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*951-693-1721*

## **CYPRESS HOA**



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

***Prepared For Fiscal Year 2015***

***August 07, 2014***

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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	Cypress HOA
Location	Cypress, CA 90630
Units/General Type	250 / Condominium
Base Year / Age	1965 / 49
Fiscal Year Ends	December-31

### Parameters

Level of Service	Level 2 Reserve Study Update (With Site-Visit)
Prepared for Fiscal Year (FY)	2015
Most Recent On-Site Inspection Date	April 28, 2014
Allocation Increase Rate	ref Cash Flow Analysis
Contingency Rate	ref Component Details
Inflation Rate	3.0%
Interest Rate / Tax Rate	1.0% / 30.0%
Interest Rate (net effective)	0.7%
Current Reserve Allocation	\$325,464 per year
Current Reserve Balance	\$492,210 as of June 30, 2014
Funding Plan - Method / Goal	Cash Flow / Full - 100% average Percent Funded

### Summary

<b>FY Start Balance</b>	<b>\$584,066</b>	<i>(projected to current FY end/next FY start)</i>		
<b>Fully Funded Balance</b>	<b>\$1,415,101</b>			
<b>Percent Funded</b>	<b>41%</b>			
<i>Proposed Budget</i>	<i>per year</i>	<i>per month</i>	<i>per unit per month</i>	
<b>Reserve Allocation</b>	<b>\$327,931</b>	<b>\$27,328</b>	<b>\$109.31</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 0.76 % 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 building exterior,paint-A	\$120,473	7	3
01.02 building exterior,paint-B	\$292,577	7	4
01.03 carports,paint	\$48,762	6	1
01.04 wrought iron,paint	\$8,433	4	0
<b>02 Equipment</b>			
02.01 appliances,clubhouse	\$3,676	20	5
02.02 bench,metal mesh	\$823	15	14
02.03 doors,bathrooms/wtr htr rooms	\$5,999	30	5
02.04 doors,clubhouse entry	\$19,599	30	30
02.05 folding furniture,clubhouse #1	\$1,750	20	6
02.06 folding furniture,clubhouse #2	\$1,750	20	6
02.07 hvac,clubhouse #1	\$6,757	20	18
02.08 hvac,clubhouse #2	\$6,757	20	2
02.09 play equip,bars/slides/swings	\$20,000	15	15
02.10 play equip,tot lot(CH #2)	\$30,899	20	19
02.11 sigange,unit #'s	\$5,407	20	4
02.12 water heater,clubhouse #1	\$1,376	12	10
02.13 water heater,clubhouse #2	\$1,376	12	10
02.14 water heater,pool bldg #3	\$1,113	12	10
<b>03 Fencing</b>			
03.01 walls,perimeter repairs-unfunded	\$0	999	999
03.02 wood fence,patio yard	\$11,473	20	6
03.03 wrought iron,pool #1,replace	\$9,178	20	4
03.04 wrought iron,pool #2,replace	\$9,178	20	0
03.05 wrought iron,pool #3,replace	\$9,178	20	4
<b>04 Pools/Spas</b>			
04.01 deck,concrete repairs,pool areas	\$17,210	20	7
04.02 filter #1,pool #1	\$1,405	10	7
04.03 filter #2,pool #1	\$1,405	10	10
04.04 filter,pool #2	\$2,811	10	1
04.05 filter,pool #3	\$1,405	10	2
04.06 filter,wader #1	\$1,405	10	4
04.07 filter,wader #2	\$1,405	10	1
04.08 heater,pool #1	\$3,212	10	1
04.09 heater,pool #2	\$3,212	10	7
04.10 heater,pool #3	\$2,638	10	1

## Reserve Disclosures

<i>Reserve Component</i>	<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>
<b>04 Pools/Spas</b>			
04.11 pumps,pool/wader #1	\$1,721	8	7
04.12 pumps,pools/wader #2/3	\$2,581	8	1
04.13 rehab,pool #1	\$13,768	12	9
04.14 rehab,pool #2	\$13,768	12	9
04.15 rehab,pool #3	\$9,706	12	8
04.16 rehab,wader #1	\$3,442	10	7
04.17 rehab,wader #2	\$3,442	10	7
<b>05 Restoration</b>			
05.01 bathrooms,clubhouse #1	\$2,868	12	1
05.02 bathrooms,clubhouse #2	\$2,868	12	1
05.03 bathrooms,clubhouse #3	\$2,868	12	1
05.04 carports,rehab-unfunded	\$0	999	999
05.05 clubhouse #1,rehab	\$13,997	15	1
05.06 clubhouse #2,rehab	\$13,997	15	1
05.07 concrete car stops,replace	\$5,000	20	19
05.08 concrete,repairs	\$5,736	4	1
05.09 irrigation system,rehab	\$114,736	20	1
05.10 utility lines,rehab-unfunded	\$0	999	999
<b>06 Roofs</b>			
06.01 flat roofs-02	\$11,473	25	4
06.02 flat roofs-06	\$34,420	25	7
06.03 flat roofs-07	\$40,157	25	17
06.04 flat roofs-08	\$45,894	25	1
06.05 flat roofs-11	\$63,104	25	5
06.06 flat roofs-12	\$68,841	25	13
06.07 flat roofs-13(a)	\$74,578	25	12
06.08 flat roofs-13(b)	\$74,578	25	18
06.09 flat roofs-15	\$86,052	25	23
06.10 flat roofs-22	\$126,209	25	14
06.11 flat roofs-24	\$137,683	25	15
06.12 flat roofs-26	\$149,157	25	16
06.13 flat roofs-27	\$154,894	25	21
06.14 flat roofs-29	\$166,367	25	8
06.15 flat roofs-40	\$229,472	25	19
06.16 mansard roofs-2000	\$23,062	50	36
06.17 mansard roofs-2001	\$80,717	50	37

## Reserve Disclosures

<i>Reserve Component</i>	<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>
<b>06 Roofs</b>			
06.18 mansard roofs-2002	\$69,186	50	38
06.19 mansard roofs-2003	\$76,873	50	39
06.20 mansard roofs-2004	\$73,029	50	40
06.21 mansard roofs-2005	\$53,811	50	41
06.22 mansard roofs-2006	\$99,935	50	42
06.23 mansard roofs-2007	\$76,873	50	43
06.24 mansard roofs-2008	\$80,717	50	44
06.25 mansard roofs-2009	\$73,029	50	45
06.26 mansard roofs-2010	\$30,749	50	46
06.27 mansard roofs-2011	\$11,531	50	47
06.28 mansard roofs-2012	\$73,029	50	48
06.29 mansard roofs-2013	\$76,873	50	49
06.30 mansard roofs-2014	\$73,029	50	50

