

Ranch Place HOA

Level 2 Reserve Study



Report Period – 01/01/2024 – 12/31/2024

Client Reference Number	18338
Property Type	Single Family Homes
Number of Units	228
Fiscal Year End	12/31

Type of Study	Update w/Site Visit
Date of Property Inspection	05/03/2023
Prepared By	Dale Gifford
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on – Tuesday, June 20, 2023



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Table of Contents

Introduction

- Executive Summary page 1
- Introduction page 2
- General Information and Frequently Asked Questions page 3 - 4

Reserve Analysis

- Funding Summary page 5
- Percent Funded – Graph page 6
- Component Inventory page 7
- Significant Components page 8
- Significant Components – Graph page 9
- Yearly Summary page 10
- Yearly Reserve Contributions – Graph page 11
- Component Funding Information page 12
- Yearly Cash Flow page 13
- Yearly Reserve Expenditures – Graph page 14
- Projected Reserve Expenditures by Year page 15 - 16

Component Evaluation

- Component Evaluation page 1 - 18

Glossary of Commonly used Words and Phrases

Executive Summary – Ranch Place HOA - ID # 18338

Information to complete this Reserve Study was gathered by performing an on-site inspection of the common area elements. In addition, we also obtained information by contacting any vendors and/or contractors that have worked on the property recently, as well as communicating with the property representative (BOD Member and/or Community Manager). To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate insofar as the information obtained from these sources.

Projected Starting Balance as of 01/01/2024	\$52,000
Ideal Reserve Balance as of 01/01/2024	\$154,904
Percent Funded as of 01/01/2024	34%
Recommended Reserve Contribution (per month)	\$2,720
Recommended Special Assessment	\$0

Ranch Place HOA is a 228-unit Single Family Homes community. The community offers two parks with playgrounds, picnic pavilion, trail system, and landscaped areas as amenities. Construction on the community was completed in 2001.

Currently Programmed Projects

Projects programmed to occur this fiscal year (FY2024) include pavilion and play structures repaint (Comp# 217), and asphalt seal coat (Comp# 402). We have programmed an estimated \$5,500 in reserve expenditures toward the completion of these projects. (See page 15)

Significant Reserve Projects

The association's significant reserve projects are landscaping mulch replenish (Comp# 1801), trails resurface (Comp# 1390), mailbox kiosks replace (Comp# 2303), and play structures 2000 West replace (Comp# 1301). The fiscal significance of these components is approximately 17%, 11%, 10%, and 9% respectively (see page 9). A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives.

Reserve Funding

In comparing the projected starting reserve balance of \$52,000 versus the ideal reserve balance of \$154,904 we find the association's reserve fund to be approximately 34% funded. This indicates a fair reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$2,720 (\$11.93/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

Introduction

Reserve Study Purpose

The purpose of this Reserve Study is to provide the Association with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. The detailed schedules will serve as an advance warning that major projects will need to be addressed in the future. This will allow the Association to have ample time to obtain competitive bids for each project. It will also help to ensure the physical well-being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to special assessments.

Preparer's Credentials

Mr. Gifford has been working in the community association industry since 2002. Prior to taking a position as the Regional Project Manager covering the Utah region at Complex Solutions in 2010, he worked in community association management in Utah. While in community association management his positions included, Maintenance Supervisor, Senior Portfolio Manager and Vice President of Community Management. His work in community association management gave him extensive experience with budget creation, reserves and reserve budgeting, community inspections, and analyzing common area components.

- Personally, has prepared over 2,200 reserve studies in Utah
- Member of the Association of Professional Reserve Analysts (APRA).
- Professional Reserve Analyst (PRA) designation from Association of Professional Reserve Analysts (APRA), PRA #2320
- Member of the Utah Chapter of Community Associations Institute (UCCAI). Current member of the CAI Utah Legislative Action Committee. Former Board member, and former Utah Chapter President
- Reserve Specialist (RS) designation from Community Associations Institute (CAI), RS# 231
- Bachelor of Science in Chemistry from Emporia State University
- Professional Community Association Manager® (PCAM®) designation from Community Associations Institute (CAI), PCAM# 1740
- Association Management Specialist® (AMS®) designation from Community Associations Institute (CAI)

Budget Breakdown

Every association conducts their business within a budget. There are typically two main parts to this budget, the Operating budget and the Reserve budget. The operating budget includes all expenses that occur on an annual basis as well as general maintenance and repairs. Typical operating budget line items include management fees, maintenance expenses, utilities, etc. The reserve budget is primarily made up of replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

Report Sections

Reserve Analysis: this section contains the evaluation of the association's reserve balance, income, and expenses. It includes a finding of the client's current reserve fund status (measured as percent funded) and a recommendation for an appropriate reserve allocation rate (also known as the funding plan).

Component Evaluation: this section contains information regarding the physical status and replacement cost of reserve components the association is responsible to maintain. It is important to understand that while the component inventory will remain relatively "stable" from year to year, the condition assessment and life estimates will most likely vary from year to year.

General Information and Frequently Asked Questions

Is it the law to have a Reserve Study conducted?

The Government requires a reserve study in approximately 20 states. Also, the Association's governing documents may require a reserve fund be established. This does not mean a Reserve Study is required, but how are you going to know if you have enough money in the reserve fund if you do not have the proper information?

Why is it important to perform a Reserve Study?

This report provides the essential information that is needed to guide the Association in establishing the reserve portion of the total monthly assessment. The reserve fund is critical to the future of the association because it helps ensure that reserve projects can be completed on time. When projects are completed on time, deferred maintenance and the lower property values that typically accompany it can be avoided. It is suggested that a third party professionally prepare the Reserve Analysis Study since there is no vested interest in the property.

After we have a Reserve Study, what do we do with it?

Please take the time to review the report carefully and make sure the component information is complete and accurate. If there are any inaccuracies, or changes such as a component that the association feels should be added, removed, or altered, please inform us immediately so we may revise the report. Use the report to help establish your budget for the upcoming fiscal year.

How often do we review and update our Reserve Study?

There is a misconception that a Reserve Study is good for an extended period of time since the report has projections for a thirty year period. The assumptions, interest rates, inflation rates and other information used to create this report change each year. Scheduled events may not happen, unpredictable circumstances could occur, deterioration rates can be unpredictable and repair/replacement costs will vary from causes that are unforeseen. These variations alter the results of the Reserve Study. The Reserve Study should be professionally reviewed each year by having a Level III "no site visit" update reserve study performed. The Reserve Study should be professionally updated every three years by having a Level II "site visit" update reserve study performed.

