



February 18, 2026

133 33rd St
Union City , NJ, 07087

Via Email: *atehrani@aol.com*

Property: 133 33rd St Union City, NJ
133 33rd St, Union City , 07087

Service: RESERVE STUDY

Project No.: 2512-0310

Attachment:Report

Dear Members of the Julianne A Condominium Association,

We have completed a Reserve Study for the Julianne A Condominium Association. Enclosed is our report for your review.

This Reserve Study has been performed in general accordance with Community Association Institute (CAI) National Reserve Study Standards.

Our report should be reviewed in its entirety, including its Appendices which contain the financial analysis, captioned photographs, and reference documents.

We appreciate this opportunity to assist Julianne A Condominium Association, in support of the 133 33rd St Union City, NJ Condominium Association's facility and financial planning.

Thank you.

CRITERIUM - HANNA ENGINEERS

A handwritten signature in black ink, appearing to read "Mina Hanna".

Mina Hanna, P.E.
Principal Engineer

Reserve Study



Prepared for:

Julianne A Condominium Association

133 33rd St

Union City , NJ, 07087

Prepared By:



**100 Matawan Rd Suite 325
Matawan, NJ 07747
(732) 230 7473**



Site Inspection performed December 23, 2025
Submitted February 18, 2026

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Project No: 2512-0310

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1.0 INTRODUCTION

Following authorization by the Julianne A Condominium Association Board of Directors, we have conducted a Reserve Study of your 64 unit residential community located at 133 33rd St in Union City , NJ. Our work is consistent with our proposal dated 12/04/2025

This report must be reviewed in its entirety to understand our findings and their limitations. The Appendices are an integral part of this report and must be included in any review. Please refer to Appendix D for definitions of common terms of reference used herein.

We have conducted the study in general compliance with the National Reserve Study Standards published by the Community Association Institute (CAI). Please refer to Appendix D which contains a copy of the CAI standard.

This study was conducted by licensed Professional Engineers and other qualified staff working under the responsible charge of a CAI-certified Reserve Specialist. Please refer to Appendix E for the qualifications of the project team.

Mina Hanna, P.E., and Mina Ibrahim, Field Engineer of Criterium-Hanna Engineers, performed the field inspection for this study. This report is principally based on our visual site inspection on December 23, 2025. Mina Hanna P.E and Mina Ibrahim, Field Engineer, prepared this report and the attached financial analysis. H. Alan Mooney, P.E, RS, of Criterium Engineers, reviewed their findings.

We present this confidential report for the Board's exclusive review and use.

In reviewing the engineering assumptions, cost estimates and projected fund values herein, please understand that their accuracy diminishes as time passes. Long range facility maintenance projections are intended only to indicate the likely pattern of reserve expenditures and to guide financial planning.

We agree with CAI's recommendation that reserve studies should be updated regularly to allow periodic adjustment of facility plans and funding strategies.

2.0 EXECUTIVE SUMMARY

In summary, as a result of our on-site inspections and other investigations, we find the common components of the property to be in fair general condition.

We have identified an inventory of Association-responsible common components which are likely to require periodic repair or replacement or other recurrent reserve investment.

We have formed an opinion of the remaining useful life of each component. We have estimated the current cost of required reserve expenditures for their repair or replacement. We have projected annual reserve budgets over a 30-year planning period.

In summary, the 30-year total of projected reserve expenditures, (current dollar cost estimates inflated at 3.00% annually), is \$2,223,051.

The Board has provided us with information on the Association's Reserve Fund and the current funding plan. Our initial financial analysis was based on the data supplied.

Our projections indicate that the current reserve fund contributions will not be adequate.

We have developed two alternative funding plans for the Board's review.

	Current plan	Alternative plan# 1	Alternative plan# 2	Alternative plan# 3
30 - Year Reserve Fund Summary				
Starting Balance	\$249,606	\$249,606	\$249,606	\$249,606
Contributions	\$0	\$1,937,827	\$1,967,974	\$1,643,500
Additional Capital	\$0	\$0	\$0	\$0
Interest / Returns	\$24,252	\$279,290	\$321,727	\$60,189
Expenditures	\$2,223,051	\$2,223,051	\$2,223,051	\$2,223,051
Ending Balance	(\$1,949,193)	\$243,672	\$316,256	\$180,244
OWNER				
Avg Contributions (/unit/ year)	\$0	\$1,009	\$1,025	\$856
Avg Contributions (/unit/ month)	\$0	\$84	\$85	\$71

3.0 PURPOSE & SCOPE

3.1. OBJECTIVES

The purpose of this reserve study is to determine a reserve needs plan for the Association, to evaluate the current rate of contribution to the reserve fund, and, if required, to suggest alternate funding strategies.

This report is intended to be used as a tool by the Association's Board for considering and managing its future financial obligations, for determining appropriate reserve fund allocations, and for informing the individual Owners of the Association's required reserve expenditures and the resulting financial plan.

For purposes of financial planning, Association-responsible expenses are typically divided into two categories:

- Annual Operation and Maintenance (O&M) expenses for the Association's common assets, vendor expenses, insurance, management and other related expenses.
- Non-annual expenses for major repair and replacement of the Association's common assets.

Long-term reserve expenditures, the funding plan and ensuring adequate Reserve Fund balances are the focus of this Reserve Study.

History demonstrates that, as time progresses, property conditions and management strategies will change. As a result, planned scopes of work may be altered or deferred. Actual cost in the marketplace will vary from estimates. Actual rates of inflation and returns on investment will vary from projections.

For these reasons, we concur with the Community Association Institute guidelines and recommend that this reserve study be updated every three to five years.

3.2. LEVEL OF SERVICE

The Community Association Institute (CAI) identifies four levels of service for Reserve Studies:

1. Full Reserve Study, With Site Visit/On-Site Review
2. Reserve Study Update, With Site Visit/On-Site Review
3. Reserve Study Update, No-Site-Visit/Off Site Review
4. Preliminary Reserve Study, Community Not Yet Constructed

All may be appropriate for a community, depending on the condition of the facility and the phase of their planning cycle. The CAI National Reserve Study Standard in *Appendix D* contains more detail on these levels of service and the scope of study of each of them.

Our current study is a Level I - Full.

3.3. SOURCES OF INFORMATION

The following people were interviewed during our study:

Javier – Maintenance Man.

4.0 PHYSICAL ANALYSIS

4.1 PROPERTY DESCRIPTION

The Julianne Condominiums, located at 133 33rd Street, Union City, NJ, consists of two buildings, each three stories high, connected by a lobby. The property contains a total of 64 residential units. Based on available information, the property was constructed approximately 56 years ago.

4.2 COMMON COMPONENTS

Please refer to Appendix A for an inventory of anticipated Reserve Expenditures.

4.3 CONDITION ASSESSMENT

4.3.1 Site Improvements

Description & Observations

The community is located at 133 33rd Street, Union City, NJ, and is surrounded by neighborhood buildings of varying heights. It is in a condition typical for its age and type, with a remaining useful life that aligns with expectations.

The community is connected to public utilities, including water, sewer, gas, and electricity, ensuring reliable access to essential services. Stormwater is managed through a sloped flat roof and gutter system that directs rainwater into downspouts connected to an underground stormwater network. While the system is in fair condition, regular maintenance is necessary to ensure optimal performance. A budget has been allocated for the future replacement of the community's gutter system, downspouts, and soffits.

The asphalt roads and parking areas serving the community, including parking lot wheel stops, are currently in fair condition and exhibit some cracking. To maintain their integrity, a budget has been allocated for sealcoating and crack sealing, with a full mill and fill planned for the future. Replacement of the parking lot wheel stops is covered under the Operations & Maintenance budget.

The property features two metal parking area gates, which were observed to be in fair condition at the time of inspection. A budget has been allocated for their future replacement. In addition, access to the parking lot is provided from an adjacent rear right-of-way; however, we are not aware of any recorded easement or agreement governing the use of this access.

The concrete walkways are currently in fair condition. As we were informed, their replacement is the responsibility of Union City; therefore, no budget has been allocated for their replacement.

The main entrance glass doors are currently in fair condition and are expected to require repair and/or replacement during the study period.

We were informed that the surrounding vinyl fence is the responsibility of the neighboring properties; however, the retaining wall, which was found to be in fair condition, is the responsibility of the association. Accordingly, a budget has been allocated for its future repair or rebuild.

The community has two entrance canopies, which were found to be in fair condition with some rust observed on their supports. A budget has been allocated for their repair or replacement.

The community features a rear ramp with a paver floor and railings on both sides, which was found to be in fair condition during our inspection. A budget has been allocated for its repair and/or replacement.

The community has front landscaping, which is in fair condition. A budget has been allocated for its restoration or replacement.

Common Components & Required Reserve Expenditures

Appendix A contains a list of projected reserve expenditures for these items:

- Replacement of the soffit, gutter, and downspout systems.
- Asphalt internal roads/parking area sealcoating/crack seal.
- Asphalt internal roads/parking area mill and fill.
- Metal gate repair/replacement.
- Replacement/Repair of the exterior main entrance glass doors.
- Repair/Replacement of the retaining wall.
- Entrance canopy repair/replacement.
- Rear ramp paver and railing repair/replacement.
- Landscaping restoration.

4.3.2 Building Structure and Exterior

Description & Observations

The building structure consists of concrete masonry units (CMUs) and wood structural framing, all of which were observed to be in fair condition during the site visit. Regular inspections are recommended to identify and address any emerging cracks promptly, ensuring the structural integrity of the building is maintained.

The exterior walls, finished with brick, were in fair condition at the time of inspection; however, some cracks were observed. It was also noted that some brick repairs had been performed previously. A budget has been allocated for future repairs to maintain their appearance and ensure protection against weathering.

It is understood that the association is not responsible for the maintenance or replacement of individual unit windows, as this falls under the responsibility of the unit owners. However, the common windows in the staircases are the association's responsibility, and a budget has been allocated for their replacement.

During our walkthrough inspection, we observed that the flat roofing system has undergone prior repairs and that a seal coating was applied. However, cracks, areas of standing water, and surface blisters were noted, indicating that the roof has likely reached the end of its useful service life. A budget has been allocated for roof replacement based on the proposal provided by Jottan Roofing to the Board on February 3, 2026. Replacement of the roof hatch is included under the Operations and Maintenance budgets.

Common Components & Required Reserve Expenditures

Appendix A contains a list of projected reserve expenditures for these items:

- Facade brick repair/repainting.
- Replacement of common area windows.
- Flat roof covering replacement.

