

Serving the Southeast USA
110 E. Broward Blvd., Suite 1700
Fort Lauderdale, FL 33301

Tel: (954) 210-7925
Fax: (954) 210-7926
www.reservestudy.com



**ASSOCIATION
RESERVES®**
Planning For The Inevitable

Regional Offices

Arizona	Nevada
California	New Jersey
Colorado	New Mexico
Florida	North Carolina
Hawaii	Ohio
Mid-Atlantic	Texas
Midwest	Washington



Highland Towers Inc
Non-SIRS Components
Highland Beach, FL



Report #: 50878-0
Beginning: January 1, 2025
Expires: December 31, 2025

RESERVE STUDY
"Full"

October 28, 2024

Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**

Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.

- **Reserve Fund Strength**

A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.

- **Reserve Funding Plan**

A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

Questions?

Please contact your Project Manager directly.



www.reservestudy.com

The logo used within this report is the registered trademark of Association Reserves, Inc., All rights reserved.

Table of Contents

Executive Summary	4
Executive Summary (Component List)	7
Introduction, Objectives, and Methodology	9
Which Physical Assets are Funded by Reserves?	10
How do we establish Useful Life and Remaining Useful Life estimates?	10
How do we establish Current Repair/Replacement Cost Estimates?	10
How much Reserves are enough?	11
How much should we transfer to Reserves?	12
What is our Recommended Funding Goal?	12
Site Inspection Notes	13
Projected Expenses	14
Annual Reserve Expenses Graph	14
Reserve Fund Status & Recommended Funding Plan	15
Annual Reserve Funding Graph	15
30-Yr Cash Flow Graph	16
Percent Funded Graph	16
Table Descriptions	17
Fully Funded Balance	18
Component Significance	19
30-Year Reserve Plan Summary	20
30-Year Reserve Plan Summary (Alternate Funding Plan)	21
30-Year Income/Expense Detail	22
30-Year Reserve Plan Summary (Alternate Funding Plan)	28
Accuracy, Limitations, and Disclosures	34
Terms and Definitions	35
Component Details	36
Excluded Components	37
Paving	41
Fence/Gates	44
Elevator	47
Pool	49
Seawall	53
Other Components	55

**Highland Towers Inc - Non-SIRS Components**Report #: **50878-0**

Highland Beach, FL

of Units: 50

Level of Service: **"Full"****January 1, 2025 through December 31, 2025****Findings & Recommendations****as of January 1, 2025**

Projected Starting Reserve Balance	\$495,355
Projected "Fully Funded" (Ideal) Reserve Balance	\$1,230,366
Percent Funded	40.3 %
Required 2025 Special Assessments	\$0
Minimum 2025 Funding Required to Maintain Reserves above \$0 through Year 30	\$125,000
(Optional Alternative) Recommended 2025 Funding to Achieve 100% Funded by Year 30 ..	\$140,000

Reserve Fund Strength: 40.3%**Weak****Fair****Strong**

< 30%

< 70%

> 130%

**Risk of Special Assessment:****High****Medium****Low****Economic Assumptions:**Net Annual "After Tax" Interest Earnings Accruing to Reserves **2.00 %**Annual Inflation Rate **3.00 %**

This document is a "Full" Reserve Study (original, created "from scratch"), based on our site inspection on 5/16/2024.

This analysis was prepared or verified by a credentialed Reserve Specialist (RS). No assets appropriate for Reserve designation were excluded. As of the start of the initial fiscal year shown in this study, your Reserve fund is determined to be 40.3 % Funded. Based on this figure, the Client's risk of special assessments & deferred maintenance is currently Medium.

Component cost estimates, life expectancies, and recommended reserve contributions are subject to change in subsequent years. As such, this Reserve Study analysis expires at the end of the initial fiscal year (December 31, 2025). Please contact our office to discuss options for updating your Reserve Study in future years.

Reserve Funding Goals and Methodology:

Allocation of Existing Pooled Reserve Funds:

As a result of the passage of Senate Bill 154 in 2023, Florida statutes have been amended to state: "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)."

In the event that the association has a single, pre-existing pool of reserve funds, which had heretofore been utilized for both "Structural" and "Non-Structural"(subsequently referred to as General) components, this existing pooled fund must now be allocated into separate pools of funds due to the restrictions upon spending described above. In order to facilitate the generation of separate funding recommendations, this study has allocated any pre-existing pooled reserve funding balances between Structural and General components, in the following manner:

A. The theoretical Fully Funded Balance has been independently calculated for each schedule of components, so as to determine the optimal amount of funds that should be on hand at present for each. (Please refer to the Fully Funded Balance table in this study to review in more detail.) Any existing pooled funds have been prioritized first toward those components identified as Structural, based on the condition that these components may no longer be waived or partially funded in any budgeted adopted on or after December 31, 2024.

