

Felten Professional Adjustment



Insurance Appraisals | Reserve Studies | Wind Mitigation

RESERVE STUDY LEVEL I - Full Reserve Study

Prepared for:

Concord Arms Condominium Association, Inc.

For the period of January 1, 2020 - December 31, 2020



Felten Professional Adjustment Team, LLC.

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June 19, 2019

Concord Arms Condominium Association, Inc.
c/o Monarch Association Mgmt
2566 Gary Circle
Dunedin, Florida 34698

Regarding: January 1, 2020 - Level I - Full Reserve Study Reserve Study

Dear Sue Marino,

We are pleased to submit this Level I - Full Reserve Study Reserve Study for Concord Arms Condominium Association, Inc..

If you have questions about the Reserve Study, please contact us at (866) 568-7853. We look forward to doing business with you in the future.

Thank you,

A handwritten signature in black ink that reads "Brad Felten".



Brad Felten, Managing Member
Felten Professional Adjustment Team, LLC.

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Reserve Study Summary

Concord Arms Condominium Association, Inc.

January 1, 2020 - December 31, 2020

The following Level I - Full Reserve Study reserve study was performed for Concord Arms Condominium Association, Inc. ("property") a Condominium Association located in Dunedin, Florida. The property has 24 units. The reserve study is for the fiscal year starting January 1, 2020, and ending December 31, 2020.

The purpose of this reserve study is to produce a reserve funding plan that will project future contributions and expenditures to assure that reserve funds are available as needed.

As of January 1, 2020, the estimated reserve fund balance is \$69,477. The estimated current replacement cost of the reserve items is \$393,655, and with an annual compounded inflation rate of 2.60% the future replacement cost is \$598,142.

This report presents the two generally accepted means of estimating reserve contributions; the Component Funding Analysis (Straight-Line) and the 30 Year Pooled Cash Flow Funding Analysis.

Component Funding Analysis Summary:

The Component Funding Analysis (Straight-Line) calculates the annual contribution amount for each individual line item component by dividing the component's remaining unfunded balance by its remaining useful life. A component's unfunded remaining balance is its replacement cost less the reserve balance for the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis. Straight-line accounting is based on current costs and neither interest or inflation are factored into the calculations.

Initial year recommendations based on the Straight Line Funding Plan:

Recommended annual contribution:	\$34,524
Recommended monthly contribution:	\$2,877
Average monthly contribution per unit (24):	\$120

30 Year Pooled Cash Flow Funding Analysis Summary:

The 30 Year Pooled Cash Flow Funding Plan is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis calculates the future replacement cost for reserve components when they are due for replacement, and recognizes increases in construction costs as well as interest income attributable to reserve accounts. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow throughout the analysis period.

Initial year recommendations based on the 30 year Pooled Cash Flow Funding Plan:

Recommended annual contribution:	\$20,160
Recommended monthly contribution:	\$1,680
Average monthly contribution per unit (24):	\$70

Reserve Items & Parameters

This section of the report details the physical analysis of the reserve study which includes a complete inventory of the association's major common area components.

For each reserve item we have determined estimated life, remaining life, current cost and future cost.

Reports displayed in this section utilize the following assumptions:

Inflation on Reserve Items - 2.60%



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Summary

Category	Replace	Basis Cost	Quantity	Current Cost	Est	Adj	Rem	Future Cost
Reserve Item	Date				Life	Life	Life	
Building Services Elements								
Fire Alarm Control Panel & Upgrades	1/2020	\$ 15,000.00	1 Allow	\$ 15,000	15:00	15:00	0:00	\$ 15,000
				\$ 15,000				\$ 15,000
Exterior Building Elements								
Exterior Painting & Waterproofing	1/2025	\$ 1.35	18,700 Sq Ft	\$ 25,245	7:00	7:00	5:00	\$ 28,702
Gutters & Downspouts, Aluminum	1/2050	9.00	780 Ln Ft	7,020	35:00	35:00	30:00	15,162
Mailboxes, Aluminum	1/2035	190.00	24 Ea	4,560	30:00	30:00	15:00	6,701
Railing & Enclosures, Aluminum, Balconies	1/2025	35,487.00	1 Lp Sm	35,487	35:00	35:00	5:00	40,346
Railings, Aluminum Picket, Walkways	1/2045	75.00	378 Ln Ft	28,350	35:00	35:00	25:00	53,856
Roof Coverings, Stading Seam Metal	1/2050	670.00	127 Sq	85,090	35:00	35:00	30:00	183,780
Walkways, Waterproof Deck Coatings	1/2020	4.97	1,880 Sq Ft	9,343	7:00	2:00	0:00	9,343
				\$ 195,095				\$ 337,892
Pool Facility Elements								
Pool Deck, Concrete Topping, Resurface	1/2033	\$ 5.50	680 Sq Ft	\$ 3,740	15:00	15:00	13:00	\$ 5,221
Pool Fence, 4' Aluminum Picket	1/2049	45.00	157 Ln Ft	7,065	30:00	30:00	29:00	14,872
Pool Finish & Border Tiles	1/2030	14,745.00	1 Lp Sm	14,745	12:00	12:00	10:00	19,059
				\$ 25,550				\$ 39,153
Property Site Elements								
Asphalt Pavement, Mill & Overlay	1/2034	\$ 15.00	1,734 Sq Yds	\$ 26,010	20:00	20:00	14:00	\$ 37,256
Asphalt Pavement, Patch, Seal Coat & Stripe	1/2021	0.25	15,600 Sq Ft	3,900	4:00	4:00	1:00	4,001
Dock, Wood Joists, Deck & Pilings	1/2025	16,300.00	1 Lp Sm	16,300	22:00	30:00	5:00	18,532
Piping, Cast Iron, Waste/Soil Stacks, Partial	1/2020	2,500.00	2 Ea	5,000	2:00	2:00	0:00	5,000
Piping, Sewer, Underground	1/2024	150.00	240 Ln Ft	36,000	60:00	60:00	4:00	39,892
Seawall, Concrete	1/2034	300.00	236 Ln Ft	70,800	70:00	70:00	14:00	101,413
				\$ 158,010				\$ 206,096



