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## Update "No-Site-Visit" Reserve Study



### The Glen of Pacific Grove Pacific Grove, CA

**Report #: 7492-5**  
**For Period Beginning: January 1, 2018**  
**Expires: December 31, 2018**

**Date Prepared: July 10, 2017**



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**Hello, and welcome to your Reserve Study!**

**T**his Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

**W**ith respect to Reserves, this Report will tell you "where you are," and "where to go from here."

**In this Report, you will find...**

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

**More Questions?**

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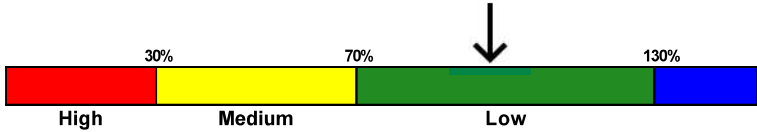
## 3- Minute Executive Summary

**Association:** The Glen of Pacific Grove **Assoc. #: 7492-5**  
**Location:** Pacific Grove, CA **# of Units:60**  
**Report Period:** January 1, 2018 through December 31, 2018

**Findings/Recommendations as-of: January 1, 2018**

Project Starting Reserve Balance .....	\$430,280
Currently Fully Funding Reserve Balance .....	\$436,759
Average Reserve Deficit (Surplus) Per Unit .....	\$108
Percent Funded .....	98.5 %
Recommended 2018 "Monthly Fully Funding Contributions" .....	\$6,640
Recommended 2018 Special Assessments for Reserves .....	\$0
2017 Contribution Rate .....	\$6,020

**Reserves % Funded: 98.5%**



**Special Assessment Risk:**

**Economic Assumptions:**

**Net Annual "After Tax" Interest Earnings Accruing to Reserves .....** 1.00 %  
**Annual Inflation Rate .....** 3.00 %

- This is a Update "No-Site-Visit" Reserve Study.
- This Reserve Study was prepared by, or under the supervision of, a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 98.5 % Funded, this means the association’s special assessment & deferred maintenance risk is currently Low.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is for you to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Common Area Components</b>			
103 Concrete Surfaces - Repair	10	6	\$62,500
201 Asphalt - Resurface	30	25	\$156,000
202 Asphalt - Seal/Repair	5	3	\$15,600
320 Pole Lights - Replace	30	8	\$51,500
324 Wall Lights - Replace	25	24	\$13,100
403 Mailboxes - Replace	25	2	\$17,200
502 Chain Link Fence - Replace	30	5	\$15,050
503 Metal Fence - Replace	30	24	\$23,400
505 Wood Fence - Partial Replace	10	0	\$7,440
702 Vehicle Gates - Replace	30	8	\$17,200
704 Intercom - Replace	15	0	\$5,405
706 Gate Operators - Replace	10	5	\$11,190
1001 Backflow Device - Replace	25	2	\$8,425
1008 Trees - Removal & Replacement	0	6	\$50,000
1009 Lake - Dredge/Repair	7	4	\$54,600
1107 Metal Fence - Repaint	5	4	\$4,265
1116 Exterior Surfaces - Repaint	10	7	\$161,500
1121 Exterior Surfaces - Repair	10	7	\$26,000
1303 Comp Shingle Roof - Replace	30	21	\$505,000
1310 Gutters/Downspouts - Replace (ph.1)	30	29	\$70,200
1311 Gutters/Downspouts - Replace (ph.2)	30	17	\$35,350
1603 Tennis Court - Refurbish	10	3	\$8,320
1701 Creek Bridge - Replace	25	16	\$18,750
<b>23 Total Funded Components</b>			

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

## Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

## Methodology



For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

## *Which Physical Assets are Funded by Reserves?*

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

## *How do we establish Useful Life and Remaining Useful Life estimates?*

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

## *How do we establish Current Repair/Replacement Cost Estimates?*

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

## How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!



## How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

## What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

## Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table.

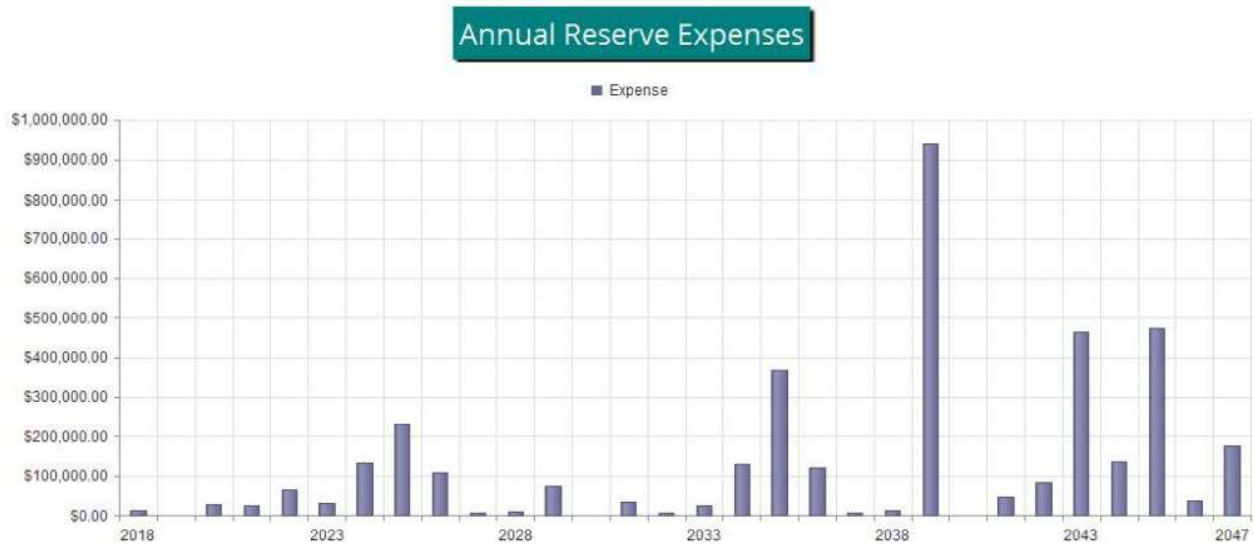


Figure 1

## Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$430,280 as-of the start of your fiscal year. This is based on your actual balance on 05/31/17 of \$400,240 and anticipated Reserve contributions and expenses projected through the end of your Fiscal Year. As of 1/1/2018, your Fully Funded Balance is computed to be \$436,759. (see Acct/Tax Summary table). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your 98.5 % Funded.

## Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$6,640/month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

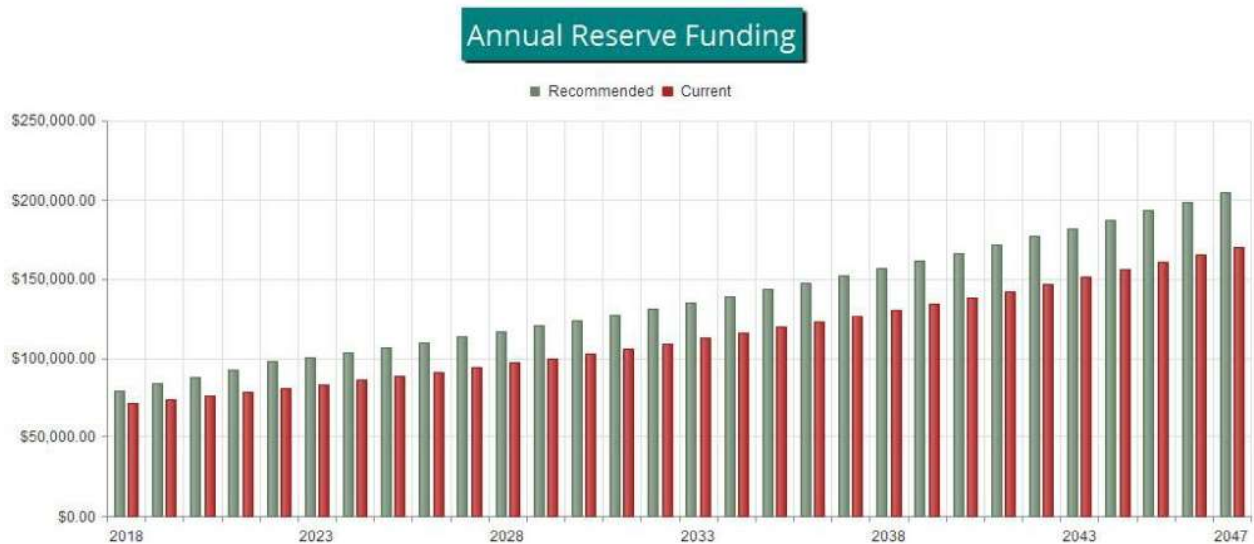


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

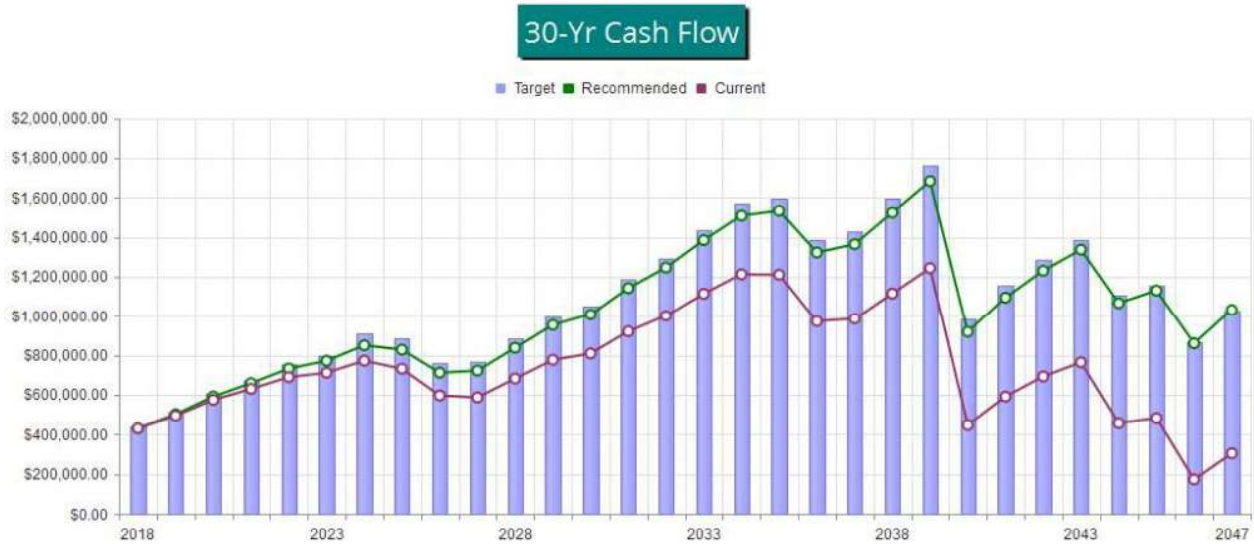


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

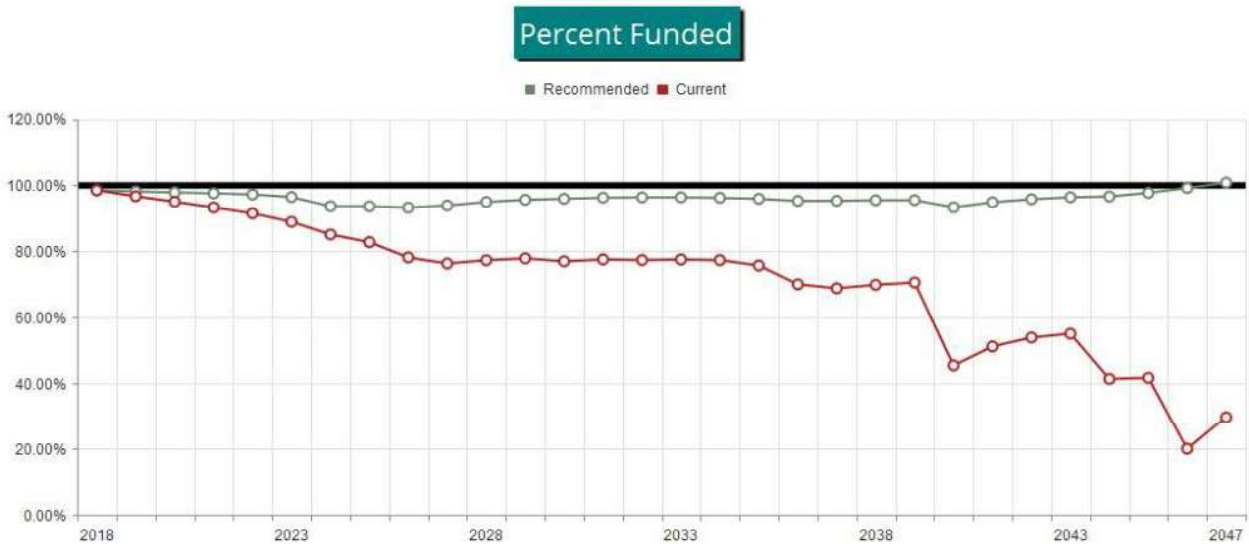


Figure 4

## Table Descriptions

The tabular information in this Report is broken down into nine tables, not all which may have been chosen by your Project Manager to appear in your report. Tables are listed in the order in which they appear in your Report.

