

EXPERT 
Reserve Services, Inc.

Reserve Studies - Replacement Cost Valuations

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RESERVE STUDY REPORT FINAL



Hammocks at Palm Harbor
200 Cedar Cove
Palm Coast, FL 32137

January 1, 2024

Expert Inspectors, Inc. (386) 677-8886
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Hammocks at Palm Harbor
200 Cedar Cove, Palm Coast, FL 32137
Reserve Study Year 2024

As authorized, a reserve study report has been prepared for Hammocks at Palm Harbor located at 200 Cedar Cove, Palm Coast, FL 32137 . Built in 2011 containing 7 units with components including but not limited to, items listed in this report.

Your report has been divided into sections for easier referencing. The first section contains all general information including definitions, accounting formulas, statutory requirements, etc. An index of sections and components can be found at the end of Detail Report by Category pages.

In this report, we have taken both approved accounting formulas as outlined by The State of Florida, the Threshold, and the Component Method. These schedules will give you the recommended contribution per unit for the report year 2024.

This report contains information to act as a guideline to assist in budget preparation and in no way constitutes a complete budget or any opinion regarding the implication of such and consists of suggested contributions for Reserves only and in no way affects the operating budget.

It is the opinion of Expert Inspectors, Inc. that Hammocks at Palm Harbor's reserve schedule is adequate for risk management, State requirements and budget planning provided the suggested contribution in this report is adopted based on the association's appropriate funding method.

This report identifies the major assets maintained by the Association and provides estimates on useful life, remaining life, and scheduled replacement date, and future replacement cost. This information was derived from a combination of market standards, cost databases, historical and provided information, local vendors estimates, and experience with similar properties.

FINANCIAL SUMMARY

Beginning Balance (1/1/2024)	\$0
Contribution to Fully Fund (2025)**	\$34,938

**** Under SIRS Statute, this Association is not required to "Fully Fund" Non-Structural Reserves at this time.**

Based on all components stated above and our inspection, it is our opinion, that Hammocks at Palm Harbor is of average maintenance and most components are in well maintained condition unless otherwise noted.

As with many associations of this age, environmental elements and construction techniques play a large part in useful life and remaining life of components. Fluctuations in construction costs, disasters, and insurance policy limitations cannot be foretold in specific form to regulate guaranteed results and therefore, we reserve the right to amend this statement upon future events and information provided. Future updates can be obtained on an annual basis and is highly recommended in this uncertain economy.

This report is prepared as a budget 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 violations of jurisdictional requirements (building ordinances, codes, etc.) relating to the safety, soundness, structural integrity, or habitability of the projects buildings or of any individual component.

This report is prepared for the sole benefit of the client. Any unauthorized use without our permission shall result in no liability or legal exposure to Expert Inspectors, Inc.

Thank you for allowing Expert Inspectors, Inc. the opportunity to serve your Association. Upon your review of this report, please do not hesitate to contact us with any questions that may arise.

Anastasia Kolodzik

Expert Inspectors, Inc.

Expert Professional Consulting, Inc.

RS, PRA # 2294, CAM 52338



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This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service. Additionally, costs are obtained from numerous vendor catalogs, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Expert Reserve Services, Inc. would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance.

This reserve analysis study is provided as an aid for planning purposes and as an accounting and budgeting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors must ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary money. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution to affect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three-to-five-year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Level I: Full Reserve Study.

Level II: Update with site inspection; and

Level III: Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a “fund status” and “funding plan”.

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association’s major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of *operational expenses* include:

Utilities:	Bank Service Charges	Accounting
Electricity	Dues & Publications	Reserve Study
Gas	Licenses, Permits & Fees	Repair Expenses:
Water	Insurance(s)	Tile Roof Repairs
Telephone	Services:	Equipment Repairs
Cable TV	Landscaping	Minor Concrete Repairs
Administrative:	Pool Maintenance	Operating Contingency
Supplies	Street Sweeping	

Reserve Expenses

These are major expenses that arise other than annually, and which must be budgeted for in advance to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance. Examples of reserve expenses include:

Roof Replacements (Statutory)	Park/Play Equipment
Painting (Statutory)	Pool/Spa Re-plastering
Deck Resurfacing	Pool Equipment Replacement
Fencing Replacement	Pool Furniture Replacement
Asphalt Seal Coating (Statutory)	Tennis Court Resurfacing
Asphalt Repairs	Lighting Replacement
Asphalt Overlays	Insurance(s)
Equipment Replacement	Reserve Study
Interior Furnishings	

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops 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 actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Expert Reserve Services, Inc. Threshold and the Expert Reserve Services, Inc. Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method has the highest contribution of the two funding options and assures that the association will achieve and maintain an ideal level of

100% of reserves over time. This method also allows for computations on individual components in the analysis. The Expert Reserve Services, Inc. Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it will set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time and is independent of any method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = Age divided by Useful Life the results multiplied by Current Replacement Cost

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully funded."

Threshold Funding Model (Minimum Funding). The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

Threshold Funding Model. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0).

Current Assessment Funding Model. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 25-year projection is calculated to illustrate the adequacy of the current funding over time.

Component Funding Model. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the highest contribution funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Distribution of Accumulated Reserves

The “Distribution of Accumulated Reserves Report” is a “Component Funding Model” calculation. This distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can “fix” the accumulated reserve balance within the program on the individual asset’s detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component’s age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The Expert Reserve Services, Inc. software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero-remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there is additional money that has not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there is sufficient money available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives to give more time to “replenish” the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt

immediately.

If the reserves are underfunded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the “Monthly Reserve Assessment Required”, the “Average Net Monthly Interest Earned” contribution and the “Total Monthly Allocation to Reserves.” The association should allocate the “Monthly Reserve Assessment Required” amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the “Total Monthly Allocation” to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether it is earned. When taxes are paid, the amount due will be taken directly from the association’s operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users' Guide to your Expert Reserve Services, Inc. Reserve Study

Part II of your Reserve Study Report contains the reserve analysis study for your association. There are several types of reports in the study:

They may include:

Current Assessment Section- this section will give you a snapshot of your financial position for the current year. This section shows what will materialize if the association continues the path, it is on.

Threshold/ Component Section- This section provides our recommendations for contributions based on the method chosen by the association.

Distribution of Accumulated Reserves- This section gives a suggested distribution of existing reserve funds.

Annual Expenditure Detail- This section provides a year-by-year glance of planned expenditures.

Florida Funding Summary- This section provides the client with all the necessary information to formulate the budget for reserves for the report year.

Fully Funded Calculation- This explains how the fully funded amounts are derived.

Detail Report by Category- This section contains all the detailed information for each component in the report.

Asset Summary Report- This section includes the complete information in chart form.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in the remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the "Component Funding Model" calculation.

A Multi-Purpose Tool

Your Expert Reserve Services, Inc. report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your Expert Reserve Services, Inc. Reserve Study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The Expert Reserve Services, Inc. reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your Expert Reserve Services, Inc. report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating, and planning future repairs and replacements.
- Your Expert Reserve Services, Inc. report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the Expert Reserve Services, Inc. reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The Expert Reserve Services, Inc. reserve study is an annual disclosure to the membership concerning the financial condition of the association and may be used as a "consumers' guide" by prospective purchasers.
- The Expert Reserve Services, Inc. Owners' Summary meets the disclosure requirements of the Florida State Statute requirements.
- Your Expert Reserve Services, Inc. Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.
-

Hammocks at Palm Harbor
Palm Coast, FL
Threshold Funding Model Summary

		<i>Report Parameters</i>	
Report Date	March 14, 2024	Inflation	3.00%
Budget Year Beginning	January 1, 2024	Annual Assessment Increase	3.00%
Budget Year Ending	December 31, 2024	Interest Rate on Reserve Deposit	4.50%
Total Units	7	2024 Beginning Balance	

Threshold Funding Model
3% Annual Inflation

The Current CPI in this Association's local area is 8.3%. The Association understands this and has chosen to use the Historical Inflation Model. The Association at The Hammocks at Palm Harbor understands and assumes the risk of underfunding their Reserves in the future.

