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Funding Reserve Analysis
for
Casablanca Community Association

August 14, 2017



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for
Casablanca Community Association

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Casablanca Community Association
2099 54th Ave S
St. Petersburg, FL 33712

Board of Directors,

We are pleased to present to Casablanca Community Association the requested Reserve Funding study. We believe that you will find the attached study to be thorough and complete. After you have had an opportunity to review the report you may have questions. Please do not hesitate to write or call, we would be pleased to answer any questions you may have.

Project Description

Casablanca Community Association is comprised of 104 residential condominium units. The condominium was from 1976-1980 according to public records. The condominium has eight buildings. All of the buildings are 2-story masonry and frame construction. Six of the buildings have 16 units, one building has 6 units, and one building has 2 units. Central to the community is a pool area and clubhouse. The condominium encompasses a total site size of approximately 7 acres in St. Petersburg, Pinellas County, Florida.

Date of Physical Inspection

The subject property was physically inspected on July 20, 2017 by Paul Gallizzi and Steven Swartz.

Study Start and Study End

This Reserve Study encompasses the 2018 fiscal year plus 30 years. The Study Start Date is March 1, 2018 and the study ends on February 28, 2049.

Governing Documents

A review was made of aerials and condominium plats for the subject property.

Depth of Study

Full Service Reserve Study with Field Inspection. A field inspection was made to verify the existing condition of the various reserve study components, their physical condition, and to verify component quantities. In place testing, laboratory testing, and non-destructive testing of the reserve study components were not performed. Field measurements of component quantities were made to either

verify improvement plan take offs or determine directly the quantities of various components. Photographs were taken of the site improvements.

Summary of Financial Assumptions

The below table contains a partial summary of information provided by Casablanca Community Association for the Casablanca Community Association funding study. For the purpose of this report, an annual operating budget was set to \$0, as this report focuses only on reserve items.

<i>Fiscal Calendar Year Begins</i>	<i>March 1</i>
<i>Reserve Study by Fiscal Calendar Year Starting</i>	<i>March 1, 2018</i>
<i>Funding Study Length</i>	<i>30 Years</i>
<i>Number of Dues Paying Members</i>	<i>104</i>
<i>Reserve Balance as of March 1, 2018¹</i>	<i>\$ 286,346</i>
<i>Annual Inflation Rate</i>	<i>2.50%</i>
<i>Tax Rate on Reserve Interest ²</i>	<i>30.00%</i>
<i>Minimum Reserve Account Balance</i>	<i>\$ 0</i>
<i>Dues Change Period</i>	<i>1 Year</i>
<i>Annual Operating Budget</i>	<i>\$ 0</i>

¹ See "Financial Condition of Association" in this report.

² Taxed as an IRS exempt association

Recommended Payment Schedule

The below table contains the recommended schedule of payments for the next six years. The projected life expectancy of the major components and the funding needs of the reserves of the association are based upon the association performing appropriate routine and preventative maintenance for each major component. Failure to perform such maintenance can negatively impact the remaining useful life of the major components and can dramatically increase the funding needs of the reserves of the association.

Proposed Modified Dues

Fiscal Calendar Year	Member Monthly Reserve Dues	Member Total Annual Dues	Association Monthly Reserve Dues	Association Annual Reserve Dues	Proposed Reserve Balance
2018	\$ 42.87	\$ 514	\$ 4,458	\$ 53,500	\$ 342,023
2019	\$ 43.94	\$ 527	\$ 4,570	\$ 54,838	\$ 308,565
2020	\$ 45.04	\$ 540	\$ 4,684	\$ 56,208	\$ 361,725
2021	\$ 46.16	\$ 554	\$ 4,801	\$ 57,614	\$ 383,865
2022	\$ 47.32	\$ 568	\$ 4,921	\$ 59,054	\$ 345,528
2023	\$ 48.50	\$ 582	\$ 5,044	\$ 60,530	\$ 408,672

* Annual Reserve Payments have been manually modified.

*Prepared by Florida Reserve Study and Appraisal
Casablanca Community Association Funding Study Summary -
Continued*

Payments have been modified to smooth payments over time.
Fiscal Year beginning March 1, 2018

Reserve Study Assumptions

- Cost estimates and financial information are accurate and current.
- No unforeseen circumstances will cause a significant reduction of reserves.
- Sufficient comprehensive property insurance exists to protect from insurable risks.
- The association plans to continue to maintain the existing common areas and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur throughout the year, as services are provided.

Impact of Component Life

The projected life expectancy of the major components and the reserve funding needs of the association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful life, effectively moving the component expense into the future which reduces the reserve funding payments of the association. Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present which increases the reserve funding payments of the association. Also, some reserves items may have the phrase allowance after it. These reserve items are something that would not be fully replaced at one time, but a small portion may have to be replaced periodically.

Inflation Estimate

Inflation has been estimated at 2.50 percent over the course of the study.

Initial Reserves

As of May 31, 2017, there was \$338,813 set aside for reserves, which does not include the line items for insurance and for audit. The projected reserve balance on March 1, 2018 will be \$286,346, which does not include the line items for insurance and for audit. The March 1, 2018 starting balance also assumes the buildings in the community will have their new roof paid for. These numbers were obtained from the association on the official May 2017 balance sheet and the annual budget. March 1, 2018 starts the next fiscal year. February 28, 2019 marks the end of the fiscal year.

Financial Condition of Association

The pooled method with inflation reserve projections estimate \$42.87 per member per month in 2018 and \$53,500 in total funding. The pooled method without inflation reserve projections estimate \$29.33 per member per month in 2018 and \$36,600 in total funding. The component method reserve projections estimate \$43.19 per member per month in 2018 and \$53,901 in total funding. These projections do not include line items for insurance or audits.

At the current time, the association is considered to be 95 percent funded. This represents a well-

funded status. The higher the percent funded, the more likely an association is to avoid a special assessment.

The following are general measures to the health of an association based on the percent funding model:

0-30% funded:	poorly funded
30-70% funded:	fairly funded
70-100% funded:	well funded
100+% funded:	very well funded

Special Assessments

No reserve items will require special assessments if the funding schedule is followed. However, funding less than the suggested amounts will likely result in special assessments or for the replacement of an item to be delayed.

Reserve Funding Goal

The reserve fund is set to be as close to Fully Funded as possible on an annual basis. The pooled method without inflation, shown near the end of the report, utilizes baseline funding, where reserves are set to keep a balance above \$0.

Study Method

Funding studies may be done in several ways, but we believe that the value of a funding study lies in the details. "Bulk" studies are quick, usually inexpensive, and almost always border on worthless. We believe that meaningful answers to funding studies lie in the details. This approach is pragmatic, and allows human judgment and experience to enter into the equation.

Unless noted otherwise, the present cost of every reserve item in this report has been estimated using the "National Construction Estimator", a nationally recognized standard, and modified by an area cost adjustment factor. Where possible, known costs have been used. In addition, every reserve item has been given an estimated remaining useful life, an estimated useful life when new, and has been cast into the future to determine the inflated cost.

Equal annual payments are calculated for each reserve item based upon a payment starting year and a payment ending year using the end of period payment method. Interest earned on accumulated reserve funds and taxes on the reserve interest are also calculated. Initial reserve funds are consumed as expenses occur until fully depleted, reducing annual reserve payments to a minimum. As you review this report, we are certain that you will appreciate the level of detail provided, allowing you to review each reserve item in detail.

Summary of Findings

We have estimated future projected expenses for Casablanca Community Association based upon preservation of existing improvements. The attached funding study is limited in scope to those expense items listed in the attached "Casablanca Community Association Reserve Study Expense Items". Expense items which have an expected life of more than 30 Years are not included in this reserve study unless payment for these long lived items overlaps the 30 Years reserve study envelope.

Of primary concern is the preservation of a positive funding balance with funds sufficient to meet projected expenses throughout the study life. Based upon the attached funding study, it is our professional opinion that member monthly fees as shown in the attached "Casablanca Community Association Dues Summary" will realize this goal. Some reserve items in the "Revenue Summary Table" may not contain payments. In this analysis the initial reserves were used to make annual payments for expense items in their order of occurrence until the initial reserve was consumed. As a result reserve items without payments may be expected, particularly in the first few years of the funding study. Reserve items that have been paid with initial reserve funds are identified with a [FP] in the Expense Items Sheets. An item marked [PR] is partially paid with initial reserve funds. Casablanca Community Association represents and warrants that the information provided to us, including but not limited to that information contained in the attached Reserve Study Information Summary, that the maintenance records are complete and accurate, and that we may rely upon such information and documents without further verification or corroboration. Where the age of a particular Reserve Item (as listed in the Reserve Study) is unknown, Casablanca Community Association shall provide to us Casablanca Community Association's best-estimated age of that item. If Casablanca Community Association is unable to provide and estimate of a Reserve Item's age, we shall make our own estimate of age of the Reserve Item. The Reserve Study is created for the association's use, and is a reflection of information provided to us. This information is not for the purpose of performing an audit, historical records, quality or forensic analyses. Any on site inspection is not considered to be a project audit or quality inspection. The actual or projected total presented in the reserve study is based upon information provided and was not audited.

Percent Funded

Many reserve studies use the concept of "Percent Funded" to measure the reserve account balance against a theoretically perfect value. Percent Funded is often used as a measure of the "Financial Health" of an association. The assumption is, the higher the percentage, the greater the "Financial Health". We believe the basic premise of "Fully Funded" is sound, but we also believe that the validity of the Fully Funded value must be used with caution.

To answer the question, some understanding of Percent Funded is required. Fully Funded is the sum of the depreciation of all the components by year. To get the Percent Funded, divide the year end reserve balance by the Fully Funded value and multiply by 100 to get a percentage. The concept of Fully Funded is useful when the reserve study is comprehensive, but misleading when the reserve study is superficial or constrained. As a result, we recommend that the statement "Percent Funded" be

used with caution.

