

Reserve Study Fiscal Year 2018



*ABC Homeowner's
Association
ABC City, Florida*



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Information for the Client

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This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

Any information provided to us by official representatives of the association regarding financial, physical, quantity, or historical issues is deemed reliable. Additionally, information proved about reserve projects, both by the client and by the reserve provider, are considered reliable. Any on-site inspection conducted by the provider should not be considered a project audit or quality inspection.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Staebler Appraisal and Consulting would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need

assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study. Updates and revisions will be provided on an hourly consulting basis.

This reserve analysis 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.

Part I

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

Please keep in mind, a reserve study aides and guides the association in making decisions for the future upkeep of the property. However, major components like roof and waterproofing/painting are less likely to be changed than other components like fences or landscape for example. The replacement of a fence can be a cosmetic decision and the board might decide together with the analyst to postpone a replacement.

Funding Options

When a major repair or replacement is required in a community, an association essentially has four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is to assess an adequate level of reserves as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of e.g. the roof to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership (past, present and future members) and would have earned interest as part of that contribution.

The second option is for the association to acquire a loan from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five-year period, with interest.

The third option, too often used, is simply to defer the required repair or replacement. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions request copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "special assessment" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

- Full Reserve Study
- Update with site inspection
- Update without site inspection

In a Full Reserve Study, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "fund status" and "funding plan". A full reserve study conducted by Staebler Appraisal and Consulting **always** entails the following physical analysis and on-site observations:

- Dimension take-off of all structures included in the study, verified with construction plans and/or public records when available
- Physical inspection and photographic documentation of all structures and components included in the study
- Destructive testing, if deemed necessary, is outsourced to appropriate professionals such as an engineer

In an Update with site inspection, the reserve provider conducts a component inventory (verification with new photographs only, no quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the "fund status and "funding plan."

In an Update without site inspection, the reserve provider conducts life and valuation estimates to determine the "fund status" and "funding plan."

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of *operational expenses* include:

Utilities, Bank Service Charges, Accounting, Electricity, Dues & Publications, Reserve Study, Gas Licenses, Permits & Fees, Repair Expenses, Water, Insurance(s), Tile Roof Repairs, Telephone Services, Equipment Repairs, Cable, TV, Landscaping, Minor Concrete Repairs, Administrative, Pool, Maintenance Operating Contingency, Supplies and Street Sweeping.

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance. Examples of reserve expenses include:

- Roof Replacements
- Park/Play Equipment
- Painting Pool
- Spa Re-plastering
- Deck Resurfacing
- Pool Equipment Replacement
- Fencing Replacement
- Pool Furniture Replacement
- Asphalt Seal Coating
- Tennis Court Resurfacing
- Asphalt Repairs
- Lighting Replacement
- Asphalt Overlays
- Insurance(s)
- Equipment Replacement
- Reserve Study
- Interior Furnishings

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include seawalls, insignificant expenses that may be covered either by an operating account, expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

When And Why A Reserve Study Should Be Updated

Does the association's reserve study need updating? If the answer to one or more of the following questions is yes, the association should strongly consider updating the study:

- Has the association added or replaced any significant common element in the last year?
- Has unseasonable weather, lack of maintenance or other circumstances damaged or caused extreme wear and tear on any common elements?
- Has the association deviated from the scheduled replacements?
- Has the association contributed to or drawn on reserve funds other than as scheduled?
- Is the association's objective baseline funding?
- Have there been any technological advances or improved product development that might result in a component change? (also: law changes, for example sprinkler retrofitting)
- Does the current reserve fund balance does not match what was projected?
- Have any components reached the end of their useful lives earlier than projected?

Users' Guide to your Reserve Analysis Study

Part II of your report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The Distribution of Accumulated Reserves report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the "Component Funding Model" calculation.

The Component Listing/Summary lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The Reserve Analyst© Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

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.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage. Please keep in mind the "percent funded" information reflects just the current fiscal year.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement. If the placed-in service date is not known, the date can also be used by the analyst to estimate the effective age. For example, if a component is estimated to be 15 years and we write the year 2013, the components placed-in-service date would be 1998.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

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.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your reserve study serves a variety of useful purposes:

Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding. A reserve analysis study is required by your accountant during the preparation of the association's annual audit.

The reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.

Loans secured by the Federal Housing Administration (FHA) are underwritten only if associations with at least 50% owner occupancy assign at least 10% of their yearly assessments to the reserve fund, and associations with at least 35% owner occupancy assign at least 20% of their yearly assessments to reserve fund. Whether a community has sufficient reserves in place or not can make or break a sale of a residential unit.

Your report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements. Your report is a tool that can assist the board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.

Since the reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.

The reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.

Your report provides a record of the time, cost, and quantities of past reserve replacements. At times, the association's management company and board of directors are transitory, which may result in the loss of these important records.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Threshold and the Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Component Funding model is based upon the component methodology.

Funding Strategies, Models and Goals:

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = Age divided by Useful Life the results multiplied by Current Replacement Cost

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

Funding Models:

The Current Assessment Funding Model (displays the current financial situation)

This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The Threshold Funding Model (Baseline Funding, Cash, or Pooling Method)

The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance. This method is based upon the cash flow funding concept.

The Component Funding Model (Full Funding or Straight-Line Method)

This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model.

Statutory Funding for the State of Florida:

The Reserve Analyst© software program performs the calculations for the three model (current, pooling and fully funded) to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded.

If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to "replenish" the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately. If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the "Monthly Reserve Assessment Required", the "Average Net Monthly Interest Earned" contribution and the "Total Monthly Allocation to Reserves." The association should allocate the "Monthly Reserve Assessment Required" amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the "Total Monthly Allocation" to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income.

This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Description of Association

Confidential

Property Information and Starting Reserve Fund Balance

Fiscal Year	01/01/2017 – 12/31/2018
Expected reserve cash balance (as of 10/1/2017)	\$43,591*)
Level of Service	Full Reserve Study with site visit

*) The amount presented is based upon information provided and was not audited.

Preparer's Opinion of Current Reserve Fund Status

Current Annual Contribution	\$54,591
Required Contribution Pooling	\$292,124
Required Contribution Straight-line	\$462,796
Current Percent Funded	5%
Current Total Liability	\$897,650

The association was just turned over from the developer and was not provided the proper finding upon turnover. The association is now 10 years old and needs to catch up with the reserve funds. The current funding of 5% is not satisfactory and will need immediate attention, either in form of special assessments or annual increases in reserve contribution to improve the financial status. It is recommended to update the reserve study on an annual basis until the HOA reaches at least a 50% funded status.

Completeness

There are no material issues we are aware of, which would cause a distortion of the cooperative's situation.

Interest and Inflation

We computed 0.0% interest for the reserve bank accounts and used 3% inflation.

Identification of Cost Estimate Sources

We used local contractor information, past invoices and future quotes for the subject property.

ABC HOA
 ABC City, Florida
Current Assessment Funding Model Summary

Report Date	March 23, 2017
Budget Year Beginning	January 01, 2018
Budget Year Ending	December 31, 2018
Total Units	130

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.00%
Contingency	3.00%
2018 Beginning Balance	\$43,591.00

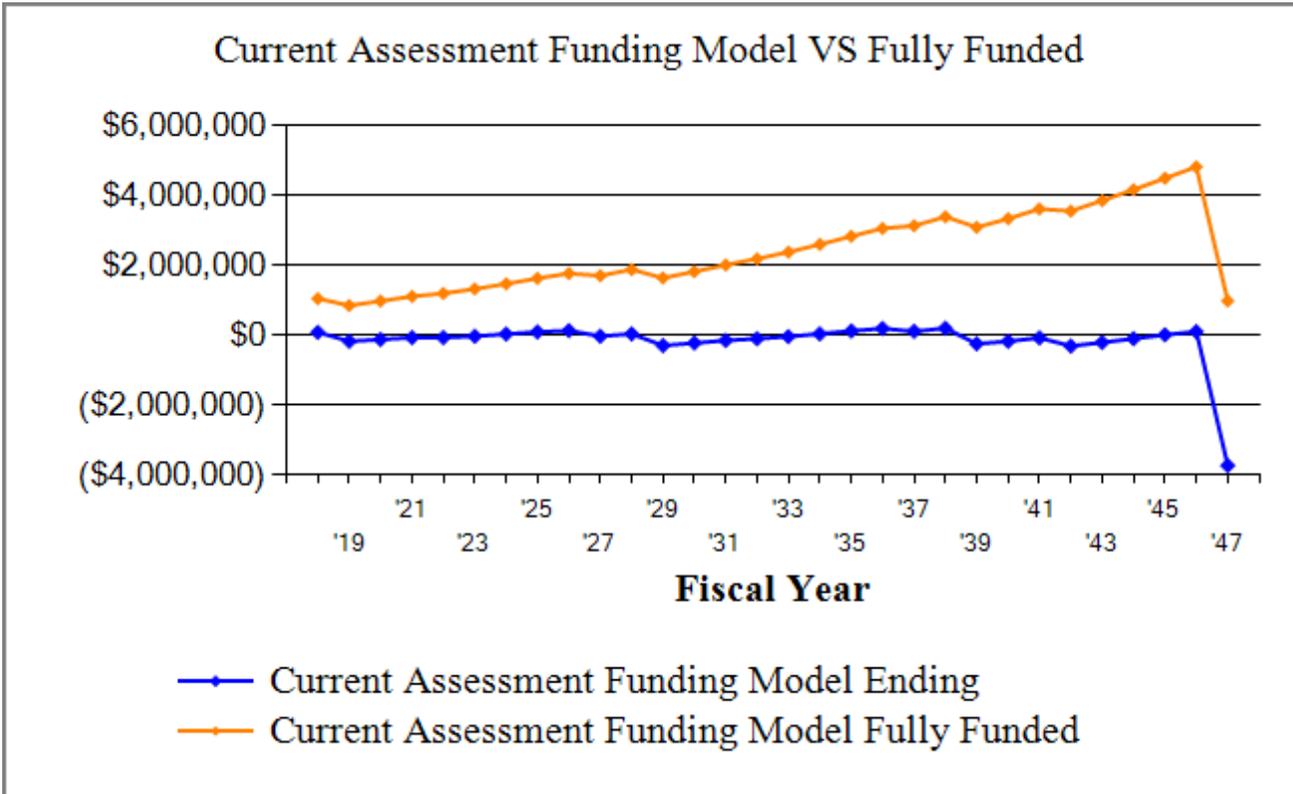
Current Assessment Funding Model Summary of Calculations	
Current Monthly Contribution	\$4,549.25
<i>\$34.99 per unit monthly</i>	
Total Month Allocation to Reserves	\$4,549.25
<i>\$34.99 per unit monthly</i>	

