

# RESERVE STUDY

FOR

Delray Estuary Homeowner's Association, Inc.

1550 Estuary Trail, Delray Beach, FL 33483



*J. R. Frazer, Inc. \* 6615 W. Boynton Beach Blvd. #: 360, Boynton Beach, FL 33437 \* Ph#: 561-488-3012*

# RESERVE STUDY REPORT

**Delray Estuary Homeowners Association, Inc.**

**1550 Estuary Trail, Delray Beach, Florida 33483**

**Date of Site Visit: March 30, 2018**



## **PURPOSE OF THE FULL RESERVE STUDY :**

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

## **SCOPE OF THE FULL RESERVE STUDY :**

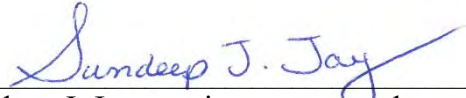
Identify and examine specific components for all of the reserve category needs analysis and use the **Pool of Funds Funding** for future reserve financial analysis with an on-site inspection. Included in this reserve study are the following component items: Roofing, Painting, Paving, Guardhouse & Security, Pool and Restore and Replacements. The Study will quantify the individual components by actual field measurements and a visual inspection where possible. Establish current cost estimates for replacement using Marshall & Swift Valuation Service, National Plumbing & HVAC Estimator, Means Building Construction Cost Data, Trade Service Electrical Price Guide, and local contractors. Identify the normal life expectancy for each component. Estimate each component's remaining useful life through non-destructive methods. Calculate the normal annual contribution over the normal life expectancy. Establish the current 100% reserve requirement. Complete the reserve funding analysis and calculate the reserve deficit or overage. Make calculations to amortize any cash flow deficits over the twenty-year analysis by using the pool of funds method of funding reserves. The Study will also adjust the normal annual contributions to include amortized deficit funding, if needed, to meet all anticipated expenditures over the next twenty years.

## **CERTIFICATION:**

I hereby certify that I have no interest, present or contemplated, in the property, and that neither the assignment to complete this study nor the fee derived there from is contingent upon its results. I have personally inspected the property, unless otherwise noted in the report, and to the best of my knowledge and belief, all statements and data in this report are true, subject to any contingent limiting conditions noted herein.

This report is furnished at your request in strict confidence by us as your agent for your exclusive use. The report is not to be construed as a guarantee or warranty, expressed or implied, of the property or the equipment therein or of their fitness for a particular purpose.

This report is made under the guidelines of the American Institute of Certified Public Accountants, the Community Associations Institute guidelines, and the Professional Reserve Specialists Code of ethics.

  
Sundeep J. Jay - senior reserve analyst

## INTRODUCTION

J. R. FRAZER, INC.(Reserve Studies and Valuation Services) was retained by the Association to prepare a reserve analysis of the common areas for the purpose of developing a repair and replacement needs plan and a funding analysis. The site inspection work was completed by Sundeep J. Jay - senior reserve analyst.

The statutory requirement for condominium associations simply states reserves must be 100% funded for roofing, painting and paving, plus any other items in which the cost to maintain, repair or replace those items exceeds \$10,000. This homeowner's association while not a condo association, feels it is prudent and fiduciarily incumbent upon them to have a Reserve Analysis and accordingly has elected to engage an independent specialist to prepare a reserve schedule for inclusion in the association's budget. Our reserve study includes all reserve fund categories and all reserve components with a twenty-year cash flow analysis.

The reserve program is designed to provide all or part of the funds necessary to pay for maintaining, repairing and replacing the capital improvements of the Association. Not every circumstance can be accounted for future loss possibilities such as catastrophic disasters. At the request of the board this reserve study may include reserves for uninsurable losses due to a catastrophe. These losses may be caused by flooding, lightning, hurricanes, or un-named windstorms and may include damage to such uninsurable items as landscaping or improvements excluded from windstorm insurance.

The analysis which follows uses the straight-line component method to determine the physical analysis or the needs of the Association, a pool of funds method, and a twenty-year cash flow analysis with a minimum threshold to complete the financial analysis and reserve funding requirements. The physical analysis data includes those components that are included in the reserve study and the calculation of the necessary reserves are based upon straight line funding by establishing estimated remaining useful lives, the quantity of units which are obtained through independent research, existing maintenance records, site inspections, and verification of historical replacement cost of the components in the analysis. Because inflation cannot be accurately predicted, replacement costs herein are at current construction cost.

## PURPOSE OF RESERVES

Reserves are monies budgeted, collected and set aside for replacement or deferred maintenance. The establishment of reserve accounts begins with the developer and or the board who has a fiduciary capacity and responsibility for the establishment of an association's budget. The board has established the reserve accounts in this study for the future replacement or deferred maintenance of the common areas.

Community associations have become aware of the necessity of reserves being included in the budget. Without adequate reserves, owners may be subject to either special assessments or may not be able to repair or replace the common area assets. Reserve funds enable an association to maintain the common areas with a reduced risk of special assessments and minimize the impact of financial challenges. The establishment of 100% reserve funding accomplishes the following.

- Establishes and preserves reserves for a strong financial position to meet future expenditures.

- Reserves reduce the potential for special assessments.

- All owners share the expenses of the association equally by paying their share of the cost while living in the community.

Adequate funding is the key to reserves. Just having reserve funds doesn't make a community's financial future strong. Reserves must be set at an annual goal of 100% funding to accomplish all of the goals of an association/community.

There will be times however, when natural disasters such as flood, hurricanes, windstorms, and frost can cause considerable damage to uninsurable property. These events should also be a consideration of the board and a reserve fund established to meet these natural disasters or adopt a policy of special assessments.

## NAVIGATING & UNDERSTANDING THIS REPORT

### **Reserve Summary Section – (B1 & B2 pages):**

This section summarizes the entire report providing the grand total for the Current Replacement Cost, Normal Annual Contribution, Current Reserve Requirement, Association's Current Reserve "Fund Balance", Fund Deficit and the Contribution needed for the next budget year. For definitions of terminology, such as Current Reserve Requirement, please see "Definitions" section located at the end of this report.

Please Note: The Normal Annual Contribution and the Annual Contribution for next year might be different depending upon your current reserve balance and expenses related to projects that will materialize over the next 1 to 5 years.

The Normal Life and Remaining Life in the Reserve Summary page are ranges of actual life. The actual Normal Life and Remaining Life for each individual reserve component are contained in the Reserve Analysis pages (C pages).

The Summary B2 page provides the association's current year contribution and the Annual Contribution for the next 9 years adding in any deficit amounts that might have occurred during the funding analysis located on the D pages of this report. In this section, we have added the normal annual contribution with any deficit amounts that were needed to maintain a positive balance in your reserve account.

### **Reserve Analysis Section - (C pages):**

This section provides a detailed breakdown of the component items into each reserve category. The reserve component items are further broken down to provide individual unit cost, number of units, normal life, estimated remaining life, annual contribution for that component item and the current reserve requirement (dollar amount that should be in reserves as of the date of this report). This section is sometimes referenced as the calculation pages of the reserve study.

### **Reserve Funding Analysis – (D pages):**

In this section, broken down by year, are all the expenses that will occur for the next 20 years with the year-end fund balance. It is in this section under "amortized deficit" that will show the additional money needed to the Normal Annual Contribution to maintain a positive balance in the reserve account and to pay for the required replacement of component items. The amortized deficit column can vary year by year. In any given year, if a fund balance falls below the minimum fund balance



(ie. \$2,500 - \$50,000) an amount is added to bring the fund balance to the stated minimum balance. This amount then is divided into the preceding years to spread out the deficit, hence not creating a burden in any given year. To further clarify..., if the minimum fund balance is \$5,000 and then in year 5 the association's fund balance is a negative \$1,500, then \$6,500 will be needed to bring the fund balance to \$5,000. This \$6,500 deficit will then be divided by the 5 preceding years adding \$1,000 a year to the normal annual contribution.

### **Photo Section:**

This section provides photographs of most of the component items listed in this reserve study – but not all. It does not provide photographs of problem areas, though they may be observable in the photographs – such as cracking on the asphalt paving.

