

# University Glen Common Areas

## Level 3 Reserve Study



**Report Period - 7/1/2022 to 6/30/2023**

<b>Client Reference Number</b>	<b>19340</b>
<b>Property Type</b>	<b>Mixed Use</b>
<b>Number of Units</b>	<b>672</b>
<b>Fiscal Year End</b>	<b>06/30</b>
<b>Type of Study</b>	<b>Update without Site Visit</b>
<b>Date of Site Visit</b>	<b>N/A</b>
<b>Prepared By</b>	<b>Robert Forney</b>
<b>NV Permit #</b>	<b>RSS.0000004</b>
<b>Analysis Method</b>	<b>Cash Flow</b>
<b>Funding Goal</b>	<b>Full Funding</b>

**Report prepared on - Apr 13, 2022**



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## Executive Summary - University Glen Common Areas - ID # 19340

Information to complete this Update without Site Visit Study was gathered through research with the client as well as from the previous report. In addition, we may also have obtained information by contacting any vendors and/or contractors that have worked on the property recently. 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.

<b>Projected Starting Balance as of 7/1/2022</b>	<b>\$1,092,826</b>
<b>Ideal Reserve Balance as of 7/1/2022</b>	<b>\$1,693,441</b>
<b>Percent Funded as of 7/1/2022</b>	<b>65%</b>
<b>Recommended Reserve Contribution (per month)</b>	<b>\$21,000</b>
<b>Recommended Special Assessment</b>	<b>\$0</b>

### Property Details

This study is being prepared for the common areas at University Glen. Reserve responsibilities include the maintenance of the pool areas, asphalt streets, and common area landscaping.

### Currently Programmed Projected

Projects programmed to occur this fiscal year (FY 2023) include: Building Trim / Trellis - Repaint (Comp #202). Building Trim / Trellis' - Repaint (Comp #202). Wrought Iron Fencing - Repaint (Comp #207). Wrought Iron Fencing - Repaint (Comp #207). Wrought Iron Fencing - Repaint (Comp #207). Pole Light Fixtures - Repaint (Comp #211). We have programmed an estimated \$902,900 in reserve expenditures toward the completion of these projects. (See Page(s) 25 - 34)

### Significant Reserve Projects

The association's significant reserve projects include: Asphalt - Preventive Maintenance (Comp #402). Landscaping / Lighting - Renovate (Phase 1) (Comp #1812). Landscaping / Lighting - Renovate (Phase 2) (Comp #1812). Landscaping / Lighting - Renovate (Phase 3) (Comp #1812). The fiscal significance of these components is approximately 23%, 5%, 5% and 5% respectively. 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. (See Page(s) 16) - 20

### Reserve Funding

In comparing the projected starting reserve balance of \$1,092,825.57 versus the ideal reserve balance of \$1,693,440.92 we find the association's reserve fund to be approximately 65% 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 \$21,000 (\$31.25/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.

### Starting Reserve Balance

The starting Reserve Balance was provided by the client and was not audited or verified.



# Introduction

## Reserve Study Purpose

The purpose of this Reserve Study is to provide the board with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. In this respect our estimates of the current and future Fully Funded balances are less significant than the recommended reserve contribution. The board should weigh carefully our recommendations when setting the Reserve Contribution. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample time to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. It will also 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

This reserve study was prepared under the responsible charge of Robert Forney. Any persons assisting in the preparation of this study worked under his responsible charge and have appropriate experience and training. Mr. Forney has been preparing Reserve Studies since 2001. He serves on the board of the Association of Professional Reserve Analysts and is a frequent speaker on reserve study topics for trade organizations as well as management companies and individual client.

- Nevada permit number RSS.0000004
- Vice President of The Association of Professional Reserve Analysts (APRA)
- Holds the APRA "Professional Reserve Analyst" designation
- Personally has prepared over 2,000 reserve studies.
- Created the proprietary software and databases used to prepare Complex Solutions' reserve studies. This proprietary software gives Complex Solutions the freedom and ability to create reports tailored to the individual client's needs.
- Projects have ranged in size from small apartment-style condominium communities to 1000+ Planned Unit Communities.
- Clients have ranged from developers interested in setting initial reserve accounts for communities under construction to high-rise communities, worship facilities, day schools and more.
- Active member of three local chapters of CAI (Nevada, Utah, and Channel Islands, CA).
- Frequent guest speaker for trade organizations, management companies, and other entities
- Member of the Las Vegas High-rise and Condominiums Association
- Member of CAMEO (Community Association Management Executive Officers)

## 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 typically 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 reserves are primarily made up of capital replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis. Typically, the reserve contribution makes up 15% - 40% of the association's total budget. Therefore, reserves are considered to be a major part of the overall monthly association assessment.

## Report Sections

The **Reserve Analysis 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).

The **Component Evaluation Section** contains information regarding the physical status and replacement cost of major common area 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 reserve analyses in approximately 20 States. Even if it is not currently governed by your State, the chances are very good that the documents of the association require the association to have a reserve fund established. This doesn't mean a Reserve Study is required, but how are you going to know if you have enough funds in the reserve account if you don't have the proper information? Some associations look at the Reserve fund and think that \$500,000 is a lot of money and they are in good shape. What they don't know is that the roof is going to need to be replaced within 5 years, and the cost of the roof is going to exceed \$750,000. So while \$500,000 sounds like a lot of money, in reality it won't even cover the cost of a roof, let alone all the other amenities the association is responsible to maintain.

### Why is it important to perform a Reserve Study?

As previously mentioned, the reserve allocation makes up a significant portion of the total monthly assessment. This report provides the essential information that is needed to guide the Board of Directors 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 significant reserve projects can be completed on time with quality contractors. In this way deferred maintenance can be avoided as well as the lower property values that typically accompanies it. It is suggested that a third party professionally prepare the Reserve Study since there is no vested interest in the property.

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

Hopefully, you will not look at this report and think it is too cumbersome to comprehend. Our intention is to make this Reserve Study easy to read and understand. Please take the time to review it carefully and make sure the "main ingredients" (component information) are complete and accurate. If there are any components that the association feels should be added, removed, or altered as well as any other inaccuracies or changes that should be made, please inform us immediately so we may revise the report. In order to ensure the Board understands its role in the completion of this report, all reports are labeled as "DRAFT" until their input has been given and the report has been approved as finalized. **Note to user:** If this report has a "DRAFT" watermark it is not a finalized report and is not to be relied upon or used for budgeting purposes.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The reserve allocation makes up a large portion of the total monthly assessment and this report should help you determine the correct amount of money to go into the reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending projects. This will give you an opportunity to shop around for the best price available.

### How often do we update or review the Reserve Study?

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Study should be professionally reviewed (Level III "no site visit" update study) each year before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Deterioration rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the results of the Reserve Study. Because of this projected future Fully Funded balances cannot be relied upon (in other words the Fully Funded balance for the current year of a report prepared 3 years earlier cannot be considered accurate or reliable). Therefore, this analysis should be professionally reviewed annually, and a "site visit" reserve study should be conducted at least once every three years.

### 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 1 year, and costs above a minimum threshold amount. An "Operating" expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an "Operating" expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a reserve expense.

### 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 issue. However, it is the opinion of several major Reserve Study providers, including Complex Solutions Ltd, that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a reserve component.



## What are the GREY areas of major expenses that are not included in a Reserve Study?

Some components may appear to satisfy the requirements of being a reserve component but are still not included in the reserve study. Several Reserve Study providers, including Complex Solutions Ltd, limit the component list to physical components of the common area that are owned by the association. Certain elements of an association's common area, such as leased items, or non-physical components such as future reserve studies, financial audits, inspection reports etc. are not included in our reserve studies. In addition we typically do not fund for utility systems, plumbing, or components with an extended useful life. Associations that feel any of these components should be included in our reserve study should notify us with their request. These components will be added to help the association better plan and prepare their own budget and will not necessarily reflect the professional opinions of Complex Solutions Ltd.

## Information and Data Gathered

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at the time of the site visit. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have also been excluded from this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. 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? (Site Visit Studies Only)

The Site Visit was conducted of the common areas as reported by client. There may be certain areas that are not located inside the community but still a part of the association's common area. This may include drainage easements or landscaped areas located outside of the community, such as across a street. It is the responsibility of the Association to inform us of all common area locations. From our site visit we identified those common area components that we have determined require reserve funding. Based on information provided by the client, client's vendors, and our assessment of the components we have developed a component list and life and cost estimates.

## 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

**Percent Funded Breakdown:** The percentage of the current reserve fund balance versus the Fully Funded Balance. A "snapshot" indicator of the general strength of the account at the time of report preparation. Because many variables affect the Fully Funded balance it is more important to maintain the recommended reserve contribution or "cash flow" moving forward rather than striving to attain a certain Fully Funded figure.

### Measures of strength are as follows:

**0% - 30% Funded** is 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, which could lead to lower property values. Furthermore, should components fail sooner than expected our recommendations may not be enough to get the community into a better financial position. In this case additional actions beyond our initial recommendations may be necessary to improve the financial strength of the reserve fund.

**31% - 69% Funded** is generally considered a "fair" financial position. The majority of associations fall into this category. While this doesn't represent financial strength and stability, the likelihood of special assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the reserve fund.

**70% - 99% Funded** is generally considered a "strong" financial position. This indicates financial strength of a reserve fund and every attempt to maintain this level should be a goal of the association.

**100% Funded** is considered an "ideal" financial position. This means that the association theoretically has the exact amount of funds in the reserve account.

**100%+ Funded** is considered over-funded. This means that the association has more reserve funds than the theoretically ideal amount.



## 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. A site visit 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 any 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.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the site visit. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the site visit. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property. The physical analysis performed during this site visit is not intended to be exhaustive in nature and may include representative sampling.

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

We have assumed any and all components have been properly built and will reach normal, typical life expectancies. In general 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.

**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.

**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 common area components.

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

**Actual or Perceived Conflicts of Interest:** Unless otherwise stated 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 interest 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.

**California Clients:** CA Civil Code §5551 requires California condominium associations with 3 or more units to inspect all exterior elevated elements "that extend beyond the exterior walls of the building to deliver structural loads to the building from decks, balconies, stairways, walkways, and their railings, that have a walking surface elevated more than six feet above ground level, that are designed for human occupancy or use, and that are supported in whole or in substantial part by wood or wood-based products." We have not determined if any exterior elevated element is required to be inspected pursuant to CA Civil Code §5551. Any funding for such inspections within this report is not a determination that your association is required to perform such inspection on any of the exterior elements. Further lack of funding for these inspection is not a determination that your association is not required to perform such inspections. We recommend contacting your association's legal counsel for such a determination. Further we do not warrant that any such inspections have occurred and are not responsible for the findings of any such inspection. Should any such inspection recommend remediation or repairs we recommend those repairs be performed immediately as required whether or not they are funded for in this report. We will not/have not performed any inspections that would comply with CA Civil Code §5551 on your exterior elevated elements. This reserve study is a budgeting tool and nothing within this study should be construed as a requirement to perform any specific maintenance at any time or cost.