Keeping Your Reserve Study Current

We believe that funding studies are an essential part of property management. People and property are constantly changing and evolving. As a result, the useful life of a funding study is at best a few years, and certainly not more than five years. This reserve study should be updated:

- At least once every few years
- At changes in the number of dues paying members
- Before starting new improvements
- Before making changes to the property
- After a flood or fire
- After the change of ownership or management
- After Annexation or Incorporation

Items Beyond the Scope of this Report

- Building or land appraisals for any purpose.
- State or local zoning ordinance violations.
- Building code violations.
- Soils conditions, soils contamination or geological stability of site.
- Engineering analysis or structural stability of site.
- Air quality, asbestos, electromagnetic radiation, formaldehyde, lead, mercury, radon, water quality or other environmental hazards.
- Invasions by pests, termites and any or all other destroying organisms, insects, birds, bats or animals to buildings or site. This study is not a pest inspection.
- Adequacy or efficiency of any system or component on site.
- Specifically excluded reserve items.
- Septic systems and septic tanks.
- Buried or concealed portions of swimming pools, pool liners, Jacuzzis and spas or similar items.
- Items concealed by signs, carpets or other things are also excluded from this study.
- Missing or omitted information supplied by the Casablanca Community Association for the purposes of reserve study preparation.
- Hidden improvements such as sewer lines, water lines, irrigation lines or other buried or concealed items.

Gutters and Downspouts Notes

The buildings in the community all have gutters and downspouts. It is estimated that there are 1200 LF of gutters and 1000 LF of downspouts. The estimated cost new of these items is \$15,400. The condition of these items is in various conditions. It is our opinion that the best way to forecast reserves is to have a repair allowance of 25% of the cost new every 5 years.

Paving Notes

Asphalt paved roads and parking areas have a varying expected life from approximately 15 years to 30 years. It is typical to assume an expected life of 25 years in the subject association. The streets and parking areas in Casablanca are in fair condition. There are many areas of cracking and there are a few small, relatively shallow potholes. It is our opinion that the association should do one more iteration of sealcoating as well as filling the potholes. Approximately 5 years after the sealcoating, the association would be then advised to do perform a 1" asphalt mill and overlay. As roads age, this physical condition can be evaluated and the expected remaining life of the roads can be re-evaluated.

In addition to resurfacing, asphalt roads and parking areas may be sealed. Asphalt sealers are a petroleum-based liquid applied to the surface of the asphalt for the purpose of minimizing oxidation of the asphalt. Applying sealers on a regular schedule increases the useful life of the asphalt. A good quality sealer should be applied approximately every 5-6 years.

Roofing Notes

The buildings have asphalt shingle roofing systems. Most of the roofs in the community date back to approximately 1999. Two of the eight buildings have had asphalt roofs installed within the last year. A third building was having a roof installed at the time of inspection. The association expects the remaining five buildings as well as the recreation center to have their roofs installed by the start of the next fiscal year on March 1, 2018.

Seawall Notes

The community has noticeable erosion from the pond behind buildings 3, 4, and The erosion is wiping away some of the shoreline behind these buildings. Before the erosion gets to a critical point, the association would be advised to take steps to remediate the problem. The most likely solution would be to build a seawall. The seawalls could be wooden timbers, vinyl, or concrete. Due to the relatively small size of the pond and the limited waves and water movement, it is our opinion that a concrete seawall would not be necessary. A vinyl seawall may be the best choice, as it is relatively durable and costs substantially less to install than concrete. An expected cost range for a wooden or vinyl seawall is approximately \$120/LF - \$180/LF. Concrete seawalls may have a cost twice that of vinyl or wood. Before any action is taken, however, we recommend an engineering analysis of the area.

Wood Trim and Siding Notes

The community's buildings have various portions of wooden T1-11 siding and wood trim. It is estimated that there is 5,000 LF of wood trim and 4,800 SF of wooden siding. The estimated cost new of these items is \$39,200. The condition of these wood elements is in various conditions. It is our opinion that the best way to forecast reserves is to have a repair allowance of 20% of the cost new every 5 years.

Statement of Qualifications

Paul Gallizzi and Steven Swartz are professionals in the business of preparing reserve studies and insurance appraisals for community associations. We have provided detailed analysis of over 300,000 apartment, villa, townhome, and condominium units. We have prepared insurance appraisals and reserve studies for all types of community associations including high rise condominiums, mid-rise condominiums, garden-style condominiums, townhouse developments, single family homeowners associations, etc. We both hold engineering degrees from fully accredited universities. Paul Gallizzi is a State Certified General Real Estate Appraiser License Number RZ 110 and a State Certified General Contractor License Number CGC 019465. Steven Swartz is a designated Reserve Specialist, RS No.214, from the Community Associations Institute as well as a State Certified General Real Estate Appraiser License Number RZ 3479.

Conflict of Interest

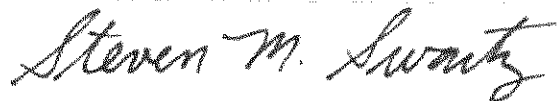
As the preparers of this reserve study, we certify that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

We would like to thank Casablanca Community Association for the opportunity to be of service in the preparation of the attached Funding Study. Again, please feel free to write or call at our letterhead address, if you have any questions.

Prepared by:



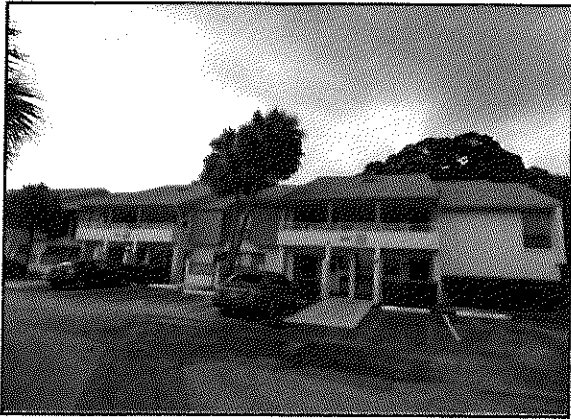
Paul Gallizzi



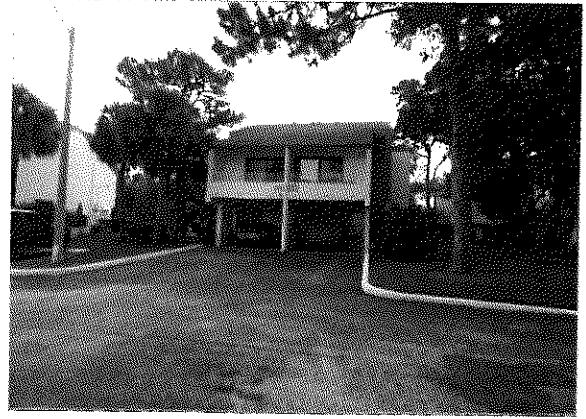
Steven M. Swartz, RS

Enclosures:

6 Pages of Photographs Attached



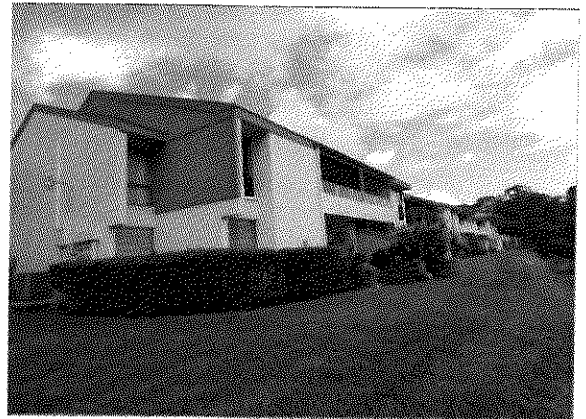
Condominium Building Front View



Condominium Building Front View



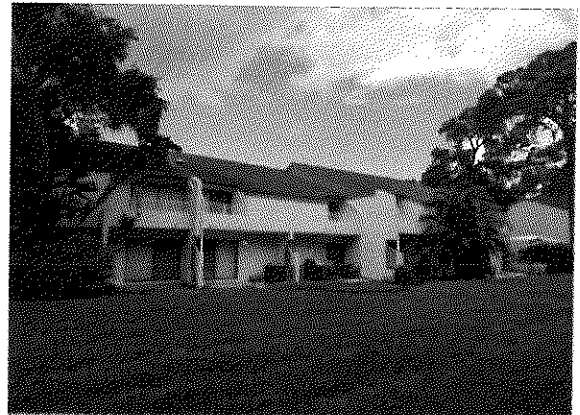
Condominium Building Front View



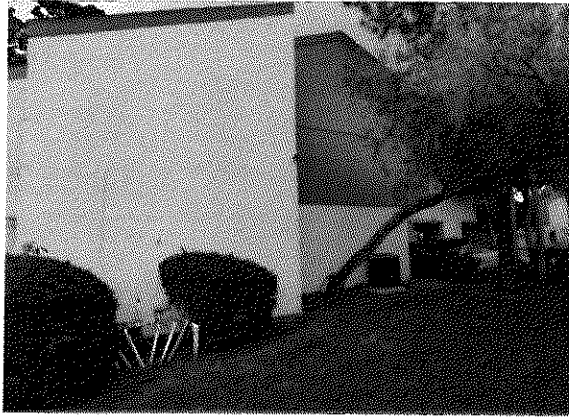
Condominium Building Rear View



Condominium Building Rear View



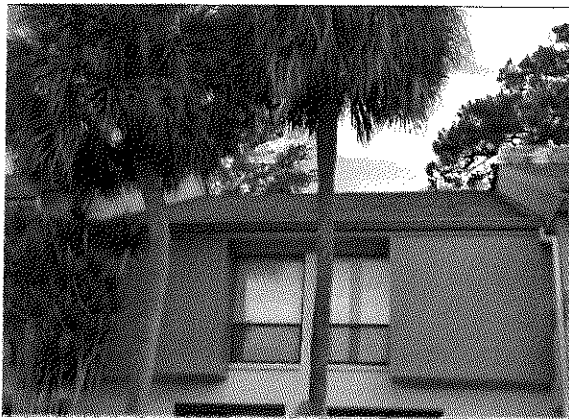
Condominium Building Rear View



Condominium Building Side View



Condominium Building Roof Project in Progress



Condominium Building Wood Siding and Trim



Condominium Building Stairway



Pond Bank, Note Erosion



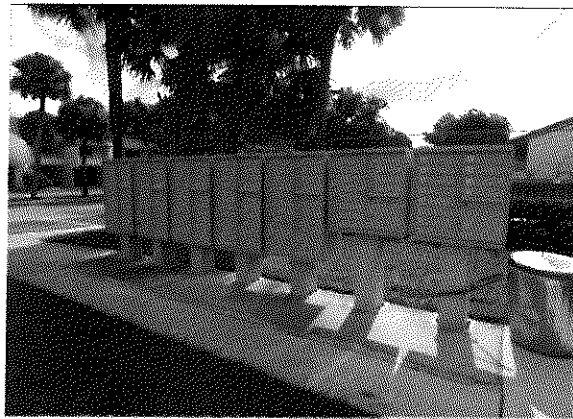
Pond Bank, Note Erosion



Tennis Court



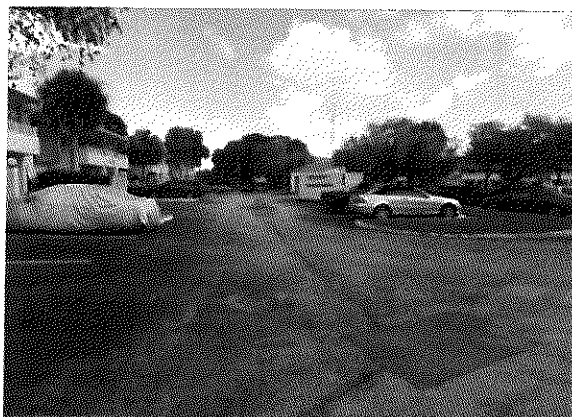
Tennis Court Fencing



Mail Boxes



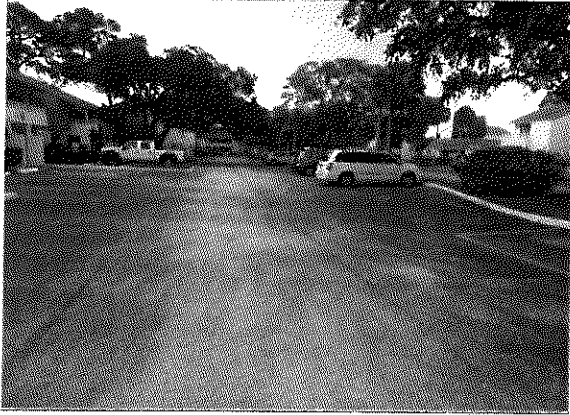
Perimeter Chain Link Fencing



Typical Paving



Typical Paving



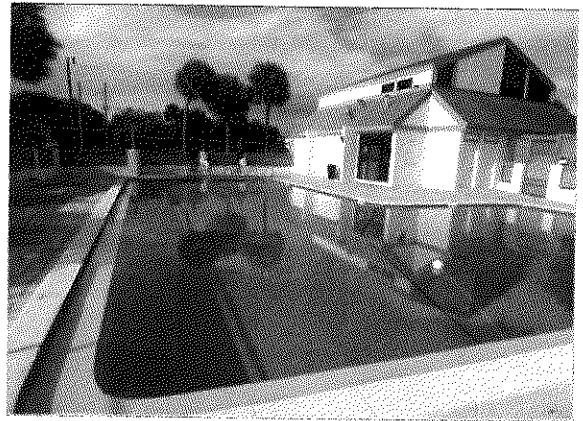
Typical Paving



Typical Paving



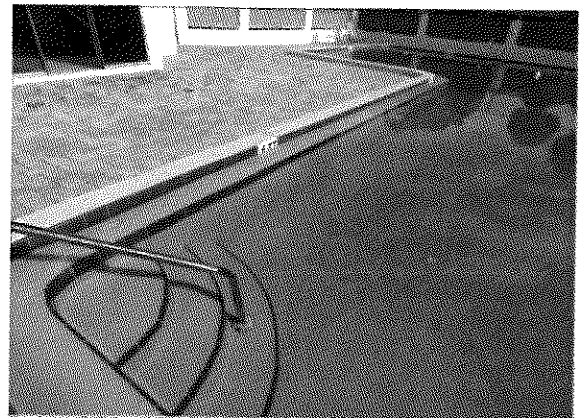
Typical Paving, Note Small Pothole



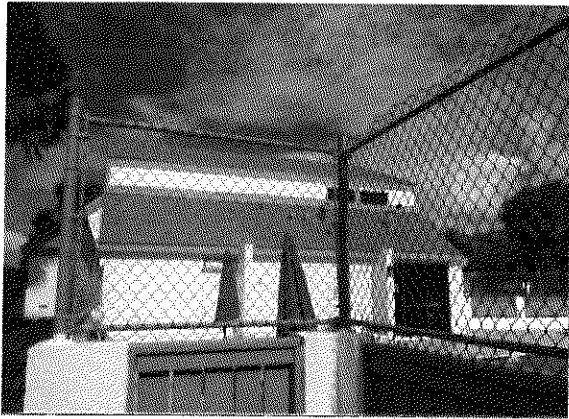
Pool Area



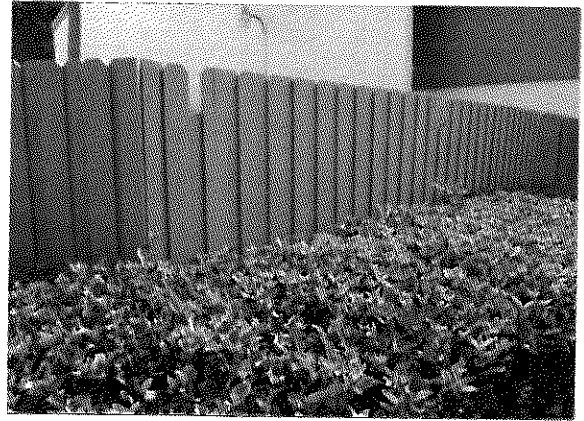
Pool Equipment



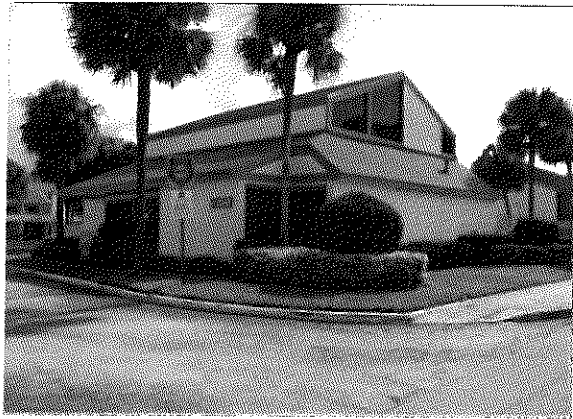
Pool Marcite



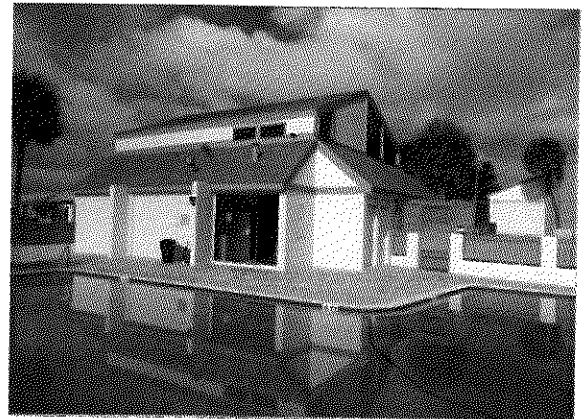
Pool Fence Chain Link



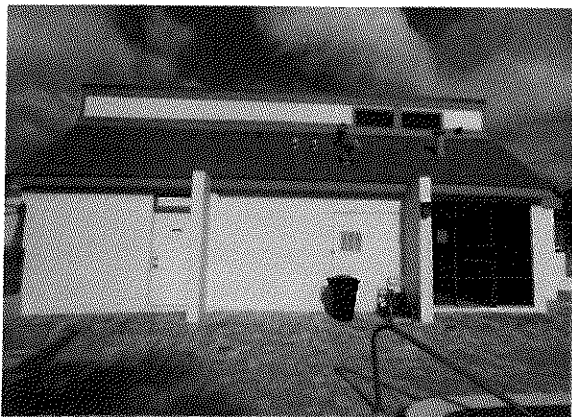
Pool Fence Wooden



Clubhouse



Clubhouse



Clubhouse



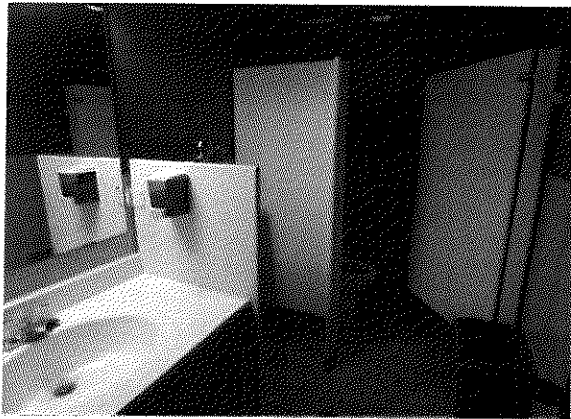
Clubhouse Interior



Clubhouse Interior



Clubhouse Kitchen



Clubhouse Restroom



Clubhouse Second Floor, Note There is only Subflooring on this Level



Clubhouse HVAC

Casablanca Community Association Reserve Study Expense Item Summary

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Repeating Item?
Wood Replacement					
Wood Trim and Siding Repair Allowance	\$ 7,800	3 Years	5 Years	\$ 8,619	Yes
Building Exteriors					
Stairway Replacement	\$ 127,200	20 Years	30 Years	\$ 214,909	Yes
Gutters and Downspouts Allowance	\$ 3,900	4 Years	5 Years	\$ 4,419	Yes
Seawall					
Seawall Vinyl	\$ 60,750	1 Years	40 Year	\$ 63,861	Yes
Deferred Maintenance					
Tennis Court Color Coat	\$ 5,760	6 Years	8 Years	\$ 6,860	Yes
Tennis Court Fencing	\$ 14,400	10 Years	30 Years	\$ 18,953	Yes
Mail Kiosks	\$ 10,500	12 Years	20 Years	\$ 14,527	Yes
Perimeter East and West Chain Link Fence 6'	\$ 9,108	10 Years	25 Years	\$ 11,988	Yes
Painting					
Residential Buildings Exterior Painting	\$ 82,342	4 Years	8 Years	\$ 93,294	Yes
Paving					
Paving 1 Inch Asphalt Overlay	\$ 74,408	6 Years	25 Years	\$ 88,623	Yes
Paving Seal Coating	\$ 18,189	1 Years	6 Year	\$ 19,120	No
Pool Area					
Pool Deck Pavers	\$ 20,804	14 Years	25 Years	\$ 30,258	Yes
Pool Equipment	\$ 3,000	3 Years	5 Years	\$ 3,315	Yes
Pool Marcite	\$ 23,760	3 Years	10 Years	\$ 26,256	Yes
Pool Fence Chain Link 4'	\$ 4,165	10 Years	25 Years	\$ 5,482	Yes
Pool Fence Wooden	\$ 3,430	12 Years	15 Years	\$ 4,746	Yes
Pool Furniture	\$ 4,700	6 Years	8 Years	\$ 5,598	Yes
(C1) Recreation Center					
Clubhouse Asphalt Shingle Roof	\$ 9,560	17 Years	18 Years	\$ 14,986	Yes
Clubhouse Exterior Painting	\$ 2,256	4 Years	8 Years	\$ 2,556	Yes
HVAC 5 Tons	\$ 7,500	1 Years	12 Year	\$ 7,884	Yes
Clubhouse Kitchen Refurbishment	\$ 5,000	2 Years	20 Years	\$ 5,389	Yes

Casablanca Community Association Funding Study Expense Item Summary - Continued

Reserve Items	Current Cost When New	Estimated Remaining Life	Expected Life When New	First Replacement Cost	Repeating Item?
Restroom Refurbishment	\$ 7,000	15 Years	20 Years	\$ 10,438	Yes
Roofing					
Residential Buildings Asphalt Shingle Roof	\$ 292,370	17 Years	18 Years	\$ 458,313	Yes

Months Remaining in Fiscal Calendar Year 2018: 12

Expected annual inflation: 2.50%

Interest earned on reserve funds: 1.00%

Initial Reserve: \$ 286,346

Category Comments

(C1) - The community does not have plans to renovate the second floor of the clubhouse. As such, no reserve items were considered for this area.

Casablanca Community Association Reserve Study Expense Item Listing

