

2022 RESERVE STUDY

FOR

Coco Wood Lakes Association, Inc.

6269 West Atlantic Avenue, Delray Beach, Florida 33484



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- provides the total Reserve Replacement Cost, Normal Annual Contribution, Current Reserve Requirement, Association's Current Reserve Balance, and Next Budget Year's Reserve Contribution
- NOTE: it is important to review the C pages to better understand the results of the B1 reserve summary page

3. Reserve Forecast (B2 page)

- provides the association's current year's reserve annual contribution and the future reserve annual contribution for the next 10 years
- note: you will need to review the D pages of this report to understand how and why the annual contribution is different than the normal annual contribution stated on the previous B1 page

4. Reserve Analysis (C pages)

- this section includes the detailed field and desktop work completed by the reserve specialist for each reserve category such as Roofing, Painting, Paving, Pool, Clubhouse, Elevators, etc.
- provides an in-depth, line-by-line reserve components/assets for each reserve category, such as roofing, paving, etc.
- note: each reserve component item will have the quantity of units used, unit cost, replacement cost, normal life, remaining life, normal annual contribution and the current reserve requirement for each specific component item

5. Reserve Funding Analysis (D pages)

- this section includes the cash flow analysis of the normal annual reserve contribution to be collected each year against the annual reserve expenditures incurred on a yearly basis for the next 20 years
- the analysis will show your estimated fund balance for the next 20 years based on the cash flow method of funding and how we have added any reserve fund deficit amount(s) to your normal annual contribution that might be created over the next 20 years
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RESERVE STUDY REPORT
Coco Wood Lakes Association, Inc.
6269 West Atlantic Avenue, Delray Beach, Florida 33484
Date of Site Visit: September 16th, 2022
Budget Year: January 01st 2023



PURPOSE OF THE FULL RESERVE STUDY:

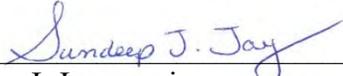
To provide the basis for the necessary funding to repair and replace those reserve components/assets which are the Association's responsibility.

SCOPE OF THE FULL RESERVE STUDY:

Identify and examine specific components for all the reserve category needs analysis and use the "Pool of Funds" method for future reserve financial analysis with an on-site visit. This association has 393 residential homes, 1 clubhouse, and 1 pavilion. Included in this reserve study are the following categories: Roofing, Painting, Paving, Pool & Spa, Recreation Areas, Replace & Restoration, Interiors, and Irrigation. The Study will quantify the individual components in each category by actual field measurements a visual review of asset items where possible. Establish current cost estimates for replacement using Marshall & Swift Valuation Service, National Plumbing & HVAC Estimator, Means Building Construction Cost Data, Trade Service Electrical Price Guide, and local contractors. Identify the useful life expectancy for each component. Estimate each component's remaining useful life through non-destructive methods. Calculate the normal annual contribution over the useful life expectancy. Establish the current 100% reserve requirement. Complete the reserve funding financial analysis using threshold funding and make calculations to amortize any cash flow deficits/overages over the twenty-year analysis by using the pool of funds method. The Study will also adjust the normal annual contributions to include amortized deficit funding, if needed, to meet all anticipated expenditures over the next twenty years. The Reserve Study reflects information provided by your association and assembled for the association's use, not for the propose of performing an audit, quality/forensic analysis, or background checks of historical records.

CERTIFICATION:

I hereby certify that I have no interest in the property, present or contemplated, and that neither the assignment to complete this study nor the fee derived there from is contingent upon its results. My associate has conducted an on-site visit of the association. Unless otherwise noted in the report, and to the best of my knowledge and belief, all statements and data in this report are true, subject to any contingent limiting conditions noted herein. This report is furnished at your request in strict confidence by us as your agent for your exclusive use. The report is not to be construed as a guarantee or warranty, expressed or implied, of the property or the equipment therein or of their fitness for a particular purpose. This report is made under the guidelines of the American Institute of Certified Public Accountants, the Community Associations Institute guidelines, and the Professional Reserve Specialists Code of ethics.



Sundeep J. Jay - senior reserve analyst

INTRODUCTION

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

J. R. FRAZER, INC. (Reserve Studies and Valuation Services) was retained by the Association to prepare a reserve funding analysis of the common areas for the purpose of developing a repair, maintenance, and replacement needs plan for the association’s long-term assets. The “full update with site-visit” was completed by Michael Ainger – Reserve Analyst. The final report was reviewed by Sundeep J. Jay – Senior Reserve Specialist.

This report is prepared as a budgeting tool to assist the association in its long-range financial planning. Its use for any other purpose is not appropriate. The visual observations made do NOT constitute an “Engineering Inspection” and are not detailed enough to be relied upon, nor should they be relied upon to determine building ordinances, local/state codes, safety of the building, soundness of the structure, and or habitability of any building and or structure related to any individual components.

The statutory requirement for condominium associations simply states that reserves must be 100% funded for roofing, painting, and paving plus any other items in which the cost to maintain, repair or replace those items exceeds \$10,000. Though this is not a condominium, the accounting and budgeting methods used to prepare a reserve study for asset replacements is the same for all associations. This association’s board feels it is prudent and fiduciarily incumbent upon them to have a Reserve Analysis and accordingly has elected to engage an independent specialist to prepare a reserve schedule for inclusion in the association’s budget. Our reserve study includes all reserve categories, as stated on the previous page, and all reserve components with a twenty-year cash flow analysis.

There are 3 types of Funding Goals – Baseline Funding, Threshold Funding, and Full Funding. The explanation for each of the funding types is in the back of this reserve study under definitions. **This reserve study uses the Threshold Funding which establishes an annual reserve funding goal of keeping the reserve balance above a specified dollar amount over a period of 20 years.** This minimum reserve amount is derived by taking approximately 10% of the association’s annual operating revenues. As we calculate the reserve funding analysis on the D pages of this report, we will ensure that the year-end reserve balance never falls below the minimum threshold of 10% of the current year’s annual operating revenues over the next 20 years. In some cases, we may use a lower or higher amount depending upon the association’s current financial situation. The board may,

at any time, decide to increase the minimum threshold to an amount that is more conservative and financially responsible.

The analysis uses the straight-line component method to determine the financial needs of the association. This study uses the “pool of funds” method to create a twenty-year cash flow analysis with a minimum threshold to complete the reserve financial analysis and the reserve funding requirements for the association. The physical analysis data includes those components that are included on the C pages of the reserve study. Each reserve component item used in this reserve study uses the straight-line funding calculation by obtaining the quantity of units, calculating the replacement costs, establishing a normal/useful life, and estimating the remaining useful life of each component item. The information is gathered through the on-site visit (or prior on-site), independent research, reviewing existing maintenance records, association’s management, and verification of actual historical replacement cost of the components. Because inflation cannot be accurately predicted, replacement costs herein are at current construction cost.

The reserve program is designed to provide all or part of the funds necessary to pay for maintaining, repairing, and replacing the capital improvements of the Association. Not every circumstance can be accounted for future loss possibilities such as catastrophic disasters. At the request of the board, this reserve study may include reserves for uninsurable losses due to a catastrophe. These losses may be caused by flooding, lightning, hurricanes, tornados, or un-named windstorms and may include damage to such uninsurable items. These items are not common to a reserve study because the replacement costs, useful life, and remaining life cannot be determined. Other items where the replacement costs, useful life and more specifically the remaining life cannot be reasonably determined are Landscaping Reserves, Storm Clean-up Reserves, Lakeshore Restoration, and Underground Drainage & Irrigation Piping Systems. If any of these items are included into this reserve study upon the request from the board members and or the property manager, we recommend contacting the association’s CPA to evaluate any tax consequences. The replacement costs, useful life and remaining life has been derived from the association’s board and or the property manager’s past experiences. These reserve items will be scrutinized on every future reserve update to help calculate and obtain reasonable costs estimates and time frames.

Code changes, “pre-maturely” structural failing items, construction defects, upgrades, surprises, sudden technological changes to component items, and builder defects are not a part of this reserve study. These items, if encountered, may require special assessments and or a bank loan.

This report is not an inspection report, safety inspection report, and or an engineering report. No destructive testing is completed. A Reserve Study is a budgeting tool used to assist the board to arrive at a fully funding annual contribution amount. The association should hire the services of engineers on a periodic basis to help evaluate some of the association's larger asset items such as the roofing system, building concrete, mechanical items, seawalls, etc.

PURPOSE OF RESERVES

Reserves are monies budgeted, collected, and set aside for asset replacements or deferred maintenance. The establishment of reserve accounts begins with the developer and or the board who has a fiduciary responsibility for the establishment of an association's budget. With the assistance of this report or a prior reserve study, the board will or has established the reserve accounts for the future replacements or deferred maintenance of the common area assets.

Without adequate reserves, owners may be subject to either special assessments or the association may not be able to repair or replace the common area assets. Reserve funds enable an association to maintain the common areas by reducing the risk of special assessments and thereby minimizing the impact of financial challenges to unit owners. The establishment of 100% annual reserve contribution accomplishes the following:

- Establishes and preserves reserves for a strong financial position to meet future expenditures.
- Reserves reduces the probability for special assessments.
- It allows for the replacement/maintenance of the items listed on the C pages of this report over a period of 20 years according to the remaining life estimated
- All owners share the expenses of the association "equally" by paying their fair share of the cost while living in the association.

Reserve funding is for TODAY'S asset depreciation collected either monthly, quarterly, semi-annually, or annually. Every day the sun and wind are decomposing the roof and building, friction is wearing down the elevators, and car tires and nature is cracking the asphalt. The daily depreciation will eventually require the replacement or maintenance of these assets.

Adequate funding is the key to reserves. Just having reserve funds does not make an association's financial future strong. Reserves must be set at an annual goal of 100% funding according to Florida Condominium Statutes. A proper asset funding plan is the same for all HOAs, cooperatives, and various other types of associations. For condominiums and or HOAs with statutory reserves, the membership can elect to partially fund reserves or waive reserve funding altogether by a majority vote of its members. J.R. Frazer, Inc. does not recommend anything less than annually fully funding reserves.

By annually fully funding reserves, the association will have the monies set aside to pay and replace the asset items listed on the C pages of this report based on the estimated remaining lives of each of the assets. There will be cost variances when it comes time to have the asset item replaced/maintained due to inflation, code changes, upgrades, and the possibility of replacing an asset item prior to the remaining life estimated in this report. At the time of replacement, the association should obtain 3 bids from various vendors and accordingly choose a vendor that will best accomplish the goals of the association. These bids will vary in price.

This report does not assist in reducing and or bridging the gap between the Current Reserve Requirement and the Association's Current Reserve Balance as stated on the B1 page of this report. The association can elect to close this deficit gap through a special assessment. This report "does assist" in providing the funds necessary to pay for all asset replacements over a period of 20 years provided the association is 100% contributing towards their annual reserve contributions.

NAVIGATING & UNDERSTANDING THIS REPORT

Reserve Summary Section – (B1 & B2 pages):

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

The Normal Annual Contribution (stated on page B1) versus the Annual Contributions (stated on the B2 page) for either next year or future years might be different depending upon your current reserve balance and expenses related to projects that will materialize over the next 1 to 20 years. The Annual Contributions stated on the B2 page will be higher if there is a deficit in your reserve balance over the next 20 years.

The Normal/Useful Life and Remaining Life on the Reserve Summary page are ranges of life. The actual Useful Life and Remaining Life for each individual reserve component are contained in the Reserve Analysis section (C pages). Do not consider the useful life and remaining life of any single reserve category from page B1 – it is a range and not specific. For example, in Paving, the sidewalk will have a useful life of 50 to 60 years while the asphalt will only have a useful life of 20 years.

The Summary page B2 provides the association's current year contribution and the newly calculated Annual Contribution for the next 20 years adding in any deficit amounts that "might" have occurred in the funding analysis located on the D pages of this report. On page B2, we have added the normal annual contribution with any deficit amounts (if applicable) that were needed in order to maintain a positive balance (minimum threshold) in your reserve account.

The payments listed on page B2 are the recommended fully funding annual contribution amounts.

Reserve Analysis Section - (C pages):

This section provides a detailed breakdown of all component items (assets) into each major reserve category listed from page B1. All reserve component items are further broken down to provide the number of units (measurements), individual unit cost, useful life, estimated remaining life, annual contribution for that component item and the current reserve requirement (dollar amount

that should be in reserves as of the date of this report). Information gathered from the on-site visit (or prior on-site visit) along with information received by your association is in this section of the report.

The main unit of measurement used throughout the report is square feet. If the measurement is anything different, then it will be stated with the component line item as “lf” (linear feet), “sy” (square yards). Linear feet measurements are usually found with fencing, railings, and curbs. Square yards are usually found with asphalt and carpeting.

Please keep in mind when reviewing the C pages of this report that any component items with a remaining life of 1 year is due to be replaced during the next budget year.

