

A FULL RESERVE STUDY FOR

**Fern Meadows
Homeowners Association
Cocoa, Florida
File # 22920-07255**

FOR PERIOD: January 1, 2018 – December 31, 2018

**PREPARED BY
GAB ROBINS, A DIVISION OF CUNNINGHAM LINDSEY
3300 W. LAKE MARY BLVD.
SUITE 350
LAKE MARY, FLORIDA 32746-3405
(800) 248-3376 ext. 257
(407) 805-0086 ext. 257**



3300 W. Lake Mary Blvd.
Suite 350
Lake Mary, FL 32746-3405
T: 800-248-3376 x 257
F: 407-805-9921
Email: service@gabvalue.com
On-Line: www.gabvalue.com

September 8, 2017

Fern Meadows Homeowners Association
Attn: Craig Curtis, President
772 Cressa Circle
Cocoa, Florida 32926

Dear Mr. Curtis,

On September 5, 2017, we completed an on-site inspection of Fern Meadows Homeowners Association common area reserve items. The intent of this reserve study report is to show cash reserves necessary for the future repair or replacement of expendable components incorporated into the subject property. The purpose of this report is to aid Casa Bella Neighborhood Association, Inc. in making a determination for cash reserves that are needed to repair or replace short-lived building and/or site components.

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

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

In completing this report, the reserve analyst was not required to perform a physical on-site inspection of the subject property at the direction of the association representative. Blueprints were not used to aid in the determination of quantities. No destructive testing methods (i.e. roof core sampling, etc.) were utilized during the inspection. Current financial data, including the actual or projected reserve fund balance as of the analysis date, and property histories, provided by the association representative, were utilized in the completion of this report. This data was not audited, and was assumed to be complete and

correct. The reserve analyst estimated the repair/replacement cost taking into account contingencies inherent to this type of work. The report was prepared utilizing the information gathered in the field and the costs estimated by the reserve analyst.

Respectfully submitted,
GAB Robins, A Division of Cunningham Lindsey

Patrick Conners
Reserve Analyst
(540)679-6020

Table of Contents

Project Overview	5
Reserve Study Funding Analysis	6
Executive Summary	7
Reserve Budget Comparison.....	8
Cash Flow Analysis	9
Item Parameter - Category - Chart	10
Item Parameters - Detail	11
Item Parameters - Full Detail.....	12
Expenditures - Items.....	22
Cash Flow - Annual	26
Cash Flow - Monthly	27
Supplementary Information.....	37
Component Funding Analysis - Category	38
Component Funding Analysis - Items.....	39
Addendum.....	40
Chapter 720 Florida Statutes.....	41
Terms and Definition	44
Annual Update Program	48

PROJECT OVERVIEW

The subject of this reserve study report is the common areas within Fern Meadows Homeowners Association, a homeowner's association development located in Cocoa, Florida. Originally constructed at or near 2003, per the association representative, the common areas include asphalt paving, site lighting, entry monuments, playground equipment, PVC stockade type fencing, two gazebos, tennis courts and a dock located at the pond.

As of the date of our physical inspection, the common areas were observed to be in good overall condition, and appear to have been well maintained. No items of significant deferred maintenance were noted.

Reserves are only calculated for the replacement of short-lived building or site components. This includes components that require replacement prior to the overall estimated end life of the buildings or structures. This report is designed to provide reasonable, appropriate budgetary cost and useful life data based on market standards for the subject's property type and in compliance with Florida statutes. Florida Statutes require consideration for roofs, exterior paint and/or waterproofing, pavement and all items that have an estimated repair or replacement cost above \$10,000. We are unaware of any private reserve requirements.



RESERVE STUDY FUNDING ANALYSIS

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

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

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

The **Component Funding Analysis** (or Straight Line Method) calculates the annual contribution amount for each individual line item component by dividing the component's unfunded balance by its remaining useful life. A component's unfunded balance is its replacement cost less the reserve balance in the component at the beginning of the analysis period. The annual contribution rate for each individual line item component is then summed to calculate the total annual contribution rate for this analysis.

As of July 1, 2007, homeowner's associations are mandated by Florida Statute 720 to include a disclaimer in their annual budgets if reserves are excluded from the budget. If homeowner's associations have previously funded reserves, they must include full funding reserve estimates under similar criteria as condominium associations in the state of Florida. A copy of these requirements is included in the addendum to this report.

EXECUTIVE SUMMARY

PROPERTY DATA

Property Name: Fern Meadows Homeowners Association
Property Location: Cocoa, Florida
Property Type: HOA
Total Units: N/A

Report Run Date: September 8, 2017
Budget Year Begins: January 1, 2018
Budget Year Ends: December 31, 2018

PROJECTED COMPONENT CATEGORIES AND PARAMETERS

1. Deferred Maintenance
2. Recreational Amenities
3. Site Improvements

Total current cost of all reserve components in reserve analysis:	\$	161,212
Estimated beginning reserve fund balance for reserve analysis:	\$	50,000
Total number of components scheduled for replacement in the 2018 budget year:		1
Total cost of components scheduled for replacement in the 2018 budget year:	\$	4,480

ANALYSIS RESULTS –CASH FLOW ANALYSIS

Current annual reserve funding contribution amount (2017 Budget):	\$	8,713
Our recommended annual reserve funding contribution amount:	\$	10,920
Increase (decrease) between current and recommended annual contribution amounts:	\$	2,207
Increase (decrease) between current and recommended annual contribution amounts:		25%

ANALYSIS RESULTS – COMPONENT FUNDING ANALYSIS

Current annual reserve funding contribution amount (2017 Budget):	\$	8,713
Our recommended annual reserve funding contribution amount:	\$	15,454
Increase (decrease) between current and recommended annual contribution amounts:	\$	6,741
Increase (decrease) between current and recommended annual contribution amounts:		77%

RESERVE BUDGET COMPARISON

The previous page provides a comparison of the association's approved fiscal year 2017 reserve contribution level and our estimates for full reserve funding for fiscal year 2018. The funding requirement estimated for fiscal year 2018 via the Cash Flow Analysis is **higher** than the association's approved fiscal year 2017 contribution level, while the recommendation based on the Component Funding Analysis methodology is **higher** than the association's approved fiscal year 2017 contribution level.

Based on the Cash Flow Analysis methodology, the association can fully fund the reserves as analyzed in this report at \$10,920 in fiscal year 2018. This level of annual funding could remain stable over the remainder of the study period, provide adequate funds to offset planned reserve expenditures, and maintain a positive reserve fund balance over the entirety of the study period. In this analysis we have utilized a 0.30% rate of return on reserve funds invested over the study period (assuming safe investment in CDs, money market accounts, etc.). The Cash Flow Analysis utilizes a pooling effect with reserve funds by pooling all funds together and distributing these funds to individual components as their replacement comes due. Funds that are pooled together in the cash flow analysis include the beginning balance, contributions to the reserve funds and interest earned on reserve funds. These pooled funds are matched against reserve expenditures throughout the period of the analysis by using our reserve analysis software program to ensure that the available funds are always greater than expenditures.

