

A RESERVE STUDY UPDATE FOR

**San Simeon Phase 1
Residents' Association, Inc.
Fort Myers, Florida
File # 22920-06249L**

FOR PERIOD: January 1, 2017 – December 31, 2017

**PREPARED BY
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October 24, 2016

San Simeon Phase 1 Residents' Association, Inc.
Attn: Mr. Eric Vincent, President
C/o Marie Hamling, Property Manager
Paradigm Real Estate
17595 Tamiami Trail Ste. 214
Ft. Meyers, Florida 33908

Dear Mr. Vincent,

On April 4th, 2013 we completed an on-site inspection of San Simeon Phase 1 Residents' Association, Inc. common area reserve items. Data gleaned from this inspection was utilized in the completion of an original reserve study report published on June 16th, 2013. This reserve study report is an update of that previous reserve study report, which was accepted as accurate and reliable by the association representatives. A GAB Robins representative did re-inspect the common area reserve items for use in completion of this update reserve study report, on September 8, 2016.

The intent of this report is to show cash reserves necessary for the future repair or replacement of expendable components incorporated into the subject property. The purpose of this report is to aid San Simeon Phase 1 Residents' Association, Inc. Commons in making a determination for cash reserves that are needed to repair or replace short-lived building and/or site components.

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

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

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are not for use in performing an audit, quality/forensic analyses, or background checks of historical records.

In completing this report, the reserve analyst completed the physical on-site inspection of the subject property. Appropriate measurements and counts were taken to determine quantities; blueprints were not used to aid in the determination of quantities. No destructive testing methods (i.e. roof core sampling, etc.) were utilized during the inspection. Current financial data, including the actual or projected reserve fund balance as of the analysis date, and property histories, provided by you, were utilized in the completion of this report. This data was not audited, and was assumed to be complete and correct. The reserve analyst estimated the repair/replacement cost taking into account contingencies inherent to this type of work. The report was prepared utilizing the information gathered in the field and the costs estimated by the reserve analyst.

Respectfully submitted,
GAB Robins, A Division of Cunningham Lindsey

Patrick Conners
Reserve Analyst

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PROJECT OVERVIEW

The subject of this reserve study report is the common areas within San Simeon Phase 1 Residents' Association, Inc., a 131-unit residential development located in Fort Myers, Florida. Originally constructed in 2006, per the property representatives, the common areas include 19 two story residential buildings (four, five, six, seven and eight-unit mix) of concrete block/frame superstructure construction, with painted stucco exteriors and pitched tile roof covers. These residential buildings are identified by the association as the Levitt buildings. There are no common area interiors within these buildings, and the paver driveways and walkways are reportedly the responsibility of the individual unit owners and not the association.

As of the date of our most recent on-site inspection, the common areas were observed to be in average to good overall condition for a property of the subject's age and location. Exterior painting and waterproofing was recently completed. No items of significant deferred maintenance were noted.

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



RESERVE STUDY FUNDING ANALYSIS

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

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

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

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

As of July 1, 2007, homeowner's associations are mandated by Florida Statute 720 to include a disclaimer in their annual budgets if reserves are excluded from the budget. If homeowner's associations have previously funded reserves, they must include full funding reserve estimates under similar criteria as condominium associations in the state of Florida. A copy of these requirements is included in the addendum to this report.

EXECUTIVE SUMMARY

PROPERTY DATA

Property Name: San Simeon Phase 1 Residents' Association, Inc.

Property Location: Fort Myers, Florida

Property Type: HOA

Total Units: 131

Report Run Date: October 24, 2016

Budget Year Begins: January 1, 2017

Budget Year Ends: December 31, 2017

PROJECTED COMPONENT CATEGORIES AND PARAMETERS

1. Painting & Waterproofing
2. Roofs

Total current cost of all reserve components in reserve analysis:	\$	1,740,328
Estimated beginning reserve fund balance for reserve analysis:	\$	295,541
Total number of components scheduled for replacement in the 2017 budget year:		0
Total cost of components scheduled for replacement in the 2017 budget year:	\$	0

ANALYSIS RESULTS –CASH FLOW ANALYSIS

Current annual reserve funding contribution amount (2016 Budget):	\$	124,921
Our recommended annual reserve funding contribution amount:	\$	109,200
Increase (decrease) between current and recommended annual contribution amounts:	\$	(15,721)
Increase (decrease) between current and recommended annual contribution amounts:		(13%)

ANALYSIS RESULTS – COMPONENT FUNDING ANALYSIS

Current annual reserve funding contribution amount (2016 Budget):	\$	124,921
Our recommended annual reserve funding contribution amount:	\$	133,271
Increase (decrease) between current and recommended annual contribution amounts:	\$	8,350
Increase (decrease) between current and recommended annual contribution amounts:		7%

RESERVE BUDGET COMPARISON

The previous page provides a comparison of the association's approved fiscal year 2016 reserve contribution level and our estimates for full reserve funding for fiscal year 2017. The funding requirement estimated for fiscal year 2017 via the Cash Flow Analysis is ***higher/lower*** than the association's approved fiscal year 2016 contribution level, while the recommendation based on the Component Funding Analysis methodology is ***higher/lower*** than the association's approved fiscal year 2016 contribution level.

Based on the Cash Flow Analysis methodology, the association can fully fund the reserves as analyzed in this report at \$109,200 in fiscal year 2017. This level of annual funding could remain stable through fiscal year 2033. In fiscal year 2034 the contribution could be reduced to \$32,760 and remain stable over the remainder of the study period, provide adequate funds to offset planned reserve expenditures, and maintain a positive reserve fund balance over the entirety of the study period. In this analysis we have utilized a 0.65% rate of return on reserve funds invested over the study period (assuming safe investment in CDs, money market accounts, etc.). The Cash Flow Analysis utilizes a pooling effect with reserve funds by pooling all funds together and distributing these funds to individual components as their replacement comes due. Funds that are pooled together in the cash flow analysis include the beginning balance, contributions to the reserve funds and interest earned on reserve funds. These pooled funds are matched against reserve expenditures throughout the period of the analysis by using our reserve analysis software program to ensure that the available funds are always greater than expenditures.

Based on our Component Funding Analysis model, the reserves as analyzed in this report suggest that in order to fully fund in fiscal year 2017, the contribution should be \$133,271. The Component Funding Analysis is a straight-line accounting procedure that was previously mandated by the State of Florida for condominiums, and has been a popular method of reserve computation by condominiums, cooperatives, homeowner's associations, property owner's associations, country clubs, etc.

