

EXPERT



Reserve Services, Inc.

**Traditional Reserve Studies - Replacement Cost Valuations
Structural Integrity Reserve Studies - Milestone Inspections**

Structural Integrity Reserve Study

Erroll By The Sea



Level III Update, No-Site-Visit/Off Site Review

Prepared for Fiscal Year 2025 Final Date: February 10, 2025



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.

Erroll By The Sea

4501 S Atlantic Ave, New Smyrna Beach, FL 32169

Structural Integrity Reserve Study Year 2025

February 10, 2025

As authorized, a reserve study report has been prepared for Erroll By The Sea Condominium Association located at 4501 S Atlantic Ave, New Smyrna Beach, FL 32169. Built-in 1974 containing 130 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:	\$1,200,000
Projected Expenditures in addition to Operating Budget* (2025):	\$11,250
Threshold Model - Full Funding (1/1/2026):	\$1,212,750
Additional Annual Contribution (2025):	\$0
Additional Annual Contribution per Unit Average (2025):	\$0

As directed by the association an inflation rate of 3.00% annually has been applied to this report.

***The operating budget includes funding for traditional reserves, structural reserves reserves, and annual concrete maintenance repairs.**

Based on all the components stated above and our inspection, it is our opinion, that Erroll By The Sea 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 Reserve Services, 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.

Expert Reserve Services, Inc. is committed to conducting reserve studies with the highest standards of integrity and professionalism. We ensure that all recommendations and decisions are made solely in the best interests of our clients, free from any financial, personal, or business relationships that could influence our judgment. Any potential conflicts of interest will be disclosed to the client promptly. We do not accept referral fees, commissions, or compensation from third parties for recommending products or services. Our employees undergo regular training on ethical standards, and compliance with these policies is mandatory. We are dedicated to maintaining client trust by conducting all work in an unbiased and transparent manner.

Reserve Disclosures

Profile

Name	Erroll By The Sea
Location	New Smyrna Beach, FL 32169
Units / General Type	130 / Condominium
Base Year / Age	1974 / 51
Fiscal Year Ends	Dec 31

Parameters

Level of Service	Level III Update, No-Site-Visit/Off Site Review
Prepared for Fiscal Year (FY)	2025
Most Recent On-Site Inspection Date	N/A
Allocation Increase Rate (Avg)	3.68%
Inflation Rate	3.00%
Interest Rate	2.00%
Current Reserve Allocation	\$0 per year
Current Reserve Balance	\$1,200,000 as of January 1, 2025
Funding Plan - Method / Goal	Threshold Model

Summary

FY Start Balance	\$1,200,000 (projected to current FY end/next FY start)		
Fully Funded Balance	\$1,212,750		
Percent Funded	94.72%		
Proposed Budget	per year	per month	Average
Reserve Allocation	\$0	\$0	\$0

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 N/A 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	\$1,200,000	\$0	\$0	\$0	\$24,000	\$11,250	\$1,212,750	\$0	\$0
2026	\$1,212,750	\$108,000	\$0	\$0	\$24,255	\$11,588	\$1,333,417	\$69	\$0
2027	\$1,333,417	\$113,400	\$0	\$0	\$26,668	\$11,934	\$1,461,551	\$73	\$0
2028	\$1,461,551	\$119,070	\$0	\$0	\$29,231	\$660,567	\$949,285	\$76	\$0
2029	\$949,285	\$125,024	\$0	\$0	\$18,986	\$12,663	\$1,080,632	\$80	\$0

Financial Summary

ASSOCIATION	FIRST YEAR (2025)	5 YEARS (2029)	10 YEARS (2034)	30 YEARS (2054)
Starting Balance	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Contributions	\$0	\$465,494	\$1,243,518	\$9,926,605
Special Assessments	\$0	\$0	\$0	\$0
Additional Capital	\$0	\$0	\$0	\$0
Interest / Inv Returns	\$24,000	\$123,140	\$262,001	\$1,191,322
Reserve Expenses	(\$11,250)	(\$708,002)	(\$777,241)	(\$6,509,248)
Reserves Balance	\$1,212,750	\$1,080,632	\$1,928,278	\$5,808,678
# of Special Assessments	0	0	0	0
Owner				
Avg Contributions (/unit/month)	\$0	\$60	\$80	\$212
Special Assessments				
Avg Total Amount (/unit)	\$0	\$0	\$0	\$0
Avg Assessment Amount (/unit)	\$0	\$0	\$0	\$0

