

EXPERT



Reserve Services, Inc.

Reserve Studies - Replacement Cost Valuations

Watermark SIRS FINAL



Level I Reserve Study with On-Site Analysis

Prepared for Fiscal Year 2025

August 8, 2024



Annual Update Program

Expert Reserve Services is pleased to offer our clients a program to provide annual updates on their reserve studies for the next five years for a guaranteed fee.

The Update Program is valid only if there are no changes to the property such as additions, major upgrades, etc. Replacement of existing components would not be considered major upgrades. Changes to the property during the contracted period would require a site visit at a higher fee.

Benefits:

- Annual Reserve Study updates on the property provide a written validation of reserve study needs in an ever-changing economy.
- Demonstrates due diligence and impartiality on the part of the property manager and board members by the involvement of a credentialed third-party professional.
- Update costs are steady and can be budgeted easily.
- Provides peace of mind to members of the community with a fresh report every year that is contracted.

If you have not already chosen to accept the Annual Update Program and would like to do so, please contact our bid proposal specialist at (386)-356-2065 or email her at Kim@expertreserveservices. We will be please to provide you with a quote for the program.

Thank you,

Anastasia Kolodzik, President

PRA, RS, CAM

Assumptions

The parameters and assumptions under which this study was completed, is based on information provided by the association/client, its representatives, its management company (as applicable), its contractors, other contractors, specialists and independent consultants, the Department of Business and Professional Regulation (or other state agency, as applicable), the Community Associations Institute (CAI), construction pricing and estimating manuals, and the preparer's own experience gained in the preparation of reserve study reports.

The reserve funding program reflects assumptions about future events. Some may not materialize, and unanticipated events/circumstances may develop. Therefore, the actual component cost and/or remaining life of a reserve component may vary from the reserve funding program. The preparer of this report does not express an opinion on the probability that actual item cost and/or remaining life may or may not approximate the reserve funding program.

It is assumed, unless otherwise indicated to the preparer, that all reserve items have been constructed properly, and that each estimated useful life will approximate that of the norm per industry standards and manufacturers specifications. Arbitrary estimates may have been used on reserve components with an indeterminable but potential liability to the association. The decision for the inclusion of these reserve components, and other assets considered or not, is ultimately left to the association/client.

The remaining life of the reserve components does not have a variance factor for unusual weather or natural disasters. It is assumed that a reasonable schedule of maintenance/repair will be conducted. The level of maintenance/repair any particular component receives may serve to prolong or shorten that components useful life. The actual life of any given component may vary due to quality of construction, original design, workmanship, intensity of use, maintenance/repair, and unusual weather. This study only addresses the maintenance and replacement of those reserve components listed, the associated costs/lives, and a reserve funding program.

Various percentage rate factors are generally used in the Cash Flow/Threshold Analysis. The annual inflation rate is normally determined using the local "CPI", the Consumer Price Index for consumers in the region of which the association is located. Because it is difficult to accurately predict these factors over time, it is vital to update them annually.

Watermark SIRS FINAL

401 North Atlantic Avenue, New Smyrna Beach, FL 32169

Reserve Study Year 2025

August 8, 2024

As authorized, a reserve study report has been prepared for Watermark SIRS FINAL Condominium Association located at 401 North Atlantic Avenue, New Smyrna Beach, FL 32169. Built-in 1980 containing 35 units with components including but not limited to, items listed in this report.

Your report has been divided into sections for easier referencing. The first section contains all general information including definitions, accounting formulas, statutory requirements, etc. An index of sections and components can be found at the end of the Detail Report by Category pages.

In this report, we have taken both approved accounting formulas as outlined by The State of Florida, the Threshold, and the Component Method. These schedules will give you the recommended contribution per unit for the reporting year 2025.

This report contains information to act as a guideline to assist in budget preparation and in no way constitutes a complete budget or any opinion regarding the implication of such and consists of suggested contributions for Reserves only and in no way affects the operating budget.

It is the opinion of Expert Reserve Services, Inc. that the Condominium Association's reserve schedule is adequate for risk management, State requirements, and budget planning provided the suggested contribution in this report is adopted based on the association's appropriate funding method.

This report identifies the major assets maintained by the Association and provides estimates on useful life, remaining life, scheduled replacement date, and future replacement cost. This information was derived from a combination of market standards, cost databases, historical and provided information, local vendor estimates, and experience with similar properties.

FINANCIAL SUMMARY

Fiscal Year 2025

STRUCTURAL (SIRS)

Projected Beginning Balance as of 12/31/2024:	\$40,000
Projected Expenditures (2025):	\$2,500
Threshold Model - Full Funding (1/1/2026):	\$76,560
Annual Contribution (2025):	\$39,060
Annual Contribution per Unit (2025):	\$1,116

Based on all the components stated above and our inspection, it is our opinion, that Watermark SIRS FINAL Condominium Association is of average maintenance and most components are in well-maintained condition unless otherwise noted.

As with many associations of this age, environmental elements and construction techniques play a large part in the useful life and remaining life of components. Fluctuations in construction costs, disasters, and insurance policy limitations cannot be foretold in a specific form to regulate guaranteed results, and therefore, we reserve the right to amend this statement upon future events and information provided. Future updates can be obtained on an annual basis and are highly recommended in this uncertain economy.

