

2022 Reserve Study Update

**Crescent Beach Condominium Association, Inc.
100 N. Collier Boulevard
Marco Island, FL 34145**



Report Date: 10/28/2021



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October 28, 2021

Crescent Beach Condominium Association, Inc.
100 N. Collier Boulevard
Marco Island, FL 34145

Dear Board of Directors:

We are pleased to present you with this revised 2022 Reserve Study Report. The intent of this study is to anticipate future capital expenditures and provide a cash reserves funding plan to cover future repair or replacement expenses of the common property.

This report identifies the major assets maintained by the association. We have provided estimates on expected life, scheduled replacement date, and future replacement cost. This information was selected from a combination of market standards, cost database, historical information, and experience with similar properties.

Financial Summary

Actual 2021 Reserve Contribution:	\$336,370
Proposed 2022 Reserve Contribution, Straight-Line, Full Funding:	\$1,709,270
Proposed 2022 Reserve Contribution, 30-Year Cash Flow, Pooled:	\$353,190

This reserve study should serve as a useful tool for the association to determine the appropriate cash reserves necessary for adequate reserve funding over the long term. Actual reserves set aside are solely at the discretion of the association.

Thank you for allowing LCAM Resources the opportunity to serve you.

Respectfully submitted by:

LCAM Resources

J. Anthony Guadalupe, CCI
Managing Director



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Part 1: Introduction

This section contains general information about your reserve study and how to use this report.

INTRODUCTION

What is a Reserve Study?

A reserve study is a long-range budget planning tool for major repair and replacement of association property. This report will help you to anticipate and prepare for major expenditures by estimating when these events will occur and how much it will cost.

Your reserve study can be used to figure the amount to charge each owner for their share of reserves each year, and accurately disclose the status of your reserves.

This report is a “living document” that can evolve over time through updates, and be expanded as needed, to continue to serve your association for years to come.

Annual Budgets

The annual budget for most associations is actually comprised of two separate budgets added together:

- An “*operating budget*” that consists of annual *operating expenses* such as utilities, insurance, landscaping, management fees, etc. Capital expenses are usually not included in the operating budget unless they’re small expense items.
- A “*reserve budget*” consisting of capital replacement expenses such as roofs, streets, swimming pools, tennis courts, etc.

Reserve Expenses

These are major expenses that occur other than annually. Reserve expenses are reasonably predictable both in terms of frequency and cost. Common examples of reserve expenses include:

- Painting
- Paving
- Roofing
- Swimming Pools
- Mechanical Equipment

Examples of excluded items are electrical wiring and plumbing. These are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility itself. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Also excluded are expenses that are caused by acts of nature or accidents. These should be covered by insurance instead of reserves because they are unpredictable occurrences.

INTRODUCTION

Levels of Service

The following three categories describe the various types of Reserve Studies, from exhaustive to minimal.

I. FULL

A Reserve Study in which the following five Reserve Study tasks are performed:

- Component Inventory
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

II. UPDATE WITH ON-SITE INSPECTION

A Reserve Study update in which the following five Reserve Study tasks are performed:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

III. UPDATE WITHOUT SITE INSPECTION

A Reserve Study update with no on-site visual observations in which the following three Reserve Study tasks are performed:

- Life and Valuation Estimates
- Fund Status
- Funding Plan

INTRODUCTION

REPORT PROCESS

This report is a two-part study that examines both the physical and the financial.

Physical Analysis – During the physical analysis, we develop an inventory of all major assets of the association which require long-term replacement or repair. The assets are referred to as components. Typical components include roofing, painting, roads, swimming pools, tennis courts, and so on.

Components are selected based on a 4-part test:

- ✓ **Common area**
- ✓ **Limited useful life**
- ✓ **Predictable remaining life**
- ✓ **Major cost**

The condition of each reserve component is then evaluated in order to estimate remaining life and replacement cost.

Financial Analysis – The financial analysis examines the client’s level of reserve funding to determine the appropriate reserve contribution rate in the future. This recommendation is known as the “funding plan”.

Funding Plan

The funding plan consists of annual reserve contributions to offset accrued depreciation. Simply put, this means that funds are added to reserves each year to pay for the ongoing “wear and tear” of components.

Straight-Line Vs. Pooling

Straight-Line Reserve Schedule (Component Method) – The straight-line method provides for independent funding of each component, calculated separately to determine the annual reserve contribution required. This is a 1-year snapshot. Interest and inflation are not included due to the nature of straight-line formulas.

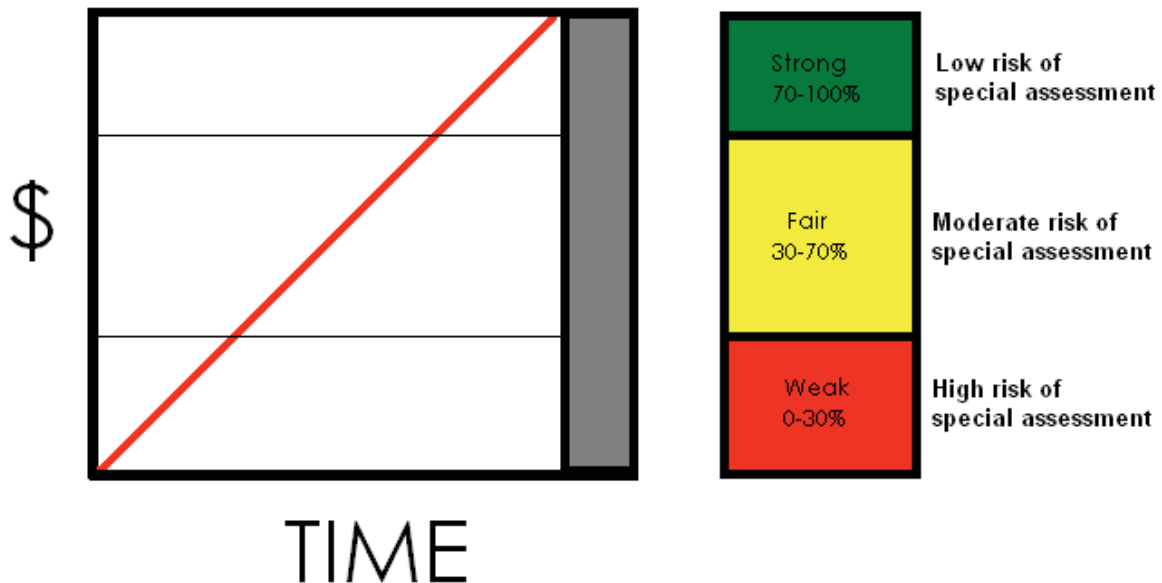
30-Year Cash Flow / Pooling Method – This alternate funding plan utilizes a cash flow method with “pooled reserves,” in which all reserve funds are combined into a single general account, or “pool” of funds. A 30-year cash flow analysis is then performed to determine the annual reserve contribution required to 1) pay for all future anticipated reserve expenditures, and 2) maintain a positive cash balance over time. All cost and life expectancy estimates for each component remain the same as in the straight-line method. However, unlike the straight-line method, this is a 30-year approach considers the effects of interest and inflation over time.

INTRODUCTION

Reserve Fund Status

The strength of your reserve funding is measured as percent funded:

Understanding Percent Funded



If reserves are in the 0-30% funding range, the fund is considered relatively weak and members are in a higher risk to expect special assessments. 30-70% funded is a fair position with moderate risk of special assessment. Associations in the 70%+ funding range are considered financially strong and special assessments are rare. (If the reserve account is over-funded, steps can be taken to bring it back into balance.)

INTRODUCTION

DEFINITIONS

Annual Assessment Increase - This represents the percentage rate at which the client will increase its assessment to reserves at the end of each year.

Assessment- the amount of money that should be allocated to reserves.

Budget Year Beginning/Ending - The budget year for which the report is prepared. For clients with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1 and ending 12/31.

Capital Expenditure - an expenditure of funds for the purchase of an asset whose useful life is greater than one year in length; the replacement of an asset whose useful life is greater than one year in length; or the addition to an asset which extends the useful life of the previously existing asset for a period greater than one year in length.

Cash Flow Method: A method of developing a Reserve Funding Plan where annual reserve contributions are designed to offset the variable annual expenditures from the reserve fund to maintain a positive cash balance.

Component: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components must meet the following criteria: 1) be the responsibility of the association, 2) have a *limited* expected life, 3) have a *predictable* life expectancy, 4) be above a minimum cost (for example, \$10,000 and above).

Component Inventory - The task of selecting and qualifying reserve components.

Component Method: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components.

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

Contingency - Funds retained for the purpose of covering unexpected costs.

Current Replacement Cost - The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared. See “Replacement Cost.”

INTRODUCTION

Deferred Maintenance - the practice of postponing maintenance activities in order to save costs, meet budget funding levels, or realign available budget monies. The failure to perform needed repairs could lead to asset deterioration and ultimately asset impairment.

Expected Life / Estimated Useful Life - The estimated service life of a component if properly constructed / installed. Based upon industry standards, manufacturer specifications, visual inspection, location, usage, client standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life of a particular component.

Future Replacement Cost - The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Inflation - This figure is used to approximate the future cost to repair or replace components in the report.

Projected Reserve Balance - The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Remaining Useful Life: The estimated time, in years, that a reserve component can be expected to continue to serve its intended function.

Replacement Cost: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition.

Replacement Year - The year that the asset is scheduled to be replaced.

Reserve Balance: Actual or projected funds intended to defray the future repair or replacement of major components which the association is obligated to maintain.

Special Assessment: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

Straight Line Method: For each component, the annual reserve contribution equals the unfunded balance divided by remaining life, respectively.

Unfunded Balance: Current cost estimate minus year end balance.

Weighted Proportional Allocation: The total estimated reserve balance is allocated among each reserve category according to the “weight” of the category as a percentage of the whole. Recommended for re-distribution of restricted funds to bring balance across reserves (in the straight line method) when components are overfunded, unfunded, or deleted.

INTRODUCTION

Terms & Conditions

The reserve analysis contained in this report is qualified by certain assumptions, limiting conditions, and disclosures as set forth in this section:

Scope: The reserve study will be a reflection of information provided to the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.

Reliance on Client Data: Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by the consultant.