Reserve Funding Analysis – (D pages):

In this section, broken down year by year for the next 20 years, are all of the annual reserve expenses, annual reserve contributions, beginning and year-end reserve balances. It is in this section under “amortized deficit” that will show the additional deficit contribution needed (if applicable) to the Normal Annual Contribution to maintain a positive balance in the reserve account. The amortized deficit column can vary year by year. In any given year, if the association’s reserve fund balance falls below the minimum threshold fund balance (ie. \$5,000 - \$50,000) an amount is added to bring the fund balance to the stated minimum threshold amount. This deficit amount is then equally divided into the preceding years hence not creating a burden in any 1 particular year. To further clarify..., if the minimum threshold fund balance is \$5,000 and then in year 5 the association’s fund balance is a negative \$1,500, then \$6,500 will be needed to bring the fund balance to \$5,000. This \$6,500 deficit will then be divided by the 5 preceding years adding \$1,300 a year to the normal annual contribution.

The minimum threshold is set at approximately 10% of the association’s operating revenues but this amount can be lower or higher depending upon certain circumstances.

Photo Section:

This section provides photographs of most of the component items listed in this reserve study – but not all. It does not provide photographs of problem areas, though they may be observable in the photographs – such as cracking on the asphalt paving.

Financial & Other Documentation:

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

Definitions and Consulting Contractors:

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

Also, in this section are names and phone numbers of contractors that our company has gathered over the last 20 years. We cannot guarantee their workmanship, nor do we have a preference to any one contractor. We recommend interviewing at least 3 contractors and obtaining a copy of their license(s) and insurance prior to signing any agreements. Please contact our office if your experience with any of the contractors is less than professional. We do not gain from your use of these contractors, and we also do not want to promote their business if their business practices are not professional. They will be removed from our list.

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

GENERAL ANALYST RECOMMENDATIONS

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

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

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

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

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

5. When undertaking large projects, the reserve study should be used to compare the costs stated on the report with the actual costs on the contract. Accordingly, the association should either special assess the difference and or adjust the future years reserve

contributions to help fund the costs differences. This will typically apply for major interior renovation projects, concrete restoration projects, and or mechanical change outs where code changes may be applicable.

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

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

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

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

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

b. Concrete Restoration

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

c. Roofing Systems

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

d. Paving/Asphalt

Additional costs due to: tree root intrusion, additional subsurface work required, prolonging the asphalt project, drainage issues, etc.

e. Interior Renovations

Additional costs due to: interior designer fees, moving of interior walls, upgrades, etc.

SPECIAL NOTES

Information supplied by the Association includes a copy of the August 31st, 2022 financial reports, a copy of the current reserve budget, and contracts, and invoices. We may have also obtained verbal information from the association's management company regarding past and or future repairs and or replacements along with the timing of past replacements. All past and present information received by the association is deemed reliable for the purposes of this report. The actual or projected total presented in the Reserve Study is based upon information provided and was not audited.

As a result of the study, if the current reserve fund balance is less than the current 100% reserve requirement, you have a reserve fund deficit. If the fund balance is greater than the reserve requirement, you have a reserve fund overage.

When the association's current reserve fund balance is less than the current 100% reserve requirement, additional funds MAY be added to the normal annual contribution if current funding levels will not meet the projected twenty-year cash flow analysis. This will allow the funding deficit to be paid down over a period of years within the twenty-year period.

As stated earlier, this report does not assist in reducing and or bridging the gap between the Current Reserve Requirement and the Association's Current Reserve Balance as stated on the B1 page of this report. The association can elect to close this deficit gap through a special assessment. This report "does assist" in providing the funds necessary to pay for all asset replacements over a period of 20 years provided the association is 100% contributing towards their annual reserve contributions.

All funding deficits in this study are amortized into previous years (when applicable) based upon the cash flow analysis. This amortized deficit amount is added to the normal annual contribution yielding the new contribution. **Additional funds over the Normal Annual Contribution ARE needed for your association at this time to meet minimal threshold funding requirements and anticipated expenditures.**

Please review the D pages of this report to see when and in what category the funding deficit occurs.

The goal is to meet anticipated reserve expenditures over the next twenty years and maintain a positive cash baseline.

All reserve amounts change yearly with increased cost of materials, increased cost of labor, building code changes, and investment

income. We do not add for inflation or interest earned on the association reserve bank balance. These items are difficult to predict and can mislead the user of the report. Instead, we use current cost with no inflation and no interest. Some cost increases will be taken care of by the interest, but we recommend annual updates to adjust for increased cost. These economic changes will have an impact on your reserve fund and your ability to provide for future expenses.

In addition, depending upon how you decide to allocate future reserve funding, and whether you opt to fund at recommended levels, these decisions will also impact the status of the reserve fund. To ensure continued adequate funding, we strongly recommend annual updates to adjust for increased cost, adjustments to estimated remaining life, reserve spending, and changes in your funding allocations. The only way to maintain accurate reserves and reduce the need for special assessments would be to update your reserve study annually.

This reserve study is not only based on estimated cost figures for replacement, but also an estimated time frame for the replacement of the association's assets. Everything can adjust by a couple of years and most things will not be replaced unless it is broken, such as a gate motor, pool pump and or an air conditioning unit. Painting is probably the only item that an association can control and should maintain a planned course of action to have the association's buildings, walls, fences, etc. painted according to a set schedule based on your location. But for the purposes of this report, we have provided a roadmap that will help guide this association to meet future obligations without the reserve fund balance falling below the minimum threshold. As your association orders future updates, we will replace estimated market prices with actual amounts incurred by the association. We will also adjust either the useful life and or the remaining life of the asset depending upon how an asset is depreciating.

Please keep in mind while reviewing this reserve study that this is not a general inspection report, safety inspection report, and or an engineering report. No destructive testing or sample gathering is completed during the on-site visit. The on-site visit should not be considered a project audit or quality inspection. Reserve studies are a budgeting tool for the replacement of the association's long-term assets. We have based our findings on the age of the building/association, information that has been provided by your association and or obvious visual deterioration on assets seen during the on-site visit. It is the responsibility of the association to periodically hire the services of engineer(s) and or general contractor(s) on items such as building restoration, large mechanical items, elevators, seawalls, roofing structure, perimeter walls, roofing systems, drainage, etc. By completing this report, we hope to provide the association with a reasonable budget to have the funds in place to complete replacements of their long and short-term assets without having to special assess its members. Through the annual contributions stated on this report, we hope to reduce the possibility of future special assessments. Lastly, though we try to narrow down the remaining lives for the replacement of your assets, the variance can be as much as 5 (+/-) years. In some cases, such as seawalls, it can vary as much as 10-20 years.

FINANCIAL NOTES

This report is prepared based on the cash flow method of reserve funding. The cash flow method calculates the funding balance based on the yearly dues/money coming in and expenses/money going out for the next 20 years. This report was prepared to maintain a minimum reserve fund balance (also called the minimum threshold) of \$60,000 at all times for the next 20 years. To arrive at the year-end reserve fund balance, we take the beginning fund balance and minus the estimated component item expense(s) and then add the annual contribution we have stated on this report. On the D pages of this report, we show this calculation on a year-by-year basis starting in the year the report was ordered. While we are running the reserve analysis on the D pages of this report, if in one of those years, the reserve fund balance falls below the minimum threshold of \$60,000, we add more money to the annual contribution to stay at a minimum fund balance of \$60,000. This amount that is added to the normal annual contribution is called a fund deficit amount – highlighted in blue on the D pages of this report IF applicable to your association.

We have scheduled some of the following projects based on the on-site visit and or information we received from your association:

Year 2: Exterior Painting / Interior Renovations / Restroom Renovations

The above listed projects, along with not having sufficient funds in reserves has caused a reserve fund deficit over the next 5 years with increases in the reserve budget needed to meet the anticipated reserve expenditure. After these projects are completed, it seems the reserve requirements will drop. The association may wish to consider alternative financial resources such as a bank loan if the large increase over the next few years creates a financial burden. A bank loan can spread the funding over a larger number of years and reduce the annual reserve funding requirement.

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

This association's financial strength is low with less than a 30% reserve level of funding. This association's reserves are approximately 20.2% funded. The percentage is derived by dividing the Association's Reserve Fund Balance of \$194,703 on

August 31st, 2022 by the Current Reserve Requirement stated on page B1 of this report. According to a study done by the Association of Professional Reserve Analysts (APRA), an association that is less than 30% funded runs a 37% risk of special assessments during any one yearly period.

We had to supplement the Normal Annual Contribution of \$79,080 with an additional contribution in years 1 and 2 of \$115,905, and in years 3 through 5 of \$986 annually to meet the anticipated reserve expenditures. Additional deficit contributions beyond these years are not required. The total contributions stated on the B2 page of this report will put the association back in line to meet future expenses with minimal contributions. Please keep in mind that this reserve study does not take into consideration future inflation, unexpected mechanical/structural failing items, construction defects, assets that are neglected, upgrades, code changes, major interior renovations, and or the interest earned on the association's reserve balance.

The association should set a goal of collecting 100% of the annual contributions stated on the B2 page of this report and over the next few years reach a minimum of 30% funded to reduce the possibility of special assessments. We urge associations to be at least 50% to 70% funded in order to greatly reduce the risk of special assessments and or to reduce the likelihood of future deficit funding on future reserve updates.

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

ADDITIONAL NOTES

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

While reviewing this report, keep in mind that the report is not calculated to close the gap between the Current Reserve Requirement (reserves that should have been saved by the association) and the Current Reserve Funds held by the association as of the date of this report (see page B1). This report is prepared to help fund all of the maintenance/replacements of components/assets listed on the C pages of this report over a period of 20 years.

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

By Florida State Statutes related to condominiums, an annual "fully" funding reserve contribution does not require a vote amongst association members. This may apply to HOA communities that have Statutory Reserves. A majority vote is required when an association decides to collect less than the annual "fully" contribution amount. For this reason, it is important that all association members vote to provide their input in regard to either fully fund reserves and or fund less than the fully funding reserve contribution.

Reasons associations collect less than fully funding reserve contributions may be due to unit owner budgeting constraints, competition in HOA dues with neighboring similar associations, and or the association may have just recently collected a large special assessment to complete a project. In either case, if the association chooses to collect less then what is stated in this report, the likelihood of future special assessments will increase.

LIMITATIONS, EXCEPTIONS, AND EXCLUSIONS

Section 1 – Site Visit.

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

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

Section 2 – Physical Analysis.

The following are typically excluded from the Physical Analysis.

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

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

Section 3 – Financial Analysis

The following are typically excluded from the Financial Analysis.

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

CONDITIONS OF RESERVE STUDY

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

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

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

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

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

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

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

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

Report completed by:
J. R. FRAZER, INC.
Sundeep J. Jay
6615 W. Boynton Beach Blvd. #360
Boynton Beach, FL 33437
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2022 RESERVE SUMMARY

Coco Wood Lakes Association, Inc. 6269 West Atlantic Avenue, Delray Beach, Florida 33484

POOL OF FUNDS - Fiscal Year runs January 1st to December 31st

RESERVE CATEGORY	REPLACEMENT COST	USEFUL LIFE (YEARS)	REMAIN LIFE (YEARS)	NORMAL ANNUAL CONTRIBUTION	CURRENT RESERVE REQUIREMENT	ASSOCIATION FUND BALANCE 8/31/2022	FUND (DEFICIT) OVERAGE	2023 ANNUAL RESERVE CONTRIBUTION	2023 MONTHLY CONTRIBUTION
A - Roofing	83,261	10 - 20	5 - 9	4,500	59,532	*	*	*	*
B - Painting	26,508	8 - 8	0 - 6	3,314	19,786	*	*	*	*
C - Paving	281,942	0 - 60	0 - 15	10,783	240,547	*	*	*	*
D - Pool and Spa	188,472	5 - 30	0 - 15	11,807	100,848	*	*	*	*
E - Recreation Areas	59,720	6 - 50	1 - 11	2,224	48,929	*	*	*	*
F - Replace and Restoration	303,645	0 - 50	0 - 46	13,408	128,443	*	*	*	*
G - Interiors	554,039	5 - 40	1 - 24	32,019	355,518	*	*	*	*
H - Irrigation	17,200	10 - 30	2 - 12	1,025	8,880	*	*	*	*
Association Fund Balance	-			-		194,703	194,703		
TOTAL	\$ 1,514,787		<small>Life range of years for summary purpose only, see actual estimated years in "C" pages.</small>	\$ 79,080	\$ 962,483	\$ 194,703	\$ (767,780)	\$ 194,985	\$ 16,249

RESERVE CONTRIBUTION FORECAST

Coco Wood Lakes Association, Inc.

