



Office: (888) 927-7865

Fax: (813) 200-8448

Contact@customreserves.com

5470 E Busch Blvd., Unit 171

Tampa, FL 33617

Bayshore Windmill Village Co-Operative, Inc.

**RESERVE STUDY
NON-SITE
UPDATE REPORT**

For 30-Year Projection Period Beginning January 1, 2019

This report contains intellectual property developed by Custom Reserves, LLC specific to this engagement and cannot be reproduced or distributed to those who conduct reserve studies without the written consent of Custom Reserves, LLC. See the proposal for details concerning the use of this report.

Table of Contents

Table of Contents	2
Update Executive Summary.....	3
Financial Analysis.....	4
Property Component Inventory	5
Reserve Expenses	Appendix A
Additions/Changes and Deletions.....	7
Expense Chart	9
Component Funding Plan	Appendix C
Terms and Definitions	10
Disclosures and Limitations	12
Credentials.....	12

UPDATE EXECUTIVE SUMMARY

This Reserve Study Update Report is intended to append the original or previous Custom Reserves, LLC Reserve Study Report inspected on of September 17, 2018. There were 28 common area components identified that require reserve funding. Supplemental information to the physical inspection typically includes the following sources:

1. Association board members, management and staff
2. Client's vendors
3. Declaration
4. Maintenance records of the reserve components where available
5. Project plans where available

Bayshore Windmill Village Co-Operative, Inc. (Bayshore Windmill Village) is a development located in Bradenton, Florida and is responsible for the common elements shared by 398 lots. Bayshore Windmill Village was established in the 1970's. The development contains clubhouse, pool and property site components.

The intention of the Reserve Study Update is to forecast Co-Operative's ability to repair or replace major components as they wear out in future years. This Reserve Study complies with or exceeds the standards set by Community Associations Institute (CAI) and the Association of Professional Reserve Analysis (APRA) of a Reserve Study Update without Site Visit.

FINANCIAL ANALYSIS

This Reserve Study Update provides the component or straight line depreciation method to project and illustrate the reserve funding plan. The unaudited cash status of the reserve fund excluding interest, as of August 15, 2019, as reported by Management and the Board is \$343,585.98. Bayshore Windmill Village budgeted \$106,254 for Reserves in the fiscal year FY¹ 2019.

The **component method** recommended 2020 contribution is \$144,353.69. The reason for the increase is mainly due to fences and paving. This plan utilizes straight line accounting formulas. Straight line accounting is based on current costs and excludes both interest and inflation. Straight line accounting takes each individual line item component listed in the reserve schedule breakdown and computes the annual contribution amount by taking the unfunded balance (current replacement cost minus projected year end reserve balance) and divides it by the remaining life of the components. This is the amount that should be contributed into the reserves accounts over the remaining life of the components. This method must be computed annually. The existing reserve balances and contributions are allocated among their respective reserve components in Appendix B.

The actual timing of the events depicted may not occur exactly as projected. However, items that are within a high degree of accuracy are measurements, pricing and interest on reserves. Internal changes such as deferred or accelerated projects, interest and inflation rates are likely. Updates to the Reserve Study incorporate these changes. To ensure equity in the adopted funding plan, ongoing annual Board reviews and an update of this Reserve Study with an on-site visit is recommended anywhere from two- to three-years depending on the complexity of the community and changes in external market factors. It is recommended by the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

¹ FY 2019 starts January 1, 2019 and ends December 31, 2019.

PROPERTY COMPONENT INVENTORY

The analysis began by separating the property components into specific areas of responsibility for replacement and repair. These classes of property are as follows:

1. Reserve Components are defined by the following:
 - Co-Operative responsibility
 - Limited useful life expectancies
 - Predictable remaining useful life expectancies
 - Replacement cost above a minimum threshold

2. Long-Lived Components are defined as those items without predictable remaining useful life expectancies:
 - Foundations
 - Structural frames

