



Safety and SIRS

Reserves to the Rescue

KC Shuaipi – Regional Account Manager

Roy Hidalgo – Engineer

Agenda

- SIRS Overview (including HB 913 Changes)
- Reporting Requirements & Disclosures
- Incorporating SIRS Into Budgets
- Waiving, Partial Funding, and Restrictions on Reserves
- Funding Strategies
- Completion of a SIRS



WHAT BUDGET SEASON FEELS LIKE

Structural Integrity Reserve Studies (SIRS)

Florida lawmakers' reaction to the Champlain Towers South tragedy, the law requires:

1



Funding reserves for
structural
components

2



A higher threshold to
waive reserves for
non-structural
components

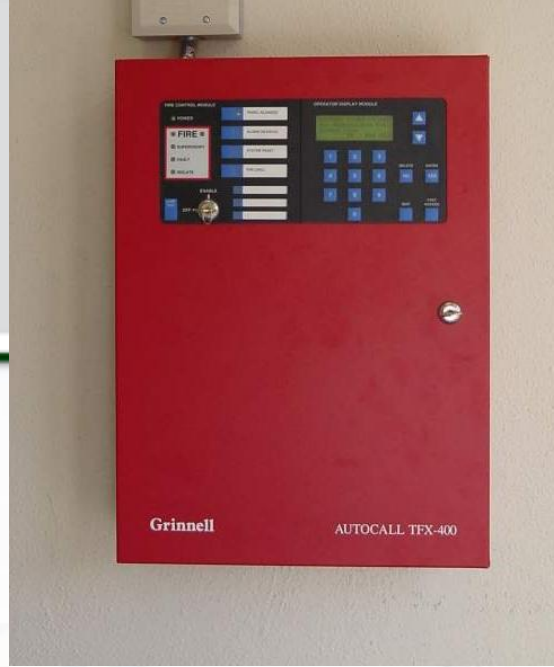
3



Independent
inspections and
opinions of
replacement costs
and useful life

What is Structural?

- Roof
- Structure, including load-bearing walls and other primary structural members and primary structural systems as those terms are defined in s. 627.706
- Fireproofing and fire protection systems
- Plumbing
- Electrical systems
- Waterproofing and exterior painting
- Windows and exterior doors



What is Structural?

Any other item that has a deferred maintenance expense or replacement cost that exceeds \$25,000* and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-g., as determined by the visual inspection portion of the structural integrity reserve study

Could include

- Sea Walls

- Retaining Walls

- Pools

- Stairs and Railings

- Façade Components

- Lanai Screens

** Division required to adjust this amount annually*



What is NOT included

- Elevators Machinery and Hoist Equipment
- Elevator Cabs and Controls
- HVAC
- Finishes and Fixtures
- Furniture and Art
- Pavement
- Lighting
- Awnings
- Drainage Systems
- Carports
- All Structural Items on Buildings less than 3 habitable stories in height
- Security Equipment
- Gates/Fobs
- Pool/spa Equipment
- Vehicles and Equipment
- Sports Courts



Who Needs a SIRS?

Each building in a residential condominium property that is three HABITABLE stories or higher.

**DOES
NOT
APPLY TO:**



Single-family, two-family, three-family or four-family dwellings with three or fewer habitable stories above ground



Any portion or component of a building that has not been submitted to the condominium form of ownership



Any portion or component of a building that is maintained by a party other than the association

What is Included?



Must include the item, estimated remaining useful life, and estimated replacement cost or deferred maintenance expense of each item



May exclude items with indeterminate useful life or a remaining life greater than 25 years



May recommend a deferred maintenance expense in lieu of total replacement costs

Who Conducts SIRS, and When?



Who?

- Florida Professional Engineer (PE)
 - Licensed architect
 - Reserve Specialist (RS)
- Professional Reserve Analyst (PRA)
- Must disclose any intent to bid on any related services



When?

Associations existing on or before July 1, 2022: December 31, 2025

Associations existing after July 1, 2022: At turnover and every 10 years

If milestone is due on or before December 31, 2026, may coordinate the SIRS with the milestone inspection.

May delay for no more than two consecutive budget years immediately following the milestone inspection

Reporting Requirements



Within 45 days after receiving the SIRS, the association must distribute a copy of the study to each unit owner or send a notice it is available for inspection (electronic delivery OK)

Within 45 days after receiving the SIRS, the association must provide the division with a statement indicating that the study was completed and provided to each owner. An officer or director must also sign an affidavit acknowledging receipt of a completed SIRS.



The division must include a list of the associations that have completed the SIRS and submit a report September 30 following the end of the fiscal year.

It's an official record, SIRS must be maintained for at least 15 years after the study is completed.



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We're Here to Help You Navigate Florida's New Condo Requirements

Four legislative bills impacting the rights and obligations of Florida condominium unit owners, board members, community association managers (CAM), and other stakeholders have been enacted since 2022. Given these many changes, this website was created to provide transparency about the new laws and serve as a resource to help you understand them.

GET THE FACTS

We have answers to your most commonly asked questions.

[LEARN MORE >](#)

ONLINE ACCOUNT

All condominiums and co-ops are required to create a Division account by Oct. 1, 2025.

[LEARN MORE >](#)

FILE A COMPLAINT

Our investigators protect residents from fraudulent and unethical practices.

[LEARN MORE >](#)

REQUEST SERVICES

We offer mediation and arbitration services to help resolve disputes.

[LEARN MORE >](#)

SIRS REPORTING

condos.myfloridalicense.com/inspections/#SIRS-Inspections



How does my association report a SIRS to the Division?

A SIRS can be submitted to the Division through the Department's online SIRS Reporting Form.

Submit Your SIRS Online

As of July 1, 2024, within 45 days of the SIRS being completed, a condo association must electronically submit a completed SIRS Reporting Form to Division of Condominiums, Timeshares and Mobile Homes.

By October 1, 2025, all condominium and cooperative associations are required to create an online account with the Division of Condominiums, Timeshares and Mobile Homes. To streamline the process and enhance reporting accuracy, associations will now confirm the completion of the Structural Integrity Reserve Study through the association's online account. With the passage of [HB 913](#) in 2025, associations are now required to complete a Structural Integrity Reserve Study by December 31, 2025.

To visit the Department's online portal and create an account, click the link below:

- [DBPR's Online Portal](#)

The Division has created step-by-step instructions for the creation of the online account. To view the instructions, click on the links below:

- [Creating an Account and Linking the Association's Managing Entity](#)
- [Structural Integrity Reserve Study Reporting](#)

If you have any questions about creating an account or submitting information, please



Introduction	Structural Integrity Reserve Study Reporting - General Information - Information	
Relations	Please enter the information requested below.	
SIRS Type	Press "Previous" to return to the previous section.	
Project Information	Press "Next" after appropriate details have been entered.	
Submitter Information	Press "Cancel" to cancel this application and return to the main menu.	
General Information	Which profession type completed the SIRS?	
Financial Information	What is the name of the licensed/certified professional that completed the SIRS?	
Completion and Distribution Information	What is the license or certification number of the professional that completed the SIRS?	
File Attachments	What is the name of the company that completed the SIRS?	
Application Summary		
Previous Next Cancel		

SIRS REPORTING



Disclosure For Structural Integrity Reserve Study (SIRS) Reporting

Information in the SIRS Reporting Database is displayed exactly as submitted. Only complete submissions of the SIRS Reporting Form are displayed in the database. SIRS reported using the online form will be reflected in the database within one business day. SIRS reported by email or mail may take approximately two weeks to be reflected in the database, if submission is complete. The Department will make every effort to contact the association using the information provided on the SIRS Reporting Form to obtain the information needed to complete the submission if an incomplete SIRS Reporting Form is submitted. Associations who are required to submit the completion of a SIRS to the Department can do so using the [SIRS Reporting Form](#). If you have questions or need assistance completing the form, please contact us by email at ctmheducation@myfloridalicense.com or by phone at [954.202.6831](tel:954.202.6831). Staff are available to assist Monday through Friday, from 8 a.m. to 5 p.m. ET.

