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Villages of Valencia HOA, Inc.  
Townhomes  
*St. Augustine, FL*



Report #: 47920-0  
Beginning: January 1, 2024  
Expires: December 31, 2024

RESERVE STUDY  
"Full"

September 5, 2023



Villages of Valencia HOA, Inc. - Townhomes  
St. Augustine, FL  
Level of Service: "Full"

Report #: 47920-0  
# of Units: 84

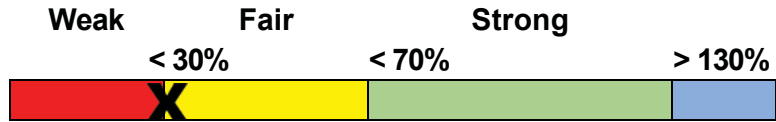
January 1, 2024 through December 31, 2024

Findings & Recommendations

as of January 1, 2024

Projected Starting Reserve Balance	\$234,565
Projected "Fully Funded" (Ideal) Reserve Balance	\$767,893
Average Reserve Deficit (Surplus) Per Owner	\$6,349
Percent Funded	30.5 %
Recommended Funding Contributions	\$112,500
Minimum Contributions Required per Florida Admin. Code	\$105,800
Recommended 2024 Special Assessments for Reserves	\$0
Most Recent Reserve Contribution Rate	\$31,808

Reserve Fund Strength: 30.5%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	2.00 %
Annual Inflation Rate	3.00 %

This document is a "Full" Reserve Study (original, created "from scratch"), based on our site inspection on 5/16/2023.

This Reserve Study was prepared or overseen by a credentialed Reserve Specialist (RS). No assets appropriate for Reserve designation were excluded. As of the start of the initial fiscal year shown in this study, your Reserve fund is determined to be 30.5 % Funded. Based on this figure, the Client's risk of special assessments & deferred maintenance is currently Medium. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where clients enjoy a low risk of such Reserve cash flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions. This Reserve Study analysis expires at the end of the initial fiscal year covered within, and should NOT be used for budgeting for Reserves in future fiscal years. Please contact our office to discuss options for updating your Reserve Study on an annual basis.

**Reserve Funding Goals and Methodology:**

**POOLED FUNDING (AKA "Cash Flow Method"):**

This Reserve Study includes two different options for funding based on the "pooled" method (also known as the cash flow method.)

Our "recommended" funding plan is designed to help the Association to attain and maintain Reserves at or near 100 percent-funded. This goal is more likely to provide an adequate cushion of accumulated funds, which will help reduce the risk of special assessments and/or loans in the event of higher-than-expected component costs, reduced component life expectancies, or other "surprise" circumstances.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Townhomes - Site &amp; Grounds</b>			
2125 Asphalt - Resurface	20	4	\$20,250
<b>Townhomes - Building Exterior</b>			
2303 Exterior Lights - Replace	20	10	\$37,250
2343 Building Exterior - Seal/Paint	7	3	\$94,750
2381 Shingle Roofing (Phase 1) - Replace	15	14	\$145,500
2381 Shingle Roofing (Phase 2) - Replace	15	4	\$399,500
2381 Shingle Roofing (Phase 3) - Replace	15	5	\$220,000
2389 Gutters & DS (Phase 1) - Replace	30	14	\$35,750
2389 Gutters & DS (Phase 2) - Replace	30	19	\$428,250
2389 Gutters & DS (Phase 3) - Replace	30	20	\$160,500
<b>9 Total Funded Components</b>			

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.

## Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Cash Flow Detail table.

