

*This sample reserve study report was prepared
using the Reserve Funding Analyzer (RFA)*

Reserve Study and Funding Analysis Report

HOA Name: Sample HOA

HOA City and State: Any Town USA

For Fiscal Year: 2020

Date Prepared: March 24, 2020



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Introduction

HOA Responsibilities

HOAs have a responsibility to establish and maintain a Replacement Reserve Fund to provide the maintenance or replacement of association depreciable components. The objectives of a Reserve Study or Analysis includes the following:

- Provide a current estimate of the costs of repairing and replacing major common area components over the long term.
- All major repair and replacement costs will be covered by funds set aside by the association as reserves, so that funds are available when needed.
- An examination of the association's repair and replacement obligations is conducted.
- The costs and timing of replacement are determined.
- Distribute the contributions of old and new owners.
- Allows for the aesthetic qualities of the community to be maintained.
- Minimizes the need for special assessments.
- Shows owners and potential buyers a more accurate and complete picture of the association's financial strength and market value.
- Disclose to buyers, lenders, and others the manner in which management of the association is making provisions for non-annual maintenance requirements.
- Define explicit association decisions on how to provide for long-term funding.
- Provide or contribute to a maintenance planning tool for the association.

Summary

The financial outlook for the association is excellent. The current financial situation is good and the projected funding plan for the next 30 years will provide the funding necessary to meet all anticipated expenses. The association is in a very good current financial state. And, assuming that the funding plan presented here is followed, the projection for the next 30-years is also excellent.

Community Profile and Account Summary

The following table is a summary of the community and the current financial status.

Table 1: Community Profile and Account Summary

Community Profile and Account Summary	
Community:	Sample HOA
Number of Units:	253
Start Year for Analysis:	2020
Current Reserve Balance:	\$400,500
Recommended 2020 Annual Reserve Contribution:	\$37,919
Current Reserve Fully Funded Balance (FFB):	\$618,822
Current Reserve Funding Percent of FFB:	65%
Current (Deficit) or Surplus Per Unit:	(\$863)
Current Reserve Funding Strength:	Fair
Current Risk of Special Assessment:	Low
Current Contingency Fund Balance:	\$0
Current Outstanding Loan Balance:	\$60,060

Financial Assumptions and Recommendations Summary

The certain assumptions must be adopted in order to develop the financial analysis for this study. These include assumptions about the community and specific economic assumptions. The association must carefully monitor these assumptions and update the financial analysis should any of them change. The following table summarizes the basic recommendations which were derived from the use of the stated assumptions.

Table 2: Assumptions and Recommendations Summary

Summary – Assumptions and Recommendations

Beginning Assumptions

Number of Units:	253
Start Year for Analysis:	2020
Current Year (2020) Estimated Reserve Contribution:	\$37,919
Current Year (2020) Estimated Dues Income:	\$295,000
Current Year (2020) Special Assessment:	\$0

Economic Assumptions

Assumed Inflation Rate for Reserve Expenses:	2.00%
Assumed Inflation Rate for Operational Expenses:	2.00%
Interest rate on Reserve Balance:	2.10%

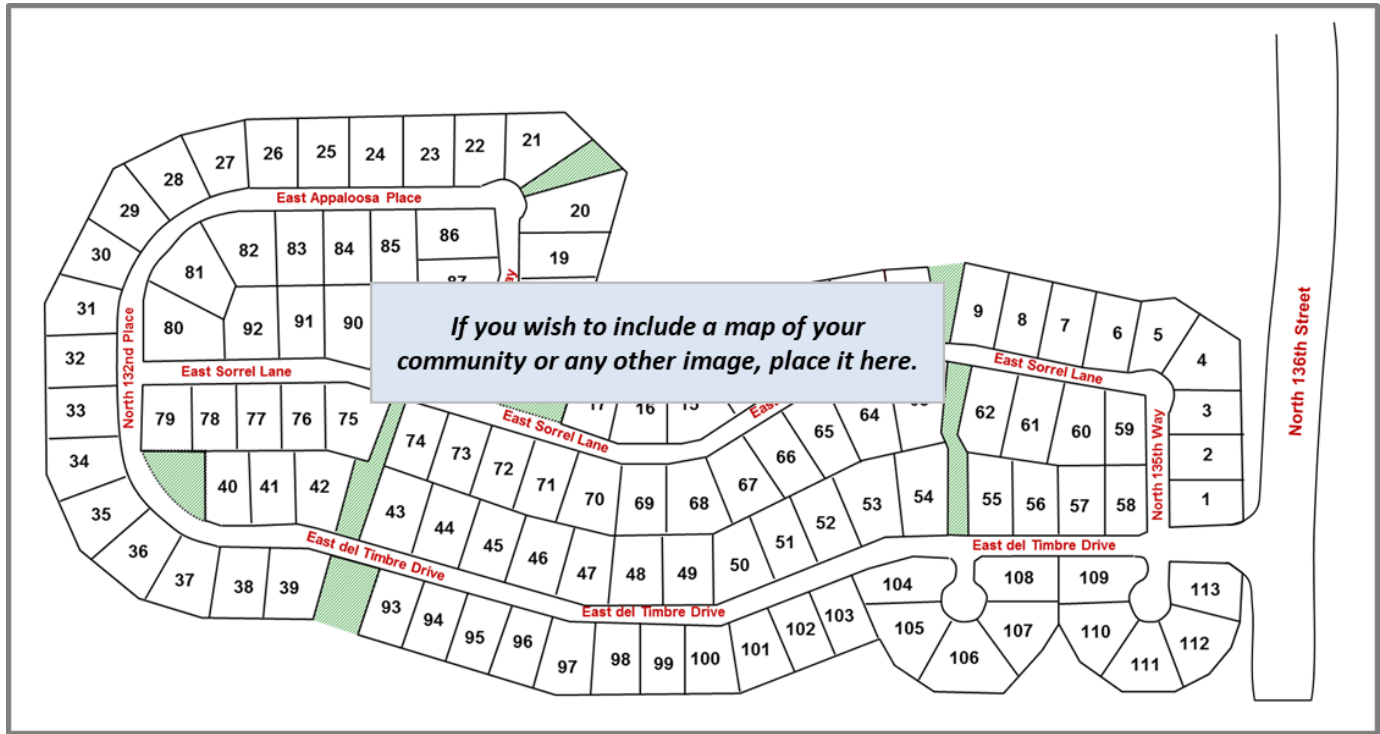
Current Reserve Status

Start of Year (2020) Reserve Fund Balance	\$400,500
Current Reserve Fully Funded Balance (FFB):	\$618,822
Current Reserve Funding Percent of FFB:	65%
Estimated Current Yr (2020) Reserve Contribution:	\$37,919

Recommendations for next 7 Years

Total Special Assessments Yrs 2021 to 2027:	\$0
Avg Annual Reserve Contribution Yrs 2021 to 2027:	\$92,010
Avg % Dues Increase Yrs 2021 to 2027:	3.57%

Site Map



Reserve Study Parameters

Table 3: Reserve Study Parameters

Reserve Study Parameters	
Level of Reserve Study:	Class II: Update with Site Visit
Report Period:	Fiscal Year 2020
Interest rate on Reserve Balance:	2.10%
Assumed Inflation Rate for Reserve Expenses:	2.00%
Assumed Inflation Rate for Operational Expenses:	2.00%
Funding Strategy:	Threshold Funding
Funding Methodology:	Cash Flow
Target Percent of FFB:	70% of FFB
Maintain Contingency Fund:	Yes
Contingency Fund Percent:	3.00%

Preparation

- Prior reserve studies, if available, were used as references for this analysis as a baseline for identification of reserve asset components
- The HOA Community Manager and members of the Board conducted an inventory of the reserve assets:
 - If available, prior reserve studies reserve assets inventory
 - Conduct current inventory of reserve assets
 - Verified that no assets were overlooked or if assets should be excluded
 - Condition of assets and useful life was evaluated by community manager, knowledgeable members of the community and outside service providers
 - Review historical records for component maintenance frequency and costs
 - Assess component useful life based on how long past component maintenance endured

Assumptions

- The physical inventory and condition assessment of all physical assets is complete.
- The component replacement cost estimates are reasonably accurate.
- Projected future financial requirements to fund the reserve components are accumulated based on actual costs or current estimated costs. Future expenditures are thereby estimated using the inflation assumptions stated herein.
- Estimates for current and future operational expenses are reasonably accurate. This includes annual expenses such as insurance, administration and maintenance. Future operational expenses are projected to rise at the projected inflation rate.

Funding Goals

- Provide sufficient funds when required
- Achieve and sustain a targeted percent funding of the Fully Funded Balance of the reserve fund
- Enable a stable contribution rate over the years
- Evenly distribute contributions over the years
- Minimize the need for special assessments
- Be fiscally responsible

It is common misconception that an HOA or community should maintain 100% of the fully funded balance. As a performance indicator, percent funding is used as a measure of the health of the reserve fund and a percent funding range of 70% to 100% is commonly adopted as a target percentage as it has been statistically shown that communities that maintain their percent funding in this range are far less likely to experience emergency assessments or deferral of maintenance. They can easily weather unexpected expenses and economic downturns. The actual percent funding target is used as a performance indicator and can vary according to unique circumstances.

The common guidelines for percent funding are:

- **Overfunded: Greater than 100%**
 - Indication that steps should be taken to bring the fund back into balance
 - Continued over funded places an unfair burden on individual members to maintain a fund in excess of what is needed
 - Overfunding does not provide additional safeguards that could be obtained from a strong position
- **Strong: 70% – 100%:**
 - Risk of special assessments or deferred maintenance is low
 - Higher marketability
 - Unexpected expense and economic downturns are easily overcome

- **Fair: 30% – 70%:**
 - Due diligence indicated to assure adequate funding scheduled expenses
 - Unexpected expenses and economic downturns pose a moderate to high risk of special assessments or deferred maintenance
- **Weak: 0% – 30%:**
 - Risk of special assessments is high, especially in the case of unexpected expenses or an economic downturn
 - Deferred maintenance of reserve components is very common
 - High stress and political turmoil are likely
 - Lower marketability

Physical Analysis

The reserve funding plan is most contingent upon an accurate physical analysis. To the extent practical, this reserve study consists of:

- Review of all components to assure proper identification and quantity
- Identify any new components
- Inspect all reserve components to assess their condition
- Examine historical records of component maintenance and evaluate if the Component Useful Life is accurately represented in the inventory listing
- In cases where reserve components were serviced in the last few years, evaluate if the past costs, once adjusted for inflation, represent an accurate estimate of the current service cost
- Consult with knowledgeable vendors and service providers to evaluate current condition, assure correct costs and useful lives are assessed

Funding Summary

Goals of Funding Analysis

The goals of a Funding Analysis are to:

- establish funding goals
- identify annual funding requirements
- disclose limitations and assumptions

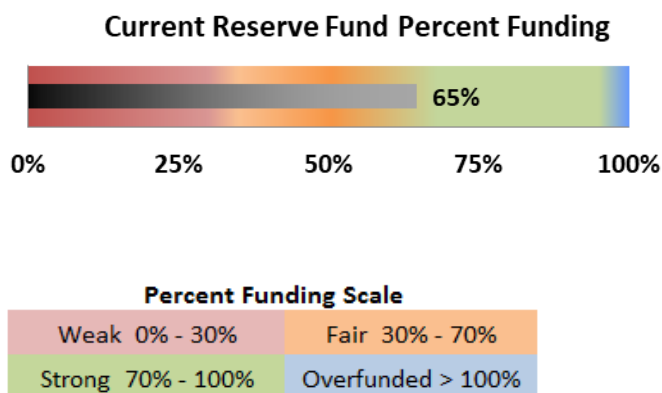
Once the components' estimated useful life, estimated remaining life, and estimated current replacement costs are identified, only then can the association develop a plan for funding the reserve account. This funding plan specifies future reserve cash needs and planned methods to offset the ongoing deterioration of the reserve components.

In preparing the funding plan, the association will have to make decisions about the amount of current assessments and the need for special assessments, balanced against projected liability. The law does not require the funding of projected replacement costs, only an explicit description of the plan for such funding, among other specific disclosures. The financial viability of the association will depend a great deal on the ability of the association to replace components as they wear out and not to defer major maintenance items.

A product of the Funding Analysis process is the development of a funding plan (cash flow forecast or projection) to estimate future reserve cash receipts and disbursements. This Reserve Study documents the funding plan with documented supporting assumptions and methodology.

Current Reserve Fund Percent Funding

Figure 1: Current Percent Funding



Current Income

The primary source of an association's income is from annual dues. Other sources can also include sale of assets and rental of facilities. The following summarizes the sources of income used in this reserve study.

Table 4: Current Income Sources

Current Funding Summary			Current Special Assessments	
Income Type		Amount	Year	Amount
Current Annual Dues:		\$295,000		
Current Planned Annual Dues Increases:		0.00%		
Interest on Reserve Fund:		2.10%		
Current Year Total of Other Annual Income:		\$3,000		

Current Expenses

Table 5: Current Expenses

Current Expenses	
Current Annual Operational Expenses:	\$235,000
Current Loan Payments:	\$13,491

Future Income Sources

Income sources used in this reserve study financial analysis include:

- Annual dues and annual dues increase
- New loans
- Annual income from other sources such as facilities rentals
- Interest on reserve fund accounts
- Special assessments
- Other one-time incomes such as a sale of assets

Table 6: Future Income Sources

Future Income Sources							
Dues Increase #1		Dues Increase #2		Dues Increase #3		New Loans	
% Increase: 5.00%		% Increase: 2.50%		% Increase: 1.50%		Year	Amount
Start Year: 2021		Start Year: 2024		Start Year: 2029			
Duration: 3 yrs		Duration: 5 yrs		Duration: 22 yrs			
Interest on Reserve Fund							
2.10%							
Other Annual Income		Other Income Ann Increase		Description		Start Year	
\$3,000		0.00%		cell tower income		2020	
New Special Assessments		Other One-Time Incomes					
Year	Amount	Year	Amount	Description			

Reserve Components

Reserve expenses for components are major expenses which must be budgeted for in advance in order to provide the necessary funds in time to cover the necessary maintenance or replacement as components deteriorate. Reserve expenses are reasonably predictable both in terms of frequency and cost. They are expenses that, if not reserved in advance, would likely have a significant impact on the budgetary process from one year to the next.

Included Components

A common concern is what components are to be included and funded for in the Reserve Study. Nationally recognized Reserve Study Standards indicates reserve components need to meet **ALL** of the following criteria:

- The component is owned and maintained by the Association
- The component is NOT already covered in a maintenance contract
- The component has a limited life expectancy
- The component has a predictable and reasonably defined remaining useful life
- The component project cost is above a threshold amount imposed by the Association

Component Useful Life Estimates

“Useful life” is defined as the number of years the component is expected to serve its intended purpose if given regular and proper maintenance. Estimating the useful life of each of components includes the following factors:

- Material manufacturer’s warranty
- Commercially available published source with estimates of useful life such as the US Department of Housing and Urban Development and Fannie Mae.
- Evaluating the Association’s past maintenance records

Component Remaining Useful Life Estimates

The “Remaining Life” is defined as the expected number of years the component will continue to serve its intended purpose prior to repair or replacement. Estimating the remaining useful life of each of components includes the following factors:

- Subtracting the year that the component was installed from the useful life estimate
- Evaluating the apparent physical condition by someone familiar with the component such as a service vendor and adjusting the remaining useful life as necessary
- Evaluating past maintenance records to determine if the useful life is accurately represented

In determining the remaining life of a component, a certain level of continued preventive maintenance is assumed. Any assumptions pertaining to these maintenance assumptions are explicitly stated so that proper maintenance can be continued throughout the component’s remaining life.

The remaining life of a component implicitly specifies the year in which maintenance or replacement is required. The analysis timeline shows the year of replacement for each component. The timeline serves as a schedule for expected component replacements and can be updated or changed when the Physical Analysis is updated or as components last for shorter or longer periods than expected.