What is a "Reserve Component" versus an "Operating Component"?

A "Reserve" component is an item that is the responsibility of the association to maintain, has a limited useful life, predictable remaining useful life, typically occurs on a cyclical basis that exceeds one year, and costs above a minimum threshold amount. An "Operating" component is typically a fixed expense that occurs on an annual basis.

What are the GREY areas of "maintenance" items that are often seen in a Reserve Study?

One of the most popular questions revolves around major "maintenance" items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a "capital" item, it cannot be considered a reserve component. However, it is the opinion of several major Reserve Study providers, including Complex Solutions, that these components meet the criteria of a reserve component.

Information and Data Gathered:

The information contained in this report is based on estimates and assumptions gathered from various sources. Estimated life expectancies are based upon conditions that were readily visible and accessible at the time of the site visit. While every effort has been made to ensure accurate results, this report reflects the judgment of Complex Solutions, Ltd. and should not be construed as a guarantee or assurance of predicting future events.

What happens during the Site Visit?

During the site visit we identify the common area components that we have determined require reserve funding. These components are quantified and a physical condition is observed. The site visit is conducted on the common areas as reported by client.

What is the Financial Analysis?

We project the starting balance by taking the most recent reserve fund balance as stated by the client and add expected reserve contributions to the end of the fiscal year. We then subtract the expenses of any pending projects. We compare this number to the Fully Funded Balance and arrive at the Percent Funded level. Based on that level of funding we then recommend a Funding Plan to help ensure the adequacy of funding in the future.

Measures of reserve fund financial strength are as follows:

- 0% - 30% Funded** is considered a “weak” financial position. Associations that fall into this category are more likely to have special assessments and deferred maintenance. Action should be taken to improve the financial strength of the reserve fund.
- 31% - 69% Funded** is considered a “fair” financial position. Associations that fall into this category are less likely to experience special assessments and deferred maintenance than being in a weak financial position. Action should be taken to improve the financial strength of the reserve fund.
- 70% - 99% Funded** is considered a “strong” financial position. Associations that fall into this category are less likely to experience special assessments and deferred maintenance than being in a fair financial position. Action should be taken to improve the financial strength of the reserve fund.
- 100% Funded** is considered an “ideal” financial position. Action should be taken to maintain the financial strength of the reserve fund.

Disclosures:

Information provided to the preparer of a reserve study by an official representative of the association regarding financial, historical, physical, quantitative or reserve project issues will be deemed reliable by the preparer. A reserve study will be a reflection of information provided to the preparer of the reserve study. The total of actual or projected reserves required as presented in the reserve study is based upon information provided that was not audited.

A reserve study is not intended to be used to perform an audit, an analysis of quality, a forensic study or a background check of historical records. An on-site inspection conducted in conjunction with a reserve study should not be deemed to be a project audit or quality inspection.

The results of this study are based on the independent opinion of the preparer and his experience and research during the course of his career in preparing Reserve Studies. In addition the opinions of experts on certain components have been gathered through research within their industry and with client’s actual vendors. There is no implied warranty or guarantee regarding our life and cost estimates/predictions. There is no implied warranty or guarantee in any of our work product. Our results and findings will vary from another preparer’s results and findings. A Reserve Study is necessarily a work in progress and subsequent Reserve Studies will vary from prior studies.

The projected life expectancy of the reserve components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each component. Failure to perform such maintenance can negatively impact the remaining useful life of the component and dramatically increase the funding needs of the reserves of the association.

This Reserve Study assumes that all construction assemblies and components identified herein are built properly and are free from defects in materials and/or workmanship. Defects can lead to reduced useful life and premature failure. It was not the intent of this Reserve Study to inspect for or to identify defects. If defects exist, repairs should be made so that the construction components and assemblies at the community reach the full and expected useful lives.

Site Visits: Should a site visit have been performed during the preparation of this reserve study no invasive testing was performed. The physical analysis performed during the site visit was not intended to be exhaustive in nature and may have included representative sampling. Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We have assumed any and all components have been properly built and will reach normal, typical life expectancies. A reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), have been excluded from this report.

Update Reserve Studies:

Level II Studies: Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies.

Level III Studies: In addition to the above we have not visited the property when completing a Level III “No Site Visit” study. Therefore we have not verified the current condition of the components.

Insurance: We carry general and professional liability insurance as well as workers’ compensation insurance.

Actual or Perceived Conflicts of Interest: There are no potential actual or perceived conflicts of interest that we are aware of.

Inflation and Interest Rates: The after tax interest rate used in the financial analysis may or may not be based on the clients reported after tax interest rate. If it is, we have not verified or audited the reported rate. The inflation rate may also be based on an amount we believe appropriate given the 30-year horizon of this study and may or may not reflect current or historical inflation rates.

Funding Summary

Beginning Assumptions

# of units	228
Fiscal Year End	31-Dec
Budgeted Monthly Reserve Allocation	\$0
Projected Starting Reserve Balance	\$52,000
Ideal Starting Reserve Balance	\$154,904

Economic Assumptions

Projected Inflation Rate	5.00%
Reported After-Tax Interest Rate	2.25%

Current Reserve Status

Current Balance as a % of Ideal Balance	34%
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Recommendations

