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December 12, 2018

The Huntington Homeowners Association
Attn: Timothy Baker, Treasurer
350 2nd Street North, #16
St. Petersburg, Florida 32701

Re: **The Huntington Homeowners Association Reserve Study Summary**

Mr. Baker:

Attached is the reserve study report conducted on The Huntington Homeowners Association project. This study considers the replacement, repairs and/or refurbishment of the project's common area improvements. The total current cost of the components included in this analysis as of January 1, 2019 is \$375,992, and the total future cost is \$532,345. The largest proportion of these expenses involves roofing. The beginning reserve fund balance for January 1, 2019 is projected at \$27,410.73.

Page four of the attached reserve study report is an Executive Summary page and provides a summary of the results from the Straight-Line (Fully Funded) Funding Analysis and the Cash Flow (Pooled Funded) Analysis. The Association's 2019 budgeted annual reserve contribution amount is \$36,584.64. The Straight-Line Funding Analysis requires 100% funding and recommends increasing reserve contributions for the 2019 fiscal year to \$82,959. It is recommended under the Cash Flow Analysis that the Association maintain annual reserve contributions at \$36,584.64 for the 2019 fiscal year. Annual reserve contributions can be maintained at this amount throughout the duration of the analysis period.

..

This reserve study does not include a component for the complete replacement of the project's electrical, plumbing or storm water drainage system. A reserve study is a budget planning tool and not an engineering study. Determining the condition for hidden or unapparent building or site components is beyond the scope of this reserve study. It is assumed in this reserve study that the project's electrical, plumbing and/or storm water drainage system will have a useful life similar to that of the overall project. Accurately predicting the premature failure or replacement cost of these components is not considered reasonable. A component for the replacement of the project's electrical, plumbing or storm water drainage system can be included per request of the client if information is available that warrants their inclusion.

The Huntington Homeowners Association
December 12, 2018
Page 2 of 2

Feel free to call us if you have any concerns or questions. We appreciate the opportunity to be of service.

Sincerely,

Trevor Graham
Project Manager

Enclosure

2019
RESERVE STUDY UPDATE
FOR

**The Huntington
Homeowners Association**

December 12, 2018

Prepared by

Armstrong Consulting, Inc.

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2019
RESERVE STUDY UPDATE FOR
The Huntington Homeowners Association

December 12, 2018

A level two (2) study was performed according to the Community Associations Institute (CAI) Reserve Study Standards. (*See attached standards.*)

On site visual observations of the common area elements [i.e. roofs, parking area, paint, etc.] were performed on October 18, 2018 by Trevor Graham.

This report may also rely on information supplied by the property manager, Board of Directors, resident manager, contractors and published replacement guides modified for local conditions related to reconstruction.

The placement of a useful life on common elements is not an exact science. There are many variables that affect their life. For example, weather, usage, vandalism and proper maintenance. Therefore, we recommend a review of the physical analysis every three years or at any time of a major condition change [i.e., storm damage] and an update of the financial analysis every year.

Disclosure; as an impartial third party, Armstrong Consulting, Inc. also provides construction management for Association's reserve projects, by being the Association's representative.

This report was either prepared or reviewed by Robert Wilder, R.S.

Armstrong Consulting, Inc.



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RESERVE STUDY ANALYSIS

Two analyses utilized in our reserve study to calculate contributions include the Straight-Line Funding Analysis and the Cash Flow Analysis.

STRAIGHT-LINE (FULLY FUNDED) FUNDING ANALYSIS

The Straight-Line Component Funding Analysis calculates the annual contribution amount for each individual line item component by dividing the component's unfunded balance by its remaining useful life. A component's unfunded balance is its replacement cost less the reserve balance in the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis. Interest on funds invested is not factored into the calculations for the Component Funding Analysis. The Component Funding Analysis requires 100% funding of components when calculating the annual contribution rate.

CASH FLOW (POOLED) FUNDING ANALYSIS

The Cash Flow Analysis is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis calculates the future replacement cost for reserve components when they are due for replacement. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow and reserve account balance to adequately fund the future projected expenditures throughout the period of the analysis.

Unlike the Component Funding Analysis, the Cash Flow Analysis does not require 100% funding of components to meet projected future expenditures. The rate of return on funds invested is also factored in to the Cash Flow Analysis. These two factors result in a contribution rate that is normally less than that developed by the Component Funding Analysis. Although the Cash Flow Analysis may fund reserves at less than 100% during all or portions of the analysis period, a positive cash flow throughout the period of the analysis ensures that each reserve component will have sufficient funds available for expenditures when they are due.

EXECUTIVE SUMMARY-HOA

PROPERTY DATA

Property Name:	The Huntington Homeowners Association	Report Run Date:	12/12/18
Property Location:	St. Petersburg, Florida	Budget Year Begins:	01/01/19
Property Type:	Homeowners Association	Budget Year Ends:	12/31/19
Total Units:	27 Units		
Phase:	1 of 1		

PROJECTED COMPONENT CATEGORIES AND PARAMETERS

Component Categories in Reserve Analysis:

- | | |
|-------------|------------------|
| 1. Grounds | 4. Roofing |
| 2. Painting | 5. Security |
| 3. Pavement | 6. Swimming Pool |

Total current cost of all reserve components in reserve analysis:	\$	375,992
Total future cost of all reserve components in reserve analysis:	\$	532,345
Estimated beginning reserve fund balance for reserve analysis:	\$	27,410.73
Total number of components scheduled for replacement in the 2019 budget year:		3
Total cost of components scheduled for replacement in the 2019 budget year:	\$	12,933