3. Operating Budget Components or money provided for repairs and replacements relating but not limited to:
 - General maintenance to the common elements
 - Expenses less than \$5,000
 - Appliances, Clubhouse
 - Benches, Concrete
 - Bleachers, Shuffleboard Courts
 - Catch Basins, Repairs
 - Doors, Solid, Clubhouse
 - Flag Poles
 - Floor Coverings, Carpet, Clubhouse
 - Floor Coverings, Tile, Clubhouse
 - Floor Coverings, Wood, Clubhouse
 - Gutters and Downspouts, Clubhouse
 - Infrequent Replacements
 - Landscape
 - Mechanical Equipment, Pool
 - Picnic Table
 - Pond Maintenance
 - Pumps, Lift Station
 - Scoreboards, Shuffleboard Courts
 - Security System, Clubhouse
 - Sheds, Shuffleboard Courts

CustomReserves

- Shutters, Clubhouse
- Signage
- Solar Panels, Pool
- Storm Water System
- Telephone Entry System
- Trailers
- Water Heater, Clubhouse
- Other Repairs normally funded through the Operating Budget

A contingency is intended to provide a hedge for unforeseen events. There is no set rule for the amount of contingency to be set aside other than the use of common sense based on experience.

4. Home Owner Components:

- Homes and Lots

5. Other Property Components:

- Laundry Equipment, Clubhouse (Leased)
- Light Poles, Street (Electric Company)

The following 11X17 spreadsheets depict the reserve components, quantities, useful lives projected costs and estimated times of replacements for the next 30 years in Appendix A with a narrative condition assessment of the changes to follow.



RESERVE EXPENSES

Bayshore Windmill Village
Co-Operative, Inc.

Projected Inflation Rate 1.8%

Line Item	Reserve Component	Total Cycle Quantity	Per Phase Quantity	Unit of Measurement	1st Year of Replacement	Useful Life Years	Remaining Life Years	2019 Unit Cost	Current Cost of Replacement per Cycle	Total 30 Year Future Costs of Replacement	Fiscal Year 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028		
Clubhouse Components																						
										\$404,746												
1	Acoustical Ceiling Tiles	4,850	4,850	Square Feet	2022	25 to 35	3	\$4.00	\$19,400	\$20,467	\$0	\$0	\$0	\$20,467	\$0	\$0	\$0	\$0	\$0	\$0		
2	Doors, Glass	470	470	Square Feet	2027	to 45	8	\$55.00	\$25,850	\$29,816	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$29,816	\$0		
3	Floor Coverings, Terrazzo	3,800	3,800	Square Feet	2039	to 25	20	\$8.00	\$30,400	\$43,434	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
4	Furniture, Phased	1	1	Allowance	2019	to 20	5	\$8,500.00	\$8,500	\$78,999	\$8,500	\$0	\$0	\$0	\$0	\$9,293	\$0	\$0	\$0	\$0		
5	Rest Rooms, Renovations, Phased	4	2	Each	2020	to 30	1	\$3,500.00	\$7,000	\$37,653	\$0	\$30,000	\$0	\$0	\$0	\$7,653	\$0	\$0	\$0	\$0		
6	Roofs, Asphalt Shingle	85	85	Squares	2022	12 to 18	3	\$300.00	\$25,500	\$62,058	\$0	\$0	\$0	\$26,902	\$0	\$0	\$0	\$0	\$0			
7	Roofs, Flat	1,650	1,650	Square Feet	2022	to 40	3	\$11.00	\$18,150	\$19,148	\$0	\$0	\$0	\$19,148	\$0	\$0	\$0	\$0	\$0			
8	Split Systems, Phased	4	2	Each	2022	10 to 12	3	\$4,000.00	\$8,000	\$64,026	\$0	\$0	\$0	\$8,440	\$0	\$0	\$0	\$0	\$9,227			
