

## **COBBLESTONE CREEK HOA, INC.**



***Level 2 Reserve Study Update (With Site-Visit)***

***Prepared For Fiscal Year 2023***

***October 24, 2022***

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## ***Preface***

*This comprehensive reserve study report was produced using specialized web-based software powered by Global Reserves.*

*The individual responsible for report preparation and/or oversight is Robert Petrisin, RS.*

*Information contained in the report is considered reliable, but is not guaranteed. The report does not warrant against the contingency of unforeseen conditions or circumstances, unreliable information, or an unpredictable inflationary or deflationary spiral. The report is not intended to predict precise expectations, but rather to chart the expectations that a reasonable person might anticipate in planning for the fiscal future. The scope of this report is expressly limited to the components described herein.*

*It is strongly recommended by the Reserve Study Industry to have this reserve study report updated on an annual basis to ensure the security of a long-term funding plan. These necessary updates provide statutory compliance (as applicable) and allow for adjustments due to actual year-end inflation rate, actual year-end reserve balance and the unpredictable nature of the lives of many of the reserve components under consideration.*

## *Reserve Disclosures*

### Profile

Name	Cobblestone Creek HOA, Inc.
Location	Garden Grove, CA 92841
Units/General Type	61 / PUD (with bldg paint & roof)
Base Year / Age	1983 / 39
Fiscal Year Ends	December-31

### Parameters

Level of Service	Level 2 Reserve Study Update (With Site-Visit)
Prepared for Fiscal Year (FY)	2023
Most Recent On-Site Inspection Date	October 18, 2022
Allocation Increase Rate	ref Cash Flow Analysis
Contingency Rate	ref Component Details
Inflation Rate	3.0%
Interest Rate / Tax Rate	1.0% / 30.0%
Interest Rate (net effective)	0.7%
Current Reserve Allocation	\$60,000 per year
Current Reserve Balance	\$63,136 as of July 25, 2022
Funding Plan - Method / Goal	Cash Flow / Baseline - \$0 minimum FY End Balance

### Summary

<b>FY Start Balance</b>	<b>\$88,320</b>	<i>(projected to current FY end/next FY start)</i>		
<b>Fully Funded Balance</b>	<b>\$822,299</b>			
<hr/>				
<b>Percent Funded</b>	<b>11%</b>			
<hr/>				
<i>Proposed Budget</i>	<i>per year</i>	<i>per month</i>	<i>per unit per month</i>	
<hr/>				
<b>Reserve Allocation</b>	<b>\$284,759</b>	<b>\$23,730</b>	<b>\$389.02</b>	

*Association management/members need to understand that Percent Funded is a general indication of reserve strength and that the parameter fluctuates from year to year due to the Disbursement Schedule.*

*The Reserve Allocation was determined using the Funding Plan indicated above under the Parameters section. This allocation should be increased annually using the Allocation Increase Rate found in the Cash Flow Analysis.*

*Association management should budget the Reserve Allocation amount toward reserves for next fiscal year, to ensure the availability of reserves to fund future reserve component expenditures. This amount reflects an increase of 374.60% from the Current Reserve Allocation. The Reserve Allocation must be reviewed and adjusted for inflation (and other vital factors) in succeeding years to ensure the- Security of a Successful Plan!*

## *Reserve Disclosures*

<i>Reserve Component</i>	<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>
<b>01 Coat/Paint/Stain</b>			
01.01 bldg exterior siding,paint	\$96,075	10	1
01.02 bldg exterior wood,paint	\$92,872	5	1
01.03 metal fence/gate/rail,paint	\$7,129	5	1
<b>02 Elevated Decks</b>			
02.01 deck inspection/report,engineer	\$24,999	9	1
02.02 deck/landing,rehab	\$15,750	16	1
02.03 deck/landing,repair/seal	\$4,725	4	1
<b>03 Equipment</b>			
03.01 awnings,replace	\$20,050	10	2
03.02 doors,utility(25%)	\$9,843	5	1
03.03 fixtures,light,landscape	\$3,281	25	3
03.04 gate access system-entry keypad	\$2,673	18	3
03.05 gate operators	\$7,574	10	4
03.06 irrigation controllers	\$3,230	12	3
03.07 mailboxes,CBUs	\$8,295	20	3
03.08 waterscape-pumps	\$2,227	3	2
<b>04 Fencing</b>			
04.01 metal fence/gate/rail,replace	\$48,510	25	6
04.02 metal gates,entry,replace	\$18,380	20	18
04.03 metal/wood gates,trash receptacles	\$4,620	20	1
04.04 wood rails,deck,repair/replace	\$13,924	2	1
<b>05 Pavement</b>			
05.01 asphalt,major rehab	\$62,685	25	3
05.02 asphalt,repair/sealcoat	\$6,268	5	3
05.03 concrete,deck/walk	\$2,005	2	1
<b>06 Pools/Spas</b>			
06.01 chemical controllers,pool/spa	\$1,050	10	5
06.02 deck mastic,pool area	\$1,391	4	2
06.03 deck,concrete,pool area	\$74,634	30	6
06.04 filter,pool	\$1,575	12	2
06.05 filter,spa	\$1,470	12	2
06.06 furniture,pool	\$4,789	8	2
06.07 heater,spa	\$4,462	12	11
06.08 pumpsets,pool/spa	\$3,937	8	4
06.09 rehab,pool	\$16,709	12	11
06.10 rehab,spa	\$6,293	8	1

## *Reserve Disclosures*

<i>Reserve Component</i>	<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>
<b>07 Restoration</b>			
07.01 bldg exterior siding/wood,repairs	\$46,436	10	1
07.02 tree trim/remove/replace	\$17,325	2	1
07.03 utility lines,rehab-unfund	\$0	999	999
07.04 wood bridges,repair/seal	\$4,331	5	2
<b>08 Roofs</b>			
08.01 shingle roof,unit bldgs	\$457,191	50	33
08.02 shingle/flat roof,garage	\$50,641	15	2
<b>09 Termite</b>			
09.01 termite treatment/fumigation	\$20,816	2	1
<b>Grand Total:</b>	<b>\$1,168,165</b>		