4.3.3 Building Interior

A reserve study does not consider Unit Owner-responsible unit interiors.

Description & Observations

The interiors of the individually owned units are not the responsibility of the association. However, the main entrance doors, which provide access to the lobby, interior common hallways, staircases, and utility rooms, fall under the association's responsibility.

The finishes in the common areas, including ceilings, wall paint, carpets, and flooring in the hallways and staircases, were observed to be in fair condition. A budget has been allocated for their repair or replacement during the study period.

Common Components & Required Reserve Expenditures

Appendix A contains a list of projected reserve expenditures for these items:

- Common doors replacement.
- Interior common area flooring, staircases, and carpet repair/replacement.
- Interior common area finish repainting.

4.3.4 Mechanical, Electrical and Plumbing (MEP) Systems

A reserve study does not consider Unit Owner-responsible mechanical, electrical and plumbing systems.

Description & Observations

Sewer System: The building's sewer system is in working condition, with a budget allocated for its repair/upgrade in the future.

As we were informed, the association is responsible for the gas pipes, which were observed to be in working condition. A budget has been allocated for any necessary repair/upgrade.

As we were informed, the wiring from the meter to each individual apartment is the association's responsibility. A budget has been allocated for its repair/upgrade.

The building is equipped with both exterior and interior lighting, all of which were observed to be in fair condition. A budget has been allocated for their repair or replacement.

The community is equipped with fire safety equipment, including a fire alarm control panel, smoke detectors, exit signs, pull stations, fire alarms, and, in addition, carbon monoxide alarms, all of which were observed to be in fair condition. A budget has been allocated for the replacement of these components based on their anticipated lifespan.

During our inspection, we observed baseboard heaters in the hallways, which are in fair condition. A budget has been allocated for their replacement.

The community has common coin-operated washers and dryers, which were observed to be in fair condition during the inspection. A budget has been allocated for their replacement.

The community has a hot water boiler, which was found to be in fair condition during our inspection. We were informed that it was replaced three years ago. A budget has been allocated for its replacement based on its age.

The community has two domestic hot water systems serving the property, both of which appear to be at the end of their useful life. A budget has been allocated for their replacement based on the proposal provided by the Board on 1/26/2026 from Miller Mechanical Services, LLC.

During our inspection, we observed the sump pump to be in working condition. No budget has been allocated for its replacement, as it falls under the Operations & Maintenance budgets.

A security camera system is installed in the community and is in working condition. A budget has been allocated for its replacement to ensure continued functionality and coverage.

Common Components & Required Reserve Expenditures

Appendix A contains a list of projected reserve expenditures for these items:

- Sewer system repair/upgrade.
- Gas pipe repair/upgrade.
- Building electrical system repair/upgrade
- Exterior/Interior common lighting replacement.
- Fire alarm control panel replacement.
- Replacement of safety equipment.
- Replacement of common baseboard heaters.
- Common coin-operated washer and dryer replacement.
- Hot water boiler replacement.
- Replacement of domestic hot water.
- Camera system replacement.

4.3.5 Amenities

Description & Observations

The mailboxes, located inside the building, are in fair condition. A budget has been allocated for their replacement within this study.

The intercom system was replaced following our inspection, as confirmed by the property manager. Its future replacement has been included in this study's capital reserve budget based on its updated service life.

Common Components & Required Reserve Expenditures

Appendix A contains a list of projected reserve expenditures for these items:

- Mailbox rack replacement.
- Intercom system replacement.

4.3.6 Services

Description & Observations

In compliance with New Jersey Law S2760, which mandates reserve studies and structural integrity assessments along with reserve funding legislation, we have included a budget for these studies within this report.

We have followed the NJ standard of a 5-year review cycle, while the CAI's 2023 Reserve Study Standards recommend conducting assessments every three years.

Common Components & Required Reserve Expenditures

Appendix A contains a list of projected reserve expenditures for these items:

- Reserve study update.
- Structural integrity inspection.

4.5 LIFE & VALUATION

4.5.1 Opinions of Useful Life

Simply stated, for components which require periodic reserve expenditures for their repairs or replacement, the frequency of work equals the typical, industry accepted expected useful life (EUL) for the type of feature,

And, theoretically, the remaining useful life (RUL) of a component before the next reserve expenditure for its repair or replacement is equal to the difference between its EUL and its age:

$$\text{RUL} = \text{EUL} - \text{Age}$$

However, the condition and rate of deterioration of the association's assets rarely conform to such simple analysis. And, often, a property's history and available documentation does not provide any record of a particular component's actual age.

In our experience, the effective age and actual RUL of an installed item vary greatly from its actual age and calculated RUL. These variances depend on the quality of its original materials and workmanship, level of service, climatic exposure, and ongoing maintenance. As part of Criterium's work on this reserve study, we have determined our opinion of the effective age, EUL and RUL of each common component based on our evaluation of its existing condition and considering those factors.

When it seems appropriate, we will spread some budgets over multiple years. However, it is beyond the scope of this reserve study to prioritize the need for work between a number of buildings or installed locations or to closely specify or breakdown phased work packages.

In summary, we have based our opinion of the remaining useful life and expected frequency and schedule of repair for each common component on some or all of the following:

- Actual or assumed age
- Observed existing condition
- Association's or Property Manager's maintenance history and plan
- Our experience with actual performance of such components under similar service and exposure
- Our experience managing the repairs and replacements of such components

We use the following documentation to guide our considerations:

- Fannie Mae - Expected Useful Life Tables National Association of Home Builders - Life Expectancy of Components
- Marshall & Swift Valuation Service Expected Life Expectancies

4.5.2 Cost Estimating

In developing our estimate of reserve expenditure for most common components, we have estimated a quantity of each item and also a unit cost for its repair or replacement. In some cases, it is more appropriate to estimate a lump sum cost for a required work package or 'lot'.

Unless directed to take a different approach, we assume that contract labor will perform the work and apply appropriate installer's mark-ups on supplied material and equipment. When required, our estimated costs include demolition and disposal of existing materials, and protection of other portions of the property.

When appropriate for large reserve projects, we will also include soft costs for design and project management, and typical general contractor's cost for general conditions, supervision, overhead and profit.

We have based our opinion of unit and lump sum costs on some or all of the following:

- Records of previous maintenance expenses
- Previously solicited Vendor quotations or Contractor proposals
- Provided reserve budgets developed by others
- Our project files on repairs and replacements at other properties

We use the following publications to guide our considerations:

- On-Line R S Means - Construction Cost Data
- Marshall & Swift Valuation Service - Facility Cost Index

Annual aggregated reserve expenditure budgets have been calculated for all years during the study period by inflating the annual tallies of current dollar cost estimates, and compounding for inflation at 3.00% per year.

Of course, it is impossible to accurately predict inflation fluctuation. Three percent is close to the average annual values of both consumer and construction cost increases since the US Bureau of Labor Statistics started publishing data approximately 85 years ago.

5.0 FINANCIAL ANALYSIS

Please refer to Appendix A which contains tables illustrating the findings following below.

5.1 RESERVE EXPENDITURE PROJECTION

Based on our investigations and conditions described in Section 4 of this report, we have identified likely reserve expenditures throughout the study period.

For detailed information on projected reserve expenditures, please refer to the Appendix A tables titled "Common Component Inventory & Reserve Expenditure Planning" and "Anticipated Reserve Expenditures - Scheduling and Cost Estimating."

Please note that we have assumed that the cost of minor repair & replacement work valued at less than \$3000 will be covered by normal Operations & Maintenance budgets.

We have not included any reserve budget allowances for repair of casualty damage by vehicle impact, severe storm action, etc. It is assumed that such expenses would be defrayed by proceeds of insurance claims.

5.2 CURRENT FUNDING

5.2.1 Current Reserve Funding Levels

At the time we were retained to provide this study, The Board provided us with information on the Association's Reserve Fund and its funding plan.

Our financial analysis was based on the information supplied.

Fiscal Year Starting Date:	Jan 1, 2026
For Designated Year:	2026
Starting Fund Balance:	\$249,606
On Date:	Jan 1, 2026
Current Rate of Contribution:	\$0
Planned Increases:	None
Planned Special Assessments:	None
Projected Average Return on Investment:	3.00%
Projected Rate of Annual Inflation:	3.00%

As you requested, we have used 3% for inflation. This is somewhat lower than we have seen being used by other associations; a rate at or close to 4% is more common. A small change in inflation can have a significant impact on reserve contributions when projected over 20 years or more. Of course, what you use is up to you and your financial advisor. As noted in section 6.0, we do not provide financial counseling.

Financial data, records of past expenses, and cost estimates provided by others have been taken in good faith and at face value. No audit or other verification has been performed.

5.2.2 Current Funding Plan Projection

Our initial analysis was a projection of the Association's current rate of contribution over 30 years with no increases. For detailed data, please refer to the Appendix A tables titled "Cash Flow Projection at the Current Funding Level"

Given the estimated \$249,606 starting balance of the Reserve Fund on Jan 1, 2026, the current ongoing annual rate of contribution of \$0, and an anticipated average rate of return on investment of 3.00% per year, our financial analysis indicates that the Association's current funding will prove insufficient to meet future needs.

Because of draw-downs for projected reserve expenditure expenses, projected year-end fund balances will fall into deficit in 2032 of the study period. The projected year-end balance at the end of the 30-year planning period in 2055 will be approximately **(\$1,949,193)**.

5.3 ALTERNATIVE FUNDING PLANS

Our strategy to develop alternative funding plans is to maintain a minimum positive balance in reasonable proportion to the average annual expenses unless otherwise directed by our client.

The alternate funding plans we have developed should maintain positive reserve balances throughout the study which will not fall far below this suggested range of minimum threshold values.

We have prepared three alternate funding plan(s) for the Board's consideration:

- **Option 1:** Starting in 2026, the annual reserve contribution will be \$46,080, with a 5% annual increase from 2027 through 2034.
- **Option 2:** Starting in 2026, the annual reserve contribution will be \$46,080, with a 10% annual increase from 2027 through 2030.
- **Option 3:** Starting in 2026, the annual contribution will be \$9,500. It will increase by 100% in 2027 and 2032, by 50% in 2037, and by 33.33% in 2042. Additionally, special assessments of \$100,000 in 2036 and \$350,000 in 2041 are planned.

We look forward to working with the Board to develop a satisfactory plan for their adoption.