ANALYSIS RESULTS – STRAIGHT-LINE FUNDING ANALYSIS

The Huntington's budgeted 2019 annual reserve funding amount:	\$	36,585
Armstrong Consulting's recommended 2019 annual reserve funding amount:	\$	82,959
Increase between Association and recommended annual funding amounts:	\$	46,374
Increase between Association and recommended annual funding amounts:		127%

ANALYSIS RESULTS – CASH FLOW ANALYSIS

The Huntington's budgeted 2019 annual reserve funding amount:	\$	36,585
Armstrong Consulting's recommended 2019 annual reserve funding amount:	\$	36,585*
Increase between current and recommended annual funding amounts:	\$	0
Increase between current and recommended annual funding amounts:		0%

***_Current annual reserve contributions adequately fund reserve expenses throughout the duration of the analysis period.**

The Huntington
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The Huntington

PROJECT DEFINITION REPORT

12/12/2018

Project Information

Project:	The Huntington	Project Date:	1/01/1998
Address:	350 2nd Street North	Number of Phases:	0
City:	St. Petersburg	Number of Units:	27
State:	FL	Number of Models:	0
Zip:	33701-0000		

Property Description

The subject property is defined as The Huntington Homeowners Association and is located at 350 2nd Street North in St. Petersburg, Florida. The property includes seven residential buildings that provide the property with a total of 27 units that contribute to the reserve budget.

The residential buildings are two-story structures. The buildings are built on poured concrete slab foundations with re-enforced concrete footings. Exterior walls are wood frame with a hardi-plank board siding. The roofs are pitched wood truss with wood sheathing decks and composition shingle surfaces.

Recreational improvements include a swimming pool with cabana. Site improvements include brick paver drive and parking areas, entry gates with automatic gate opening equipment, site lighting and landscape irrigation. The property was built in approximately 1998 and was considered to be in average condition upon the latest site visit performed on October 18, 2018.

The Huntington
STRAIGHT-LINE FUNDING REPORT

Analysis 1 - 2019
1/01/2019 - 12/31/2019

Description	Useful Life (yr/mo)	Remaining Life (yr/mo)	Beginning Balance	Current Replacement Cost	2019 Expenditure	Unfunded Balance	2019 Contribution Requirement
Grounds							
Landscape Irrigation System	15/00	00/00	3,000	3,000	3,000	0	0
Lighting-Common Area Metal Halide	20/00	04/10	742	8,250	0	7,508	1,553
Lighting-Wall Sconces-Ext. Columns	20/00	00/00	2,800	2,800	2,800	0	0
Mail Cluster Box	15/00	14/00	43	4,150	0	4,107	293
Sub Total:			6,585	18,200	5,800	11,615	1,846
Painting							
Paint-Exterior Siding/Trim/Doors	10/00	06/00	3,197	65,076	0	61,879	10,313
Paint-Metal Fencing	10/00	05/00	495	8,303	0	7,808	1,562
Paint-Perimeter CBS Wall	10/00	05/00	917	15,375	0	14,458	2,892
Pressure Wash-Ext. Siding/Trim/Doors	10/00	01/00	2,738	28,710	0	25,972	25,972
Sub Total:			7,347	117,464	0	110,117	40,739
Pavement							
Brick Pavers - Drives/Sidewalks	20/00	01/00	2,993	29,600	0	26,607	26,607
Sub Total:			2,993	29,600	0	26,607	26,607
Roofing							
Gutters & Downspouts	20/00	19/00	16	1,800	0	1,784	94
Roofing-Asphalt Shingles	20/00	19/00	1,351	149,907	0	148,556	7,819

The Huntington
STRAIGHT-LINE FUNDING REPORT

Analysis 1 - 2019
1/01/2019 - 12/31/2019

Description	Useful Life (yr/mo)	Remaining Life (yr/mo)	Beginning Balance	Current Replacement Cost	2019 Expenditure	Unfunded Balance	2019 Contribution Requirement
Sub Total:			1,367	151,707	0	150,340	7,913
Security							
Entry Phone	10/00	09/00	27	2,000	0	1,973	219
Gate Operators	10/00	00/00	7,133	7,133	7,133	0	0
Site Wall Repairs	15/00	11/00	653	17,200	0	16,547	1,504
Sub Total:			7,813	26,333	7,133	18,520	1,723
Swimming Pool							
Pool-Coping/Tile Band	20/00	04/00	398	4,090	0	3,692	923
Pool-Deck Furniture	12/00	09/00	31	920	0	889	99
Pool-Deck-Concrete/Pavers	25/00	23/00	133	8,200	0	8,067	351
Pool-Filter/Pump	08/00	05/00	55	1,230	0	1,175	235
Pool-Gas Grill	06/00	05/00	5	250	0	245	49
Pool-Interior Re-Plaster	10/00	07/00	683	17,998	0	17,315	2,474
Sub Total:			1,305	32,688	0	31,383	4,131
Total:			27,410	375,992	12,933	348,582	82,959

Annual Contribution	82,959
Monthly Contribution	6,913
Monthly Contribution per Unit	256
(# of Units)	27

The Huntington ANALYSIS DEFINITION REPORT

Analysis 1 - 2019

Project Information

Project: The Huntington	Project Date: 1/01/1998
Address: 350 2nd Street North	Analysis Date: 1/01/2019
City: St. Petersburg	Number of Phases: 0
State: FL	Number of Units: 27
Zip: 33701-0000	Number of Models: 0

