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## Update "No-Site-Visit" Reserve Study



**Daniel Island POA  
DIPA  
Daniel Island, SC**

**Report #: 15074-5  
For Period Beginning: January 1, 2021  
Expires: December 31, 2021**

**Date Prepared: September 28, 2020**



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**Hello, and welcome to your Reserve Study!**

**T**his Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

**W**ith respect to Reserves, this Report will tell you "where you are," and "where to go from here."

In this Report, you will find...

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

**More Questions?**

Visit our website at [www.ReserveStudy.com](http://www.ReserveStudy.com) or call us at:

704-960-1711



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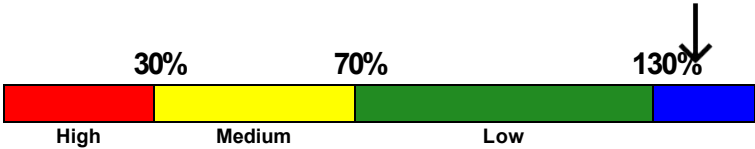
## 3- Minute Executive Summary

**Association:** Daniel Island POA **Assoc. #: 15074-5**  
 DIPA  
**Location:** Daniel Island, SC **# of Units: 1,010**  
**Report Period:** January 1, 2021 through December 31, 2021

**Findings/Recommendations as-of: January 1, 2021**

Project Starting Reserve Balance	\$198,445
Currently Fully Funding Reserve Balance	\$82,437
Percent Funded	240.7 %
Recommended 2021 Fully Funding Contributions	\$19,695
Recommended 2021 Special Assessments for Reserves	\$0
Most Recent Reserve Contribution Rate	\$91,956

**Reserves % Funded: 240.7%**



**Special Assessment Risk:**

**Economic Assumptions:**

**Net Annual "After Tax" Interest Earnings Accruing to Reserves** ..... 1.00 %  
**Annual Inflation Rate** ..... 3.00 %

This report is an "Update, No-Site-Visit" Reserve Study based on a prior study prepared by Association Reserves for your 2020 Fiscal Year. We performed the site inspection on 9/29/2020

This Reserve Study was prepared or overseen by a credentialed Reserve Specialist (RS). As of the start of the initial fiscal year shown in this study, your Reserve fund is determined to be 240.7 % Funded. Based on this figure, the Client’s risk of special assessments & deferred maintenance is currently Low. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where clients enjoy a low risk of such Reserve cash flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$19,695 in the upcoming fiscal year. Going forward, the contribution rate recommended here should be increased as illustrated on the 30-yr Summary Table.

**Reserve Funding Goals and Methodology:**

This Reserve Study has been prepared using the “pooled” method of Reserve funding (also known as the cash flow method). The terms "full funding" and/or “fully funding” as used in this Reserve Study are based on the National Reserve Study Standards definition of full funding: "setting a Reserve funding goal to attain and maintain Reserves at or near 100 percent funded." (The definition and means of calculating percent-funded are

addressed later in this report.)

In some jurisdictions, the minimum amount of Reserve contributions required when using the pooled method of funding may be less than the amount recommended in this study. In other words, the required contribution must be at least enough to ensure that the total Reserve fund balance does not fall below \$0 at any point in the foreseeable future, based on the current projections. The National Reserve Study Standards label this funding goal as “baseline funding.”

In our opinion, the National Reserve Study Standards definition of fully funding not only complies with all relevant jurisdictional requirements, but is also more likely to provide an adequate "cushion" of accumulated funds, which will help mitigate financial risks in the event of higher-than-expected component costs, reduced component life expectancies, or other unforeseen negative circumstances. In our experience, Clients that choose to fund their Reserves using a baseline (or threshold) funding goal are significantly more likely to experience special assessments and deferred maintenance in the event of these circumstances.

For Clients using the “straight-line” method of Reserve funding (also known as the component method), an additional table may be added to the Reserve Study to provide alternate recommendations calculated using this method. By nature, the straight-line method may only be used to generate recommended contribution rates for one fiscal year at a time, and does not include any assumptions for interest earnings or inflationary cost increases. When using this method, the required contribution for each component is calculated by estimating the replacement cost for the component, subtracting any available funds already collected, and dividing the resulting difference (herein labeled as the “unfunded balance,” measured in dollars) by the remaining useful life of the component, measured in years. The resulting figure is the required amount to fund that component. For groups of like components (i.e. multiple individual roof components, all falling within a ‘roof reserve’), the individual contribution amounts are added together to determine the total amount required to fund the group as a whole.

For additional questions or to request more information about reserve funding goals and methods, please contact our office.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Great Oak Park</b>			
2101 Concrete Boat Ramp - Repair	20	6	\$15,400
2123 Asphalt - Seal/Repair	4	2	\$6,750
2125 Asphalt - Resurface	20	6	\$34,050
2139 Site Fencing: Wood - Replace	25	9	\$9,300
2146 Arbor/Picnic Area - Repair/Replace	20	18	\$20,550
2175 Parking Lot Lights - Replace	20	4	\$2,600
2192 Boat Dock (Deck) - Resurface	15	12	\$30,450
2193 Boat Dock (Structure) - Replace	30	27	\$32,350
2511 Barrier Arm (New) - Replace	15	10	\$4,700
2511 Barrier Arm (Old) - Replace	15	5	\$4,700
2550 Kayak Locker - Replace	20	18	\$13,350
<b>Other/Miscellaneous</b>			
2179 Landscape Lights - Partial Replace	5	0	\$7,000
2181 Outdoor/Site Furniture - Replace	5	0	\$4,000
2587 Irrigation System - Repair/Refurb	5	0	\$8,000
<b>14 Total Funded Components</b>			

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

## Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

## Methodology



For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

## *Which Physical Assets are Funded by Reserves?*

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining life must be predictable (or it by definition is a *surprise* which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

Components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

## *How do we establish Useful Life and Remaining Useful Life estimates?*

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

## *How do we establish Current Repair/Replacement Cost Estimates?*

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks



## How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

## How much should we contribute?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

## What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

## Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table.