## Funding Summary

### Beginning Assumptions

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# of units	672
Fiscal Year End	06/30
Budgeted Monthly Reserve Contribution	\$17,499
Projected Starting Reserve Balance	\$1,092,826
Ideal Starting Reserve Balance	\$1,693,441

### Economic Assumptions

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Current Inflation Rate	3.50%
Reported After-Tax Interest Rate	0.50%

### Current Reserve Status

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Current Balance as a % of Ideal Balance	65%
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### Recommendations

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Recommended Special Assessment	\$0
Recommended Monthly Reserve Contribution	\$21,000
Per Unit	\$31.25
Future Annual Increases	4.00%
For number of years:	25
Increases thereafter:	2.00%

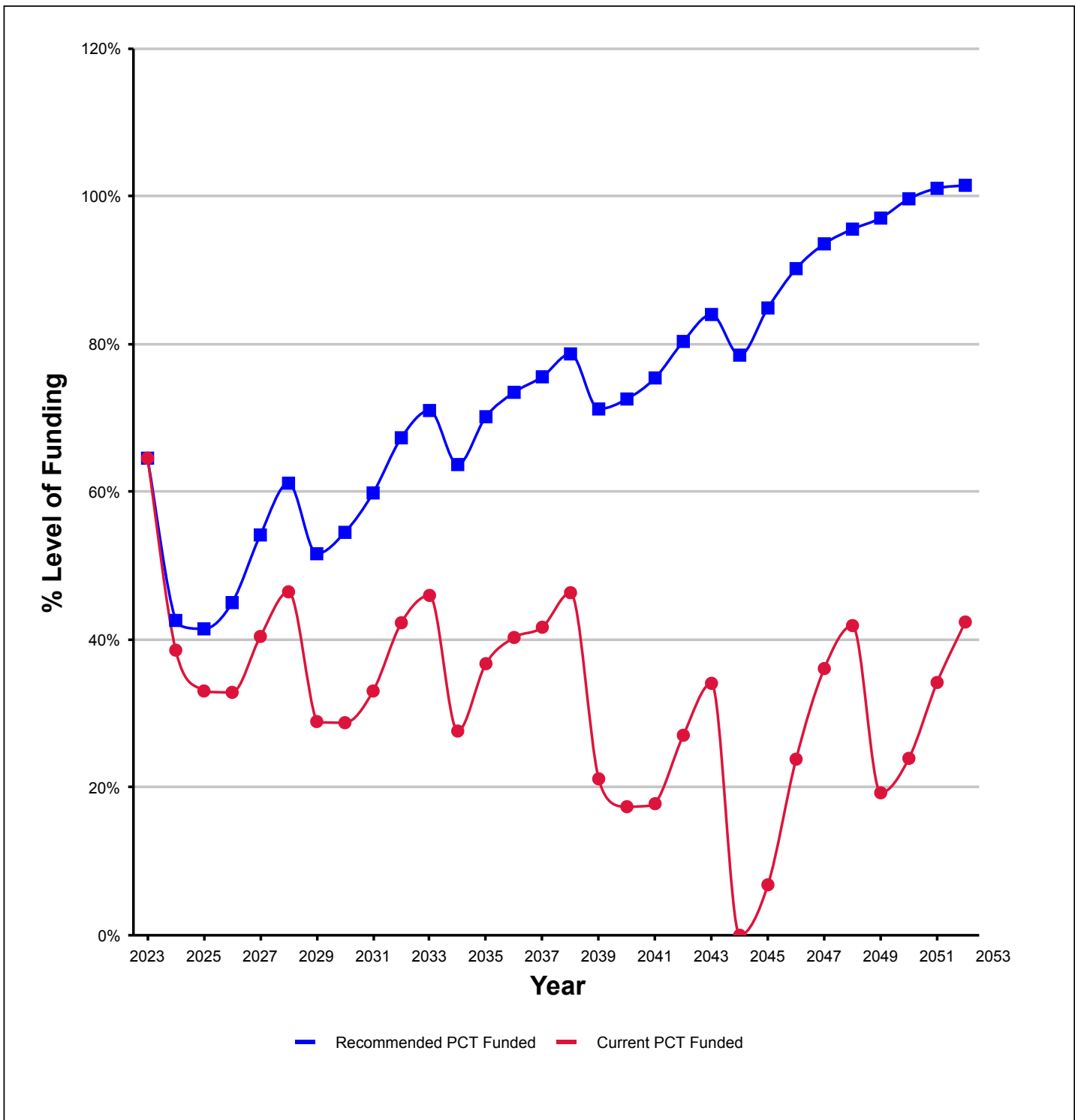
### Changes From Prior Year

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Recommended Increase to Reserve Contribution	\$3,501
as Percentage	20%



## Percent Funded - Graph



## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
<b>Common Area</b>								
106	Tile - Replace Roofs (Self Reserved by KWMF)	N/A	0	Approx 400 Sq.ft.	\$0	\$0	\$0	\$0.00
201	Stucco Surfaces - Repaint	10	6	Approx 15,265 Sq.ft.	\$16,025	\$6,410	\$0	\$152.36
203	Bridge Railings - Reseal	5	3	Approx 315 Linear ft.	\$2,650	\$1,060	\$0	\$50.39
207	Wrought Iron Fencing - Repaint	5	0	Approx 1,150 Linear ft.	\$9,200	\$9,200	\$9,200	\$174.94
208	Block/Stucco Wall - Repaint	10	6	Approx 315 Linear ft.	\$1,263	\$505	\$0	\$12.00
211	Pole Light Fixtures - Repaint	5	0	(220) Poles	\$5,500	\$5,500	\$5,500	\$104.59
212	Bollard Lights - Repaint	5	1	(145) Lights	\$3,625	\$2,900	\$2,900	\$68.93
214	Curbs/Parking Lots - Restripe	3	0	Extensive Linear ft.	\$9,500	\$9,500	\$9,500	\$301.08
218	Wood Trellis / Trash Enclosure Wood Trim - Repaint (Self Reserved by KWMF)	N/A	0	See general notes	\$0	\$0	\$0	\$0.00
290	Mailboxes - Repaint	5	0	(43) Clusters	\$4,000	\$4,000	\$4,000	\$76.06
390	Stone Veneer - Replace	15	2	Approx 4,775 Sq.ft.	\$1,950	\$1,690	\$0	\$12.36
401	Asphalt - Major Rehab. (Unfunded Per Client Direction)	N/A	0	Approx 661,720 Sq.ft.	\$0	\$0	\$0	\$0.00
402	Asphalt - Preventive Maintenance	5	0	Approx 661,720 Sq.ft.	\$258,075	\$258,075	\$258,075	\$4,907.46
403	Concrete - Repair/Replace	10	0	Extensive Sq.ft.	\$22,000	\$22,000	\$22,000	\$209.17
404	Concrete Pavers - Sand/Seal/Repair	10	0	Approx 68,340 Sq.ft.	\$56,363	\$56,363	\$56,363	\$535.88
590	Trash Enclosure Doors - Replace (Self Reserved by KWMF)	N/A	0	(12) Doors	\$0	\$0	\$0	\$0.00
801	Monument - Rebuild	20	4	(1) Sign	\$4,500	\$3,600	\$0	\$21.39
803	Mailboxes - Apartments - Replace (Self Reserved)	N/A	0	(21) Clusters	\$0	\$0	\$0	\$0.00
808	Street Signs - Replace	20	4	(50) Signs	\$7,500	\$6,000	\$0	\$35.65
1002	Wrought Iron Fencing - Replace	25	13	Approx 1,150 Linear ft.	\$63,250	\$30,360	\$0	\$240.55
1003	Chain Link Fencing - Replace	20	5	Approx 535 Linear ft.	\$13,375	\$10,031	\$0	\$63.58
1206	Basketball Court - Resurface	7	0	Approx 5,000 Sq.ft.	\$20,600	\$20,600	\$20,600	\$279.80
1207	Basketball Backboards - Replace	12	4	(2) Backboards	\$1,400	\$933	\$0	\$11.09
1301	Play Structure - Replace	20	20	(2) Medium structures	\$90,000	\$0	\$0	\$427.85
1302	Safety Padding - Replace	20	20	Approx 1,950 Sq.ft.	\$65,325	\$0	\$0	\$310.55
1303	Safety Padding - Repair/Reseal	3	3	Approx 1,950 Sq.ft.	\$5,363	\$0	\$0	\$169.95
1304	Drinking Fountain - Replace	15	5	(1) Fountain	\$3,750	\$2,500	\$0	\$23.77
1307	Pet Waste Stations - Replace (Operating Expense)	N/A	0	(21) Stations	\$0	\$0	\$0	\$0.00
1308	Exterior Furniture - Replace	15	5	(10) Pieces	\$16,000	\$10,667	\$0	\$101.42



## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
1309	Wood Trellis - Refurbish (Self Reserved by KWMF)	N/A	0	(4) Trellis'	\$0	\$0	\$0	\$0.00
1602	Exterior Lights - Apartments - Replace (Not CAM)	N/A	0	(1,013) Fixtures	\$0	\$0	\$0	\$0.00
1604	Pole Light Fixtures - Replace (Edison)	N/A	0	(220) Pole lights	\$0	\$0	\$0	\$0.00
1605	Bollard Lights - Replace	20	6	(145) Lights	\$94,250	\$65,975	\$0	\$448.06
1606	Bollard Lights - Solar - Replace	20	18	(13) Lights	\$19,500	\$1,950	\$0	\$92.70
1609	Parking Light Fixtures - Replace (Self Reserve by KWMF)	N/A	0	(39) Fixtures	\$0	\$0	\$0	\$0.00
1701	Irrigation System - Replace (Unfunded Per Client Direction)	N/A	0	Extensive Linear ft.	\$0	\$0	\$0	\$0.00
1703	Irrigation Time Clocks - Partial Replacement	3	0	(30) Clocks	\$7,000	\$7,000	\$7,000	\$221.85
1704	Time Clock Enclosures - Replace	25	15	(24) Enclosures	\$60,000	\$24,000	\$0	\$228.19
1706	Backflow Devices - Replace (Operating Expense)	N/A	0	(7) Devices	\$0	\$0	\$0	\$0.00
1801	Trails - Repair (Phase 1)	5	0	Approx 9,525 Linear ft./1.8 miles	\$24,000	\$24,000	\$24,000	\$456.38
1801	Trails - Repair (Phase 2)	5	1	Approx 9,525 Linear ft./1.8 miles	\$24,000	\$19,200	\$19,200	\$456.38
1801	Trails - Repair (Phase 3)	5	2	Approx 9,525 Linear ft./1.8 miles	\$24,000	\$14,400	\$0	\$456.38
1804	Trees - Maintenance	5	0	Trees throughout	\$10,000	\$10,000	\$10,000	\$190.16
1812	Landscaping / Lighting - Renovate (Phase 1)	15	0	Extensive Sq.ft.	\$170,000	\$170,000	\$170,000	\$1,077.55
1812	Landscaping / Lighting - Renovate (Phase 2)	15	1	Extensive Sq.ft.	\$170,000	\$158,667	\$102,826	\$1,077.55
1812	Landscaping / Lighting - Renovate (Phase 3)	15	2	Extensive Sq.ft.	\$170,000	\$147,333	\$0	\$1,077.55
2303	Bridges - Refurbish (Extended Life)	N/A	0	(2) Bridges/(1) Half bridge	\$0	\$0	\$0	\$0.00
2304	Bridge Railings - Replace (Extended Life)	N/A	0	Approx 315 Linear ft.	\$0	\$0	\$0	\$0.00
2494	VCFD Defensible Space Requirement - Estimate	1TE	0	Extensive Sq.ft.	\$120,000	\$120,000	\$120,000	\$0.00
<b>Subtotals:</b>					<b>\$1,573,963</b>	<b>\$1,224,419</b>	<b>\$841,163</b>	<b>\$14,074</b>
<b>Townside Pool</b>								
106	Tile Roof - Replace	30	14	Approx 1,700 Sq.ft.	\$10,200	\$5,440	\$0	\$32.33
201	Stucco Surfaces - Repaint	10	5	15,265 Sq.ft.	\$16,038	\$8,019	\$0	\$152.48
202	Building Trim / Trellis - Repaint	5	0	(1) Building/(2) Trellis'	\$5,600	\$5,600	\$5,600	\$106.49
207	Wrought Iron Fencing - Repaint	5	0	Approx 1,150 Linear ft.	\$9,200	\$9,200	\$9,200	\$174.94



## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
216	Interior Surfaces - Repaint	10	5	Approx 2,350 Sq.ft.	\$2,575	\$1,288	\$0	\$24.48
404	Concrete Pavers - Sand/Seal/Repair	10	0	Approx 68,340 Sq.ft.	\$56,388	\$56,388	\$56,388	\$536.12
503	Utility Doors - Replace	25	9	(4) Doors	\$3,200	\$2,048	\$0	\$12.17
508	Electronic Lock System - Replace	10	5	(1) System	\$7,000	\$3,500	\$0	\$66.55
703	Water Heater - Replace (Operating Expense)	12	0	(1) Heater	\$1,400	\$1,400	\$1,400	\$11.09
705	HVAC Condenser - Replace	20	5	(1) Lennox Condenser	\$3,750	\$2,813	\$0	\$17.83
706	HVAC Furnace - Replace	20	5	(1) Furnace	\$3,250	\$2,438	\$0	\$15.45
903	Camera System - Replace	10	5	(1) 5-Camera system	\$7,000	\$3,500	\$0	\$66.55
1002	Wrought Iron Fencing - Replace	25	9	Approx 275 Linear ft.	\$19,250	\$12,320	\$0	\$73.21
1101	Pool - Resurface	10	6	(1) Pool	\$13,000	\$5,200	\$0	\$123.60
1102	Spa - Resurface	5	0	(1) Spa	\$10,500	\$10,500	\$10,500	\$199.66
1104	Pool Heater - Replace	5	5	(1) Heater	\$4,900	\$0	\$0	\$93.18
1105	Spa Heater - Replace	5	0	(1) Heater	\$4,900	\$4,900	\$4,900	\$93.18
1107	Pool Filter - Replace (Operating Expense)	12	0	(1) Filter/(1) Separation Tank	\$2,800	\$2,800	\$2,800	\$22.18
1108	Spa Filter - Replace	12	0	(1) Filter/(1) Separation Tank	\$2,800	\$2,800	\$2,800	\$22.18
1110	Pool/Spa Pumps - Partial Replacement	3	0	(3) Pumps	\$2,500	\$2,500	\$2,500	\$79.23
1111	Pool/Spa Chlorinators - Replace	10	0	(1) System	\$10,000	\$10,000	\$10,000	\$95.08
1121	Pool Furniture - Replace	6	1	(23) Pieces	\$33,500	\$27,917	\$27,917	\$530.85
1304	Drinking Fountains - Replace	8	4	(1) Double fountain	\$2,000	\$1,000	\$0	\$23.77
1305	Barbecues - Replace	7	3	(2) Barbecues	\$7,000	\$4,000	\$0	\$95.08
1306	Barbecue Island - Refurbish	25	20	(1) Barbecue island	\$7,000	\$1,400	\$0	\$26.62
1309	Wood Trellis - Refurbish	30	12	(2) Trellis'	\$40,000	\$24,000	\$0	\$126.77
1390	Exterior Shower - Re-Tile	20	18	(2) Showers	\$6,000	\$600	\$0	\$28.52
1402	Refrigerator - Replace (Operating Expense)	N/A	0	(1) Refrigerator	\$0	\$0	\$0	\$0.00
1405	Furniture - Replace	10	6	(5) Pieces	\$4,500	\$1,800	\$0	\$42.79
1413	Restroom - Remodel	16	5	(2) Restrooms	\$20,000	\$13,750	\$0	\$118.85
1417	Kitchen/Countertop - Remodel	20	16	(1) Kitchen	\$2,500	\$500	\$0	\$11.88
1420	Countertop / Cabinets - Remodel	20	16	See general notes	\$2,250	\$450	\$0	\$10.70
1420	Television - Replace	10	5	(1) Television	\$1,300	\$650	\$0	\$12.36
1503	Flooring - Replace	20	15	Approx 260 Sq.ft.	\$4,163	\$1,041	\$0	\$19.79
1602	Exterior Lights - Replace	18	12	(18) Lights	\$3,600	\$1,200	\$0	\$19.02



## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
2301	Windows / Doors - Replace	35	15	(19) Windows	\$11,400	\$6,514	\$0	\$30.97
<b>Subtotals:</b>					<b>\$341,463</b>	<b>\$237,473</b>	<b>\$134,004</b>	<b>\$3,116</b>
<b>Hillcrest Pool</b>								
106	Tile Roof - Replace	30	14	Approx 1,860 Sq.ft.	\$11,150	\$5,947	\$0	\$35.34
201	Stucco Surfaces - Repaint	10	5	2,000 Sq.ft.	\$3,100	\$1,550	\$0	\$29.47
202	Building Trim / Trellis' - Repaint	5	0	(1) Building/(2) Trellis'	\$5,000	\$5,000	\$5,000	\$95.08
207	Wrought Iron Fencing - Repaint	5	0	Approx 330 Linear ft.	\$3,625	\$3,625	\$3,625	\$68.93
216	Interior Surfaces - Repaint	10	4	Approx 2,740 Sq.ft.	\$3,000	\$1,800	\$0	\$28.52
404	Concrete Pavers - Sand/Seal/Repair	5	0	Approx 4,700 Sq.ft.	\$4,050	\$4,050	\$4,050	\$77.01
503	Utility Doors - Replace	25	9	(4) Doors	\$3,200	\$2,048	\$0	\$12.17
508	Electronic Lock System - Replace	10	5	(1) System	\$7,000	\$3,500	\$0	\$66.55
703	Tankless Water Heater - Replace (Operating Expense)	10	0	(1) Heater	\$3,500	\$3,500	\$3,500	\$33.28
705	HVAC Condenser - Replace	20	5	(2) Condensers	\$7,500	\$5,625	\$0	\$35.65
706	HVAC Furnace - Replace	20	5	(2) Furnaces	\$6,500	\$4,875	\$0	\$30.90
901	Fire Protection System - Replace	10	5	(1) Panel	\$4,000	\$2,000	\$0	\$38.03
903	Camera System - Replace	10	5	(1) 8-Camera system	\$9,000	\$4,500	\$0	\$85.57
1002	Wrought Iron Fencing - Replace	25	9	Approx 330 Linear ft.	\$23,100	\$14,784	\$0	\$87.85
1101	Pool - Resurface	10	6	(1) Pool	\$13,000	\$5,200	\$0	\$123.60
1102	Spa - Resurface	5	0	(1) Spa	\$10,500	\$10,500	\$10,500	\$199.66
1104	Pool Heater - Replace	5	4	(1) Heater	\$4,900	\$980	\$0	\$93.18
1105	Spa Heater - Replace	5	3	(1) Heater	\$4,900	\$1,960	\$0	\$93.18
1107	Pool Filters - Replace (Operating Expense)	12	0	(2) Filters/(1) Separation tank	\$2,800	\$2,800	\$2,800	\$22.18
1108	Spa Filter - Replace	12	0	(1) Filter/(1) Separation tank	\$1,100	\$1,100	\$1,100	\$8.72
1110	Pool/Spa Pumps - Replace	3	0	(4) Pumps	\$10,000	\$10,000	\$10,000	\$316.93
1111	Pool/Spa Chlorinators - Replace	10	0	(1) System	\$10,000	\$10,000	\$10,000	\$95.08
1121	Pool Furniture - Replace	6	1	(62) Pieces	\$44,500	\$37,083	\$37,083	\$705.16
1304	Drinking Fountain - Replace	8	4	(1) Double fountain	\$2,000	\$1,000	\$0	\$23.77
1305	Barbecues - Replace	7	3	(3) Barbecues	\$10,500	\$6,000	\$0	\$142.62
1306	Barbecue Islands - Refurbish	25	20	(2) Barbecue Islands	\$14,000	\$2,800	\$0	\$53.24
1308	Exterior Furniture - Replace	15	5	(5) Pieces	\$5,500	\$3,667	\$0	\$34.86
1309	Wood Trellis - Refurbish	30	25	(2) Trellis'	\$35,440	\$5,907	\$0	\$112.32



## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
1390	Exterior Shower - Re-Tile	20	18	(2) Showers	\$6,000	\$600	\$0	\$28.52
1406	Fitness Equipment - Replace	15	4	(4) Pieces	\$5,000	\$3,667	\$0	\$31.69
1407	Cardio Equipment - Replace	7	0	(6) Pieces	\$10,000	\$10,000	\$10,000	\$135.83
1413	Restroom - Remodel	16	0	(2) Restrooms	\$20,000	\$20,000	\$20,000	\$118.85
1420	Television - Replace	10	5	(1) Television	\$1,300	\$650	\$0	\$12.36
1502	Flooring - Replace (Gym)	20	20	Approx 500 Sq.ft.	\$3,750	\$0	\$0	\$17.83
1505	Polished Concrete - Restrain/Reseal	N/A	0		\$0	\$0	\$0	\$0.00
1602	Exterior Lights - Replace	18	9	(5) Fixtures	\$1,000	\$500	\$0	\$5.28
2301	Windows / Doors - Replace	35	15	(10) Windows/doors	\$6,000	\$3,429	\$0	\$16.30
<b>Subtotals:</b>					<b>\$315,915</b>	<b>\$200,646</b>	<b>\$117,658</b>	<b>\$3,116</b>
<b>Town Center</b>								
216	Interior Surfaces - Repaint	10	5	Approx 2,930 Sq.ft.	\$3,300	\$1,650	\$0	\$31.38
903	Camera System - Replace	10	5	(1) 13-Camera system	\$15,500	\$7,750	\$0	\$147.37
1304	Drinking Fountain - Replace	8	4	(1) Double fountain	\$2,000	\$1,000	\$0	\$23.77
1406	Fitness Equipment - Replace	15	10	See general notes	\$35,000	\$11,667	\$0	\$221.85
1407	Cardio Equipment - Replace	7	4	(7) Pieces	\$12,000	\$5,143	\$0	\$162.99
1413	Restroom - Remodel	16	13	(1) Restrooms	\$12,500	\$2,344	\$0	\$74.28
1420	Television - Replace	10	5	(1) Television	\$1,500	\$750	\$0	\$14.26
1502	Flooring - Replace (Town Center Fitness Center)	20	17	Allowance	\$4,000	\$600	\$0	\$19.02
1503	Flooring - Lounge Areas - Replace (Self Reserved by Mission Hills)	N/A	0	Approx 3,400 Sq.ft.	\$0	\$0	\$0	\$0.00
<b>Subtotals:</b>					<b>\$85,800</b>	<b>\$30,903</b>	<b>\$0</b>	<b>\$695</b>
<b>Grand Total:</b>					<b>\$2,317,140</b>	<b>\$1,693,441</b>	<b>\$1,092,826</b>	<b>\$21,000</b>

<b>Current Fund Balance as a percentage of Ideal Balance:      65%</b>
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## Yearly Summary (Recommended Funding)

Year	Beginning Fully Funded Balance	Beginning Reserve Balance	Beginning % Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance	Ending Fully Funded Balance
2023	\$1,693,441	\$1,092,826	65%	\$252,000	\$3,846	\$902,900	\$445,771	\$1,046,811
2024	\$1,046,811	\$445,771	43%	\$262,080	\$2,176	\$285,272	\$424,755	\$1,024,795
2025	\$1,024,795	\$424,755	41%	\$272,563	\$2,286	\$209,907	\$489,698	\$1,088,293
2026	\$1,088,293	\$489,698	45%	\$283,466	\$2,999	\$65,872	\$710,291	\$1,311,661
2027	\$1,311,661	\$710,291	54%	\$294,804	\$4,171	\$50,835	\$958,431	\$1,567,280
2028	\$1,567,280	\$958,431	61%	\$306,597	\$4,002	\$626,252	\$642,777	\$1,245,470
2029	\$1,245,470	\$642,777	52%	\$318,860	\$3,392	\$250,799	\$714,231	\$1,310,494
2030	\$1,310,494	\$714,231	55%	\$331,615	\$3,988	\$168,704	\$881,129	\$1,472,597
2031	\$1,472,597	\$881,129	60%	\$344,879	\$5,255	\$9,942	\$1,221,322	\$1,814,872
2032	\$1,814,872	\$1,221,322	67%	\$358,675	\$6,715	\$121,315	\$1,465,397	\$2,064,392
2033	\$2,064,392	\$1,465,397	71%	\$373,022	\$6,229	\$817,865	\$1,026,782	\$1,612,620
2034	\$1,612,620	\$1,026,782	64%	\$387,942	\$5,973	\$57,851	\$1,362,846	\$1,942,936
2035	\$1,942,936	\$1,362,846	70%	\$403,460	\$7,391	\$179,609	\$1,594,088	\$2,170,476
2036	\$2,170,476	\$1,594,088	73%	\$419,599	\$8,408	\$252,266	\$1,769,828	\$2,342,869
2037	\$2,342,869	\$1,769,828	76%	\$436,382	\$9,720	\$96,879	\$2,119,052	\$2,694,636
2038	\$2,694,636	\$2,119,052	79%	\$453,838	\$8,677	\$1,229,015	\$1,352,552	\$1,899,904
2039	\$1,899,904	\$1,352,552	71%	\$471,991	\$6,781	\$470,886	\$1,360,438	\$1,875,426
2040	\$1,875,426	\$1,360,438	73%	\$490,871	\$7,070	\$390,252	\$1,468,127	\$1,947,420
2041	\$1,947,420	\$1,468,127	75%	\$510,506	\$8,239	\$158,653	\$1,828,219	\$2,275,998
2042	\$2,275,998	\$1,828,219	80%	\$530,926	\$10,069	\$168,988	\$2,200,226	\$2,620,242
2043	\$2,620,242	\$2,200,226	84%	\$552,163	\$8,727	\$1,469,708	\$1,291,409	\$1,645,671
2044	\$1,645,671	\$1,291,409	78%	\$574,250	\$7,330	\$231,866	\$1,641,122	\$1,934,077
2045	\$1,934,077	\$1,641,122	85%	\$597,220	\$9,593	\$51,156	\$2,196,778	\$2,436,089
2046	\$2,436,089	\$2,196,778	90%	\$621,108	\$12,524	\$16,656	\$2,813,754	\$3,008,433
2047	\$3,008,433	\$2,813,754	94%	\$645,953	\$15,247	\$188,746	\$3,286,207	\$3,440,349
2048	\$3,440,349	\$3,286,207	96%	\$671,791	\$14,348	\$1,518,332	\$2,454,014	\$2,529,528
2049	\$2,529,528	\$2,454,014	97%	\$685,227	\$12,975	\$414,987	\$2,737,229	\$2,747,699
2050	\$2,747,699	\$2,737,229	100%	\$698,931	\$15,092	\$150,280	\$3,300,972	\$3,267,048
2051	\$3,267,048	\$3,300,972	101%	\$712,910	\$18,030	\$119,349	\$3,912,563	\$3,856,843
2052	\$3,856,843	\$3,912,563	101%	\$727,168	\$21,312	\$47,187	\$4,613,856	END