Analysis Parameters

Rate of Inflation: 3%	Deferred Expenditures: No
Rate of Return on Investment: 2%	Contingency: 0%
Beginning Funds: 27,410.73	Contingency Time: None
Loan/Special Assessment: No	

Annual Contribution Factors

	2029:	0%	2039:	0%	
2020:	0%	2030:	0%	2040:	0%
2021:	0%	2031:	0%	2041:	0%
2022:	0%	2032:	0%	2042:	0%
2023:	0%	2033:	0%	2043:	0%
2024:	0%	2034:	0%		
2025:	0%	2035:	0%		
2026:	0%	2036:	0%		
2027:	0%	2037:	0%		
2028:	0%	2038:	0%		

Additional Analysis Information

Analysis 1 - 2019 indicates our recommended contribution rate into reserves to fund future projected reserve expenditures. The analysis period utilized is 25 years. The return on reserve funds invested is currently projected at approximately 2%. The inflation rate estimated for reserve components is 3% per year. The beginning reserve balance projected for January 1, 2019 is \$27,410.73 based on information provided by a property representative.

The 2019 budgeted annual reserve funding level of \$36,584.64 adequately funds future projected reserve expenditures. Annual reserve contributions can be maintained at this amount throughout the duration of the analysis period. The lowest reserve balance in this scenario is \$20,071.94 in 2040.

Please review the above financial data and entire report for accuracy.

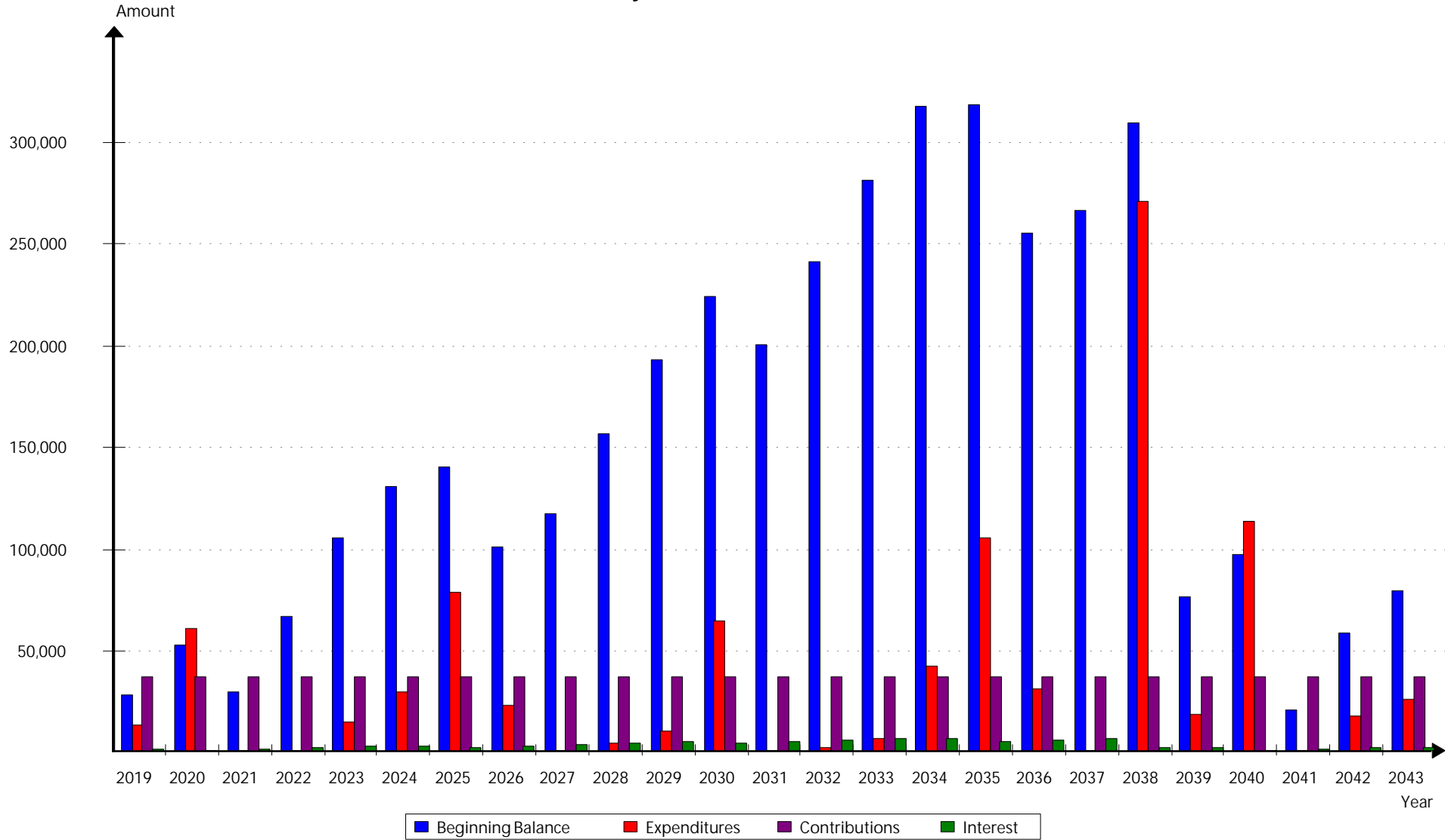
The Huntington
CASHFLOW SUMMARY PROJECTIONS

