

Structural Integrity Reserve Study Ocean Terrace Condominium Jacksonville Beach, Florida



**Prepared for FY 2025
Report Date: November 16, 2024**





November 16, 2024

Board of Directors
C/o Elim Services
1941 Mayport Road
Atlantic Beach Florida 32233

Re: Reserve Study Report for Ocean Terrace Condominium

Dear Directors:

Community Advisors is pleased to provide this Structural Integrity Reserve Study report for the above referenced Association. A site visit was conducted to determine the condition of your major components and provide an opinion of their remaining useful life. This analysis meets the requirements of Florida Condominium Statute SIRS reporting. Other components observed during our site visit are found in a separate report.

This Reserve Study was prepared under the guidelines of the National Reserve Study Standards which is administrated by CAI and the Standards of Practice establish by APRA.

Respectively submitted,

Charles R. Sheppard *RS PRA CCI*
Professional Reserve Analyst

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SPECIAL NOTICE

THIS RESERVE ANALYSIS INCLUDED A VISUAL OBSERVATION OF MAJOR COMPONENTS FOR YOUR PROPERTY. NO DESTRUCTIVE TESTING OR OTHER TESTING WAS CONDUCTED TO DETERMINE COMPONENT CONDITION. OUR ANALYSIS INCLUDES COMPONENTS WITH REPLACEMENT COST AND USEFUL LIFE PROJECTIONS THAT ARE TYPICAL FOR THIS TYPE OF FACILITY.

THIS ANALYSIS IS NOT A SAFETY INSPECTION OR STRUCTURAL INSPECTION AND WE RECOMMEND THE ASSOCIATION CONDUCT THOSE INSPECTIONS ON A REGULAR BASIS WITH QUALIFIED CONSULTANTS.

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CURRENT FUNDING PLAN - SECTION NOT USED

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Ocean Terrace Condominium
Jacksonville Beach, Florida
Executive Summary

Report Date	November 16, 2024
Account Number	2052
Version	2
Budget Year Beginning	January 1, 2025
Budget Year Ending	December 31, 2025
Total Units	8

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	1.00%
Interest Rate on Reserve Deposit	3.50%
2025 Beginning Balance	

Project Information

Date of Completion: January, 1 2007

Date of Last Site Visit: August, 22 2024

Methodology:

This report has limited components required by Florida Statute for condominiums three story and higher. Association has not furnished a published preventative maintenance plan; however, they have conducted maintenance on components as needed. Components with deferred maintenance have remaining life projections adjusted accordingly.

Reserve Fund Status:

Beginning balance of -0- to begin FY 2025 furnish by Association Manager for SIRS report.

Reserve Funding Goal:

The funding goal for the Association is to maintain adequate reserves with moderate contributions which are projected at the lowest year-end balance in FY 2043.

NOTES

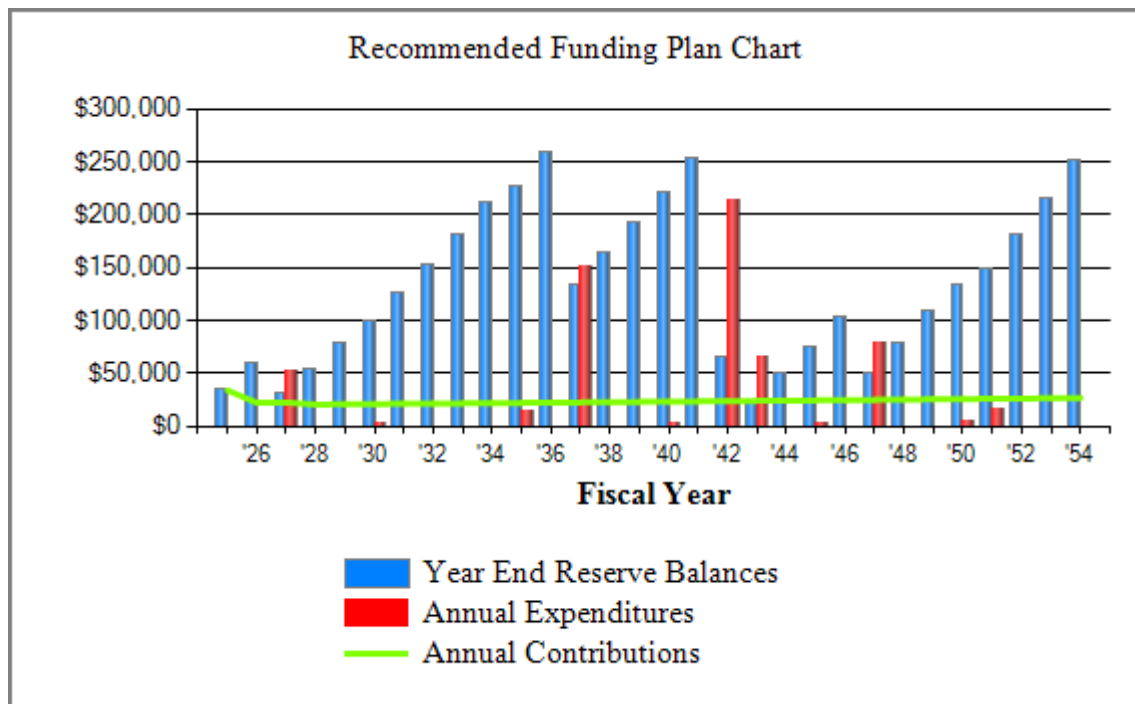
The Association has not established a reserve fund therefore a large year one contribution is required with moderate contribution in subsequent years.

