

STRUCTURAL INTEGRITY RESERVE STUDY

PREPARED FOR:

Port Royal Condominium Association, Inc.

Cocoa Beach, FL



For The Period Beginning January 1, 2026

PREPARED BY:



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Report Date: October 9, 2025

Location: 1700 North Atlantic Avenue, Cocoa Beach, Florida
Service: Structural Integrity Reserve Study
Budget: Beginning January 1, 2026

Attention: Board of Directors @ Port Royal Condominium Association, Inc.

At the direction of the Board and/ or management of Port Royal Condominium Association, Inc., Stone Building Solutions has completed a Structural Integrity Reserve Study for the Association as requested. Enclosed is our report for the Board's review.

This study is based on an on-site analysis of the property. The on-site analysis of Port Royal Condominium Association, Inc. upon which this study is based was performed by a qualified field engineer.

The effective date of this report is the date of that on-site analysis, July 30, 2025

This Reserve Study meets or exceeds all requirements outlined in Florida Statute s.718.112. This report is written in compliance with both the Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) standards, fulfilling the requirements of a "Level I Reserve Study."

If you have any questions or would like to direct any follow-up service, please don't hesitate to contact us.

Respectfully submitted,

Reviewed by:



Nick Vocke, RS

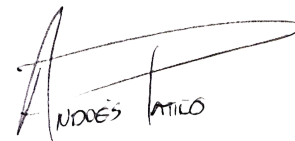
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Executive Summary

A Structural Integrity Reserve Study (SIRS) is a mandate of Florida statutes under s. 718.112 (2) (g) requires condominium associations and cooperatives to reserve funds for crucial structural elements related to their buildings.

This reserve study aims to produce a reserve funding plan that will project future reserve obligations and expenditures to ensure that reserve funds are available as needed.

Stone Building Solutions was responsible for the physical evaluation. Stone Building Solutions provided analysis on key building components, their condition, and lifecycle. Stone Reserve Studies has received this information 'as is', and our opinions are based on the observations of the analysis by the engineer onsite. Stone Reserve Studies is using this information to create a financial evaluation for budgeting purposes.

Port Royal Condominium Association, Inc. has 55 units. This study is for the fiscal year starting January 1, 2026, and ending Dec 31, 2026.

Financial Parameters & Assumptions

Projection Period:	January 1, 2026 - December 31, 2050	Association:	Condominiums (Condos)
Report Type:	Level I	Year Built:	1985
Inflation:	2.50%	Buildings:	2
Interest (Gained):	2.00%	Total Units:	55

As of January 1, 2026, the estimated unaudited reserve fund balance is \$206,813

25-Year Pooled Cash Flow Funding Analysis Summary - (Future Cost):

The 25-year Funding Plan is an approach to determining reserve obligations in a way that balances the annual expenses from the reserve fund. This analysis takes into account future replacement costs for reserve components as they come due for replacement, acknowledges construction and inflationary cost increases, and considers interest income generated by reserve accounts. By pooling funds from initial balances, a yearly reserve obligation rate is calculated to ensure a positive cash flow throughout the analysis period. Annual reserve obligations will start at \$132,000 for the 2026 Fiscal Year. Going forward, the yearly reserve obligations are illustrated on the 25-year cash flow table

The requirements for the initial year are based on the 25-year Pooled Cash Flow Funding Plan.

Required First Year Association reserve obligation:	\$132,000
Required First Year annual reserve obligation per unit:	\$2,400
Required First Year monthly reserve obligation per unit:	\$200
Average monthly reserve obligation per unit (Over 25 Years):	\$273
Special assessments:	\$0
Report Ending Balance:	\$1,643,984

25-Year Baseline Funding Analysis Summary

The Baseline Funding method plans reserve obligations so that the reserve balance never falls below zero during the study period. This approach focuses on meeting projected expenses just in time, without overfunding the reserve account. While it results in lower annual reserve obligations compared to more conservative methods, the risk of special assessments is high, especially if unexpected repairs arise or costs increase. Baseline funding is often chosen for its affordability, but should be carefully considered in light of its potential financial risks. Annual reserve obligations will start at \$110,000 for the 2026 Fiscal Year. Going forward, the yearly reserve obligations are illustrated on the 25-year Baseline table.

Required First Year Association reserve obligation:	\$110,000
Required First Year annual reserve obligation per unit:	\$2,000
Required First Year monthly reserve obligation per unit:	\$167
Average monthly reserve obligation per unit (Over 25 Years):	\$228
Special assessments:	\$0
Report Ending Balance:	\$705,296

State of Florida Statutory Requirements

SB-4D/SB-154

Florida Statute S.718.112 (2) (g) mandates that all residential condominiums and cooperative associations with buildings of 3 or more habitable stories must complete a Structural Integrity Reserve Study (SIRS) and fund a corresponding "structural Integrity" reserve account based on the results of the study. In contrast, buildings with 4 units or fewer and 3 or fewer stories are exempt from the structural integrity reserve study requirement.

The Structural Integrity Reserve Study (SIRS) **MUST**:

- **Be completed** for associations built before July 2022. The initial study must be completed *by December 31, 2025*, and updated with a site inspection by a qualified professional at least every 10 years
- **Be conducted** by a Florida-licensed engineer, architect, certified Reserve Specialist (RS), or Accredited Professional Reserve Analyst (APRA)
- **Include the following components:**
 - Roofing
 - Walls and Primary Support Members
 - Plumbing
 - Electrical
 - Fire Protection & Life Safety Components
 - Waterproofing & Paint
 - Common Area Windows & Doors
 - Items related to the *structural integrity* of the building costing over \$25,000
- **Include a funding plan** that expresses a yearly reserve obligation amount, without special assessments, that allows for funding expenditures and allocating adequate fund balances over the projection.

Board Responsibilities

Once the Board has received the published Structural Integrity Reserve Study (SIRS) they **MUST**:

- Electronically notify members that the Structural Integrity Reserve Study has been completed and that it has become part of official records **within 45 days** of receiving the published SIRS.
- Associations must make a published copy of the report available to members upon request thereafter.
- Approve a budget for 2026 that includes fully funding reserves as required in the Structural Integrity Reserve Study

Once the Board has received the published Structural Integrity Reserve Study (SIRS) they **CAN NOT**:

- Waive or reduce funding requirements for any components listed in the SIRS report.
- Alter the funding in any year without having the study modified by a qualified professional.

Notes:

- The board has a fiduciary responsibility to the entire community and should always act in their best interest.
- Failure to complete a Structural Integrity Reserve Study (SIRS) according to the statutory requirements by December 31st, 2024 would be considered a breach of an officer's or director's fiduciary responsibilities to the unit owners.
- Failure to complete or comply with this study could result in complications with insurance coverage and financing.
- This study is not currently required to be publicly posted or submitted to any local building officials; but must be made available upon request.
- The association will be required to submit compliance forms to the DBPR (once available).