6269 West Atlantic Avenue, Delray Beach, Florida 33484

RESERVE CATEGORY	Yr. 2022 Contribution	Yr. 2023 Contribution	Yr. 2024 Contribution	Yr. 2025 Contribution	Yr. 2026 Contribution	Yr. 2027 Contribution	Yr. 2028 Contribution	Yr. 2029 Contribution	Yr. 2030 Contribution	Yr. 2031 Contribution	Yr. 2032 Contribution
Normal Annual Contribution	18,000	79,080	79,080	79,080	79,080	79,080	79,080	79,080	79,080	79,080	79,080
Plus Amortized Deficit Amount		115,905	115,905	986	986	986	-	-	-	-	-
TOTAL ANNUAL RESERVE CONTRIBUTIONS	\$ 18,000	\$ 194,985	\$ 194,985	\$ 80,066	\$ 80,066	\$ 80,066	\$ 79,080	\$ 79,080	\$ 79,080	\$ 79,080	\$ 79,080

RESERVE CONTRIBUTION FORECAST

Coco Wood Lakes Association, Inc.

6269 West Atlantic Avenue, Delray Beach, Florida 33484

RESERVE CATEGORY	2033 Contribution	2034 Contribution	2035 Contribution	2036 Contribution	2037 Contribution	2038 Contribution	2039 Contribution	2040 Contribution	2041 Contribution	2042 Contribution
Normal Annual Contribution	79,080	79,080	79,080	79,080	79,080	79,080	79,080	79,080	79,080	79,080
Plus Amortized Deficit Amount	-	-	-	-	-	-	-	-	-	-
TOTAL ANNUAL RESERVE CONTRIBUTIONS	\$ 79,080									

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

		Values						
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
A - Roofing								
1 - Clubhouse Roofing System								
	a - clubhouse bldg. asphalt shingle roof 08	12,335	5.70	\$70,310	20	5	\$3,516	\$52,740
1 - Clubhouse Roofing System Subtotal				\$70,310			\$3,516	\$52,740
2 - Pavilion Roofing System								
	a - pavilion asphalt shingle roof 12	1,094	5.70	\$6,236	20	9	\$312	\$3,432
2 - Pavilion Roofing System Subtotal				\$6,236			\$312	\$3,432
3 - Roofing Other								
	a - roofing repairs and misc.	13,429	0.50	\$6,715	10	5	\$672	\$3,360
3 - Roofing Other Subtotal				\$6,715			\$672	\$3,360
A - Roofing Total				\$83,261	20	9	\$4,500	\$59,532

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

		Values							
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement	
B - Painting									
	1 - Paint Clubhouse Exterior								
	a - paint clubhouse bldg. exterior walls 17	7,683	1.80	\$13,829	8	2	\$1,729	\$10,374	
	1 - Paint Clubhouse Exterior Subtotal			\$13,829			\$1,729	\$10,374	
	2 - Paint Pavilion Exterior								
	a - paint pavilion ceiling and columns 17	753	1.80	\$1,355	8	2	\$169	\$1,014	
	2 - Paint Pavilion Exterior Subtotal			\$1,355			\$169	\$1,014	
	3 - Paint Entry Monument								
	a - paint entry monument 17	304	1.80	\$547	8	2	\$68	\$408	
	3 - Paint Entry Monument Subtotal			\$547			\$68	\$408	
	4 - Paint Metal Railing (lf)								
	a - paint 6' pool area metal railing/gates (lf)	420	8.25	\$3,465	8	2	\$433	\$2,598	
	4 - Paint Metal Railing (lf) Subtotal			\$3,465			\$433	\$2,598	
	5 - Paint Light Poles								
	a - paint parking lot single light poles	4	130.00	\$520	8	2	\$65	\$390	
	b - paint parking lot double light poles	2	130.00	\$260	8	2	\$33	\$198	
	c - paint community 7' light poles	5	80.00	\$400	8	2	\$50	\$300	
	d - paint community 10' light poles	20	90.00	\$1,800	8	2	\$225	\$1,350	
	5 - Paint Light Poles Subtotal			\$2,980			\$373	\$2,238	
	6 - Paint Awnings								
	a - paint all metal awning frames - 4 22	1,346	2.05	\$2,759	8	0	\$345	\$2,760	
	6 - Paint Awnings Subtotal			\$2,759			\$345	\$2,760	
	7 - Paint Pool Area								
	a - paint pool stone coping 21	354	1.80	\$637	8	6	\$80	\$160	
	b - paint spa concrete pad	144	1.80	\$259	8	6	\$32	\$64	
	c - paint pool equipment structure	336	1.80	\$605	8	6	\$76	\$152	
	d - paint pool shower privacy wall	40	1.80	\$72	8	6	\$9	\$18	
	7 - Paint Pool Area Subtotal			\$1,573			\$197	\$394	
	B - Painting Total			\$26,508	8	6	\$3,314	\$19,786	

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

		Values						
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
C - Paving								
	1 - Asphalt and 1" Milling (sy)							
	a - asphalt/mill parking area (sy)	5,216	13.75	\$71,720	20	2	\$3,586	\$64,548
	b - line stripe parking area (sy) 14	5,216	0.60	\$3,130	5	2	\$626	\$1,878
	1 - Asphalt and 1" Milling (sy) Subtotal			\$74,850			\$4,212	\$66,426
	2 - Pavers (sf)							
	a - pool area pavers (sf)	14,020	8.00	\$112,160	30	2	\$3,739	\$104,692
	b - clubhouse walkway pavers (sf)	1,062	8.00	\$8,496	30	2	\$283	\$7,924
	2 - Pavers (sf) Subtotal			\$120,656			\$4,022	\$112,616
	3 - Sidewalk Repairs and Replacement (sf)							
	a - clubhouse area sidewalk R&R (sf)	1,230	8.00	\$9,840	60	15	\$164	\$7,380
	b - pickleball area concrete slab R&R (sf)	3,000	12.50	\$37,500	60	15	\$625	\$28,125
	c - pavilion area concrete slab R&R (sf)	2,064	12.50	\$25,800	60	15	\$430	\$19,350
	3 - Sidewalk Repairs and Replacement (sf) Subtotal			\$73,140			\$1,219	\$54,855
	4 - Paving Other (sf)							
	a - paving repairs and misc.	26,592	0.50	\$13,296	10	5	\$1,330	\$6,650
	b - note: association may want to consider repaving the asphalt sooner then the 2 years stated in this report							
	4 - Paving Other (sf) Subtotal			\$13,296			\$1,330	\$6,650
C - Paving Total				\$281,942	60	15	\$10,783	\$240,547

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

		Values						
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
D - Pool and Spa								
1 - Resurface Pool								
	a - resurface pool	2,819	9.25	\$26,076	12	2	\$2,173	\$21,730
	b - replace pool tiles (lf)	177	18.00	\$3,186	12	2	\$266	\$2,660
	c - pool stone coping R&R (lf) 21	177	12.50	\$2,213	12	10	\$184	\$368
1 - Resurface Pool Subtotal				\$31,475			\$2,623	\$24,758
2 - Spa Area								
	a - reseal spa fiberglass shell 21	52	90.00	\$4,680	5	3	\$936	\$1,872
	b - spa concrete slab R&R	121	8.00	\$968	20	10	\$48	\$480
2 - Spa Area Subtotal				\$5,648			\$984	\$2,352
3 - Pool and Spa Equipment								
	a - pool/spa 2.0hp pump 19	1	800.00	\$800	8	4	\$100	\$400
	b - pool/spa 1.5hp pump 19	1	750.00	\$750	8	4	\$94	\$376
	c - pool/spa 1.25hp pump 20	1	725.00	\$725	8	3	\$91	\$455
	d - pool/spa 3.0 hp pump 19	1	1,600.00	\$1,600	8	4	\$200	\$800
	e - pool/spa feeder 19	1	600.00	\$600	10	6	\$60	\$240
	f - pool/spa feeder 19	1	600.00	\$600	10	6	\$60	\$240
	g - pool/spa feeder 21	1	600.00	\$600	10	8	\$60	\$120
	h - pool/spa feeder 22	1	600.00	\$600	10	9	\$60	\$60
	i - large pool/spa feeder	1	1,200.00	\$1,200	10	5	\$120	\$600
	j - filter grids	30	60.00	\$1,800	12	8	\$150	\$600
	k - separation tanks	2	900.00	\$1,800	15	1	\$120	\$1,680
	l - medium filter housing 21	1	950.00	\$950	15	13	\$63	\$126
	m - geo heater/chillers 16	3	10,500.00	\$31,500	20	13	\$1,575	\$11,025
	n - pool/spa heater 17	1	5,400.00	\$5,400	12	6	\$450	\$2,700
	o - pool area 2.0hp well pump 21	1	1,800.00	\$1,800	8	6	\$225	\$450
	p - pool area well	1	7,500.00	\$7,500	20	13	\$375	\$2,625
3 - Pool and Spa Equipment Subtotal				\$58,225			\$3,803	\$22,497
4 - Pool/Spa Equipment Structure								
	a - pool/spa equipment structure R&R	480	8.00	\$3,840	20	11	\$192	\$1,728

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

Values								
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	b - filter grid housing structure R&R	56	45.00	\$2,520	10	1	\$252	\$2,268
4 - Pool/Spa Equipment Structure Subtotal				\$6,360			\$444	\$3,996
	5 - Pool Furniture							
	a - pool furniture allowance 18	1	14,400.00	\$14,400	15	10	\$960	\$4,800
5 - Pool Furniture Subtotal				\$14,400			\$960	\$4,800
	6 - Pool Canopies							
	a - pool area (10'x40') canopies - 2 (sf) 22	800	9.19	\$7,354	10	0	\$735	\$7,350
	b - pool area canopy metal frames - 2	800	19.50	\$15,600	30	10	\$520	\$10,400
6 - Pool Canopies Subtotal				\$22,954			\$1,255	\$17,750
	7 - Pool Area Fencing (If)							
	a - pool area 6' metal railing (lf)	410	80.00	\$32,800	30	15	\$1,093	\$16,395
	b - pool area 6' metal/electronic gates (2) (lf)	10	345.00	\$3,450	30	15	\$115	\$1,725
	c - pool equipment 6' chain-link fence (lf)	60	60.00	\$3,600	30	15	\$120	\$1,800
	d - pool equipment 6' chain-link gate (1) (lf)	5	180.00	\$900	30	15	\$30	\$450
	e - pool equipment 7' chain-link cage (lf)	88	70.00	\$6,160	30	15	\$205	\$3,075
7 - Pool Area Fencing (If) Subtotal				\$46,910			\$1,563	\$23,445
	8 - Pool Shower							
	a - pool shower stall R&R	1	1,500.00	\$1,500	20	10	\$75	\$750
8 - Pool Shower Subtotal				\$1,500			\$75	\$750
	9 - Pool Drinking Fountain							
	a - pool drinking fountain 18	1	1,000.00	\$1,000	10	5	\$100	\$500
9 - Pool Drinking Fountain Subtotal				\$1,000			\$100	\$500
D - Pool and Spa Total				\$188,472	30	15	\$11,807	\$100,848

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

Values								
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
E - Recreation Areas								
1 - Shuffleboard Court								
	a - resurface shuffleboard courts	6	600.00	\$3,600	10	1	\$360	\$3,240
	b - shuffleboard concrete pad R&R	3,650	8.00	\$29,200	50	1	\$584	\$28,616
	c - shuffleboard area concrete benches	8	1,000.00	\$8,000	30	11	\$267	\$5,073
	1 - Shuffleboard Court Subtotal			\$40,800			\$1,211	\$36,929
2 - Pickleball Court								
	a - pickleball court R&R	1	1,200.00	\$1,200	6	3	\$200	\$600
	2 - Pickleball Court Subtotal			\$1,200			\$200	\$600
3 - Pavilion Area								
	a - pavilion building R&R	715	8.00	\$5,720	20	10	\$286	\$2,860
	b - pavilion area concrete tables & benches	2	2,500.00	\$5,000	30	10	\$167	\$3,340
	c - pavilion area lighting/furniture	1	3,000.00	\$3,000	15	5	\$200	\$2,000
	d - pavilion area 9'x12'x12' metal shed	144	27.78	\$4,000	25	5	\$160	\$3,200
	3 - Pavilion Area Subtotal			\$17,720			\$813	\$11,400
E - Recreation Areas Total				\$59,720	50	11	\$2,224	\$48,929

