

A RESERVE STUDY UPDATE FOR

**Santa Maria II
Condominium Association, Inc.
Fort Myers, Florida
File # RU00951**

FOR PERIOD: January 1, 2020 – December 31, 2020

**PREPARED BY
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October 23, 2019

Santa Maria II Condominium Association, Inc.
Attn: Mr. Dennis Boback, CAM,CFPM
7317-7327 Estero Blvd.
Fort Myers, Florida 33431

Dear Mr. Boback,

On August 12, 2009 we completed an on-site inspection of Santa Maria II Condominium Association, Inc.'s common area reserve items. Data gleaned from this inspection was utilized in the completion of an original reserve study report published on August 31, 2009. This reserve study report is an update of that previous reserve study report, which was accepted as accurate and reliable by the association representatives. A Sedgwick Valuation Services representative did re-inspect the common area reserve items for use in completion of this update reserve study report, on September 4th, 2019.

The intent of this report is to show cash reserves necessary for the future repair or replacement of expendable components incorporated into the subject property. The purpose of this report is to aid Santa Maria II Condominium Association, Inc. in making a determination for cash reserves that are needed to repair or replace short-lived building and/or site components.

The report identifies each component selected, it's estimated useful life, adjusted life, scheduled replacement date, and current cost to repair/replace. The useful and remaining lives of the building components in this study, as well as the current replacement costs, have been selected from market standards, cost estimating services, and consideration of actual recent costs incurred by the association for reserve upgrades. This report is classified as an update reserve study with site visit under the guidelines of the National Reserve Study Standards of the Community Associations Institute, and conforms to the Community Associations Institute Professional Reserve Specialist Code of Ethics. The Reserve Analyst/Specialist and Sedgwick Valuation Services have no relationships with the association that would result in actual or perceived conflicts of interest.

This report is our opinion and based upon observed conditions and state of repair. Actual determinations of the current conditions and state of repair for certain items may be beyond the scope of this report. Items may not last as long as projected or may exceed their estimated lives, and actual costs may not correspond to our included estimates. Influences such as weather, catastrophe, improper maintenance, physical abuse, or abnormal use can affect these lives and/or replacement costs. When such occurrences happen, another inspection should be made and a new revised study prepared. While we have attempted to create a useful tool for the association to plan their needs, the actual reserves set aside are solely at the association's discretion. The findings of this study are not for use in performing an audit, quality/forensic analyses, or background checks of historical records.



In completing this report, the reserve analyst/specialist utilized information taken from the original inspection and reserve study report, as well as observed conditions as of the date of our most recent re-inspection. No destructive testing methods (i.e. roof core sampling, etc.) were utilized during the inspection. Financial data, including the estimated reserve fund balance as of the analysis date, and property histories, provided by you were utilized in the completion of this report. This data was not audited, and was assumed to be complete and correct. Unless otherwise specified, the reserve analyst/specialist estimated the repair/replacement cost taking into account contingencies inherent to this type of work, and the report was prepared utilizing the information gathered in the field and the costs and useful lives estimated by the reserve analyst/specialist.

Respectfully submitted,
Sedgwick Valuation Services

Patrick Conners
Reserve Analyst

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RESERVE STUDY FUNDING ANALYSIS

There are two generally accepted means of estimating reserves; the Cash Flow Analysis and the Component Funding Analysis methodologies. The **Cash Flow Analysis** (or Pooling Method) is a method of calculating reserve contributions where contributions to the reserve funds are designed to offset the variable annual expenditures from the reserve fund. This analysis recognizes interest income attributable to reserve accounts over the period of the analysis. Funds from the beginning balances are pooled together and a yearly contribution rate is calculated to arrive at a positive cash flow and reserve account balance to adequately fund the future projected expenditures throughout the period of the analysis.

Prior to December 23, 2002, Florida statute mandated that condominium associations calculate reserves via the Component Funding Analysis method, on an annual basis. Funding at less than 100% of the fully funded estimate, based on the Component Funding Analysis method, could occur only after a full vote of the association membership. As of December 23, 2002, amendments to the Florida Administrative Code recognize the Cash Flow Analysis method as an approved methodology for the calculation of reserve funding for condominium associations. The fund requirement estimated by the Cash Flow Analysis method can now be provided to the membership, on an annual basis as a fully funded figure. The analysis must be completed as a portion of the association's annual budget, include the total estimated useful lives, estimated remaining useful lives, and estimated replacement cost/deferred maintenance expenses of all assets in the reserve budget (minimum roofing, painting, paving and any other item with a replacement/repair cost over \$10,000), and the estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

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

In our Cash Flow Analysis calculations, we do not include increases in construction costs/inflation. While future costs are expected to be higher than today's costs, which is supported by our analysis of past indexes/trends, increases in costs should be recognized as the association estimates current repair/replacement costs during their annual calculations of full reserve funding. A current cost estimate during the current fiscal year would theoretically be lower than a current cost for future fiscal years. That way the estimates of current cost moving forward will eventually represent current cost as of the date of forecast expenditure. Funding the reserves annually on that basis should ensure that adequate monies are available as of the date of expense, assuming that the current cost estimate is appropriate and that the reserve was fully funded since its last repair/replacement project was completed.

The **Component Funding Analysis** (or Straight Line Method) calculates the annual contribution amount for each individual line item component by dividing the component's unfunded balance by its

remaining useful life. A component's unfunded balance is its replacement cost less the reserve balance in the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis.

EXECUTIVE SUMMARY

PROPERTY DATA

Property Name: Santa Maria II Condominium Association, Inc.

Property Location: Fort Myers, Florida

Property Type: CA

Total Units: 61

Report Run Date: October 23, 2019

Budget Year Begins: January 1, 2020

Budget Year Ends: December 31, 2020

PROJECTED COMPONENT CATEGORIES AND PARAMETERS

1. Building Exteriors
2. Common Area Interiors
3. Mechanical
4. Mechanical/Electrical
5. Painting & Waterproofing
6. Roofs
7. Site Improvements

Total current cost of all reserve components in reserve analysis:	\$	1,317,197
Estimated beginning reserve fund balance for reserve analysis:	\$	245,383
Total number of components scheduled for replacement in the 2020 budget year:		0
Total cost of components scheduled for replacement in the 2020 budget year:	\$	0

ANALYSIS RESULTS –CASH FLOW ANALYSIS

Current annual reserve funding contribution amount (2019 Budget):	\$	52,000
Our recommended annual reserve funding contribution amount:	\$	76,440
Increase (decrease) between current and recommended annual contribution amounts:	\$	24,440
Increase (decrease) between current and recommended annual contribution amounts:		47%

ANALYSIS RESULTS – COMPONENT FUNDING ANALYSIS

Current annual reserve funding contribution amount (2019 Budget):	\$	52,000
Our recommended annual reserve funding contribution amount:	\$	129,305
Increase (decrease) between current and recommended annual contribution amounts:	\$	77,305
Increase (decrease) between current and recommended annual contribution amounts:		149%

RESERVE BUDGET COMPARISON

The previous page provides a comparison of the association's approved fiscal year 2019 reserve contribution level and our estimates for full reserve funding for fiscal year 2020. The funding requirement estimated for fiscal year 2020 via the Cash Flow Analysis is moderately higher than the association's approved fiscal year 2019 contribution level, while the recommendation based on the Component Funding Analysis methodology is significantly higher than the association's approved fiscal year 2019 contribution level.

Based on the Cash Flow Analysis methodology, the association can fully fund the reserves as analyzed in this report at \$76,440 in fiscal year 2020. In this analysis we have utilized a 0.35% rate of return on reserve funds invested over the study period (assuming safe investment in CDs, money market accounts, etc.). The Cash Flow Analysis utilizes a pooling effect with reserve funds by pooling all funds together and distributing these funds to individual components as their replacement comes due. Funds that are pooled together in the cash flow analysis include the beginning balance, contributions to the reserve funds and interest earned on reserve funds. These pooled funds are matched against reserve expenditures throughout the period of the analysis by using our reserve analysis software program to ensure that the available funds are always greater than expenditures.

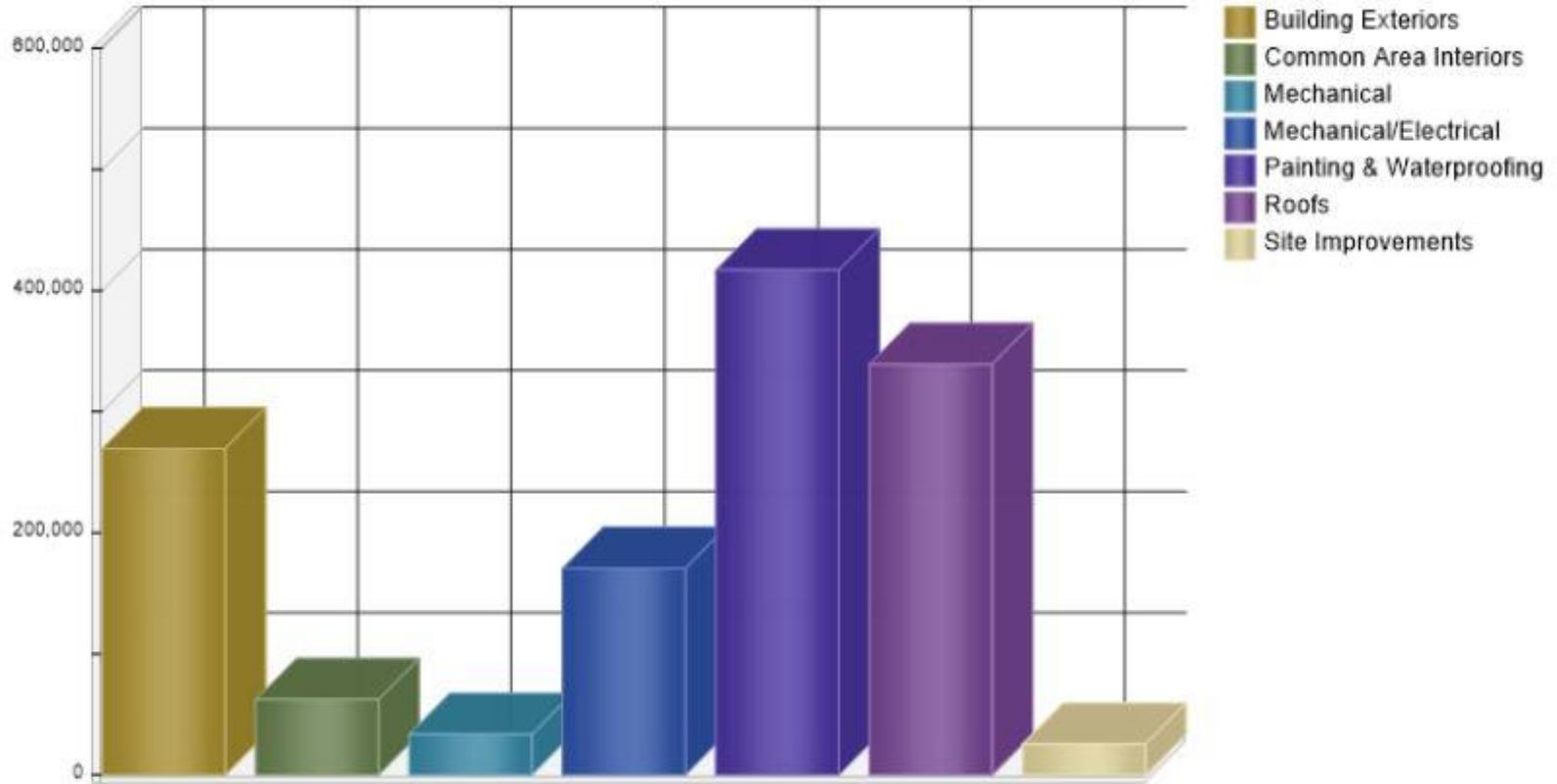
Based on our Component Funding Analysis model, the reserves as analyzed in this report suggest that in order to fully fund in fiscal year 2020, the contribution should be \$129,305. The Component Funding Analysis is a straight-line accounting procedure that was previously mandated by the State of Florida. Until December 2002, funding at less than this amount was considered partial funding by the state and required approval by the association members. As stated previously in this report, changes to the administrative code now allow the implementation/use of a pooling, or cash flow method of reserve analysis.