XXXXXX HOA
Current Assessment Funding Model Projection

Beginning Balance: \$43,591

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2018	2,269,646	54,591		20,741	77,441	1,043,255	7%
2019	2,337,735	56,229		314,974	-181,304	844,739	-21%
2020	2,407,867	57,916		5,304	-128,693	972,231	-13%
2021	2,480,103	59,653		5,464	-74,504	1,106,612	-7%
2022	2,554,507	61,443		59,202	-72,263	1,191,293	-6%
2023	2,631,142	63,286		24,045	-33,021	1,319,276	-3%
2024	2,691,280	65,185		5,970	26,193	1,465,842	2%
2025	2,772,019	67,140		6,149	87,183	1,624,125	5%
2026	2,855,179	69,154		31,099	125,239	1,764,289	7%
2027	2,940,835	71,229		231,441	-34,973	1,699,658	-2%
2028	3,029,060	73,366		6,720	31,673	1,875,556	2%
2029	3,119,932	75,567		408,072	-300,833	1,634,513	-18%
2030	3,213,530	77,834		7,129	-230,128	1,816,063	-13%
2031	3,309,935	80,169		7,343	-157,302	2,007,035	-8%
2032	3,409,234	82,574		30,252	-104,980	2,183,738	-5%
2033	3,511,511	85,051		24,927	-44,856	2,375,855	-2%
2034	3,616,856	87,603		8,024	34,723	2,596,277	1%
2035	3,725,362	90,231		8,264	116,689	2,827,786	4%
2036	3,837,122	92,938		23,068	186,559	3,055,393	6%
2037	3,952,236	95,726		178,901	103,383	3,129,373	3%
2038	4,039,016	98,597		9,031	192,950	3,386,619	6%
2039	4,160,186	101,555		548,415	-253,910	3,086,341	-8%
2040	4,284,992	104,602		30,658	-179,965	3,332,251	-5%
2041	4,413,541	107,740		9,868	-82,093	3,613,191	-2%
2042	4,545,948	110,972		345,067	-316,188	3,552,370	-9%
2043	4,682,326	114,301		10,469	-212,355	3,850,934	-6%
2044	4,822,796	117,730		10,783	-105,408	4,164,215	-3%
2045	4,967,480	121,262		11,106	4,748	4,492,828	0%
2046	5,116,504	124,900		31,001	98,647	4,816,637	2%
2047	5,269,999	128,647		3,967,938	-3,740,643	976,361	-383%

XXXXXX HOA
Current Assessment Funding Model VS Fully Funded Chart



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

XXXXXX HOA
 Sarasota, Florida
Threshold (Pooling) Funding
Model Summary

Report Date	March 23, 2017
Budget Year Beginning	January 01, 2018
Budget Year Ending	December 31, 2018
Total Units	130

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	0.00%
Contingency	3.00%
2018 Beginning Balance	\$43,591.00

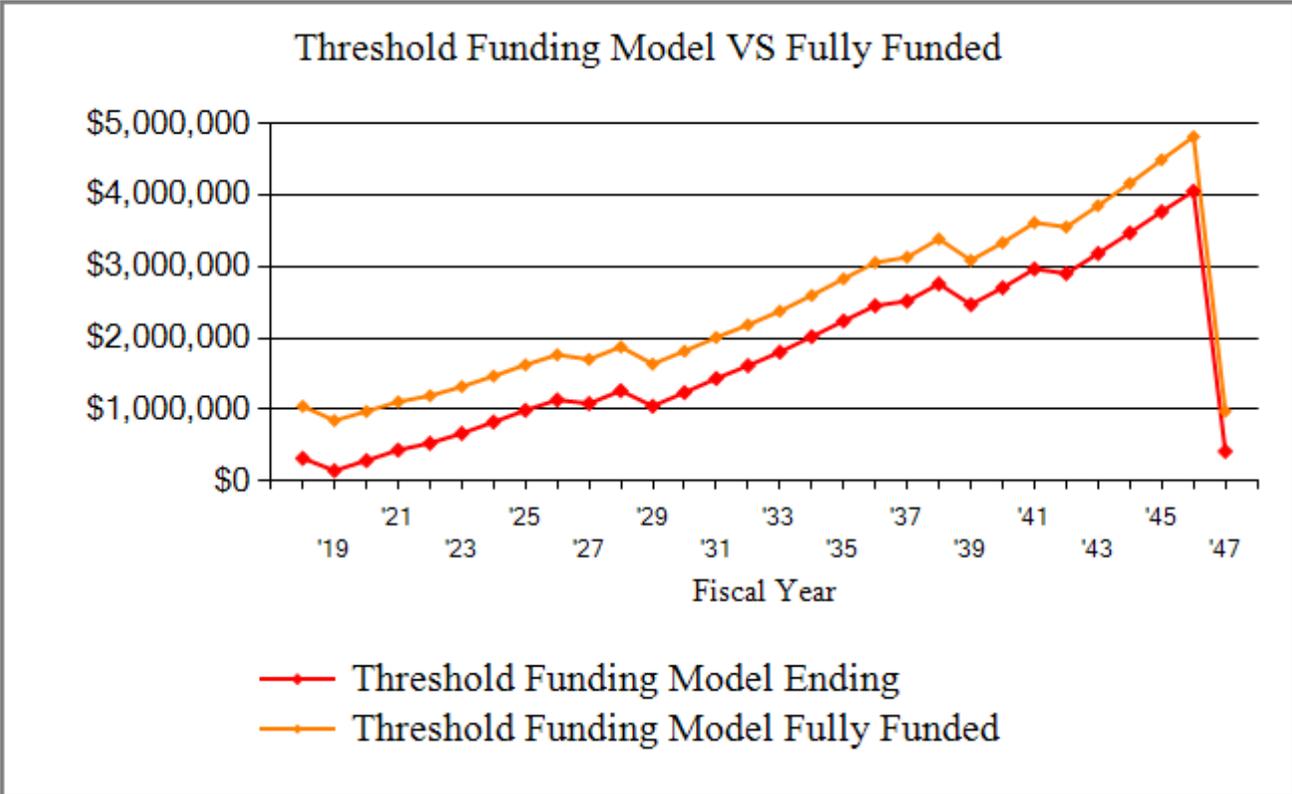
Threshold Funding Model Summary of Calculations	
Required Monthly Contribution	\$24,343.67
<i>\$187.26 per unit monthly</i>	
Total Month Allocation to Reserves	\$24,343.67
<i>\$187.26 per unit monthly</i>	

XXXXXX HOA
Threshold Funding Model Projection

Beginning Balance: \$43,591

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2018	2,269,646	292,124		20,741	314,974	1,043,255	30%
2019	2,337,735	142,823		314,974	142,823	844,739	17%
2020	2,407,867	147,108		5,304	284,626	972,231	29%
2021	2,480,103	151,521		5,464	430,684	1,106,612	39%
2022	2,554,507	156,067		59,202	527,549	1,191,293	44%
2023	2,631,142	160,749		24,045	664,253	1,319,276	50%
2024	2,691,280	165,571		5,970	823,854	1,465,842	56%
2025	2,772,019	170,538		6,149	988,243	1,624,125	61%
2026	2,855,179	175,654		31,099	1,132,798	1,764,289	64%
2027	2,940,835	180,924		231,441	1,082,281	1,699,658	64%
2028	3,029,060	186,352		6,720	1,261,913	1,875,556	67%
2029	3,119,932	191,942		408,072	1,045,784	1,634,513	64%
2030	3,213,530	197,701		7,129	1,236,355	1,816,063	68%
2031	3,309,935	203,632		7,343	1,432,644	2,007,035	71%
2032	3,409,234	209,741		30,252	1,612,133	2,183,738	74%
2033	3,511,511	216,033		24,927	1,803,238	2,375,855	76%
2034	3,616,856	222,514		8,024	2,017,729	2,596,277	78%
2035	3,725,362	229,189		8,264	2,238,654	2,827,786	79%
2036	3,837,122	236,065		23,068	2,451,650	3,055,393	80%
2037	3,952,236	243,147		178,901	2,515,896	3,129,373	80%
2038	4,039,016	250,441		9,031	2,757,306	3,386,619	81%
2039	4,160,186	257,954		548,415	2,466,846	3,086,341	80%
2040	4,284,992	265,693		30,658	2,701,881	3,332,251	81%
2041	4,413,541	273,664		9,868	2,965,677	3,613,191	82%
2042	4,545,948	281,874		345,067	2,902,484	3,552,370	82%
2043	4,682,326	290,330		10,469	3,182,345	3,850,934	83%
2044	4,822,796	299,040		10,783	3,470,602	4,164,215	83%
2045	4,967,480	308,011		11,106	3,767,507	4,492,828	84%
2046	5,116,504	317,251		31,001	4,053,757	4,816,637	84%
2047	5,269,999	326,769		3,967,938	412,588	976,361	42%