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

Values								
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
F - Replace and Restoration								
01 - Clubhouse Repair and Restoration								
	a - clubhouse building R&R	7,683	1.75	\$13,445	24	10	\$560	\$7,840
01 - Clubhouse Repair and Restoration Subtotal				\$13,445			\$560	\$7,840
02 - Pavilion Repair and Restoration								
	a - pavilion building R&R	753	2.75	\$2,071	16	10	\$129	\$774
02 - Pavilion Repair and Restoration Subtotal				\$2,071			\$129	\$774
03 - Entry Monument								
	a - renovate entry monument	152	15.00	\$2,280	20	10	\$114	\$1,140
	b - entry monument R&R	24	150.00	\$3,600	40	25	\$90	\$1,350
03 - Entry Monument Subtotal				\$5,880			\$204	\$2,490
04 - Clubhouse Air Conditioning								
	a - clubhouse 15 ton A/C condenser 19	1	17,000.00	\$17,000	15	11	\$1,133	\$4,532
	b - clubhouse air handler 19	1	7,700.00	\$7,700	15	11	\$513	\$2,052
	c - clubhouse 15 ton A/C condenser 19	1	17,000.00	\$17,000	15	11	\$1,133	\$4,532
	d - clubhouse air handler 19	1	7,700.00	\$7,700	15	11	\$513	\$2,052
	e - clubhouse 6 ton A/C condenser 17	1	6,900.00	\$6,900	15	9	\$460	\$2,760
	f - clubhouse 6 ton A/C condenser 17	1	6,900.00	\$6,900	15	9	\$460	\$2,760
	g - clubhouse air handler 17	1	4,500.00	\$4,500	15	9	\$300	\$1,800
	h - clubhouse window/wall A/C unit 20	1	600.00	\$600	6	3	\$100	\$300
	i - clubhouse window/wall A/C unit	1	600.00	\$600	6	1	\$100	\$500
04 - Clubhouse Air Conditioning Subtotal				\$68,900			\$4,712	\$21,288
05 - Windows								
	a - clubhouse impact windows (sf) 19	552	80.00	\$44,160	50	46	\$883	\$3,532
	b - clubhouse impact slider (sf) 19	64	110.00	\$7,040	50	46	\$141	\$564
	c - clubhouse non-impact windows (sf)	260	80.00	\$20,800	50	5	\$416	\$18,720
	d - clubhouse non-impact slider (sf)	48	110.00	\$5,280	50	5	\$106	\$4,770
05 - Windows Subtotal				\$77,280			\$1,546	\$27,586
06 - Exterior Doors								
	a - clubhouse single metal door/frame 18	2	2,200.00	\$4,400	40	35	\$110	\$550

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

Reserve Category	Component Items	Quantity		Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
		Units	Unit Cost \$					
	b - clubhouse single metal doors/frames	3	2,200.00	\$6,600	40	15	\$165	\$4,125
	c - clubhouse double metal doors/frames 17	1	3,800.00	\$3,800	40	34	\$95	\$570
	d - clubhouse double metal doors/frames	3	3,800.00	\$11,400	40	15	\$285	\$7,125
	06 - Exterior Doors Subtotal			\$26,200			\$655	\$12,370
	07 - Exterior Lighting							
	a - clubhouse sconces	12	225.00	\$2,700	15	12	\$180	\$540
	b - clubhouse 7' light poles	5	800.00	\$4,000	40	15	\$100	\$2,500
	c - community 10' light poles	20	1,100.00	\$22,000	40	15	\$550	\$13,750
	d - note: the association has budgeted \$6,250 to replace only the light fixtures in 2023, light poles to be replaced on next fixture cycle							
	e - parking area single light poles	4	3,800.00	\$15,200	40	24	\$380	\$6,080
	f - parking area double light poles	2	4,800.00	\$9,600	40	24	\$240	\$3,840
	g - parking area light pole fixtures 17	8	825.00	\$6,600	15	9	\$440	\$2,640
	h - community landscaping lights	12	375.00	\$4,500	10	5	\$450	\$2,250
	07 - Exterior Lighting Subtotal			\$64,600			\$2,340	\$31,600
	08 - Exterior Miscellaneous							
	a - metal advisory signs	12	285.00	\$3,420	20	10	\$171	\$1,710
	b - clubhouse mailbox	1	500.00	\$500	10	1	\$50	\$450
	c - clubhouse flagpole	1	2,500.00	\$2,500	30	15	\$83	\$1,245
	08 - Exterior Miscellaneous Subtotal			\$6,420			\$304	\$3,405
	09 - Awnings							
	a - main entry (9'x64') awning - 1 (sf) 22	576	9.19	\$5,295	10	0	\$530	\$5,300
	b - side entry (6'x10') awning - 1 (sf) 22	60	9.19	\$552	10	0	\$55	\$550
	c - main/side awning metal frames - 2	636	19.50	\$12,402	30	10	\$413	\$8,260
	09 - Awnings Subtotal			\$18,249			\$998	\$14,110

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

Values								
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
10 - Security System								
	a - security camera 19	1	800.00	\$800	8	4	\$100	\$400
	b - security cameras	10	800.00	\$8,000	8	4	\$1,000	\$4,000
	c - key fob entry system 20	4	2,400.00	\$9,600	15	12	\$640	\$1,920
	d - entry intercom system 20	1	2,200.00	\$2,200	10	7	\$220	\$660
	10 - Security System Subtotal			\$20,600			\$1,960	\$6,980
F - Replace and Restoration Total				\$303,645	50	46	\$13,408	\$128,443

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
G - Interiors								
01 - Auditorium								
	a - auditorium carpet (sy) 17	234	55.00	\$12,870	15	9	\$858	\$5,148
	b - auditorium wood floor	600	24.00	\$14,400	40	24	\$360	\$5,760
	c - refinish auditorium wood floor 17	600	7.00	\$4,200	10	4	\$420	\$2,520
	d - auditorium tile floor	360	10.75	\$3,870	25	2	\$155	\$3,565
	e - auditorium laminate tile floor	448	8.00	\$3,584	20	2	\$179	\$3,222
	f - paint auditorium walls	3,360	2.75	\$9,240	10	2	\$924	\$7,392
	g - auditorium lighting and fans (partial 17)	1	5,500.00	\$5,500	20	2	\$275	\$4,950
	h - auditorium furniture and décor	1	26,500.00	\$26,500	15	2	\$1,767	\$22,971
	i - auditorium tables & chairs 18	1	12,000.00	\$12,000	25	20	\$480	\$2,400
	j - auditorium ceiling tiles 16	3,500	6.00	\$21,000	20	13	\$1,050	\$7,350
	k - auditorium production equipment	1	25,500.00	\$25,500	15	8	\$1,700	\$11,900
	l - auditorium projector 19	1	6,500.00	\$6,500	10	6	\$650	\$2,600
	m - auditorium sound & misc. 19	1	12,000.00	\$12,000	10	6	\$1,200	\$4,800
	n - auditorium 9' stage curtains (lf)	72	400.00	\$28,800	20	10	\$1,440	\$14,400
	01 - Auditorium Subtotal			\$185,964			\$11,458	\$98,978
02 - Dressing Room								
	a - dressing room carpet (sy)	8	30.00	\$240	20	2	\$12	\$216
	b - paint dressing room walls	496	2.75	\$1,364	10	2	\$136	\$1,088
	c - dressing room lighting and fans	1	1,000.00	\$1,000	20	2	\$50	\$900
	d - dressing room furniture and décor	1	1,200.00	\$1,200	15	2	\$80	\$1,040
	e - dressing room ceiling tiles	64	7.00	\$448	20	2	\$22	\$396
	02 - Dressing Room Subtotal			\$4,252			\$300	\$3,640
03 - Kitchen								
	a - kitchen laminate tile floor	252	8.00	\$2,016	20	2	\$101	\$1,818
	b - paint kitchen walls	256	2.75	\$704	10	2	\$70	\$560
	c - kitchen wall tiles	256	12.00	\$3,072	25	2	\$123	\$2,829
	d - kitchen lighting and fans	1	3,300.00	\$3,300	20	2	\$165	\$2,970
	e - kitchen furniture and décor	1	4,400.00	\$4,400	15	2	\$293	\$3,809

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	f - kitchen appliances	1	8,800.00	\$8,800	15	2	\$587	\$7,631
	g - commercial refrigerator 18	1	5,500.00	\$5,500	15	10	\$367	\$1,835
	h - kitchen cabinets and countertops (lf)	35	900.00	\$31,500	25	2	\$1,260	\$28,980
	i - kitchen 4'x6' roll-up door (1) (sf)	24	65.00	\$1,560	20	2	\$78	\$1,404
03	- Kitchen Subtotal			\$60,852			\$3,044	\$51,836
04	- Kitchen/Storage Corridor							
	a - kitchen/storage laminate tile floor	88	8.00	\$704	20	2	\$35	\$630
	b - paint kitchen/storage corridor	420	2.75	\$1,155	10	2	\$116	\$928
	c - kitchen/storage lights and fans	1	220.00	\$220	20	2	\$11	\$198
	d - kitchen/storage furniture and décor	1	2,000.00	\$2,000	15	2	\$133	\$1,729
	e - kitchen/storage appliances	1	2,200.00	\$2,200	15	2	\$147	\$1,911
04	- Kitchen/Storage Corridor Subtotal			\$6,279			\$442	\$5,396
05	- "Blue" Room							
	a - "blue" room laminate wood floor 19	391	12.00	\$4,692	20	16	\$235	\$940
	b - paint "blue" room	960	2.75	\$2,640	10	3	\$264	\$1,848
	c - "blue" room lighting and fans	1	1,400.00	\$1,400	20	3	\$70	\$1,190
	d - "blue" room furniture and décor	1	6,600.00	\$6,600	15	3	\$440	\$5,280
05	- "Blue" Room Subtotal			\$15,332			\$1,009	\$9,258
06	- Lobby							
	a - lobby laminate wood floor 19	960	12.00	\$11,520	20	16	\$576	\$2,304
	b - paint lobby walls 16	1,152	2.75	\$3,168	10	3	\$317	\$2,219
	c - varnish wooden lobby walls	560	2.50	\$1,400	20	9	\$70	\$770
	d - lobby stonework wall	64	35.00	\$2,240	30	19	\$75	\$825
	e - lobby lighting and fans	1	7,200.00	\$7,200	20	9	\$360	\$3,960
	f - lobby furniture and décor 17	1	5,200.00	\$5,200	15	9	\$347	\$2,082
	g - lobby furniture and décor	1	10,000.00	\$10,000	15	9	\$667	\$4,002
	h - lobby wood ceiling varnish	1,200	4.00	\$4,800	20	9	\$240	\$2,640
06	- Lobby Subtotal			\$45,528			\$2,652	\$18,802
07	- Office							
	a - office laminate wood floor 19	240	12.00	\$2,880	20	16	\$144	\$576

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

		Values						
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	b - paint office walls	558	2.75	\$1,535	10	3	\$154	\$1,078
	c - office lighting and fans	1	900.00	\$900	20	4	\$45	\$720
	d - office furniture and décor	1	4,400.00	\$4,400	15	4	\$293	\$3,223
	e - office tv	1	1,200.00	\$1,200	10	4	\$120	\$720
	f - office computer & equipment	1	2,200.00	\$2,200	5	4	\$440	\$440
07 - Office Subtotal				\$13,115			\$1,196	\$6,757
08 - Library								
	a - library laminate wood floor 19	240	12.00	\$2,880	20	16	\$144	\$576
	b - paint library walls	558	2.75	\$1,535	10	3	\$154	\$1,078
	c - library lighting and fans	1	900.00	\$900	20	3	\$45	\$765
	d - library furniture and décor	1	6,600.00	\$6,600	15	3	\$440	\$5,280
08 - Library Subtotal				\$11,915			\$783	\$7,699
09 - Hallway								
	a - hallway laminate wood floor 19	210	12.00	\$2,520	20	16	\$126	\$504
	b - paint hallway walls	672	2.75	\$1,848	10	3	\$185	\$1,295
	c - hallway lighting and fans 16	1	950.00	\$950	20	13	\$48	\$336
	d - hallway furniture and décor	1	5,000.00	\$5,000	15	9	\$333	\$1,998
	e - hallway drinking fountain 03	1	1,000.00	\$1,000	15	1	\$67	\$938
09 - Hallway Subtotal				\$11,318			\$759	\$5,071
10 - Fitness Room								
	a - fitness room rubber floor 17	1,080	9.75	\$10,530	20	14	\$527	\$3,162
	b - fitness room paint	1,332	2.75	\$3,663	10	3	\$366	\$2,562
	c - fitness room lighting and fans	1	3,200.00	\$3,200	20	9	\$160	\$1,760
	d - fitness room furniture and décor	1	4,400.00	\$4,400	15	9	\$293	\$1,758
	e - fitness room tv	1	1,200.00	\$1,200	10	4	\$120	\$720
	f - fitness room equipment 17	1	6,000.00	\$6,000	15	9	\$400	\$2,400
	g - fitness room equipment	1	45,000.00	\$45,000	15	5	\$3,000	\$30,000
10 - Fitness Room Subtotal				\$73,993			\$4,866	\$42,362
11 - Billiards Room								
	a - billiards room laminate wood floor 19	564	12.00	\$6,768	20	16	\$338	\$1,352

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

Values								
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	b - paint billiards room 17	990	2.75	\$2,723	10	4	\$272	\$1,632
	c - billiards room lighting and fans	1	1,100.00	\$1,100	20	9	\$55	\$605
	d - billiards room furniture and décor	1	6,600.00	\$6,600	15	9	\$440	\$2,640
	11 - Billiards Room Subtotal			\$17,191			\$1,105	\$6,229
	12 - Restrooms							
	a - renovate clubhouse restrooms	2	50,500.00	\$101,000	25	2	\$4,040	\$92,920
	b - clubhouse saunas R&R - 2 (sf)	584	12.50	\$7,300	20	2	\$365	\$6,570
	12 - Restrooms Subtotal			\$108,300			\$4,405	\$99,490
G - Interiors Total				\$554,039	40	24	\$32,019	\$355,518

2022 PHYSICAL RESERVE ANALYSIS

Coco Wood Lakes Association, Inc.

