

Exhibit 1

Inventory of Reserve Components



Reserve Item	Notes	Repair or Rplcmnt Required	One Time Rplcmnt or Repair	Annual Amount	Useful Life	Remaining Useful Life	Repair Rplcmnt Year	Rplcmnt Year	Quantity	Cost per Unit	Unit	Total Costs (PV)	Current Reserve Amount	Fully Funded Balance	Fully Funded Status	First Replacement/Repair Total Costs (FV)	First Replacement/Repair Total Costs Less Current Reserve Amount (FV)	Second Replacement Total Costs (FV)	First Annual Amount	Second Annual Amount
Pool Equipment Bldg - Gulfside	Replacement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	50	5	2030		1	\$50,000.00	ea	\$ 50,000.00	\$0.00	\$ 45,000.00	0.00%	\$ 56,570.41	\$ 56,570.41		\$ 11,314.08	
Pool Equipment - Gulfside	Pumps, etc.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	1	2026	2036	1	\$30,000.00	ls	\$ 30,000.00	\$0.00	\$ 27,000.00	0.00%	\$ 30,750.00	\$ 30,750.00	\$ 39,362.60	\$ 30,750.00	\$ 3,936.26
Pool Heater - Gulfside	Heater	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	1	2026	2036	1	\$15,000.00	ea	\$ 15,000.00	\$630.39	\$ 13,500.00	4.67%	\$ 15,375.00	\$ 14,728.85	\$ 19,681.30	\$ 14,728.85	\$ 1,968.13
Swimming Pool - Bayside	Resurfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	20	10	2035	2055	1	\$40,000.00	ls	\$ 40,000.00	\$20,569.71	\$ 20,000.00	102.85%	\$ 51,203.38	\$ 24,872.41	\$ 83,902.70	\$ 2,487.24	\$ 4,195.14
Pool Equipment Bldg - Bayside	Replacement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	50	5	2030		1	\$50,000.00	ea	\$ 50,000.00	\$0.00	\$ 45,000.00	0.00%	\$ 56,570.41	\$ 56,570.41		\$ 11,314.08	
Pool Equipment - Bayside	Pumps, etc.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	1	2026	2036	1	\$30,000.00	ls	\$ 30,000.00	\$0.00	\$ 27,000.00	0.00%	\$ 30,750.00	\$ 30,750.00	\$ 39,362.60	\$ 30,750.00	\$ 3,936.26
Pool Heater - Bayside	Heater	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	1	2026	2036	1	\$15,000.00	ea	\$ 15,000.00	\$630.39	\$ 13,500.00	4.67%	\$ 15,375.00	\$ 14,728.85	\$ 19,681.30	\$ 14,728.85	\$ 1,968.13
Site Improvements																				
Pavers	Deferred Maintenance - Sealing and Repairs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5	5	2030	2035	1	\$350,000.00	ls	\$ 350,000.00	\$121,128.22	\$ 70,000.00	173.04%	\$ 395,992.87	\$ 258,947.41	\$ 448,029.59	\$ 51,789.48	\$ 89,605.92
Pond Erosion Control and Restoration	Deferred Maintenance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15	5	2030	2045	1	\$10,000.00	ls	\$ 10,000.00	\$22,512.42	\$ 6,666.67	337.69%	\$ 11,314.08	\$ (14,156.65)	\$ 16,386.16	\$ -	\$ 1,092.41
Fishing Pier	Wood Fishing Pier - replaced 2015	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25	15	2040	2065	1	\$60,000.00	ls	\$ 60,000.00	\$7,231.23	\$ 24,000.00	30.13%	\$ 86,897.89	\$ 76,424.91	\$ 161,103.83	\$ 5,094.99	\$ 6,444.15
Pond Pier	Wood Pier - replaced 2014	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25	14	2039	2064	1	\$9,000.00	ls	\$ 9,000.00	\$0.00	\$ 3,960.00	0.00%	\$ 12,716.76	\$ 12,716.76	\$ 23,576.17	\$ 908.34	\$ 943.05
Site Pedestrian Bridge	Pond Wood Pedestrian Bridge - assumed to be replaced 2014	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25	14	2039	2064	1	\$15,000.00		\$ 15,000.00	\$0.00	\$ 6,600.00	0.00%	\$ 21,194.61	\$ 21,194.61	\$ 39,293.62	\$ 1,513.90	\$ 1,571.74
