



Reserve Study
Full Study

Garland Meadows Homeowners' Association, Inc.

Draft 1

Published - March 25, 2021

Prepared for the December 31, 2021 Fiscal Year

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Garland Meadows Homeowners' Association, Inc.

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Garland Meadows Homeowners' Association, Inc.

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Reserve Study Summary

A Reserve Study was conducted of Garland Meadows Homeowners' Association, Inc. (the "**Condominium**"). A **Full Study** includes an on-site review upon where the following tasks are performed:

- Development of a reserve component inventory;
- Condition assessment based upon on-site visual observation;
- Useful life and valuation estimates;
- Evaluation of fund status and creation of a funding plan.

Garland Meadows Homeowners' Association, Inc. is a community with a total of 26 Units.

Physical Inspection

North Star Reserves ("**NSR**") conducted a physical inspection of the Condominium. The inspection encompassed those major components that the Condominium is required to maintain. For this study components are determined to be major components if:

1. As of the date of the study, they have a remaining useful life of less than 30 years, and a value greater than \$500.
2. Such additional components, if any, determined by the Board of Directors.

During the inspection, NSR utilized the services of our own construction cost estimator. In addition, independent contractors were retained to render opinions on selected components.

Supplemental information to the physical inspection may have been obtained from the following sources:

1. Project plans where available.
2. Maintenance records of the reserve components where available.
3. Condominium board members, management and staff.

Summary of Reserves

For the first year of the Reserve Study, the reserve contribution is based upon the existing budget and conversations with the property manager and/or appointed Association representative. In addition NSR relied on the Condominium to provide an accurate Beginning Reserve Balance.

The status of the Condominium's reserves, as reflected in the following Reserve Study, is as follows:

1. The Expenditure Forecast of the following Reserve Study identifies the major components which the Condominium is obligated to repair, replace, restore or maintain, as determined in accordance with the criteria specified above, and specifies for each such component:
 - Its current estimated replacement cost;
 - Its estimated useful life; and
 - Its estimated remaining useful life.

2. It is estimated that the total cash reserves necessary to repair, replace, restore or maintain such major components (in the aggregate) during and at the end of their first remaining useful life is \$721,686.
 - [For purposes of this calculation, "necessary" is defined as the Fully Funded Balance (FFB) (Component Future Cost ÷ Useful Life × Effective Age, including a provision for interest and inflation in future years.)]
 - See "FULLY FUNDED BALANCE" in the *Glossary of Reserve Study Terms* on the final pages of this study.
 - Inflation Rate for the this study is calculated at **2.50%**.
3. The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain such major components as of the fiscal year ending December 31, 2021 is estimated to be \$41,021, constituting 7.95% of the total expenditures anticipated for all such major components through their first end of useful life replacement.
4. Based upon the schedule of annual reserve contributions necessary to defray the cost of repairing, replacing, restoring or maintaining such major components in the years such expenditures are estimated to be required, it is estimated that annual reserve contributions in the initial amount of \$41,600 for the fiscal year ending December 31, 2021 (the first full fiscal year following first distribution of this report) will be necessary in order to meet all such reserve expenditures when they are projected to come due.

Funding Assessment

Based on the 30 year cash flow projection, the Condominium's reserves appear **inadequately** funded as the reserve fund ending balances remain **negative** throughout the replacement of most major components during the next 30 years. **For this reason, increased contributions have been outlined to meet future expenditures.**

Idaho statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Condominium's reserves are inadequately funded.

Percent Funded Status

Based on paragraphs 1 - 3 above, the Condominium is **inadequately** funded.

The following illustrates the next fiscal year recommended contribution and ending balance:

	Annual Contribution	-	End Balance	-	% Funded
• Year 1:	\$41,600		\$58,625		5.68%
• Year 2:	\$62,400		\$73,633		7.95%



Methodology

The above recommended reserve contribution for the next fiscal year (and future fiscal years as outlined in the *Cash Flow - Annual* forecast report) was developed using the cash flow method. This is a method of developing a reserve funding plan where the 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.

Funding Goals

The funding goal employed for Garland Meadows Homeowners' Association, Inc. is

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

Limitations

The intention of the Reserve Study is to forecast the Condominium's ability to repair or replace major components as they wear out in future years. The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Statutory Disclosures

Compliance

The Reserve Study complies with or exceeds all applicable statutes, if any

Supplemental Disclosures

General:

NSR has no other involvement(s) with the Condominium which could result in actual or perceived conflicts of interest.

Completeness:

NSR has found no material issues which, if not disclosed, would cause a distortion of the Condominium's situation.

Reliance on Client Data:

Information provided by the official representative of the Condominium regarding financial, physical, quantity, or historical issues are deemed reliable by NSR.



Scope:

This Reserve Study is a reflection of information provided to NSR and assembled for the Condominium's use, not for the purpose of performing an audit, quality/forensic analysis, health and safety inspection, or background checks of historical records.

Reserve Balance:

The actual beginning reserve fund balance in this Reserve Study is based upon information provided and was not audited.

Reserve Projects:

Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit, quality inspection, or health and safety review.



Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Expenditures

Subcategory	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Concrete										
Concrete Repair		2,071		1,088						2,523
U-Channel & Curbing		1,242			1,338			1,441		
	0	3,313	0	1,088	1,338	0	0	1,441	0	2,523
Doors										
Doors - Exterior						10,688				
Doors - Sliding Glass				48,090						
	0	0	0	48,090	0	10,688	0	0	0	0
Furnishings & Décor										
Furnishings & Décor			2,653							
	0	0	2,653	0	0	0	0	0	0	0
Gutters & Downspouts										
Gutters & Downspouts						4,951				
Heat Tape				3,808						4,416
	0	0	0	3,808	0	4,951	0	0	0	4,416
Irrigation										
Landscaping - Timers		517		544		571		600		630
	0	517	0	544	0	571	0	600	0	630
Landscaping										
Contingency - Landscaping			1,592			1,714			1,846	
Landscaping - Beds & Shrubs	1,010		1,061		1,115		5,272		1,231	
Trees - Maintenance		3,106					3,515			
Trees - Replacement							2,636			
	1,010	3,106	2,653	0	1,115	1,714	11,423	0	3,077	0

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Expenditures

Subcategory	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Painting										
Painting - Building Exterior		7,042	7,218	7,398	7,583	3,886				
	0	7,042	7,218	7,398	7,583	3,886	0	0	0	0
Paving										
Asphalt - Crackfill		1,155			1,244			1,340		
Asphalt - Repairs		3,081						3,574		
Asphalt - Sealing		1,926						2,233		
	0	6,163	0	0	1,244	0	0	7,148	0	0
Reserve Study										
Reserve Study Update		456	468	479	491	3,360	516	529	542	556
	0	456	468	479	491	3,360	516	529	542	556
Roofing										
Roofing - 30-yr Compositional	22,985	23,559				137,458				
	22,985	23,559	0	0	0	137,458	0	0	0	0
Shade Structures										
Pavilion - Maintenance						1,828				
	0	0	0	0	0	1,828	0	0	0	0
Staining										
Staining - Exterior		3,231								3,936
	0	3,231	0	0	0	0	0	0	0	3,936
Structural Repairs										
Contingency - Building Exterior				2,393						
Siding & Trim			5,095					5,764		
Soffits & Fascia				2,720					3,077	
	0	0	5,095	5,113	0	0	0	5,764	3,077	0

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Expenditures

Subcategory	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Utility Infrastructure										
Utility Infrastructure								7,806		
	0	0	0	0	0	0	0	7,806	0	0
	23,995	47,392	18,088	66,523	11,773	164,461	11,940	23,290	6,697	12,063

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Expenditures

Subcategory	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Concrete										
Concrete Repair				1,392				3,074		
U-Channel & Curbing	1,551			1,671			1,799			1,938
	1,551	0	0	3,064	0	0	1,799	3,074	0	1,938
Furnishings & Décor										
Furnishings & Décor	3,233								3,939	
	3,233	0	0	0	0	0	0	0	3,939	0
Garage										
Garage Door - Metal, Single Bay	21,857									
	21,857	0	0	0	0	0	0	0	0	0
Gutters & Downspouts										
Heat Tape						5,121				
	0	0	0	0	0	5,121	0	0	0	0
Irrigation										
Landscaping - Timers		662		696		731		768		807
	0	662	0	696	0	731	0	768	0	807
Landscaping										
Contingency - Landscaping		1,988			2,141			2,306		
Landscaping - Beds & Shrubs	1,293		1,358		6,424		1,499		1,575	
Trees - Maintenance		3,976					4,499			
Trees - Replacement					3,212					
	1,293	5,965	1,358	0	11,777	0	5,999	2,306	1,575	0

