



**Florida Statutory
Structural Integrity Reserve Study
For
Park East Home Owners Association, Inc.
Miami, Florida
October 11, 2024**

Report Number: 2024.10.11.259

REPORT SUMMARY

As a member of the Association's Board of Directors, you are responsible for maintaining common areas of the Association's physical property. This report is intended to assist you in the development of the Association's capital budget for current and future reserve fund contributions. The goal of the study is to assist you in maintaining the Association's reserve above an adequate, but not excessive, threshold during one or more years of significant expenditures.

We present our findings and recommendations in the following report sections:

- **Executive Summary** – Provides a snapshot of the Association's reserve study, highlighting significant findings and conclusions.
- **Physical Analysis** – Includes list of the reserve components, useful life, remaining useful life, and a schedule of items excluded from the study.
- **Financial Analysis** – Includes the percent funded, 30-year reserve expense forecast, and the recommended funding plan.
- **Photographs** – Schedule of photographs of components taken during site visit.
- **Methodology** – Details the process of developing the Reserve Study, which includes descriptions of the methods, materials, and guidelines used in preparation of physical and financial analysis of the study.
- **Statement of Limitations and Assumptions** – Describes the limitations and assumptions made when conducting this study and in preparation of this report.
- **Professional Experience** – Contains the professional experience of the individuals who prepared this study.
- **Glossary** – Contains definitions of terms used in the Reserve Study.

Executive Summary

General Information

Association Name:	Park East Home Owners Association, Inc. (Park East)
Location:	Miami, FL
Project Description:	Condo
Type of Study:	Level 1
Site Visit:	June 19, 2024
Number of Units:	378

Project Summary

Funding Strategy Recommended: The Funding Goal of this Reserve Study is to maintain reserves at a fully funded balance based on straight-line (component) method of funding.

<i>Inflation Rate¹</i>	2.53%
<i>Interest Rate²</i>	4.58%
<i>Cash Status of the Reserve Fund Balance³</i>	\$363,723
<i>Full Funded Balance</i>	\$1,835,585
<i>Percent Funded</i>	20%
<i>Special Assessments</i>	None

¹ Inflation rate is based upon the average annual increase of the Consumer Price Index (CPI) over the last 30-years as published by the US Bureau of Labor Statistics (www.labor.gov).

² Interest rate is based on 3-year Treasury Note as published by the U.S. Treasury (www.treasury.gov).

³ Information in relation to the association's finances were supplied by the association's representative and is not audited. Balance as of January 1, 2025.