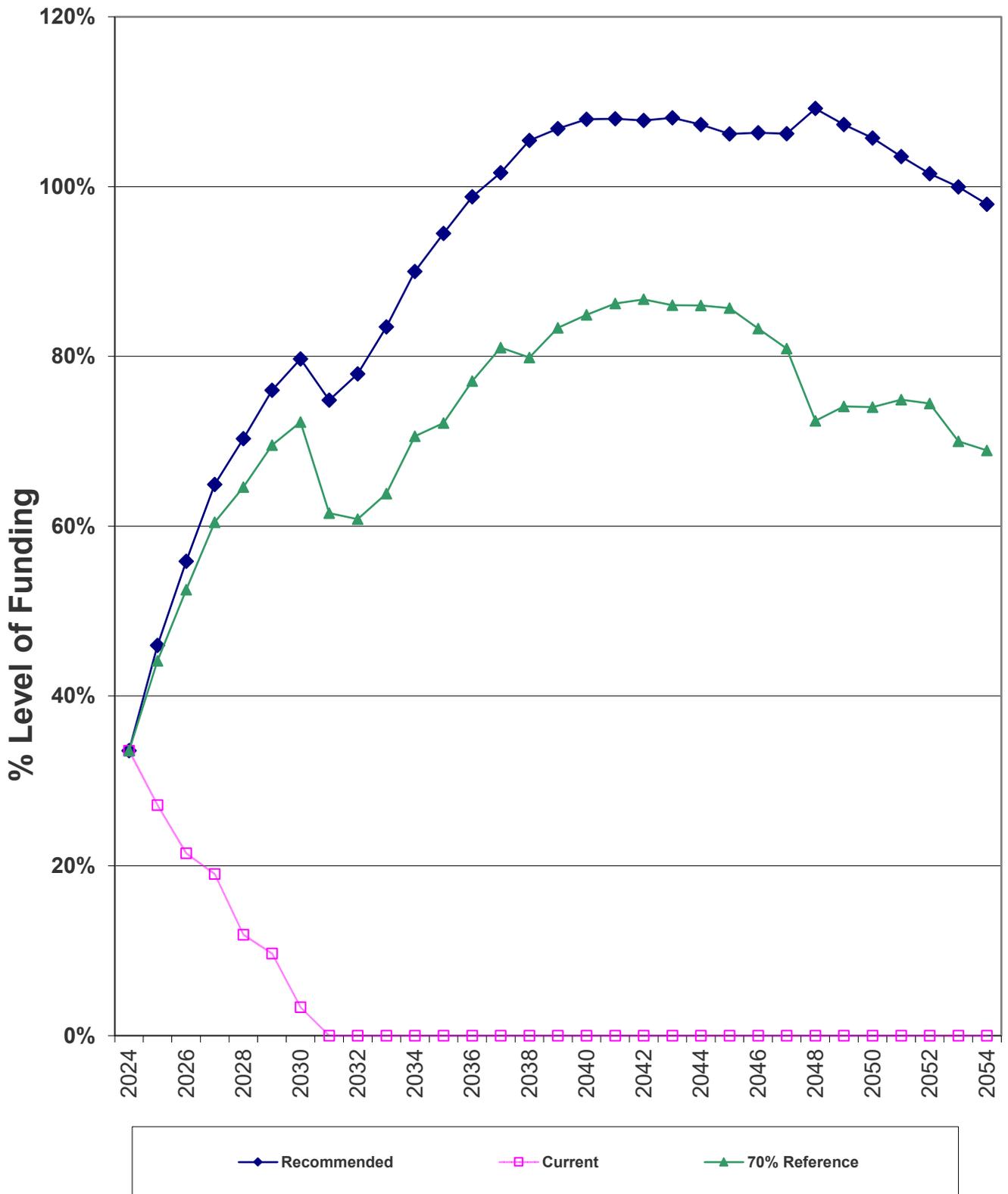
Recommended Monthly Reserve Allocation	\$2,720
Per Unit	\$11.93
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%
70% Funded Monthly Reserve Allocation Reference	\$2,455
Per Unit	\$10.77
Future Annual Increases	3.00%
For number of years:	30
Increases thereafter:	0.00%

Changes From Prior Year

Recommended Increase to Reserve Allocation as Percentage	\$2,720 0%
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Percent Funded - Graph



Component Inventory

Category	ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Best Cost	Worst Cost
Painted Surfaces	215	Mailbox Kiosks - Repaint	8	5	\$4,000	\$5,000
	217	Pavilion & Play Structures - Repaint	4	0	\$2,000	\$3,000
Drive Materials	401	Asphalt - Major Rehab	30	6	\$15,000	\$20,000
	402	Asphalt - Seal Coat	5	0	\$2,500	\$3,500
Prop. Identification	801	Monument Signs - Replace	30	21	\$20,000	\$30,000
Recreation Equip.	1301	Play Structures - 2000 East - Replace	30	6	\$30,000	\$40,000
	1301	Play Structures - 2000 West - Replace	30	6	\$40,000	\$50,000
	1301	Play Structures - 2014 West - Replace	20	10	\$13,000	\$15,000
	1302	Swing Set - Replace	30	28	\$9,000	\$10,000
	1303	Play Area Groundcover - East - Refill	5	3	\$3,500	\$4,500
	1303	Play Area Groundcover - West - Refill	5	3	\$2,500	\$3,500
	1306	Picnic Tables - Replace	20	10	\$6,000	\$7,000
	1307	Benches - Replace	20	10	\$2,000	\$3,000
	1390	Trails - Resurface	15	7	\$25,000	\$35,000
Light Fixtures	1609	Street Light Fixtures - Replace	30	13	\$20,000	\$25,000
Landscaping	1801	Landscaping Mulch - Replenish	2	1	\$5,000	\$7,000
	1812	Landscaping & Irrigation System - Renov	10	8	\$12,000	\$15,000
Buildings / Structu	2303	Mailbox Kiosks - Replace	30	23	\$50,000	\$60,000