CASH FLOW ANALYSIS

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Detail

Description	Replace Date	Current Cost	Est Life	Adj Life	Rem Life	Future Cost	Basis Cost	Measure Basis
Painting & Waterproofing								
Paint/Waterproof Bldg. Exteriors	11/01/2019	\$ 127,070.00	7:00	7:00	2:10	\$ 127,070.00	\$ 970.00	units
		\$ 127,070.00				\$ 127,070.00		
Roofs								
Roofs, Cleaning	11/01/2021	27,498.52	5:00	5:00	4:10	27,498.52	15.26	sq.
Roofs, Repair/Replacement	06/01/2031	1,585,760.00	25:00	25:00	14:05	1,585,760.00	880.00	sq.
		\$ 1,613,258.52				\$ 1,613,258.52		
		\$ 1,740,328.52				\$ 1,740,328.52		

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Paint/Waterproof Bldg. Exteriors

Item Number	2	Measurement Basis	units
Type	Common Area	Estimated Useful Life	7:00
Category	Painting & Waterproofing	Basis Cost	970.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service Date	Replace Date	Rem Life	Adj Life	Quantity	Replacement Cost	
							Current	Future
910-000-0002		11/01/2012	11/01/2019	2:10	7:00	131.00	\$ 127,070.00	\$ 127,070.00
							\$ 127,070.00	\$ 127,070.00

Comments

To insure proper protection of the underlying concrete, stucco, wood and metal surfaces, the market reflects a maximum 7-year useful life for exterior painting & waterproofing (in lieu of an association purchased 10-year warranty). Exterior painting was most recently completed in summer/fall 2012, and a 2019 expense date was forecast accordingly. The current average per dwelling unit cost estimate includes typical minor concrete/stucco repairs, surface preparation, as needed window/sliding glass door caulking and painting/refinishing of all exterior concrete, stucco, wood and metal surfaces (including railings and window/slider frames).



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Roofs, Cleaning

Item Number	3	Measurement Basis	sq.
Type	Common Area	Estimated Useful Life	5:00
Category	Roofs	Basis Cost	15.26
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service	Replace	Rem	Adj	Quantity	Replacement Cost	
		Date	Date	Life	Life		Current	Future
910-000-0003		11/01/2016	11/01/2021	4:10	5:00	1802.00	\$ 27,498.52	\$ 27,498.52
							\$ 27,498.52	\$ 27,498.52

Comments

Some associations complete periodic third party pressure washing/cleaning of tile roofing to insure a high cosmetic appeal, on observed life cycles in the 3-5-year range (this project is often completed in conjunction with exterior painting and waterproofing. A 5-year life cycle estimate reflects a 2016 expense date per the association representative.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Item Parameters - Full Detail

Roofs, Repair/Replacement

Item Number	1	Measurement Basis	sq.
Type	Common Area	Estimated Useful Life	25:00
Category	Roofs	Basis Cost	880.00
Tracking	Logistical		
Method	Fixed		

Code	Desc.	Service	Replace	Rem	Adj	Quantity	Replacement Cost	
		Date	Date	Life	Life		Current	Future
910-000-0001		06/01/2006	06/01/2031	14:05	25:00	1802.00	\$ 1,585,760.00	\$ 1,585,760.00
							\$ 1,585,760.00	\$ 1,585,760.00

Comments

Life cycles of less than 20 years, to 35+ years, have been observed for replacement of pitched tile roofing; the most typical life falls in the mid 20-year range, assuming proper design, installation and routine maintenance. As no professional roofing studies were provided that would indicate that physical conditions exist at this roofing that would otherwise limit its remaining useful life, a 2031 replacement date was forecast. The current cost unit estimate includes removal and disposal of the existing roofing, typical minor repairs to the underlying roof structures, flashing, as needed repair/replacement of fascia, soffits and/or gutters and downspouts, and installation of like roofing. The total roof area is reflective of a size estimate of +/- 110 squares (one square = 100 square feet) for each of the seven 8 unit buildings, a size estimate of +/- 96 squares for each of the six 7 unit buildings, a size estimate of +/- 83 squares for each of the four 6 unit buildings, a size estimate of +/- 69 squares for the 5 unit building, and a size estimate of +/- 55 squares for the 4 unit building.



San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Expenditures - Items Through 2046

Description	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Paint/Waterproof Bldg. Exteriors			127,070							127,070
Roofs, Cleaning					27,498					27,498
Roofs, Repair/Replacement										
			127,070		27,498					154,568

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Expenditures - Items Through 2046

Description	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Paint/Waterproof Bldg. Exteriors							127,070			
Roofs, Cleaning					27,498					27,498
Roofs, Repair/Replacement					1,585,760					
					1,613,258		127,070			27,498

San Simeon Phase 1 Residents' Association, Inc.

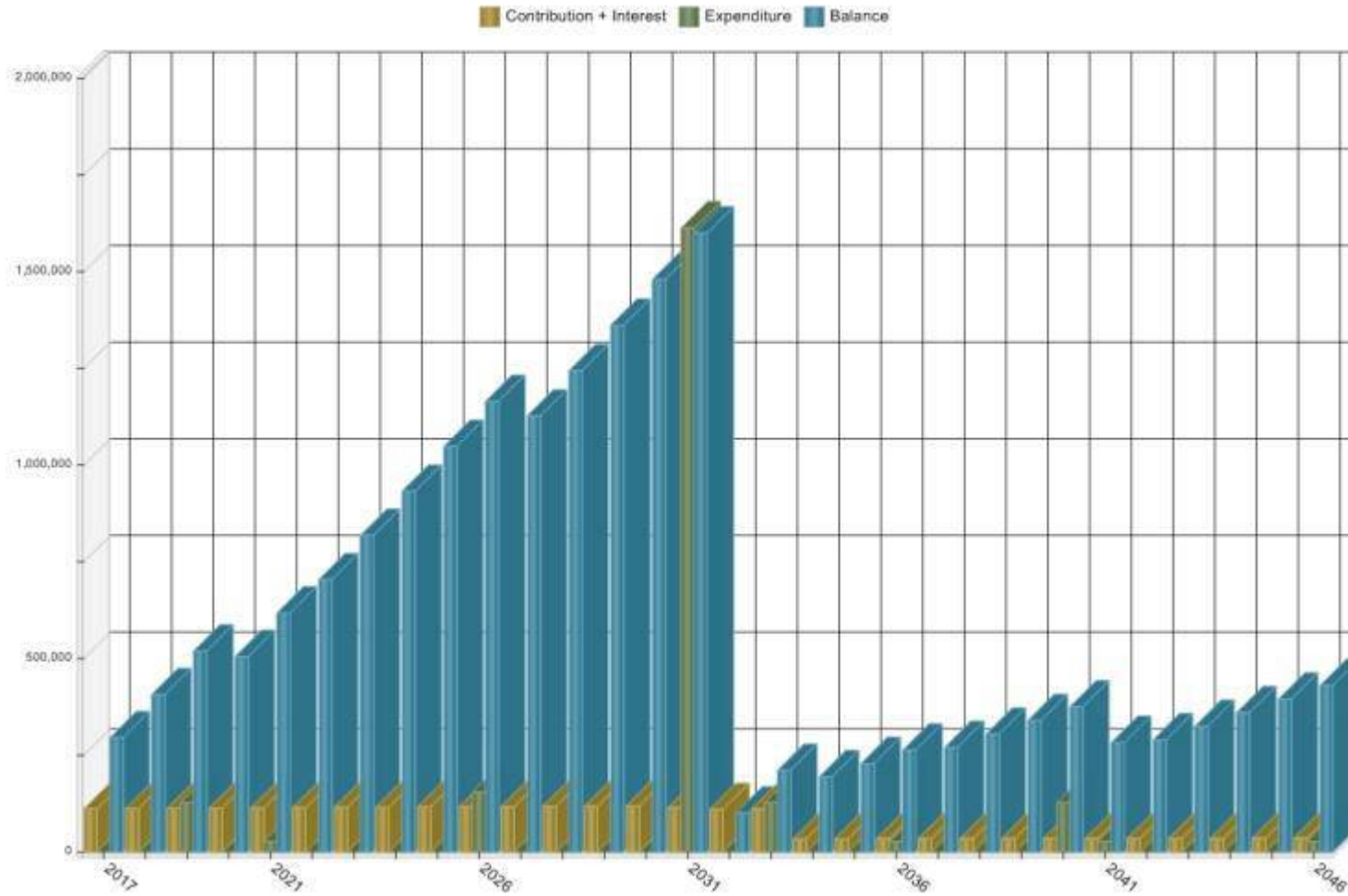
Analysis Date - January 1, 2017

Expenditures - Items Through 2046

Description	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
Paint/Waterproof Bldg. Exteriors				127,070						
Roofs, Cleaning					27,498					27,498
Roofs, Repair/Replacement										
				127,070	27,498					27,498

