

Reserve Study for the Fiscal Year October 2026
Tri-Par Estates Park and Recreation District
1616 Presidio Street, Sarasota, Florida





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Information for the Client

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This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

Any information provided to us by official representatives of the association regarding financial, physical, quantity, or historical issues is deemed reliable. Additionally, information provided about reserve projects, both by the client and by the reserve provider, are considered reliable. Any on-site inspection conducted by the provider should not be considered a project audit or quality inspection.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

Staebler Consulting would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study. Updates and revisions will be provided on an hourly consulting basis.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

Please keep in mind, a reserve study aides and guides the association in making decisions for the future upkeep of the property. However, major components like roof and waterproofing/painting are less likely to be changed than other components like fences or landscape for example. The replacement of a fence can be a cosmetic decision and the board might decide together with the analyst to postpone a replacement.

Funding Options

When a major repair or replacement is required in a community, an association essentially has four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is to assess an adequate level of reserves as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of e.g. the roof to accumulate the necessary funds. Additionally, those contributions would have been evenly distributed over the entire membership (past, present and future members) and would have earned interest as part of that contribution.

The second option is for the association to acquire a loan from a lending institution in order to affect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount.

The third option, too often used, is simply to defer the required repair or replacement. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions request copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "special assessment" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

- Full Reserve Study (Level I Study)
- Update with site inspection (Level II Study)
- Update without site inspection (Level III Study)
- Reserve Study for Developer planning, while construction is in progress (Level IV Study)
- Turnover Reserve Study

In a Full Reserve Study, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "funding status" and "funding plan". A full reserve study conducted by Staebler Appraisal and Consulting always entails the following physical analysis and on-site observations:

- Dimension take-off of all structures included in the study, verified with construction plans and/or public records when available
- Physical inspection and photographic documentation of all structures and components included in the study
- Destructive testing, if deemed necessary, is outsourced to appropriate professionals such as an engineer

In an Update with site inspection, the reserve provider conducts a component inventory (verification with new photographs only, no quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the "fund status and "funding plan."

In an Update without site inspection, the reserve provider conducts life and valuation estimates to determine the "fund status" and "funding plan."

Reserve studies for developers during the construction phase is also called a life-cycle analysis. Usually these studies are based on blueprints and the to-be-built structure.

Many associations start with reserve funds as soon as the community is turned over from the developer. Developers must provide turnover studies for the process; however, developers most often underestimate their reserve responsibilities and associations should order their own turnover reserve study from an independent reserve specialist.

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational or Reserve Expense?

Sometimes it might not be entirely clear for an association which expenses should be included in reserves, and which in the operational expenses. National Reserve Study Standards apply the following 4-Part test:

To be included in the reserves, the component must:

1. Must be a common area maintenance responsibility
2. Must have a limited useful life
3. Must have a predictable remaining useful life
4. Must be above a minimum threshold cost of significance (usually \$10,000+)

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of operational expenses include:

Utilities, Bank Service Charges, Accounting, Electricity, Dues & Publications, Reserve Study, Gas Licenses, Permits & Fees, Repair Expenses, Water, Insurance(s), Tile Roof Repairs, Telephone Services, Equipment Repairs, Cable, TV, Landscaping, Minor Concrete Repairs, Administrative, Pool, Maintenance Operating Contingency, Supplies and Street Sweeping.

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance. Examples of reserve expenses include:

- Roof Replacements
- Exterior Paint/Waterproofing
- MEP Services
- Fire Safety Equipment
- Access control/security
- Park/Play Equipment
- Pool resurfacing
- Spa resurfacing
- Deck Resurfacing
- Pool Equipment Replacement
- Fencing Replacement
- Pool Furniture Replacement
- Asphalt Seal Coating
- Tennis Court Resurfacing
- Asphalt Repairs
- Lighting Replacement
- Asphalt Overlays
- Equipment Replacement
- Reserve Study/Milestone Report
- Interior Furnishings

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include seawalls, insignificant expenses that may be covered either by an operating account, expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for.