CASH FLOW ANALYSIS

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameter - Category - Chart



Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Detail

Items Reserve Item	Replace Date	Basis Cost	Quantity	Current Cost	Est Life	Adj Life	Rem Life	Future Cost
Building Exteriors								
Balconies, Cages/Railings	06/01/2029	\$ 75.20	432 ln ft.	\$ 32,486.40	35:00	37:00	9:05	\$ 32,486.40
Balcony Cage, Screen Replacement	06/01/2029	9.85	3,720 sq. ft.	36,642.00	10:00	19:00	9:05	36,642.00
Catwalk Railings, Metal Repair/Replace	06/01/2029	68.00	2,948 ln ft.	200,464.00	35:00	37:00	9:05	200,464.00
				\$ 269,592.40				\$ 269,592.40
Common Area Interiors								
Elevator Cab Interiors	02/01/2043	\$ 7,580.00	2 cabs	\$ 15,160.00	25:00	25:00	23:01	\$ 15,160.00
Flooring, Tile	06/01/2022	14.95	3,148 sq. ft.	47,062.60	30:00	30:00	2:05	47,062.60
				\$ 62,222.60				\$ 62,222.60
Mechanical								
Trash Chute	06/01/2032	\$ 2,880.00	10 floors	\$ 28,800.00	40:00	40:00	12:05	\$ 28,800.00
Trash Chute Doors	06/01/2030	576.00	8 each	4,608.00	24:00	38:00	10:05	4,608.00
				\$ 33,408.00				\$ 33,408.00
Mechanical/Electrical								
Elevator Modernization, Hydraulic	02/01/2043	\$ 105,500.00	1 lp sum	\$ 105,500.00	25:00	25:00	23:01	\$ 105,500.00
Fire Alarm System Modernization	06/01/2022	1,065.00	61 units	64,965.00	30:00	30:00	2:05	64,965.00
				\$ 170,465.00				\$ 170,465.00
Painting & Waterproofing								
Catwalk Resurfacing	06/01/2033	\$ 6.85	39,230 sq. ft.	\$ 268,725.50	15:00	15:00	13:05	\$ 268,725.50
Paint/Waterproof Bldg. Exteriors	06/01/2025	2,428.45	61 units	148,136.00	7:00	7:00	5:05	148,136.00
				\$ 416,861.50				\$ 416,861.50
Roofs								
Roofing, Flat-Modified Bitumen	06/01/2027	\$ 1,090.00	163.7 squares	\$ 178,433.00	20:00	20:00	7:05	\$ 178,433.00
Roofing, Standing Seam Metal	06/01/2033	1,289.00	124.66 squares	160,686.74	26:00	26:00	13:05	160,686.74
				\$ 339,119.74				\$ 339,119.74

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Detail

Items	Replace	Basis Cost	Quantity	Current Cost	Est	Adj	Rem	Future Cost
Reserve Item	Date				Life	Life	Life	
Site Improvements								
Porte Cochere Structure, Aluminum	06/01/2038	\$ 18.90	600 sq. ft.	\$ 11,340.00	24:00	24:00	18:05	\$ 11,340.00
Porte Cochere, Cover	06/01/2026	22.10	642 sq. ft.	14,188.20	12:00	12:00	6:05	14,188.20
				\$ 25,528.20				\$ 25,528.20
				\$ 1,317,197.44				\$ 1,317,197.44

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Balconies, Cages/Railings

Item Number	9
Type	Common Area
Category	Building Exteriors
Measurement Basis	In ft.
Estimated Useful Life	35 Years
Basis Cost	\$ 75.20
Tracking Method	Logistical Adjusted



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0009	06/01/1992	06/01/2029	9:05	37:00	432	32,486.40	32,486.40
						\$ 32,486.40	\$ 32,486.40

Comments

At some point in the foreseeable future, the association should expect to incur costs for replacement of the screen enclosures structures at the unit balconies. We have observed life cycles of less than 20 years, while some properties of 40+ years have not yet completed replacement; in some cases, replacement is completed as a portion of a larger concrete/exterior restoration project. This fund is designed to provide monies for as needed repairs to and eventual replacement of the unit balcony screen enclosures over a 35 year life cycle. The current cost estimate is based on the approximate linear footage of feet at a \$/linear foot unit cost, plus the +/- square feet of screen enclosures at a \$/sq.ft. unit cost.

Note: The association has directed to move the replacement date to 2029. As such, we have adjusted the remaining life and the projected replacement date.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Balcony Cage, Screen Replacement

Item Number	1
Type	Common Area
Category	Building Exteriors
Measurement Basis	sq. ft.
Estimated Useful Life	10 Years
Basis Cost	\$ 9.85
Tracking	Logistical
Method	Adjusted



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0001	06/01/2010	06/01/2029	9:05	19:00	3,720	36,642.00	36,642.00
						\$ 36,642.00	\$ 36,642.00

Comments

Balcony cage screening is replaced typically at intervals of 8-10 years. For the purposes of the study we are assuming that screen enclosures/cages are original to the building. Replacement of the screening is completed on an as needed, incidental basis as a function of the operating maintenance budget. The next replacement has been adjusted to coincide with the balcony cage replacement.

Note: The association has directed to move the replacement date to 2029. As such, we have adjusted the remaining life and the projected replacement date.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Catwalk Railings, Metal Repair/Replace

Item Number	8
Type	Common Area
Category	Building Exteriors
Measurement Basis	In ft.
Estimated Useful Life	35 Years
Basis Cost	\$ 68.00
Tracking	Logistical
Method	Adjusted



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0008	06/01/1992	06/01/2029	9:05	37:00	2,948	200,464.00	200,464.00
						\$ 200,464.00	\$ 200,464.00

Comments

This reserve is designed to fund for the replacement of the subject's railings. We have scheduled this expense on a 28-35 year life cycle, based on actual replacements at similar properties and so that this project is completed in conjunction with future painting projects. The replacement cost estimate is in keeping with market data in the subject's geographical area for similar railings, however, future costs and time frames may vary from these parameters due to unforeseen concrete repairs and/or cosmetic tastes.

Note: The association has directed to move the replacement date to 2029. As such, we have adjusted the remaining life and the projected replacement date.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Elevator Cab Interiors

Item Number 16
Type Common Area
Category Common Area Interiors
Measurement Basis cabs
Estimated Useful Life 25 Years
Basis Cost \$ 7,580.00
Tracking Logistical
Method Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0016	02/01/2018	02/01/2043	23:01	25:00	2	15,160.00	15,160.00
						\$ 15,160.00	\$ 15,160.00

Comments

Major cosmetic refurbishment of passenger elevator cabs (flooring, wall finishes, ceilings/lighting, etc.) has been observed on life cycles in the 15-20 year range in properties of similar overall quality, with the most typical falling on the higher end of the range. This suggests an expense date.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Flooring, Tile

Item Number	6
Type	Common Area
Category	Common Area Interiors
Measurement Basis	sq. ft.
Estimated Useful Life	30 Years
Basis Cost	\$ 14.95
Tracking	Logistical
Method	Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0006	06/01/1992	06/01/2022	2:05	30:00	3,148	47,062.60	47,062.60
						\$ 47,062.60	\$ 47,062.60

Comments

Tile flooring has shown a wide range in useful lives, which can largely depend on the association's cosmetic tastes. Based on our experience, many associations will replace tile flooring on a 20-30 year life cycle. The current cost estimate includes removal and disposal of the existing flooring and replacement with like quality, and is based on an average \$/sq. ft. unit cost and the approximate floor area.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Trash Chute

Item Number 14
Type Common Area
Category Mechanical
Measurement Basis floors
Estimated Useful Life 40 Years
Basis Cost \$ 2,880.00
Tracking Logistical
Method Fixed

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0014	06/01/1992	06/01/2032	12:05	40:00	10	28,800.00	28,800.00
						\$ 28,800.00	\$ 28,800.00

Comments

Data taken from older properties within the southeast Florida marketplace suggests that major trash chute restoration/replacement should be expected on a 35-40+ year basis, which assumes typical and routine maintenance.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Trash Chute Doors

Item Number 15
Type Common Area
Category Mechanical
Measurement Basis each
Estimated Useful Life 24 Years
Basis Cost \$ 576.00
Tracking Logistical
Method Adjusted



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0015	06/01/1992	06/01/2030	10:05	38:00	8	4,608.00	4,608.00
						\$ 4,608.00	\$ 4,608.00

Comments

While some doors may require replacement sooner due to improper use, etc., the market reflects a probable life cycle in the low to mid 20 year range for replacement of trash chute door inventories.

Note: The association has directed that the replacement date is projected to be in 2030. As such we have adjusted the remaining life and the projected date of replacement.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Elevator Modernization, Hydraulic

Item Number	3
Type	Common Area
Category	Mechanical/Electrical
Measurement Basis	lp sum
Estimated Useful Life	25 Years
Basis Cost	\$ 105,500.00
Tracking	Logistical
Method	Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0003	02/01/2018	02/01/2043	23:01	25:00	1	105,500.00	105,500.00
						\$ 105,500.00	\$ 105,500.00

Comments

The useful life of the electrical and mechanical components (motors, controllers, door operators, call buttons, etc.) of hydraulic elevators can range rather widely. Typically, this upgrade is driven by an association’s dissatisfaction with elevator speed, smoothness of ride, and/or noise. We have observed hydraulic elevator modernization after +/- 25 years, to over 40 years. The cost applied was provided and has been trended with inflation.