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017



Cash Flow - Chart

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Annual

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/17 - 12/17	\$ 295,541.86	\$ 109,200.00	\$ 2,282.32	\$ 0.00	\$ 407,024.18
01/18 - 12/18	407,024.18	109,200.00	3,009.13	0.00	519,233.31
01/19 - 12/19	519,233.31	109,200.00	3,637.39	127,070.00	505,000.70
01/20 - 12/20	505,000.70	109,200.00	3,647.89	0.00	617,848.59
01/21 - 12/21	617,848.59	109,200.00	4,361.23	27,498.52	703,911.30
01/22 - 12/22	703,911.30	109,200.00	4,944.65	0.00	818,055.95
01/23 - 12/23	818,055.95	109,200.00	5,688.81	0.00	932,944.76
01/24 - 12/24	932,944.76	109,200.00	6,437.81	0.00	1,048,582.57
01/25 - 12/25	1,048,582.57	109,200.00	7,191.71	0.00	1,164,974.28
01/26 - 12/26	1,164,974.28	109,200.00	7,824.90	154,568.52	1,127,430.66
	\$ 295,541.86	\$ 1,092,000.00	\$ 49,025.84	\$ 309,137.04	\$ 1,127,430.66

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/27 - 12/27	1,127,430.66	109,200.00	7,705.77	0.00	1,244,336.43
01/28 - 12/28	1,244,336.43	109,200.00	8,467.92	0.00	1,362,004.35
01/29 - 12/29	1,362,004.35	109,200.00	9,235.04	0.00	1,480,439.39
01/30 - 12/30	1,480,439.39	109,200.00	10,007.14	0.00	1,599,646.53
01/31 - 12/31	1,599,646.53	109,200.00	5,170.38	1,613,258.52	100,758.39
01/32 - 12/32	100,758.39	109,200.00	1,012.45	0.00	210,970.84
01/33 - 12/33	210,970.84	109,200.00	1,627.73	127,070.00	194,728.57
01/34 - 12/34	194,728.57	32,760.00	1,376.19	0.00	228,864.76
01/35 - 12/35	228,864.76	32,760.00	1,598.73	0.00	263,223.49
01/36 - 12/36	263,223.49	32,760.00	1,800.39	27,498.52	270,285.36
	\$ 1,127,430.66	\$ 862,680.00	\$ 48,001.74	\$ 1,767,827.04	\$ 270,285.36

Period	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
01/37 - 12/37	270,285.36	32,760.00	1,868.76	0.00	304,914.12
01/38 - 12/38	304,914.12	32,760.00	2,094.53	0.00	339,768.65
01/39 - 12/39	339,768.65	32,760.00	2,321.77	0.00	374,850.42
01/40 - 12/40	374,850.42	32,760.00	2,447.21	127,070.00	282,987.63
01/41 - 12/41	282,987.63	32,760.00	1,929.24	27,498.52	290,178.35
01/42 - 12/42	290,178.35	32,760.00	1,998.46	0.00	324,936.81
01/43 - 12/43	324,936.81	32,760.00	2,225.08	0.00	359,921.89
01/44 - 12/44	359,921.89	32,760.00	2,453.15	0.00	395,135.04
01/45 - 12/45	395,135.04	32,760.00	2,682.71	0.00	430,577.75
01/46 - 12/46	430,577.75	32,760.00	2,891.45	27,498.52	438,730.68
	\$ 270,285.36	\$ 327,600.00	\$ 22,912.36	\$ 182,067.04	\$ 438,730.68

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Monthly

2017	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	295,541.86	9,100.00	162.55	0.00	304,804.41
February	304,804.41	9,100.00	167.57	0.00	314,071.98
March	314,071.98	9,100.00	172.59	0.00	323,344.57
April	323,344.57	9,100.00	177.61	0.00	332,622.18
May	332,622.18	9,100.00	182.63	0.00	341,904.81
June	341,904.81	9,100.00	187.66	0.00	351,192.47
July	351,192.47	9,100.00	192.69	0.00	360,485.16
August	360,485.16	9,100.00	197.73	0.00	369,782.89
September	369,782.89	9,100.00	202.76	0.00	379,085.65
October	379,085.65	9,100.00	207.80	0.00	388,393.45
November	388,393.45	9,100.00	212.84	0.00	397,706.29
December	397,706.29	9,100.00	217.89	0.00	407,024.18
	\$ 295,541.86	\$ 109,200.00	\$ 2,282.32	\$ 0.00	\$ 407,024.18

2018	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	407,024.18	9,100.00	222.94	0.00	416,347.12
February	416,347.12	9,100.00	227.99	0.00	425,675.11
March	425,675.11	9,100.00	233.04	0.00	435,008.15
April	435,008.15	9,100.00	238.09	0.00	444,346.24
May	444,346.24	9,100.00	243.15	0.00	453,689.39
June	453,689.39	9,100.00	248.21	0.00	463,037.60
July	463,037.60	9,100.00	253.28	0.00	472,390.88
August	472,390.88	9,100.00	258.34	0.00	481,749.22
September	481,749.22	9,100.00	263.41	0.00	491,112.63
October	491,112.63	9,100.00	268.48	0.00	500,481.11
November	500,481.11	9,100.00	273.56	0.00	509,854.67
December	509,854.67	9,100.00	278.64	0.00	519,233.31
	\$ 407,024.18	\$ 109,200.00	\$ 3,009.13	\$ 0.00	\$ 519,233.31

2019	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	519,233.31	9,100.00	283.72	0.00	528,617.03
February	528,617.03	9,100.00	288.80	0.00	538,005.83
March	538,005.83	9,100.00	293.88	0.00	547,399.71
April	547,399.71	9,100.00	298.97	0.00	556,798.68
May	556,798.68	9,100.00	304.06	0.00	566,202.74
June	566,202.74	9,100.00	309.16	0.00	575,611.90
July	575,611.90	9,100.00	314.25	0.00	585,026.15
August	585,026.15	9,100.00	319.35	0.00	594,445.50
September	594,445.50	9,100.00	324.46	0.00	603,869.96
October	603,869.96	9,100.00	329.56	0.00	613,299.52
November	613,299.52	9,100.00	300.25	127,070.00	495,629.77
December	495,629.77	9,100.00	270.93	0.00	505,000.70
	\$ 519,233.31	\$ 109,200.00	\$ 3,637.39	\$ 127,070.00	\$ 505,000.70

