

**CALDERA CABINS OWNERS' ASSOCIATION, INC.**  
**MAINTENANCE PLAN UPDATE**  
**RESERVE STUDY**  
**LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION**  
**BUDGET YEAR**  
**January 1, 2024 to December 31, 2024**



**CALDERA CABINS OWNERS' ASSOCIATION, INC.**

**Executive Summary**

**Year of Report:**

January 1, 2024 to December 31, 2024

**Number of Units:**

45 Units

**Parameters:**

Beginning Balance: \$127,391

Year 2024 Suggested Contribution: \$14,500

Year 2024 Projected Interest Earned: \$6,150

Inflation: 4.00%

Annual Increase to Suggested Contribution: 5.00%

Lowest Cash Balance Over 30 Years (Threshold): \$40,019

Average Reserve Assessment per Unit: \$2.00

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**Caldera Cabins Owners' Association, Inc.  
Maintenance Plan Update  
Reserve Study Update – Offsite  
Disclosure Information  
2024**

We have conducted an offsite reserve study update and maintenance plan update for Caldera Cabins Owners' Association, Inc. for the year beginning January 1, 2024, 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 and review/audit services to the Association.

Assumptions used for inflation, interest, and other factors are detailed on page 13. Income tax factors were not considered due to the uncertainty of factors affecting net taxable income and the election of tax forms 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.

All information regarding the useful life and cost of reserve components was derived from the Association, local vendors, and/or from various construction pricing and scheduling manuals.

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.

**Increases in Roofing and Painting Costs**

Over the last several years, roofing, painting, and other costs have increased at a dramatic pace. Schwindt and Company has noted this in our reserve studies. We were not sure if this was a temporary price increase or the new normal in pricing. We are now of the opinion that these increased prices will most likely continue. Roofing costs have nearly doubled and painting costs have increased 50%. It is still possible to keep the increases to a minimum if Associations can find a vendor that will perform the work at a reduced price, however, these vendors are becoming rare.

The main reason for increased prices aside from normal cost increases appears to be the availability of labor. Many workers left the industry during the downturn and have not reentered the job market thus driving up wage costs to attract qualified workers. Roofers and painters are also seeing increased demand for their services due to aging association property. These factors have created the perfect storm for increased prices.

These increases are being built into cost estimates and required contributions. Associations have seen an increase in the suggested reserve contributions beginning with the 2018/2019 budget years and depending on the year the roofing and painting projects occur, the increases may be substantial. As of 2020, we are seeing the prices remain at the elevated rate.

In December 2022, the average annual inflation rate was 6.45%. Experts are not sure if this increase is temporary due to supply chain issues or if this will be a long-term increase. At this time, Schwindt and Company is recommending an inflation rate of 4% in reserve studies. We will continue to monitor the inflation rate throughout this period. More

information can be found at [https://inflationdata.com/Inflation/Inflation\\_Rate/HistoricalInflation.aspx](https://inflationdata.com/Inflation/Inflation_Rate/HistoricalInflation.aspx).

Currently, the price of oil has fluctuated greatly, and there are ongoing issues with the supply chain. As of now, it is unknown when these factors will be resolved, making it difficult to predict prices. We recommend the Association begin the replacement process several years out, including inspection, creation of a scope of work, and a competitive bidding process. For large projects, associations may choose to sign contracts a year before the work is to occur so that they can get scheduled during the spring and summer.

**According to Section 2.8 of the Declaration, the common area includes the private streets and common lots A, B, C, D, and E.**

**According to Section 2.9 of the Declaration, the Common Maintenance Area includes the common areas, landscaping, including irrigation, driveways (including any associated lighting), and main walkways that are constructed of pavers.**

According to the Association, the insurance deductible is included in the operating budget.

Many reserve studies do not include components such as the structural building envelope, plumbing (including water supply and piping), electrical systems, and water/sewer systems because they are deemed to be beyond the usual 30-year threshold and reserve study providers are generally not experts in determining the estimated useful lives and replacement costs of such assets. Associations that are 20+ years in age should consider adding funding for these components because the eventual cost may be one of the largest expenditures in the study. Because the eventual replacement costs and determination of the estimated useful life of such components depend on several factors, it is advisable to hire experts to advise the Association on such matters. Schwindt and Company believes the best way to determine costs and lives associated with these components is to perform an inspection of the applicable components which should include information about the component, steps to take to lengthen the estimated useful life, projected estimated useful life, and estimated replacement costs. This inspection should be conducted by experts and should include a written report. This information will allow the reserve study provider and the Association to include appropriate costs, lives, and projected expenditures in the study. Schwindt and Company believes that the cost of these inspections should be included in the reserve study as a funded component.

