

An Explanation of Reserve Study Standards

**Based on the National Reserve Study Standards
(NRSS)**

By Robert Browning, RS; Mitch Frumkin, PE, RS; Peter B. Miller, RS; Robert Nordlund, PE, RS;
John Poehlmann, RS; and Ted Salgado, RS

About the Authors



Robert Browning, PCAM, RS, RSS, founded Browning Reserve Group nearly 20 years ago in Sacramento, Calif. The company now serves client communities in Nevada and Idaho, as well as throughout California and is affiliated with Community Associations Institute (CAI) and several of its chapters, as well as the Association of Professional Reserve Analysts (APRA) and the California Association of Community Managers (CACM). A former member of CAI's national Board of Trustees, Browning is a past president of CAI's California North Chapter and the Foundation for Community Association Research and an active member of CAI's California Legislative Action Committee, among other volunteer endeavors.



A past president of Community Associations Institute and the Foundation for Community Association Research, **Mitchell H. Frumkin**, PE, RS, was chair of the Reserves Professional Committee during the development of the National Reserve Studies Standards. He is also the former chair of CAI's Big Apple Chapter during its organization. Frumkin is founder and president of Kipcon Engineering and Coolsys Energy Design (formerly Energy Squared), companies that provide energy consulting and reserve study services to all sizes of communities. In 2016, Frumkin and Browning co-chaired a task force that revised, updated, and improved the National Reserve Study Standards, which now provide a benchmark for reserve providers and communities.



Peter B. Miller, RS, is a principal and founder of Miller-Dodson Associates in Annapolis, Md., one of the leading reserve study firms in the U.S. An architect by training, Miller is a past president of CAI's Washington Metro Chapter, former board member of CAI's South Carolina Chapter, and was vice-chair of CAI's Reserve Professionals Designation Committee from 2002 to 2005. Chair of CAI's Business Partners Council in 2020, Miller received CAI's Excellence in Chapter Leadership Award in 2003 and was one of the recipients of CAI's President's Award in 2004. Miller is also a member of the Urban Land Institute and the Congress for the New Urbanism.



Robert Nordlund, PE, RS, is founder and chief executive officer of Association Reserves. The 33-year-old company serves clients in all 50 states from its network of regional offices throughout the country. A leading authority in reserve study best practices for community associations, Nordlund is a member of CAI's 2018 Business Partners Council and received the organization's Award of Excellence in Designations in 2003.



John Poehlmann, RS, is co-founder and principal of Reserve Advisors, a nationally known reserve study firm and a CAI National Corporate Member. Poehlmann is also a member of the task force that developed CAI's National Reserve Study Standards. With more than three decades' experience in the reserve industry, Poehlmann is a former member of CAI's Board Trustees and is a founding member of CAI's Wisconsin Chapter.



Also a co-founder and principal of Reserve Advisors, **Ted Salgado**, RS, is a past president of the Association of Professional Reserve Analysts (APRA) and an active member of CAI's Wisconsin Legislative Action Committee.

An Explanation of National Reserve Study Standards

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Foreword

One of the primary responsibilities of any community's board of directors is to protect, maintain, and improve the association's assets. Boards must plan many years in advance to accomplish this objective without reliance on additional funding like special assessments or loans.

As reserve study professionals, our goal is to give client association boards the tools to anticipate and prepare for the repair and replacement of their communities' common elements. A stable and reliable reserve component list is necessary from year to year, association to association, and provider to provider. The National Reserve Study Standards (NRSS) provide guidance to accomplish this. The four articles here clarify the NRSS to ensure their consistent interpretation and application and to illustrate terms that are used frequently in preparing reserve studies.

The authors have no interest in or expectation to tell reserve professionals how to do their jobs. Rather their purpose here is to offer a clear understanding of the standards of the common-interest community industry. We all benefit—reserve study professional and clients alike—when standards are interpreted and applied consistently.