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Analysis Summary provides a summary of the starting financial information and your Project Manager's Financial Analysis decision points.

Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the association total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the association, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Acct/Tax Summary provides information on each Component's proportionate portion of key totals, valuable to accounting professionals primarily during tax preparation time of year.

30-Yr Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

Cash Flow Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

# Reserve Component List Detail

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#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	
					Best Case	Worst Case
<b>Common Area Components</b>						
103	Concrete Surfaces - Repair	Extensive LF	10	6	\$55,000	\$70,000
201	Asphalt - Resurface	Approx 40,960 GSF	30	25	\$130,000	\$182,000
202	Asphalt - Seal/Repair	Approx 40,960 GSF	5	3	\$13,500	\$17,700
320	Pole Lights - Replace	(19) Fixtures	30	8	\$45,800	\$57,200
324	Wall Lights - Replace	(64) Fixtures	25	24	\$11,000	\$15,200
403	Mailboxes - Replace	(4) Kiosks	25	2	\$14,600	\$19,800
502	Chain Link Fence - Replace	Approx 560 LF	30	5	\$13,500	\$16,600
503	Metal Fence - Replace	Approx 355 LF	30	24	\$20,800	\$26,000
505	Wood Fence - Partial Replace	Approx 370 LF x 33%	10	0	\$6,660	\$8,220
702	Vehicle Gates - Replace	(2) Gates	30	8	\$14,600	\$19,800
704	Intercom - Replace	(1) Intercom	15	0	\$4,780	\$6,030
706	Gate Operators - Replace	(2) Operators	10	5	\$9,880	\$12,500
1001	Backflow Device - Replace	(4) Backflows	25	2	\$7,180	\$9,670
1008	Trees - Removal & Replacement	Numerous Trees	0	6	\$45,000	\$55,000
1009	Lake - Dredge/Repair	Approx. 12,500 GSF	7	4	\$48,900	\$60,300
1107	Metal Fence - Repaint	Approx 355 LF	5	4	\$3,850	\$4,680
1116	Exterior Surfaces - Repaint	Approx 110,880 GSF	10	7	\$146,000	\$177,000
1121	Exterior Surfaces - Repair	(60) Units	10	7	\$22,900	\$29,100
1303	Comp Shingle Roof - Replace	Approx 99,000 GSF	30	21	\$460,000	\$550,000
1310	Gutters/Downspouts - Replace (ph.1)	Approx 6,500 LF	30	29	\$62,400	\$78,000
1311	Gutters/Downspouts - Replace (ph.2)	Approx 3,250 LF	30	17	\$31,200	\$39,500
1603	Tennis Court - Refurbish	Approx 7,800 GSF	10	3	\$7,800	\$8,840
1701	Creek Bridge - Replace	Approx 120 GSF	25	16	\$17,700	\$19,800

23 Total Funded Components

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Common Area Components								
103	Concrete Surfaces - Repair	\$62,500	X	4	/	10	=	\$25,000
201	Asphalt - Resurface	\$156,000	X	5	/	30	=	\$26,000
202	Asphalt - Seal/Repair	\$15,600	X	2	/	5	=	\$6,240
320	Pole Lights - Replace	\$51,500	X	22	/	30	=	\$37,767
324	Wall Lights - Replace	\$13,100	X	1	/	25	=	\$524
403	Mailboxes - Replace	\$17,200	X	23	/	25	=	\$15,824
502	Chain Link Fence - Replace	\$15,050	X	25	/	30	=	\$12,542
503	Metal Fence - Replace	\$23,400	X	6	/	30	=	\$4,680
505	Wood Fence - Partial Replace	\$7,440	X	10	/	10	=	\$7,440
702	Vehicle Gates - Replace	\$17,200	X	22	/	30	=	\$12,613
704	Intercom - Replace	\$5,405	X	15	/	15	=	\$5,405
706	Gate Operators - Replace	\$11,190	X	5	/	10	=	\$5,595
1001	Backflow Device - Replace	\$8,425	X	23	/	25	=	\$7,751
1008	Trees - Removal & Replacement	\$50,000	X	0	/	0	=	\$7,143
1009	Lake - Dredge/Repair	\$54,600	X	3	/	7	=	\$23,400
1107	Metal Fence - Repaint	\$4,265	X	1	/	5	=	\$853
1116	Exterior Surfaces - Repaint	\$161,500	X	3	/	10	=	\$48,450
1121	Exterior Surfaces - Repair	\$26,000	X	3	/	10	=	\$7,800
1303	Comp Shingle Roof - Replace	\$505,000	X	9	/	30	=	\$151,500
1310	Gutters/Downspouts - Replace (ph.1)	\$70,200	X	1	/	30	=	\$2,340
1311	Gutters/Downspouts - Replace (ph.2)	\$35,350	X	13	/	30	=	\$15,318
1603	Tennis Court - Refurbish	\$8,320	X	7	/	10	=	\$5,824
1701	Creek Bridge - Replace	\$18,750	X	9	/	25	=	\$6,750
								\$436,759

