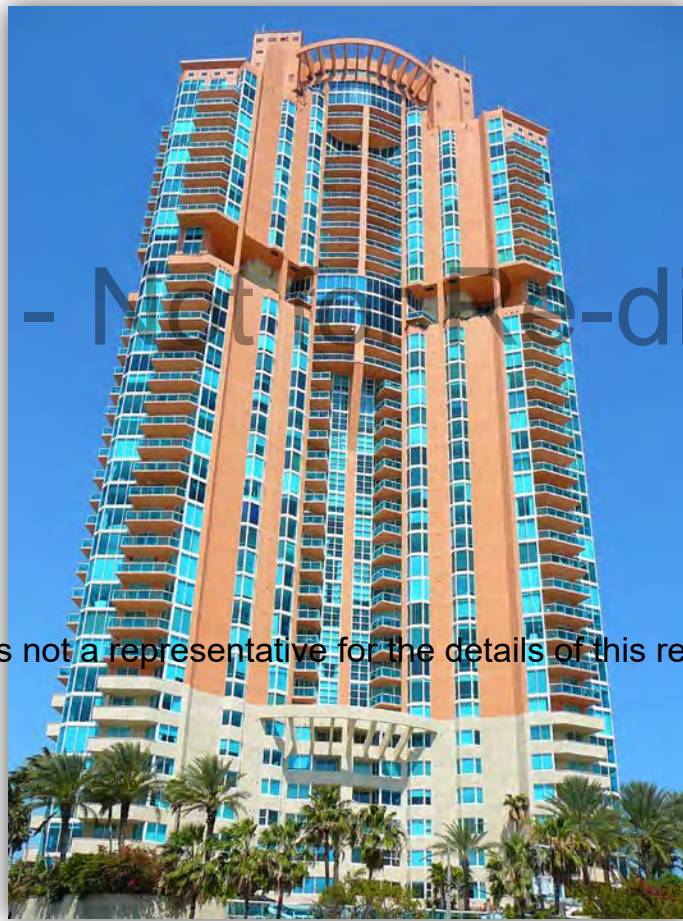


RESERVE STUDY SAMPLE REPORT

FLORIDA

SAMPLE - Not to be distributed



This photo is not a representative for the details of this reserve study.

*J. R. Frazer, Inc. * 6615 W. Boynton Beach Blvd. #: 360, Boynton Beach, FL 33437 * Ph#: 561-488-3012*

RESERVE STUDY REPORT

Condominium Association, Inc.

Date of Site Visit:

SAMPLE – pool of funds

PURPOSE OF THE FULL RESERVE STUDY :

To provide the basis for the necessary funding to maintain, repair and replace those reserve components/assets which are the Association's responsibility.

SCOPE OF THE FULL RESERVE STUDY :

Identify and examine specific components for all of the reserve category needs analysis and use the **Pool of Funds Funding** for future reserve financial analysis with an on-site inspection. Included in this reserve study are the following component items: Roofing, Painting, Paving, Elevators, Mechanical Items, Air Conditioning, Building Restoration & Replacements, Swimming Pool Area(s), Clubhouse & Interiors, Irrigation Pump Stations, and other common area assets/components. The Study will quantify the individual components by actual field measurements and a visual inspection where possible. Establish current cost estimates for replacement using Marshall & Swift Valuation Service, National Plumbing & HVAC Estimator, Means Building Construction Cost Data, Trade Service Electrical Price Guide, and local contractors. Identify the normal life expectancy for each component. Estimate each component's remaining useful life through non-destructive methods. Calculate the normal annual contribution over the normal life expectancy. Establish the current 100% reserve requirement. Complete the reserve funding analysis and calculate the reserve deficit or overage. Make calculations to amortize any cash flow deficits over the twenty-year analysis by using the pool of funds method of funding reserves. The Study will also adjust the normal annual contributions to include amortized deficit funding, if needed, to meet all anticipated expenditures over the next twenty years.

CERTIFICATION:

I hereby certify that I have no interest, present or contemplated, in the property, and that neither the assignment to complete this study nor the fee derived there from is contingent upon its results. I have personally inspected the property, unless otherwise noted in the report, and to the best of my knowledge and belief, all statements and data in this report are true, subject to any contingent limiting conditions noted herein.

This report is furnished at your request in strict confidence by us as your agent for your exclusive use. The report is not to be construed as a guarantee or warranty, expressed or implied, of the property or the equipment therein or of their fitness for a particular purpose.

This report is made under the guidelines of the American Institute of Certified Public Accountants, the Community Associations Institute guidelines, and the Professional Reserve Specialists Code of ethics.

senior reserve analyst

INTRODUCTION

J. R. FRAZER, INC.(Reserve Studies and Valuation Services) was retained by the Association to prepare a reserve analysis of the common areas for the purpose of developing a repair and replacement needs plan and a funding analysis. The site inspection work was completed by _____ - senior reserve analyst.

The statutory requirement for condominium associations simply states reserves must be 100% funded for roofing, painting and paving, plus any other items in which the cost to maintain, repair or replace those items exceeds \$10,000. This association board feels it is prudent and fiducially incumbent upon them to have a Reserve Analysis and accordingly has elected to engage an independent specialist to prepare a reserve schedule for inclusion in the association's budget. Our reserve study includes all reserve fund categories and all reserve components with a twenty-year cash flow analysis.

The reserve program is designed to provide all or part of the funds necessary to pay for maintaining, repairing and replacing the capital improvements of the Association. Not every circumstance can be accounted for future loss possibilities such as catastrophic disasters. At the request of the board this reserve study may include reserves for uninsurable losses due to a catastrophe. These losses may be caused by flooding, lightning, hurricanes, or un-named windstorms and may include damage to such uninsurable items as landscaping or improvements excluded from windstorm insurance.

The analysis which follows uses the straight-line component method to determine the physical analysis or the needs of the association, a pool of funds method, and a twenty-year cash flow analysis with a minimum threshold to complete the financial analysis and reserve funding requirements. The physical analysis data includes those components that are included in the reserve study and the calculation of the necessary reserves are based upon straight line funding by establishing estimated remaining useful lives, the quantity of units which are obtained through independent research, existing maintenance records, site inspections, and verification of historical replacement cost of the components in the analysis. Because inflation cannot be accurately predicted, replacement costs herein are at current construction cost.

PURPOSE OF RESERVES

Reserves are monies budgeted, collected and set aside for replacement or deferred maintenance. The establishment of reserve accounts begins with the developer and or the board who has a fiduciary capacity and responsibility for the establishment of an association's budget. The board has established the reserve accounts in this study for the future replacement or deferred maintenance of the common areas.

Condo associations have become aware of the necessity of reserves being included in the budget. Without adequate reserves, owners may be subject to either special assessments or may not be able to repair or replace the common area assets. Reserve funds enable an association to maintain the common areas with a reduced risk of special assessments and minimize the impact of financial challenges. The establishment of 100% reserve funding accomplishes the following.

Establishes and preserves reserves for a strong financial position to meet future expenditures.

Reserves reduce the potential for special assessments.

All owners share the expenses of the association equally by paying their share of the cost while living in the condo association.

Adequate funding is the key to reserves. Just having reserve funds doesn't make an association's financial future strong. Reserves must be set at an annual goal of 100% funding according to the statutes in order to accomplish all of the goals of an association, unless a vote of the membership elects to waive or partially fund reserves.

There will be times however, when natural disasters such as flood, hurricanes, windstorms, and frost can cause considerable damage to uninsurable property. These events should also be a consideration of the board and a reserve fund established to meet these natural disasters or adopt a policy of special assessments.

NAVIGATING & UNDERSTANDING THIS REPORT

Reserve Summary Section – (B1 & B2 pages):

This section summarizes the entire report providing the grand total for the Current Replacement Cost, Normal Annual Contribution, Current Reserve Requirement, Association’s Current Reserve “Fund Balance”, Fund Deficit and the Contribution needed for the next budget year. For definitions of terminology, such as Current Reserve Requirement, please see “Definitions” section located at the end of this report.