9	Walls, Paint Finishes, Exterior and Interior	1	1	Allowance	2020	5 to 10	1	\$6,000.00	\$6,000	\$39,819	\$0	\$6,108	\$0	\$0	\$0	\$0	\$0	\$0	\$6,920	\$0		
10	Windows	150	150	Square Feet	2021	to 45	2	\$60.00	\$9,000	\$9,327	\$0	\$0	\$9,327	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Pool Components																						
										\$125,397												
11	Deck, Pavers	4,150	4,150	Square Feet	2036	20 to 30	17	\$6.00	\$24,900	\$33,722	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
12	Fence, Aluminum	175	175	Linear Feet	2049	to 30	30	\$30.00	\$5,250	\$8,966	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
13	Furniture	1	1	Allowance	2021	8 to 12	2	\$6,500.00	\$6,500	\$33,803	\$0	\$0	\$6,736	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
14	Pool Finish	900	900	Square Feet	2027	8 to 12	8	\$13.00	\$11,700	\$48,906	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,495	\$0		
Property Site Components																						
										\$2,757,294												
15	Asphalt Pavement, Mill and Overlay	36,690	36,690	Square Yards	2033	15 to 25	14	\$17.00	\$623,730	\$800,692	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
16	Benches, Shuffleboard Courts	26	26	Each	2035	20 to 25	16	\$200.00	\$5,200	\$6,918	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
17	Concrete Curbs and Gutters, Partial	240	240	Linear Feet	2033	15 to 25	14	\$25.00	\$6,000	\$7,702	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
18	Fences, Phased	8,000	1,600	Linear Feet	2020	20 to 25	1	\$24.00	\$38,400	\$297,476	\$0	\$39,091	\$39,795	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
19	Gate Controls	1	1	Allowance	2020	10 to 15	1	\$7,500.00	\$7,500	\$27,670	\$0	\$7,635	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
20	Gate Operators	6	6	Each	2028	10 to 15	9	\$4,000.00	\$24,000	\$63,087	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$28,180		
21	Gates	6	6	Each	2040	to 25	21	\$3,500.00	\$21,000	\$30,544	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
22	Golf Cart	1	1	Each	2020	to 15	1	\$7,000.00	\$7,000	\$16,438	\$0	\$7,126	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
23	Lift Station, Renovation	1	1	Each	2042	20 to 30	23	\$25,000.00	\$25,000	\$37,682	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
24	Light Poles and Fixtures, Shuffleboard Courts	6	6	Each	2039	to 25	20	\$1,400.00	\$8,400	\$12,001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
25	Pedestals, Phased	100	4	Each	2020	to 25	1	\$6,000.00	\$24,000	\$960,701	\$0	\$24,432	\$24,872	\$25,319	\$25,775	\$26,239	\$26,711	\$27,192	\$27,682	\$28,180		
26	Pipes, Water and Sewer, Partial	6,750	6,750	Linear Feet	2033	to 75	14	\$50.00	\$337,500	\$433,254	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
27	Sheds, Maintenance, Phased	2	1	Each	2034	25 to 35	15	\$10,000.00	\$10,000	\$28,689	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
28	Shuffleboard Courts, Color Coats	12	12	Each	2020	4 to 6	1	\$450.00	\$5,400	\$34,439	\$0	\$5,497	\$0	\$0	\$0	\$0	\$0	\$6,118	\$0	\$0		
Total Expenses																						
											\$3,287,436	\$8,500	\$119,889	\$80,730	\$100,276	\$25,775	\$43,185	\$26,711	\$33,311	\$87,140	\$56,360	