An elevator modernization consists of varying scopes of work when comparing facility to facility and even elevator to elevator within the same facility. The industry term “Modernization” is essentially the replacement and refurbishment of elevator components to reset the life cycle of the equipment. Typically, the more work that is performed, the longer the next life cycle will be. Asking several elevator companies to provide a quote for an elevator modernization will likely result in several different scopes of work, as each elevator company will likely take a different viewpoint as to what should be replaced, retained and refurbished and with what level of quality and make/model equipment.

Excluded from this report are the hydraulic elevator jacks/pistons. Market data we have observed suggests that while major restoration/replacement can be necessary, it is not always necessary under normal market conditions. As such, it is our opinion that inclusion of reserves for jack/piston replacement is not prudent in the absence of a professional assessment(s) indicating that this upgrade will be necessary. In the event that such an assessment(s) determines that hydraulic jack/piston replacement is

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

necessary, this report should be amended to include that reserve component in the updated study the association has contracted for.

It is recommended that existing service agreement be reviewed by legal counsel, as you may be obligated to fulfill the term of the agreement as this may prohibit the use of non-proprietary replacement parts. A contract termination fee may apply. The elevator modernization bid package should be inclusive of the elevator work.

As part of an elevator modernization, there is often building related work that is required, either for code reasons and or to ensure proper functionality of the elevator after it is modernized. We recommend that the association perform a more detailed survey and discuss a replacement plan with the local authorities to ensure the final scope of work is code compliant.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Fire Alarm System Modernization

Item Number	18
Type	Common Area
Category	Mechanical/Electrical
Measurement Basis	units
Estimated Useful Life	30 Years
Basis Cost	\$ 1,065.00
Tracking	Logistical
Method	Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0018	06/01/1992	06/01/2022	2:05	30:00	61	64,965.00	64,965.00
						\$ 64,965.00	\$ 64,965.00

Comments

Due to improvements in technology and/or parts obsolescence, major modernization of fire alarm system components (panels, pull stations, horns/strobes, detectors, hoses) is typically necessary on a 20-30 year schedule.

Given ever changing technologies and/or changing fire codes, we recommend that as these systems age, a qualified life safety engineer(s) assess the subject's fire alarm systems periodically to determine more specific remaining useful life and cost parameters. We reserve the right to modify this report upon receipt of such an assessment(s).

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Catwalk Resurfacing

Item Number	2
Type	Common Area
Category	Painting & Waterproofing
Measurement Basis	sq. ft.
Estimated Useful Life	15 Years
Basis Cost	\$ 6.85
Tracking	Logistical
Method	Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0002	06/01/2018	06/01/2033	13:05	15:00	39,230	268,725.50	268,725.50
						\$ 268,725.50	\$ 268,725.50

Comments

It is common for properties like the subject to undergo restoration/replacement of the decking/waterproofing systems on the exterior catwalks at roughly every other painting cycle. So that this upgrade is completed in conjunction with exterior painting, which is common, we have utilized a useful life cycle of 14 years. The current cost estimate is based on a \$/square foot unit cost and the total square feet of catwalk floor area.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Paint/Waterproof Bldg. Exteriors

Item Number 7
Type Common Area
Category Painting & Waterproofing
Measurement Basis units
Estimated Useful Life 7 Years
Basis Cost \$ 2,428.45
Tracking Logistical
Method Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0007	06/01/2018	06/01/2025	5:05	7:00	61	148,136.00	148,136.00
						\$ 148,136.00	\$ 148,136.00

Comments

To insure proper protection of the underlying concrete, stucco, wood and metal surfaces, the market reflects a maximum 7 year useful life for exterior painting & waterproofing (in lieu of an association purchased 10 year warranty). The current average per dwelling unit cost estimate includes typical minor concrete/stucco repairs, surface preparation, as needed window/sliding glass door caulking and painting/refinishing of all exterior concrete, stucco, wood and metal surfaces (including railings and window/slider frames). Note: The cost includes the painting of the stairwell interiors.

A determination of the condition of the exterior concrete systems is beyond the scope of this report. While it is certain that some measure of concrete restoration will be necessary in any property of the subject's design and construction with exposure to the ocean elements, it is very difficult to quantify budgetary costs and remaining useful lives. Costs can range from as low as \$5,000 per unit to over \$60,000 per unit, and useful lives can range from as low as roughly 15 years to over 40 years. It is our market observation that very few associations establish and fund major concrete restoration reserves, given the relative uncertainty of cost and useful life; it is much more common for these upgrades to be funded (at least partially) via special assessment. No reserves for concrete restoration were included in this report. Should the association wish to include reserves for concrete restoration, a budgetary funding goal and useful life cycle would need to be provided.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Roofing, Flat-Modified Bitumen

Item Number 10
Type Common Area
Category Roofs
Measurement Basis squares
Estimated Useful Life 20 Years
Basis Cost \$ 1,090.00
Tracking Logistical
Method Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0010	06/01/2007	06/01/2027	7:05	20:00	163.7	178,433.00	178,433.00
						\$ 178,433.00	\$ 178,433.00

Comments

Data gleaned from both within and outside the local market area reflects a probable life cycle in the 18-20 year range for a properly designed, installed and maintained flat/membrane roof. As no professional roofing studies were provided that would suggest that physical conditions exist at this (or any other common area) roofing, a 2027 replacement date was scheduled. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, etc. and installation of like roofing.

one square = 100 square feet

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Roofing, Standing Seam Metal

Item Number	11
Type	Common Area
Category	Roofs
Measurement Basis	squares
Estimated Useful Life	26 Years
Basis Cost	\$ 1,289.00
Tracking	Logistical
Method	Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0011	06/01/2007	06/01/2033	13:05	26:00	124.66	160,686.74	160,686.74
						\$ 160,686.74	\$ 160,686.74

Comments

Assuming installation with non-corrosive metal panels, hardware/fasteners, etc., standing seam metal/Galvalume roofing has an expected useful life in the 25-30+ year range under normal conditions. As no professional roofing studies were provided that would suggest that physical conditions exist at this (or any other common area) roofing that would otherwise limit its remaining useful life, this fund is designed to provide monies for as needed repairs to and eventual replacement over a 26 year life cycle. The current unit cost estimate includes tear off and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, as needed repair/replacement of fascia, soffits and/or gutters and downspouts (as applicable), and installation of like roofing.

One square = 100 square feet

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Porte Cochere Structure, Aluminum

Item Number	13
Type	Common Area
Category	Site Improvements
Measurement Basis	sq. ft.
Estimated Useful Life	24 Years
Basis Cost	\$ 18.90
Tracking	Logistical
Method	Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0013	06/01/2014	06/01/2038	18:05	24:00	600	11,340.00	11,340.00
						\$ 11,340.00	\$ 11,340.00

Comments

The aluminum shade structure should have a +/- 25 year life cycle, assuming proper installation and maintenance. The replacement cost estimate is based on our knowledge of aluminum structure replacement on a per square foot basis.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Item Parameters - Full Detail

Porte Cochere, Cover

Item Number	12
Type	Common Area
Category	Site Improvements
Measurement Basis	sq. ft.
Estimated Useful Life	12 Years
Basis Cost	\$ 22.10
Tracking	Logistical
Method	Fixed



Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Current Cost	Future Cost
910-000-0012	06/01/2014	06/01/2026	6:05	12:00	642	14,188.20	14,188.20
						\$ 14,188.20	\$ 14,188.20

Comments

It is foreseeable that the porte cochere fabric or canvas will need to be replaced once in the shade structure's life. The typical useful life for canopy canvas is in the life cycle of 10-12 years. The quality and cost of fabric/canvas can vary widely.

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Expenditures

Reserve Item	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Balconies, Cages/Railings										\$ 32,486
Balcony Cage, Screen Replacement										36,642
Catwalk Railings, Metal Repair/Replace										200,464
Catwalk Resurfacing										
Elevator Cab Interiors										
Elevator Modernization, Hydraulic										
Fire Alarm System Modernization			64,965							
Flooring, Tile			47,062							
Paint/Waterproof Bldg. Exteriors						148,136				
Porte Cochere Structure, Aluminum										
Porte Cochere, Cover							14,188			
Roofing, Flat-Modified Bitumen								178,433		
Roofing, Standing Seam Metal										
Trash Chute										
Trash Chute Doors										
	\$ 0	\$ 0	\$ 112,027	\$ 0	\$ 0	\$ 148,136	\$ 14,188	\$ 178,433	\$ 0	\$ 269,592

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Expenditures

Reserve Item	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Balconies, Cages/Railings										
Balcony Cage, Screen Replacement										36,642
Catwalk Railings, Metal Repair/Replace										
Catwalk Resurfacing				268,725						
Elevator Cab Interiors										
Elevator Modernization, Hydraulic										
Fire Alarm System Modernization										
Flooring, Tile										
Paint/Waterproof Bldg. Exteriors			148,136							148,136
Porte Cochere Structure, Aluminum									11,340	
Porte Cochere, Cover									14,188	
Roofing, Flat-Modified Bitumen										
Roofing, Standing Seam Metal				160,686						
Trash Chute			28,800							
Trash Chute Doors	4,608									
	<u>\$ 4,608</u>	<u>\$ 0</u>	<u>\$ 176,936</u>	<u>\$ 429,412</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,528</u>	<u>\$ 184,778</u>

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Expenditures

Reserve Item	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Balconies, Cages/Railings										
Balcony Cage, Screen Replacement										36,642
Catwalk Railings, Metal Repair/Replace										
Catwalk Resurfacing									268,725	
Elevator Cab Interiors				15,160						
Elevator Modernization, Hydraulic				105,500						
Fire Alarm System Modernization										
Flooring, Tile										
Paint/Waterproof Bldg. Exteriors							148,136			
Porte Cochere Structure, Aluminum										
Porte Cochere, Cover										
Roofing, Flat-Modified Bitumen								178,433		
Roofing, Standing Seam Metal										
Trash Chute										
Trash Chute Doors										
	\$ 0	\$ 0	\$ 0	\$ 120,660	\$ 0	\$ 0	\$ 148,136	\$ 178,433	\$ 268,725	\$ 36,642