Please Note: The Normal Annual Contribution and the Annual Contribution for next year might be different depending upon your current reserve balance and expenses related to projects that will materialize over the next 1 to 5 years.

The Normal Life and Remaining Life in the Reserve Summary page are ranges of actual life. The actual Normal Life and Remaining Life for each individual reserve component are contained in the Reserve Analysis pages (C pages).

The Summary B2 page provides the association’s current year contribution and the Annual Contribution for the next 9 years adding in any deficit amounts that might have occurred during the funding analysis located on the D pages of this report. In this section, we have added the normal annual contribution with any deficit amounts that were needed in order to maintain a positive balance in your reserve account.

Reserve Analysis Section - (C pages):

This section provides a detailed breakdown of the component items into each reserve category. The reserve component items are further broken down to provide individual unit cost, number of units, normal life, estimated remaining life, annual contribution for that component item and the current reserve requirement (dollar amount that should be in reserves as of the date of this report). This section is sometimes referenced as the calculation pages of the reserve study.

Reserve Funding Analysis – (D pages):

In this section, broken down by year, are all of the expenses that will occur for the next 20 years with the year-end fund balance. It is in this section under “amortized deficit” that will show the additional money needed to the Normal Annual Contribution in order to maintain a positive balance in the reserve account and to pay for the required replacement of component items. The amortized deficit column can vary year by year. In any given year, if a fund balance falls below the

minimum fund balance (ie. \$2,500 - \$50,000) an amount is added to bring the fund balance to the stated minimum balance. This amount then is divided into the preceding years to spread out the deficit, hence not creating a burden in any given year. To further clarify..., if the minimum fund balance is \$5,000 and then in year 5 the association's fund balance is a negative \$1,500, then \$6,500 will be needed to bring the fund balance to \$5,000. This \$6,500 deficit will then be divided by the 5 preceding years adding \$1,000 a year to the normal annual contribution.

Photo Section:

This section provides photographs of most of the component items listed in this reserve study – but not all. It does not provide photographs of problem areas, though they may be observable in the photographs – such as cracking on the asphalt paving.

Financial & Other Documentation:

This section provides some of the information your association and or manager has provided to us in order to prepare this report. It includes items such as the association's Balance Sheet, Profit & Loss Statements, Budget Statements, Questionnaire, Maintenance Contracts, etc.

Definitions and Consulting Contractors:

This section provides the definition of terms that are used in this report to better help the reader understand the scope of this report. Also, in this section are names and phone numbers of contractors we have developed relationships with over the last 20 years. We cannot guarantee their workmanship nor do we have a preference to any one contractor. We recommend interviewing at least 3 contractors and depending upon the company you choose to work with, obtain a copy of their license and insurance prior to signing any agreements. If you have a problem with anyone on this list, please feel free to give us a call – it is only your feedback that allows our contractors to remain on our list. It is for your convenience.

SAMPLE - Not for Re-distribution

GENERAL ANALYST RECOMMENDATIONS

1. We recommend making the stated 2024 annual contribution. The 2024 contribution is made up of the Normal Annual Contribution plus a required amortized deficit amount (if needed) to meet anticipated cash flows over the next twenty years. By funding the recommended year 2024 contribution using the pool of funds funding method, the Association should be able to pay future reserve expenditures with adequate contributions from the reserve funds.

The Normal Annual Contribution represents the replacement cost divided by the number of years of useful life.

2. We recommend income generated within the reserves remain in the reserves. This is the most positive method to combat inflation. Our financial analysis indicates interest generated by reserve funds will help offset a portion of inflation cost. This system of compounding interest allows the Association to control some reserve increases, but should be updated at a minimum of every two years. If the interest is not allocated back into reserves the Association can expect future deficits and possible special assessments.

3. The association's current reserve schedule may not have been complete in identifying all the needs of the association. We have added components and recommend the association reserve for all components in this reserve study. In some cases, we might have combined certain reserve categories to help simplify and or improve budgeting methods.

4. All expenditures are based upon a cash flow analysis with the pool of funds method to meet expenses. This allows all funds in each reserve category to be used for paying any appropriate component or components which may suddenly and un-expectedly need to be repaired or replaced. This system of funding provides adequate funding for the future reserve expenses. We strongly recommend annual updates of the reserve study in order to maintain adequate funding levels.

SPECIAL NOTES

Information supplied by the Association includes a copy of the financial reports, reserves questionnaire and a copy of the current reserve budget.

As a result of the study, if the current reserve fund balance is less than the current 100% reserve requirement, you have a funding deficit. If the fund balance is greater than the reserve requirement, you have a funding overage.

When the association's current reserve fund balance is less than the current 100% reserve requirement, additional funds may be added to the normal annual contribution if current funding levels will not meet the projected twenty-year cash flow analysis. This will allow the funding deficit to be paid down over a period of years within the twenty-year period.

All funding deficits in this study are amortized based upon the cash flow analysis. This amortized amount is added to the normal annual contribution yielding the new contribution. **Additional funds over the Normal Annual Contribution ARE needed at this time to meet minimal threshold funding requirements and anticipated expenditures.**

Please review the D pages of this report to see when and in what category the funding deficit occurs.

The goal is to meet anticipated reserve expenditures over the next twenty years and maintain a positive cash baseline.

When a current reserve fund balance is greater than the current 100% reserve requirement, the funding deficit tables calculate the number of years and dollars by which the overage should be paid down. This method of amortizing overages and deficits will maintain a more stable level of funding and reduces fluctuations.

All reserve amounts change yearly with increased cost of materials, increased cost of labor, building code changes, and investment income. We do not add for inflation or interest. These items are difficult to predict and can mislead the user of the report. Instead we use current cost with no inflation and no interest. Some cost increase will be taken care of by interest, but we recommend annual updates to adjust for increased cost. These economic changes will have an impact on your reserve fund and your ability to provide for future expenses.

In addition, depending on how you decide to allocate future funding, and whether or not you opt to fund at recommend levels, these decisions will also impact the status of the reserve fund. In order to ensure continued adequate funding we strongly recommend annual updates to adjust for increased cost, adjustments to estimated remaining life, reserve spending, and changes in your funding allocations. The only way to maintain accurate reserves and reduce the need for special assessments would be to update your reserve study annually.

This association's financial strength is average at the current 30% to 70% reserve level of funding. This association is 35% funded. The association's risk of special assessments is 10% - 50% during any one yearly period.

Other information regarding the financial situation of the association as observed and calculated by the reserve analyst.

The J. R. Frazer firm recommends an increase to the annual reserve contribution. The increased annual reserve contribution will be a more accurate reserve budget number which can benefit the entire association and allow current owners to pay the current cost which is their fair share of future cost to maintain the assets of the Association.

CONDITIONS OF RESERVE STUDY

Unless otherwise stated, this evaluation is subject to the following conditions:

J. R. Frazer, a reserve specialty firm, has not formed a legal opinion as to what components may be included or are the responsibility of the association. We therefore assume no responsibility in the determination of which components and their related cost may be excluded from the reserve study application.

Information as to the association's responsibilities has been obtained from the client in discussions or a review of the documents. We make no guarantee nor assume liability for the accuracy of any data, financial statements or fund balances supplied by the client, opinions, or estimates as furnished by others that we used in formulating this evaluation. Any changes to our reports resulting from missing information or misinformation will be added to the report at an expense equal to our hourly fee rate.

The dimensions and quantities were gathered either by actual physical measurements, review of construction plans, or supplied by the association. All previous measurements and quantifications are deemed accurate for future use and updates.

Neither all nor any part of the contents of the association's reserve study report shall be conveyed to another reserve specialist, estimator, valuation person, or the public through advertising, news, or other media without the written consent and approval of myself.