B. Once the Structural components have been 100% funded, any leftover funds have been shown as available in the pooled fund for General components.

C. In the event that this allocation results in otherwise-unnecessary special assessments required for General components, some additional funds may be re-allocated to General Reserves at our discretion.

D. Please note--the redistribution or reallocation of existing reserve funds may require a vote of the association's membership. We highly recommend that the association consult their legal counsel and review their governing documents to ensure compliance with all applicable laws and regulations. Association Reserves is not responsible for providing legal advice or determining the necessity of membership votes.

Special Assessments:

There are no recommendations for any special assessments for Reserve funding included in the Reserve Study at this time.

Minimum Funding Required:

For Florida community associations using the pooled method, Florida Administrative Code requires that, at minimum: "the current year contribution should not be less than that required to ensure that the balance on hand at the beginning of the period when the budget will go into effect plus the projected annual cash inflows over the estimated remaining lives of the items in the pool are greater than the estimated cash outflows over the estimated remaining lives of the items in the pool." It should be noted that while this is often understood to describe "fully funding" of reserves in Florida, this practice is also described in the Community Association Institute's Reserve Study Standards (RSS) as "baseline funding." RSS characterizes baseline funding as "establishing a reserve funding goal of allowing the reserve cash balance to never be below zero during the cash flow projection. 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."

Our projection of the minimum reserve funding required (taken together with any projected special assessments) is designed to maintain this pooled fund balance above \$0 throughout the forecast period.

Recommended Funding Plan:

Our "recommended" funding plan is an optional, more conservative alternative to the minimum funding plan described above. This recommended amount is intended to help the Association to (gradually, over 30 years) attain and maintain Reserves at or near 100 percent-funded. This goal is more likely to provide an adequate cushion of accumulated funds, which will help reduce the risk of special assessments and/or loans in the event of higher-than-expected component costs, reduced component life expectancies, or other "surprise" circumstances.

Annual Increases to Reserve Funding:

In accordance with Florida statutes, the Association may adjust reserve contributions annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life on a reserve item caused by deferred maintenance. **Please note the recommended funding plans shown in our 30-year Reserve Plan Summary Tables (pgs 20-21) consist of an initial contribution amount in 2025, followed by subsequent 3% annual increases to that amount in 2026-2037.** These contribution rates are recommended in lieu of a large special assessment. However, if the Association chooses, a special assessment may be utilized to supplement a lower Reserve contribution amount to fund for the projected Reserve expenses during this timeframe. Beginning in the fiscal year 2038, the Association can reduce the Reserve funding amounts as indicated. We strongly recommend the Association consider frequent updating of the Reserve Study during this timeline in order to account for any changes or deviation from this recommendation.

Waiving or Partial Funding of Reserves:

For components not considered “structural” in nature, Florida statutes allow that: “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.” As such, a majority of the association’s voting interests may elect to fund the reserves at lower amounts than shown in this study—or to waive reserve funding entirely—but only for these specific components. Please consult with your Association’s legal counsel for additional guidance regarding the waiving or partial funding of reserves.

STRAIGHT-LINE FUNDING (AKA “Component Method”):

For Clients currently using the “straight-line” method of Reserve funding (also known as the component method), an additional table has been added to the Reserve Study to provide recommendations calculated using this method.

By nature, the straight-line method may only be used to generate recommended contribution rates for one fiscal year at a time, and does not include any assumptions for interest earnings or inflationary cost increases. When using this method, the required contribution for each component is calculated by estimating the replacement cost for the component, subtracting any available funds already collected, and dividing the resulting difference (herein labeled as the “unfunded balance,” measured in dollars) by the remaining useful life of the component, measured in years. The resulting figure is the required amount to fund that component. For groups of like components (i.e. multiple individual roof components, all falling within a ‘roof reserve’), the individual contribution amounts are added together to determine the total amount required to fund the group as a whole.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Paving			
2123 East Parking Lot - Seal/Repair	5	4	\$3,200
2125 East Parking Lot - Resurface	20	19	\$42,100
2125 West Parking Lot - Resurface	20	4	\$21,800
Fence/Gates			
2137 Metal Fencing - Replace	25	7	\$17,550
2145 Entry/Exit Gates - Replace	25	7	\$12,400
2509 Gate Operators - Replace	15	0	\$10,000
Elevator			
2513 Elevators - Modernize	25	12	\$700,000
2517 Elevator Cabs - Remodel	25	12	\$28,000
Pool			
2763 Pool Deck Furniture - Replace	8	1	\$18,250
2771 Pool Fence - Replace	20	8	\$9,800
2773 Swimming Pool - Resurface	12	11	\$36,300
2781 Pool Heater - Replace	5	0	\$6,000
Seawall			
2163 Concrete Bulkhead/Seawall - Replace	40	10	\$540,000
2165 Bulkhead/Seawall - Repair Allowance	10	0	\$90,000
Other Components			
2119 Pavers Roadways - Replace	30	8	\$7,300
2120 Pavers Decks/Walkways - Replace	40	8	\$62,850
2169 Sign/Monuments - Refurbish/Replace	20	7	\$6,000
2187 Beach Walkover - Repair/Resurface	10	3	\$8,300
2188 Beach Walkover - Replace/Rebuild	30	13	\$15,300
2501 Intercom/Entry System - Replace	10	3	\$7,000
2522 HVAC (Apartment) - Replace	10	3	\$6,000
2522 HVAC (Elevator Room) - Replace	10	6	\$5,550
2522 HVAC (Lobby - 2018) - Replace	10	3	\$6,000
2522 HVAC (Lobby - 2021) - Replace	10	6	\$6,000
2532 Exhaust Fans - Repair/Replace	15	8	\$16,000
2542 Trash Chute - Refurbish/Replace	40	7	\$49,000
2543 Surveillance System - Replace	10	5	\$11,400
2575 Domestic Water System - Replace	15	10	\$10,000
2726 Fitness Equipment - Replace	15	0	\$21,000
2749 Bathrooms - Remodel	20	1	\$33,000
2751 Elevator Landings - Remodel	20	10	\$49,950
2752 Office - Remodel	20	10	\$6,000

