

## Reserve studies for timeshare and fractional associations



Facilities Advisors is the ONLY reserve study company that has in-house expertise in all three disciplines that comprise the reserve study process; facilities management, valuation (pricing), and financial modeling and presentation. Most of our competitors can claim expertise in only one of the three disciplines.

### Work with the best – Facilities Advisors - thousands of reserve studies since 1982

- We wrote the book on reserve studies – “Reserve Studies – The Complete Guide”
- We wrote the standards for the reserve study industry – Facilities Advisors CEO Gary Porter is president of the ICBI (International Capital Budgeting Institute) which created the Generally Accepted Reserve Study Standards for timeshare associations
- We have the best technology in the reserve study industry, and support the only two USA software products certified by ICBI to meet software standards

No matter the type of resort, Facilities Advisors “Reserve Management Plan” service puts you in control of your reserve study. While our competitors offer only a static, paper reserve study report, we offer you access to our dynamic, internet-based software so you can keep your reserve plan updated and run multiple “what if” scenarios.

#### Mayakoba, Mexico

The reserve management plan level of service requires knowledge and tools that other reserve preparers don't have. Reserve activities and components must be included in the study at the correct level, the level where you write checks. The software must be capable of both tracking reserve activities at a detail level, and summarizing data to produce useful reports and information. Our unique unit / model tracking system allows you to know what is inside every unit, and accurately project future expenditures. None of our competitors can perform this level of service.



#### Timeshare Reserve Studies Unique Considerations

The most unique aspect of the timeshare reserve study is the necessity of tracking unit interior furniture and other components. The software we use allows us to track unit interior components, and to provide reports that provide component and expense information on a unit by unit basis. No other software offers this capability, and no other reserve study company is able to provide a reserve study as comprehensive. Years of experience has also taught us how to properly “scope” the reserve study. What this means is selecting the appropriate level of component detail to include in the study. While our software allows us to track all components, if too much detail is included, it becomes too burdensome for you to keep the study updated.

#### Santa Fe, New Mexico



As an example, if we were to track ALL components in a standard two-bedroom timeshare unit, we could identify as many as 180 components. But, by limiting the component list to roughly the 40 to 50 largest items, we still catch 80% - 90% of total costs on an itemized basis. The remaining 10% to 20% of costs are grouped into a single component. This is the most efficient way to both capture, manage, and update the component information. This keeps the quantity of data small enough that you can actually manage it without being mired down in too much detail.

This is where working with Facilities Advisors provides a huge benefit to you. In order to properly manage your reserve plan on a real time basis, you MUST be able to track components on a unit-by-unit basis. As an example, when you replace a dining set in one unit without replacing all dining sets in other units, it throws off the timing of the replacement cycle. Using either one of the two reserve study software platforms that we support, the PRA System or Facilities 7, you have the unit tracking capability that you need to manage your reserves.

#### Reserve Study Services

Facilities Advisors International (FAI) can provide you with information that no one else can provide, such as a complete inventory by location, down to the level that we can show you every common area component in a specific room. A Facilities Advisors reserve study with internet-based software provides you with a dynamic management tool, not a static “once every three years” paper report.

You can count on us for quality service for any type of association, and no matter where it's located. Quality reserve study services since 1982.

- Experience
- Quality service
- Competitive fee structure
- Easy-to-read reports
- Internet-Based Software

## What the Association should receive from a Reserve Study

A reserve study from Facilities Advisors gives you the three things most important to your peace of mind

1. A solid financial plan with reports that make sense
2. A comprehensive and competent site visit and component condition assessment
3. Guidance in the development of a structured maintenance plan to minimize overall future costs

A reserve study is a financial projection that calculates the funding requirements to replace the association's common area components that it is responsible for maintaining. The reserve study report contains a funding plan to meet these requirements, generally designed to level out cash flow and avoid special assessments. The funding plan incorporates inflation, interest earnings, financing programs and repayment of debt.

### Types of Reports

**Type 1 - Full Reserve Study with On-site Analysis** - We perform a complete on-site analysis, identifying and quantifying common area components. This also includes our component condition assessment and photo inventory of most components.

**Type 2 - Update of Reserve Study with On-site Analysis** - The level 2 on-site analysis is less comprehensive than a level 1 engagement in that the identification and quantification of components is assumed to be the same as determined in a prior level 1 on-site analysis, unless it appears that there have been changes. The level 2 site visit focuses on the component condition assessment and updates the photo inventory where necessary.

**Type 3 - Update of Reserve Study without On-site Analysis** - An annual update to the reserve study is simply good planning. This allows you to "refresh" the funding plan and account for minor variations from the original funding plan. We inquire about expenditures made, changes in pricing of replacement costs, and variations in funding from the original plan, but do not perform a site visit. This is a valuable planning tool at a very reasonable cost, generally no more than 25% of the cost of a full study.

Miramar Beach, Florida



Acapulco, Mexico



Whistler, Canada



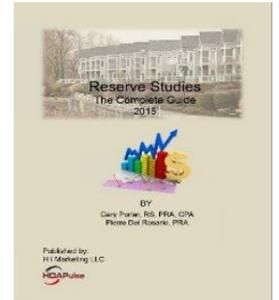
### Gary Porter, RS, FMP, RSS, CPA

Gary Porter is the founder and CEO of Facilities Advisors International and consulting specialist on all timeshare reserve studies for the FAI team. He has more than 35 years of experience in reserve studies, audits, and taxation of associations. He is the only reserve preparer with licenses, credentials, or proven experience in all three disciplines that comprise the reserve study process; facilities management, valuation (pricing), and financial modeling and presentation. Mr. Porter holds the Facilities Management Professional credential and is an expert in facilities management. He was partner in a public adjusting company for several years, adjusting insurance claims for associations damaged in earthquakes. There is probably no greater test of valuation skills than getting an insurance company to pay a claim they don't want to pay. In addition, he has been recognized as a valuations and economic expert by California courts for decades, including serving as the court's appointed expert to assist the court when litigating parties can't agree. Finally, as a CPA, he has the financial modeling and reporting skills necessary to prepare a financial projection and present it in an appropriate manner.

Mr. Porter began his career as an auditor with Deloitte & Touche. In the mid 1970's he began working with associations. He founded his own CPA firm in 1980 and began performing reserve studies. He is the author of the 2015 book Reserve Studies – the Complete Guide, the definitive guide on reserve studies.

Mr. Porter is a past national president of the Community Associations Institute (CAI) and is a founding member and current president of the International Capital Budgeting Institute (ICBI), which establishes standards for capital budgets.

Mr. Porter is the author of ICBI's "Generally Accepted Reserve Study Standards" and designed the financial reporting framework that has been adopted by many reserve professionals within the industry.



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