Determining the Cost of Replacement

Replacement costs are obtained in various manners. All costs also include the cost of removing the existing component, if appropriate. Factors for estimating replacement costs include:

- Cost estimating manuals and guidelines, if appropriate
- Evaluating historical maintenance records and, where appropriate, adjusting for inflation
- Obtaining current estimates from reliable sources such as contractors, suppliers or subject matter experts

Excluded Components

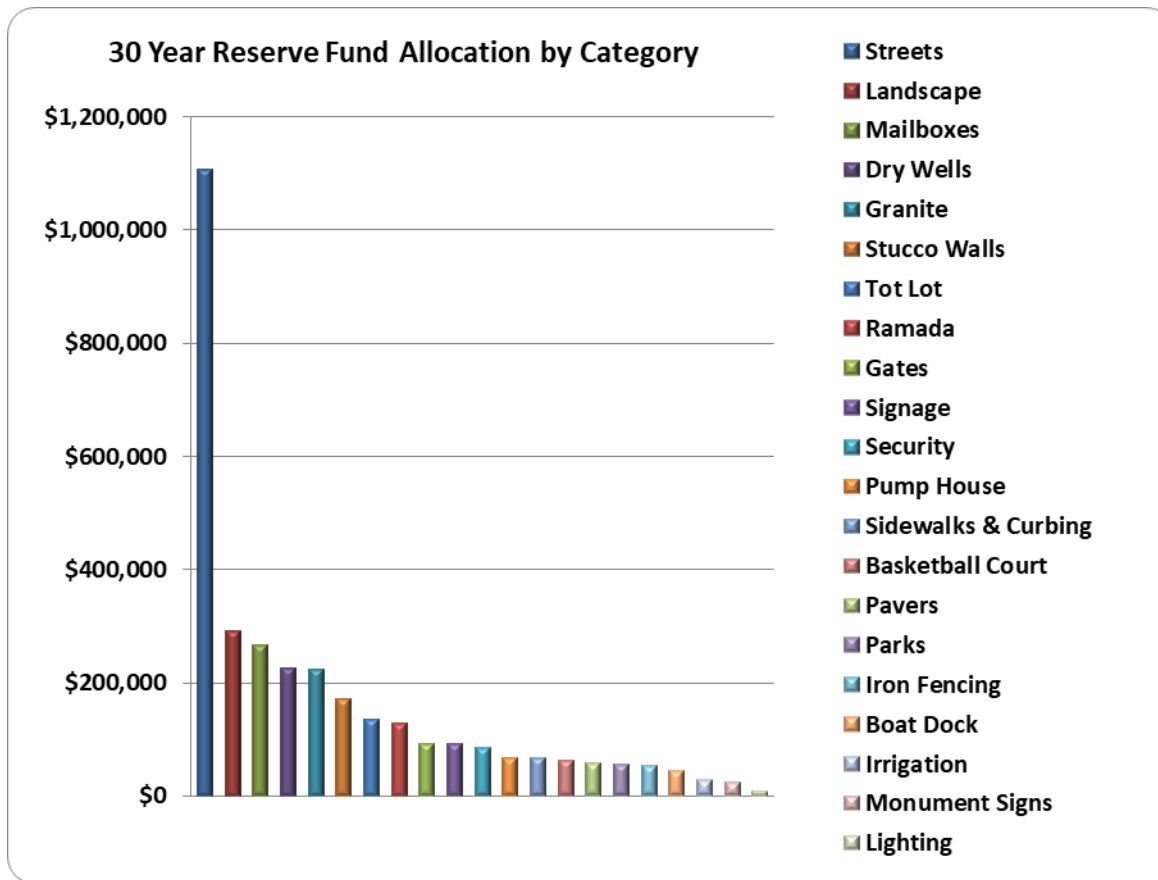
The following categories of components are typically excluded from Reserve Studies:

- Below Threshold Costs: – Component repair and/or replacement costs that are deemed too small to be considered reserve expenses are typically included in the operational or maintenance budget. Expenses that are below this threshold are not included in this study.
- Operational Expenses: – These occur at least annually and can be effectively budgeted for each year. They are characterized as being reasonably predictable both in terms of frequency and cost.
- Very Long or Unpredictable Useful Life Expectancy: – Components which, when properly maintained, have a very long useful life with no predictable replacement cycle. Examples include most plumbing, electrical systems and retaining walls. Although there may be circumstances where an Association may wish to include items in these categories.
- Unit Improvements: – Improvements made to the property that fall within the Governing Documents' unit description summary as the responsibility of the unit's owner.
- Other Non-Association/Organization Owned: – Improvements installed on the property but which are owned by other parties such as governmental agencies, utility companies, the US Postal Service, etc.

Reserve Fund Allocation

The following chart illustrates the reserve fund allocation of the included reserve components. Attention should be given to those component categories which take up a bulk of the % of the allocated costs as these may require significant planning to adequately budget for their replacement. These large expenses may be well into the future during "Peak Year" cycles.

Figure 2: 30 Year Reserve Fund Allocation



Component Inventory

The following components are included in this Reserve Study financial analysis.

Table 7: Reserve Component Inventory

Yellow highlights indicate items with Remaining Useful Life (RUL) = 0 years, requiring attention.

Item	User Heading 1	User Heading 2	Category Description	Reserve Component Name	Estimated Service Cost	Service Year	Est Useful Life (yrs)	Replacement Cost Basis	Qty	Units	Remaining Useful Life (yrs)	Next Service Year	Est Cost at Next Service
1	Zone 1	CS	Basketball Court	Replace Backboard & Hoop	\$1,400	2011	10	Current Est	1	each	1	2021	\$1,428
2	Zone 1	CS	Basketball Court	Replace Pole and Brackets	\$1,500	2001	20	Actual Cost	1	each	1	2021	\$2,229
3	Zone 1	CS	Basketball Court	Resurface Basketball Court	\$10,000	2012	8	Current Est	1	each	0	2020	\$10,000
4	Zone 1	BP	Boat Dock	Replace Boat Dock	\$4,210	2011	15	Actual Cost	1	each	6	2026	\$5,666
5	Zone 1	LC	Boat Dock	Replace Boat Dock	\$4,749	2017	15	Actual Cost	1	each	12	2032	\$6,392
6	Zone 1	CS	Boat Dock	Replace Boat Dock	\$5,159	2012	15	Actual Cost	1	each	7	2027	\$6,943
7	Zone 1	All	Dry Wells	Clean/repair Dry Wells	\$17,500	2016	5	Actual Cost	25	each	1	2021	\$19,321
8	Zone 1	All	Dry Wells	Replace Dry Wells	\$42,000	2001	30	Actual Cost	5	each	11	2031	\$76,077
9	Zone 2	Back Ent	Gates	Replace Gate Operators	\$6,500	2002	17	Current Est	2	each	0	2020	\$6,500
10	Zone 2	Main Ent	Gates	Replace Gate Operators	\$6,500	2006	17	Current Est	2	each	3	2023	\$6,898
11	Zone 2	Back Ent	Gates	Replace Gates (Back)	\$14,500	2001	30	Actual Cost	5	each	11	2031	\$26,265
12	Zone 2	Main Ent	Gates	Replace Gates (Entry)	\$14,500	2001	30	Actual Cost	5	each	11	2031	\$26,265
13	Zone 2	Main Ent	Gates	Replace KeyPad Box	\$2,500	2017	15	Actual Cost	1	each	12	2032	\$3,365
14	Zone 2	All	Granite	Replenish Granite - Ann	\$5,000	2017	1	Actual Cost	200	tons	0	2020	\$5,100
15	Zone 2	Back Ent	Iron Fencing	Paint Iron Fence & Gates	\$1,110	2017	5	Actual Cost	50	feet	2	2022	\$1,226
16	Zone 2	Main Ent	Iron Fencing	Paint Iron Fence & Gates	\$1,110	2017	5	Actual Cost	50	feet	2	2022	\$1,226

Yellow highlights indicate items with Remaining Useful Life (RUL) = 0 years, requiring attention.

Item	User Heading 1	User Heading 2	Category Description	Reserve Component Name	Estimated Service Cost	Service Year	Est Useful Life (yrs)	Replacement Cost Basis	Qty	Units	Remaining Useful Life (yrs)	Next Service Year	Est Cost at Next Service
17	Zone 2	All	Iron Fencing	Paint View Fence: lakes	\$1,800	2001	20	Actual Cost	18	each	1	2021	\$2,675
18	Zone 2	Back Ent	Iron Fencing	Replace Iron Fencing	\$5,390	2016	15	Actual Cost	93	feet	11	2031	\$7,254
19	Zone 2	Main Ent	Iron Fencing	Replace Iron Fencing	\$6,120	2001	30	Actual Cost	102	feet	11	2031	\$11,086
20	Zone 2	All	Irrigation	Replace Irrigation Cntrls	\$8,100	2002	18	Actual Cost	6	each	0	2020	\$11,569
21	Zone 2	All	Landscape	Repl trees/plants/shrubs	\$3,000	2017	1	Actual Cost	1	other	0	2020	\$3,060
22	Zone 2	All	Landscape	Tree Trimming - Ann	\$3,500	2017	1	Actual Cost	1	other	0	2020	\$3,570
23	Zone 2	All	Lighting	Replace low volt lights	\$2,500	2002	17	Actual Cost	1	other	0	2020	\$3,501
24	Zone 2	All	Mailboxes	Repair Mailboxes	\$22,000	2003	15	Actual Cost	140	other	0	2020	\$29,609
25	Zone 2	All	Mailboxes	Replace Mailboxes	\$44,000	2018	15	Actual Cost	140	each	13	2033	\$59,218
26	Zone 2	Main Ent	Monument Signs	Replace Monument Sign	\$3,000	2002	25	Actual Cost	1	each	7	2027	\$4,922
27	Zone 2	Back Ent	Monument Signs	Replace Monument Sign	\$3,000	2002	25	Actual Cost	1	each	7	2027	\$4,922
28	Zone 2	LC	Monument Signs	Replace Monument Sign	\$3,000	2002	25	Actual Cost	1	each	7	2027	\$4,922
29	Zone 2	CS	Monument Signs	Replace Monument Sign	\$3,000	2002	25	Actual Cost	1	each	7	2027	\$4,922
30	Zone 2	BP	Monument Signs	Replace Monument Sign	\$3,000	2002	25	Actual Cost	1	each	7	2027	\$4,922
31	Zone 2	LC	Parks	Replace Park Equip	\$3,000	2001	20	Actual Cost	1	other	1	2021	\$4,458
32	Zone 2	CS	Parks	Replace Park Equip	\$3,000	2001	20	Actual Cost	1	other	1	2021	\$4,458
33	Zone 2	BP	Parks	Replace Park Equip	\$3,000	2001	20	Actual Cost	1	other	1	2021	\$4,458
34	Zone 2	CS	Parks	Replace Park Equip	\$3,000	2001	20	Actual Cost	1	other	1	2021	\$4,458
35	Zone 2	LC	Parks	Replace Park Equip	\$3,000	2001	20	Actual Cost	1	other	1	2021	\$4,458
36	Zone 2	Main Ent	Pavers	Concrete Paver Replace	\$35,000	2001	25	Actual Cost	7,050	sq-ft	6	2026	\$57,421

Yellow highlights indicate items with Remaining Useful Life (RUL) = 0 years, requiring attention.

Item	User Heading 1	User Heading 2	Category Description	Reserve Component Name	Estimated Service Cost	Service Year	Est Useful Life (yrs)	Replacement Cost Basis	Qty	Units	Remaining Useful Life (yrs)	Next Service Year	Est Cost at Next Service
37	Zone 3	Pump Hs	Pump House	Replace Pump Cntrlr/Filter	\$11,000	2001	20	Actual Cost	1	each	1	2021	\$16,345
38	Zone 3	Pump Hs	Pump House	Replace Irrigation Pumps	\$5,200	2001	20	Actual Cost	2	each	1	2021	\$7,727
39	Zone 3	Pump Hs	Pump House	Replace PM Pump	\$2,250	2001	20	Actual Cost	1	each	1	2021	\$3,343
40	Zone 3	LC	Ramada	Replace Ramada	\$15,000	2001	30	Actual Cost	1	each	11	2031	\$27,170
41	Zone 3	CS	Ramada	Replace Ramada	\$15,000	2001	30	Actual Cost	1	each	11	2031	\$27,170
42	Zone 3	BP	Ramada	Replace Ramada	\$15,000	2001	30	Actual Cost	1	each	11	2031	\$27,170
43	Zone 3	LC	Ramada	Replace Tile Roof	\$6,500	2001	30	Actual Cost	1,625	sq-ft	11	2031	\$11,774
44	Zone 3	CS	Ramada	Replace Tile Roof	\$6,500	2001	30	Actual Cost	1,625	sq-ft	11	2031	\$11,774
45	Zone 3	BP	Ramada	Replace Tile Roof	\$6,500	2001	30	Actual Cost	1,625	sq-ft	11	2031	\$11,774
46	Zone 3	CS	Ramada	Repl Tile Roof - BB Court	\$6,500	2001	30	Actual Cost	1,625	sq-ft	11	2031	\$11,774
47	Zone 4	All	Sidewalks & Curbing	Repair Sdwk/Curbs - Ann	\$1,500	2017	1	Actual Cost	1	other	0	2020	\$1,530
48	Zone 4	All	Signage	Replace Street Signs	\$25,000	2001	20	Actual Cost	150	each	1	2021	\$37,149
49	Zone 4	All	Streets	Asphalt Repair	\$2,100	2017	1	Actual Cost	1	other	0	2020	\$2,142
50	Zone 4	All	Streets	Asphalt Seal Coat	\$28,557	2016	4	Actual Cost	512,667	sq-ft	0	2020	\$30,911
51	Zone 4	All	Streets	Crack Seal	\$21,403	2016	4	Actual Cost	512,667	sq-ft	0	2020	\$23,167
52	Zone 4	All	Streets	Asphalt Resurface	\$350,000	2040	30	Current Est	512,667	sq-ft	20	2040	\$520,082
53	Zone 4	All	Streets	Asphalt Repair	\$2,250	2042	1	Current Est	1	other	22	2042	\$3,478
54	Zone 4	All	Streets	Asphalt Seal Coat	\$31,000	2044	4	Current Est	512,667	sq-ft	24	2044	\$49,862
55	Zone 4	All	Streets	Crack Seal	\$23,000	2044	4	Current Est	512,667	sq-ft	24	2044	\$36,994
56	Zone 4	All	Stucco Walls	Paint Stucco Walls	\$20,000	2017	5	Actual Cost	72,235	sq-ft	2	2022	\$22,082

Yellow highlights indicate items with Remaining Useful Life (RUL) = 0 years, requiring attention.

Item	User Heading 1	User Heading 2	Category Description	Reserve Component Name	Estimated Service Cost	Service Year	Est Useful Life (yrs)	Replacement Cost Basis	Qty	Units	Remaining Useful Life (yrs)	Next Service Year	Est Cost at Next Service
57	Zone 4	LC	Tot Lot	Repl Artificial Play Surf	\$1,156	2012	10	Actual Cost	1	each	2	2022	\$1,409
58	Zone 4	LC	Tot Lot	Repl Fabric Shade Struct	\$15,000	2020	15	Actual Cost	1	each	15	2035	\$20,188
59	Zone 4	LC	Tot Lot	Replace Park Equipment	\$5,250	2001	20	Actual Cost	1	each	1	2021	\$7,801
60	Zone 4	LC	Tot Lot	Replace Play Structure	\$25,000	2001	25	Actual Cost	1	each	6	2026	\$41,015
61	Zone 4	LC	Tot Lot	Replenish Sand	\$1,500	2020	3	Current Est	1	each	0	2020	\$1,500
62	Zone 2	Main Ent	Security	Surveillance Camera Maint	\$2,500	2024	4	Current Est	4	each	4	2024	\$2,706
63	Zone 2	Main Ent	Security	Routine maint guard shack	\$5,250	2017	4	Actual Cost	1	each	1	2021	\$5,683

Income and Expenses

The funding plan of this reserve study will help the association's reserve account to be highly funded over the next 30 years. This requires a recommended allocation amount into the reserve account. The following table summarizes incomes and expenses and indicates the recommended contributions to the reserve account. This funding plan considers four basic principles:

1. There are adequate reserves when needed.
2. The budget should remain stable but increasing to offset inflationary factors.
3. The costs are fairly distributed over time.
4. The funding plan must allow the Association to be fiscally responsible.