5.4. FUNDING METHODOLOGIES (Background Information)

The Community Association Institute (CAI) recognizes several reserve funding methodologies, all of which may be used to satisfy these principles:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

For the planning needs of your association, we have recommended a cash-flow projection approach. The projection considers anticipated annual expenditures and contributions to compute approximate year-end reserve fund balances throughout the study period. This methodology is consistent with CAI community guidelines.

There are other methods of determining appropriate reserve funding levels. If you are interested, please see the definition of *Component Method* and *Fully Funded Balance* in CAI's National Reserve Study Standard attached in Appendix D.

6.0 STANDARDS AND LIMITATIONS

We shall perform duties to at least the professional standards consistent with a licensed, Professional Engineer, but does not guarantee or warrant that all adverse conditions concerning the property can be or will be discovered and included in the report. The photographs are an integral part of this report and must be included in any review.

This study is limited to the visual observations made during our inspection. We did not undertake any excavation, conduct any destructive or invasive testing, remove surface materials or finishes, or displace furnishings or equipment. The observations described in this study are valid on the dates of the investigation.

Accordingly, we cannot comment on the condition of systems that we could not see, such as buried structures and utilities, nor are we responsible for conditions that could not be seen or were not within the scope of our services at the time of inspection.

We did not perform any computations or other engineering analysis as part of this study, nor did we conduct a comprehensive code compliance investigation.

This information in this study is not to be considered a warranty of condition, quality, compliance or cost. No warranty is implied. Financial data, records of past expenses, and cost estimates provided by others have been taken in good faith and at face value. No audit or other verification has been performed.

Reserve budgets are opinions of likely expense based on reasonable cost estimates. We have not obtained competitive quotations or estimates from contractors. Actual costs can vary significantly, based on the specific scope of work developed, availability of materials and qualified contractors, and many other variables. We cannot be responsible for variances.

We do not offer financial counseling services. Although reasonable rates of inflation and return on investment must be assumed to calculate projected balances, no one can accurately predict actual economic performance. Although reserve fund management and investment may be discussed during the course of the study, we do not purport to hold any special qualifications in this area.

We recommend that the Board also seek other professional guidance before finalizing their current reserve fund planning activity. Depending on issues which may arise, an appropriate team of consultants to aid decision-making might include their property manager, accountant, financial counselor and attorney.

We prepared this confidential report for the review and use of the Board of the Association. We do not intend any other individual or party to rely upon this study without our express written consent. If another individual or party relies on this study, they shall indemnify, defend and hold Criterium - Hanna Engineers, its subsidiaries, affiliates, officers, directors, members, shareholders, partners, agents, employees and such other parties in interest specified by Criterium - Hanna Engineers harmless for any damages, losses, or expenses they may incur as a result of its use. Any use or reliance of the report by an individual or party other than shall constitute acceptance of these terms and conditions.

7.0 CONCLUSION

To the best of our ability, we have considered the best interest of the 133 33rd St Union City, NJ and Board to fulfill their fiduciary responsibilities.

In our professional opinion, and within the limitations disclosed elsewhere herein, all information contained herein is reliable and appropriate to guide the Board's deliberations and decision-making.

All of our work for this study has been carried out in strict accordance with the CAI Code of Ethics. We consider our report confidential and will not share its content with anyone but the Board without its knowledge and release.

We are unaware of any other involvement or business relationship between Criterium - Hanna Engineers and the Developer, or individual Unit Owners, or members of the Board, or any other entities which constitutes any conflict of interest.

We appreciate this opportunity to assist the Board of Julianne A Condominium Association with their financial planning.

If you have any further questions or would like to direct additional, follow-on services, please contact Criterium - Hanna Engineers at 732-230-7473.

Thank you.

Respectfully submitted,

CRITERIUM - HANNA ENGINEERS



Mina Hanna, P.E.
Project Engineer - (Investigating & Reporting)



H. Alan Mooney, P.E. (NJ), RS
Reviewing Engineer - (Reviewing)

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APPENDICES

APPENDIX A

FINANCIAL EXHIBITS

Reserve Study for Client:

Board of Directors

133 33rd St Union City, NJ

Property Manager:

Alex Tehrani

Julianne Condominium Association

Association Information, Agreed Planning Assumptions and Current Reserve Funding Data**Association Information:**

Number of units	64
Is this property mixed-use?	No
Are all Units assessed at equal rates?	Yes
Fiscal year starts	January 1, 2026
Fiscal year is designated as	2026

Construction History:

Initial building construction or first Unit occupancy		
If building(s) had a prior use, the year of condo conversion	Not Applicable	---
If phased construction, the year the last Unit was completed	Not Applicable	---
Significant renovation	Not Applicable	---

Study Information & Planning Assumptions:

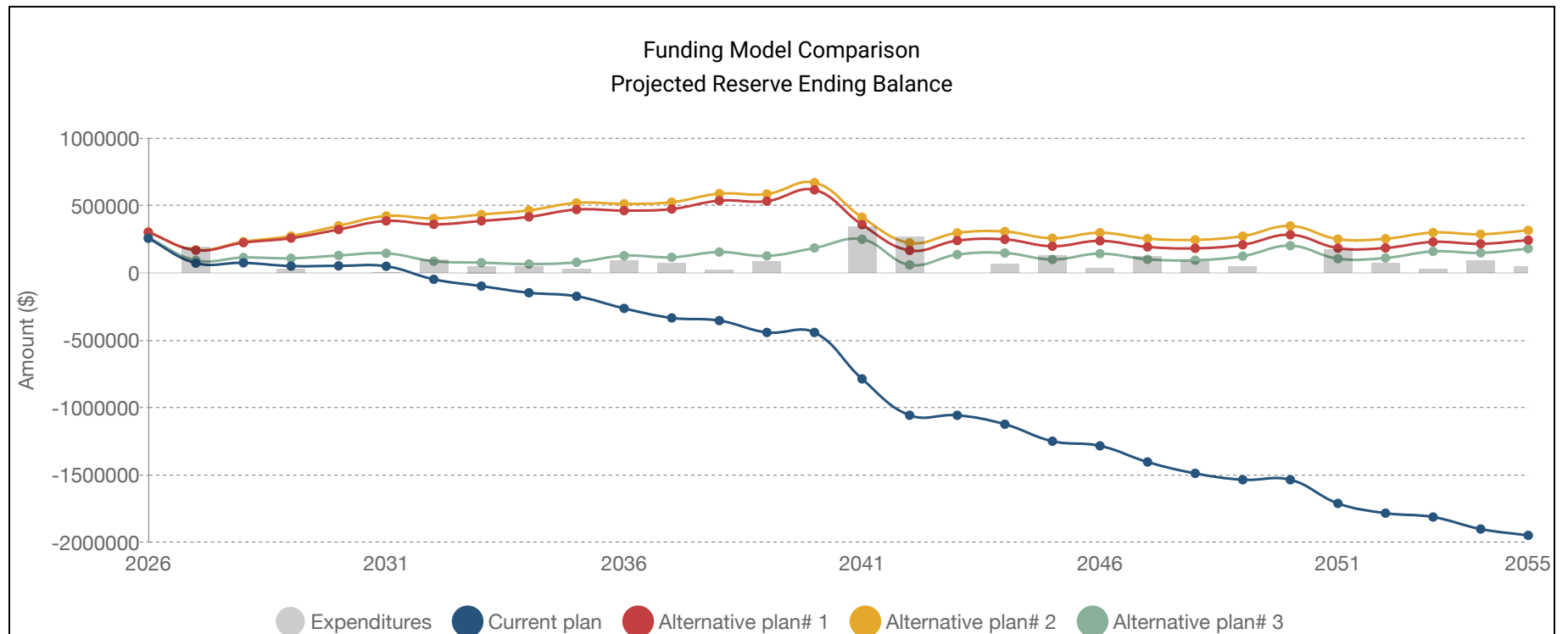
Study period, duration in years	30
Study period starts	January 1, 2026
Rate of return on investment % (ROI) applied to reserve fund balances	3.00%
Annual inflation rate (%) applied to future expenditure annual budgets	3.00%

Current Funding Levels:

Estimated starting reserve fund balance	\$249,606
Current monthly reserve contribution	\$0
Current overall annual reserve contribution	\$0
Monthly average reserve contribution per unit	\$0
Annual average reserve contribution per unit	\$0
Current Planned Special Assessments:	N/A

30-Year Cash-Flow Projections - Summary Graph

Year No.	Fiscal Year	Projected Capital Expenditures	Year-End Reserve Fund Balances			
			Current plan	Alternative plan# 1	Alternative plan# 2	Alternative plan# 3
1	2026	\$0	\$257,094	\$303,174	\$303,174	\$262,850
2	2027	\$191,838	\$72,969	\$168,815	\$171,119	\$93,955
3	2028	\$0	\$75,158	\$224,683	\$232,010	\$114,364
4	2029	\$26,225	\$51,188	\$258,542	\$274,078	\$108,854
5	2030	\$0	\$52,723	\$322,308	\$349,766	\$129,487
6	2031	\$4,637	\$49,668	\$386,152	\$423,088	\$145,793
7	2032	\$98,568	(\$47,410)	\$360,920	\$404,679	\$87,411
8	2033	\$50,424	(\$97,834)	\$386,164	\$433,861	\$76,299
9	2034	\$49,404	(\$147,238)	\$416,426	\$464,939	\$66,039
10	2035	\$26,095	(\$173,333)	\$470,906	\$520,258	\$78,935
11	2036	\$90,043	(\$263,376)	\$463,072	\$513,289	\$128,076
12	2037	\$70,664	(\$334,040)	\$474,382	\$525,490	\$116,333
13	2038	\$19,961	(\$354,001)	\$536,735	\$588,760	\$155,117
14	2039	\$87,971	(\$441,972)	\$532,948	\$585,917	\$126,473
15	2040	\$0	(\$441,972)	\$617,018	\$670,961	\$185,370
16	2041	\$345,094	(\$787,066)	\$358,517	\$413,462	\$250,056
17	2042	\$270,143	(\$1,057,209)	\$167,211	\$223,188	\$59,664
18	2043	\$0	(\$1,057,209)	\$240,310	\$297,350	\$136,559
19	2044	\$66,394	(\$1,123,603)	\$249,207	\$307,343	\$148,213
20	2045	\$126,252	(\$1,249,855)	\$198,513	\$257,777	\$100,185
21	2046	\$34,316	(\$1,284,171)	\$238,234	\$298,660	\$143,371
22	2047	\$120,085	(\$1,404,256)	\$193,378	\$255,001	\$101,437
23	2048	\$84,309	(\$1,488,565)	\$182,953	\$245,808	\$94,649
24	2049	\$47,366	(\$1,535,931)	\$209,157	\$273,282	\$124,703
25	2050	\$0	(\$1,535,931)	\$283,514	\$348,947	\$202,574
26	2051	\$175,678	(\$1,711,609)	\$184,424	\$251,203	\$105,934
27	2052	\$72,348	(\$1,783,957)	\$185,690	\$253,857	\$111,175
28	2053	\$28,876	(\$1,812,833)	\$230,467	\$300,063	\$159,967
29	2054	\$89,229	(\$1,902,062)	\$216,234	\$287,302	\$149,138
30	2055	\$47,131	(\$1,949,193)	\$243,672	\$316,256	\$180,244



The chart above compares the projected annual reserve fund ending balances for the current and alternative funding plans over the 30 year period.