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.

Site visits should not be considered a project audit or quality inspection of the Association's property. A site visit does not evaluate the condition of the property to determine the useful life or needed repairs. Schwindt and Company suggests that the Association perform a building envelope inspection to determine the condition, performance, and 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, 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 and 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 the Association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement.



**CALDERA CABINS OWNERS' ASSOCIATION, INC.**

**MAINTENANCE PLAN**

**BUDGET YEAR**

**January 1, 2024 to December 31, 2024**

**Caldera Cabins Owners' Association, Inc.  
Executive Summary of Maintenance Plan**

Regular maintenance of common elements is necessary to ensure 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.



**Caldera Cabins Owners' Association, Inc.  
Maintenance Plan Update  
2024**

**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 and 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.

We suggest that the Association obtain firm bids for this service.

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

Frequency: Annually

**Asphalt – Seal Coating**

Maintenance of asphalt paving includes the periodic application of an asphalt emulsion sealer or “seal coat”. This procedure is typically performed every 4 to 7 years, depending on a variety of factors that can affect the useful life of the sealer.

Vehicle traffic is one such factor, and associations that have asphalt paving that carries considerable vehicle traffic should consider a maintenance program that calls for seal coating of asphalt driving surfaces as frequently as every 4 years.

This maintenance procedure involves thoroughly cleaning all pavements, filling of any surface cracks and patching of any locally damaged pavement surfaces. The emulsion sealer is then applied.

This work should be performed by a licensed paving contractor.

Crack sealing should be done as needed annually.

This expense is included in the reserve study for the Association.

Frequency: Every 7 years

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

**CALDERA CABINS OWNERS' ASSOCIATION, INC.**  
**RESERVE STUDY**  
**LEVEL III: UPDATE WITH NO VISUAL SITE INSPECTION**  
**BUDGET YEAR**  
**January 1, 2024 to December 31, 2024**

**Caldera Cabins Owners' Association, Inc.**  
**Category Detail Index**

Asset ID	Description	Replacement	Page
<b>Streets/Asphalt</b>			
1011	Asphalt - Crack Sealing	2025	25 of 36
1002	Asphalt - Overlay I	2032	25 of 36
1005	Asphalt - Overlay II	2034	26 of 36
1009	Asphalt - Overlay III	2037	26 of 36
1001	Asphalt - Seal Coat I	2027	27 of 36
1004	Asphalt - Seal Coat II	2029	28 of 36
1010	Asphalt - Seal Coat III	2024	28 of 36
<b>Grounds Components</b>			
1008	Irrigation System Upgrades/Repairs	2030	30 of 36
1003	Paver Walkways - Repair	2024	30 of 36
<b>Signs</b>			
1006	Signs - Repair/Replacement I	2032	31 of 36
1007	Signs - Repair/Replacement II	2040	31 of 36
<b>Reserve Study</b>			
1012	Reserve Study Update - Offsite	2024	32 of 36
	Total Funded Assets	12	
	Total Unfunded Assets	<u>0</u>	
	Total Assets	12	

**Caldera Cabins Owners' Association, Inc.**  
**Property Description**

Caldera Cabins Owners' Association, Inc. consists of 45 single family home units located in Sunriver, Oregon. The Association shall provide exterior improvements upon the common driveways and walkways. The individual homeowners are responsible for all maintenance and repairs of their home and the adjacent private property such as paint, maintenance, repair and replacement of roofs, gutters, downspouts, rain drains, and exterior building surfaces. Construction began in 2007 and was completed by 2018.

This study uses information supplied by the Association, and various construction pricing and scheduling manuals to determine useful lives and replacement costs.

A site visit was performed by Schwindt and Company in 2015 and 2017. Schwindt and Company 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. Special Assessments shall not be effective unless approved by a vote of two-thirds (2/3) of the Members voting in person or by proxy at meeting called for the purpose of approving special assessments; or if the special assessment is against a Lot or a group of Lots, two-thirds (2/3) of the Members who own the affected Lots who are voting in person or by proxy at a meeting called for the purpose of approving special assessments.