RESERVE EXPENSES

**Bayshore Windmill Village
Co-Operative, Inc.**

Line Item	Reserve Component	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
		Clubhouse Components																				
1	Acoustical Ceiling Tiles	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Doors, Glass	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Floor Coverings, Terrazzo	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,434	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
4	Furniture, Phased	\$10,160	\$0	\$0	\$0	\$0	\$11,108	\$0	\$0	\$0	\$0	\$12,144	\$0	\$0	\$0	\$0	\$13,277	\$0	\$0	\$0	\$0	\$14,516
5	Rest Rooms, Renovations, Phased	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Roofs, Asphalt Shingle	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,156	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Roofs, Flat	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Split Systems, Phased	\$0	\$0	\$0	\$10,088	\$0	\$0	\$0	\$0	\$11,029	\$0	\$0	\$0	\$0	\$12,058	\$0	\$0	\$0	\$0	\$13,183	\$0	\$0
9	Walls, Paint Finishes, Exterior and Interior	\$0	\$0	\$0	\$0	\$0	\$7,841	\$0	\$0	\$0	\$0	\$0	\$0	\$8,884	\$0	\$0	\$0	\$0	\$0	\$0	\$10,066	\$0
10	Windows	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pool Components																						
11	Deck, Pavers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$33,722	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	Fence, Aluminum	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,966
13	Furniture	\$7,769	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,961	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,336	\$0	\$0	\$0	\$0
14	Pool Finish	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,130	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,281	\$0	\$0
Property Site Components																						
15	Asphalt Pavement, Mill and Overlay	\$0	\$0	\$0	\$0	\$800,692	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Benches, Shuffleboard Courts	\$0	\$0	\$0	\$0	\$0	\$0	\$6,918	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
17	Concrete Curbs and Gutters, Partial	\$0	\$0	\$0	\$0	\$7,702	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
18	Fences, Phased	\$0	\$0	\$47,567	\$0	\$0	\$0	\$0	\$52,005	\$0	\$0	\$0	\$0	\$56,857	\$0	\$0	\$0	\$0	\$62,161	\$0	\$0	\$0
19	Gate Controls	\$0	\$9,126	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,908	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20	Gate Operators	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,907	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
21	Gates	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$30,544	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
22	Golf Cart	\$0	\$0	\$0	\$0	\$0	\$0	\$9,312	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
23	Lift Station, Renovation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,682	\$0	\$0	\$0	\$0	\$0	\$0	\$0
24	Light Poles and Fixtures, Shuffleboard Courts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
25	Pedestals, Phased	\$28,687	\$29,204	\$29,729	\$30,264	\$30,809	\$31,364	\$31,928	\$32,503	\$33,088	\$33,684	\$34,290	\$34,907	\$35,535	\$36,175	\$36,826	\$37,489	\$38,164	\$38,851	\$39,550	\$40,262	\$40,987
26	Pipes, Water and Sewer, Partial	\$0	\$0	\$0	\$0	\$433,254	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
27	Sheds, Maintenance, Phased	\$0	\$0	\$0	\$0	\$0	\$13,068	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,620	\$0	\$0	\$0	\$0	\$0
28	Shuffleboard Courts, Color Coats	\$0	\$0	\$0	\$6,809	\$0	\$0	\$0	\$0	\$0	\$7,579	\$0	\$0	\$0	\$0	\$0	\$8,435	\$0	\$0	\$0	\$0	\$0
Total Expenses		\$46,617	\$38,330	\$77,296	\$47,162	\$1,272,458	\$63,381	\$48,159	\$118,230	\$104,365	\$41,262	\$101,870	\$111,267	\$101,276	\$85,916	\$36,826	\$74,822	\$48,500	\$101,012	\$72,014	\$50,328	\$64,469

ADDITIONS/CHANGES AND DELETIONS

There was one addition, six Line Item changes and no deletions to this Non Site Visit Reserve Study Update.

Addition

Gate Controls – Management and the Board report that the Co-Operative is having issues with the gate fob readers. Gate controls have a useful life from 10- to 15-years. Bayshore Windmill Village should budget for replacements in 2020 and every 10 years thereafter. The estimates of costs are noted on Line Item 19 of Appendix A.

Changes

Rest Rooms, Renovations – The previous Reserve Study included replacement of all the rest rooms in 2019. Management and the Board report that the Co-Operative plans to renovate two of the four rest rooms in 2020. Bayshore Windmill Village should budget for renovations of the remaining two rest rooms by 2024. The estimate of cost in 2020 is to bring the rest rooms up to the Americans with Disabilities Act (ADA).

Walls, Paint Finishes, Exterior and Interior – The previous Reserve Study included paint finishes in 2019. However, Management and the Board report that Co-Operative does not plans to paint this year. Bayshore Windmill Village should budget for paint finishes in 2020 and every seven years thereafter to protect the stucco.

Windows – The previous Reserve Study included replacement of the clubhouse windows by 2020. Management and the Board report that the Co-Operative plans to replace the windows in conjunction with wood siding replacements in the near term. Bayshore Windmill Village should fund the siding replacements through the operating budget

Fence, Aluminum – Management and the Board report that insurance replaced the pool fence since the last Reserve Study. Bayshore Windmill Village should now budget for replacement by 2049.