**Grand Total:** 80

\$3,298,462

## 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
2014	--	--	--	--	--	\$17,611	\$584,066	\$1,219,841	--
2015	\$584,066	\$4,088	\$327,931	0.8%	\$0	\$272,303	\$643,782	\$1,415,101	41%
2016	\$643,782	\$4,506	\$330,882	0.9%	\$0	\$8,660	\$970,510	\$1,359,188	47%
2017	\$970,510	\$6,794	\$333,860	0.9%	\$0	\$131,641	\$1,179,523	\$1,578,577	61%
2018	\$1,179,523	\$8,257	\$336,865	0.9%	\$0	\$380,026	\$1,144,619	\$1,683,566	70%
2019	\$1,144,619	\$8,012	\$339,896	0.9%	\$0	\$91,023	\$1,401,505	\$1,541,686	74%
2020	\$1,401,505	\$9,811	\$342,955	0.9%	\$0	\$17,880	\$1,736,392	\$1,699,181	82%
2021	\$1,736,392	\$12,155	\$346,042	0.9%	\$0	\$139,733	\$1,954,857	\$1,942,826	89%
2022	\$1,954,857	\$13,684	\$349,156	0.9%	\$0	\$233,733	\$2,083,965	\$2,074,641	94%
2023	\$2,083,965	\$14,588	\$352,299	0.9%	\$0	\$46,780	\$2,404,072	\$2,120,105	98%
2024	\$2,404,072	\$16,829	\$355,470	0.9%	\$0	\$168,986	\$2,607,385	\$2,366,139	102%
2025	\$2,607,385	\$18,252	\$358,669	0.9%	\$0	\$418,919	\$2,565,387	\$2,500,644	104%
2026	\$2,565,387	\$17,958	\$361,897	0.9%	\$0	\$120,360	\$2,824,882	\$2,389,033	107%
2027	\$2,824,882	\$19,774	\$365,154	0.9%	\$0	\$193,759	\$3,016,051	\$2,588,689	109%
2028	\$3,016,051	\$21,112	\$368,440	0.9%	\$0	\$194,274	\$3,211,330	\$2,726,496	111%
2029	\$3,211,330	\$22,479	\$371,756	0.9%	\$0	\$248,351	\$3,357,215	\$2,875,663	112%
2030	\$3,357,215	\$23,501	\$375,102	0.9%	\$0	\$297,806	\$3,458,013	\$2,981,517	113%
2031	\$3,458,013	\$24,206	\$378,478	0.9%	\$0	\$298,244	\$3,562,453	\$3,047,863	113%
2032	\$3,562,453	\$24,937	\$381,884	0.9%	\$0	\$636,548	\$3,332,727	\$3,124,358	114%
2033	\$3,332,727	\$23,329	\$385,321	0.9%	\$0	\$550,832	\$3,190,546	\$2,863,481	116%
2034	\$3,190,546	\$22,334	\$388,789	0.9%	\$0	\$51,875	\$3,549,795	\$2,692,046	119%
2035	\$3,549,795	\$24,849	\$392,288	0.9%	\$0	\$582,214	\$3,384,719	\$3,038,729	117%
2036	\$3,384,719	\$23,693	\$395,819	0.9%	\$0	\$23,046	\$3,781,185	\$2,859,105	118%
2037	\$3,781,185	\$26,468	\$399,381	0.9%	\$0	\$173,229	\$4,033,806	\$3,259,943	116%
2038	\$4,033,806	\$28,237	\$402,976	0.9%	\$0	\$313,202	\$4,151,817	\$3,528,242	114%
2039	\$4,151,817	\$29,063	\$406,602	0.9%	\$0	\$757,822	\$3,829,661	\$3,670,926	113%
2040	\$3,829,661	\$26,808	\$410,262	0.9%	\$0	\$131,266	\$4,135,465	\$3,370,668	114%
2041	\$4,135,465	\$28,948	\$413,954	0.9%	\$0	\$63,777	\$4,514,591	\$3,717,882	111%
2042	\$4,514,591	\$31,602	\$417,680	0.9%	\$0	\$19,294	\$4,944,579	\$4,156,393	109%
2043	\$4,944,579	\$34,612	\$421,439	0.9%	\$0	\$42,493	\$5,358,137	\$4,665,846	106%
2044	\$5,358,137	\$37,507	\$425,232	0.9%	\$0	\$252,701	\$5,568,175	\$5,178,712	103%

0.7% - Interest Rate
3.0% - Inflation

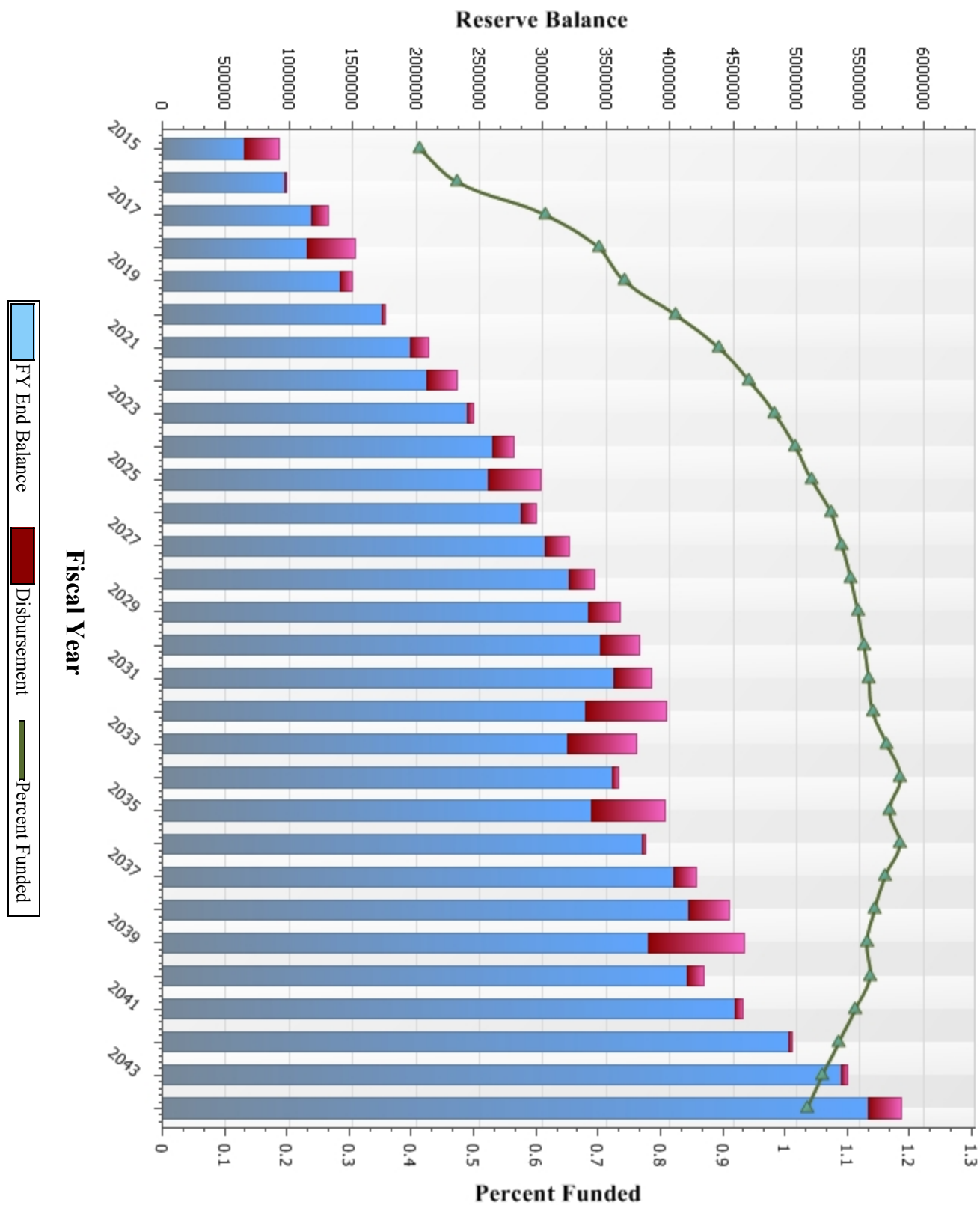
Min FY End Balance:	\$643,782
Avg FY End Balance:	\$3,063,238

Min % Funded:	41%
Avg % Funded:	100%



# Yearly Review Chart

Disbursement with Percent Funded Comparison



## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2014</b>	<b>\$17,611</b>			
		\$8,433	01.04	wrought iron,paint
		\$9,178	03.04	wrought iron,pool #2,replace
<b>2015</b>	<b>\$272,303</b>			
		\$50,225	01.03	carports,paint
		\$2,895	04.04	filter,pool #2
		\$1,447	04.07	filter,wader #2
		\$3,308	04.08	heater,pool #1
		\$2,717	04.10	heater,pool #3
		\$2,658	04.12	pumps,pools/wader #2/3
		\$2,954	05.01	bathrooms,clubhouse #1
		\$2,954	05.02	bathrooms,clubhouse #2
		\$2,954	05.03	bathrooms,clubhouse #3
		\$14,417	05.05	clubhouse #1,rehab
		\$14,417	05.06	clubhouse #2,rehab
		\$5,908	05.08	concrete,repairs
		\$118,178	05.09	irrigation system,rehab
		\$47,271	06.04	flat roofs-08
<b>2016</b>	<b>\$8,660</b>			
		\$7,169	02.08	hvac,clubhouse #2
		\$1,491	04.05	filter,pool #3
<b>2017</b>	<b>\$131,641</b>			
		\$131,641	01.01	building exterior,paint-A
<b>2018</b>	<b>\$380,026</b>			
		\$329,295	01.02	building exterior,paint-B
		\$9,491	01.04	wrought iron,paint
		\$6,086	02.11	sigange,unit #'s
		\$10,330	03.03	wrought iron,pool #1,replace
		\$10,330	03.05	wrought iron,pool #3,replace
		\$1,581	04.06	filter,wader #1
		\$12,913	06.01	flat roofs-02

