

October 23, 2015

Board of Directors
Arbor Village Homeowners Association
c/o Community Association Partners, LLC
P.O. Box 2429
Beaverton, Oregon 97075

Dear Wes,

We have been engaged by the Board of Directors of Arbor Village Homeowners Association to create a reserve study for the Association. Based on the Declaration and Bylaws for the Association, the reserve study has been divided into three parts, Arbor Village HOA, Carriage Collection and Greenville City Park. The assessment for 2016 is as follows:

Arbor Village HOA	\$ 17,417
Carriage Collection	9,600
<u>Greenville City Park</u>	<u>8,036</u>
Total	\$ 35,053

If you have any questions concerning this reserve study, please do not hesitate to call.

Sincerely,



Dave Schwindt, CPA RS PRA

ARBOR VILLAGE HOMEOWNERS ASSOCIATION
MAINTENANCE PLAN UPDATE
RESERVE STUDY
LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION
2016



ARBOR VILLAGE HOMEOWNERS ASSOCIATION

ARBOR VILLAGE HOA

Executive Summary

Year of Report:

January 1, 2016 to December 31, 2016

Number of Units:

340 Units

Parameters:

Beginning Balance: \$44,689

Year 2016 Suggested Contribution: \$17,417

Year 2016 Projected Interest Earned: \$27

Inflation: 2.50%

Annual Increase to Suggested Contribution: 5.00%

Lowest Cash Balance Over 30 Years (Threshold): \$8,506

Average Reserve Assessment per Unit: \$4.27

ARBOR VILLAGE HOMEOWNERS ASSOCIATION

CARRIAGE COLLECTION

Executive Summary

Year of Report:

January 1, 2016 to December 31, 2016

Number of Units:

115 Units

Parameters:

Beginning Balance: \$12,512

Year 2016 Suggested Contribution: \$9,600

Year 2016 Projected Interest Earned: \$2

Inflation: 2.50%

Annual Increase to Suggested Contribution: 5.00%

Lowest Cash Balance Over 30 Years (Threshold): \$3,588

Average Reserve Assessment per Unit: \$6.96

ARBOR VILLAGE HOMEOWNERS ASSOCIATION

GREENVILLE CITY PARK

Executive Summary

Year of Report:

January 1, 2016 to December 31, 2016

Number of Units:

340 Units

Parameters:

Beginning Balance: \$25,500

Year 2016 Suggested Contribution: \$8,036

Year 2016 Projected Interest Earned: \$20

Inflation: 2.50%

Annual Increase to Suggested Contribution: 2.50%

Lowest Cash Balance Over 30 Years (Threshold): \$23,177

Average Reserve Assessment per Unit: \$1.97

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**Arbor Village Homeowners Association
Maintenance Plan Update
Reserve Study Update – Offsite
Disclosure Information
2016**

We have conducted an offsite reserve study update and maintenance plan update for Arbor Village Homeowners Association for the year beginning January 1, 2016, in accordance with guidelines established by Community Associations Institute and the American Institute of Certified Public Accountants.

This reserve study and maintenance plan is in compliance with the legislative changes made in 2007 to ORS Chapters 94 and 100.

In addition to providing the Reserve Study and Maintenance Plan, we also provide tax services to the Association

Assumptions used for inflation, interest, and other factors are detailed in pages 18, 20 and 22. Income tax factors were not considered due to the uncertainty of factors affecting net taxable income and the election of tax form to be filed.

David T. Schwindt, the representative in charge of this report, is a designated Reserve Study Specialist, Professional Reserve Analyst, and Certified Public Accountant licensed in the states of Oregon, Washington, California, and Arizona.

The terms *RS Means*, *National Construction Estimator*, and *Fannie Mae Expected Useful Life Tables and Forms* refer to construction industry estimating databases that are used throughout the industry to establish cost estimates and useful life estimates for common building components and products. We suggest that the Association obtain firm bids for these services.

According to the Addendum dated March 11, 1998 to the Declaration, “Homeowner Association Provisions”, Section B, “Maintenance of the structures, landscaping, pathways and fencing in common areas and the entrance monuments and related landscaping in the non-private street Tracts shall be the responsibility of the Homeowners Association.”

According to the Amendment to the Declaration dated January 26, 1999, “Carriage Collection Lots and Homes” states: “All front yards and side yards facing any street shall be subject to a landscape installation and maintenance easement over their entirety.... The herein identified landscaping improvements shall be maintained by the Arbor Village Homeowners Association pursuant to a separate source and application of funds accounting system.”

Earthquake insurance deductible is not funded for in the reserve study.

This study uses information provided by the Association. Factual data may include measurements, component listings and other relevant information. As such, Schwindt & Co accepts no responsibility for such information. Had we performed a level I reserve study, Schwindt & Co would have collected and analyzed such data and would have taken responsibility for the presentation of the reserve study taken as a whole.

We are not aware of any material issues which, if not disclosed, would cause a material distortion of this report.

Certain information, such as the beginning balance of reserve funds and other information as detailed on the component detail reports, was provided by Association representatives and is deemed to be reliable by us. This reserve study is a reflection of the information provided to us and cannot be used for the purpose of performing an audit, a quality/forensic analysis, or background checks of historical records.



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Site visits should not be considered a project audit or quality inspection of the Association's property. This site visit does not evaluate the condition of the property to determine the useful life or needed repairs. Schwindt & Company suggests that the Association perform a building envelope inspection to determine the condition, performance, and the useful life of all the components.

Certain costs outlined in the reserve study are subjective and, as a result, are for planning purposes only. The Association should obtain firm bids at the time of work. Actual costs will depend upon the scope of work as defined at the time the repair, replacement, or restoration is performed. All estimates relating to future work are good faith estimates and projections are based on the estimated inflation rate, which may or may not prove accurate. All future costs and life expectancies should be reviewed and adjusted annually.

This reserve study, unless specifically stated in the report, assumes no fungi, mold, asbestos, lead paint, urea-formaldehyde foam insulation, termite control substances, other chemicals, toxic wastes, radon gas, electro-magnetic radiation or other potentially hazardous materials (on the surface or sub-surface), or termites on the property. The existence of any of these substances may adversely affect the accuracy of this reserve study. Schwindt & Company assumes no responsibility regarding such conditions, as we are not qualified to detect substances, determine the impact, or develop remediation plans/costs.

Since destructive testing was not performed, this reserve study does not attempt to address latent and/or patent defects. Neither does it address useful life expectancies that are abnormally short due either to improper design, installation, nor to subsequent improper maintenance. This reserve study assumes all components will be reasonably maintained for the remainder of their life expectancy.

Physical Analysis:

New projects generally include information provided by developers and/or refer to drawings.

Full onsite reserve studies generally include field measurements and do not include destructive testing. Drawings are usually not available for existing projects.

Onsite updates generally include observations of physical characteristics, but do not include field measurements.

The client is considered to have deemed previously developed component quantities as accurate and reliable. The current work is reliant on the validity of prior reserve studies.

This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require homeowners to pay on demand (as a special assessment) their share of common expenses for the cost of major maintenance, repair, or replacement of a reserve component.

ARBOR VILLAGE HOMEOWNERS ASSOCIATION

MAINTENANCE PLAN UPDATE

2016

**Arbor Village Homeowners Association
Executive Summary of Maintenance Plan**

Regular maintenance of common elements is necessary to insure the maximum useful life and optimum performance of components. Of particular concern are items that may present a safety hazard to residents or guests if they are not maintained in a timely manner and components that perform a water-proofing function.

This maintenance plan is a cyclical plan that calls for maintenance at regular intervals. The frequency of the maintenance activity and the cost of the activity at the first instance follow a short descriptive narrative. This maintenance plan should be reviewed on an annual basis when preparing the annual operating budget for the Association.

Checklists, developed by Reed Construction Data, Inc., can be photocopied or accessed from the RS Means website:

<http://www.rsmeans.com/supplement/67346.asp>

They can be used to assess and document the existing condition of an Association's common elements and to track the carrying out of planned maintenance activities.

**Arbor Village Homeowners Association
Maintenance Plan
2016**

Pursuant to Oregon State Statutes Chapters 94 and 100, which require a maintenance plan as an integral part of the reserve study, the maintenance procedures are as follows:

The Board of Directors should refer to this maintenance plan each year when preparing the annual operating budget for the Association to ensure that annual maintenance costs are included in the budget for the years that they are scheduled.

Property Inspection

Schwindt & Company recommends that a provision for the annual inspection of common area components be included in the maintenance plan for all associations. This valuable management tool will help to ensure that all components achieve a maximum useful life expectancy and that they function as intended throughout their lifespan.

The inspection should be performed by a qualified professional and should include a written summary of conclusions with specific recommendations for any needed repairs or maintenance.