This report is being prepared as a budget tool to assist the association in its long-range financial planning. Its use for any other purpose is not appropriate. The visual observations made do NOT constitute an "Engineering Inspection" and are not detailed enough to be relied upon, nor should they be relied upon, to determine violations of jurisdictional requirements (building ordinances, codes, etc.) relating to the safety, soundness, structural integrity, or habitability of the project's buildings or any individual component.

This report has been prepared for the sole benefit of the client. Any unauthorized use without our permission shall result in no liability or legal exposure to Expert Inspectors, Inc.

Thank you for allowing Expert Reserve Services, Inc. the opportunity to serve your Association. Upon your review of this report, please do not hesitate to contact us with any questions that may arise.

Anastasia Kolodzik

Expert Reserve Services, Inc.
RS, PRA # 2294, CAM 52338



Please note: Once a report is finalized, any adjustments will incur a separate charge

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Preface

This comprehensive reserve study report was produced using specialized web-based software powered by HomeRun IQ.

The individual responsible for report preparation and/or oversight is Anastasia Kolodzik.

Information contained in the report is considered reliable, but is not guaranteed. The report does not warrant against the contingency of unforeseen conditions or circumstances, unreliable information, or an unpredictable inflationary or deflationary spiral. The report is not intended to predict precise expenditures, but rather to chart the expenditures that a reasonable person might anticipate in planning for the fiscal future. The scope of this report is expressly limited to the components described herein.

It is strongly recommended by the Reserve Study Industry to have this reserve study report updated on an annual basis to ensure the security of a long-term funding plan. These necessary updates provide statutory compliance (as applicable) and allow for adjustments due to actual year-end inflation rate, actual year-end reserve balance and the unpredictable nature of the lives of many of the reserve components under consideration.

Reserve Disclosures

Profile

Name	Watermark SIRS FINAL
Location	New Smyrna Beach, FL 32169
Units / General Type	35 / Condominium
Base Year / Age	1980 / 45
Fiscal Year Ends	Dec 31

Parameters

Level of Service	Level I Reserve Study with On-Site Analysis
Prepared for Fiscal Year (FY)	2025
Most Recent On-Site Inspection Date	N/A
Allocation Increase Rate (Avg)	3.26%
Inflation Rate	4.49%
Interest Rate	0.00%
Current Reserve Allocation	\$35,000 per year
Current Reserve Balance	\$40,000 as of [starting balance date]
Funding Plan - Method / Goal	THRESHOLD

Summary

FY Start Balance	\$40,000 (projected to current FY end/next FY start)		
Fully Funded Balance	\$76,560		
Percent Funded	50.95%		
Proposed Budget	per year	per month	per unit per month
Reserve Allocation	\$39,060	\$3,255	\$93

Association management/members need to understand that Percent Funded is a general indication of reserve strength and that the parameter fluctuates from year to year due to the Disbursement Schedule.

The Reserve Allocation was determined using the Funding Plan indicated above under the Parameters section. This allocation should be increased annually using the Allocation Increase Rate found in the Cash Flow/Threshold Analysis.

Association management should budget the Reserve Allocation amount toward reserves for next fiscal year, to ensure the availability of reserves to fund future reserve component expenditures. This amount reflects an increase of 11.60% from the Current Reserve Allocation. The Reserve Allocation must be reviewed and adjusted for inflation (and other vital factors) in succeeding years to ensure the security of a successful plan!

First Five Years

PROPERTY								OWNER (PER UNIT)	
YEAR	STARTING BALANCE	CONTRIBUTIONS	SPECIAL ASSMNT	ADD'T'L CAPITAL	INTEREST	RESERVE EXPENSES	ENDING BALANCE	MONTHLY CONTRIB	SPECIAL ASSMNT
2025	\$40,000	\$39,060	\$0	\$0	\$0	\$2,500	\$76,560	\$93	\$0
2026	\$76,560	\$43,161	\$0	\$0	\$0	\$2,612	\$117,109	\$103	\$0
2027	\$117,109	\$47,693	\$0	\$0	\$0	\$2,730	\$162,073	\$114	\$0
2028	\$162,073	\$52,701	\$0	\$0	\$0	\$2,852	\$211,922	\$125	\$0
2029	\$211,922	\$58,235	\$0	\$0	\$0	\$222,849	\$47,307	\$139	\$0

Financial Summary

ASSOCIATION	FIRST YEAR (2025)	5 YEARS (2029)	10 YEARS (2034)	30 YEARS (2054)
Starting Balance	\$40,000	\$40,000	\$40,000	\$40,000
Contributions	\$39,060	\$240,850	\$637,638	\$3,421,829
Special Assessments	\$0	\$0	\$0	\$0
Additional Capital	\$0	\$0	\$0	\$0
Interest / Inv Returns	\$0	\$0	\$0	\$0
Reserve Expenses	(\$2,500)	(\$233,543)	(\$543,551)	(\$3,172,291)
Reserves Balance	\$76,560	\$47,307	\$134,087	\$289,538
# of Special Assessments	0	0	0	0
Owner				
Avg Contributions (/unit/month)	\$93	\$115	\$152	\$272
Special Assessments				
Avg Total Amount (/unit)	\$0	\$0	\$0	\$0
Avg Assessment Amount (/unit)	\$0	\$0	\$0	\$0

