



Component List / Four Part Test

RESERVE DATA ANALYSIS

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01

**ASSOCIATION'S
RESPONSIBILITY**



The component must be the responsibility of the Association. This is determined by reviewing the governing documents which will outline what is the Association's responsibility versus Home Owner responsibility.

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02

**PREDICTABLE
USEFUL LIFE**



Components which have no predictable useful life expectancy are typically not funded for and are best paid for from special assessments or insurance. Depending on the age of the building these components could include the plumbing or fire sprinkler system.

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03

**LIMITED REMAINING
USEFUL LIFE**



A limited useful life is needed to apply to the component for it to be considered and included in the reserve study. Some components like roofing and paint have very limited life expectancies but others like foundations and electrical systems do not.

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04

**ABOVE A THRESHOLD
AMOUNT**



A dollar threshold amount is provided by the Client when we complete a reserve study. A larger community with a larger budget will typically pay for smaller costs from the operating account and will typically have a higher threshold amount than a smaller community.