Reserve Disclosures

Reserve Component		Current Cost	Useful Life	Remaining Life
Building 1 Structural				
1.01	Unit Building Roof	\$853,281	20y	16y
1.02	Mansard Metal Roofs	\$462,132	50y	46y
2.01	Unit Building Exterior Paint	\$593,346	10y	3y
4.01	Fire Prevention Allowance	\$1,250	1y	0y
5.01	Building Restoration Allowance	\$1,200,000	20y	13y
5.02	Plumbing Allowance	\$5,000	1y	0y
5.03	Electrical Allowance	\$5,000	1y	0y
6.01	Common Area Windows & Doors Allowance	\$68,320	35y	27y
Building 1 Structural Total		\$3,188,329		
Grand Total		8	\$3,188,329	

Cash Flow/Threshold Analysis

Fiscal Year	FY Starting Balance	Interest Earned	Contribution	Contribution Increase Rate	Special Assessment	Expenditures	Fully Funded Balance	100% Funded Balance	Percent Funded
2025	\$1,200,000	\$24,000	\$0	N/A	\$0	\$11,250	\$1,212,750	\$1,280,320	94.72%
2026	\$1,212,750	\$24,255	\$108,000	N/A	\$0	\$11,588	\$1,333,417	\$1,502,469	88.75%
2027	\$1,333,417	\$26,668	\$113,400	5.00%	\$0	\$11,934	\$1,461,551	\$1,736,797	84.15%
2028	\$1,461,551	\$29,231	\$119,070	5.00%	\$0	\$660,567	\$949,285	\$1,316,016	72.13%
2029	\$949,285	\$18,986	\$125,024	5.00%	\$0	\$12,663	\$1,080,632	\$1,556,273	69.44%
2030	\$1,080,632	\$21,613	\$132,525	6.00%	\$0	\$13,041	\$1,221,728	\$1,809,764	67.51%
2031	\$1,221,728	\$24,435	\$141,802	7.00%	\$0	\$13,433	\$1,374,532	\$2,077,061	66.18%
2032	\$1,374,532	\$27,491	\$153,146	8.00%	\$0	\$13,835	\$1,541,333	\$2,358,771	65.34%
2033	\$1,541,333	\$30,827	\$166,929	9.00%	\$0	\$14,251	\$1,724,838	\$2,655,512	64.95%
2034	\$1,724,838	\$34,497	\$183,622	10.00%	\$0	\$14,679	\$1,928,278	\$2,967,936	64.97%
2035	\$1,928,278	\$38,566	\$201,984	10.00%	\$0	\$15,120	\$2,153,707	\$3,296,712	65.33%
2036	\$2,153,707	\$43,074	\$222,182	10.00%	\$0	\$15,572	\$2,403,392	\$3,642,547	65.98%
2037	\$2,403,392	\$48,068	\$244,400	10.00%	\$0	\$16,040	\$2,679,819	\$4,006,163	66.89%
2038	\$2,679,819	\$53,596	\$273,728	12.00%	\$0	\$2,650,133	\$357,011	\$1,675,722	21.30%
2039	\$357,011	\$7,140	\$312,050	14.00%	\$0	\$17,017	\$659,184	\$1,995,823	33.03%
2040	\$659,184	\$13,184	\$355,738	14.00%	\$0	\$17,527	\$1,010,578	\$2,333,622	43.31%
2041	\$1,010,578	\$20,212	\$398,426	12.00%	\$0	\$1,387,336	\$41,880	\$1,279,547	3.27%
2042	\$41,880	\$838	\$434,285	9.00%	\$0	\$18,594	\$458,408	\$1,612,784	28.42%
2043	\$458,408	\$9,168	\$473,370	9.00%	\$0	\$19,152	\$921,795	\$1,964,865	46.91%
2044	\$921,795	\$18,436	\$515,974	9.00%	\$0	\$19,728	\$1,436,476	\$2,336,618	61.48%
2045	\$1,436,476	\$28,730	\$562,411	9.00%	\$0	\$20,320	\$2,007,297	\$2,728,905	73.56%
2046	\$2,007,297	\$40,146	\$613,028	9.00%	\$0	\$20,927	\$2,639,545	\$3,142,629	83.99%
2047	\$2,639,545	\$52,791	\$662,071	8.00%	\$0	\$21,557	\$3,332,849	\$3,578,720	93.13%
2048	\$3,332,849	\$66,657	\$602,071	-9.06%	\$0	\$1,193,299	\$2,808,278	\$2,831,997	99.16%
2049	\$2,808,278	\$56,166	\$511,443	-15.05%	\$0	\$22,869	\$3,353,018	\$3,279,585	102.24%
2050	\$3,353,018	\$67,060	\$475,208	-7.08%	\$0	\$23,555	\$3,871,731	\$3,751,480	103.21%
2051	\$3,871,731	\$77,435	\$456,180	-4.00%	\$0	\$24,262	\$4,381,084	\$4,248,736	103.11%
2052	\$4,381,084	\$87,622	\$456,180	0.00%	\$0	\$176,747	\$4,748,138	\$4,616,142	102.86%
2053	\$4,748,138	\$94,963	\$456,180	0.00%	\$0	\$25,740	\$5,273,540	\$5,162,767	102.15%
2054	\$5,273,540	\$105,471	\$456,180	0.00%	\$0	\$26,512	\$5,808,678	\$5,738,036	101.23%