Financial Analysis

The financial analysis assesses the association's reserve balance or "funding status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides, however, Staebler Appraisal and Consulting exclusively uses past invoices, future quotes, (all client records if available), data from comparable properties and direct quoting from the trades. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

When And Why A Reserve Study Should Be Updated

Does the association's reserve study need updating? If the answer to one or more of the following questions is yes, the association should strongly consider updating the study:

- Has the association added or replaced any significant common element in the last year?
 - Has unseasonable weather, lack of maintenance or other circumstances damaged or caused extreme wear and tear on any common elements?
 - Has the association deviated from the scheduled replacements?
 - Has the association contributed to or drawn on reserve funds other than as scheduled?
 - Is the association's objective baseline funding?
 - Have there been any technological advances or improved product development that might result in a component change? (also: law changes, for example sprinkler retrofitting)
 - Does the current reserve fund balance does not match what was projected?
 - Have any components reached the end of their useful lives earlier than projected?
- Users' Guide to your Reserve Analysis Study

Part II of your report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The Distribution of Accumulated Reserves report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the "Component Funding Model" calculation.

The Component Listing/Summary lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The Reserve Analyst® Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage. Please keep in mind the “percent funded” information reflects just the current fiscal year.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety, or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement. If the placed-in service date is not known, the date can also be used by the analyst to estimate the effective age. For example, if a component is estimated to be 15 years and we write the year 2013, the components placed-in-service date would be 1998.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your reserve study serves a variety of useful purposes:

Following the recommendations of a reserve study performed by a professional

consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding. A reserve analysis study is required by your accountant during the preparation of the association's annual audit.

The reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.

Loans secured by the Federal Housing Administration (FHA) are underwritten only if associations with at least 50% owner occupancy assign at least 10% of their yearly assessments to the reserve fund, and associations with at least 35% owner occupancy assign at least 20% of their yearly assessments to reserve fund. Whether a community has sufficient reserves in place or not can make or break a sale of a residential unit.

Your report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating, and planning future repairs and replacements. Your report is a tool that can assist the board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.

Since the reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.

The reserve study is an annual disclosure to the membership concerning the financial condition of the association and may be used as a "consumers' guide" by prospective purchasers.

Your report provides a record of the time, cost, and quantities of past reserve replacements. At times, the association's management company and board of directors are transitory, which may result in the loss of these important records.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method (also called pooling or threshold funding) develops a 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 actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Threshold and the Current Assessment funding models are based upon the cash flow method.

The component method (also called *straight-line of fully funded method*) develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Component Funding model is based upon the component methodology.

Funding Strategies, Models and Goals:

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable.

Full Funding--Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:
$$\text{Fully Funded Reserves} = \text{Age} \div \text{Useful Life, the results multiplied by Current Replacement Cost.}$$

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

Funding Models:

The Current Assessment Funding Model (displays the current financial situation)

This method is based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The Threshold Funding Model (Baseline Funding, Cash, or Pooling Method)

The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance. This method is based upon the cash flow funding concept.

The Component Funding Model (Full Funding or Straight-Line Method)

This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model.

Statutory Funding for the State of Florida:

The Reserve Analyst© software program performs the calculations for the three model (current, pooling and fully funded) to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded.

If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to "replenish" the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately. If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Executive Summary

Financial Opinion of Funding Status

Executive Summary and Preparer's Opinion of Funding Status

Description of Property

Tri-Par Estates Park and Recreation District has a long and established history dating back to 1955. The current configuration, an age-restricted (55+) special district, was created on May 25, 2001, to establish and govern the operations of the District located in Sarasota, Florida.

The Tri-Par Park District provides local government services and maintains public infrastructure for approximately 144 acres of land located entirely within Sarasota County.

