

# Desert Greens HOA

## Level 1 Reserve Study



**Report Period - 1/1/2016 to 12/31/2016**

<b>Client Reference Number</b>	<b>13389</b>
<b>Property Type</b>	<b>Single Family Homes</b>
<b>Number of Units</b>	<b>222</b>
<b>Fiscal Year End</b>	<b>12/31</b>

<b>Type of Study</b>	<b>Full Study</b>
<b>Date of Site Visit</b>	<b>1/18/2015</b>
<b>Prepared By</b>	<b>Byron Goetting</b>
<b>NV Permit #</b>	<b>RSS.0000072</b>
<b>Analysis Method</b>	<b>Cash Flow</b>
<b>Funding Goal</b>	<b>Full Funding</b>

**Report prepared on – December 29, 2015**



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## Executive Summary - Desert Greens HOA - ID # 13389

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

<b>Projected Starting Balance as of 1/1/2016</b>	<b>\$288,652</b>
<b>Ideal Reserve Balance as of 1/1/2016</b>	<b>\$264,539</b>
<b>Percent Funded as of 1/1/2016</b>	<b>109%</b>
<b>Recommended Reserve Contribution (per month)</b>	<b>\$3,500</b>
<b>Minimum Reserve Contribution (per month)</b>	<b>\$3,200</b>
<b>Recommended Special Assessment</b>	<b>\$0</b>

### Property Details

Desert Greens HOA is a 214-unit community consisting of single-family homes. This community offers the security of an entrance system as well as a golf course, clubhouse, pool area, rv parking, and other landscaped areas as amenities. Construction for the common area was completed in 2003.

### Currently Programmed Projects

Projects programmed to occur this fiscal year (FY 2016) include: Asphalt - Preventive Maintenance (Comp #402), Phone Entry System - Replace (Comp #506), Vehicle Gate Operators - Replace (Comp #507) and Pool/Spa Pumps - Partial Replace (Comp #1110). We have programmed an estimated \$68,663 in reserve expenditures toward the completion of these projects. (See Page(s) 18 - 21)

### Significant Reserve Projects

The association's significant reserve projects include: Asphalt - Major Rehab. (Comp #401), Asphalt - Preventive Maintenance (Comp #402), Golf Course Equipment - Partial Replace (Comp #1901) and Vehicle Gate Operators - Replace (Comp #507). The fiscal significance of these components is approximately 31%, 20%, 6% 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) 12 - 13)

### Reserve Funding

In comparing the projected starting reserve balance of \$288,652 versus the ideal reserve balance of \$264,539 we find the association's reserve fund to be approximately 109% funded. This indicates a fully funded reserve fund position. In order to maintain the account fund, we suggest adopting a monthly reserve contribution of \$3,500 (\$15.77/unit) per month. For comparison purposes, we have also set a minimum reserve contribution of \$3,200 (\$14.41/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.

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# 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

Prior to joining complex solutions in 2008, Byron Goetting worked as a Financial Analyst for a major Las Vegas hotel and casino. Mr. Goetting holds a Bachelor's degree in Finance as well as a Master's degree in Economics.

- Nevada permit number RSS.0000072
- Personally has prepared over 600 reserve studies
- Has prepared reserve studies for associations ranging in size from single-family home communities, condominium complexes, and large master associations.
- Co-prepared the reserve studies for City Center, Turnberry Towers, Sky Vegas and other Las Vegas high-rise condo towers.
- Active member of the Nevada CAI chapter and it's Community Outreach Committee

## 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.

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# 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, 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

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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, 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.

### **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 "snap-shot" indicator of the general strength of the account at the time of report preparation. Because many variables affect the Fully Funded balance it is more important to maintain the recommended reserve contribution or "cash flow" moving forward rather than striving to attain a certain Fully Funded figure.

#### **Measures of strength are as follows:**

**0% - 30% Funded** is generally considered to be a "weak" financial position. Associations that fall into this category are subject to higher frequencies of special assessments and deferred maintenance, which could lead to lower property values. Furthermore, should components fail sooner than expected our recommendations may not be enough to get the community into a better financial position. In this case additional actions beyond our initial recommendations may be necessary to improve the financial strength of the reserve fund.

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

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

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

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



**Disclosures:**

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

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

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

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

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

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

We have assumed any and all components have been properly built and will reach normal, typical life expectancies. In general a reserve study is not intended to identify or fund for construction defects. We did not and will not look for or identify construction defects during our site visit.

**Site Visits:** Should a site visit have been performed during the preparation of this reserve study no invasive testing was performed. The physical analysis performed during the site visit was not intended to be exhaustive in nature and may have included representative sampling.

**Update Reserve Studies: Level II Studies:** Quantities of major components as reported in previous reserve studies are deemed to be accurate and reliable. The reserve study relies upon the validity of previous reserve studies. **Level III Studies:** In addition to the above we have not visited the property when completing a Level III "No Site Visit" study. Therefore we have not verified the current condition of the common area components.

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

**Actual or Perceived Conflicts of Interest:** Unless otherwise stated there are no potential actual or perceived conflicts of interest that we are aware of.

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

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# Funding Summary

## Beginning Assumptions

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# of units	222
Fiscal Year End	12/31
Budgeted Monthly Reserve Allocation	\$2,140
Projected Starting Reserve Balance	\$288,652
Ideal Starting Reserve Balance	\$264,539

## Economic Assumptions

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Current Inflation Rate	3.00%
Reported After-Tax Interest Rate	0.50%

## Current Reserve Status

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Current Balance as a % of Ideal Balance	109%
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## Recommendations

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Recommended Special Assessment	\$0
Recommended Monthly Reserve Allocation	\$3,500
Per Unit	\$15.77
Future Annual Increases	3.00%
For number of years:	19
Increases thereafter:	2.00%
Minimum Recommended Monthly Reserve Allocation	\$3,200
Per Unit	\$14.41
Future Annual Increases	3.00%
For number of years:	19
Increases thereafter:	2.00%

## Changes From Prior Year

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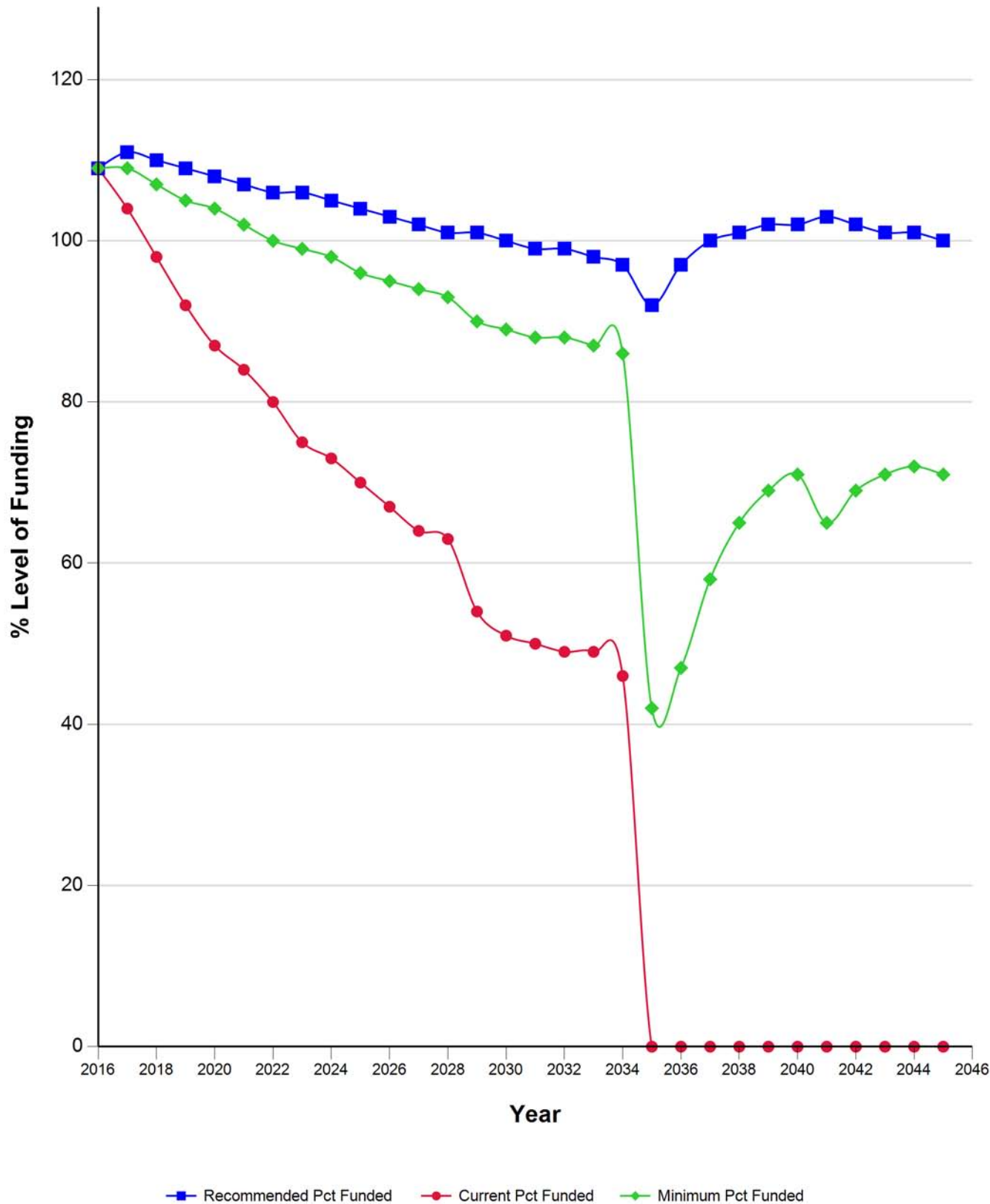
Recommended Increase to Reserve Allocation	\$1,360
as Percentage	64%
Minimum Recommended Increase to Reserve Allocation	\$1,060
as Percentage	50%