### **Financial & Other Documentation:**

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

### **Definitions and Consulting Contractors:**

This section provides the definition of terms that are used in this report to better help the reader understand the scope of this report. Also, in this section are names and phone numbers of contractors we have developed relationships with over the last 20 years. We cannot guarantee their workmanship nor do we have a preference to any one contractor. We recommend interviewing at least 3 contractors and depending upon the company you choose to work with, obtain a copy of their license and insurance prior to signing any agreements. If you have a problem with anyone on this list, please feel free to give us a call – it is only your feedback that allows our contractors to remain on our list. It is for your convenience.

## **GENERAL ANALYST RECOMMENDATIONS**

1. We recommend making the stated 2019 annual contribution. The 2019 contribution is made up of the Normal Annual Contribution plus a required amortized deficit amount (if needed) to meet anticipated cash flows over the next twenty years. By funding the recommended year 2019 contribution using the pool of funds funding method, the Association should be able to pay future reserve expenditures with adequate contributions from the reserve funds.

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

2. We recommend income generated within the reserves remain in the reserves. This is the most positive method to combat inflation. Our financial analysis indicates interest generated by reserve funds will help offset a portion of inflation cost. This system of compounding interest allows the Association to control some reserve increases but should be updated at a minimum of every two years. If the interest is not allocated back into reserves the Association can expect future deficits and possible special assessments.

3. The association's current reserve schedule may not have been complete in identifying all the needs of the association. We have added components and recommend the association reserve for all components in this reserve study. In some cases, we might have combined certain reserve categories to help simplify and or improve budgeting methods.

4. All expenditures are based upon a cash flow analysis with the pool of funds method to meet expenses. This allows all funds in each reserve category to be used for paying any appropriate component or components which may suddenly and un-expectedly need to be repaired or replaced. This system of funding provides adequate funding for the future reserve expenses. We strongly recommend annual updates of the reserve study to maintain adequate funding levels.

## SPECIAL NOTES

Information supplied by the Association includes a copy of the February 28, 2018 financial reports.

As a result of the study, if the current reserve fund balance is less than the current 100% reserve requirement, you have a funding deficit. If the fund balance is greater than the reserve requirement, you have a funding overage.

When the association's current reserve fund balance is less than the current 100% reserve requirement, additional funds may be added to the normal annual contribution if current funding levels will not meet the projected twenty-year cash flow analysis. This will allow the funding deficit to be paid down over a period of years within the twenty-year period.

All funding deficits in this study are amortized based upon the cash flow analysis. This amortized amount is added to the normal annual contribution yielding the new contribution. **Additional funds over the Normal Annual Contribution ARE needed at this time to meet minimal threshold funding requirements and anticipated expenditures.**

**Please review the D pages of this report to see when and in what category the funding deficit occurs.**

The goal is to meet anticipated reserve expenditures over the next twenty years and maintain a positive cash baseline.

When a current reserve fund balance is greater than the current 100% reserve requirement, the funding deficit tables calculate the number of years and dollars by which the overage should be paid down. This method of amortizing overages and deficits will maintain a more stable level of funding and reduces fluctuations.

All reserve amounts change yearly with increased cost of materials, increased cost of labor, building code changes, and investment income. We do not add for inflation or interest. These items are difficult to predict and can mislead the user of the report. Instead we use current cost with no inflation and no interest. Some cost increase will be taken care of by interest, but we recommend annual updates to adjust for increased cost. These economic changes will have an impact on your reserve fund and your ability to provide for future expenses.



In addition, depending on how you decide to allocate future funding, and whether you opt to fund at recommend levels, these decisions will also impact the status of the reserve fund. In order to ensure continued adequate funding, we strongly recommend annual updates to adjust for increased cost, adjustments to estimated remaining life, reserve spending, and changes in your funding allocations. The only way to maintain accurate reserves and reduce the need for special assessments would be to update your reserve study annually.

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This report is prepared based on the cash flow method of reserve funding. The cash flow method calculates the funding balance based on the yearly dues/money coming in and expenses/money going out for the next 20 years. This report was prepared to maintain a minimum reserve fund balance of \$50,000 at all times for the next 20 years.

Please keep in mind when reading the C pages of this report that all component items with a remaining life of 1 starts in 2019.

This association's financial strength is low with less than a 30% reserve funding level. This association is 25% funded. The association's risk of special assessments is 37% during any one yearly period.

In the Replace & Restoration section of this report, we added the 2 fountains, mailboxes and street sign replacements, playground area, catch drain basins, lake shore restoration and the rock bed. All of these items are considered long term assets and were added into the reserve study.

At the moment, the projects that are important to the community are: painting, fishing pier deck replacement and certain parts of the 2 lakes related to lake shore restoration. We have added repair and restoration dollar amounts to the lake shore and rock bed component items that maybe needed within the next 1 to 5 years.

The association should set a goal of collecting 100% of the 2019 annual contribution and over the next few years reach a minimum of 30% funded to reduce the possibility of special assessments.

The J. R. Frazer firm recommends an increase to the annual reserve contribution. The increased annual reserve contribution will be a more accurate reserve budget number which can benefit the entire community and allow current owners to pay the current cost which is their fair share of future cost to maintain the assets of the Association.

## CONDITIONS OF RESERVE STUDY

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

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

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

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

Neither all nor any part of the contents of the association's reserve study report shall be conveyed to another reserve specialist, estimator, valuation person, or the public through advertising, news, or other media without the written consent and approval of myself.

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

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

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

Report completed by:  
J. R. FRAZER, INC.  
Sundeep J. Jay  
6615 W. Boynton Beach Blvd. #360  
Boynton Beach, FL 33437  
561-488-3012

# Delray Estuary Homeowner's Association, Inc.

1550 Estuary Trail, Delray Beach, FL 33483

\* POOL OF FUNDS

## 2018 RESERVE SUMMARY

Fiscal Year runs January 1st to December 31st

RESERVE CATEGORY	REPLACEMENT COST	NORMAL LIFE (YEARS)	REMAIN LIFE (YEARS)	NORMAL ANNUAL Contribution	CURRENT RESERVE Requirement	FUND BALANCE 2/28/18	FUND (DEFICIT) OVERAGE	2019 Contribution	MONTHLY Contribution
A - Paving	515,647	0 - 60	0 - 45	21,708	300,880	*	*	*	*
B - Roofing	20,604	25 - 25	10 - 10	824	12,360	*	*	*	*
C - Painting	34,048	0 - 14	0 - 1	4,186	29,855	*	*	*	*
D - Guardhouse & Security	116,337	8 - 40	1 - 25	6,801	71,883	*	*	*	*
E - Pool Area	34,247	0 - 24	0 - 10	2,722	24,686	*	*	*	*
F - Restore & Replacements	1,859,733	0 - 60	0 - 56	44,196	422,183	*	*	*	*

Pool of Funds

218,788

TOTAL	\$ 2,580,616	Life range of years for summary purpose only, see actual estimated years in "C" pages.		\$ 80,437	\$ 861,847	\$ 218,788	\$ (643,059)	\$ 80,437	\$ 6,703
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# Delray Estuary Homeowner's Association, Inc.

