

# 2016 Reserve Study Update

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



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January 28, 2016

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 2016 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 2015 Reserve Contribution:	\$251,000
Proposed 2016 Reserve Contribution, Straight-Line, Full Funding:	\$978,595
Proposed 2016 Reserve Contribution, 30-Year Cash Flow, Pooled:	\$240,842

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

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### About Your 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

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### 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. 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 reserve balance (reserve fund status), measured as percent fully funded to determine a recommendation for the appropriate reserve contribution rate in the future, known as the “funding plan”.

### Funding Plan

The annual reserve contributions 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. The annual reserve contributions are determined by calculating the “unfunded balance” amount for each component, divided by the number of years left in remaining life.

In general, the straight-line method is considered to be a more conservative approach because it often results in more money being set aside for reserves, as compared to other alternative funding methods. However, 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. Although reserve components may not be ideally “fully funded,” they are considered to be adequately funded.

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 approach considers the effects of interest and inflation over time.

## **INTRODUCTION**

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### **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

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### 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.”



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**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

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### 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**

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### **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: **\$626,755**  
 Fully Funded Reserves: **\$1,605,350**  
 Percent Fully Funded as of 1/1/2016: **39%**

Description	Cost Estimate	Expected Life	Replacement Year	Remaining Life	12/31/15 Balance*	Unfunded Balance	2016 Contribution
<b>PAVING</b>							
Brick Pavers, South Garage, Replace	\$7,200	30	2042	26	\$1,241	\$5,959	\$229
Paving, Asphalt Overlay	\$71,800	20	2019	3	\$12,379	\$59,421	\$19,807
Paving, Asphalt Sealcoat & Restripe	\$9,200	2	2017	1	\$1,586	\$7,614	\$7,614
Paving, Red Bomanite, Repair & Seal	\$13,600	5	2019	3	\$2,345	\$11,255	\$3,752
Paving, Tan Bomanite, Waterblast & Stain	\$24,900	5	2017	1	\$4,293	\$20,607	\$20,607
<b>Total</b>	<b>\$126,700</b>				<b>\$21,845</b>	<b>\$104,855</b>	<b>\$52,009</b>
<b>ROOFING</b>							
Paint/Rustproof Mansard Supports	\$27,900	7	2019	3	\$4,810	\$23,090	\$7,697
Roofing, Metal Panel, Reroof	\$99,900	36	2025	9	\$17,224	\$82,676	\$9,186
Roofing, North Garage, Reroof	\$81,200	15	2023	7	\$14,000	\$67,200	\$9,600
Roofing, North Garage, Reseal	\$8,600	10	2023	7	\$1,483	\$7,117	\$1,017
Roofing, Parapet Repairs	\$14,500	22	2034	18	\$2,500	\$12,000	\$667
Roofing, South Garage, Re-Coat	\$210,000	15	2030	14	\$36,206	\$173,794	\$12,414
Roofing, Tower, Bitumen, Remove Existing	\$192,800	30	2020	4	\$33,241	\$159,559	\$39,890
Roofing, Tower, Bitumen, Replace	\$221,600	15	2020	4	\$38,206	\$183,394	\$45,848
Roofing, Tower, Reseal	\$1,600	10	2023	7	\$276	\$1,324	\$189
Tiki Huts, Bicycle Storage, Re-thatch	\$4,000	4	2016	1	\$690	\$3,310	\$3,310
Tiki Huts, Pool, Re-thatch	\$1,000	8	2023	7	\$172	\$828	\$118
<b>Total</b>	<b>\$863,100</b>				<b>\$148,808</b>	<b>\$714,292</b>	<b>\$129,936</b>
<b>PAINTING</b>							
Engineer Painting Project Manager	\$13,000	7	2016	1	\$2,241	\$10,759	\$10,759
North & South Garage, Repaint & Repair	\$27,400	5	2018	2	\$4,724	\$22,676	\$11,338
Painting, Exterior, Tower	\$205,000	7	2016	1	\$35,344	\$169,656	\$169,656
Painting, Interior Common Areas	\$45,000	7	2016	1	\$7,759	\$37,241	\$37,241
Painting, Metal Portico Roof, Repaint	\$12,400	7	2018	2	\$2,138	\$10,262	\$5,131
Stairwells & Railing, Repaint	\$19,600	14	2027	11	\$3,379	\$16,221	\$1,475
<b>Total</b>	<b>\$322,400</b>				<b>\$55,585</b>	<b>\$266,815</b>	<b>\$235,599</b>
<b>INTERIOR REFURBISH</b>							
Cardio Fitness Equipment, Replace	\$16,600	8	2020	4	\$2,862	\$13,738	\$3,434
Elevator Cabs, Refurbish	\$11,400	20	2028	12	\$1,965	\$9,435	\$786
Elliptical Fitness Equipment, Replace	\$4,500	8	2021	5	\$776	\$3,724	\$745
Kitchen Appliance Allowance	\$5,100	12	2024	8	\$879	\$4,221	\$528
Lobby Furniture, Replace	\$16,400	18	2025	9	\$2,828	\$13,572	\$1,508
Mailboxes, Cluster, Replace	\$4,100	30	2019	3	\$707	\$3,393	\$1,131
Management Office, Refurbish	\$4,200	20	2027	11	\$724	\$3,476	\$316
Multi Gym, Replace	\$6,200	16	2028	12	\$1,069	\$5,131	\$428
Office Flooring, Carpet, Replace	\$4,200	8	2022	6	\$724	\$3,476	\$579
Office Windows & Doors, Replace	\$7,100	20	2033	17	\$1,224	\$5,876	\$346
Restrooms, Lobby, Renovate	\$9,200	28	2017	1	\$1,586	\$7,614	\$7,614
Restrooms, Pool Renovate	\$9,200	24	2036	20	\$1,586	\$7,614	\$381
Social Room, Refurbish	\$62,400	22	2034	18	\$10,758	\$51,642	\$2,869
Treadmill, Replace	\$3,200	4	2017	1	\$552	\$2,648	\$2,648
<b>Total</b>	<b>\$163,800</b>				<b>\$28,241</b>	<b>\$135,559</b>	<b>\$23,312</b>

\*The 12/31/15 balance amounts provided are based on a weighted proportional allocation of the estimated total ending balance.