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Fiscal Calendar Year	Estimated Future Cost
Wood Replacement							
Wood Trim and Siding Repair Allowance	\$ 7,800 ea	1	\$ 7,800	5 Years	5 Years	2021	\$ 8,619
						2026	\$ 9,766
						2031	\$ 11,065
						2036	\$ 12,536
						2041	\$ 14,204
						2046	\$ 16,093
						2051	\$ 18,233
Building Exteriors							
Stairway Replacement	\$ 127,200 / total	1 total	\$ 127,200	20 Years	30 Years	2038	\$ 214,909
				30 Years		2068	\$ 454,607
Gutters and Downspouts Allowance	\$ 3,900 / total	1 total	\$ 3,900	5 Years	5 Years	2022	\$ 4,419
						2027	\$ 5,006
						2032	\$ 5,672
						2037	\$ 6,427
						2042	\$ 7,281
						2047	\$ 8,250
Seawall							
Seawall Vinyl	\$ 150 / lf	405 lf	\$ 60,750	1 Year	40 Years	2019	\$ 63,861
				40 Year		2059	\$ 173,413
Deferred Maintenance							
Tennis Court Color Coat	\$ 0.80 / sf	7200 sf	\$ 5,760	8 Years	8 Years	2024	\$ 6,860
						2032	\$ 8,377
						2040	\$ 10,230
						2048	\$ 12,493
Tennis Court Fencing	\$ 40.00 / lf	360 lf	\$ 14,400	10 Years	30 Years	2028	\$ 18,953
				30 Years		2058	\$ 40,091
Mail Kiosks	\$ 1,500 ea	7	\$ 10,500	12 Years	20 Years	2030	\$ 14,527
				20 Years		2050	\$ 23,939
Perimeter East and West Chain Link Fence 6'	\$ 23.00 / lf	396 lf	\$ 9,108	10 Years	25 Years	2028	\$ 11,988
				25 Years		2053	\$ 22,381

Casablanca Community Association Reserve Study Expense Item Listing - Continued

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Fiscal Calendar Year	Estimated Future Cost
Painting							
Residential Buildings Exterior Painting	\$ 0.95 / sf	86676 sf	\$ 82,342	4 Years		2022	\$ 93,294
						2030	\$ 113,926
				8 Years	8 Years	2038	\$ 139,120
						2046	\$ 169,886
						2054	\$ 207,456
Paving							
Paving 1 Inch Asphalt Overlay	\$ 0.90 / sf	82676 sf	\$ 74,408	6 Years	25 Years	2024	\$ 88,623
				25 Years		2049	\$ 165,461
Paving Seal Coating	\$ 0.22 ea	82676	\$ 18,189	1 Year	6 Years	2019	\$ 19,120
Pool Area							
Pool Deck Pavers	\$ 7.00 / sf	2972 sf	\$ 20,804	14 Years	25 Years	2032	\$ 30,258
				25 Years		2057	\$ 56,492
Pool Equipment	\$ 3,000 / total	1 total	\$ 3,000	3 Years		2021	\$ 3,315
						2026	\$ 3,756
						2031	\$ 4,256
				5 Years	5 Years	2036	\$ 4,822
						2041	\$ 5,463
						2046	\$ 6,190
		2051	\$ 7,013				
Pool Marcite	\$ 12.00 / sf	1980 sf	\$ 23,760	3 Years		2021	\$ 26,256
						2031	\$ 33,705
				10 Years	10 Years	2041	\$ 43,267
						2051	\$ 55,541
Pool Fence Chain Link 4'	\$ 17.00 / lf	245 lf	\$ 4,165	10 Years	25 Years	2028	\$ 5,482
				25 Years		2053	\$ 10,235
Pool Fence Wooden	\$ 14.00 / lf	245 lf	\$ 3,430	12 Years		2030	\$ 4,746
				15 Years	15 Years	2045	\$ 6,902
						2060	\$ 10,039
Pool Furniture	\$ 4,700 / total	1 total	\$ 4,700	6 Years	8 Years	2024	\$ 5,598
				8 Years		2032	\$ 6,836

Casablanca Community Association Reserve Study Expense Item Listing - Continued

Reserve Items	Unit Cost	No Units	Current Cost When New	Estimated Remaining Life	Expected Life When New	Fiscal Calendar Year	Estimated Future Cost
Pool Furniture	\$ 4,700 / total	1 total	\$ 4,700	8 Years	8 Years	2040 2048	\$ 8,348 \$ 10,194
Recreation Center							
Clubhouse Asphalt Shingle Roof	\$ 4.00 / sf	2390 sf	\$ 9,560	17 Years 18 Years	18 Years	2035 2053	\$ 14,986 \$ 23,492
Clubhouse Exterior Painting	\$ 1.00 / sf	2256 sf	\$ 2,256	4 Years 8 Years	8 Years	2022 2030 2038 2046 2054	\$ 2,556 \$ 3,121 \$ 3,812 \$ 4,655 \$ 5,684
HVAC 5 Tons	\$ 7,500 ea	1	\$ 7,500	1 Year 12 Year	12 Years	2019 2031 2043 2055	\$ 7,884 \$ 10,639 \$ 14,357 \$ 19,374
Clubhouse Kitchen Refurbishment	\$ 5,000 / total	1 total	\$ 5,000	2 Years 20 Years	20 Years	2020 2040 2060	\$ 5,389 \$ 8,880 \$ 14,634
Restroom Refurbishment	\$ 3,500 ea	2	\$ 7,000	15 Years 20 Years	20 Years	2033 2053	\$ 10,438 \$ 17,201
Roofing							
Residential Buildings Asphalt Shingle Roof	\$ 3.70 / sf	79019 sf	\$ 292,370	17 Years 18 Years	18 Years	2035 2053	\$ 458,313 \$ 718,442

Months Remaining in Fiscal Calendar Year 2018: 12

Expected annual inflation: 2.50% Interest earned on reserve funds: 1.00% Initial Reserve: \$ 286,346