Table 8: Projected Income & Expenses Summary

Year	Start of Yr Reserve Balance	Fully Funded Balance	Start Of Yr Percent Funded	Special Assessments	Total Income	Operational Expenses	Loan Expenses	Special Projects & Reserve Expenses	Annual Dues	Annual Reserve Contribution	Reserve Contribution Pct of Dues	Contingency Fund Contribution	EOY Contingency Balance	EOY Reserve Balance
2020	\$400,500	\$618,822	65%	\$0	\$306,411	\$235,000	\$13,491	\$154,048	\$295,000	\$37,919	13%	\$7,985	\$20,000	\$276,386
2021	\$276,386	\$575,636	48%	\$0	\$318,554	\$239,700	\$13,491	\$142,615	\$309,750	\$65,363	21%	\$0	\$20,000	\$199,134
2022	\$199,134	\$524,473	38%	\$0	\$332,419	\$244,494	\$13,491	\$42,614	\$325,238	\$74,434	23%	\$0	\$20,000	\$230,954
2023	\$230,954	\$575,942	40%	\$0	\$349,349	\$249,384	\$13,491	\$25,495	\$341,499	\$86,474	25%	\$0	\$20,000	\$291,934
2024	\$291,934	\$647,591	45%	\$0	\$359,167	\$254,372	\$13,491	\$78,586	\$350,037	\$91,305	26%	\$0	\$20,000	\$304,653
2025	\$304,653	\$668,242	46%	\$0	\$368,185	\$259,459	\$13,491	\$23,842	\$358,788	\$95,235	27%	\$0	\$20,000	\$376,046
2026	\$376,046	\$746,901	50%	\$0	\$378,654	\$264,648	\$0	\$145,169	\$367,757	\$114,006	31%	\$0	\$20,000	\$344,883
2027	\$344,883	\$705,172	49%	\$0	\$387,194	\$269,941	\$0	\$77,045	\$376,951	\$117,253	31%	\$0	\$20,000	\$385,091
2028	\$385,091	\$733,924	52%	\$0	\$397,462	\$275,340	\$0	\$96,782	\$386,375	\$122,122	32%	\$0	\$20,000	\$410,431
2029	\$410,431	\$744,985	55%	\$0	\$403,790	\$280,847	\$0	\$27,601	\$392,171	\$122,943	31%	\$0	\$20,000	\$505,773
2030	\$505,773	\$828,733	61%	\$0	\$411,675	\$286,464	\$0	\$19,534	\$398,053	\$125,211	31%	\$0	\$20,000	\$611,450
2031	\$611,450	\$924,325	66%	\$0	\$419,865	\$292,193	\$0	\$321,109	\$404,024	\$127,672	32%	\$0	\$20,000	\$418,013
2032	\$418,013	\$716,200	58%	\$0	\$421,863	\$298,037	\$0	\$135,361	\$410,085	\$123,826	30%	\$0	\$20,000	\$406,478
2033	\$406,478	\$695,396	58%	\$0	\$427,772	\$303,998	\$0	\$87,154	\$416,236	\$123,774	30%	\$0	\$20,000	\$443,098
2034	\$443,098	\$725,404	61%	\$0	\$434,784	\$310,078	\$0	\$21,144	\$422,479	\$124,707	30%	\$0	\$20,000	\$546,661
2035	\$546,661	\$825,444	66%	\$0	\$443,296	\$316,279	\$0	\$85,233	\$428,817	\$127,017	30%	\$0	\$20,000	\$588,445
2036	\$588,445	\$790,016	74%	\$0	\$450,606	\$322,605	\$0	\$139,399	\$435,249	\$128,002	29%	\$0	\$20,000	\$577,048
2037	\$577,048	\$831,845	69%	\$0	\$456,896	\$329,057	\$0	\$77,358	\$441,778	\$127,839	29%	\$0	\$20,000	\$627,529
2038	\$627,529	\$863,921	73%	\$0	\$464,582	\$335,638	\$0	\$41,551	\$448,404	\$128,944	29%	\$0	\$20,000	\$714,922
2039	\$714,922	\$931,800	77%	\$0	\$473,144	\$342,351	\$0	\$23,345	\$455,130	\$129,345	28%	\$0	\$21,448	\$820,923
2040	\$820,923	\$1,024,780	80%	\$0	\$482,197	\$349,198	\$0	\$553,955	\$461,957	\$129,819	28%	\$0	\$24,628	\$396,786
2041	\$396,786	\$597,444	66%	\$0	\$480,219	\$356,182	\$0	\$218,437	\$468,887	\$124,037	26%	\$0	\$24,628	\$302,387
2042	\$302,387	\$509,610	59%	\$0	\$485,270	\$363,305	\$0	\$72,699	\$475,920	\$121,965	26%	\$0	\$24,628	\$351,653
2043	\$351,653	\$571,134	62%	\$0	\$493,443	\$370,571	\$0	\$25,302	\$483,059	\$122,872	25%	\$0	\$24,628	\$449,223
2044	\$449,223	\$684,742	66%	\$0	\$502,738	\$377,983	\$0	\$135,182	\$490,305	\$124,755	25%	\$0	\$24,628	\$438,796
2045	\$438,796	\$691,106	63%	\$0	\$509,874	\$385,542	\$0	\$35,465	\$497,659	\$124,331	25%	\$0	\$24,628	\$527,663
2046	\$527,663	\$801,919	66%	\$0	\$519,205	\$393,253	\$0	\$68,313	\$505,124	\$125,952	25%	\$0	\$24,628	\$585,301
2047	\$585,301	\$884,107	66%	\$0	\$527,992	\$401,118	\$0	\$83,327	\$512,701	\$126,874	25%	\$0	\$24,628	\$628,848
2048	\$628,848	\$955,341	66%	\$0	\$536,597	\$409,141	\$0	\$206,005	\$520,391	\$127,456	24%	\$0	\$24,628	\$550,300
2049	\$550,300	\$905,640	61%	\$0	\$542,754	\$417,324	\$0	\$38,390	\$528,197	\$125,430	24%	\$0	\$24,628	\$637,340
2050	\$637,340	\$1,028,740	62%	\$0	\$552,504	\$425,670	\$0	\$114,752	\$536,120	\$126,834	24%	\$0	\$24,628	\$649,422

Detailed Financial Analysis

Annual Projected Expenses

The annual projected reserve expenses are estimates based on estimated useful life of the components, the current cost estimates, and adjustments for inflation.

Special Project Expenditures

Year	Cost	Special Project or One-Time Expense
2020	\$20,000	Install surveillance cameras

Reserve Component Expenditures

Year	Cost	Component
2020	\$10,000	Resurface Basketball Court
	\$6,500	Replace Gate Operators
	\$5,306	Replenish Granite - Ann
	\$11,569	Replace Irrigation Cntrl
	\$3,184	Repl trees/plants/shrubs
	\$3,714	Tree Trimming - Ann
	\$3,571	Replace low volt lights
	\$30,805	Repair Mailboxes
	\$1,592	Repair Sdwk/Curbs - Ann
	\$2,229	Asphalt Repair
	\$30,911	Asphalt Seal Coat

Year	Cost	Component
2030	\$6,468	Replenish Granite - Ann
	\$3,881	Repl trees/plants/shrubs
	\$4,528	Tree Trimming - Ann
	\$1,940	Repair Sdwk/Curbs - Ann
	\$2,717	Asphalt Repair
2031	\$1,741	Replace Backboard & Hoop
	\$23,553	Clean/repair Dry Wells
	\$76,077	Replace Dry Wells
	\$26,265	Replace Gates (Back)
	\$26,265	Replace Gates (Entry)

Year	Cost	Component
2040	\$9,659	Replace Gate Operators
	\$7,884	Replenish Granite - Ann
	\$4,731	Repl trees/plants/shrubs
	\$5,519	Tree Trimming - Ann
	\$2,365	Repair Sdwk/Curbs - Ann
	\$520,082	Asphalt Resurface
	\$3,715	Surveillance Camera Maint
2041	\$2,122	Replace Backboard & Hoop
	\$3,312	Replace Pole and Brackets
	\$7,626	Replace Boat Dock

Year	Cost	Component
	\$23,167	Crack Seal
	\$1,500	Replenish Sand
2021	\$1,428	Replace Backboard & Hoop
	\$2,229	Replace Pole and Brackets
	\$19,321	Clean/repair Dry Wells
	\$5,412	Replenish Granite - Ann
	\$2,675	Paint View Fence: lakes
	\$3,247	Repl trees/plants/shrubs
	\$3,789	Tree Trimming - Ann
	\$4,458	Replace Park Equip
	\$4,458	Replace Park Equip
	\$4,458	Replace Park Equip
	\$4,458	Replace Park Equip
	\$4,458	Replace Park Equip
	\$16,345	Replace Pump Cntrlr/Filter
	\$7,727	Replace Irrigation Pumps
	\$3,343	Replace PM Pump
	\$1,624	Repair Sdwk/Curbs - Ann
	\$37,149	Replace Street Signs
	\$2,273	Asphalt Repair
	\$7,801	Replace Park Equipment
	\$5,683	Routine maint guard shack

Year	Cost	Component
	\$6,597	Replenish Granite - Ann
	\$7,254	Replace Iron Fencing
	\$11,086	Replace Iron Fencing
	\$3,958	Repl trees/plants/shrubs
	\$4,618	Tree Trimming - Ann
	\$27,170	Replace Ramada
	\$27,170	Replace Ramada
	\$27,170	Replace Ramada
	\$11,774	Replace Tile Roof
	\$11,774	Replace Tile Roof
	\$11,774	Replace Tile Roof
	\$11,774	Repl Tile Roof - BB Court
	\$1,979	Repair Sdwk/Curbs - Ann
	\$2,771	Asphalt Repair
2032	\$6,392	Replace Boat Dock
	\$3,365	Replace KeyPad Box
	\$6,729	Replenish Granite - Ann
	\$1,494	Paint Iron Fence & Gates
	\$1,494	Paint Iron Fence & Gates
	\$4,038	Repl trees/plants/shrubs
	\$4,711	Tree Trimming - Ann
	\$2,019	Repair Sdwk/Curbs - Ann

Year	Cost	Component
	\$28,711	Clean/repair Dry Wells
	\$8,042	Replenish Granite - Ann
	\$3,974	Paint View Fence: lakes
	\$4,825	Repl trees/plants/shrubs
	\$5,630	Tree Trimming - Ann
	\$6,624	Replace Park Equip
	\$6,624	Replace Park Equip
	\$6,624	Replace Park Equip
	\$6,624	Replace Park Equip
	\$6,624	Replace Park Equip
	\$24,288	Replace Pump Cntrlr/Filter
	\$11,482	Replace Irrigation Pumps
	\$4,968	Replace PM Pump
	\$2,413	Repair Sdwk/Curbs - Ann
	\$55,201	Replace Street Signs
	\$11,592	Replace Park Equipment
	\$2,273	Replenish Sand
	\$8,444	Routine maint guard shack
2042	\$9,345	Replace Boat Dock
	\$8,203	Replenish Granite - Ann
	\$1,821	Paint Iron Fence & Gates
	\$1,821	Paint Iron Fence & Gates

Year	Cost	Component
2022	\$5,520	Replenish Granite - Ann
	\$1,226	Paint Iron Fence & Gates
	\$1,226	Paint Iron Fence & Gates
	\$3,312	Repl trees/plants/shrubs
	\$3,864	Tree Trimming - Ann
	\$1,656	Repair Sdwk/Curbs - Ann
	\$2,319	Asphalt Repair
	\$22,082	Paint Stucco Walls
	\$1,409	Repl Artificial Play Surf
2023	\$6,898	Replace Gate Operators
	\$5,631	Replenish Granite - Ann
	\$3,378	Repl trees/plants/shrubs
	\$3,942	Tree Trimming - Ann
	\$1,689	Repair Sdwk/Curbs - Ann
	\$2,365	Asphalt Repair
	\$1,592	Replenish Sand
2024	\$5,743	Replenish Granite - Ann
	\$3,446	Repl trees/plants/shrubs
	\$4,020	Tree Trimming - Ann
	\$1,723	Repair Sdwk/Curbs - Ann

	\$2,826	Asphalt Repair
	\$39,203	Asphalt Seal Coat
	\$29,382	Crack Seal
	\$26,917	Paint Stucco Walls
	\$1,718	Repl Artificial Play Surf
	\$1,902	Replenish Sand
	\$3,171	Surveillance Camera Maint
2033	\$6,864	Replenish Granite - Ann
	\$4,118	Repl trees/plants/shrubs
	\$4,805	Tree Trimming - Ann
	\$59,218	Replace Mailboxes
	\$2,059	Repair Sdwk/Curbs - Ann
	\$2,883	Asphalt Repair
	\$7,207	Routine maint guard shack
2034	\$7,001	Replenish Granite - Ann
	\$4,201	Repl trees/plants/shrubs
	\$4,901	Tree Trimming - Ann
	\$2,100	Repair Sdwk/Curbs - Ann
	\$2,941	Asphalt Repair
2035	\$7,141	Replenish Granite - Ann

	\$4,922	Repl trees/plants/shrubs
	\$5,742	Tree Trimming - Ann
	\$2,461	Repair Sdwk/Curbs - Ann
	\$3,478	Asphalt Repair
	\$32,812	Paint Stucco Walls
	\$2,094	Repl Artificial Play Surf
2043	\$8,367	Replenish Granite - Ann
	\$5,020	Repl trees/plants/shrubs
	\$5,857	Tree Trimming - Ann
	\$2,510	Repair Sdwk/Curbs - Ann
	\$3,548	Asphalt Repair
2044	\$16,084	Resurface Basketball Court
	\$8,534	Replenish Granite - Ann
	\$5,121	Repl trees/plants/shrubs
	\$5,974	Tree Trimming - Ann
	\$2,560	Repair Sdwk/Curbs - Ann
	\$3,619	Asphalt Repair
	\$49,862	Asphalt Seal Coat
	\$36,994	Crack Seal
	\$2,413	Replenish Sand
	\$4,021	Surveillance Camera Maint

Year	Cost	Component
	\$2,412	Asphalt Repair
	\$33,459	Asphalt Seal Coat
	\$25,077	Crack Seal
	\$2,706	Surveillance Camera Maint

2025	\$5,858	Replenish Granite - Ann
	\$3,515	Repl trees/plants/shrubs
	\$4,101	Tree Trimming - Ann
	\$1,757	Repair Sdwk/Curbs - Ann
	\$2,460	Asphalt Repair
	\$6,151	Routine maint guard shack

2026	\$5,666	Replace Boat Dock
	\$21,332	Clean/repair Dry Wells
	\$5,975	Replenish Granite - Ann
	\$3,585	Repl trees/plants/shrubs
	\$4,183	Tree Trimming - Ann
	\$57,421	Concrete Paver Replace
	\$1,793	Repair Sdwk/Curbs - Ann
	\$2,510	Asphalt Repair
	\$41,015	Replace Play Structure
	\$1,689	Replenish Sand

Year	Cost	Component
	\$4,285	Repl trees/plants/shrubs
	\$4,999	Tree Trimming - Ann
	\$41,460	Repair Mailboxes
	\$2,142	Repair Sdwk/Curbs - Ann
	\$2,999	Asphalt Repair
	\$20,188	Repl Fabric Shade Struct
	\$2,019	Replenish Sand

2036	\$13,728	Resurface Basketball Court
	\$26,004	Clean/repair Dry Wells
	\$7,284	Replenish Granite - Ann
	\$4,370	Repl trees/plants/shrubs
	\$5,099	Tree Trimming - Ann
	\$2,185	Repair Sdwk/Curbs - Ann
	\$3,059	Asphalt Repair
	\$42,434	Asphalt Seal Coat
	\$31,804	Crack Seal
	\$3,432	Surveillance Camera Maint

2037	\$9,102	Replace Gate Operators
	\$7,430	Replenish Granite - Ann
	\$1,649	Paint Iron Fence & Gates
	\$1,649	Paint Iron Fence & Gates

Year	Cost	Component
2045	\$8,705	Replenish Granite - Ann
	\$5,223	Repl trees/plants/shrubs
	\$6,094	Tree Trimming - Ann
	\$2,612	Repair Sdwk/Curbs - Ann
	\$3,691	Asphalt Repair
	\$9,140	Routine maint guard shack

2046	\$31,699	Clean/repair Dry Wells
	\$8,879	Replenish Granite - Ann
	\$9,763	Replace Iron Fencing
	\$5,328	Repl trees/plants/shrubs
	\$6,215	Tree Trimming - Ann
	\$2,664	Repair Sdwk/Curbs - Ann
	\$3,765	Asphalt Repair

2047	\$8,602	Replace Boat Dock
	\$4,528	Replace KeyPad Box
	\$9,057	Replenish Granite - Ann
	\$2,011	Paint Iron Fence & Gates
	\$2,011	Paint Iron Fence & Gates
	\$5,434	Repl trees/plants/shrubs
	\$6,340	Tree Trimming - Ann

Year	Cost	Component
2027	\$6,943	Replace Boat Dock
	\$6,095	Replenish Granite - Ann
	\$1,353	Paint Iron Fence & Gates
	\$1,353	Paint Iron Fence & Gates
	\$3,657	Repl trees/plants/shrubs
	\$4,266	Tree Trimming - Ann
	\$4,922	Replace Monument Sign
	\$4,922	Replace Monument Sign
	\$4,922	Replace Monument Sign
	\$4,922	Replace Monument Sign
	\$4,922	Replace Monument Sign
	\$1,828	Repair Sdwk/Curbs - Ann
	\$2,560	Asphalt Repair
	\$24,380	Paint Stucco Walls
2028	\$11,717	Resurface Basketball Court
	\$6,217	Replenish Granite - Ann
	\$3,730	Repl trees/plants/shrubs
	\$4,352	Tree Trimming - Ann
	\$1,865	Repair Sdwk/Curbs - Ann
	\$2,611	Asphalt Repair
	\$36,217	Asphalt Seal Coat
	\$27,144	Crack Seal

Year	Cost	Component
	\$4,458	Repl trees/plants/shrubs
	\$5,201	Tree Trimming - Ann
	\$5,000	Replace low volt lights
	\$2,229	Repair Sdwk/Curbs - Ann
	\$3,120	Asphalt Repair
	\$29,719	Paint Stucco Walls
	\$7,801	Routine maint guard shack
2038	\$7,578	Replenish Granite - Ann
	\$16,523	Replace Irrigation Cntrl
	\$4,547	Repl trees/plants/shrubs
	\$5,305	Tree Trimming - Ann
	\$2,273	Repair Sdwk/Curbs - Ann
	\$3,183	Asphalt Repair
	\$2,142	Replenish Sand
2039	\$7,730	Replenish Granite - Ann
	\$4,638	Repl trees/plants/shrubs
	\$5,411	Tree Trimming - Ann
	\$2,319	Repair Sdwk/Curbs - Ann
	\$3,247	Asphalt Repair

Year	Cost	Component
	\$2,717	Repair Sdwk/Curbs - Ann
	\$3,840	Asphalt Repair
	\$36,227	Paint Stucco Walls
	\$2,560	Replenish Sand
2048	\$9,238	Replenish Granite - Ann
	\$5,543	Repl trees/plants/shrubs
	\$6,467	Tree Trimming - Ann
	\$79,700	Replace Mailboxes
	\$2,771	Repair Sdwk/Curbs - Ann
	\$3,917	Asphalt Repair
	\$53,972	Asphalt Seal Coat
	\$40,044	Crack Seal
	\$4,353	Surveillance Camera Maint
2049	\$9,423	Replenish Granite - Ann
	\$5,654	Repl trees/plants/shrubs
	\$6,596	Tree Trimming - Ann
	\$2,827	Repair Sdwk/Curbs - Ann
	\$3,996	Asphalt Repair
	\$9,894	Routine maint guard shack
2050	\$9,611	Replenish Granite - Ann

Year	Cost	Component
	\$2,929	Surveillance Camera Maint
2029	\$6,341	Replenish Granite - Ann
	\$3,805	Repl trees/plants/shrubs
	\$4,439	Tree Trimming - Ann
	\$1,902	Repair Sdwlk/Curbs - Ann
	\$2,663	Asphalt Repair
	\$1,793	Replenish Sand
	\$6,658	Routine maint guard shack

Year	Cost	Component
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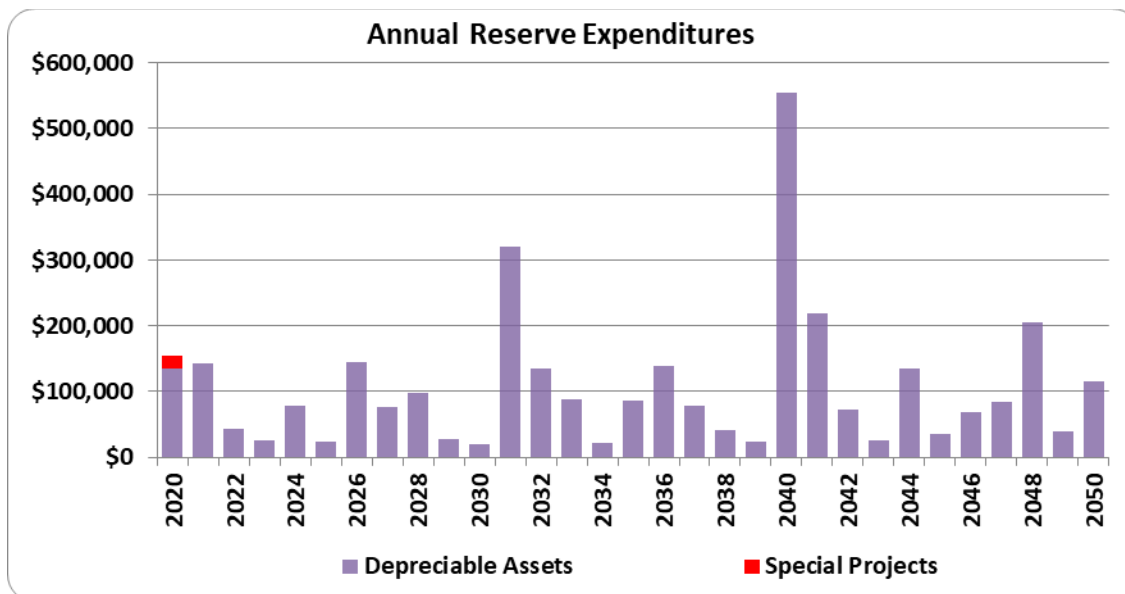
Year	Cost	Component
	\$5,767	Repl trees/plants/shrubs
	\$6,728	Tree Trimming - Ann
	\$55,800	Repair Mailboxes
	\$2,883	Repair Sdwlk/Curbs - Ann
	\$4,076	Asphalt Repair
	\$27,170	Repl Fabric Shade Struct
	\$2,717	Replenish Sand

Reserve Fund Expenditures

The graph below shows the projected future reserve expenses that the association is responsible to fund. As with all computations in this report, the estimates in this figure are based on the estimated expense projections which are combination of historical expenditures and current estimates. Expenses are projected 30 years into the future, using the Inflation rate assumptions stated earlier.