Structural Integrity Reserve Study (SIRS) Reporting

Project Name	Association Name	City	Zip	County	ID
BARCLAY, A CONDO, THE	BARCLAY OWNERS ASSN THE	NAPLES	34102	COLLIER	254004
BAY TERRACE, INC SIRS REPORT	BAY TERRACE, INC	NAPLES	34102	COLLIER	316270
BELLA VITA OF OLD NAPLES CONDOMINIUM ASSOCIATION, INC.	BELLA VITA OF OLD NAPLES CONDOMINIUM ASSOCIATION, INC.	NAPLES	34102	-	290206
BELLASERA SIRS	BELLASERA CONDOMINIUM ASSOCIATION INC.	NAPLES	34102	COLLIER	319052
BOULEVARD CLUB	BOULEVARD CLUB	NAPLES	34102	COLLIER	233512
CHARTER CLUB OF NAPLES	THE CHARTER CLUB OF NAPLES BAY OWNERS' ASSOCIATION, INC.	NAPLES	34102	COLLIER	254171
CHARTER CLUB OF NAPLES BAY	THE CHARTER CLUB OF NAPLES BAY OWNERS' ASSOCIATION, INC.	NAPLES	34102	COLLIER	263178
DORSET CLUB CONDOMINIUM ASSOCIATION, INC.	DORSET CLUB CONDOMINIUM ASSOCIATION, INC.	NAPLES	34102	COLLIER	290209
ELEVEN ELEVEN CENTRAL CONDOMINIUM ASSOC INC	ELEVEN ELEVEN CENTRAL CONDO ASSOCIATION INC	NAPLES	34102	COLLIER	296568
GULF TOWERS	GULF TOWERS OF NAPLES	NAPLES	34102	COLLIER	238082
KASOTA QUARTERS CONDO	KASOTA QUARTERS CONDOMINIUM ASSOCIATION, INC.	NAPLES	34102	COLLIER	213666
LAURENTIANS OF NAPLES	LAURENTIANS OF NAPLES	NAPLES	34102	COLLIER	224608
NAPLES BOAT CLUB BUILDING THREE, A CONDOMINIUM	NAPLES BOAT CLUB BUILDING THREE CONDOMINIUM ASSOCIATION	NAPLES	34102	COLLIER	235780
NAPLES DIPLOMAT CONDOMINIUM CLUB	NAPLES DIPLOMAT CONDOMINIUM ASSOCIATION	NAPLES	34102	COLLIER	236114
NAPLES MIMOSA CLUB	NAPLES MIMOSA CLUB A CONDO	NAPLES	34102	COLLIER	235536

Disclosures During Sale or Lease



Copies of SIRS to be furnished to prospective buyer or lessee or a statement in conspicuous type indicating that a SIRS has not been completed or is not required.



Specific disclosures required in each sales contract entered into after December 31, 2024.



A contract that does not conform is voidable at the option of the purchaser prior to closing.

Incorporating SIRS Into Budgets

If association is required to have a SIRS, the annual budget must include funds for SIRS and other statutory items.



Incorporating into budgets adopted **after 12/31/24**

- Reserve amounts must be based on the findings and recommendations of the most recent SIRS.
- General, nonstructural reserves can still be based on Board estimates
- Associations may adjust annual for inflation and “any changes in estimates or extension of the useful life of a reserve item caused by deferred maintenance...”



Pausing or Using Alternate funding

- For budgets adopted on or before 12/31/2028, reserve fund contributions can be paused or reduced for the purposes of funding repairs recommended by the milestone inspection
- Funding plan can incorporate regular assessments, special assessments, loans or lines of credit if approved by unit owners
- Loans or Lines of credit must be immediately available for use by the board
- Pause or variation from the plan triggers need for an updated SIRS

Waiving or Partial Funding



A majority vote of the total voting interests of the association is required to waive or partially fund reserves.



For a budget adopted on or after December 31, 2024, funding for SIRS items cannot be waived except for milestone pause or alternate funding sources.



"Waiving of reserves, in whole or in part, or allowing alternative uses of existing reserves may result in unit owner liability for payment of unanticipated special assessments regarding those items."

Restrictions on Reserve Funds

Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and may be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a majority vote of all the total voting interests of the association.

For a budget adopted on or after December 31, 2024, owners may NOT vote to use SIRS reserve funds for any other purpose.

Are Pooled Reserves Allowed?

718.112(f)(4): An association's reserve accounts may be pooled for two or more required components. Reserve funding for components listed in paragraph (g) may only be pooled with other components listed in paragraph (g)...A vote of the members is not required for the board to change the accounting method for reserves to a pooling accounting method or a straight-line accounting method.



Benefits:

- More flexibility
- Lower annual funding requirements



Drawbacks:

- More flexibility (mitigated by new SIRS requirements)
- Less conservative

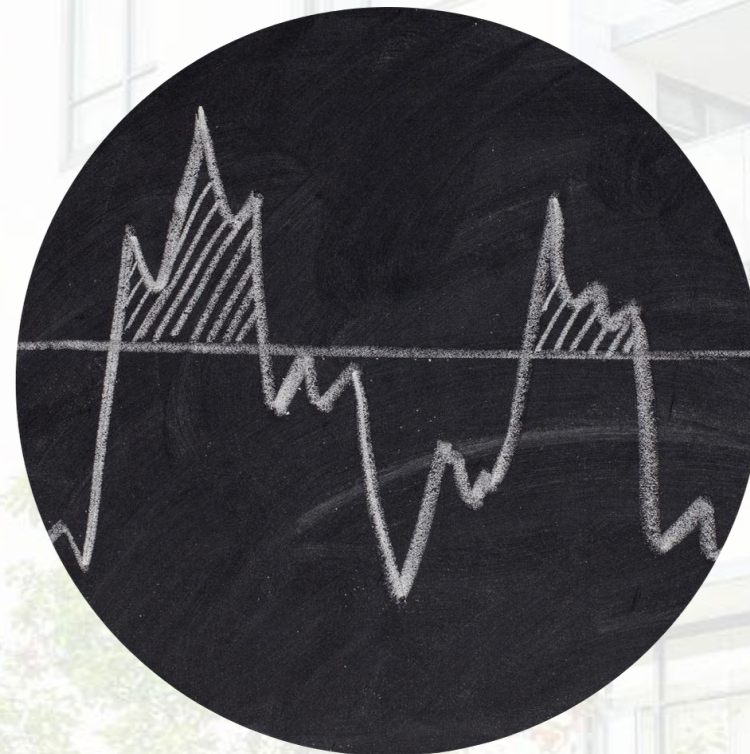
Funding Strategies for Reserves

Baseline Funding



Calculates future reserve contributions such that the reserve balance will reach \$0 at its lowest point over the life of the study. This goal most closely aligns with Florida's funding requirements.

Threshold Funding



Calculated like baseline but factors in a minimum annual balance to avoid taking the reserve account balance down to \$0. The threshold is determined by the board and/or reserve specialist.