Cash Flow Funding Plan Summary of Calculations	
Required Annual Contribution	\$34,427.31
<i>\$4,303.41 per unit annually</i>	
Average Net Annual Interest Earned	<u>\$1,204.96</u>
Total Annual Allocation to Reserves	\$35,632.27
<i>\$4,454.03 per unit annually</i>	

**Ocean Terrace Condominium
Funding Model Projection**

Beginning Balance: \$0

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2025	284,908	34,427	1,205		35,632
2026	293,455	22,637	2,039		60,308
2027	302,259	22,863	1,083	52,217	32,037
2028	311,327	21,021	1,857		54,915
2029	320,666	21,231	2,665		78,811
2030	330,286	21,443	3,412	2,782	100,884
2031	340,195	21,658	4,289		126,831
2032	350,401	21,874	5,205		153,910
2033	360,913	22,093	6,160		182,163
2034	371,740	22,314	7,157		211,634
2035	382,893	22,537	7,707	13,977	227,902
2036	394,379	22,763	8,773		259,438
2037	406,211	22,990	4,579	151,593	135,414
2038	418,397	23,220	5,552		164,187
2039	430,949	23,452	6,567		194,207
2040	443,877	23,687	7,495	3,739	221,650
2041	457,194	23,924	8,595		254,169
2042	470,910	24,163	2,250	214,050	66,531
2043	485,037	24,405	854	66,531	25,259
2044	478,546	24,649	1,747		51,654
2045	492,902	24,895	2,528	4,335	74,742
2046	507,689	25,144	3,496		103,383
2047	522,920	25,396	1,743	78,982	51,539
2048	538,608	25,650	2,702		79,890
2049	554,766	25,906	3,703		109,499
2050	571,409	26,165	4,572	5,025	135,212
2051	588,551	26,427	5,054	17,253	149,439
2052	606,208	26,691	6,165		182,295
2053	624,394	26,958	7,324		216,577
2054	643,126	27,228	8,533		252,337



The recommended funding plan provides adequate funding with moderate contributions over time.

Ocean Terrace Condominium Income & Expense Spreadsheet

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Balance		35,632	60,308	32,037	54,915	78,811	100,884	126,831	153,910	182,163
Annual Assessment	34,427	22,637	22,863	21,021	21,231	21,443	21,658	21,874	22,093	22,314
Interest Earned	1,205	2,039	1,083	1,857	2,665	3,412	4,289	5,205	6,160	7,157
Expenditures			52,217			2,782				
Ending Balance	35,632	60,308	32,037	54,915	78,811	100,884	126,831	153,910	182,163	211,634

Description

Roof

1. Metal Roof

Aluminum Gutters/DS

Standing Seam Metal Roofs

Roof Total:

Structural Components

1. Structural Components

Concrete Restoration Allowance

Engineer Inspection Allowance

Structural Components Total:

Fireproofing

1. Fire Sprinkler System

Fire Alarm Panel

Fireproofing Total:

Plumbing

1. Plumbing System

Electrical Systems

Electrical System

Main Breaker Panel/Meter Base Enclosures

Electrical Systems Total:

Waterproofing/Ext Paint

Ext Repair/Painting

Stucco Repair Allowance at Painting

Ocean Terrace Condominium Income & Expense Spreadsheet

Description	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<i>Waterproofing/Ext Paint continued...</i>										
Tile Replacement										
Waterproofing/Ext Paint Total:			44,155							
Windows & Doors										
Common Area Doors										
Common Area Windows										
Building Components										
Aluminum Railings - Balconies										
Building Components Total:										
Components W/Life> 25 Years										
Backflow Prevention Devices										
Building Foundations/Frames										
Electrical Wiring										
Plumbing Pipes/Valves										
Siding Replacement										
Water/Fire Main Service Lines										
Operating Expense										
Soffits/Ext Ceiling Repair										
Waterproofing/Caulking - Balcony Decks										
Unit Owner Components										
Garage Doors										
Unit Interior Components										
Wall Lights										
Windows/Unit Doors										
Year Total:			52,217			2,782				

Ocean Terrace Condominium Income & Expense Spreadsheet

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Beginning Balance	211,634	227,902	259,438	135,414	164,187	194,207	221,650	254,169	66,531	25,259
Annual Assessment	22,537	22,763	22,990	23,220	23,452	23,687	23,924	24,163	24,405	24,649
Interest Earned	7,707	8,773	4,579	5,552	6,567	7,495	8,595	2,250	854	1,747
Expenditures	13,977		151,593			3,739		214,050	66,531	
Ending Balance	227,902	259,438	135,414	164,187	194,207	221,650	254,169	66,531	25,259	51,654

Description

Roof

1. Metal Roof

Aluminum Gutters/DS

Standing Seam Metal Roofs

Roof Total:

Structural Components

1. Structural Components

Concrete Restoration Allowance

Engineer Inspection Allowance

Structural Components Total:

Fireproofing

1. Fire Sprinkler System

Fire Alarm Panel

Fireproofing Total:

Plumbing

1. Plumbing System

Electrical Systems

Electrical System

Main Breaker Panel/Meter Base Enclosures

Electrical Systems Total:

Waterproofing/Ext Paint

Ext Repair/Painting

Stucco Repair Allowance at Painting

Community Advisors

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November 16, 2024

Ocean Terrace Condominium Income & Expense Spreadsheet

Description	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
<i>Waterproofing/Ext Paint continued...</i>										
Tile Replacement									32,482	
Waterproofing/Ext Paint Total:	10,751		47,934						46,102	
Windows & Doors										
Common Area Doors										
Common Area Windows										
Building Components										
Aluminum Railings - Balconies			74,961							
Building Components Total:			74,961							
Components W/Life> 25 Years										
Backflow Prevention Devices										
Building Foundations/Frames										
Electrical Wiring										
Plumbing Pipes/Valves										
Siding Replacement										
Water/Fire Main Service Lines										
Operating Expense										
Soffits/Ext Ceiling Repair										
Waterproofing/Caulking - Balcony Decks										
Unit Owner Components										
Garage Doors										
Unit Interior Components										
Wall Lights										
Windows/Unit Doors										
Year Total:	13,977		151,593			3,739		214,050	66,531	