**Caldera Cabins Owners' Association, Inc.**  
Sunriver, Oregon  
**Cash Flow Method - Threshold Funding Model Summary**

Report Date	December 5, 2023
Account Number	2caldc
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024
Total Units	45

<i>Report Parameters</i>	
Inflation	4.00%
Interest Rate on Reserve Deposit	5.00%
2024 Beginning Balance	\$127,391

**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 \$13,234 in **2024, \$14,154 in 2025** and increases **5.00%** each year until 2030. In 2030 the contribution is \$22,000 and increases 4% each year for the remaining years of the study. A minimum balance of **\$40,019** is maintained.
- In 2020, the Association received money (\$103,310) from Caldera Springs due to an overpayment of dues. The Association plans to offset the reserve contribution by \$12,154 over the next 8 years. Owners will contribute the difference between the recommended reserve contribution and \$12,154.
- The purpose of this study is to ensure 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.

***Cash Flow Method - Threshold Funding Model Summary of Calculations***

Required Monthly Contribution	\$90.00
<i>\$2.00 per unit monthly</i>	
Average Net Monthly Interest Earned	<u>\$512.48</u>
Total Monthly Allocation to Reserves	<u>\$602.48</u>
<i>\$13.39 per unit monthly</i>	

**Caldera Cabins Owners' Association, Inc.**  
**Cash Flow Method - Threshold Funding Model Projection**

Beginning Balance: \$127,391

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	1,080	6,150	7,769	126,852	145,961	87%
2025	2,000	6,306	4,666	130,493	163,741	80%
2026	2,850	6,670	1,662	138,351	186,029	74%
2027	3,750	6,450	14,304	134,247	197,064	68%
2028	4,703	6,906	1,797	144,059	222,286	65%
2029	5,715	6,810	14,015	142,569	236,862	60%
2030	22,000	7,578	6,284	165,862	260,871	64%
2031	22,880	8,393	14,105	183,031	278,550	66%
2032	23,795	4,404	109,751	101,479	198,340	51%
2033	24,747	5,546	6,385	125,386	223,334	56%
2034	25,737	2,830	83,897	70,056	169,112	41%
2035	26,766	3,967	6,906	93,883	193,757	48%
2036	27,837	4,867	13,720	112,867	213,304	53%
2037	28,950	1,615	96,856	46,578	147,506	32%
2038	30,109	2,523	13,453	65,756	166,871	39%
2039	31,313	3,812	8,079	92,802	193,697	48%
2040	32,565	1,215	86,563	40,019	141,115	28%
2041	33,868	1,712	24,769	50,830	151,884	33%
2042	35,223	3,410	3,112	86,350	186,842	46%
2043	36,632	4,184	24,269	102,896	202,479	51%
2044	38,097	6,140	3,366	143,767	241,818	59%
2045	39,621	7,195	24,425	166,158	262,218	63%
2046	41,206	9,448	3,641	213,171	306,495	70%
2047	42,854	11,519	11,057	256,486	346,333	74%
2048	44,568	13,067	25,033	289,089	374,793	77%
2049	46,351	15,453	11,960	338,933	419,614	81%
2050	48,205	16,964	33,269	370,834	445,756	83%
2051	50,133	19,689	12,935	427,721	495,849	86%
2052	52,138	22,125	23,296	478,688	538,999	89%
2053	54,224	25,266	13,991	544,187	595,455	91%
2054	56,393	29,138	4,983	624,735	665,515	94%
2055	58,648	31,381	42,892	671,872	701,008	96%
2056	60,994	35,776	5,389	763,253	779,063	98%
2057	63,434	23,962	329,000	521,649	525,911	99%
2058	65,971	28,205	5,829	609,996	601,043	101%
2059	68,610	21,460	227,416	472,651	451,137	105%

**Caldera Cabins Owners' Association, Inc.**  
**Cash Flow Method - Threshold Funding Model Projection**

Beginning Balance: \$127,391

Year	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2060	71,355	25,101	20,383	548,724	513,051	107%
2061	74,209	29,135	19,148	632,920	581,330	109%
2062	77,177	20,095	281,636	448,556	382,058	117%
2063	80,264	24,097	20,710	532,207	448,994	119%