Physical Analysis: All on-site observations were performed using non-destructive testing, representative sampling, and a combination of field measurements and drawing take-offs. For safety reasons, it is our procedure to observe pitched roofs from the ground; flat roofs are examined only when safe access is available.

Reserve Balance: The actual or projected total presented in the Reserve study is based upon information provided and was not audited.

Reserve Projects: Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.

Sources: Cost estimates and useful life information are based on our experience with actual properties and a combination of association records, contractor interviews, and industry pricing and scheduling manuals. Opinions on the remaining useful life of the components contained in this report do not represent a guarantee or warranty of the components and should not be considered as such.

General: The individual(s) responsible for this reserve study preparation or oversight has no other involvements with the client association that could result in actual or perceived conflicts of interest. The conclusions and estimates presented in this report must be considered opinions and not facts. We reserve the right to modify this report, including conclusions. This reserve study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. The authors of this report shall not be required to give testimony or appear in court or at any administrative proceeding relating to this report. The liability of the authors of this report, Liberty Capital Asset Management Resources, LLC dba LCAM Resources and any other employees/contractors of LCAM Resources is limited to the fee collected for preparation of this report. Acceptance of, and/or use of, this report constitutes acceptance of the above conditions.

INTRODUCTION

Company Profile

LCAM Resources founded from a dedication to raise the bar in the community association industry. Our goal is to provide unprecedented superior service in capital reserve planning and insurance valuation. We build close professional relationships with property managers, board members, agents, and owners to act as a team with one common goal: to protect the long-term financial health of their organization. We are Business Partner members of the Community Associations Institute (CAI), a national organization committed to providing education and resources to community associations and the companies who serve them. Our professional staff has years of extensive experience with all property types throughout Florida and the United States.

Annual Update Service

The best way to keep your reserve program on track is through regular updates. We can recast a new 30-year report using current replacement cost and financial information to keep your reserve program on track. This affordable service is available with or without site inspection, and for only a fraction of your initial cost. Contact us for details and we would be more than happy to speak to you about the options available.

Part 2: Photographs

Current photographs are not available for this reserve study update (without inspection).

Please refer to your previous LCAM Resources reserve study with on-site inspection to view component photos.

Part 3: Reserve Schedule

This section contains your straight line, fully funded reserve schedule.

Annual reserve contributions are determined by taking the unfunded balance of each component, divided by remaining life.

Calculations are based on straight line accounting formulas and do not include interest or inflation.

RESERVE SCHEDULE**Straight Line Reserve Schedule**

Beginning Balance:	\$1,156,263
Fully Funded Reserves:	\$2,865,533
Percent Fully Funded as of 1/1/2022:	40%

Description	Cost Estimate	Expected Life	Replacement Year	Remaining Life	12/31/21 Balance*	Unfunded Balance	2022 Contribution
PAVING							
Paving, Asphalt Overlay	\$105,000	6	2024	2	\$15,530	\$89,470	\$44,735
Paving, Bomanite Reseal	\$32,800	5	2022	1	\$4,851	\$27,949	\$27,949
Paving, Brick Pavers, North Garage	\$8,800	30	2050	28	\$1,302	\$7,498	\$268
Total	\$146,600				\$21,683	\$124,917	\$72,952
ROOFING							
Main Roof Inspection	\$3,100	2	2022	1	\$459	\$2,641	\$2,641
Roof Drain Pipes-Lining	\$100,000	20	2022	1	\$14,790	\$85,210	\$85,210
					\$166,76		
Roofing, Mansard, Reroof	\$1,127,500	30	2050	28	3	\$960,737	\$34,312
Roofing, North Garage, Reroof	\$379,300	15	2035	13	\$56,100	\$323,200	\$24,862
Roofing, Pipe Stands/Flashing	\$8,000	20	2041	19	\$1,183	\$6,817	\$359
Roofing, Portico, Reroof	\$164,000	30	2050	28	\$24,256	\$139,744	\$4,991
Roofing, South Garage, Repairs	\$7,068	10	2031	9	\$1,045	\$6,023	\$669
					\$197,08		
Roofing, Tower, Replace	\$1,332,500	20	2040	18	3	\$1,135,417	\$63,079
Tennis/Pickle Courts	\$100,000	5	2022	1	\$14,790	\$85,210	\$85,210
Tiki Huts, Bicycle Storage, Re-thatch	\$5,300	4	2024	2	\$784	\$4,516	\$2,258
Tiki Huts, Pool, Re-thatch	\$2,300	8	2022	1	\$340	\$1,960	\$1,960
					\$477,59		
Total	\$3,229,068				5	\$2,751,473	\$305,549
PAINTING							
Painting, All Exteriors	\$350,000	5	2023	1	\$51,767	\$298,233	\$298,233
Painting, Parking Lot Light Poles	\$3,700	5	2022	1	\$547	\$3,153	\$3,153
Painting, Portico, Pool, Small Roofs	\$22,200	10	2031	9	\$3,283	\$18,917	\$2,102
Stain Ground Floor Bomanite	\$6,372	8	2029	7	\$942	\$5,430	\$776
Stairwells & Railing, Repaint	\$24,200	14	2027	5	\$3,579	\$20,621	\$4,124
Total	\$406,472				\$60,119	\$346,353	\$308,388
INTERIOR REFURBISH							
Elevator Carpet, Replace	\$1,000	2	2023	1	\$148	\$852	\$852
Fitness Equipment, Replace	\$10,000	8	2022	1	\$489	\$3,711	\$619
Horizontal Pipe Cleanout	\$16,000	3	2023	1	\$489	\$3,711	\$619
Kitchen Appliance Allowance	\$5,800	12	2024	2	\$858	\$4,942	\$2,471
Kitchen Stack, Cleanout	\$8,500	3	2023	1	\$1,257	\$7,243	\$7,243
Lobby, Breezeway & Courtyards	\$20,000	10	2030	8	\$2,958	\$17,042	\$2,130
Mailboxes, Cluster, Replace	\$4,800	30	2048	26	\$710	\$4,090	\$157
Management Office, Refurbish	\$5,000	20	2027	5	\$740	\$4,260	\$852
Office Flooring, Carpet, Replace	\$5,000	14	2035	13	\$740	\$4,260	\$328
Restrooms, Pool Renovate	\$11,400	24	2036	14	\$1,686	\$9,714	\$694
Social Room, Refurbish	\$15,400	22	2034	12	\$2,278	\$13,122	\$1,094
Windows & Doors, Replace	\$19,500	20	2033	11	\$2,884	\$16,616	\$1,511
Total	\$122,400				\$18,104	\$89,564	\$18,569

*The 12/31/21 balance amounts provided are based on a weighted proportional allocation of the estimated total ending balance.

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Straight Line Reserve Schedule

(Continued)

Beginning Balance: **\$1,156,263**
 Fully Funded Reserves: **\$2,865,533**
 Percent Fully Funded as of 1/1/2022: **40%**

Description	Cost Estimate	Expected Life	Replacement Year	Remaining Life	12/31/21 Balance*	Unfunded Balance	2022 Contribution
MECHANICAL EQUIPMENT							
AC Circulating Pumps, Replace	\$11,800	14	2026	4	\$1,745	\$10,055	\$2,514
AC Cooling Tower, Repair Allowance	\$6,000	10	2022	1	\$887	\$5,113	\$5,113
AC Cooling Tower, Replace	\$288,400	20	2026	4	\$42,656	\$245,744	\$61,436
AC Equipment, Common Area, Replace	\$5,000	14	2025	3	\$740	\$4,260	\$1,420
AC Equipment, Elevator Room, Replace	\$2,400	9	2025	3	\$355	\$2,045	\$682
AC Equipment, Exercise Room, Replace	\$8,400	14	2034	12	\$1,242	\$7,158	\$596
AC Equipment, Fitness Room, Replace	\$8,400	14	2034	12	\$1,242	\$7,158	\$596
AC Equipment, Lobby, Replace	\$14,200	14	2034	12	\$2,100	\$12,100	\$1,008
AC Equipment, Maintenance Shop	\$1,500	9	2029	7	\$222	\$1,278	\$183
AC Equipment, Office, Replace	\$8,200	14	2032	10	\$1,213	\$6,987	\$699
AC Equipment, Pump Room, Replace	\$4,700	14	2034	12	\$695	\$4,005	\$334
AC Equipment, Social Room, Replace	\$7,200	14	2034	12	\$1,065	\$6,135	\$511
Alarm Panel and Devices, Replace	\$25,500	20	2031	9	\$3,772	\$21,728	\$2,414
Backflow, Repair Allowance	\$13,600	10	2023	1	\$2,012	\$11,588	\$11,588
Bladders On Roof	\$3,575	10	2031	9	\$529	\$3,046	\$338
Boiler, Replace	\$35,800	20	2031	9	\$5,295	\$30,505	\$3,389
Domestic Water Pump, Replace	\$21,600	20	2028	6	\$3,195	\$18,405	\$3,068
Elevator Cabs, Refurbish	\$13,800	20	2028	6	\$2,041	\$11,759	\$1,960
Elevator Controls, Modernize	\$215,400	28	2027	5	\$31,859	\$183,541	\$36,708
Elevator Doors, Replace 50%	\$114,500	28	2046	24	\$16,935	\$97,565	\$4,065
Elevator Governors, Replace	\$29,700	28	2048	26	\$4,393	\$25,307	\$973
Emergency Generator, Replace	\$108,800	36	2056	34	\$16,092	\$92,708	\$2,727
Expansion Tanks, Replace	\$4,800	10	2031	9	\$710	\$4,090	\$454
Fire Alarm Control Panel, Replace	\$41,900	10	2028	6	\$6,197	\$35,703	\$5,950
Fire Detection System/Fire Speaker, Upgrade	\$87,100	20	2025	3	\$12,883	\$74,217	\$24,739
Fire Hydrant, Replace 2 of 4	\$6,140	9	2030	8	\$908	\$5,232	\$654
Fire Hydrants, Replace 2 of 4	\$6,140	9	2025	3	\$908	\$5,232	\$1,744
Fire Main Pressure Relief Valve, Replace	\$4,800	20	2041	19	\$710	\$4,090	\$215
Fire Pump Controller	\$46,500	18	2039	17	\$6,878	\$39,622	\$2,331
Fire Pump, Replace	\$63,900	36	2025	3	\$9,451	\$54,449	\$18,150
Fire Sprinkler, Replacement Allowance	\$20,300	10	2030	8	\$3,002	\$17,298	\$2,162
Heat Exchanger, Replace	\$38,200	40	2029	7	\$5,650	\$32,550	\$4,650
Pool & Spa Equipment, Allowance	\$6,400	5	2022	1	\$947	\$5,453	\$5,453
Pool & Spa Heaters, Replace	\$6,000	10	2031	9	\$887	\$5,113	\$568
Recycling Containers, Replace	\$6,000	4	2025	3	\$887	\$5,113	\$1,704
Recycling System, Replace	\$89,400	20	2027	5	\$13,223	\$76,177	\$15,235
Rewire Roof Fans	\$3,464	8	2029	7	\$512	\$2,952	\$422
Security FOB System, Replace	\$16,603	8	2029	7	\$2,456	\$14,147	\$2,021
Tennessee Wireless Comm	\$1,200	12	2033	11	\$177	\$1,023	\$93
Tile Machine, Replace	\$8,800	12	2027	5	\$1,302	\$7,498	\$1,500
Toilet Exhaust Fans	\$16,870	18	2039	17	\$2,495	\$14,375	\$846
Variable Frequency Drive, Replace	\$10,700	14	2026	4	\$1,583	\$9,117	\$2,279
Ventilator Fans, North, Replace	\$3,400	18	2028	6	\$503	\$2,897	\$483
Total	\$1,437,092				\$212,553	\$1,224,539	\$233,977