As a special unit of government, Tri-Par has the authority to assess and levy its own taxes to support the planning, financing, operation, and maintenance of its community facilities. These facilities include a recreation hall, a 12-foot-deep swimming pool, a clubhouse, and associated amenities. The District serves a total of 872 residential units consisting of manufactured homes.

Community recreational amenities also include a putting course, horseshoe pits, pickleball courts, and shuffleboard courts. At the time of the site visit, the community assets generally appeared to be well maintained, with the exception of the asphalt surfaces, which were observed to be at or near the end of their useful life.

Before we analyze the financials, first an overview of pooled funding vs. component funding:

Pooled Funding is a reserve funding methodology in which all reserve components are combined into a single funding pool rather than tracked and funded individually. Contributions are calculated based on the aggregate cash flow needs of the association over the study period, allowing surplus funds from components with later replacement dates to temporarily support components with earlier needs. This approach provides greater flexibility, often results in lower required annual contributions, and smooths funding volatility over time. Pooled funding is widely used because it reflects how associations actually manage cash; however, it requires disciplined oversight to ensure that the overall reserve balance remains sufficient to meet future obligations, particularly for high-cost or near-term components.

Component (Straight-Line) Funding treats each reserve component as a separate financial obligation, with annual contributions calculated independently based on that component's remaining useful life and projected replacement cost. Funds allocated to one component are not intended to be used for another, resulting in a more rigid structure with clearly defined balances for each item. This method offers maximum transparency and predictability, making it easier to demonstrate that each component is fully funded on its own schedule. The tradeoff is reduced flexibility and, in many cases, higher total annual contributions, especially when multiple major components approach replacement simultaneously. Component funding is often favored where strict segregation of funds is required or where stakeholders prioritize conservative, item-by-item financial planning.

Property Information and Starting Reserve Fund Balance

Fiscal Year	10/1/2026 – 9/30/2027
Expected reserve cash balance (as of 9/30/2026)	\$650,000*
Level of Service	Full Study with site visit

*) The amount presented is based upon information provided and was not audited.

Preparer's Opinion of Current Reserve Fund Status

Required Contribution Pooling	\$126,918
Required Contribution Straight-line	\$243,726
Current Percent Funded	40%
Current Total Liability	\$994,629

The current funding level of 40% represents a snapshot of the upcoming fiscal year only. As shown on page 21, utilizing the pooled funding method at the minimum required assessment of \$126,918 would result in an average funding status of approximately 36% over the 30-year projection period. For a "clean bill of health," a minimum funding level above 50% is generally recommended.

By comparison, the more conventional straight-line (component) funding method requires a higher annual assessment of \$243,726, as shown on page 24. This approach would result in an average funding status of approximately 85% over the same 30-year period.

For this type of property, a target funding level of approximately 70% is considered appropriate. This level can be achieved while continuing to use the pooled funding method by adopting a higher annual reserve contribution than currently indicated. We recommend funding the reserves at approximately 50% above the minimum pooled level, which equates to an annual contribution of approximately \$195,000.

In addition, it is recommended that the Association maintain a minimum annual assessment increase of 3% and obtain an updated reserve study within three years to ensure continued financial stability and compliance with long-term funding objectives.

Completeness

There are no material issues we are aware of, which would cause a distortion of the association's situation.

Interest and Inflation

We computed 4.0% interest for the reserve bank accounts as reported by client and used 3% inflation.

Identification of Cost Estimate Sources

We used local contractor information, past invoices and future quotes for the subject property.