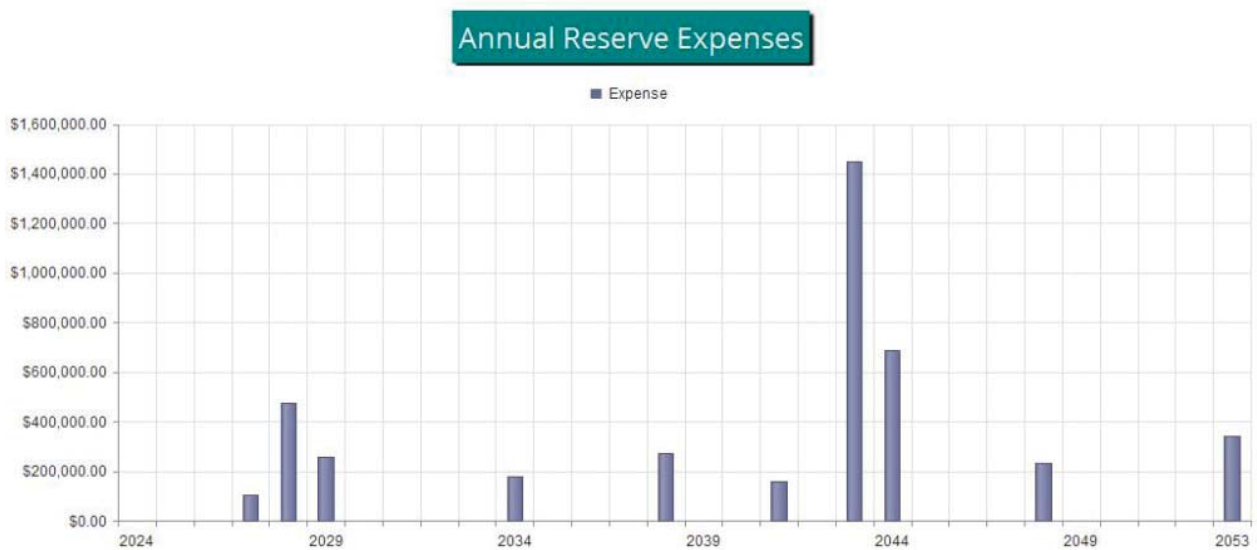


Figure 1

The following chart shows your Reserve balance under our recommended plan, the minimum funding plan and at the Association's current contribution rate, all compared to your always-changing Fully Funded Balance target. Note that the "current" contribution rate as shown here is based on the most recent Reserve contribution rate as reported to us. This rate is included here for comparison purposes only, to illustrate what might happen if the Client were to continue budgeting for Reserves at the same rate as it has most recently done.

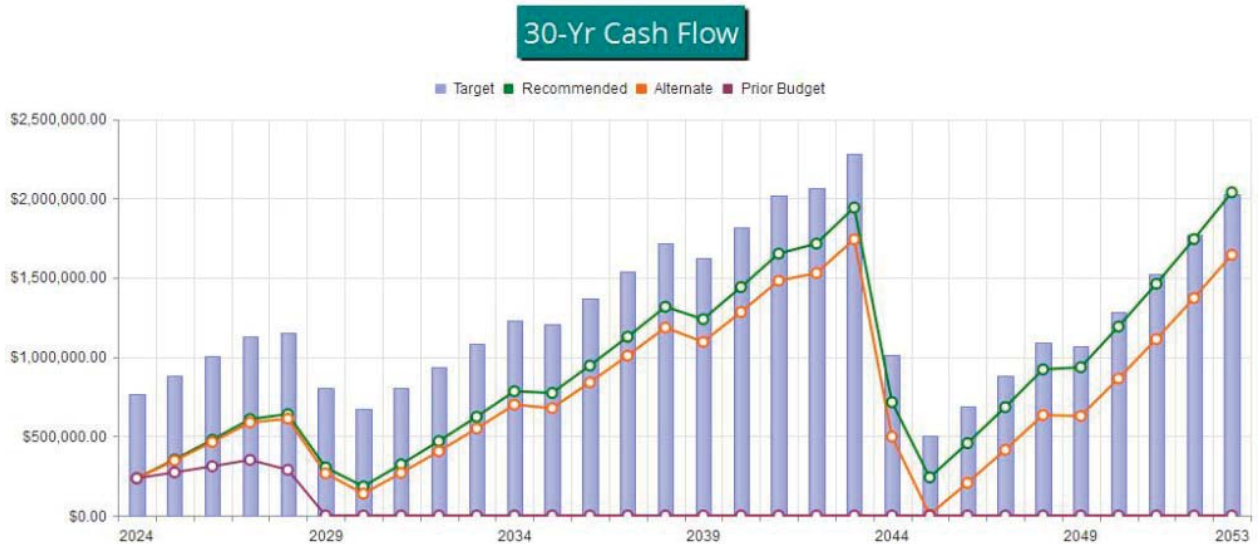


Figure 3

This figure shows the same information described above, but plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