# Component Significance

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#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Common Area Components					
103	Concrete Surfaces - Repair	10	\$62,500	\$6,250	8.77 %
201	Asphalt - Resurface	30	\$156,000	\$5,200	7.30 %
202	Asphalt - Seal/Repair	5	\$15,600	\$3,120	4.38 %
320	Pole Lights - Replace	30	\$51,500	\$1,717	2.41 %
324	Wall Lights - Replace	25	\$13,100	\$524	0.74 %
403	Mailboxes - Replace	25	\$17,200	\$688	0.97 %
502	Chain Link Fence - Replace	30	\$15,050	\$502	0.70 %
503	Metal Fence - Replace	30	\$23,400	\$780	1.09 %
505	Wood Fence - Partial Replace	10	\$7,440	\$744	1.04 %
702	Vehicle Gates - Replace	30	\$17,200	\$573	0.80 %
704	Intercom - Replace	15	\$5,405	\$360	0.51 %
706	Gate Operators - Replace	10	\$11,190	\$1,119	1.57 %
1001	Backflow Device - Replace	25	\$8,425	\$337	0.47 %
1008	Trees - Removal & Replacement	0	\$50,000	\$0	0.00 %
1009	Lake - Dredge/Repair	7	\$54,600	\$7,800	10.95 %
1107	Metal Fence - Repaint	5	\$4,265	\$853	1.20 %
1116	Exterior Surfaces - Repaint	10	\$161,500	\$16,150	22.67 %
1121	Exterior Surfaces - Repair	10	\$26,000	\$2,600	3.65 %
1303	Comp Shingle Roof - Replace	30	\$505,000	\$16,833	23.63 %
1310	Gutters/Downspouts - Replace (ph.1)	30	\$70,200	\$2,340	3.28 %
1311	Gutters/Downspouts - Replace (ph.2)	30	\$35,350	\$1,178	1.65 %
1603	Tennis Court - Refurbish	10	\$8,320	\$832	1.17 %
1701	Creek Bridge - Replace	25	\$18,750	\$750	1.05 %
23	Total Funded Components			\$71,251	100.00 %



#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Current Fund Balance	Proportional Reserve Contribs
<b>Common Area Components</b>							
103	Concrete Surfaces - Repair	10	6	\$62,500	\$25,000	\$25,000	\$582
201	Asphalt - Resurface	30	25	\$156,000	\$26,000	\$21,861	\$485
202	Asphalt - Seal/Repair	5	3	\$15,600	\$6,240	\$6,240	\$291
320	Pole Lights - Replace	30	8	\$51,500	\$37,767	\$37,767	\$160
324	Wall Lights - Replace	25	24	\$13,100	\$524	\$524	\$49
403	Mailboxes - Replace	25	2	\$17,200	\$15,824	\$15,824	\$64
502	Chain Link Fence - Replace	30	5	\$15,050	\$12,542	\$12,542	\$47
503	Metal Fence - Replace	30	24	\$23,400	\$4,680	\$4,680	\$73
505	Wood Fence - Partial Replace	10	0	\$7,440	\$7,440	\$7,440	\$69
702	Vehicle Gates - Replace	30	8	\$17,200	\$12,613	\$12,613	\$53
704	Intercom - Replace	15	0	\$5,405	\$5,405	\$5,405	\$34
706	Gate Operators - Replace	10	5	\$11,190	\$5,595	\$5,595	\$104
1001	Backflow Device - Replace	25	2	\$8,425	\$7,751	\$7,751	\$31
1008	Trees - Removal & Replacement	0	6	\$50,000	\$7,143	\$7,143	\$0
1009	Lake - Dredge/Repair	7	4	\$54,600	\$23,400	\$23,400	\$727
1107	Metal Fence - Repaint	5	4	\$4,265	\$853	\$853	\$79
1116	Exterior Surfaces - Repaint	10	7	\$161,500	\$48,450	\$48,450	\$1,505
1121	Exterior Surfaces - Repair	10	7	\$26,000	\$7,800	\$7,800	\$242
1303	Comp Shingle Roof - Replace	30	21	\$505,000	\$151,500	\$151,500	\$1,569
1310	Gutters/Downspouts - Replace (ph.1)	30	29	\$70,200	\$2,340	\$0	\$218
1311	Gutters/Downspouts - Replace (ph.2)	30	17	\$35,350	\$15,318	\$15,318	\$110
1603	Tennis Court - Refurbish	10	3	\$8,320	\$5,824	\$5,824	\$78
1701	Creek Bridge - Replace	25	16	\$18,750	\$6,750	\$6,750	\$70
23	Total Funded Components				\$436,759	\$430,280	\$6,640

# 30-Year Reserve Plan Summary

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Fiscal Year Start: 2018	Interest: 1.00 %	Inflation: 3.00 %
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected Reserve Balance Changes	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2018	\$430,280	\$436,759	98.5 %	Low	10.30 %	\$79,680	\$0	\$4,658	\$12,845
2019	\$501,773	\$511,246	98.1 %	Low	5.25 %	\$83,863	\$0	\$5,462	\$0
2020	\$591,099	\$603,941	97.9 %	Low	5.25 %	\$88,266	\$0	\$6,245	\$27,186
2021	\$658,424	\$674,647	97.6 %	Low	5.25 %	\$92,900	\$0	\$6,950	\$26,138
2022	\$732,136	\$752,848	97.2 %	Low	5.25 %	\$97,777	\$0	\$7,513	\$66,253
2023	\$771,173	\$799,452	96.5 %	Low	3.00 %	\$100,711	\$0	\$8,100	\$30,419
2024	\$849,565	\$907,032	93.7 %	Low	3.00 %	\$103,732	\$0	\$8,381	\$134,331
2025	\$827,347	\$883,511	93.6 %	Low	3.00 %	\$106,844	\$0	\$7,690	\$230,601
2026	\$711,279	\$762,756	93.3 %	Low	3.00 %	\$110,049	\$0	\$7,162	\$106,789
2027	\$721,701	\$768,612	93.9 %	Low	3.00 %	\$113,351	\$0	\$7,792	\$5,565
2028	\$837,279	\$881,693	95.0 %	Low	3.00 %	\$116,751	\$0	\$8,947	\$9,999
2029	\$952,979	\$996,473	95.6 %	Low	3.00 %	\$120,254	\$0	\$9,798	\$75,579
2030	\$1,007,451	\$1,050,107	95.9 %	Low	3.00 %	\$123,861	\$0	\$10,743	\$0
2031	\$1,142,055	\$1,186,244	96.3 %	Low	3.00 %	\$127,577	\$0	\$11,937	\$35,127
2032	\$1,246,442	\$1,293,424	96.4 %	Low	3.00 %	\$131,404	\$0	\$13,149	\$6,451
2033	\$1,384,545	\$1,436,588	96.4 %	Low	3.00 %	\$135,347	\$0	\$14,459	\$25,854
2034	\$1,508,496	\$1,567,392	96.2 %	Low	3.00 %	\$139,407	\$0	\$15,200	\$130,382
2035	\$1,532,720	\$1,597,886	95.9 %	Low	3.00 %	\$143,589	\$0	\$14,269	\$368,337
2036	\$1,322,241	\$1,387,735	95.3 %	Low	3.00 %	\$147,897	\$0	\$13,426	\$119,511
2037	\$1,364,053	\$1,431,209	95.3 %	Low	3.00 %	\$152,334	\$0	\$14,431	\$7,479
2038	\$1,523,339	\$1,595,129	95.5 %	Low	3.00 %	\$156,904	\$0	\$16,024	\$13,437
2039	\$1,682,829	\$1,761,690	95.5 %	Low	3.00 %	\$161,611	\$0	\$12,999	\$939,449
2040	\$917,990	\$983,432	93.3 %	Low	3.00 %	\$166,459	\$0	\$10,058	\$0
2041	\$1,094,507	\$1,153,554	94.9 %	Low	3.00 %	\$171,453	\$0	\$11,619	\$47,208
2042	\$1,230,371	\$1,284,374	95.8 %	Low	3.00 %	\$176,597	\$0	\$12,831	\$82,867
2043	\$1,336,932	\$1,386,736	96.4 %	Low	3.00 %	\$181,894	\$0	\$12,012	\$464,379
2044	\$1,066,460	\$1,103,686	96.6 %	Low	3.00 %	\$187,351	\$0	\$10,978	\$134,787
2045	\$1,130,002	\$1,156,234	97.7 %	Low	3.00 %	\$192,972	\$0	\$9,943	\$473,412
2046	\$859,504	\$866,323	99.2 %	Low	3.00 %	\$198,761	\$0	\$9,454	\$35,692
2047	\$1,032,027	\$1,023,457	100.8 %	Low	3.00 %	\$204,724	\$0	\$10,515	\$175,482