XXXXXX HOA
Threshold Funding Model VS Fully Funded Chart



The **Threshold Funding Model** calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below \$0 or other predetermined threshold, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Threshold Funding Model** allows the client to choose the level of conservative funding they desire by choosing the threshold dollar amount.

XXXXXX HOA
 Sarasota, Florida
Component Funding Model Summary

Report Date	March 23, 2017
Budget Year Beginning	January 01, 2018
Budget Year Ending	December 31, 2018
Total Units	130

Report Parameters	
Inflation	3.00%
Interest Rate on Reserve Deposit	0.00%
Contingency	3.00%
2018 Beginning Balance	\$43,591.00

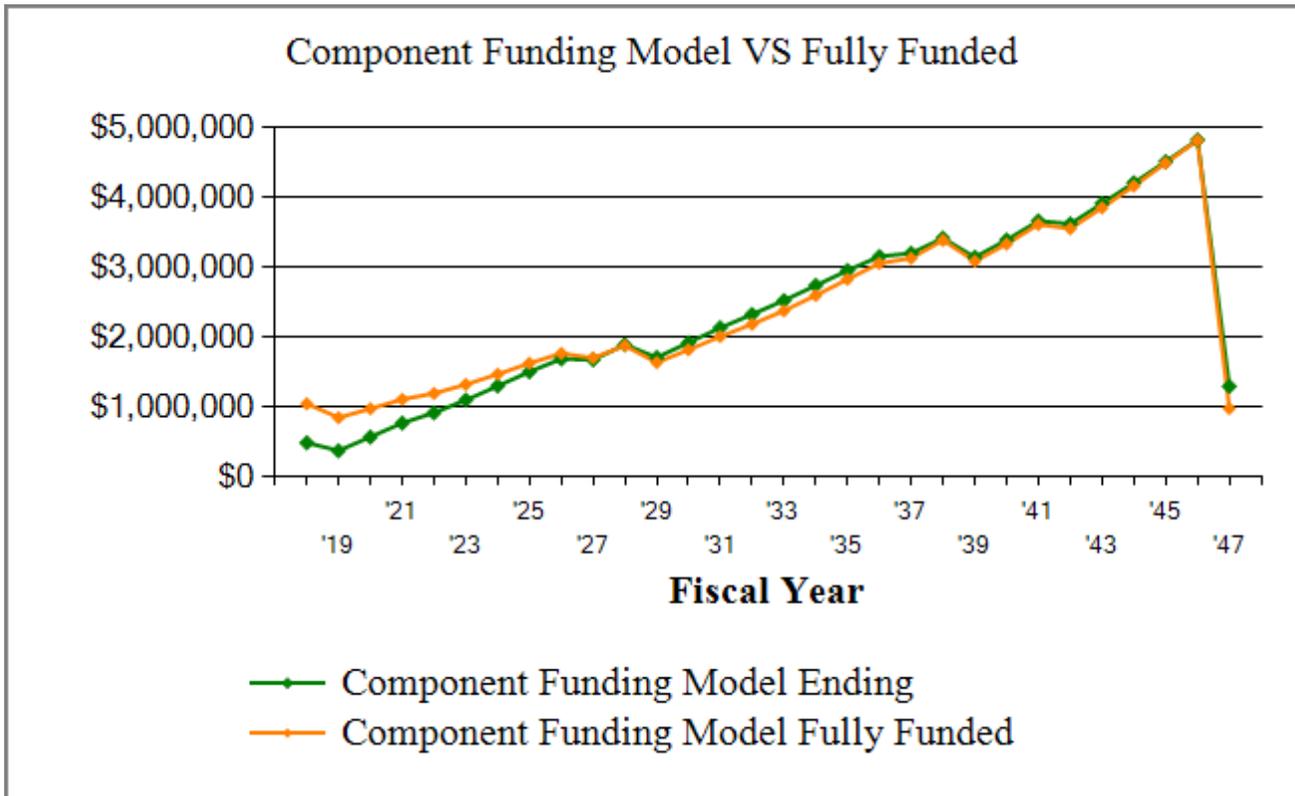
Component Funding Model Summary of Calculations	
Required Monthly Contribution	\$38,566.33
<i>\$296.66 per unit monthly</i>	
Total Month Allocation to Reserves	\$38,566.33
<i>\$296.66 per unit monthly</i>	

XXXXXX HOA
Component Funding Model Projection

Beginning Balance: \$43,591

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2018	2,269,646	462,796		20,741	485,646	1,043,255	47%
2019	2,337,735	200,693		314,974	371,365	844,739	44%
2020	2,407,867	201,685		5,304	567,746	972,231	58%
2021	2,480,103	204,372		5,464	766,654	1,106,612	69%
2022	2,554,507	207,036		59,202	914,488	1,191,293	77%
2023	2,631,142	205,268		24,045	1,095,711	1,319,276	83%
2024	2,691,280	207,759		5,970	1,297,499	1,465,842	89%
2025	2,772,019	210,733		6,149	1,502,083	1,624,125	92%
2026	2,855,179	214,771		31,099	1,685,755	1,764,289	96%
2027	2,940,835	218,526		231,441	1,672,840	1,699,658	98%
2028	3,029,060	225,087		6,720	1,891,207	1,875,556	101%
2029	3,119,932	222,934		408,072	1,706,069	1,634,513	104%
2030	3,213,530	220,354		7,129	1,919,295	1,816,063	106%
2031	3,309,935	220,513		7,343	2,132,465	2,007,035	106%
2032	3,409,234	221,986		30,252	2,324,199	2,183,738	106%
2033	3,511,511	223,943		24,927	2,523,215	2,375,855	106%
2034	3,616,856	223,459		8,024	2,738,651	2,596,277	105%
2035	3,725,362	222,768		8,264	2,953,155	2,827,786	104%
2036	3,837,122	223,220		23,068	3,153,308	3,055,393	103%
2037	3,952,236	226,506		178,901	3,200,912	3,129,373	102%
2038	4,039,016	223,755		9,031	3,415,636	3,386,619	101%
2039	4,160,186	274,728		548,415	3,141,950	3,086,341	102%
2040	4,284,992	278,020		30,658	3,389,312	3,332,251	102%
2041	4,413,541	282,785		9,868	3,662,230	3,613,191	101%
2042	4,545,948	302,931		345,067	3,620,094	3,552,370	102%
2043	4,682,326	303,623		10,469	3,913,249	3,850,934	102%
2044	4,822,796	307,376		10,783	4,209,842	4,164,215	101%
2045	4,967,480	312,824		11,106	4,511,560	4,492,828	100%
2046	5,116,504	341,591		31,001	4,822,149	4,816,637	100%
2047	5,269,999	438,928		3,967,938	1,293,139	976,361	132%

XXXXXX HOA
Component Funding Model VS Fully Funded Chart



The **Component Funding Model's** long-term objective is to provide a plan to a fully funded reserve position over the longest period of time practical. This is the most conservative funding model.