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Expenditures

Subcategory	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Lighting										
Lighting - Exterior		11,374								
	0	11,374	0	0	0	0	0	0	0	0
Painting										
Painting - Building Exterior		9,014	9,239	9,470	9,707	4,975				
	0	9,014	9,239	9,470	9,707	4,975	0	0	0	0
Paving										
Asphalt - Crackfill	1,443			1,554			1,673			1,802
Asphalt - Overlay	19,244									
Asphalt - Repairs				4,144						4,806
Asphalt - Sealing				2,590						3,004
Pavers - Brick						702				
	20,687	0	0	8,289	0	702	1,673	0	0	9,613
Reserve Study										
Reserve Study Update	3,802	584	599	614	629	4,302	661	677	694	712
	3,802	584	599	614	629	4,302	661	677	694	712
Shade Structures										
Pavilion - Maintenance		2,121						2,459		
	0	2,121	0	0	0	0	0	2,459	0	0
Staining										
Staining - Exterior								4,796		
	0	0	0	0	0	0	0	4,796	0	0

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Expenditures

Subcategory	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Structural Repairs										
Contingency - Building Exterior	2,845							3,382		
Siding & Trim		63,631	71,744	66,852	68,524	70,237	71,993	81,172	75,637	54,270
Soffits & Fascia				3,481					3,939	
	2,845	63,631	71,744	70,334	68,524	70,237	71,993	84,554	79,577	54,270
Utility Infrastructure										
Utility Infrastructure								9,992		
	0	0	0	0	0	0	0	9,992	0	0
Windows										
Windows		6,959	7,133	7,312	7,494	7,682	7,874	8,071	8,272	
	0	6,959	7,133	7,312	7,494	7,682	7,874	8,071	8,272	0
	55,271	100,313	90,076	99,782	98,133	93,752	90,001	116,702	94,060	67,341

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Expenditures

Subcategory	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Concrete										
Concrete Repair				1,782		3,746				
U-Channel & Curbing			2,087			2,247			2,420	
	0	0	2,087	1,782	0	5,993	0	0	2,420	0
Doors										
Doors - Sliding Glass									89,157	
	0	0	0	0	0	0	0	0	89,157	0
Furnishings & Décor										
Furnishings & Décor							4,799			
	0	0	0	0	0	0	4,799	0	0	0
Gutters & Downspouts										
Gutters & Downspouts									2,299	
Heat Tape		5,939						6,887		
	0	5,939	0	0	0	0	0	6,887	2,299	0
Irrigation										
Landscaping - Timers		848		891		936		983		1,033
	0	848	0	891	0	936	0	983	0	1,033
Landscaping										
Contingency - Landscaping	2,483			2,674			2,879			3,101
Landscaping - Beds & Shrubs	1,655		7,827		1,827		1,919		2,017	
Trees - Maintenance		5,090					5,759			
Trees - Replacement			3,913							
	4,138	5,090	11,740	2,674	1,827	0	10,559	0	2,017	3,101

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Expenditures

Subcategory	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Lighting										
Lighting - Exterior				15,296						
	0	0	0	15,296	0	0	0	0	0	0
Painting										
Painting - Building Exterior		11,539	11,827	12,123	12,426	6,368				
	0	11,539	11,827	12,123	12,426	6,368	0	0	0	0
Paving										
Asphalt - Crackfill			1,941			2,090			2,251	
Asphalt - Repairs						5,574				
Asphalt - Sealing						3,484				
	0	0	1,941	0	0	11,148	0	0	2,251	0
Reserve Study										
Reserve Study Update	4,867	748	767	786	805	5,506	846	867	889	911
	4,867	748	767	786	805	5,506	846	867	889	911
Roofing										
Roofing - 30-yr Compositional									91,779	
	0	0	0	0	0	0	0	0	91,779	0
Shade Structures										
Pavilion - Maintenance				2,852						3,308
	0	0	0	2,852	0	0	0	0	0	3,308
Staining										
Staining - Exterior						5,844				
	0	0	0	0	0	5,844	0	0	0	0

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

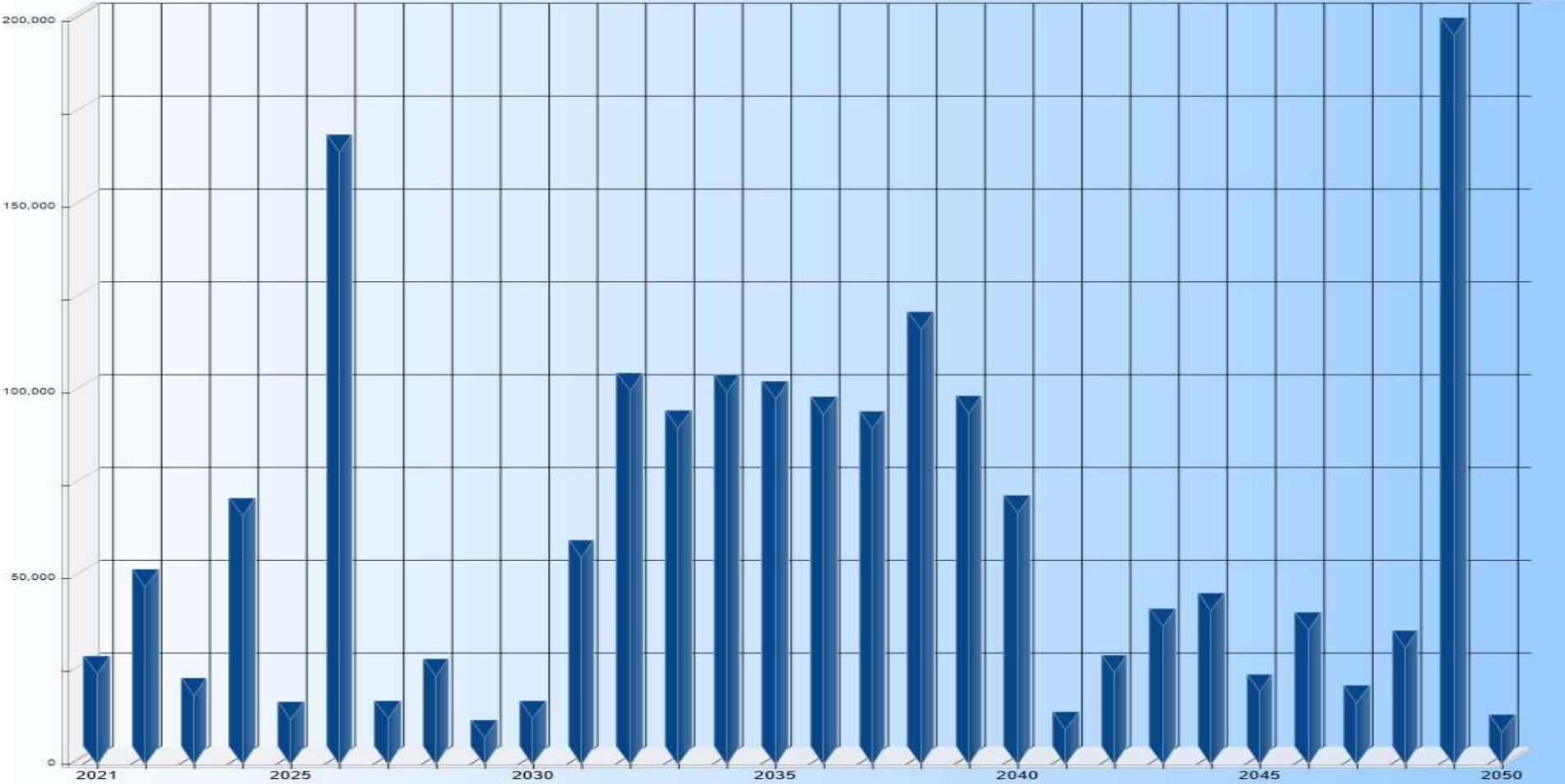
Expenditures

Subcategory	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Structural Repairs										
Contingency - Building Exterior					4,020					
Siding & Trim			8,349					9,446		
Soffits & Fascia				4,457					5,042	
	0	0	8,349	4,457	4,020	0	0	9,446	5,042	0
Utility Infrastructure										
Utility Infrastructure								12,791		
	0	0	0	0	0	0	0	12,791	0	0
	9,006	24,166	36,712	40,864	19,080	35,799	16,206	30,977	195,858	8,355

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Expense Flow - Chart (30 Years in View)



Expenditures - Year Over Year (5 Years)