Full Funding



Fully Funded Balance =
 $\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$

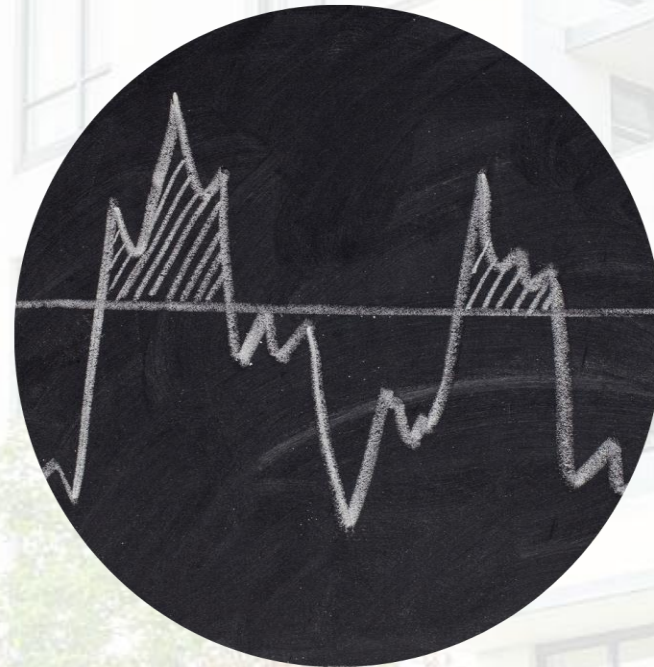
Full Funding: Reserve balance equal to the fully funded balance