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
2753 G2 Apartment - Refurbish/Remodel	10	5	\$15,000
2753 Lobby/Social Room - Remodel	20	10	\$75,000

34 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.

Introduction



A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve funding is not "for the future". Ongoing Reserve transfers are intended to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology

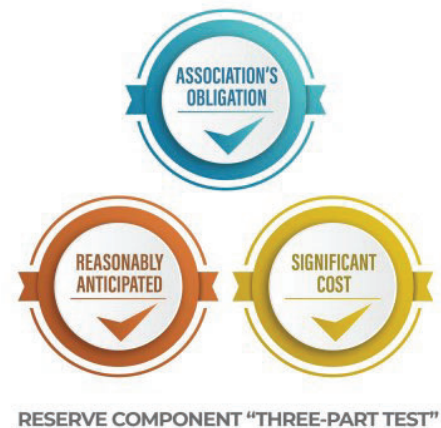


For this [Full Reserve Study](#), we started with a review of your Governing Documents, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We

performed an on-site inspection to quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

Which Physical Assets are Funded by Reserves?

There is a national-standard three-part test to determine which projects should appear in a Reserve Component List. First, it must be a common area maintenance obligation. Second, both the need and schedule of a component's project can be reasonably anticipated. Third, the project's total cost is material to the client, can be reasonably anticipated, and includes all direct and related costs. A project cost is commonly considered *material* if it is more than 0.5% to 1% of the total annual budget. This limits Reserve components to major, predictable expenses. Within this framework, it is inappropriate to include *lifetime* components, unpredictable expenses (such as damage due to natural disasters and/or insurable events), and expenses more appropriately handled from the Operational budget.



How do we establish Useful Life and Remaining Useful Life estimates?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we transfer to Reserves?



According to National Reserve Study Standards, there are four Funding Principles to balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. Second, a stable rate of ongoing Reserve transfers is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve transfers that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Board members to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Board members invite liability exposure when Reserve transfers are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

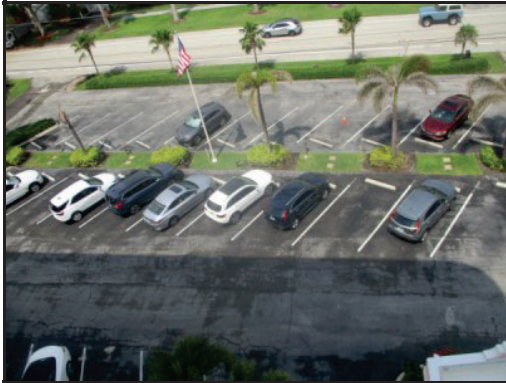
Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, recommended Reserve transfers for Baseline Funding average only 10% to 15% less than Full Funding recommendations. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Site Inspection Notes

During our site visit on 5/16/2024, we started with a brief meeting with James Keefe (President). We thank him for his assistance and input during this process. During our inspection, we visually inspected all common areas, amenities, and other components that are the responsibility of the Client. Please refer to the Component Details section at the end of this document for additional photos, observations and other information regarding each component.



Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections. The figure below summarizes the projected future expenses as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Cash Flow Detail table.