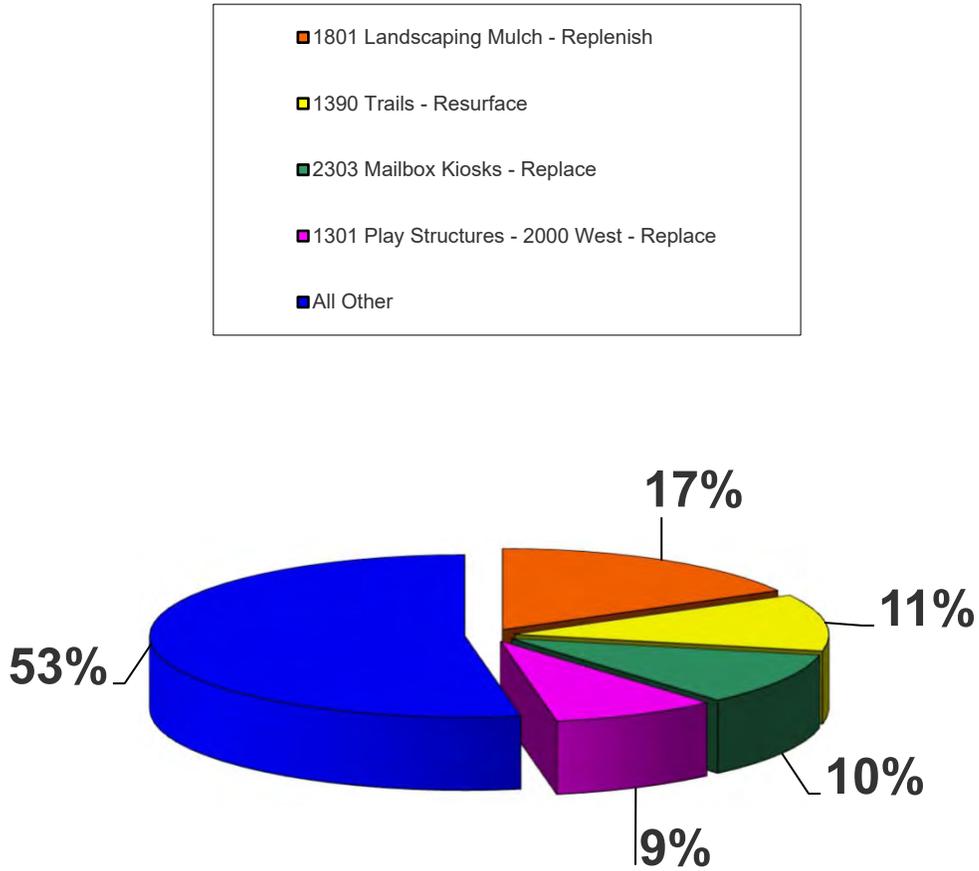


Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
215	Mailbox Kiosks - Repaint	8	5	\$4,500	\$563	3.1832%
217	Pavilion & Play Structures - Repaint	4	0	\$2,500	\$625	3.5369%
401	Asphalt - Major Rehab	30	6	\$17,500	\$583	3.3011%
402	Asphalt - Seal Coat	5	0	\$3,000	\$600	3.3954%
801	Monument Signs - Replace	30	21	\$25,000	\$833	4.7159%
1301	Play Structures - 2000 East - Replace	30	6	\$35,000	\$1,167	6.6022%
1301	Play Structures - 2000 West - Replace	30	6	\$45,000	\$1,500	8.4886%
1301	Play Structures - 2014 West - Replace	20	10	\$14,000	\$700	3.9613%
1302	Swing Set - Replace	30	28	\$9,500	\$317	1.7920%
1303	Play Area Groundcover - East - Refill	5	3	\$4,000	\$800	4.5272%
1303	Play Area Groundcover - West - Refill	5	3	\$3,000	\$600	3.3954%
1306	Picnic Tables - Replace	20	10	\$6,500	\$325	1.8392%
1307	Benches - Replace	20	10	\$2,500	\$125	0.7074%
1390	Trails - Resurface	15	7	\$30,000	\$2,000	11.3181%
1609	Street Light Fixtures - Replace	30	13	\$22,500	\$750	4.2443%
1801	Landscaping Mulch - Replenish	2	1	\$6,000	\$3,000	16.9771%
1812	Landscaping & Irrigation System - Rend	10	8	\$13,500	\$1,350	7.6397%
2303	Mailbox Kiosks - Replace	30	23	\$55,000	\$1,833	10.3749%



Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance: (Curr Cost/UL)	
					As \$	As %
1801	Landscaping Mulch - Replenish	2	1	\$6,000	\$3,000	17%
1390	Trails - Resurface	15	7	\$30,000	\$2,000	11%
2303	Mailbox Kiosks - Replace	30	23	\$55,000	\$1,833	10%
1301	Play Structures - 2000 West - Replace	30	6	\$45,000	\$1,500	9%
All Other	See Expanded Table For Breakdown				\$9,338	53%

Yearly Summary

Year	Fully Funded Balance	Starting Reserve Balance	% Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2024	\$154,904	\$52,000	34%	\$32,640	\$1,491	\$5,500	\$80,631
2025	\$175,429	\$80,631	46%	\$33,619	\$2,144	\$6,300	\$110,093
2026	\$197,067	\$110,093	56%	\$34,628	\$2,896	\$0	\$147,618
2027	\$227,377	\$147,618	65%	\$35,667	\$3,590	\$15,049	\$171,825
2028	\$244,423	\$171,825	70%	\$36,737	\$4,289	\$3,039	\$209,812
2029	\$276,007	\$209,812	76%	\$37,839	\$5,004	\$17,230	\$235,425
2030	\$295,396	\$235,425	80%	\$38,974	\$4,310	\$130,659	\$148,050
2031	\$197,838	\$148,050	75%	\$40,143	\$3,246	\$50,656	\$140,783
2032	\$180,650	\$140,783	78%	\$41,347	\$3,284	\$33,981	\$151,433
2033	\$181,415	\$151,433	83%	\$42,588	\$3,821	\$9,308	\$188,534
2034	\$209,496	\$188,534	90%	\$43,865	\$4,303	\$42,351	\$194,352
2035	\$205,725	\$194,352	94%	\$45,181	\$4,815	\$10,262	\$234,086
2036	\$236,971	\$234,086	99%	\$46,537	\$5,800	\$4,490	\$281,933
2037	\$277,426	\$281,933	102%	\$47,933	\$6,097	\$75,426	\$260,537
2038	\$247,087	\$260,537	105%	\$49,371	\$6,484	\$0	\$316,392
2039	\$296,178	\$316,392	107%	\$50,852	\$7,558	\$18,710	\$356,091
2040	\$329,914	\$356,091	108%	\$52,378	\$8,629	\$5,457	\$411,640
2041	\$381,182	\$411,640	108%	\$53,949	\$9,815	\$13,752	\$461,652
2042	\$428,328	\$461,652	108%	\$55,567	\$10,566	\$49,336	\$478,450
2043	\$442,595	\$478,450	108%	\$57,234	\$11,355	\$15,162	\$531,877
2044	\$495,691	\$531,877	107%	\$58,951	\$12,596	\$14,593	\$588,831
2045	\$554,383	\$588,831	106%	\$60,720	\$12,952	\$98,902	\$563,602
2046	\$529,948	\$563,602	106%	\$62,542	\$12,526	\$87,758	\$550,912
2047	\$518,576	\$550,912	106%	\$64,418	\$10,882	\$208,864	\$417,348
2048	\$382,188	\$417,348	109%	\$66,350	\$10,150	\$8,063	\$485,786
2049	\$452,671	\$485,786	107%	\$68,341	\$11,474	\$30,477	\$535,124
2050	\$506,135	\$535,124	106%	\$70,391	\$12,965	\$0	\$618,481
2051	\$597,415	\$618,481	104%	\$72,503	\$14,630	\$22,401	\$683,212
2052	\$673,037	\$683,212	102%	\$74,678	\$14,932	\$127,404	\$645,419
2053	\$645,650	\$645,419	100%	\$76,918	\$15,056	\$43,219	\$694,173



