07.02 metal roof,guardhouse UL: 40 RL: 28	3	square	\$750.00	6	100%	5%	\$2,362
07.03 roof inspection-oper budget UL: 999 RL: 999	1	each	\$0.00	3	100%	5%	\$0
07.04 roof,SFH-owner resp. UL: 999 RL: 999 Per BoD, the SFH roofs are the respective unit owner's responsibility.	1	each	\$0.00	3	100%	5%	\$0
07.05 roof,townhouse-owner resp. UL: 999 RL: 999 Per BoD, the townhouse roofs are the respective unit owner's responsibility.	1	each	\$0.00	3	100%	5%	\$0

**Grand Total:** 83

# *Field Report*

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*\*Note- Field observations are normally based on an inspection of all accessible reserve components under consideration. Roofing system observations (if applicable) are normally based on a minimum inspection of at least 15% of the total number of units within the complex. Level 1 Reserve Studies normally provide for reserve component identification, quantification and specification via actual field observations and/or measurements. Recommend that association management institute a log book to record "Reserve Fund Disbursements" to facilitate future reserve studies. The log should include copy of all contracts/invoices.*

## **COAT/PAINT/STAIN**

**Metal-** Visible rust must be completely removed/converted on metal substrates (e.g. wrought iron) & then primed prior to high quality coating application to afford protection from the elements. High gloss is recommended for maximum durability.

**Stucco-** The term stucco is widely used to describe the cement plaster used for coating exterior surfaces of buildings. Three-coat work (scratch- 3/8" thick, brown- 3/8" thick, and finish- 3/8" thick) is normally applied over metal reinforced wood-frame structures. The finish coat (decorative surface) is integrally colored & frequently applied over metal reinforced wood-frame structures. The finish coat (decorative surface) is integrally colored & frequently textured.

Minimal care will keep a stucco surface attractive for many years. Cracks should be filled with a stucco patching compound to match the existing finish coat. This product is available in many colors at most building supply centers. Periodic pressure cleaning will keep the stucco clean & the finish coat bright for many years. In time, however, the stucco will eventually require recoat, paint or fog-coat application.

**Wood-** Deteriorated or damaged wood must be removed/replaced & then primed prior to high quality coating application to afford protection from the elements.

*\*Note- Ninety percent (90%) of failures are due to either moisture related problems or inadequate preparation of the surface.*

*\*Note- Touch-up applications are recommended between useful life expectancies of the component.*

## **DECK COMPOUND**

All deck coatings require periodic maintenance. The time interval depends on coating life, traffic patterns & exposure to the elements. The deck surface must be inspected/repaired/sealed under an annual maintenance program to prevent water infiltration.

## **DRAINAGE SYSTEMS**

Drainage systems & flood control basins should be inspected, repaired, and cleared of debris (in the spring & fall) under a semi-annual maintenance program.

## **EQUIPMENT**

Unable to verify proper operation of all items. If properly maintained per manufacturer's recommendations and/or industry standards, these components should obtain useful life expectancy.

## **FENCING**

Various fencing materials exists on the market today & include: aluminum, block, chain link, vinyl, wood, wood-crete & wrought iron. Wood fence is by far the most common fencing material & wood fence posts are especially vulnerable to rapid deterioration unless elevated to eliminate earth-to-wood contact.

# *Field Report*

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## **PAVEMENT**

Weather, traffic & time work to erode the asphalt pavement. The sun dries out the natural oils, while the unprotected surface is left to oxidize. The brittle blacktop surface cracks, allowing moisture penetration (the primary cause of pavement failure). A surface seal (sealcoat) fills in minor cracks & depressions that lead to larger ones. It also penetrates & resaturates the dried out surface with natural oils & solids to create a protective shield that guards the pavement from weathering & further deterioration. A sealcoat can substantially increase the pavements useful life expectancy. When the sealcoat starts to change from a deep black to a dull gray, it generally indicates that it's time to re-coat. Cracks in concrete driveway/curbs/gutters/sidewalks must be filled under an annual maintenance program to deter further deterioration due to erosion or sectional replaced with a base/pavement designed to prevent recurrence.

## **POOL/SPA**

**Coping-** Coping (cast stone) is used to top off the side of a pool/spa & finish the edge to the adjacent decking. Coping is subject to deterioration over a period of years & can be retarded by periodically treating the cast stone with a silicone-based compound.

**Coping/Deck Joint-** A major cause of tile/coping problems may be the sealed joint between the coping & deck. If this is not watertight, water runs under the coping & behind the tile causing coping/tile movement & damage. Sealant (e.g. Deck-O-Seal) should be periodically installed to prevent problems.