*The 12/31/21 balance amounts provided are based on a weighted proportional allocation of the estimated total ending balance.

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RESERVE SCHEDULE**Straight Line Reserve Schedule**

(Continued)

Beginning Balance: **\$1,156,263**
 Fully Funded Reserves: **\$2,865,533**
 Percent Fully Funded as of 1/1/2022: **40%**

Description	Cost Estimate	Expected Life	Replacement Year	Remaining Life	12/31/21 Balance *	Unfunded Balance	2022 Contribution
BUILDING COMPONENTS							
Cast Iron/Fire Pipes, Replace	\$5,000	27	2022	1	\$740	\$4,260	\$4,260
Drinking Fountains, Replace	\$2,700	14	2022	1	\$399	\$2,301	\$2,301
Flood Lights	\$3,400	15	2023	1	\$503	\$2,897	\$2,897
Front Entry Door Enterphone, Replace	\$4,800	14	2029	7	\$710	\$4,090	\$584
Front Entry Doors and Jambs	\$20,500	24	2034	12	\$3,032	\$17,468	\$1,456
Front Entry Shrubs	\$38,700	20	2032	10	\$5,724	\$32,976	\$3,298
Glass Sliders Between Elevators	\$65,000	14	2022	1	\$9,614	\$55,386	\$55,386
Light Fixtures, Replace	\$4,500	26	2022	1	\$666	\$3,834	\$3,834
Loading Dock	\$16,100	8	2024	2	\$2,381	\$13,719	\$6,859
Re-screen/swing stage	\$5,000	18	2023	1	\$740	\$4,260	\$4,260
Roll-Up Doors, Replace	\$8,100	20	2027	5	\$1,198	\$6,902	\$1,380
Screened Balconies & Railing, Replace	\$225,300	9	2025	3	\$33,323	\$191,977	\$63,992
Security Cameras & Equipment, Replace	\$6,260	8	2022	1	\$926	\$5,334	\$5,334
Tile Hallway Flooring, Replace	\$512,500	24	2025	3	\$75,801	\$436,699	\$145,566
Trash Chute Doors, Replace	\$17,900	20	2027	5	\$2,647	\$15,253	\$3,051
Trash Containers, Replace	\$4,100	10	2022	1	\$606	\$3,494	\$3,494
Total	\$939,860				\$139,010	\$800,850	\$307,953

*The 12/31/21 balance amounts provided are based on a weighted proportional allocation of the estimated total ending balance.

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RESERVE SCHEDULE**Straight Line Reserve Schedule**

(Continued)

Beginning Balance:	\$1,156,263
Fully Funded Reserves:	\$2,865,533
Percent Fully Funded as of 1/1/2022:	40%

Description	Cost Estimate	Expected Life	Replacement Year	Remaining Life	12/31/21 Balance*	Unfunded Balance	2022 Contribution
GROUNDS COMPONENTS							
BBQ Grills (2), Replace	\$3,000	8	2023	1	\$444	\$2,556	\$2,556
Beach Deck & Railing, Replace	\$271,400	15	2030	8	\$40,141	\$231,259	\$28,907
Beach Deck Walkover: Dream Deck	\$72,500	20	2025	3	\$10,723	\$61,777	\$20,592
Beach Sand, Replenish	\$20,500	7	2022	1	\$3,032	\$17,468	\$17,468
Beachside Gates, Replace	\$3,600	7	2025	3	\$532	\$3,068	\$1,023
Canopies, 1 of 2	\$130,000	14	2034	12	\$19,228	\$110,772	\$9,231
Canopies, 2 of 2	\$130,000	14	2022	1	\$19,228	\$110,772	\$110,772
Concrete Repairs to Curbs	\$5,000	5	2022	1	\$740	\$4,260	\$4,260
Concrete Repairs to Kneewall	\$10,000	5	2022	1	\$1,479	\$8,521	\$8,521
Dunewalk, Replace Decking & Rails	\$42,800	20	2035	13	\$6,330	\$36,470	\$2,805
Fencing, Chain Link, Replace	\$14,100	22	2025	3	\$2,085	\$12,015	\$4,005
Fencing, Pool, Replace	\$9,700	15	2033	11	\$1,435	\$8,265	\$751
Flag Pole, Replace	\$2,900	30	2030	8	\$429	\$2,471	\$309
G & L Cushions For Chairs	\$1,221	4	2025	3	\$181	\$1,040	\$347
Golf Cart, Replace	\$8,200	8	2029	7	\$1,213	\$6,987	\$998
Ice Machine, Replace	\$4,400	15	2023	1	\$651	\$3,749	\$3,749
Landscape Renovation	\$100,000	15	2023	1	\$14,790	\$85,210	\$85,210
Landscape Sprinklers, 1 of 2	\$117,815	20	2041	19	\$17,425	\$100,390	\$5,284
Landscape Sprinklers, 2 of 2	\$76,900	20	2023	1	\$11,374	\$65,526	\$65,526
Light Poles, Replace	\$46,100	30	2030	8	\$6,818	\$39,282	\$4,910
Pool & Spa, Resurface	\$19,500	10	2028	6	\$2,884	\$16,616	\$2,769
Pool & Spa, Retile	\$3,200	20	2026	4	\$473	\$2,727	\$682
Pool Deck Pavers, Replace	\$66,000	20	2028	6	\$9,762	\$56,238	\$9,373
Pool Furniture, Replace	\$5,100	8	2028	6	\$754	\$4,346	\$724
Pool House Slab Repairs	\$15,900	30	2045	23	\$2,352	\$13,548	\$589
Railing, Aluminum, Replace	\$10,400	28	2030	8	\$1,538	\$8,862	\$1,108
Railing, Sun Deck, Replace	\$4,900	20	2023	1	\$725	\$4,175	\$4,175
Social Room Screen Enclosure	\$6,380	9	2030	8	\$944	\$5,436	\$680
Total	\$1,201,516				\$177,710	\$1,023,806	\$397,325
MISC							
Annual Reserve Study	\$4,500	2	2022	1	\$666	\$3,834	\$3,834
Insurance Deductible/Uninsured Casualty	\$210,100	10	2030	8	\$31,075	\$179,025	\$22,378
Misc Contingency	\$100,000	5	2026	4	\$14,790	\$85,210	\$21,302
Structural Engineer	\$20,000	10	2022	1	\$2,958	\$17,042	\$17,042
Total	\$334,600				\$49,489	\$285,111	\$64,557
Grand Total	\$7,817,608				\$1,156,263	\$6,646,612	\$1,709,270

*The 12/31/21 balance amounts provided are based on a weighted proportional allocation of the estimated total ending balance.

Part 4: Cash Flow

This alternate funding plan utilizes a cash flow method with “pooled reserves,” in which all reserves are combined into a single general fund.

A 30-year cash flow analysis is then performed to determine the annual reserve contribution required to pay for all anticipated reserve expenditures and still maintain an adequate cash balance over time.

The cost and expected life for all components is the same as in the previous section. However, this analysis takes into account interest and inflation.

30-YEAR CASH FLOW PLAN

Number of Units: 117 Interest Rate: 1%
 Beginning Balance: \$1,156,263 Inflation Rate: 2%