Funding Strategies for Reserves

Baseline Funding



Threshold Funding



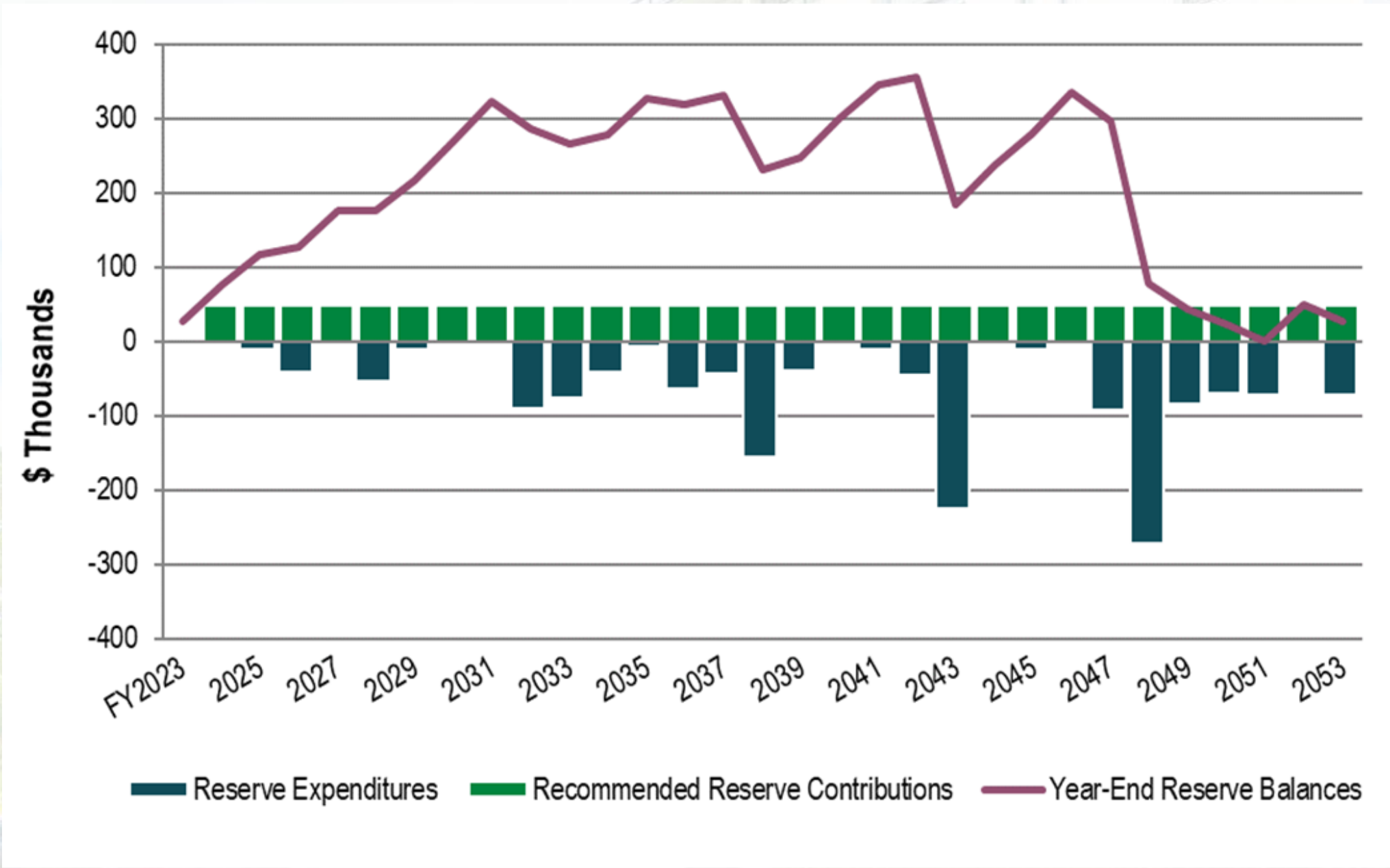
Full Funding



Risk Level

Cost to Fund

Baseline Funding



30 yr. Funding

\$1.46M



Annual Funding

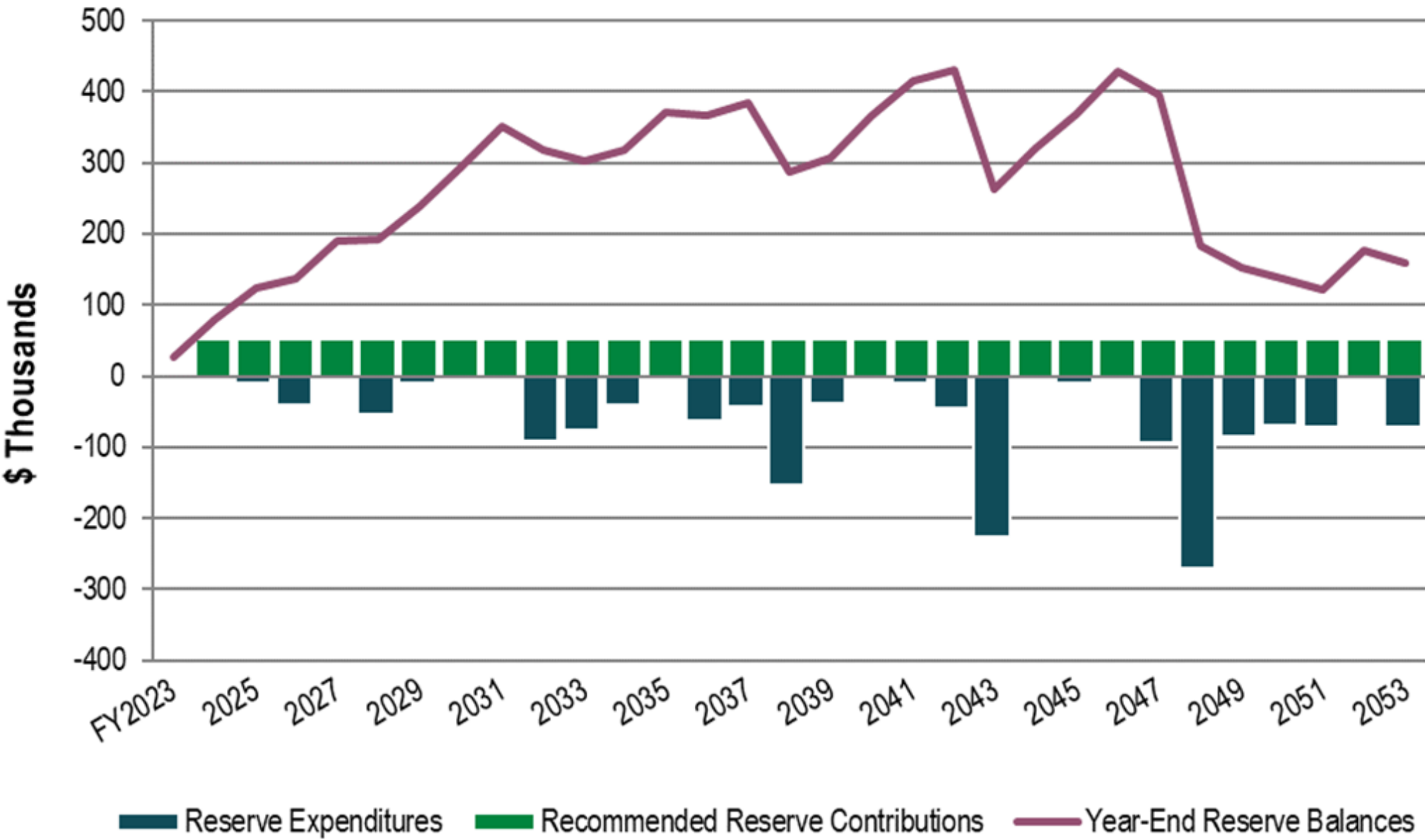
\$49k



Annual Owner Contribution

\$132

Threshold Funding



\$1.56M

30 yr. Funding



\$52k

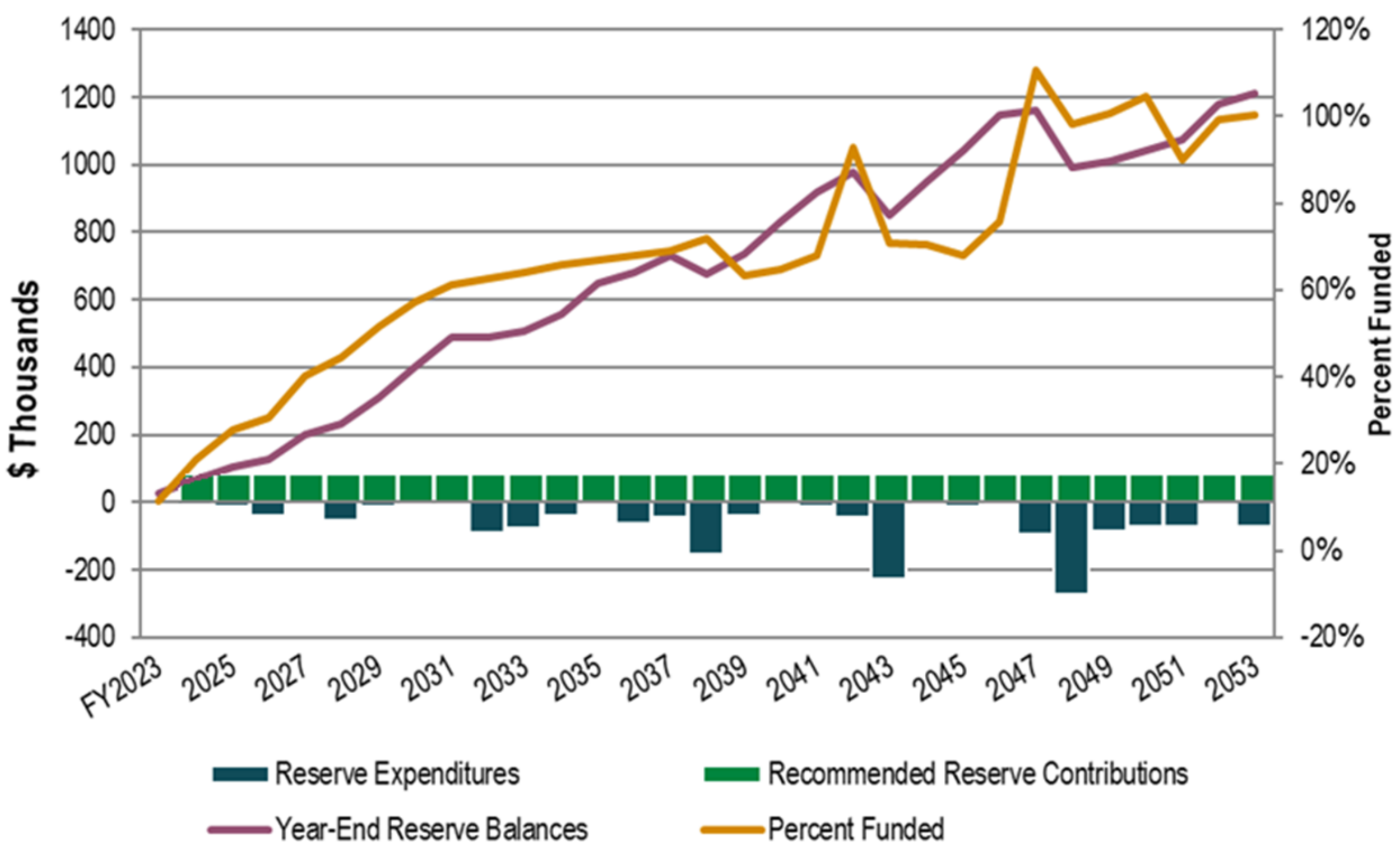
Annual Funding



\$141

Annual Owner Contribution

Full Funding



\$2.36M

30 yr. Funding



\$79k

Avg. Annual Funding



\$213

Annual Owner Contribution

Keeping the SIRS Current

National standards suggest 3-year update interval. State law requires at least every 10 years unless...

...an association has paused reserve contributions for the purpose of funding repairs recommended by the milestone inspection. In this case, the SIRS must be updated “before the continuation of reserve contributions in order to determine the association’s reserve funding needs and to recommend a reserve funding plan.”

...the SIRS was performed before the association approved a special assessment or secured a line of credit or a loan. In this case, the SIRS must be updated “to reflect the funding method selected by the association and its effect on the reserve funding schedule, including any anticipated change in the amount of regular assessments.”

...the budget does not align with the most recent SIRS. In this case, the SIRS must be updated “before adopting any budget in which the reserve funding from regular assessments, special assessments, lines of credit, or loans does not align with the funding plan from the most recent version of the structural integrity reserve study.”

Keeping the SIRS Current



solid framework

for maintaining property in excellent condition



avoid surprises

from unexpected assessments or loans



minimize complaints

from owners due to declining condition of common elements



reduce cost of ownership

through proactive repairs to achieve full useful lives



Understanding to read the report





$$A = \pi r^2$$

$$C = 2\pi r$$

$$V = \frac{1}{3} \pi r^2 h$$



$$V = \pi r^2 h$$

	30°	45°	60°
sin	$\frac{1}{2}$	$\frac{\sqrt{2}}{2}$	$\frac{\sqrt{3}}{2}$
cos	$\frac{\sqrt{3}}{2}$	$\frac{\sqrt{2}}{2}$	$\frac{1}{2}$
tan	$\frac{\sqrt{3}}{3}$	1	$\sqrt{3}$



$$\int \sin x dx = -\cos x + C$$

$$\int \frac{dx}{\cos^2 x} = \tan x + C$$

$$\int \tan x dx = -\ln |\cos x| + C$$

$$\int \frac{dx}{\sin x} = \ln \left| \tan \frac{x}{2} \right| + C$$

$$\int \frac{dx}{a^2 + x^2} = \frac{1}{a} \arctan \frac{x}{a} + C$$

$$\int \frac{dx}{x^2 - a^2} = \frac{1}{2a} \ln \left| \frac{x-a}{x+a} \right| + C$$



$$ax^2 + bx + c = 0$$

$$a\left(x^2 + \frac{b}{a}x + \frac{c}{a}\right) = 0$$

$$x^2 + 2\frac{b}{2a}x + \left(\frac{b}{2a}\right)^2 - \left(\frac{b}{2a}\right)^2 + \frac{c}{a} = 0$$

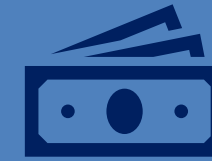
$$\left(x + \frac{b}{2a}\right)^2 - \frac{b^2 - 4ac}{4a^2} = 0$$

Report Deliverables



Executive Summary

High level details of the associations funding status and long-term needs



Expenditure Spreadsheets

Containing prioritized replacement schedule and itemized estimated costs



Funding Plan

Customized to offset the cost of future capital projects



Report Narratives

Component specific details on replacement, construction methodology and more

- » Property Basics
- » Funding goal and methodology
- » Sources of costs
- » Reserve fund status
- » Funding recommendations

Client: Scenic Ridge Association (Scenic Ridge)
Location: Madison, USA
Reference: 123456

Property Basics: Scenic Ridge Association is a condominium style development of 75 units in 37 buildings. The buildings were built from 2003 to 2005.

Reserve Components Identified: 27 Reserve Components

Inspection Date: July 1, 2019

Funding Goal: The Funding Goal of this Reserve Study is to maintain reserves above an adequate, not excessive threshold during one or more years of significant expenditures. Our recommended Funding Plan recognizes this threshold funding year in 2026 due to replacement of the asphalt pavement.

