

The Florida Bay Club
Replacement Reserve Budget
For the Year: January 1 - December 31, 2021

	Estimated Useful Life	Estimated Replacement Cost	Estimated Average Remaining Life	2020 Estimated Funds Balance	2021 Funding Calculation
RESERVE CALCULATIONS					
Appliances & A/C	20	63,000	3	35,000	9,333
Bathroom Renovation	40	150,000	39	6,109	3,690
Boardwalk	25	50,000	14	3,066	3,352
Boat Dock	20	100,000	19	16,767	4,381
Exterior Painting	25	120,000	25	5,444	4,582
Flooring	25	200,000	25	6,518	7,739
Furniture Indoor	20	135,000	2	75,000	30,000
Furniture Outdoor	12	20,000	3	8,419	3,860
Garage Door	25	18,000	17	3,006	882
Kitchen Renovation	40	200,000	39	2,957	5,052
Parking Lot	15	22,000	5	3,770	3,646
Pool	15	40,000	9	-	4,444
Roof	40	230,000	38	4,835	5,925
Televisions	10	21,600	3	12,000	3,200
TOTAL RESERVE FUNDING		1,369,600		182,891	90,088

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.