

2024 “SIRS” RESERVE STUDY

FOR

Harbour Place Condominium Association, Inc.

105/107/109/113/115 Front Street, Key West, Florida 33040

Budget Year: 2025



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- provides the total Reserve Replacement Cost, Normal Annual Contribution, Current Reserve Requirement, Association/Coop's Current Reserve Balance, and Next Budget Year's Fully Funding Reserve Contribution

3. Reserve Forecast (B2 & B3 & B4 pages)

- provides the association/Coop's current year's reserve annual contribution and the future reserve fully funding annual contribution for the next 20 years

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- this section includes the detailed field and desktop work completed by the reserve analyst/specialist for each reserve category
- provides an in-depth, line-by-line reserve components/assets for each reserve category
- note: each reserve component item will have the quantity of units used, unit cost, replacement cost, normal life, remaining life, normal annual contribution and the current reserve requirement for each specific component item

5. Reserve Funding Analysis (D pages)

- this section includes the cash flow analysis of the normal annual reserve contribution to be collected each year against the annual reserve expenditures incurred on a yearly basis for the next 20 years
- the analysis will show your estimated fund balance for the next 20 years based on the cash flow method of funding and how we have added any reserve fund deficit amount(s) to your normal annual contribution that might be created over the next 20 years
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STRUCTURAL INTEGRITY RESERVE STUDY REPORT

Harbour Place Condominium Association, Inc.

105/107/109/113/115 Front Street, Key West, Florida 33040

Date of Site Visit: October 2nd, 2024

Budget Year: January 1st, 2025



PURPOSE OF THE FULL RESERVE STUDY:

To provide the basis for the necessary funding to repair and replace those reserve components/assets which are statutorily required by the State of Florida which are the Association's responsibility.

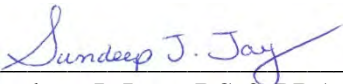
SCOPE OF THE FULL RESERVE STUDY:

Identify and examine specific components for all the reserve category needs and use the “**Cash Flow**” method with “**Pooled Reserves**” for future reserve financial analysis. This report is a “full reserve study which includes a site-visit/inspection. This association has 2 condominium buildings with 62 residential units. Included in this Structural Integrity Reserve Study are the following categories: Roofing, Painting/Waterproofing, Structure/Restoration, Fire Protection Systems, Plumbing, Electrical Systems, and Windows/Exterior Doors. The Study will quantify the individual components in each reserve category by actual field measurements and a visual review of asset items where possible. Establish current cost estimates for replacement using Marshall & Swift Valuation Service, Means Building Construction Cost Data, Trade Service Electrical Price Guide, J. R. Frazer collected proprietary costs, and on a case-by-case basis an engineer's visual site visit estimates, and local contractors. Identify the useful life expectancy for each component. Estimate each component's remaining useful life through non-destructive methods. Calculate the normal annual contribution over the useful life expectancy. Establish the current Fully Funded Balance (Total Accrued Depreciation). Complete the reserve funding financial analysis using the threshold funding goal and make calculations to amortize any cash flow deficits over the twenty-five to thirty-year analysis. The Study will also adjust the normal annual contributions to include amortized deficit funding, if needed, to meet all anticipated expenditures over the next twenty-five to thirty years. The Structural Integrity Reserve Study may reflect information provided and collected by the engineer's site visit report and your association, and assembled for the association's use, not for the propose of performing an audit, quality/forensic analysis, or background checks of historical records.

CERTIFICATION:

I hereby certify that I have no interest in the property, present or contemplated, and that neither the assignment to complete this study nor the fee derived there from is contingent upon its results. I have personally conducted a site-visit/inspection of the association. Unless otherwise noted in the report, and to the best of my knowledge and belief, all statements and data in this report are true, subject to any contingent limiting conditions noted herein.

This report is furnished at your request in strict confidence by us as your agent for your exclusive use. The report is not to be construed as a guarantee or warranty, expressed or implied, of the property or the equipment therein or of their fitness for a particular purpose. This report is made under the guidelines of the American Institute of Certified Public Accountants, the Community Associations Institute guidelines, and the Professional Reserve Specialists Code of ethics.


Sundeep J. Jay – RS & PRA

INTRODUCTION

To have a better understanding of the scope of this report, the purpose of reserves, and to help incorporate the figures into your budget, we recommend reading the entire narrative section of the report. The narrative section is the “A” pages of this report.

J. R. FRAZER, INC. (Reserve Studies and Valuation Services) was retained by the Association to prepare a Structural Integrity Reserve Study of the common areas for the purpose of developing a repair, maintenance, and replacement needs plan for the association’s long-term components/assets. The “Full Structural Integrity Reserve Study which includes a Site-Visit/Inspection” was completed by Sundeep J. Jay – RS & PRA.

This association’s board feels it is prudent and fiducially incumbent upon them to have a Structural Integrity Reserve Study and accordingly has elected to engage an independent analyst/specialist to prepare a reserve schedule for inclusion in the association’s budget. This reserve study includes multiple components/assets within each reserve category with a twenty-five to thirty-year cash flow analysis.

This report is prepared as a budgeting tool to assist the association in its long-range financial planning. Its use for any other purpose is not appropriate. The visual observations made do NOT constitute an “Engineering Inspection with Destructive Testing and or Sample Gathering for analysis purposes” and are not detailed enough to be relied upon, nor should they be relied upon to determine building ordinances, local/state codes, safety of the building, soundness of the structure, and or habitability of any building and or structure related to any individual components. To uncover the soundness of your building structure and foundation, a separate more in-depth inspection report should be ordered through your chosen engineering company. An in-depth analysis normally includes some form of destructive testing and a further in-depth walk-through inspection process by an engineer. We recommend to all condo associations that a full level 2 engineering report should be ordered on a periodic basis and this information needs to be provided to our company to incorporate into this Structural Integrity Reserve Study.

The statutory requirement for all condominium associations simply states that reserves must be 100% annually funded for roofing, painting, and paving plus any other items in which the cost to maintain, repair or replace those items exceeds \$10,000. The statutory requirements for condominium buildings that are 3 stories or higher “are required” to order a Structural Integrity Reserve Study at least once every 10 years. The study must include, at a minimum, the following items as related to the structural integrity

reserve study: Roof, Load-bearing Walls/Primary Structural Members, Fireproofing and Fire Protection Systems, Plumbing, Electrical Systems, Waterproofing and Exterior Painting, Windows & Exterior Doors, and any other item that has a Deferred Maintenance Expense or Replacement Costs that exceeds \$10,000 and the failure to replace or maintain such item negatively effects the other items listed in the Structural Integrity Reserve Study.

The members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not determine to provide no reserves or less reserves for all items listed in the structural integrity reserve study.

This study uses the “**Pooled Reserves**” which is the funding for multiple categories/assets which are combined into one general account in the Reserve Funding Analysis section of the report, from which you pay all expenses.

There are 3 types of Funding Goals – Baseline Funding, Threshold Funding, and Full Funding. The explanation for each of the funding types is in the back of this reserve study under definitions. **This reserve study uses the Threshold Funding Goal which establishes an annual reserve funding goal of keeping the year-end reserve balance above a specified dollar amount over a period of 30 years.** This minimum reserve amount is derived by taking approximately 10% of the association’s annual operating revenues and or the annual operating expenses (whichever the reserve analyst deems appropriate). As we calculate the reserve funding analysis on the D pages of this report, we will ensure that the year-end reserve balance never falls below the minimum threshold of 10% of the current year’s annual operating revenues/expenses over the next 30 years. In some cases, we may use a lower or higher amount depending upon the association’s current financial situation. The board may, at any time, decide to increase the minimum threshold to an amount that is more conservative and financially responsible.

The financial analysis uses the cash flow method to determine the financial needs of the association. This analysis further takes into consideration all the components/assets which are then combined into one general account from which all expenses are paid (pooled reserves) to create a twenty-five to thirty-year cash flow analysis above a minimum threshold while meeting the association reserve obligations. The physical analysis data includes those components that are included on the C pages of the reserve study. Each reserve component item used in this reserve study uses the straight-line funding calculation by obtaining the quantity of units, calculating the replacement costs, establishing a normal/useful life, and estimating the remaining useful life of each component item. The information is gathered through the on-site visit (or prior on-site visits), independent research, engineering report(s), reviewing existing maintenance records, association’s management, and verification of actual historical

replacement cost of the components.

Since inflation cannot be accurately predicted, replacement costs herein are at current construction cost. Inflation is taken into consideration when reserve study updates are ordered. If your association does not order annual reserve study updates, we recommend adding 3% to 5% to every year's annual reserve contribution until the next reserve study update is ordered.

The reserve program is designed to provide all or part of the funds necessary to pay for maintaining, repairing, and replacing the capital improvements of the Association.

This report is not a "phase 1" or "phase 2" Milestone Inspection Report. No destructive testing or sample gathering is completed during the on-site visit. A Structural Integrity Reserve Study is a budgeting tool used to assist the board to arrive at a fully funding annual contribution amount. A milestone inspection report should be ordered by the association as per Florida Statutes once your building reaches 30 years of age from the date of the certification of occupancy. This does not mean that you should not order a Milestone Inspection earlier than the 30 years stated by the State of Florida. In some cases, the city/county may require the Milestone Inspection earlier than the 30 years stated by the State of Florida.

NOTE: Code changes, "pre-mature" structural failing items, construction defects, neglect of inspections, neglect of maintenance of the building envelope/balconies/catwalks, upgrades, surprises, sudden technological changes, and builder defects are not a part of this reserve study. These items, if encountered, may require special assessments and or a bank loan.

PURPOSE OF RESERVES

Reserves are monies budgeted, collected, and set aside for components/asset replacements or deferred maintenance. The establishment of reserve accounts begins with the developer and or the board who has a fiduciary responsibility for the establishment of an association's budget. With the assistance of this report or a prior reserve study, the board will establish, as per Florida Statutes, the reserve accounts for the future replacements or deferred maintenance of the common area structural items as outlined by the Structural Integrity Reserve Study.

Without adequate reserves, owners may be subject to either special assessments or the association may not be able to repair or replace the common area assets. Reserve funds enable an association to maintain the common areas by reducing the risk of special assessments and thereby minimizing the impact of financial challenges to the unit owners. The establishment of "fully funding" annual reserve contributions accomplish the following:

- Establishes and preserves reserves for a strong financial position to meet future expenditures.
- Reserves reduce the probability for special assessments.
- It allows for the replacement/maintenance of the items listed on the C pages of this report over a period of 30 years according to the remaining life estimated.
- All owners share the expenses of the association "equally/equitable" by paying their fair share of the cost while living in the association.

Reserve funding is for TODAY'S component/asset depreciation collected either monthly, quarterly, semi-annually, or annually. Every day the sun, rain and wind are decomposing the roof and building, water and the chemical within the water is deteriorating the plumbing pipes, and technological changes are making certain electronic devices obsolete. The daily depreciation will eventually require the replacement or maintenance of these assets.

Adequate funding is the key to reserves. Just having reserve funds does not make an associations' financial future strong. Reserves must be set at an annual goal of 100% funding according to Florida Condominium Statutes.

By annually fully funding reserves, the association will have the monies set aside to pay and replace the components/asset items

listed on the C pages of this report based on the estimated remaining lives of each of the assets. There will be cost variances when it comes time to have the component items replaced/maintained due to inflation, code changes, and or upgrades. At the time of replacement, the association should obtain 3 bids from various vendors and accordingly choose a vendor that will best accomplish the goals of the association.

This report does not assist in reducing and or bridging the gap between the Fully Funded Balance/Total Accrued Depreciation and the Association's Current Reserve Balance as stated on the B1 page of this report. The association can elect to close this deficit gap through a special assessment.

NAVIGATING & UNDERSTANDING THIS REPORT

Reserve Summary Section – (B1 & B2 pages):

This section summarizes the entire report providing the grand total for the Current Replacement Cost, Normal Annual Contribution, Fully Funded Balance (Total Accrued Depreciation), Association's Current Reserve "Fund Balance," Fund Deficit, and the Contribution needed for future years. For definitions of terminology, such as Fully Funded Balance, please see "Definitions" section located at the end of this report.

The Normal Annual Contribution (stated on page B1) versus the Fully Funding Annual Contributions (stated on the B2 page) for either next year or future years might be different depending upon your current reserve balance and expenses related to projects that will materialize over the next 1 to 30 years. The Annual Contributions stated on the B2 page will be higher if there is a deficit in your reserve balance over the next 30 years. The annual contributions stated on page B2 and B3 of the report are the State of Florida required fully funding annual reserve contribution amounts.

The Normal/Useful Life and Remaining Life on the Reserve Summary page are "averages" of life. The actual Useful Life and Remaining Life for each individual reserve component are contained in the Reserve Analysis section (C pages). Do not consider the useful life and remaining life of any single reserve category from page B1 – it is an average and not specific. For example, in Roofing, a metal roofing system can have a 30-to-35-year useful life while a flat BU roofing system will only have a 20-year useful life.

The Summary pages B2-B3 provides the association's current year contribution and the newly calculated Fully Funding Annual Contribution for the next 30 years adding in any deficit amounts that "might" have occurred in the funding analysis located on the D pages of this report. On page B2-B3, we have added the normal annual contribution with any deficit amounts (if applicable) that were needed to maintain a positive balance (minimum threshold) in your reserve account. The payments listed on page B2 are the recommended fully funding annual contribution amounts that are required by the State of Florida.

Reserve Analysis Section - (C pages):

This section provides a detailed breakdown of all component items (assets) into each major reserve category listed from page B1. All reserve component items are further broken down to provide the number of units (measurements), individual unit cost, useful

life, estimated remaining life, annual contribution for that component item and the Fully Funded Balance/Total Accrued Depreciation. Information gathered from the on-site visit (or prior on-site visit) along with information received by your association or engineer is in this section of the report.

The unit of measurement used throughout the report is square feet and or unit counts (such as the number of light poles in the parking lot). If the measurement is anything different, then on the C pages of the report, it will be stated with the component line item as “lf” (linear feet), “sy” (square yards). Linear feet measurements are usually found with fencing, railings, and curbs. Square yards are usually found with asphalt and carpeting.

Please keep in mind when reviewing the C pages of this report that any component items with a remaining life of 1 year are due to be replaced during the next budget year. In some cases, depending upon the condition of the asset, it may require replacement and or maintenance in the current year.

Reserve Funding Analysis – (D pages):

In this section, broken down year by year for the next 30 years, are all the annual reserve expenses, annual reserve contributions, beginning and year-end reserve balances. It is in this section under “amortized deficit” that will show the additional deficit contribution needed (if applicable) to the Normal Annual Contribution to maintain a positive balance in the reserve account. The amortized deficit column can vary year by year. In any given year, if the association’s reserve fund balance falls below the minimum threshold fund balance (i.e., \$50,000 - \$100,000) an amount is added to bring the fund balance to the stated minimum threshold amount. This deficit amount is then equally divided into the preceding years hence not creating a burden in any 1 particular year. To further clarify..., if the minimum threshold fund balance is \$50,000 and then in year 5 the association’s fund balance is a negative \$10,500, then \$60,500 will be needed to bring the fund balance to \$50,000. This \$60,500 deficit will then be divided by the 5 preceding years adding \$12,100 a year to the normal annual contribution.

The minimum threshold is set at approximately 10% of the association’s operating revenues or expenses, but this amount can be lower or higher depending upon the discretion of the reserve analyst.

Photo Section:

This section provides photographs of most of the component items listed in this reserve study – but not all. It does not provide

photographs of problem areas, though they may be observable in the photographs – such as cracking on the asphalt paving.

Financial & Other Documentation:

This section provides some of the information your association has provided to us to prepare this report. It includes items such as the association's Balance Sheet, Profit & Loss Statements, and Budget Statements.

Definitions and Consulting Contractors:

This section provides the definition of terms that are used in this report to better help the reader understand the terminology used in this report.

Also, in this section are the names and phone numbers of contractors that our company has gathered over the last 25 years. We cannot guarantee their workmanship, nor do we have a preference to any one contractor. We recommend interviewing at least 3 contractors and obtaining a copy of their license(s) and insurance prior to signing any agreements. Please contact our office if your experience with any of the contractors is less than professional. We do not gain from your use of these contractors, and we also do not want to promote their business if their business practices are not professional. They will be removed from our list.

This section also includes the Florida Statutes related to condominium reserve funding and budgeting.

GENERAL ANALYST RECOMMENDATIONS

1. We recommend making the stated fully funding annual contributions on the B2 page of this report. The contribution is made up of the Normal Annual Contribution plus a required amortized deficit amount (if applicable) to meet anticipated cash flows over the next twenty-five to thirty years. By funding the recommended contributions using the cash flow funding method, the Association should be able to pay future reserve expenditures over the next 30 years with adequate contributions from the reserve funds.

The Normal Annual Contribution represents the replacement cost divided by the number of years of normal/useful life.

2. We recommend the income generated within the reserves remain in the reserves. Our financial analysis indicates interest generated by reserve funds will help offset a small portion of inflation cost. This system of compounding interest allows the Association to control some reserve increases but should be updated at a minimum of every 1 to 2 years. This report does not consider future interest earned on the bank reserve balance for 3 reasons. Firstly, interest earned on the reserve balance can vary on an annual basis. Secondly, we consider the interest in helping bridge the difference between the Fully Funded Balance/Total Accrued Depreciation and the actual Current Reserve Balance. Thirdly, it helps offset a small portion of future inflation. If reserve study updates are not ordered annually, we recommend associations to make inflationary adjustments to their future annual contributions.