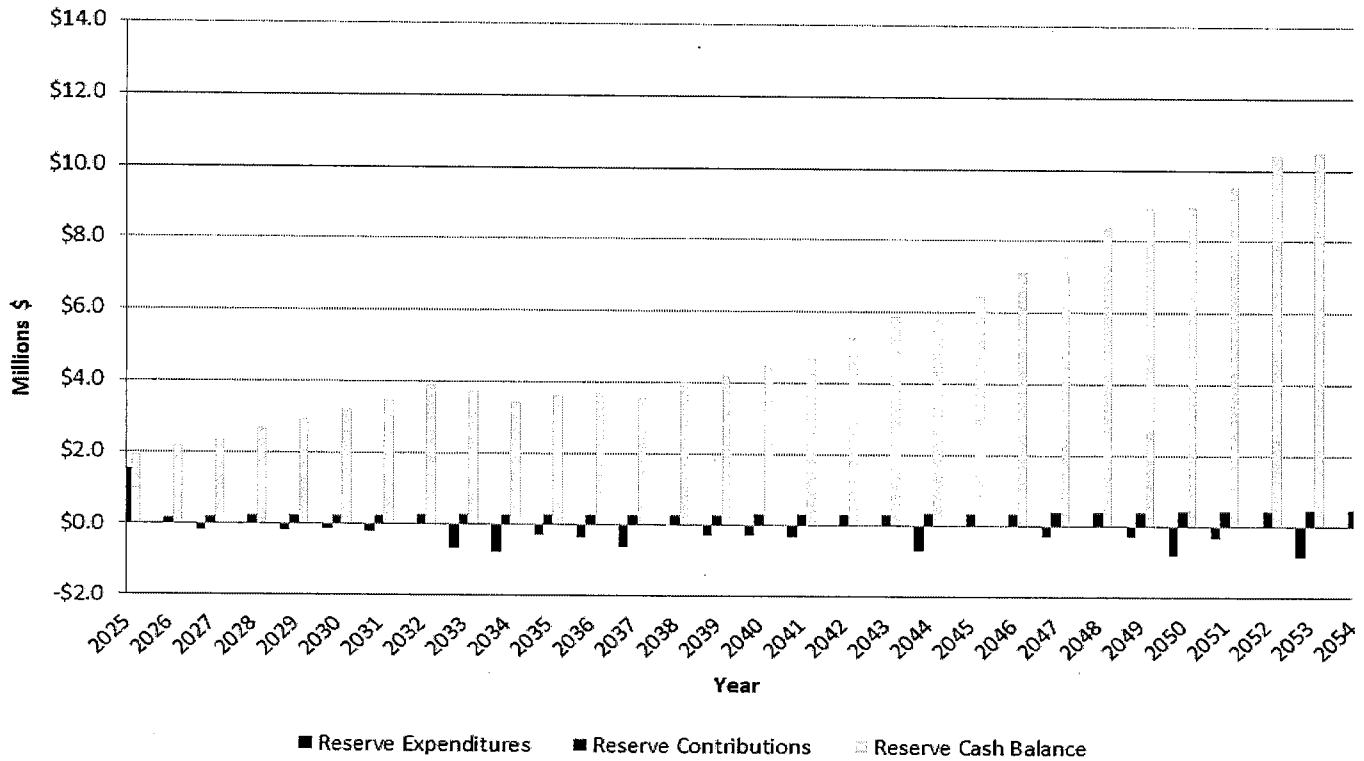
Recommended Reserve Funding: The Association budgeted \$58,035 for reserve contributions in 2024. We recommend that the Association adopt reserve contributions of \$1,547,104 in 2025 of which \$1,547,104 and \$0 is for structural and non-structural components, respectively. The structural assessments of \$1,547,104 for 2025 are the statutorily required minimum reserve contributions. While we believe our funding plan aligns with statutory requirements in Florida outlined in Fla. Stat. 718.112(g)1-8, the evolving legislative landscape introduces an element of interpretation. We have proactively included inflation in our calculations, even though it may not be explicitly required by the new legislation. The Association will have funded the most significant anticipated expenditures related to exterior painting and waterproofing, electric meters and concrete balconies (A and B). The goal of this particular reserve funding plan is to calculate the statutory funding required by the state of Florida. The recommended year 2025 reserve contribution of \$1,547,104 is equivalent to an average monthly contribution of \$341 per owner. Acknowledging uncertainty, the Association retains flexibility to reassess allocations to ensure compliance with regulatory requirements. We also recommend the Association consult qualified legal counsel to gain a comprehensive understanding of legal requirements specific to its situation.

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Recommended Reserve Funding Table

Year	Statutory Contribution (\$)	Reserve Cash Balance (\$)	Year	Reserve Contributions (\$)	Statutory Contribution (\$)	Year	Reserve Contributions (\$)	Statutory Contribution (\$)
2025	1,547,104	1,910,827	2035	288,535	3,614,431	2045	364,602	6,443,939
2026	187,664	2,190,305	2036	295,067	3,714,613	2046	381,357	7,129,161
2027	212,023	2,340,729	2037	299,478	3,550,211	2047	398,726	7,588,836
2028	249,572	2,703,222	2038	297,392	4,017,013	2048	409,943	8,355,735
2029	260,813	2,935,917	2039	311,240	4,246,501	2049	428,429	8,916,584
2030	268,562	3,220,173	2040	318,857	4,472,673	2050	441,164	8,950,686
2031	277,450	3,463,384	2041	326,297	4,704,494	2051	440,464	9,501,384
2032	285,133	3,913,670	2042	333,790	5,261,393	2052	452,701	10,399,615
2033	297,790	3,732,235	2043	349,222	5,859,584	2053	473,121	10,504,685
2034	294,472	3,430,761	2044	365,220	5,805,113	2054	473,160	11,469,795