Values								
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
H - Irrigation								
	1 - Irrigation Pump Station							
	a - irrigation 5hp pump 15	1	3,700.00	\$3,700	10	2	\$370	\$2,960
	b - irrigation well	1	7,500.00	\$7,500	20	12	\$375	\$3,000
	c - irrigation controller	1	2,400.00	\$2,400	20	12	\$120	\$960
	d - irrigation electrical and misc.	1	2,400.00	\$2,400	20	12	\$120	\$960
	e - irrigation area 4' chain-link fence (lf)	30	40.00	\$1,200	30	5	\$40	\$1,000
	1 - Irrigation Pump Station Subtotal			\$17,200			\$1,025	\$8,880
H - Irrigation Total				\$17,200	30	12	\$1,025	\$8,880
Grand Total					\$1,514,787	60	46	\$79,080

RESERVE FUNDING FINANCIAL ANALYSIS

Coco Wood Lakes Association, Inc.

		8/31/22 RESERVE BALANCE	CURRENT RESERVE REQUIRE			FUND OVERAGE (DEFICIT)			
		\$194,703	\$962,483			(\$767,780)	Minimum Threshold Reserve Fund Balance: \$60,000		
<u>Financial year runs January 1st to December 31st</u>									
YEAR		BEGINNING RESERVE FUND BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	Minus YEARLY EXPENSE		Plus NORMAL ANNUAL CONTRIBUTION	Plus AMORTIZED DEFICIT	Equals TOTAL YEARLY CONTRIBUTION	ENDING RESERVE FUND BALANCE
					4 months				
2022	0	194,703	a - paint all metal awning frames - 4 22 a - pool area (10'x40') canopies - 2 (sf) 22 a - main entry (9'x64') awning - 1 (sf) 22 b - side entry (6'x10') awning - 1 (sf) 22	15,960		6,000	0	6,000	\$184,743
2023	1	184,743	k - separation tanks b - filter grid housing structure R&R a - resurface shuffleboard courts b - shuffleboard concrete pad R&R i - clubhouse window/wall A/C unit b - clubhouse mailbox e - hallway drinking fountain 03	39,220	remaining	79,080	115,905	194,985	\$340,508
2024	2	340,508	a - paint clubhouse bldg. exterior walls 17 a - paint pavilion ceiling and columns 17 a - paint entry monument 17 a - paint 6' pool area metal railing/gates (lf) a - paint parking lot single light poles b - paint parking lot double light poles c - paint community 7' light poles d - paint community 10' light poles a - asphalt/mill parking area (sy) b - line stripe parking area (sy) 14 a - pool area pavers (sf) b - clubhouse walkway pavers (sf) a - resurface pool b - replace pool tiles (lf) d - auditorium tile floor e - auditorium laminate tile floor f - paint auditorium walls g - auditorium lighting and fans (partial 17) h - auditorium furniture and décor a - dressing room carpet (sy) b - paint dressing room walls c - dressing room lighting and fans d - dressing room furniture and décor e - dressing room ceiling tiles a - kitchen laminate tile floor b - paint kitchen walls c - kitchen wall tiles d - kitchen lighting and fans e - kitchen furniture and décor f - kitchen appliances h - kitchen cabinets and countertops (lf) i - kitchen 4'x6' roll-up door (1) (sf) a - kitchen/storage laminate tile floor b - paint kitchen/storage corridor c - kitchen/storage lights and fans d - kitchen/storage furniture and décor e - kitchen/storage appliances a - renovate clubhouse restrooms b - clubhouse saunas R&R - 2 (sf) a - irrigation 5hp pump 15	473,521		79,080	115,905	194,985	\$61,972

		BEGINNING							ENDING
		RESERVE		Minus		Plus	Plus	Equals	RESERVE
		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	FUND
YEAR		BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	BALANCE
2025	3	61,972	a - reseal spa fiberglass shell 21 c - pool/spa 1.25hp pump 20 a - pickleball court R&R h - clubhouse window/wall A/C unit 20 b - paint "blue" room c - "blue" room lighting and fans d - "blue" room furniture and décor b - paint lobby walls 16 b - paint office walls b - paint library walls c - library lighting and fans d - library furniture and décor b - paint hallway walls b - fitness room paint	37,094		79,080	986	80,066	\$104,944
2026	4	104,944	a - pool/spa 2.0hp pump 19 b - pool/spa 1.5hp pump 19 d - pool/spa 3.0 hp pump 19 a - security camera 19 b - security cameras c - refinish auditorium wood floor 17 c - office lighting and fans d - office furniture and décor e - office tv f - office computer & equipment e - fitness room tv b - paint billiards room 17	28,773		79,080	986	80,066	\$156,237
2027	5	156,237	a - clubhouse bldg. asphalt shingle roof 08 a - roofing repairs and misc. a - paving repairs and misc. i - large pool/spa feeder a - pool drinking fountain 18 c - pavilion area lighting/furniture d - pavilion area 9'x12'x12' metal shed c - clubhouse non-impact windows (sf) d - clubhouse non-impact slider (sf) h - community landscaping lights g - fitness room equipment e - irrigation area 4' chain-link fence (lf)	176,301		79,080	986	80,066	\$60,002
2028	6	60,002	a - paint pool stone coping 21 b - paint spa concrete pad c - paint pool equipment structure d - paint pool shower privacy wall e - pool/spa feeder 19 f - pool/spa feeder 19 n - pool/spa heater 17 o - pool area 2.0hp well pump 21 l - auditorium projector 19 m - auditorium sound & misc. 19	28,473		79,080	0	79,080	\$110,609
2029	7	110,609	b - line stripe parking area (sy) 14 i - clubhouse window/wall A/C unit d - entry intercom system 20	5,930		79,080	0	79,080	\$183,759
2030	8	183,759	a - paint all metal awning frames - 4 22 a - reseal spa fiberglass shell 21 g - pool/spa feeder 21 j - filter grids k - auditorium production equipment	35,339		79,080	0	79,080	\$227,500
2031	9	227,500	a - pavilion asphalt shingle roof 12 h - pool/spa feeder 22 a - pickleball court R&R e - clubhouse 6 ton A/C condenser 17 f - clubhouse 6 ton A/C condenser 17 g - clubhouse air handler 17 h - clubhouse window/wall A/C unit 20 g - parking area light pole fixtures 17 a - auditorium carpet (sy) 17 c - varnish wooden lobby walls e - lobby lighting and fans f - lobby furniture and décor 17 g - lobby furniture and décor h - lobby wood ceiling varnish f - office computer & equipment d - hallway furniture and décor c - fitness room lighting and fans d - fitness room furniture and décor f - fitness room equipment 17 c - billiards room lighting and fans d - billiards room furniture and décor	103,506		79,080	0	79,080	\$203,074

		BEGINNING							ENDING
		RESERVE		Minus		Plus	Plus	Equals	RESERVE
		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	FUND
YEAR		BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	BALANCE
2032	10	203,074	a - paint clubhouse bldg. exterior walls 17 a - paint pavilion ceiling and columns 17 a - paint entry monument 17 a - paint 6' pool area metal railing/gates (lf) a - paint parking lot single light poles b - paint parking lot double light poles c - paint community 7' light poles d - paint community 10' light poles c - pool stone coping R&R (lf) 21 b - spa concrete slab R&R a - pool furniture allowance 18 a - pool area (10'x40') canopies - 2 (sf) 22 b - pool area canopy metal frames - 2 a - pool shower stall R&R a - pavilion building R&R b - pavilion area concrete tables & benches a - clubhouse building R&R a - renovate entry monument a - metal advisory signs a - main entry (9'x64') awning - 1 (sf) 22 b - side entry (6'x10') awning - 1 (sf) 22 c - main/side awning metal frames - 2 n - auditorium 9' stage curtains (lf) g - commercial refrigerator 18	148,696		79,080	0	79,080	\$133,458
2033	11	133,458	c - pool/spa 1.25hp pump 20 a - pool/spa equipment structure R&R b - filter grid housing structure R&R a - resurface shuffleboard courts c - shuffleboard area concrete benches a - clubhouse 15 ton A/C condenser 19 b - clubhouse air handler 19 c - clubhouse 15 ton A/C condenser 19 d - clubhouse air handler 19 b - clubhouse mailbox	68,585		79,080	0	79,080	\$143,953
2034	12	143,953	b - line stripe parking area (sy) 14 a - pool/spa 2.0hp pump 19 b - pool/spa 1.5hp pump 19 d - pool/spa 3.0 hp pump 19 a - clubhouse sconces a - security camera 19 b - security cameras c - key fob entry system 20 f - paint auditorium walls b - paint dressing room walls b - paint kitchen walls b - paint kitchen/storage corridor a - irrigation 5hp pump 15 b - irrigation well c - irrigation controller d - irrigation electrical and misc.	55,843		79,080	0	79,080	\$167,190
2035	13	167,190	a - reseal spa fiberglass shell 21 l - medium filter housing 21 m - geo heater/chillers 16 p - pool area well i - clubhouse window/wall A/C unit j - auditorium ceiling tiles 16 b - paint "blue" room b - paint lobby walls 16 b - paint office walls b - paint library walls b - paint hallway walls c - hallway lighting and fans 16 b - fitness room paint	81,569		79,080	0	79,080	\$164,701
2036	14	164,701	a - paint pool stone coping 21 b - paint spa concrete pad c - paint pool equipment structure d - paint pool shower privacy wall a - resurface pool b - replace pool tiles (lf) o - pool area 2.0hp well pump 21 c - refinish auditorium wood floor 17 e - office tv f - office computer & equipment a - fitness room rubber floor 17 e - fitness room tv b - paint billiards room 17	54,688		79,080	0	79,080	\$189,093
2037	15	189,093	a - roofing repairs and misc. a - clubhouse area sidewalk R&R (sf) b - pickleball area concrete slab R&R (sf) c - pavilion area concrete slab R&R (sf) a - paving repairs and misc. i - large pool/spa feeder a - pool area 6' metal railing (lf) b - pool area 6' metal/electronic gates (2) (lf) c - pool equipment 6' chain-link fence (lf) d - pool equipment 6' chain-link gate (1) (lf) e - pool equipment 7' chain-link cage (lf) a - pool drinking fountain 18 a - pickleball court R&R h - clubhouse window/wall A/C unit 20 b - clubhouse single metal doors/frames d - clubhouse double metal doors/frames b - clubhouse 7' light poles c - community 10' light poles h - community landscaping lights c - clubhouse flagpole	195,061		79,080	0	79,080	\$73,112

		BEGINNING							ENDING
		RESERVE		Minus		Plus	Plus	Equals	RESERVE
		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	FUND
YEAR		BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	BALANCE
2038	16	73,112	a - paint all metal awning frames - 4 22 e - pool/spa feeder 19 f - pool/spa feeder 19 k - separation tanks l - auditorium projector 19 m - auditorium sound & misc. 19 a - "blue" room laminate wood floor 19 a - lobby laminate wood floor 19 a - office laminate wood floor 19 a - library laminate wood floor 19 a - hallway laminate wood floor 19 e - hallway drinking fountain 03 a - billiards room laminate wood floor 19	56,519		79,080	0	79,080	\$95,673
2039	17	95,673	b - line stripe parking area (sy) 14 d - entry intercom system 20 h - auditorium furniture and décor d - dressing room furniture and décor e - kitchen furniture and décor f - kitchen appliances d - kitchen/storage furniture and décor e - kitchen/storage appliances	50,430		79,080	0	79,080	\$124,323
2040	18	124,323	a - paint clubhouse bldg. exterior walls 17 a - paint pavilion ceiling and columns 17 a - paint entry monument 17 a - paint 6' pool area metal railing/gates (lf) a - paint parking lot single light poles b - paint parking lot double light poles c - paint community 7' light poles d - paint community 10' light poles a - reseal spa fiberglass shell 21 g - pool/spa feeder 21 n - pool/spa heater 17 d - "blue" room furniture and décor d - library furniture and décor	46,056		79,080	0	79,080	\$157,347
2041	19	157,347	c - pool/spa 1.25hp pump 20 h - pool/spa feeder 22 i - clubhouse window/wall A/C unit d - lobby stonework wall d - office furniture and décor f - office computer & equipment	10,765		79,080	0	79,080	\$225,662
2042	20	225,662	a - pool/spa 2.0hp pump 19 b - pool/spa 1.5hp pump 19 d - pool/spa 3.0 hp pump 19 j - filter grids a - pool area (10'x40') canopies - 2 (sf) 22 c - pavilion area lighting/furniture a - main entry (9'x64') awning - 1 (sf) 22 b - side entry (6'x10') awning - 1 (sf) 22 a - security camera 19 b - security cameras i - auditorium tables & chairs 18 g - fitness room equipment	86,951		79,080	0	79,080	\$217,791
END			TWENTY YEAR REPAIR / REPLACEMENT PROJECTIONS						