Present Costs

Category	Item Name	No Units	Unit Cost	Present Cost
Wood Replacement	Wood Trim and Siding Repair Allowance	1	\$ 7,800.00 ea	\$ 7,800.00
Building Exteriors	Stairway Replacement	1 total	\$ 127,200.00 / total	\$ 127,200.00
	Gutters and Downspouts Allowance	1 total	\$ 3,900.00 / total	\$ 3,900.00
Building Exteriors Sub Total =				\$ 131,100.00
Seawall	Seawall Vinyl	405 lf	\$ 150.00 / lf	\$ 60,750.00
Deferred Maintenance	Tennis Court Color Coat	7200 sf	\$ 0.80 / sf	\$ 5,760.00
	Tennis Court Fencing	360 lf	\$ 40.00 / lf	\$ 14,400.00
	Mail Kiosks	7	\$ 1,500.00 ea	\$ 10,500.00
	Perimeter East and West Chain Link Fence 6'	396 lf	\$ 23.00 / lf	\$ 9,108.00
Deferred Maintenance Sub Total =				\$ 39,768.00
Painting	Residential Buildings Exterior Painting	86676 sf	\$ 0.95 / sf	\$ 82,342.20
Paving	Paving 1 Inch Asphalt Overlay	82676 sf	\$ 0.90 / sf	\$ 74,408.40
	Paving Seal Coating	82676	\$ 0.22 ea	\$ 18,188.72
Paving Sub Total =				\$ 92,597.12
Pool Area	Pool Deck Pavers	2972 sf	\$ 7.00 / sf	\$ 20,804.00
	Pool Equipment	1 total	\$ 3,000.00 / total	\$ 3,000.00
	Pool Marcite	1980 sf	\$ 12.00 / sf	\$ 23,760.00
	Pool Fence Chain Link 4'	245 lf	\$ 17.00 / lf	\$ 4,165.00
	Pool Fence Wooden	245 lf	\$ 14.00 / lf	\$ 3,430.00
	Pool Furniture	1 total	\$ 4,700.00 / total	\$ 4,700.00
Pool Area Sub Total =				\$ 59,859.00
Recreation Center	Clubhouse Asphalt Shingle Roof	2390 sf	\$ 4.00 / sf	\$ 9,560.00
	Clubhouse Exterior Painting	2256 sf	\$ 1.00 / sf	\$ 2,256.00
	HVAC 5 Tons	1	\$ 7,500.00 ea	\$ 7,500.00
	Clubhouse Kitchen Refurbishment	1 total	\$ 5,000.00 / total	\$ 5,000.00
	Restroom Refurbishment	2	\$ 3,500.00 ea	\$ 7,000.00
Recreation Center Sub Total =				\$ 31,316.00

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Present Costs - Continued

Category	Item Name	No Units	Unit Cost	Present Cost
Roofing	Residential Buildings Asphalt Shingle Roof	79019 sf	\$ 3.70 / sf	\$ 292,370.30
			Totals =	\$ 797,902.62

Casablanca Community Association Funding Study Modified Cash Flow Analysis

Fiscal Calendar Year	Annual Dues	Annual Interest	Annual Expenses	Annual Income Tax	Net Reserve Funds	% Funded
2018	\$ 53,500	\$ 3,109		\$ 933	\$ 342,023	101.1%
2019	\$ 54,838	\$ 3,672	\$ 90,866	\$ 1,102	\$ 308,565	78.2%
2020	\$ 56,208	\$ 3,344	\$ 5,389	\$ 1,003	\$ 361,725	101.0%
2021	\$ 57,614	\$ 3,882	\$ 38,191	\$ 1,165	\$ 383,865	93.7%
2022	\$ 59,054	\$ 4,110	\$ 100,269	\$ 1,233	\$ 345,528	80.3%
2023	\$ 60,530	\$ 3,733		\$ 1,120	\$ 408,672	104.6%
2024	\$ 62,044	\$ 4,372	\$ 101,081	\$ 1,312	\$ 372,695	82.0%
2025	\$ 63,595	\$ 4,019		\$ 1,206	\$ 439,103	105.1%
2026	\$ 65,185	\$ 4,691	\$ 13,522	\$ 1,407	\$ 494,049	101.8%
2027	\$ 66,814	\$ 5,248	\$ 5,006	\$ 1,574	\$ 559,530	103.3%
2028	\$ 68,485	\$ 5,910	\$ 36,422	\$ 1,773	\$ 595,730	97.6%
2029	\$ 70,197	\$ 6,280		\$ 1,884	\$ 670,322	103.2%
2030	\$ 71,952	\$ 7,034	\$ 136,320	\$ 2,110	\$ 610,878	83.8%
2031	\$ 73,750	\$ 6,448	\$ 59,664	\$ 1,934	\$ 629,477	93.7%
2032	\$ 75,594	\$ 6,642	\$ 51,143	\$ 1,993	\$ 658,577	94.9%
2033	\$ 77,484	\$ 6,942	\$ 10,438	\$ 2,083	\$ 730,482	100.5%
2034	\$ 79,421	\$ 7,670		\$ 2,301	\$ 815,272	101.4%
2035	\$ 81,407	\$ 8,527	\$ 473,299	\$ 2,558	\$ 429,348	47.9%
2036	\$ 83,442	\$ 4,677	\$ 17,358	\$ 1,403	\$ 498,706	98.2%
2037	\$ 85,528	\$ 5,380	\$ 6,427	\$ 1,614	\$ 581,573	100.4%
2038	\$ 87,666	\$ 6,219	\$ 357,841	\$ 1,866	\$ 315,752	47.4%
2039	\$ 89,858	\$ 3,571		\$ 1,071	\$ 408,109	103.0%
2040	\$ 92,104	\$ 4,504	\$ 27,458	\$ 1,351	\$ 475,908	97.4%
2041	\$ 94,407	\$ 5,193	\$ 62,933	\$ 1,558	\$ 511,016	91.6%
2042	\$ 96,767	\$ 5,555	\$ 7,281	\$ 1,666	\$ 604,390	101.7%
2043	\$ 99,186	\$ 6,500	\$ 14,357	\$ 1,950	\$ 693,769	100.4%
2044	\$ 101,666	\$ 7,405		\$ 2,221	\$ 800,618	102.0%
2045	\$ 104,207	\$ 8,485	\$ 6,902	\$ 2,546	\$ 903,863	100.6%
2046	\$ 106,812	\$ 9,530	\$ 196,823	\$ 2,859	\$ 820,523	81.2%
2047	\$ 109,483	\$ 8,708	\$ 8,250	\$ 2,613	\$ 927,852	99.5%
2048	\$ 112,220	\$ 9,794	\$ 22,686	\$ 2,938	\$ 1,024,242	97.9%
Totals :	\$ 2,461,014	\$ 181,154	\$ 1,849,926	\$ 54,346		

¹ Cash Reserves minus Fully Funded Value

The cash distribution shown in this table applies to repair and replacement cash reserves only.

Basis of Funding Study - Modified Cash Flow

Cash reserves have been set to a minimum of \$ 0

Cash Flow has been modified with the forced Fixed Payments.

Months Remaining in Fiscal Calendar Year 2018: 12 Inflation = 2.50 % Interest = 1.00 %

Study Life = 30 years Initial Reserve Funds = \$ 286,346.00 Final Reserve Value = \$ 1,024,241.64

**Casablanca Community Association Modified Reserve Dues Summary
Projected Dues by Month and by Fiscal Calendar Year**

Fiscal Calendar Year	Member Monthly Reserve Payment	Member Total Monthly Payment	Member Total Annual Payment	Monthly Reserve Payment	Annual Reserve Payment
2018	\$ 42.87	\$ 42.87	\$ 514.42	\$ 4,458	\$ 53,500
2019	\$ 43.94	\$ 43.94	\$ 527.28	\$ 4,570	\$ 54,838
2020	\$ 45.04	\$ 45.04	\$ 540.47	\$ 4,684	\$ 56,208
2021	\$ 46.16	\$ 46.16	\$ 553.98	\$ 4,801	\$ 57,614
2022	\$ 47.32	\$ 47.32	\$ 567.83	\$ 4,921	\$ 59,054
2023	\$ 48.50	\$ 48.50	\$ 582.02	\$ 5,044	\$ 60,530
2024	\$ 49.71	\$ 49.71	\$ 596.57	\$ 5,170	\$ 62,044
2025	\$ 50.96	\$ 50.96	\$ 611.49	\$ 5,300	\$ 63,595
2026	\$ 52.23	\$ 52.23	\$ 626.77	\$ 5,432	\$ 65,185
2027	\$ 53.54	\$ 53.54	\$ 642.44	\$ 5,568	\$ 66,814
2028	\$ 54.88	\$ 54.88	\$ 658.51	\$ 5,707	\$ 68,485
2029	\$ 56.25	\$ 56.25	\$ 674.97	\$ 5,850	\$ 70,197
2030	\$ 57.65	\$ 57.65	\$ 691.84	\$ 5,996	\$ 71,952
2031	\$ 59.09	\$ 59.09	\$ 709.14	\$ 6,146	\$ 73,750
2032	\$ 60.57	\$ 60.57	\$ 726.87	\$ 6,300	\$ 75,594
2033	\$ 62.09	\$ 62.09	\$ 745.04	\$ 6,457	\$ 77,484
2034	\$ 63.64	\$ 63.64	\$ 763.66	\$ 6,618	\$ 79,421
2035	\$ 65.23	\$ 65.23	\$ 782.76	\$ 6,784	\$ 81,407
2036	\$ 66.86	\$ 66.86	\$ 802.32	\$ 6,953	\$ 83,442
2037	\$ 68.53	\$ 68.53	\$ 822.38	\$ 7,127	\$ 85,528
2038	\$ 70.25	\$ 70.25	\$ 842.94	\$ 7,305	\$ 87,666
2039	\$ 72.00	\$ 72.00	\$ 864.02	\$ 7,488	\$ 89,858
2040	\$ 73.80	\$ 73.80	\$ 885.62	\$ 7,675	\$ 92,104
2041	\$ 75.65	\$ 75.65	\$ 907.76	\$ 7,867	\$ 94,407
2042	\$ 77.54	\$ 77.54	\$ 930.45	\$ 8,064	\$ 96,767
2043	\$ 79.48	\$ 79.48	\$ 953.71	\$ 8,266	\$ 99,186
2044	\$ 81.46	\$ 81.46	\$ 977.55	\$ 8,472	\$ 101,666
2045	\$ 83.50	\$ 83.50	\$ 1,001.99	\$ 8,684	\$ 104,207
2046	\$ 85.59	\$ 85.59	\$ 1,027.04	\$ 8,901	\$ 106,812
2047	\$ 87.73	\$ 87.73	\$ 1,052.72	\$ 9,124	\$ 109,483
2048	\$ 89.92	\$ 89.92	\$ 1,079.04	\$ 9,352	\$ 112,220

Dues Summary has been modified with forced Fixed Payments.

In the context of the Reserve Payment Summary, the "Annual Reserve Payment" corresponds with the "Annual Revenue" in the Cash Flow report.