**RESERVE SCHEDULE****Straight Line Reserve Schedule**

Beginning Balance:	<b>\$626,755</b>
Fully Funded Reserves:	<b>\$1,605,350</b>
Percent Fully Funded as of 1/1/2016:	<b>39%</b>

Description	Cost Estimate	Expected Life	Replacement Year	Remaining Life	12/31/15 Balance*	Unfunded Balance	2016 Contribution
<b>MECHANICAL EQUIPMENT</b>							
AC Circulating Pumps, Replace	\$9,500	14	2026	10	\$1,638	\$7,862	\$786
AC Cooling Tower, Replace	\$235,100	20	2021	5	\$40,534	\$194,566	\$38,913
AC Equipment, Elevator Room, Replace	\$1,800	9	2022	6	\$310	\$1,490	\$248
AC Equipment, Exercise Room, Replace	\$7,000	14	2019	3	\$1,207	\$5,793	\$1,931
AC Equipment, Fitness Room, Replace	\$7,100	14	2019	3	\$1,224	\$5,876	\$1,959
AC Equipment, Lobby, Replace	\$11,600	14	2019	3	\$2,000	\$9,600	\$3,200
AC Equipment, Maintenance Shop	\$1,300	9	2020	4	\$224	\$1,076	\$269
AC Equipment, Office, Replace	\$7,345	14	2016	1	\$1,266	\$6,079	\$6,079
AC Equipment, Pump Room, Replace	\$4,500	14	2016	1	\$776	\$3,724	\$3,724
AC Equipment, Social Room, Replace	\$5,700	14	2019	3	\$983	\$4,717	\$1,572
Alarm Panel and Devices, Replace	\$20,800	20	2031	15	\$3,586	\$17,214	\$1,148
Boiler, Replace	\$29,200	20	2031	15	\$5,034	\$24,166	\$1,611
Domestic Water Pump, Replace	\$17,600	20	2028	12	\$3,034	\$14,566	\$1,214
Elevator System, Upgrades	\$26,700	14	2026	10	\$4,603	\$22,097	\$2,210
Emergency Generator, Replace	\$54,100	36	2025	9	\$9,327	\$44,773	\$4,975
Expansion Tanks, Replace	\$4,000	10	2022	6	\$690	\$3,310	\$552
Fire Detection System, Upgrade	\$106,100	20	2020	4	\$18,293	\$87,807	\$21,952
Fire Alarm Control Panel, Replace	\$35,000	10	2016	1	\$6,034	\$28,966	\$28,966
Fire Pump, Replace	\$52,000	36	2025	9	\$8,965	\$43,035	\$4,782
Fire Speaker System, Upgrade	\$45,400	20	2033	17	\$7,827	\$37,573	\$2,210
Fire Hydrant, Replace 2 of 4	\$8,125	25	2037	21	\$1,401	\$6,724	\$320
Fire Hydrants, Replace 2 of 4	\$8,125	25	2016	1	\$1,401	\$6,724	\$6,724
Heat Exchanger, Replace	\$31,200	40	2029	13	\$5,379	\$25,821	\$1,986
Key Fobs, Replace	\$8,400	8	2018	2	\$1,448	\$6,952	\$3,476
Kone Elevator Upgrades	\$26,700	30	2042	26	\$4,603	\$22,097	\$850
Pool & Spa Heaters, Replace	\$5,100	10	2016	1	\$879	\$4,221	\$4,221
Pool Equipment, Allowance	\$4,500	5	2020	4	\$776	\$3,724	\$931
Recycling Containers, Replace	\$9,000	4	2017	1	\$1,552	\$7,448	\$7,448
Recycling System, Replace	\$72,800	20	2027	11	\$12,552	\$60,248	\$5,477
Tile Machine, Replace	\$7,200	12	2027	11	\$1,241	\$5,959	\$542
Variable Frequency Drive, Replace	\$8,600	14	2026	10	\$1,483	\$7,117	\$712
Ventilator Fans, North, Replace	\$2,700	18	2028	12	\$466	\$2,234	\$186
<b>Total</b>	<b>\$874,295</b>				<b>\$150,738</b>	<b>\$723,557</b>	<b>\$161,172</b>
<b>BUILDING COMPONENTS</b>							
Cast Iron Pipes, Replace	\$206,040	27	2016	1	\$35,524	\$170,516	\$170,516
Drinking Fountains, Replace	\$2,400	14	2017	1	\$414	\$1,986	\$1,986
Front Entry Door Enterphone, Replace	\$4,000	14	2029	13	\$690	\$3,310	\$255
Front Entry Doors and Jambs	\$16,600	24	2034	18	\$2,862	\$13,738	\$763
Front Entry Shrubs	\$3,200	20	2032	16	\$552	\$2,648	\$166
Hallway Concrete/Tile Repairs	\$10,200	30	2045	29	\$1,759	\$8,441	\$291
Lanai Screen Reapirs w/ Swingstage	\$33,900	24	2036	20	\$5,845	\$28,055	\$1,403
Light Fixtures, Replace	\$34,000	26	2041	25	\$5,862	\$28,138	\$1,126
Roll-Up Doors, Replace	\$6,500	20	2027	11	\$1,121	\$5,379	\$489
Screen Repairs	\$5,000	5	2016	1	\$862	\$4,138	\$4,138
Screened Balconies & Railing, Replace	\$188,300	9	2019	3	\$32,465	\$155,835	\$51,945
Security Cameras & Equipment, Replace	\$4,300	8	2018	2	\$741	\$3,559	\$1,779
Tile Flooring, Replace	\$160,200	24	2031	15	\$27,620	\$132,580	\$8,839
Trash Chute Doors, Replace	\$14,600	20	2027	11	\$2,517	\$12,083	\$1,098
Trash Containers, Replace	\$3,400	10	2022	6	\$586	\$2,814	\$469
<b>Total</b>	<b>\$692,640</b>				<b>\$119,419</b>	<b>\$573,221</b>	<b>\$245,263</b>

\*The 12/31/15 balance amounts provided are based on a weighted proportional allocation of the estimated total ending balance.