Cash Flow Method: We use the Cash Flow Method to compute the Reserve Funding Plan. This method offsets future variable Reserve Expenditures with existing and future stable levels of reserve funding. Our application of this method also considers:

- Current and future *local* costs of replacement
- 1.2% annual rate of return on invested reserves
- 2.5% future Inflation Rate for estimating Future Replacement Costs

Sources for *Local* Costs of Replacement: Our proprietary database, historical costs and published sources, i.e., R.S. Means, Incorporated and Marshall & Swift, "the Building Cost People."

Cash Status of Reserve Fund:

- \$467,289 as of January 1, 2019
- 2019 Reserve Contributions of \$92,000

Project Prioritization: We note anticipated Reserve Expenditures for the next 30 years in the **Reserve Expenditures** tables and include a **Five-Year Outlook** table following the **Reserve Funding Plan** in Section 3. We recommend the Association prioritize the following projects in the next five years based on the conditions identified:

- Paint finish applications to the stucco, trim, soffits and fascia, including repairs and partial replacements to maintain a uniformly clean and consistent appearance of the buildings
- Partial sealant replacement to limit water infiltration
- Replacement of the roofs as deferral may lead to further water infiltration and cost

Recommended Reserve Funding:

- Phased increases in Reserve Contributions of approximately \$3,500 from 2020 through 2024
- Inflationary increases through 2049, the limit of this study's Cash Flow Analysis
- Initial adjustment in Reserve Contributions of \$3,500 represents about a one percent (1.4%) adjustment in the 2019 total Operating Budget of \$248,600 and is equivalent to an average monthly increase of \$3.89 per unit owner.

Executive Summary - Funding Goal & Method

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1 Executive Summary - Fund Status

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The financial starting point when we initiate the study

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Executive Summary - Recommendation

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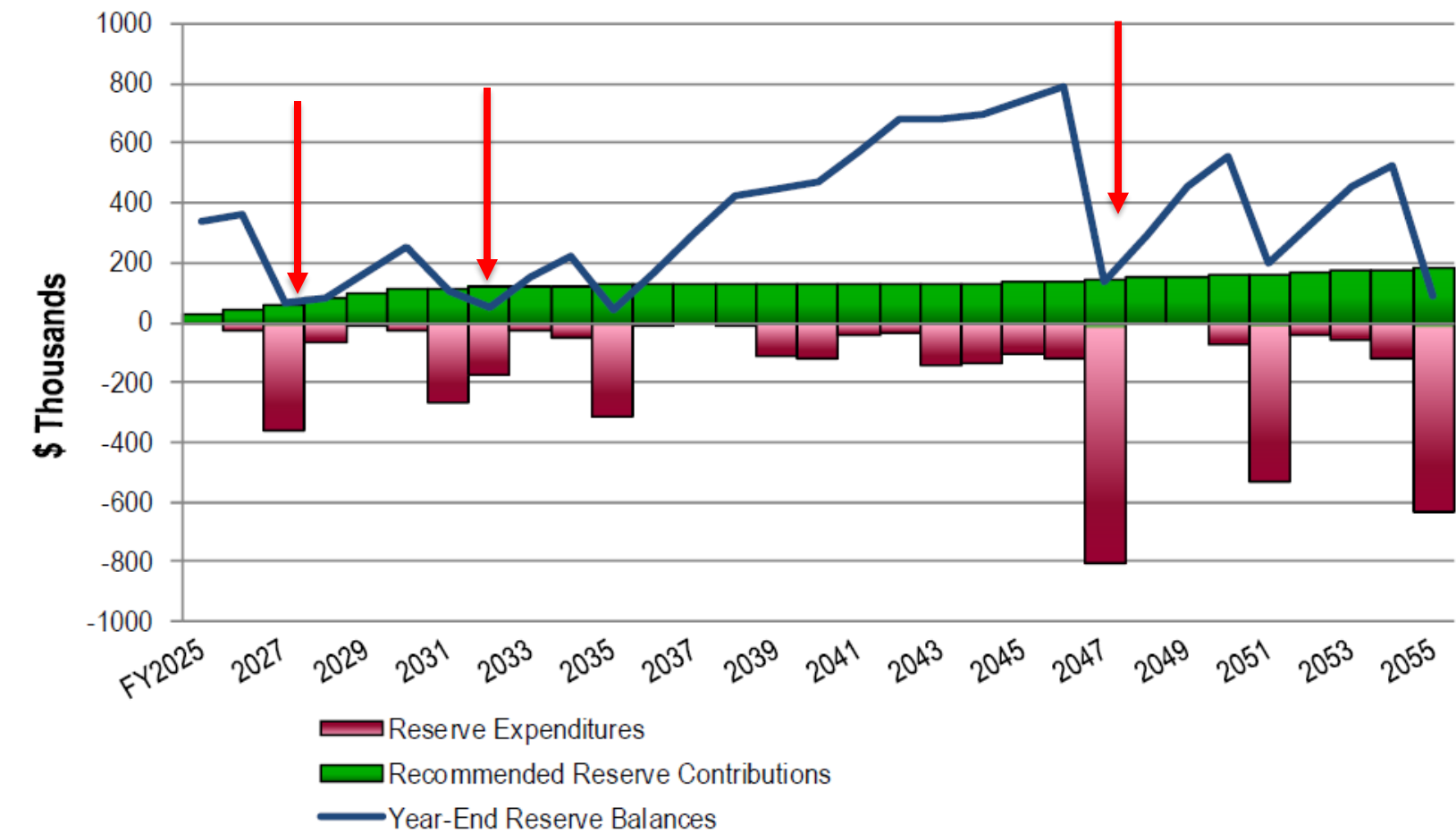
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Executive Summary - Graphs

Village
Recommended Reserve Funding Table and Graph

Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)	Year	Reserve Contributions (\$)	Reserve Balances (\$)
2026	46,400	365,241	2036	127,900	165,564	2046	139,800	786,549
2027	62,400	69,789	2037	127,900	299,661	2047	144,000	139,545
2028	78,400	84,684	2038	127,900	423,053	2048	148,300	293,615
2029	94,400	167,246	2039	127,900	451,250	2049	152,700	456,304
2030	110,400	255,101	2040	127,900	470,395	2050	157,300	556,058
2031	113,700	105,438	2041	127,900	569,542	2051	162,000	199,490
2032	117,100	53,263	2042	127,900	682,551	2052	166,900	331,030
2033	120,600	148,112	2043	127,900	682,057	2053	171,900	453,946
2034	124,200	225,351	2044	131,700	698,832	2054	177,100	526,823
2035	127,900	40,183	2045	135,700	745,402	2055	182,400	86,489



Excluded Components

for
Village
Homeowners Association, Inc.
Madison, USA

Operating Budget Components

Repairs normally funded through the Operating Budget and Expenditures less than \$3,200 (These relatively minor expenditures have a limited effect on the recommended Reserve Contributions.)

The operating budget provides money for the repair and replacement of certain Reserve Components. The Association may develop independent criteria for use of operating and reserve funds.

- Disc Golf Course
- Doors, Pool House
- Drainage Swales, Railings and Bollards
- Greenbelt and Drainage Area
- Irrigation System, Controllers
- Landscape
- Lifeguard Room and Storage Areas, Pool House
- Marquee Sign
- Paint Finishes, Touch Up
- Pipes, Interior Building, Domestic Water, Sanitary Waste and Vent, Pool House
- Retaining Walls, Masonry¹
- Signage, Traffic and Street Identification
- Tennis Court, Wind Screens
- Walls, Masonry, Pool House

¹ We recommend inspections and repairs of these walls in lieu of complete replacement in aggregate.

» Long Lived Components

» Owner Responsibility Components

» Others Responsibility Components



- » Itemization of each common element
- » Useful and remaining lives
- » Project timing and costs
- » Big picture understanding

RESERVE EXPENDITURES

Village
Homeowners Association, Inc.
Madison, USA

Explanatory Notes:

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
2) FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.