**Caldera Cabins Owners' Association, Inc.**  
**Component Summary By Category**

Description	Date in Service	Next Occurrence	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<b>Streets/Asphalt</b>								
Asphalt - Crack Sealing	2023	2025	2	0	1	1 Total	2,950.00	2,950
Asphalt - Overlay I	2007	2032	25	0	8	22,860 SF	2.73	62,408
Asphalt - Overlay II	2013	2034	25	-4	10	17,184 SF	2.73	46,912
Asphalt - Overlay III	2016	2037	25	-4	13	19,664 SF	2.73	53,683
Asphalt - Seal Coat I	2018	2027	7	2	3	22,860 SF	0.36	8,230
Asphalt - Seal Coat II	2020	2029	7	2	5	19,536 SF	0.36	7,033
Asphalt - Seal Coat III	2016	2024	7	0	0	17,312 SF	0.36	<u>6,232</u>
Streets/Asphalt - Total								\$187,448
<b>Grounds Components</b>								
Irrigation System Upgrades/Repairs	2020	2030	10	0	6	1 Total	3,430.41	3,430
Paver Walkways - Repair	2023	2024	1	0	0	1 Total	686.22	<u>686</u>
Grounds Components - Total								\$4,117
<b>Signs</b>								
Signs - Repair/Replacement I	2007	2032	25	0	8	13 Each	1,250.00	16,250
Signs - Repair/Replacement II	2015	2040	25	0	16	33 Each	1,250.00	<u>41,250</u>
Signs - Total								\$57,500
<b>Reserve Study</b>								
Reserve Study Update - Offsite	2023	2024	1	0	0	1 Total	850.00	<u>850</u>
Reserve Study - Total								\$850
Total Asset Summary								<u>\$249,914</u>



**Caldera Cabins Owners' Association, Inc.**  
**Component Summary By Group**

Description	Date in Service	Next Occurrence	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
<b>Non-Capital</b>								
Asphalt - Crack Sealing	2023	2025	2	0	1	1 Total	2,950.00	2,950
Asphalt - Overlay I	2007	2032	25	0	8	22,860 SF	2.73	62,408
Asphalt - Overlay II	2013	2034	25	-4	10	17,184 SF	2.73	46,912
Asphalt - Overlay III	2016	2037	25	-4	13	19,664 SF	2.73	53,683
Asphalt - Seal Coat I	2018	2027	7	2	3	22,860 SF	0.36	8,230
Asphalt - Seal Coat II	2020	2029	7	2	5	19,536 SF	0.36	7,033
Asphalt - Seal Coat III	2016	2024	7	0	0	17,312 SF	0.36	6,232
Irrigation System Upgrades/Repairs	2020	2030	10	0	6	1 Total	3,430.41	3,430
Paver Walkways - Repair	2023	2024	1	0	0	1 Total	686.22	686
Reserve Study Update - Offsite	2023	2024	1	0	0	1 Total	850.00	850
Signs - Repair/Replacement I	2007	2032	25	0	8	13 Each	1,250.00	16,250
Signs - Repair/Replacement II	2015	2040	25	0	16	33 Each	1,250.00	41,250
Non-Capital - Total								<u>\$249,914</u>
Total Asset Summary								<u>\$249,914</u>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2024</b>	
Asphalt - Seal Coat III	6,232
Paver Walkways - Repair	686
Reserve Study Update - Offsite	850
<b>Total for 2024</b>	<b>\$7,769</b>
<b>Replacement Year 2025</b>	
Asphalt - Crack Sealing	3,068
Paver Walkways - Repair	714
Reserve Study Update - Offsite	884
<b>Total for 2025</b>	<b>\$4,666</b>
<b>Replacement Year 2026</b>	
Paver Walkways - Repair	742
Reserve Study Update - Offsite	919
<b>Total for 2026</b>	<b>\$1,662</b>
<b>Replacement Year 2027</b>	
Asphalt - Crack Sealing	3,318
Asphalt - Seal Coat I	9,257
Paver Walkways - Repair	772
Reserve Study Update - Offsite	956
<b>Total for 2027</b>	<b>\$14,304</b>
<b>Replacement Year 2028</b>	
Paver Walkways - Repair	803
Reserve Study Update - Offsite	994
<b>Total for 2028</b>	<b>\$1,797</b>
<b>Replacement Year 2029</b>	
Asphalt - Crack Sealing	3,589
Asphalt - Seal Coat II	8,557
Paver Walkways - Repair	835
Reserve Study Update - Offsite	1,034
<b>Total for 2029</b>	<b>\$14,015</b>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2030</b>	
Irrigation System Upgrades/Repairs	4,341
Paver Walkways - Repair	868
Reserve Study Update - Offsite	1,076
<b>Total for 2030</b>	<b>\$6,284</b>
<b>Replacement Year 2031</b>	
Asphalt - Crack Sealing	3,882
Asphalt - Seal Coat III	8,201
Paver Walkways - Repair	903
Reserve Study Update - Offsite	1,119
<b>Total for 2031</b>	<b>\$14,105</b>
<b>Replacement Year 2032</b>	
Asphalt - Overlay I	85,409
Paver Walkways - Repair	939
Reserve Study Update - Offsite	1,163
Signs - Repair/Replacement I	22,239
<b>Total for 2032</b>	<b>\$109,751</b>
<b>Replacement Year 2033</b>	
Asphalt - Crack Sealing	4,199
Paver Walkways - Repair	977
Reserve Study Update - Offsite	1,210
<b>Total for 2033</b>	<b>\$6,385</b>
<b>Replacement Year 2034</b>	
Asphalt - Overlay II	69,442
Asphalt - Seal Coat I	12,182
Paver Walkways - Repair	1,016
Reserve Study Update - Offsite	1,258
<b>Total for 2034</b>	<b>\$83,897</b>
<b>Replacement Year 2035</b>	
Asphalt - Crack Sealing	4,541