**RESERVE SCHEDULE****Straight Line Reserve Schedule**

Beginning Balance:	<b>\$626,755</b>
Fully Funded Reserves:	<b>\$1,605,350</b>
Percent Fully Funded as of 1/1/2016:	<b>39%</b>

Description	Cost Estimate	Expected Life	Replacement Year	Remaining Life	12/31/15 Balance*	Unfunded Balance	2016 Contribution
<b>GROUNDS COMPONENTS</b>							
BBQ Grills, Replace	\$2,700	8	2017	1	\$466	\$2,234	\$2,234
Beach Deck & Railing, Replace	\$226,800	15	2030	14	\$39,103	\$187,697	\$13,407
Beach Deck Walkover: Dream Deck	\$61,200	20	2018	2	\$10,552	\$50,648	\$25,324
Canopy Fabric, Replace	\$28,000	7	2016	1	\$4,828	\$23,172	\$23,172
Canopy Frames, Repair	\$5,000	21	2023	7	\$862	\$4,138	\$591
Dunewalk, Replace Decking & Rails	\$35,400	20	2035	19	\$6,103	\$29,297	\$1,542
Fencing, Chain Link, Replace	\$11,900	22	2022	6	\$2,052	\$9,848	\$1,641
Fencing, Pool, Replace	\$8,200	15	2017	1	\$1,414	\$6,786	\$6,786
Flag Pole, Replace	\$2,400	30	2030	14	\$414	\$1,986	\$142
Golf Cart, Replace	\$3,800	8	2016	1	\$655	\$3,145	\$3,145
Ice Machine, Replace	\$3,700	15	2030	14	\$638	\$3,062	\$219
Kneewall Repairs	\$39,600	20	2020	4	\$6,827	\$32,773	\$8,193
Light Poles, Replace	\$38,500	30	2030	14	\$6,638	\$31,862	\$2,276
Lobby Fountains, Pebblecoat	\$5,900	8	2017	1	\$1,017	\$4,883	\$4,883
Lobby Fountains, Replace Motors	\$3,468	8	2016	1	\$598	\$2,870	\$2,870
Pool & Spa, Resurface	\$18,000	10	2016	1	\$3,103	\$14,897	\$14,897
Pool & Spa, Retile	\$2,600	20	2026	10	\$448	\$2,152	\$215
Pool Deck Pavers, Replace	\$55,200	20	2020	4	\$9,517	\$45,683	\$11,421
Pool Furniture, Replace	\$5,000	8	2016	1	\$862	\$4,138	\$4,138
Pool House Slab Repairs	\$13,300	30	2045	29	\$2,293	\$11,007	\$380
Powdercoat Beachside Gates	\$2,000	7	2021	5	\$345	\$1,655	\$331
Railing, Aluminium, Replace	\$8,700	28	2028	12	\$1,500	\$7,200	\$600
Railing, Sun Deck, Replace	\$4,200	20	2020	4	\$724	\$3,476	\$869
Tennis Court Surface System, Replace	\$5,700	5	2020	4	\$983	\$4,717	\$1,179
<b>Total</b>	<b>\$591,268</b>				<b>\$101,941</b>	<b>\$489,327</b>	<b>\$130,455</b>
<b>MISC</b>							
Annual Reserve Study	\$1,025	1	2016	1	\$177	\$848	\$848
<b>Total</b>	<b>\$1,025</b>				<b>\$177</b>	<b>\$848</b>	<b>\$848</b>
<b>Grand Total</b>	<b>\$3,635,228</b>				<b>\$626,755</b>	<b>\$3,008,473</b>	<b>\$978,595</b>

\*The 12/31/15 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: \$626,755 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	2016	\$626,755	-	\$171.54	\$240,842	\$0	\$606,903	1.0%	\$2,607	\$263,301
2	2017	\$263,301	5.0%	\$180.12	\$252,884	\$0	\$77,240	1.0%	\$4,389	\$443,335
3	2018	\$443,335	5.0%	\$189.12	\$265,528	\$0	\$119,314	1.0%	\$5,895	\$595,445
4	2019	\$595,445	5.0%	\$198.58	\$278,805	\$0	\$368,165	1.0%	\$5,061	\$511,146
5	2020	\$511,146	5.0%	\$208.51	\$292,745	\$0	\$704,835	1.0%	\$991	\$100,046
6	2021	\$100,046	5.0%	\$218.93	\$307,382	\$0	\$295,928	1.0%	\$1,115	\$112,616
7	2022	\$112,616	5.0%	\$229.88	\$322,752	\$0	\$57,372	1.0%	\$3,780	\$381,775
8	2023	\$381,775	5.0%	\$241.37	\$338,889	\$0	\$491,369	1.0%	\$2,293	\$231,588
9	2024	\$231,588	5.0%	\$253.44	\$355,834	\$0	\$41,752	1.0%	\$5,457	\$551,126
10	2025	\$551,126	5.0%	\$266.11	\$373,625	\$0	\$325,710	1.0%	\$5,990	\$605,032
11	2026	\$605,032	5.0%	\$279.42	\$392,307	\$0	\$182,550	1.0%	\$8,148	\$822,937
12	2027	\$822,937	5.0%	\$293.39	\$411,922	\$0	\$195,231	1.0%	\$10,396	\$1,050,024
13	2028	\$1,050,024	5.0%	\$308.06	\$432,518	\$0	\$354,547	1.0%	\$11,280	\$1,139,274
14	2029	\$1,139,274	5.0%	\$323.46	\$454,144	\$0	\$97,052	1.0%	\$14,964	\$1,511,330
15	2030	\$1,511,330	5.0%	\$339.64	\$476,851	\$0	\$1,029,978	1.0%	\$9,582	\$967,785
16	2031	\$967,785	5.0%	\$356.62	\$500,694	\$0	\$299,813	1.0%	\$11,687	\$1,180,352
17	2032	\$1,180,352	5.0%	\$374.45	\$525,728	\$0	\$96,879	1.0%	\$16,092	\$1,625,293
18	2033	\$1,625,293	5.0%	\$393.17	\$552,015	\$0	\$241,770	1.0%	\$19,355	\$1,954,893
19	2034	\$1,954,893	5.0%	\$412.83	\$579,615	\$0	\$164,322	1.0%	\$23,702	\$2,393,889
20	2035	\$2,393,889	5.0%	\$433.47	\$608,596	\$0	\$385,607	1.0%	\$26,169	\$2,643,047
21	2036	\$2,643,047	5.0%	\$455.15	\$639,026	\$0	\$186,095	1.0%	\$30,960	\$3,126,937
22	2037	\$3,126,937	5.0%	\$477.90	\$670,977	\$0	\$772,835	1.0%	\$30,251	\$3,055,330
23	2038	\$3,055,330	5.0%	\$501.80	\$704,526	\$0	\$253,908	1.0%	\$35,059	\$3,541,008
24	2039	\$3,541,008	5.0%	\$526.89	\$739,752	\$0	\$169,689	1.0%	\$41,111	\$4,152,182
25	2040	\$4,152,182	5.0%	\$553.23	\$776,740	\$0	\$454,498	1.0%	\$44,744	\$4,519,168
26	2041	\$4,519,168	5.0%	\$580.90	\$815,577	\$0	\$499,275	1.0%	\$48,355	\$4,883,825
27	2042	\$4,883,825	5.0%	\$609.94	\$856,356	\$0	\$124,526	1.0%	\$56,157	\$5,671,812
28	2043	\$5,671,812	5.0%	\$640.44	\$899,174	\$0	\$422,368	1.0%	\$61,486	\$6,210,103
29	2044	\$6,210,103	5.0%	\$672.46	\$944,132	\$0	\$571,225	1.0%	\$65,830	\$6,648,841
30	2045	\$6,648,841	5.0%	\$706.08	\$991,339	\$0	\$810,106	1.0%	\$68,301	\$6,898,375