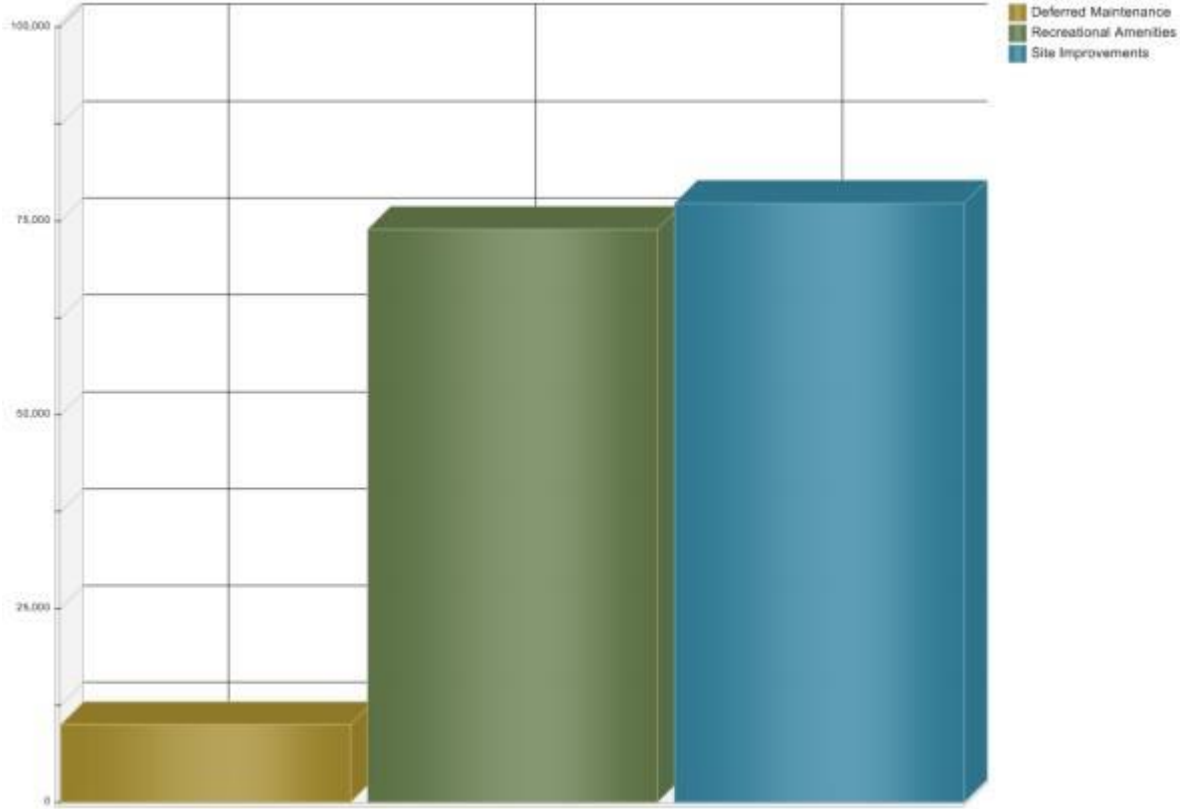
Based on our Component Funding Analysis model, the reserves as analyzed in this report suggest that in order to fully fund in fiscal year 2018, the contribution should be \$15,454. The Component Funding Analysis is a straight-line accounting procedure that was previously mandated by the State of Florida. Until December 2002, funding at less than this amount was considered partial funding by the state and required approval by the association members. As stated previously in this report, changes to the administrative code now allow the implementation/use of a pooling, or cash flow method of reserve analysis.

CASH FLOW ANALYSIS

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameter - Category - Chart



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Detail

Description	Replace Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measure Basis
Deferred Maintenance								
Deferred Maintenance	01/01/2019	\$ 10,000.00	5:00	5:00	1:00	\$ 10,000.00	\$ 10,000.00	total
		\$ 10,000.00				\$ 10,000.00		
Recreational Amenities								
Basketball, Tennis Court /Fencing & Gates	06/01/2042	9,702.00	25:00	25:00	24:05	9,702.00		23.10 ln ft
Dock/Deck Restoration	04/01/2027	21,120.00	20:00	20:00	9:03	21,120.00		38.40 sq ft
Gazebo Restoration	01/01/2027	15,480.72	20:00	20:00	9:00	15,480.72		23.89 sq ft
Playground Area Equipment	01/01/2027	23,139.00	20:00	20:00	9:00	23,139.00		23,139.00 total
Tennis Court, Basketball/ Resurfacing, Asphalt	01/01/2018	4,480.00	12:00	12:00	0:00	4,480.00		4,480.00 courts
		\$ 73,921.72				\$ 73,921.72		
Site Improvements								
Cressa Fencing, PVC	01/01/2023	52,110.42	20:00	20:00	5:00	52,110.42		33.34 ln ft
Park Lights Replacement	01/01/2037	11,180.00	30:00	30:00	19:00	11,180.00		2,795.00 poles
Signage, Entry Monuments/Columns	04/01/2035	14,000.00	18:00	18:00	17:03	14,000.00		14,000.00 total
		\$ 77,290.42				\$ 77,290.42		
		\$ 161,212.14				\$ 161,212.14		

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Full Detail

Deferred Maintenance

Item Number	12	Measurement Basis	total
Type	Common Area	Estimated Useful Life	5:00
Category	Deferred Maintenance	Basis Cost	10,000.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0012	01/01/2014	01/01/2019	1:00	5:00	1.00	\$ 10,000.00	\$ 10,000.00
						\$ 10,000.00	\$ 10,000.00

Comments

This line item has been included in the study to reflect the current reserve schedule. The fund was reported to have been started in 2014. The useful life is 5 years with an expense of \$15,000. Most of the expense related items found at the subject property have been accounted for within this reserve study. Therefore this component line item has been lowered to \$10,000 every 5 years at the direction of the association representative.

Most deferred maintenance is usually performed on an as needed basis. This is a general fund for the purposes of additional funds including but not limited to the restoration of the park bridge.



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Full Detail

Basketball, Tennis Court /Fencing & Gates

Item Number	10	Measurement Basis	In ft
Type	Common Area	Estimated Useful Life	25:00
Category	Recreational Amenities	Basis Cost	23.10
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0010	06/01/2017	06/01/2042	24:05	25:00	420.00	\$ 9,702.00	\$ 9,702.00
						\$ 9,702.00	\$ 9,702.00

Comments

The coated chain link fencing at the basket ball, tennis court can expect a life cycle in the 22 - 25 year range, barring any unforeseen storm damage. The current cost estimate, which includes removal and disposal of the existing fencing and gates and replacement with like quality, is based on market data.



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Full Detail

Dock/Deck Restoration

Item Number	13	Measurement Basis	sq ft
Type	Common Area	Estimated Useful Life	20:00
Category	Recreational Amenities	Basis Cost	38.40
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0013	04/01/2007	04/01/2027	9:03	20:00	550.00	\$ 21,120.00	\$ 21,120.00
						\$ 21,120.00	\$ 21,120.00

Comments

This reserve refers to costs associated with periodic third party restoration of the dock and slips, including replacement of the decking, railings, and typical minor repairs to the underlying framing, stringers and pilings. With routine maintenance, including periodic as needed repairs, sealing/waterproofing, a life cycle in the 18-25 year range can be expected. The current cost estimate is based on our experience with similar expenses.



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Full Detail

Gazebo Restoration

Item Number	2	Measurement Basis	sq ft
Type	Common Area	Estimated Useful Life	20:00
Category	Recreational Amenities	Basis Cost	23.89
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0002	01/01/2007	01/01/2027	9:00	20:00	648.00	\$ 15,480.72	\$ 15,480.72
						\$ 15,480.72	\$ 15,480.72

Comments

We have included this allowance to fund for major restoration of the wood gazebo structure. A life cycle of 12 - 20 years (depending on maintenance and quality) is typically realized before major third party restoration is necessary. The gazebo structures located on the subject property are not self contained structures but appear to be asphalt shingled shade structures. The structures are built on a concrete surface with 10 In ft of railings. The current cost estimate is an order of magnitude estimate based on the size of the structures and is not reflective of total replacement, which should not be necessary in the foreseeable future.