Ocean Terrace Condominium Income & Expense Spreadsheet

	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Beginning Balance	51,654	74,742	103,383	51,539	79,890	109,499	135,212	149,439	182,295	216,577
Annual Assessment	24,895	25,144	25,396	25,650	25,906	26,165	26,427	26,691	26,958	27,228
Interest Earned	2,528	3,496	1,743	2,702	3,703	4,572	5,054	6,165	7,324	8,533
Expenditures	4,335		78,982			5,025	17,253			
Ending Balance	74,742	103,383	51,539	79,890	109,499	135,212	149,439	182,295	216,577	252,337

Description

Roof

1. Metal Roof

Aluminum Gutters/DS

Standing Seam Metal Roofs

Roof Total:

Structural Components

1. Structural Components

Concrete Restoration Allowance

Engineer Inspection Allowance

Structural Components Total:

Fireproofing

1. Fire Sprinkler System

Fire Alarm Panel

Fireproofing Total:

Plumbing

1. Plumbing System

Electrical Systems

Electrical System

Main Breaker Panel/Meter Base Enclosures

Electrical Systems Total:

Waterproofing/Ext Paint

Ext Repair/Painting

Stucco Repair Allowance at Painting

Ocean Terrace Condominium Income & Expense Spreadsheet

Description	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
<i>Waterproofing/Ext Paint continued...</i>										
Tile Replacement										
Waterproofing/Ext Paint Total:			64,419				17,253			
Windows & Doors										
Common Area Doors										
Common Area Windows										
Building Components										
Aluminum Railings - Balconies										
Building Components Total:										
Components W/Life> 25 Years										
Backflow Prevention Devices										
Building Foundations/Frames										
Electrical Wiring										
Plumbing Pipes/Valves										
Siding Replacement										
Water/Fire Main Service Lines										
Operating Expense										
Soffits/Ext Ceiling Repair										
Waterproofing/Caulking - Balcony Decks										
Unit Owner Components										
Garage Doors										
Unit Interior Components										
Wall Lights										
Windows/Unit Doors										
Year Total:	4,335		78,982			5,025	17,253			

**Ocean Terrace Condominium
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2025</i>	
<i>No Replacement in 2026</i>	
Replacement Year 2027	
Fireproofing	
Fire Alarm Panel	8,063
Waterproofing/Ext Paint	
Ext Repair/Painting	35,667
Stucco Repair Allowance at Painting	8,487
Total for 2027	\$52,217
<i>No Replacement in 2028</i>	
<i>No Replacement in 2029</i>	
Replacement Year 2030	
Structural Components	
Engineer Inspection Allowance	2,782
Total for 2030	\$2,782
<i>No Replacement in 2031</i>	
<i>No Replacement in 2032</i>	
<i>No Replacement in 2033</i>	
<i>No Replacement in 2034</i>	
Replacement Year 2035	
Structural Components	
Engineer Inspection Allowance	3,225
Waterproofing/Ext Paint	
Stucco Repair Allowance at Painting	10,751
Total for 2035	\$13,977
<i>No Replacement in 2036</i>	
Replacement Year 2037	
Roof	
Aluminum Gutters/DS	5,886

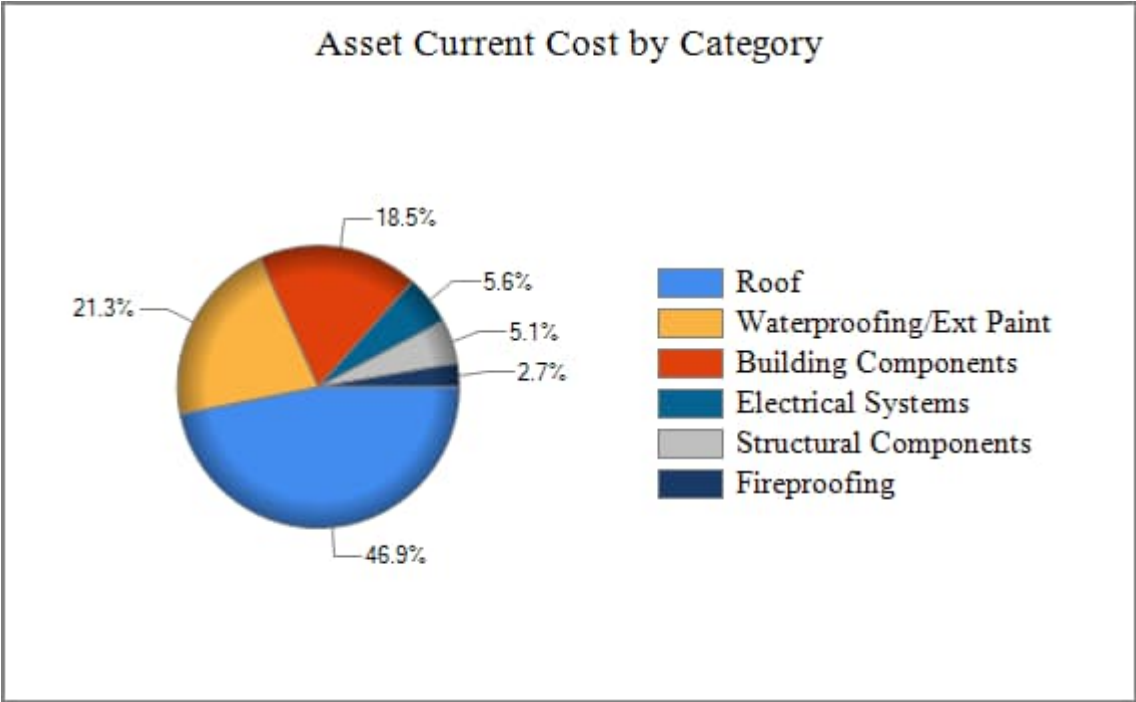
**Ocean Terrace Condominium
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2037 continued...</i>	
Electrical Systems	
Main Breaker Panel/Meter Base Enclosures	22,812
Waterproofing/Ext Paint	
Ext Repair/Painting	47,934
Building Components	
Aluminum Railings - Balconies	74,961
Total for 2037	\$151,593
<i>No Replacement in 2038</i>	
<i>No Replacement in 2039</i>	
Replacement Year 2040	
Structural Components	
Engineer Inspection Allowance	3,739
Total for 2040	\$3,739
<i>No Replacement in 2041</i>	
Replacement Year 2042	
Roof	
Standing Seam Metal Roofs	214,050
Total for 2042	\$214,050
Replacement Year 2043	
Structural Components	
Concrete Restoration Allowance	20,429
Waterproofing/Ext Paint	
Stucco Repair Allowance at Painting	13,619
Tile Replacement	32,482
Total for 2043	\$66,531
<i>No Replacement in 2044</i>	
Replacement Year 2045	
Structural Components	
Engineer Inspection Allowance	4,335
Total for 2045	\$4,335

