

The Florida Bay Club
Replacement Reserve Budget
For the Year: January 1 - December 31, 2022

	Estimated Useful Life	Estimated Replacement Cost	Estimated Average Remaining Life	2021 Estimated Funds Balance	2022 Funding Calculation
RESERVE CALCULATIONS					
Appliances & A/C	20	63,000	5	3,790	11,842
Bathroom Renovation	30	150,000	28	9,794	5,007
Boardwalk	25	50,000	5	6,415	8,717
Flooring	25	200,000	24	7,903	8,004
Furniture Indoor	20	135,000	20	50,394	4,230
Furniture Outdoor	12	20,000	2	12,272	3,864
Garage Door	25	18,000	10	3,886	1,411
Kitchen Renovation	30	200,000	28	8,006	6,857
Exterior Painting	7	140,000	3	10,030	43,323
Parking Lot	15	22,000	3	3,981	6,006
Pool	15	40,000	8	4,441	4,445
Roof	30	230,000	27	10,108	8,144
Televisions	10	21,600	9	5,872	1,748
Boat Dock	20	100,000	18	12,394	4,867
TOTAL RESERVE FUNDING		1,389,600		149,286	118,466

It is the policy of your Board of Directors and a requirement of Florida Statute 718.113(2)(f)2 to set aside funds each year for the future replacement of major items that are part of the project and that will wear out during the useful life of the facilities. These funds are commonly referred to as 'replacement reserves'. Major items include all tangible property that will be replaced during the project's estimated useful life. Therefore, replacement reserves do not provide for tearing down and rebuilding structures, but do provide, for example, for recovering roofs as many times as may be necessary while the buildings last.

Funds to be set aside each year are included in each owners annual assessment. Therefore, your full and prompt payment of assessments each year will help to insure the future condition and value of your property.

Each year, the Board must determine the amount of replacement reserves to be assessed for the following year. In order to make this estimate, a calculation of the current replacement cost of the reserve items is made. Then, using a formula based on these figures, the estimated useful life, the estimated remaining life, and the amount currently set aside, a calculation is made to determine the amount which should be added to reserves annually based on the facts and assumptions at the time the calculations are made. Interest is assumed to equal inflation and will therefore remain in the reserve account as earned.

Recommendations made by Vacation Resorts International have been incorporated into the calculations so as to make them a useful management tool as well. The above summarizes those calculations.