**Deck-** Recommend filling of cracks to prevent further deterioration due to erosion or sectional replacement with a base/pavement designed to prevent recurrence.

**Equipment-** Unable to verify proper operation of all items. If properly maintained, these items should obtain useful life. Pool/spa filter elements should be inspected/cleaned at least once a year under an annual maintenance program. Recommend replacement of the pool/spa filter pump timer (when it fails) with a timer that has an additional heater circuit designed to turn off gas fired heater approximately 25 minutes before the filter pump turns off, eliminating the problem of pounding/knocking due to overheated water & reducing scale/lime deposits which decrease the useful life of heater. Pump/motor assemblies should be periodically cleared of debris to allow for heat dissipation.

**Furniture-** Recommend replacement (when necessary) during the fall/winter months to take advantage of year end close-out deals.

**Plaster-** Although plaster finishes have lasted 20 years, the life of the finish depends upon the quality of the original work & careful control of the water chemistry. The pool/spa water should be emptied & refilled periodically (as determined by water analysis) to ensure/extend the useful life of the plaster. The water should also be clear (not turbid), colorless, and low in scale-forming chemicals.

**Tile-** Many concrete pools/spas include a tile trim (or border) around the perimeter or a tile-trimmed gutter. Although tile is almost indestructible, problems are almost invariably associated with grouting. Unless water chemistry is watched carefully, the grout between the tile (& coping) slowly erodes. The scum that forms on the tile at the waterline is a combination of oil & dust. There are special tile cleaners available that can be applied with a brush. Remove light scale deposits from the tile with solution of muriatic acid (1 part acid to 6 parts water; prevent possible injury by consulting with proper authorities/experts prior to mixing any solutions). Proper maintenance will prevent any problems occurring.

*\*Note- In a spa, the maximum recommended temperature is 104° Fahrenheit. In a pool, the ideal range for water temperature is 78°-82° Fahrenheit.*

*\*Note-Recommend that association management institute a log book to record "Pool/Spa Maintenance & Repairs" to facilitate future reserve studies.*

# *Field Report*

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## **ROOFS**

**Built-up Roofing (BUR)**- Commonly used on flat or very-low slope roofs where a completely impervious membrane is required. A properly maintained BUR will normally have a service life of from 10 to 20 years. Deterioration occurs due to ultraviolet rays from the sun which oxidize & shrink the coating. As the coatings shrink & pull back from the edges of the roof, the underlying roofing felt is exposed & begins to rot. The sun also bakes out the roofing oils, which cause a pliable roof to turn hard & brittle.

**Composition Shingle**- Easy to maintain/repair & normally designed to last a minimum of 15 to 20 years.

**Metal**- A properly constructed metal roof generally requires little maintenance (however, prime/paint may be required periodically), is fireproof & normally will have a service life of 50+ years.

**Tile**- A properly constructed concrete or clay tile roof generally requires little maintenance, is fireproof & normally will have a service life of 50+ years.

**Wood Shake/Shingle**- Fire hazard with a normal service life of about 20 to 25 years. Recommend reroofing with an alternative roofing material (i.e. composition shingle, aluminum shingle, tile, etc.) to reduce/eliminate the fire hazard & funding requirement for this component.

**Flashing**- Flashing is used to protect seams or joints from water seepage. It is installed at the junction formed by the roof & a vertical wall, along roof rakes & eaves, along ridges, in roof valleys, around chimneys, vent pipes & stacks, at intersections of different roof planes, and at other points on the roof where water from rain could penetrate the roof & enter the structure. Leaks frequently occur at the joint where a minor roof intersects with a major roof or where the roof deck meets a vertical wall.

**Gutters/Downspouts/Drain Inlets**- Inspect gutters/downspouts/drain inlets (in the fall- after the leaves fall & before the rains begin) under an annual maintenance program. Clean out debris that may prevent adequate drainage. Flush with a garden hose & check for leaks.

\*Note- Recommend roof surface be inspected/repared by qualified personnel under an annual maintenance program.

\*Note- Recommend that association management institute a log book to record "Roof Maintenance & Repairs" to facilitate future reserve studies.

## **SLOPE STABILIZATION/EROSION CONTROL**

**Surface Saturation**- Heavy rains can cause street flooding and minor mudslides, while longer-term problems occur when the soil gets oversaturated. The following may serve as a general guideline:

- 1) When rainfall is less than 6 inches, there tend to be few problems.
- 2) With more than 6 inches of rain, soil begins to saturate and can absorb less water. Small mudslides with a few feet of soil erosion can occur.
- 3) With more than 10 inches of rain, more serious problems begin. These include large mudslides during storms and, later in the year, the chance of massive mudslides, as water undermines bedrock layers of compacted earth.