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# Percent Funded - Graph



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# Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
<b>Clubhouse</b>								
103	Flat Roof - Replace	25	12	Approx 1,450 Sq.ft.	\$5,063	\$2,633	\$2,872	\$20.44
106	Pitched Roof - Tile - Restack	30	19	Approx 6,750 Sq.ft.	\$10,125	\$3,713	\$4,051	\$34.07
201	Clubhouse Interior/Exterior - Repaint	N/A	0	(1) Clubhouse	\$0	\$0	\$0	\$0.00
216	Interior Surfaces - Repaint	N/A	0	(1) Clubhouse Interior	\$0	\$0	\$0	\$0.00
705	Heating and Air Conditioning Units - Partial Replace	6	2	(5) HVAC Units	\$4,500	\$3,000	\$3,273	\$75.72
903	Camera System - Replace	10	5	(1) Camera System	\$1,500	\$750	\$818	\$15.14
1406	Fitness & Cardio Equipment - Partial Replace	4	2	Multiple Items	\$3,500	\$1,750	\$1,910	\$88.34
1413	Restroom - Remodel	18	11	(2) Restrooms	\$10,000	\$3,889	\$4,243	\$56.09
1415	Furniture - Partial Replace	5	2	Multiple Items	\$3,250	\$1,950	\$2,128	\$65.62
1417	Kitchenette - Remodel	20	17	(1) Kitchenette	\$5,000	\$750	\$818	\$25.24
1501	Carpeting - Replace	10	9	Approx 295 Sq. Yards	\$8,855	\$886	\$966	\$89.40
1502	Rubberized Flooring - Replace	15	14	Approx 550 Sq.ft.	\$2,250	\$150	\$164	\$15.14
1503	Ceramic Tile - Replace	30	19	Approx 800 Sq.ft.	\$4,800	\$1,760	\$1,920	\$16.15
1505	Laminate Floor - Replace	20	9	Approx 400 Sq.ft.	\$3,000	\$1,650	\$1,800	\$15.14
<b>Subtotals:</b>					<b>\$61,843</b>	<b>\$22,879</b>	<b>\$24,965</b>	<b>\$516</b>
<b>Common Area</b>								
207	Wrought Iron Fencing - Repaint	N/A	0	Approx 250 Linear ft.	\$0	\$0	\$0	\$0.00
208	Stucco Wall - Repair/Repaint	N/A	0	Approx 5,000 Linear ft.	\$0	\$0	\$0	\$0.00
401	Asphalt - Major Rehab.	30	18	Approx 235,275 Sq.ft.	\$323,488	\$129,395	\$141,189	\$1,088.63
402	Asphalt - Preventive Maintenance	6	0	Approx 235,275 Sq.ft.	\$41,163	\$41,163	\$44,914	\$692.62
601	Concrete Sidewalks - Repair	10	6	Approx 900 Linear ft.	\$1,363	\$545	\$595	\$13.76
803	Mailboxes - Replace	N/A	0	(20) Mailbox Clusters	\$0	\$0	\$0	\$0.00
1002	Wrought Iron Fencing - Partial Replace	10	5	Approx 250 Linear ft.	\$1,875	\$938	\$1,023	\$18.93
1609	Street Light Fixtures - Replace	25	13	(44) Light Fixtures	\$13,200	\$6,336	\$6,914	\$53.31
1812	Landscaping - Renovate	N/A	0	Extensive Sq.ft.	\$0	\$0	\$0	\$0.00
<b>Subtotals:</b>					<b>\$381,088</b>	<b>\$178,376</b>	<b>\$194,635</b>	<b>\$1,867</b>
<b>Entry Area</b>								
206	Vehicle Gates - Repaint	N/A	0	(6) Gate Leafs	\$0	\$0	\$0	\$0.00
504	Vehicle Gates - Replace	30	17	(6) Gate Leafs	\$24,000	\$10,400	\$11,348	\$80.77
505	Vehicle Gate Hinges - Partial Replace	8	4	(12) Gate Hinges	\$3,300	\$1,650	\$1,800	\$41.65
506	Phone Entry System - Replace	12	0	(1) Entry System	\$4,500	\$4,500	\$4,910	\$37.86

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ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
<b>Entry Area</b>								
507	Vehicle Gate Operators - Replace	12	0	(6) Gate Operators	\$21,000	\$21,000	\$22,914	\$176.68
801	Monument - Refurbish	25	12	(1) Monument	\$3,250	\$1,690	\$1,844	\$13.12
<b>Subtotals:</b>					<b>\$56,050</b>	<b>\$39,240</b>	<b>\$42,817</b>	<b>\$350</b>
<b>Equipment &amp; Utilities</b>								
1705	Pond & Sprinkler Pumps - Partial Replace	3	1	(12) Pumps	\$2,200	\$1,467	\$1,600	\$74.04
1901	Golf Course Equipment - Partial Replace	5	3	Multiple Items	\$11,000	\$4,400	\$4,801	\$222.11
1902	Golf Carts - Partial Replace	6	3	(4) Golf Carts	\$8,500	\$4,250	\$4,637	\$143.03
2001	Sewer System & Utility Lines - Repair/Replace	N/A	0	(1) Utility System	\$0	\$0	\$0	\$0.00
2002	Well System Pump - Replace	10	7	(1) Well Pump & Motor	\$5,500	\$1,650	\$1,800	\$55.53
<b>Subtotals:</b>					<b>\$27,200</b>	<b>\$11,767</b>	<b>\$12,839</b>	<b>\$495</b>
<b>Pool Area</b>								
604	Kool Deck - Resurface	20	10	Approx 1,975 Sq.ft.	\$10,863	\$5,431	\$5,926	\$54.83
1101	Pool - Resurface	15	13	(1) Pool	\$10,000	\$1,333	\$1,455	\$67.31
1102	Spa - Resurface	6	4	(1) Spa	\$3,000	\$1,000	\$1,091	\$50.48
1105	Pool/Spa Solar Heater - Replace	20	19	(1) System of Solar Panels	\$2,250	\$113	\$123	\$11.36
1107	Pool Filter - Replace	15	3	(1) Pool Filter	\$1,500	\$1,200	\$1,309	\$10.10
1108	Spa Filter - Replace	15	3	(1) Spa Filter	\$1,500	\$1,200	\$1,309	\$10.10
1110	Pool/Spa Pumps - Partial Replace	3	0	(5) Pumps	\$2,000	\$2,000	\$2,182	\$67.31
1121	Pool Furniture - Replace	N/A	0	Multiple Items	\$0	\$0	\$0	\$0.00
<b>Subtotals:</b>					<b>\$31,113</b>	<b>\$12,277</b>	<b>\$13,396</b>	<b>\$271</b>
<b>Grand Total:</b>					<b>\$557,293</b>	<b>\$264,539</b>	<b>\$288,652</b>	<b>\$3,500</b>