1550 Estuary Trail, Delray Beach, FL 33483

## SNAPSHOT RESERVE FORECAST

RESERVE CATEGORY	Yr. 2018 Contribution	Yr. 2019 Contribution	Yr. 2020 Contribution	Yr. 2021 Contribution	Yr. 2022 Contribution	Yr. 2023 Contribution	Yr. 2024 Contribution	Yr. 2025 Contribution	Yr. 2026 Contribution	Yr. 2027 Contribution
Pool of Funds	42,780	80,437	80,437	80,437	80,437	80,437	80,437	80,437	80,437	80,437
TOTAL	\$42,780	\$80,437	\$80,437	\$80,437	\$80,437	\$80,437	\$80,437	\$80,437	\$80,437	\$80,437
Number of Units: 104										
Annual Contribution per Assoc. Unit:	\$411.35	\$773.43	\$773.43	\$773.43	\$773.43	\$773.43	\$773.43	\$773.43	\$773.43	\$773.43

# 2018 RESERVE ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Normal Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
<b>A - Paving</b>								
	<b>1 - Asphalt &amp; Milling (sf):</b>							
	a - asphalt & milling main roadways (sy)	4,825	11.50	\$55,488	20	5	\$2,774	\$41,610
	b - asphalt & milling side parking areas (sy)	612	11.75	\$7,191	20	2	\$360	\$6,480
	<b>2 - Curbs:</b>							
	a - replace roadside curbs (lf)	3,702	19.50	\$72,189	60	45	\$1,203	\$18,045
	<b>3 - Pavers:</b>							
	a - replace sidewalk pavers	11,215	5.25	\$58,879	24	9	\$2,453	\$36,795
	b - replace roadway pavers	48,760	5.50	\$268,180	24	9	\$11,174	\$167,610
	c - replace cabana parking area pavers	1,254	5.50	\$6,897	24	9	\$287	\$4,305
	d - replace poolside pavers	4,001	5.25	\$21,005	24	9	\$875	\$13,125
	<b>4 - Paving Other:</b>							
	a - paving repairs / surveys / misc.	129,089	0.20	\$25,818	10	5	\$2,582	\$12,910
	b - note: monies for paving can be used at anytime prior to the expiration of the remaining life							
<b>A - Paving Total</b>				<b>\$515,647</b>	<b>60</b>	<b>45</b>	<b>\$21,708</b>	<b>\$300,880</b>



# 2018 RESERVE ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Normal Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
<b>B - Roofing</b>								
	<b>1 - Concrete Tile Roofs:</b>							
	a - replace pool cabana tile roof	1,265	13.25	\$16,761	25	10	\$670	\$10,050
	b - replace guardhouse tile roof	290	13.25	\$3,843	25	10	\$154	\$2,310
<b>B - Roofing Total</b>				<b>\$20,604</b>	<b>25</b>	<b>10</b>	<b>\$824</b>	<b>\$12,360</b>

# 2018 RESERVE ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Normal Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
<b>C - Painting</b>								
	<b>1 - Bldg. Exterior Paint:</b>							
	a - paint pool cabana exterior bldg.	1,140	1.10	\$1,254	7	1	\$179	\$1,074
	b - paint guardhouse exterior bldg.	580	1.10	\$638	7	1	\$91	\$546
	<b>2 - Bldg. Interior Paint:</b>							
	a - paint cabana bath interior walls	400	0.75	\$300	7	1	\$43	\$258
	b - paint guardhouse interiors	450	0.75	\$338	7	1	\$48	\$288
	<b>3 - Concrete Walls:</b>							
	a - paint pool area planter walls	276	0.60	\$166	7	1	\$24	\$144
	b - paint perimeter concrete walls (2 sides)	36,444	0.60	\$21,866	7	1	\$3,124	\$18,744
	<b>4 - Metal Fences &amp; Gates (lf):</b>							
	a - paint perimeter metal fence (lf)	726	6.75	\$4,901	14	1	\$350	\$4,550
	b - paint poolside metal fence (lf)	191	6.75	\$1,289	14	1	\$92	\$1,196
	c - paint south entry gates (lf)	45	32.00	\$1,440	14	1	\$103	\$1,339
	d - paint west entry gates (lf)	28	32.00	\$896	14	1	\$64	\$832
	e - paint west entry gate/fence section (lf)	5	32.00	\$160	14	1	\$11	\$143
	f - paint west entry side entry gate (lf)	25	32.00	\$800	14	1	\$57	\$741
	g - note: pricing for painting metal based on removing old paint and or using electrostatic painting process							
<b>C - Painting Total</b>				<b>\$34,048</b>	<b>14</b>	<b>1</b>	<b>\$4,186</b>	<b>\$29,855</b>

# 2018 RESERVE ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Normal Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
<b>D - Guardhouse &amp; Security</b>								
	<b>1 - Gatehouse Interiors:</b>							
	a - replace gatehouse cabinets (lf)	11	350.00	\$3,850	20	10	\$193	\$1,930
	b - replace gatehouse tiles	133	9.25	\$1,230	25	10	\$49	\$735
	c - replace gatehouse lighting	5	85.00	\$425	25	10	\$17	\$255
	d - replace gatehouse computer & related	1	1,100.00	\$1,100	8	3	\$138	\$690
	e - replace gatehouse fridge & microwave	1	775.00	\$775	10	5	\$78	\$390
	f - replace gatehouse sliding glass doors (6x8)	2	4,000.00	\$8,000	40	25	\$200	\$3,000
	g - replace gatehouse window (3x6)	1	1,500.00	\$1,500	40	25	\$38	\$570
	h - replace gatehouse 1ton a/c split unit - 17	1	2,800.00	\$2,800	8	6	\$350	\$700
	<b>2 - Gatehouse Exteriors:</b>							
	a - replace gatehouse exterior wall lights	4	175.00	\$700	15	13	\$47	\$94
	b - replace gatehouse awnings	32	15.00	\$480	8	6	\$60	\$120
	c - replace gatehouse awning frames	32	18.50	\$592	24	22	\$25	\$50
	<b>3 - Gates &amp; Motors:</b>							
	a - replace south entry gate arm motors 06	2	4,700.00	\$9,400	15	2	\$627	\$8,151
	b - replace south entry swing gate motors 00	2	4,700.00	\$9,400	15	1	\$627	\$8,778

# 2018 RESERVE ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Normal Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
D - Guardhouse	c - replace south entry swing gate motor 13	1	4,700.00	\$4,700	15	9	\$313	\$1,878
	d - replace south entry gates (lf)	45	320.00	\$14,400	30	15	\$480	\$7,200
	e - replace west entry gate arm motor 05	1	4,700.00	\$4,700	15	1	\$313	\$4,382
	f - replace west entry swing gate motor 02	1	4,700.00	\$4,700	15	1	\$313	\$4,382
	g - replace west entry swing gate motor 13	1	4,700.00	\$4,700	15	9	\$313	\$1,878
	h - replace west entry gates (lf)	28	320.00	\$8,960	30	15	\$299	\$4,485
	i - replace west entry side gate (lf)	25	265.00	\$6,625	30	15	\$221	\$3,315
	<b>4 - Security:</b>							
	a - replace security cameras	4	1,200.00	\$4,800	8	4	\$600	\$2,400
	b - replace security entry system	1	22,500.00	\$22,500	15	4	\$1,500	\$16,500
<b>D - Guardhouse &amp; Security Total</b>				<b>\$116,337</b>	<b>40</b>	<b>25</b>	<b>\$6,801</b>	<b>\$71,883</b>

# 2018 RESERVE ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Normal Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
<b>E - Pool Area</b>								
	<b>1 - Pool Resurfacing:</b>							
	a - resurface pool	1,288	6.25	\$8,050	12	1	\$671	\$7,381
	b - replace pool tiles	116	18.00	\$2,088	12	1	\$174	\$1,914
	c - replace pool coping	116	5.25	\$609	24	9	\$25	\$375
	d - note: replace pool coping when replacing pool deck pavers							
	<b>2 - Pool Equipment:</b>							
	a - replace pool pump 1hp 11	1	750.00	\$750	10	2	\$75	\$600
	b - replace pool variable pump 3hp 11	1	1,800.00	\$1,800	10	3	\$180	\$1,260
	c - replace pool filter	1	650.00	\$650	12	8	\$54	\$216
	d - replace pool heater	1	5,700.00	\$5,700	12	1	\$475	\$5,225
	e - replace pool heater 09	1	5,700.00	\$5,700	12	2	\$475	\$4,750
	<b>3 - Pool Furniture:</b>							
	a - replace pool furniture	1	8,900.00	\$8,900	15	10	\$593	\$2,965
<b>E - Pool Area Total</b>				<b>\$34,247</b>	<b>24</b>	<b>10</b>	<b>\$2,722</b>	<b>\$24,686</b>