**Drainage**- Concrete bench drains (V-ditches) are designed to channel water off the slope and down to the storm drain or natural drainage channel. These drains must be kept free of debris to allow for proper drainage. Baffles are railroad ties or timber partly buried in the hillside that work best on slight to medium slopes, slowing the flow of water runoff and giving it more time to soak into the ground. Riprap stones or concrete rubble cover the slope to slow the flow of water runoff.

\*Note- Contact your local Fire Department's Forestry Division and/or a local University to obtain additional information on erosion control and fire safe planting for your area. Many internet websites offer valuable information on preventing accelerated soil erosion & minimizing sedimentation.

# *Field Report*

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## **WOOD DESTROYING ORGANISMS**

The association is normally responsible for the repair & maintenance of the common area occasioned by the presence of wood destroying organisms (e.g. termites) unless the governing documents indicate otherwise. Reserves to fund this item may be considered optional, because when & where an infestation will occur & the severity of the infestation is difficult to predict. Therefore, annual inspections by qualified personnel are recommended to discover any infestation in its early stages before it becomes a serious problem. Any visible areas of earth-to-wood contact must be eliminated.

*The parameters and assumptions under which this study was completed, is based on information provided by the association/client, its representatives, its management company (as applicable), its contractors, other contractors, specialists and independent consultants, the State Department of Real Estate (or other state agency, as applicable), the Community Associations Institute (CAI), construction pricing and estimating manuals, and the preparer's own experience gained in the preparation of reserve study reports.*

*The reserve funding program reflects assumptions about future events. Some may not materialize, and unanticipated events/circumstances may develop. Therefore, the actual component cost and/or remaining life of a reserve component may vary from the reserve funding program. The preparer of this report does not express an opinion on the probability that actual item cost and/or remaining life may or may not approximate the reserve funding program.*

*It is assumed, unless otherwise indicated to the preparer, that all reserve items have been constructed properly, and that each estimated useful life will approximate that of the norm per industry standards and manufacturers specifications. Arbitrary estimates may have been used on reserve components with an indeterminable but potential liability to the association. The decision for the inclusion of these reserve components, and other assets considered or not, is ultimately left to the association/client.*

*The remaining life of the reserve components does not have a variance factor for unusual weather or natural disasters. It is assumed that a reasonable schedule of maintenance/repair will be conducted. The level of maintenance/repair any particular component receives may serve to prolong or shorten that components useful life. The actual life of any given component may vary due to quality of construction, original design, workmanship, intensity of use, maintenance/repair, and unusual weather. This study only addresses the maintenance and replacement of those reserve components listed, the associated costs/lives, and a reserve funding program.*

*Various percentage rate factors are generally used in the Cash Flow Analysis. A low-conservative net effective interest rate is normally used to compensate for any applicable federal and state taxes imposed. The annual inflation rate is normally determined using the national "CPIU", the Consumer Price Index for all urban consumers in the United States. Because it is difficult to accurately predict these factors over time, it is vital to update them annually.*

*Life-of-the-project items (e.g. building foundation/structure, concrete pavement, utilities, etc.) are generally excluded from this report. However, if the association has reason to expect the component to wear out or fail before the project does and if, due to the age of the units, the item may wear out within thirty (30) years, then that item should be included as a reserve component. Generally excluded are minor expenses which may be funded by a contingency and/or general maintenance/repair fund. Also excluded are expenses incurred due to natural disasters, accidents, or other occurrences, which are more properly insured for.*

## Calculations

**1) Allocation % =**

Reserve Allocation (Component Method) / Total Reserve Allocation (Component Method) x 100

**2) Current Cost =**

Extended Cost (for a component without subcomponents)

-or-

Sum of subcomponent Extended Costs (for a component with subcomponents)

**3) Extended Cost =**

Quantity x Unit Cost x Replacement % x (1+Contingency Rate)

**4) Fully Funded Balance =**

Current Cost / Useful Life x (Useful Life - Remaining Life)

**5) FY End Balance (same as Next FY Start Balance) =**

*Initial or current fiscal year-*

Current Reserve Balance + Interest Earned + Reserve Allocation to Fund + Special Assessment to Fund + Funds Due from Operating - Approved Funds to Disburse - Disbursements