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b><i>Replacement Year 2035 continued...</i></b>	
Paver Walkways - Repair	1,056
Reserve Study Update - Offsite	1,309
<b>Total for 2035</b>	<b><u>\$6,906</u></b>
<b>Replacement Year 2036</b>	
Asphalt - Seal Coat II	11,260
Paver Walkways - Repair	1,099
Reserve Study Update - Offsite	1,361
<b>Total for 2036</b>	<b><u>\$13,720</u></b>
<b>Replacement Year 2037</b>	
Asphalt - Crack Sealing	4,912
Asphalt - Overlay III	89,386
Paver Walkways - Repair	1,143
Reserve Study Update - Offsite	1,415
<b>Total for 2037</b>	<b><u>\$96,856</u></b>
<b>Replacement Year 2038</b>	
Asphalt - Seal Coat III	10,792
Paver Walkways - Repair	1,188
Reserve Study Update - Offsite	1,472
<b>Total for 2038</b>	<b><u>\$13,453</u></b>
<b>Replacement Year 2039</b>	
Asphalt - Crack Sealing	5,313
Paver Walkways - Repair	1,236
Reserve Study Update - Offsite	1,531
<b>Total for 2039</b>	<b><u>\$8,079</u></b>
<b>Replacement Year 2040</b>	
Irrigation System Upgrades/Repairs	6,425
Paver Walkways - Repair	1,285
Reserve Study Update - Offsite	1,592
Signs - Repair/Replacement II	77,260
<b>Total for 2040</b>	<b><u>\$86,563</u></b>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2041</b>	
Asphalt - Crack Sealing	5,746
Asphalt - Seal Coat I	16,030
Paver Walkways - Repair	1,337
Reserve Study Update - Offsite	1,656
<b>Total for 2041</b>	<b>\$24,769</b>
<b>Replacement Year 2042</b>	
Paver Walkways - Repair	1,390
Reserve Study Update - Offsite	1,722
<b>Total for 2042</b>	<b>\$3,112</b>
<b>Replacement Year 2043</b>	
Asphalt - Crack Sealing	6,215
Asphalt - Seal Coat II	14,817
Paver Walkways - Repair	1,446
Reserve Study Update - Offsite	1,791
<b>Total for 2043</b>	<b>\$24,269</b>
<b>Replacement Year 2044</b>	
Paver Walkways - Repair	1,504
Reserve Study Update - Offsite	1,862
<b>Total for 2044</b>	<b>\$3,366</b>
<b>Replacement Year 2045</b>	
Asphalt - Crack Sealing	6,722
Asphalt - Seal Coat III	14,202
Paver Walkways - Repair	1,564
Reserve Study Update - Offsite	1,937
<b>Total for 2045</b>	<b>\$24,425</b>
<b>Replacement Year 2046</b>	
Paver Walkways - Repair	1,626
Reserve Study Update - Offsite	2,014
<b>Total for 2046</b>	<b>\$3,641</b>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2047</b>	
Asphalt - Crack Sealing	7,271
Paver Walkways - Repair	1,691
Reserve Study Update - Offsite	2,095
<b>Total for 2047</b>	<b>\$11,057</b>
<b>Replacement Year 2048</b>	
Asphalt - Seal Coat I	21,095
Paver Walkways - Repair	1,759
Reserve Study Update - Offsite	2,179
<b>Total for 2048</b>	<b>\$25,033</b>
<b>Replacement Year 2049</b>	
Asphalt - Crack Sealing	7,864
Paver Walkways - Repair	1,829
Reserve Study Update - Offsite	2,266
<b>Total for 2049</b>	<b>\$11,960</b>
<b>Replacement Year 2050</b>	
Asphalt - Seal Coat II	19,499
Irrigation System Upgrades/Repairs	9,511
Paver Walkways - Repair	1,903
Reserve Study Update - Offsite	2,357
<b>Total for 2050</b>	<b>\$33,269</b>
<b>Replacement Year 2051</b>	
Asphalt - Crack Sealing	8,506
Paver Walkways - Repair	1,979
Reserve Study Update - Offsite	2,451
<b>Total for 2051</b>	<b>\$12,935</b>
<b>Replacement Year 2052</b>	
Asphalt - Seal Coat III	18,689
Paver Walkways - Repair	2,058
Reserve Study Update - Offsite	2,549
<b>Total for 2052</b>	<b>\$23,296</b>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2053</b>	
Asphalt - Crack Sealing	9,200
Paver Walkways - Repair	2,140
Reserve Study Update - Offsite	2,651
<b>Total for 2053</b>	<b><u>\$13,991</u></b>
<b>Replacement Year 2054</b>	
Paver Walkways - Repair	2,226
Reserve Study Update - Offsite	2,757
<b>Total for 2054</b>	<b><u>\$4,983</u></b>
<b>Replacement Year 2055</b>	
Asphalt - Crack Sealing	9,951
Asphalt - Seal Coat I	27,760
Paver Walkways - Repair	2,315
Reserve Study Update - Offsite	2,867
<b>Total for 2055</b>	<b><u>\$42,892</u></b>
<b>Replacement Year 2056</b>	
Paver Walkways - Repair	2,407
Reserve Study Update - Offsite	2,982
<b>Total for 2056</b>	<b><u>\$5,389</u></b>
<b>Replacement Year 2057</b>	
Asphalt - Crack Sealing	10,763
Asphalt - Overlay I	227,687
Asphalt - Seal Coat II	25,659
Paver Walkways - Repair	2,504
Reserve Study Update - Offsite	3,101
Signs - Repair/Replacement I	59,286
<b>Total for 2057</b>	<b><u>\$329,000</u></b>
<b>Replacement Year 2058</b>	
Paver Walkways - Repair	2,604
Reserve Study Update - Offsite	3,225
<b>Total for 2058</b>	<b><u>\$5,829</u></b>