Reserve Disclosures

<i>Reserve Component</i>		<i>Current Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>
Building 1 Structural				
1.01	TPO Roofing	\$224,744	20:00	12:09
3.01	Unit Building Exterior Paint	\$109,440	5:00	4:09
4.01	Fire Prevention Allowance	\$2,500	1:00	0:11
4.03	Fire Pump	\$56,500	35:00	23:00
5.01	Building Restoration Allowance	\$70,000	5:00	4:09
5.02	Plumbing Allowance	\$2,500	5:00	4:11
5.03	Electrical Allowance	\$2,500	5:00	4:11
6.01	Common Area Windows (Unit 103)	\$3,000	10:00	8:11
6.02	Common Area Doors Allowance: Common Area Doors	\$10,000	10:00	9:11
Building 1 Structural Total		\$481,184		
Grand Total	<div>9</div>	<div>\$481,184</div>		

Cash Flow/Threshold Analysis

Fiscal Year	FY Starting Balance	Interest Earned	Reserve Allocation	Allocation Increase Rate	Special Assessment	Disbursement	FY End Balance	Fully Funded Balance	Percent Funded
2025	\$40,000	\$0	\$39,060	11.60%	\$0	\$2,500	\$76,560	\$150,257	50.95%
2026	\$76,560	\$0	\$43,161	10.50%	\$0	\$2,612	\$117,109	\$210,335	55.68%
2027	\$117,109	\$0	\$47,693	10.50%	\$0	\$2,730	\$162,073	\$275,504	58.83%
2028	\$162,073	\$0	\$52,701	10.50%	\$0	\$2,852	\$211,922	\$346,102	61.23%
2029	\$211,922	\$0	\$58,235	10.50%	\$0	\$222,849	\$47,307	\$422,485	11.20%
2030	\$47,307	\$0	\$64,349	10.50%	\$0	\$3,114	\$108,543	\$275,292	39.43%
2031	\$108,543	\$0	\$71,106	10.50%	\$0	\$3,254	\$176,395	\$354,082	49.82%
2032	\$176,395	\$0	\$78,572	10.50%	\$0	\$3,400	\$251,567	\$439,391	57.25%
2033	\$251,567	\$0	\$86,822	10.50%	\$0	\$7,816	\$330,574	\$531,647	62.18%
2034	\$330,574	\$0	\$95,938	10.50%	\$0	\$292,425	\$134,087	\$626,848	21.39%
2035	\$134,087	\$0	\$106,012	10.50%	\$0	\$3,879	\$236,220	\$431,402	54.76%
2036	\$236,220	\$0	\$117,143	10.50%	\$0	\$4,053	\$349,310	\$532,356	65.62%
2037	\$349,310	\$0	\$129,443	10.50%	\$0	\$384,937	\$93,817	\$641,507	14.62%
2038	\$93,817	\$0	\$143,035	10.50%	\$0	\$4,425	\$232,426	\$361,590	64.28%
2039	\$232,426	\$0	\$143,035	0.00%	\$0	\$345,744	\$29,718	\$470,900	6.31%
2040	\$29,718	\$0	\$143,035	0.00%	\$0	\$4,831	\$167,921	\$232,866	72.11%
2041	\$167,921	\$0	\$143,035	0.00%	\$0	\$5,048	\$305,908	\$344,942	88.68%
2042	\$305,908	\$0	\$143,035	0.00%	\$0	\$5,275	\$443,668	\$466,614	95.08%
2043	\$443,668	\$0	\$143,035	0.00%	\$0	\$12,126	\$574,577	\$598,515	96.00%
2044	\$574,577	\$0	\$143,035	0.00%	\$0	\$430,642	\$286,970	\$734,410	39.07%
2045	\$286,970	\$0	\$143,035	0.00%	\$0	\$6,018	\$423,987	\$444,557	95.37%
2046	\$423,987	\$0	\$143,035	0.00%	\$0	\$6,288	\$560,734	\$591,095	94.86%
2047	\$560,734	\$0	\$143,035	0.00%	\$0	\$6,570	\$697,198	\$749,895	92.97%
2048	\$697,198	\$0	\$143,035	0.00%	\$0	\$162,021	\$678,212	\$921,764	73.58%
2049	\$678,212	\$0	\$143,035	0.00%	\$0	\$536,408	\$284,839	\$945,434	30.13%
2050	\$284,839	\$0	\$143,035	0.00%	\$0	\$7,496	\$420,378	\$585,773	71.76%
2051	\$420,378	\$0	\$143,035	0.00%	\$0	\$7,832	\$555,581	\$769,737	72.18%
2052	\$555,581	\$0	\$143,035	0.00%	\$0	\$8,184	\$690,432	\$969,040	71.25%
2053	\$690,432	\$0	\$143,035	0.00%	\$0	\$18,813	\$814,654	\$1,184,688	68.77%
2054	\$814,654	\$0	\$143,035	0.00%	\$0	\$668,151	\$289,538	\$1,407,026	20.58%

<div>0.00% - Interest Rate</div> <div>4.49% - Inflation</div>	Min FY End Balance:	\$29,718	Min % Funded:	6.31%
	Avg FY End Balance:	\$325,074	Avg % Funded:	58.53%