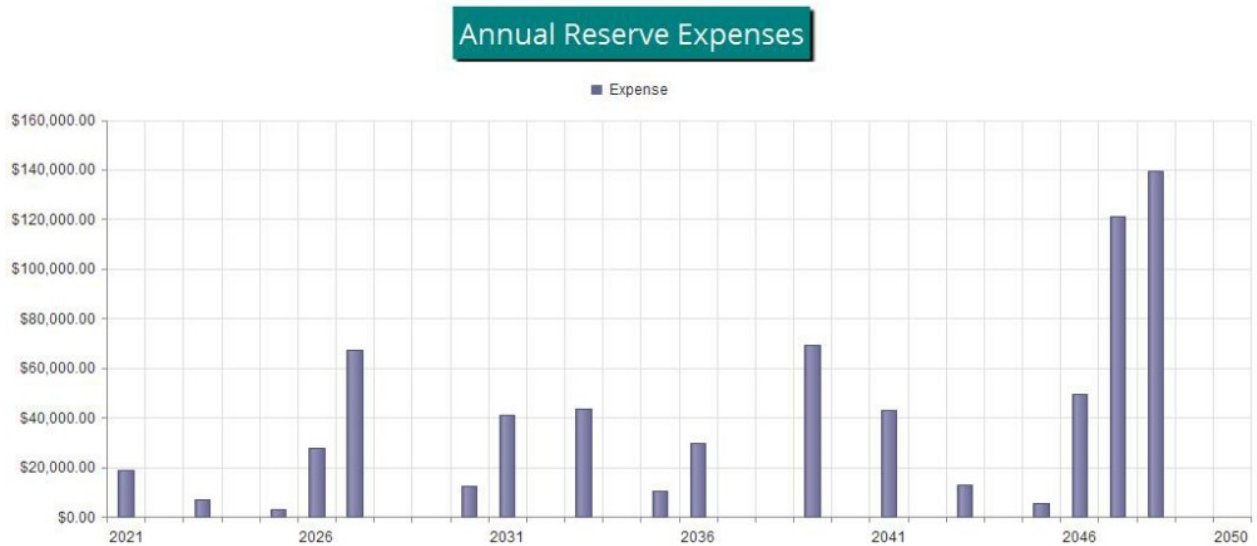


Figure 1

## Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$198,445 as-of the start of your Fiscal Year on 1/1/2021. As of your Fiscal Year Start, your Fully Funded Balance is computed to be \$82,437. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 240.7 % Funded.

## Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$19,695 this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