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

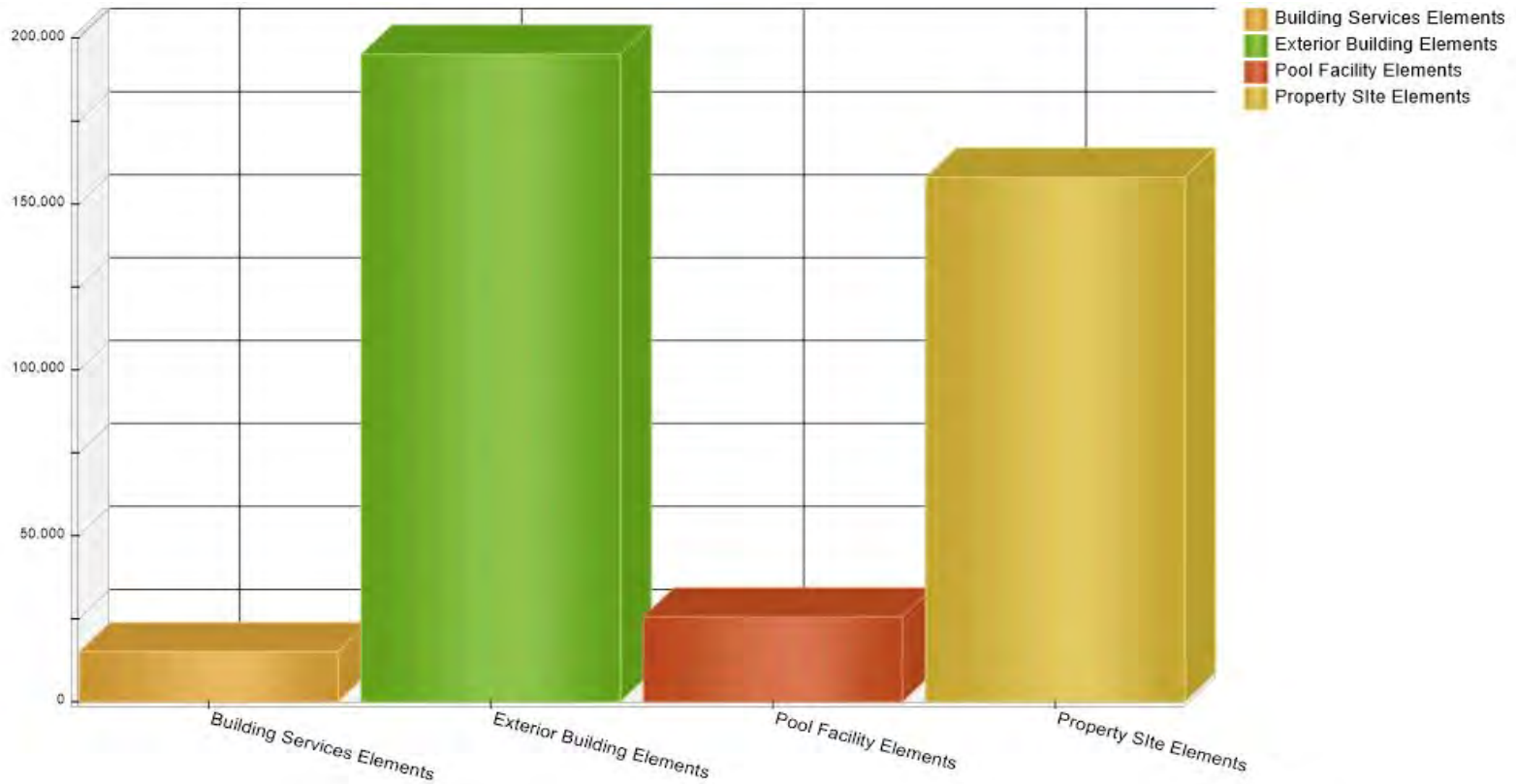
Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Summary

Category	Replace	Basis Cost	Quantity	Current Cost	Est	Adj	Rem	Future Cost
Reserve Item	Date				Life	Life	Life	
				\$ 393,655				\$ 598,142

Analysis Date - January 1, 2020
Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameter - Category - Chart



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Fire Alarm Control Panel & Upgrades

Item Number	18	Measurement Basis	Allow
Type	Common Area	Estimated Useful Life	15 Years
Category	Building Services	Basis Cost	\$ 15,000.00
Tracking Method	Logistical		
	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0018	01/01/2005	01/01/2020	0:00	15:00	1	\$ 15,000.00	\$ 15,000.00
						\$ 15,000.00	\$ 15,000.00

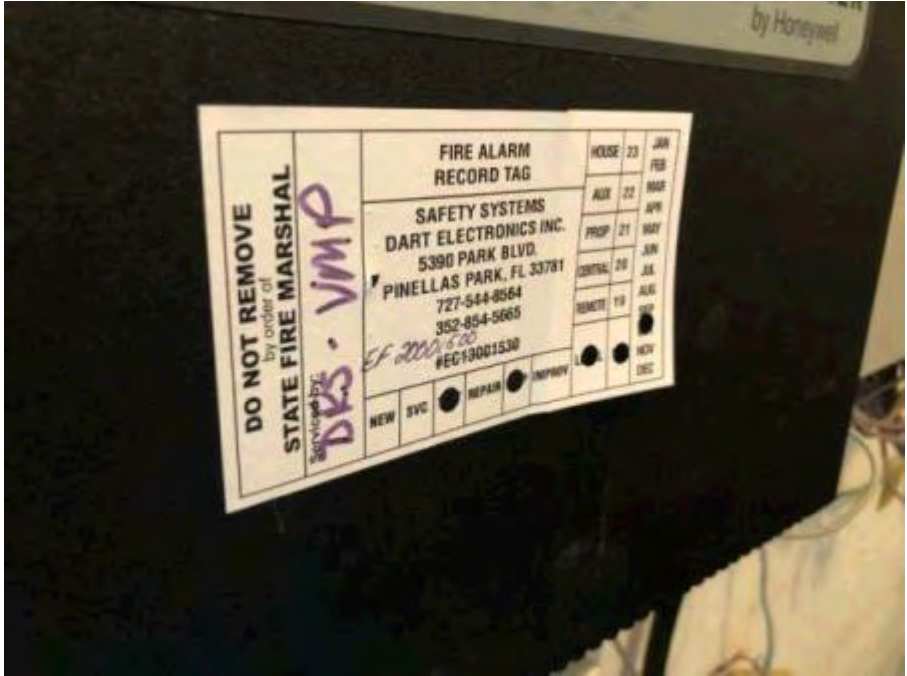
Comments



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Exterior Painting & Waterproofing

Item Number	3	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	7 Years
Category	Exterior Building	Basis Cost	\$ 1.35
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0003	01/01/2018	01/01/2025	5:00	7:00	18,700	\$ 25,245.00	\$ 28,702.00
						\$ 25,245.00	\$ 28,702.00

Comments



Item Parameters - Full Detail

Gutters & Downspouts, Aluminum

Item Number	5	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior Building	Basis Cost	\$ 9.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0005	01/01/2015	01/01/2050	30:00	35:00	780	\$ 7,020.00	\$ 15,162.05
						\$ 7,020.00	\$ 15,162.05

Comments



Gutters: 500 Ln Ft
Downspouts: 280 Ln Ft

Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Mailboxes, Aluminum

Item Number	8	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	30 Years
Category	Exterior Building	Basis Cost	\$ 190.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0008	01/01/2005	01/01/2035	15:00	30:00	24	\$ 4,560.00	\$ 6,701.55
						\$ 4,560.00	\$ 6,701.55