# Cash Flow Analysis

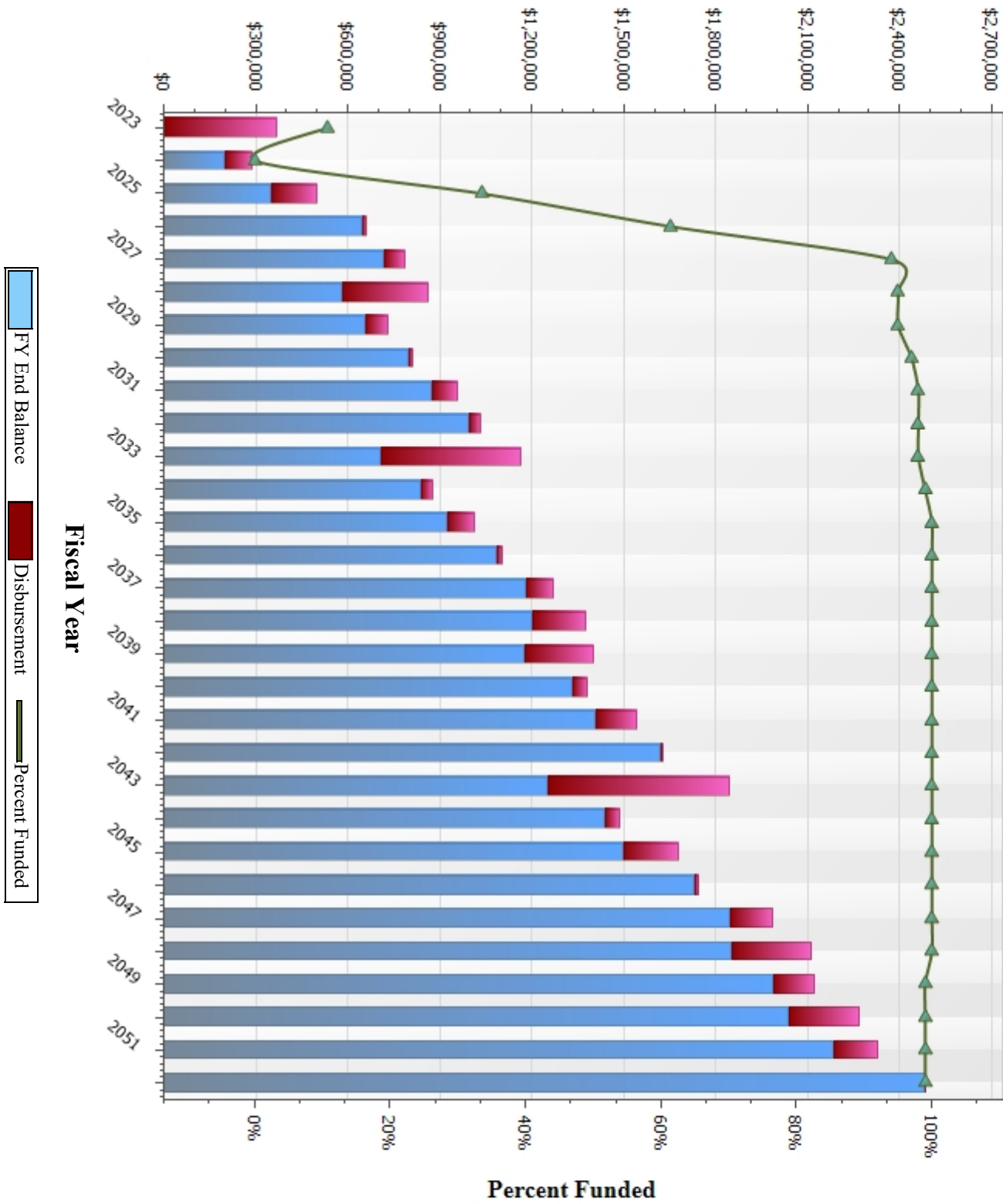
Fiscal Year	FY Start Balance	Interest Earned	Reserve Allocation	Allocation Increase Rate	Special Assessment	Disbursement	FY End Balance	Fully Funded Balance	Percent Funded
2022	--	--	--	--	--	\$0	\$88,320	\$698,609	--
2023	\$88,320	\$618	\$284,759	374.6%	\$0	\$373,697	\$0	\$822,299	11%
2024	\$0	\$0	\$293,301	3.0%	\$0	\$91,742	\$201,560	\$567,875	0%
2025	\$201,560	\$1,411	\$302,100	3.0%	\$0	\$153,527	\$351,545	\$599,393	34%
2026	\$351,545	\$2,461	\$311,163	3.0%	\$0	\$12,956	\$652,214	\$571,507	62%
2027	\$652,214	\$4,565	\$135,673	-56.4%	\$0	\$71,960	\$720,492	\$690,954	94%
2028	\$720,492	\$5,043	\$139,743	3.0%	\$0	\$279,872	\$585,406	\$756,674	95%
2029	\$585,406	\$4,098	\$143,935	3.0%	\$0	\$71,828	\$661,611	\$613,768	95%
2030	\$661,611	\$4,631	\$148,253	3.0%	\$0	\$10,761	\$803,735	\$684,550	97%
2031	\$803,735	\$5,626	\$152,701	3.0%	\$0	\$84,927	\$877,135	\$824,141	98%
2032	\$877,135	\$6,140	\$157,282	3.0%	\$0	\$41,901	\$998,656	\$895,406	98%
2033	\$998,656	\$6,991	\$162,000	3.0%	\$0	\$456,542	\$711,106	\$1,017,159	98%
2034	\$711,106	\$4,978	\$166,860	3.0%	\$0	\$40,375	\$842,570	\$719,676	99%
2035	\$842,570	\$5,898	\$171,866	3.0%	\$0	\$95,545	\$924,790	\$846,112	100%
2036	\$924,790	\$6,474	\$177,022	3.0%	\$0	\$21,535	\$1,086,752	\$923,974	100%
2037	\$1,086,752	\$7,607	\$182,333	3.0%	\$0	\$90,909	\$1,185,783	\$1,084,920	100%
2038	\$1,185,783	\$8,300	\$187,803	3.0%	\$0	\$176,267	\$1,205,619	\$1,183,859	100%
2039	\$1,205,619	\$8,439	\$193,437	3.0%	\$0	\$228,148	\$1,179,347	\$1,202,644	100%
2040	\$1,179,347	\$8,255	\$199,240	3.0%	\$0	\$52,482	\$1,334,360	\$1,173,538	100%
2041	\$1,334,360	\$9,341	\$205,217	3.0%	\$0	\$138,648	\$1,410,271	\$1,329,601	100%
2042	\$1,410,271	\$9,872	\$211,374	3.0%	\$0	\$11,133	\$1,620,384	\$1,406,819	100%
2043	\$1,620,384	\$11,343	\$217,715	3.0%	\$0	\$592,401	\$1,257,041	\$1,623,116	100%
2044	\$1,257,041	\$8,799	\$224,246	3.0%	\$0	\$49,382	\$1,440,705	\$1,252,745	100%
2045	\$1,440,705	\$10,085	\$230,974	3.0%	\$0	\$181,632	\$1,500,132	\$1,436,322	100%
2046	\$1,500,132	\$10,501	\$237,903	3.0%	\$0	\$15,396	\$1,733,140	\$1,495,077	100%
2047	\$1,733,140	\$12,132	\$245,040	3.0%	\$0	\$138,479	\$1,851,834	\$1,732,918	100%
2048	\$1,851,834	\$12,963	\$252,391	3.0%	\$0	\$261,587	\$1,855,602	\$1,857,360	100%
2049	\$1,855,602	\$12,989	\$259,963	3.0%	\$0	\$136,901	\$1,991,654	\$1,865,200	99%
2050	\$1,991,654	\$13,942	\$267,762	3.0%	\$0	\$231,467	\$2,041,891	\$2,008,313	99%
2051	\$2,041,891	\$14,293	\$275,795	3.0%	\$0	\$143,804	\$2,188,175	\$2,065,248	99%
2052	\$2,188,175	\$15,317	\$284,069	3.0%	\$0	\$3,376	\$2,484,185	\$2,221,187	99%

0.7% - Interest Rate
3.0% - Inflation

Min FY End Balance:	\$0
Avg FY End Balance:	\$1,189,923

Min % Funded:	0%
Avg % Funded:	89%

### Reserve Balance





## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2023</b>	<b>\$373,697</b>			
		\$98,957	01.01	bldg exterior siding,paint
		\$95,658	01.02	bldg exterior wood,paint
		\$7,343	01.03	metal fence/gate/rail,paint
		\$25,749	02.01	deck inspection/report,engineer
		\$16,223	02.02	deck/landing,rehab
		\$4,867	02.03	deck/landing,repair/seal
		\$10,138	03.02	doors,utility(25%)
		\$4,759	04.03	metal/wood gates,trash receptacles
		\$14,342	04.04	wood rails,deck,repair/replace
		\$2,065	05.03	concrete,deck/walk
		\$6,482	06.10	rehab,spa
		\$47,829	07.01	bldg exterior siding/wood,repairs
		\$17,845	07.02	tree trim/remove/replace
		\$21,440	09.01	termite treatment/fumigation
<b>2024</b>	<b>\$91,742</b>			
		\$21,271	03.01	awnings,replace
		\$2,363	03.08	waterscape-pumps
		\$1,476	06.02	deck mastic,pool area
		\$1,671	06.04	filter,pool
		\$1,560	06.05	filter,spa
		\$5,081	06.06	furniture,pool
		\$4,595	07.04	wood bridges,repair/seal
		\$53,725	08.02	shingle/flat roof,garage
<b>2025</b>	<b>\$153,527</b>			
		\$3,585	03.03	fixtures,light,landscape
		\$2,921	03.04	gate access system-entry keypad
		\$3,529	03.06	irrigation controllers
		\$9,064	03.07	mailboxes,CBUs
		\$15,215	04.04	wood rails,deck,repair/replace
		\$68,496	05.01	asphalt,major rehab
		\$6,849	05.02	asphalt,repair/sealcoat
		\$2,191	05.03	concrete,deck/walk
		\$18,931	07.02	tree trim/remove/replace
		\$22,746	09.01	termite treatment/fumigation

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2026</b>	<b>\$12,956</b>	\$8,525	03.05	gate operators
		\$4,431	06.08	pumpsets,pool/spa
<b>2027</b>	<b>\$71,960</b>	\$5,478	02.03	deck/landing,repair/seal
		\$2,582	03.08	waterscape-pumps
		\$16,142	04.04	wood rails,deck,repair/replace
		\$2,324	05.03	concrete,deck/walk
		\$1,217	06.01	chemical controllers,pool/spa
		\$20,085	07.02	tree trim/remove/replace
		\$24,132	09.01	termite treatment/fumigation
<b>2028</b>	<b>\$279,872</b>	\$110,898	01.02	bldg exterior wood,paint
		\$8,513	01.03	metal fence/gate/rail,paint
		\$11,754	03.02	doors,utility(25%)
		\$57,926	04.01	metal fence/gate/rail,replace
		\$1,661	06.02	deck mastic,pool area
		\$89,120	06.03	deck,concrete,pool area
<b>2029</b>	<b>\$71,828</b>	\$17,125	04.04	wood rails,deck,repair/replace
		\$2,466	05.03	concrete,deck/walk
		\$21,308	07.02	tree trim/remove/replace
		\$5,327	07.04	wood bridges,repair/seal
		\$25,602	09.01	termite treatment/fumigation
<b>2030</b>	<b>\$10,761</b>	\$2,821	03.08	waterscape-pumps
		\$7,940	05.02	asphalt,repair/sealcoat
<b>2031</b>	<b>\$84,927</b>	\$6,165	02.03	deck/landing,repair/seal
		\$18,168	04.04	wood rails,deck,repair/replace
		\$2,616	05.03	concrete,deck/walk
		\$8,211	06.10	rehab,spa
		\$22,606	07.02	tree trim/remove/replace
		\$27,161	09.01	termite treatment/fumigation