This expense should be included in the annual operating budget for the Association.

Frequency: Annually

Lighting: Exterior – Inspection/Maintenance

Note: Replacement of flickering or burned-out bulbs or lamps should be immediate.

Lighting is a crucial element in the provision of safety and security. All lighting systems should be inspected frequently and care must be taken to identify and correct deficiencies.

Various fixture and lamp types may be used according to area needs. Lighting systems should be designed to provide maximum, appropriate illumination at minimal energy expenditures. Lighting maintenance processes should include a general awareness of factors that cause malfunctions in lighting systems, such as dirt accumulation and lumen depreciation. It is important to fully wash, rather than dry-wipe, exterior surfaces to reclaim light and prevent further deterioration.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

Repairs and inspections should be completed by a qualified professional.

This expense should be included in the annual operating budget for the Association as general property maintenance expense.

Frequency: Bi-Weekly

Property Entrance - Review

The property entrance is a significant reflection on the development as a whole and is often the first stop in the development for residents, prospective residents or buyers, and visitors. The area should be consistently clean, functional, and accessible. In addition to serving as a point of initial access, the main entry may feature mailboxes, which should be secure and operational.

Mailboxes: Review overall condition and function of locks; proper lubrication of working parts; cleanliness of face plates; security of housing, in compliance with current postal regulations; accuracy and visibility of signage/accessibility of tactile lettering, where required; condition and function of slots and depositories for outgoing mail and packages.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

This expense should be included in the annual operating budget for the Association as general property maintenance expense.

Frequency: Monthly

Fences – Vinyl & Wood–Inspection

The vinyl and wood fences should be checked semi-annually for overall integrity and safety. The overall condition of the fence should be checked for deficiencies such as vegetation encroachment, debris buildup, holes, sagging areas, missing segments, rot, fungus, and/or vandalism.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

Frequency: Semiannually

Fences – Vinyl & Wood - Maintenance

The vinyl and wood fences should undergo periodic maintenance in order to achieve a maximum useful life. Maintenance includes cleaning and locally repairing the fences.

This expense should be included in the Association’s annual operating budget for the year in which it is scheduled.

Frequency: Annually

Trees - Maintenance

The Association will be responsible for trimming trees in the common area throughout the property. Trees and shrubs should be kept clear of the building components.

This expense should be included in the Association’s operating budget.

Frequency: Annually

Landscape Maintenance

The Association will be responsible for maintenance and upkeep of common area landscape throughout the property. This may include mowing lawn, removal of weeds, and dead-heading of flowers. Landscape techniques vary depending on the foliage and season.

This expense should be included in the Association's operating budget.

Frequency: Annually

Lawn Irrigation System

Periodic maintenance to the lawn irrigation system should be anticipated with this type of component. These maintenance procedures will include replacement of the control mechanism, replacement of damaged piping, upgrading of sprinkler heads and valve components, and any other work that is advised by repair professionals.

In recent years, improvements have been made to this type of system which has increased the efficiency of the water distribution process. Such improvements can be expected to continue to be made and the owners of such systems are well advised to plan on periodic upgrades to maintain the efficiency of their systems.

Lawn irrigation systems also require periodic testing to ensure proper operation. Sometimes this testing is mandated by ordinance or building codes. All work on lawn irrigation systems must be performed by licensed contractors who specialize in this type of work.

This expense should be included in the annual operating budget for the Association.

Frequency: Annually

Backflow Device Maintenance

Maintenance of the backflow device and components related to the water system includes, but is not limited to, inspecting for leaks under pressure and checking for damage or deterioration.

Annual maintenance on the backflow device includes the testing and calibrating of valve operation. Air should be bled from the backflow preventer and the area should be cleaned.

Inspections and maintenance should be performed by a qualified, licensed service provider.

Deficiencies, required maintenance, and required repairs after completion of the review should be noted by the maintenance contractor and/or association representatives.

This maintenance item should be included in the Association's annual operating budget.

Frequency: Annually

Concrete Flatwork

Maintenance of the concrete flatwork should include cleaning the surface areas with pressure washing equipment. The pavement should also be visually reviewed for signs of undue stress and cracking. Noticeable cracks should be filled with a suitable concrete crack filler to prevent penetration of moisture below the concrete surface which will undermine the integrity of the base material over time.

Frequency: Annually

This maintenance plan is designed to preserve and extend the useful life of assets and is dependent upon proper inspection and follow up procedures.

ARBOR VILLAGE HOMEOWNERS ASSOCIATION
RESERVE STUDY
LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION
2016

**Arbor Village Homeowners Association
Category Detail Index**

Asset ID	Description	Replacement	Page
Arbor Village			
1008	Barkdust - Renewal	2016	41 of 61
1005	Concrete - Flatwork - Repairs	2016	41 of 61
1002	Fence - Vinyl (Entry Ways) - Replacement	2026	42 of 61
1001	Fence - Vinyl (Wetland Path) - Replacement	2024	42 of 61
1003	Fence - Wood - Replacement	2019	43 of 61
1004	Fence - Wood - Staining	2016	43 of 61
1030	Insurance - Deductible	2016	44 of 61
1007	Irrigation System - Replacement	2016	44 of 61
1009	Landscaping - Renewal	2016	44 of 61
1006	Mailboxes - Replacement	2024	45 of 61
1035	Maintenance & Pressure Washing	2020	45 of 61
1011	Monument - Repair	2017	46 of 61
1034	Private Streets - Seal Coat	2022	46 of 61
1010	Watershed - Erosion Repair	2016	47 of 61
Carriage Collection			
1014	Barkdust - Carriage Collection - Renewal	2016	48 of 61
1012	Irrigation System - Replacement	2016	48 of 61
1015	Landscaping - Renewal	2016	49 of 61
1033	Private Streets - Seal Coat - Carriage	2022	49 of 61
1013	Trees - Replacement	2016	50 of 61
Greenville City Park			
1020	Barkdust - Park - Renewal	2016	51 of 61
1019	Concrete - Flatwork - Repairs	2018	51 of 61
1018	Gazebo - Railings - Replacement	2019	52 of 61
1017	Gazebo - Repairs	2021	52 of 61
1016	Gazebo - Roof - Replacement	2024	52 of 61
1025	Irrigation System - Replacement I	2026	53 of 61
1026	Irrigation System - Replacement II	2016	53 of 61
1027	Irrigation System - Replacement III	2016	54 of 61
1028	Irrigation System - Replacement IV	2016	54 of 61
1029	Irrigation System - Replacement V	2016	55 of 61
1031	Park Equipment - Benches - Replacement	2043	55 of 61
1021	Park Equipment - Playground - Replacement	Unfunded	56 of 61
1024	Signage - Replacement	2043	56 of 61

**Arbor Village Homeowners Association
Category Detail Index**

Asset ID	Description	Replacement	Page
<i>Greenville City Park Continued...</i>			
1023	Trees - Replacement	2016	57 of 61
1022	Water Fountain - Replacement	2027	57 of 61
	Total Funded Assets	33	
	Total Unfunded Assets	<u>1</u>	
	Total Assets	34	

**Arbor Village Homeowners Association
Property Description**

Arbor Village Homeowners Association consists of 340 single family homes, part of which includes 115 homes known as the “Carriage Collection”, and is located in Banks, Oregon. The Association shall provide for the maintenance, repair and replacement of the Common Areas and related facilities including landscaping, irrigation systems, fencing and monuments located within the Common Area and shall provide landscaping maintenance to the front and side yards facing any street of the Carriage Collection. The individual homeowners are responsible for all maintenance and repairs of their home and the adjacent private property.

This study uses information provided by the Association. Factual data may include measurements, component listings and other relevant information. As such, Schwindt & Co accepts no responsibility for such information. Had we performed a level I reserve study, Schwindt & Co would have collected and analyzed such data and would have taken responsibility for the presentation of the reserve study taken as a whole.

A site visit was performed by Schwindt & Company in 2013. Schwindt & Co did not investigate components for defects, materials, design or workmanship. This would ordinarily be considered in a complete building envelope inspection. Our condition assessment considers if the component is wearing as intended. All components are considered to be in fair condition and appear to be wearing as intended unless noted otherwise in the component detail.

Funds are being accumulated in the replacement fund based on estimates of future need for repairs and replacement of common property components. Actual expenditures, investment income, and provisions for income taxes however, may vary from estimated amounts, and variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future funding needs.

If additional funds are needed, the Association has the right, subject to board approval, to increase regular assessments, levy special assessments, otherwise the Association may delay repairs or replacements until funds are available.