No.	Year	Beginning Balance	Annual Assessment Increase	Monthly Contribution (Per Unit)	Total Annual Contribution (All Units)	Planned Special Assessment	Annual Expenditures	Interest Rate	Earned Interest	Ending Balance
1	2022	\$1,156,263	-	\$251.56	\$353,190	\$0	\$541,860	1.0%	\$9,676	\$977,269
2	2023	\$977,269	5.0%	\$264.14	\$370,850	\$0	\$598,434	1.0%	\$7,497	\$757,182
3	2024	\$757,182	5.0%	\$277.34	\$389,392	\$0	\$145,392	1.0%	\$10,012	\$1,011,194
4	2025	\$1,011,194	5.0%	\$291.21	\$408,862	\$0	\$1,060,807	1.0%	\$3,592	\$362,841
5	2026	\$362,841	5.0%	\$305.77	\$429,305	\$0	\$481,896	1.0%	\$3,103	\$313,353
6	2027	\$313,353	5.0%	\$321.06	\$450,770	\$0	\$580,470	1.0%	\$1,837	\$185,489
7	2028	\$185,489	5.0%	\$337.11	\$473,309	\$0	\$598,304	1.0%	\$605	\$61,099
8	2029	\$61,099	5.0%	\$353.97	\$496,974	\$0	\$150,890	1.0%	\$4,072	\$411,255
9	2030	\$411,255	5.0%	\$371.67	\$521,823	\$0	\$840,860	1.0%	\$922	\$93,140
10	2031	\$93,140	5.0%	\$390.25	\$547,914	\$0	\$246,553	1.0%	\$3,945	\$398,446
11	2032	\$398,446	5.0%	\$409.76	\$575,310	\$0	\$350,400	1.0%	\$6,234	\$629,589
12	2033	\$629,589	5.0%	\$430.25	\$604,075	\$0	\$490,710	1.0%	\$7,430	\$750,384
13	2034	\$750,384	5.0%	\$451.77	\$634,279	\$0	\$558,298	1.0%	\$8,264	\$834,628
14	2035	\$834,628	5.0%	\$474.35	\$665,993	\$0	\$570,276	1.0%	\$9,303	\$939,649
15	2036	\$939,649	5.0%	\$498.07	\$699,293	\$0	\$586,752	1.0%	\$10,522	\$1,062,711
16	2037	\$1,062,711	5.0%	\$522.98	\$734,257	\$0	\$260,988	1.0%	\$15,360	\$1,551,340
17	2038	\$1,551,340	5.0%	\$549.12	\$770,970	\$0	\$754,195	1.0%	\$15,681	\$1,583,796
18	2039	\$1,583,796	5.0%	\$576.58	\$809,518	\$0	\$130,369	1.0%	\$22,629	\$2,285,575
19	2040	\$2,285,575	5.0%	\$605.41	\$849,994	\$0	\$2,222,784	1.0%	\$9,128	\$921,914
20	2041	\$921,914	5.0%	\$635.68	\$892,494	\$0	\$463,927	1.0%	\$13,505	\$1,363,986
21	2042	\$1,363,986	5.0%	\$667.46	\$937,119	\$0	\$560,840	1.0%	\$17,403	\$1,757,667
22	2043	\$1,757,667	5.0%	\$700.84	\$983,975	\$0	\$1,001,867	1.0%	\$17,398	\$1,757,173
23	2044	\$1,757,173	5.0%	\$735.88	\$1,033,174	\$0	\$61,200	1.0%	\$27,291	\$2,756,438
24	2045	\$2,756,438	5.0%	\$772.67	\$1,084,832	\$0	\$716,802	1.0%	\$31,245	\$3,155,712
25	2046	\$3,155,712	5.0%	\$811.31	\$1,139,074	\$0	\$810,241	1.0%	\$34,845	\$3,519,391
26	2047	\$3,519,391	5.0%	\$851.87	\$1,196,028	\$0	\$483,600	1.0%	\$42,318	\$4,274,136
27	2048	\$4,274,136	5.0%	\$894.47	\$1,255,829	\$0	\$1,188,214	1.0%	\$43,418	\$4,385,169
28	2049	\$4,385,169	5.0%	\$939.19	\$1,318,620	\$0	\$817,310	1.0%	\$48,865	\$4,935,344
29	2050	\$4,935,344	5.0%	\$986.15	\$1,384,551	\$0	\$3,401,268	1.0%	\$29,186	\$2,947,814
30	2051	\$2,947,814	5.0%	\$1,035.46	\$1,453,779	\$0	\$339,294	1.0%	\$40,623	\$4,102,921

Year-By-Year Expenditures

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2022	Current Cost	Future Cost
Paving, Bomanite Reseal		\$32,800	\$32,800
Main Roof Inspection		\$3,100	\$3,100
Roof Drain Pipes-Lining		\$100,000	\$100,000
Tennis/Pickle Courts		\$100,000	\$100,000
Tiki Huts, Pool, Re-thatch		\$2,300	\$2,300
Painting, Parking Lot Light Poles		\$3,700	\$3,700
Fitness Equipment, Replace		\$10,000	\$10,000
AC Cooling Tower, Repair Allowance		\$6,000	\$6,000
Pool & Spa Equipment, Allowance		\$6,400	\$6,400
Cast Iron/Fire Pipes, Replace		\$5,000	\$5,000
Drinking Fountains, Replace		\$2,700	\$2,700
Glass Sliders Between Elevators		\$65,000	\$65,000
Light Fixtures, Replace		\$4,500	\$4,500
Security Cameras & Equipment, Replace		\$6,260	\$6,260
Trash Containers, Replace		\$4,100	\$4,100
Beach Sand, Replenish		\$20,500	\$20,500
Canopies, 2 of 2		\$130,000	\$130,000
Concrete Repairs to Curbs		\$5,000	\$5,000
Concrete Repairs to Kneewall		\$10,000	\$10,000
Annual Reserve Study		\$4,500	\$4,500
Structural Engineer		\$20,000	\$20,000
Total Expenditures			<u>\$541,860</u>
Replacement Year	2023	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,020
Horizontal Pipe Cleanout		\$16,000	\$16,320
Kitchen Stack, Cleanout		\$8,500	\$8,670
Backflow, Repair Allowance		\$13,600	\$13,872
Flood Lights		\$3,400	\$3,468
BBQ Grills (2), Replace		\$3,000	\$3,060
Ice Machine, Replace		\$4,400	\$4,488
Landscape Renovation		\$100,000	\$102,000
Railing, Sun Deck, Replace		\$4,900	\$4,998
Re-screen/swing stage		\$5,000	\$5,100
Landscape Sprinklers, 2 of 2		\$76,900	\$78,438
Painting, All Exteriors		\$350,000	\$357,000
Total Expenditures			<u>\$598,434</u>
Replacement Year	2024	Current Cost	Future Cost
Paving, Asphalt Overlay		\$105,000	\$109,200
Tiki Huts, Bicycle Storage, Re-thatch		\$5,300	\$5,512
Kitchen Appliance Allowance		\$5,800	\$6,032
Loading Dock		\$16,100	\$16,744
Main Roof Inspection		\$3,100	\$3,224
Annual Reserve Study		\$4,500	\$4,680
Total Expenditures			<u>\$145,392</u>

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2025	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,060
AC Equipment, Common Area, Replace		\$5,000	\$5,300
AC Equipment, Elevator Room, Replace		\$2,400	\$2,544
Fire Detection System/Fire Speaker, Upgrade		\$87,100	\$92,326
Fire Hydrants, Replace 2 of 4		\$6,140	\$6,508
Fire Pump, Replace		\$63,900	\$67,734
Recycling Containers, Replace		\$6,000	\$6,360
Screened Balconies & Railing, Replace		\$225,300	\$238,818
Tile Hallway Flooring, Replace		\$512,500	\$543,250
Beach Deck Walkover: Dream Deck		\$72,500	\$76,850
Beachside Gates, Replace		\$3,600	\$3,816
Fencing, Chain Link, Replace		\$14,100	\$14,946
G & L Cushions For Chairs		\$1,221	\$1,294
Total Expenditures			<u>\$1,060,807</u>

Replacement Year	2026	Current Cost	Future Cost
Horizontal Pipe Cleanout		\$16,000	\$17,280
Kitchen Stack, Cleanout		\$8,500	\$9,180
AC Circulating Pumps, Replace		\$11,800	\$12,744
AC Cooling Tower, Replace		\$288,400	\$311,472
Variable Frequency Drive, Replace		\$10,700	\$11,556
Pool & Spa, Retile		\$3,200	\$3,456
Misc Contingency		\$100,000	\$108,000
Main Roof Inspection		\$3,100	\$3,348
Annual Reserve Study		\$4,500	\$4,860
Total Expenditures			<u>\$481,896</u>

Replacement Year	2027	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,100
Stairwells & Railing, Repaint		\$24,200	\$26,620
Management Office, Refurbish		\$5,000	\$5,500
Elevator Controls, Modernize		\$215,400	\$236,940
Recycling System, Replace		\$89,400	\$98,340
Tile Machine, Replace		\$8,800	\$9,680
Roll-Up Doors, Replace		\$8,100	\$8,910
Trash Chute Doors, Replace		\$17,900	\$19,690
Paving, Bomanite Reseal		\$32,800	\$36,080
Tennis/Pickle Courts		\$100,000	\$110,000
Painting, Parking Lot Light Poles		\$3,700	\$4,070
Pool & Spa Equipment, Allowance		\$6,400	\$7,040
Concrete Repairs to Curbs		\$5,000	\$5,500
Concrete Repairs to Kneewall		\$10,000	\$11,000
Total Expenditures			<u>\$580,470</u>

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2028	Current Cost	Future Cost
Tiki Huts, Bicycle Storage, Re-thatch		\$5,300	\$5,936
Domestic Water Pump, Replace		\$21,600	\$24,192
Elevator Cabs, Refurbish		\$13,800	\$15,456
Ventilator Fans, North, Replace		\$3,400	\$3,808
Pool & Spa, Resurface		\$19,500	\$21,840
Pool Deck Pavers, Replace		\$66,000	\$73,920
Pool Furniture, Replace		\$5,100	\$5,712
Fire Alarm Control Panel, Replace		\$41,900	\$46,928
Main Roof Inspection		\$3,100	\$3,472
Annual Reserve Study		\$4,500	\$5,040
Painting, All Exteriors		\$350,000	<u>\$392,000</u>
Total Expenditures			\$598,304
Replacement Year	2029	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,140
Horizontal Pipe Cleanout		\$16,000	\$18,240
Kitchen Stack, Cleanout		\$8,500	\$9,690
Recycling Containers, Replace		\$6,000	\$6,840
G & L Cushions For Chairs		\$1,221	\$1,392
Stain Ground Floor Bomanite		\$6,372	\$7,264
AC Equipment, Maintenance Shop		\$1,500	\$1,710
Heat Exchanger, Replace		\$38,200	\$43,548
Rewire Roof Fans		\$3,464	\$3,949
Security FOB System, Replace		\$16,603	\$18,927
Front Entry Door Enterphone, Replace		\$4,800	\$5,472
Golf Cart, Replace		\$8,200	\$9,348
Beach Sand, Replenish		\$20,500	<u>\$23,370</u>
Total Expenditures			\$150,890
Replacement Year	2030	Current Cost	Future Cost
Paving, Asphalt Overlay		\$105,000	\$121,800
Lobby, Breezeway & Courtyards		\$20,000	\$23,200
Fire Hydrant, Replace 2 of 4		\$6,140	\$7,122
Fire Sprinkler, Replacement Allowance		\$20,300	\$23,548
Beach Deck & Railing, Replace		\$271,400	\$314,824
Flag Pole, Replace		\$2,900	\$3,364
Light Poles, Replace		\$46,100	\$53,476
Railing, Aluminum, Replace		\$10,400	\$12,064
Social Room Screen Enclosure		\$6,380	\$7,401
Insurance Deductible/Uninsured Casualty		\$210,100	\$243,716
Main Roof Inspection		\$3,100	\$3,596
Tiki Huts, Pool, Re-thatch		\$2,300	\$2,668
Fitness Equipment, Replace		\$10,000	\$11,600
Security Cameras & Equipment, Replace		\$6,260	\$7,261
Annual Reserve Study		\$4,500	<u>\$5,220</u>
Total Expenditures			\$840,860