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2032</b>	<b>\$41,901</b>			
		\$33,596	02.01	deck inspection/report,engineer
		\$1,869	06.02	deck mastic,pool area
		\$6,436	06.06	furniture,pool
<b>2033</b>	<b>\$456,542</b>			
		\$132,987	01.01	bldg exterior siding,paint
		\$128,553	01.02	bldg exterior wood,paint
		\$9,868	01.03	metal fence/gate/rail,paint
		\$13,625	03.02	doors,utility(25%)
		\$3,083	03.08	waterscape-pumps
		\$19,274	04.04	wood rails,deck,repair/replace
		\$2,775	05.03	concrete,deck/walk
		\$6,176	06.07	heater,spa
		\$23,129	06.09	rehab,pool
		\$64,277	07.01	bldg exterior siding/wood,repairs
		\$23,981	07.02	tree trim/remove/replace
		\$28,814	09.01	termite treatment/fumigation
<b>2034</b>	<b>\$40,375</b>			
		\$28,587	03.01	awnings,replace
		\$5,613	06.08	pumpsets,pool/spa
		\$6,175	07.04	wood bridges,repair/seal
<b>2035</b>	<b>\$95,545</b>			
		\$6,939	02.03	deck/landing,repair/seal
		\$20,447	04.04	wood rails,deck,repair/replace
		\$9,205	05.02	asphalt,repair/sealcoat
		\$2,944	05.03	concrete,deck/walk
		\$25,442	07.02	tree trim/remove/replace
		\$30,568	09.01	termite treatment/fumigation
<b>2036</b>	<b>\$21,535</b>			
		\$11,456	03.05	gate operators
		\$3,369	03.08	waterscape-pumps
		\$2,104	06.02	deck mastic,pool area
		\$2,382	06.04	filter,pool
		\$2,224	06.05	filter,spa

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2037</b>	<b>\$90,909</b>			
		\$5,032	03.06	irrigation controllers
		\$21,694	04.04	wood rails,deck,repair/replace
		\$3,124	05.03	concrete,deck/walk
		\$1,636	06.01	chemical controllers,pool/spa
		\$26,992	07.02	tree trim/remove/replace
		\$32,431	09.01	termite treatment/fumigation
<b>2038</b>	<b>\$176,267</b>			
		\$149,032	01.02	bldg exterior wood,paint
		\$11,440	01.03	metal fence/gate/rail,paint
		\$15,795	03.02	doors,utility(25%)
<b>2039</b>	<b>\$228,148</b>			
		\$26,032	02.02	deck/landing,rehab
		\$7,809	02.03	deck/landing,repair/seal
		\$3,681	03.08	waterscape-pumps
		\$23,014	04.04	wood rails,deck,repair/replace
		\$3,314	05.03	concrete,deck/walk
		\$10,401	06.10	rehab,spa
		\$28,635	07.02	tree trim/remove/replace
		\$7,158	07.04	wood bridges,repair/seal
		\$83,699	08.02	shingle/flat roof,garage
		\$34,405	09.01	termite treatment/fumigation
<b>2040</b>	<b>\$52,482</b>			
		\$31,290	04.02	metal gates,entry,replace
		\$10,671	05.02	asphalt,repair/sealcoat
		\$2,368	06.02	deck mastic,pool area
		\$8,153	06.06	furniture,pool
<b>2041</b>	<b>\$138,648</b>			
		\$43,836	02.01	deck inspection/report,engineer
		\$24,416	04.04	wood rails,deck,repair/replace
		\$3,516	05.03	concrete,deck/walk
		\$30,379	07.02	tree trim/remove/replace
		\$36,501	09.01	termite treatment/fumigation
<b>2042</b>	<b>\$11,133</b>			
		\$4,022	03.08	waterscape-pumps
		\$7,111	06.08	pumpsets,pool/spa

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2043</b>	<b>\$592,401</b>			
		\$178,728	01.01	bldg exterior siding,paint
		\$172,770	01.02	bldg exterior wood,paint
		\$13,262	01.03	metal fence/gate/rail,paint
		\$8,790	02.03	deck/landing,repair/seal
		\$18,311	03.02	doors,utility(25%)
		\$4,973	03.04	gate access system-entry keypad
		\$8,595	04.03	metal/wood gates,trash receptacles
		\$25,903	04.04	wood rails,deck,repair/replace
		\$3,730	05.03	concrete,deck/walk
		\$86,385	07.01	bldg exterior siding/wood,repairs
		\$32,230	07.02	tree trim/remove/replace
		\$38,724	09.01	termite treatment/fumigation
<b>2044</b>	<b>\$49,382</b>			
		\$38,418	03.01	awnings,replace
		\$2,665	06.02	deck mastic,pool area
		\$8,299	07.04	wood bridges,repair/seal
<b>2045</b>	<b>\$181,632</b>			
		\$16,371	03.07	mailboxes,CBUs
		\$4,395	03.08	waterscape-pumps
		\$27,480	04.04	wood rails,deck,repair/replace
		\$12,371	05.02	asphalt,repair/sealcoat
		\$3,957	05.03	concrete,deck/walk
		\$8,806	06.07	heater,spa
		\$32,977	06.09	rehab,pool
		\$34,193	07.02	tree trim/remove/replace
		\$41,082	09.01	termite treatment/fumigation
<b>2046</b>	<b>\$15,396</b>			
		\$15,396	03.05	gate operators
<b>2047</b>	<b>\$138,479</b>			
		\$9,893	02.03	deck/landing,repair/seal
		\$29,154	04.04	wood rails,deck,repair/replace
		\$4,198	05.03	concrete,deck/walk
		\$2,198	06.01	chemical controllers,pool/spa
		\$13,176	06.10	rehab,spa
		\$36,275	07.02	tree trim/remove/replace
		\$43,585	09.01	termite treatment/fumigation

## *Disbursement By Year*

<i>Fiscal Year</i>	<i>Disbursement</i>	<i>Disbursement Breakdown</i>		
<b>2048</b>	<b>\$261,587</b>	\$200,288	01.02	bldg exterior wood,paint
		\$15,374	01.03	metal fence/gate/rail,paint
		\$21,227	03.02	doors,utility(25%)
		\$4,803	03.08	waterscape-pumps
		\$3,000	06.02	deck mastic,pool area
		\$3,397	06.04	filter,pool
		\$3,170	06.05	filter,spa
		\$10,328	06.06	furniture,pool
<b>2049</b>	<b>\$136,901</b>	\$7,175	03.06	irrigation controllers
		\$30,929	04.04	wood rails,deck,repair/replace
		\$4,454	05.03	concrete,deck/walk
		\$38,484	07.02	tree trim/remove/replace
		\$9,620	07.04	wood bridges,repair/seal
		\$46,239	09.01	termite treatment/fumigation
<b>2050</b>	<b>\$231,467</b>	\$57,195	02.01	deck inspection/report,engineer
		\$7,507	03.03	fixtures,light,landscape
		\$143,417	05.01	asphalt,major rehab
		\$14,341	05.02	asphalt,repair/sealcoat
		\$9,007	06.08	pumpsets,pool/spa
<b>2051</b>	<b>\$143,804</b>	\$11,135	02.03	deck/landing,repair/seal
		\$5,248	03.08	waterscape-pumps
		\$32,813	04.04	wood rails,deck,repair/replace
		\$4,725	05.03	concrete,deck/walk
		\$40,828	07.02	tree trim/remove/replace
		\$49,055	09.01	termite treatment/fumigation
<b>2052</b>	<b>\$3,376</b>	\$3,376	06.02	deck mastic,pool area
<b>Grand Total:</b>	<b>\$4,259,180</b>			

## Reserve Balance Distribution

<p><i>Note- This distribution is based on the disbursement by year in ascending order.</i></p>	<p><b>\$88,320 : FY Start Balance</b>  <b>\$88,320 : Distributed Funds</b></p>
	<p><b>\$0 : Remaining Funds</b></p>

<i>Reserve Component</i>	<i>Distribution</i>	<i>Percentage</i>
01 Coat/Paint/Stain		
01.01 bldg exterior siding,paint	\$88,320	100.0000%
01.02 bldg exterior wood,paint		
01.03 metal fence/gate/rail,paint		
02 Elevated Decks		
02.01 deck inspection/report,engineer		
02.02 deck/landing,rehab		
02.03 deck/landing,repair/seal		
03 Equipment		
03.01 awnings,replace		
03.02 doors,utility(25%)		
03.03 fixtures,light,landscape		
03.04 gate access system-entry keypad		
03.05 gate operators		
03.06 irrigation controllers		
03.07 mailboxes,CBUs		
03.08 waterscape-pumps		
04 Fencing		
04.01 metal fence/gate/rail,replace		
04.02 metal gates,entry,replace		
04.03 metal/wood gates,trash receptacles		
04.04 wood rails,deck,repair/replace		
05 Pavement		
05.01 asphalt,major rehab		
05.02 asphalt,repair/sealcoat		
05.03 concrete,deck/walk		
06 Pools/Spas		
06.01 chemical controllers,pool/spa		
06.02 deck mastic,pool area		
06.03 deck,concrete,pool area		
06.04 filter,pool		
06.05 filter,spa		
06.06 furniture,pool		
06.07 heater,spa		