An Explanation of Reserve Study Standards

Reserve Component Inventory

Selecting Reserve Components

The component inventory is the foundation of every reserve study: identifying which expenses are expected to occur, when, and at what cost. For budget planning purposes, a consistent methodology is essential for an association to divide between “operating” expenses, “reserve” expenses, and expenses that fall outside these two categories into “other,” including capital improvements, insurable losses, true surprises, etc.

The following four-part test, clearly described in the NRSS, identifies which components should be funded through reserves. According to the NRSS, an expense must meet all four criteria listed below to qualify as a reserve expense:

- 1. Association Responsibility** – The expense must be the current financial responsibility of the association. These expenses are typically associated with the common elements as defined by the association’s governing documents.
- 2. Limited Useful Life Expectancy** – The expense must have a “reasonably anticipated” limited useful life. The useful life limit does not have to be due to physical deterioration but may reach the end of its useful life due to aesthetics (out of style), economic obsolescence (no longer energy efficient), or other reasons.
- 3. Predictable Remaining Useful Life** – The next occurrence of the expense must be reasonably predictable. While unsupported “guesses” are inappropriate (it is random or unknowable), estimating when the expense will next occur can be valid if the estimate is based on the association’s history (i.e., historical frequency or patterns of repairs), your judgment, qualified outside opinions, etc. Remaining useful life must always meet your “reasonably predictable” test, which means you should always be ready with a “why.”
- 4. Minimum Threshold Cost** – Finally, the expense must be more than what can be readily absorbed by the association’s ongoing annual operating budget. Also, if the expense is not knowable within a reasonable certainty after prudent research, then it fails this test.

The four-part test helps all reserve specialists consistently identify the significant, predictable expenses for which the association should become financially prepared. If an expense doesn’t pass all four elements of this test, it should not be funded through the reserve portion of the association’s budget.

Adhering to the NRSS four-part test ensures a consistent approach and a stable budget planning platform, enhancing our credibility as an industry and minimizing our liability exposure.

More About Useful Life And Remaining Useful Life (RUL)

Minimum useful life – The NRSS do not define a “minimum useful life.” Thus, identify expenses occurring as frequently as annually (Useful Life = 1 year) as components if, in your judgment, the client is best served by the expense being funded through the reserve portion of their budget. Note that some jurisdictions may provide additional guidance or restrictions on this matter.

Maximum useful life or remaining useful life – Although the NRSS require that reserve studies display a minimum 20 years of income and expenses, the NRSS do not dictate a maximum useful life¹ limit. Major projects, such as roofing, siding, elevator modernization, etc., may have useful life expectancies and remaining useful life expectancies in excess of 20 or 30 years. Homeowners enjoy lower contributions when such large expenditures are spread over the entire useful life of a component, rather than only the last 20 or 30 years². But such distant projects may fail your “reasonable certainty” test, so use your good judgment in this matter.

Remaining Useful Life (RUL)

Per the NRSS definition of remaining useful life, an expense anticipated in the initial budget planning year of the reserve study should have a zero remaining useful life. See the NRSS Reserve Study Required Contents #14.

Also, there should be no negative RUL values. When a project needs to be accomplished, its RUL is zero. The RUL may stay at zero for multiple years if the client continues to defer the project, but it does not go negative.

Current costs

The NRSS clearly stipulate in “Life and Valuation Estimates” and other areas that repair and replacement costs that appear in the component list should be for the current year and include all related expenses the association should expect to complete the project—materials, labor, shipping, engineering and design, permits, installation, disposal, etc. While expenses may be adjusted for inflation in the funding plan, only current costs should appear in the reserve component list.

Capital Improvements

The NRSS define a capital improvement as an addition to the common elements that previously did not exist. Because reserve funds are intended to provide for anticipated expenses related to the association’s existing assets, inclusion of a capital improvement in the component list is inappropriate.