**Ocean Terrace Condominium
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2046</i>	
Replacement Year 2047	
Fireproofing	
Fire Alarm Panel	14,562
Waterproofing/Ext Paint	
Ext Repair/Painting	64,419
Total for 2047	\$78,982
<i>No Replacement in 2048</i>	
<i>No Replacement in 2049</i>	
Replacement Year 2050	
Structural Components	
Engineer Inspection Allowance	5,025
Total for 2050	\$5,025
Replacement Year 2051	
Waterproofing/Ext Paint	
Stucco Repair Allowance at Painting	17,253
Total for 2051	\$17,253
<i>No Replacement in 2052</i>	
<i>No Replacement in 2053</i>	
<i>No Replacement in 2054</i>	

Ocean Terrace Condominium
Jacksonville Beach, Florida
Asset Current Cost by Category



Ocean Terrace Condominium Project Notes

General Notes

- Only SIRS required components are included in this analysis.
- If the date in service for a component is unknown, then the projected remaining life is subtracted from the typical useful life to determine this date. Recommend the client verify all dates in service.
- Recommend the Association review the component inventory and furnish any historic replacement dates and cost for adjusting this analysis.
- Unit balconies observed: 2 units

Roofing

- The roofs are no visible from ground level. No issues reported by Management.
- Recommend roof top inspection and repair annually.

Structural

- Observations indicate no visual problems.
- State mandated Milestone inspection cost not included in this analysis.

Fireproofing

- Fire sprinkler piping inside the building was not observed.
- Fire alarm panel and suppression system-maintained vendor maintained.

Plumbing

- Waste/vent pipes have a long life. No problems were reported by Management.
- Domestic water lines were not visible, or any problems reported by Management.

Electrical

- Electrical Panels located on exterior and appear in working condition with no problems reported by Management. Proximity to ocean generally requires replacement of enclosures over time.
- Exterior light fixtures maintained by unit owners per the Association.

Waterproofing/Ext Paint

- Repair and painting of exterior façade is included on a 10-year cycle at the request of the Association.
- Balcony waterproofing has been identified as required for maintaining waterproofing of the concrete deck. The Association has requested this be an operating expense.

Ocean Terrace Condominium Project Notes

Windows & Doors

- No common windows or doors at this property.
- Only common doors are small utility closet panels not included in this analysis.

Building Components

- Aluminum railing at balconies should be inspected annually and repaired for safety. Recommend that inspection, cleaning, and painting are done as needed.

Remaining Life > 25 Years

- These components are not required to be funded until the remaining life reaches 25 years. Recommend the Association develop a plan for evaluating these components and develop a plan for future repair or replacement.

Professional Consultants

- Milestone and SIRS update allowances are Not included.

Component Not Included

- Components listed in this category are long life components or not required for this SIRS.

Ocean Terrace Condominium Component Inventory

Description	Date in Service	Replacement Year	Useful	Adjustment	Remaining	Units	Unit Cost	Current Cost
Roof								
1. Metal Roof	No issues observed or reported by Management.						0.00	
Aluminum Gutters/DS	2007	2037	30	0	12	320 Linear Feet	12.90	4,128
Standing Seam Metal Roofs	2007	2042	35	0	17	9,120 Square Feet	14.20	<u>129,504</u>
Roof - Total								\$133,632
Structural Components								
1. Structural Components	No issues observed or reported by Management.						0.00	
Concrete Restoration Allowance	2019	2043	24	0	18	8 Units	1,500.00	12,000
Engineer Inspection Allowance	2024	2030	5	1	5	8 Units	300.00	<u>2,400</u>
Structural Components - Total								\$14,400
Fireproofing								
1. Fire Sprinkler System	No issues reported by Management, vendor maintained						0.00	
Fire Alarm Panel	2007	2027	20	0	2	2 Each	3,800.00	<u>7,600</u>
Fireproofing - Total								\$7,600
Plumbing								
1. Plumbing System	No issues observed or reported by Management.						0.00	
Plumbing - Total								
Electrical Systems								
Electrical System	No issue observed or reported by Management.						0.00	
Main Breaker Panel/Meter Base Enclosures	2007	2037	30	0	12	2 Each	8,000.00	<u>16,000</u>
Electrical Systems - Total								\$16,000
Waterproofing/Ext Paint								
Ext Repair/Painting	2007	2027	10	10	2	16,400 Square Feet	2.05	33,620
Stucco Repair Allowance at Painting	2007	2027	8	12	2	8 Units	1,000.00	8,000
Tile Replacement	2019	2043	24	0	18	1,590 Square Feet	12.00	<u>19,080</u>
Waterproofing/Ext Paint - Total								\$60,700
Windows & Doors								
Common Area Doors	None observed at site visit						0.00	
Common Area Windows	None observed at site visit						0.00	
Windows & Doors - Total								
Building Components								
Aluminum Railings - Balconies	2007	2037	30	0	12	424 Linear Feet	124.00	<u>52,576</u>
Building Components - Total								\$52,576
Components W/Life> 25 Years								
Backflow Prevention Devices	Unpredictable Life						0.00	
Building Foundations/Frames	Unpredictable Life						0.00	