Comments



Item Parameters - Full Detail

Railing & Enclosures, Aluminum, Balconies

Item Number	12	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior Building	Basis Cost	\$ 35,487.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0012	01/01/1990	01/01/2025	5:00	35:00	1	\$ 35,487.00	\$ 40,346.52
						\$ 35,487.00	\$ 40,346.52

Comments



Aluminum Balcony Railings: 286 Ln Ft @ \$75.00 = \$21,450
Aluminum Screen Enclosures: 3,432 Sq Ft @ \$4.09 = \$14,037

Grand Total: \$35,487

Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Railings, Aluminum Picket, Walkways

Item Number	4	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior Building	Basis Cost	\$ 75.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0004	01/01/2010	01/01/2045	25:00	35:00	378	\$ 28,350.00	\$ 53,856.37
						\$ 28,350.00	\$ 53,856.37

Comments



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Roof Coverings, Stading Seam Metal

Item Number	6	Measurement Basis	Sq
Type	Common Area	Estimated Useful Life	35 Years
Category	Exterior Building	Basis Cost	\$ 670.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0006	01/01/2015	01/01/2050	30:00	35:00	127	\$ 85,090.00	\$ 183,780.47
						\$ 85,090.00	\$ 183,780.47

Comments



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Walkways, Waterproof Deck Coatings

Item Number	7	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	7 Years
Category	Exterior Building	Basis Cost	\$ 4.97
Tracking Method	Logistical Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0007	01/01/2018	01/01/2020	0:00	2:00	1,880	\$ 9,343.60	\$ 9,343.60
						\$ 9,343.60	\$ 9,343.60

Comments



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

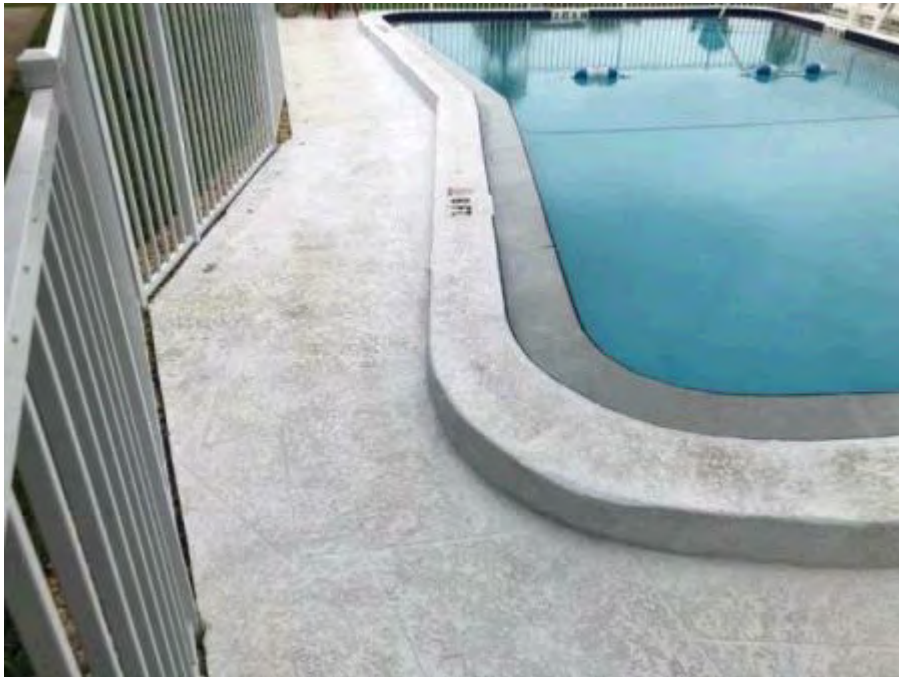
Item Parameters - Full Detail

Pool Deck, Concrete Topping, Resurface

Item Number	16	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	15 Years
Category	Pool Facility	Basis Cost	\$ 5.50
Tracking Method	Logistical		
	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0016	01/01/2018	01/01/2033	13:00	15:00	680	\$ 3,740.00	\$ 5,221.40
						\$ 3,740.00	\$ 5,221.40

Comments



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Pool Fence, 4' Aluminum Picket

Item Number	15	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	30 Years
Category	Pool Facility	Basis Cost	\$ 45.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0015	01/01/2019	01/01/2049	29:00	30:00	157	\$ 7,065.00	\$ 14,872.56
						\$ 7,065.00	\$ 14,872.56

Comments



Item Parameters - Full Detail

Pool Finish & Border Tiles

Item Number	17	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	12 Years
Category	Pool Facility	Basis Cost	\$ 14,745.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0017	01/01/2018	01/01/2030	10:00	12:00	1	\$ 14,745.00	\$ 19,059.80
						\$ 14,745.00	\$ 19,059.80

Comments



Pool Finish: 1,150 Sq Ft = \$8,625.00
Border Tiles: 255 Ln Ft = \$6,120.00

Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Asphalt Pavement, Mill & Overlay

Item Number	2	Measurement Basis	Sq Yds
Type	Common Area	Estimated Useful Life	20 Years
Category	Property Site	Basis Cost	\$ 15.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0002	01/01/2014	01/01/2034	14:00	20:00	1,734	\$ 26,010.00	\$ 37,256.62
						\$ 26,010.00	\$ 37,256.62

Comments



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Asphalt Pavement, Patch, Seal Coat & Stripe

Item Number	1	Measurement Basis	Sq Ft
Type	Common Area	Estimated Useful Life	4 Years
Category	Property Site	Basis Cost	\$ 0.25
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0001	01/01/2017	01/01/2021	1:00	4:00	15,600	\$ 3,900.00	\$ 4,001.40
						\$ 3,900.00	\$ 4,001.40

Comments



Item Parameters - Full Detail

Dock, Wood Joists, Deck & Pilings

Item Number	13	Measurement Basis	Lp Sm
Type	Common Area	Estimated Useful Life	22 Years
Category	Property Site	Basis Cost	\$ 16,300.00
Tracking Method	Logistical Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0013	01/01/1995	01/01/2025	5:00	30:00	1	\$ 16,300.00	\$ 18,532.09
						\$ 16,300.00	\$ 18,532.09

Comments



Railings: 65 Ln Ft = \$1,300
Deck: 300 Sq Ft = \$6,000
Joists: 300 Sq Ft = \$6,000
Piling: 6 Total \$ 500 Each = \$3,000



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Item Parameters - Full Detail

Piping, Cast Iron, Waste/Soil Stacks, Partial

Item Number	20	Measurement Basis	Ea
Type	Common Area	Estimated Useful Life	2 Years
Category	Property Site	Basis Cost	\$ 2,500.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0020	01/01/2018	01/01/2020	0:00	2:00	2	\$ 5,000.00	\$ 5,000.00
						\$ 5,000.00	\$ 5,000.00

Comments

Item Parameters - Full Detail

Piping, Sewer, Underground

Item Number	19	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	60 Years
Category	Property Site	Basis Cost	\$ 150.00
Tracking Method	Logistical		
	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0019	01/01/1964	01/01/2024	4:00	60:00	240	\$ 36,000.00	\$ 39,892.56
						\$ 36,000.00	\$ 39,892.56

Comments



Sewer Cast Iron Pipes: 120 Ln Ft. @ \$150.00 per Ln Ft

Item Parameters - Full Detail

Seawall, Concrete

Item Number	14	Measurement Basis	Ln Ft
Type	Common Area	Estimated Useful Life	70 Years
Category	Property Site	Basis Cost	\$ 300.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0014	01/01/1964	01/01/2034	14:00	70:00	236	\$ 70,800.00	\$ 101,413.63
						\$ 70,800.00	\$ 101,413.63

Comments



We recommend the Association hire a professional seawall engineer to perform a condition assessment report on the concrete seawall and cap.