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Cash Flow - Annual

<u>Period</u>	<u>Beginning Balance</u>	<u>Contribution</u>	<u>Interest Earned</u>	<u>Expenditures</u>	<u>Ending Balance</u>
01/20 - 12/20	\$ 245,383.39	\$ 76,440.00	\$ 994.13	\$ 0.00	\$ 322,817.52
01/21 - 12/21	322,817.52	76,440.00	1,265.59	0.00	400,523.11
01/22 - 12/22	400,523.11	76,440.00	1,325.44	112,027.60	366,260.95
01/23 - 12/23	366,260.95	76,440.00	1,417.88	0.00	444,118.83
01/24 - 12/24	444,118.83	76,440.00	1,690.83	0.00	522,249.66
01/25 - 12/25	522,249.66	76,440.00	1,683.65	148,136.00	452,237.31
01/26 - 12/26	452,237.31	76,440.00	1,692.36	14,188.20	516,181.47
01/27 - 12/27	516,181.47	76,440.00	1,604.88	178,433.00	415,793.35
01/28 - 12/28	415,793.35	76,440.00	1,591.52	0.00	493,824.87
01/29 - 12/29	493,824.87	76,440.00	1,353.55	269,592.40	302,026.02
	<u>\$ 245,383.39</u>	<u>\$ 764,400.00</u>	<u>\$ 14,619.83</u>	<u>\$ 722,377.20</u>	<u>\$ 302,026.02</u>

<u>Period</u>	<u>Beginning Balance</u>	<u>Contribution</u>	<u>Interest Earned</u>	<u>Expenditures</u>	<u>Ending Balance</u>
01/30 - 12/30	\$ 302,026.02	\$ 76,440.00	\$ 1,183.95	\$ 4,608.00	\$ 375,041.97
01/31 - 12/31	375,041.97	76,440.00	1,448.68	0.00	452,930.65
01/32 - 12/32	452,930.65	76,440.00	1,386.00	176,936.00	353,820.65
01/33 - 12/33	353,820.65	76,440.00	590.46	429,412.24	1,438.87
01/34 - 12/34	1,438.87	76,440.00	138.98	0.00	78,017.85
01/35 - 12/35	78,017.85	76,440.00	407.41	0.00	154,865.26
01/36 - 12/36	154,865.26	76,440.00	676.80	0.00	231,982.06
01/37 - 12/37	231,982.06	76,440.00	947.17	0.00	309,369.23
01/38 - 12/38	309,369.23	76,440.00	1,170.01	25,528.20	361,451.04
01/39 - 12/39	361,451.04	76,440.00	1,050.42	184,778.00	254,163.46
	<u>\$ 302,026.02</u>	<u>\$ 764,400.00</u>	<u>\$ 8,999.88</u>	<u>\$ 821,262.44</u>	<u>\$ 254,163.46</u>

<u>Period</u>	<u>Beginning Balance</u>	<u>Contribution</u>	<u>Interest Earned</u>	<u>Expenditures</u>	<u>Ending Balance</u>
01/40 - 12/40	\$ 254,163.46	\$ 76,440.00	\$ 1,024.90	\$ 0.00	\$ 331,628.36
01/41 - 12/41	331,628.36	76,440.00	1,296.45	0.00	409,364.81
01/42 - 12/42	409,364.81	76,440.00	1,568.98	0.00	487,373.79
01/43 - 12/43	487,373.79	76,440.00	1,472.41	120,660.00	444,626.20
01/44 - 12/44	444,626.20	76,440.00	1,692.62	0.00	522,758.82
01/45 - 12/45	522,758.82	76,440.00	1,966.49	0.00	601,165.31
01/46 - 12/46	601,165.31	76,440.00	1,960.30	148,136.00	531,429.61
01/47 - 12/47	531,429.61	76,440.00	1,658.35	178,433.00	431,094.96
01/48 - 12/48	431,094.96	76,440.00	1,135.29	268,725.50	239,944.75
01/49 - 12/49	239,944.75	76,440.00	905.52	36,642.00	280,648.27
	<u>\$ 254,163.46</u>	<u>\$ 764,400.00</u>	<u>\$ 14,681.31</u>	<u>\$ 752,596.50</u>	<u>\$ 280,648.27</u>

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Cash Flow - Monthly

2020	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 245,383.39	\$ 6,370.00	\$ 72.50	\$ 0.00	\$ 251,825.89
February	251,825.89	6,370.00	74.38	0.00	258,270.27
March	258,270.27	6,370.00	76.26	0.00	264,716.53
April	264,716.53	6,370.00	78.14	0.00	271,164.67
May	271,164.67	6,370.00	80.02	0.00	277,614.69
June	277,614.69	6,370.00	81.90	0.00	284,066.59
July	284,066.59	6,370.00	83.78	0.00	290,520.37
August	290,520.37	6,370.00	85.66	0.00	296,976.03
September	296,976.03	6,370.00	87.55	0.00	303,433.58
October	303,433.58	6,370.00	89.43	0.00	309,893.01
November	309,893.01	6,370.00	91.31	0.00	316,354.32
December	316,354.32	6,370.00	93.20	0.00	322,817.52
	<u>\$ 245,383.39</u>	<u>\$ 76,440.00</u>	<u>\$ 994.13</u>	<u>\$ 0.00</u>	<u>\$ 322,817.52</u>

2021	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 322,817.52	\$ 6,370.00	\$ 95.08	\$ 0.00	\$ 329,282.60
February	329,282.60	6,370.00	96.97	0.00	335,749.57
March	335,749.57	6,370.00	98.86	0.00	342,218.43
April	342,218.43	6,370.00	100.74	0.00	348,689.17
May	348,689.17	6,370.00	102.63	0.00	355,161.80
June	355,161.80	6,370.00	104.52	0.00	361,636.32
July	361,636.32	6,370.00	106.41	0.00	368,112.73
August	368,112.73	6,370.00	108.30	0.00	374,591.03
September	374,591.03	6,370.00	110.18	0.00	381,071.21
October	381,071.21	6,370.00	112.07	0.00	387,553.28
November	387,553.28	6,370.00	113.97	0.00	394,037.25
December	394,037.25	6,370.00	115.86	0.00	400,523.11
	<u>\$ 322,817.52</u>	<u>\$ 76,440.00</u>	<u>\$ 1,265.59</u>	<u>\$ 0.00</u>	<u>\$ 400,523.11</u>

2022	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 400,523.11	\$ 6,370.00	\$ 117.75	\$ 0.00	\$ 407,010.86
February	407,010.86	6,370.00	119.64	0.00	413,500.50
March	413,500.50	6,370.00	121.53	0.00	419,992.03
April	419,992.03	6,370.00	123.43	0.00	426,485.46
May	426,485.46	6,370.00	125.32	0.00	432,980.78
June	432,980.78	6,370.00	110.88	112,027.60	327,434.06
July	327,434.06	6,370.00	96.43	0.00	333,900.49
August	333,900.49	6,370.00	98.32	0.00	340,368.81
September	340,368.81	6,370.00	100.20	0.00	346,839.01
October	346,839.01	6,370.00	102.09	0.00	353,311.10
November	353,311.10	6,370.00	103.98	0.00	359,785.08
December	359,785.08	6,370.00	105.87	0.00	366,260.95
	<u>\$ 400,523.11</u>	<u>\$ 76,440.00</u>	<u>\$ 1,325.44</u>	<u>\$ 112,027.60</u>	<u>\$ 366,260.95</u>

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Cash Flow - Monthly

2023	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 366,260.95	\$ 6,370.00	\$ 107.76	\$ 0.00	\$ 372,738.71
February	372,738.71	6,370.00	109.64	0.00	379,218.35
March	379,218.35	6,370.00	111.53	0.00	385,699.88
April	385,699.88	6,370.00	113.42	0.00	392,183.30
May	392,183.30	6,370.00	115.32	0.00	398,668.62
June	398,668.62	6,370.00	117.21	0.00	405,155.83
July	405,155.83	6,370.00	119.10	0.00	411,644.93
August	411,644.93	6,370.00	120.99	0.00	418,135.92
September	418,135.92	6,370.00	122.89	0.00	424,628.81
October	424,628.81	6,370.00	124.78	0.00	431,123.59
November	431,123.59	6,370.00	126.67	0.00	437,620.26
December	437,620.26	6,370.00	128.57	0.00	444,118.83
	<u>\$ 366,260.95</u>	<u>\$ 76,440.00</u>	<u>\$ 1,417.88</u>	<u>\$ 0.00</u>	<u>\$ 444,118.83</u>

2024	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 444,118.83	\$ 6,370.00	\$ 130.46	\$ 0.00	\$ 450,619.29
February	450,619.29	6,370.00	132.36	0.00	457,121.65
March	457,121.65	6,370.00	134.26	0.00	463,625.91
April	463,625.91	6,370.00	136.15	0.00	470,132.06
May	470,132.06	6,370.00	138.05	0.00	476,640.11
June	476,640.11	6,370.00	139.95	0.00	483,150.06
July	483,150.06	6,370.00	141.85	0.00	489,661.91
August	489,661.91	6,370.00	143.75	0.00	496,175.66
September	496,175.66	6,370.00	145.65	0.00	502,691.31
October	502,691.31	6,370.00	147.55	0.00	509,208.86
November	509,208.86	6,370.00	149.45	0.00	515,728.31
December	515,728.31	6,370.00	151.35	0.00	522,249.66
	<u>\$ 444,118.83</u>	<u>\$ 76,440.00</u>	<u>\$ 1,690.83</u>	<u>\$ 0.00</u>	<u>\$ 522,249.66</u>

2025	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 522,249.66	\$ 6,370.00	\$ 153.25	\$ 0.00	\$ 528,772.91
February	528,772.91	6,370.00	155.15	0.00	535,298.06
March	535,298.06	6,370.00	157.06	0.00	541,825.12
April	541,825.12	6,370.00	158.96	0.00	548,354.08
May	548,354.08	6,370.00	160.87	0.00	554,884.95
June	554,884.95	6,370.00	141.17	148,136.00	413,260.12
July	413,260.12	6,370.00	121.46	0.00	419,751.58
August	419,751.58	6,370.00	123.36	0.00	426,244.94
September	426,244.94	6,370.00	125.25	0.00	432,740.19
October	432,740.19	6,370.00	127.14	0.00	439,237.33
November	439,237.33	6,370.00	129.04	0.00	445,736.37
December	445,736.37	6,370.00	130.94	0.00	452,237.31
	<u>\$ 522,249.66</u>	<u>\$ 76,440.00</u>	<u>\$ 1,683.65</u>	<u>\$ 148,136.00</u>	<u>\$ 452,237.31</u>