3. The association's current reserve schedule may not have been complete in identifying all the needs of the association. We may have added components and recommend the association reserve for all components in this reserve study. In some cases, we might have combined certain reserve categories to help simplify and or improve budgeting methods. If there are components/assets items that might have been omitted from the reserve schedule and the association wishes to have these items included, please contact our office for a revised copy of the report.

4. All expenditures are based upon a cash flow analysis with pooled reserves to meet expenses. This allows all funds in each reserve category to be used for paying for any appropriate component or components which may suddenly and unexpectedly need to be repaired or replaced. We strongly recommend annual updates of the reserve study to maintain adequate funding levels.

5. When undertaking large projects, the reserve study should be used to compare the costs stated in the report with the actual

costs on the contract. Accordingly, the association should either special assess the difference and or adjust the future years reserve contributions to help fund the costs differences. This will typically apply for major concrete restoration projects, and or mechanical change outs where code changes may be applicable.

6. Annually, the association should compare the reserve balances budgeted on the last column of the D pages of this report with the association's current balance sheet and or current bank statement. Any major differences should be accounted for and adjusted into future reserve contributions. If there are large differences, the association should update their reserve study.

7. There will be times when natural disasters such as floods, hurricanes, and windstorms can cause considerable damage to uninsurable property. A policy of special assessments should be considered and adopted by the board to help fund for these unforeseeable events.

8. Special assessments, even with fully funding reserves, may still be required under certain circumstances. The following are some, but not all, circumstances where the costs may exceed the amounts stated in this report.

a. Mechanical Items (fire pumps & fire systems, generators, etc.)

Additional costs due to code changes, relocation of mechanical item(s), additional wiring and or piping needed, complete change out of the wiring and or the plumbing system, upgrades, technological changes, etc.

b. Concrete Restoration

Additional costs due to unusual weather, prior poor workmanship, material defects, lack of ongoing maintenance, not properly sealing/painting the building within a reasonable time, aging conditions, excessive salt intrusion, etc.

c. Roofing Systems

Additional costs due to prolonging the replacement of the roofing system, code changes, unusual weather, prior material and or workmanship defects, settlement of the building causing the sloping of flat roofing system to redirect water away from the drains, damage to wood trusses, etc.

SPECIAL NOTES

Information supplied by the Association includes a copy of the 2024 financial reports, a copy of the current reserve budget, engineering report, and contracts/invoices. We may have also obtained verbal information from the engineer and or the association's management company regarding past and or future repairs and or replacements along with the timing of past replacements. All past and present information received by the engineer and or the association is deemed reliable for the purposes of this report. The actual or projected total presented in the Reserve Study is based upon information provided and was not audited.

As a result of the study, if the current reserve fund balance is less than the total accrued depreciation, you have a reserve fund deficit. If the fund balance is greater than the reserve requirement, you have a reserve fund overage.

When the association's current reserve fund balance is less than the current total accrued depreciation, additional funds MAY be added to the normal annual contribution if current funding levels will not meet the projected twenty-five to thirty-year cash flow analysis. This will allow the funding deficit to be paid down over a period of years within the twenty-five to thirty-year period.

As stated earlier, this report does not assist in reducing and or bridging the gap between the Fully Funded Balance/Total Accrued Depreciation and the Association's Current Reserve Balance as stated on the B1 page of this report. The association can elect to close this deficit gap through a special assessment.

All funding deficits in this study are amortized into previous years (when applicable) based upon the cash flow analysis. This amortized deficit amount is added to the normal annual contribution yielding the new fully funding annual contribution amount. The goal is to meet anticipated reserve expenditures over the next twenty-five to thirty years without the reserve fund balance falling below the minimum threshold balance. **Additional funds over the Normal Annual Contribution ARE needed for your association to meet minimal threshold funding requirements and anticipated expenditures.**

Please review the D pages of this report to see when the funding deficit occurs. Each ending year reserve balance highlighted in "yellow" signifies an occurrence where the reserve balance fell below the minimum threshold amount.

We do not add future inflation or interest earned on the association reserve bank balance. These items are difficult to predict and can mislead the user of the report. Instead, we use current costs with no inflation and no interest. To ensure continued adequate

funding, we strongly recommend annual updates to adjust for increased cost, adjustments to estimated remaining life, reserve spending, and changes in your funding allocations. The only way to maintain accurate reserves and reduce the need for special assessments would be to update your reserve study annually.

This reserve study is not only based on “estimated cost figures” for replacement/maintenance/restoration, but also an “estimated time frame” for the replacement/maintenance/restoration of the association’s components/assets. Everything can adjust by a few years and most things will not be replaced/restored until further in-depth inspections/investigation is completed by either an engineer and or a contractor specializing in a particular field such a structural engineer and or a MEP engineer. Painting is the only item that an association can control and should maintain a planned course of action to have the association’s building(s) painted according to a set schedule based on your location. But for the purposes of this report, we have provided a roadmap that will help guide this association to meet future obligations without the reserve fund balance falling below the minimum threshold. As your association orders future updates, we will replace estimated market prices with actual amounts incurred by the association. We will also adjust either the useful life and or the remaining life of the component/asset depending upon how an asset is depreciating in your association.

As stated earlier in this report, this reserve study is not a phase 1 or phase 2 Milestone Inspection Report. No destructive testing or sample gathering is completed during the on-site visit. The on-site visit should not be considered a project audit or quality inspection. Reserve studies are a budgeting tool for the replacement/maintenance/restoration of the association’s building/components/assets. We have based our findings on the age of the building, information that may have been provided by your engineer and association and obvious visual deterioration on components/assets seen during the on-site visit. It is the responsibility of the association to periodically hire the services of an engineer and or general contractor(s) on items such as building restoration, large mechanical items, seawalls, roofing structure/roofing systems, fire systems, and or any component item that may negatively affect the structure of the building. By completing this report, we hope to provide the association with a reasonable budget to have the funds in place to complete restoration/maintenance/replacements of their short and long-term assets by reducing the likelihood of special assessments. Lastly, though we try to narrow down the remaining lives for the replacement of your components/assets, the variance can be as much as 5-10 (+/-) years depending upon your location and or the workmanship of the last work completed on the building and or the specific component asset. In some cases, such as seawalls, it can vary as much as 10-20 years.

FINANCIAL NOTES

This report has been prepared based on the cash flow method of reserve funding. The cash flow method begins with the current year's reserve balance and then calculates the funding balance based on the yearly reserve contributions coming in and expenses/money going out for the next 30 years. This report was prepared to always maintain a minimum reserve fund balance (minimum threshold) of \$120,000 for the next 30 years. To arrive at the year-end reserve fund balance, we take the beginning fund balance and minus the estimated component item expense(s) and then add the annual contribution we have stated on this report. On the D pages of this report, we show this calculation on a year-by-year basis starting in the year the report was ordered. While we are running the reserve analysis on the D pages of this report, if in one of those years, the reserve fund balance falls below the minimum threshold of \$120,000, we add more money to the annual contribution to stay at a minimum fund balance of \$120,000. This amount that is added to the normal annual contribution is called a fund deficit amount – highlighted in blue on the D pages of this report IF applicable to your association.

Not having sufficient funds in reserves has caused a reserve fund deficit over the next 17 years with increases in the reserve budget needed to meet the anticipated reserve expenditure. The association may wish to consider alternative financial resources such as a bank loan if the significant increase over the next few years creates a financial burden. A bank loan can spread the funding over a larger number of years and reduce the annual reserve funding requirement.

Please review the C pages of this report and specifically the D analysis pages of this report to see where and when these deficits occur. Keep in mind that if a deficit occurs in year 12 (for example), we will then divide the amount needed to obtain a positive fund balance by amortizing the amount into the previous 12 years. This will help spread out the cost of the deficit and fairly distribute/amortize this into the preceding years.

This association's financial strength is low with less than a 34% reserve level of funding. This association's reserves are approximately 23.7% funded. The percentage is derived by dividing the Association's Reserve Fund Balance of \$913,439 on December 31st, 2024, by the Fully Funded Balance/Total Accrued Depreciation stated on page B1 of this report. The association's risk of special assessments is high during any one yearly period. Associations that are less than 70% funded run the risk of reserve shortfalls, special assessments, and detrimental deferred maintenance.

We had to supplement the Normal Annual Contribution of \$304,444 with an additional contribution of \$71,280 in years 1 through

10 annually, and \$24,024 in years 11 through 17 annually to meet the anticipated reserve expenditures. Additional deficit contributions beyond these years are not required. The total contributions stated on the B2 page of this report will put the association back in line to meet future expenses with minimal contributions. Please keep in mind that this reserve study does not take into consideration future inflation, unexpected mechanical/structural failing items, construction defects, components/assets that are neglected, upgrades, code changes, major interior renovations, and or the interest earned on the association's reserve balance.

The association should set a goal of collecting the recommended annual reserve contributions stated in this report to reduce the possibility of special assessments. We urge associations to be at least 50% to 70% funded to greatly reduce the risk of special assessments and or to reduce the likelihood of future deficit funding on future reserve updates.

J. R. Frazer, Inc. recommends an increase in the association's annual reserve contribution. The newly calculated annual reserve contribution is a more accurate reserve budget number which can benefit the entire association. This increased annual reserve contribution amount will allow the current owners to pay their fair share of today's component/asset depreciation of which assets will eventually require future maintenance & replacements.

ADDITIONAL NOTES

Fully funding reserves on an annual basis allows an association to "reduce" the possibility of current and or future special assessments. Fully funding reserves may still require special assessments due to unforeseen circumstances such as code changes, increase in project costs, upgrades/major renovations, and other circumstances that may arise in the future of an association. When collecting less than the annual fully funding reserve contribution, the association "greatly" increases the risk of special assessments.

While reviewing this report, keep in mind that the report is not calculated to close the gap between the Fully Funded Balance/Total Accrued Depreciation (reserves that should have been saved by the association) and the Current Reserve Funds held by the association as of the date of this report (see page B1). This report is prepared to help fund all the maintenance/replacements of components/assets listed on the C pages of this report over a period of 30 years.

The association can decide to fund the deficit by closing the gap between the Fully Funded Balance/Total Accrued Depreciation and the Current Reserve Fund Balance. They will need to determine whether they want to fund the difference with 1 special assessment and or spread it out over future years. Florida statutes do not require associations to close this gap, but to prepare a plan that will help fund future maintenance and or replacements of their components/assets over a period of 20 to 30 years.

As per Florida State Statutes, all condominium associations with residential buildings that are 3 stories or higher in height must annually fully fund reserves as per the SIRS.

LIMITATIONS, EXCEPTIONS, AND EXCLUSIONS

Section 1 – Site Visit.

The following are typically excluded from the “Site Visit”. Items excluded from the Site Visit are not necessarily excluded from the Physical Analysis or Financial Analysis.

- A. Systems or components of a building, or portions thereof, which are not Readily Accessible, or are excluded due to circumstances beyond the control of the Reserve Analyst or which the Client has agreed or specified to be excluded.
- B. Systems or components, or portions thereof, which are underground, underwater, or where the reserve analyst must encounter water.
- C. Determining compliance with manufacturers' installation guidelines or specifications, building codes, accessibility standards, conservation or energy standards, regulations, ordinances, covenants, or other restrictions.
- D. Structural, architectural, forensic, geological, environmental, hydrological, land surveying, or soil-related examinations.
- E. Acoustical or other nuisance characteristics of any system or component of a building, complex, adjoining property, or neighborhood.
- F. Conditions related to animals, insects, or other organisms, including fungus/mold, and any hazardous, illegal, or controlled substance, or the damage or health risks related items.
- G. Risks associated with events or conditions of nature including, but not limited to; geological, seismic, wildfire, hurricanes, and flood.
- H. Water testing any building, system, or component or determine leakage in shower pans, pools, spas, or any body of water.
- I. Differentiating between original construction or subsequent additions or modifications.
- J. Fire extinguishing and suppression systems and components or determining fire resistive qualities of materials or assemblies.
- K. Elevators, lifts, and dumbwaiters.
- L. Lighting pilot lights or activating or operating any system, component, or appliance that is shut down, unsafe to operate or does not respond to normal user controls.
- M. Operating shutoff valves or shutting down any system or component.
- N. Dismantling any system, structure, or component or removing access panels.

Section 2 – Physical Analysis.

The following are typically excluded from the “Physical Analysis”.

- A. Specifying repairs/replacement procedures or estimating cost to correct.
- B. Systems or components that typically experience an Extended Useful Life.
- C. Systems or components that do not have a predictable Remaining Useful Life.
- D. Systems or components that the client has advised the Reserve Analyst to omit from the Reserve Study.

- E. Systems or components provided for in whole under a maintenance contract.
- F. Systems or components provided for in whole within another part of the budget.
- G. Leased systems or components.
- H. Services of a legal nature including legal interpretations or opinions of any documents, maps, etc.

Section 3 – Financial Analysis

The following are typically excluded from the “Financial Analysis”.

- A. Expected rates of return on investments significantly beyond that of current savings rates.
- B. Expected settlements or monies owed or to be transferred to reserves before the final amount has been set and approved by the board.
- C. Limitations to increases of the reserve contribution or assessments from Governing Documents.
- D. Investment strategies or financial planning advice beyond that of the recommended reserve contribution.
- E. Auditing or other accounting services, Reserve Analyst shall assume financial information provided by the client or client’s representative is accurate.

CONDITIONS OF RESERVE STUDY

Unless otherwise stated, this evaluation is subject to the following conditions:

J. R. Frazer, a reserve specialty firm, has not formed a legal opinion as to what components may be included or are the responsibility of the association. We therefore assume no responsibility in the determination of which components and their related cost may be excluded from the reserve study application.

Information as to the association's responsibilities has been obtained from the client in discussions or a review of the documents. We make no guarantee nor assume liability for the accuracy of any data, financial statements or fund balances supplied by the client, opinions, or estimates as furnished by others that we used in formulating this evaluation. Any changes to our reports resulting from missing information or misinformation will be added to the report at an expense equal to our hourly fee rate.

The dimensions and quantities were gathered either by actual physical measurements, review of construction plans, or supplied by the association. All previous measurements and quantifications are deemed accurate for future use and updates.

Neither all nor any part of the contents of the association's reserve study report shall be conveyed to another reserve specialist, estimator, valuation person, or the public through advertising, news, or other media without the written consent and approval from J. R. Frazer, Inc. The report can be given to association members, banks for mortgage/financing purposes, and potential buyers that have signed a purchase contract with a seller of the association.

The valuation includes a description of the premises. Our assessment of the physical condition of the improvements described within has been based upon visual observation without destructive intrusions. No warranty is made, and no liability is assumed for the soundness of the structure or its components. The Association should consider additional inspection(s) for any safety concerns or hidden defects. The valuations derived and expressed within are not applicable to any other property regardless of similarity. The valuation is as of the date specified.

The values provided in this analysis are derived and based upon cost during common and normal economic conditions. These values do not reflect the significant impact on cost which may occur because of supply shortages and demand increases which are typically created as a result of disasters such as hurricanes, windstorms, etc. All updates are based upon the previous validated data.

This analysis represents my opinion based on accepted valuation systems and reserve methodology as to the values of the described property. As stated in the report, it has in no way been contingent upon the report of predetermined or specified value, nor has compensation for this reserve analysis report been contingent upon the value of the property considered.

Report completed by:
J. R. FRAZER, INC.
Sundeep J. Jay
125 South State Road 7 – suite: 104/197
Wellington, Florida 33414
561-488-3012

2024 "Structural Integrity Reserve Study" RESERVE SUMMARY

**Harbour Place Condominium Association, Inc.
105/107/109/113/115 Front Street, Key West, Florida 33040**

CASH FLOW METHOD WITH POOLED RESERVES
Prepared for Budget Year 2025 - January 1st through December 31st

RESERVE CATEGORY	REPLACEMENT COST	USEFUL LIFE (YEARS)	REMAIN LIFE (YEARS)	NORMAL ANNUAL CONTRIBUTION	FULLY FUNDED BALANCE	ASSOCIATION FUND BALANCE 12/31/2024	FUND (DEFICIT) OVERAGE	2025 ANNUAL RESERVE CONTRIBUTION	2025 MONTHLY CONTRIBUTION
A - Roofing	1,083,580	13	4	80,411	726,754	*	*	*	*
B - Painting/Waterproofing	187,715	8	1	23,465	164,066	*	*	*	*
C - Structure/Restoration	3,285,890	22	10	152,072	1,835,129	*	*	*	*
D - Fire Protection Systems	478,541	32	12	14,911	292,690	*	*	*	*
E - Plumbing	526,200	40	18	13,128	294,185	*	*	*	*
F - Electrical Systems	340,200	45	15	7,561	224,196	*	*	*	*
G - Windows/Exterior Doors	581,050	45	20	12,896	324,790	*	*	*	*
Sept. - Dec. Reserve Contribution						87,500			
Association Fund Balance (8/31/24)	-			-		825,939			
TOTAL	\$ 6,483,176		Life range of years are averaged, see actual estimated years in "C" pages.	\$ 304,444	\$ 3,861,810	913,439	(2,948,371)	\$ 375,724	\$ 31,310

Note: Fully Funded Balance - "Total Accrued Depreciation" (for a complete definition, see the glossary section of this report)

Note 1: The association has approximately \$1,412,878.23 minus balance to be paid for Elevator project (\$468,948) = \$943,930.23 in their reserve account as of August 31st, 2024

Note 2: Based on the Fully Funded Balance, we separated the current reserve balance based on the following: Traditional Reserve Account = \$117,991 (12.5%) and SIRS = \$825,939 (87.5%)

Note 3: It is required that the association create a separate line item on the balance sheet for the Traditional Reserve Balance and another account for the Structural Integrity Reserve Balance

Note 4: The Traditional Reserve monies cannot be comingled with the Structural Integrity Reserve monies as per Florida Statutes

"SIRS" RESERVE CONTRIBUTION FORECAST

**Harbour Place Condominium Association, Inc.
105/107/109/113/115 Front Street, Key West, Florida 33040**

RESERVE CATEGORY	Yr. 2024 Contribution	Yr. 2025 Contribution	Yr. 2026 Contribution	Yr. 2027 Contribution	Yr. 2028 Contribution	Yr. 2029 Contribution	Yr. 2030 Contribution	Yr. 2031 Contribution	Yr. 2032 Contribution	Yr. 2033 Contribution	Yr. 2034 Contribution
Normal Annual Contribution	262,500	304,444	304,444	304,444	304,444	304,444	304,444	304,444	304,444	304,444	304,444
Plus Amortized Deficit Amount		71,280	71,280	71,280	71,280	71,280	71,280	71,280	71,280	71,280	71,280
TOTAL ANNUAL FULLY FUNDING RESERVE CONTRIBUTIONS	\$ 262,500	\$ 375,724	\$ 375,724	\$ 375,724	\$ 375,724	\$ 375,724	\$ 375,724	\$ 375,724	\$ 375,724	\$ 375,724	\$ 375,724
Annual Accumulated Inflation Used:			3.50%	7.00%	10.50%	14.00%	17.50%	21.00%	24.50%	28.00%	31.50%
Future Inflationary Annual Contributions:			\$388,874	\$402,025	\$415,175	\$428,325	\$441,476	\$454,626	\$467,776	\$480,927	\$494,077

The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item.