<i>Threshold Funding Model Summary of Calculations</i>	
Required Monthly Contribution <i>\$211.43 per unit monthly</i>	\$1,480.02
Average Net Monthly Interest Earned	<u>\$36.58</u>
Total Monthly Allocation to Reserves <i>\$216.66 per unit monthly</i>	\$1,516.60

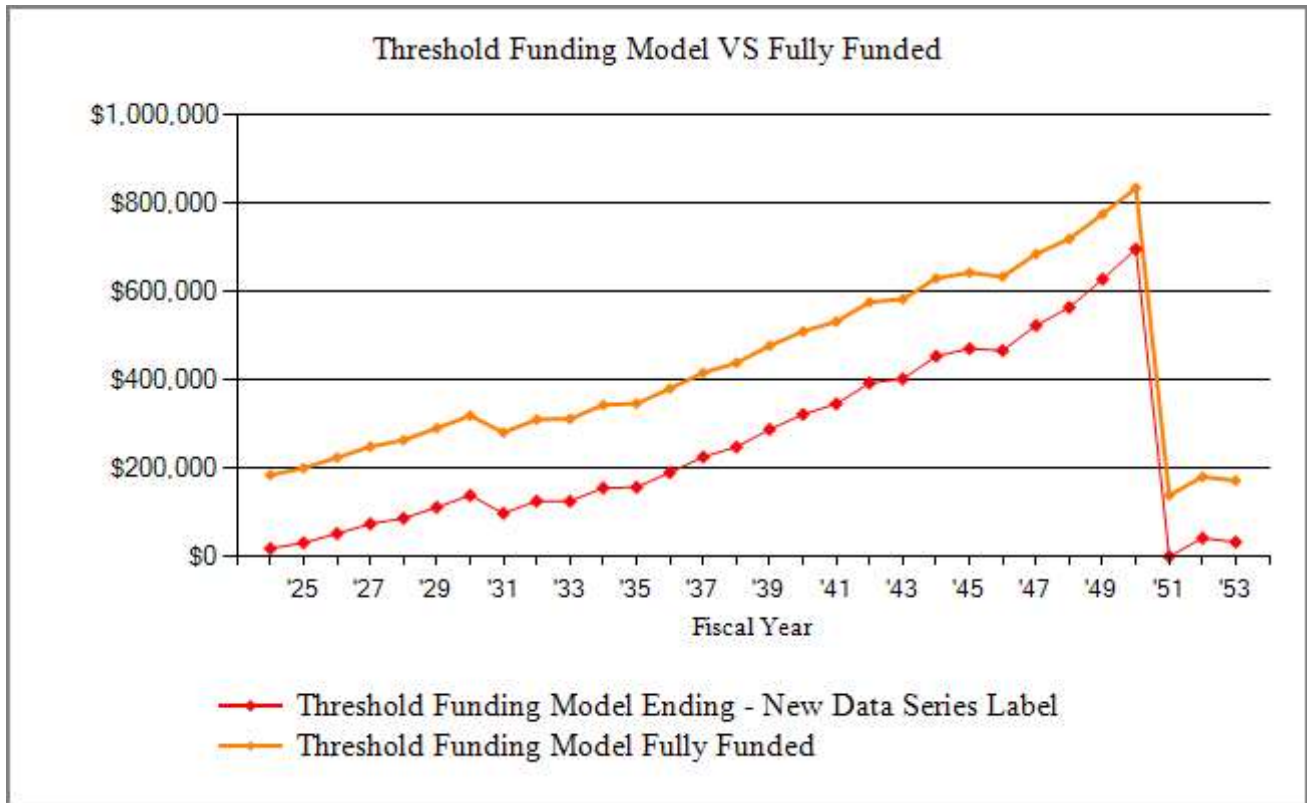
**Hammocks at Palm Harbor
Threshold Funding Model Projection**

Beginning Balance: \$0

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2024	434,834	17,760	439		18,199	184,455	10%
2025	447,879	18,293	982	6,674	30,799	200,156	15%
2026	461,315	18,842	1,881		51,522	223,713	23%
2027	475,155	19,407	2,847		73,775	248,503	30%
2028	489,409	19,989	3,387	10,805	86,347	263,450	33%
2029	504,092	20,589	4,476		111,411	290,534	38%
2030	519,215	21,207	5,642		138,260	319,005	43%
2031	534,791	21,843	3,850	66,197	97,757	280,741	35%
2032	550,835	22,498	5,047		125,302	310,122	40%
2033	567,360	23,173	5,019	28,509	124,985	311,648	40%
2034	584,381	23,868	6,332		155,185	343,232	45%
2035	601,912	24,584	6,386	29,403	156,752	346,147	45%
2036	619,969	25,322	7,827		189,901	380,120	50%
2037	638,568	26,081	9,369		225,351	415,820	54%
2038	657,725	26,864	10,349	14,521	248,044	438,364	57%
2039	677,457	27,670	12,079		287,792	477,291	60%
2040	697,781	28,500	13,554	8,088	321,759	509,829	63%
2041	718,714	29,355	14,584	20,080	345,618	531,788	65%
2042	740,276	30,236	16,625		392,478	575,908	68%
2043	762,484	31,143	17,040	38,314	402,346	582,733	69%
2044	785,359	32,077	19,276		453,700	630,097	72%
2045	808,919	33,039	20,011	35,885	470,865	642,816	73%
2046	833,187	34,030	19,782	58,556	466,122	633,490	74%
2047	858,182	35,051	22,280		523,453	685,147	76%
2048	883,928	36,103	24,043	19,515	564,084	719,233	78%
2049	910,446	37,186	26,833		628,103	775,452	81%
2050	937,759	38,302	29,801		696,206	834,396	83%
2051	965,892	39,451		735,655	1	138,453	0%
2052	994,869	40,634	1,004		41,639	180,460	23%
2053	1,024,715	41,853	582	51,491	32,583	171,827	19%

Hammocks at Palm Harbor

Threshold Funding Model VS Fully Funded Chart



The **Threshold Funding Model** calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below \$0 or other predetermined threshold, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Threshold Funding Model** allows the client to choose the level of conservative funding they desire by choosing the threshold dollar amount.

Hammocks at Palm Harbor
Palm Coast, FL
Component Funding Model Summary

		<i>Report Parameters</i>	
Report Date	March 14, 2024	Inflation	3.00%
Budget Year Beginning	January 1, 2024	Interest Rate on Reserve Deposit	4.50%
Budget Year Ending	December 31, 2024		
Total Units	7	2024 Beginning Balance	

Component Funding Model
3% Inflation

The Current CPI in this Association's local area is 8.3%. The Association understands this and has chosen to use the Historical Inflation Model. The Board of Directors at The Hammock at Palm Harbor understands and assumes the risk of underfunding their Reserves in the future using this Inflation Model.

<i>Component Funding Model Summary of Calculations</i>	
Required Monthly Contribution <i>\$415.93 per unit monthly</i>	\$2,911.54
Average Net Monthly Interest Earned	<u>\$71.95</u>
Total Monthly Allocation to Reserves <i>\$426.21 per unit monthly</i>	\$2,983.49

**Hammocks at Palm Harbor
Assessment Per Unit**

Year	Total Annual Assessment	Unit Assessment Per Year	Unit Assessment Per Term
2024	\$34,938	\$2,911.54	\$415.93
2025	\$26,863	\$2,238.56	\$319.79
2026	\$24,715	\$2,059.57	\$294.22
2027	\$24,169	\$2,014.11	\$287.73
2028	\$24,272	\$2,022.64	\$288.95
2029	\$24,292	\$2,024.29	\$289.18
2030	\$24,326	\$2,027.21	\$289.60
2031	\$25,757	\$2,146.39	\$306.63
2032	\$25,786	\$2,148.83	\$306.98
2033	\$26,442	\$2,203.5	\$314.78
2034	\$26,468	\$2,205.67	\$315.10
2035	\$27,121	\$2,260.11	\$322.87
2036	\$27,130	\$2,260.85	\$322.98
2037	\$27,137	\$2,261.43	\$323.06
2038	\$27,463	\$2,288.55	\$326.94
2039	\$27,457	\$2,288.11	\$326.87
2040	\$27,613	\$2,301.1	\$328.73
2041	\$27,979	\$2,331.56	\$333.08
2042	\$27,862	\$2,321.80	\$331.69
2043	\$28,544	\$2,378.70	\$339.81
2044	\$28,230	\$2,352.54	\$336.08
2045	\$28,534	\$2,377.80	\$339.69
2046	\$28,771	\$2,397.55	\$342.51
2047	\$27,300	\$2,274.97	\$325.00
2048	\$27,015	\$2,251.26	\$321.61
2049	\$26,377	\$2,198.07	\$314.01
2050	\$25,517	\$2,126.41	\$303.77
2051	\$39,569	\$3,297.41	\$471.06
2052	\$39,287	\$3,273.92	\$467.70
2053	\$40,453	\$3,371.09	\$481.58