Analysis 1 - 2019

Year	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
2019	27,410.73	36,584.64	691.13	12,933.00	51,753.50
2020	51,753.50	36,584.64	243.85	60,059.00	28,522.99
2021	28,522.99	36,584.64	974.69	0.00	66,082.32
2022	66,082.32	36,584.64	1,732.95	0.00	104,399.91
2023	104,399.91	36,584.64	2,381.82	14,122.00	129,244.37
2024	129,244.37	36,584.64	2,419.29	29,165.00	139,083.30
2025	139,083.30	36,584.64	1,637.52	77,727.00	99,578.46
2026	99,578.46	36,584.64	1,962.17	22,142.00	115,983.27
2027	115,983.27	36,584.64	2,740.36	0.00	155,308.27
2028	155,308.27	36,584.64	3,457.34	3,811.00	191,539.25
2029	191,539.25	36,584.64	4,072.14	9,589.00	222,607.03
2030	222,607.03	36,584.64	3,602.57	63,915.00	198,879.24
2031	198,879.24	36,584.64	4,413.90	0.00	239,877.78
2032	239,877.78	36,584.64	5,205.10	1,807.00	279,860.52
2033	279,860.52	36,584.64	5,921.98	6,279.00	316,088.14
2034	316,088.14	36,584.64	5,940.84	41,575.00	317,038.62
2035	317,038.62	36,584.64	4,690.48	104,459.00	253,854.74
2036	253,854.74	36,584.64	4,914.69	30,170.00	265,184.07
2037	265,184.07	36,584.64	5,752.49	0.00	307,521.20
2038	307,521.20	36,584.64	1,164.31	269,605.00	75,665.15
2039	75,665.15	36,584.64	1,564.11	17,946.00	95,867.90
2040	95,867.90	36,584.64	126.40	112,507.00	20,071.94
2041	20,071.94	36,584.64	804.06	0.00	57,460.64
2042	57,460.64	36,584.64	1,221.98	16,688.00	78,579.26
2043	78,579.26	36,584.64	1,759.90	25,516.00	91,407.80
Totals:		914,616.00	69,396.07	920,015.00	

The Huntington CASHFLOW PROJECTIONS GRAPH

Analysis 1 - 2019



PROJECTED EXPENDITURES

The Huntington - Analysis 1 - 2019

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Brick Pavers - Drives/Sidewalks		30,488								
Entry Phone										2,610
Gate Operators	7,133									
Landscape Irrigation System	3,000									
Lighting-Common Area Metal Halide					9,519					
Lighting-Wall Sconces-Ext. Columns	2,800									
Paint-Exterior Siding/Trim/Doors							77,727			
Paint-Metal Fencing						9,625				
Paint-Perimeter CBS Wall						17,824				
Pool-Coping/Tile Band					4,603					
Pool-Deck Furniture										1,201
Pool-Filter/Pump						1,426				
Pool-Gas Grill						290				
Pool-Interior Re-Plaster								22,142		
Pressure Wash-Ext. Siding/Trim/Doors		29,571								
Totals	12,933	60,059	0	0	14,122	29,165	77,727	22,142	0	3,811

PROJECTED EXPENDITURES

The Huntington - Analysis 1 - 2019

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Entry Phone										3,508
Gate Operators	9,589									
Gutters & Downspouts										3,157
Landscape Irrigation System						4,675				
Mail Cluster Box					6,279					
Paint-Exterior Siding/Trim/Doors							104,459			
Paint-Metal Fencing						12,939				
Paint-Perimeter CBS Wall						23,961				
Pool-Filter/Pump				1,807						
Pool-Gas Grill		346						413		
Pool-Interior Re-Plaster								29,757		
Pressure Wash-Ext. Siding/Trim/Doors		39,753								
Roofing-Asphalt Shingles										262,940
Site Wall Repairs		23,816								
Totals	9,589	63,915	0	1,807	6,279	41,575	104,459	30,170	0	269,605

PROJECTED EXPENDITURES

The Huntington - Analysis 1 - 2019

	2039	2040	2041	2042	2043
Brick Pavers - Drives/Sidewalks		55,081			
Gate Operators	12,887				
Lighting-Common Area Metal Halide					17,197
Lighting-Wall Sconces-Ext. Columns	5,059				
Pool-Coping/Tile Band					8,319
Pool-Deck Furniture		1,712			
Pool-Deck-Concrete/Pavers				16,194	
Pool-Filter/Pump		2,289			
Pool-Gas Grill				494	
Pressure Wash-Ext. Siding/Trim/Doors		53,425			
Totals	17,946	112,507	0	16,688	25,516

The Huntington
ACCOUNTANT'S REPORT

Analysis 1 - 2019

1/01/2019 - 12/31/2019

Component	Remaining Life (yr/mo)	Future Cost	Assigned Reserves	2019 Contribution Requirement	2019 Assigned Interest Earned	2019 Funding Requirement
Brick Pavers - Drives/Sidewalks	01/00	30,488	2,993	7,564	143	7,707
Entry Phone	09/00	2,610	27	68	1	69
Gate Operators	00/00	7,133	7,133	0	0	0
Gutters & Downspouts	19/00	3,158	16	41	1	42
Landscape Irrigation System	00/00	3,000	3,000	0	0	0
Lighting-Common Area Metal Halide	04/10	9,518	742	1,876	35	1,911
Lighting-Wall Sconces-Ext. Columns	00/00	2,800	2,800	0	0	0
Mail Cluster Box	14/00	6,279	43	109	2	111
Paint-Exterior Siding/Trim/Doors	06/00	77,717	3,197	8,078	153	8,231
Paint-Metal Fencing	05/00	9,626	495	1,251	24	1,275
Paint-Perimeter CBS Wall	05/00	17,825	917	2,316	44	2,360
Pool-Coping/Tile Band	04/00	4,603	398	1,005	19	1,024
Pool-Deck Furniture	09/00	1,201	31	78	1	79
Pool-Deck-Concrete/Pavers	23/00	16,192	133	336	6	342
Pool-Filter/Pump	05/00	1,426	55	139	3	142
Pool-Gas Grill	05/00	290	5	13	0	13
Pool-Interior Re-Plaster	07/00	22,139	683	1,726	33	1,759
Pressure Wash-Ext. Siding/Trim/Doors	01/00	29,571	2,738	6,918	131	7,049
Roofing-Asphalt Shingles	19/00	262,969	1,351	3,415	65	3,480
Site Wall Repairs	11/00	23,815	653	1,650	31	1,681
Totals:		532,360	27,410	36,583	692	37,275