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Cash Flow - Monthly

2026	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 452,237.31	\$ 6,370.00	\$ 132.83	\$ 0.00	\$ 458,740.14
February	458,740.14	6,370.00	134.73	0.00	465,244.87
March	465,244.87	6,370.00	136.63	0.00	471,751.50
April	471,751.50	6,370.00	138.52	0.00	478,260.02
May	478,260.02	6,370.00	140.42	0.00	484,770.44
June	484,770.44	6,370.00	140.25	14,188.20	477,092.49
July	477,092.49	6,370.00	140.08	0.00	483,602.57
August	483,602.57	6,370.00	141.98	0.00	490,114.55
September	490,114.55	6,370.00	143.88	0.00	496,628.43
October	496,628.43	6,370.00	145.78	0.00	503,144.21
November	503,144.21	6,370.00	147.68	0.00	509,661.89
December	509,661.89	6,370.00	149.58	0.00	516,181.47
	<u>\$ 452,237.31</u>	<u>\$ 76,440.00</u>	<u>\$ 1,692.36</u>	<u>\$ 14,188.20</u>	<u>\$ 516,181.47</u>

2027	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 516,181.47	\$ 6,370.00	\$ 151.48	\$ 0.00	\$ 522,702.95
February	522,702.95	6,370.00	153.38	0.00	529,226.33
March	529,226.33	6,370.00	155.29	0.00	535,751.62
April	535,751.62	6,370.00	157.19	0.00	542,278.81
May	542,278.81	6,370.00	159.09	0.00	548,807.90
June	548,807.90	6,370.00	134.98	178,433.00	376,879.88
July	376,879.88	6,370.00	110.85	0.00	383,360.73
August	383,360.73	6,370.00	112.74	0.00	389,843.47
September	389,843.47	6,370.00	114.63	0.00	396,328.10
October	396,328.10	6,370.00	116.52	0.00	402,814.62
November	402,814.62	6,370.00	118.42	0.00	409,303.04
December	409,303.04	6,370.00	120.31	0.00	415,793.35
	<u>\$ 516,181.47</u>	<u>\$ 76,440.00</u>	<u>\$ 1,604.88</u>	<u>\$ 178,433.00</u>	<u>\$ 415,793.35</u>

2028	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 415,793.35	\$ 6,370.00	\$ 122.20	\$ 0.00	\$ 422,285.55
February	422,285.55	6,370.00	124.10	0.00	428,779.65
March	428,779.65	6,370.00	125.99	0.00	435,275.64
April	435,275.64	6,370.00	127.88	0.00	441,773.52
May	441,773.52	6,370.00	129.78	0.00	448,273.30
June	448,273.30	6,370.00	131.68	0.00	454,774.98
July	454,774.98	6,370.00	133.57	0.00	461,278.55
August	461,278.55	6,370.00	135.47	0.00	467,784.02
September	467,784.02	6,370.00	137.37	0.00	474,291.39
October	474,291.39	6,370.00	139.26	0.00	480,800.65
November	480,800.65	6,370.00	141.16	0.00	487,311.81
December	487,311.81	6,370.00	143.06	0.00	493,824.87
	<u>\$ 415,793.35</u>	<u>\$ 76,440.00</u>	<u>\$ 1,591.52</u>	<u>\$ 0.00</u>	<u>\$ 493,824.87</u>

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Cash Flow - Monthly

2029	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 493,824.87	\$ 6,370.00	\$ 144.96	\$ 0.00	\$ 500,339.83
February	500,339.83	6,370.00	146.86	0.00	506,856.69
March	506,856.69	6,370.00	148.76	0.00	513,375.45
April	513,375.45	6,370.00	150.66	0.00	519,896.11
May	519,896.11	6,370.00	152.57	0.00	526,418.68
June	526,418.68	6,370.00	115.15	269,592.40	263,311.43
July	263,311.43	6,370.00	77.73	0.00	269,759.16
August	269,759.16	6,370.00	79.61	0.00	276,208.77
September	276,208.77	6,370.00	81.49	0.00	282,660.26
October	282,660.26	6,370.00	83.37	0.00	289,113.63
November	289,113.63	6,370.00	85.25	0.00	295,568.88
December	295,568.88	6,370.00	87.14	0.00	302,026.02
	<u>\$ 493,824.87</u>	<u>\$ 76,440.00</u>	<u>\$ 1,353.55</u>	<u>\$ 269,592.40</u>	<u>\$ 302,026.02</u>

2030	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 302,026.02	\$ 6,370.00	\$ 89.02	\$ 0.00	\$ 308,485.04
February	308,485.04	6,370.00	90.90	0.00	314,945.94
March	314,945.94	6,370.00	92.79	0.00	321,408.73
April	321,408.73	6,370.00	94.67	0.00	327,873.40
May	327,873.40	6,370.00	96.56	0.00	334,339.96
June	334,339.96	6,370.00	97.77	4,608.00	336,199.73
July	336,199.73	6,370.00	98.99	0.00	342,668.72
August	342,668.72	6,370.00	100.87	0.00	349,139.59
September	349,139.59	6,370.00	102.76	0.00	355,612.35
October	355,612.35	6,370.00	104.65	0.00	362,087.00
November	362,087.00	6,370.00	106.54	0.00	368,563.54
December	368,563.54	6,370.00	108.43	0.00	375,041.97
	<u>\$ 302,026.02</u>	<u>\$ 76,440.00</u>	<u>\$ 1,183.95</u>	<u>\$ 4,608.00</u>	<u>\$ 375,041.97</u>

2031	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 375,041.97	\$ 6,370.00	\$ 110.32	\$ 0.00	\$ 381,522.29
February	381,522.29	6,370.00	112.21	0.00	388,004.50
March	388,004.50	6,370.00	114.10	0.00	394,488.60
April	394,488.60	6,370.00	115.99	0.00	400,974.59
May	400,974.59	6,370.00	117.88	0.00	407,462.47
June	407,462.47	6,370.00	119.77	0.00	413,952.24
July	413,952.24	6,370.00	121.67	0.00	420,443.91
August	420,443.91	6,370.00	123.56	0.00	426,937.47
September	426,937.47	6,370.00	125.45	0.00	433,432.92
October	433,432.92	6,370.00	127.35	0.00	439,930.27
November	439,930.27	6,370.00	129.24	0.00	446,429.51
December	446,429.51	6,370.00	131.14	0.00	452,930.65
	<u>\$ 375,041.97</u>	<u>\$ 76,440.00</u>	<u>\$ 1,448.68</u>	<u>\$ 0.00</u>	<u>\$ 452,930.65</u>

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2032	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 452,930.65	\$ 6,370.00	\$ 133.03	\$ 0.00	\$ 459,433.68
February	459,433.68	6,370.00	134.93	0.00	465,938.61
March	465,938.61	6,370.00	136.83	0.00	472,445.44
April	472,445.44	6,370.00	138.73	0.00	478,954.17
May	478,954.17	6,370.00	140.62	0.00	485,464.79
June	485,464.79	6,370.00	116.72	176,936.00	315,015.51
July	315,015.51	6,370.00	92.81	0.00	321,478.32
August	321,478.32	6,370.00	94.69	0.00	327,943.01
September	327,943.01	6,370.00	96.58	0.00	334,409.59
October	334,409.59	6,370.00	98.47	0.00	340,878.06
November	340,878.06	6,370.00	100.35	0.00	347,348.41
December	347,348.41	6,370.00	102.24	0.00	353,820.65
	<u>\$ 452,930.65</u>	<u>\$ 76,440.00</u>	<u>\$ 1,386.00</u>	<u>\$ 176,936.00</u>	<u>\$ 353,820.65</u>

2033	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 353,820.65	\$ 6,370.00	\$ 104.13	\$ 0.00	\$ 360,294.78
February	360,294.78	6,370.00	106.01	0.00	366,770.79
March	366,770.79	6,370.00	107.90	0.00	373,248.69
April	373,248.69	6,370.00	109.79	0.00	379,728.48
May	379,728.48	6,370.00	111.68	0.00	386,210.16
June	386,210.16	6,370.00	50.95	429,412.24	-36,781.13
July	-36,781.13	6,370.00	0.00	0.00	-30,411.13
August	-30,411.13	6,370.00	0.00	0.00	-24,041.13
September	-24,041.13	6,370.00	0.00	0.00	-17,671.13
October	-17,671.13	6,370.00	0.00	0.00	-11,301.13
November	-11,301.13	6,370.00	0.00	0.00	-4,931.13
December	-4,931.13	6,370.00	0.00	0.00	1,438.87
	<u>\$ 353,820.65</u>	<u>\$ 76,440.00</u>	<u>\$ 590.46</u>	<u>\$ 429,412.24</u>	<u>\$ 1,438.87</u>

2034	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 1,438.87	\$ 6,370.00	\$ 1.35	\$ 0.00	\$ 7,810.22
February	7,810.22	6,370.00	3.21	0.00	14,183.43
March	14,183.43	6,370.00	5.07	0.00	20,558.50
April	20,558.50	6,370.00	6.93	0.00	26,935.43
May	26,935.43	6,370.00	8.79	0.00	33,314.22
June	33,314.22	6,370.00	10.65	0.00	39,694.87
July	39,694.87	6,370.00	12.51	0.00	46,077.38
August	46,077.38	6,370.00	14.37	0.00	52,461.75
September	52,461.75	6,370.00	16.23	0.00	58,847.98
October	58,847.98	6,370.00	18.09	0.00	65,236.07
November	65,236.07	6,370.00	19.96	0.00	71,626.03
December	71,626.03	6,370.00	21.82	0.00	78,017.85
	<u>\$ 1,438.87</u>	<u>\$ 76,440.00</u>	<u>\$ 138.98</u>	<u>\$ 0.00</u>	<u>\$ 78,017.85</u>

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2035	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 78,017.85	\$ 6,370.00	\$ 23.68	\$ 0.00	\$ 84,411.53
February	84,411.53	6,370.00	25.55	0.00	90,807.08
March	90,807.08	6,370.00	27.41	0.00	97,204.49
April	97,204.49	6,370.00	29.28	0.00	103,603.77
May	103,603.77	6,370.00	31.15	0.00	110,004.92
June	110,004.92	6,370.00	33.01	0.00	116,407.93
July	116,407.93	6,370.00	34.88	0.00	122,812.81
August	122,812.81	6,370.00	36.75	0.00	129,219.56
September	129,219.56	6,370.00	38.62	0.00	135,628.18
October	135,628.18	6,370.00	40.49	0.00	142,038.67
November	142,038.67	6,370.00	42.36	0.00	148,451.03
December	148,451.03	6,370.00	44.23	0.00	154,865.26
	<u>\$ 78,017.85</u>	<u>\$ 76,440.00</u>	<u>\$ 407.41</u>	<u>\$ 0.00</u>	<u>\$ 154,865.26</u>