Reserve Expenditures

This section of the report details the associations expenditures over the next 30 years.

Reports displayed in this section utilize the following assumptions:

- Inflation on Reserve Items - 2.60%



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Expenditures

Category	Service	Estimated				
Date	Reserve Item	Code	Date	Life	Current Cost	Expenditure
Year : 2020						
Building Services Elements						
01/01/2020	Fire Alarm Control Panel & Upgrades	910-000-0018	01/01/2005	15:00	\$ 15,000.00	\$ 15,000.00
					\$ 15,000.00	\$ 15,000.00
Exterior Building Elements						
01/01/2020	Walkways, Waterproof Deck Coatings	910-000-0007	01/01/2018	2:00	\$ 9,343.60	\$ 9,343.60
					\$ 9,343.60	\$ 9,343.60
Property Site Elements						
01/01/2020	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2018	2:00	\$ 5,000.00	\$ 5,000.00
					\$ 5,000.00	\$ 5,000.00
Year : 2021						
Property Site Elements						
01/01/2021	Asphalt Pavement, Patch, Seal Coat & S	910-000-0001	01/01/2017	4:00	\$ 3,900.00	\$ 4,001.40
					\$ 3,900.00	\$ 4,001.40
Year : 2022						
Property Site Elements						
01/01/2022	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2020	2:00	\$ 5,000.00	\$ 5,263.38
					\$ 5,000.00	\$ 5,263.38
Year : 2024						
Property Site Elements						
01/01/2024	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2022	2:00	\$ 5,000.00	\$ 5,540.63
01/01/2024	Piping, Sewer, Underground	910-000-0019	01/01/1964	60:00	36,000.00	39,892.56
					\$ 41,000.00	\$ 45,433.19
Year : 2025						
Exterior Building Elements						
01/01/2025	Exterior Painting & Waterproofing	910-000-0003	01/01/2018	7:00	\$ 25,245.00	\$ 28,702.00
01/01/2025	Railing & Enclosures, Aluminum, Balcon	910-000-0012	01/01/1990	35:00	35,487.00	40,346.52
					\$ 60,732.00	\$ 69,048.52
Property Site Elements						
01/01/2025	Asphalt Pavement, Patch, Seal Coat & S	910-000-0001	01/01/2021	4:00	\$ 3,900.00	\$ 4,434.06
01/01/2025	Dock, Wood Joists, Deck & Pilings	910-000-0013	01/01/1995	30:00	16,300.00	18,532.09
					\$ 20,200.00	\$ 22,966.15
Year : 2026						
Property Site Elements						
01/01/2026	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2024	2:00	\$ 5,000.00	\$ 5,832.49
					\$ 5,000.00	\$ 5,832.49



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Expenditures

Category	Service	Estimated				
Date	Reserve Item	Code	Date	Life	Current Cost	Expenditure
Year : 2027						
Exterior Building Elements						
01/01/2027	Walkways, Waterproof Deck Coatings	910-000-0007	01/01/2020	7:00	\$ 9,343.60	\$ 11,182.68
					\$ 9,343.60	\$ 11,182.68
Year : 2028						
Property Site Elements						
01/01/2028	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2026	2:00	\$ 5,000.00	\$ 6,139.72
					\$ 5,000.00	\$ 6,139.72
Year : 2029						
Property Site Elements						
01/01/2029	Asphalt Pavement, Patch, Seal Coat & S	910-000-0001	01/01/2025	4:00	\$ 3,900.00	\$ 4,913.50
					\$ 3,900.00	\$ 4,913.50
Year : 2030						
Pool Facility Elements						
01/01/2030	Pool Finish & Border Tiles	910-000-0017	01/01/2018	12:00	\$ 14,745.00	\$ 19,059.80
					\$ 14,745.00	\$ 19,059.80
Property Site Elements						
01/01/2030	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2028	2:00	\$ 5,000.00	\$ 6,463.14
					\$ 5,000.00	\$ 6,463.14
Year : 2032						
Exterior Building Elements						
01/01/2032	Exterior Painting & Waterproofing	910-000-0003	01/01/2025	7:00	\$ 25,245.00	\$ 34,351.34
					\$ 25,245.00	\$ 34,351.34
Property Site Elements						
01/01/2032	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2030	2:00	\$ 5,000.00	\$ 6,803.59
					\$ 5,000.00	\$ 6,803.59
Year : 2033						
Pool Facility Elements						
01/01/2033	Pool Deck, Concrete Topping, Resurface	910-000-0016	01/01/2018	15:00	\$ 3,740.00	\$ 5,221.40
					\$ 3,740.00	\$ 5,221.40
Property Site Elements						
01/01/2033	Asphalt Pavement, Patch, Seal Coat & S	910-000-0001	01/01/2029	4:00	\$ 3,900.00	\$ 5,444.78
					\$ 3,900.00	\$ 5,444.78
Year : 2034						
Exterior Building Elements						
01/01/2034	Walkways, Waterproof Deck Coatings	910-000-0007	01/01/2027	7:00	\$ 9,343.60	\$ 13,383.73
					\$ 9,343.60	\$ 13,383.73