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Monthly

2020	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	505,000.70	9,100.00	276.01	0.00	514,376.71
February	514,376.71	9,100.00	281.09	0.00	523,757.80
March	523,757.80	9,100.00	286.17	0.00	533,143.97
April	533,143.97	9,100.00	291.25	0.00	542,535.22
May	542,535.22	9,100.00	296.34	0.00	551,931.56
June	551,931.56	9,100.00	301.43	0.00	561,332.99
July	561,332.99	9,100.00	306.52	0.00	570,739.51
August	570,739.51	9,100.00	311.62	0.00	580,151.13
September	580,151.13	9,100.00	316.71	0.00	589,567.84
October	589,567.84	9,100.00	321.81	0.00	598,989.65
November	598,989.65	9,100.00	326.92	0.00	608,416.57
December	608,416.57	9,100.00	332.02	0.00	617,848.59
	\$ 505,000.70	\$ 109,200.00	\$ 3,647.89	\$ 0.00	\$ 617,848.59

2021	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	617,848.59	9,100.00	337.13	0.00	627,285.72
February	627,285.72	9,100.00	342.24	0.00	636,727.96
March	636,727.96	9,100.00	347.36	0.00	646,175.32
April	646,175.32	9,100.00	352.48	0.00	655,627.80
May	655,627.80	9,100.00	357.60	0.00	665,085.40
June	665,085.40	9,100.00	362.72	0.00	674,548.12
July	674,548.12	9,100.00	367.84	0.00	684,015.96
August	684,015.96	9,100.00	372.97	0.00	693,488.93
September	693,488.93	9,100.00	378.10	0.00	702,967.03
October	702,967.03	9,100.00	383.24	0.00	712,450.27
November	712,450.27	9,100.00	380.93	27,498.52	694,432.68
December	694,432.68	9,100.00	378.62	0.00	703,911.30
	\$ 617,848.59	\$ 109,200.00	\$ 4,361.23	\$ 27,498.52	\$ 703,911.30

2022	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	703,911.30	9,100.00	383.75	0.00	713,395.05
February	713,395.05	9,100.00	388.89	0.00	722,883.94
March	722,883.94	9,100.00	394.03	0.00	732,377.97
April	732,377.97	9,100.00	399.17	0.00	741,877.14
May	741,877.14	9,100.00	404.31	0.00	751,381.45
June	751,381.45	9,100.00	409.46	0.00	760,890.91
July	760,890.91	9,100.00	414.61	0.00	770,405.52
August	770,405.52	9,100.00	419.77	0.00	779,925.29
September	779,925.29	9,100.00	424.92	0.00	789,450.21
October	789,450.21	9,100.00	430.08	0.00	798,980.29
November	798,980.29	9,100.00	435.25	0.00	808,515.54
December	808,515.54	9,100.00	440.41	0.00	818,055.95
	\$ 703,911.30	\$ 109,200.00	\$ 4,944.65	\$ 0.00	\$ 818,055.95

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2023	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	818,055.95	9,100.00	445.58	0.00	827,601.53
February	827,601.53	9,100.00	450.75	0.00	837,152.28
March	837,152.28	9,100.00	455.92	0.00	846,708.20
April	846,708.20	9,100.00	461.10	0.00	856,269.30
May	856,269.30	9,100.00	466.28	0.00	865,835.58
June	865,835.58	9,100.00	471.46	0.00	875,407.04
July	875,407.04	9,100.00	476.64	0.00	884,983.68
August	884,983.68	9,100.00	481.83	0.00	894,565.51
September	894,565.51	9,100.00	487.02	0.00	904,152.53
October	904,152.53	9,100.00	492.21	0.00	913,744.74
November	913,744.74	9,100.00	497.41	0.00	923,342.15
December	923,342.15	9,100.00	502.61	0.00	932,944.76
	\$ 818,055.95	\$ 109,200.00	\$ 5,688.81	\$ 0.00	\$ 932,944.76

2024	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	932,944.76	9,100.00	507.81	0.00	942,552.57
February	942,552.57	9,100.00	513.01	0.00	952,165.58
March	952,165.58	9,100.00	518.22	0.00	961,783.80
April	961,783.80	9,100.00	523.43	0.00	971,407.23
May	971,407.23	9,100.00	528.64	0.00	981,035.87
June	981,035.87	9,100.00	533.86	0.00	990,669.73
July	990,669.73	9,100.00	539.08	0.00	1,000,308.81
August	1,000,308.81	9,100.00	544.30	0.00	1,009,953.11
September	1,009,953.11	9,100.00	549.52	0.00	1,019,602.63
October	1,019,602.63	9,100.00	554.75	0.00	1,029,257.38
November	1,029,257.38	9,100.00	559.98	0.00	1,038,917.36
December	1,038,917.36	9,100.00	565.21	0.00	1,048,582.57
	\$ 932,944.76	\$ 109,200.00	\$ 6,437.81	\$ 0.00	\$ 1,048,582.57

2025	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,048,582.57	9,100.00	570.45	0.00	1,058,253.02
February	1,058,253.02	9,100.00	575.68	0.00	1,067,928.70
March	1,067,928.70	9,100.00	580.93	0.00	1,077,609.63
April	1,077,609.63	9,100.00	586.17	0.00	1,087,295.80
May	1,087,295.80	9,100.00	591.42	0.00	1,096,987.22
June	1,096,987.22	9,100.00	596.67	0.00	1,106,683.89
July	1,106,683.89	9,100.00	601.92	0.00	1,116,385.81
August	1,116,385.81	9,100.00	607.17	0.00	1,126,092.98
September	1,126,092.98	9,100.00	612.43	0.00	1,135,805.41
October	1,135,805.41	9,100.00	617.69	0.00	1,145,523.10
November	1,145,523.10	9,100.00	622.96	0.00	1,155,246.06
December	1,155,246.06	9,100.00	628.22	0.00	1,164,974.28
	\$ 1,048,582.57	\$ 109,200.00	\$ 7,191.71	\$ 0.00	\$ 1,164,974.28

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2026	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,164,974.28	9,100.00	633.49	0.00	1,174,707.77
February	1,174,707.77	9,100.00	638.76	0.00	1,184,446.53
March	1,184,446.53	9,100.00	644.04	0.00	1,194,190.57
April	1,194,190.57	9,100.00	649.32	0.00	1,203,939.89
May	1,203,939.89	9,100.00	654.60	0.00	1,213,694.49
June	1,213,694.49	9,100.00	659.88	0.00	1,223,454.37
July	1,223,454.37	9,100.00	665.17	0.00	1,233,219.54
August	1,233,219.54	9,100.00	670.46	0.00	1,242,990.00
September	1,242,990.00	9,100.00	675.75	0.00	1,252,765.75
October	1,252,765.75	9,100.00	681.05	0.00	1,262,546.80
November	1,262,546.80	9,100.00	644.48	154,568.52	1,117,722.76
December	1,117,722.76	9,100.00	607.90	0.00	1,127,430.66
	\$ 1,164,974.28	\$ 109,200.00	\$ 7,824.90	\$ 154,568.52	\$ 1,127,430.66