# 30-Year Income/Expense Detail (yrs 0 through 4)

7492-5  
NSV

Fiscal Year	2018	2019	2020	2021	2022
Starting Reserve Balance	\$430,280	\$501,773	\$591,099	\$658,424	\$732,136
Annual Reserve Contribution	\$79,680	\$83,863	\$88,266	\$92,900	\$97,777
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,658	\$5,462	\$6,245	\$6,950	\$7,513
<b>Total Income</b>	<b>\$514,618</b>	<b>\$591,099</b>	<b>\$685,610</b>	<b>\$758,274</b>	<b>\$837,426</b>
# Component					
<b>Common Area Components</b>					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$17,047	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$18,247	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$7,440	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$5,405	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$8,938	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$0	\$61,453
1107 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$4,800
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$9,091	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$12,845</b>	<b>\$0</b>	<b>\$27,186</b>	<b>\$26,138</b>	<b>\$66,253</b>
Ending Reserve Balance	\$501,773	\$591,099	\$658,424	\$732,136	\$771,173

<b>Fiscal Year</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Starting Reserve Balance	\$771,173	\$849,565	\$827,347	\$711,279	\$721,701
Annual Reserve Contribution	\$100,711	\$103,732	\$106,844	\$110,049	\$113,351
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,100	\$8,381	\$7,690	\$7,162	\$7,792
<b>Total Income</b>	<b>\$879,984</b>	<b>\$961,678</b>	<b>\$941,880</b>	<b>\$828,490</b>	<b>\$842,843</b>
# Component					
<b>Common Area Components</b>					
103 Concrete Surfaces - Repair	\$0	\$74,628	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$19,762	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$65,239	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$17,447	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
702 Vehide Gates - Replace	\$0	\$0	\$0	\$21,788	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$12,972	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$59,703	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$5,565
1116 Exterior Surfaces - Repaint	\$0	\$0	\$198,625	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$31,977	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$30,419</b>	<b>\$134,331</b>	<b>\$230,601</b>	<b>\$106,789</b>	<b>\$5,565</b>
Ending Reserve Balance	\$849,565	\$827,347	\$711,279	\$721,701	\$837,279

<b>Fiscal Year</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Starting Reserve Balance	\$837,279	\$952,979	\$1,007,451	\$1,142,055	\$1,246,442
Annual Reserve Contribution	\$116,751	\$120,254	\$123,861	\$127,577	\$131,404
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$8,947	\$9,798	\$10,743	\$11,937	\$13,149
<b>Total Income</b>	<b>\$962,977</b>	<b>\$1,083,030</b>	<b>\$1,142,055</b>	<b>\$1,281,570</b>	<b>\$1,390,996</b>
<b># Component</b>					
<b>Common Area Components</b>					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$22,909	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$9,999	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$75,579	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$6,451
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$12,218	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$9,999</b>	<b>\$75,579</b>	<b>\$0</b>	<b>\$35,127</b>	<b>\$6,451</b>
Ending Reserve Balance	\$952,979	\$1,007,451	\$1,142,055	\$1,246,442	\$1,384,545

<b>Fiscal Year</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>
Starting Reserve Balance	\$1,384,545	\$1,508,496	\$1,532,720	\$1,322,241	\$1,364,053
Annual Reserve Contribution	\$135,347	\$139,407	\$143,589	\$147,897	\$152,334
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$14,459	\$15,200	\$14,269	\$13,426	\$14,431
<b>Total Income</b>	<b>\$1,534,351</b>	<b>\$1,663,103</b>	<b>\$1,690,578</b>	<b>\$1,483,564</b>	<b>\$1,530,818</b>
# Component					
<b>Common Area Components</b>					
103 Concrete Surfaces - Repair	\$0	\$100,294	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$26,558	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
702 Vehicle Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$8,421	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$17,434	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$92,953	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$7,479
1116 Exterior Surfaces - Repaint	\$0	\$0	\$266,935	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$42,974	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$58,428	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$30,088	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$25,854</b>	<b>\$130,382</b>	<b>\$368,337</b>	<b>\$119,511</b>	<b>\$7,479</b>
Ending Reserve Balance	\$1,508,496	\$1,532,720	\$1,322,241	\$1,364,053	\$1,523,339