Reserve Contributions - Graph

Monthly Reserve Contributions



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
215	Mailbox Kiosks - Repaint	8	5	(2) Kiosks	\$4,500	\$1,688	\$1,688	\$86.58
217	Pavilion & Play Structures - Repaint	4	0	(1) Pavilion	\$2,500	\$2,500	\$2,500	\$96.20
401	Asphalt - Major Rehab	30	6	Approx 5,000 SF	\$17,500	\$14,000	\$14,000	\$89.79
402	Asphalt - Seal Coat	5	0	Approx 5,000 SF	\$3,000	\$3,000	\$3,000	\$92.36
801	Monument Signs - Replace	30	21	(2) Signs	\$25,000	\$7,500	\$0	\$128.27
1301	Play Structures - 2000 East - Replace	30	6	(1) Structure	\$35,000	\$28,000	\$25,013	\$179.58
1301	Play Structures - 2000 West - Replace	30	6	(2) Structures	\$45,000	\$36,000	\$0	\$230.89
1301	Play Structures - 2014 West - Replace	20	10	(4) Structures	\$14,000	\$7,000	\$0	\$107.75
1302	Swing Set - Replace	30	28	(1) Swing Set	\$9,500	\$633	\$0	\$48.74
1303	Play Area Groundcover - East - Refill	5	3	Approx 2,485 SF	\$4,000	\$1,600	\$1,600	\$123.14
1303	Play Area Groundcover - West - Refill	5	3	Approx 2,350 SF	\$3,000	\$1,200	\$1,200	\$92.36
1306	Picnic Tables - Replace	20	10	(4) Picnic Tables	\$6,500	\$3,250	\$0	\$50.03
1307	Benches - Replace	20	10	(2) Benches	\$2,500	\$1,250	\$0	\$19.24
1390	Trails - Resurface	15	7	Approx 2.5 Miles	\$30,000	\$16,000	\$0	\$307.85
1609	Street Light Fixtures - Replace	30	13	(17) Street Lights	\$22,500	\$12,750	\$0	\$115.44
1801	Landscaping Mulch - Replenish	2	1	Minimal SF	\$6,000	\$3,000	\$3,000	\$461.78
1812	Landscaping & Irrigation System - Renovate	10	8	Extensive SF	\$13,500	\$2,700	\$0	\$207.80
2303	Mailbox Kiosks - Replace	30	23	(2) Structure2	\$55,000	\$12,833	\$0	\$282.20
					\$299,000	\$154,904	\$52,000	\$2,720

Current Fund Balance as a percentage of Ideal Balance: 34%



Yearly Cash Flow

Year	2024	2025	2026	2027	2028
Starting Balance	\$52,000	\$80,631	\$110,093	\$147,618	\$171,825
<i>Reserve Income</i>	\$32,640	\$33,619	\$34,628	\$35,667	\$36,737
<i>Interest Earnings</i>	\$1,491	\$2,144	\$2,896	\$3,590	\$4,289
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$86,131	\$116,393	\$147,618	\$186,874	\$212,851
Reserve Expenditures	\$5,500	\$6,300	\$0	\$15,049	\$3,039
Ending Balance	\$80,631	\$110,093	\$147,618	\$171,825	\$209,812

Year	2029	2030	2031	2032	2033
Starting Balance	\$209,812	\$235,425	\$148,050	\$140,783	\$151,433
<i>Reserve Income</i>	\$37,839	\$38,974	\$40,143	\$41,347	\$42,588
<i>Interest Earnings</i>	\$5,004	\$4,310	\$3,246	\$3,284	\$3,821
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$252,655	\$278,709	\$191,439	\$185,415	\$197,842
Reserve Expenditures	\$17,230	\$130,659	\$50,656	\$33,981	\$9,308
Ending Balance	\$235,425	\$148,050	\$140,783	\$151,433	\$188,534

Year	2034	2035	2036	2037	2038
Starting Balance	\$188,534	\$194,352	\$234,086	\$281,933	\$260,537
<i>Reserve Income</i>	\$43,865	\$45,181	\$46,537	\$47,933	\$49,371
<i>Interest Earnings</i>	\$4,303	\$4,815	\$5,800	\$6,097	\$6,484
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$236,703	\$244,348	\$286,423	\$335,963	\$316,392
Reserve Expenditures	\$42,351	\$10,262	\$4,490	\$75,426	\$0
Ending Balance	\$194,352	\$234,086	\$281,933	\$260,537	\$316,392