Subcategory	Service	Estimated	Current Cost	Expenditure		
Date	Reserve Item	Location	Date	Life		
Year : 2021						
Landscaping						
06/01/2021	Landscaping - Beds & Shrubs	Common Area	06/01/2019	2:00	\$ 1,000.00	\$ 1,010.34
					1,000.00	1,010.34
Roofing						
06/01/2021	Roofing - 30-yr Compositional	Common Area	06/01/1996	25:00	\$ 22,750.00	\$ 22,985.27
					22,750.00	22,985.27
Year : 2022						
Concrete						
06/01/2022	Concrete Repair	Common Area	06/01/1996	26:00	\$ 2,000.00	\$ 2,071.20
06/01/2022	U-Channel & Curbing	Common Area	06/01/2010	12:00	1,200.00	1,242.72
					3,200.00	3,313.92
Irrigation						
06/01/2022	Landscaping - Timers	Common Area	06/01/2020	2:00	\$ 500.00	\$ 517.80
					500.00	517.80
Landscaping						
06/01/2022	Trees - Maintenance	Common Area	06/01/2017	5:00	\$ 3,000.00	\$ 3,106.80
					3,000.00	3,106.80
Painting						
06/01/2022	Painting - Building Exterior	Common Area	06/01/1996	26:00	\$ 3,400.00	\$ 3,521.04
06/01/2022	Painting - Building Exterior	Common Area	06/01/1996	26:00	3,400.00	3,521.04
					6,800.00	7,042.08
Paving						
06/01/2022	Asphalt - Crackfill	Common Area	06/01/1996	26:00	\$ 1,116.00	\$ 1,155.73
06/01/2022	Asphalt - Repairs	Common Area	06/01/1996	26:00	2,976.00	3,081.95
06/01/2022	Asphalt - Sealing	Common Area	06/01/1996	26:00	1,860.00	1,926.22
					5,952.00	6,163.90
Reserve Study						
06/01/2022	Reserve Study Update	Common Area	06/01/2021	1:00	\$ 441.00	\$ 456.70
					441.00	456.70
Roofing						
06/01/2022	Roofing - 30-yr Compositional	Common Area	06/01/1996	26:00	\$ 22,750.00	\$ 23,559.91
					22,750.00	23,559.91
Staining						
06/01/2022	Staining - Exterior	Common Area	06/01/2014	8:00	\$ 3,120.00	\$ 3,231.07

Expenditures

Subcategory	Reserve Item	Location	Service Date	Estimated Life	Current Cost	Expenditure
					3,120.00	3,231.07
Year : 2023						
Furnishings & Décor						
06/01/2023	Furnishings & Décor	Common Area	06/01/2015	8:00	\$ 2,500.00	\$ 2,653.73
					2,500.00	2,653.73
Landscaping						
06/01/2023	Contingency - Landscaping	Common Area	06/01/2020	3:00	\$ 1,500.00	\$ 1,592.24
06/01/2023	Landscaping - Beds & Shrubs	Common Area	06/01/2021	2:00	1,000.00	1,061.49
					2,500.00	2,653.73
Painting						
06/01/2023	Painting - Building Exterior	Common Area	06/01/1996	27:00	\$ 3,400.00	\$ 3,609.07
06/01/2023	Painting - Building Exterior	Common Area	06/01/1996	27:00	3,400.00	3,609.07
					6,800.00	7,218.14
Reserve Study						
06/01/2023	Reserve Study Update	Common Area	06/01/2021	2:00	\$ 441.00	\$ 468.12
					441.00	468.12
Structural Repairs						
06/01/2023	Siding & Trim	Common Area	06/01/2018	5:00	\$ 4,800.00	\$ 5,095.15
					4,800.00	5,095.15
Year : 2024						
Concrete						
06/01/2024	Concrete Repair	Common Area	06/01/2014	10:00	\$ 1,000.00	\$ 1,088.03
					1,000.00	1,088.03
Doors						
06/01/2024	Doors - Sliding Glass	Common Area	06/01/1996	28:00	\$ 44,200.00	\$ 48,090.82
					44,200.00	48,090.82
Gutters & Downspouts						
06/01/2024	Heat Tape	Common Area	06/01/2018	6:00	\$ 3,500.00	\$ 3,808.10
					3,500.00	3,808.10
Irrigation						
06/01/2024	Landscaping - Timers	Common Area	06/01/2022	2:00	\$ 500.00	\$ 544.01
					500.00	544.01
Painting						
06/01/2024	Painting - Building Exterior	Common Area	06/01/1996	28:00	\$ 3,400.00	\$ 3,699.29
06/01/2024	Painting - Building Exterior	Common Area	06/01/1996	28:00	3,400.00	3,699.29

Expenditures

Subcategory	Service	Estimated	Current Cost	Expenditure
Date	Reserve Item	Location	Date	Life
			6,800.00	7,398.58
Reserve Study				
06/01/2024	Reserve Study Update	Common Area	06/01/2021	3:00
			\$ 441.00	\$ 479.82
			441.00	479.82
Structural Repairs				
06/01/2024	Contingency - Building Exterior	Common Area	06/01/2017	7:00
			\$ 2,200.00	\$ 2,393.66
06/01/2024	Soffits & Fascia	Common Area	06/01/1996	28:00
			2,500.00	2,720.07
			4,700.00	5,113.73
Year : 2025				
Concrete				
06/01/2025	U-Channel & Curbing	Common Area	06/01/2022	3:00
			\$ 1,200.00	\$ 1,338.27
			1,200.00	1,338.27
Landscaping				
06/01/2025	Landscaping - Beds & Shrubs	Common Area	06/01/2023	2:00
			\$ 1,000.00	\$ 1,115.23
			1,000.00	1,115.23
Painting				
06/01/2025	Painting - Building Exterior	Common Area	06/01/1996	29:00
			\$ 3,400.00	\$ 3,791.78
06/01/2025	Painting - Building Exterior	Common Area	06/01/1996	29:00
			3,400.00	3,791.78
			6,800.00	7,583.56
Paving				
06/01/2025	Asphalt - Crackfill	Common Area	06/01/2022	3:00
			\$ 1,116.00	\$ 1,244.59
			1,116.00	1,244.59
Reserve Study				
06/01/2025	Reserve Study Update	Common Area	06/01/2021	4:00
			\$ 441.00	\$ 491.82
			441.00	491.82

Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Cash Flow - Annual

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Begin Balance	41,021	58,625	73,633	117,945	113,822	164,448	71,747	131,566	180,036	245,098
Contribution	41,600	62,400	62,400	62,400	62,400	71,760	71,760	71,760	71,760	78,936
Average Per Unit	1,600	2,400	2,400	2,400	2,400	2,760	2,760	2,760	2,760	3,036
Percent Change	0.00%	50.00%	0.00%	0.00%	0.00%	15.00%	0.00%	0.00%	0.00%	10.00%
Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	23,995	47,392	18,088	66,523	11,773	164,461	11,940	23,290	6,697	12,063
Ending Balance	58,625	73,633	117,945	113,822	164,448	71,747	131,566	180,036	245,098	311,971

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Begin Balance	311,971	335,635	314,258	303,118	290,165	278,861	271,939	268,767	247,577	249,030
Contribution	78,936	78,936	78,936	86,829	86,829	86,829	86,829	95,512	95,512	95,512
Average Per Unit	3,036	3,036	3,036	3,339	3,339	3,339	3,339	3,673	3,673	3,673
Percent Change	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%
Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	55,271	100,313	90,076	99,782	98,133	93,752	90,001	116,702	94,060	67,341
Ending Balance	335,635	314,258	303,118	290,165	278,861	271,939	268,767	247,577	249,030	277,200

Garland Meadows Homeowners' Association, In

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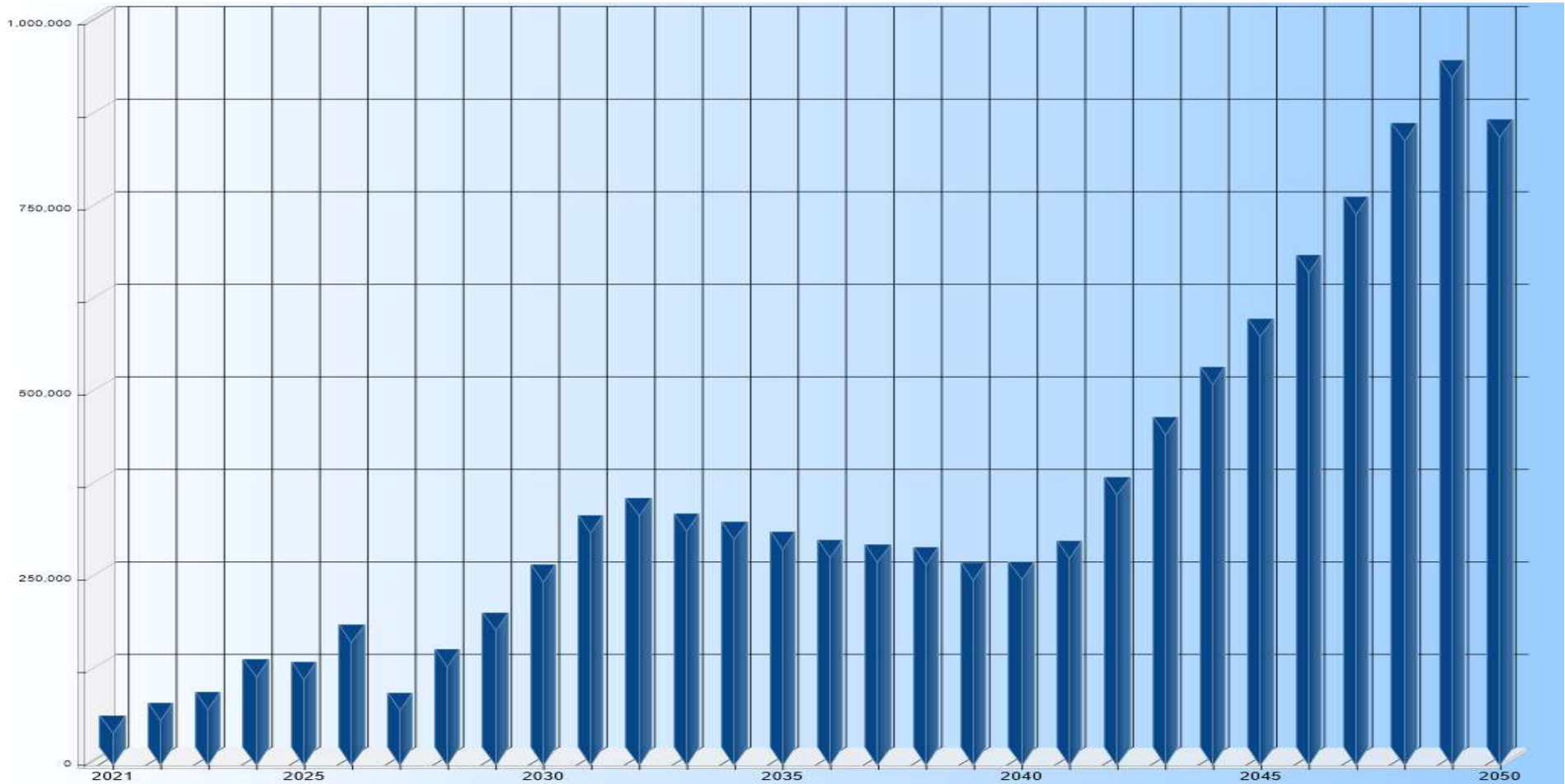