The valuation includes a description of the premises. Our assessment of the physical condition of the improvements described within has been based upon visual inspection without destructive intrusions. No warranty is made and no liability is assumed for the soundness of the structure or its components. The Association should consider additional inspection for any safety concerns or hidden defects. The valuations derived and expressed within is not applicable to any other property regardless of similarity. The valuation is as of the date specified.

The values provided in this analysis are derived and based upon cost during common and normal economic conditions. These values do not reflect the significant impact on cost which may occur as a result of supply shortages and demand increases which are typically created as a result of disasters such as hurricanes, windstorms, etc. All updates are based upon the previous validated data.

This analysis represents my opinion based on accepted valuation systems and reserve methodology as to the values of the described property. As stated in the report, it has in no way been contingent upon the report of predetermined or specified value, nor has compensation for this reserve analysis report been contingent upon the value of the property considered.

Report completed by:
J. R. FRAZER, INC.

6615 W. Boynton Beach Blvd. #360
Boynton Beach, FL 33437
561-488-3012

2023 "Traditional" RESERVE SUMMARY

Condominium Address

CASH FLOW METHOD WITH POOLED RESERVES
Prepared for Budget Year 2024 - January 1st through December 31st

RESERVE CATEGORY	REPLACEMENT COST	USEFUL LIFE (YEARS)	REMAIN LIFE (YEARS)	NORMAL ANNUAL CONTRIBUTION	FULLY FUNDED BALANCE	ASSOCIATION FUND BALANCE 1/31/2023	FUND (DEFICIT) OVERAGE	2024 ANNUAL RESERVE CONTRIBUTION	2024 MONTHLY CONTRIBUTION
A. ROOFING	629,850	20	6	32,183	421,795	*	*	*	*
B. PAINTING	530,980	6	2	89,174	325,457	*	*	*	*
C. PAVING	554,573	14	11	38,705	129,534	*	*	*	*
D. REPLACE & RESTORATION	3,992,622	19	12	211,608	1,478,668	*	*	*	*
E. POOL & SPA	208,060	7	5	28,548	67,305	*	*	*	*
F. MECHANICAL	772,100	19	11	41,152	303,456	*	*	*	*
G. ELEVATORS	1,722,000	30	5	57,157	1,436,231	*	*	*	*
H. INTERIORS	663,803	19	11	35,250	282,766	*	*	*	*
I. MARINA	963,632	43	16	22,657	601,225	*	*	*	*
Association Fund Balance	-			-		500,000	500,000		
TOTAL	\$ 10,037,620		Life range of years are averaged, see actual estimated years in "C" pages.	\$ 556,434	\$ 5,046,437	500,000	(4,546,437)	\$ 739,644	\$ 61,637

Note: Fully Funded Balance - "Total Accrued Depreciation" (for a complete definition, see the glossary section of this report)

Note: The category "Paving" will/may include items such Asphalt, Curbs, Valley Drains, Sidewalks, and Pavers - for further details, see the section for Paving in the "C" pages of this report

RESERVE CONTRIBUTION FORECAST

Condominium

Address

RESERVE CATEGORY	Yr. 2023 Contribution	Yr. 2024 Contribution	Yr. 2025 Contribution	Yr. 2026 Contribution	Yr. 2027 Contribution	Yr. 2028 Contribution	Yr. 2029 Contribution	Yr. 2030 Contribution	Yr. 2031 Contribution	Yr. 2032 Contribution	Yr. 2033 Contribution
Normal Annual Contribution	486,500	556,434	556,434	556,434	556,434	556,434	556,434	556,434	556,434	556,434	556,434
Plus Amortized Deficit Amount		183,210	183,210	183,210	183,210	183,210	110,201	0	0	0	0
TOTAL ANNUAL FULLY FUNDING RESERVE CONTRIBUTIONS	\$ 486,500	\$ 739,644	\$ 739,644	\$ 739,644	\$ 739,644	\$ 739,644	\$ 666,635	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434

RESERVE CONTRIBUTION FORECAST

Condominium

Address

RESERVE CATEGORY	2034 Contribution	2035 Contribution	2036 Contribution	2037 Contribution	2038 Contribution	2039 Contribution	2040 Contribution	2041 Contribution	2042 Contribution	2043 Contribution
Normal Annual Contribution	556,434	556,434	556,434	556,434	556,434	556,434	556,434	556,434	556,434	556,434
Plus Amortized Deficit Amount	0	0	0	0	0	0	0	0	0	0
TOTAL ANNUAL FULLY FUNDING RESERVE CONTRIBUTIONS	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434

RESERVE CONTRIBUTION FORECAST

Condominium

Address

RESERVE CATEGORY	2044 Contribution	2045 Contribution	2046 Contribution	2047 Contribution	2048 Contribution	2049 Contribution	2050 Contribution	2051 Contribution	2052 Contribution	2053 Contribution
Normal Annual Contribution	556,434	556,434	556,434	556,434	556,434	556,434	556,434	556,434	556,434	556,434
Plus Amortized Deficit Amount	0	0	0	0	0	0	0	0	0	0
TOTAL ANNUAL FULLY FUNDING RESERVE CONTRIBUTIONS	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434	\$ 556,434

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
A. ROOFING								
	1. Condo Bldg. Flat Roof							
	a. replace condo flat roof	24,800	23.50	\$582,800	20	6	\$29,140	\$407,960
	1. Condo Bldg. Flat Roof Subtotal			\$582,800			\$29,140	\$407,960
	2. Cabana Roof							
	a. waterproof concrete roof	1,400	8.25	\$11,550	20	15	\$578	\$2,890
	b. replace porcelain tile (wood look)	1,400	15.50	\$21,700	20	15	\$1,085	\$5,425
	2. Cabana Roof Subtotal			\$33,250			\$1,663	\$8,315
	3. Other							
	a. Repairs/Surveys/Misc.	27,600	0.50	\$13,800	10	6	\$1,380	\$5,520
	3. Other Subtotal			\$13,800			\$1,380	\$5,520
	A. ROOFING Total			\$629,850	20	15	\$32,183	\$421,795

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C:	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
B. PAINTING								
	1. Condo. Bldg. Exterior Painting							
	a. main bldg.	218,500	1.32	\$288,420	5	2	\$57,684	\$173,052
	b. catwalk & balconies	42,500	1.32	\$56,100	5	2	\$11,220	\$33,660
	c. perimeter & pool area walls	17,000	0.80	\$13,600	5	2	\$2,720	\$8,160
	d. garage walls	15,400	0.80	\$12,320	10	2	\$1,232	\$9,856
	e. garage ceilings	54,500	0.80	\$43,600	10	2	\$4,360	\$34,880
	f. garage floors	54,500	1.10	\$59,950	10	2	\$5,995	\$47,960
	1. Condo. Bldg. Exterior Painting Subtotal			\$473,990			\$83,211	\$307,568
	2. Railings & Fences (lf)							
	a. building short railings	1,798	5.25	\$9,440	10	7	\$944	\$2,832
	b. building railings	3,497	8.10	\$28,326	10	7	\$2,833	\$8,499
	c. glass railings	1,071	5.25	\$5,623	10	7	\$562	\$1,686
	d. dune walk-over railings/fence	103	8.10	\$834	10	7	\$83	\$249
	e. pool area handrails	126	5.25	\$662	10	7	\$66	\$198
	f. pool area fence	17	8.10	\$138	10	7	\$14	\$42
	g. pool area glass fence	356	4.75	\$1,691	10	7	\$169	\$507
	h. front portico area railings	41	8.10	\$332	10	7	\$33	\$99
	i. perimeter fence	574	8.10	\$4,649	10	7	\$465	\$1,395
	2. Railings & Fences (lf) Subtotal			\$51,695			\$5,169	\$15,507
	3 - Other							
	a. paint entry light poles	14	100.00	\$1,400	10	7	\$140	\$420
	b. epoxy paint portico roof	1,020	1.25	\$1,275	5	2	\$255	\$765
	c. paint all garage gates	50	25.00	\$1,250	10	7	\$125	\$375
	d. paint concrete texture sidewalk	1,245	1.10	\$1,370	5	2	\$274	\$822
	3 - Other Subtotal			\$5,295			\$794	\$2,382
	B. PAINTING Total			\$530,980	10	7	\$89,174	\$325,457