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Full Detail

Playground Area Equipment

Item Number	7	Measurement Basis	total
Type	Common Area	Estimated Useful Life	20:00
Category	Recreational Amenities	Basis Cost	23,139.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0007	01/01/2007	01/01/2027	9:00	20:00	1.00	\$ 23,139.00	\$ 23,139.00
						\$ 23,139.00	\$ 23,139.00

Comments

The association should expect to incur costs associated with replacement of the inventory of equipment at the playground/picnic area such as playground set, 6 swings, bike loop rack, 12 benches, 2 park grills, 3 trash can receptacles, and 2 wooden picnic tables are on a 12-25 year schedule replacement schedule. The current cost estimate is based on the type and quality of equipment in place. This fund is to be used on an as needed basis. The actual costs may vary slightly due to the type and complexity of equipment chosen in the future.



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Full Detail

Tennis Court, Basketball/ Resurfacing, Asphalt

Item Number	11	Measurement Basis	courts
Type	Common Area	Estimated Useful Life	12:00
Category	Recreational Amenities	Basis Cost	4,480.00
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0011	01/01/2006	01/01/2018	0:00	12:00	1.00	\$ 4,480.00	\$ 4,480.00
						\$ 4,480.00	\$ 4,480.00

Comments

To ensure proper protection of the underlying court structure and a high cosmetic appeal, a 6 to 8 year life for resurfacing of asphalt paved tennis courts can be expected. The useful life has been extended to 12 years based on the historical data of replacement. This expense includes as needed minor cracking repairs to the underlying court structure, installation of a new asphalt surface, restriping and net replacement. A per court cost in the low to high \$3000-4000 range is reflected by recent market data. The expense allows for additional asphalt and striping of the basketball court.



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Full Detail

Cressa Fencing, PVC

Item Number	6	Measurement Basis	ln ft
Type	Common Area	Estimated Useful Life	20:00
Category	Site Improvements	Basis Cost	33.34
Tracking	Logistical		
Method	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0006	01/01/2003	01/01/2023	5:00	20:00	1563.00	\$ 52,110.42	\$ 52,110.42
						\$ 52,110.42	\$ 52,110.42

Comments

PVC/vinyl fencing is reported to have a useful life of +/- 25 years by contractors and manufacturers, expecting as needed minor repairs throughout the life cycle. The cost estimate was based on a range of actual costs provided by other properties having similar geographical location. The estimated length of the fence found at the subject property is +/-1563 lineal feet.

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Full Detail

Park Lights Replacement

Item Number	14	Measurement Basis	poles
Type	Common Area	Estimated Useful Life	30:00
Category	Site Improvements	Basis Cost	2,795.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0014	01/01/2007	01/01/2037	19:00	30:00	4.00	\$ 11,180.00	\$ 11,180.00
						\$ 11,180.00	\$ 11,180.00

Comments

While minor as needed replacement can be expected from time to time, the association should expect a major inventory replacement on a +/- 30 year life cycle for these lights. The current per pole unit cost estimate is based on known costs for similar replacements and includes removal of the existing pole/fixture and replacement with like quality.



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Item Parameters - Full Detail

Signage, Entry Monuments/Columns

Item Number	8	Measurement Basis	total
Type	Common Area	Estimated Useful Life	18:00
Category	Site Improvements	Basis Cost	14,000.00
Tracking Method	Logistical Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0008	04/01/2017	04/01/2035	17:03	18:00	1.00	\$ 14,000.00	\$ 14,000.00
						\$ 14,000.00	\$ 14,000.00

Comments

This fund is designed to cover the expense of restoring the entry monument signage including associated lettering, lighting, landscaping, etc. The line item included in this study does not include masonry replacement. Associations typically complete this upgrade on a 10-18 year life cycle. The lump sum cost estimate is based on the two entry signs with decorative planters and stacked stone bases and entry columns. The replacement costs is reflective of similar entrance monuments found in the same geographical area.



Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Expenditures - Items

Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Basketball, Tennis Court /Fencing & Gates										
Cressa Fencing, PVC						52,110				
Deferred Maintenance		10,000					10,000			
Dock/Deck Restoration										21,120
Gazebo Restoration										15,480
Park Lights Replacement										
Playground Area Equipment										23,139
Signage, Entry Monuments/Columns										
Tennis Court, Basketball/ Resurfacing, As	4,480									
	4,480	10,000				52,110	10,000			59,739

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Expenditures - Items

Description	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
Basketball, Tennis Court /Fencing & Gates										
Cressa Fencing, PVC										
Deferred Maintenance		10,000					10,000			
Dock/Deck Restoration										
Gazebo Restoration										
Park Lights Replacement										11,180
Playground Area Equipment										
Signage, Entry Monuments/Columns								14,000		
Tennis Court, Basketball/ Resurfacing, As			4,480							
		10,000	4,480				10,000	14,000		11,180