	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Begin Balance	277,200	363,707	444,605	512,956	577,155	663,138	742,910	842,274	926,867	846,578
Contribution	95,512	105,063	105,063	105,063	105,063	115,570	115,570	115,570	115,570	127,127
Average Per Unit	3,673	4,040	4,040	4,040	4,040	4,445	4,445	4,445	4,445	4,889
Percent Change	0.00%	10.00%	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%	0.00%	10.00%
Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	9,006	24,166	36,712	40,864	19,080	35,799	16,206	30,977	195,858	8,355
Ending Balance	363,707	444,605	512,956	577,155	663,138	742,910	842,274	926,867	846,578	965,351

Garland Meadows Homeowners' Association, In

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Balance Flow - Chart (30 Years in View)



Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021

Percent Funded - Cash Flow - Annual

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
100% Funded	721,686	737,792	733,375	759,949	740,294	777,187	665,417	708,928	741,692	791,520
Percent Funded	5.68%	7.95%	10.04%	15.52%	15.38%	21.16%	10.78%	18.56%	24.27%	30.97%
Begin Balance	41,021	58,625	73,633	117,945	113,822	164,448	71,747	131,566	180,036	245,098
Contribution	41,600	62,400	62,400	62,400	62,400	71,760	71,760	71,760	71,760	78,936
Average Per Unit	1,600	2,400	2,400	2,400	2,400	2,760	2,760	2,760	2,760	3,036
Percent Change	0.00%	50.00%	0.00%	0.00%	0.00%	15.00%	0.00%	0.00%	0.00%	10.00%
Special Assessment	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0
Less Tax on Interest	0	0	0	0	0	0	0	0	0	0
Net Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	23,995	47,392	18,088	66,523	11,773	164,461	11,940	23,290	6,697	12,063
Less Deferred Expenditur	0	0	0	0	0	0	0	0	0	0
Ending Balance	58,625	73,633	117,945	113,822	164,448	71,747	131,566	180,036	245,098	311,971

Garland Meadows Homeowners' Association, In

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Percent Funded - Cash Flow - Annual

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
100% Funded	836,243	839,053	799,749	774,156	742,436	716,104	697,885	687,107	653,779	647,266
Percent Funded	37.31%	40.00%	39.29%	39.15%	39.08%	38.94%	38.97%	39.12%	37.87%	38.47%
Begin Balance	311,971	335,635	314,258	303,118	290,165	278,861	271,939	268,767	247,577	249,030
Contribution	78,936	78,936	78,936	86,829	86,829	86,829	86,829	95,512	95,512	95,512
Average Per Unit	3,036	3,036	3,036	3,339	3,339	3,339	3,339	3,673	3,673	3,673
Percent Change	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%
Special Assessment	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0
Less Tax on Interest	0	0	0	0	0	0	0	0	0	0
Net Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	55,271	100,313	90,076	99,782	98,133	93,752	90,001	116,702	94,060	67,341
Less Deferred Expenditur	0	0	0	0	0	0	0	0	0	0
Ending Balance	335,635	314,258	303,118	290,165	278,861	271,939	268,767	247,577	249,030	277,200

Garland Meadows Homeowners' Association, In

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Percent Funded - Cash Flow - Annual

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
100% Funded	670,724	753,801	822,197	878,898	932,522	1,008,709	1,068,956	1,149,445	1,215,829	1,121,656
Percent Funded	41.33%	48.25%	54.08%	58.36%	61.89%	65.74%	69.50%	73.28%	76.23%	75.48%
Begin Balance	277,200	363,707	444,605	512,956	577,155	663,138	742,910	842,274	926,867	846,578
Contribution	95,512	105,063	105,063	105,063	105,063	115,570	115,570	115,570	115,570	127,127
Average Per Unit	3,673	4,040	4,040	4,040	4,040	4,445	4,445	4,445	4,445	4,889
Percent Change	0.00%	10.00%	0.00%	0.00%	0.00%	10.00%	0.00%	0.00%	0.00%	10.00%
Special Assessment	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0
Less Tax on Interest	0	0	0	0	0	0	0	0	0	0
Net Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	9,006	24,166	36,712	40,864	19,080	35,799	16,206	30,977	195,858	8,355
Less Deferred Expenditur	0	0	0	0	0	0	0	0	0	0
Ending Balance	363,707	444,605	512,956	577,155	663,138	742,910	842,274	926,867	846,578	965,351

Garland Meadows Homeowners' Association, In

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Item Parameters - Detail

Subcategory			Service				Adj	Rem	
Reserve Item	Location	Desc.	Date	Basis Cost	Quantity	Current Cost	Life	Life	Future Cost
Concrete									
Concrete Repair	Common Ar	Driveway R	06/01/1996	\$ 2,000.00	1 Allowanc	\$ 2,000	26:00	1:05	\$ 2,071
Concrete Repair	Common Ar	Walkways	06/01/2014	2,000.00	0.5 Allowanc	1,000	10:00	3:05	1,088
U-Channel & Curbing	Common Ar	U-Channel	06/01/2010	1,200.00	1 Allowanc	1,200	12:00	1:05	1,242
						4,200			4,401
Doors									
Doors - Exterior	Common Ar	Entry Door	06/01/1996	\$ 275.00	26 Each	\$ 7,150	30:00	5:05	\$ 8,173
Doors - Exterior	Common Ar	Garage Do	06/01/1996	275.00	8 Each	2,200	30:00	5:05	2,514
Doors - Sliding Glass	Common Ar	Glass Door	06/01/1996	850.00	52 Each	44,200	28:00	3:05	48,090
						53,550			58,778
Furnishings & Décor									
Furnishings & Décor	Common Ar	Pavilion Fu	06/01/2015	\$ 2,500.00	1 Allowanc	\$ 2,500	8:00	2:05	\$ 2,653
						2,500			2,653
Garage									
Garage Door - Metal, Single Bay	Common Ar	GarageDoo	06/01/1996	\$ 650.00	26 Each	\$ 16,900	35:00	10:05	\$ 21,857
						16,900			21,857
Gutters & Downspouts									
Gutters & Downspouts	Common Ar	Bldg A Gutt	06/01/1996	\$ 9.50	60 Linear F	\$ 570	30:00	5:05	\$ 651
Gutters & Downspouts	Common Ar	Bldg B Gutt	06/01/2019	9.50	60 Linear F	570	30:00	28:05	1,149
Gutters & Downspouts	Common Ar	Bldg C Gutt	06/01/1996	9.50	60 Linear F	570	30:00	5:05	651
Gutters & Downspouts	Common Ar	Bldg D Gutt	06/01/1996	9.50	60 Linear F	570	30:00	5:05	651
Gutters & Downspouts	Common Ar	Bldg E Gutt	06/01/2019	9.50	60 Linear F	570	30:00	28:05	1,149
Gutters & Downspouts	Common Ar	Bldg F Gutt	06/01/1996	9.50	60 Linear F	570	30:00	5:05	651
Gutters & Downspouts	Common Ar	Bldg G Gut	06/01/1996	9.50	60 Linear F	570	30:00	5:05	651
Gutters & Downspouts	Common Ar	Bldg H Gut	06/01/1996	9.50	60 Linear F	570	30:00	5:05	651
Gutters & Downspouts	Common Ar	Garage Gut	06/01/1996	9.50	96 Linear F	912	30:00	5:05	1,042
Heat Tape	Common Ar	Heat Tape	06/01/2018	3,500.00	1 Allowanc	3,500	6:00	3:05	3,808
						8,972			11,059
Irrigation									
Landscaping - Timers	Common Ar	Timer Repl	06/01/2020	\$ 500.00	1 Allowanc	\$ 500	2:00	1:05	\$ 517
						500			517
Landscaping									
Contingency - Landscaping	Common Ar	Landscape	06/01/2020	\$ 1,500.00	1 Allowanc	\$ 1,500	3:00	2:05	\$ 1,592
Landscaping - Beds & Shrubs	Common Ar	Bed&Shrub	06/01/2019	1,000.00	1 Allowanc	1,000	2:00	0:05	1,010
Landscaping - Beds & Shrubs	Common Ar	Bed&Shrub	06/01/2019	1,000.00	3.5 Allowanc	3,500	8:00	6:05	4,100
Trees - Maintenance	Common Ar	Tree Maint	06/01/2017	3,000.00	1 Allowanc	3,000	5:00	1:05	3,106
Trees - Replacement	Common Ar	Tree Repla	06/01/2021	750.00	3 Each	2,250	6:00	6:05	2,636
						11,250			12,446
Lighting									
Lighting - Exterior	Common Ar	Lighting Re	06/01/2020	\$ 165.00	52 Each	\$ 8,580	12:00	11:05	\$ 11,374
						8,580			11,374
Painting									
Painting - Building Exterior	Common Ar	Bldg A Pain	06/01/1996	\$ 3,400.00	1 Allowanc	\$ 3,400	26:00	1:05	\$ 3,521
Painting - Building Exterior	Common Ar	Bldg B Pain	06/01/1996	3,400.00	1 Allowanc	3,400	26:00	1:05	3,521
Painting - Building Exterior	Common Ar	Bldg C Pain	06/01/1996	3,400.00	1 Allowanc	3,400	27:00	2:05	3,609
Painting - Building Exterior	Common Ar	Bldg D Pain	06/01/1996	3,400.00	1 Allowanc	3,400	27:00	2:05	3,609
Painting - Building Exterior	Common Ar	Bldg E Pain	06/01/1996	3,400.00	1 Allowanc	3,400	28:00	3:05	3,699

