

University Glen Single Family Homes

Level 3 Reserve Study



Report Period - 7/1/2024 to 6/30/2025

Client Reference Number	19883
Property Type	Single Family Homes
Number of Units	72
Fiscal Year End	6/30
Type of Study	Update without Site Visit
Date of Site Visit	N/A
Prepared By	Robert Forney
Analysis Method	Cash Flow
Funding Goal	Full Funding

Report prepared on - Jan 9, 2024



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Executive Summary - University Glen Single Family Homes - ID # 19883

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.

Projected Starting Balance as of 7/1/2024	\$114,479
Ideal Reserve Balance as of 7/1/2024	\$131,622
Percent Funded as of 7/1/2024	87%
Recommended Reserve Contribution (per month)	\$1,000
Recommended Special Assessment (FY 2025)	\$0

Property Details

This study is being prepared for the single family homes at University Glen. Reserve responsibilities include the maintenance of the metal and block wall fencing, exterior light replacement as well as the replacement of the mailboxes.

Currently Programmed Projected

Projects programmed to occur this fiscal year (FY 2025) include: Wrought Iron Fencing - Repaint (Comp #207). Exterior Lights - Rebuild (One-Time Expense) (Comp #1603). We have programmed an estimated \$28,850 in reserve expenditures toward the completion of these projects. (See Page(s) 16)

Significant Reserve Projects

The association's significant reserve projects include: Block/Stucco Wall - Repaint (Comp #208). Exterior Lights - Replace (Comp #1602). Block/Stucco Wall - Major Rehab (Comp #1005). Mailboxes - Replace (Comp #803). The fiscal significance of these components is approximately 37%, 34%, 17% 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) 11)

Reserve Funding

In comparing the projected starting reserve balance of \$114,478.93 versus the ideal reserve balance of \$131,621.52 we find the association's reserve fund to be approximately 87% funded. This indicates a strong reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$1,000 (\$13.89/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 clients.

- 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 5,000 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.
- Corporate member of three local chapters of CAI (Nevada, Utah, and Channel Islands, CA).
- Frequent guest speaker for trade organizations, management companies, and other entities.

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 warrantee or guarantee regarding our life and cost estimates/predictions. There is no implied warrantee 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