Future opportunity to reduce rate of contribution to reserves after key projects are complete. Consider during Reserve Study Update.

Cash-Flow Projection at the Current plan Level

Inflation: 3.00% | Investment: 3.00% | Calc: Inflation-Adjusted Cost

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE
2026	\$249,606	\$0	N/A	\$7,488	\$0	\$0	\$0	\$257,094
2027	\$257,094	\$0	N/A	\$7,713	\$0	\$0	\$191,838	\$72,969
2028	\$72,969	\$0	N/A	\$2,189	\$0	\$0	\$0	\$75,158
2029	\$75,158	\$0	N/A	\$2,255	\$0	\$0	\$26,225	\$51,188
2030	\$51,188	\$0	N/A	\$1,536	\$0	\$0	\$0	\$52,723
2031	\$52,723	\$0	N/A	\$1,582	\$0	\$0	\$4,637	\$49,668
2032	\$49,668	\$0	N/A	\$1,490	\$0	\$0	\$98,568	(\$47,410)
2033	(\$47,410)	\$0	N/A	\$0	\$0	\$0	\$50,424	(\$97,834)
2034	(\$97,834)	\$0	N/A	\$0	\$0	\$0	\$49,404	(\$147,238)
2035	(\$147,238)	\$0	N/A	\$0	\$0	\$0	\$26,095	(\$173,333)
2036	(\$173,333)	\$0	N/A	\$0	\$0	\$0	\$90,043	(\$263,376)
2037	(\$263,376)	\$0	N/A	\$0	\$0	\$0	\$70,664	(\$334,040)
2038	(\$334,040)	\$0	N/A	\$0	\$0	\$0	\$19,961	(\$354,001)
2039	(\$354,001)	\$0	N/A	\$0	\$0	\$0	\$87,971	(\$441,972)
2040	(\$441,972)	\$0	N/A	\$0	\$0	\$0	\$0	(\$441,972)
2041	(\$441,972)	\$0	N/A	\$0	\$0	\$0	\$345,094	(\$787,066)
2042	(\$787,066)	\$0	N/A	\$0	\$0	\$0	\$270,143	(\$1,057,209)

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE
2043	(\$1,057,209)	\$0	N/A	\$0	\$0	\$0	\$0	(\$1,057,209)
2044	(\$1,057,209)	\$0	N/A	\$0	\$0	\$0	\$66,394	(\$1,123,603)
2045	(\$1,123,603)	\$0	N/A	\$0	\$0	\$0	\$126,252	(\$1,249,855)
2046	(\$1,249,855)	\$0	N/A	\$0	\$0	\$0	\$34,316	(\$1,284,171)
2047	(\$1,284,171)	\$0	N/A	\$0	\$0	\$0	\$120,085	(\$1,404,256)
2048	(\$1,404,256)	\$0	N/A	\$0	\$0	\$0	\$84,309	(\$1,488,565)
2049	(\$1,488,565)	\$0	N/A	\$0	\$0	\$0	\$47,366	(\$1,535,931)
2050	(\$1,535,931)	\$0	N/A	\$0	\$0	\$0	\$0	(\$1,535,931)
2051	(\$1,535,931)	\$0	N/A	\$0	\$0	\$0	\$175,678	(\$1,711,609)
2052	(\$1,711,609)	\$0	N/A	\$0	\$0	\$0	\$72,348	(\$1,783,957)
2053	(\$1,783,957)	\$0	N/A	\$0	\$0	\$0	\$28,876	(\$1,812,833)
2054	(\$1,812,833)	\$0	N/A	\$0	\$0	\$0	\$89,229	(\$1,902,062)
2055	(\$1,902,062)	\$0	N/A	\$0	\$0	\$0	\$47,131	(\$1,949,193)

Cash-Flow Projection at the Alternative plan# 1 Level

Starting in 2026, the annual reserve contribution will be \$46,080, with a 5% annual increase from 2027 through 2034.

Inflation: 3.00% | Investment: 3.00% | Calc: Inflation-Adjusted Cost

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE
2026	\$249,606	\$46,080	N/A	\$7,488	\$0	\$0	\$0	\$303,174
2027	\$303,174	\$48,384	5.00%	\$9,095	\$0	\$0	\$191,838	\$168,815
2028	\$168,815	\$50,803	5.00%	\$5,064	\$0	\$0	\$0	\$224,683
2029	\$224,683	\$53,343	5.00%	\$6,740	\$0	\$0	\$26,225	\$258,542
2030	\$258,542	\$56,011	5.00%	\$7,756	\$0	\$0	\$0	\$322,308
2031	\$322,308	\$58,811	5.00%	\$9,669	\$0	\$0	\$4,637	\$386,152
2032	\$386,152	\$61,752	5.00%	\$11,585	\$0	\$0	\$98,568	\$360,920
2033	\$360,920	\$64,840	5.00%	\$10,828	\$0	\$0	\$50,424	\$386,164
2034	\$386,164	\$68,082	5.00%	\$11,585	\$0	\$0	\$49,404	\$416,426
2035	\$416,426	\$68,082	0.00%	\$12,493	\$0	\$0	\$26,095	\$470,906
2036	\$470,906	\$68,082	0.00%	\$14,127	\$0	\$0	\$90,043	\$463,072
2037	\$463,072	\$68,082	0.00%	\$13,892	\$0	\$0	\$70,664	\$474,382
2038	\$474,382	\$68,082	0.00%	\$14,231	\$0	\$0	\$19,961	\$536,735
2039	\$536,735	\$68,082	0.00%	\$16,102	\$0	\$0	\$87,971	\$532,948
2040	\$532,948	\$68,082	0.00%	\$15,988	\$0	\$0	\$0	\$617,018
2041	\$617,018	\$68,082	0.00%	\$18,511	\$0	\$0	\$345,094	\$358,517

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE
2042	\$358,517	\$68,082	0.00%	\$10,756	\$0	\$0	\$270,143	\$167,211
2043	\$167,211	\$68,082	0.00%	\$5,016	\$0	\$0	\$0	\$240,310
2044	\$240,310	\$68,082	0.00%	\$7,209	\$0	\$0	\$66,394	\$249,207
2045	\$249,207	\$68,082	0.00%	\$7,476	\$0	\$0	\$126,252	\$198,513
2046	\$198,513	\$68,082	0.00%	\$5,955	\$0	\$0	\$34,316	\$238,234
2047	\$238,234	\$68,082	0.00%	\$7,147	\$0	\$0	\$120,085	\$193,378
2048	\$193,378	\$68,082	0.00%	\$5,801	\$0	\$0	\$84,309	\$182,953
2049	\$182,953	\$68,082	0.00%	\$5,489	\$0	\$0	\$47,366	\$209,157
2050	\$209,157	\$68,082	0.00%	\$6,275	\$0	\$0	\$0	\$283,514
2051	\$283,514	\$68,082	0.00%	\$8,505	\$0	\$0	\$175,678	\$184,424
2052	\$184,424	\$68,082	0.00%	\$5,533	\$0	\$0	\$72,348	\$185,690
2053	\$185,690	\$68,082	0.00%	\$5,571	\$0	\$0	\$28,876	\$230,467
2054	\$230,467	\$68,082	0.00%	\$6,914	\$0	\$0	\$89,229	\$216,234
2055	\$216,234	\$68,082	0.00%	\$6,487	\$0	\$0	\$47,131	\$243,672

Cash-Flow Projection at the Alternative plan# 2 Level

Starting in 2026, the annual reserve contribution will be \$46,080, with a 10% annual increase from 2027 through 2030.

Inflation: 3.00% | Investment: 3.00% | Calc: Inflation-Adjusted Cost

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE
2026	\$249,606	\$46,080	N/A	\$7,488	\$0	\$0	\$0	\$303,174
2027	\$303,174	\$50,688	10.00%	\$9,095	\$0	\$0	\$191,838	\$171,119
2028	\$171,119	\$55,757	10.00%	\$5,134	\$0	\$0	\$0	\$232,010
2029	\$232,010	\$61,333	10.00%	\$6,960	\$0	\$0	\$26,225	\$274,078
2030	\$274,078	\$67,466	10.00%	\$8,222	\$0	\$0	\$0	\$349,766
2031	\$349,766	\$67,466	0.00%	\$10,493	\$0	\$0	\$4,637	\$423,088
2032	\$423,088	\$67,466	0.00%	\$12,693	\$0	\$0	\$98,568	\$404,679
2033	\$404,679	\$67,466	0.00%	\$12,140	\$0	\$0	\$50,424	\$433,861
2034	\$433,861	\$67,466	0.00%	\$13,016	\$0	\$0	\$49,404	\$464,939
2035	\$464,939	\$67,466	0.00%	\$13,948	\$0	\$0	\$26,095	\$520,258
2036	\$520,258	\$67,466	0.00%	\$15,608	\$0	\$0	\$90,043	\$513,289
2037	\$513,289	\$67,466	0.00%	\$15,399	\$0	\$0	\$70,664	\$525,490
2038	\$525,490	\$67,466	0.00%	\$15,765	\$0	\$0	\$19,961	\$588,760
2039	\$588,760	\$67,466	0.00%	\$17,663	\$0	\$0	\$87,971	\$585,917
2040	\$585,917	\$67,466	0.00%	\$17,578	\$0	\$0	\$0	\$670,961
2041	\$670,961	\$67,466	0.00%	\$20,129	\$0	\$0	\$345,094	\$413,462

