



THE REPLACEMENT RESERVE REPORT

CONDOMINIUMS

FEDERAL
&
STATE
ASSISTED
HOUSING

SPECIAL USE
PROPERTIES

RESORT
PROPERTIES

AN UPDATE, PREPARED FOR

THE PRESERVE OF VERO BEACH HOMEOWNERS ASSOCIATION

LOCATED IN
VERO BEACH, FLORIDA

JANUARY 5, 2024



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THE REPLACEMENT RESERVE REPORT

January 5, 2024

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THE PRESERVE OF VERO BEACH HOMEOWNERS ASSOCIATION
Board of Directors
Vero Beach, FL

Via E-Mail

Thank you for requesting the *updated* **REPLACEMENT RESERVE REPORT** for **THE PRESERVE OF VERO BEACH**.

The Preserve has performed very well since this firm's last analysis. The property is in excellent condition with a healthy capital budget and reserve fund that is following the recommended strategy.

Our predictions are based on efficient care of the property. You will note that the association's greatest line item of asphalt roadways incurs phased improvements. The specifications and priorities need to be identified.

Our property tours encountered excellent conditions throughout except with a few issues to consider.

1. Any and all cracks in concrete, regardless of line of ownership, should be corrected and finished to match.
2. Consider expanding the common property to own the mailboxes. The curb appeal of a few deducts from that of the common property. As a minimum, design and distribute the requirements for homeowners to meet at replacement.

Thank you for the opportunity to prepare this analysis for you; it has been a pleasure to see the property again.

Please do not hesitate to contact me with any questions or comments.

Very truly yours,

The Replacement Reserve Report, Inc.

THE PRESERVE OF VERO BEACH includes one common interest realty association. A professional managing agent assists the Board of Directors in its fiduciary responsibilities.

The purpose of this analysis is to define the capital needs and adequate reserve funding for the next 20 years.

MISSION STATEMENT

The scope and purpose of this analysis is to provide financial conclusions that will suggest required funding levels for capital repairs and replacements of the property components and improvements. The analysis does not intend to project an engineering of the property, opinions of utility or inutility, or an opinion of value of divided or undivided interests.

The methodology used is two-fold. First, to perform an analysis regarding current physical conditions; which, through non-invasive observations and our experience in such matters, would indicate the probable remaining life of the property components. Second, the report will suggest the costs associated with capital repair and replacement over the next twenty-year period. As a product of these two functions, the report will also comment on observations made, the level of proficiency in maintaining the physical plant, deferred and preventative maintenance, and any possible life extension of the components.

When interpreting this report, the value of time should be considered. As a twenty-year period is a probable scenario based on our experiences, it is open to influences from many sources such as maintenance levels, economics, inflation of expenses, and the environment in which the property exists. Accordingly, give particular attention to suggested capital expenses during the next five-year period. With scheduled re-evaluation of the report every three to five years, the recommendations will remain a working tool for the benefit of the property.

The observations made during the field inspections of **January 5, 2024**, indicated that the level of service to the components is at a proficient level. A capsule of components exhibiting liabilities, obsolescence, or deferred maintenance follows.

LIABILITIES

This report is not intended as a loss or risk assessment, however, it will comment on possible liabilities that may present a financial risk to our client. During our property inspections, we did not encounter any such conditions.

OBSOLESCENCE

Within the text of the physical plant report pages the reader will note areas that indicate either functional or economic obsolescence. All obsolescence should be considered curable.

DEFERRED MAINTENANCE

It is obvious that the property has maintained a responsible degree of maintenance. We did not observe any intentionally deferred maintenance. This report suggests additional levels as an enhancement only.

The subject property has a chronological age of improvements of **21 years**. In our professional opinion, the *effective age* for the improvements, enmasse, is equal at approximately **21 years**.