SIRS Evaluation

Structural Integrity Reserve Study (SIRS) Principles:

A Structural Integrity Reserve Study (SIRS) is a form of reserve study with more rigid standards and higher qualifications than previously required for condominium and cooperative properties in the State of Florida. As required under Florida Statutes, this study is designed to ensure that condo and cooperative associations set aside adequate funds for crucial structural elements in their buildings to perform maintenance and repairs.

It is critical to understand that the SIRS comprises several elements that must be separately accounted for in the reserve study. Once established, funds for repairs can only be used for that specific named purpose and cannot be shared or pooled with other non-critical Traditional Reserve Component funds..

A Structural Integrity Reserve Study states the estimated remaining useful life, the estimated replacement cost, or the deferred maintenance expense of the common areas being visually inspected. It provides a recommended annual reserve obligation based on a formula that achieves the estimated replacement cost or deferred maintenance expense of each common area being visually inspected by the end of the estimated remaining useful life of each component.



Stone Building Solutions Evaluation

Onsite Process

A member of the Stone Building Solutions Engineering Team conducted a visual inspection of Port Royal Condominium Association, Inc. on July 30, 2025. The results of the inspection were utilized as the primary basis for this analysis.

Structural Integrity Reserve Evaluations

The Stone Building Solutions SIRS report provides the estimated remaining useful life, replacement cost, or the deferred maintenance expense of the required areas, along with the annual reserve obligation based on a pooled cash flow formula.

The inspection should not be considered an engineering assessment, but a visual inspection to determine the overall condition and subjective remaining useful life of the reservable elements identified at the property.

Supplemental information to the physical inspection may have been obtained from the following sources:

- Project plans
- Maintenance Records
- Contracts
- Association BOD
- Management
- Public Databases

Structural Integrity Reserve Exclusions

Expenditures could be excluded for one or more of the following reasons:

- The current condition does not warrant predictable maintenance expenditures.
- The issue applies to a unit owner-maintained element.
- Items that have a useful life of over 100 years, such as foundations.



Cost Evaluation

Stone Building Solutions (SBS) LLC. maintains a proprietary cost database that we continually update to reflect current market conditions.

These costs are derived by averaging comparable scopes of work in the local regions. Stone Building Solutions also utilizes nationally recognized cost databases such as Xactimate/XactRemodel and similar software to determine base costs when needed.

The cost estimates provided are based on approximate quantities, costs, and published data. They include labor, materials, design fees, appropriate overhead, general conditions, and profit. The estimated costs to repair, replace, or upgrade the improvements are considered typical for the marketplace.

Please note that no contractors have been contacted for actual bids or price quotes, so the actual cost of repairs may vary from our estimates. These opinions of probable costs apply to components or systems showing material deferred maintenance and existing physical deficiencies that require major repairs or replacement.

Structural Integrity Reserve Items

ASSET Nº	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
A01	Structural Integrity Reserve Study - UPDATE: FL Requirements	01/01/2035	10y	10y	9y	\$5,119.88	1 Ea	\$5,120
B01	Electric, Main Panels & Meter Bases: Common	01/01/2046	40y	40y	20y	\$1,470.88	55 U	\$80,898
B02	Piping & Plumbing, Major Renovations : Common	01/01/2040	55y	55y	14y	\$2,460.00	55 U	\$135,300
C01	Roofs, Re-coat: Common	01/01/2041	20y	18y	15y	\$5.89	18,560 SF	\$109,393
C02	Roofs, Flat, Modified Bitumen: Common	01/01/2031	20y	17y	5y	\$25.63	18,560 SF	\$475,600
C03	Roofs, Architectural Shingles: Common	01/01/2032	18y	18y	6y	\$579.13	45 SQ	\$26,061
C04	Doors, Metal Utility, Single: Common	01/01/2041	35y	35y	15y	\$2,470.00	22 Ea	\$54,340
C05	HVAC Stands, Elevated: Common	01/01/2050	36y	36y	24y	\$871.25	55 U	\$47,919
C06	Railings, Aluminum Picket: Balconies	01/01/2067	42y	42y	41y	\$92.25	1,464 LF	\$135,054
C06	Railings, Aluminum Picket: Stairwells	01/01/2067	42y	42y	41y	\$92.25	360 LF	\$33,210
C06	Railings, Aluminum Picket: Walkways	01/01/2067	42y	42y	41y	\$92.25	1,252 LF	\$115,497
D01	Fire Alarm Control Panel & Ancillary Devices: Common	01/01/2046	25y	25y	20y	\$861.00	55 U	\$47,355
D02	Fire Stand Pipes & Valves: Common	01/01/2030	45y	45y	4y	\$162.00	55 LF	\$8,910
D03	Fire Suppression System, Piping & Heads: Common	01/01/2035	40y	50y	9y	\$10,250.00	1 Allow	\$10,250
E01	Coatings, Acrylic Concrete, Resurface: Balconies	01/01/2035	10y	10y	9y	\$8.20	12,660 SF	\$103,812
E01	Coatings, Acrylic Concrete, Resurface: Stairwells	01/01/2035	10y	10y	9y	\$8.20	1,860 SF	\$15,252
E01	Coatings, Acrylic Concrete, Resurface: Walkways	01/01/2035	10y	10y	9y	\$8.20	8,400 SF	\$68,880

ASSET N°	NAME	NEXT ACTIVITY	EST LIFE	ADJ LIFE	REM USEFUL LIFE	UNIT COST	QTY	YEAR 1 REPLACEMENT COST
E02	Painting, Waterproofing & Stucco Repairs: Common	01/01/2035	10y	10y	9y	\$2.56	54,250 SF	\$138,988
E03	Restoration, Exterior Walls: Common	01/01/2035	10y	10y	9y	\$13.88	2,712.5 SF	\$37,644
E04	Concrete Restoration, Balconies: Common	01/01/2035	10y	10y	9y	\$64.63	3,165 SF	\$204,541
E05	Concrete Restoration, Staircases: Common	01/01/2035	10y	10y	9y	\$3.53	1,860 SF	\$6,558
E06	Concrete Restoration, Walkways: Common	01/01/2035	10y	10y	9y	\$37.49	2,100 SF	\$78,727
E07	Coatings, Acrylic Concrete, Strip: Balconies	01/01/2035	10y	10y	9y	\$4.10	12,260 SF	\$50,266
E07	Coatings, Acrylic Concrete, Strip: Stairwells	01/01/2035	10y	10y	9y	\$4.10	1,860 SF	\$7,626
E07	Coatings, Acrylic Concrete, Strip: Walkways	01/01/2035	10y	10y	9y	\$4.10	8,400 SF	\$34,440
								\$2,031,641

Expenditures (By Year)