*Subsequent fiscal years-*

FY Start Balance + Interest Earned + (Reserve Allocation (from previous year) x (1 + Reserve Allocation Rate)) - Disbursements

**6) Interest Earned=**

*Initial fiscal year-*

Current Reserve Balance x (Interest Rate (net effective)/12 x Number of funding months remaining in current fiscal year)

*Subsequent fiscal years-*

FY Start Balance x Interest Rate (net effective)

**7) Percent Funded =**

(FY Start Balance / Fully Funded Balance) x 100

**8) Reserve Allocation (Component Method) =**

Current Cost / Useful Life

## Definitions

### Abbreviations

bldgs = <i>buildings</i>	lf or lin ft = <i>lineal feet</i>	sy or sq yd = <i>square yard</i>
ea = <i>each</i>	RL = <i>remaining life</i>	UL = <i>useful life</i>
FY = <i>fiscal year</i>	sf or sq ft = <i>square feet</i> (100 sq ft = 1 square)	% = <i>percent</i>

#### 1) Age

The approximate age of the complex. This parameter is provided for information only.

#### 2) Allocation %

A percentage of the total Reserve Allocation. See Calculations- APPENDIX B.

#### 3) Allocation Increase Rate

Expressed as a percentage rate that reflects the increase of a given year's Reserve Allocation over the previous year's Reserve Allocation and utilized only in the Cash Flow Analysis.

#### 4) Base Year

The year in which the governing documents were recorded and/or the buildings constructed (average year may be used for phases built over a period of time), and utilized to determine the approximate complex age. This parameter is provided for information only.

#### 5) Common Interest Development (CID)

Defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory Association of homeowners which administers the property and enforces its restrictions. The Association Board is responsible for repairing, replacing, or maintaining the common areas, other than the exclusive use common areas, and the owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest. The following are two typical CID subdivision types:

- A) Condominium- In general, the recorded owner has title to the unit (or airspace). They are typically responsible for the interior of their individual unit/garage, all utilities that service their unit and any exclusive use common area associated with their unit (e.g. balcony, doors/windows, patio yard, etc.).
- B) Planned Development- In general, the recorded owner has title to the lot. They are typically responsible for the maintenance and repair of any structure or improvement located on their respective lot.

*Note- CIDs & subdivision types are general and may not apply or may vary, based on your local.*

#### 6) Component Inventory

The task of selecting and quantifying reserve items. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents, and discussion with appropriate association representatives.

#### 7) Condition Assessment

The task of evaluating the current condition of the component based on observed or reported characteristics and normally documented in the field report for a Level 1 or Level 2 Reserve Study.



## Definitions

### 8) Contingency Rate

Expressed as a percentage rate that reflects a factor added to the unit cost to prepare for an event that is liable to occur, but not with certainty.

### 9) Current Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore a reserve component to its original functional condition. Sources utilized to obtain estimates may include: the association, its contractors, other contractors, specialists and independent consultants, the State department of Real Estate (or other state department as applicable), construction pricing and estimating manuals, and the preparer's own experience and/or database of costs formulated in the preparation of other reserve study reports. See Calculations- APPENDIX B.

### 10) Disbursement

The funds expected to be paid or expended from the Reserve Balance.

### 11) Extended Cost

See Calculations- APPENDIX B.

### 12) Fiscal Year (FY)

A 12-month period for which an organization plans the use of its funds. There are two distinct types:

A) *Calendar Fiscal Year (ends December 31)*

B) *Non-Calendar Fiscal Year (does not end December 31)*

### 13) Full Funded Balance (FFB)

Total Accrued Depreciation. An indicator against which the FY Start Balance can be compared.

The balance that is in direct proportion to the fraction of life "used up" of the cost.

See Calculations- APPENDIX B.

### 14) Funding Goal

Independent of methodology utilized, the following represents the basic categories of funding plan goals:

A) *Baseline Funding*- Maintaining a Net Reserve Balance at or near zero.

B) *Full Funding*- Maintaining a Reserve Balance at or near Percent Funded of 100%.

C) *Statutory Funding*- Maintaining a specified Reserve Balance/Percent Funded per statutes.

D) *Threshold Funding*- Establishing and maintaining a set Net Reserve Balance or Percent Funded.

### 15) Funding Method (or Funding Plan)

An association's plan to provide income to the reserve fund to offset expected disbursements from that fund. The following represents two (2) basic methodologies used to fund reserves:

A) *Cash Flow Method*- A method of developing a reserve funding plan where allocations 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.