FUTURE FINANCIAL PROJECTIONS

Our process of projecting future financial needs is presented through two methods;

We see **minimum funding** requirements as meeting anticipated expenses or, dedicating cash in/cash out with inflation and interest income over the projected twenty year period. This funding rate is further identified as either the threshold or baseline rate.

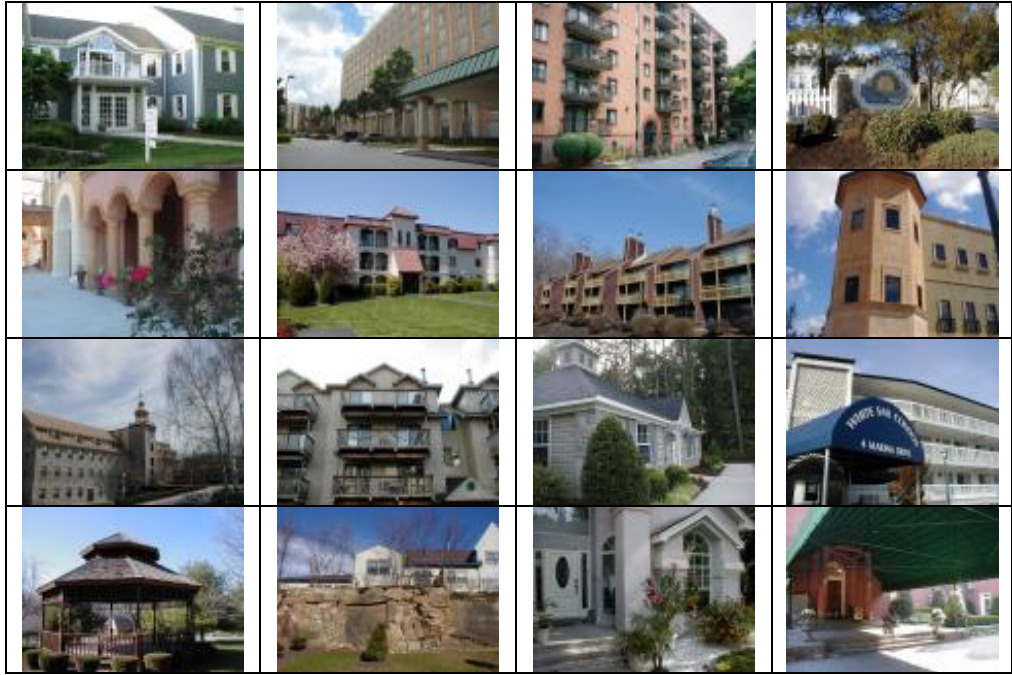
The Preserve's threshold rate would be the current rate of **\$26,363 per year**.

Our second method of projecting reserve funding includes long term segregating of each site component. This rate is based on funding attrition of the components as they age, encompassing all components regardless of when actual expenses may occur. This is a fully-funded rate, creating the **maximum funding** level.

The Preserve's projected annual funding to meet a fully funded reserve is **\$26,363 per year with an annual increase of 3%**.

All projections are considered dependent on inflation and proficient services during the use of the term. The ideal time to begin the plan is January 1, 2024, although its recommendations and funding can start at any time.

We hope that this report will benefit the owners by providing ample information to make informed decisions.



The Physical Plant Report



HOW TO INTERPRET THIS DATA

THE OBJECTIVE: Each of the property components receives examination until prevailing conditions are revealed. The analysis creates an opinion of “*Effective Age*” and probable remaining use life. Effective Age is determined by original product quality, maintenance and preventative maintenance (or lack thereof) received during the use period. The rate of wear and tear also impacts projections of remaining use life. The capsule continues with a checklist of conditions that may be of particular interest to the reader.

Here is a sample:

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
ASPHALT	25	15	10	15
ROOFING	20	15	17	6

SUMMARY

DEFERRED MAINTENANCE:

Conditions described planned or unintentional deferment of services. The accumulation of loss and rate of wear may be described

OBSOLESCENCE:

Economic obsolescence is used to describe worn out components. Functional obsolescence describes out-dated components or inutility.