# Year-By-Year Expenditures

## YEAR-BY-YEAR EXPENDITURES

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<b>Replacement Year</b>	<b>2016</b>	<b>Current Cost</b>	<b>Future Cost</b>
AC Equipment, Office, Replace		\$7,345	\$7,345
AC Equipment, Pump Room, Replace		\$4,500	\$4,500
Annual Reserve Study		\$1,025	\$1,025
Canopy Fabric, Replace		\$33,000	\$33,000
Cast Iron Pipes, Replace		\$206,040	\$206,040
Engineer Painting Project Manager		\$13,000	\$13,000
Fire Alarm Control Panel, Replace		\$35,000	\$35,000
Fire Hydrants, Replace 2 of 4		\$8,125	\$8,125
Golf Cart, Replace		\$3,800	\$3,800
Lobby Fountains, Replace Motors		\$3,468	\$3,468
Painting, Exterior, Tower		\$205,000	\$205,000
Painting, Interior Common Areas		\$45,000	\$45,000
Pool & Spa Heaters, Replace		\$5,100	\$5,100
Pool & Spa, Resurface		\$18,000	\$18,000
Pool Equipment, Allowance		\$4,500	\$4,500
Pool Furniture, Replace		\$5,000	\$5,000
Screen Repairs		\$5,000	\$5,000
Tiki Huts, Bicycle Storage, Re-thatch		\$4,000	\$4,000
Total Expenditures			<u>\$606,903</u>
<b>Replacement Year</b>	<b>2017</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,046
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$9,384
Paving, Tan Bomanite, Waterblast & Stain		\$24,900	\$25,398
Restrooms, Lobby, Renovate		\$9,200	\$9,384
Treadmill, Replace		\$3,200	\$3,264
Recycling Containers, Replace		\$9,000	\$9,180
Drinking Fountains, Replace		\$2,400	\$2,448
BBQ Grills, Replace		\$2,700	\$2,754
Fencing, Pool, Replace		\$8,200	\$8,364
Lobby Fountains, Pebblecoat		\$5,900	\$6,018
Total Expenditures			<u>\$77,240</u>
<b>Replacement Year</b>	<b>2018</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,066
North & South Garage, Repaint & Repair		\$27,400	\$28,496
Painting, Metal Portico Roof, Repaint		\$12,400	\$12,896
Key Fobs, Replace		\$8,400	\$8,736
Security Cameras & Equipment, Replace		\$4,300	\$4,472
Beach Deck Walkover: Dream Deck		\$61,200	\$63,648
Total Expenditures			<u>\$119,314</u>

## YEAR-BY-YEAR EXPENDITURES

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<b>Replacement Year</b>	<b>2019</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,087
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$9,752
Paving, Asphalt Overlay		\$71,800	\$76,108
Paving, Red Bomanite, Repair & Seal		\$13,600	\$14,416
Paint/Rustproof Mansard Supports		\$27,900	\$29,574
Mailboxes, Cluster, Replace		\$4,100	\$4,346
AC Equipment, Exercise Room, Replace		\$7,000	\$7,420
AC Equipment, Fitness Room, Replace		\$7,100	\$7,526
AC Equipment, Lobby, Replace		\$11,600	\$12,296
AC Equipment, Social Room, Replace		\$5,700	\$6,042
Screened Balconies & Railing, Replace		\$188,300	\$199,598
Total Expenditures			<u>\$368,165</u>

<b>Replacement Year</b>	<b>2020</b>	<b>Current Cost</b>	<b>Future Cost</b>
Tiki Huts, Bicycle Storage, Re-thatch		\$4,000	\$4,320
Annual Reserve Study		\$1,025	\$1,107
Roofing, Tower, Bitument, Remove Existing		\$192,800	\$208,224
Roofing, Tower, Bitumen, Replace		\$221,600	\$239,328
Cardio Fitness Equipment, Replace		\$16,600	\$17,928
AC Equipment, Maintenance Shop		\$1,300	\$1,404
Pool Equipment, Allowance		\$4,500	\$4,860
Kneewall Repairs		\$39,600	\$42,768
Railing, Sun Deck, Replace		\$4,200	\$4,536
Tennis Court Surface System, Replace		\$5,700	\$6,156
Fire Detection System, Upgrade		\$106,100	\$114,588
Pool Deck Pavers, Replace		\$55,200	\$59,616
Total Expenditures			<u>\$704,835</u>

<b>Replacement Year</b>	<b>2021</b>	<b>Current Cost</b>	<b>Future Cost</b>
Screen Repairs		\$5,000	\$5,500
Annual Reserve Study		\$1,025	\$1,128
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$10,120
Treadmill, Replace		\$3,200	\$3,520
Recycling Containers, Replace		\$9,000	\$9,900
Elliptical Fitness Equipment, Replace		\$4,500	\$4,950
AC Cooling Tower, Replace		\$235,100	\$258,610
Powdercoat Beachside Gates		\$2,000	\$2,200
Total Expenditures			<u>\$295,928</u>