Operations Payments Include an annual inflation factor of 2.50%

Number of Payment Months in Fiscal Calendar Year 2018: 12

Number of Years of Constant Payments: 1

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Casablanca Community Association Funding Study Payment Summary by Fiscal Calendar Year - Continued

No of Dues Paying Members: 104

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Casablanca Community Association Funding Study - Expenses by Item and by Fiscal Calendar Year

Item Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2024	FY 2026	FY 2027	FY 2028	FY 2030	FY 2031	FY 2032	FY 2033	FY 2035	FY 2036	FY 2037	FY 2038	FY 2040	FY 2041	FY 2042	FY 2043	FY 2045
Reserve Category : Wood Replacement																					
Wind Trim and Siding Repair Allowance			\$ 8,619			\$ 9,766				\$ 11,065				\$ 12,536					\$ 14,204		
Reserve Category : Building Exteriors																					
Siding Replacement																			\$ 214,909		
Gutters and Downspouts Allowance				\$ 4,419			\$ 5,006				\$ 5,672				\$ 6,427					\$ 7,281	
Category Subtotal:				\$ 4,419			\$ 5,006				\$ 5,672				\$ 6,427			\$ 214,909			\$ 7,281
Reserve Category : Seawall																					
Seawall Veneer	\$ 61,861																				
Reserve Category : Deferred Maintenance																					
Tennis Court Color Coat					\$ 6,860						\$ 8,377								\$ 10,230		
Tennis Court Fencing							\$ 18,951														
Mail Kiosk								\$ 14,527													
Perimeter East and West Chain Link Fence 6"									\$ 11,988												
Category Subtotal:					\$ 6,860		\$ 18,951		\$ 14,527		\$ 8,377								\$ 10,230		
Reserve Category : Painting																					
Residential Buildings Exterior Painting				\$ 93,294					\$ 113,926										\$ 139,120		
Reserve Category : Paving																					
Paving 1 Inch Asphalt Overlay					\$ 88,623																
Paving Seal Coating	\$ 19,120																				
Category Subtotal:	\$ 19,120				\$ 88,623																
Reserve Category : Pool Area																					
Pool Deck Foyers														\$ 30,258							
Pool Equipment		\$ 3,315				\$ 3,756			\$ 4,256					\$ 4,822					\$ 5,461		
Pool Mosaic		\$ 20,256							\$ 33,705										\$ 43,262		
Pool Fence Chain Link 4"							\$ 5,482														
Pool Fence Woodcut								\$ 4,746													\$ 6,902
Pool Furniture				\$ 5,598						\$ 6,836								\$ 8,748			
Category Subtotal:		\$ 29,571			\$ 5,598	\$ 3,756		\$ 5,482	\$ 4,746	\$ 37,961	\$ 37,094		\$ 4,822				\$ 8,348	\$ 48,730			\$ 6,902

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Casablanca Community Association Funding Study Expenses by Fiscal Calendar Year - Continued

Item Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2024	FY 2026	FY 2027	FY 2028	FY 2030	FY 2031	FY 2032	FY 2033	FY 2035	FY 2036	FY 2037	FY 2038	FY 2040	FY 2041	FY 2042	FY 2043	FY 2045
<i>Reserve Category : Recreation Center</i>																					
Clubhouse Asphalt Shingle Roof													\$ 14,986								
Clubhouse Exterior Painting				\$ 2,536					\$ 3,121							\$ 3,812					
HVAC 5 Tons	\$ 7,884								\$ 10,639												\$ 14,337
Clubhouse Kitchen Refurbishment		\$ 5,389																			\$ 8,850
Restroom Refurbishment																					\$ 10,438
Category Subtotal:	\$ 7,884	\$ 5,389		\$ 2,536					\$ 3,121	\$ 10,639		\$ 10,438	\$ 14,986			\$ 3,812	\$ 8,880				\$ 14,337
<i>Reserve Category : Roofing</i>																					
Residential Buildings Asphalt Shingle Roof													\$ 458,313								
Expense Totals :	\$ 90,866	\$ 5,389	\$ 38,191	\$ 100,269	\$ 101,081	\$ 13,522	\$ 5,006	\$ 36,422	\$ 136,320	\$ 59,664	\$ 51,143	\$ 10,438	\$ 473,299	\$ 17,358	\$ 6,427	\$ 357,881	\$ 27,458	\$ 62,933	\$ 7,281	\$ 14,357	\$ 6,902

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Casablanca Community Association Funding Study Expenses by Fiscal Calendar Year - Continued

Item Description	FY 2046	FY 2047	FY 2048
Reserve Category : Wood Replacement			
Wood Trim and Siding Repair Allowance	\$ 16,693		
Reserve Category : Building Exteriors			
Shingles Replacement			
Gutters and Downspouts Allowance	\$ 8,250		
Category Subtotal :	\$ 8,250		
Reserve Category : Seawall			
Seawall Vinyl			
Reserve Category : Deferred Maintenance			
Tennis Court Color Coat	\$ 12,493		
Tennis Court Fencing			
Mall Kiosk			
Perimeter East and West Chain Link Fence 6'			
Category Subtotal :	\$ 12,493		
Reserve Category : Painting			
Residential Buildings Exterior Painting	\$ 169,886		
Reserve Category : Paving			
Paving 1 Inch Asphalt Overlay			
Paving Seal Coating			
Category Subtotal :			
Reserve Category : Pool Area			
Pool Deck Pavers			
Pool Equipment	\$ 6,190		
Pool Marble			
Pool Fence Chain Link 4'			
Pool Fence Wooden			
Pool Furniture	\$ 10,194		
Category Subtotal :	\$ 6,190		\$ 10,194

Monday, August 14, 2017

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Casablanca Community Association Funding Study Expenses by Fiscal Calendar Year - Continued

Item Description	FY 2046	FY 2047	FY 2048
Reserve Category : Recreation Center			
Clubhouse Asphalt Shingle Roof			
Clubhouse Exterior Painting	\$ 4,655		
HVAC S Toes			
Clubhouse Kitchens Refurbishment			
Recreation Refurbishment			
Category Subtotal:	\$ 4,655		
Reserve Category : Roofing			
Residential Buildings Asphalt Shingle Roof			
Expense Totals :	\$ 196,823	\$ 8,250	\$ 22,686

Expense Table Fiscal Calendar Years 2018, 2023, 2025, 2029, 2034, 2039, 2044, do not contain any expenses and have been eliminated to save space.

August 14, 2017

Expense Summary by Year

Year	Category	Item Name	Expense
FY 2019	Seawall	Seawall Vinyl	\$ 63,861
	Paving	Paving Seal Coating	\$ 19,120
	Recreation Center	HVAC 5 Tons	\$ 7,884
FY 2019 Annual Expense Total = \$ 90,865			
FY 2020	Recreation Center	Clubhouse Kitchen Refurbishment	\$ 5,389
Annual Expense Total = \$ 5,389			
FY 2021	Wood Replacement	Wood Trim and Siding Repair Allowance	\$ 8,619
	Pool Area	Pool Equipment	\$ 3,315
		Pool Marcite	\$ 26,256
Pool Area Subtotal = \$ 29,571.00			
FY 2021 Annual Expense Total = \$ 38,190			
FY 2022	Building Exteriors	Gutters and Downspouts Allowance	\$ 4,419
	Painting	Residential Buildings Exterior Painting	\$ 93,294
	Recreation Center	Clubhouse Exterior Painting	\$ 2,556
FY 2022 Annual Expense Total = \$ 100,269			
FY 2024	Deferred Maintenance	Tennis Court Color Coat	\$ 6,860
	Paving	Paving 1 Inch Asphalt Overlay	\$ 88,623
	Pool Area	Pool Furniture	\$ 5,598
FY 2024 Annual Expense Total = \$ 101,081			
FY 2026	Wood Replacement	Wood Trim and Siding Repair Allowance	\$ 9,766
	Pool Area	Pool Equipment	\$ 3,756
FY 2026 Annual Expense Total = \$ 13,522			
FY 2027	Building Exteriors	Gutters and Downspouts Allowance	\$ 5,006
Annual Expense Total = \$ 5,006			
FY 2028	Deferred Maintenance	Tennis Court Fencing	\$ 18,953

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Year	Category	Item Name	Expense
FY 2028	Deferred Maintenance	Perimeter East and West Chain Link Fence 6'	\$ 11,988
	Deferred Maintenance Subtotal = \$ 30,941.00		
	Pool Area	Pool Fence Chain Link 4'	\$ 5,482
			Annual Expense Total = \$ 36,423
FY 2030	Deferred Maintenance	Mail Kiosks	\$ 14,527
	Painting	Residential Buildings Exterior Painting	\$ 113,926
	Pool Area	Pool Fence Wooden	\$ 4,746
	Recreation Center	Clubhouse Exterior Painting	\$ 3,121
			FY 2030 Annual Expense Total = \$ 136,320
FY 2031	Wood Replacement	Wood Trim and Siding Repair Allowance	\$ 11,065
	Pool Area	Pool Equipment	\$ 4,256
		Pool Marcite	\$ 33,705
	Pool Area Subtotal = \$ 37,961.00		
Recreation Center	HVAC 5 Tons	\$ 10,639	
			Annual Expense Total = \$ 59,665
FY 2032	Building Exteriors	Gutters and Downspouts Allowance	\$ 5,672
	Deferred Maintenance	Tennis Court Color Coat	\$ 8,377
	Pool Area	Pool Deck Pavers	\$ 30,258
		Pool Furniture	\$ 6,836
Pool Area Subtotal = \$ 37,094.00			
			FY 2032 Annual Expense Total = \$ 51,143
FY 2033	Recreation Center	Restroom Refurbishment	\$ 10,438
			Annual Expense Total = \$ 10,438
FY 2035	Recreation Center	Clubhouse Asphalt Shingle Roof	\$ 14,986
	Roofing	Residential Buildings Asphalt Shingle Roof	\$ 458,313
			FY 2035 Annual Expense Total = \$ 473,299
FY 2036	Wood Replacement	Wood Trim and Siding Repair Allowance	\$ 12,536
	Pool Area	Pool Equipment	\$ 4,822
			FY 2036 Annual Expense Total = \$ 17,358
FY 2037	Building Exteriors	Gutters and Downspouts Allowance	\$ 6,427
			Annual Expense Total = \$ 6,427
FY 2038	Building Exteriors	Stairway Replacement	\$ 214,909