USE LIFE EXTENSION:

Functions suggested extending component use life. Levels of service may be described.

COMMENTS OBSERVATIONS PREVENTATIVE MAINTENANCE

Describes conditions observed, component specifications and inventory, and eventual timing and cost associated with replacement. The rate of attrition is described and predicted in \$ dollars.

Each component receives a narrative of critical analysis, and a description of how funding and expenses are predicted and then recapped in the following format. This information is incorporated into the cash flow charts.

INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT VALUE	TOTAL VALUE	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR (S)
ASPHALT	2300	LS	\$5.50	\$12,650	19	\$666 per year	\$12,650 year 20
TILE	100	SF	\$40.00	\$4,000	10	\$400 years 1-10	\$4,000 year 11

TWO TYPES OF FUNDING, AND THE CASH FLOW CHARTS:

Segregated Funding is the long-term reserve rate for each component over its useful life. Funding is established to coincide with attrition. The collective sum of all components’ segregated reserve builds the “maximum” funding level.

Dedicated or Actual Expense describes the use of existing or future funds for a planned expense. The collective sum of cash in / cash out builds the “minimum” suggested level of funding.

The Funding Methods The "Pooling Method" is the preferred process to lower the impact of annual funding. While a "Straight-life" method may also be included for reports to common interest properties, it is not a suggested process.

In both scenarios, the cash flow charts include current reserve balances, the impact of the current reserve rate, and a suggested rate to meet both levels of funding.

LIFE SPAN

GROUNDS SITE DRAINAGE	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
	100	21	20	20+
	50	21	25	20+

SUMMARY

DEFERRED MAINTENANCE:
OBsolescence:
LIFE EXTENSION:
ALTERNATIVES:

Excellent care is observed throughout the common areas. Deferred maintenance exists within tree trimming.
Bank soil erosion is observed; pumps and controls are cyclic replacement items.
There is a need to clean storm basins as part of the operating budget.
None suggested; the site is maturing nicely with a healthy appearance and almost no indication of attrition.

COMMENTS
OBSERVATIONS
PREVENTATIVE
MAINTENANCE
&
SUGGESTIONS:

Most of the grounds service needs are addressed as an operating expense. The service level is very proficient with attention to detail. The site has very good curb appeal and aesthetic value. The environment is healthy for trees and shrubs, creating a need to control growth with trimming and pruning, especially in all hard wood species. The original methodology of this line item addressed natural attrition and losses of the non-native plantings, however; in 20 years of observations, there have been no losses that would require a capital expense. The association should apply the \$1,000 line item to its operating budget for trimming. Consider also that this line item accrued \$20,000 and would be ideal to address priorities identified by your professional arborist. All needs are performed as an operating expense.

Surface water drainage appears to have functioned well during the term. Few changes have been observed since the 2020 visit. Several of the basin grates have shifted enough to create a toehold and deflect the flow of water. Bank soil erosion is minimal although the water height may be claiming land. A headwall, swaled bank, or rock border is an option. The association might consider a rip-rap transition in the few areas of erosion. It may be possible to adjust the water level if a connecting outfall exists.

The basins observed had some amount of silt and debris, however, none obstructed the flow of water. There are no signs of silt removal from the basins or the outfall to the detention pond. The line is over-funding for movement that is minimal, although metal and transitions to asphalt require adjustments. Deferred maintenance of the inventory continues funding with expenses in years 2, 7, 12, & 17 with an expense of \$5,000 each cycle. The annual reserve rate is \$1,000 for all years.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

GROUNDS SITE DRAINAGE	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
	removed	-	-	-	-	-	-
	1	L/S	\$20,000	\$20,000	1+	\$1,000 per year	\$5,000 yrs 5, 10, 15, 20

LIFE SPAN

IRRIGATION
GATES & OPERATORS

ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
30	21	20	10
1-5/15	1-5/12	1-5/14	1-5/1

SUMMARY

DEFERRED MAINTENANCE:
OBSOLESCENCE:
LIFE EXTENSION:
ALTERNATIVES:

COMMENTS
OBSERVATIONS
PREVENTATIVE
MAINTENANCE
&
SUGGESTIONS:

None; services were provided as needed.
Expect cyclic obsolescence throughout the components; gates remain in good condition.
Continue the current level of services.
Seek a design that may be less prone to striking injury when open.