Years 2025 to 2040

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$		Percentage of Future Expenditures	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036	12 2037	13 2038	14 2039	15 2040
				Property Site Elements		Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																
4.020	38,850	38,850	Square Yards	Asphalt Pavement, Crack Repair, Patch and Seal Coat (Quantity Varies by Year)	2027	3 to 5	2	1.45	56,333	56,333	16.9%		59,763				67,264				75,706				85,208	
4.040	18,310	18,310	Square Yards	Asphalt Pavement, Mill and Overlay with 10% Patching, Arterial Streets	2027	15 to 20	2	14.70	269,157	269,157	6.5%		285,549													
4.041	20,540	10,270	Square Yards	Asphalt Pavement, Mill and Overlay with 10% Patching, Side Streets, Phased	2031	15 to 20	6 to 10	14.70	150,969	301,938	8.7%						180,265				202,890					
4.042	18,310	18,310	Square Yards	Asphalt Pavement, Mill and Overlay with 20% Patching, Arterial Streets	2047	15 to 20	22	16.70	305,777	305,777	13.2%															
4.043	20,540	10,270	Square Yards	Asphalt Pavement, Mill and Overlay with 20% Patching, Side Streets, Phased	2051	15 to 20	26 to 30	16.70	171,509	343,018	17.8%															
4.110	22,300	558	Linear Feet	Concrete Curbs, Partial (2025 is Reduced Scope)	2027	to 65	2 to 30+	31.00	17,283	691,300	5.2%		18,335				20,636				23,226				26,141	
4.220	410	410	Linear Feet	Fences, Chain Link, Amenity Center	2032	to 25	7	23.00	9,430	9,430	0.3%							11,598								
4.240	380	380	Linear Feet	Fences, Steel, East Entrance Area, Paint Finishes (Incl. Gates)	2026	6 to 8	1	12.00	4,560	4,560	0.8%	4,697	Age, condition, history of repairs and maintenance, and local conditions form the foundation for timing of each capital project.						5,776						7,104	
4.245	340	340	Linear Feet	Fences, Steel, East Entrance Area, Replacement	2040	to 35	15	63.00	21,420	21,420	0.8%														33,372	
4.310	1	1	Panel	Gate Entry System (Incl. Gate Security System)	2030	to 10	5	9,500.00	9,500	9,500	1.0%														14,801	
4.320	4	4	Each	Gate Operators	2030	to 10	5	3,700.00	14,800	14,800	1.6%						17,157								23,058	
4.330	4	4	Each	Gates	2040	to 30	15	5,500.00	22,000	22,000	0.8%														34,275	
4.420	1	1	Allowance	Irrigation System	2046	to 40	21	55,000.00	55,000	55,000	2.3%															
4.560	10	10	Each	Light Poles and Fixtures, Amenity Center	2032	to 25	7	2,650.00	26,500	26,500	0.7%							32,592								

The sample unit costs shown
herein are not applicable to
estimate an actual reserve study.

Age, condition, history of repairs and
maintenance, and local conditions
form the foundation for timing of
each capital project.

RESERVE EXPENDITURES

Village
Homeowners Association, Inc.
Madison, USA

Years 2025 to 2040

Explanatory Notes:

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
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Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036	12 2037	13 2038	14 2039	15 2040
						Useful	Remaining	Unit (2025)	Per Phase (2025)	Total (2025)																	
Property Site Elements																											
4.020	38,850	38,850	Square Yards	Asphalt Pavement, Crack Repair, Patch and Seal Coat (Quantity Varies by Year)	2027	3 to 5	2	1.45	56,333	56,333	16.9%			59,763				67,264				75,706					85,208
4.040	18,310	18,310	Square Yards	Asphalt Pavement, Mill and Overlay with 10% Patching, Arterial Streets	2027	15 to 20	2	14.70	269,157	269,157	6.5%			285,549													
4.041	20,540	10,270	Square Yards	Asphalt Pavement, Mill and Overlay with 10% Patching, Side Streets, Phased	2031	15 to 20	6 to 10	14.70	150,969	301,938	8.7%							180,265				202,890					
4.042	18,310	18,310	Square Yards	Asphalt Pavement, Mill and Overlay with 20% Patching, Arterial Streets	2047	15 to 20	22	16.70	305,777	305,777	13.2%																
4.043	20,540	10,270	Square Yards	Asphalt Pavement, Mill and Overlay with 20% Patching, Side Streets, Phased	2051	15 to 20	26 to 30	16.70	171,509	343,018	17.8%																
4.110	22,300	558	Linear Feet	Concrete Curbs, Partial (2025 is Reduced Scope)	2027	to 65	2 to 30+	31.00	17,283	691,300	5.2%			18,335				20,636				23,226					26,141
4.220	410	410	Linear Feet	Fences, Chain Link, Amenity Center	2032	to 25	7	23.00	9,430	9,430	0.3%								11,598								
4.240	380	380	Linear Feet	Fences, Steel, East Entrance Area, Paint Finishes (Incl. Gates)	2026	6 to 8	1	12.00	4,560	4,560	0.8%	4,697		Age, condition, history of repairs and maintenance, and local conditions form the foundation for timing of each capital project.						5,776						7,104	
4.245	340	340	Linear Feet	Fences, Steel, East Entrance Area, Replacement	2040	to 35	15	63.00	21,420	21,420	0.8%															33,372	
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4.320	4	4	Each	Gate Operators	2030	to 10	5	3,700.00	14,800	14,800	1.6%						17,157									23,058	
4.330	4	4	Each	Gates	2040	to 30	15	5,500.00	22,000	22,000	0.8%															34,275	
4.420	1	1	Allowance	Irrigation System	2046	to 40	21	55,000.00	55,000	55,000	2.3%																
4.560	10	10	Each	Light Poles and Fixtures, Amenity Center	2032	to 25	7	2,650.00	26,500	26,500	0.7%								32,592								

The sample unit costs shown herein are not applicable to estimate an actual reserve study.

Age, condition, history of repairs and maintenance, and local conditions form the foundation for timing of each capital project.

RESERVE EXPENDITURES

Village
Homeowners Association, Inc.
Madison, USA

Years 2025 to 2040

Explanatory Notes:

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
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Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036	12 2037	13 2038	14 2039	15 2040		
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4.040	18,310	18,310	Square Yards	Asphalt Pavement, Mill and Overlay with 10% Patching, Arterial Streets	2027	15 to 20	2	14.70	269,157	269,157	6.5%			285,549															
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4.220	410	410	Linear Feet	Fences, Chain Link, Amenity Center	2032	to 25	7	23.00	9,430	9,430	0.3%								11,598										
4.240	380	380	Linear Feet	Fences, Steel, East Entrance Area, Paint Finishes (Incl. Gates)	2026	6 to 8	1	12.00	4,560	4,560	0.8%	4,697	Age, condition, history of repairs and maintenance, and local conditions form the foundation for timing of each capital project.							5,776						7,104			
4.245	340	340	Linear Feet	Fences, Steel, East Entrance Area, Replacement	2040	to 35	15	63.00	21,420	21,420	0.8%															33,372			
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Age, condition, history of repairs and
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RESERVE EXPENDITURES

