

**A RESERVE STUDY UPDATE FOR**

**Power One Professional  
and Medical Center  
Condo Assoc, Inc.  
Hialeah, FL  
File # 22920-02641**

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

**PREPARED BY  
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July 17, 2017

Power One Professional and Medical Center Condo Assoc, Inc.  
Attn: Juan Garcia  
6450 West 21st Court  
Hialeah, FL 33016

Dear Mr. Garcia,

On February 11, 2013, we completed an on-site inspection of Power One Professional and Medical Center Condo Assoc, Inc.'s common area reserve items. Data gleaned from this inspection was utilized in the completion of an original reserve study report published on February 13, 2013. 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 GAB Robins representative did re-inspect the common area reserve items for use in completion of this update reserve study report, on June 14, 2017.

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 Power One Professional and Medical Center Condo Assoc, 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 Analyst/Specialist and GAB Robins have no relationships with the association that would result in actual or perceived conflicts of interest.

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

In completing this report, the reserve analyst/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 inspection. Current financial data, including the actual or projected reserve fund balances as of the analysis date, and property histories, provided by Maria Barrios, GRS Management, Inc, LCAM, were utilized in the completion of this report. This data was not audited, and was assumed to be complete and correct. The reserve analyst/specialist estimated the repair/replacement cost taking into account contingencies inherent to this type of work. The report was prepared utilizing the information gathered in the field and the costs estimated by the reserve analyst/specialist.

Respectfully submitted,  
GAB Robins, A Division of Cunningham Lindsey

Margery Schultz, RS #319  
Reserve Specialist, Community Associations Institute

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## **PROJECT OVERVIEW**

The subject of this reserve study report is the common areas within Power One Professional and Medical Center Condo Assoc, Inc., a 10 unit residential development located in Hialeah, FL. Originally constructed at or near June 1, 1987, and include a three story 10 unit commercial condominium building, asphalt paved roadways and parking areas, concrete sidewalks and curbing, entry signage, perimeter fencing, and landscaping and irrigation systems. As of the date of our latest physical inspection, the common areas were observed to be in average to good overall condition, with no significant items of deferred maintenance noted.

The condominium building is of concrete block/stucco construction, with painted stucco exteriors and flat membrane roofing. The interiors include four common area restrooms typical mechanical and storage rooms, with lobbies, elevator foyers, and hallways on each of the three floors, providing access to individually owned commercial units. Access to the upper floors is provided by two interior stairwells and two hydraulic elevators. The building is also supported by a wet fire sprinkler system. The interior finishes are representative of an average to good quality property, ceramic tile flooring, painted gypsum board interior walls, 2' X 2' drop acoustical tile ceilings, average to good quality built-ins (doors/frames, storefront glass, cabinetry, countertops, vanities, etc., and plumbing and electrical fixtures). Air conditioning is via split HVAC systems, with interior air handlers and exterior condensers.

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

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





## RESERVE STUDY FUNDING ANALYSIS

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

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:** Power One Professional and Medical Center Condo Assoc, Inc.

**Property Location:** Hialeah, FL

**Property Type:** Condominium Association

**Total Units:** 10

**Report Run Date:** July 17, 2017

**Budget Year Begins:** January 1, 2018

**Budget Year Ends:** December 31, 2018

## PROJECTED COMPONENT CATEGORIES AND PARAMETERS

1. Common Area Interiors
2. Elevators
3. Painting & Waterproofing
4. Pavement
5. Roof
6. Site Improvements

Total current cost of all reserve components in reserve analysis:	\$	522,047
Estimated beginning reserve fund balance for reserve analysis:	\$	282,565
Total number of components scheduled for replacement in the 2018 budget year:		1
Total cost of components scheduled for replacement in the 2018 budget year:	\$	11,966

## ANALYSIS RESULTS –CASH FLOW ANALYSIS

Current annual reserve funding contribution amount (2017 Budget):	\$	83,818
Our recommended annual reserve funding contribution amount:	\$	23,865
Increase (decrease) between current and recommended annual contribution amounts:	\$	(59,953)
Increase (decrease) between current and recommended annual contribution amounts:		(71.5%)

## ANALYSIS RESULTS – COMPONENT FUNDING ANALYSIS

Current annual reserve funding contribution amount (2017 Budget):	\$	83,818
Our recommended annual reserve funding contribution amount:	\$	55,150
Increase (decrease) between current and recommended annual contribution amounts:	\$	(28,668)
Increase (decrease) between current and recommended annual contribution amounts:		(34.2%)

## **RESERVE BUDGET COMPARISON**

The previous page provides a comparison of the association's approved fiscal year 2017 reserve contribution level and our estimates for full reserve funding for fiscal year 2018. The funding requirement estimated for fiscal year 2018 via the Cash Flow Analysis and Component Funding Analysis methodologies are is lower than the association's approved fiscal year 2017 contribution level.

Based on the Cash Flow Analysis methodology, the association can fully fund the reserves as analyzed in this report at \$23,865 in fiscal year 2018. This level of annual funding could remain stable over the remainder of the study period, provide adequate funds to offset planned reserve expenditures, and maintain a positive reserve fund balance over the entirety of the study period. In this analysis we have utilized a 0.50% rate of return on reserve funds invested over the study period (assuming safe investment in CDs, money market accounts, etc.). The Cash Flow Analysis utilizes a pooling effect with reserve funds by pooling all funds together and distributing these funds to individual components as their replacement comes due. Funds that are pooled together in the cash flow analysis include the beginning balance, contributions to the reserve funds and interest earned on reserve funds. These pooled funds are matched against reserve expenditures throughout the period of the analysis by using our reserve analysis software program to ensure that the available funds are always greater than expenditures.

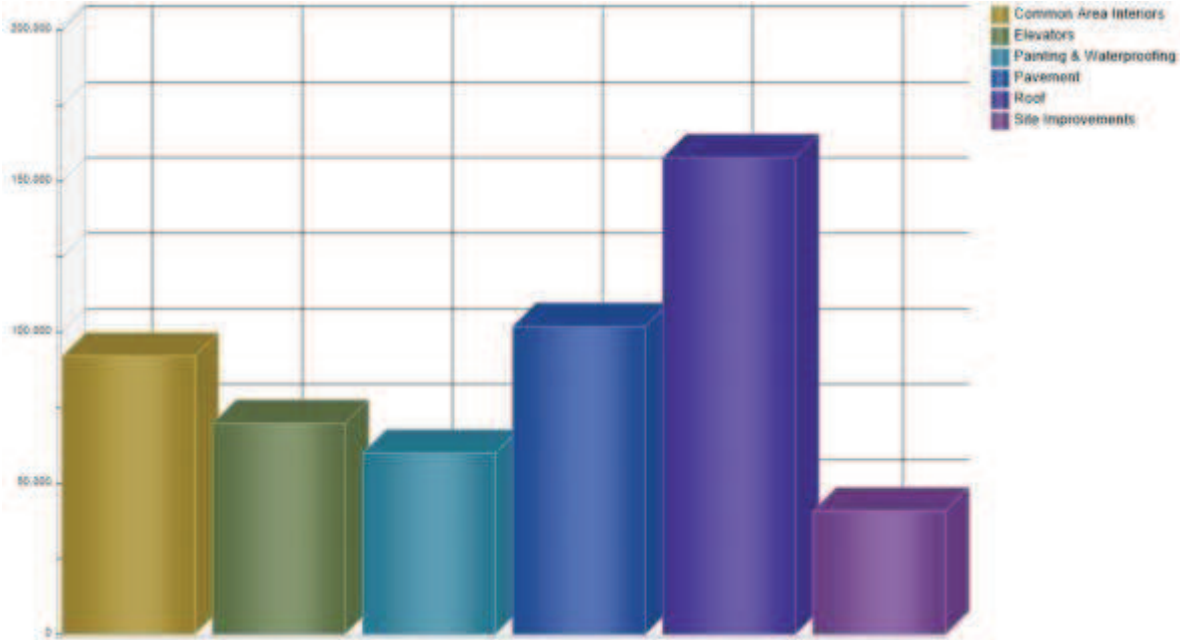
Based on our Component Funding Analysis model, the reserves as analyzed in this report suggest that in order to fully fund in fiscal year 2018, the contribution should be \$55,150. The Component Funding Analysis is a straight-line accounting procedure that was previously mandated by the State of Florida. 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**