There is no history of expenses for major components within the irrigation components. All expenses have been performed as an operating expense. The association maintains the greater than \$10,000 components efficiently; the annual reserve rate continues at \$1,500 each year as a safety net, without specific dates of expense. At 21 years in service, most of the components should have expired.

Curb appeal of the entrance is excellent. All of the components of gates, decorative walls, and landscaping are attractive. The gates and operators have received proficient services during the use term. Gates have incurred striking injury; operators have received sporadic repairs and replacements. Conditions are better than typical considering the longevity of the components.

Management has scheduled replacements and services throughout the term of this plan. The existing components are not likely available for rebuilding, requiring replacement for efficiency and curb appeal. Modernization can include solar assisted power, battery back-up, or artistic gates.

The funding rate is increased for inflation and modernization, to \$2,000 each year with expenses of \$10,000 in years 5, 10, 15, and 20.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

IRRIGATION
GATES & OPERATORS

QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
1	L/S	\$30,000	\$30,000	1+	\$1,500 per year	\$0.00
1	L/S	\$40,000	\$40,000	0/5	\$2,000 per year	\$10,000 yrs 5, 10, 15 20

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
ASPHALT SURFACES	25	21	22	3+
CONCRETE SURFACES	50	21	22	20+

SUMMARY

DEFERRED MAINTENANCE:
OBsolescence:
LIFE EXTENSION:
ALTERNATIVES:

COMMENTS
OBSERVATIONS
PREVENTATIVE
MAINTENANCE
&
SUGGESTIONS:

Intentionally deferred conditions are not observed. Issues of cracks and breaks are sporadic and limited. All surfaces require protective coatings, overlay, patching. More aggressive applications of coatings and sealants are suggested.

The asphalt inventory is approaching extended use life in a few years; however, good conditions prevail except for a few areas that need attention. Correcting the overlapping seams from degradation will be a vital test for management. Expect repeated areas like the photo below to continue.

Reconditioning is an acceptable method as an operating expense, and one of the few choices available in the local market. Seal coating with a latex product is not suggested. Begin short sections of overlays, either with a tar product or "shimming" course of asphalt.

The inventory of 149,480 square feet remains unchanged. The previous predictions included expenses for an overlay wearing course. Actual conditions suggest phasing small areas as they appear to need one of the services. Costs are adjusted to \$3.00 per square foot; \$448,440 reserved over 25 years of use; expenses are incurred as needed but scheduled in four phases below. The reserve rate is based on 25-year use life, at \$17,937 each year. Competent, professional services can extend use life for an additional 20 years.

The loss within concrete components continues to be sporadic and minor in scope. The previous rate reserved \$1,500 each year for eventual replacement of gutter trays in later years. The reserve rate remains valid; operating services should increase epoxy repairs of broken concrete. The access driveway to the lift station was expertly installed and in excellent condition. Consider a concrete sealer-hardener for this and all concrete surfaces. Management needs to create specifications for rebuilding or replacing gutter trays. The one replacement noted appears marginal. Note the areas of settlement and movement while the concrete remains useful.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
ASPHALT SURFACES	149,480	SF	\$2.00	\$358,740	15	\$17,937 per year	\$50,000 yrs 2, 7, 12, 17
CONCRETE SURFACES	1	L/S	\$30,000	\$30,000	20	\$1,500 per year	\$0.00

**PHYSICAL PLANT REPORT
SITE IMPROVEMENTS IV**

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
SECURITY SYSTEMS	7	1-6	1-6	0-5
MONUMENT WALLS	5/50	1-5/12	1-5/10	1-5/20+

SUMMARY

DEFERRED MAINTENANCE:
OBSOLESCENCE:
LIFE EXTENSION:
ALTERNATIVES:

COMMENTS
OBSERVATIONS
PREVENTATIVE
MAINTENANCE
&
SUGGESTIONS:

None observed; services are performed as needed.
Expect obsolescence within the electronic components.
Management services the inventory with qualified contractors.
Continue to modernize as new technology becomes available.