Recommended Reserve Funding Graph



Respectfully submitted on October 11, 2024 by
RESERVE STUDY INSTITUTE, LLC

T. Christopher Tyndall

T. Christopher Tyndall, PRA, Reserve Analyst
Visual Inspection and Report by: T. Christopher Tyndall, PRA
Verify By: T. Christopher Tyndall, PRA



RESERVE COMPONENT INVENTORY

Class	Type	Category	Component	Quantity Total	Unit of Measure	Useful Life	Remaining		Unit Cost	Current Cost	Current Fully	Beginning Reserve	(Over) / Unfunded
							Useful Life	Funded Balance			Balance	Balance	
Structural	Electrical Systems	Building Elements	Electric Meters	387	Each	20	12	\$1,200	\$464,400	\$185,760	\$0	\$185,760	
Structural	Electrical Systems	Building Elements	Electric Panels	1	Each	60	8	\$360,000	\$360,000	\$312,000	\$97,884	\$214,116	
Structural	Fireproofing and Fire Protection Systems	Building Elements	Fire Extinguishers	76	Each	10	6	\$100	\$7,600	\$3,040	\$0	\$3,040	
Structural	Fireproofing and Fire Protection Systems	Building Elements	Fire Safety System	1	Each	40	28	\$243,016	\$243,016	\$72,905	\$0	\$72,905	
Structural	Roof	Building Elements	Roof, Flat (A)	180	Squares	20	15	\$1,100	\$198,000	\$49,500	\$7,262	\$42,238	
Structural	Roof	Building Elements	Roof, Flat (B)	141	Squares	20	2	\$1,100	\$155,100	\$139,590	\$20,480	\$119,110	
Structural	Roof	Building Elements	Roof, Flat (C)	171	Squares	20	14	\$1,100	\$188,100	\$56,430	\$8,279	\$48,151	
Structural	Roof	Building Elements	Roof, Flat (D)	141	Squares	20	11	\$1,100	\$155,100	\$69,795	\$10,240	\$59,555	
Structural	Roof	Building Elements	Roof, Flat (E)	127	Squares	20	4	\$1,100	\$139,700	\$111,760	\$16,397	\$95,363	
Structural	Roof	Building Elements	Roof, Flat (F)	98	Squares	20	5	\$1,100	\$107,800	\$80,850	\$11,862	\$68,988	
Structural	Roof	Building Elements	Roof, Flat (G)	176	Squares	20	16	\$1,100	\$193,600	\$38,720	\$5,681	\$33,039	
Structural	Roof	Building Elements	Roof, Flat (H)	107	Squares	20	11	\$1,100	\$117,700	\$52,965	\$7,771	\$45,194	
Structural	Roof	Building Elements	Roof, Flat (I)	186	Squares	20	10	\$1,100	\$204,600	\$102,300	\$15,009	\$87,291	
Structural	Roof	Building Elements	Roof, Flat (J)	157	Squares	20	8	\$1,100	\$172,700	\$103,620	\$15,203	\$88,417	
Structural	Roof	Building Elements	Roof, Flat (K)	137	Squares	20	6	\$1,100	\$150,700	\$105,490	\$15,477	\$90,013	
Structural	Roof	Building Elements	Roof, Flat (L)	164	Squares	20	9	\$1,100	\$180,400	\$99,220	\$14,557	\$84,663	
Structural	Structure	Building Elements	Balconies, Concrete (A and B)	7,500	Square Feet	75	25	\$40	\$300,000	\$200,000	\$0	\$200,000	
Structural	Waterproofing and Exterior Painting	Building Elements	Exterior Painting and Waterproofing	706,300	Square Feet	10	9	\$1	\$423,780	\$42,378	\$117,620	(\$75,242)	
Structural	Windows and Exterior Doors	Building Elements	Maintenance Doors	19	Each	40	25	\$1,300	\$24,700	\$9,263	\$0	\$9,263	
TOTAL									\$3,786,996	\$1,835,585	\$363,723	\$1,471,867	