The Huntington

COMPONENT SUMMARY REPORT

Analysis 1 - 2019

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Grounds							
Landscape Irrigation System Condition: Fair - Consistent with Age	1/01/1998 Source: Client/Management	15/00	+06/00	01/19	Y	3,000	3,000
Lighting-Common Area Metal Halide Condition: Fair - Consistent with Age	11/01/2003 Source: National Cost Data	20/00	00/00	11/23	Y	8,250	9,519
Lighting-Wall Sconces-Ext. Columns Condition: Fair - Consistent with Age	1/01/1998 Source: National Cost Data	20/00	+01/00	01/19	Y	2,800	2,800
Mail Cluster Box Condition: Good - Consistent with Age	1/01/2018 Source: Client/Management	15/00	00/00	01/33	Y	4,150	6,279
Sub Total:						18,200	21,598
Painting							
Paint-Exterior Siding/Trim/Doors Condition: Fair - Consistent with Age	1/01/2015 Source: Client/Management	10/00	00/00	01/25	Y	65,076	77,727
Paint-Metal Fencing Condition: Fair - Consistent with Age	1/01/2014 Source: Armstrong Consulting Internal Cost Data	10/00	00/00	01/24	Y	8,303	9,625
Paint-Perimeter CBS Wall Condition: Fair - Consistent with Age	1/01/2014 Source: Armstrong Consulting Internal Cost Data	10/00	00/00	01/24	Y	15,375	17,824
Pressure Wash-Ext. Siding/Trim/Doors Condition: Good - Consistent with Age	1/01/2010 Source: Armstrong Consulting Internal Cost Data	10/00	00/00	01/20	Y	28,710	29,571
Sub Total:						117,464	134,747
Pavement							
Brick Pavers - Drives/Sidewalks Condition: Fair - Consistent with Age	1/01/1998 Source: Armstrong Consulting Internal Cost Data	20/00	+02/00	01/20	Y	29,600	30,488
Sub Total:						29,600	30,488
Roofing							
Gutters & Downspouts Condition: Good - Consistent with Age	1/01/2018 Source: Client/Management	20/00	00/00	01/38	Y	1,800	3,157
Roofing-Asphalt Shingles Condition: Good - Consistent with Age	1/01/2018 Source: Client/Management	20/00	00/00	01/38	Y	149,907	262,941
Sub Total:						151,707	266,098

The Huntington
COMPONENT SUMMARY REPORT

Analysis 1 - 2019

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
Security							
Entry Phone Condition: Good - Consistent with Age	1/01/2018 Source: Client/Management	10/00	00/00	01/28	Y	2,000	2,610
Gate Operators Condition: Fair - Consistent with Age	1/01/2015 Source: Armstrong Consulting Internal Cost Data	10/00	-06/00	01/19	Y	7,133	7,133
Site Wall Repairs Condition: Good - Consistent with Age	1/01/2015 Source: Client/Management	15/00	00/00	01/30	Y	17,200	23,816
Sub Total:						26,333	33,559
Swimming Pool							
Pool-Coping/Tile Band Condition: Fair - Consistent with Age	1/01/1998 Sources: National Cost Data, Armstrong Consulting Internal Cost Data	20/00	+05/00	01/23	Y	4,090	4,603
Pool-Deck Furniture Condition: Fair - Consistent with Age	1/01/2016 Source: Client/Management	12/00	00/00	01/28	Y	920	1,201
Pool-Deck-Concrete/Pavers Condition: Good - Consistent with Age	1/01/2017 Source: Client/Management	25/00	00/00	01/42	Y	8,200	16,193
Pool-Filter/Pump Condition: Fair - Consistent with Age	1/01/2016 Source: Armstrong Consulting Internal Cost Data	08/00	00/00	01/24	Y	1,230	1,426
Pool-Gas Grill Condition: Good - Consistent with Age	1/01/2018 Source: Client/Management	06/00	00/00	01/24	Y	250	290
Pool-Interior Re-Plaster Condition: Fair - Consistent with Age	1/01/2016 Source: Client/Management	10/00	00/00	01/26	Y	17,998	22,142
Sub Total:						32,688	45,855
Grand Total:						375,992	532,345

The Huntington COMPONENT DETAIL REPORT

Analysis 1 - 2019

Brick Pavers - Drives/Sidewalks

Category:	Pavement	Unit Cost:	8.00
Began Use:	1/01/1998	Cost Type:	Contractor
Lifespan:	20 years,	Pct. Replace:	20.00%
Lifespan Adj.:	+ 2 years	Current Cost:	29,600.00
Next Replace:	1/01/2020	Future Cost:	30,488.00
Remaining Life:	12 MOS	Salvage Value:	0.00
Quantity:	18,500.00 SQ. FT.	Condition:	Fair - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input checked="" type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input type="checkbox"/> Client/Management	