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2019</b>	<b>\$91,023</b>			
		\$4,262	02.01	appliances,clubhouse
		\$6,955	02.03	doors,bathrooms/wtr htr rooms
		\$6,650	05.08	concrete,repairs
		\$73,156	06.05	flat roofs-11
<b>2020</b>	<b>\$17,880</b>			
		\$2,090	02.05	folding furniture,clubhouse #1
		\$2,090	02.06	folding furniture,clubhouse #2
		\$13,700	03.02	wood fence,patio yard
<b>2021</b>	<b>\$139,733</b>			
		\$59,972	01.03	carports,paint
		\$21,167	04.01	deck,concrete repairs,pool areas
		\$1,728	04.02	filter #1,pool #1
		\$3,950	04.09	heater,pool #2
		\$2,117	04.11	pumps,pool/wader #1
		\$4,233	04.16	rehab,wader #1
		\$4,233	04.17	rehab,wader #2
		\$42,333	06.02	flat roofs-06
<b>2022</b>	<b>\$233,733</b>			
		\$10,683	01.04	wrought iron,paint
		\$12,296	04.15	rehab,pool #3
		\$210,754	06.14	flat roofs-29
<b>2023</b>	<b>\$46,780</b>			
		\$3,368	04.12	pumps,pools/wader #2/3
		\$17,964	04.13	rehab,pool #1
		\$17,964	04.14	rehab,pool #2
		\$7,484	05.08	concrete,repairs
<b>2024</b>	<b>\$168,986</b>			
		\$161,904	01.01	building exterior,paint-A
		\$1,849	02.12	water heater,clubhouse #1
		\$1,849	02.13	water heater,clubhouse #2
		\$1,496	02.14	water heater,pool bldg #3
		\$1,888	04.03	filter #2,pool #1

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2025</b>	<b>\$418,919</b>			
		\$404,985	01.02	building exterior,paint-B
		\$3,891	04.04	filter,pool #2
		\$1,945	04.07	filter,wader #2
		\$4,446	04.08	heater,pool #1
		\$3,652	04.10	heater,pool #3
<b>2026</b>	<b>\$120,360</b>			
		\$12,024	01.04	wrought iron,paint
		\$2,003	04.05	filter,pool #3
		\$106,333	06.07	flat roofs-13(a)
<b>2027</b>	<b>\$193,759</b>			
		\$71,607	01.03	carports,paint
		\$4,212	05.01	bathrooms,clubhouse #1
		\$4,212	05.02	bathrooms,clubhouse #2
		\$4,212	05.03	bathrooms,clubhouse #3
		\$8,423	05.08	concrete,repairs
		\$101,093	06.06	flat roofs-12
<b>2028</b>	<b>\$194,274</b>			
		\$1,245	02.02	bench,metal mesh
		\$2,125	04.06	filter,wader #1
		\$190,904	06.10	flat roofs-22
<b>2029</b>	<b>\$248,351</b>			
		\$31,160	02.09	play equip,bars/slides/swings
		\$2,681	04.11	pumps,pool/wader #1
		\$214,510	06.11	flat roofs-24
<b>2030</b>	<b>\$297,806</b>			
		\$13,532	01.04	wrought iron,paint
		\$22,461	05.05	clubhouse #1,rehab
		\$22,461	05.06	clubhouse #2,rehab
		\$239,352	06.12	flat roofs-26

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2031</b>	<b>\$298,244</b>			
		\$199,118	01.01	building exterior,paint-A
		\$2,322	04.02	filter #1,pool #1
		\$5,309	04.09	heater,pool #2
		\$4,266	04.12	pumps,pools/wader #2/3
		\$5,689	04.16	rehab,wader #1
		\$5,689	04.17	rehab,wader #2
		\$9,480	05.08	concrete,repairs
		\$66,371	06.03	flat roofs-07
<b>2032</b>	<b>\$636,548</b>			
		\$498,083	01.02	building exterior,paint-B
		\$11,503	02.07	hvac,clubhouse #1
		\$126,962	06.08	flat roofs-13(b)
<b>2033</b>	<b>\$550,832</b>			
		\$85,504	01.03	carports,paint
		\$54,181	02.10	play equip,tot lot(CH #2)
		\$8,768	05.07	concrete car stops,replace
		\$402,379	06.15	flat roofs-40
<b>2034</b>	<b>\$51,875</b>			
		\$15,231	01.04	wrought iron,paint
		\$16,576	03.04	wrought iron,pool #2,replace
		\$2,538	04.03	filter #2,pool #1
		\$17,530	04.15	rehab,pool #3
<b>2035</b>	<b>\$582,214</b>			
		\$5,229	04.04	filter,pool #2
		\$2,614	04.07	filter,wader #2
		\$5,975	04.08	heater,pool #1
		\$4,907	04.10	heater,pool #3
		\$25,613	04.13	rehab,pool #1
		\$25,613	04.14	rehab,pool #2
		\$10,671	05.08	concrete,repairs
		\$213,443	05.09	irrigation system,rehab
		\$288,149	06.13	flat roofs-27

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2036</b>	<b>\$23,046</b>			
		\$12,947	02.08	hvac,clubhouse #2
		\$2,637	02.12	water heater,clubhouse #1
		\$2,637	02.13	water heater,clubhouse #2
		\$2,133	02.14	water heater,pool bldg #3
		\$2,692	04.05	filter,pool #3
<b>2037</b>	<b>\$173,229</b>			
		\$3,397	04.11	pumps,pool/wader #1
		\$169,832	06.09	flat roofs-15
<b>2038</b>	<b>\$313,202</b>			
		\$244,898	01.01	building exterior,paint-A
		\$17,143	01.04	wrought iron,paint
		\$10,991	02.11	sigange,unit #'s
		\$18,657	03.03	wrought iron,pool #1,replace
		\$18,657	03.05	wrought iron,pool #3,replace
		\$2,856	04.06	filter,wader #1
<b>2039</b>	<b>\$757,822</b>			
		\$612,598	01.02	building exterior,paint-B
		\$102,098	01.03	carports,paint
		\$7,697	02.01	appliances,clubhouse
		\$5,404	04.12	pumps,pools/wader #2/3
		\$6,005	05.01	bathrooms,clubhouse #1
		\$6,005	05.02	bathrooms,clubhouse #2
		\$6,005	05.03	bathrooms,clubhouse #3
		\$12,010	05.08	concrete,repairs
<b>2040</b>	<b>\$131,266</b>			
		\$3,774	02.05	folding furniture,clubhouse #1
		\$3,774	02.06	folding furniture,clubhouse #2
		\$24,743	03.02	wood fence,patio yard
		\$98,975	06.04	flat roofs-08
<b>2041</b>	<b>\$63,777</b>			
		\$38,229	04.01	deck,concrete repairs,pool areas
		\$3,121	04.02	filter #1,pool #1
		\$7,135	04.09	heater,pool #2
		\$7,646	04.16	rehab,wader #1
		\$7,646	04.17	rehab,wader #2

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
2042	\$19,294	\$19,294	01.04	wrought iron,paint
2043	\$42,493	\$1,939	02.02	bench,metal mesh
		\$13,517	05.08	concrete,repairs
		\$27,037	06.01	flat roofs-02
2044	\$252,701	\$47,573	02.04	doors,clubhouse entry
		\$48,546	02.09	play equip,bars/slides/swings
		\$3,410	04.03	filter #2,pool #1
		\$153,172	06.05	flat roofs-11