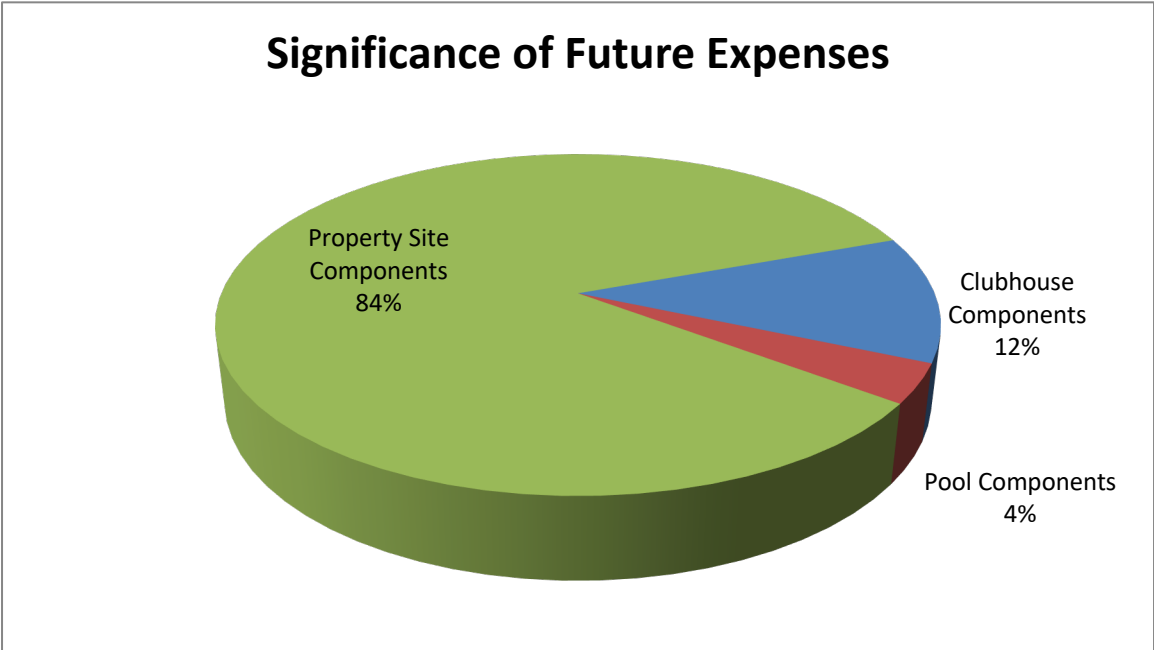
CustomReserves

Golf Cart – Management and the Board report that Co-Operative only utilizes one golf cart. Therefore, one golf cart is removed from this reserve study update. Based on conversations with Management and the Board, Bayshore Windmill Village should budget for replacement of the maintenance golf cart by 2020 and again by 2035.

Shuffleboard Courts, Color Coats – The previous Reserve Study included a shuffleboard color coat application in 2019. Management and the Board report that the Co-Operative does not plan to color coat the shuffleboard courts this year. Bayshore Windmill Village should budget for color coat applications in 2020 and every six years thereafter.

EXPENSE CHART

The Reserve Expenses reflect current and future local costs of replacements with anticipated inflation. The following chart illustrates the relative importance of the Reserve Expenses.





Component or Straight Line Funding Plan

Appendix B

Bayshore Windmill Village
Co-Operative, Inc.