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Expenditures

Category	Service	Estimated				
Date	Reserve Item	Code	Date	Life	Current Cost	Expenditure
Property Site Elements						
01/01/2034	Asphalt Pavement, Mill & Overlay	910-000-0002	01/01/2014	20:00	\$ 26,010.00	\$ 37,256.62
01/01/2034	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2032	2:00	5,000.00	7,161.98
01/01/2034	Seawall, Concrete	910-000-0014	01/01/1964	70:00	70,800.00	101,413.63
					\$ 101,810.00	\$ 145,832.23
Year : 2035						
Building Services Elements						
01/01/2035	Fire Alarm Control Panel & Upgrades	910-000-0018	01/01/2020	15:00	\$ 15,000.00	\$ 22,044.57
					\$ 15,000.00	\$ 22,044.57
Exterior Building Elements						
01/01/2035	Mailboxes, Aluminum	910-000-0008	01/01/2005	30:00	\$ 4,560.00	\$ 6,701.55
					\$ 4,560.00	\$ 6,701.55
Year : 2036						
Property Site Elements						
01/01/2036	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2034	2:00	\$ 5,000.00	\$ 7,539.24
					\$ 5,000.00	\$ 7,539.24
Year : 2037						
Property Site Elements						
01/01/2037	Asphalt Pavement, Patch, Seal Coat & S	910-000-0001	01/01/2033	4:00	\$ 3,900.00	\$ 6,033.51
					\$ 3,900.00	\$ 6,033.51
Year : 2038						
Property Site Elements						
01/01/2038	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2036	2:00	\$ 5,000.00	\$ 7,936.38
					\$ 5,000.00	\$ 7,936.38
Year : 2039						
Exterior Building Elements						
01/01/2039	Exterior Painting & Waterproofing	910-000-0003	01/01/2032	7:00	\$ 25,245.00	\$ 41,112.63
					\$ 25,245.00	\$ 41,112.63
Year : 2040						
Property Site Elements						
01/01/2040	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2038	2:00	\$ 5,000.00	\$ 8,354.44
					\$ 5,000.00	\$ 8,354.44
Year : 2041						
Exterior Building Elements						
01/01/2041	Walkways, Waterproof Deck Coatings	910-000-0007	01/01/2034	7:00	\$ 9,343.60	\$ 16,018.02
					\$ 9,343.60	\$ 16,018.02



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Expenditures

Category	Service	Estimated				
Date	Reserve Item	Code	Date	Life	Current Cost	Expenditure
Property Site Elements						
01/01/2041	Asphalt Pavement, Patch, Seal Coat & S	910-000-0001	01/01/2037	4:00	\$ 3,900.00	\$ 6,685.89
					\$ 3,900.00	\$ 6,685.89
Year : 2042						
Pool Facility Elements						
01/01/2042	Pool Finish & Border Tiles	910-000-0017	01/01/2030	12:00	\$ 14,745.00	\$ 25,935.03
					\$ 14,745.00	\$ 25,935.03
Property Site Elements						
01/01/2042	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2040	2:00	\$ 5,000.00	\$ 8,794.52
					\$ 5,000.00	\$ 8,794.52
Year : 2044						
Property Site Elements						
01/01/2044	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2042	2:00	\$ 5,000.00	\$ 9,257.78
					\$ 5,000.00	\$ 9,257.78
Year : 2045						
Exterior Building Elements						
01/01/2045	Railings, Aluminum Picket, Walkways	910-000-0004	01/01/2010	35:00	\$ 28,350.00	\$ 53,856.37
					\$ 28,350.00	\$ 53,856.37
Property Site Elements						
01/01/2045	Asphalt Pavement, Patch, Seal Coat & S	910-000-0001	01/01/2041	4:00	\$ 3,900.00	\$ 7,408.81
					\$ 3,900.00	\$ 7,408.81
Year : 2046						
Exterior Building Elements						
01/01/2046	Exterior Painting & Waterproofing	910-000-0003	01/01/2039	7:00	\$ 25,245.00	\$ 49,204.72
					\$ 25,245.00	\$ 49,204.72
Property Site Elements						
01/01/2046	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2044	2:00	\$ 5,000.00	\$ 9,745.44
					\$ 5,000.00	\$ 9,745.44
Year : 2047						
Property Site Elements						
01/01/2047	Dock, Wood Joists, Deck & Pilings	910-000-0013	01/01/2025	22:00	\$ 16,300.00	\$ 32,596.15
					\$ 16,300.00	\$ 32,596.15
Year : 2048						
Exterior Building Elements						
01/01/2048	Walkways, Waterproof Deck Coatings	910-000-0007	01/01/2041	7:00	\$ 9,343.60	\$ 19,170.80
					\$ 9,343.60	\$ 19,170.80



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Expenditures

Category	Service	Estimated				
Date	Reserve Item	Code	Date	Life	Current Cost	Expenditure
Pool Facility Elements						
01/01/2048	Pool Deck, Concrete Topping, Resurface	910-000-0016	01/01/2033	15:00	\$ 3,740.00	\$ 7,673.57
					\$ 3,740.00	\$ 7,673.57
Property Site Elements						
01/01/2048	Piping, Cast Iron, Waste/Soil Stacks, Par	910-000-0020	01/01/2046	2:00	\$ 5,000.00	\$ 10,258.79
					\$ 5,000.00	\$ 10,258.79
Year : 2049						
Pool Facility Elements						
01/01/2049	Pool Fence, 4' Aluminum Picket	910-000-0015	01/01/2019	30:00	\$ 7,065.00	\$ 14,872.56
					\$ 7,065.00	\$ 14,872.56
Property Site Elements						
01/01/2049	Asphalt Pavement, Patch, Seal Coat & S	910-000-0001	01/01/2045	4:00	\$ 3,900.00	\$ 8,209.90
					\$ 3,900.00	\$ 8,209.90

Component Funding Analysis

This section of the reserve study report utilizes straight line accounting formulas to arrive at the required annual reserve contribution.

The Component Funding Analysis calculates the annual contribution amount for each individual line item component by dividing the component's remaining unfunded balance by its remaining useful life. A component's unfunded remaining balance is its replacement cost less the reserve balance for the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis. Straight-line accounting is based on current costs and neither interest or inflation are factored into the calculations.

The projected reserve fund balance at the end of the current fiscal year has been allocated to those components which have the shortest remaining life. This also provides for the lowest straight line contribution amount using this plan. However, if the property is a condominium association, per Florida Statute 718.112(2)(f)(3) condominium associations in Florida can only re-allocate (use) reserve funds for purposes other than which they were authorized for by getting approval in advance by a vote of the majority of the voting interests.



Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.00% Contribution Factor:0.00% Calc:Current

Component Funding Analysis

Category Reserve Item	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2020
Building Services Elements						
Fire Alarm Control Panel & Upgrades	\$ 15,000	15:00	0:00	\$ 15,000	\$ 0	\$ 1,000
	\$ 15,000			\$ 15,000	\$ 0	\$ 1,000
Exterior Building Elements						
Exterior Painting & Waterproofing	\$ 25,245	7:00	5:00	\$ 3,609	\$ 21,636	\$ 4,327
Gutters & Downspouts, Aluminum	7,020	35:00	30:00	0	7,020	234
Mailboxes, Aluminum	4,560	30:00	15:00	0	4,560	304
Railing & Enclosures, Aluminum, Balconies	35,487	35:00	5:00	0	35,487	7,097
Railings, Aluminum Picket, Walkways	28,350	35:00	25:00	0	28,350	1,134
Roof Coverings, Stading Seam Metal	85,090	35:00	30:00	0	85,090	2,836
Walkways, Waterproof Deck Coatings	9,344	2:00	0:00	9,343	1	1,335
	\$ 195,096			\$ 12,952	\$ 182,144	\$ 17,267
Pool Facility Elements						
Pool Deck, Concrete Topping, Resurface	\$ 3,740	15:00	13:00	\$ 0	\$ 3,740	\$ 288
Pool Fence, 4' Aluminum Picket	7,065	30:00	29:00	0	7,065	244
Pool Finish & Border Tiles	14,745	12:00	10:00	0	14,745	1,475
	\$ 25,550			\$ 0	\$ 25,550	\$ 2,007
Property Site Elements						
Asphalt Pavement, Mill & Overlay	\$ 26,010	20:00	14:00	\$ 0	\$ 26,010	\$ 1,858
Asphalt Pavement, Patch, Seal Coat & Stripe	3,900	4:00	1:00	2,925	975	975
Dock, Wood Joists, Deck & Pilings	16,300	30:00	5:00	0	16,300	3,260
Piping, Cast Iron, Waste/Soil Stacks, Partial	5,000	2:00	0:00	5,000	0	2,500
Piping, Sewer, Underground	36,000	60:00	4:00	33,600	2,400	600
Seawall, Concrete	70,800	70:00	14:00	0	70,800	5,057
	\$ 158,010			\$ 41,525	\$ 116,485	\$ 14,250
	\$ 393,656			\$ 69,477	\$ 324,179	\$ 34,524