**Grand Total:** **\$6,878,388**

## Reserve Balance Distribution

<i>Note- This distribution is based on the disbursement by year in ascending order.</i>	<b>\$584,066 : FY Start Balance</b> <b>\$584,066 : Distributed Funds</b>
	<b>\$0 : Remaining Funds</b>

<i>Reserve Component</i>	<i>Distribution</i>	<i>Percentage</i>
<hr/>		
01 Coat/Paint/Stain		
01.01 building exterior,paint-A	\$120,473	20.6%
01.02 building exterior,paint-B	\$171,152	29.3%
01.03 carports,paint	\$48,762	8.3%
01.04 wrought iron,paint	\$8,433	1.4%
<hr/>		
02 Equipment		
02.01 appliances,clubhouse		
02.02 bench,metal mesh		
02.03 doors,bathrooms/wtr htr rooms		
02.04 doors,clubhouse entry		
02.05 folding furniture,clubhouse #1		
02.06 folding furniture,clubhouse #2		
02.07 hvac,clubhouse #1		
02.08 hvac,clubhouse #2	\$6,757	1.2%
02.09 play equip,bars/slides/swings		
02.10 play equip,tot lot(CH #2)		
02.11 sigange,unit #'s		
02.12 water heater,clubhouse #1		
02.13 water heater,clubhouse #2		
02.14 water heater,pool bldg #3		
<hr/>		
03 Fencing		
03.01 walls,perimeter repairs-unfunded		
03.02 wood fence,patio yard		
03.03 wrought iron,pool #1,replace		
03.04 wrought iron,pool #2,replace		
03.05 wrought iron,pool #3,replace		
<hr/>		
04 Pools/Spas		
04.01 deck,concrete repairs,pool areas		
04.02 filter #1,pool #1		
04.03 filter #2,pool #1		
04.04 filter,pool #2	\$2,811	0.5%
04.05 filter,pool #3	\$1,405	0.2%
04.06 filter,wader #1		
04.07 filter,wader #2	\$1,405	0.2%



## *Reserve Balance Distribution*

*Note- This distribution is based on the disbursement by year in ascending order.*

**\$584,066 : FY Start Balance**

**\$584,066 : Distributed Funds**

**\$0 : Remaining Funds**

<i>Reserve Component</i>	<i>Distribution</i>	<i>Percentage</i>
04 Pools/Spas		
04.08 heater,pool #1	\$3,212	0.5%
04.09 heater,pool #2		
04.10 heater,pool #3	\$2,638	0.5%
04.11 pumps,pool/wader #1		
04.12 pumps,pools/wader #2/3	\$2,581	0.4%
04.13 rehab,pool #1		
04.14 rehab,pool #2		
04.15 rehab,pool #3		
04.16 rehab,wader #1		
04.17 rehab,wader #2		
05 Restoration		
05.01 bathrooms,clubhouse #1	\$2,868	0.5%
05.02 bathrooms,clubhouse #2	\$2,868	0.5%
05.03 bathrooms,clubhouse #3	\$2,868	0.5%
05.04 carports,rehab-unfunded		
05.05 clubhouse #1,rehab	\$13,997	2.4%
05.06 clubhouse #2,rehab	\$13,997	2.4%
05.07 concrete car stops,replace		
05.08 concrete,repairs	\$5,736	1.0%
05.09 irrigation system,rehab	\$114,736	19.6%
05.10 utility lines,rehab-unfunded		
06 Roofs		
06.01 flat roofs-02	\$11,473	2.0%
06.02 flat roofs-06		
06.03 flat roofs-07		
06.04 flat roofs-08	\$45,894	7.9%
06.05 flat roofs-11		
06.06 flat roofs-12		
06.07 flat roofs-13(a)		
06.08 flat roofs-13(b)		
06.09 flat roofs-15		
06.10 flat roofs-22		
06.11 flat roofs-24		
06.12 flat roofs-26		
06.13 flat roofs-27		
06.14 flat roofs-29		
06.15 flat roofs-40		

## *Reserve Balance Distribution*

<i>Note- This distribution is based on the disbursement by year in ascending order.</i>	<b>\$584,066 : FY Start Balance</b> <b>\$584,066 : Distributed Funds</b>
	<b>\$0 : Remaining Funds</b>

<i>Reserve Component</i>	<i>Distribution</i>	<i>Percentage</i>
06    Roofs		
06.16    mansard roofs-2000		
06.17    mansard roofs-2001		
06.18    mansard roofs-2002		
06.19    mansard roofs-2003		
06.20    mansard roofs-2004		
06.21    mansard roofs-2005		
06.22    mansard roofs-2006		
06.23    mansard roofs-2007		
06.24    mansard roofs-2008		
06.25    mansard roofs-2009		
06.26    mansard roofs-2010		
06.27    mansard roofs-2011		
06.28    mansard roofs-2012		
06.29    mansard roofs-2013		
06.30    mansard roofs-2014		

## 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>\$132,281.86</b>	<b>\$11,023.49</b>	<b>\$44.10</b>	<b>40.34%</b>
01.01	building exterior,paint-A	\$32,879.10	\$2,739.92	\$10.96	10.03%
01.02	building exterior,paint-B	\$79,849.16	\$6,654.10	\$26.62	24.35%
01.03	carports,paint	\$15,525.96	\$1,293.83	\$5.18	4.73%
01.04	wrought iron,paint	\$4,027.64	\$335.64	\$1.34	1.23%
<b>02</b>	<b>Equipment</b>	<b>\$10,341.75</b>	<b>\$861.83</b>	<b>\$3.46</b>	<b>3.17%</b>
02.01	appliances,clubhouse	\$351.14	\$29.26	\$0.12	0.11%
02.02	bench,metal mesh	\$104.82	\$8.73	\$0.03	0.03%
02.03	doors,bathrooms/wtr htr rooms	\$382.02	\$31.83	\$0.13	0.12%
02.04	doors,clubhouse entry	\$1,248.08	\$104.01	\$0.42	0.38%
02.05	folding furniture,clubhouse #1	\$167.16	\$13.93	\$0.06	0.05%
02.06	folding furniture,clubhouse #2	\$167.16	\$13.93	\$0.06	0.05%
02.07	hvac,clubhouse #1	\$645.43	\$53.79	\$0.22	0.20%
02.08	hvac,clubhouse #2	\$645.43	\$53.79	\$0.22	0.20%
02.09	play equip,bars/slides/swings	\$2,547.22	\$212.27	\$0.85	0.78%
02.10	play equip,tot lot(CH #2)	\$2,951.50	\$245.96	\$0.98	0.90%
02.11	sigange,unit #'s	\$516.48	\$43.04	\$0.17	0.16%
02.12	water heater,clubhouse #1	\$219.06	\$18.26	\$0.07	0.07%
02.13	water heater,clubhouse #2	\$219.06	\$18.26	\$0.07	0.07%
02.14	water heater,pool bldg #3	\$177.19	\$14.77	\$0.06	0.05%
<b>03</b>	<b>Fencing</b>	<b>\$3,725.98</b>	<b>\$310.51</b>	<b>\$1.24</b>	<b>1.14%</b>
03.01	walls,perimeter repairs-unfunded	\$0.00	\$0.00	\$0.00	0.00%
03.02	wood fence,patio yard	\$1,095.91	\$91.33	\$0.37	0.33%
03.03	wrought iron,pool #1,replace	\$876.69	\$73.06	\$0.29	0.27%
03.04	wrought iron,pool #2,replace	\$876.69	\$73.06	\$0.29	0.27%
03.05	wrought iron,pool #3,replace	\$876.69	\$73.06	\$0.29	0.27%
<b>04</b>	<b>Pools/Spas</b>	<b>\$13,525.61</b>	<b>\$1,127.17</b>	<b>\$4.52</b>	<b>4.12%</b>
04.01	deck,concrete repairs,pool areas	\$1,643.91	\$136.99	\$0.55	0.50%
04.02	filter #1,pool #1	\$268.41	\$22.37	\$0.09	0.08%
04.03	filter #2,pool #1	\$268.41	\$22.37	\$0.09	0.08%
04.04	filter,pool #2	\$537.02	\$44.75	\$0.18	0.16%