**Current Fund Balance as a percentage of Ideal Balance: 109%**

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## Yearly Summary

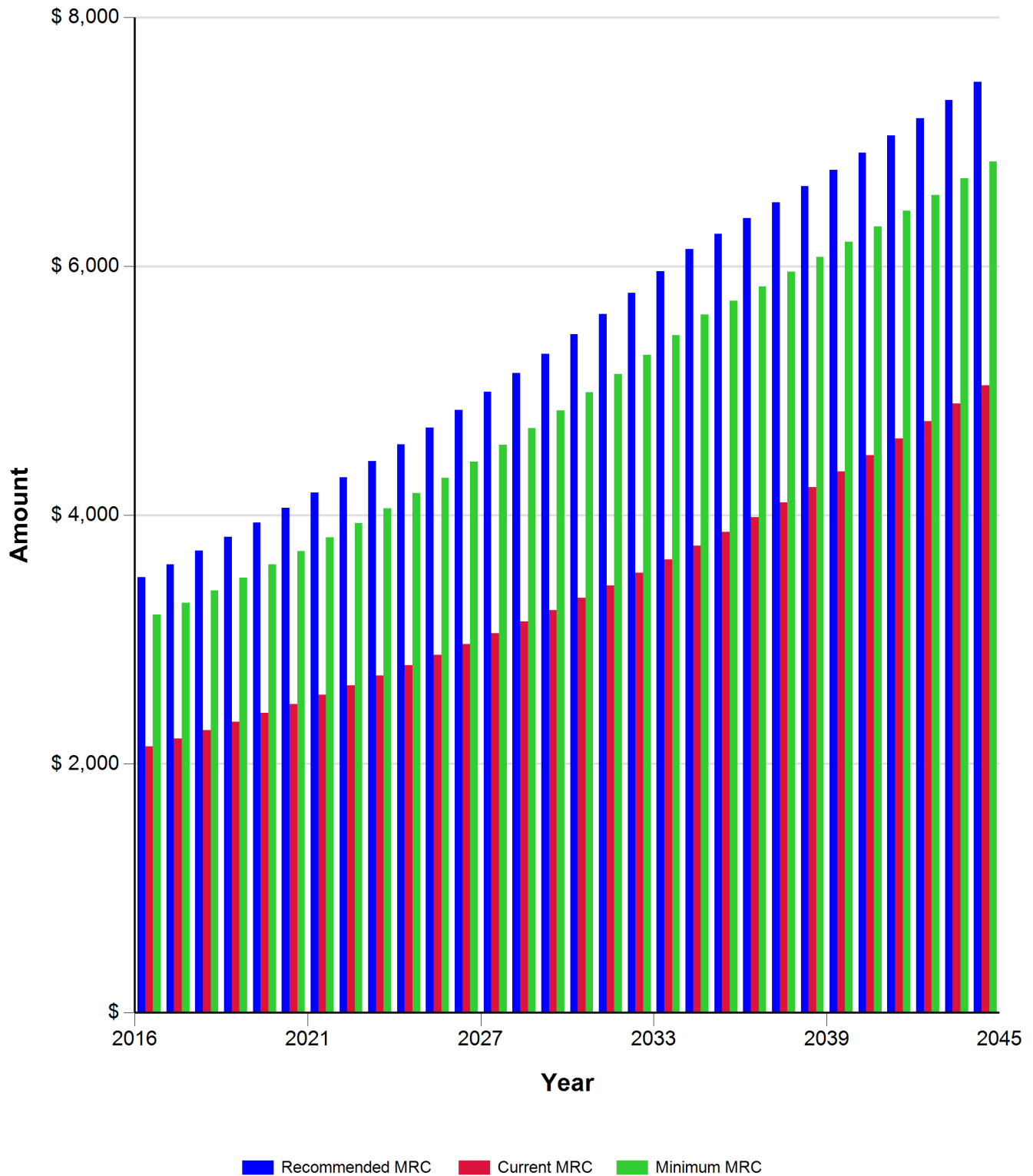
Year	Beginning Fully Funded Balance	Beginning Reserve Balance	Beginning % Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2016	\$264,539	\$288,652	109%	\$42,000	\$1,380	\$68,663	\$263,369
2017	\$237,461	\$263,369	111%	\$43,260	\$1,423	\$2,266	\$305,786
2018	\$279,029	\$305,786	110%	\$44,558	\$1,614	\$11,935	\$340,023
2019	\$312,989	\$340,023	109%	\$45,895	\$1,752	\$26,772	\$360,897
2020	\$333,823	\$360,897	108%	\$47,271	\$1,903	\$9,567	\$400,505
2021	\$374,173	\$400,505	107%	\$48,690	\$2,119	\$3,913	\$447,401
2022	\$422,763	\$447,401	106%	\$50,150	\$2,224	\$57,344	\$442,431
2023	\$419,018	\$442,431	106%	\$51,655	\$2,313	\$13,467	\$482,932
2024	\$461,633	\$482,932	105%	\$53,204	\$2,504	\$19,635	\$519,005
2025	\$500,491	\$519,005	104%	\$54,800	\$2,665	\$29,168	\$547,303
2026	\$532,053	\$547,303	103%	\$56,444	\$2,818	\$26,290	\$580,275
2027	\$568,924	\$580,275	102%	\$58,138	\$3,019	\$13,842	\$627,590
2028	\$621,162	\$627,590	101%	\$59,882	\$2,997	\$119,087	\$571,382
2029	\$568,048	\$571,382	101%	\$61,678	\$2,884	\$53,455	\$582,490
2030	\$582,469	\$582,490	100%	\$63,529	\$3,039	\$15,504	\$633,554
2031	\$637,985	\$633,554	99%	\$65,435	\$3,285	\$21,617	\$680,657
2032	\$690,490	\$680,657	99%	\$67,398	\$3,554	\$10,531	\$741,077
2033	\$757,659	\$741,077	98%	\$69,420	\$3,731	\$62,395	\$751,833
2034	\$775,141	\$751,833	97%	\$71,502	\$2,308	\$653,990	\$171,654
2035	\$185,575	\$171,654	92%	\$73,647	\$921	\$49,501	\$196,720
2036	\$202,770	\$196,720	97%	\$75,120	\$1,139	\$14,088	\$258,892
2037	\$258,834	\$258,892	100%	\$76,623	\$1,440	\$19,533	\$317,422
2038	\$312,907	\$317,422	101%	\$78,155	\$1,729	\$22,897	\$374,409
2039	\$367,129	\$374,409	102%	\$79,718	\$2,022	\$21,709	\$434,439
2040	\$426,254	\$434,439	102%	\$81,313	\$2,031	\$139,577	\$378,206
2041	\$367,864	\$378,206	103%	\$82,939	\$2,074	\$11,673	\$451,546
2042	\$441,641	\$451,546	102%	\$84,598	\$2,424	\$20,191	\$518,377
2043	\$511,100	\$518,377	101%	\$86,290	\$2,707	\$42,760	\$564,613
2044	\$561,708	\$564,613	101%	\$88,015	\$2,881	\$67,494	\$588,016
2045	\$590,737	\$588,016	100%	\$89,776	\$3,029	\$56,805	\$624,016

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# Reserve Contributions - Graph

Monthly Reserve Contributions



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# Significant Components

ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL) As \$As %	
Clubhouse						
103	Flat Roof - Replace	25	12	\$5,063	\$203	0.5800%
106	Pitched Roof - Tile - Restack	30	19	\$10,125	\$338	0.9700%
201	Clubhouse Interior/Exterior - Repaint	Unfunded	0	\$0	\$0	0.0000%
216	Interior Surfaces - Repaint	Unfunded	0	\$0	\$0	0.0000%
705	Heating and Air Conditioning Units - Partial Replace	6	2	\$4,500	\$750	2.1600%
903	Camera System - Replace	10	5	\$1,500	\$150	0.4300%
1406	Fitness & Cardio Equipment - Partial Replace	4	2	\$3,500	\$875	2.5200%
1413	Restroom - Remodel	18	11	\$10,000	\$556	1.6000%
1415	Furniture - Partial Replace	5	2	\$3,250	\$650	1.8700%
1417	Kitchenette - Remodel	20	17	\$5,000	\$250	0.7200%
1501	Carpeting - Replace	10	9	\$8,855	\$886	2.5500%
1502	Rubberized Flooring - Replace	15	14	\$2,250	\$150	0.4300%
1503	Ceramic Tile - Replace	30	19	\$4,800	\$160	0.4600%
1505	Laminate Floor - Replace	20	9	\$3,000	\$150	0.4300%
Common Area						
207	Wrought Iron Fencing - Repaint	Unfunded	0	\$0	\$0	0.0000%
208	Stucco Wall - Repair/Repaint	Unfunded	0	\$0	\$0	0.0000%
401	Asphalt - Major Rehab.	30	18	\$323,488	\$10,783	31.1000%
402	Asphalt - Preventive Maintenance	6	0	\$41,163	\$6,860	19.7900%
601	Concrete Sidewalks - Repair	10	6	\$1,363	\$136	0.3900%
803	Mailboxes - Replace	Unfunded	0	\$0	\$0	0.0000%
1002	Wrought Iron Fencing - Partial Replace	10	5	\$1,875	\$188	0.5400%
1609	Street Light Fixtures - Replace	25	13	\$13,200	\$528	1.5200%
1812	Landscaping - Renovate	Unfunded	0	\$0	\$0	0.0000%
Entry Area						
206	Vehicle Gates - Repaint	Unfunded	0	\$0	\$0	0.0000%
504	Vehicle Gates - Replace	30	17	\$24,000	\$800	2.3100%
505	Vehicle Gate Hinges - Partial Replace	8	4	\$3,300	\$413	1.1900%
506	Phone Entry System - Replace	12	0	\$4,500	\$375	1.0800%
507	Vehicle Gate Operators - Replace	12	0	\$21,000	\$1,750	5.0500%
801	Monument - Refurbish	25	12	\$3,250	\$130	0.3700%

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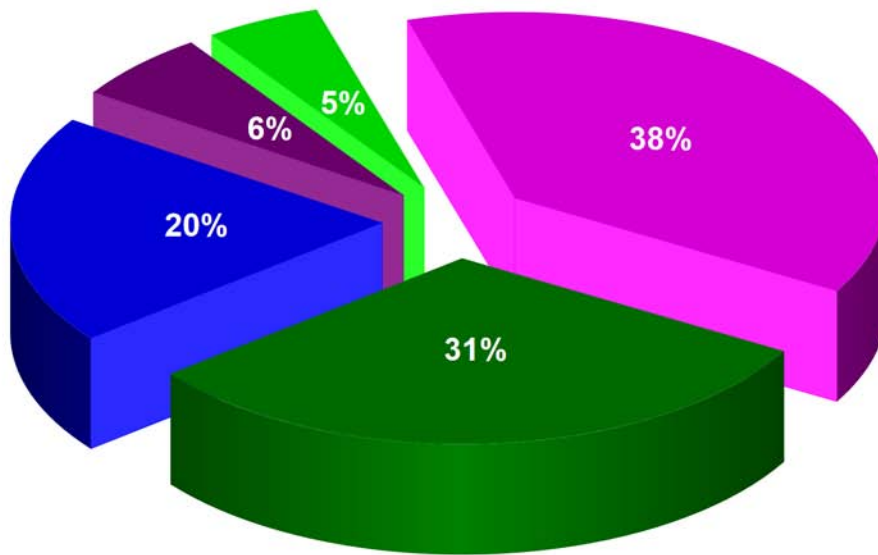
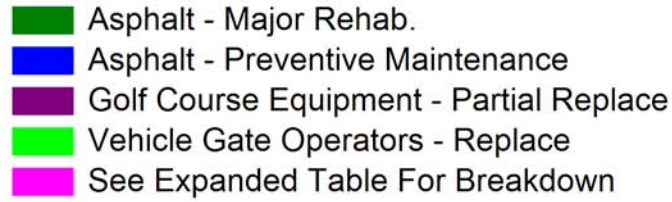


ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current	Significance: (Curr Cost/UL) As \$As %	
Equipment & Utilities						
1705	Pond & Sprinkler Pumps - Partial Replace	3	1	\$2,200	\$733	2.1200%
1901	Golf Course Equipment - Partial Replace	5	3	\$11,000	\$2,200	6.3500%
1902	Golf Carts - Partial Replace	6	3	\$8,500	\$1,417	4.0900%
2001	Sewer System & Utility Lines - Repair/Replace	Unfunded	0	\$0	\$0	0.0000%
2002	Well System Pump - Replace	10	7	\$5,500	\$550	1.5900%
Pool Area						
604	Kool Deck - Resurface	20	10	\$10,863	\$543	1.5700%
1101	Pool - Resurface	15	13	\$10,000	\$667	1.9200%
1102	Spa - Resurface	6	4	\$3,000	\$500	1.4400%
1105	Pool/Spa Solar Heater - Replace	20	19	\$2,250	\$113	0.3200%
1107	Pool Filter - Replace	15	3	\$1,500	\$100	0.2900%
1108	Spa Filter - Replace	15	3	\$1,500	\$100	0.2900%
1110	Pool/Spa Pumps - Partial Replace	3	0	\$2,000	\$667	1.9200%
1121	Pool Furniture - Replace	Unfunded	0	\$0	\$0	0.0000%

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## Significant Components - Graph



ID #	Component Name	Useful Life (yrs.)	Remaining Useful Life (yrs.)	Average Current Cost	Significance:	
					(Curr Cost/UL) As \$	As %
401	Asphalt - Major Rehab.	30	18	\$323,488	\$10,783	31%
402	Asphalt - Preventive Maintenance	6	0	\$41,163	\$6,860	20%
1901	Golf Course Equipment - Partial Replace	5	3	\$11,000	\$2,200	6%
507	Vehicle Gate Operators - Replace	12	0	\$21,000	\$1,750	5%
All Other	See Expanded Table For Breakdown				\$21,593	38%

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## Yearly Cash Flow

Year	2016	2017	2018	2019	2020
<b>Starting Balance</b>	\$288,652	\$263,369	\$305,786	\$340,023	\$360,897
<i>Reserve Income</i>	\$42,000	\$43,260	\$44,558	\$45,895	\$47,271
<i>Interest Earnings</i>	\$1,380	\$1,423	\$1,614	\$1,752	\$1,903
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$332,032	\$308,052	\$351,958	\$387,669	\$410,072
<b>Reserve Expenditures</b>	\$68,663	\$2,266	\$11,935	\$26,772	\$9,567
<b>Ending Balance</b>	\$263,369	\$305,786	\$340,023	\$360,897	\$400,505
Year	2021	2022	2023	2024	2025
<b>Starting Balance</b>	\$400,505	\$447,401	\$442,431	\$482,932	\$519,005
<i>Reserve Income</i>	\$48,690	\$50,150	\$51,655	\$53,204	\$54,800
<i>Interest Earnings</i>	\$2,119	\$2,224	\$2,313	\$2,504	\$2,665
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$451,314	\$499,776	\$496,399	\$538,640	\$576,471
<b>Reserve Expenditures</b>	\$3,913	\$57,344	\$13,467	\$19,635	\$29,168
<b>Ending Balance</b>	\$447,401	\$442,431	\$482,932	\$519,005	\$547,303
Year	2026	2027	2028	2029	2030
<b>Starting Balance</b>	\$547,303	\$580,275	\$627,590	\$571,382	\$582,490
<i>Reserve Income</i>	\$56,444	\$58,138	\$59,882	\$61,678	\$63,529
<i>Interest Earnings</i>	\$2,818	\$3,019	\$2,997	\$2,884	\$3,039
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$606,566	\$641,432	\$690,469	\$635,944	\$649,058
<b>Reserve Expenditures</b>	\$26,290	\$13,842	\$119,087	\$53,455	\$15,504
<b>Ending Balance</b>	\$580,275	\$627,590	\$571,382	\$582,490	\$633,554
Year	2031	2032	2033	2034	2035
<b>Starting Balance</b>	\$633,554	\$680,657	\$741,077	\$751,833	\$171,654
<i>Reserve Income</i>	\$65,435	\$67,398	\$69,420	\$71,502	\$73,647
<i>Interest Earnings</i>	\$3,285	\$3,554	\$3,731	\$2,308	\$921
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$702,274	\$751,608	\$814,228	\$825,644	\$246,222
<b>Reserve Expenditures</b>	\$21,617	\$10,531	\$62,395	\$653,990	\$49,501
<b>Ending Balance</b>	\$680,657	\$741,077	\$751,833	\$171,654	\$196,720

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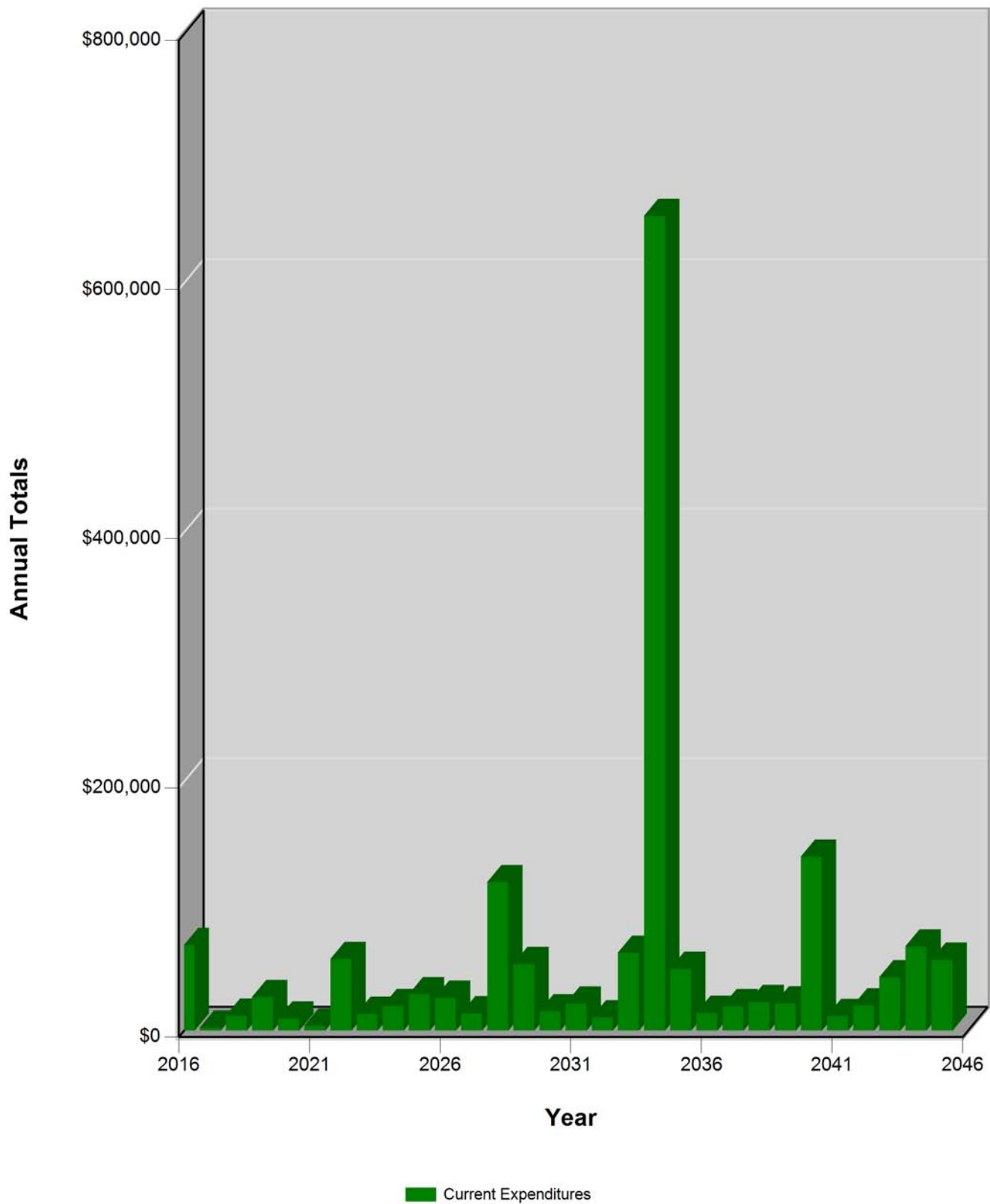


Year	2036	2037	2038	2039	2040
<b>Starting Balance</b>	\$196,720	\$258,892	\$317,422	\$374,409	\$434,439
<i>Reserve Income</i>	\$75,120	\$76,623	\$78,155	\$79,718	\$81,313
<i>Interest Earnings</i>	\$1,139	\$1,440	\$1,729	\$2,022	\$2,031
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$272,979	\$336,955	\$397,306	\$456,148	\$517,783
<b>Reserve Expenditures</b>	\$14,088	\$19,533	\$22,897	\$21,709	\$139,577
<b>Ending Balance</b>	\$258,892	\$317,422	\$374,409	\$434,439	\$378,206
Year	2041	2042	2043	2044	2045
<b>Starting Balance</b>	\$378,206	\$451,546	\$518,377	\$564,613	\$588,016
<i>Reserve Income</i>	\$82,939	\$84,598	\$86,290	\$88,015	\$89,776
<i>Interest Earnings</i>	\$2,074	\$2,424	\$2,707	\$2,881	\$3,029
<i>Special Assessments</i>	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$463,219	\$538,568	\$607,373	\$655,510	\$680,821
<b>Reserve Expenditures</b>	\$11,673	\$20,191	\$42,760	\$67,494	\$56,805
<b>Ending Balance</b>	\$451,546	\$518,377	\$564,613	\$588,016	\$624,016

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# Yearly Reserve Expenditures - Graph



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# Projected Reserve Expenditures by Year

Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2016	Common Area	402	Asphalt - Preventive Maintenance	\$41,163	
	Entry Area	506	Phone Entry System - Replace	\$4,500	
	Entry Area	507	Vehicle Gate Operators - Replace	\$21,000	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$2,000	\$68,663
2017	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$2,266	\$2,266
2018	Clubhouse	705	Heating and Air Conditioning Units - Partial Replace	\$4,774	
	Clubhouse	1406	Fitness & Cardio Equipment - Partial Replace	\$3,713	
	Clubhouse	1415	Furniture - Partial Replace	\$3,448	\$11,935
2019	Pool Area	1107	Pool Filter - Replace	\$1,639	
	Pool Area	1108	Spa Filter - Replace	\$1,639	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$2,185	
	Equipment & Utilities	1901	Golf Course Equipment - Partial Replace	\$12,020	
	Equipment & Utilities	1902	Golf Carts - Partial Replace	\$9,288	\$26,772
2020	Entry Area	505	Vehicle Gate Hinges - Partial Replace	\$3,714	
	Pool Area	1102	Spa - Resurface	\$3,377	
	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$2,476	\$9,567
2021	Clubhouse	903	Camera System - Replace	\$1,739	
	Common Area	1002	Wrought Iron Fencing - Partial Replace	\$2,174	\$3,913
2022	Common Area	402	Asphalt - Preventive Maintenance	\$49,150	
	Common Area	601	Concrete Sidewalks - Repair	\$1,627	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$2,388	
	Clubhouse	1406	Fitness & Cardio Equipment - Partial Replace	\$4,179	\$57,344
2023	Clubhouse	1415	Furniture - Partial Replace	\$3,997	
	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$2,706	
	Equipment & Utilities	2002	Well System Pump - Replace	\$6,764	\$13,467
2024	Clubhouse	705	Heating and Air Conditioning Units - Partial Replace	\$5,700	
	Equipment & Utilities	1901	Golf Course Equipment - Partial Replace	\$13,934	\$19,635
2025	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$2,610	

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Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2025	Clubhouse	1501	Carpeting - Replace	\$11,554	
	Clubhouse	1505	Laminate Floor - Replace	\$3,914	
	Equipment & Utilities	1902	Golf Carts - Partial Replace	\$11,091	\$29,168
2026	Pool Area	604	Kool Deck - Resurface	\$14,598	
	Pool Area	1102	Spa - Resurface	\$4,032	
	Clubhouse	1406	Fitness & Cardio Equipment - Partial Replace	\$4,704	
	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$2,957	\$26,290
2027	Clubhouse	1413	Restroom - Remodel	\$13,842	\$13,842
2028	Clubhouse	103	Flat Roof - Replace	\$7,218	
	Common Area	402	Asphalt - Preventive Maintenance	\$58,688	
	Entry Area	505	Vehicle Gate Hinges - Partial Replace	\$4,705	
	Entry Area	506	Phone Entry System - Replace	\$6,416	
	Entry Area	507	Vehicle Gate Operators - Replace	\$29,941	
	Entry Area	801	Monument - Refurbish	\$4,634	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$2,852	
	Clubhouse	1415	Furniture - Partial Replace	\$4,634	\$119,087
2029	Pool Area	1101	Pool - Resurface	\$14,685	
	Common Area	1609	Street Light Fixtures - Replace	\$19,385	
	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$3,231	
	Equipment & Utilities	1901	Golf Course Equipment - Partial Replace	\$16,154	\$53,455
2030	Clubhouse	705	Heating and Air Conditioning Units - Partial Replace	\$6,807	
	Clubhouse	1406	Fitness & Cardio Equipment - Partial Replace	\$5,294	
	Clubhouse	1502	Rubberized Flooring - Replace	\$3,403	\$15,504
2031	Clubhouse	903	Camera System - Replace	\$2,337	
	Common Area	1002	Wrought Iron Fencing - Partial Replace	\$2,921	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$3,116	
	Equipment & Utilities	1902	Golf Carts - Partial Replace	\$13,243	\$21,617
2032	Common Area	601	Concrete Sidewalks - Repair	\$2,186	
	Pool Area	1102	Spa - Resurface	\$4,814	
	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$3,530	\$10,531
2033	Entry Area	504	Vehicle Gates - Replace	\$39,668	
	Clubhouse	1415	Furniture - Partial Replace	\$5,372	

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Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2033	Clubhouse	1417	Kitchenette - Remodel	\$8,264	
	Equipment & Utilities	2002	Well System Pump - Replace	\$9,091	\$62,395
2034	Common Area	401	Asphalt - Major Rehab.	\$550,716	
	Common Area	402	Asphalt - Preventive Maintenance	\$70,076	
	Pool Area	1107	Pool Filter - Replace	\$2,554	
	Pool Area	1108	Spa Filter - Replace	\$2,554	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$3,405	
	Clubhouse	1406	Fitness & Cardio Equipment - Partial Replace	\$5,959	
	Equipment & Utilities	1901	Golf Course Equipment - Partial Replace	\$18,727	\$653,990
2035	Clubhouse	106	Pitched Roof - Tile - Restack	\$17,754	
	Pool Area	1105	Pool/Spa Solar Heater - Replace	\$3,945	
	Clubhouse	1501	Carpeting - Replace	\$15,527	
	Clubhouse	1503	Ceramic Tile - Replace	\$8,417	
	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$3,858	\$49,501
2036	Entry Area	505	Vehicle Gate Hinges - Partial Replace	\$5,960	
	Clubhouse	705	Heating and Air Conditioning Units - Partial Replace	\$8,128	\$14,088
2037	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$3,721	
	Equipment & Utilities	1902	Golf Carts - Partial Replace	\$15,813	\$19,533
2038	Pool Area	1102	Spa - Resurface	\$5,748	
	Clubhouse	1406	Fitness & Cardio Equipment - Partial Replace	\$6,706	
	Clubhouse	1415	Furniture - Partial Replace	\$6,227	
	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$4,215	\$22,897
2039	Equipment & Utilities	1901	Golf Course Equipment - Partial Replace	\$21,709	\$21,709
2040	Common Area	402	Asphalt - Preventive Maintenance	\$83,675	
	Entry Area	506	Phone Entry System - Replace	\$9,148	
	Entry Area	507	Vehicle Gate Operators - Replace	\$42,689	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$4,066	\$139,577
2041	Clubhouse	903	Camera System - Replace	\$3,141	
	Common Area	1002	Wrought Iron Fencing - Partial Replace	\$3,926	
	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$4,606	\$11,673
2042	Common Area	601	Concrete Sidewalks - Repair	\$2,938	

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Year	Subgroup	Comp. Id	Component Name	Projected Cost	Total Per Annum
2042	Clubhouse	705	Heating and Air Conditioning Units - Partial Replace	\$9,705	
	Clubhouse	1406	Fitness & Cardio Equipment - Partial Replace	\$7,548	\$20,191
2043	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$4,443	
	Clubhouse	1415	Furniture - Partial Replace	\$7,219	
	Equipment & Utilities	1902	Golf Carts - Partial Replace	\$18,881	
	Equipment & Utilities	2002	Well System Pump - Replace	\$12,217	\$42,760
2044	Entry Area	505	Vehicle Gate Hinges - Partial Replace	\$7,550	
	Pool Area	1101	Pool - Resurface	\$22,879	
	Pool Area	1102	Spa - Resurface	\$6,864	
	Equipment & Utilities	1705	Pond & Sprinkler Pumps - Partial Replace	\$5,033	
	Equipment & Utilities	1901	Golf Course Equipment - Partial Replace	\$25,167	\$67,494
2045	Clubhouse	1413	Restroom - Remodel	\$23,566	
	Clubhouse	1501	Carpeting - Replace	\$20,867	
	Clubhouse	1502	Rubberized Flooring - Replace	\$5,302	
	Clubhouse	1505	Laminate Floor - Replace	\$7,070	\$56,805
2046	Common Area	402	Asphalt - Preventive Maintenance	\$99,912	
	Pool Area	604	Kool Deck - Resurface	\$26,366	
	Pool Area	1110	Pool/Spa Pumps - Partial Replace	\$4,855	
	Clubhouse	1406	Fitness & Cardio Equipment - Partial Replace	\$8,495	\$139,628

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## Component Evaluation

Comp # 103 Flat Roof - Replace

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**Subgroup: Clubhouse**

**Location:** Clubhouse roof

**Quantity:** Approx 1,450 Sq.ft.

**Life Expectancy:** 25 **Remaining Life:** 12

**Best Cost:** \$4,700.00

\$3.25/Sq.ft.; Estimate to replace roof

**Worst Cost:** \$5,425.00

\$3.75/Sq.ft.; Higher estimate for more labor costs

Source of Information: In-House Costs Database

**Observations:**

Roof is in good condition. No problems reported at the time of inspection. Per client, this type of roof has a typical useful life of approximately 25 years. Remaining life based on current age.

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# Component Evaluation

Comp # 106 Pitched Roof - Tile - Restack

## Subgroup: Clubhouse

**Location:** Clubhouse roof

**Quantity:** Approx 6,750 Sq.ft.

**Life Expectancy:** 30 **Remaining Life:** 19

**Best Cost:** \$9,450.00  
\$1.40/Sq.ft.; Estimate to replace underlayment

**Worst Cost:** \$10,800.00  
\$1.60/Sq.ft.; Higher estimate

Source of Information: In-House Costs Database

### Observations:

No problems noted or reported. Tile roofs have a typical life expectancy of approximately 25 to 30 years before underlayment deterioration causes significant leaks. Inspect roofs regularly and make repairs as necessary as an operating expense to ensure full life. Remaining life based on current age.



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# Component Evaluation

Comp # 201 Clubhouse Interior/Exterior - Repaint

## Subgroup: Clubhouse

**Location:** Clubhouse

**Quantity:** (1) Clubhouse

**Life Expectancy:** N/A **Remaining Life:** 0

**Best Cost:** \$0.00

**Worst Cost:** \$0.00

Source of Information:

## Observations:

Per client, this painting will be performed as an operating expense. No reserve funding necessary.