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2031	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,180
BBQ Grills (2), Replace		\$3,000	\$3,540
Misc Contingency		\$100,000	\$118,000
Roofing, South Garage, Repairs		\$7,068	\$8,340
Painting, Portico, Pool, Small Roofs		\$22,200	\$26,196
Alarm Panel and Devices, Replace		\$25,500	\$30,090
Bladders On Roof		\$3,575	\$4,219
Boiler, Replace		\$35,800	\$42,244
Expansion Tanks, Replace		\$4,800	\$5,664
Pool & Spa Heaters, Replace		\$6,000	\$7,080
Total Expenditures			<u>\$246,553</u>

Replacement Year	2032	Current Cost	Future Cost
Horizontal Pipe Cleanout		\$16,000	\$19,200
Kitchen Stack, Cleanout		\$8,500	\$10,200
Tiki Huts, Bicycle Storage, Re-thatch		\$5,300	\$6,360
Loading Dock		\$16,100	\$19,320
Beachside Gates, Replace		\$3,600	\$4,320
AC Equipment, Office, Replace		\$8,200	\$9,840
Front Entry Shrubs		\$38,700	\$46,440
Paving, Bomanite Reseal		\$32,800	\$39,360
Main Roof Inspection		\$3,100	\$3,720
Tennis/Pickle Courts		\$100,000	\$120,000
Painting, Parking Lot Light Poles		\$3,700	\$4,440
AC Cooling Tower, Repair Allowance		\$6,000	\$7,200
Pool & Spa Equipment, Allowance		\$6,400	\$7,680
Trash Containers, Replace		\$4,100	\$4,920
Concrete Repairs to Curbs		\$5,000	\$6,000
Concrete Repairs to Kneewall		\$10,000	\$12,000
Annual Reserve Study		\$4,500	\$5,400
Structural Engineer		\$20,000	\$24,000
Total Expenditures			<u>\$350,400</u>

Replacement Year	2033	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,220
Backflow, Repair Allowance		\$13,600	\$16,592
Recycling Containers, Replace		\$6,000	\$7,320
G & L Cushions For Chairs		\$1,221	\$1,490
Windows & Doors, Replace		\$19,500	\$23,790
Tennessee Wireless Comm		\$1,200	\$1,464
Fencing, Pool, Replace		\$9,700	\$11,834
Painting, All Exteriors		\$350,000	\$427,000
Total Expenditures			<u>\$490,710</u>

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2034	Current Cost	Future Cost
AC Equipment, Elevator Room, Replace		\$2,400	\$2,976
Fire Hydrants, Replace 2 of 4		\$6,140	\$7,614
Screened Balconies & Railing, Replace		\$225,300	\$279,372
Social Room, Refurbish		\$15,400	\$19,096
AC Equipment, Exercise Room, Replace		\$8,400	\$10,416
AC Equipment, Fitness Room, Replace		\$8,400	\$10,416
AC Equipment, Lobby, Replace		\$14,200	\$17,608
AC Equipment, Pump Room, Replace		\$4,700	\$5,828
AC Equipment, Social Room, Replace		\$7,200	\$8,928
Front Entry Doors and Jambs		\$20,500	\$25,420
Canopies, 1 of 2		\$130,000	\$161,200
Main Roof Inspection		\$3,100	\$3,844
Annual Reserve Study		\$4,500	\$5,580
Total Expenditures			<u>\$558,298</u>
Replacement Year	2035	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,260
Horizontal Pipe Cleanout		\$16,000	\$20,160
Kitchen Stack, Cleanout		\$8,500	\$10,710
Roofing, North Garage, Reroof		\$379,300	\$477,918
Office Flooring, Carpet, Replace		\$5,000	\$6,300
Dunewalk, Replace Decking & Rails		\$42,800	\$53,928
Total Expenditures			<u>\$570,276</u>
Replacement Year	2036	Current Cost	Future Cost
Paving, Asphalt Overlay		\$105,000	\$134,400
Tiki Huts, Bicycle Storage, Re-thatch		\$5,300	\$6,784
Kitchen Appliance Allowance		\$5,800	\$7,424
Misc Contingency		\$100,000	\$128,000
Pool Furniture, Replace		\$5,100	\$6,528
Restrooms, Pool Renovate		\$11,400	\$14,592
Main Roof Inspection		\$3,100	\$3,968
Drinking Fountains, Replace		\$2,700	\$3,456
Glass Sliders Between Elevators		\$65,000	\$83,200
Beach Sand, Replenish		\$20,500	\$26,240
Canopies, 2 of 2		\$130,000	\$166,400
Annual Reserve Study		\$4,500	\$5,760
Total Expenditures			<u>\$586,752</u>

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2037	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,300
Recycling Containers, Replace		\$6,000	\$7,800
G & L Cushions For Chairs		\$1,221	\$1,587
Stain Ground Floor Bomanite		\$6,372	\$8,284
Rewire Roof Fans		\$3,464	\$4,503
Security FOB System, Replace		\$16,603	\$21,584
Golf Cart, Replace		\$8,200	\$10,660
Paving, Bomanite Reseal		\$32,800	\$42,640
Tennis/Pickle Courts		\$100,000	\$130,000
Painting, Parking Lot Light Poles		\$3,700	\$4,810
Pool & Spa Equipment, Allowance		\$6,400	\$8,320
Concrete Repairs to Curbs		\$5,000	\$6,500
Concrete Repairs to Kneewall		\$10,000	<u>\$13,000</u>
Total Expenditures			<u>\$260,988</u>
Replacement Year	2038	Current Cost	Future Cost
Horizontal Pipe Cleanout		\$16,000	\$21,120
Kitchen Stack, Cleanout		\$8,500	\$11,220
Flood Lights		\$3,400	\$4,488
Ice Machine, Replace		\$4,400	\$5,808
Landscape Renovation		\$100,000	\$132,000
Pool & Spa, Resurface		\$19,500	\$25,740
AC Equipment, Maintenance Shop		\$1,500	\$1,980
Fire Alarm Control Panel, Replace		\$41,900	\$55,308
Main Roof Inspection		\$3,100	\$4,092
Tiki Huts, Pool, Re-thatch		\$2,300	\$3,036
Fitness Equipment, Replace		\$10,000	\$13,200
Security Cameras & Equipment, Replace		\$6,260	\$8,263
Annual Reserve Study		\$4,500	\$5,940
Painting, All Exteriors		\$350,000	<u>\$462,000</u>
Total Expenditures			<u>\$754,195</u>
Replacement Year	2039	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,340
BBQ Grills (2), Replace		\$3,000	\$4,020
AC Equipment, Common Area, Replace		\$5,000	\$6,700
Beachside Gates, Replace		\$3,600	\$4,824
Tile Machine, Replace		\$8,800	\$11,792
Fire Hydrant, Replace 2 of 4		\$6,140	\$8,228
Social Room Screen Enclosure		\$6,380	\$8,549
Fire Pump Controller		\$46,500	\$62,310
Toilet Exhaust Fans		\$16,870	<u>\$22,606</u>
Total Expenditures			<u>\$130,369</u>

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2040	Current Cost	Future Cost
Tiki Huts, Bicycle Storage, Re-thatch		\$5,300	\$7,208
Loading Dock		\$16,100	\$21,896
AC Circulating Pumps, Replace		\$11,800	\$16,048
Variable Frequency Drive, Replace		\$10,700	\$14,552
Lobby, Breezeway & Courtyards		\$20,000	\$27,200
Fire Sprinkler, Replacement Allowance		\$20,300	\$27,608
Insurance Deductible/Uninsured Casualty		\$210,100	\$285,736
Roofing, Tower, Replace		\$1,332,500	\$1,812,200
Main Roof Inspection		\$3,100	\$4,216
Annual Reserve Study		\$4,500	\$6,120
Total Expenditures			<u>\$2,222,784</u>

Replacement Year	2041	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,380
Horizontal Pipe Cleanout		\$16,000	\$22,080
Kitchen Stack, Cleanout		\$8,500	\$11,730
Recycling Containers, Replace		\$6,000	\$8,280
G & L Cushions For Chairs		\$1,221	\$1,685
Misc Contingency		\$100,000	\$138,000
Stairwells & Railing, Repaint		\$24,200	\$33,396
Re-screen/swing stage		\$5,000	\$6,900
Roofing, South Garage, Repairs		\$7,068	\$9,754
Painting, Portico, Pool, Small Roofs		\$22,200	\$30,636
Bladders On Roof		\$3,575	\$4,934
Expansion Tanks, Replace		\$4,800	\$6,624
Pool & Spa Heaters, Replace		\$6,000	\$8,280
Roofing, Pipe Stands/Flashing		\$8,000	\$11,040
Fire Main Pressure Relief Valve, Replace		\$4,800	\$6,624
Landscape Sprinklers, 1 of 2		\$117,815	\$162,585
Total Expenditures			<u>\$463,927</u>

Replacement Year	2042	Current Cost	Future Cost
Paving, Asphalt Overlay		\$105,000	\$147,000
Paving, Bomanite Reseal		\$32,800	\$45,920
Main Roof Inspection		\$3,100	\$4,340
Roof Drain Pipes-Lining		\$100,000	\$140,000
Tennis/Pickle Courts		\$100,000	\$140,000
Painting, Parking Lot Light Poles		\$3,700	\$5,180
AC Cooling Tower, Repair Allowance		\$6,000	\$8,400
Pool & Spa Equipment, Allowance		\$6,400	\$8,960
Trash Containers, Replace		\$4,100	\$5,740
Concrete Repairs to Curbs		\$5,000	\$7,000
Concrete Repairs to Kneewall		\$10,000	\$14,000
Annual Reserve Study		\$4,500	\$6,300
Structural Engineer		\$20,000	\$28,000
Total Expenditures			<u>\$560,840</u>