XXXXXX HOA
Component Funding Model Assessment Summary by Category

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Streets/Asphalt							
Asphalt mill and repave	2027	20	0	9	151,580	0	83,369
Asphalt, rejuvenation or sealcoat	2018	5	6	0	15,741	15,741	15,741
Brick Paver and Concrete Surfaces	2018	1	0	0	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Streets/Asphalt - Total					\$172,321	\$20,741	\$104,110
Roofing							
Roofs - all buildings	2047	40	0	29	1,470,500	0	404,387
Roofs support buildings	2047	40	0	29	<u>15,300</u>	0	<u>4,207</u>
Roofing - Total					\$1,485,800		\$408,595
Painting							
Exterior Paint Support Buildings	2026	10	0	8	4,000	0	800
Exterior Paint all buildings	2019 D	10	1	1	<u>242,250</u>	<u>21,542</u>	<u>222,062</u>
Painting - Total					\$246,250	\$21,542	\$222,862
Fencing/Security							
Aluminum Fence	2037	30	0	19	18,675	0	6,847
Fence around Oak Tree	2042	35	0	24	15,750	0	4,950
Perimeter wall	2019	10	2	1	<u>42,750</u>	0	<u>39,187</u>
Fencing/Security - Total					\$77,175		\$50,985
Lighting							
Front Porch lighting	2037	30	0	19	13,000	0	4,767
Rear elevation lighting	2037	30	0	19	9,750	0	3,575
Street lights	2042	35	0	24	88,000	0	27,657
Street lights, repaint	2022	15	0	4	17,600	0	12,907
Tennis courts, lights	2042	35	0	24	<u>56,000</u>	0	<u>17,600</u>
Lighting - Total					\$184,350		\$66,505
Recreation/Pool/Sport							
Play Tower	2022	15	0	4	25,000	0	18,333
Pool Equipment	2022	10	0	4	5,000	0	3,000
Pool Heater	2019 D	10	1	1	4,800	0	4,400
Pool, resurface	2027	20	0	9	20,800	0	11,440
Tennis Court Gazebo	2026	10	0	8	4,550	0	910
Tennis courts, resurface	2019 D	7	4	1	<u>11,000</u>	0	<u>10,083</u>
Recreation/Pool/Sport - Total					\$71,150		\$48,167
Building Components							
Restroom renovation	2032	25	0	14	<u>10,000</u>	0	<u>4,400</u>
Building Components - Total					\$10,000		\$4,400

XXXXXXXXXX

Component Funding Model Assessment Summary by Category

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Mailboxes							
Mailboxes	2047	40	0	29	<u>9,600</u>	0	<u>2,640</u>
Mailboxes - Total					<u>\$9,600</u>		<u>\$2,640</u>
Signs							
House # Signs, illuminated	2037	30	0	19	<u>13,000</u>	0	<u>4,767</u>
Signs - Total					<u>\$13,000</u>		<u>\$4,767</u>
Total Asset Summary					<u>\$2,269,646</u>	<u>\$42,283</u>	<u>\$913,031</u>
Contingency at 3.00%						<u>\$1,308</u>	<u>\$28,238</u>
Summary Total						<u>\$43,591</u>	<u>\$941,269</u>

Percent Fully Funded	5%
Current Average Liability per Unit (Total Units: 130)	-\$6,905

'D' Component Deferred, Life Extended One Year

XXXXXX HOA
Component Funding Model Assessment Summary by Group

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Buildings							
Exterior Paint all buildings	2019	D 10	1	1	242,250	21,542	222,062
Front Porch lighting	2037	30	0	19	13,000	0	4,767
House # Signs, illuminated	2037	30	0	19	13,000	0	4,767
Rear elevation lighting	2037	30	0	19	9,750	0	3,575
Roofs - all buildings	2047	40	0	29	<u>1,470,500</u>	<u>0</u>	<u>404,387</u>
Buildings - Total					<u>\$1,748,500</u>	<u>\$21,542</u>	<u>\$639,558</u>
Pool Gazebo Mail Bldg							
Exterior Paint Support Buildings	2026	10	0	8	4,000	0	800
Mailboxes	2047	40	0	29	9,600	0	2,640
Restroom renovation	2032	25	0	14	10,000	0	4,400
Roofs support buildings	2047	40	0	29	<u>15,300</u>	<u>0</u>	<u>4,207</u>
Pool Gazebo Mail Bldg - Total					<u>\$38,900</u>		<u>\$12,047</u>
Pool, Play, Tennis							
Aluminum Fence	2037	30	0	19	18,675	0	6,847
Play Tower	2022	15	0	4	25,000	0	18,333
Pool Equipment	2022	10	0	4	5,000	0	3,000
Pool Heater	2019	D 10	1	1	4,800	0	4,400
Pool, resurface	2027	20	0	9	20,800	0	11,440
Tennis Court Gazebo	2026	10	0	8	4,550	0	910
Tennis courts, lights	2042	35	0	24	56,000	0	17,600
Tennis courts, resurface	2019	D 7	4	1	<u>11,000</u>	<u>0</u>	<u>10,083</u>
Pool, Play, Tennis - Total					<u>\$145,825</u>		<u>\$72,614</u>
Site Improvements							
Asphalt mill and repave	2027	20	0	9	151,580	0	83,369
Asphalt, rejuvenation or sealcoat	2018	5	6	0	15,741	15,741	15,741
Brick Paver and Concrete Surfaces	2018	1	0	0	5,000	5,000	5,000
Fence around Oak Tree	2042	35	0	24	15,750	0	4,950
Perimeter wall	2019	10	2	1	42,750	0	39,187
Street lights	2042	35	0	24	88,000	0	27,657
Street lights, repaint	2022	15	0	4	<u>17,600</u>	<u>0</u>	<u>12,907</u>
Site Improvements - Total					<u>\$336,421</u>	<u>\$20,741</u>	<u>\$188,811</u>
Total Asset Summary					<u>\$2,269,646</u>	<u>\$42,283</u>	<u>\$913,031</u>
Contingency at 3.00%						<u>\$1,308</u>	<u>\$28,238</u>
Summary Total						<u>\$43,591</u>	<u>\$941,269</u>

Percent Fully Funded	5%
Current Average Liability per Unit (Total Units: 130)	-\$6,905

'D' Component Deferred, Life Extended One Year

XXXXXXHOA
Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Asphalt, rejuvenation or sealcoat	0	2018	15,741	15,741
Brick Paver and Concrete Surfaces	0	2018	5,000	5,000
Exterior Paint all buildings	1	2019	* D 21,542	222,062
Pool Heater	1	2019	D	4,400
Tennis courts, resurface	1	2019	D	10,083
Perimeter wall	1	2019		39,187
Play Tower	4	2022		18,333
Pool Equipment	4	2022		3,000
Street lights, repaint	4	2022		12,907
Exterior Paint Support Buildings	8	2026		800
Tennis Court Gazebo	8	2026		910
Asphalt mill and repave	9	2027		83,369
Pool, resurface	9	2027		11,440
Restroom renovation	14	2032		4,400
Aluminum Fence	19	2037		6,847
Front Porch lighting	19	2037		4,767
House # Signs, illuminated	19	2037		4,767
Rear elevation lighting	19	2037		3,575
Fence around Oak Tree	24	2042		4,950
Street lights	24	2042		27,657
Tennis courts, lights	24	2042		17,600
Mailboxes	29	2047		2,640
Roofs - all buildings	29	2047		404,387
Roofs support buildings	29	2047		4,207
Total Asset Summary			\$42,283	\$913,031
Contingency at 3.00%			\$1,308	\$28,238
Summary Total			\$43,591	\$941,269

Percent Fully Funded	5%
Current Average Liability per Unit (Total Units: 130)	-\$6,905

*'**' Indicates Partially Funded*

'D' Indicates Deferred Funding

XXXXXXXXX HOA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2018	
Asphalt, rejuvenation or sealcoat	15,741
Brick Paver and Concrete Surfaces	5,000
Total for 2018	\$20,741
Replacement Year 2019	
Brick Paver and Concrete Surfaces	5,150
Exterior Paint all buildings	249,517
Perimeter wall	44,032
Pool Heater	4,944
Tennis courts, resurface	11,330
Total for 2019	\$314,974
Replacement Year 2020	
Brick Paver and Concrete Surfaces	5,304
Total for 2020	\$5,304
Replacement Year 2021	
Brick Paver and Concrete Surfaces	5,464
Total for 2021	\$5,464
Replacement Year 2022	
Brick Paver and Concrete Surfaces	5,628
Play Tower	28,138
Pool Equipment	5,628
Street lights, repaint	19,809
Total for 2022	\$59,202
Replacement Year 2023	
Asphalt, rejuvenation or sealcoat	18,248
Brick Paver and Concrete Surfaces	5,796
Total for 2023	\$24,045
Replacement Year 2024	
Brick Paver and Concrete Surfaces	5,970
Total for 2024	\$5,970

XXXXXXHOA
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025	
Brick Paver and Concrete Surfaces	6,149
Total for 2025	\$6,149
Replacement Year 2026	
Brick Paver and Concrete Surfaces	6,334
Exterior Paint Support Buildings	5,067
Tennis Court Gazebo	5,764
Tennis courts, resurface	13,934
Total for 2026	\$31,099
Replacement Year 2027	
Asphalt mill and repave	197,778
Brick Paver and Concrete Surfaces	6,524
Pool, resurface	27,139
Total for 2027	\$231,441
Replacement Year 2028	
Brick Paver and Concrete Surfaces	6,720
Total for 2028	\$6,720
Replacement Year 2029	
Brick Paver and Concrete Surfaces	6,921
Exterior Paint all buildings	335,331
Perimeter wall	59,176
Pool Heater	6,644
Total for 2029	\$408,072
Replacement Year 2030	
Brick Paver and Concrete Surfaces	7,129
Total for 2030	\$7,129
Replacement Year 2031	
Brick Paver and Concrete Surfaces	7,343
Total for 2031	\$7,343
Replacement Year 2032	
Brick Paver and Concrete Surfaces	7,563

XXXXXXHOA
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2032 continued...</i>	
Pool Equipment	7,563
Restroom renovation	15,126
Total for 2032	<u>\$30,252</u>
Replacement Year 2033	
Brick Paver and Concrete Surfaces	7,790
Tennis courts, resurface	17,138
Total for 2033	<u>\$24,927</u>
Replacement Year 2034	
Brick Paver and Concrete Surfaces	8,024
Total for 2034	<u>\$8,024</u>
Replacement Year 2035	
Brick Paver and Concrete Surfaces	8,264
Total for 2035	<u>\$8,264</u>
Replacement Year 2036	
Brick Paver and Concrete Surfaces	8,512
Exterior Paint Support Buildings	6,810
Tennis Court Gazebo	7,746
Total for 2036	<u>\$23,068</u>
Replacement Year 2037	
Aluminum Fence	32,747
Brick Paver and Concrete Surfaces	8,768
Front Porch lighting	22,796
House # Signs, illuminated	22,796
Play Tower	43,838
Rear elevation lighting	17,097
Street lights, repaint	30,862
Total for 2037	<u>\$178,901</u>
Replacement Year 2038	
Brick Paver and Concrete Surfaces	9,031
Total for 2038	<u>\$9,031</u>

**XXXXXX HOA
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2039	
Brick Paver and Concrete Surfaces	9,301
Exterior Paint all buildings	450,656
Perimeter wall	79,528
Pool Heater	8,929
Total for 2039	<u>\$548,415</u>
Replacement Year 2040	
Brick Paver and Concrete Surfaces	9,581
Tennis courts, resurface	21,077
Total for 2040	<u>\$30,658</u>
Replacement Year 2041	
Brick Paver and Concrete Surfaces	9,868
Total for 2041	<u>\$9,868</u>
Replacement Year 2042	
Brick Paver and Concrete Surfaces	10,164
Fence around Oak Tree	32,017
Pool Equipment	10,164
Street lights	178,886
Tennis courts, lights	113,836
Total for 2042	<u>\$345,067</u>
Replacement Year 2043	
Brick Paver and Concrete Surfaces	10,469
Total for 2043	<u>\$10,469</u>
Replacement Year 2044	
Brick Paver and Concrete Surfaces	10,783
Total for 2044	<u>\$10,783</u>
Replacement Year 2045	
Brick Paver and Concrete Surfaces	11,106
Total for 2045	<u>\$11,106</u>
Replacement Year 2046	
Brick Paver and Concrete Surfaces	11,440

XXXXXX HOA
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2046 continued...</i>	
Exterior Paint Support Buildings	9,152
Tennis Court Gazebo	10,410
Total for 2046	<u>\$31,001</u>
 Replacement Year 2047	
Asphalt mill and repave	357,208
Brick Paver and Concrete Surfaces	11,783
Mailboxes	22,623
Pool, resurface	49,017
Roofs - all buildings	3,465,330
Roofs support buildings	36,055
Tennis courts, resurface	25,922
Total for 2047	<u>\$3,967,938</u>

XXXXXX HOA
Detail Report by Category

Asphalt mill and repave - 2027

		11,660 SY	@ \$13.00
Asset ID	1022	Asset Cost	\$151,580.00
Category	Site Improvements Streets/Asphalt	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	\$197,777.52
Useful Life	20	Assigned Reserves	<i>none</i>
Replacement Year	2027	Monthly Assessment	\$1,684.77
Remaining Life	9	Interest Contribution	<u> </u>
		Reserve Allocation	<u>\$1,684.77</u>



Asphalt, rejuvenation or sealcoat - 2018

Asset ID	1023	11,660 SY	@ \$1.35
Category	Site Improvements Streets/Asphalt	Asset Cost	\$15,741.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	5	Future Cost	\$15,741.00
Adjustment	6	Assigned Reserves	\$15,741.00
Replacement Year	2018	Monthly Assessment	\$279.80
Remaining Life	0	Interest Contribution	_____
		Reserve Allocation	\$279.80



Brick Paver and Concrete Surfaces - 2018

Asset ID	1024	1 lumpsum	@ \$5,000.00
Category	Site Improvements	Asset Cost	\$5,000.00
Placed in Service	Streets/Asphalt	Percent Replacement	100%
Useful Life	January 2017	Future Cost	\$5,000.00
Replacement Year	1	Assigned Reserves	\$5,000.00
Remaining Life	2018	Monthly Assessment	\$394.83
	0	Interest Contribution	
		Reserve Allocation	<u>\$394.83</u>



Reserve each year \$5,000 for repair and replacement.

Streets/Asphalt - Total Current Cost	\$172,321
Assigned Reserves	\$20,741
Fully Funded Reserves	\$104,110

Roofs - all buildings - 2047

Asset ID	1001	1,730 SQ	@ \$850.00
Category	Buildings	Asset Cost	\$1,470,500.00
Placed in Service	Roofing	Percent Replacement	100%
Useful Life	January 2007	Future Cost	\$3,465,329.57
Replacement Year	40	Assigned Reserves	<i>none</i>
Remaining Life	2047	Monthly Assessment	\$9,161.22
	29	Interest Contribution	
		Reserve Allocation	<u>\$9,161.22</u>



Roofs support buildings - 2047

Asset ID	1006	18 SQ	@ \$850.00
Pool Gazebo Mail Bldg		Asset Cost	\$15,300.00
Category	Roofing	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	\$36,055.45
Useful Life	40	Assigned Reserves	<i>none</i>
Replacement Year	2047	Monthly Assessment	\$95.32
Remaining Life	29	Interest Contribution	
		Reserve Allocation	\$95.32



Roofing - Total Current Cost	\$1,485,800
Assigned Reserves	\$0
Fully Funded Reserves	\$408,595

Exterior Paint Support Buildings - 2026

Asset ID	1007	1 lumpsum	@ \$4,000.00
Pool Gazebo Mail Bldg		Asset Cost	\$4,000.00
Category	Painting	Percent Replacement	100%
Placed in Service	January 2016	Future Cost	\$5,067.08
Useful Life	10	Assigned Reserves	<i>none</i>
Replacement Year	2026	Monthly Assessment	\$48.56
Remaining Life	8	Interest Contribution	
		Reserve Allocation	<u>\$48.56</u>



Exterior Paint all buildings - 2019

Asset ID	1002	161,500 SF	@ \$1.50
Category	Buildings	Asset Cost	\$242,250.00
Placed in Service	Painting	Percent Replacement	100%
Useful Life	January 2007	Future Cost	\$249,517.50
Adjustment	10	Assigned Reserves	\$21,542.27
Replacement Year	1	Monthly Assessment	\$18,997.94
Remaining Life	Deferred 2019	Interest Contribution	
	1	Reserve Allocation	<u>\$18,997.94</u>



Painting - Total Current Cost	\$246,250
Assigned Reserves	\$21,542
Fully Funded Reserves	\$222,862

Aluminum Fence - 2037

Asset ID	1013	415 LF	@ \$45.00
Category	Pool, Play, Tennis Fencing/Security	Asset Cost	\$18,675.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$32,746.72
Replacement Year	2037	Assigned Reserves	<i>none</i>
Remaining Life	19	Monthly Assessment	\$132.14
		Interest Contribution	_____
		Reserve Allocation	\$132.14



Fence around Oak Tree - 2042

Asset ID	1019	350 LF	@ \$45.00
Category	Site Improvements	Asset Cost	\$15,750.00
Placed in Service	Fencing/Security	Percent Replacement	100%
Useful Life	January 2007	Future Cost	\$32,016.51
Replacement Year	35	Assigned Reserves	<i>none</i>
Remaining Life	2042	Monthly Assessment	\$102.27
	24	Interest Contribution	_____
		Reserve Allocation	\$102.27



We found parts of the fence loose; the association should make repairs and secure the fence properly in the concrete base.

Perimeter wall - 2019

		45,000 SF	@ \$0.95
Asset ID	1018	Asset Cost	\$42,750.00
Category	Site Improvements	Percent Replacement	100%
	Fencing/Security	Future Cost	\$44,032.50
Placed in Service	January 2007	Assigned Reserves	<i>none</i>
Useful Life	10		
Adjustment	2	Monthly Assessment	\$3,669.37
Replacement Year	2019	Interest Contribution	
Remaining Life	1	Reserve Allocation	<u>\$3,669.37</u>



The wall should be pressure washed and sealed every 10+ years.

Fencing/Security - Total Current Cost	\$77,175
Assigned Reserves	\$0
Fully Funded Reserves	\$50,985

Front Porch lighting - 2037

Asset ID	1004	130 each	@ \$100.00
Category	Buildings	Asset Cost	\$13,000.00
Placed in Service	Lighting	Percent Replacement	100%
Useful Life	January 2007	Future Cost	\$22,795.58
Replacement Year	30	Assigned Reserves	<i>none</i>
Remaining Life	2037	Monthly Assessment	\$91.98
	19	Interest Contribution	_____
		Reserve Allocation	\$91.98



Rear elevation lighting - 2037

Asset ID	1005	130 each	@ \$75.00
Category	Buildings	Asset Cost	\$9,750.00
Placed in Service	Lighting	Percent Replacement	100%
Useful Life	January 2007	Future Cost	\$17,096.68
Replacement Year	30	Assigned Reserves	<i>none</i>
Remaining Life	2037	Monthly Assessment	\$68.99
	19	Interest Contribution	_____
		Reserve Allocation	\$68.99



Street lights - 2042

Asset ID	1020	44 each	@ \$2,000.00
Category	Site Improvements	Asset Cost	\$88,000.00
Placed in Service	Lighting	Percent Replacement	100%
Useful Life	January 2007	Future Cost	\$178,885.88
Replacement Year	35	Assigned Reserves	<i>none</i>
Remaining Life	2042	Monthly Assessment	\$571.44
	24	Interest Contribution	_____
		Reserve Allocation	\$571.44



Street lights, repaint - 2022

		44 each	@ \$400.00
Asset ID	1021	Asset Cost	\$17,600.00
Category	Site Improvements	Percent Replacement	100%
Placed in Service	Lighting	Future Cost	\$19,808.95
Useful Life	January 2007	Assigned Reserves	<i>none</i>
Replacement Year	15	Monthly Assessment	\$379.67
Remaining Life	2022	Interest Contribution	
	4	Reserve Allocation	<u>\$379.67</u>



When the surface of the posts become unsightly, the surface should be properly cleaned, sealed and coated.

Tennis courts, lights - 2042

Asset ID	1017	16 luminaire	@ \$3,500.00
Category	Pool, Play, Tennis	Asset Cost	\$56,000.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	35	Future Cost	\$113,836.47
Replacement Year	2042	Assigned Reserves	<i>none</i>
Remaining Life	24	Monthly Assessment	\$363.64
		Interest Contribution	
		Reserve Allocation	<u>\$363.64</u>



Cost varies from \$2,000 to \$6,500 per luminaire, averaging \$25,000 per court.

Lighting - Total Current Cost	\$184,350
Assigned Reserves	\$0
Fully Funded Reserves	\$66,505

Play Tower - 2022

Asset ID	1014	1 each	@ \$25,000.00
Category	Pool, Play, Tennis Recreation/Pool/Sport	Asset Cost	\$25,000.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	15	Future Cost	\$28,137.72
Replacement Year	2022	Assigned Reserves	<i>none</i>
Remaining Life	4	Monthly Assessment	\$539.31
		Interest Contribution	_____
		Reserve Allocation	\$539.31



Average life 15 years, depending on use and weather influence.

Pool Equipment - 2022

Asset ID	1012	1 lumpsum	@ \$5,000.00
Category	Pool, Play, Tennis	Asset Cost	\$5,000.00
Placed in Service	January 2012	Percent Replacement	100%
Useful Life	10	Future Cost	\$5,627.54
Replacement Year	2022	Assigned Reserves	<i>none</i>
Remaining Life	4	Monthly Assessment	\$107.86
		Interest Contribution	_____
		Reserve Allocation	\$107.86



Every ten years \$5,000.

Pool Heater - 2019

		1 each	@ \$4,800.00
Asset ID	1011	Asset Cost	\$4,800.00
	Pool, Play, Tennis	Percent Replacement	100%
Category	Recreation/Pool/Sport	Future Cost	\$4,944.00
Placed in Service	January 2007	Assigned Reserves	<i>none</i>
Useful Life	10		
Adjustment	1	Monthly Assessment	\$412.00
Replacement Year	Deferred 2019	Interest Contribution	_____
Remaining Life	1	Reserve Allocation	\$412.00



Pool, resurface - 2027

Asset ID	1010	1,600 SF	@ \$13.00
Category	Pool, Play, Tennis	Asset Cost	\$20,800.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	20	Future Cost	\$27,139.28
Replacement Year	2027	Assigned Reserves	<i>none</i>
Remaining Life	9	Monthly Assessment	\$231.19
		Interest Contribution	_____
		Reserve Allocation	\$231.19



Tennis Court Gazebo - 2026

Asset ID	1015	130 SF	@ \$35.00
Category	Pool, Play, Tennis	Asset Cost	\$4,550.00
Placed in Service	January 2016	Percent Replacement	100%
Useful Life	10	Future Cost	\$5,763.80
Replacement Year	2026	Assigned Reserves	<i>none</i>
Remaining Life	8	Monthly Assessment	\$55.24
		Interest Contribution	_____
		Reserve Allocation	\$55.24



Tennis courts, resurface - 2019

Asset ID	1016	2 each	@ \$5,500.00
Category	Pool, Play, Tennis	Asset Cost	\$11,000.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	7	Future Cost	\$11,330.00
Adjustment	4	Assigned Reserves	<i>none</i>
Replacement Year	Deferred 2019	Monthly Assessment	\$944.17
Remaining Life	1	Interest Contribution	_____
		Reserve Allocation	\$944.17



Useful life 5-7 years depending on use and weather.

Recreation/Pool/Sport - Total Current Cost	\$71,150
Assigned Reserves	\$0
Fully Funded Reserves	\$48,167

Restroom renovation - 2032

Asset ID	1008	2 each	@ \$5,000.00
Pool Gazebo Mail Bldg		Asset Cost	\$10,000.00
Category	Building Components	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	\$15,125.90
Useful Life	25	Assigned Reserves	<i>none</i>
Replacement Year	2032	Monthly Assessment	\$82.83
Remaining Life	14	Interest Contribution	_____
		Reserve Allocation	\$82.83



Building Components - Total Current Cost	\$10,000
Assigned Reserves	\$0
Fully Funded Reserves	\$4,400

Mailboxes - 2047

Asset ID	1009	6 clusters	@ \$1,600.00
Pool Gazebo Mail Bldg		Asset Cost	\$9,600.00
Category	Mailboxes	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	\$22,623.03
Useful Life	40	Assigned Reserves	<i>none</i>
Replacement Year	2047	Monthly Assessment	\$59.81
Remaining Life	29	Interest Contribution	_____
		Reserve Allocation	\$59.81



Mailboxes - Total Current Cost	\$9,600
Assigned Reserves	\$0
Fully Funded Reserves	\$2,640

House # Signs, illuminated - 2037

		130 each	@ \$100.00
Asset ID	1003	Asset Cost	\$13,000.00
	Buildings	Percent Replacement	100%
Category	Signs	Future Cost	\$22,795.58
Placed in Service	January 2007	Assigned Reserves	<i>none</i>
Useful Life	30		
Replacement Year	2037	Monthly Assessment	\$91.98
Remaining Life	19	Interest Contribution	_____
		Reserve Allocation	\$91.98



Signs - Total Current Cost	\$13,000
Assigned Reserves	\$0
Fully Funded Reserves	\$4,767

Detail Report Summary

Total of All Assets

Assigned Reserves	\$42,283.27
Monthly Contribution	\$38,566.33
Monthly Interest	
Monthly Allocation	\$38,566.33

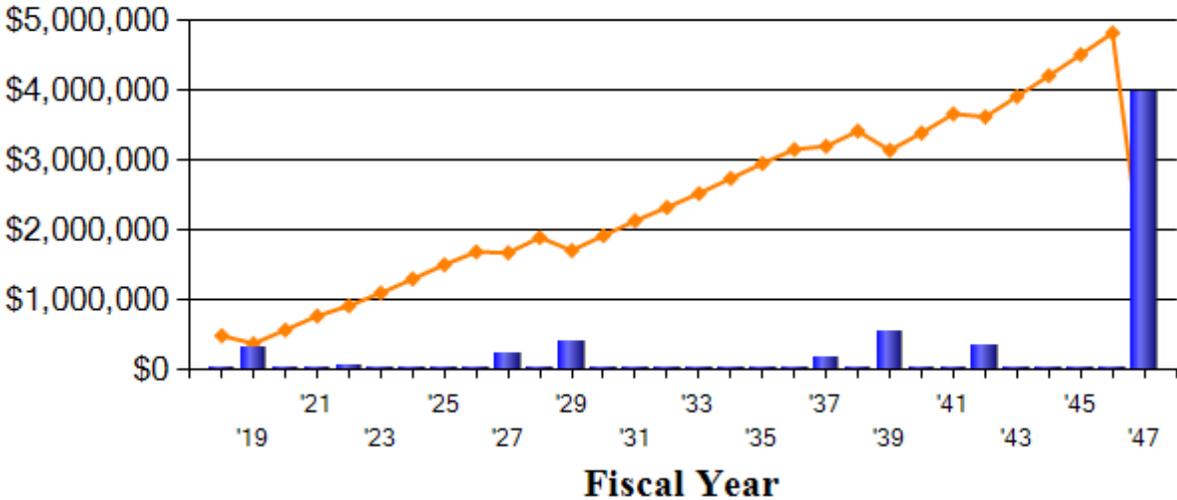
Contingency at 3.00%

Assigned Reserves	\$1,307.73
Monthly Contribution	\$1,192.77
Monthly Interest	
Monthly Allocation	\$1,192.77