# of units	72
Fiscal Year End	6/30
Projected Starting Reserve Balance	\$114,479
Ideal Starting Reserve Balance	\$131,622

Economic Assumptions

Current Inflation Rate	4.00%
Reported After-Tax Interest Rate	1.50%

Current Reserve Status

Current Balance as a % of Ideal Balance	87%
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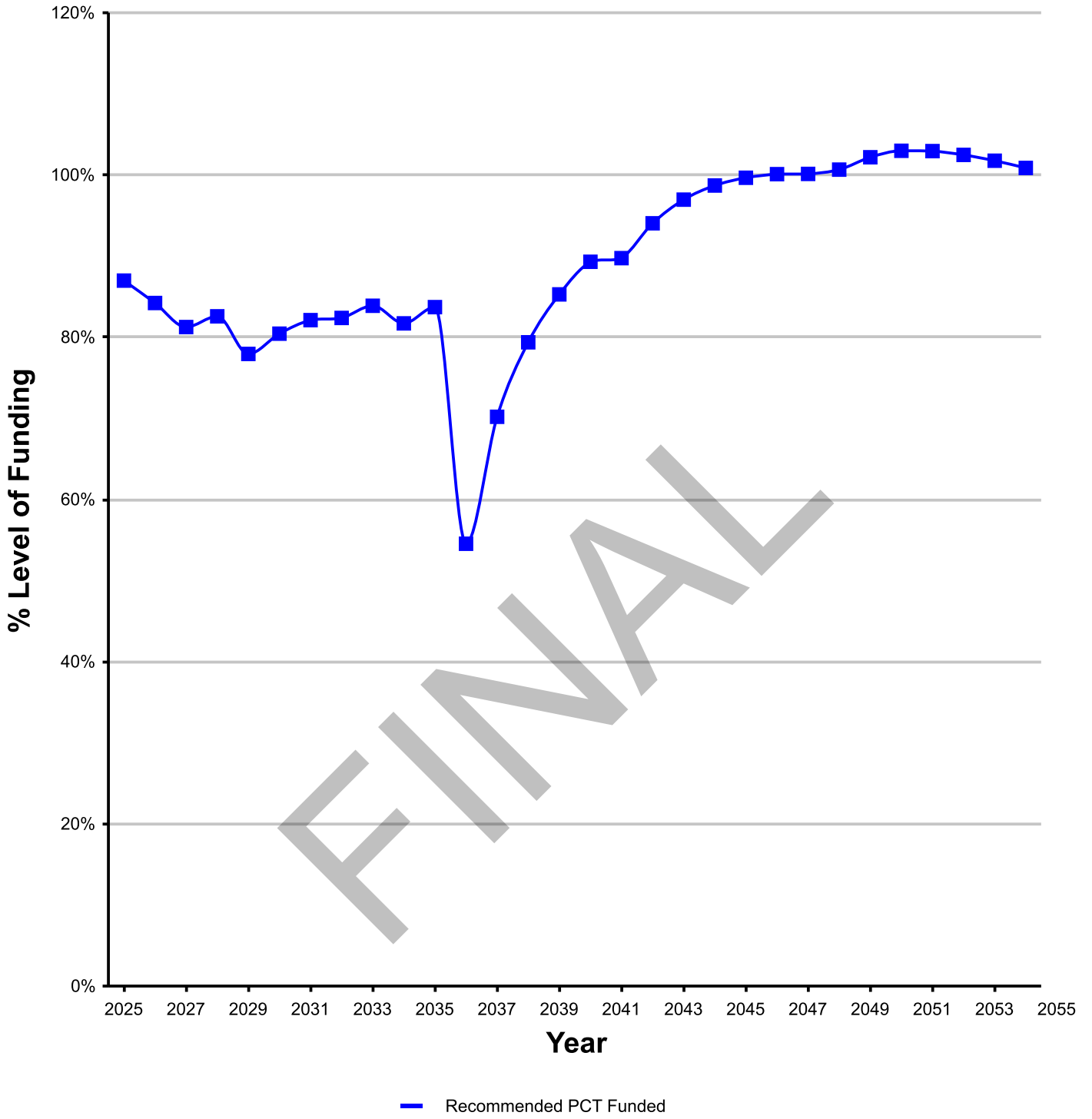
Recommendations

Recommended Special Assessment (FY 2025)	\$0
Recommended Monthly Reserve Contribution	\$1,000
Per Unit	\$13.89
Future Annual Increases	5.00%
For number of years:	17
Increases thereafter:	3.00%

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Percent Funded - Graph



Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
207	Wrought Iron Fencing - Repaint	5	0	Approx 120 Linear ft.	\$1,350	\$1,350	\$1,350	\$25.65
208	Block/Stucco Wall - Repaint	7	1	Approx 4,360 Linear ft.	\$27,250	\$23,357	\$23,357	\$369.77
803	Mailboxes - Replace	18	6	(6) Clusters	\$9,300	\$6,200	\$6,200	\$49.08
1002	Wrought Iron Fencing - Replace	25	10	Approx 120 Linear ft.	\$12,600	\$7,560	\$7,560	\$47.87
1005	Block/Stucco Wall - Major Rehab	20	3	Approx 4,360 Linear ft.	\$34,888	\$29,654	\$29,654	\$165.69
1602	Exterior Lights - Replace	20	10	Approx (360) Fixtures	\$72,000	\$36,000	\$18,857	\$341.95
1603	Exterior Lights - Rebuild (One-Time Expense)	1TE	0	Approx (360) Fixtures	\$27,500	\$27,500	\$27,500	\$0.00
Grand Total:					\$184,888	\$131,622	\$114,479	\$1,000