Remarks

Brick pavers are located throughout the project's open parking, driveways and sidewalks. We estimate that at least a portion of these pavers will require replacement and/or repairs over time due to settlement or uplifting from tree roots resulting in tripping hazards. For budgeting purposes, we estimate that approximately 20% of the common area brick pavers will require replacement and/or repairs over a 20 year period. This component should be reviewed periodically to determine condition and project future replacements. Complete replacement within 20 to 25 years could be considered by the Association. Total replacement cost is currently estimated at approximately \$120,000. This component does not include individual unit brick paver courtyards, which are assumed to be individual unit owners responsibility in this study.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Entry Phone

Category:	Security	Unit Cost:	2,000.00
Began Use:	1/01/2018	Cost Type:	Contractor
Lifespan:	10 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	2,000.00
Next Replace:	1/01/2028	Future Cost:	2,610.32
Remaining Life:	9 YRS	Salvage Value:	0.00
Quantity:	1.00 EACH	Condition:	Good - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

The project's entry phone system is original to development in 1998 and the kiosk mother board and keypad was replaced in 2018. The entry phone system is estimated to have a total useful life of 10 years assuming proper on-going maintenance. Cost data provided by the client.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Gate Operators

Category:	Security	Unit Cost:	3,566.63
Began Use:	1/01/2015	Cost Type:	Contractor
Lifespan:	10 years,	Pct. Replace:	100.00%
Lifespan Adj.:	- 6 years	Current Cost:	7,133.26
Next Replace:	1/01/2019	Future Cost:	7,133.26
Remaining Life:	0 DAYS	Salvage Value:	0.00
Quantity:	2.00 EACH	Condition:	Fair - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input checked="" type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input type="checkbox"/> Client/Management	

Remarks

The project's entry gate operators are original to development in 1998. The entry gate operators are estimated to have a total useful life of 10 years.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Gutters & Downspouts

Category:	Roofing	Unit Cost:	3.75
Began Use:	1/01/2018	Cost Type:	Contractor
Lifespan:	20 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	1,800.00
Next Replace:	1/01/2038	Future Cost:	3,157.24
Remaining Life:	19 YRS	Salvage Value:	0.00
Quantity:	480.00 LN. FT.	Condition:	Good - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

The project contains an estimated 480 linear feet of gutters and downspouts. The gutters and downspouts were replaced in 2018. The gutters and downspouts are estimated to have a total useful life of 20 years. Cost data provided by the client.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Landscape Irrigation System

Category:	Grounds	Unit Cost:	3,000.00
Began Use:	1/01/1998	Cost Type:	Contractor
Lifespan:	15 years,	Pct. Replace:	100.00%
Lifespan Adj.:	+ 6 years	Current Cost:	3,000.00
Next Replace:	1/01/2019	Future Cost:	3,000.00
Remaining Life:	0 DAYS	Salvage Value:	0.00
Quantity:	1.00 SYSTEM	Condition:	Fair - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

This component involves the maintenance to the landscape irrigation system. This component includes maintenance and/or replacements of irrigation system controllers, lines, valves and sprinkler heads. The irrigation system is considered to be in average condition. Repairs are made on an as needed basis. This component is included for budgetary purposes. Cost data was provided by the client.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Lighting-Common Area Metal Halide

Category:	Grounds	Unit Cost:	750.00
Began Use:	11/01/2003	Cost Type:	Contractor
Lifespan:	20 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	8,250.00
Next Replace:	11/01/2023	Future Cost:	9,518.89
Remaining Life:	4 YRS	Salvage Value:	0.00
Quantity:	11.00 EACH	Condition:	Fair - Consistent with Age
Source(s):	<input checked="" type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input type="checkbox"/> Client/Management	

Remarks

The common area post mounted halide light fixtures were recently replaced in late 2003. The light fixtures are estimated to have a total useful life of 20 years. Replacement cost does not include post or fixture mounts.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Lighting-Wall Sconces-Ext. Columns

Category:	Grounds	Unit Cost:	175.00
Began Use:	1/01/1998	Cost Type:	Contractor
Lifespan:	20 years,	Pct. Replace:	100.00%
Lifespan Adj.:	+ 1 year	Current Cost:	2,800.00
Next Replace:	1/01/2019	Future Cost:	2,800.00
Remaining Life:	0 DAYS	Salvage Value:	0.00
Quantity:	16.00 EACH	Condition:	Fair - Consistent with Age
Source(s):	<input checked="" type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input type="checkbox"/> Client/Management	

Remarks

The common area exterior wall sconce light fixtures that are attached to the columns around the site are estimated to have been installed during development in 1998. The light fixtures are estimated to have a total useful life of 20 years.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Mail Cluster Box

Category:	Grounds	Unit Cost:	2,075.00
Began Use:	1/01/2018	Cost Type:	Contractor
Lifespan:	15 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	4,150.00
Next Replace:	1/01/2033	Future Cost:	6,279.10
Remaining Life:	14 YRS	Salvage Value:	0.00
Quantity:	2.00 EACH	Condition:	Good - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

The project contains two mail cluster boxes that are maintained by the Association. These mail cluster boxes were replaced in 2018 and are estimated to have a total useful life of 15 years. Cost data provided by the client.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Paint-Exterior Siding/Trim/Doors

Category:	Painting	Unit Cost:	1.70
Began Use:	1/01/2015	Cost Type:	Contractor
Lifespan:	10 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	65,076.00
Next Replace:	1/01/2025	Future Cost:	77,727.12
Remaining Life:	6 YRS	Salvage Value:	0.00
Quantity:	38,280.00 SQ. FT.	Condition:	Fair - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

The buildings have a Hardi-Plank exterior siding that was last painted in 2015. The exterior siding, trim and garage doors paint is estimated to have a useful life of 10 years. Cost data provided by the client.