Hammocks at Palm Harbor

Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Railings							
Balcony Railing Repaint and Repair	2025	10	0	1	6,480	0	5,891
Balcony Railing Replacement	2051	40	0	27	<u>27,360</u>	0	<u>8,892</u>
Railings - Total					\$33,840		\$14,783
Elevators							
Elevator Modernization	2031	20	0	7	42,000	0	27,300
Elevator Replacement	2051	40	0	27	<u>250,000</u>	0	<u>81,250</u>
Elevators - Total					\$292,000		\$108,550
Common Areas							
Common Area Allowance	2033	10	0	9	10,000	0	1,000
Common Area Tile Flooring	2031	20	0	7	6,624	0	4,306
Grounds Concrete Allowance	2041	30	0	17	10,000	0	4,333
Mailboxes	2041	30	0	17	<u>2,149</u>	0	<u>931</u>
Common Areas - Total					\$28,773		\$10,570
Garage							
Building Area Pavers Reseal	2028	5	0	4	4,800	0	960
Garage Area Pavers Replacement	2046	35	0	22	6,112	0	2,270
Garage Concrete Tile Roofing	2045	30	0	21	12,810	0	3,843
Garage Doors	2040	25	0	16	5,040	0	1,814
Garage Exterior Paint	2033	10	0	9	2,250	0	225
Garage Restoration Allowance	2035	20	0	11	<u>14,761</u>	0	<u>6,642</u>
Garage - Total					\$45,773		\$15,755
Pavers							
Building Area Pavers Replacement	2046	35	0	22	24,448	0	9,081
Garage Area Pavers Reseal	2028	5	0	4	<u>4,800</u>	0	<u>960</u>
Pavers - Total					\$29,248		\$10,041
Security Cameras/Video System							
Keypads	2031	20	0	7	<u>5,200</u>	0	<u>3,380</u>
Security Cameras/Video System - Total					\$5,200		\$3,380
Total Asset Summary					<u>\$434,834</u>		<u>\$163,079</u>

Percent Fully Funded 0%
Current Average Liability per Unit (Total Units: 7) -\$23,297

'D' Component Deferred, Life Extended One Year

Hammocks at Palm Harbor
Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Balcony Railing Repaint and Repair	1	2025	F D	5,891
Building Area Pavers Reseal	4	2028	F	960
Garage Area Pavers Reseal	4	2028	F	960
Keypads	7	2031	F	3,380
Common Area Tile Flooring	7	2031	F	4,306
Elevator Modernization	7	2031	F	27,300
Garage Exterior Paint	9	2033	F	225
Common Area Allowance	9	2033	F	1,000
Garage Restoration Allowance	11	2035	F	6,642
Garage Doors	16	2040	F	1,814
Mailboxes	17	2041	F	931
Grounds Concrete Allowance	17	2041	F	4,333
Garage Concrete Tile Roofing	21	2045	F	3,843
Garage Area Pavers Replacement	22	2046	F	2,270
Building Area Pavers Replacement	22	2046	F	9,081
Balcony Railing Replacement	27	2051	F	8,892
Elevator Replacement	27	2051	F	81,250
Total Asset Summary				<u><u>\$163,079</u></u>

Percent Fully Funded	0%
Current Average Liability per Unit (Total Units: 7)	-\$23,297

'F' Indicates Fixed Reserve

'D' Indicates Deferred Funding

Hammocks at Palm Harbor Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2024</i>	
Replacement Year 2025	
Balcony Railing Repaint and Repair	6,674
Total for 2025	\$6,674
<i>No Replacement in 2026</i>	
<i>No Replacement in 2027</i>	
Replacement Year 2028	
Building Area Pavers Reseal	5,402
Garage Area Pavers Reseal	5,402
Total for 2028	\$10,805
<i>No Replacement in 2029</i>	
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Common Area Tile Flooring	8,147
Elevator Modernization	51,655
Keypads	6,395
Total for 2031	\$66,197
<i>No Replacement in 2032</i>	
Replacement Year 2033	
Building Area Pavers Reseal	6,263
Common Area Allowance	13,048
Garage Area Pavers Reseal	6,263
Garage Exterior Paint	2,936
Total for 2033	\$28,509
<i>No Replacement in 2034</i>	
Replacement Year 2035	
Balcony Railing Repaint and Repair	8,970
Garage Restoration Allowance	20,433
Total for 2035	\$29,403

Hammocks at Palm Harbor Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2036</i>	
<i>No Replacement in 2037</i>	
Replacement Year 2038	
Building Area Pavers Reseal	7,260
Garage Area Pavers Reseal	7,260
Total for 2038	\$14,521
<i>No Replacement in 2039</i>	
Replacement Year 2040	
Garage Doors	8,088
Total for 2040	\$8,088
Replacement Year 2041	
Grounds Concrete Allowance	16,528
Mailboxes	3,552
Total for 2041	\$20,080
<i>No Replacement in 2042</i>	
Replacement Year 2043	
Building Area Pavers Reseal	8,417
Common Area Allowance	17,535
Garage Area Pavers Reseal	8,417
Garage Exterior Paint	3,945
Total for 2043	\$38,314
<i>No Replacement in 2044</i>	
Replacement Year 2045	
Balcony Railing Repaint and Repair	12,055
Garage Concrete Tile Roofing	23,830
Total for 2045	\$35,885
Replacement Year 2046	
Building Area Pavers Replacement	46,845

Hammocks at Palm Harbor Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2046 continued...</i>	
Garage Area Pavers Replacement	11,711
Total for 2046	\$58,556
<i>No Replacement in 2047</i>	
Replacement Year 2048	
Building Area Pavers Reseal	9,757
Garage Area Pavers Reseal	9,757
Total for 2048	\$19,515
<i>No Replacement in 2049</i>	
<i>No Replacement in 2050</i>	
Replacement Year 2051	
Balcony Railing Replacement	60,774
Common Area Tile Flooring	14,714
Elevator Modernization	93,294
Elevator Replacement	555,322
Keypads	11,551
Total for 2051	\$735,655
<i>No Replacement in 2052</i>	
Replacement Year 2053	
Building Area Pavers Reseal	11,312
Common Area Allowance	23,566
Garage Area Pavers Reseal	11,312
Garage Exterior Paint	5,302
Total for 2053	\$51,491

Hammocks at Palm Harbor Spread Sheet

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Balance			-6,674	-6,674	-6,674	-17,479	-17,479	-17,479	-83,676	-83,676
Annual Assessment										
Interest Earned										
Expenditures		6,674			10,805			66,197		28,509
Fully Funded Reserves	184,455	200,156	223,713	248,503	263,450	290,534	319,005	280,741	310,122	311,648
Percent Fully Funded	0%									
Ending Balance		-6,674	-6,674	-6,674	-17,479	-17,479	-17,479	-83,676	-83,676	-112,185
Description										
Railings										
Balcony Railing Repaint and Repair		6,674								
Balcony Railing Replacement										
Railings Total:		6,674								
Elevators										
Elevator Modernization								51,655		
Elevator Replacement										
Elevators Total:								51,655		
Common Areas										
Common Area Allowance										13,048
Common Area Tile Flooring								8,147		
Grounds Concrete Allowance										
Mailboxes										
Common Areas Total:								8,147		13,048
Garage										
Building Area Pavers Reseal					5,402					6,263
Garage Area Pavers Replacement										
Garage Concrete Tile Roofing										
Garage Doors										
Garage Exterior Paint										2,936
Garage Restoration Allowance										
Garage Total:					5,402					9,199

Hammocks at Palm Harbor Spread Sheet

Description	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Pavers										
Building Area Pavers Replacement										
Garage Area Pavers Reseal					5,402					6,263
Pavers Total:					5,402					6,263
Security Cameras/Video System										
Keypads								6,395		
Security Cameras/Video System Total:								6,395		
Year Total:		6,674			10,805			66,197		28,509

Hammocks at Palm Harbor Spread Sheet

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Beginning Balance	-112,185	-112,185	-141,588	-141,588	-141,588	-156,109	-156,109	-164,196	-184,277	-184,277
Annual Assessment										
Interest Earned										
Expenditures		29,403			14,521		8,088	20,080		38,314
Fully Funded Reserves	343,232	346,147	380,120	415,820	438,364	477,291	509,829	531,788	575,908	582,733
Percent Fully Funded										
Ending Balance	-112,185	-141,588	-141,588	-141,588	-156,109	-156,109	-164,196	-184,277	-184,277	-222,591
Description										
Railings										
Balcony Railing Repaint and Repair		8,970								
Balcony Railing Replacement										
Railings Total:		8,970								
Elevators										
Elevator Modernization										
Elevator Replacement										
Elevators Total:										
Common Areas										
Common Area Allowance										17,535
Common Area Tile Flooring										
Grounds Concrete Allowance								16,528		
Mailboxes								3,552		
Common Areas Total:								20,080		17,535
Garage										
Building Area Pavers Reseal					7,260					8,417
Garage Area Pavers Replacement										
Garage Concrete Tile Roofing										
Garage Doors							8,088			
Garage Exterior Paint										3,945
Garage Restoration Allowance		20,433								
Garage Total:		20,433			7,260		8,088			12,362