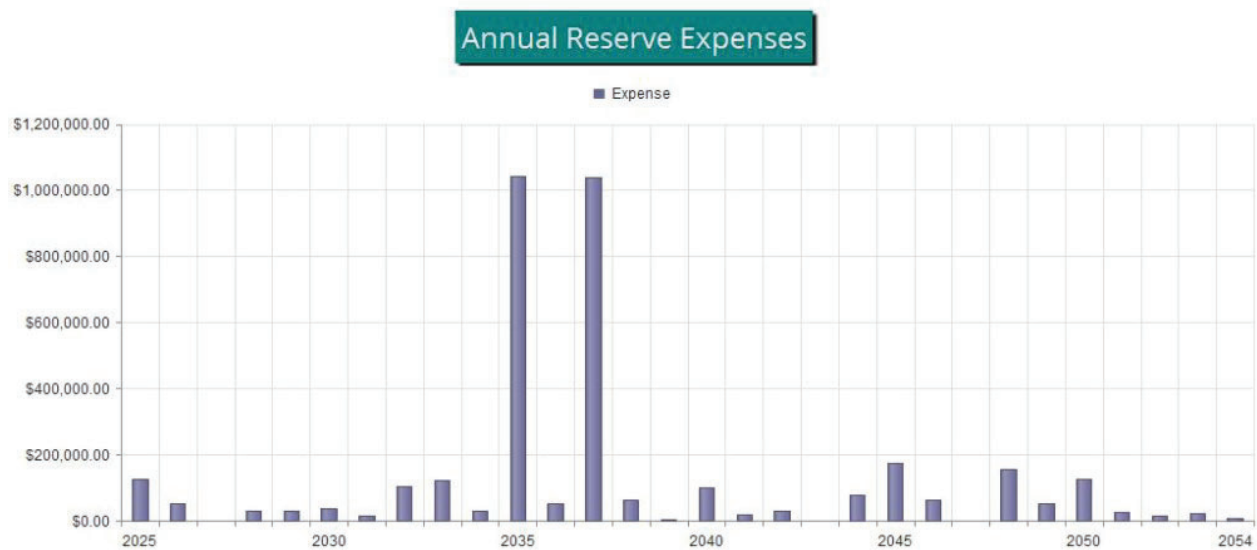


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$495,355 as-of the start of your Fiscal Year on 1/1/2025. This is based either on information provided directly to us, or using your most recent available Reserve account balance, plus any budgeted contributions and less any planned expenses through the end of your Fiscal Year. As of your Fiscal Year Start, your Fully Funded Balance is computed to be \$1,230,366. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 40.3 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$140,000 in the upcoming fiscal year. At minimum, the Association must budget \$125,000 for Reserves in the upcoming year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

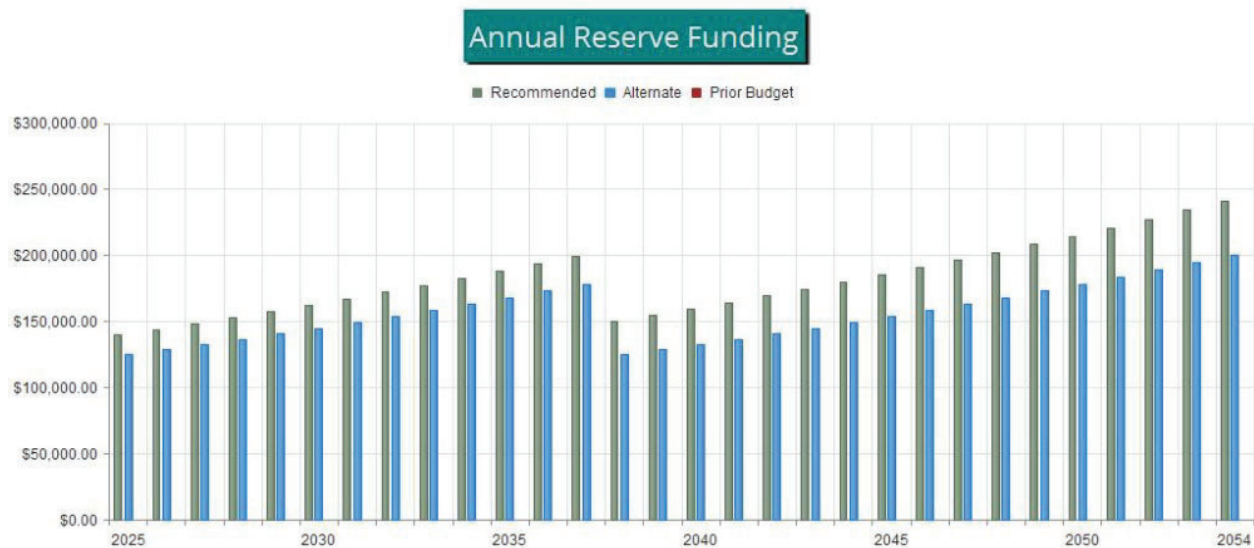


Figure 2

The following chart shows your Reserve balance under our recommended plan, the minimum funding plan and at the Association’s current contribution rate, all compared to your always-changing Fully Funded Balance target.