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE
2042	\$413,462	\$67,466	0.00%	\$12,404	\$0	\$0	\$270,143	\$223,188
2043	\$223,188	\$67,466	0.00%	\$6,696	\$0	\$0	\$0	\$297,350
2044	\$297,350	\$67,466	0.00%	\$8,920	\$0	\$0	\$66,394	\$307,343
2045	\$307,343	\$67,466	0.00%	\$9,220	\$0	\$0	\$126,252	\$257,777
2046	\$257,777	\$67,466	0.00%	\$7,733	\$0	\$0	\$34,316	\$298,660
2047	\$298,660	\$67,466	0.00%	\$8,960	\$0	\$0	\$120,085	\$255,001
2048	\$255,001	\$67,466	0.00%	\$7,650	\$0	\$0	\$84,309	\$245,808
2049	\$245,808	\$67,466	0.00%	\$7,374	\$0	\$0	\$47,366	\$273,282
2050	\$273,282	\$67,466	0.00%	\$8,198	\$0	\$0	\$0	\$348,947
2051	\$348,947	\$67,466	0.00%	\$10,468	\$0	\$0	\$175,678	\$251,203
2052	\$251,203	\$67,466	0.00%	\$7,536	\$0	\$0	\$72,348	\$253,857
2053	\$253,857	\$67,466	0.00%	\$7,616	\$0	\$0	\$28,876	\$300,063
2054	\$300,063	\$67,466	0.00%	\$9,002	\$0	\$0	\$89,229	\$287,302
2055	\$287,302	\$67,466	0.00%	\$8,619	\$0	\$0	\$47,131	\$316,256

Cash-Flow Projection at the Alternative plan# 3 Level

Starting in 2026, the annual contribution will be \$9,500. It will increase by 100% in 2027 and 2032, by 50% in 2037, and by 33.33% in 2042. Additionally, special assessments of \$100,000 in 2036 and \$350,000 in 2041 are planned.

Inflation: 3.00% | Investment: 3.00% | Calc: Inflation-Adjusted Cost

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE
2026	\$249,606	\$9,500	N/A	\$3,744	\$0	\$0	\$0	\$262,850
2027	\$262,850	\$19,000	100.00%	\$3,943	\$0	\$0	\$191,838	\$93,955
2028	\$93,955	\$19,000	0.00%	\$1,409	\$0	\$0	\$0	\$114,364
2029	\$114,364	\$19,000	0.00%	\$1,715	\$0	\$0	\$26,225	\$108,854
2030	\$108,854	\$19,000	0.00%	\$1,633	\$0	\$0	\$0	\$129,487
2031	\$129,487	\$19,000	0.00%	\$1,942	\$0	\$0	\$4,637	\$145,793
2032	\$145,793	\$38,000	100.00%	\$2,187	\$0	\$0	\$98,568	\$87,411
2033	\$87,411	\$38,000	0.00%	\$1,311	\$0	\$0	\$50,424	\$76,299
2034	\$76,299	\$38,000	0.00%	\$1,144	\$0	\$0	\$49,404	\$66,039
2035	\$66,039	\$38,000	0.00%	\$991	\$0	\$0	\$26,095	\$78,935
2036	\$78,935	\$38,000	0.00%	\$1,184	\$100,000	\$0	\$90,043	\$128,076
2037	\$128,076	\$57,000	50.00%	\$1,921	\$0	\$0	\$70,664	\$116,333
2038	\$116,333	\$57,000	0.00%	\$1,745	\$0	\$0	\$19,961	\$155,117
2039	\$155,117	\$57,000	0.00%	\$2,327	\$0	\$0	\$87,971	\$126,473
2040	\$126,473	\$57,000	0.00%	\$1,897	\$0	\$0	\$0	\$185,370

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE
2041	\$185,370	\$57,000	0.00%	\$2,781	\$350,000	\$0	\$345,094	\$250,056
2042	\$250,056	\$76,000	33.33%	\$3,751	\$0	\$0	\$270,143	\$59,664
2043	\$59,664	\$76,000	0.00%	\$895	\$0	\$0	\$0	\$136,559
2044	\$136,559	\$76,000	0.00%	\$2,048	\$0	\$0	\$66,394	\$148,213
2045	\$148,213	\$76,000	0.00%	\$2,223	\$0	\$0	\$126,252	\$100,185
2046	\$100,185	\$76,000	0.00%	\$1,503	\$0	\$0	\$34,316	\$143,371
2047	\$143,371	\$76,000	0.00%	\$2,151	\$0	\$0	\$120,085	\$101,437
2048	\$101,437	\$76,000	0.00%	\$1,522	\$0	\$0	\$84,309	\$94,649
2049	\$94,649	\$76,000	0.00%	\$1,420	\$0	\$0	\$47,366	\$124,703
2050	\$124,703	\$76,000	0.00%	\$1,871	\$0	\$0	\$0	\$202,574
2051	\$202,574	\$76,000	0.00%	\$3,039	\$0	\$0	\$175,678	\$105,934
2052	\$105,934	\$76,000	0.00%	\$1,589	\$0	\$0	\$72,348	\$111,175
2053	\$111,175	\$76,000	0.00%	\$1,668	\$0	\$0	\$28,876	\$159,967
2054	\$159,967	\$76,000	0.00%	\$2,400	\$0	\$0	\$89,229	\$149,138
2055	\$149,138	\$76,000	0.00%	\$2,237	\$0	\$0	\$47,131	\$180,244

Anticipated Reserve Expenditures - Scheduling and Cost Estimating

Grouped by Category

CATEGORY ASSET N°	NAME	NEXT REPL	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	CURRENT COST
Amenities								
1	Mailbox rack replacement	01/01/2045	20y	19y	19y	\$16,000.00	1 Allow	\$16,000
								\$16,000
Exterior Envelope								
2	Flat roof covering replacement	01/01/2027	15y	1y	1y	\$8.43	15,990 SF	\$134,796
3	Facade brick repair/repainting	01/01/2029	5y	3y	3y	\$24,000.00	1 Allow	\$24,000
4	Replacement/Repair of the exterior main entrance glass doors	01/01/2036	25y	10y	10y	\$8,000.00	2 Ea	\$16,000
7	Entrance canopy repair/replacement	01/01/2032	15y	6y	6y	\$10,000.00	2 Ea	\$20,000
8	Rear ramp paver and railing repair/replacement	01/01/2038	30y	12y	12y	\$6,000.00	1 Allow	\$6,000
9	Landscaping restoration	01/01/2032	10y	6y	6y	\$6,000.00	1 Allow	\$6,000
10	Asphalt internal roads/parking area sealcoating/crack seal	01/01/2027	5y	1y	1y	\$0.50	19,500 SF	\$9,750
11	Asphalt internal roads/parking area mill and fill	01/01/2041	25y	15y	15y	\$7.00	19,500 SF	\$136,500
12	Metal gate repair/replacement	01/01/2033	20y	7y	7y	\$2,500.00	2 Ea	\$5,000
13	Repair/Replacement of the retaining wall	01/01/2046	50y	20y	20y	\$250.00	60 LF	\$15,000
								\$373,046
Interior								

CATEGORY ASSET Nº	NAME	NEXT REPL	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	CURRENT COST
5	Common doors replacement	01/01/2037	25y	11y	11y	\$19,500.00	1 Allow	\$19,500
6	Replacement of common area windows	01/01/2037	30y	11y	11y	\$4,000.00	4 Ea	\$16,000
14	Interior common area flooring, staircases, and carpet repair/replacement	01/01/2036	15y	10y	10y	\$11.00	4,000 SF	\$44,000
16	Interior common area finish repainting	01/01/2032	15y	6y	6y	\$2.00	14,500 SF	\$29,000
								\$108,500
Mechanical, Electrical, Plumbing								
15	Exterior/Interior common lighting replacement	01/01/2035	10y	9y	9y	\$20,000.00	1 Allow	\$20,000
17	Fire alarm control panel replacement	01/01/2036	20y	10y	10y	\$3,000.00	1 Ea	\$3,000
18	Replacement of safety equipment	01/01/2032	10y	6y	6y	\$12,000.00	1 Allow	\$12,000
19	Replacement of common baseboard heaters	01/01/2038	15y	12y	12y	\$1,000.00	8 Ea	\$8,000
20	Hot water boiler replacement	01/01/2048	25y	22y	22y	\$44,000.00	1 Ea	\$44,000
21	Replacement of domestic hot water	01/01/2027	12y	1y	1y	\$17,952.00	2 Ea	\$35,904
22	Common coin-operated washer and dryer replacement	01/01/2033	12y	7y	7y	\$6,000.00	6 Ea	\$36,000
23	Camera system replacement	01/01/2034	10y	8y	8y	\$15,000.00	1 Ea	\$15,000
24	Intercom system replacement	01/01/2041	15y	15y	15y	\$6,000.00	1 Ea	\$6,000
25	Building electrical system repair/upgrade	01/01/2041	25y	15y	15y	\$25,000.00	1 Allow	\$25,000
26	Sewer system repair/upgrade	01/01/2041	25y	15y	15y	\$25,000.00	1 Allow	\$25,000
27	Gas pipes repair/upgrade	01/01/2041	25y	15y	15y	\$25,000.00	1 Allow	\$25,000
								\$254,904

CATEGORY ASSET Nº	NAME	NEXT REPL	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	CURRENT COST
Service								
28	Reserve study update	01/01/2031	5y	5y	5y	\$4,000.00	1 Allow	\$4,000
29	Structural integrity inspection	01/01/2027	5y	1y	1y	\$5,800.00	1 Allow	\$5,800
								\$9,800

Annual Reserve Expenditure Budget Projection

Annual Expenditure Table 2026 to 2035

CATEGORY RESERVE ITEM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Amenities										
Total Amenities										
Exterior Envelope										
Asphalt internal roads/parking area sealcoating/crack seal		\$10,042					\$11,642			
Entrance canopy repair/replacement							\$23,881			
Facade brick repair/repointing				\$26,225					\$30,402	
Flat roof covering replacement		\$138,841								
Landscaping restoration							\$7,164			
Metal gate repair/replacement								\$6,149		
Total Exterior Envelope		\$148,883		\$26,225			\$42,687	\$6,149	\$30,402	
Interior										
Interior common area finish repainting							\$34,626			
Total Interior							\$34,626			
Mechanical, Electrical, Plumbing										
Camera system replacement									\$19,002	

CATEGORY RESERVE ITEM	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Common coin-operated washer and dryer replacement								\$44,275		
Exterior/Interior common lighting replacement										\$26,095
Replacement of domestic hot water		\$36,981								
Replacement of safety equipment							\$14,329			
Total Mechanical, Electrical, Plumbing		\$36,981					\$14,329	\$44,275	\$19,002	\$26,095
Service										
Reserve study update						\$4,637				
Structural integrity inspection		\$5,974					\$6,926			
Total Service		\$5,974				\$4,637	\$6,926			
Total		\$191,838		\$26,225		\$4,637	\$98,568	\$50,424	\$49,404	\$26,095