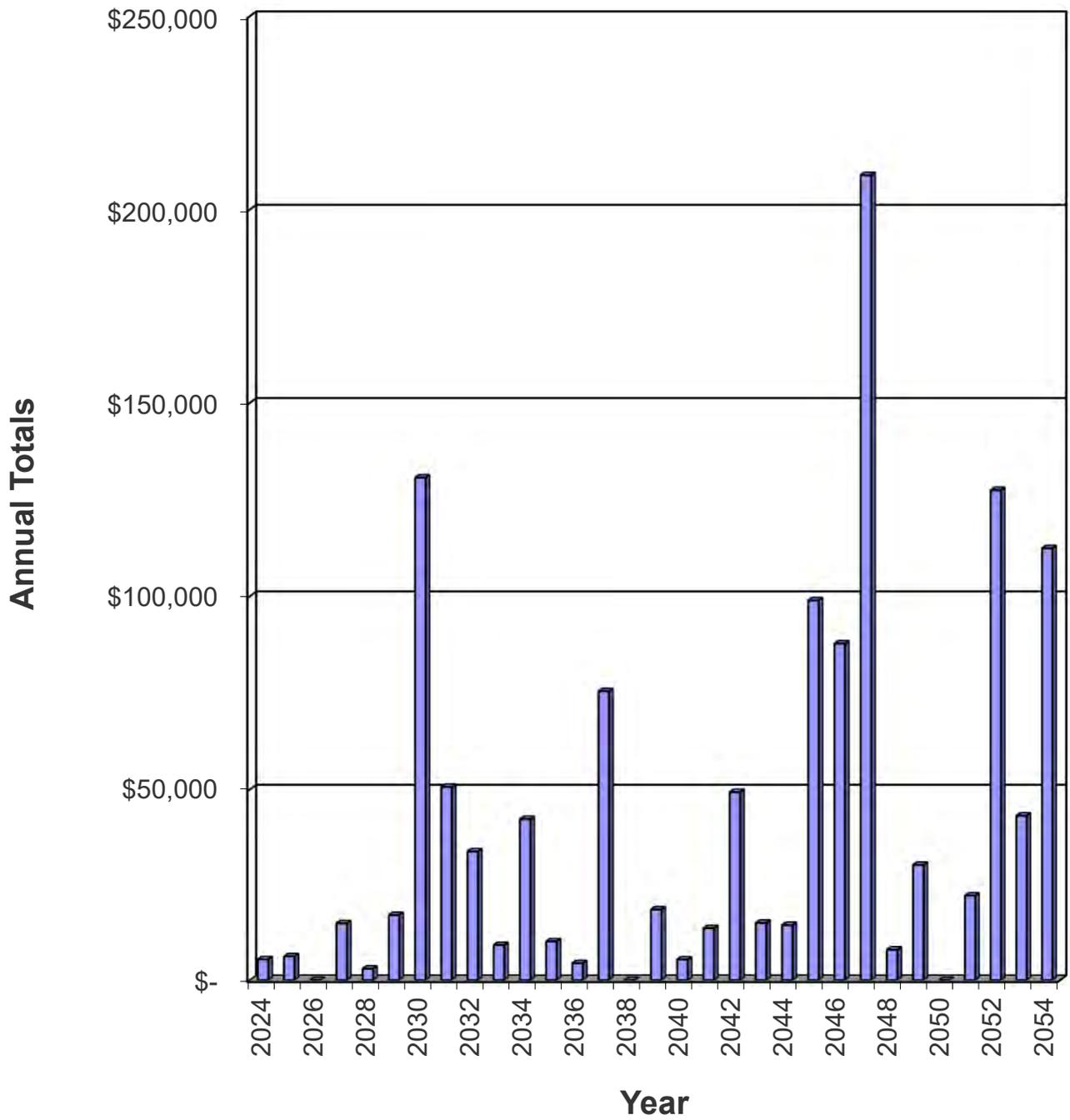
Year	2039	2040	2041	2042	2043
Starting Balance	\$316,392	\$356,091	\$411,640	\$461,652	\$478,450
<i>Reserve Income</i>	\$50,852	\$52,378	\$53,949	\$55,567	\$57,234
<i>Interest Earnings</i>	\$7,558	\$8,629	\$9,815	\$10,566	\$11,355
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$374,802	\$417,098	\$475,404	\$527,785	\$547,039
Reserve Expenditures	\$18,710	\$5,457	\$13,752	\$49,336	\$15,162
Ending Balance	\$356,091	\$411,640	\$461,652	\$478,450	\$531,877

Year	2044	2045	2046	2047	2048
Starting Balance	\$531,877	\$588,831	\$563,602	\$550,912	\$417,348
<i>Reserve Income</i>	\$58,951	\$60,720	\$62,542	\$64,418	\$66,350
<i>Interest Earnings</i>	\$12,596	\$12,952	\$12,526	\$10,882	\$10,150
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$603,425	\$662,504	\$638,670	\$626,212	\$493,849
Reserve Expenditures	\$14,593	\$98,902	\$87,758	\$208,864	\$8,063
Ending Balance	\$588,831	\$563,602	\$550,912	\$417,348	\$485,786

Year	2049	2050	2051	2052	2053
Starting Balance	\$485,786	\$535,124	\$618,481	\$683,212	\$645,419
<i>Reserve Income</i>	\$68,341	\$70,391	\$72,503	\$74,678	\$76,918
<i>Interest Earnings</i>	\$11,474	\$12,965	\$14,630	\$14,932	\$15,056
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$565,601	\$618,481	\$705,613	\$772,823	\$737,393
Reserve Expenditures	\$30,477	\$0	\$22,401	\$127,404	\$43,219
Ending Balance	\$535,124	\$618,481	\$683,212	\$645,419	\$694,173



Yearly Reserve Expenditures - Graph



Projected Reserve Expenditures by Year

Year	ID #	Component Name	Projected Cost	Total Per Annum
2024	217	Pavilion & Play Structures - Repaint	\$2,500	
	402	Asphalt - Seal Coat	\$3,000	\$5,500
2025	1801	Landscaping Mulch - Replenish	\$6,300	\$6,300
2026		No Expenditures Projected		\$0
2027	1303	Play Area Groundcover - East - Refill	\$4,631	
	1303	Play Area Groundcover - West - Refill	\$3,473	
	1801	Landscaping Mulch - Replenish	\$6,946	\$15,049
2028	217	Pavilion & Play Structures - Repaint	\$3,039	\$3,039
2029	215	Mailbox Kiosks - Repaint	\$5,743	
	402	Asphalt - Seal Coat	\$3,829	
	1801	Landscaping Mulch - Replenish	\$7,658	\$17,230
2030	401	Asphalt - Major Rehab	\$23,452	
	1301	Play Structures - 2000 East - Replace	\$46,903	
	1301	Play Structures - 2000 West - Replace	\$60,304	\$130,659
2031	1390	Trails - Resurface	\$42,213	
	1801	Landscaping Mulch - Replenish	\$8,443	\$50,656
2032	217	Pavilion & Play Structures - Repaint	\$3,694	
	1303	Play Area Groundcover - East - Refill	\$5,910	
	1303	Play Area Groundcover - West - Refill	\$4,432	
	1812	Landscaping & Irrigation System - Renovate	\$19,946	\$33,981
2033	1801	Landscaping Mulch - Replenish	\$9,308	\$9,308
2034	402	Asphalt - Seal Coat	\$4,887	
	1301	Play Structures - 2014 West - Replace	\$22,805	
	1306	Picnic Tables - Replace	\$10,588	
	1307	Benches - Replace	\$4,072	\$42,351
2035	1801	Landscaping Mulch - Replenish	\$10,262	\$10,262
2036	217	Pavilion & Play Structures - Repaint	\$4,490	\$4,490
2037	215	Mailbox Kiosks - Repaint	\$8,485	
	1303	Play Area Groundcover - East - Refill	\$7,543	
	1303	Play Area Groundcover - West - Refill	\$5,657	
	1609	Street Light Fixtures - Replace	\$42,427	
	1801	Landscaping Mulch - Replenish	\$11,314	\$75,426
2038		No Expenditures Projected		\$0
2039	402	Asphalt - Seal Coat	\$6,237	
	1801	Landscaping Mulch - Replenish	\$12,474	\$18,710
2040	217	Pavilion & Play Structures - Repaint	\$5,457	\$5,457
2041	1801	Landscaping Mulch - Replenish	\$13,752	\$13,752
2042	1303	Play Area Groundcover - East - Refill	\$9,626	
	1303	Play Area Groundcover - West - Refill	\$7,220	
	1812	Landscaping & Irrigation System - Renovate	\$32,489	\$49,336
2043	1801	Landscaping Mulch - Replenish	\$15,162	\$15,162
2044	217	Pavilion & Play Structures - Repaint	\$6,633	
	402	Asphalt - Seal Coat	\$7,960	\$14,593
2045	215	Mailbox Kiosks - Repaint	\$12,537	