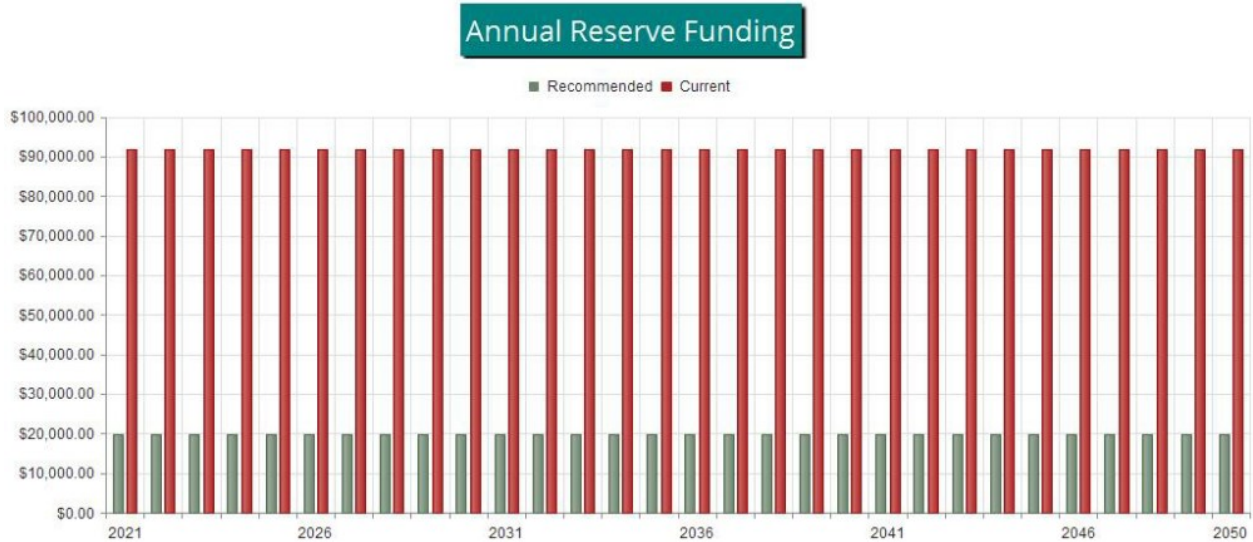


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

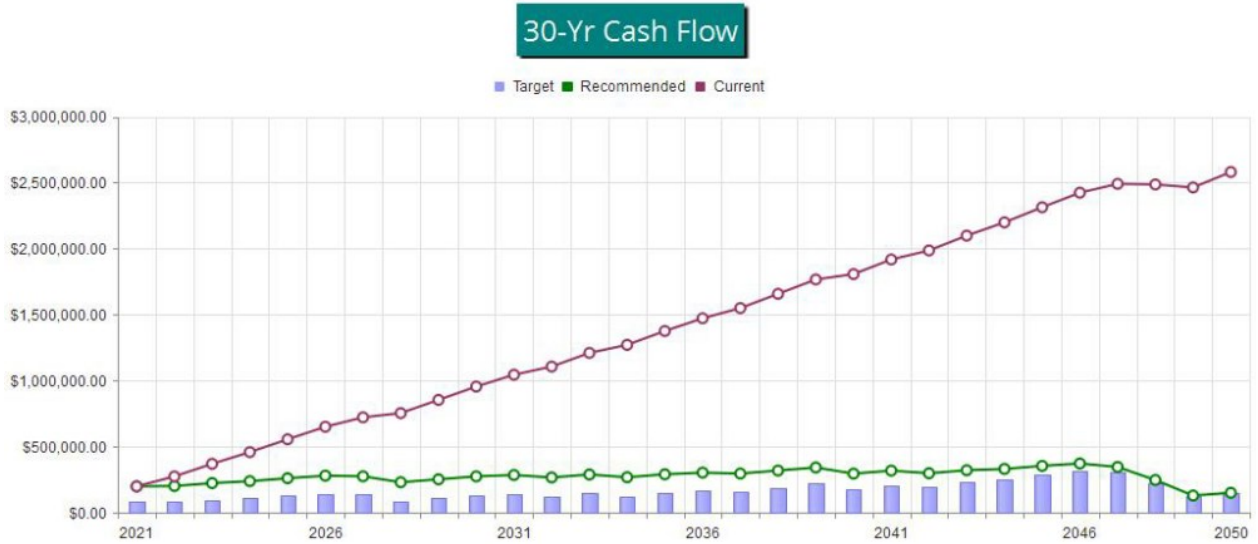


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

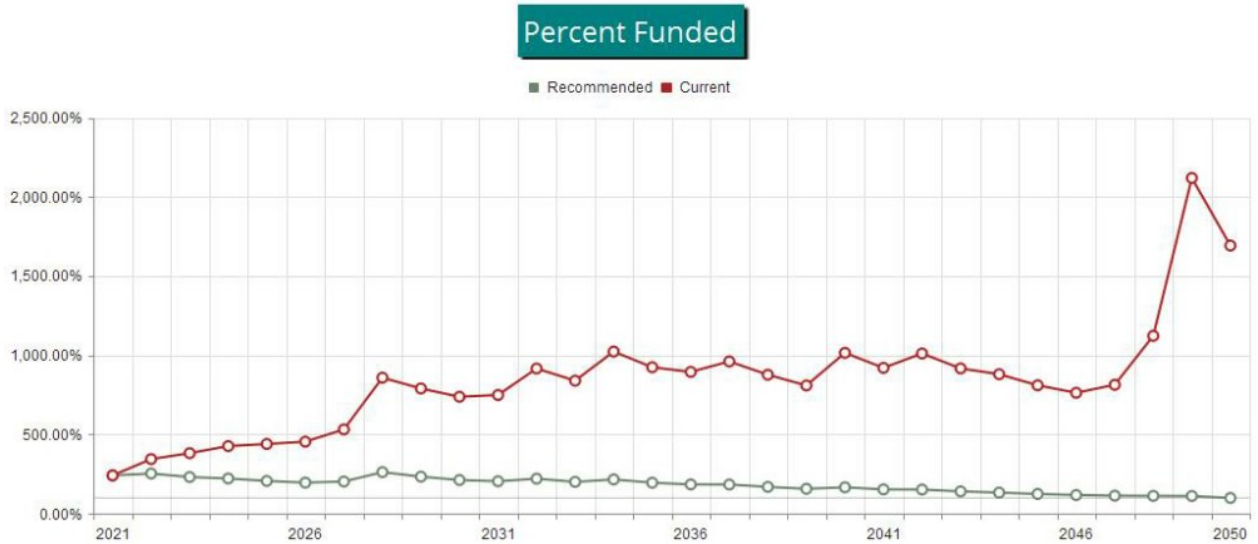


Figure 4

## **Table Descriptions**

Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

# Budget Summary

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	Useful Life		2021 Rem. Useful Life		Estimated Replacement Cost in 2021	2021 Expenditures	01/01/2021 Fully Funded Balance	Remaining Bal. to be Funded	2021 Contributions
	Min	Max	Min	Max					
Great Oak Park	4	30	2	27	\$174,200	\$0	\$63,437	\$21,492	\$14,308
Other/Miscellaneous	5	5	0	0	\$19,000	\$19,000	\$19,000	\$-26,737	\$5,387
					\$193,200	\$19,000	\$82,437	\$(5,245)	\$19,695
Percent Funded:								240.7%	