Disbursement By Year

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2025 (Year 1)						
4.01	Fire Prevention Allowance	\$2,500.00	1 Allow	\$2,500	1y	2026
2025 (Year 1) Total				\$2,500		
2026 (Year 2)						
4.01	Fire Prevention Allowance	\$2,612.25	1 Allow	\$2,612	1y	2027
2026 (Year 2) Total				\$2,612		
2027 (Year 3)						
4.01	Fire Prevention Allowance	\$2,729.54	1 Allow	\$2,730	1y	2028
2027 (Year 3) Total				\$2,730		
2028 (Year 4)						
4.01	Fire Prevention Allowance	\$2,852.10	1 Allow	\$2,852	1y	2029
2028 (Year 4) Total				\$2,852		
2029 (Year 5)						
5.01	Building Restoration Allowance	\$83,444.35	1 Allow	\$83,444	5y	2034
5.03	Electrical Allowance	\$2,980.16	1 Allow	\$2,980	5y	2034
4.01	Fire Prevention Allowance	\$2,980.16	1 Allow	\$2,980	1y	2030
5.02	Plumbing Allowance	\$2,980.16	1 Allow	\$2,980	5y	2034
3.01	Unit Building Exterior Paint	\$7.248	18,000 SF	\$130,464	5y	2034
2029 (Year 5) Total				\$222,849		
2030 (Year 6)						
4.01	Fire Prevention Allowance	\$3,113.96	1 Allow	\$3,114	1y	2031
2030 (Year 6) Total				\$3,114		
2031 (Year 7)						
4.01	Fire Prevention Allowance	\$3,253.78	1 Allow	\$3,254	1y	2032
2031 (Year 7) Total				\$3,254		
2032 (Year 8)						

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
4.01	Fire Prevention Allowance	\$3,399.88	1 Allow	\$3,400	1y	2033
2032 (Year 8) Total				\$3,400		
2033 (Year 9)						
6.01	Common Area Windows (Unit 103)	\$4,263.04	1 Allow	\$4,263	10y	2043
4.01	Fire Prevention Allowance	\$3,552.53	1 Allow	\$3,553	1y	2034
2033 (Year 9) Total				\$7,816		
2034 (Year 10)						
5.01	Building Restoration Allowance	\$103,937.10	1 Allow	\$103,937	5y	2039
6.02	Common Area Doors Allowance: Common Area Doors	\$14,848.16	1 Ea	\$14,848	35y	N/A
5.03	Electrical Allowance	\$3,712.04	1 Allow	\$3,712	5y	2039
4.01	Fire Prevention Allowance	\$3,712.04	1 Allow	\$3,712	1y	2035
5.02	Plumbing Allowance	\$3,712.04	1 Allow	\$3,712	5y	2039
3.01	Unit Building Exterior Paint	\$9.028	18,000 SF	\$162,504	5y	2039
2034 (Year 10) Total				\$292,425		
2035 (Year 11)						
4.01	Fire Prevention Allowance	\$3,878.71	1 Allow	\$3,879	1y	2036
2035 (Year 11) Total				\$3,879		
2036 (Year 12)						
4.01	Fire Prevention Allowance	\$4,052.86	1 Allow	\$4,053	1y	2037
2036 (Year 12) Total				\$4,053		
2037 (Year 13)						
4.01	Fire Prevention Allowance	\$4,234.84	1 Allow	\$4,235	1y	2038
1.01	TPO Roofing	\$36.606	10,400 SF	\$380,702	20y	N/A
2037 (Year 13) Total				\$384,937		
2038 (Year 14)						
4.01	Fire Prevention Allowance	\$4,424.98	1 Allow	\$4,425	1y	2039
2038 (Year 14) Total				\$4,425		
2039 (Year 15)						
5.01	Building Restoration Allowance	\$129,462.58	1 Allow	\$129,463	5y	2044

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
5.03	Electrical Allowance	\$4,623.66	1 Allow	\$4,624	5y	2044
4.01	Fire Prevention Allowance	\$4,623.66	1 Allow	\$4,624	1y	2040
5.02	Plumbing Allowance	\$4,623.66	1 Allow	\$4,624	5y	2044
3.01	Unit Building Exterior Paint	\$11.245	18,000 SF	\$202,410	5y	2044
2039 (Year 15) Total				\$345,744		
2040 (Year 16)						
4.01	Fire Prevention Allowance	\$4,831.27	1 Allow	\$4,831	1y	2041
2040 (Year 16) Total				\$4,831		
2041 (Year 17)						
4.01	Fire Prevention Allowance	\$5,048.19	1 Allow	\$5,048	1y	2042
2041 (Year 17) Total				\$5,048		
2042 (Year 18)						
4.01	Fire Prevention Allowance	\$5,274.85	1 Allow	\$5,275	1y	2043
2042 (Year 18) Total				\$5,275		
2043 (Year 19)						
6.01	Common Area Windows (Unit 103)	\$6,614.03	1 Allow	\$6,614	10y	2053
4.01	Fire Prevention Allowance	\$5,511.69	1 Allow	\$5,512	1y	2044
2043 (Year 19) Total				\$12,126		
2044 (Year 20)						
5.01	Building Restoration Allowance	\$161,256.75	1 Allow	\$161,257	5y	2049
5.03	Electrical Allowance	\$5,759.17	1 Allow	\$5,759	5y	2049
4.01	Fire Prevention Allowance	\$5,759.17	1 Allow	\$5,759	1y	2045
5.02	Plumbing Allowance	\$5,759.17	1 Allow	\$5,759	5y	2049
3.01	Unit Building Exterior Paint	\$14.006	18,000 SF	\$252,108	5y	2049
2044 (Year 20) Total				\$430,642		
2045 (Year 21)						
4.01	Fire Prevention Allowance	\$6,017.76	1 Allow	\$6,018	1y	2046
2045 (Year 21) Total				\$6,018		
2046 (Year 22)						