ASSET Nº	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2026 (Year 1)						
2026 (Year 1) Total				\$0		
2027 (Year 2)						
2027 (Year 2) Total				\$0		
2028 (Year 3)						
2028 (Year 3) Total				\$0		
2029 (Year 4)						
2029 (Year 4) Total				\$0		
2030 (Year 5)						
D02	Fire Stand Pipes & Valves: Common	\$178.82	55 LF	\$9,835	45y	N/A
2030 (Year 5) Total				\$9,835		
2031 (Year 6)						
C02	Roofs, Flat, Modified Bitumen: Common	\$28.99	18,560 SF	\$538,092	17y	N/A
2031 (Year 6) Total				\$538,092		
2032 (Year 7)						
C03	Roofs, Architectural Shingles: Common	\$671.60	45 SQ	\$30,222	18y	2050
2032 (Year 7) Total				\$30,222		
2033 (Year 8)						
2033 (Year 8) Total				\$0		
2034 (Year 9)						

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2034 (Year 9) Total				\$0		
2035 (Year 10)						
E01	Coatings, Acrylic Concrete, Resurface: Balconies	\$10.24	12,660 SF	\$129,651	10y	2045
E01	Coatings, Acrylic Concrete, Resurface: Stairwells	\$10.24	1,860 SF	\$19,048	10y	2045
E01	Coatings, Acrylic Concrete, Resurface: Walkways	\$10.24	8,400 SF	\$86,024	10y	2045
E07	Coatings, Acrylic Concrete, Strip: Balconies	\$5.12	12,260 SF	\$62,771	10y	2045
E07	Coatings, Acrylic Concrete, Strip: Stairwells	\$5.12	1,860 SF	\$9,523	10y	2045
E07	Coatings, Acrylic Concrete, Strip: Walkways	\$5.12	8,400 SF	\$43,008	10y	2045
E04	Concrete Restoration, Balconies: Common	\$80.71	3,165 SF	\$255,444	10y	2045
E05	Concrete Restoration, Staircases: Common	\$4.40	1,860 SF	\$8,190	10y	2045
E06	Concrete Restoration, Walkways: Common	\$46.82	2,100 SF	\$98,320	10y	2045
D03	Fire Suppression System, Piping & Heads: Common	\$12,801.00	1 Allow	\$12,801	50y	N/A
E02	Painting, Waterproofing & Stucco Repairs: Common	\$3.20	54,250 SF	\$173,600	10y	2045
E03	Restoration, Exterior Walls: Common	\$17.33	2,712.5 SF	\$47,013	10y	2045
A01	Structural Integrity Reserve Study - UPDATE: FL Requirements	\$6,394.00	1 Ea	\$6,394	10y	2045
2035 (Year 10) Total				\$951,787		
2036 (Year 11)						
2036 (Year 11) Total				\$0		
2037 (Year 12)						
2037 (Year 12) Total				\$0		
2038 (Year 13)						
2038 (Year 13) Total				\$0		
2039 (Year 14)						

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
2039 (Year 14) Total				\$0		
2040 (Year 15)						
B02	Piping & Plumbing, Major Renovations : Common	\$3,475.91	55 U	\$191,175	55y	N/A
2040 (Year 15) Total				\$191,175		
2041 (Year 16)						
C04	Doors, Metal Utility, Single: Common	\$3,577.32	22 Ea	\$78,701	35y	N/A
C01	Roofs, Re-coat: Common	\$8.54	18,560 SF	\$158,428	18y	N/A
2041 (Year 16) Total				\$237,129		
2042 (Year 17)						
2042 (Year 17) Total				\$0		
2043 (Year 18)						
2043 (Year 18) Total				\$0		
2044 (Year 19)						
2044 (Year 19) Total				\$0		
2045 (Year 20)						
E01	Coatings, Acrylic Concrete, Resurface: Balconies	\$13.11	12,660 SF	\$165,960	10y	N/A
E01	Coatings, Acrylic Concrete, Resurface: Stairwells	\$13.11	1,860 SF	\$24,383	10y	N/A
E01	Coatings, Acrylic Concrete, Resurface: Walkways	\$13.11	8,400 SF	\$110,116	10y	N/A
E07	Coatings, Acrylic Concrete, Strip: Balconies	\$6.55	12,260 SF	\$80,352	10y	N/A
E07	Coatings, Acrylic Concrete, Strip: Stairwells	\$6.55	1,860 SF	\$12,190	10y	N/A
E07	Coatings, Acrylic Concrete, Strip: Walkways	\$6.55	8,400 SF	\$55,054	10y	N/A
E04	Concrete Restoration, Balconies: Common	\$103.31	3,165 SF	\$326,989	10y	N/A
E05	Concrete Restoration, Staircases: Common	\$5.64	1,860 SF	\$10,485	10y	N/A
E06	Concrete Restoration, Walkways: Common	\$59.93	2,100 SF	\$125,857	10y	N/A

ASSET N°	NAME	UNIT COST	QTY.	FUTURE COST	USEFUL LIFE	NEXT ACTIVITY
E02	Painting, Waterproofing & Stucco Repairs: Common	\$4.10	54,250 SF	\$222,208	10y	N/A
E03	Restoration, Exterior Walls: Common	\$22.19	2,712.5 SF	\$60,180	10y	N/A
A01	Structural Integrity Reserve Study - UPDATE: FL Requirements	\$8,185.00	1 Ea	\$8,185	10y	N/A
2045 (Year 20) Total				\$1,201,959		
2046 (Year 21)						
B01	Electric, Main Panels & Meter Bases: Common	\$2,410.20	55 U	\$132,561	40y	N/A
D01	Fire Alarm Control Panel & Ancillary Devices: Common	\$1,410.86	55 U	\$77,597	25y	N/A
2046 (Year 21) Total				\$210,158		
2047 (Year 22)						
2047 (Year 22) Total				\$0		
2048 (Year 23)						
2048 (Year 23) Total				\$0		
2049 (Year 24)						
2049 (Year 24) Total				\$0		
2050 (Year 25)						
C05	HVAC Stands, Elevated: Common	\$1,575.86	55 U	\$86,672	36y	N/A
C03	Roofs, Architectural Shingles: Common	\$1,047.49	45 SQ	\$47,137	18y	N/A
2050 (Year 25) Total				\$133,809		