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C:	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
C. PAVING								
	1. Pavers							
	a. entry parking pavers	45,066	5.10	\$229,837	24	18	\$9,577	\$57,462
	b. pool side pavers	39,000	6.10	\$237,900	24	21	\$9,913	\$29,739
	1. Pavers Subtotal			\$467,737			\$19,490	\$87,201
	2. Other							
	a. retexture concrete sidewalk	249	4.00	\$996	24	21	\$42	\$126
	b. seal entry parking pavers	45,066	0.80	\$36,053	5	3	\$7,211	\$14,422
	c. seal pool side pavers	39,000	0.80	\$31,200	3	1	\$10,400	\$20,800
	d. replace/repair concrete curbs	1,188	5.00	\$5,940	20	5	\$297	\$4,455
	e. Repairs/Surveys/Misc.	84,315	0.15	\$12,647	10	8	\$1,265	\$2,530
	2. Other Subtotal			\$86,836			\$19,215	\$42,333
	C. PAVING Total			\$554,573	24	21	\$38,705	\$129,534

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C:	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
D. REPLACE & RESTORATION								
1. Building Exterior Repairs and Restorations								
	a. exterior bldg. stucco R&R	218,500	1.50	\$327,750	5	1	\$65,550	\$262,200
	b. balconies/catwalks stucco R&R	42,500	1.50	\$63,750	5	1	\$12,750	\$51,000
	c. perimeter & pool area walls R&R	17,000	0.25	\$4,250	10	1	\$425	\$3,825
	d. garage walls R&R	15,400	0.25	\$3,850	10	1	\$385	\$3,465
	e. garage ceilings R&R	54,500	0.25	\$13,625	10	1	\$1,363	\$12,267
	f. waterproof balconies/catwalks	42,500	8.75	\$371,875	20	1	\$18,594	\$353,286
	g. waterproof planters	3,766	39.00	\$146,874	24	21	\$6,120	\$18,360
	h. waterproof pool side deck	39,000	12.50	\$487,500	24	21	\$20,313	\$60,939
	1. Building Exterior Repairs and Restorations Subtotal			\$1,419,474			\$125,500	\$765,342
2. Fence & Railing Replacements:								
	a. building short railings	1,798	30.00	\$53,940	50	44	\$1,079	\$6,474
	b. building railings	3,497	55.00	\$192,335	50	44	\$3,847	\$23,082
	c. glass railings	1,071	125.00	\$133,875	50	44	\$2,678	\$16,068
	d. dune walk-over railings/fence	103	110.00	\$11,330	50	44	\$227	\$1,362
	e. pool area handrails	126	40.00	\$5,040	50	44	\$101	\$606
	f. pool area fence	17	50.00	\$850	30	24	\$28	\$168
	g. pool area glass fence	356	125.00	\$44,500	50	44	\$890	\$5,340
	h. front portico area railings	41	55.00	\$2,255	50	44	\$45	\$270
	i. perimeter fence	574	55.00	\$31,570	30	24	\$1,052	\$6,312
	2. Fence & Railing Replacements: Subtotal			\$475,695			\$9,947	\$59,682
3. Lighting Replacements								
	a. entry bollard lights	4	350.00	\$1,400	10	5	\$140	\$700
	b. portico recessed lights	12	75.00	\$900	15	12	\$60	\$180
	c. front catwalk lights	112	125.00	\$14,000	15	12	\$933	\$2,799
	d. NE back wall lights	4	275.00	\$1,100	15	12	\$73	\$219
	e. entry light/poles	14	4,000.00	\$56,000	20	8	\$2,800	\$33,600
	3. Lighting Replacements Subtotal			\$73,400			\$4,006	\$37,498
4. Canopy & Trellis								

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values				Normal	Current	
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Annual Contribution	Reserve Requirement
	a. replace metal trellis	741	67.00	\$49,647	40	37	\$1,241	\$3,723
	b. replace canopy (13)	551	16.00	\$8,816	8	5	\$1,102	\$3,306
	c. replace canopy frames	551	19.00	\$10,469	24	19	\$436	\$2,180
	4. Canopy & Trellis Subtotal			\$68,932			\$2,779	\$9,209
	5. Cabana & BBQ/Open Waterfall Area							
	a. restore/renovate BBQ area	1	20,000.00	\$20,000	10	8	\$2,000	\$4,000
	b. renovate cabana bathrooms	2	27,000.00	\$54,000	20	14	\$2,700	\$16,200
	c. replace exterior cabana wall tiles	696	24.00	\$16,704	20	18	\$835	\$1,670
	d. replace cabana area shower tiles	700	25.00	\$17,500	20	18	\$875	\$1,750
	e. replace water fountain tiles	640	18.00	\$11,520	20	18	\$576	\$1,152
	f. replace water fountain coping	130	5.25	\$683	20	18	\$34	\$68
	5. Cabana & BBQ/Open Waterfall Area Subtotal			\$120,407			\$7,020	\$24,840
	6. Other							
	a. replace mailboxes	13	1,400.00	\$18,200	40	3	\$455	\$16,835
	b. replace roof vents	28	2,100.00	\$58,800	12	10	\$4,900	\$9,800
	c. replace stairwell exterior doors	89	2,000.00	\$178,000	20	1	\$8,900	\$169,100
	d. replace stairwell interior doors	85	2,000.00	\$170,000	50	1	\$3,400	\$166,600
	e. replace north garage gates	28	250.00	\$7,000	20	18	\$350	\$700
	f. replace south garage gates	21	60.00	\$1,260	20	18	\$63	\$126
	g. replace bldg entry tiles	153	9.50	\$1,454	10	9	\$145	\$145
	h. plumbing updates - lining of pipes	164	7,300.00	\$1,197,200	30	29	\$39,907	\$39,907
	i. electrical updates	164	1,200.00	\$196,800	50	6	\$3,936	\$173,184
	j. Update Entry Monument	1	6,000.00	\$6,000	20	1	\$300	\$5,700
	6. Other Subtotal			\$1,834,714			\$62,356	\$582,097
D. REPLACE & RESTORATION Total				\$3,992,622	50	44	\$211,608	\$1,478,668

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
E. POOL & SPA								
	1. Pool & Spa Resurface							
	a. resurface pool	2,498	6.75	\$16,862	10	8	\$1,686	\$3,372
	b. replace pool tiles	336	18.00	\$6,048	10	8	\$605	\$1,210
	c. spa - custom	1	15,000.00	\$15,000	15	13	\$1,000	\$2,000
	1. Pool & Spa Resurface Subtotal			\$37,910			\$3,291	\$6,582
	2. Pool & Spa Equipment							
	a. pool heaters 12	2	5,200.00	\$10,400	6	1	\$1,733	\$8,665
	b. spa heater 17	1	3,800.00	\$3,800	6	5	\$633	\$633
	c. pool pumps 3hp	2	1,400.00	\$2,800	8	4	\$350	\$1,400
	d. pool pump 1.5hp	1	1,100.00	\$1,100	8	4	\$138	\$552
	e. replace salt cells	1	7,500.00	\$7,500	4	2	\$1,875	\$3,750
	f. spa variable speed motors .75hp	2	900.00	\$1,800	8	6	\$225	\$450
	g. spa filter cartridge	1	500.00	\$500	12	10	\$42	\$84
	h. spa chemical feeders	3	650.00	\$1,950	8	6	\$244	\$488
	i. replace salt cells	1	2,800.00	\$2,800	8	6	\$350	\$700
	2. Pool & Spa Equipment Subtotal			\$32,650			\$5,590	\$16,722
	3. Deck Furniture - all							
	a. sling back furniture	1	30,000.00	\$30,000	15	12	\$2,000	\$6,000
	b. umbrella	1	75,000.00	\$75,000	5	3	\$15,000	\$30,000
	c. umbrella base	1	15,000.00	\$15,000	10	7	\$1,500	\$4,500
	d. wicker furniture & tables	1	17,500.00	\$17,500	15	12	\$1,167	\$3,501
	3. Deck Furniture - all Subtotal			\$137,500			\$19,667	\$44,001
	E. POOL & SPA Total			\$208,060	15	13	\$28,548	\$67,305