Fern Meadows Homeowners Association

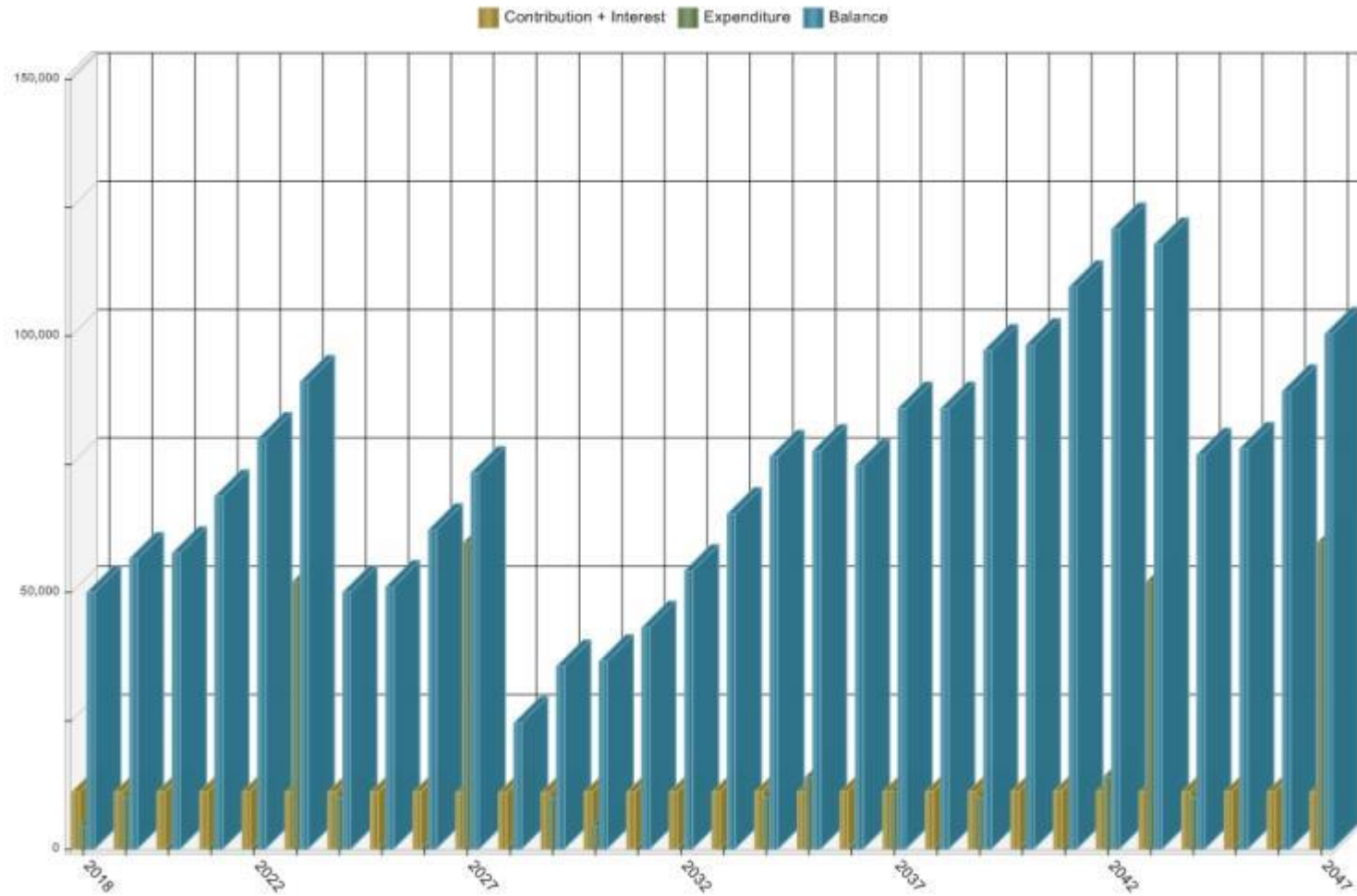
Analysis Date - January 1, 2018

Expenditures - Items

Description	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Basketball, Tennis Court /Fencing & Gates					9,702					
Cressa Fencing, PVC						52,110				
Deferred Maintenance		10,000					10,000			
Dock/Deck Restoration										21,120
Gazebo Restoration										15,480
Park Lights Replacement										
Playground Area Equipment										23,139
Signage, Entry Monuments/Columns										
Tennis Court, Basketball/ Resurfacing, As					4,480					
		10,000			14,182	52,110	10,000			59,739

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018



Cash Flow - Chart

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Annual

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/18 - 12/18	\$ 50,000.00	\$ 10,920.00	\$ 153.71	\$ 4,480.00	\$ 56,593.71
01/19 - 12/19	56,593.71	10,920.00	157.62	10,000.00	57,671.33
01/20 - 12/20	57,671.33	10,920.00	189.65	0.00	68,780.98
01/21 - 12/21	68,780.98	10,920.00	223.02	0.00	79,924.00
01/22 - 12/22	79,924.00	10,920.00	256.50	0.00	91,100.50
01/23 - 12/23	91,100.50	10,920.00	140.04	52,110.42	50,050.12
01/24 - 12/24	50,050.12	10,920.00	137.99	10,000.00	51,108.11
01/25 - 12/25	51,108.11	10,920.00	169.92	0.00	62,198.03
01/26 - 12/26	62,198.03	10,920.00	203.24	0.00	73,321.27
01/27 - 12/27	73,321.27	10,920.00	80.56	59,739.72	24,582.11
	<u>\$ 50,000.00</u>	<u>\$ 109,200.00</u>	<u>\$ 1,712.25</u>	<u>\$ 136,330.14</u>	<u>\$ 24,582.11</u>

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/28 - 12/28	24,582.11	10,920.00	90.24	0.00	35,592.35
01/29 - 12/29	35,592.35	10,920.00	94.55	10,000.00	36,606.90
01/30 - 12/30	36,606.90	10,920.00	113.44	4,480.00	43,160.34
01/31 - 12/31	43,160.34	10,920.00	146.06	0.00	54,226.40
01/32 - 12/32	54,226.40	10,920.00	179.29	0.00	65,325.69
01/33 - 12/33	65,325.69	10,920.00	212.65	0.00	76,458.34
01/34 - 12/34	76,458.34	10,920.00	217.30	10,000.00	77,595.64
01/35 - 12/35	77,595.64	10,920.00	219.73	14,000.00	74,735.37
01/36 - 12/36	74,735.37	10,920.00	240.90	0.00	85,896.27
01/37 - 12/37	85,896.27	10,920.00	242.26	11,180.00	85,878.53
	<u>\$ 24,582.11</u>	<u>\$ 109,200.00</u>	<u>\$ 1,756.42</u>	<u>\$ 49,660.00</u>	<u>\$ 85,878.53</u>

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/38 - 12/38	85,878.53	10,920.00	274.38	0.00	97,072.91
01/39 - 12/39	97,072.91	10,920.00	279.22	10,000.00	98,272.13
01/40 - 12/40	98,272.13	10,920.00	311.62	0.00	109,503.75
01/41 - 12/41	109,503.75	10,920.00	345.36	0.00	120,769.11
01/42 - 12/42	120,769.11	10,920.00	350.53	14,182.00	117,857.64
01/43 - 12/43	117,857.64	10,920.00	220.43	52,110.42	76,887.65
01/44 - 12/44	76,887.65	10,920.00	218.60	10,000.00	78,026.25
01/45 - 12/45	78,026.25	10,920.00	250.80	0.00	89,197.05
01/46 - 12/46	89,197.05	10,920.00	284.36	0.00	100,401.41
01/47 - 12/47	100,401.41	10,920.00	161.93	59,739.72	51,743.62
	<u>\$ 85,878.53</u>	<u>\$ 109,200.00</u>	<u>\$ 2,697.23</u>	<u>\$ 146,032.14</u>	<u>\$ 51,743.62</u>

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2018	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	50,000.00	910.00	12.05	4,480.00	46,442.05
February	46,442.05	910.00	11.72	0.00	47,363.77
March	47,363.77	910.00	11.95	0.00	48,285.72
April	48,285.72	910.00	12.19	0.00	49,207.91
May	49,207.91	910.00	12.42	0.00	50,130.33
June	50,130.33	910.00	12.65	0.00	51,052.98
July	51,052.98	910.00	12.88	0.00	51,975.86
August	51,975.86	910.00	13.11	0.00	52,898.97
September	52,898.97	910.00	13.34	0.00	53,822.31
October	53,822.31	910.00	13.57	0.00	54,745.88
November	54,745.88	910.00	13.80	0.00	55,669.68
December	55,669.68	910.00	14.03	0.00	56,593.71
	\$ 50,000.00	\$ 10,920.00	\$ 153.71	\$ 4,480.00	\$ 56,593.71

2019	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	56,593.71	910.00	13.01	10,000.00	47,516.72
February	47,516.72	910.00	11.99	0.00	48,438.71
March	48,438.71	910.00	12.22	0.00	49,360.93
April	49,360.93	910.00	12.45	0.00	50,283.38
May	50,283.38	910.00	12.68	0.00	51,206.06
June	51,206.06	910.00	12.92	0.00	52,128.98
July	52,128.98	910.00	13.15	0.00	53,052.13
August	53,052.13	910.00	13.38	0.00	53,975.51
September	53,975.51	910.00	13.61	0.00	54,899.12
October	54,899.12	910.00	13.84	0.00	55,822.96
November	55,822.96	910.00	14.07	0.00	56,747.03
December	56,747.03	910.00	14.30	0.00	57,671.33
	\$ 56,593.71	\$ 10,920.00	\$ 157.62	\$ 10,000.00	\$ 57,671.33

2020	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	57,671.33	910.00	14.53	0.00	58,595.86
February	58,595.86	910.00	14.76	0.00	59,520.62
March	59,520.62	910.00	14.99	0.00	60,445.61
April	60,445.61	910.00	15.23	0.00	61,370.84
May	61,370.84	910.00	15.46	0.00	62,296.30
June	62,296.30	910.00	15.69	0.00	63,221.99
July	63,221.99	910.00	15.92	0.00	64,147.91
August	64,147.91	910.00	16.15	0.00	65,074.06
September	65,074.06	910.00	16.38	0.00	66,000.44
October	66,000.44	910.00	16.61	0.00	66,927.05
November	66,927.05	910.00	16.85	0.00	67,853.90
December	67,853.90	910.00	17.08	0.00	68,780.98
	\$ 57,671.33	\$ 10,920.00	\$ 189.65	\$ 0.00	\$ 68,780.98

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2021	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	68,780.98	910.00	17.31	0.00	69,708.29
February	69,708.29	910.00	17.54	0.00	70,635.83
March	70,635.83	910.00	17.77	0.00	71,563.60
April	71,563.60	910.00	18.00	0.00	72,491.60
May	72,491.60	910.00	18.24	0.00	73,419.84
June	73,419.84	910.00	18.47	0.00	74,348.31
July	74,348.31	910.00	18.70	0.00	75,277.01
August	75,277.01	910.00	18.93	0.00	76,205.94
September	76,205.94	910.00	19.17	0.00	77,135.11
October	77,135.11	910.00	19.40	0.00	78,064.51
November	78,064.51	910.00	19.63	0.00	78,994.14
December	78,994.14	910.00	19.86	0.00	79,924.00
	\$ 68,780.98	\$ 10,920.00	\$ 223.02	\$ 0.00	\$ 79,924.00

2022	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	79,924.00	910.00	20.09	0.00	80,854.09
February	80,854.09	910.00	20.33	0.00	81,784.42
March	81,784.42	910.00	20.56	0.00	82,714.98
April	82,714.98	910.00	20.79	0.00	83,645.77
May	83,645.77	910.00	21.03	0.00	84,576.80
June	84,576.80	910.00	21.26	0.00	85,508.06
July	85,508.06	910.00	21.49	0.00	86,439.55
August	86,439.55	910.00	21.72	0.00	87,371.27
September	87,371.27	910.00	21.96	0.00	88,303.23
October	88,303.23	910.00	22.19	0.00	89,235.42
November	89,235.42	910.00	22.42	0.00	90,167.84
December	90,167.84	910.00	22.66	0.00	91,100.50
	\$ 79,924.00	\$ 10,920.00	\$ 256.50	\$ 0.00	\$ 91,100.50

2023	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	91,100.50	910.00	16.38	52,110.42	39,916.46
February	39,916.46	910.00	10.09	0.00	40,836.55
March	40,836.55	910.00	10.32	0.00	41,756.87
April	41,756.87	910.00	10.55	0.00	42,677.42
May	42,677.42	910.00	10.78	0.00	43,598.20
June	43,598.20	910.00	11.01	0.00	44,519.21
July	44,519.21	910.00	11.24	0.00	45,440.45
August	45,440.45	910.00	11.47	0.00	46,361.92
September	46,361.92	910.00	11.70	0.00	47,283.62
October	47,283.62	910.00	11.93	0.00	48,205.55
November	48,205.55	910.00	12.17	0.00	49,127.72
December	49,127.72	910.00	12.40	0.00	50,050.12
	\$ 91,100.50	\$ 10,920.00	\$ 140.04	\$ 52,110.42	\$ 50,050.12

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2024	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	50,050.12	910.00	11.38	10,000.00	40,971.50
February	40,971.50	910.00	10.36	0.00	41,891.86
March	41,891.86	910.00	10.59	0.00	42,812.45
April	42,812.45	910.00	10.82	0.00	43,733.27
May	43,733.27	910.00	11.05	0.00	44,654.32
June	44,654.32	910.00	11.28	0.00	45,575.60
July	45,575.60	910.00	11.51	0.00	46,497.11
August	46,497.11	910.00	11.74	0.00	47,418.85
September	47,418.85	910.00	11.97	0.00	48,340.82
October	48,340.82	910.00	12.20	0.00	49,263.02
November	49,263.02	910.00	12.43	0.00	50,185.45
December	50,185.45	910.00	12.66	0.00	51,108.11
	\$ 50,050.12	\$ 10,920.00	\$ 137.99	\$ 10,000.00	\$ 51,108.11

2025	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	51,108.11	910.00	12.89	0.00	52,031.00
February	52,031.00	910.00	13.12	0.00	52,954.12
March	52,954.12	910.00	13.35	0.00	53,877.47
April	53,877.47	910.00	13.58	0.00	54,801.05
May	54,801.05	910.00	13.81	0.00	55,724.86
June	55,724.86	910.00	14.04	0.00	56,648.90
July	56,648.90	910.00	14.28	0.00	57,573.18
August	57,573.18	910.00	14.51	0.00	58,497.69
September	58,497.69	910.00	14.74	0.00	59,422.43
October	59,422.43	910.00	14.97	0.00	60,347.40
November	60,347.40	910.00	15.20	0.00	61,272.60
December	61,272.60	910.00	15.43	0.00	62,198.03
	\$ 51,108.11	\$ 10,920.00	\$ 169.92	\$ 0.00	\$ 62,198.03

2026	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	62,198.03	910.00	15.66	0.00	63,123.69
February	63,123.69	910.00	15.89	0.00	64,049.58
March	64,049.58	910.00	16.13	0.00	64,975.71
April	64,975.71	910.00	16.36	0.00	65,902.07
May	65,902.07	910.00	16.59	0.00	66,828.66
June	66,828.66	910.00	16.82	0.00	67,755.48
July	67,755.48	910.00	17.05	0.00	68,682.53
August	68,682.53	910.00	17.28	0.00	69,609.81
September	69,609.81	910.00	17.52	0.00	70,537.33
October	70,537.33	910.00	17.75	0.00	71,465.08
November	71,465.08	910.00	17.98	0.00	72,393.06
December	72,393.06	910.00	18.21	0.00	73,321.27
	\$ 62,198.03	\$ 10,920.00	\$ 203.24	\$ 0.00	\$ 73,321.27

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2027	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	73,321.27	910.00	13.62	38,619.72	35,625.17
February	35,625.17	910.00	9.02	0.00	36,544.19
March	36,544.19	910.00	9.25	0.00	37,463.44
April	37,463.44	910.00	6.84	21,120.00	17,260.28
May	17,260.28	910.00	4.43	0.00	18,174.71
June	18,174.71	910.00	4.66	0.00	19,089.37
July	19,089.37	910.00	4.89	0.00	20,004.26
August	20,004.26	910.00	5.11	0.00	20,919.37
September	20,919.37	910.00	5.34	0.00	21,834.71
October	21,834.71	910.00	5.57	0.00	22,750.28
November	22,750.28	910.00	5.80	0.00	23,666.08
December	23,666.08	910.00	6.03	0.00	24,582.11
	\$ 73,321.27	\$ 10,920.00	\$ 80.56	\$ 59,739.72	\$ 24,582.11

2028	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	24,582.11	910.00	6.26	0.00	25,498.37
February	25,498.37	910.00	6.49	0.00	26,414.86
March	26,414.86	910.00	6.72	0.00	27,331.58
April	27,331.58	910.00	6.95	0.00	28,248.53
May	28,248.53	910.00	7.18	0.00	29,165.71
June	29,165.71	910.00	7.41	0.00	30,083.12
July	30,083.12	910.00	7.63	0.00	31,000.75
August	31,000.75	910.00	7.86	0.00	31,918.61
September	31,918.61	910.00	8.09	0.00	32,836.70
October	32,836.70	910.00	8.32	0.00	33,755.02
November	33,755.02	910.00	8.55	0.00	34,673.57
December	34,673.57	910.00	8.78	0.00	35,592.35
	\$ 24,582.11	\$ 10,920.00	\$ 90.24	\$ 0.00	\$ 35,592.35

2029	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	35,592.35	910.00	7.76	10,000.00	26,510.11
February	26,510.11	910.00	6.74	0.00	27,426.85
March	27,426.85	910.00	6.97	0.00	28,343.82
April	28,343.82	910.00	7.20	0.00	29,261.02
May	29,261.02	910.00	7.43	0.00	30,178.45
June	30,178.45	910.00	7.66	0.00	31,096.11
July	31,096.11	910.00	7.89	0.00	32,014.00
August	32,014.00	910.00	8.12	0.00	32,932.12
September	32,932.12	910.00	8.35	0.00	33,850.47
October	33,850.47	910.00	8.58	0.00	34,769.05
November	34,769.05	910.00	8.81	0.00	35,687.86
December	35,687.86	910.00	9.04	0.00	36,606.90
	\$ 35,592.35	\$ 10,920.00	\$ 94.55	\$ 10,000.00	\$ 36,606.90

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2030	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	36,606.90	910.00	8.71	4,480.00	33,045.61
February	33,045.61	910.00	8.38	0.00	33,963.99
March	33,963.99	910.00	8.60	0.00	34,882.59
April	34,882.59	910.00	8.83	0.00	35,801.42
May	35,801.42	910.00	9.06	0.00	36,720.48
June	36,720.48	910.00	9.29	0.00	37,639.77
July	37,639.77	910.00	9.52	0.00	38,559.29
August	38,559.29	910.00	9.75	0.00	39,479.04
September	39,479.04	910.00	9.98	0.00	40,399.02
October	40,399.02	910.00	10.21	0.00	41,319.23
November	41,319.23	910.00	10.44	0.00	42,239.67
December	42,239.67	910.00	10.67	0.00	43,160.34
	\$ 36,606.90	\$ 10,920.00	\$ 113.44	\$ 4,480.00	\$ 43,160.34

2031	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	43,160.34	910.00	10.90	0.00	44,081.24
February	44,081.24	910.00	11.13	0.00	45,002.37
March	45,002.37	910.00	11.36	0.00	45,923.73
April	45,923.73	910.00	11.59	0.00	46,845.32
May	46,845.32	910.00	11.83	0.00	47,767.15
June	47,767.15	910.00	12.06	0.00	48,689.21
July	48,689.21	910.00	12.29	0.00	49,611.50
August	49,611.50	910.00	12.52	0.00	50,534.02
September	50,534.02	910.00	12.75	0.00	51,456.77
October	51,456.77	910.00	12.98	0.00	52,379.75
November	52,379.75	910.00	13.21	0.00	53,302.96
December	53,302.96	910.00	13.44	0.00	54,226.40
	\$ 43,160.34	\$ 10,920.00	\$ 146.06	\$ 0.00	\$ 54,226.40

2032	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	54,226.40	910.00	13.67	0.00	55,150.07
February	55,150.07	910.00	13.90	0.00	56,073.97
March	56,073.97	910.00	14.13	0.00	56,998.10
April	56,998.10	910.00	14.36	0.00	57,922.46
May	57,922.46	910.00	14.59	0.00	58,847.05
June	58,847.05	910.00	14.83	0.00	59,771.88
July	59,771.88	910.00	15.06	0.00	60,696.94
August	60,696.94	910.00	15.29	0.00	61,622.23
September	61,622.23	910.00	15.52	0.00	62,547.75
October	62,547.75	910.00	15.75	0.00	63,473.50
November	63,473.50	910.00	15.98	0.00	64,399.48
December	64,399.48	910.00	16.21	0.00	65,325.69
	\$ 54,226.40	\$ 10,920.00	\$ 179.29	\$ 0.00	\$ 65,325.69

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2033	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	65,325.69	910.00	16.45	0.00	66,252.14
February	66,252.14	910.00	16.68	0.00	67,178.82
March	67,178.82	910.00	16.91	0.00	68,105.73
April	68,105.73	910.00	17.14	0.00	69,032.87
May	69,032.87	910.00	17.37	0.00	69,960.24
June	69,960.24	910.00	17.60	0.00	70,887.84
July	70,887.84	910.00	17.84	0.00	71,815.68
August	71,815.68	910.00	18.07	0.00	72,743.75
September	72,743.75	910.00	18.30	0.00	73,672.05
October	73,672.05	910.00	18.53	0.00	74,600.58
November	74,600.58	910.00	18.76	0.00	75,529.34
December	75,529.34	910.00	19.00	0.00	76,458.34
	\$ 65,325.69	\$ 10,920.00	\$ 212.65	\$ 0.00	\$ 76,458.34

2034	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	76,458.34	910.00	17.98	10,000.00	67,386.32
February	67,386.32	910.00	16.96	0.00	68,313.28
March	68,313.28	910.00	17.19	0.00	69,240.47
April	69,240.47	910.00	17.42	0.00	70,167.89
May	70,167.89	910.00	17.66	0.00	71,095.55
June	71,095.55	910.00	17.89	0.00	72,023.44
July	72,023.44	910.00	18.12	0.00	72,951.56
August	72,951.56	910.00	18.35	0.00	73,879.91
September	73,879.91	910.00	18.58	0.00	74,808.49
October	74,808.49	910.00	18.82	0.00	75,737.31
November	75,737.31	910.00	19.05	0.00	76,666.36
December	76,666.36	910.00	19.28	0.00	77,595.64
	\$ 76,458.34	\$ 10,920.00	\$ 217.30	\$ 10,000.00	\$ 77,595.64

2035	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	77,595.64	910.00	19.51	0.00	78,525.15
February	78,525.15	910.00	19.75	0.00	79,454.90
March	79,454.90	910.00	19.98	0.00	80,384.88
April	80,384.88	910.00	18.46	14,000.00	67,313.34
May	67,313.34	910.00	16.94	0.00	68,240.28
June	68,240.28	910.00	17.17	0.00	69,167.45
July	69,167.45	910.00	17.41	0.00	70,094.86
August	70,094.86	910.00	17.64	0.00	71,022.50
September	71,022.50	910.00	17.87	0.00	71,950.37
October	71,950.37	910.00	18.10	0.00	72,878.47
November	72,878.47	910.00	18.33	0.00	73,806.80
December	73,806.80	910.00	18.57	0.00	74,735.37
	\$ 77,595.64	\$ 10,920.00	\$ 219.73	\$ 14,000.00	\$ 74,735.37

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2036	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	74,735.37	910.00	18.80	0.00	75,664.17
February	75,664.17	910.00	19.03	0.00	76,593.20
March	76,593.20	910.00	19.26	0.00	77,522.46
April	77,522.46	910.00	19.49	0.00	78,451.95
May	78,451.95	910.00	19.73	0.00	79,381.68
June	79,381.68	910.00	19.96	0.00	80,311.64
July	80,311.64	910.00	20.19	0.00	81,241.83
August	81,241.83	910.00	20.42	0.00	82,172.25
September	82,172.25	910.00	20.66	0.00	83,102.91
October	83,102.91	910.00	20.89	0.00	84,033.80
November	84,033.80	910.00	21.12	0.00	84,964.92
December	84,964.92	910.00	21.35	0.00	85,896.27
	\$ 74,735.37	\$ 10,920.00	\$ 240.90	\$ 0.00	\$ 85,896.27

2037	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	85,896.27	910.00	20.19	11,180.00	75,646.46
February	75,646.46	910.00	19.03	0.00	76,575.49
March	76,575.49	910.00	19.26	0.00	77,504.75
April	77,504.75	910.00	19.49	0.00	78,434.24
May	78,434.24	910.00	19.72	0.00	79,363.96
June	79,363.96	910.00	19.95	0.00	80,293.91
July	80,293.91	910.00	20.19	0.00	81,224.10
August	81,224.10	910.00	20.42	0.00	82,154.52
September	82,154.52	910.00	20.65	0.00	83,085.17
October	83,085.17	910.00	20.89	0.00	84,016.06
November	84,016.06	910.00	21.12	0.00	84,947.18
December	84,947.18	910.00	21.35	0.00	85,878.53
	\$ 85,896.27	\$ 10,920.00	\$ 242.26	\$ 11,180.00	\$ 85,878.53

2038	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	85,878.53	910.00	21.58	0.00	86,810.11
February	86,810.11	910.00	21.82	0.00	87,741.93
March	87,741.93	910.00	22.05	0.00	88,673.98
April	88,673.98	910.00	22.28	0.00	89,606.26
May	89,606.26	910.00	22.52	0.00	90,538.78
June	90,538.78	910.00	22.75	0.00	91,471.53
July	91,471.53	910.00	22.98	0.00	92,404.51
August	92,404.51	910.00	23.21	0.00	93,337.72
September	93,337.72	910.00	23.45	0.00	94,271.17
October	94,271.17	910.00	23.68	0.00	95,204.85
November	95,204.85	910.00	23.91	0.00	96,138.76
December	96,138.76	910.00	24.15	0.00	97,072.91
	\$ 85,878.53	\$ 10,920.00	\$ 274.38	\$ 0.00	\$ 97,072.91

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2039	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	97,072.91	910.00	23.13	10,000.00	88,006.04
February	88,006.04	910.00	22.12	0.00	88,938.16
March	88,938.16	910.00	22.35	0.00	89,870.51
April	89,870.51	910.00	22.58	0.00	90,803.09
May	90,803.09	910.00	22.81	0.00	91,735.90
June	91,735.90	910.00	23.05	0.00	92,668.95
July	92,668.95	910.00	23.28	0.00	93,602.23
August	93,602.23	910.00	23.51	0.00	94,535.74
September	94,535.74	910.00	23.75	0.00	95,469.49
October	95,469.49	910.00	23.98	0.00	96,403.47
November	96,403.47	910.00	24.21	0.00	97,337.68
December	97,337.68	910.00	24.45	0.00	98,272.13
	\$ 97,072.91	\$ 10,920.00	\$ 279.22	\$ 10,000.00	\$ 98,272.13

2040	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	98,272.13	910.00	24.68	0.00	99,206.81
February	99,206.81	910.00	24.92	0.00	100,141.73
March	100,141.73	910.00	25.15	0.00	101,076.88
April	101,076.88	910.00	25.38	0.00	102,012.26
May	102,012.26	910.00	25.62	0.00	102,947.88
June	102,947.88	910.00	25.85	0.00	103,883.73
July	103,883.73	910.00	26.08	0.00	104,819.81
August	104,819.81	910.00	26.32	0.00	105,756.13
September	105,756.13	910.00	26.55	0.00	106,692.68
October	106,692.68	910.00	26.79	0.00	107,629.47
November	107,629.47	910.00	27.02	0.00	108,566.49
December	108,566.49	910.00	27.26	0.00	109,503.75
	\$ 98,272.13	\$ 10,920.00	\$ 311.62	\$ 0.00	\$ 109,503.75

2041	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	109,503.75	910.00	27.49	0.00	110,441.24
February	110,441.24	910.00	27.72	0.00	111,378.96
March	111,378.96	910.00	27.96	0.00	112,316.92
April	112,316.92	910.00	28.19	0.00	113,255.11
May	113,255.11	910.00	28.43	0.00	114,193.54
June	114,193.54	910.00	28.66	0.00	115,132.20
July	115,132.20	910.00	28.90	0.00	116,071.10
August	116,071.10	910.00	29.13	0.00	117,010.23
September	117,010.23	910.00	29.37	0.00	117,949.60
October	117,949.60	910.00	29.60	0.00	118,889.20
November	118,889.20	910.00	29.84	0.00	119,829.04
December	119,829.04	910.00	30.07	0.00	120,769.11
	\$ 109,503.75	\$ 10,920.00	\$ 345.36	\$ 0.00	\$ 120,769.11

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2042	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	120,769.11	910.00	29.75	4,480.00	117,228.86
February	117,228.86	910.00	29.42	0.00	118,168.28
March	118,168.28	910.00	29.66	0.00	119,107.94
April	119,107.94	910.00	29.89	0.00	120,047.83
May	120,047.83	910.00	30.13	0.00	120,987.96
June	120,987.96	910.00	29.15	9,702.00	112,225.11
July	112,225.11	910.00	28.17	0.00	113,163.28
August	113,163.28	910.00	28.40	0.00	114,101.68
September	114,101.68	910.00	28.64	0.00	115,040.32
October	115,040.32	910.00	28.87	0.00	115,979.19
November	115,979.19	910.00	29.11	0.00	116,918.30
December	116,918.30	910.00	29.34	0.00	117,857.64
	\$ 120,769.11	\$ 10,920.00	\$ 350.53	\$ 14,182.00	\$ 117,857.64

2043	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	117,857.64	910.00	23.06	52,110.42	66,680.28
February	66,680.28	910.00	16.78	0.00	67,607.06
March	67,607.06	910.00	17.02	0.00	68,534.08
April	68,534.08	910.00	17.25	0.00	69,461.33
May	69,461.33	910.00	17.48	0.00	70,388.81
June	70,388.81	910.00	17.71	0.00	71,316.52
July	71,316.52	910.00	17.94	0.00	72,244.46
August	72,244.46	910.00	18.17	0.00	73,172.63
September	73,172.63	910.00	18.41	0.00	74,101.04
October	74,101.04	910.00	18.64	0.00	75,029.68
November	75,029.68	910.00	18.87	0.00	75,958.55
December	75,958.55	910.00	19.10	0.00	76,887.65
	\$ 117,857.64	\$ 10,920.00	\$ 220.43	\$ 52,110.42	\$ 76,887.65

2044	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	76,887.65	910.00	18.09	10,000.00	67,815.74
February	67,815.74	910.00	17.07	0.00	68,742.81
March	68,742.81	910.00	17.30	0.00	69,670.11
April	69,670.11	910.00	17.53	0.00	70,597.64
May	70,597.64	910.00	17.76	0.00	71,525.40
June	71,525.40	910.00	18.00	0.00	72,453.40
July	72,453.40	910.00	18.23	0.00	73,381.63
August	73,381.63	910.00	18.46	0.00	74,310.09
September	74,310.09	910.00	18.69	0.00	75,238.78
October	75,238.78	910.00	18.92	0.00	76,167.70
November	76,167.70	910.00	19.16	0.00	77,096.86
December	77,096.86	910.00	19.39	0.00	78,026.25
	\$ 76,887.65	\$ 10,920.00	\$ 218.60	\$ 10,000.00	\$ 78,026.25

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Cash Flow - Monthly

2045	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	78,026.25	910.00	19.62	0.00	78,955.87
February	78,955.87	910.00	19.85	0.00	79,885.72
March	79,885.72	910.00	20.09	0.00	80,815.81
April	80,815.81	910.00	20.32	0.00	81,746.13
May	81,746.13	910.00	20.55	0.00	82,676.68
June	82,676.68	910.00	20.78	0.00	83,607.46
July	83,607.46	910.00	21.02	0.00	84,538.48
August	84,538.48	910.00	21.25	0.00	85,469.73
September	85,469.73	910.00	21.48	0.00	86,401.21
October	86,401.21	910.00	21.71	0.00	87,332.92
November	87,332.92	910.00	21.95	0.00	88,264.87
December	88,264.87	910.00	22.18	0.00	89,197.05
	\$ 78,026.25	\$ 10,920.00	\$ 250.80	\$ 0.00	\$ 89,197.05

2046	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	89,197.05	910.00	22.41	0.00	90,129.46
February	90,129.46	910.00	22.65	0.00	91,062.11
March	91,062.11	910.00	22.88	0.00	91,994.99
April	91,994.99	910.00	23.11	0.00	92,928.10
May	92,928.10	910.00	23.35	0.00	93,861.45
June	93,861.45	910.00	23.58	0.00	94,795.03
July	94,795.03	910.00	23.81	0.00	95,728.84
August	95,728.84	910.00	24.05	0.00	96,662.89
September	96,662.89	910.00	24.28	0.00	97,597.17
October	97,597.17	910.00	24.51	0.00	98,531.68
November	98,531.68	910.00	24.75	0.00	99,466.43
December	99,466.43	910.00	24.98	0.00	100,401.41
	\$ 89,197.05	\$ 10,920.00	\$ 284.36	\$ 0.00	\$ 100,401.41

2047	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	100,401.41	910.00	20.39	38,619.72	62,712.08
February	62,712.08	910.00	15.79	0.00	63,637.87
March	63,637.87	910.00	16.02	0.00	64,563.89
April	64,563.89	910.00	13.61	21,120.00	44,367.50
May	44,367.50	910.00	11.21	0.00	45,288.71
June	45,288.71	910.00	11.44	0.00	46,210.15
July	46,210.15	910.00	11.67	0.00	47,131.82
August	47,131.82	910.00	11.90	0.00	48,053.72
September	48,053.72	910.00	12.13	0.00	48,975.85
October	48,975.85	910.00	12.36	0.00	49,898.21
November	49,898.21	910.00	12.59	0.00	50,820.80
December	50,820.80	910.00	12.82	0.00	51,743.62
	\$ 100,401.41	\$ 10,920.00	\$ 161.93	\$ 59,739.72	\$ 51,743.62

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Supplementary Information on Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2018 Funding Requirement	Components of Fund Balance at 12/31/2017
Deferred Maintenance				
Deferred Maintenance	1:00	\$ 10,000	\$ 2,330	\$ 8,000
		\$ 10,000	\$ 2,330	\$ 8,000
Recreational Amenities				
Basketball, Tennis Court /Fencing & Gates	24:05	9,702	452	111
Dock/Deck Restoration	9:03	21,120	1,230	5,562
Gazebo Restoration	9:00	15,481	902	4,171
Playground Area Equipment	9:00	23,139	1,348	6,235
Tennis Court, Basketball/ Resurfacing,	0:00	4,480	435	4,480
		73,922	4,367	20,559
Site Improvements				
Cressa Fencing, PVC	5:00	52,110	3,036	19,147
Park Lights Replacement	19:00	11,180	434	2,008
Signage, Entry Monuments/Columns	17:03	14,000	906	286
		77,290	4,376	21,441
		\$ 161,212	\$ 11,073	\$ 50,000

Fern Meadows Homeowners Association

Analysis Date - January 1, 2018

Component Funding Analysis - Category

Components by Category		Current Cost	Useful Life YY:MM	Remaining Life YY:MM		Reserve Balance		Unfunded Balance		Reserve Contribution 2018
Deferred Maintenance	\$	10,000	5:00	1:00	\$	8,000	\$	2,000	\$	2,000
Recreational Amenities		73,922	12:00 -25:00	0:00 -24:05		20,559		53,363		5,583
Site Improvements		77,290	18:00 -30:00	5:00 -19:00		21,441		55,849		7,871
	\$	161,212			\$	50,000	\$	111,212	\$	15,454

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2018
Deferred Maintenance						
Deferred Maintenance	\$ 10,000	5:00	1:00	\$ 8,000	\$ 2,000	\$ 2,000
	\$ 10,000			\$ 8,000	\$ 2,000	\$ 2,000
Recreational Amenities						
Basketball, Tennis Court /Fencing & Gates	\$ 9,702	25:00	24:05	\$ 111	\$ 9,591	\$ 393
Dock/Deck Restoration	21,120	20:00	9:03	5,562	15,558	1,682
Gazebo Restoration	15,481	20:00	9:00	4,171	11,310	1,257
Playground Area Equipment	23,139	20:00	9:00	6,235	16,904	1,878
Tennis Court, Basketball/ Resurfacing, Asphalt	4,480	12:00	0:00	4,480	0	373
	\$ 73,922			\$ 20,559	\$ 53,363	\$ 5,583
Site Improvements						
Cressa Fencing, PVC	\$ 52,110	20:00	5:00	\$ 19,147	\$ 32,963	\$ 6,593
Park Lights Replacement	11,180	30:00	19:00	2,008	9,172	483
Signage, Entry Monuments/Columns	14,000	18:00	17:03	286	13,714	795
	\$ 77,290			\$ 21,441	\$ 55,849	\$ 7,871
	\$ 161,212			\$ 50,000	\$ 111,212	\$ 15,454

ADDENDUM

Chapter 720 Florida Statutes

720.303 -Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls.--

(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) 2612 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 when 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 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 provide for the required reserve accounts in the budget in the next fiscal year following the approval and in each year thereafter. Once established as provided in this subsection, the reserve accounts must shall 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:

The total amount necessary, if any, to bring a negative

a. 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 of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal 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.

Amended Rule Text

Amends 720.303(6) to provide clarification of reserve requirements to distinguish between "statutory" and "non-statutory/voluntary" reserves (called "limited voluntary deferred expenditure accounts"). Under the amended language, the Association, if the proper disclaimer is provided in the financial report for the prior fiscal year, may collect these limited voluntary deferred expenditure accounts which would not be subject to the use restrictions present for statutory reserves. A statutory reserve account may also be terminated by a vote of a majority of the total voting interests.

TERMS AND DEFINITIONS

ACCRUED FUND BALANCE (AFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association tool. Two formulae can be utilized, depending on the provider’s sensitivity to interest and inflation effects. Note: both yield identical results when interest and inflation are equivalent.

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

or

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

CASH FLOW METHOD: A method of calculating Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved. “Because we use the cash flow method, we compute individual line item contributions after the total contribution rate has been established.” See “Component Method”.

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

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

COMPONENT ASSESSMENT AND VALUATION: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components. This task is accomplished either with or without an on-site inspection, based on Level or Service selected by the client.

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

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

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

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

CURRENT REPLACEMENT COST: See “Replacement Cost”.

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

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

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

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

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

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

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

FUNDING PRINCIPLES:

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

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

- **Baseline Funding** – Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Component Full Funding** – Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100%.
- **Statutory Funding** – Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves of component required by local statutes.

- **Threshold Funding** – Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than “Component Full Funding.”

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

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

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

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

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

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

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

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures.” The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. “Our budget and finance committee is soliciting proposals to update our Reserve Study for the next year’s budget.”

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve duty of which he was in responsible charge. A reserve specialist

engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

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

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

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

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

ANNUAL UPDATE PROGRAM

Some associations prefer periodic updates of their GAB Robins reserve study reports, while many others rely on our annual update program to provide them with yearly unbiased third party estimates of reserve funding. GAB Robins is pleased to offer your association our three year annual update program.

Program Benefits:

- Annual reserve study updates provide a written validation of reserve study needs, and demonstrate due diligence and impartiality on the part of the board of directors. As the board of directors has a fiduciary duty to provide estimates of full statutory reserve funding as a portion of the annual budget, a GAB Robins reserve study report also minimizes liability of the board of directors for an incorrect/improper estimate of full statutory reserve funding.
 - 1.
- Saves considerable time for management/board of directors that would otherwise be responsible for estimating statutory reserve funding. That allows more time for day to day operations and annual operating budget estimations.
 - 2.
- Because the update program does not require on-site re-inspections, the annual cost to the association is much lower.

The annual update program fee is valid only if there are no significant changes to the property (i.e. new construction, additions, major interior upgrades and/or interior reconfigurations, etc.) Changes to the property within the three-year update program period may require a re-inspection of the property at a higher fee.

If you have any questions, please contact our bid proposal specialist at (407) 805-0086 x 257 or (800) 248-3379 x 257 (FL only). You can review a sample update reserve study report and request a proposal at our on-line sample site www.gabvalue.com. We will be pleased to provide you with a proposal. Thanks again for your continued support – we appreciate your business very much!