Pond Fountains	3 pond fountains	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15	15	2040	2055	3	\$5,000.00	ea	\$ 15,000.00	\$0.00	\$ 1,000.00	0.00%	\$ 21,724.47	\$ 21,724.47	\$ 31,463.51	\$ 1,448.30	\$ 2,097.57
Landscaping Lighting		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	4	2029	2039	1	\$50,000.00	ls	\$ 50,000.00	\$31,808.66	\$ 30,000.00	106.03%	\$ 55,190.64	\$ 20,079.84	\$ 70,648.69	\$ 5,019.96	\$ 7,064.87
Tennis Court	Resurfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7	4	2029	2036	13,000	\$1.50	sf	\$ 19,500.00	\$14,297.20	\$ 8,357.14	171.08%	\$ 21,524.35	\$ 5,742.92	\$ 25,585.69	\$ 1,435.73	\$ 3,655.10
Perimeter Fencing	Wood Fence	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15	15	2040	2055	1	\$30,000.00	ls	\$ 30,000.00	\$0.00	\$ 2,000.00	0.00%	\$ 43,448.94	\$ 43,448.94	\$ 62,927.03	\$ 2,896.60	\$ 4,195.14
Pool Fencing - Gulfside	not included - ERUL greater than 25 years	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	40	39						\$ -				\$ -	\$ -	\$ -	\$ -	\$ -
Pool Fencing - Bayside	not included - ERUL greater than 25 years	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	40	39						\$ -				\$ -	\$ -	\$ -	\$ -	\$ -
Tennis Court Fencing	Chain link fence	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	40	5	2030	2070	500	\$40.00	ls	\$ 20,000.00	\$10,000.00	\$ 17,500.00	57.14%	\$ 22,628.16	\$ 11,314.08	\$ 60,758.07	\$ 2,262.82	\$ 1,518.95
Maintenance Corral	Enclosures - Gulfside & Bayside	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15	1	2026	2041	250	\$30.00	ft	\$ 7,500.00	\$0.00	\$ 7,000.00	0.00%	\$ 7,687.50	\$ 7,687.50	\$ 11,133.79	\$ 7,687.50	\$ 742.25
Seawall	Aluminum Sheet Piles - installed 2009	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	40	25	2050		225	\$1,000.00	ft	\$ 225,000.00	\$62,708.17	\$ 84,375.00	74.32%	\$ 417,137.42	\$ 300,879.98		\$ 12,035.20	
Timber Retaining Walls	Wood Retaining walls around ponds - age is unknown	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25	12	2037	2062	350	\$500.00	ft	\$ 175,000.00	\$0.00	\$ 91,000.00	0.00%	\$ 235,355.54	\$ 235,355.54	\$ 436,336.02	\$ 19,612.96	\$ 17,453.44
Concrete Retaining Walls	not included - ERUL greater than 25 years	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	50	25	2050	2100				\$ -				\$ -	\$ -	\$ -	\$ -	\$ -
Segmental Retaining Walls	not included - ERUL greater than 25 years	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	50	25	2050	2100				\$ -				\$ -	\$ -	\$ -	\$ -	\$ -
Irrigation Pumps		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15	7	2032	2047	2	\$10,000.00	ls	\$ 20,000.00	\$0.00	\$ 10,666.67	0.00%	\$ 23,773.72	\$ 23,773.72	\$ 34,431.43	\$ 3,396.25	\$ 2,295.43
Irrigation System		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10	10	2035	2045	2	\$2,500.00	ls	\$ 5,000.00	\$0.00	\$ 500.00	0.00%	\$ 6,400.42	\$ 6,400.42	\$ 8,193.08	\$ 640.04	\$ 819.31
Golf Carts	Deferred Maintenance Annual Amount	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	0	2025	2025	1	\$15,000.00	ea	\$ 15,000.00	\$0.00	\$ 15,000.00	0.00%	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00