Patricia Staebler, RS, SRA



Patricia E. Staebler, RS, SRA
CAI Reserve Specialist, RS 350
FL State Certified General Appraiser RZ2890
Date of Study: 2/16/2026

Craig DiCecco, MBA, SRA



Craig DiCecco, MBA, SRA
FL State Certified Residential Appraiser RD4133
Date of Study: 2/16/2026

**Tri Par Estates PRD
Threshold Funding Model Summary**

Report Date	February 16, 2026
Budget Year Beginning	October 1, 2026
Budget Year Ending	September 30, 2027

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	4.00%
Contingency	3.00%
2026 Beginning Balance	\$650,000

Threshold Funding Model Summary of Calculations	
Required Annual Contribution	\$126,917.53
Average Net Annual Interest Earned	<u>\$31,076.70</u>
Total Annual Allocation to Reserves	\$157,994.23

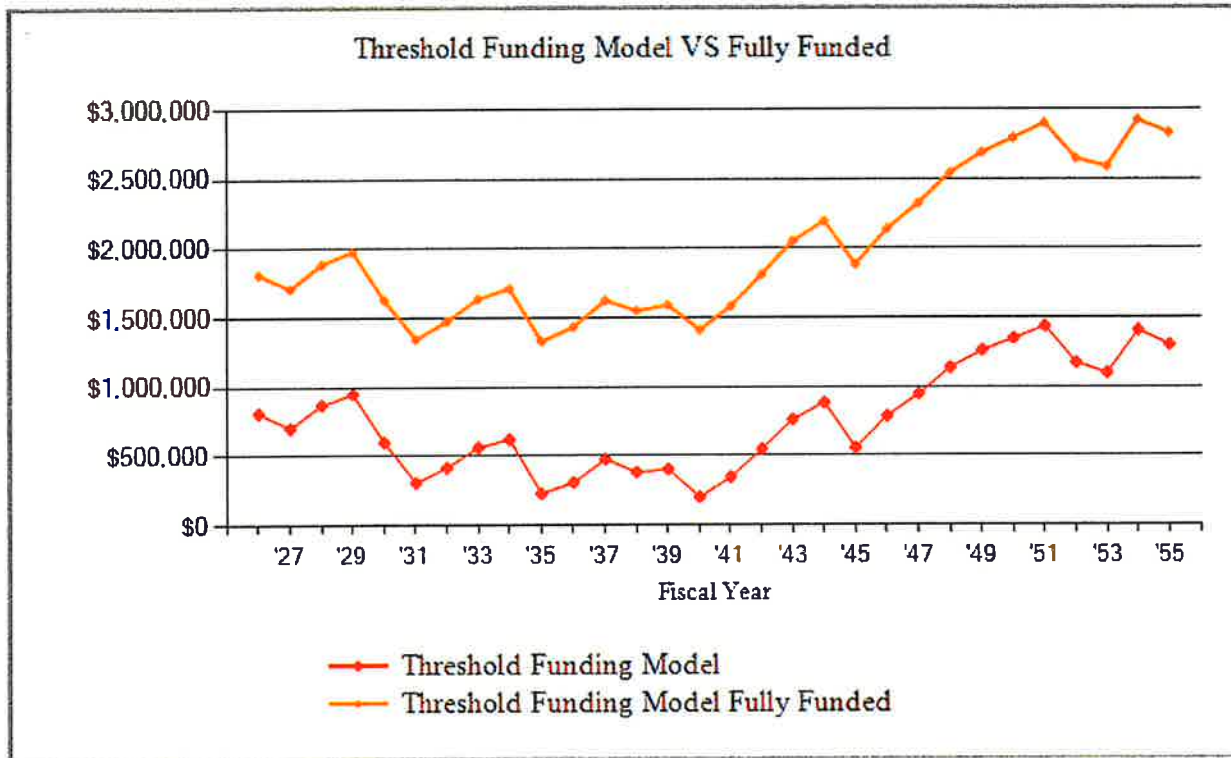
**Tri Par Estates PRD
Threshold Funding Model Projection**