Ocean Terrace Condominium Component Inventory

Description	Date in Service	Replacement Year	Useful Adjustment	Remaining	Units	Unit Cost	Current Cost
<i>Components W/Life> 25 Years continued...</i>							
Electrical Wiring						Unpredictable Life	0.00
Plumbing Pipes/Valves						Unpredictable Life	0.00
Siding Replacement						Unpredictable Life	0.00
Water/Fire Main Service Lines						Unpredictable Life	0.00
Components W/Life> 25 Years - Total							
Operating Expense							
Soffits/Ext Ceiling Repair						Operating Expense	0.00
Waterproofing/Caulking - Balcony Decks						Operating Expense	0.00
Operating Expense - Total							
Unit Owner Components							
Garage Doors						Unit Owner Responsibility	0.00
Unit Interior Components						Unit Owner Responsibility	0.00
Wall Lights						Unit Owner Responsibility	0.00
Windows/Unit Doors						Unit Owner Responsibility	0.00
Unit Owner Components - Total							
Total Asset Summary							\$284,908

Ocean Terrace Condominium Component Detail Index

Asset ID	Description	Replacement	Page
Roof			
	1. Metal Roof	2025	5-7
1016	Aluminum Gutters/DS	2037	5-7
1001	Standing Seam Metal Roofs	2042	5-7
Structural Components			
	1. Structural Components	2025	5-9
1006	Concrete Restoration Allowance	2043	5-9
1013	Engineer Inspection Allowance	2030	5-9
Fireproofing			
	1. Fire Sprinkler System	2025	5-10
1020	Fire Alarm Panel	2027	5-10
Plumbing			
	1. Plumbing System	2025	5-11
Electrical Systems			
1005	Electrical System	2025	5-12
1007	Main Breaker Panel/Meter Base Enclosures	2037	5-12
Waterproofing/Ext Paint			
1012	Ext Repair/Painting	2027	5-13
1011	Stucco Repair Allowance at Painting	2027	5-13
1029	Tile Replacement	2043	5-14
Windows & Doors			
	Common Area Doors	2025	5-15
	Common Area Windows	2025	5-15
Building Components			
1003	Aluminum Railings - Balconies	2037	5-16
Components W/Life> 25 Years			
	Backflow Prevention Devices	2025	5-17
	Building Foundations/Frames	2025	5-17
	Electrical Wiring	2025	5-17
	Plumbing Pipes/Valves	2025	5-17

Ocean Terrace Condominium Component Detail Index

Asset ID	Description	Replacement	Page
Components W/Life> 25 Years			
	Siding Replacement	2025	5-18
	Water/Fire Main Service Lines	2025	5-18
Operating Expense			
	Soffits/Ext Ceiling Repair	2025	5-19
	Waterproofing/Caulking - Balcony Decks	2025	5-19
Unit Owner Components			
	Garage Doors	2025	5-20
	Unit Interior Components	2025	5-20
	Wall Lights	2025	5-20
	Windows/Unit Doors	2025	5-21
	Total Funded Assets	10	
	Total Unfunded Assets	<u>0</u>	
	Total Assets	10	

Ocean Terrace Condominium Component Detail

1. Metal Roof

Asset ID		Asset Actual Cost	
Category	Roof	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			

No issues observed or reported by Management.

Aluminum Gutters/DS - 2037

Asset ID	1016	320 Linear Feet	@ \$12.90
Category	Roof	Asset Actual Cost	\$4,128.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$5,885.54
Replacement Year	2037		
Remaining Life	12		



Standing Seam Metal Roofs - 2042

Asset ID	1001	9,120 Square Feet	@ \$14.20
Category	Roof	Asset Actual Cost	\$129,504.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	35	Future Cost	\$214,050.38
Replacement Year	2042		
Remaining Life	17		

Ocean Terrace Condominium Component Detail

Standing Seam Metal Roofs continued...



Ocean Terrace Condominium Component Detail

1. Structural Components

Asset ID	Asset Actual Cost	
Category Structural Components	Percent Replacement	100%
Placed in Service January 2007	Future Cost	
No Useful Life		

No issues observed or reported by Management.

Concrete Restoration Allowance - 2043

Asset ID	1006	8 Units	@ \$1,500.00
Category Structural Components		Asset Actual Cost	\$12,000.00
Placed in Service January 2019		Percent Replacement	100%
Useful Life 24		Future Cost	\$20,429.20
Replacement Year 2043			
Remaining Life 18			

Engineer Inspection Allowance - 2030

Asset ID	1013	8 Units	@ \$300.00
Category Structural Components		Asset Actual Cost	\$2,400.00
Placed in Service January 2024		Percent Replacement	100%
Useful Life 5		Future Cost	\$2,782.26
Adjustment 1			
Replacement Year 2030			
Remaining Life 5			

**Ocean Terrace Condominium
Component Detail**

1. Fire Sprinkler System

Asset ID		Asset Actual Cost	
Category	Fireproofing	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			

No issues reported by Management, vendor maintained

Fire Alarm Panel - 2027

Asset ID	1020	2 Each	@ \$3,800.00
		Asset Actual Cost	\$7,600.00
Category	Fireproofing	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	\$8,062.84
Useful Life	20		
Replacement Year	2027		
Remaining Life	2		

Ocean Terrace Condominium
Component Detail

1. Plumbing System

Asset ID		Asset Actual Cost	
Category	Plumbing	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			

No issues observed or reported by Management.