"SIRS" RESERVE CONTRIBUTION FORECAST

**Harbour Place Condominium Association, Inc.
105/107/109/113/115 Front Street, Key West, Florida 33040**

RESERVE CATEGORY	2035 Contribution	2036 Contribution	2037 Contribution	2038 Contribution	2039 Contribution	2040 Contribution	2041 Contribution	2042 Contribution	2043 Contribution	2044 Contribution
Normal Annual Contribution	304,444	304,444	304,444	304,444	304,444	304,444	304,444	304,444	304,444	304,444
Plus Amortized Deficit Amount	24,024	24,024	24,024	24,024	24,024	24,024	24,024	0	0	0
TOTAL ANNUAL FULLY FUNDING RESERVE CONTRIBUTIONS	\$ 328,468	\$ 328,468	\$ 328,468	\$ 328,468	\$ 328,468	\$ 328,468	\$ 328,468	\$ 304,444	\$ 304,444	\$ 304,444
Annual Accumulated Inflation Used:	35.00%	38.50%	42.00%	45.50%	49.00%	52.50%	56.00%	59.50%	63.00%	66.50%
Future Inflationary Annual Contributions:	\$443,432	\$454,928	\$466,425	\$477,921	\$489,417	\$500,914	\$512,410	\$485,588	\$496,244	\$506,899

The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item.

"SIRS" RESERVE CONTRIBUTION FORECAST

**Harbour Place Condominium Association, Inc.
105/107/109/113/115 Front Street, Key West, Florida 33040**

RESERVE CATEGORY	2045 Contribution	2046 Contribution	2047 Contribution	2048 Contribution	2049 Contribution	2050 Contribution	2051 Contribution	2052 Contribution	2053 Contribution	2054 Contribution
Normal Annual Contribution	304,444	304,444	304,444	304,444	304,444	304,444	304,444	304,444	304,444	304,444
Plus Amortized Deficit Amount	0	0	0	0	0	0	0	0	0	0
TOTAL ANNUAL FULLY FUNDING RESERVE CONTRIBUTIONS	\$ 304,444	\$ 304,444	\$ 304,444	\$ 304,444	\$ 304,444	\$ 304,444	\$ 304,444	\$ 304,444	\$ 304,444	\$ 304,444
Annual Accumulated Inflation Used:	70.00%	73.50%	77.00%	80.50%	84.00%	87.50%	91.00%	94.50%	98.00%	101.50%
Future Inflationary Annual Contributions:	\$517,555	\$528,210	\$538,866	\$549,521	\$560,177	\$570,833	\$581,488	\$592,144	\$602,799	\$613,455

The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item.

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

		Values						
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
A - Roofing								
	1 - Annex Bldg. Roofing System							
	a - Annex bldg. BU flat roof 16	25,495	24.75	\$631,001	15	7	\$42,067	\$336,536
	1 - Annex Bldg. Roofing System Subtotal			\$631,001			\$42,067	\$336,536
	2 - Administration Bldg. Roofing System							
	a - Admin. bldg. BU flat roof 11	15,100	24.75	\$373,725	15	1	\$24,915	\$348,810
	b - Admin. bldg. portico BU flat roof - (2) 13	310	24.75	\$7,673	15	1	\$512	\$7,168
	2 - Administration Bldg. Roofing System Subtotal			\$381,398			\$25,427	\$355,978
	3 - Annual Roof Maintenance Contract							
	a - Annex bldg. roof contract	1	5,900.00	\$5,900	1	1	\$5,900	\$0
	b - Admin. bldg. roof contract	1	3,950.00	\$3,950	1	1	\$3,950	\$0
	3 - Annual Roof Maintenance Contract Subtotal			\$9,850			\$9,850	\$0
	4 - Rooftop Hatch Door							
	a - Annex bldg. rooftop hatch door	1	3,400.00	\$3,400	20	7	\$170	\$2,210
	b - Admin. bldg. rooftop hatch door	1	6,800.00	\$6,800	20	1	\$340	\$6,460
	4 - Rooftop Hatch Door Subtotal			\$10,200			\$510	\$8,670
	5 - Roofing Other							
	a - roofing repairs & misc.	40,905	1.25	\$51,131	20	10	\$2,557	\$25,570
	b - note: approximate costs to replace a/c stands is \$3,790/unit and for a/c freon lines is \$2,035/unit							
	c - note: reduced the useful life of the roofing systems from 20 years to 15 years based on insurance replacement time							
	5 - Roofing Other Subtotal			\$51,131			\$2,557	\$25,570
	A - Roofing Total			\$1,083,580	20	10	\$80,411	\$726,754

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

		Values						
Reserve C:	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
B - Painting/Waterproofing								
1 - Paint Annex Bldg.								
	a - paint Annex bldg. walls 17	35,832	2.35	\$84,205	8	1	\$10,526	\$73,682
	b - paint Annex bldg. balcony ceilings	3,800	2.35	\$8,930	8	1	\$1,116	\$7,812
	c - paint Annex bldg. balcony railings (lf)	537	26.55	\$14,257	8	1	\$1,782	\$12,474
	1 - Paint Annex Bldg. Subtotal			\$107,392			\$13,424	\$93,968
2 - Paint Administration Bldg.								
	a - paint Admin bldg. walls 16	19,380	2.35	\$45,543	8	1	\$5,693	\$39,851
	b - paint Admin bldg. balcony railings (lf)	668	26.55	\$17,735	8	1	\$2,217	\$15,519
	c - paint 1st level deck 8" railings (lf)	354	12.00	\$4,248	8	1	\$531	\$3,717
	d - paint 1st level deck 4' railings (lf)	100	26.55	\$2,655	8	1	\$332	\$2,324
	e - paint rooftop 8" railings (lf)	690	12.00	\$8,280	8	1	\$1,035	\$7,245
	2 - Paint Administration Bldg. Subtotal			\$78,461			\$9,808	\$68,656
3 - Paint Trash Area (65%)								
	a - paint trash area 6' wood fence	218	1.50	\$328	8	4	\$41	\$164
	b - paint trash area 6' pedestrian gate	31	1.50	\$47	8	4	\$6	\$24
	c - paint trash area wood gates	86	1.50	\$129	8	4	\$16	\$64
	3 - Paint Trash Area (65%) Subtotal			\$504			\$63	\$252
4 - Paint Pool Cabana Bldg.								
	a - paint pool cabana bldg.	905	1.50	\$1,358	8	1	\$170	\$1,190
	4 - Paint Pool Cabana Bldg. Subtotal			\$1,358			\$170	\$1,190
B - Painting/Waterproofing Total				\$187,715	8	4	\$23,465	\$164,066

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
C - Structure/Restoration								
01 - Annex Bldg. Repairs & Restoration								
	a - Annex bldg. R&R	35,832	3.00	\$107,496	8	7	\$13,437	\$13,437
	b - Annex bldg. balcony R&R	5,121	28.00	\$143,388	8	7	\$17,924	\$17,924
	c - Annex bldg. balcony tiled decks	5,121	16.50	\$84,497	25	10	\$3,380	\$50,700
	d - Annex bldg. waterproof private balconies	5,121	24.00	\$122,904	25	10	\$4,916	\$73,740
	e - Annex waterproof front common balconies	1,173	24.00	\$28,152	25	1	\$1,126	\$27,024
	f - Annex bldg. W 1st level deck R&R 09	15,100	28.00	\$422,800	25	9	\$16,912	\$270,592
	g - Annex bldg. W 1st level composite deck 09	15,100	23.00	\$347,300	25	9	\$13,892	\$222,272
	h - Annex bldg. W waterproof 1st level deck 09	15,100	24.00	\$362,400	25	9	\$14,496	\$231,936
	i - Annex garage walls/pillars R&R	16,956	3.50	\$59,346	14	8	\$4,239	\$25,434
	j - Annex garage ceilings R&R	35,148	3.50	\$123,018	25	10	\$4,921	\$73,815
	k - note: the association spent approximately \$48k in concrete related R&R in 2022-2023							
	01 - Annex Bldg. Repairs & Restoration Subtotal			\$1,801,301			\$95,243	\$1,006,874
	02 - Annex Bldg. Restoration Notes							
	a - note: R&R - Repair / Replace / Restore							
	b - note: restoration project(s) can occur sooner then the remaining life stated in this report - special assessments will be required							
	c - note: restoration costs in Florida can vary depending upon location, weather, and past workmanship and materials used							
	d - note: this study includes an estimate of restoration costs scheduled around the association's future paint cycles							
	e - note: keeping up with the scheduled paint cycle can help reduce long term restoration cost							
	f - note: restoration costs does not include structural failing items and or neglect of restoration projects							
	g - note: depending upon your location, we recommend hiring the services of a structural engineer every 1 to 3 paint cycles							
	h - note: though we have provided a budgeting costs for restoration, the actual costs can be much higher							
	i - note: we recommend special assessing the difference if the costs stated on this report is lower then the actual restoration costs							
	j - note: please note that a reserve study is not an inspection report for structural and or mechanical items							
	k - note: a remaining life of 1 year related to concrete/structural work, can imply the work needs to be completed in the current year "0"							
	02 - Annex Bldg. Restoration Notes Subtotal							
	03 - Admin. Bldg. Repairs & Restoration							
	a - Admin. bldg. R&R	19,380	3.00	\$58,140	8	7	\$7,268	\$7,268
	b - Admin. bldg. balcony R&R	2,040	28.00	\$57,120	8	7	\$7,140	\$7,140

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

Reserve C:	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	c - Admin. bldg. balcony composite decks	2,040	23.00	\$46,920	25	10	\$1,877	\$28,155
	d - Admin bldg. waterproof balcony decks	2,040	24.00	\$48,960	25	10	\$1,958	\$29,370
	e - Admin bldg. S. 1st level deck R&R 09	2,135	23.00	\$49,105	25	9	\$1,964	\$31,424
	f - Admin. bldg. S. 1st level composite deck 09	2,135	28.00	\$59,780	25	9	\$2,391	\$38,256
	g - Admin bldg. S. waterproof 1st level deck 09	2,135	23.00	\$49,105	25	9	\$1,964	\$31,424
	h - Admin bldg. W. 1st level deck R&R	4,165	23.00	\$95,795	25	10	\$3,832	\$57,480
	i - Admin. bldg. W. 1st level composite deck	4,165	28.00	\$116,620	25	10	\$4,665	\$69,975
	j - Admin bldg. W. waterproof 1st level deck	4,165	23.00	\$95,795	25	10	\$3,832	\$57,480
	k - note: the administration building spent approximately \$1.3 million between 2022-2023 in foundation related repairs & restoration							
	03 - Admin. Bldg. Repairs & Restoration Subtotal			\$677,340			\$36,891	\$357,972
	04 - Admin. Bldg. Restoration Notes							
	a - note: R&R - Repair / Replace / Restore							
	b - note: restoration project(s) can occur sooner then the remaining life stated in this report - special assessments will be required							
	c - note: restoration costs in Florida can vary depending upon location, weather, and past workmanship and materials used							
	d - note: this study includes an estimate of restoration costs scheduled around the association's future paint cycles							
	e - note: keeping up with the scheduled paint cycle can help reduce long term restoration cost							
	f - note: restoration costs does not include structural failing items and or neglect of restoration projects							
	g - note: depending upon your location, we recommend hiring the services of a structural engineer every 1 to 3 paint cycles							
	h - note: though we have provided a budgeting costs for restoration, the actual costs can be much higher							
	i - note: we recommend special assessing the difference if the costs stated on this report is lower then the actual restoration costs							
	j - note: please note that a reserve study is not an inspection report for structural and or mechanical items							
	k - note: a remaining life of 1 year related to concrete/structural work, can imply the work needs to be completed in the current year "0"							
	04 - Admin. Bldg. Restoration Notes Subtotal							
	05 - Annex Bldg. Railings							
	a - Annex bldg. balcony railings (lf)	1,225	188.00	\$230,300	50	17	\$4,606	\$151,998
	b - Annex bldg. rear 1st level deck railings (lf)	537	188.00	\$100,956	50	17	\$2,019	\$66,627
	05 - Annex Bldg. Railings Subtotal			\$331,256			\$6,625	\$218,625
	06 - Admin. Bldg. Railings							
	a - Admin. bldg. balcony railings (lf)	668	188.00	\$125,584	50	17	\$2,512	\$82,896
	b - Admin. bldg. 1st level 8" railings (lf)	354	136.00	\$48,144	50	17	\$963	\$31,779

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

		Quantity		Replacement		Useful		Remaining		Normal		Current	
Reserve C:	Component Items	Units	Unit Cost \$	Cost \$	Life	Life	Contribution	Requirement					
	c - Admin. bldg. 1st level 4' railings (lf)	100	188.00	\$18,800	50	17	\$376	\$12,408					
	d - Admin. bldg. rooftop 8" railings (lf)	690	136.00	\$93,840	50	17	\$1,877	\$61,941					
	06 - Admin. Bldg. Railings Subtotal			\$286,368			\$5,728	\$189,024					
	07 - Annex Bldg. Garage Pipe Hangers												
	a - Annex pipe hangers 22	1	47,200.00	\$47,200	25	22	\$1,888	\$5,664					
	07 - Annex Bldg. Garage Pipe Hangers Subtotal			\$47,200			\$1,888	\$5,664					
	08 - Admin. Bldg. Planters												
	a - Admin. bldg. westside planters (sf)	1,055	135.00	\$142,425	25	15	\$5,697	\$56,970					
	08 - Admin. Bldg. Planters Subtotal			\$142,425			\$5,697	\$56,970					
C - Structure/Restoration Total				\$3,285,890	50	22	\$152,072	\$1,835,129					

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
D - Fire Protection Systems								
01 - Annex Bldg. Fire Pump								
	a - Annex bldg. 100hp fire pump	1	72,500.00	\$72,500	35	3	\$2,071	\$66,272
	b - Annex bldg. fire pump 2hp jockey pump	1	4,200.00	\$4,200	20	3	\$210	\$3,570
	c - Annex bldg. fire pump controller	1	12,500.00	\$12,500	35	3	\$357	\$11,424
	d - note: the fire pump is past its useful life, gave additional remaining life for budgeting purposes - currently in working condition							
	01 - Annex Bldg. Fire Pump Subtotal			\$89,200			\$2,638	\$81,266
02 - Annex Bldg. Fire System								
	a - Annex bldg. fire system R&R	38	1,650.00	\$62,700	25	12	\$2,508	\$32,604
	02 - Annex Bldg. Fire System Subtotal			\$62,700			\$2,508	\$32,604
03 - Annex Bldg. Fire Sprinkler								
	a - Annex bldg. fire sprinkler R&R	1	18,500.00	\$18,500	20	10	\$925	\$9,250
	b - Annex bldg. garage fire sprinkler system (sf)	35,148	4.50	\$158,166	40	20	\$3,954	\$79,080
	03 - Annex Bldg. Fire Sprinkler Subtotal			\$176,666			\$4,879	\$88,330
04 - Annex Bldg. Fire Standpipes								
	a - Annex bldg. fire standpipes (floors)	15	3,315.00	\$49,725	40	10	\$1,243	\$37,290
	04 - Annex Bldg. Fire Standpipes Subtotal			\$49,725			\$1,243	\$37,290
05 - Admin. Bldg. Fire System								
	a - Admin. bldg. fire system R&R	24	1,650.00	\$39,600	25	12	\$1,584	\$20,592
	05 - Admin. Bldg. Fire System Subtotal			\$39,600			\$1,584	\$20,592
06 - Admin. Bldg. Fire Sprinkler								
	a - Admin. bldg. fire sprinkler R&R	1	15,500.00	\$15,500	20	10	\$775	\$7,750
	06 - Admin. Bldg. Fire Sprinkler Subtotal			\$15,500			\$775	\$7,750
07 - Admin. Bldg. Fire Standpipes								
	a - Admin. bldg. fire standpipes (floors)	8	3,315.00	\$26,520	40	10	\$663	\$19,890
	07 - Admin. Bldg. Fire Standpipes Subtotal			\$26,520			\$663	\$19,890
08 - Fire System Back Flow								
	a - note: fire system R&R includes fire panels, pull stations, sirens, smoke detectors, etc. and minor wiring replacements							
	b - note: fire system R&R remaining life has been average - monies can be used at anytime for related component replacements							
	c - note: fire sprinkler R&R includes sprinkler heads and minor sprinkler line replacements - does not include system replacement							