Beginning Balance: \$650,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2026	2,506,250	126,918	31,077		807,994	1,813,329	45%
2027	2,581,437	130,725	26,940	265,225	700,434	1,710,720	41%
2028	2,658,881	134,647	33,403		868,484	1,890,140	46%
2029	2,738,647	138,686	36,528	93,975	949,724	1,980,392	48%
2030	2,820,806	142,847	22,993	517,734	597,830	1,630,702	37%
2031	2,905,431	147,132	11,765	450,842	305,885	1,346,828	23%
2032	2,992,594	151,546	15,957	58,509	414,880	1,475,030	28%
2033	3,082,371	156,093	21,609	30,747	561,834	1,641,162	34%
2034	3,174,843	160,775	23,787	127,944	618,453	1,713,797	36%
2035	3,270,088	165,599	8,732	565,750	227,034	1,330,619	17%
2036	3,368,190	170,567	11,872	100,794	308,679	1,435,968	21%
2037	3,469,236	175,684	18,295	26,993	475,664	1,627,944	29%
2038	3,573,313	180,954	14,659	290,142	381,135	1,551,830	25%
2039	3,680,513	186,383	15,417	182,098	400,836	1,593,542	25%
2040	3,790,928	191,974	7,679	400,836	199,653	1,410,842	14%
2041	3,904,656	197,733	13,247	66,214	344,420	1,583,504	22%
2042	4,021,795	203,665	20,961	24,071	544,975	1,812,073	30%
2043	4,142,449	209,775	29,198	24,793	759,156	2,052,931	37%
2044	4,266,723	216,069	33,902	127,682	881,444	2,198,243	40%
2045	4,394,724	222,551	21,294	571,643	553,646	1,883,492	29%
2046	4,526,566	229,227	30,123	29,801	783,195	2,140,912	37%
2047	4,662,363	236,104	36,344	110,688	944,956	2,327,217	41%
2048	4,802,234	243,187	43,694	95,805	1,136,031	2,542,086	45%
2049	4,946,301	250,483	48,514	173,676	1,261,352	2,688,188	47%
2050	5,094,690	257,997	51,830	223,607	1,347,572	2,793,324	48%
2051	5,247,531	265,737	55,236	232,409	1,436,135	2,900,127	50%
2052	5,404,957	273,709	45,016	584,436	1,170,425	2,644,756	44%
2053	5,567,105	281,921	42,145	398,721	1,095,769	2,587,079	42%
2054	5,734,119	290,378	54,073	34,319	1,405,901	2,922,845	48%
2055	5,906,142	299,089	50,007	454,817	1,300,180	2,831,414	46%

Average Funding over the
30-year period = 36%

Tri Par Estates PRD
Threshold Funding Model VS Fully Funded Chart



The **Threshold Funding Model** calculates the minimum reserve assessments, with the restriction that the reserve balance is not allowed to go below \$0 or other predetermined threshold, during the period of time examined. All funds for planned reserve expenditures will be available on the first day of each fiscal year. The **Threshold Funding Model** allows the client to choose the level of conservative funding they desire by choosing the threshold dollar amount.