Current Fund Balance as a percentage of Ideal Balance: 87%

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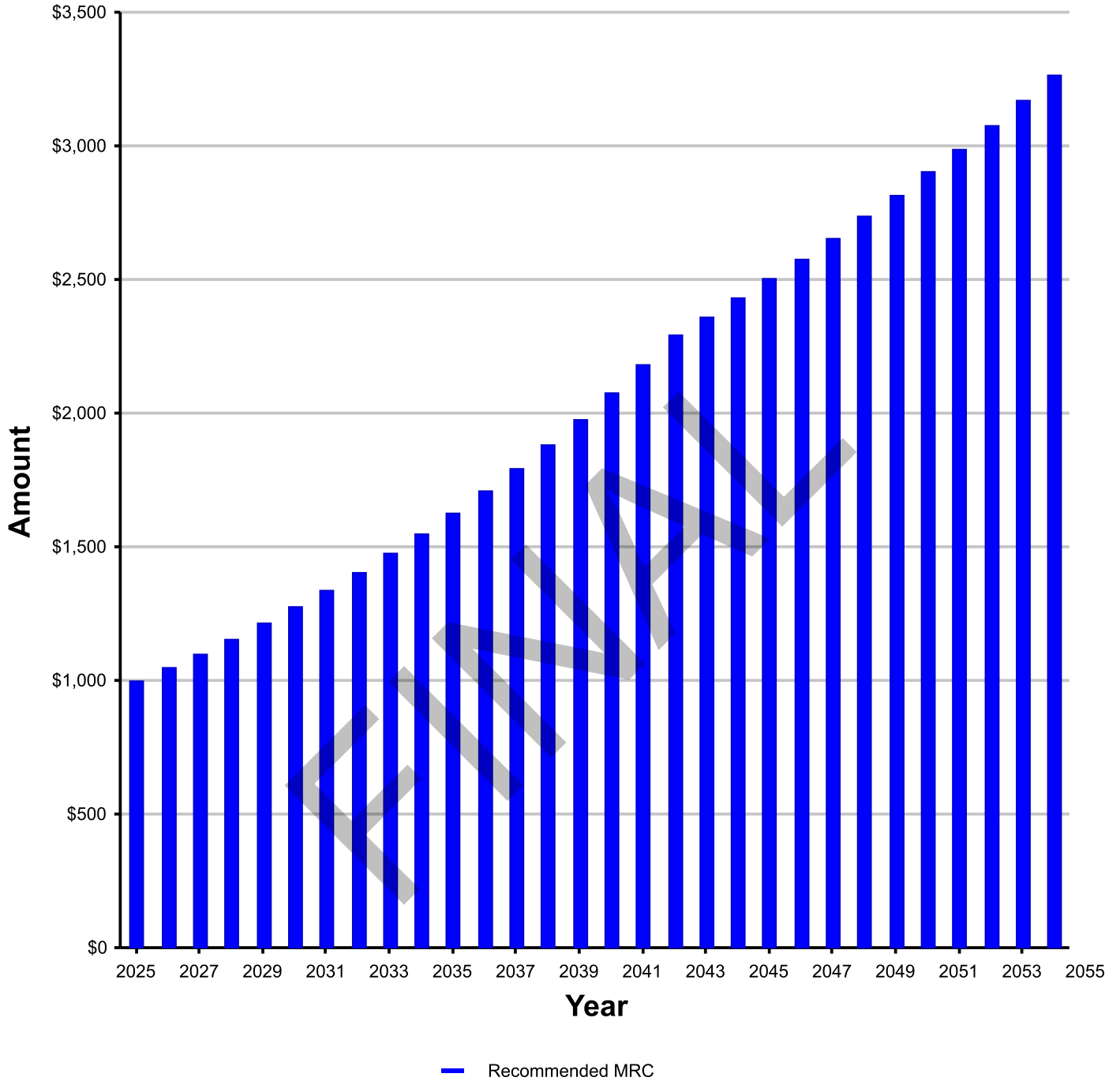
Yearly Summary