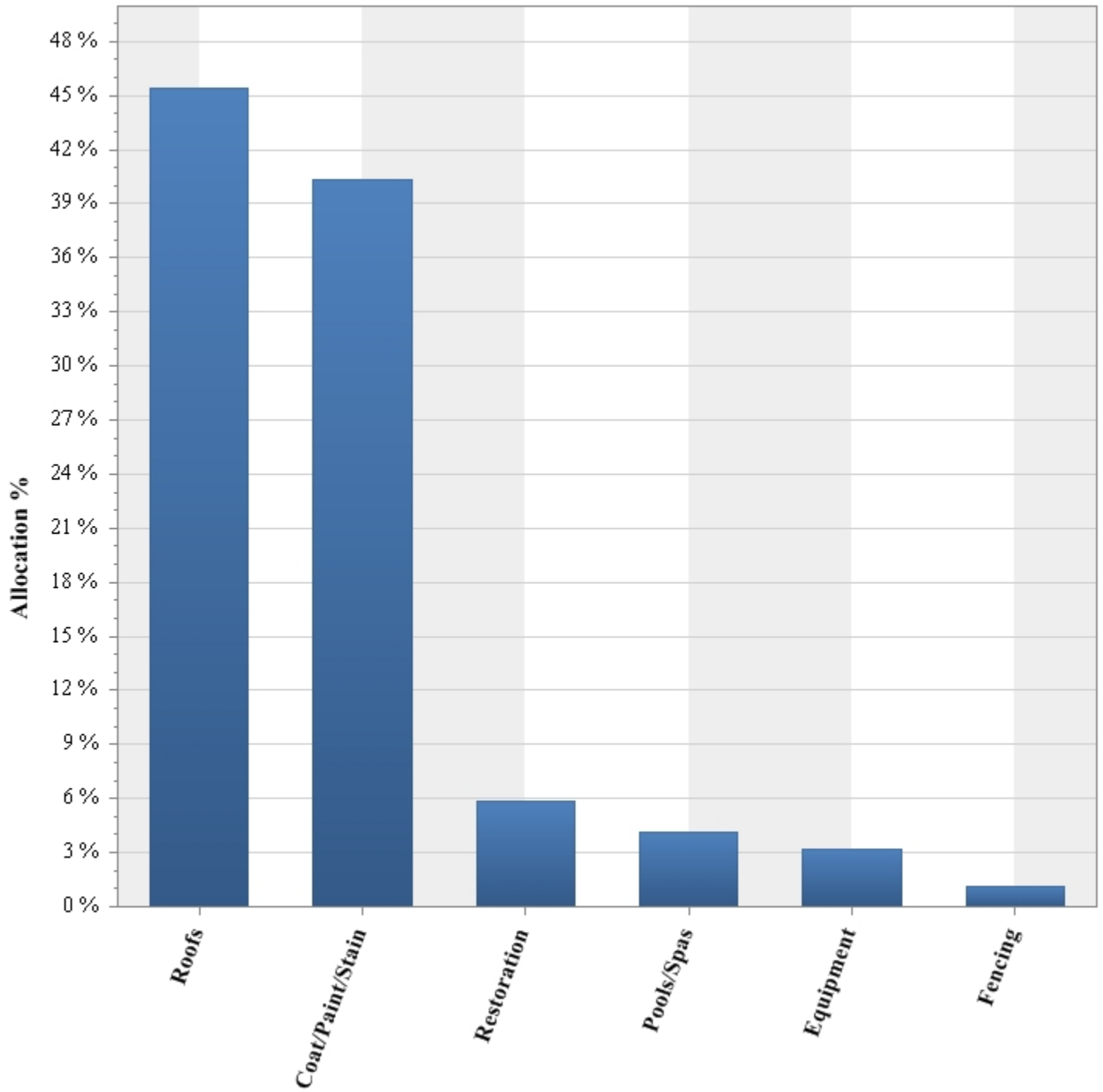
## Allocation Breakdown

<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>04</b>	<b>Pools/Spas</b>	<b>\$13,525.61</b>	<b>\$1,127.17</b>	<b>\$4.52</b>	<b>4.12%</b>
04.05	filter,pool #3	\$268.41	\$22.37	\$0.09	0.08%
04.06	filter,wader #1	\$268.41	\$22.37	\$0.09	0.08%
04.07	filter,wader #2	\$268.41	\$22.37	\$0.09	0.08%
04.08	heater,pool #1	\$613.62	\$51.14	\$0.20	0.19%
04.09	heater,pool #2	\$613.62	\$51.14	\$0.20	0.19%
04.10	heater,pool #3	\$503.97	\$42.00	\$0.17	0.15%
04.11	pumps,pool/wader #1	\$410.98	\$34.25	\$0.14	0.13%
04.12	pumps,pools/wader #2/3	\$616.35	\$51.36	\$0.21	0.19%
04.13	rehab,pool #1	\$2,191.88	\$182.66	\$0.73	0.67%
04.14	rehab,pool #2	\$2,191.88	\$182.66	\$0.73	0.67%
04.15	rehab,pool #3	\$1,545.21	\$128.77	\$0.52	0.47%
04.16	rehab,wader #1	\$657.56	\$54.80	\$0.22	0.20%
04.17	rehab,wader #2	\$657.56	\$54.80	\$0.22	0.20%
<b>05</b>	<b>Restoration</b>	<b>\$19,111.96</b>	<b>\$1,592.67</b>	<b>\$6.35</b>	<b>5.83%</b>
05.01	bathrooms,clubhouse #1	\$456.59	\$38.05	\$0.15	0.14%
05.02	bathrooms,clubhouse #2	\$456.59	\$38.05	\$0.15	0.14%
05.03	bathrooms,clubhouse #3	\$456.59	\$38.05	\$0.15	0.14%
05.04	carports,rehab-unfunded	\$0.00	\$0.00	\$0.00	0.00%
05.05	clubhouse #1,rehab	\$1,782.68	\$148.56	\$0.59	0.54%
05.06	clubhouse #2,rehab	\$1,782.68	\$148.56	\$0.59	0.54%
05.07	concrete car stops,replace	\$477.61	\$39.80	\$0.16	0.15%
05.08	concrete,repairs	\$2,739.54	\$228.29	\$0.91	0.84%
05.09	irrigation system,rehab	\$10,959.68	\$913.31	\$3.65	3.34%
05.10	utility lines,rehab-unfunded	\$0.00	\$0.00	\$0.00	0.00%
<b>06</b>	<b>Roofs</b>	<b>\$148,943.80</b>	<b>\$12,412.03</b>	<b>\$49.66</b>	<b>45.45%</b>
06.01	flat roofs-02	\$876.73	\$73.06	\$0.29	0.27%
06.02	flat roofs-06	\$2,630.26	\$219.19	\$0.88	0.80%
06.03	flat roofs-07	\$3,068.66	\$255.72	\$1.02	0.94%
06.04	flat roofs-08	\$3,507.07	\$292.26	\$1.17	1.07%
06.05	flat roofs-11	\$4,822.20	\$401.85	\$1.61	1.47%
06.06	flat roofs-12	\$5,260.60	\$438.38	\$1.75	1.60%