## YEAR-BY-YEAR EXPENDITURES

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<b>Replacement Year</b>	<b>2022</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,148
Paving, Tan Bomanite, Waterblast & Stain		\$24,900	\$27,888
Office Flooring, Carpet, Replace		\$4,200	\$4,704
AC Equipment, Elevator Room, Replace		\$1,800	\$2,016
Expansion Tanks, Replace		\$4,000	\$4,480
Trash Containers, Replace		\$3,400	\$3,808
Fencing, Chain Link, Replace		\$11,900	<u>\$13,328</u>
Total Expenditures			<u>\$57,372</u>
<b>Replacement Year</b>	<b>2023</b>	<b>Current Cost</b>	<b>Future Cost</b>
Engineer Painting Project Manager		\$13,000	\$14,820
Painting, Exterior, Tower		\$205,000	\$233,700
Painting, Interior Common Areas		\$45,000	\$51,300
Canopy Fabric, Replace		\$33,000	\$37,620
Annual Reserve Study		\$1,025	\$1,169
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$10,488
North & South Garage, Repaint & Repair		\$27,400	\$31,236
Roofing, North Garage, Reroof		\$81,200	\$92,568
Roofing, North Garage, Reseal		\$8,600	\$9,804
Roofing, Tower, Reseal		\$1,600	\$1,824
Tiki Huts, Pool, Re-thatch		\$1,000	\$1,140
Canopy Frames, Repair		\$5,000	<u>\$5,700</u>
Total Expenditures			<u>\$491,369</u>
<b>Replacement Year</b>	<b>2024</b>	<b>Current Cost</b>	<b>Future Cost</b>
Tiki Huts, Bicycle Storage, Re-thatch		\$4,000	\$4,640
Golf Cart, Replace		\$3,800	\$4,408
Lobby Fountains, Replace Motors		\$3,468	\$4,023
Pool Furniture, Replace		\$5,000	\$5,800
Annual Reserve Study		\$1,025	\$1,189
Paving, Red Bomanite, Repair & Seal		\$13,600	\$15,776
Kitchen Appliance Allowance		\$5,100	<u>\$5,916</u>
Total Expenditures			<u>\$41,752</u>

## YEAR-BY-YEAR EXPENDITURES

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<b>Replacement Year</b>	<b>2025</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,210
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$10,856
Treadmill, Replace		\$3,200	\$3,776
Recycling Containers, Replace		\$9,000	\$10,620
BBQ Grills, Replace		\$2,700	\$3,186
Lobby Fountains, Pebblecoat		\$5,900	\$6,962
Painting, Metal Portico Roof, Repaint		\$12,400	\$14,632
Pool Equipment, Allowance		\$4,500	\$5,310
Tennis Court Surface System, Replace		\$5,700	\$6,726
Roofing, Metal Panel, Reroof		\$99,900	\$117,882
Lobby Furniture, Replace		\$16,400	\$19,352
Emergency Generator, Replace		\$54,100	\$63,838
Fire Pump, Replace		\$52,000	\$61,360
Total Expenditures			<u>\$325,710</u>

<b>Replacement Year</b>	<b>2026</b>	<b>Current Cost</b>	<b>Future Cost</b>
Fire Alarm Control Panel, Replace		\$35,000	\$42,000
Pool & Spa Heaters, Replace		\$5,100	\$6,120
Screen Repairs		\$5,000	\$6,000
Pool & Spa, Resurface		\$18,000	\$21,600
Annual Reserve Study		\$1,025	\$1,230
Key Fobs, Replace		\$8,400	\$10,080
Security Cameras & Equipment, Replace		\$4,300	\$5,160
Paint/Rustproof Mansard Supports		\$27,900	\$33,480
AC Circulating Pumps, Replace		\$9,500	\$11,400
Elevator System, Upgrades		\$26,700	\$32,040
Variable Frequency Drive, Replace		\$8,600	\$10,320
Pool & Spa, Retile		\$2,600	\$3,120
Total Expenditures			<u>\$182,550</u>

<b>Replacement Year</b>	<b>2027</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,251
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$11,224
Paving, Tan Bomanite, Waterblast & Stain		\$24,900	\$30,378
Stairwells & Railing, Repaint		\$19,600	\$23,912
Management Office, Refurbish		\$4,200	\$5,124
Recycling System, Replace		\$72,800	\$88,816
Tile Machine, Replace		\$7,200	\$8,784
Roll-Up Doors, Replace		\$6,500	\$7,930
Trash Chute Doors, Replace		\$14,600	\$17,812
Total Expenditures			<u>\$195,231</u>

## YEAR-BY-YEAR EXPENDITURES

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<b>Replacement Year</b>	<b>2028</b>	<b>Current Cost</b>	<b>Future Cost</b>
Tiki Huts, Bicycle Storage, Re-thatch		\$4,000	\$4,960
Annual Reserve Study		\$1,025	\$1,271
North & South Garage, Repaint & Repair		\$27,400	\$33,976
Screened Balconies & Railing, Replace		\$188,300	\$233,492
Cardio Fitness Equipment, Replace		\$16,600	\$20,584
Powdercoat Beachside Gates		\$2,000	\$2,480
Elevator Cabs, Refurbish		\$11,400	\$14,136
Multi Gym, Replace		\$6,200	\$7,688
Domestic Water Pump, Replace		\$17,600	\$21,824
Ventilator Fans, North, Replace		\$2,700	\$3,348
Railing, Aluminium, Replace		\$8,700	\$10,788
Total Expenditures			<u>\$354,547</u>
<b>Replacement Year</b>	<b>2029</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,292
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$11,592
Treadmill, Replace		\$3,200	\$4,032
Recycling Containers, Replace		\$9,000	\$11,340
Paving, Red Bomanite, Repair & Seal		\$13,600	\$17,136
AC Equipment, Maintenance Shop		\$1,300	\$1,638
Elliptical Fitness Equipment, Replace		\$4,500	\$5,670
Heat Exchanger, Replace		\$31,200	\$39,312
Front Entry Door Enterphone, Replace		\$4,000	\$5,040
Total Expenditures			<u>\$97,052</u>
<b>Replacement Year</b>	<b>2030</b>	<b>Current Cost</b>	<b>Future Cost</b>
Engineer Painting Project Manager		\$13,000	\$16,640
Painting, Exterior, Tower		\$205,000	\$262,400
Painting, Interior Common Areas		\$45,000	\$57,600
AC Equipment, Office, Replace		\$7,345	\$9,402
AC Equipment, Pump Room, Replace		\$4,500	\$5,760
Canopy Fabric, Replace		\$33,000	\$42,240
Annual Reserve Study		\$1,025	\$1,312
Pool Equipment, Allowance		\$4,500	\$5,760
Tennis Court Surface System, Replace		\$5,700	\$7,296
Office Flooring, Carpet, Replace		\$4,200	\$5,376
Roofing, South Garage, Re-Coat		\$210,000	\$268,800
Flag Pole, Replace		\$2,400	\$3,072
Ice Machine, Replace		\$3,700	\$4,736
Light Poles, Replace		\$38,500	\$49,280
Beach Deck & Railing, Replace		\$226,800	\$290,304
Total Expenditures			<u>\$1,029,978</u>