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# Component Evaluation

Comp # 206 Vehicle Gates - Repaint

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (6) Gate Leafs

**Life Expectancy:** N/A **Remaining Life:** 0

**Best Cost:** \$0.00

**Worst Cost:** \$0.00

Source of Information: In-House Costs Database

### General Notes:

Quantity breakdown:

4 at Main Entrance

2 at Side Entrance

6 - Total

### Observations:

Per client, these gates will be painted as an operating expense. No reserve funding necessary.



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# Component Evaluation

Comp # 207 Wrought Iron Fencing - Repaint

## Subgroup: Common Area

**Location:** Common Area

**Quantity:** Approx 250 Linear ft.

**Life Expectancy:** N/A **Remaining Life:** 0

**Best Cost:** \$0.00

**Worst Cost:** \$0.00

Source of Information:

### General Notes:

Quantity breakdown:

200 Linear ft. - Pool Area  
50 Linear ft. - Perimeter Fencing

250 Linear ft. - Total

### Observations:

Painted wrought iron surfaces are in good condition, no rusting or broken welds noted. Due to the minimal cost to paint this quantity of fencing reserve funding is not appropriate. Paint and repair fence as necessary as an operating expense.



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## Component Evaluation

Comp # 208 Stucco Wall - Repair/Repaint

### Subgroup: Common Area

**Location:** Common Area

**Quantity:** Approx 5,000 Linear ft.

**Life Expectancy:** N/A **Remaining Life:** 0

**Best Cost:** \$0.00

**Worst Cost:** \$0.00

Source of Information:

### Observations:

Per client, this community paints and makes any necessary repairs to the block wall as an operating expense when needed. No reserve funding necessary.



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# Component Evaluation

Comp # 216 Interior Surfaces - Repaint

## Subgroup: Clubhouse

**Location:** Clubhouse interior

**Quantity:** (1) Clubhouse Interior

**Life Expectancy:** N/A **Remaining Life:** 0

**Best Cost:** \$0.00

**Worst Cost:** \$0.00

Source of Information:

### Observations:

Painted surfaces are in good to fair condition. Due to the minimal quantity of painted surfaces repaint this component as an operating expense. No reserve funding necessary.



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# Component Evaluation

Comp # 401 Asphalt - Major Rehab.

## Subgroup: Common Area

**Location:** Community Streets

**Quantity:** Approx 235,275 Sq.ft.

**Life Expectancy:** 30 **Remaining Life:** 18

**Best Cost:** \$294,075.00  
\$1.25/Sq.ft.; Estimate for overlay

**Worst Cost:** \$352,900.00  
\$1.50/Sq.ft.; Higher estimate for local repairs

Source of Information: In-House Costs Database

### General Notes:

6,500 Sq.ft. - Bel Air Ave  
28,800 Sq.ft. - Brentwood Dr  
3,500 Sq.ft. - Candle Stick Ave  
9,750 Sq.ft. - Clubhouse Parking  
5,425 Sq.ft. - Desert Greens Blvd  
10,300 Sq.ft. - Hilton Head St  
16,550 Sq.ft. - Inverness Ave  
46,550 Sq.ft. - Montecito Ave  
43,950 Sq.ft. - Montecito Dr  
6,450 Sq.ft. - Myrtle Beach St  
4,000 Sq.ft. - Pinehurst Ave  
17,750 Sq.ft. - Riviera Dr  
31,950 Sq.ft. - RV Parking & Utility Lots  
3,800 Sq.ft. - St Andrews St

235,275 Sq.ft. - Total

### Observations:

No problems noted at the time of site visit. With regular sealing (see Comp# 402 Asphalt - Preventive Maintenance) asphalt surface should reach a typical useful life of approximately 30 years before a major rehabilitation (overlay, R & R, etc.) is necessary.



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# Component Evaluation

Comp # 402 Asphalt - Preventive Maintenance

## Subgroup: Common Area

**Location:** Community Streets

**Quantity:** Approx 235,275 Sq.ft.

**Life Expectancy:** 6 **Remaining Life:** 0

**Best Cost:** \$35,275.00  
\$0.15/Sq.ft.; Estimate for slurry seal

**Worst Cost:** \$47,050.00  
\$0.20/Sq.ft.; Higher estimate for local repairs

Source of Information: In-House Costs Database

### General Notes:

6,500 Sq.ft. - Bel Air Ave  
28,800 Sq.ft. - Brentwood Dr  
3,500 Sq.ft. - Candle Stick Ave  
9,750 Sq.ft. - Clubhouse Parking  
5,425 Sq.ft. - Desert Greens Blvd  
10,300 Sq.ft. - Hilton Head St  
16,550 Sq.ft. - Inverness Ave  
46,550 Sq.ft. - Montecito Ave  
43,950 Sq.ft. - Montecito Dr  
6,450 Sq.ft. - Myrtle Beach St  
4,000 Sq.ft. - Pinehurst Ave  
17,750 Sq.ft. - Riviera Dr  
31,950 Sq.ft. - RV Parking & Utility Lots  
3,800 Sq.ft. - St Andrews St

235,275 Sq.ft. - Total

### Observations:

Asphalt seal coat is in good condition. No raveling or surface loss noted. Seal asphalt surfaces regularly to prevent premature overlay (see Comp# 401 Asphalt - Major Rehab). Remaining life based on current condition.



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# Component Evaluation

Comp # 504 Vehicle Gates - Replace

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (6) Gate Leafs

**Life Expectancy:** 30 **Remaining Life:** 17

**Best Cost:** \$22,800.00  
\$3,800/Gate leaf; Estimate to replace

**Worst Cost:** \$25,200.00  
\$4,200/Gate leaf; Higher estimate

Source of Information: In-House Costs Database

### General Notes:

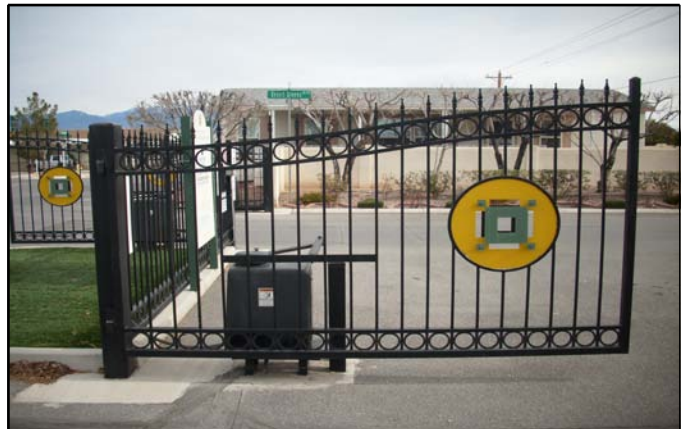
Quantity breakdown:

4 at Main Entrance  
2 at Side Entrance

6 - Total

### Observations:

Although these gates may reach an extended life we recommend funding to completely replace them approximately every 30 years to ensure appearance and function. We have included funding for the replacement of the adjacent pedestrian gates and fencing at the same time.



**DRAFT**

# Component Evaluation

Comp # 505 Vehicle Gate Hinges - Partial Replace

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (12) Gate Hinges

**Life Expectancy:** 8 **Remaining Life:** 4

**Best Cost:** \$3,000.00  
\$500/Hinge; Estimate to replace approx 50%

**Worst Cost:** \$3,600.00  
\$600/Hinge; Higher estimate

Source of Information: In-House Costs Database

## Observations:

Although vehicle gates may reach an extended life the hinges will need to be periodically replaced to ensure proper function.



**DRAFT**

# Component Evaluation

Comp # 506 Phone Entry System - Replace

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (1) Entry System

**Life Expectancy:** 12 **Remaining Life:** 0

**Best Cost:** \$4,000.00  
Estimate to replace system

**Worst Cost:** \$5,000.00  
Higher estimate for more installation costs

Source of Information: In-House Costs Database

## Observations:

No problems noted at the time of site visit. System was observed to be functioning normally. This type of system has a typical life expectancy of approximately 12 years. Remaining life based on current age.



**DRAFT**

# Component Evaluation

Comp # 507 Vehicle Gate Operators - Replace

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (6) Gate Operators

**Life Expectancy:** 12 **Remaining Life:** 0

**Best Cost:** \$19,500.00  
\$3,250/Operator; Estimate to replace operators

**Worst Cost:** \$22,500.00  
\$3,750/Operator; Higher estimate for more installaton cost

Source of Information: In-House Costs Database

### General Notes:

Quantity description:

Model: Elite CSW-200-UL  
Serial: SU063004-87783 Date: 07/07/04  
SU061504-87135 06/11/04  
-missing-  
-missing-

Model: Elite CSW200ULDC3  
4406N0740 11/01/06  
-missing-

### Observations:

No problems noted or reported. Expect a typical useful life of approximately 10 to 12 years from these operators. Remaining life based on current age.



**DRAFT**

# Component Evaluation

Comp # 601 Concrete Sidewalks - Repair

## Subgroup: Common Area

**Location:** Common Area

**Quantity:** Approx 900 Linear ft.

**Life Expectancy:** 10 **Remaining Life:** 6

**Best Cost:** \$1,250.00  
\$28/Linear ft.; Estimate to repair/replace approx. 5% at this schedule

**Worst Cost:** \$1,475.00  
\$33/Linear ft.; Higher estimate for more repairs

Source of Information: In-House Costs Database

### General Notes:

Quantity breakdown:

500 Lineal ft. - Sidewalk  
400 Lineal ft. - Water Drain Channel

900 Lineal ft. - Total

### Observations:

Concrete walks are in good condition. No significant cracking or settling noted. Although concrete is not typically life limited, periodic repairs will be necessary to fix local cracking and settling.