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
F. MECHANICAL								
1. Domestic Water Station								
	a. replace water pumps 15hp - 12	2	7,000.00	\$14,000	20	14	\$700	\$4,200
	b. replace controller	1	11,500.00	\$11,500	20	14	\$575	\$3,450
	c. replace station	1	13,500.00	\$13,500	20	14	\$675	\$4,050
	1. Domestic Water Station Subtotal			\$39,000			\$1,950	\$11,700
2. Fire Station/System								
	a. replace fire pump	1	58,000.00	\$58,000	35	1	\$1,657	\$56,338
	b. replace fire system 14	164	1,100.00	\$180,400	20	16	\$9,020	\$36,080
	c. sprinkler system R&R	1	10,000.00	\$10,000	10	5	\$1,000	\$5,000
	2. Fire Station/System Subtotal			\$248,400			\$11,677	\$97,418
3. Air Conditioning								
	a. geo thermal motor (60hp) 17	1	33,000.00	\$33,000	20	19	\$1,650	\$1,650
	b. geo thermal motor (40hp)	1	26,000.00	\$26,000	20	1	\$1,300	\$24,700
	c. geo thermal motor (25hp)	1	14,750.00	\$14,750	20	3	\$738	\$12,546
	d. geo thermal controller	1	20,000.00	\$20,000	20	19	\$1,000	\$1,000
	e. lobby area air handler 3x5ton - 12	3	6,700.00	\$20,100	20	15	\$1,005	\$5,025
	f. office/mail room air handler 12ton	1	18,500.00	\$18,500	20	5	\$925	\$13,875
	g. fitness room air handler 3.5ton 11	1	4,500.00	\$4,500	20	13	\$225	\$1,575
	h. cabana restroom air handlers 1.5ton 10	1	1,000.00	\$1,000	14	6	\$71	\$568
	i. cabana restroom air handlers 1.5ton 15	1	1,000.00	\$1,000	14	11	\$71	\$213
	3. Air Conditioning Subtotal			\$138,850			\$6,985	\$61,152
4. Fountain Equipment								
	a. replace variable speed motors .75hp	2	900.00	\$1,800	8	6	\$225	\$450
	b. replace filter housing	2	500.00	\$1,000	12	10	\$83	\$166
	c. replace chemical feeders	3	650.00	\$1,950	8	6	\$244	\$488
	d. replace salt cells	1	2,300.00	\$2,300	4	2	\$575	\$1,150
	4. Fountain Equipment Subtotal			\$7,050			\$1,127	\$2,254
5. Garage Gate Motors								
	a. motor 14	2	4,700.00	\$9,400	15	11	\$627	\$2,508

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C:	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	b. motor 12	2	4,700.00	\$9,400	15	9	\$627	\$3,762
	5. Garage Gate Motors Subtotal			\$18,800			\$1,254	\$6,270
	6. Other							
	a. generator 118Kw 07	1	72,500.00	\$72,500	35	25	\$2,071	\$20,710
	b. trash chutes	90	2,200.00	\$198,000	20	12	\$9,900	\$79,200
	c. camera system	45	1,100.00	\$49,500	8	4	\$6,188	\$24,752
	6. Other Subtotal			\$320,000			\$18,159	\$124,662
F. MECHANICAL Total				\$772,100	35	25	\$41,152	\$303,456

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
G. ELEVATORS								
1. Modernization/Electronics								
	a. elevator	5	270,000.00	\$1,350,000	32	5	\$42,188	\$1,139,076
1. Modernization/Electronics Subtotal				\$1,350,000			\$42,188	\$1,139,076
2. Other								
	a. cables	5	5,400.00	\$27,000	16	5	\$1,688	\$18,568
	b. drive	5	16,000.00	\$80,000	32	5	\$2,500	\$67,500
	c. motor	5	25,000.00	\$125,000	32	5	\$3,906	\$105,462
	d. other major repairs	5	12,000.00	\$60,000	32	5	\$1,875	\$50,625
2. Other Subtotal				\$292,000			\$9,969	\$242,155
3. Cabs								
	a. flooring	5	4,000.00	\$20,000	16	5	\$1,250	\$13,750
	b. décor/walls	5	10,300.00	\$51,500	16	5	\$3,219	\$35,409
	c. electrical/lighting	5	1,700.00	\$8,500	16	5	\$531	\$5,841
3. Cabs Subtotal				\$80,000			\$5,000	\$55,000
G. ELEVATORS Total				\$1,722,000	32	5	\$57,157	\$1,436,231

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values					Normal	Current
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Annual Contribution	Reserve Requirement
H. INTERIORS								
1. Lobby & 1st Floor Hallways								
	a. replace travertine	5,052	30.00	\$151,560	20	5	\$7,578	\$113,670
	b. refinish travertine	5,052	1.90	\$9,599	5	1	\$1,920	\$7,680
	c. interior paint	6,125	0.87	\$5,329	15	10	\$355	\$1,775
	d. furniture & décor allowance	1	32,500.00	\$32,500	20	15	\$1,625	\$8,125
	e. lighting allowance	1	11,500.00	\$11,500	20	15	\$575	\$2,875
	f. ceiling tiles	4,928	6.00	\$29,568	20	15	\$1,478	\$7,390
	g. rugs	3	5,000.00	\$15,000	8	1	\$1,875	\$13,125
	h. replace elevator wall travertine	405	30.00	\$12,150	20	15	\$608	\$3,040
	i. replace/renovate security desk	1	30,100.00	\$30,100	40	35	\$753	\$3,765
	j. major renovation	5,052	15.00	\$75,780	40	35	\$1,895	\$9,475
	1. Lobby & 1st Floor Hallways Subtotal			\$373,086			\$18,662	\$170,920
2. Fitness Room								
	a. replace carpet	290	40.00	\$11,600	15	10	\$773	\$3,865
	b. replace rubber flooring	144	10.50	\$1,512	18	13	\$84	\$420
	c. paint	1,287	0.87	\$1,120	15	10	\$75	\$375
	d. décor & media	1	3,500.00	\$3,500	20	15	\$175	\$875
	e. equipment	1	62,000.00	\$62,000	15	10	\$4,133	\$20,665
	f. lighting & fans allowance	1	3,500.00	\$3,500	20	15	\$175	\$875
	g. replace shades	8	1,000.00	\$8,000	15	10	\$533	\$2,665
	h. ceiling tiles	2,700	6.00	\$16,200	20	15	\$810	\$4,050
	2. Fitness Room Subtotal			\$107,432			\$6,758	\$33,790
3. Social Room								
	a. replace travertine	936	30.00	\$28,080	20	15	\$1,404	\$7,020
	b. refinish travertine	936	1.90	\$1,778	5	1	\$356	\$1,424
	c. replace wooden floors	320	14.50	\$4,640	20	15	\$232	\$1,160
	d. interior paint	792	0.87	\$689	15	10	\$46	\$230
	e. furniture & décor allowance	1	15,600.00	\$15,600	20	15	\$780	\$3,900
	f. replace media & sound	1	12,000.00	\$12,000	15	10	\$800	\$4,000