Arbor Village Homeowners Association
 Banks, Oregon
Arbor Village: Cash Flow Method - Threshold Funding Model Summary

Report Date	October 23, 2015
Account Number	2arbvl
Budget Year Beginning	January 01, 2016
Budget Year Ending	December 31, 2016

<i>Report Parameters</i>	
Inflation	2.50%
Annual Assessment Increase	5.00%
Interest Rate on Reserve Deposit	0.10%
2016 Beginning Balance	\$44,689.00

**Threshold Funding
 Fully Reserved Model Summary**

- This study utilizes the cash flow method and the threshold funding model, which establishes a reserve funding goal that keeps the reserve balance above a specified dollar or percent funded amount. The threshold method assumes that the threshold method is funded with a positive threshold balance, therefore, "fully reserved".
- The following items were not included in the analysis because they have useful lives greater than 30 years: grading/drainage; foundation/footings; storm drains; telephone, cable, and internet lines.
- This funding scenario begins with a contribution of **\$17,417** in **2016** and increases **5.00%** each year for the remaining years of the study. A minimum balance of **\$8,506** is maintained.
- The reserve study cash flow model includes an annual increase in the required contribution over the 30 year period. Since the current Board and membership only has the authority to obligate the Association for the current budget year, the cash flow model relies on the actions of future Boards to adhere to the required increase in the annual reserve contribution. Because of the possibility that future Boards, due to budgetary constraints, are not able to increase the reserve contribution to the required amount to provide for adequate funding, the Association may be at risk in the future of special assessing the members to fund needed expenditures.
- The purpose of this study is to insure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

<i>Cash Flow Method - Threshold Funding Model Summary of Calculations</i>	
Required monthly Contribution	\$1,451.42
Average Net Month Interest Earned	<u>\$2.25</u>
Total monthly Allocation to Reserves	\$1,453.67

Arbor Village Homeowners Association
Arbor Village: Cash Flow Method - Threshold Funding Model Projection

Beginning Balance: \$44,689

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2016	17,417	27	27,150	34,983
2017	18,288	40	5,207	48,104
2018	19,202	53	5,856	61,503
2019	20,162	39	33,540	48,164
2020	21,170	49	10,661	58,723
2021	22,229	47	23,815	57,184
2022	23,340	50	19,548	61,026
2023	24,507	70	4,059	81,545
2024	25,733	10	85,907	21,380
2025	27,019	27	9,366	39,061
2026	28,370		58,925	8,506
2027	29,789	18	6,665	31,648
2028	31,278	37	11,452	51,512
2029	32,842	53	16,205	68,202
2030	34,484	73	13,647	89,112
2031	36,209	78	30,485	94,914
2032	38,019	107	8,274	124,767
2033	39,920	141	5,196	159,632
2034	41,916	169	13,281	188,437
2035	44,012	200	11,989	220,660
2036	46,212	194	51,697	215,370
2037	48,523	233	8,532	255,594
2038	50,949	274	9,595	297,222
2039	53,497	271	54,960	296,030
2040	56,172	304	22,790	329,715
2041	58,980	323	39,023	349,995
2042	61,929	373	10,591	401,706
2043	65,026	414	22,898	444,248
2044	68,277	470	11,128	501,867
2045	71,691	526	15,347	558,736

Arbor Village Homeowners Association
 Banks, Oregon
Carriages Collection: Cash Flow Method - Threshold Funding Model Summary

Report Date	October 23, 2015
Account Number	2arbvl
Budget Year Beginning	January 01, 2016
Budget Year Ending	December 31, 2016

<i>Report Parameters</i>	
Inflation	2.50%
Annual Assessment Increase	5.00%
Interest Rate on Reserve Deposit	0.10%
2016 Beginning Balance	\$12,512.00

**Threshold Funding
 Fully Reserved Model Summary**

- This study utilizes the cash flow method and the threshold funding model, which establishes a reserve funding goal that keeps the reserve balance above a specified dollar or percent funded amount. The threshold method assumes that the threshold method is funded with a positive threshold balance, therefore, "fully reserved".
- The following items were not included in the analysis because they have useful lives greater than 30 years: grading/drainage; foundation/footings; storm drains; telephone, cable, and internet lines.
- This funding scenario begins with a contribution of **\$9,600** in **2016** and increases **5.00%** each year for the remaining years of the study. A minimum balance of **\$3,588** is maintained.
- The reserve study cash flow model includes an annual increase in the required contribution over the 30 year period. Since the current Board and membership only has the authority to obligate the Association for the current budget year, the cash flow model relies on the actions of future Boards to adhere to the required increase in the annual reserve contribution. Because of the possibility that future Boards, due to budgetary constraints, are not able to increase the reserve contribution to the required amount to provide for adequate funding, the Association may be at risk in the future of special assessing the members to fund needed expenditures.
- The purpose of this study is to insure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

<i>Carriages Collection Summary of Calculations</i>	
Required monthly Contribution	\$800.00
Average Net Month Interest Earned	\$0.18
Total monthly Allocation to Reserves	\$800.18

Arbor Village Homeowners Association

Banks, Oregon

Carriages Collection: Cash Flow Method - Threshold Funding Model Projection

Beginning Balance: \$12,512

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2016	9,600	2	15,581	6,533
2017	10,080	9	3,446	13,176
2018	10,584	5	13,742	10,023
2019	11,113	12	3,621	17,528
2020	11,669	9	14,438	14,768
2021	12,252	15	6,633	20,402
2022	12,865		29,679	3,588
2023	13,508	7	3,996	13,107
2024	14,184	5	15,937	11,358
2025	14,893	15	4,199	22,067
2026	15,637	11	19,945	17,771
2027	16,419	22	4,411	29,801
2028	17,240	22	17,592	29,471
2029	18,102	17	21,882	25,709
2030	19,007	18	18,482	26,251
2031	19,958	29	8,491	37,747
2032	20,956	30	19,418	39,315
2033	22,003	46	5,116	56,248
2034	23,104	48	20,401	59,000
2035	24,259	67	5,375	77,950
2036	25,472	46	46,033	57,435
2037	26,745	66	5,647	78,600
2038	28,083	71	22,519	84,235
2039	29,487	94	5,933	107,883
2040	30,961	101	23,659	115,287
2041	32,509	122	10,869	137,049
2042	34,134	131	24,856	146,458
2043	35,841	135	30,919	151,515
2044	37,633	146	26,115	163,179
2045	39,515	178	6,880	195,992

Arbor Village Homeowners Association
 Banks, Oregon
Greenville City Park: Cash Flow Method - Threshold Funding Model Summary

Report Date	October 23, 2015
Account Number	2arbvl
Budget Year Beginning	January 01, 2016
Budget Year Ending	December 31, 2016

<i>Report Parameters</i>	
Inflation	2.50%
Annual Assessment Increase	2.50%
Interest Rate on Reserve Deposit	0.10%
2016 Beginning Balance	\$25,500.00

**Threshold Funding
 Fully Reserved Model Summary**

- This study utilizes the cash flow method and the threshold funding model, which establishes a reserve funding goal that keeps the reserve balance above a specified dollar or percent funded amount. The threshold method assumes that the threshold method is funded with a positive threshold balance, therefore, "fully reserved".
- The following items were not included in the analysis because they have useful lives greater than 30 years: grading/drainage; foundation/footings; storm drains; telephone, cable, and internet lines.
- This funding scenario begins with a contribution of **\$8,036** in **2016** and increases **2.50%** each year for the remaining years of the study. A minimum balance of **\$23,177** is maintained.
- The purpose of this study is to insure that adequate replacement funds are available when components reach the end of their useful life. Components will be replaced as required, not necessarily in their expected replacement year. This analysis should be updated annually.