Year	Comp ID	Component Name	Projected Cost	Total Per Annum
	801	Monument Signs - Replace	\$69,649	
	1801	Landscaping Mulch - Replenish	\$16,716	\$98,902
2046	1390	Trails - Resurface	\$87,758	\$87,758
2047	1303	Play Area Groundcover - East - Refill	\$12,286	
	1303	Play Area Groundcover - West - Refill	\$9,215	
	1801	Landscaping Mulch - Replenish	\$18,429	
	2303	Mailbox Kiosks - Replace	\$168,934	\$208,864
2048	217	Pavilion & Play Structures - Repaint	\$8,063	\$8,063
2049	402	Asphalt - Seal Coat	\$10,159	
	1801	Landscaping Mulch - Replenish	\$20,318	\$30,477
2050		No Expenditures Projected		\$0
2051	1801	Landscaping Mulch - Replenish	\$22,401	\$22,401
2052	217	Pavilion & Play Structures - Repaint	\$9,800	
	1302	Swing Set - Replace	\$37,241	
	1303	Play Area Groundcover - East - Refill	\$15,681	
	1303	Play Area Groundcover - West - Refill	\$11,760	
	1812	Landscaping & Irrigation System - Renovate	\$52,922	\$127,404
2053	215	Mailbox Kiosks - Repaint	\$18,523	
	1801	Landscaping Mulch - Replenish	\$24,697	\$43,219

Component Evaluation

Comp #: 215 Mailbox Kiosks - Repaint



Location: **Community Entrance & East Park Area**

Quantity: **(2) Kiosks**

Life Expectancy: **8** *Remaining Life:* **5**

Best Cost: **\$4,000**

Estimate to repaint

Worst Cost: **\$5,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The painted surfaces are in good to fair condition. We recommend funding to repair/repaint this component approximately every 6 - 8 years. Remaining life is based on current age.

General Notes:

Comp #: 217 Pavilion & Play Structures - Repaint



Location: **West Playground**

Quantity: **(1) Pavilion**

Life Expectancy: **4** *Remaining Life:* **0**

Best Cost: **\$2,000**

Estimate to repaint

Worst Cost: **\$3,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

Research with the client reveals this component will be repainted in 2024. We recommend funding to repaint this component approximately every 4 - 6 years. Remaining life based on current age.

General Notes:

Comp #: 401 Asphalt - Major Rehab



Location: **Playground Road & Parking Area**

Quantity: **Approx 5,000 SF**

Life Expectancy: **30** *Remaining Life:* **6**

Best Cost: **\$15,000**

Estimate for major rehab

Worst Cost: **\$20,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The asphalt surfaces are in fair to poor condition. We recommend funding for a major rehab of this component approximately every 25 - 30 years. Remaining life based on current age and condition

General Notes:

Comp #: 402 Asphalt - Seal Coat



Location: **Playground Road & Parking Area**

Quantity: **Approx 5,000 SF**

Life Expectancy: **5** *Remaining Life:* **0**

Best Cost: **\$2,500**

Estimate for seal coat

Worst Cost: **\$3,500**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The asphalt seal coat is in poor condition. We recommend funding to seal this component approximately every 3 - 5 years. Remaining life based on current condition.

General Notes:

Comp #: 801 Monument Signs - Replace



Location: **Community Entrance**

Quantity: **(2) Signs**

Life Expectancy: **30** *Remaining Life:* **21**

Best Cost: **\$20,000**

Estimate to replace

Worst Cost: **\$30,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The monument signs are in good condition. Research with the client reveals they plan to replace this component every 30 years. Remaining life is based on current age.

General Notes:

Comp #: 1301 Play Structures - 2000 East - Replace



Location: **East Park Area**

Quantity: **(1) Structure**

Life Expectancy: **30** *Remaining Life:* **6**

Best Cost: **\$30,000**

Estimate to replace

Worst Cost: **\$40,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The play structures are in fair condition. We recommend funding to replace this component approximately every 20 - 30 years. Remaining life based on current age.

General Notes:

Comp #: 1301 Play Structures - 2000 West - Replace



Location: **West Park Areas**

Quantity: **(2) Structures**

Life Expectancy: **30** *Remaining Life:* **6**

Best Cost: **\$40,000**

Estimate to replace

Worst Cost: **\$50,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The play structures are in fair condition. We recommend funding to replace this component approximately every 20 - 30 years. Remaining life based on current age.

General Notes:

Quantity description:

- (1) - Structure**
- (1) - Swing Set**

Comp #: 1301 Play Structures - 2014 West - Replace



Location: **West Park**

Quantity: **(4) Structures**

Life Expectancy: **20** *Remaining Life:* **10**

Best Cost: **\$13,000**

Estimate to replace

Worst Cost: **\$15,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The play structures are in good condition. We recommend funding to replace this component approximately every 15 - 20 years. Remaining life based on current age.

General Notes:

Quantity description:

- (1) - Balance**
- (1) - Digger**
- (1) - Sand Table**
- (1) - Sand Table**

Comp #: 1302 Swing Set - Replace



Location: **East Park**

Quantity: **(1) Swing Set**

Life Expectancy: **30** *Remaining Life:* **28**

Best Cost: **\$9,000**

Estimate to replace

Worst Cost: **\$10,000**

Higher estimate

Source of Information: Research with Client

Observations:

The swing set is in good condition. We recommend funding to replace this component approximately every 30 - 40 years. Remaining life based on current age.

General Notes:

Comp #: 1303 Play Area Groundcover - East - Refill



Location: **East Playground**

Quantity: **Approx 2,485 SF**

Life Expectancy: **5** *Remaining Life:* **3**

Best Cost: **\$3,500**

Estimate to refill

Worst Cost: **\$4,500**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The play area groundcover is in fair condition. We recommend funding to refill this component approximately every 3 - 5 years. Remaining life is based on current age.