The inventory of cameras and telephone-based intercoms are functional although exhibiting wear and tear from the elements. Renewal and enhancements appear from improvements during the use term.

Replacement value is increased to \$7,500 with a 5-year cycle; starting in year 1, repeating in years 6, 11, and 16. The annual reserve rate is \$1,500 per year.

The monument walls are in excellent condition with no indication of accelerated wear or failure. Maintain the stucco film coat as an operating expense.

The line item is incorporated into the Contingency section of the report.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
SECURITY SYSTEMS	1	L/S	\$30,000	\$30,000	1+	\$1,500 per year	\$7,500 yrs 1, 6, 11, 16
MONUMENT WALLS	-	-	-	-	-	0.00	0.00

LIFE SPAN

	ORIGINAL LIFE	CHRONOLOGICAL AGE	EFFECTIVE AGE	USE LIFE YEARS
SITE MISCELLANEOUS	20	12	12	8+

SUMMARY

DEFERRED MAINTENANCE: None; services are performed as needed.
OBsolescence: Cyclic obsolescence is expected throughout the inventory.
LIFE EXTENSION: Continue the current level of services.
ALTERNATIVES: Consider modern replacements of high impact plastic for signs and instructions.

COMMENTS OBSERVATIONS PREVENTATIVE MAINTENANCE & SUGGESTIONS: The previous report included replacement of the paver brick surfaces in the out years.
Replacement value is \$25,000; reserved over 20 years at \$1,250 each year.
The expense is shown in year 20. The operating budget addresses all needs during the term.
Previous items small in scope are left to the operating accounts.

PROPERTY PHOTOS



INVENTORY & COST ANALYSIS

	QUANTITY	UNIT	UNIT COST	TOTAL COST	USE LIFE	CONSTANT SEGREGATED FUNDING	ACTUAL CASH EXPENSE & YEAR
SITE MISCELLANEOUS	1	L/S	\$25,000	\$25,000	20	\$1,250 per year	\$25,000 year 20

This section of the report describes the basis for establishing a funding level for unknown conditions. Typically, these items would include components of the improvements that are unavailable for inspection and evaluation of condition. It is not based on a percentage or other factor that forms a simple cushion.

The WATER SUPPLY LINES, PLUMBING, and SANITARY FACILITIES, CHASES, DRAINS, ELECTRICAL SUPPLY, CONDUITS, ETC., have a history free of failure and can be expected to attain a normal life span well in excess of an additional 20 years. During the term of this plan these components may achieve the age typically associated with problematic conditions. The degree of failure and service can only be determined over time. The initial funding rate is suggested at **\$1,450.00 per year**.

Management should consider any possible needs associated with the perimeter buffer. While examining the buffer, special attention should be made to recognize easements and encroachments; at **\$50.00 per year** continues.

TOTAL RECOMMENDED FUNDING: \$1,500.00 PER YEAR.

Although this amount may be arbitrary in scope, it creates funding that can be adjusted in future updates after the performance history is reviewed.