But as times change and offer new materials and modular assemblies, advanced technology, energy-efficient systems, or an evolving membership demographic within the association, replacing components “in like kind” may no longer be prudent. We encourage the use of good judgment in defining components that help the board protect, maintain, and improve the association for the good of the homeowners and their property values. While not stated in the NRSS, to encourage consistent judgment among reserve providers in distinguishing between an acceptable upgrade and an inappropriate capital improvement, consider the following issues:

An expense meeting the four-part test may be defined as a reserve component if the new or different project:

- **Is incidental**, such as a nominal growth of an existing component, like replacing 16 pool-side chairs with 20 or adding a microwave during a clubhouse kitchen remodel.
- **Is a natural evolution**. This may be due to items, materials, or technology that wasn’t previously available, like new weather-resistant decking surfaces, color video surveillance cameras instead of black and white, or replacing one 2MBTU boiler with multiple smaller more energy-efficient boilers, etc. It may also be due to a change that’s appropriate for the community’s evolving

membership or neighborhood, such as installing basketball backboards as part of a tennis court refurbishment to maximize usage of the asset. Note that it is not the reserve professional's role to dictate the client's evolutionary pace or course of action but to use good judgment to incorporate the obvious or accommodate the expressed intention of the board.

- **Is part of an existing asset or system**, such as replacing one modular eight-slip boat dock with a similar 12-slip unit or adding a new homeowner bypass lane to increase traffic efficiency when the entry control system of a large HOA is renovated.

Reserve funds should not be used for capital improvements, particularly when the project:

- **Is a discretionary change**, such as adding an extensive entry fountain to a large homeowners association where a fountain previously did not exist.
- **Has an entirely new purpose, use, or capability**, such as upgrading an old storage shed to a security office with bathroom.
- **Includes additions that are reducible** into smaller or separate component parts, like adding individual shade structures to each tennis court (because shade structures would qualify in the future as a reserve component, separate from a tennis court resurfacing project).

Construction Defects

A reserve study assignment with an association that's involved in construction defect (CD) litigation can be complicated because the association may have engaged experts who have opined on construction issues outside the skill set of a Reserve Specialist.

Work within your area of expertise and prepare your work product according to the NRSS and the scope of your assignment. Let the CD experts opine in their area of expertise, which may mean that life or cost estimates in your reserve study may differ from the CD experts' report about a specific component because of improper construction or installation.

It's a good idea to identify the affected components and litigation timeline and document your assumptions about what is being reconstructed, when the modification occurred, and what funds were used. For example, if you presume that construction defect settlement funds will be used to replace or rebuild a defective component, you can set the remaining useful life of the component and the next occurrence of the expense to occur after CD reconstruction.

“Reserve study providers have no obligation to prepare a reserve study in compliance with another industry's standards. Doing so may undermine the effectiveness and credibility of the reserve study and increase your liability exposure.”

Taxation And Local Laws

The Internal Revenue Service (IRS) does not dictate how reserve studies are prepared or which components to include. Reserve studies should be prepared according to the NRSS, and association tax documents should be prepared per IRS regulations. After reviewing an association's reserve study, tax preparers may need to make some adjustments when preparing a tax filing for an association. A reserve professional's work product should always meet local and state laws. In states that require a list of specific components, those lists should be considered minimum standards, not a checklist that defines an acceptable end result.

Please consult the client association’s accountant or tax preparer if you have any concerns about component presentation. Keep in mind, however, that these professionals answer to their own industry standards, just as reserve specialists answer to the NRSS. Reserve study providers have no obligation to prepare a reserve study in compliance with another industry’s standards. Doing so may undermine the effectiveness and credibility of the reserve study and increase your liability exposure.

Let Component Lists Evolve

As boards evolve, so do their philosophies, just as subsequent reserve study professionals may not always agree with their predecessors’ judgements. We encourage readers to consider modifying component lists as needed during update engagements rather than only during a “full” reserve study engagement.