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2043	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,420
Backflow, Repair Allowance		\$13,600	\$19,312
Railing, Sun Deck, Replace		\$4,900	\$6,958
AC Equipment, Elevator Room, Replace		\$2,400	\$3,408
Fire Hydrants, Replace 2 of 4		\$6,140	\$8,719
Screened Balconies & Railing, Replace		\$225,300	\$319,926
Front Entry Door Enterphone, Replace		\$4,800	\$6,816
Landscape Sprinklers, 2 of 2		\$76,900	\$109,198
Beach Sand, Replenish		\$20,500	\$29,110
Painting, All Exteriors		\$350,000	\$497,000
Total Expenditures			<u>\$1,001,867</u>

Replacement Year	2044	Current Cost	Future Cost
Horizontal Pipe Cleanout		\$16,000	\$23,040
Kitchen Stack, Cleanout		\$8,500	\$12,240
Tiki Huts, Bicycle Storage, Re-thatch		\$5,300	\$7,632
Pool Furniture, Replace		\$5,100	\$7,344
Main Roof Inspection		\$3,100	\$4,464
Annual Reserve Study		\$4,500	\$6,480
Total Expenditures			<u>\$61,200</u>

Replacement Year	2045	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,460
Fire Detection System/Fire Speaker, Upgrade		\$87,100	\$127,166
Recycling Containers, Replace		\$6,000	\$8,760
Beach Deck Walkover: Dream Deck		\$72,500	\$105,850
G & L Cushions For Chairs		\$1,221	\$1,783
Stain Ground Floor Bomanite		\$6,372	\$9,303
Rewire Roof Fans		\$3,464	\$5,057
Security FOB System, Replace		\$16,603	\$24,240
Golf Cart, Replace		\$8,200	\$11,972
Beach Deck & Railing, Replace		\$271,400	\$396,244
Tennessee Wireless Comm		\$1,200	\$1,752
Pool House Slab Repairs		\$15,900	\$23,214
Total Expenditures			<u>\$716,802</u>

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2046	Current Cost	Future Cost
Beachside Gates, Replace		\$3,600	\$5,328
AC Cooling Tower, Replace		\$288,400	\$426,832
Pool & Spa, Retile		\$3,200	\$4,736
Misc Contingency		\$100,000	\$148,000
Ventilator Fans, North, Replace		\$3,400	\$5,032
AC Equipment, Office, Replace		\$8,200	\$12,136
Elevator Doors, Replace 50%		\$114,500	\$169,460
Main Roof Inspection		\$3,100	\$4,588
Tiki Huts, Pool, Re-thatch		\$2,300	\$3,404
Fitness Equipment, Replace		\$10,000	\$14,800
Security Cameras & Equipment, Replace		\$6,260	\$9,265
Annual Reserve Study		\$4,500	\$6,660
Total Expenditures			<u>\$810,241</u>

Replacement Year	2047	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,500
Horizontal Pipe Cleanout		\$16,000	\$24,000
Kitchen Stack, Cleanout		\$8,500	\$12,750
BBQ Grills (2), Replace		\$3,000	\$4,500
Fencing, Chain Link, Replace		\$14,100	\$21,150
Management Office, Refurbish		\$5,000	\$7,500
Recycling System, Replace		\$89,400	\$134,100
Roll-Up Doors, Replace		\$8,100	\$12,150
Trash Chute Doors, Replace		\$17,900	\$26,850
AC Equipment, Maintenance Shop		\$1,500	\$2,250
Paving, Bomanite Reseal		\$32,800	\$49,200
Tennis/Pickle Courts		\$100,000	\$150,000
Painting, Parking Lot Light Poles		\$3,700	\$5,550
Pool & Spa Equipment, Allowance		\$6,400	\$9,600
Concrete Repairs to Curbs		\$5,000	\$7,500
Concrete Repairs to Kneewall		\$10,000	\$15,000
Total Expenditures			<u>\$483,600</u>

YEAR-BY-YEAR EXPENDITURES

Replacement Year	2048	Current Cost	Future Cost
Tiki Huts, Bicycle Storage, Re-thatch		\$5,300	\$8,056
Kitchen Appliance Allowance		\$5,800	\$8,816
Loading Dock		\$16,100	\$24,472
Domestic Water Pump, Replace		\$21,600	\$32,832
Elevator Cabs, Refurbish		\$13,800	\$20,976
Pool & Spa, Resurface		\$19,500	\$29,640
Pool Deck Pavers, Replace		\$66,000	\$100,320
Fire Hydrant, Replace 2 of 4		\$6,140	\$9,333
Social Room Screen Enclosure		\$6,380	\$9,698
Fire Alarm Control Panel, Replace		\$41,900	\$63,688
Mailboxes, Cluster, Replace		\$4,800	\$7,296
AC Equipment, Exercise Room, Replace		\$8,400	\$12,768
AC Equipment, Fitness Room, Replace		\$8,400	\$12,768
AC Equipment, Lobby, Replace		\$14,200	\$21,584
AC Equipment, Pump Room, Replace		\$4,700	\$7,144
AC Equipment, Social Room, Replace		\$7,200	\$10,944
Elevator Governors, Replace		\$29,700	\$45,144
Canopies, 1 of 2		\$130,000	\$197,600
Fencing, Pool, Replace		\$9,700	\$14,744
Main Roof Inspection		\$3,100	\$4,712
Light Fixtures, Replace		\$4,500	\$6,840
Annual Reserve Study		\$4,500	\$6,840
Painting, All Exteriors		\$350,000	<u>\$532,000</u>
Total Expenditures			\$1,188,214
Replacement Year	2049	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,540
Recycling Containers, Replace		\$6,000	\$9,240
Tile Hallway Flooring, Replace		\$512,500	\$789,250
G & L Cushions For Chairs		\$1,221	\$1,880
Office Flooring, Carpet, Replace		\$5,000	\$7,700
Cast Iron/Fire Pipes, Replace		\$5,000	<u>\$7,700</u>
Total Expenditures			\$817,310

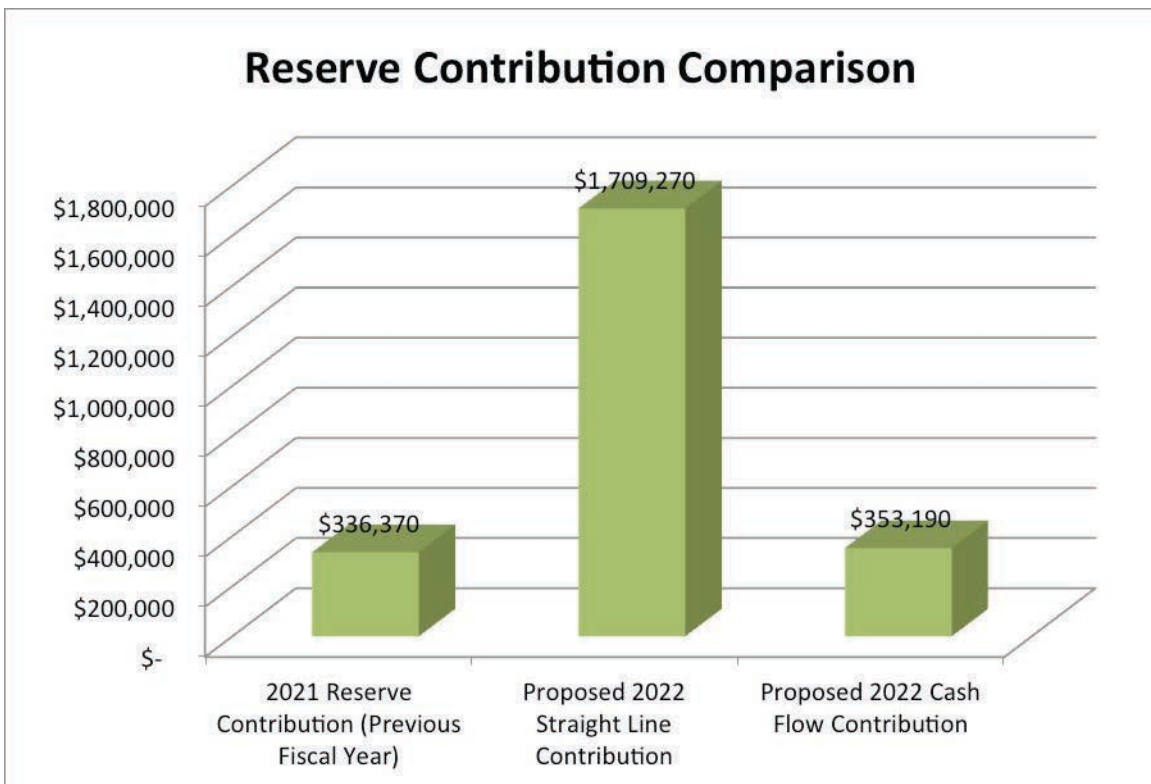
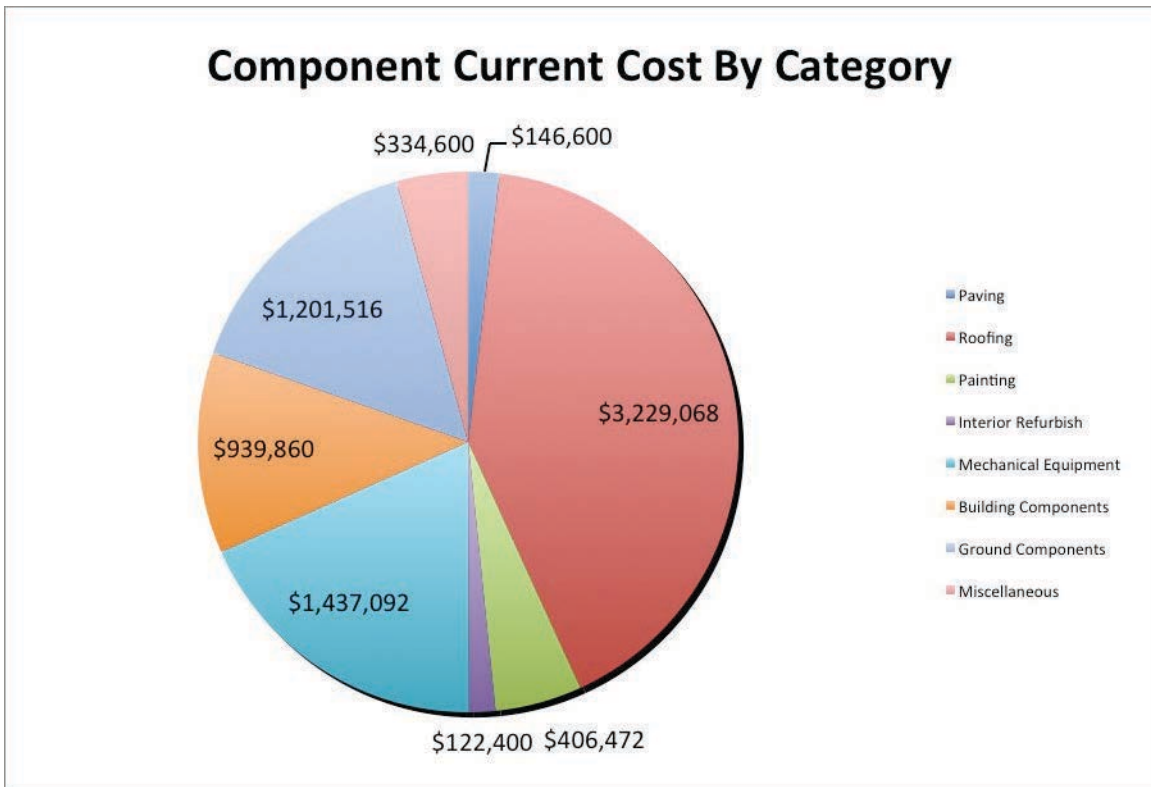
YEAR-BY-YEAR EXPENDITURES