30 Year Pooled Cash Flow Funding Plan

This section of the reserve study presents an alternate funding plan to the Component Funding Analysis (Straight-Line). This plan utilizes the same reserve items and life expectancies with costs based on future rather than current. This method calculates the annual reserve contribution based on a 30 year positive cash flow.

The 30 Year Pooled Cash Flow Funding Plan is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis calculates the future replacement cost for reserve components when they are due for replacement, and recognizes increases in construction costs as well as interest income attributable to reserve accounts. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow throughout the analysis period.

This funding plan utilizes the following assumptions:

- Annual Contribution Increase - 3.00%
- Interest Earned - 2.00%
- Taxes on Interest Earned - 0.00%
- Inflation on Reserve Items - 2.60%
- Contingency - 0.00%



Concord Arms Condominium Association, Inc.

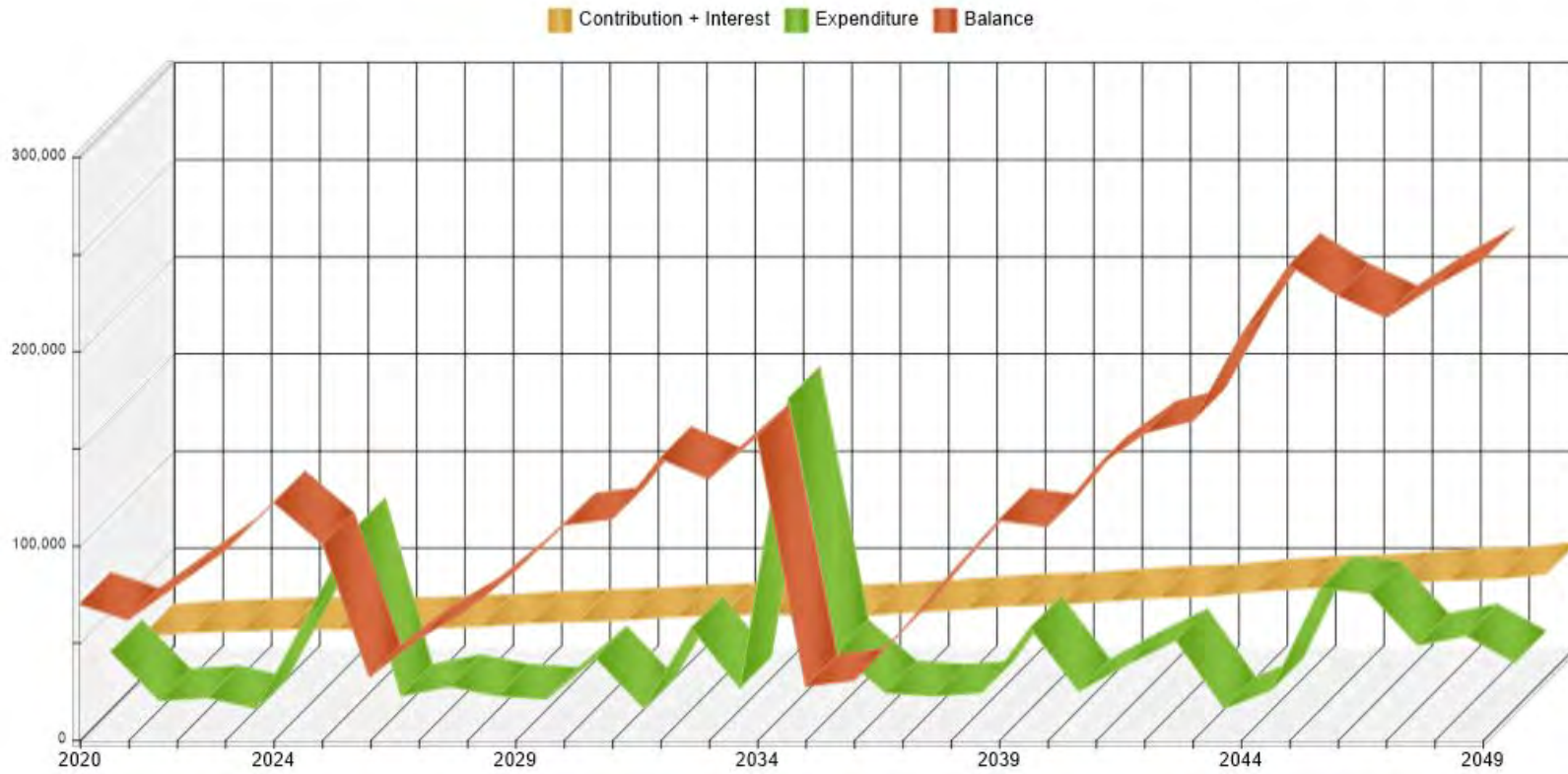
Analysis Date - January 1, 2020

Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Cash Flow - Annual

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Begin Balance	\$ 69,477	\$ 61,331	\$ 79,463	\$ 97,305	\$ 121,520	\$ 100,580	\$ 32,422	\$ 51,445	\$ 66,129	\$ 87,000
Contribution	20,160	20,764	21,387	22,029	22,690	23,370	24,072	24,794	25,538	26,304
Average Per Unit	840	865	891	917	945	973	1,003	1,033	1,064	1,096
Percent Change	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest	1,037	1,369	1,717	2,185	1,802	486	783	1,071	1,472	1,925
Less Expenditures	29,343	4,001	5,263	0	45,433	92,014	5,832	11,182	6,139	4,913
Ending Balance	\$ 61,331	\$ 79,463	\$ 97,305	\$ 121,520	\$ 100,580	\$ 32,422	\$ 51,445	\$ 66,129	\$ 87,000	\$ 110,317
	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Begin Balance	\$ 110,317	\$ 113,893	\$ 144,379	\$ 134,375	\$ 156,118	\$ 27,775	\$ 30,759	\$ 56,371	\$ 85,015	\$ 113,308
Contribution	27,093	27,906	28,743	29,605	30,493	31,408	32,350	33,321	34,321	35,350
Average Per Unit	1,128	1,162	1,197	1,233	1,270	1,308	1,347	1,388	1,430	1,472
Percent Change	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest	2,005	2,579	2,407	2,803	379	320	800	1,356	1,907	1,847
Less Expenditures	25,522	0	41,154	10,666	159,215	28,746	7,539	6,033	7,936	41,112
Ending Balance	\$ 113,893	\$ 144,379	\$ 134,375	\$ 156,118	\$ 27,775	\$ 30,759	\$ 56,371	\$ 85,015	\$ 113,308	\$ 109,393
	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Begin Balance	\$ 109,393	\$ 139,863	\$ 157,424	\$ 164,218	\$ 207,720	\$ 243,869	\$ 228,977	\$ 217,423	\$ 233,817	\$ 247,305