Grand Total

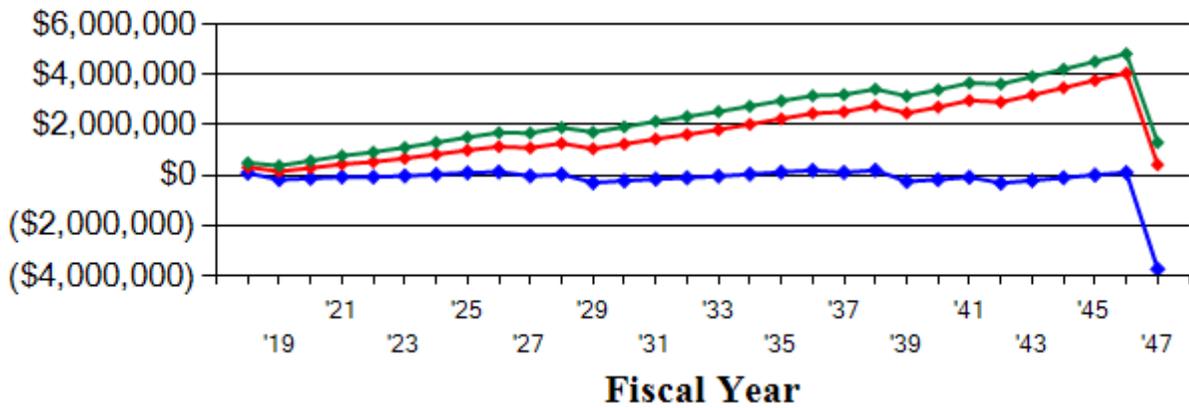
Assigned Reserves	\$43,591.00
Monthly Contribution	\$39,759.10
Monthly Interest	
Monthly Allocation	\$39,759.10

Annual Expenditures



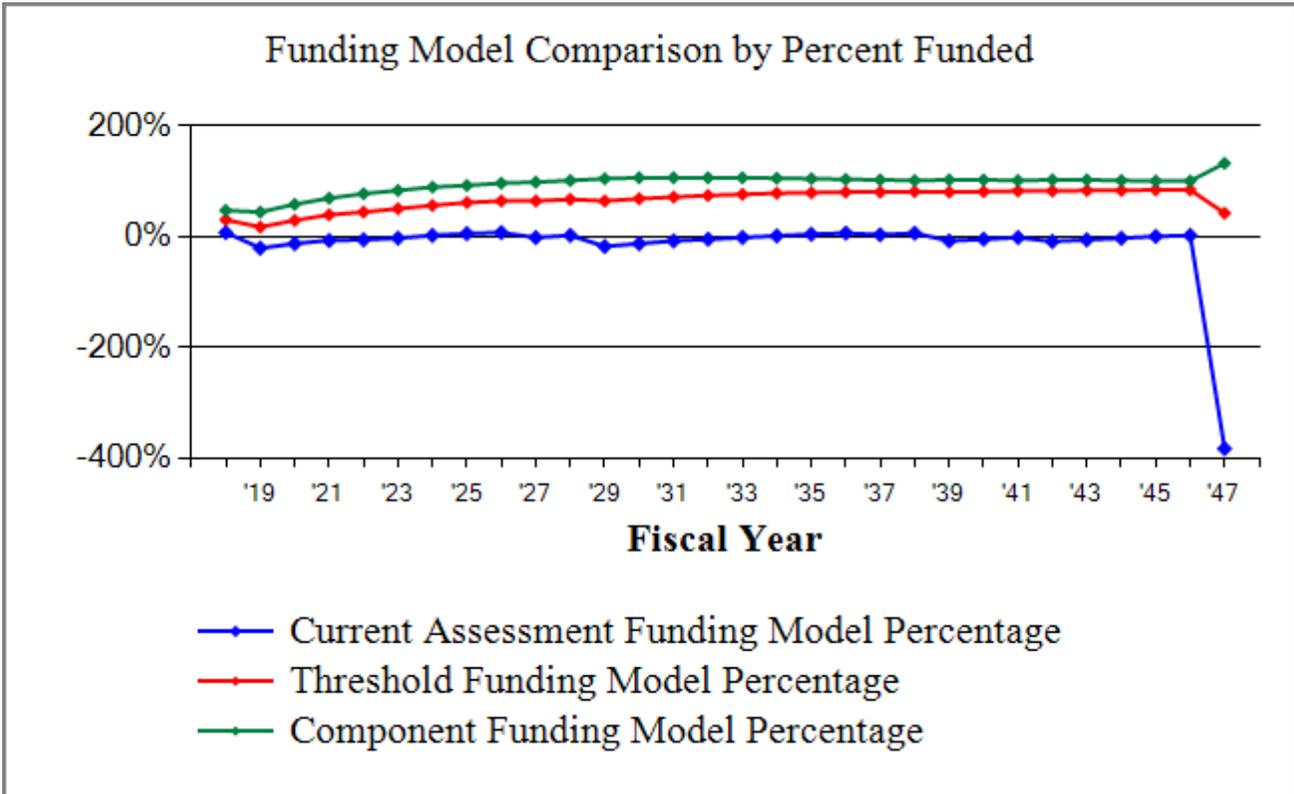
- ◆— Component Funding Model Ending
- Component Funding Model Expenditure

Funding Model Comparison Projected Reserve Ending Balance

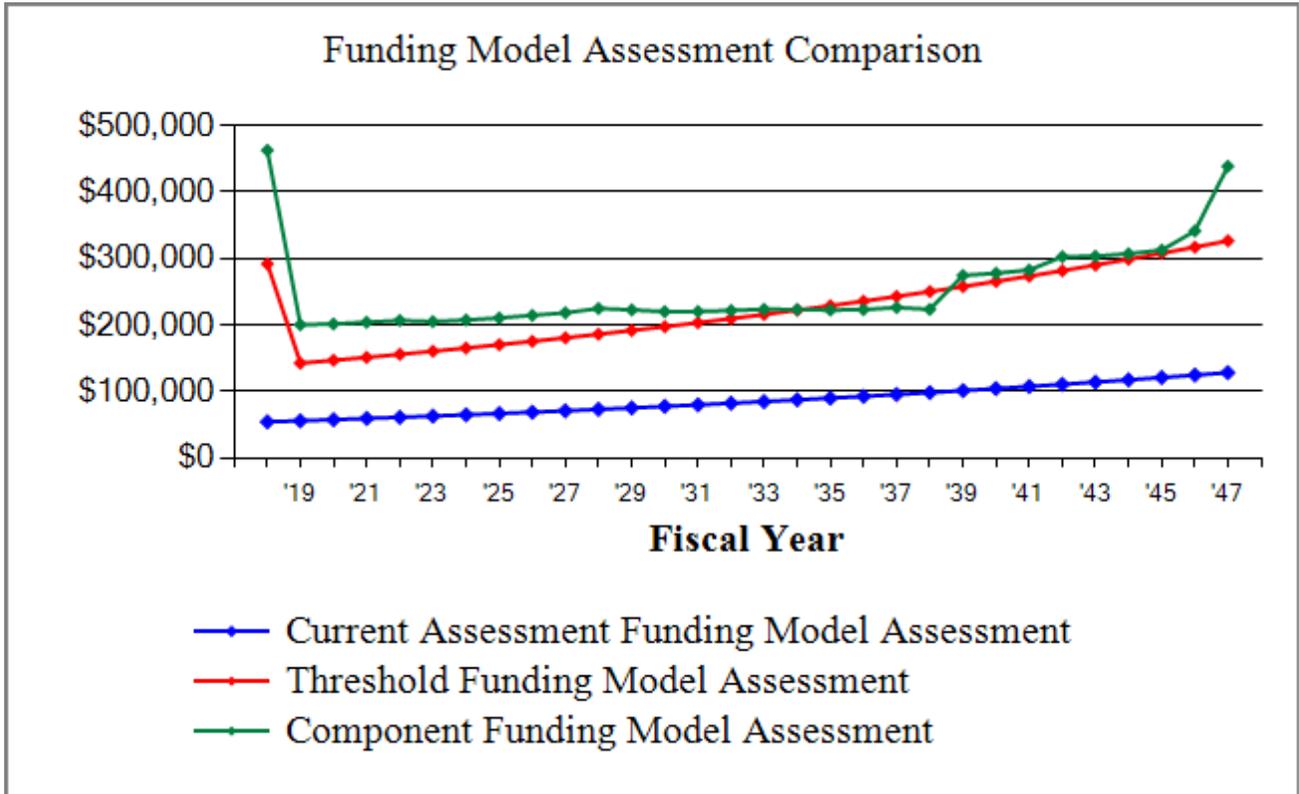


- Current Assessment Funding Model Ending
- Threshold Funding Model Ending
- Component Funding Model Ending

The chart above compares the projected reserve ending balances of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.



The chart above compares the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) by the percentage fully funded over 30 years. This allows your association to view and then choose the funding model that might best fit your community’s needs.



The chart above compares the annual assessment of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Aluminum Fence										
Asphalt mill and repave										197,778
Asphalt, rejuvenation or sealcoat	15,741					18,248				
Brick Paver and Concrete Surfaces	5,000	5,150	5,304	5,464	5,628	5,796	5,970	6,149	6,334	6,524
Exterior Paint Support Buildings									5,067	
Exterior Paint all buildings		249,517								
Fence around Oak Tree										
Front Porch lighting										
House # Signs, illuminated										
Mailboxes										
Perimeter wall		44,032								
Play Tower					28,138					
Pool Equipment					5,628					
Pool Heater		4,944								
Pool, resurface										27,139
Rear elevation lighting										
Restroom renovation										
Roofs - all buildings										
Roofs support buildings										
Street lights										
Street lights, repaint					19,809					
Tennis Court Gazebo									5,764	
Tennis courts, lights										
Tennis courts, resurface		11,330							13,934	
Year Total:	20,741	314,974	5,304	5,464	59,202	24,045	5,970	6,149	31,099	231,441

Description	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Aluminum Fence										32,747
Asphalt mill and repave										
Asphalt, rejuvenation or sealcoat										
Brick Paver and Concrete Surfaces	6,720	6,921	7,129	7,343	7,563	7,790	8,024	8,264	8,512	8,768
Exterior Paint Support Buildings									6,810	
Exterior Paint all buildings		335,331								
Fence around Oak Tree										
Front Porch lighting										22,796
House # Signs, illuminated										22,796
Mailboxes										
Perimeter wall		59,176								
Play Tower										43,838
Pool Equipment					7,563					
Pool Heater		6,644								
Pool, resurface										
Rear elevation lighting										17,097
Restroom renovation					15,126					
Roofs - all buildings										
Roofs support buildings										
Street lights										
Street lights, repaint										30,862
Tennis Court Gazebo									7,746	
Tennis courts, lights										
Tennis courts, resurface						17,138				
Year Total:	6,720	408,072	7,129	7,343	30,252	24,927	8,024	8,264	23,068	178,901

Description	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Aluminum Fence										
Asphalt mill and repave										357,208
Asphalt, rejuvenation or sealcoat										
Brick Paver and Concrete Surfaces	9,031	9,301	9,581	9,868	10,164	10,469	10,783	11,106	11,440	11,783
Exterior Paint Support Buildings									9,152	
Exterior Paint all buildings		450,656								
Fence around Oak Tree					32,017					
Front Porch lighting										
House # Signs, illuminated										
Mailboxes										22,623
Perimeter wall		79,528								
Play Tower										
Pool Equipment					10,164					
Pool Heater		8,929								
Pool, resurface										49,017
Rear elevation lighting										
Restroom renovation										
Roofs - all buildings										3,465,330
Roofs support buildings										36,055
Street lights					178,886					
Street lights, repaint										
Tennis Court Gazebo									10,410	
Tennis courts, lights					113,836					
Tennis courts, resurface			21,077							25,922
Year Total:	9,031	548,415	30,658	9,868	345,067	10,469	10,783	11,106	31,001	3,967,938

Patricia E. Staebler, SRA, RS
State Certified General Appraiser RZ 2890

Bradenton, Florida 34212 ▪ 941.705-0123 ▪ patricia@staeblerappraisal.com

career summary

Background encompasses managing engineering office, on-site construction cost control, project management, technical understanding of construction procedures, staff training for interns, staff training middle management, property management residential and commercial 60+ units, insurance claims adjusting, extensive experience in eminent domain appraisal, commercial and residential real estate appraisal.

expertise

Insurable Value Appraisal
Reserve Studies
50% FEMA Rule Appraisal
Cost Segregation Analysis
Pre-Construction Consulting for accelerated depreciation
Construction Cost Estimating
Construction bidding process
Project Control/Management
Site Development Supervision
Eminent Domain
Subdivision Development
Highest and Best Use Studies
Market Analysis
Due Diligence/Entitlements

valuation disciplines

Insurance Appraisals:

Condominium buildings
Homeowner's associations – common elements
Subdivisions
Mobile home parks
Yacht clubs
Golf and Country clubs
Marinas
Historical buildings
Special use property
Circus Sarasota
Sport centers
CDD districts

Mid- and high-rise buildings (among others):

Ironwood, Bradenton
Sunset Watch, Tierra Verde
Lawrence Point, Sarasota
Aquarius Club, LBK
Longboat Cove, LBK
Sarabande, Sarasota
Plymouth Harbor, Sarasota
Bayshore on the Lake, Bradenton
Plaza at Five Points
Rivo at Ringling
Gull Harbor

Reserve Studies:

Condominium Associations
Homeowner's Associations
Cooperatives
CDD Districts
Special use properties
Churches, cathedrals
Church parishes
Golf and Country Clubs
Marinas

50% FEMA Rule Appraisal

Residential single and multi-family property
Hotels
Resorts
Office buildings among other commercial property
Marinas
Restaurants
Industrial property, water treatment plant, waste transfer station

Cost Segregation

Hotels
Multifamily apartment buildings
Surgical centers
Medical Office buildings
Mobile home parks
Restaurants

professional experience

2006 - current	Independent Practice Staebler Appraisal and Consulting
2011 - 2014	Special Magistrate Manatee County
2006 - 2011	Senior Project Manager Valupoint Consulting/Southeast Market Analysts
2004 - 2005	Resident Review Adjuster IMS Claims Services
2001 - 2005	Erickson Appraisers, Staff Appraiser Eminent Domain
1999 - 2000	Independent Consultant for Management and Staff Training
1993 - 1999	MLT Real Estate Management
1988 - 1997	Allied Consulting Engineers Berlin, Project Control Management
1987 - 1988	IBS Engineering Office, Management Intern
1983 - 1986	Steigenberger SRS Hotels, Director Housekeeping

education

2017	RS Designation Community Association Institute
2010	SRA Designation Appraisal Institute
2006	Florida State Certified General Appraiser
2005	Accredited Insurance Adjuster, University of Central Florida
2001	Licensed Real Estate Broker
1985	Professional Trainer, Institute for Commerce and Industry Germany
1983	Degree in Hotel Management, Steigenberger Academy

education and training

Basic Income Capitalization	Appraisal Institute
Advanced Income Capitalization	Appraisal Institute
Advanced Applications	Appraisal Institute
15-hour USPAP	Appraisal Institute
Residential Market Analysis and Highest and Best Use	Appraisal Institute
Residential Site Valuation and Cost Approach	Appraisal Institute
Real Estate Finance Statistics and Valuation Modeling	Appraisal Institute
Advanced Residential Applications and Case Studies	Appraisal Institute
Advanced Residential Report Writing	Appraisal Institute
Analyzing Distressed Real Estate	Appraisal Institute
Florida Supervisor Trainee Roles and Rules	Appraisal Institute
Florida State Law Update for Real Estate Appraisers	Appraisal Institute
Business Practices and Ethics	Appraisal Institute
REO Appraisal: Appraisal of Residential Property Foreclosure	Appraisal Institute
An Introduction to Valuing Green Buildings	Appraisal Institute
General Market Analysis and Highest and Best Use	Appraisal Institute
The New Residential Market Conditions Form	Appraisal Institute
Subdivision Valuation	Appraisal Institute
The Discounted Cash Flow Model	Appraisal Institute
Analyzing Tenant Credit Risk + Commercial Lease Analysis	Appraisal Institute
Fundamentals of Separating Real and Personal Property and Intangible Business Assets	Appraisal Institute
Advanced Spreadsheet Modeling	Appraisal Institute

Evaluating Commercial Construction
Residential Cost Estimating
Commercial Cost Estimating
Building Envelope Symposium

Appraisal Institute
R. S. Means
R. S. Means
RCI Building Envelope
Consultants

professional affiliations

The Appraisal Institute
CAI, Community Association Institute
RCI, Building Envelope Consultants
GCBX, Gulf Coast Builders Exchange
DAC, Designated Appraiser Council

Current:

2015-2018 Region X Representative Appraisal Institute
2015-2017 Delegate Leadership and Advisory Council of the Appraisal Institute
2018-2021 Board of Directors, Gulf Coast Chapter of the Appraisal Institute
Chair Bylaws and Governance, Gulf Coast Chapter of the Appraisal Institute

Past:

2011-2014 Board Member Appraisal Institute Florida Gulf Coast Chapter
2011-2014 Board Member CAI Community Association Institute
2011-2013 Treasurer CAI Community Association Institute
2011 Graduate of Public Leadership Institute
Board Member Habitat for Humanity
Lieutenant Governor Kiwanis District Berlin
Member Kiwanis Club of Bradenton
Member Kiwanis Club of Lakewood Ranch
Chair Junior Leadership Manatee
2003 Graduate Manatee Leadership
Past Florida Delegate Legislative Alliance Community Association Institute, CAI

speaking engagements, among multiple others

Manatee Association of Realtors, Commercial Brokers: "Cost Segregation Analysis and its advantages for your commercial clients"
Community Association Institute: "Florida Law Changes for Condominium Associations"
Multiple Seminars and Presentations

publications

The West Florida Wire: Accurate Insurance Appraisal Reports
Community (CAI Magazine): The Underfunded Association
Reserve Study and Insurance Appraisal Handbook for Managers and Board Members
The Appraisal Journal: The 50% FEMA Rule Appraisal

seminars (Authored and Taught by Patricia Staebler)

- Reserve Studies – Overview and Discussion
- Insurance Appraisals – Minimum Contents
- Insurance Appraisals and their Complexity
- Reserves – From Measuring the Component to Pooling or Non-Pooling
- The 50% FEMA Rule Appraisal – a national webinar for the Appraisal Institute
- Insurance Replacement Valuation - a national webinar for the Appraisal Institute
- AI Connect Seminar: Insurance Appraisal – An Emerging Appraisal Discipline
- “The 50% FEMA Appraisal” registered in Florida for Appraiser CEU credits 2016
- “Flood Zones and their Influence on Coastal Communities and their Construction Projects” registered in Florida for Community Association Managers CEU credits 2017

