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

Report #: 47920-0
of Units: 70

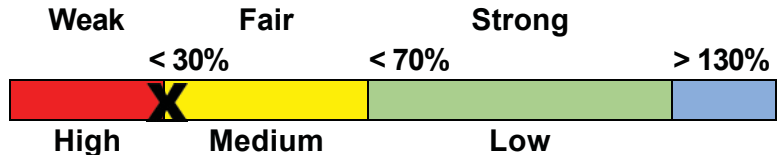
January 1, 2024 through December 31, 2024

Findings & Recommendations

as of January 1, 2024

Projected Starting Reserve Balance	\$70,571
Projected "Fully Funded" (Ideal) Reserve Balance	\$230,998
Average Reserve Deficit (Surplus) Per Owner	\$2,292
Percent Funded	30.6 %
Recommended Funding Contributions	\$87,200
Minimum Contributions Required per Florida Admin. Code	\$83,000
Recommended 2024 Special Assessments for Reserves	\$0
Most Recent Reserve Contribution Rate	\$18,340

Reserve Fund Strength: 30.6%



Risk of Special Assessment:

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 30.6 % 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
Duplexes			
2303 Exterior Lights - Replace	20	17	\$59,700
2343 Building Exterior - Seal/Paint	7	4	\$145,000
2381 Asphalt Shingle Roofing - Replace	15	12	\$799,500

3 Total Funded Components

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.

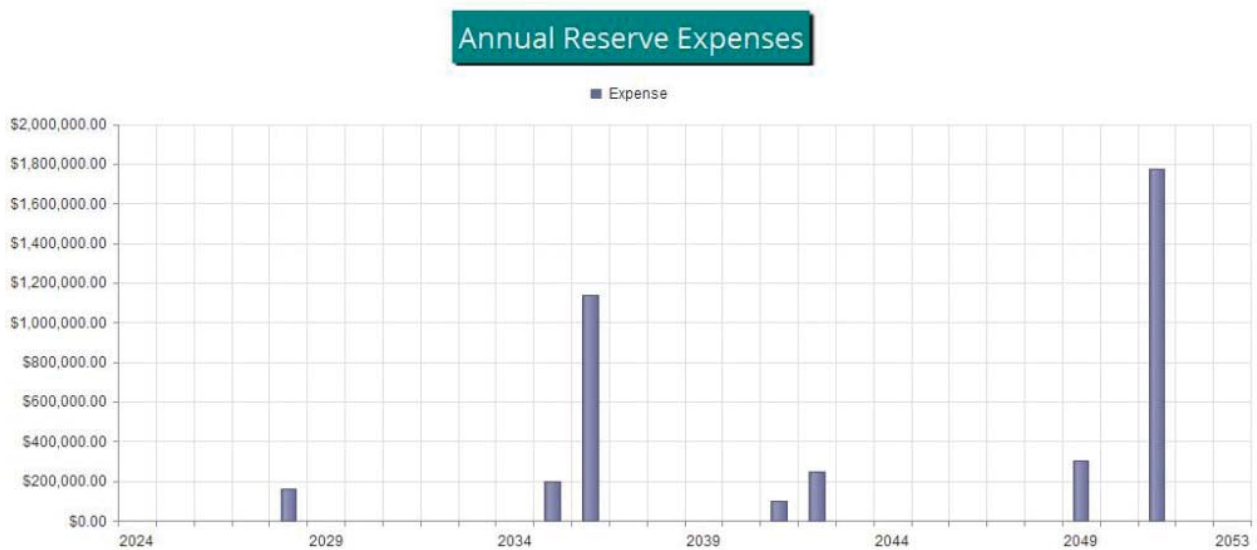


Figure 1

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.