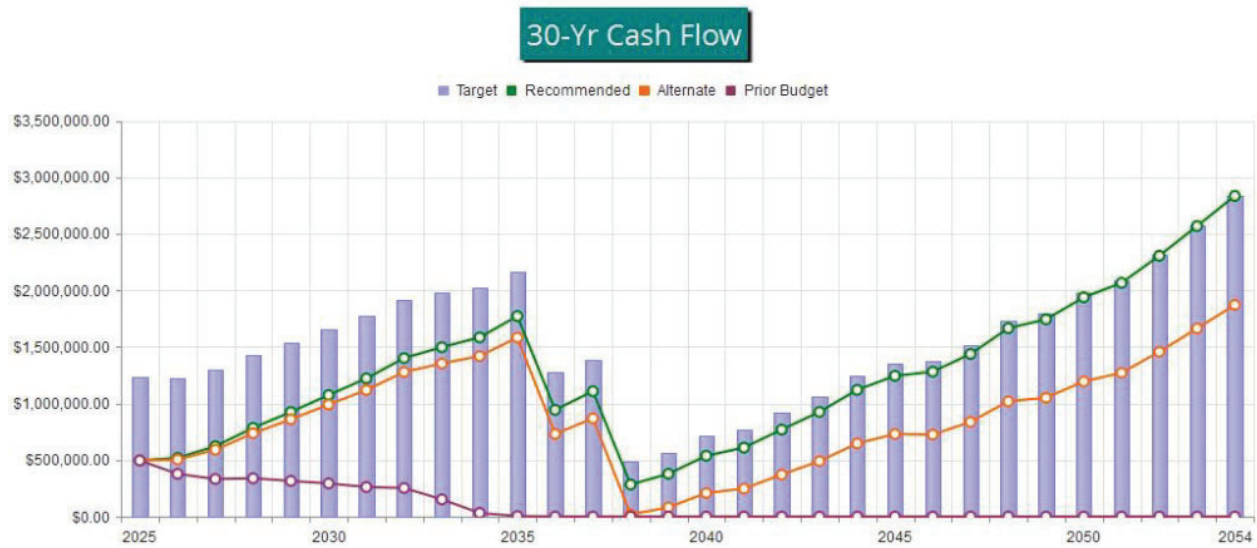


Figure 3

This figure shows the same information described above, but plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