Exhibit 2

Schedule of Annual Expenditures
Present Value and Future Value



Reserve Item	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Timber Retaining Walls													\$175,000													
Concrete Retaining Walls																										\$0
Segmental Retaining Walls																										\$0
Irrigation Pumps								\$20,000																		
Irrigation System																										\$20,000
Golf Carts																										
Total	\$0.00	\$608,500.00	\$0.00	\$8,000.00	\$80,500.00	\$489,906.00	\$0.00	\$57,000.00	\$25,000.00	\$9,500.00	\$440,000.00	\$234,500.00	\$207,181.00	\$8,000.00	\$85,000.00	\$105,000.00	\$42,500.00	\$89,085.00	\$0.00	\$9,500.00	\$10,000.00	\$0.00	\$45,000.00	\$25,000.00	\$0.00	\$225,000.00

Reserve Item	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Clubhouse & Office Bldg																										
Spread Footings																										
Slab on Grade																										
Wood Framed Walls																										
Exterior Wall Painting						\$4,265							\$5,070													
Windows and Doors		\$179,375																								
Roofing																			\$64,707							
Interiors		\$25,625																\$37,113								
Domestic Water Distribution																										
Sanitary Drainage																										
Heating, Ventilation and AC Systems				\$8,615										\$11,028												
Heating, Ventilation and AC Systems										\$11,864											\$15,187					
Electrical Switchgear & Switchboards		\$6,150																								
Electrical Wiring																										
Maintenance, Security & Fitness Bldg																										
Spread Footings																										
Slab on Grade																										
Wood Framed Walls																										
Exterior Wall Painting						\$2,942							\$3,497													
Windows and Doors		\$82,000																								
Roofing														\$29,957												
Interiors								\$29,717																\$43,039		
Domestic Water Distribution																										
Sanitary Drainage																										
Heating, Ventilation and AC Systems					\$12,142										\$15,543											
Electrical Switchgear & Switchboards		\$10,250																								
Electrical Wiring																										
Furnishings - Exercise Equipment																										
Clubhouse & Sauna Bldg																										
Spread Footings																										
Slab on Grade																										
Wood Framed Walls																										
Exterior Wall Painting						\$4,001							\$4,756													
Windows and Doors		\$75,850																								
Roofing																				\$52,587						
Interiors									\$30,460																\$44,115	
Domestic Water Distribution																										
Sanitary Drainage																										
Heating, Ventilation and AC Systems										\$14,264											\$18,259					
Electrical Switchgear & Switchboards		\$6,150																								
Electrical Wiring																										
Saunas		\$10,250																			\$14,845					
Electronic Safety and Security																										
Common Area Cameras and Security		\$128,125											\$164,011													
Special Construction																										
Swimming Pool - Gulfside												\$64,004														
Pool Equipment Bldg - Gulfside						\$56,570																				
Pool Equipment - Gulfside		\$30,750											\$39,363													
Pool Heater - Gulfside		\$15,375											\$19,681													
Swimming Pool - Bayside												\$51,203														
Pool Equipment Bldg - Bayside						\$56,570																				
Pool Equipment - Bayside		\$30,750											\$39,363													
Pool Heater - Bayside		\$15,375											\$19,681													
Site Improvements																										
Pavers						\$395,993					\$448,030															
Pond Erosion Control and Restoration						\$11,314																\$16,386				
Fishing Pier																	\$86,898									
Pond Pier																		\$12,717								
Site Pedestrian Bridge																		\$21,195								
Pond Fountains																						\$21,724				
Landscaping Lighting					\$55,191																					
Tennis Court					\$21,524							\$25,586														
Perimeter Fencing																						\$43,449				
Pool Fencing - Gulfside																										
Pool Fencing - Bayside																										
Tennis Court Fencing																										
Maintenance Corral		\$7,688																				\$11,134				
Seawall																										\$417,137

Reserve Item	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Timber Retaining Walls													\$235,356													
Concrete Retaining Walls																										\$0
Segmental Retaining Walls																										\$0
Irrigation Pumps								\$23,774																		
Irrigation System																							\$34,431			
Golf Carts																										
Total	\$0.00	\$623,712.50	\$0.00	\$8,615.13	\$88,856.94	\$554,283.67	\$0.00	\$67,755.09	\$30,460.07	\$11,864.20	\$563,237.20	\$307,684.32	\$278,635.41	\$11,028.09	\$120,102.77	\$152,071.31	\$63,091.49	\$135,553.36	\$0.00	\$15,187.18	\$16,386.16	\$0.00	\$77,470.71	\$44,115.27	\$0.00	\$417,137.42

Exhibit 3

Schedule of Annual Amounts



Reserve Item	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	
Timber Retaining Walls	\$19,612.96	\$19,612.96	\$19,612.96	\$19,612.96	\$19,612.96	\$19,612.96	\$19,612.96	\$19,612.96	\$19,612.96	\$19,612.96	\$19,612.96	\$19,612.96	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	\$17,453.44	
Concrete Retaining Walls	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Segmental Retaining Walls	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Irrigation Pumps	\$3,396.25	\$3,396.25	\$3,396.25	\$3,396.25	\$3,396.25	\$3,396.25	\$3,396.25	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	\$2,295.43	
Irrigation System	\$640.04	\$640.04	\$640.04	\$640.04	\$640.04	\$640.04	\$640.04	\$640.04	\$640.04	\$640.04	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	\$819.31	
Golf Carts	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00		
Total	\$598,917.58	\$213,742.85	\$213,742.85	\$213,050.84	\$218,041.53	\$233,828.35	\$233,828.35	\$233,856.70	\$234,284.76	\$234,901.53	\$238,115.57	\$238,115.57	\$237,413.51	\$237,413.51	\$237,506.06	\$240,803.02	\$240,803.02	\$245,426.97	\$245,426.97	\$245,426.97	\$245,426.97	\$245,426.97	\$245,426.97	\$245,426.97	\$245,426.97	\$245,426.97	\$233,391.77

Exhibit 4

Definitions



ASSESSMENT: Systematic collection and analysis of data, evaluation, and recommendations regarding an existing building or portion thereof.