## *Reserve Balance Distribution*

<i>Note- This distribution is based on the disbursement by year in ascending order.</i>	<b>\$88,320 : FY Start Balance</b> <b>\$88,320 : Distributed Funds</b>
	<b>\$0 : Remaining Funds</b>

<i>Reserve Component</i>	<i>Distribution</i>	<i>Percentage</i>
06 Pools/Spas		
06.08 pumpsets,pool/spa		
06.09 rehab,pool		
06.10 rehab,spa		
07 Restoration		
07.01 bldg exterior siding/wood,repairs		
07.02 tree trim/remove/replace		
07.03 utility lines,rehab-unfund		
07.04 wood bridges,repair/seal		
08 Roofs		
08.01 shingle roof,unit bldgs		
08.02 shingle/flat roof,garage		
09 Termite		
09.01 termite treatment/fumigation		



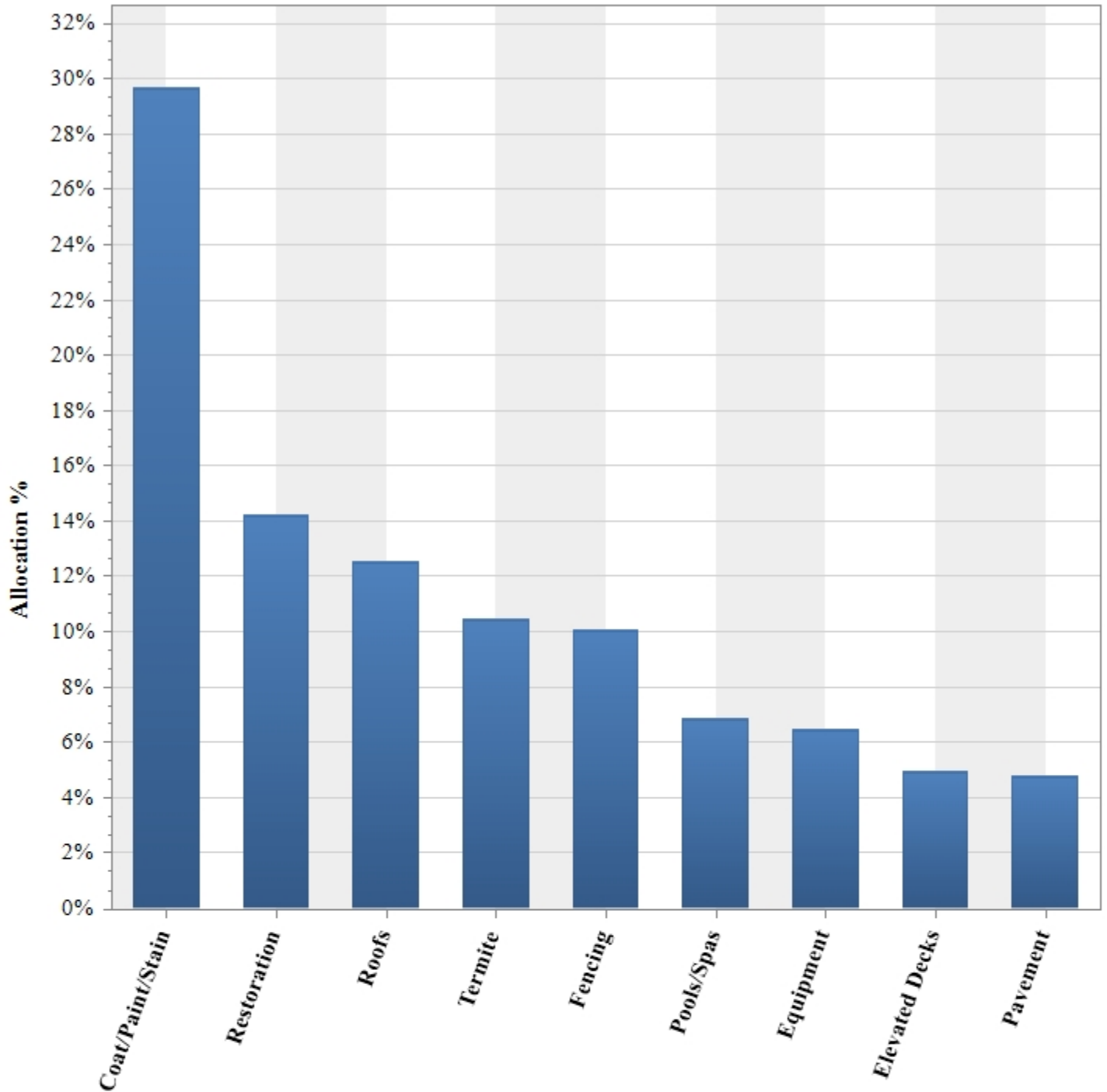
## *Allocation Breakdown*

<i>Reserve Component</i>		<i>Reserve Allocation (per year)</i>	<i>Reserve Allocation (per month)</i>	<i>Reserve Allocation (per unit per month)</i>	<i>Allocation %</i>
<b>01</b>	<b>Coat/Paint/Stain</b>	<b>\$84,530.38</b>	<b>\$7,044.19</b>	<b>\$115.48</b>	<b>29.68%</b>
01.01	bldg exterior siding,paint	\$27,429.54	\$2,285.79	\$37.47	9.63%
01.02	bldg exterior wood,paint	\$53,030.16	\$4,419.18	\$72.45	18.62%
01.03	metal fence/gate/rail,paint	\$4,070.68	\$339.22	\$5.56	1.43%
<b>02</b>	<b>Elevated Decks</b>	<b>\$14,113.16</b>	<b>\$1,176.10</b>	<b>\$19.28</b>	<b>4.95%</b>
02.01	deck inspection/report,engineer	\$7,930.28	\$660.86	\$10.83	2.78%
02.02	deck/landing,rehab	\$2,810.40	\$234.20	\$3.84	0.99%
02.03	deck/landing,repair/seal	\$3,372.48	\$281.04	\$4.61	1.18%
<b>03</b>	<b>Equipment</b>	<b>\$18,377.69</b>	<b>\$1,531.47</b>	<b>\$25.11</b>	<b>6.45%</b>
03.01	awnings,replace	\$5,724.30	\$477.03	\$7.82	2.01%
03.02	doors,utility(25%)	\$5,620.38	\$468.36	\$7.68	1.97%
03.03	fixtures,light,landscape	\$374.69	\$31.22	\$0.51	0.13%
03.04	gate access system-entry keypad	\$423.97	\$35.33	\$0.58	0.15%
03.05	gate operators	\$2,162.39	\$180.20	\$2.95	0.76%
03.06	irrigation controllers	\$768.47	\$64.04	\$1.05	0.27%
03.07	mailboxes,CBUs	\$1,184.12	\$98.68	\$1.62	0.42%
03.08	waterscape-pumps	\$2,119.37	\$176.61	\$2.90	0.74%
<b>04</b>	<b>Fencing</b>	<b>\$28,699.74</b>	<b>\$2,391.65</b>	<b>\$39.20</b>	<b>10.08%</b>
04.01	metal fence/gate/rail,replace	\$5,539.87	\$461.66	\$7.57	1.95%
04.02	metal gates,entry,replace	\$2,623.76	\$218.65	\$3.58	0.92%
04.03	metal/wood gates,trash receptacles	\$659.51	\$54.96	\$0.90	0.23%
04.04	wood rails,deck,repair/replace	\$19,876.60	\$1,656.38	\$27.15	6.98%
<b>05</b>	<b>Pavement</b>	<b>\$13,599.85</b>	<b>\$1,133.31</b>	<b>\$18.58</b>	<b>4.78%</b>
05.01	asphalt,major rehab	\$7,158.66	\$596.55	\$9.78	2.51%
05.02	asphalt,repair/sealcoat	\$3,579.04	\$298.25	\$4.89	1.26%
05.03	concrete,deck/walk	\$2,862.15	\$238.51	\$3.91	1.01%
<b>06</b>	<b>Pools/Spas</b>	<b>\$19,516.66</b>	<b>\$1,626.39</b>	<b>\$26.66</b>	<b>6.85%</b>
06.01	chemical controllers,pool/spa	\$299.78	\$24.98	\$0.41	0.11%
06.02	deck mastic,pool area	\$992.83	\$82.74	\$1.36	0.35%
06.03	deck,concrete,pool area	\$7,102.70	\$591.89	\$9.70	2.49%
06.04	filter,pool	\$374.72	\$31.23	\$0.51	0.13%