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

Values								
Reserve C:	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	d - fire system back flow 17	1	18,630.00	\$18,630	30	22	\$621	\$4,968
	d - note: if the association is planning on a major overhaul/upgrade of their fire system, the amounts should be special assessed							
	e - note: not conducting inspections and updating the fire protection systems in a timely manner can lead to physical harm and or death							
	08 - Fire System Back Flow Subtotal			\$18,630			\$621	\$4,968
D - Fire Protection Systems Total				\$478,541	40	22	\$14,911	\$292,690

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

		Values							
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement	
E - Plumbing									
01 - Annex Bldg. Water Station									
	a - Annex bldg. water station 7.5hp motor 10	2	8,200.00	\$16,400	12	1	\$1,367	\$15,037	
	b - Annex bldg. water station controller	1	16,500.00	\$16,500	25	1	\$660	\$15,840	
	c - Annex bldg. water station piping & misc.	1	25,500.00	\$25,500	25	1	\$1,020	\$24,480	
	d - Annex bldg. water station expansion tank 1¢	2	1,800.00	\$3,600	15	9	\$240	\$1,440	
	e - note: the Annex domestic water station is located next to the pool equipment in the garage								
	01 - Annex Bldg. Water Station Subtotal			\$62,000			\$3,287	\$56,797	
02 - Annex Bldg. Plumbing Updates									
	a - Annex bldg. plumbing updates & misc.	38	6,250.00	\$237,500	60	26	\$3,958	\$134,572	
	02 - Annex Bldg. Plumbing Updates Subtotal			\$237,500			\$3,958	\$134,572	
03 - Admin. Bldg. Water Station									
	a - Admin. bldg. water station 7.5hp motor 23	2	8,200.00	\$16,400	15	13	\$1,093	\$2,186	
	b - Admin. bldg. water station controller 23	1	16,500.00	\$16,500	25	23	\$660	\$1,320	
	c - Admin. bldg. water station piping & misc. 23	1	16,500.00	\$16,500	25	23	\$660	\$1,320	
	d - Admin. bldg. water station expansion tank	1	1,800.00	\$1,800	15	13	\$120	\$240	
	e - note: the Admin. domestic water station is located on the inside of the 1st level rear hallway in bldg. 115								
	03 - Admin. Bldg. Water Station Subtotal			\$51,200			\$2,533	\$5,066	
04 - Admin. Bldg. Plumbing Updates									
	a - Admin. bldg. plumbing updates & misc.	24	6,250.00	\$150,000	60	26	\$2,500	\$85,000	
	04 - Admin. Bldg. Plumbing Updates Subtotal			\$150,000			\$2,500	\$85,000	
05 - Plumbing Backflow									
	a - plumbing backflow & misc.	1	25,500.00	\$25,500	30	15	\$850	\$12,750	
	05 - Plumbing Backflow Subtotal			\$25,500			\$850	\$12,750	
06 - Plumbing Notes									
	a - note: it is the responsibility of the association to hire the services of a MEP (mechanical/electrical/plumbing) engineer								
	b - note: a MEP engineer inspection should be ordered at least once every 10 years to evaluate the integrity of the plumbing system(s)								
	c - note: the interior lining of the plumbing pipes cannot be inspected for the integrity of the plumbing pipes								
	d - note: we may/may not have visually inspected the plumbing system, this report does not consider code violations/integrity of the plumbing pipes								
	e - note: association should provide a copy of the MEP report with any work orders completed on the plumbing system(s) to your reserve specialist								

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

		Quantity		Replacement	Useful	Remaining	Normal	Current
Reserve C:	Component Items	Units	Unit Cost \$	Cost \$	Life	Life	Annual Contribution	Reserve Requirement
f - note: reactive versus proactive plumbing repairs & replacements may considerably increase the costs stated in this section								
06 - Plumbing Notes Subtotal								
E - Plumbing Total				\$526,200	60	26	\$13,128	\$294,185

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
F - Electrical Systems								
	01 - Annex Bldg. Electrical Updates							
	a - Annex bldg. electrical updates & misc.	38	2,400.00	\$91,200	45	15	\$2,027	\$60,810
	01 - Annex Bldg. Electrical Updates Subtotal			\$91,200			\$2,027	\$60,810
	02 - Annex #105 Electrical Panels							
	a - Annex #105 meter mod disconnect	1	11,500.00	\$11,500	45	11	\$256	\$8,704
	b - Annex #105 house elect. panel (small)	1	2,200.00	\$2,200	45	11	\$49	\$1,666
	c - Annex #105 house elect. panel (large)	2	5,800.00	\$11,600	45	11	\$258	\$8,772
	d - Annex #105 elevator disconnect 24	1	4,200.00	\$4,200	45	45	\$93	\$0
	02 - Annex #105 Electrical Panels Subtotal			\$29,500			\$656	\$19,142
	03 - Annex #107 Electrical Panels							
	a - Annex #107 meter mod disconnect	1	11,500.00	\$11,500	45	11	\$256	\$8,704
	b - Annex #107 house elect. panel (small)	1	2,200.00	\$2,200	45	11	\$49	\$1,666
	c - Annex #107 house elect. panel (large)	2	5,800.00	\$11,600	45	11	\$258	\$8,772
	d - Annex #107 elevator disconnect 24	1	4,200.00	\$4,200	45	45	\$93	\$0
	03 - Annex #107 Electrical Panels Subtotal			\$29,500			\$656	\$19,142
	04 - Annex Main & #109 Meter Room							
	a - Annex main disconnect panels	2	24,000.00	\$48,000	45	11	\$1,067	\$36,278
	b - Annex #109 meter mod disconnect	1	11,500.00	\$11,500	45	11	\$256	\$8,704
	c - Annex #109 house elect. panel (small)	1	2,200.00	\$2,200	45	11	\$49	\$1,666
	d - Annex #109 house elect. panel	3	4,800.00	\$14,400	45	11	\$320	\$10,880
	e - Annex #109 elevator disconnect 24	1	4,200.00	\$4,200	45	45	\$93	\$0
	04 - Annex Main & #109 Meter Room Subtotal			\$80,300			\$1,785	\$57,528
	05 - Admin. Bldg. Electrical Updates							
	a - Admin. bldg. electrical updates & misc.	24	2,400.00	\$57,600	45	18	\$1,280	\$34,560
	05 - Admin. Bldg. Electrical Updates Subtotal			\$57,600			\$1,280	\$34,560
	06 - Admin. #113 Electrical Panels							
	a - Admin. #113 house elect. panel (large)	1	6,800.00	\$6,800	45	11	\$151	\$5,134
	b - Admin. #113 elevator disconnect panel 24	1	4,200.00	\$4,200	45	45	\$93	\$0
	b - note: the electrical panel in #113 is located on the 2nd floor in the A/C closet							

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

Values								
Reserve C:	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	06 - Admin. #113 Electrical Panels Subtotal			\$11,000			\$244	\$5,134
	07 - Admin. #115 Electrical Panels							
	a - Admin. #115 main disconnect panel	1	18,500.00	\$18,500	45	11	\$411	\$13,974
	b - Admin. #115 house elect. panel	1	4,800.00	\$4,800	45	11	\$107	\$3,638
	c - Admin. #115 house elect. panel (large)	2	6,800.00	\$13,600	45	11	\$302	\$10,268
	d - Admin. #115 elevator disconnect panel 24	1	4,200.00	\$4,200	45	45	\$93	\$0
	07 - Admin. #115 Electrical Panels Subtotal			\$41,100			\$913	\$27,880
F - Electrical Systems Total				\$340,200	45	45	\$7,561	\$224,196

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

		Values						
Reserve C	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
G - Windows/Exterior Doors								
01 - Annex Bldg. Windows								
	a - Annex bldg. lobby windows (sf) 02	368	125.00	\$46,000	50	27	\$920	\$21,160
	b - Annex bldg. upper hall windows (sf) 02	756	125.00	\$94,500	50	27	\$1,890	\$43,470
	01 - Annex Bldg. Windows Subtotal			\$140,500			\$2,810	\$64,630
02 - Annex Bldg. Common Doors								
	a - Annex bldg. stair single door/frames	28	2,850.00	\$79,800	50	17	\$1,596	\$52,668
	b - Annex bldg. lobby rear double door/frames	3	5,800.00	\$17,400	40	6	\$435	\$14,790
	c - Annex #109 lobby side single door/frames	2	2,850.00	\$5,700	40	17	\$143	\$3,289
	d - Annex lobby single glass doors	3	9,800.00	\$29,400	40	17	\$735	\$16,905
	e - Annex upper hall double glass doors	12	12,500.00	\$150,000	40	17	\$3,750	\$86,250
	f - Annex interior elevator single door/frames	3	2,850.00	\$8,550	50	50	\$171	\$0
	g - Annex garage meter single door/frames	3	2,850.00	\$8,550	40	12	\$214	\$5,992
	h - Annex garage meter double door/frame	1	5,800.00	\$5,800	40	12	\$145	\$4,060
	i - Annex fire pump double door/frame	1	5,800.00	\$5,800	40	6	\$145	\$4,930
	02 - Annex Bldg. Common Doors Subtotal			\$311,000			\$7,334	\$188,884
03 - Admin. Bldg. Windows								
	a - Admin. bldg. upper hall windows (sf) 02	288	125.00	\$36,000	50	27	\$720	\$16,560
	b - Admin. bldg. stairwell windows (sf) 02	60	125.00	\$7,500	50	27	\$150	\$3,450
	03 - Admin. Bldg. Windows Subtotal			\$43,500			\$870	\$20,010
04 - Admin. Bldg. Common Doors								
	a - Admin. bldg. stair #1 single door/frames	7	2,850.00	\$19,950	50	17	\$399	\$13,167
	b - Admin. bldg. stair #2 single door/frames	7	2,850.00	\$19,950	50	17	\$399	\$13,167
	c - Admin. bldg. main entry single glass door	2	9,800.00	\$19,600	40	17	\$490	\$11,270
	d - Admin #115 rear exit glass door/windows	1	12,500.00	\$12,500	40	17	\$313	\$7,199
	e - Admin #115 water station double door	1	5,800.00	\$5,800	50	27	\$116	\$2,668
	f - Admin #115 plumbing single door/frame	1	2,400.00	\$2,400	50	27	\$48	\$1,104
	g - Admin #115 meter single door/frame	1	2,850.00	\$2,850	50	27	\$57	\$1,311
	h - Admin #115 elevator single door/frame	1	3,000.00	\$3,000	50	27	\$60	\$1,380
	04 - Admin. Bldg. Common Doors Subtotal			\$86,050			\$1,882	\$51,266

2024 PHYSICAL RESERVE ANALYSIS

Harbour Place Condominium Association, Inc.

		Values						
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	G - Windows/Exterior Doors Total			\$581,050	50	50	\$12,896	\$324,790
Grand Total				\$6,483,176	60	50	\$304,444	\$3,861,810

RESERVE FUNDING FINANCIAL ANALYSIS

Harbour Place Condominium Association, Inc.

		12/31/24			FUND					
		RESERVE	FULLY FUNDED BALANCE /		OVERAGE					
		BALANCE	TOTAL ACCRUED DEPRECIATION		(DEFICIT)			Minimum Threshold Reserve		
		\$913,439	\$3,861,810		(\$2,948,371)			Fund Balance:		
		\$120,000								
		<u>Financial year runs January 1st to December 31st</u>								
		BEGINNING			Minus	Plus	Plus	Equals	ENDING	
		RESERVE			YEARLY	NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	RESERVE	
YEAR		BALANCE	COMPONENT EXPENSE ITEMS BY YEAR		EXPENSE	CONTRIBUTION	DEFICIT	CONTRIBUTION	FUND	
				0						
				months						
				0 remaining						
2024	0	913,439			0	0	0	0	\$913,439	
2025	1	913,439	a - Admin. bldg. BU flat roof 11 b - Admin. bldg. portico BU flat roof - (2) 13 a - Annex bldg. roof contract b - Admin. bldg. roof contract b - Admin. bldg. rooftop hatch door a - paint Annex bldg. walls 17 b - paint Annex bldg. balcony ceilings c - paint Annex bldg. balcony railings (lf) a - paint Admin bldg. walls 16 b - paint Admin bldg. balcony railings (lf) c - paint 1st level deck 8" railings (lf) d - paint 1st level deck 4" railings (lf) e - paint rooftop 8" railings (lf) a - paint pool cabana bldg. e - Annex waterproof front common balconies a - Annex bldg. water station 7.5hp motor 10 b - Annex bldg. water station controller c - Annex bldg. water station piping & misc.		671,811		304,444	71,280	375,724	\$617,352
2026	2	617,352	a - Annex bldg. roof contract b - Admin. bldg. roof contract		9,850		304,444	71,280	375,724	\$983,226
2027	3	983,226	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - Annex bldg. 100hp fire pump b - Annex bldg. fire pump 2hp jockey pump c - Annex bldg. fire pump controller		99,050		304,444	71,280	375,724	\$1,259,900
2028	4	1,259,900	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - paint trash area 6' wood fence b - paint trash area 6' pedestrian gate c - paint trash area wood gates		10,354		304,444	71,280	375,724	\$1,625,270
2029	5	1,625,270	a - Annex bldg. roof contract b - Admin. bldg. roof contract		9,850		304,444	71,280	375,724	\$1,991,144
2030	6	1,991,144	a - Annex bldg. roof contract b - Admin. bldg. roof contract b - Annex bldg. lobby rear double door/frames i - Annex fire pump double door/frame		33,050		304,444	71,280	375,724	\$2,333,818
2031	7	2,333,818	a - Annex bldg. BU flat roof 16 a - Annex bldg. roof contract b - Admin. bldg. roof contract a - Annex bldg. rooftop hatch door a - Annex bldg. R&R b - Annex bldg. balcony R&R a - Admin. bldg. R&R b - Admin. bldg. balcony R&R		1,010,395		304,444	71,280	375,724	\$1,699,147
2032	8	1,699,147	a - Annex bldg. roof contract b - Admin. bldg. roof contract i - Annex garage walls/pillars R&R		69,196		304,444	71,280	375,724	\$2,005,675

		BEGINNING							ENDING
		RESERVE		Minus		Plus	Plus	Equals	RESERVE
		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	FUND
YEAR		BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	BALANCE
2033	9	2,005,675	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - paint Annex bldg. walls 17 b - paint Annex bldg. balcony ceilings c - paint Annex bldg. balcony railings (lf) a - paint Admin bldg. walls 16 b - paint Admin bldg. balcony railings (lf) c - paint 1st level deck 8" railings (lf) d - paint 1st level deck 4' railings (lf) e - paint rooftop 8" railings (lf) a - paint pool cabana bldg. f - Annex bldg. W 1st level deck R&R 09 g - Annex bldg. W 1st level composite deck 09 h - Annex bldg. W waterproof 1st level deck 09 e - Admin bldg. S. 1st level deck R&R 09 f - Admin. bldg. S. 1st level composite deck 09 g - Admin bldg. S. waterproof 1st level deck 09 d - Annex bldg. water station expansion tank 19	1,491,151		304,444	71,280	375,724	\$890,248
2034	10	890,248	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - roofing repairs & misc. c - Annex bldg. balcony tiled decks d - Annex bldg. waterproof private balconies j - Annex garage ceilings R&R c - Admin. bldg. balcony composite decks d - Admin bldg. waterproof balcony decks h - Admin bldg. W. 1st level deck R&R i - Admin. bldg. W. 1st level composite deck j - Admin bldg. W. waterproof 1st level deck a - Annex bldg. fire sprinkler R&R a - Annex bldg. fire standpipes (floors) a - Admin. bldg. fire sprinkler R&R a - Admin. bldg. fire standpipes (floors)	905,735		304,444	71,280	375,724	\$360,237
2035	11	360,237	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - Annex #105 meter mod disconnect b - Annex #105 house elect. panel (small) c - Annex #105 house elect. panel (large) a - Annex #107 meter mod disconnect b - Annex #107 house elect. panel (small) c - Annex #107 house elect. panel (large) a - Annex main disconnect panels b - Annex #109 meter mod disconnect c - Annex #109 house elect. panel (small) d - Annex #109 house elect. panel a - Admin. #113 house elect. panel (large) a - Admin. #115 main disconnect panel b - Admin. #115 house elect. panel c - Admin. #115 house elect. panel (large)	180,250		304,444	24,024	328,468	\$508,455
2036	12	508,455	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - paint trash area 6' wood fence b - paint trash area 6' pedestrian gate c - paint trash area wood gates a - Annex bldg. fire system R&R a - Admin. bldg. fire system R&R g - Annex garage meter single door/frames h - Annex garage meter double door/frame	127,004		304,444	24,024	328,468	\$709,919
2037	13	709,919	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - Annex bldg. water station 7.5hp motor 10 a - Admin. bldg. water station 7.5hp motor 23 d - Admin. bldg. water station expansion tank	44,450		304,444	24,024	328,468	\$993,937
2038	14	993,937	a - Annex bldg. roof contract b - Admin. bldg. roof contract	9,850		304,444	24,024	328,468	\$1,312,555
2039	15	1,312,555	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - Annex bldg. R&R b - Annex bldg. balcony R&R a - Admin. bldg. R&R b - Admin. bldg. balcony R&R a - Admin. bldg. westside planters (sf) a - plumbing backflow & misc. a - Annex bldg. electrical updates & misc.	635,119		304,444	24,024	328,468	\$1,005,904
2040	16	1,005,904	a - Admin. bldg. BU flat roof 11 b - Admin. bldg. portico BU flat roof - (2) 13 a - Annex bldg. roof contract b - Admin. bldg. roof contract	391,248		304,444	24,024	328,468	\$943,124