2.00% - Interest Rate
3.00% - Inflation

Min FY End Balance:	\$41,880	Min % Funded:	3.27%
Avg FY End Balance:	\$2,139,158	Avg % Funded:	71.29%

Disbursement By Year

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2025 (Year 1)						
5.03	Electrical Allowance	\$5,000.00	1 Allow	\$5,000	1y	2026
4.01	Fire Prevention Allowance	\$1,250.00	1 Allow	\$1,250	1y	2026
5.02	Plumbing Allowance	\$5,000.00	1 Allow	\$5,000	1y	2026
2025 (Year 1) Total				\$11,250		
2026 (Year 2)						
5.03	Electrical Allowance	\$5,150.00	1 Allow	\$5,150	1y	2027
4.01	Fire Prevention Allowance	\$1,288.00	1 Allow	\$1,288	1y	2027
5.02	Plumbing Allowance	\$5,150.00	1 Allow	\$5,150	1y	2027
2026 (Year 2) Total				\$11,588		
2027 (Year 3)						
5.03	Electrical Allowance	\$5,304.00	1 Allow	\$5,304	1y	2028
4.01	Fire Prevention Allowance	\$1,326.00	1 Allow	\$1,326	1y	2028
5.02	Plumbing Allowance	\$5,304.00	1 Allow	\$5,304	1y	2028
2027 (Year 3) Total				\$11,934		
2028 (Year 4)						
5.03	Electrical Allowance	\$5,464.00	1 Allow	\$5,464	1y	2029
4.01	Fire Prevention Allowance	\$1,366.00	1 Allow	\$1,366	1y	2029
5.02	Plumbing Allowance	\$5,464.00	1 Allow	\$5,464	1y	2029
2.01	Unit Building Exterior Paint	\$1.912	339,055 SF	\$648,273	10y	2038
2028 (Year 4) Total				\$660,567		
2029 (Year 5)						
5.03	Electrical Allowance	\$5,628.00	1 Allow	\$5,628	1y	2030
4.01	Fire Prevention Allowance	\$1,407.00	1 Allow	\$1,407	1y	2030
5.02	Plumbing Allowance	\$5,628.00	1 Allow	\$5,628	1y	2030