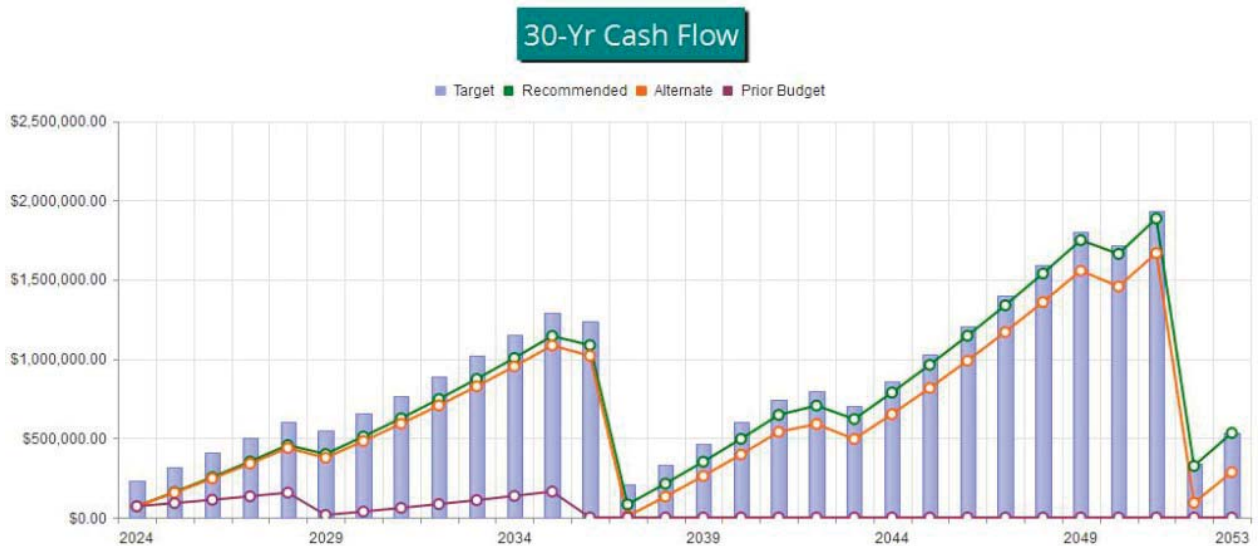


Figure 3

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.

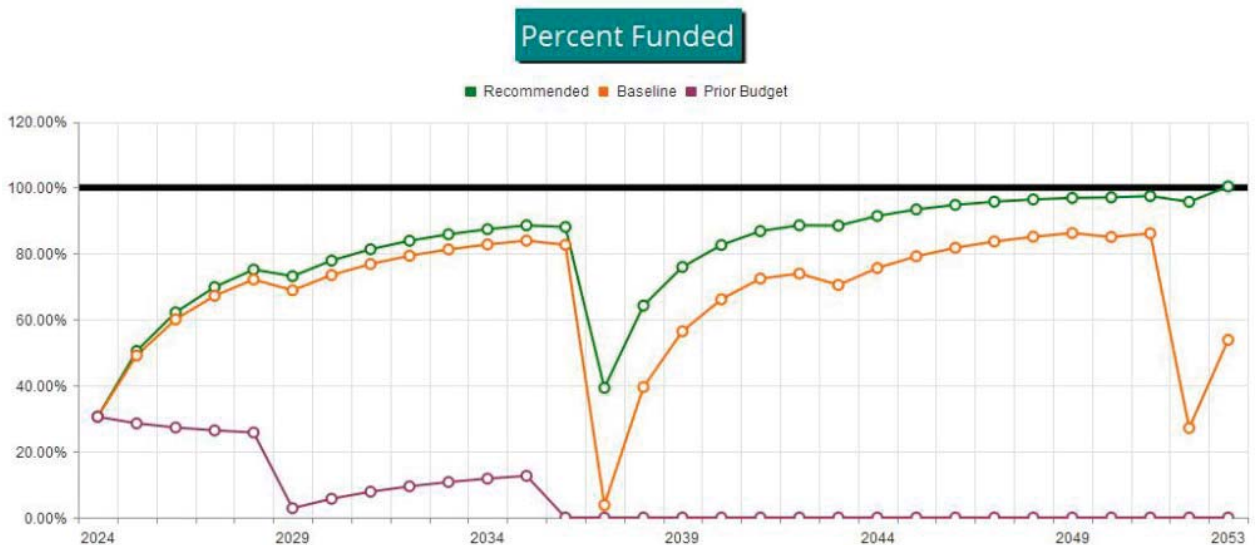


Figure 4

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
Duplexes								
2303	Exterior Lights - Replace	\$59,700	X	3	/	20	=	\$8,955
2343	Building Exterior - Seal/Paint	\$145,000	X	3	/	7	=	\$62,143
2381	Asphalt Shingle Roofing - Replace	\$799,500	X	3	/	15	=	\$159,900
								\$230,998