B) *Component Method*- A method of developing a reserve funding plan where the total reserve allocation is based on the sum of allocations for individual components.

## Definitions

### 16) **Funding Plan**

The combined Funding Method & Funding Goal.

### 17) **FY End Balance (same as next FY Start Balance)**

The balance in reserves at end of applicable fiscal year. See Calculations- Appendix B.

### 18) **FY Start Balance (same as prior year FY End Balance)**

The balance in reserves at start of applicable fiscal year.

### 19) **Inflation Rate**

Expressed as a percentage rate that reflects the increase of this year's costs over the previous year's costs. Also known as a 'cost increase factor'.

### 20) **Interest Earned**

The annual earning of reserve funds that have been deposited in certificates of deposit (CDs), money market accounts or other investment vehicles. See Calculations- Appendix B.

### 21) **Interest Rate**

The ratio of the gain received from an investment and the investment over a period of time (usually one year), prior to any federal or state imposed taxes.

### 22) **Interest Rate (net effective)**

The ratio of the gain received from an investment and the investment over a period of time (usually one year), after any federal or state imposed taxes.

### 23) **Levels of Service**

A) **Level 1 Reserve Study (Full or Comprehensive)**- A Reserve Study in which the following five Reserve Study tasks are performed:

- a) Component Inventory
- b) Condition Assessment (based upon on-site visual observations)
- c) Life and Valuation Estimates
- d) Fund Status
- e) Funding Plan

B) **Level 2 Reserve Study (Update, With-Site-Visit/On-Site Review)**- A Reserve Study update in which the following five tasks are performed:

- a) Component Inventory
- b) Condition Assessment (based upon on-site visual observations)
- c) Life and Valuation Estimates
- d) Fund Status
- e) Funding Plan

*\*Note- Updates are reliant on the validity of prior Reserve Studies.*

## Definitions

C) Level 3 Reserve Study (Update, No-Site-Visit/Off-Site Review)- A Reserve Study update with no on-site visual observations in which the following three tasks are performed:

- a) Life and Valuation Estimates
- b) Fund Status
- c) Funding Plan

*\*Note- Updates are reliant on the validity of prior Reserve Studies.*

### 24) Percent Funded

A comparison of the Fully Funded Balance to the FY Start Balance expressed as a percentage, and used to provide a 'general indication' of reserve strength. See Calculations- APPENDIX B.

### 25) Quantity

The number or amount of a particular reserve component or subcomponent.

### 26) 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 (but have not been approved) have a remaining life of "zero".

### 27) Replacement %

A percentage of the total replacement for a particular reserve component or subcomponent. This parameter is normally 100%.

### 28) Reserve Allocation

The amount to be annually budgeted towards reserves based on a Funding Plan.

### 29) Reserve Component (or subcomponent)

The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:

- A) association responsibility,
- B) with limited useful life expectancies,
- C) predictable remaining useful life expectancies,
- D) above a minimum threshold cost,
- E) and, as required by statutes.

### 30) Restoration

Defined as *to bring back to an unimpaired or improved condition*. General types follow:

- A) Building- In general, funding utilized to defray the cost (in whole or part) of major building components that are not necessarily included as line items and may include termite treatment.
- B) Irrigation System- In general, funding utilized to defray the cost (in whole or part) of sectional irrigation system areas including modernization to improve water management.
- C) Landscape- In general, funding utilized to defray the cost (in whole or part) of sectional landscape areas including modernization to improve water conservation & drainage.

## Definitions

### 31) Risk Factor

The associated risk of the availability of reserves to fund expenditures by interpreting the Percent Funded parameter as follows:

- A) 70% and above- *LOW*
- B) 31% to 69%- *MODERATE*
- C) 30% and below- *HIGH*

### 32) Source Code

The source of information utilized to obtain cost and/or life estimates.

- 0- Actual Cost
- 1- Arbitrary Estimate
- 2- Architect/Engineer
- 3- Association
- 4- Bid/Proposal
- 5- Builder/Developer
- 6- Contractor
- 7- Cost Estimating Manual
- 8- Industry Standard
- 9- Manufacturer
- 10- Prior Reserve Study
- 11- Reserve Study Firm
- 12- Specialist/Expert
- 13- Vendor/Rep

### 33) Unit Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore an individual "unit of measure" of a reserve component or subcomponent to its original functional condition.

### 34) Unit of Measure

A system of units used in measuring a reserve component or subcomponent (i.e. each, lineal feet, square feet, etc.).

### 35) Useful Life (UL)

Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve item can be expected to serve its intended function if properly constructed and maintained in its present application or installation.