**Caldera Cabins Owners' Association, Inc.**  
**Annual Expenditure Detail**

Description	Expenditures
<b>Replacement Year 2059</b>	
Asphalt - Crack Sealing	11,641
Asphalt - Overlay II	185,120
Asphalt - Seal Coat III	24,593
Paver Walkways - Repair	2,708
Reserve Study Update - Offsite	3,354
<b>Total for 2059</b>	<b>\$227,416</b>
<b>Replacement Year 2060</b>	
Irrigation System Upgrades/Repairs	14,078
Paver Walkways - Repair	2,816
Reserve Study Update - Offsite	3,488
<b>Total for 2060</b>	<b>\$20,383</b>
<b>Replacement Year 2061</b>	
Asphalt - Crack Sealing	12,591
Paver Walkways - Repair	2,929
Reserve Study Update - Offsite	3,628
<b>Total for 2061</b>	<b>\$19,148</b>
<b>Replacement Year 2062</b>	
Asphalt - Overlay III	238,288
Asphalt - Seal Coat I	36,530
Paver Walkways - Repair	3,046
Reserve Study Update - Offsite	3,773
<b>Total for 2062</b>	<b>\$281,636</b>
<b>Replacement Year 2063</b>	
Asphalt - Crack Sealing	13,618
Paver Walkways - Repair	3,168
Reserve Study Update - Offsite	3,924
<b>Total for 2063</b>	<b>\$20,710</b>



**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

<b>Asphalt - Crack Sealing</b>		1 Total	@ \$2,950.00
Asset ID	1011	Asset Actual Cost	\$2,950.00
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$3,068.00
Placed in Service	January 2023		
Useful Life	2		
Replacement Year	2025		
Remaining Life	1		

This provision is for the crack sealing of the asphalt driveways and private roads.