		BEGINNING							ENDING
		RESERVE		Minus		Plus	Plus	Equals	RESERVE
		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	FUND
YEAR		BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	BALANCE
2041	17	943,124	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - paint Annex bldg. walls 17 b - paint Annex bldg. balcony ceilings c - paint Annex bldg. balcony railings (lf) a - paint Admin bldg. walls 16 b - paint Admin bldg. balcony railings (lf) c - paint 1st level deck 8" railings (lf) d - paint 1st level deck 4' railings (lf) e - paint rooftop 8" railings (lf) a - paint pool cabana bldg. a - Annex bldg. balcony railings (lf) b - Annex bldg. rear 1st level deck railings (lf) a - Admin. bldg. balcony railings (lf) b - Admin. bldg. 1st level 8" railings (lf) c - Admin. bldg. 1st level 4' railings (lf) d - Admin. bldg. rooftop 8" railings (lf) a - Annex bldg. stair single door/frames c - Annex #109 lobby side single door/frames d - Annex lobby single glass doors e - Annex upper hall double glass doors a - Admin. bldg. stair #1 single door/frames b - Admin. bldg. stair #2 single door/frames c - Admin. bldg. main entry single glass door d - Admin #115 rear exit glass door/windows	1,151,585		304,444	24,024	328,468	\$120,007
2042	18	120,007	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - Admin. bldg. electrical updates & misc.	67,450		304,444	0	304,444	\$357,001
2043	19	357,001	a - Annex bldg. roof contract b - Admin. bldg. roof contract	9,850		304,444	0	304,444	\$651,595
2044	20	651,595	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - paint trash area 6' wood fence b - paint trash area 6' pedestrian gate c - paint trash area wood gates b - Annex bldg. garage fire sprinkler system (sf)	168,520		304,444	0	304,444	\$787,519
2045	21	787,519	a - Annex bldg. roof contract b - Admin. bldg. roof contract b - Admin. bldg. rooftop hatch door	16,650		304,444	0	304,444	\$1,075,313
2046	22	1,075,313	a - Annex bldg. BU flat roof 16 a - Annex bldg. roof contract b - Admin. bldg. roof contract i - Annex garage walls/pillars R&R a - Annex pipe hangers 22 d - fire system back flow 17	766,027		304,444	0	304,444	\$613,730
2047	23	613,730	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - Annex bldg. R&R b - Annex bldg. balcony R&R a - Admin. bldg. R&R b - Admin. bldg. balcony R&R b - Annex bldg. fire pump 2hp jockey pump b - Admin. bldg. water station controller 23 c - Admin. bldg. water station piping & misc. 23	413,194		304,444	0	304,444	\$504,980
2048	24	504,980	a - Annex bldg. roof contract b - Admin. bldg. roof contract d - Annex bldg. water station expansion tank 19	13,450		304,444	0	304,444	\$795,974
2049	25	795,974	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - paint Annex bldg. walls 17 b - paint Annex bldg. balcony ceilings c - paint Annex bldg. balcony railings (lf) a - paint Admin bldg. walls 16 b - paint Admin bldg. balcony railings (lf) c - paint 1st level deck 8" railings (lf) d - paint 1st level deck 4' railings (lf) e - paint rooftop 8" railings (lf) a - paint pool cabana bldg. a - Annex bldg. water station 7.5hp motor 10	213,461		304,444	0	304,444	\$886,957
2050	26	886,957	a - Annex bldg. roof contract b - Admin. bldg. roof contract e - Annex waterproof front common balconies b - Annex bldg. water station controller c - Annex bldg. water station piping & misc. a - Annex bldg. plumbing updates & misc. a - Admin. bldg. plumbing updates & misc.	467,502		304,444	0	304,444	\$723,899

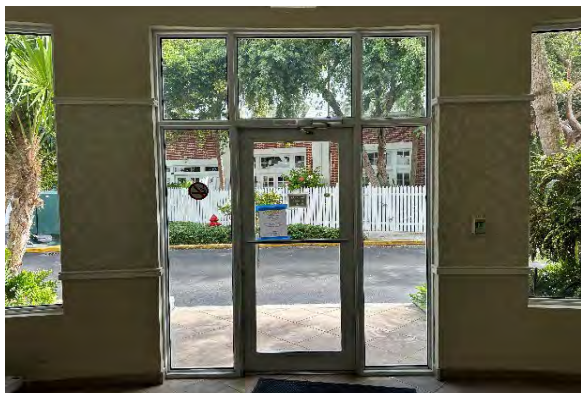
		BEGINNING							ENDING
		RESERVE		Minus		Plus	Plus	Equals	RESERVE
		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	FUND
YEAR		BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	BALANCE
2051	27	723,899	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - Annex bldg. rooftop hatch door a - Annex bldg. lobby windows (sf) 02 b - Annex bldg. upper hall windows (sf) 02 a - Admin. bldg. upper hall windows (sf) 02 b - Admin. bldg. stairwell windows (sf) 02 e - Admin #115 water station double door f - Admin #115 plumbing single door/frame g - Admin #115 meter single door/frame h - Admin #115 elevator single door/frame	211,300		304,444	0	304,444	\$817,043
2052	28	817,043	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - paint trash area 6' wood fence b - paint trash area 6' pedestrian gate c - paint trash area wood gates a - Admin. bldg. water station 7.5hp motor 23 d - Admin. bldg. water station expansion tank	28,554		304,444	0	304,444	\$1,092,933
2053	29	1,092,933	a - Annex bldg. roof contract b - Admin. bldg. roof contract	9,850		304,444	0	304,444	\$1,387,527
2054	30	1,387,527	a - Annex bldg. roof contract b - Admin. bldg. roof contract a - roofing repairs & misc. a - Annex bldg. fire sprinkler R&R a - Admin. bldg. fire sprinkler R&R	94,981		304,444	0	304,444	\$1,596,990
In this reserve study, deficits beyond 25 years are not considered or amortized into previous years									
END			THIRTY YEAR REPAIR / REPLACEMENT PROJECTIONS						



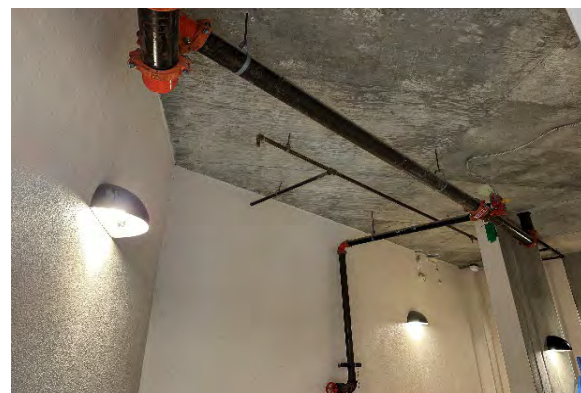
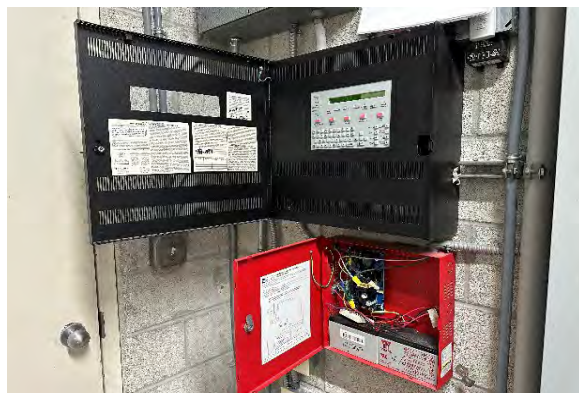
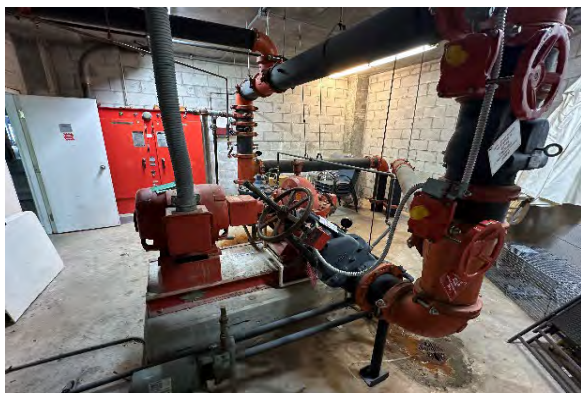
Annex Building



Annex Building



Annex Building Roofing System and Common Area Doors and Windows



Annex Building Fire Protection Systems



Annex Building Fire Protection Systems



Annex Building Electrical Systems



Annex Building Domestic Water Station



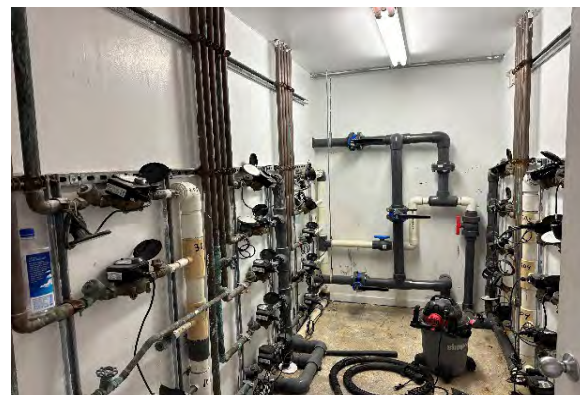
Annex Building



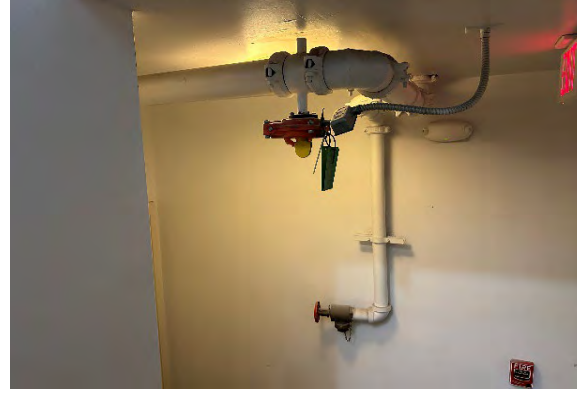
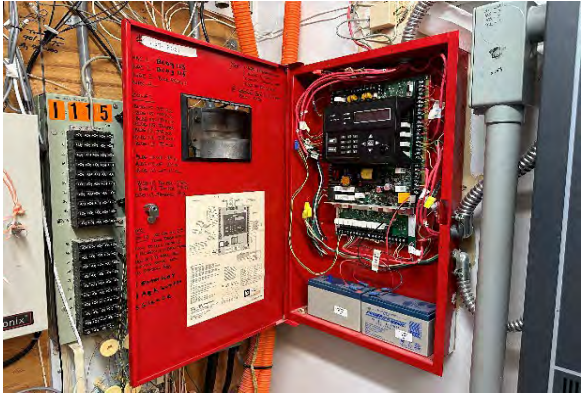
Admin Building



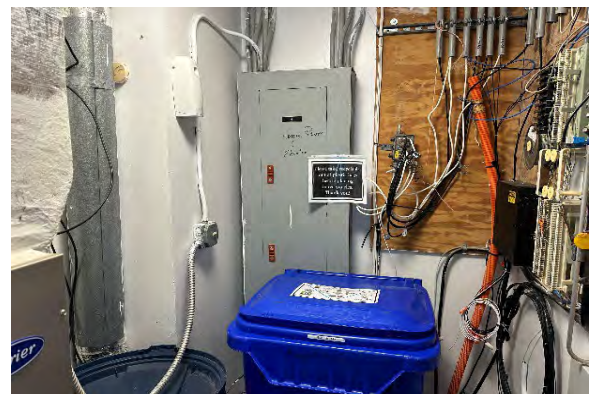
Admin Building Roofing System / Common Area Doors and Windows



Admin. Bldg. Domestic Water Station and Plumbing



Admin Building Fire Protection Systems



Admin Building Electrical System



Admin Building Electrical System



Backflow Plumbing

Harbour Place Condominium Association, Inc.
Profit & Loss Budget Overview
January through December 2024

	Jan - Dec 24
Ordinary Income/Expense	
Income	
Assessment Fees	
Regular Assessment Fees	1,557,439.66
Total Assessment Fees	1,557,439.66
Interest Income	1,200.00
Late Charges & Misc	300.00
Storage Room & Other Rental Inc	17,316.00
Total Income	1,576,255.66
Expense	
Payroll & Related	
Management Fee	99,865.04
Maintenance	108,108.00
Total Payroll & Related	207,973.04
Administrative	
CPA and Annual Audit Fees	10,500.00
Division of Land Sale	270.00
Legal Fees	3,600.00
Licenses and Fees	1,200.00
Office Supplies	240.00
Postage	480.00
Printing	480.00
Bank Fees	360.00
Operating Contingency	16,569.64
Total Administrative	33,699.64
Insurance	
Property Insurance	431,241.00
General Liability	25,498.00
Excess Liability	3,540.00
Flood Insurance	20,146.00
D&O Insurance	1,666.00
Fidelity Bond	1,286.00
Workers' Compensation	565.00
Total Insurance	483,942.00
General Maintenance	
Electrical	3,044.80
R&M Plumbing	4,800.00
Air Conditioning	4,092.85
Pest Control	8,813.98
Fire Prevention Equipment	9,000.00
Elevator Maintenance	14,900.00
Painting	959.75
Pool Maintenance	17,439.51
Pool Supplies	3,596.33
Miscellaneous Maintenance	39,757.65
Total General Maintenance	106,404.87
Landscaping	
Landscape Maintenance	60,000.00
Landscape Replacement	10,000.00
Miscellaneous Landscape	1,200.00
Total Landscaping	71,200.00
Utilities	
Trash	10,800.00

3:07 PM
05/06/24
Cash Basis

Harbour Place Condominium Association, Inc.
Profit & Loss Budget Overview
January through December 2024

	<u>Jan - Dec 24</u>
Electricity	33,000.00
Water	12,000.00
Telephone	8,400.00
Total Utilities	64,200.00
Reserves Funding Allocation	300,000.00 *
Total Expense	1,267,419.55
Net Ordinary Income	308,836.11
Other Income/Expense	
Other Income	
Est Excess Funds From Prior Yr	22,930.46
Sales Tax Collection Allowance	36.00
Total Other Income	22,966.46
Other Expense	
Loan Payment Interest	256,802.57
Bad Debt & Operating Reserve	75,000.00
Total Other Expense	331,802.57
Net Other Income	(308,836.11)
Net Income	0.00

Harbour Place Condominium Association, Inc.
Statement of Revenues & Expenses - Budget vs Actual
For the Year-to-Date Ended August 31, 2024

	Jan - Aug		2024
	Actual	Budget	Budget
Ordinary Income/Expense			
Income			
Assessment Fees			
Regular Assessment Fees	1,143,461.12	1,168,079.74	1,557,439.66
Total Assessment Fees	1,143,461.12	1,168,079.74	1,557,439.66
Interest Income	4,191.05	800.00	1,200.00
Late Charges & Misc	2,655.00	200.00	300.00
Storage Room & Other Rental Income	16,425.00	12,987.00	17,316.00
Total Income	1,166,732.17	1,182,066.74	1,576,255.66
Expense			
Payroll & Related			
Management Fee	66,576.72	66,576.69	99,865.04
Maintenance	55,726.25	72,072.00	108,108.00
Total Payroll & Related	122,302.97	138,648.69	207,973.04
Administrative			
CPA and Annual Audit Fees	10,815.00	10,500.00	10,500.00
Division of Land Sale	0.00	180.00	270.00
Legal Fees	7,887.50	2,400.00	3,600.00
Licenses and Fees	986.25	800.00	1,200.00
Office Supplies	324.56	160.00	240.00
Meeting Expense	983.69		941.40
Postage	15.75	320.00	480.00
Printing	0.00	320.00	480.00
Bank Fees	625.50	240.00	360.00
Operating Contingency	-	-	16,569.64
Total Administrative	21,638.25	14,920.00	34,641.04
Insurance			
Property Insurance	262,975.10	431,241.00	431,241.00
General Liability	27,877.50	25,498.00	25,498.00
Excess Liability	3,243.00	3,540.00	3,540.00
Flood Insurance	22,132.00	20,146.00	20,146.00
D&O Insurance	1,662.46	1,666.00	1,666.00
Fidelity Bond	1,213.01	1,286.00	1,286.00
Workers' Compensation	509.00	565.00	565.00
Total Insurance	319,612.07	483,942.00	483,942.00
General Maintenance			
Electrical	3,301.59	2,029.87	3,044.80
R&M Plumbing	5,409.98	3,200.00	4,800.00
Air Conditioning	2,953.22	2,728.57	4,092.85
Pest Control	9,316.11	5,875.98	8,813.98
Fire Prevention Equipment	13,065.60	6,000.00	9,000.00
Elevator Maintenance	19,255.90	9,933.33	14,900.00
Painting	674.89	639.83	959.75
Pool Maintenance	10,366.23	11,626.35	17,439.51
Pool Supplies	557.49	2,397.55	3,596.33
Miscellaneous Maintenance	29,085.29	26,505.09	39,757.65
Total General Maintenance	93,986.30	70,936.57	106,404.87
Landscaping			
Landscape Maintenance	51,286.42	40,000.00	60,000.00
Landscape Replacement	0.00	6,666.67	10,000.00
Miscellaneous Landscape	7,741.25	800.00	1,200.00
Total Landscaping	59,027.67	47,466.67	71,200.00
Utilities			
Trash	4,758.56	7,200.00	10,800.00
Electricity	17,168.51	22,000.00	33,000.00
Water	5,943.00	8,000.00	12,000.00