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2029 (Year 5) Total				\$12,663		
2030 (Year 6)						
5.03	Electrical Allowance	\$5,796.00	1 Allow	\$5,796	1y	2031
4.01	Fire Prevention Allowance	\$1,449.00	1 Allow	\$1,449	1y	2031
5.02	Plumbing Allowance	\$5,796.00	1 Allow	\$5,796	1y	2031
2030 (Year 6) Total				\$13,041		
2031 (Year 7)						
5.03	Electrical Allowance	\$5,970.00	1 Allow	\$5,970	1y	2032
4.01	Fire Prevention Allowance	\$1,493.00	1 Allow	\$1,493	1y	2032
5.02	Plumbing Allowance	\$5,970.00	1 Allow	\$5,970	1y	2032
2031 (Year 7) Total				\$13,433		
2032 (Year 8)						
5.03	Electrical Allowance	\$6,149.00	1 Allow	\$6,149	1y	2033
4.01	Fire Prevention Allowance	\$1,537.00	1 Allow	\$1,537	1y	2033
5.02	Plumbing Allowance	\$6,149.00	1 Allow	\$6,149	1y	2033
2032 (Year 8) Total				\$13,835		
2033 (Year 9)						
5.03	Electrical Allowance	\$6,334.00	1 Allow	\$6,334	1y	2034
4.01	Fire Prevention Allowance	\$1,583.00	1 Allow	\$1,583	1y	2034
5.02	Plumbing Allowance	\$6,334.00	1 Allow	\$6,334	1y	2034
2033 (Year 9) Total				\$14,251		
2034 (Year 10)						
5.03	Electrical Allowance	\$6,524.00	1 Allow	\$6,524	1y	2035
4.01	Fire Prevention Allowance	\$1,631.00	1 Allow	\$1,631	1y	2035
5.02	Plumbing Allowance	\$6,524.00	1 Allow	\$6,524	1y	2035
2034 (Year 10) Total				\$14,679		
2035 (Year 11)						
5.03	Electrical Allowance	\$6,720.00	1 Allow	\$6,720	1y	2036
4.01	Fire Prevention Allowance	\$1,680.00	1 Allow	\$1,680	1y	2036

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
5.02	Plumbing Allowance	\$6,720.00	1 Allow	\$6,720	1y	2036
2035 (Year 11) Total				\$15,120		
2036 (Year 12)						
5.03	Electrical Allowance	\$6,921.00	1 Allow	\$6,921	1y	2037
4.01	Fire Prevention Allowance	\$1,730.00	1 Allow	\$1,730	1y	2037
5.02	Plumbing Allowance	\$6,921.00	1 Allow	\$6,921	1y	2037
2036 (Year 12) Total				\$15,572		
2037 (Year 13)						
5.03	Electrical Allowance	\$7,129.00	1 Allow	\$7,129	1y	2038
4.01	Fire Prevention Allowance	\$1,782.00	1 Allow	\$1,782	1y	2038
5.02	Plumbing Allowance	\$7,129.00	1 Allow	\$7,129	1y	2038
2037 (Year 13) Total				\$16,040		
2038 (Year 14)						
5.01	Building Restoration Allowance	\$1,762,240.00	1 Allow	\$1,762,240	20y	N/A
5.03	Electrical Allowance	\$7,343.00	1 Allow	\$7,343	1y	2039
4.01	Fire Prevention Allowance	\$1,836.00	1 Allow	\$1,836	1y	2039
5.02	Plumbing Allowance	\$7,343.00	1 Allow	\$7,343	1y	2039
2.01	Unit Building Exterior Paint	\$2.57	339,055 SF	\$871,371	10y	2048
2038 (Year 14) Total				\$2,650,133		
2039 (Year 15)						
5.03	Electrical Allowance	\$7,563.00	1 Allow	\$7,563	1y	2040
4.01	Fire Prevention Allowance	\$1,891.00	1 Allow	\$1,891	1y	2040
5.02	Plumbing Allowance	\$7,563.00	1 Allow	\$7,563	1y	2040
2039 (Year 15) Total				\$17,017		
2040 (Year 16)						
5.03	Electrical Allowance	\$7,790.00	1 Allow	\$7,790	1y	2041
4.01	Fire Prevention Allowance	\$1,947.00	1 Allow	\$1,947	1y	2041
5.02	Plumbing Allowance	\$7,790.00	1 Allow	\$7,790	1y	2041
2040 (Year 16) Total				\$17,527		