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
4.01	Fire Prevention Allowance	\$6,287.95	1 Allow	\$6,288	1y	2047
2046 (Year 22) Total				\$6,288		
2047 (Year 23)						
4.01	Fire Prevention Allowance	\$6,570.28	1 Allow	\$6,570	1y	2048
2047 (Year 23) Total				\$6,570		
2048 (Year 24)						
4.01	Fire Prevention Allowance	\$6,865.29	1 Allow	\$6,865	1y	2049
4.03	Fire Pump	\$155,155.52	1 Ea	\$155,156	35y	N/A
2048 (Year 24) Total				\$162,021		
2049 (Year 25)						
5.01	Building Restoration Allowance	\$200,859.11	1 Allow	\$200,859	5y	2054
5.03	Electrical Allowance	\$7,173.54	1 Allow	\$7,174	5y	2054
4.01	Fire Prevention Allowance	\$7,173.54	1 Allow	\$7,174	1y	2050
5.02	Plumbing Allowance	\$7,173.54	1 Allow	\$7,174	5y	2054
3.01	Unit Building Exterior Paint	\$17.446	18,000 SF	\$314,028	5y	2054
2049 (Year 25) Total				\$536,408		
2050 (Year 26)						
4.01	Fire Prevention Allowance	\$7,495.63	1 Allow	\$7,496	1y	2051
2050 (Year 26) Total				\$7,496		
2051 (Year 27)						
4.01	Fire Prevention Allowance	\$7,832.19	1 Allow	\$7,832	1y	2052
2051 (Year 27) Total				\$7,832		
2052 (Year 28)						
4.01	Fire Prevention Allowance	\$8,183.85	1 Allow	\$8,184	1y	2053
2052 (Year 28) Total				\$8,184		
2053 (Year 29)						
6.01	Common Area Windows (Unit 103)	\$10,261.57	1 Allow	\$10,262	10y	N/A
4.01	Fire Prevention Allowance	\$8,551.31	1 Allow	\$8,551	1y	2054
2053 (Year 29) Total				\$18,813		
2054 (Year 30)						

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
5.01	Building Restoration Allowance	\$250,187.26	1 Allow	\$250,187	5y	N/A
5.03	Electrical Allowance	\$8,935.26	1 Allow	\$8,935	5y	N/A
4.01	Fire Prevention Allowance	\$8,935.26	1 Allow	\$8,935	1y	N/A
5.02	Plumbing Allowance	\$8,935.26	1 Allow	\$8,935	5y	N/A
3.01	Unit Building Exterior Paint	\$21.731	18,000 SF	\$391,158	5y	N/A
2054 (Year 30) Total				\$668,151		

Component Details

Reserve Component		UL	RL	Quantity	Unit Cost	Rplc %	Extended Cost
Building 1 Structural							
1.01	TPO Roofing	20:00	12:09	10,400 SF	\$21.61	100%	\$224,744
3.01	Unit Building Exterior Paint	5:00	4:09	18,000 SF	\$6.08	100%	\$109,440
4.01	Fire Prevention Allowance	1:00	0:11	1 Allow	\$2,500.00	100%	\$2,500
4.03	Fire Pump	35:00	23:00	1 Ea	\$56,500.00	100%	\$56,500
5.01	Building Restoration Allowance	5:00	4:09	1 Allow	\$70,000.00	100%	\$70,000
5.02	Plumbing Allowance	5:00	4:11	1 Allow	\$2,500.00	100%	\$2,500
5.03	Electrical Allowance	5:00	4:11	1 Allow	\$2,500.00	100%	\$2,500
6.01	Common Area Windows (Unit 103)	10:00	8:11	1 Allow	\$3,000.00	100%	\$3,000
6.02	Common Area Doors Allowance: Common Area Doors	10:00	9:11	1 Ea	\$10,000.00	100%	\$10,000

Grand Total:

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Appendices

Calculations

1) Allocation % =

Reserve Allocation (Component Method) / Total Reserve Allocation (Component Method) x 100

2) Current Cost =

Extended Cost (for a component without subcomponents)

-or-

Sum of subcomponent Extended Costs (for a component with subcomponents)

3) Extended Cost =

Quantity x Unit Cost x Replacement % x (1+Contingency Rate)

4) Fully Funded Balance =

Current Cost / Useful Life x (Useful Life - Remaining Life)

5) FY End Balance (same as Next FY Start Balance) =

Initial or current fiscal year-

Current Reserve Balance + Interest Earned + Reserve Allocation to Fund + Special Assessment to Fund + Funds Due from Operating - Approved Funds to Disburse - Disbursements

Subsequent fiscal years-

FY Start Balance + Interest Earned + (Reserve Allocation (from previous year) x (1 + Reserve Allocation Rate)) - Disbursements

6) Interest Earned=

Initial fiscal year-

Current Reserve Balance x (Interest Rate (net effective)/12 x Number of funding months remaining in current fiscal year)

Subsequent fiscal years-

FY Start Balance x Interest Rate (net effective)

7) Percent Funded =

(FY Start Balance / Fully Funded Balance) x 100

8) Reserve Allocation (Component Method) =

Current Cost / Useful Life

Definitions

Abbreviations

bldgs = <i>buildings</i>	lf or lin ft = <i>linear feet</i>	sy or sq yd = <i>square yard</i>
ea = <i>each</i>	RL = <i>remaining life</i>	UL = <i>useful life</i>
FY = <i>fiscal year</i>	sf or sq ft = <i>square feet</i>	% = <i>percent</i>
	(100 sq ft = 1 square)	

1) Age

The approximate age of the complex. This parameter is provided for information only.