**DRAFT**



# Component Evaluation

Comp # 604 Kool Deck - Resurface

## Subgroup: Pool Area

**Location:** Pool area

**Quantity:** Approx 1,975 Sq.ft.

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

**Best Cost:** \$9,875.00  
\$5.00/Sq.ft.; Estimate to resurface

**Worst Cost:** \$11,850.00  
\$6.00/Sq.ft.; Higher estimate for more prep work

Source of Information: In-House Costs Database

## Observations:

No surface loss noted. With regular sealing expect a useful life of approximately 20 years from this surface. We recommend funding to seal this component regularly as an operating expense.



**DRAFT**

## Component Evaluation

Comp # 705 Heating and Air Conditioning Units - Partial Replace

---

**Subgroup: Clubhouse**

**Location:** Clubhouse

**Quantity:** (5) HVAC Units

**Life Expectancy:** 6 **Remaining Life:** 2

**Best Cost:** \$4,000.00  
Estimate to make replacements

**Worst Cost:** \$5,000.00  
Higher estimate for more installation costs

Source of Information: In-House Costs Database

**Observations:**

No problems noted or reported. No expectation to replace all of these units at one time. We recommend funding to make repairs and replacements approximately every five to six years or as necessary to ensure proper function.

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# Component Evaluation

Comp # 801 Monument - Refurbish

---

## Subgroup: Entry Area

**Location:** Entrance to community

**Quantity:** (1) Monument

**Life Expectancy:** 25 **Remaining Life:** 12

**Best Cost:** \$3,000.00  
Estimate to refurbish

**Worst Cost:** \$3,500.00  
Higher estimate

Source of Information: In-House Costs Database

## Observations:

No problems with this monument noted at time of inspection. No expectation to completely rebuild this monument. We recommend funding to refurbish this component to maintain appearance and to keep up with current decorative tastes. Remaining useful life based on current age and condition.



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# Component Evaluation

Comp # 803 Mailboxes - Replace

## Subgroup: Common Area

**Location:** Common Area

**Quantity:** (20) Mailbox Clusters

**Life Expectancy:** N/A **Remaining Life:** 0

**Best Cost:** \$0.00

**Worst Cost:** \$0.00

Source of Information:

## Observations:

Per client, these mailbox clusters will be maintained as an operating expense. No reserve funding necessary.



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# Component Evaluation

Comp # 903 Camera System - Replace

## Subgroup: Clubhouse

**Location:** Clubhouse interior

**Quantity:** (1) Camera System

**Life Expectancy:** 10 **Remaining Life:** 5

**Best Cost:** \$1,400.00  
Estimate to replace

**Worst Cost:** \$1,600.00  
Higher estimate

Source of Information: In-House Costs Database

### General Notes:

Quantity description:

8-Camera System

### Observations:

No problems noted or reported. We recommend funding to replace this camera system approximately every 8 to 10 years to ensure proper function and keep up with current technology.



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# Component Evaluation

Comp # 1002 Wrought Iron Fencing - Partial Replace

## Subgroup: Common Area

**Location:** Common Area

**Quantity:** Approx 250 Linear ft.

**Life Expectancy:** 10 **Remaining Life:** 5

**Best Cost:** \$1,750.00  
\$35/Linear ft.; Estimate to replace approx 20%

**Worst Cost:** \$2,000.00  
\$40/Linear ft.; Higher estimate for more labor

Source of Information: In-House Costs Database

### General Notes:

Quantity breakdown:

200 Linear ft. - Pool Area  
50 Linear ft. - Perimeter Fencing

250 Linear ft. - Total

### Observations:

Fencing is in good condition. No expectation to replace all of the funding at one time. We recommend funding to make replacements approximately every 10 years.



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# Component Evaluation

Comp # 1101 Pool - Resurface

## Subgroup: Pool Area

**Location:** Pool area

**Quantity:** (1) Pool

**Life Expectancy:** 15 **Remaining Life:** 13

**Best Cost:** \$9,000.00  
Estimate to replaster pool

**Worst Cost:** \$11,000.00  
Higher estimate for local repairs

Source of Information: In-House Costs Database

## Observations:

Pool surface is in good condition. No discoloration or surface loss noted. Perform regular, professional maintenance and keep debris from collecting at the bottom to ensure full life from this component. Remaining life based on current age and condition.



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# Component Evaluation

Comp # 1102 Spa - Resurface

## Subgroup: Pool Area

**Location:** Pool area

**Quantity:** (1) Spa

**Life Expectancy:** 6 **Remaining Life:** 4

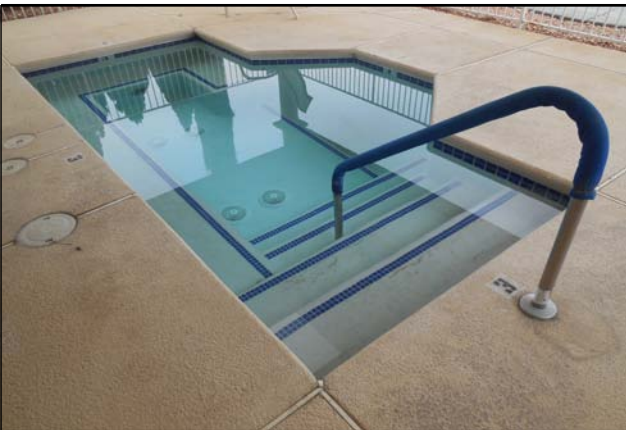
**Best Cost:** \$2,800.00  
Estimate to replaster spa

**Worst Cost:** \$3,200.00  
Higher estimate for local repairs

Source of Information: In-House Costs Database

## Observations:

Spa is in good condition. No problems noted at the time of site visit. Because entire spa surface experiences traffic wear expect to replaster spa approximately every 6 years. Remaining life based on current condition.



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## Component Evaluation

Comp # 1105 Pool/Spa Solar Heater - Replace

---

**Subgroup: Pool Area**

**Location:** Clubhouse roof

**Quantity:** (1) System of Solar Panels

**Life Expectancy:** 20 **Remaining Life:** 19

**Best Cost:** \$2,000.00  
Estimate to replace heater

**Worst Cost:** \$2,500.00  
Higher estimate for more installation costs

Source of Information: In-House Costs Database

**Observations:**

Per client, the solar heater for the spa was replaced two years ago. We recommend funding to replace this heater approximately every 20 years. Remaining useful life based on current age.

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# Component Evaluation

Comp # 1107 Pool Filter - Replace

## Subgroup: Pool Area

**Location:** Pool equipment area

**Quantity:** (1) Pool Filter

**Life Expectancy:** 15 **Remaining Life:** 3

**Best Cost:** \$1,250.00  
Estimate to replace filter

**Worst Cost:** \$1,750.00  
Higher estimate for more installation costs

Source of Information: In-House Costs Database

### General Notes:

Quantity description:

Model: Hayward Pro-Grid D.E. Filter

### Observations:

Pool filter is in good condition. No problems noted at the time of site visit. This type of pool filter has a life expectancy of approximately 15 years. Remaining life based on current age and condition.



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# Component Evaluation

Comp # 1108 Spa Filter - Replace

## Subgroup: Pool Area

**Location:** Pool equipment area

**Quantity:** (1) Spa Filter

**Life Expectancy:** 15 **Remaining Life:** 3

**Best Cost:** \$1,250.00  
Estimate to replace filter

**Worst Cost:** \$1,750.00  
Higher estimate for more installation costs

Source of Information: In-House Costs Database

### General Notes:

Quantity description:

Model: Hayward Pro-Grid D.E. Filter

### Observations:

Spa filter is in good condition. No evidence of problems noted at the time of inspection. With regular maintenance expect a useful life of approximately 15 years from this component.



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# Component Evaluation

Comp # 1110 Pool/Spa Pumps - Partial Replace

## Subgroup: Pool Area

**Location:** Pool equipment area

**Quantity:** (5) Pumps

**Life Expectancy:** 3 **Remaining Life:** 0

**Best Cost:** \$1,800.00  
Estimate to make replacements

**Worst Cost:** \$2,200.00  
Higher estimate for more installation costs

Source of Information: In-House Costs Database

## Observations:

Pumps are in good condition. No expectation to replace all pumps at one time. We recommend funding to replace one or two pumps approximately every three years. Replace motors as necessary as an operating expense.



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## Component Evaluation

Comp # 1121 Pool Furniture - Replace

### Subgroup: Pool Area

**Location:** Pool area

**Quantity:** Multiple Items

**Life Expectancy:** N/A **Remaining Life:** 0

**Best Cost:** \$0.00

**Worst Cost:** \$0.00

Source of Information:

### Observations:

No expectation to replace all of the pool furniture at one time. We recommend funding to replace this furniture as necessary as an operating expense. No reserve funding necessary.



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# Component Evaluation

Comp # 1406 Fitness & Cardio Equipment - Partial Replace

## Subgroup: Clubhouse

**Location:** Clubhouse interior

**Quantity:** Multiple Items

**Life Expectancy:** 4 **Remaining Life:** 2

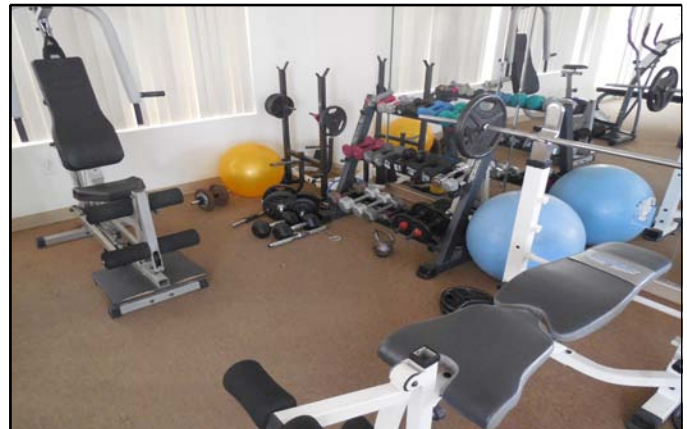
**Best Cost:** \$3,000.00  
Estimate to make replacements

**Worst Cost:** \$4,000.00  
Higher estimate

Source of Information: In-House Costs Database

### Observations:

Fitness equipment is in good condition. No expectation to replace all of these items at one time. We recommend funding to make replacements approximately every four years. Remaining useful life based on current age and condition.