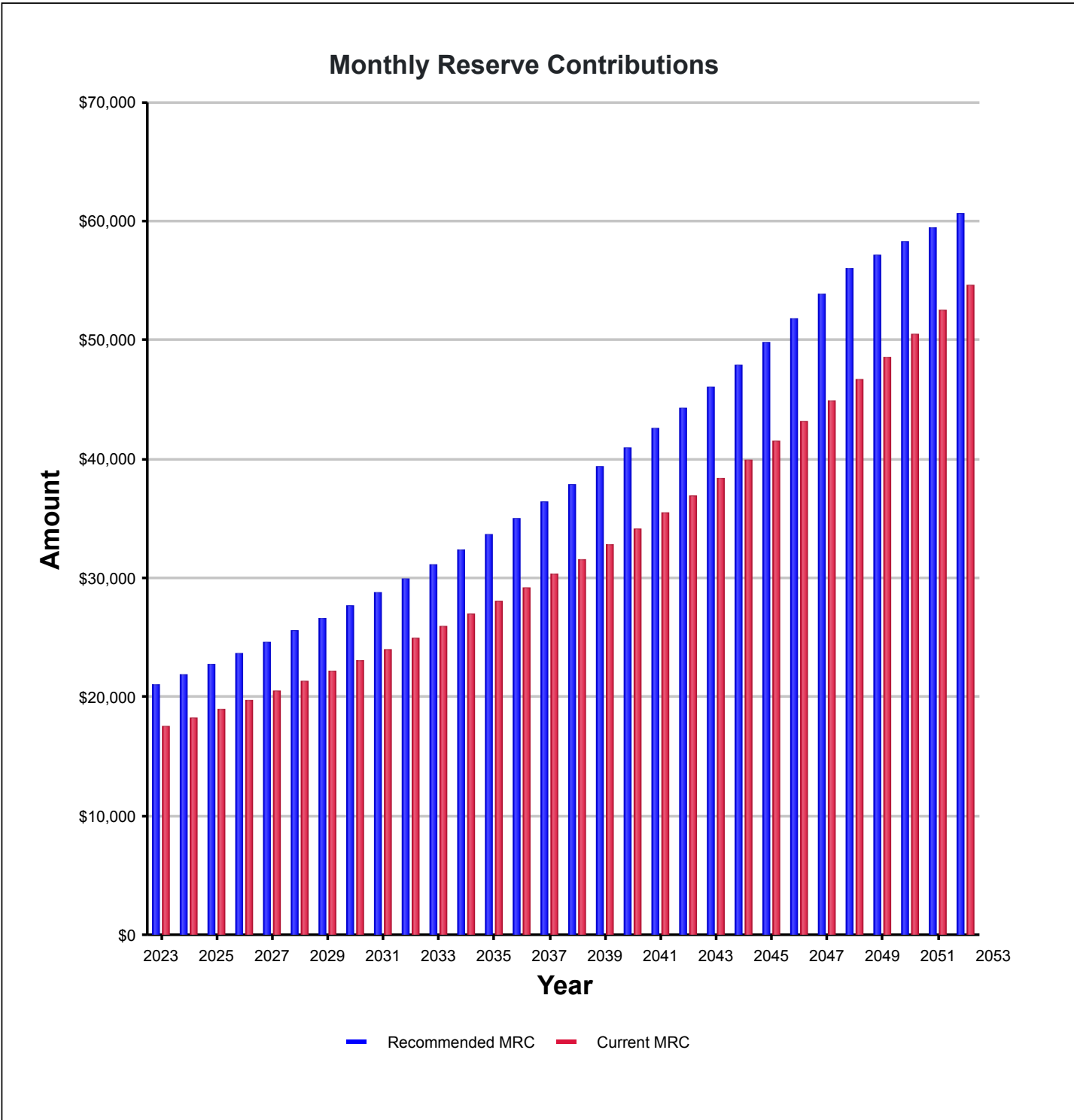


## Yearly Summary (Current Funding)

Year	Beginning Fully Funded Balance	Beginning Reserve Balance	Beginning % Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance	Ending Fully Funded Balance
2023	\$1,693,441	\$1,092,826	65%	\$209,987	\$3,740	\$902,900	\$403,653	\$1,046,811
2024	\$1,046,811	\$403,653	39%	\$218,386	\$1,855	\$285,272	\$338,622	\$1,024,795
2025	\$1,024,795	\$338,622	33%	\$227,121	\$1,740	\$209,907	\$357,577	\$1,088,293
2026	\$1,088,293	\$357,577	33%	\$236,206	\$2,219	\$65,872	\$530,130	\$1,311,661
2027	\$1,311,661	\$530,130	40%	\$245,655	\$3,145	\$50,835	\$728,095	\$1,567,280
2028	\$1,567,280	\$728,095	46%	\$255,481	\$2,720	\$626,252	\$360,043	\$1,245,470
2029	\$1,245,470	\$360,043	29%	\$265,700	\$1,842	\$250,799	\$376,786	\$1,310,494
2030	\$1,310,494	\$376,786	29%	\$276,328	\$2,158	\$168,704	\$486,568	\$1,472,597
2031	\$1,472,597	\$486,568	33%	\$287,381	\$3,134	\$9,942	\$767,140	\$1,814,872
2032	\$1,814,872	\$767,140	42%	\$298,876	\$4,289	\$121,315	\$948,991	\$2,064,392
2033	\$2,064,392	\$948,991	46%	\$310,831	\$3,485	\$817,865	\$445,443	\$1,612,620
2034	\$1,612,620	\$445,443	28%	\$323,265	\$2,897	\$57,851	\$713,754	\$1,942,936
2035	\$1,942,936	\$713,754	37%	\$336,195	\$3,969	\$179,609	\$874,309	\$2,170,476
2036	\$2,170,476	\$874,309	40%	\$349,643	\$4,626	\$252,266	\$976,311	\$2,342,869
2037	\$2,342,869	\$976,311	42%	\$363,629	\$5,561	\$96,879	\$1,248,622	\$2,694,636
2038	\$2,694,636	\$1,248,622	46%	\$378,174	\$4,125	\$1,229,015	\$401,907	\$1,899,904
2039	\$1,899,904	\$401,907	21%	\$393,301	\$1,820	\$470,886	\$326,142	\$1,875,426
2040	\$1,875,426	\$326,142	17%	\$409,033	\$1,682	\$390,252	\$346,604	\$1,947,420
2041	\$1,947,420	\$346,604	18%	\$425,394	\$2,405	\$158,653	\$615,751	\$2,275,998
2042	\$2,275,998	\$615,751	27%	\$442,410	\$3,771	\$168,988	\$892,944	\$2,620,242
2043	\$2,620,242	\$892,944	34%	\$460,106	\$1,945	\$1,469,708	-\$114,712	\$1,645,671
2044	\$1,645,671	-\$114,712	0%	\$478,511	\$43	\$231,866	\$131,975	\$1,934,077
2045	\$1,934,077	\$131,975	7%	\$497,651	\$1,780	\$51,156	\$580,250	\$2,436,089
2046	\$2,436,089	\$580,250	24%	\$517,557	\$4,163	\$16,656	\$1,085,314	\$3,008,433
2047	\$3,008,433	\$1,085,314	36%	\$538,259	\$6,315	\$188,746	\$1,441,143	\$3,440,349
2048	\$3,440,349	\$1,441,143	42%	\$559,790	\$4,820	\$1,518,332	\$487,421	\$2,529,528
2049	\$2,529,528	\$487,421	19%	\$582,181	\$2,862	\$414,987	\$657,477	\$2,747,699
2050	\$2,747,699	\$657,477	24%	\$605,469	\$4,436	\$150,280	\$1,117,101	\$3,267,048
2051	\$3,267,048	\$1,117,101	34%	\$629,687	\$6,877	\$119,349	\$1,634,317	\$3,856,843
2052	\$3,856,843	\$1,634,317	42%	\$654,875	\$9,713	\$47,187	\$2,251,718	END



**Reserve Contributions - Graph**



## Significant Components

ID #	Component Name	UL	RUL	Average Current	Significance: (Curr Cost/UL)	
					As \$	As %
<b>Common Area</b>						
106	Tile - Replace Roofs (Self Reserved by KWMMF)	N/A	0	\$0	\$0	0.00%
201	Stucco Surfaces - Repaint	10	6	\$16,025	\$1,603	0.73%
203	Bridge Railings - Reseal	5	3	\$2,650	\$530	0.24%
207	Wrought Iron Fencing - Repaint	5	0	\$9,200	\$1,840	0.83%
208	Block/Stucco Wall - Repaint	10	6	\$1,263	\$126	0.06%
211	Pole Light Fixtures - Repaint	5	0	\$5,500	\$1,100	0.50%
212	Bollard Lights - Repaint	5	1	\$3,625	\$725	0.33%
214	Curbs/Parking Lots - Restripe	3	0	\$9,500	\$3,167	1.43%
218	Wood Trellis / Trash Enclosure Wood Trim - Repaint (Self Reserved by KWMMF)	N/A	0	\$0	\$0	0.00%
290	Mailboxes - Repaint	5	0	\$4,000	\$800	0.36%
390	Stone Veneer - Replace	15	2	\$1,950	\$130	0.06%
401	Asphalt - Major Rehab. (Unfunded Per Client Direction)	N/A	0	\$0	\$0	0.00%
402	Asphalt - Preventive Maintenance	5	0	\$258,075	\$51,615	23.37%
403	Concrete - Repair/Replace	10	0	\$22,000	\$2,200	1.00%
404	Concrete Pavers - Sand/Seal/Repair	10	0	\$56,363	\$5,636	2.55%
590	Trash Enclosure Doors - Replace (Self Reserved by KWMMF)	N/A	0	\$0	\$0	0.00%
801	Monument - Rebuild	20	4	\$4,500	\$225	0.10%
803	Mailboxes - Apartments - Replace (Self Reserved)	N/A	0	\$0	\$0	0.00%
808	Street Signs - Replace	20	4	\$7,500	\$375	0.17%
1002	Wrought Iron Fencing - Replace	25	13	\$63,250	\$2,530	1.15%
1003	Chain Link Fencing - Replace	20	5	\$13,375	\$669	0.30%
1206	Basketball Court - Resurface	7	0	\$20,600	\$2,943	1.33%
1207	Basketball Backboards - Replace	12	4	\$1,400	\$117	0.05%
1301	Play Structure - Replace	20	20	\$90,000	\$4,500	2.04%
1302	Safety Padding - Replace	20	20	\$65,325	\$3,266	1.48%
1303	Safety Padding - Repair/Reseal	3	3	\$5,363	\$1,788	0.81%
1304	Drinking Fountain - Replace	15	5	\$3,750	\$250	0.11%
1307	Pet Waste Stations - Replace (Operating Expense)	N/A	0	\$0	\$0	0.00%
1308	Exterior Furniture - Replace	15	5	\$16,000	\$1,067	0.48%
1309	Wood Trellis - Refurbish (Self Reserved by KWMMF)	N/A	0	\$0	\$0	0.00%
1602	Exterior Lights - Apartments - Replace (Not CAM)	N/A	0	\$0	\$0	0.00%