In other words, allow for—and expect—minor differences in a reserve component list with update engagements. In the normal process of presenting a complete and effective reserve component list, consider the need to:

- Split or phase out some components
- Improve the accuracy of some quantities as part of normal quality control
- Add components that previously were overlooked or considered too far into the distant future
- Re-classify a project from operating to reserves (or vice versa)

Even so, remember that the scope of work for a “with-site-visit” update includes component verification, not quantification, so there’s no obligation to re-measure all components to the degree performed in a “full” reserve study.

Measurements Are Required

According to the NRSS Required Contents #12, disclosure of measurements and quantities is required in every reserve study because of the disclosures’ value for the board, association vendors, and the next reserve study provider.

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NOTES

¹ Some states or jurisdictions require component lists to include components that are under a specific useful life or remaining useful life threshold. Rather than consider these to be limitations on which components to include, the authors encourage readers to use their best judgment to apply the four-part test to include components with a “reasonably certain” useful life or remaining useful life beyond the minimum requirement.

² In the financial analysis, the component method of developing a reserve fund plan will accommodate any useful life and remaining useful life values. The cash-flow method of developing a reserve fund plan can fund for components beyond the chosen 20-year or 30-year window by funding towards a phantom proportional expenditure in the last year of the window or by funding towards a future fully funded balance target (the cash value of deterioration).

An Explanation of Reserve Study Standards

Calculating Percent Funded

To gauge an association’s level of preparedness, the Reserve Balance can be evaluated in terms of cash or percent funded. Percent funded is the ratio between the actual (or projected) reserve fund balance and the value of deteriorated components. For anyone calculating percent funded in current or future years, this explanation can help ensure a consistent interpretation and application of the NRSS.

The NRSS require a general statement or opinion describing the association’s current reserve fund status “in terms of cash or percent funded (see Required Study Required Contents Checklist #3).” Note that as one way to measure reserve fund size, calculation of percent funded is not associated with a particular funding method nor is it a measure of contribution size.

In addition to its use in evaluating current reserve fund balance, percent funded may also be referenced as a funding objective or a way to measure progress through the years towards a funding objective.

Calculating Percent Funded

Calculating percent funded is a three-step process:

1. Calculate the fully funded balance (FFB) for each component.
Note that per the NRSS, FFB = Current Cost X Effective Age / Useful Life.
2. Sum the individual component FFB values together for a property total (See figure 2.)
3. Divide the actual (or projected) total reserve balance by the property total FFB.

“Percent funded may also be referenced as a funding objective or a way to measure progress through the years towards a funding objective.”

Percent funded should be calculated relative to the fiscal year end. Be clear in your report about your practice of using either the first or last day of the fiscal year. Because FFB and percent funded are annual values tied to the fiscal year end, they should not change throughout the year.

As an example, Figure 1 shows a sample component list.

Component	UL	RUL	Cost
Pool Furniture - Replace	5	0	\$4,600
Pool - Resurface	10	5	\$10,000
Roof - Replace	20	18	\$80,000
Asphalt - Seal	5	2	\$5,000
Asphalt - Resurface	20	2	\$25,000
Building - Repaint	10	1	\$50,000
Elevator - Modernize	20	5	\$80,000
Hallways - Refurbish	8	6	\$24,000

Figure 1: Sample Reserve Component List

Figure 2 shows the calculation of FFB for each component, and the summation for the property total FFB.

Component	UL	RUL	Cost	FFB
Pool Furniture - Replace	5	0	\$4,600	\$4,600
Pool - Resurface	10	5	\$10,000	\$5,000
Roof - Replace	20	18	\$80,000	\$8,000
Asphalt - Seal	5	2	\$5,000	\$3,000
Asphalt - Resurface	20	2	\$25,000	\$22,500
Building - Repaint	10	1	\$50,000	\$45,000
Elevator - Modernize	20	5	\$80,000	\$60,000
Hallways - Refurbish	8	6	\$24,000	\$6,000
				\$154,100

Figure 2: Sample FFB Calculation

At the point in time referenced in the reserve study, regardless of the funding method or contribution size, the FFB is \$154,100. Figure 3 demonstrates percent funded results with different reserve fund balances.