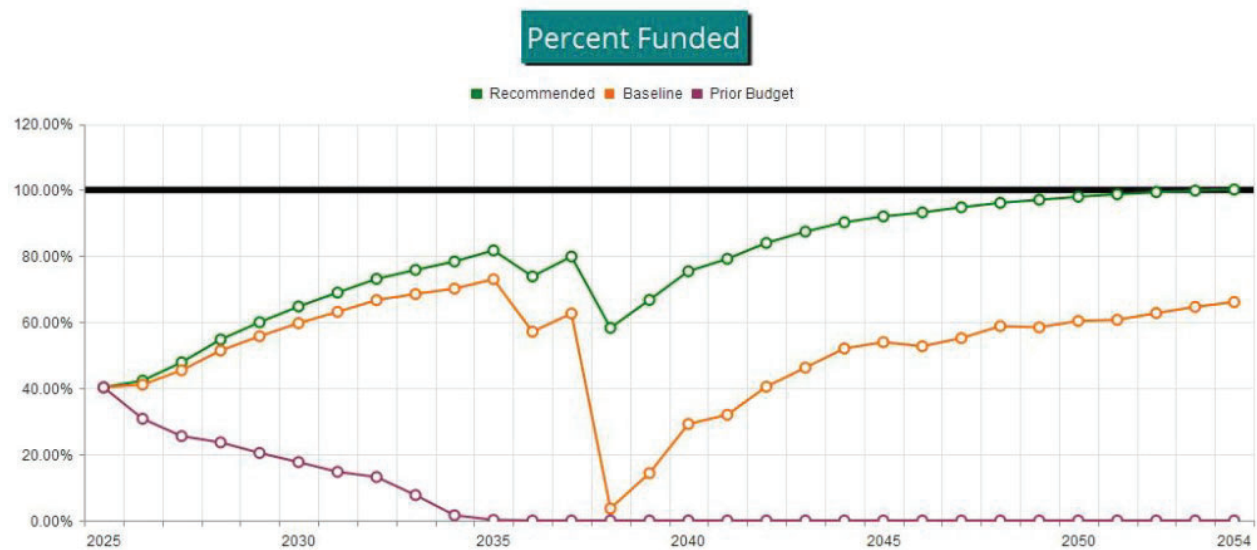


Figure 4



Executive Summary is a summary of your Reserve Components

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their specific proportion related to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve funding requirements. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Paving								
2123	East Parking Lot - Seal/Repair	\$3,200	X	1	/	5	=	\$640
2125	East Parking Lot - Resurface	\$42,100	X	1	/	20	=	\$2,105
2125	West Parking Lot - Resurface	\$21,800	X	16	/	20	=	\$17,440
Fence/Gates								
2137	Metal Fencing - Replace	\$17,550	X	18	/	25	=	\$12,636
2145	Entry/Exit Gates - Replace	\$12,400	X	18	/	25	=	\$8,928
2509	Gate Operators - Replace	\$10,000	X	15	/	15	=	\$10,000
Elevator								
2513	Elevators - Modernize	\$700,000	X	13	/	25	=	\$364,000
2517	Elevator Cabs - Remodel	\$28,000	X	13	/	25	=	\$14,560
Pool								
2763	Pool Deck Furniture - Replace	\$18,250	X	7	/	8	=	\$15,969
2771	Pool Fence - Replace	\$9,800	X	12	/	20	=	\$5,880
2773	Swimming Pool - Resurface	\$36,300	X	1	/	12	=	\$3,025
2781	Pool Heater - Replace	\$6,000	X	5	/	5	=	\$6,000
Seawall								
2163	Concrete Bulkhead/Seawall - Replace	\$540,000	X	30	/	40	=	\$405,000
2165	Bulkhead/Seawall - Repair Allowance	\$90,000	X	10	/	10	=	\$90,000
Other Components								
2119	Pavers Roadways - Replace	\$7,300	X	22	/	30	=	\$5,353
2120	Pavers Decks/Walkways - Replace	\$62,850	X	32	/	40	=	\$50,280
2169	Sign/Monuments - Refurbish/Replace	\$6,000	X	13	/	20	=	\$3,900
2187	Beach Walkover - Repair/Resurface	\$8,300	X	7	/	10	=	\$5,810
2188	Beach Walkover - Replace/Rebuild	\$15,300	X	17	/	30	=	\$8,670
2501	Intercom/Entry System - Replace	\$7,000	X	7	/	10	=	\$4,900
2522	HVAC (Apartment) - Replace	\$6,000	X	7	/	10	=	\$4,200
2522	HVAC (Elevator Room) - Replace	\$5,550	X	4	/	10	=	\$2,220
2522	HVAC (Lobby - 2018) - Replace	\$6,000	X	7	/	10	=	\$4,200
2522	HVAC (Lobby - 2021) - Replace	\$6,000	X	4	/	10	=	\$2,400
2532	Exhaust Fans - Repair/Replace	\$16,000	X	7	/	15	=	\$7,467
2542	Trash Chute - Refurbish/Replace	\$49,000	X	33	/	40	=	\$40,425
2543	Surveillance System - Replace	\$11,400	X	5	/	10	=	\$5,700
2575	Domestic Water System - Replace	\$10,000	X	5	/	15	=	\$3,333
2726	Fitness Equipment - Replace	\$21,000	X	15	/	15	=	\$21,000
2749	Bathrooms - Remodel	\$33,000	X	19	/	20	=	\$31,350
2751	Elevator Landings - Remodel	\$49,950	X	10	/	20	=	\$24,975
2752	Office - Remodel	\$6,000	X	10	/	20	=	\$3,000
2753	G2 Apartment - Refurbish/Remodel	\$15,000	X	5	/	10	=	\$7,500
2753	Lobby/Social Room - Remodel	\$75,000	X	10	/	20	=	\$37,500
								\$1,230,366