Concrete Entry Monument



Clubhouse Exterior



Clubhouse and Pavillion Asphalt Shingle Roofing Systems / Community Concrete Pads



Clubhouse Area Sidewalks / Parking Area Asphalt / Clubhouse Area Pavers



Pool and Spa / Pool Area Pavers / Metal Railing / Furniture / Canopies



Pool Area Shower / Drinking Fountain / Equipment Structure / Pool Equipment / Chillers / Fencing



Pavillion and BBQ Area / Pavillion Furniture / Storage Shed / Pickleball Court / Shuffleboard Court and Benches



Auditorium / Stage Area / Dressing Room / Kitchen / Kitchen Storage Corridor / "Blue" Room / Office / Library / Fitness Center



Lobby / Stone Finish / Billiards Room / Hallway / Drinking Fountain / Restrooms / Saunas



Clubhouse Air Conditioning Condensers / Air Handlers / Wall Units



Impact and Non-Impact Windows / Exterior Doors / Awnings / Access System / Security Cameras



Parking Light Poles / Landscape Lights / Sconces / Community Light Poles / Street Signs / Flagpole / Mailbox / Irrigation Station

Coco Wood Lakes Association, Inc.
Balance Sheet
8/31/2022

	Operating	Reserves	Total
Assets			
<u>Assets</u>			
10001 - Petty Cash	\$57.36		\$57.36
10104 - CNB - New Operating	\$155,178.66		\$155,178.66
10105 - Operating - CNB OLD	\$16,270.22		\$16,270.22
10409 - Cash Reserves CNB		\$194,703.18	\$194,703.18
11000 - Assessments Receivable	\$29,075.20		\$29,075.20
11500 - Allowance for Doubtful Account	(\$14,501.54)		(\$14,501.54)
14010 - Prepaid Insurance	\$23,586.52		\$23,586.52
14045 - Prepaid Expenses	\$1,180.93		\$1,180.93
Total Assets	<u>\$210,847.35</u>	<u>\$194,703.18</u>	<u>\$405,550.53</u>
Assets Total	<u>\$210,847.35</u>	<u>\$194,703.18</u>	<u>\$405,550.53</u>
Liabilities & Equity			
<u>Current Liabilities</u>			
20000 - Accounts Payable	\$2,088.04		\$2,088.04
20003 - Credit Card Liability	\$400.18		\$400.18
20100 - Assessments Rec'd in Advance	\$29,486.01		\$29,486.01
20115 - Deferred Association Fees	\$50,018.33		\$50,018.33
22000 - Accrued Expenses	\$7,121.71		\$7,121.71
23000 - Deferred Cable Revenue	\$30,293.75		\$30,293.75
Total Current Liabilities	<u>\$119,408.02</u>	<u>\$0.00</u>	<u>\$119,408.02</u>
<u>Reserves</u>			
35000 - Common Area Improvement		\$133,979.79	\$133,979.79
35001 - Reserves - General		\$39,917.98	\$39,917.98
35005 - Reserves - Club House		\$16,803.38	\$16,803.38
35007 - Reserves - Landscape		\$2,928.40	\$2,928.40
35090 - Reserves - Interest		\$1,073.63	\$1,073.63
Total Reserves	<u>\$0.00</u>	<u>\$194,703.18</u>	<u>\$194,703.18</u>
<u>Fund Balances</u>			
39005 - Oper.Fund Balance	\$98,997.59		\$98,997.59
Total Fund Balances	<u>\$98,997.59</u>	<u>\$0.00</u>	<u>\$98,997.59</u>
Net Income	<u>(\$7,558.26)</u>	<u>\$0.00</u>	<u>(\$7,558.26)</u>
Liabilities and Equity Total	<u>\$210,847.35</u>	<u>\$194,703.18</u>	<u>\$405,550.53</u>

Coco Wood Lakes Homeowners Association, Inc.
Approved Operating Budget
January 1, 2022 to December 31, 2022
393 Units



**ATLANTIC
 PACIFIC**
 MANAGEMENT

GL Code	Account Name	2022 Approved Monthly Budget	2022 Approved Annual Budget	2021 Approved Monthly Budget	2021 Approved Annual Budget
	Income:				
40000	Owner's Maint. Fee Income	48,502	582,022	47,629	571,553
40002	Reserve Transfer	1,500	18,000	2,333	28,000
	Total Maintenance Fees With Reserves	50,002	600,022	49,963	599,553
40017	Gate Key Cards Income	8	100	42	500
42800	Utility Reimbursement	-	-	-	-
43000	Screening Fees	-	-	417	5,000
43600	Legal & Collection Fees	25	300	13	150
44000	Late Charge Fees	208	2,500	250	3,000
44100	NSF Fees	-	-	-	-
45000	Misc. Income	33	400	33	400
45010	Newsletter Income	83	1,000	142	1,700
46000	Interest Income	42	500	42	500
	Total Income	50,402	604,822	50,900	610,803
	Expenses:				
	Payroll & Related Expense				
60000	Salary Expenses	250	3,000	250	3,000
	Total Labor	250	3,000	250	3,000
	Utilities:				
62000	Electric- Clubhouse	1,258	15,100	1,417	17,000
62010	Electric- Street Lights	1,883	22,600	1,817	21,800
62100	Water & Sewer	417	5,000	400	4,800
62400	Trash Removal	83	1,000	83	995
62500	Telephone	433	5,200	429	5,148
	Total Utilities	4,075	48,900	4,145	49,743
	Management & Professional Fees				
63000	Management Fees	11,619	139,430	10,370	124,441
63100	Legal - Collections	417	5,000	917	11,000
63103	Legal - Litigation	1,250	15,000	2,917	35,000
63105	Legal - Document Expense	83	1,000	417	5,000
63300	Audit Fees	375	4,500	375	4,500
63400	Other Professional Fees	8	100	83	1,000
	Total Management & Professional Fees	13,752	165,030	15,078	180,941
	Contract Services:				
63500	Landscaping	2,490	29,880	2,350	28,200
63510	Lakes/Canals/Preserves	525	6,300	500	6,000


 Roger Shaw, Treasurer

Coco Wood Lakes Homeowners Association, Inc.
Approved Operating Budget
January 1, 2022 to December 31, 2022
393 Units



**ATLANTIC
PACIFIC**
MANAGEMENT

GL Code	Account Name	2022 Approved Monthly Budget	2022 Approved Annual Budget	2021 Approved Monthly Budget	2021 Approved Annual Budget
63520	Pool/Spa Maintenance	496	5,950	375	4,500
63530	Pest Control Contract	77	924	75	900
63541	Pest Control Termite Contract	44	530	44	530
63550	Security Alarm Monitoring	21	257	21	257
63564	Fitness Center Maintenance	100	1,200	83	1,000
63575	Cable Contract Service	16,926	203,112	16,275	195,300
63591	HVAC Contract	133	1,600	125	1,500
	Total Contract Services	20,813	249,753	19,849	238,187
	Administrative & General:				
64000	Administrative & General	83	1,000	67	800
64002	Fire Extinguisher Inspection	67	800	13	150
64003	Admin. & General - Election Monitoring	308	3,700	308	3,700
64010	Annual Corporate Report	5	62	5	62
64120	Bad Debt Exp.	208	2,500	417	5,000
64140	Gate / Key Cards Exp.	25	300	42	500
64200	Bank Charges	17	200	8	100
64250	Licenses, Taxes & Permits	183	2,200	83	1,000
64300	Office Supplies	42	500	42	500
64350	Postage	125	1,500	125	1,500
64355	Subscriptions & Memberships	13	150	13	150
64370	Computer Expense	17	200	42	500
64372	Office Equipment & Rental	63	750	310	3,720
	Total Administrative Expenses	1,155	13,862	1,474	17,682
	Marketing/Promotional				
64545	Newsletters	150	1,800	167	2,000
	Total Marketing/Promotional Expenses	150	1,800	167	2,000
	Repair & Maintenance:				
65000	Common Area Supplies	42	500	67	800
65030	Pool/Spa Supplies	83	1,000	42	500
65035	HVAC Supplies	8	100	33	400
65050	Hardware Supplies	8	100	17	200
65065	Lock & Key Supplies	8	100	25	300
65100	Cleaning Supplies	83	1,000	83	1,000
65117	Tree Trimming	542	6,500	417	5,000
65330	R & M - Fire Safety Maintenance	8	100	8	100
65342	R & M - Pool	183	2,200	158	1,900
65343	R & M - Lighting	8	100	42	500
65346	R & M - Signage	42	500	8	100

Coco Wood Lakes Homeowners Association, Inc.
Approved Operating Budget
January 1, 2022 to December 31, 2022
393 Units



**ATLANTIC
PACIFIC**
MANAGEMENT

GL Code	Account Name	2022 Approved Monthly Budget	2022 Approved Annual Budget	2021 Approved Monthly Budget	2021 Approved Annual Budget
65354	R & M - General	125	1,500	208	2,500
65357	R & M - Plumbing	21	250	17	200
65360	R & M - Bldg Maint. & Repairs	417	5,000	417	5,000
65361	R & M Sprinklers	104	1,250	125	1,500
65366	Landscape Extras	500	6,000	375	4,500
65388	R & M Contingency	250	3,000	375	4,500
65400	R & M COVID-19 Supplies-NEW	42	500	42	500
	Total Repair & Maintenance	2,475	29,700	2,458	29,500
	Insurance:				
66000	Property & General Liability Insurance	4,815	57,777	3,063	36,750
	Total Insurance Expense	4,815	57,777	3,063	36,750
	Capital Expenditures				
70437	Common Area Improvements	1,417	17,000	2,083	25,000
	Total Capital Expenditures	1,417	17,000	2,083	25,000
	Total Expenses Without Reserves	48,902	586,822	48,567	582,803
70400	Reserves	1,500	18,000	2,333	28,000
70401	Reserve Transfer	-	-	-	-
	Total Expenses With Capital Expenditures and Reserves	50,402	604,822	50,900	610,803
	Excess Income Over Expenses	-	-	-	-
	BREAKDOWN OF MAINTENANCE WITH RESERVES				
	ANNUAL MAINTENANCE FEE				
	Non-Lake Owners (314)		1,511		1,511
	Lake Owners (79)		1,587		1,587
	QUARTERLY MAINTENANCE FEE				
	Non-Lake Owners (314)		378		378
	Lake Owners (79)		397		397

Coco Wood Lakes
Statement of Revenue and Expenses
For the Period Ending August 31, 2022

Description	Current Period		Year-To-Date		Yearly		Variance Explanation
	Actual	Budget	Variance	Actual	Budget	Variance	
Revenue							
40000 - Owner Assessment Fees	48,518.33	48,501.63	16.50	388,151.67	388,014.64	137.03	582,022.00
40002 - Reserve Income	1,500.00	1,500.00	0.00	12,000.00	12,000.00	0.00	18,000.00
40017 - Gate Key Cards Income	0.00	8.33	(8.33)	325.00	66.64	258.36	100.00
43600 - Legal & Collection Fees	0.00	25.00	(25.00)	0.00	200.00	(200.00)	300.00
44000 - Late Charge Income	45.69	208.33	(162.64)	1,879.05	1,666.64	212.41	2,500.00
44100 - NSF Fees	0.00	0.00	0.00	320.00	0.00	320.00	0.00
44780 - Cable Revenue	818.75	0.00	818.75	6,550.00	0.00	6,550.00	0.00
45000 - Misc. Income	0.00	33.33	(33.33)	5.00	266.64	(261.64)	400.00
45010 - Newsletter Income	550.00	83.33	466.67	1,356.00	666.64	689.36	1,000.00
46000 - Interest Income	16.04	41.67	(25.63)	114.51	333.36	(218.85)	500.00
Total Revenue	51,448.81	50,401.82	1,046.99	410,701.23	403,214.56	7,486.67	604,822.00
Expense							
Payroll & Related							
60000 - Salary Expenses	370.00	250.00	(120.00)	3,851.00	2,000.00	(1,851.00)	3,000.00
Total Payroll & Related	370.00	250.00	(120.00)	3,851.00	2,000.00	(1,851.00)	3,000.00
Utilities							
62000 - Electric- Clubhouse	1,907.10	1,259.33	(648.77)	12,659.46	10,066.64	(2,592.82)	15,100.00
62010 - Electric- Street Lights	2,137.89	1,883.33	(254.56)	15,968.43	15,066.64	(901.79)	22,800.00
62100 - Water & Sewer	631.44	416.67	(214.77)	4,461.06	3,333.36	(1,127.70)	5,000.00
62400 - Trash Removal	5.65	83.33	77.68	573.42	666.64	93.22	1,000.00
62500 - Telephone	566.74	433.33	(133.41)	3,468.51	3,466.64	(1.87)	5,200.00
Total Utilities	5,248.82	4,074.99	(1,173.83)	37,130.88	32,599.92	(4,530.96)	48,900.00

Powerwash Exterior Shower and replaced 2 Shower Assemblies. YTD:AC unit installment \$366, Post installed \$200, broken sidewalk repairs \$1370, Reimb coming from Tropical, gutter cleaning \$400, pool hose installment \$40, move cement table \$100, ladies room door repair \$405, Robert Pierre - Handyman removed concrete table \$250, chg faucet mens rm, Rehung TV in Gym & Office, Chg time on clocks \$150.