2036	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 154,865.26	\$ 6,370.00	\$ 46.10	\$ 0.00	\$ 161,281.36
February	161,281.36	6,370.00	47.97	0.00	167,699.33
March	167,699.33	6,370.00	49.84	0.00	174,119.17
April	174,119.17	6,370.00	51.71	0.00	180,540.88
May	180,540.88	6,370.00	53.59	0.00	186,964.47
June	186,964.47	6,370.00	55.46	0.00	193,389.93
July	193,389.93	6,370.00	57.33	0.00	199,817.26
August	199,817.26	6,370.00	59.21	0.00	206,246.47
September	206,246.47	6,370.00	61.08	0.00	212,677.55
October	212,677.55	6,370.00	62.96	0.00	219,110.51
November	219,110.51	6,370.00	64.84	0.00	225,545.35
December	225,545.35	6,370.00	66.71	0.00	231,982.06
	<u>\$ 154,865.26</u>	<u>\$ 76,440.00</u>	<u>\$ 676.80</u>	<u>\$ 0.00</u>	<u>\$ 231,982.06</u>

2037	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 231,982.06	\$ 6,370.00	\$ 68.59	\$ 0.00	\$ 238,420.65
February	238,420.65	6,370.00	70.47	0.00	244,861.12
March	244,861.12	6,370.00	72.35	0.00	251,303.47
April	251,303.47	6,370.00	74.23	0.00	257,747.70
May	257,747.70	6,370.00	76.11	0.00	264,193.81
June	264,193.81	6,370.00	77.99	0.00	270,641.80
July	270,641.80	6,370.00	79.87	0.00	277,091.67
August	277,091.67	6,370.00	81.75	0.00	283,543.42
September	283,543.42	6,370.00	83.63	0.00	289,997.05
October	289,997.05	6,370.00	85.51	0.00	296,452.56
November	296,452.56	6,370.00	87.39	0.00	302,909.95
December	302,909.95	6,370.00	89.28	0.00	309,369.23
	<u>\$ 231,982.06</u>	<u>\$ 76,440.00</u>	<u>\$ 947.17</u>	<u>\$ 0.00</u>	<u>\$ 309,369.23</u>

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Cash Flow - Monthly

2038	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 309,369.23	\$ 6,370.00	\$ 91.16	\$ 0.00	\$ 315,830.39
February	315,830.39	6,370.00	93.05	0.00	322,293.44
March	322,293.44	6,370.00	94.93	0.00	328,758.37
April	328,758.37	6,370.00	96.82	0.00	335,225.19
May	335,225.19	6,370.00	98.70	0.00	341,693.89
June	341,693.89	6,370.00	96.87	25,528.20	322,632.56
July	322,632.56	6,370.00	95.03	0.00	329,097.59
August	329,097.59	6,370.00	96.92	0.00	335,564.51
September	335,564.51	6,370.00	98.80	0.00	342,033.31
October	342,033.31	6,370.00	100.69	0.00	348,504.00
November	348,504.00	6,370.00	102.58	0.00	354,976.58
December	354,976.58	6,370.00	104.46	0.00	361,451.04
	<u>\$ 309,369.23</u>	<u>\$ 76,440.00</u>	<u>\$ 1,170.01</u>	<u>\$ 25,528.20</u>	<u>\$ 361,451.04</u>

2039	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 361,451.04	\$ 6,370.00	\$ 106.35	\$ 0.00	\$ 367,927.39
February	367,927.39	6,370.00	108.24	0.00	374,405.63
March	374,405.63	6,370.00	110.13	0.00	380,885.76
April	380,885.76	6,370.00	112.02	0.00	387,367.78
May	387,367.78	6,370.00	113.91	0.00	393,851.69
June	393,851.69	6,370.00	88.86	184,778.00	215,532.55
July	215,532.55	6,370.00	63.79	0.00	221,966.34
August	221,966.34	6,370.00	65.67	0.00	228,402.01
September	228,402.01	6,370.00	67.55	0.00	234,839.56
October	234,839.56	6,370.00	69.42	0.00	241,278.98
November	241,278.98	6,370.00	71.30	0.00	247,720.28
December	247,720.28	6,370.00	73.18	0.00	254,163.46
	<u>\$ 361,451.04</u>	<u>\$ 76,440.00</u>	<u>\$ 1,050.42</u>	<u>\$ 184,778.00</u>	<u>\$ 254,163.46</u>

2040	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 254,163.46	\$ 6,370.00	\$ 75.06	\$ 0.00	\$ 260,608.52
February	260,608.52	6,370.00	76.94	0.00	267,055.46
March	267,055.46	6,370.00	78.82	0.00	273,504.28
April	273,504.28	6,370.00	80.70	0.00	279,954.98
May	279,954.98	6,370.00	82.58	0.00	286,407.56
June	286,407.56	6,370.00	84.46	0.00	292,862.02
July	292,862.02	6,370.00	86.35	0.00	299,318.37
August	299,318.37	6,370.00	88.23	0.00	305,776.60
September	305,776.60	6,370.00	90.11	0.00	312,236.71
October	312,236.71	6,370.00	92.00	0.00	318,698.71
November	318,698.71	6,370.00	93.88	0.00	325,162.59
December	325,162.59	6,370.00	95.77	0.00	331,628.36
	<u>\$ 254,163.46</u>	<u>\$ 76,440.00</u>	<u>\$ 1,024.90</u>	<u>\$ 0.00</u>	<u>\$ 331,628.36</u>

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2041	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 331,628.36	\$ 6,370.00	\$ 97.65	\$ 0.00	\$ 338,096.01
February	338,096.01	6,370.00	99.54	0.00	344,565.55
March	344,565.55	6,370.00	101.43	0.00	351,036.98
April	351,036.98	6,370.00	103.31	0.00	357,510.29
May	357,510.29	6,370.00	105.20	0.00	363,985.49
June	363,985.49	6,370.00	107.09	0.00	370,462.58
July	370,462.58	6,370.00	108.98	0.00	376,941.56
August	376,941.56	6,370.00	110.87	0.00	383,422.43
September	383,422.43	6,370.00	112.76	0.00	389,905.19
October	389,905.19	6,370.00	114.65	0.00	396,389.84
November	396,389.84	6,370.00	116.54	0.00	402,876.38
December	402,876.38	6,370.00	118.43	0.00	409,364.81
	<u>\$ 331,628.36</u>	<u>\$ 76,440.00</u>	<u>\$ 1,296.45</u>	<u>\$ 0.00</u>	<u>\$ 409,364.81</u>

2042	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 409,364.81	\$ 6,370.00	\$ 120.33	\$ 0.00	\$ 415,855.14
February	415,855.14	6,370.00	122.22	0.00	422,347.36
March	422,347.36	6,370.00	124.11	0.00	428,841.47
April	428,841.47	6,370.00	126.01	0.00	435,337.48
May	435,337.48	6,370.00	127.90	0.00	441,835.38
June	441,835.38	6,370.00	129.80	0.00	448,335.18
July	448,335.18	6,370.00	131.69	0.00	454,836.87
August	454,836.87	6,370.00	133.59	0.00	461,340.46
September	461,340.46	6,370.00	135.49	0.00	467,845.95
October	467,845.95	6,370.00	137.38	0.00	474,353.33
November	474,353.33	6,370.00	139.28	0.00	480,862.61
December	480,862.61	6,370.00	141.18	0.00	487,373.79
	<u>\$ 409,364.81</u>	<u>\$ 76,440.00</u>	<u>\$ 1,568.98</u>	<u>\$ 0.00</u>	<u>\$ 487,373.79</u>

2043	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 487,373.79	\$ 6,370.00	\$ 143.08	\$ 0.00	\$ 493,886.87
February	493,886.87	6,370.00	127.38	120,660.00	379,724.25
March	379,724.25	6,370.00	111.68	0.00	386,205.93
April	386,205.93	6,370.00	113.57	0.00	392,689.50
May	392,689.50	6,370.00	115.46	0.00	399,174.96
June	399,174.96	6,370.00	117.35	0.00	405,662.31
July	405,662.31	6,370.00	119.25	0.00	412,151.56
August	412,151.56	6,370.00	121.14	0.00	418,642.70
September	418,642.70	6,370.00	123.03	0.00	425,135.73
October	425,135.73	6,370.00	124.93	0.00	431,630.66
November	431,630.66	6,370.00	126.82	0.00	438,127.48
December	438,127.48	6,370.00	128.72	0.00	444,626.20
	<u>\$ 487,373.79</u>	<u>\$ 76,440.00</u>	<u>\$ 1,472.41</u>	<u>\$ 120,660.00</u>	<u>\$ 444,626.20</u>

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2044	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 444,626.20	\$ 6,370.00	\$ 130.61	\$ 0.00	\$ 451,126.81
February	451,126.81	6,370.00	132.51	0.00	457,629.32
March	457,629.32	6,370.00	134.40	0.00	464,133.72
April	464,133.72	6,370.00	136.30	0.00	470,640.02
May	470,640.02	6,370.00	138.20	0.00	477,148.22
June	477,148.22	6,370.00	140.10	0.00	483,658.32
July	483,658.32	6,370.00	142.00	0.00	490,170.32
August	490,170.32	6,370.00	143.90	0.00	496,684.22
September	496,684.22	6,370.00	145.80	0.00	503,200.02
October	503,200.02	6,370.00	147.70	0.00	509,717.72
November	509,717.72	6,370.00	149.60	0.00	516,237.32
December	516,237.32	6,370.00	151.50	0.00	522,758.82
	<u>\$ 444,626.20</u>	<u>\$ 76,440.00</u>	<u>\$ 1,692.62</u>	<u>\$ 0.00</u>	<u>\$ 522,758.82</u>

2045	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 522,758.82	\$ 6,370.00	\$ 153.40	\$ 0.00	\$ 529,282.22
February	529,282.22	6,370.00	155.30	0.00	535,807.52
March	535,807.52	6,370.00	157.21	0.00	542,334.73
April	542,334.73	6,370.00	159.11	0.00	548,863.84
May	548,863.84	6,370.00	161.01	0.00	555,394.85
June	555,394.85	6,370.00	162.92	0.00	561,927.77
July	561,927.77	6,370.00	164.82	0.00	568,462.59
August	568,462.59	6,370.00	166.73	0.00	574,999.32
September	574,999.32	6,370.00	168.64	0.00	581,537.96
October	581,537.96	6,370.00	170.54	0.00	588,078.50
November	588,078.50	6,370.00	172.45	0.00	594,620.95
December	594,620.95	6,370.00	174.36	0.00	601,165.31
	<u>\$ 522,758.82</u>	<u>\$ 76,440.00</u>	<u>\$ 1,966.49</u>	<u>\$ 0.00</u>	<u>\$ 601,165.31</u>