According to the Association, this was done in 2021 for \$2,890 and 2023 for \$2,950.

<b>Asphalt - Overlay I</b>		22,860 SF	@ \$2.73
Asset ID	1002	Asset Actual Cost	\$62,407.80
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$85,409.38
Placed in Service	January 2007		
Useful Life	25		
Replacement Year	2032		
Remaining Life	8		

This provision is for the overlay of the asphalt driveways and private roads. At the current time, homes are still being built. Therefore annual crack sealing will occur until all the homes have been finished.

According to the Association, there is 22,860 square feet of asphalt that was installed in 2006-2009.

Units 24-36: 21,420 SF

Units 39, 40, 43-45 & 3: 1,440 SF

The cost is based on a per square foot estimate from Vic Russell Asphalt.

The useful life assumption is 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.

**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

Asphalt - Overlay II		17,184 SF	@ \$2.73
Asset ID	1005	Asset Actual Cost	\$46,912.32
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$69,441.69
Placed in Service	January 2013		
Useful Life	25		
Adjustment	-4		
Replacement Year	2034		
Remaining Life	10		

This provision is for the overlay of the asphalt driveways and private roads. At the current time, homes are still being built. Therefore annual crack sealing will occur until all the homes have been finished.

An estimate of 17,184 square feet is used.

Unit 4: 1,620 SF

Units 5-6: 3,960 SF

Units 7-8: 3,660 SF

Units 9-11: 3,504 SF

Units 21-23: 4,440 SF

The cost is based on a per square foot estimate from Vic Russell Asphalt.

The useful life assumption is 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.

Asphalt - Overlay III		19,664 SF	@ \$2.73
Asset ID	1009	Asset Actual Cost	\$53,682.72
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$89,385.67
Placed in Service	January 2016		
Useful Life	25		
Adjustment	-4		
Replacement Year	2037		
Remaining Life	13		

This provision is for the overlay of the asphalt driveways and private roads. At the current time, homes are still being built. Therefore annual crack sealing will occur until all the homes have been finished.

**Caldera Cabins Owners' Association, Inc.  
Detail Report by Category**

*Asphalt - Overlay III continued...*

An estimate of 19,664 square feet is used.

- Units 1-2: 2,352 SF
- Units 12: 1,248 SF
- Units 13-14: 2,400 SF
- Units 15-16: 2,580 SF
- Units 17-18: 2,760 SF
- Units 19-20: 2,520 SF
- Units 37-38: 3,320 SF
- Units 41: 2,016 SF
- Units 42: 468 SF

The cost is based on a per square foot estimate from Vic Russell Asphalt.

The useful life assumption is 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.

Asphalt - Seal Coat I		22,860 SF	@ \$0.36
Asset ID	1001	Asset Actual Cost	\$8,229.60
Category	Non-Capital Streets/Asphalt	Percent Replacement	100%
Placed in Service	January 2018	Future Cost	\$9,257.18
Useful Life	7		
Adjustment	2		
Replacement Year	2027		
Remaining Life	3		

This provision is for the seal coating of the asphalt driveways and private roads. At the current time, homes are still being built. At that time a seal coat is planned. This is estimated to occur in 2018.

According to the Association, there is 22,860 square feet of asphalt that was installed in 2006-2009.

- Units 24-36: 21,420 SF
- Units 39, 40, 43-45 & 3: 1,440 SF

The useful life assumption is 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.

**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

Asphalt - Seal Coat II		19,536 SF	@ \$0.36
Asset ID	1004	Asset Actual Cost	\$7,032.96
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$8,556.67
Placed in Service	January 2020		
Useful Life	7		
Adjustment	2		
Replacement Year	2029		
Remaining Life	5		

This provision is for the seal coating of the asphalt driveways and private roads. At the current time, homes are still being built.

An estimate of 19,536 square feet is used.