<i>Greenville City Park Summary of Calculations</i>	
Required monthly Contribution	\$669.67
Average Net Month Interest Earned	\$1.63
Total monthly Allocation to Reserves	\$671.29

Arbor Village Homeowners Association
 Banks, Oregon
Greenville City Park: Cash Flow Method - Threshold Funding Model Projection

Beginning Balance: \$25,500

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2016	8,036	20	10,328	23,228
2017	8,237	27	571	30,921
2018	8,443	21	14,438	24,947
2019	8,654	19	10,443	23,177
2020	8,870	25	3,282	28,790
2021	9,092	31	3,126	34,787
2022	9,319	36	3,448	40,694
2023	9,552	32	13,463	36,816
2024	9,791	32	10,382	36,258
2025	10,036	41	695	45,639
2026	10,287	45	6,630	49,340
2027	10,544	49	6,314	53,619
2028	10,808	41	18,482	45,986
2029	11,078	48	3,809	53,303
2030	11,355	55	4,201	60,512
2031	11,639	55	11,458	60,748
2032	11,929	63	4,414	68,326
2033	12,228	58	17,233	63,378
2034	12,533	66	4,637	71,340
2035	12,847	77	890	83,374
2036	13,168	86	4,872	91,756
2037	13,497	94	4,641	100,706
2038	13,835	85	23,658	90,967
2039	14,180	82	17,112	88,117
2040	14,535	91	5,378	97,365
2041	14,898	100	5,123	107,241
2042	15,271	102	13,736	108,878
2043	15,653	83	34,543	90,070
2044	16,044	93	5,936	100,270
2045	16,445	104	5,655	111,164

**Arbor Village Homeowners Association
Component Summary By Year**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost	
Barkdust - Carriage Collection - Renewal	2013	2016	2	0	0	1 Total	7,564.50	7,564	
Barkdust - Park - Renewal	2011	2016	2	2	0	1 Total	2,416.44	2,416	
Barkdust - Renewal	2013	2016	1	1	0	1 Total	1,786.06	1,786	
Concrete - Flatwork - Repairs	2009	2016	5	1	0	1 Total	10,506.25	10,506	
Fence - Wood - Staining	2009	2016	5	1	0	13,200 SF	0.54	7,128	
Insurance - Deductible	2014	2016	1	0	0	1 Total	1,000.00	1,000	
Irrigation System - Replacement	2012	2016	1	2	0	1 Total	3,362.00	3,362	
Irrigation System - Replacement	2013	2016	1	1	0	1 Total	1,628.47	1,628	
Irrigation System - Replacement II	1999	2016	15	1	0	1 Total	2,080.24	2,080	
Irrigation System - Replacement III	1999	2016	15	1	0	1 Total	2,080.24	2,080	
Irrigation System - Replacement IV	1999	2016	15	1	0	1 Total	2,080.24	2,080	
Irrigation System - Replacement V	2000	2016	15	0	0	1 Total	1,113.66	1,114	
Landscaping - Renewal	2011	2016	2	2	0	1 Total	2,153.78	2,154	
Landscaping - Renewal	2011	2016	2	2	0	1 Total	2,159.03	2,159	
Trees - Replacement	2010	2016	5	0	0	1 Total	2,500.49	2,500	
Trees - Replacement	2012	2016	1	2	0	1 Total	556.83	557	
Watershed - Erosion Repair	2007	2016	6	2	0	1 Total	2,941.75	2,942	
Monument - Repair	2007	2017	10	0	1	1 Total	1,665.24	1,665	
Concrete - Flatwork - Repairs	2013	2018	5	0	2	1 Total	10,768.91	10,769	
Fence - Wood - Replacement	1999	2019	20	0	3	1,100 LF	25.21	27,731	
Gazebo - Railings - Replacement	1999	2019	20	0	3	1 Total	9,140.44	9,140	
Maintenance & Pressure Washing	2015	2020	5	0	4	1 Total	4,085.00	4,085	
Gazebo - Repairs	2013	2021	8	0	5	1 Total	2,206.31	2,206	
Private Streets - Seal Coat	2015	2022	7	0	6	1 Total	8,341.20	8,341	
Private Streets - Seal Coat - Carriage	2015	2022	7	0	6	1 Total	12,511.80	12,512	
Fence - Vinyl (Wetland Path) - Replacement	1999	2024	25	0	8	2,350 LF	12.61	29,633	
Gazebo - Roof - Replacement	1999	2024	25	0	8	16 SQ	346.71	5,547	
Mailboxes - Replacement	1999	2024	25	0	8	24 Each	1,470.87	35,301	
Fence - Vinyl (Entry Ways) - Replacement	2001	2026	25	0	10	1,810 LF	12.61	22,824	
Irrigation System - Replacement I	2011	2026	15	0	10	1 Total	2,206.31	2,206	
Water Fountain - Replacement	2012	2027	15	0	11	1 Total	4,255.03	4,255	
Park Equipment - Benches - Replacement	2013	2043	30	0	27	1 Total	3,151.87	3,152	
Signage - Replacement	2013	2043	30	0	27	1 Total	3,256.94	3,257	
Park Equipment - Playground - Replaceme..	<i>Unfunded</i>								
Total Asset Summary									\$235,684

**Arbor Village Homeowners Association
Component Summary By Group**

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Arbor Village								
Barkdust - Renewal	2013	2016	1	1	0	1 Total	1,786.06	1,786
Concrete - Flatwork - Repairs	2009	2016	5	1	0	1 Total	10,506.25	10,506
Fence - Vinyl (Entry Ways) - Replacement	2001	2026	25	0	10	1,810 LF	12.61	22,824
Fence - Vinyl (Wetland Path) - Replacement	1999	2024	25	0	8	2,350 LF	12.61	29,633
Fence - Wood - Replacement	1999	2019	20	0	3	1,100 LF	25.21	27,731
Fence - Wood - Staining	2009	2016	5	1	0	13,200 SF	0.54	7,128
Insurance - Deductible	2014	2016	1	0	0	1 Total	1,000.00	1,000
Irrigation System - Replacement	2013	2016	1	1	0	1 Total	1,628.47	1,628
Landscaping - Renewal	2011	2016	2	2	0	1 Total	2,159.03	2,159
Mailboxes - Replacement	1999	2024	25	0	8	24 Each	1,470.87	35,301
Maintenance & Pressure Washing	2015	2020	5	0	4	1 Total	4,085.00	4,085
Monument - Repair	2007	2017	10	0	1	1 Total	1,665.24	1,665
Private Streets - Seal Coat	2015	2022	7	0	6	1 Total	8,341.20	8,341
Watershed - Erosion Repair	2007	2016	6	2	0	1 Total	2,941.75	2,942
Arbor Village - Total								<u>\$156,730</u>
Carriage Collection								
Barkdust - Carriage Collection - Renewal	2013	2016	2	0	0	1 Total	7,564.50	7,564
Irrigation System - Replacement	2012	2016	1	2	0	1 Total	3,362.00	3,362
Landscaping - Renewal	2011	2016	2	2	0	1 Total	2,153.78	2,154
Private Streets - Seal Coat - Carriage	2015	2022	7	0	6	1 Total	12,511.80	12,512
Trees - Replacement	2010	2016	5	0	0	1 Total	2,500.49	2,500
Carriage Collection - Total								<u>\$28,093</u>
Greenville City Park								
Barkdust - Park - Renewal	2011	2016	2	2	0	1 Total	2,416.44	2,416
Concrete - Flatwork - Repairs	2013	2018	5	0	2	1 Total	10,768.91	10,769
Gazebo - Railings - Replacement	1999	2019	20	0	3	1 Total	9,140.44	9,140
Gazebo - Repairs	2013	2021	8	0	5	1 Total	2,206.31	2,206
Gazebo - Roof - Replacement	1999	2024	25	0	8	16 SQ	346.71	5,547
Irrigation System - Replacement I	2011	2026	15	0	10	1 Total	2,206.31	2,206
Irrigation System - Replacement II	1999	2016	15	1	0	1 Total	2,080.24	2,080
Irrigation System - Replacement III	1999	2016	15	1	0	1 Total	2,080.24	2,080
Irrigation System - Replacement IV	1999	2016	15	1	0	1 Total	2,080.24	2,080
Irrigation System - Replacement V	2000	2016	15	0	0	1 Total	1,113.66	1,114
Park Equipment - Benches - Replacement	2013	2043	30	0	27	1 Total	3,151.87	3,152
Park Equipment - Playground - Replaceme..		<i>Unfunded</i>						
Signage - Replacement	2013	2043	30	0	27	1 Total	3,256.94	3,257
Trees - Replacement	2012	2016	1	2	0	1 Total	556.83	557
Water Fountain - Replacement	2012	2027	15	0	11	1 Total	4,255.03	4,255
Greenville City Park - Total								<u>\$50,861</u>

**Arbor Village Homeowners Association
Component Summary By Group**

Description	<i>Date in Service</i>	<i>Replacement Year</i>	<i>Useful Adjustment</i>	<i>Remaining</i>	Units	<i>Unit Cost</i>	<i>Current Cost</i>
Total Asset Summary							\$235,684

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2016	
Arbor Village	
Barkdust - Renewal	1,786
Concrete - Flatwork - Repairs	10,506
Fence - Wood - Staining	7,128
Insurance - Deductible	1,000
Irrigation System - Replacement	1,628
Landscaping - Renewal	2,159
Watershed - Erosion Repair	2,942
Carriage Collection	
Barkdust - Carriage Collection - Renewal	7,564
Irrigation System - Replacement	3,362
Landscaping - Renewal	2,154
Trees - Replacement	2,500
Greenville City Park	
Barkdust - Park - Renewal	2,416
Irrigation System - Replacement II	2,080
Irrigation System - Replacement III	2,080
Irrigation System - Replacement IV	2,080
Irrigation System - Replacement V	1,114
Trees - Replacement	557
Total for 2016	<u>\$53,058</u>
 Replacement Year 2017	
Arbor Village	
Barkdust - Renewal	1,831
Irrigation System - Replacement	1,669
Monument - Repair	1,707
Carriage Collection	
Irrigation System - Replacement	3,446
Greenville City Park	
Trees - Replacement	571
Total for 2017	<u>\$9,224</u>