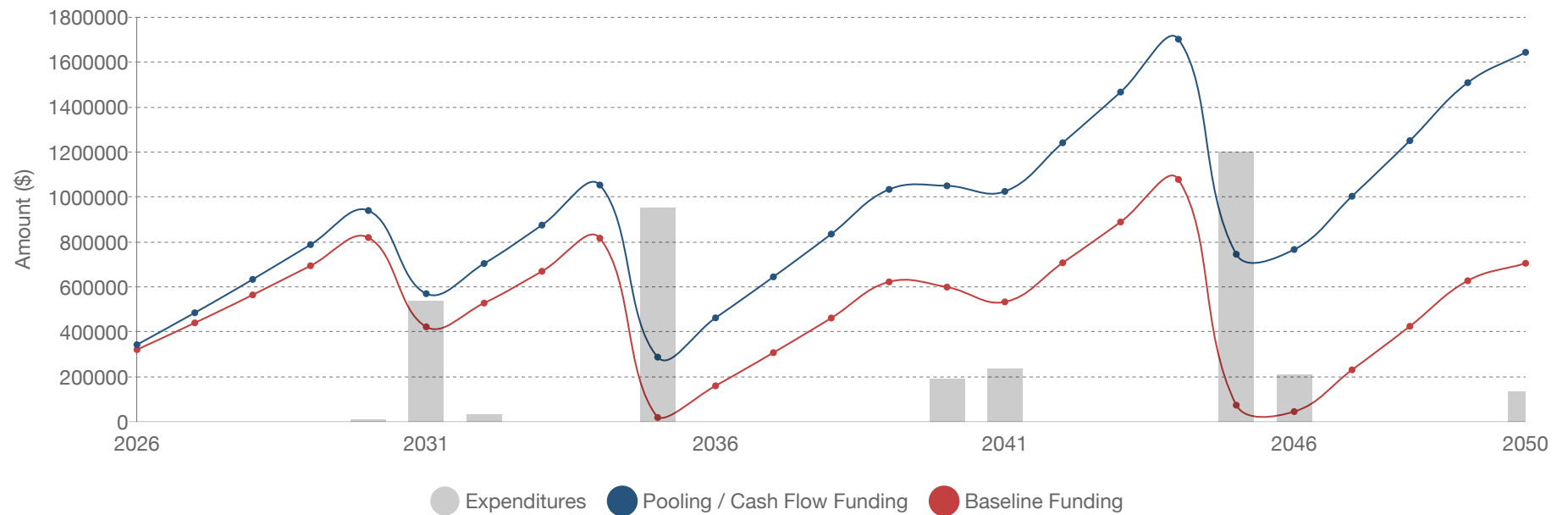
Annual Plan Comparison Table

YEAR	POOLING / CASH FLOW FUNDING			BASELINE FUNDING		
	FY CONTRIBUTIONS: \$132,000			FY CONTRIBUTIONS: \$110,000		
	ASSOC. END. BAL.	OWNER PER MO.	PERCENT FUNDED	ASSOC. END. BAL.	OWNER PER MO.	PERCENT FUNDED
2026	\$342,949	\$200	42%	\$320,949	\$167	39%
2027	\$485,108	\$205	50%	\$440,118	\$171	45%
2028	\$633,492	\$210	56%	\$564,489	\$175	50%
2029	\$788,312	\$215	61%	\$694,237	\$179	53%
2030	\$939,946	\$221	64%	\$819,706	\$184	56%
2031	\$569,999	\$226	52%	\$422,463	\$189	39%
2032	\$704,257	\$232	57%	\$528,256	\$193	43%
2033	\$875,248	\$238	62%	\$669,577	\$198	47%
2034	\$1,053,582	\$244	66%	\$816,993	\$203	51%
2035	\$287,717	\$250	35%	\$18,921	\$208	2%
2036	\$462,443	\$256	46%	\$160,108	\$213	16%
2037	\$644,887	\$262	54%	\$307,640	\$219	26%
2038	\$835,310	\$269	60%	\$461,731	\$224	33%
2039	\$1,033,980	\$276	64%	\$622,601	\$230	39%
2040	\$1,049,997	\$283	64%	\$599,306	\$235	37%
2041	\$1,025,043	\$290	64%	\$533,476	\$241	33%
2042	\$1,241,499	\$297	68%	\$707,441	\$247	39%
2043	\$1,467,182	\$304	71%	\$888,967	\$254	43%
2044	\$1,702,401	\$312	73%	\$1,078,309	\$260	47%

YEAR	POOLING / CASH FLOW FUNDING			BASELINE FUNDING		
	FY CONTRIBUTIONS: \$132,000			FY CONTRIBUTIONS: \$110,000		
	ASSOC. END. BAL.	OWNER PER MO.	PERCENT FUNDED	ASSOC. END. BAL.	OWNER PER MO.	PERCENT FUNDED
2045	\$745,512	\$320	55%	\$73,768	\$266	5%
2046	\$766,561	\$328	56%	\$45,333	\$273	3%
2047	\$1,003,597	\$336	62%	\$230,994	\$280	14%
2048	\$1,250,917	\$344	67%	\$424,987	\$287	23%
2049	\$1,508,864	\$353	71%	\$627,594	\$294	29%
2050	\$1,643,984	\$362	72%	\$705,296	\$301	31%

Funding Model Comparison

Projected Reserve Ending Balance



The chart above compares the projected annual reserve fund ending balances for funding plans.

Cash-Flow (Pooled) Funding Methodology (25-Year Projection)

The 25-year Cash-Flow or "Pooled" Funding methodology involves determining reserve obligations that offset fluctuating annual expenses and create a positive cash flow throughout the projection. By consolidating funds from initial balances, a yearly reserve obligation rate is calculated to ensure a consistently positive cash flow over the analysis period.

The most significant element of the Cash-Flow or "Pooled" Funding methodology is that it significantly reduces the annual reserve obligation amount by maintaining an adequate level of funding year-over-year to the fully funded or 100% funded balance. This calculation allows the Reserve fund to operate at less than 100% so long as adequate reserves are present. In this methodology, Reserve funds can only be collectively allocated (used) for purposes authorized under the categorical nature of the components identified within the pool as they become due. **This leads to the lowest monthly allocations for membership and prevents excess balances from accruing in the reserve account.**

This methodology is a widely accepted, logical, factual, and mathematical basis for calculating reserve obligations. This method, year after year, allows the total fund balance to offset expected expenditures adequately and ensures that future funds will be available as needed through the scope of the projection and thereafter. This calculation, when done correctly, is considered "fully" funded under Florida statutes.

The DBPR maintains that "The Pooling of reserves is allowable under current Florida laws."

See the "Useful Links" section for additional details.

Baseline Funding Methodology (25-Year Projection)

Florida House Bill 913 (HB 913), effective July 1, 2025, introduces significant reforms to condominium governance, safety inspections, and financial management. Here's an overview of its key provisions:

The **Baseline Funding Method** is a method for planning reserve contributions to ensure the reserve account **never goes negative, but may reach zero**. In other words, it ensures that at no point will the reserve account be overdrawn, but it doesn't build a safety cushion beyond that.

Florida HB 913 officially recognizes and permits the use of the Baseline Funding Method for Structural Integrity Reserve Studies (SIRS), but with new guidelines:

- **Permitted Use:**
 - Associations may use the Baseline Funding Method to calculate reserves for SIRS items like roofs, load-bearing walls, foundations, etc.
- **No Waiver for SIRS Components:**
 - Even if using the baseline method, funding for SIRS components may not be waived or reduced by a vote of the owners. This is still mandatory.
 - So while the method can guide how much is contributed annually, 100% funding over time is still expected.
- **Disclosure Required:**
 - If the Baseline Method is used, the reserve study and budget must disclose that the method allows the balance to reach zero.
 - Owners must be made aware that while this method avoids deficits, it may not allow for flexibility or cushion if actual costs are higher than forecasted.
- **Board Responsibility:**
 - Boards must act promptly if a SIRS component becomes underfunded or if emergency structural issues are identified. The method doesn't override the obligation to maintain safety.



25-Year Cash-Flow Pooling / Cash Flow Funding

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2026	\$206,813	\$132,000	N/A	\$4,136	\$0	\$0	\$0	\$342,949	42.10%	\$814,565
2027	\$342,949	\$135,300	2.50%	\$6,859	\$0	\$0	\$0	\$485,108	50.09%	\$968,472
2028	\$485,108	\$138,682	2.50%	\$9,702	\$0	\$0	\$0	\$633,492	56.08%	\$1,129,562
2029	\$633,492	\$142,150	2.50%	\$12,670	\$0	\$0	\$0	\$788,312	60.73%	\$1,298,106
2030	\$788,312	\$145,703	2.50%	\$15,766	\$0	\$0	\$9,835	\$939,946	64.19%	\$1,464,287
2031	\$939,946	\$149,346	2.50%	\$18,799	\$0	\$0	\$538,092	\$569,999	52.20%	\$1,091,883
2032	\$569,999	\$153,080	2.50%	\$11,400	\$0	\$0	\$30,222	\$704,257	57.06%	\$1,234,301
2033	\$704,257	\$156,907	2.50%	\$14,085	\$0	\$0	\$0	\$875,248	61.86%	\$1,414,913
2034	\$875,248	\$160,829	2.50%	\$17,505	\$0	\$0	\$0	\$1,053,582	65.69%	\$1,603,784
2035	\$1,053,582	\$164,850	2.50%	\$21,072	\$0	\$0	\$951,787	\$287,717	34.84%	\$825,721
2036	\$287,717	\$168,971	2.50%	\$5,754	\$0	\$0	\$0	\$462,443	45.89%	\$1,007,701
2037	\$462,443	\$173,195	2.50%	\$9,249	\$0	\$0	\$0	\$644,887	53.82%	\$1,198,264
2038	\$644,887	\$177,525	2.50%	\$12,898	\$0	\$0	\$0	\$835,310	59.76%	\$1,397,723
2039	\$835,310	\$181,963	2.50%	\$16,706	\$0	\$0	\$0	\$1,033,980	64.37%	\$1,606,408
2040	\$1,033,980	\$186,513	2.50%	\$20,680	\$0	\$0	\$191,175	\$1,049,997	64.47%	\$1,628,699
2041	\$1,049,997	\$191,175	2.50%	\$21,000	\$0	\$0	\$237,129	\$1,025,043	63.75%	\$1,607,988
2042	\$1,025,043	\$195,955	2.50%	\$20,501	\$0	\$0	\$0	\$1,241,499	67.68%	\$1,834,365
2043	\$1,241,499	\$200,854	2.50%	\$24,830	\$0	\$0	\$0	\$1,467,182	70.84%	\$2,071,052
2044	\$1,467,182	\$205,875	2.50%	\$29,344	\$0	\$0	\$0	\$1,702,401	73.43%	\$2,318,430
2045	\$1,702,401	\$211,022	2.50%	\$34,048	\$0	\$0	\$1,201,959	\$745,512	55.43%	\$1,344,879

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2046	\$745,512	\$216,297	2.50%	\$14,910	\$0	\$0	\$210,158	\$766,561	56.01%	\$1,368,592
2047	\$766,561	\$221,705	2.50%	\$15,331	\$0	\$0	\$0	\$1,003,597	62.20%	\$1,613,450
2048	\$1,003,597	\$227,247	2.50%	\$20,072	\$0	\$0	\$0	\$1,250,917	66.90%	\$1,869,693
2049	\$1,250,917	\$232,929	2.50%	\$25,018	\$0	\$0	\$0	\$1,508,864	70.58%	\$2,137,740
2050	\$1,508,864	\$238,752	2.50%	\$30,177	\$0	\$0	\$133,809	\$1,643,984	72.08%	\$2,280,866



25-Year Baseline Funding

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2026	\$206,813	\$110,000	N/A	\$4,136	\$0	\$0	\$0	\$320,949	39.40%	\$814,565
2027	\$320,949	\$112,750	2.50%	\$6,419	\$0	\$0	\$0	\$440,118	45.44%	\$968,472
2028	\$440,118	\$115,569	2.50%	\$8,802	\$0	\$0	\$0	\$564,489	49.97%	\$1,129,562
2029	\$564,489	\$118,458	2.50%	\$11,290	\$0	\$0	\$0	\$694,237	53.48%	\$1,298,106
2030	\$694,237	\$121,419	2.50%	\$13,885	\$0	\$0	\$9,835	\$819,706	55.98%	\$1,464,287
2031	\$819,706	\$124,455	2.50%	\$16,394	\$0	\$0	\$538,092	\$422,463	38.69%	\$1,091,883
2032	\$422,463	\$127,566	2.50%	\$8,449	\$0	\$0	\$30,222	\$528,256	42.80%	\$1,234,301
2033	\$528,256	\$130,755	2.50%	\$10,565	\$0	\$0	\$0	\$669,577	47.32%	\$1,414,913
2034	\$669,577	\$134,024	2.50%	\$13,392	\$0	\$0	\$0	\$816,993	50.94%	\$1,603,784
2035	\$816,993	\$137,375	2.50%	\$16,340	\$0	\$0	\$951,787	\$18,921	2.29%	\$825,721
2036	\$18,921	\$140,809	2.50%	\$378	\$0	\$0	\$0	\$160,108	15.89%	\$1,007,701
2037	\$160,108	\$144,330	2.50%	\$3,202	\$0	\$0	\$0	\$307,640	25.67%	\$1,198,264
2038	\$307,640	\$147,938	2.50%	\$6,153	\$0	\$0	\$0	\$461,731	33.03%	\$1,397,723
2039	\$461,731	\$151,636	2.50%	\$9,235	\$0	\$0	\$0	\$622,601	38.76%	\$1,606,408
2040	\$622,601	\$155,427	2.50%	\$12,452	\$0	\$0	\$191,175	\$599,306	36.80%	\$1,628,699
2041	\$599,306	\$159,313	2.50%	\$11,986	\$0	\$0	\$237,129	\$533,476	33.18%	\$1,607,988
2042	\$533,476	\$163,296	2.50%	\$10,670	\$0	\$0	\$0	\$707,441	38.57%	\$1,834,365
2043	\$707,441	\$167,378	2.50%	\$14,149	\$0	\$0	\$0	\$888,967	42.92%	\$2,071,052
2044	\$888,967	\$171,562	2.50%	\$17,779	\$0	\$0	\$0	\$1,078,309	46.51%	\$2,318,430
2045	\$1,078,309	\$175,852	2.50%	\$21,566	\$0	\$0	\$1,201,959	\$73,768	5.49%	\$1,344,879
2046	\$73,768	\$180,248	2.50%	\$1,475	\$0	\$0	\$210,158	\$45,333	3.31%	\$1,368,592
2047	\$45,333	\$184,754	2.50%	\$907	\$0	\$0	\$0	\$230,994	14.32%	\$1,613,450

YEAR	STARTING BALANCE	CONTRIBUTIONS	PERCENT CHANGE	INTEREST	SPECIAL ASSMNT	ADDITIONAL CAPITAL	EXPENDITURE FUTURE COST	ENDING BALANCE	PERCENT FUNDED	FULLY FUNDED BALANCE
2048	\$230,994	\$189,373	2.50%	\$4,620	\$0	\$0	\$0	\$424,987	22.73%	\$1,869,693
2049	\$424,987	\$194,107	2.50%	\$8,500	\$0	\$0	\$0	\$627,594	29.36%	\$2,137,740
2050	\$627,594	\$198,960	2.50%	\$12,552	\$0	\$0	\$133,809	\$705,296	30.92%	\$2,280,866

Funding Options

Significant expenses related to the repair or replacement of Reserve components are both expected and projected to occur within any community. When these expenses occur, there are essentially funding options available for addressing the cost associated with each expenditure:

Reserve Funds:

- The most logical option for the Board of Directors is to ensure the association's ability to maintain the obligated assets by assessing an adequate level of reserves as part of the regular membership fees. This approach allows for the cost of replacements to be uniformly distributed among all present and future members, ensuring that future members don't bear the burden of past deficits. Therefore, the Association must adopt a rule for "reasonable figurety reserve study", which means adopting a funding plan that is reasonable and sustainable. By setting aside Reserves over the lifespan of each asset, such as a roof, the association has ample time to accumulate the necessary funds for the projected replacement. Additionally, these reserve obligations would be appropriately distributed among all members and have interest-earning potential.

If Critical elements prevent reserving funds over time, there are two alternative funding options:

Securing a Loan:

- For major repairs, such as a multi-million dollar Concrete Restoration project that can't be delayed, a long-term Reserve plan may not be sufficient. In such cases, the association may seek to secure a loan from a lending institution to finance any required repairs. In many cases, banks are willing to lend to associations using future homeowner assessments as collateral. However, this option comes with challenges as it commits the association's future assets and incurs additional expenses in the form of interest & fees. It is critical to account for loan repayments in addition to reserve obligations and communicate those costs to the membership.

Special Assessment:

- Another option would be for the board to pass a "special assessment" to the membership, requiring each member to contribute an amount necessary to cover the expenditure. When a special assessment is implemented, the association has the authority and responsibility to collect the assessments, even through foreclosure, if necessary. SB-154 allows the Board of

Directors (BODs) to implement special assessments over the 115% threshold of the previous year if the repairs are for critical structural components.

Important Notes:

- The current statute does not permit associations to include special assessments in the funding plan for the SIRS.
- Any "Special Assessment" or "Loan" should be coordinated along with the Reserve Study to build a manageable financial plan for the membership over the period in which it is projected.

Reserve Components

In this section of the report, we provide a comprehensive examination of the Reserve Study's physical analysis, encompassing a thorough inventory of the significant components within the association's "common" areas. This includes "Limited Common Elements" or (LCE).

Each Reserve Component was assessed based on its physical condition observed during the inspection. The following factors were determined:

- **Installation Date:** When the component was originally installed
- **Estimated Market Expected Lifespan:** The maintenance plan currently implemented by the association
- **Subjective Remaining Lifespan:** The remaining lifespan based on visual inspection and current condition
- **Unit Current Cost:** The current cost of the component
- **Unit Projected Future Cost:** The estimated future cost of the component, considering inflation and other factors.
- **Maintenance Opportunities:** Potential actions to extend the useful lifespan of the component.

Component List - Full Detail

A01 - Structural Integrity Reserve Study - UPDATE

Basic Info

Type of Cost:	Upgrade/Modernization
Location:	Professional Services
Category:	Life Safety
Condition:	Excellent

Comments/Notes

Based on the recommendations of the Community Associations Institute (CAI): [Reserve Study Best Practices](#) handbook; Associations should be preparing for the expense associated with professional inspections required by local mandate.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Stone Building Solutions
Cost Per Ea:	\$4,995.00
Total Quantity:	1 Ea
Total Current Cost:	\$5,120
Inflation Rate:	2.50%
Total Expenditures:	\$14,579

B01 - Electric, Main Panels & Meter Bases

Basic Info

Type of Cost:	Replacement
Location:	Building Service Components
Category:	Mechanical
Condition:	Good

Comments/Notes

On the date of inspection, it was observed that the electrical service was in good working condition. This fund provides monies for the as needed repairs and eventual partial replacement of the electrical systems over a standard market observed 40-year life cycle.

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	40y
Remaining Useful Life:	20y
Next Activity Date:	01/01/2046

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per U:	\$1,435.00
Total Quantity:	55 U
Total Current Cost:	\$80,898
Inflation Rate:	2.50%
Total Expenditures:	\$132,561



B02 - Piping & Plumbing, Major Renovations

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Building Service Components
Category:	Plumbing
Condition:	Good

Comments/Notes

Based on the market expected life cycle of Plumbing Utilities, it is recommended that the association reserve for major refurbishment of this component during the projected cycle.

Useful Life

Last Activity Date:	01/01/1985
Est. Useful Life:	55y
Remaining Useful Life:	14y
Next Activity Date:	01/01/2040

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per U:	\$2,400.00
Total Quantity:	55 U
Total Current Cost:	\$135,300
Inflation Rate:	2.50%
Total Expenditures:	\$191,175

C01 - Roofs, Re-coat

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Exterior Building Components
Category:	Roofing
Condition:	Fair

Comments/Notes

On the inspection date, it was observed that the roof coating was in good working condition. This fund provides monies for the as-needed repairs and eventual partial replacement of the coating of the roof over a standard market-observed 20-year life cycle.

Useful Life

Last Activity Date:	01/01/2023
Est. Useful Life:	20y
Remaining Useful Life:	15y
Next Activity Date:	01/01/2041

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per SF:	\$5.75
Total Quantity:	18,560 SF
Total Current Cost:	\$109,393
Inflation Rate:	2.50%
Total Expenditures:	\$158,428

C02 - Roofs, Flat, Modified Bitumen

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Roofing
Condition:	Good

Comments/Notes

On the date of inspection it was noted the current roof is in Good condition with no reported issues of leaks or apparent deterioration.

Useful Life

Last Activity Date:	01/01/2014
Est. Useful Life:	20y
Remaining Useful Life:	5y
Next Activity Date:	01/01/2031

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per SF:	\$25.00
Total Quantity:	18,560 SF
Total Current Cost:	\$475,600
Inflation Rate:	2.50%
Total Expenditures:	\$538,092





C03 - Roofs, Architectural Shingles

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Roofing
Condition:	Good

Comments/Notes

On the date of inspection it was noted the current roof is in Good condition with no reported issues of leaks or apparent deterioration.