## Significant Components

ID #	Component Name	UL	RUL	Average Current	Significance: (Curr Cost/UL)	
					As \$	As %
1604	Pole Light Fixtures - Replace (Edison)	N/A	0	\$0	\$0	0.00%
1605	Bollard Lights - Replace	20	6	\$94,250	\$4,713	2.13%
1606	Bollard Lights - Solar - Replace	20	18	\$19,500	\$975	0.44%
1609	Parking Light Fixtures - Replace (Self Reserve by KWMMF)	N/A	0	\$0	\$0	0.00%
1701	Irrigation System - Replace (Unfunded Per Client Direction)	N/A	0	\$0	\$0	0.00%
1703	Irrigation Time Clocks - Partial Replacement	3	0	\$7,000	\$2,333	1.06%
1704	Time Clock Enclosures - Replace	25	15	\$60,000	\$2,400	1.09%
1706	Backflow Devices - Replace (Operating Expense)	N/A	0	\$0	\$0	0.00%
1801	Trails - Repair (Phase 1)	5	0	\$24,000	\$4,800	2.17%
1801	Trails - Repair (Phase 2)	5	1	\$24,000	\$4,800	2.17%
1801	Trails - Repair (Phase 3)	5	2	\$24,000	\$4,800	2.17%
1804	Trees - Maintenance	5	0	\$10,000	\$2,000	0.91%
1812	Landscaping / Lighting - Renovate (Phase 1)	15	0	\$170,000	\$11,333	5.13%
1812	Landscaping / Lighting - Renovate (Phase 2)	15	1	\$170,000	\$11,333	5.13%
1812	Landscaping / Lighting - Renovate (Phase 3)	15	2	\$170,000	\$11,333	5.13%
2303	Bridges - Refurbish (Extended Life)	N/A	0	\$0	\$0	0.00%
2304	Bridge Railings - Replace (Extended Life)	N/A	0	\$0	\$0	0.00%
2494	VCFD Defensible Space Requirement - Estimate	1TE	0	\$120,000	\$0	0.00%
<b>Townside Pool</b>						
106	Tile Roof - Replace	30	14	\$10,200	\$340	0.15%
201	Stucco Surfaces - Repaint	10	5	\$16,038	\$1,604	0.73%
202	Building Trim / Trellis - Repaint	5	0	\$5,600	\$1,120	0.51%
207	Wrought Iron Fencing - Repaint	5	0	\$9,200	\$1,840	0.83%
216	Interior Surfaces - Repaint	10	5	\$2,575	\$258	0.12%
404	Concrete Pavers - Sand/Seal/Repair	10	0	\$56,388	\$5,639	2.55%
503	Utility Doors - Replace	25	9	\$3,200	\$128	0.06%
508	Electronic Lock System - Replace	10	5	\$7,000	\$700	0.32%
703	Water Heater - Replace (Operating Expense)	12	0	\$1,400	\$117	0.05%
705	HVAC Condenser - Replace	20	5	\$3,750	\$188	0.08%
706	HVAC Furnace - Replace	20	5	\$3,250	\$163	0.07%
903	Camera System - Replace	10	5	\$7,000	\$700	0.32%
1002	Wrought Iron Fencing - Replace	25	9	\$19,250	\$770	0.35%



## Significant Components

ID #	Component Name	UL	RUL	Average Current	Significance: (Curr Cost/UL)	
					As \$	As %
1101	Pool - Resurface	10	6	\$13,000	\$1,300	0.59%
1102	Spa - Resurface	5	0	\$10,500	\$2,100	0.95%
1104	Pool Heater - Replace	5	5	\$4,900	\$980	0.44%
1105	Spa Heater - Replace	5	0	\$4,900	\$980	0.44%
1107	Pool Filter - Replace (Operating Expense)	12	0	\$2,800	\$233	0.11%
1108	Spa Filter - Replace	12	0	\$2,800	\$233	0.11%
1110	Pool/Spa Pumps - Partial Replacement	3	0	\$2,500	\$833	0.38%
1111	Pool/Spa Chlorinators - Replace	10	0	\$10,000	\$1,000	0.45%
1121	Pool Furniture - Replace	6	1	\$33,500	\$5,583	2.53%
1304	Drinking Fountains - Replace	8	4	\$2,000	\$250	0.11%
1305	Barbecues - Replace	7	3	\$7,000	\$1,000	0.45%
1306	Barbecue Island - Refurbish	25	20	\$7,000	\$280	0.13%
1309	Wood Trellis - Refurbish	30	12	\$40,000	\$1,333	0.60%
1390	Exterior Shower - Re-Tile	20	18	\$6,000	\$300	0.14%
1402	Refrigerator - Replace (Operating Expense)	N/A	0	\$0	\$0	0.00%
1405	Furniture - Replace	10	6	\$4,500	\$450	0.20%
1413	Restroom - Remodel	16	5	\$20,000	\$1,250	0.57%
1417	Kitchen/Countertop - Remodel	20	16	\$2,500	\$125	0.06%
1420	Countertop / Cabinets - Remodel	20	16	\$2,250	\$113	0.05%
1420	Television - Replace	10	5	\$1,300	\$130	0.06%
1503	Flooring - Replace	20	15	\$4,163	\$208	0.09%
1602	Exterior Lights - Replace	18	12	\$3,600	\$200	0.09%
2301	Windows / Doors - Replace	35	15	\$11,400	\$326	0.15%
<b>Hillcrest Pool</b>						
106	Tile Roof - Replace	30	14	\$11,150	\$372	0.17%
201	Stucco Surfaces - Repaint	10	5	\$3,100	\$310	0.14%
202	Building Trim / Trellis' - Repaint	5	0	\$5,000	\$1,000	0.45%
207	Wrought Iron Fencing - Repaint	5	0	\$3,625	\$725	0.33%
216	Interior Surfaces - Repaint	10	4	\$3,000	\$300	0.14%
404	Concrete Pavers - Sand/Seal/Repair	5	0	\$4,050	\$810	0.37%
503	Utility Doors - Replace	25	9	\$3,200	\$128	0.06%
508	Electronic Lock System - Replace	10	5	\$7,000	\$700	0.32%





## Significant Components

ID #	Component Name	UL	RUL	Average Current	Significance: (Curr Cost/UL)	
					As \$	As %
703	Tankless Water Heater - Replace (Operating Expense)	10	0	\$3,500	\$350	0.16%
705	HVAC Condenser - Replace	20	5	\$7,500	\$375	0.17%
706	HVAC Furnace - Replace	20	5	\$6,500	\$325	0.15%
901	Fire Protection System - Replace	10	5	\$4,000	\$400	0.18%
903	Camera System - Replace	10	5	\$9,000	\$900	0.41%
1002	Wrought Iron Fencing - Replace	25	9	\$23,100	\$924	0.42%
1101	Pool - Resurface	10	6	\$13,000	\$1,300	0.59%
1102	Spa - Resurface	5	0	\$10,500	\$2,100	0.95%
1104	Pool Heater - Replace	5	4	\$4,900	\$980	0.44%
1105	Spa Heater - Replace	5	3	\$4,900	\$980	0.44%
1107	Pool Filters - Replace (Operating Expense)	12	0	\$2,800	\$233	0.11%
1108	Spa Filter - Replace	12	0	\$1,100	\$92	0.04%
1110	Pool/Spa Pumps - Replace	3	0	\$10,000	\$3,333	1.51%
1111	Pool/Spa Chlorinators - Replace	10	0	\$10,000	\$1,000	0.45%
1121	Pool Furniture - Replace	6	1	\$44,500	\$7,417	3.36%
1304	Drinking Fountain - Replace	8	4	\$2,000	\$250	0.11%
1305	Barbecues - Replace	7	3	\$10,500	\$1,500	0.68%
1306	Barbecue Islands - Refurbish	25	20	\$14,000	\$560	0.25%
1308	Exterior Furniture - Replace	15	5	\$5,500	\$367	0.17%
1309	Wood Trellis - Refurbish	30	25	\$35,440	\$1,181	0.53%
1390	Exterior Shower - Re-Tile	20	18	\$6,000	\$300	0.14%
1406	Fitness Equipment - Replace	15	4	\$5,000	\$333	0.15%
1407	Cardio Equipment - Replace	7	0	\$10,000	\$1,429	0.65%
1413	Restroom - Remodel	16	0	\$20,000	\$1,250	0.57%
1420	Television - Replace	10	5	\$1,300	\$130	0.06%
1502	Flooring - Replace (Gym)	20	20	\$3,750	\$188	0.08%
1505	Polished Concrete - Restain/Reseal	N/A	0	\$0	\$0	0.00%
1602	Exterior Lights - Replace	18	9	\$1,000	\$56	0.03%
2301	Windows / Doors - Replace	35	15	\$6,000	\$171	0.08%
<b>Town Center</b>						
216	Interior Surfaces - Repaint	10	5	\$3,300	\$330	0.15%
903	Camera System - Replace	10	5	\$15,500	\$1,550	0.70%

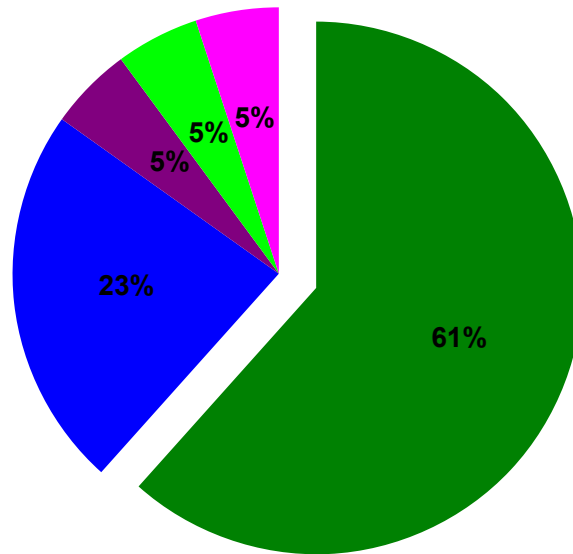
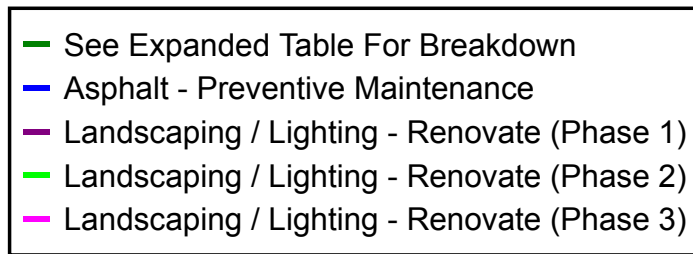


## Significant Components

ID #	Component Name	UL	RUL	Average Current	Significance: (Curr Cost/UL)	
					As \$	As %
1304	Drinking Fountain - Replace	8	4	\$2,000	\$250	0.11%
1406	Fitness Equipment - Replace	15	10	\$35,000	\$2,333	1.06%
1407	Cardio Equipment - Replace	7	4	\$12,000	\$1,714	0.78%
1413	Restroom - Remodel	16	13	\$12,500	\$781	0.35%
1420	Television - Replace	10	5	\$1,500	\$150	0.07%
1502	Flooring - Replace (Town Center Fitness Center)	20	17	\$4,000	\$200	0.09%
1503	Flooring - Lounge Areas - Replace (Self Reserved by Mission Hills)	N/A	0	\$0	\$0	0.00%



## Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL) AS %	
					Curr Cost	AS %
402	Asphalt - Preventive Maintenance	5	0	\$258,075	\$51,615	23%
1812	Landscaping / Lighting - Renovate (Phase 1)	15	0	\$170,000	\$11,333	5%
1812	Landscaping / Lighting - Renovate (Phase 2)	15	1	\$170,000	\$11,333	5%
1812	Landscaping / Lighting - Renovate (Phase 3)	15	2	\$170,000	\$11,333	5%
All Other	See Expanded Table For Breakdown				\$85,615	61%