Cash Flow Analysis for The Preserve of Vero Beach - Update 2024
January 5, 2024

SEGREGATED FUNDING PRIOR TO APPLICATION OF EXISTING RESERVE ACCOUNT BALANCES

COMPONENT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Grounds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Site Drainage	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Irrigation	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Gates & Operators	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Asphalt Surfaces	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937	17,937
Concrete Surfaces	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Security Systems	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Site Misc.	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Contingency	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Reserve	28,187	28,751	29,314	29,878	30,442	31,006	31,569	32,133	32,697	33,261	33,824	34,388	34,952	35,516	36,079	36,643	37,207	37,771	38,334	38,898
Cash Expense	7,500	51,000	0	0	16,200	8,250	56,000	0	0	17,700	9,000	61,000	0	0	19,200	9,750	66,000	0	0	55,200
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043



Cash Flow Analysis for The Preserve of Vero Beach - Update 2024
January 5, 2024
THE CURRENT LEVEL OF FUNDING IS SHOWN vs. A FULLY FUNDED RESERVE

Year	Cash Balance Forwarded	Current Annual Funding	Actual Cash Expense	Cash Shortfall	Cash Balance with 3% interest	Reserve Required	Coverage Shortfall
2024	\$288,890	\$26,363	\$7,500	\$0	\$316,986	\$28,187	\$0
2025	\$316,986	\$26,363	\$51,000	\$0	\$301,119	\$56,938	\$0
2026	\$301,119	\$26,363	\$0	\$0	\$337,307	\$86,252	\$0
2027	\$337,307	\$26,363	\$0	\$0	\$374,580	\$116,130	\$0
2028	\$374,580	\$26,363	\$16,200	\$0	\$396,285	\$146,572	\$0
2029	\$396,285	\$26,363	\$8,250	\$0	\$426,830	\$177,578	\$0
2030	\$426,830	\$26,363	\$56,000	\$0	\$409,109	\$209,148	\$0
2031	\$409,109	\$26,363	\$0	\$0	\$448,536	\$241,281	\$0
2032	\$448,536	\$26,363	\$0	\$0	\$489,146	\$273,978	\$0
2033	\$489,146	\$26,363	\$17,700	\$0	\$512,743	\$307,238	\$0
2034	\$512,743	\$26,363	\$9,000	\$0	\$546,009	\$341,063	\$0
2035	\$546,009	\$26,363	\$61,000	\$0	\$526,713	\$375,451	\$0
2036	\$526,713	\$26,363	\$0	\$0	\$569,669	\$410,403	\$0
2037	\$569,669	\$26,363	\$0	\$0	\$613,913	\$445,918	\$0
2038	\$613,913	\$26,363	\$19,200	\$0	\$639,708	\$481,998	\$0
2039	\$639,708	\$26,363	\$9,750	\$0	\$676,010	\$518,641	\$0
2040	\$676,010	\$26,363	\$66,000	\$0	\$655,465	\$555,848	\$0
2041	\$655,465	\$26,363	\$0	\$0	\$702,282	\$593,618	\$0
2042	\$702,282	\$26,363	\$0	\$0	\$750,505	\$631,953	\$0
2043	\$750,505	\$26,363	\$55,200	\$0	\$743,318	\$670,851	\$0
CYCLE END TOTALS:		\$527,260	\$376,800				

Net interest is compounded at 3% per year. Inflation is compounded at 4% each year for both expenses and the attrition rate. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.