Year	Beginning Fully Funded Balance	Beginning Reserve Balance	Beginning % Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance	Ending Fully Funded Balance
2025	\$131,622	\$114,479	87%	\$12,000	\$1,602	\$28,850	\$99,231	\$117,831
2026	\$117,831	\$99,231	84%	\$12,600	\$1,380	\$28,340	\$84,871	\$104,458
2027	\$104,458	\$84,871	81%	\$13,230	\$1,382	\$0	\$99,482	\$120,479
2028	\$120,479	\$99,482	83%	\$13,892	\$1,311	\$39,244	\$75,441	\$96,801
2029	\$96,801	\$75,441	78%	\$14,586	\$1,250	\$0	\$91,277	\$113,481
2030	\$113,481	\$91,277	80%	\$15,315	\$1,482	\$1,642	\$106,432	\$129,634
2031	\$129,634	\$106,432	82%	\$16,081	\$1,640	\$11,767	\$112,385	\$136,435
2032	\$136,435	\$112,385	82%	\$16,885	\$1,825	\$0	\$131,096	\$156,300
2033	\$156,300	\$131,096	84%	\$17,729	\$1,832	\$37,294	\$113,364	\$138,752
2034	\$138,752	\$113,364	82%	\$18,616	\$1,853	\$0	\$133,832	\$159,886
2035	\$159,886	\$133,832	84%	\$19,547	\$1,208	\$127,227	\$27,360	\$50,172
2036	\$50,172	\$27,360	55%	\$20,524	\$568	\$0	\$48,453	\$69,035
2037	\$69,035	\$48,453	70%	\$21,550	\$895	\$0	\$70,898	\$89,326
2038	\$89,326	\$70,898	79%	\$22,628	\$1,242	\$0	\$94,767	\$111,130
2039	\$111,130	\$94,767	85%	\$23,759	\$1,611	\$0	\$120,137	\$134,535
2040	\$134,535	\$120,137	89%	\$24,947	\$1,614	\$51,507	\$95,191	\$106,068
2041	\$106,068	\$95,191	90%	\$26,194	\$1,636	\$0	\$123,021	\$130,818
2042	\$130,818	\$123,021	94%	\$27,504	\$2,066	\$0	\$152,591	\$157,378
2043	\$157,378	\$152,591	97%	\$28,329	\$2,519	\$0	\$183,439	\$185,854
2044	\$185,854	\$183,439	99%	\$29,179	\$2,991	\$0	\$215,609	\$216,356
2045	\$216,356	\$215,609	100%	\$30,055	\$3,461	\$2,958	\$246,167	\$245,924
2046	\$245,924	\$246,167	100%	\$30,956	\$3,952	\$0	\$281,075	\$280,712
2047	\$280,712	\$281,075	100%	\$31,885	\$3,998	\$64,580	\$252,378	\$250,725
2048	\$250,725	\$252,378	101%	\$32,841	\$3,410	\$85,988	\$202,642	\$198,313
2049	\$198,313	\$202,642	102%	\$33,827	\$3,136	\$23,839	\$215,766	\$209,519
2050	\$209,519	\$215,766	103%	\$34,842	\$3,495	\$3,599	\$250,503	\$243,345
2051	\$243,345	\$250,503	103%	\$35,887	\$4,055	\$0	\$290,445	\$283,435
2052	\$283,435	\$290,445	102%	\$36,963	\$4,666	\$0	\$332,074	\$326,342
2053	\$326,342	\$332,074	102%	\$38,072	\$5,303	\$0	\$375,449	\$372,228
2054	\$372,228	\$375,449	101%	\$39,214	\$5,325	\$84,983	\$335,005	END