2027	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,127,430.66	9,100.00	613.16	0.00	1,137,143.82
February	1,137,143.82	9,100.00	618.42	0.00	1,146,862.24
March	1,146,862.24	9,100.00	623.68	0.00	1,156,585.92
April	1,156,585.92	9,100.00	628.95	0.00	1,166,314.87
May	1,166,314.87	9,100.00	634.22	0.00	1,176,049.09
June	1,176,049.09	9,100.00	639.49	0.00	1,185,788.58
July	1,185,788.58	9,100.00	644.77	0.00	1,195,533.35
August	1,195,533.35	9,100.00	650.05	0.00	1,205,283.40
September	1,205,283.40	9,100.00	655.33	0.00	1,215,038.73
October	1,215,038.73	9,100.00	660.61	0.00	1,224,799.34
November	1,224,799.34	9,100.00	665.90	0.00	1,234,565.24
December	1,234,565.24	9,100.00	671.19	0.00	1,244,336.43
	\$ 1,127,430.66	\$ 109,200.00	\$ 7,705.77	\$ 0.00	\$ 1,244,336.43

2028	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,244,336.43	9,100.00	676.48	0.00	1,254,112.91
February	1,254,112.91	9,100.00	681.78	0.00	1,263,894.69
March	1,263,894.69	9,100.00	687.07	0.00	1,273,681.76
April	1,273,681.76	9,100.00	692.38	0.00	1,283,474.14
May	1,283,474.14	9,100.00	697.68	0.00	1,293,271.82
June	1,293,271.82	9,100.00	702.99	0.00	1,303,074.81
July	1,303,074.81	9,100.00	708.30	0.00	1,312,883.11
August	1,312,883.11	9,100.00	713.61	0.00	1,322,696.72
September	1,322,696.72	9,100.00	718.93	0.00	1,332,515.65
October	1,332,515.65	9,100.00	724.24	0.00	1,342,339.89
November	1,342,339.89	9,100.00	729.57	0.00	1,352,169.46
December	1,352,169.46	9,100.00	734.89	0.00	1,362,004.35
	\$ 1,244,336.43	\$ 109,200.00	\$ 8,467.92	\$ 0.00	\$ 1,362,004.35

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2029	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,362,004.35	9,100.00	740.22	0.00	1,371,844.57
February	1,371,844.57	9,100.00	745.55	0.00	1,381,690.12
March	1,381,690.12	9,100.00	750.88	0.00	1,391,541.00
April	1,391,541.00	9,100.00	756.22	0.00	1,401,397.22
May	1,401,397.22	9,100.00	761.55	0.00	1,411,258.77
June	1,411,258.77	9,100.00	766.90	0.00	1,421,125.67
July	1,421,125.67	9,100.00	772.24	0.00	1,430,997.91
August	1,430,997.91	9,100.00	777.59	0.00	1,440,875.50
September	1,440,875.50	9,100.00	782.94	0.00	1,450,758.44
October	1,450,758.44	9,100.00	788.29	0.00	1,460,646.73
November	1,460,646.73	9,100.00	793.65	0.00	1,470,540.38
December	1,470,540.38	9,100.00	799.01	0.00	1,480,439.39
	\$ 1,362,004.35	\$ 109,200.00	\$ 9,235.04	\$ 0.00	\$ 1,480,439.39

2030	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,480,439.39	9,100.00	804.37	0.00	1,490,343.76
February	1,490,343.76	9,100.00	809.73	0.00	1,500,253.49
March	1,500,253.49	9,100.00	815.10	0.00	1,510,168.59
April	1,510,168.59	9,100.00	820.47	0.00	1,520,089.06
May	1,520,089.06	9,100.00	825.85	0.00	1,530,014.91
June	1,530,014.91	9,100.00	831.22	0.00	1,539,946.13
July	1,539,946.13	9,100.00	836.60	0.00	1,549,882.73
August	1,549,882.73	9,100.00	841.98	0.00	1,559,824.71
September	1,559,824.71	9,100.00	847.37	0.00	1,569,772.08
October	1,569,772.08	9,100.00	852.76	0.00	1,579,724.84
November	1,579,724.84	9,100.00	858.15	0.00	1,589,682.99
December	1,589,682.99	9,100.00	863.54	0.00	1,599,646.53
	\$ 1,480,439.39	\$ 109,200.00	\$ 10,007.14	\$ 0.00	\$ 1,599,646.53

2031	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	1,599,646.53	9,100.00	868.94	0.00	1,609,615.47
February	1,609,615.47	9,100.00	874.34	0.00	1,619,589.81
March	1,619,589.81	9,100.00	879.74	0.00	1,629,569.55
April	1,629,569.55	9,100.00	885.15	0.00	1,639,554.70
May	1,639,554.70	9,100.00	890.56	0.00	1,649,545.26
June	1,649,545.26	9,100.00	466.49	1,585,760.00	73,351.75
July	73,351.75	9,100.00	42.20	0.00	82,493.95
August	82,493.95	9,100.00	47.15	0.00	91,641.10
September	91,641.10	9,100.00	52.10	0.00	100,793.20
October	100,793.20	9,100.00	57.06	0.00	109,950.26
November	109,950.26	9,100.00	54.57	27,498.52	91,606.31
December	91,606.31	9,100.00	52.08	0.00	100,758.39
	\$ 1,599,646.53	\$ 109,200.00	\$ 5,170.38	\$ 1,613,258.52	\$ 100,758.39

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2032	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	100,758.39	9,100.00	57.04	0.00	109,915.43
February	109,915.43	9,100.00	62.00	0.00	119,077.43
March	119,077.43	9,100.00	66.96	0.00	128,244.39
April	128,244.39	9,100.00	71.93	0.00	137,416.32
May	137,416.32	9,100.00	76.90	0.00	146,593.22
June	146,593.22	9,100.00	81.87	0.00	155,775.09
July	155,775.09	9,100.00	86.84	0.00	164,961.93
August	164,961.93	9,100.00	91.82	0.00	174,153.75
September	174,153.75	9,100.00	96.80	0.00	183,350.55
October	183,350.55	9,100.00	101.78	0.00	192,552.33
November	192,552.33	9,100.00	106.76	0.00	201,759.09
December	201,759.09	9,100.00	111.75	0.00	210,970.84
	\$ 100,758.39	\$ 109,200.00	\$ 1,012.45	\$ 0.00	\$ 210,970.84

2033	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	210,970.84	9,100.00	116.74	0.00	220,187.58
February	220,187.58	9,100.00	121.73	0.00	229,409.31
March	229,409.31	9,100.00	126.73	0.00	238,636.04
April	238,636.04	9,100.00	131.73	0.00	247,867.77
May	247,867.77	9,100.00	136.73	0.00	257,104.50
June	257,104.50	9,100.00	141.73	0.00	266,346.23
July	266,346.23	9,100.00	146.74	0.00	275,592.97
August	275,592.97	9,100.00	151.74	0.00	284,844.71
September	284,844.71	9,100.00	156.76	0.00	294,101.47
October	294,101.47	9,100.00	161.77	0.00	303,363.24
November	303,363.24	9,100.00	132.37	127,070.00	185,525.61
December	185,525.61	9,100.00	102.96	0.00	194,728.57
	\$ 210,970.84	\$ 109,200.00	\$ 1,627.73	\$ 127,070.00	\$ 194,728.57