## YEAR-BY-YEAR EXPENDITURES

<b>Replacement Year</b>	<b>2031</b>	<b>Current Cost</b>	<b>Future Cost</b>
Screen Repairs		\$5,000	\$6,500
Annual Reserve Study		\$1,025	\$1,333
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$11,960
Drinking Fountains, Replace		\$2,400	\$3,120
AC Equipment, Elevator Room, Replace		\$1,800	\$2,340
Tiki Huts, Pool, Re-thatch		\$1,000	\$1,300
Alarm Panel and Devices, Replace		\$20,800	\$27,040
Boiler, Replace		\$29,200	\$37,960
Tile Flooring, Replace		\$160,200	\$208,260
Total Expenditures			<u>\$299,813</u>
<b>Replacement Year</b>	<b>2032</b>	<b>Current Cost</b>	<b>Future Cost</b>
Tiki Huts, Bicycle Storage, Re-thatch		\$4,000	\$5,280
Golf Cart, Replace		\$3,800	\$5,016
Lobby Fountains, Replace Motors		\$3,468	\$4,578
Pool Furniture, Replace		\$5,000	\$6,600
Annual Reserve Study		\$1,025	\$1,353
Paving, Tan Bomanite, Waterblast & Stain		\$24,900	\$32,868
Fencing, Pool, Replace		\$8,200	\$10,824
Painting, Metal Portico Roof, Repaint		\$12,400	\$16,368
Expansion Tanks, Replace		\$4,000	\$5,280
Trash Containers, Replace		\$3,400	\$4,488
Front Entry Shrubs		\$3,200	\$4,224
Total Expenditures			<u>\$96,879</u>
<b>Replacement Year</b>	<b>2033</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,374
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$12,328
Treadmill, Replace		\$3,200	\$4,288
Recycling Containers, Replace		\$9,000	\$12,060
BBQ Grills, Replace		\$2,700	\$3,618
Lobby Fountains, Pebblecoat		\$5,900	\$7,906
North & South Garage, Repaint & Repair		\$27,400	\$36,716
Paint/Rustproof Mansard Supports		\$27,900	\$37,386
AC Equipment, Exercise Room, Replace		\$7,000	\$9,380
AC Equipment, Fitness Room, Replace		\$7,100	\$9,514
AC Equipment, Lobby, Replace		\$11,600	\$15,544
AC Equipment, Social Room, Replace		\$5,700	\$7,638
Roofing, North Garage, Reseal		\$8,600	\$11,524
Roofing, Tower, Reseal		\$1,600	\$2,144
Office Windows & Doors, Replace		\$7,100	\$9,514
Fire Speaker System, Upgrade		\$45,400	\$60,836
Total Expenditures			<u>\$241,770</u>

## YEAR-BY-YEAR EXPENDITURES

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<b>Replacement Year</b>	<b>2034</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,394
Key Fobs, Replace		\$8,400	\$11,424
Security Cameras & Equipment, Replace		\$4,300	\$5,848
Paving, Red Bomanite, Repair & Seal		\$13,600	\$18,496
Roofing, Parapet Repairs		\$14,500	\$19,720
Social Room, Refurbish		\$62,400	\$84,864
Front Entry Doors and Jambs		\$16,600	\$22,576
Total Expenditures			<u>\$164,322</u>

<b>Replacement Year</b>	<b>2035</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,415
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$12,696
Roofing, Tower, Bitumen, Replace		\$221,600	\$305,808
Pool Equipment, Allowance		\$4,500	\$6,210
Tennis Court Surface System, Replace		\$5,700	\$7,866
Powdercoat Beachside Gates		\$2,000	\$2,760
Dunewalk, Replace Decking & Rails		\$35,400	\$48,852
Total Expenditures			<u>\$385,607</u>

<b>Replacement Year</b>	<b>2036</b>	<b>Current Cost</b>	<b>Future Cost</b>
Tiki Huts, Bicycle Storage, Re-thatch		\$4,000	\$5,600
Fire Alarm Control Panel, Replace		\$35,000	\$49,000
Pool & Spa Heaters, Replace		\$5,100	\$7,140
Screen Repairs		\$5,000	\$7,000
Pool & Spa, Resurface		\$18,000	\$25,200
Annual Reserve Study		\$1,025	\$1,435
Cardio Fitness Equipment, Replace		\$16,600	\$23,240
Kitchen Appliance Allowance		\$5,100	\$7,140
Restrooms, Pool Renovate		\$9,200	\$12,880
Lanai Screen Repairs w/ Swingstage		\$33,900	\$47,460
Total Expenditures			<u>\$186,095</u>

## YEAR-BY-YEAR EXPENDITURES

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<b>Replacement Year</b>	<b>2037</b>	<b>Current Cost</b>	<b>Future Cost</b>
Engineer Painting Project Manager		\$13,000	\$18,460
Painting, Exterior, Tower		\$205,000	\$291,100
Painting, Interior Common Areas		\$45,000	\$63,900
Canopy Fabric, Replace		\$33,000	\$46,860
Annual Reserve Study		\$1,025	\$1,456
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$13,064
Paving, Tan Bomanite, Waterblast & Stain		\$24,900	\$35,358
Treadmill, Replace		\$3,200	\$4,544
Recycling Containers, Replace		\$9,000	\$12,780
Screened Balconies & Railing, Replace		\$188,300	\$267,386
Elliptical Fitness Equipment, Replace		\$4,500	\$6,390
Fire Hydrant, Replace 2 of 4		\$8,125	<u>\$11,538</u>
Total Expenditures			<u>\$772,835</u>
<b>Replacement Year</b>	<b>2038</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,476
North & South Garage, Repaint & Repair		\$27,400	\$39,456
Beach Deck Walkover: Dream Deck		\$61,200	\$88,128
AC Equipment, Maintenance Shop		\$1,300	\$1,872
Office Flooring, Carpet, Replace		\$4,200	\$6,048
Roofing, North Garage, Reroof		\$81,200	<u>\$116,928</u>
Total Expenditures			<u>\$253,908</u>
<b>Replacement Year</b>	<b>2039</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,497
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$13,432
Painting, Metal Portico Roof, Repaint		\$12,400	\$18,104
Paving, Asphalt Overlay		\$71,800	\$104,828
Paving, Red Bomanite, Repair & Seal		\$13,600	\$19,856
Tiki Huts, Pool, Re-thatch		\$1,000	\$1,460
Tile Machine, Replace		\$7,200	<u>\$10,512</u>
Total Expenditures			<u>\$169,689</u>