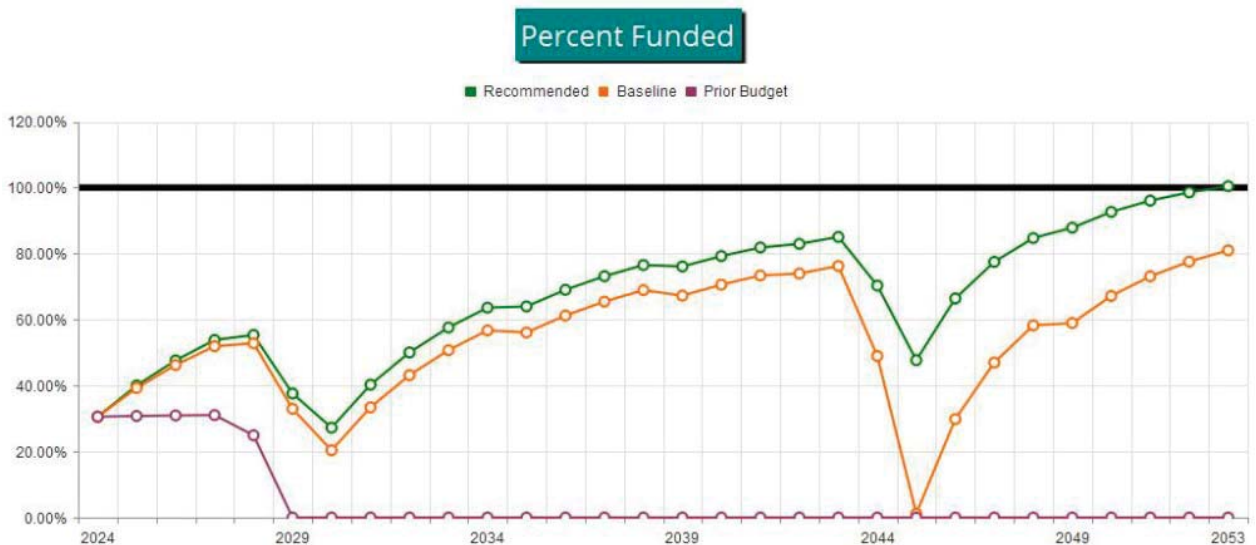


Figure 4

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Townhomes - Site & Grounds								
2125	Asphalt - Resurface	\$20,250	X	16	/	20	=	\$16,200
Townhomes - Building Exterior								
2303	Exterior Lights - Replace	\$37,250	X	10	/	20	=	\$18,625
2343	Building Exterior - Seal/Paint	\$94,750	X	4	/	7	=	\$54,143
2381	Shingle Roofing (Phase 1) - Replace	\$145,500	X	1	/	15	=	\$9,700
2381	Shingle Roofing (Phase 2) - Replace	\$399,500	X	11	/	15	=	\$292,967
2381	Shingle Roofing (Phase 3) - Replace	\$220,000	X	10	/	15	=	\$146,667
2389	Gutters & DS (Phase 1) - Replace	\$35,750	X	16	/	30	=	\$19,067
2389	Gutters & DS (Phase 2) - Replace	\$428,250	X	11	/	30	=	\$157,025
2389	Gutters & DS (Phase 3) - Replace	\$160,500	X	10	/	30	=	\$53,500
								\$767,893