2034	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	194,728.57	2,730.00	106.22	0.00	197,564.79
February	197,564.79	2,730.00	107.75	0.00	200,402.54
March	200,402.54	2,730.00	109.29	0.00	203,241.83
April	203,241.83	2,730.00	110.83	0.00	206,082.66
May	206,082.66	2,730.00	112.37	0.00	208,925.03
June	208,925.03	2,730.00	113.91	0.00	211,768.94
July	211,768.94	2,730.00	115.45	0.00	214,614.39
August	214,614.39	2,730.00	116.99	0.00	217,461.38
September	217,461.38	2,730.00	118.53	0.00	220,309.91
October	220,309.91	2,730.00	120.07	0.00	223,159.98
November	223,159.98	2,730.00	121.62	0.00	226,011.60
December	226,011.60	2,730.00	123.16	0.00	228,864.76
	\$ 194,728.57	\$ 32,760.00	\$ 1,376.19	\$ 0.00	\$ 228,864.76

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2035	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	228,864.76	2,730.00	124.71	0.00	231,719.47
February	231,719.47	2,730.00	126.25	0.00	234,575.72
March	234,575.72	2,730.00	127.80	0.00	237,433.52
April	237,433.52	2,730.00	129.35	0.00	240,292.87
May	240,292.87	2,730.00	130.90	0.00	243,153.77
June	243,153.77	2,730.00	132.45	0.00	246,016.22
July	246,016.22	2,730.00	134.00	0.00	248,880.22
August	248,880.22	2,730.00	135.55	0.00	251,745.77
September	251,745.77	2,730.00	137.10	0.00	254,612.87
October	254,612.87	2,730.00	138.65	0.00	257,481.52
November	257,481.52	2,730.00	140.21	0.00	260,351.73
December	260,351.73	2,730.00	141.76	0.00	263,223.49
	\$ 228,864.76	\$ 32,760.00	\$ 1,598.73	\$ 0.00	\$ 263,223.49

2036	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	263,223.49	2,730.00	143.32	0.00	266,096.81
February	266,096.81	2,730.00	144.88	0.00	268,971.69
March	268,971.69	2,730.00	146.43	0.00	271,848.12
April	271,848.12	2,730.00	147.99	0.00	274,726.11
May	274,726.11	2,730.00	149.55	0.00	277,605.66
June	277,605.66	2,730.00	151.11	0.00	280,486.77
July	280,486.77	2,730.00	152.67	0.00	283,369.44
August	283,369.44	2,730.00	154.23	0.00	286,253.67
September	286,253.67	2,730.00	155.79	0.00	289,139.46
October	289,139.46	2,730.00	157.36	0.00	292,026.82
November	292,026.82	2,730.00	151.47	27,498.52	267,409.77
December	267,409.77	2,730.00	145.59	0.00	270,285.36
	\$ 263,223.49	\$ 32,760.00	\$ 1,800.39	\$ 27,498.52	\$ 270,285.36

2037	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	270,285.36	2,730.00	147.14	0.00	273,162.50
February	273,162.50	2,730.00	148.70	0.00	276,041.20
March	276,041.20	2,730.00	150.26	0.00	278,921.46
April	278,921.46	2,730.00	151.82	0.00	281,803.28
May	281,803.28	2,730.00	153.38	0.00	284,686.66
June	284,686.66	2,730.00	154.94	0.00	287,571.60
July	287,571.60	2,730.00	156.51	0.00	290,458.11
August	290,458.11	2,730.00	158.07	0.00	293,346.18
September	293,346.18	2,730.00	159.64	0.00	296,235.82
October	296,235.82	2,730.00	161.20	0.00	299,127.02
November	299,127.02	2,730.00	162.77	0.00	302,019.79
December	302,019.79	2,730.00	164.33	0.00	304,914.12
	\$ 270,285.36	\$ 32,760.00	\$ 1,868.76	\$ 0.00	\$ 304,914.12

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2038	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	304,914.12	2,730.00	165.90	0.00	307,810.02
February	307,810.02	2,730.00	167.47	0.00	310,707.49
March	310,707.49	2,730.00	169.04	0.00	313,606.53
April	313,606.53	2,730.00	170.61	0.00	316,507.14
May	316,507.14	2,730.00	172.18	0.00	319,409.32
June	319,409.32	2,730.00	173.75	0.00	322,313.07
July	322,313.07	2,730.00	175.33	0.00	325,218.40
August	325,218.40	2,730.00	176.90	0.00	328,125.30
September	328,125.30	2,730.00	178.47	0.00	331,033.77
October	331,033.77	2,730.00	180.05	0.00	333,943.82
November	333,943.82	2,730.00	181.63	0.00	336,855.45
December	336,855.45	2,730.00	183.20	0.00	339,768.65
	\$ 304,914.12	\$ 32,760.00	\$ 2,094.53	\$ 0.00	\$ 339,768.65

2039	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	339,768.65	2,730.00	184.78	0.00	342,683.43
February	342,683.43	2,730.00	186.36	0.00	345,599.79
March	345,599.79	2,730.00	187.94	0.00	348,517.73
April	348,517.73	2,730.00	189.52	0.00	351,437.25
May	351,437.25	2,730.00	191.10	0.00	354,358.35
June	354,358.35	2,730.00	192.68	0.00	357,281.03
July	357,281.03	2,730.00	194.27	0.00	360,205.30
August	360,205.30	2,730.00	195.85	0.00	363,131.15
September	363,131.15	2,730.00	197.44	0.00	366,058.59
October	366,058.59	2,730.00	199.02	0.00	368,987.61
November	368,987.61	2,730.00	200.61	0.00	371,918.22
December	371,918.22	2,730.00	202.20	0.00	374,850.42
	\$ 339,768.65	\$ 32,760.00	\$ 2,321.77	\$ 0.00	\$ 374,850.42

2040	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	374,850.42	2,730.00	203.78	0.00	377,784.20
February	377,784.20	2,730.00	205.37	0.00	380,719.57
March	380,719.57	2,730.00	206.96	0.00	383,656.53
April	383,656.53	2,730.00	208.55	0.00	386,595.08
May	386,595.08	2,730.00	210.15	0.00	389,535.23
June	389,535.23	2,730.00	211.74	0.00	392,476.97
July	392,476.97	2,730.00	213.33	0.00	395,420.30
August	395,420.30	2,730.00	214.93	0.00	398,365.23
September	398,365.23	2,730.00	216.52	0.00	401,311.75
October	401,311.75	2,730.00	218.12	0.00	404,259.87
November	404,259.87	2,730.00	185.30	127,070.00	280,105.17
December	280,105.17	2,730.00	152.46	0.00	282,987.63
	\$ 374,850.42	\$ 32,760.00	\$ 2,447.21	\$ 127,070.00	\$ 282,987.63