## YEAR-BY-YEAR EXPENDITURES

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<b>Replacement Year</b>	<b>2040</b>	<b>Current Cost</b>	<b>Future Cost</b>
Tiki Huts, Bicycle Storage, Re-thatch		\$4,000	\$5,920
Golf Cart, Replace		\$3,800	\$5,624
Lobby Fountains, Replace Motors		\$3,468	\$5,133
Pool Furniture, Replace		\$5,000	\$7,400
Annual Reserve Study		\$1,025	\$1,517
Paint/Rustproof Mansard Supports		\$27,900	\$41,292
Fire Detection System, Upgrade		\$106,100	\$157,028
Pool Equipment, Allowance		\$4,500	\$6,660
Kneewall Repairs		\$39,600	\$58,608
Pool Deck Pavers, Replace		\$55,200	\$81,696
Railing, Sun Deck, Replace		\$4,200	\$6,216
Tennis Court Surface System, Replace		\$5,700	\$8,436
AC Equipment, Elevator Room, Replace		\$1,800	\$2,664
AC Circulating Pumps, Replace		\$9,500	\$14,060
Elevator System, Upgrades		\$26,700	\$39,516
Variable Frequency Drive, Replace		\$8,600	\$12,728
Total Expenditures			<u>\$454,498</u>
<b>Replacement Year</b>	<b>2041</b>	<b>Current Cost</b>	<b>Future Cost</b>
Fire Hydrants, Replace 2 of 4		\$8,125	\$12,188
Screen Repairs		\$5,000	\$7,500
Annual Reserve Study		\$1,025	\$1,538
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$13,800
Treadmill, Replace		\$3,200	\$4,800
Recycling Containers, Replace		\$9,000	\$13,500
BBQ Grills, Replace		\$2,700	\$4,050
Lobby Fountains, Pebblecoat		\$5,900	\$8,850
AC Cooling Tower, Replace		\$235,100	\$352,650
Stairwells & Railing, Repaint		\$19,600	\$29,400
Light Fixtures, Replace		\$34,000	\$51,000
Total Expenditures			<u>\$499,275</u>
<b>Replacement Year</b>	<b>2042</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,558
Paving, Tan Bomanite, Waterblast & Stain		\$24,900	\$37,848
Key Fobs, Replace		\$8,400	\$12,768
Security Cameras & Equipment, Replace		\$4,300	\$6,536
Powdercoat Beachside Gates		\$2,000	\$3,040
Expansion Tanks, Replace		\$4,000	\$6,080
Trash Containers, Replace		\$3,400	\$5,168
Brick Pavers, South Garage, Replace		\$7,200	\$10,944
Kone Elevator Upgrades		\$26,700	\$40,584
Total Expenditures			<u>\$124,526</u>