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Year	Category	Item Name	Expense
FY 2038	Painting	Residential Buildings Exterior Painting	\$ 139,120
	Recreation Center	Clubhouse Exterior Painting	\$ 3,812
FY 2038 Annual Expense Total = \$ 357,841			
FY 2040	Deferred Maintenance	Tennis Court Color Coat	\$ 10,230
	Pool Area	Pool Furniture	\$ 8,348
	Recreation Center	Clubhouse Kitchen Refurbishment	\$ 8,880
FY 2040 Annual Expense Total = \$ 27,458			
FY 2041	Wood Replacement	Wood Trim and Siding Repair Allowance	\$ 14,204
	Pool Area	Pool Equipment	\$ 5,463
		Pool Marcite	\$ 43,267
		Pool Area Subtotal = \$ 48,730.00	
FY 2041 Annual Expense Total = \$ 62,934			
FY 2042	Building Exteriors	Gutters and Downspouts Allowance	\$ 7,281
Annual Expense Total = \$ 7,281			
FY 2043	Recreation Center	HVAC 5 Tons	\$ 14,357
Annual Expense Total = \$ 14,357			
FY 2045	Pool Area	Pool Fence Wooden	\$ 6,902
Annual Expense Total = \$ 6,902			
FY 2046	Wood Replacement	Wood Trim and Siding Repair Allowance	\$ 16,093
	Painting	Residential Buildings Exterior Painting	\$ 169,886
	Pool Area	Pool Equipment	\$ 6,190
	Recreation Center	Clubhouse Exterior Painting	\$ 4,655
FY 2046 Annual Expense Total = \$ 196,824			
FY 2047	Building Exteriors	Gutters and Downspouts Allowance	\$ 8,250
Annual Expense Total = \$ 8,250			
FY 2048	Deferred Maintenance	Tennis Court Color Coat	\$ 12,493
	Pool Area	Pool Furniture	\$ 10,194
FY 2048 Annual Expense Total = \$ 22,687			

Addendum

The preceding reserve analysis was based on the 30 year pooled “cash flow” method. To calculate the annual contribution amount using this method, a 30 year cash flow analysis is performed to determine that there will be adequate reserve funds on deposit as the reserve components of the property age and are repaired and/or replaced. This analysis takes the total beginning year reserve balance along with the projected annual reserve expenditures over a thirty year period, and through pooling of all of the reserve funds and creating one general reserve fund, arrives at an annual contribution amount so as to provide a positive cash flow and adequate reserve account balance over the next 30 years. It is advisable that this plan be considered because it makes reserve contributions fairly level over time. This plan is fully funded and uses inflation.

Similar to the pooled “cash flow” method, is the pooled method that does not use inflation. The state of Florida allows the use of inflation, but does not mandate that it be used. Associations can choose to fund reserves in present dollars, or they can choose to incorporate inflation into the reserve funding schedule. The reserve study funding amounts must be shown to produce a reserve balance at the end of the year above \$0. At a minimum, the pooled method with present dollars has to be shown. This is essentially a minimum funding amount for the pooled method. However, the use of inflation can be used to show a more real world approach. It should be noted that the use of ballooning payments is prohibited, where a large increase is used from one year to the next or when proper funding is pushed well into the future to fund an inadequate current amount. The pooled method without inflation is shown in detail on the following pages.

An alternative to the 30 year pooled method is the “component method”. This plan utilizes straight line formulas for each separate reserve category. This method takes each individual line item and computes its annual contribution amount by taking unfunded balance and divides it by the components remaining life. In this method, reserve items are fully funded. This is the amount that should be contributed into the reserves accounts over the component’s remaining life. A setback to this method is that the replacement cost of items will need to be revised every year or two, as construction costs change because it does not factor in inflation. Also, it does not take into account interest on reserve balances. The component method is shown in detail on the following pages.

When choosing between the pooled “cash flow” method and the component method, many factors come into play: the current funding status of the association, the annual contribution amounts, and the upkeep/maintenance of the reserve accounts within the association. The pooled method works best when the association is well funded and can gain interest on lofty reserve balances. However, when interest rates are low, the financial advantages of the pooled method are marginalized. When an association is not well funded, either method will produce fairly similar funding projections.

Another point to discuss is the maintenance of the reserve accounts. We recommend updating your reserve study every 3 years (or sooner if major changes happen with your community). If the association uses the component method, they need to be diligent about updating the costs of reserve items every year or two. With the pooled method, these changes in construction costs are already factored into the report. The last point of the maintenance of reserves is voting. If you use the component method, it dictates that money reserved for one item cannot be transferred over to a different item without an association vote. While some community members may like this idea, it also presents the possibility of a lot more red tape for an association in meetings.

Casablanca Community Association Pooled Method without Inflation

Reserve Item	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Wood Trim and Siding Repair Allowance				7800					7800		
Stairway Replacement											
Gutters and Downspouts Allowance					3900					3900	
Seawall Vinyl		60750									
Tennis Court Color Coat							5760				
Tennis Court Fencing											14400
Mail Kiosks											
Perimeter East and West Chain Link Fence 6'											9108
Residential Buildings Exterior Painting					82342						
Paving 1 Inch Asphalt Overlay							74408				
Paving Seal Coating		18189									
Pool Deck Pavers											
Pool Equipment				3000					3000		
Pool Marcite				23760							
Pool Fence Chain Link 4'											4165
Pool Fence Wooden											
Pool Furniture							4700				
Clubhouse Asphalt Shingle Roof											
Clubhouse Exterior Painting					2256						
HVAC 5 Tons		7500									
Clubhouse Kitchen Refurbishment			5000								
Restroom Refurbishment											
Residential Buildings Asphalt Shingle Roof											
Total Expenses All Years :	\$1,227,526										
Total Expenses By Year:	\$0	\$86,439	\$5,000	\$34,560	\$88,498	\$0	\$84,868	\$0	\$10,800	\$3,900	\$27,673
Starting Balance:	\$286,346	\$322,946	\$273,107	\$304,707	\$306,747	\$254,849	\$291,449	\$243,181	\$279,781	\$305,581	\$338,281
Reserve Funding Amount:	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600
Ending Balance:	\$322,946	\$273,107	\$304,707	\$306,747	\$254,849	\$291,449	\$243,181	\$279,781	\$305,581	\$338,281	\$347,208

Casablanca Community Association Pooled Method without Inflation

Reserve Item	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038	FY 2039
Wood Trim and Siding Repair Allowance			7800					7800			
Stairway Replacement										127200	
Gutters and Downspouts Allowance				3900					3900		
Seawall Vinyl											
Tennis Court Color Coat				5760							
Tennis Court Fencing											
Mail Kiosks		10500									
Perimeter East and West Chain Link Fence 6'											
Residential Buildings Exterior Painting		82342								82342	
Paving 1 Inch Asphalt Overlay											
Paving Seal Coating											
Pool Deck Pavers				20804							
Pool Equipment			3000					3000			
Pool Marcite			23760								
Pool Fence Chain Link 4'											
Pool Fence Wooden		3430									
Pool Furniture				4700							
Clubhouse Asphalt Shingle Roof							9560				
Clubhouse Exterior Painting		2256								2256	
HVAC 5 Tons			7500								
Clubhouse Kitchen Refurbishment											
Restroom Refurbishment					7000						
Residential Buildings Asphalt Shingle Roof							292370				
Total Expenses All Years :											
Total Expenses By Year:	\$0	\$98,528	\$42,060	\$35,164	\$7,000	\$0	\$301,930	\$10,800	\$3,900	\$211,798	\$0
Starting Balance:	\$347,208	\$383,808	\$321,880	\$316,420	\$317,856	\$347,456	\$384,056	\$118,726	\$144,526	\$177,226	\$2,028
Reserve Funding Amount:	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600
Ending Balance:	\$383,808	\$321,880	\$316,420	\$317,856	\$347,456	\$384,056	\$118,726	\$144,526	\$177,226	\$2,028	\$38,628

Casablanca Community Association Pooled Method without Inflation

Reserve Item	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046	FY 2047	FY 2048
Wood Trim and Siding Repair Allowance		7800					7800		
Stairway Replacement									
Gutters and Downspouts Allowance			3900					3900	
Seawall Vinyl									
Tennis Court Color Coat	5760								5760
Tennis Court Fencing									
Mail Kiosks									
Perimeter East and West Chain Link Fence 6'									
Residential Buildings Exterior Painting							82342		
Paving 1 Inch Asphalt Overlay									
Paving Seal Coating									
Pool Deck Pavers									
Pool Equipment		3000					3000		
Pool Marcite		23760							
Pool Fence Chain Link 4'									
Pool Fence Wooden						3430			
Pool Furniture	4700								4700
Clubhouse Asphalt Shingle Roof									
Clubhouse Exterior Painting							2256		
HVAC 5 Tons				7500					
Clubhouse Kitchen Refurbishment	5000								
Restroom Refurbishment									
Residential Buildings Asphalt Shingle Roof									
Total Expenses All Years :									
Total Expenses By Year:	\$15,460	\$34,560	\$3,900	\$7,500	\$0	\$3,430	\$95,398	\$3,900	\$10,460
Starting Balance:	\$38,628	\$59,768	\$61,808	\$94,508	\$123,608	\$160,208	\$193,378	\$134,580	\$167,280
Reserve Funding Amount:	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600	\$36,600
Ending Balance:	\$59,768	\$61,808	\$94,508	\$123,608	\$160,208	\$193,378	\$134,580	\$167,280	\$193,420