Hammocks at Palm Harbor Spread Sheet

Description	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Pavers										
Building Area Pavers Replacement										
Garage Area Pavers Reseal					7,260					8,417
Pavers Total:					7,260					8,417
Security Cameras/Video System										
Keypads										
Security Cameras/Video System Total:										
Year Total:		29,403			14,521		8,088	20,080		38,314

Hammocks at Palm Harbor Spread Sheet

	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Beginning Balance	-222,591	-222,591	-258,476	-317,032	-317,032	-336,547	-336,547	-336,547	-1,072,202	-1,072,202
Annual Assessment										
Interest Earned										
Expenditures		35,885	58,556		19,515			735,655		51,491
Fully Funded Reserves	630,097	642,816	633,490	685,147	719,233	775,452	834,396	138,453	180,460	171,827
Percent Fully Funded										
Ending Balance	-222,591	-258,476	-317,032	-317,032	-336,547	-336,547	-336,547	-1,072,202	-1,072,202	-1,123,693
Description										
Railings										
Balcony Railing Repaint and Repair		12,055								
Balcony Railing Replacement								60,774		
Railings Total:		12,055						60,774		
Elevators										
Elevator Modernization								93,294		
Elevator Replacement								555,322		
Elevators Total:								648,616		
Common Areas										
Common Area Allowance										23,566
Common Area Tile Flooring								14,714		
Grounds Concrete Allowance										
Mailboxes										
Common Areas Total:								14,714		23,566
Garage										
Building Area Pavers Reseal					9,757					11,312
Garage Area Pavers Replacement			11,711							
Garage Concrete Tile Roofing		23,830								
Garage Doors										
Garage Exterior Paint										5,302
Garage Restoration Allowance										
Garage Total:		23,830	11,711		9,757					16,614

Hammocks at Palm Harbor Spread Sheet

Description	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Pavers										
Building Area Pavers Replacement			46,845							
Garage Area Pavers Reseal					9,757					11,312
Pavers Total:			46,845		9,757					11,312
Security Cameras/Video System										
Keypads								11,551		
Security Cameras/Video System Total:								11,551		
Year Total:		35,885	58,556		19,515			735,655		51,491

Hammocks at Palm Harbor Florida Funding Summary

Description	Future Cost	Useful Life	Remaining Life	Distribution	Required Contribution	Future Liability	Fully Funded
Railings							
Balcony Railing Repaint and Repair	6,480	10	1		0	6,480	5,891
Balcony Railing Replacement	60,774	40	27		0	60,774	8,892
Railings - Total				\$0	\$0	\$67,254	\$14,783
Elevators							
Elevator Modernization	51,655	20	7		0	51,655	27,300
Elevator Replacement	555,322	40	27		0	555,322	81,250
Elevators - Total				\$0	\$0	\$606,977	\$108,550
Common Areas							
Common Area Allowance	13,048	10	9		0	13,048	1,000
Common Area Tile Flooring	8,147	20	7		0	8,147	4,306
Grounds Concrete Allowance	16,528	30	17		0	16,528	4,333
Mailboxes	3,552	30	17		0	3,552	931
Common Areas - Total				\$0	\$0	\$41,275	\$10,570
Garage							
Building Area Pavers Reseal	5,402	5	4		0	5,402	960
Garage Area Pavers Replacement	11,711	35	22		0	11,711	2,270
Garage Concrete Tile Roofing	23,830	30	21		0	23,830	3,843
Garage Doors	8,088	25	16		0	8,088	1,814
Garage Exterior Paint	2,936	10	9		0	2,936	225
Garage Restoration Allowance	20,433	20	11		0	20,433	6,642
Garage - Total				\$0	\$0	\$72,400	\$15,755
Pavers							
Building Area Pavers Replacement	46,845	35	22		0	46,845	9,081
Garage Area Pavers Reseal	5,402	5	4		0	5,402	960
Pavers - Total				\$0	\$0	\$52,247	\$10,041
Security Cameras/Video System							
Keypads	6,395	20	7		0	6,395	3,380
Security Cameras/Video System -..				\$0	\$0	\$6,395	\$3,380
Grand Total:	\$846,549					\$846,549	\$163,079

Percent Fully Funded	0%
Current Average Liability per Unit (Total Units: 7)	-\$23,297

Hammocks at Palm Harbor

Fully Funded Calculation

Asset ID	Description	Current Cost	x	Age	/	Useful Life	=	Fully Funded
Railings								
1002	Balcony Railing Repaint and ...	\$6,480	x	10	/	11	=	\$5,891
1001	Balcony Railing Replacement	\$27,360	x	13	/	40	=	\$8,892
Railings - Total:								<u>\$14,783</u>
Elevators								
1004	Elevator Modernization	\$42,000	x	13	/	20	=	\$27,300
1003	Elevator Replacement	\$250,000	x	13	/	40	=	\$81,250
Elevators - Total:								<u>\$108,550</u>
Common Areas								
1006	Common Area Allowance	\$10,000	x	1	/	10	=	\$1,000
1007	Common Area Tile Flooring	\$6,624	x	13	/	20	=	\$4,306
1019	Grounds Concrete Allowance	\$10,000	x	13	/	30	=	\$4,333
1009	Mailboxes	\$2,149	x	13	/	30	=	\$931
Common Areas - Total:								<u>\$10,570</u>
Garage								
1015	Building Area Pavers Reseal	\$4,800	x	1	/	5	=	\$960
1014	Garage Area Pavers Replace...	\$6,112	x	13	/	35	=	\$2,270
1010	Garage Concrete Tile Roofing	\$12,810	x	9	/	30	=	\$3,843
1013	Garage Doors	\$5,040	x	9	/	25	=	\$1,814
1012	Garage Exterior Paint	\$2,250	x	1	/	10	=	\$225
1011	Garage Restoration Allowance	\$14,761	x	9	/	20	=	\$6,642
Garage - Total:								<u>\$15,755</u>
Pavers								
1016	Building Area Pavers Replac...	\$24,448	x	13	/	35	=	\$9,081
1017	Garage Area Pavers Reseal	\$4,800	x	1	/	5	=	\$960
Pavers - Total:								<u>\$10,041</u>
Security Cameras/Video System								
1020	Keypads	\$5,200	x	13	/	20	=	\$3,380
Security Cameras/Video System - Total:								<u>\$3,380</u>
Total Asset Summary:								<u>\$163,079</u>

Hammocks at Palm Harbor Detail Report by Category

Balcony Railing Repaint and Repair - 2025

Asset ID	1002	360 FT	@ \$18.00
Building Components		Asset Actual Cost	\$6,480.00
Category	Railings	Percent Replacement	100%
Placed in Service	January 2011	Future Cost	\$6,674.40
Useful Life	10	Assigned Reserves	<i>none</i>
Replacement Year	Deferred 2025	Monthly Assessment	\$542.79
Remaining Life	1	Interest Contribution	<u>\$13.41</u>
		Reserve Allocation	\$556.20



This category refers to costs associated with the repair/ stain/painting of balcony railings. Barring unforeseen damage to the subject's railings, and assuming proper and routine maintenance, a minimum useful life of approximately 10 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, the number and placement of the association's balcony railings, and our experience with this type of component. Repair and paint/ stain have historically lengthened the life of railing assemblies.

Balcony Railing Replacement - 2051

Asset ID	1001	360 FT	@ \$76.00
Building Components		Asset Actual Cost	\$27,360.00
Category	Railings	Percent Replacement	100%
Placed in Service	January 2011	Future Cost	\$60,774.47
Useful Life	40	Assigned Reserves	<i>none</i>
Replacement Year	2051	Monthly Assessment	\$96.10
Remaining Life	27	Interest Contribution	<u>\$2.37</u>
		Reserve Allocation	\$98.48

Hammocks at Palm Harbor Detail Report by Category

Balcony Railing Replacement continued...



This category refers to costs associated with the replacement of balcony railings. Barring unforeseen damage to the subject's decking, and assuming proper and routine maintenance, a minimum useful life of approximately 40-50 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, the number and placement of the association's balcony railings, and our experience with this type of component. Recoating of balconies has historically lengthened the life of railing assemblies.