It is important to make note of large expenditure years (peak years) when there will be significant projected expenditures related to one or more component projects that will require repair/replacement. These large but infrequent component expenses during “peak” years are typically the most difficult to budget for as they are often overlooked or ignored due to the perception that the expenses are far in the future and there will be time to budget for them later.

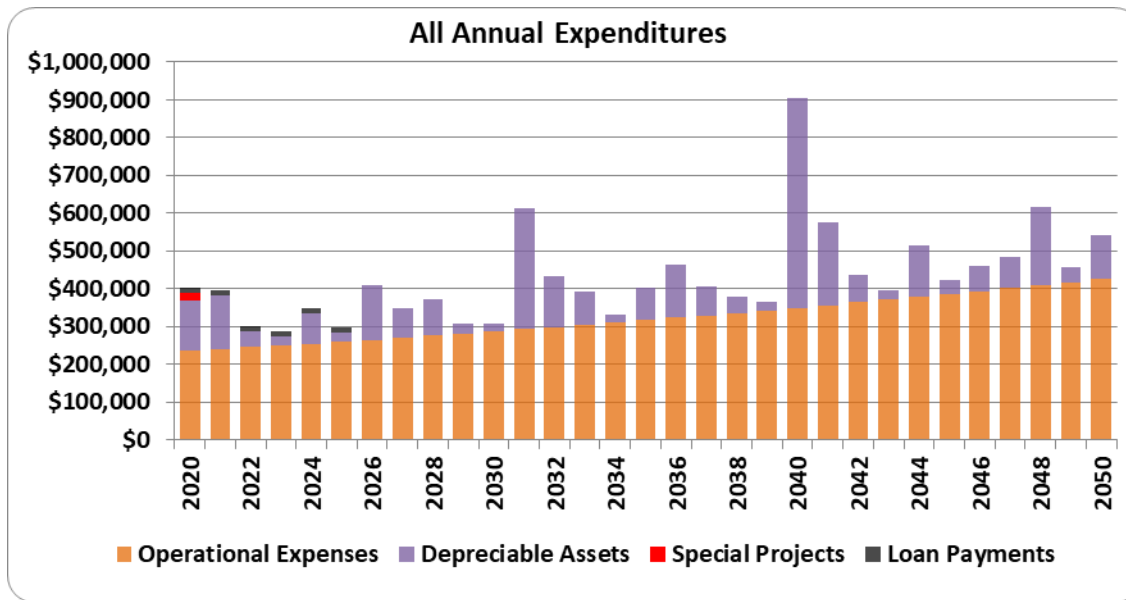
Figure 3: Reserve Fund Expenditures



All Expenses

In addition to reserve expenditures, the association needs to cover operational expenses, costs for special projects and any loan payments. The following graph depicts all annual expenditures that the association can expect over the next 30 years.

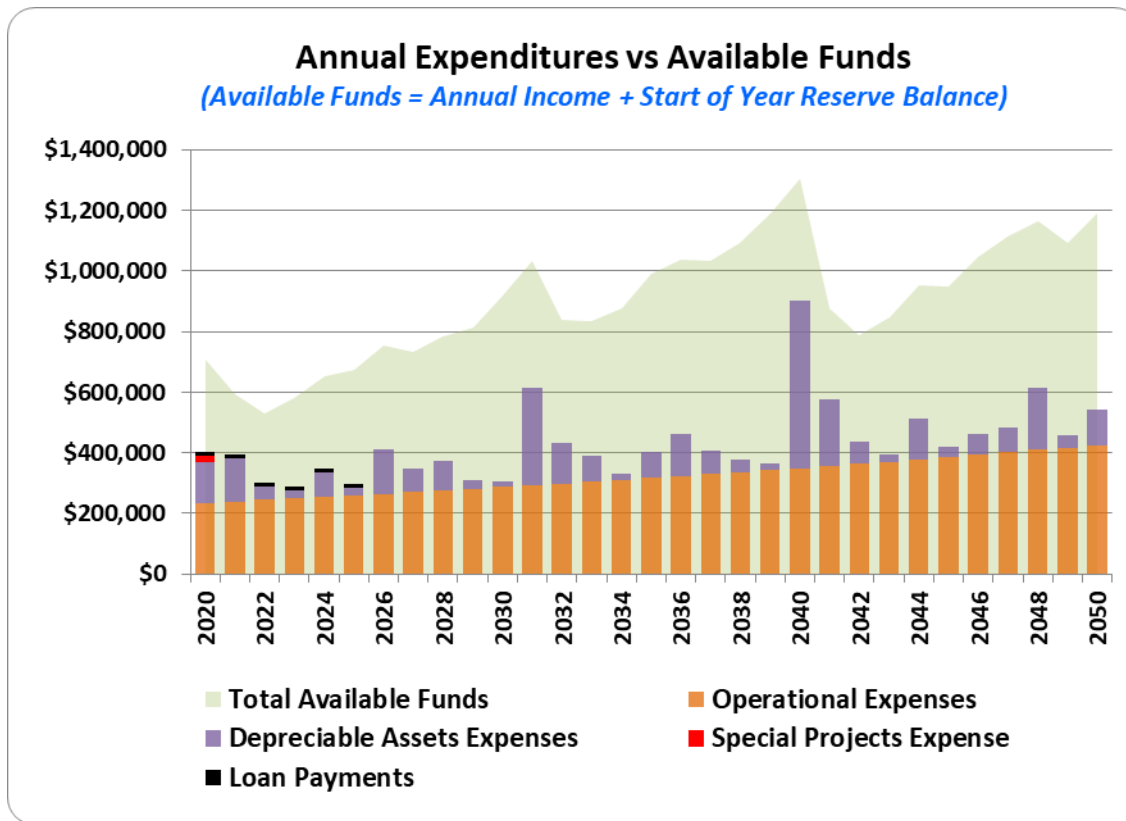
Figure 4: All Annual Expenses



As with any projections of future expenditures, “near-term” projects will generally be more accurate than events in the future, especially events projected many years away.

The following graph illustrates each year’s anticipated expenses versus the available cash assets. The cash assets are assumed to be the total of the start of year reserve fund balance plus the anticipated annual income plus any additional income such as loans or other income types. In effect, this chart shows you the total expenses verses total available funds in each year.

Figure 5: All Annual Expenses versus Available Funds

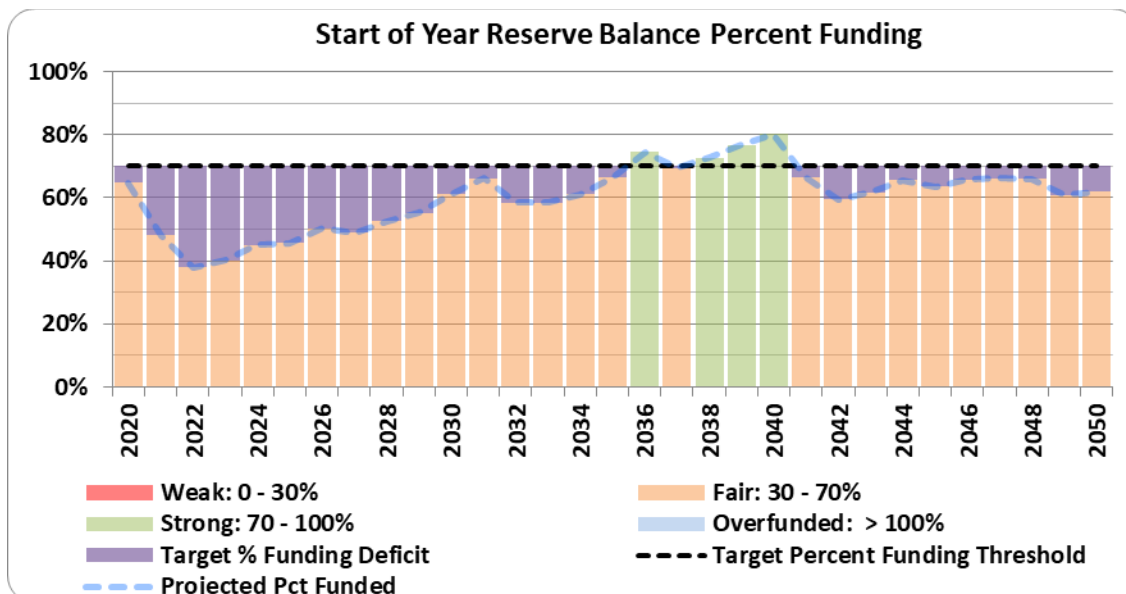


Reserve Balance

This graph illustrates the key elements of the funding model proposed in this assessment. Over the timeframe of this reserve

study, the allocation rates and the percent funding will fluctuate based on the expenditures projected in any given year.

Figure 6: Start of Year Reserve Balance Percent Funding



Annual Income and Contribution to Reserve Fund

Based on the current percent funded and the projected cash flow requirements, the recommended reserve contributions should be established at \$3,160 per month this fiscal year. This represents the first year of a 30-year Funding Plan. The actual contribution to the reserve fund will vary from year-to-year depending on the anticipated reserve expenses. To most fairly spread out the contribution burden over current and future owners in our inflationary economic environment, nominal annual increases should be expected in future years. Most authorities cite that the annual reserve contribution should be at least 10% of the annual income. Associations with a contribution rate less than 10% can expect future special assessments.

This recommended reserve contribution rate is depicted in the following two graphs.

Figure 7: Annual Income and Reserve Contribution

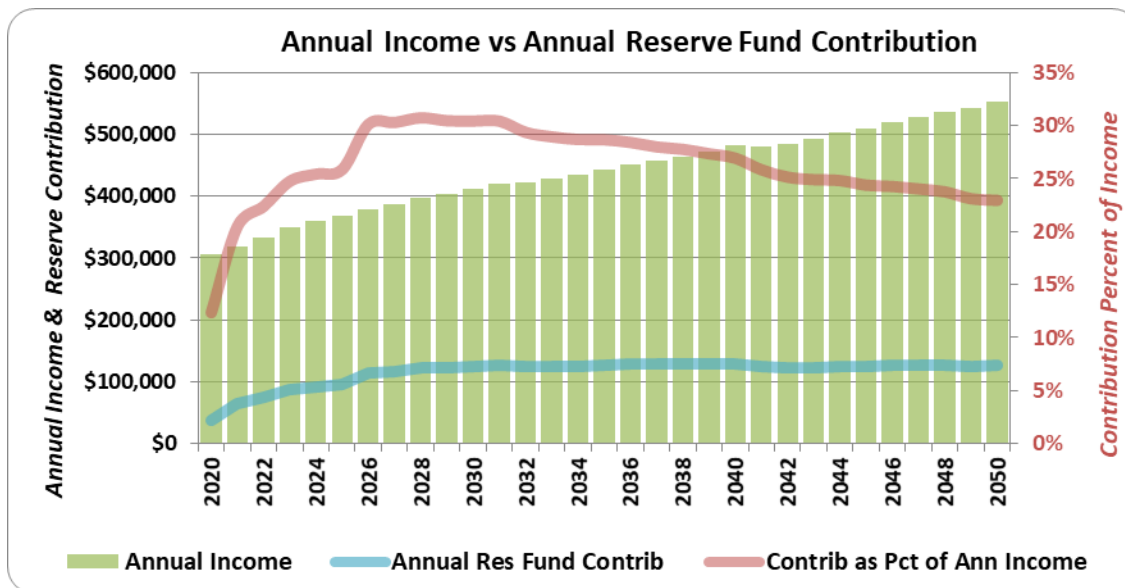
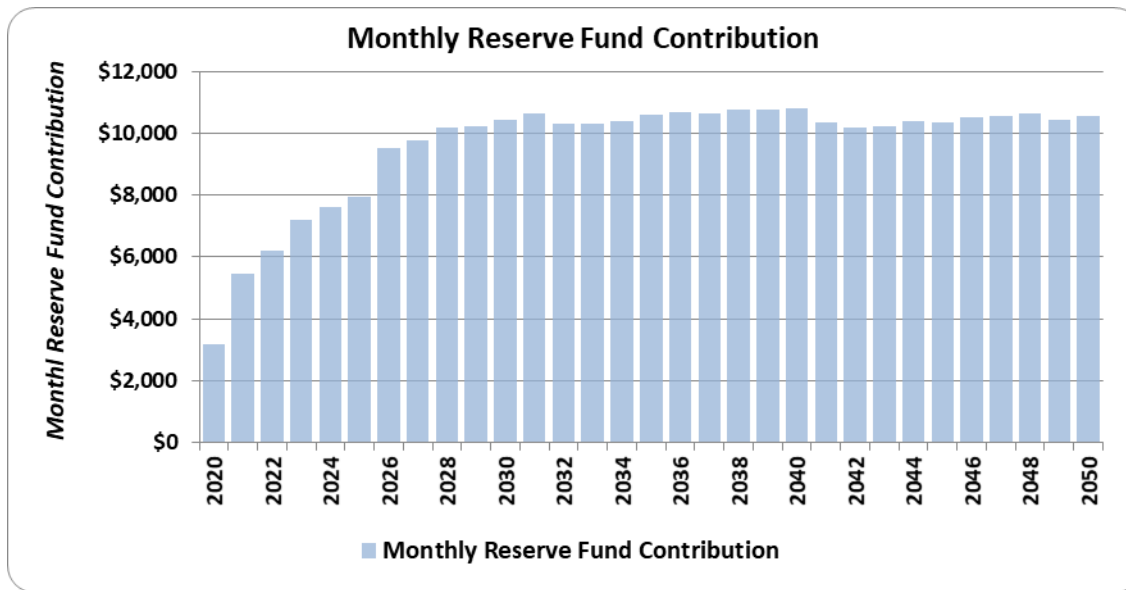


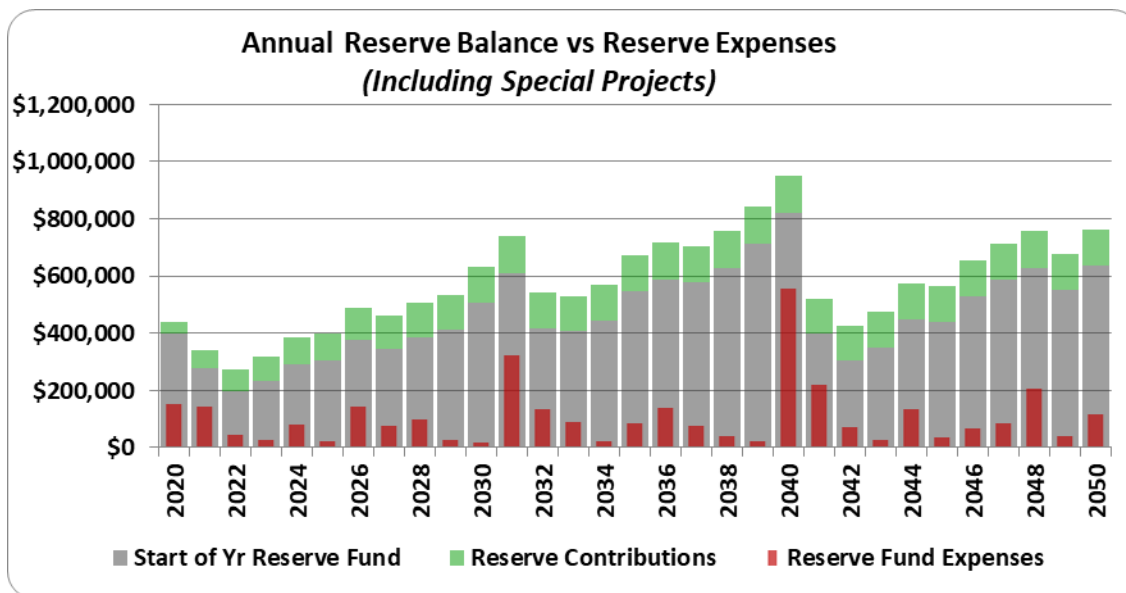
Figure 8: Monthly Reserve Contribution Rate



Annual Reserve Balance and Reserve Expenses

The following graph is often cited as the most important statistic for the Association's financial analysis. This graph depicts the estimated reserve expenses compared to the estimated reserve fund balance in each year of the analysis. The Association's key responsibility is to assure that the Reserve Fund is adequate to provide for the maintenance or replacement of depreciable components. This graph provides a quick and vivid view.