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

Item Parameter - Category - Chart



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Detail

Description	Replace Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measure Basis
<b>Common Area Interiors</b>								
Elevator Cab Interiors	06/01/2020	\$ 18,498.00	25:00	33:00	2:05	\$ 18,498.00	\$ 9,249.00	cabs
Flooring, Tile	06/01/2022	25,540.00	35:00	35:00	4:05	25,540.00		12.77 sq ft
HVAC Air Handler 1	06/01/2034	1,917.00	20:00	20:00	16:05	1,917.00		639.00 tons
HVAC Air Handler 2	06/01/2034	1,917.00	20:00	20:00	16:05	1,917.00		639.00 tons
HVAC Condenser 1	06/01/2026	1,977.00	12:00	12:00	8:05	1,977.00		659.00 tons
HVAC Condenser 2	06/01/2026	1,977.00	12:00	12:00	8:05	1,977.00		659.00 tons
Paint Interior Common Walls	06/01/2028	6,653.00	12:00	12:00	10:05	6,653.00		6,653.00 lp sm
Renovation Restrooms	06/01/2021	33,546.40	34:00	34:00	3:05	33,546.40		44.14 sq ft
		\$ 92,025.40				\$ 92,025.40		
<b>Elevators</b>								
Elevator Mechanical Modernization	06/01/2019	69,788.00	30:00	32:00	1:05	69,788.00		34,894.00 cabs
		\$ 69,788.00				\$ 69,788.00		
<b>Painting &amp; Waterproofing</b>								
Paint/Waterproof Bldg Exteriors	06/01/2019	59,908.00	7:00	7:00	1:05	59,908.00		59,908.00 lp sm
		\$ 59,908.00				\$ 59,908.00		
<b>Pavement</b>								
Asphalt Overlay	06/01/2023	89,890.47	25:00	36:00	5:05	89,890.47		9.39 sq yds
Asphalt Sealcoat/Rejuvenation	01/01/2018	11,966.25	5:00	5:00	0:00	11,966.25		1.25 sq yds
		\$ 101,856.72				\$ 101,856.72		
<b>Roof</b>								
Roof Replacement	06/01/2035	157,716.00	20:00	20:00	17:05	157,716.00		1,348.00 squares
		\$ 157,716.00				\$ 157,716.00		
<b>Site Improvements</b>								
Perimeter Fencing, Aluminum	01/01/2042	29,301.20	25:00	25:00	24:00	29,301.20		43.09 ln ft
Perimeter Fencing, Chain Link	01/01/2042	11,452.30	25:00	25:00	24:00	11,452.30		16.13 ln ft
		\$ 40,753.50				\$ 40,753.50		
		\$ 522,047.62				\$ 522,047.62		

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### Elevator Cab Interiors

<b>Item Number</b>	11	<b>Measurement Basis</b>	cabs
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	25:00
<b>Category</b>	Common Area Interiors	<b>Basis Cost</b>	9,249.00
<b>Tracking</b>	Logistical		
<b>Method</b>	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0011	06/01/1987	06/01/2020	2:05	33:00	2.00	\$ 18,498.00	\$ 18,498.00
						\$ 18,498.00	\$ 18,498.00

### Comments

A line item was included for eventual major interior refurbishment/renovation of the elevator cabs, including flooring systems, walls, ceilings and lighting, etc. In properties like the subject, this upgrade is usually completed on a +/- 25 year schedule. Considering that the cab interiors are likely original, with the exception of the flooring, for the association's consideration, we have scheduled this expense to be completed along with the planned elevator modernization in 2020. A recurring market supported 25 year life cycle was scheduled thereafter.



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

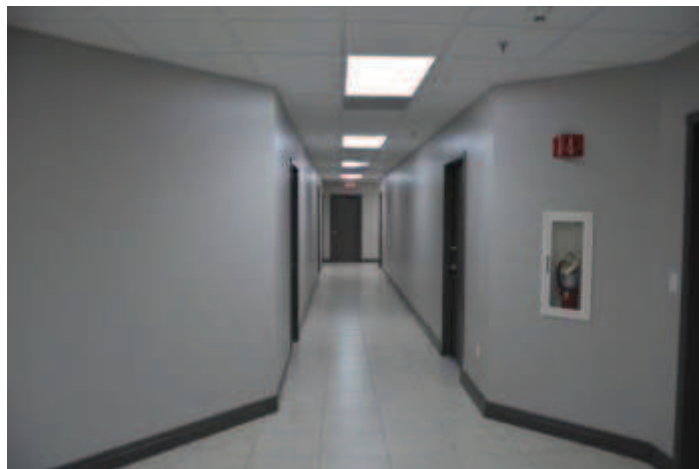
### Flooring, Tile

<b>Item Number</b>	16	<b>Measurement Basis</b>	sq ft
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	35:00
<b>Category</b>	Common Area Interiors	<b>Basis Cost</b>	12.77
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0016	06/01/1987	06/01/2022	4:05	35:00	2000.00	\$ 25,540.00	\$ 25,540.00
						\$ 25,540.00	\$ 25,540.00

### Comments

We have included a line item for the eventual replacement of the tile in common area lobbies, hallways, and elevator foyers. The tile flooring in the restrooms will be included in their respective renovation line item. In similar quality properties, a life cycle in the 25+ year range has been observed for tile replacement. The useful life generally depends on the quality of tile, level of maintenance, and association cosmetic tastes. Considering the age of the tile and that no plans were reported to complete this expense in the near future, we have scheduled a 2017 replacement date. The current cost includes removal and disposal of the existing tile and replacement with like quality.



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### HVAC Air Handler 1

<b>Item Number</b>	3	<b>Measurement Basis</b>	tons
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	20:00
<b>Category</b>	Common Area Interiors	<b>Basis Cost</b>	639.00
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0003	06/01/2014	06/01/2034	16:05	20:00	3.00	\$ 1,917.00	\$ 1,917.00
						\$ 1,917.00	\$ 1,917.00

### Comments

As reported, the association will be removing the roof top chiller unit and interior heat pumps and replacing this system with individual split units which will be the responsibility of the unit owners. Also, there are two 3 ton split HVAC systems that will service the common area interior hallways. These units are the responsibility of the association and were included in this analysis. The market suggests a useful life in the 20 year range for interior air handlers and a useful life of +/- 12 years for exterior condensers. The cost for each air handler and condenser is based on its size in tons and our experience with this type of equipment on an average \$/ton basis.

**Power One Professional and Medical Center Condo Assoc, Inc.**

Analysis Date - January 1, 2018

**Item Parameters - Full Detail**

**HVAC Air Handler 2**

<b>Item Number</b>	4	<b>Measurement Basis</b>	tons
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	20:00
<b>Category</b>	Common Area Interiors	<b>Basis Cost</b>	639.00
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

<b>Code</b>	<b>Service Date</b>	<b>Replace Date</b>	<b>Rem Life</b>	<b>Adj Life</b>	<b>Quantity</b>	<b>Replacement Cost</b>	
						<b>Current</b>	<b>Future</b>
910-000-0004	06/01/2014	06/01/2034	16:05	20:00	3.00	\$ 1,917.00	\$ 1,917.00
						\$ 1,917.00	\$ 1,917.00

**Comments**

**Power One Professional and Medical Center Condo Assoc, Inc.**

Analysis Date - January 1, 2018

**Item Parameters - Full Detail**

**HVAC Condenser 1**

<b>Item Number</b>	5	<b>Measurement Basis</b>	tons
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	12:00
<b>Category</b>	Common Area Interiors	<b>Basis Cost</b>	659.00
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

<b>Code</b>	<b>Service Date</b>	<b>Replace Date</b>	<b>Rem Life</b>	<b>Adj Life</b>	<b>Quantity</b>	<b>Replacement Cost</b>	
						<b>Current</b>	<b>Future</b>
910-000-0005	06/01/2014	06/01/2026	8:05	12:00	3.00	\$ 1,977.00	\$ 1,977.00
						\$ 1,977.00	\$ 1,977.00

**Comments**

**Power One Professional and Medical Center Condo Assoc, Inc.**

Analysis Date - January 1, 2018

**Item Parameters - Full Detail**

**HVAC Condenser 2**

<b>Item Number</b>	6	<b>Measurement Basis</b>	tons
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	12:00
<b>Category</b>	Common Area Interiors	<b>Basis Cost</b>	659.00
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

<b>Code</b>	<b>Service Date</b>	<b>Replace Date</b>	<b>Rem Life</b>	<b>Adj Life</b>	<b>Quantity</b>	<b>Replacement Cost</b>	
						<b>Current</b>	<b>Future</b>
910-000-0006	06/01/2014	06/01/2026	8:05	12:00	3.00	\$ 1,977.00	\$ 1,977.00
						\$ 1,977.00	\$ 1,977.00