# Reserve Component List Detail

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# Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate		
				Best Case	Worst Case	
<b>Great Oak Park</b>						
2101	Concrete Boat Ramp - Repair	Apprx 1,500 GSF	20	6	\$12,300	\$18,500
2123	Asphalt - Seal/Repair	Apprx 1,950 GSY	4	2	\$5,700	\$7,800
2125	Asphalt - Resurface	Apprx 1,950 GSY	20	6	\$28,000	\$40,100
2139	Site Fencing: Wood - Replace	Approx 640 LF Fence	25	9	\$7,600	\$11,000
2146	Arbor/Picnic Area - Repair/Replace	(1) Arbor	20	18	\$18,500	\$22,600
2175	Parking Lot Lights - Replace	(3) Pole Lights	20	4	\$1,900	\$3,300
2192	Boat Dock (Deck) - Resurface	Approx 1,060 GSF	15	12	\$28,400	\$32,500
2193	Boat Dock (Structure) - Replace	Approx 1,060 GSF	30	27	\$26,700	\$38,000
2511	Barrier Arm (New) - Replace	(1) of (2) Operators	15	10	\$3,100	\$6,300
2511	Barrier Arm (Old) - Replace	(1) of (2) Operators	15	5	\$3,100	\$6,300
2550	Kayak Locker - Replace	(1) Kayak Storage 6 units	20	18	\$11,300	\$15,400
<b>Other/Miscellaneous</b>						
2179	Landscape Lights - Partial Replace	Extensive Quantity	5	0	\$6,000	\$8,000
2181	Outdoor/Site Furniture - Replace	Numerous Pieces	5	0	\$3,000	\$5,000
2587	Irrigation System - Repair/Refurb	(43) Timeclocks	5	0	\$7,000	\$9,000
14 Total Funded Components						



# Component Significance

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#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
<b>Great Oak Park</b>					
2101	Concrete Boat Ramp - Repair	20	\$15,400	\$770	5.54 %
2123	Asphalt - Seal/Repair	4	\$6,750	\$1,688	12.15 %
2125	Asphalt - Resurface	20	\$34,050	\$1,703	12.26 %
2139	Site Fencing: Wood - Replace	25	\$9,300	\$372	2.68 %
2146	Arbor/Picnic Area - Repair/Replace	20	\$20,550	\$1,028	7.40 %
2175	Parking Lot Lights - Replace	20	\$2,600	\$130	0.94 %
2192	Boat Dock (Deck) - Resurface	15	\$30,450	\$2,030	14.61 %
2193	Boat Dock (Structure) - Replace	30	\$32,350	\$1,078	7.76 %
2511	Barrier Arm (New) - Replace	15	\$4,700	\$313	2.26 %
2511	Barrier Arm (Old) - Replace	15	\$4,700	\$313	2.26 %
2550	Kayak Locker - Replace	20	\$13,350	\$668	4.80 %
<b>Other/Miscellaneous</b>					
2179	Landscape Lights - Partial Replace	5	\$7,000	\$1,400	10.08 %
2181	Outdoor/Site Furniture - Replace	5	\$4,000	\$800	5.76 %
2587	Irrigation System - Repair/Refurb	5	\$8,000	\$1,600	11.52 %
14	Total Funded Components			\$13,892	100.00 %

# 30-Year Reserve Plan Summary

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Fiscal Year Start: 2021

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Reserve Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2021	\$198,445	\$82,437	240.7 %	Low	-78.58 %	\$19,695	\$0	\$1,997	\$19,000
2022	\$201,137	\$79,649	252.5 %	Low	0.00 %	\$19,695	\$0	\$2,120	\$0
2023	\$222,952	\$96,776	230.4 %	Low	0.00 %	\$19,695	\$0	\$2,303	\$7,161
2024	\$237,788	\$107,484	221.2 %	Low	0.00 %	\$19,695	\$0	\$2,488	\$0
2025	\$259,971	\$126,344	205.8 %	Low	0.00 %	\$19,695	\$0	\$2,696	\$2,926
2026	\$279,436	\$143,225	195.1 %	Low	0.00 %	\$19,695	\$0	\$2,768	\$27,475
2027	\$274,424	\$135,810	202.1 %	Low	0.00 %	\$19,695	\$0	\$2,519	\$67,106
2028	\$229,532	\$87,851	261.3 %	Low	0.00 %	\$19,695	\$0	\$2,405	\$0
2029	\$251,632	\$108,085	232.8 %	Low	0.00 %	\$19,695	\$0	\$2,627	\$0
2030	\$273,953	\$129,453	211.6 %	Low	0.00 %	\$19,695	\$0	\$2,790	\$12,134
2031	\$284,304	\$139,508	203.8 %	Low	0.00 %	\$19,695	\$0	\$2,749	\$40,922
2032	\$265,826	\$120,773	220.1 %	Low	0.00 %	\$19,695	\$0	\$2,769	\$0
2033	\$288,291	\$144,203	199.9 %	Low	0.00 %	\$19,695	\$0	\$2,777	\$43,414
2034	\$267,348	\$124,213	215.2 %	Low	0.00 %	\$19,695	\$0	\$2,785	\$0
2035	\$289,828	\$148,952	194.6 %	Low	0.00 %	\$19,695	\$0	\$2,959	\$10,210
2036	\$302,272	\$164,548	183.7 %	Low	0.00 %	\$19,695	\$0	\$2,987	\$29,601
2037	\$295,353	\$161,287	183.1 %	Low	0.00 %	\$19,695	\$0	\$3,066	\$0
2038	\$318,114	\$189,087	168.2 %	Low	0.00 %	\$19,695	\$0	\$3,295	\$0
2039	\$341,104	\$218,410	156.2 %	Low	0.00 %	\$19,695	\$0	\$3,178	\$69,204
2040	\$294,773	\$178,042	165.6 %	Low	0.00 %	\$19,695	\$0	\$3,060	\$0
2041	\$317,528	\$208,474	152.3 %	Low	0.00 %	\$19,695	\$0	\$3,074	\$42,805
2042	\$297,492	\$196,482	151.4 %	Low	0.00 %	\$19,695	\$0	\$3,088	\$0
2043	\$320,274	\$228,995	139.9 %	Low	0.00 %	\$19,695	\$0	\$3,251	\$12,934
2044	\$330,287	\$249,961	132.1 %	Low	0.00 %	\$19,695	\$0	\$3,417	\$0
2045	\$353,399	\$285,699	123.7 %	Low	0.00 %	\$19,695	\$0	\$3,623	\$5,285
2046	\$371,431	\$317,913	116.8 %	Low	0.00 %	\$19,695	\$0	\$3,581	\$49,623
2047	\$345,085	\$306,299	112.7 %	Low	0.00 %	\$19,695	\$0	\$2,957	\$121,200
2048	\$246,536	\$221,509	111.3 %	Low	0.00 %	\$19,695	\$0	\$1,875	\$139,497
2049	\$128,609	\$116,256	110.6 %	Low	0.00 %	\$19,695	\$0	\$1,391	\$0
2050	\$149,695	\$152,482	98.2 %	Low	0.00 %	\$19,695	\$0	\$1,603	\$0