Railings - Total Current Cost	\$33,840
Assigned Reserves	\$0
Fully Funded Reserves	\$14,783

Hammocks at Palm Harbor Detail Report by Category

Elevator Modernization - 2031

Asset ID	1004	1 EA	@ \$42,000.00
Building Components		Asset Actual Cost	\$42,000.00
Category	Elevators	Percent Replacement	100%
Placed in Service	January 2011	Future Cost	\$51,654.70
Useful Life	20	Assigned Reserves	<i>none</i>
Replacement Year	2031	Monthly Assessment	\$522.34
Remaining Life	7	Interest Contribution	<u>\$12.91</u>
		Reserve Allocation	\$535.25



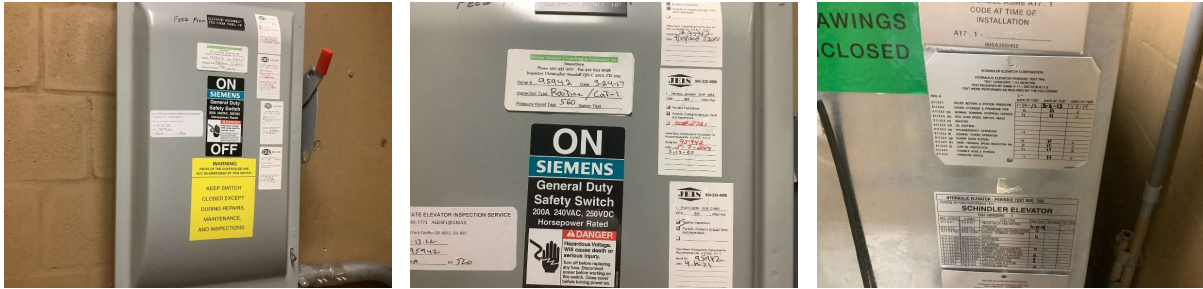
Full modernization of elevator cabs, walls, flooring, and buttons, including (but not necessarily limited to), controllers, door hardware, etc. has been observed on life cycles in the 20-25-year range in properties of similar quality, assuming a typical maintenance program. The useful life is often determined by an association's dissatisfaction with the elevator's appearance and functional interior components. The current cost estimate is based on construction cost indexes and is in keeping with actual costs incurred for similar modernization projects.

Elevator Replacement - 2051

Asset ID	1003	1 EA	@ \$250,000.00
Building Components		Asset Actual Cost	\$250,000.00
Category	Elevators	Percent Replacement	100%
Placed in Service	January 2011	Future Cost	\$555,322.25
Useful Life	40	Assigned Reserves	<i>none</i>
Replacement Year	2051	Monthly Assessment	\$878.12
Remaining Life	27	Interest Contribution	<u>\$21.70</u>
		Reserve Allocation	\$899.82

Hammocks at Palm Harbor Detail Report by Category

Elevator Replacement continued...



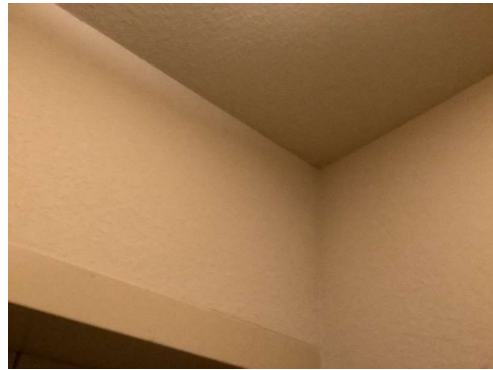
Full replacement of traction elevator mechanical and electrical components, including (but not necessarily limited to), pumps, pulleys, etc. has been observed on life cycles in the 30-40 year range in properties of similar quality, assuming a typical maintenance program. The useful life is often determined by an association's dissatisfaction with the elevators' speed, smoothness of the ride, and noise. The current cost estimate is based on construction cost indexes and is in keeping with actual costs incurred for similar modernization projects.

Elevators - Total Current Cost	\$292,000
Assigned Reserves	\$0
Fully Funded Reserves	\$108,550

Hammocks at Palm Harbor Detail Report by Category

Common Area Allowance - 2033

Asset ID	1006	1 EA	@ \$10,000.00
Category	Common Areas	Asset Actual Cost	\$10,000.00
Placed in Service	December 2023	Percent Replacement	100%
Useful Life	10	Future Cost	\$13,047.73
Replacement Year	2033	Assigned Reserves	<i>none</i>
Remaining Life	9	Monthly Assessment	\$97.85
		Interest Contribution	<u>\$2.42</u>
		Reserve Allocation	\$100.27



This allowance was included for as-needed furniture/furnishings replacement and/or renovations within the common area lobbies, meeting room, and restroom, including (but not necessarily limited to) furniture, decorative lighting/lamps, window treatments, area rugs, mirrors, wall art, plants, electrical/plumbing fixtures, wall/ceiling finishes, flooring, etc. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences.

Common Area Tile Flooring - 2031

Asset ID	1007	480 SF	@ \$13.80
Category	Common Areas	Asset Actual Cost	\$6,624.00
Placed in Service	January 2011	Percent Replacement	100%
Useful Life	20	Future Cost	\$8,146.68
Replacement Year	2031	Assigned Reserves	<i>none</i>
Remaining Life	7	Monthly Assessment	\$82.38
		Interest Contribution	<u>\$2.04</u>
		Reserve Allocation	\$84.42

Hammocks at Palm Harbor Detail Report by Category

Common Area Tile Flooring continued...



This entry was included as needed for the hallway/ landing tile floors in the common area replacement. The lump sum cost estimate is based on the quality of the existing inventories, and our experience with similar properties. As with any cosmetic renovation, the actual costs and time frames may vary from our estimates, based on association preferences.

Grounds Concrete Allowance - 2041

Asset ID	1019	1 LUMP SUM	@ \$10,000.00
Grounds Components		Asset Actual Cost	\$10,000.00
Category	Common Areas	Percent Replacement	100%
Placed in Service	January 2011	Future Cost	\$16,528.48
Useful Life	30	Assigned Reserves	none
Replacement Year	2041	Monthly Assessment	\$53.89
Remaining Life	17	Interest Contribution	\$1.33
		Reserve Allocation	\$55.22



Replacement of the concrete paving (curbing, sidewalks, etc.), decorative concrete features, seawall, and walkways should not be necessary at any one given time under normal operating conditions. As such, reserving for total replacement is not considered practical or necessary. The amount of this allowance and the useful life cycle may vary widely from actual expenses

Hammocks at Palm Harbor Detail Report by Category

Grounds Concrete Allowance continued...

in the future and this report can be amended as more information becomes available. Allowances accrue funding for specific components? repair to extend the remaining life until a complete replacement is required or if partial replacement is adequate for maintaining the area. This estimate does not include the cost of engineering studies or building structure repairs (addressed in a separate entry).

Mailboxes - 2041

Asset ID	1009	1 EA	@ \$2,149.00
Common Areas		Asset Actual Cost	\$2,149.00
Category	Common Areas	Percent Replacement	100%
Placed in Service	January 2011	Future Cost	\$3,551.97
Useful Life	30	Assigned Reserves	none
Replacement Year	2041	Monthly Assessment	\$11.58
Remaining Life	17	Interest Contribution	<u>\$0.29</u>
		Reserve Allocation	\$11.87



This category refers to mailboxes and structures including installation. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component. This type of component is replaced on a historical 30-year schedule and is subject to conditions such as construction, quality, material, and elements

Common Areas - Total Current Cost	\$28,773
Assigned Reserves	\$0
Fully Funded Reserves	\$10,570

Hammocks at Palm Harbor Detail Report by Category

Building Area Pavers Reseal - 2028

Asset ID	1015	1,600 SF	@ \$3.00
Common Areas		Asset Actual Cost	\$4,800.00
Category	Garage	Percent Replacement	100%
Placed in Service	October 2023	Future Cost	\$5,402.44
Useful Life	5	Assigned Reserves	<i>none</i>
Replacement Year	2028	Monthly Assessment	\$102.55
Remaining Life	4	Interest Contribution	<u>\$2.53</u>
		Reserve Allocation	\$105.08



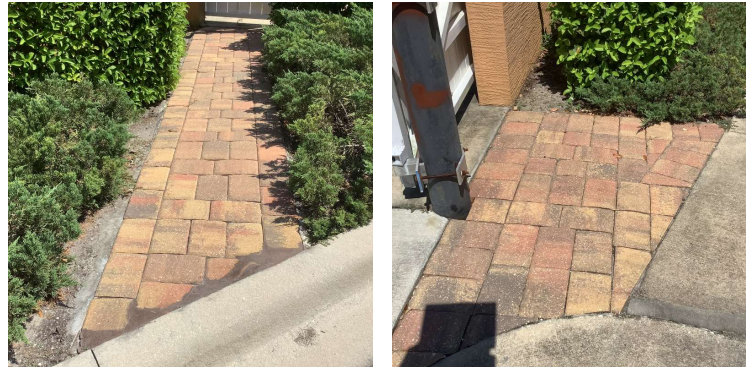
This category refers to costs associated with the replacement and repair/ resealing of pavers in areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 5 years can be expected.