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C:	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	g. lighting allowance	1	2,250.00	\$2,250	20	15	\$113	\$565
	h. ceiling tiles	1,256	6.00	\$7,536	20	15	\$377	\$1,885
	i. replace shades	6	1,000.00	\$6,000	15	10	\$400	\$2,000
	j. major renovation	1,256	15.00	\$18,840	40	35	\$471	\$2,355
	3. Social Room Subtotal			\$97,413			\$4,979	\$24,539
	4. Kitchen							
	a. replace travertine	152	30.00	\$4,560	20	15	\$228	\$1,140
	b. refinish travertine	152	1.90	\$289	5	1	\$58	\$232
	c. paint	352	0.87	\$306	15	10	\$20	\$100
	d. lighting allowance	1	600.00	\$600	20	15	\$30	\$150
	e. replace appliances	1	6,000.00	\$6,000	15	5	\$400	\$4,000
	f. replace counter & tops	12	1,100.00	\$13,200	20	15	\$660	\$3,300
	4. Kitchen Subtotal			\$24,955			\$1,396	\$8,922
	5. Office							
	a. replace tiles	231	9.50	\$2,195	20	15	\$110	\$550
	b. paint	600	0.87	\$522	15	10	\$35	\$175
	c. office furniture & cabinets	1	12,000.00	\$12,000	12	2	\$1,000	\$10,000
	5. Office Subtotal			\$14,717			\$1,145	\$10,725
	6. Restrooms							
	a. renovate fitness room restroom	1	1,200.00	\$1,200	20	18	\$60	\$120
	b. renovate lobby/hallway restrooms	2	22,500.00	\$45,000	20	5	\$2,250	\$33,750
	6. Restrooms Subtotal			\$46,200			\$2,310	\$33,870
H. INTERIORS Total				\$663,803	40	35	\$35,250	\$282,766

2023 PHYSICAL RESERVE ANALYSIS

Condominium

		Values						
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
I. MARINA								
	1 - Pilings:							
	b - replace pilings	22	1,200.00	\$26,400	30	27	\$880	\$2,640
	c - replace pilings	98	1,200.00	\$117,600	30	10	\$3,920	\$78,400
	1 - Pilings: Subtotal			\$144,000			\$4,800	\$81,040
	2 - Pedestals:							
	a - replace utility pedestals	13	2,100.00	\$27,300	20	2	\$1,365	\$24,570
	b - replace utility pedestals	11	2,100.00	\$23,100	20	8	\$1,155	\$13,860
	2 - Pedestals: Subtotal			\$50,400			\$2,520	\$38,430
	3 - Seawall & Boardwalk:							
	a - seawall repairs	1,005	21.35	\$21,457	20	2	\$1,073	\$19,314
	b - repair / replace concrete boardwalk	10,050	6.50	\$65,325	50	33	\$1,307	\$22,219
	3 - Seawall & Boardwalk: Subtotal			\$86,782			\$2,380	\$41,533
	4 - Finger Docks:							
	a - replace finger dock decking & joists	1,050	25.60	\$26,880	24	7	\$1,120	\$19,040
	b - replace finger dock decking & joists	116	25.60	\$2,970	24	1	\$124	\$2,852
	4 - Finger Docks: Subtotal			\$29,850			\$1,244	\$21,892
	5 - Seawall:							
	a - replace concrete seawall (lf)	502	1,200.00	\$602,400	60	20	\$10,040	\$401,600
	b - replace seawall cap (lf)	502	100.00	\$50,200	30	20	\$1,673	\$16,730
	5 - Seawall: Subtotal			\$652,600			\$11,713	\$418,330
	I. MARINA Total			\$963,632	60	33	\$22,657	\$601,225
	Grand Total			\$10,037,620	60	44	\$556,434	\$5,046,437

RESERVE FUNDING FINANCIAL ANALYSIS

Condominium

		1/31/23				FUND OVERAGE (DEFICIT)			
		RESERVE BALANCE	FULLY FUNDED BALANCE / TOTAL ACCRUED DEPRECIATION					Minimum Threshold Reserve Fund Balance:	
		\$500,000	\$5,046,437			(\$4,546,437)		\$50,000	
		Financial year runs January 1st to December 31st							
		BEGINNING RESERVE FUND BALANCE		Minus YEARLY EXPENSE		Plus NORMAL ANNUAL CONTRIBUTION	Plus AMORTIZED DEFICIT	Equals TOTAL YEARLY CONTRIBUTION	ENDING RESERVE FUND BALANCE
FISCAL YEAR	YEAR	BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE					BALANCE
							11 months remaining		
2023	0	500,000		0		445,958	0	445,958	\$945,958
2024	1	945,958	c. seal pool side pavers a. exterior bldg. stucco R&R b. balconies/catwalks stucco R&R c. perimeter & pool area walls R&R d. garage walls R&R e. garage ceilings R&R f. waterproof balconies/catwalks c. replace stairwell exterior doors d. replace stairwell interior doors j. Update Entry Monument a. replace fire pump b. geo thermal motor (40hp) a. pool heaters 12 b. refinish travertine g. rugs b - replace finger dock decking & joists	1,294,336		556,434	183,210	739,644	\$391,266
2025	2	391,266	a. main bldg. b. catwalk & balconies c. perimeter & pool area walls d. garage walls e. garage ceilings f. garage floors b. epoxy paint portico roof d. paint concrete texture sidewalk d. replace salt cells e. replace salt cells c. office furniture & cabinets a - replace utility pedestals a - seawall repairs	547,192		556,434	183,210	739,644	\$583,718
2026	3	583,718	b. seal entry parking pavers a. replace mailboxes c. geo thermal motor (25hp) b. umbrella	144,003		556,434	183,210	739,644	\$1,179,359
2027	4	1,179,359	c. seal pool side pavers c. camera system c. pool pumps 3hp d. pool pump 1.5hp	84,600		556,434	183,210	739,644	\$1,834,403
2028	5	1,834,403	d. replace/repair concrete curbs a. entry bollard lights b. replace canopy (13) c. sprinkler system R&R f. office/mail room air handler 12ton b. spa heater 17 a. elevator a. cables b. drive c. motor d. other major repairs a. flooring b. décor/walls c. electrical/lighting a. replace travertine e. replace appliances b. renovate lobby/hallway restrooms	1,973,016		556,434	183,210	739,644	\$601,031
2029	6	601,031	a. replace condo flat roof a. Repairs/Surveys/Misc. a. exterior bldg. stucco R&R b. balconies/catwalks stucco R&R l electrical updates h. cabana restroom air handlers 1.5ton 10 a. replace variable speed motors .75hp c. replace chemical feeders d. replace salt cells e. replace salt cells f. spa variable speed motors .75hp h. spa chemical feeders i. replace salt cells b. refinish travertine	1,217,666		556,434	110,201	666,635	\$50,000