**Tri Par Estates PRD
Distribution of Accumulated Reserves**

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Fire Alarm System	1	2027	14,318	14,318
Pool Heaters	1	2027	17,875	17,875
Asphalt Mill/Repave	1	2027	214,741	214,741
HVAC system	3	2029	5,250	5,250
HVAC systems	3	2029	19,125	19,125
Maintenance Bldg Roof	3	2029	52,640	52,640
Concrete Surfaces	4	2030	2,000	2,000
Putting Course and Horseshoe Pits	4	2030	2,000	2,000
Shuffleboard Spectator Stands	4	2030	2,000	2,000
Kitchen Remodel	4	2030	22,778	22,778
Bathroom Remodel	4	2030	27,333	27,333
Fitness Equipment	4	2030	30,333	30,333
FF&E	4	2030	73,333	73,333
Clubhouse Roof	4	2030	* 147,341	220,800
HVAC systems	5	2031		5,000
Shuffleboard Courts Resurfacing	5	2031		13,714
Exterior Paint Bldgs	5	2031		18,000
Window and Doors Replacement	5	2031		24,660
Shuffleboard Center Roof	5	2031		33,231
Doors	5	2031		44,571
Shuffleboard Cov Pavilions Roof	5	2031		83,077
Window Replacement	5	2031		89,143
Pickleball Courts Resurface	6	2032		1,286
HVAC systems	6	2032		24,000
HVAC systems	7	2033		4,500
Fire Sprinkler Riser	7	2033		8,727
HVAC systems	8	2034		3,733
Office FF&E	8	2034		23,333
RV-Boat Storage Fencing	8	2034		31,533
Pool Heaters	9	2035		1,300
Pool Equipment	9	2035		2,500
Landscaping	9	2035		7,500
Pool Furniture	9	2035		20,000
Interior Remodel	9	2035		24,600
Window and Doors Replacement	9	2035		69,372
Rec Hall Roof	9	2035		103,320
Security System/Access Controls	10	2036		37,500
Fire Alarm System	12	2038		2,000
Pool and spa resurface	12	2038		29,100
Lighting Courts and Pool	13	2039		2,000

Tri Par Estates PRD
Distribution of Accumulated Reserves

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Bathroom Remodel	13	2039		24,500
Tiki Hut	14	2040		1,667
Marquees	14	2040		9,000
Metal Buildings / Sheds	14	2040		26,667
Pool Decking	14	2040		84,500
Laundry Building Roof	15	2041		1,625
Kitchen Remodel	18	2044		21,000
Interior Remodel	22	2048		13,333
Pickleball Courts Fencing	32	2058		1,029
Pool Fence	34	2060		1,179
Total Asset Summary			<u>\$631,068</u>	<u>\$1,596,727</u>
Contingency at 3.00%			<u>\$18,932</u>	<u>\$47,902</u>
Summary Total			<u>\$650,000</u>	<u>\$1,644,629</u>

Percent Fully Funded 40%

Current Average Liability per Unit (Total Units: 1) -\$994,629

*** Indicates Partially Funded*

**Tri Par Estates PRD
Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2026</i>	
Replacement Year 2027	
Asphalt Mill/Repave	229,690
Fire Alarm System	15,450
Pool Heaters	20,085
Total for 2027	\$265,225
<i>No Replacement in 2028</i>	
Replacement Year 2029	
HVAC system	8,195
HVAC systems	24,586
Maintenance Bldg Roof	61,193
Total for 2029	\$93,975
Replacement Year 2030	
Bathroom Remodel	33,765
Clubhouse Roof	270,122
Concrete Surfaces	11,255
FF&E	112,551
Fitness Equipment	39,393
Kitchen Remodel	28,138
Putting Course and Horseshoe Pits	11,255
Shuffleboard Spectator Stands	11,255
Total for 2030	\$517,734
Replacement Year 2031	
Doors	55,645
Exterior Paint Bldgs	41,734
HVAC systems	8,695
Shuffleboard Center Roof	41,734
Shuffleboard Courts Resurfacing	55,645
Shuffleboard Cov Pavilions Roof	104,335
Window Replacement	111,290
Window and Doors Replacement	31,764
Total for 2031	\$450,842

**Tri Par Estates PRD
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2032	
HVAC systems	47,762
Pickleball Courts Resurface	10,746
Total for 2032	\$58,509
Replacement Year 2033	
Fire Sprinkler Riser	12,299
HVAC systems	18,448
Total for 2033	\$30,747
Replacement Year 2034	
HVAC systems	10,134
Office FF&E	63,339
RV-Boat Storage Fencing	54,471
Total for 2034	\$127,944
Replacement Year 2035	
Concrete Surfaces	13,048
Interior Remodel	39,143
Landscaping	97,858
Pool Equipment	32,619
Pool Furniture	65,239
Pool Heaters	16,962
Putting Course and Horseshoe Pits	13,048
Rec Hall Roof	164,401
Shuffleboard Spectator Stands	13,048
Window and Doors Replacement	110,384
Total for 2035	\$565,750
Replacement Year 2036	
Security System/Access Controls	100,794
Total for 2036	\$100,794
Replacement Year 2037	
Pool Heaters	26,993
Total for 2037	\$26,993
Replacement Year 2038	
Fire Alarm System	14,258