## Yearly Cash Flow

Year	2023	2024	2025	2026	2027
<b>Starting Balance</b>	\$1,092,826	\$445,771	\$424,755	\$489,698	\$710,291
<i>Reserve Income</i>	\$252,000	\$262,080	\$272,563	\$283,466	\$294,804
<i>Interest Earnings</i>	\$3,846	\$2,176	\$2,286	\$2,999	\$4,171
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,348,672	\$710,027	\$699,604	\$776,163	\$1,009,266
<b>Reserve Expenditures</b>	\$902,900	\$285,272	\$209,907	\$65,872	\$50,835
<b>Ending Balance</b>	\$445,771	\$424,755	\$489,698	\$710,291	\$958,431

Year	2028	2029	2030	2031	2032
<b>Starting Balance</b>	\$958,431	\$642,777	\$714,231	\$881,129	\$1,221,322
<i>Reserve Income</i>	\$306,597	\$318,860	\$331,615	\$344,879	\$358,675
<i>Interest Earnings</i>	\$4,002	\$3,392	\$3,988	\$5,255	\$6,715
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,269,030	\$965,029	\$1,049,834	\$1,231,263	\$1,586,712
<b>Reserve Expenditures</b>	\$626,252	\$250,799	\$168,704	\$9,942	\$121,315
<b>Ending Balance</b>	\$642,777	\$714,231	\$881,129	\$1,221,322	\$1,465,397

Year	2033	2034	2035	2036	2037
<b>Starting Balance</b>	\$1,465,397	\$1,026,782	\$1,362,846	\$1,594,088	\$1,769,828
<i>Reserve Income</i>	\$373,022	\$387,942	\$403,460	\$419,599	\$436,382
<i>Interest Earnings</i>	\$6,229	\$5,973	\$7,391	\$8,408	\$9,720
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,844,648	\$1,420,697	\$1,773,697	\$2,022,095	\$2,215,930
<b>Reserve Expenditures</b>	\$817,865	\$57,851	\$179,609	\$252,266	\$96,879
<b>Ending Balance</b>	\$1,026,782	\$1,362,846	\$1,594,088	\$1,769,828	\$2,119,052

Year	2038	2039	2040	2041	2042
<b>Starting Balance</b>	\$2,119,052	\$1,352,552	\$1,360,438	\$1,468,127	\$1,828,219
<i>Reserve Income</i>	\$453,838	\$471,991	\$490,871	\$510,506	\$530,926
<i>Interest Earnings</i>	\$8,677	\$6,781	\$7,070	\$8,239	\$10,069
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$2,581,567	\$1,831,324	\$1,858,379	\$1,986,872	\$2,369,214
<b>Reserve Expenditures</b>	\$1,229,015	\$470,886	\$390,252	\$158,653	\$168,988
<b>Ending Balance</b>	\$1,352,552	\$1,360,438	\$1,468,127	\$1,828,219	\$2,200,226

Year	2043	2044	2045	2046	2047
<b>Starting Balance</b>	\$2,200,226	\$1,291,409	\$1,641,122	\$2,196,778	\$2,813,754
<i>Reserve Income</i>	\$552,163	\$574,250	\$597,220	\$621,108	\$645,953
<i>Interest Earnings</i>	\$8,727	\$7,330	\$9,593	\$12,524	\$15,247
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$2,761,116	\$1,872,989	\$2,247,935	\$2,830,410	\$3,474,954
<b>Reserve Expenditures</b>	\$1,469,708	\$231,866	\$51,156	\$16,656	\$188,746
<b>Ending Balance</b>	\$1,291,409	\$1,641,122	\$2,196,778	\$2,813,754	\$3,286,207

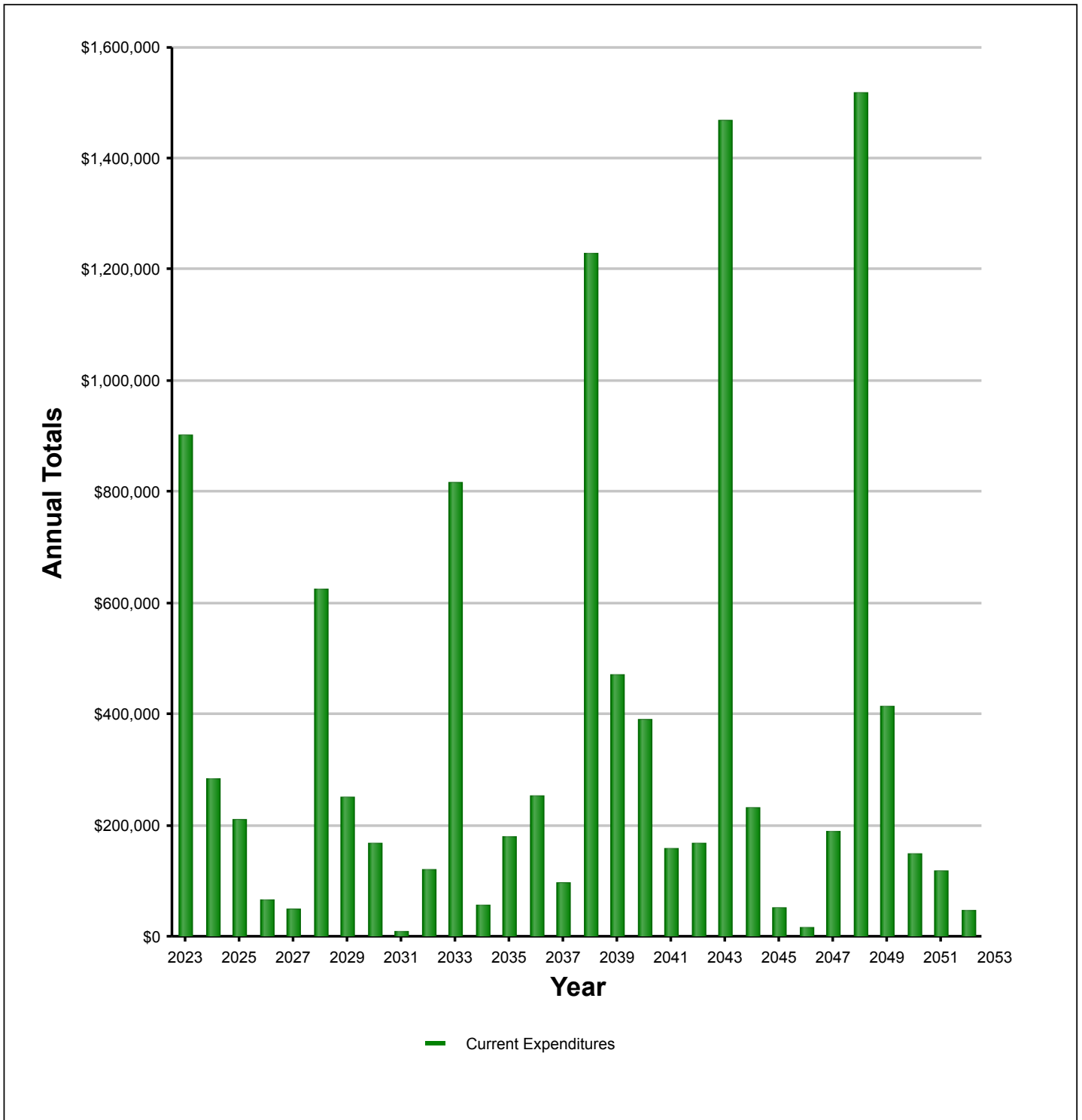


## Yearly Cash Flow

Year	2048	2049	2050	2051	2052
<b>Starting Balance</b>	\$3,286,207	\$2,454,014	\$2,737,229	\$3,300,972	\$3,912,563
<i>Reserve Income</i>	\$671,791	\$685,227	\$698,931	\$712,910	\$727,168
<i>Interest Earnings</i>	\$14,348	\$12,975	\$15,092	\$18,030	\$21,312
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$3,972,346	\$3,152,216	\$3,451,252	\$4,031,912	\$4,661,043
<b>Reserve Expenditures</b>	\$1,518,332	\$414,987	\$150,280	\$119,349	\$47,187
<b>Ending Balance</b>	\$2,454,014	\$2,737,229	\$3,300,972	\$3,912,563	\$4,613,856



## Yearly Reserve Expenditures - Graph





## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2023	Townside Pool	202	Building Trim / Trellis - Repaint	\$5,600	
	Hillcrest Pool	202	Building Trim / Trellis' - Repaint	\$5,000	
	Common Area	207	Wrought Iron Fencing - Repaint	\$9,200	
	Hillcrest Pool	207	Wrought Iron Fencing - Repaint	\$3,625	
	Townside Pool	207	Wrought Iron Fencing - Repaint	\$9,200	
	Common Area	211	Pole Light Fixtures - Repaint	\$5,500	
	Common Area	214	Curbs/Parking Lots - Restripe	\$9,500	
	Common Area	290	Mailboxes - Repaint	\$4,000	
	Common Area	402	Asphalt - Preventive Maintenance	\$258,075	
	Common Area	403	Concrete - Repair/Replace	\$22,000	
	Common Area	404	Concrete Pavers - Sand/Seal/Repair	\$56,363	
	Hillcrest Pool	404	Concrete Pavers - Sand/Seal/Repair	\$4,050	
	Townside Pool	404	Concrete Pavers - Sand/Seal/Repair	\$56,388	
	Hillcrest Pool	703	Tankless Water Heater - Replace (Operating Expense)	\$3,500	
	Townside Pool	703	Water Heater - Replace (Operating Expense)	\$1,400	
	Hillcrest Pool	1102	Spa - Resurface	\$10,500	
	Townside Pool	1102	Spa - Resurface	\$10,500	
	Townside Pool	1105	Spa Heater - Replace	\$4,900	
	Townside Pool	1107	Pool Filter - Replace (Operating Expense)	\$2,800	
	Hillcrest Pool	1107	Pool Filters - Replace (Operating Expense)	\$2,800	
	Townside Pool	1108	Spa Filter - Replace	\$2,800	
	Hillcrest Pool	1108	Spa Filter - Replace	\$1,100	
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$2,500	
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$10,000	
	Hillcrest Pool	1111	Pool/Spa Chlorinators - Replace	\$10,000	
	Townside Pool	1111	Pool/Spa Chlorinators - Replace	\$10,000	
	Common Area	1206	Basketball Court - Resurface	\$20,600	
	Hillcrest Pool	1407	Cardio Equipment - Replace	\$10,000	
	Hillcrest Pool	1413	Restroom - Remodel	\$20,000	
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$7,000	
	Common Area	1801	Trails - Repair (Phase 1)	\$24,000	
	Common Area	1804	Trees - Maintenance	\$10,000	
	Common Area	1812	Landscaping / Lighting - Renovate (Phase 1)	\$170,000	
	Common Area	2494	VCFD Defensible Space Requirement - Estimate	\$120,000	\$902,900
2024	Common Area	212	Bollard Lights - Repaint	\$3,752	
	Hillcrest Pool	1121	Pool Furniture - Replace	\$46,058	
	Townside Pool	1121	Pool Furniture - Replace	\$34,673	
	Common Area	1801	Trails - Repair (Phase 2)	\$24,840	
	Common Area	1812	Landscaping / Lighting - Renovate (Phase 2)	\$175,950	\$285,272
2025	Common Area	390	Stone Veneer - Replace	\$2,089	
	Common Area	1801	Trails - Repair (Phase 3)	\$25,709	