**Comments**

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

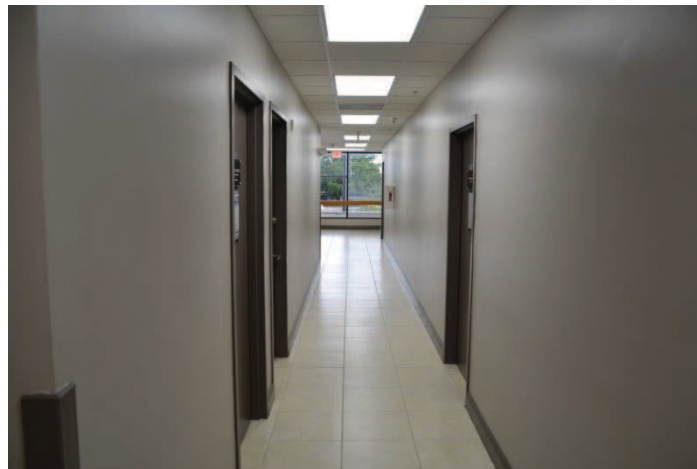
### Paint Interior Common Walls

<b>Item Number</b>	15	<b>Measurement Basis</b>	lp sm
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	12:00
<b>Category</b>	Common Area Interiors	<b>Basis Cost</b>	6,653.00
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0015	06/01/2016	06/01/2028	10:05	12:00	1.00	\$ 6,653.00	\$ 6,653.00
						\$ 6,653.00	\$ 6,653.00

### Comments

This category refers to costs associated with painting/refinishing of the interior walls within the common area hallways and stairwells. Most associations can expect to incur costs associated with this type of upgrade on a 10-12 year useful life, assuming in house repairs and touch ups. The date of the last interior painting project was 2016. The current cost of \$6,653 includes typical surface prep and wall repair, is based on an estimated total painted wall area of 4,639 square feet. This cost also includes an estimated cost for painting the interior walls at each of the 6 stairwells.



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### Renovation Restrooms

<b>Item Number</b>	14	<b>Measurement Basis</b>	sq ft
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	34:00
<b>Category</b>	Common Area Interiors	<b>Basis Cost</b>	44.14
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0014	06/01/1987	06/01/2021	3:05	34:00	760.00	\$ 33,546.40	\$ 33,546.40
						\$ 33,546.40	\$ 33,546.40

### Comments

A 25-35 year useful life is standard for major renovation of the common area restroom interiors, including tile flooring, wall finishes, vanities/countertops, mirrors, plumbing and electrical fixtures, etc. The current cost estimate is based on the approximate total square footage of floor area (+/- 190 square foot at each of the four restrooms), and a market supported cost per square foot. The current cost estimate does not include any unforeseen floor area reconfigurations and/or expansions. Actual costs may vary depending on the scope of renovation.



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### Elevator Mechanical Modernization

<b>Item Number</b>	10	<b>Measurement Basis</b>	cabs
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	30:00
<b>Category</b>	Elevators	<b>Basis Cost</b>	34,894.00
<b>Tracking</b>	Logistical		
<b>Method</b>	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0010	06/01/1987	06/01/2019	1:05	32:00	2.00	\$ 69,788.00	\$ 69,788.00
						\$ 69,788.00	\$ 69,788.00

### Comments

The useful life of the electrical and mechanical components (motors, controllers, door operators, call buttons, etc.) of hydraulic elevators can range rather widely. Typically, this upgrade is driven by an association's dissatisfaction with elevator speed, smoothness of ride, and/or noise. We have observed hydraulic elevator modernization after +/- 25 years, to over 40 years.

Excluded from this report are the hydraulic elevator jacks/pistons. Market data we have observed suggests that while major restoration/replacement can be necessary, it is not always necessary under normal market conditions. As such, it is our opinion that inclusion of reserves for jack/piston replacement is not prudent in the absence of a professional assessment(s) indicating that this upgrade will be necessary. In the event that such an assessment(s) determines that hydraulic jack/piston replacement is necessary, this report should be amended to include that reserve component.

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### Paint/Waterproof Bldg Exteriors

<b>Item Number</b>	9	<b>Measurement Basis</b>	lp sm
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	7:00
<b>Category</b>	Painting & Waterproofing	<b>Basis Cost</b>	59,908.00
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0009	06/01/2012	06/01/2019	1:05	7:00	1.00	\$ 59,908.00	\$ 59,908.00
						\$ 59,908.00	\$ 59,908.00

### Comments

To insure proper protection of the underlying concrete, stucco, and metal surfaces, the market reflects a maximum 6 to 7 year life cycle for exterior painting and waterproofing. The date of the previous painting & waterproofing project was unknown. It was reported by an association representative that the building exteriors were painted and waterproofed in 2012. A recurring market supported 7 year life cycle was scheduled thereafter. As reported, the cost to be incurred is +/- \$31,000 for waterproofing and +/- \$26,000 for exterior painting. These costs were found to be in-line with market standards and known costs for this scope of work. The current cost includes typical minor exterior repairs, surface preparation, as needed window and door caulking/waterproofing and repainting of all exterior surfaces.



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### Asphalt Overlay

<b>Item Number</b>	1	<b>Measurement Basis</b>	sq yds
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	25:00
<b>Category</b>	Pavement	<b>Basis Cost</b>	9.39
<b>Tracking</b>	Logistical		
<b>Method</b>	Adjusted		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0001	06/01/1987	06/01/2023	5:05	36:00	9573.00	\$ 89,890.47	\$ 89,890.47
						\$ 89,890.47	\$ 89,890.47

### 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. As reported, the asphalt is original, suggesting an age of +/- 26 years. Considering the age and observed condition, this expense should be expected in the near future. Considering that no plans were reported to complete this expense in the near future, for the purposes of this analysis, we have adjusted this expense to be incurred in 2023. A market supported 25 year life cycle was scheduled thereafter.

The current unit cost estimate includes as needed milling of the asphalt paving at its junction with adjacent concrete paving, typical minor repairs to the underlying pavement subbase and drainage systems, installation of a standard overlay, 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.



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### Asphalt Sealcoat/Rejuvenation

<b>Item Number</b>	2	<b>Measurement Basis</b>	sq yds
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	5:00
<b>Category</b>	Pavement	<b>Basis Cost</b>	1.25
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0002	01/01/2013	01/01/2018	0:00	5:00	9573.00	\$ 11,966.25	\$ 11,966.25
						\$ 11,966.25	\$ 11,966.25

### Comments

Sealcoating/rejuvenation 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. The market reflects a typical useful life of 3-5 years for this upgrade.

The current cost estimate includes typical minor pavement repairs and re-striping.



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### Roof Replacement

<b>Item Number</b>	13	<b>Measurement Basis</b>	squares
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	20:00
<b>Category</b>	Roof	<b>Basis Cost</b>	1,348.00
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0013	06/01/2015	06/01/2035	17:05	20:00	117.00	\$ 157,716.00	\$ 157,716.00
						\$ 157,716.00	\$ 157,716.00

### Comments

Assuming proper design, installation and maintenance, the market reflects a probable life cycle in the 18-20 year range for membrane flat roofing. As reported, the association plans to replace the membrane cover only, in 2015 at a cost of roughly \$60,340. Since future replacements should likely encompass a full replacement of the roof cover and underlying insulation, we have provided a single non-recurring line item for the 2013 project. A separate recurring line item for full replacement was scheduled in the future. A cost estimate of \$157,716 for full replacement was provided to the association by a third party roofing professional. This cost was found to be in-line with data maintained in our work files. The current cost includes removal and disposal of the existing roof cover, typical minor repairs to the underlying roof structures, flashing, scuppers, etc. and installation of like roofing, and is reflective of the approximate squares\* of roof area and a market supported per square unit cost.

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### Perimeter Fencing, Aluminum

<b>Item Number</b>	7	<b>Measurement Basis</b>	ln ft
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	25:00
<b>Category</b>	Site Improvements	<b>Basis Cost</b>	43.09
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0007	01/01/2017	01/01/2042	24:00	25:00	680.00	\$ 29,301.20	\$ 29,301.20
						\$ 29,301.20	\$ 29,301.20

### Comments

As reported, the association installed approximately 680 linear feet of 6' high aluminum fencing and approximately 710 linear feet of 6' high vinyl coated chain link fencing at the property perimeters in 2017. As reported, the installation cost will not be funded through the association's reserves, however, future repairs and replacements will be funded through the association's reserves.

Assuming routine maintenance, the useful life of aluminum fencing should be expected in the +/- 25 year range, barring any unforeseen storm or vehicular damage. The current cost includes removal and disposal of the existing fencing and gates and replacement with similar quality.



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Item Parameters - Full Detail

### Perimeter Fencing, Chain Link

<b>Item Number</b>	8	<b>Measurement Basis</b>	ln ft
<b>Type</b>	Common Area	<b>Estimated Useful Life</b>	25:00
<b>Category</b>	Site Improvements	<b>Basis Cost</b>	16.13
<b>Tracking</b>	Logistical		
<b>Method</b>	Fixed		

Code	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
						Current	Future
910-000-0008	01/01/2017	01/01/2042	24:00	25:00	710.00	\$ 11,452.30	\$ 11,452.30
						\$ 11,452.30	\$ 11,452.30

### Comments

As previously reported, the association installed approximately 710 linear feet of 6' high chain link fencing at the property perimeter in 2017. Assuming routine maintenance, the useful life of chain link fencing should be expected in the +/- 25 year range as well, barring any unforeseen storm or vehicular damage. The current cost includes removal and disposal of the existing fencing and gates and replacement with similar quality.



## Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

### Expenditures - Items Through 2047

Description	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Asphalt Overlay						89,890				
Asphalt Sealcoat/Rejuvenation	11,966					11,966				
Elevator Cab Interiors			18,498							
Elevator Mechanical Modernization		69,788								
Flooring, Tile					25,540					
HVAC Air Handler 1										
HVAC Air Handler 2										
HVAC Condenser 1									1,977	
HVAC Condenser 2									1,977	
Paint Interior Common Walls										
Paint/Waterproof Bldg Exteriors		59,908							59,908	
Perimeter Fencing, Aluminum										
Perimeter Fencing, Chain Link										
Renovation Restrooms				33,546						
Roof Replacement										
	11,966	129,696	18,498	33,546	25,540	101,856			63,862	

**Power One Professional and Medical Center Condo Assoc, Inc.**

Analysis Date - January 1, 2018

**Expenditures - Items Through 2047**

<b>Description</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>
Asphalt Overlay										
Asphalt Sealcoat/Rejuvenation	11,966					11,966				
Elevator Cab Interiors										
Elevator Mechanical Modernization										
Flooring, Tile										
HVAC Air Handler 1							1,917			
HVAC Air Handler 2							1,917			
HVAC Condenser 1										
HVAC Condenser 2										
Paint Interior Common Walls	6,653									
Paint/Waterproof Bldg Exteriors						59,908				
Perimeter Fencing, Aluminum										
Perimeter Fencing, Chain Link										
Renovation Restrooms										
Roof Replacement								157,716		
	18,619					71,874	3,834	157,716		

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

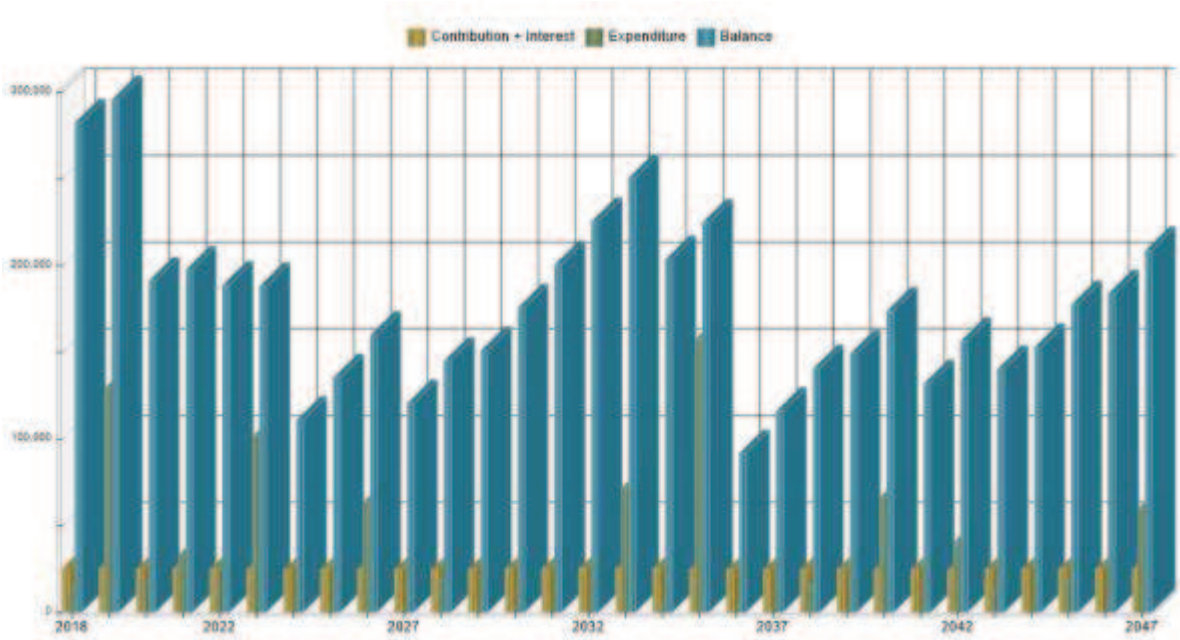
## Expenditures - Items Through 2047

Description	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047
Asphalt Overlay										
Asphalt Sealcoat/Rejuvenation	11,966					11,966				
Elevator Cab Interiors								18,498		
Elevator Mechanical Modernization										
Flooring, Tile										
HVAC Air Handler 1										
HVAC Air Handler 2										
HVAC Condenser 1	1,977									
HVAC Condenser 2	1,977									
Paint Interior Common Walls			6,653							
Paint/Waterproof Bldg Exteriors			59,908							59,908
Perimeter Fencing, Aluminum					29,301					
Perimeter Fencing, Chain Link					11,452					
Renovation Restrooms										
Roof Replacement										
	15,920		66,561		40,753	11,966		18,498		59,908

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Chart



# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Annual

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/18 - 12/18	\$ 282,565.00	\$ 23,865.36	\$ 1,418.36	\$ 11,966.25	295,882.47
01/19 - 12/19	295,882.47	23,865.36	1,190.88	129,696.00	191,242.71
01/20 - 12/20	191,242.71	23,865.36	968.01	18,498.00	197,578.08
01/21 - 12/21	197,578.08	23,865.36	958.94	33,546.40	188,855.98
01/22 - 12/22	188,855.98	23,865.36	936.95	25,540.00	188,118.29
01/23 - 12/23	188,118.29	23,865.36	701.30	101,856.72	110,828.23
01/24 - 12/24	110,828.23	23,865.36	615.18	0.00	135,308.77
01/25 - 12/25	135,308.77	23,865.36	737.85	0.00	159,911.98
01/26 - 12/26	159,911.98	23,865.36	687.99	63,862.00	120,603.33
01/27 - 12/27	120,603.33	23,865.36	664.17	0.00	145,132.86
	<u>\$ 282,565.00</u>	<u>\$ 238,653.60</u>	<u>\$ 8,879.63</u>	<u>\$ 384,965.37</u>	<u>145,132.86</u>

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/28 - 12/28	145,132.86	23,865.36	711.58	18,619.25	151,090.55
01/29 - 12/29	151,090.55	23,865.36	816.93	0.00	175,772.84
01/30 - 12/30	175,772.84	23,865.36	940.62	0.00	200,578.82
01/31 - 12/31	200,578.82	23,865.36	1,064.95	0.00	225,509.13
01/32 - 12/32	225,509.13	23,865.36	1,189.87	0.00	250,564.36
01/33 - 12/33	250,564.36	23,865.36	1,095.54	71,874.25	203,651.01
01/34 - 12/34	203,651.01	23,865.36	1,069.94	3,834.00	224,752.31
01/35 - 12/35	224,752.31	23,865.36	758.45	157,716.00	91,660.12
01/36 - 12/36	91,660.12	23,865.36	519.11	0.00	116,044.59
01/37 - 12/37	116,044.59	23,865.36	641.30	0.00	140,551.25
	<u>\$ 145,132.86</u>	<u>\$ 238,653.60</u>	<u>\$ 8,808.29</u>	<u>\$ 252,043.50</u>	<u>140,551.25</u>

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/38 - 12/38	140,551.25	23,865.36	695.94	15,920.25	149,192.30
01/39 - 12/39	149,192.30	23,865.36	807.43	0.00	173,865.09
01/40 - 12/40	173,865.09	23,865.36	750.62	66,561.00	131,920.07
01/41 - 12/41	131,920.07	23,865.36	720.85	0.00	156,506.28
01/42 - 12/42	156,506.28	23,865.36	648.39	40,753.50	140,266.53
01/43 - 12/43	140,266.53	23,865.36	705.24	11,966.25	152,870.88
01/44 - 12/44	152,870.88	23,865.36	825.86	0.00	177,562.10
01/45 - 12/45	177,562.10	23,865.36	899.45	18,498.00	183,828.91
01/46 - 12/46	183,828.91	23,865.36	981.00	0.00	208,675.27
01/47 - 12/47	208,675.27	23,865.36	943.08	59,908.00	173,575.71
	<u>\$ 140,551.25</u>	<u>\$ 238,653.60</u>	<u>\$ 7,977.86</u>	<u>\$ 213,607.00</u>	<u>173,575.71</u>