Units 1-2: 2,352 SF

Unit 4: 1,620 SF

Units 5-6: 3,960 SF

Units 7-8: 3,660 SF

Units 9-11: 3,504 SF

Units 21-23: 4,440 SF

According to the Association, this was done in 2020 for \$4,832.

The useful life assumption is 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.

Asphalt - Seal Coat III		17,312 SF	@ \$0.36
Asset ID	1010	Asset Actual Cost	\$6,232.32
	Non-Capital	Percent Replacement	100%
Category	Streets/Asphalt	Future Cost	\$6,232.32
Placed in Service	January 2016		
Useful Life	7		
Replacement Year	2024		
Remaining Life	0		

This provision is for the seal coating of the asphalt driveways and private roads. At the current time, homes are still being built. At that time a seal coat is planned.

An estimate of 17,312 square feet is used.

Units 12: 1,248 SF

**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

*Asphalt - Seal Coat III continued...*

Units 13-14: 2,400 SF  
Units 15-16: 2,580 SF  
Units 17-18: 2,760 SF  
Units 19-20: 2,520 SF  
Units 37-38: 3,320 SF  
Units 41: 2,016 SF  
Units 42: 468 SF

The useful life assumption is 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.

**Streets/Asphalt - Total Current Cost** **\$187,448**

## **Caldera Cabins Owners' Association, Inc. Detail Report by Category**

<b>Irrigation System Upgrades/Repairs</b>				1 Total	@ \$3,430.41
Asset ID	1008			Asset Actual Cost	\$3,430.41
	Non-Capital			Percent Replacement	100%
Category	Grounds Components			Future Cost	\$4,340.57
Placed in Service	January 2020				
Useful Life	10				
Replacement Year	2030				
Remaining Life	6				

This provision is for the upgrade and repair of the irrigation system. This does not include annual sprinkler head replacements.

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.

<b>Paver Walkways - Repair</b>				1 Total	@ \$686.22
Asset ID	1003			Asset Actual Cost	\$686.22
	Non-Capital			Percent Replacement	100%
Category	Grounds Components			Future Cost	\$686.22
Placed in Service	January 2023				
Useful Life	1				
Replacement Year	2024				
Remaining Life	0				

This provision is for the repair of the paver walkways of the property. Repairs should be done as needed.

In 2023, the Association spent \$1,986 on repairs.

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.

**Grounds Components - Total Current Cost \$4,117**

**Caldera Cabins Owners' Association, Inc.**  
**Detail Report by Category**

<b>Signs - Repair/Replacement I</b>		13 Each	@ \$1,250.00
Asset ID	1006	Asset Actual Cost	\$16,250.00
Category	Non-Capital	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	\$22,239.25
Useful Life	25		
Replacement Year	2032		
Remaining Life	8		

This provision is for the repair or replacement of the signs.

In 2023, the Association spent \$250 on new sign posts.

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.

<b>Signs - Repair/Replacement II</b>		33 Each	@ \$1,250.00
Asset ID	1007	Asset Actual Cost	\$41,250.00
Category	Non-Capital	Percent Replacement	100%
Placed in Service	January 2015	Future Cost	\$77,260.48
Useful Life	25		
Replacement Year	2040		
Remaining Life	16		

This provision is for the repair or replacement of the signs.

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.

**Signs - Total Current Cost                      \$57,500**

**Caldera Cabins Owners' Association, Inc.  
Detail Report by Category**

<b>Reserve Study Update - Offsite</b>		1 Total	@ \$850.00
Asset ID	1012	Asset Actual Cost	\$850.00
Category	Non-Capital	Percent Replacement	100%
Placed in Service	Reserve Study	Future Cost	\$850.00
Useful Life	January 2023		
Replacement Year	1		
Remaining Life	2024		
	0		

This provision is for an offsite update to be done.

**Reserve Study - Total Current Cost                                \$850**



# 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

**IV. Preliminary, Community Not Yet Constructed.** A reserve study prepared before construction, that is generally used for budget estimates. It is based on design documents such as the architectural and engineering plans. The following three tasks are performed to prepare this type of study:

- Component inventory
- Life and valuation estimates
- Funding Plan

## Terms and Definitions

**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*. *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 the 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, reducing the potential risk of a special assessment.

**FUNDING GOALS:** Independent of the 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 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*.

**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:

- The regular and continuous absence from principal office premises from which professional services are rendered, except for the performance of fieldwork 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.