Useful Life

Last Activity Date:	01/01/2014
Est. Useful Life:	18y
Remaining Useful Life:	6y
Next Activity Date:	01/01/2032

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per SQ:	\$565.00
Total Quantity:	45 SQ
Total Current Cost:	\$26,061
Inflation Rate:	2.50%
Total Expenditures:	\$77,359



C04 - Doors, Metal Utility, Single

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Access Control Systems
Condition:	Good

Comments/Notes

This component funds to replace the metal single doors currently in good working condition with no signs of deterioration. On the date of the inspection, it was not reported when doors were replaced; however, we estimate a remaining 15-year useful life. It is recommended to paint doors periodically to preserve useful life.

Useful Life

Last Activity Date:	01/01/2006
Est. Useful Life:	35y
Remaining Useful Life:	15y
Next Activity Date:	01/01/2041

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	Xactimate
Cost Per Ea:	\$2,470.00
Total Quantity:	22 Ea
Total Current Cost:	\$54,340
Inflation Rate:	2.50%
Total Expenditures:	\$78,701



C05 - HVAC Stands, Elevated

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Mechanical
Condition:	Good

Comments/Notes

This component provides money for as-needed repairs and eventual HVAC stands replacement currently in good condition with no signs of severe deterioration. It is recommended to replace the stands every other roofing cycle.

Useful Life

Last Activity Date:	01/01/2014
Est. Useful Life:	36y
Remaining Useful Life:	24y
Next Activity Date:	01/01/2050

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractor
Cost Per U:	\$850.00
Total Quantity:	55 U
Total Current Cost:	\$47,919
Inflation Rate:	2.50%
Total Expenditures:	\$86,672



C06 - Railings, Aluminum Picket

Basic Info

Type of Cost:	Replacement
Location:	Exterior Building Components
Category:	Life Safety
Condition:	Good

Comments/Notes

This fund provides monies for the as needed repairs and eventual replacement of the railings currently in good condition over a standard market observed 42-year life cycle. On the date of the inspection, it was reported railings were replaced in 2025.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	42y
Remaining Useful Life:	41y
Next Activity Date:	01/01/2067

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Association's Contract
Cost Per LF:	\$90.00
Total Quantity:	3,076 LF
Total Current Cost:	\$283,761
Inflation Rate:	2.50%
Total Expenditures:	\$0



D01 - Fire Alarm Control Panel & Ancillary Devices

Basic Info

Type of Cost:	Replacement
Location:	Fire & Life Safety
Category:	Mechanical
Condition:	Good

Comments/Notes

This fund provides monies for the as needed repairs and eventual replacement of the Fire Alarm system over a standard market observed 25-year life cycle.

Useful Life

Last Activity Date:	01/01/2021
Est. Useful Life:	25y
Remaining Useful Life:	20y
Next Activity Date:	01/01/2046

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Estimate
Cost Per U:	\$840.00
Total Quantity:	55 U
Total Current Cost:	\$47,355
Inflation Rate:	2.50%
Total Expenditures:	\$77,597





D02 - Fire Stand Pipes & Valves

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Fire & Life Safety
Category:	Plumbing
Condition:	Fair

Comments/Notes

This component provides funding for a major replacement of the fire standpipe and valve system, which is currently in fair working condition but shows some signs of moderate deterioration.

Useful Life

Last Activity Date:	01/01/1985
Est. Useful Life:	45y
Remaining Useful Life:	4y
Next Activity Date:	01/01/2030

Financial Data

Estimate Date:	01/01/2026
Estimate Source:	MVS
Cost Per LF:	\$162.00
Total Quantity:	110 LF
Percent of Total to Maintain:	50%
Quantity to Maintain:	55 LF
Total Current Cost:	\$8,910
Inflation Rate:	2.50%
Total Expenditures:	\$9,835



D03 - Fire Suppression System, Piping & Heads

Basic Info

Type of Cost:	Replacement
Location:	Fire & Life Safety
Category:	Plumbing
Condition:	Good

Comments/Notes

This component provides money for a major replacement of the fire suppression system currently in good working condition with no signs of severe deterioration.

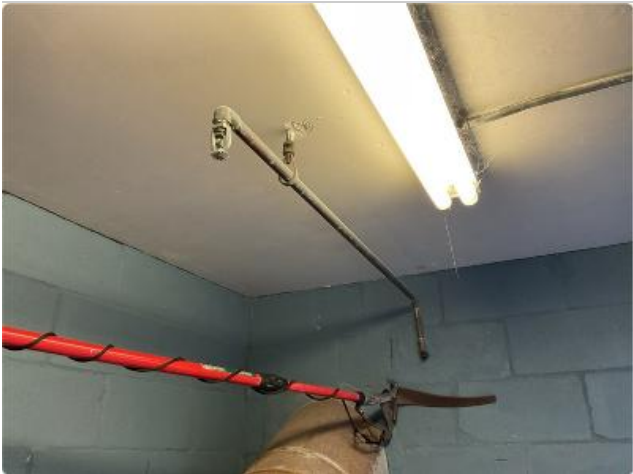
Useful life has been extended due to recent repairs done on the sprinkle system.

Useful Life

Last Activity Date:	01/01/1985
Est. Useful Life:	40y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	MVS
Cost Per Allow:	\$10,000.00
Total Quantity:	1 Allow
Total Current Cost:	\$10,250
Inflation Rate:	2.50%
Total Expenditures:	\$12,801



E01 - Coatings, Acrylic Concrete, Resurface

Basic Info

Type of Cost:	Replacement
Location:	Structural Restoration Components
Category:	Ground Surfaces
Condition:	Good

Comments/Notes

This component funds to periodically reapplying the coating on the walkways and balconies on a projected 10-year cycle. On the date of the inspection it was noted coating was applied in 2025.



Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Association's Contract
Cost Per SF:	\$8.00
Total Quantity:	22,920 SF
Total Current Cost:	\$187,944
Inflation Rate:	2.50%
Total Expenditures:	\$535,182





E02 - Painting, Waterproofing & Stucco Repairs

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Structural Restoration Components
Category:	Wall Surfaces
Condition:	Good

Comments/Notes

On the date of inspection, it was observed that the paint & waterproofing were in Good condition and recently reapplied. This fund provides monies for the reapplication of paint & waterproofing layers to the building based on an 8-year life cycle.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contactors
Cost Per SF:	\$2.50
Total Quantity:	54,250 SF
Total Current Cost:	\$138,988
Inflation Rate:	2.50%
Total Expenditures:	\$395,808



E03 - Restoration, Exterior Walls

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Structural Restoration Components
Category:	Concrete Structures
Condition:	Good

Comments/Notes

This fund provides monies for the as-needed repairs and eventual major concrete restoration projects that would need to take place over a market-observed 10-year life cycle. The stated cost is a projected partial rate of failure (5%) over the component's expected market life cycle.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per SF:	\$13.54
Total Quantity:	54,250 SF
Percent of Total to Maintain:	5%
Quantity to Maintain:	2,712.5 SF
Total Current Cost:	\$37,644
Inflation Rate:	2.50%
Total Expenditures:	\$107,193



E04 - Concrete Restoration, Balconies

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Structural Restoration Components
Category:	Concrete Structures
Condition:	Good

Comments/Notes

This fund provides monies for the as-needed repairs and eventual major concrete restoration projects that would need to occur over a market-observed 8-year life cycle.