# 30-Year Income/Expense Detail

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Fiscal Year	2021	2022	2023	2024	2025
Starting Reserve Balance	\$198,445	\$201,137	\$222,952	\$237,788	\$259,971
Annual Reserve Contribution	\$19,695	\$19,695	\$19,695	\$19,695	\$19,695
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,997	\$2,120	\$2,303	\$2,488	\$2,696
<b>Total Income</b>	<b>\$220,137</b>	<b>\$222,952</b>	<b>\$244,949</b>	<b>\$259,971</b>	<b>\$282,362</b>
# Component					
<b>Great Oak Park</b>					
2101 Concrete Boat Ramp - Repair	\$0	\$0	\$0	\$0	\$0
2123 Asphalt - Seal/Repair	\$0	\$0	\$7,161	\$0	\$0
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2139 Site Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2146 Arbor/Picnic Area - Repair/Replace	\$0	\$0	\$0	\$0	\$0
2175 Parking Lot Lights - Replace	\$0	\$0	\$0	\$0	\$2,926
2192 Boat Dock (Deck) - Resurface	\$0	\$0	\$0	\$0	\$0
2193 Boat Dock (Structure) - Replace	\$0	\$0	\$0	\$0	\$0
2511 Barrier Arm (New) - Replace	\$0	\$0	\$0	\$0	\$0
2511 Barrier Arm (Old) - Replace	\$0	\$0	\$0	\$0	\$0
2550 Kayak Locker - Replace	\$0	\$0	\$0	\$0	\$0
<b>Other/Miscellaneous</b>					
2179 Landscape Lights - Partial Replace	\$7,000	\$0	\$0	\$0	\$0
2181 Outdoor/Site Furniture - Replace	\$4,000	\$0	\$0	\$0	\$0
2587 Irrigation System - Repair/Refurb	\$8,000	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$19,000</b>	<b>\$0</b>	<b>\$7,161</b>	<b>\$0</b>	<b>\$2,926</b>
Ending Reserve Balance	\$201,137	\$222,952	\$237,788	\$259,971	\$279,436

<b>Fiscal Year</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Starting Reserve Balance	\$279,436	\$274,424	\$229,532	\$251,632	\$273,953
Annual Reserve Contribution	\$19,695	\$19,695	\$19,695	\$19,695	\$19,695
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,768	\$2,519	\$2,405	\$2,627	\$2,790
<b>Total Income</b>	<b>\$301,899</b>	<b>\$296,638</b>	<b>\$251,632</b>	<b>\$273,953</b>	<b>\$296,439</b>
# Component					
<b>Great Oak Park</b>					
2101 Concrete Boat Ramp - Repair	\$0	\$18,388	\$0	\$0	\$0
2123 Asphalt - Seal/Repair	\$0	\$8,060	\$0	\$0	\$0
2125 Asphalt - Resurface	\$0	\$40,657	\$0	\$0	\$0
2139 Site Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$12,134
2146 Arbor/Picnic Area - Repair/Replace	\$0	\$0	\$0	\$0	\$0
2175 Parking Lot Lights - Replace	\$0	\$0	\$0	\$0	\$0
2192 Boat Dock (Deck) - Resurface	\$0	\$0	\$0	\$0	\$0
2193 Boat Dock (Structure) - Replace	\$0	\$0	\$0	\$0	\$0
2511 Barrier Arm (New) - Replace	\$0	\$0	\$0	\$0	\$0
2511 Barrier Arm (Old) - Replace	\$5,449	\$0	\$0	\$0	\$0
2550 Kayak Locker - Replace	\$0	\$0	\$0	\$0	\$0
<b>Other/Miscellaneous</b>					
2179 Landscape Lights - Partial Replace	\$8,115	\$0	\$0	\$0	\$0
2181 Outdoor/Site Furniture - Replace	\$4,637	\$0	\$0	\$0	\$0
2587 Irrigation System - Repair/Refurb	\$9,274	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$27,475</b>	<b>\$67,106</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,134</b>
<b>Ending Reserve Balance</b>	<b>\$274,424</b>	<b>\$229,532</b>	<b>\$251,632</b>	<b>\$273,953</b>	<b>\$284,304</b>