Figure 9: Annual Reserve Balance vs Reserve Expenses



Current Funding verses Recommend Funding Plans

The following two graphs compare the current funding plan to the proposed funding plan of this reserve study. The comparisons shown here illustrate both the Start of Year Reserve Balances and the Percent Funding comparisons. The

term, “current plan”, as used here is simplified in that it accounts for planned dues increases and special assessments that the Association could levy. Refer to each graph’s notes for details.

Figure 10: Reserve Account Comparison

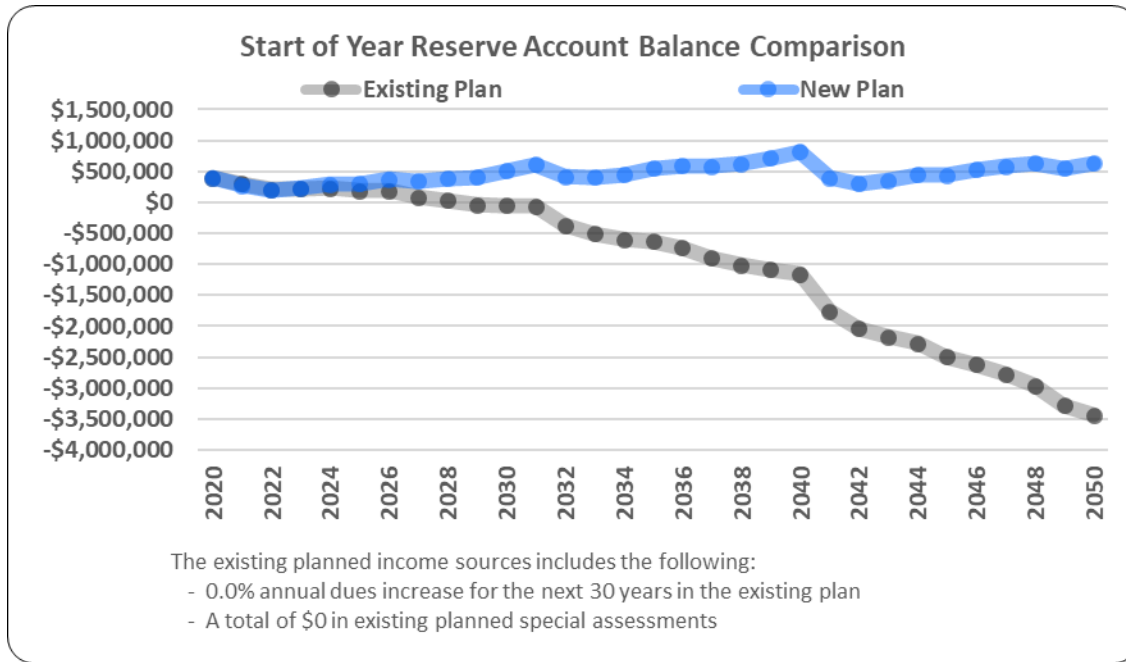
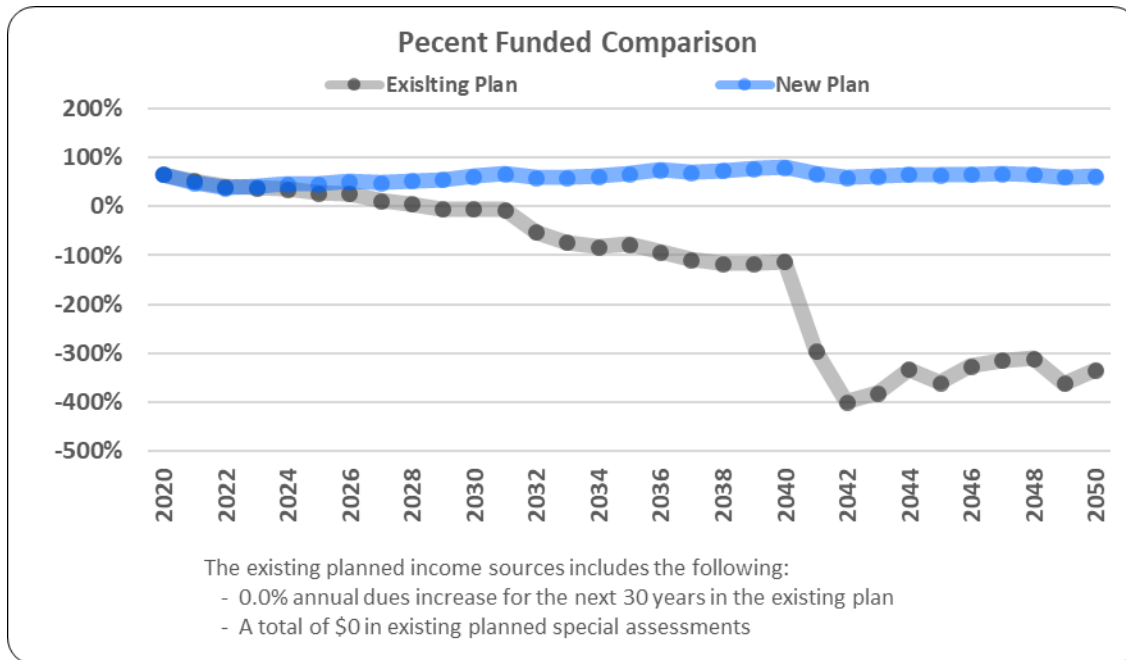


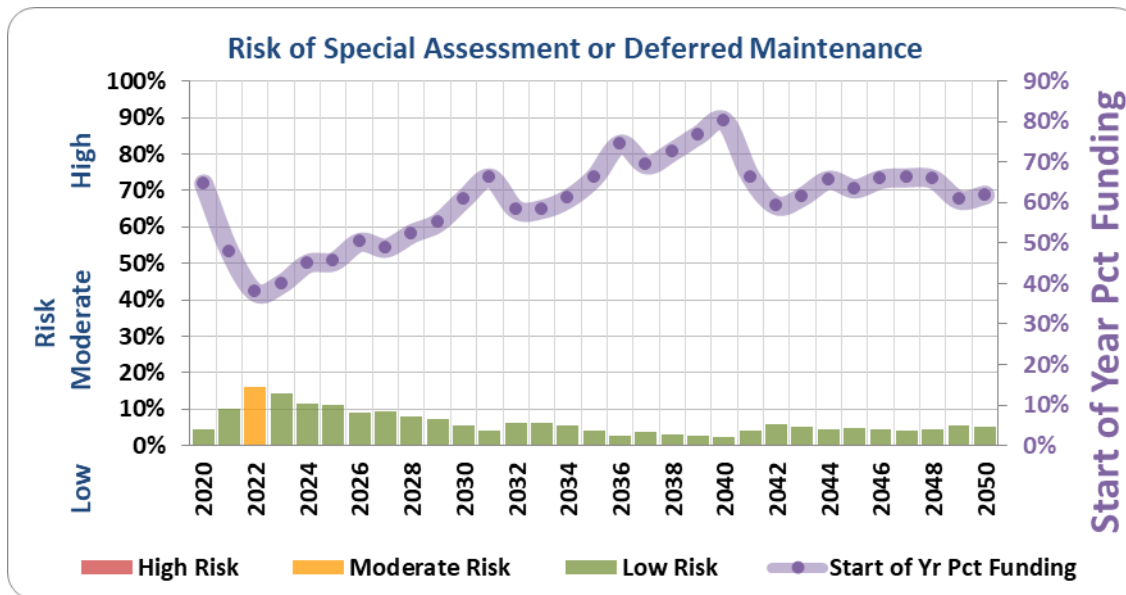
Figure 11: Percent Funded Comparison



Risk of Special Assessment or Deferred Maintenance

Calculating the risk of a special assessment is not an exact science. However, it is well understood that percent funding is a reliable predictor of the likelihood of a special assessment or the deferral of maintenance of reserve components. Associations above 70% funded have less than a 4% chance of ever needing a special assessment, whereas associations less than 30% funded are likely to need a special assessment every 2 to 4 years. The following table represents an estimate of the risk of a special assessment or deferred maintenance.

Figure 12: Risk of Special Assessment or Deferred Maintenance



Contingency Fund

The purpose of a contingency fund is to provide funds for unexpected expenses, unusually higher than anticipated expenses or other emergencies or shortfalls. A contingency fund can also be used to fund miscellaneous expenses that may be difficult to predict and plan. The contingency fund can be especially useful in situations where unexpected expenses may occur such as a burst water line or unexpected incidents such as pest infestations.

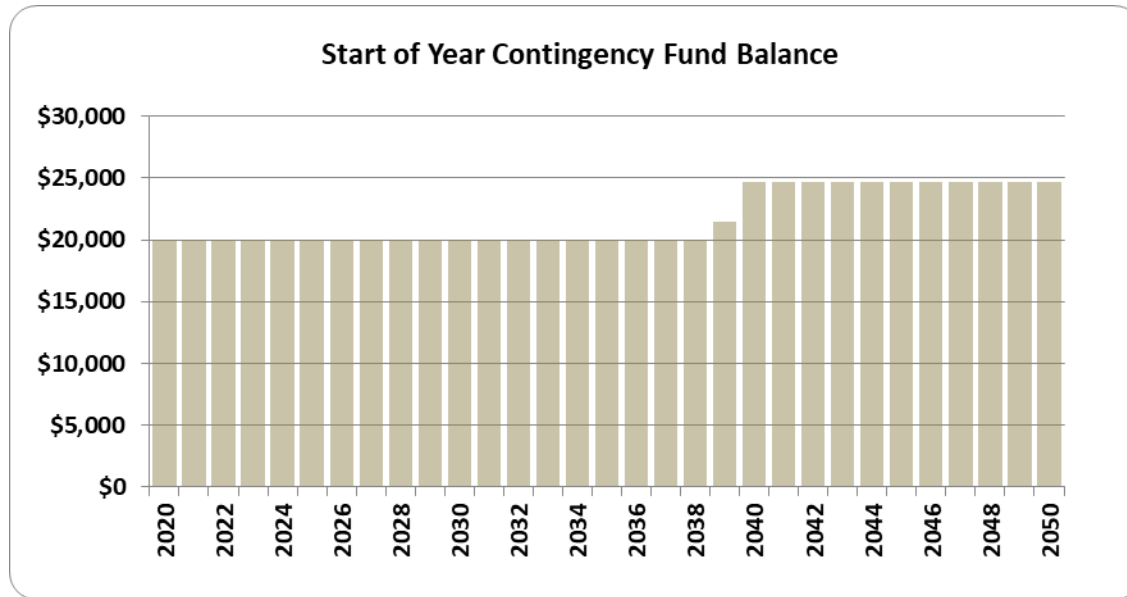
The contingency fund characteristics for the Association is shown in the following table.

Table 9: Contingency Fund Parameters

Contingency Fund		
Current Contingency Fund:	\$0	If a percent value is indicated, the contingency fund will be maintained at the designated percent within the minimum and maximum values indicated.
Contingency Fund Pct:	3.00%	
Max Contingency Fund Balance:	\$35,000	
Min Contingency Fund Balance:	\$20,000	

Using the above contingency funding parameters, the following chart shows the annual contingency fund balance for the next 30 years – assuming that any withdrawals from the contingency fund are replenished in the next annual cycle.

Figure 13: EOY Contingency Fund Balance



Income and Expense Summaries

Income and expenses summaries are presented on the following pages.

Years 2020 to 2029

Income Years 2020 to 2029

Estimated Incomes	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Dues Including Sched Increases	\$295.0 K	\$309.8 K	\$325.2 K	\$341.5 K	\$350.0 K	\$358.8 K	\$367.8 K	\$377.0 K	\$386.4 K	\$392.2 K	\$3503.6 K
Interest Income Reserve Balance	\$8.4 K	\$5.8 K	\$4.2 K	\$4.9 K	\$6.1 K	\$6.4 K	\$7.9 K	\$7.2 K	\$8.1 K	\$8.6 K	\$67.6 K
Other Annual Income	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$30.0 K
Special Assessments											\$0.0 K
One-time Incomes (incl loans)											\$0.0 K
Total Income	\$306.4 K	\$318.6 K	\$332.4 K	\$349.3 K	\$359.2 K	\$368.2 K	\$378.7 K	\$387.2 K	\$397.5 K	\$403.8 K	\$3601.2 K

Expenses Years 2020 to 2029

Operational Expenses	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Estimated Operational Expenses	\$235.0 K	\$239.7 K	\$244.5 K	\$249.4 K	\$254.4 K	\$259.5 K	\$264.6 K	\$269.9 K	\$275.3 K	\$280.8 K	\$2573.2 K
Estimated Annual Loan Payments	\$13.5 K	\$13.5 K	\$13.5 K	\$13.5 K	\$13.5 K	\$13.5 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$80.9 K

Contin Fund & Special Projects:	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Res Withdraw - Contingency Fund	\$8.0 K										\$8.0 K
Install surveillance cameras	\$20.0 K										\$20.0 K
Total Contin Fund & Special Projects	\$28.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$28.0 K

Reserve Fund Yrs 2020 to 2029

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Start of Year Fully Funded Reserve	\$618.8 K	\$575.6 K	\$524.5 K	\$575.9 K	\$647.6 K	\$668.2 K	\$746.9 K	\$705.2 K	\$733.9 K	\$745.0 K
Start of Year Reserve Balance	\$400.5 K	\$276.4 K	\$199.1 K	\$231.0 K	\$291.9 K	\$304.7 K	\$376.0 K	\$344.9 K	\$385.1 K	\$410.4 K
Percent Funded at Start of Year	65%	48%	38%	40%	45%	46%	50%	49%	52%	55%
Annual Reserve Fund Contributions	\$37.9 K	\$65.4 K	\$74.4 K	\$86.5 K	\$91.3 K	\$95.2 K	\$114.0 K	\$117.3 K	\$122.1 K	\$122.9 K
Net Reserve Withdrawals	-\$162.0 K	-\$142.6 K	-\$42.6 K	-\$25.5 K	-\$78.6 K	-\$23.8 K	-\$145.2 K	-\$77.0 K	-\$96.8 K	-\$27.6 K
EOY Reserve Fund Balance	\$276.4 K	\$199.1 K	\$231.0 K	\$291.9 K	\$304.7 K	\$376.0 K	\$344.9 K	\$385.1 K	\$410.4 K	\$505.8 K
SOY Contingency Fund Balance	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K

Reserve Expenses 2020 to 2029

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Zone 1	CS	Replace Backboard & Hoop	\$1.4 K		\$1.7 K									\$1.7 K
Zone 1	CS	Replace Pole and Brackets	\$1.5 K		\$2.2 K									\$2.2 K
Zone 1	CS	Resurface Basketball Court	\$10.0 K	\$10.0 K								\$11.7 K		\$21.7 K
Zone 1	BP	Replace Boat Dock	\$4.2 K							\$5.7 K				\$5.7 K
Zone 1	LC	Replace Boat Dock	\$4.7 K											\$0.0 K
Zone 1	CS	Replace Boat Dock	\$5.2 K								\$6.9 K			\$6.9 K
Zone 1	All	Clean/repair Dry Wells	\$17.5 K		\$19.3 K					\$21.3 K				\$40.7 K
Zone 1	All	Replace Dry Wells	\$42.0 K											\$0.0 K
Zone 2	Back Ent	Replace Gate Operators	\$6.5 K	\$6.5 K										\$6.5 K
Zone 2	Main Ent	Replace Gate Operators	\$6.5 K				\$6.9 K							\$6.9 K
Zone 2	Back Ent	Replace Gates (Back)	\$14.5 K											\$0.0 K
Zone 2	Main Ent	Replace Gates (Entry)	\$14.5 K											\$0.0 K
Zone 2	Main Ent	Replace KeyPad Box	\$2.5 K											\$0.0 K
Zone 2	All	Replenish Granite - Ann	\$5.0 K	\$5.3 K	\$5.4 K	\$5.5 K	\$5.6 K	\$5.7 K	\$5.9 K	\$6.0 K	\$6.1 K	\$6.2 K	\$6.3 K	\$58.1 K
Zone 2	Back Ent	Paint Iron Fence & Gates	\$1.1 K			\$1.2 K					\$1.4 K			\$2.6 K
Zone 2	Main Ent	Paint Iron Fence & Gates	\$1.1 K			\$1.2 K					\$1.4 K			\$2.6 K
Zone 2	All	Paint View Fence: lakes	\$1.8 K		\$2.7 K									\$2.7 K
Zone 2	Back Ent	Replace Iron Fencing	\$5.4 K											\$0.0 K
Zone 2	Main Ent	Replace Iron Fencing	\$6.1 K											\$0.0 K
Zone 2	All	Replace Irrigation Cntrls	\$8.1 K	\$11.6 K										\$11.6 K
Zone 2	All	Repl trees/plants/shrubs	\$3.0 K	\$3.2 K	\$3.2 K	\$3.3 K	\$3.4 K	\$3.4 K	\$3.5 K	\$3.6 K	\$3.7 K	\$3.7 K	\$3.8 K	\$34.9 K