# 2018 RESERVE ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Normal Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
<b>F - Restore &amp; Replacements</b>								
	<b>01 - Cabana Bldg.:</b>							
	a - cabana building R&R	1	3,500.00	\$3,500	20	1	\$175	\$3,325
	b - replace cabana recessed lights & fans	1	1,200.00	\$1,200	15	13	\$80	\$160
	c - replace cabana single bath doors & frames	2	2,000.00	\$4,000	30	15	\$133	\$1,995
	d - replace cabana double doors	1	3,400.00	\$3,400	30	15	\$113	\$1,695
	e - renovate cabana restrooms	2	10,000.00	\$20,000	30	15	\$667	\$10,005
	<b>02 - Pool Area Fountain:</b>							
	a - resurface pool area fountain	162	12.25	\$1,985	12	1	\$165	\$1,815
	b - renovate pool fountain	1	2,800.00	\$2,800	25	10	\$112	\$1,680
	<b>03 - West Entry Fountain:</b>							
	a - resurface west entry fountain	288	12.25	\$3,528	12	1	\$294	\$3,234
	b - replace west entry 1hp pump	1	750.00	\$750	10	1	\$75	\$675
	c - replace west entry 1hp pump 14	1	750.00	\$750	10	5	\$75	\$375
	d - renovate west entry fountain	1	3,800.00	\$3,800	25	10	\$152	\$2,280
	<b>04 - Mailboxes:</b>							
	a - replace double mailboxes	50	900.00	\$45,000	20	1	\$2,250	\$42,750
	b - replace single mailboxes	4	625.00	\$2,500	20	1	\$125	\$2,375
	<b>05 - Street Signs:</b>							
	a - replace stop / street / advisory signs	9	1,100.00	\$9,900	25	10	\$396	\$5,940
	<b>06 - Playground:</b>							
	a - replace playground equipment	1	18,000.00	\$18,000	20	5	\$900	\$13,500



# 2018 RESERVE ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Normal Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
F - Resto	b - replace playground border rail	166	12.50	\$2,075	20	5	\$104	\$1,560
	c - replace picnic table	1	1,200.00	\$1,200	20	5	\$60	\$900
	d - replace trash can	1	500.00	\$500	20	5	\$25	\$375
	e - note: playground area can be renovated as soon as 2019							
	<b>07 - Fences &amp; Walls:</b>							
	a - replace perimeter fence - lf	726	56.00	\$40,656	30	15	\$1,355	\$20,325
	b - replace pool area fence - lf	191	56.00	\$10,696	30	15	\$357	\$5,355
	c - replace perimeter concrete wall - lf	3,037	60.00	\$182,220	35	20	\$5,206	\$78,090
	d - perimeter concrete wall repair & restore - sf	18,222	0.50	\$9,111	14	8	\$651	\$3,906
	<b>08 - Catch Basins:</b>							
	a - replace street catch basins	26	4,000.00	\$104,000	60	45	\$1,733	\$25,995
	<b>10 - Seawall:</b>							
	a - replace north seawall 15	303	1,200.00	\$363,600	60	56	\$6,060	\$24,240
	b - replace center seawall 15	270	1,200.00	\$324,000	60	56	\$5,400	\$21,600
	c - replace south seawall 15	289	1,200.00	\$346,800	60	56	\$5,780	\$23,120
	d - replace seawall cap 15	862	50.00	\$43,100	30	26	\$1,437	\$5,748
	<b>11 - Fishing Pier:</b>							
	a - replace fishing pier deck	1,270	40.00	\$50,800	20	1	\$2,540	\$48,260
	b - replace fishing pier wood joist	1,270	12.50	\$15,875	40	21	\$397	\$7,543
	c - replace fishing pier pilings	30	800.00	\$24,000	60	41	\$400	\$7,600
	d - replace fishing pier arbor / pergolas	186	32.00	\$5,952	20	5	\$298	\$4,470
	e - note: maybe advisable for aesthetic purposes to replace arbor at the same time as the wood deck							
	<b>12 - Retaining Wall:</b>							

# 2018 RESERVE ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

Reserve Category	Component Items	Quantity Units	Unit Cost \$	Replacement Cost \$	Normal Life	Remaining Life	Normal Annual Contribution	Current Reserve Requirement
F - Resto	a - replace northside retaining wall	107	50.00	\$5,350	40	15	\$134	\$3,350
	b - replace northside retaining wall pilling	21	800.00	\$16,800	60	45	\$280	\$4,200
	c - replace center retaining wall	246	32.00	\$7,872	40	25	\$197	\$2,955
	d - replace center retaining wall pilings	49	800.00	\$39,200	60	45	\$653	\$9,795
	e - replace southside retaining wall	143	50.00	\$7,150	40	15	\$179	\$4,475
	f - replace southside retaining wall pilings	29	800.00	\$23,200	60	45	\$387	\$5,805
	g - certain sections of the wall may have to be replaced sooner due to the adjacent ground against the wall							
	h - note: pricing difference on retaining wall due to free standing wall versus wall adjoining the soil/ground							
	<b>13 - Lake Shore Restoration:</b>							
	a - north lake shore restoration (24' geotube) If	1,250	50.00	\$62,500	25	22	\$2,500	\$7,500
	b - south lake shore restoration (24" geotube) If	835	50.00	\$41,750	25	22	\$1,670	\$5,010
	c - lake shore & culverts R&R	2,085	2.50	\$5,213	15	1	\$348	\$4,872
	c - note: there are possible other options that we recommend obtaining from contractors who specialize in lake shore restoration							
	<b>14 - Rock Bed:</b>							
	a - riverside rock bed R&R	1	5,000.00	\$5,000	15	5	\$333	\$3,330
<b>F - Restore &amp; Replacements Total</b>				<b>\$1,859,733</b>	<b>60</b>	<b>56</b>	<b>\$44,196</b>	<b>\$422,183</b>
<b>Grand Total</b>		<b>279,324</b>	<b>154,303.10</b>	<b>\$2,580,616</b>	<b>60</b>	<b>56</b>	<b>\$80,437</b>	<b>\$861,847</b>

# RESERVE FUNDING ANALYSIS

## Delray Estuary Homeowner's Association, Inc.

		2/28/18	CURRENT			FUND				
		FUND	RESERVE			OVERAGE				
		BALANCE	REQUIRE			(DEFICIT)				
		\$218,788	\$861,847			(\$643,059)			Minimum Fund Balance: \$50,000	
			<u>Financial Year Runs January 1st to December 31st</u>							
<b>POOL OF FUNDS</b>									<b>EQUALS</b>	
		ACCOUNT		YEARLY		NORMAL		AMORTIZED	YEARLY	FUND
	YEAR	BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE	PLUS	ANNUAL	PLUS	DEFICIT	CONTRI-	ENDING
						CONTRIBUT			BUTION	BALANCE
					10 months					
2018		218,788		0	remain	35,650		0	35,650	\$254,438
2019	1	254,438	a - paint pool cabana exterior bldg. b - paint guardhouse exterior bldg. a - paint cabana bath interior walls b - paint guardhouse interiors a - paint pool area planter walls b - paint perimeter concrete walls (2 sides) a - paint perimeter metal fence (lf) b - paint poolside metal fence (lf) c - paint south entry gates (lf) d - paint west entry gates (lf) e - paint west entry gate/fence section (lf) f - paint west entry side entry gate (lf) b - replace south entry swing gate motors 00 e - replace west entry gate arm motor 05 f - replace west entry swing gate motor 02 a - resurface pool b - replace pool tiles d - replace pool heater a - cabana building R&R a - resurface pool area fountain a - resurface west entry fountain b - replace west entry 1hp pump a - replace double mailboxes b - replace single mailboxes a - replace fishing pier deck c - lake shore & culverts R&R	181,962		80,437		0	80,437	\$152,913
2020	2	152,913	b - asphalt & milling side parking areas (sy) a - replace south entry gate arm motors 06 a - replace pool pump 1hp 11 e - replace pool heater 09	23,041		80,437		0	80,437	\$210,309
2021	3	210,309	d - replace gatehouse computer & related 11 b - replace pool variable pump 3hp	2,900		80,437		0	80,437	\$287,846