<b>Fiscal Year</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>
Starting Reserve Balance	\$284,304	\$265,826	\$288,291	\$267,348	\$289,828
Annual Reserve Contribution	\$19,695	\$19,695	\$19,695	\$19,695	\$19,695
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,749	\$2,769	\$2,777	\$2,785	\$2,959
<b>Total Income</b>	<b>\$306,749</b>	<b>\$288,291</b>	<b>\$310,763</b>	<b>\$289,828</b>	<b>\$312,482</b>
# Component					
<b>Great Oak Park</b>					
2101 Concrete Boat Ramp - Repair	\$0	\$0	\$0	\$0	\$0
2123 Asphalt - Seal/Repair	\$9,071	\$0	\$0	\$0	\$10,210
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2139 Site Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2146 Arbor/Picnic Area - Repair/Replace	\$0	\$0	\$0	\$0	\$0
2175 Parking Lot Lights - Replace	\$0	\$0	\$0	\$0	\$0
2192 Boat Dock (Deck) - Resurface	\$0	\$0	\$43,414	\$0	\$0
2193 Boat Dock (Structure) - Replace	\$0	\$0	\$0	\$0	\$0
2511 Barrier Arm (New) - Replace	\$6,316	\$0	\$0	\$0	\$0
2511 Barrier Arm (Old) - Replace	\$0	\$0	\$0	\$0	\$0
2550 Kayak Locker - Replace	\$0	\$0	\$0	\$0	\$0
<b>Other/Miscellaneous</b>					
2179 Landscape Lights - Partial Replace	\$9,407	\$0	\$0	\$0	\$0
2181 Outdoor/Site Furniture - Replace	\$5,376	\$0	\$0	\$0	\$0
2587 Irrigation System - Repair/Refurb	\$10,751	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$40,922</b>	<b>\$0</b>	<b>\$43,414</b>	<b>\$0</b>	<b>\$10,210</b>
Ending Reserve Balance	\$265,826	\$288,291	\$267,348	\$289,828	\$302,272

<b>Fiscal Year</b>	<b>2036</b>	<b>2037</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>
Starting Reserve Balance	\$302,272	\$295,353	\$318,114	\$341,104	\$294,773
Annual Reserve Contribution	\$19,695	\$19,695	\$19,695	\$19,695	\$19,695
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,987	\$3,066	\$3,295	\$3,178	\$3,060
<b>Total Income</b>	<b>\$324,954</b>	<b>\$318,114</b>	<b>\$341,104</b>	<b>\$363,977</b>	<b>\$317,528</b>
# Component					
<b>Great Oak Park</b>					
2101 Concrete Boat Ramp - Repair	\$0	\$0	\$0	\$0	\$0
2123 Asphalt - Seal/Repair	\$0	\$0	\$0	\$11,491	\$0
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2139 Site Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2146 Arbor/Picnic Area - Repair/Replace	\$0	\$0	\$0	\$34,985	\$0
2175 Parking Lot Lights - Replace	\$0	\$0	\$0	\$0	\$0
2192 Boat Dock (Deck) - Resurface	\$0	\$0	\$0	\$0	\$0
2193 Boat Dock (Structure) - Replace	\$0	\$0	\$0	\$0	\$0
2511 Barrier Arm (New) - Replace	\$0	\$0	\$0	\$0	\$0
2511 Barrier Arm (Old) - Replace	\$0	\$0	\$0	\$0	\$0
2550 Kayak Locker - Replace	\$0	\$0	\$0	\$22,727	\$0
<b>Other/Miscellaneous</b>					
2179 Landscape Lights - Partial Replace	\$10,906	\$0	\$0	\$0	\$0
2181 Outdoor/Site Furniture - Replace	\$6,232	\$0	\$0	\$0	\$0
2587 Irrigation System - Repair/Refurb	\$12,464	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$29,601</b>	<b>\$0</b>	<b>\$0</b>	<b>\$69,204</b>	<b>\$0</b>
Ending Reserve Balance	\$295,353	\$318,114	\$341,104	\$294,773	\$317,528

<b>Fiscal Year</b>	<b>2041</b>	<b>2042</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>
Starting Reserve Balance	\$317,528	\$297,492	\$320,274	\$330,287	\$353,399
Annual Reserve Contribution	\$19,695	\$19,695	\$19,695	\$19,695	\$19,695
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,074	\$3,088	\$3,251	\$3,417	\$3,623
<b>Total Income</b>	<b>\$340,297</b>	<b>\$320,274</b>	<b>\$343,221</b>	<b>\$353,399</b>	<b>\$376,717</b>
# Component					
<b>Great Oak Park</b>					
2101 Concrete Boat Ramp - Repair	\$0	\$0	\$0	\$0	\$0
2123 Asphalt - Seal/Repair	\$0	\$0	\$12,934	\$0	\$0
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
2139 Site Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2146 Arbor/Picnic Area - Repair/Replace	\$0	\$0	\$0	\$0	\$0
2175 Parking Lot Lights - Replace	\$0	\$0	\$0	\$0	\$5,285
2192 Boat Dock (Deck) - Resurface	\$0	\$0	\$0	\$0	\$0
2193 Boat Dock (Structure) - Replace	\$0	\$0	\$0	\$0	\$0
2511 Barrier Arm (New) - Replace	\$0	\$0	\$0	\$0	\$0
2511 Barrier Arm (Old) - Replace	\$8,489	\$0	\$0	\$0	\$0
2550 Kayak Locker - Replace	\$0	\$0	\$0	\$0	\$0
<b>Other/Miscellaneous</b>					
2179 Landscape Lights - Partial Replace	\$12,643	\$0	\$0	\$0	\$0
2181 Outdoor/Site Furniture - Replace	\$7,224	\$0	\$0	\$0	\$0
2587 Irrigation System - Repair/Refurb	\$14,449	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$42,805</b>	<b>\$0</b>	<b>\$12,934</b>	<b>\$0</b>	<b>\$5,285</b>
Ending Reserve Balance	\$297,492	\$320,274	\$330,287	\$353,399	\$371,431