Harbour Place Condominium Association, Inc.
Statement of Revenues & Expenses - Budget vs Actual
For the Year-to-Date Ended August 31, 2024

	Jan - Aug		2024
	Actual	Budget	Budget
Telephone	4,988.00	5,600.00	8,400.00
Total Utilities	32,858.07	42,800.00	64,200.00
Reserves Funding Allocation	225,000.00	225,000.00	300,000.00
Total Expense	874,425.33	1,023,713.93	1,268,360.95
Net Ordinary Income	292,306.84	158,352.81	307,894.71
Other Income/Expense			
Other Income			
Est Excess Funds From Prior Yr	-	-	22,930.46
Sales Tax Collection Allowance	21.97	24.00	36.00
Total Other Income	21.97	24.00	22,966.46
Other Expense			
Loan Payment Expense	-	107,001.07	256,802.57
Bad Debt & Operating Reserve	-	-	75,000.00
Total Other Expense	-	107,001.07	331,802.57
Net Other Income	21.97	(106,977.07)	(308,836.11)
Net Income	292,328.81	51,375.74	(941.40)

Harbour Place Condominium Association, Inc.
Statement of Revenues & Expenses - Budget vs Actual
For the Year-to-Date Ended April 30, 2024

	Jan -Apr		2024
	Actual	Budget	Budget
Ordinary Income/Expense			
Income			
Assessment Fees			
Regular Assessment Fees	748,063.07	778,719.83	1,557,439.66
Total Assessment Fees	748,063.07	778,719.83	1,557,439.66
Interest Income	2,069.12	400.00	1,200.00
Late Charges & Misc	2,530.00	100.00	300.00
Storage Room & Other Rental Income	10,350.00	8,658.00	17,316.00
Total Income	763,012.19	787,877.83	1,576,255.66
Expense			
Payroll & Related			
Management Fee	33,288.36	33,288.34	99,865.04
Maintenance	28,385.00	36,036.00	108,108.00
Total Payroll & Related	61,673.36	69,324.34	207,973.04
Administrative			
CPA and Annual Audit Fees	4,750.00	10,500.00	10,500.00
Division of Land Sale	-	90.00	270.00
Legal Fees	230.50	1,200.00	3,600.00
Licenses and Fees	-	400.00	1,200.00
Office Supplies	145.58	80.00	240.00
Meeting Expense	983.69		941.40
Postage	-	160.00	480.00
Printing	-	160.00	480.00
Bank Fees	587.50	120.00	360.00
Operating Contingency	-	-	16,569.64
Total Administrative	6,697.27	12,710.00	34,641.04
Insurance			
Property Insurance	139,328.00	-	431,241.00
General Liability	-	-	25,498.00
Excess Liability	-	-	3,540.00
Flood Insurance	22,132.00	20,146.00	20,146.00
D&O Insurance	-	-	1,666.00
Fidelity Bond	-	-	1,286.00
Workers' Compensation	-	-	565.00
Total Insurance	161,460.00	20,146.00	483,942.00
General Maintenance			
Electrical	1,338.17	1,014.94	3,044.80
R&M Plumbing	3,051.88	1,600.00	4,800.00
Air Conditioning	1,281.00	1,364.29	4,092.85
Pest Control	6,245.10	2,937.99	8,813.98
Fire Prevention Equipment	1,488.50	3,000.00	9,000.00
Elevator Maintenance	13,127.25	4,966.66	14,900.00
Painting	16.10	319.91	959.75
Pool Maintenance	5,249.00	5,813.18	17,439.51
Pool Supplies	267.62	1,198.78	3,596.33
Miscellaneous Maintenance	13,536.93	13,252.54	39,757.65
Total General Maintenance	45,601.55	35,468.29	106,404.87
Landscaping			
Landscape Maintenance	26,815.43	20,000.00	60,000.00
Landscape Replacement	-	3,333.34	10,000.00
Miscellaneous Landscape	99.16	400.00	1,200.00
Total Landscaping	26,914.59	23,733.34	71,200.00
Utilities			
Trash	3,861.30	3,600.00	10,800.00
Electricity	7,778.64	11,000.00	33,000.00
Water	3,786.39	4,000.00	12,000.00
Telephone	2,494.00	2,800.00	8,400.00
Total Utilities	17,920.33	21,400.00	64,200.00
Reserves Funding Allocation	150,000.00	150,000.00	300,000.00
Total Expense	470,267.10	332,781.97	1,268,360.95
Net Ordinary Income	292,745.09	455,095.86	307,894.71
Other Income/Expense			
Other Income			
Est Excess Funds From Prior Yr	-	-	22,930.46
Sales Tax Collection Allowance	15.52	12.00	36.00
Total Other Income	15.52	12.00	22,966.46
Other Expense			
Loan Payment Expense	-	85,600.86	256,802.57
Bad Debt & Operating Reserve	-	-	75,000.00
Total Other Expense	-	85,600.86	331,802.57
Net Other Income	15.52	(85,588.86)	(308,836.11)
Net Income	292,760.61	369,507.00	(941.40)

Harbour Place Condominium Association, Inc.
Reserves Activity
For the Year-to-Date Ended April 30, 2024

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>
Reserves Expenditures				
Elevator Project	-	-	-	-
Admin Spalling Repair	-	7,087.50	11,264.54	3,591.50
Balcony and Decks	-	-	-	-
Roof Repair	-	-	-	-
Painting	-	-	-	-
Plumbing	-	-	12,745.76	-
Pool				
Pool Furniture	-	-	-	-
Total Pool	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Miscellaneous				
Misc Repairs	-	10,900.81	-	5,800.00
Misc - Other	5,764.20	5,726.36	5,519.07	6,237.00
Total Miscellaneous	<u>5,764.20</u>	<u>16,627.17</u>	<u>5,519.07</u>	<u>12,037.00</u>
Total Reserves Expenditures	<u>5,764.20</u>	<u>23,714.67</u>	<u>16,783.61</u>	<u>15,628.50</u>

Harbour Place Condominium Association, Inc.
Statement of Revenues & Expenses - Budget vs Actual
For the Year-to-Date Ended August 31, 2024

	Jan - Aug		2024
	Actual	Budget	Budget
Ordinary Income/Expense			
Income			
Assessment Fees			
Regular Assessment Fees	1,143,461.12	1,168,079.74	1,557,439.66
Total Assessment Fees	1,143,461.12	1,168,079.74	1,557,439.66
Interest Income	4,191.05	800.00	1,200.00
Late Charges & Misc	2,655.00	200.00	300.00
Storage Room & Other Rental Income	16,425.00	12,987.00	17,316.00
Total Income	1,166,732.17	1,182,066.74	1,576,255.66
Expense			
Payroll & Related			
Management Fee	66,576.72	66,576.69	99,865.04
Maintenance	55,726.25	72,072.00	108,108.00
Total Payroll & Related	122,302.97	138,648.69	207,973.04
Administrative			
CPA and Annual Audit Fees	10,815.00	10,500.00	10,500.00
Division of Land Sale	0.00	180.00	270.00
Legal Fees	7,887.50	2,400.00	3,600.00
Licenses and Fees	986.25	800.00	1,200.00
Office Supplies	324.56	160.00	240.00
Meeting Expense	983.69		941.40
Postage	15.75	320.00	480.00
Printing	0.00	320.00	480.00
Bank Fees	625.50	240.00	360.00
Operating Contingency	-	-	16,569.64
Total Administrative	21,638.25	14,920.00	34,641.04
Insurance			
Property Insurance	262,975.10	431,241.00	431,241.00
General Liability	27,877.50	25,498.00	25,498.00
Excess Liability	3,243.00	3,540.00	3,540.00
Flood Insurance	22,132.00	20,146.00	20,146.00
D&O Insurance	1,662.46	1,666.00	1,666.00
Fidelity Bond	1,213.01	1,286.00	1,286.00
Workers' Compensation	509.00	565.00	565.00
Total Insurance	319,612.07	483,942.00	483,942.00
General Maintenance			
Electrical	3,301.59	2,029.87	3,044.80
R&M Plumbing	5,409.98	3,200.00	4,800.00
Air Conditioning	2,953.22	2,728.57	4,092.85
Pest Control	9,316.11	5,875.98	8,813.98
Fire Prevention Equipment	13,065.60	6,000.00	9,000.00
Elevator Maintenance	19,255.90	9,933.33	14,900.00
Painting	674.89	639.83	959.75
Pool Maintenance	10,366.23	11,626.35	17,439.51
Pool Supplies	557.49	2,397.55	3,596.33
Miscellaneous Maintenance	29,085.29	26,505.09	39,757.65
Total General Maintenance	93,986.30	70,936.57	106,404.87
Landscaping			
Landscape Maintenance	51,286.42	40,000.00	60,000.00
Landscape Replacement	0.00	6,666.67	10,000.00
Miscellaneous Landscape	7,741.25	800.00	1,200.00
Total Landscaping	59,027.67	47,466.67	71,200.00
Utilities			
Trash	4,758.56	7,200.00	10,800.00
Electricity	17,168.51	22,000.00	33,000.00
Water	5,943.00	8,000.00	12,000.00
Telephone	4,988.00	5,600.00	8,400.00
Total Utilities	32,858.07	42,800.00	64,200.00
Reserves Funding Allocation	225,000.00	225,000.00	300,000.00
Total Expense	874,425.33	1,023,713.93	1,268,360.95
Net Ordinary Income	292,306.84	158,352.81	307,894.71
Other Income/Expense			
Other Income			
Est Excess Funds From Prior Yr	-	-	22,930.46
Sales Tax Collection Allowance	21.97	24.00	36.00
Total Other Income	21.97	24.00	22,966.46
Other Expense			
Loan Payment Expense	-	107,001.07	256,802.57
Bad Debt & Operating Reserve	-	-	75,000.00
Total Other Expense	-	107,001.07	331,802.57
Net Other Income	21.97	(106,977.07)	(308,836.11)
Net Income	292,328.81	51,375.74	(941.40)

Harbour Place Condominium Association, Inc.
Statement of Projected Available Cash
For the Year Ending December 31, 2024

	January		February		March		April		May		June	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Ordinary Income/Expense												
Income												
Assessment Fees												
Regular Assessment Fees	362,643.04	389,359.91	543.88	-	16,831.91	-	368,069.24	389,359.92	11,954.57	-	21,609.50	-
Total Assessment Fees	362,643.04	389,359.91	543.88	-	16,831.91	-	368,069.24	389,359.92	11,954.57	-	21,609.50	-
Interest Income	539.93	100.00	478.87	100.00	467.53	100.00	582.79	536.59	100.00	100.00	465.73	100.00
Late Charges & Misc	557.50	25.00	-	25.00	200.00	25.00	1,747.50	25.00	0.00	25.00	25.00	25.00
Storage Room and Other Rental Income	3,375.00	4,329.00	1,800.00	-	1,800.00	-	3,375.00	4,329.00	1,800.00	-	900.00	-
Total Income	367,115.47	393,813.91	2,822.75	125.00	19,299.44	125.00	373,774.53	393,813.92	14,291.16	125.00	23,000.23	125.00
Expense												
Payroll & Related												
Management Fee	8,322.09	8,322.08	8,322.09	8,322.09	8,322.09	8,322.09	8,322.09	8,322.08	8,322.09	8,322.09	8,322.09	8,322.09
Maintenance	4,235.00	9,009.00	6,765.00	9,009.00	10,370.00	9,009.00	7,015.00	9,009.00	5,606.25	9,009.00	6,785.00	9,009.00
Total Payroll & Related	12,557.09	17,331.08	15,087.09	17,331.09	18,692.09	17,331.09	15,337.09	17,331.08	13,928.34	17,331.09	15,107.09	17,331.09
Administrative												
CPA and Annual Audit Fees	-	-	500.00	-	4,250.00	-	-	10,500.00	1,315.00	-	1,500.00	-
Division of Land Sale	-	22.50	-	22.50	-	22.50	-	22.50	0.00	22.50	-	22.50
Legal Fees	230.50	300.00	-	300.00	-	300.00	-	300.00	0.00	300.00	7,475.00	300.00
Licenses and Fees	-	100.00	-	100.00	-	100.00	-	100.00	511.25	100.00	-	100.00
Office Supplies	100.00	20.00	45.58	20.00	-	20.00	-	20.00	178.95	20.00	-	20.00
Meeting Expense	-	-	941.40	-	42.29	-	-	-	0.00	-	-	-
Postage	-	40.00	-	40.00	-	40.00	-	40.00	5.90	40.00	-	40.00
Printing	-	40.00	-	40.00	-	40.00	-	40.00	-	40.00	-	40.00
Bank Fees	219.50	30.00	9.00	30.00	53.00	30.00	306.00	30.00	12.00	30.00	-	30.00
Operating Contingency	-	-	-	-	-	-	-	-	-	-	-	-
Total Administrative	550.00	552.50	1,495.98	552.50	4,345.29	552.50	306.00	11,052.50	2,023.10	552.50	8,975.00	552.50
Insurance												
Property Insurance	-	-	-	-	-	-	139,328.00	-	70,706.10	-	-	431,241.00
General Liability	-	-	-	-	-	-	-	-	27,877.50	-	-	25,498.00
Excess Liability	-	-	-	-	-	-	-	-	3,243.00	-	-	3,540.00
Flood Insurance	-	-	22,132.00	20,146.00	-	-	-	-	-	-	-	-
D&O Insurance	-	-	-	-	-	-	-	-	1,662.46	-	-	1,666.00
Fidelity Bond	-	-	-	-	-	-	-	-	1,213.01	-	-	1,286.00
Workers' Compensation	-	-	-	-	-	-	-	-	-	-	509.00	565.00
Total Insurance	-	-	22,132.00	20,146.00	-	-	139,328.00	-	104,702.07	-	509.00	463,796.00
General Maintenance												
Electrical	401.28	253.74	936.89	253.73	-	253.73	-	253.74	425.88	253.73	-	253.73
R&M Plumbing	1,769.72	400.00	22.10	400.00	1,115.06	400.00	145.00	400.00	396.90	400.00	1,875.90	400.00
Air Conditioning	175.00	341.08	175.00	341.07	756.00	341.07	175.00	341.07	197.22	341.07	175.00	341.07
Pest Control	2,655.41	734.49	1,373.80	734.50	1,117.29	734.50	1,098.60	734.50	699.80	734.50	417.07	734.49
Fire Prevention Equipment	295.00	750.00	472.00	750.00	721.50	750.00	-	750.00	2,907.10	750.00	3,715.00	750.00
Elevator Maintenance	6,290.60	1,241.66	-	1,241.67	-	1,241.67	6,836.65	1,241.66	375.00	1,241.67	1,700.00	1,241.67
Painting	16.10	79.97	-	79.98	-	79.98	-	79.98	450.42	79.98	-	79.98
Pool Maintenance	1,262.00	1,453.30	1,572.00	1,453.29	1,201.00	1,453.30	1,214.00	1,453.29	1,281.50	1,453.29	1,313.50	1,453.30
Pool Supplies	232.16	299.70	35.46	299.69	-	299.69	-	299.70	289.87	299.69	-	299.69
Miscellaneous Maintenance	2,113.62	3,313.13	2,931.05	3,313.14	5,216.25	3,313.14	3,276.01	3,313.13	4,541.91	3,313.14	2,903.75	3,313.14
Total General Maintenance	15,210.89	8,867.07	7,518.30	8,867.07	10,127.10	8,867.08	12,745.26	8,867.07	11,565.60	8,867.07	12,100.22	8,867.07
Landscaping												
Landscape Maintenance	-	5,000.00	14,590.00	5,000.00	11,055.43	5,000.00	1,170.00	5,000.00	11,169.61	5,000.00	-	5,000.00
Landscape Replacement	-	833.34	-	833.33	-	833.33	-	833.34	-	833.33	-	833.33
Miscellaneous Landscape	-	100.00	-	100.00	99.16	100.00	-	100.00	7,300.33	100.00	-	100.00
Total Landscaping	-	5,933.34	14,590.00	5,933.33	11,154.59	5,933.33	1,170.00	5,933.34	18,469.94	5,933.33	-	5,933.33
Utilities												
Trash	1,062.78	900.00	1,829.18	900.00	1,113.56	900.00	(144.22)	900.00	1,677.08	900.00	-	900.00
Electricity	2,115.99	2,750.00	1,924.78	2,750.00	1,861.12	2,750.00	1,876.75	2,750.00	2,514.71	2,750.00	2,296.78	2,750.00
Water	-	1,000.00	1,904.91	1,000.00	971.09	1,000.00	910.39	1,000.00	1,064.75	1,000.00	587.91	1,000.00
Telephone	623.50	700.00	623.50	700.00	623.50	700.00	623.50	700.00	623.50	700.00	623.50	700.00
Total Utilities	3,802.27	5,350.00	6,282.37	5,350.00	4,569.27	5,350.00	3,266.42	5,350.00	5,880.04	5,350.00	3,508.19	5,350.00
Reserves Funding Allocation	75,000.00	75,000.00	-	-	-	-	75,000.00	75,000.00	-	-	-	-
Total Expense	107,120.25	113,033.99	67,105.74	58,179.99	48,888.34	38,034.00	247,152.77	123,533.99	156,569.09	38,033.99	40,199.50	501,829.99
Net Ordinary Income	259,995.22	280,779.92	(64,282.99)	(58,054.99)	(29,588.90)	(37,909.00)	126,621.76	270,279.93	(142,277.93)	(37,908.99)	(17,199.27)	(501,704.99)
Other Income/Expense												