POOL OF FUNDS									EQUALS	
		ACCOUNT		YEARLY		NORMAL			YEARLY	FUND
	YEAR	BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE	PLUS	ANNUAL CONTRIBT	PLUS	AMORTIZED DEFICIT	CONTRI-BUTION	ENDING BALANCE
2022	4	287,846	a - replace security cameras b - replace security entry system	27,300		80,437		0	80,437	\$340,983
2023	5	340,983	a - asphalt & milling main roadways (sy) a - paving repairs / surveys / misc. e - replace gatehouse fridge & microwave c - replace west entry 1hp pump 14 a - replace playground equipment b - replace playground border rail c - replace picnic table d - replace trash can d - replace fishing pier arbor / pergolas a - riverside rock bed R&R	115,558		80,437		0	80,437	\$305,862
2024	6	305,862	h - replace gatehouse 1ton a/c split unit - 17 b - replace gatehouse awnings	3,280		80,437		0	80,437	\$383,019
2025	7	383,019		0		80,437		0	80,437	\$463,456
2026	8	463,456	a - paint pool cabana exterior bldg. b - paint guardhouse exterior bldg. a - paint cabana bath interior walls b - paint guardhouse interiors a - paint pool area planter walls b - paint perimeter concrete walls (2 sides) c - replace pool filter d - perimeter concrete wall repair & restore - sf	34,323		80,437		0	80,437	\$509,570
2027	9	509,570	a - replace sidewalk pavers b - replace roadway pavers c - replace cabana parking area pavers d - replace poolside pavers c - replace south entry swing gate motor 13 g - replace west entry swing gate motor 13 c - replace pool coping	364,970		80,437		0	80,437	\$225,037
2028	10	225,037	a - replace pool cabana tile roof b - replace guardhouse tile roof a - replace gatehouse cabinets (lf) b - replace gatehouse tiles c - replace gatehouse lighting a - replace pool furniture b - renovate pool fountain d - renovate west entry fountain a - replace stop / street / advisory signs	51,509		80,437		0	80,437	\$253,965

POOL OF FUNDS									EQUALS	
		ACCOUNT		YEARLY		NORMAL			YEARLY	FUND
	YEAR	BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE	PLUS	ANNUAL CONTRIBT	PLUS	AMORTIZED DEFICIT	CONTRI-BUTION	ENDING BALANCE
2029	11	253,965	d - replace gatehouse computer & related b - replace west entry 1hp pump	1,850		80,437		0	80,437	\$332,552
2030	12	332,552	a - replace security cameras a - replace pool pump 1hp 11	5,550		80,437		0	80,437	\$407,439
2031	13	407,439	a - replace gatehouse exterior wall lights a - resurface pool b - replace pool tiles b - replace pool variable pump 3hp 11 d - replace pool heater b - replace cabana recessed lights & fans a - resurface pool area fountain a - resurface west entry fountain	25,051		80,437		0	80,437	\$462,825
2032	14	462,825	h - replace gatehouse 1ton a/c split unit - 17 b - replace gatehouse awnings e - replace pool heater 09	8,980		80,437		0	80,437	\$534,282
2033	15	534,282	a - paving repairs / surveys / misc. a - paint pool cabana exterior bldg. b - paint guardhouse exterior bldg. a - paint cabana bath interior walls b - paint guardhouse interiors a - paint pool area planter walls b - paint perimeter concrete walls (2 sides) a - paint perimeter metal fence (lf) b - paint poolside metal fence (lf) c - paint south entry gates (lf) d - paint west entry gates (lf) e - paint west entry gate/fence section (lf) f - paint west entry side entry gate (lf) e - replace gatehouse fridge & microwave d - replace south entry gates (lf) h - replace west entry gates (lf) i - replace west entry side gate (lf) c - replace cabana single bath doors & frames d - replace cabana double doors e - renovate cabana restrooms c - replace west entry 1hp pump 14 a - replace perimeter fence - lf b - replace pool area fence - lf a - replace northside retaining wall e - replace southside retaining wall	182,628		80,437		0	80,437	\$432,091
2034	16	432,091	b - replace south entry swing gate motors 00 e - replace west entry gate arm motor 05 f - replace west entry swing gate motor 02 c - lake shore & culverts R&R	24,013		80,437		0	80,437	\$488,515
2035	17	488,515	a - replace south entry gate arm motors 06	9,400		80,437		0	80,437	\$559,552

POOL OF FUNDS									EQUALS	
		ACCOUNT		YEARLY		NORMAL			YEARLY	FUND
	YEAR	BALANCE	COMPONENT EXPENSE ITEMS BY YEAR	EXPENSE	PLUS	ANNUAL CONTRIBT	PLUS	AMORTIZED DEFICIT	CONTRI-BUTION	ENDING BALANCE
2036	18	559,552		0		80,437		0	80,437	\$639,989
2037	19	639,989	d - replace gatehouse computer & related; b - replace security entry system	23,600		80,437		0	80,437	\$696,826
2038	20	696,826	a - replace security cameras c - replace pool filter c - replace perimeter concrete wall - lf a - riverside rock bed R&R	192,670		80,437		0	80,437	\$584,593
END			TWENTY YEAR REPAIR / REPLACEMENT PROJECTIONS							



# DELRAY ESTUARY HOMEOWNERS ASSOCIATION, INC.

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Balance Sheet  
As of 02/28/18

## ASSETS

### OPERATING CASH

1039	Valley National Operating	\$	236,237.54
1042	TD Bank Operating		113,516.32

TOTAL OPERATING CASH

\$ 349,753.86

### RESERVE CASH

1084	Valley National Reserve	\$	120,402.91
1087	TD Bank Reserve		98,385.43

TOTAL RESERVE CASH

\$ 218,788.34

### ACCOUNTS RECEIVABLE

1210	Accounts Receivable	\$	21,948.00
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TOTAL ACCOUNTS RECEIVABLE

\$ 21,948.00

### PREPAIDS & DEPOSITS

1250	Prepaid Insurance	\$	5,655.49
1255	Prepaid Expenses		1,903.84

TOTAL PREPAIDS & DEPOSITS

\$ 7,559.33

TOTAL ASSETS

\$ 598,049.53  
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### CURRENT LIABILITIES

2033	Refundable Security Deposit	\$	35,084.86
2035	Prepaid Owners Assessment		2,235.00
2040	Lease Security Deposits		8,000.00
2050	Deferred Assessment Revenue		75,817.30
2070	TD Bank Loan		134,126.50
2075	TD Bank Loan #2		280,138.00
2090	Accrued Expenses		18,228.09

TOTAL CURRENT LIABILITIES

\$ 553,629.75

## LIABILITIES & FUND BALANCES

### RESERVE LIABILITIES

2535	Reserves - Pooling	\$	207,921.34
2591	Interest Reserve		10,867.00

DELRAY ESTUARY HOMEOWNERS ASSOCIATION,  
INC.

Balance Sheet  
As of 02/28/18

TOTAL RESERVE LIABILITIES \$ 218,788.34

FUND BALANCES

3025	Fund Balance - Beginning	\$ (264,599.20)
3027	Capital Contributions - Owners	61,750.00
	Prior Period Adjustment	24,218.12
3075	Excess Revenue over Expenses	4,262.52

TOTAL FUND BALANCES \$ (174,368.56)

TOTAL LIABILITIES & FUND BAL \$ 598,049.53

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**Delroy Estuary Homeowners Association, Inc.**  
**2018 BUDGET**