Replacement Year	2050	Current Cost	Future Cost
Horizontal Pipe Cleanout		\$16,000	\$24,960
Kitchen Stack, Cleanout		\$8,500	\$13,260
Lobby, Breezeway & Courtyards		\$20,000	\$31,200
Fire Sprinkler, Replacement Allowance		\$20,300	\$31,668
Insurance Deductible/Uninsured Casualty		\$210,100	\$327,756
Paving, Brick Pavers, North Garage		\$8,800	\$13,728
Roofing, Mansard, Reroof		\$1,127,500	\$1,758,900
Roofing, Portico, Reroof		\$164,000	\$255,840
Roofing, North Garage, Reroof		\$379,300	\$591,708
Main Roof Inspection		\$3,100	\$4,836
Drinking Fountains, Replace		\$2,700	\$4,212
Glass Sliders Between Elevators		\$65,000	\$101,400
Beach Sand, Replenish		\$20,500	\$31,980
Canopies, 2 of 2		\$130,000	\$202,800
Annual Reserve Study		\$4,500	\$7,020
Total Expenditures			<u>\$3,401,268</u>

Replacement Year	2051	Current Cost	Future Cost
Elevator Carpet, Replace		\$1,000	\$1,580
Misc Contingency		\$100,000	\$158,000
Tile Machine, Replace		\$8,800	\$13,904
Roofing, South Garage, Repairs		\$7,068	\$11,167
Painting, Portico, Pool, Small Roofs		\$22,200	\$35,076
Alarm Panel and Devices, Replace		\$25,500	\$40,290
Bladders On Roof		\$3,575	\$5,649
Boiler, Replace		\$35,800	\$56,564
Expansion Tanks, Replace		\$4,800	\$7,584
Pool & Spa Heaters, Replace		\$6,000	\$9,480
Total Expenditures			<u>\$339,294</u>

Part 5: Charts & Graphs

The following charts and graphs are intended to provide a better understanding of the numbers contained in this report.



Part 6: Appendix

Florida Statutory Reserve Requirements

FLORIDA STATUTES

The following an excerpt from Florida Statutes Chapter 718 concerning reserve budget requirements for condominium associations. This is provided for reference only and is not intended as legal advice.

...(f) Annual budget.

1. The proposed annual budget of estimated revenues and expenses shall be detailed and shall show the amounts budgeted by accounts and expense classifications, including, if applicable, but not limited to, those expenses listed in s. 718.504(21). A multicondominium association shall adopt a separate budget of common expenses for each condominium the association operates and shall adopt a separate budget of common expenses for the association. In addition, if the association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements as provided for in s. 718.113 (1), the budget or a schedule attached thereto shall show amounts budgeted therefore. If, after turnover of control of the association to the unit owners, any of the expenses listed in s. 718.504 (21) are not applicable, they need not be listed.

2. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to an adopted budget in which the members of an association have determined, by a majority vote at a duly called meeting of the association, to provide no reserves or less reserves than required by this subsection. However, prior to turnover of control of an association by a developer to unit owners other than a developer pursuant to s. 718.301, the developer may vote to waive the reserves or reduce the funding of reserves for the first 2 fiscal years of the association's operation, beginning with the fiscal year in which the initial declaration is recorded, after which time reserves may be waived or reduced only upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves, and no such result is achieved or a quorum is not attained, the reserves as included in the budget shall go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves.

3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a duly called meeting of the association. Prior to turnover of control of an association by a developer to unit owners other than the developer pursuant to s. 718.301, the developer-controlled association shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all nondeveloper voting interests, voting in person or by limited proxy at a duly called meeting of the association.

FLORIDA ADMINISTRATIVE CODE

The following an excerpt from the Florida Administrative Code Rule 61B concerning reserve budget requirements for condominium associations. This is provided for reference only and is not intended as legal advice.

61B-22.001 Definitions.

For the purposes of this chapter the following definitions shall apply:

(1) "Accounting records" include all of the books and records identified in Section 718.111(12)(a)11., Florida Statutes, and any other records that identify, measure, record, or communicate financial information whether the records are maintained electronically or otherwise, including, all payroll and personnel records of the association, all invoices for purchases made by the association, and all invoices for services provided to the association.

(2) "Capital expenditure" means any expenditure of funds for:

(a) The purchase of an asset whose useful life is greater than one year in length;

(b) The replacement of an asset whose useful life is greater than one year in length; or

(c) The addition to an asset that extends the useful life of the previously existing asset for a period greater than one year in length.

(3) "Deferred maintenance" means any maintenance or repair that:

(a) Will be performed less frequently than yearly; and

(b) Will result in maintaining the useful life of an asset.

(4) "Funds" means money and negotiable instruments including, for example, cash, checks, notes, and securities.

(5) "Reserves" means any funds, other than operating funds, that are restricted for deferred maintenance and capital expenditures, including the items required by Section 718.112(2)(f)2., Florida Statutes, and any other funds restricted as to use by the condominium documents or the condominium association. Funds that are not restricted as to use by Section 718.112(2)(f), Florida Statutes, the condominium documents or by the association shall not be considered reserves within the meaning of this rule.

(6) "Turnover" means transfer of association control from developers to non-developer unit owners pursuant to Section 718.301, Florida Statutes.

61B-22.003 Budgets.

(1) Required elements for estimated operating budgets. The budget for each association shall:

(d) Include all estimated common expenses or expenditures of the association including the categories set forth in Section 718.504(21)(c), Florida Statutes. Reserves for capital expenditures and deferred maintenance required by Section 718.112(2)(f), Florida Statutes, must be included in the proposed annual budget and shall not be waived or reduced prior to the mailing to unit owners of a proposed annual budget. If the estimated common expense for any category set forth in the statute is not applicable, the category shall be listed followed by an indication that the expense is not applicable;

FLORIDA ADMINISTRATIVE CODE

The following an excerpt from the Florida Administrative Code Rule 61B concerning reserve budget requirements for condominium associations. This is provided for reference only and is not intended as legal advice.

(e) Unless the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a schedule stating each reserve account for capital expenditures and deferred maintenance as a separate line item with the following minimum disclosures:

1. The total estimated useful life of the asset;
2. The estimated remaining useful life of the asset;
3. The estimated replacement cost or deferred maintenance expense of the asset;
4. The estimated fund balance as of the beginning of the period for which the budget will be in effect; and

5. The developer's total funding obligation, when all units are sold, for each converter reserve account established pursuant to Section 718.618, Florida Statutes, if applicable.

(f) If the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a separate schedule of any pooled reserves with the following minimum disclosures:

1. The total estimated useful life of each asset within the pooled analysis;
2. The estimated remaining useful life of each asset within the pooled analysis;
3. The estimated replacement cost or deferred maintenance expense of each asset within the pooled analysis; and
4. The estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

(g) Include a separate schedule of any other reserve funds to be restricted by the association as a separate line item with the following minimum disclosures:

1. The intended use of the restricted funds; and
2. The estimated fund balance of the item as of the beginning of the period for which the budget will be in effect.

(2) Unrestricted expense categories. Expense categories that are not restricted as to use shall be stated in the operating portion of the budget rather than the reserve portion of the budget.

(4) Multicondominium associations. Multicondominium associations shall comply with the following requirements:

(a) Provide a separate budget for each condominium operated by the association as well as for the association. Each such budget shall disclose:

1. Estimated expenses specific to a condominium such as the maintenance, deferred maintenance or replacement of the common elements of the condominium which shall be provided for in the budget of the specific condominium;

2. Estimated expenses of the association that are not specific to a condominium such as the maintenance, deferred maintenance or replacement of the property serving more than one condominium which shall be provided for in the association budget; and

FLORIDA ADMINISTRATIVE CODE

The following an excerpt from the Florida Administrative Code Rule 61B concerning reserve budget requirements for condominium associations. This is provided for reference only and is not intended as legal advice.

3. Multicondominium associations created after June 30, 2000, or that have created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall include each unit's share of the estimated expenses of the association, referred to in subsection (2) of this rule, which shall be shown on the individual condominium budgets. Multicondominium associations created prior to July 1, 2000, that have not created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall include each condominium's share of the estimated expenses of the association, referred to in subsection (2) of this rule, which shall be shown on the individual condominium budgets.

4. The budgets of multicondominium associations created after June 30, 2000 or of multicondominium associations that have created separate ownership interests of the common surplus of the association for each unit as provided in Sections 718.104(4)(h) and 718.110(12), Florida Statutes, shall show the estimated revenues of each condominium and of the association.

(b) Associations that operate separate condominiums in a consolidated fashion pursuant to Section 718.111(6), Florida Statutes, may utilize a single consolidated budget.