## 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>Roofs</b>	<b>\$148,943.80</b>	<b>\$12,412.03</b>	<b>\$49.66</b>	<b>45.45%</b>
06.07	flat roofs-13(a)	\$5,699.00	\$474.92	\$1.90	1.74%
06.08	flat roofs-13(b)	\$5,699.00	\$474.92	\$1.90	1.74%
06.09	flat roofs-15	\$6,575.81	\$547.98	\$2.19	2.01%
06.10	flat roofs-22	\$9,644.47	\$803.71	\$3.21	2.94%
06.11	flat roofs-24	\$10,521.28	\$876.77	\$3.51	3.21%
06.12	flat roofs-26	\$11,398.08	\$949.84	\$3.80	3.48%
06.13	flat roofs-27	\$11,836.49	\$986.37	\$3.95	3.61%
06.14	flat roofs-29	\$12,713.22	\$1,059.43	\$4.24	3.88%
06.15	flat roofs-40	\$17,535.49	\$1,461.29	\$5.85	5.35%
06.16	mansard roofs-2000	\$881.16	\$73.43	\$0.29	0.27%
06.17	mansard roofs-2001	\$3,084.06	\$257.01	\$1.03	0.94%
06.18	mansard roofs-2002	\$2,643.48	\$220.29	\$0.88	0.81%
06.19	mansard roofs-2003	\$2,937.19	\$244.77	\$0.98	0.90%
06.20	mansard roofs-2004	\$2,790.32	\$232.53	\$0.93	0.85%
06.21	mansard roofs-2005	\$2,056.03	\$171.34	\$0.69	0.63%
06.22	mansard roofs-2006	\$3,818.35	\$318.20	\$1.27	1.16%
06.23	mansard roofs-2007	\$2,937.19	\$244.77	\$0.98	0.90%
06.24	mansard roofs-2008	\$3,084.06	\$257.01	\$1.03	0.94%
06.25	mansard roofs-2009	\$2,790.32	\$232.53	\$0.93	0.85%
06.26	mansard roofs-2010	\$1,174.87	\$97.91	\$0.39	0.36%
06.27	mansard roofs-2011	\$440.58	\$36.72	\$0.15	0.13%
06.28	mansard roofs-2012	\$2,790.32	\$232.53	\$0.93	0.85%
06.29	mansard roofs-2013	\$2,937.19	\$244.77	\$0.98	0.90%
06.30	mansard roofs-2014	\$2,790.32	\$232.53	\$0.93	0.85%
<b>Grand Total:</b>		<b>\$327,931</b>	<b>\$27,327.70</b>	<b>\$109.33</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>\$484,352</b>			<b>\$313,233</b>
01.01 building exterior,paint-A	\$124,087	7	2	\$88,634
01.02 building exterior,paint-B	\$301,354	7	3	\$172,202
01.03 carports,paint	\$50,225	6	0	\$50,225
01.04 wrought iron,paint	\$8,686	4	3	\$2,171
<b>02 Equipment</b>	<b>\$110,500</b>			<b>\$29,814</b>
02.01 appliances,clubhouse	\$3,786	20	4	\$3,029
02.02 bench,metal mesh	\$848	15	13	\$113
02.03 doors,bathrooms/wtr htr rooms	\$6,179	30	4	\$5,355
02.04 doors,clubhouse entry	\$20,187	30	29	\$673
02.05 folding furniture,clubhouse #1	\$1,803	20	5	\$1,352
02.06 folding furniture,clubhouse #2	\$1,803	20	5	\$1,352
02.07 hvac,clubhouse #1	\$6,960	20	17	\$1,044
02.08 hvac,clubhouse #2	\$6,960	20	1	\$6,612
02.09 play equip,bars/slides/swings	\$20,600	15	14	\$1,373
02.10 play equip,tot lot(CH #2)	\$31,826	20	18	\$3,183
02.11 sigange,unit #'s	\$5,569	20	3	\$4,734
02.12 water heater,clubhouse #1	\$1,417	12	9	\$354
02.13 water heater,clubhouse #2	\$1,417	12	9	\$354
02.14 water heater,pool bldg #3	\$1,146	12	9	\$287
<b>03 Fencing</b>	<b>\$40,177</b>			<b>\$25,406</b>
03.01 walls,perimeter repairs-unfunded	\$0	999	998	\$0
03.02 wood fence,patio yard	\$11,817	20	5	\$8,863
03.03 wrought iron,pool #1,replace	\$9,453	20	3	\$8,035
03.04 wrought iron,pool #2,replace	\$9,453	20	19	\$473
03.05 wrought iron,pool #3,replace	\$9,453	20	3	\$8,035
<b>04 Pools/Spas</b>	<b>\$87,072</b>			<b>\$46,696</b>
04.01 deck,concrete repairs,pool areas	\$17,726	20	6	\$12,408
04.02 filter #1,pool #1	\$1,447	10	6	\$579
04.03 filter #2,pool #1	\$1,447	10	9	\$145
04.04 filter,pool #2	\$2,895	10	0	\$2,895
04.05 filter,pool #3	\$1,447	10	1	\$1,302
04.06 filter,wader #1	\$1,447	10	3	\$1,013
04.07 filter,wader #2	\$1,447	10	0	\$1,447
04.08 heater,pool #1	\$3,308	10	0	\$3,308

## 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>04</b>	<b>Pools/Spas</b>	<b>\$87,072</b>			<b>\$46,696</b>
04.09	heater,pool #2	\$3,308	10	6	\$1,323
04.10	heater,pool #3	\$2,717	10	0	\$2,717
04.11	pumps,pool/wader #1	\$1,773	8	6	\$443
04.12	pumps,pools/wader #2/3	\$2,658	8	0	\$2,658
04.13	rehab,pool #1	\$14,181	12	8	\$4,727
04.14	rehab,pool #2	\$14,181	12	8	\$4,727
04.15	rehab,pool #3	\$9,997	12	7	\$4,165
04.16	rehab,wader #1	\$3,545	10	6	\$1,418
04.17	rehab,wader #2	\$3,545	10	6	\$1,418
<b>05</b>	<b>Restoration</b>	<b>\$166,932</b>			<b>\$162,297</b>
05.01	bathrooms,clubhouse #1	\$2,954	12	0	\$2,954
05.02	bathrooms,clubhouse #2	\$2,954	12	0	\$2,954
05.03	bathrooms,clubhouse #3	\$2,954	12	0	\$2,954
05.04	carports,rehab-unfunded	\$0	999	998	\$0
05.05	clubhouse #1,rehab	\$14,417	15	0	\$14,417
05.06	clubhouse #2,rehab	\$14,417	15	0	\$14,417
05.07	concrete car stops,replace	\$5,150	20	18	\$515
05.08	concrete,repairs	\$5,908	4	0	\$5,908
05.09	irrigation system,rehab	\$118,178	20	0	\$118,178
05.10	utility lines,rehab-unfunded	\$0	999	998	\$0
<b>06</b>	<b>Roofs</b>	<b>\$2,508,382</b>			<b>\$837,654</b>
06.01	flat roofs-02	\$11,817	25	3	\$10,399
06.02	flat roofs-06	\$35,453	25	6	\$26,944
06.03	flat roofs-07	\$41,362	25	16	\$14,890
06.04	flat roofs-08	\$47,271	25	0	\$47,271
06.05	flat roofs-11	\$64,997	25	4	\$54,598
06.06	flat roofs-12	\$70,906	25	12	\$36,871
06.07	flat roofs-13(a)	\$76,815	25	11	\$43,017
06.08	flat roofs-13(b)	\$76,815	25	17	\$24,581
06.09	flat roofs-15	\$88,634	25	22	\$10,636
06.10	flat roofs-22	\$129,995	25	13	\$62,398
06.11	flat roofs-24	\$141,813	25	14	\$62,398
06.12	flat roofs-26	\$153,632	25	15	\$61,453
06.13	flat roofs-27	\$159,541	25	20	\$31,908
06.14	flat roofs-29	\$171,358	25	7	\$123,378
06.15	flat roofs-40	\$236,356	25	18	\$66,180
06.16	mansard roofs-2000	\$23,754	50	35	\$7,126
06.17	mansard roofs-2001	\$83,139	50	36	\$23,279