Village
Homeowners Association, Inc.
Madison, USA

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2025)	Per Phase (2025)	Total (2025)	Percentage of Future Expenditures	RUL = 0 FY2025	1 2026	2 2027	3 2028	4 2029	5 2030	6 2031	7 2032	8 2033	9 2034	10 2035	11 2036	12 2037	13 2038	14 2039	15 2040	
Property Site Elements																												
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4.041	20,540	10,270	Square Yards	Asphalt Pavement, Mill and Overlay with 10% Patching, Side Streets, Phased	2031	15 to 20	6 to 10	14.70	150,969	301,938	8.7%							180,265				202,890						
4.042	18,310	18,310	Square Yards	Asphalt Pavement, Mill and Overlay with 20% Patching, Arterial Streets	2047	15 to 20	22	16.70	305,777	305,777	13.2%																	
4.043	20,540	10,270	Square Yards	Asphalt Pavement, Mill and Overlay with 20% Patching, Side Streets, Phased	2051	15 to 20	26 to 30	16.70	171,509	343,018	17.8%																	
4.110	22,300	558	Linear Feet	Concrete Curbs, Partial (2025 is Reduced Scope)	2027	to 65	2 to 30+	31.00	17,283	691,300	5.2%			18,335				20,636				23,226				26,141		
4.220	410	410	Linear Feet	Fences, Chain Link, Amenity Center	2032	to 25	7	23.00	9,430	9,430	0.3%								11,598									
4.240	380	380	Linear Feet	Fences, Steel, East Entrance Area, Paint Finishes (Incl. Gates)	2026	6 to 8	1	12.00	4,560	4,560	0.8%		4,697	Age, condition, history of repairs and maintenance, and local conditions form the foundation for timing of each capital project.						5,776						7,104		
4.245	340	340	Linear Feet	Fences, Steel, East Entrance Area, Replacement	2040	to 35	15	63.00	21,420	21,420	0.8%															33,372		
4.310	1	1	Panel	Gate Entry System (Incl. Gate Security System)	2030	to 10	5	9,500.00	9,500	9,500	1.0%															14,801		
4.320	4	4	Each	Gate Operators	2030	to 10	5	3,700.00	14,800	14,800	1.6%						17,157									23,058		
4.330	4	4	Each	Gates	2040	to 30	15	5,500.00	22,000	22,000	0.8%															34,275		
4.420	1	1	Allowance	Irrigation System	2046	to 40	21	55,000.00	55,000	55,000	2.3%																	
4.560	10	10	Each	Light Poles and Fixtures, Amenity Center	2032	to 25	7	2,650.00	26,500	26,500	0.7%								32,592									

Years 2025 to 2040

Explanatory Notes:

- 1) 3.0% is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2025 is Fiscal Year beginning January 1, 2025 and ending December 31, 2025.

Age, condition, history of repairs and maintenance, and local conditions form the foundation for timing of each capital project.

The sample unit costs shown herein are not applicable to estimate an actual reserve study.

- » Details contributions and expenses by year
- » Highlights critical years
- » Provides content regarding funding needs

RESERVE FUNDING PLAN

Our reports evaluate current reserve funds and return on investments in order to create the most stable recommended annual reserve contributions.

CASH FLOW ANALYSIS

Village
Homeowners Association, Inc.
Madison, USA

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Reserves at Beginning of Year	(Note 1)	300,000	338,910	365,241	69,789	84,684	167,246	255,101	105,438	53,263	148,112	225,159	39,986	165,360	299,451	422,838	451,028
Total Recommended Reserve Contributions	(Note 2)	30,400	46,400	62,400	78,400	94,400	110,400	113,700	117,100	120,600	124,200	127,900	127,900	127,900	127,900	127,900	127,900
Estimated Interest Earned, During Year	(Note 3)	8,510	9,379	5,795	2,058	3,356	5,626	4,802	2,114	2,682	4,972	3,532	2,735	6,191	9,621	11,640	12,271
Anticipated Expenditures, By Year		0	(29,448)	(363,647)	(65,564)	(15,194)	(28,170)	(268,165)	(171,389)	(28,433)	(52,126)	(316,605)	(5,260)	0	(14,135)	(111,349)	(121,031)
Anticipated Reserves at Year End		<u>\$338,910</u>	<u>\$365,241</u>	<u>\$69,789</u>	<u>\$84,684</u>	<u>\$167,246</u>	<u>\$255,101</u>	<u>\$105,438</u>	<u>\$53,263</u>	<u>\$148,112</u>	<u>\$225,159</u>	<u>\$39,986</u>	<u>\$165,360</u>	<u>\$299,451</u>	<u>\$422,838</u>	<u>\$451,028</u>	<u>\$470,169</u>
Predicted Reserves based on 2025 funding level of:	\$30,400	338,910	349,025	20,703	(14,376)							(NOTE 5)					

1. Current Funding Balance
2. Annual Contributions
3. Interest Earnings
4. Anticipated Expenditures by year
5. Year-end balances

RESERVE FUNDING PLAN**CASH FLOW ANALYSIS**

Village

Homeowners Association, Inc.

Madison, USA

Our reports evaluate current reserve funds and return on investments in order to create the most stable recommended annual reserve contributions.

Individual Reserve Budgets & Cash Flows for the Next 30 Years

		FY2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Reserves at Beginning of Year	(Note 1)	300,000	338,910	365,241	69,789	84,684	167,246	255,101	105,438	53,263	148,112	225,159	39,986	165,360	299,451	422,838	451,028
Total Recommended Reserve Contributions	(Note 2)	30,400	46,400	62,400	78,400	94,400	110,400	113,700	117,100	120,600	124,200	127,900	127,900	127,900	127,900	127,900	127,900
Estimated Interest Earned, During Year	(Note 3)	8,510	9,379	5,795	2,058	3,356	5,626	4,802	2,114	2,682	4,972	3,532	2,735	6,191	9,621	11,640	12,271
Anticipated Expenditures, By Year		0	(29,448)	(363,647)	(65,564)	(15,194)	(28,170)	(268,165)	(171,389)	(28,433)	(52,126)	(316,605)	(5,260)	0	(14,135)	(111,349)	(121,031)
Anticipated Reserves at Year End		<u>\$338,910</u>	<u>\$365,241</u>	<u>\$69,789</u>	<u>\$84,684</u>	<u>\$167,246</u>	<u>\$255,101</u>	<u>\$105,438</u>	<u>\$53,263</u>	<u>\$148,112</u>	<u>\$225,159</u>	<u>\$39,986</u>	<u>\$165,360</u>	<u>\$299,451</u>	<u>\$422,838</u>	<u>\$451,028</u>	<u>\$470,169</u>
Predicted Reserves based on 2025 funding level of:	\$30,400	338,910	349,025	20,703	(14,376)							(NOTE 5)					

critical years
reserve balance at low threshold



(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Reserves at Beginning of Year	470,169	569,310	682,312	681,811	698,322	744,879	786,013	138,994	293,049	455,723	555,460	198,876	330,400	453,298	525,812
Total Recommended Reserve Contributions	127,900	127,900	127,900	131,700	135,700	139,800	144,000	148,300	152,700	157,300	162,000	166,900	171,900	177,100	182,400
Estimated Interest Earned, During Year	13,846	16,672	18,170	18,384	19,224	20,392	12,321	5,755	9,974	13,469	10,048	7,050	10,439	13,042	8,142
Anticipated Expenditures, By Year	(42,605)	(31,569)	(146,571)	(133,573)	(108,367)	(119,059)	(803,340)	0	0	(71,031)	(528,632)	(42,427)	(59,440)	(117,628)	(630,904)
Anticipated Reserves at Year End	<u>\$569,310</u>	<u>\$682,312</u>	<u>\$681,811</u>	<u>\$698,322</u>	<u>\$744,879</u>	<u>\$786,013</u>	<u>\$138,994</u>	<u>\$293,049</u>	<u>\$455,723</u>	<u>\$555,460</u>	<u>\$198,876</u>	<u>\$330,400</u>	<u>\$453,298</u>	<u>\$525,812</u>	<u>\$85,450</u>

(NOTES 4&5)

Explanatory Notes:

- 1) Year 2025 starting reserves are as of January 1, 2025; FY2025 starts January 1, 2025 and ends December 31, 2025.
- 2) Reserve Contributions for 2025 are budgeted; 2026 is the first year of recommended contributions.
- 3) 2.7% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2055 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).

Interested in modeling alternate funding recommendations? The Excel spreadsheets included in your report let you change annual reserve contributions, interest rates, and inflation when creating alternate funding scenarios.

- » Quantities
- » Component history
- » Conditions and photographs

Walls, Fiber Cement Siding and Trim, Paint Finishes

Line Items: 1.759 and 1.760

Quantity: Approximately 31,000 square feet of fiber cement siding and composite wood trim, and 160 linear feet of wood railings and associated wood columns at the front stoops. This quantity excludes the aluminum soffit and fascia.

History: The finish at the fiber cement siding is original, and the trim and railings were painted in 2013.