2) Allocation %

A percentage of the total Reserve Allocation. See Calculations- APPENDIX B.

3) Allocation Increase Rate

Expressed as a percentage rate that reflects the increase of a given year's Reserve Allocation over the previous year's Reserve Allocation and utilized only in the Cash Flow/Threshold Analysis.

4) Base Year

The year in which the governing documents were recorded and/or the buildings constructed (average year may be used for phases built over a period of time), and utilized to determine the approximate complex age. This parameter is provided for information only.

5) Common Interest Development (CID)

Defined by shared property and restrictions in the deed on use of the property. A CID is governed by a mandatory Association of homeowners which administers the property and enforces its restrictions. The Association Board is responsible for repairing, replacing, or maintaining the common areas, other than the exclusive use common areas, and the owner of each separate interest is responsible for maintaining that separate interest and any exclusive use common area appurtenant to the separate interest. The following are two typical CID subdivision types:

A) Condominium- In general, the recorded owner has title to the unit (or airspace). They are typically responsible for the interior of their individual unit/garage, all utilities that service their unit and any exclusive use common area associated with their unit (e.g. balcony, doors/windows, patio yard, etc.).

B) Planned Development- In general, the recorded owner has title to the lot. They are typically responsible for the maintenance and repair of any structure or improvement located on their respective lot.

Note- CIDs & subdivision types are general and may not apply or may vary, based on your local.

6) Component Inventory

The task of selecting and quantifying reserve items. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of established association precedents, and discussion with appropriate association representatives.

7) Contingency Rate

Expressed as a percentage rate that reflects a factor added to the unit cost to prepare for an event that is liable to occur, but not with certainty.

8) Current Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore a reserve component to its original functional condition. Sources utilized to obtain estimates may include: the association, its contractors, other contractors, specialists and independent consultants, the State department of Real Estate (or other state department as applicable), construction pricing and estimating manuals, and the preparer's own experience and/or database of costs formulated in the preparation of other reserve study reports. See Calculations- APPENDIX B.

9) Disbursement

The funds expected to be paid or expended from the Reserve Balance.

10) Extended Cost

See Calculations- APPENDIX B.

11) Fiscal Year (FY)

A 12-month period for which an organization plans the use of its funds. There are two distinct types:

A) Calendar Fiscal Year (ends December 31)

B) Non-Calendar Fiscal Year (does not end December 31)

12) Full Funded Balance (FFB)

Total Accrued Depreciation. An indicator against which the FY Start Balance can be compared. The balance that is in direct proportion to the fraction of life "used up" of the cost.

See Calculations- APPENDIX B.

13) Funding Goal

Independent of methodology utilized, the following represents the basic categories of funding plan goals:

A) Baseline Funding- Maintaining a Net Reserve Balance at or near zero.

B) Full Funding- Maintaining a Reserve Balance at or near Percent Funded of 100%.

C) Statutory Funding- Maintaining a specified Reserve Balance/Percent Funded per statutes.

D) Threshold Funding- Establishing and maintaining a set Net Reserve Balance or Percent Funded.

14) Funding Method (or Funding Plan)

An association's plan to provide income to the reserve fund to offset expected disbursements from that fund. The following represents two (2) basic methodologies used to fund reserves:

A) Cash Flow/Threshold Method- A method of developing a reserve funding plan where allocations to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

B) Component Method- A method of developing a reserve funding plan where the total reserve allocation is based

on the sum of allocations for individual components.

15) Funding Plan

The combined Funding Method & Funding Goal.

16) FY End Balance (same as next FY Start Balance)

The balance in reserves at end of applicable fiscal year. See Calculations- Appendix B.

17) FY Start Balance (same as prior year FY End Balance)

The balance in reserves at start of applicable fiscal year.

18) Inflation Rate

Expressed as a percentage rate that reflects the increase of this year's costs over the previous year's costs. Also known as a 'cost increase factor'.

19) Interest Earned

The annual earning of reserve funds that have been deposited in certificates of deposit (CDs), money market accounts or other investment vehicles. See Calculations- Appendix B.

20) Interest Rate

The ratio of the gain received from an investment and the investment over a period of time (usually one year), prior to any federal or state imposed taxes.

21) Interest Rate (net effective)

The ratio of the gain received from an investment and the investment over a period of time (usually one year), after any federal or state imposed taxes.

22) Levels of Service

A) Level 1 Reserve Study (Full or Comprehensive)- A Reserve Study in which the following five Reserve Study tasks are performed:

- a) Component Inventory
- b) Life and Valuation Estimates
- c) Fund Status
- d) Funding Plan

B) Level 2 Reserve Study (Update, With-Site-Visit/On-Site Review)- A Reserve Study update in which the following five tasks are performed:

- a) Component Inventory
- b) Life and Valuation Estimates
- c) Fund Status
- d) Funding Plan

*Note- Updates are reliant on the validity of prior Reserve Studies.

C) Level 3 Reserve Study (Update, No-Site-Visit/Off-Site Review)- A Reserve Study update with no on-site visual observations in which the following three tasks are performed:

- a) Life and Valuation Estimates

- b) Fund Status
- c) Funding Plan

*Note- Updates are reliant on the validity of prior Reserve Studies.