Line Item	Reserve Component	Total Quantity	Units	1st Year of Replacement	Useful Life Years	Remaining Life Years	Unit Cost	Total Cost	8/15/2019 Reserve Balance	2019 Reserve Contribution	2019 Remaining Reserve Contribution	2019 Residual Cost/Balance	2019 Reserve Expenses	2020 Reserve Contribution	Bayshore Windmill Village Line Item
Clubhouse Components															
1	Acoustical Ceiling Tiles	4,850	Square Feet	2022	25 to 35	3	\$4.00	\$19,400	\$7,400.00	\$3,600.00	\$1,200.00	\$10,800.00	\$0.00	\$3,600.00	3380/9874
2	Doors, Glass	470	Square Feet	2027	to 45	8	\$55.00	\$25,850	\$19,045.00	\$817.00	\$272.33	\$6,532.67	\$0.00	\$816.58	3380/9874
3	Floor Coverings, Terrazzo	3,800	Square Feet	2039	to 25	20	\$8.00	\$30,400	\$965.00	\$1,448.00	\$482.67	\$28,952.33	\$0.00	\$1,447.62	3380/9874
4	Furniture, Phased	1	Allowance	2019	to 20	5	\$8,500.00	\$8,500	\$8,500.00	\$0.00	\$0.00	\$0.00	\$8,500.00	\$1,700.00	3380
5	Rest Rooms, Renovations, Phased	2	Each	2020	to 30	1	\$3,500.00	\$7,000	\$13,339.00	\$663.00	\$221.00	\$13,560.00	\$0.00	\$16,440.00	3380/9874
6	Roofs, Asphalt Shingle	85	Squares	2022	12 to 18	3	\$300.00	\$25,500	\$22,477.69	\$3.00	\$1.00	\$3,021.31	\$0.00	\$1,007.10	3240/9936
7	Roofs, Flat	1,650	Square Feet	2022	to 40	3	\$11.00	\$18,150	\$8,600.00	\$1,977.00	\$659.00	\$8,891.00	\$0.00	\$2,963.67	3240/9936
8	Split Systems, Phased	2	Each	2022	10 to 12	3	\$4,000.00	\$8,000	-\$8,158.00	\$6,048.00	\$2,016.00	\$1,858.00	\$0.00	\$2,047.33	3180/9960
9	Walls, Paint Finishes, Exterior and Interior	1	Allowance	2020	5 to 10	1	\$6,000.00	\$6,000	\$21,852.00	\$0.00	\$0.00	-\$15,852.00	\$0.00	\$0.00	3218
10	Windows	150	Square Feet	2021	to 45	2	\$60.00	\$9,000	\$12,440.09	\$0.00	\$0.00	-\$3,440.09	\$0.00	\$0.00	3380
Pool Components															
11	Deck, Pavers	4,150	Square Feet	2036	20 to 30	17	\$6.00	\$24,900	\$0.00	\$1,395.00	\$465.00	\$24,435.00	\$0.00	\$1,437.35	9924
12	Fence, Aluminum	175	Linear Feet	2049	to 30	30	\$30.00	\$5,250	\$0.00	\$292.00	\$97.33	\$5,152.67	\$0.00	\$171.76	9924
13	Furniture	1	Allowance	2021	8 to 12	2	\$6,500.00	\$6,500	\$4,631.00	\$623.00	\$207.67	\$1,661.33	\$0.00	\$830.67	3228/9924
14	Pool Finish	900	Square Feet	2027	8 to 12	8	\$13.00	\$11,700	\$11,553.18	\$150.00	\$50.00	\$96.82	\$0.00	\$12.10	3228/9924
Property Site Components															
15	Asphalt Pavement, Mill and Overlay	36,690	Square Yards	2033	15 to 25	14	\$17.00	\$623,730	\$131,932.22	\$23,004.00	\$7,668.00	\$484,129.78	\$0.00	\$34,580.70	3256-3446/9952
16	Benches, Shuffleboard Courts	26	Each	2035	20 to 25	16	\$200.00	\$5,200	\$0.00	\$306.00	\$102.00	\$5,098.00	\$0.00	\$318.63	9964
17	Concrete Curbs and Gutters, Partial	240	Linear Feet	2033	15 to 25	14	\$25.00	\$6,000	\$0.00	\$400.00	\$133.33	\$5,866.67	\$0.00	\$419.05	9964
18	Fences, Phased	3,200	Linear Feet	2020	20 to 25	2	\$24.00	\$76,800	\$27,280.00	\$18,552.00	\$6,184.00	\$43,336.00	\$0.00	\$21,668.00	3154-3446/9852
19	Gate Controls	1	Allowance	2020	10 to 15	1	\$7,500.00	\$7,500	\$0.00	\$0.00	\$0.00	\$7,500.00	\$0.00	\$7,500.00	
20	Gate Operators	6	Each	2028	10 to 15	9	\$4,000.00	\$24,000	\$0.00	\$2,402.00	\$800.67	\$23,199.33	\$0.00	\$2,577.70	9808
21	Gates	6	Each	2040	to 25	21	\$3,500.00	\$21,000	\$0.00	\$922.00	\$307.33	\$20,692.67	\$0.00	\$985.37	9808
22	Golf Cart	1	Each	2020	to 15	1	\$7,000.00	\$7,000	\$0.00	\$1,400.00	\$466.67	\$6,533.33	\$0.00	\$6,533.33	9964
23	Lift Station, Renovation	1	Each	2042	20 to 30	23	\$25,000.00	\$25,000	\$1,500.00	\$1,026.00	\$342.00	\$23,158.00	\$0.00	\$1,006.87	3246/9846
24	Light Poles and Fixtures, Shuffleboard Courts	6	Each	2039	to 25	20	\$1,400.00	\$8,400	\$0.00	\$386.00	\$128.67	\$8,271.33	\$0.00	\$413.57	9964
25	Pedestals, Phased	4	Each	2020	to 25	1	\$6,000.00	\$24,000	\$5,614.32	\$20,232.00	\$6,744.00	\$11,641.68	\$0.00	\$11,641.68	3150/9848
26	Pipes, Water and Sewer, Partial	6,750	Linear Feet	2033	to 75	14	\$50.00	\$337,500	\$54,614.48	\$14,352.00	\$4,784.00	\$278,101.52	\$0.00	\$19,864.39	3246/9942
27	Sheds, Maintenance, Phased	1	Each	2034	25 to 35	15	\$10,000.00	\$10,000	\$0.00	\$1,250.00	\$416.67	\$9,583.33	\$0.00	\$638.89	9964
28	Shuffleboard Courts, Color Coats	12	Each	2020	4 to 6	1	\$450.00	\$5,400	\$0.00	\$5,006.00	\$1,668.67	\$3,731.33	\$0.00	\$3,731.33	9964
Totals									\$343,585.98	\$106,254.00				\$144,353.69	