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Monthly

2018	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	282,565.00	1,988.78	115.66	11,966.25	272,703.19
February	272,703.19	1,988.78	114.04	0.00	274,806.01
March	274,806.01	1,988.78	114.92	0.00	276,909.71
April	276,909.71	1,988.78	115.79	0.00	279,014.28
May	279,014.28	1,988.78	116.67	0.00	281,119.73
June	281,119.73	1,988.78	117.55	0.00	283,226.06
July	283,226.06	1,988.78	118.43	0.00	285,333.27
August	285,333.27	1,988.78	119.30	0.00	287,441.35
September	287,441.35	1,988.78	120.18	0.00	289,550.31
October	289,550.31	1,988.78	121.06	0.00	291,660.15
November	291,660.15	1,988.78	121.94	0.00	293,770.87
December	293,770.87	1,988.78	122.82	0.00	295,882.47
	\$ 282,565.00	\$ 23,865.36	\$ 1,418.36	\$ 11,966.25	\$ 295,882.47

2019	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	295,882.47	1,988.78	123.70	0.00	297,994.95
February	297,994.95	1,988.78	124.58	0.00	300,108.31
March	300,108.31	1,988.78	125.46	0.00	302,222.55
April	302,222.55	1,988.78	126.34	0.00	304,337.67
May	304,337.67	1,988.78	127.22	0.00	306,453.67
June	306,453.67	1,988.78	101.08	129,696.00	178,847.53
July	178,847.53	1,988.78	74.93	0.00	180,911.24
August	180,911.24	1,988.78	75.79	0.00	182,975.81
September	182,975.81	1,988.78	76.65	0.00	185,041.24
October	185,041.24	1,988.78	77.51	0.00	187,107.53
November	187,107.53	1,988.78	78.38	0.00	189,174.69
December	189,174.69	1,988.78	79.24	0.00	191,242.71
	\$ 295,882.47	\$ 23,865.36	\$ 1,190.88	\$ 129,696.00	\$ 191,242.71

2020	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	191,242.71	1,988.78	80.10	0.00	193,311.59
February	193,311.59	1,988.78	80.96	0.00	195,381.33
March	195,381.33	1,988.78	81.82	0.00	197,451.93
April	197,451.93	1,988.78	82.69	0.00	199,523.40
May	199,523.40	1,988.78	83.55	0.00	201,595.73
June	201,595.73	1,988.78	80.56	18,498.00	185,167.07
July	185,167.07	1,988.78	77.57	0.00	187,233.42
August	187,233.42	1,988.78	78.43	0.00	189,300.63
September	189,300.63	1,988.78	79.29	0.00	191,368.70
October	191,368.70	1,988.78	80.15	0.00	193,437.63
November	193,437.63	1,988.78	81.01	0.00	195,507.42
December	195,507.42	1,988.78	81.88	0.00	197,578.08
	\$ 191,242.71	\$ 23,865.36	\$ 968.01	\$ 18,498.00	\$ 197,578.08

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Monthly

2021	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	197,578.08	1,988.78	82.74	0.00	199,649.60
February	199,649.60	1,988.78	83.60	0.00	201,721.98
March	201,721.98	1,988.78	84.47	0.00	203,795.23
April	203,795.23	1,988.78	85.33	0.00	205,869.34
May	205,869.34	1,988.78	86.19	0.00	207,944.31
June	207,944.31	1,988.78	80.07	33,546.40	176,466.76
July	176,466.76	1,988.78	73.94	0.00	178,529.48
August	178,529.48	1,988.78	74.80	0.00	180,593.06
September	180,593.06	1,988.78	75.66	0.00	182,657.50
October	182,657.50	1,988.78	76.52	0.00	184,722.80
November	184,722.80	1,988.78	77.38	0.00	186,788.96
December	186,788.96	1,988.78	78.24	0.00	188,855.98
	\$ 197,578.08	\$ 23,865.36	\$ 958.94	\$ 33,546.40	\$ 188,855.98

2022	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	188,855.98	1,988.78	79.10	0.00	190,923.86
February	190,923.86	1,988.78	79.97	0.00	192,992.61
March	192,992.61	1,988.78	80.83	0.00	195,062.22
April	195,062.22	1,988.78	81.69	0.00	197,132.69
May	197,132.69	1,988.78	82.55	0.00	199,204.02
June	199,204.02	1,988.78	78.10	25,540.00	175,730.90
July	175,730.90	1,988.78	73.64	0.00	177,793.32
August	177,793.32	1,988.78	74.49	0.00	179,856.59
September	179,856.59	1,988.78	75.35	0.00	181,920.72
October	181,920.72	1,988.78	76.21	0.00	183,985.71
November	183,985.71	1,988.78	77.08	0.00	186,051.57
December	186,051.57	1,988.78	77.94	0.00	188,118.29
	\$ 188,855.98	\$ 23,865.36	\$ 936.95	\$ 25,540.00	\$ 188,118.29

2023	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	188,118.29	1,988.78	76.30	11,966.25	178,217.12
February	178,217.12	1,988.78	74.67	0.00	180,280.57
March	180,280.57	1,988.78	75.53	0.00	182,344.88
April	182,344.88	1,988.78	76.39	0.00	184,410.05
May	184,410.05	1,988.78	77.25	0.00	186,476.08
June	186,476.08	1,988.78	59.39	89,890.47	98,633.78
July	98,633.78	1,988.78	41.51	0.00	100,664.07
August	100,664.07	1,988.78	42.36	0.00	102,695.21
September	102,695.21	1,988.78	43.20	0.00	104,727.19
October	104,727.19	1,988.78	44.05	0.00	106,760.02
November	106,760.02	1,988.78	44.90	0.00	108,793.70
December	108,793.70	1,988.78	45.75	0.00	110,828.23
	\$ 188,118.29	\$ 23,865.36	\$ 701.30	\$ 101,856.72	\$ 110,828.23

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Monthly

2024	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	110,828.23	1,988.78	46.59	0.00	112,863.60
February	112,863.60	1,988.78	47.44	0.00	114,899.82
March	114,899.82	1,988.78	48.29	0.00	116,936.89
April	116,936.89	1,988.78	49.14	0.00	118,974.81
May	118,974.81	1,988.78	49.99	0.00	121,013.58
June	121,013.58	1,988.78	50.84	0.00	123,053.20
July	123,053.20	1,988.78	51.69	0.00	125,093.67
August	125,093.67	1,988.78	52.54	0.00	127,134.99
September	127,134.99	1,988.78	53.39	0.00	129,177.16
October	129,177.16	1,988.78	54.24	0.00	131,220.18
November	131,220.18	1,988.78	55.09	0.00	133,264.05
December	133,264.05	1,988.78	55.94	0.00	135,308.77
	\$ 110,828.23	\$ 23,865.36	\$ 615.18	\$ 0.00	\$ 135,308.77

2025	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	135,308.77	1,988.78	56.79	0.00	137,354.34
February	137,354.34	1,988.78	57.65	0.00	139,400.77
March	139,400.77	1,988.78	58.50	0.00	141,448.05
April	141,448.05	1,988.78	59.35	0.00	143,496.18
May	143,496.18	1,988.78	60.20	0.00	145,545.16
June	145,545.16	1,988.78	61.06	0.00	147,595.00
July	147,595.00	1,988.78	61.91	0.00	149,645.69
August	149,645.69	1,988.78	62.77	0.00	151,697.24
September	151,697.24	1,988.78	63.62	0.00	153,749.64
October	153,749.64	1,988.78	64.48	0.00	155,802.90
November	155,802.90	1,988.78	65.33	0.00	157,857.01
December	157,857.01	1,988.78	66.19	0.00	159,911.98
	\$ 135,308.77	\$ 23,865.36	\$ 737.85	\$ 0.00	\$ 159,911.98

2026	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	159,911.98	1,988.78	67.04	0.00	161,967.80
February	161,967.80	1,988.78	67.90	0.00	164,024.48
March	164,024.48	1,988.78	68.76	0.00	166,082.02
April	166,082.02	1,988.78	69.62	0.00	168,140.42
May	168,140.42	1,988.78	70.47	0.00	170,199.67
June	170,199.67	1,988.78	58.03	63,862.00	108,384.48
July	108,384.48	1,988.78	45.57	0.00	110,418.83
August	110,418.83	1,988.78	46.42	0.00	112,454.03
September	112,454.03	1,988.78	47.27	0.00	114,490.08
October	114,490.08	1,988.78	48.12	0.00	116,526.98
November	116,526.98	1,988.78	48.97	0.00	118,564.73
December	118,564.73	1,988.78	49.82	0.00	120,603.33
	\$ 159,911.98	\$ 23,865.36	\$ 687.99	\$ 63,862.00	\$ 120,603.33