<b>Fiscal Year</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>
Starting Reserve Balance	\$1,523,339	\$1,682,829	\$917,990	\$1,094,507	\$1,230,371
Annual Reserve Contribution	\$156,904	\$161,611	\$166,459	\$171,453	\$176,597
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$16,024	\$12,999	\$10,058	\$11,619	\$12,831
<b>Total Income</b>	<b>\$1,696,267</b>	<b>\$1,857,439</b>	<b>\$1,094,507</b>	<b>\$1,277,580</b>	<b>\$1,419,799</b>
# Component					
<b>Common Area Components</b>					
103 Concrete Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$30,788	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$26,630
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$47,567
505 Wood Fence - Partial Replace	\$13,437	\$0	\$0	\$0	\$0
702 Vehide Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$0	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$8,670
1116 Exterior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$939,449	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$0
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$16,420	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$13,437</b>	<b>\$939,449</b>	<b>\$0</b>	<b>\$47,208</b>	<b>\$82,867</b>
Ending Reserve Balance	\$1,682,829	\$917,990	\$1,094,507	\$1,230,371	\$1,336,932

<b>Fiscal Year</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>
Starting Reserve Balance	\$1,336,932	\$1,066,460	\$1,130,002	\$859,504	\$1,032,027
Annual Reserve Contribution	\$181,894	\$187,351	\$192,972	\$198,761	\$204,724
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$12,012	\$10,978	\$9,943	\$9,454	\$10,515
<b>Total Income</b>	<b>\$1,530,839</b>	<b>\$1,264,788</b>	<b>\$1,332,917</b>	<b>\$1,067,719</b>	<b>\$1,247,266</b>
# Component					
<b>Common Area Components</b>					
103 Concrete Surfaces - Repair	\$0	\$134,787	\$0	\$0	\$0
201 Asphalt - Resurface	\$326,629	\$0	\$0	\$0	\$0
202 Asphalt - Seal/Repair	\$0	\$0	\$0	\$35,692	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$38,206	\$0	\$0
502 Chain Link Fence - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 Wood Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
702 Vehide Gates - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
706 Gate Operators - Replace	\$23,429	\$0	\$0	\$0	\$0
1001 Backflow Device - Replace	\$0	\$0	\$18,714	\$0	\$0
1008 Trees - Removal & Replacement	\$0	\$0	\$0	\$0	\$0
1009 Lake - Dredge/Repair	\$114,320	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$10,051
1116 Exterior Surfaces - Repaint	\$0	\$0	\$358,738	\$0	\$0
1121 Exterior Surfaces - Repair	\$0	\$0	\$57,754	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1310 Gutters/Downspouts - Replace (ph.1)	\$0	\$0	\$0	\$0	\$165,431
1311 Gutters/Downspouts - Replace (ph.2)	\$0	\$0	\$0	\$0	\$0
1603 Tennis Court - Refurbish	\$0	\$0	\$0	\$0	\$0
1701 Creek Bridge - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$464,379</b>	<b>\$134,787</b>	<b>\$473,412</b>	<b>\$35,692</b>	<b>\$175,482</b>
Ending Reserve Balance	\$1,066,460	\$1,130,002	\$859,504	\$1,032,027	\$1,071,784



## Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, and ownership expectations. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association’s situation.

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association’s representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our “Site Inspection Notes”. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves’ liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the association to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced real property attorney specializing in association law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

## Terms and Definitions

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area). Equivalent to Square Feet
<b>GSY</b>	Gross Square Yards (area). Equivalent to Square Yards
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)
<b>Effective Age</b>	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
<b>Fully Funded Balance (FFB)</b>	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
<b>Inflation</b>	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
<b>Interest</b>	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
<b>Percent Funded</b>	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
<b>Remaining Useful Life (RUL)</b>	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
<b>Useful Life (UL)</b>	The estimated time, in years, that a common area component can be expected to serve its intended function.

## Component Details

The primary purpose of the photographic appendix is to provide the reader with the basis of our funding assumptions resulting from our physical analysis and subsequent research. The photographs herein represent a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding.

- 1) Common area maintenance repair & replacement responsibility
- 2) Component must have a limited life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of Annual operating expenses).

Some components are recommended for reserve funding, while others are not. The components that meet these criteria in our judgment are shown with corresponding maintenance, repair or replacement cycles to the left of the photo (UL = Useful Life of how often the project is expected to occur, RUL = Remaining Useful Life pr how many years from our reporting period) and representative market cost range termed “Best Cost” and “Worst Cost” below the photo. There are many factors that can result in a wide variety of potential costs, we are attempting to represent a market to be a one-time expense. Where no pricing, the component deemed inappropriate for Reserve Funding.

## Common Area Components

**Comp #: 103 Concrete Surfaces - Repair**

**Quantity: Extensive LF**

Location: Walkways and driveways throughout the association

Funded?: Yes.

History: 2017 - Charge \$4000 for cement work involving 2 driveways that needed to be re-done because of leaking main drains.

Comments: This component provides funding to repair the concrete driveways.

Useful Life: 10 years

Remaining Life: 6 years

Best Case: \$ 55,000

Worst Case: \$70,000

Lower allowance to repair

Higher allowance to repair

Cost Source: Cost History, plus Inflation

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**Comp #: 201 Asphalt - Resurface**

**Quantity: Approx 40,960 GSF**

Location: Association streets

Funded?: Yes.

History: Last resurfaced in 2012/13.

Comments:

Useful Life: 30 years

Remaining Life: 25 years

Best Case: \$ 130,000

Worst Case: \$182,000

Lower allowance to resurface

Higher allowance to resurface

Cost Source: ARSF Cost Database

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**Comp #: 202 Asphalt - Seal/Repair**

**Quantity: Approx 40,960 GSF**

Location: Association streets

Funded?: Yes.

History:

Comments: We recommend sealing every 4-5 years to maximize the useful life of the surface.

Useful Life: 5 years

Remaining Life: 3 years

Best Case: \$ 13,500

Worst Case: \$17,700

Lower allowance to seal/repair

Higher allowance to seal/repair

Cost Source: ARSF Cost Database

---

**Comp #: 203 Asphalt Path - Resurface/Repair**

**Quantity: Approx 2,300 GSF**

Location: Eastern perimeter of the property

Funded?: No. Handle repairs as an Operating expense as needed. No Reserve funding allocated.

History:

Comments: The HOA is responsible for approximately 50% of the pathway. Funding will need to be adjusted when major replacement becomes necessary. No Reserve funding necessary at this time.

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

---

**Comp #: 320 Pole Lights - Replace**

**Quantity: (19) Fixtures**

Location: Perimeter of streets

Funded?: Yes.

History:

Comments: Continue to paint to maintain a positive appearance, we anticipate replacement in the interval outlined below.