CONCLUSION, PART C
SUGGESTED LEVEL OF FUNDING FOR A FULLY-FUNDED RESERVE W/ 3% FUNDING INCREASE EACH YEAR



Cash Flow Analysis for The Preserve of Vero Beach - Update 2024

January 5, 2024

THE SUGGESTED LEVEL OF FUNDING IS SHOWN vs. A FULLY FUNDED RESERVE

Year	Cash Balance Forwarded	Annual Funding		Cash Expense	Cash Shortfall	Cash Balance with 3% interest	Reserve Required	Coverage Shortfall
			%					
2024	\$288,890	\$26,363		\$7,500	\$0	\$316,986	\$28,187	\$0
2025	\$316,986	\$27,154	3%	\$51,000	\$0	\$301,934	\$56,938	\$0
2026	\$301,934	\$27,969	3%	\$0	\$0	\$339,799	\$86,252	\$0
2027	\$339,799	\$28,808	3%	\$0	\$0	\$379,665	\$116,130	\$0
2028	\$379,665	\$29,672	3%	\$16,200	\$0	\$404,931	\$146,572	\$0
2029	\$404,931	\$30,562	3%	\$8,250	\$0	\$440,060	\$177,578	\$0
2030	\$440,060	\$31,479	3%	\$56,000	\$0	\$428,005	\$209,148	\$0
2031	\$428,005	\$32,423	3%	\$0	\$0	\$474,241	\$241,281	\$0
2032	\$474,241	\$33,396	3%	\$0	\$0	\$522,866	\$273,978	\$0
2033	\$522,866	\$34,398	3%	\$17,700	\$0	\$555,751	\$307,238	\$0
2034	\$555,751	\$35,430	3%	\$9,000	\$0	\$599,646	\$341,063	\$0
2035	\$599,646	\$36,493	3%	\$61,000	\$0	\$592,393	\$375,451	\$0
2036	\$592,393	\$37,587	3%	\$0	\$0	\$648,879	\$410,403	\$0
2037	\$648,879	\$38,715	3%	\$0	\$0	\$708,222	\$445,918	\$0
2038	\$708,222	\$39,876	3%	\$19,200	\$0	\$750,765	\$481,998	\$0
2039	\$750,765	\$41,073	3%	\$9,750	\$0	\$805,551	\$518,641	\$0
2040	\$805,551	\$42,305	3%	\$66,000	\$0	\$805,311	\$555,848	\$0
2041	\$805,311	\$43,574	3%	\$0	\$0	\$874,352	\$593,618	\$0
2042	\$874,352	\$44,881	3%	\$0	\$0	\$946,810	\$631,953	\$0
2043	\$946,810	\$46,228	3%	\$55,200	\$0	\$965,973	\$670,851	\$0
CYCLE END TOTALS:		\$708,384		\$376,800				

Net interest is compounded at 3% per year. Inflation is compounded at 4.4% each year for both expenses and attrition. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular up-dates.



Cash Flow Analysis for The Preserve of Vero Beach - Update 2024
January 5, 2024

DEDICATED EXPENSES PRIOR TO APPLICATION OF EXISTING RESERVE ACCOUNT BALANCES

COMPONENT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Grounds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Site Drainage	0	0	0	0	5,000	0	0	0	0	5,000	0	0	0	0	5,000	0	0	0	0	0	5,000
Irrigation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gates & Operators	0	0	0	0	10,000	0	0	0	0	10,000	0	0	0	0	10,000	0	0	0	0	0	10,000
Asphalt Surfaces	0	50,000	0	0	0	0	50,000	0	0	0	0	50,000	0	0	0	0	50,000	0	0	0	0
Concrete Surfaces	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Security Systems	7,500	0	0	0	0	7,500	0	0	0	0	7,500	0	0	0	0	7,500	0	0	0	0	0
Site Misc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,000
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Expense	7,500	50,000	0	0	15,000	7,500	50,000	0	0	15,000	7,500	50,000	0	0	15,000	7,500	50,000	0	0	0	40,000
Inflated Cash Expense 2%	7,500	51,000	0	0	16,200	8,250	56,000	0	0	17,700	9,000	61,000	0	0	19,200	9,750	66,000	0	0	0	55,200
Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	