## YEAR-BY-YEAR EXPENDITURES

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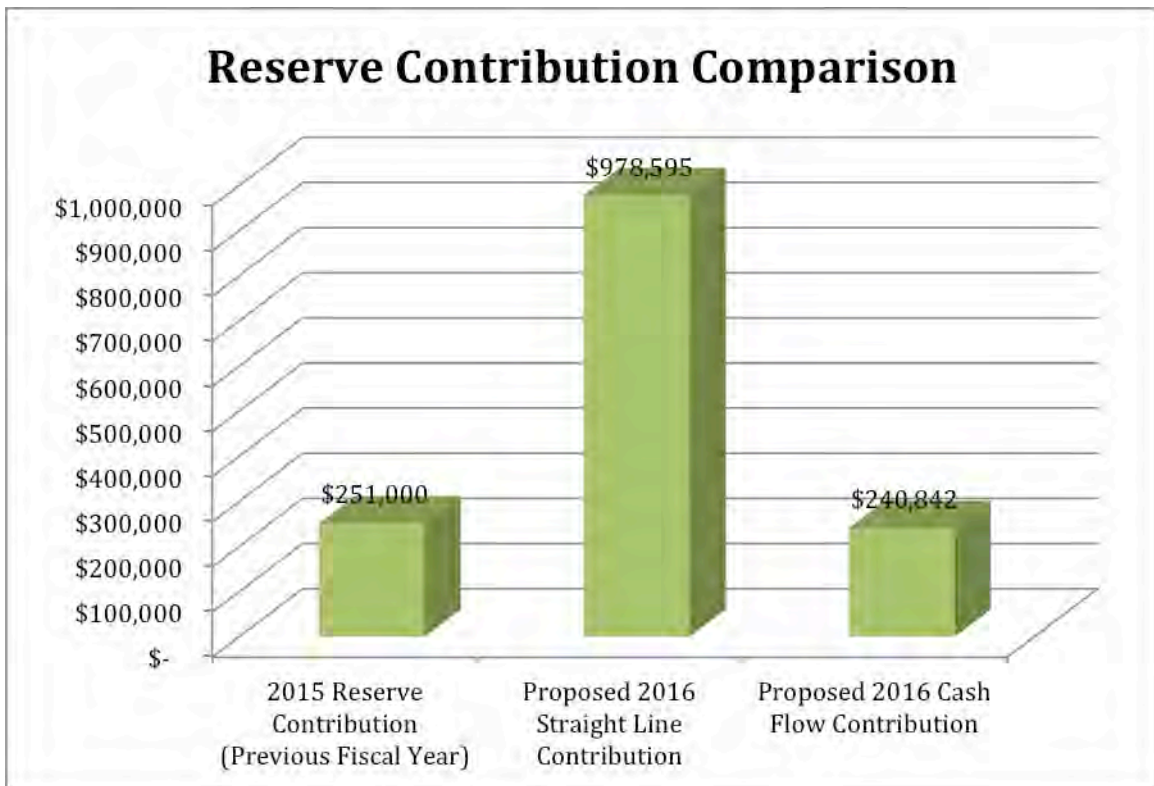
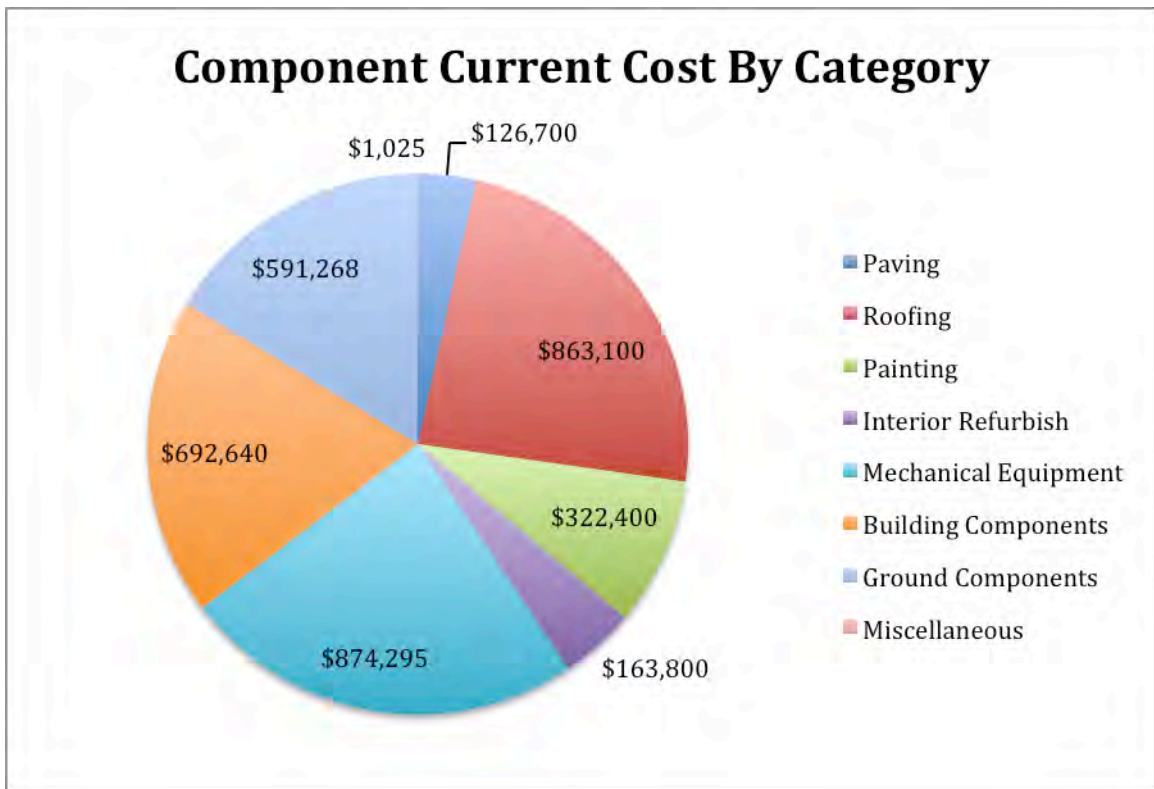
<b>Replacement Year</b>	<b>2043</b>	<b>Current Cost</b>	<b>Future Cost</b>
Cast Iron Pipes, Replace		\$206,040	\$317,302
Annual Reserve Study		\$1,025	\$1,579
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$14,168
North & South Garage, Repaint & Repair		\$27,400	\$42,196
Roofing, North Garage, Reseal		\$8,600	\$13,244
Roofing, Tower, Reseal		\$1,600	\$2,464
Lobby Furniture, Replace		\$16,400	\$25,256
Front Entry Door Enterphone, Replace		\$4,000	\$6,160
Total Expenditures			<u>\$422,368</u>

<b>Replacement Year</b>	<b>2044</b>	<b>Current Cost</b>	<b>Future Cost</b>
Tiki Huts, Bicycle Storage, Re-thatch		\$4,000	\$6,240
Engineer Painting Project Manager		\$13,000	\$20,280
Painting, Exterior, Tower		\$205,000	\$319,800
Painting, Interior Common Areas		\$45,000	\$70,200
AC Equipment, Office, Replace		\$7,345	\$11,458
AC Equipment, Pump Room, Replace		\$4,500	\$7,020
Canopy Fabric, Replace		\$33,000	\$51,480
Annual Reserve Study		\$1,025	\$1,599
Paving, Red Bomanite, Repair & Seal		\$13,600	\$21,216
Cardio Fitness Equipment, Replace		\$16,600	\$25,896
Fencing, Chain Link, Replace		\$11,900	\$18,564
Canopy Frames, Repair		\$5,000	\$7,800
Multi Gym, Replace		\$6,200	\$9,672
Total Expenditures			<u>\$571,225</u>

<b>Replacement Year</b>	<b>2045</b>	<b>Current Cost</b>	<b>Future Cost</b>
Annual Reserve Study		\$1,025	\$1,620
Paving, Asphalt Sealcoat & Restripe		\$9,200	\$14,536
Restrooms, Lobby, Renovate		\$9,200	\$14,536
Treadmill, Replace		\$3,200	\$5,056
Recycling Containers, Replace		\$9,000	\$14,220
Drinking Fountains, Replace		\$2,400	\$3,792
Pool Equipment, Allowance		\$4,500	\$7,110
Tennis Court Surface System, Replace		\$5,700	\$9,006
Elliptical Fitness Equipment, Replace		\$4,500	\$7,110
Roofing, South Garage, Re-Coat		\$210,000	\$331,800
Ice Machine, Replace		\$3,700	\$5,846
Hallway Concrete/Tile Repairs		\$10,200	\$16,116
Pool House Slab Repairs		\$13,300	\$21,014
Beach Deck & Railing, Replace		\$226,800	\$358,344
Total Expenditures			<u>\$810,106</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**

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*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.

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**FLORIDA ADMINISTRATIVE CODE**

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*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**

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*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**

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*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**

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*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**

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*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**

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*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**

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*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.



**LCAM RESOURCES**

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# Thank You

We truly appreciate you allowing LCAM Resources the opportunity to serve you, and 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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