Garage Area Pavers Replacement - 2046

Asset ID	1014	400 SF	@ \$15.28
Common Areas		Asset Actual Cost	\$6,112.00
Category	Garage	Percent Replacement	100%
Placed in Service	January 2011	Future Cost	\$11,711.22
Useful Life	35	Assigned Reserves	<i>none</i>
Replacement Year	2046	Monthly Assessment	\$25.95
Remaining Life	22	Interest Contribution	<u>\$0.64</u>
		Reserve Allocation	\$26.59

Hammocks at Palm Harbor Detail Report by Category

Garage Area Pavers Replacement continued...



This category refers to costs associated with the replacement and repair/ resealing of entrance and walkway pavers areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 35 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component

Garage Concrete Tile Roofing - 2045

Asset ID	1010	6 SQ	@ \$2,135.00
Common Areas		Asset Actual Cost	\$12,810.00
Category	Garage	Percent Replacement	100%
Placed in Service	January 2015	Future Cost	\$23,830.37
Useful Life	30	Assigned Reserves	<i>none</i>
Replacement Year	2045	Monthly Assessment	\$56.77
Remaining Life	21	Interest Contribution	<u>\$1.40</u>
		Reserve Allocation	\$58.17



Data gathered from within the local market suggests a probable life cycle in the 18-20-year range for a professionally designed, installed and maintained roof including gutters. The current cost estimate includes removal and disposal of the existing roofing, typical minor

Hammocks at Palm Harbor Detail Report by Category

Garage Concrete Tile Roofing continued...

repairs to the underlying roof structures, flashing, etc., and installation of like roofing.

Garage Doors - 2040

Asset ID	1013	4 EA	@ \$1,260.00
Common Areas		Asset Actual Cost	\$5,040.00
Category	Garage	Percent Replacement	100%
Placed in Service	January 2015	Future Cost	\$8,087.72
Useful Life	25	Assigned Reserves	<i>none</i>
Replacement Year	2040	Monthly Assessment	\$28.73
Remaining Life	16	Interest Contribution	<u>\$0.71</u>
		Reserve Allocation	\$29.44



This category refers to unit garage door replacement including facings and installation. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component. Doors, which are replaced on a historical 25-year schedule, are subject to conditions such as construction, quality, material, and elements.

Garage Exterior Paint - 2033

Asset ID	1012	900 SF	@ \$2.50
Common Areas		Asset Actual Cost	\$2,250.00
Category	Garage	Percent Replacement	100%
Placed in Service	September 2023	Future Cost	\$2,935.74
Useful Life	10	Assigned Reserves	<i>none</i>
Replacement Year	2033	Monthly Assessment	\$22.02
Remaining Life	9	Interest Contribution	<u>\$0.54</u>
		Reserve Allocation	\$22.56

Hammocks at Palm Harbor Detail Report by Category

Garage Exterior Paint continued...



To ensure proper protection of the underlying concrete, stucco, wood, and metal surfaces, the market reflects a maximum 7-year useful life for exterior painting & waterproofing (instead of an association-purchased 10-year warranty). The current average per dwelling cost in keeping with market standards for similar buildings includes typical minor concrete/stucco repairs, surface preparation, as-needed window/sliding glass door caulking, and painting/refinishing of all exterior concrete, stucco, wood, and metal surfaces (including railings and window/slider frames). This does not include windows and doors (see separate entry where applicable).

Garage Restoration Allowance - 2035

Asset ID	1011	1 LUMP SUM	@ \$14,761.00
Common Areas		Asset Actual Cost	\$14,761.00
Category	Garage	Percent Replacement	100%
Placed in Service	January 2015	Future Cost	\$20,432.68
Useful Life	20	Assigned Reserves	<i>none</i>
Replacement Year	2035	Monthly Assessment	\$119.47
Remaining Life	11	Interest Contribution	<u>\$2.95</u>
		Reserve Allocation	\$122.42



This component is expected to have a useful life cycle of 10 years based on location, products

**Hammocks at Palm Harbor
Detail Report by Category**

Garage Restoration Allowance continued...

used, and application standards. The amount of this allowance and the useful life cycle may vary widely from actual expenses in the future and this report can be amended as more information becomes available. Allowances accrue funding for specific components? repair to extend remaining life until a complete replacement is required or if partial replacement is adequate for maintaining the area. This allowance includes building structure and all supporting components.

Garage - Total Current Cost	\$45,773
Assigned Reserves	\$0
Fully Funded Reserves	\$15,755

Hammocks at Palm Harbor Detail Report by Category

Building Area Pavers Replacement - 2046

Asset ID	1016	1,600 SF	@ \$15.28
Grounds Components		Asset Actual Cost	\$24,448.00
Category	Pavers	Percent Replacement	100%
Placed in Service	January 2011	Future Cost	\$46,844.89
Useful Life	35	Assigned Reserves	<i>none</i>
Replacement Year	2046	Monthly Assessment	\$103.79
Remaining Life	22	Interest Contribution	<u>\$2.56</u>
		Reserve Allocation	\$106.35



This category refers to costs associated with the replacement and repair/ resealing of entrance and walkway pavers areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 35 years can be expected. The current replacement cost estimate is based on industry standards, national cost estimating indexes, and our experience with this type of component

Garage Area Pavers Reseal - 2028

Asset ID	1017	1,600 SF	@ \$3.00
Grounds Components		Asset Actual Cost	\$4,800.00
Category	Pavers	Percent Replacement	100%
Placed in Service	October 2023	Future Cost	\$5,402.44
Useful Life	5	Assigned Reserves	<i>none</i>
Replacement Year	2028	Monthly Assessment	\$102.55
Remaining Life	4	Interest Contribution	<u>\$2.53</u>
		Reserve Allocation	\$105.08

Hammocks at Palm Harbor Detail Report by Category

Garage Area Pavers Reseal continued...



This category refers to costs associated with the replacement and repair/ resealing of pavers in areas. Barring unforeseen damage, and assuming proper and routine maintenance, a minimum useful life of approximately 3 years can be expected.

Pavers - Total Current Cost	\$29,248
Assigned Reserves	\$0
Fully Funded Reserves	\$10,041

Hammocks at Palm Harbor Detail Report by Category

Keypads - 2031

Asset ID	1020	Asset Actual Cost	1 EA @ \$5,200.00
Grounds Components		Percent Replacement	100%
Security Cameras/Video System		Future Cost	\$6,395.34
Placed in Service	January 2011	Assigned Reserves	none
Useful Life	20		
Replacement Year	2031	Monthly Assessment	\$64.67
Remaining Life	7	Interest Contribution	\$1.60
		Reserve Allocation	\$66.27



Data gathered from within the local market area indicates that while minor component repairs/replacements (key fob readers, keypad, hardware/software, etc.) can be expected as a function of ongoing maintenance, total system modernization and/or replacement can be expected on a life cycle in the 15?20-year range.

Security Cameras/Video System - Total Current Cost	\$5,200
Assigned Reserves	\$0
Fully Funded Reserves	\$3,380

**Hammocks at Palm Harbor
Detail Report by Category**

Detail Report Summary

Grand Total

Assigned Reserves	\$0.00
Monthly Contribution	\$2,911.54
Monthly Interest	\$71.95
Monthly Allocation	\$2,983.49