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Painting - Building Exterior	Common Ar	Bldg F Pain	06/01/1996	3,400.00	1 Allowanc	3,400	28:00	3:05	3,699
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Item Parameters - Detail

Subcategory				Service			Adj	Rem	
Reserve Item	Location	Desc.	Date	Basis Cost	Quantity	Current Cost	Life	Life	Future Cost
Painting - Building Exterior	Common Ar	Bldg G Pain	06/01/1996	\$ 3,400.00	1 Allowanc	\$ 3,400	29:00	4:05	\$ 3,791
Painting - Building Exterior	Common Ar	Bldg H Pain	06/01/1996	3,400.00	1 Allowanc	3,400	29:00	4:05	3,791
Painting - Building Exterior	Common Ar	Garage Pai	06/01/1996	3,400.00	0.5 Allowanc	1,700	30:00	5:05	1,943
Painting - Building Exterior	Common Ar	Garage Pai	06/01/1996	3,400.00	0.5 Allowanc	1,700	30:00	5:05	1,943
						30,600			33,128
Paving									
Asphalt - Crackfill	Common Ar	AsphaltCra	06/01/1996	\$ 1.00	1,116 Linear F	\$ 1,116	26:00	1:05	\$ 1,155
Asphalt - Overlay	Common Ar	Asphalt Ov	06/01/1996	2.00	7,440 Square F	14,880	35:00	10:05	19,244
Asphalt - Repairs	Common Ar	Asphalt Re	06/01/1996	4.00	744 Square F	2,976	26:00	1:05	3,081
Asphalt - Sealing	Common Ar	Asphalt Se	06/01/1996	0.25	7,440 Square F	1,860	26:00	1:05	1,926
Pavers - Brick	Common Ar	Pavers Rep	06/01/2016	7.50	64 Square F	480	20:00	15:05	702
						21,312			26,110
Reserve Study									
Reserve Study Update	Common Ar	Full Study	06/01/2021	\$ 2,940.00	1 Lump Sum	\$ 2,940	5:00	5:05	\$ 3,360
Reserve Study Update	Common Ar	FinancialU	06/01/2021	2,940.00	0.15 Lump Sum	441	1:00	1:05	456
Reserve Study Update	Common Ar	FinancialU	06/01/2021	2,940.00	0.15 Lump Sum	441	2:00	2:05	468
Reserve Study Update	Common Ar	FinancialU	06/01/2021	2,940.00	0.15 Lump Sum	441	3:00	3:05	479
Reserve Study Update	Common Ar	FinancialU	06/01/2021	2,940.00	0.15 Lump Sum	441	4:00	4:05	491
						4,704			5,257
Roofing									
Roofing - 30-yr Compositional	Common Ar	Bldg A Roo	06/01/1996	\$ 650.00	42 Squares	\$ 27,300	30:00	5:05	\$ 31,206
Roofing - 30-yr Compositional	Common Ar	Bldg B Roof	06/01/2019	650.00	35 Squares	22,750	30:00	28:05	45,889
Roofing - 30-yr Compositional	Common Ar	Bldg C Roof	06/01/1996	650.00	35 Squares	22,750	30:00	5:05	26,005
Roofing - 30-yr Compositional	Common Ar	Bldg D Roo	06/01/1996	650.00	42 Squares	27,300	30:00	5:05	31,206
Roofing - 30-yr Compositional	Common Ar	Bldg E Roof	06/01/2019	650.00	35 Squares	22,750	30:00	28:05	45,889
Roofing - 30-yr Compositional	Common Ar	Bldg F Roof	06/01/1996	650.00	35 Squares	22,750	26:00	1:05	23,559
Roofing - 30-yr Compositional	Common Ar	Bldg G Roo	06/01/1996	650.00	35 Squares	22,750	30:00	5:05	26,005
Roofing - 30-yr Compositional	Common Ar	Bldg H Roo	06/01/1996	650.00	35 Squares	22,750	25:00	0:05	22,985
Roofing - 30-yr Compositional	Common Ar	Garage Ro	06/01/1996	650.00	31 Squares	20,150	30:00	5:05	23,033
						211,250			275,783
Shade Structures									
Pavilion - Maintenance	Common Ar	Pavilion Re	06/01/2016	\$ 1,600.00	1 Allowanc	\$ 1,600	10:00	5:05	\$ 1,828
						1,600			1,828
Staining									
Staining - Exterior	Common Ar	Timber Stai	06/01/2014	\$ 120.00	26 Allowanc	\$ 3,120	8:00	1:05	\$ 3,231
						3,120			3,231
Structural Repairs									
Contingency - Building Exterior	Common Ar	Building Mi	06/01/2017	\$ 2,200.00	1 Allowanc	\$ 2,200	7:00	3:05	\$ 2,393
Siding & Trim	Common Ar	Bldg A Sidi	06/01/1996	48,000.00	1 Allowanc	48,000	36:00	11:05	63,631
Siding & Trim	Common Ar	Bldg B Sidi	06/01/1996	48,000.00	1 Allowanc	48,000	37:00	12:05	65,222
Siding & Trim	Common Ar	Bldg C Sidi	06/01/1996	48,000.00	1 Allowanc	48,000	38:00	13:05	66,852
Siding & Trim	Common Ar	Bldg D Sidi	06/01/1996	48,000.00	1 Allowanc	48,000	39:00	14:05	68,524
Siding & Trim	Common Ar	Bldg E Sidi	06/01/1996	48,000.00	1 Allowanc	48,000	40:00	15:05	70,237
Siding & Trim	Common Ar	Bldg F Sidi	06/01/1996	48,000.00	1 Allowanc	48,000	41:00	16:05	71,993
Siding & Trim	Common Ar	Bldg G Sidi	06/01/1996	48,000.00	1 Allowanc	48,000	42:00	17:05	73,793
Siding & Trim	Common Ar	Bldg H Sidi	06/01/1996	48,000.00	1 Allowanc	48,000	43:00	18:05	75,637
Siding & Trim	Common Ar	Garage Sidi	06/01/1996	48,000.00	0.35 Allowanc	16,800	44:00	19:05	27,135
Siding & Trim	Common Ar	Garage Sidi	06/01/1996	48,000.00	0.35 Allowanc	16,800	44:00	19:05	27,135

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Siding & Trim	Common Ar	Siding Mtn	06/01/2018	48,000.00	0.1 Allowanc	4,800	5:00	2:05	5,095
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Item Parameters - Detail