2046	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 601,165.31	\$ 6,370.00	\$ 176.27	\$ 0.00	\$ 607,711.58
February	607,711.58	6,370.00	178.18	0.00	614,259.76
March	614,259.76	6,370.00	180.09	0.00	620,809.85
April	620,809.85	6,370.00	182.00	0.00	627,361.85
May	627,361.85	6,370.00	183.91	0.00	633,915.76
June	633,915.76	6,370.00	164.22	148,136.00	492,313.98
July	492,313.98	6,370.00	144.52	0.00	498,828.50
August	498,828.50	6,370.00	146.42	0.00	505,344.92
September	505,344.92	6,370.00	148.32	0.00	511,863.24
October	511,863.24	6,370.00	150.22	0.00	518,383.46
November	518,383.46	6,370.00	152.12	0.00	524,905.58
December	524,905.58	6,370.00	154.03	0.00	531,429.61
	<u>\$ 601,165.31</u>	<u>\$ 76,440.00</u>	<u>\$ 1,960.30</u>	<u>\$ 148,136.00</u>	<u>\$ 531,429.61</u>

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

Inflation:0.00% Investment:0.35% Contribution Factor:0.00% Calc:Current

Cash Flow - Monthly

2047	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 531,429.61	\$ 6,370.00	\$ 155.93	\$ 0.00	\$ 537,955.54
February	537,955.54	6,370.00	157.83	0.00	544,483.37
March	544,483.37	6,370.00	159.74	0.00	551,013.11
April	551,013.11	6,370.00	161.64	0.00	557,544.75
May	557,544.75	6,370.00	163.55	0.00	564,078.30
June	564,078.30	6,370.00	139.43	178,433.00	392,154.73
July	392,154.73	6,370.00	115.31	0.00	398,640.04
August	398,640.04	6,370.00	117.20	0.00	405,127.24
September	405,127.24	6,370.00	119.09	0.00	411,616.33
October	411,616.33	6,370.00	120.98	0.00	418,107.31
November	418,107.31	6,370.00	122.88	0.00	424,600.19
December	424,600.19	6,370.00	124.77	0.00	431,094.96
	<u>\$ 531,429.61</u>	<u>\$ 76,440.00</u>	<u>\$ 1,658.35</u>	<u>\$ 178,433.00</u>	<u>\$ 431,094.96</u>

2048	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 431,094.96	\$ 6,370.00	\$ 126.66	\$ 0.00	\$ 437,591.62
February	437,591.62	6,370.00	128.56	0.00	444,090.18
March	444,090.18	6,370.00	130.46	0.00	450,590.64
April	450,590.64	6,370.00	132.35	0.00	457,092.99
May	457,092.99	6,370.00	134.25	0.00	463,597.24
June	463,597.24	6,370.00	96.96	268,725.50	201,338.70
July	201,338.70	6,370.00	59.65	0.00	207,768.35
August	207,768.35	6,370.00	61.53	0.00	214,199.88
September	214,199.88	6,370.00	63.40	0.00	220,633.28
October	220,633.28	6,370.00	65.28	0.00	227,068.56
November	227,068.56	6,370.00	67.16	0.00	233,505.72
December	233,505.72	6,370.00	69.03	0.00	239,944.75
	<u>\$ 431,094.96</u>	<u>\$ 76,440.00</u>	<u>\$ 1,135.29</u>	<u>\$ 268,725.50</u>	<u>\$ 239,944.75</u>

2049	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	\$ 239,944.75	\$ 6,370.00	\$ 70.91	\$ 0.00	\$ 246,385.66
February	246,385.66	6,370.00	72.79	0.00	252,828.45
March	252,828.45	6,370.00	74.67	0.00	259,273.12
April	259,273.12	6,370.00	76.55	0.00	265,719.67
May	265,719.67	6,370.00	78.43	0.00	272,168.10
June	272,168.10	6,370.00	74.97	36,642.00	241,971.07
July	241,971.07	6,370.00	71.50	0.00	248,412.57
August	248,412.57	6,370.00	73.38	0.00	254,855.95
September	254,855.95	6,370.00	75.26	0.00	261,301.21
October	261,301.21	6,370.00	77.14	0.00	267,748.35
November	267,748.35	6,370.00	79.02	0.00	274,197.37
December	274,197.37	6,370.00	80.90	0.00	280,648.27
	<u>\$ 239,944.75</u>	<u>\$ 76,440.00</u>	<u>\$ 905.52</u>	<u>\$ 36,642.00</u>	<u>\$ 280,648.27</u>

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

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

Supplementary Information on Future Major Repairs and Replacements

	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2020 Funding Requirement	Components of Fund Balance at 12/31/2019
Building Exteriors				
Balconies, Cages/Railings	9:05	\$ 32,486	\$ 914	\$ 10,094
Balcony Cage, Screen Replacement	9:05	36,642	2,007	7,703
Catwalk Railings, Metal Repair/Replace	9:05	200,464	5,638	62,287
		\$ 269,592	\$ 8,559	\$ 80,084
Common Area Interiors				
Elevator Cab Interiors	23:01	\$ 15,160	\$ 631	\$ 484
Flooring, Tile	2:05	47,063	1,632	18,035
		\$ 62,223	\$ 2,263	\$ 18,519
Mechanical				
Trash Chute	12:05	\$ 28,800	\$ 749	\$ 8,277
Trash Chute Doors	10:05	4,608	126	1,394
		\$ 33,408	\$ 875	\$ 9,671
Mechanical/Electrical				
Elevator Modernization, Hydraulic	23:01	\$ 105,500	\$ 4,391	\$ 3,371
Fire Alarm System Modernization	2:05	64,965	2,253	24,895
		\$ 170,465	\$ 6,644	\$ 28,266
Painting & Waterproofing				
Catwalk Resurfacing	13:05	\$ 268,726	\$ 18,642	\$ 11,822
Paint/Waterproof Bldg. Exteriors	5:05	148,136	22,021	13,965
		\$ 416,862	\$ 40,663	\$ 25,787

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

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

Supplementary Information on Future Major Repairs and Replacements

	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2020 Funding Requirement	Components of Fund Balance at 12/31/2019
Roofs				
Roofing, Flat-Modified Bitumen	7:05	\$ 178,433	\$ 9,284	\$ 46,790
Roofing, Standing Seam Metal	13:05	160,687	6,431	32,413
		\$ 339,120	\$ 15,715	\$ 79,203
Site Improvements				
Porte Cochere Structure, Aluminum	18:05	\$ 11,340	\$ 492	\$ 1,100
Porte Cochere, Cover	6:05	14,188	1,230	2,751
		\$ 25,528	\$ 1,722	\$ 3,851
		\$ 1,317,198	\$ 76,441	\$ 245,381

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

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

Component Funding Analysis - Category

Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2020
Building Exteriors	\$ 269,592	19:00 -37:00	9:05	\$ 80,084	\$ 189,508	\$ 20,125
Common Area Interiors	62,223	25:00 -30:00	2:05 -23:01	18,519	43,704	12,647
Mechanical	33,408	38:00 -40:00	10:05 -12:05	9,671	23,737	1,962
Mechanical/Electrical	170,465	25:00 -30:00	2:05 -23:01	28,266	142,199	21,004
Painting & Waterproofing	416,862	7:00 -15:00	5:05 -13:05	25,787	391,075	43,918
Roofs	339,120	20:00 -26:00	7:05 -13:05	79,203	259,917	27,311
Site Improvements	25,528	12:00 -24:00	6:05 -18:05	3,851	21,677	2,338
	<u>\$ 1,317,198</u>			<u>\$ 245,383</u>	<u>\$ 1,071,817</u>	<u>\$ 129,305</u>

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

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

Component Funding Analysis - Items

Category Reserve Item	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2020
Building Exteriors						
Balconies, Cages/Railings	\$ 32,486	37:00	9:05	\$ 10,094	\$ 22,392	\$ 2,378
Balcony Cage, Screen Replacement	36,642	19:00	9:05	7,703	28,939	3,073
Catwalk Railings, Metal Repair/Replace	200,464	37:00	9:05	62,287	138,177	14,674
	<u>\$ 269,592</u>			<u>\$ 80,084</u>	<u>\$ 189,508</u>	<u>\$ 20,125</u>
Common Area Interiors						
Elevator Cab Interiors	\$ 15,160	25:00	23:01	\$ 484	\$ 14,676	\$ 636
Flooring, Tile	47,063	30:00	2:05	18,035	29,028	12,011
	<u>\$ 62,223</u>			<u>\$ 18,519</u>	<u>\$ 43,704</u>	<u>\$ 12,647</u>
Mechanical						
Trash Chute	\$ 28,800	40:00	12:05	\$ 8,277	\$ 20,523	\$ 1,653
Trash Chute Doors	4,608	38:00	10:05	1,394	3,214	309
	<u>\$ 33,408</u>			<u>\$ 9,671</u>	<u>\$ 23,737</u>	<u>\$ 1,962</u>
Mechanical/Electrical						
Elevator Modernization, Hydraulic	\$ 105,500	25:00	23:01	\$ 3,371	\$ 102,129	\$ 4,424
Fire Alarm System Modernization	64,965	30:00	2:05	24,895	40,070	16,580
	<u>\$ 170,465</u>			<u>\$ 28,266</u>	<u>\$ 142,199</u>	<u>\$ 21,004</u>
Painting & Waterproofing						
Catwalk Resurfacing	\$ 268,726	15:00	13:05	\$ 11,822	\$ 256,904	\$ 19,148
Paint/Waterproof Bldg. Exteriors	148,136	7:00	5:05	13,965	134,171	24,770
	<u>\$ 416,862</u>			<u>\$ 25,787</u>	<u>\$ 391,075</u>	<u>\$ 43,918</u>
Roofs						
Roofing, Flat-Modified Bitumen	\$ 178,433	20:00	7:05	\$ 46,790	\$ 131,643	\$ 17,750
Roofing, Standing Seam Metal	160,687	26:00	13:05	32,413	128,274	9,561
	<u>\$ 339,120</u>			<u>\$ 79,203</u>	<u>\$ 259,917</u>	<u>\$ 27,311</u>

Santa Maria II Condominium Association, Inc.