Useful Life: 30 years

Remaining Life: 8 years

Best Case: \$ 45,800

Worst Case: \$57,200

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

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**Comp #: 324 Wall Lights - Replace**

**Quantity: (64) Fixtures**

Location: Front entry to units

Funded?: Yes.

History: Replacement projects \$12,000.

Comments:

Useful Life: 25 years

Remaining Life: 24 years

Best Case: \$ 11,000

Worst Case: \$15,200

Lower allowance to replace

Higher allowance to replace

Cost Source: Cost History, plus Inflation

---

**Comp #: 403 Mailboxes - Replace****Quantity: (4) Kiosks**

Location: Throughout common area

Funded?: Yes.

History:

Comments: We recommend periodic cleaning and painting to protect against rust. This component provides funding for replacement in the interval outlined below.

Useful Life: 25 years

Remaining Life: 2 years

Best Case: \$ 14,600

Worst Case: \$19,800

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 502 Chain Link Fence - Replace****Quantity: Approx 560 LF**

Location: Perimeter of property, tennis court

Funded?: Yes.

History:

Comments: This component provides funding to replace all chain link fencing as outlined below.

Useful Life: 30 years

Remaining Life: 5 years

Best Case: \$ 13,500

Worst Case: \$16,600

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 503 Metal Fence - Replace****Quantity: Approx 355 LF**

Location: Perimeter of the Association near the main entrance

Funded?: Yes.

History: Last replaced in the 2011/12 fiscal year.

Comments: We recommend periodic painting to maximize the useful life of the metal.

Useful Life: 30 years

Remaining Life: 24 years

Best Case: \$ 20,800

Worst Case: \$26,000

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 505 Wood Fence - Partial Replace****Quantity: Approx 370 LF x 33%**

Location: Perimeter of property in select locations

Funded?: Yes.

History:

Comments: No expectation to replace all areas at one time. This component provides funding for partial replacement in the interval outlined below.

Useful Life: 10 years

Remaining Life: 0 years

Best Case: \$ 6,660

Worst Case: \$8,220

Lower allowance to replace (partial)

Higher allowance to replace

(partial)

Cost Source: ARSF Cost Database

**Comp #: 506 Lattice Fence - Repair****Quantity: Approx 150 GSF**

Location: Around mailboxes

Funded?: No. According to the Board, the Association is handling repairs as an Operating expense. No Reserve funding necessary at this time.

History:

Comments: No Reserve funding necessary at this time.

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 702 Vehicle Gates - Replace****Quantity: (2) Gates**

Location: Entry to the Association

Funded?: Yes.

History:

Comments:

Useful Life: 30 years

Remaining Life: 8 years

Best Case: \$ 14,600

Worst Case: \$19,800

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 704 Intercom - Replace**  
Location: At entrance to the association  
Funded?: Yes.  
History:  
Comments:  
Useful Life: 15 years  
Best Case: \$ 4,780  
Lower allowance to replace  
Cost Source: ARSF Cost Database

**Quantity: (1) Intercom**

Remaining Life: 0 years  
Worst Case: \$6,030  
Higher allowance to replace

---

**Comp #: 706 Gate Operators - Replace**  
Location: Entry to the association  
Funded?: Yes.  
History: Last replaced in 2012/13.  
Comments:  
Useful Life: 10 years  
Best Case: \$ 9,880  
Lower allowance to replace  
Cost Source: ARSF Cost Database

**Quantity: (2) Operators**

Remaining Life: 5 years  
Worst Case: \$12,500  
Higher allowance to replace

---

**Comp #: 708 Pedestrian Gate - Replace**  
Location: Entry to the association  
Funded?: No. Funding to replace the pedestrian gate is included in component #503. No separate Reserve funding necessary at this time.  
History:  
Comments: No separate Reserve funding necessary at this time.  
Useful Life: 0 years  
Best Case:  
Cost Source:

**Quantity: (1) Gate**

Remaining Life:  
Worst Case:

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**Comp #: 1001 Backflow Device - Replace**  
Location: Throughout the association  
Funded?: Yes.  
History:  
Comments: We recommend periodic inspections by a licensed professional to ensure the devices continue to function properly. This component provides funding for replacement in the interval outlined below.  
Useful Life: 25 years  
Best Case: \$ 7,180  
Lower allowance to replace  
Cost Source: ARSF Cost Database

**Quantity: (4) Backflows**

Remaining Life: 2 years  
Worst Case: \$9,670  
Higher allowance to replace

---

**Comp #: 1003 Irrigation Controllers - Replace**  
Location: Common area  
Funded?: No. Replacement is handled as an Operating expense. Reserve funding not allocated at this time.  
History:  
Comments: No Reserve funding necessary at this time. Adjust Reserve funding in future years if the operating budget is not able to support periodic replacement.  
Useful Life: 0 years  
Best Case:  
Cost Source:

**Quantity: Controllers**

Remaining Life:  
Worst Case:

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**Comp #: 1005 Irrigation Valves - Replace**  
Location: Common area  
Funded?: No. Replacement is handled as an Operating expense. No Reserve funding required at this time.  
History:  
Comments: No Reserve funding necessary at this time.  
Useful Life: 0 years  
Best Case:  
Cost Source:

**Quantity: Irrigation Valves**

Remaining Life:  
Worst Case:

**Comp #: 1008 Trees - Removal & Replacement****Quantity: Numerous Trees**

Location: Common area

Funded?: Yes.

History: Significant tree removal &amp; replacement in 2015, additional work planned for 2016, \$17K and another \$50K over 2017-2023

Comments: Due to drought and warm weather significant damage to trees has occurred. Expecting to remove and replace trees over 5 years. This is an annual funding for 5 year project.

Useful Life: 0 years

Remaining Life: 6 years

Best Case: \$ 45,000

Worst Case: \$55,000

Allowance for tree remove and replacement

Higher allowance

Cost Source: Estimate Provided by Client

**Comp #: 1009 Lake - Dredge/Repair****Quantity: Approx. 12,500 GSF**

Location: Center of the association

Funded?: Yes.

History: 2017 - Incur an expense of \$6100 for chemical analysis and chemicals for Lake.