Subcategory			Service				Adj	Rem		
Reserve Item	Location	Desc.	Date	Basis Cost	Quantity	Current Cost	Life	Life	Future Cost	
Soffits & Fascia	Common Ar	Soffit Repai	06/01/1996	\$ 2,500.00	1 Allowanc	\$ 2,500	28:00	3:05	\$ 2,720	
						427,100			620,371	
Utility Infrastructure										
Utility Infrastructure	Common Ar	Utility Mai	06/01/2013	\$ 6,500.00	1 Allowanc	\$ 6,500	15:00	7:05	\$ 7,806	
						6,500			7,806	
Windows										
Windows	Common Ar	Bldg A Win	06/01/1996	\$ 350.00	15 Each	\$ 5,250	36:00	11:05	\$ 6,959	
Windows	Common Ar	Bldg B Win	06/01/1996	350.00	15 Each	5,250	37:00	12:05	7,133	
Windows	Common Ar	Bldg C Win	06/01/1996	350.00	15 Each	5,250	38:00	13:05	7,312	
Windows	Common Ar	Bldg D Win	06/01/1996	350.00	15 Each	5,250	39:00	14:05	7,494	
Windows	Common Ar	Bldg E Win	06/01/1996	350.00	15 Each	5,250	40:00	15:05	7,682	
Windows	Common Ar	Bldg F Win	06/01/1996	350.00	15 Each	5,250	41:00	16:05	7,874	
Windows	Common Ar	Bldg G Win	06/01/1996	350.00	15 Each	5,250	42:00	17:05	8,071	
Windows	Common Ar	Bldg H Win	06/01/1996	350.00	15 Each	5,250	43:00	18:05	8,272	
						42,000			60,800	
						854,638			1,157,408	

Item Parameters - Full Detail

Asphalt - Crackfill

Item Number	1	Measurement Basis	Linear F
Type	Common Area	Estimated Useful Life	3 Years
Category	Exterior - Landscape & Grounds	Basis Cost	1.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	AsphaltCrackfi	06/01/1996	06/01/2022	1:05	26:00	1,116	1,116.00	1,155.73
							1,116.00	1,155.73

Comments

This component funds periodic crackfill of the asphalt as needed. It includes blowing out and filling cracks with hot rubber. Proper sealing will help mitigate water infiltration which can undermine the asphalt. This component runs in conjunction with *Asphalt - Repairs* and with *Asphalt - Sealing*. The Quantity (in Linear Feet) is calculated at **15%** of the total asphalt surface area. At the time of this study, the asphalt is in rough condition and need of an aggressive maintenance schedule. Measurements are approximate by NSR.



Item Parameters - Full Detail

Asphalt - Overlay

Item Number	2	Measurement Basis	Square F
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior - Landscape & Grounds	Basis Cost	2.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Asphalt Overla	06/01/1996	06/01/2031	10:05	35:00	7,440	14,880.00	19,244.64
							14,880.00	19,244.64

Comments

This component funds grinding out approx. 2" of asphalt top coat in the roadways and resurfacing the area with an asphalt "overlay" in lieu of full replacement. This component may extend beyond the scope of this study if regular crackfill and seal coating are followed, however, it was included as it represents a significant future expense. This ensures funds are available if the asphalt should need overlayment at the end of its Useful Life. The Quantity is calculated at **100%** of the total asphalt surface area. At the time of this study, the asphalt is in rough condition and need of an aggressive maintenance schedule. For this reason overlay is listed early in the study. Measurements are approximate by NSR.



Item Parameters - Full Detail

Asphalt - Repairs

Item Number	3	Measurement Basis	Square F
Type	Common Area	Estimated Useful Life	6 Years
Category	Exterior - Landscape & Grounds	Basis Cost	4.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Asphalt Repair	06/01/1996	06/01/2022	1:05	26:00	744	2,976.00	3,081.95
							2,976.00	3,081.95

Comments

This component includes minor dig and fill of potholes or failing asphalt in the roadways. This component ensures that ongoing funds are available for repairs and mitigation when needed. This component Quantity is calculated at **10%** of the total asphalt surface area. Time will dictate if the Quantity needs to be adjusted. This component runs in conjunction with *Asphalt - Crackfill* and with *Asphalt - Sealing*. At the time of this study, the asphalt is in rough condition and need of an aggressive maintenance schedule. For this reason repairs are listed early in the study, particularly to repair the potholes on the north side. Measurements are approximate by NSR.



Item Parameters - Full Detail

Asphalt - Sealing

Item Number	4	Measurement Basis	Square F
Type	Common Area	Estimated Useful Life	6 Years
Category	Exterior - Landscape & Grounds	Basis Cost	0.25
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Asphalt Seal	06/01/1996	06/01/2022	1:05	26:00	7,440	1,860.00	1,926.22
							1,860.00	1,926.22

Comments

This component funds application of two coats of an asphalt polymer emulsion product to the asphalt roadways throughout the community. A Seal Coat will help ensure the asphalt reaches its full Useful Life. This component runs in conjunction with *Asphalt - Crackfill* and *Asphalt - Repairs*. At the time of this study, the asphalt is in rough condition and need of an aggressive maintenance schedule. Measurements are approximate by NSR.



Item Parameters - Full Detail

Concrete Repair

Item Number	8	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	8 Years
Category	Exterior - Landscape & Grounds	Basis Cost	2,000.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Driveway Rep	06/01/1996	06/01/2022	1:05	26:00	1	2,000.00	2,071.20
Common Area	Walkways Rep	06/01/2014	06/01/2024	3:05	10:00	0.5	1,000.00	1,088.03
							3,000.00	3,159.23

Comments

This component funds lifting, patching, grinding or general repairs to concrete throughout the community. This component ensures funds are available on a periodic basis to repair trip hazards. The Useful Life (UL) of concrete may extend beyond the scope of this study. Due to the volume of common area concrete, it is requisite that funds be available for maintenance and repairs that fall outside of the operating budget. This is an allowance only. Time will dictate if more or less is needed as weather and landscaping continue to have an impact on the life of the concrete. At the time of this study, NSR found many damaged or failing concrete. For this reason the allowance was increased to fund ongoing repairs. A second line item was included to outline walkway maintenance, albeit at a different rotational UL and Quantity. *U-Channels & Curbing* outlined in a separate component.



Garland Meadows Homeowners' Association, In

Analysis Date - January 1, 2021



Item Parameters - Full Detail

Contingency - Building Exterior

Item Number	5	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	7 Years
Category	Exterior - Materials	Basis Cost	2,200.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Building Misc	06/01/2017	06/01/2024	3:05	7:00	1	2,200.00	2,393.66
							2,200.00	2,393.66

Comments

This component provides ongoing funds as a contingency to supplement the operating budget as it relates to miscellaneous building repairs and maintenance not provided for in another component, including but not limited to address numbers, caulking, vents and louvers, window repair and more as directed by BOD. The funding here is intended to be an allowance only, which supplements the budget against unplanned and/or unexpected repairs.



Item Parameters - Full Detail

Contingency - Landscaping

Item Number	18	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	3 Years
Category	Exterior - Landscape & Grounds	Basis Cost	1,500.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Landscape Mis	06/01/2020	06/01/2023	2:05	3:00	1	1,500.00	1,592.24
							1,500.00	1,592.24

Comments

This component provides ongoing funds as a contingency to supplement the operating budget as it relates to miscellaneous landscaping needs not provided for in another component, including but not limited to backflow preventers, bark replenishment, covers and grates, pet station(s), sprinkler rehab, valves and boxes and more as directed by BOD. The funding here is intended to be an allowance only, which supplements the budget against unplanned and/or unexpected needs.



Item Parameters - Full Detail

Doors - Exterior

Item Number	12	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	25 Years
Category	Exterior - Materials	Basis Cost	275.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Entry Door Re	06/01/1996	06/01/2026	5:05	30:00	26	7,150.00	8,173.23
Common Area	Garage Doors	06/01/1996	06/01/2026	5:05	30:00	8	2,200.00	2,514.84
							<u>9,350.00</u>	<u>10,688.07</u>

Comments

This component replaces the exterior insulated fiberglass doors that service both the entry to the units as well as the garage man door exits. Counts are approximate by NSR.



Item Parameters - Full Detail

Doors - Sliding Glass

Item Number	13	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	25 Years
Category	Exterior - Materials	Basis Cost	850.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Glass Door Re	06/01/1996	06/01/2024	3:05	28:00	52	44,200.00	48,090.82
							44,200.00	48,090.82

Comments

This component replaces the exterior sliding glass doors. Counts are approximate by NSR.



Item Parameters - Full Detail

Furnishings & Décor

Item Number	14	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	8 Years
Category	Interior - Materials	Basis Cost	2,500.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Pavilion Furnit	06/01/2015	06/01/2023	2:05	8:00	1	2,500.00	2,653.73
							2,500.00	2,653.73

Comments

This component provides an allowance which replaces, in aggregate, the decor and furniture and other miscellaneous decor pieces. This is an allowance only.



Item Parameters - Full Detail

Garage Door - Metal, Single Bay

Item Number	15	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior - Equipment	Basis Cost	650.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	GarageDoorRe	06/01/1996	06/01/2031	10:05	35:00	26	16,900.00	21,857.16
							16,900.00	21,857.16

Comments

This component replaces a metal single-bay garage door. Counts are approximate by NSR. Openers are excluded.



Item Parameters - Full Detail

Gutters & Downspouts

Item Number	16	Measurement Basis	Linear F
Type	Common Area	Estimated Useful Life	30 Years
Category	Exterior - Landscape & Grounds	Basis Cost	9.50
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Bldg A Gutters	06/01/1996	06/01/2026	5:05	30:00	60	570.00	651.57
Common Area	Bldg B Gutters	06/01/2019	06/01/2049	28:05	30:00	60	570.00	1,149.77
Common Area	Bldg C Gutters	06/01/1996	06/01/2026	5:05	30:00	60	570.00	651.57
Common Area	Bldg D Gutters	06/01/1996	06/01/2026	5:05	30:00	60	570.00	651.57
Common Area	Bldg E Gutters	06/01/2019	06/01/2049	28:05	30:00	60	570.00	1,149.77
Common Area	Bldg F Gutters	06/01/1996	06/01/2026	5:05	30:00	60	570.00	651.57
Common Area	Bldg G Gutters	06/01/1996	06/01/2026	5:05	30:00	60	570.00	651.57
Common Area	Bldg H Gutters	06/01/1996	06/01/2026	5:05	30:00	60	570.00	651.57
Common Area	Garage Gutter	06/01/1996	06/01/2026	5:05	30:00	96	912.00	1,042.52
							<u>5,472.00</u>	<u>7,251.48</u>

Comments

This component replaces the gutters and downspouts, as needed, throughout the community. Ongoing maintenance and inspections of the gutters will ensure ice build up and trees don't damage the gutters long-term. This component runs in conjunction with *Roofing* replacement. It is assumed that minor and periodic repairs will fund from either the operating budget or *Contingency - Building Exterior*. Measurements are approximate by NSR.



Item Parameters - Full Detail

Heat Tape

Item Number	17	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	6 Years
Category	Exterior - Landscape & Grounds	Basis Cost	3,500.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Heat Tape	06/01/2018	06/01/2024	3:05	6:00	1	3,500.00	3,808.10
							3,500.00	3,808.10

Comments

This component replaces the gutter heat tape system. Regular usage and management of these funds promotes a full Useful Life of the gutters and downspouts. This is an ongoing allowance replace the heat tape.



Item Parameters - Full Detail

Landscaping - Beds & Shrubs

Item Number	19	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	2 Years
Category	Exterior - Landscape & Grounds	Basis Cost	1,000.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Bed&Shrub Re	06/01/2019	06/01/2021	0:05	2:00	1	1,000.00	1,010.34
Common Area	Bed&Shrub Re	06/01/2019	06/01/2027	6:05	8:00	3.5	3,500.00	4,100.90
							4,500.00	5,111.24

Comments

This is an allowance to rehab the flower beds, shrubs and water management within the landscaped areas. Some small rehab is needed every year to keep the community in top aesthetical condition and to prevent additional problems from the overgrowth of current shrubbery. Time and weather will also continue to have a direct impact on the health and thereby aesthetics of the flower beds and shrubbery. An additional line item is included periodically to ensure funds are available for more significant changes.



Item Parameters - Full Detail

Landscaping - Timers

Item Number	20	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	2 Years
Category	Exterior - Landscape & Grounds	Basis Cost	500.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Timer Replace	06/01/2020	06/01/2022	1:05	2:00	1	500.00	517.80
							500.00	517.80

Comments

This component systemically and regularly funds the replacement of several landscape timers in the common area landscaping. It is unlikely that all timers will fail simultaneously. Therefore, funding is provided here in order to replace those failing, or those oldest, prior to their eventual failure and on a regular basis.



Item Parameters - Full Detail

Lighting - Exterior

Item Number	24	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	12 Years
Category	Exterior - Equipment	Basis Cost	165.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Lighting Repla	06/01/2020	06/01/2032	11:05	12:00	52	8,580.00	11,374.13
							8,580.00	11,374.13

Comments

This component replaces the exterior lighting fixtures found in the common areas of the community. This is an aggregate replacement that aligns with *Painting*. Counts are approximate by NSR.



Item Parameters - Full Detail

Painting - Building Exterior

Item Number	25	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	10 Years
Category	Exterior - Materials	Basis Cost	3,400.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Bldg A Paint	06/01/1996	06/01/2022	1:05	26:00	1	3,400.00	3,521.04
Common Area	Bldg B Paint	06/01/1996	06/01/2022	1:05	26:00	1	3,400.00	3,521.04
Common Area	Bldg C Paint	06/01/1996	06/01/2023	2:05	27:00	1	3,400.00	3,609.07
Common Area	Bldg D Paint	06/01/1996	06/01/2023	2:05	27:00	1	3,400.00	3,609.07
Common Area	Bldg E Paint	06/01/1996	06/01/2024	3:05	28:00	1	3,400.00	3,699.29
Common Area	Bldg F Paint	06/01/1996	06/01/2024	3:05	28:00	1	3,400.00	3,699.29
Common Area	Bldg G Paint	06/01/1996	06/01/2025	4:05	29:00	1	3,400.00	3,791.78
Common Area	Bldg H Paint	06/01/1996	06/01/2025	4:05	29:00	1	3,400.00	3,791.78
Common Area	Garage Paint	06/01/1996	06/01/2026	5:05	30:00	0.5	1,700.00	1,943.29
Common Area	Garage Paint	06/01/1996	06/01/2026	5:05	30:00	0.5	1,700.00	1,943.29
							<u>30,600.00</u>	<u>33,128.94</u>

Comments

This component funds an allowance for painting the building exterior with a high quality exterior paint. Time and wear will dictate if this allowance needs to be adjusted. At the time of this study there were several area observed where either a hole was present for the intrusion of water or the siding has taken on water and has swollen. NSR was informed that painting has not been done since inception. For these reasons this component is listed early in the study.



Item Parameters - Full Detail

Pavers - Brick

Item Number	21	Measurement Basis	Square F
Type	Common Area	Estimated Useful Life	20 Years
Category	Exterior - Landscape & Grounds	Basis Cost	7.50
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Pavers Replac	06/01/2016	06/01/2036	15:05	20:00	64	480.00	702.37
							480.00	702.37

Comments

This component replaces, in aggregate, the brick pavers. Ongoing maintenance should fund via the operating budget. Measurements are approximate by NSR.



Item Parameters - Full Detail

Pavilion - Maintenance

Item Number	26	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	6 Years
Category	Exterior - Landscape & Grounds	Basis Cost	1,600.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Pavilion Repair	06/01/2016	06/01/2026	5:05	10:00	1	1,600.00	1,828.97
							1,600.00	1,828.97

Comments

This component is an allowance to aid in the maintenance and upkeep of the pavilion located in the common area. The Basis Cost includes, but is not limited to, rain gutters, downspouts, stone work, trim repair, roof repair, etc. This component excludes staining of trim and timber work as it is provided for in a separate component. The structure may extend beyond the scope of this study. Regular inspection and maintenance will promote a full Useful Life.



Item Parameters - Full Detail

Reserve Study Update

Item Number	27	Measurement Basis	Lump Sum
Type	Common Area	Estimated Useful Life	5 Years
Category	Reserve Study	Basis Cost	2,940.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Full Study	06/01/2021	06/01/2026	5:05	5:00	1	2,940.00	3,360.74
Common Area	FinancialUpda	06/01/2021	06/01/2022	1:05	1:00	0.15	441.00	456.70
Common Area	FinancialUpda	06/01/2021	06/01/2023	2:05	2:00	0.15	441.00	468.12
Common Area	FinancialUpda	06/01/2021	06/01/2024	3:05	3:00	0.15	441.00	479.82
Common Area	FinancialUpda	06/01/2021	06/01/2025	4:05	4:00	0.15	441.00	491.82
							<u>4,704.00</u>	<u>5,257.20</u>

Comments

This is an alternating line item for an updated Reserve Study. The reserve costs for a 5-year full study, which includes a visual observation of the accessible reserve components, is alternately interspersed with an annual financial update.



Item Parameters - Full Detail

Roofing - 30-yr Compositional

Item Number	28	Measurement Basis	Squares
Type	Common Area	Estimated Useful Life	30 Years
Category	Exterior - Materials	Basis Cost	650.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Bldg A Roof	06/01/1996	06/01/2026	5:05	30:00	42	27,300.00	31,206.87
Common Area	Bldg B Roof	06/01/2019	06/01/2049	28:05	30:00	35	22,750.00	45,889.98
Common Area	Bldg C Roof	06/01/1996	06/01/2026	5:05	30:00	35	22,750.00	26,005.73
Common Area	Bldg D Roof	06/01/1996	06/01/2026	5:05	30:00	42	27,300.00	31,206.87
Common Area	Bldg E Roof	06/01/2019	06/01/2049	28:05	30:00	35	22,750.00	45,889.98
Common Area	Bldg F Roof	06/01/1996	06/01/2022	1:05	26:00	35	22,750.00	23,559.91
Common Area	Bldg G Roof	06/01/1996	06/01/2026	5:05	30:00	35	22,750.00	26,005.73
Common Area	Bldg H Roof	06/01/1996	06/01/2021	0:05	25:00	35	22,750.00	22,985.27
Common Area	Garage Roofs	06/01/1996	06/01/2026	5:05	30:00	31	20,150.00	23,033.64
							<u>211,250.00</u>	<u>275,783.98</u>

Comments

This component replaces the existing roofing with a 30-year dimensional composition roofing product such as GAF Timberline HD Shingles or equal. Ongoing inspections and maintenance will ensure the roof achieves its full Useful Life. Additional funding was included herein to fund the replacement of soffit and fascia where necessary. Counts are approximate by NSR.