Ocean Terrace Condominium Component Detail

Electrical System

Asset ID	1005	Asset Actual Cost	
Category	Electrical Systems	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			

No issue observed or reported by Management.

Main Breaker Panel/Meter Base Enclosures - 2037

Asset ID	1007	2 Each	@ \$8,000.00
Category	Electrical Systems	Asset Actual Cost	\$16,000.00
Placed in Service	January 2007	Percent Replacement	100%
Useful Life	30	Future Cost	\$22,812.17
Replacement Year	2037		
Remaining Life	12		



Located on exterior of buildings exposed to salt air typically have a life of 25-30 years

Ocean Terrace Condominium Component Detail

Ext Repair/Painting - 2027

Asset ID	1012	16,400 Square Feet	@ \$2.05
		Asset Actual Cost	\$33,620.00
		Percent Replacement	100%
Category	Waterproofing/Ext Paint	Future Cost	\$35,667.46
Placed in Service	January 2007		
Useful Life	10		
Adjustment	10		
Replacement Year	2027		
Remaining Life	2		



Association has requested painting be included on a 10 year cycle.

Stucco Repair Allowance at Painting - 2027

Asset ID	1011	8 Units	@ \$1,000.00
		Asset Actual Cost	\$8,000.00
		Percent Replacement	100%
Category	Waterproofing/Ext Paint	Future Cost	\$8,487.20
Placed in Service	January 2007		
Useful Life	8		
Adjustment	12		
Replacement Year	2027		
Remaining Life	2		

Ocean Terrace Condominium
Component Detail

Stucco Repair Allowance at Painting continued...



Tile Replacement - 2043

Asset ID	1029	1,590 Square Feet	@ \$12.00
Category	Waterproofing/Ext Paint	Asset Actual Cost	\$19,080.00
Placed in Service	January 2019	Percent Replacement	100%
Useful Life	24	Future Cost	\$32,482.42
Replacement Year	2043		
Remaining Life	18		



**Ocean Terrace Condominium
Component Detail**

Common Area Doors

Asset ID		Asset Actual Cost	
Category	Windows & Doors	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			

None observed at site visit

Common Area Windows

Asset ID		Asset Actual Cost	
Category	Windows & Doors	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			

None observed at site visit

**Ocean Terrace Condominium
Component Detail**

Aluminum Railings - Balconies - 2037

Asset ID	1003	424 Linear Feet	@ \$124.00
		Asset Actual Cost	\$52,576.00
		Percent Replacement	100%
Category	Building Components	Future Cost	\$74,960.80
Placed in Service	January 2007		
Useful Life	30		
Replacement Year	2037		
Remaining Life	12		



**Ocean Terrace Condominium
Component Detail**

Backflow Prevention Devices

Asset ID	Asset Actual Cost	
Category	Percent Replacement	100%
Comments W/Life> 25 Years	Future Cost	
Placed in Service		
No Useful Life		

Unpredictable Life

Building Foundations/Frames

Asset ID	Asset Actual Cost	
Category	Percent Replacement	100%
Comments W/Life> 25 Years	Future Cost	
Placed in Service		
No Useful Life		

Unpredictable Life

Electrical Wiring

Asset ID	Asset Actual Cost	
Category	Percent Replacement	100%
Comments W/Life> 25 Years	Future Cost	
Placed in Service		
No Useful Life		

Unpredictable Life

Plumbing Pipes/Valves

Asset ID	Asset Actual Cost	
Category	Percent Replacement	100%
Comments W/Life> 25 Years	Future Cost	
Placed in Service		
No Useful Life		

Unpredictable Life

Ocean Terrace Condominium
Component Detail

Siding Replacement

Asset ID	Asset Actual Cost	
Category	Percent Replacement	100%
Comments W/Life> 25 Years	Future Cost	
Placed in Service		
No Useful Life		

Unpredictable Life

Water/Fire Main Service Lines

Asset ID	Asset Actual Cost	
Category	Percent Replacement	100%
Comments W/Life> 25 Years	Future Cost	
Placed in Service		
No Useful Life		

Unpredictable Life

**Ocean Terrace Condominium
Component Detail**

Soffits/Ext Ceiling Repair

Asset ID		Asset Actual Cost	
Category	Operating Expense	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			



Operating Expense

Waterproofing/Caulking - Balcony Decks

Asset ID		Asset Actual Cost	
Category	Operating Expense	Percent Replacement	100%
Placed in Service	January 2019	Future Cost	
No Useful Life			



Operating Expense

**Ocean Terrace Condominium
Component Detail**

Garage Doors

Asset ID		Asset Actual Cost	
Category	Unit Owner Components	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			

Unit Owner Responsibility

Unit Interior Components

Asset ID		Asset Actual Cost	
Category	Unit Owner Components	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			

Unit Owner Responsibility

Wall Lights

Asset ID		Asset Actual Cost	
Category	Unit Owner Components	Percent Replacement	100%
Placed in Service	January 2007	Future Cost	
No Useful Life			



Unit Owner Responsibility

**Ocean Terrace Condominium
Component Detail**

Windows/Unit Doors

Asset ID	Asset Actual Cost	
Category	Percent Replacement	100%
Unit Owner Components	Future Cost	
Placed in Service		
No Useful Life		
January 2007		
Unit Owner Responsibility		