# 30-Year Reserve Plan Summary

Report # 47920-0  
Full

Fiscal Year Start: 2024

Interest: 2.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2024	\$234,565	\$767,893	30.5 %	Medium	253.68 %	\$112,500	\$0	\$5,870	\$0
2025	\$352,935	\$881,804	40.0 %	Medium	3.00 %	\$115,875	\$0	\$8,293	\$0
2026	\$477,103	\$1,001,858	47.6 %	Medium	3.00 %	\$119,351	\$0	\$10,835	\$0
2027	\$607,289	\$1,128,323	53.8 %	Medium	3.00 %	\$122,932	\$0	\$12,453	\$103,536
2028	\$639,138	\$1,154,831	55.3 %	Medium	3.00 %	\$126,620	\$0	\$9,411	\$472,432
2029	\$302,736	\$805,150	37.6 %	Medium	3.00 %	\$130,418	\$0	\$4,853	\$255,040
2030	\$182,967	\$671,961	27.2 %	High	3.00 %	\$134,331	\$0	\$5,049	\$0
2031	\$322,347	\$800,629	40.3 %	Medium	3.00 %	\$138,361	\$0	\$7,903	\$0
2032	\$468,610	\$936,412	50.0 %	Medium	3.00 %	\$142,512	\$0	\$10,897	\$0
2033	\$622,019	\$1,079,621	57.6 %	Medium	3.00 %	\$146,787	\$0	\$14,036	\$0
2034	\$782,842	\$1,230,579	63.6 %	Medium	3.00 %	\$151,191	\$0	\$15,537	\$177,397
2035	\$772,172	\$1,206,905	64.0 %	Medium	3.00 %	\$155,726	\$0	\$17,157	\$0
2036	\$945,056	\$1,368,904	69.0 %	Medium	3.00 %	\$160,398	\$0	\$20,694	\$0
2037	\$1,126,148	\$1,539,536	73.1 %	Low	3.00 %	\$165,210	\$0	\$24,398	\$0
2038	\$1,315,756	\$1,719,173	76.5 %	Low	3.00 %	\$170,166	\$0	\$25,508	\$274,157
2039	\$1,237,274	\$1,625,822	76.1 %	Low	3.00 %	\$175,271	\$0	\$26,742	\$0
2040	\$1,439,288	\$1,816,176	79.2 %	Low	3.00 %	\$180,529	\$0	\$30,873	\$0
2041	\$1,650,690	\$2,016,488	81.9 %	Low	3.00 %	\$185,945	\$0	\$33,614	\$156,607
2042	\$1,713,642	\$2,065,878	82.9 %	Low	3.00 %	\$191,524	\$0	\$36,522	\$0
2043	\$1,941,688	\$2,282,562	85.1 %	Low	3.00 %	\$197,269	\$0	\$26,534	\$1,451,465
2044	\$714,027	\$1,015,379	70.3 %	Low	3.00 %	\$203,188	\$0	\$9,527	\$687,225
2045	\$239,516	\$502,127	47.7 %	Medium	3.00 %	\$209,283	\$0	\$6,947	\$0
2046	\$455,746	\$686,243	66.4 %	Medium	3.00 %	\$215,562	\$0	\$11,374	\$0
2047	\$682,682	\$880,955	77.5 %	Low	3.00 %	\$222,028	\$0	\$16,020	\$0
2048	\$920,731	\$1,086,732	84.7 %	Low	3.00 %	\$228,689	\$0	\$18,533	\$233,771
2049	\$934,182	\$1,063,278	87.9 %	Low	3.00 %	\$235,550	\$0	\$21,233	\$0
2050	\$1,190,965	\$1,285,446	92.6 %	Low	3.00 %	\$242,617	\$0	\$26,487	\$0
2051	\$1,460,069	\$1,519,988	96.1 %	Low	3.00 %	\$249,895	\$0	\$31,993	\$0
2052	\$1,741,956	\$1,767,446	98.6 %	Low	3.00 %	\$257,392	\$0	\$37,758	\$0
2053	\$2,037,106	\$2,028,383	100.4 %	Low	3.00 %	\$265,114	\$0	\$40,333	\$342,880