<b>Fiscal Year</b>	<b>2046</b>	<b>2047</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>
Starting Reserve Balance	\$371,431	\$345,085	\$246,536	\$128,609	\$149,695
Annual Reserve Contribution	\$19,695	\$19,695	\$19,695	\$19,695	\$19,695
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,581	\$2,957	\$1,875	\$1,391	\$1,603
<b>Total Income</b>	<b>\$394,707</b>	<b>\$367,737</b>	<b>\$268,106</b>	<b>\$149,695</b>	<b>\$170,993</b>
# Component					
<b>Great Oak Park</b>					
2101 Concrete Boat Ramp - Repair	\$0	\$33,212	\$0	\$0	\$0
2123 Asphalt - Seal/Repair	\$0	\$14,557	\$0	\$0	\$0
2125 Asphalt - Resurface	\$0	\$73,432	\$0	\$0	\$0
2139 Site Fencing: Wood - Replace	\$0	\$0	\$0	\$0	\$0
2146 Arbor/Picnic Area - Repair/Replace	\$0	\$0	\$0	\$0	\$0
2175 Parking Lot Lights - Replace	\$0	\$0	\$0	\$0	\$0
2192 Boat Dock (Deck) - Resurface	\$0	\$0	\$67,638	\$0	\$0
2193 Boat Dock (Structure) - Replace	\$0	\$0	\$71,859	\$0	\$0
2511 Barrier Arm (New) - Replace	\$9,841	\$0	\$0	\$0	\$0
2511 Barrier Arm (Old) - Replace	\$0	\$0	\$0	\$0	\$0
2550 Kayak Locker - Replace	\$0	\$0	\$0	\$0	\$0
<b>Other/Miscellaneous</b>					
2179 Landscape Lights - Partial Replace	\$14,656	\$0	\$0	\$0	\$0
2181 Outdoor/Site Furniture - Replace	\$8,375	\$0	\$0	\$0	\$0
2587 Irrigation System - Repair/Refurb	\$16,750	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$49,623</b>	<b>\$121,200</b>	<b>\$139,497</b>	<b>\$0</b>	<b>\$0</b>
Ending Reserve Balance	\$345,085	\$246,536	\$128,609	\$149,695	\$170,993



## Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representatives of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.

## Terms and Definitions

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area). Equivalent to Square Feet
<b>GSY</b>	Gross Square Yards (area). Equivalent to Square Yards
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)
<b>Effective Age</b>	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
<b>Fully Funded Balance (FFB)</b>	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
<b>Inflation</b>	Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on the "30-yr Income/Expense Detail" table.
<b>Interest</b>	Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary.
<b>Percent Funded</b>	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
<b>Remaining Useful Life (RUL)</b>	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
<b>Useful Life (UL)</b>	The estimated time, in years, that a common area component can be expected to serve its intended function.

**Component Details**

## Great Oak Park

**Comp #: 2101 Concrete Boat Ramp - Repair****Quantity: Apprx 1,500 GSF**

Location: Boat ramp

Funded?: Yes.

History:

Comments: A larger repair project is expected with these types of boat ramps.

Useful Life: 20 years

Remaining Life: 6 years

Best Case: \$ 12,300

Worst Case: \$18,500

Cost Source:

**Comp #: 2105 Concrete Boat Trailer Pkng - Repair****Quantity: Apprx 5,440 GSF  
Concrete**

Location: Boat trailer parking

Funded?: No.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 2123 Asphalt - Seal/Repair****Quantity: Apprx 1,950 GSY**

Location: Boat dock area

Funded?: Yes.

History: Resealed in 2019

Comments:

Useful Life: 4 years

Remaining Life: 2 years

Best Case: \$ 5,700

Worst Case: \$7,800

Lower estimate to seal/repair

Higher estimate

Cost Source: Client Cost History, plus Inflation

**Comp #: 2125 Asphalt - Resurface****Quantity: Apprx 1,950 GSY**

Location: Boat dock area

Funded?: Yes.

History:

Comments: We recommend having surface sealed and repaired as directed in component #2123; regular cycles of seal coating are recommended for maximum design life. As routine maintenance, keep roadway clean, free of debris and well drained; fill/seal cracks to prevent water from penetrating into the sub-base and accelerating damage. Even with ordinary care and maintenance, plan for eventual large scale resurface (milling and overlay) at roughly the time frame below. As timing draws nearer, consult with asphalt vendor/consultant for recommendations and complete scope.