23) Percent Funded

A comparison of the Fully Funded Balance to the FY Start Balance expressed as a percentage, and used to provide a 'general indication' of reserve strength. See Calculations- APPENDIX B.

24) Quantity

The number or amount of a particular reserve component or subcomponent.

25) Remaining Life (RL)

The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the current fiscal year (but have not been approved) have a remaining life of "zero".

26) Replacement %

A percentage of the total replacement for a particular reserve component or subcomponent. This parameter is normally 100%.

27) Reserve Allocation

The amount to be annually budgeted towards reserves based on a Funding Plan.

28) Reserve Component (or subcomponent)

The individual line items in the reserve study, developed or updated in the physical analysis that form the building blocks of the reserve study. They typically are:

- A) association responsibility,
- B) with limited useful life expectancies,
- C) predictable remaining useful life expectancies,
- D) above a minimum threshold cost,
- E) and, as required by statutes.

29) Restoration

Defined as to bring back to an unimpaired or improved condition. General types follow:

- A) Building- In general, funding utilized to defray the cost (in whole or part) of major building components that are not necessarily included as line items and may include termite treatment.
- B) Irrigation System- In general, funding utilized to defray the cost (in whole or part) of sectional irrigation system areas including modernization to improve water management.
- C) Landscape- In general, funding utilized to defray the cost (in whole or part) of sectional landscape areas including modernization to improve water conservation & drainage.

30) Risk Factor

The associated risk of the availability of reserves to fund expenditures by interpreting the Percent Funded parameter as follows:

- A) 70% and above- LOW
- B) 31% to 69%- MODERATE
- C) 30% and below- HIGH

31) Unit Cost

The current fiscal year's estimated cost to maintain, replace, repair, or restore an individual "unit of measure" of a reserve component or subcomponent to its original functional condition.

32) Unit of Measure

A system of units used in measuring a reserve component or subcomponent (i.e. each, lineal feet, square feet, etc.).

33) Useful Life (UL)

Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve item can be expected to serve its intended function if properly constructed and maintained in its present application or installation.

Component Detail Pages

TPO Roofing

Basic Info		Cost Data	
Type of Cost:	Replacement	Unit Cost (01/01/2025):	\$21.61
Category:	Building 1 Structural	Total Qty to Maintain (100% of Total):	10,400 SF
Useful Life:	20:00	Total Current Cost:	\$224,744
Inflation Rate:	4.49%		

Comments

Included for the replacement of TPO Roofing

Items

Item	Useful Life	Remaining Life	Quantity	Total Current Cost
TPO Roofing	20:00	12:09	10,400 SF	\$224,744
Total			10,400 SF	\$224,744

Photos





Unit Building Exterior Paint

Basic Info		Cost Data	
Type of Cost:	Replacement	Unit Cost (01/01/2025):	\$6.08
Category:	Building 1 Structural	Total Qty to Maintain (100% of Total):	18,000 SF
Useful Life:	5:00	Total Current Cost:	\$109,440
Inflation Rate:	4.49%		

Comments

Included for Waterproofing/Painting at 5-year intervals

Items

Item	Useful Life	Remaining Life	Quantity	Total Current Cost
Unit Building Exterior Paint	5:00	4:09	18,000 SF	\$109,440
Total			18,000 SF	\$109,440

Photos





Fire Prevention Allowance

Basic Info		Cost Data	
Type of Cost:	Replacement	Unit Cost (01/01/2025):	\$2,500.00
Category:	Building 1 Structural	Total Qty to Maintain (100% of Total):	1 Allow
Useful Life:	1:00	Total Current Cost:	\$2,500
Inflation Rate:	4.49%		

Comments

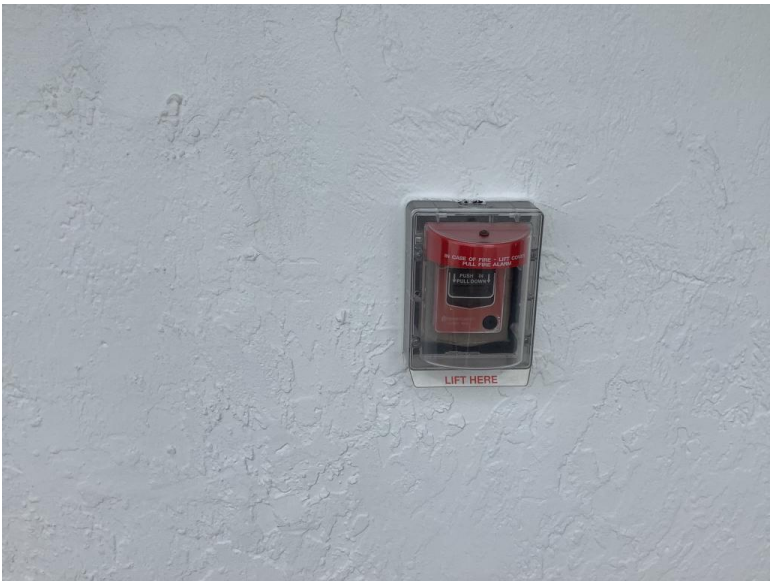
Included for repairs/replacement of smaller items in a larger component system

Items

Item	Useful Life	Remaining Life	Quantity	Total Current Cost
Fire Prevention Allowance	1:00	0:11	1 Allow	\$2,500
Total			1 Allow	\$2,500