Annual Reserve Expenditure Budget Projection

Annual Expenditure Table 2036 to 2045

CATEGORY RESERVE ITEM	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Amenities										
Mailbox rack replacement										\$28,056
Total Amenities										\$28,056
Exterior Envelope										
Asphalt internal roads/parking area mill and fill						\$212,667				
Asphalt internal roads/parking area sealcoating/crack seal		\$13,494					\$15,639			
Facade brick repair/repointing				\$35,245					\$40,858	
Flat roof covering replacement							\$216,313			
Landscaping restoration							\$9,628			
Rear ramp paver and railing repair/ replacement			\$8,555							
Replacement/Repair of the exterior main entrance glass doors	\$21,503									
Total Exterior Envelope	\$21,503	\$13,494	\$8,555	\$35,245		\$212,667	\$241,580		\$40,858	
Interior										
Common doors replacement		\$26,993								

CATEGORY RESERVE ITEM	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Interior common area flooring, staircases, and carpet repair/ replacement	\$59,132									
Replacement of common area windows		\$22,148								
Total Interior	\$59,132	\$49,141								
Mechanical, Electrical, Plumbing										
Building electrical system repair/ upgrade						\$38,949				
Camera system replacement								\$25,536		
Common coin-operated washer and dryer replacement										\$63,126
Exterior/Interior common lighting replacement										\$35,070
Fire alarm control panel replacement	\$4,032									
Gas pipes repair/upgrade						\$38,949				
Intercom system replacement						\$9,348				
Replacement of common baseboard heaters			\$11,406							
Replacement of domestic hot water				\$52,726						
Replacement of safety equipment							\$19,256			
Sewer system repair/upgrade						\$38,949				
Total Mechanical, Electrical, Plumbing	\$4,032		\$11,406	\$52,726		\$126,195	\$19,256		\$25,536	\$98,196

CATEGORY RESERVE ITEM	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Service										
Reserve study update	\$5,376					\$6,232				
Structural integrity inspection		\$8,029					\$9,307			
Total Service	\$5,376	\$8,029				\$6,232	\$9,307			
Total	\$90,043	\$70,664	\$19,961	\$87,971		\$345,094	\$270,143		\$66,394	\$126,252

Annual Reserve Expenditure Budget Projection

Annual Expenditure Table 2046 to 2055

CATEGORY RESERVE ITEM	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Amenities										
Total Amenities										
Exterior Envelope										
Asphalt internal roads/parking area sealcoating/crack seal		\$18,135					\$21,021			
Entrance canopy repair/replacement		\$37,206								
Facade brick repair/repainting				\$47,366					\$54,910	
Landscaping restoration							\$12,940			
Metal gate repair/replacement								\$11,106		
Repair/Replacement of the retaining wall	\$27,092									
Total Exterior Envelope	\$27,092	\$55,341		\$47,366			\$33,961	\$11,106	\$54,910	
Interior										
Interior common area finish repainting		\$53,954								
Interior common area flooring, staircases, and carpet repair/ replacement						\$92,128				
Total Interior		\$53,954				\$92,128				

CATEGORY RESERVE ITEM	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Mechanical, Electrical, Plumbing										
Camera system replacement									\$34,319	
Exterior/Interior common lighting replacement										\$47,131
Hot water boiler replacement			\$84,309							
Replacement of common baseboard heaters								\$17,770		
Replacement of domestic hot water						\$75,175				
Replacement of safety equipment							\$25,879			
Total Mechanical, Electrical, Plumbing			\$84,309			\$75,175	\$25,879	\$17,770	\$34,319	\$47,131
Service										
Reserve study update	\$7,224					\$8,375				
Structural integrity inspection		\$10,790					\$12,508			
Total Service	\$7,224	\$10,790				\$8,375	\$12,508			
Total	\$34,316	\$120,085	\$84,309	\$47,366		\$175,678	\$72,348	\$28,876	\$89,229	\$47,131

Reserve Expenditure Budget Projection Summary

YEAR	FUTURE DOLLARS
2026	\$0
2027	\$191,838
2028	\$0
2029	\$26,225
2030	\$0
2031	\$4,637
2032	\$98,568
2033	\$50,424
2034	\$49,404
2035	\$26,095
2036	\$90,043
2037	\$70,664
2038	\$19,961
2039	\$87,971
2040	\$0
2041	\$345,094
2042	\$270,143
2043	\$0
2044	\$66,394
2045	\$126,252
2046	\$34,316
2047	\$120,085
2048	\$84,309
2049	\$47,366
2050	\$0
2051	\$175,678
2052	\$72,348
2053	\$28,876
2054	\$89,229
2055	\$47,131
Total Future Cost - With Inflation	\$2,223,051

Component Details

1 - Mailbox rack replacement

Basic Info

Type of Cost:	Replacement
Category:	Amenities
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	20y
Remaining Useful Life:	19y
Next Activity Date:	01/01/2045

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$16,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$16,000
Inflation Rate:	3.00%
Total Expenditures:	\$28,056



2 - Flat roof covering replacement

Basic Info

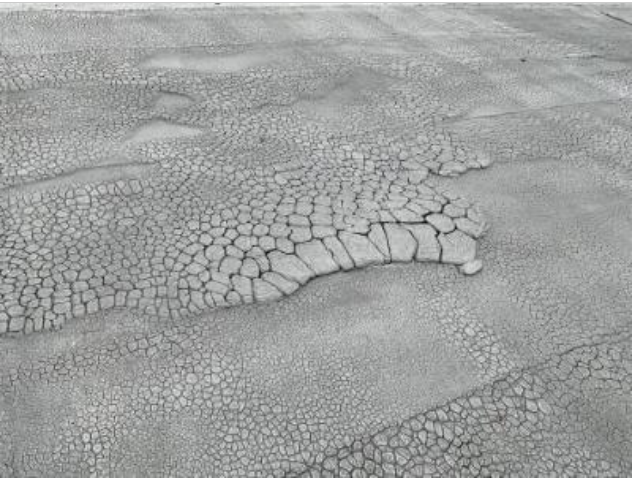
Type of Cost:	Replacement
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	1y
Next Activity Date:	01/01/2027

Financial Data

Estimate Date:	01/01/2026
Cost Per SF:	\$8.43
Total Quantity:	15,990 SF
Total Current Cost:	\$134,796
Inflation Rate:	3.00%
Total Expenditures:	\$355,154



3 - Facade brick repair/repointing

Basic Info

Type of Cost:	Repairs & Maintenance
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	5y
Remaining Useful Life:	3y
Next Activity Date:	01/01/2029

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$24,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$24,000
Inflation Rate:	3.00%
Total Expenditures:	\$235,006



4 - Replacement/Repair of the exterior main entrance glass doors

Basic Info

Type of Cost:	Replacement
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	25y
Remaining Useful Life:	10y
Next Activity Date:	01/01/2036

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$8,000.00
Total Quantity:	2 Ea
Total Current Cost:	\$16,000
Inflation Rate:	3.00%
Total Expenditures:	\$21,503



5 - Common doors replacement

Basic Info

Type of Cost:	Replacement
Category:	Interior
Condition:	Fair

Comments/Notes

The property has nine common doors, including five wood doors and four fire-rated doors.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	25y
Remaining Useful Life:	11y
Next Activity Date:	01/01/2037

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$19,500.00
Total Quantity:	1 Allow
Total Current Cost:	\$19,500
Inflation Rate:	3.00%
Total Expenditures:	\$26,993



6 - Replacement of common area windows

Basic Info

Type of Cost:	Replacement
Category:	Interior
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	30y
Remaining Useful Life:	11y
Next Activity Date:	01/01/2037

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$4,000.00
Total Quantity:	4 Ea
Total Current Cost:	\$16,000
Inflation Rate:	3.00%
Total Expenditures:	\$22,148



7 - Entrance canopy repair/replacement

Basic Info

Type of Cost:	Replacement
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2032

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$10,000.00
Total Quantity:	2 Ea
Total Current Cost:	\$20,000
Inflation Rate:	3.00%
Total Expenditures:	\$61,087



8 - Rear ramp paver and railing repair/replacement

Basic Info

Type of Cost:	Replacement
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	30y
Remaining Useful Life:	12y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$6,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$6,000
Inflation Rate:	3.00%
Total Expenditures:	\$8,555



9 - Landscaping restoration

Basic Info

Type of Cost:	Repairs & Maintenance
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	10y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2032

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$6,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$6,000
Inflation Rate:	3.00%
Total Expenditures:	\$29,732



10 - Asphalt internal roads/parking area sealcoating/crack seal

Basic Info

Type of Cost:	Repairs & Maintenance
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	5y
Remaining Useful Life:	1y
Next Activity Date:	01/01/2027

Financial Data

Estimate Date:	01/01/2026
Cost Per SF:	\$0.50
Total Quantity:	19,500 SF
Total Current Cost:	\$9,750
Inflation Rate:	3.00%
Total Expenditures:	\$89,973



11 - Asphalt internal roads/parking area mill and fill

Basic Info

Type of Cost:	Replacement
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	25y
Remaining Useful Life:	15y
Next Activity Date:	01/01/2041

Financial Data

Estimate Date:	01/01/2026
Cost Per SF:	\$7.00
Total Quantity:	19,500 SF
Total Current Cost:	\$136,500
Inflation Rate:	3.00%
Total Expenditures:	\$212,667



12 - Metal gate repair/replacement

Basic Info

Type of Cost:	Replacement
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	20y
Remaining Useful Life:	7y
Next Activity Date:	01/01/2033

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$2,500.00
Total Quantity:	2 Ea
Total Current Cost:	\$5,000
Inflation Rate:	3.00%
Total Expenditures:	\$17,255



13 - Repair/Replacement of the retaining wall

Basic Info

Type of Cost:	Replacement
Category:	Exterior Envelope
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	50y
Remaining Useful Life:	20y
Next Activity Date:	01/01/2046

Financial Data

Estimate Date:	01/01/2026
Cost Per LF:	\$250.00
Total Quantity:	60 LF
Total Current Cost:	\$15,000
Inflation Rate:	3.00%
Total Expenditures:	\$27,092