Analysis Date - January 1, 2020

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

Component Funding Analysis - Items

Category Reserve Item	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2020
Site Improvements						
Porte Cochere Structure, Aluminum	\$ 11,340	24:00	18:05	\$ 1,100	\$ 10,240	\$ 556
Porte Cochere, Cover	14,188	12:00	6:05	2,751	11,437	1,782
	<u>\$ 25,528</u>			<u>\$ 3,851</u>	<u>\$ 21,677</u>	<u>\$ 2,338</u>
	<u><u>\$ 1,317,198</u></u>			<u><u>\$ 245,383</u></u>	<u><u>\$ 1,071,817</u></u>	<u><u>\$ 129,305</u></u>

ADDENDUM

Chapter 718 & 719 Florida Statutes
The Condominium Act, 1995
The Cooperative Act, 1997

CONDOMINIUMS 718.112 (2)(f) 2 & 3
COOPERATIVES 719.106 (1)(j) 2 & 3

2. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall 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 for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000. The amount to be reserved shall be computed by means of a formula which is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to budgets in which the members of an association have, by a majority vote at a duly called meeting of the association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. However, prior to turnover of control of an association by a developer to unit owners other than a developer pursuant to s. 718.301, the developer may vote to waive the reserves or reduce the funding of reserves for the first 2 years of the operation of the association, after which time reserves may only be waived or reduced upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association. If a meeting of the unit owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a vote of the majority of the voting interests, voting in person or by limited proxy at a duly called meeting of the association. Prior to 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 shall not vote to use reserves for purposes other than that for which they were intended without the approval of a majority of all nondeveloper voting interests, voting in person or by limited proxy at a duly called meeting of the association.

Florida Administrative Code Reserve Requirements

61B-22.001 Definitions. For the purposes of this chapter, the following definitions shall apply:

(2) “Capital expenditure” means an expenditure of funds for the purchase of an asset whose life is greater than one year in length, or the replacement of an asset whose life is greater than one year in length, or the addition to an asset which extends the life of the previously existing asset for a period greater than one year.

(3) “Deferred maintenance” means any maintenance or repair that will be performed less frequently than yearly and will result in maintaining the life of an asset; and

(4) “Reserves” means any funds which are restricted for deferred maintenance and capital expenditures, including the items required by section 718.112(2)(f)2, Florida Statutes, and any other funds restricted as to use by the condominium documents or the condominium association. “Contingency reserves” which are not restricted as to use by the condominium documents or by the association shall not be considered reserves within the meaning of this rule.

61B-22.003 Budgets. Required elements for estimated operating budgets. The budget for each association shall:

(d) Include all estimated common expenses or expenditures of the association including the categories set forth in section 718.504(20)(c), Florida Statutes. Reserves for capital expenditures and deferred maintenance required by section 718.112(2)(f), Florida Statutes, must be included in the proposed annual budget and shall not be waived or reduced prior to the mailing to unit owners of a proposed annual budget. If the estimated common expense for any category set forth in the statute is not applicable, the category shall be listed followed by an indication that the expense is not applicable;

(e) Include a schedule stating each reserve account for capital expenditures and deferred maintenance as a separate line item with the following minimum disclosures;

1. The total estimated useful life of the asset;
2. The estimated remaining useful life of the asset;
3. The estimated replacement cost or deferred maintenance expense of the asset;
4. The estimated fund balance as of the beginning of the period for which the budget will be in effect; and,
5. The developer’s total funding obligation, when all units are sold, for each converter reserve account established pursuant to section 718.618, Florida Statutes, if applicable.

(f) Include a separate schedule of any other reserve funds to be restricted by the association as a separate line item with the following minimum disclosures;

1. The intended use of the restricted funds; and
2. The estimated fund balance of the item as of the beginning of the period for which the budget will be in effect.

(g) “Contingency reserves” and any other categories of expense which are not restricted as to use shall be stated in the operating portion of the budget rather than the reserve portion of the budget.

61B-22.005 Reserves. 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 of an item 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 replacement cost of an item exceeds \$10,000, 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.

61B-22.0051 Estimating Reserve Requirements.

- (1) Formula for calculation of 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 which will provide funds equal to the total estimated deferred maintenance expense or total estimated replacement cost for an asset over the remaining useful life of the asset. The formula shall provide funds in annual increments and may be adjusted each year for changes in estimates. The formula may consider such factors as inflation and interest or other earnings rates, but must include the following:
 - (a) The estimated remaining useful life of the asset;
 - (b) The estimated deferred maintenance expense or estimated replacement cost of the asset; and,
 - (c) The estimated fund balance of the reserve account as of the beginning of the period for which the budget will be in effect.
- (2) Estimating reserves which are not required by statute. Reserves which are not required by section 718.112(2)(f), Florida Statutes, are not required to be based on any specific formula.
- (3) Estimating reserves when the developer is funding converted 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.

61B-22.0052 Funding Requirements and Restrictions on Use.

- (1) 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).
- (2) Restrictions on use. Reserves required by section 718.112(2)(f), Florida Statutes, and other reserves included on the adopted budget, shall only be used for the purposes for

which they were intended unless their use for other purposes is approved in advance by the unit owners according to section 718.112(2)(f)3, Florida Statutes. In a multi-condominium association, the same procedures which are specified for the waiving or reduction of reserves shall apply where an association seeks to use reserve funds for purposes other than which the funds were originally reserved. 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.

61B-22.0053 Waiver of Reserves.

- (1) 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, and the vote must be taken annually. Additionally, in a multi-condominium association, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which a majority of the voting interests in that condominium are present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves.
- (2) Developer voting restrictions. Prior to turnover, the developer may cast votes to waive or reduce reserves during the first two fiscal years only, beginning with the date of the recording of the declaration. In the case of a multi-condominium association, this restriction applies to the association's first two fiscal years beginning with the recording of the initial declaration.

1.

2. 61B-22.006 Financial Reporting Requirements.

- (3) Disclosure requirements. The financial statements required by sections 718.111(14) and 718.301(4), Florida Statutes, shall contain the following disclosures within the financial statements, notes, or supplementary information:
 - (a) The following reserve disclosures shall be made regardless of whether reserves have been waived for the fiscal period covered by the financial statements:
 1. The beginning balance in each reserve account as of the beginning of the fiscal period covered by the financial statements;
 2. The amount of assessments and other additions to each reserve account, including authorized transfers from other reserve accounts;
 3. The amount expended or removed from each reserve account, including authorized transfers to other reserve accounts;
 4. The ending balance in each reserve account as of the end of the fiscal period covered by the financial statements;
 5. The manner by which reserve items were estimated, the date the estimates were last made, the association's policies for allocating reserve fund interest, and whether reserves have been waived during the period covered by the financial statements; and,
 6. If the developer has established converter reserves pursuant to section 718.618(1), Florida Statutes, each converter reserve account shall be identified and include the disclosures required by this rule.

Chapter 61B – 22, Florida Administrative Code
Summary of Rule Amendments

61B-22.003 Budgets

- Recognizes the use of a pooled account for reserves and provides that a schedule showing each reserve account is not necessary if a pooled account for reserves is used.
- Provides an alternate disclosure method for the use of a pooled account for reserves.

61B-22.005 Reserves

- Recognizes the concept of funding a group of assets using a pooled analysis of two or more required assets and provides requirements and direction related to the pooled account method.
- Clarifies that the chosen reserve funding formula shall not include any type of balloon payment.

Amended Rule Text

61B – 22.003 Budgets

(e) Unless the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a schedule stating each reserve account for capital expenditures and deferred maintenance as a separate line item with the following minimum disclosures:

(f) If the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a separate schedule of any pooled reserves with the following minimum disclosures:

1. The total estimated useful life of each asset within the pooled analysis;
2. The estimated remaining useful life of each asset within the pooled analysis;
3. The estimated replacement cost or deferred maintenance expense of each asset within the pooled analysis; and
4. The estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

(g) Include a separate schedule of any other reserve funds to be restricted by the association as a separate line item with the following minimum disclosures:

1. The intended use of the restricted funds; and
2. The estimated fund balance of the item as of the beginning of the period for which the budget will be in effect.

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 it 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 of 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 \$0; 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 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 payment.

TERMS AND DEFINITIONS

ACCRUED FUND BALANCE (AFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association tool. 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.

$$\text{AFB} = \text{Current Cost} \times \text{Effective Age/Useful Life}$$

or

$$\text{AFB} = (\text{Current Cost} \times \text{Effective Age/Useful Life}) + [(\text{Current Cost} \times \text{Effective Age/Useful Life}) / (1 + \text{Interest Rate})^{\text{Remaining Life}}] - [(\text{Current Cost} \times \text{Effective Age/Useful Life}) / (1 + \text{Inflation Rate})^{\text{Remaining Life}}]$$

CASH FLOW METHOD: A method of calculating 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. “Because we use the cash flow method, we compute individual line item contributions after the total contribution rate has been established.” See “Component Method”.

CAPITAL EXPENDITURES: A capital expenditure means any expenditure of funds for: (1) the purchase or replacement of an asset whose useful life is greater than one year, or (2) the addition to an asset that extends the useful life of the previously existing asset for a period greater than one year.

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, and 4) above a minimum threshold cost, and 5) as required by local codes. “We have 17 components in our 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 an on-site inspection, based on Level or Service selected by the client.

COMPONENT FULL FUNDING: When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task is accomplished through an on-site inspection, review of association design and organizational documents, and a review of established association precedents, and discussion with appropriate association representative(s).

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. “Since we calculate a Reserve contribution rate for each component and then sum them all together, we are using the component method to calculate our Reserve contributions.” See “Cash Flow Method”.

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

CURRENT REPLACEMENT COST: See “Replacement Cost”.

DEFERRED MAINTENANCE: Deferred maintenance means any maintenance or repair that: (1) will be performed less frequently than yearly, and (2) will result in maintaining the useful life of an asset.

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

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 current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED: When the budget is provided to the owners, it will show the amount of money that must be deposited that year for each reserve item to ensure that, when the time comes, sufficient funds will be available for deferred maintenance or a capital expenditure. (Definition published in “Budgets & Reserve Schedules Made Easy” training manual by the State of Florida Department of Business and Professional Regulations in January 1997).

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING PLAN: An association’s plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

- **Baseline Funding** – Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Component Full Funding** – Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100%.

- **Statutory Funding** – Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves of component required by local statutes.
- **Threshold Funding** – Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than “Component Full Funding.”

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve Components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage. “With \$76,000 in Reserves, and since our 100% Funded Balance is \$100,000, our association is 76% Funded”.

Editor’s Note: since funds can typically be allocated from one component to another with ease, this parameter has no real meaning on an individual Component basis. The purpose of this parameter is to identify the relative strength or weakness of the entire Reserve fund as of a particular point in time. The value of this parameter is in providing a more stable measure of Reserve Fund strength, since cash in Reserves may mean very different things to different associations.

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.

REMAINING USEFUL LIFE (RUL): Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have “zero” Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray to the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based on information provided and not audited

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies 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. “Our budget and finance committee is soliciting proposals to update our Reserve Study for the next year’s budget.”

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain

such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve duty of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. The failure to personally be available on a reasonable basis or with adequate advanced notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by Governing Documents or local statutes. “Since we need a new roof and there wasn’t enough money in the Reserve fund, we had to pass a special assessment.”

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balances. See Deficit”.

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