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
	Common Area	1812	Landscaping / Lighting - Renovate (Phase 3)	\$182,108	\$209,907
2026	Common Area	203	Bridge Railings - Reseal	\$2,938	
	Common Area	214	Curbs/Parking Lots - Restripe	\$10,533	
	Hillcrest Pool	1105	Spa Heater - Replace	\$5,433	
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$2,772	
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$11,087	
	Common Area	1303	Safety Padding - Repair/Reseal	\$5,945	
	Hillcrest Pool	1305	Barbecues - Replace	\$11,642	
	Townside Pool	1305	Barbecues - Replace	\$7,761	
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$7,761	\$65,872
2027	Hillcrest Pool	216	Interior Surfaces - Repaint	\$3,443	
	Common Area	801	Monument - Rebuild	\$5,164	
	Common Area	808	Street Signs - Replace	\$8,606	
	Hillcrest Pool	1104	Pool Heater - Replace	\$5,623	
	Common Area	1207	Basketball Backboards - Replace	\$1,607	
	Town Center	1304	Drinking Fountain - Replace	\$2,295	
	Hillcrest Pool	1304	Drinking Fountain - Replace	\$2,295	
	Townside Pool	1304	Drinking Fountains - Replace	\$2,295	
	Hillcrest Pool	1406	Fitness Equipment - Replace	\$5,738	
	Town Center	1407	Cardio Equipment - Replace	\$13,770	\$50,835
2028	Hillcrest Pool	201	Stucco Surfaces - Repaint	\$3,682	
	Townside Pool	201	Stucco Surfaces - Repaint	\$19,048	
	Townside Pool	202	Building Trim / Trellis - Repaint	\$6,651	
	Hillcrest Pool	202	Building Trim / Trellis' - Repaint	\$5,938	
	Common Area	207	Wrought Iron Fencing - Repaint	\$10,927	
	Hillcrest Pool	207	Wrought Iron Fencing - Repaint	\$4,305	
	Townside Pool	207	Wrought Iron Fencing - Repaint	\$10,927	
	Common Area	211	Pole Light Fixtures - Repaint	\$6,532	
	Townside Pool	216	Interior Surfaces - Repaint	\$3,058	
	Town Center	216	Interior Surfaces - Repaint	\$3,919	
	Common Area	290	Mailboxes - Repaint	\$4,751	
	Common Area	402	Asphalt - Preventive Maintenance	\$306,512	
	Hillcrest Pool	404	Concrete Pavers - Sand/Seal/Repair	\$4,810	
	Hillcrest Pool	508	Electronic Lock System - Replace	\$8,314	
	Townside Pool	508	Electronic Lock System - Replace	\$8,314	
	Hillcrest Pool	705	HVAC Condenser - Replace	\$8,908	
	Townside Pool	705	HVAC Condenser - Replace	\$4,454	
	Hillcrest Pool	706	HVAC Furnace - Replace	\$7,720	
	Townside Pool	706	HVAC Furnace - Replace	\$3,860	
	Hillcrest Pool	901	Fire Protection System - Replace	\$4,751	
	Hillcrest Pool	903	Camera System - Replace	\$10,689	
	Townside Pool	903	Camera System - Replace	\$8,314	



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
	Town Center	903	Camera System - Replace	\$18,409	
	Common Area	1003	Chain Link Fencing - Replace	\$15,885	
	Hillcrest Pool	1102	Spa - Resurface	\$12,471	
	Townside Pool	1102	Spa - Resurface	\$12,471	
	Townside Pool	1104	Pool Heater - Replace	\$5,820	
	Townside Pool	1105	Spa Heater - Replace	\$5,820	
	Common Area	1304	Drinking Fountain - Replace	\$4,454	
	Common Area	1308	Exterior Furniture - Replace	\$19,003	
	Hillcrest Pool	1308	Exterior Furniture - Replace	\$6,532	
	Townside Pool	1413	Restroom - Remodel	\$23,754	
	Townside Pool	1420	Television - Replace	\$1,544	
	Hillcrest Pool	1420	Television - Replace	\$1,544	
	Town Center	1420	Television - Replace	\$1,782	
	Common Area	1801	Trails - Repair (Phase 1)	\$28,504	
	Common Area	1804	Trees - Maintenance	\$11,877	\$626,252
2029	Common Area	201	Stucco Surfaces - Repaint	\$19,699	
	Common Area	208	Block/Stucco Wall - Repaint	\$1,552	
	Common Area	212	Bollard Lights - Repaint	\$4,456	
	Common Area	214	Curbs/Parking Lots - Restripe	\$11,678	
	Hillcrest Pool	1101	Pool - Resurface	\$15,980	
	Townside Pool	1101	Pool - Resurface	\$15,980	
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$3,073	
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$12,293	
	Common Area	1303	Safety Padding - Repair/Reseal	\$6,592	
	Townside Pool	1405	Furniture - Replace	\$5,532	
	Common Area	1605	Bollard Lights - Replace	\$115,857	
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$8,605	
	Common Area	1801	Trails - Repair (Phase 2)	\$29,502	\$250,799
2030	Hillcrest Pool	1121	Pool Furniture - Replace	\$56,616	
	Townside Pool	1121	Pool Furniture - Replace	\$42,621	
	Common Area	1206	Basketball Court - Resurface	\$26,209	
	Hillcrest Pool	1407	Cardio Equipment - Replace	\$12,723	
	Common Area	1801	Trails - Repair (Phase 3)	\$30,535	\$168,704
2031	Common Area	203	Bridge Railings - Reseal	\$3,490	
	Hillcrest Pool	1105	Spa Heater - Replace	\$6,452	\$9,942
2032	Common Area	214	Curbs/Parking Lots - Restripe	\$12,948	
	Hillcrest Pool	503	Utility Doors - Replace	\$4,361	
	Townside Pool	503	Utility Doors - Replace	\$4,361	
	Hillcrest Pool	1002	Wrought Iron Fencing - Replace	\$31,483	
	Townside Pool	1002	Wrought Iron Fencing - Replace	\$26,236	
	Hillcrest Pool	1104	Pool Heater - Replace	\$6,678	
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$3,407	



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$13,629	
	Common Area	1303	Safety Padding - Repair/Reseal	\$7,309	
	Hillcrest Pool	1602	Exterior Lights - Replace	\$1,363	
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$9,540	\$121,315
2033	Townside Pool	202	Building Trim / Trellis - Repaint	\$7,899	
	Hillcrest Pool	202	Building Trim / Trellis' - Repaint	\$7,053	
	Common Area	207	Wrought Iron Fencing - Repaint	\$12,978	
	Hillcrest Pool	207	Wrought Iron Fencing - Repaint	\$5,113	
	Townside Pool	207	Wrought Iron Fencing - Repaint	\$12,978	
	Common Area	211	Pole Light Fixtures - Repaint	\$7,758	
	Common Area	290	Mailboxes - Repaint	\$5,642	
	Common Area	402	Asphalt - Preventive Maintenance	\$364,040	
	Common Area	403	Concrete - Repair/Replace	\$31,033	
	Common Area	404	Concrete Pavers - Sand/Seal/Repair	\$79,505	
	Hillcrest Pool	404	Concrete Pavers - Sand/Seal/Repair	\$5,713	
	Townside Pool	404	Concrete Pavers - Sand/Seal/Repair	\$79,540	
	Hillcrest Pool	703	Tankless Water Heater - Replace (Operating Expense)	\$4,937	
	Hillcrest Pool	1102	Spa - Resurface	\$14,811	
	Townside Pool	1102	Spa - Resurface	\$14,811	
	Townside Pool	1104	Pool Heater - Replace	\$6,912	
	Townside Pool	1105	Spa Heater - Replace	\$6,912	
	Hillcrest Pool	1111	Pool/Spa Chlorinators - Replace	\$14,106	
	Townside Pool	1111	Pool/Spa Chlorinators - Replace	\$14,106	
	Hillcrest Pool	1305	Barbecues - Replace	\$14,811	
	Townside Pool	1305	Barbecues - Replace	\$9,874	
	Town Center	1406	Fitness Equipment - Replace	\$49,371	
	Common Area	1801	Trails - Repair (Phase 1)	\$33,854	
	Common Area	1804	Trees - Maintenance	\$14,106	\$817,865
2034	Common Area	212	Bollard Lights - Repaint	\$5,292	
	Town Center	1407	Cardio Equipment - Replace	\$17,520	
	Common Area	1801	Trails - Repair (Phase 2)	\$35,039	\$57,851
2035	Common Area	214	Curbs/Parking Lots - Restripe	\$14,355	
	Townside Pool	703	Water Heater - Replace (Operating Expense)	\$2,115	
	Townside Pool	1107	Pool Filter - Replace (Operating Expense)	\$4,231	
	Hillcrest Pool	1107	Pool Filters - Replace (Operating Expense)	\$4,231	
	Townside Pool	1108	Spa Filter - Replace	\$4,231	
	Hillcrest Pool	1108	Spa Filter - Replace	\$1,662	
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$3,778	
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$15,111	
	Common Area	1303	Safety Padding - Repair/Reseal	\$8,103	
	Town Center	1304	Drinking Fountain - Replace	\$3,022	



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
	Hillcrest Pool	1304	Drinking Fountain - Replace	\$3,022	
	Townside Pool	1304	Drinking Fountains - Replace	\$3,022	
	Townside Pool	1309	Wood Trellis - Refurbish	\$60,443	
	Townside Pool	1602	Exterior Lights - Replace	\$5,440	
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$10,577	
	Common Area	1801	Trails - Repair (Phase 3)	\$36,266	\$179,609
2036	Common Area	203	Bridge Railings - Reseal	\$4,144	
	Common Area	1002	Wrought Iron Fencing - Replace	\$98,920	
	Hillcrest Pool	1105	Spa Heater - Replace	\$7,663	
	Hillcrest Pool	1121	Pool Furniture - Replace	\$69,596	
	Townside Pool	1121	Pool Furniture - Replace	\$52,393	
	Town Center	1413	Restroom - Remodel	\$19,549	\$252,266
2037	Hillcrest Pool	106	Tile Roof - Replace	\$18,048	
	Townside Pool	106	Tile Roof - Replace	\$16,511	
	Hillcrest Pool	216	Interior Surfaces - Repaint	\$4,856	
	Hillcrest Pool	1104	Pool Heater - Replace	\$7,932	
	Common Area	1206	Basketball Court - Resurface	\$33,345	
	Hillcrest Pool	1407	Cardio Equipment - Replace	\$16,187	\$96,879
2038	Hillcrest Pool	201	Stucco Surfaces - Repaint	\$5,194	
	Townside Pool	201	Stucco Surfaces - Repaint	\$26,868	
	Townside Pool	202	Building Trim / Trellis - Repaint	\$9,382	
	Hillcrest Pool	202	Building Trim / Trellis' - Repaint	\$8,377	
	Common Area	207	Wrought Iron Fencing - Repaint	\$15,413	
	Hillcrest Pool	207	Wrought Iron Fencing - Repaint	\$6,073	
	Townside Pool	207	Wrought Iron Fencing - Repaint	\$15,413	
	Common Area	211	Pole Light Fixtures - Repaint	\$9,214	
	Common Area	214	Curbs/Parking Lots - Restripe	\$15,916	
	Townside Pool	216	Interior Surfaces - Repaint	\$4,314	
	Town Center	216	Interior Surfaces - Repaint	\$5,529	
	Common Area	290	Mailboxes - Repaint	\$6,701	
	Common Area	402	Asphalt - Preventive Maintenance	\$432,366	
	Hillcrest Pool	404	Concrete Pavers - Sand/Seal/Repair	\$6,785	
	Hillcrest Pool	508	Electronic Lock System - Replace	\$11,727	
	Townside Pool	508	Electronic Lock System - Replace	\$11,727	
	Hillcrest Pool	901	Fire Protection System - Replace	\$6,701	
	Hillcrest Pool	903	Camera System - Replace	\$15,078	
	Townside Pool	903	Camera System - Replace	\$11,727	
	Town Center	903	Camera System - Replace	\$25,968	
	Hillcrest Pool	1102	Spa - Resurface	\$17,591	
	Townside Pool	1102	Spa - Resurface	\$17,591	
	Townside Pool	1104	Pool Heater - Replace	\$8,209	
	Townside Pool	1105	Spa Heater - Replace	\$8,209	