Useful Life: 20 years

Remaining Life: 6 years

Best Case: \$ 28,000

Worst Case: \$40,100

Lower estimate to resurface

Higher estimate

Cost Source: AR Cost Database

**Comp #: 2139 Site Fencing: Wood - Replace****Quantity: Approx 640 LF Fence**

Location: Boat area perimeter

Funded?: Yes.

History:

Comments: As routine maintenance, inspect regularly for any damage, repair as needed and avoid contact with ground and surrounding vegetation wherever possible. Regular cycles of uniform, professional sealing/painting will help to maintain appearance and maximize life. Plan to replace at roughly the time frame below with funding included here for similar wood replacement. At next replacement, association might want to consider replacing with more sturdy, lower-maintenance products like composite, vinyl, etc. Although installation costs are higher, total life cycle cost is lower due to less maintenance and longer design life expectancy.

Useful Life: 25 years

Remaining Life: 9 years

Best Case: \$ 7,600

Worst Case: \$11,000

Lower estimate to replace

Higher estimate

Cost Source: AR Cost Database

**Comp #: 2146 Arbor/Picnic Area - Repair/Replace****Quantity: (1) Arbor**

Location: Great Oak Park

Funded?: Yes.

History: Replaced in 2019

Comments:

Useful Life: 20 years

Remaining Life: 18 years

Best Case: \$ 18,500

Worst Case: \$22,600

Cost Source: AR Cost Database

**Comp #: 2175 Parking Lot Lights - Replace****Quantity: (3) Pole Lights**

Location: Great Oak Park boat launch area

Funded?: Yes.

History:

Comments:

Useful Life: 20 years

Remaining Life: 4 years

Best Case: \$ 1,900

Worst Case: \$3,300

Lower estimate to replace

Higher estimate

Cost Source: AR Cost Database

**Comp #: 2192 Boat Dock (Deck) - Resurface****Quantity: Approx 1,060 GSF**

Location: Boat dock

Funded?: Yes.

History:

Comments: This was reportedly replaced for \$29,617 in 2019. RUL extended.

Useful Life: 15 years

Remaining Life: 12 years

Best Case: \$ 28,400

Worst Case: \$32,500

Lower estimate to resurface

Higher estimate

Cost Source: Client Cost History

**Comp #: 2193 Boat Dock (Structure) - Replace****Quantity: Approx 1,060 GSF**

Location: Boat dock area

Funded?: Yes.

History: Floating dock was replaced in 2018 for \$30,000 according to information provided

Comments:

Useful Life: 30 years

Remaining Life: 27 years

Best Case: \$ 26,700

Worst Case: \$38,000

Lower estimate to replace/rebuild

Higher allowance

Cost Source: Estimate Provided by Client

**Comp #: 2501 Card Reader - Replace****Quantity: (1) Card Reader**

Location: Adjacent to barrier arm units

Funded?: No.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 2511 Barrier Arm (New) - Replace****Quantity: (1) of (2) Operators**

Location: Boat area parking

Funded?: Yes.

History:

Comments:

Useful Life: 15 years

Remaining Life: 10 years

Best Case: \$ 3,100

Worst Case: \$6,300

Lower estimate to replace

Higher estimate

Cost Source: AR Cost Database

**Comp #: 2511 Barrier Arm (Old) - Replace****Quantity: (1) of (2) Operators**

Location: Boat area parking

Funded?: Yes.

History:

Comments:

Useful Life: 15 years

Remaining Life: 5 years

Best Case: \$ 3,100

Worst Case: \$6,300

Lower estimate to replace

Higher estimate

Cost Source: AR Cost Database

**Comp #: 2550 Kayak Locker - Replace**

**Quantity: (1) Kayak Storage 6 units**

Location: Great Oak Park

Funded?: Yes.

History: Installed in 2019

Comments:

Useful Life: 20 years

Remaining Life: 18 years

Best Case: \$ 11,300

Worst Case: \$15,400

Cost Source: Client Cost History

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## Other/Miscellaneous

**Comp #: 2167 Sign (Island Park Drive)- Refurbish****Quantity: (1) Monument Sign**

Location: Roundabout at Island Park Drive and

Funded?: No.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

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**Comp #: 2170 Street Name Signs - Replace****Quantity: Large Quantity**

Location: Intersections

Funded?: No.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

---

**Comp #: 2179 Landscape Lights - Partial Replace****Quantity: Extensive Quantity**

Location: Landscaped common areas

Funded?: Yes.

History:

Comments:

Useful Life: 5 years

Remaining Life: 0 years

Best Case: \$ 6,000

Worst Case: \$8,000

Lower allowance to replace

Higher allowance

Cost Source: Estimate Provided by Client

---

**Comp #: 2181 Outdoor/Site Furniture - Replace****Quantity: Numerous Pieces**

Location: Common areas throughout development

Funded?: Yes.

History: \$4,651 spent on replacements in 2015 according to information provided

Comments:

Useful Life: 5 years

Remaining Life: 0 years

Best Case: \$ 3,000

Worst Case: \$5,000

Lower allowance to replace

Higher allowance

Cost Source: Estimate Provided by Client

---

**Comp #: 2587 Irrigation System - Repair/Refurb****Quantity: (43) Timeclocks**

Location: Landscaped common areas

Funded?: Yes.

History: Repairs made in 2015

Comments: Project expected to take place in 2020.

Useful Life: 5 years

Remaining Life: 0 years

Best Case: \$ 7,000

Worst Case: \$9,000

Lower allowance for ongoing costs

Higher allowance

Cost Source: Estimate Provided by Client