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2041 (Year 17)						
5.03	Electrical Allowance	\$8,024.00	1 Allow	\$8,024	1y	2042
4.01	Fire Prevention Allowance	\$2,006.00	1 Allow	\$2,006	1y	2042
5.02	Plumbing Allowance	\$8,024.00	1 Allow	\$8,024	1y	2042
1.01	Unit Building Roof	\$31.918	42,900 SF	\$1,369,282	20y	N/A
2041 (Year 17) Total				\$1,387,336		
2042 (Year 18)						
5.03	Electrical Allowance	\$8,264.00	1 Allow	\$8,264	1y	2043
4.01	Fire Prevention Allowance	\$2,066.00	1 Allow	\$2,066	1y	2043
5.02	Plumbing Allowance	\$8,264.00	1 Allow	\$8,264	1y	2043
2042 (Year 18) Total				\$18,594		
2043 (Year 19)						
5.03	Electrical Allowance	\$8,512.00	1 Allow	\$8,512	1y	2044
4.01	Fire Prevention Allowance	\$2,128.00	1 Allow	\$2,128	1y	2044
5.02	Plumbing Allowance	\$8,512.00	1 Allow	\$8,512	1y	2044
2043 (Year 19) Total				\$19,152		
2044 (Year 20)						
5.03	Electrical Allowance	\$8,768.00	1 Allow	\$8,768	1y	2045
4.01	Fire Prevention Allowance	\$2,192.00	1 Allow	\$2,192	1y	2045
5.02	Plumbing Allowance	\$8,768.00	1 Allow	\$8,768	1y	2045
2044 (Year 20) Total				\$19,728		
2045 (Year 21)						
5.03	Electrical Allowance	\$9,031.00	1 Allow	\$9,031	1y	2046
4.01	Fire Prevention Allowance	\$2,258.00	1 Allow	\$2,258	1y	2046
5.02	Plumbing Allowance	\$9,031.00	1 Allow	\$9,031	1y	2046
2045 (Year 21) Total				\$20,320		
2046 (Year 22)						
5.03	Electrical Allowance	\$9,301.00	1 Allow	\$9,301	1y	2047
4.01	Fire Prevention Allowance	\$2,325.00	1 Allow	\$2,325	1y	2047

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
5.02	Plumbing Allowance	\$9,301.00	1 Allow	\$9,301	1y	2047
2046 (Year 22) Total				\$20,927		
2047 (Year 23)						
5.03	Electrical Allowance	\$9,581.00	1 Allow	\$9,581	1y	2048
4.01	Fire Prevention Allowance	\$2,395.00	1 Allow	\$2,395	1y	2048
5.02	Plumbing Allowance	\$9,581.00	1 Allow	\$9,581	1y	2048
2047 (Year 23) Total				\$21,557		
2048 (Year 24)						
5.03	Electrical Allowance	\$9,868.00	1 Allow	\$9,868	1y	2049
4.01	Fire Prevention Allowance	\$2,467.00	1 Allow	\$2,467	1y	2049
5.02	Plumbing Allowance	\$9,868.00	1 Allow	\$9,868	1y	2049
2.01	Unit Building Exterior Paint	\$3.454	339,055 SF	\$1,171,096	10y	N/A
2048 (Year 24) Total				\$1,193,299		
2049 (Year 25)						
5.03	Electrical Allowance	\$10,164.00	1 Allow	\$10,164	1y	2050
4.01	Fire Prevention Allowance	\$2,541.00	1 Allow	\$2,541	1y	2050
5.02	Plumbing Allowance	\$10,164.00	1 Allow	\$10,164	1y	2050
2049 (Year 25) Total				\$22,869		
2050 (Year 26)						
5.03	Electrical Allowance	\$10,469.00	1 Allow	\$10,469	1y	2051
4.01	Fire Prevention Allowance	\$2,617.00	1 Allow	\$2,617	1y	2051
5.02	Plumbing Allowance	\$10,469.00	1 Allow	\$10,469	1y	2051
2050 (Year 26) Total				\$23,555		
2051 (Year 27)						
5.03	Electrical Allowance	\$10,783.00	1 Allow	\$10,783	1y	2052
4.01	Fire Prevention Allowance	\$2,696.00	1 Allow	\$2,696	1y	2052
5.02	Plumbing Allowance	\$10,783.00	1 Allow	\$10,783	1y	2052
2051 (Year 27) Total				\$24,262		
2052 (Year 28)						