## Allocation Breakdown

<i>Reserve Component</i>		<i>Reserve Allocation (per year)</i>	<i>Reserve Allocation (per month)</i>	<i>Reserve Allocation (per unit per month)</i>	<i>Allocation %</i>
<b>06</b>	<b>Pools/Spas</b>	<b>\$19,516.66</b>	<b>\$1,626.39</b>	<b>\$26.66</b>	<b>6.85%</b>
06.05	filter,spa	\$349.74	\$29.14	\$0.48	0.12%
06.06	furniture,pool	\$1,709.08	\$142.42	\$2.33	0.60%
06.07	heater,spa	\$1,061.59	\$88.47	\$1.45	0.37%
06.08	pumpsets,pool/spa	\$1,405.02	\$117.09	\$1.92	0.49%
06.09	rehab,pool	\$3,975.37	\$331.28	\$5.43	1.40%
06.10	rehab,spa	\$2,245.83	\$187.15	\$3.07	0.79%
<b>07</b>	<b>Restoration</b>	<b>\$40,462.10</b>	<b>\$3,371.83</b>	<b>\$55.28</b>	<b>14.22%</b>
07.01	bldg exterior siding/wood,repairs	\$13,257.54	\$1,104.79	\$18.11	4.66%
07.02	tree trim/remove/replace	\$24,731.55	\$2,060.96	\$33.79	8.69%
07.03	utility lines,rehab-unfund	\$0.00	\$0.00	\$0.00	0.00%
07.04	wood bridges,repair/seal	\$2,473.01	\$206.08	\$3.38	0.87%
<b>08</b>	<b>Roofs</b>	<b>\$35,744.45</b>	<b>\$2,978.71</b>	<b>\$48.83</b>	<b>12.55%</b>
08.01	shingle roof,unit bldgs	\$26,105.73	\$2,175.48	\$35.66	9.17%
08.02	shingle/flat roof,garage	\$9,638.72	\$803.23	\$13.17	3.38%
<b>09</b>	<b>Termite</b>	<b>\$29,714.98</b>	<b>\$2,476.25</b>	<b>\$40.59</b>	<b>10.44%</b>
09.01	termite treatment/fumigation	\$29,714.98	\$2,476.25	\$40.59	10.44%
<b>Grand Total:</b>		<b>\$284,759</b>	<b>\$23,729.90</b>	<b>\$389.01</b>	<b>100%</b>

## Category Breakdown Chart



## Fully Funded Balance Breakdown - Next FY

Reserve Component	Current Cost	Useful Life	Remaining Life	Fully Funded Balance
<b>01 Coat/Paint/Stain</b>	<b>\$201,958</b>			<b>\$201,958</b>
01.01 bldg exterior siding,paint	\$98,957	10	0	\$98,957
01.02 bldg exterior wood,paint	\$95,658	5	0	\$95,658
01.03 metal fence/gate/rail,paint	\$7,343	5	0	\$7,343
<b>02 Elevated Decks</b>	<b>\$46,838</b>			<b>\$46,838</b>
02.01 deck inspection/report,engineer	\$25,749	9	0	\$25,749
02.02 deck/landing,rehab	\$16,223	16	0	\$16,223
02.03 deck/landing,repair/seal	\$4,867	4	0	\$4,867
<b>03 Equipment</b>	<b>\$58,888</b>			<b>\$51,733</b>
03.01 awnings,replace	\$20,652	10	1	\$18,586
03.02 doors,utility(25%)	\$10,138	5	0	\$10,138
03.03 fixtures,light,landscape	\$3,379	25	2	\$3,109
03.04 gate access system-entry keypad	\$2,753	18	2	\$2,447
03.05 gate operators	\$7,801	10	3	\$5,461
03.06 irrigation controllers	\$3,327	12	2	\$2,772
03.07 mailboxes,CBUs	\$8,544	20	2	\$7,689
03.08 waterscape-pumps	\$2,294	3	1	\$1,529
<b>04 Fencing</b>	<b>\$87,997</b>			<b>\$61,912</b>
04.01 metal fence/gate/rail,replace	\$49,965	25	5	\$39,972
04.02 metal gates,entry,replace	\$18,931	20	17	\$2,840
04.03 metal/wood gates,trash receptacles	\$4,759	20	0	\$4,759
04.04 wood rails,deck,repair/replace	\$14,342	2	0	\$14,342
<b>05 Pavement</b>	<b>\$73,087</b>			<b>\$65,339</b>
05.01 asphalt,major rehab	\$64,566	25	2	\$59,400
05.02 asphalt,repair/sealcoat	\$6,456	5	2	\$3,874
05.03 concrete,deck/walk	\$2,065	2	0	\$2,065
<b>06 Pools/Spas</b>	<b>\$119,799</b>			<b>\$85,626</b>
06.01 chemical controllers,pool/spa	\$1,082	10	4	\$649
06.02 deck mastic,pool area	\$1,433	4	1	\$1,075
06.03 deck,concrete,pool area	\$76,873	30	5	\$64,061
06.04 filter,pool	\$1,622	12	1	\$1,487
06.05 filter,spa	\$1,514	12	1	\$1,388
06.06 furniture,pool	\$4,933	8	1	\$4,316
06.07 heater,spa	\$4,596	12	10	\$766

## Fully Funded Balance Breakdown - Next FY

<i>Reserve Component</i>	<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>Fully Funded Balance</i>
<b>06 Pools/Spas</b>	<b>\$119,799</b>			<b>\$85,626</b>
06.08 pumpsets,pool/spa	\$4,055	8	3	\$2,534
06.09 rehab,pool	\$17,210	12	10	\$2,868
06.10 rehab,spa	\$6,482	8	0	\$6,482
<b>07 Restoration</b>	<b>\$70,135</b>			<b>\$69,243</b>
07.01 bldg exterior siding/wood,repairs	\$47,829	10	0	\$47,829
07.02 tree trim/remove/replace	\$17,845	2	0	\$17,845
07.03 utility lines,rehab-unfund	\$0	999	998	\$0
07.04 wood bridges,repair/seal	\$4,461	5	1	\$3,569
<b>08 Roofs</b>	<b>\$523,067</b>			<b>\$218,209</b>
08.01 shingle roof,unit bldgs	\$470,907	50	32	\$169,526
08.02 shingle/flat roof,garage	\$52,160	15	1	\$48,683
<b>09 Termite</b>	<b>\$21,440</b>			<b>\$21,440</b>
09.01 termite treatment/fumigation	\$21,440	2	0	\$21,440
<b>Grand Total:</b>	<b>\$1,203,210</b>			<b>\$822,299</b>

## Category Summary - Next FY

<i>Category</i>	<i>Current Cost</i>	<i>Useful Life (Min - Max)</i>	<i>Remaining Life (Min - Max)</i>	<i>Fully Funded Balance</i>
01 Coat/Paint/Stain	\$201,958	5 - 10	0 - 0	\$201,958
02 Elevated Decks	\$46,838	4 - 16	0 - 0	\$46,838
03 Equipment	\$58,888	3 - 25	0 - 3	\$51,733
04 Fencing	\$87,997	2 - 25	0 - 17	\$61,912
05 Pavement	\$73,087	2 - 25	0 - 2	\$65,339
06 Pools/Spas	\$119,799	4 - 30	0 - 10	\$85,626
07 Restoration	\$70,135	2 - 999	0 - 998	\$69,243
08 Roofs	\$523,067	15 - 50	1 - 32	\$218,209
09 Termite	\$21,440	2 - 2	0 - 0	\$21,440
<b>Grand Total:</b>				<b>\$822,299</b>

**\$1,203,210**

**\$822,299**

## Component Details

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
<b>01 Coat/Paint/Stain</b>							
01.01 bldg exterior siding,paint UL: 10 RL: 1 approx 97,000 sq ft	61	units	\$1,500.00	10	100%	5%	\$96,075
01.02 bldg exterior wood,paint UL: 5 RL: 1 doors/trim/fascia	61	units	\$1,450.00	10	100%	5%	\$92,872
01.03 metal fence/gate/rail,paint UL: 5 RL: 1	690	lin ft	\$9.84	10	100%	5%	\$7,129
<b>02 Elevated Decks</b>							
02.01 deck inspection/report,engineer UL: 9 RL: 1  Ref CC5551 (b) (1) At least once every nine years, the board of an association of a condominium project shall cause a reasonably competent and diligent visual inspection to be conducted by a licensed structural engineer or architect of a random and statistically significant sample of exterior elevated elements for which the association has maintenance or repair responsibility.	1	each	\$23,809.52	1	100%	5%	\$24,999
02.02 deck/landing,rehab UL: 16 RL: 1	1,500	sq ft	\$10.00	10	100%	5%	\$15,750
02.03 deck/landing,repair/seal UL: 4 RL: 1	1,500	sq ft	\$3.00	10	100%	5%	\$4,725
<b>03 Equipment</b>							
03.01 awnings,replace UL: 10 RL: 2	38	each	\$502.52	10	100%	5%	\$20,050
03.02 doors,utility(25%) UL: 5 RL: 1	50	each	\$750.00	10	25%	5%	\$9,843
03.03 fixtures,light,landscape UL: 25 RL: 3	25	each	\$125.00	10	100%	5%	\$3,281
03.04 gate access system-entry keypad UL: 18 RL: 3 DKS	1	each	\$2,546.16	10	100%	5%	\$2,673
03.05 gate operators UL: 10 RL: 4 DKS #6100-080;sn965 (07-12-14) DKS #6100-080;sn1059 ((08-01-24)	2	each	\$3,607.06	10	100%	5%	\$7,574
03.06 irrigation controllers UL: 12 RL: 3	2	each	\$1,538.30	10	100%	5%	\$3,230
03.07 mailboxes,CBUs UL: 20 RL: 3 16 doors	4	each	\$1,975.00	10	100%	5%	\$8,295