Reserve Contributions - Graph

Monthly Reserve Contributions



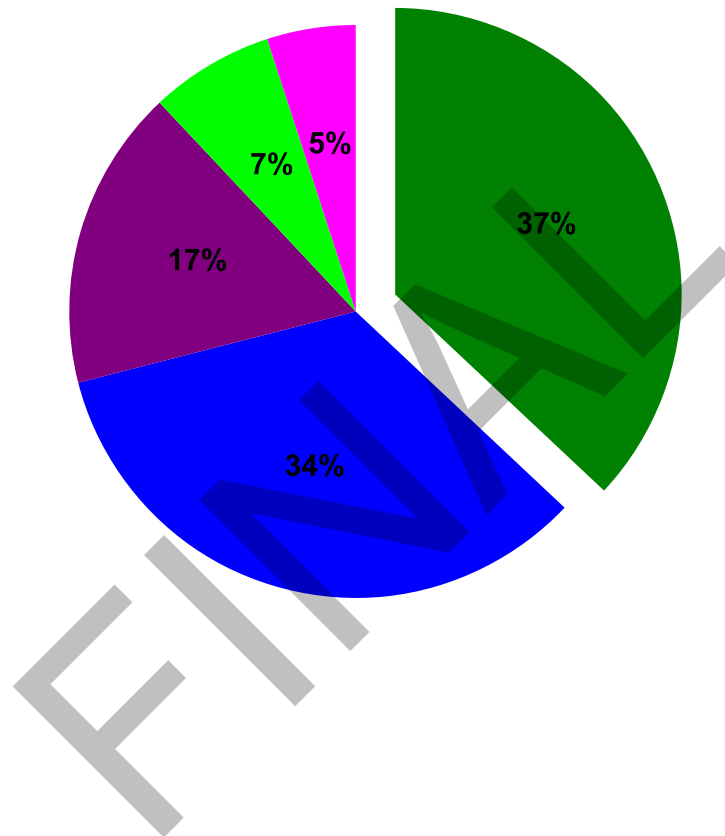
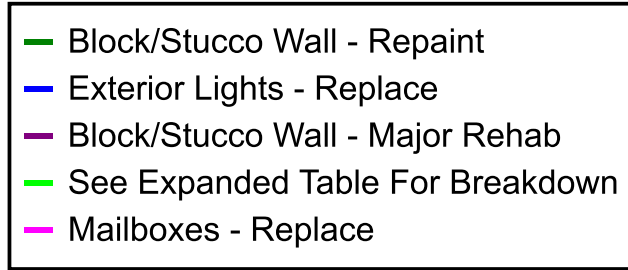
Significant Components

ID #	Component Name	UL	RUL	Average Current	Significance: (Curr Cost/UL)	
					As \$	As %
207	Wrought Iron Fencing - Repaint	5	0	\$1,350	\$270	2.56%
208	Block/Stucco Wall - Repaint	7	1	\$27,250	\$3,893	36.98%
803	Mailboxes - Replace	18	6	\$9,300	\$517	4.91%
1002	Wrought Iron Fencing - Replace	25	10	\$12,600	\$504	4.79%
1005	Block/Stucco Wall - Major Rehab	20	3	\$34,888	\$1,744	16.57%
1602	Exterior Lights - Replace	20	10	\$72,000	\$3,600	34.19%
1603	Exterior Lights - Rebuild (One-Time Expense)	1TE	0	\$27,500	\$0	0.00%

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Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL) AS %	
208	Block/Stucco Wall - Repaint	7	1	\$27,250	\$3,893	37%
1602	Exterior Lights - Replace	20	10	\$72,000	\$3,600	34%
1005	Block/Stucco Wall - Major Rehab	20	3	\$34,888	\$1,744	17%
803	Mailboxes - Replace	18	6	\$9,300	\$517	5%
All Other	See Expanded Table For Breakdown				\$9,754	7%

Yearly Cash Flow

Year	2025	2026	2027	2028	2029
Starting Balance	\$114,479	\$99,231	\$84,871	\$99,482	\$75,441
<i>Reserve Income</i>	\$12,000	\$12,600	\$13,230	\$13,892	\$14,586
<i>Interest Earnings</i>	\$1,602	\$1,380	\$1,382	\$1,311	\$1,250
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$128,081	\$113,211	\$99,483	\$114,685	\$91,277
Reserve Expenditures	\$28,850	\$28,340	\$0	\$39,244	\$0
Ending Balance	\$99,231	\$84,871	\$99,482	\$75,441	\$91,277

Year	2030	2031	2032	2033	2034
Starting Balance	\$91,277	\$106,432	\$112,385	\$131,096	\$113,364
<i>Reserve Income</i>	\$15,315	\$16,081	\$16,885	\$17,729	\$18,616
<i>Interest Earnings</i>	\$1,482	\$1,640	\$1,825	\$1,832	\$1,853
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$108,074	\$124,153	\$131,095	\$150,657	\$133,833
Reserve Expenditures	\$1,642	\$11,767	\$0	\$37,294	\$0
Ending Balance	\$106,432	\$112,385	\$131,096	\$113,364	\$133,832

Year	2035	2036	2037	2038	2039
Starting Balance	\$133,832	\$27,360	\$48,453	\$70,898	\$94,767
<i>Reserve Income</i>	\$19,547	\$20,524	\$21,550	\$22,628	\$23,759
<i>Interest Earnings</i>	\$1,208	\$568	\$895	\$1,242	\$1,611
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$154,587	\$48,452	\$70,898	\$94,768	\$120,137
Reserve Expenditures	\$127,227	\$0	\$0	\$0	\$0
Ending Balance	\$27,360	\$48,453	\$70,898	\$94,767	\$120,137