	2017 Budget	Approved 2018 Budget
<b>Revenue -</b>		
4010 Maintenance Assessment	669,760	711,908
4015 Sewell Loan Reprnt. Assesme	199,680	198,500
4210 Interest - Operating	-	-
4215 Interest - Reserves	-	-
4220 Rental & Sales Fees	-	-
4260 Pool Keys	-	-
4265 Gate/Card/Remote	-	-
<b>Total Revenue</b>	<b>869,440</b>	<b>910,408</b>
<b>Expenses -</b>		
<b>Utilities -</b>		
5010 Electric - Street Lights	16,000	16,000
5011 Electric - Pool Cabana	4,400	4,400
5012 Electric - Gate House	1,800	1,300
5013 Electric - Pumps	1,100	1,100
5020 Water & Sewer	34,000	40,000
5030 Security Alarm Monitoring	24,000	25,000
5035 Telephone	2,850	4,000
<b>Total Utilities</b>	<b>84,150</b>	<b>92,000</b>
<b>Operating Expenses</b>		
5510 Lawn Maintenance	101,200	101,200
5515 Irrigation Monthly Wet Check	5,700	8,700
5520 Landscape Mulch	21,000	31,400
5525 Extermination	2,500	2,040
5540 Pest Control - Turf & Plants	4,500	3,800
5545 White Fly - Spraying & Ficu	20,615	21,708
5550 Janitorial	6,500	7,500
5555 Pool / Fountain Maintenance	6,720	6,720
5580 Security	168,000	196,000
5585 Lake Maintenance	8,000	8,000
5590 Fert. - Plants/trees/turf	22,500	21,740
5595 Preserve Maintenance	7,830	8,500
5596 Holiday Lights	1,400	1,400
<b>Total Operating Expenses</b>	<b>376,485</b>	<b>418,708</b>
<b>Repairs &amp; Maintenance -</b>		
6010 Building Repairs	24,890	25,000
6025 Landscape Extras	45,000	40,000
6030 Tree Trimming	23,000	24,000
6033 Irrigation Repairs	3,500	5,000
6045 Pool / Fountain Repairs	2,000	5,000
6047 Gate Repairs	5,000	5,000
6050 Hurricane Expense	-	-
6053 Special Sewell Project	19,600	18,500
<b>Total Repairs &amp; Maintenance</b>	<b>122,990</b>	<b>122,500</b>
<b>Administrative -</b>		
7010 Management Fees	30,975	25,000
7017 Legal / Professional Fees	7,000	3,500
7020 Accounting Fees	4,860	4,750
7025 Licenses Fees	300	200
7035 Office Supplies	3,500	3,670
7055 Social Committee Expense	500	500
7090 Administrative Expense	2,000	2,000
<b>Total Administrative Expenses</b>	<b>49,235</b>	<b>39,620</b>
<b>General -</b>		
7510 Insurance	13,800	14,800
<b>Total General Expenses</b>	<b>13,800</b>	<b>14,800</b>
<b>Reserves -</b>		
8035 Reserves - Pooling	42,780	42,780
8091 Reserves - Interest	-	-
<b>Total Reserves</b>	<b>42,780</b>	<b>42,780</b>
<b>Total Expenses</b>	<b>689,440</b>	<b>730,408</b>
Excess of Revenue over expenses	<b>180,000</b>	<b>180,000</b>
<b>Cash needs -</b>		
<b>Total expenses</b>	<b>689,440</b>	<b>730,408</b>
<b>Plus</b>	<b>869,440</b>	<b>910,408</b>
<b>Total units</b>	<b>104</b>	<b>104</b>
Assessment per unit per quarter	<b>2,090</b>	<b>2,188</b>

# DELRAY ESTUARY HOMEOWNERS ASSOCIATION, INC.

Page: 1

Revenue/Expense Statement  
Period: 02/01/18 to 02/28/18

Current Period				Year-To-Date			
Actual	Budget	Variance	Account	Description	Actual	Budget	Variance
					REVENUE		
MAINTENANCE REVENUE:							
59,325.67	59,325.67	.00	04010	Maintenance Assessment	118,651.34	118,651.34	.00
16,541.67	16,541.67	.00	04015	Seawall Loan Reprmt. Assessme	33,083.34	33,083.34	.00
75,867.34	75,867.34	.00		TOTAL MAINTENANCE REVENUE	151,734.68	151,734.68	.00
OTHER REVENUE:							
140.37	.00	140.37	04210	Interest - Operating	310.03	.00	310.03
245.00	.00	245.00	04265	Gate/Card/Remote	(309.57)	.00	(309.57)
385.37	.00	385.37		TOTAL OTHER REVENUE	.46	.00	.46
76,252.71	75,867.34	385.37		TOTAL REVENUE	151,735.14	151,734.68	.46
UTILITIES					EXPENSES		
1,920.66	1,333.33	(587.33)	05010	Electric - Street Lights	3,235.28	2,666.66	(568.62)
345.52	366.67	21.15	05011	Electric - Pool Cabana	807.23	733.34	(73.89)
130.01	125.00	(5.01)	05012	Electric - Gate House	219.41	250.00	30.59
133.39	91.67	(41.72)	05013	Electric - Pumps	357.36	183.34	(174.02)
5,915.07	3,333.33	(2,581.74)	05020	Water & Sewer	10,870.44	6,666.66	(4,203.78)
.00	2,083.33	2,083.33	05030	Security Alarm Monitoring	2,084.93	4,166.66	2,081.73
220.85	333.33	112.48	05035	Telephone	811.47	666.66	(144.81)
8,665.50	7,666.66	(998.84)		TOTAL UTILITIES	18,386.12	15,333.32	(3,052.80)
OPERATING							
8,433.33	8,433.33	.00	05510	Lawn Maintenance	16,858.40	16,866.66	8.26
.00	725.00	725.00	05515	Irrigation Monthly Wet Check	1,282.48	1,450.00	167.52
.00	2,616.67	2,616.67	05520	Landscape Mulch	15,277.50	5,233.34	(10,044.16)
.00	170.00	170.00	05525	Extermination	340.00	340.00	.00
.00	316.67	316.67	05540	Pest Control - Turf & Plants	1,305.00	633.34	(671.66)
.00	1,809.00	1,809.00	05545	White Fly - Spiraling & Ficu	.00	3,618.00	3,618.00
480.00	625.00	145.00	05550	Janitorial	3,945.00	1,250.00	(2,695.00)
608.75	560.00	(48.75)	05555	Pool / Fountain Maintenance	1,224.00	1,120.00	(104.00)
16,734.76	16,333.33	(401.43)	05580	Security	21,016.17	32,666.66	11,650.49
837.00	666.67	(170.33)	05585	Lake Maintenance	837.00	1,333.34	496.34
10,213.00	1,811.67	(8,401.33)	05590	Fert. - Plants/trees/turf	16,107.00	3,623.34	(12,483.66)
2,450.00	708.33	(1,741.67)	05595	Preserve Maintenance	2,450.00	1,416.66	(1,033.34)

# DELRAY ESTUARY HOMEOWNERS ASSOCIATION, INC.

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Revenue/Expense Statement  
Period: 02/01/18 to 02/28/18

Current Period				Year-To-Date				
Actual	Budget	Variance	Account	Description	Actual	Budget	Variance	Yearly Budget
.00	116.67	116.67	05596	Holiday Lights	17.11	233.34	216.23	1,400.00
39,756.84	34,892.34	(4,864.50)		TOTAL OPERATING	80,659.66	69,784.68	(10,874.98)	418,708.00
MAINTENANCE & REPAIR								
346.14	2,083.33	1,737.19	06010	Building Repairs	(5,360.35)	4,166.66	9,527.01	25,000.00
(327.98)	.00	327.98	06020	DO NOT USE	.00	.00	.00	.00
5,142.77	3,333.33	(1,809.44)	06025	Landscape Extras	16,842.77	6,666.66	(10,176.11)	40,000.00
19,003.00	2,000.00	(17,003.00)	06030	Tree Trimming	19,003.00	4,000.00	(15,003.00)	24,000.00
712.70	416.67	(296.03)	06033	Irrigation Repairs	712.70	833.34	120.64	5,000.00
677.10	416.67	(260.43)	06045	Pool / Fountain Repairs	890.10	833.34	(56.76)	5,000.00
.00	416.67	416.67	06047	Gate Repairs	549.30	833.34	284.04	5,000.00
.00	1,541.67	1,541.67	06053	Special Seawall Project	.00	3,083.34	3,083.34	18,500.00
25,553.73	10,208.34	(15,345.39)		TOTAL MAINTENANCE & REPAIR	32,637.52	20,416.68	(12,220.84)	122,500.00
ADMINISTRATIVE								
2,647.00	2,083.33	(563.67)	07010	Management Fees	7,941.00	4,166.66	(3,774.34)	25,000.00
.00	291.67	291.67	07017	Legal / Professional Fees	.00	583.34	583.34	3,500.00
.00	395.83	395.83	07020	Accounting Fees	220.05	791.66	571.61	4,750.00
.00	16.67	16.67	07025	Licenses Fees	.00	33.34	33.34	200.00
970.32	305.83	(664.49)	07035	Office Supplies	3,456.86	611.66	(2,845.20)	3,670.00
.00	41.67	41.67	07055	Social Committee Expense	29.95	83.34	53.39	500.00
840.38	166.67	(673.71)	07090	Administrative Expense	1,680.76	333.34	(1,347.42)	2,000.00
4,457.70	3,301.67	(1,156.03)		TOTAL ADMINISTRATIVE	13,328.62	6,603.34	(6,725.28)	39,620.00
GENERAL								
1,230.35	1,233.33	2.98	07510	Liability & Hazard Insurance	2,460.70	2,466.66	5.96	14,800.00
1,230.35	1,233.33	2.98		TOTAL GENERAL	2,460.70	2,466.66	5.96	14,800.00
RESERVES								
.00	3,565.00	3,565.00	08035	Reserves - Pooling	.00	7,130.00	7,130.00	42,780.00
.00	3,565.00	3,565.00		TOTAL RESERVES	.00	7,130.00	7,130.00	42,780.00
79,664.12	60,867.34	(18,796.78)		TOTAL EXPENSES	147,472.62	121,734.68	(25,737.94)	730,408.00
(3,411.41)	15,000.00	(18,411.41)		TOTAL REVENUE OVER EXPENSE	4,262.52	30,000.00	(25,737.48)	180,000.00