Hammocks at Palm Harbor Asset Summary Report

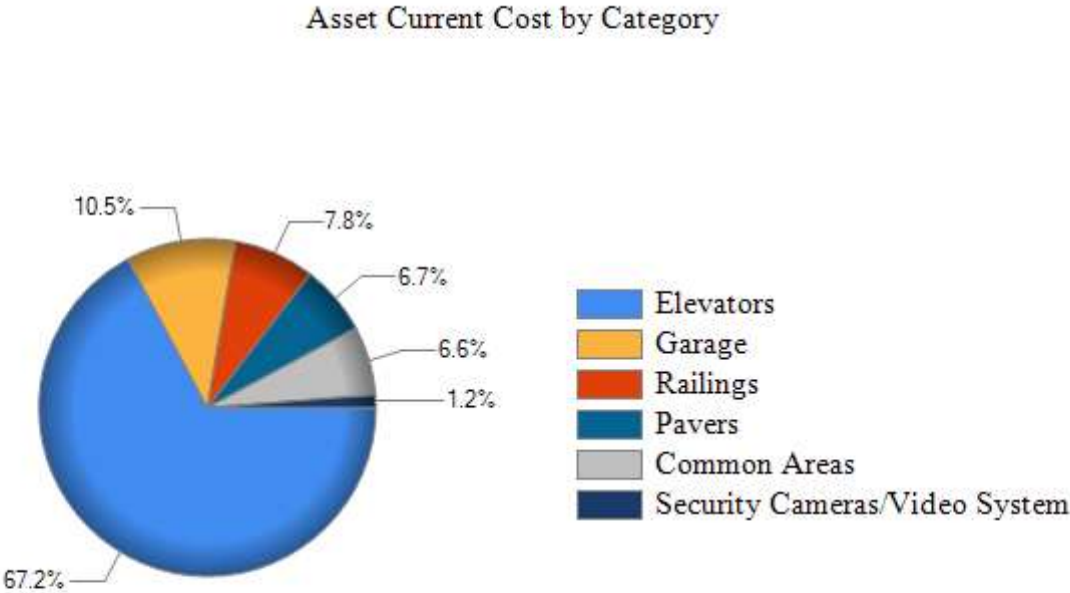
Description	Asset ID	Replacement Date	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Balcony Railing Repaint and Repair	1002	2025	6,480	10	0	1	6,674	360 @	18.00
Balcony Railing Replacement	1001	2051	27,360	40	0	27	60,774	360 @	76.00
Building Area Pavers Replacement	1016	2046	24,448	35	0	22	46,845	1600 @	15.28
Building Area Pavers Reseal	1015	2028	4,800	5	0	4	5,402	1600 @	3.00
Common Area Allowance	1006	2033	10,000	10	0	9	13,048	1 @	10,000.00
Common Area Tile Flooring	1007	2031	6,624	20	0	7	8,147	480 @	13.80
Elevator Modernization	1004	2031	42,000	20	0	7	51,655	1 @	42,000.00
Elevator Replacement	1003	2051	250,000	40	0	27	555,322	1 @	250,000.00
Garage Area Pavers Replacement	1014	2046	6,112	35	0	22	11,711	400 @	15.28
Garage Area Pavers Reseal	1017	2028	4,800	5	0	4	5,402	1600 @	3.00
Garage Concrete Tile Roofing	1010	2045	12,810	30	0	21	23,830	6 @	2,135.00
Garage Doors	1013	2040	5,040	25	0	16	8,088	4 @	1,260.00
Garage Exterior Paint	1012	2033	2,250	10	0	9	2,936	900 @	2.50
Garage Restoration Allowance	1011	2035	14,761	20	0	11	20,433	1 @	14,761.00
Grounds Concrete Allowance	1019	2041	10,000	30	0	17	16,528	1 @	10,000.00
Keypads	1020	2031	5,200	20	0	7	6,395	1 @	5,200.00
Mailboxes	1009	2041	2,149	30	0	17	3,552	1 @	2,149.00

Hammocks at Palm Harbor

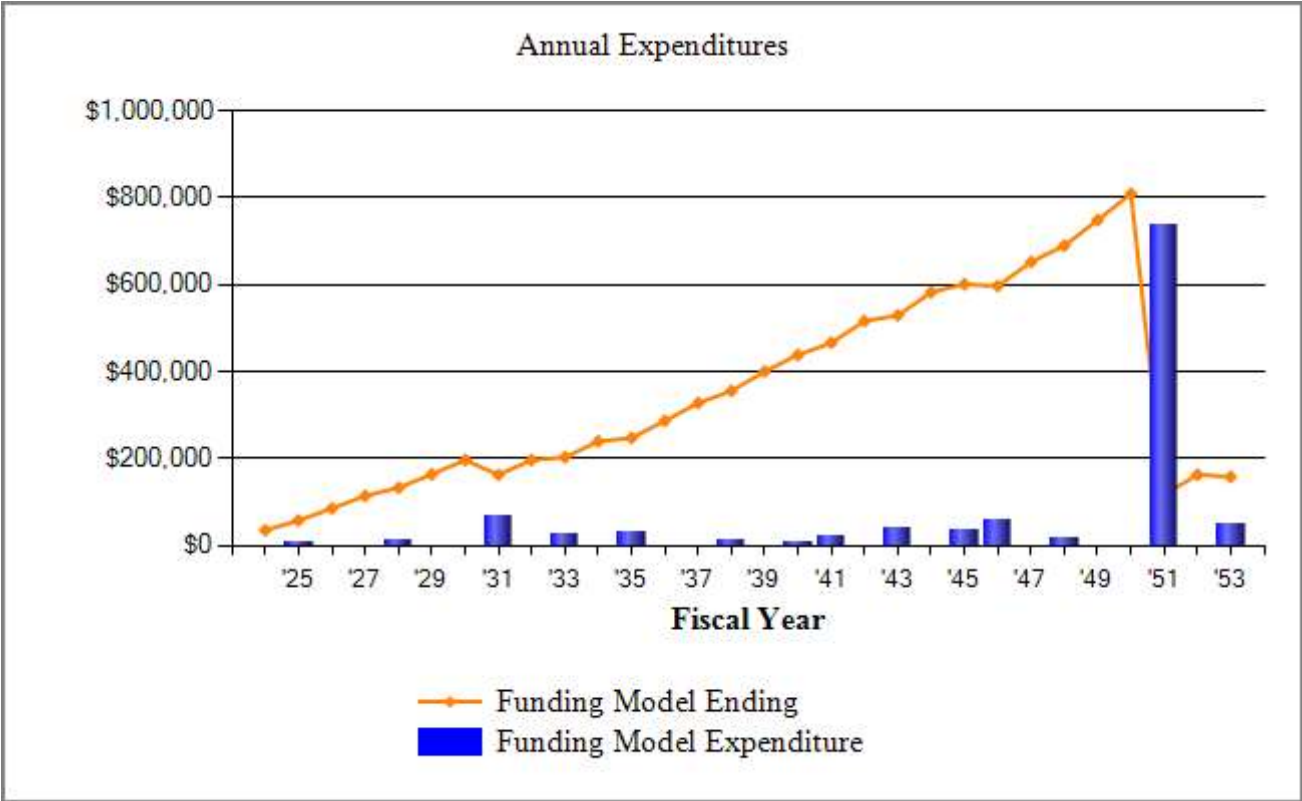
Category Detail Index

Asset ID	Description	Replacement	Page
1002	Balcony Railing Repaint and Repair	2025	2-19
1001	Balcony Railing Replacement	2051	2-19
1016	Building Area Pavers Replacement	2046	2-31
1015	Building Area Pavers Reseal	2028	2-26
1006	Common Area Allowance	2033	2-23
1007	Common Area Tile Flooring	2031	2-23
1004	Elevator Modernization	2031	2-21
1003	Elevator Replacement	2051	2-21
1014	Garage Area Pavers Replacement	2046	2-26
1017	Garage Area Pavers Reseal	2028	2-31
1010	Garage Concrete Tile Roofing	2045	2-27
1013	Garage Doors	2040	2-28
1012	Garage Exterior Paint	2033	2-28
1011	Garage Restoration Allowance	2035	2-29
1019	Grounds Concrete Allowance	2041	2-24
1020	Keypads	2031	2-33
1009	Mailboxes	2041	2-25
	Total Funded Assets	17	
	Total Unfunded Assets	<u>0</u>	
	Total Assets	17	

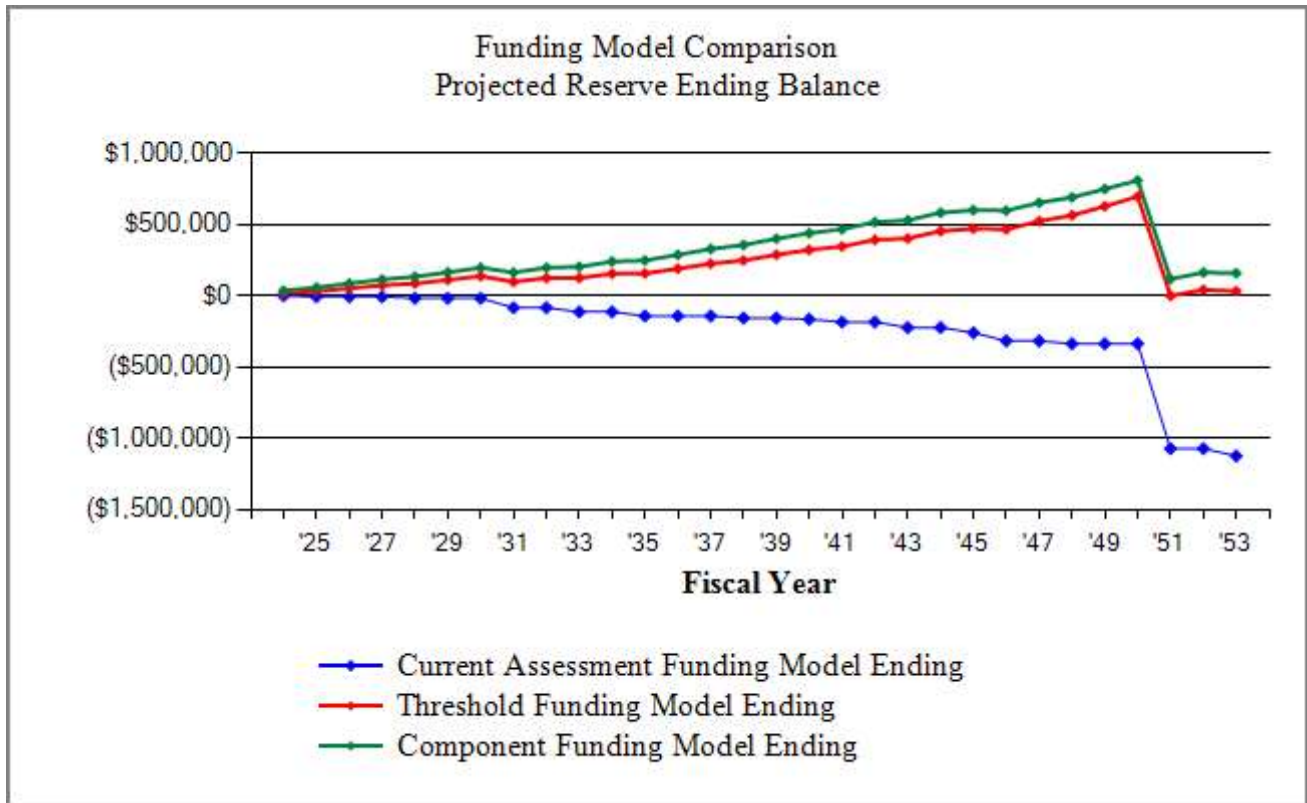
Hammocks at Palm Harbor
Asset Current Cost by Category