Year	2040	2041	2042	2043	2044
Starting Balance	\$120,137	\$95,191	\$123,021	\$152,591	\$183,439
<i>Reserve Income</i>	\$24,947	\$26,194	\$27,504	\$28,329	\$29,179
<i>Interest Earnings</i>	\$1,614	\$1,636	\$2,066	\$2,519	\$2,991
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$146,698	\$123,021	\$152,591	\$183,439	\$215,609
Reserve Expenditures	\$51,507	\$0	\$0	\$0	\$0
Ending Balance	\$95,191	\$123,021	\$152,591	\$183,439	\$215,609

Year	2045	2046	2047	2048	2049
Starting Balance	\$215,609	\$246,167	\$281,075	\$252,378	\$202,642
<i>Reserve Income</i>	\$30,055	\$30,956	\$31,885	\$32,841	\$33,827
<i>Interest Earnings</i>	\$3,461	\$3,952	\$3,998	\$3,410	\$3,136
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$249,125	\$281,075	\$316,958	\$288,629	\$239,605
Reserve Expenditures	\$2,958	\$0	\$64,580	\$85,988	\$23,839
Ending Balance	\$246,167	\$281,075	\$252,378	\$202,642	\$215,766



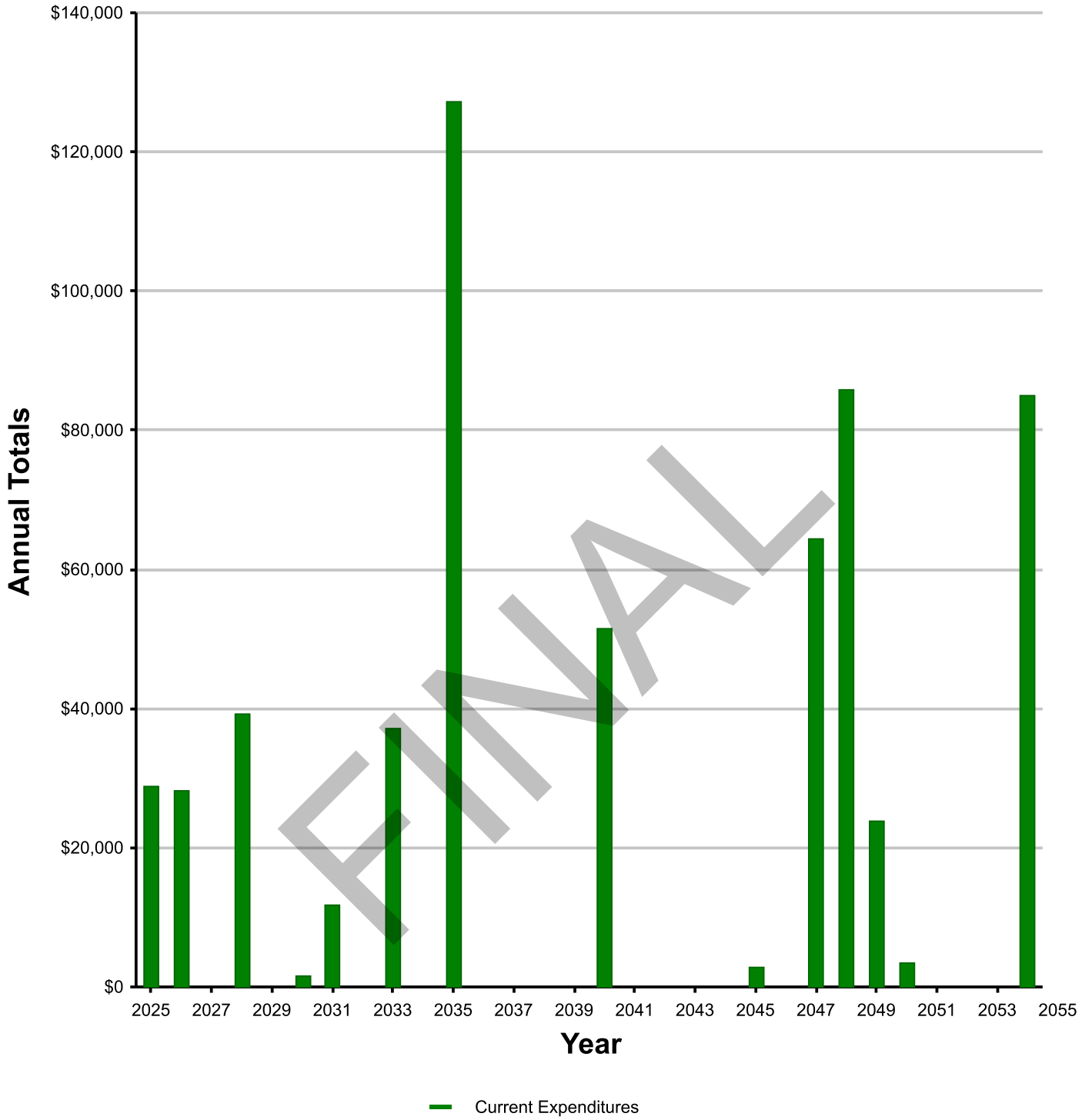
Yearly Cash Flow

Year	2050	2051	2052	2053	2054
Starting Balance	\$215,766	\$250,503	\$290,445	\$332,074	\$375,449
<i>Reserve Income</i>	\$34,842	\$35,887	\$36,963	\$38,072	\$39,214
<i>Interest Earnings</i>	\$3,495	\$4,055	\$4,666	\$5,303	\$5,325
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
Funds Available	\$254,103	\$290,445	\$332,074	\$375,449	\$419,988
Reserve Expenditures	\$3,599	\$0	\$0	\$0	\$84,983
Ending Balance	\$250,503	\$290,445	\$332,074	\$375,449	\$335,005

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Yearly Reserve Expenditures - Graph



Projected Expenditures By Year

Year	Comp. Id	Component Name	Projected Cost	Total Per Annum
2025	207	Wrought Iron Fencing - Repaint	\$1,350	