Roadway Pavers



Pool Pavers



Roadway Pavers



Sidewalk Pavers





Roadway Asphalt



Side Road Asphalt



Roadway Asphalt



Roadway Asphalt





Cabana



Pool



Pool Furniture



Cabana Wood Décor - NEEDS REPLACING (ROTTED)





Cabana Restrooms



Cabana Restrooms



Pool Equipment



Pool Heater





South Entry Gate Area



South Entry Gate



West Entry Gate & Motor



West Entry Gate & Motor





West Side Gate



Telephone Entry System



Security Camera(s)



Gatehouse Exterior Light



Gatehouse Awning





Gatehouse Exterior



Gatehouse Interior



Street Signs



Street Signs





Mailboxes



Poolside Fence



Perimeter Metal Fence



Perimeter Concrete Wall





Pool Waterfall



West Entry Waterfall



West Entry Waterfall



West Entry Waterfall Equipment





Playground Area



Playground Area



Playground Area Bench & Trash Can





Seawall



Seawall



Retention Wall



Retention Wall





Rock Bed



Arbor / Pergolas



Fishing Pier



Fishing Pier





Lake Shore



Lake Shore



Lake Shore



Lake Shore

# Definitions

**Baseline Funding:** Under the Reserve Funding Analysis (D pages) portion of the reserve study, this funding methodology establishes a funding goal within each reserve category or pooling of reserve funds above the zero dollar mark. For example, it will set a minimum fund balance ranging anywhere from \$2,500 to \$100,000 for your reserve account depending upon the size of your association. Whenever your fund balance in any given year falls below this amount, a dollar amount is added to the normal annual contribution to keep you above this minimum balance.

**Cash Flow Method:** A method of developing a reserve funding plan that establishes a contribution to the reserve fund which is then calculated to offset the annual expenditures/cost from the reserve fund balances. Sometimes a variety of reserve funding plans is tested against the schedule of anticipated reserve expenses until the desired funding level is attained.

**Component Full Funding:** Under the Reserve Funding Analysis (D pages) portion of the reserve study, this funding methodology establishes a funding goal of attaining and maintaining cumulative reserves at or near the 100% reserve requirement.

**Component Inventory:** Component/Asset inventories is a list of the qualified individual components to be included in the reserve study. This task should be developed through an on-site visual inspections, observations, and review of the association documents/contracts/invoices.

**Component Items:** The individual line item/fixed asset in the Reserve Analysis section (C pages) of the reserve study to be developed or updated in both the physical analysis and financial analysis portions of the reserve study. The individual components/assets (ie, pool resurfacing, pool equipment, pool furniture) make up the main reserve category (ie. Swimming Pools & Spa). Typically, reserve components are the association's responsibility and have limited useful lives plus predictable remaining useful life expectancies.

**Components Method:** This is an alternative reserve funding plan where the total contribution is based on the sum of all contributions for the individual components.

**Condition Assessment:** The task of evaluating each individual component's current condition based upon actual observation, reported characteristics, and historical data.

**Current Reserve Requirement:** The amount of money the association should have today or by year end in the reserve account to meet ALL current and future replacement and maintenance of assets/component items. For example, if the total replacement cost of a roof is \$100,000 for a 20 year roof, in the 5th year, the association would have a current reserve requirement of \$25,000. This is referred to as "100% funded" or "fully funded". This happens rarely and exists when the actual reserve fund balances equal the 100% funded reserve requirement. Actual reserve fund is the current dollar balance in the association's reserve account.

**Deficit:** A deficit is an actual or projected reserve balance which is less than the 100% reserve requirement. The opposite of a deficit is a surplus. Deficits are typically balanced over future years with the new calculated normal annual contribution, but in some cases additional amortized amounts do have to be added to the normal annual contribution in order to achieve a minimum funding balance.

**Effective Age:** Effective age is the difference between the normal life and useful remaining life. The effective age is not always equal to the actual age since some components age irregularly. The irregular age is caused by weather, type of product designed by the manufacturer, workmanship, etc.

**Financial Analysis / Reserve Funding Analysis:** This portion of the reserve study is where the current reserve funding balance is compared to the amount of funds needed and the recommended reserve contributions are established. In some cases, adjustments are made when the fund balance falls below the minimum fund balance (\$2,500 - \$100,000) and an amount is then added to the normal annual contribution to obtain the new recommended reserve contribution.

**Funding Plan:** The funding plan is an association's plan to provide future funds in order to meet anticipated future expenditures. Each plan must have sufficient funds on hand when each expenditure occurs.

**Minimum Fund Balance:** An amount used (\$2,500 to \$100,000), to maintain a minimum fund balance for the association's reserve account on an annual basis. This amount varies depending upon the size and quantity of



assets/components owned by the association. It will also depend upon whether or not the pool of funds method and or the restricted method is used by the association.

**Normal Annual Contribution:** This is calculated by taking the replacement cost of a component item and dividing it by the normal life of the component item/asset. This is the minimum amount that should be collected by the association on an annual basis for reserves to meet all future replacement/maintenance of long term component items/assets. Additional amounts can be added to the normal annual contribution when the association's fund balance falls below the minimum fund balance. In this case, a deficit amount is added to the normal annual contribution in order to ensure adequate funding is available to meet future expenses/costs.

**Normal Life:** This is calculated by using industry standards, manufacturer warranties and or the actual observed useful life pertaining to a specific association's location within a region. For example, the normal life expectancy of a 10 year warranted exterior paint might only be 7 years on a building located on the beach in south Florida.

**Physical Analysis / Reserve Analysis:** This is the first portion of the reserve study where the components are inventoried, quantified, life expectancies are estimated, replacement costs are established, normal annual contributions are calculated, and current 100% reserve requirements are established.

**Pool of Funds Method:** This reserve funding method uses a general pool of reserve dollars to fund all reserve categories which encompasses individual component items/assets. No reserve funds are restricted to certain categories or components. The reserve funds still remain restricted for reserve expenditures and cannot be used for operating expenses. The association pays for all replacements/maintenance of reserve assets from 1 large pool of funds.

**Remaining Life / Remaining Useful Life:** Remaining useful life represents the estimated years that a reserve component/asset can be expected to perform its intended functions before the replacement of that component item(s). The task of estimating the number of years is performed by the reserve specialist.

**Replacement Cost:** The cost of repairing or replacing a component to its full or original functional condition. The current replacement cost would be the estimated actual cost to complete the repair or replacement at the

current point in time the reserve study is being completed. Even though we reference the word “actual cost”, please keep in mind that the replacement cost is still an estimate and can change depending upon market conditions, upgrades, and or the vendor/contractor used by the association.

**Reserve Categories:** The main asset category(s) that are created by the association and or the reserve analyst to help develop and categorize the association’s component items/assets... ie. Roofing, Painting, Painting, etc.

**Reserve Study:** A reserve study contains two parts commonly referred to as the physical analysis and a financial analysis. The reserve study is a short and long term budgeting tool which identifies the current conditions of the assets against the current contribution and the current fund balance. The study establishes a financial plan to meet future anticipated major expenditures.

**Special Assessment:** A special assessment is an assessment levied on the association members in addition to the normal assessments. These types of assessments can occur either if the association does not have sufficient funds to pay for the replacement of major assets and or can be due to large future projects such as club house interior renovations. Special assessments should be avoided when possible, because it is normally met with disfavor among the association members.