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
6.01	Common Area Windows & Doors Allowance	\$151,758.00	1 Allow	\$151,758	35y	N/A
5.03	Electrical Allowance	\$11,106.00	1 Allow	\$11,106	1y	2053
4.01	Fire Prevention Allowance	\$2,777.00	1 Allow	\$2,777	1y	2053
5.02	Plumbing Allowance	\$11,106.00	1 Allow	\$11,106	1y	2053
2052 (Year 28) Total				\$176,747		
2053 (Year 29)						
5.03	Electrical Allowance	\$11,440.00	1 Allow	\$11,440	1y	2054
4.01	Fire Prevention Allowance	\$2,860.00	1 Allow	\$2,860	1y	2054
5.02	Plumbing Allowance	\$11,440.00	1 Allow	\$11,440	1y	2054
2053 (Year 29) Total				\$25,740		
2054 (Year 30)						
5.03	Electrical Allowance	\$11,783.00	1 Allow	\$11,783	1y	N/A
4.01	Fire Prevention Allowance	\$2,946.00	1 Allow	\$2,946	1y	N/A
5.02	Plumbing Allowance	\$11,783.00	1 Allow	\$11,783	1y	N/A
2054 (Year 30) Total				\$26,512		

Component Details

Reserve Component		UL	RL	Quantity	Unit Cost	Rplc %	Extended Cost
Building 1 Structural							
1.01	Unit Building Roof	20y	16y	42,900 SF	\$19.89	100%	\$853,281
1.02	Mansard Metal Roofs	50y	46y	19,800 SF	\$23.34	100%	\$462,132
2.01	Unit Building Exterior Paint	10y	3y	339,055 SF	\$1.75	100%	\$593,346
4.01	Fire Prevention Allowance	1y	0y	1 Allow	\$1,250.00	100%	\$1,250
5.01	Building Restoration Allowance	20y	13y	1 Allow	\$1,200,000.00	100%	\$1,200,000
5.02	Plumbing Allowance	1y	0y	1 Allow	\$5,000.00	100%	\$5,000
5.03	Electrical Allowance	1y	0y	1 Allow	\$5,000.00	100%	\$5,000
6.01	Common Area Windows & Doors Allowance	35y	27y	1 Allow	\$68,320.00	100%	\$68,320

Grand Total:

8

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.

Unit Building Roof

Basic Info		Cost Data	
Asset ID:	1.01	Unit Cost (01/01/2025):	\$19.89
Type of Cost:		Total Qty to Maintain (100% of Total):	42,900 SF
Category:	Building 1 Structural	Total Current Cost:	\$853,281
Useful Life:	20y		
Inflation Rate:	3.00%		

Comments

Data gathered from within the local market suggests a probable life cycle in the 18-20-year range for a professionally designed, installed and maintained roof including gutters. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, etc., and installation of like roofing.

Items

Item	In-Service Date	Next Replacement Date	Quantity	Total Current Cost
Unit Building Roof	01/01/2021	01/01/2041	42,900 SF	\$853,281
Total			42,900 SF	\$853,281

Photos



Mansard Metal Roofs

Basic Info		Cost Data	
Asset ID:	1.02	Unit Cost (01/01/2025):	\$23.34
Type of Cost:	Replacement	Total Qty to Maintain (100% of Total):	19,800 SF
Category:	Building 1 Structural	Total Current Cost:	\$462,132
Useful Life:	50y		
Inflation Rate:	3.00%		

Comments

Mansard shingle roofing approximately sq ft. Data gathered from within the local market suggests a probable life cycle in the 35-50-year range for a professionally designed, installed, and maintained roof. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, etc., and installation of like roofing.

Items

Item	In-Service Date	Next Replacement Date	Quantity	Total Current Cost
Mansard Metal Roofs	01/01/2021	01/01/2071	19,800 SF	\$462,132
Total			19,800 SF	\$462,132

Photos



Unit Building Exterior Paint

Basic Info		Cost Data	
Asset ID:	2.01	Unit Cost (01/01/2025):	\$1.75
Type of Cost:	Replacement	Total Qty to Maintain (100% of Total):	339,055 SF
Category:	Building 1 Structural	Total Current Cost:	\$593,346
Useful Life:	10y		
Inflation Rate:	3.00%		

Comments

To ensure proper protection of the underlying concrete, stucco, wood, and metal surfaces, the market reflects a maximum 7-10-year useful life for exterior painting & waterproofing (instead of an association-purchased 10-year warranty). The current average per dwelling cost in keeping with market standards for similar buildings includes typical minor concrete/stucco repairs, surface preparation, as-needed window/sliding glass door caulking, and painting/refinishing of all exterior concrete, stucco, wood, and metal surfaces (including railings and window/slider frames). This does not include windows and doors (see separate entry where applicable).

Items

Item	In-Service Date	Next Replacement Date	Quantity	Total Current Cost
Unit Building Exterior Paint	01/01/2018	01/01/2028	339,055 SF	\$593,346
Total			339,055 SF	\$593,346

Photos



Fire Prevention Allowance

Basic Info		Cost Data	
Asset ID:	4.01	Unit Cost (01/01/2025):	\$1,250.00
Type of Cost:	Replacement	Total Qty to Maintain (100% of Total):	1 Allow
Category:	Building 1 Structural	Total Current Cost:	\$1,250
Useful Life:	1y		
Inflation Rate:	3.00%		

Comments

Due to improvements in technology and/or parts obsolescence, major modernization of fire alarm system components (panels, pull stations, horns/strobes, detectors, hoses, extinguishers) is typically necessary on a 10-year schedule with panels on a 30-year schedule. Given ever-changing technologies and/or changing fire codes, we recommend that as these systems age, a qualified life safety engineer(s) assess the subject's fire alarm systems periodically to determine more specific remaining useful life and cost parameters

Items

Item	In-Service Date	Next Replacement Date	Quantity	Total Current Cost
Fire Prevention Allowance	01/01/2024	01/01/2025	1 Allow	\$1,250
Total			1 Allow	\$1,250

Photos



Building Restoration Allowance

Basic Info

Asset ID:	5.01
Type of Cost:	Repairs & Maintenance
Category:	Building 1 Structural
Useful Life:	20y
Inflation Rate:	3.00%

Cost Data

Unit Cost (01/01/2025):	\$1,200,000.00
Total Qty to Maintain (100% of Total):	1 Allow
Total Current Cost:	\$1,200,000