		BEGINNING						ENDING	
		RESERVE		Minus		Plus	Plus	Equals	
FISCAL		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	
YEAR	YEAR	BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	
								BALANCE	
2030	7	50,000	a. main bldg. b. catwalk & balconies c. perimeter & pool area walls a. building short railings b. building railings c. glass railings d. dune walk-over railings/fence e. pool area handrails f. pool area fence g. pool area glass fence h. front portico area railings i. perimeter fence a. paint entry light poles b. epoxy paint portico roof c. paint all garage gates d. paint concrete texture sidewalk c. seal pool side pavers a. pool heaters 12 c. umbrella base a - replace finger dock decking & joists	498,590		556,434	0	556,434	\$107,844
2031	8	107,844	b. seal entry parking pavers e. Repairs/Surveys/Misc. e. entry light/poles a. restore/renovate BBQ area a. resurface pool b. replace pool tiles b. umbrella b - replace utility pedestals	245,710		556,434	0	556,434	\$418,568
2032	9	418,568	g. replace bldg entry tiles b. motor 12 g. rugs	25,854		556,434	0	556,434	\$949,148
2033	10	949,148	c. seal pool side pavers b. replace roof vents b. replace filter housing d. replace salt cells e. replace salt cells g. spa filter cartridge c. interior paint a. replace carpet c. paint e. equipment g. replace shades d. interior paint f. replace media & sound i. replace shades b. paint c - replace pilings	326,466		556,434	0	556,434	\$1,179,116
2034	11	1,179,116	a. exterior bldg. stucco R&R b. balconies/catwalks stucco R&R c. perimeter & pool area walls R&R d. garage walls R&R e. garage ceilings R&R i. cabana restroom air handlers 1.5ton 15 a. motor 14 b. spa heater 17 b. refinish travertine	439,091		556,434	0	556,434	\$1,296,459
2035	12	1,296,459	a. main bldg. b. catwalk & balconies c. perimeter & pool area walls d. garage walls e. garage ceilings f. garage floors b. epoxy paint portico roof d. paint concrete texture sidewalk b. portico recessed lights c. front catwalk lights d. NE back wall lights b. trash chutes c. camera system c. pool pumps 3hp d. pool pump 1.5hp a. sling back furniture d. wicker furniture & tables	791,535		556,434	0	556,434	\$1,061,358
2036	13	1,061,358	b. seal entry parking pavers c. seal pool side pavers b. replace canopy (13) g. fitness room air handler 3.5ton 11 c. spa - custom a. pool heaters 12 b. umbrella b. replace rubber flooring	182,481		556,434	0	556,434	\$1,435,311
2037	14	1,435,311	b. renovate cabana bathrooms a. replace water pumps 15hp - 12 b. replace controller c. replace station a. replace variable speed motors .75hp c. replace chemical feeders d. replace salt cells e. replace salt cells f. spa variable speed motors .75hp h. spa chemical feeders i. replace salt cells c. office furniture & cabinets	125,100		556,434	0	556,434	\$1,866,645
2038	15	1,866,645	a. waterproof concrete roof b. replace porcelain tile (wood look) a. entry bollard lights c. sprinkler system R&R e. lobby area air handler 3x5ton - 12 d. furniture & décor allowance e. lighting allowance f. ceiling tiles h. replace elevator wall travertine d. décor & media f. lighting & fans allowance h. ceiling tiles a. replace travertine c. replace wooden floors e. furniture & décor allowance g. lighting allowance d. lighting allowance f. replace counter & tops a. replace tiles	252,329		556,434	0	556,434	\$2,170,750
2039	16	2,170,750	a. Repairs/Surveys/Misc. c. seal pool side pavers a. exterior bldg. stucco R&R b. balconies/catwalks stucco R&R b. replace fire system 14 b. refinish travertine	628,566		556,434	0	556,434	\$2,098,618

		BEGINNING						ENDING	
		RESERVE		Minus		Plus	Plus	Equals	
FISCAL		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	
YEAR	YEAR	BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	
								FUND	
								BALANCE	
2040	17	2,098,618	a. main bldg. b. catwalk & balconies c. perimeter & pool area walls a. building short railings b. building railings c. glass railings d. dune walk-over railings/fence e. pool area handrails f. pool area fence g. pool area glass fence h. front portico area railings i. perimeter fence a. paint entry light poles b. epoxy paint portico roof c. paint all garage gates d. paint concrete texture sidewalk b. spa heater 17 c. umbrella base g. rugs	448,910		556,434	0	556,434	\$2,206,142
2041	18	2,206,142	a. entry parking pavers b. seal entry parking pavers e. Repairs/Surveys/Misc. e. replace north garage gates f. replace south garage gates a. restore/renovate BBQ area c. replace exterior cabana wall tiles d. replace cabana area shower tiles e. replace water fountain tiles f. replace water fountain coping d. replace salt cells a. resurface pool b. replace pool tiles e. replace salt cells b. umbrella a. renovate fitness room restroom	462,114		556,434	0	556,434	\$2,300,462
2042	19	2,300,462	c. seal pool side pavers c. replace canopy frames g. replace bldg entry tiles a. geo thermal motor (60hp) 17 d. geo thermal controller a. pool heaters 12	106,523		556,434	0	556,434	\$2,750,373
2043	20	2,750,373	h. cabana restroom air handlers 1.5ton 10 c. camera system c. pool pumps 3hp d. pool pump 1.5hp e. replace appliances a - replace concrete seawall (lf) b - replace seawall cap (lf)	713,000		556,434	0	556,434	\$2,593,807
2044	21	2,593,807	b. pool side pavers a. retexture concrete sidewalk a. exterior bldg. stucco R&R b. balconies/catwalks stucco R&R c. perimeter & pool area walls R&R d. garage walls R&R e. garage ceilings R&R f. waterproof balconies/catwalks g. waterproof planters h. waterproof pool side deck c. replace stairwell exterior doors b. replace canopy (13) j. Update Entry Monument b. geo thermal motor (40hp) a. cables a. flooring b. décor/walls c. electrical/lighting b. refinish travertine	1,995,852		556,434	0	556,434	\$1,154,389
2045	22	1,154,389	a. main bldg. b. catwalk & balconies c. perimeter & pool area walls d. garage walls e. garage ceilings f. garage floors b. epoxy paint portico roof d. paint concrete texture sidewalk c. seal pool side pavers b. replace roof vents a. replace variable speed motors .75hp b. replace filter housing c. replace chemical feeders d. replace salt cells e. replace salt cells f. spa variable speed motors .75hp g. spa filter cartridge h. spa chemical feeders i. replace salt cells a - replace utility pedestals a - seawall repairs	636,992		556,434	0	556,434	\$1,073,831
2046	23	1,073,831	b. seal entry parking pavers c. geo thermal motor (25hp) b. spa heater 17 b. umbrella	129,603		556,434	0	556,434	\$1,500,662
2047	24	1,500,662	f. pool area fence i. perimeter fence b. motor 12	41,820		556,434	0	556,434	\$2,015,276
2048	25	2,015,276	c. seal pool side pavers d. replace/repair concrete curbs a. entry bollard lights c. sprinkler system R&R f. office/mail room air handler 12ton i. cabana restroom air handlers 1.5ton 15 a. generator 118Kw 07 a. pool heaters 12 a. replace travertine c. interior paint g. rugs a. replace carpet c. paint e. equipment g. replace shades d. interior paint f. replace media & sound i. replace shades b. paint b. renovate lobby/hallway restrooms b - replace finger dock decking & joists	473,036		556,434	0	556,434	\$2,098,674
2049	26	2,098,674	a. replace condo flat roof a. Repairs/Surveys/Misc. a. exterior bldg. stucco R&R b. balconies/catwalks stucco R&R d. replace salt cells a. motor 14 e. replace salt cells b. refinish travertine c. office furniture & cabinets	1,030,966		556,434	0	556,434	\$1,624,142

		BEGINNING						ENDING	
		RESERVE		Minus		Plus	Plus	Equals	
FISCAL		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	
YEAR	YEAR	BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	
2050	27	1,624,142	a. main bldg. b. catwalk & balconies c. perimeter & pool area walls a. building short railings b. building railings c. glass railings d. dune walk-over railings/fence e. pool area handrails f. pool area fence g. pool area glass fence h. front portico area railings i. perimeter fence a. paint entry light poles b. epoxy paint portico roof c. paint all garage gates d. paint concrete texture sidewalk b. portico recessed lights c. front catwalk lights d. NE back wall lights a. sling back furniture c. umbrella base d. wicker furniture & tables b - replace pilings	520,010		556,434	0	556,434	\$1,660,566
2051	28	1,660,566	b. seal entry parking pavers c. seal pool side pavers e. Repairs/Surveys/Misc. e. entry light/poles a. restore/renovate BBQ area c. camera system a. resurface pool b. replace pool tiles c. spa - custom c. pool pumps 3hp d. pool pump 1.5hp b. umbrella b - replace utility pedestals	345,310		556,434	0	556,434	\$1,871,690
2052	29	1,871,690	b. replace canopy (13) g. replace bldg entry tiles h. plumbing updates - lining of pipes b. spa heater 17	1,211,270		556,434	0	556,434	\$1,216,854
2053	30	1,216,854	a. replace variable speed motors .75hp c. replace chemical feeders d. replace salt cells e. replace salt cells f. spa variable speed motors .75hp h. spa chemical feeders i. replace salt cells	20,100		556,434	0	556,434	\$1,753,188
In this reserve study, deficits beyond 25 years are not considered or amortized into previous years									
END			THIRTY YEAR REPAIR / REPLACEMENT PROJECTIONS						