Item Parameters - Full Detail

Siding & Trim

Item Number	6	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	40 Years
Category	Exterior - Materials	Basis Cost	48,000.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Bldg A Siding	06/01/1996	06/01/2032	11:05	36:00	1	48,000.00	63,631.48
Common Area	Bldg B Siding	06/01/1996	06/01/2033	12:05	37:00	1	48,000.00	65,222.27
Common Area	Bldg C Siding	06/01/1996	06/01/2034	13:05	38:00	1	48,000.00	66,852.83
Common Area	Bldg D Siding	06/01/1996	06/01/2035	14:05	39:00	1	48,000.00	68,524.15
Common Area	Bldg E Siding	06/01/1996	06/01/2036	15:05	40:00	1	48,000.00	70,237.25
Common Area	Bldg F Siding	06/01/1996	06/01/2037	16:05	41:00	1	48,000.00	71,993.18
Common Area	Bldg G Siding	06/01/1996	06/01/2038	17:05	42:00	1	48,000.00	73,793.01
Common Area	Bldg H Siding	06/01/1996	06/01/2039	18:05	43:00	1	48,000.00	75,637.84
Common Area	Garage Siding	06/01/1996	06/01/2040	19:05	44:00	0.35	16,800.00	27,135.07
Common Area	Garage Siding	06/01/1996	06/01/2040	19:05	44:00	0.35	16,800.00	27,135.07
Common Area	Siding Mtnc	06/01/2018	06/01/2023	2:05	5:00	0.1	4,800.00	5,095.15
							<u>422,400.00</u>	<u>615,257.30</u>

Comments

This component funds the replacement of the exterior siding and trim, building by building. The last line item is for periodic repair of the siding and exterior trim on a shortened periodic basis. Regular inspections and repair of siding will promote its full Useful Life. At the time of this study there were several areas observed where either a hole was present for the intrusion of water or the siding has taken on water and has swollen. NSR was informed that painting has not been done since inception. The allowance is an estimate based on like-kind communities. NSR recommends bids from vendors prior to full funding of this component.



Item Parameters - Full Detail

Soffits & Fascia

Item Number	7	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	5 Years
Category	Exterior - Materials	Basis Cost	2,500.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Soffit Repair	06/01/1996	06/01/2024	3:05	28:00	1	2,500.00	2,720.07
							2,500.00	2,720.07

Comments

This component is an ongoing allowance for the repair and replacement of damage, sagging or failing soffits and fascia. Replacement funding is included as part of the *Roofing* component.



Item Parameters - Full Detail

Staining - Exterior

Item Number	30	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	8 Years
Category	Exterior - Materials	Basis Cost	120.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Timber Stainin	06/01/2014	06/01/2022	1:05	8:00	26	3,120.00	3,231.07
							3,120.00	3,231.07

Comments

This component stains the exterior wood components throughout the community. Regular staining and care of the timberwork promotes a full Useful Life. Regular and consistent staining will be **essential** to maintain the timber beyond the scope of this study and prevent full replacement.



Item Parameters - Full Detail

Trees - Maintenance

Item Number	22	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	5 Years
Category	Exterior - Landscape & Grounds	Basis Cost	3,000.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Tree Maintnc	06/01/2017	06/01/2022	1:05	5:00	1	3,000.00	3,106.80
							3,000.00	3,106.80

Comments

This allowance funds structural pruning and removal of trees as needed to enhance the landscaping and to avoid branch and root damage to nearby objects and structures. Time will dictate if the Basis Cost and Useful Life will need to be adjusted as trees continue to mature.



Item Parameters - Full Detail

Trees - Replacement

Item Number	23	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	8 Years
Category	Exterior - Landscape & Grounds	Basis Cost	750.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Tree Replace	06/01/2021	06/01/2027	6:05	6:00	3	2,250.00	2,636.29
							2,250.00	2,636.29

Comments

This component funds the removal and replacement of trees as needed to enhance the landscaping and to avoid branch and root damage to buildings, streets and walkways. Time will dictate if the Basis Cost needs to be adjusted as trees continue to mature. Counts are approximate by NSR.



Item Parameters - Full Detail

U-Channel & Curbing

Item Number	10	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	3 Years
Category	Exterior - Landscape & Grounds	Basis Cost	1,200.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	U-ChannelRep	06/01/2010	06/01/2022	1:05	12:00	1	1,200.00	1,242.72
							1,200.00	1,242.72

Comments

This component is an allowance which funds the repair and replacement of the U-Channels and gutter curbing throughout the community. Failure to maintain the U-channels may result in improper water mitigation and damage, undermining surrounding asphalt and concrete through an increase of water flow "washout" of subsurface area. This component funds lifting, patching, grinding or general repairs to said concrete. Time will dictate if more or less is needed as weather and landscaping continue to have an impact on the life of the concrete. At the time of this study, NSR found many damaged or failing concrete. For this reason the allowance was increased to fund ongoing repairs. Sidewalk *Concrete* listed in a separate component.



Item Parameters - Full Detail

Utility Infrastructure

Item Number	32	Measurement Basis	Allowanc
Type	Common Area	Estimated Useful Life	10 Years
Category	Exterior - Materials	Basis Cost	6,500.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Utility Maintn	06/01/2013	06/01/2028	7:05	15:00	1	6,500.00	7,806.36
							6,500.00	7,806.36

Comments

This component provides funds to maintain and repair the utility infrastructure. Having some funds budgeted for unexpected infrastructure needs is fiscally prudent. Time will dictate if this allowance needs to be adjusted as the community ages and as needs emerge.



Item Parameters - Full Detail

Windows

Item Number	33	Measurement Basis	Each
Type	Common Area	Estimated Useful Life	40 Years
Category	Exterior - Materials	Basis Cost	350.00
Tracking Method	Logistical Adjusted		

Location	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
Common Area	Bldg A Windo	06/01/1996	06/01/2032	11:05	36:00	15	5,250.00	6,959.69
Common Area	Bldg B Windo	06/01/1996	06/01/2033	12:05	37:00	15	5,250.00	7,133.69
Common Area	Bldg C Windo	06/01/1996	06/01/2034	13:05	38:00	15	5,250.00	7,312.03
Common Area	Bldg D Windo	06/01/1996	06/01/2035	14:05	39:00	15	5,250.00	7,494.83
Common Area	Bldg E Windo	06/01/1996	06/01/2036	15:05	40:00	15	5,250.00	7,682.20
Common Area	Bldg F Windo	06/01/1996	06/01/2037	16:05	41:00	15	5,250.00	7,874.25
Common Area	Bldg G Windo	06/01/1996	06/01/2038	17:05	42:00	15	5,250.00	8,071.11
Common Area	Bldg H Windo	06/01/1996	06/01/2039	18:05	43:00	15	5,250.00	8,272.89
							<u>42,000.00</u>	<u>60,800.69</u>

Comments

This component replaces the windows, in aggregate, to maintain the community aesthetics. This component aligns with the *Siding & Trim* component. Window count is average per building.





Garland Meadows Homeowners' Association, Inc.

Items Removed or Left Out of the Study

The following items were either left out of the study due to their inclusion or appurtenance to the annual operating budget, OR subsequently removed upon the Board of Directors (BOD) request. Though each item holds a replacement value, it was determined that the below listed components were not Capital Expenses as traditionally defined.

1. Decks & Deck Structures - this component falls to the homeowner's responsibility to maintain and replace.
2. Garage Door Openers - this component falls to the homeowner's responsibility to maintain and replace.

Samuel Bando



Glossary of Reserve Study Terms

Garland Meadows Homeowners' Association, Inc.
Prepared for the December 31, 2021 Fiscal Year

Terms & Definitions CAI

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: The 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) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

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 representative(s) of the association or cooperative.

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "Cash Flow Method".

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

CURRENT REPLACEMENT COST: See "Replacement Cost."

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a 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 expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED: 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.



FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which 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. This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

1. $FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$ or
2. $FFB = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate}) ^ \text{Remaining Life}]$

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

Baseline Funding: Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Full Funding: Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding: Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

FUNDING PLAN: An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES: x Stable Contribution Rate over the Years x Fiscally Responsible

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, 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 initial year have "zero" 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 that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts and Cash Reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual that prepares Reserve Studies.

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.

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve study of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein: 1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project; 2. The failure to personally inspect or review the work of subordinates where necessary and appropriate; 3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; 4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit."

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

The above terms and definitions are from the Community Associations Institute (CAI) national standards.