**Tri Par Estates PRD
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2038 continued...	
Pool and spa resurface	207,448
Shuffleboard Courts Resurfacing	<u>68,437</u>
Total for 2038	\$290,142
Replacement Year 2039	
Bathroom Remodel	102,797
HVAC system	11,014
HVAC systems	33,042
Lighting Courts and Pool	22,028
Pickleball Courts Resurface	<u>13,217</u>
Total for 2039	\$182,098
Replacement Year 2040	
Concrete Surfaces	15,126
Marquees	45,378
Metal Buildings / Sheds	75,629
Pool Decking	196,637
Putting Course and Horseshoe Pits	15,126
Shuffleboard Spectator Stands	15,126
Tiki Hut	<u>37,815</u>
Total for 2040	\$400,836
Replacement Year 2041	
Exterior Paint Bldgs	56,087
Laundry Building Roof	<u>10,127</u>
Total for 2041	\$66,214
Replacement Year 2042	
Fire Alarm System	<u>24,071</u>
Total for 2042	\$24,071
Replacement Year 2043	
HVAC systems	<u>24,793</u>
Total for 2043	\$24,793
Replacement Year 2044	
Kitchen Remodel	<u>127,682</u>
Total for 2044	\$127,682

**Tri Par Estates PRD
Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2045	
Concrete Surfaces	17,535
FF&E	175,351
Fitness Equipment	61,373
Landscaping	131,513
Pool Equipment	43,838
Pool Heaters	22,796
Putting Course and Horseshoe Pits	17,535
Shuffleboard Courts Resurfacing	84,168
Shuffleboard Spectator Stands	17,535
Total for 2045	<u>\$571,643</u>
Replacement Year 2046	
HVAC systems	13,546
Pickleball Courts Resurface	16,255
Total for 2046	<u>\$29,801</u>
Replacement Year 2047	
HVAC systems	74,412
Pool Heaters	36,276
Total for 2047	<u>\$110,688</u>
Replacement Year 2048	
Interior Remodel	95,805
Total for 2048	<u>\$95,805</u>
Replacement Year 2049	
HVAC system	14,802
HVAC systems	15,789
HVAC systems	44,406
Office FF&E	98,679
Total for 2049	<u>\$173,676</u>
Replacement Year 2050	
Bathroom Remodel	60,984
Concrete Surfaces	20,328
Pool Furniture	101,640
Putting Course and Horseshoe Pits	20,328

**Tri Par Estates PRD
Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2050 continued...</i>	
Shuffleboard Spectator Stands	20,328
Total for 2050	\$223,607
Replacement Year 2051	
Exterior Paint Bldgs	75,376
Security System/Access Controls	157,033
Total for 2051	\$232,409
Replacement Year 2052	
Asphalt Mill/Repave	480,920
Shuffleboard Courts Resurfacing	103,516
Total for 2052	\$584,436
Replacement Year 2053	
Fire Alarm System	22,213
HVAC systems	33,319
Pickleball Courts Resurface	19,992
Pool and spa resurface	323,198
Total for 2053	\$398,721
Replacement Year 2054	
Lighting Courts and Pool	34,319
Total for 2054	\$34,319
Replacement Year 2055	
Concrete Surfaces	23,566
Kitchen Remodel	58,914
Landscaping	176,742
Pool Equipment	58,914
Pool Heaters	30,635
Putting Course and Horseshoe Pits	23,566
Shuffleboard Spectator Stands	23,566
Tiki Hut	58,914
Total for 2055	\$454,817