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2018	
Arbor Village	
Barkdust - Renewal	1,876
Irrigation System - Replacement	1,711
Landscaping - Renewal	2,268
Carriage Collection	
Barkdust - Carriage Collection - Renewal	7,947
Irrigation System - Replacement	3,532
Landscaping - Renewal	2,263
Greenville City Park	
Barkdust - Park - Renewal	2,539
Concrete - Flatwork - Repairs	11,314
Trees - Replacement	585
Total for 2018	<u>\$34,036</u>
 Replacement Year 2019	
Arbor Village	
Barkdust - Renewal	1,923
Fence - Wood - Replacement	29,863
Irrigation System - Replacement	1,754
Carriage Collection	
Irrigation System - Replacement	3,621
Greenville City Park	
Gazebo - Railings - Replacement	9,843
Trees - Replacement	600
Total for 2019	<u>\$47,604</u>
 Replacement Year 2020	
Arbor Village	
Barkdust - Renewal	1,971
Irrigation System - Replacement	1,798
Landscaping - Renewal	2,383
Maintenance & Pressure Washing	4,509
Carriage Collection	
Barkdust - Carriage Collection - Renewal	8,350

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2020 continued...</i>	
Irrigation System - Replacement	3,711
Landscaping - Renewal	2,377
Greenville City Park	
Barkdust - Park - Renewal	2,667
Trees - Replacement	615
Total for 2020	<u>\$28,381</u>
 Replacement Year 2021	
Arbor Village	
Barkdust - Renewal	2,021
Concrete - Flatwork - Repairs	11,887
Fence - Wood - Staining	8,065
Irrigation System - Replacement	1,842
Carriage Collection	
Irrigation System - Replacement	3,804
Trees - Replacement	2,829
Greenville City Park	
Gazebo - Repairs	2,496
Trees - Replacement	630
Total for 2021	<u>\$33,574</u>
 Replacement Year 2022	
Arbor Village	
Barkdust - Renewal	2,071
Irrigation System - Replacement	1,889
Landscaping - Renewal	2,504
Private Streets - Seal Coat	9,673
Watershed - Erosion Repair	3,412
Carriage Collection	
Barkdust - Carriage Collection - Renewal	8,773
Irrigation System - Replacement	3,899
Landscaping - Renewal	2,498
Private Streets - Seal Coat - Carriage	14,510

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2022 continued...</i>	
Greenville City Park	
Barkdust - Park - Renewal	2,802
Trees - Replacement	646
Total for 2022	<u>\$52,675</u>
Replacement Year 2023	
Arbor Village	
Barkdust - Renewal	2,123
Irrigation System - Replacement	1,936
Carriage Collection	
Irrigation System - Replacement	3,996
Greenville City Park	
Concrete - Flatwork - Repairs	12,801
Trees - Replacement	662
Total for 2023	<u>\$21,518</u>
Replacement Year 2024	
Arbor Village	
Barkdust - Renewal	2,176
Fence - Vinyl (Wetland Path) - Replacement	36,106
Irrigation System - Replacement	1,984
Landscaping - Renewal	2,631
Mailboxes - Replacement	43,011
Carriage Collection	
Barkdust - Carriage Collection - Renewal	9,217
Irrigation System - Replacement	4,096
Landscaping - Renewal	2,624
Greenville City Park	
Barkdust - Park - Renewal	2,944
Gazebo - Roof - Replacement	6,759
Trees - Replacement	678
Total for 2024	<u>\$112,226</u>

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2025	
Arbor Village	
Barkdust - Renewal	2,231
Irrigation System - Replacement	2,034
Maintenance & Pressure Washing	5,102
Carriage Collection	
Irrigation System - Replacement	4,199
Greenville City Park	
Trees - Replacement	695
Total for 2025	<u>\$14,260</u>
 Replacement Year 2026	
Arbor Village	
Barkdust - Renewal	2,286
Concrete - Flatwork - Repairs	13,449
Fence - Vinyl (Entry Ways) - Replacement	29,217
Fence - Wood - Staining	9,124
Irrigation System - Replacement	2,085
Landscaping - Renewal	2,764
Carriage Collection	
Barkdust - Carriage Collection - Renewal	9,683
Irrigation System - Replacement	4,304
Landscaping - Renewal	2,757
Trees - Replacement	3,201
Greenville City Park	
Barkdust - Park - Renewal	3,093
Irrigation System - Replacement I	2,824
Trees - Replacement	713
Total for 2026	<u>\$85,500</u>
 Replacement Year 2027	
Arbor Village	
Barkdust - Renewal	2,343
Irrigation System - Replacement	2,137

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2027 continued...</i>	
Monument - Repair	2,185
Carriage Collection	
Irrigation System - Replacement	4,411
Greenville City Park	
Trees - Replacement	731
Water Fountain - Replacement	5,583
Total for 2027	\$17,390
Replacement Year 2028	
Arbor Village	
Barkdust - Renewal	2,402
Irrigation System - Replacement	2,190
Landscaping - Renewal	2,904
Watershed - Erosion Repair	3,956
Carriage Collection	
Barkdust - Carriage Collection - Renewal	10,173
Irrigation System - Replacement	4,522
Landscaping - Renewal	2,897
Greenville City Park	
Barkdust - Park - Renewal	3,250
Concrete - Flatwork - Repairs	14,483
Trees - Replacement	749
Total for 2028	\$47,525
Replacement Year 2029	
Arbor Village	
Barkdust - Renewal	2,462
Irrigation System - Replacement	2,245
Private Streets - Seal Coat	11,498
Carriage Collection	
Irrigation System - Replacement	4,635
Private Streets - Seal Coat - Carriage	17,248
Greenville City Park	
Gazebo - Repairs	3,041

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2029 continued...</i>	
Trees - Replacement	768
Total for 2029	<u>\$41,897</u>
 Replacement Year 2030	
Arbor Village	
Barkdust - Renewal	2,524
Irrigation System - Replacement	2,301
Landscaping - Renewal	3,051
Maintenance & Pressure Washing	5,772
Carriage Collection	
Barkdust - Carriage Collection - Renewal	10,688
Irrigation System - Replacement	4,750
Landscaping - Renewal	3,043
Greenville City Park	
Barkdust - Park - Renewal	3,414
Trees - Replacement	787
Total for 2030	<u>\$36,331</u>
 Replacement Year 2031	
Arbor Village	
Barkdust - Renewal	2,587
Concrete - Flatwork - Repairs	15,216
Fence - Wood - Staining	10,323
Irrigation System - Replacement	2,359
Carriage Collection	
Irrigation System - Replacement	4,869
Trees - Replacement	3,621
Greenville City Park	
Irrigation System - Replacement II	3,013
Irrigation System - Replacement III	3,013
Irrigation System - Replacement IV	3,013
Irrigation System - Replacement V	1,613
Trees - Replacement	806
Total for 2031	<u>\$50,433</u>

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2032	
Arbor Village	
Barkdust - Renewal	2,651
Irrigation System - Replacement	2,417
Landscaping - Renewal	3,205
Carriage Collection	
Barkdust - Carriage Collection - Renewal	11,230
Irrigation System - Replacement	4,991
Landscaping - Renewal	3,197
Greenville City Park	
Barkdust - Park - Renewal	3,587
Trees - Replacement	827
Total for 2032	\$32,106
Replacement Year 2033	
Arbor Village	
Barkdust - Renewal	2,718
Irrigation System - Replacement	2,478
Carriage Collection	
Irrigation System - Replacement	5,116
Greenville City Park	
Concrete - Flatwork - Repairs	16,386
Trees - Replacement	847
Total for 2033	\$27,545
Replacement Year 2034	
Arbor Village	
Barkdust - Renewal	2,786
Irrigation System - Replacement	2,540
Landscaping - Renewal	3,367
Watershed - Erosion Repair	4,588
Carriage Collection	
Barkdust - Carriage Collection - Renewal	11,798
Irrigation System - Replacement	5,244