Condition: Fair overall with locations of peeling finish, discoloration, sealant deterioration, wood rot and cracks evident



Fiber cement siding



Sealant deterioration and peeling finish at fiber cement, Unit 100



Discolored finish at Unit 200



Peeling paint finish at Unit 300

» Quantities

- » Provides further detail on the quantities of elements beyond what can be listed on the expenditures table

Quantity: Approximately 31,000 square feet of fiber cement siding and composite wood trim, and 160 linear feet of wood railings and associated wood columns at the front stoops. This quantity excludes the aluminum soffit and fascia.

Walls, Fiber Cement Siding and Trim, Paint Finishes

Line Items: 1.759 and 1.760

Quantity: Approximately 31,000 square feet of fiber cement siding and composite wood trim, and 160 linear feet of wood railings and associated wood columns at the front stoops. This quantity excludes the aluminum soffit and fascia.

History: The finish at the fiber cement siding is original, and the trim and railings were painted in 2013.

Condition: Fair overall with locations of peeling finish, discoloration, sealant deterioration, wood rot and cracks evident



Fiber cement siding



Sealant deterioration and peeling finish at fiber cement, Unit 100



Discolored finish at Unit 200



Peeling paint finish at Unit 300

» Component history

- » Only location in the report where useful details on the history of capital repairs and replacement can be found

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Sealant deterioration and peeling finish at fiber cement, Unit 100



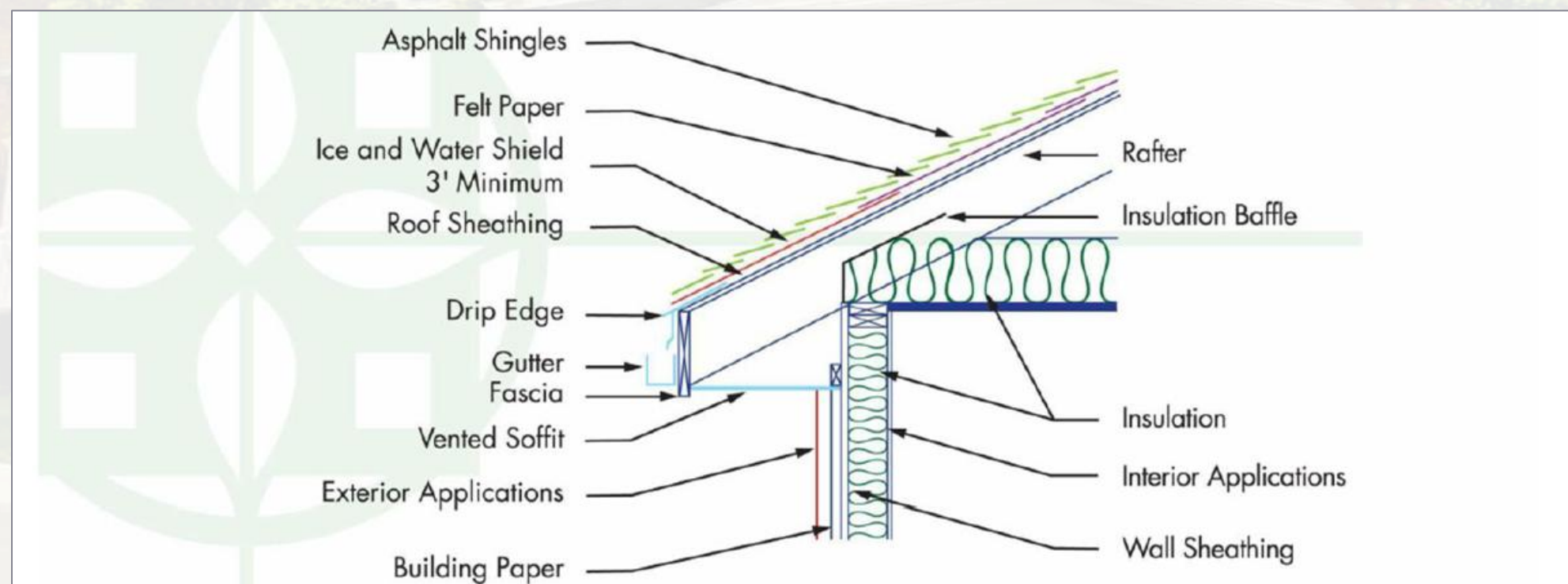
Discolored finish at Unit 200



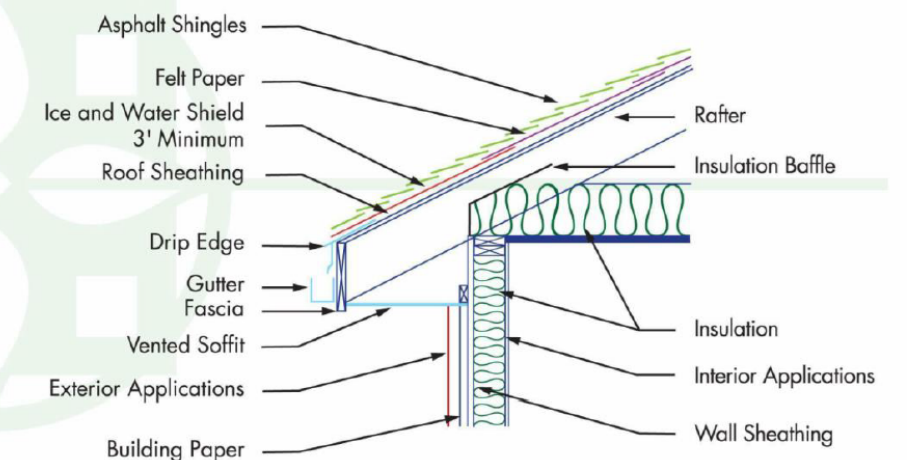
Peeling paint finish at Unit 300

» Schematics

- » drawings which improve basic understanding of construction methods for those who are unfamiliar



ROOF SCHEMATIC



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Contractors use one of two methods for replacement for sloped roofs, either an overlayment or a tear-off. Overlayment is the application of new shingles over an existing roof. However, there are many disadvantages to overlayment including hidden defects of the underlying roof system, absorption of more heat resulting in accelerated deterioration of the new and old shingles, and an uneven visual appearance. Therefore, we recommend only the tear-off method of replacement. The tear-off method of replacement includes removal of the existing shingles, flashings if required and underlayments.

The Association should plan to coordinate the replacement of gutters and downspouts with the adjacent roofs. This will result in the most economical unit price and minimize the possibility of damage to other roof components as compared to separate replacements.

Priority/Criticality: Defer only upon opinion of independent professional or engineer

Expenditure Detail Notes: Expenditure timing and costs are depicted in the **Reserve Expenditures** table in Section 3. We base our cost on replacement with standard laminate Class A 240-260-pounds per square shingles.

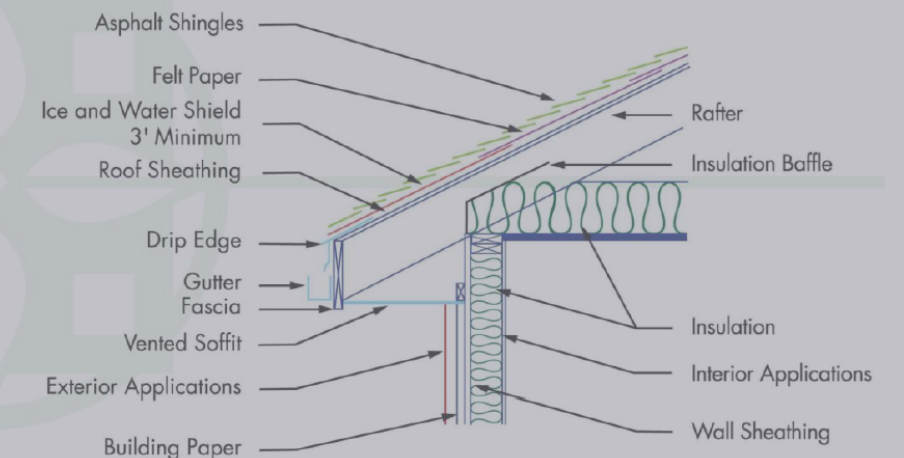
» Scope and best practices

- » defines what is included or excluded and details general best practices of construction

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Thank you!



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