Harbour Place Condominium Association, Inc.
Statement of Projected Available Cash
For the Year Ending December 31, 2024

	July		August	
	Actual	Budget	Actual	Budget
Ordinary Income/Expense				
Income				
Assessment Fees				
Regular Assessment Fees	353,618.49	389,359.91	8,215.49	-
Total Assessment Fees	353,618.49	389,359.91	8,215.49	-
Interest Income	584.39	100.00	535.22	100.00
Late Charges & Misc	50.00	25.00	50.00	25.00
Storage Room and Other Rental Income	2,475.00	4,329.00	900.00	-
Total Income	356,727.88	393,813.91	9,700.71	125.00
Expense				
Payroll & Related				
Management Fee	8,322.09	8,322.08	8,322.09	8,322.09
Maintenance	11,385.00	9,009.00	3,565.00	9,009.00
Total Payroll & Related	19,707.09	17,331.08	11,887.09	17,331.09
Administrative				
CPA and Annual Audit Fees	1,200.00	-	2,050.00	-
Division of Land Sale	-	22.50	182.00	22.50
Legal Fees	-	300.00	475.00	300.00
Licenses and Fees	-	100.00	-	100.00
Office Supplies	-	20.00	-	20.00
Meeting Expense	-	-	-	-
Postage	-	40.00	9.85	40.00
Printing	-	40.00	-	40.00
Bank Fees	20.00	30.00	6.00	30.00
Operating Contingency	-	-	-	-
Total Administrative	1,220.00	552.50	2,722.85	552.50
Insurance				
Property Insurance	-	-	52,941.00	-
General Liability	-	-	-	-
Excess Liability	-	-	-	-
Flood Insurance	-	-	-	-
D&O Insurance	-	-	-	-
Fidelity Bond	-	-	-	-
Workers' Compensation	-	-	-	-
Total Insurance	-	-	52,941.00	-
General Maintenance				
Electrical	-	253.74	1,537.54	253.73
R&M Plumbing	-	400.00	85.30	400.00
Air Conditioning	-	341.07	1,300.00	341.07
Pest Control	1,843.55	734.50	110.59	734.50
Fire Prevention Equipment	828.56	750.00	4,126.44	750.00
Elevator Maintenance	4,053.65	1,241.66	-	1,241.67
Painting	-	79.98	208.37	79.98
Pool Maintenance	1,242.00	1,453.29	1,280.23	1,453.29
Pool Supplies	-	299.70	-	299.69
Miscellaneous Maintenance	5,002.50	3,313.13	3,100.20	3,313.14
Total General Maintenance	12,970.26	8,867.07	11,748.67	8,867.07
Landscaping				
Landscape Maintenance	2,340.00	5,000.00	10,961.38	5,000.00
Landscape Replacement	-	833.34	-	833.33
Miscellaneous Landscape	-	100.00	341.76	100.00
Total Landscaping	2,340.00	5,933.34	11,303.14	5,933.33
Utilities				
Trash	(144.22)	900.00	(635.60)	900.00
Electricity	2,521.91	2,750.00	2,056.47	2,750.00
Water	503.95	1,000.00	-	1,000.00
Telephone	623.50	700.00	623.50	700.00
Total Utilities	3,505.14	5,350.00	2,044.37	5,350.00
Reserves Funding Allocation	75,000.00	75,000.00	-	-
Total Expense	114,742.49	113,033.99	92,647.12	38,033.99
Net Ordinary Income	241,985.39	280,779.92	(82,946.41)	(37,908.99)
Other Income/Expense				

Harbour Place Condominium Association, Inc.
Statement of Projected Available Cash
For the Year Ending December 31, 2024

	January		February		March		April		May		June	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Other Income												
Est Excess Funds From Prior Yr	-	-	-	-	-	-	-	-	-	-	-	-
Sales Tax Collection Allowance	5.06	3.00	2.70	3.00	2.70	3.00	5.06	3.00	2.70	3.00	0.79	3.00
Total Other Income	5.06	3.00	2.70	3.00	2.70	3.00	5.06	3.00	2.70	3.00	0.79	3.00
Other Expense												
Loan Payment Expense	-	21,400.22	-	21,400.21	-	21,400.21	6,853.26	21,400.22	8,088.65	21,400.21	27,867.26	21,400.21
Bad Debt & Operating Reserve	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Expense	-	21,400.22	-	21,400.21	-	21,400.21	6,853.26	21,400.22	8,088.65	21,400.21	27,867.26	21,400.21
Net Other Income	5.06	(21,397.22)	2.70	(21,397.21)	2.70	(21,397.21)	(6,848.20)	(21,397.22)	(8,085.95)	(21,397.21)	(27,866.47)	(21,397.21)
Net Income	260,000.28	259,382.70	(64,280.29)	(79,452.20)	(29,586.20)	(59,306.21)	119,773.56	248,882.71	(150,363.88)	(59,306.20)	(45,065.74)	(523,102.20)
Beginning Balance	227,626.40		487,626.68		423,346.39		393,760.19		513,533.75			363,169.87
Adjustments												
Ending Balance	<u>487,626.68</u>		<u>423,346.39</u>		<u>393,760.19</u>		<u>513,533.75</u>		<u>363,169.87</u>			<u>(159,932.33)</u>
Less End of Year Insurance Allocation												
Projected End of Year Carryover												

Harbour Place Condominium Association, Inc.
Statement of Projected Available Cash
For the Year Ending December 31, 2024

	July		August	
	Actual	Budget	Actual	Budget
Other Income				
Est Excess Funds From Prior Yr	-	-	-	-
Sales Tax Collection Allowance	2.17	3.00	0.79	3.00
Total Other Income	2.17	3.00	0.79	3.00
Other Expense				
Loan Payment Expense	27,867.26	21,400.22	27,867.26	21,400.21
Bad Debt & Operating Reserve	-	-	-	-
Total Other Expense	27,867.26	21,400.22	27,867.26	21,400.21
Net Other Income	(27,865.09)	(21,397.22)	(27,866.47)	(21,397.21)
Net Income	214,120.30	259,382.70	(110,812.88)	(59,306.20)
Beginning Balance		(159,932.33)		99,450.37
Adjustments				
Ending Balance		99,450.37		40,144.17
Less End of Year Insurance Allocation				
Projected End of Year Carryover				

Harbour Place Condominium Association, Inc.
Statement of Cash and Receivables
As of August 31, 2024

Current Assets	
Checking/Savings	
Operating Funds	
Centennial Bank Checking	504,798.01
Merrill Lynch	68,582.75
Total Operating Funds	<u>573,380.76</u>
Reserve Funds	
Merill Lynch Reserve Funds	264,010.79
Popular Bank Debt Service 4106	55,720.00
Popular Bank Loan Proceeds 4163	783,403.19
Popular Bank Reserve Funds	309,744.25
Total Reserve Funds	<u>1,412,878.23</u>
Total Merrill Lynch	<u>332,593.54</u>
Total Checking/Savings	<u>1,986,258.99</u>
Accounts Receivable	
Assesments Receivable	31,932.96
Less: Allowance for Doubtful Accounts	(22,751.30)
Total Accounts Receivable	<u>9,181.66</u>
Total Current Assets	<u><u>1,995,440.65</u></u>

This statement does not include the following items that would typically be found in a Balance Sheet:

Prepaid Expenses:
 Insurance
 Professional Fees
 Property & Equipment & Related Depreciation
 Deposits
 Rent
 Utilities
 Prepaid Land Lease & Related Amortization
 Prepaid Easement & Related Amortization
 Payroll Liabilities
 Benefits
 Taxes
 Accrued Vacation
 Current Liabilities
 Net Income
 Retained Earnings

Harbour Place Condominium Association, Inc.
Reserve Activity
For the Year-to-Date Ended August 31, 2024

Type	Date	Name	Memo	Paid Amount	Balance
Reserve Funds					
Merrill Lynch Reserve Funds					
Deposit	01/12/2024		Deposit	75,000.00	112,987.76
Bill Pmt -Check	02/13/2024	Sunblock & Tile, Inc.	Invoice: 1413 ()	(10,900.81)	177,086.95
Bill Pmt -Check	02/13/2024	Bender & Associates Architects	Invoice: 4291 (Check Stub Notes: Project #2121.)	(7,087.50)	169,999.45
Bill Pmt -Check	03/18/2024	George's Plumbing	Invoice: 4074-1 (Check Stub Notes: 107 Front.)	(12,745.76)	157,253.69
Bill Pmt -Check	03/29/2024	Sunblock & Tile, Inc.	Invoice: 1431 ()	(11,264.54)	145,989.15
Check	03/31/2024		Service Charge	(50.00)	145,939.15
Bill Pmt -Check	04/05/2024	Bender & Associates Architects	Invoice: 4325 (Check Stub Notes: Project #2121.)	(3,591.50)	142,347.65
Deposit	04/12/2024		Deposit	75,000.00	217,347.65
Bill Pmt -Check	04/25/2024	All Star Air Solutions	Invoice: 8944 ()	(5,800.00)	211,547.65
Check	04/28/2024		Service Charge	(300.00)	211,247.65
Deposit	04/28/2024		Interest	450.82	211,698.47
Bill Pmt -Check	05/02/2024	Sunblock & Tile, Inc.	Invoice: 1438 ()	(1,276.81)	210,421.66
Bill Pmt -Check	05/15/2024	Bender & Associates Architects	Invoice: 4344 (Check Stub Notes: Project #2121.)	(840.00)	209,581.66
Deposit	05/28/2024		Interest	425.14	210,006.80
Bill Pmt -Check	06/05/2024	Avendra Replenishment LLC	Invoice: REP165715 (Check Stub Notes: Replacement South Beach Chaise Lounge Ct	(4,075.73)	205,931.07
Bill Pmt -Check	06/18/2024	Sunblock & Tile, Inc.	Invoice: 1444 ()	(6,139.75)	199,791.32
Bill Pmt -Check	06/20/2024	Bender & Associates Architects	Invoice: 4365 (Check Stub Notes: Project #2121.)	(5,690.00)	194,101.32
Deposit	06/28/2024		Interest	385.05	194,486.37
Deposit	07/01/2024		Deposit	75,000.00	269,486.37
Deposit	07/31/2024		Interest	455.15	269,941.52
Bill Pmt -Check	08/08/2024	Sunblock & Tile, Inc.	Invoice: 1463 ()	-546.27	269,395.25
Bill Pmt -Check	08/26/2024	All Star Air Solutions	Invoice: 9598 (Check Stub Notes: Bldg 109 3rd Floor.)	-5,800.00	263,595.25
Deposit	08/31/2024		Interest	415.54	264,010.79
Total Merrill Lynch Reserve Funds				151,023.03	264,010.79
Popular Bank Debt Service 4106					55,720.00
Total Popular Bank Reserve Funds				-	55,720.00
Popular Bank Reserve Funds					424,681.31
Check	01/01/2024	Popular Association Banking	Interest payment to 1/1/24	(5,764.20)	418,917.11
Check	02/01/2024	Popular Association Banking	Interest payment on 2/1/24	(5,726.36)	413,190.75
Check	03/01/2024	Popular Association Banking	Interest payment on 3/1/24	(5,519.07)	407,671.68
Check	04/01/2024	Popular Association Banking	Interest payment on 4/1/24	(6,237.00)	401,434.68
Check	05/01/2024	Popular Association Banking	Interest payment on 5/1/24	(8,088.65)	393,346.03
Check	06/01/2024	Popular Association Banking	Loan Payment on 6/1/24	(27,867.26)	365,478.77
Check	07/01/2024	Popular Association Banking	Loan Payment on 6/1/24	(27,867.26)	337,611.51
Check	08/01/2024	Popular Association Banking		(27,867.26)	309,744.25
Total Popular Bank Reserve Funds				(114,937.06)	309,744.25
Popular Loan Proceeds 4163					-
Check	02/05/2024	EE BUILDERS, LLC	Payment App#7	(34,743.87)	(34,743.87)
Transfer	02/05/2024		Funds Transfer	34,743.87	-
Transfer	03/25/2024		Funds Transfer	180,613.04	180,613.04
Check	03/25/2024	EE BUILDERS, LLC	Payment App #8	(180,613.04)	-
General Journal	04/19/2024		Funds Transfer	117,415.86	117,415.86
General Journal	04/24/2024		Funds Transfer	1,058,897.78	1,176,313.64
Check	04/24/2024	EE BUILDERS, LLC	Payment App 9	(117,415.86)	1,058,897.78
Check	06/28/2024	Burca Elevator	50% of Burca Interior Elevator Contract	(40,100.00)	1,018,797.78
Check	08/05/2024	Bender & Associates Architects	Inv. #4397 (Milestone Inspection Report-Phase1)	(31,454.59)	987,343.19
Check	08/09/2024	TK Elevator Corporation	Inv. #1000623561 (Material/Mobilization)	(203,940.00)	783,403.19
Total Popular Loan Proceeds 4163				1,018,797.78	1,018,797.78
Total Reserves				1,054,883.75	1,648,372.82

Harbour Place Condominium Association, Inc.
Reserves Activity
For the Year-to-Date Ended August 31, 2024

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>
Reserves Expenditures								
Elevator Project	-	-	-	-	-	40,100.00	-	203,940.00
Admin Spalling Repair	-	34,743.87	180,613.04	117,415.86	-	-	-	-
Balcony and Decks	-	-	-	-	-	-	-	-
Roof Repair	-	-	-	-	-	-	-	-
Painting	-	-	-	-	-	-	-	-
Plumbing	-	-	-	-	-	-	-	-
Pool								
Pool Furniture	-	-	-	-	-	4,075.73	-	-
Total Pool	-	-	-	-	-	4,075.73	-	-
Miscellaneous								
Misc Repairs	-	-	-	5,800.00	-	-	-	5,800.00
Misc - Other	5,764.20	23,714.67	29,529.37	3,591.50	2,116.81	11,829.75	-	30,908.32
Total Miscellaneous	5,764.20	23,714.67	29,529.37	9,391.50	2,116.81	11,829.75	-	36,708.32
Total Reserves Expenditures	<u>5,764.20</u>	<u>58,458.54</u>	<u>210,142.41</u>	<u>126,807.36</u>	<u>2,116.81</u>	<u>56,005.48</u>	<u>-</u>	<u>240,648.32</u>

Harbour Place Condominium Association, Inc.
Reconciliation of Cash on Hand to Projected Cash Balance
As of August 31, 2024

General Funds	\$ 573,380.76
Prepaid Assessments	(55,176.54)
Available General Funds	<u><u>\$ 518,204.22</u></u>

Definitions

AMORTIZED DEFICIT: A deficit is created when the association's reserve fund balance falls below the minimum threshold set by the reserve analyst and or the board over the 20-year reserve analysis. A deficit is typically created when the starting reserve balance plus the normal annual contributions are insufficient to cover the replacement of capital expenses over a period of 20 years. A deficit can occur once and or multiple times over a period of the 20-year analysis. For example: The minimum reserve threshold balance is \$50,000 and the normal annual contribution is \$60,000. During the analysis, if in year 5 the association's reserve fund balance is a negative \$20,000, we would need to add \$70,000 in order to maintain the minimum threshold of \$50,000 in year 5. This \$70,000 is not charged to that year's contribution but amortized into the previous years for a more equitable distribution of the deficit. The \$70,000 would then be divided by the preceding 5 years with an amortized deficit of \$14,000 a year. The new Annual Contribution would then be \$74,000 (\$60,000 + \$14,000) for the next 5 years.

ASSOCIATION: For the purposes of this document "Association" shall encompass Community Associations, schools, commercial buildings, mutual utility properties, worship facilities, and any other entity interested in the long-range planning for the maintenance and replacement of the major components.

CAPITAL EXPENDITURE(S): Any expenditure of funds related to the maintenance and or replacement of an asset that has a greater life expectancy than 1 year.

CAPITAL IMPROVEMENTS: Additions to the association's common elements that previously did not exist. While these components should be added to the reserve study for future replacement, the cost of construction should not be taken from the reserve fund.

CASH FLOW METHOD: A method of developing 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 anticipated schedule of reserve expenses until the desired funding goal is achieved.

COMPONENT(S): The individual assets listed in the reserve analysis section of the report within the reserve study. These assets form the building blocks for the reserve study. These components comprise the common elements of the community and typically are: 1. association responsibility, 2. with limited useful life expectancies, 3. predictable remaining useful life expectancies, and 4. above a minimum threshold cost. It should be noted that in certain jurisdictions there may be statutory requirements for including components or groups of components in the reserve study.