## Component Details

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
<b>03 Equipment</b>							
03.08 waterscape-pumps UL: 3 RL: 2	6	each	\$353.62	10	100%	5%	\$2,227
<b>04 Fencing</b>							
04.01 metal fence/gate/rail,replace UL: 25 RL: 6	660	lin ft	\$70.00	10	100%	5%	\$48,510
04.02 metal gates,entry,replace UL: 20 RL: 18 2- gates,vehicular emergency 2- gates,vehicular entry 7- gates,pedestrian entry	1	each	\$17,504.85	10	100%	5%	\$18,380
04.03 metal/wood gates,trash receptacles UL: 20 RL: 1	8	each	\$550.00	10	100%	5%	\$4,620
04.04 wood rails,deck,repair/replace UL: 2 RL: 1	1	each	\$13,261.25	10	100%	5%	\$13,924
<b>05 Pavement</b>							
05.01 asphalt,major rehab UL: 25 RL: 3	19,900	sq ft	\$3.00	10	100%	5%	\$62,685
05.02 asphalt,repair/sealcoat UL: 5 RL: 3	19,900	sq ft	\$0.30	10	100%	5%	\$6,268
05.03 concrete,deck/walk UL: 2 RL: 1	1	each	\$1,909.62	10	100%	5%	\$2,005
<b>06 Pools/Spas</b>							
06.01 chemical controllers,pool/spa UL: 10 RL: 5	2	each	\$500.00	6	100%	5%	\$1,050
06.02 deck mastic,pool area UL: 4 RL: 2 130 lin.ft.	1	each	\$1,325.00	10	100%	5%	\$1,391
06.03 deck,concrete,pool area UL: 30 RL: 6	1	each	\$71,080.30	10	100%	5%	\$74,634
06.04 filter,pool UL: 12 RL: 2 #DE6020;sn2111111051980002	1	each	\$1,500.00	10	100%	5%	\$1,575
06.05 filter,spa UL: 12 RL: 2 #DE4820;sn211119801051481008	1	each	\$1,400.00	10	100%	5%	\$1,470
06.06 furniture,pool UL: 8 RL: 2 24- Assorted pieces	1	each	\$4,561.87	10	100%	5%	\$4,789



## Component Details

<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
<b>06 Pools/Spas</b>							
06.07 heater,spa UL: 12 RL: 11 #B-R207A-EN-C;sn2106525134	1	each	\$4,250.00	10	100%	5%	\$4,462
06.08 pumpsets,pool/spa UL: 8 RL: 4 1- pool (VFD) 1- spa 1- spa jets	3	each	\$1,250.00	10	100%	5%	\$3,937
06.09 rehab,pool UL: 12 RL: 11 xx lin ft; 3.5-x' depth 1-ladder 1-underwater light	1	each	\$15,913.50	10	100%	5%	\$16,709
06.10 rehab,spa UL: 8 RL: 1 xx lin ft; 3.5' depth 2-railings 1-underwater light	1	each	\$5,994.08	10	100%	5%	\$6,293
<b>07 Restoration</b>							
07.01 bldg exterior siding/wood,repairs UL: 10 RL: 1 approx 97,000 sq ft	61	units	\$725.00	10	100%	5%	\$46,436
07.02 tree trim/remove/replace UL: 2 RL: 1	1	each	\$16,500.00	10	100%	5%	\$17,325
07.03 utility lines,rehab-unfund UL: 999 RL: 999 electrical/gas/storm-drain/waste/water	61	units	\$0.00	10	100%	5%	\$0
07.04 wood bridges,repair/seal UL: 5 RL: 2	5	each	\$825.00	10	100%	5%	\$4,331
<b>08 Roofs</b>							
08.01 shingle roof,unit bldgs UL: 50 RL: 33	590	square	\$738.00	10	100%	5%	\$457,191
08.02 shingle/flat roof,garage UL: 15 RL: 2	70	square	\$689.00	10	100%	5%	\$50,641
<b>09 Termite</b>							
09.01 termite treatment/fumigation UL: 2 RL: 1 fy2022- \$5,950	61	units	\$325.00	10	100%	5%	\$20,816

## *Component Details*

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<i>Reserve Component</i>	<i>Quantity</i>	<i>Unit of Measure</i>	<i>Unit Cost</i>	<i>Source Code</i>	<i>Rplc %</i>	<i>Cont %</i>	<i>Extended Cost</i>
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*Grand Total:* 38

# *Field Report*

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*\*Note- Field observations are normally based on an inspection of all accessible reserve components under consideration. Roofing system observations (if applicable) are normally based on a minimum inspection of at least 15% of the total number of units within the complex. Level 1 Reserve Studies normally provide for reserve component identification, quantification and specification via actual field observations and/or measurements. Recommend that association management institute a log book to record "Reserve Fund Disbursements" to facilitate future reserve studies. The log should include copy of all contracts/invoices.*

## **COAT/PAINT/STAIN**

**Metal-** Visible rust must be completely removed/converted on metal substrates (e.g. wrought iron) & then primed prior to high quality coating application to afford protection from the elements. High gloss is recommended for maximum durability.

**Stucco-** The term stucco is widely used to describe the cement plaster used for coating exterior surfaces of buildings. Three-coat work (scratch- 3/8" thick, brown- 3/8" thick, and finish- 3/8" thick) is normally applied over metal reinforced wood-frame structures. The finish coat (decorative surface) is integrally colored & frequently applied over metal reinforced wood-frame structures. The finish coat (decorative surface) is integrally colored & frequently textured.

Minimal care will keep a stucco surface attractive for many years. Cracks should be filled with a stucco patching compound to match the existing finish coat. This product is available in many colors at most building supply centers. Periodic pressure cleaning will keep the stucco clean & the finish coat bright for many years. In time, however, the stucco will eventually require recoat, paint or fog-coat application.

**Wood-** Deteriorated or damaged wood must be removed/replaced & then primed prior to high quality coating application to afford protection from the elements.

*\*Note- Ninety percent (90%) of failures are due to either moisture related problems or inadequate preparation of the surface.*

*\*Note- Touch-up applications are recommended between useful life expectancies of the component.*

## **DECK COMPOUND**

All deck coatings require periodic maintenance. The time interval depends on coating life, traffic patterns & exposure to the elements. The deck surface must be inspected/repared/sealed under an annual maintenance program to prevent water infiltration.

## **DRAINAGE SYSTEMS**

Drainage systems & flood control basins should be inspected, repaired, and cleared of debris (in the spring & fall) under a semi-annual maintenance program.

## **EQUIPMENT**

Unable to verify proper operation of all items. If properly maintained per manufacturer's recommendations and/or industry standards, these components should obtain useful life expectancy.

## **FENCING**

Various fencing materials exists on the market today & include: aluminum, block, chain link, vinyl, wood, wood-crete & wrought iron. Wood fence is by far the most common fencing material & wood fence posts are especially vulnerable to rapid deterioration unless elevated to eliminate earth-to-wood contact.

# *Field Report*

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## **PAVEMENT**

Weather, traffic & time work to erode the asphalt pavement. The sun dries out the natural oils, while the unprotected surface is left to oxidize. The brittle blacktop surface cracks, allowing moisture penetration (the primary cause of pavement failure). A surface seal (sealcoat) fills in minor cracks & depressions that lead to larger ones. It also penetrates & resaturates the dried out surface with natural oils & solids to create a protective shield that guards the pavement from weathering & further deterioration. A sealcoat can substantially increase the pavements useful life expectancy. When the sealcoat starts to change from a deep black to a dull gray, it generally indicates that it's time to re-coat. Cracks in concrete driveway/curbs/gutters/sidewalks must be filled under an annual maintenance program to deter further deterioration due to erosion or sectional replaced with a base/pavement designed to prevent recurrence.

## **POOL/SPA**

**Coping-** Coping (cast stone) is used to top off the side of a pool/spa & finish the edge to the adjacent decking. Coping is subject to deterioration over a period of years & can be retarded by periodically treating the cast stone with a silicone-based compound.