Component Significance

Report # 50878-0
Full

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
Paving					
2123	East Parking Lot - Seal/Repair	5	\$3,200	\$640	0.74 %
2125	East Parking Lot - Resurface	20	\$42,100	\$2,105	2.45 %
2125	West Parking Lot - Resurface	20	\$21,800	\$1,090	1.27 %
Fence/Gates					
2137	Metal Fencing - Replace	25	\$17,550	\$702	0.82 %
2145	Entry/Exit Gates - Replace	25	\$12,400	\$496	0.58 %
2509	Gate Operators - Replace	15	\$10,000	\$667	0.78 %
Elevator					
2513	Elevators - Modernize	25	\$700,000	\$28,000	32.55 %
2517	Elevator Cabs - Remodel	25	\$28,000	\$1,120	1.30 %
Pool					
2763	Pool Deck Furniture - Replace	8	\$18,250	\$2,281	2.65 %
2771	Pool Fence - Replace	20	\$9,800	\$490	0.57 %
2773	Swimming Pool - Resurface	12	\$36,300	\$3,025	3.52 %
2781	Pool Heater - Replace	5	\$6,000	\$1,200	1.40 %
Seawall					
2163	Concrete Bulkhead/Seawall - Replace	40	\$540,000	\$13,500	15.69 %
2165	Bulkhead/Seawall - Repair Allowance	10	\$90,000	\$9,000	10.46 %
Other Components					
2119	Pavers Roadways - Replace	30	\$7,300	\$243	0.28 %
2120	Pavers Decks/Walkways - Replace	40	\$62,850	\$1,571	1.83 %
2169	Sign/Monuments - Refurbish/Replace	20	\$6,000	\$300	0.35 %
2187	Beach Walkover - Repair/Resurface	10	\$8,300	\$830	0.96 %
2188	Beach Walkover - Replace/Rebuild	30	\$15,300	\$510	0.59 %
2501	Intercom/Entry System - Replace	10	\$7,000	\$700	0.81 %
2522	HVAC (Apartment) - Replace	10	\$6,000	\$600	0.70 %
2522	HVAC (Elevator Room) - Replace	10	\$5,550	\$555	0.65 %
2522	HVAC (Lobby - 2018) - Replace	10	\$6,000	\$600	0.70 %
2522	HVAC (Lobby - 2021) - Replace	10	\$6,000	\$600	0.70 %
2532	Exhaust Fans - Repair/Replace	15	\$16,000	\$1,067	1.24 %
2542	Trash Chute - Refurbish/Replace	40	\$49,000	\$1,225	1.42 %
2543	Surveillance System - Replace	10	\$11,400	\$1,140	1.33 %
2575	Domestic Water System - Replace	15	\$10,000	\$667	0.78 %
2726	Fitness Equipment - Replace	15	\$21,000	\$1,400	1.63 %
2749	Bathrooms - Remodel	20	\$33,000	\$1,650	1.92 %
2751	Elevator Landings - Remodel	20	\$49,950	\$2,498	2.90 %
2752	Office - Remodel	20	\$6,000	\$300	0.35 %
2753	G2 Apartment - Refurbish/Remodel	10	\$15,000	\$1,500	1.74 %
2753	Lobby/Social Room - Remodel	20	\$75,000	\$3,750	4.36 %
34	Total Funded Components			\$86,021	100.00 %

30-Year Reserve Plan Summary

Report # 50878-0
Full

Fiscal Year Start: 2025

Interest: 2.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2025	\$495,355	\$1,230,366	40.3 %	Medium	\$140,000	\$0	\$10,130	\$127,000
2026	\$518,484	\$1,225,069	42.3 %	Medium	\$144,200	\$0	\$11,388	\$52,788
2027	\$621,285	\$1,298,710	47.8 %	Medium	\$148,526	\$0	\$14,039	\$0
2028	\$783,850	\$1,431,669	54.8 %	Medium	\$152,982	\$0	\$17,064	\$29,831
2029	\$924,065	\$1,540,711	60.0 %	Medium	\$157,571	\$0	\$19,958	\$28,138
2030	\$1,073,456	\$1,657,672	64.8 %	Medium	\$162,298	\$0	\$22,926	\$37,560
2031	\$1,221,120	\$1,771,429	68.9 %	Medium	\$167,167	\$0	\$26,195	\$13,791
2032	\$1,400,691	\$1,916,162	73.1 %	Low	\$172,182	\$0	\$28,955	\$104,478
2033	\$1,497,351	\$1,975,004	75.8 %	Low	\$177,348	\$0	\$30,786	\$121,547
2034	\$1,583,939	\$2,021,300	78.4 %	Low	\$182,668	\$0	\$33,532	\$27,987
2035	\$1,772,151	\$2,168,717	81.7 %	Low	\$188,148	\$0	\$27,131	\$1,044,156
2036	\$943,275	\$1,277,372	73.8 %	Low	\$193,793	\$0	\$20,488	\$50,248
2037	\$1,107,308	\$1,386,584	79.9 %	Low	\$199,607	\$0	\$13,890	\$1,037,954
2038	\$282,850	\$485,414	58.3 %	Medium	\$150,500	\$0	\$6,597	\$62,560
2039	\$377,387	\$565,655	66.7 %	Medium	\$155,015	\$0	\$9,133	\$4,840
2040	\$536,695	\$711,658	75.4 %	Low	\$159,665	\$0	\$11,447	\$98,775
2041	\$609,032	\$769,308	79.2 %	Low	\$164,455	\$0	\$13,766	\$18,534
2042	\$768,719	\$915,477	84.0 %	Low	\$169,389	\$0	\$16,921	\$30,164
2043	\$924,865	\$1,058,318	87.4 %	Low	\$174,471	\$0	\$20,429	\$0
2044	\$1,119,764	\$1,240,906	90.2 %	Low	\$179,705	\$0	\$23,614	\$79,434
2045	\$1,243,649	\$1,351,681	92.0 %	Low	\$185,096	\$0	\$25,220	\$173,387
2046	\$1,280,578	\$1,373,668	93.2 %	Low	\$190,649	\$0	\$27,152	\$61,390
2047	\$1,436,990	\$1,516,472	94.8 %	Low	\$196,368	\$0	\$30,986	\$0
2048	\$1,664,345	\$1,731,737	96.1 %	Low	\$202,259	\$0	\$34,050	\$157,097
2049	\$1,743,556	\$1,796,742	97.0 %	Low	\$208,327	\$0	\$36,782	\$50,820
2050	\$1,937,846	\$1,978,410	97.9 %	Low	\$214,577	\$0	\$39,998	\$126,988
2051	\$2,065,433	\$2,092,477	98.7 %	Low	\$221,014	\$0	\$43,669	\$24,909
2052	\$2,305,207	\$2,320,674	99.3 %	Low	\$227,645	\$0	\$48,692	\$13,328
2053	\$2,568,216	\$2,573,377	99.8 %	Low	\$234,474	\$0	\$53,978	\$22,422
2054	\$2,834,247	\$2,830,199	100.1 %	Low	\$241,508	\$0	\$59,569	\$7,541