**This section contains the photos
of the components/assets taken
during the site visit.**

SAMPLE - Not for Re-distribution

**This section contains the
financials and the current/last
year's budget provided by the
SAMPLE association.**

Definitions

Baseline Funding: Under the Reserve Funding Analysis (D pages) portion of the reserve study, this funding methodology establishes a funding goal within each reserve category or pooling of reserve funds above the zero dollar mark. For example, it will set a minimum fund balance ranging anywhere from \$2,500 to \$100,000 for your reserve account depending upon the size of your association. Whenever your fund balance in any given year falls below this amount, a dollar amount is added to the normal annual contribution to keep you above this minimum balance.

Cash Flow Method: A method of developing a reserve funding plan that establishes a contribution to the reserve fund which is then calculated to offset the annual expenditures/cost from the reserve fund balances. Sometimes a variety of reserve funding plans is tested against the schedule of anticipated reserve expenses until the desired funding level is attained.

Component Full Funding: Under the Reserve Funding Analysis (D pages) portion of the reserve study, this funding methodology establishes a funding goal of attaining and maintaining cumulative reserves at or near the 100% reserve requirement.

Component Inventory: Component/Asset inventories is a list of the qualified individual components to be included in the reserve study. This task should be developed through an on-site visual inspections, observations, and review of the association documents/contracts/invoices.

Component Items: The individual line item/fixed asset in the Reserve Analysis section (C pages) of the reserve study to be developed or updated in both the physical analysis and financial analysis portions of the reserve study. The individual components/assets (ie, pool resurfacing, pool equipment, pool furniture) make up the main reserve category (ie. Swimming Pools & Spa). Typically, reserve components are the association's responsibility and have limited useful lives plus predictable remaining useful life expectancies.

Components Method: This is an alternative reserve funding plan where the total contribution is based on the sum of all contributions for the individual components.

Condition Assessment: The task of evaluating each individual component's current condition based upon actual observation, reported characteristics, and historical data.

Current Reserve Requirement: The amount of money the association should have today or by year end in the reserve account to meet ALL current and future replacement and maintenance of assets/component items. For example, if the total replacement cost of a roof is \$100,000 for a 20 year roof, in the 5th year, the association would have a current reserve requirement of \$25,000. This is referred to as "100% funded" or "fully funded". This happens rarely and exists when the actual reserve fund balances equal the 100% funded reserve requirement. Actual reserve fund is the current dollar balance in the association's reserve account.

Deficit: A deficit is an actual or projected reserve balance which is less than the 100% reserve requirement. The opposite of a deficit is a surplus. Deficits are typically balanced over future years with the new calculated normal annual contribution, but in some cases additional amortized amounts do have to be added to the normal annual contribution in order to achieve a minimum funding balance.

Effective Age: Effective age is the difference between the normal life and useful remaining life. The effective age is not always equal to the actual age since some components age irregularly. The irregular age is caused by weather, type of product designed by the manufacturer, workmanship, etc.

Financial Analysis / Reserve Funding Analysis: This portion of the reserve study is where the current reserve funding balance is compared to the amount of funds needed and the recommended reserve contributions are established. In some cases, adjustments are made when the fund balance falls below the minimum fund balance (\$2,500 - \$100,000) and an amount is then added to the normal annual contribution to obtain the new recommended reserve contribution.

Funding Plan: The funding plan is an association's plan to provide future funds in order to meet anticipated future expenditures. Each plan must have sufficient funds on hand when each expenditure occurs.

Minimum Fund Balance: An amount used (\$2,500 to \$100,000), to maintain a minimum fund balance for the association's reserve account on an annual basis. This amount varies depending upon the size and quantity of

assets/components owned by the association. It will also depend upon whether or not the pool of funds method and or the restricted method is used by the association.

Normal Annual Contribution: This is calculated by taking the replacement cost of a component item and dividing it by the normal life of the component item/asset. This is the minimum amount that should be collected by the association on an annual basis for reserves to meet all future replacement/maintenance of long term component items/assets. Additional amounts can be added to the normal annual contribution when the association's fund balance falls below the minimum fund balance. In this case, a deficit amount is added to the normal annual contribution in order to ensure adequate funding is available to meet future expenses/costs.

Normal Life: This is calculated by using industry standards, manufacturer warranties and or the actual observed useful life pertaining to a specific association's location within a region. For example, the normal life expectancy of a 10 year warranted exterior paint might only be 7 years on a building located on the beach in south Florida.

Physical Analysis / Reserve Analysis: This is the first portion of the reserve study where the components are inventoried, quantified, life expectancies are estimated, replacement costs are established, normal annual contributions are calculated, and current 100% reserve requirements are established.

Pool of Funds Method: This reserve funding method uses a general pool of reserve dollars to fund all reserve categories which encompasses individual component items/assets. No reserve funds are restricted to certain categories or components. The reserve funds still remain restricted for reserve expenditures and cannot be used for operating expenses. The association pays for all replacements/maintenance of reserve assets from 1 large pool of funds.

Remaining Life / Remaining Useful Life: Remaining useful life represents the estimated years that a reserve component/asset can be expected to perform its intended functions before the replacement of that component item(s). The task of estimating the number of years is performed by the reserve specialist.

Replacement Cost: The cost of repairing or replacing a component to its full or original functional condition. The current replacement cost would be the estimated actual cost to complete the repair or replacement at the

current point in time the reserve study is being completed. Even though we reference the word “actual cost”, please keep in mind that the replacement cost is still an estimate and can change depending upon market conditions, upgrades, and or the vendor/contractor used by the association.

Reserve Categories: The main asset category(s) that are created by the association and or the reserve analyst to help develop and categorize the association’s component items/assets... ie. Roofing, Painting, Painting, etc.

Reserve Study: A reserve study contains two parts commonly referred to as the physical analysis and a financial analysis. The reserve study is a short and long term budgeting tool which identifies the current conditions of the assets against the current contribution and the current fund balance. The study establishes a financial plan to meet future anticipated major expenditures.

Special Assessment: A special assessment is an assessment levied on the association members in addition to the normal assessments. These types of assessments can occur either if the association does not have sufficient funds to pay for the replacement of major assets and or can be due to large future projects such as club house interior renovations. Special assessments should be avoided when possible, because it is normally met with disfavor among the association members.

Surplus: A surplus is an actual or projected reserve balance which is greater than the current 100% reserve requirement.

Threshold Funding: Under the financial/reserve funding analysis section, this funding methodology establishes a funding goal within each reserve category or pooling of reserve funds above a pre-selected dollar amount.

PRODUCT & MATERAIL
PRICING ~ DESCRIPTIONS ~ LONGEVITY
RESOURCE

Marshall Swift Publications, monthly pricing up dates,

“Marshall Valuation Service Manual” a national authoritative pricing guide for developing replacement cost, insurable values, equipment cost, depreciation, and normal useful lives on nearly every type of equipment or improved property.

Core Logic Marshall & Swift/Boeckh Commercial Valuation System,

“BVS - Commercial Software”. This on line software is a national authoritative pricing guide for developing replacement cost valuation of commercial and agricultural properties, quarterly updates.

* Additional Resources include listing of local consulting contractors.