



October 18, 2023

Yacht Club Condominiums, Inc.  
Attn: Kevin Lovett  
Summit Resort Group  
PO Box 2590  
Dillon, CO. 80435

Regarding: Reserve Study Final Version

Dear Kevin,

Please find enclosed a final version of the Reserve Study for Yacht Club Condominiums, Inc. This final version is being delivered via electronic media.

The following requested changes were requested by you and your board based on the draft report that was previously sent, please see our responses:

1. Component 110 Flat Roof Coating – Life expectancy and remaining life adjusted on project information being updated
2. Component 119 Chimney Flues Replace – Funding and line item added per your request
3. Component 204 Building Exterior Surfaces Repaint - Life expectancy and remaining life adjusted per your request
4. Component 206 Building Exterior Surfaces Touch Up/Maintenance – Funding and line item added per your request
5. Component 509 Window Wells Replace (2024) - Funding and line item added per your request
6. Component 509 Window Wells Replace (2025) - Funding and line item added per your request
7. Component 509 Window Wells Replace (2026) - Funding and line item added per your request
8. Component 509 Window Wells Replace (2027) - Funding and line item added per your request
9. Component 509 Window Wells Replace (2028) - Funding and line item added per your request
10. Component 509 Window Wells Replace (2029) - Funding and line item added per your request
11. Component 509 Window Wells Replace (2030) - Funding and line item added per your request
12. Component 606 Unit Decks/Stairways Inspect/Repair - Funding and line item added per your request
13. Component 702 Boilers Replacement – Funding has been removed and noted that this is owner responsibility per your request
14. Component 703 Water Heater Replacement – Funding has been removed and noted that this is owner responsibility per your request
15. Component 1002 Metal Railings Replace – Funding has been added per your request
16. Component 1011 Retaining Wall Replace – Remaining life and replacement cost adjusted per your request
17. Component 1409 Lower Level Room Area Refurbish – Component has been amended per you request resulting in life expectancy, remaining life and replacement costs adjusted
18. Component 2002 Plumbing/Sewer/Electrical - Component has been amended per you request resulting in life expectancy, remaining life and replacement costs adjusted

If any further adjustments are required due to a change in the association's philosophies, this can be accomplished at our standard rate of \$200 per hour.

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Now that you have received the Reserve Analysis, use it as a tool to assist you in establishing your budget, as well as an advanced warning for upcoming projects. This report should be reviewed at least once a year for obtaining proposals in advance of pending projects, and to make sure the Reserve funds are in line with projections. The outcome of this report should be conveyed with the property owners as to the status of the Reserve fund. The property owners should also know what the Board of Directors plans are to improve or maintain the Reserve fund.

Remember, just like any major line item in the budget, it is important to review the Reserve Fund status and contribution rate each year as the budget planning process begins. The estimated replacement costs in this report are accurate to the best of our knowledge as of the date printed on this report. Our recommendations are made without guarantee based on continuous influxes in the various industries related to your components.

We look forward to working together in the future to assist the Board of Directors in planning their budgets by completing an updated Reserve Study.

Please let me know if there is anything else I can do to help. Have a great day!

Sincerely,

G. Michael Kelsen, RS, PRA  
Owner

Wednesday, October 18, 2023

Level 1, Platinum Reserve Analysis

# Yacht Club Condominiums, Inc. 144 Gold Run Cir. Dillon, CO. 80435



## FINAL VERSION

Report Period – 05/01/23 – 04/30/24

Client Reference Number – 09376

Property Type – Condominiums

Fiscal Year End – December 31st

Number of Units – 49

Date of Property Observation – July 13, 2023

Property Observation Conducted by – Mike Kelsen

Project Manager – Mike Kelsen, RS, PRA

Main Contact Person – Kevin Lovett, Community Manager



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## Introduction to the Reserve Analysis –

The elected officials of this association made a wise decision to invest in a Reserve Analysis to get a better understanding of the status of the Reserve funds. This Analysis will be a valuable tool to assist the Board of Directors in making the decision to which the dues are derived. Typically, the Reserve contribution makes up 15% - 40% of the association's total budget. Therefore, Reserves is considered to be a significant part of the overall monthly association payment.

Every association conducts its business within a budget. There are typically two main parts to this budget, Operating and Reserves. The Operating budget includes all expenses that are fixed on an annual basis. These would include management fees, maintenance fees, utilities, etc. The Reserves is primarily made up of Capital Replacement items such as asphalt, roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis.

The Reserve Analysis is also broken down into two different parts, the Physical Analysis and the Financial Analysis. The Physical Analysis is information regarding the physical status and replacement cost of major common area components that the association is responsible to maintain. It is important to understand that while the Component Inventory will remain relatively "stable" from year to year, the Condition Assessment and Life/Valuation Estimates will most likely vary from year to year. You can find this information in the **Asset Inventory Section** (Section 2) of this Reserve Analysis. The **Financial Analysis Section** is the evaluation of the association's Reserve balance, income, and expenses. This is made up of a finding of the clients current Reserve Fund Status (measured as Percent Funded) and a recommendation for an appropriate Reserve Allocation rate (also known as the Funding Plan). You can find this information in Section 3 of this Reserve Analysis.

The purpose of this Reserve Analysis is to provide an educated estimate as to what the Reserve Allocation needs to be. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample timing to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. This will also ensure the physical well being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to Special Assessments.

It is important for the client, homeowners, and potential future homeowners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at time of the inspection. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have also been excluded from this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgement of Aspen Reserve Specialties and should not be construed as a guarantee or assurance of predicting future events.

## **General Information and Answers to Frequently Asked Questions –**

### **Why is it important to perform a Reserve Study?**

As previously mentioned, the Reserve allocation makes up a significant portion of the total monthly dues. This report provides the essential information that is needed to guide the Board of Directors in establishing the budget in order to run the daily operations of your association. It is suggested that a third party professionally prepare a Reserve Study since there is no vested interest in the property. Also, a professional knows what to look for and how to properly develop an accurate and reliable component list.

### **Now that we have “it”, what do we do with “it”?**

Hopefully, you will not look at this report and think it is too cumbersome to understand. Our intention is to make this Reserve Analysis very easy to read and understand. Please take the time to review it carefully and make sure the “main ingredients” (asset information) are complete and accurate. If there are any inaccuracies, please inform us immediately so we may revise the report.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The Reserve allocation makes up a significant portion of the total monthly dues and this report should help you determine the correct amount of money to go into the Reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending projects. This will give you an opportunity to shop around for the best price available.

The Reserve Study should be readily available for Real Estate agents, brokerage firms, and lending institutions for potential future homeowners. As the importance of Reserves becomes more of a household term, people are requesting homeowners associations to reveal the strength of the Reserve fund prior to purchasing a condominium or townhome.

### **How often do we update or review “it”?**

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Analysis should be reviewed each year before the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Deterioration rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the content of the Reserve Analysis. Therefore, this analysis should be reviewed annually, and a property inspection should be conducted at least once every three years.

### **Is it the law to have a Reserve Study conducted?**

The Government requires reserve analyses in approximately 20 states. Even if it is not currently governed by your state, the chances are very good that the documents of the association require the association to have a Reserve fund established. This doesn't mean a Reserve Analysis is required, but how are you going to know you have enough funds in the account if you don't have the proper information. Hypothetically, some associations look at the Reserve fund and think \$200,000 is a lot of money and they are in good shape. What they don't know is a major project will need to be replaced within 5 years, and the cost of the project is going to exceed \$250,000. So while \$200,000 sounds like a lot of money, in reality it won't even cover the cost of a major project, let alone all the other amenities the association is responsible to maintain.

## **What makes an asset a “Reserve” item versus an “Operating” item?**

A “Reserve” asset is an item that is the responsibility of the association to maintain, has a limited Useful Life, predictable Remaining Useful Life expectancies, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold cost. An “operating” expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an “operating” expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a Reserve expense.

## **The GREY area of “maintenance” items that are often seen in a Reserve Study –**

One of the most popular questions revolves around major “maintenance” items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a “capital” item, then it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a Reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a Reserve component.

## **The Property Inspection –**

The Property Inspection was conducted following a review of the documents that were established by the developer identifying all common area assets. In some cases, the Board of Directors at some point may have revised the documents. In either case, the most current set of documents was reviewed prior to inspecting the property. In addition, common area assets may have been reported to Aspen Reserve Specialties by the client, or by other parties.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the inspection. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the inspection. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property.

## **The Reserve Fund Analysis –**

We projected the starting balance from taking the most recent balance statement, adding expected Reserve contributions for the rest of the year, and subtracting any pending projects for the rest of the year. We compared this number to the ideal Reserve Balance and arrived at the Percent funded level. Measures of strength are as follows:

**0% - 30% Funded** – Is considered to be a “weak” financial position. Associations that fall into this category are subject to Special Assessments and deferred maintenance, which could lead to lower property values. If the association is in this position, actions should be taken to improve the financial strength of the Reserve Fund.

**31% - 69% Funded** – The majority of associations are considered to be in this “fair” financial position. While this doesn’t represent financial strength and stability, the likelihood of Special Assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the Reserve fund.

**70% - 99% Funded** – This indicates financial strength of a Reserve fund and every attempt to maintain this level should be a goal of the association.

**100% Funded** – This is the ideal amount of Reserve funding. This means that the association has the exact amount of funds in the Reserve account that should be at any given time.

## Summary of Yacht Club Condominiums, Inc. - Association# - 09376

Projected Starting Balance as of July 1, 2023 -	<b>\$186,778</b>
Ideal Reserve Balance as of July 1, 2023 -	<b>\$458,825</b>
Percent Funded as of July 1, 2023 -	<b>41%</b>
Recommended Reserve Allocation (per month) -	<b>\$5,790 (starting Oct 2023)</b>
Recommended Reserve Allocation (per month) -	<b>\$7,425 (starting 2024/2025)</b>
Minimum Reserve Allocation (per month) -	<b>\$6,100 (starting 2024/2025)</b>
Recommended Special Assessment -	<b>\$0</b>

Information to complete this Reserve Analysis was gathered during a property observation of the common area elements on July 13, 2023. In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representatives (Community Manager). To the best of our knowledge, the conclusions and suggestions of this report are considered reliable and accurate insofar as the information obtained from these sources.

This property contains 49 condominium style units within 3 similar buildings that were originally constructed approximately 47 years ago in 1969. Common area amenities the association is responsible to maintain include building exterior surfaces, private parking spaces, a trash enclosure, laundry facilities, a lower level area, and a few recreational facilities. Please refer to the *Projected Reserve Expenditure* table the Financial Analysis section for a list of when components are scheduled to be addressed.

In comparing the projected balance of \$186,778 versus the ideal Reserve Balance of \$458,825 we find the association Reserve fund to be in a slight surplus funded financial position at this point in time (approximately 41% funded of ideal). Please refer to the Funding Summary page of the analysis for Reserve recommendations. By following the recommendation, the plan will maintain the Reserve account in a positive manner, maintaining the reserve fund at or near the fully funded level for the thirty-year period.

In the percent Funded graph, you will see we have also provided a "minimum Reserve contribution". If the Reserve contribution falls below this rate, then the Reserve fund will fall into a situation where Special Assessments, deferred maintenance, and lower property values are possible at some point in the future. The minimum Reserve allocation follows the "threshold" theory of Reserve funding where the "percent funded" status is not allowed to dip below 30% funded at any point during the thirty-year period.

This was provided for one purpose only, to show the association how small the difference is between the two scenarios and how it would not make financial sense to contribute less money to the Reserve fund to only stay above a certain threshold. As you can see, the difference between the two scenarios is considered to be minimal, and based on the risk, we strongly suggest the recommended Reserve Allocation is followed.

Comp #: 110     Flat Roof - Coating



*Observations:*

- Originally, it was reported the roof was replaced in 2019 along with the rest of the building exterior remodel project. It was later reported during the review of this report the roof was not replaced at the same time and in fact done 2 years prior to reconstruction.
- This type of roof has a 17 - 20-year life expectancy as long as proper maintenance and limited foot traffic is achieved over the duration of the life of the roof
- Depending on the integrity of the roof membrane, it is possible a coating can be applied
- Typically, the membrane starts to break down about 10 - 12 years after installation. Association should start getting a roof inspection done every year following the 10-year mark to determine when a coating can be applied rather than waiting for replacement, which would be more costly.

*Location:*                    **Flat roof areas on unit buildings**

*Quantity:*                    **Approx. 120 squares**

*Life Expectancy:*        **12        Remaining Life: 5**

*Best Cost:*                    **\$69,000**  
\$575/square; Estimate to apply coating

*Worst Cost:*                **\$78,000**  
\$650/square; Higher estimate for minor repairs

*Source Information:* Cost Database

*General Notes:*

414 - Approx. 45 squares  
410 - Approx. 30 squares  
144 - Approx. 45 squares

Comp #: 119      Chimney Flues - Replace



*Observations:*  
-Reserve to replace flues per client request

*Location:*                    **Each unit**

*Quantity:*                    **(50) Flues**

*Life Expectancy:*        **40**      *Remaining Life: 2*

*Best Cost:*                    **\$15,200**  
\$3800/flue; Estimate to replace 4 every cycle

*Worst Cost:*                **\$16,800**  
Higher estimate for more labor

*Source Information:* Client provided cost information

General Notes:

Comp #: 120

Downspouts - Replace



*Observations:*

- No unusual conditions noted at time of site visit. Lines were replaced at the same time as the building reconstruction in 2019.
- In our experience, we see this type of downspout to have an extended life expectancy.
- Lines are heat taped, so any damage as a result of freezing should be minimal at most.
- Reserve to replace downspouts every other roof coating cycle (every 30 years)

*Location:*                    **Perimeter of buildings**

*Quantity:*                    **Approx. 855 LF**

*Life Expectancy:*    **30**        *Remaining Life:* **25**

*Best Cost:*                    **\$6,840**  
\$8.00/LF; Estimate to replace

*Worst Cost:*                    **\$8,125**  
\$9.50/LF: Higher estimate for larger lines

*Source Information:* Cost Database

*General Notes:*

414 - Approx. 360 LF

410 - Approx. 135 LF

144 - Approx. 360 LF

Comp #: 121

Heat Tape - Replace



*Observations:*

- No reported problems at time of site visit. Site visit took place during summer months, so unable to visually observe the system in working conditions.
- The useful life of heat tape varies based on working time, exposure, damage, etc.
- On average, we recommend replacing every 10 years
- In between replacement cycles, repairs should be handled as needed with operating funds.

*Location:*                **Downspouts**

*Quantity:*                **Approx. 500 LF**

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

*Best Cost:*                **\$6,750**  
\$13.50/LF: Estimate to replace

*Worst Cost:*              **\$7,500**  
\$15.00/LF; Higher estimate for more labor

*Source Information:* Cost database

*General Notes:*

414 - Approx. 210 LF  
corner building - 75 LF  
144 - Approx. 210 LF

Comp #: 204

Building Ext Surfaces - Repaint



*Observations:*

- All new siding and stucco were installed in 2019 and is in good condition. Minor fading was noted on southern exposed walls.
- We recommend that all exterior surfaces (body, trim, support joists, railings, soffits, snow guards, etc.) are painted every 5 - 8 years to protect the base materials and maintain an appropriate appearance.
- Proper prepping, and minor maintenance, should take with every painting cycle.
- Since association will be performing touch ups and routine maintenance every other year, we have extended the repainting cycle to 8 years

*Location:*                    **Siding materials on buildings**

*Quantity:*                    **(50) Units**

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

*Best Cost:*                    **\$82,500**  
\$1650/unit; Estimate to repaint buildings

*Worst Cost:*                    **\$95,000**  
\$1900/unit; Higher estimate for more prep work

*Source Information:* Cost Database

General Notes:

Comp #: 206

Building Ext Surfaces - Touch Up/Maintenance



Observations:  
-Per client request, we have added a line item for touch ups and maintenance every other year.

Location:

Exterior surfaces

Quantity:

(50) Units

Life Expectancy:

2      Remaining Life: 0

Best Cost:

\$8,000

Allowance for touch up and maintenance every other year

Worst Cost:

\$10,000

Higher allowance for more labor

Source Information:

Cost database

General Notes:

Comp #: 303

Wood/Stucco Siding - Repair



*Observations:*

- Minor hairline cracks were observed in the stucco surfaces, but this is typical for this type of material. Lap siding (fiber cement) was in good condition with no issues noted.
- This material typically lasts 30 - 50 years, depending on how well it is maintained throughout the years.
- In order to keep up the appearance of the community and to ensure a maximum life of siding, we have established a Reserve allowance for inspections and repairs every painting cycle.
- As the material ages, the cost of future repairs may need to be increased in future Reserve Study updates

*Location:*                    **Siding materials on buildings**

*Quantity:*                    **Approx. 20,210 GSF**

*Life Expectancy:*        **7**        *Remaining Life: 2*

*Best Cost:*                    **\$13,750**  
Allowance for minor repairs prior to painting

*Worst Cost:*                    **\$16,250**  
Higher allowance for more repairs

*Source Information:* Cost Database

General Notes:

Lap Siding -  
414 - Approx. 4,580 GSF  
410 - Approx. 3,685 GSF  
144 - Approx. 4,580 GSF

Stucco -  
414 - Approx. 1,920 GSF  
410 - Approx. 3,525 GSF  
144 - Approx. 1,920 GSF

Comp #: 309

Stone/Metal Siding - Major Repairs



*Observations:*

- Typically, this material has an extended life expectancy and complete replacement is unlikely.
- There are times where some stones will loosen and fall off, but this is unpredictable when and how much would occur.
- Repairs should be handled as a maintenance issue on an as needed basis.
- If it later turns out that frequent repairs are necessary, then funding could be added in future Reserve Study updates.

*Location:*                    **Siding accents on building**

*Quantity:*                    **Approx. 5,950 GSF**

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

*Best Cost:*                    **\$0**

*Worst Cost:*                    **\$0**

*Source Information:*

General Notes:

Stonework:	
414 -	Approx. 335 GSF
410 -	Approx. 775 GSF
144 -	Approx. 335 GSF
Corrugated metal:	
414 -	Approx. 1330 GSF
410 -	Approx. 1175 GSF
144 -	Approx. 2000 GSF

*Component History*

- 2019 - Large exterior remodel project - no information provided

Comp #: 401

Asphalt - Major Overlay



*Observations:*

- The average life expectancy for asphalt surfaces ranges between 25 - 35 years for surfaces that are maintained on a regular schedule.
- Maintenance includes crack fill and repairing small potholes annually as an operating expense.
- In addition, asphalt should be seal coated every 3 - 4 years, depending on the level of traffic and snow removing techniques.

*Location:*                   **Parking areas**

*Quantity:*                   **Approx. 15,900 GSF**

*Life Expectancy:*    **32**       *Remaining Life: 7*

*Best Cost:*               **\$59,625**  
\$3.75/GSF; Estimate for mill and overlay

*Worst Cost:*             **\$71,550**  
\$4.50/GSF; Higher estimate for more repairs

*Source Information:* Cost Database

General Notes:

Comp #: 402

Asphalt - Surface Application



*Observations:*

- This type of material is subject to heavy wear in this environment due to snow removal techniques. - Snow plows gradually remove small layers of asphalt every time plows are used.
- Sand and gravel acts as sand paper to the surface as cars drive over the surface.
- No matter what kind of removal is used, the asphalt layers diminish each year.
- In this environment, it is recommended that a seal coat is applied every 2 - 4 years, depending on the amount of traffic and the effects of the elements over the years.

*Location:*

**Parking areas**

*Quantity:*

**Approx. 15,900 GSF**

*Life Expectancy:*

**4**      *Remaining Life:* **0**

*Best Cost:*

**\$7,950**  
\$.50/GSF; Estimate for surface treatment

*Worst Cost:*

**\$8,745**  
\$.55/GSF; Higher estimate for some repairs

*Source Information:*

Cost Database

General Notes:

Comp #: 501      Doors - Replace



*Observations:*

- Unit doors are the responsibility of the owners, so Reserve funding is not required for unit doors.
- The doors for the mechanical rooms are in poor condition, but are used minimally, so replace these doors as needed with operating funds.
- Due to the low cost and different levels of use of the common doors in building 410, doors should be replaced on an as needed basis with general operating funds.
- Therefore, separate Reserve funding is not required at this time for this component.

<i>Location:</i>	<b>Each unit</b>
<i>Quantity:</i>	<b>(6) Common doors</b>
<i>Life Expectancy:</i>	<b>N/A</b> <i>Remaining Life:</i>
<i>Best Cost:</i>	<b>\$0</b>
<i>Worst Cost:</i>	<b>\$0</b>
<i>Source Information:</i>	

General Notes:

414 - (31) unit doors, (4) 4x4 access doors for mechanical rooms

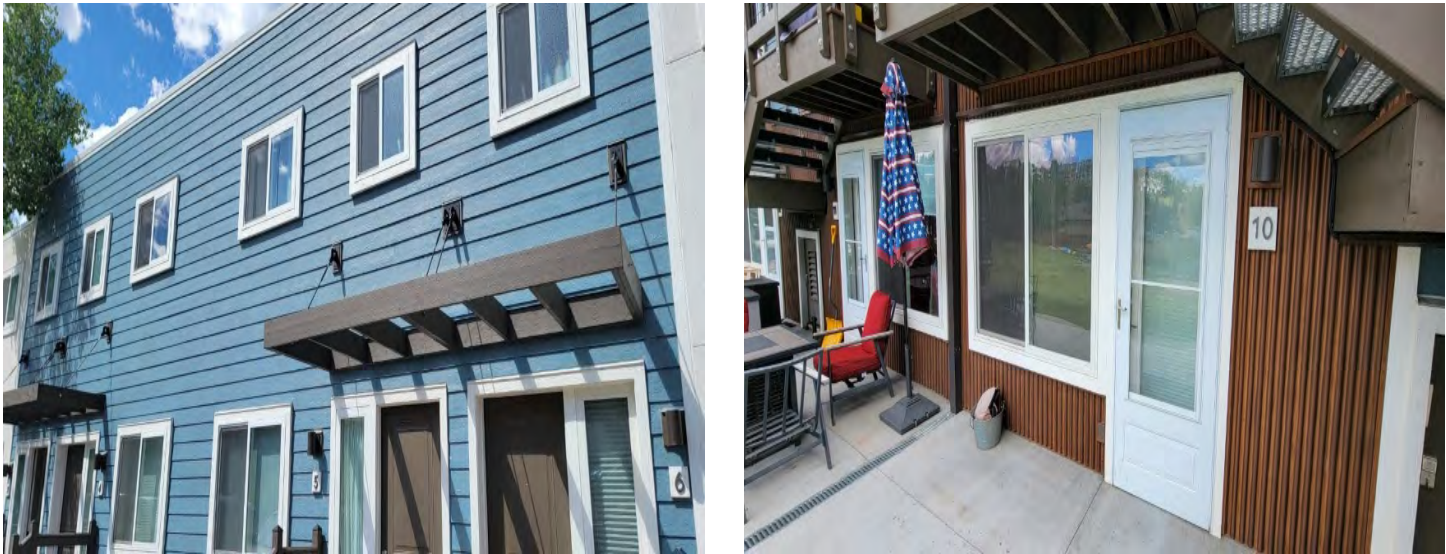
410 - (36) unit doors

410 - (2) Common doors

144 - (14) unit doors

Comp #: 506

Windows - Replace



Observations:

- All windows were replaced at the same time as the reconstruction in 2019
- Typically, windows are the responsibility of each individual owner.
- Therefore, separate Reserve funding is not required for this component at this time.

Location:	Unit windows	
Quantity:	Approx. 170 windows	
Life Expectancy:	N/A	Remaining Life:
Best Cost:	\$0	
Worst Cost:	\$0	
Source Information:		

General Notes:

414 - (72) windows/slider doors

410 - (18) sliders/French doors, (26) windows

144 - (72) windows/sliders

Comp #: 509      Window Wells - Replace (2024)



*Observations:*

- It was reported the association is responsible for window well maintenance and are in disrepair
- Based on this new information, we have included these to be replaced over the next several years - Per discussion with Board, it was decided to replace 2 per year starting in 2024
- This line item is for the first phase of replacement (2 in 2024)

*Location:*                      **Some units**

*Quantity:*                    **(13) Wells**

*Life Expectancy:*      **30**      *Remaining Life:* **0**

*Best Cost:*                    **\$20,000**  
Average estimate to excavate and replace wells

*Worst Cost:*                **\$25,000**  
Higher estimate for more labor

*Source Information:* Cost database

General Notes:

Comp #: 509      Window Wells - Replace (2025)



*Observations:*

- It was reported the association is responsible for window well maintenance and are in disrepair
- Based on this new information, we have included these to be replaced over the next several years - Per discussion with Board, it was decided to replace 2 per year starting in 2024
- This line item is for the first phase of replacement (2 in 2025)

*Location:*                    **Some units**

*Quantity:*                    **(13) Wells**

*Life Expectancy:*    **30**      *Remaining Life:* **1**

*Best Cost:*                    **\$20,000**  
Average estimate to excavate and replace wells

*Worst Cost:*                    **\$25,000**  
Higher estimate for more labor

*Source Information:* Cost database

General Notes:

Comp #: 509      Window Wells - Replace (2026)



*Observations:*

- It was reported the association is responsible for window well maintenance and are in disrepair
- Based on this new information, we have included these to be replaced over the next several years - Per discussion with Board, it was decided to replace 2 per year starting in 2024
- This line item is for the first phase of replacement (2 in 2026)

*Location:*                    **Some units**

*Quantity:*                    **(13) Wells**

*Life Expectancy:*        **30**      *Remaining Life:* **2**

*Best Cost:*                    **\$20,000**  
Average estimate to excavate and replace wells

*Worst Cost:*                    **\$25,000**  
Higher estimate for more labor

*Source Information:* Cost database

General Notes:

Comp #: 509      Window Wells - Replace (2027)



*Observations:*

- It was reported the association is responsible for window well maintenance and are in disrepair
- Based on this new information, we have included these to be replaced over the next several years - Per discussion with Board, it was decided to replace 2 per year starting in 2024
- This line item is for the first phase of replacement (2 in 2027)

*Location:*                    **Some units**

*Quantity:*                    **(13) Wells**

*Life Expectancy:*    **30**      *Remaining Life:* **3**

*Best Cost:*                    **\$20,000**  
Average estimate to excavate and replace wells

*Worst Cost:*                    **\$25,000**  
Higher estimate for more labor

*Source Information:* Cost database

General Notes:

Comp #: 509      Window Wells - Replace (2028)



*Observations:*

- It was reported the association is responsible for window well maintenance and are in disrepair
- Based on this new information, we have included these to be replaced over the next several years - Per discussion with Board, it was decided to replace 2 per year starting in 2024
- This line item is for the first phase of replacement (2 in 2028)

*Location:*                    **Some units**

*Quantity:*                    **(13) Wells**

*Life Expectancy:*    **30**      *Remaining Life:* **4**

*Best Cost:*                    **\$20,000**  
Average estimate to excavate and replace wells

*Worst Cost:*                    **\$25,000**  
Higher estimate for more labor

*Source Information:* Cost database

General Notes:

Comp #: 509      Window Wells - Replace (2029)



*Observations:*

- It was reported the association is responsible for window well maintenance and are in disrepair
- Based on this new information, we have included these to be replaced over the next several years - Per discussion with Board, it was decided to replace 2 per year starting in 2024
- This line item is for the first phase of replacement (2 in 2029)

*Location:*                    **Some units**

*Quantity:*                    **(13) Wells**

*Life Expectancy:*    **30**      *Remaining Life:* **5**

*Best Cost:*                    **\$20,000**  
Average estimate to excavate and replace wells

*Worst Cost:*                    **\$25,000**  
Higher estimate for more labor

*Source Information:* Cost database

General Notes:

Comp #: 509      Window Wells - Replace (2030)



*Observations:*

- It was reported the association is responsible for window well maintenance and are in disrepair
- Based on this new information, we have included these to be replaced over the next several years - Per discussion with Board, it was decided to replace 2 per year starting in 2024
- This line item is for the first phase of replacement (1 in 2030)

*Location:*                    **Some units**

*Quantity:*                    **(13) Wells**

*Life Expectancy:*        **30**      *Remaining Life:* **6**

*Best Cost:*                    **\$10,000**  
Average estimate to excavate and replace wells

*Worst Cost:*                    **\$12,500**  
Higher estimate for more labor

*Source Information:* Cost database

General Notes:

Comp #: 601

Concrete Flatwork - Partial Replace



- Observations:
- The majority of the concrete was replaced in 2019 and is in good to fair condition. There was some evidence of minor cracks and some spalling noted throughout the property.
  - While it is unlikely that all concrete surfaces will fail at the same time and completely need replacement, it is likely that major repairs will be needed periodically.
  - The dyed concrete (older sections) will be difficult to match when repairs or replacement is required. Therefore, we recommend replacing all of the colored concrete with standard concrete when required.
  - We suggest establishing Reserve funding for periodic major repairs, as opposed to minor repairs annually.
  - Each time a contractor comes out to the property to fix an area, a "trip charge" is usually built into the repair bill.
  - Therefore, by doing larger areas at the same time, the cost is cheaper on a per square footage basis.
  - This line item is for periodic major repairs and should not be misinterpreted as complete replacement.

Location:

Common areas

Quantity:

Approx. 6,900 GSF

Life Expectancy:

5

Remaining Life: 0

Best Cost:

\$11,550

Allowance to repair 10% of area every 5 years

Worst Cost:

\$12,600

Higher allowance for more repairs

Source Information:

Cost Database

General Notes:

South of 414 - Approx. 200 GSF

Between 414 & 410 - Approx. 160 GSF

Between 410 & 144 - Approx. 140 GSF

Side of 144 - Approx. 400 GSF

Behind 414 - Approx. 2,205 GSF

Behind 410 - Approx. 1,650 GSF

Behind 144 - Approx. 2,135 GSF

Comp #: 606

Unit Decks/Stairways - Inspect/Repair



*Observations:*

- Per client request, an allowance has been added to the Reserve Study for periodic inspections and repairs, along with routine maintenance, which would include tightening any loose bolts, repairing any deteriorated rails, etc.
- It is difficult to determine an exact cost on a long-term budget basis, but this allowance can be adjusted in future Reserve Study updates as a history of maintenance, inspections, and repairs are conducted.

*Location:*

**Unit decks (front and rear), stairway systems**

*Quantity:*

**(50) Units**

*Life Expectancy:*

**3**

*Remaining Life:*

**0**

*Best Cost:*

**\$15,000**

Allowance to inspect, repair and perform routine maintenance

*Worst Cost:*

**\$17,500**

Higher allowance for more repairs

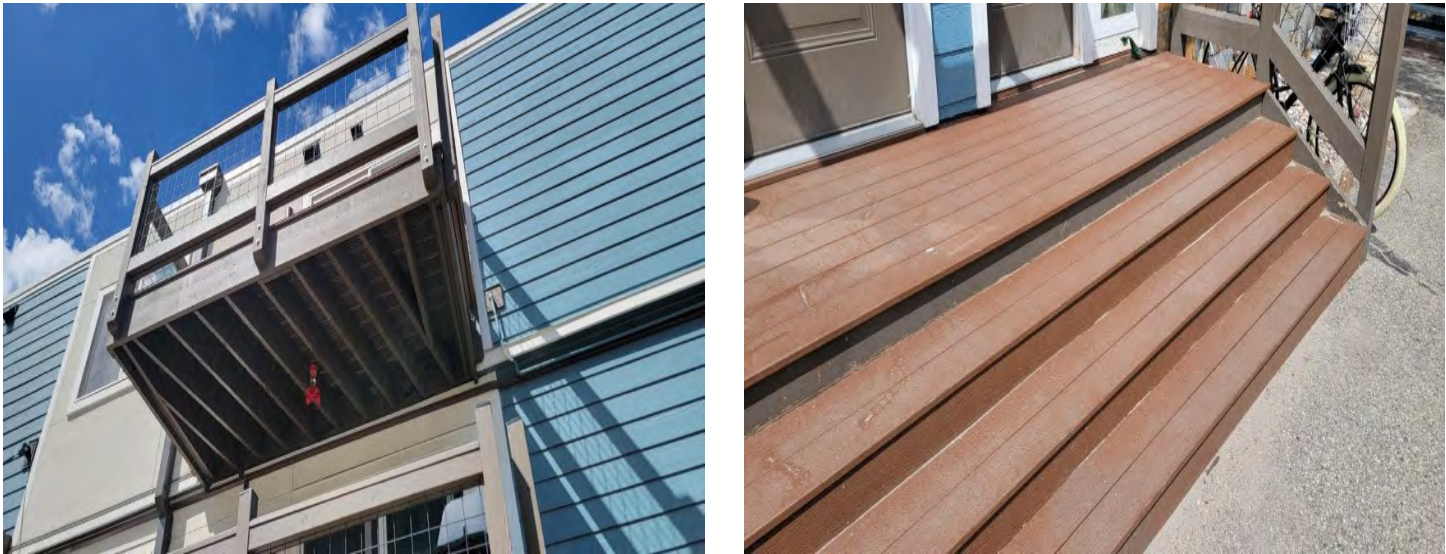
*Source Information:*

Cost database

*General Notes:*

Comp #: 607

Unit Front Decks - Replace



*Observations:*

- Since all decks and rails are similar in design, we recommend replacing all at same time so the appearance is consistent throughout the entire property.
- All decks were replaced in 2019 along with the exterior remodel project. However, it was reported the joists are still original and may require periodic repairs
- We recommend inspecting all decks at least once a year and make necessary repairs as an operating expense to maintain a safe environment.

*Location:* **Front side of unit buildings**

*Quantity:* **See general notes**

*Life Expectancy:* **30**      *Remaining Life:* **25**

*Best Cost:* **\$58,000**

Estimate to replace all decks

*Worst Cost:* **\$65,000**

Higher estimate for upgraded materials

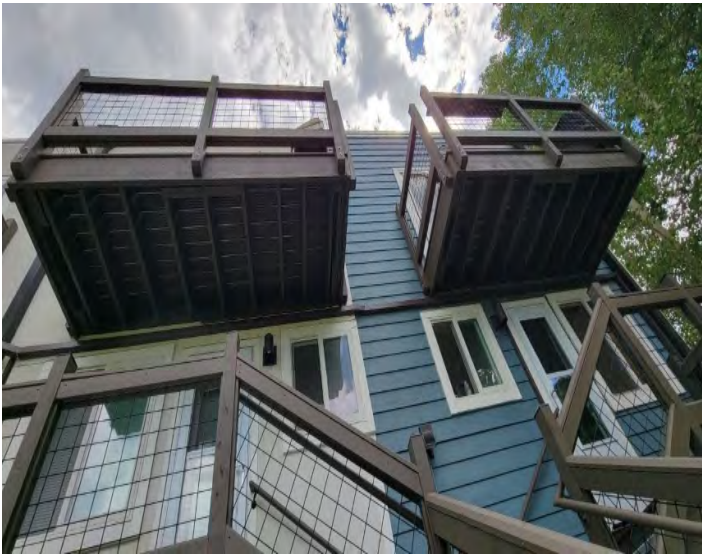
*Source Information:* Cost Database

*General Notes:*

- 414 -  
(4) 12x13 decks  
410 -  
(25) treads  
(1) 5x13 landing  
(1) 5x15 landing  
90 LF rail  
(2) 12x5 decks with 22 LF rail each  
144 -  
(42) treads  
(2) 4x7 landings  
(2) 4x13 landings  
95 LF rail  
Side sets of stairs -  
(42) treads  
(2) 4x4 landings  
60 LF rail

Comp #: 607

Unit Upper Level Decks - Replace



*Observations:*

- All decks and rails were replaced in 2019 and are in good condition. No reported or observed problems noted at time of site visit.
- We recommend inspecting all decks every 2 - 3 years and make necessary repairs as an operating expense to maintain a safe environment.
- While the life expectancy established by the manufacturer is considered "lifetime", this material is also subject to scratching and deterioration that could warrant replacement within 25 - 30 years.
- For aesthetic purposes, we suggest establishing a life cycle of 30 years at this time.
- If it later turns out that the deterioration rate is not as we expected, then the life and remaining life can be adjusted in future Reserve Study updates.

*Location:*

**Rear unit decks**

*Quantity:*

**Approx. 1650 GSF, 535 LF**

*Life Expectancy:*

**30**      *Remaining Life:* **25**

*Best Cost:*

**\$85,800**

Estimate to replace all decks

*Worst Cost:*

**\$92,400**

Higher estimate for upgraded materials

*Source Information:*

Cost Database

*General Notes:*

414 -  
(8) 5x12 decks with 22 LF rail each  
410 -  
5x140 decks, rail - 180 LF, (6) 5x5 dividers  
144-  
(8) 5x12 decks with 22 LF rail each

Comp #: 611

Stairway Systems - Major Repairs



*Observations:*

- All stair systems were replaced in 2019 along with the reconstruction project.
- We recommend inspecting all decks every 2 - 3 years and make necessary repairs as an operating expense to maintain a safe environment.
- While the life expectancy established by the manufacturer is considered "lifetime", this material is also subject to scratching and deterioration that could warrant replacement within 25 - 30 years.
- For aesthetic purposes, we suggest establishing a life cycle of 30 years at this time.
- If it later turns out that the deterioration rate is not as we expected, then the life and remaining life can be adjusted in future Reserve Study updates.

*Location:*

**Rear of unit buildings**

*Quantity:*

**See general notes**

*Life Expectancy:*

**30**

*Remaining Life:*

**25**

*Best Cost:*

**\$76,000**

Estimate to replace

*Worst Cost:*

**\$88,000**

Higher estimate

*Source Information:*

Cost Database

*General Notes:*

414 -  
(4) Sets of the following:  
Wood rail - 50 LF  
Metal treads - 17  
Deck - 3x17  
Landing - 3x4

410 -  
Wood rail - 110 LF  
Metal treads - 32  
Deck - 5x50  
Landing - (2) 3x4

144 - (Unit 26 & 17)  
Rail - 130 LF  
Metal treads - 42  
Deck - Approx. 170 GSF  
stringers - Approx. 85 LF

Comp #: 702

Boilers - Replace



- Observations:
- It was reported that all boilers will be the responsibility of the owner and not the association.
  - Therefore, Reserve funding is not required for this component

Location: Mechanical spaces under building

Quantity:

Life Expectancy: N/A Remaining Life:

Best Cost: \$0

Worst Cost: \$0

Source Information:

General Notes:

Comp #: 703

Water Heater - Replace



Observations:

- It was reported that all water heaters will be the responsibility of the owner and not the association.
- Therefore, Reserve funding is not required for this component

Location: Mechanical rooms under building

Quantity: 50-gallon heaters

Life Expectancy: N/A Remaining Life:

Best Cost: \$0

Worst Cost: \$0

Source Information:

General Notes:

Comp #: 703

Water Heater - Replace (Laundry)



*Observations:*

- Water heater was replaced in 2018 and appears to be working well. Joints and connections were in good shape and free from significant rusting and corrosion.
- Depending on the level of use and the quality of the water running through the system, expect a useful life of 12 - 15 years from water heaters with proper maintenance and care.

*Location:* **Laundry room**

*Quantity:* **(1) State select, 80 gallon**

*Life Expectancy:* **15**      *Remaining Life:* **9**

*Best Cost:* **\$3,200**  
\$3200/tank; Estimate to replace

*Worst Cost:* **\$3,700**  
\$3700/heater; Higher estimate for more labor

*Source Information:* Cost database

*General Notes:*

model #EDT-80-20RT 200  
serial #18101095452010

Comp #: 804

Wood Awnings - Replace



*Observations:*

- Structures are well constructed and should have an extended life expectancy with proper maintenance and minimal exposure to elements
- Reserve funding not required at this time. treat repairs as part of building repairs prior to painting

*Location:* **Front entries to units**

*Quantity:* **(10) Awnings**

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

*Best Cost:* **\$0**

*Worst Cost:* **\$0**

*Source Information:* Cost database

*General Notes:*

144 - (2) 4x7, (2) 4x14

Corner building - (2) 4x14

414 - (4) 4x14

Comp #: 908      Electronic Door Locks - Replace



*Observations:*

- Locks appeared to have been recently replaced.
- The average life expectancy for these ranges from 7 - 10 years. Since these are outside and exposed to elements, expect to replace on the shorter side of the normal cycle.
- Remaining life is based on the assumed age of the locks.

*Location:*            **Laundry room, stairway (Bldg 410),  
mech rooms**

*Quantity:*            **(6) Code locks**

*Life Expectancy:*    **8      Remaining Life: 5**

*Best Cost:*           **\$1,950**  
Estimate to replace with similar type

*Worst Cost:*         **\$2,250**  
Higher estimate for upgraded technology

*Source Information:*

General Notes:

Comp #: 1002

Metal Railing - Replace



*Observations:*

- Painting should be done at the same time as building exterior surfaces for best cost estimate.
- Some surface rusting was noted. We recommend wire brushing the materials to rid the rust and repaint to protect the materials from further deterioration.
- Due to the small quantity, separate Reserve funding is not required for this component. Per client request, we added replacement cost for this railing in 5 years
- If it later turns out that deterioration exceeds our expectation, Reserve funding can be added in future report updates.

*Location:*

**Behind 410 building**

*Quantity:*

**Approx. 30 LF**

*Life Expectancy:*

**30**

*Remaining Life:*

**5**

*Best Cost:*

**\$2,550**

\$85/LF; Estimate to replace

*Worst Cost:*

**\$3,000**

Higher estimate for more mobilization cost

*Source Information:*

Cost database

General Notes:

Comp #: 1009

Split Rail Fencing/Rail - Replace



- Observations:
- A couple rails and posts have been recently replaced.
  - Due to small area, repairs and replacement of sections should take place with operating funds.
  - Therefore, at this time, separate reserve funding is not required for this component.

Location: West perimeter of property

Quantity: Approx. 50 LF

Life Expectancy: N/A Remaining Life:

Best Cost: \$0

Worst Cost: \$0

Source Information:

General Notes:

Split rail fence - Approx. 50 LF

Comp #: 1010    Trash Enclosures - Replace



- Observations:
- Enclosure was reconstructed in 2019 with steel posts and corrugated metal siding.
  - These materials should have an extended life expectancy under normal conditions
  - Funding is not required at this time due to the quality of materials used.
  - In future Reserve Study updates, if conditions warrant replacement, add funding at that time

Location:                **West of building**

Quantity:                **Approx. 60 LF**

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

Best Cost:                **\$0**

Worst Cost:              **\$0**

Source Information:

General Notes:

Comp #: 1011     Retaining Wall - Replace



- Observations:
- Generally, in most conditions, these walls have an overall life expectancy of 15 - 20 years.
  - However, with periodic repairs, the life of the wall can be extended.
  - The top timber tends to become the first piece to deteriorate and need to be replaced.
  - This type of wall also tends to be susceptible to movement and leaning.
  - When replacement is necessary, most associations are converting to block wall for longer life expectancy and less maintenance.
  - Per client request, replacement cost was increased to use block

Location:                    **Adjacent to building 414**

Quantity:                   **Approx. 325 GSF**

Life Expectancy:        **30        Remaining Life: 6**

Best Cost:                **\$42,250**  
\$130/GSF; Estimate to replace with block

Worst Cost:              **\$48,750**  
\$150/GSF; Higher estimate for better quality

Source Information: Cost Database

General Notes:

Comp #: 1306

Park Equipment - Replace



Observations:

- Replace on an individual basis as needed with general operating funds.

Location:	Beach area	
Quantity:	(8) Assorted items	
Life Expectancy:	N/A	Remaining Life:
Best Cost:	\$0	
Worst Cost:	\$0	
Source Information:		

General Notes:

- (1) Disc golf cage
- (1) Badminton net/court
- (2) Charcoal bbq units
- (3) Wood picnic tables
- (1) Wood bench
- (1) Trash receptacle
- horseshoe pits

Comp #: 1401

Laundry Equipment - Replace



*Observations:*

- Equipment is leased through a separate company (CSC).
- As a result, since the association does not own this equipment, then Reserve funding is not required at this time.

*Location:* **Laundry room**

*Quantity:* **(3) Washers, (3) dryers**

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

*Best Cost:* **\$0**

*Worst Cost:* **\$0**

*Source Information:*

General Notes:

Comp #: 1409

Lower Level Room Area - Refurbish



*Observations:*

- This area used to contain the spa and currently contains a sauna that is not used.
- Board has requested to include funding to repurpose this area within the next 5 years
- The exact cost of repurposing this area will depend on the final design and what will be installed.
- This allowance is an agreed upon number between the current Board and ARS during a phone call to discuss the report

*Location:*                    **Downstairs of 410 building**

*Quantity:*                    **(1) Room**

*Life Expectancy:*    **30**        *Remaining Life:* **5**

*Best Cost:*                    **\$10,000**  
Allowance for major refurbishment of room

*Worst Cost:*                    **\$12,000**  
Higher allowance for more labor, better heater

*Source Information:* Discussion with Board

General Notes:

Comp #: 1414    Interior Areas - Update Allowance



*Observations:*

- Laundry room and exercise room area has been updated and is in good condition. The old hot tub room was converted into an exercise room. The stairs to the upper level and brick entry is still dated and in poor condition.
- Expect to update these areas every 10 - 15 years to maintain appearance and keep up with changing decorative trends.
- We have included an allowance for the association to update these areas as determined by the Board

*Location:*                    **Building 410**

*Quantity:*                    **See general notes**

*Life Expectancy:*    **10**        *Remaining Life:* **0**

*Best Cost:*                    **\$6,500**  
Allowance to update areas at Boards discretion

*Worst Cost:*                    **\$7,250**  
Higher estimate for upgrade decor

*Source Information:* Cost Database

General Notes:

Laundry room/exercise room area -  
Tile floor - Approx. 570 GSF  
Paint - Approx. 2,510 GSF  
(4) Various ceiling lights  
(3) LED tube lights

Common stairwell -  
Carpet - Approx. 15 GSY  
Paint - Approx. 920 GSF  
Brick floor (poor condition) - Approx. 21 GSF  
(3) lights

Comp #: 1602

Exterior Wall Mount - Replace



*Observations:*

- While replacement can occur on an as needed basis, it is our opinion and recommendation to replace all lights at the same time every 12 - 15 years to maintain a consistent appearance throughout the property.
- By replacing multiple fixtures, the association will be able to obtain a quantity discount for replacement and installation of the fixtures.
- This will also ensure a consistent appearance for the community by replacing all at the same time.

*Location:*                   **Attached to walls of buildings**

*Quantity:*                   **Approx. 120 lights**

*Life Expectancy:*    **15**       *Remaining Life:* **10**

*Best Cost:*               **\$27,000**  
\$225/light; Estimate to replace

*Worst Cost:*             **\$33,000**  
\$275/light; Higher estimate for better quality

*Source Information:* Cost Database

General Notes:

414 -  
(40) Wall sconces  
(6) LED Spot lights

410 -  
(28) Wall sconces  
(2) LED Spot lights

144 -  
(36) Wall sconces  
(7) LED Spot lights

Comp #: 1701

Irrigation System - Major Repairs



*Observations:*

- At this time, there is no expectancy to completely replace the system and Reserve funding is not recommended.
- We recommend the association establish a line item in the general operating budget for annual repairs to necessary components of the system (broken lines, sprinkler heads, valves, backflow preventers, controller, etc).

<i>Location:</i>	<b>Landscaped areas</b>	
<i>Quantity:</i>		
<i>Life Expectancy:</i>	<b>N/A</b>	<i>Remaining Life:</i>
<i>Best Cost:</i>	<b>\$0</b>	
<i>Worst Cost:</i>	<b>\$0</b>	
<i>Source Information:</i>		

General Notes:

mechanical room 414 - (1) Rainbird ESP Modular, 8 zones, 17MR09

Comp #: 2002     Plumbing/Sewer/Electrical



*Observations:*

- Utility lines are not typically included as a Reserve item due to unpredictable nature of this component.
- If the association has experienced major expenses associated with utility lines, an allowance can be established in the Reserve account.
- We have included a line item for periodic scoping and inspection of lines

*Location:*                    **Common areas**

*Quantity:*                    **Extensive area**

*Life Expectancy:*     **2**     *Remaining Life:* **0**

*Best Cost:*                    **\$5,000**  
Allowance for periodic scoping of lines

*Worst Cost:*                    **\$6,000**  
Higher allowance for more labor

*Source Information:*

General Notes:

## Funding Summary For Yacht Club Condominiums, Inc.

NOTE: The results of this report are based on replacement costs we know as of the date of this report. We are not responsible for higher than normal price increases after the date of this report.

### Beginning Assumptions

Financial Information Source	Research With Client
# of units	49
Fiscal Year End	April 30, 2024
Monthly Dues from 2023 budget	\$19,113.00
Monthly Reserve Allocation from 2023/2024 Budget	\$6,694.00
Projected Starting Reserve Balance (as of 1/1/2023)	\$186,778
Reserve Balance: Average Per Unit	\$3,812
Ideal Starting Reserve Balance (as of 1/1/2023)	\$458,825
Ideal Reserve Balance: Average Per Unit	\$9,364

### Economic Factors

Past 20 year Average Inflation Rate (Based on CCI)	6.00%
Current Average Interest Rate	1.00%

### Current Reserve Status

Current Balance as a % of Ideal Balance	41%
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### Recommendations for 2023/2024 Fiscal Year

Monthly Reserve Allocation (starting Oct 2023)	\$5,790
Per Unit	\$118.16
Monthly Reserve Allocation (starting 2024/2025)	\$7,425
Per Unit	\$151.53
Minimum Monthly Reserve Allocation (starting 2024/2025)	\$6,100
Per Unit	\$124.49
Primary Annual Increases	4.75%
# of Years	10
Secondary Annual Increases	6.70%
# of Years	20
2023 Boiler Replacement Special Assessment (3 years)	\$83,333
Per Unit per year	\$1,701

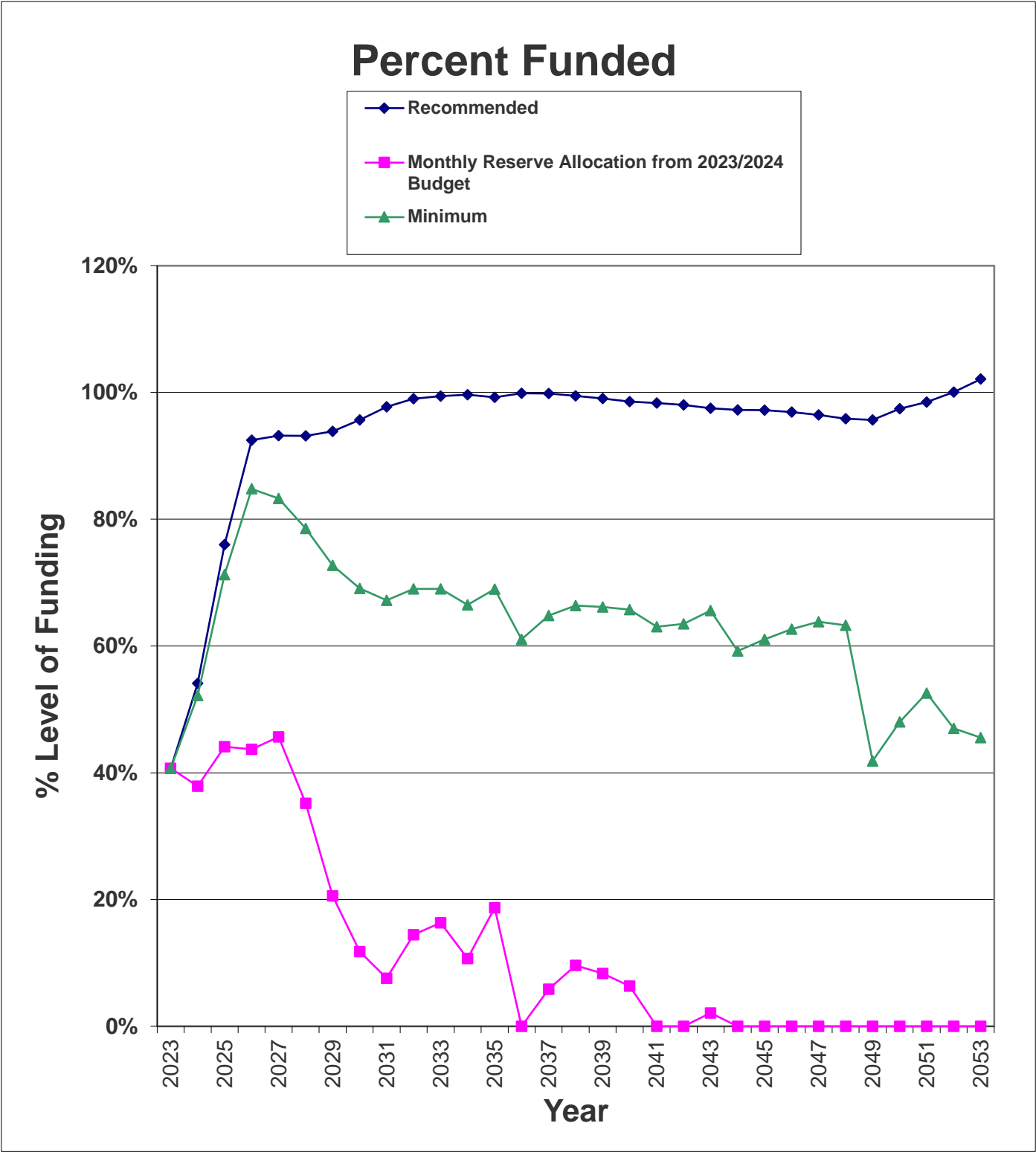
### Changes To Current 2023/2024 Reserve Contribution (starting Oct 2023)

Increase/Decrease to Reserve Allocation	-\$904
as Percentage	-14%
Average Per Unit	-\$18.45

### Changes from 2023/2024 to 2024/2025 Reserve Contribution

Increase/Decrease to Reserve Allocation	\$1,635
as Percentage	24%
Average Per Unit	\$33.37

Percent Funded Graph For Yacht Club Condominiums, Inc.



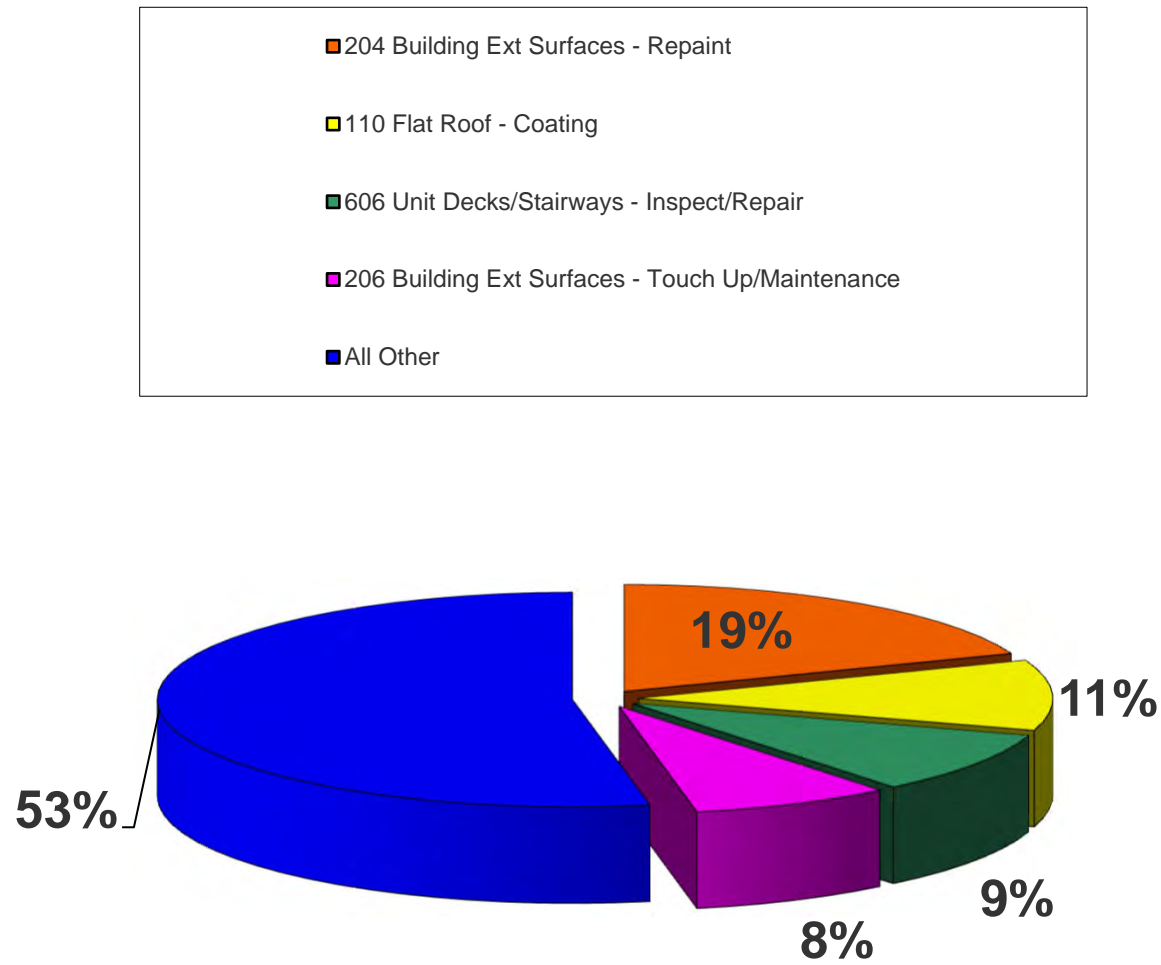
Component Inventory for Yacht Club Condominiums, Inc.

Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Roofing	110	Flat Roof - Coating	12	5	\$69,000	\$78,000
	119	Chimney Flues - Replace	40	2	\$15,200	\$16,800
	120	Downspouts - Replace	30	25	\$6,840	\$8,125
	121	Heat Tape - Replace	10	5	\$6,750	\$7,500
Painted Surfaces	204	Building Ext Surfaces - Repaint	8	4	\$82,500	\$95,000
	206	Building Ext Surfaces - Touch Up/Maintenance	2	0	\$8,000	\$10,000
Siding Materials	303	Wood/Stucco Siding - Repair	7	2	\$13,750	\$16,250
	309	Stone/Metal Siding - Major Repairs	N/A		\$0	\$0
Drive Materials	401	Asphalt - Major Overlay	32	7	\$59,625	\$71,550
	402	Asphalt - Surface Application	4	0	\$7,950	\$8,745
Property Access	501	Doors - Replace	N/A		\$0	\$0
	506	Windows - Replace	N/A		\$0	\$0
	509	Window Wells - Replace (2024)	30	0	\$20,000	\$25,000
	509	Window Wells - Replace (2025)	30	1	\$20,000	\$25,000
	509	Window Wells - Replace (2026)	30	2	\$20,000	\$25,000
	509	Window Wells - Replace (2027)	30	3	\$20,000	\$25,000
	509	Window Wells - Replace (2028)	30	4	\$20,000	\$25,000
	509	Window Wells - Replace (2029)	30	5	\$20,000	\$25,000
	509	Window Wells - Replace (2030)	30	6	\$10,000	\$12,500
Walking Surfaces	601	Concrete Flatwork - Partial Replace	5	0	\$11,550	\$12,600
	606	Unit Decks/Stairways - Inspect/Repair	3	0	\$15,000	\$17,500
	607	Unit Front Decks - Replace	30	25	\$58,000	\$65,000
	607	Unit Upper Level Decks - Replace	30	25	\$85,800	\$92,400
	611	Stairway Systems - Major Repairs	30	25	\$76,000	\$88,000
Mechanical Equip.	702	Boilers - Replace	N/A		\$0	\$0
	703	Water Heater - Replace	N/A		\$0	\$0
	703	Water Heater - Replace (Laundry)	15	9	\$3,200	\$3,700
Prop. Identification	804	Wood Awnings - Replace	N/A		\$0	\$0
Security	908	Electronic Door Locks - Replace	8	5	\$1,950	\$2,250
Fencing/Walls	1002	Metal Railing - Replace	30	5	\$2,550	\$3,000
	1009	Split Rail Fencing/Rail - Replace	N/A		\$0	\$0
	1010	Trash Enclosures - Replace	N/A		\$0	\$0
	1011	Retaining Wall - Replace	30	6	\$42,250	\$48,750
Recreation Equip.	1306	Park Equipment - Replace	N/A		\$0	\$0
Interiors	1401	Laundry Equipment - Replace	N/A		\$0	\$0
	1409	Lower Level Room Area - Refurbish	30	5	\$10,000	\$12,000
	1414	Interior Areas - Update Allowance	10	0	\$6,500	\$7,250
Light Fixtures	1602	Exterior Wall Mount - Replace	15	10	\$27,000	\$33,000
Irrig. System	1701	Irrigation System - Major Repairs	N/A		\$0	\$0
Miscellaneous	2002	Plumbing/Sewer/Electrical	2	0	\$5,000	\$6,000

## Significant Components For Yacht Club Condominiums, Inc.

ID	Asset Name	UL	RUL	Ave Curr Cost	Significance: (Curr Cost/UL)	
					As \$	As %
110	Flat Roof - Coating	12	5	\$73,500	\$6,125	10.6105%
119	Chimney Flues - Replace	40	2	\$16,000	\$400	0.6929%
120	Downspouts - Replace	30	25	\$7,483	\$249	0.4321%
121	Heat Tape - Replace	10	5	\$7,125	\$713	1.2343%
204	Building Ext Surfaces - Repaint	8	4	\$88,750	\$11,094	19.2180%
206	Building Ext Surfaces - Touch Up/Maintenance	2	0	\$9,000	\$4,500	7.7955%
303	Wood/Stucco Siding - Repair	7	2	\$15,000	\$2,143	3.7121%
401	Asphalt - Major Overlay	32	7	\$65,588	\$2,050	3.5506%
402	Asphalt - Surface Application	4	0	\$8,348	\$2,087	3.6151%
509	Window Wells - Replace (2024)	30	0	\$22,500	\$750	1.2992%
509	Window Wells - Replace (2025)	30	1	\$22,500	\$750	1.2992%
509	Window Wells - Replace (2026)	30	2	\$22,500	\$750	1.2992%
509	Window Wells - Replace (2027)	30	3	\$22,500	\$750	1.2992%
509	Window Wells - Replace (2028)	30	4	\$22,500	\$750	1.2992%
509	Window Wells - Replace (2029)	30	5	\$22,500	\$750	1.2992%
509	Window Wells - Replace (2030)	30	6	\$11,250	\$375	0.6496%
601	Concrete Flatwork - Partial Replace	5	0	\$12,075	\$2,415	4.1836%
606	Unit Decks/Stairways - Inspect/Repair	3	0	\$16,250	\$5,417	9.3834%
607	Unit Front Decks - Replace	30	25	\$61,500	\$2,050	3.5513%
607	Unit Upper Level Decks - Replace	30	25	\$89,100	\$2,970	5.1450%
611	Stairway Systems - Major Repairs	30	25	\$82,000	\$2,733	4.7350%
703	Water Heater - Replace (Laundry)	15	9	\$3,450	\$230	0.3984%
908	Electronic Door Locks - Replace	8	5	\$2,100	\$263	0.4547%
1002	Metal Railing - Replace	30	5	\$2,775	\$93	0.1602%
1011	Retaining Wall - Replace	30	6	\$45,500	\$1,517	2.6274%
1409	Lower Level Room Area - Refurbish	30	5	\$11,000	\$367	0.6352%
1414	Interior Areas - Update Allowance	10	0	\$6,875	\$688	1.1910%
1602	Exterior Wall Mount - Replace	15	10	\$30,000	\$2,000	3.4647%
2002	Plumbing/Sewer/Electrical	2	0	\$5,500	\$2,750	4.7639%

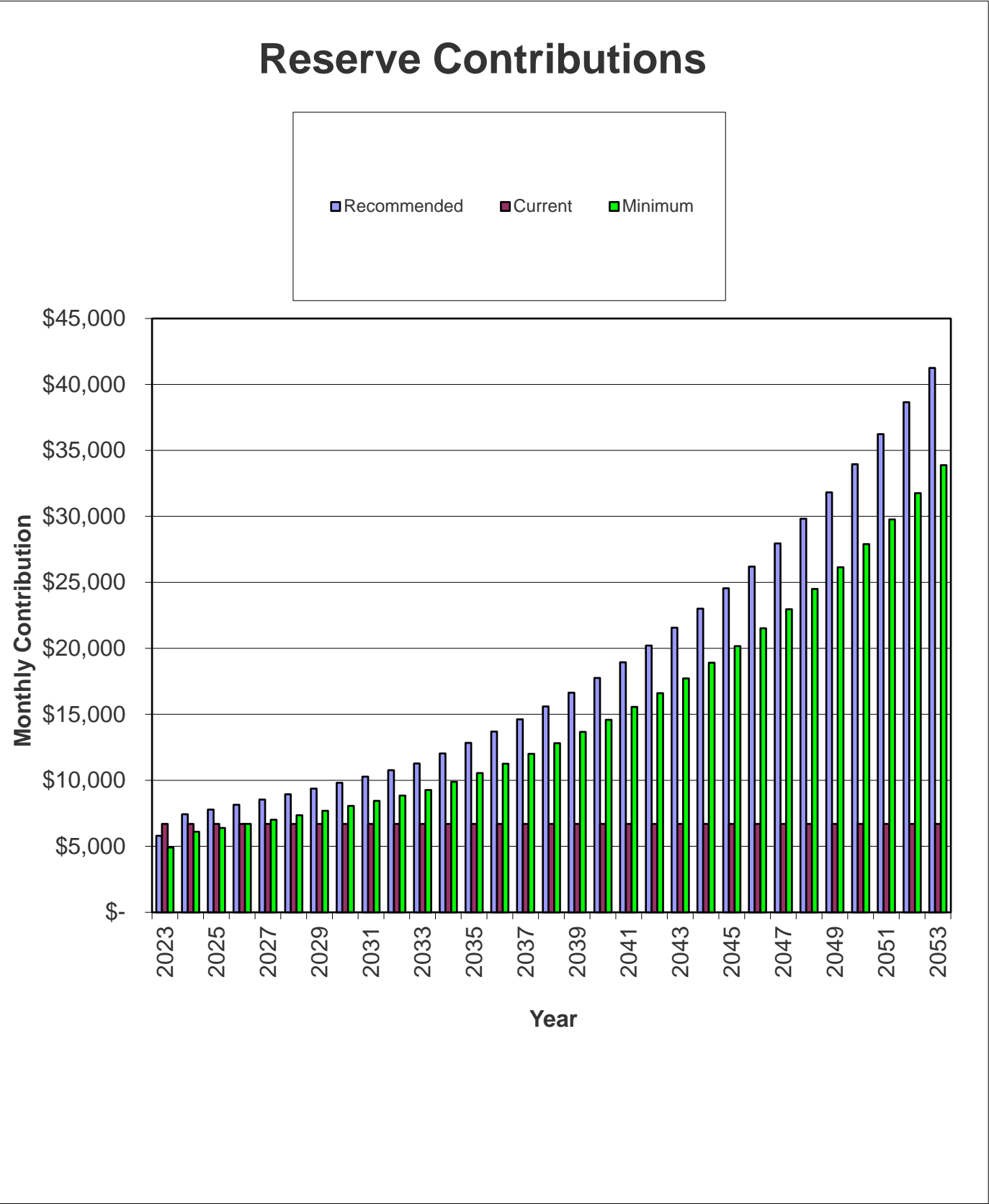
## Significant Components Graph For Yacht Club Condominiums, Inc.



Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL)	
					As \$	As %
204	Building Ext Surfaces - Repaint	8	4	\$88,750	\$11,094	19%
110	Flat Roof - Coating	12	5	\$73,500	\$6,125	11%
606	Unit Decks/Stairways - Inspect/Repair	3	0	\$16,250	\$5,417	9%
206	Building Ext Surfaces - Touch Up/Maint	2	0	\$9,000	\$4,500	8%
All Other	See Expanded Table on Page 4 For Additional Breakdown				\$30,590	53%

## *Yearly Summary For Yacht Club Condominiums, Inc.*

<b>Fiscal Year Start</b>	<b>Fully Funded Balance</b>	<b>Starting Reserve Balance</b>	<b>Percent Funded</b>	<b>Annual Reserve Contribs</b>	<b>Alternative Funding</b>	<b>Interest Income</b>	<b>Reserve Expenses</b>
2023	\$458,825	\$186,778	41%	\$57,900	\$83,333	\$2,658	\$80,548
2024	\$462,163	\$250,121	54%	\$89,100	\$83,333	\$3,678	\$23,850
2025	\$529,473	\$402,382	76%	\$93,332	\$83,333	\$4,965	\$76,405
2026	\$549,005	\$507,607	92%	\$97,766	\$0	\$5,359	\$46,152
2027	\$605,902	\$564,579	93%	\$102,409	\$0	\$5,336	\$169,295
2028	\$540,053	\$503,029	93%	\$107,274	\$0	\$4,711	\$175,408
2029	\$468,409	\$439,607	94%	\$112,369	\$0	\$4,357	\$124,120
2030	\$451,744	\$432,213	96%	\$117,707	\$0	\$4,438	\$98,619
2031	\$466,319	\$455,738	98%	\$123,298	\$0	\$5,015	\$36,415
2032	\$553,224	\$547,635	99%	\$129,155	\$0	\$5,856	\$58,625
2033	\$627,653	\$624,021	99%	\$135,289	\$0	\$6,378	\$113,629
2034	\$654,446	\$652,059	100%	\$144,354	\$0	\$7,276	\$0
2035	\$809,869	\$803,688	99%	\$154,026	\$0	\$7,555	\$257,254
2036	\$708,897	\$708,015	100%	\$164,345	\$0	\$7,916	\$4,479
2037	\$877,195	\$875,797	100%	\$175,356	\$0	\$9,514	\$32,783
2038	\$1,033,420	\$1,027,884	99%	\$187,105	\$0	\$10,839	\$84,958
2039	\$1,152,014	\$1,140,871	99%	\$199,641	\$0	\$11,981	\$96,146
2040	\$1,274,662	\$1,256,347	99%	\$213,017	\$0	\$12,697	\$197,919
2041	\$1,306,117	\$1,284,143	98%	\$227,289	\$0	\$13,601	\$87,771
2042	\$1,466,102	\$1,437,263	98%	\$242,518	\$0	\$15,657	\$0
2043	\$1,739,203	\$1,695,437	97%	\$258,767	\$0	\$16,229	\$418,684
2044	\$1,595,993	\$1,551,749	97%	\$276,104	\$0	\$16,662	\$62,382
2045	\$1,833,645	\$1,782,134	97%	\$294,603	\$0	\$19,121	\$52,251
2046	\$2,108,776	\$2,043,606	97%	\$314,341	\$0	\$21,821	\$57,296
2047	\$2,408,297	\$2,322,472	96%	\$335,402	\$0	\$24,151	\$172,272
2048	\$2,617,938	\$2,509,753	96%	\$357,874	\$0	\$20,774	\$1,241,563
2049	\$1,721,574	\$1,646,838	96%	\$381,852	\$0	\$18,131	\$65,966
2050	\$2,033,319	\$1,980,855	97%	\$407,436	\$0	\$21,553	\$78,363
2051	\$2,367,329	\$2,331,480	98%	\$434,734	\$0	\$22,740	\$570,451
2052	\$2,217,472	\$2,218,502	100%	\$463,861	\$0	\$22,559	\$409,630



*Component Funding Information For Yacht Club Condominiums, Inc.*

<b>ID</b>	<b>Component Name</b>	<b>Ave Current Cost</b>	<b>Ideal Balance</b>	<b>Current Fund Balance</b>	<b>Monthly</b>
110	Flat Roof - Coating	\$73,500	\$42,875	\$0	\$710.27
119	Chimney Flues - Replace	\$16,000	\$15,200	\$15,200	\$46.38
120	Downspouts - Replace	\$7,483	\$1,247	\$0	\$28.92
121	Heat Tape - Replace	\$7,125	\$3,563	\$0	\$82.62
204	Building Ext Surfaces - Repaint	\$88,750	\$44,375	\$17,316	\$1,286.45
206	Building Ext Surfaces - Touch Up/Maintenance	\$9,000	\$9,000	\$9,000	\$521.83
303	Wood/Stucco Siding - Repair	\$15,000	\$10,714	\$10,714	\$248.49
401	Asphalt - Major Overlay	\$65,588	\$51,240	\$0	\$237.68
402	Asphalt - Surface Application	\$8,348	\$8,348	\$8,348	\$242.00
509	Window Wells - Replace (2024)	\$22,500	\$22,500	\$22,500	\$86.97
509	Window Wells - Replace (2025)	\$22,500	\$21,750	\$21,750	\$86.97
509	Window Wells - Replace (2026)	\$22,500	\$21,000	\$21,000	\$86.97
509	Window Wells - Replace (2027)	\$22,500	\$20,250	\$20,250	\$86.97
509	Window Wells - Replace (2028)	\$22,500	\$19,500	\$0	\$86.97
509	Window Wells - Replace (2029)	\$22,500	\$18,750	\$0	\$86.97
509	Window Wells - Replace (2030)	\$11,250	\$9,000	\$0	\$43.49
601	Concrete Flatwork - Partial Replace	\$12,075	\$12,075	\$12,075	\$280.05
606	Unit Decks/Stairways - Inspect/Repair	\$16,250	\$16,250	\$16,250	\$628.13
607	Unit Front Decks - Replace	\$61,500	\$10,250	\$0	\$237.72
607	Unit Upper Level Decks - Replace	\$89,100	\$14,850	\$0	\$344.41
611	Stairway Systems - Major Repairs	\$82,000	\$13,667	\$0	\$316.96
703	Water Heater - Replace (Laundry)	\$3,450	\$1,380	\$0	\$26.67
908	Electronic Door Locks - Replace	\$2,100	\$788	\$0	\$30.44
1002	Metal Railing - Replace	\$2,775	\$2,313	\$0	\$10.73
1011	Retaining Wall - Replace	\$45,500	\$36,400	\$0	\$175.88
1409	Lower Level Room Area - Refurbish	\$11,000	\$9,167	\$0	\$42.52
1414	Interior Areas - Update Allowance	\$6,875	\$6,875	\$6,875	\$79.72
1602	Exterior Wall Mount - Replace	\$30,000	\$10,000	\$0	\$231.92
2002	Plumbing/Sewer/Electrical	\$5,500	\$5,500	\$5,500	\$318.90

## Yearly Cash Flow For Yacht Club Condominiums, Inc.

Year	2023	2024	2025	2026	2027
<b>Starting Balance</b>	\$186,778	\$250,121	\$402,382	\$507,607	\$564,579
Reserve Income	\$57,900	\$89,100	\$93,332	\$97,766	\$102,409
Interest Earnings	\$2,658	\$3,678	\$4,965	\$5,359	\$5,336
Alternative Funding	\$83,333	\$83,333	\$83,333	\$0	\$0
<b>Funds Available</b>	\$330,669	\$426,232	\$584,012	\$610,731	\$672,324
<b>Reserve Expenditures</b>	\$80,548	\$23,850	\$76,405	\$46,152	\$169,295
<b>Ending Balance</b>	\$250,121	\$402,382	\$507,607	\$564,579	\$503,029

Year	2028	2029	2030	2031	2032
<b>Starting Balance</b>	\$503,029	\$439,607	\$432,213	\$455,738	\$547,635
Reserve Income	\$107,274	\$112,369	\$117,707	\$123,298	\$129,155
Interest Earnings	\$4,711	\$4,357	\$4,438	\$5,015	\$5,856
Alternative Funding	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$615,015	\$556,333	\$554,358	\$584,051	\$682,646
<b>Reserve Expenditures</b>	\$175,408	\$124,120	\$98,619	\$36,415	\$58,625
<b>Ending Balance</b>	\$439,607	\$432,213	\$455,738	\$547,635	\$624,021

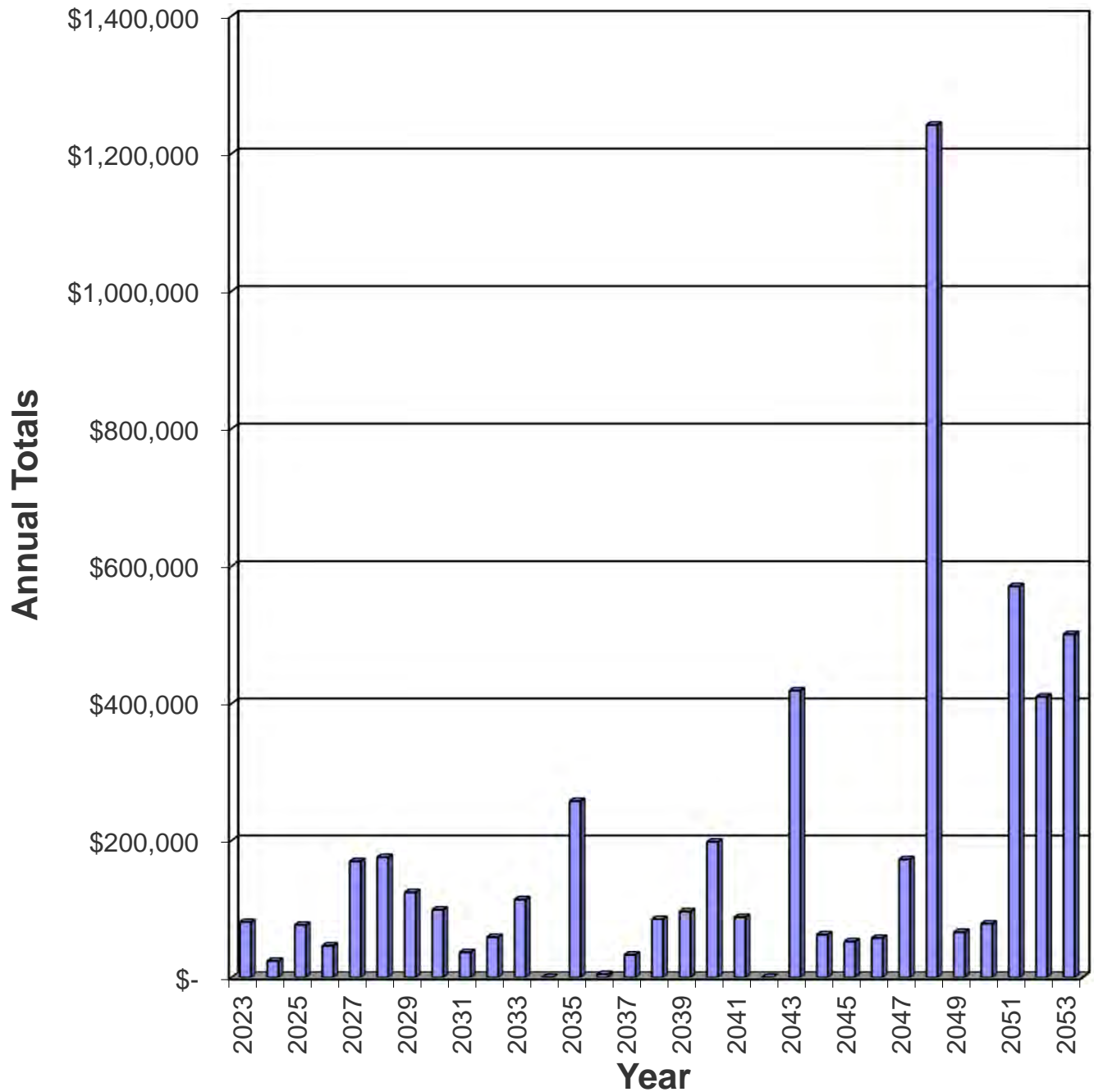
Year	2033	2034	2035	2036	2037
<b>Starting Balance</b>	\$624,021	\$652,059	\$803,688	\$708,015	\$875,797
Reserve Income	\$135,289	\$144,354	\$154,026	\$164,345	\$175,356
Interest Earnings	\$6,378	\$7,276	\$7,555	\$7,916	\$9,514
Alternative Funding	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$765,688	\$803,688	\$965,269	\$880,276	\$1,060,668
<b>Reserve Expenditures</b>	\$113,629	\$0	\$257,254	\$4,479	\$32,783
<b>Ending Balance</b>	\$652,059	\$803,688	\$708,015	\$875,797	\$1,027,884

Year	2038	2039	2040	2041	2042
<b>Starting Balance</b>	\$1,027,884	\$1,140,871	\$1,256,347	\$1,284,143	\$1,437,263
Reserve Income	\$187,105	\$199,641	\$213,017	\$227,289	\$242,518
Interest Earnings	\$10,839	\$11,981	\$12,697	\$13,601	\$15,657
Alternative Funding	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,225,829	\$1,352,493	\$1,482,062	\$1,525,034	\$1,695,437
<b>Reserve Expenditures</b>	\$84,958	\$96,146	\$197,919	\$87,771	\$0
<b>Ending Balance</b>	\$1,140,871	\$1,256,347	\$1,284,143	\$1,437,263	\$1,695,437

Year	2043	2044	2045	2046	2047
<b>Starting Balance</b>	\$1,695,437	\$1,551,749	\$1,782,134	\$2,043,606	\$2,322,472
Reserve Income	\$258,767	\$276,104	\$294,603	\$314,341	\$335,402
Interest Earnings	\$16,229	\$16,662	\$19,121	\$21,821	\$24,151
Alternative Funding	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$1,970,433	\$1,844,516	\$2,095,857	\$2,379,768	\$2,682,025
<b>Reserve Expenditures</b>	\$418,684	\$62,382	\$52,251	\$57,296	\$172,272
<b>Ending Balance</b>	\$1,551,749	\$1,782,134	\$2,043,606	\$2,322,472	\$2,509,753

Year	2048	2049	2050	2051	2052
<b>Starting Balance</b>	\$2,509,753	\$1,646,838	\$1,980,855	\$2,331,480	\$2,218,502
Reserve Income	\$357,874	\$381,852	\$407,436	\$434,734	\$463,861
Interest Earnings	\$20,774	\$18,131	\$21,553	\$22,740	\$22,559
Alternative Funding	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$2,888,401	\$2,046,821	\$2,409,843	\$2,788,954	\$2,704,923
<b>Reserve Expenditures</b>	\$1,241,563	\$65,966	\$78,363	\$570,451	\$409,630
<b>Ending Balance</b>	\$1,646,838	\$1,980,855	\$2,331,480	\$2,218,502	\$2,295,293

## Reserve Expenditures



*Projected Reserve Expenditures For Yacht Club Condominiums, Inc.*

<b>Year</b>	<b>Asset ID</b>	<b>Asset Name</b>	<b>Projected Cost</b>	<b>Total Per Annum</b>
2023	206	Building Ext Surfaces - Touch Up/Maintenance	\$9,000	
	402	Asphalt - Surface Application	\$8,348	
	509	Window Wells - Replace (2024)	\$22,500	
	601	Concrete Flatwork - Partial Replace	\$12,075	
	606	Unit Decks/Stairways - Inspect/Repair	\$16,250	
	1414	Interior Areas - Update Allowance	\$6,875	
	2002	Plumbing/Sewer/Electrical	\$5,500	\$80,548
2024	509	Window Wells - Replace (2025)	\$23,850	\$23,850
2025	119	Chimney Flues - Replace	\$17,978	
	206	Building Ext Surfaces - Touch Up/Maintenance	\$10,112	
	303	Wood/Stucco Siding - Repair	\$16,854	
	509	Window Wells - Replace (2026)	\$25,281	
	2002	Plumbing/Sewer/Electrical	\$6,180	\$76,405
2026	509	Window Wells - Replace (2027)	\$26,798	
	606	Unit Decks/Stairways - Inspect/Repair	\$19,354	\$46,152
2027	204	Building Ext Surfaces - Repaint	\$112,045	
	206	Building Ext Surfaces - Touch Up/Maintenance	\$11,362	
	402	Asphalt - Surface Application	\$10,539	
	509	Window Wells - Replace (2028)	\$28,406	
	2002	Plumbing/Sewer/Electrical	\$6,944	\$169,295
2028	110	Flat Roof - Coating	\$98,360	
	121	Heat Tape - Replace	\$9,535	
	509	Window Wells - Replace (2029)	\$30,110	
	601	Concrete Flatwork - Partial Replace	\$16,159	
	908	Electronic Door Locks - Replace	\$2,810	
	1002	Metal Railing - Replace	\$3,714	
	1409	Lower Level Room Area - Refurbish	\$14,720	\$175,408
2029	206	Building Ext Surfaces - Touch Up/Maintenance	\$12,767	
	509	Window Wells - Replace (2030)	\$15,958	
	606	Unit Decks/Stairways - Inspect/Repair	\$23,051	
	1011	Retaining Wall - Replace	\$64,543	
	2002	Plumbing/Sewer/Electrical	\$7,802	\$124,120
2030	401	Asphalt - Major Overlay	\$98,619	\$98,619
2031	206	Building Ext Surfaces - Touch Up/Maintenance	\$14,345	
	402	Asphalt - Surface Application	\$13,305	
	2002	Plumbing/Sewer/Electrical	\$8,766	\$36,415
2032	303	Wood/Stucco Siding - Repair	\$25,342	
	606	Unit Decks/Stairways - Inspect/Repair	\$27,454	
	703	Water Heater - Replace (Laundry)	\$5,829	\$58,625
2033	206	Building Ext Surfaces - Touch Up/Maintenance	\$16,118	
	601	Concrete Flatwork - Partial Replace	\$21,624	
	1414	Interior Areas - Update Allowance	\$12,312	
	1602	Exterior Wall Mount - Replace	\$53,725	
	2002	Plumbing/Sewer/Electrical	\$9,850	\$113,629
2034		No Expenditures Projected		\$0
2035	204	Building Ext Surfaces - Repaint	\$178,582	
	206	Building Ext Surfaces - Touch Up/Maintenance	\$18,110	
	402	Asphalt - Surface Application	\$16,797	
	606	Unit Decks/Stairways - Inspect/Repair	\$32,698	
	2002	Plumbing/Sewer/Electrical	\$11,067	\$257,254
2036	908	Electronic Door Locks - Replace	\$4,479	\$4,479
2037	206	Building Ext Surfaces - Touch Up/Maintenance	\$20,348	
	2002	Plumbing/Sewer/Electrical	\$12,435	\$32,783

<b>Year</b>	<b>Asset ID</b>	<b>Asset Name</b>	<b>Projected Cost</b>	<b>Total Per Annum</b>
2038	121	Heat Tape - Replace	\$17,075	
	601	Concrete Flatwork - Partial Replace	\$28,938	
	606	Unit Decks/Stairways - Inspect/Repair	\$38,944	\$84,958
2039	206	Building Ext Surfaces - Touch Up/Maintenance	\$22,863	
	303	Wood/Stucco Siding - Repair	\$38,105	
	402	Asphalt - Surface Application	\$21,206	
	2002	Plumbing/Sewer/Electrical	\$13,972	\$96,146
2040	110	Flat Roof - Coating	\$197,919	\$197,919
2041	206	Building Ext Surfaces - Touch Up/Maintenance	\$25,689	
	606	Unit Decks/Stairways - Inspect/Repair	\$46,383	
	2002	Plumbing/Sewer/Electrical	\$15,699	\$87,771
2042		No Expenditures Projected		\$0
2043	204	Building Ext Surfaces - Repaint	\$284,633	
	206	Building Ext Surfaces - Touch Up/Maintenance	\$28,864	
	402	Asphalt - Surface Application	\$26,772	
	601	Concrete Flatwork - Partial Replace	\$38,726	
	1414	Interior Areas - Update Allowance	\$22,049	
	2002	Plumbing/Sewer/Electrical	\$17,639	\$418,684
2044	606	Unit Decks/Stairways - Inspect/Repair	\$55,243	
	908	Electronic Door Locks - Replace	\$7,139	\$62,382
2045	206	Building Ext Surfaces - Touch Up/Maintenance	\$32,432	
	2002	Plumbing/Sewer/Electrical	\$19,819	\$52,251
2046	303	Wood/Stucco Siding - Repair	\$57,296	\$57,296
2047	206	Building Ext Surfaces - Touch Up/Maintenance	\$36,440	
	402	Asphalt - Surface Application	\$33,798	
	606	Unit Decks/Stairways - Inspect/Repair	\$65,795	
	703	Water Heater - Replace (Laundry)	\$13,969	
	2002	Plumbing/Sewer/Electrical	\$22,269	\$172,272
2048	120	Downspouts - Replace	\$32,114	
	121	Heat Tape - Replace	\$30,580	
	601	Concrete Flatwork - Partial Replace	\$51,824	
	607	Unit Front Decks - Replace	\$263,950	
	607	Unit Upper Level Decks - Replace	\$382,406	
	611	Stairway Systems - Major Repairs	\$351,933	
	1602	Exterior Wall Mount - Replace	\$128,756	\$1,241,563
2049	206	Building Ext Surfaces - Touch Up/Maintenance	\$40,944	
	2002	Plumbing/Sewer/Electrical	\$25,022	\$65,966
2050	606	Unit Decks/Stairways - Inspect/Repair	\$78,363	\$78,363
2051	204	Building Ext Surfaces - Repaint	\$453,662	
	206	Building Ext Surfaces - Touch Up/Maintenance	\$46,005	
	402	Asphalt - Surface Application	\$42,670	
	2002	Plumbing/Sewer/Electrical	\$28,114	\$570,451
2052	110	Flat Roof - Coating	\$398,252	
	908	Electronic Door Locks - Replace	\$11,379	\$409,630
2053	206	Building Ext Surfaces - Touch Up/Maintenance	\$51,691	
	303	Wood/Stucco Siding - Repair	\$86,152	
	509	Window Wells - Replace (2024)	\$129,229	
	601	Concrete Flatwork - Partial Replace	\$69,353	
	606	Unit Decks/Stairways - Inspect/Repair	\$93,332	
	1414	Interior Areas - Update Allowance	\$39,487	
	2002	Plumbing/Sewer/Electrical	\$31,589	\$500,832

## **Glossary of Commonly used Words and Phrases** (provided by the National Reserve Study Standards of the Community Associations Institute)

**Asset or Component** – Individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association Responsibility, 2) with limited Useful Life expectancies, 3) have predictable Remaining Life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

**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 Inventory** – The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

**Deficit** – An actual (or projected) Reserve Balance, which is less than the Fully Funded Balance.

**Effective Age** – The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

**Financial Analysis** – The portion of the Reserve Study where current status of the Reserves (Measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of the Reserve Study.

**Component Full Funding** – When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

**Fully Fund Balance (aka – Ideal Balance)** – 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, and then summed together for an association total.

$$\text{FFB} = \text{Replacement Cost} \times \text{Effective Age} / \text{Useful Life}$$

**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 Balance above zero.
- **Component Full Funding:** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than the “Component Fully Funding” method.

**Funding Plan** – An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

**Funding Principles –**

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- 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 accrued *Fund 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 “0” Remaining Useful Life.

**Replacement Cost** – The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

**Reserve Balance** – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited.

**Reserve Provider** – An individual that prepares Reserve Studies. Also known as **Aspen Reserve Specialties**.

**Reserve Study** – A budget-planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

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

**Surplus** – An actual (or projected) Reserve Balance that is greater than the Fully Funded Balance.

**Useful Life (UL)** – Also known as “Life Expectancy”, or “Depreciable Life”. The estimated time, in years, that a Reserve component can be expected to serve its intended function if properly constructed and maintained in its present application or installation.