

# Introduction

## Reserve Study Purpose

The purpose of this Reserve Study is to provide the board with a budgeting tool to help ensure that there are adequate reserve funds available to perform future reserve projects. In this respect our estimates of the current and future Fully Funded balances are less significant than the recommended reserve contribution. The board should weigh carefully our recommendations when setting the Reserve Contribution. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample time to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. It will also ensure the physical well-being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to special assessments.

## Preparer's Credentials

This reserve study was prepared under the responsible charge of TJ Martin. Any persons assisting in the preparation of this study worked under his responsible charge and have appropriate experience and training.

- Senior Project Manager, Nevada Region
- Nevada Reserve Study Specialist permit number RSS.0000196
- Local 720 IATSE union member
- Nevada Real Estate license number S.0174286
- Personally has prepared or assisted in the preparation of over 400 reserve studies.
- Has worked on reserve studies for association's ranging from single family home communities, high-rises, master associations, condominium communities, and townhouse associations.

## Budget Breakdown

Every association conducts their business within a budget. There are typically two main parts to this budget, the Operating budget and the Reserve budget. The operating budget typically includes all expenses that occur on an annual basis as well as general maintenance and repairs. Typical Operating budget line items include management fees, maintenance expenses, utilities, etc. The reserves are primarily made up of capital replacement items such as roofing, fencing, mechanical equipment, etc., that do not normally occur on an annual basis. Typically, the reserve contribution makes up 15% - 40% of the association's total budget. Therefore, reserves are considered to be a major part of the overall monthly association assessment.

## Report Sections

The **Reserve Analysis Section** contains the evaluation of the association's reserve balance, income, and expenses. It includes a finding of the client's current reserve fund status (measured as percent funded) and a recommendation for an appropriate reserve allocation rate (also known as the funding plan).

The **Component Evaluation Section** contains information regarding the physical status and replacement cost of major common area components the association is responsible to maintain. It is important to understand that while the component inventory will remain relatively "stable" from year to year, the condition assessment and life estimates will most likely vary from year to year.

## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
<b>Common Area</b>								
201	Block/Stucco Surfaces - Repair/Repaint	5	0	Approx 8,460 Sq.ft.	\$10,563	\$10,563	\$10,563	\$207.86
207	Wrought Iron Fencing - Repair/Repaint	5	0	Approx 270 Linear ft.	\$2,688	\$2,688	\$2,688	\$52.89
401	Asphalt - Major Rehab. (Pool Parking)	30	0	Approx 4,675 Sq.ft.	\$9,338	\$9,338	\$9,338	\$30.63
401	Asphalt - Major Rehab. (RV Lot)	30	5	Approx 18,550 Sq.ft.	\$37,088	\$30,906	\$30,906	\$121.64
402	Asphalt - Preventive Maintenance (Pool parking)	5	0	Approx 4,675 Sq.ft.	\$1,625	\$1,625	\$1,625	\$31.98
402	Asphalt - Preventive Maintenance (RV Lot)	5	0	Approx 18,150 Sq.ft.	\$3,613	\$3,613	\$3,613	\$71.09
504	Vehicle Gate - Replace RV Gate	25	5	(1) 20ft. Sliding gate	\$4,000	\$3,200	\$3,200	\$15.74
801	Monument Signs - Replace/Refurbish	20	1	(2) Monument Signs	\$4,500	\$4,275	\$4,275	\$22.14
1002	Wrought Iron Fencing - Replace	20	11	Approx 270 Linear ft	\$8,100	\$3,645	\$0	\$39.85
1005	Block Walls - Repair	20	0	Approx 3,500 Linear ft.	\$32,813	\$32,813	\$32,813	\$161.43
1306	Park Furniture - Replace	10	2	(9) Pieces	\$9,000	\$7,200	\$7,200	\$88.56
1703	Irrigation Time Clocks - Replace	N/A	0	(4) Clocks	\$0	\$0	\$0	\$0.00
1812	Landscaping / Irrigation - Renovate	10	0	Front entrance	\$12,000	\$12,000	\$12,000	\$118.07
<b>Subtotals:</b>					<b>\$135,325</b>	<b>\$121,864</b>	<b>\$118,219</b>	<b>\$962</b>
<b>Pool area</b>								
105	Pitched Roof - Comp Shingle - Replace	20	12	Approx 500 Sq.ft.	\$2,500	\$1,000	\$0	\$12.30
202	Pool Building Wood Trim - Repaint	5	0	Moderate Sq.ft.	\$1,750	\$1,750	\$1,750	\$34.44
590	Electronic Lock System - Replace	8	1	(1) System	\$2,250	\$1,969	\$1,969	\$27.67
603	Pool Deck - Reseal/Repair	5	0	Approx 2,225 Sq.ft.	\$4,725	\$4,725	\$4,725	\$92.98
604	Pool Deck - Resurface	20	5	Approx 2,225 Sq.ft.	\$10,000	\$7,500	\$2,656	\$49.20
703	Water Heater Tank - Replace	10	1	(1) Tankless heater	\$1,500	\$1,350	\$1,350	\$14.76
903	Security Camera System - Replace	8	2	(1) 6-Camera System	\$4,000	\$3,000	\$3,000	\$49.20
1101	Pool - Resurface	10	0	Approx 130 Linear ft.	\$9,000	\$9,000	\$9,000	\$88.56
1102	Spa - Resurface	5	1	Approx 11 ft. diameter	\$3,250	\$2,600	\$2,600	\$63.96
1105	Spa Heater - Replace	8	1	(1) 250,000 BTU heater	\$2,800	\$2,450	\$2,450	\$34.44
1107	Pool Filters - Replace	10	6	(2) 48 Sq.ft. filters	\$2,500	\$1,000	\$0	\$24.60
1108	Spa Filter - Replacement	10	1	(1) 48 Sq.ft. filter	\$1,250	\$1,125	\$1,125	\$12.30
1110	Pool/Spa Pumps - Partial Replace	3	1	(4) Pumps	\$1,100	\$733	\$733	\$36.08
1390	Outdoor shower - Re-tile	16	5	(2) 3 ft. x 3 ft. x 7 ft. Showers	\$2,750	\$1,891	\$0	\$16.91
1413	Restrooms - Remodel	16	0	(2) Restrooms	\$5,000	\$5,000	\$5,000	\$30.75
<b>Subtotals:</b>					<b>\$54,375</b>	<b>\$45,093</b>	<b>\$36,358</b>	<b>\$588</b>
<b>Grand Total:</b>					<b>\$189,700</b>	<b>\$166,956</b>	<b>\$154,577</b>	<b>\$1,550</b>

**Current Fund Balance as a percentage of Ideal Balance: 93%**