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$4,188	
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$16,753	
	Common Area	1303	Safety Padding - Repair/Reseal	\$8,984	
	Townside Pool	1420	Television - Replace	\$2,178	
	Hillcrest Pool	1420	Television - Replace	\$2,178	
	Town Center	1420	Television - Replace	\$2,513	
	Townside Pool	1503	Flooring - Replace	\$6,974	
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$11,727	
	Common Area	1704	Time Clock Enclosures - Replace	\$100,521	
	Common Area	1801	Trails - Repair (Phase 1)	\$40,208	
	Common Area	1804	Trees - Maintenance	\$16,753	
	Common Area	1812	Landscaping / Lighting - Renovate (Phase 1)	\$284,809	
	Hillcrest Pool	2301	Windows / Doors - Replace	\$10,052	
	Townside Pool	2301	Windows / Doors - Replace	\$19,099	\$1,229,015
2039	Common Area	201	Stucco Surfaces - Repaint	\$27,787	
	Common Area	208	Block/Stucco Wall - Repaint	\$2,189	
	Common Area	212	Bollard Lights - Repaint	\$6,286	
	Hillcrest Pool	1101	Pool - Resurface	\$22,542	
	Townside Pool	1101	Pool - Resurface	\$22,542	
	Common Area	1207	Basketball Backboards - Replace	\$2,428	
	Townside Pool	1405	Furniture - Replace	\$7,803	
	Hillcrest Pool	1413	Restroom - Remodel	\$34,680	
	Townside Pool	1417	Kitchen/Countertop - Remodel	\$4,335	
	Townside Pool	1420	Countertop / Cabinets - Remodel	\$3,901	
	Common Area	1801	Trails - Repair (Phase 2)	\$41,616	
	Common Area	1812	Landscaping / Lighting - Renovate (Phase 2)	\$294,778	\$470,886
2040	Common Area	390	Stone Veneer - Replace	\$3,500	
	Hillcrest Pool	1305	Barbecues - Replace	\$18,844	
	Townside Pool	1305	Barbecues - Replace	\$12,563	
	Town Center	1502	Flooring - Replace (Town Center Fitness Center)	\$7,179	
	Common Area	1801	Trails - Repair (Phase 3)	\$43,072	
	Common Area	1812	Landscaping / Lighting - Renovate (Phase 3)	\$305,095	\$390,252
2041	Common Area	203	Bridge Railings - Reseal	\$4,922	
	Common Area	214	Curbs/Parking Lots - Restripe	\$17,646	
	Hillcrest Pool	1105	Spa Heater - Replace	\$9,102	
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$4,644	
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$18,575	
	Common Area	1303	Safety Padding - Repair/Reseal	\$9,961	
	Townside Pool	1390	Exterior Shower - Re-Tile	\$11,145	
	Hillcrest Pool	1390	Exterior Shower - Re-Tile	\$11,145	
	Town Center	1407	Cardio Equipment - Replace	\$22,290	
	Common Area	1606	Bollard Lights - Solar - Replace	\$36,221	





## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$13,002	\$158,653
2042	Hillcrest Pool	1104	Pool Heater - Replace	\$9,420	
	Hillcrest Pool	1121	Pool Furniture - Replace	\$85,551	
	Townside Pool	1121	Pool Furniture - Replace	\$64,404	
	Hillcrest Pool	1406	Fitness Equipment - Replace	\$9,613	\$168,988
2043	Townside Pool	202	Building Trim / Trellis - Repaint	\$11,143	
	Hillcrest Pool	202	Building Trim / Trellis' - Repaint	\$9,949	
	Common Area	207	Wrought Iron Fencing - Repaint	\$18,306	
	Hillcrest Pool	207	Wrought Iron Fencing - Repaint	\$7,213	
	Townside Pool	207	Wrought Iron Fencing - Repaint	\$18,306	
	Common Area	211	Pole Light Fixtures - Repaint	\$10,944	
	Common Area	290	Mailboxes - Repaint	\$7,959	
	Common Area	402	Asphalt - Preventive Maintenance	\$513,515	
	Common Area	403	Concrete - Repair/Replace	\$43,775	
	Common Area	404	Concrete Pavers - Sand/Seal/Repair	\$112,149	
	Hillcrest Pool	404	Concrete Pavers - Sand/Seal/Repair	\$8,059	
	Townside Pool	404	Concrete Pavers - Sand/Seal/Repair	\$112,199	
	Hillcrest Pool	703	Tankless Water Heater - Replace (Operating Expense)	\$6,964	
	Hillcrest Pool	1102	Spa - Resurface	\$20,893	
	Townside Pool	1102	Spa - Resurface	\$20,893	
	Townside Pool	1104	Pool Heater - Replace	\$9,750	
	Townside Pool	1105	Spa Heater - Replace	\$9,750	
	Hillcrest Pool	1111	Pool/Spa Chlorinators - Replace	\$19,898	
	Townside Pool	1111	Pool/Spa Chlorinators - Replace	\$19,898	
	Common Area	1301	Play Structure - Replace	\$179,081	
	Common Area	1302	Safety Padding - Replace	\$129,983	
	Town Center	1304	Drinking Fountain - Replace	\$3,980	
	Hillcrest Pool	1304	Drinking Fountain - Replace	\$3,980	
	Common Area	1304	Drinking Fountain - Replace	\$7,462	
	Townside Pool	1304	Drinking Fountains - Replace	\$3,980	
	Townside Pool	1306	Barbecue Island - Refurbish	\$13,929	
	Hillcrest Pool	1306	Barbecue Islands - Refurbish	\$27,857	
	Common Area	1308	Exterior Furniture - Replace	\$31,837	
	Hillcrest Pool	1308	Exterior Furniture - Replace	\$10,944	
	Hillcrest Pool	1502	Flooring - Replace (Gym)	\$7,462	
	Common Area	1801	Trails - Repair (Phase 1)	\$47,755	
	Common Area	1804	Trees - Maintenance	\$19,898	\$1,469,708
2044	Common Area	212	Bollard Lights - Repaint	\$7,465	
	Common Area	214	Curbs/Parking Lots - Restripe	\$19,565	
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$5,149	
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$20,594	



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
	Common Area	1206	Basketball Court - Resurface	\$42,424	
	Common Area	1303	Safety Padding - Repair/Reseal	\$11,044	
	Hillcrest Pool	1407	Cardio Equipment - Replace	\$20,594	
	Townside Pool	1413	Restroom - Remodel	\$41,189	
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$14,416	
	Common Area	1801	Trails - Repair (Phase 2)	\$49,426	\$231,866
2045	Common Area	1801	Trails - Repair (Phase 3)	\$51,156	\$51,156
2046	Common Area	203	Bridge Railings - Reseal	\$5,846	
	Hillcrest Pool	1105	Spa Heater - Replace	\$10,810	\$16,656
2047	Common Area	214	Curbs/Parking Lots - Restripe	\$21,692	
	Hillcrest Pool	216	Interior Surfaces - Repaint	\$6,850	
	Townside Pool	703	Water Heater - Replace (Operating Expense)	\$3,197	
	Common Area	801	Monument - Rebuild	\$10,275	
	Common Area	808	Street Signs - Replace	\$17,125	
	Hillcrest Pool	1104	Pool Heater - Replace	\$11,188	
	Townside Pool	1107	Pool Filter - Replace (Operating Expense)	\$6,393	
	Hillcrest Pool	1107	Pool Filters - Replace (Operating Expense)	\$6,393	
	Townside Pool	1108	Spa Filter - Replace	\$6,393	
	Hillcrest Pool	1108	Spa Filter - Replace	\$2,512	
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$5,708	
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$22,833	
	Common Area	1303	Safety Padding - Repair/Reseal	\$12,244	
	Hillcrest Pool	1305	Barbecues - Replace	\$23,975	
	Townside Pool	1305	Barbecues - Replace	\$15,983	
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$15,983	\$188,746
2048	Hillcrest Pool	201	Stucco Surfaces - Repaint	\$7,326	
	Townside Pool	201	Stucco Surfaces - Repaint	\$37,901	
	Townside Pool	202	Building Trim / Trellis - Repaint	\$13,234	
	Hillcrest Pool	202	Building Trim / Trellis' - Repaint	\$11,816	
	Common Area	207	Wrought Iron Fencing - Repaint	\$21,742	
	Hillcrest Pool	207	Wrought Iron Fencing - Repaint	\$8,567	
	Townside Pool	207	Wrought Iron Fencing - Repaint	\$21,742	
	Common Area	211	Pole Light Fixtures - Repaint	\$12,998	
	Townside Pool	216	Interior Surfaces - Repaint	\$6,085	
	Town Center	216	Interior Surfaces - Repaint	\$7,799	
	Common Area	290	Mailboxes - Repaint	\$9,453	
	Common Area	402	Asphalt - Preventive Maintenance	\$609,894	
	Hillcrest Pool	404	Concrete Pavers - Sand/Seal/Repair	\$9,571	
	Hillcrest Pool	508	Electronic Lock System - Replace	\$16,543	
	Townside Pool	508	Electronic Lock System - Replace	\$16,543	
	Hillcrest Pool	705	HVAC Condenser - Replace	\$17,724	
	Townside Pool	705	HVAC Condenser - Replace	\$8,862	



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
	Hillcrest Pool	706	HVAC Furnace - Replace	\$15,361	
	Townside Pool	706	HVAC Furnace - Replace	\$7,681	
	Hillcrest Pool	901	Fire Protection System - Replace	\$9,453	
	Hillcrest Pool	903	Camera System - Replace	\$21,269	
	Townside Pool	903	Camera System - Replace	\$16,543	
	Town Center	903	Camera System - Replace	\$36,630	
	Common Area	1003	Chain Link Fencing - Replace	\$31,608	
	Hillcrest Pool	1102	Spa - Resurface	\$24,814	
	Townside Pool	1102	Spa - Resurface	\$24,814	
	Townside Pool	1104	Pool Heater - Replace	\$11,580	
	Townside Pool	1105	Spa Heater - Replace	\$11,580	
	Hillcrest Pool	1121	Pool Furniture - Replace	\$105,164	
	Townside Pool	1121	Pool Furniture - Replace	\$79,169	
	Hillcrest Pool	1309	Wood Trellis - Refurbish	\$83,753	
	Town Center	1406	Fitness Equipment - Replace	\$82,714	
	Town Center	1407	Cardio Equipment - Replace	\$28,359	
	Townside Pool	1420	Television - Replace	\$3,072	
	Hillcrest Pool	1420	Television - Replace	\$3,072	
	Town Center	1420	Television - Replace	\$3,545	
	Common Area	1801	Trails - Repair (Phase 1)	\$56,718	
	Common Area	1804	Trees - Maintenance	\$23,632	\$1,518,332
2049	Common Area	201	Stucco Surfaces - Repaint	\$39,196	
	Common Area	208	Block/Stucco Wall - Repaint	\$3,088	
	Common Area	212	Bollard Lights - Repaint	\$8,867	
	Hillcrest Pool	1101	Pool - Resurface	\$31,797	
	Townside Pool	1101	Pool - Resurface	\$31,797	
	Townside Pool	1405	Furniture - Replace	\$11,007	
	Common Area	1605	Bollard Lights - Replace	\$230,532	
	Common Area	1801	Trails - Repair (Phase 2)	\$58,703	\$414,987
2050	Common Area	214	Curbs/Parking Lots - Restripe	\$24,050	
	Townside Pool	1110	Pool/Spa Pumps - Partial Replacement	\$6,329	
	Hillcrest Pool	1110	Pool/Spa Pumps - Replace	\$25,316	
	Common Area	1303	Safety Padding - Repair/Reseal	\$13,576	
	Hillcrest Pool	1602	Exterior Lights - Replace	\$2,532	
	Common Area	1703	Irrigation Time Clocks - Partial Replacement	\$17,721	
	Common Area	1801	Trails - Repair (Phase 3)	\$60,758	\$150,280
2051	Common Area	203	Bridge Railings - Reseal	\$6,943	
	Hillcrest Pool	1105	Spa Heater - Replace	\$12,839	
	Common Area	1206	Basketball Court - Resurface	\$53,976	
	Common Area	1207	Basketball Backboards - Replace	\$3,668	
	Town Center	1304	Drinking Fountain - Replace	\$5,240	
	Hillcrest Pool	1304	Drinking Fountain - Replace	\$5,240	



## Projected Expenditures By Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
	Townside Pool	1304	Drinking Fountains - Replace	\$5,240	
	Hillcrest Pool	1407	Cardio Equipment - Replace	\$26,202	\$119,349
2052	Hillcrest Pool	1104	Pool Heater - Replace	\$13,288	
	Town Center	1413	Restroom - Remodel	\$33,898	\$47,187



## 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.

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

**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.