**Surplus:** A surplus is an actual or projected reserve balance which is greater than the current 100% reserve requirement.

**Threshold Funding:** Under the financial/reserve funding analysis section, this funding methodology establishes a funding goal within each reserve category or pooling of reserve funds above a pre-selected dollar amount.

PRODUCT & MATERAIL  
PRICING ~ DESCRIPTIONS ~ LONGEVITY  
RESOURCE

Marshall Swift Publications, monthly pricing up dates,

“Marshall Valuation Service Manual” a national authoritative pricing guide for developing replacement cost, insurable values, equipment cost, depreciation, and normal useful lifes on nearly every type of equipment or improved property.

Core Logic Marshall & Swift/Boeckh Commercial Valuation System,

“BVS - Commercial Software”. This on line software is a national authoritative pricing guide for developing replacement cost valuation of commercial and agricultural properties, quarterly updates.

\* Additional Resources include listing of local consulting contractors.

## PARTIAL LISTING OF CONSULTING CONTRACTORS

ACAS, Inc.	561-641-9186	Clayton Capriotti	Gate Access Systems
Adel Resurfacing Company	561-848-3973	Marty Adel	Asphalt Paving
Asphalt Restoration Technology	800-254-4732	Connie Lorenz	Asphalt Paving Specialist
Banco Popular	800-233-7164	Rebecca Prieto	Community Banking
Allied Barton Protective Services, Inc.	954-698-5888	Andrew Daniels	Security Services
Bass United Fire Alarm	800-372-2770	Brad Hiddon	Fire Alarm Systems
BB&T	561-251-1980	Jayne Gelfand	Community Banking Specialist
Beautiful Mailbox	305-403-4820	Sheri Corsetti	Mailboxes
Becker & Poliakoff, PA	800-462-7783	Kenneth S. Direktor	Attorney
Best Roofing	888-723-2378	Gregg Wallick	Roofing Company
Boca Docks & Seawall	561-750-4255	Ken Wells	Docks & Seawalls
B.P. Taurinski Engineering	561-997-6141	Brownie Taurinski	Engineer
Botanical Visions, Inc.	561-361-6677	William Reeves	Horticulturalist
Broadband Specialist	877-826-1625	Jay Abbazia	Bulk TV Specialist
Budget Signs, Inc.	954-941-5710	Bill Simmons	Sign Manufacturer
Carousel Construction	800-365-3219	Michael Bianchini	Concrete Restorations
Caulfield & Wheeler	561-392-1991		Surveyors
Community Associaiton Institute	561-716-3646	Michele Bilawsky	Chapter Executive Director
Chalaire & Associates Engineering	561-694-0336	Donald Chalaire	Engineering
Chapnick Community Association Law	561-330-3096	Michael Chapnick	Attorney
Climate Control Services	561-278-7125	Chuck Walker	Air Conditioning Serv.
Community Asphalt Corp.	800-741-0806	Brian Bettle	Asphalt Paving
Concrete Restoration by Daniello	561-835-4788	Lou Daniello	Concrete Restorations
DiCrescenzo & Company, CPAs	954-571-7073	Ron DiCrescenzo	Accountants
Decktight Roofing Services	800-825-7663	Mikr Varie	Roofing Repair Company
Driveway maintenance	561-848-4004	Nick Small	Asphalt & Concrete Paving
Dry-Concepts	954-370-7778	Michael Jatolf, JR	mold remediation & restore
Duct Masters	954-791-4111	Roger Herde	Air Conditioning & Consultation
Elcon Electronic	800-446-8915	Ronn Hornsby	Street Lighting & Electric Ser.
First Residential Property Mgmt	561-997-4045		Association Management



Florida Sidewalk Solutions	954-514-7218	Steve Sdankus	sidewalk repairs
Fucco Group, LLC	561-367-2960		CPA
Gator Courts	8090-771-NETS	Scott Miller	Sports Courts
Gerstle & Rosen, CPA	305-937-0116	Robert Rosen	CPA
Grind All Concrete	866-339-5401	Mike Zatelli	sidewalk repairs
Hoover Pump Systems	954-971-7350	Donna Hoover	Irrigation Pump Stations
Hosford Roofing Consultants	954-725-9554	John Hosford	Roofing Consultants
Fl. Master Home Inspections	561-792-0271	Gordon Merchant	Wind Mitigation Inspections
Hartzel Painting	954-922-1006	Ed Holman	Painting Company
Howard J. Miller PA & Associates	561-392-2326	Steve Young	Engineering
Industrial Engineering Divers	800-432-6304	Doug Fillmon	Drainage Pipe Divers
J.B. Painting & Waterproofing	800-228-3992	Jim Brown	Painting Company
Kaye & Bender	954-928-0680	Michael Bender	Attorney
Lake Masters Aquatic Weed Control	877-745-5729	Gary Wilhem	Lake Control Services
Lake Erosion Restoration	561-536-4716	Chip Sollins	lake bank restorations
Landmark Elevator Consultants	954-785-1947	Peter Hofmeister	Consultant
Lykins Signtek Inc.	239-594-8494	Martin Ortiz	Street Monument Lights Signs
Marsh & McLennan	305-717-6063	Lieana Galindo	Association Insurance Agent
Marshall Valuation Service	800-526-2756		Building Cost Estimator
Merlin Law Group, PA	877-449-4700	Chip Merlin	Attorney, Insurance Claims
M & R & Sons, Inc.	888-997-9971	Patrick Morone	Painting Company
M & M Asphalt	561-588-0949	Ken Goldberg	Paving Contractor
Mr Rooter Plumbing	800-863-5874	Brent	Plumbing & Drains
Onmy & O'Donnell, Naccarto, Mignogna	561-835-9994	Joseph Mincuzzi	Engineer
OK Generator	800-385-3187		generator company
Palm Clean Services	561-914-0672	Dwight Lyons	Marble & Granite Re-Finishers
Plastridge Insurance Agency	561-276-5221	Mike Bottcher	Association Insurance Agent
Pro-24 Security & Investigative Serv.	954-874-1064	Joseph McKeogh	Security Services Provider
Ranger Construction	561-790-4332	Carl Theiman	Asphalt Paving
RCI Painting	954-978-1213	Marcel Rosen	Painting Company
Rick Carroll Insurance	800-290-3181	Keith Carroll	Association Insurance Agent
Roor-A-Cide	800-806-6727	John Browne	Roof Cleaning

Sachs, Sax & Caplan	561-994-4499	Lou Caplan	Attorney
Shenandoah Construction	954-975-0098	Danny DiMura	Drainage Clean/Repairs
Sherwin Williams	800-226-3539	Bob Cunningham	Paint manufacturer
Smith Watson Parker Cotter Vaught	954-925-2590	Larry Vaught Jr.	Assn. Insurance Agent
Source Outdoor	800-260-4512	Robby Lebhar	Out Door Furniture
South Coast Painting & Waterproofing	800-940-1888	Hal Eisenstein	Painting Company
South Florida Mailbox	561-389-2491	Klye Koteles	Mailboxes
Southeast Electrical Services	561-488-0580	Frank Bracciale	Electrician Contractor
Southern Chute	866-475-9191	John Moriarity	Trash Chutes
Southern Construction	561-841-9450		Concrete Restorations
Southern Park & Play Systems, Inc.	800-247-1545	Dale Hasner	Playground Equipment
Structural Engineering Associates, Inc.	561-884-4060	David T Colston,	Structural Engineer
Symbiont Service Corp.	800-881-4328	Sandy King, Pres.	Pool Heating Company
Telescope Casual Pool Furniture	407-461-0251	Vern Lachowitz	Pool Furniture Manufacturer
The Nidy Co.	800-226-6439		Sports Courts
Thermal Imaging Diagnostics, Inc.	954-753-8303	Howard Lustgarten	Roof Moisture Surveys
212 Software	800-760-9966	Bruce Gran	Software Systems
U.S. Lawns	561-495-7784	Eric Masse	Landscape Maintenance
U.S. Security Associates	800-279-8408		Security Services Provider
UCI Paints	800-273-1683	Felix Flores	Manufactures Rep.
Zabatt Generators, Inc.	407-294-8673	Xiomara Rodriguez	Generators