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2034 continued...</i>	
Landscaping - Renewal	3,359
Greenville City Park	
Barkdust - Park - Renewal	3,769
Trees - Replacement	868
Total for 2034	<u>\$38,319</u>
 Replacement Year 2035	
Arbor Village	
Barkdust - Renewal	2,855
Irrigation System - Replacement	2,603
Maintenance & Pressure Washing	6,530
Carriage Collection	
Irrigation System - Replacement	5,375
Greenville City Park	
Trees - Replacement	890
Total for 2035	<u>\$18,254</u>
 Replacement Year 2036	
Arbor Village	
Barkdust - Renewal	2,927
Concrete - Flatwork - Repairs	17,216
Fence - Wood - Staining	11,680
Irrigation System - Replacement	2,668
Landscaping - Renewal	3,538
Private Streets - Seal Coat	13,668
Carriage Collection	
Barkdust - Carriage Collection - Renewal	12,395
Irrigation System - Replacement	5,509
Landscaping - Renewal	3,529
Private Streets - Seal Coat - Carriage	20,502
Trees - Replacement	4,097
Greenville City Park	
Barkdust - Park - Renewal	3,960

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2036 continued...</i>	
Trees - Replacement	912
Total for 2036	<u>\$102,602</u>
 Replacement Year 2037	
Arbor Village	
Barkdust - Renewal	3,000
Irrigation System - Replacement	2,735
Monument - Repair	2,797
Carriage Collection	
Irrigation System - Replacement	5,647
Greenville City Park	
Gazebo - Repairs	3,706
Trees - Replacement	935
Total for 2037	<u>\$18,820</u>
 Replacement Year 2038	
Arbor Village	
Barkdust - Renewal	3,075
Irrigation System - Replacement	2,804
Landscaping - Renewal	3,717
Carriage Collection	
Barkdust - Carriage Collection - Renewal	13,023
Irrigation System - Replacement	5,788
Landscaping - Renewal	3,708
Greenville City Park	
Barkdust - Park - Renewal	4,160
Concrete - Flatwork - Repairs	18,539
Trees - Replacement	959
Total for 2038	<u>\$55,772</u>
 Replacement Year 2039	
Arbor Village	
Barkdust - Renewal	3,152

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2039 continued...</i>	
Fence - Wood - Replacement	48,934
Irrigation System - Replacement	2,874
Carriage Collection	
Irrigation System - Replacement	5,933
Greenville City Park	
Gazebo - Railings - Replacement	16,129
Trees - Replacement	983
Total for 2039	\$78,004
Replacement Year 2040	
Arbor Village	
Barkdust - Renewal	3,230
Irrigation System - Replacement	2,945
Landscaping - Renewal	3,905
Maintenance & Pressure Washing	7,389
Watershed - Erosion Repair	5,321
Carriage Collection	
Barkdust - Carriage Collection - Renewal	13,682
Irrigation System - Replacement	6,081
Landscaping - Renewal	3,896
Greenville City Park	
Barkdust - Park - Renewal	4,371
Trees - Replacement	1,007
Total for 2040	\$51,827
Replacement Year 2041	
Arbor Village	
Barkdust - Renewal	3,311
Concrete - Flatwork - Repairs	19,478
Fence - Wood - Staining	13,215
Irrigation System - Replacement	3,019
Carriage Collection	
Irrigation System - Replacement	6,233

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2041 continued...</i>	
Trees - Replacement	4,636
Greenville City Park	
Irrigation System - Replacement I	4,090
Trees - Replacement	1,032
Total for 2041	<u>\$55,015</u>
 Replacement Year 2042	
Arbor Village	
Barkdust - Renewal	3,394
Irrigation System - Replacement	3,095
Landscaping - Renewal	4,103
Carriage Collection	
Barkdust - Carriage Collection - Renewal	14,375
Irrigation System - Replacement	6,389
Landscaping - Renewal	4,093
Greenville City Park	
Barkdust - Park - Renewal	4,592
Trees - Replacement	1,058
Water Fountain - Replacement	8,086
Total for 2042	<u>\$49,184</u>
 Replacement Year 2043	
Arbor Village	
Barkdust - Renewal	3,479
Irrigation System - Replacement	3,172
Private Streets - Seal Coat	16,247
Carriage Collection	
Irrigation System - Replacement	6,549
Private Streets - Seal Coat - Carriage	24,370
Greenville City Park	
Concrete - Flatwork - Repairs	20,976
Park Equipment - Benches - Replacement	6,139
Signage - Replacement	6,344

**Arbor Village Homeowners Association
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2043 continued...</i>	
Trees - Replacement	1,085
Total for 2043	<u>\$88,360</u>
 Replacement Year 2044	
Arbor Village	
Barkdust - Renewal	3,566
Irrigation System - Replacement	3,251
Landscaping - Renewal	4,310
Carriage Collection	
Barkdust - Carriage Collection - Renewal	15,102
Irrigation System - Replacement	6,712
Landscaping - Renewal	4,300
Greenville City Park	
Barkdust - Park - Renewal	4,824
Trees - Replacement	1,112
Total for 2044	<u>\$43,178</u>
 Replacement Year 2045	
Arbor Village	
Barkdust - Renewal	3,655
Irrigation System - Replacement	3,333
Maintenance & Pressure Washing	8,360
Carriage Collection	
Irrigation System - Replacement	6,880
Greenville City Park	
Gazebo - Repairs	4,515
Trees - Replacement	1,139
Total for 2045	<u>\$27,882</u>

**Arbor Village Homeowners Association
Detail Report by Category**

Barkdust - Renewal

		1 Total	@ \$1,786.06
Asset ID	1008	Asset Cost	\$1,786.06
	Arbor Village	Percent Replacement	100%
	Grounds Components	Future Cost	\$1,786.06
Placed in Service	January 2013		
Useful Life	1		
Adjustment	1		
Replacement Year	2016		
Remaining Life	0		

This component funds for the renewal of the barkdust in the common areas.
The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
The Association should obtain a bid to confirm this amount.

Concrete - Flatwork - Repairs

		1 Total	@ \$10,506.25
Asset ID	1005	Asset Cost	\$10,506.25
	Arbor Village	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$10,506.25
Placed in Service	January 2009		
Useful Life	5		
Adjustment	1		
Replacement Year	2016		
Remaining Life	0		

This component funds for the partial replacement of the concrete sidewalks and walkways throughout the property. Since the expected useful life of a typical concrete sidewalk installation is greater than thirty years, this provision funds for an allowance for any damaged portions of the walkways, which generally amounts to 5-10%.

Since the expected useful life of a typical concrete sidewalk installation is greater than 30 years, this component only provides funding for the replacement of a percentage of the total amount of sidewalk.

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
The Association should obtain a bid to confirm this amount.

**Arbor Village Homeowners Association
Detail Report by Category**

Fence - Vinyl (Entry Ways) - Replacement		1,810 LF	@ \$12.61
Asset ID	1002	Asset Cost	\$22,824.10
	Arbor Village	Percent Replacement	100%
	Fencing/Security	Future Cost	\$29,216.78
Placed in Service	January 2001		
Useful Life	25		
Replacement Year	2026		
Remaining Life	10		

This component funds for the replacement of the vinyl fence in the entry ways.
 The cost, length and useful life estimates are per the prior reserve study by Reserve Study Group.
 The Association should obtain a bid to confirm this amount.

Fence - Vinyl (Wetland Path) - Replacement		2,350 LF	@ \$12.61
Asset ID	1001	Asset Cost	\$29,633.50
	Arbor Village	Percent Replacement	100%
	Fencing/Security	Future Cost	\$36,105.54
Placed in Service	January 1999		
Useful Life	25		
Replacement Year	2024		
Remaining Life	8		

This component funds for the replacement of the vinyl fence along the wetland path.
 The cost, length and useful life estimates are per the prior reserve study by Reserve Study Group.
 The Association should obtain a bid to confirm this amount.

**Arbor Village Homeowners Association
Detail Report by Category**

Fence - Wood - Replacement		1,100 LF	@ \$25.21
Asset ID	1003	Asset Cost	\$27,731.00
	Arbor Village	Percent Replacement	100%
	Fencing/Security	Future Cost	\$29,863.25
Placed in Service	January 1999		
Useful Life	20		
Replacement Year	2019		
Remaining Life	3		

This component funds for the replacement of the wood fence.

The cost, length and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

Fence - Wood - Staining		13,200 SF	@ \$0.54
Asset ID	1004	Asset Cost	\$7,128.00
	Arbor Village	Percent Replacement	100%
	Painting	Future Cost	\$7,128.00
Placed in Service	January 2009		
Useful Life	5		
Adjustment	1		
Replacement Year	2016		
Remaining Life	0		

This component funds for the staining of the wood fence.

The cost, length and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

**Arbor Village Homeowners Association
Detail Report by Category**

Insurance - Deductible

		1 Total	@ \$1,000.00
Asset ID	1030	Asset Cost	\$1,000.00
	Arbor Village	Percent Replacement	100%
	Contingency	Future Cost	\$1,000.00
Placed in Service	January 2014		
Useful Life	1		
Replacement Year	2016		
Remaining Life	0		

This component is for the insurance deductible in the event a claim is made.