Reserve Fund	FFB	Pct Funded
\$308,200	\$154,100	200%
\$154,100	\$154,100	100%
\$77,050	\$154,100	50%
\$15,460	\$154,100	10%

Figure 3: Sample Percent Funded Calculations

Since the percent funded calculation is based on so many estimates, to avoid any inappropriate presumptions of high accuracy, we recommend presenting percent funded results to no more than one decimal place, i.e., 63.2 percent (%) funded.

Future Year FFB Calculations

As a funding objective, or to measure progress towards a funding objective, one can calculate percent funded in future years. This requires a consistent way to calculate a future FFB to which the future Reserve Balance can be compared.

For consistency with the NRSS, FFB is always calculated using the current year's cost and effective age. While the effective age will naturally change in future-year projections, if inflation values are considered in the analysis, the "current cost" for those future years will also change.

To illustrate this concept, see Figure 4 below, which shows a projection of the component list in Figure 1 after one year with 3 percent inflation. Note that all components have been chronologically "aged" one year, one scheduled replacement (Pool Furniture) has occurred, and the "current costs" are slightly higher.

Component	UL	RUL	Cost
Pool Furniture - Replace	5	4	\$4,740
Pool - Resurface	10	4	\$10,300
Roof - Replace	20	17	\$82,400
Asphalt - Seal	5	1	\$5,150
Asphalt - Resurface	20	1	\$25,750
Building - Repaint	10	0	\$51,500
Elevator - Modernize	20	4	\$82,400
Hallways - Refurbish	8	5	\$24,720

Figure 4: Sample one-year projected reserve component list

The calculation of FFB, one year into the future, then appears in Figure 5.

Component	UL	RUL	Cost	FFB
Pool Furniture - Replace	5	4	\$4,740	\$948
Pool - Resurface	10	4	\$10,300	\$6,180
Roof - Replace	20	17	\$82,400	\$12,360
Asphalt - Seal	5	1	\$5,150	\$4,120
Asphalt - Resurface	20	1	\$25,750	\$24,463
Building - Repaint	10	0	\$51,500	\$51,500
Elevator - Modernize	20	4	\$82,400	\$65,920
Hallways - Refurbish	8	5	\$24,720	\$9,270
				\$174,761

Fig 5: Sample one-year projected FFB calculation

Similar projections are made in additional years to calculate future year FFB values. Consistent with the NRSS, percent funded in future years is calculated as the projected reserve balance in that future year divided by that year's projected FFB.

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An Explanation of Reserve Study Standards

Reserve Funding Goals

Using consistent National Reserve Study Standards (NRSS) terminology, reserve study professionals should describe clearly the goal of any funding plan shown in their reports (Required Contents #16). Reserve study professionals have three funding goal choices: full funding, threshold funding, and baseline funding. One of the four NRSS funding principles is that sufficient funds exist when required. Sufficient funds, meaning “Adequate Replacement Reserves”, is defined as a Replacement Reserve Fund and stable and equitable multi-year funding plan that together provide for the timely execution of the association’s major repair and replacement expenses (as defined by NRSS), without reliance on additional supplemental funding. Different funding goals exist to describe the “margin”, if any, designed into a funding plan to mitigate the risk of having insufficient funds. With respect to reserve fund adequacy, the three funding goals are described below in the order of least risk to greatest risk.

Full Funding

Full Funding is “a reserve funding goal to attain and maintain reserves at or near 100 percent funded.” While the NRSS don’t define a time period within which this goal is to be achieved, a stable and equitable multi-year funding plan should draw the association smoothly to the 100 percent level within the years projected in the reserve study. Minor variances in an association’s percent-funded status typically occur from year to year. Reserve professionals should consider any association that’s funded within a few percentage points from the 100 percent level to be fully funded.

Threshold Funding

Threshold Funding is defined as “a reserve funding goal of keeping the reserve balance above a specified dollar or percent-funded amount.” While a threshold cannot be negative, it is possible for a threshold to be set above 100 percent funded, which would be more conservative than a full-funding goal. Use of a threshold goal allows the reserve study professionals, board, or both to set a reserve-funding goal appropriate for the association.

“Reserve professionals should consider any association that’s funded within a few percentage points from the 100 percent level to be fully funded.”

Because threshold funding goals can be wide-ranging, the threshold should be clearly expressed. Two examples are: “Our goal is to have our reserve balance never fall below \$100,000,” or “Our goal is to never drop below 50 percent funded.” When using a threshold goal, the reserve fund should not fall below the stated goal during the years projected in the reserve study.

The establishment of a threshold to “maintain the Reserve Fund above \$0” (or 0 percent) should be described as a baseline plan, not threshold. Similarly, establishing a threshold to attain 100 percent funding should be described as a full-funding plan, not threshold.

Baseline Funding

Baseline Funding is “a reserve-funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection.” Since reserve cash balance is the numerator in percent-funded calculations, Baseline Funding can also be described as not allowing percent funded to drop below zero.

Because a baseline goal defines a plan allowing an association to function with a minimal reserve cash balance, such associations risk deferred maintenance, special assessments, or loans as anticipated projects occur earlier or are more expensive than predicted. Because this type of plan can expose a client to significant risk of not having adequate cash when needed (one of the NRSS four funding principles), it is increasingly rare for reserve professionals to recommend that clients pursue a baseline funding goal.

“It is increasingly rare for reserve professionals to recommend that clients pursue a baseline funding goal.”

Computation Methodologies

Component method funding plans pursue a full-funding goal, achieving that goal once every component project has occurred. Cash-flow method funding plans offer greater flexibility for the reserve professional to guide the association towards full, threshold, or baseline goals. To facilitate percent funded-based full funding and threshold goals when using the cash-flow methodology, refer to Article 2, “Calculating Percent Funded.” It is a comprehensive guide to consistently calculating “percent funded” in the initial year and future years.

Reserve Professionals as Leaders

Boards should be reminded often that they control the future of their associations. While there is value in multi-year stability, board philosophies—and thus funding goals—may evolve over time or as clients change their reserve study provider. Reserve professionals should take leadership in presenting pros and cons of different funding goals and describe those funding goals in consistent NRSS terminology.

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An Explanation of Reserve Study Standards

Calculating Reserve Funding Plans

There are two calculation methods for developing a reserve funding plan: component, also known as “segregated” or “straight line,” and cash flow, also known as “pooling.” Each has its own strengths and weaknesses, as well as advocates and critics.

Both methods use the same component list, and both methods provide funds for the same expenditures. Yet even with the same starting balance and the same expenditures, there may be significant differences in the contributions calculated by the two methods—especially in the first few years due to reasons too numerous to explain in this short article. It’s up to the reserve study professional to choose which method to use to meet the four funding principles found in the NRSS and the desired funding objective.

The concepts presented here are applicable to longer and more complex component lists. For simplicity, the examples do not include the effects of interest or inflation, although the NRSS require disclosure of the interest and inflation values used, zero or otherwise, in the funding plan.

Component Method

In the Component Method, reserve contributions are calculated on an individual component-by-component basis. Those calculations are then added together to yield the recommended reserve contribution rate.

An example is shown below:

	UL	RUL	Cost	Reserve Balance	Reserve Needs	Contribs
Pool Furniture - Replace	5	0	\$4,600	\$4,000	\$600	\$600
Pool - Resurface	10	5	\$10,000	\$1,950	\$8,050	\$1,610
Roof - Replace	20	18	\$80,000	\$0	\$80,000	\$4,444
Asphalt - Seal	5	2	\$5,000	\$3,000	\$2,000	\$1,000
Asphalt - Resurface	20	2	\$25,000	\$22,500	\$2,500	\$1,250
Building - Repaint	10	1	\$50,000	\$45,000	\$5,000	\$5,000
Elevator - Modernize	20	5	\$80,000	\$0	\$80,000	\$16,000
Hallways - Refurbish	8	6	\$24,000	\$0	\$24,000	\$4,000
Total:				\$76,450		\$33,904

In this simple example, the existing “reserve balance” (\$76,450) has been distributed among the components. The “reserve needs,” or the amount to be funded prior to the next occurrence of the expense, is the difference between the replacement cost and the reserve balance. Many variations of component funding plan calculations are possible based on how the existing reserve funds are distributed among the components and if interest and inflation are considered. But the key characteristic of a component method funding plan is the way separate but identical calculations are performed for each component and then summed together for the resulting recommendation.

Cash Flow Method

In the cash flow method, contributions are tested against annual needs until the desired

funding objective is achieved. The nature of the cash flow method relies on choices made by the user rather than a fixed set of equations.

To illustrate this concept, consider the same component list, with expenses projected over the first seven years (limited for illustration purposes, as the reader should be reminded that a 20-year projection of income, expenses, and ending balance are required by the NRSS "Required Contents #8, 9, and 10").

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Beginning Reserve Bal	\$76,450	\$93,350	\$64,850	\$56,350	\$77,850	\$99,350	\$26,250	\$23,750
Annual Reserve contribs	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500	\$21,500
Annual Expenses	\$4,600	\$50,000	\$30,000	\$0	\$0	\$94,600	\$24,000	\$5,000
Ending Balance	\$93,350	\$64,850	\$56,350	\$77,850	\$99,350	\$26,250	\$23,750	\$40,250

	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7
Pool Furniture - Replace	\$4,600	\$0	\$0	\$0	\$0	\$4,600	\$0	\$0
Pool - Resurface	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$0
Roof - Replace	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Asphalt - Seal	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$5,000
Asphalt - Resurface	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0
Building - Repaint	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0
Elevator - Modernize	\$0	\$0	\$0	\$0	\$0	\$80,000	\$0	\$0
Hallways - Refurbish	\$0	\$0	\$0	\$0	\$0	\$0	\$24,000	\$0
Annual Total:	\$4,600	\$50,000	\$30,000	\$0	\$0	\$94,600	\$24,000	\$5,000

With the annual expenses now established, and with a known starting balance, a funding plan is developed to achieve the desired funding objective. For this illustration, the threshold is to maintain a cash balance in excess of a year's worth of contributions.

Two key characteristics of a Cash Flow method funding plan are:

1. Contributions are adjusted to achieve a particular funding objective.
2. The composition of annual expenditure totals (whether one or many, whether roof or asphalt or elevator) are irrelevant.

Note that if the pursued objective is a percent-funded objective, annual percent funded values will be displayed through the years in addition to annual reserve cash values.

This article has been developed so reserve professionals can consistently and clearly communicate their chosen methodology to their clients (see the NRSS Required Contents #16). With an effective multi-year funding plan, client associations should have the funds necessary to perform their reserve projects in a timely manner.

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About Community Associations Institute

Since 1973, Community Associations Institute (CAI) has been the leading provider of resources and information for homeowners, volunteer board leaders, professional managers, and business professionals in 350,000 homeowners associations, condominiums, and housing cooperatives in the United States and millions of communities worldwide. With more than 40,000 members, CAI works in partnership with 36 legislative action committees and 64 affiliated chapters within the U.S., Canada, South Africa, and the United Arab Emirates as well as with housing leaders in several countries, including Australia, Spain, Saudi Arabia, and the United Kingdom.

A global nonprofit 501(c)(6) organization, CAI is the foremost authority in community association management, governance, education, and advocacy. Our mission is to inspire professionalism, effective leadership, and responsible citizenship—ideals reflected in community associations that are preferred places to call home.

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