**Hammocks at Palm Harbor
Annual Expenditure Chart**

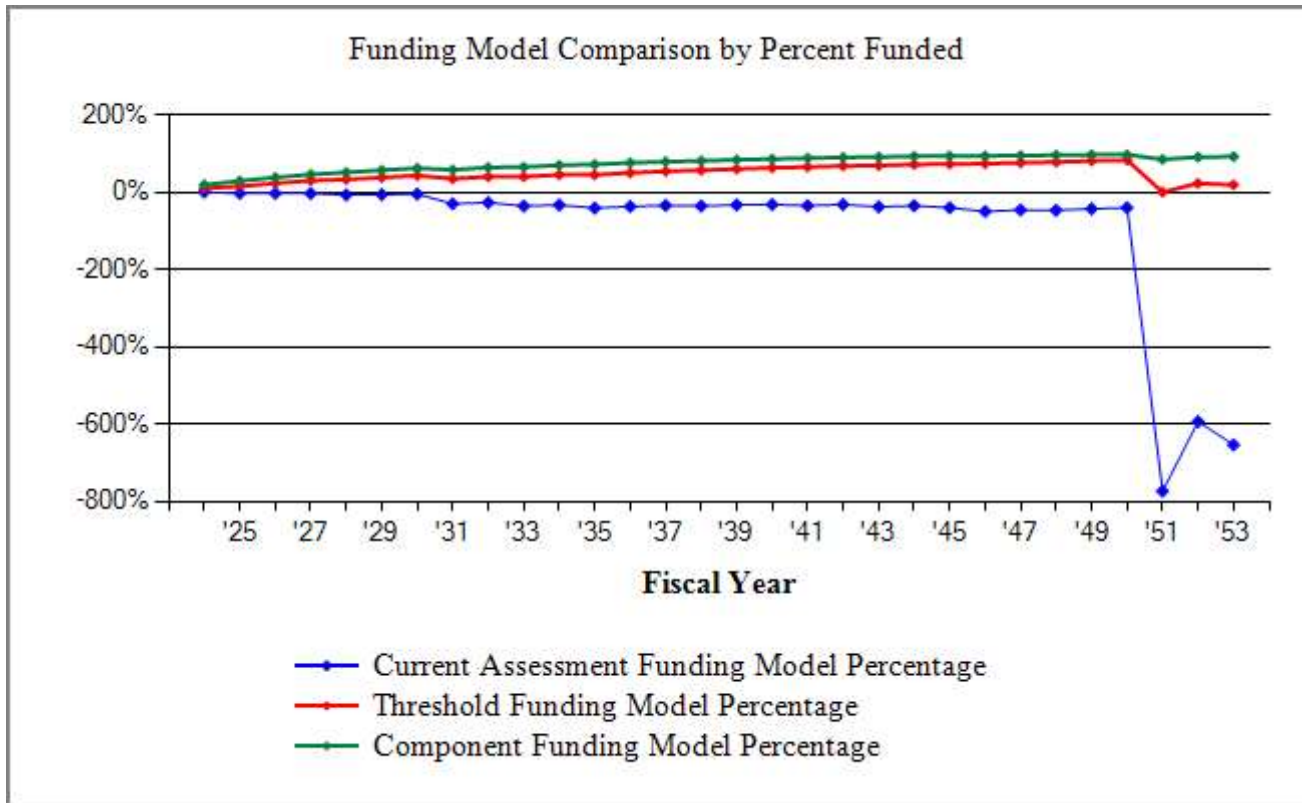


Hammocks at Palm Harbor
Funding Model Reserve Ending Balance Comparison Chart



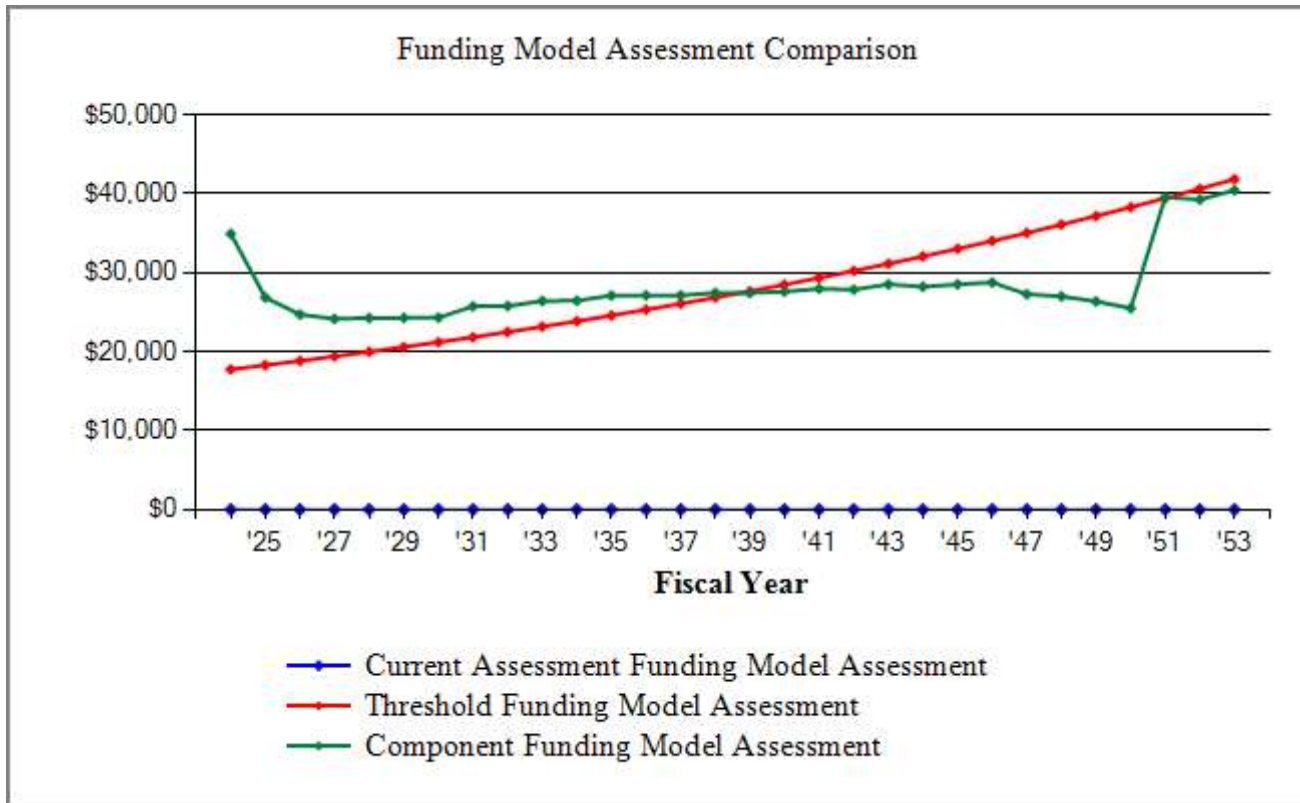
The chart above compares the projected reserve ending balances of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.

Hammocks at Palm Harbor Funding Model Comparison by Percent Funded



The chart above compares the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) by the percentage fully funded over 30 years. This allows your association to view and then choose the funding model that might best fit your community's needs.

**Hammocks at Palm Harbor
Funding Model Assessment Comparison Chart**



The chart above compares the annual assessment of the three funding models (Current Assessment Funding Model, Threshold Funding Model and Component Funding Model) over 30 years.