Variance due AC running more & fuel and non-fuel rate increases. FPL - YTD period several meeting and events took place.
Street lighting provided by FPL - YTD variance due to increase in Fuel Chg
Higher water usage-Clubhouse Showers. Services provided by Palm Beach County Water Utilities. - YTD Variance due to leak in hot tub
Services provided by County Services.
Telephone/Internet service provided by Comcast and Smart Communities expense for the community channel.

	241.39	150.00	(91.39)	1,968.48	1,200.00	(768.48)	1,800.00	Minutemen Press-Deiray: 10 newsletters per year
	241.39	150.00	(91.39)	1,968.48	1,200.00	(768.48)	1,800.00	
Marketing/Promotional								
64545 - Newsletters								
Total Marketing/Promotional								
Repairs & Maintenance								
65000 - Common Area Supplies	638.88	41.67	(597.21)	1,814.95	333.36	(1,481.59)	500.00	Chair Dolly \$185, Comihole Tables \$118, water filler refund \$71, equipment storage \$116. YTD: Wall AC & 3 year protection \$686, supplies for showers and games \$104, water filler \$78, 2 garden hoses and adapter for pump house, and various supplies from the Home Depot.
65030 - Pool/Spa Supplies	0.00	83.33	83.33	61.88	666.64	604.76	1,000.00	No expenses this period. YTD: Spa rules sign \$62.
65035 - HVAC Supplies	0.00	8.33	8.33	0.00	66.64	66.64	100.00	No expenditure required this reporting period.
65050 - Hardware Supplies	0.00	8.33	8.33	0.00	66.64	66.64	100.00	No expenditure required this reporting period.
65065 - Lock & Key Supplies	0.00	8.33	8.33	0.00	66.64	66.64	100.00	No expenditure required this reporting period.
65100 - Cleaning Supplies	0.00	83.33	83.33	334.28	666.64	332.36	1,000.00	No expenses this period. YTD include bath tissue, towel paper, liners, air freshener, cleaners, and other cleaning supplies.
65117 - Tree Trimming	0.00	541.67	541.67	6,490.00	4,333.36	(2,156.64)	6,500.00	No expenses this period. YTD: Hard Wood/Palm Tree trimming/Dead Tree removal and clean up S.Orle Corner
65330 - R & M - Fire safety Maint.	0.00	8.33	8.33	0.00	66.64	66.64	100.00	No expenditure required this reporting period.
65342 - R & M - Pool	650.00	183.33	(466.67)	9,410.65	1,466.64	(7,944.01)	2,200.00	PH Feeder Hot Tub \$650. YTD: Flow meter and filters for hot tub \$1,243, pool DE Grids \$1235.00, Spa Plumbing and New Fill valve \$400.00. Pool/Spa Stenner check valves & chem feeder lines replacement \$475, degreasing & press clean pool coping \$150, hot tub leak repair \$1,500, heat pump display \$950, source pump replacement \$1,124, emergency RPR \$600, new stenner feeder \$670, pool heater maintenance \$136 and 20amp breaker \$277.
65343 - R & M - Lighting	0.00	8.33	8.33	0.00	66.64	66.64	100.00	No expenditure required this reporting period.
65346 - R & M - Signage	0.00	41.67	41.67	0.00	333.36	333.36	500.00	No expenditure required this reporting period.
65354 - R & M - General	349.00	125.00	(224.00)	1,284.00	1,000.00	(284.00)	1,500.00	Ellipticals repair \$107, electrical switches and GFCI \$242. YTD: Electrical repairs at monument \$340, clean & stain hot tub deck \$500, Grill Repair \$95.
65357 - R & M - Plumbing.	0.00	20.83	20.83	139.39	166.64	27.25	250.00	No expenses this period. YTD: Back flow certificate \$77, various supplies from Home Depot
65360 - R & M - Bldg Maint. & Repairs	841.83	416.67	(425.16)	6,352.63	3,333.36	(3,019.27)	5,000.00	Rekeys \$715, door assembly \$126. YTD: Reset bathroom door lock timers \$219, remove Raccoons-Seal and area cleaning in ceiling \$2,391, window cleaning at clubhouse \$200; Xtreme cleaning pressure clean of clubhouse grounds \$1,500, clubhouse pressure cleaning \$1,000, AC unit installation \$200.
65361 - R & M Sprinklers	171.00	104.17	(66.83)	1,456.00	833.36	(622.64)	1,250.00	Irrigation repairs \$171. YTD: Emergency Irrigation repairs \$1,100, irrigation check \$125, rotorheads replacement \$60.
65366 - Landscape Extras	0.00	500.00	500.00	2,835.00	4,000.00	1,165.00	6,000.00	No expenses this period. YTD: Removed tree limb \$425, self cure landscape \$125, mulch \$2,190, self cure landscape \$95.
65388 - R & M - Contingency	0.00	250.00	250.00	0.00	2,000.00	2,000.00	3,000.00	No expenditure required this reporting period.
65400 - COVID-19 Supplies	51.30	41.67	(9.63)	495.27	333.36	(165.91)	500.00	Disinfectant Wipes \$51. YTD: Disinfectant wipes \$437, face masks \$11.
Total Repairs & Maintenance	2,702.01	2,474.99	(227.02)	30,678.05	19,799.92	(10,878.13)	29,700.00	
Taxes, Licenses, & Insurance								
66000 - Property & Gen'l Liab Ins.	5,993.30	4,814.75	(1,178.55)	46,809.70	38,518.00	(8,291.70)	57,777.00	Monthly allocations of General Association. Policy in place 01/2022 - 12/31/2022. Renewal premium was increased after budget was approved.
Total Taxes, Licenses, & Insurance	5,993.30	4,814.75	(1,178.55)	46,809.70	38,518.00	(8,291.70)	57,777.00	

Replacement Reserve									
70400 - Replacement Reserve Transfer	1,500.00	1,500.00	0.00	12,000.00	12,000.00	0.00	18,000.00	18,000.00	Replacement Reserve Transfer
Total Replacement Reserve	1,500.00	1,500.00	0.00	12,000.00	12,000.00	0.00	18,000.00	18,000.00	
Capital Expenditures									
70437 - Common Area Improvements	0.00	1,416.67	1,416.67	3,737.53	11,333.36	7,595.83	17,000.00	17,000.00	YTD: American Flag for Front of Clubhouse \$1.51, surge protectors \$139, monument electrical rpr \$877, surge prot on projector \$102, electrical installation \$2,125, sound sys service \$208, \$284.
Total Capital Expenditures	0.00	1,416.67	1,416.67	3,737.53	11,333.36	7,595.83	17,000.00	17,000.00	
Total Expense	51,129.94	50,401.82	(728.12)	418,259.49	403,214.56	(15,044.93)	604,822.00	604,822.00	
Excess Revenue over Expenses	318.87	0.00	318.87	(7,538.26)	0.00	(7,558.26)	0.00	0.00	

Definitions

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

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

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

CASH FLOW METHOD: A method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

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

COMPONENT INVENTORY: The task of selecting and quantifying reserve components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, review of association precedents, and discussion with appropriate representative(s) of the association.

COMPONENT METHOD: A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components. **CONDITION ASSESSMENT:** The task of evaluating the current condition of the component based on observed or reported characteristics.

CURRENT RESERVE REQUIREMENT: The amount of money the association should have today or by year end in the association's reserve account to meet ALL current and future replacement and maintenance of assets/component items. This amount is calculated using the Replacement Cost divided by the Useful Life times the Effective Age. For example, A roof costing \$50,000 with a 20-year useful life would create a Normal Annual Contribution of \$2,500. If the roof is 12 years old (effective age), the Current Reserve Requirement would be $\$2,500 \times 12 \text{ years} = \$30,000$. This is referred to as "100% funded" or "fully funded". This exists when the actual association's reserve fund balance equals the 100% funded reserve requirement. Actual reserve fund is the current dollar balance in the association's reserve account.

EFFECTIVE AGE: The difference between useful life and remaining useful life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

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

FULLY FUNDED: 100 percent funded. When the actual reserve balance of the association is equal to the current reserve requirement.

FULLY FUNDED BALANCE (FFB): An indicator against which the 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, and then summed for an association total.
 $\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$ Example: For a component with a \$10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be \$4,000.

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

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

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

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

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

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

LIFE AND VALUATION ESTIMATES: The task of estimating useful life, remaining useful life, and current repair or replacement costs for the reserve components.

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

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

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

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

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

RESERVE BALANCE: Actual or projected funds, as of a particular point in time that the association has identified, to

defray the future repair or replacement cost of those major components that the association is obligated to maintain or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE PROVIDER: An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). This designation indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

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

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

RESERVE STUDY: A budget planning tool which identifies the components that the association is responsible to maintain or replace, 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.

SPECIAL ASSESSMENT: This is an additional assessment collected by the BOD of the association when there are not sufficient funds in reserves to cover the costs of the asset replacement. A special assessment can also be charged to members for upgrades and or major interior renovation projects.

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

PRODUCT & MATERAIL

PRICING ~ DESCRIPTIONS ~ LONGEVITY

RESOURCES

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

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

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

PARTIAL LISTING OF CONSULTING CONTRACTORS

Company Name	Phone Number	Contact Name	Type of Service	Website Address
ACE Courts	407-702-3690	Jeff Snodgrass	Sports Courts	www.acecourtsinc.com
A-1 Appliance Repair	561-232-9411	Fred Kaye	Repair on all Major Appliances	www.A1appliancefla.com
Adel Resurfacing Company	561-848-3973	Marty Adel	Asphalt & Concrete Paving	
Advance Roofing, Inc.	954-522-6868	Randy Gibson	Roofing	
Alenac & Associates	954-558-4131	Ann Klecan	Railing, Fencing, Shutters, Restoration	www.alenacmetals.com
All County Pavement Management	561-588-0949		Paving Contractor, Repair and Maintenance	https://allcountypaving.com/
Allied Universal Security Services	954-698-5888		Security Services	www.aus.com
All Pro Painting & Waterproofing	561-482-1855		Painting, Waterproofing, Restoration	www.allpropaintfl.com
APB Security, Inc.	754-367-1951	Tom Acosta	Security Gaurds, Monitoring, Officers	www.apbinc.com
Asphalt Restoration Technology	800-254-4732		Asphalt & Concrete Paving	
Bass United Fire & Security System	800-372-2770	Brad Hiddon/Linda	Fire Alarm & Sprinkler, Security & Camera Systems	www.bassunited.com
BB&T Bank	561-251-1980	Jayme Gelfand	Community Banking Specialist	
Beautiful Mailbox	305-403-4820	Sheri Corsetti	Mailboxes & Street Signs	www.beautifulmailbox.com/
Becker & Poliakoff, PA	954-987-7550	Kenneth Direktor	Attorney	www.beckerlawyers.com
Best Roofing	888-723-2378	Gregg Wallick	Roofing	www.bestroofing.net
Billerreinhardt Engineering Group	954-951-9006	Kristen Forman	Structural Engineer	
B.P. Taurinski Engineering	561-997-6141	John Bygott	Stuctural Engineer	
Botanical Visions, Inc.	561-361-6677	William Reeves	Horticulturalist/ Landscaping	www.botanicalvisions.com
Boynton Billiards	561-543-0928	Josh Gibson	Game Room related products	www.boyntonbilliards.com
Budget Signs, Inc.	954-941-5710	April Simmons	Signs, Mailboxes & Monuments	www.signsatsimmonsdesigngroup.com
Carousel Construction	561-272-3700	Michael Bianchini	Concrete Restorations	www.cdri.net
Caulfield & Wheeler	561-392-1991		Survey /Civil Engineering	www.cwi-assoc.com
Centennial Bank	561-236 3378	Jennifer Olson/Kathy Naughton	Community Banking Specialist	www.my100bank.com
Center State Bank	561-237-2991	Martha MaDan	Community Banking Specialist	
Chalaire & Associates Engineering	561-848-7055	Donald Chalaire	Engineering- buildings, seawall & Docks	www.chalaireandassociates.com
Circle Generator Service	954-767-8331	Karl Schibinger	Generator	www.circlegenerators.com
Citiquiet Windows & Doors	561-241-9463	Benjamin Friedman	Windows & Doors	www.citiquiethurricanewindows.com
Climate Control Services	561-278-7125	Chuck Walker	Air Conditioning Serv.	
Chapnick Community Association Law	561-330-3096	Michael Chapnick	Attorney	www.michaelchapnick.com
Coastal Painting	800-320-8083		Painting, Waterproofing, Restoration	www.coastalpaintingcompany.com
Conduu Web Souldution/IBA	561-602-5688	Bob Currie	Website, apps & Software for Mgmt, HOA & COA	https://conduu.com/

