

2024 “Traditional” RESERVE STUDY

FOR

Kensington at Woodfield, Inc.

NW 43rd Terrace, Boca Raton, Florida 33496

Budget Year: 2025



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- provides the total Reserve Replacement Cost, Normal Annual Contribution, Current Reserve Requirement, Association/Coop's Current Reserve Balance, and Next Budget Year's Fully Funding Reserve Contribution

3. Reserve Forecast (B2 & B3 & B4 pages)

- provides the association/Coop's current year's reserve annual contribution and the future reserve fully funding annual contribution for the next 20 years

4. Reserve Analysis (C pages)

- this section includes the detailed field and desktop work completed by the reserve analyst/specialist for each reserve category
- provides an in-depth, line-by-line reserve components/assets for each reserve category
- note: each reserve component item will have the quantity of units used, unit cost, replacement cost, normal life, remaining life, normal annual contribution and the current reserve requirement for each specific component item

5. Reserve Funding Analysis (D pages)

- this section includes the cash flow analysis of the normal annual reserve contribution to be collected each year against the annual reserve expenditures incurred on a yearly basis for the next 20 years
- the analysis will show your estimated fund balance for the next 20 years based on the cash flow method of funding and how we have added any reserve fund deficit amount(s) to your normal annual contribution that might be created over the next 20 years
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RESERVE STUDY REPORT

Kensington at Woodfield, Inc

NW 43rd Terrace, Boca Raton, Florida 33496

Date of Site Visit: July 8th, 2024

Budget Year: January 1st, 2025



PURPOSE OF THE FULL RESERVE STUDY:

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

SCOPE OF THE FULL RESERVE STUDY:

Identify and examine specific components for all the reserve category needs and use the "Cash Flow" method with "Pooled Reserves" for future reserve financial analysis. This report is a "reserve study update which includes a site visit". This association has 108 residential homes and 1 pool cabana. Included in this reserve study are the following categories: Painting, Paving, Pressure Cleaning, Pool & Cabana, Replace & Restoration, and Drainage. The Study will quantify the individual components in each reserve category by actual field measurements and a visual review of asset items where possible. Establish current cost estimates for replacement using Marshall & Swift Valuation Service, Means Building Construction Cost Data, Trade Service Electrical Price Guide, J. R. Frazer collected proprietary costs, and local contractors. Identify the useful life expectancy for each component. Estimate each component's remaining useful life through non-destructive methods. Calculate the normal annual contribution over the useful life expectancy. Establish the current Fully Funded Balance (Total Accrued Depreciation). Complete the reserve funding financial analysis using the threshold funding goal and make calculations to amortize any cash flow deficits over the twenty-five to thirty-year analysis. The Study will also adjust the normal annual contributions to include amortized deficit funding, if needed, to meet all anticipated expenditures over the next twenty-five to thirty years. The Reserve Study reflects information provided by your association and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analysis, or background checks of historical records.

CERTIFICATION:

I hereby certify that I have no interest in the property, present or contemplated, and that neither the assignment to complete this study nor the fee derived there from is contingent upon its results. "Joshua Jay" has personally conducted an on-site visit of the association in conjunction with Sundeep Jay who has also reviewed the final report, unless otherwise noted in the report, and to the best of my knowledge and belief, all statements and data in this report are true, subject to any contingent limiting conditions noted herein.

This report is furnished at your request in strict confidence by us as your agent for your exclusive use. The report is not to be construed as a guarantee or warranty, expressed or implied, of the property or the equipment therein or of their fitness for a particular purpose. This report is made under the guidelines of the American Institute of Certified Public Accountants, the Community Associations Institute guidelines, and the Professional Reserve Specialists Code of ethics.

A handwritten signature in blue ink that reads "Joshua Jay". The signature is written over a horizontal line.

Joshua Jay – Reserve Analyst

INTRODUCTION

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

J. R. FRAZER, INC. (Reserve Studies and Valuation Services) was retained by the Association to prepare a reserve study of the common areas for the purpose of developing a repair, maintenance, and replacement needs plan for the association’s long-term components/assets. The “Reserve Study update with site visit” was completed by Joshua Jay - reserve analyst and reviewed by Sundeep J. Jay - senior reserve specialist/PRA certified.

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

For HOA communities, reserves are either “statutory (mandatory)” or “non-statutory (voluntary)”. Statutory reserves are created either by a majority vote of its members to create reserve funds or they are mandated by the HOA’s governing docs. If they are mandatory, the association should know or research what specific components/assets were included for reserving purposes. The board/association can still elect to create/fund new categories to be fiscally responsible without a vote of its members. This association’s board feels it is prudent and fiducially incumbent upon them to have a Reserve Study and accordingly has elected to engage an independent analyst/specialist to prepare a reserve schedule for inclusion in the association’s budget. This reserve study includes multiple components/assets within each reserve category with a twenty-five to thirty-year cash flow analysis. J. R. Frazer has completed a full reserve study including all components/assets without taking into consideration whether a reserve item is statutory and or non-statutory. These items are owned by the association and the association has a fiduciary duty to maintain these assets. By annually contributing to reserves, the community reduces the likelihood of present/future special assessments.

This study uses the “**Pooled Reserves**” which is the funding for multiple categories/assets which are combined into one general account in the Reserve Funding Analysis section of the report, from which you pay all expenses.

There are 3 types of Funding Goals – Baseline Funding, Threshold Funding, and Full Funding. The explanation for each of the funding types is in the back of this reserve study under definitions. **This reserve study uses the Threshold Funding Goal which establishes an annual reserve funding goal of keeping the year-end reserve balance above a specified dollar amount over a period of 30 years.** This minimum reserve amount is derived by taking approximately 10% of the association’s annual operating revenues and or the annual operating expenses (whichever the reserve analyst deems appropriate). As we calculate the reserve funding analysis on the D pages of this report, we will ensure that the year-end reserve balance never falls below the minimum threshold of 10% of the current year’s annual operating revenues/expenses over the next 30 years. In some cases, we may use a lower or higher amount depending upon the association’s current financial situation. The board may, at any time, decide to increase the minimum threshold to an amount that is more conservative and financially responsible.

The financial analysis uses the cash flow method to determine the financial needs of the association. This analysis further takes into consideration all the components/assets which are then combined into one general account from which all expenses are paid (pooled reserves) to create a twenty-five to thirty-year cash flow analysis above a minimum threshold while meeting the association reserve obligations. The physical analysis data includes those components that are included on the C pages of the reserve study. Each reserve component item used in this reserve study uses the straight-line funding calculation by obtaining the quantity of units, calculating the replacement costs, establishing a normal/useful life, and estimating the remaining useful life of each component item. The information is gathered through the on-site visit (or prior on-site visits), independent research, reviewing existing maintenance records, association’s management, and verification of actual historical replacement cost of the components.

Since inflation cannot be accurately predicted, replacement costs herein are at current construction cost. Inflation is taken into consideration when reserve study updates are ordered. If your association does not order annual reserve study updates, we recommend adding 3% to 5% to every year’s annual reserve contribution until the next reserve study update is ordered.

The reserve program is designed to provide all or part of the funds necessary to pay for maintaining, repairing, and replacing the capital improvements of the Association. Not every circumstance can be accounted for future loss possibilities such as catastrophic disasters. At the request of the board, this reserve study may include reserves for uninsurable losses due to a catastrophe. These losses may be caused by flooding, lightning, hurricanes, tornados, or un-named windstorms and may include damage to such uninsurable items. These items are not common to a reserve study because the replacement costs, useful life, and remaining life cannot be determined. Other items where the replacement costs, useful life and more specifically the remaining life cannot be reasonably determined are Landscaping Reserves, Storm Clean-up Reserves, Lakeshore Restoration, and Underground Drainage

& Irrigation Piping Systems. If any of these items are included into this reserve study upon the request from the association and or the property manager, we recommend contacting the association's CPA to evaluate any tax consequences. The replacement costs, useful life and remaining life has been derived from the association and or the property manager's past experiences. These reserve items will be re-evaluated on every future reserve update to help calculate and obtain reasonable cost estimates and time frames.

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

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

PURPOSE OF RESERVES

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

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

- Establishes and preserves reserves for a strong financial position to meet future expenditures.
- Reserves reduce the probability for special assessments.
- It allows for the replacement/maintenance of the items listed on the C pages of this report over a period of 30 years according to the remaining life estimated.
- All owners share the expenses of the association "equally/equitable" by paying their fair share of the cost while living in the association.

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

Adequate funding is the key to reserves. Just having reserve funds does not make an associations' financial future strong. Reserves should be set at an annual goal of 100% funding. A proper asset funding plan is the same for all condominiums, cooperatives, homeowner associations, and various other types of associations.

By annually fully funding reserves, the association will have the monies set aside to pay and replace the components/asset items

listed on the C pages of this report based on the estimated remaining lives of each of the assets. There will be cost variances when it comes time to have the component items replaced/maintained due to inflation, code changes, and or upgrades. At the time of replacement, the association should obtain 3 bids from various vendors and accordingly choose a vendor that will best accomplish the goals of the association.

This report does not assist in reducing and or bridging the gap between the Fully Funded Balance/Total Accrued Depreciation and the Association's Current Reserve Balance as stated on the B1 page of this report. The association can elect to close this deficit gap through a special assessment. This report "does assist" in providing the funds necessary to pay for all component replacements over a period of 30 years provided the association is 100% contributing towards their annual reserve contributions.

NAVIGATING & UNDERSTANDING THIS REPORT

Reserve Summary Section – (B1 & B2 pages):

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

The Normal Annual Contribution (stated on page B1) versus the Fully Funding Annual Contributions (stated on the B2 page) for either next year or future years might be different depending upon your current reserve balance and expenses related to projects that will materialize over the next 1 to 30 years. The Annual Contributions stated on the B2 page will be higher if there is a deficit in your reserve balance over the next 30 years. The annual contributions stated on page B2 and B3 of the report are the State of Florida required fully funding annual reserve contribution amounts.

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

The Summary page B2 provides the association's current year contribution and the newly calculated Fully Funding Annual Contribution for the next 30 years adding in any deficit amounts that "might" have occurred in the funding analysis located on the D pages of this report. On page B2, we have added the normal annual contribution with any deficit amounts (if applicable) that were needed to maintain a positive balance (minimum threshold) in your reserve account.

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

Reserve Analysis Section - (C pages):

This section provides a detailed breakdown of all component items (assets) into each major reserve category listed from page B1. All reserve component items are further broken down to provide the number of units (measurements), individual unit cost, useful

life, estimated remaining life, annual contribution for that component item and the Fully Funded Balance/Total Accrued Depreciation. Information gathered from the on-site visit (or prior on-site visit) along with information received by your association is in this section of the report.

The unit of measurement used throughout the report is square feet and or unit counts (such as the number of light poles in the parking lot). If the measurement is anything different, then on the C pages of the report, it will be stated with the component line item as “lf” (linear feet), “sy” (square yards). Linear feet measurements are usually found with fencing, railings, and curbs. Square yards are usually found with asphalt and carpeting.

Please keep in mind when reviewing the C pages of this report that any component items with a remaining life of 1 year is due to be replaced during the next budget year. In some cases, depending upon the condition of the asset, it may require replacement and or maintenance in the current year.

Reserve Funding Analysis – (D pages):

In this section, broken down year by year for the next 30 years, are all the annual reserve expenses, annual reserve contributions, beginning and year-end reserve balances. It is in this section under “amortized deficit” that will show the additional deficit contribution needed (if applicable) to the Normal Annual Contribution to maintain a positive balance in the reserve account. The amortized deficit column can vary year by year. In any given year, if the association’s reserve fund balance falls below the minimum threshold fund balance (i.e., \$5,000 - \$50,000) an amount is added to bring the fund balance to the stated minimum threshold amount. This deficit amount is then equally divided into the preceding years hence not creating a burden in any 1 particular year. To further clarify..., if the minimum threshold fund balance is \$5,000 and then in year 5 the association’s fund balance is a negative \$1,500, then \$6,500 will be needed to bring the fund balance to \$5,000. This \$6,500 deficit will then be divided by the 5 preceding years adding \$1,300 a year to the normal annual contribution.

The minimum threshold is set at approximately 10% of the association’s operating revenues or expenses, but this amount can be lower or higher depending upon the discretion of the reserve analyst.

Photo Section:

This section provides photographs of most of the component items listed in this reserve study – but not all. It does not provide

photographs of problem areas, though they may be observable in the photographs – such as cracking on the asphalt paving.

Financial & Other Documentation:

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

Definitions and Consulting Contractors:

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

Also, in this section are the names and phone numbers of contractors that our company has gathered over the last 25 years. We cannot guarantee their workmanship, nor do we have a preference to any one contractor. We recommend interviewing at least 3 contractors and obtaining a copy of their license(s) and insurance prior to signing any agreements. Please contact our office if your experience with any of the contractors is less than professional. We do not gain from your use of these contractors, and we also do not want to promote their business if their business practices are not professional. They will be removed from our list.

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

GENERAL ANALYST RECOMMENDATIONS

1. We recommend making the stated annual contributions on the B2 page of this report. The contribution is made up of the Normal Annual Contribution plus a required amortized deficit amount (if applicable) to meet anticipated cash flows over the next twenty-five to thirty years. By funding the recommended contributions using the cash flow funding method, the Association should be able to pay future reserve expenditures over the next 30 years with adequate contributions from the reserve funds.

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

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

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

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

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

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

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

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

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

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

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

b. Concrete Repairs & Restoration

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

c. Roofing Systems

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

d. Paving/Asphalt

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

e. Interior Renovations

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

SPECIAL NOTES

Information supplied by the Association includes a copy of the 2024 financial reports, a copy of the current reserve budget, and contracts/invoices. We may have also obtained verbal information from the association's management company regarding past and or future repairs and or replacements along with the timing of past replacements. All past and present information received by the association is deemed reliable for the purposes of this report. The actual or projected total presented in the Reserve Study is based upon information provided and was not audited.

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

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

As stated earlier, this report does not assist in reducing and or bridging the gap between the Fully Funded Balance/Total Accrued Depreciation and the Association's Current Reserve Balance as stated on the B1 page of this report. The association can elect to close this deficit gap through a special assessment. This report "does assist" in providing the funds necessary to pay for all component/asset replacements over a period of 30 years provided the association is 100% contributing towards their annual reserve contributions.

All funding deficits in this study are amortized into previous years (when applicable) based upon the cash flow analysis. This amortized deficit amount is added to the normal annual contribution yielding the new fully funding annual contribution amount. The goal is to meet anticipated reserve expenditures over the next twenty-five to thirty years without the reserve fund balance falling below the minimum threshold balance. **Additional funds over the Normal Annual Contribution ARE needed for your association to meet minimal threshold funding requirements and anticipated expenditures.**

Please review the D pages of this report to see when the funding deficit occurs. Each ending year reserve balance highlighted in "yellow" signifies an occurrence where the reserve balance fell below the minimum threshold amount.

We do not add future inflation or interest earned on the association reserve bank balance. These items are difficult to predict and can mislead the user of the report. Instead, we use current costs with no inflation and no interest. In addition, depending upon how you decide to allocate future reserve funding, and whether you opt to fund at recommended levels, these decisions will also impact the status of the reserve fund. To ensure continued adequate funding, we strongly recommend annual updates to adjust for increased cost, adjustments to estimated remaining life, reserve spending, and changes in your funding allocations. The only way to maintain accurate reserves and reduce the need for special assessments would be to update your reserve study annually.

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

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

FINANCIAL NOTES

This report has been prepared based on the cash flow method of reserve funding. The cash flow method begins with the current year's reserve balance and then calculates the funding balance based on the yearly reserve contributions coming in and expenses/money going out for the next 30 years. This report was prepared to always maintain a minimum reserve fund balance (minimum threshold) of \$120,000 for the next 30 years. To arrive at the year-end reserve fund balance, we take the beginning fund balance and minus the estimated component item expense(s) and then add the annual contribution we have stated on this report. On the D pages of this report, we show this calculation on a year-by-year basis starting in the year the report was ordered. While we are running the reserve analysis on the D pages of this report, if in one of those years, the reserve fund balance falls below the minimum threshold of \$120,000, we add more money to the annual contribution to stay at a minimum fund balance of \$120,000. This amount that is added to the normal annual contribution is called a fund deficit amount – highlighted in blue on the D pages of this report IF applicable to your association.

Not having sufficient funds in reserves has caused a reserve fund deficit over the next 16 years with increases in the reserve budget needed to meet the anticipated reserve expenditure. The association may wish to consider alternative financial resources such as a bank loan if the significant increase over the next few years creates a financial burden. A bank loan can spread the funding over a larger number of years and reduce the annual reserve funding requirement.

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

This association's financial strength is low with less than a 34% reserve level of funding. This association's reserves are approximately 21.7% funded. The percentage is derived by dividing the Association's Reserve Fund Balance of \$296,560 on June 30th, 2024, by the Fully Funded Balance/Total Accrued Depreciation stated on page B1 of this report. The association's risk of special assessments is high during any one yearly period. Associations that are less than 70% funded run the risk of reserve shortfalls, special assessments, and detrimental deferred maintenance.

We had to supplement the Normal Annual Contribution of \$116,592 with an additional contribution of \$23,846 in years 1 through

15 annually, and \$7,610 in year 16 to meet the anticipated reserve expenditures. Additional deficit contributions beyond these years are not required. The total contributions stated on the B2 page of this report will put the association back in line to meet future expenses with minimal contributions. Please keep in mind that this reserve study does not take into consideration future inflation, unexpected mechanical/structural failing items, construction defects, components/assets that are neglected, upgrades, code changes, major interior renovations, and or the interest earned on the association's reserve balance.

The association should set a goal of collecting the recommended annual reserve contributions stated in this report to reduce the possibility of special assessments. We urge associations to be at least 50% to 70% funded to greatly reduce the risk of special assessments and or to reduce the likelihood of future deficit funding on future reserve updates.

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

ADDITIONAL NOTES

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

While reviewing this report, keep in mind that the report is not calculated to close the gap between the Fully Funded Balance/Total Accrued Depreciation (reserves that should have been saved by the association) and the Current Reserve Funds held by the association as of the date of this report (see page B1). This report is prepared to help fund all the maintenance/replacements of components/assets listed on the C pages of this report over a period of 30 years.

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

According to Florida State Statutes, an annual "fully" funding reserve contribution does not require a vote amongst association members. A majority vote is required when an association decides to collect less than the annual "fully" contribution amount. For this reason, it is important that all association members vote to provide their input regarding either fully fund reserves and or fund less than the fully funding reserve contribution. Annual partial funding and or not funding reserves does not apply to Structural Integrity Reserve Studies. Structural Integrity Reserve Studies must be annually fully funding reserves.

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

LIMITATIONS, EXCEPTIONS, AND EXCLUSIONS

Section 1 – Site Visit.

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

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

Section 2 – Physical Analysis.

The following are typically excluded from the “Physical Analysis”.

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

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

Section 3 – Financial Analysis

The following are typically excluded from the “Financial Analysis”.

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

CONDITIONS OF RESERVE STUDY

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

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

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

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

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

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

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

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

Report completed by:
J. R. FRAZER, INC.
125 South State Road 7 – suite: 104/197
Wellington, Florida 33414
561-488-3012

2024 "Traditional" RESERVE SUMMARY

Kensington at Woodfield, Inc
NW 43rd Terrace, Boca Raton, Florida 33496

CASH FLOW METHOD WITH POOLED RESERVES
 Prepared for Budget Year 2025 - January 1st through December 31st

RESERVE CATEGORY	REPLACEMENT COST	USEFUL LIFE (YEARS)	REMAIN LIFE (YEARS)	NORMAL ANNUAL CONTRIBUTION	FULLY FUNDED BALANCE	ASSOCIATION FUND BALANCE 6/30/2024	FUND (DEFICIT) OVERAGE	2025 ANNUAL RESERVE CONTRIBUTION	2025 MONTHLY CONTRIBUTION
A - Painting	346,332	8	5	43,291	133,604	*	*	*	*
B - Paving	1,424,396	44	17	32,091	869,690	*	*	*	*
C - Pressure Cleaning	35,100	3	1	13,703	20,118	*	*	*	*
D - Pool & Cabana	113,711	18	9	6,157	55,538	*	*	*	*
E - Replace & Restoration	493,756	25	13	19,493	235,842	*	*	*	*
F - Drainage	130,000	70	42	1,857	51,996	*	*	*	*
Cabana Roof Payment to Made						-5,175			
Association Fund Balance	-			-		301,735			
		Life range of years are averaged, see actual estimated years in "C" pages.							
TOTAL	\$ 2,543,295			\$ 116,592	\$ 1,366,788	296,560	(1,070,228)	\$ 140,438	\$ 11,703

Note: Fully Funded Balance - "Total Accrued Depreciation" (for a complete definition, see the glossary section of this report)

Note: The category "Paving" will/may include items such Asphalt, Curbs, Valley Drains, Sidewalks, and Pavers - for further details, see the section for Paving in the "C" pages of this report

RESERVE CONTRIBUTION FORECAST

Kensington at Woodfield, Inc NW 43rd Terrace, Boca Raton, Florida 33496

RESERVE CATEGORY	Yr. 2024 Contribution	Yr. 2025 Contribution	Yr. 2026 Contribution	Yr. 2027 Contribution	Yr. 2028 Contribution	Yr. 2029 Contribution	Yr. 2030 Contribution	Yr. 2031 Contribution	Yr. 2032 Contribution	Yr. 2033 Contribution	Yr. 2034 Contribution
Normal Annual Contribution	106,600	116,592	116,592	116,592	116,592	116,592	116,592	116,592	116,592	116,592	116,592
Plus Amortized Deficit Amount		23,846	23,846	23,846	23,846	23,846	23,846	23,846	23,846	23,846	23,846
TOTAL ANNUAL FULLY FUNDING RESERVE CONTRIBUTIONS	\$ 106,600	\$ 140,438	\$ 140,438	\$ 140,438	\$ 140,438	\$ 140,438	\$ 140,438	\$ 140,438	\$ 140,438	\$ 140,438	\$ 140,438
Annual Accumulated Inflation Used:			3.50%	7.00%	10.50%	14.00%	17.50%	21.00%	24.50%	28.00%	31.50%
Future Inflationary Annual Contributions:			\$145,353	\$150,269	\$155,184	\$160,099	\$165,015	\$169,930	\$174,845	\$179,761	\$184,676

The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item.

RESERVE CONTRIBUTION FORECAST

Kensington at Woodfield, Inc NW 43rd Terrace, Boca Raton, Florida 33496

RESERVE CATEGORY	2035 Contribution	2036 Contribution	2037 Contribution	2038 Contribution	2039 Contribution	2040 Contribution	2041 Contribution	2042 Contribution	2043 Contribution	2044 Contribution
Normal Annual Contribution	116,592	116,592	116,592	116,592	116,592	116,592	116,592	116,592	116,592	116,592
Plus Amortized Deficit Amount	23,846	23,846	23,846	23,846	23,846	7,610	0	0	0	0
TOTAL ANNUAL FULLY FUNDING RESERVE CONTRIBUTIONS	\$ 140,438	\$ 140,438	\$ 140,438	\$ 140,438	\$ 140,438	\$ 124,202	\$ 116,592	\$ 116,592	\$ 116,592	\$ 116,592
Annual Accumulated Inflation Used:	35.00%	38.50%	42.00%	45.50%	49.00%	52.50%	56.00%	59.50%	63.00%	66.50%
Future Inflationary Annual Contributions:	\$189,591	\$194,507	\$199,422	\$204,337	\$209,253	\$189,408	\$181,884	\$185,964	\$190,045	\$194,126

The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item.

RESERVE CONTRIBUTION FORECAST

Kensington at Woodfield, Inc NW 43rd Terrace, Boca Raton, Florida 33496

RESERVE CATEGORY	2045 Contribution	2046 Contribution	2047 Contribution	2048 Contribution	2049 Contribution	2050 Contribution	2051 Contribution	2052 Contribution	2053 Contribution	2054 Contribution
Normal Annual Contribution	116,592	116,592	116,592	116,592	116,592	116,592	116,592	116,592	116,592	116,592
Plus Amortized Deficit Amount	0	0	0	0	0	0	0	0	0	0
TOTAL ANNUAL FULLY FUNDING RESERVE CONTRIBUTIONS	\$ 116,592	\$ 116,592	\$ 116,592	\$ 116,592	\$ 116,592	\$ 116,592	\$ 116,592	\$ 116,592	\$ 116,592	\$ 116,592
Annual Accumulated Inflation Used:	70.00%	73.50%	77.00%	80.50%	84.00%	87.50%	91.00%	94.50%	98.00%	101.50%
Future Inflationary Annual Contributions:	\$198,206	\$202,287	\$206,368	\$210,449	\$214,529	\$218,610	\$222,691	\$226,771	\$230,852	\$234,933

The association may adjust replacement reserve assessments annually to take into account an inflation adjustment and any changes in estimates or extension of the useful life of a reserve item.

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement	
A - Painting									
1 - Paint Residential Homes									
	a - painting of all homes	22							
	b - paint garage gas coach lights	56	2,475.00	\$267,300	8	5	\$33,413	\$100,239	
	c - paint garage LED coach lights	160	75.00	\$4,200	8	5	\$525	\$1,575	
	d - paint individual gates	120	50.00	\$8,000	8	5	\$1,000	\$3,000	
			58.50	\$7,020	8	5	\$878	\$2,634	
	1 - Paint Residential Homes Subtotal			\$286,520			\$35,816	\$107,448	
2 - Paint Pool Cabana Bldg.									
	a - paint pool cabana	529							
	b - note: painting of the pool cabana building included in the price of the home painting (529sf)								
	2 - Paint Pool Cabana Bldg. Subtotal								
3 - Paint Walls (sf)									
	a - paint entry walls (2 sides)	1,344	1.30	\$1,747	8	5	\$218	\$654	
	b - paint rear of monument wall	466	1.30	\$606	8	5	\$76	\$228	
	c - paint E. 6' walls (2 sides)	22	14,112	\$19,658	8	5	\$2,457	\$7,371	
	d - paint W. 8' walls - canal (1 side)	10,488	1.56	\$16,361	8	5	\$2,045	\$6,135	
	e - paint S. 6' walls (1 side)	1,620	1.30	\$2,106	8	5	\$263	\$789	
	f - paint pool 6' walls (2 sides)	1,368	1.30	\$1,778	8	5	\$222	\$666	
	3 - Paint Walls (sf) Subtotal			\$42,256			\$5,281	\$15,843	
4 - Paint Light Poles									
	a - paint street light poles	34	200.00	\$6,800	8	5	\$850	\$2,550	
	4 - Paint Light Poles Subtotal			\$6,800			\$850	\$2,550	
5 - Paint Street Sign Poles									
	a - paint street sign poles	13	125.00	\$1,625	8	5	\$203	\$609	
	5 - Paint Street Sign Poles Subtotal			\$1,625			\$203	\$609	
6 - Paint Mailboxes									
	a - paint single mailboxes	25	16	131.87	\$2,110	8	1	\$264	\$1,848
	b - paint double mailboxes	25	46	131.87	\$6,066	8	1	\$758	\$5,306
	c - note: painting of all mailboxes is to be completed in 2025 for \$8,176								
	6 - Paint Mailboxes Subtotal			\$8,176			\$1,022	\$7,154	
7 - Paint Benches & Trash Containers									
	a - paint chess park wooden benches	24	3	165.00	\$495	8	8	\$62	\$0
	b - paint fountain area metal benches	24	2	165.00	\$330	8	8	\$41	\$0

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

		Values					Normal	Current
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Annual Contribution	Reserve Requirement
	c - paint trash containers 24	2	65.00	\$130	8	8	\$16	\$0
	7 - Paint Benches & Trash Containers Subtotal			\$955			\$119	\$0
A - Painting Total				\$346,332	8	8	\$43,291	\$133,604

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
B - Paving								
1 - Roadway Pavers								
	a - Woodfield Cir. pavers (sf)	6,379	8.00	\$51,032	30	0	\$1,701	\$51,030
	b - NW 42nd Way pavers (sf)	21,500	8.00	\$172,000	45	15	\$3,822	\$114,660
	c - NW 66th Lane pavers (sf)	7,500	8.00	\$60,000	45	15	\$1,333	\$39,990
	d - NW 66th Place pavers (sf)	6,300	8.00	\$50,400	45	15	\$1,120	\$33,600
	e - NW 66th Drive pavers (sf)	7,240	8.00	\$57,920	45	15	\$1,287	\$38,610
	f - NW 43rd Terrace pavers (sf)	6,560	8.00	\$52,480	45	15	\$1,166	\$34,980
	g - NW 65th Road pavers (sf)	6,560	8.00	\$52,480	45	15	\$1,166	\$34,980
	h - NW 65th Place pavers (sf)	6,500	8.00	\$52,000	45	15	\$1,156	\$34,680
	i - NW 43rd Terrace pavers (sf)	4,040	8.00	\$32,320	45	15	\$718	\$21,540
	j - fountain area road pavers (sf)	3,800	8.00	\$30,400	45	15	\$676	\$20,280
	k - NW 64th Lane pavers (sf)	6,140	8.00	\$49,120	45	15	\$1,092	\$32,760
	l - NW 64th Drive pavers (sf)	5,340	8.00	\$42,720	45	15	\$949	\$28,470
	m - NW 43rd Terrace pavers (sf)	3,660	8.00	\$29,280	45	15	\$651	\$19,530
	1 - Roadway Pavers Subtotal			\$732,152			\$16,837	\$505,110
2 - Parking Area Pavers								
	a - pool parking pavers (sf)	608	8.00	\$4,864	45	15	\$108	\$3,240
	b - chess park parking area pavers (sf)	494	8.00	\$3,952	45	15	\$88	\$2,640
	2 - Parking Area Pavers Subtotal			\$8,816			\$196	\$5,880
3 - Sidewalk/Walkway Pavers								
	a - entryway sidewalk pavers (sf)	1,111	8.00	\$8,888	30	0	\$296	\$8,880
	b - chess park area pavers (sf)	702	8.00	\$5,616	45	15	\$125	\$3,750
	c - fountain area pavers (sf)	2,592	8.00	\$20,736	45	15	\$461	\$13,830
	d - community sidewalk pavers (sf)	16,260	8.00	\$130,080	45	15	\$2,891	\$86,730
	3 - Sidewalk/Walkway Pavers Subtotal			\$165,320			\$3,773	\$113,190
4 - Pool Deck Pavers								
	a - pool deck pavers (sf)	1,687	8.00	\$13,496	45	15	\$300	\$9,000
	4 - Pool Deck Pavers Subtotal			\$13,496			\$300	\$9,000
5 - Roadside Valley Drains (lf)								
	a - road valley drains R&R (lf)	8,613	55.00	\$473,715	60	32	\$7,895	\$221,060
	5 - Roadside Valley Drains (lf) Subtotal			\$473,715			\$7,895	\$221,060
6 - Paving Other								

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

Values								
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
	a - paving repairs & misc.	123,586	0.25	\$30,897	10	5	\$3,090	\$15,450
	b - note: R&R = repairs and or replacements							
	c - note: as per BOD in 2020, changed normal life of pavers from 40 years to 45 years							
	6 - Paving Other Subtotal			\$30,897			\$3,090	\$15,450
B - Paving Total				\$1,424,396	60	32	\$32,091	\$869,690

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

		Values					Normal	Current
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Annual Contribution	Reserve Requirement
C - Pressure Cleaning								
1 - Pressure Clean Homes								
	a - remedial cleaning of homes	108	95.00	\$10,260	8	2	\$1,283	\$7,698
	b - home roof cleaning 23	108	230.00	\$24,840	2	1	\$12,420	\$12,420
	1 - Pressure Clean Homes Subtotal			\$35,100			\$13,703	\$20,118
C - Pressure Cleaning Total				\$35,100	8	2	\$13,703	\$20,118

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
D - Pool & Cabana								
1 - Resurface Pool								
	a - resurface pool 21	1,432	12.00	\$17,184	12	8	\$1,432	\$5,728
	b - replace pool tiles 21	126	42.50	\$5,355	12	8	\$446	\$1,784
	c - replace pool coping pavers	126	18.00	\$2,268	30	8	\$76	\$1,672
	1 - Resurface Pool Subtotal			\$24,807			\$1,954	\$9,184
2 - Pool Equipment								
	a - pool 4hp vf motor/pump 22	1	3,300.00	\$3,300	12	9	\$275	\$825
	b - pool filter housing 22	1	2,600.00	\$2,600	15	12	\$173	\$519
	c - pool chemical feeder 22	1	625.00	\$625	10	7	\$63	\$189
	d - pool chemical feeder 16	1	625.00	\$625	10	1	\$63	\$567
	e - pool electric heater 22	1	6,200.00	\$6,200	12	9	\$517	\$1,551
	f - pool equipment cover	1	12,500.00	\$12,500	30	10	\$417	\$8,340
	g - note: pool equipment cover was repaired in 2018 for \$7,525							
	h - pool major repairs & misc.	1	10,000.00	\$10,000	20	10	\$500	\$5,000
	2 - Pool Equipment Subtotal			\$35,850			\$2,008	\$16,991
3 - Pool Furniture								
	a - pool furniture 24	1	3,000.00	\$3,000	12	12	\$250	\$0
	b - pool umbrellas 24	4	340.00	\$1,360	8	8	\$170	\$0
	c - pool metal picnic tables 24	1	1,400.00	\$1,400	20	20	\$70	\$0
	3 - Pool Furniture Subtotal			\$5,760			\$490	\$0
4 - Pool Cabana								
	e - renovate cabana restrooms (94sf)	2	5,760.00	\$11,520	25	1	\$461	\$11,064
	4 - Pool Cabana Subtotal			\$11,520			\$461	\$11,064
4 - Pool Cabana R&R								
	a - pool cabana tile roof 24	220	31.37	\$6,901	25	25	\$276	\$0
	b - pool cabana gutters (lf) 20	60	12.50	\$750	25	20	\$30	\$150
	c - pool cabana R&R	529	9.00	\$4,761	24	13	\$198	\$2,178
	d - pool cabana single metal door/frames	2	2,400.00	\$4,800	30	15	\$160	\$2,400
	4 - Pool Cabana R&R Subtotal			\$17,212			\$664	\$4,728
5 - Pool Perimeter Fencing								
	a - pool area 6' metal fence (lf)	185	80.00	\$14,800	35	7	\$423	\$11,844
	5 - Pool Perimeter Fencing Subtotal			\$14,800			\$423	\$11,844

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

		Values					Normal	Current
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Annual Contribution	Reserve Requirement
	6 - Pool Perimeter Walls							
	a - pool perimeter 6' wall R&R	684	5.50	\$3,762	24	13	\$157	\$1,727
	6 - Pool Perimeter Walls Subtotal			\$3,762			\$157	\$1,727
D - Pool & Cabana Total				\$113,711	35	25	\$6,157	\$55,538

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

		Values							
Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement	
E - Replace & Restoration									
01 - Street Signs									
	a - double street signs	4	1,680.00	\$6,720	40	16	\$168	\$4,032	
	b - stop/double street signs	6	1,920.00	\$11,520	40	16	\$288	\$6,912	
	c - stop/single street signs	1	1,680.00	\$1,680	40	16	\$42	\$1,008	
	d - advisory/stop signs	3	1,440.00	\$4,320	40	16	\$108	\$2,592	
	e - replace stop sign metal face 21	13	220.00	\$2,860	20	16	\$143	\$572	
	f - replace street sign blades 21	21	135.00	\$2,835	20	16	\$142	\$568	
	g - note: association replaced the street sign blades in 2021 at an approximate costs of \$4,775								
	01 - Street Signs Subtotal			\$29,935			\$891	\$15,684	
02 - Light Poles									
	a - replace street lights	34	3,800.00	\$129,200	40	16	\$3,230	\$77,520	
	02 - Light Poles Subtotal			\$129,200			\$3,230	\$77,520	
03 - Mailboxes									
	a - replace single mailboxes	14	630.00	\$8,820	40	9	\$221	\$6,851	
	b - replace double mailboxes	47	1,020.00	\$47,940	40	9	\$1,199	\$37,169	
	03 - Mailboxes Subtotal			\$56,760			\$1,420	\$44,020	
04 - Fountain									
	a - resurface fountain 24	487	22.53	\$10,972	12	12	\$914	\$0	
	b - fountain electrical 23	1	2,200.00	\$2,200	20	18	\$110	\$220	
	c - fountain repairs & misc. 24	1	4,000.00	\$4,000	15	15	\$267	\$0	
	d - fountain 3.45hp motor/pump 22	1	1,400.00	\$1,400	6	3	\$233	\$699	
	e - fountain 1.65hp motor/pump 19	1	800.00	\$800	6	1	\$133	\$665	
	f - fountain filter housing	1	575.00	\$575	15	2	\$38	\$494	
	04 - Fountain Subtotal			\$19,947			\$1,695	\$2,078	
05 - Irrigation Pump Station									
	a - irrigation electrical & misc.	1	3,500.00	\$3,500	20	10	\$175	\$1,750	
	b - note: irrigation station is located by the fountain equipment								
	05 - Irrigation Pump Station Subtotal			\$3,500			\$175	\$1,750	
06 - Security Cameras									
	a - security cameras 20	8	1,300.00	\$10,400	8	3	\$1,300	\$6,500	
	06 - Security Cameras Subtotal			\$10,400			\$1,300	\$6,500	
07 - Entry Monuments									

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

Reserve Category	Component Items	Quantity		Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
		Units	Unit Cost \$					
	a - renovate entry monuments - 2 (16)	466	165.00	\$76,890	25	16	\$3,076	\$27,684
	b - entry monument R&R - 2	466	10.73	\$5,000	15	6	\$333	\$2,997
	c - entry monument wall lights - 2 (16)	4	375.00	\$1,500	15	6	\$100	\$900
	d - entry monument landscaping lights - 2	24	275.00	\$6,600	12	10	\$550	\$1,100
	07 - Entry Monuments Subtotal			\$89,990			\$4,059	\$32,681
	08 - Landscape Lighting							
	a - entryway median landscape lights	8	275.00	\$2,200	12	10	\$183	\$366
	b - entry side walkway small landscape lights	8	275.00	\$2,200	12	10	\$183	\$366
	c - chess park small landscape lights	2	255.00	\$510	12	10	\$43	\$86
	d - chess park medium landscape lights	6	275.00	\$1,650	12	10	\$138	\$276
	e - chess park large landscape lights	1	375.00	\$375	12	10	\$31	\$62
	08 - Landscape Lighting Subtotal			\$6,935			\$578	\$1,156
	08 - Perimeter Walls Repairs/Replace							
	a - entry wall R&R	672	6.50	\$4,368	24	13	\$182	\$2,002
	b - E. 6' wall R&R 22	7,056	6.50	\$45,864	24	21	\$1,911	\$5,733
	c - W. 8' wall R&R (canal)	10,488	6.50	\$68,172	24	13	\$2,841	\$31,251
	d - S. 6' wall R&R (50%)	2,790	6.50	\$18,135	24	13	\$756	\$8,316
	e - note: the association spent approximately \$29,500 between 2019 - 2024 for wall related repairs							
	08 - Perimeter Walls Repairs/Replace Subtotal			\$136,539			\$5,690	\$47,302
	09 - Benches & Trash Cans							
	a - fountain metal benches	2	1,600.00	\$3,200	30	11	\$107	\$2,033
	b - fountain area composite bench	1	1,250.00	\$1,250	30	11	\$42	\$798
	c - chess park area benches	3	1,200.00	\$3,600	20	3	\$180	\$3,060
	d - fountain trash can 22	1	1,250.00	\$1,250	20	10	\$63	\$630
	e - chess park trash can 22	1	1,250.00	\$1,250	20	10	\$63	\$630
	09 - Benches & Trash Cans Subtotal			\$10,550			\$455	\$7,151
E - Replace & Restoration Total				\$493,756	40	21	\$19,493	\$235,842

2024 PHYSICAL RESERVE ANALYSIS

Kensington at Woodfield, Inc

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Useful Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
F - Drainage								
1 - Catch Drain Basins								
	a - catch drain basins	20	6,500.00	\$130,000	70	42	\$1,857	\$51,996
1 - Catch Drain Basins Subtotal				\$130,000			\$1,857	\$51,996
2 - Drainage Notes								
a - note: monies for any drainage related issues can be used from reserves from the catch drainage basin line item								
b - note: as the association ages, the community will start to incur costs related to drainage repairs and replacements								
c - note: all costs for the community storm water drainage issues are not in this budget - underground piping is not included								
d - note: monies for drainage has been allocated to assist in possible repairs/replacements and or drain pipe lining								
e - note: if drainage costs exceeds the amounts stated in this report, the association should special assess the difference in the costs								
2 - Drainage Notes Subtotal								
F - Drainage Total				\$130,000	70	42	\$1,857	\$51,996
Grand Total				\$2,543,295	70	42	\$116,592	\$1,366,788

RESERVE FUNDING FINANCIAL ANALYSIS

Kensington at Woodfield, Inc

		6/30/24				FUND			
		RESERVE	FULLY FUNDED BALANCE /			OVERAGE			
		BALANCE	TOTAL ACCRUED DEPRECIATION			(DEFICIT)			Minimum Threshold Reserve Fund Balance:
		\$296,560	\$1,366,788			(\$1,070,228)			\$120,000
			<u>Financial year runs January 1st to December 31st</u>						
		BEGINNING				Plus	Plus	Equals	ENDING
		RESERVE		Minus		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	RESERVE
FISCAL	YEAR	FUND	COMPONENT EXPENSE ITEMS BY YEAR	YEARLY		CONTRIBUTION	DEFICIT	CONTRIBUTION	FUND
YEAR	YEAR	BALANCE		EXPENSE					BALANCE
					6				
					months				
2024	0	296,560	a - Woodfield Cir. pavers (sf) a - entryway sidewalk pavers (sf)	59,920	remaining	53,300	0	53,300	\$289,940
2025	1	289,940	a - paint single mailboxes 25 b - paint double mailboxes 25 b - home roof cleaning 23 d - pool chemical feeder 16 e - renovate cabana restrooms (94sf) e - fountain 1.65hp motor/pump 19	45,961		116,592	23,846	140,438	\$384,417
2026	2	384,417	a - remedial cleaning of homes f - fountain filter housing	10,835		116,592	23,846	140,438	\$514,020
2027	3	514,020	b - home roof cleaning 23 d - fountain 3.45hp motor/pump 22 a - security cameras 20 c - chess park area benches	40,240		116,592	23,846	140,438	\$614,218
2028	4	614,218		0		116,592	23,846	140,438	\$754,656
2029	5	754,656	a - painting of all homes 22 b - paint garage gas coach lights c - paint garage LED coach lights d - paint individual gates a - paint entry walls (2 sides) b - paint rear of monument wall c - paint E. 6' walls (2 sides) 22 d - paint W. 8' walls - canal (1 side) e - paint S. 6' walls (1 side) f - paint pool 6' walls (2 sides) a - paint street light poles a - paint street sign poles a - paving repairs & misc. b - home roof cleaning 23	392,938		116,592	23,846	140,438	\$502,156
2030	6	502,156	b - entry monument R&R - 2 c - entry monument wall lights - 2 (16)	6,500		116,592	23,846	140,438	\$636,094
2031	7	636,094	b - home roof cleaning 23 c - pool chemical feeder 22 a - pool area 6' metal fence (lf) e - fountain 1.65hp motor/pump 19	41,065		116,592	23,846	140,438	\$735,467
2032	8	735,467	a - paint chess park wooden benches 24 b - paint fountain area metal benches 24 c - paint trash containers 24 a - resurface pool 21 b - replace pool tiles 21 c - replace pool coping pavers b - pool umbrellas 24	27,122		116,592	23,846	140,438	\$848,783
2033	9	848,783	a - paint single mailboxes 25 b - paint double mailboxes 25 b - home roof cleaning 23 a - pool 4hp vf motor/pump 22 e - pool electric heater 22 a - replace single mailboxes b - replace double mailboxes d - fountain 3.45hp motor/pump 22	100,676		116,592	23,846	140,438	\$888,545
2034	10	888,545	a - remedial cleaning of homes f - pool equipment cover h - pool major repairs & misc. a - irrigation electrical & misc. d - entry monument landscaping lights - 2 a - entryway median landscape lights b - entry side walkway small landscape lights c - chess park small landscape lights d - chess park medium landscape lights e - chess park large landscape lights d - fountain trash can 22 e - chess park trash can 22	52,295		116,592	23,846	140,438	\$976,688
2035	11	976,688	b - home roof cleaning 23 d - pool chemical feeder 16 a - security cameras 20 a - fountain metal benches b - fountain area composite bench	40,315		116,592	23,846	140,438	\$1,076,811
2036	12	1,076,811	b - pool filter housing 22 a - pool furniture 24 a - resurface fountain 24	16,572		116,592	23,846	140,438	\$1,200,677

		BEGINNING						ENDING	
		RESERVE		Minus		Plus	Plus	Equals	
FISCAL		FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	
YEAR	YEAR	BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	
								BALANCE	
2037	13	1,200,677	a - painting of all homes 22 b - paint garage gas coach lights c - paint garage LED coach lights d - paint individual gates a - paint entry walls (2 sides) b - paint rear of monument wall c - paint E. 6' walls (2 sides) 22 d - paint W. 8' walls - canal (1 side) e - paint S. 6' walls (1 side) f - paint pool 6' walls (2 sides) a - paint street light poles a - paint street sign poles b - home roof cleaning 23 c - pool cabana R&R a - pool perimeter 6' wall R&R e - fountain 1.65hp motor/pump 19 a - entry wall R&R c - W. 8' wall R&R (canal) d - S. 6' wall R&R (50%)	462,039		116,592	23,846	140,438	\$879,076
2038	14	879,076		0		116,592	23,846	140,438	\$1,019,514
2039	15	1,019,514	b - NW 42nd way pavers (sf) c - NW 60th Lane pavers (sf) d - NW 60th Place pavers (sf) e - NW 66th Drive pavers (sf) f - NW 43rd Terrace pavers (sf) g - NW 65th Road pavers (sf) h - NW 65th Place pavers (sf) i - NW 43rd Terrace pavers (sf) j - fountain area road pavers (sf) k - NW 64th Lane pavers (sf) l - NW 64th Drive pavers (sf) m - NW 43rd Terrace pavers (sf) a - pool parking pavers (sf) b - chess park parking area pavers (sf) b - chess park area pavers (sf) c - fountain area pavers (sf) d - community sidewalk pavers (sf) a - pool deck pavers (sf) a - paving repairs & misc. b - home roof cleaning 23 d - pool cabana single metal door/frames c - fountain repairs & misc. 24 d - fountain 3.45hp motor/pump 22	925,801		116,592	23,846	140,438	\$234,151
2040	16	234,151	a - paint chess park wooden benches 24 b - paint fountain area metal benches 24 c - paint trash containers 24 b - pool umbrellas 24 a - double street signs b - stop/double street signs c - stop/single street signs d - advisory/stop signs e - replace stop sign metal face 21 f - replace street sign blades 21 a - replace street lights a - renovate entry monuments - 2 (16)	238,340		116,592	7,610	124,202	\$120,013
2041	17	120,013	a - paint single mailboxes 25 b - paint double mailboxes 25 b - home roof cleaning 23 c - pool chemical feeder 22 f - fountain filter housing	34,216		116,592	0	116,592	\$202,389
2042	18	202,389	a - remedial cleaning of homes b - fountain electrical 23	12,460		116,592	0	116,592	\$306,521
2043	19	306,521	b - home roof cleaning 23 e - fountain 1.65hp motor/pump 19 a - security cameras 20	36,040		116,592	0	116,592	\$387,073
2044	20	387,073	a - resurface pool 21 b - replace pool tiles 21 c - pool metal picnic tables 24 b - pool cabana gutters (lf) 20	24,689		116,592	0	116,592	\$478,976
2045	21	478,976	a - painting of all homes 22 b - paint garage gas coach lights c - paint garage LED coach lights d - paint individual gates a - paint entry walls (2 sides) b - paint rear of monument wall c - paint E. 6' walls (2 sides) 22 d - paint W. 8' walls - canal (1 side) e - paint S. 6' walls (1 side) f - paint pool 6' walls (2 sides) a - paint street light poles a - paint street sign poles b - home roof cleaning 23 a - pool 4hp vf motor/pump 22 d - pool chemical feeder 16 e - pool electric heater 22 d - fountain 3.45hp motor/pump 22 b - entry monument R&R - 2 c - entry monument wall lights - 2 (16) h - E. 6' wall R&R 22	425,930		116,592	0	116,592	\$169,638
2046	22	169,638	d - entry monument landscaping lights - 2 a - entryway median landscape lights b - entry side walkway small landscape lights c - chess park small landscape lights d - chess park medium landscape lights e - chess park large landscape lights	13,535		116,592	0	116,592	\$272,695
2047	23	272,695	b - home roof cleaning 23 c - chess park area benches	28,440		116,592	0	116,592	\$360,847
2048	24	360,847	a - paint chess park wooden benches 24 b - paint fountain area metal benches 24 c - paint trash containers 24 a - pool furniture 24 b - pool umbrellas 24 a - resurface fountain 24	16,287		116,592	0	116,592	\$461,152
2049	25	461,152	a - paint single mailboxes 25 b - paint double mailboxes 25 a - paving repairs & misc. b - home roof cleaning 23 a - pool cabana tile roof 24 e - fountain 1.65hp motor/pump 19	71,614		116,592	0	116,592	\$506,130
2050	26	506,130	a - remedial cleaning of homes e - renovate cabana restrooms (94sf)	21,780		116,592	0	116,592	\$600,942
2051	27	600,942	b - home roof cleaning 23 b - pool filter housing 22 c - pool chemical feeder 22 d - fountain 3.45hp motor/pump 22 a - security cameras 20	39,865		116,592	0	116,592	\$677,669
2052	28	677,669		0		116,592	0	116,592	\$794,261

		BEGINNING							ENDING
FISCAL		RESERVE		Minus		Plus	Plus	Equals	RESERVE
YEAR	YEAR	FUND		YEARLY		NORMAL ANNUAL	AMORTIZED	TOTAL YEARLY	FUND
		BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE		CONTRIBUTION	DEFICIT	CONTRIBUTION	BALANCE
2053	29	794,261	a - painting of all homes 22 b - paint garage gas coach lights c - paint garage LED coach lights d - paint individual gates a - paint entry walls (2 sides) b - paint rear of monument wall c - paint E. 6' walls (2 sides) 22 d - paint W. 8' walls - canal (1 side) e - paint S. 6' walls (1 side) f - paint pool 6' walls (2 sides) a - paint street light poles a - paint street sign poles b - home roof cleaning 23	362,041		116,592	0	116,592	\$548,812
2054	30	548,812	a - Woodfield Cir. pavers (sf) a - entryway sidewalk pavers (sf) h - pool major repairs & misc. c - fountain repairs & misc. 24 a - irrigation electrical & misc. d - fountain trash can 22 e - chess park trash can 22	79,920		116,592	0	116,592	\$585,484
In this reserve study, deficits beyond 25 years are not considered or amortized into previous years									
END			THIRTY YEAR REPAIR / REPLACEMENT PROJECTIONS						



Pool & Pool Furniture



Pool Equipment



Pool Fencing & Picnic Table





Pool Cabana & Related Components





Fountain & Related Components



Chess Park Bench & Trash Can





Entry Monument & Lighting



Landscaping Lighting & Perimeter Walls





Mailboxes, Street Signs, Street Lights



Pavers





Pavers



Valley Drains & Catch Basins



Kensington at Woodfield, Inc.

Balance Sheet For 6/30/2024

Operating Cash

00105 - Alliance DRB Construction #0487	(9,000.00)
00106 - South State Operating #0076	\$105,617.12
00109 - Alliance DRB Construction ICS sweep #8619	\$24,000.00
00111 - Alliance OP ICS Savings #0477 - 3.52%	\$139,668.82

Total Operating Cash

\$260,285.94

Reserve Cash

00401 - Alliance Reserve #0134 - 0.05%	(\$6,118.96)
00402 - Alliance RSV ICS sweep #536 - 3.52%	\$239,318.20
00411 - Alliance RSV ICS Savings #6789 - 3.52%	\$68,535.51

Total Reserve Cash

\$301,734.75

Current Assets

01200 - Prepaid Insurance	\$16,605.30
01201 - Prepaid Expenses	\$2,499.98
01250 - Utility Deposits (Water)	\$220.00

Total Current Assets

\$19,325.28

Total Assets

\$581,345.97

Current Liabilities

03000 - Prepaid Assessments	\$61,429.80
03013 - Accrued Expenses	\$7,786.65
03015 - Accrued CPA Fees	\$1,950.00

Total Current Liabilities

\$71,166.45

Buildings

03400 - DRB Security Deposits	\$15,000.00
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Total Buildings

\$15,000.00

Reserves

03740 - General Reserve	\$99,711.49
03744 - Painting Reserve	\$176,543.05
03999 - Reserve Interest	\$25,480.21

Total Reserves

\$301,734.75

Members Equity

04500 - Retained Earnings	\$166,462.00
04501 - Prior Period Adjustment	\$396.22
04550 - Current Year Net Income/(Loss)	\$11,583.55
04600 - Capital Contrib-Home Sales	\$15,003.00

Total Members Equity

\$193,444.77

Total Liabilities / Equity

\$581,345.97

Kensington at Woodfield, Inc.

Statement of Revenues and Expenses 6/1/2024 - 6/30/2024

	Current Period			Year To Date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Income							
Revenue							
05000 - Maintenance Assessment	96,254.75	96,352.25	(97.50)	578,016.00	578,113.50	(97.50)	1,156,227.00
05501 - Late Fees	-	-	-	1,471.80	-	1,471.80	-
05530 - Interest Income	266.05	-	266.05	1,602.46	-	1,602.46	-
05570 - Miscellaneous Income	-	-	-	100.00	-	100.00	-
Total Revenue	96,520.80	96,352.25	168.55	581,190.26	578,113.50	3,076.76	1,156,227.00
Total Income	96,520.80	96,352.25	168.55	581,190.26	578,113.50	3,076.76	1,156,227.00
Expense							
Utilities							
07110 - Electric	368.29	875.00	506.71	5,976.21	5,250.00	(726.21)	10,500.00
07112 - Water & Sewer	1,638.76	833.33	(805.43)	6,735.68	4,999.98	(1,735.70)	10,000.00
07114 - Gas	-	33.33	33.33	108.55	199.98	91.43	400.00
Total Utilities	2,007.05	1,741.66	(265.39)	12,820.44	10,449.96	(2,370.48)	20,900.00
Services							
07210 - Janitorial Service	360.00	416.67	56.67	2,364.52	2,500.02	135.50	5,000.00
07220 - Palm & Tree installation	1,030.00	1,166.67	136.67	6,130.00	7,000.02	870.02	14,000.00
07320 - Irrigation Repair & Supplies	2,107.50	1,000.00	(1,107.50)	6,332.00	6,000.00	(332.00)	12,000.00
07415 - Lawn Service	9,250.00	9,250.00	-	55,500.00	55,500.00	-	111,000.00
07416 - Landscape Improve / Replace	4,262.56	2,370.83	(1,891.73)	10,566.56	14,224.98	3,658.42	28,450.00
07419 - Tree Trimming & Maintenance	2,460.00	2,083.33	(376.67)	9,195.00	12,499.98	3,304.98	25,000.00
07420 - Pest Control	1,970.00	1,833.33	(136.67)	9,980.25	10,999.98	1,019.73	22,000.00
Total Services	21,440.06	18,120.83	(3,319.23)	100,068.33	108,724.98	8,656.65	217,450.00
Repairs & Maintenance							
07309 - Holiday Lighting	1,526.36	250.00	(1,276.36)	1,526.36	1,500.00	(26.36)	3,000.00
07410 - General Repairs & Supplies	1,262.07	1,250.00	(12.07)	11,795.68	7,500.00	(4,295.68)	15,000.00
07411 - Mailbox Repairs & Maint	-	316.67	316.67	2,281.24	1,900.02	(381.22)	3,800.00
07412 - Pressure Cleaning	-	583.33	583.33	-	3,499.98	3,499.98	7,000.00
07414 - Pool Repairs & Maint.	445.00	500.00	55.00	4,239.99	3,000.00	(1,239.99)	6,000.00
07421 - Wildlife Control	416.67	500.00	83.33	2,500.02	3,000.00	499.98	6,000.00
07475 - Paver Repair	450.00	333.33	(116.67)	4,150.00	1,999.98	(2,150.02)	4,000.00
Total Repairs & Maintenance	4,100.10	3,733.33	(366.77)	26,493.29	22,399.98	(4,093.31)	44,800.00
General & Administrative							
09010 - Accounting/Auditing	325.00	325.00	-	1,950.00	1,950.00	-	3,900.00
09012 - Attorney Fees	-	833.33	833.33	3,605.00	4,999.98	1,394.98	10,000.00
09015 - Management Contract	2,574.08	2,574.92	.84	15,444.48	15,449.52	5.04	30,899.00
09030 - Office/Administration Expense	33.36	250.00	216.64	1,481.14	1,500.00	18.86	3,000.00
09072 - Insurance	2,767.56	2,666.67	(100.89)	16,902.30	16,000.02	(902.28)	32,000.00
09075 - Licenses, Fees & Permits	-	41.67	41.67	456.25	250.02	(206.23)	500.00
09078 - Website	100.00	100.00	-	600.00	600.00	-	1,200.00

Kensington at Woodfield, Inc.

Statement of Revenues and Expenses 6/1/2024 - 6/30/2024

	Current Period			Year To Date			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Expense							
09090 - Bad Debt Expense	-	1,583.33	1,583.33	-	9,499.98	9,499.98	19,000.00
09600 - Master Association Fees	55,498.14	55,498.17	.03	332,988.84	332,989.02	.18	665,978.00
Total General & Administrative	61,298.14	63,873.09	2,574.95	373,428.01	383,238.54	9,810.53	766,477.00
Reserves							
09540 - Reserve - General	1,666.67	1,666.67	-	10,000.02	10,000.02	-	20,000.00
09544 - Reserve - Painting	7,216.67	7,216.67	-	43,300.02	43,300.02	-	86,600.00
Total Reserves	8,883.34	8,883.34	-	53,300.04	53,300.04	-	106,600.00
Extraordinary Items							
09034 - Annual picnic	-	-	-	2,246.60	-	(2,246.60)	-
09711 - Special Proj-Oak/palm/ficus Removals	-	-	-	600.00	-	(600.00)	-
09713 - Residential Electric Reimburse	-	-	-	650.00	-	(650.00)	-
Total Extraordinary Items	-	-	-	3,496.60	-	(3,496.60)	-
Total Expense	97,728.69	96,352.25	(1,376.44)	569,606.71	578,113.50	8,506.79	1,156,227.00
Net Income (Loss)	(1,207.89)	-	(1,207.89)	11,583.55	-	11,583.55	-
Net Total	(1,207.89)	-	(1,207.89)	11,583.55	-	11,583.55	-

Kensington Proposed Approved 2024 Budget

Catagories	Approved 2023 Budget	Approved 2024 Budget
Income:		
Maintenance Fees	\$1,113,043.00	\$1,156,227.00
Late Fees		
Interest Income		
Misc		
Total Income:	\$1,113,043.00	\$1,156,227.00

Expenses:

Utilities:

Electricity	\$10,500.00	\$10,500.00
Water & Sewer	\$12,000.00	\$10,000.00
Gas	\$400.00	\$400.00
Utility Expenses total:	\$22,900.00	\$20,900.00

Services:

Janitorial Services/Supplies	\$5,000.00	\$5,000.00
Palm & Tree Installation	\$14,000.00	\$14,000.00
Mulch	\$0.00	\$0.00
Irrigation Repairs/Maint	\$9,000.00	\$12,000.00
Lawn Service Contract	\$111,000.00	\$111,000.00
Landscape Improve	\$25,000.00	\$28,450.00
Tree Trimming/Maint	\$25,000.00	\$25,000.00
Pest Control	\$22,000.00	\$22,000.00
Service Expenses Total:	\$211,000.00	\$217,450.00

Repairs & Maintenance

Holiday Lighting	\$2,800.00	\$3,000.00
General Repairs & Maintenance	\$12,000.00	\$15,000.00
Mailbox Repair	\$4,000.00	\$3,800.00
Pressure Cleaning	\$7,000.00	\$7,000.00
Pool Repairs & Maint.	\$4,500.00	\$6,000.00
Wildlife Control	\$6,000.00	\$6,000.00
Paver Repairs	\$4,000.00	\$4,000.00
Repair & Maintenance Total:	\$40,300.00	\$44,800.00

Categories	Approved 2023 Budget	Approved 2024 Budget
General & Administrative		
Accounting/Auditing	\$3,900.00	\$3,900.00
Attorney Fees	\$10,000.00	\$10,000.00
Management contract	\$29,150.00	\$30,899.00
Office/Administrative Exp.	\$3,000.00	\$3,000.00
Insurance	\$24,000.00	\$32,000.00
Licenses, Fees, Permits	\$500.00	\$500.00
Website	\$1,200.00	\$1,200.00
Bad Debt	\$19,000.00	\$19,000.00
MHOA Fees	\$651,493.00	\$665,978.00
General & Admin Total:	\$742,243.00	\$766,477.00
Total Operating Expenses	\$1,016,443.00	\$1,049,627.00

Reserves

General Reserves	\$10,000.00	\$20,000.00
Painting Reserve	\$86,600.00	\$86,600.00
Project-Oak Tree Removal		
Residential Electric Reimbur		
Project - K House		
Total Operating Exp. Plus Reserves	\$1,113,043.00	\$1,156,227.00

Annual Assessment	\$10,305.95	\$10,705.81
Quarterly Assessment	\$2,576	\$2,676

	Estimated Replacement Cost	Amount est. as of 12/31/2023	Required Funding	Estimated Remaining Life	Annual Contribution
Reserves:					
General	\$ 211,300.00	\$ 91,269.16	\$ 120,030.84	6	\$ 20,005.14
Paint	\$ 570,000.00	\$ 136,693.03	\$ 433,306.97	5	\$ 86,661.39
		\$ 227,962.19	\$ 553,337.81		\$ 106,666.53

Reserve Schedule

	Beginning Balance 1/1/2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Collections	Total
Painting	\$136,693.03	\$7,216.67	\$7,216.67	\$7,216.67	\$7,216.67	\$7,216.67	\$7,216.67	\$7,216.67	\$7,216.67	\$7,216.67	\$7,216.67	\$7,216.67	\$7,216.67	\$86,600.04	\$223,293.07
General	\$88,799.16	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$1,666.67	\$20,000.04	
Capital Contribution from Purchases 2023					\$23,184.00									\$23,184.00	General
Capital Contribution from Rentals 2023					\$3,576.00									\$3,576.00	\$135,559.20
Interest	\$19,799.02														Total monthly collections
	\$245,291.21	\$8,883.34	\$8,883.34	\$8,883.34	\$35,643.34	\$8,883.34	\$8,883.34	\$8,883.34	\$8,883.34	\$8,883.34	\$8,883.34	\$8,883.34	\$8,883.34	\$133,360.08	

Current Balance as of 3/31/2024	
Painting	\$154,893.04
General	\$77,545.44
Interest	\$22,633.12
Total	\$255,071.60

Definitions

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

ASSOCIATION: For the purposes of this document "Association" shall encompass Community Associations, schools, commercial buildings, mutual utility properties, worship facilities, and any other entity interested in the long-range planning for the maintenance and replacement of the major components.

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

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

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

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

COMPONENT 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 onsite visual observations, based on Level of Service selected by the client.

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

COMPONENT METHOD: A method of developing a reserve funding plan where the total contribution is based on the sum of contributions for the individual components.

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

CURRENT COST: A component's current replacement cost as of the date of the financial analysis. Current cost may be less or greater than the total replacement cost depending on the defined replacement scope.

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

ECONOMIC LIFE: the portion of the total life of a property up until the infrastructure is no longer economically viable to maintain and a significant reinvestment, rebuilding, or renovation is necessary.

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

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

FULL STUDY: Complete qualitative and quantitative study, includes site visit.

FULLY FUNDED: 100 percent funded. When the actual reserve balance of the association is equal to the fully funded balance/total accrued depreciation.

FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve Balance can be compared. In essence, it is the Reserve Balance that is proportional to the current Repair/replacement cost and the fraction of life “used up”. This number is calculated for each Component, then summed together for an Association total. 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.

FFB = Current Cost X Effective Age divided by Useful Life Example: For a component with a \$10,000 current replacement cost, a 10-year useful life and effective age of 4 years the fully funded balance would be \$4,000.

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

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

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

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

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

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

INFLATED EXPENDITURES: The combined annual expenditures for a given year inflated to reflect their estimated future replacement cost.

INFLATIONARY MULTIPLIER: The number multiplies by the annual expenditures to estimate the future replacement cost. If inflation was currently projected at 3%, the initial year multiplier would be 1.00, Next Year 1.03, Next year 1.061, etc.

LIFE AND VALUATION ESTIMATES: The task of estimating useful life, remaining useful life, and current repair or

replacement costs for the reserve components.

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

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

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

QUANTITY: The total Quantity of each Component.

READILY ACCESSIBLE: Can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may harm or endanger persons or property.

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

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

RESERVE ANALYST: A person who prepares Reserve Studies.

RESERVE ASSESSMENT: The portion of assessments contributed to the Reserve Fund.

RESERVE BALANCE: Actual or projected funds, as of a particular point in time that the association has identified, to defray the future repair or replacement cost of those major components that the association is obligated to maintain

or replace. Also known as reserves, reserve accounts, cash reserves. Based on information provided and not audited.

RESERVE FUND: Those funds set aside for the future repair, replacement, or restoration of the Reserve Components.

RESERVE PROVIDER: An individual who prepares reserve studies. In many instances the reserve provider will possess a specialized designation such as the Reserve Specialist (RS) designation provided by Community Associations Institute (CAI). Another important designation is the Professional Reserve Analyst (PRA) which is a designation/credentials provided by the Association of Professional Reserve Analyst. These designation(s) indicates that the provider has shown the necessary skills to perform a reserve study that conforms to these standards.

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

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

RESERVE STUDY: A budgeting tool which identified 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.

SITE VISIT: A visit to the common areas of the Association for the purposes of determining the Component Inventory and the Component Assessment and Valuation.

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 applicable statutes.

STATUTORY FUNDINGS: Establishing a Reserve Funding Goal of setting aside the specific minimum amount of funds required by applicable statutes.

STRAIGHT LINE: A formula used to calculate the annual Reserve Fund contribution for a specific Component. Projected replacement cost divided by the Useful Life equals the annual payment.

UNIT COST: The cost of a Component. The Unit Cost is multiplied by the Component’s Quantity to obtain the total estimated replacement cost for the Component.

UNIT OF MEASURE: Refers to the method of measurement applied to a particular Component. The following are examples:

Square Feet

Lineal Feet or Linear Feet

Each

Square Yards

Lump Sum

Squares

UPDATE WITH SITE VISIT: Qualitative only update and review study, includes site visit.

UPDATE WITHOUT SITE VISIT: Financial only update study, does not include site visit.

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

PRODUCT & MATERIAL
PRICING ~ DESCRIPTIONS ~ LONGEVITY
RESOURCES

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

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

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

PARTIAL LISTING OF CONSULTING CONTRACTORS

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

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

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

Florida Statutes - Chapter 720

Florida Statutes 720.303 (Homeowner Associations)

(6) BUDGETS.—

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

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

(c)1. If the budget of the association does not provide for reserve accounts under paragraph (d), or the declaration of covenants, articles, or bylaws do not obligate the developer to create reserves, 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 or not fully funded, 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 FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. OWNERS MAY ELECT TO PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS UNDER 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 under 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 UNDER 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 upon the affirmative approval of a majority of the total voting interests of the association. Such approval may be obtained by vote of the members at a duly called meeting of the membership or by the written consent of a majority of the total voting interests of the association. The approval action of the membership must state that reserve accounts shall be provided for in the budget and must designate the components for which the reserve accounts are to be established. Upon approval by the membership, the board of directors shall include the required reserve accounts in the budget in the next fiscal year following the approval and each year thereafter. Once established as provided in this subsection, the reserve accounts must be funded or maintained or have their funding waived in the manner provided in paragraph (f).

(e) The amount to be reserved in any account established shall be computed by means of a formula that is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates of cost or useful life of a reserve item.

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

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

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

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

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

2. If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget may not be less than that required to ensure that the balance on hand at the beginning of the period the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful life of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all the assets that make up the reserve pool, based on the

current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal and accounts receivable minus the allowance for doubtful accounts. The reserve funding formula may not include any type of balloon payments.

(h) Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a meeting at which a quorum is present. Prior to turnover of control of an association by a developer to parcel owners, the developer-controlled association shall not vote to use reserves for purposes other than those for which they were intended without the approval of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association.

(i)1. While a developer is in control of a homeowners' association, the developer may, but is not required to, include reserves in the budget. If the developer includes reserves in the budget, the developer may determine the amount of reserves included. The developer is not obligated to pay for:

a. Contributions to reserve accounts for capital expenditures and deferred maintenance, as well as any other reserves that the homeowners' association or the developer may be required to fund pursuant to any state, municipal, county, or other governmental statute or ordinance;

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

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

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

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

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

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