## *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>06</b>	<b>Roofs</b>	<b>\$2,508,382</b>			<b>\$837,654</b>
06.18	mansard roofs-2002	\$71,262	50	37	\$18,528
06.19	mansard roofs-2003	\$79,179	50	38	\$19,003
06.20	mansard roofs-2004	\$75,220	50	39	\$16,548
06.21	mansard roofs-2005	\$55,425	50	40	\$11,085
06.22	mansard roofs-2006	\$102,933	50	41	\$18,528
06.23	mansard roofs-2007	\$79,179	50	42	\$12,669
06.24	mansard roofs-2008	\$83,139	50	43	\$11,639
06.25	mansard roofs-2009	\$75,220	50	44	\$9,026
06.26	mansard roofs-2010	\$31,671	50	45	\$3,167
06.27	mansard roofs-2011	\$11,877	50	46	\$950
06.28	mansard roofs-2012	\$75,220	50	47	\$4,513
06.29	mansard roofs-2013	\$79,179	50	48	\$3,167
06.30	mansard roofs-2014	\$75,220	50	49	\$1,504
<b>Grand Total:</b>		<b>\$3,397,416</b>			<b>\$1,415,101</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	\$484,352	4 - 7	0 - 3	\$313,233
02 Equipment	\$110,500	12 - 30	1 - 29	\$29,814
03 Fencing	\$40,177	20 - 999	3 - 998	\$25,406
04 Pools/Spas	\$87,072	8 - 20	0 - 9	\$46,696
05 Restoration	\$166,932	4 - 999	0 - 998	\$162,297
06 Roofs	\$2,508,382	25 - 50	0 - 49	\$837,654

**Grand Total:** \$3,397,416

\$1,415,101

## 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>01 Coat/Paint/Stain</b>							
01.01 building exterior,paint-A UL: 7 RL: 3	1	each	\$114,736.34	10	100%	5%	\$120,473
01.02 building exterior,paint-B UL: 7 RL: 4	1	each	\$278,645.39	10	100%	5%	\$292,577
01.03 carports,paint UL: 6 RL: 1	1	each	\$46,440.90	10	100%	5%	\$48,762
01.04 wrought iron,paint UL: 4 RL: 0 xx- fence/gate located at clubhouse #1 pool area xx- fence/gate located at clubhouse #2 pool area xx- fence/gate located at pool bldg #3 pool area	1	each	\$8,031.54	10	100%	5%	\$8,433
<b>02 Equipment</b>							
02.01 appliances,clubhouse UL: 20 RL: 5							\$3,676
02.01.1 range/oven(Galaxy) 1 @ clubhouse #1 1 @ clubhouse #2	2	each	\$875.50	6	100%	5%	\$1,838
02.01.2 refrigerator(Welbilt) 1 @ clubhouse #1 1 @ clubhouse #2	2	each	\$875.50	6	100%	5%	\$1,838
02.02 bench,metal mesh UL: 15 RL: 14	1	each	\$784.76	3	100%	5%	\$823
02.03 doors,bathrooms/wtr htr rooms UL: 30 RL: 5 4- bathroom doors 2- water heater room doors	6	each	\$952.38	6	100%	5%	\$5,999
02.04 doors,clubhouse entry UL: 30 RL: 30 5- clubhouse #1 6- clubhouse #2	11	each	\$1,696.96	3	100%	5%	\$19,599
02.05 folding furniture,clubhouse #1 UL: 20 RL: 6	1	each	\$1,667.50	10	100%	5%	\$1,750
02.06 folding furniture,clubhouse #2 UL: 20 RL: 6	1	each	\$1,667.50	10	100%	5%	\$1,750
02.07 hvac,clubhouse #1 UL: 20 RL: 18 #1- Payne #PH13NB036-A;sn2812X64262 (mfg July 2012) #2- Payne #PH13NB036-B;sn3912X61120 (mfg Sept 2012)	2	each	\$3,218.08	3	100%	5%	\$6,757

## 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 hvac,clubhouse #2 UL: 20 RL: 2 Rheem #RPKA-048JAZ;sn5507-M2896-17656 (07/1996)	1	each	\$6,436.16	10	100%	5%	\$6,757
02.09 play equip,bars/slides/swings UL: 15 RL: 15 near clubhouse #1: 1- double slide 23- resilient mats (2x2) 1- swingset (2-child) near unit #4695: 1- double slide 23- resilient mats (2x2) 1- swingset (2-child) near unit #4836: 1- double slide 1- monkey bars 68- resilient mats (2x2) 1- swingset (4-child)	1	each	\$19,047.62	3	100%	5%	\$20,000
02.10 play equip,tot lot(CH #2) UL: 20 RL: 19 PlayWorld Systems; 5-12 year olds; medium size	1	each	\$29,428.27	3	100%	5%	\$30,899
02.11 sigange,unit #'s UL: 20 RL: 4	1	each	\$5,150.00	1	100%	5%	\$5,407
02.12 water heater,clubhouse #1 UL: 12 RL: 10 Bradford White #M240L6DS;sn1NCWW;snGF13592750 (40 gallon)	1	each	\$1,311.27	3	100%	5%	\$1,376
02.13 water heater,clubhouse #2 UL: 12 RL: 10 Bradford White #M240L6DS;sn1NCWW;snGF13592670 (40 gallon)	1	each	\$1,311.27	3	100%	5%	\$1,376
02.14 water heater,pool bldg #3 UL: 12 RL: 10	1	cu ft	\$1,060.90	3	100%	5%	\$1,113
<b>03 Fencing</b>							
03.01 walls,perimeter repairs-unfunded UL: 999 RL: 999	1	each	\$0.00	10	100%	5%	\$0
03.02 wood fence,patio yard UL: 20 RL: 6	1	each	\$10,927.27	10	100%	5%	\$11,473
03.03 wrought iron,pool #1,replace UL: 20 RL: 4	1	each	\$8,741.82	10	100%	5%	\$9,178

## 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>							
03.04 wrought iron,pool #2,replace UL: 20 RL: 0	1	each	\$8,741.82	10	100%	5%	\$9,178
03.05 wrought iron,pool #3,replace UL: 20 RL: 4	1	each	\$8,741.82	10	100%	5%	\$9,178
<b>04 Pools/Spas</b>							
04.01 deck,concrete repairs,pool areas UL: 20 RL: 7	3	each	\$5,463.64	1	100%	5%	\$17,210
04.02 filter #1,pool #1 UL: 10 RL: 7 Hayward#DE6020;sn21110909051277002	1	each	\$1,338.58	3	100%	5%	\$1,405
04.03 filter #2,pool #1 UL: 10 RL: 10 Hayward#DE6020;sn21110909051277002	1	each	\$1,338.58	3	100%	5%	\$1,405
04.04 filter,pool #2 UL: 10 RL: 1 Hayward #DE-6000;sn n/a Purex #n/a;sn n/a	2	each	\$1,338.59	10	100%	5%	\$2,811
04.05 filter,pool #3 UL: 10 RL: 2 Pentair #FN60;sn n/a	1	each	\$1,338.59	3	100%	5%	\$1,405
04.06 filter,wader #1 UL: 10 RL: 4 Hayward #DE4820;sn21110607051309003	1	each	\$1,338.59	3	100%	5%	\$1,405
04.07 filter,wader #2 UL: 10 RL: 1 Pentair #FN48;sn n/a (02F)	1	each	\$1,338.59	10	100%	5%	\$1,405
04.08 heater,pool #1 UL: 10 RL: 1 Raypak #C-R405A-EN-C;sn0301203548	1	each	\$3,059.64	10	100%	5%	\$3,212
04.09 heater,pool #2 UL: 10 RL: 7 Raypak #C-R407A-EN-C;sn1005309555	1	each	\$3,059.63	3	100%	5%	\$3,212
04.10 heater,pool #3 UL: 10 RL: 1 Raypak #C-R265BL-EN;sn0405222433	1	each	\$2,513.27	10	100%	5%	\$2,638