14 - Interior common area flooring, staircases, and carpet repair/replacement

Basic Info

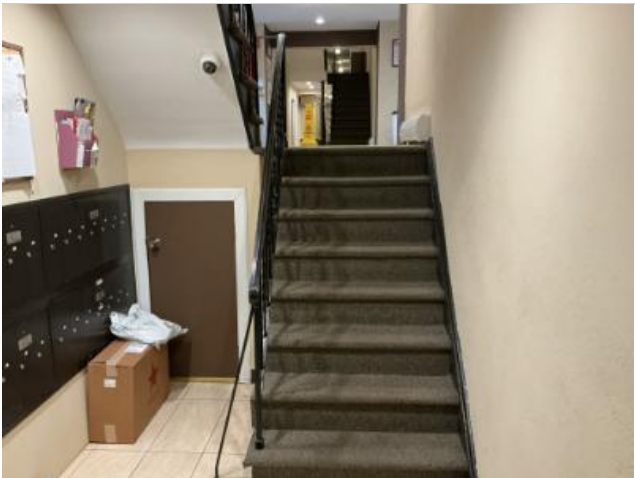
Type of Cost:	Replacement
Category:	Interior
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	10y
Next Activity Date:	01/01/2036

Financial Data

Estimate Date:	01/01/2026
Cost Per SF:	\$11.00
Total Quantity:	4,000 SF
Total Current Cost:	\$44,000
Inflation Rate:	3.00%
Total Expenditures:	\$151,260



15 - Exterior/Interior common lighting replacement

Basic Info

Type of Cost:	Replacement
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Comments/Notes

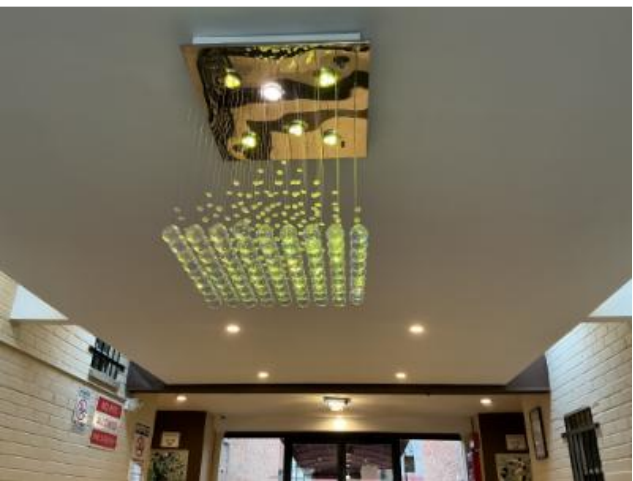
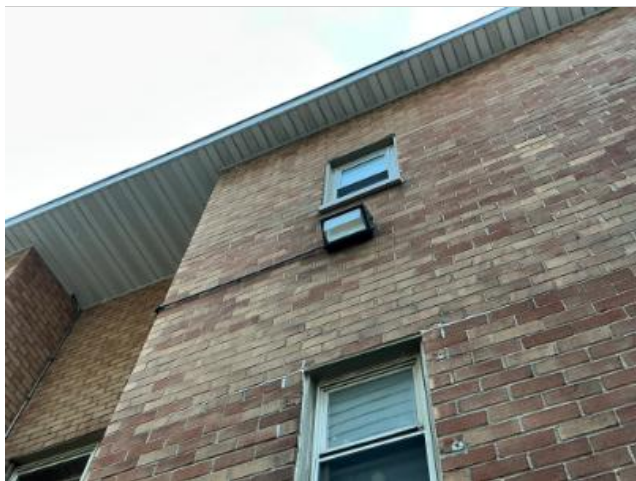
The property has approximately 90 Light fixtures and two najafs.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$20,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$20,000
Inflation Rate:	3.00%
Total Expenditures:	\$108,296



16 - Interior common area finish repainting

Basic Info

Type of Cost:	Replacement
Category:	Interior
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2032

Financial Data

Estimate Date:	01/01/2026
Cost Per SF:	\$2.00
Total Quantity:	14,500 SF
Total Current Cost:	\$29,000
Inflation Rate:	3.00%
Total Expenditures:	\$88,580



17 - Fire alarm control panel replacement

Basic Info

Type of Cost:	Replacement
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	20y
Remaining Useful Life:	10y
Next Activity Date:	01/01/2036

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$3,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$3,000
Inflation Rate:	3.00%
Total Expenditures:	\$4,032



18 - Replacement of safety equipment

Basic Info

Type of Cost:	Replacement
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Comments/Notes

The property is equipped with approximately 25 smoke detectors, 12 exit signs, and 6 fire alarm systems with pull stations.

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	10y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2032

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$12,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$12,000
Inflation Rate:	3.00%
Total Expenditures:	\$59,464



19 - Replacement of common baseboard heaters

Basic Info

Type of Cost:	Replacement
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	12y
Next Activity Date:	01/01/2038

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$1,000.00
Total Quantity:	8 Ea
Total Current Cost:	\$8,000
Inflation Rate:	3.00%
Total Expenditures:	\$29,176



20 - Hot water boiler replacement

Basic Info

Type of Cost:	Replacement
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	25y
Remaining Useful Life:	22y
Next Activity Date:	01/01/2048

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$44,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$44,000
Inflation Rate:	3.00%
Total Expenditures:	\$84,309



21 - Replacement of domestic hot water

Basic Info

Type of Cost:	Replacement
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	12y
Remaining Useful Life:	1y
Next Activity Date:	01/01/2027

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$17,952.00
Total Quantity:	2 Ea
Total Current Cost:	\$35,904
Inflation Rate:	3.00%
Total Expenditures:	\$164,882



22 - Common coin-operated washer and dryer replacement

Basic Info

Type of Cost:	Replacement
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	12y
Remaining Useful Life:	7y
Next Activity Date:	01/01/2033

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$6,000.00
Total Quantity:	6 Ea
Total Current Cost:	\$36,000
Inflation Rate:	3.00%
Total Expenditures:	\$107,401



23 - Camera system replacement

Basic Info

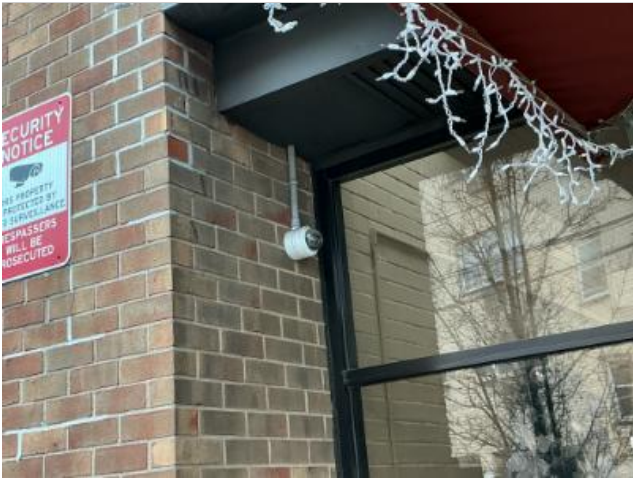
Type of Cost:	Replacement
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	10y
Remaining Useful Life:	8y
Next Activity Date:	01/01/2034

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$15,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$15,000
Inflation Rate:	3.00%
Total Expenditures:	\$78,857



24 - Intercom system replacement

Basic Info

Type of Cost:	Replacement
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	15y
Remaining Useful Life:	15y
Next Activity Date:	01/01/2041

Financial Data

Estimate Date:	01/01/2026
Cost Per Ea:	\$6,000.00
Total Quantity:	1 Ea
Total Current Cost:	\$6,000
Inflation Rate:	3.00%
Total Expenditures:	\$9,348



25 - Building electrical system repair/upgrade

Basic Info

Type of Cost:	Repairs & Maintenance
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	25y
Remaining Useful Life:	15y
Next Activity Date:	01/01/2041

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$25,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$25,000
Inflation Rate:	3.00%
Total Expenditures:	\$38,949

26 - Sewer system repair/upgrade

Basic Info		Useful Life	
Type of Cost:	Repairs & Maintenance	Last Activity Date:	N/A
Category:	Mechanical, Electrical, Plumbing	Est. Useful Life:	25y
Condition:	Fair	Remaining Useful Life:	15y
		Next Activity Date:	01/01/2041
		Financial Data	
		Estimate Date:	01/01/2026
		Cost Per Allow:	\$25,000.00
		Total Quantity:	1 Allow
		Total Current Cost:	\$25,000
		Inflation Rate:	3.00%
		Total Expenditures:	\$38,949

27 - Gas pipes repair/upgrade

Basic Info

Type of Cost:	Repairs & Maintenance
Category:	Mechanical, Electrical, Plumbing
Condition:	Fair

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	25y
Remaining Useful Life:	15y
Next Activity Date:	01/01/2041

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$25,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$25,000
Inflation Rate:	3.00%
Total Expenditures:	\$38,949

28 - Reserve study update

Basic Info

Type of Cost:	Replacement
Category:	Service
Condition:	N/A

Useful Life

Last Activity Date:	N/A
Est. Useful Life:	5y
Remaining Useful Life:	5y
Next Activity Date:	01/01/2031

Financial Data

Estimate Date:	01/01/2026
Cost Per Allow:	\$4,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$4,000
Inflation Rate:	3.00%
Total Expenditures:	\$31,844

29 - Structural integrity inspection

Basic Info		Useful Life	
Type of Cost:	Replacement	Last Activity Date:	N/A
Category:	Service	Est. Useful Life:	5y
Condition:	N/A	Remaining Useful Life:	1y
		Next Activity Date:	01/01/2027
		Financial Data	
		Estimate Date:	01/01/2026
		Cost Per Allow:	\$5,800.00
		Total Quantity:	1 Allow
		Total Current Cost:	\$5,800
		Inflation Rate:	3.00%
		Total Expenditures:	\$53,534

NATIONAL RESERVE STUDY STANDARDS

General Information About Reserve Studies

One of the primary responsibilities of the board of directors of a community association is to protect, maintain, and enhance the assets of the association. To accomplish this objective, associations must develop multi-year plans to help them anticipate and responsibly prepare for the timely repair and replacement of common area components such as roofs, roads, mechanical equipment, and other portions of the community's common elements.

Originally published in 1998, the National Reserve Study Standards provide a consistent set of terminology, calculations, and expectations so reserve study providers and those they serve together can build a successful future for millions of community association homeowners across the country.

A reserve study is made up of two parts, the **physical analysis** and the **financial analysis**. The physical analysis includes 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 estimate change from year to year.

The financial analysis is made up of an analysis of the client's current reserve fund status (measured in cash or as percent funded) and a recommendation for an appropriate reserve contribution rate (a funding plan).