Photos





Fire Pump

Basic Info		Cost Data	
Type of Cost:	Replacement	Unit Cost (01/01/2025):	\$56,500.00
Category:	Building 1 Structural	Total Qty to Maintain (100% of Total):	1 Ea
Useful Life:	35:00	Total Current Cost:	\$56,500
Inflation Rate:	4.49%		

Comments

Included for the replacement of fire pump, controller, and associated components

Items

Item	Useful Life	Remaining Life	Quantity	Total Current Cost
Fire Pump	35:00	23:00	1 Ea	\$56,500
Total			1 Ea	\$56,500

Photos





Building Restoration Allowance

Basic Info		Cost Data	
Type of Cost:	Repairs & Maintenance	Unit Cost (01/01/2025):	\$70,000.00
Category:	Building 1 Structural	Total Qty to Maintain (100% of Total):	1 Allow
Useful Life:	5:00	Total Current Cost:	\$70,000
Inflation Rate:	4.49%		

Comments

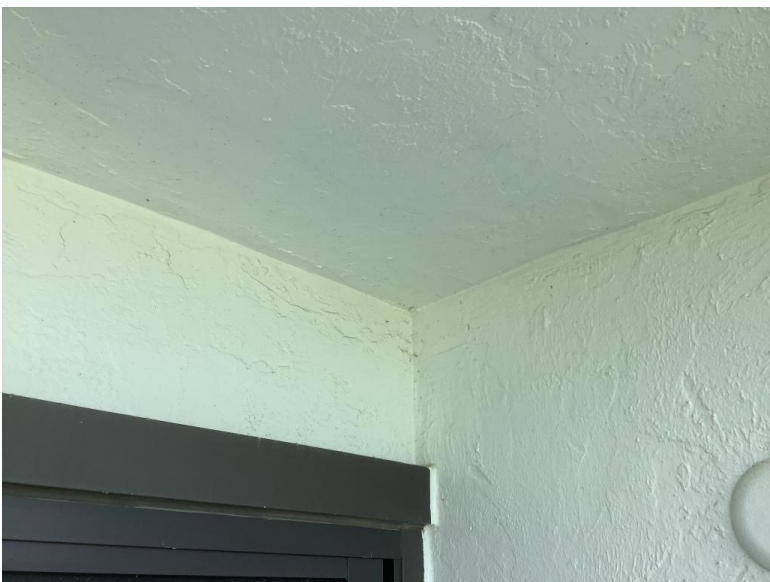
Included for repair to exterior concrete, walkways, balconies, slab floors, foundation, and internal load bearing walls. This figure is based on costs for Balcony and Walkway Waterproofing plus recommendations from Charles Adams Engineering.

Items

Item	Useful Life	Remaining Life	Quantity	Total Current Cost
Building Restoration Allowance	5:00	4:09	1 Allow	\$70,000
Total			1 Allow	\$70,000

Photos







Plumbing Allowance

Basic Info		Cost Data	
Type of Cost:	Replacement	Unit Cost (01/01/2025):	\$2,500.00
Category:	Building 1 Structural	Total Qty to Maintain (100% of Total):	1 Allow
Useful Life:	5:00	Total Current Cost:	\$2,500
Inflation Rate:	4.49%		

Comments

Included for repairs/replacement of smaller items in a larger component system

Items

Item	Useful Life	Remaining Life	Quantity	Total Current Cost
Plumbing Allowance	5:00	4:11	1 Allow	\$2,500
Total			1 Allow	\$2,500

Photos



Electrical Allowance

Basic Info		Cost Data	
Type of Cost:	Replacement	Unit Cost (01/01/2025):	\$2,500.00
Category:	Building 1 Structural	Total Qty to Maintain (100% of Total):	1 Allow
Useful Life:	5:00	Total Current Cost:	\$2,500
Inflation Rate:	4.49%		

Comments

Included for repairs/replacement of smaller items in a larger component system

Items

Item	Useful Life	Remaining Life	Quantity	Total Current Cost
Electrical Allowance	5:00	4:11	1 Allow	\$2,500
Total			1 Allow	\$2,500

Photos



Common Area Windows (Unit 103)

Basic Info		Cost Data	
Type of Cost:	Replacement	Unit Cost (01/01/2025):	\$3,000.00
Category:	Building 1 Structural	Total Qty to Maintain (100% of Total):	1 Allow
Useful Life:	10:00	Total Current Cost:	\$3,000
Inflation Rate:	4.49%		

Comments

Included for the replacement of Common Area Windows

Items

Item	Useful Life	Remaining Life	Quantity	Total Current Cost
Common Area Windows (Unit 103)	10:00	8:11	1 Allow	\$3,000
Total			1 Allow	\$3,000

Photos





Common Area Doors Allowance

Basic Info		Cost Data	
Type of Cost:	Replacement	Unit Cost (01/01/2025):	\$10,000.00
Category:	Building 1 Structural	Total Qty to Maintain (100% of Total):	1 Ea
Useful Life:	35:00	Total Current Cost:	\$10,000
Inflation Rate:	4.49%		

Comments

Included for the replacement, repainting and rustproofing of Common Area Steel Doors

Items

Item	Useful Life	Remaining Life	Quantity	Total Current Cost
Common Area Doors Allowance: Common Area Doors	10:00	9:11	1 Ea	\$10,000
Total			1 Ea	\$10,000

Photos