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 can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.

COMPONENT METHOD: A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

CURRENT COST: A component's current replacement cost as of the date of the financial analysis. Current cost may be less or greater than the total replacement cost depending on the defined replacement scope.

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

ECONOMIC LIFE: the portion of the total life of a property up until the infrastructure is no longer economically viable to maintain and a significant reinvestment, rebuilding, or renovation is necessary.

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 computations.

FINANCIAL ANALYSIS: The portion of a reserve study where the current status of the reserves (measured as cash or percent funded) and a recommended reserve contribution rate (funding plan) are derived, and the projected reserve income and expense over a period of time are presented. The financial analysis is one of the two parts of a reserve study.

FULL STUDY: Complete qualitative and quantitative study, includes site visit.

FULLY FUNDED: 100 percent funded. When the actual reserve balance of the association is equal to the fully funded balance/total accrued depreciation.

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.

FFB = Current Cost X Effective Age divided by Useful Life Example: For a component with a \$10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be \$4,000.

FUND STATUS: The status of the reserve fund reported in terms of cash or percent funded.

FUNDING GOALS: Independent of methodology used, the following represent the basic categories of funding plan goals. They are presented in order of greatest risk to least risk. Risk includes, but is not limited to, cash problems, special assessments, and deferred maintenance.

Baseline Funding: Establishing a reserve funding goal of allowing the reserve cash balance to never fall below zero (\$0) during the cash flow projection period of 20 or 30 years. This is the funding goal with the greatest risk due to the variabilities encountered in the timing of component replacements and repair and replacement costs.

Threshold Funding: Establishing a reserve funding goal of keeping the reserve balance above a specified dollar or percent funded amount. Depending on the threshold selected, this funding goal may be weaker or stronger than “Fully Funded” with respective higher risk or less risk of cash problems.

Full Funding: Setting a reserve funding goal to attain and maintain reserves at or near 100 percent funded. This is the most conservative funding goal. It should be noted that in certain jurisdictions there may be statutory funding requirements that would dictate the minimum requirements for funding.

FUNDING PLAN: An association’s plan to provide income to a reserve fund to offset anticipated expenditures from that fund. The plan must be a minimum of twenty (20) years.

INFLATED EXPENDITURES: The combined annual expenditures for a given year inflated to reflect their estimated future replacement cost.

INFLATIONARY MULTIPLIER: The number multiplies by the annual expenditures to estimate the future replacement cost. If inflation was currently projected at 3%, the initial year multiplier would be 1.00, Next Year 1.03, Next year 1.061, etc.

LIFE AND VALUATION ESTIMATES: The task of estimating useful life, remaining useful life, and current repair or

replacement costs for the reserve components.

NORMAL ANNUAL CONTRIBUTION: Calculated using the individual component's replacement cost divided by the useful life of that particular component item. For example, a roof costing \$50,000 with a useful life of 20 years would create a normal annual contribution of \$2,500. The normal annual contribution can be different from the annual contribution if a deficit is created in the association's reserve fund balance over a period of 20 years. See "amortized deficit" above.

PERCENT FUNDED: The ratio, at a particular point in time, of the actual (or projected) reserve balance to the fully funded balance, expressed as a percentage. While percent funded is an indicator of an association's reserve fund size, it should be viewed in the context of how it is changing due to the association's reserve funding plan in light of the association's risk tolerance.

PHYSICAL ANALYSIS: The portion of the reserve study where the component inventory, condition assessment, and life and valuation estimate tasks are performed. This represents one of the two parts of the reserve study.

QUANTITY: The total Quantity of each Component.

READILY ACCESSIBLE: Can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may harm or endanger persons or property.

REMAINING USEFUL LIFE (RUL): Also referred to as "remaining life" (RL). The estimated time, in years, that a reserve component can be expected to serve its intended function. Projects expected to occur in the initial year have zero remaining useful life.

REPLACEMENT COST: The cost to replace, repair, or restore the component to its original functional condition during that particular year, including all related expenses (including but not limited to shipping, engineering, and design, permits, installation, disposal, etc.).

RESERVE ANALYST: A person who prepares Reserve Studies.

RESERVE ASSESSMENT: 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, to defray the future repair or replacement cost of those major components that the association is obligated to maintain

or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE FUND: Those funds set aside for the future repair, replacement, or restoration of the Reserve Components.

RESERVE PROVIDER: An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). Another important designation is the Professional Reserve Analyst (PRA) which is a designation/credentials provided by the Association of Professional Reserve Analyst. These designation(s) indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

RESERVE CATEGORY(IES): Major asset category types created for the association, for example: Roofing, Painting, Paving, Pool, Replace & Restoration, etc. Each major category will have individual components/assets that are related to the major category.

RESERVE PROVIDER FIRM: A company that prepares reserve studies as one of its primary business activities.

RESERVE STUDY: A budgeting tool which identified the current status of the Reserve Fund and a stable and equitable Funding Plan to offset the anticipated future “major common area expenditures”. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis.

SITE VISIT: A visit to the common areas of the Association for the purposes of determining the Component Inventory and the Component Assessment and Valuation.

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 applicable statutes.

STATUTORY FUNDINGS: Establishing a Reserve Funding Goal of setting aside the specific minimum amount of funds required by applicable 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.

UNIT COST: The cost of a Component. The Unit Cost is multiplied by the Component’s Quantity to obtain the total estimated replacement cost for the Component.

UNIT OF MEASURE: Refers to the method of measurement applied to a particular Component. The following are examples:

Square Feet

Lineal Feet or Linear Feet

Each

Square Yards

Lump Sum

Squares

UPDATE WITH SITE VISIT: Qualitative only update and review study, includes site visit.

UPDATE WITHOUT SITE VISIT: Financial only update study, does not include site visit.

USEFUL/NORMAL LIFE (UL): The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

PRODUCT & MATERIAL
PRICING ~ DESCRIPTIONS ~ LONGEVITY
RESOURCES

Marshall & Swift Publications (Corelogic) – monthly/quarterly pricing updates)

“Marshall Valuation Service Manual” is a national authoritative pricing guide for developing replacement cost, insurable values, equipment cost, depreciation, and normal useful lives on nearly every type of equipment or improved property. This on-line software is a national authoritative pricing guide for developing replacement cost valuation of commercial and agricultural properties.

Additional Resources: local consulting trade contractors, invoices & contracts collected in current and prior years from similar types of associations and cooperatives in your local area.

Florida Statutes - Chapter 718

Florida Statutes 718 (Condominiums)

(f)Annual budget:

1. The proposed annual budget of estimated revenues and expenses must be detailed and must show the amounts budgeted by accounts and expense classifications, including, at a minimum, any applicable expenses listed in s. 718.504(21). The board shall adopt the annual budget at least 14 days before the start of the association's fiscal year. In the event that the board fails to timely adopt the annual budget a second time, it is deemed a minor violation and the prior year's budget shall continue in effect until a new budget is adopted. A multi-condominium association must adopt a separate budget of common expenses for each condominium the association operates and must adopt a separate budget of common expenses for the association. In addition, if the association maintains limited common elements with the cost to be shared only by those entitled to use the limited common elements as provided for in s. 718.113(1), the budget or a schedule attached to it must show the amount budgeted for this maintenance. If, after turnover of control of the association to the unit owners, any of the expenses listed in s. 718.504(21) are not applicable, they do not need to be listed.

2.a. In addition to annual operating expenses, the budget must include reserve accounts for capital expenditures and deferred maintenance. These accounts must include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000. The amount to be reserved must be computed using a formula based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of the reserve item. In a budget adopted by an association that is required to obtain a structural integrity reserve study, reserves must be maintained for the items identified in paragraph (g) for which the association is responsible pursuant to the declaration of condominium, and the reserve amount for such items must be based on the findings and recommendations of the association's most recent structural integrity reserve study. With respect to items for which an estimate of useful life is not readily ascertainable or with an estimated remaining useful life of greater than 25 years, an association is not required to reserve replacement costs for such items, but an association must reserve the amount of deferred maintenance expense, if any, which is recommended by the structural integrity reserve study for such items. The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. The members of a unit-owner-controlled association may determine, by a majority vote of the total voting interests of the association, to provide no reserves or less reserves than required by this subsection. For a budget adopted on or after December 31, 2024, the members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not determine to provide no reserves or less reserves than required by this subsection for items listed in paragraph (g), except that members of an association operating a multi-condominium may determine to provide no reserves or less reserves than required by this subsection if an

alternative funding method has been approved by the division. If the local building official, as defined in s. 468.603, determines that the entire condominium building is uninhabitable due to a natural emergency, as defined in s. 252.34, the board, upon the approval of a majority of its members, may pause the contribution to its reserves or reduce reserve funding until the local building official determines that the condominium building is habitable. Any reserve account funds held by the association may be expended, pursuant to the board's determination, to make the condominium building and its structures habitable. Upon the determination by the local building official that the condominium building is habitable, the association must immediately resume contributing funds to its reserves.

b. Before turnover of control of an association by a developer to unit owners other than a developer under s. 718.301, the developer-controlled association may not vote to waive the reserves or reduce funding of the reserves. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and no such result is achieved or a quorum is not attained, the reserves included in the budget shall go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves.

3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and may be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote of all the total voting interests of the association. Before turnover of control of an association by a developer to unit owners other than the developer pursuant to s. 718.301, the developer-controlled association may not vote to use reserves for purposes other than those for which they were intended. For a budget adopted on or after December 31, 2024, members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not vote to use reserve funds, or any interest accruing thereon, for any other purpose other than the replacement or deferred maintenance costs of the components listed in paragraph (g).

4. The only voting interests that are eligible to vote on questions that involve waiving or reducing the funding of reserves, or using existing reserve funds for purposes other than purposes for which the reserves were intended, are the voting interests of the units subject to assessment to fund the reserves in question. Proxy questions relating to waiving or reducing the funding of reserves or using existing reserve funds for purposes other than purposes for which the reserves were intended must contain the following statement in capitalized, bold letters in a font size larger than any other used on the face of the proxy ballot: **WAIVING OF RESERVES, IN WHOLE OR IN PART, OR ALLOWING ALTERNATIVE USES OF EXISTING RESERVES MAY RESULT IN UNIT OWNER LIABILITY FOR PAYMENT OF UNANTICIPATED SPECIAL ASSESSMENTS REGARDING THOSE ITEMS.**

(g) *Structural integrity reserve study.*—

1. A residential condominium association must have a structural integrity reserve study completed at least every 10 years after the condominium's creation for each building on the condominium property that is three stories or higher in height, as determined by the Florida Building Code, which includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

a. Roof.

b. Structure, including load-bearing walls and other primary structural members and primary structural systems as those terms are defined in s. 627.706.

- c. Fireproofing and fire protection systems.
- d. Plumbing.
- e. Electrical systems.
- f. Waterproofing and exterior painting.
- g. Windows and exterior doors.
- h. Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study.

2. A structural integrity reserve study is based on a visual inspection of the condominium property. A structural integrity reserve study may be performed by any person qualified to perform such study. However, the visual inspection portion of the structural integrity reserve study must be performed or verified by an engineer licensed under chapter 471, an architect licensed under chapter 481, or a person certified as a reserve specialist or professional reserve analyst by the Community Associations Institute or the Association of Professional Reserve Analysts.

3. At a minimum, a structural integrity reserve study must identify each item of the condominium property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item of the condominium property being visually inspected, and provide a reserve funding schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item of condominium property being visually inspected by the end of the estimated remaining useful life of the item. The structural integrity reserve study may recommend that reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost cannot be determined, or the study may recommend a deferred maintenance expense amount for such item. The structural integrity reserve study may recommend that reserves for replacement costs do not need to be maintained for any item with an estimated remaining useful life of greater than 25 years, but the study may recommend a deferred maintenance expense amount for such item.

4. This paragraph does not apply to buildings less than three stories in height; single-family, two-family, or three-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the condominium form of ownership; or any portion or component of a building that is maintained by a party other than the association.

5. Before a developer turns over control of an association to unit owners other than the developer, the developer must have a turnover inspection report in compliance with s. 718.301(4)(p) and (q) for each building on the condominium property that is three stories or higher in height.

6. Associations existing on or before July 1, 2022, which are controlled by unit owners other than the developer, must have a structural integrity reserve study completed by December 31, 2024, for each building on the condominium property that is three stories or higher in height. An association that is required to complete a milestone inspection in accordance with s.

553.899 on or before December 31, 2026, may complete the structural integrity reserve study simultaneously with the milestone inspection. In no event may the structural integrity reserve study be completed after December 31, 2026.

7. If the milestone inspection required by s. 553.899, or an inspection completed for a similar local requirement, was performed within the past 5 years and meets the requirements of this paragraph, such inspection may be used in place of the visual inspection portion of the structural integrity reserve study.

8. If the officers or directors of an association willfully and knowingly fail to complete a structural integrity reserve study pursuant to this paragraph, such failure is a breach of an officer's and director's fiduciary relationship to the unit owners under s. 718.111(1).

9. Within 45 days after receiving the structural integrity reserve study, the association must distribute a copy of the study to each unit owner or deliver to each unit owner a notice that the completed study is available for inspection and copying upon a written request. Distribution of a copy of the study or notice must be made by United States mail or personal delivery to the mailing address, property address, or any other address of the owner provided to fulfill the association's notice requirements under this chapter, or by electronic transmission to the e-mail address or facsimile number provided to fulfill the association's notice requirements to unit owners who previously consented to receive notice by electronic transmission.

10. Within 45 days after receiving the structural integrity reserve study, the association must provide the division with a statement indicating that the study was completed and that the association provided or made available such study to each unit owner in accordance with this section. The statement must be provided to the division in the manner established by the division using a form posted on the division's website.

Florida Administrative Code

Florida Administrative Code 61B-22.005 Reserves

(1) Reserves required by statute. Reserves required by Section 718.112(2)(f), Florida Statutes, for capital expenditures and deferred maintenance including roofing, painting, paving, and any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000 shall be included in the budget. For the purpose of determining whether the deferred maintenance expense or replacement cost of an item exceeds \$10,000, the association may consider each asset of the

association separately. Alternatively, the association may group similar or related assets together. For example, an association responsible for the maintenance of two swimming pools, each of which will separately require \$6,000 of total deferred maintenance, may establish a pool reserve, but is not required to do so.

(2) Commingling operating and reserve funds. Associations that collect operating and reserve assessments as a single payment shall not be considered to have commingled the funds provided the reserve portion of the payment is transferred to a separate reserve account, or accounts, within 30 calendar days from the date such funds were deposited.

(3) Calculating reserves required by statute. Reserves for deferred maintenance and capital expenditures required by Section 718.112(2)(f), Florida Statutes, shall be calculated using a formula that will provide funds equal to the total estimated deferred maintenance expense or total estimated replacement cost for an asset or group of assets over the remaining useful life of the asset or group of assets. Funding formulas for reserves required by Section 718.112(2)(f), Florida Statutes, shall be based on either a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.

(a) If the association maintains separate reserve accounts for each of the required assets, the amount of the current year contribution to each reserve account shall be the sum of the following two calculations:

- 1.** The total amount necessary, if any, to bring a negative account balance to zero; and
- 2.** The total estimated deferred maintenance expense or estimated replacement cost of the reserve asset less the estimated balance of the reserve account as of the beginning of the period for which the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the asset. The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may consider factors such as inflation and earnings on invested funds.

(b) If the association maintains a pooled account of two or more of the required reserve assets, 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 reserve funding formula shall not include any type of balloon payments.

(4) Estimating reserves that are not required by statute. Reserves that are not required by Section 718.112(2)(f), Florida Statutes, are not required to be based on any specific formula.

(5) Estimating non-converter reserves when the developer is funding converter reserves. For the purpose of estimating non-converter reserves, the estimated fund balance of the non-converter reserve account related to any asset for which the developer has established converter reserves pursuant to Section 718.618, Florida Statutes, shall be the sum of:

(a) The developer's total funding obligation, when all units are sold, for the converter reserve account pursuant to Section 718.618, Florida Statutes; and

(b) The estimated fund balance of the non-converter reserve account, excluding the developer's converter obligation, as of the beginning of the period for which the budget will be in effect.

(6) Timely funding. Reserves included in the adopted budget are common expenses and must be fully funded unless properly waived or reduced. Reserves shall be funded in at least the same frequency that assessments are due from the unit owners (e.g., monthly or quarterly).

(7) Restrictions on use. In a multi-condominium association, no vote to allow an association to use reserve funds for purposes other than that for which the funds were originally reserved shall be effective as to a particular condominium unless conducted at a meeting at which the same percentage of voting interests in that condominium that would otherwise be required for a quorum of the association is present in person or by proxy, and a majority of those present in person or by limited proxy, vote to use reserve funds for another purpose. Expenditure of unallocated interest income earned on reserve funds is restricted to any of the capital expenditures, deferred maintenance or other items for which reserve accounts have been established.

(8) Annual vote required to waive reserves. Any vote to waive or reduce reserves for capital expenditures and deferred maintenance required by Section 718.112(2)(f) 2., Florida Statutes, shall be effective for only one annual budget. Additionally, in a multi-condominium association, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which the same percentage of voting interests in that condominium that would otherwise be required for a quorum of the association is present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves. For multi-condominium associations in which the developer is precluded from casting its votes to waive or reduce the funding of reserves, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which the same percentage of non-developer voting interests in that condominium that would otherwise be required for a quorum of the association is present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves.