**A RESERVE STUDY UPDATE FOR**

# The Royal St. Andrew Association, Inc.
## Sarasota, Florida
**File #22920-06156**

**FOR PERIOD: January 1, 2020 – December 31, 2020**

**PREPARED BY**
**SEDGWICK VALUATION SERVICES**
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July 21, 2019

The Royal St. Andrew Association, Inc.
Attn: Mr. Randy Peachey, Manager
555 South Gulfstream Avenue
Sarasota, Florida 34236

Dear Mr. Peachey,

On May 22, 2015, we completed an on-site inspection of The Royal St. Andrew Association, Inc.'s common area reserve items. Data gleaned from this inspection was utilized in the completion of an original reserve study report published on November 10, 2015. This reserve study report is an update of that previous reserve study report, which was accepted as accurate and reliable by the association representatives. A Sedgwick Valuation Services representative did re-inspect the common area reserve items for use in completion of this update reserve study report, on May 8, 2019.

The intent of this report is to show cash reserves necessary for the future repair or replacement of expendable components incorporated into the subject property. The purpose of this report is to aid The Royal St. Andrew Association, Inc. in making a determination for cash reserves that are needed to repair or replace short-lived building and/or site components.

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

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

In completing this report, the reserve specialist utilized information taken from the original inspection and reserve study report, as well as observed conditions as of the date of our most recent re-inspection. No destructive testing methods (i.e. roof core sampling, etc.) were utilized during the inspections. At the association's request, reserve line items were added for roof coating and painting of the stairway interiors; previously included reserves for separate common area air handlers and condensers were adjusted so that air handler/condenser pairs were scheduled on similar life cycles. Financial data, including the estimated reserve fund balance as of the analysis date, and property histories, provided by you, were utilized in the completion of this report. This data was not audited, and was assumed to be complete and correct. Unless otherwise noted, the reserve specialist estimated the repair/replacement cost taking into account contingencies inherent to this type of work, and the report was prepared utilizing the information gathered in the field and the costs and useful lives estimated by the reserve specialist.

Respectfully submitted,
Sedgwick Valuation Services

Stephen F. Brubaker, RS #65
Reserve Specialist, Community Associations Institute

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# PROJECT OVERVIEW


The subject of this reserve study report is the common areas within The Royal St. Andrew Association, Inc., a 60 unit residential development located in Sarasota, Florida. Originally constructed at or near 1969, per the Sarasota County public records, the common areas include a 15 story tower building of concrete frame/superstructure construction, with painted stucco exteriors and flat membrane roofing, as well as a single story concrete frame/superstructure parking garage, pool, multiple carports, and site improvements.

The tower building features interior lobbies, common rooms and hallways, as well as typical unit balconies; some of the balconies feature screen enclosures, while others have been enclosed and converted to living area. According to the prior property manager, the unit lanai enclosures and windows are the financial responsibility of the unit owners and not the association. The first floor supports a main lobby and sitting area, elevator lobby, small library, exercise room, residential grade catering kitchen, manager's office, mailboxes, restrooms, galleries, two dwelling units, and typical storage, trash and mechanical rooms. Floors 2-15 support the remaining dwelling units, and are accessed via two electric/traction elevators and typical stairway cores. The interior finishes include upgraded carpet and tile flooring, painted gypsum board interior walls, combination painted/textured and drop acoustical tile ceilings (including tray ceilings), better quality built ins (doors/frames, mailboxes, plumbing and electrical fixtures, storefront glass/lobby entries, decorative columns, etc.) and inventories of better quality furnishings, health club quality exercise equipment, and residential grade kitchen appliances.

Air conditioning of the common areas is via a single roof mounted package unit and multiple split system air handlers and condensers. Major mechanical equipment includes an exterior emergency backup generator, domestic water pumps/equipment and fire pump/equipment. There is a fire alarm/safety system, and security access control/video surveillance equipment. A single trash chute and typical trash chute doors supports the dwelling units.

The pool is of standard concrete construction, with decorative paver decking, perimeter metal fencing/gates, and inventories of typical pumps/equipment and better quality deck furniture. The carports, which are located at ground level and atop the parking garage building, have metal framing and aluminum roofing. Additional common area improvements include, but are not necessarily limited to, asphalt and concrete paving, landscaping, site lighting, and signage.

As of the date of our latest physical inspection, the majority of the common areas were observed to be in average to good overall condition for a property of the subject's age and location, and appear to have properly maintained. The traffic coating on the parking garage deck was observed to be at or beyond its useful life, and the association expects to complete restoration/resurfacing in 2019. No other items of significant deferred maintenance were noted nor problems reported.

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

# RESERVE STUDY FUNDING ANALYSIS

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

Prior to December 23, 2002, Florida statute mandated that condominium associations calculate reserves via the Component Funding Analysis method, on an annual basis. Funding at less than 100% of the fully funded estimate, based on the Component Funding Analysis method, could occur only after a full vote of the association membership. As of December 23, 2002, amendments to the Florida Administrative Code recognize the Cash Flow Analysis method as an approved methodology for the calculation of reserve funding for condominium associations. The fund requirement estimated by the Cash Flow Analysis method can now be provided to the membership, on an annual basis as a fully funded figure. The analysis must be completed as a portion of the association's annual budget, include the total estimated useful lives, estimated remaining useful lives, and estimated replacement cost/deferred maintenance expenses of all assets in the reserve budget (minimum roofing, painting, paving and any other item with a replacement/repair cost over $10,000), and the estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

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

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

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

# EXECUTIVE SUMMARY

## PROPERTY DATA

**Property Name:** The Royal St. Andrew Association, Inc.
**Property Location:** Sarasota, Florida
**Property Type:** Condominium Association
**Total Units:** 60

**Report Run Date:** July 21, 2019
**Budget Year Begins:** January 1, 2020
**Budget Year Ends:** December 31, 2020

## PROJECTED COMPONENT CATEGORIES AND PARAMETERS

Air Conditioning
Common Area Interiors
Mechanical/Electrical
Painting & Waterproofing
Parking Garage/Paving
Plumbing
Pool
Roofing

| | | |
|---|---|---|
| Total current cost of all reserve components in reserve analysis: | $ | 2,366,999 |
| Estimated beginning reserve fund balance for reserve analysis: | $ | 308,301 |
| Total number of components scheduled for replacement in the 2020 budget year: | | 7 |
| Total cost of components scheduled for replacement in the 2020 budget year: | $ | 49,825 |

## ANALYSIS RESULTS –CASH FLOW ANALYSIS

| | | |
|---|---|---|
| Current annual reserve funding contribution amount (2019 Budget): | $ | 97,080 |
| Our recommended annual reserve funding contribution amount: | $ | 126,780 |
| Increase (decrease) between current and recommended annual contribution amounts: | $ | 29,700 |
| Increase (decrease) between current and recommended annual contribution amounts: | | 30.6% |

## ANALYSIS RESULTS – COMPONENT FUNDING ANALYSIS

| | | |
|---|---|---|
| Current annual reserve funding contribution amount (2019 Budget): | $ | 97,080 |
| Our recommended annual reserve funding contribution amount: | $ | 348,160 |
| Increase (decrease) between current and recommended annual contribution amounts: | $ | 251,080 |
| Increase (decrease) between current and recommended annual contribution amounts: | | 259% |

# RESERVE BUDGET COMPARISON

The previous page provides a comparison of the association's approved fiscal year 2019 reserve contribution level and our estimates for full reserve funding for fiscal year 2020. The funding requirement estimated for fiscal year 2020 via the Cash Flow Analysis is appreciably higher than the association's approved fiscal year 2019 contribution level, while the recommendation based on the Component Funding Analysis methodology is significantly higher than the association's approved fiscal year 2019 contribution level. Continuing to fund the reserves as included in this report at the association's approved fiscal year 2019 contribution level will likely necessitate future special assessment(s) and/or loan(s) to offset the planned reserve expenditures.

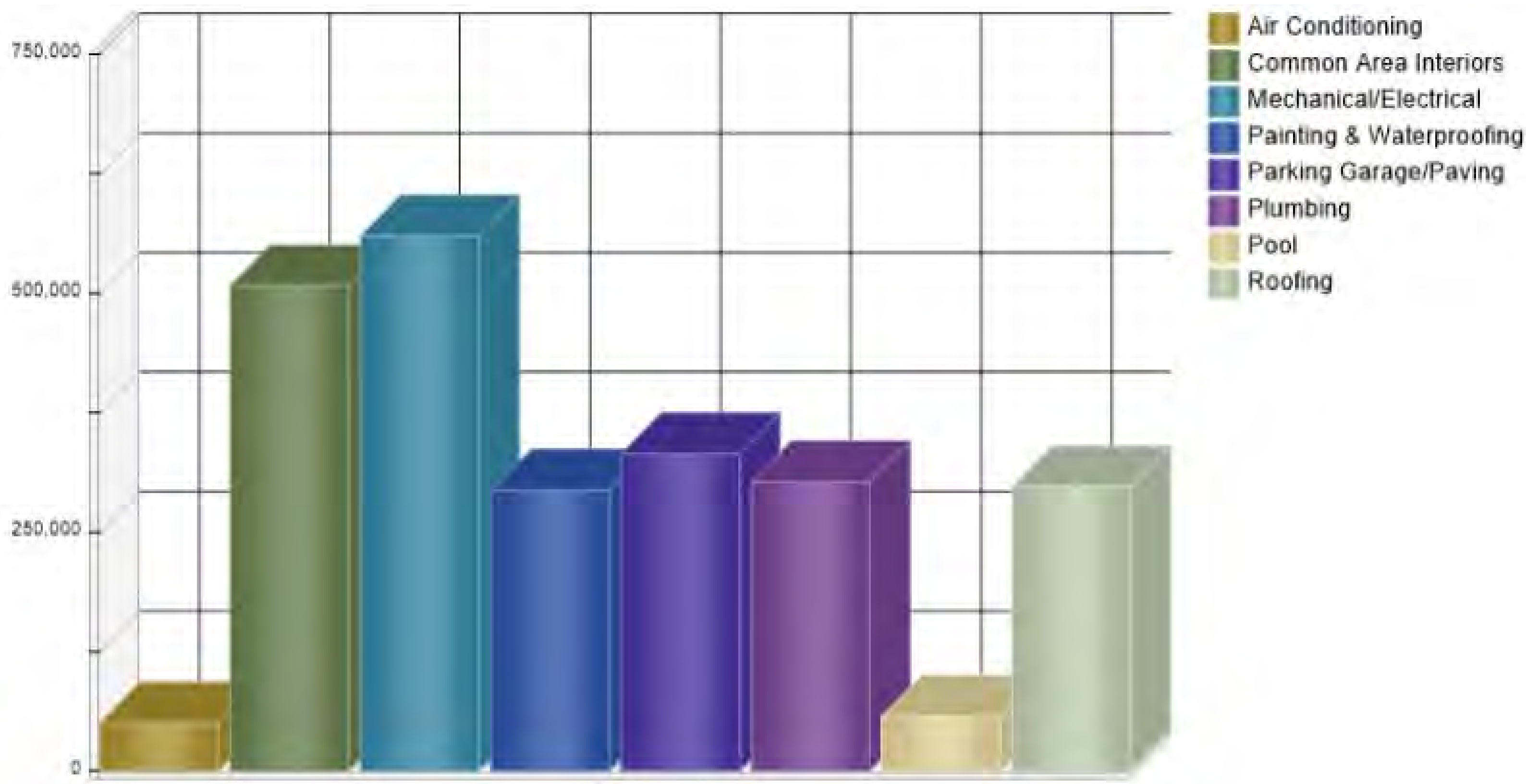
Based on the Cash Flow Analysis methodology, the association can fully fund the reserves as analyzed in this report at $126,780 in fiscal year 2020. In this analysis we have utilized a 2.10% rate of return on reserve funds invested over the study period (assuming safe investment in CDs, money market accounts, etc.). The Cash Flow Analysis utilizes a pooling effect with reserve funds by pooling all funds together and distributing these funds to individual components as their replacement comes due. Funds that are pooled together in the cash flow analysis include the beginning balance, contributions to the reserve funds and interest earned on reserve funds. These pooled funds are matched against reserve expenditures throughout the period of the analysis by using our reserve analysis software program to ensure that the available funds are always greater than expenditures.

Based on our Component Funding Analysis model, the reserves as analyzed in this report suggest that in order to fully fund in fiscal year 2020, the contribution should be $348,160. The Component Funding Analysis is a straight-line accounting procedure that was previously mandated by the State of Florida. Until December 2002, funding at less than this amount was considered partial funding by the state and required approval by the association members. As stated previously in this report, changes to the administrative code now allow the implementation/use of a pooling, or cash flow method of reserve analysis.

# CASH FLOW ANALYSIS

Analysis Date - January 1, 2020

## Item Parameter - Category - Chart



# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Detail

| Category / Reserve Item | Replace Date | Basis Cost | Quantity | Current Cost | Est Life | Adj Life | Rem Life | Future Cost |
|---|---|---|---|---|---|---|---|---|
| **Air Conditioning** | | | | | | | | |
| AC Units, Elevator Room | 02/01/2025 | $ 2,344.00 | 1.5 tons | $ 3,516.00 | 10:00 | 10:00 | 5:01 | $ 3,516.00 |
| AC Units, Kitchen | 09/01/2020 | 1,614.00 | 3 tons | 4,842.00 | 10:00 | 10:00 | 0:08 | 4,842.00 |
| AC Units, Maintenance | 01/01/2020 | 1,354.00 | 5 tons | 6,770.00 | 10:00 | 13:00 | 0:00 | 6,770.00 |
| AC Units, Men's Room | 01/01/2020 | 1,698.00 | 2.5 tons | 4,245.00 | 10:00 | 13:00 | 0:00 | 4,245.00 |
| AC Units, Unit 104 | 03/01/2020 | 1,698.00 | 2.5 tons | 4,245.00 | 10:00 | 12:06 | 0:02 | 4,245.00 |
| Package Unit, Hallways | 03/01/2027 | 2,677.00 | 10 tons | 26,770.00 | 11:00 | 11:00 | 7:02 | 26,770.00 |
| | | | | $ 50,388.00 | | | | $ 50,388.00 |
| **Common Area Interiors** | | | | | | | | |
| Admin. Office Renovation | 01/01/2021 | $ 18.50 | 280 sq ft | $ 5,180.00 | 14:00 | 14:00 | 1:00 | $ 5,180.00 |
| Exercise Room/Equipment | 09/01/2020 | 16,000.00 | 1 lp sm | 16,000.00 | 10:00 | 12:03 | 0:08 | 16,000.00 |
| Hallways, Flooring 2007 | 06/01/2035 | 10.40 | 415 sq ft | 4,316.00 | 28:00 | 28:00 | 15:05 | 4,316.00 |
| Hallways, Flooring 2017 | 06/01/2045 | 10.40 | 2,250 sq ft | 23,400.00 | 28:00 | 28:00 | 25:05 | 23,400.00 |
| Hallways, Flooring 2018 | 06/01/2046 | 10.40 | 3,600 sq ft | 37,440.00 | 28:00 | 28:00 | 26:05 | 37,440.00 |
| Hallways, Furnishings/Lighting | 01/01/2021 | 2,400.00 | 14 floors | 33,600.00 | 14:00 | 14:00 | 1:00 | 33,600.00 |
| Hallways, Wall/Door Finishes 2017 | 06/01/2031 | 49,566.00 | 0.5 lp sm | 24,783.00 | 14:00 | 14:00 | 11:05 | 24,783.00 |
| Hallways, Wall/Door Finishes 2018 | 06/01/2032 | 49,566.00 | 0.5 lp sm | 24,783.00 | 14:00 | 14:00 | 12:05 | 24,783.00 |
| Lobby Level, Furnishings/Carpet | 01/01/2021 | 27.50 | 1,850 sq ft | 50,875.00 | 14:00 | 14:00 | 1:00 | 50,875.00 |
| Lobby Level, Kitchen | 06/01/2043 | 184.50 | 75 sq ft | 13,837.50 | 25:00 | 25:00 | 23:05 | 13,837.50 |
| Lobby Level, Renovation Allowance | 01/01/2035 | 130.00 | 1,850 sq ft | 240,500.00 | 28:00 | 28:00 | 15:00 | 240,500.00 |
| Lobby Level, Restroom (Men's) | 06/01/2025 | 80.90 | 150 sq ft | 12,135.00 | 28:00 | 18:05 | 5:05 | 12,135.00 |
| Lobby Level, Restroom (Women's) | 06/01/2025 | 80.90 | 150 sq ft | 12,135.00 | 28:00 | 16:01 | 5:05 | 12,135.00 |
| Lobby Level, Wall/Door Finishes | 10/01/2033 | 8,664.00 | 1 lp sm | 8,664.00 | 14:00 | 14:00 | 13:09 | 8,664.00 |
| | | | | $ 507,648.50 | | | | $ 507,648.50 |
| **Mechanical/Electrical** | | | | | | | | |
| Domestic Water Pumps/Equipment | 05/01/2029 | $ 24,595.00 | 1 lp sm | $ 24,595.00 | 24:00 | 24:00 | 9:04 | $ 24,595.00 |
| Elevator Mechanical Modernization | 06/01/2034 | 122,150.00 | 2 cabs | 244,300.00 | 30:00 | 30:00 | 14:05 | 244,300.00 |
| Fire Alarm System Modernization | 06/01/2029 | 2,040.00 | 60 units | 122,400.00 | 25:00 | 25:00 | 9:05 | 122,400.00 |
| Fire Pump/Equipment | 06/01/2048 | 602.00 | 50 hp | 30,100.00 | 40:00 | 40:00 | 28:05 | 30,100.00 |
| Generator/Equipment | 11/01/2031 | 418.90 | 150 kw | 62,835.00 | 26:00 | 26:00 | 11:10 | 62,835.00 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Detail

| Category / Reserve Item | Replace Date | Basis Cost | Quantity | Current Cost | Est Life | Adj Life | Rem Life | Future Cost |
|---|---|---|---|---|---|---|---|---|
| **Mechanical/Electrical** | | | | | | | | |
| Security, Access Control/Keypads | 08/01/2024 | $ 5,475.00 | 2 each | $ 10,950.00 | 10:00 | 10:00 | 4:07 | $ 10,950.00 |
| Security, Video Surveillance | 06/01/2027 | 1,644.00 | 9 cameras | 14,796.00 | 11:00 | 11:00 | 7:05 | 14,796.00 |
| Trash Chute | 06/01/2024 | 3,350.00 | 15 floors | 50,250.00 | 40:00 | 55:00 | 4:05 | 50,250.00 |
| | | | | $ 560,226.00 | | | | $ 560,226.00 |
| **Painting & Waterproofing** | | | | | | | | |
| Paint Stairway Interiors | 06/01/2021 | $ 1,552.00 | 29 flights | $ 45,008.00 | 30:00 | 52:00 | 1:05 | $ 45,008.00 |
| Paint/Waterproof Building Exteriors | 06/01/2024 | 4,144.00 | 60 units | 248,640.00 | 8:00 | 8:00 | 4:05 | 248,640.00 |
| | | | | $ 293,648.00 | | | | $ 293,648.00 |
| **Parking Garage/Paving** | | | | | | | | |
| Asphalt Paving, Replacement | 08/01/2023 | $ 20.39 | 1,230 sq yds | $ 25,079.70 | 24:00 | 20:01 | 3:07 | $ 25,079.70 |
| Asphalt Paving, Sealcoat/Rejuvenation | 08/01/2020 | 2.58 | 1,230 sq yds | 3,173.40 | 4:00 | 17:01 | 0:07 | 3,173.40 |
| Carports/Walkways Canopies | 01/01/2026 | 21.48 | 11,000 sq ft | 236,280.00 | 40:00 | 56:07 | 6:00 | 236,280.00 |
| Parking Garage, Lighting | 01/01/2022 | 7,000.00 | 1 lp sm | 7,000.00 | 20:00 | 20:00 | 2:00 | 7,000.00 |
| Parking Garage, Traffic Coating/Decking | 10/01/2030 | 7.88 | 7,700 sq ft | 60,676.00 | 11:00 | 11:00 | 10:09 | 60,676.00 |
| | | | | $ 332,209.10 | | | | $ 332,209.10 |
| **Plumbing** | | | | | | | | |
| Plumbing, Stack Cleaning | 03/01/2024 | $ 18,000.00 | 1 lp sm | $ 18,000.00 | 5:00 | 5:00 | 4:02 | $ 18,000.00 |
| Plumbing, Stack Replacement | 01/01/2040 | 285,000.00 | 1 lp sm | 285,000.00 | 30:00 | 30:00 | 20:00 | 285,000.00 |
| | | | | $ 303,000.00 | | | | $ 303,000.00 |
| **Pool** | | | | | | | | |
| Pool Deck Furniture | 06/01/2028 | $ 7,000.00 | 1 lp sm | $ 7,000.00 | 10:00 | 10:00 | 8:05 | $ 7,000.00 |
| Pool Decking | 01/01/2022 | 9.10 | 2,400 sq ft | 21,840.00 | 25:00 | 26:07 | 2:00 | 21,840.00 |
| Pool Equipment Allowance | 06/01/2025 | 5,000.00 | 1 lp sm | 5,000.00 | 10:00 | 10:00 | 5:05 | 5,000.00 |
| Pool Heater (Electric) | 12/01/2024 | 4,390.00 | 1 lp sm | 4,390.00 | 9:00 | 9:00 | 4:11 | 4,390.00 |
| Pool Heater (Gas) | 03/01/2026 | 3,900.00 | 1 lp sm | 3,900.00 | 9:00 | 9:00 | 6:02 | 3,900.00 |
| Pool Interiors | 01/01/2022 | 17.70 | 880 sq ft | 15,576.00 | 12:00 | 17:02 | 2:00 | 15,576.00 |
| | | | | $ 57,706.00 | | | | $ 57,706.00 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Detail

| Category<br>Reserve Item | Replace Date | Basis Cost | Quantity | Current Cost | Est Life | Adj Life | Rem Life | Future Cost |
|---|---|---|---|---|---|---|---|---|
| **Roofing** | | | | | | | | |
| Roofing, Entry Canopies | 09/01/2020 | $ 10,550.00 | 1 lp sm | $ 10,550.00 | 20:00 | 24:03 | 0:08 | $ 10,550.00 |
| Roofing, Tower - Coating | 06/01/2027 | 400.00 | 88.6 sqs | 35,440.00 | 10:00 | 10:00 | 7:05 | 35,440.00 |
| Roofing, Tower - Replacement | 06/01/2037 | 2,840.00 | 88.6 sqs | 251,624.00 | 20:00 | 41:00 | 17:05 | 251,624.00 |
| | | | | $ 297,614.00 | | | | $ 297,614.00 |
| | | | | $ 2,402,439.60 | | | | $ 2,402,439.60 |

### AC Units, Elevator Room

| | | | |
|---|---|---|---|
| **Item Number** | 52 | **Measurement Basis** | tons |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Air Conditioning | **Basis Cost** | 2,344.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0052 | | 02/01/2015 | 02/01/2025 | 5:01 | 10:00 | 1.5 | 3,516.00 | 3,516.00 |
| | | | | | | | $ 3,516.00 | $ 3,516.00 |

**Comments**

None of the individual air handler/condenser units has a current repair/replacement cost of $10,000+, so their inclusion in the association's estimate of full statutory reserve funding for fiscal year 2020 is not mandated under current Florida Statute 718 reserve requirements. Some associations prefer to fund as needed replacement of these smaller units through their annual operating budgets, while others (like the subject) do establish and fund replacement reserves. Some include them on an individual unit basis, while others fund on a partial inventory or total inventory basis.

The association's fiscal year 2019 reserve budget does include the common area AC units, so reserves were included in this report. It is our market observation that condenser units designed for use in the corrosive ocean environment typically last in the 10 year range, while air handlers can last 15-20+ years under normal conditions. Based on the reported age of several of these units, the association should expect to incur multiple replacement costs in the near future. At the association's sole discretion, replacements of the both units were scheduled on a recurring 10 year life cycles. The photographs are of representative units.




## Item Parameters - Full Detail

### AC Units, Kitchen

| | | | |
|---|---|---|---|
| **Item Number** | 53 | **Measurement Basis** | tons |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Air Conditioning | **Basis Cost** | 1,614.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0053 | | 09/01/2010 | 09/01/2020 | 0:08 | 10:00 | 3 | 4,842.00 | 4,842.00 |
| | | | | | | | $ 4,842.00 | $ 4,842.00 |

**Comments**

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Full Detail

### AC Units, Maintenance

| | | | |
|---|---|---|---|
| **Item Number** | 54 | **Measurement Basis** | tons |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Air Conditioning | **Basis Cost** | 1,354.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0054 | | 01/01/2007 | 01/01/2020 | 0:00 | 13:00 | 5 | 6,770.00 | 6,770.00 |
| | | | | | | | $ 6,770.00 | $ 6,770.00 |

**Comments**

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Full Detail

### AC Units, Men's Room

| | | | |
|---|---|---|---|
| **Item Number** | 55 | **Measurement Basis** | tons |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Air Conditioning | **Basis Cost** | 1,698.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0055 | | 01/01/2007 | 01/01/2020 | 0:00 | 13:00 | 2.5 | 4,245.00 | 4,245.00 |
| | | | | | | | $ 4,245.00 | $ 4,245.00 |

**Comments**

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Full Detail

**AC Units, Unit 104**

| | | | |
|---|---|---|---|
| **Item Number** | 56 | **Measurement Basis** | tons |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Air Conditioning | **Basis Cost** | 1,698.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0056 | | 09/01/2007 | 03/01/2020 | 0:02 | 12:06 | 2.5 | 4,245.00 | 4,245.00 |
| | | | | | | | $ 4,245.00 | $ 4,245.00 |

**Comments**

**Package Unit, Hallways**

| | | | |
|---|---|---|---|
| **Item Number** | 10 | **Measurement Basis** | tons |
| **Type** | Common Area | **Estimated Useful Life** | 11 Years |
| **Category** | Air Conditioning | **Basis Cost** | 2,677.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0010 | | 03/01/2016 | 03/01/2027 | 7:02 | 11:00 | 10 | 26,770.00 | 26,770.00 |
| | | | | | | | $ 26,770.00 | $ 26,770.00 |

**Comments**

Life cycles in the 7-12 year range have been observed for replacement of exterior HVAC condensers and package/outside air units, assuming proper and routine maintenance and installation of units designed for use in the corrosive ocean environment. The roof mounted package unit supporting the common area hallways was forecast for replacement in 2027, and on a recurring 11 year life cycle thereafter.

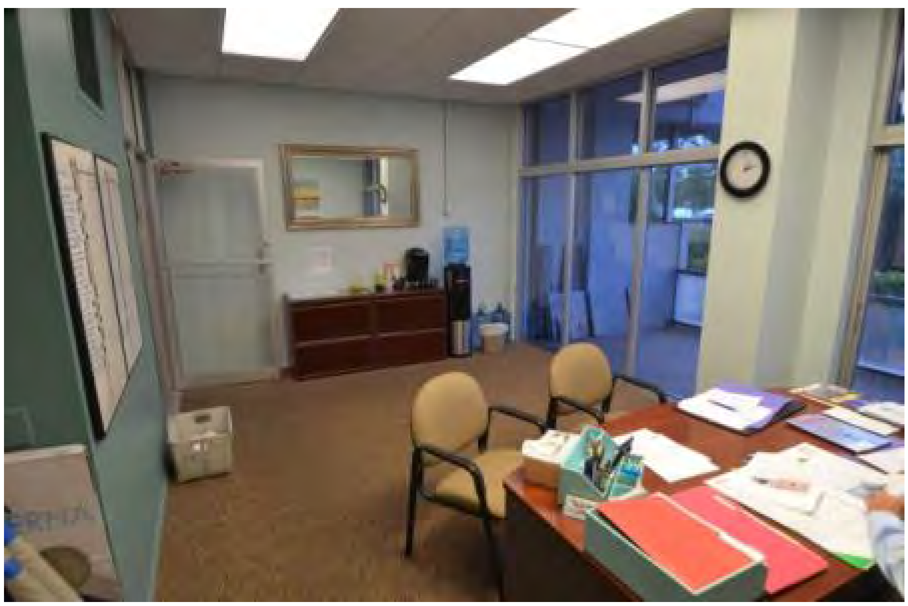
### Admin. Office Renovation

| | | | |
|---|---|---|---|
| **Item Number** | 38 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 14 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 18.50 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0038 | | 01/01/2007 | 01/01/2021 | 1:00 | 14:00 | 280 | 5,180.00 | 5,180.00 |
| | | | | | | | $ 5,180.00 | $ 5,180.00 |

**Comments**

This fund is designed to provide monies for cosmetic renovation of the administrative office over a recurring 14 year life cycle, including carpeting, wall/door finishes, furniture, window treatments, etc. The current cost estimate does not include any unforeseen floor area expansion(s) and/or reconfiguration(s).



# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Full Detail

**Exercise Room/Equipment**

| | | | |
|---|---|---|---|
| **Item Number** | 28 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 16,000.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0028 | | 06/01/2008 | 09/01/2020 | 0:08 | 12:03 | 1 | 16,000.00 | 16,000.00 |
| | | | | | | | $ 16,000.00 | $ 16,000.00 |

**Comments**

None of the individual pieces of exercise equipment has a repair/replacement cost of $10,000+, so their inclusion in the association's estimate of full statutory reserve funding for fiscal year 2020 is not mandated under current Florida Statute 718 reserve requirements. It is our market observation that some associations prefer to fund as needed replacements/upgrades through their annual operating budgets, while others do establish and fund replacement reserves (on a per piece, partial inventory, or total inventory basis). For the association's consideration, we have included a reserve for equipment and cosmetic renovations to the exercise room (flooring, wall/door finishes, mirrors, etc.).

It is our market observation that while minor additions and/or replacements can be expected from time to time (a new bike was purchased in 2019), better quality properties complete exercise equipment inventory replacements (treadmills, elliptical trainers, upright and recumbent exercise bikes, arc trainers, strength training stations, etc.) on a life cycle in the 10 year range, to insure the modern, appealing equipment is in use. This fund is designed to provide monies for as needed equipment replacements, flooring, wall/door finishes, wall mirrors, etc. in the exercise room over a recurring 10 year life cycle. As there were no reported plans to complete any major upgrades in 2019, the remaining useful life was adjusted to reflect a summer 2020 expense date. The current lump sum cost estimate is an order of magnitude figure based on the size and quality of the existing inventory and finishes.

# Item Parameters - Full Detail

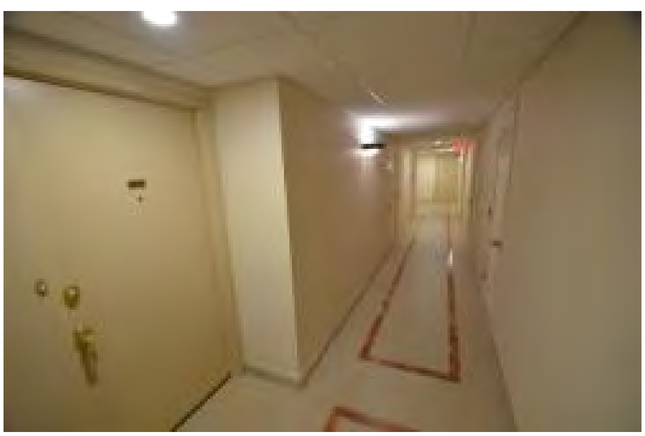
## Hallways, Flooring

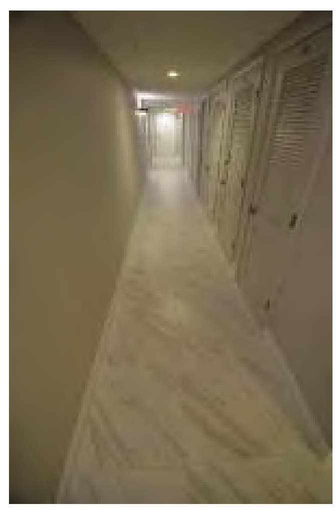
| | | | |
|---|---|---|---|
| **Item Number** | 51 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 28 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 10.40 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 920-001-0051 | Flr. 16 | 06/01/2007 | 06/01/2035 | 15:05 | 28:00 | 415 | 4,316.00 | 4,316.00 |
| 920-002-0051 | Flrs. 2, 5-8 | 06/01/2017 | 06/01/2045 | 25:05 | 28:00 | 2,250 | 23,400.00 | 23,400.00 |
| 920-003-0051 | Flrs. 3, 4, 9-15 | 06/01/2018 | 06/01/2046 | 26:05 | 28:00 | 3,600 | 37,440.00 | 37,440.00 |
| | | | | | | | $ 65,156.00 | $ 65,156.00 |

**Comments**

The association has completed phased replacement of hallway carpeting, installing the existing tile flooring. At some point, the association should expect to incur costs again for replacement of this flooring. Because replacement is typically completed due to cosmetic dissatisfaction rather than physical wear out/failure of the flooring itself, life cycles can vary from property to property; we have observed life cycles of less than 10 years, to over 30 years, for replacement of tile flooring. These funds are designed to provide monies for as needed repairs to and eventual replacement over 28 year life cycles. The dates of installation and floor areas were provided by the association, and assumed to be complete and correct.





### Hallways, Furnishings/Lighting

| | | | |
|---|---|---|---|
| **Item Number** | 8 | **Measurement Basis** | floors |
| **Type** | Common Area | **Estimated Useful Life** | 14 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 2,400.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0008 | | 01/01/2007 | 01/01/2021 | 1:00 | 14:00 | 14 | 33,600.00 | 33,600.00 |
| | | | | | | | $ 33,600.00 | $ 33,600.00 |

### Comments

To insure a modern cosmetic appeal, the association should expect to complete major common area furnishings projects on a periodic and regular basis. While minor additions/replacements/upgrades can be expected from time to time, life cycles ranging from roughly 10 to 20 years have been observed for major projects. This fund is designed to provide monies for periodic replacement of the floors 2-16 lobby furnishings, including tables, wall art/mirrors, decorative plants, etc., a as well as replacement of the decorative light sconces, over a recurring 14 year life cycle.

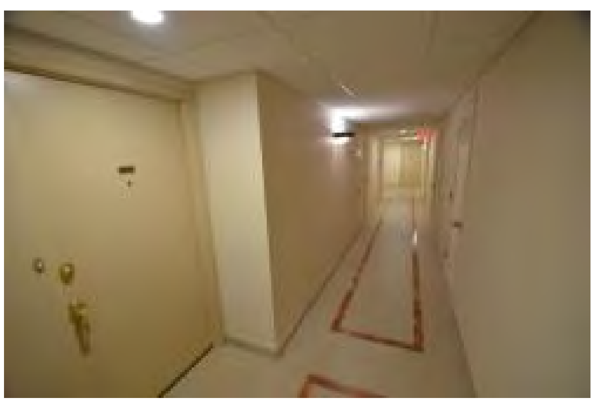
## Hallways, Wall/Door Finishes

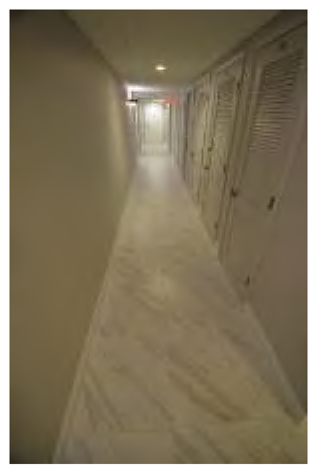
| | | | |
|---|---|---|---|
| **Item Number** | 7 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 14 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 49,566.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 920-001-0007 | | 06/01/2017 | 06/01/2031 | 11:05 | 14:00 | 0.5 | 24,783.00 | 24,783.00 |
| 920-002-0007 | | 06/01/2018 | 06/01/2032 | 12:05 | 14:00 | 0.5 | 24,783.00 | 24,783.00 |
| | | | | | | | $ 49,566.00 | $ 49,566.00 |

**Comments**

Assuming routine in house touch ups/repairs, interior painting of primary common areas (hallways, social rooms, exercise rooms, administrative offices, etc.) has a market observed life cycle in the low to mid 10 year year range. Phased completion of this project occurred most recently in 2017 and 2018, and 2031 and 2032 expense dates scheduled accordingly. The total current lump sum cost estimate is based on the approximate wall area of 14,800 square feet at a $2.11/sq.ft. unit cost, plus a per door/frame unit cost of $76.00 and the total of +/- 182 interior doors/frames, plus a 10% contingency for trim, repairs, etc. This cost was split on a 50/50 basis, per phase.





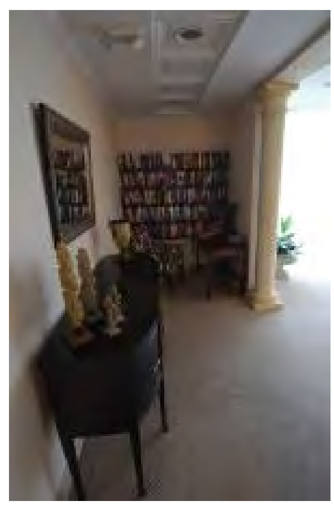
### Lobby Level, Furnishings/Carpet

| | | | |
|---|---|---|---|
| **Item Number** | 2 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 14 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 27.50 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0002 | | 01/01/2007 | 01/01/2021 | 1:00 | 14:00 | 1,850 | 50,875.00 | 50,875.00 |
| | | | | | | | $ 50,875.00 | $ 50,875.00 |

**Comments**

To insure a modern cosmetic appeal, the association should expect to complete major common area furnishings projects on a periodic and regular basis. While minor additions/replacements/upgrades can be expected from time to time, life cycles ranging from roughly 10 to 20 years have been observed for major projects. The most recent major lobby renovation project was completed in 2006/2007. This fund is designed to provide monies for as needed furnishings replacements in the main lobby and lobby level galleries (including, but not necessarily limited to, chairs, tables, carpeting and area rugs, window treatments, wall art/mirrors, plants, etc.) over a recurring 14 year life cycle. This suggests a major expense in 2021.



**Lobby Level, Kitchen**

| | | | |
|---|---|---|---|
| **Item Number** | 25 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 25 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 184.50 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0025 | | 06/01/2018 | 06/01/2043 | 23:05 | 25:00 | 75 | 13,837.50 | 13,837.50 |
| | | | | | | | $ 13,837.50 | $ 13,837.50 |

**Comments**

At some point, the association should expect to incur costs for major restoration of the common area kitchen (including, but not necessarily limited to, flooring, wall finishes, cabinetry and counters, plumbing and electrical fixtures, etc.). Life cycles of less than 15 years, to 30+ years, have been observed in properties of similar quality. This project was completed in 2018, and a 2043 expense date scheduled accordingly. The current cost estimate does not include any unforeseen floor area reconfiguration(s) and/or expansion(s).

This report assumes that as needed replacement of the kitchen appliances will continue to be funded through the association's annual operating budget, as a function of routine maintenance.

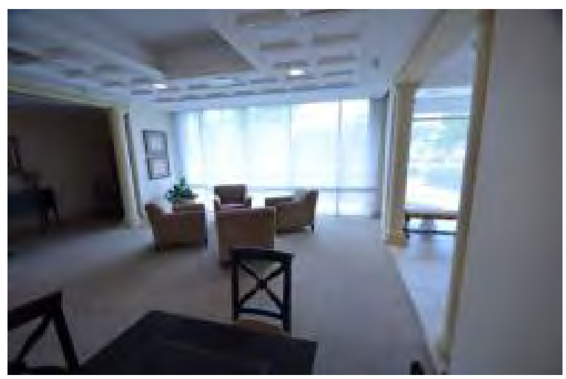
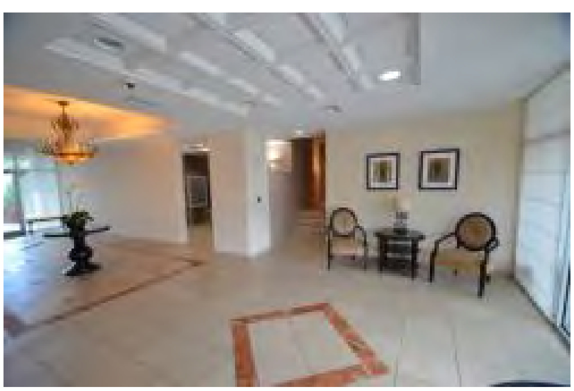
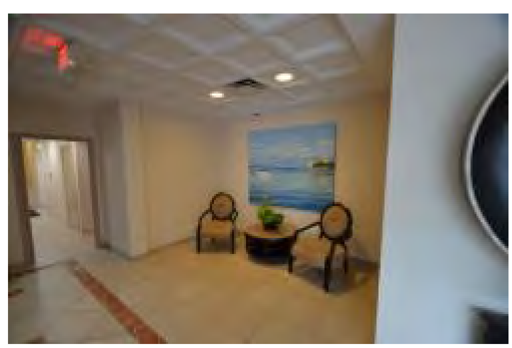
### Lobby Level, Renovation Allowance

| | | | |
|---|---|---|---|
| **Item Number** | 3 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 28 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 130.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0003 | | 01/01/2007 | 01/01/2035 | 15:00 | 28:00 | 1,850 | 240,500.00 | 240,500.00 |
| | | | | | | | $ 240,500.00 | $ 240,500.00 |

**Comments**

This fund is designed to provide monies for longer lived cosmetic renovations at the main lobby/lobby level, including tile flooring, ceiling finishes, millwork/finish carpentry, decorative columns, mailboxes, doors/frames, etc. We have observed life cycles in the 10-30+ year range; this scope of renovation was most recently completed in 2006/2007 (which suggests that a life cycle on the higher end of the range is appropriate for budgetary purposes), and a 2033 expense date scheduled accordingly. The current cost estimate is an order of magnitude figure, and does not reflect any unforeseen floor area reconfiguration(s) and/or expansion(s).

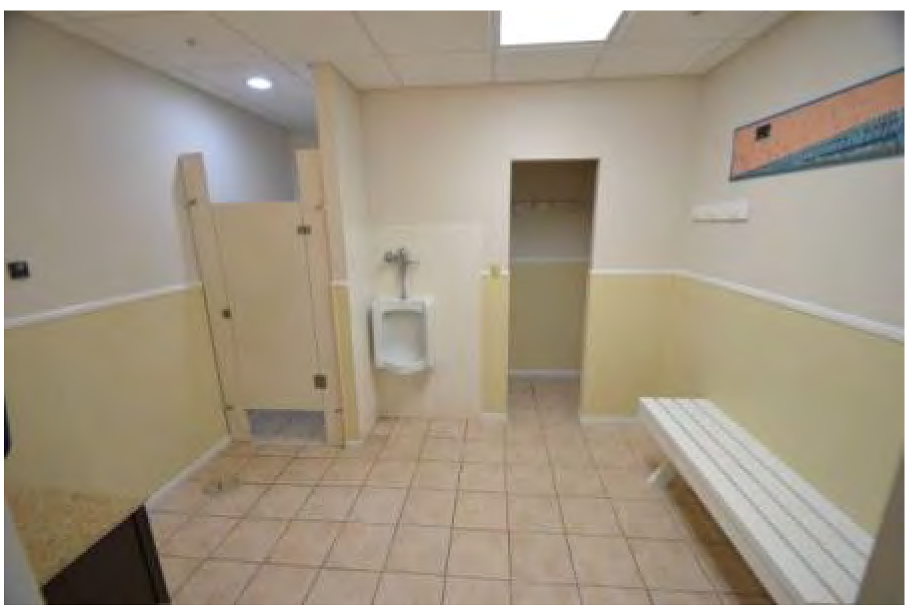
**Lobby Level, Restrooms**

| | | | |
|---|---|---|---|
| **Item Number** | 29 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 28 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 80.90 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 920-001-0029 | Men's | 01/01/2007 | 06/01/2025 | 5:05 | 18:05 | 150 | 12,135.00 | 12,135.00 |
| 920-002-0029 | Women's | 05/01/2009 | 06/01/2025 | 5:05 | 16:01 | 150 | 12,135.00 | 12,135.00 |
| | | | | | | | $ 24,270.00 | $ 24,270.00 |

**Comments**

At some point in the foreseeable future, the association should expect to incur costs for major restoration of the common area restroom interiors (including, but not necessarily limited to, flooring, wall finishes, vanities, mirrors, dividers, plumbing and electrical fixtures, etc.). Life cycles of less than 15 years, to 30+ years, have been observed in properties of similar quality. The ladies room interiors were reportedly restored/renovated in spring 2009, while the men's room interiors appear to have been restored/renovated during the 2006/2007 lobby level renovation project. At the association's request and sole discretion, the remaining useful life for this project was adjusted to reflect a 2025 expense date. The current cost estimate does not include any unforeseen floor area reconfiguration(s)and/or expansion(s). The floor areas are rounded estimates.



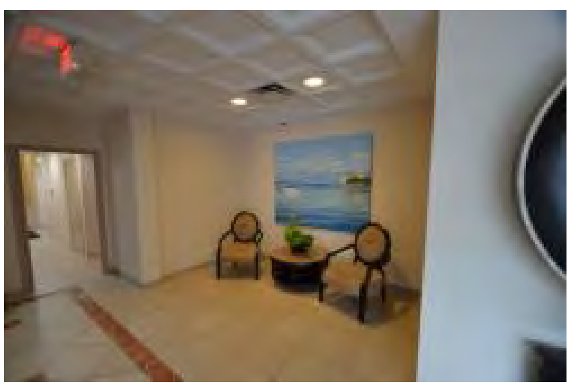
## Lobby Level, Wall/Door Finishes

| | | | |
|---|---|---|---|
| **Item Number** | 6 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 14 Years |
| **Category** | Common Area Interiors | **Basis Cost** | 8,664.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0006 | | 10/01/2019 | 10/01/2033 | 13:09 | 14:00 | 1 | 8,664.00 | 8,664.00 |
| | | | | | | | $ 8,664.00 | $ 8,664.00 |

**Comments**

Assuming routine in house touch ups/repairs, interior painting of primary common areas (hallways, social rooms, exercise rooms, administrative offices, etc.) has a market observed life cycle in the low to mid 10 year year range. The association expects to complete this project in 2019, and a 2033 expense date scheduled accordingly. The current lump sum cost estimate for interior painting of the lobby/galleries is based on the approximate wall area of 4,400 square feet at a $1.55/sq.ft. unit cost, plus a per door/frame unit cost of $62.15 and the total of +/- 17 interior doors/frame sides, plus a 10% contingency for trim, repairs, etc.



## Item Parameters - Full Detail

### Insurance Reserve

| | | | |
|---|---|---|---|
| **Item Number** | 45 | **Measurement Basis** | |
| **Type** | Common Area | **Estimated Useful Life** | 0 Year |
| **Category** | Insurance Reserve | **Basis Cost** | 0.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0045 | | | 06/01/1969 | 0:00 | 0:00 | 0 | 0.00 | 0.00 |

**Comments**

Some associations establish and fund non-statutory reserves to provide funds for the possibility of financial losses due to hurricane/storm damage and/or insurance deductibles. Unlike say painting or roof replacement, there is no market standard for this type of reserve; some associations choose to reserve very aggressively, while others more conservatively. On that basis, we include this type of reserve only when provided an association's funding goal in total dollars and time frame in which to reach that goal. At such time as the association provides a budgetary insurance reserve funding goal and time frame in which to reach that goal, this report can be amended to include this component.

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Full Detail

**Landscaping**

| | | | |
|---|---|---|---|
| **Item Number** | 39 | **Measurement Basis** | |
| **Type** | Common Area | **Estimated Useful Life** | 0 Year |
| **Category** | Landscaping | **Basis Cost** | 0.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0039 | | | 06/01/1969 | 0:00 | 0:00 | 0 | 0.00 | 0.00 |

**Comments**

In our experience, some associations do establish and fund landscaping reserves, typically on a contingency basis for unforeseen storm damage, blight, etc. Because landscaping is largely cosmetic, costs and useful lives can vary, often widely, from property to property. Given this unpredictability, we include landscaping reserves only when provided current cost and useful life/remaining useful live parameters by an association, and then include at that association's sole discretion. At such time as the association can provide a budgetary funding goal and time frame in which to reach that goal for their common area landscaping, this report can be amended accordingly.

As needed upgrades to irrigation systems is typically funded through an association's annual operating budget, as a function of routine maintenance; we have not encountered an association that has established and funded a reserve for total replacement in the absence of an engineering report demonstrating the need and/or economic feasibility of total irrigation system replacement.

### Domestic Water Pumps/Equipment

| | | | |
|---|---|---|---|
| **Item Number** | 16 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 24 Years |
| **Category** | Mechanical/Electrical | **Basis Cost** | 24,595.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0016 | | 05/01/2005 | 05/01/2029 | 9:04 | 24:00 | 1 | 24,595.00 | 24,595.00 |
| | | | | | | | $ 24,595.00 | $ 24,595.00 |

### Comments

The common area mechanical equipment inventory includes a domestic water booster pump station/system, with two 3 hp pumps, controller panel, and associated equipment. Assuming periodic pump rebuilds, motor replacements, controller upgrades, etc. as a function of routine maintenance, modernization/replacement of standard domestic water pumps and equipment has a market indicated life cycle in the low to mid 20 year range. This fund is designed to provide monies for as needed repairs to and eventual modernization/replacement of this equipment over a 24 year life cycle.

### Elevator Mechanical Modernization

| | | | |
|---|---|---|---|
| **Item Number** | 12 | **Measurement Basis** | cabs |
| **Type** | Common Area | **Estimated Useful Life** | 30 Years |
| **Category** | Mechanical/Electrical | **Basis Cost** | 122,150.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0012 | | 06/01/2004 | 06/01/2034 | 14:05 | 30:00 | 2 | 244,300.00 | 244,300.00 |
| | | | | | | | $ 244,300.00 | $ 244,300.00 |

### Comments

Modernization of traction elevator mechanical and electrical components, including (but not necessarily limited to), controllers, door hardware, etc. has been observed on life cycles in the 25-30 year range in properties of similar quality, assuming a typical maintenance program. The useful life is often determined by an association's dissatisfaction with the elevators' speed, smoothness of ride, and noise. A 30 year life cycle estimate suggests this expense again in 2034.

### Fire Alarm System Modernization

| | | | |
|---|---|---|---|
| **Item Number** | 14 | **Measurement Basis** | units |
| **Type** | Common Area | **Estimated Useful Life** | 25 Years |
| **Category** | Mechanical/Electrical | **Basis Cost** | 2,040.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0014 | | 06/01/2004 | 06/01/2029 | 9:05 | 25:00 | 60 | 122,400.00 | 122,400.00 |
| | | | | | | | $ 122,400.00 | $ 122,400.00 |

**Comments**

Due to improvements in technology and/or parts obsolescence, major modernization of fire alarm system components (panels, pull stations, horns/strobes, detectors, hoses) is typically necessary on a 20-30 year schedule. A mid-range 25 year life cycle estimate reflects a 2029 expense date. Given ever changing technologies and/or changing fire codes, we recommend that prior to reserve funding decisions being made (and on a periodic and regular basis thereafter), a life/fire safety consultant(s) assess the existing system to determine more specific remaining useful life and cost parameters. We reserve the right to modify this report upon receipt of such an assessment(s).

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Full Detail

**Fire Pump/Equipment**

| | | | |
|---|---|---|---|
| **Item Number** | 15 | **Measurement Basis** | hp |
| **Type** | Common Area | **Estimated Useful Life** | 40 Years |
| **Category** | Mechanical/Electrical | **Basis Cost** | 602.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0015 | | 06/01/2008 | 06/01/2048 | 28:05 | 40:00 | 50 | 30,100.00 | 30,100.00 |
| | | | | | | | $ 30,100.00 | $ 30,100.00 |

**Comments**

The fire 50 BHP, 500 gallons per minute vertical turbine fire pump should enjoy a useful life of 35-40+ years, assuming a routine maintenance program. This fund is designed to provide monies for as needed repairs to and eventual replacement over a 40 year life cycle. The current cost estimate includes the controller panel, pump, valves, fittings, etc.

Under normal operating conditions, total replacement of the fire sprinkler systems and associated plumbing should not be necessary at any one given time. It is our experience that associations typically fund these systems through an annual service contract, and that replacements and upgrades are completed on an incidental, as needed basis through the association's operating budget. As such, no line items for the fire sprinkler systems were included in this report.

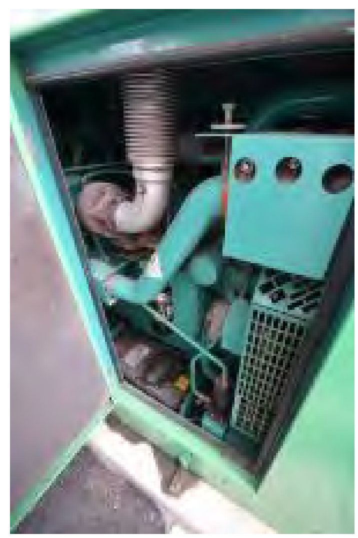
## Generator/Equipment

| | | | |
|---|---|---|---|
| **Item Number** | 17 | **Measurement Basis** | kw |
| **Type** | Common Area | **Estimated Useful Life** | 26 Years |
| **Category** | Mechanical/Electrical | **Basis Cost** | 418.90 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0017 | | 11/01/2005 | 11/01/2031 | 11:10 | 26:00 | 150 | 62,835.00 | 62,835.00 |
| | | | | | | | $ 62,835.00 | $ 62,835.00 |

**Comments**

Outside an enclosed building/room, emergency generators with exposure to the corrosive ocean environment have market observed life cycles in the mid 20 year range. This fund is designed to provide monies for as needed repairs to and eventual replacement of the 150 kilowatt emergency generator over a 26 year life cycle. The current cost estimate includes the transfer switch, fuel tank, and other associated equipment.



# The Royal St. Andrew Association, Inc.
### Analysis Date - January 1, 2020
## Item Parameters - Full Detail

**Security, Access Control/Keypads**

| | | | |
|---|---|---|---|
| **Item Number** | 24 | **Measurement Basis** | each |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Mechanical/Electrical | **Basis Cost** | 5,475.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0024 | | 08/01/2014 | 08/01/2024 | 4:07 | 10:00 | 2 | 10,950.00 | 10,950.00 |
| | | | | | | | $ 10,950.00 | $ 10,950.00 |

**Comments**

Modernization/replacement of the security access control equipment/panel was forecast on a market observed life cycle in the 10 year range. This expense was forecast again in 2024, and on a recurring 10 year life cycle thereafter.

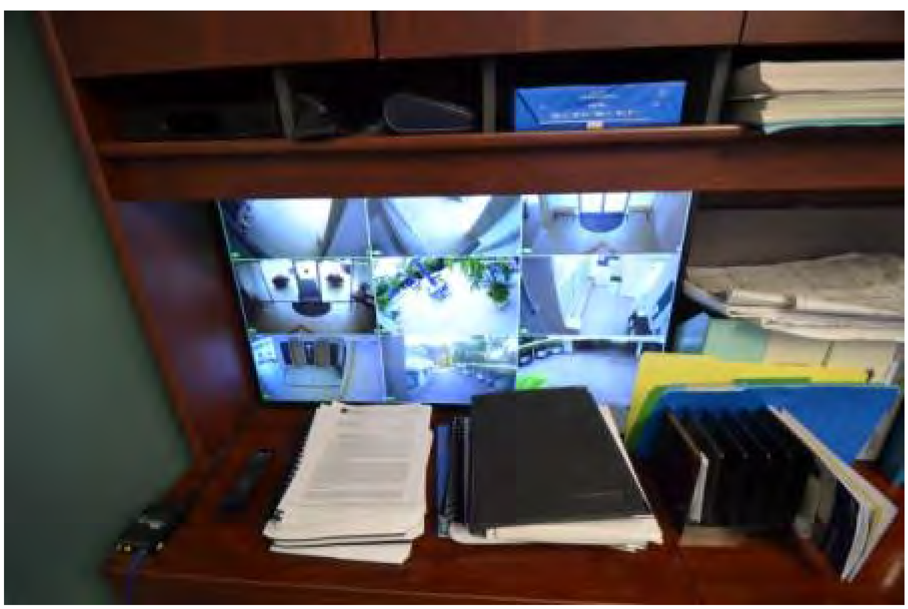
**Security, Video Surveillance**

| | | | |
|---|---|---|---|
| **Item Number** | 36 | **Measurement Basis** | cameras |
| **Type** | Common Area | **Estimated Useful Life** | 11 Years |
| **Category** | Mechanical/Electrical | **Basis Cost** | 1,644.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0036 | | 06/01/2016 | 06/01/2027 | 7:05 | 11:00 | 9 | 14,796.00 | 14,796.00 |
| | | | | | | | $ 14,796.00 | $ 14,796.00 |

**Comments**

The date of installation of +/- 9 camera video surveillance system (cameras, monitors, recording equipment, hardware/software, etc.) was not confirmed; it appears that major upgrades/replacements were completed in the past 3-4 years, given observed equipment during our 2015 inspection. Data gleaned from both within and outside the local market area indicates that while minor component repairs/replacements (cameras, monitors, recording equipment, hardware/software, etc.) can be expected as a function of ongoing maintenance, total system modernization and/or replacement can be expected on a life cycle in the 10-12 year range. Based on an assumed 2016 system installation date, system modernization/replacement was forecast in 2027. We reserve the right to modify this report upon confirmation of the factual purchase/install date of the overall system. The current per camera cost estimate is reflective of the entire system.



### Trash Chute

| | | | |
|---|---|---|---|
| **Item Number** | 27 | **Measurement Basis** | floors |
| **Type** | Common Area | **Estimated Useful Life** | 40 Years |
| **Category** | Mechanical/Electrical | **Basis Cost** | 3,350.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0027 | | 06/01/1969 | 06/01/2024 | 4:05 | 55:00 | 15 | 50,250.00 | 50,250.00 |
| | | | | | | | $ 50,250.00 | $ 50,250.00 |

**Comments**

We have observed a limited amount of market data that suggests that the association should expect to incur costs for some measure of major restoration/replacement of the trash chute in the foreseeable future. Life cycles in the 40 year range have been observed; no major projects have been completed at the project, reflecting an actual age of +/- 50 years. This suggests that some measure of costly restoration/replacement should be expected in the near future. In keeping with the association's approved fiscal year 2019 reserve budget, and at the association request and sole discretion, this expense was forecast in 2024. .

As none of the individual trash chute doors has a repair/replacement cost of $10,000+, their inclusion in the association's estimate of full statutory reserve funding for fiscal year 2020 is not mandated under current Florida Statute 718 reserve requirements. Some associations do establish and fund reserves for trash chute door inventory replacement, while others, like the subject, complete as needed repairs/replacements as a function of routine maintenance. For the association's consideration, we estimate a total current inventory replacement cost of $9,170.

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Full Detail

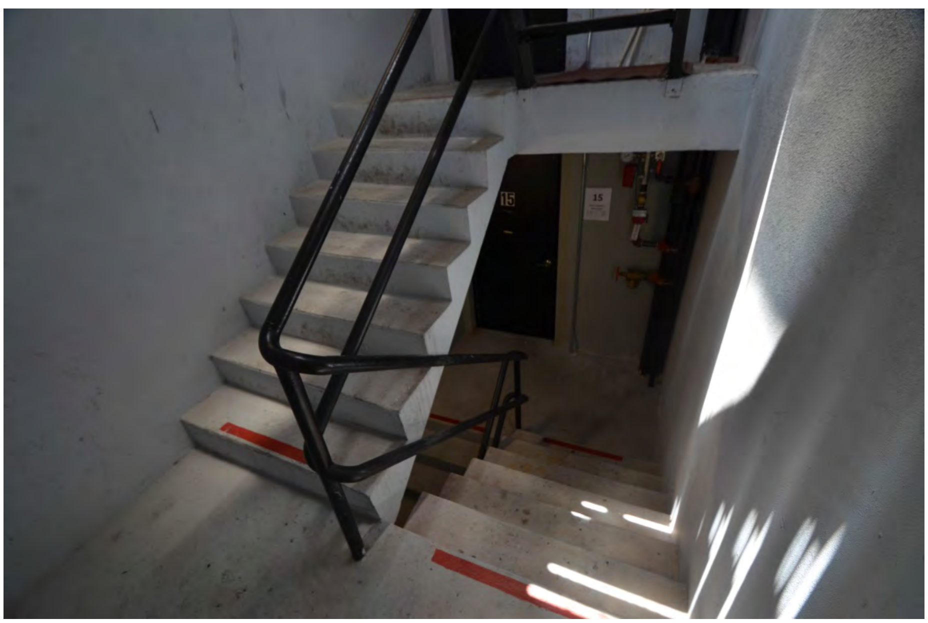
**Paint Stairway Interiors**

| | | | |
|---|---|---|---|
| **Item Number** | 40 | **Measurement Basis** | flights |
| **Type** | Common Area | **Estimated Useful Life** | 30 Years |
| **Category** | Painting & Waterproofing | **Basis Cost** | 1,552.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0040 | | 06/01/1969 | 06/01/2021 | 1:05 | 52:00 | 29 | 45,008.00 | 45,008.00 |
| | | | | | | | $ 45,008.00 | $ 45,008.00 |

**Comments**

Given the secondary cosmetic nature of the common area stairway interiors, third party painting is typically completed on a longer life cycle than interior painting of common rooms, hallways, etc. Life cycles in the mid-10 to 30+ year range have been observed; at the association's request and sole discretion, this expense was forecast in 2021. A recurring 25 year life cycle was scheduled thereafter. The current cost estimate was included at the association's request and sole discretion, and is based on a single contractor's proposal obtained in 2018.



### Paint/Waterproof Building Exteriors

| | | | |
|---|---|---|---|
| **Item Number** | 1 | **Measurement Basis** | units |
| **Type** | Common Area | **Estimated Useful Life** | 8 Years |
| **Category** | Painting & Waterproofing | **Basis Cost** | 4,144.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0001 | | 06/01/2016 | 06/01/2024 | 4:05 | 8:00 | 60 | 248,640.00 | 248,640.00 |
| | | | | | | | $ 248,640.00 | $ 248,640.00 |

**Comments**

To insure proper protection of the underlying concrete, stucco, wood and metal surfaces, the market reflects a maximum 7 year useful life for exterior painting & waterproofing (in lieu of an association purchased longer year warranty). This project was reportedly completed in 2016, and an 8 year warranty purchase; a 2024 expense date was scheduled accordingly. The current average per dwelling unit cost estimate includes typical minor concrete/stucco repairs, surface preparation, as needed window/sliding glass door caulking and control joints restoration, and painting/refinishing of all exterior concrete, stucco, wood and metal surfaces (including railings and window/slider frames).

A determination of the condition of the exterior structural/concrete/stucco systems is beyond the scope of this report. While it is certain that some measure of structural/concrete/stucco restoration will be necessary in any property of the subject's design and construction with exposure to the ocean elements, it is very difficult to quantify budgetary costs and remaining useful lives. Costs can range from as low as $5,000 per unit to over $60,000 per unit, and useful lives can range from as low as roughly 15 years to over 40 years. It is our market observation that very few associations establish and fund major structural/concrete/stucco restoration reserves, given the relative uncertainty of cost and useful life; it is much more common for these upgrades to be funded (at least partially) via special assessment. No reserves for structural/concrete/stucco restoration were included in this report. Should the association wish to include reserves for structural/concrete/stucco restoration, a budgetary funding goal and useful life cycle would need to be provided.

**Asphalt Paving, Replacement**

| | | | |
|---|---|---|---|
| **Item Number** | 19 | **Measurement Basis** | sq yds |
| **Type** | Common Area | **Estimated Useful Life** | 24 Years |
| **Category** | Parking Garage/Paving | **Basis Cost** | 20.39 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0019 | | 07/01/2003 | 08/01/2023 | 3:07 | 20:01 | 1,230 | 25,079.70 | 25,079.70 |
| | | | | | | | $ 25,079.70 | $ 25,079.70 |

**Comments**

We have observed life cycles of less than 15 years, to 25+ years, for asphalt overlay projects, assuming proper design, installation and routine maintenance. The existing asphalt was installed in mid-2003, and observed to be in fair to average overall condition; replacement was scheduled in 2023, accordingly. The current unit cost estimate includes milling/removal of the existing asphalt paving, typical minor repairs to the underlying pavement subbase and drainage systems, installation of new asphalt paving, curb stops replacement, and re-striping. The paved area is a rounded estimate.

Under normal conditions, total replacement of concrete paving (sidewalks, curbing, gutters, etc.) should not be necessary at any one given time. It is our market observation that while some associations do establish and fund contingency reserves for concrete paving repairs, many prefer to fund as needed repairs through their annual operating budgets, as a function of routine maintenance. No reserves for concrete paving were included in this report.

### Asphalt Paving, Sealcoat/Rejuvenation

| | | | |
|---|---|---|---|
| **Item Number** | 20 | **Measurement Basis** | sq yds |
| **Type** | Common Area | **Estimated Useful Life** | 4 Years |
| **Category** | Parking Garage/Paving | **Basis Cost** | 2.58 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0020 | | 07/01/2003 | 08/01/2020 | 0:07 | 17:01 | 1,230 | 3,173.40 | 3,173.40 |
| | | | | | | | $ 3,173.40 | $ 3,173.40 |

**Comments**

Some associations are of the opinion that sealcoating/rejuvenation of asphalt serves as not only a cosmetic upgrade; it also insures minimal moisture intrusion into the underlying pavement structure. Without a proper moisture barrier, premature deterioration in the form of potholes, etc. can occur, causing the need for more frequent (and costly) asphalt overlays. Others consider this project to be strictly cosmetic, and forego. It appears that this project has been completed at the subject property, and a reserve line item included accordingly. The market reflects a typical useful life of 3-4 years for this upgrade. The current cost estimate includes typical minor pavement repairs and re-striping. Based on the observed condition of this paving, and given that there were no reported plans to complete this project in 2019, we have forecast the next sealcoating project for summer 2020.

## Carports/Walkways Canopies

| | | | |
|---|---|---|---|
| **Item Number** | 21 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 40 Years |
| **Category** | Parking Garage/Paving | **Basis Cost** | 21.48 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0021 | | 06/01/1969 | 01/01/2026 | 6:00 | 56:07 | 11,000 | 236,280.00 | 236,280.00 |
| | | | | | | | $ 236,280.00 | $ 236,280.00 |

**Comments**

The dates of install of the metal carports was not confirmed; based on our inspection, it appears that at least portions of the ground level carports may be original to the property, while the parking deck carports appear to have been replaced/installed since that time. At some point in the foreseeable future, the association should expect to incur costs for replacement of the metal carports/walkway covers. We have observed life cycles in the 30-40 year range. We have designed this reserve to provide monies for as needed repairs to and eventual replacement over the next 5-10 years. We reserve the right to modify this report upon confirmation of the factual placed in service date(s). The total area is a rounded estimate.

**Parking Garage, Lighting**

| | | | |
|---|---|---|---|
| **Item Number** | 41 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 20 Years |
| **Category** | Parking Garage/Paving | **Basis Cost** | 7,000.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0041 | | 01/01/2002 | 01/01/2022 | 2:00 | 20:00 | 1 | 7,000.00 | 7,000.00 |
| | | | | | | | $ 7,000.00 | $ 7,000.00 |

**Comments**

The association's fiscal year 2019 reserve budget includes a $7,000 allowance identified as Parking-Electric, which is reportedly designed to provide monies for lighting replacements in/at the parking garage. The expected expense date is 2022, and we have scheduled accordingly.

### Parking Garage, Traffic Coating/Decking

| | | | |
|---|---|---|---|
| **Item Number** | 23 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 11 Years |
| **Category** | Parking Garage/Paving | **Basis Cost** | 7.88 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0023 | | 10/01/2019 | 10/01/2030 | 10:09 | 11:00 | 7,700 | 60,676.00 | 60,676.00 |
| | | | | | | | $ 60,676.00 | $ 60,676.00 |

**Comments**

Life cycle in the 10-13 year range have been observed for replacement of waterproof traffic coating/decking atop parking decks. The association expects to complete this project in 2019, and a 2030 expense date forecast accordingly. The current cost estimate includes removal of the existing decking, typical minor repairs to the underlying concrete, installation of similar decking materials and re-striping. The total area is a rounded estimate.

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Full Detail

**Plumbing, Stack Cleaning**

| | | | |
|---|---|---|---|
| **Item Number** | 42 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 5 Years |
| **Category** | Plumbing | **Basis Cost** | 18,000.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0042 | | 03/01/2019 | 03/01/2024 | 4:02 | 5:00 | 1 | 18,000.00 | 18,000.00 |
| | | | | | | | $ 18,000.00 | $ 18,000.00 |

**Comments**

Under normal conditions, total replacement of the common area plumbing lines/piping should not be necessary at any one given time. Therefore, it is our opinion that reserving for total replacement is not prudent or practical, which is supported by our review of reserve budgets at similar properties. While some associations do establish and fund contingency reserves for unpredictable and expected common area plumbing repairs, other associations prefer to fund unforeseen common area plumbing repairs (at least partially) via special assessment.

The association's fiscal year 2019 reserve budget includes a line item identified as Stack Cleaning, with a $12,000 current cost estimate and expected 5 year life cycle. This expense was forecast again in 2024, accordingly. We have not gleaned adequate actual market data by which the reasonableness of these cost/useful life estimates can be reconciled. As such, this reserve was included at the association's sole discretion.

### Plumbing, Stack Replacement

| | | | |
|---|---|---|---|
| **Item Number** | 43 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 30 Years |
| **Category** | Plumbing | **Basis Cost** | 285,000.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0043 | | 01/01/2010 | 01/01/2040 | 20:00 | 30:00 | 1 | 285,000.00 | 285,000.00 |
| | | | | | | | $ 285,000.00 | $ 285,000.00 |

**Comments**

A determination of the design/construction quality and/or condition of the plumbing systems/infrastructure is beyond the scope of this report. The previously provided 2015 reserve budget suggested that a major plumbing stack restoration/replacement project was completed in 2010. This reflects a +/- 41 year useful life; this falls generally in line with other older tower buildings we have observed, which reflect useful lives in the 30-40 year range for some measure of major plumbing/stack restoration/replacement. The association expects to incur a cost on the order of $50,000 in 2019 for stack lining/repairs.

We have not observed enough actual market data by which unit costs can be estimated for this project, and it appears that costs can vary widely, and are essentially property specific. Therefore, the 30 year life cycle, $285,000 current cost estimate, and 2040 expense date were included at the association's prior request and sole discretion. Actual costs and time frames may vary, perhaps widely, from these estimates.

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Item Parameters - Full Detail

### Pool Deck Furniture

| | | | |
|---|---|---|---|
| **Item Number** | 34 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Pool | **Basis Cost** | 7,000.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0034 | | 06/01/2018 | 06/01/2028 | 8:05 | 10:00 | 1 | 7,000.00 | 7,000.00 |
| | | | | | | | $ 7,000.00 | $ 7,000.00 |

**Comments**

While minor additions/replacements can be expected from time to time, and assuming periodic as needed re-slinging and/or refinishing as a function of routine maintenance, most associations complete pool deck furniture inventory replacements on a +/- 10 year life cycle. The next major replacement was forecast in 2028, accordingly. The current cost estimate is an order of magnitude figure based on actual costs incurred during the 2018 replacement project. This cost does not include the concrete tables/benches, which are not considered short lived in nature.

### Pool Decking

| | | | |
|---|---|---|---|
| **Item Number** | 32 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 25 Years |
| **Category** | Pool | **Basis Cost** | 9.10 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0032 | | 06/01/1995 | 01/01/2022 | 2:00 | 26:07 | 2,400 | 21,840.00 | 21,840.00 |
| | | | | | | | $ 21,840.00 | $ 21,840.00 |

**Comments**

Some associations consider paver parking and drives, sidewalks, pool and spa decks, etc. to be effectively permanent, and opt to exclude replacement from their annual reserve budgets. Others do establish and fund reserves, on observed budgetary life cycles of 20-40 years. It is our opinion that reserving for eventual replacement is prudent, if only for cosmetic purposes; we have observed older pavers that appear worn and dated, even with periodic pressure washing and/or sealing. The association expects to complete this project in 2021/2022 after construction of the adjacent tower building/property is completed, and the remaining useful life adjusted accordingly. The total area is a rounded estimate, and includes the walkway from the lobby entry.

### Pool Equipment Allowance

| | | | |
|---|---|---|---|
| **Item Number** | 18 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Pool | **Basis Cost** | 5,000.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0018 | | 06/01/2015 | 06/01/2025 | 5:05 | 10:00 | 1 | 5,000.00 | 5,000.00 |
| | | | | | | | $ 5,000.00 | $ 5,000.00 |

**Comments**

Under normal conditions, total replacement of pool and spa equipment inventories (pumps, motors, chlorination systems, filters, heaters, etc.) should not be necessary at any one given time. As such, reserving for total replacement is not considered prudent or practical. This is supported by our review of reserve budgets at similar properties; while some associations establish and fund contingency reserves for as needed repair/replacement costs, others prefer to fund incidental expenses through their annual operating budgets, as a function of routine maintenance. For the association's consideration, we have included a nominal allowance to provide monies for as needed pool equipment replacements over a recurring 10 year life cycle. This fund is a projection only; actual costs and time frames may vary from these estimates.

## Pool Heater (Electric)

| | | | |
|---|---|---|---|
| **Item Number** | 47 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 9 Years |
| **Category** | Pool | **Basis Cost** | 4,390.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0047 | | 12/01/2015 | 12/01/2024 | 4:11 | 9:00 | 1 | 4,390.00 | 4,390.00 |
| | | | | | | | $ 4,390.00 | $ 4,390.00 |

**Comments**

Separate line items were included for periodic replacement of the two pool heaters, given their differing types and purchase/installation dates. Life cycles in the 7-10 year range have been observed, assuming proper and routine maintenance. Each was scheduled for replacement on a recurring 9 year life cycle, accordingly.

### Pool Heater (Gas)

| | | | |
|---|---|---|---|
| **Item Number** | 48 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 9 Years |
| **Category** | Pool | **Basis Cost** | 3,900.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Fixed | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0048 | | 03/01/2017 | 03/01/2026 | 6:02 | 9:00 | 1 | 3,900.00 | 3,900.00 |
| | | | | | | | $ 3,900.00 | $ 3,900.00 |

**Comments**

Separate line items were included for periodic replacement of the two pool heaters, given their differing types and purchase/installation dates. Life cycles in the 7-10 year range have been observed, assuming proper and routine maintenance. Each was scheduled for replacement on a recurring 9 year life cycle, accordingly.

# Item Parameters - Full Detail

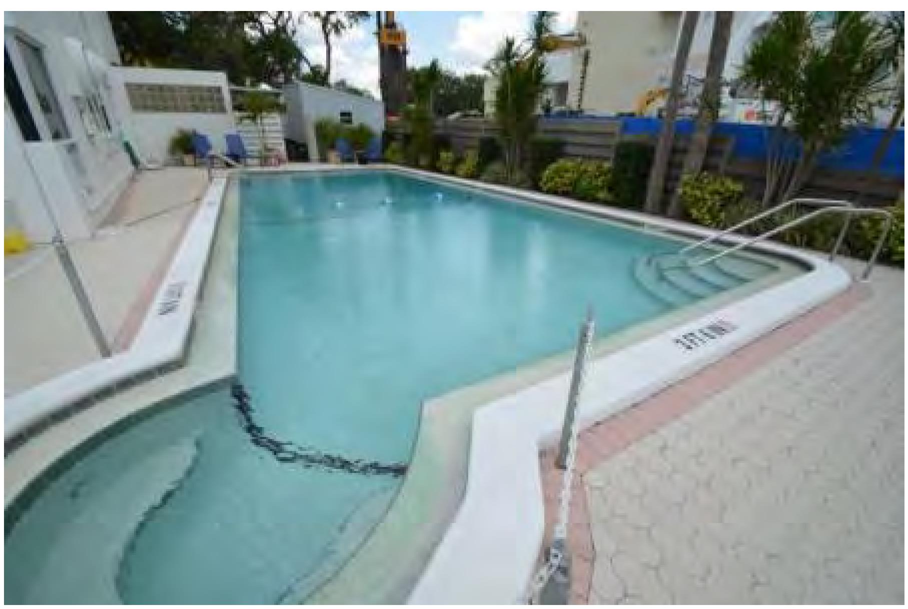
## Pool Interiors

| | | | |
|---|---|---|---|
| **Item Number** | 33 | **Measurement Basis** | sq ft |
| **Type** | Common Area | **Estimated Useful Life** | 12 Years |
| **Category** | Pool | **Basis Cost** | 17.70 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0033 | | 11/01/2004 | 01/01/2022 | 2:00 | 17:02 | 880 | 15,576.00 | 15,576.00 |
| | | | | | | | $ 15,576.00 | $ 15,576.00 |

**Comments**

Assuming proper installation, chemical balancing, and routine maintenance, interior resurfacing of standard concrete pools with marcite or aggregate interior finishes should be expected on a life cycle in the 10 to mid-10 year range; properties of similar quality tend towards the lower end of that range. The most recent resurfacing project was completed in fall 2004, reflecting an actual age of +/- 15 years. **At the association's request and sole discretion, the remaining useful life was adjusted to reflect a 2021/2022 expense date, to be completed after the neighboring tower/property is constructed. This would reflect an expected useful life of 17+ years, which is beyond the observed market range. This adjustment may result in higher maintenance/resurfacing costs and/or a poorer cosmetic appeal.** The current per square foot of surface area cost estimate includes typical minor tank/structural repairs, tile upgrades and/or replacements, and installation of new aggregate surface materials (i.e. "diamond brite", "pebble crete", etc.).



### Roofing, Entry Canopies

| | | | |
|---|---|---|---|
| **Item Number** | 50 | **Measurement Basis** | lp sm |
| **Type** | Common Area | **Estimated Useful Life** | 20 Years |
| **Category** | Roofing | **Basis Cost** | 10,550.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0050 | | 06/01/1996 | 09/01/2020 | 0:08 | 24:03 | 1 | 10,550.00 | 10,550.00 |
| | | | | | | | $ 10,550.00 | $ 10,550.00 |

### Comments

This reserve refers to replacement of the small flat roof areas above the front and rear tower entries, which were assumed to have been installed in 1996. Based on an expected useful life in the +/- 20 year range for this type of roofing, and given that there were no reported plans to replace in 2019, a summer 2020 expense date was scheduled. The current cost estimate is based on the approximate square footages of these roof areas and a replacement cost estimate procured by the association in 2018.

### Roofing, Tower - Coating

| | | | |
|---|---|---|---|
| **Item Number** | 49 | **Measurement Basis** | sqs |
| **Type** | Common Area | **Estimated Useful Life** | 10 Years |
| **Category** | Roofing | **Basis Cost** | 400.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | One Time | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0049 | | 06/01/2017 | 06/01/2027 | 7:05 | 10:00 | 88.6 | 35,440.00 | 35,440.00 |
| | | | | | | | $ 35,440.00 | $ 35,440.00 |

**Comments**

At the association's request and sole discretion, a roof coating expense was forecast in 2027. The current cost estimate is an order of magnitude figure based on actual costs incurred during the 2017 project completion date. Because roof replacement was scheduled in 2037, the 2027 roof coating project was included as a onetime, non-recurring expense.

### Roofing, Tower - Replacement

| | | | |
|---|---|---|---|
| **Item Number** | 9 | **Measurement Basis** | sqs |
| **Type** | Common Area | **Estimated Useful Life** | 20 Years |
| **Category** | Roofing | **Basis Cost** | 2,840.00 |
| **Tracking** | Logistical | **Salvage Value** | $ 0.00 |
| **Method** | Adjusted | | |

| Code | Desc. | Service Date | Replace Date | Rem Life | Adj Life | Quantity | Current Cost | Future Cost |
|---|---|---|---|---|---|---|---|---|
| 910-000-0009 | | 06/01/1996 | 06/01/2037 | 17:05 | 41:00 | 88.6 | 251,624.00 | 251,624.00 |
| | | | | | | | $ 251,624.00 | $ 251,624.00 |

**Comments**

Data gleaned from both within and outside the local market area reflects a probable life cycle in the +/- 20 year range for a properly designed, installed and maintained flat/membrane roof. Based on its 1996 installation date, as gleaned from the provided fiscal year 2019 reserve budget, the indicated actual age of +/- 23 years. The association installed a 10 year warranty roof coating project in 2017, which suggests that total replacement should not be necessary prior to 2027. At the association's request and sole discretion, a 2027 roof coating project was scheduled, and the remaining useful life adjusted to reflect a 2037 replacement date. This reflects an expected +/- 41 year life cycle for roof replacement, which is well beyond observed market norms. This may result in the need for alternate funding for sooner replacement, and/or higher maintenance costs. The current cost estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, etc. and installation of like roofing. One square = 100 square feet.

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Expenditures

| Category | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Air Conditioning** | | | | | | | | | | |
| AC Units, Elevator Room | | | | | | $ 3,516 | | | | |
| AC Units, Kitchen | 4,842 | | | | | | | | | |
| AC Units, Maintenance | 6,770 | | | | | | | | | |
| AC Units, Men's Room | 4,245 | | | | | | | | | |
| AC Units, Unit 104 | 4,245 | | | | | | | | | |
| Package Unit, Hallways | | | | | | | | 26,770 | | |
| | $ 20,102 | $ 0 | $ 0 | $ 0 | $ 0 | $ 3,516 | $ 0 | $ 26,770 | $ 0 | $ 0 |
| **Common Area Interiors** | | | | | | | | | | |
| Admin. Office Renovation | | $ 5,180 | | | | | | | | |
| Exercise Room/Equipment | 16,000 | | | | | | | | | |
| Hallways, Furnishings/Lighting | | 33,600 | | | | | | | | |
| Lobby Level, Furnishings/Carpet | | 50,875 | | | | | | | | |
| Lobby Level, Restrooms | | | | | | 24,270 | | | | |
| | $ 16,000 | $ 89,655 | $ 0 | $ 0 | $ 0 | $ 24,270 | $ 0 | $ 0 | $ 0 | $ 0 |
| **Mechanical/Electrical** | | | | | | | | | | |
| Domestic Water Pumps/Equipment | | | | | | | | | | $ 24,595 |
| Fire Alarm System Modernization | | | | | | | | | | 122,400 |
| Security, Access Control/Keypads | | | | | 10,950 | | | | | |
| Security, Video Surveillance | | | | | | | | 14,796 | | |
| Trash Chute | | | | | 50,250 | | | | | |
| | $ 0 | $ 0 | $ 0 | $ 0 | $ 61,200 | $ 0 | $ 0 | $ 14,796 | $ 0 | $ 146,995 |
| **Painting & Waterproofing** | | | | | | | | | | |
| Paint Stairway Interiors | | $ 45,008 | | | | | | | | |
| Paint/Waterproof Building Exteriors | | | | | 248,640 | | | | | |
| | $ 0 | $ 45,008 | $ 0 | $ 0 | $ 248,640 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |

## Expenditures

| Category | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Parking Garage/Paving** | | | | | | | | | | |
| Asphalt Paving, Replacement | | | | $ 25,079 | | | | | | |
| Asphalt Paving, Sealcoat/Rejuvenation | 3,173 | | | | 3,173 | | | | 3,173 | |
| Carports/Walkways Canopies | | | | | | | 236,280 | | | |
| Parking Garage, Lighting | | | 7,000 | | | | | | | |
| | $ 3,173 | $ 0 | $ 7,000 | $ 25,079 | $ 3,173 | $ 0 | $ 236,280 | $ 0 | $ 3,173 | $ 0 |
| **Plumbing** | | | | | | | | | | |
| Plumbing, Stack Cleaning | | | | | $ 18,000 | | | | | $ 18,000 |
| | $ 0 | $ 0 | $ 0 | $ 0 | $ 18,000 | $ 0 | $ 0 | $ 0 | $ 0 | $ 18,000 |
| **Pool** | | | | | | | | | | |
| Pool Deck Furniture | | | | | | | | | $ 7,000 | |
| Pool Decking | | | 21,840 | | | | | | | |
| Pool Equipment Allowance | | | | | | 5,000 | | | | |
| Pool Heater (Electric) | | | | | 4,390 | | | | | |
| Pool Heater (Gas) | | | | | | | 3,900 | | | |
| Pool Interiors | | | 15,576 | | | | | | | |
| | $ 0 | $ 0 | $ 37,416 | $ 0 | $ 4,390 | $ 5,000 | $ 3,900 | $ 0 | $ 7,000 | $ 0 |
| **Roofing** | | | | | | | | | | |
| Roofing, Entry Canopies | $ 10,550 | | | | | | | | | |
| Roofing, Tower - Coating | | | | | | | | 35,440 | | |
| | $ 10,550 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 35,440 | $ 0 | $ 0 |
| | $ 49,825 | $ 134,663 | $ 44,416 | $ 25,079 | $ 335,403 | $ 32,786 | $ 240,180 | $ 77,006 | $ 10,173 | $ 164,995 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Expenditures

| Category | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Air Conditioning** | | | | | | | | | | |
| AC Units, Elevator Room | | | | | | $ 3,516 | | | | |
| AC Units, Kitchen | 4,842 | | | | | | | | | |
| AC Units, Maintenance | 6,770 | | | | | | | | | |
| AC Units, Men's Room | 4,245 | | | | | | | | | |
| AC Units, Unit 104 | 4,245 | | | | | | | | | |
| Package Unit, Hallways | | | | | | | | | 26,770 | |
| | $ 20,102 | $ 0 | $ 0 | $ 0 | $ 0 | $ 3,516 | $ 0 | $ 0 | $ 26,770 | $ 0 |
| **Common Area Interiors** | | | | | | | | | | |
| Admin. Office Renovation | | | | | | $ 5,180 | | | | |
| Exercise Room/Equipment | 16,000 | | | | | | | | | |
| Hallways, Flooring | | | | | | 4,316 | | | | |
| Hallways, Furnishings/Lighting | | | | | | 33,600 | | | | |
| Hallways, Wall/Door Finishes | | 24,783 | 24,783 | | | | | | | |
| Lobby Level, Furnishings/Carpet | | | | | | 50,875 | | | | |
| Lobby Level, Renovation Allowance | | | | | | 240,500 | | | | |
| Lobby Level, Wall/Door Finishes | | | | 8,664 | | | | | | |
| | $ 16,000 | $ 24,783 | $ 24,783 | $ 8,664 | $ 0 | $ 334,471 | $ 0 | $ 0 | $ 0 | $ 0 |
| **Mechanical/Electrical** | | | | | | | | | | |
| Elevator Mechanical Modernization | | | | | $ 244,300 | | | | | |
| Generator/Equipment | | 62,835 | | | | | | | | |
| Security, Access Control/Keypads | | | | | 10,950 | | | | | |
| Security, Video Surveillance | | | | | | | | | 14,796 | |
| | $ 0 | $ 62,835 | $ 0 | $ 0 | $ 255,250 | $ 0 | $ 0 | $ 0 | $ 14,796 | $ 0 |
| **Painting & Waterproofing** | | | | | | | | | | |
| Paint/Waterproof Building Exteriors | | | $ 248,640 | | | | | | | |
| | $ 0 | $ 0 | $ 248,640 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Expenditures

| Category | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Parking Garage/Paving** | | | | | | | | | | |
| Asphalt Paving, Sealcoat/Rejuvenation | | | $ 3,173 | | | | $ 3,173 | | | |
| Parking Garage, Traffic Coating/Decking | 60,676 | | | | | | | | | |
| | $ 60,676 | $ 0 | $ 3,173 | $ 0 | $ 0 | $ 0 | $ 3,173 | $ 0 | $ 0 | $ 0 |
| **Plumbing** | | | | | | | | | | |
| Plumbing, Stack Cleaning | | | | | $ 18,000 | | | | | $ 18,000 |
| | $ 0 | $ 0 | $ 0 | $ 0 | $ 18,000 | $ 0 | $ 0 | $ 0 | $ 0 | $ 18,000 |
| **Pool** | | | | | | | | | | |
| Pool Deck Furniture | | | | | | | | | $ 7,000 | |
| Pool Equipment Allowance | | | | | | 5,000 | | | | |
| Pool Heater (Electric) | | | | 4,390 | | | | | | |
| Pool Heater (Gas) | | | | | | 3,900 | | | | |
| Pool Interiors | | | | | 15,576 | | | | | |
| | $ 0 | $ 0 | $ 0 | $ 4,390 | $ 15,576 | $ 8,900 | $ 0 | $ 0 | $ 7,000 | $ 0 |
| **Roofing** | | | | | | | | | | |
| Roofing, Tower - Replacement | | | | | | | | $ 251,624 | | |
| | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 251,624 | $ 0 | $ 0 |
| | $ 96,778 | $ 87,618 | $ 276,596 | $ 13,054 | $ 288,826 | $ 346,887 | $ 3,173 | $ 251,624 | $ 48,566 | $ 18,000 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Expenditures

| Category | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 |
|---|---|---|---|---|---|---|---|---|---|
| **Air Conditioning** | | | | | | | | | |
| AC Units, Elevator Room | | | | | | $ 3,516 | | | |
| AC Units, Kitchen | 4,842 | | | | | | | | |
| AC Units, Maintenance | 6,770 | | | | | | | | |
| AC Units, Men's Room | 4,245 | | | | | | | | |
| AC Units, Unit 104 | 4,245 | | | | | | | | |
| | $ 20,102 | $ 0 | $ 0 | $ 0 | $ 0 | $ 3,516 | $ 0 | $ 0 | $ 0 |
| **Common Area Interiors** | | | | | | | | | |
| Exercise Room/Equipment | $ 16,000 | | | | | | | | |
| Hallways, Flooring | | | | | | 23,400 | 37,440 | | |
| Hallways, Wall/Door Finishes | | | | | | 24,783 | 24,783 | | |
| Lobby Level, Kitchen | | | | 13,837 | | | | | |
| Lobby Level, Wall/Door Finishes | | | | | | | | 8,664 | |
| | $ 16,000 | $ 0 | $ 0 | $ 13,837 | $ 0 | $ 48,183 | $ 62,223 | $ 8,664 | $ 0 |
| **Mechanical/Electrical** | | | | | | | | | |
| Fire Pump/Equipment | | | | | | | | | $ 30,100 |
| Security, Access Control/Keypads | | | | | 10,950 | | | | |
| | $ 0 | $ 0 | $ 0 | $ 0 | $ 10,950 | $ 0 | $ 0 | $ 0 | $ 30,100 |
| **Painting & Waterproofing** | | | | | | | | | |
| Paint/Waterproof Building Exteriors | $ 248,640 | | | | | | | | $ 248,640 |
| | $ 248,640 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 248,640 |
| **Parking Garage/Paving** | | | | | | | | | |
| Asphalt Paving, Replacement | | | | | | | | $ 25,079 | |
| Asphalt Paving, Sealcoat/Rejuvenation | 3,173 | | | | 3,173 | | | | 3,173 |
| Parking Garage, Lighting | | | 7,000 | | | | | | |
| Parking Garage, Traffic Coating/Decking | | 60,676 | | | | | | | |
| | $ 3,173 | $ 60,676 | $ 7,000 | $ 0 | $ 3,173 | $ 0 | $ 0 | $ 25,079 | $ 3,173 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Expenditures

| Category | 2040 | 2041 | 2042 | 2043 | 2044 | 2045 | 2046 | 2047 | 2048 |
|---|---|---|---|---|---|---|---|---|---|
| **Plumbing** | | | | | | | | | |
| Plumbing, Stack Cleaning | | | | | $ 18,000 | | | | |
| Plumbing, Stack Replacement | 285,000 | | | | | | | | |
| | $ 285,000 | $ 0 | $ 0 | $ 0 | $ 18,000 | $ 0 | $ 0 | $ 0 | $ 0 |
| **Pool** | | | | | | | | | |
| Pool Deck Furniture | | | | | | | | | $ 7,000 |
| Pool Decking | | | | | | | | 21,840 | |
| Pool Equipment Allowance | | | | | | 5,000 | | | |
| Pool Heater (Electric) | | | 4,390 | | | | | | |
| Pool Heater (Gas) | | | | | 3,900 | | | | |
| Pool Interiors | | | | | | | 15,576 | | |
| | $ 0 | $ 0 | $ 4,390 | $ 0 | $ 3,900 | $ 5,000 | $ 15,576 | $ 21,840 | $ 7,000 |
| **Roofing** | | | | | | | | | |
| Roofing, Entry Canopies | $ 10,550 | | | | | | | | |
| | $ 10,550 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| | $ 583,465 | $ 60,676 | $ 11,390 | $ 13,837 | $ 36,023 | $ 56,699 | $ 77,799 | $ 55,583 | $ 288,913 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2020 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 308,301.00 | $ 10,565.00 | $ 539.13 | $ 11,015.00 | $ 308,390.13 |
| February | 308,390.13 | 10,565.00 | 548.93 | 0.00 | 319,504.06 |
| March | 319,504.06 | 10,565.00 | 564.66 | 4,245.00 | 326,388.72 |
| April | 326,388.72 | 10,565.00 | 580.42 | 0.00 | 337,534.14 |
| May | 337,534.14 | 10,565.00 | 599.93 | 0.00 | 348,699.07 |
| June | 348,699.07 | 10,565.00 | 619.47 | 0.00 | 359,883.54 |
| July | 359,883.54 | 10,565.00 | 639.04 | 0.00 | 371,087.58 |
| August | 371,087.58 | 10,565.00 | 655.87 | 3,173.40 | 379,135.05 |
| September | 379,135.05 | 10,565.00 | 645.26 | 31,392.00 | 358,953.31 |
| October | 358,953.31 | 10,565.00 | 637.41 | 0.00 | 370,155.72 |
| November | 370,155.72 | 10,565.00 | 657.02 | 0.00 | 381,377.74 |
| December | 381,377.74 | 10,565.00 | 676.66 | 0.00 | 392,619.40 |
| | $ 308,301 | $ 126,780 | $ 7,363 | $ 49,825 | $ 392,619 |

| 2021 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 392,619.40 | $ 10,565.00 | $ 617.88 | $ 89,655.00 | $ 314,147.28 |
| February | 314,147.28 | 10,565.00 | 559.00 | 0.00 | 325,271.28 |
| March | 325,271.28 | 10,565.00 | 578.47 | 0.00 | 336,414.75 |
| April | 336,414.75 | 10,565.00 | 597.97 | 0.00 | 347,577.72 |
| May | 347,577.72 | 10,565.00 | 617.51 | 0.00 | 358,760.23 |
| June | 358,760.23 | 10,565.00 | 597.69 | 45,008.00 | 324,914.92 |
| July | 324,914.92 | 10,565.00 | 577.85 | 0.00 | 336,057.77 |
| August | 336,057.77 | 10,565.00 | 597.35 | 0.00 | 347,220.12 |
| September | 347,220.12 | 10,565.00 | 616.88 | 0.00 | 358,402.00 |
| October | 358,402.00 | 10,565.00 | 636.45 | 0.00 | 369,603.45 |
| November | 369,603.45 | 10,565.00 | 656.05 | 0.00 | 380,824.50 |
| December | 380,824.50 | 10,565.00 | 675.69 | 0.00 | 392,065.19 |
| | $ 392,619 | $ 126,780 | $ 7,328 | $ 134,663 | $ 392,065 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2022 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 392,065.19 | $ 10,565.00 | $ 656.49 | $ 44,416.00 | $ 358,870.68 |
| February | 358,870.68 | 10,565.00 | 637.27 | 0.00 | 370,072.95 |
| March | 370,072.95 | 10,565.00 | 656.87 | 0.00 | 381,294.82 |
| April | 381,294.82 | 10,565.00 | 676.51 | 0.00 | 392,536.33 |
| May | 392,536.33 | 10,565.00 | 696.18 | 0.00 | 403,797.51 |
| June | 403,797.51 | 10,565.00 | 715.89 | 0.00 | 415,078.40 |
| July | 415,078.40 | 10,565.00 | 735.63 | 0.00 | 426,379.03 |
| August | 426,379.03 | 10,565.00 | 755.41 | 0.00 | 437,699.44 |
| September | 437,699.44 | 10,565.00 | 775.22 | 0.00 | 449,039.66 |
| October | 449,039.66 | 10,565.00 | 795.06 | 0.00 | 460,399.72 |
| November | 460,399.72 | 10,565.00 | 814.94 | 0.00 | 471,779.66 |
| December | 471,779.66 | 10,565.00 | 834.86 | 0.00 | 483,179.52 |
| | $ 392,065 | $ 126,780 | $ 8,750 | $ 44,416 | $ 483,179 |

| 2023 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 483,179.52 | $ 10,565.00 | $ 854.81 | $ 0.00 | $ 494,599.33 |
| February | 494,599.33 | 10,565.00 | 874.79 | 0.00 | 506,039.12 |
| March | 506,039.12 | 10,565.00 | 894.81 | 0.00 | 517,498.93 |
| April | 517,498.93 | 10,565.00 | 914.87 | 0.00 | 528,978.80 |
| May | 528,978.80 | 10,565.00 | 934.96 | 0.00 | 540,478.76 |
| June | 540,478.76 | 10,565.00 | 955.08 | 0.00 | 551,998.84 |
| July | 551,998.84 | 10,565.00 | 975.24 | 0.00 | 563,539.08 |
| August | 563,539.08 | 10,565.00 | 973.49 | 25,079.70 | 549,997.87 |
| September | 549,997.87 | 10,565.00 | 971.74 | 0.00 | 561,534.61 |
| October | 561,534.61 | 10,565.00 | 991.93 | 0.00 | 573,091.54 |
| November | 573,091.54 | 10,565.00 | 1,012.15 | 0.00 | 584,668.69 |
| December | 584,668.69 | 10,565.00 | 1,032.41 | 0.00 | 596,266.10 |
| | $ 483,179 | $ 126,780 | $ 11,386 | $ 25,079 | $ 596,266 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2024 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 596,266.10 | $ 10,565.00 | $ 1,052.71 | $ 0.00 | $ 607,883.81 |
| February | 607,883.81 | 10,565.00 | 1,073.04 | 0.00 | 619,521.85 |
| March | 619,521.85 | 10,565.00 | 1,077.66 | 18,000.00 | 613,164.51 |
| April | 613,164.51 | 10,565.00 | 1,082.28 | 0.00 | 624,811.79 |
| May | 624,811.79 | 10,565.00 | 1,102.67 | 0.00 | 636,479.46 |
| June | 636,479.46 | 10,565.00 | 861.55 | 298,890.00 | 349,016.01 |
| July | 349,016.01 | 10,565.00 | 620.02 | 0.00 | 360,201.03 |
| August | 360,201.03 | 10,565.00 | 627.24 | 14,123.40 | 357,269.87 |
| September | 357,269.87 | 10,565.00 | 634.47 | 0.00 | 368,469.34 |
| October | 368,469.34 | 10,565.00 | 654.07 | 0.00 | 379,688.41 |
| November | 379,688.41 | 10,565.00 | 673.70 | 0.00 | 390,927.11 |
| December | 390,927.11 | 10,565.00 | 689.53 | 4,390.00 | 397,791.64 |
| | $ 596,266 | $ 126,780 | $ 10,148 | $ 335,403 | $ 397,791 |

| 2025 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 397,791.64 | $ 10,565.00 | $ 705.38 | $ 0.00 | $ 409,062.02 |
| February | 409,062.02 | 10,565.00 | 722.03 | 3,516.00 | 416,833.05 |
| March | 416,833.05 | 10,565.00 | 738.70 | 0.00 | 428,136.75 |
| April | 428,136.75 | 10,565.00 | 758.48 | 0.00 | 439,460.23 |
| May | 439,460.23 | 10,565.00 | 778.30 | 0.00 | 450,803.53 |
| June | 450,803.53 | 10,565.00 | 772.54 | 29,270.00 | 432,871.07 |
| July | 432,871.07 | 10,565.00 | 766.77 | 0.00 | 444,202.84 |
| August | 444,202.84 | 10,565.00 | 786.60 | 0.00 | 455,554.44 |
| September | 455,554.44 | 10,565.00 | 806.46 | 0.00 | 466,925.90 |
| October | 466,925.90 | 10,565.00 | 826.36 | 0.00 | 478,317.26 |
| November | 478,317.26 | 10,565.00 | 846.30 | 0.00 | 489,728.56 |
| December | 489,728.56 | 10,565.00 | 866.27 | 0.00 | 501,159.83 |
| | $ 397,791 | $ 126,780 | $ 9,374 | $ 32,786 | $ 501,159 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2026 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 501,159.83 | $ 10,565.00 | $ 679.53 | $ 236,280.00 | $ 276,124.36 |
| February | 276,124.36 | 10,565.00 | 492.46 | 0.00 | 287,181.82 |
| March | 287,181.82 | 10,565.00 | 508.40 | 3,900.00 | 294,355.22 |
| April | 294,355.22 | 10,565.00 | 524.37 | 0.00 | 305,444.59 |
| May | 305,444.59 | 10,565.00 | 543.77 | 0.00 | 316,553.36 |
| June | 316,553.36 | 10,565.00 | 563.21 | 0.00 | 327,681.57 |
| July | 327,681.57 | 10,565.00 | 582.69 | 0.00 | 338,829.26 |
| August | 338,829.26 | 10,565.00 | 602.20 | 0.00 | 349,996.46 |
| September | 349,996.46 | 10,565.00 | 621.74 | 0.00 | 361,183.20 |
| October | 361,183.20 | 10,565.00 | 641.31 | 0.00 | 372,389.51 |
| November | 372,389.51 | 10,565.00 | 660.93 | 0.00 | 383,615.44 |
| December | 383,615.44 | 10,565.00 | 680.57 | 0.00 | 394,861.01 |
| | $ 501,159 | $ 126,780 | $ 7,101 | $ 240,180 | $ 394,861 |

| 2027 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 394,861.01 | $ 10,565.00 | $ 700.25 | $ 0.00 | $ 406,126.26 |
| February | 406,126.26 | 10,565.00 | 719.97 | 0.00 | 417,411.23 |
| March | 417,411.23 | 10,565.00 | 716.29 | 26,770.00 | 401,922.52 |
| April | 401,922.52 | 10,565.00 | 712.61 | 0.00 | 413,200.13 |
| May | 413,200.13 | 10,565.00 | 732.34 | 0.00 | 424,497.47 |
| June | 424,497.47 | 10,565.00 | 708.16 | 50,236.00 | 385,534.63 |
| July | 385,534.63 | 10,565.00 | 683.93 | 0.00 | 396,783.56 |
| August | 396,783.56 | 10,565.00 | 703.62 | 0.00 | 408,052.18 |
| September | 408,052.18 | 10,565.00 | 723.34 | 0.00 | 419,340.52 |
| October | 419,340.52 | 10,565.00 | 743.09 | 0.00 | 430,648.61 |
| November | 430,648.61 | 10,565.00 | 762.88 | 0.00 | 441,976.49 |
| December | 441,976.49 | 10,565.00 | 782.70 | 0.00 | 453,324.19 |
| | $ 394,861 | $ 126,780 | $ 8,689 | $ 77,006 | $ 453,324 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2028 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 453,324.19 | $ 10,565.00 | $ 802.56 | $ 0.00 | $ 464,691.75 |
| February | 464,691.75 | 10,565.00 | 822.45 | 0.00 | 476,079.20 |
| March | 476,079.20 | 10,565.00 | 842.38 | 0.00 | 487,486.58 |
| April | 487,486.58 | 10,565.00 | 862.35 | 0.00 | 498,913.93 |
| May | 498,913.93 | 10,565.00 | 882.34 | 0.00 | 510,361.27 |
| June | 510,361.27 | 10,565.00 | 896.25 | 7,000.00 | 514,822.52 |
| July | 514,822.52 | 10,565.00 | 910.18 | 0.00 | 526,297.70 |
| August | 526,297.70 | 10,565.00 | 927.49 | 3,173.40 | 534,616.79 |
| September | 534,616.79 | 10,565.00 | 944.82 | 0.00 | 546,126.61 |
| October | 546,126.61 | 10,565.00 | 964.97 | 0.00 | 557,656.58 |
| November | 557,656.58 | 10,565.00 | 985.14 | 0.00 | 569,206.72 |
| December | 569,206.72 | 10,565.00 | 1,005.36 | 0.00 | 580,777.08 |
| | $ 453,324 | $ 126,780 | $ 10,846 | $ 10,173 | $ 580,777 |

| 2029 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 580,777.08 | $ 10,565.00 | $ 1,025.60 | $ 0.00 | $ 592,367.68 |
| February | 592,367.68 | 10,565.00 | 1,045.89 | 0.00 | 603,978.57 |
| March | 603,978.57 | 10,565.00 | 1,050.46 | 18,000.00 | 597,594.03 |
| April | 597,594.03 | 10,565.00 | 1,055.03 | 0.00 | 609,214.06 |
| May | 609,214.06 | 10,565.00 | 1,053.85 | 24,595.00 | 596,237.91 |
| June | 596,237.91 | 10,565.00 | 945.56 | 122,400.00 | 485,348.47 |
| July | 485,348.47 | 10,565.00 | 858.60 | 0.00 | 496,772.07 |
| August | 496,772.07 | 10,565.00 | 878.60 | 0.00 | 508,215.67 |
| September | 508,215.67 | 10,565.00 | 898.62 | 0.00 | 519,679.29 |
| October | 519,679.29 | 10,565.00 | 918.68 | 0.00 | 531,162.97 |
| November | 531,162.97 | 10,565.00 | 938.78 | 0.00 | 542,666.75 |
| December | 542,666.75 | 10,565.00 | 958.91 | 0.00 | 554,190.66 |
| | $ 580,777 | $ 126,780 | $ 11,628 | $ 164,995 | $ 554,190 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2030 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 554,190.66 | $ 10,565.00 | $ 969.44 | $ 11,015.00 | $ 554,710.10 |
| February | 554,710.10 | 10,565.00 | 979.99 | 0.00 | 566,255.09 |
| March | 566,255.09 | 10,565.00 | 996.48 | 4,245.00 | 573,571.57 |
| April | 573,571.57 | 10,565.00 | 1,012.99 | 0.00 | 585,149.56 |
| May | 585,149.56 | 10,565.00 | 1,033.26 | 0.00 | 596,747.82 |
| June | 596,747.82 | 10,565.00 | 1,053.55 | 0.00 | 608,366.37 |
| July | 608,366.37 | 10,565.00 | 1,073.89 | 0.00 | 620,005.26 |
| August | 620,005.26 | 10,565.00 | 1,094.25 | 0.00 | 631,664.51 |
| September | 631,664.51 | 10,565.00 | 1,096.42 | 20,842.00 | 622,483.93 |
| October | 622,483.93 | 10,565.00 | 1,045.50 | 60,676.00 | 573,418.43 |
| November | 573,418.43 | 10,565.00 | 1,012.73 | 0.00 | 584,996.16 |
| December | 584,996.16 | 10,565.00 | 1,032.99 | 0.00 | 596,594.15 |
| | $ 554,190 | $ 126,780 | $ 12,401 | $ 96,778 | $ 596,594 |

| 2031 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 596,594.15 | $ 10,565.00 | $ 1,053.28 | $ 0.00 | $ 608,212.43 |
| February | 608,212.43 | 10,565.00 | 1,073.62 | 0.00 | 619,851.05 |
| March | 619,851.05 | 10,565.00 | 1,093.98 | 0.00 | 631,510.03 |
| April | 631,510.03 | 10,565.00 | 1,114.39 | 0.00 | 643,189.42 |
| May | 643,189.42 | 10,565.00 | 1,134.83 | 0.00 | 654,889.25 |
| June | 654,889.25 | 10,565.00 | 1,133.62 | 24,783.00 | 641,804.87 |
| July | 641,804.87 | 10,565.00 | 1,132.40 | 0.00 | 653,502.27 |
| August | 653,502.27 | 10,565.00 | 1,152.87 | 0.00 | 665,220.14 |
| September | 665,220.14 | 10,565.00 | 1,173.38 | 0.00 | 676,958.52 |
| October | 676,958.52 | 10,565.00 | 1,193.92 | 0.00 | 688,717.44 |
| November | 688,717.44 | 10,565.00 | 1,159.52 | 62,835.00 | 637,606.96 |
| December | 637,606.96 | 10,565.00 | 1,125.06 | 0.00 | 649,297.02 |
| | $ 596,594 | $ 126,780 | $ 13,540 | $ 87,618 | $ 649,297 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2032 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 649,297.02 | $ 10,565.00 | $ 1,145.51 | $ 0.00 | $ 661,007.53 |
| February | 661,007.53 | 10,565.00 | 1,166.01 | 0.00 | 672,738.54 |
| March | 672,738.54 | 10,565.00 | 1,186.54 | 0.00 | 684,490.08 |
| April | 684,490.08 | 10,565.00 | 1,207.10 | 0.00 | 696,262.18 |
| May | 696,262.18 | 10,565.00 | 1,227.70 | 0.00 | 708,054.88 |
| June | 708,054.88 | 10,565.00 | 1,009.10 | 273,423.00 | 446,205.98 |
| July | 446,205.98 | 10,565.00 | 790.10 | 0.00 | 457,561.08 |
| August | 457,561.08 | 10,565.00 | 807.20 | 3,173.40 | 465,759.88 |
| September | 465,759.88 | 10,565.00 | 824.32 | 0.00 | 477,149.20 |
| October | 477,149.20 | 10,565.00 | 844.26 | 0.00 | 488,558.46 |
| November | 488,558.46 | 10,565.00 | 864.22 | 0.00 | 499,987.68 |
| December | 499,987.68 | 10,565.00 | 884.22 | 0.00 | 511,436.90 |
| | $ 649,297 | $ 126,780 | $ 11,956 | $ 276,596 | $ 511,436 |

| 2033 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 511,436.90 | $ 10,565.00 | $ 904.26 | $ 0.00 | $ 522,906.16 |
| February | 522,906.16 | 10,565.00 | 924.33 | 0.00 | 534,395.49 |
| March | 534,395.49 | 10,565.00 | 944.44 | 0.00 | 545,904.93 |
| April | 545,904.93 | 10,565.00 | 964.58 | 0.00 | 557,434.51 |
| May | 557,434.51 | 10,565.00 | 984.75 | 0.00 | 568,984.26 |
| June | 568,984.26 | 10,565.00 | 1,004.97 | 0.00 | 580,554.23 |
| July | 580,554.23 | 10,565.00 | 1,025.21 | 0.00 | 592,144.44 |
| August | 592,144.44 | 10,565.00 | 1,045.50 | 0.00 | 603,754.94 |
| September | 603,754.94 | 10,565.00 | 1,065.82 | 0.00 | 615,385.76 |
| October | 615,385.76 | 10,565.00 | 1,078.59 | 8,664.00 | 618,365.35 |
| November | 618,365.35 | 10,565.00 | 1,091.38 | 0.00 | 630,021.73 |
| December | 630,021.73 | 10,565.00 | 1,107.94 | 4,390.00 | 637,304.67 |
| | $ 511,436 | $ 126,780 | $ 12,141 | $ 13,054 | $ 637,304 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2034 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 637,304.67 | $ 10,565.00 | $ 1,110.90 | $ 15,576.00 | $ 633,404.57 |
| February | 633,404.57 | 10,565.00 | 1,117.70 | 0.00 | 645,087.27 |
| March | 645,087.27 | 10,565.00 | 1,122.40 | 18,000.00 | 638,774.67 |
| April | 638,774.67 | 10,565.00 | 1,127.10 | 0.00 | 650,466.77 |
| May | 650,466.77 | 10,565.00 | 1,147.56 | 0.00 | 662,179.33 |
| June | 662,179.33 | 10,565.00 | 954.30 | 244,300.00 | 429,398.63 |
| July | 429,398.63 | 10,565.00 | 760.69 | 0.00 | 440,724.32 |
| August | 440,724.32 | 10,565.00 | 770.93 | 10,950.00 | 441,110.25 |
| September | 441,110.25 | 10,565.00 | 781.19 | 0.00 | 452,456.44 |
| October | 452,456.44 | 10,565.00 | 801.04 | 0.00 | 463,822.48 |
| November | 463,822.48 | 10,565.00 | 820.93 | 0.00 | 475,208.41 |
| December | 475,208.41 | 10,565.00 | 840.86 | 0.00 | 486,614.27 |
| | $ 637,304 | $ 126,780 | $ 11,355 | $ 288,826 | $ 486,614 |

| 2035 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 486,614.27 | $ 10,565.00 | $ 571.93 | $ 330,155.00 | $ 167,596.20 |
| February | 167,596.20 | 10,565.00 | 299.46 | 3,516.00 | 174,944.66 |
| March | 174,944.66 | 10,565.00 | 311.99 | 3,900.00 | 181,921.65 |
| April | 181,921.65 | 10,565.00 | 327.61 | 0.00 | 192,814.26 |
| May | 192,814.26 | 10,565.00 | 346.67 | 0.00 | 203,725.93 |
| June | 203,725.93 | 10,565.00 | 357.61 | 9,316.00 | 205,332.54 |
| July | 205,332.54 | 10,565.00 | 368.58 | 0.00 | 216,266.12 |
| August | 216,266.12 | 10,565.00 | 387.71 | 0.00 | 227,218.83 |
| September | 227,218.83 | 10,565.00 | 406.88 | 0.00 | 238,190.71 |
| October | 238,190.71 | 10,565.00 | 426.08 | 0.00 | 249,181.79 |
| November | 249,181.79 | 10,565.00 | 445.31 | 0.00 | 260,192.10 |
| December | 260,192.10 | 10,565.00 | 464.58 | 0.00 | 271,221.68 |
| | $ 486,614 | $ 126,780 | $ 4,714 | $ 346,887 | $ 271,221 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2036 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 271,221.68 | $ 10,565.00 | $ 483.88 | $ 0.00 | $ 282,270.56 |
| February | 282,270.56 | 10,565.00 | 503.22 | 0.00 | 293,338.78 |
| March | 293,338.78 | 10,565.00 | 522.59 | 0.00 | 304,426.37 |
| April | 304,426.37 | 10,565.00 | 541.99 | 0.00 | 315,533.36 |
| May | 315,533.36 | 10,565.00 | 561.43 | 0.00 | 326,659.79 |
| June | 326,659.79 | 10,565.00 | 580.90 | 0.00 | 337,805.69 |
| July | 337,805.69 | 10,565.00 | 600.40 | 0.00 | 348,971.09 |
| August | 348,971.09 | 10,565.00 | 617.17 | 3,173.40 | 356,979.86 |
| September | 356,979.86 | 10,565.00 | 633.96 | 0.00 | 368,178.82 |
| October | 368,178.82 | 10,565.00 | 653.56 | 0.00 | 379,397.38 |
| November | 379,397.38 | 10,565.00 | 673.19 | 0.00 | 390,635.57 |
| December | 390,635.57 | 10,565.00 | 692.86 | 0.00 | 401,893.43 |
| | $ 271,221 | $ 126,780 | $ 7,065 | $ 3,173 | $ 401,893 |

| 2037 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 401,893.43 | $ 10,565.00 | $ 712.56 | $ 0.00 | $ 413,170.99 |
| February | 413,170.99 | 10,565.00 | 732.29 | 0.00 | 424,468.28 |
| March | 424,468.28 | 10,565.00 | 752.06 | 0.00 | 435,785.34 |
| April | 435,785.34 | 10,565.00 | 771.87 | 0.00 | 447,122.21 |
| May | 447,122.21 | 10,565.00 | 791.71 | 0.00 | 458,478.92 |
| June | 458,478.92 | 10,565.00 | 591.41 | 251,624.00 | 218,011.33 |
| July | 218,011.33 | 10,565.00 | 390.76 | 0.00 | 228,967.09 |
| August | 228,967.09 | 10,565.00 | 409.94 | 0.00 | 239,942.03 |
| September | 239,942.03 | 10,565.00 | 429.14 | 0.00 | 250,936.17 |
| October | 250,936.17 | 10,565.00 | 448.38 | 0.00 | 261,949.55 |
| November | 261,949.55 | 10,565.00 | 467.66 | 0.00 | 272,982.21 |
| December | 272,982.21 | 10,565.00 | 486.96 | 0.00 | 284,034.17 |
| | $ 401,893 | $ 126,780 | $ 6,984 | $ 251,624 | $ 284,034 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2038 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 284,034.17 | $ 10,565.00 | $ 506.30 | $ 0.00 | $ 295,105.47 |
| February | 295,105.47 | 10,565.00 | 525.68 | 0.00 | 306,196.15 |
| March | 306,196.15 | 10,565.00 | 521.66 | 26,770.00 | 290,512.81 |
| April | 290,512.81 | 10,565.00 | 517.64 | 0.00 | 301,595.45 |
| May | 301,595.45 | 10,565.00 | 537.04 | 0.00 | 312,697.49 |
| June | 312,697.49 | 10,565.00 | 537.39 | 21,796.00 | 302,003.88 |
| July | 302,003.88 | 10,565.00 | 537.75 | 0.00 | 313,106.63 |
| August | 313,106.63 | 10,565.00 | 557.18 | 0.00 | 324,228.81 |
| September | 324,228.81 | 10,565.00 | 576.64 | 0.00 | 335,370.45 |
| October | 335,370.45 | 10,565.00 | 596.14 | 0.00 | 346,531.59 |
| November | 346,531.59 | 10,565.00 | 615.67 | 0.00 | 357,712.26 |
| December | 357,712.26 | 10,565.00 | 635.24 | 0.00 | 368,912.50 |
| | $ 284,034 | $ 126,780 | $ 6,664 | $ 48,566 | $ 368,912 |

| 2039 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 368,912.50 | $ 10,565.00 | $ 654.84 | $ 0.00 | $ 380,132.34 |
| February | 380,132.34 | 10,565.00 | 674.48 | 0.00 | 391,371.82 |
| March | 391,371.82 | 10,565.00 | 678.40 | 18,000.00 | 384,615.22 |
| April | 384,615.22 | 10,565.00 | 682.32 | 0.00 | 395,862.54 |
| May | 395,862.54 | 10,565.00 | 702.00 | 0.00 | 407,129.54 |
| June | 407,129.54 | 10,565.00 | 721.72 | 0.00 | 418,416.26 |
| July | 418,416.26 | 10,565.00 | 741.47 | 0.00 | 429,722.73 |
| August | 429,722.73 | 10,565.00 | 761.26 | 0.00 | 441,048.99 |
| September | 441,048.99 | 10,565.00 | 781.08 | 0.00 | 452,395.07 |
| October | 452,395.07 | 10,565.00 | 800.94 | 0.00 | 463,761.01 |
| November | 463,761.01 | 10,565.00 | 820.83 | 0.00 | 475,146.84 |
| December | 475,146.84 | 10,565.00 | 840.75 | 0.00 | 486,552.59 |
| | $ 368,912 | $ 126,780 | $ 8,860 | $ 18,000 | $ 486,552 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2040 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 486,552.59 | $ 10,565.00 | $ 601.70 | $ 296,015.00 | $ 201,704.29 |
| February | 201,704.29 | 10,565.00 | 362.23 | 0.00 | 212,631.52 |
| March | 212,631.52 | 10,565.00 | 377.64 | 4,245.00 | 219,329.16 |
| April | 219,329.16 | 10,565.00 | 393.07 | 0.00 | 230,287.23 |
| May | 230,287.23 | 10,565.00 | 412.25 | 0.00 | 241,264.48 |
| June | 241,264.48 | 10,565.00 | 213.90 | 248,640.00 | 3,403.38 |
| July | 3,403.38 | 10,565.00 | 15.20 | 0.00 | 13,983.58 |
| August | 13,983.58 | 10,565.00 | 30.94 | 3,173.40 | 21,406.12 |
| September | 21,406.12 | 10,565.00 | 19.24 | 31,392.00 | 598.36 |
| October | 598.36 | 10,565.00 | 10.29 | 0.00 | 11,173.65 |
| November | 11,173.65 | 10,565.00 | 28.80 | 0.00 | 21,767.45 |
| December | 21,767.45 | 10,565.00 | 47.34 | 0.00 | 32,379.79 |
| | $ 486,552 | $ 126,780 | $ 2,512 | $ 583,465 | $ 32,379 |

| 2041 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 32,379.79 | $ 10,565.00 | $ 65.91 | $ 0.00 | $ 43,010.70 |
| February | 43,010.70 | 10,565.00 | 84.51 | 0.00 | 53,660.21 |
| March | 53,660.21 | 10,565.00 | 103.15 | 0.00 | 64,328.36 |
| April | 64,328.36 | 10,565.00 | 121.82 | 0.00 | 75,015.18 |
| May | 75,015.18 | 10,565.00 | 140.52 | 0.00 | 85,720.70 |
| June | 85,720.70 | 10,565.00 | 159.26 | 0.00 | 96,444.96 |
| July | 96,444.96 | 10,565.00 | 178.02 | 0.00 | 107,187.98 |
| August | 107,187.98 | 10,565.00 | 196.82 | 0.00 | 117,949.80 |
| September | 117,949.80 | 10,565.00 | 215.66 | 0.00 | 128,730.46 |
| October | 128,730.46 | 10,565.00 | 181.43 | 60,676.00 | 78,800.89 |
| November | 78,800.89 | 10,565.00 | 147.15 | 0.00 | 89,513.04 |
| December | 89,513.04 | 10,565.00 | 165.89 | 0.00 | 100,243.93 |
| | $ 32,379 | $ 126,780 | $ 1,760 | $ 60,676 | $ 100,243 |

## Cash Flow - Monthly

| 2042 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 100,243.93 | $ 10,565.00 | $ 178.55 | $ 7,000.00 | $ 103,987.48 |
| February | 103,987.48 | 10,565.00 | 191.22 | 0.00 | 114,743.70 |
| March | 114,743.70 | 10,565.00 | 210.05 | 0.00 | 125,518.75 |
| April | 125,518.75 | 10,565.00 | 228.90 | 0.00 | 136,312.65 |
| May | 136,312.65 | 10,565.00 | 247.79 | 0.00 | 147,125.44 |
| June | 147,125.44 | 10,565.00 | 266.71 | 0.00 | 157,957.15 |
| July | 157,957.15 | 10,565.00 | 285.67 | 0.00 | 168,807.82 |
| August | 168,807.82 | 10,565.00 | 304.66 | 0.00 | 179,677.48 |
| September | 179,677.48 | 10,565.00 | 323.68 | 0.00 | 190,566.16 |
| October | 190,566.16 | 10,565.00 | 342.74 | 0.00 | 201,473.90 |
| November | 201,473.90 | 10,565.00 | 361.82 | 0.00 | 212,400.72 |
| December | 212,400.72 | 10,565.00 | 377.10 | 4,390.00 | 218,952.82 |
| | $ 100,243 | $ 126,780 | $ 3,318 | $ 11,390 | $ 218,952 |

| 2043 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 218,952.82 | $ 10,565.00 | $ 392.41 | $ 0.00 | $ 229,910.23 |
| February | 229,910.23 | 10,565.00 | 411.59 | 0.00 | 240,886.82 |
| March | 240,886.82 | 10,565.00 | 430.80 | 0.00 | 251,882.62 |
| April | 251,882.62 | 10,565.00 | 450.04 | 0.00 | 262,897.66 |
| May | 262,897.66 | 10,565.00 | 469.32 | 0.00 | 273,931.98 |
| June | 273,931.98 | 10,565.00 | 476.52 | 13,837.50 | 271,136.00 |
| July | 271,136.00 | 10,565.00 | 483.73 | 0.00 | 282,184.73 |
| August | 282,184.73 | 10,565.00 | 503.07 | 0.00 | 293,252.80 |
| September | 293,252.80 | 10,565.00 | 522.44 | 0.00 | 304,340.24 |
| October | 304,340.24 | 10,565.00 | 541.84 | 0.00 | 315,447.08 |
| November | 315,447.08 | 10,565.00 | 561.28 | 0.00 | 326,573.36 |
| December | 326,573.36 | 10,565.00 | 580.75 | 0.00 | 337,719.11 |
| | $ 218,952 | $ 126,780 | $ 5,823 | $ 13,837 | $ 337,719 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2044 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 337,719.11 | $ 10,565.00 | $ 600.25 | $ 0.00 | $ 348,884.36 |
| February | 348,884.36 | 10,565.00 | 619.79 | 0.00 | 360,069.15 |
| March | 360,069.15 | 10,565.00 | 620.20 | 21,900.00 | 349,354.35 |
| April | 349,354.35 | 10,565.00 | 620.61 | 0.00 | 360,539.96 |
| May | 360,539.96 | 10,565.00 | 640.19 | 0.00 | 371,745.15 |
| June | 371,745.15 | 10,565.00 | 659.80 | 0.00 | 382,969.95 |
| July | 382,969.95 | 10,565.00 | 679.44 | 0.00 | 394,214.39 |
| August | 394,214.39 | 10,565.00 | 686.76 | 14,123.40 | 391,342.75 |
| September | 391,342.75 | 10,565.00 | 694.09 | 0.00 | 402,601.84 |
| October | 402,601.84 | 10,565.00 | 713.80 | 0.00 | 413,880.64 |
| November | 413,880.64 | 10,565.00 | 733.54 | 0.00 | 425,179.18 |
| December | 425,179.18 | 10,565.00 | 753.31 | 0.00 | 436,497.49 |
| | $ 337,719 | $ 126,780 | $ 8,021 | $ 36,023 | $ 436,497 |

| 2045 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 436,497.49 | $ 10,565.00 | $ 773.11 | $ 0.00 | $ 447,835.60 |
| February | 447,835.60 | 10,565.00 | 789.88 | 3,516.00 | 455,674.48 |
| March | 455,674.48 | 10,565.00 | 806.67 | 0.00 | 467,046.15 |
| April | 467,046.15 | 10,565.00 | 826.58 | 0.00 | 478,437.73 |
| May | 478,437.73 | 10,565.00 | 846.51 | 0.00 | 489,849.24 |
| June | 489,849.24 | 10,565.00 | 819.95 | 53,183.00 | 448,051.19 |
| July | 448,051.19 | 10,565.00 | 793.33 | 0.00 | 459,409.52 |
| August | 459,409.52 | 10,565.00 | 813.21 | 0.00 | 470,787.73 |
| September | 470,787.73 | 10,565.00 | 833.12 | 0.00 | 482,185.85 |
| October | 482,185.85 | 10,565.00 | 853.07 | 0.00 | 493,603.92 |
| November | 493,603.92 | 10,565.00 | 873.05 | 0.00 | 505,041.97 |
| December | 505,041.97 | 10,565.00 | 893.07 | 0.00 | 516,500.04 |
| | $ 436,497 | $ 126,780 | $ 9,921 | $ 56,699 | $ 516,500 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2046 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 516,500.04 | $ 10,565.00 | $ 899.49 | $ 15,576.00 | $ 512,388.53 |
| February | 512,388.53 | 10,565.00 | 905.92 | 0.00 | 523,859.45 |
| March | 523,859.45 | 10,565.00 | 926.00 | 0.00 | 535,350.45 |
| April | 535,350.45 | 10,565.00 | 946.11 | 0.00 | 546,861.56 |
| May | 546,861.56 | 10,565.00 | 966.25 | 0.00 | 558,392.81 |
| June | 558,392.81 | 10,565.00 | 931.99 | 62,223.00 | 507,666.80 |
| July | 507,666.80 | 10,565.00 | 897.66 | 0.00 | 519,129.46 |
| August | 519,129.46 | 10,565.00 | 917.72 | 0.00 | 530,612.18 |
| September | 530,612.18 | 10,565.00 | 937.82 | 0.00 | 542,115.00 |
| October | 542,115.00 | 10,565.00 | 957.95 | 0.00 | 553,637.95 |
| November | 553,637.95 | 10,565.00 | 978.11 | 0.00 | 565,181.06 |
| December | 565,181.06 | 10,565.00 | 998.31 | 0.00 | 576,744.37 |
| | $ 516,500 | $ 126,780 | $ 11,263 | $ 77,799 | $ 576,744 |

| 2047 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 576,744.37 | $ 10,565.00 | $ 999.44 | $ 21,840.00 | $ 566,468.81 |
| February | 566,468.81 | 10,565.00 | 1,000.56 | 0.00 | 578,034.37 |
| March | 578,034.37 | 10,565.00 | 1,020.80 | 0.00 | 589,620.17 |
| April | 589,620.17 | 10,565.00 | 1,041.08 | 0.00 | 601,226.25 |
| May | 601,226.25 | 10,565.00 | 1,061.39 | 0.00 | 612,852.64 |
| June | 612,852.64 | 10,565.00 | 1,081.74 | 0.00 | 624,499.38 |
| July | 624,499.38 | 10,565.00 | 1,102.12 | 0.00 | 636,166.50 |
| August | 636,166.50 | 10,565.00 | 1,100.59 | 25,079.70 | 622,752.39 |
| September | 622,752.39 | 10,565.00 | 1,099.06 | 0.00 | 634,416.45 |
| October | 634,416.45 | 10,565.00 | 1,111.89 | 8,664.00 | 637,429.34 |
| November | 637,429.34 | 10,565.00 | 1,124.75 | 0.00 | 649,119.09 |
| December | 649,119.09 | 10,565.00 | 1,145.20 | 0.00 | 660,829.29 |
| | $ 576,744 | $ 126,780 | $ 12,888 | $ 55,583 | $ 660,829 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Monthly

| 2048 | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| January | $ 660,829.29 | $ 10,565.00 | $ 1,165.70 | $ 0.00 | $ 672,559.99 |
| February | 672,559.99 | 10,565.00 | 1,186.22 | 0.00 | 684,311.21 |
| March | 684,311.21 | 10,565.00 | 1,206.79 | 0.00 | 696,083.00 |
| April | 696,083.00 | 10,565.00 | 1,227.39 | 0.00 | 707,875.39 |
| May | 707,875.39 | 10,565.00 | 1,248.03 | 0.00 | 719,688.42 |
| June | 719,688.42 | 10,565.00 | 1,018.68 | 285,740.00 | 445,532.10 |
| July | 445,532.10 | 10,565.00 | 788.93 | 0.00 | 456,886.03 |
| August | 456,886.03 | 10,565.00 | 806.02 | 3,173.40 | 465,083.65 |
| September | 465,083.65 | 10,565.00 | 823.14 | 0.00 | 476,471.79 |
| October | 476,471.79 | 10,565.00 | 843.07 | 0.00 | 487,879.86 |
| November | 487,879.86 | 10,565.00 | 863.03 | 0.00 | 499,307.89 |
| December | 499,307.89 | 10,565.00 | 883.03 | 0.00 | 510,755.92 |
| | $ 660,829 | $ 126,780 | $ 12,060 | $ 288,913 | $ 510,755 |

## The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Cash Flow - Annual

| Period | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| 01/20 - 12/20 | $ 308,301.00 | $ 126,780.00 | $ 7,363.80 | $ 49,825.40 | $ 392,619.40 |
| 01/21 - 12/21 | 392,619.40 | 126,780.00 | 7,328.79 | 134,663.00 | 392,065.19 |
| 01/22 - 12/22 | 392,065.19 | 126,780.00 | 8,750.33 | 44,416.00 | 483,179.52 |
| 01/23 - 12/23 | 483,179.52 | 126,780.00 | 11,386.28 | 25,079.70 | 596,266.10 |
| 01/24 - 12/24 | 596,266.10 | 126,780.00 | 10,148.94 | 335,403.40 | 397,791.64 |
| 01/25 - 12/25 | 397,791.64 | 126,780.00 | 9,374.19 | 32,786.00 | 501,159.83 |
| 01/26 - 12/26 | 501,159.83 | 126,780.00 | 7,101.18 | 240,180.00 | 394,861.01 |
| 01/27 - 12/27 | 394,861.01 | 126,780.00 | 8,689.18 | 77,006.00 | 453,324.19 |
| 01/28 - 12/28 | 453,324.19 | 126,780.00 | 10,846.29 | 10,173.40 | 580,777.08 |
| 01/29 - 12/29 | 580,777.08 | 126,780.00 | 11,628.58 | 164,995.00 | 554,190.66 |
| | $ 308,301.00 | $ 1,267,800.00 | $ 92,617.56 | $ 1,114,527.90 | $ 554,190.66 |

| Period | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| 01/30 - 12/30 | $ 554,190.66 | $ 126,780.00 | $ 12,401.49 | $ 96,778.00 | $ 596,594.15 |
| 01/31 - 12/31 | 596,594.15 | 126,780.00 | 13,540.87 | 87,618.00 | 649,297.02 |
| 01/32 - 12/32 | 649,297.02 | 126,780.00 | 11,956.28 | 276,596.40 | 511,436.90 |
| 01/33 - 12/33 | 511,436.90 | 126,780.00 | 12,141.77 | 13,054.00 | 637,304.67 |
| 01/34 - 12/34 | 637,304.67 | 126,780.00 | 11,355.60 | 288,826.00 | 486,614.27 |
| 01/35 - 12/35 | 486,614.27 | 126,780.00 | 4,714.41 | 346,887.00 | 271,221.68 |
| 01/36 - 12/36 | 271,221.68 | 126,780.00 | 7,065.15 | 3,173.40 | 401,893.43 |
| 01/37 - 12/37 | 401,893.43 | 126,780.00 | 6,984.74 | 251,624.00 | 284,034.17 |
| 01/38 - 12/38 | 284,034.17 | 126,780.00 | 6,664.33 | 48,566.00 | 368,912.50 |
| 01/39 - 12/39 | 368,912.50 | 126,780.00 | 8,860.09 | 18,000.00 | 486,552.59 |
| | $ 554,190.66 | $ 1,267,800.00 | $ 95,684.73 | $ 1,431,122.80 | $ 486,552.59 |

# The Royal St. Andrew Association, Inc.

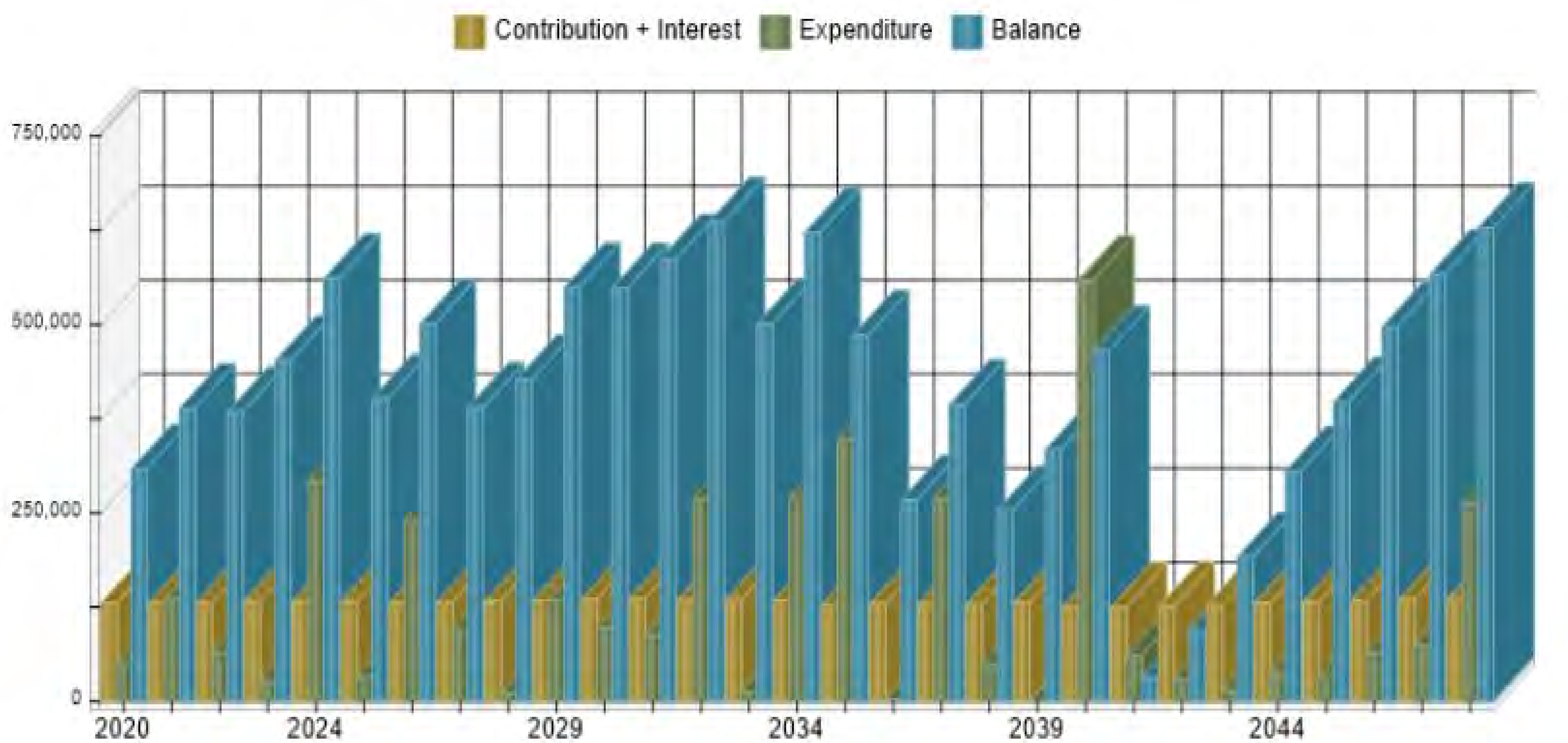
**Analysis Date - January 1, 2020**

## Cash Flow - Annual

| Period | Beginning Balance | Contribution | Interest Earned | Expenditures | Ending Balance |
|---|---|---|---|---|---|
| 01/40 - 12/40 | $ 486,552.59 | $ 126,780.00 | $ 2,512.60 | $ 583,465.40 | $ 32,379.79 |
| 01/41 - 12/41 | 32,379.79 | 126,780.00 | 1,760.14 | 60,676.00 | 100,243.93 |
| 01/42 - 12/42 | 100,243.93 | 126,780.00 | 3,318.89 | 11,390.00 | 218,952.82 |
| 01/43 - 12/43 | 218,952.82 | 126,780.00 | 5,823.79 | 13,837.50 | 337,719.11 |
| 01/44 - 12/44 | 337,719.11 | 126,780.00 | 8,021.78 | 36,023.40 | 436,497.49 |
| 01/45 - 12/45 | 436,497.49 | 126,780.00 | 9,921.55 | 56,699.00 | 516,500.04 |
| 01/46 - 12/46 | 516,500.04 | 126,780.00 | 11,263.33 | 77,799.00 | 576,744.37 |
| 01/47 - 12/47 | 576,744.37 | 126,780.00 | 12,888.62 | 55,583.70 | 660,829.29 |
| 01/48 - 12/48 | 660,829.29 | 126,780.00 | 12,060.03 | 288,913.40 | 510,755.92 |
| | $ 486,552.59 | $ 1,141,020.00 | $ 67,570.73 | $ 1,184,387.40 | $ 510,755.92 |

**Analysis Date - January 1, 2020**

## Cash Flow - Chart



## The Royal St. Andrew Association, Inc.

Analysis Date - January 1, 2020

## Supplementary Information on Future Major Repairs and Replacements

| | Estimated Remaining Useful Lives Life YY:MM | Estimated Current Replacement Cost | 2020 Funding Requirement | Components of Fund Balance at 12/31/2019 |
|---|---|---|---|---|
| **Air Conditioning** | | | | |
| AC Units, Elevator Room | 5:01 | $ 3,516 | $ 382 | $ 362 |
| AC Units, Kitchen | 0:08 | 4,842 | 526 | 4,519 |
| AC Units, Maintenance | 0:00 | 6,770 | 566 | 6,770 |
| AC Units, Men's Room | 0:00 | 4,245 | 355 | 4,245 |
| AC Units, Unit 104 | 0:02 | 4,245 | 369 | 4,188 |
| Package Unit, Hallways | 7:02 | 26,770 | 2,643 | 1,953 |
| | | $ 50,388 | $ 4,841 | $ 22,037 |
| **Common Area Interiors** | | | | |
| Admin. Office Renovation | 1:00 | $ 5,180 | $ 402 | $ 1,007 |
| Exercise Room/Equipment | 0:08 | 16,000 | 1,418 | 15,129 |
| Hallways, Flooring | 15:05 -26:05 | 65,156 | 2,527 | 1,301 |
| Hallways, Furnishings/Lighting | 1:00 | 33,600 | 2,606 | 6,532 |
| Hallways, Wall/Door Finishes | 11:05 -12:05 | 49,566 | 3,845 | 1,544 |
| Lobby Level, Furnishings/Carpet | 1:00 | 50,875 | 3,946 | 9,890 |
| Lobby Level, Kitchen | 23:05 | 13,838 | 601 | 183 |
| Lobby Level, Renovation Allowance | 15:00 | 240,500 | 9,328 | 23,377 |
| Lobby Level, Restrooms | 5:05 | 24,270 | 1,535 | 3,478 |
| Lobby Level, Wall/Door Finishes | 13:09 | 8,664 | 672 | 32 |
| | | $ 507,649 | $ 26,880 | $ 62,473 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Supplementary Information
## on Future Major Repairs and Replacements

| | Estimated Remaining Useful Lives Life YY:MM | Estimated Current Replacement Cost | 2020 Funding Requirement | Components of Fund Balance at 12/31/2019 |
|---|---|---|---|---|
| **Mechanical/Electrical** | | | | |
| Domestic Water Pumps/Equipment | 9:04 | $ 24,595 | $ 1,113 | $ 3,147 |
| Elevator Mechanical Modernization | 14:05 | 244,300 | 8,844 | 26,568 |
| Fire Alarm System Modernization | 9:05 | 122,400 | 5,317 | 15,973 |
| Fire Pump/Equipment | 28:05 | 30,100 | 817 | 1,825 |
| Generator/Equipment | 11:10 | 62,835 | 2,625 | 7,168 |
| Security, Access Control/Keypads | 4:07 | 10,950 | 1,189 | 1,242 |
| Security, Video Surveillance | 7:05 | 14,796 | 1,461 | 1,009 |
| Trash Chute | 4:05 | 50,250 | 992 | 9,675 |
| | | $ 560,226 | $ 22,358 | $ 66,607 |
| **Painting & Waterproofing** | | | | |
| Paint Stairway Interiors | 1:05 | $ 45,008 | $ 940 | $ 9,166 |
| Paint/Waterproof Building Exteriors | 4:05 | 248,640 | 33,753 | 23,316 |
| | | $ 293,648 | $ 34,693 | $ 32,482 |
| **Parking Garage/Paving** | | | | |
| Asphalt Paving, Replacement | 3:07 | $ 25,080 | $ 1,356 | $ 4,314 |
| Asphalt Paving, Sealcoat/Rejuvenation | 0:07 | 3,173 | 202 | 3,065 |
| Carports/Walkways Canopies | 6:00 | 236,280 | 4,535 | 44,222 |
| Parking Garage, Lighting | 2:00 | 7,000 | 380 | 1,319 |
| Parking Garage, Traffic Coating/Decking | 10:09 | 60,676 | 5,990 | 289 |
| | | $ 332,209 | $ 12,463 | $ 53,209 |

# The Royal St. Andrew Association, Inc.

Analysis Date - January 1, 2020

## Supplementary Information
## on Future Major Repairs and Replacements

| | Estimated Remaining Useful Lives Life YY:MM | Estimated Current Replacement Cost | 2020 Funding Requirement | Components of Fund Balance at 12/31/2019 |
|---|---|---|---|---|
| **Plumbing** | | | | |
| Plumbing, Stack Cleaning | 4:02 | $ 18,000 | $ 3,910 | $ 628 |
| Plumbing, Stack Replacement | 20:00 | 285,000 | 10,317 | 19,889 |
| | | $ 303,000 | $ 14,227 | $ 20,517 |
| **Pool** | | | | |
| Pool Deck Furniture | 8:05 | $ 7,000 | $ 760 | $ 232 |
| Pool Decking | 2:00 | 21,840 | 892 | 4,228 |
| Pool Equipment Allowance | 5:05 | 5,000 | 543 | 480 |
| Pool Heater (Electric) | 4:11 | 4,390 | 530 | 417 |
| Pool Heater (Gas) | 6:02 | 3,900 | 471 | 257 |
| Pool Interiors | 2:00 | 15,576 | 985 | 2,881 |
| | | $ 57,706 | $ 4,181 | $ 8,495 |
| **Roofing** | | | | |
| Roofing, Entry Canopies | 0:08 | $ 10,550 | $ 472 | $ 10,260 |
| Roofing, Tower - Replacement | 17:05 | 251,624 | 6,665 | 30,302 |
| | | $ 262,174 | $ 7,137 | $ 40,562 |
| | | $ 2,367,000 | $ 126,780 | $ 306,382 |

**COMPONENT FUNDING ANALYSIS**

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Component Funding Analysis - Category

| Category | Useful Life | Remaining Life | 12/31/2019 Balance | Estimated Replacement Cost | Unfunded Balance | Contribution |
|---|---|---|---|---|---|---|
| Air Conditioning | 10 - 11 | 0 - 7 | $ 22,421 | $ 50,388 | $ 27,966 | $ 4,176 |
| Common Area Interiors | 10 - 28 | 0 - 26 | 62,384 | 507,648 | 445,263 | 99,550 |
| Mechanical/Electrical | 10 - 40 | 4 - 28 | 66,182 | 560,226 | 494,043 | 50,435 |
| Painting & Waterproofing | 8 - 30 | 1 - 4 | 34,009 | 293,648 | 259,638 | 91,982 |
| Parking Garage/Paving | 4 - 40 | 0 - 10 | 52,543 | 332,209 | 279,665 | 48,012 |
| Plumbing | 5 - 30 | 4 - 20 | 19,906 | 303,000 | 283,093 | 17,609 |
| Pool | 9 - 25 | 2 - 8 | 8,419 | 57,706 | 49,286 | 18,588 |
| Roofing | 10 - 20 | 0 - 17 | 42,434 | 297,614 | 255,179 | 17,808 |
| | | | $ 308,301 | $ 2,402,439 | $ 2,094,138 | $ 348,160 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Component Funding Analysis - Items

| Category<br>Reserve Item | Useful Life | Remaining Life | 12/31/2019 Balance | Estimated Replacement Cost | Unfunded Balance | Contribution |
|---|---|---|---|---|---|---|
| **Air Conditioning** | | | | | | |
| AC Units, Elevator Room | 10 | 5 | $ 353 | $ 3,516 | $ 3,162 | $ 632 |
| AC Units, Kitchen | 10 | 0 | 4,842 | 4,842 | 0 | 0 |
| AC Units, Maintenance | 10 | 0 | 6,770 | 6,770 | 0 | 0 |
| AC Units, Men's Room | 10 | 0 | 4,245 | 4,245 | 0 | 0 |
| AC Units, Unit 104 | 10 | 0 | 4,245 | 4,245 | 0 | 0 |
| Package Unit, Hallways | 11 | 7 | 1,965 | 26,770 | 24,804 | 3,544 |
| | | | $ 22,421 | $ 50,388 | $ 27,966 | $ 4,176 |
| **Common Area Interiors** | | | | | | |
| Admin. Office Renovation | 14 | 1 | $ 969 | $ 5,180 | $ 4,210 | $ 4,211 |
| Exercise Room/Equipment | 10 | 0 | 16,000 | 16,000 | 0 | 0 |
| Hallways, Flooring | 28 | 15 - 26 | 1,447 | 65,156 | 63,708 | 2,596 |
| Hallways, Furnishings/Lighting | 14 | 1 | 6,297 | 33,600 | 27,302 | 27,302 |
| Hallways, Wall/Door Finishes | 14 | 11 - 12 | 1,787 | 49,566 | 47,778 | 4,161 |
| Lobby Level, Furnishings/Carpet | 14 | 1 | 9,537 | 50,875 | 41,337 | 41,338 |
| Lobby Level, Kitchen | 25 | 23 | 222 | 13,837 | 13,615 | 592 |
| Lobby Level, Renovation Allowance | 28 | 15 | 22,543 | 240,500 | 217,956 | 14,530 |
| Lobby Level, Restrooms | 28 | 5 | 3,456 | 24,270 | 20,813 | 4,163 |
| Lobby Level, Wall/Door Finishes | 14 | 13 | 124 | 8,664 | 8,539 | 657 |
| | | | $ 62,384 | $ 507,648 | $ 445,263 | $ 99,550 |
| **Mechanical/Electrical** | | | | | | |
| Domestic Water Pumps/Equipment | 24 | 9 | $ 3,103 | $ 24,595 | $ 21,491 | $ 2,388 |
| Elevator Mechanical Modernization | 30 | 14 | 26,303 | 244,300 | 217,996 | 15,571 |
| Fire Alarm System Modernization | 25 | 9 | 15,814 | 122,400 | 106,585 | 11,843 |
| Fire Pump/Equipment | 40 | 28 | 1,821 | 30,100 | 28,278 | 1,010 |
| Generator/Equipment | 26 | 11 | 7,319 | 62,835 | 55,515 | 5,047 |

## Component Funding Analysis - Items

| Category<br>Reserve Item | Useful Life | Remaining Life | 12/31/2019 Balance | Estimated Replacement Cost | Unfunded Balance | Contribution |
|---|---|---|---|---|---|---|
| Security, Access Control/Keypads | 10 | 4 | $ 1,327 | $ 10,950 | $ 9,622 | $ 2,406 |
| Security, Video Surveillance | 11 | 7 | 1,086 | 14,796 | 13,709 | 1,959 |
| Trash Chute | 40 | 4 | 9,406 | 50,250 | 40,843 | 10,211 |
| | | | $ 66,182 | $ 560,226 | $ 494,043 | $ 50,435 |
| **Painting & Waterproofing** | | | | | | |
| Paint Stairway Interiors | 30 | 1 | $ 8,910 | $ 45,008 | $ 36,097 | $ 36,097 |
| Paint/Waterproof Building Exteriors | 8 | 4 | 25,098 | 248,640 | 223,541 | 55,885 |
| | | | $ 34,009 | $ 293,648 | $ 259,638 | $ 91,982 |
| **Parking Garage/Paving** | | | | | | |
| Asphalt Paving, Replacement | 20 | 3 | $ 4,301 | $ 25,079 | $ 20,777 | $ 6,926 |
| Asphalt Paving, Sealcoat/Rejuvenation | 17 | 0 | 3,173 | 3,173 | 0 | 0 |
| Carports/Walkways Canopies | 57 | 6 | 42,681 | 236,280 | 193,598 | 32,266 |
| Parking Garage, Lighting | 20 | 2 | 1,272 | 7,000 | 5,727 | 2,864 |
| Parking Garage, Traffic Coating/Decking | 11 | 10 | 1,113 | 60,676 | 59,562 | 5,956 |
| | | | $ 52,543 | $ 332,209 | $ 279,665 | $ 48,012 |
| **Plumbing** | | | | | | |
| Plumbing, Stack Cleaning | 5 | 4 | $ 727 | $ 18,000 | $ 17,272 | $ 4,318 |
| Plumbing, Stack Replacement | 30 | 20 | 19,179 | 285,000 | 265,820 | 13,291 |
| | | | $ 19,906 | $ 303,000 | $ 283,093 | $ 17,609 |
| **Pool** | | | | | | |
| Pool Deck Furniture | 10 | 8 | $ 282 | $ 7,000 | $ 6,717 | $ 840 |
| Pool Decking | 25 | 2 | 4,082 | 21,840 | 17,757 | 8,879 |
| Pool Equipment Allowance | 10 | 5 | 502 | 5,000 | 4,497 | 899 |
| Pool Heater (Electric) | 9 | 4 | 492 | 4,390 | 3,897 | 974 |
| Pool Heater (Gas) | 9 | 6 | 263 | 3,900 | 3,636 | 606 |

# The Royal St. Andrew Association, Inc.

**Analysis Date - January 1, 2020**

## Component Funding Analysis - Items

| Category<br>Reserve Item | Useful Life | Remaining Life | 12/31/2019 Balance | Estimated Replacement Cost | Unfunded Balance | Contribution |
|---|---|---|---|---|---|---|
| Pool Interiors | 12 | 2 | $ 2,795 | $ 15,576 | $ 12,780 | $ 6,390 |
| | | | $ 8,419 | $ 57,706 | $ 49,286 | $ 18,588 |
| **Roofing** | | | | | | |
| Roofing, Entry Canopies | 20 | 0 | $ 10,550 | $ 10,550 | $ 0 | $ 0 |
| Roofing, Tower - Coating | 10 | 7 | 2,146 | 35,440 | 33,293 | 4,756 |
| Roofing, Tower - Replacement | 20 | 17 | 29,737 | 251,624 | 221,886 | 13,052 |
| | | | $ 42,434 | $ 297,614 | $ 255,179 | $ 17,808 |
| | | | $ 308,301 | $ 2,402,439 | $ 2,094,138 | $ 348,160 |

# ADDENDUM

# Chapter 718 & 719 Florida Statutes
## The Condominium Act, 1995
## The Cooperative Act, 1997

**CONDOMINIUMS 718.112 (2)(f) 2 & 3**
**COOPERATIVES 719.106 (1)(j) 2 & 3**

2. In addition to annual operating expenses, the budget shall include reserve accounts for capital expenditures and deferred maintenance. These accounts shall include, but are not limited to, roof replacement, building painting, and pavement resurfacing, regardless of the amount of deferred maintenance expense or replacement cost, and for any other item for which the deferred maintenance expense or replacement cost exceeds $10,000. The amount to be reserved shall be computed by means of a formula which 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 or extension of the useful life of a reserve item caused by deferred maintenance. This subsection does not apply to budgets in which the members of an association have, by a majority vote at a duly called meeting of the association, determined for a fiscal year to provide no reserves or reserves less adequate than required by this subsection. However, prior to turnover of control of an association by a developer to unit owners other than a developer pursuant to s. 718.301, the developer may vote to waive the reserves or reduce the funding of reserves for the first 2 years of the operation of the association, after which time reserves may only be waived or reduced upon the vote of a majority of all nondeveloper voting interests voting in person or by limited proxy at a duly called meeting of the association. If a meeting of the unit owners has been called to determine to provide no reserves or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

3. 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 vote of the majority of the voting interests, voting in person or by limited proxy at a duly called meeting of the association. Prior to turnover of control of an association by a developer to unit owners other than the developer pursuant to
s 718.301, the developer-controlled association shall not vote to use reserves for purposes other than that 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.

# Florida Administrative Code Reserve Requirements

**61B-22.001 Definitions.** For the purposes of this chapter, the following definitions shall apply:

(2) “Capital expenditure” means an expenditure of funds for the purchase of an asset whose life is greater than one year in length, or the replacement of an asset whose life is greater than one year in length, or the addition to an asset which extends the life of the previously existing asset for a period greater than one year.

(3) “Deferred maintenance” means any maintenance or repair that will be performed less frequently than yearly and will result in maintaining the life of an asset; and

(4) “Reserves” means any funds which are restricted for deferred maintenance and capital expenditures, including the items required by section 718.112(2)(f)2, Florida Statutes, and any other funds restricted as to use by the condominium documents or the condominium association. “Contingency reserves” which are not restricted as to use by the condominium documents or by the association shall not be considered reserves within the meaning of this rule.

**61B-22.003 Budgets.** Required elements for estimated operating budgets. The budget for each association shall:

(d) Include all estimated common expenses or expenditures of the association including the categories set forth in section 718.504(20)(c), Florida Statutes. Reserves for capital expenditures and deferred maintenance required by section 718.112(2)(f), Florida Statutes, must be included in the proposed annual budget and shall not be waived or reduced prior to the mailing to unit owners of a proposed annual budget. If the estimated common expense for any category set forth in the statute is not applicable, the category shall be listed followed by an indication that the expense is not applicable;

(e) Include a schedule stating each reserve account for capital expenditures and deferred maintenance as a separate line item with the following minimum disclosures;

1. The total estimated useful life of the asset;
2. The estimated remaining useful life of the asset;
3. The estimated replacement cost or deferred maintenance expense of the asset;
4. The estimated fund balance as of the beginning of the period for which the budget will be in effect; and,
5. The developer’s total funding obligation, when all units are sold, for each converter reserve account established pursuant to section 718.618, Florida Statutes, if applicable.

(f) Include a separate schedule of any other reserve funds to be restricted by the association as a separate line item with the following minimum disclosures;

1. The intended use of the restricted funds; and
2. The estimated fund balance of the item as of the beginning of the period for which the budget will be in effect.

(g) “Contingency reserves” and any other categories of expense which are not restricted as to use shall be stated in the operating portion of the budget rather than the reserve portion of the budget.

**61B-22.005 Reserves.** Reserves required by statute. Reserves required by section 718.112(2)(f), Florida Statutes, for capital expenditures and deferred maintenance including roofing, painting, paving, and any other item for which the deferred maintenance expense or replacement cost of an item exceeds $10,000 shall be included in the budget. For the purpose of determining whether the deferred maintenance expense or replacement cost of an item exceeds $10,000, the association may consider each asset of the association separately. Alternatively, the replacement cost of an item exceeds $10,000, the association may group similar or related assets together. For example, an association responsible for the maintenance of two swimming pools, each of which will separately require $6,000 of total deferred maintenance, may establish a pool reserve, but is not required to do so.

**61B-22.0051 Estimating Reserve Requirements.**

(1) Formula for calculation of reserves required by statute. Reserves for deferred maintenance and capital expenditures required by section 718.112(2)(f), Florida Statutes, shall be calculated using a formula which will provide funds equal to the total estimated deferred maintenance expense or total estimated replacement cost for an asset over the remaining useful life of the asset. The formula shall provide funds in annual increments and may be adjusted each year for changes in estimates. The formula may consider such factors as inflation and interest or other earnings rates, but must include the following:
   (a) The estimated remaining useful life of the asset;
   (b) The estimated deferred maintenance expense or estimated replacement cost of the asset; and,
   (c) The estimated fund balance of the reserve account as of the beginning of the period for which the budget will be in effect.

(2) Estimating reserves which are not required by statute. Reserves which are not required by section 718.112(2)(f), Florida Statutes, are not required to be based on any specific formula.

(3) Estimating reserves when the developer is funding converted reserves. For the purpose of estimating non-converter reserves the estimated fund balance of the non-converter reserve account related to any asset for which the developer has established converter reserves pursuant to section 718.618, Florida Statutes, shall be the sum of:
   (a) The developer's total funding obligation, when all units are sold, for the converter reserve account pursuant to section 718.618, Florida Statutes,; and,
   (b) The estimated fund balance of the non-converter reserve account, excluding the developer's converter obligation, as of the beginning of the period for which the budget will be in effect.

**61B-22.0052 Funding Requirements and Restrictions on Use.**

(1) Timely funding. Reserves included in the adopted budget are common expenses and must be fully funded unless properly waived or reduced. Reserves shall be funded in at least the same frequency that assessments are due from the unit owners (e.g., monthly or quarterly).

(2) Restrictions on use. Reserves required by section 718.112(2)(f), Florida Statutes, and other reserves included on the adopted budget, shall only be used for the purposes for

which they were intended unless their use for other purposes is approved in advance by the unit owners according to section 718.112(2)(f)3, Florida Statutes. In a multi-condominium association, the same procedures which are specified for the waiving or reduction of reserves shall apply where an association seeks to use reserve funds for purposes other than which the funds were originally reserved. Expenditure of unallocated interest income earned on reserve funds is restricted to any of the capital expenditures, deferred maintenance or other items for which reserve accounts have been established.

**61B-22.0053 Waiver of Reserves.**

(1) Annual vote required to waive reserves. Any vote to waive or reduce reserves for capital expenditures and deferred maintenance required by section 718.112(2)(f)2, Florida Statutes, shall be effective for only one annual budget, and the vote must be taken annually. Additionally, in a multi-condominium association, no waiver or reduction is effective as to a particular condominium unless conducted at a meeting at which a majority of the voting interests in that condominium are present, in person or by proxy, and a majority of those present in person or by limited proxy vote to waive or reduce reserves.

(2) Developer voting restrictions. Prior to turnover, the developer may cast votes to waive or reduce reserves during the first two fiscal years only, beginning with the date of the recording of the declaration. In the case of a multi-condominium association, this restriction applies to the association's first two fiscal years beginning with the recording of the initial declaration.

1.

**2. 61B-22.006 Financial Reporting Requirements.**

(3) Disclosure requirements. The financial statements required by sections 718.111(14) and 718.301(4), Florida Statutes, shall contain the following disclosures within the financial statements, notes, or supplementary information:

(a) The following reserve disclosures shall be made regardless of whether reserves have been waived for the fiscal period covered by the financial statements:

1. The beginning balance in each reserve account as of the beginning of the fiscal period covered by the financial statements;
2. The amount of assessments and other additions to each reserve account, including authorized transfers from other reserve accounts;
3. The amount expended or removed from each reserve account, including authorized transfers to other reserve accounts;
4. The ending balance in each reserve account as of the end of the fiscal period covered by the financial statements;
5. The manner by which reserve items were estimated, the date the estimates were last made, the association’s policies for allocating reserve fund interest, and whether reserves have been waived during the period covered by the financial statements; and,
6. If the developer has established converter reserves pursuant to section 718.618(1), Florida Statutes, each converter reserve account shall be identified and include the disclosures required by this rule.

# <u>Chapter 61B – 22, Florida Administrative Code</u>
# <u>Summary of Rule Amendments</u>

**61B-22.003 Budgets**

- Recognizes the use of a pooled account for reserves and provides that a schedule showing each reserve account is not necessary if a pooled account for reserves is used.
- Provides an alternate disclosure method for the use of a pooled account for reserves.

**61B-22.005 Reserves**

- Recognizes the concept of funding a group of assets using a pooled analysis of two or more required assets and provides requirements and direction related to the pooled account method.
- Clarifies that the chosen reserve funding formula shall not include any type of balloon payment.

## <u>Amended Rule Text</u>

**61B – 22.003 Budgets**

(e) Unless the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a schedule stating each reserve account for capital expenditures and deferred maintenance as a separate line item with the following minimum disclosures:

(f) If the association maintains a pooled account for reserves required by Section 718.112(2)(f)2., Florida Statutes, the association shall include a separate schedule of any pooled reserves with the following minimum disclosures:

1. The total estimated useful life of each asset within the pooled analysis;
2. The estimated remaining useful life of each asset within the pooled analysis;
3. The estimated replacement cost or deferred maintenance expense of each asset within the pooled analysis; and
4. The estimated fund balance of the pooled reserve account as of the beginning of the period for which the budget will be in effect.

(g) Include a separate schedule of any other reserve funds to be restricted by the association as a separate line item with the following minimum disclosures:

1. The intended use of the restricted funds; and
2. The estimated fund balance of the item as of the beginning of the period for which the budget will be in effect.

**61B – 22.005 Reserves**

1) Reserves required by statute. Reserves required by Section 718.112(2)(f), Florida Statutes, for capital expenditures and deferred maintenance including roofing, painting, paving, and any other item for which the deferred maintenance expense or replacement cost exceeds $10,000 shall be included in the budget. For the purpose of determining whether the deferred maintenance expense or replacement cost of an item exceeds $10,000, the association may consider each asset of the association separately. Alternatively, the association may group similar or related assets together. For example, an association responsible for the maintenance of two swimming pools,

each of which will separately require $6,000 of total deferred maintenance, may establish a pool reserve, but it is not required to do so.

2) Commingling operating and reserve funds. Associations that collect operating and reserve assessments as a single payment shall not be considered to have commingled the funds provided the reserve portion of the payment is transferred to a separate reserve account, or accounts, within 30 calendar days from the date such funds were deposited.
3) Calculating reserves required by statute. Reserves for deferred maintenance and capital expenditures required by Section 718.112(2)(f), Florida Statutes, shall be calculated using a formula that will provide funds equal to the total estimated deferred maintenance expense or total estimated replacement cost of an asset or group of assets over the remaining useful life of the asset or group of assets. Funding formulas for reserves required by Section 718.112(2)(f), Florida Statutes, shall be based on either a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.
   (a) If the association maintains separate reserve accounts for each of the required assets, the amount of the current year contribution to each reserve account shall be the sum of the following two calculations:
   1. The total amount necessary, if any, to bring a negative account balance to $0; and
   2. The total estimated deferred maintenance expense or estimated replacement cost of the reserve asset less the estimated balance of the reserve account as of the beginning of the period for which the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the asset. The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may consider factors such as inflation and earnings on invested funds.
   (b) If the association maintains a pooled account of two or more of the required reserve assets, the amount of contribution to the pooled reserve account as disclosed on the proposed budget shall be not less than that required to ensure that the balance on hand at the beginning of the period for which the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful lives of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal. The reserve funding formula shall not include any type of balloon payment.

# TERMS AND DEFINITIONS

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

> AFB = Current Cost X Effective Age/Useful Life
>
> **or**
>
> AFB = (Current Cost X Effective Age/Useful Life) + [(Current Cost X Effective Age/Useful Life)/(1 + Interest Rate) ^ Remaining Life] – [(Current Cost X Effective Age/Useful Life) /(1 + Inflation Rate) ^ Remaining Life]

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

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

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

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

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

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

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

**<u>CONDITION ASSESSMENT</u>**: The task of evaluating the current condition of the component based on observed and reported characteristics.

**<u>CURRENT REPLACEMENT COST</u>**: See “Replacement Cost”.

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

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

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

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

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

**<u>FUND STATUS:</u>** The status of the reserve fund as compared to an established benchmark such as percent funding.

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

**<u>FUNDING PRINCIPLES</u>**:

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

**<u>FUNDING GOALS</u>**: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

- **Baseline Funding –** Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Component Full Funding –** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100%.

- **Statutory Funding –** Establishing a Reserve funding goal of setting aside the specific minimum mount of Reserves of component required by local statutes.
- **Threshold Funding –** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Component Full Funding."

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

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

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

**<u>PHYSICAL ANALYSIS</u>**: 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.

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

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

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

**<u>RESERVE PROVIDER</u>**: An individual that prepares Reserve Studies.

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

**<u>RESPONSIBLE CHARGE</u>**: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve duty of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

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

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

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

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

# ANNUAL UPDATE PROGRAM

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

**Program Benefits:**

- Annual reserve study updates provide a written validation of reserve study needs, and demonstrate due diligence and impartiality on the part of the board of directors. As the board of directors has a fiduciary duty to provide estimates of full statutory reserve funding as a portion of the annual budget, a Sedgwick Valuation Services reserve study report also minimizes liability of the board of directors for an incorrect/improper estimate of full statutory reserve funding.

3.

- Saves considerable time for management/board of directors that would otherwise be responsible for estimating statutory reserve funding. That allows more time for day to day operations and annual operating budget estimations.

4.

- Because the update program does not require on-site re-inspections, the annual cost to the association is much lower.

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

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