## 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 Pools/Spas</b>							
04.11 pumps,pool/wader #1 UL: 8 RL: 7 2 @ clubhouse pool #1	2	each	\$819.54	3	100%	5%	\$1,721
04.12 pumps,pools/wader #2/3 UL: 8 RL: 1 2 @ clubhouse #2 1 @ pool bldg #3	3	each	\$819.54	6	100%	5%	\$2,581
04.13 rehab,pool #1 UL: 12 RL: 9 xx lin ft; 3.5-8.5' depth 1-railing; 2-ladders	1	each	\$13,112.72	3	100%	5%	\$13,768
04.14 rehab,pool #2 UL: 12 RL: 9 xx lin ft; 3-8.5' depth 1-railing; 2-ladders	1	each	\$13,112.72	3	100%	5%	\$13,768
04.15 rehab,pool #3 UL: 12 RL: 8 xx lin ft; 3.5-6' depth 1-railing; 1-ladder	1	each	\$9,244.47	10	100%	5%	\$9,706
04.16 rehab,wader #1 UL: 10 RL: 7 xx lin ft; 1' deep 1-railing	1	each	\$3,278.18	6	100%	5%	\$3,442
04.17 rehab,wader #2 UL: 10 RL: 7 xx lin ft; 1' depth 1-railing	1	each	\$3,278.18	3	100%	5%	\$3,442
<b>05 Restoration</b>							
05.01 bathrooms,clubhouse #1 UL: 12 RL: 1	2	each	\$1,365.91	10	100%	5%	\$2,868
05.02 bathrooms,clubhouse #2 UL: 12 RL: 1	2	each	\$1,365.91	10	100%	5%	\$2,868
05.03 bathrooms,clubhouse #3 UL: 12 RL: 1	2	each	\$1,365.90	10	100%	5%	\$2,868
05.04 carports,rehab-unfunded UL: 999 RL: 999	1	each	\$0.00	10	100%	5%	\$0

## 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 Restoration</b>							
05.05 clubhouse #1,rehab UL: 15 RL: 1 vinyl floor	1	each	\$13,331.27	10	100%	5%	\$13,997
05.06 clubhouse #2,rehab UL: 15 RL: 1 vinyl floor	1	each	\$13,331.27	10	100%	5%	\$13,997
05.07 concrete car stops,replace UL: 20 RL: 19	1	each	\$4,761.91	3	100%	5%	\$5,000
05.08 concrete,repairs UL: 4 RL: 1 parking spaces; sidewalks	1	each	\$5,463.64	1	100%	5%	\$5,736
05.09 irrigation system,rehab UL: 20 RL: 1	1	each	\$109,272.70	10	100%	5%	\$114,736
05.10 utility lines,rehab-unfunded UL: 999 RL: 999	1	each	\$0.00	10	100%	5%	\$0
<b>06 Roofs</b>							
06.01 flat roofs-02 UL: 25 RL: 4	1	each	\$10,927.27	10	100%	5%	\$11,473
06.02 flat roofs-06 UL: 25 RL: 7	1	each	\$32,781.81	10	100%	5%	\$34,420
06.03 flat roofs-07 UL: 25 RL: 17	1	each	\$38,245.45	10	100%	5%	\$40,157
06.04 flat roofs-08 UL: 25 RL: 1	8	each	\$5,463.64	10	100%	5%	\$45,894
06.05 flat roofs-11 UL: 25 RL: 5	1	each	\$60,099.99	10	100%	5%	\$63,104
06.06 flat roofs-12 UL: 25 RL: 13	1	each	\$65,563.62	10	100%	5%	\$68,841
06.07 flat roofs-13(a) UL: 25 RL: 12	1	each	\$71,027.26	10	100%	5%	\$74,578
06.08 flat roofs-13(b) UL: 25 RL: 18	1	each	\$71,027.26	10	100%	5%	\$74,578

## 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</b> <b>Roofs</b>							
06.09 flat roofs-15 UL: 25 RL: 23 bldg #09- 4576-4588 (7 units) bldg #41- 4775-4783 (5 units) bldg #49- 4848-4822 (3 units)	15	each	\$5,463.64	3	100%	5%	\$86,052
06.10 flat roofs-22 UL: 25 RL: 14	1	each	\$120,199.97	10	100%	5%	\$126,209
06.11 flat roofs-24 UL: 25 RL: 15	1	each	\$131,127.24	10	100%	5%	\$137,683
06.12 flat roofs-26 UL: 25 RL: 16	1	each	\$142,054.51	10	100%	5%	\$149,157
06.13 flat roofs-27 UL: 25 RL: 21	1	each	\$147,518.15	10	100%	5%	\$154,894
06.14 flat roofs-29 UL: 25 RL: 8	1	each	\$158,445.42	10	100%	5%	\$166,367
06.15 flat roofs-40 UL: 25 RL: 19	1	each	\$218,545.40	10	100%	5%	\$229,472
06.16 mansard roofs-2000 UL: 50 RL: 36 bldg #47 (6)	6	each	\$3,660.64	10	100%	5%	\$23,062
06.17 mansard roofs-2001 UL: 50 RL: 37 bldg #02 (7) bldg #15 (8) bldg #35 (2) bldg #39 (4)	21	each	\$3,660.64	10	100%	5%	\$80,717
06.18 mansard roofs-2002 UL: 50 RL: 38 bldg #10 (7) bldg #32 (8) bldg #40 (3)	18	each	\$3,660.64	10	100%	5%	\$69,186
06.19 mansard roofs-2003 UL: 50 RL: 39 bldg #33 (3) bldg #43 (7) bldg #50 (6) bldg #52 (4)	20	each	\$3,660.64	10	100%	5%	\$76,873



## 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</b> <b>Roofs</b>							
06.20   mansard roofs-2004 UL: 50   RL: 40 bldg #01 (4) bldg #18 (8) bldg #20 (7)	19	each	\$3,660.64	10	100%	5%	\$73,029
06.21   mansard roofs-2005 UL: 50   RL: 41 bldg #06 (7) bldg #30 (7)	14	each	\$3,660.64	10	100%	5%	\$53,811
06.22   mansard roofs-2006 UL: 50   RL: 42 bldg #04 (3) bldg #12 (6) bldg #23 (4) bldg #25 (4) bldg #27 (3) bldg #31 (6)	26	each	\$3,660.64	10	100%	5%	\$99,935
06.23   mansard roofs-2007 UL: 50   RL: 43 bldg #07 (4) bldg #11 (2) bldg #13 (2) bldg #21 (3) bldg #28 (3) bldg #29 (3) bldg #37 (3)	20	each	\$3,660.64	10	100%	5%	\$76,873
06.24   mansard roofs-2008 UL: 50   RL: 44 bldg #05 (6) bldg #08 (4) bldg #42 (3) bldg #44 (6) bldg #54,bathroom bldg,pool #3 (1) bldg #55,clubhouse #1 (1)	21	each	\$3,660.64	10	100%	5%	\$80,717
06.25   mansard roofs-2009 UL: 50   RL: 45 bldg #17 (6) bldg #34 (3) bldg #36 (5) bldg #51 (5)	19	each	\$3,660.64	10	100%	5%	\$73,029

## 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</b>	<b>Roofs</b>							
06.26	mansard roofs-2010 UL: 50      RL: 46 bldg #24 (7) bldg #56,clubhouse #2 (1)	8	each	\$3,660.64	10	100%	5%	\$30,749
06.27	mansard roofs-2011 UL: 50      RL: 47 bldg #14 (3)	3	each	\$3,660.64	10	100%	5%	\$11,531
06.28	mansard roofs-2012 UL: 50      RL: 48 bldg #09- 4576-4588 (7 units) bldg #41- 4775-4783 (5 units) bldg #49- 4818-4822 (3 units) bldg #16- 4608-4610 (2 units) bldg #22- 4658-4660 (2 units)	19	each	\$3,660.63	3	100%	5%	\$73,029
06.29	mansard roofs-2013 UL: 50      RL: 49 bldg #03- 4514-4534 (6 units) bldg #19- 4636-4646 (6 units) bldg #38- 4764-4770 (4 units) bldg #46- 4798-4804 (4 units)	20	units	\$3,660.63	10	100%	5%	\$76,873
06.30	mansard roofs-2014 UL: 50      RL: 50 bldg #26- 4690-4700 (6 units) bldg #45- 4797-4803 (4 units) bldg #48- 4807-4815 (5 units) bldg #53- 4854-4860 (4 units)	19	each	\$3,660.63	3	100%	5%	\$73,029

**Grand Total:** 81

# *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.