Comments:

Useful Life: 7 years

Remaining Life: 4 years

Best Case: \$ 48,900

Worst Case: \$60,300

Lower allowance to dredge/repair

Higher allowance to dredge/repair

Cost Source: Estimate Provided by Client

**Comp #: 1010 Landscaping - Replenishment****Quantity: Extensive GSF**

Location: Adjacent to Association entrance

Funded?: No. The Association handles landscaping as an Operating expense. No Reserve funding allocated at this time.

History: Replenishment project completed in 2015 as a one-time expense.

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 1107 Metal Fence - Repaint****Quantity: Approx 355 LF**

Location: Front perimeter of the association

Funded?: Yes.

History: Repainted along with the units in 2017.

Comments: We recommend painting metal fencing every 4-5 years to protect against corrosion and other factors that accelerate deterioration.

Useful Life: 5 years

Remaining Life: 4 years

Best Case: \$ 3,850

Worst Case: \$4,680

Lower allowance to repaint

Higher allowance to repaint

Cost Source: ARSF Cost Database

**Comp #: 1116 Exterior Surfaces - Repaint****Quantity: Approx 110,880 GSF**

Location: Exterior building and garage surfaces

Funded?: Yes.

History: Repainted in 2015.

Comments: The useful life estimate was provided by the BOD. We recommend periodic inspections to ensure proper paint coverage. Adjust the timing of the next painting project as needed, the surfaces may require painting more frequently.

Useful Life: 10 years

Remaining Life: 7 years

Best Case: \$ 146,000

Worst Case: \$177,000

Lower allowance to repaint

Higher allowance to repaint

Cost Source: Estimate Provided by Client

**Comp #: 1117 Garages - Repaint****Quantity: (9) Garages**

Location: Unit garages

Funded?: No. Cost to repaint the garages is included in component #1116 Exterior Surfaces - Repaint. No Reserve funding allocated.

History:

Comments: No separate Reserve funding needed at this time.

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 1121 Exterior Surfaces - Repair****Quantity: (60) Units**

Location: Exterior building and garage surfaces

Funded?: Yes.

History: Repairs completed in 2015, \$20,000.

Comments: Funding recommended for partial replacement of wood and hard board siding in the future due to potential for termite damage, wood rot and natural deterioration. Coordinate with future painting.

Useful Life: 10 years

Remaining Life: 7 years

Best Case: \$ 22,900

Worst Case: \$29,100

Lower allowance to repair

Higher allowance to repair

Cost Source: ARSF Cost Database

**Comp #: 1130 Wood Bridge - Repaint****Quantity: (1) Bridge**

Location: Central common area

Funded?: No. Painting is handled as an Operating expense when needed. Reserve funding not allocated.

History:

Comments: No Reserve funding needed at this time.

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 1303 Comp Shingle Roof - Replace****Quantity: Approx 99,000 GSF**

Location: Rooftop of buildings

Funded?: Yes.

History: Last replaced in 2008.

Comments: We recommend periodic inspections by a licensed professional to ensure the roof continues to age properly. Avoid debris buildup to maximize the useful life of the surface.

Useful Life: 30 years

Remaining Life: 21 years

Best Case: \$ 460,000

Worst Case: \$550,000

Lower allowance to replace

Higher allowance to replace

Cost Source: Estimate Provided by Client

**Comp #: 1310 Gutters/Downspouts - Replace (ph.1)****Quantity: Approx 6,500 LF**

Location: Perimeter of roofs

Funded?: Yes.

History: Last replaced in 2017.

Comments: Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and repair as needed from general operating funds. Best to plan for replacement at the same intervals as roof replacement cost efficiency.

Useful Life: 30 years

Remaining Life: 29 years

Best Case: \$ 62,400

Worst Case: \$78,000

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 1311 Gutters/Downspouts - Replace (ph.2)****Quantity: Approx 3,250 LF**

Location: Perimeter of roofs

Funded?: Yes.

History:

Comments: Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and repair as needed from general operating funds. Best to plan for replacement at the same intervals as roof replacement cost efficiency.

Useful Life: 30 years

Remaining Life: 17 years

Best Case: \$ 31,200

Worst Case: \$39,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 1402 Signage - Replace****Quantity: Signage**

Location: Common area

Funded?: No. The cost of individual sign replacement does not meet the minimum threshold to qualify as a Reserve component. No Reserve funding allocated at this time.

History:

Comments: No expectation to replace all signs at one time. Adjust funding in the future is large scale replacement becomes necessary. No Reserve funding necessary at this time.

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:



**Comp #: 1603 Tennis Court - Refurbish****Quantity: Approx 7,800 GSF**

Location: South western perimeter of the property

Funded?: Yes.

History:

Comments:

Useful Life: 10 years

Remaining Life: 3 years

Best Case: \$ 7,800

Worst Case: \$8,840

Lower allowance to refurbish

Higher allowance to refurbish

Cost Source: Estimate Provided by Client

**Comp #: 1701 Creek Bridge - Replace****Quantity: Approx 120 GSF**

Location: Central common area

Funded?: Yes.

History:

Comments:

Useful Life: 25 years

Remaining Life: 16 years

Best Case: \$ 17,700

Worst Case: \$19,800

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

**Comp #: 1703 Drainage - Repair****Quantity: Extensive LF**

Location: Common area

Funded?: No. According to the BOD, drainage has not been an issue and repairs are handled as Operating expenses when needed. Reserve funding not allocated at this time.

History:

Comments: Continue to monitor the common area drainage and adjust funding as repairs are too much for the operating budget to absorb. No Reserve funding necessary at this time.

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 1710 Gate Valves/Pumps - Replace****Quantity: (2) Valves**

Location: Pond area

Funded?: No. According to the BOD, repair/replacement of the gate valves and pumps is handled as an Operating expense when needed. No Reserve funding allocated.

History:

Comments: Continue to monitor the conditions of the pumps and valve and adjust funding if the operating budget is unable to absorb future maintenance costs.

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 1812 Electrical System- Repair****Quantity: Electrical Systems**

Location: Common area

Funded?: No. According to the BOD, electrical repairs are handled as an Operating expense when needed.

History:

Comments: No Reserve funding necessary at this time.

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 1925 Reserve Study - Update****Quantity: Flat Fee Annual Update**

Location: Association Reserves (415) 694-8931

Funded?: No. The Association is on a three year annual Reserve Study update plan. Handle annual cost as an operating expense, no separate Reserve Funding necessary at this time.

History:

Comments:

Useful Life: 0 years

Remaining Life:

Best Case:

Worst Case:

Cost Source: