Capital Reserve Study

Category 2: Update with On-Site Review

Edison Glen Terrace

Condominium Association

Edison Glen Terrace, Edison, New Jersey 08837

Fiscal Year: 2023

Fiscal Year Date Span: January 1, 2023 - December 31, 2023

Care of: Towne & Country Property Management
On-Site

Job Number 1440.0004

Prepared: December 2022

Finalized: December 2022

Daniel Rush
CAI Certified Reserve Specialist
Designation Number 6

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Abbreviations

CY	=	Cubic Yard
EA	=	Each
LF	=	Linear Foot
LS	=	Lump Sum
MBTU	=	Thousand British Thermal Units
MSF	=	Thousand Square Feet
NO	=	Number
PT	=	Pressure Treated
SF	=	Square Foot
SQ	=	Square (100 square feet)
SY	=	Square Yard

Introduction & General Information

A Capital Reserve Study is a report prepared to estimate the amount of money which must be put aside for future repairs and replacements to the Association's physical plant. The report is a tool for evaluating and establishing a stable level of reserve funding.

The primary reason to set aside reserve funds is to ensure that adequate funds are available for anticipated long-term maintenance of common areas. Reserve funding is a means of fairly distributing the costs of future replacement to the common elements among all owners. The reserve fund is integral to the Association's administration of fiscal planning and budgeting. In addition, the reserve funding is an indicator of the financial strength of the Association which will affect the value of the units.

This Reserve Study consists of two (2) parts: the physical analysis and the financial analysis. This Capital Reserve Study was prepared in accordance with the "National Reserve Study Standards" of the Community Associations Institute (C.A.I.).

The following three categories describe the various types of Reserve Studies, from exhaustive to minimal:

	Reserve Study Tasks:	**Category I: Full**	**Category II: Update** with Site-Visit &On-Site Review	**Category III: Office Update** No Site-Visit &Off-Site Review
Physical Analysis	Component Inventory	X (quantification)	X (verification only)	
	Condition Assessment	X (based upon on-site visual observations)	X (based upon on-site visual observations)	
Financial Analysis	Life & Valuation Estimates	X	X	X
	Fund Status	X	X	X
	Funding Plan	X	X	X

This report will analyze the future replacement costs for common elements which are capital items with a reasonably predictable useful life. The capital items will be limited to those items which have a useful life exceeding two (2) years. If a certain item requires replacement more often than every two (2) years, it should be included in the operating budget. Furthermore, items will be excluded if they have an insignificant cost or if they are permanent in nature. Items with an insignificant cost would be those that could be funded in the operating budget without any adverse financial impact. Items of a permanent nature are those which exceed the thirty (30) year study period and those which are integral to reconstruction of the entire project, such as; concrete footings, foundation walls, crawlspace and roof wood framing, in-wall utility services and stormwater piping. Since the remaining useful life estimates, inflation and interest need on-going review, it is recommended that the study be updated every three (3) to five (5) years. An older Association with a significant amount of repair and replacement activity may need to update its study annually.

Terms & Definitions

1. **Capital Improvement:** Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.
2. **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.
3. **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:
   a) Association responsibility
   b) with limited Useful Life expectancies
   c) predictable Remaining Useful Life expectancies
   d) above a minimum threshold cost
   e) as required by local codes.
4. **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 representative(s).
5. **Component Method:** A method of developing a Reserve Funding Plan where the total contributions are based on the sum of contributions for individual components. See "Cash Flow" method.
6. **Condition Assessment:** The task of evaluating the current condition of the component based on observed or reported characteristics.
7. **Current Replacement Cost:** See "Replacement Cost."
8. **Effective Age:** The difference between the Useful Life and the Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.
9. **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.
10. **Fully Funded:** One-hundred (100%) percent Funded. When the actual (or projected) Reserve Balance is equal to the Fully Funded Balance
11. **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 the life "used up" of the current Repair of Replacement cost. This number is calculated for each component, then summed together for an association total. Two (2) 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.

$$(\text{FFB}) = \frac{\text{Current Cost} \times \text{Effective Age}}{\text{Typical Useful Life}}$$

or

$$(\text{FFB}) = \frac{\text{Current Cost} \times \text{Effective Age}}{\text{Typical Useful Life}} + \frac{(\text{Current Cost} \times \text{Effective Age})/\text{Typical Useful Life}}{(1+\text{Interest Rate})^{\text{Remaining Useful Life}}} - \frac{(\text{Current Cost} \times \text{Effective Age})/\text{Typical Useful Life}}{(1+\text{Inflation Rate})^{\text{Remaining Useful Life}}}$$

12. **Fund Status:** The status of the Reserve Fund as compared to an established benchmark such as percent funding.

13. **Funding Goals:** Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.
    a) **Baseline Funding:** Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.
    b) **Threshold Funding:** Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than "Fully Funded" with respective higher risk or less risk of cash problems.
    c) **Full Funding:** Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

    It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.
14. **Funding Plan:** An Association's plan to provide income to a Reserve Fund to offset anticipated expenditures from that fund.
15. **Funding Principles:**
    a) Sufficient Funds when Required
    b) Stable Contribution Rate over the Years
    c) Evenly Distributed Contributions over the Years
    d) Fiscally Responsible
16. **Life and Valuation Estimates:** The task of estimating Useful Life, Remaining Useful Life and Repair or Replacement Costs for the Reserve components.
17. **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.
18. **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.
19. **Remaining Useful Life:** Also referred to as "Remaining Life". The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.
20. **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.
21. **Reserve Balance:** Actual or projected funds as of a particular point in time that the Association has identified for use to defray the future replacement of those major components which the Association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves.
22. **Reserve Provider:** An individual that prepares Reserve Studies.
23. **Reserve Provider Firm:** A company that prepares reserve studies as one of its primary business activities.
24. **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 (2) parts: the Physical Analysis and the Financial Analysis.

25. **Responsible Charge:** A Reserve Specialist (RS) in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services that directly and materially affect the quality and competence of services 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 or she 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:

    a) 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;

    b) The failure to personally inspect or review the work of subordinates where necessary and appropriate;

    c) The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review; and

    d) The failure to personally be available on a reasonable basis or with adequate advanced notice for consultation and inspection where circumstance require personal availability.

26. **Special Assessment:** An assessment levied on the members of an Association in addition to regular assessments in anticipation of unexpected common element replacement and funding deficit. Special assessments are often regulated by governing documents or local statutes.
27. **Surplus:** An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit".
28. **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.

Disclosures

At the time this reserve study was conducted FWH Associates, P.A. (FWH) has had no involvements with the Association, which could result in actual or perceived conflicts of interest.

Any on-site inspections performed as a part of this Capital Reserve Study are inclusive of all common areas within the community, and are non-destructive in nature.

The completeness of this Capital Reserve Study is dependent upon the agreement that all relevant information has been provided to FWH. Any materials that have not been disclosed would cause a distortion of the Association's situation. Information provided by the official representative of the Association regarding financial, physical, quantity, or historical issues will be deemed reliable by FWH.

The reserve study will be a reflection of information provided to FWH and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.

All information provided to FWH regarding reserve projects will be considered reliable. On-site inspections should not be considered project audits or quality inspections.

Association Physical Description

Edison Glen Terrace is a community consisting of three-hundred fifteen (315) residential units housed within eighteen (18) buildings located in Edison, Middlesex County, NJ.

The Edison Glen Terrace Association is responsible for the replacement of the common elements within the community. These common elements include, but are not limited to, asphalt roadways and parking areas, sidewalks, refuse areas, recreational components, common exterior and interior components of the pool house and residential buildings, and other miscellaneous items.

Edison Glen Terrace, Edison, New Jersey 08837
Courtesy of © 2022 Google Maps

Bibliography

1. Gap #24. A Complete Guide to Reserve Funding and Reserve Investment Strategies, 3rd Edition by The Community Associations Institute.

2. R.S. Means Building Construction Cost Data - 2022, by Construction Consultants and Publishers.

3. R.S. Means Site Work and Landscape Cost Data - 2022, by Construction Consultants and Publishers.

4. National Reserve Study Standards of The Community Association Institute, 2022.

5. Best Practices, Reserve Studies / Management, published by Community Associations Institute Research Foundation, 2022.

6. Capital Reserve Study, FWH Associates, January 2012.

Study Methodology & Assumptions

The common elements were identified through the previous capital reserve study. The quantities used in the replacement cost estimations of the common elements were taken from the previous capital reserve study. The remaining life expectancies of the common elements were determined by FWH through visual site inspections of the accessible common elements performed on August 19, 2022, through the experience of FWH, and by information provided by the Association. The Edison Glen Terrace community was constructed in 1982, which is used as the base year of installation for the original common elements.

The current replacement costs were estimated utilizing published construction cost data, estimates provided by contractors, and cost data from recent similar projects performed by this firm. The useful life and remaining useful life were estimated based on field inspections of the items and on the assumption that adequate preventative maintenance exists and will be followed by the Association. Without proper maintenance, the common elements can deteriorate quickly and require funds from the reserves for replacement earlier than planned.

Many capital replacement projects may require a more detailed investigation to determine the scope of work required for the particular project. The preparation of construction specifications is typically recommended. The additional investigations may reveal hidden deficiencies and/or building code requirements, which may result in cost increases above the unit costs listed in the reserve schedule.

At their own discretion, the Association may defer common element replacement projects suggested as part of this study. Deferment of recommended replacement projects is not advisable as this often leads to increased replacement costs due to additional deterioration of the common element.

It should be noted that this data is an estimate based upon the experience of this firm. The work was performed pursuant to generally accepted standards of practice. Since accurate and detailed control over market conditions, usage, rate of deterioration, maintenance or weather conditions is not feasible, the actual costs and useful life expectancy will vary from the estimates presented. We cannot and do not represent or guarantee that the actual costs or useful life expectancy will not vary from those presented in this report. Periodic updates of the reserve study will make adjustments so that these variations will have no significant impact to the budget. It is recommended that the study be updated every three (3) to five (5) years.

The Capital Reserve Funding Plan developed within this report is based on the cash flow method. The cash flow method is 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. This report uses the threshold funding method, in which the reserve balance is kept above a percent funded amount. The threshold amount is determined by taking a percentage of the total value of all scheduled item replacement costs and is identified in the notes section of this report.

Capital Replacement Items

-Where a condition of a particular common element is provided within the description, the condition assessment takes into consideration how old the item is, e.g. a roof that is one (1) year old can be in average condition if it is aging at an average rate.

1. **Asphalt Roadways & Parking Areas**

   All roadways and parking areas within the community are constructed of bituminous concrete paving. Bituminous paving has a typical useful life of twenty (20) years, after which it is expected to receive a new two (2") inch thick asphalt wearing surface.

   The existing surfaces of the roadway were observed to be in below average condition showing signs of cracking and areas of failure. Prior to the installation of a new wearing course, milling, crack repair, and reconstruction of base course failure are expected to occur. The costs to perform these additional operations are included in the unit cost provided within the schedule.

Asphalt Parking Area

2. **Concrete Sidewalks**

   The sidewalks at the community are constructed of Portland Cement concrete, which has a typical useful life of thirty (30) years. The sidewalks were observed to be in average to below average condition with deficiencies including cracks, spalling, and areas of erosion. Any areas of sidewalk posing possible trip or *safety* hazards should be replaced immediately to eliminate the hazard.

Concrete Sidewalk

3. **Refuse Enclosures**

The refuse enclosures and areas are constructed of a six (6") inch thick concrete dumpster pad and six (6') foot tall wood fencing. These components were observed to be in below average condition with the concrete exhibiting displacement and deterioration, while the wood fencing exhibited wood deterioration and incidental damage.

Refuse Area

4. **Site Lighting**

The exterior areas of the community are illuminated by pole-mounted light fixtures, which possess a typical useful life of twenty-five (25) years. These components were observed to be in average condition.

Pole-Mounted Light Fixture

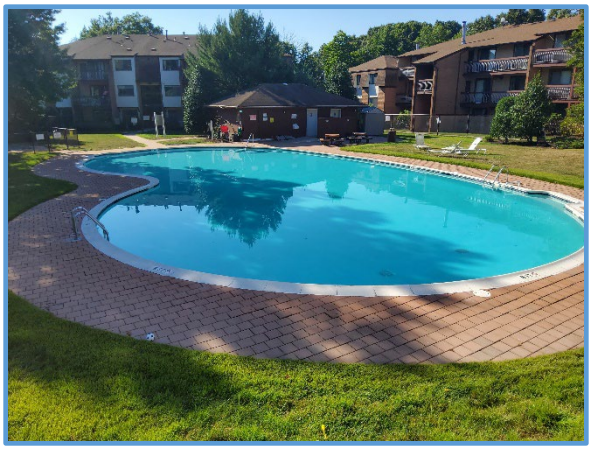
5. **Bridge**

The bridge located within the community was observed to be in below average condition. The bridge presented signs of corrosion and deterioration of the steel and concrete components. An allowance for the renovation of the bridge has been included within the study to allow the Association to fund towards the renovation project.

Bridge

6. **Outdoor Swimming Pool**

The outdoor swimming pool and spa will require resurfacing of the interior marcite plaster, typically occurring every seven (7) years, and replacement of the coping and waterline tile, which typically occurs every fourteen (14) years. The pool was observed to be in average condition, while the spa was covered and not visible during the inspection by FWH.



Outdoor Swimming Pool

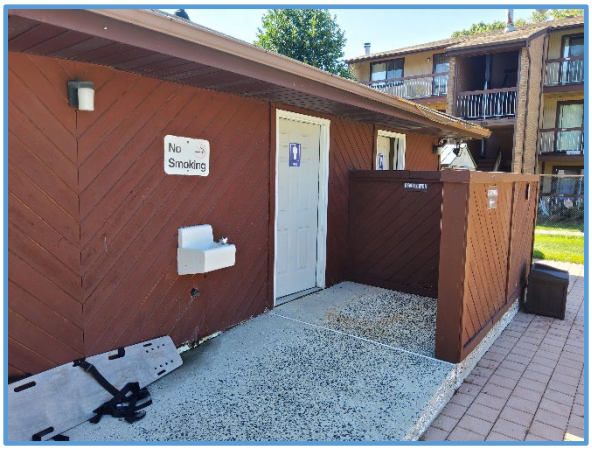
The pre-cast concrete paver pool deck possesses a typical useful life of thirty (30) years and was observed to be in average condition.

The pool system is serviced by a filtration system. The components of this system have a fifteen (15) year typical useful life. No mechanical, electrical or pneumatic testing was performed as part of our analysis. During the study preparation, FWH was not made aware of any functional or operational difficulties with the system.

A six (6') foot tall chainlink fence encloses the pool area and has a typical useful life of twenty-five (25) years. The fencing was observed to be in below average condition showing signs of incidental damage, finish loss, and leaning.

7. **Pool Building**

The pool building is weatherproofed with 3-tab roofing shingles, which possess a typical useful life of twenty (20) years. The roofing shingles were observed to be in below average condition and will be replaced with architectural shingles, which have a longer typical useful life, during the next replacement effort.



Pool Building

The aluminum gutters and aluminum leaders have a typical useful life of twenty (20) years and were observed to be in average condition for their age.

The wood siding cladding the exterior of the building was observed to be in average condition and has a typical useful life of forty-five (45) years.

8. **Residential Buildings**

The residential buildings are weatherproofed with architectural roofing shingles, which possess a typical useful life of thirty (30) years. The roofing shingles were observed to be in average condition.

The aluminum gutters and aluminum leaders have a typical useful life of twenty (20) years and were observed to be in average condition for their age.

The exterior elevations of the residential buildings are clad with wood siding, vinyl siding, and brick veneer. The wood siding and vinyl siding have a typical useful life of forty-five (45) years, while the brick veneer will require repointing of the mortar joints typically occurring every thirty (30) years. The cladding was observed to be in average condition.

The wood decks and aluminum deck railings were observed to be in below average condition experiencing warping and separation of the rim joists, severe deterioration of the wood, post checking, and post twisting. FWH recommends that the decks are evaluated and repairs are made immediately to these components.

Residential Building Exterior

Excluded Items

1. **Residential Units**
   The replacement of all individual unit items, except roofing, gutters, leaders, siding, and decks, is the responsibility of the unit owners.

2. **Powerwashing**
   Powerwashing is recommended to remove dirt and staining fungi from the buildings elevations and is deferred to a maintenance item.

3. **Stormwater Collection System**
   The stormwater collection system located at the community has been omitted from this study; complete replacement of the piping and structures is not anticipated. Storm inlets and basin structures are expected to perform beyond the scope of the study. Storm drainage structures and piping must receive inspection and maintenance on a regular basis through the operating budget to prevent costly replacement of the structures and piping.

Financial Analysis & Funding Plan

The estimated reserve amount effective as of January 1, 2023 has been projected into the future based on the existing funding plan and information provided by the Association. It is the opinion of FWH Associates, P.A. that the Association's current reserve fund status is ***inadequate***.

The following calculations are based upon the occupancy of three-hundred fifteen (315) units.

Previous Fiscal Year Summary:

The 2022 total annual reserve contribution amounted to: $**96,000**.

Current Fiscal Year Summary:

The 2023 total annual reserve contribution amounts to: $**1,822,582**.

Appendix A: Reserve Component Inventory

The replacement reserve schedule (Appendix A) lists all the capital expense items with useful life, estimated remaining useful life, quantity and current replacement value.

Appendix B: Yearly Expense Projection

The yearly expense projection schedule provides an annual synopsis of when items are to be replaced. It also depicts which items will require replacement more than once throughout the course of the thirty (30) year study.

An annual inflation rate of 3% is applied to the projected capital reserve expenses.

Appendix C: Funding Plan

The funding plan (Appendix C) estimates the total expenses to be spent annually over the thirty (30) year study period, and the yearly contribution.

The projected starting reserve balance (as of the Fiscal Year start date) was computed based on the existing funding plan and via information provided by the Association. The actual or projected reserve balance total presented in the Reserve Study is based upon information provided and was not audited.

The cash flow chart has been prepared to allow the Association to maintain a yearly ending balance at or above the ten (10%) percent minimum threshold of $799,168.

It should be noted that fiscal years 2024 through 2026, 2030 through 2032, and 2049 are critical years, as the ending balance is at or below the minimum threshold.

In anticipation of capital expenditures throughout the study, the reserve contributions increase annually through 2023, remain steady through 2024, decrease through 2025, then remain steady thereafter.

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REPLACEMENT RESERVE COMPONENT INVENTORY

Effective as of January 1, 2023

Projected Reserve Balance: $730,000

18 Buildings
315 Units

Item	Year Installed/ Replaced	Typical Useful Life	Estimated Remaining Useful Life	Estimated Quantity	Unit Cost	Current Replacement Cost
SITEWORK						
Paved Surfaces						
1. 2" Asphalt Cap Resurface: Roadways (over 2 years)	1986	20	0	29,111 SY	$34.00	$989,774
2. Concrete Sidewalks (over 10 years)	1986	30	0	19,768 SF	$10.50	$207,564
3. Concrete Sidewalks (2010)	2010	30	17	1,040 SF	$10.50	$10,920
					SubTotals:	**$1,208,258**
Mailbox Areas						
4. Concrete Mailbox Pads	1986	30	2	433 SF	$10.50	$4,547
5. Aluminum Mailbox Clusters	1986	25	2	24 EA	$2,400	$57,600
					SubTotals:	**$62,147**
Refuse Enclosures						
6. Concrete Dumpster Pads	1986	30	2	2,796 SF	$17.00	$47,532
7. 6' Wood Fencing	1986	15	2	76 LF	$52.00	$3,952
					SubTotals:	**$51,484**
Fencing						
8. 6' Chainlink Fencing (perimeter)	1986	25	5	1,140 LF	$34.00	$38,760
					SubTotals:	**$38,760**
Illumination						
9. Pole-Mounted Light Fixtures	1986	25	4	34 EA	$3,600	$122,400
					SubTotals:	**$122,400**
Retaining Walls						
10. Timber Retaining Wall	1986	15	0	548 LF	$50.00	$27,400
					SubTotals:	**$27,400**
Miscellaneous						
11. Maintenance Shed	2002	25	2	1 LS	$2,500	$2,500
12. Community Entry Monument	1986	30	6	1 LS	$3,500	$3,500
13. Bridge Renovation Allowance	1986	50	3	1 LS	$150,000	$150,000
					SubTotals:	**$156,000**
Recreational						
Outdoor Swimming Pool						
14. Pool Resurfacing	1999	7	3	4,240 SF	$7.25	$30,740
15. Pool Coping & Waterline Tile	1999	14	0	260 LF	$65.00	$16,900
16. Spa Resurfacing	1999	7	0	144 SF	$7.25	$1,044
17. Spa Coping & Waterline Tile	1999	14	0	32 LF	$65.00	$2,080
18. Pre-Cast Concrete Pavers - Pool Deck	1986	30	3	2,605 SF	$19.00	$49,495
19. Pool Cover	1996	10	2	1 LS	$10,000	$10,000
20. Spa Cover	1996	10	0	1 LS	$2,500	$2,500
21. Pool Filtration System	1986	15	0	1 LS	$12,500	$12,500
22. 6' Chainlink Fencing	1986	25	2	640 LF	$34.00	$21,760
					SubTotals:	**$147,019**

REPLACEMENT RESERVE COMPONENT INVENTORY

Effective as of January 1, 2023

18 Buildings
315 Units

Projected Reserve Balance: $730,000

Item	Year Installed/ Replaced	Typical Useful Life	Estimated Remaining Useful Life	Estimated Quantity	Unit Cost	Current Replacement Cost
STRUCTURES						
Pool Building						
Exterior						
23. 3-Tab Roofing Shingles (replace with architectural)	1986	20	3	13 SQ	$600	$7,800
24. Aluminum Gutters	1986	20	3	136 LF	$8.86	$1,205
25. Aluminum Leaders	1986	20	3	26 LF	$8.60	$224
26. Wood Siding	1986	45	8	14 SQ	$900	$12,600
27. Single Entry Doors	2010	25	12	2 EA	$1,200	$2,400
					SubTotals:	**$24,229**
Interior						
28. Restroom Renovation Allowance	1986	30	3	2 LS	$7,500	$15,000
					SubTotals:	**$15,000**
Mechanical						
29. Water Heater	2003	12	0	1 EA	$3,200	$3,200
					SubTotals:	**$3,200**
Residential Buildings						
Exterior						
30. Skylights - Small	1986	25	6	35 EA	$950	$33,250
31. Skylights - Large	1986	25	6	11 EA	$750	$8,250
32. Architectural Roofing Shingles (over 5 years)	1999	30	6	1,676 SQ	$600	$1,005,600
33. Architectural Roofing Shingles (2005)	2005	30	12	194 SQ	$600	$116,400
34. Architectural Roofing Shingles (2006)	2006	30	13	123 SQ	$600	$73,800
35. Architectural Roofing Shingles (2007)	2007	30	14	123 SQ	$600	$73,800
36. Aluminum Gutters (over 5 years)	1986	20	6	6,550 LF	$8.86	$58,033
37. Aluminum Leaders (over 5 years)	1986	20	6	8,100 LF	$8.60	$69,660
38. T1-11 Wood Siding (over 5 years)	1986	45	8	82,300 SF	$8.50	$699,550
39. Vinyl Siding	1986	45	8	130 SQ	$550	$71,500
40. Brick Veneer Repointing (30% of total 91,335 SF) (over 5 years)	1986	30	5	27,407 SF	$19.00	$520,733
41. Wood Decks (over 2 years)	1986	20	0	19,008 SF	$45.00	$855,360
42. Aluminum Deck Railings (over 2 years)	1986	25	0	9,608 LF	$75.00	$720,600
43. Wood Stairs (over 4 years)	1986	20	0	48 EA	$25,000	$1,200,000
44. Concrete Entry Stoops (over 5 years)	1986	30	6	40 EA	$4,500	$180,000
45. Glass/Aluminum Entry Partitions (over 5 years)	1986	25	6	22 EA	$6,750	$148,500
46. Concrete Patios (over 5 years)	1986	30	5	10,944 SF	$12.00	$131,328
47. Breezeway Carpet	1999	11	4	1,036 SY	$40.00	$41,440
					SubTotals:	**$6,007,804**
Interior						
48. Light Fixtures (over 3 years)	1986	25	0	290 EA	$215	$62,350
49. Carpet (2005)	2005	11	5	87 SY	$58.95	$5,129
					SubTotals:	**$67,479**
Mechanical						
50. Intercom Systems	1986	25	0	11 EA	$5,500	$60,500
					SubTotals:	**$60,500**

TOTAL: $7,991,679

YEARLY EXPENSE PROJECTION

Effective as of January 1, 2023

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Item	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**
iFactor @ 3.00%	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	1.344	1.384	1.426	1.469	1.513	1.558	1.605	1.653	1.702	1.754	1.806	1.860	1.916	1.974	2.033	2.094	2.157	2.221	2.288	2.357
SITEWORK																														
Paved Surfaces																														
1. 2" Asphalt Cap Resurface: Roadways (over 2 years)	$494,887	$509,734																			$893,821	$920,636								
2. Concrete Sidewalks (over 10 years)	$20,756	$21,379	$22,020	$22,681	$23,362	$24,062	$24,784	$25,528	$26,294	$27,082																				
3. Concrete Sidewalks (2010)																	$17,523													
Mailbox Areas																														
4. Concrete Mailbox Pads		$4,683																												
5. Aluminum Mailbox Clusters		$59,328																									$124,220			
Refuse Enclosures																														
6. Concrete Dumpster Pads		$48,958																												
7. 6' Wood Fencing		$4,071															$6,342													
Fencing																														
8. 6' Chainlink Fencing (perimeter)					$43,625																									$91,340
Illumination																														
9. Pole-Mounted Light Fixtures				$133,750																									$280,042	
Retaining Walls																														
10. Timber Retaining Wall	$27,400															$42,688														
Miscellaneous																														
11. Maintenance Shed		$2,575																									$5,391			
12. Community Entry Monument						$4,057																								
13. Bridge Renovation Allowance			$159,135																											
Recreational																														
Outdoor Swimming Pool																														
14. Pool Resurfacing			$32,612							$40,109							$49,329							$60,668						
15. Pool Coping & Waterline Tile	$16,900														$25,563														$38,666	
16. Spa Resurfacing	$1,044							$1,284							$1,579							$1,942							$2,389	
17. Spa Coping & Waterline Tile	$2,080														$3,146														$4,759	
18. Pre-Cast Concrete Pavers - Pool Deck			$52,509																											
19. Pool Cover		$10,300										$13,842										$18,603								
20. Spa Cover	$2,500										$3,360										$4,515									
21. Pool Filtration System	$12,500															$19,475														
22. 6' Chainlink Fencing		$22,413																									$46,927			
STRUCTURES																														
Pool Building																														
Exterior																														
23. 3-Tab Roofing Shingles (replace with architectural)			$8,275																											
24. Aluminum Gutters			$1,278																				$2,309							
25. Aluminum Leaders			$237																				$428							
26. Wood Siding								$15,496																						
27. Single Entry Doors												$3,322																		
Interior																														
28. Restroom Renovation Allowance			$15,914																											
Mechanical																														
29. Water Heater	$3,200												$4,562												$6,505					