	1603	Exterior Lights - Rebuild (One-Time Expense)	\$27,500	\$28,850
2026	208	Block/Stucco Wall - Repaint	\$28,340	\$28,340
2027		No Expenditures Projected	\$0	\$0
2028	1005	Block/Stucco Wall - Major Rehab	\$39,244	\$39,244
2029		No Expenditures Projected	\$0	\$0
2030	207	Wrought Iron Fencing - Repaint	\$1,642	\$1,642
2031	803	Mailboxes - Replace	\$11,767	\$11,767
2032		No Expenditures Projected	\$0	\$0
2033	208	Block/Stucco Wall - Repaint	\$37,294	\$37,294
2034		No Expenditures Projected	\$0	\$0
2035	207	Wrought Iron Fencing - Repaint	\$1,998	
	1002	Wrought Iron Fencing - Replace	\$18,651	
	1602	Exterior Lights - Replace	\$106,578	\$127,227
2036		No Expenditures Projected	\$0	\$0
2037		No Expenditures Projected	\$0	\$0
2038		No Expenditures Projected	\$0	\$0
2039		No Expenditures Projected	\$0	\$0
2040	207	Wrought Iron Fencing - Repaint	\$2,431	
	208	Block/Stucco Wall - Repaint	\$49,076	\$51,507
2041		No Expenditures Projected	\$0	\$0
2042		No Expenditures Projected	\$0	\$0
2043		No Expenditures Projected	\$0	\$0
2044		No Expenditures Projected	\$0	\$0
2045	207	Wrought Iron Fencing - Repaint	\$2,958	\$2,958
2046		No Expenditures Projected	\$0	\$0
2047	208	Block/Stucco Wall - Repaint	\$64,580	\$64,580
2048	1005	Block/Stucco Wall - Major Rehab	\$85,988	\$85,988
2049	803	Mailboxes - Replace	\$23,839	\$23,839
2050	207	Wrought Iron Fencing - Repaint	\$3,599	\$3,599
2051		No Expenditures Projected	\$0	\$0
2052		No Expenditures Projected	\$0	\$0
2053		No Expenditures Projected	\$0	\$0
2054	208	Block/Stucco Wall - Repaint	\$84,983	\$84,983



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.

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