Irrigation System - Replacement

		1 Total	@ \$1,628.47
Asset ID	1007	Asset Cost	\$1,628.47
	Arbor Village	Percent Replacement	100%
	Grounds Components	Future Cost	\$1,628.47
Placed in Service	January 2013		
Useful Life	1		
Adjustment	1		
Replacement Year	2016		
Remaining Life	0		

This component funds for the replacement of the irrigation system in the common area.
The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
The Association should obtain a bid to confirm this amount.

Landscaping - Renewal

		1 Total	@ \$2,159.03
Asset ID	1009	Asset Cost	\$2,159.03
	Arbor Village	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,159.03
Placed in Service	January 2011		
Useful Life	2		
Adjustment	2		
Replacement Year	2016		
Remaining Life	0		

This component funds for renewal of the landscaping.

**Arbor Village Homeowners Association
Detail Report by Category**

Landscaping - Renewal continued...

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
The Association should obtain a bid to confirm this amount.

Mailboxes - Replacement			
Asset ID	1006	24 Each	@ \$1,470.87
	Arbor Village	Asset Cost	\$35,300.88
	Mailboxes	Percent Replacement	100%
Placed in Service	January 1999	Future Cost	\$43,010.69
Useful Life	25		
Replacement Year	2024		
Remaining Life	8		

This component funds for the replacement of the gang-style mailboxes.
The cost, count and useful life estimates are per the prior reserve study by Reserve Study Group.
The Association should obtain a bid to confirm this amount.

In 2015, the Association replaced one mailbox at a cost of \$1,095 to Mailbox Solutions, and \$1,500 to Laird Concrete.

Maintenance & Pressure Washing			
Asset ID	1035	1 Total	@ \$4,085.00
	Arbor Village	Asset Cost	\$4,085.00
	Grounds Components	Percent Replacement	100%
Placed in Service	January 2015	Future Cost	\$4,509.08
Useful Life	5		
Replacement Year	2020		
Remaining Life	4		

This component funds for maintenance and pressure washing to the common fences, walkways and mailboxes.
The cost is per the Association.
The useful life assumption is based on accepted industry estimates as established by RS Means

**Arbor Village Homeowners Association
Detail Report by Category**

Maintenance & Pressure Washing continued...

and/or The National Construction Estimator.

Monument - Repair		1 Total	@ \$1,665.24
Asset ID	1011	Asset Cost	\$1,665.24
	Arbor Village	Percent Replacement	100%
	Signs	Future Cost	\$1,706.87
Placed in Service	January 2007		
Useful Life	10		
Replacement Year	2017		
Remaining Life	1		

This component funds for the repair of the entry monument.

The cost, length and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

Private Streets - Seal Coat		1 Total	@ \$8,341.20
Asset ID	1034	Asset Cost	\$8,341.20
	Arbor Village	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$9,673.23
Placed in Service	January 2015		
Useful Life	7		
Replacement Year	2022		
Remaining Life	6		

This provision is for the seal coat of the private streets.

According to the Association, all private streets were seal coated in 2015 at a total cost of \$20,853, and 40%, or \$8,341.20 attributed to the Association.

The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

**Arbor Village Homeowners Association
Detail Report by Category**

Watershed - Erosion Repair

		1 Total	@ \$2,941.75
Asset ID	1010	Asset Cost	\$2,941.75
Arbor Village		Percent Replacement	100%
Grounds Components		Future Cost	\$2,941.75
Placed in Service	January 2007		
Useful Life	6		
Adjustment	2		
Replacement Year	2016		
Remaining Life	0		

This component funds for the repairs to the watershed due to erosion.
 The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
 The Association should obtain a bid to confirm this amount.

Arbor Village - Total Current Cost \$156,730

**Arbor Village Homeowners Association
Detail Report by Category**

Barkdust - Carriage Collection - Renewal

Asset ID	1014	1 Total	@ \$7,564.50
	Carriage Collection	Asset Cost	\$7,564.50
	Grounds Components	Percent Replacement	100%
Placed in Service	January 2013	Future Cost	\$7,564.50
Useful Life	2		
Replacement Year	2016		
Remaining Life	0		

This component funds for the renewal of the barkdust in the Carriage Collection.

The cost and useful life estimates are per Showplace Landscape Services.

The Association should obtain a bid to confirm this amount.

Irrigation System - Replacement

Asset ID	1012	1 Total	@ \$3,362.00
	Carriage Collection	Asset Cost	\$3,362.00
	Grounds Components	Percent Replacement	100%
Placed in Service	January 2012	Future Cost	\$3,362.00
Useful Life	1		
Adjustment	2		
Replacement Year	2016		
Remaining Life	0		

This component funds for the replacement of the irrigation system in the Carriage Collection.

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

**Arbor Village Homeowners Association
Detail Report by Category**

Landscaping - Renewal		1 Total	@ \$2,153.78
Asset ID	1015	Asset Cost	\$2,153.78
Carriage Collection		Percent Replacement	100%
Grounds Components		Future Cost	\$2,153.78
Placed in Service	January 2011		
Useful Life	2		
Adjustment	2		
Replacement Year	2016		
Remaining Life	0		

This component funds for the renewal of the landscaping in the Cottage Collection.
 The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
 The Association should obtain a bid to confirm this amount.

Private Streets - Seal Coat - Carriage		1 Total	@ \$12,511.80
Asset ID	1033	Asset Cost	\$12,511.80
Carriage Collection		Percent Replacement	100%
Streets/Asphalt		Future Cost	\$14,509.85
Placed in Service	January 2015		
Useful Life	7		
Replacement Year	2022		
Remaining Life	6		

This provision is for the seal coat of the private streets.
 According to the Association, all private streets were seal coated in 2015 at a total cost of \$20,853, and 60%, or \$12,511.80 attributed to the Carriage Collection.
 The useful life assumption is based on accepted industry estimates as established by RS Means and/or The National Construction Estimator.

**Arbor Village Homeowners Association
Detail Report by Category**

Trees - Replacement			
Asset ID	1013	1 Total	@ \$2,500.49
	Carriage Collection	Asset Cost	\$2,500.49
	Grounds Components	Percent Replacement	100%
Placed in Service	January 2010	Future Cost	\$2,500.49
Useful Life	5		
Replacement Year	2016		
Remaining Life	0		

This component funds for the replacement of the trees in the Carriage Collection.

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

In 2014, the Association spent \$350 for tree pruning in the Carriage Collection.

Carriage Collection - Total Current Cost \$28,093

**Arbor Village Homeowners Association
Detail Report by Category**

Barkdust - Park - Renewal		1 Total	@ \$2,416.44
Asset ID	1020	Asset Cost	\$2,416.44
	Greenville City Park	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,416.44
Placed in Service	January 2011		
Useful Life	2		
Adjustment	2		
Replacement Year	2016		
Remaining Life	0		

This component funds for the renewal of the barkdust in Greenville City Park.
 The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
 .
 The Association should obtain a bid to confirm this amount.

Concrete - Flatwork - Repairs		1 Total	@ \$10,768.91
Asset ID	1019	Asset Cost	\$10,768.91
	Greenville City Park	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$11,314.09
Placed in Service	January 2013		
Useful Life	5		
Replacement Year	2018		
Remaining Life	2		

This component funds for the repairs to the sidewalks in Greenville City Park.
 The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
 The Association should obtain a bid to confirm this amount.

**Arbor Village Homeowners Association
Detail Report by Category**

Gazebo - Railings - Replacement

		1 Total	@ \$9,140.44
Asset ID	1018	Asset Cost	\$9,140.44
	Greenville City Park	Percent Replacement	100%
	Decks and Railings	Future Cost	\$9,843.25
Placed in Service	January 1999		
Useful Life	20		
Replacement Year	2019		
Remaining Life	3		

This component funds for the replacement of the railings on the gazebo.
The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
The Association should obtain a bid to confirm this amount.

Gazebo - Repairs

		1 Total	@ \$2,206.31
Asset ID	1017	Asset Cost	\$2,206.31
	Greenville City Park	Percent Replacement	100%
	Building Components	Future Cost	\$2,496.24
Placed in Service	January 2013		
Useful Life	8		
Replacement Year	2021		
Remaining Life	5		

This component funds for repairs to the gazebo.
The cost, length and useful life estimates are per the prior reserve study by Reserve Study Group.
The Association should obtain a bid to confirm this amount.

Gazebo - Roof - Replacement

		16 SQ	@ \$346.71
Asset ID	1016	Asset Cost	\$5,547.36
	Greenville City Park	Percent Replacement	100%
	Roofing	Future Cost	\$6,758.92
Placed in Service	January 1999		
Useful Life	25		
Replacement Year	2024		
Remaining Life	8		

This component funds for the replacement of the roof on the gazebo.