30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 50878-0
Full

Fiscal Year Start: 2025

Interest:

2.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded		Special Assmt Risk	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2025	\$495,355	\$1,230,366	40.3 %		Medium	\$125,000	\$0	\$9,978	\$127,000
2026	\$503,333	\$1,225,069	41.1 %		Medium	\$128,750	\$0	\$10,926	\$52,788
2027	\$590,222	\$1,298,710	45.4 %		Medium	\$132,613	\$0	\$13,252	\$0
2028	\$736,086	\$1,431,669	51.4 %		Medium	\$136,591	\$0	\$15,935	\$29,831
2029	\$858,780	\$1,540,711	55.7 %		Medium	\$140,689	\$0	\$18,470	\$28,138
2030	\$989,801	\$1,657,672	59.7 %		Medium	\$144,909	\$0	\$21,062	\$37,560
2031	\$1,118,211	\$1,771,429	63.1 %		Medium	\$149,257	\$0	\$23,938	\$13,791
2032	\$1,277,614	\$1,916,162	66.7 %		Medium	\$153,734	\$0	\$26,285	\$104,478
2033	\$1,353,155	\$1,975,004	68.5 %		Medium	\$158,346	\$0	\$27,684	\$121,547
2034	\$1,417,639	\$2,021,300	70.1 %		Low	\$163,097	\$0	\$29,978	\$27,987
2035	\$1,582,726	\$2,168,717	73.0 %		Low	\$167,990	\$0	\$23,104	\$1,044,156
2036	\$729,664	\$1,277,372	57.1 %		Medium	\$173,029	\$0	\$15,967	\$50,248
2037	\$868,412	\$1,386,584	62.6 %		Medium	\$178,220	\$0	\$8,852	\$1,037,954
2038	\$17,530	\$485,414	3.6 %		High	\$125,000	\$0	\$984	\$62,560
2039	\$80,955	\$565,655	14.3 %		High	\$128,750	\$0	\$2,885	\$4,840
2040	\$207,749	\$711,658	29.2 %		High	\$132,613	\$0	\$4,535	\$98,775
2041	\$246,121	\$769,308	32.0 %		Medium	\$136,591	\$0	\$6,159	\$18,534
2042	\$370,337	\$915,477	40.5 %		Medium	\$140,689	\$0	\$8,590	\$30,164
2043	\$489,451	\$1,058,318	46.2 %		Medium	\$144,909	\$0	\$11,342	\$0
2044	\$645,702	\$1,240,906	52.0 %		Medium	\$149,257	\$0	\$13,738	\$79,434
2045	\$729,263	\$1,351,681	54.0 %		Medium	\$153,734	\$0	\$14,521	\$173,387
2046	\$724,132	\$1,373,668	52.7 %		Medium	\$158,346	\$0	\$15,595	\$61,390
2047	\$836,683	\$1,516,472	55.2 %		Medium	\$163,097	\$0	\$18,534	\$0
2048	\$1,018,313	\$1,731,737	58.8 %		Medium	\$167,990	\$0	\$20,664	\$157,097
2049	\$1,049,869	\$1,796,742	58.4 %		Medium	\$173,029	\$0	\$22,424	\$50,820
2050	\$1,194,503	\$1,978,410	60.4 %		Medium	\$178,220	\$0	\$24,627	\$126,988
2051	\$1,270,363	\$2,092,477	60.7 %		Medium	\$183,567	\$0	\$27,243	\$24,909
2052	\$1,456,263	\$2,320,674	62.8 %		Medium	\$189,074	\$0	\$31,167	\$13,328
2053	\$1,663,177	\$2,573,377	64.6 %		Medium	\$194,746	\$0	\$35,309	\$22,422
2054	\$1,870,810	\$2,830,199	66.1 %		Medium	\$200,588	\$0	\$39,709	\$7,541