Contribution	36,411	37,503	38,628	39,787	40,981	42,210	43,476	44,781	46,124	47,508
Average Per Unit	1,517	1,562	1,609	1,657	1,707	1,758	1,811	1,865	1,921	1,979
Percent Change	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Interest	2,412	2,761	2,894	3,714	4,425	4,162	3,919	4,208	4,465	5,023
Less Expenditures	8,354	22,703	34,729	0	9,257	61,265	58,950	32,596	37,103	23,082
Ending Balance	\$ 139,863	\$ 157,424	\$ 164,218	\$ 207,720	\$ 243,869	\$ 228,977	\$ 217,423	\$ 233,817	\$ 247,305	\$ 276,754

Analysis Date - January 1, 2020
 Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future
Cash Flow - Chart





Concord Arms Condominium Association, Inc.

Analysis Date - January 1, 2020

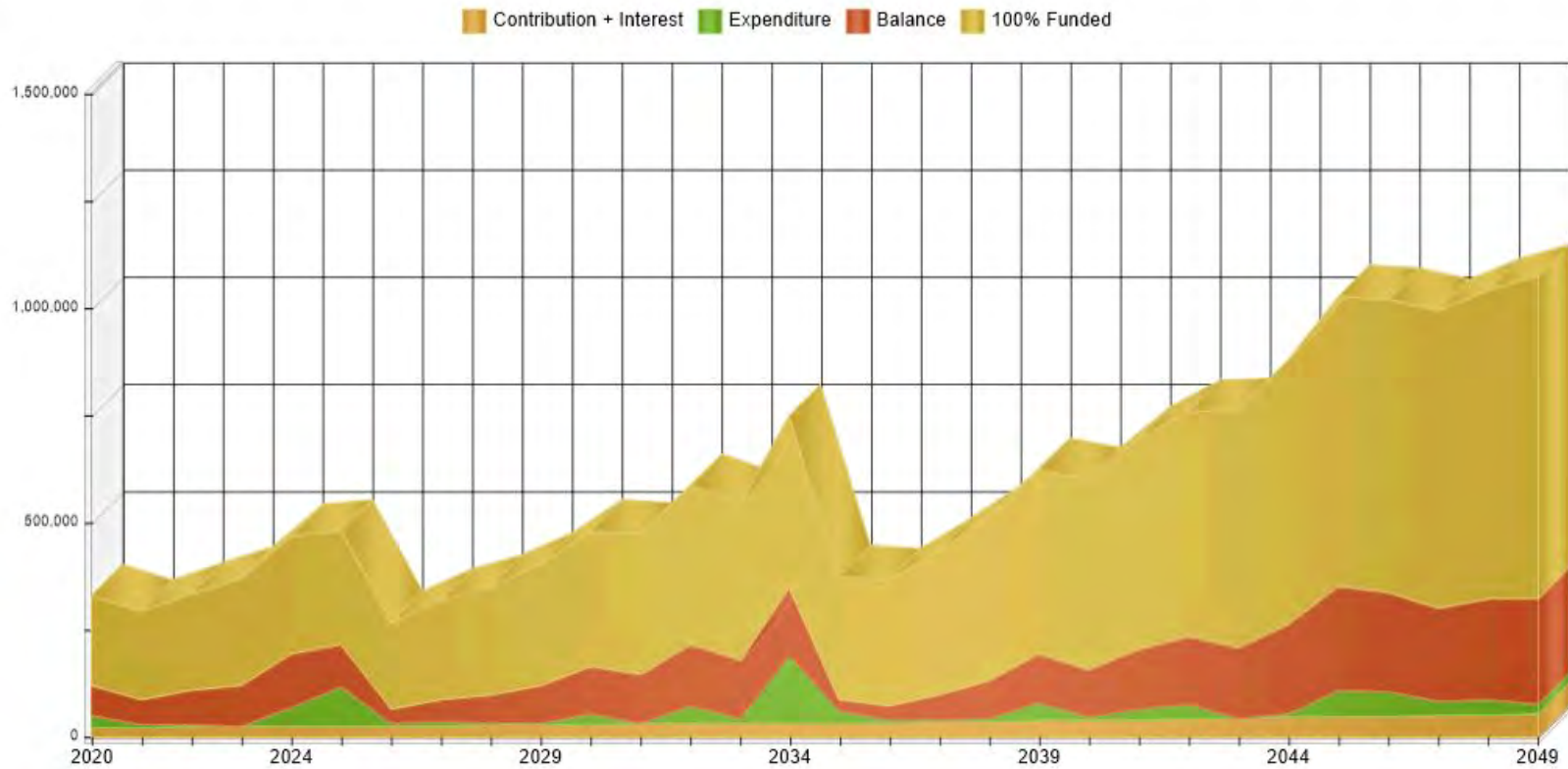
Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Percent Funded - Annual

Beginning Date	100% Funded Time Value	Beginning Balance	Percent Funded	Contribution	Interest	Expenditure Future Cost
01/01/2020	\$ 208,255	\$ 69,477	33.36 %	\$ 20,160	\$ 1,037	\$ 29,343
01/01/2021	204,141	61,331	30.04	20,764	1,369	4,001
01/01/2022	226,539	79,463	35.07	21,387	1,717	5,263
01/01/2023	248,491	97,305	39.15	22,029	2,185	0
01/01/2024	277,263	121,520	43.82	22,690	1,802	45,433
01/01/2025	262,640	100,580	38.29	23,370	486	92,014
01/01/2026	202,728	32,422	15.99	24,072	783	5,832
01/01/2027	230,458	51,445	22.32	24,794	1,071	11,182
01/01/2028	252,226	66,129	26.21	25,538	1,472	6,139
01/01/2029	282,426	87,000	30.80	26,304	1,925	4,913
01/01/2030	315,386	110,317	34.97	27,093	2,005	25,522
01/01/2031	329,005	113,893	34.61	27,906	2,579	0
01/01/2032	370,344	144,379	38.98	28,743	2,407	41,154
01/01/2033	369,162	134,375	36.40	29,605	2,803	10,666
01/01/2034	401,901	156,118	38.84	30,493	379	159,215
01/01/2035	286,423	27,775	9.69	31,408	320	28,746
01/01/2036	295,434	30,759	10.41	32,350	800	7,539
01/01/2037	337,735	56,371	16.69	33,321	1,356	6,033
01/01/2038	383,705	85,015	22.15	34,321	1,907	7,936
01/01/2039	430,126	113,308	26.34	35,350	1,847	41,112
01/01/2040	443,091	109,393	24.68	36,411	2,412	8,354
01/01/2041	492,976	139,863	28.37	37,503	2,761	22,703
01/01/2042	527,334	157,424	29.85	38,628	2,894	34,729
01/01/2043	553,418	164,218	29.67	39,787	3,714	0
01/01/2044	618,987	207,720	33.55	40,981	4,425	9,257
01/01/2045	677,593	243,869	35.99	42,210	4,162	61,265
01/01/2046	686,081	228,977	33.37	43,476	3,919	58,950
01/01/2047	696,001	217,423	31.23	44,781	4,208	32,596
01/01/2048	719,559	233,817	32.49	46,124	4,465	37,103
01/01/2049	754,046	247,305	32.79	47,508	5,023	23,082