BUILDING SYSTEMS: Interacting or independent components or assemblies, which form single integrated units that comprise a building and its site work, such as, pavement and flatwork, structural frame, roofing, exterior walls, plumbing, HVAC, electrical, etc.

CAPITAL EXPENDITURE: any expenditure of funds for: The purchase of an asset whose useful life is greater than one year in length; The replacement of an asset whose useful life is greater than one year in length; or The addition to an asset that extends the useful life of the previously existing asset for a period greater than one year in length.

CAPITAL IMPROVEMENTS: Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.

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. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. with limited useful life expectancies, 3. predictable remaining useful life expectancies, and 4. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.

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, review of association precedents, and discussion with appropriate representative(s) of the association.

COMPONENT METHOD: A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.



CONDITION, GOOD: in working condition and does not require immediate or short-term repairs within the next two years.

CONDITION, FAIR: in working condition, but may require immediate or short-term repairs

CONDITION, POOR: Not in working condition, or requires immediate or short-term repairs

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

DEFERRED MAINTENANCE: any maintenance or repair that: will be performed less frequently than yearly; and will result in maintaining the useful life of an asset.

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.

ESTIMATED USEFUL LIFE (EUL): The average amount of time in years that an item, component, or system is estimated to function without material repair when installed new and assuming routine maintenance is practiced.

ESTIMATED REMAINING USEFUL LIFE (ERUL): A subjective estimate based upon observations, or average estimates of similar items, components, or systems, or a combination thereof, of the number of remaining years that an item, component, or system is estimated to be able to function in accordance with its intended purpose before warranting replacement. Such a period of time is affected by the initial quality of an item, component, or system, the quality of the initial installation, the quality and amount of preventive maintenance exercised, climatic conditions, extent of use, etc.

FINANCIAL ANALYSIS: The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (funding plan) are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study.

FULLY FUNDED BALANCE (FFB): An indicator against which the 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, and then summed for an association total.

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

FULLY FUNDED BALANCE STATUS: Fully Funded Balance, expressed as a percentage.

FUND STATUS: The status of the reserve fund reported in terms of cash or percent funded.

FULLY FUNDED STATUS: 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance, expressed as a percentage.

FULLY FUNDED BALANCE STATUS (FFB): Fully Funded Balance, expressed as a percentage.

FUNDING GOALS: Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.

BASELINE FUNDING: Establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.

THRESHOLD FUNDING: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “Fully Funded” with respective higher risk or less risk of cash problems.

FULL FUNDING: Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal.

FUNDING PLAN: An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of twenty (20) years.



LIFE AND VALUATION ESTIMATES: The task of estimating useful life, remaining useful life, and current repair or replacement costs for the reserve components.

METHOD, COMPONENT:The component method, also known as the component analysis method or the inventory method, is a more detailed and comprehensive approach. In this method, each individual component or asset (e.g., roofs, parking lots, HVAC systems) is assessed separately. The study identifies the condition, remaining useful life, and cost of replacement for each component. The component method provides a detailed breakdown of expenses, allowing for more accurate budgeting and planning. It offers a more accurate representation of the property's maintenance needs, allowing for better long-term financial planning. It is often used by larger organizations with complex property portfolios.

METHOD, POOLING: The pooling method, also known as the cash flow method or the cash reserve method, is a simplified approach to reserve studies. In this method, all reserve funds are combined into a single pool of money. There is typically one reserve fund, and all expenses are paid from this fund.: The pooling method provides less detailed information because it doesn't break down expenses by individual components or assets. It is straightforward to manage and requires less administrative overhead. It is often used for smaller organizations with a limited number of assets.

OBSERVATION: The visual survey of items, systems, conditions, or components that are readily accessible and easily visible during a walk-through survey of the subject property.

PERCENT FUNDED: The ratio, at a particular point in time related to the fiscal year end, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan in light of the association's risk tolerance.

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.

PROJECTION PERIOD: A period projecting the reserve starting balance, recommended reserve contributions, projected reserve expenses, and projected ending reserve fund balance



REPLACEMENT COST: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering and design, permits, installation, disposal, etc.).

RESERVE BALANCE: Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE STUDY: A budget planning tool which identifies the components that the association is responsible to maintain or replace, 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.

SPECIAL ASSESSMENT: A temporary assessment levied on the members of an association in addition to regular assessments. Note that special assessments are often regulated by governing documents or local statutes.