Notes:

- 1) FY 2019 Begins January 1, 2019 and Ends December 31, 2019
- 2) FY 2019 Beginning Reserve Balance and Remaining Contributions are as of:
- 3) Interest on Reserves is excluded

8/15/19

TERMS AND DEFINITIONS

Cash Flow Method - A method of calculating Reserve contributions 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 anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

Component - An individual line item in the Reserve Study developed or updated in the Physical Analysis. These elements form the building blocks of the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

Component Assessment and Valuation - The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components. This task is accomplished either with or without onsite visual observations, based on Level of Service selected by the client.

Component Inventory - The task of selecting and quantifying Reserve Components. This task is accomplished through onsite visual observations, review of association design and organizational documents, and a review of established association precedents.

Component Method - A method of calculating Reserve contributions where the total reserve contribution is based on the sum of contributions for individual components.

Effective Age - The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computation.

Financial Analysis - The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived. The Financial Analysis is one of the two parts of a Reserve Study.

Fully Funded - 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

Fully Funded Balance (FFB) - Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. In essence, it is the Reserve balance that is proportional to the current Repair/replacement cost and the fraction of life “used up”. This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider’s sensitivity to interest and inflation effects. Note: both yield identical results when interest and inflation are equivalent.

Funding Goals - Independent of methodology utilized, the following represent the basic categories of Funding Plan goals.

Baseline Funding - Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Fully Funding - Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding - Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.

Threshold Funding - Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold this may be more or less conservative than “Fully Funded”.

Funding Plan - An Association’s plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

Minimum Balance - A minimum Reserve balance established by the client.

Physical Analysis - The portion of the Reserve Study where the Component inventory, Condition Assessment and Life Adjustment and Valuation tasks are performed. This represents one of the two parts of the Reserve Study.

Remaining Useful Life (RUL) - Also referred to as “Remaining Life (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Replacements anticipated to occur in the initial or base year have “zero” Remaining Useful Life.

Reserve Assessments - The portion of assessments contributed to the Reserve Fund.

Reserve Balance - Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves.

Special Assessment - An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by Governing Documents or local statutes.

Straight Line - A formula used to calculate the annual reserve fund contribution for a specific component. Projected replacement cost divided by the useful life equals the annual payment.

Useful Life (UL) - Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function in its present application or installation.

DISCLOSURES AND LIMITATIONS

No destructive testing was performed. Latent defects in design or construction are excluded from this report. There are no material issues to our knowledge that have not been disclosed to the client that would affect the integrity of this Reserve Study report. Custom Reserves has no interests with the client other than this Reserve Study.

Component quantities and estimates of costs indicated in this Report were developed by Custom Reserves unless otherwise noted in our “Condition Assessment” comments. The sources for the costs outlined in the study include experience, historical information and R.S. Means, Incorporated. This report should be used for budget and planning purposes only.

CREDENTIALS

PAUL GRIFONI – Licensed Home Inspector

EDUCATION - University of Massachusetts - Bachelor of Science in Engineering

PROFESSIONAL AFFILIATIONS / DESIGNATIONS

Reserve Specialist (RS) - Community Associations Institute



Professional Reserves Analyst (PRA) - Association of Professional Reserve Analysts