General Notes:

Comp #: 1303 Play Area Groundcover - West - Refill



Location: **West Playground**

Quantity: **Approx 2,350 SF**

Life Expectancy: **5** *Remaining Life:* **3**

Best Cost: **\$2,500**

Estimate to refill

Worst Cost: **\$3,500**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The play area groundcover is in good condition. We recommend funding to refill this component approximately every 3 - 5 years. Remaining life is based on current age.

General Notes:

Comp #: 1306 Picnic Tables - Replace



Location: **Park Areas**

Quantity: **(4) Picnic Tables**

Life Expectancy: **20** *Remaining Life:* **10**

Best Cost: **\$6,000**

Estimate to replace

Worst Cost: **\$7,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The picnic tables are in fair condition. Research with the client reveals they plan to replace this component every 20 years. Remaining life based on current age.

General Notes:

Comp #: 1307 Benches - Replace



Location: **West Park**

Quantity: **(2) Benches**

Life Expectancy: **20** *Remaining Life:* **10**

Best Cost: **\$2,000**

Estimate to replace

Worst Cost: **\$3,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The benches are in fair condition. Research with the client reveals they plan to replace this component every 20 years. Remaining life based on current age.

General Notes:

Comp #: 1390 Trails - Resurface



Location: **Common Area**

Quantity: **Approx 2.5 Miles**

Life Expectancy: **15** *Remaining Life:* **7**

Best Cost: **\$25,000**

Allowance to resurface

Worst Cost: **\$35,000**

Higher allowance

Source of Information: CSL Cost Database

Observations:

Research with the client reveals this component is resurfaced every 15 years. Remaining life based on current age.

General Notes:

Comp #: 1609 Street Light Fixtures - Replace



Location: **Adjacent to Community Roads**

Quantity: **(17) Street Lights**

Life Expectancy: **30** *Remaining Life:* **13**

Best Cost: **\$20,000**

Estimate to replace

Worst Cost: **\$25,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The street light fixtures are in working condition. No expectation to replace the light poles. Paint poles as necessary as an operating expense. Research with the client reveals they plan to replace this component every 30 years. Remaining life based on current age and condition.

General Notes:

Comp #: 1801 Landscaping Mulch - Replenish



Location: **Common Area**

Quantity: **Minimal SF**

Life Expectancy: **2** *Remaining Life:* **1**

Best Cost: **\$5,000**

Allowance to renovate

Worst Cost: **\$7,000**

Higher allowance

Source of Information: CSL Cost Database

Observations:

Research with the client reveals this component will be replenished in 2023. We recommend funding to replenish this component approximately every 2 - 3 years. Remaining life based on current age.

General Notes:

Comp #: 1812 Landscaping & Irrigation System - Renovate



Location: **Common Area**

Quantity: **Extensive SF**

Life Expectancy: **10** *Remaining Life:* **8**

Best Cost: **\$12,000**

Allowance to renovate

Worst Cost: **\$15,000**

Higher allowance

Source of Information: CSL Cost Database

Observations:

The landscaping and irrigation system appear to be in fair condition. We recommend funding for an allowance to renovate this component approximately every 10 years. Remaining life based on current age.

General Notes:

Comp #: 2303 Mailbox Kiosks - Replace



Location: **Community Entrance & East Park Area**

Quantity: **(2) Structure2**

Life Expectancy: **30** *Remaining Life:* **23**

Best Cost: **\$50,000**

Estimate to replace

Worst Cost: **\$60,000**

Higher estimate

Source of Information: CSL Cost Database

Observations:

The mail kiosks are in good condition. The client plans to replace this component approximately every 30 years. Remaining life based on current age.

General Notes:

Glossary of Commonly Used Words And Phrases

(Provided by the National Reserve Study Standards of the Community Associations Institute)

Cash Flow Method – A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Component – Also referred to as an “Asset.” Individual line items in the Reserve Study developed or updated in the physical analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited useful life expectancies, 3) have predictable remaining life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

Component Full Funding – When the actual (or projected) cumulative reserve balance for all components is equal to the fully funded balance.

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

Deficit – An actual (or projected reserve balance), which is less than the fully funded balance.

Effective Age – The difference between useful life and remaining useful life (UL - RUL).

Financial Analysis – The portion of the Reserve Study where current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (reserve funding plan) are derived, and the projected reserve income and expenses over time is presented. The financial analysis is one of the two parts of the Reserve Study.

Fully Funded Balance – An indicator against which the actual (or projected) reserve balance can be compared. The reserve balance that is in direct proportion to the fraction of life “used up” of the current repair or replacement cost of a reserve component. This number is calculated for each component, and then summed together for an association total.

$$\text{FFB} = \text{Current Cost} * \text{Effective Age} / \text{Useful Life}$$

Fund Status – The status of the reserve fund as compared to an established benchmark, such as percent funded.

Funding Goals – Independent of calculation methodology utilized, the following represent the basic categories of funding plan goals:

- *Baseline Funding*: Establishing a reserve-funding goal of keeping the reserve balance above zero.
- *Component Full Funding*: Setting a reserve funding goal of attaining and maintaining cumulative reserves at or near 100% funded.
- *Threshold Funding*: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount.

Funding Plan – An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund.



Funding Principles –

- Sufficient funds when required
- Stable contributions through the year
- Evenly distributed contributions over the years
- Fiscally responsible

GSF - Gross Square Feet

Life and Valuation Estimates – The task of estimating useful life, remaining useful life, and repair or replacement costs for the reserve components.

LF - Linear Feet

Percent Funded – The ratio, at a particular point in time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the ideal fund balance, expressed as a percentage.

Physical Analysis – The portion of the Reserve Study where the component evaluation, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) – Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the current fiscal year have a “0” remaining useful life.

Replacement Cost – The cost of replacing, repairing, or restoring a reserve component to its original functional condition. The current replacement cost would be the cost to replace, repair, or restore the component during that particular year.

Reserve Balance – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components that the association is obligated to maintain. Also known as “reserves,” “reserve accounts,” or “cash reserves.” In this report the reserve balance is based upon information provided and is not audited.

Reserve Study – A budget-planning tool, which identifies the current status of the reserve fund and a stable and equitable funding plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

Special Assessment – An assessment levied on the members of an association in addition to regular assessments. Governing documents or local statutes often regulate special assessments.

Surplus – An actual (or projected) reserve balance that is greater than the fully funded balance.

Useful Life (UL) – Also known as “life expectancy.” The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed and maintained in its present application of installation.