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Monthly

2027	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	120,603.33	1,988.78	50.67	0.00	122,642.78
February	122,642.78	1,988.78	51.52	0.00	124,683.08
March	124,683.08	1,988.78	52.37	0.00	126,724.23
April	126,724.23	1,988.78	53.22	0.00	128,766.23
May	128,766.23	1,988.78	54.07	0.00	130,809.08
June	130,809.08	1,988.78	54.92	0.00	132,852.78
July	132,852.78	1,988.78	55.77	0.00	134,897.33
August	134,897.33	1,988.78	56.62	0.00	136,942.73
September	136,942.73	1,988.78	57.47	0.00	138,988.98
October	138,988.98	1,988.78	58.33	0.00	141,036.09
November	141,036.09	1,988.78	59.18	0.00	143,084.05
December	143,084.05	1,988.78	60.03	0.00	145,132.86
	\$ 120,603.33	\$ 23,865.36	\$ 664.17	\$ 0.00	\$ 145,132.86

2028	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	145,132.86	1,988.78	58.39	11,966.25	135,213.78
February	135,213.78	1,988.78	56.75	0.00	137,259.31
March	137,259.31	1,988.78	57.61	0.00	139,305.70
April	139,305.70	1,988.78	58.46	0.00	141,352.94
May	141,352.94	1,988.78	59.31	0.00	143,401.03
June	143,401.03	1,988.78	58.78	6,653.00	138,795.59
July	138,795.59	1,988.78	58.25	0.00	140,842.62
August	140,842.62	1,988.78	59.10	0.00	142,890.50
September	142,890.50	1,988.78	59.95	0.00	144,939.23
October	144,939.23	1,988.78	60.81	0.00	146,988.82
November	146,988.82	1,988.78	61.66	0.00	149,039.26
December	149,039.26	1,988.78	62.51	0.00	151,090.55
	\$ 145,132.86	\$ 23,865.36	\$ 711.58	\$ 18,619.25	\$ 151,090.55

2029	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	151,090.55	1,988.78	63.37	0.00	153,142.70
February	153,142.70	1,988.78	64.22	0.00	155,195.70
March	155,195.70	1,988.78	65.08	0.00	157,249.56
April	157,249.56	1,988.78	65.93	0.00	159,304.27
May	159,304.27	1,988.78	66.79	0.00	161,359.84
June	161,359.84	1,988.78	67.65	0.00	163,416.27
July	163,416.27	1,988.78	68.50	0.00	165,473.55
August	165,473.55	1,988.78	69.36	0.00	167,531.69
September	167,531.69	1,988.78	70.22	0.00	169,590.69
October	169,590.69	1,988.78	71.08	0.00	171,650.55
November	171,650.55	1,988.78	71.94	0.00	173,711.27
December	173,711.27	1,988.78	72.79	0.00	175,772.84
	\$ 151,090.55	\$ 23,865.36	\$ 816.93	\$ 0.00	\$ 175,772.84

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Monthly

2030	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	175,772.84	1,988.78	73.65	0.00	177,835.27
February	177,835.27	1,988.78	74.51	0.00	179,898.56
March	179,898.56	1,988.78	75.37	0.00	181,962.71
April	181,962.71	1,988.78	76.23	0.00	184,027.72
May	184,027.72	1,988.78	77.09	0.00	186,093.59
June	186,093.59	1,988.78	77.95	0.00	188,160.32
July	188,160.32	1,988.78	78.81	0.00	190,227.91
August	190,227.91	1,988.78	79.68	0.00	192,296.37
September	192,296.37	1,988.78	80.54	0.00	194,365.69
October	194,365.69	1,988.78	81.40	0.00	196,435.87
November	196,435.87	1,988.78	82.26	0.00	198,506.91
December	198,506.91	1,988.78	83.13	0.00	200,578.82
	\$ 175,772.84	\$ 23,865.36	\$ 940.62	\$ 0.00	\$ 200,578.82

2031	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	200,578.82	1,988.78	83.99	0.00	202,651.59
February	202,651.59	1,988.78	84.85	0.00	204,725.22
March	204,725.22	1,988.78	85.72	0.00	206,799.72
April	206,799.72	1,988.78	86.58	0.00	208,875.08
May	208,875.08	1,988.78	87.45	0.00	210,951.31
June	210,951.31	1,988.78	88.31	0.00	213,028.40
July	213,028.40	1,988.78	89.18	0.00	215,106.36
August	215,106.36	1,988.78	90.04	0.00	217,185.18
September	217,185.18	1,988.78	90.91	0.00	219,264.87
October	219,264.87	1,988.78	91.77	0.00	221,345.42
November	221,345.42	1,988.78	92.64	0.00	223,426.84
December	223,426.84	1,988.78	93.51	0.00	225,509.13
	\$ 200,578.82	\$ 23,865.36	\$ 1,064.95	\$ 0.00	\$ 225,509.13

2032	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	225,509.13	1,988.78	94.38	0.00	227,592.29
February	227,592.29	1,988.78	95.24	0.00	229,676.31
March	229,676.31	1,988.78	96.11	0.00	231,761.20
April	231,761.20	1,988.78	96.98	0.00	233,846.96
May	233,846.96	1,988.78	97.85	0.00	235,933.59
June	235,933.59	1,988.78	98.72	0.00	238,021.09
July	238,021.09	1,988.78	99.59	0.00	240,109.46
August	240,109.46	1,988.78	100.46	0.00	242,198.70
September	242,198.70	1,988.78	101.33	0.00	244,288.81
October	244,288.81	1,988.78	102.20	0.00	246,379.79
November	246,379.79	1,988.78	103.07	0.00	248,471.64
December	248,471.64	1,988.78	103.94	0.00	250,564.36
	\$ 225,509.13	\$ 23,865.36	\$ 1,189.87	\$ 0.00	\$ 250,564.36

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Monthly

2033	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	250,564.36	1,988.78	102.32	11,966.25	240,689.21
February	240,689.21	1,988.78	100.70	0.00	242,778.69
March	242,778.69	1,988.78	101.57	0.00	244,869.04
April	244,869.04	1,988.78	102.44	0.00	246,960.26
May	246,960.26	1,988.78	103.31	0.00	249,052.35
June	249,052.35	1,988.78	91.71	59,908.00	191,224.84
July	191,224.84	1,988.78	80.09	0.00	193,293.71
August	193,293.71	1,988.78	80.95	0.00	195,363.44
September	195,363.44	1,988.78	81.82	0.00	197,434.04
October	197,434.04	1,988.78	82.68	0.00	199,505.50
November	199,505.50	1,988.78	83.54	0.00	201,577.82
December	201,577.82	1,988.78	84.41	0.00	203,651.01
	\$ 250,564.36	\$ 23,865.36	\$ 1,095.54	\$ 71,874.25	\$ 203,651.01

2034	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	203,651.01	1,988.78	85.27	0.00	205,725.06
February	205,725.06	1,988.78	86.13	0.00	207,799.97
March	207,799.97	1,988.78	87.00	0.00	209,875.75
April	209,875.75	1,988.78	87.86	0.00	211,952.39
May	211,952.39	1,988.78	88.73	0.00	214,029.90
June	214,029.90	1,988.78	88.79	3,834.00	212,273.47
July	212,273.47	1,988.78	88.86	0.00	214,351.11
August	214,351.11	1,988.78	89.73	0.00	216,429.62
September	216,429.62	1,988.78	90.59	0.00	218,508.99
October	218,508.99	1,988.78	91.46	0.00	220,589.23
November	220,589.23	1,988.78	92.33	0.00	222,670.34
December	222,670.34	1,988.78	93.19	0.00	224,752.31
	\$ 203,651.01	\$ 23,865.36	\$ 1,069.94	\$ 3,834.00	\$ 224,752.31

2035	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	224,752.31	1,988.78	94.06	0.00	226,835.15
February	226,835.15	1,988.78	94.93	0.00	228,918.86
March	228,918.86	1,988.78	95.80	0.00	231,003.44
April	231,003.44	1,988.78	96.67	0.00	233,088.89
May	233,088.89	1,988.78	97.53	0.00	235,175.20
June	235,175.20	1,988.78	65.55	157,716.00	79,513.53
July	79,513.53	1,988.78	33.54	0.00	81,535.85
August	81,535.85	1,988.78	34.39	0.00	83,559.02
September	83,559.02	1,988.78	35.23	0.00	85,583.03
October	85,583.03	1,988.78	36.07	0.00	87,607.88
November	87,607.88	1,988.78	36.92	0.00	89,633.58
December	89,633.58	1,988.78	37.76	0.00	91,660.12
	\$ 224,752.31	\$ 23,865.36	\$ 758.45	\$ 157,716.00	\$ 91,660.12