Physical analysis

- Component inventory
- Condition assessment
- Life and valuation estimates

Financial analysis

- Fund Status
- Funding Plan

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

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 (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: 100 percent funded. When the actual (or projected) reserve balance is equal to the fully funded balance.

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.

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

Example: For a component with a \$10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be \$4,000.

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

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.

It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.

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.

FUNDING PRINCIPLES: The reserve provider must provide a funding plan addressing these principles.

- Sufficient funds when required
- Stable contribution rate over the years
- Equitable contribution rate over the years
- Fiscally responsible

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

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.

REMAINING USEFUL LIFE (RUL): Also referred to as “remaining life” (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.

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 PROVIDER: An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

RESERVE PROVIDER FIRM: A company that prepares reserve studies as one of its primary business activities.

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.

RESPONSIBLE CHARGE: A Reserve Specialist (RS) 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 of services 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 or she 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; and
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: 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.

USEFUL LIFE (UL): 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.

Reserve Study Contents

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

1. A summary of the association's number of units, physical description and reserve fund financial condition.
2. A projection of reserve starting balance, recommended reserve contributions, projected reserve expenses, and projected ending reserve fund balance for a minimum of 20 years.
3. A tabular listing of the component inventory, component quantity or identifying descriptions, useful life, remaining useful life and current replacement cost.
4. A description of methods and objectives utilized in computing the Fund Status and development of the Funding Plan.
5. Source(s) utilized to obtain component repair or replacement cost estimates.
6. A description of the level of service by which the Reserve Study was prepared.
7. Fiscal year for which the Reserve Study is prepared.

Disclosures

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

1. **General:** Description of the other involvement(s) with the association, which could result in actual or perceived conflicts of interest.
2. **Physical Analysis:** Description of how thorough the on-site observations were performed: representative samplings vs. all common areas, destructive testing or not, field measurements vs. drawing take-offs, etc.
3. **Financial Analysis:** Description of assumptions utilized for interest and inflation, tax and other outside factors.
4. **Personnel Credentials:** State or organizational licenses or credentials carried by the individual responsible for Reserve Study preparation or oversight.
5. **Update Reports:** Disclosure of how the current work is reliant on the validity of prior Reserve Studies.
6. **Completeness:** Material issues which, if not disclosed, would cause a distortion of the association's situation.
7. **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 and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.
8. **Reserve Balance:** The actual or projected total presented in the Reserve Study is based upon information provided and was not audited.
9. **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.
10. **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.

COMMUNITY ASSOCIATIONS INSTITUTE
PROFESSIONAL RESERVE SPECIALIST (RS) CODE OF ETHICS

The Reserve Specialist shall:

1. Comply with current standards and practices as may be established from time to time by CAI, subject to all federal, state and local laws, ordinances and regulations, if any, in effect where the RS designee practices.
2. Participate in continuing professional education through CAI and other industry related organizations as required.
3. Act in the best interests of the client; refrain from making inaccurate or misleading representations or statements; and not knowingly misrepresent facts to benefit the Specialist.
4. Undertake only those engagements that he/she can reasonably expect to perform with professional competence.
5. Exercise due care and perform planning and supervision as specified in the written client engagement agreement.
6. Disclose all relationships in writing to the client regarding any actual, potential or perceived conflicts of interest between the Specialist and other parties, including, but not limited to, management companies, insurance carriers, contractors and legal counsel.
7. Provide written disclosure of any compensation, gratuity or other form of remuneration from individuals or companies who act or may act on behalf of the client.
8. Conduct himself or herself in accordance with the Reserve Specialist requirements.
9. Not represent to anyone as being a Reserve Specialist designee until such time as he or she receives written confirmation from the Reserve Specialist Designation Review Board or CAI of receipt of the designation;
10. Recognize that the original records, files, plats and surveys held by the Reserve Specialist are the property of the client and are to be returned to the client at the end of the Specialist's engagement; maintain the duty of confidentiality to all current and former clients.
11. Refrain from criticizing competitors or their business practices; act in the best interests of his/her employers; maintain a professional relationship with peers and industry related professionals.
12. Conduct himself/herself in a professional manner at all times when acting in the scope of his/her employment.
13. Not engage in any form of price fixing, anti-trust, or anti-competition.
14. Not use the work products of colleagues or competing reserve study firms that are considered proprietary without the expressed written permission of the author or the reserve study firm.
15. Abide by the re-designation policy of CAI.

Compliance with the Professional Reserve Specialist Code of Ethics is further amplified in the Code Clarification Document provided by Community Associations Institute.

Revised 2008

TERMS OF REFERENCE RESERVE STUDY	
Association	The unit owners' association. May be referred to with different terminology in legal covenants of incorporation.
Board	Elected officers of the Association with fiduciary responsibility for the community's common holdings. May be referred to with different terminology in legal covenants of incorporation.
Owner	Individual Unit owner, a Member or the Association
Property Manager	Professional organization through which the Board delegates responsibilities for operations and maintenance of the community.
Excellent	Component or system is in "as new" condition, requiring no rehabilitation and should perform in accordance with expected performance.
Good	Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.
Fair	Component or system falls into one or more of the following categories: a) Workmanship not in compliance with commonly accepted standards, b) Evidence of previous repairs not in compliance with commonly accepted practice, c) Component or system is obsolete, d) Component or system approaching end of expected performance. Repair or replacement is required to prevent further deterioration or to prolong expected life.
Poor	Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepair. Present condition could contribute to or cause the deterioration of other adjoining elements or systems. Repair or replacement is required.
Basis of Comparison	Ratings are determined by comparison to other buildings of similar age and construction type.
Left, Right, Front, Rear	Directions are taken from the viewpoint of an observer standing at the property frontage and facing it. Or, for a building within a campus setting, the viewpoint of an observer standing in front of the principal entrance and facing it.
Current Deficiency Immediate Expense	We will note any observed or reported physical condition which requires immediate action to correct an existing or potential safety hazard, an enforceable building code violation, or the poor or deteriorated condition of a critical element or system. Also, to address any conditions which, if left "as is", would likely result in the failure of a critical element or system. Such items will be noted in our report even if they do not require a reserve expenditure.
Short-Term Reserve Expenditures	Correction of physical deficiencies including deferred maintenance, which may not warrant immediate attention, but require repairs or replacements which should be undertaken on a priority basis, taking precedence over preventive maintenance work within a one-year time frame. Included are physical deficiencies resulting from improper design, faulty installation, and/or substandard quality of original systems or materials. Components or systems that have exceeded their expected useful life and require repair or replacement within a one-year time frame are also included. Observed minor issues which would typically be addressed as normal operations & maintenance work may not be noted in the report.
Long-term Reserve expenditures	Non-routine repairs, replacements or planned improvements that will require significant expenditure during the study period. Included are items that will reach the end of their estimated useful life or which, in the opinion of the engineer, will require such expense during that time. If saving for longer-term expenditures is desired, then allowances or contingencies for such items may also be included. Observed minor issues which would typically be addressed as normal operations & maintenance work may not be noted in the report.

Expected Useful Life (EUL)	As components age, they wear and deteriorate at varying rates, depending on their service and exposure. Although it is an inexact science, various financial underwriters, data services and trade organizations publish guidance regarding the EULs of typical building materials and operating systems. For short-lived components, their EUL is used as the frequency between periodic repairs or replacements. Some systems' economic life may be shortened because improved equipment or materials has become available which is less costly to operate or maintain.
Remaining Useful Life (RUL)	The simple equation for determining remaining useful life before repair or replacement is: EUL – Age = RUL. However, based on our evaluation of a component and our professional judgment, we may assign a shorter or longer RUL to actual items being considered.

BUILDING SYSTEMS AND COMPONENTS COMMON ABBREVIATIONS AND ACRONYMS			
ACM	Asbestos Containing Material	HW	Hot Water
ACT	Acoustic Ceiling Tile	HWH	Hot Water Heater (<i>domestic</i>)
ADA	Americans with Disabilities Act	IBC	International Building Code
AHU	Air Handling Unit	IRC	International Residential Code
ASHRAE	American Society of Heating, Refrigeration and Air-Conditioning Engineers	KVA	Kilovolt-Ampere
ASTM	American Society for Testing and Materials	LF	Lineal Foot
BOCA	Building Officials Code Administrators International	MSL	Mean Sea Level
BTU	British Thermal Unit	NEC	National Electric Code
BTUH	British Thermal Unit / Hour	NFPA	National Fire Protection Association
CFM	Cubic Foot / Minute	MBH	Thousand British Thermal Units / Hour
CI	Cast Iron (<i>pipng</i>)	MDP	Main Distribution Panel (<i>electric power</i>)
CIP	Cast In Place (<i>concrete</i>)	O&M	Operations & Maintenance
CMU	Concrete Masonry Unit (<i>block</i>)	OSB	Oriented Strand Board (<i>sheathing or decking</i>)
CPVC	Chlorinated Poly Vinyl Chloride (<i>pipng</i>)	PCA	Property Condition Assessment
CW	Cold Water	PCR	Property Condition Report
DI	Ductile Iron (<i>pipng</i>)	PE	Licensed Professional Engineer
EIFS	Exterior Insulating and Finishing System	PVC	Poly Vinyl Chloride (<i>pipng and siding</i>)
EPDM	Ethylene Propylene Diene Monomer	PTAC	Packaged Terminal Air Conditioning Unit
EUL	Expected Useful Life	ROM	Rough Order of Magnitude
FCU	Fan Coil Unit	RUL	Remaining Useful Life
FEMA	Federal Emergency Management Agency	RTU	Roof Top Unit
FFE	Furniture, Fixtures and Equipment	SF	Square Foot
FHA	Forced Hot Air	SOG	Slab on Grade (<i>concrete basement or ground floor</i>)
FHAA	Fair Housing Act and Amendments	SQ	100 Square Feet
FHW	Forced Hot Water	SY	Square Yard
FIRM	Flood Insurance Rate Map	UBC	Uniform Building Code
FOIA	Freedom of Information Act	UL	Underwriters Laboratories
GFI	Ground Fault Interruption (<i>circuit breaker</i>)	VAC	Volts Alternating Current
GWB	Gypsum Wall Board (<i>drywall or sheetrock</i>)	VAV	Variable Air Volume box

HID	High Intensity Discharge (<i>lamp, lighting fixture</i>)	VCT	Vinyl Composition Tile
HVAC	Heating Ventilation and Air Conditioning	VWC	Vinyl Wall Covering