**Coping/Deck Joint-** A major cause of tile/coping problems may be the sealed joint between the coping & deck. If this is not watertight, water runs under the coping & behind the tile causing coping/tile movement & damage. Sealant (e.g. Deck-O-Seal) should be periodically installed to prevent problems.

**Deck-** Recommend filling of cracks to prevent further deterioration due to erosion or sectional replacement with a base/pavement designed to prevent recurrence.

**Equipment-** Unable to verify proper operation of all items. If properly maintained, these items should obtain useful life. Pool/spa filter elements should be inspected/cleaned at least once a year under an annual maintenance program. Recommend replacement of the pool/spa filter pump timer (when it fails) with a timer that has an additional heater circuit designed to turn off gas fired heater approximately 25 minutes before the filter pump turns off, eliminating the problem of pounding/knocking due to overheated water & reducing scale/lime deposits which decrease the useful life of heater. Pump/motor assemblies should be periodically cleared of debris to allow for heat dissipation.

**Furniture-** Recommend replacement (when necessary) during the fall/winter months to take advantage of year end close-out deals.

**Plaster-** Although plaster finishes have lasted 20 years, the life of the finish depends upon the quality of the original work & careful control of the water chemistry. The pool/spa water should be emptied & refilled periodically (as determined by water analysis) to ensure/extend the useful life of the plaster. The water should also be clear (not turbid), colorless, and low in scale-forming chemicals.

**Tile-** Many concrete pools/spas include a tile trim (or border) around the perimeter or a tile-trimmed gutter. Although tile is almost indestructible, problems are almost invariably associated with grouting. Unless water chemistry is watched carefully, the grout between the tile (& coping) slowly erodes. The scum that forms on the tile at the waterline is a combination of oil & dust. There are special tile cleaners available that can be applied with a brush. Remove light scale deposits from the tile with solution of muriatic acid (1 part acid to 6 parts water; prevent possible injury by consulting with proper authorities/experts prior to mixing any solutions). Proper maintenance will prevent any problems occurring.

*\*Note- In a spa, the maximum recommended temperature is 104° Fahrenheit. In a pool, the ideal range for water temperature is 78°-82° Fahrenheit.*

*\*Note-Recommend that association management institute a log book to record "Pool/Spa Maintenance & Repairs" to facilitate future reserve studies.*

# Field Report

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## **ROOFS**

**Built-up Roofing (BUR)**- Commonly used on flat or very-low slope roofs where a completely impervious membrane is required. A properly maintained BUR will normally have a service life of from 10 to 20 years. Deterioration occurs due to ultraviolet rays from the sun which oxidize & shrink the coating. As the coatings shrink & pull back from the edges of the roof, the underlying roofing felt is exposed & begins to rot. The sun also bakes out the roofing oils, which cause a pliable roof to turn hard & brittle.

**Composition Shingle**- Easy to maintain/repair & normally designed to last a minimum of 15 to 20 years.

**Metal**- A properly constructed metal roof generally requires little maintenance (however, prime/paint may be required periodically), is fireproof & normally will have a service life of 50+ years.

**Tile**- A properly constructed concrete or clay tile roof generally requires little maintenance, is fireproof & normally will have a service life of 50+ years.

**Wood Shake/Shingle**- Fire hazard with a normal service life of about 20 to 25 years. Recommend reroofing with an alternative roofing material (i.e. composition shingle, aluminum shingle, tile, etc.) to reduce/eliminate the fire hazard & funding requirement for this component.

**Flashing**- Flashing is used to protect seams or joints from water seepage. It is installed at the junction formed by the roof & a vertical wall, along roof rakes & eaves, along ridges, in roof valleys, around chimneys, vent pipes & stacks, at intersections of different roof planes, and at other points on the roof where water from rain could penetrate the roof & enter the structure. Leaks frequently occur at the joint where a minor roof intersects with a major roof or where the roof deck meets a vertical wall.

**Gutters/Downspouts/Drain Inlets**- Inspect gutters/downspouts/drain inlets (in the fall- after the leaves fall & before the rains begin) under an annual maintenance program. Clean out debris that may prevent adequate drainage. Flush with a garden hose & check for leaks.

\*Note- Recommend roof surface be inspected/repared by qualified personnel under an annual maintenance program.

\*Note- Recommend that association management institute a log book to record "Roof Maintenance & Repairs" to facilitate future reserve studies.

## **SLOPE STABILIZATION/EROSION CONTROL**

**Surface Saturation**- Heavy rains can cause street flooding and minor mudslides, while longer-term problems occur when the soil gets oversaturated. The following may serve as a general guideline:

- 1) When rainfall is less than 6 inches, there tend to be few problems.
- 2) With more than 6 inches of rain, soil begins to saturate and can absorb less water. Small mudslides with a few feet of soil erosion can occur.
- 3) With more than 10 inches of rain, more serious problems begin. These include large mudslides during storms and, later in the year, the chance of massive mudslides, as water undermines bedrock layers of compacted earth.

**Drainage**- Concrete bench drains (V-ditches) are designed to channel water off the slope and down to the storm drain or natural drainage channel. These drains must be kept free of debris to allow for proper drainage. Baffles are railroad ties or timber partly buried in the hillside that work best on slight to medium slopes, slowing the flow of water runoff and giving it more time to soak into the ground. Riprap stones or concrete rubble cover the slope to slow the flow of water runoff.

\*Note- Contact your local Fire Department's Forestry Division and/or a local University to obtain additional information on erosion control and fire safe planting for your area. Many internet websites offer valuable information on preventing accelerated soil erosion &

# *Field Report*

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minimizing sedimentation.

## **WOOD DESTROYING ORGANISMS**

The association is normally responsible for the repair & maintenance of the common area occasioned by the presence of wood destroying organisms (e.g. termites) unless the governing documents indicate otherwise. Reserves to fund this item may be considered optional, because when & where an infestation will occur & the severity of the infestation is difficult to predict. Therefore, annual inspections by qualified personnel are recommended to discover any infestation in its early stages before it becomes a serious problem. Any visible areas of earth-to-wood contact must be eliminated.

*The parameters and assumptions under which this study was completed, is based on information provided by the association/client, its representatives, its management company (as applicable), its contractors, other contractors, specialists and independent consultants, the State Department of Real Estate (or other state agency, as applicable), the Community Associations Institute (CAI), construction pricing and estimating manuals, and the preparer's own experience gained in the preparation of reserve study reports.*

*The reserve funding program reflects assumptions about future events. Some may not materialize, and unanticipated events/circumstances may develop. Therefore, the actual component cost and/or remaining life of a reserve component may vary from the reserve funding program. The preparer of this report does not express an opinion on the probability that actual item cost and/or remaining life may or may not approximate the reserve funding program.*

*It is assumed, unless otherwise indicated to the preparer, that all reserve items have been constructed properly, and that each estimated useful life will approximate that of the norm per industry standards and manufacturers specifications. Arbitrary estimates may have been used on reserve components with an indeterminable but potential liability to the association. The decision for the inclusion of these reserve components, and other assets considered or not, is ultimately left to the association/client.*

*The remaining life of the reserve components does not have a variance factor for unusual weather or natural disasters. It is assumed that a reasonable schedule of maintenance/repair will be conducted. The level of maintenance/repair any particular component receives may serve to prolong or shorten that components useful life. The actual life of any given component may vary due to quality of construction, original design, workmanship, intensity of use, maintenance/repair, and unusual weather. This study only addresses the maintenance and replacement of those reserve components listed, the associated costs/lives, and a reserve funding program.*

*Various percentage rate factors are generally used in the Cash Flow Analysis. A low-conservative net effective interest rate is normally used to compensate for any applicable federal and state taxes imposed. The annual inflation rate is normally determined using the national "CPIU", the Consumer Price Index for all urban consumers in the United States. Because it is difficult to accurately predict these factors over time, it is vital to update them annually.*

*Life-of-the-project items (e.g. building foundation/structure, concrete pavement, utilities, etc.) are generally excluded from this report. However, if the association has reason to expect the component to wear out or fail before the project does and if, due to the age of the units, the item may wear out within thirty (30) years, then that item should be included as a reserve component. Generally excluded are minor expenses which may be funded by a contingency and/or general maintenance/repair fund. Also excluded are expenses incurred due to natural disasters, accidents, or other occurrences, which are more properly insured for.*

## Calculations

**1) Allocation % =**

Reserve Allocation (Component Method) / Total Reserve Allocation (Component Method) x 100

**2) Current Cost =**

Extended Cost (for a component without subcomponents)

-or-

Sum of subcomponent Extended Costs (for a component with subcomponents)

**3) Extended Cost =**

Quantity x Unit Cost x Replacement % x (1+Contingency Rate)

**4) Fully Funded Balance =**

Current Cost / Useful Life x (Useful Life - Remaining Life)

**5) FY End Balance (same as Next FY Start Balance) =**

*Initial or current fiscal year-*

Current Reserve Balance + Interest Earned + Reserve Allocation to Fund + Special Assessment to Fund + Funds Due from Operating - Approved Funds to Disburse - Disbursements

*Subsequent fiscal years-*

FY Start Balance + Interest Earned + (Reserve Allocation (from previous year) x (1 + Reserve Allocation Rate)) - Disbursements

**6) Interest Earned=**

*Initial fiscal year-*

Current Reserve Balance x (Interest Rate (net effective)/12 x Number of funding months remaining in current fiscal year)

*Subsequent fiscal years-*

FY Start Balance x Interest Rate (net effective)

**7) Percent Funded =**

(FY Start Balance / Fully Funded Balance) x 100

**8) Reserve Allocation (Component Method) =**

Current Cost / Useful Life



## Definitions

### Abbreviations

bldgs = <i>buildings</i>	lf or lin ft = <i>lineal feet</i>	sy or sq yd = <i>square yard</i>
ea = <i>each</i>	RL = <i>remaining life</i>	UL = <i>useful life</i>
FY = <i>fiscal year</i>	sf or sq ft = <i>square feet</i> (100 sq ft = 1 square)	% = <i>percent</i>

#### 1) Age

The approximate age of the complex. This parameter is provided for information only.