Report Navigation

- **Executive Summary** provides information about projected year end reserve balance, current annual contribution, interest, and inflation rates:
 - Level of Service is the type of reserve study
 - Funding Method is either Component Funding or Pooled Cash
 - Component Funding Contribution is a year one only amount
 - Current Funding Plan currently used by the Association
 - Recommended Funding Plan maintains adequate funding
- **Funding Model Projections** include both your current plan and our recommended plan. The information included in each column is described below:
 - Year begins with your study year generally for a 30-year term
 - Current cost is the current replacement of all components
 - Annual contribution is the amount placed in reserves each year
 - Annual interest earned on your funds
 - Annual expenditures are the projected component replacement cost by year
 - Projected ending balance is the year end reserve fund balance
 - Fully funded reserves are the fully funded balance for that year. Fully Funded formula is $\text{Fully Funded Balance} = \text{Component cost} \times \text{Age/Useful Life}$
 - Percent Funded is one measure of fund strength, ending balance is more important
- **Current Funding Projection** is your current funding plan and how it performs
- **Recommended Funding Model Projection** is the plan we recommend
- **Cash Flow** is a 30-year statement that provides both income and expense information to quickly find when expenditures occur and the resulting financial status of your reserves
- **Annual Expenditure Detail** provides a year to year list of your projected expenditures This is a good section to review each year when preparing your budgets
- **Condition Assessment (if included)** is a brief description of major component condition
- **Component Inventory** contains a list of your components, remaining useful life and quantities we determined from our site visit and other means of measurement
- **Component Detail Index** allows quick access to the detail we have included for each component separated into categories
- **Component Detail** provides a listing of each component, quantities or allowances and photographs of major ones
- **Methodology - Terms of Service – Company Profile** are our Disclosure sections with information about our assumptions, methods of work and our credentials

Important Information

Level of Service: Level I Full Reserve Study with a site visit, Level II Update with a site visit or Level III Financial Update with no site visit as defined by the National Reserve Study Standards established by the Community Associations Institute. Component quantity, condition and projected remaining useful life were determined with a visual inspection by the Analyst if a site visit was conducted.

Purpose: This study provides an inventory of major components above a threshold value as determined by the Association that require regular replacement and a plan to fund them.

Basis: Our analysis follows the guidelines for Reserve Studies established by the Association of Professional Reserve Analysts (APRA) and the Community Associations Institute (CAI). Components included in this analysis generally meet the following criteria:

- Component must be owned or maintained by the Association
- Component must have a limited life
- Component must have a predictable useful life
- Component must have a replacement cost above a threshold cost

These guidelines limit reserve components to predictable expenses and do not consider large expenses such as stormwater systems or dredging of the stormwater ponds. While their replacement cost and remaining, useful life may not be predictable they can be expensive, therefore we recommend an allowance be applied for funding which can be adjusted at each update.

Useful life and remaining useful life projections are determined by our visual inspection of each component, our experience with similar communities, your historical records and if required vendor evaluation. The Association may have experienced some replacement cycles for various components with historical cost therefore this information is considered in our analysis. Each cost and useful life was reviewed and compared to similar project we have completed and adjusted as needed. Components with replacement cost over \$1,000 are typically included.

The various component replacement cycles experienced by the Association are driven by the level of quality required by the community, cost of maintenance vs replacement, existing condition, and use. All useful life projections found in this analysis are in the acceptable range for this specific type of community.

Replacement cost for components is driven by local market conditions and availability of similar materials. Many components have included repair and refurbishment to extend their useful life and reduce holding cost over time

Funding Goal: The Association may elect for the following goals

- Fully Funded Reserve – 100% funding for each component
- Threshold Funded Reserve – Annual ending balances are maintained above an adequate or “Threshold” level.

Funding Methods: Reserve analysis typically uses two methods of determining necessary funding levels for component replacement; the Component Method the Cash Flow Method.

- **The Component Method** provides a reserve contribution amount by estimating the current replacement cost for each component, subtracting that component's current balance which provides the unfunded balance then dividing that total by the number of remaining years of useful life. Each component's contribution is then total for the annual contribution. This method includes inflation of replacement cost and interest on invested funds and provides the least risk of deferred maintenance or special assessment.
- Another version of the Component Method is referred to as "Straight Line Method" which follows the same calculation as above but does not consider interest on funds or inflation on replacement cost. This method only provides a one-year contribution amount and may result in large changes in annual contribution from year to year.
- **The Cash Flow Method** or pooled method of reserve funding groups component replacement together rather than segregated as in the Component Method. Cash outflows must be offset by contributions and interest earned to maintain adequate funding.
- **Cash Flow Method Models** include the Current Assessment Funding Model (AFM) and the Threshold Funding Model (TFM) among others.
 - The AFM Model illustrates the current funding projections adopted by the Association and how these perform over time. This model is also used to develop a funding plan with annual contributions entered for each year which allows a custom funding plan.
 - The TFM maintains minimum annual balances or percent funded which are determined by the Analyst or requested by the Association. The year with the lowest ending balance is considered the "Threshold Year" for the total funding plan period.
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Conclusion

There are several factors to consider when determining reserve funding levels that include maintaining the quality and value of the community, the ability of the Association to respond to unpredictable component failures and to maintain an acceptable level of risk. Full funding provides the lowest risk of deferred maintenance or special assessment but generally requires large contributions. Threshold Funding keeps reserve balances above predetermined annual balance that provides a moderate risk level with mostly level contributions.

METHODOLOGY

Reserve Analysis is a process that identifies capital expenses the Association can expect and creates a plan to fund them. This is accomplished by a site visit to visually evaluate components to measure quantities and determine their remaining life. Component Selection Process is based on the Community Associations Institute (CAI) standards for reserve studies and selection of components.