Cash Flow Analysis for The Preserve of Vero Beach - Update 2024

January 5, 2024

THE CURRENT LEVEL OF FUNDING IS SHOWN vs. TIMING OF DEDICATED EXPENSES

Year	Cash Balance Forwarded	Annual Funding	Actual Cash Expense	Cash Shortfall	Cash Balance with 3% interest		
2024	\$288,890	\$26,363	\$7,500	\$0	\$316,986		
2025	\$316,986	\$26,363	\$51,000	\$0	\$301,119		
2026	\$301,119	\$26,363	\$0	\$0	\$337,307		
2027	\$337,307	\$26,363	\$0	\$0	\$374,580		
2028	\$374,580	\$26,363	\$16,200	\$0	\$396,285		
2029	\$396,285	\$26,363	\$8,250	\$0	\$426,830		
2030	\$426,830	\$26,363	\$56,000	\$0	\$409,109		
2031	\$409,109	\$26,363	\$0	\$0	\$448,536		
2032	\$448,536	\$26,363	\$0	\$0	\$489,146		
2033	\$489,146	\$26,363	\$17,700	\$0	\$512,743		
2034	\$512,743	\$26,363	\$9,000	\$0	\$546,009		
2035	\$546,009	\$26,363	\$61,000	\$0	\$526,713		
2036	\$526,713	\$26,363	\$0	\$0	\$569,669		
2037	\$569,669	\$26,363	\$0	\$0	\$613,913		
2038	\$613,913	\$26,363	\$19,200	\$0	\$639,708		
2039	\$639,708	\$26,363	\$9,750	\$0	\$676,010		
2040	\$676,010	\$26,363	\$66,000	\$0	\$655,465		
2041	\$655,465	\$26,363	\$0	\$0	\$702,282		
2042	\$702,282	\$26,363	\$0	\$0	\$750,505		
2043	\$750,505	\$26,363	\$55,200	\$0	\$743,318		
CYCLE END TOTALS:		\$527,260	\$376,800				

Net interest is compounded at 3% per year. Inflation is compounded at 4% each year for both expenses and attrition. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.

CONCLUSION, PART F
SUGGESTED FUNDING LEVEL TO MEET THE BASELINE EXPENSES W/ 3% FUNDING INCREASE EACH YEAR



Cash Flow Analysis for The Preserve of Vero Beach - Update 2024
January 5, 2024
SUGGESTED MINIMUM FUNDING LEVEL TO MEET DEDICATED EXPENSES

Year	Cash Balance Forwarded	Annual Funding (3% compound fund)	Actual Cash Expense	Cash Shortfall	Cash Balance with 3% interest		
2024	\$288,890	\$26,636	\$7,500	\$0	\$317,267		
2025	\$317,267	\$27,435	\$51,000	\$0	\$296,639		
2026	\$296,639	\$28,258	\$0	\$0	\$328,146		
2027	\$328,146	\$29,106	\$0	\$0	\$360,824		
2028	\$360,824	\$29,979	\$16,200	\$0	\$378,349		
2029	\$378,349	\$30,878	\$8,250	\$0	\$404,988		
2030	\$404,988	\$31,805	\$56,000	\$0	\$384,600		
2031	\$384,600	\$32,759	\$0	\$0	\$421,533		
2032	\$421,533	\$33,742	\$0	\$0	\$459,827		
2033	\$459,827	\$34,754	\$17,700	\$0	\$481,650		
2034	\$481,650	\$35,797	\$9,000	\$0	\$513,531		
2035	\$513,531	\$36,870	\$61,000	\$0	\$494,296		
2036	\$494,296	\$37,977	\$0	\$0	\$537,595		
2037	\$537,595	\$39,116	\$0	\$0	\$582,478		
2038	\$582,478	\$40,289	\$19,200	\$0	\$609,603		
2039	\$609,603	\$41,498	\$9,750	\$0	\$647,764		
2040	\$647,764	\$42,743	\$66,000	\$0	\$630,752		
2041	\$630,752	\$44,025	\$0	\$0	\$681,525		
2042	\$681,525	\$45,346	\$0	\$0	\$734,140		
2043	\$734,140	\$46,706	\$55,200	\$0	\$732,903		
CYCLE END TOTALS:		\$715,719	\$376,800	\$0			

Net interest is compounded at 3% per year. Inflation is compounded at 4% each year for both expenses and attrition. See appendix for information regarding inflation. This scenario is good for a limited time of approximately three years. All projections require regular updates.