Comments

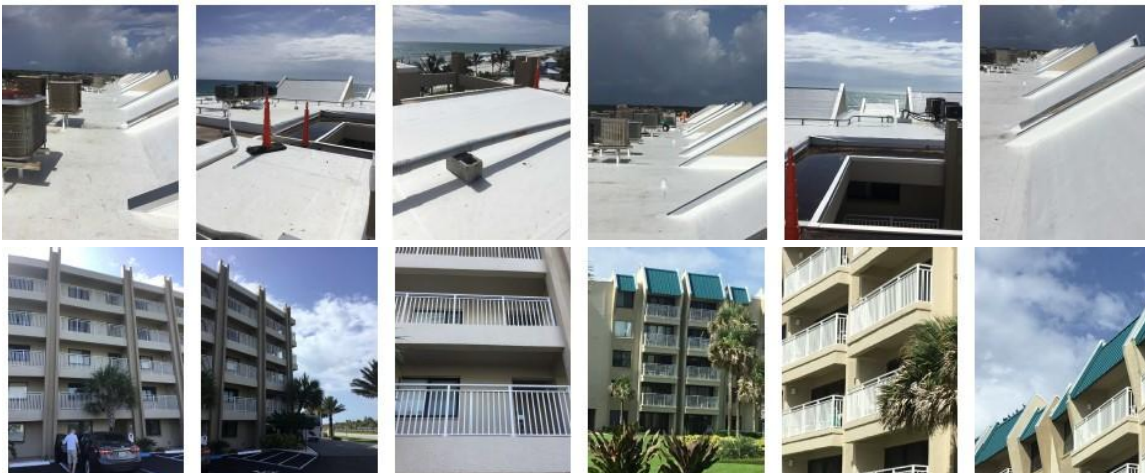
This component is expected to have a useful life cycle of 10 years based on location, products used, and application standards. The amount of this allowance and the useful life cycle may vary widely from actual expenses in the future and this report can be amended as more information becomes available. Allowances accrue funding for specific components' repair to extend the remaining life until a complete replacement is required or if partial replacement is adequate for maintaining the area. This allowance includes the building structure and all supporting components.

Based off of 2021 Replacement Cost Valuation.

Items

Item	In-Service Date	Next Replacement Date	Quantity	Total Current Cost
Building Restoration Allowance	01/01/2018	01/01/2038	1 Allow	\$1,200,000
Total			1 Allow	\$1,200,000

Photos



Plumbing Allowance

Basic Info		Cost Data	
Asset ID:	5.02	Unit Cost (01/01/2025):	\$5,000.00
Type of Cost:	Replacement	Total Qty to Maintain (100% of Total):	1 Allow
Category:	Building 1 Structural	Total Current Cost:	\$5,000
Useful Life:	1y		
Inflation Rate:	3.00%		

Comments

This entry was included for as-needed repair to plumbing lines, etc. An allowance approach is suggested as the entirety of the assemblies is not required to be replaced at one given time. This includes irrigation pipes, building plumbing, and electrical which is not part of the unit owner’s responsibility.

Items

Item	In-Service Date	Next Replacement Date	Quantity	Total Current Cost
Plumbing Allowance	01/01/2024	01/01/2025	1 Allow	\$5,000
Total			1 Allow	\$5,000

Photos



Electrical Allowance

Basic Info		Cost Data	
Asset ID:	5.03	Unit Cost (01/01/2025):	\$5,000.00
Type of Cost:	Replacement	Total Qty to Maintain (100% of Total):	1 Allow
Category:	Building 1 Structural	Total Current Cost:	\$5,000
Useful Life:	1y		
Inflation Rate:	3.00%		

Comments

This entry was included for as-needed repair to electrical boxes, wiring, etc. An allowance approach is suggested as the entirety of the assemblies is not required to be replaced at one given time. This includes irrigation pipes, building plumbing, and electrical which is not part of the unit owner’s responsibility.

Items

Item	In-Service Date	Next Replacement Date	Quantity	Total Current Cost
Electrical Allowance	01/01/2024	01/01/2025	1 Allow	\$5,000
Total			1 Allow	\$5,000

Photos



Common Area Windows & Doors Allowance

Basic Info		Cost Data	
Asset ID:	6.01	Unit Cost (01/01/2025):	\$68,320.00
Type of Cost:	Replacement	Total Qty to Maintain (100% of Total):	1 Allow
Category:	Building 1 Structural	Total Current Cost:	\$68,320
Useful Life:	35y		
Inflation Rate:	3.00%		

Comments

This category refers to common area window replacement including facings and installation. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component. This entry assumes the association will replace 10% of its doors or windows every 10 years.

Items

Item	In-Service Date	Next Replacement Date	Quantity	Total Current Cost
Common Area Windows & Doors Allowance	01/01/2017	01/01/2052	1 Allow	\$68,320
Total			1 Allow	\$68,320

Photos