# 30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 47920-0  
Full

Fiscal Year Start: 2024

Interest: 2.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2024	\$234,565	\$767,893	30.5 %	Medium	232.62 %	\$105,800	\$0	\$5,802	\$0
2025	\$346,167	\$881,804	39.3 %	Medium	3.00 %	\$108,974	\$0	\$8,087	\$0
2026	\$463,228	\$1,001,858	46.2 %	Medium	3.00 %	\$112,243	\$0	\$10,483	\$0
2027	\$585,954	\$1,128,323	51.9 %	Medium	3.00 %	\$115,611	\$0	\$11,949	\$103,536
2028	\$609,978	\$1,154,831	52.8 %	Medium	3.00 %	\$119,079	\$0	\$8,746	\$472,432
2029	\$265,370	\$805,150	33.0 %	Medium	3.00 %	\$122,651	\$0	\$4,020	\$255,040
2030	\$137,001	\$671,961	20.4 %	High	3.00 %	\$126,331	\$0	\$4,040	\$0
2031	\$267,372	\$800,629	33.4 %	Medium	3.00 %	\$130,121	\$0	\$6,710	\$0
2032	\$404,203	\$936,412	43.2 %	Medium	3.00 %	\$134,024	\$0	\$9,511	\$0
2033	\$547,738	\$1,079,621	50.7 %	Medium	3.00 %	\$138,045	\$0	\$12,449	\$0
2034	\$698,232	\$1,230,579	56.7 %	Medium	3.00 %	\$142,186	\$0	\$13,738	\$177,397
2035	\$676,760	\$1,206,905	56.1 %	Medium	3.00 %	\$146,452	\$0	\$15,138	\$0
2036	\$838,349	\$1,368,904	61.2 %	Medium	3.00 %	\$150,846	\$0	\$18,444	\$0
2037	\$1,007,639	\$1,539,536	65.5 %	Medium	3.00 %	\$155,371	\$0	\$21,907	\$0
2038	\$1,184,916	\$1,719,173	68.9 %	Medium	3.00 %	\$160,032	\$0	\$22,765	\$274,157
2039	\$1,093,556	\$1,625,822	67.3 %	Medium	3.00 %	\$164,833	\$0	\$23,736	\$0
2040	\$1,282,126	\$1,816,176	70.6 %	Low	3.00 %	\$169,778	\$0	\$27,592	\$0
2041	\$1,479,496	\$2,016,488	73.4 %	Low	3.00 %	\$174,871	\$0	\$30,047	\$156,607
2042	\$1,527,807	\$2,065,878	74.0 %	Low	3.00 %	\$180,117	\$0	\$32,656	\$0
2043	\$1,740,580	\$2,282,562	76.3 %	Low	3.00 %	\$185,521	\$0	\$22,356	\$1,451,465
2044	\$496,992	\$1,015,379	48.9 %	Medium	3.00 %	\$191,087	\$0	\$5,024	\$687,225
2045	\$5,878	\$502,127	1.2 %	High	3.00 %	\$196,819	\$0	\$2,105	\$0
2046	\$204,802	\$686,243	29.8 %	High	3.00 %	\$202,724	\$0	\$6,180	\$0
2047	\$413,706	\$880,955	47.0 %	Medium	3.00 %	\$208,805	\$0	\$10,458	\$0
2048	\$632,969	\$1,086,732	58.2 %	Medium	3.00 %	\$215,070	\$0	\$12,587	\$233,771
2049	\$626,854	\$1,063,278	59.0 %	Medium	3.00 %	\$221,522	\$0	\$14,888	\$0
2050	\$863,264	\$1,285,446	67.2 %	Medium	3.00 %	\$228,167	\$0	\$19,727	\$0
2051	\$1,111,159	\$1,519,988	73.1 %	Low	3.00 %	\$235,012	\$0	\$24,800	\$0
2052	\$1,370,971	\$1,767,446	77.6 %	Low	3.00 %	\$242,063	\$0	\$30,115	\$0
2053	\$1,643,149	\$2,028,383	81.0 %	Low	3.00 %	\$249,325	\$0	\$32,222	\$342,880



Fiscal Year	2024	2025	2026	2027	2028
Starting Reserve Balance	\$234,565	\$352,935	\$477,103	\$607,289	\$639,138
Annual Reserve Funding	\$112,500	\$115,875	\$119,351	\$122,932	\$126,620
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$5,870	\$8,293	\$10,835	\$12,453	\$9,411
<b>Total Income</b>	<b>\$352,935</b>	<b>\$477,103</b>	<b>\$607,289</b>	<b>\$742,674</b>	<b>\$775,168</b>
# Component					
<b>Townhomes - Site &amp; Grounds</b>					
2125 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$22,792
<b>Townhomes - Building Exterior</b>					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$103,536	\$0
2381 Shingle Roofing (Phase 1) - Replace	\$0	\$0	\$0	\$0	\$0
2381 Shingle Roofing (Phase 2) - Replace	\$0	\$0	\$0	\$0	\$449,641
2381 Shingle Roofing (Phase 3) - Replace	\$0	\$0	\$0	\$0	\$0
2389 Gutters & DS (Phase 1) - Replace	\$0	\$0	\$0	\$0	\$0
2389 Gutters & DS (Phase 2) - Replace	\$0	\$0	\$0	\$0	\$0
2389 Gutters & DS (Phase 3) - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$103,536</b>	<b>\$472,432</b>
Ending Reserve Balance	\$352,935	\$477,103	\$607,289	\$639,138	\$302,736