Casablanca Community Association Component Method

Reserve Items	Remaining Life	Estimated Life	2018 Starting Balance	Present Cost of Replacement	2018 Funding	2019 Funding	2020 Funding	2021 Funding	2022 Funding	2023 Funding	2024 Funding
Wood Replacement											
Wood Trim and Siding Repair Allowance	3	5	\$283	\$7,800	2506	2506	2506	1560	1560	1560	1560
Building Exteriors											
Stairway Replacement	20	30	\$22,098	\$127,200	5255	5255	5255	5255	5255	5255	5255
Gutters and Downspouts Allowance	4	5	\$3,900	\$3,900	975	975	975	975	780	780	780
Seawall											
Seawall Vinyl	1	40	\$67,339	\$60,750	0	1519	1519	1519	1519	1519	1519
Deferred Maintenance											
Tennis Court Color Coat	6	8	\$5,760	\$5,760	0	0	0	0	0	0	720
Tennis Court Fencing	10	30	\$14,400	\$14,400	0	0	0	0	0	0	0
Mail Kiosks	12	20	\$10,500	\$10,500	0	0	0	0	0	0	0
Perimeter East and West Chain Link Fence 6'	10	25	\$9,108	\$9,108	0	0	0	0	0	0	0
Painting											
Residential Buildings Exterior Painting	4	8	\$37,850	\$82,342	11123	11123	11123	11123	10293	10293	10293
Paving											
Paving 1 Inch Asphalt Overlay	6	25	\$23,470	\$74,408	8490	8490	8490	8490	8490	8490	2976
Paving Seal Coating	1	6	\$18,189	\$18,189	0	3031	3031	3031	3031	3031	3031
Pool Area											
Pool Deck Pavers	14	25		\$20,804	1486	1486	1486	1486	1486	1486	1486
Pool Equipment	3	5		\$3,000	1000	1000	100	600	600	600	600
Pool Marcite	3	10	\$14,248	\$23,760	3171	3171	3171	2376	2376	2376	2376
Pool Fence Chain Link 4'	10	25		\$4,165	417	417	417	417	417	417	417
Pool Fence Wooden	12	15		\$3,430	286	286	286	286	286	286	286
Pool Furniture	6	8		\$4,700	783	783	783	783	783	783	588
Recreation Center											
Clubhouse Asphalt Shingle Roof	17	18		\$9,560	562	562	562	562	562	562	562
Clubhouse Exterior Painting	4	8		\$2,256	564	564	564	564	282	282	282
HVAC 5 Tons	1	12	\$7,500	\$7,500	0	625	625	625	625	625	625
Clubhouse Kitchen Refurbishment	2	20	\$5,000	\$5,000	0	0	250	250	250	250	250
Restroom Refurbishment	15	20	\$5,716	\$7,000	86	86	86	86	86	86	86

Casablanca Community Association Component Method

Reserve Items	Remaining Life	Estimated Life	2018 Starting Balance	Present Cost of Replacement	2018 Funding	2019 Funding	2020 Funding	2021 Funding	2022 Funding	2023 Funding	2024 Funding
Roofing											
Residential Buildings Asphalt Shingle Roof	17	18	\$0	\$292,370	17198	17198	17198	17198	17198	17198	17198
Yearly Funding					\$53,901	\$59,077	\$58,427	\$57,186	\$55,879	\$55,879	\$50,890
Total Fee Per Unit Per Month					\$43.19	\$47.34	\$46.82	\$45.83	\$44.78	\$44.78	\$40.78
			Denotes first time this expense occurs								

Casablanca Community Association Component Method

Reserve Items	2025 Funding	2026 Funding	2027 Funding	2028 Funding	2029 Funding	2030 Funding	2031 Funding	2032 Funding	2033 Funding	2034 Funding	2035 Funding	2036 Funding
Wood Replacement												
Wood Trim and Siding Repair Allowance	1560	1560	1560	1560	1560	1560	1560	1560	1560	1560	1560	1560
Building Exteriors												
Stairway Replacement	5255	5255	5255	5255	5255	5255	5255	5255	5255	5255	5255	5255
Gutters and Downspouts Allowance	780	780	780	780	780	780	780	780	780	780	780	780
Seawall												
Seawall Vinyl	1519	1519	1519	1519	1519	1519	1519	1519	1519	1519	1519	1519
Deferred Maintenance												
Tennis Court Color Coat	720	720	720	720	720	720	720	720	720	720	720	720
Tennis Court Fencing	0	0	0	480	480	480	480	480	480	480	480	480
Mail Kiosks	0	0	0	0	0	525	525	525	525	525	525	525
Perimeter East and West Chain Link Fence 6'	0	0	0	364	364	364	364	364	364	364	364	364
Painting												
Residential Buildings Exterior Painting	10293	10293	10293	10293	10293	10293	10293	10293	10293	10293	10293	10293
Paving												
Paving 1 Inch Asphalt Overlay	2976	2976	2976	2976	2976	2976	2976	2976	2976	2976	2976	2976
Paving Seal Coating	3031	3031	3031	3031	3031	3031	3031	3031	3031	3031	3031	3031
Pool Area												
Pool Deck Pavers	1486	1486	1486	1486	1486	1486	1486	832	832	832	832	832
Pool Equipment	600	600	600	600	600	600	600	600	600	600	600	600
Pool Marcite	2376	2376	2376	2376	2376	2376	2376	2376	2376	2376	2376	2376
Pool Fence Chain Link 4'	417	417	417	167	167	167	167	167	167	167	167	167
Pool Fence Wooden	286	286	286	286	286	229	229	229	229	229	229	229
Pool Furniture	588	588	588	588	588	588	588	588	588	588	588	588
Recreation Center												
Clubhouse Asphalt Shingle Roof	562	562	562	562	562	562	562	562	562	562	531	531
Clubhouse Exterior Painting	282	282	282	282	282	282	282	282	282	282	282	282
HVAC 5 Tons	625	625	625	625	625	625	625	625	625	625	625	625
Clubhouse Kitchen Refurbishment	250	250	250	250	250	250	250	250	250	250	250	250
Restroom Refurbishment	86	86	86	86	86	86	86	86	350	350	350	350

Casablanca Community Association Component Method

Reserve Items	2025 Funding	2026 Funding	2027 Funding	2028 Funding	2029 Funding	2030 Funding	2031 Funding	2032 Funding	2033 Funding	2034 Funding	2035 Funding	2036 Funding
Roofing												
Residential Buildings Asphalt Shingle Roof	17198	17198	17198	17198	17198	17198	17198	17198	17198	17198	16243	16243
Yearly Funding	\$50,890	\$50,890	\$50,890	\$51,484	\$51,484	\$51,951	\$51,951	\$51,298	\$51,561	\$51,561	\$50,575	\$50,575
Total Fee Per Unit Per Month	\$40.78	\$40.78	\$40.78	\$41.26	\$41.26	\$41.63	\$41.63	\$41.11	\$41.32	\$41.32	\$40.53	\$40.53

Casablanca Community Association Component Method

Reserve Items	2037 Funding	2038 Funding	2039 Funding	2040 Funding	2041 Funding	2042 Funding	2043 Funding	2044 Funding	2045 Funding	2046 Funding	2047 Funding	2048 Funding
Wood Replacement												
Wood Trim and Siding Repair Allowance	1560	1560	1560	1560	1560	1560	1560	1560	1560	1560	1560	1560
Building Exteriors												
Stairway Replacement	5255	4240	4240	4240	4240	4240	4240	4240	4240	4240	4240	4240
Gutters and Downspouts Allowance	780	780	780	780	780	780	780	780	780	780	780	780
Seawall												
Seawall Vinyl	1519	1519	1519	1519	1519	1519	1519	1519	1519	1519	1519	1519
Deferred Maintenance												
Tennis Court Color Coat	720	720	720	720	720	720	720	720	720	720	720	720
Tennis Court Fencing	480	480	480	480	480	480	480	480	480	480	480	480
Mail Kiosks	525	525	525	525	525	525	525	525	525	525	525	525
Perimeter East and West Chain Link Fence 6'	364	364	364	364	364	364	364	364	364	364	364	364
Painting												
Residential Buildings Exterior Painting	10293	10293	10293	10293	10293	10293	10293	10293	10293	10293	10293	10293
Paving												
Paving 1 Inch Asphalt Overlay	2976	2976	2976	2976	2976	2976	2976	2976	2976	2976	2976	2976
Paving Seal Coating	3031	3031	3031	3031	3031	3031	3031	3031	3031	3031	3031	3031
Pool Area												
Pool Deck Pavers	832	832	832	832	832	832	832	832	832	832	832	832
Pool Equipment	600	600	600	600	600	600	600	600	600	600	600	600
Pool Marcite	2376	2376	2376	2376	2376	2376	2376	2376	2376	2376	2376	2376
Pool Fence Chain Link 4'	167	167	167	167	167	167	167	167	167	167	167	167
Pool Fence Wooden	229	229	229	229	229	229	229	229	229	229	229	229
Pool Furniture	588	588	588	588	588	588	588	588	588	588	588	588
Recreation Center												
Clubhouse Asphalt Shingle Roof	531	531	531	531	531	531	531	531	531	531	531	531
Clubhouse Exterior Painting	282	282	282	282	282	282	282	282	282	282	282	282
HVAC 5 Tons	625	625	625	625	625	625	625	625	625	625	625	625
Clubhouse Kitchen Refurbishment	250	250	250	250	250	250	250	250	250	250	250	250
Restroom Refurbishment	350	350	350	350	350	350	350	350	350	350	350	350

Casablanca Community Association Component Method

Reserve Items	2037 Funding	2038 Funding	2039 Funding	2040 Funding	2041 Funding	2042 Funding	2043 Funding	2044 Funding	2045 Funding	2046 Funding	2047 Funding	2048 Funding
Roofing												
Residential Buildings Asphalt Shingle Roof	16243	16243	16243	16243	16243	16243	16243	16243	16243	16243	16243	16243
Yearly Funding	\$50,575	\$49,560	\$49,560	\$49,560	\$49,560	\$49,560	\$49,560	\$49,560	\$49,560	\$49,560	\$49,560	\$49,560
Total Fee Per Unit Per Month	\$40.53	\$39.72	\$39.72	\$39.72	\$39.72	\$39.72	\$39.72	\$39.72	\$39.72	\$39.72	\$39.72	\$39.72

Clubhouse Sketch