Reserve Expenses 2020 to 2029

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Zone 2	All	Tree Trimming - Ann	\$3.5 K	\$3.7 K	\$3.8 K	\$3.9 K	\$3.9 K	\$4.0 K	\$4.1 K	\$4.2 K	\$4.3 K	\$4.4 K	\$4.4 K	\$40.7 K
Zone 2	All	Replace low volt lights	\$2.5 K	\$3.6 K										\$3.6 K
Zone 2	All	Repair Mailboxes	\$22.0 K	\$30.8 K										\$30.8 K
Zone 2	All	Replace Mailboxes	\$44.0 K											\$0.0 K
Zone 2	Main Ent	Replace Monument Sign	\$3.0 K								\$4.9 K			\$4.9 K
Zone 2	Back Ent	Replace Monument Sign	\$3.0 K								\$4.9 K			\$4.9 K
Zone 2	LC	Replace Monument Sign	\$3.0 K								\$4.9 K			\$4.9 K
Zone 2	CS	Replace Monument Sign	\$3.0 K								\$4.9 K			\$4.9 K
Zone 2	BP	Replace Monument Sign	\$3.0 K								\$4.9 K			\$4.9 K
Zone 2	LC	Replace Park Equip	\$3.0 K		\$4.5 K									\$4.5 K
Zone 2	CS	Replace Park Equip	\$3.0 K		\$4.5 K									\$4.5 K
Zone 2	BP	Replace Park Equip	\$3.0 K		\$4.5 K									\$4.5 K
Zone 2	CS	Replace Park Equip	\$3.0 K		\$4.5 K									\$4.5 K
Zone 2	LC	Replace Park Equip	\$3.0 K		\$4.5 K									\$4.5 K
Zone 2	Main Ent	Concrete Paver Replace	\$35.0 K							\$57.4 K				\$57.4 K
Zone 3	Pump Hs	Replace Pump Cntrlr/Filter	\$11.0 K		\$16.3 K									\$16.3 K
Zone 3	Pump Hs	Replace Irrigation Pumps	\$5.2 K		\$7.7 K									\$7.7 K
Zone 3	Pump Hs	Replace PM Pump	\$2.3 K		\$3.3 K									\$3.3 K
Zone 3	LC	Replace Ramada	\$15.0 K											\$0.0 K
Zone 3	CS	Replace Ramada	\$15.0 K											\$0.0 K
Zone 3	BP	Replace Ramada	\$15.0 K											\$0.0 K

Reserve Expenses 2020 to 2029

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
Zone 3	LC	Replace Tile Roof	\$6.5 K											\$0.0 K
Zone 3	CS	Replace Tile Roof	\$6.5 K											\$0.0 K
Zone 3	BP	Replace Tile Roof	\$6.5 K											\$0.0 K
Zone 3	CS	Repl Tile Roof - BB Court	\$6.5 K											\$0.0 K
Zone 4	All	Repair Sdwk/Curbs - Ann	\$1.5 K	\$1.6 K	\$1.6 K	\$1.7 K	\$1.7 K	\$1.7 K	\$1.8 K	\$1.8 K	\$1.8 K	\$1.9 K	\$1.9 K	\$17.4 K
Zone 4	All	Replace Street Signs	\$25.0 K		\$37.1 K									\$37.1 K
Zone 4	All	Asphalt Repair	\$2.1 K	\$2.2 K	\$2.3 K	\$2.3 K	\$2.4 K	\$2.4 K	\$2.5 K	\$2.5 K	\$2.6 K	\$2.6 K	\$2.7 K	\$24.4 K
Zone 4	All	Asphalt Seal Coat	\$28.6 K	\$30.9 K				\$33.5 K				\$36.2 K		\$100.6 K
Zone 4	All	Crack Seal	\$21.4 K	\$23.2 K				\$25.1 K				\$27.1 K		\$75.4 K
Zone 4	All	Asphalt Resurface	\$350.0 K											\$0.0 K
Zone 4	All	Asphalt Repair	\$2.3 K											\$0.0 K
Zone 4	All	Asphalt Seal Coat	\$31.0 K											\$0.0 K
Zone 4	All	Crack Seal	\$23.0 K											\$0.0 K
Zone 4	All	Paint Stucco Walls	\$20.0 K			\$22.1 K					\$24.4 K			\$46.5 K
Zone 4	LC	Repl Artificial Play Surf	\$1.2 K			\$1.4 K								\$1.4 K
Zone 4	LC	Repl Fabric Shade Struct	\$15.0 K											\$0.0 K
Zone 4	LC	Replace Park Equipment	\$5.3 K		\$7.8 K									\$7.8 K
Zone 4	LC	Replace Play Structure	\$25.0 K							\$41.0 K				\$41.0 K
Zone 4	LC	Replenish Sand	\$1.5 K	\$1.5 K			\$1.6 K			\$1.7 K			\$1.8 K	\$6.6 K
Zone 2	Main Ent	Surveillance Camera Maint	\$2.5 K					\$2.7 K				\$2.9 K		\$5.6 K
Zone 2	Main Ent	Routine maint guard shack	\$5.3 K		\$5.7 K				\$6.2 K				\$6.7 K	\$18.5 K

Reserve Expenses2020 to 2029

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	Total
		Total Reserve Expenses		\$134.0 K	\$142.6 K	\$42.6 K	\$25.5 K	\$78.6 K	\$23.8 K	\$145.2 K	\$77.0 K	\$96.8 K	\$27.6 K	\$793.8 K

Years 2030 to 2039

Income Years 2030 to 2039

Estimated Incomes	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Total
Dues Including Sched Increases	\$398.1 K	\$404.0 K	\$410.1 K	\$416.2 K	\$422.5 K	\$428.8 K	\$435.2 K	\$441.8 K	\$448.4 K	\$455.1 K	\$4260.3 K
Interest Income Reserve Balance	\$10.6 K	\$12.8 K	\$8.8 K	\$8.5 K	\$9.3 K	\$11.5 K	\$12.4 K	\$12.1 K	\$13.2 K	\$15.0 K	\$114.2 K
Other Annual Income	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$30.0 K
Special Assessments											\$0.0 K
One-time Incomes (incl loans)											\$0.0 K
Total Income	\$411.7 K	\$419.9 K	\$421.9 K	\$427.8 K	\$434.8 K	\$443.3 K	\$450.6 K	\$456.9 K	\$464.6 K	\$473.1 K	\$4404.5 K

Expenses Years 2030 to 2039

Operational Expenses	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Total
Estimated Operational Expenses	\$286.5 K	\$292.2 K	\$298.0 K	\$304.0 K	\$310.1 K	\$316.3 K	\$322.6 K	\$329.1 K	\$335.6 K	\$342.4 K	\$3136.7 K
Estimated Annual Loan Payments	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K

Contin Fund & Special Projects:	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Total
Res Withdraw - Contingency Fund											\$0.0 K
Install surveillance cameras											\$0.0 K

Total Contin Fund & Special Projects	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K
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Reserve Fund Yrs 2030 to 2039

Description	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Start of Year Fully Funded Reserve	\$828.7 K	\$924.3 K	\$716.2 K	\$695.4 K	\$725.4 K	\$825.4 K	\$790.0 K	\$831.8 K	\$863.9 K	\$931.8 K
Start of Year Reserve Balance	\$505.8 K	\$611.5 K	\$418.0 K	\$406.5 K	\$443.1 K	\$546.7 K	\$588.4 K	\$577.0 K	\$627.5 K	\$714.9 K
Percent Funded at Start of Year	61%	66%	58%	58%	61%	66%	74%	69%	73%	77%
Annual Reserve Fund Contributions	\$125.2 K	\$127.7 K	\$123.8 K	\$123.8 K	\$124.7 K	\$127.0 K	\$128.0 K	\$127.8 K	\$128.9 K	\$129.3 K
Net Reserve Withdrawals	-\$19.5 K	-\$321.1 K	-\$135.4 K	-\$87.2 K	-\$21.1 K	-\$85.2 K	-\$139.4 K	-\$77.4 K	-\$41.6 K	-\$23.3 K
EOY Reserve Fund Balance	\$611.5 K	\$418.0 K	\$406.5 K	\$443.1 K	\$546.7 K	\$588.4 K	\$577.0 K	\$627.5 K	\$714.9 K	\$820.9 K
SOY Contingency Fund Balance	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$20.0 K	\$21.4 K

Reserve Expenses 2030 to 2039

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Total
Zone 1	CS	Replace Backboard & Hoop	\$1.4 K		\$2.1 K									\$2.1 K
Zone 1	CS	Replace Pole and Brackets	\$1.5 K											\$0.0 K
Zone 1	CS	Resurface Basketball Court	\$10.0 K							\$13.7 K				\$13.7 K
Zone 1	BP	Replace Boat Dock	\$4.2 K											\$0.0 K
Zone 1	LC	Replace Boat Dock	\$4.7 K			\$6.4 K								\$6.4 K
Zone 1	CS	Replace Boat Dock	\$5.2 K											\$0.0 K
Zone 1	All	Clean/repair Dry Wells	\$17.5 K		\$23.6 K					\$26.0 K				\$49.6 K
Zone 1	All	Replace Dry Wells	\$42.0 K		\$76.1 K									\$76.1 K
Zone 2	Back Ent	Replace Gate Operators	\$6.5 K								\$9.1 K			\$9.1 K
Zone 2	Main Ent	Replace Gate Operators	\$6.5 K											\$0.0 K
Zone 2	Back Ent	Replace Gates (Back)	\$14.5 K		\$26.3 K									\$26.3 K
Zone 2	Main Ent	Replace Gates (Entry)	\$14.5 K		\$26.3 K									\$26.3 K
Zone 2	Main Ent	Replace KeyPad Box	\$2.5 K			\$3.4 K								\$3.4 K
Zone 2	All	Replenish Granite - Ann	\$5.0 K	\$6.5 K	\$6.6 K	\$6.7 K	\$6.9 K	\$7.0 K	\$7.1 K	\$7.3 K	\$7.4 K	\$7.6 K	\$7.7 K	\$70.8 K
Zone 2	Back Ent	Paint Iron Fence & Gates	\$1.1 K			\$1.5 K					\$1.6 K			\$3.1 K
Zone 2	Main Ent	Paint Iron Fence & Gates	\$1.1 K			\$1.5 K					\$1.6 K			\$3.1 K
Zone 2	All	Paint View Fence: lakes	\$1.8 K											\$0.0 K
Zone 2	Back Ent	Replace Iron Fencing	\$5.4 K		\$7.3 K									\$7.3 K
Zone 2	Main Ent	Replace Iron Fencing	\$6.1 K		\$11.1 K									\$11.1 K
Zone 2	All	Replace Irrigation Cntrls	\$8.1 K									\$16.5 K		\$16.5 K
Zone 2	All	Repl trees/plants/shrubs	\$3.0 K	\$3.9 K	\$4.0 K	\$4.0 K	\$4.1 K	\$4.2 K	\$4.3 K	\$4.4 K	\$4.5 K	\$4.5 K	\$4.6 K	\$42.5 K

Reserve Expenses 2030 to 2039

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Total
Zone 2	All	Tree Trimming - Ann	\$3.5 K	\$4.5 K	\$4.6 K	\$4.7 K	\$4.8 K	\$4.9 K	\$5.0 K	\$5.1 K	\$5.2 K	\$5.3 K	\$5.4 K	\$49.6 K
Zone 2	All	Replace low volt lights	\$2.5 K								\$5.0 K			\$5.0 K
Zone 2	All	Repair Mailboxes	\$22.0 K						\$41.5 K					\$41.5 K
Zone 2	All	Replace Mailboxes	\$44.0 K				\$59.2 K							\$59.2 K
Zone 2	Main Ent	Replace Monument Sign	\$3.0 K											\$0.0 K
Zone 2	Back Ent	Replace Monument Sign	\$3.0 K											\$0.0 K
Zone 2	LC	Replace Monument Sign	\$3.0 K											\$0.0 K
Zone 2	CS	Replace Monument Sign	\$3.0 K											\$0.0 K
Zone 2	BP	Replace Monument Sign	\$3.0 K											\$0.0 K
Zone 2	LC	Replace Park Equip	\$3.0 K											\$0.0 K
Zone 2	CS	Replace Park Equip	\$3.0 K											\$0.0 K
Zone 2	BP	Replace Park Equip	\$3.0 K											\$0.0 K
Zone 2	CS	Replace Park Equip	\$3.0 K											\$0.0 K
Zone 2	LC	Replace Park Equip	\$3.0 K											\$0.0 K
Zone 2	Main Ent	Concrete Paver Replace	\$35.0 K											\$0.0 K
Zone 3	Pump Hs	Replace Pump Cntrlr/Filter	\$11.0 K											\$0.0 K
Zone 3	Pump Hs	Replace Irrigation Pumps	\$5.2 K											\$0.0 K
Zone 3	Pump Hs	Replace PM Pump	\$2.3 K											\$0.0 K
Zone 3	LC	Replace Ramada	\$15.0 K		\$27.2 K									\$27.2 K
Zone 3	CS	Replace Ramada	\$15.0 K		\$27.2 K									\$27.2 K
Zone 3	BP	Replace Ramada	\$15.0 K		\$27.2 K									\$27.2 K

Reserve Expenses 2030 to 2039

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Total
Zone 3	LC	Replace Tile Roof	\$6.5 K		\$11.8 K									\$11.8 K
Zone 3	CS	Replace Tile Roof	\$6.5 K		\$11.8 K									\$11.8 K
Zone 3	BP	Replace Tile Roof	\$6.5 K		\$11.8 K									\$11.8 K
Zone 3	CS	Repl Tile Roof - BB Court	\$6.5 K		\$11.8 K									\$11.8 K
Zone 4	All	Repair Sdwk/Curbs - Ann	\$1.5 K	\$1.9 K	\$2.0 K	\$2.0 K	\$2.1 K	\$2.1 K	\$2.1 K	\$2.2 K	\$2.2 K	\$2.3 K	\$2.3 K	\$21.2 K
Zone 4	All	Replace Street Signs	\$25.0 K											\$0.0 K
Zone 4	All	Asphalt Repair	\$2.1 K	\$2.7 K	\$2.8 K	\$2.8 K	\$2.9 K	\$2.9 K	\$3.0 K	\$3.1 K	\$3.1 K	\$3.2 K	\$3.2 K	\$29.7 K
Zone 4	All	Asphalt Seal Coat	\$28.6 K			\$39.2 K				\$42.4 K				\$81.6 K
Zone 4	All	Crack Seal	\$21.4 K			\$29.4 K				\$31.8 K				\$61.2 K
Zone 4	All	Asphalt Resurface	\$350.0 K											\$0.0 K
Zone 4	All	Asphalt Repair	\$2.3 K											\$0.0 K
Zone 4	All	Asphalt Seal Coat	\$31.0 K											\$0.0 K
Zone 4	All	Crack Seal	\$23.0 K											\$0.0 K
Zone 4	All	Paint Stucco Walls	\$20.0 K			\$26.9 K					\$29.7 K			\$56.6 K
Zone 4	LC	Repl Artificial Play Surf	\$1.2 K			\$1.7 K								\$1.7 K
Zone 4	LC	Repl Fabric Shade Struct	\$15.0 K						\$20.2 K					\$20.2 K
Zone 4	LC	Replace Park Equipment	\$5.3 K											\$0.0 K
Zone 4	LC	Replace Play Structure	\$25.0 K											\$0.0 K
Zone 4	LC	Replenish Sand	\$1.5 K			\$1.9 K			\$2.0 K			\$2.1 K		\$6.1 K
Zone 2	Main Ent	Surveillance Camera Maint	\$2.5 K			\$3.2 K			\$3.4 K					\$6.6 K
Zone 2	Main Ent	Routine maint guard shack	\$5.3 K				\$7.2 K				\$7.8 K			\$15.0 K

Reserve Expenses2030 to 2039

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	Total
		Total Reserve Expenses		\$19.5 K	\$321.1 K	\$135.4 K	\$87.2 K	\$21.1 K	\$85.2 K	\$139.4 K	\$77.4 K	\$41.6 K	\$23.3 K	\$951.2 K

Years 2040 to 2050

Income Years 2040 to 2050

Estimated Incomes	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Dues Including Sched Increases	\$462.0 K	\$468.9 K	\$475.9 K	\$483.1 K	\$490.3 K	\$497.7 K	\$505.1 K	\$512.7 K	\$520.4 K	\$528.2 K	\$536.1 K	\$5480.3 K
Interest Income Reserve Balance	\$17.2 K	\$8.3 K	\$6.4 K	\$7.4 K	\$9.4 K	\$9.2 K	\$11.1 K	\$12.3 K	\$13.2 K	\$11.6 K	\$13.4 K	\$119.5 K
Other Annual Income	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$3.0 K	\$33.0 K
Special Assessments												\$0.0 K
One-time Incomes (incl loans)												\$0.0 K
Total Income	\$482.2 K	\$480.2 K	\$485.3 K	\$493.4 K	\$502.7 K	\$509.9 K	\$519.2 K	\$528.0 K	\$536.6 K	\$542.8 K	\$552.5 K	\$5632.8 K

Expenses Years 2040 to 2050

Operational Expenses	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Estimated Operational Expenses	\$349.2 K	\$356.2 K	\$363.3 K	\$370.6 K	\$378.0 K	\$385.5 K	\$393.3 K	\$401.1 K	\$409.1 K	\$417.3 K	\$425.7 K	\$4249.3 K
Estimated Annual Loan Payments	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K
Contin Fund & Special Projects:	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Res Withdraw - Contingency Fund												\$0.0 K
												\$0.0 K
	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K	\$0.0 K

Reserve Fund Yrs 2040 to 2050

Description	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Start of Year Fully Funded Reserve	\$1024.8 K	\$597.4 K	\$509.6 K	\$571.1 K	\$684.7 K	\$691.1 K	\$801.9 K	\$884.1 K	\$955.3 K	\$905.6 K	\$1028.7 K
Start of Year Reserve Balance	\$820.9 K	\$396.8 K	\$302.4 K	\$351.7 K	\$449.2 K	\$438.8 K	\$527.7 K	\$585.3 K	\$628.8 K	\$550.3 K	\$637.3 K
Percent Funded at Start of Year	80%	66%	59%	62%	66%	63%	66%	66%	66%	61%	62%
Annual Reserve Fund Contributions	\$129.8 K	\$124.0 K	\$122.0 K	\$122.9 K	\$124.8 K	\$124.3 K	\$126.0 K	\$126.9 K	\$127.5 K	\$125.4 K	\$126.8 K
Net Reserve Withdrawals	-\$554.0 K	-\$218.4 K	-\$72.7 K	-\$25.3 K	-\$135.2 K	-\$35.5 K	-\$68.3 K	-\$83.3 K	-\$206.0 K	-\$38.4 K	-\$114.8 K
EOY Reserve Fund Balance	\$396.8 K	\$302.4 K	\$351.7 K	\$449.2 K	\$438.8 K	\$527.7 K	\$585.3 K	\$628.8 K	\$550.3 K	\$637.3 K	\$649.4 K
SOY Contingency Fund Balance	\$24.6 K	\$24.6 K	\$24.6 K	\$24.6 K	\$24.6 K	\$24.6 K	\$24.6 K	\$24.6 K	\$24.6 K	\$24.6 K	\$24.6 K

Reserve Expenses 2040 to 2050

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Zone 1	CS	Replace Backboard & Hoop	\$1.4 K	\$2.5 K											\$2.5 K
Zone 1	CS	Replace Pole and Brackets	\$1.5 K		\$3.3 K										\$3.3 K
Zone 1	CS	Resurface Basketball Court	\$10.0 K	\$16.1 K											\$16.1 K
Zone 1	BP	Replace Boat Dock	\$4.2 K	\$7.6 K											\$7.6 K
Zone 1	LC	Replace Boat Dock	\$4.7 K								\$8.6 K				\$8.6 K
Zone 1	CS	Replace Boat Dock	\$5.2 K	\$9.3 K											\$9.3 K
Zone 1	All	Clean/repair Dry Wells	\$17.5 K		\$28.7 K					\$31.7 K					\$60.4 K
Zone 1	All	Replace Dry Wells	\$42.0 K												\$0.0 K
Zone 2	Back Ent	Replace Gate Operators	\$6.5 K												\$0.0 K
Zone 2	Main Ent	Replace Gate Operators	\$6.5 K	\$9.7 K											\$9.7 K
Zone 2	Back Ent	Replace Gates (Back)	\$14.5 K												\$0.0 K
Zone 2	Main Ent	Replace Gates (Entry)	\$14.5 K												\$0.0 K
Zone 2	Main Ent	Replace KeyPad Box	\$2.5 K	\$4.5 K											\$4.5 K
Zone 2	All	Replenish Granite - Ann	\$5.0 K	\$7.9 K	\$8.0 K	\$8.2 K	\$8.4 K	\$8.5 K	\$8.7 K	\$8.9 K	\$9.1 K	\$9.2 K	\$9.4 K	\$9.6 K	\$95.9 K
Zone 2	Back Ent	Paint Iron Fence & Gates	\$1.1 K	\$1.8 K											\$3.8 K
Zone 2	Main Ent	Paint Iron Fence & Gates	\$1.1 K			\$1.8 K					\$2.0 K				\$3.8 K
Zone 2	All	Paint View Fence: lakes	\$1.8 K	\$4.0 K											\$4.0 K
Zone 2	Back Ent	Replace Iron Fencing	\$5.4 K							\$9.8 K					\$9.8 K
Zone 2	Main Ent	Replace Iron Fencing	\$6.1 K												\$0.0 K
Zone 2	All	Replace Irrigation Cntrls	\$8.1 K												\$0.0 K
Zone 2	All	Repl trees/plants/shrubs	\$3.0 K	\$4.7 K	\$4.8 K	\$4.9 K	\$5.0 K	\$5.1 K	\$5.2 K	\$5.3 K	\$5.4 K	\$5.5 K	\$5.7 K	\$5.8 K	\$57.6 K

Reserve Expenses 2040 to 2050

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Zone 2	All	Tree Trimming - Ann	\$3.5 K	\$5.5 K	\$5.6 K	\$5.7 K	\$5.9 K	\$6.0 K	\$6.1 K	\$6.2 K	\$6.3 K	\$6.5 K	\$6.6 K	\$6.7 K	\$67.2 K
Zone 2	All	Replace low volt lights	\$2.5 K												\$0.0 K
Zone 2	All	Repair Mailboxes	\$22.0 K											\$55.8 K	\$55.8 K
Zone 2	All	Replace Mailboxes	\$44.0 K	\$79.7 K											\$79.7 K
Zone 2	Main Ent	Replace Monument Sign	\$3.0 K												\$0.0 K
Zone 2	Back Ent	Replace Monument Sign	\$3.0 K												\$0.0 K
Zone 2	LC	Replace Monument Sign	\$3.0 K												\$0.0 K
Zone 2	CS	Replace Monument Sign	\$3.0 K												\$0.0 K
Zone 2	BP	Replace Monument Sign	\$3.0 K												\$0.0 K
Zone 2	LC	Replace Park Equip	\$3.0 K		\$6.6 K										\$6.6 K
Zone 2	CS	Replace Park Equip	\$3.0 K		\$6.6 K										\$6.6 K
Zone 2	BP	Replace Park Equip	\$3.0 K		\$6.6 K										\$6.6 K
Zone 2	CS	Replace Park Equip	\$3.0 K		\$6.6 K										\$6.6 K
Zone 2	LC	Replace Park Equip	\$3.0 K		\$6.6 K										\$6.6 K
Zone 2	Main Ent	Concrete Paver Replace	\$35.0 K												\$0.0 K
Zone 3	Pump Hs	Replace Pump Cntrlr/Filter	\$11.0 K	\$24.3 K											\$24.3 K
Zone 3	Pump Hs	Replace Irrigation Pumps	\$5.2 K		\$11.5 K										\$11.5 K
Zone 3	Pump Hs	Replace PM Pump	\$2.3 K	\$5.0 K											\$5.0 K
Zone 3	LC	Replace Ramada	\$15.0 K												\$0.0 K
Zone 3	CS	Replace Ramada	\$15.0 K												\$0.0 K
Zone 3	BP	Replace Ramada	\$15.0 K												\$0.0 K

Reserve Expenses 2040 to 2050

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
Zone 3	LC	Replace Tile Roof	\$6.5 K												\$0.0 K
Zone 3	CS	Replace Tile Roof	\$6.5 K												\$0.0 K
Zone 3	BP	Replace Tile Roof	\$6.5 K												\$0.0 K
Zone 3	CS	Repl Tile Roof - BB Court	\$6.5 K												\$0.0 K
Zone 4	All	Repair Sdwk/Curbs - Ann	\$1.5 K	\$2.4 K	\$2.4 K	\$2.5 K	\$2.5 K	\$2.6 K	\$2.6 K	\$2.7 K	\$2.7 K	\$2.8 K	\$2.8 K	\$2.9 K	\$28.8 K
Zone 4	All	Replace Street Signs	\$25.0 K		\$55.2 K										\$55.2 K
Zone 4	All	Asphalt Repair	\$2.1 K												\$0.0 K
Zone 4	All	Asphalt Seal Coat	\$28.6 K												\$0.0 K
Zone 4	All	Crack Seal	\$21.4 K												\$0.0 K
Zone 4	All	Asphalt Resurface	\$350.0 K	\$520.1 K											\$520.1 K
Zone 4	All	Asphalt Repair	\$2.3 K			\$3.5 K	\$3.5 K	\$3.6 K	\$3.7 K	\$3.8 K	\$3.8 K	\$3.9 K	\$4.0 K	\$4.1 K	\$33.9 K
Zone 4	All	Asphalt Seal Coat	\$31.0 K					\$49.9 K				\$54.0 K			\$103.8 K
Zone 4	All	Crack Seal	\$23.0 K					\$37.0 K				\$40.0 K			\$77.0 K
Zone 4	All	Paint Stucco Walls	\$20.0 K			\$32.8 K					\$36.2 K				\$69.0 K
Zone 4	LC	Repl Artificial Play Surf	\$1.2 K			\$2.1 K									\$2.1 K
Zone 4	LC	Repl Fabric Shade Struct	\$15.0 K											\$27.2 K	\$27.2 K
Zone 4	LC	Replace Park Equipment	\$5.3 K		\$11.6 K										\$11.6 K
Zone 4	LC	Replace Play Structure	\$25.0 K												\$0.0 K
Zone 4	LC	Replenish Sand	\$1.5 K		\$2.3 K			\$2.4 K			\$2.6 K			\$2.7 K	\$10.0 K
Zone 2	Main Ent	Surveillance Camera Maint	\$2.5 K	\$3.7 K				\$4.0 K				\$4.4 K			\$12.1 K
Zone 2	Main Ent	Routine maint guard shack	\$5.3 K		\$8.4 K				\$9.1 K				\$9.9 K		\$27.5 K

Reserve Expenses2040 to 2050

User Heading 1	User Heading 2	Estimated Withdrawals	Original Cost	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
		Total Reserve Expenses		\$554.0 K	\$218.4 K	\$72.7 K	\$25.3 K	\$135.2 K	\$35.5 K	\$68.3 K	\$83.3 K	\$206.0 K	\$38.4 K	\$114.8 K	\$1551.8 K

Component Details

Item 1 - Basketball Court: Replace Backboard & Hoop: Zone 1 CS

Approx. Component Qty	1	Estimated Service Cost	\$1,400
Unit of Measure	each	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	10	Est Future Cost (at next svc yr)	\$1,428
Last Service Year	2011	Backboards and hoops appear in good condition.	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		



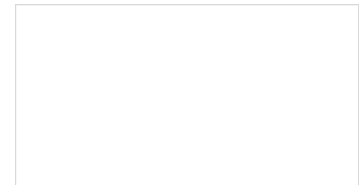
Item 2 - Basketball Court: Replace Pole and Brackets: Zone 1 CS

Approx. Component Qty	1	Estimated Service Cost	\$1,500
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$2,229
Last Service Year	2001	Some rust observed on brackets. Light touch up of paint recommended.	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		



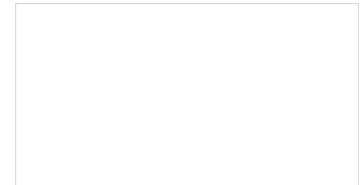
Item 3 - Basketball Court: Resurface Basketball Court: Zone 1 CS

Approx. Component Qty	1	Estimated Service Cost	\$10,000
Unit of Measure	each	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	8	Est Future Cost (at next svc yr)	\$10,000
Last Service Year	2012	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		



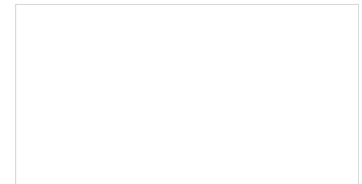
Item 4 - Boat Dock: Replace Boat Dock: Zone 1 BP

Approx. Component Qty	1	Estimated Service Cost	\$4,210
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	15	Est Future Cost (at next svc yr)	\$5,666
Last Service Year	2011	Boat docks appear OK, but some rubber bumpers need replacing.	
Next Service Year	2026		
Remaining Useful Life (yrs)	6		



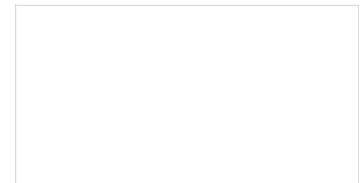
Item 5 - Boat Dock: Replace Boat Dock: Zone 1 LC

Approx. Component Qty	1	Estimated Service Cost	\$4,749
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	15	Est Future Cost (at next svc yr)	\$6,392
Last Service Year	2017	type any notes or comments here	
Next Service Year	2032		
Remaining Useful Life (yrs)	12		



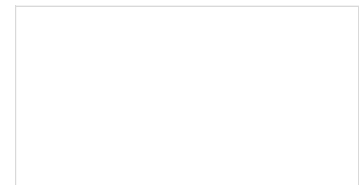
Item 6 - Boat Dock: Replace Boat Dock: Zone 1 CS

Approx. Component Qty	1	Estimated Service Cost	\$5,159
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	15	Est Future Cost (at next svc yr)	\$6,943
Last Service Year	2012	type any notes or comments here	
Next Service Year	2027		
Remaining Useful Life (yrs)	7		



Item 7 - Dry Wells: Clean/repair Dry Wells: Zone 1 All

Approx. Component Qty	25	Estimated Service Cost	\$17,500
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	5	Est Future Cost (at next svc yr)	\$19,321
Last Service Year	2016	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		



Item 8 - Dry Wells: Replace Dry Wells : Zone 1 All

Approx. Component Qty	5	Estimated Service Cost	\$42,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$76,077
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 9 - Gates: Replace Gate Operators: Zone 2 Back Ent

Approx. Component Qty	2	Estimated Service Cost	\$6,500
Unit of Measure	each	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	17	Est Future Cost (at next svc yr)	\$6,500
Last Service Year	2002	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 10 - Gates: Replace Gate Operators: Zone 2 Main Ent

Approx. Component Qty	2	Estimated Service Cost	\$6,500
Unit of Measure	each	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	17	Est Future Cost (at next svc yr)	\$6,898
Last Service Year	2006	type any notes or comments here	
Next Service Year	2023		
Remaining Useful Life (yrs)	3		

Item 11 - Gates: Replace Gates (Back): Zone 2 Back Ent

Approx. Component Qty	5	Estimated Service Cost	\$14,500
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$26,265
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 12 - Gates: Replace Gates (Entry): Zone 2 Main Ent

Approx. Component Qty	5	Estimated Service Cost	\$14,500
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$26,265
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 13 - Gates: Replace KeyPad Box: Zone 2 Main Ent

Approx. Component Qty	1	Estimated Service Cost	\$2,500
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	15	Est Future Cost (at next svc yr)	\$3,365
Last Service Year	2017	type any notes or comments here	
Next Service Year	2032		
Remaining Useful Life (yrs)	12		

Item 14 - Granite: Replenish Granite - Ann: Zone 2 All

Approx. Component Qty	200	Estimated Service Cost	\$5,000
Unit of Measure	tons	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	1	Est Future Cost (at next svc yr)	\$5,100
Last Service Year	2017	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 15 - Iron Fencing: Paint Iron Fence & Gates: Zone 2 Back Ent

Approx. Component Qty	50	Estimated Service Cost	\$1,110
Unit of Measure	feet	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	5	Est Future Cost (at next svc yr)	\$1,226
Last Service Year	2017	type any notes or comments here	
Next Service Year	2022		
Remaining Useful Life (yrs)	2		

Item 16 - Iron Fencing: Paint Iron Fence & Gates: Zone 2 Main Ent

Approx. Component Qty	50	Estimated Service Cost	\$1,110
Unit of Measure	feet	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	5	Est Future Cost (at next svc yr)	\$1,226
Last Service Year	2017	type any notes or comments here	
Next Service Year	2022		
Remaining Useful Life (yrs)	2		

Item 17 - Iron Fencing: Paint View Fence: lakes: Zone 2 All

Approx. Component Qty	18	Estimated Service Cost	\$1,800
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$2,675
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 18 - Iron Fencing: Replace Iron Fencing: Zone 2 Back Ent

Approx. Component Qty	93	Estimated Service Cost	\$5,390
Unit of Measure	feet	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	15	Est Future Cost (at next svc yr)	\$7,254
Last Service Year	2016	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 19 - Iron Fencing: Replace Iron Fencing : Zone 2 Main Ent

Approx. Component Qty	102	Estimated Service Cost	\$6,120
Unit of Measure	feet	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$11,086
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 20 - Irrigation: Replace Irrigation Cntrls: Zone 2 All

Approx. Component Qty	6	Estimated Service Cost	\$8,100
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	18	Est Future Cost (at next svc yr)	\$11,569
Last Service Year	2002	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 21 - Landscape: Repl trees/plants/shrubs: Zone 2 All

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	1	Est Future Cost (at next svc yr)	\$3,060
Last Service Year	2017	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 22 - Landscape: Tree Trimming - Ann: Zone 2 All

Approx. Component Qty	1	Estimated Service Cost	\$3,500
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	1	Est Future Cost (at next svc yr)	\$3,570
Last Service Year	2017	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 23 - Lighting: Replace low volt lights: Zone 2 All

Approx. Component Qty	1	Estimated Service Cost	\$2,500
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	17	Est Future Cost (at next svc yr)	\$3,501
Last Service Year	2002	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 24 - Mailboxes: Repair Mailboxes: Zone 2 All

Approx. Component Qty	140	Estimated Service Cost	\$22,000
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	15	Est Future Cost (at next svc yr)	\$29,609
Last Service Year	2003	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 25 - Mailboxes: Replace Mailboxes: Zone 2 All

Approx. Component Qty	140	Estimated Service Cost	\$44,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	15	Est Future Cost (at next svc yr)	\$59,218
Last Service Year	2018	type any notes or comments here	
Next Service Year	2033		
Remaining Useful Life (yrs)	13		