**Arbor Village Homeowners Association
Detail Report by Category**

Gazebo - Roof - Replacement continued...

The cost, area and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

Irrigation System - Replacement I		1 Total	@ \$2,206.31
Asset ID	1025	Asset Cost	\$2,206.31
	Greenville City Park	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,824.26
Placed in Service	January 2011		
Useful Life	15		
Replacement Year	2026		
Remaining Life	10		

This component funds for the Phase 1 replacement of the irrigation system in Greenville City Park.

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

Irrigation System - Replacement II		1 Total	@ \$2,080.24
Asset ID	1026	Asset Cost	\$2,080.24
	Greenville City Park	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,080.24
Placed in Service	January 1999		
Useful Life	15		
Adjustment	1		
Replacement Year	2016		
Remaining Life	0		

This component funds for the Phase 2 replacement of the irrigation system in Greenville City Park.

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

**Arbor Village Homeowners Association
Detail Report by Category**

Irrigation System - Replacement III

Asset ID	1027	1 Total	@ \$2,080.24
Greenville City Park		Asset Cost	\$2,080.24
Grounds Components		Percent Replacement	100%
Placed in Service	January 1999	Future Cost	\$2,080.24
Useful Life	15		
Adjustment	1		
Replacement Year	2016		
Remaining Life	0		

This component funds for the Phase 3 replacement of the irrigation system in Greenville City Park.

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

Irrigation System - Replacement IV

Asset ID	1028	1 Total	@ \$2,080.24
Greenville City Park		Asset Cost	\$2,080.24
Grounds Components		Percent Replacement	100%
Placed in Service	January 1999	Future Cost	\$2,080.24
Useful Life	15		
Adjustment	1		
Replacement Year	2016		
Remaining Life	0		

This component funds for the Phase 4 replacement of the irrigation system in Greenville City Park.

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

**Arbor Village Homeowners Association
Detail Report by Category**

Irrigation System - Replacement V

		1 Total	@ \$1,113.66
Asset ID	1029	Asset Cost	\$1,113.66
	Greenville City Park	Percent Replacement	100%
	Grounds Components	Future Cost	\$1,113.66
Placed in Service	January 2000		
Useful Life	15		
Replacement Year	2016		
Remaining Life	0		

This component funds for the Phase 5 replacement of the irrigation system in Greenville City Park.

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

Park Equipment - Benches - Replacement

		1 Total	@ \$3,151.87
Asset ID	1031	Asset Cost	\$3,151.87
	Greenville City Park	Percent Replacement	100%
	Equipment	Future Cost	\$6,139.21
Placed in Service	January 2013		
Useful Life	30		
Replacement Year	2043		
Remaining Life	27		

This component funds for the replacement of benches in Greenville City Park. According to the Association, they are being replaced in 2013.

The cost and useful life assumptions are based on accepted industry estimates as established by RS Means and/or The National Construction Estimator. The Association should obtain a bid to confirm this estimate.

The Association should obtain a bid to confirm this amount.

**Arbor Village Homeowners Association
Detail Report by Category**

Park Equipment - Playground - Replacement

			1 Total @ \$9,308.54
Asset ID	1021		Asset Cost \$9,308.54
	Greenville City Park		Percent Replacement 100%
	Equipment		Future Cost \$11,341.55
Placed in Service	January 1999		
Useful Life	25		
Replacement Year	2024		
Remaining Life	8		

This component funds for the replacement of playground equipment, benches, tables and trash cans by the playground in Greenville City Park.

The cost and useful life estimates are per the prior reserve study by Reserve Study Group.

The Association should obtain a bid to confirm this amount.

According to the Association, this is the City's responsibility.

Signage - Replacement

			1 Total @ \$3,256.94
Asset ID	1024		Asset Cost \$3,256.94
	Greenville City Park		Percent Replacement 100%
	Signs		Future Cost \$6,343.87
Placed in Service	January 2013		
Useful Life	30		
Replacement Year	2043		
Remaining Life	27		

This component funds for the replacement of the signage in Greenville City Park. In 2013 they replaced the sign with a metal one.

The cost and useful life estimates are based on information from the Association.

The Association should obtain a bid to confirm this amount.

**Arbor Village Homeowners Association
Detail Report by Category**

Trees - Replacement		1 Total	@ \$556.83
Asset ID	1023	Asset Cost	\$556.83
	Greenville City Park	Percent Replacement	100%
	Grounds Components	Future Cost	\$556.83
Placed in Service	January 2012		
Useful Life	1		
Adjustment	2		
Replacement Year	2016		
Remaining Life	0		

This component funds for the replacement of trees in Greenville City Park.
The cost and useful life estimates are per the prior reserve study by Reserve Study Group.
The Association should obtain a bid to confirm this amount.

Water Fountain - Replacement		1 Total	@ \$4,255.03
Asset ID	1022	Asset Cost	\$4,255.03
	Greenville City Park	Percent Replacement	100%
	Equipment	Future Cost	\$5,582.97
Placed in Service	January 2012		
Useful Life	15		
Replacement Year	2027		
Remaining Life	11		

This component funds for the replacement of the fountain in Greenville City Park.
The cost useful life estimates are per the prior reserve study by Reserve Study Group.
The Association should obtain a bid to confirm this amount.
In 2014, the Association paid \$270 to the City of Banks for "Building and installation of security guard bar on the drinking fountain in Greenville City Park".

Greenville City Park - Total Current Cost \$50,861

Additional Disclosures

Levels of Service

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

I. Full: A Reserve Study in which the following five Reserve Study tasks are performed:

- Component Inventory
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

II. Update, With Site Visit/On-Site Review: A Reserve Study update in which the following five Reserve Study tasks are performed:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

III. Update, No Site Visit/Off Site Review: A Reserve Study update with no on-site visual observations in which the following three Reserve Study tasks are performed:

- Life and Valuation Estimates
- Fund Status
- Funding Plan

Terms and Definitions

CASH FLOW METHOD: A method of developing a reserve *Funding Plan* where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve *Funding Plans* are tested against the anticipated schedule of reserve expenses until the desired *Funding Goal* is achieved.

COMPONENT: The individual line items in the *Reserve Study* developed or updated in the *Physical Analysis*. These elements form the building blocks for the *Reserve Study*. *Components* typically are: 1) association responsibility; 2) with limited *Useful Life* expectancies; 3) predictable *Remaining Useful Life* expectancies; 4) above a minimum threshold cost; and 5) as required by local codes.

COMPONENT INVENTORY: The task of selecting and quantifying reserve *Components*. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s) of the Association or cooperative.

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

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

CURRENT REPLACEMENT COST: See *Replacement Cost*.

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

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

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

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

FULLY FUNDED BALANCE (FFB): Total accrued depreciation, an indicator against which actual or projected *Reserve Balance* can be compared. The *Reserve Balance* that is in direct proportion to the fraction of life “used up” of the current repair or *Replacement Cost*. This number is calculated for each *Component*, then added together for an association total. Two formulas 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.

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

or

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

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding. The Association appears to be adequately funded as the threshold method.

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

- Baseline Funding: Establishing a reserve funding goal of keeping the reserve cash balance above zero.
- Full Funding: Setting a reserve funding goal of attaining and maintaining reserves at or near 100% funded.
- Statutory Funding: Establishing a reserve funding goal of setting aside the specific minimum amount of reserves required by local statutes.

- **Threshold Funding:** Establishing a reserve funding goal of keeping the *Reserve Balance* above a specified dollar or *Percent Funded* amount. Depending on the threshold, this may be more or less conservative than fully funding.

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

FUNDING PRINCIPLES:

- 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 *Fully Funded Balance*, expressed as a percentage.

PHYSICAL ANALYSIS: The portion of the *Reserve Study* where the *Component Inventory*, *Condition Assessment*, and *Life and Valuation Estimate* tasks are performed. This represents one of the two parts of the *Reserve Study*.

REMAINING USEFUL LIFE (RUL): Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve *Component* can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have “zero” *Remaining Useful Life*.

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

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the Association has identified for use to defray the future repair or replacement of those major *Components* which the Association is obligated to maintain. Also known as reserves, reserve accounts, or cash reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual that prepares *Reserve Studies*.

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

RESPONSIBLE CHARGE: A reserve specialist in *Responsible Charge* of a *Reserve Study* shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are

reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a *Reserve Study* of which he was in *Responsible Charge*. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

- 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;
- The failure to personally inspect or review the work of subordinates where necessary and appropriate;
- The rendering of a limited, cursory, or perfunctory review of plans or projects in lieu of an appropriate detailed review;
- The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

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

SURPLUS: An actual or projected *Reserve Balance* greater than the *Fully Funded Balance*. The opposite would be a *Deficit*.

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