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 In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	\$70,571	\$230,998	30.6 %	Medium	375.46 %	\$87,200	\$0	\$2,304	\$0
2025	\$160,075	\$317,237	50.5 %	Medium	3.00 %	\$89,816	\$0	\$4,137	\$0
2026	\$254,029	\$408,443	62.2 %	Medium	3.00 %	\$92,510	\$0	\$6,061	\$0
2027	\$352,600	\$504,835	69.8 %	Medium	3.00 %	\$95,286	\$0	\$8,079	\$0
2028	\$455,965	\$606,644	75.2 %	Low	3.00 %	\$98,144	\$0	\$8,547	\$163,199
2029	\$399,457	\$546,011	73.2 %	Low	3.00 %	\$101,089	\$0	\$9,083	\$0
2030	\$509,629	\$654,333	77.9 %	Low	3.00 %	\$104,121	\$0	\$11,337	\$0
2031	\$625,087	\$768,662	81.3 %	Low	3.00 %	\$107,245	\$0	\$13,699	\$0
2032	\$746,032	\$889,263	83.9 %	Low	3.00 %	\$110,462	\$0	\$16,173	\$0
2033	\$872,667	\$1,016,407	85.9 %	Low	3.00 %	\$113,776	\$0	\$18,762	\$0
2034	\$1,005,206	\$1,150,380	87.4 %	Low	3.00 %	\$117,190	\$0	\$21,472	\$0
2035	\$1,143,867	\$1,291,476	88.6 %	Low	3.00 %	\$120,705	\$0	\$22,281	\$200,714
2036	\$1,086,139	\$1,233,268	88.1 %	Low	3.00 %	\$124,326	\$0	\$11,674	\$1,139,896
2037	\$82,244	\$209,249	39.3 %	Medium	3.00 %	\$128,056	\$0	\$2,952	\$0
2038	\$213,252	\$331,995	64.2 %	Medium	3.00 %	\$131,898	\$0	\$5,635	\$0
2039	\$350,786	\$461,917	75.9 %	Low	3.00 %	\$135,855	\$0	\$8,451	\$0
2040	\$495,092	\$599,336	82.6 %	Low	3.00 %	\$139,930	\$0	\$11,405	\$0
2041	\$646,428	\$744,584	86.8 %	Low	3.00 %	\$144,128	\$0	\$13,506	\$98,675
2042	\$705,387	\$796,373	88.6 %	Low	3.00 %	\$148,452	\$0	\$13,245	\$246,853
2043	\$620,231	\$701,024	88.5 %	Low	3.00 %	\$152,906	\$0	\$14,062	\$0
2044	\$787,199	\$861,124	91.4 %	Low	3.00 %	\$157,493	\$0	\$17,479	\$0
2045	\$962,171	\$1,030,199	93.4 %	Low	3.00 %	\$162,218	\$0	\$21,058	\$0
2046	\$1,145,446	\$1,208,644	94.8 %	Low	3.00 %	\$167,084	\$0	\$24,806	\$0
2047	\$1,337,337	\$1,396,868	95.7 %	Low	3.00 %	\$172,097	\$0	\$28,730	\$0
2048	\$1,538,164	\$1,595,298	96.4 %	Low	3.00 %	\$177,260	\$0	\$32,836	\$0
2049	\$1,748,259	\$1,804,376	96.9 %	Low	3.00 %	\$182,577	\$0	\$34,066	\$303,598
2050	\$1,661,305	\$1,711,857	97.0 %	Low	3.00 %	\$188,055	\$0	\$35,430	\$0
2051	\$1,884,790	\$1,934,251	97.4 %	Low	3.00 %	\$193,696	\$0	\$22,075	\$1,775,921
2052	\$324,641	\$339,249	95.7 %	Low	3.00 %	\$199,507	\$0	\$8,566	\$0
2053	\$532,714	\$530,880	100.3 %	Low	3.00 %	\$205,493	\$0	\$12,826	\$0

Fiscal Year	2024	2025	2026	2027	2028
Starting Reserve Balance	\$70,571	\$160,075	\$254,029	\$352,600	\$455,965
Annual Reserve Funding	\$87,200	\$89,816	\$92,510	\$95,286	\$98,144
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,304	\$4,137	\$6,061	\$8,079	\$8,547
Total Income	\$160,075	\$254,029	\$352,600	\$455,965	\$562,656
# Component					
Duplexes					
2303 Exterior Lights - Replace	\$0	\$0	\$0	\$0	\$0
2343 Building Exterior - Seal/Paint	\$0	\$0	\$0	\$0	\$163,199
2381 Asphalt Shingle Roofing - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$163,199
Ending Reserve Balance	\$160,075	\$254,029	\$352,600	\$455,965	\$399,457