The Huntington COMPONENT DETAIL REPORT

Analysis 1 - 2019

Paint-Metal Fencing

Category:	Painting	Unit Cost:	7.38
Began Use:	1/01/2014	Cost Type:	Contractor
Lifespan:	10 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	8,302.50
Next Replace:	1/01/2024	Future Cost:	9,624.87
Remaining Life:	5 YRS	Salvage Value:	0.00
Quantity:	1,125.00 LN. FT.	Condition:	Fair - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input checked="" type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input type="checkbox"/> Client/Management	

Remarks

The project's perimeter and courtyard metal fencing's paint is currently in average condition with some fading noted. The metal fencing is estimated to require repainting approximately every 10 years.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Paint-Perimeter CBS Wall

Category:	Painting	Unit Cost:	1.50
Began Use:	1/01/2014	Cost Type:	Contractor
Lifespan:	10 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	15,375.00
Next Replace:	1/01/2024	Future Cost:	17,823.84
Remaining Life:	5 YRS	Salvage Value:	0.00
Quantity:	10,250.00 SQ. FT.	Condition:	Fair - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input checked="" type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input type="checkbox"/> Client/Management	

Remarks

The exterior paint on the project's perimeter 8 foot high concrete block/stucco wall. The perimeter wall is estimated to require repainting approximately every 10 years.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Pool-Coping/Tile Band

Category:	Swimming Pool	Unit Cost:	43.05
Began Use:	1/01/1998	Cost Type:	Contractor
Lifespan:	20 years,	Pct. Replace:	100.00%
Lifespan Adj.:	+ 5 years	Current Cost:	4,089.75
Next Replace:	1/01/2023	Future Cost:	4,603.05
Remaining Life:	4 YRS	Salvage Value:	0.00
Quantity:	95.00 LN. FT.	Condition:	Fair - Consistent with Age
Source(s):	<input checked="" type="checkbox"/> National Cost Data	<input checked="" type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input type="checkbox"/> Client/Management	

Remarks

This component involves the repairs and replacement of the swimming pool's brick coping and ceramic tile band. The pool coping and tile band were installed during construction in 1998. Industry standards and our experience indicate that this component should have a total useful life of approximately 20 years. The remaining useful life was extended based on observed conditions during the March 2011 site visit and to coincide the coping work with pool interior resurfacing.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Pool-Deck Furniture

Category:	Swimming Pool	Unit Cost:	920.00
Began Use:	1/01/2016	Cost Type:	Contractor
Lifespan:	12 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	920.00
Next Replace:	1/01/2028	Future Cost:	1,200.75
Remaining Life:	9 YRS	Salvage Value:	0.00
Quantity:	1.00 TOTAL	Condition:	Fair - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

The pool deck furniture was replaced in 2016. The furniture includes 6 chaise lounges, 11 chairs, 6 side tables, 2 table, 8 plastic chairs and 2 ottomans. Per the request of the client at the October 2018 site visit, useful life of the furniture was extended to 12 years. Cost data provided by the client.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Pool-Deck-Concrete/Pavers

Category:	Swimming Pool	Unit Cost:	4.94
Began Use:	1/01/2017	Cost Type:	Contractor
Lifespan:	25 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	8,200.40
Next Replace:	1/01/2042	Future Cost:	16,193.77
Remaining Life:	23 YRS	Salvage Value:	0.00
Quantity:	1,660.00 SQ. FT.	Condition:	Good - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

This component involves the replacement of the swimming pool deck concrete and pavers. The pool deck pavers were replaced in 2017. Industry standards and our experience indicate that these type pool decks should be replaced after approximately 25 years. Cost data was provided by the client.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Pool-Filter/Pump

Category:	Swimming Pool	Unit Cost:	1,229.87
Began Use:	1/01/2016	Cost Type:	Contractor
Lifespan:	8 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	1,229.87
Next Replace:	1/01/2024	Future Cost:	1,425.76
Remaining Life:	5 YRS	Salvage Value:	0.00
Quantity:	1.00 LUMP SUM	Condition:	Fair - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input checked="" type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input type="checkbox"/> Client/Management	

Remarks

The swimming pool contains a small cartridge type filter and a 1 hp filtration pump. These components were replaced in 2016 and have an estimated useful life of 8 years.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Pool-Gas Grill

Category:	Swimming Pool	Unit Cost:	250.00
Began Use:	1/01/2018	Cost Type:	Contractor
Lifespan:	6 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	250.00
Next Replace:	1/01/2024	Future Cost:	289.82
Remaining Life:	5 YRS	Salvage Value:	0.00
Quantity:	1.00 TOTAL	Condition:	Good - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

The barbecue grill by the pool was replaced in 2018. It has a useful life of 6 years.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Pool-Interior Re-Plaster

Category:	Swimming Pool	Unit Cost:	33.33
Began Use:	1/01/2016	Cost Type:	Contractor
Lifespan:	10 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	17,998.20
Next Replace:	1/01/2026	Future Cost:	22,142.06
Remaining Life:	7 YRS	Salvage Value:	0.00
Quantity:	540.00 SQ. FT.	Condition:	Fair - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

This component involves the resurfacing of the swimming pool's interior plaster surface. The pool interior plaster surface was replaced in 2016. This component has an estimated useful life of 10 years. Cost data was provided by the client.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Pressure Wash-Ext. Siding/Trim/Doors