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Reserve Funding Plan

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Balance	\$363,723	\$1,910,827	\$2,190,305	\$2,340,729	\$2,703,222	\$2,935,917	\$3,220,173	\$3,463,384	\$3,913,670	\$3,732,235
Recommended Reserve Contribution	\$1,547,104	\$187,664	\$212,023	\$249,572	\$260,813	\$268,562	\$277,450	\$285,133	\$297,790	\$294,472
Estimated Interest Earned	\$0	\$91,813	\$104,438	\$112,921	\$126,245	\$137,818	\$149,627	\$165,153	\$171,171	\$160,360
Special Assessments / Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Anticipated Reserve Expenditures	\$0	\$0	(\$163,037)	\$0	(\$154,363)	(\$122,125)	(\$183,866)	\$0	(\$650,395)	(\$756,307)
Ending Balance	\$1,910,827	\$2,190,305	\$2,340,729	\$2,703,222	\$2,935,917	\$3,220,173	\$3,463,384	\$3,913,670	\$3,732,235	\$3,430,761
Beginning Balance	\$3,430,761	\$3,614,431	\$3,714,613	\$3,550,211	\$4,017,013	\$4,246,501	\$4,472,673	\$4,704,494	\$5,261,393	\$5,859,584
Recommended Reserve Contribution	\$288,535	\$295,067	\$299,478	\$297,392	\$311,240	\$318,857	\$326,297	\$333,790	\$349,222	\$365,220
Estimated Interest Earned	\$157,723	\$164,078	\$162,640	\$169,410	\$184,998	\$195,199	\$205,452	\$223,110	\$248,969	\$261,141
Special Assessments / Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Anticipated Reserve Expenditures	(\$262,587)	(\$358,963)	(\$626,519)	\$0	(\$266,750)	(\$287,884)	(\$299,928)	\$0	\$0	(\$680,833)
Ending Balance	\$3,614,431	\$3,714,613	\$3,550,211	\$4,017,013	\$4,246,501	\$4,472,673	\$4,704,494	\$5,261,393	\$5,859,584	\$5,805,113
Beginning Balance	\$5,805,113	\$6,443,939	\$7,129,161	\$7,588,836	\$8,355,735	\$8,916,584	\$8,950,686	\$9,501,384	\$10,399,615	\$10,504,685
Recommended Reserve Contribution	\$364,602	\$381,357	\$398,726	\$409,943	\$428,429	\$441,164	\$440,464	\$452,701	\$473,121	\$473,160
Estimated Interest Earned	\$274,224	\$303,865	\$329,497	\$356,956	\$386,681	\$400,000	\$413,093	\$445,530	\$467,991	\$491,950
Special Assessments / Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Anticipated Reserve Expenditures	\$0	\$0	(\$268,548)	\$0	(\$254,261)	(\$807,062)	(\$302,858)	\$0	(\$836,042)	\$0
Ending Balance	\$6,443,939	\$7,129,161	\$7,588,836	\$8,355,735	\$8,916,584	\$8,950,686	\$9,501,384	\$10,399,615	\$10,504,685	\$11,469,795

Notes:

- (1) Beginning balance of reserve was provided by management and includes reserve fund balances as of January 1, 2025.
- (2) Inflation rate of 2.53% and interest rate on Investments of 4.58% were used for this study.
- (3) 2024 reserve contribution was budgeted by the Association.