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# Component Evaluation

Comp # 1413 Restroom - Remodel

## Subgroup: Clubhouse

**Location:** Clubhouse interior

**Quantity:** (2) Restrooms

**Life Expectancy:** 18 **Remaining Life:** 11

**Best Cost:** \$8,000.00  
\$4,000/Restroom; Estimate to remodel restroom

**Worst Cost:** \$12,000.00  
\$6,000/Restroom; Higher estimate for more extensive remodel

Source of Information: In-House Costs Database

### General Notes:

Quantity breakdown:

Men's Restroom  
(3) Showers (3) Toilets (2) Sinks

Women's Restroom  
(2) Showers (3) Toilets (2) Sinks

### Observations:

Restrooms are in good condition. No appearance concerns noted at the time of site visit. We recommend funding to make replacements to flooring and other fixtures as well as any perform any other related work approximately every 18 years.



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# Component Evaluation

Comp # 1415 Furniture - Partial Replace

## Subgroup: Clubhouse

**Location:** Clubhouse interior

**Quantity:** Multiple Items

**Life Expectancy:** 5 **Remaining Life:** 2

**Best Cost:** \$3,000.00  
Allowance to make replacements

**Worst Cost:** \$3,500.00  
Higher allowance

Source of Information: In-House Costs Database

### Observations:

This component includes all of the furniture in clubhouse, including the office furniture and equipment, billiard tables, and any other related items. No expectation to replace all of these items at one time. We recommend funding to make replacements every 5 years.



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# Component Evaluation

Comp # 1417 Kitchenette - Remodel

## Subgroup: Clubhouse

**Location:** Clubhouse interior

**Quantity:** (1) Kitchenette

**Life Expectancy:** 20 **Remaining Life:** 17

**Best Cost:** \$4,000.00  
Allowance to remodel

**Worst Cost:** \$6,000.00  
Higher allowance

Source of Information: In-House Costs Database

### General Notes:

Quantity description:

- (2) Small Ovens
- (1) Refrigerator
- (1) Dishwasher

### Observations:

Kitchen is in good condition. We recommend funding to make replacements to the appliances as well as the cabinets and any other related work approximately every 20 years.



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## Component Evaluation

Comp # 1501 Carpeting - Replace

---

### Subgroup: Clubhouse

**Location:** Clubhouse interior

**Quantity:** Approx 295 Sq. Yards

**Life Expectancy:** 10 **Remaining Life:** 9

**Best Cost:** \$8,850.00  
Estimate to replace

**Worst Cost:** \$8,860.00  
Higher estimate for better quality

Source of Information: In-House Costs Database

### Observations:

Carpet is in fair condition and is expected to be replaced prior to the beginning of this fiscal year (FY 2016). Some evidence of wear noted but no rips or curling seams observed at the time of inspection. Expect to replace this component approximately every 10 years assuming normal use and wear. Remaining life based on current age and condition.



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## Component Evaluation

Comp # 1502 Rubberized Flooring - Replace

---

**Subgroup: Clubhouse**

**Location:** Clubhouse interior

**Quantity:** Approx 550 Sq.ft.

**Life Expectancy:** 15 **Remaining Life:** 14

**Best Cost:** \$2,000.00  
Estimate to replace

**Worst Cost:** \$2,500.00  
Higher estimate

Source of Information: In-House Costs Database

**Observations:**

Per client, the carpet in the clubhouse exercise room will be replaced with rubberized flooring. We recommend funding to replace this flooring approximately every 15 years.

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## Component Evaluation

Comp # 1503 Ceramic Tile - Replace

---

### Subgroup: Clubhouse

**Location:** Clubhouse interior

**Quantity:** Approx 800 Sq.ft.

**Life Expectancy:** 30 **Remaining Life:** 19

**Best Cost:** \$4,000.00

\$5/Sq.ft.; Estimate to replace floor

**Worst Cost:** \$5,600.00

\$7/Sq.ft.; Higher estimate for more installation costs

Source of Information: In-House Costs Database

### Observations:

No problems noted at the time of inspection. Although this component may reach an extended life we recommend funding to replace the tile approximately every 30 years to ensure appearance and keep up with current decorative tastes.



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## Component Evaluation

Comp # 1505 Laminate Floor - Replace

---

### Subgroup: Clubhouse

**Location:** Clubhouse interior

**Quantity:** Approx 400 Sq.ft.

**Life Expectancy:** 20 **Remaining Life:** 9

**Best Cost:** \$2,800.00  
\$7.00/Sq.ft.; Estimate to refinish floor

**Worst Cost:** \$3,200.00  
\$8.00/Sq.ft.; Higher estimate for more prep work

Source of Information: In-House Costs Database

### Observations:

No problems with this hardwood floor noted. We recommend funding to replace this floor approximately every 30 years. Remaining useful life based on current age and condition.



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# Component Evaluation

Comp # 1609 Street Light Fixtures - Replace

## Subgroup: Common Area

**Location:** Community Streets

**Quantity:** (44) Light Fixtures

**Life Expectancy:** 25 **Remaining Life:** 13

**Best Cost:** \$11,000.00  
\$250/Fixture; Estimate to replace fixtures

**Worst Cost:** \$15,400.00  
\$350/Fixture; Higher estimate for more installation costs

Source of Information: In-House Costs Database

### General Notes:

Quantity breakdown:

40 - Single Light Fixtures  
2 - Double Light Fixtures

44 - Total Light Fixtures

### Observations:

No expectation to replace the street light poles. We recommend funding to replace the street light fixtures approximately every 25 years.



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# Component Evaluation

Comp # 1705 Pond & Sprinkler Pumps - Partial Replace

## Subgroup: Equipment & Utilities

**Location:** Golf course ponds

**Quantity:** (12) Pumps

**Life Expectancy:** 3 **Remaining Life:** 1

**Best Cost:** \$2,000.00  
\$1,000/Pump; Estimate to replace

**Worst Cost:** \$2,400.00  
\$1,200/Pump; Higher estimate

Source of Information: In-House Costs Database

### Observations:

No problems with these pumps reported. No expectation to replace all pumps at one time. We recommend funding to replace two pumps every three years. Remaining useful life based on current age and condition.



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## Component Evaluation

Comp # 1812 Landscaping - Renovate

### Subgroup: Common Area

**Location:** Common Area

**Quantity:** Extensive Sq.ft.

**Life Expectancy:** N/A **Remaining Life:** 0

**Best Cost:** \$0.00

**Worst Cost:** \$0.00

Source of Information:

### Observations:

Per client, on-site groundskeepers maintain this landscaping as an operating expense. No reserve funding necessary.



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# Component Evaluation

Comp # 1901 Golf Course Equipment - Partial Replace

## Subgroup: Equipment & Utilities

**Location:** Maintenance equipment

**Quantity:** Multiple Items

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

**Best Cost:** \$10,000.00  
Estimate to replace

**Worst Cost:** \$12,000.00  
Higher estimate

Source of Information: In-House Costs Database

### General Notes:

Quantity breakdown:

- (1) Tri-King 1900D Fairway Mower
- (2) Toro Fairway Mowers
- (1) Toro Tee Mower
- (1) John Deere 80 Aerator

### Observations:

Per client, some of this equipment may be replaced with used equipment if available. It is important to note that new equipment will cost significantly more than used equipment. The remaining useful life may be difficult to predict but proper maintenance is necessary to ensure full life of equipment. We recommend funding to make replacements every five years.



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# Component Evaluation

Comp # 1902 Golf Carts - Partial Replace

## Subgroup: Equipment & Utilities

**Location:** Maintenance equipment

**Quantity:** (4) Golf Carts

**Life Expectancy:** 6 **Remaining Life:** 3

**Best Cost:** \$8,000.00  
Estimate to replace two golf carts

**Worst Cost:** \$9,000.00  
Higher estimate

Source of Information: In-House Costs Database

### Observations:

Per client, this community recently replaced two golf carts. No expectation to replace all of the golf carts at one time. We recommend replacing two golf carts approximately every six years.



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## Component Evaluation

Comp # 2001 Sewer System & Utility Lines - Repair/Replace

---

**Subgroup: Equipment & Utilities**

**Location:** Underground Utilities

**Quantity:** (1) Utility System

**Life Expectancy:** N/A **Remaining Life:** 0

**Best Cost:** \$0.00

**Worst Cost:** \$0.00

Source of Information:

**Observations:**

Per client, this community owns the underground utility lines and is responsible for the repairs and replacement costs. These costs are largely unexpected and fall outside the typical reserve expense. We recommend monitoring these costs and possibly incorporating them into future reserve studies if necessary.

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## Component Evaluation

Comp # 2002 Well System Pump - Replace

---

**Subgroup: Equipment & Utilities**

**Location:** Water Well

**Quantity:** (1) Well Pump & Motor

**Life Expectancy:** 10 **Remaining Life:** 7

**Best Cost:** \$5,000.00  
Estimate to replace

**Worst Cost:** \$6,000.00  
Higher estimate

Source of Information: In-House Costs Database

**Observations:**

Per client, the well pump and motor were replaced approximately three years ago. We recommend funding to replace these items approximately every 10 years.

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# 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

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**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.