Category:	Painting	Unit Cost:	0.75
Began Use:	1/01/2010	Cost Type:	Contractor
Lifespan:	10 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	28,710.00
Next Replace:	1/01/2020	Future Cost:	29,571.30
Remaining Life:	12 MOS	Salvage Value:	0.00
Quantity:	38,280.00 SQ. FT.	Condition:	Good - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input checked="" type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input type="checkbox"/> Client/Management	

Remarks

The buildings have a Hardi-Plank exterior siding that can be pressure washed in between paint cycles. The exterior siding, trim and garage doors paint is estimated to have a useful life of 10 years. Per the clients request at the October 2018 site visit, this component was added to pressure wash the buildings in between those paint cycles.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Roofing-Asphalt Shingles

Category:	Roofing	Unit Cost:	450.17
Began Use:	1/01/2018	Cost Type:	Contractor
Lifespan:	20 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	149,906.61
Next Replace:	1/01/2038	Future Cost:	262,939.86
Remaining Life:	19 YRS	Salvage Value:	0.00
Quantity:	333.00 SQUARE	Condition:	Good - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

The residential buildings and pool cabana have architectural shingle surfaces that are estimated to have a total useful life of 20 years. This roof surfaces were replaced in 2018.

The Huntington
COMPONENT DETAIL REPORT

Analysis 1 - 2019

Site Wall Repairs

Category:	Security	Unit Cost:	17,200.00
Began Use:	1/01/2015	Cost Type:	Contractor
Lifespan:	15 years,	Pct. Replace:	100.00%
Lifespan Adj.:	None	Current Cost:	17,200.00
Next Replace:	1/01/2030	Future Cost:	23,815.86
Remaining Life:	11 YRS	Salvage Value:	0.00
Quantity:	1.00 LUMP SUM	Condition:	Good - Consistent with Age
Source(s):	<input type="checkbox"/> National Cost Data	<input type="checkbox"/> Armstrong Consulting Internal Cost Data	
	<input type="checkbox"/> Vendor	<input checked="" type="checkbox"/> Client/Management	

Remarks

This component involves maintenance to the project's 8' high masonry block perimeter wall. Concrete walls will deteriorate and sections will require repairs over time. This component assumes that the wall will be repaired as planned and future repairs are budgeted every 15 years. This component should be monitored and adjusted as the project ages and conditions change.

Reserve Study Addendum

COMMUNITY ASSOCIATIONS INSTITUTE (CAI) RESERVE STUDY STANDARDS

What is a Reserve Study?

A Reserve Study is made up of two parts, 1) the information about the physical status and repair/replacement cost of the major common area components the association is obligated to maintain (Physical Analysis), and 2) the evaluation and analysis of the association's Reserve balance, income, and expenses (Financial Analysis). The Physical Analysis is comprised of the Component Inventory, Condition Assessment, and Life and Valuation Estimates. The Component Inventory should be relatively "stable" from year to year, while the Condition Assessment and Life and Valuation Estimates will necessarily change from year to year. The Financial Analysis is made up of a finding of the client's current Reserve Fund Status (measured in cash or as Percent Funded) and a recommendation for an appropriate Reserve contribution rate (Funding Plan).

Physical Analysis	Financial Analysis
Component Inventory Condition Assessment Life and Valuation Estimates	Fund Status Funding Plan

Reserve Study Contents

The following is a list of the minimum contents to be included in the Reserve Study.

- A summary of the association's number of units, physical description, and Reserve Fund financial condition.
- A projection of Reserve Starting Balance, recommended Reserve contributions, projected Reserve expenses, and projected ending Reserve Fund Balance for a minimum of 20 years.
- A tabular listing of the Component Inventory, component quantity or identifying descriptions, Useful Life, Remaining Useful Life, and Current Replacement Cost.
- A description of methods and objectives utilized in computing the Fund Status and development of the Funding Plan.
- Source(s) utilized to obtain component Repair or Replacement cost estimates.
- A description of the Level of Service by which the Reserve Study was prepared.
- Fiscal year for which the Reserve Study is prepared.

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

Disclosures

The following are the minimum disclosures to be included in the Reserve Study.

General: Description of other involvement(s) with the association that could result in actual or perceived conflicts of interest.

Physical Analysis: Description of how thorough the on-site observations were performed: representative sampling vs. all common areas, destructive testing or not, field measurements vs. drawing take-offs, etc.

Financial Analysis: Description of assumptions utilized for interest and inflation, tax, and other outside factors.

Personnel Credentials: State or organizational licenses or credentials carried by the individual responsible for Reserve Study preparation or oversight.

Update Reports: Disclosure of how the current work is reliant on the validity of prior Reserve Studies.

Completeness: Material issues which, if not disclosed, would cause a distortion of the association's situation.

Reliance on Client Data: Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by the consultant. The reserve study will be a reflection of information provided to the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.

Reserve Balance: The actual or projected total presented in the reserve study is based upon information provided and was not audited.

Component Quantities: For Update With-Site-Visit and Update No-Site-Visit Levels of Service, the client is considered to have deemed previously developed component quantities as accurate and reliable.

Reserve Projects: Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.

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).

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 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 summed 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.

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

or

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

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

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, Cash Reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual who prepares Reserve Studies.

RESERVE STUDY: A budget planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. "Our budget and finance committee is soliciting proposals to update our Reserve Study for next year's budget."

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services that directly and materially affect the quality and competence 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:

1. 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;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. 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. See "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.

Courtesy of Armstrong Consulting, Inc.