Component must be a commonly owned, have a limited and predictable life, replacement cost must be above a minimum threshold cost. Useful life and replacement cost are obtained from site inspection by experienced inspectors and our database of information, historical information, local Vendors, and comparison of similar component cost found at other properties.

The funding plan we develop includes adequate cash balances, even contributions so all owners pay their fair share over time and moderate contributions with acceptable increases. Percent Funded is a measure of fund strength, however, the true measure of fund viability is maintaining annual balances above a balance that is acceptable for each Association. Threshold Funding maintains reserves above a “Threshold” level providing adequate funding with moderate risk.

CREDENTIALS

Community Advisors, LLC provides capital reserve planning, property inspection, and construction oversight for a broad base of clients including High-rise Condominiums, Homeowner Associations, Churches, Private Schools, Time Shares, Active Adult, Municipal Utility Plants, Marinas, Historic Buildings & Museums, and commercial investment properties.

Personal Service diligence, quick response, and valued client relationships.

Range of Experience includes a broad selection of building types, ages and uses from protected historic structures to new communities ready for developer turnover. As commercial general contractors we have experience building diverse types of structures that we now provide reserve analysis for, so we understand potential problem areas. As commercial inspectors we have experienced a variety of structural and cosmetic conditions offering solutions for repair. Areas of expertise include MEP systems, energy management, life safety systems, building envelope and roof components, marine structures, street, and other site improvements.

Detailed Site Evaluation is Conducted to make sure we know your property and include all your assets in our analysis. With our years of experience with community development and commercial construction projects we understand both horizontal and vertical construction and utilize realistic replacement cost and useful life projections in our analysis. Financial Plan Meets CAI & APRA Standards with information obtained during the site visit we build a custom-made financial plan to ensure adequate funding for future component replacement which equates to maintaining community value.

Reserve Analyst Credentials: Mr. Charles Sheppard is the owner of Community Advisors responsible for field inspection oversight and day to day operations. Mr. Sheppard hold a BS degree from VA Tech and has conducted building evaluations for over 30 years. He is a licensed Florida General Contractor, Home Inspector and earned the professional designations of Certified Construction Inspector (CCI), Professional Reserve Analyst (PRA) and Reserve Specialist (RS).

TERMS OF SERVICE

We have completed an analysis of your capital components that serves as a budgeting tool. This reserve study reflects the information provided by this client and is not for the purposes of performing an audit or estimating construction projects. Our site visit includes visual observation of components that are accessible and safe for our inspectors to evaluate. Roof evaluation is limited to ground observation for sloped roofs and roof top inspection for flat roofs if safe and stable access is available that meets our safety standards.

We are not responsible for any hidden defects or determining the condition of hidden or underground components or systems. Observing environmental conditions, hazardous materials or determine compliance with building codes or other regulations is not included in our scope of work. Our site visit is not a safety inspection and we are not responsible for any hazards that exist. Destructive testing is not conducted. It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications.

Projections of component remaining useful life assumes this client will perform necessary preventative maintenance and repair per industry standards. This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by the Client and its contractors, assorted vendors, specialist and independent contractors. Reserve fund balances and contribution amounts for use in our analysis is furnished by the client and deemed accurate. Useful life projections are determined by historical records, component condition and our opinion based on evaluating similar components on other projects. These life projections are changed by weather conditions, use, maintenance procedures and other factors out of our control therefore regular updates to this analysis are needed to maintain funding accuracy. Replacement cost is determined by our experience with similar projects, local vendor pricing and client historical records and should not be considered suitable for budgeting repair or replacement projects. Local contractor proposals must be obtained for this work. No liability is assumed as the result of changing market prices or inaccurate estimates or projections of remaining useful life of components.

Component replacement cost and interest rates constantly change. In order to maintain accuracy of your funding plan updates to this analysis should be conducted annually with a site visit every 2-3 years unless conditions warrant annual visits. Community Advisors, LLC shall not be required to participate in any legal action taken by or against our clients for any reason and shall also not be required to give testimony in depositions or in court. In all cases the liability of Community Advisors, LLC and its Principals, Employees, contractors and Vendors shall be limited to the consulting fee agreed upon for the production of this report. Client financial information is considered confidential and is not disclosed to third parties without your approval. We do use your name for our list of valued clients and when submitting proposals for new projects that request references or recent projects. That request may include size of property, number of units or major components. We also use photos from time to time of components as an example for educational and marketing efforts. Community Advisors and the analyst who prepared this study do not have any relationship that can be considered a conflict of interest. From time to time our Clients ask that we manage repair or replacement of components due to our experience in construction management. We do so with the understanding that full disclosure for both parties is completed.

DEFINITIONS

Adjustment to Useful Life: Typical useful life projections are used for each component. The adjustment is used to modify that life projection for earlier or later replacement. It only applies to the current replacement cycle.

Cash Flow Method: A method of determining reserve contributions that are “pooled” to fund replacement cost as needed without restricting funds to any one component.

Component Method: A funding method that fully funds each reserve component then sums those for the annual contribution.

Current Funding Plan: The funding plan currently used at the time of this analysis with updated component inventory and financial assumptions. This allows you to see how the current contribution level funds future component replacement.

Effective Age: Difference of useful and remaining useful life.

Fully Funded Balance: Represents the cost of used component life represented by the formula.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Interest Contribution: The interest that should be earned on invested reserves.

Percent Funded: Ratio of reserve balance to fully funded balance.

Remaining Life: Number of years a component is projected to continue to function.

Threshold Funding: This plan maintains fund balance above a predetermined threshold dollar or percent funded amount.

Useful Life: The estimated useful life of an asset based upon industry standards, manufacturer specification, visual inspection, location, usage, association standards and prior history. aa