Company Name	Phone Number	Contact Name	Type of Service	Website Address
Community Association Institute	561-716-3646	Michele Bilawsky	Chapter Executive Director	
Core Logic/Marshall Valuation Service	800-526-2756		Building Cost Estimator	
Culpepper Plumbing /Advantage Rooter	561-478-7878	Tom Fucarile	Lift Station, Plumbing Risers, Septic tank	www.culpepperplumbing.com
Daniello & Associates, Inc.	561-835-4788	Lou Daniello	Concrete Restorations, Painting & Water Proofing,	www.concreterepairing.net
Decks & Docks Lumber Company	561-609-9925	Scott Boelman	Decks,Docks, Piers, and Seawall	www.decks-docks.com
Decktight Roofing Services	800-825-7663	Randy Bender	Roofing-Miami Skyline	www.decktight.com
Dock & More Construction Company	561-753-3600	Patrick Dabney	Docks & Seawalls	https://docksmore.com/
Driveway Maintenance Inc.	561-848-4004	Nick Small	Asphalt & Concrete Paving	www.driveway.net
Dry-Concepts	954-370-7778		Mold Remediation & Disaster Restoration	www.dryconcepts.com
Duct Masters	954-791-4111	Roger Herde	Air Conditioning & Consultation, Duct Cleaning	www.ductmasters.com
Dykes, Stevens & Co. CPA	561-392-4228	Scott Stevens	CPA, Accounting & Audit	
Boca Dock & Seawall	561-750-4255	Ken Wells/ Gary	Docks & Seawalls	
Elcon Electronic	800-446-8915		Street Lighting & Electric Service	www.elconelectric.com
Erosion Barrier Installations	954-680-8603		Lake Erosion, Retaining & Seawall	www.erosionbarrier.com
Fast Dry Courts, Inc.	954-979-3111		Sports Courts	www.fast-dry.com
Florida Playgrounds	800-715-7617	Manny Espaillat	Playgrounds Design, Repair, Surfacing & Shade	www.floridaplaygrounds.net
Florida Sidewalk Solutions	954-514-7218		Sidewalk Repairs	www.floridasidewalksolutions.com
Fuoco Group, LLC. CPA	561-367-2960		CPA, Accounting & Audit	www.fuoco.com
Hafer Accounting, CPA	561-655-8700	Nicole Johnson	CPA, Accounting, Consulting & Audit	www.hafercpas.com
Hartzel Painting	954-957-9761		Painting, Waterproofing, Restoration	www.myhartzell.com
Hoover Pumping Systems	954-971-7350	Donna Hoover	Irrigation Pump Stations	www.hooverpumping.com
Howard J. Miller PA & Associates	561-392-2326	Steve Young	Engineering	
HVAC Masters LLC.	786-577-4829	Carlo or Monique	A/C, Cooling & Heating	www.hvacmastersfl.com
Industrial Engineering Services	800-432-6304	Carol	Mechanical Contractor, Pipe installation	
James C. Witteck, INC	772-215-8965	James Witteck	Lift Stations & Waste Water Treatment Plant Maint.	
J. B. Painting & Waterproofing	800-228-3992	Jim Brown	Painting, Waterproofing, Restoration	https://jbpaint.com
Kaye & Bender	954-928-0680	Michael Bender	Attorney	www.kbrlegal.com
Kids Stuff Play Systems	800-255-0153	Dick Hagelberg	Playgrounds, Repair, Surfacing & Shade	www.kidstuffplaysystems.com
Lake & Wetland Management	561-220-4380		Lake & Wetland Management	www.lakeandwetland.com
Landmark Elevator Consultants	954-785-1947	Peter Hofmeister	Consultant	www.landmarkelevatorconsultants.com
The Loomis Company	954-772-0448	Hector Medina	Insurance	www.loomisco.com
Merlin Law Group, PA	877-449-4700	Chip Merlin	Attorney,Insurance Claims	https://www.merlinlawgroup.com

Company Name	Phone Number	Contact Name	Type of Service	Website Address
Mr Rooter Plumbing	800-863-5874		Plumbing & Drains	https://www.mrrooter.com/
OK Generator	800-385-3187		generator company	http://www.okgenerators.com
Onmy & O'Donnell, Naccarto, Mignogna	561-835-9994	Joseph Mincuzzi	Structural Engineer	https://www.onmj.net/
Plastridge Insurance Agency	561-276-5221	Mike Bottcher	Association Insurance Agent	https://www.plastridge.com/
Railsback Pump & Control Services	954-792-6627	George/Pam	Fire pumps, Replace, Repair & Rebuilt	
Ranger Construction	561-793-9400	Brill Maxwell	Asphalt Paving	http://www.rangerconstruction.com/
RCI Painting	954-978-1213	Marcel Rosen	Painting Company	
Rick Carroll Insurance	800-290-3181	Keith Carroll	Insurance Agent	https://www.rickcarroll.com/
Robert Dunn Signs	561 969-3296	Robert Dunn	Stop signs, street signs etc.	www.robertdunnsigns.com
Roof-A-Cide	800-806-6727	John Browne	Roof Cleaning	https://roof-a-cide.com/
Solitude Lake Management	561-293-4809	Gary Wilhem	wetland, Aeration, weed control, Erosion	www.solitudelakemanagement.com
Sachs, Sax & Caplan	561-994-4499	Lou Caplan	Attorney	https://ssclawfirm.com
Sailfish Mechanical & Plumbing	561-303-4413	Kim Micolo	Pool Heater, A/C, Boiler, Pumps	https://sailfishmechanical.com
Shenandoah Construction	954-975-0098	Danny DiMura	Pipes & Drainage Clean/Repairs	www.shenandoahconstruction.com
South Florida Mailbox	561-389-2491	Klye Koteles	Mailboxes	www.southfloridamailbox.com
Southern Chute	866-475-9191		Trash Chutes	ww.southernchute.com
Southern Park & Play Systems, Inc.	800-247-1545	Larry Thompson	Playground and Park Equipment	http://www.southernparkandplay.com
Sullivan Electric & Pump, Inc.	561-588-5886	Gary Sullivan	Irrigation, Pump, Motor, Electric services	http://www.sullivanelectric-pump.com
Symbiont Service Corp.	800-881-4328		Pool Heating, cooling, A/C	https://symbiontservice.com/
The Nidy Co./ Vasco Group	800-226-6439		Sports Courts	www.nidy-sports.thevascogroup.com/
Turf Kingdom	561-630-8733	Linda DiAlfonso	Turf installation	https://turfkingdom.com/
Victory Accounting Services, Inc.	561-739-7990	Vicki Feicht	Accounting	www.victoryaccounting.com
Whiting Construction	772-223-1215	Gene Whiting	General Contractor	
Zabatt Generators, Inc.	800-366-1323		Generators	www.zabatt.com

Florida Statutes - Chapter 720

Florida Statutes 720.303 (Homeowner Associations)

(6) BUDGETS

(a) The association shall prepare an annual budget that sets out the annual operating expenses. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges paid for by the association for recreational amenities, whether owned by the association, the developer, or another person. The association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The copy must be provided to the member within the time limits set forth in subsection (5).

(b) In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance for which the association is responsible. If reserve accounts are not established pursuant to paragraph (d), funding of such reserves is limited to the extent that the governing documents limit increases in assessments, including reserves. If the budget of the association includes reserve accounts established pursuant to paragraph (d), such reserves shall be determined, maintained, and waived in the manner provided in this subsection. Once an association provides for reserve accounts pursuant to paragraph (d), the association shall thereafter determine, maintain, and waive reserves in compliance with this subsection. This section does not preclude the termination of a reserve account established pursuant to this paragraph upon approval of a majority of the total voting interests of the association. Upon such approval, the terminating reserve account shall be removed from the budget.

(c)1. If the budget of the association does not provide for reserve accounts pursuant to paragraph (d) and the association is responsible for the repair and maintenance of capital improvements that may result in a special assessment if reserves are not provided, each financial report for the preceding fiscal year required by subsection (7) must contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

2. If the budget of the association does provide for funding accounts for deferred expenditures, including, but not limited to, funds for capital expenditures and deferred maintenance, but such accounts are not created or established pursuant to paragraph (d), each financial report for the preceding fiscal year required under subsection (7) must also contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS

PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

(d) An association is deemed to have provided for reserve accounts if reserve accounts have been initially established by the developer or if the membership of the association affirmatively elects to provide for reserves. If reserve accounts are established by the developer, the budget must designate the components for which the reserve accounts may be used. If reserve accounts are not initially provided by the developer, the membership of the association may elect to do so upon the affirmative approval of a majority of the total voting interests of the association. Such approval may be obtained by vote of the members at a duly called meeting of the membership or by the written consent of a majority of the total voting interests of the association. The approval action of the membership must state that reserve accounts shall be provided for in the budget and must designate the components for which the reserve accounts are to be established. Upon approval by the membership, the board of directors shall include the required reserve accounts in the budget in the next fiscal year following the approval and each year thereafter. Once established as provided in this subsection, the reserve accounts must be funded or maintained or have their funding waived in the manner provided in paragraph (f).

(e) The amount to be reserved in any account established shall be computed by means of a formula that 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 of cost or useful life of a reserve item.

(f) After one or more reserve accounts are established, the membership of the association, upon a majority vote at a meeting at which a quorum is present, may provide for no reserves or less reserves than required by this section. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and such result is not achieved or a quorum is not present, the reserves as included in the budget go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves. Any vote taken pursuant to this subsection to waive or reduce reserves is applicable only to one budget year.

(g) Funding formulas for reserves authorized by this section must be based on a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.

1. If the association maintains separate reserve accounts for each of the required assets, the amount of the contribution to each reserve account is the sum of the following two calculations:

- a. The total amount necessary, if any, to bring a negative component balance to zero.
- b. The total estimated deferred maintenance expense or estimated replacement cost of the reserve component less the estimated balance of the reserve component as of the beginning of the period the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the component.

The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may include factors such as inflation and earnings on invested funds.

2. If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget may not be less than that required to ensure that the balance on hand at the beginning of the period the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful life 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 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 and accounts receivable minus the allowance for doubtful accounts. The reserve funding formula may not include any type of balloon payments.

(h) 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 majority vote at a meeting at which a quorum is present. Prior to turnover of control of an association by a developer to parcel owners, the developer-controlled association shall not vote to use reserves for purposes other than those 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.

Homeowner's Association Act does not mandate reserves for any particular asset/capital items. If replacement reserves are created for any particular asset item by the developer or created and established by a vote of its members, then reserving is typically referred to as Statutory Reserves. The HOA governing docs will assist in determining whether your association reserves are statutory and or non-statutory.

The following applies if the association is governed by statutory reserves:

1. The board must adopt a budget every year fully funding those reserve categories unless the members vote to waive or reduce funding of their reserves. The association must vote every year if they wish to waive and or partially fund their reserves
2. The association can only use the reserve for the purpose intended unless the majority of the members approve by a vote to allow a different use
3. The board cannot borrow from the reserves without a vote from its members

Homeowner associations can also have Non-Statutory Reserves. Non statutory reserves are created/adopted by the association's board. Board adopted reserves are completely within the control of the board and membership voting is not required. Under board-controlled reserves, the following applies:

1. The board can decide to waive or reduce the collecting of reserve funds
2. The board can use the reserve funds for any purpose they deem to be necessary
3. The board can also borrow from reserves without the approval of its members

When in doubt, contact the association's attorney for further clarification.