Analysis Date - January 1, 2020
 Inflation:2.60% Investment:2.00% Contribution Factor:3.00% Calc:Future

Percent Funded - Annual - Chart



Explanations & Definitions

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.

Funding Options

When a major repair or replacement is required in a community, an association has essentially 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 by assessing 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 the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership 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 are requesting 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:

Level I - Full Reserve Study with site visit;

Level II - Update with site visit; and

Level III - Update without site visit.

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".

In an Update with site inspection, the reserve provider conducts a component inventory (verification only, not 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."

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

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	Elevator Modernization
Painting	Interior Furnishings
Deck Resurfacing	Park/Play Equipment
Fencing Replacement	Pool/Spa Re-plastering
Asphalt Seal Coating	Pool Equipment Replacement
Asphalt Repairs	Pool Furniture Replacement
Asphalt Overlays	Tennis Court Resurfacing
Equipment Replacement	Lighting Replacement

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 the complete replacement of elevators, wiring, plumbing, concrete driveways, etc. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

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.

Funding Methods

This report presents the two generally accepted means of estimating reserve contributions; the Straight Line Funding Plan and the 30 Year Pooled Cash Flow Plan.

Component Funding Analysis Plan (Straight-Line)

The Component Funding Analysis Plan calculates the annual contribution amount for each individual line item component by dividing the component's remaining unfunded balance by its remaining useful life. A component's unfunded remaining balance is its replacement cost less the reserve balance for the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis. Straight-line accounting is based on current costs and neither interest or inflation are factored into the calculations.

The projected reserve fund balance at the end of the current fiscal year has been allocated to those components which have the shortest remaining life. This also provides for the lowest straight line contribution amount using this plan. However, per Florida Statute 718.112(2)(f)(3) condominium associations in Florida can only re-allocate (use) reserve funds for purposes other than which they were authorized for by getting approval in advance by a vote of the majority of the voting interests.

30 Year Pooled Cash Flow Analysis Plan

The 30 Year Cash Flow Plan is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis calculates the future replacement cost for reserve components when they are due for replacement, and recognizes increases in construction costs as well as interest income attributable to reserve accounts. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow throughout the analysis period.

The following describes how the cash flow was produced:

Reserve Fund Balance – projected from the date this reserve study was prepared to the beginning of the fiscal year above;

Reserve Item Data - for each reserve item the following was determined: description, category, basis cost, cost, quantity, estimated useful life and estimated remaining life;

Expenditures - the reserve item data above was used to project when the initial and recurring expenditures will be incurred over the next 30 years;

Interest – calculated on the available funds;

Contribution – determined based on the following: annual contribution increases, interest earned with related taxes and inflation on reserve items.

Prior to December 23, 2002, Florida statute mandated that condominium associations calculate reserves via the Component Funding Analysis method, on an annual basis. Funding at less than 100% of the fully funded estimate, based on the Component Funding Analysis method, could occur only after a full vote of the association membership. As of December 23, 2002, amendments to the Florida Administrative Code recognize the Cash Flow Analysis method as an approved methodology for the calculation of reserve funding for condominium associations. The fund requirement estimated by the Cash Flow Analysis method can now be provided to the membership, on an annual basis as a fully funded figure. The analysis must be completed as a portion of the association's annual budget, include the total estimated useful lives, estimated remaining useful

lives, and estimated replacement cost/deferred maintenance expenses of all assets in the reserve budget (minimum roofing, painting, paving and any other item with a replacement/repair cost over \$10,000), and the estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

If the association maintains a pooled account for reserves, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal; the association may include annual percentage increases in costs for the reserve components, but these increases are not mandated. Fully funded reserve contributions utilizing this methodology may not include future special assessments, and the annual funding levels cannot include percentage increases.

Definitions

Reserves

Monies set aside for the projected repair and/or replacement of the associations common elements.

Component

A specific item or element which is part of the association's common area assets and is considered to require reserve funding.

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).

Quantity

The quantity or amount of each reserve component element.

Units

The unit of measurement for each quantity.

Cost per Unit

The estimated cost to replace a reserve component per unit of measurement.

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.

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.

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. For

example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

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.

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.

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.

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.

Unit Abbreviations

Sq Ft - Square Feet

Lp Sm - Lump Sum

Dbl Ct - Double Tennis Court

Ln Ft - Linear Feet

Allow - Allowance

Ct - Court

Ea - Each

Hp - Horsepower

Units - Units

Sq Yds - Square Yards

Cu Ft - Cubic Feet

Cu Yds - Cubic Yards

Kw - Kilowatts

Pair - Pair

Sq - Squares (1 Sq = 100 sq ft)

Opngs - Openings (elevators)

Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. No part of this document may be copied or distributed, in any form or by any means, nor disclosed to third parties without the expressed written permission of Felten Professional Adjustment Team, LLC. (FPAT). The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

FPAT has no present or prospective interest in the subject property of this report and also has no personal interest with respect to parties involved. Our assignment was not contingent upon producing or reporting predetermined results and our compensation is not contingent on any action or event resulting from this report.

The calculations, projections and reports in this reserve study were generated using our state of the art reserve study software. Our software has received a Quality Assurance Evaluation from a Certified Public Accounting firm verifying the system for accuracy and compliance with the American Institute of CPAs Audit and Accounting Guide for Common Interest Realty Associations, cash flow projections, and tax calculations consistent with IRS guidelines for 1120c and 1120h corporations.

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 replacement cost valuation, insurance adjusting and reserve study preparation.

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. Invasive testing has not been performed on the subject assets. 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 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.

Felten Professional Adjustment Team, LLC. 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.

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.

Annual Update Service

Inflation, labor rates, material availability, taxes, insurance and asset lives are just but a few of the ever changing variables addressed in your reserve study report.

To order updates please contact our office at (886) 568-7853 or email us at info@fpatadjusters.com.