# Power One Professional and Medical Center Condo Assoc, Inc.

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## Cash Flow - Monthly

2036	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	91,660.12	1,988.78	38.61	0.00	93,687.51
February	93,687.51	1,988.78	39.45	0.00	95,715.74
March	95,715.74	1,988.78	40.30	0.00	97,744.82
April	97,744.82	1,988.78	41.14	0.00	99,774.74
May	99,774.74	1,988.78	41.99	0.00	101,805.51
June	101,805.51	1,988.78	42.83	0.00	103,837.12
July	103,837.12	1,988.78	43.68	0.00	105,869.58
August	105,869.58	1,988.78	44.53	0.00	107,902.89
September	107,902.89	1,988.78	45.37	0.00	109,937.04
October	109,937.04	1,988.78	46.22	0.00	111,972.04
November	111,972.04	1,988.78	47.07	0.00	114,007.89
December	114,007.89	1,988.78	47.92	0.00	116,044.59
	\$ 91,660.12	\$ 23,865.36	\$ 519.11	\$ 0.00	\$ 116,044.59

2037	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	116,044.59	1,988.78	48.77	0.00	118,082.14
February	118,082.14	1,988.78	49.62	0.00	120,120.54
March	120,120.54	1,988.78	50.46	0.00	122,159.78
April	122,159.78	1,988.78	51.31	0.00	124,199.87
May	124,199.87	1,988.78	52.16	0.00	126,240.81
June	126,240.81	1,988.78	53.01	0.00	128,282.60
July	128,282.60	1,988.78	53.87	0.00	130,325.25
August	130,325.25	1,988.78	54.72	0.00	132,368.75
September	132,368.75	1,988.78	55.57	0.00	134,413.10
October	134,413.10	1,988.78	56.42	0.00	136,458.30
November	136,458.30	1,988.78	57.27	0.00	138,504.35
December	138,504.35	1,988.78	58.12	0.00	140,551.25
	\$ 116,044.59	\$ 23,865.36	\$ 641.30	\$ 0.00	\$ 140,551.25

2038	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	140,551.25	1,988.78	56.48	11,966.25	130,630.26
February	130,630.26	1,988.78	54.84	0.00	132,673.88
March	132,673.88	1,988.78	55.70	0.00	134,718.36
April	134,718.36	1,988.78	56.55	0.00	136,763.69
May	136,763.69	1,988.78	57.40	0.00	138,809.87
June	138,809.87	1,988.78	57.43	3,954.00	136,902.08
July	136,902.08	1,988.78	57.46	0.00	138,948.32
August	138,948.32	1,988.78	58.31	0.00	140,995.41
September	140,995.41	1,988.78	59.16	0.00	143,043.35
October	143,043.35	1,988.78	60.02	0.00	145,092.15
November	145,092.15	1,988.78	60.87	0.00	147,141.80
December	147,141.80	1,988.78	61.72	0.00	149,192.30
	\$ 140,551.25	\$ 23,865.36	\$ 695.94	\$ 15,920.25	\$ 149,192.30

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Monthly

2039	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	149,192.30	1,988.78	62.58	0.00	151,243.66
February	151,243.66	1,988.78	63.43	0.00	153,295.87
March	153,295.87	1,988.78	64.29	0.00	155,348.94
April	155,348.94	1,988.78	65.14	0.00	157,402.86
May	157,402.86	1,988.78	66.00	0.00	159,457.64
June	159,457.64	1,988.78	66.86	0.00	161,513.28
July	161,513.28	1,988.78	67.71	0.00	163,569.77
August	163,569.77	1,988.78	68.57	0.00	165,627.12
September	165,627.12	1,988.78	69.43	0.00	167,685.33
October	167,685.33	1,988.78	70.28	0.00	169,744.39
November	169,744.39	1,988.78	71.14	0.00	171,804.31
December	171,804.31	1,988.78	72.00	0.00	173,865.09
	\$ 149,192.30	\$ 23,865.36	\$ 807.43	\$ 0.00	\$ 173,865.09

2040	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	173,865.09	1,988.78	72.86	0.00	175,926.73
February	175,926.73	1,988.78	73.72	0.00	177,989.23
March	177,989.23	1,988.78	74.58	0.00	180,052.59
April	180,052.59	1,988.78	75.44	0.00	182,116.81
May	182,116.81	1,988.78	76.30	0.00	184,181.89
June	184,181.89	1,988.78	63.29	66,561.00	119,672.96
July	119,672.96	1,988.78	50.28	0.00	121,712.02
August	121,712.02	1,988.78	51.13	0.00	123,751.93
September	123,751.93	1,988.78	51.98	0.00	125,792.69
October	125,792.69	1,988.78	52.83	0.00	127,834.30
November	127,834.30	1,988.78	53.68	0.00	129,876.76
December	129,876.76	1,988.78	54.53	0.00	131,920.07
	\$ 173,865.09	\$ 23,865.36	\$ 750.62	\$ 66,561.00	\$ 131,920.07

2041	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	131,920.07	1,988.78	55.38	0.00	133,964.23
February	133,964.23	1,988.78	56.23	0.00	136,009.24
March	136,009.24	1,988.78	57.08	0.00	138,055.10
April	138,055.10	1,988.78	57.94	0.00	140,101.82
May	140,101.82	1,988.78	58.79	0.00	142,149.39
June	142,149.39	1,988.78	59.64	0.00	144,197.81
July	144,197.81	1,988.78	60.50	0.00	146,247.09
August	146,247.09	1,988.78	61.35	0.00	148,297.22
September	148,297.22	1,988.78	62.20	0.00	150,348.20
October	150,348.20	1,988.78	63.06	0.00	152,400.04
November	152,400.04	1,988.78	63.91	0.00	154,452.73
December	154,452.73	1,988.78	64.77	0.00	156,506.28
	\$ 131,920.07	\$ 23,865.36	\$ 720.85	\$ 0.00	\$ 156,506.28

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Monthly

2042	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	156,506.28	1,988.78	57.13	40,753.50	117,798.69
February	117,798.69	1,988.78	49.50	0.00	119,836.97
March	119,836.97	1,988.78	50.35	0.00	121,876.10
April	121,876.10	1,988.78	51.20	0.00	123,916.08
May	123,916.08	1,988.78	52.05	0.00	125,956.91
June	125,956.91	1,988.78	52.90	0.00	127,998.59
July	127,998.59	1,988.78	53.75	0.00	130,041.12
August	130,041.12	1,988.78	54.60	0.00	132,084.50
September	132,084.50	1,988.78	55.45	0.00	134,128.73
October	134,128.73	1,988.78	56.30	0.00	136,173.81
November	136,173.81	1,988.78	57.15	0.00	138,219.74
December	138,219.74	1,988.78	58.01	0.00	140,266.53
	\$ 156,506.28	\$ 23,865.36	\$ 648.39	\$ 40,753.50	\$ 140,266.53

2043	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	140,266.53	1,988.78	56.37	11,966.25	130,345.43
February	130,345.43	1,988.78	54.72	0.00	132,388.93
March	132,388.93	1,988.78	55.58	0.00	134,433.29
April	134,433.29	1,988.78	56.43	0.00	136,478.50
May	136,478.50	1,988.78	57.28	0.00	138,524.56
June	138,524.56	1,988.78	58.13	0.00	140,571.47
July	140,571.47	1,988.78	58.99	0.00	142,619.24
August	142,619.24	1,988.78	59.84	0.00	144,667.86
September	144,667.86	1,988.78	60.69	0.00	146,717.33
October	146,717.33	1,988.78	61.55	0.00	148,767.66
November	148,767.66	1,988.78	62.40	0.00	150,818.84
December	150,818.84	1,988.78	63.26	0.00	152,870.88
	\$ 140,266.53	\$ 23,865.36	\$ 705.24	\$ 11,966.25	\$ 152,870.88

2044	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	152,870.88	1,988.78	64.11	0.00	154,923.77
February	154,923.77	1,988.78	64.97	0.00	156,977.52
March	156,977.52	1,988.78	65.82	0.00	159,032.12
April	159,032.12	1,988.78	66.68	0.00	161,087.58
May	161,087.58	1,988.78	67.53	0.00	163,143.89
June	163,143.89	1,988.78	68.39	0.00	165,201.06
July	165,201.06	1,988.78	69.25	0.00	167,259.09
August	167,259.09	1,988.78	70.11	0.00	169,317.98
September	169,317.98	1,988.78	70.96	0.00	171,377.72
October	171,377.72	1,988.78	71.82	0.00	173,438.32
November	173,438.32	1,988.78	72.68	0.00	175,499.78
December	175,499.78	1,988.78	73.54	0.00	177,562.10
	\$ 152,870.88	\$ 23,865.36	\$ 825.86	\$ 0.00	\$ 177,562.10