(5) Limited common elements. If an association maintains limited common elements at the expense of only those unit owners entitled to use the limited common elements pursuant to Section 718.113(1), Florida Statutes, the budget shall include a separate schedule, or schedules, conforming to the requirements for budgets as stated in this rule, of all estimated expenses specific to each of the limited common elements, including any applicable reserves for deferred maintenance and capital expenditures. The schedule or schedules may group the maintenance expense of any limited common elements for which the declaration provides that the maintenance expense is to be shared by a group of unit owners.

(6) Phase condominium budgets. By operation of law, the annual budget of a phase condominium created pursuant to Section 718.403, Florida Statutes, shall automatically be adjusted to incorporate the change in proportionate ownership of the common elements by the purchasers and to incorporate any other changes related to the addition of phases in accordance with the declaration of condominium. The adjusted annual budget shall be effective on the date that the amendment to the declaration adding a phase to a phase condominium is recorded in the official records of the county in which the condominium is located. Notwithstanding the requirements of subsection (7) of this rule, the association shall not be required to follow the provisions of Section 718.112(2)(c), Florida Statutes, unless, as a result of the budget adjustment, the assessment per unit has changed.

(7) Budget assessment amendments. The association may amend a previously approved annual budget. In order to do so the board of administration shall follow the provisions of Section 718.112(2)(e), Florida Statutes. For example, the board shall mail a meeting notice and copies of the proposed amended annual budget to the unit owners not less than 14 days prior to the meeting at which the budget amendment will be considered.

FLORIDA ADMINISTRATIVE CODE

The following an excerpt from the Florida Administrative Code Rule 61B concerning reserve budget requirements for condominium associations. This is provided for reference only and is not intended as legal advice.

61B-22.005 Reserves.

(1) Reserves required by statute. Reserves required by Section 718.112(2)(f), Florida Statutes, for capital expenditures and deferred maintenance including roofing, painting, paving, and any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000 shall be included in the budget. For the purpose of determining whether the deferred maintenance expense or replacement cost of an item exceeds \$10,000, the association may consider each asset of the association separately. Alternatively, the association may group similar or related assets together. For example, an association responsible for the maintenance of two swimming pools, each of which will separately require \$6,000 of total deferred maintenance, may establish a pool reserve, but is not required to do so.

(2) Commingling operating and reserve funds. Associations that collect operating and reserve assessments as a single payment shall not be considered to have commingled the funds provided the reserve portion of the payment is transferred to a separate reserve account, or accounts, within 30 calendar days from the date such funds were deposited.

(3) Calculating reserves required by statute. Reserves for deferred maintenance and capital expenditures required by Section 718.112(2)(f), Florida Statutes, shall be calculated using a formula that will provide funds equal to the total estimated deferred maintenance expense or total estimated replacement cost for an asset or group of assets over the remaining useful life of the asset or group of assets. Funding formulas for reserves required by Section 718.112(2)(f), Florida Statutes, shall be based on either a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.

(a) If the association maintains separate reserve accounts for each of the required assets, the amount of the current year contribution to each reserve account shall be the sum of the following two calculations:

1. The total amount necessary, if any, to bring a negative account balance to zero; and
2. The total estimated deferred maintenance expense or estimated replacement cost of the reserve asset less the estimated balance of the reserve account as of the beginning of the period for which the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the asset. The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may consider factors such as inflation and earnings on invested funds.

(b) If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal. The reserve funding formula shall not include any type of balloon payments.

(4) Estimating reserves that are not required by statute. Reserves that are not required by Section 718.112(2)(f), Florida Statutes, are not required to be based on any specific formula.

FLORIDA ADMINISTRATIVE CODE

The following an excerpt from the Florida Administrative Code Rule 61B concerning reserve budget requirements for condominium associations. This is provided for reference only and is not intended as legal advice.

(5) Estimating non-converter reserves when the developer is funding converter reserves. For the purpose of estimating non-converter reserves, the estimated fund balance of the non-converter reserve account related to any asset for which the developer has established converter reserves pursuant to Section 718.618, Florida Statutes, shall be the sum of:

(a) The developer's total funding obligation, when all units are sold, for the converter reserve account pursuant to Section 718.618, Florida Statutes; and

(b) The estimated fund balance of the non-converter reserve account, excluding the developer's converter obligation, as of the beginning of the period for which the budget will be in effect.

(6) Timely funding. Reserves included in the adopted budget are common expenses and must be fully funded unless properly waived or reduced. Reserves shall be funded in at least the same frequency that assessments are due from the unit owners (e.g., monthly or quarterly).

(7) Restrictions on use. In a multicondominium association, no vote to allow an association to use reserve funds for purposes other than that for which the funds were originally reserved shall be effective as to a particular condominium unless conducted at a meeting at which the same percentage of voting interests in that condominium that would otherwise be required for a quorum of the association is present in person or by proxy, and a majority of those present in person or by limited proxy, vote to use reserve funds for another purpose. Expenditure of unallocated interest income earned on reserve funds is restricted to any of the capital expenditures, deferred maintenance or other items for which reserve accounts have been established.

(8) Annual vote required to waive reserves. Any vote to waive or reduce reserves for capital expenditures and deferred maintenance required by Section 718.112(2)(f)2., Florida Statutes, shall be effective for only one annual budget. Additionally, in a multicondominium association, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which the same percentage of voting interests in that condominium that would otherwise be required for a quorum of the association is present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves. For multicondominium associations in which the developer is precluded from casting its votes to waive or reduce the funding of reserves, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which the same percentage of non-developer voting interests in that condominium that would otherwise be required for a quorum of the association is present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves.

FLORIDA ADMINISTRATIVE CODE

The following an excerpt from the Florida Administrative Code Rule 61B concerning reserve budget requirements for condominium associations. This is provided for reference only and is not intended as legal advice.

61B-22.006 Financial Reporting Requirements.

(3) Disclosure requirements. The financial statements required by Sections 718.111(13) and 718.301(4), F.S., shall contain the following disclosures within the financial statements, notes, or supplementary information:

(a) The following reserve disclosures shall be made regardless of whether reserves have been waived for the fiscal period covered by the financial statements:

1. The beginning balance in each reserve account as of the beginning of the fiscal period covered by the financial statements;

2. The amount of assessments and other additions to each reserve account including authorized transfers from other reserve accounts;

3. The amount expended or removed from each reserve account, including authorized transfers to other reserve accounts;

4. The ending balance in each reserve account as of the end of the fiscal period covered by the financial statements;

5. The amount of annual funding required to fully fund each reserve account, or pool of accounts, over the remaining useful life of the applicable asset or group of assets;

6. The manner by which reserve items were estimated, the date the estimates were last made, the association's policies for allocating reserve fund interest, and whether reserves have been waived during the period covered by the financial statements; and

7. If the developer has established converter reserves pursuant to Section 718.618(1), F.S., each converter reserve account shall be identified and include the disclosures required by this rule.

(b) The method by which income and expenses were allocated to the unit owners;

(c) The specific purpose or purposes of any special assessments to unit owners pursuant to Section 718.116(10), F.S., and the amount of each special assessment and the disposition of the funds collected;

(d) The amount of revenues and expenses related to limited common elements shall be disclosed when the association maintains the limited common elements and the expense is apportioned to those unit owners entitled to the exclusive use of the limited common elements; and

(e) If a guarantee pursuant to Section 718.116(9), F.S., existed at any time during the fiscal year, the financial statements shall disclose the following:

1. The period of time covered by the guarantee;

2. The amount of common expenses incurred during the guarantee period;

3. The amount of assessments charged to the non-developer unit owners during the guarantee period;

4. The amount of non-assessment revenues earned by the association, with each non-assessment revenue generating activity disclosed separately, during the guarantee period;

5. The amount of expenses incurred in the production of non-assessment revenues, with each non-assessment revenue generating activity disclosed separately, during the guarantee period;

6. The amount of the developer's payments pursuant to the guarantee; and

7. Any financial obligation due to or from the developer resulting from the guarantee.

FLORIDA ADMINISTRATIVE CODE

The following an excerpt from the Florida Administrative Code Rule 61B concerning reserve budget requirements for condominium associations. This is provided for reference only and is not intended as legal advice.

(4) Multicondominium associations. Multicondominium associations may present the financial statements required by Sections 718.111(13) and 718.301(4), F.S., on a combined basis as long as the financial statements, notes, or supplementary information disclose the revenues, expenses, and changes in fund balance for each condominium, and the association, as applicable. The financial statements, notes, or supplementary information shall also disclose the revenues and expenses of the association that are not directly associated with specified condominiums, and the method used to allocate such expenses to the condominiums or units, as applicable. Additionally, the reserve disclosures required by this rule shall be presented separately for each condominium and for any association reserves not specifically identified with individual condominiums. The provisions of this rule shall apply to multicondominium financial reporting for fiscal periods ending on or after December 31, 2002. Earlier application of the provisions of this rule is permitted.

(5) Developer assessments. All financial reporting required by Chapter 718, F.S., shall disclose the assessment revenues from the developer separately from that of the non-developer unit owners.

(6) Financial reports required by Section 718.111(13)(b), F.S.. The financial report required by Section 718.111(13)(b), F.S., shall meet the following requirements:

(a) The report shall be prepared using a cash basis method of accounting.

(b) The report shall include the reserve disclosures required by paragraph 61B-22.006(3)(a), F.A.C.

(c) The report shall include the special assessment disclosure required by paragraph 61B-22.006(3)(c), F.A.C.

(d) If the association maintains limited common elements and the expense is apportioned to those units entitled to the exclusive use of the limited common elements the report shall contain the limited common element disclosures required by paragraph 61B-22.006(3)(d), F.A.C.

(e) The financial reports of multicondominium associations shall separately disclose the following items:

1. The receipts and expenditures directly associated with specific condominiums; and

2. The receipts and expenditures of the association that are not directly associated with specific condominiums.

(7) The minutes of the association shall reflect the number of votes cast by the membership to waive the requirement for audited, reviewed, or compiled financial statements and the type of financial reporting that the association will be preparing and disseminating to the membership.



Thank You

We truly appreciate you allowing LCAM Resources the opportunity to serve you, and we hope that you have been pleased with our service.

In an effort to improve our services, we would be very interested in hearing any comments, suggestions or criticisms that you may have. A letter, fax or email would be greatly appreciated!

LCAM Resources

Reserve Studies & Insurance Appraisals

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