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Monthly

2041	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	282,987.63	2,730.00	154.02	0.00	285,871.65
February	285,871.65	2,730.00	155.59	0.00	288,757.24
March	288,757.24	2,730.00	157.15	0.00	291,644.39
April	291,644.39	2,730.00	158.71	0.00	294,533.10
May	294,533.10	2,730.00	160.28	0.00	297,423.38
June	297,423.38	2,730.00	161.84	0.00	300,315.22
July	300,315.22	2,730.00	163.41	0.00	303,208.63
August	303,208.63	2,730.00	164.98	0.00	306,103.61
September	306,103.61	2,730.00	166.55	0.00	309,000.16
October	309,000.16	2,730.00	168.11	0.00	311,898.27
November	311,898.27	2,730.00	162.24	27,498.52	287,291.99
December	287,291.99	2,730.00	156.36	0.00	290,178.35
	\$ 282,987.63	\$ 32,760.00	\$ 1,929.24	\$ 27,498.52	\$ 290,178.35

2042	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	290,178.35	2,730.00	157.92	0.00	293,066.27
February	293,066.27	2,730.00	159.48	0.00	295,955.75
March	295,955.75	2,730.00	161.05	0.00	298,846.80
April	298,846.80	2,730.00	162.61	0.00	301,739.41
May	301,739.41	2,730.00	164.18	0.00	304,633.59
June	304,633.59	2,730.00	165.75	0.00	307,529.34
July	307,529.34	2,730.00	167.32	0.00	310,426.66
August	310,426.66	2,730.00	168.89	0.00	313,325.55
September	313,325.55	2,730.00	170.46	0.00	316,226.01
October	316,226.01	2,730.00	172.03	0.00	319,128.04
November	319,128.04	2,730.00	173.60	0.00	322,031.64
December	322,031.64	2,730.00	175.17	0.00	324,936.81
	\$ 290,178.35	\$ 32,760.00	\$ 1,998.46	\$ 0.00	\$ 324,936.81

2043	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	324,936.81	2,730.00	176.75	0.00	327,843.56
February	327,843.56	2,730.00	178.32	0.00	330,751.88
March	330,751.88	2,730.00	179.90	0.00	333,661.78
April	333,661.78	2,730.00	181.47	0.00	336,573.25
May	336,573.25	2,730.00	183.05	0.00	339,486.30
June	339,486.30	2,730.00	184.63	0.00	342,400.93
July	342,400.93	2,730.00	186.21	0.00	345,317.14
August	345,317.14	2,730.00	187.79	0.00	348,234.93
September	348,234.93	2,730.00	189.37	0.00	351,154.30
October	351,154.30	2,730.00	190.95	0.00	354,075.25
November	354,075.25	2,730.00	192.53	0.00	356,997.78
December	356,997.78	2,730.00	194.11	0.00	359,921.89
	\$ 324,936.81	\$ 32,760.00	\$ 2,225.08	\$ 0.00	\$ 359,921.89

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Cash Flow - Monthly

2044	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	359,921.89	2,730.00	195.70	0.00	362,847.59
February	362,847.59	2,730.00	197.28	0.00	365,774.87
March	365,774.87	2,730.00	198.87	0.00	368,703.74
April	368,703.74	2,730.00	200.45	0.00	371,634.19
May	371,634.19	2,730.00	202.04	0.00	374,566.23
June	374,566.23	2,730.00	203.63	0.00	377,499.86
July	377,499.86	2,730.00	205.22	0.00	380,435.08
August	380,435.08	2,730.00	206.81	0.00	383,371.89
September	383,371.89	2,730.00	208.40	0.00	386,310.29
October	386,310.29	2,730.00	209.99	0.00	389,250.28
November	389,250.28	2,730.00	211.58	0.00	392,191.86
December	392,191.86	2,730.00	213.18	0.00	395,135.04
	\$ 359,921.89	\$ 32,760.00	\$ 2,453.15	\$ 0.00	\$ 395,135.04

2045	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	395,135.04	2,730.00	214.77	0.00	398,079.81
February	398,079.81	2,730.00	216.37	0.00	401,026.18
March	401,026.18	2,730.00	217.96	0.00	403,974.14
April	403,974.14	2,730.00	219.56	0.00	406,923.70
May	406,923.70	2,730.00	221.16	0.00	409,874.86
June	409,874.86	2,730.00	222.75	0.00	412,827.61
July	412,827.61	2,730.00	224.35	0.00	415,781.96
August	415,781.96	2,730.00	225.95	0.00	418,737.91
September	418,737.91	2,730.00	227.56	0.00	421,695.47
October	421,695.47	2,730.00	229.16	0.00	424,654.63
November	424,654.63	2,730.00	230.76	0.00	427,615.39
December	427,615.39	2,730.00	232.36	0.00	430,577.75
	\$ 395,135.04	\$ 32,760.00	\$ 2,682.71	\$ 0.00	\$ 430,577.75

2046	Beginning Balance	Contribution	Interest Earned	Expenditures	Ending Balance
January	430,577.75	2,730.00	233.97	0.00	433,541.72
February	433,541.72	2,730.00	235.57	0.00	436,507.29
March	436,507.29	2,730.00	237.18	0.00	439,474.47
April	439,474.47	2,730.00	238.79	0.00	442,443.26
May	442,443.26	2,730.00	240.40	0.00	445,413.66
June	445,413.66	2,730.00	242.01	0.00	448,385.67
July	448,385.67	2,730.00	243.61	0.00	451,359.28
August	451,359.28	2,730.00	245.23	0.00	454,334.51
September	454,334.51	2,730.00	246.84	0.00	457,311.35
October	457,311.35	2,730.00	248.45	0.00	460,289.80
November	460,289.80	2,730.00	242.62	27,498.52	435,763.90
December	435,763.90	2,730.00	236.78	0.00	438,730.68
	\$ 430,577.75	\$ 32,760.00	\$ 2,891.45	\$ 27,498.52	\$ 438,730.68

Supplementary Information
on Future Major Repairs and Replacements

Components by Category	Estimated Remaining Useful Lives Life YY:MM	Estimated Current Replacement Cost	2017 Funding Requirement	Components of Fund Balance at 12/31/2016
Painting & Waterproofing				
Paint/Waterproof Bldg. Exteriors	2:10	\$ 127,070	\$ 22,763	\$ 21,579
		\$ 127,070	\$ 22,763	\$ 21,579
Roofs				
Roofs, Cleaning	4:10	27,499	6,897	4,670
Roofs, Repair/Replacement	14:05	1,585,760	79,540	269,293
		1,613,259	86,437	273,963
		\$ 1,740,329	\$ 109,200	\$ 295,542

COMPONENT FUNDING ANALYSIS

San Simeon Phase 1 Residents' Association, Inc.