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Cash Flow - Monthly

2045	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	177,562.10	1,988.78	74.40	0.00	179,625.28
February	179,625.28	1,988.78	75.26	0.00	181,689.32
March	181,689.32	1,988.78	76.12	0.00	183,754.22
April	183,754.22	1,988.78	76.98	0.00	185,819.98
May	185,819.98	1,988.78	77.84	0.00	187,886.60
June	187,886.60	1,988.78	74.85	18,498.00	171,452.23
July	171,452.23	1,988.78	71.85	0.00	173,512.86
August	173,512.86	1,988.78	72.71	0.00	175,574.35
September	175,574.35	1,988.78	73.57	0.00	177,636.70
October	177,636.70	1,988.78	74.43	0.00	179,699.91
November	179,699.91	1,988.78	75.29	0.00	181,763.98
December	181,763.98	1,988.78	76.15	0.00	183,828.91
	\$ 177,562.10	\$ 23,865.36	\$ 899.45	\$ 18,498.00	\$ 183,828.91

2046	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	183,828.91	1,988.78	77.01	0.00	185,894.70
February	185,894.70	1,988.78	77.87	0.00	187,961.35
March	187,961.35	1,988.78	78.73	0.00	190,028.86
April	190,028.86	1,988.78	79.59	0.00	192,097.23
May	192,097.23	1,988.78	80.45	0.00	194,166.46
June	194,166.46	1,988.78	81.32	0.00	196,236.56
July	196,236.56	1,988.78	82.18	0.00	198,307.52
August	198,307.52	1,988.78	83.04	0.00	200,379.34
September	200,379.34	1,988.78	83.91	0.00	202,452.03
October	202,452.03	1,988.78	84.77	0.00	204,525.58
November	204,525.58	1,988.78	85.63	0.00	206,599.99
December	206,599.99	1,988.78	86.50	0.00	208,675.27
	\$ 183,828.91	\$ 23,865.36	\$ 981.00	\$ 0.00	\$ 208,675.27

2047	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	208,675.27	1,988.78	87.36	0.00	210,751.41
February	210,751.41	1,988.78	88.23	0.00	212,828.42
March	212,828.42	1,988.78	89.09	0.00	214,906.29
April	214,906.29	1,988.78	89.96	0.00	216,985.03
May	216,985.03	1,988.78	90.82	0.00	219,064.63
June	219,064.63	1,988.78	79.21	59,908.00	161,224.62
July	161,224.62	1,988.78	67.59	0.00	163,280.99
August	163,280.99	1,988.78	68.45	0.00	165,338.22
September	165,338.22	1,988.78	69.31	0.00	167,396.31
October	167,396.31	1,988.78	70.16	0.00	169,455.25
November	169,455.25	1,988.78	71.02	0.00	171,515.05
December	171,515.05	1,988.78	71.88	0.00	173,575.71
	\$ 208,675.27	\$ 23,865.36	\$ 943.08	\$ 59,908.00	\$ 173,575.71

**Power One Professional and Medical Center Condo Assoc, Inc.**

Analysis Date - January 1, 2018

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

<b>Components by Category</b>	<b>Estimated Remaining Useful Lives Life YY:MM</b>	<b>Estimated Current Replacement Cost</b>	<b>2018 Funding Requirement</b>	<b>Components of Fund Balance at 12/31/2017</b>
<b>Common Area Interiors</b>				
Elevator Cab Interiors	2:05	\$ 18,498	\$ 509	\$ 16,264
Flooring, Tile	4:05	25,540	662	21,172
HVAC Air Handler 1	16:05	1,917	87	326
HVAC Air Handler 2	16:05	1,917	87	326
HVAC Condenser 1	8:05	1,977	150	560
HVAC Condenser 2	8:05	1,977	150	560
Paint Interior Common Walls	10:05	6,653	503	833
Renovation Restrooms	3:05	33,546	896	28,627
		<u>92,025</u>	<u>3,044</u>	<u>68,668</u>
<b>Elevators</b>				
Elevator Mechanical Modernization	1:05	69,788	1,980	63,277
		<u>69,788</u>	<u>1,980</u>	<u>63,277</u>
<b>Painting &amp; Waterproofing</b>				
Paint/Waterproof Bldg Exteriors	1:05	59,908	7,768	45,333
		<u>59,908</u>	<u>7,768</u>	<u>45,333</u>
<b>Pavement</b>				
Asphalt Overlay	5:05	89,890	2,266	72,448
Asphalt Sealcoat/Rejuvenation	0:00	11,966	2,172	11,966
		<u>101,856</u>	<u>4,438</u>	<u>84,414</u>

**Power One Professional and Medical Center Condo Assoc, Inc.**

Analysis Date - January 1, 2018

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

<b>Components by Category</b>	<b>Estimated Remaining Useful Lives Life YY:MM</b>	<b>Estimated Current Replacement Cost</b>	<b>2018 Funding Requirement</b>	<b>Components of Fund Balance at 12/31/2017</b>
<b>Roof</b>				
Roof Replacement	17:05	\$ 157,716	\$ 7,158	\$ 19,327
		\$ 157,716	\$ 7,158	\$ 19,327
<b>Site Improvements</b>				
Perimeter Fencing, Aluminum	24:00	29,301	1,064	1,112
Perimeter Fencing, Chain Link	24:00	11,452	416	435
		40,753	1,480	1,547
		\$ 522,046	\$ 25,868	\$ 282,565

## **COMPONENT FUNDING ANALYSIS**

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Component Funding Analysis - Detail

Components	Useful Life	Remaining Life	12/31/2017 Balance	Estimated Cost	Unfunded Balance	Contribution
<b>Common Area Interiors</b>						
Elevator Cab Interiors	33	2	17,143	18,498	1,355	677
Flooring, Tile	35	4	22,317	25,540	3,223	805
HVAC Air Handler 1	20	16	343	1,917	1,574	98
HVAC Air Handler 2	20	16	343	1,917	1,574	98
HVAC Condenser 1	12	8	590	1,977	1,387	173
HVAC Condenser 2	12	8	590	1,977	1,387	173
Paint Interior Common Walls	12	10	877	6,653	5,776	577
Renovation Restrooms	34	3	11,444	33,546	22,102	7,367
			53,647	92,025	38,378	9,971
<b>Elevators</b>						
Elevator Mechanical Modernization	32	1	59,753	69,788	10,035	10,035
			59,753	69,788	10,035	10,035
<b>Painting &amp; Waterproofing</b>						
Paint/Waterproof Bldg Exteriors	7	1	39,305	59,908	20,603	20,603
			39,305	59,908	20,603	20,603
<b>Pavement</b>						
Asphalt Overlay	36	5	55,109	89,890	34,781	6,956
Asphalt Sealcoat/Rejuvenation	5	0	11,966	11,966	0	0
			67,075	101,856	34,781	6,956
<b>Roof</b>						
Roof Replacement	20	17	52,127	157,716	105,589	6,211
			52,127	157,716	105,589	6,211

# Power One Professional and Medical Center Condo Assoc, Inc.

Analysis Date - January 1, 2018

## Component Funding Analysis - Detail

<b>Components</b>	<b>Useful Life</b>	<b>Remaining Life</b>	<b>12/31/2017 Balance</b>	<b>Estimated Cost</b>	<b>Unfunded Balance</b>	<b>Contribution</b>
<b>Site Improvements</b>						
Perimeter Fencing, Aluminum	25	24	7,332	29,301	21,969	915
Perimeter Fencing, Chain Link	25	24	458	11,452	10,994	458
			<u>7,790</u>	<u>40,753</u>	<u>32,963</u>	<u>1,373</u>
			<u>279,697</u>	<u>522,047</u>	<u>242,350</u>	<u>55,150</u>

## **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.

**Chapter 61B – 22, Florida Administrative Code**  
**Summary of Rule Amendments**

**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.

**Amended Rule Text**

**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.

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

**or**

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

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

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

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

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

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

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

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

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

**CURRENT REPLACEMENT COST:** See “Replacement Cost”.

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

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

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

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

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

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

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

**FUNDING PRINCIPLES:**

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

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

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

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

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

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

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

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

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

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

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

**RESERVE PROVIDER:** An individual that prepares Reserve Studies.

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

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

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

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

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

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

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

## **ANNUAL UPDATE PROGRAM**

GAB Robins is pleased to offer our clients a program to provide annual updates to their Reserve Studies for the next three calendar years for a guaranteed fee.

The Update Program is valid only if there are no changes to the property, i.e. new construction, major upgrades, etc. Changes to the property within the three-year update program period would require a re-inspection of the property at a higher fee.

### **Benefits:**

- Annual Reserve Study updates on the property provide a written validation of reserve study needs.
- Demonstrates due diligence and impartiality on the part of the property manager and board members by the involvement of a third party professional.
- The cost of your update reserve study is lower if enrolled in the update program.
- Provides peace of mind to clients knowing that their property is adequately funded year after year.

**If you have not already chosen to accept the three-year annual update program, and would like to do so at this time, please contact our bid proposal specialist at (407) 805-0086 x 257, or (800) 248-3379 x 257 (FL only) or fax your request to (407) 805-9921. We will be pleased to provide you with a bid for the three year annual program.**