Item 26 - Monument Signs: Replace Monument Sign: Zone 2 Main Ent

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	25	Est Future Cost (at next svc yr)	\$4,922
Last Service Year	2002	type any notes or comments here	
Next Service Year	2027		
Remaining Useful Life (yrs)	7		

Item 27 - Monument Signs: Replace Monument Sign: Zone 2 Back Ent

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	25	Est Future Cost (at next svc yr)	\$4,922
Last Service Year	2002	type any notes or comments here	
Next Service Year	2027		
Remaining Useful Life (yrs)	7		

Item 28 - Monument Signs: Replace Monument Sign: Zone 2 LC

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	25	Est Future Cost (at next svc yr)	\$4,922
Last Service Year	2002	type any notes or comments here	
Next Service Year	2027		
Remaining Useful Life (yrs)	7		

Item 29 - Monument Signs: Replace Monument Sign: Zone 2 CS

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	25	Est Future Cost (at next svc yr)	\$4,922
Last Service Year	2002	type any notes or comments here	
Next Service Year	2027		
Remaining Useful Life (yrs)	7		

Item 30 - Monument Signs: Replace Monument Sign: Zone 2 BP

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	25	Est Future Cost (at next svc yr)	\$4,922
Last Service Year	2002	type any notes or comments here	
Next Service Year	2027		
Remaining Useful Life (yrs)	7		

Item 31 - Parks: Replace Park Equip: Zone 2 LC

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$4,458
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 32 - Parks: Replace Park Equip: Zone 2 CS

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$4,458
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 33 - Parks: Replace Park Equip: Zone 2 BP

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$4,458
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 34 - Parks: Replace Park Equip: Zone 2 CS

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$4,458
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 35 - Parks: Replace Park Equip: Zone 2 LC

Approx. Component Qty	1	Estimated Service Cost	\$3,000
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$4,458
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 36 - Pavers: Concrete Paver Replace: Zone 2 Main Ent

Approx. Component Qty	7,050	Estimated Service Cost	\$35,000
Unit of Measure	sq-ft	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	25	Est Future Cost (at next svc yr)	\$57,421
Last Service Year	2001	type any notes or comments here	
Next Service Year	2026		
Remaining Useful Life (yrs)	6		

Item 37 - Pump House: Replace Pump Cntrlr/Filter : Zone 3 Pump Hs

Approx. Component Qty	1	Estimated Service Cost	\$11,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$16,345
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 38 - Pump House: Replace Irrigation Pumps : Zone 3 Pump Hs

Approx. Component Qty	2	Estimated Service Cost	\$5,200
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$7,727
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 39 - Pump House: Replace PM Pump : Zone 3 Pump Hs

Approx. Component Qty	1	Estimated Service Cost	\$2,250
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$3,343
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 40 - Ramada: Replace Ramada: Zone 3 LC

Approx. Component Qty	1	Estimated Service Cost	\$15,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$27,170
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 41 - Ramada: Replace Ramada: Zone 3 CS

Approx. Component Qty	1	Estimated Service Cost	\$15,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$27,170
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 42 - Ramada: Replace Ramada: Zone 3 BP

Approx. Component Qty	1	Estimated Service Cost	\$15,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$27,170
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 43 - Ramada: Replace Tile Roof: Zone 3 LC

Approx. Component Qty	1,625	Estimated Service Cost	\$6,500
Unit of Measure	sq-ft	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$11,774
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 44 - Ramada: Replace Tile Roof: Zone 3 CS

Approx. Component Qty	1,625	Estimated Service Cost	\$6,500
Unit of Measure	sq-ft	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$11,774
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 45 - Ramada: Replace Tile Roof: Zone 3 BP

Approx. Component Qty	1,625	Estimated Service Cost	\$6,500
Unit of Measure	sq-ft	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$11,774
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 46 - Ramada: Repl Tile Roof - BB Court: Zone 3 CS

Approx. Component Qty	1,625	Estimated Service Cost	\$6,500
Unit of Measure	sq-ft	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$11,774
Last Service Year	2001	type any notes or comments here	
Next Service Year	2031		
Remaining Useful Life (yrs)	11		

Item 47 - Sidewalks & Curbing: Repair Sdwk/Curbs - Ann: Zone 4 All

Approx. Component Qty	1	Estimated Service Cost	\$1,500
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	1	Est Future Cost (at next svc yr)	\$1,530
Last Service Year	2017	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 48 - Signage: Replace Street Signs: Zone 4 All

Approx. Component Qty	150	Estimated Service Cost	\$25,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$37,149
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 49 - Streets : Asphalt Repair: Zone 4 All

Approx. Component Qty	1	Estimated Service Cost	\$2,100
Unit of Measure	other	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	1	Est Future Cost (at next svc yr)	\$2,142
Last Service Year	2017	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 50 - Streets : Asphalt Seal Coat: Zone 4 All

Approx. Component Qty	512,667	Estimated Service Cost	\$28,557
Unit of Measure	sq-ft	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	4	Est Future Cost (at next svc yr)	\$30,911
Last Service Year	2016	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 51 - Streets : Crack Seal: Zone 4 All

Approx. Component Qty	512,667	Estimated Service Cost	\$21,403
Unit of Measure	sq-ft	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	4	Est Future Cost (at next svc yr)	\$23,167
Last Service Year	2016	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 52 - Streets : Asphalt Resurface: Zone 4 All

Approx. Component Qty	512,667	Estimated Service Cost	\$350,000
Unit of Measure	sq-ft	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	30	Est Future Cost (at next svc yr)	\$520,082
Last Service Year	2040	type any notes or comments here	
Next Service Year	2040		
Remaining Useful Life (yrs)	20		

Item 53 - Streets : Asphalt Repair: Zone 4 All

Approx. Component Qty	1	Estimated Service Cost	\$2,250
Unit of Measure	other	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	1	Est Future Cost (at next svc yr)	\$3,478
Last Service Year	2042	type any notes or comments here	
Next Service Year	2042		
Remaining Useful Life (yrs)	22		

Item 54 - Streets : Asphalt Seal Coat: Zone 4 All

Approx. Component Qty	512,667	Estimated Service Cost	\$31,000
Unit of Measure	sq-ft	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	4	Est Future Cost (at next svc yr)	\$49,862
Last Service Year	2044	type any notes or comments here	
Next Service Year	2044		
Remaining Useful Life (yrs)	24		

Item 55 - Streets : Crack Seal: Zone 4 All

Approx. Component Qty	512,667	Estimated Service Cost	\$23,000
Unit of Measure	sq-ft	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	4	Est Future Cost (at next svc yr)	\$36,994
Last Service Year	2044	type any notes or comments here	
Next Service Year	2044		
Remaining Useful Life (yrs)	24		

Item 56 - Stucco Walls: Paint Stucco Walls: Zone 4 All

Approx. Component Qty	72,235	Estimated Service Cost	\$20,000
Unit of Measure	sq-ft	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	5	Est Future Cost (at next svc yr)	\$22,082
Last Service Year	2017	type any notes or comments here	
Next Service Year	2022		
Remaining Useful Life (yrs)	2		

Item 57 - Tot Lot: Repl Artificial Play Surf: Zone 4 LC

Approx. Component Qty	1	Estimated Service Cost	\$1,156
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	10	Est Future Cost (at next svc yr)	\$1,409
Last Service Year	2012	type any notes or comments here	
Next Service Year	2022		
Remaining Useful Life (yrs)	2		

Item 58 - Tot Lot: Repl Fabric Shade Struct: Zone 4 LC

Approx. Component Qty	1	Estimated Service Cost	\$15,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	15	Est Future Cost (at next svc yr)	\$20,188
Last Service Year	2020	type any notes or comments here	
Next Service Year	2035		
Remaining Useful Life (yrs)	15		

Item 59 - Tot Lot: Replace Park Equipment: Zone 4 LC

Approx. Component Qty	1	Estimated Service Cost	\$5,250
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	20	Est Future Cost (at next svc yr)	\$7,801
Last Service Year	2001	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Item 60 - Tot Lot: Replace Play Structure: Zone 4 LC

Approx. Component Qty	1	Estimated Service Cost	\$25,000
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	25	Est Future Cost (at next svc yr)	\$41,015
Last Service Year	2001	type any notes or comments here	
Next Service Year	2026		
Remaining Useful Life (yrs)	6		

Item 61 - Tot Lot: Replenish Sand: Zone 4 LC

Approx. Component Qty	1	Estimated Service Cost	\$1,500
Unit of Measure	each	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	3	Est Future Cost (at next svc yr)	\$1,500
Last Service Year	2020	type any notes or comments here	
Next Service Year	2020		
Remaining Useful Life (yrs)	0		

Item 62 - Security: Surveillance Camera Maint: Zone 2 Main Ent

Approx. Component Qty	4	Estimated Service Cost	\$2,500
Unit of Measure	each	Cost Basis for Service Cost	Current Est
Estimated Useful Life (yrs)	4	Est Future Cost (at next svc yr)	\$2,706
Last Service Year	2024	type any notes or comments here	
Next Service Year	2024		
Remaining Useful Life (yrs)	4		

Item 63 - Security: Routine maint guard shack: Zone 2 Main Ent

Approx. Component Qty	1	Estimated Service Cost	\$5,250
Unit of Measure	each	Cost Basis for Service Cost	Actual Cost
Estimated Useful Life (yrs)	4	Est Future Cost (at next svc yr)	\$5,683
Last Service Year	2017	type any notes or comments here	
Next Service Year	2021		
Remaining Useful Life (yrs)	1		

Appendix

Analysis Types

Three classes of reserve studies are defined:

- **Class I:** A comprehensive study
 - Component Inventory
 - Condition Assessments
 - Life and Valuation Estimates
 - Funding Status Statement
 - Develop a Funding Plan
- **Class II:** An updated study based that includes a site inspection
 - Verifies Component Inventory from Previous Study
 - Condition Assessments
 - Life and Valuation Estimates
 - Funding Status Statement
 - Develops Funding Plan
- **Class III:** An updated study that does not include a site inspection.
 - Life and Valuation Estimates
 - Funding Status Statement
 - Develop a Funding Plan

Terms and Definitions

A reserve study contains a number of industry-related terms and phrases. The following are definitions for the most commonly used terms.

- **Annual Reserve Contribution** The amount that should be allocated to each component using the recommended funding plan.
- **Annual Reserve Fund Contribution** Amount that should be saved during current year for future component replacements. Provided for each component and summed for all components.
- **Baseline Funding** Establishing a reserve funding goal of keeping the reserve cash balance above zero. See Funding Strategies.
- **Cash Flow Method (aka, Component Method)** A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.
- **Component** Also referred to as an “Asset.” Individual line items in the Reserve Study developed or updated in the physical analysis. These elements form the building blocks for the Reserve Study. Components typically are:
 1. Association responsibility
 2. Have limited useful life expectancies
 3. Have predictable remaining life expectancies
 4. Are above a minimum threshold cost
 5. Required by local codes.
- **Component Inventory** The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents and discussion with appropriate association representative(s) of the association or cooperative.
- **Contingency** An allowance for miscellaneous components, unpredictable expenses and/or costs that were higher than expected.
- **Deficit** An actual (or projected reserve balance), which is less than the fully funded balance.
- **Full Funded Balance Percent** The reserve balance expressed as a percentage of the total fully funded balance of all components.
- **Full Funding** Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded. See Funding Strategies.

- **Fully Funded Balance** An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost of a reserve component. This number is calculated for each component, and then summed together for an association total and represents the total depreciation over the life of the components. In other words, the amount that should have been saved during the life of the components. Without taking into account the effect of inflation, the calculation for FFB is:
$$FFB = \frac{\text{Current Cost} \times \text{Effective Age}}{\text{Useful Life}}$$
- **Fund Status** The status of the reserve fund as compared to an established benchmark, such as percent funded.
- **Funding Methods** Two methods of funding are Cash Flow and Straight Line.
 - Cash Flow: The reserve fund is considered one large pool of money. Expenses for any individual component are withdrawn from the single, shared reserve fund.
 - Straight Line: A simple calculation that calculates a reserve contribution based on each individual component. Expenses for any individual component are withdrawn only from that component’s fund. Funds are not shared across multiple components.
- **Funding Models** The four funding models are:
 - Fully Funding Model: Setting a reserve funding goal of keeping the reserves at or near 100% funded. This is same as Threshold Funding if the threshold is set at 100%.
 - Threshold Funding Model: Setting a Reserve funding goal of keeping the Reserve balance above some threshold, generally less than the Fully Funding Strategy.
 - Baseline Funding Model: Setting a reserve funding goal of keeping the reserve cash balance at the end of each year in the overall reserve funding projection at or above \$ 0.
 - Statutory Funding Model: Based on local statutes where associations set aside specific cash amounts, or specific thresholds are set, as required by statutes.
- **Funding Plan** An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund.

<ul style="list-style-type: none"> • Percent Funded 	<p>The ratio, at a particular point of time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage.</p>
	<p>Percent funding is used a measure of the “health” of the reserve fund. As one of several key performance indicators, it the percent funding must be viewed in light of other indicators, such as available funds to meet expenses.</p>
	<p>The measures of strength for percent funded of the FFB are:</p>
	<ul style="list-style-type: none"> – 0% – 30% Funded: Generally considered to be a “weak” financial position. Associations that fall into this category are subject to higher frequencies of special assessments and deferred maintenance. – 31% – 69% Funded: Considered a “fair” financial position. Compared to the “weak” position, the likelihood of special assessments and deferred maintenance is diminished. Associations that find themselves in this position should be taking measures to strengthen their position. – 70% – 99% Funded: This range is considered a “strong” financial position. Associations should strive to maintain their percent funded in this range. – 100% Funded: If the association is 100% funded, theoretically they have the exact amount of funds equal to the Fully Funded Balance – Greater than 100% Funded: If in this situation, the associate has more than the Fully Funded Balance. The impact to the community is that the members annual payments are more than is required to meet annual expenses.
<ul style="list-style-type: none"> • Projected Start-of-Year or End-of-Year Reserve Balance 	<p>Projected reserve balance at the start of the fiscal year or end of the fiscal year. Calculated using the estimated reserve balance, contributions to reserves before year-end, and planned expenses before year-end.</p>
<ul style="list-style-type: none"> • Recommended Reserve Contribution 	<p>Recommended amount that the association should allocate into reserves to offset future expenses.</p>
<ul style="list-style-type: none"> • Remaining Useful Life 	<p>Expected remaining useable life of component. (0-year remaining life means the component will be serviced in the upcoming fiscal year)</p>
<ul style="list-style-type: none"> • Replacement Cost 	<p>The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.</p>
<ul style="list-style-type: none"> • Replacement Year 	<p>Year that component is projected to be replaced or repaired.</p>
<ul style="list-style-type: none"> • Reserve Balance 	<p>Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components that the association is obligated to maintain. Also known as “reserves,” “reserve accounts,” or “cash reserves.” In this report the reserve balance is based upon information provided and is not audited.</p>
<ul style="list-style-type: none"> • Reserve Study 	<p>A long-term capital budget planning tool which identifies the current status of the reserve fund and a stable and equitable funding plan to offset ongoing deterioration, resulting in sufficient funds when those anticipated major common area expenditures actually occur. A reserve study is in essence a planning tool designed to help the board anticipate, and prepare for, the property's major repair and replacement projects.</p>

- **Special Assessment** An assessment levied on the members of an association in addition to regular assessments. Special assessments are often regulated by governing documents or local statutes.
- **Statutory Funding** Establishing a reserve funding goal of setting aside the specific minimum amount of reserves required by local statutes. See Funding Strategies.
- **Threshold Funding** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. See Funding Strategies.
- **Useful Life** Typical useable life for a component.

Funding Methodologies

Cash Flow Methodology

The Cash Flow Reserve Funding methodology was used in the analysis as it allows reserve funds to be used efficiently and evenly spreads costs among the community owners over the years.

- The reserve fund is considered one large pool of money.
- Contributions are established by testing and retesting different contribution rates until the desired funding objective is achieved.
- Encourages the use of threshold levels to test various funding strategies with respect to funding requirements.
- May increase risks of underfunding and special assessments, but this is mitigated by understanding of component costs and useful life, setting reasonable threshold funding levels and careful analysis of annual cash flows
- Typically, results in a lower rate of reserve contributions as the funds can be used more efficiently; and the contributions are more evenly spread over the years.

Threshold Funding Model

The Threshold Funding strategy was employed with a threshold, or goal, of keeping the reserve balance above a specified percent funded amount. Use of this strategy requires examining the estimated annual reserve component costs against the anticipated reserve balance to assure that costs do not exceed available funds. The Threshold Funding Strategy consists of setting a reserve funding goal of keeping the reserve balance above some threshold, generally less than the Fully Funding Model.

The Threshold Funding strategy reduces the annual contribution (compared to Full Funding) for maintaining the reserve. The threshold funding strategy must be used rationally to assure that under funding does not occur in any years. It also requires careful analysis of expenses and funding over all the years. A key benefit is that it reduces the annual contribution to the reserve fund compared to Full Funding strategy.

Performance Indicators

Two key performance indicators used in this analysis are “Fully Funded Balance” and “Percent Funded”.

The Fully Funded Balance of all reserve components are individually determined and summed together. Each component’s FBB is determined for each year using the following formula:

$$FBB = \frac{\text{Current Cost} \times \text{Effective Age}}{\text{Useful Life}} \times (1 + \text{inflation_rate})^{(Y_n - Y_0)}$$

Where Y_n = Future year and Y_0 = Current year

The Percent Funding of the reserve is computed as follows:

$$\% \text{ Funded} = \frac{\text{Actual Reserve Fund Balance}}{\text{Computed Fully Funded Balance}}$$

All future costs estimates are based on the current costs with provision for inflation. The reserve fund and contingency fund balance is assumed to earn interest at the rate provided by the association.