#### 2) Allocation %

A percentage of the total Reserve Allocation. See Calculations- APPENDIX B.

#### 3) Allocation Increase Rate

Expressed as a percentage rate that reflects the increase of a given year's Reserve Allocation over the previous year's Reserve Allocation and utilized only in the Cash Flow Analysis.

#### 4) Base Year

The year in which the governing documents were recorded and/or the buildings constructed (average year may be used for phases built over a period of time), and utilized to determine the approximate complex age. This parameter is provided for information only.

#### 5) Common Interest Development (CID)

Defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory Association of homeowners which administers the property and enforces its restrictions. The Association Board is responsible for repairing, replacing, or maintaining the common areas, other than the exclusive use common areas, and the owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest. The following are two typical CID subdivision types:

- A) Condominium- In general, the recorded owner has title to the unit (or airspace). They are typically responsible for the interior of their individual unit/garage, all utilities that service their unit and any exclusive use common area associated with their unit (e.g. balcony, doors/windows, patio yard, etc.).
- B) Planned Development- In general, the recorded owner has title to the lot. They are typically responsible for the maintenance and repair of any structure or improvement located on their respective lot.

*Note- CIDs & subdivision types are general and may not apply or may vary, based on your local.*

#### 6) Component Inventory

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

#### 7) Condition Assessment

The task of evaluating the current condition of the component based on observed or reported characteristics and normally documented in the field report for a Level 1 or Level 2 Reserve Study.

## Definitions

### 8) Contingency Rate

Expressed as a percentage rate that reflects a factor added to the unit cost to prepare for an event that is liable to occur, but not with certainty.

### 9) Current Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore a reserve component to its original functional condition. Sources utilized to obtain estimates may include: the association, its contractors, other contractors, specialists and independent consultants, the State department of Real Estate (or other state department as applicable), construction pricing and estimating manuals, and the preparer's own experience and/or database of costs formulated in the preparation of other reserve study reports. See Calculations- APPENDIX B.

### 10) Disbursement

The funds expected to be paid or expended from the Reserve Balance.

### 11) Extended Cost

See Calculations- APPENDIX B.

### 12) Fiscal Year (FY)

A 12-month period for which an organization plans the use of its funds. There are two distinct types:

A) *Calendar Fiscal Year (ends December 31)*

B) *Non-Calendar Fiscal Year (does not end December 31)*

### 13) Full Funded Balance (FFB)

Total Accrued Depreciation. An indicator against which the FY Start Balance can be compared.

The balance that is in direct proportion to the fraction of life "used up" of the cost.

See Calculations- APPENDIX B.

### 14) Funding Goal

Independent of methodology utilized, the following represents the basic categories of funding plan goals:

A) *Baseline Funding*- Maintaining a Net Reserve Balance at or near zero.

B) *Full Funding*- Maintaining a Reserve Balance at or near Percent Funded of 100%.

C) *Statutory Funding*- Maintaining a specified Reserve Balance/Percent Funded per statutes.

D) *Threshold Funding*- Establishing and maintaining a set Net Reserve Balance or Percent Funded.

### 15) Funding Method (or Funding Plan)

An association's plan to provide income to the reserve fund to offset expected disbursements from that fund. The following represents two (2) basic methodologies used to fund reserves:

A) *Cash Flow Method*- A method of developing a reserve funding plan where allocations 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.

B) *Component Method*- A method of developing a reserve funding plan where the total reserve allocation is based on the sum of allocations for individual components.

## Definitions

### 16) **Funding Plan**

The combined Funding Method & Funding Goal.

### 17) **FY End Balance (same as next FY Start Balance)**

The balance in reserves at end of applicable fiscal year. See Calculations- Appendix B.

### 18) **FY Start Balance (same as prior year FY End Balance)**

The balance in reserves at start of applicable fiscal year.

### 19) **Inflation Rate**

Expressed as a percentage rate that reflects the increase of this year's costs over the previous year's costs. Also known as a 'cost increase factor'.

### 20) **Interest Earned**

The annual earning of reserve funds that have been deposited in certificates of deposit (CDs), money market accounts or other investment vehicles. See Calculations- Appendix B.

### 21) **Interest Rate**

The ratio of the gain received from an investment and the investment over a period of time (usually one year), prior to any federal or state imposed taxes.

### 22) **Interest Rate (net effective)**

The ratio of the gain received from an investment and the investment over a period of time (usually one year), after any federal or state imposed taxes.

### 23) **Levels of Service**

A) **Level 1 Reserve Study (Full or Comprehensive)**- A Reserve Study in which the following five Reserve Study tasks are performed:

- a) Component Inventory
- b) Condition Assessment (based upon on-site visual observations)
- c) Life and Valuation Estimates
- d) Fund Status
- e) Funding Plan

B) **Level 2 Reserve Study (Update, With-Site-Visit/On-Site Review)**- A Reserve Study update in which the following five tasks are performed:

- a) Component Inventory
- b) Condition Assessment (based upon on-site visual observations)
- c) Life and Valuation Estimates
- d) Fund Status
- e) Funding Plan

*\*Note- Updates are reliant on the validity of prior Reserve Studies.*

## Definitions

C) Level 3 Reserve Study (Update, No-Site-Visit/Off-Site Review)- A Reserve Study update with no on-site visual observations in which the following three tasks are performed:

- a) Life and Valuation Estimates
- b) Fund Status
- c) Funding Plan

*\*Note- Updates are reliant on the validity of prior Reserve Studies.*

### 24) Percent Funded

A comparison of the Fully Funded Balance to the FY Start Balance expressed as a percentage, and used to provide a 'general indication' of reserve strength. See Calculations- APPENDIX B.

### 25) Quantity

The number or amount of a particular reserve component or subcomponent.

### 26) 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 (but have not been approved) have a remaining life of "zero".

### 27) Replacement %

A percentage of the total replacement for a particular reserve component or subcomponent. This parameter is normally 100%.

### 28) Reserve Allocation

The amount to be annually budgeted towards reserves based on a Funding Plan.

### 29) Reserve Component (or subcomponent)

The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:

- A) association responsibility,
- B) with limited useful life expectancies,
- C) predictable remaining useful life expectancies,
- D) above a minimum threshold cost,
- E) and, as required by statutes.

### 30) Restoration

Defined as *to bring back to an unimpaired or improved condition*. General types follow:

- A) Building- In general, funding utilized to defray the cost (in whole or part) of major building components that are not necessarily included as line items and may include termite treatment.
- B) Irrigation System- In general, funding utilized to defray the cost (in whole or part) of sectional irrigation system areas including modernization to improve water management.
- C) Landscape- In general, funding utilized to defray the cost (in whole or part) of sectional landscape areas including modernization to improve water conservation & drainage.

## Definitions

### 31) Risk Factor

The associated risk of the availability of reserves to fund expenditures by interpreting the Percent Funded parameter as follows:

- A) 70% and above- *LOW*
- B) 31% to 69%- *MODERATE*
- C) 30% and below- *HIGH*

### 32) Source Code

The source of information utilized to obtain cost and/or life estimates.

- 0- Actual Cost
- 1- Arbitrary Estimate
- 2- Architect/Engineer
- 3- Association
- 4- Bid/Proposal
- 5- Builder/Developer
- 6- Contractor
- 7- Cost Estimating Manual
- 8- Industry Standard
- 9- Manufacturer
- 10- Prior Reserve Study
- 11- Reserve Study Firm
- 12- Specialist/Expert
- 13- Vendor/Rep

### 33) Unit Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore an individual "unit of measure" of a reserve component or subcomponent to its original functional condition.

### 34) Unit of Measure

A system of units used in measuring a reserve component or subcomponent (i.e. each, lineal feet, square feet, etc.).

### 35) Useful Life (UL)

Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve item can be expected to serve its intended function if properly constructed and maintained in its present application or installation.