YEARLY EXPENSE PROJECTION

Effective as of January 1, 2023

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Item	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**
iFactor @ 3.00%	1.000	1.030	1.061	1.093	1.126	1.159	1.194	1.230	1.267	1.305	1.344	1.384	1.426	1.469	1.513	1.558	1.605	1.653	1.702	1.754	1.806	1.860	1.916	1.974	2.033	2.094	2.157	2.221	2.288	2.357
Residential Buildings																														
Exterior																														
30. Skylights - Small						$38,546																								
31. Skylights - Large						$9,564																								
32. Architectural Roofing Shingles (over 5 years)						$233,153	$240,148	$247,352	$254,773	$262,416																				
33. Architectural Roofing Shingles (2005)												$161,125																		
34. Architectural Roofing Shingles (2006)													$105,221																	
35. Architectural Roofing Shingles (2007)														$108,378																
36. Aluminum Gutters (over 5 years)						$13,455	$13,859	$14,275	$14,703	$15,144																$24,302	$25,031	$25,782	$26,555	$27,352
37. Aluminum Leaders (over 5 years)						$16,151	$16,636	$17,135	$17,649	$18,178																$29,171	$30,046	$30,947	$31,875	$32,832
38. T1-11 Wood Siding (over 5 years)								$172,072	$177,234	$182,551	$188,027	$193,668																		
39. Vinyl Siding								$87,936																						
40. Brick Veneer Repointing (30% of total 91,335 SF) (over 5 years)					$117,218	$120,734	$124,356	$128,087	$131,930																					
41. Wood Decks (over 2 years)	$427,680	$440,510																			$772,438	$795,611								
42. Aluminum Deck Railings (over 2 years)	$360,300	$371,109																								$754,388	$777,020			
43. Wood Stairs (over 4 years)	$300,000	$309,000	$318,270	$327,818																	$541,833	$558,088	$574,831	$592,076						
44. Concrete Entry Stoops (over 5 years)						$41,734	$42,986	$44,275	$45,604	$46,972																				
45. Glass/Aluminum Entry Partitions (over 5 years)						$34,430	$35,463	$36,527	$37,623	$38,752																				
46. Concrete Patios (over 5 years)					$29,562	$30,449	$31,362	$32,303	$33,272																					
47. Breezeway Carpet				$15,094	$15,547	$16,013									$20,894	$21,521	$22,166									$28,922	$29,790	$30,683		
Interior																														
48. Light Fixtures (over 3 years)	$20,783	$21,407	$22,049																							$43,516	$44,821	$46,166		
49. Carpet (2005)					$5,772											$7,990											$11,060			
Mechanical																														
50. Intercom Systems	$60,500																									$126,674				
	2023	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**	**2044**	**2045**	**2046**	**2047**	**2048**	**2049**	**2050**	**2051**	**2052**
TOTALS:	$1,750,531	$1,825,466	$632,300	$499,343	$235,086	$582,350	$529,595	$822,271	$739,081	$631,204	$191,387	$371,957	$109,784	$108,378	$51,182	$91,674	$95,360	$0	$0	$0	$2,212,607	$2,294,880	$577,568	$652,744	$6,505	$1,006,972	$1,094,306	$133,578	$384,286	$151,524

FUNDING PLAN

Effective as of January 1, 2023

Projected Reserve Balance: $730,000

10% Threshold: $799,168

18 Buildings
315 Units

Fiscal Year	Beginning Balance as of Jan 1	Reserve Contribution (Jan 1 - Dec 31)	Annual Expenses	Ending Balance
2023	$730,000	$1,822,582	$1,750,531	$802,052
2024	$802,052	$1,822,582	$1,825,466	$799,168
2025	$799,168	$541,461	$632,300	$708,329
2026	$708,329	$541,461	$499,343	$750,448
2027	$750,448	$541,461	$235,086	$1,056,823
2028	$1,056,823	$541,461	$582,350	$1,015,934
2029	$1,015,934	$541,461	$529,595	$1,027,801
2030	$1,027,801	$541,461	$822,271	$746,992
2031	$746,992	$541,461	$739,081	$549,372
2032	$549,372	$541,461	$631,204	$459,630
2033	$459,630	$541,461	$191,387	$809,704
2034	$809,704	$541,461	$371,957	$979,208
2035	$979,208	$541,461	$109,784	$1,410,886
2036	$1,410,886	$541,461	$108,378	$1,843,969
2037	$1,843,969	$541,461	$51,182	$2,334,248
2038	$2,334,248	$541,461	$91,674	$2,784,036
2039	$2,784,036	$541,461	$95,360	$3,230,137
2040	$3,230,137	$541,461	$0	$3,771,598
2041	$3,771,598	$541,461	$0	$4,313,059
2042	$4,313,059	$541,461	$0	$4,854,521
2043	$4,854,521	$541,461	$2,212,607	$3,183,375
2044	$3,183,375	$541,461	$2,294,880	$1,429,956
2045	$1,429,956	$541,461	$577,568	$1,393,849
2046	$1,393,849	$541,461	$652,744	$1,282,567
2047	$1,282,567	$541,461	$6,505	$1,817,523
2048	$1,817,523	$541,461	$1,006,972	$1,352,013
2049	$1,352,013	$541,461	$1,094,306	$799,168
2050	$799,168	$541,461	$133,578	$1,207,052
2051	$1,207,052	$541,461	$384,286	$1,364,227
2052	$1,364,227	$541,461	$151,524	$1,754,164
	TOTALS:	**$18,806,082**	**$17,781,918**	**$1,754,164**