Analysis Date - January 1, 2017

Component Funding Analysis - Items

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2017
Paint/Waterproof Bldg. Exteriors	\$ 127,070	7:00	2:10	\$ 21,579	\$ 105,491	\$ 37,232
Roofs, Cleaning	27,499	5:00	4:10	4,670	22,829	4,723
Roofs, Repair/Replacement	1,585,760	25:00	14:05	269,293	1,316,467	91,316
	<u>\$ 1,740,329</u>			<u>\$ 295,542</u>	<u>\$ 1,444,787</u>	<u>\$ 133,271</u>

Component Funding Analysis - Category

Components by Category	Current Cost	Useful Life YY:MM	Remaining Life YY:MM	Reserve Balance	Unfunded Balance	Reserve Contribution 2017
Painting & Waterproofing						
Paint/Waterproof Bldg. Exteriors	\$ 127,070	7:00	2:10	\$ 21,579	\$ 105,491	\$ 37,232
	<u>\$ 127,070</u>			<u>\$ 21,579</u>	<u>\$ 105,491</u>	<u>\$ 37,232</u>
Roofs						
Roofs, Cleaning	\$ 27,499	5:00	4:10	\$ 4,670	\$ 22,829	\$ 4,723
Roofs, Repair/Replacement	1,585,760	25:00	14:05	269,293	1,316,467	91,316
	<u>\$ 1,613,259</u>			<u>\$ 273,963</u>	<u>\$ 1,339,296</u>	<u>\$ 96,039</u>
	<u>\$ 1,740,329</u>			<u>\$ 295,542</u>	<u>\$ 1,444,787</u>	<u>\$ 133,271</u>

ADDENDUM

Chapter 720 Florida Statutes

720.303 -Association powers and duties; meetings of board; official records; budgets; financial reporting; association funds; recalls. --

(6) BUDGETS. --

(a) The association shall prepare an annual budget that sets out the annual operating expenses. The budget must reflect the estimated revenues and expenses for that year and the estimated surplus or deficit as of the end of the current year. The budget must set out separately all fees or charges paid for by the association for recreational amenities, whether owned by the association, the developer, or another person. The association shall provide each member with a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the member. The copy must be provided to the member within the time limits set forth in subsection (5).

(b) In addition to annual operating expenses, the budget may include reserve accounts for capital expenditures and deferred maintenance for which the association is responsible. If reserve accounts are not established pursuant to paragraph (d), funding of such reserves is limited to the extent that the governing documents limit increases in assessments, including reserves. If the budget of the association includes reserve accounts established pursuant to paragraph (d), such reserves shall be determined, maintained, and waived in the manner provided in this subsection. Once an association provides for reserve accounts pursuant to paragraph (d) 2612 the association shall thereafter determine, maintain, and waive reserves in compliance with this subsection. This section does not preclude the termination of a reserve account established pursuant to this paragraph upon approval of a majority of the total voting interests of the association. Upon such approval, the terminating reserve account shall be removed from the budget.

(c)

1. If the budget of the association does not provide for reserve accounts pursuant to paragraph (d) and the association is responsible for the repair and maintenance of capital improvements that may result in a special assessment if reserves are not provided, each financial report for the preceding fiscal year required by subsection (7) must contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

2. If the budget of the association does provide for funding accounts for deferred expenditures, including, but not limited to, funds for capital expenditures and deferred maintenance, but such accounts are not created or established pursuant to paragraph (d), each financial report for the preceding fiscal year required under subsection (7) must also contain the following statement in conspicuous type:

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

(d) An association is deemed to have provided for reserve accounts if when reserve accounts have been initially established by the developer or if the membership of the association affirmatively elects to provide for reserves. If reserve accounts are not initially provided by the developer, the membership of the association may elect to do so upon the affirmative approval of a majority of the total voting interests of the association. Such approval may be obtained by vote of the members at a duly called meeting of the membership or by the written consent of a majority of the total voting interests of the association. The approval action of the membership must state that reserve accounts shall be provided for in the budget and must designate the components for which the reserve accounts are to be established. Upon approval by the membership, the board of directors shall include provide for the required reserve accounts in the budget in the next fiscal year following the approval and in each year thereafter. Once established as provided in this subsection, the reserve accounts must shall be funded or maintained or have their funding waived in the manner provided in paragraph (f).

(e) The amount to be reserved in any account established shall be computed by means of a formula that is based upon estimated remaining useful life and estimated replacement cost or deferred maintenance expense of each reserve item. The association may adjust replacement reserve assessments annually to take into account any changes in estimates of cost or useful life of a reserve item.

(f) After one or more reserve accounts are established, the membership of the association, upon a majority vote at a meeting at which a quorum is present, may provide for no reserves or less reserves than required by this section. If a meeting of the unit owners has been called to determine whether to waive or reduce the funding of reserves and such result is not achieved or a quorum is not present, the reserves as included in the budget go into effect. After the turnover, the developer may vote its voting interest to waive or reduce the funding of reserves. Any vote taken pursuant to this subsection to waive or reduce reserves is applicable only to one budget year.

(g) Funding formulas for reserves authorized by this section must be based on a separate analysis of each of the required assets or a pooled analysis of two or more of the required assets.

1. If the association maintains separate reserve accounts for each of the required assets, the amount of the contribution to each reserve account is the sum of the following two calculations:

The total amount necessary, if any, to bring a negative

a. component balance to zero.

b. The total estimated deferred maintenance expense or estimated replacement cost of the reserve component less the estimated balance of the reserve component as of the beginning of the period the budget will be in effect. The remainder, if greater than zero, shall be divided by the estimated remaining useful life of the component. The formula may be adjusted each year for changes in estimates and deferred maintenance performed during the year and may include factors such as inflation and earnings on invested funds.

2. If the association maintains a pooled account of two or more of the required reserve assets, the amount of the contribution to the pooled reserve account as disclosed on the proposed budget may not be less than that required to ensure that the balance on hand at the beginning of the period the budget will go into effect plus the projected annual cash inflows over the remaining estimated useful life of all of the assets that make up the reserve pool are equal to or greater than the projected annual cash outflows over the remaining estimated useful lives of all of the assets that make up the reserve pool, based on the current reserve analysis. The projected annual cash inflows may include estimated earnings from investment of principal and accounts receivable minus the allowance for doubtful accounts. The reserve funding formula may not include any type of balloon payments.

(h) Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote at a meeting at which a quorum is present. Prior to turnover of control of an association by a developer to parcel owners, the developer-controlled association shall not vote to use reserves for purposes other

than those for which they were intended without the approval of a majority of all no developer voting interests voting in person or by limited proxy at a duly called meeting of the association.

Amended Rule Text

Amends 720.303(6) to provide clarification of reserve requirements to distinguish between "statutory" and "non-statutory/voluntary" reserves (called "limited voluntary deferred expenditure accounts"). Under the amended language, the Association, if the proper disclaimer is provided in the financial report for the prior fiscal year, may collect these limited voluntary deferred expenditure accounts which would not be subject to the use restrictions present for statutory reserves. A statutory reserve account may also be terminated by a vote of a majority of the total voting interests.

TERMS AND DEFINITIONS

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

AFB = Current Cost X Effective Age/Useful Life

or

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

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

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

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

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

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

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

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

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

CURRENT REPLACEMENT COST: See “Replacement Cost”.

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

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

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

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

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

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

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

FUNDING PRINCIPLES:

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

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

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

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

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

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

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

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

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

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

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

RESERVE PROVIDER: An individual that prepares Reserve Studies.

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

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

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

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

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

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

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

ANNUAL UPDATE PROGRAM

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

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

Benefits:

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

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