Unit cost was calculated as per the association's most recent restoration project. With this reserve plan, the stated cost is a projected partial failure rate (25%) over the components' expected market life cycle.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per SF:	\$63.05
Total Quantity:	12,660 SF
Percent of Total to Maintain:	25%
Quantity to Maintain:	3,165 SF
Total Current Cost:	\$204,541
Inflation Rate:	2.50%
Total Expenditures:	\$582,433



E05 - Concrete Restoration, Staircases

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Structural Restoration Components
Category:	Concrete Structures
Condition:	Good

Comments/Notes

On the date of inspection, it was observed that the concrete staircases were in Good condition. This fund provides monies for the as-needed repairs to eventual major refurbishment of the staircases.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per SF:	\$3.44
Total Quantity:	1,860 SF
Total Current Cost:	\$6,558
Inflation Rate:	2.50%
Total Expenditures:	\$18,675



E06 - Concrete Restoration, Walkways

Basic Info

Type of Cost:	Repairs & Maintenance
Location:	Structural Restoration Components
Category:	Concrete Structures
Condition:	Good

Comments/Notes

This fund provides monies for the as-needed repairs and eventual major concrete restoration projects that would need to occur over a market-observed 10-year life cycle.

Unit cost was calculated as per the association's most recent restoration project. With this reserve plan, the stated cost is a projected partial failure rate (25%) over the components' expected market life cycle.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	Local Contractors
Cost Per SF:	\$36.58
Total Quantity:	8,400 SF
Percent of Total to Maintain:	25%
Quantity to Maintain:	2,100 SF
Total Current Cost:	\$78,727
Inflation Rate:	2.50%
Total Expenditures:	\$224,177



E07 - Coatings, Acrylic Concrete, Strip

Basic Info

Type of Cost:	Replacement
Location:	Structural Restoration Components
Category:	Ground Surfaces
Condition:	Good

Comments/Notes

This component funds to stripping the coating on the walkways and balconies on a projected 10-year cycle. On the date of the inspection it was noted coating was applied in 2025.

Useful Life

Last Activity Date:	01/01/2025
Est. Useful Life:	10y
Remaining Useful Life:	9y
Next Activity Date:	01/01/2035

Financial Data

Estimate Date:	01/01/2025
Estimate Source:	XactRemodel
Cost Per SF:	\$4.00
Total Quantity:	22,520 SF
Total Current Cost:	\$92,332
Inflation Rate:	2.50%
Total Expenditures:	\$262,898

Definitions

Adequate: The required level of funding, determined by a qualified professional, that must be in place to allow for the coverage of reserve obligations as needed in the course of the projection and thereafter.

Adjustment to Useful Life: The estimated useful life may be adjusted, up or down, by this separate figure for the current cycle of replacement. This allows for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Annual Assessment Increase: This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. It ensures the accumulation of the desired amount over a specific timeframe.

Annual Fixed Reserves: An optional figure that, if used, will override the normal process of allocating reserves to each asset.

Budget Year Beginning/Ending: The fiscal year for which the report is prepared. Monthly reserve obligation figures indicated are for the 12 months beginning on January 1st and ending on December 31st of a specific year for associations with a fiscal year ending on December 31st.

Component: A specific item or element that is part of the association's common area assets and requires reserve funding.

Component Inventory: The process of selecting and qualifying reserve components. This can be done through on-site visual inspections, reviewing association documents, considering established precedents, and consulting with relevant association representatives.

Cost per Unit: The estimated cost of replacing a reserve component per unit of measurement.

Current Replacement Cost: The estimated cost of replacing the asset at the beginning of the fiscal year for which the report is prepared.

Estimated Remaining Life: A calculation based on the report's fiscal year date and the asset's placed-in-service date to determine the remaining life of the asset.

Estimated Useful Life: The anticipated lifespan of an asset based on industry standards, manufacturer specifications, visual inspection, location, usage, association standards, and prior history.



Future Replacement Cost: The estimated cost to repair or replace the asset at the end of its estimated useful life, based on the current replacement cost and inflation.

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.

Inflation: A figure used to estimate the future cost of repairing or replacing each component. The current cost of each component is compounded annually based on the number of remaining years to replacement, and the total is used to calculate the monthly reserve obligation needed to accumulate the required funds in time for replacement.

Interest Obligation (After Taxes): The interest that should be earned on the reserves, net of taxes, based on their beginning reserve balance and monthly reserve obligations for one year. This figure is averaged for budgeting purposes.

Investment Yield Before Taxes: The average interest rate anticipated by the association based on its current investment practices.

Number of Units and/or Phases: If applicable, the number of units and/or phases included in the report.

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.

Phase Increment Detail and/or Age: Comments regarding the aging of the components based on the construction date or date of acceptance by the association.

Placed-In-Service Date: The month and year when the asset was placed in service, which could be the construction date, the first escrow closure date in a phase, or the date of the last servicing or replacement.

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 on the provided information and is not audited.

Quantity: The amount or number of each reserve component element.

Replacement Year: The year when the asset is scheduled to be replaced. The necessary funds will be available by the first day of the fiscal year for which replacement is anticipated.

Reserves: Funds set aside for projected repairs and/or replacements of the association's common elements.



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

SBS: Stone Building Solutions

SIRS: Structural Integrity Reserve Study

SRS: Stone Reserve Studies

Total Monthly Allocation: The sum of the monthly assessment and interest obligation figures.

Units: The unit of measurement used for each quantity.

Estimated Replacement Cost: The estimated cost to repair or replace the asset at the end of its estimated useful life based on the current replacement cost and inflation.

Monthly Assessment: The assessment of reserves required by the association each month.

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

Total Monthly Allocation: The sum of the monthly assessment and interest obligation figures.

Unit Abbreviations:

Sq Ft - Square Feet	Sq Yds - Square Yards	Ln Ft - Linear Feet
Cu Ft - Cubic Feet	Cu Yds - Cubic Yards	Opngs - Openings (elevators)
Lp Sm - Lump Sum	Allow - Allowance	Hp - Horsepower
Units - Units	Ct - Court	Bldg- Building
Ea - Each	Kw - Kilowatts	Sq - Squares (1 Sq = 100 sq ft)



Useful Links

Association of Professional Reserve Analysts

- [APRA Home](#)
- [APRA Reserve Study Standards](#)

Community Associations Institute

- [CAI Home](#)
- [CAI Reserve Study Standards](#)

Florida Department of Business and Professional Regulation (DBPR)-

- [DBPR Home](#)
- [DBPR Building Reporting](#)
- [DBPR Frequently Asked Questions](#)

Florida Statutes

- [SB-4D](#)
- [HB-154](#)
- [FL 718 - Condominiums](#)
- [FL 719 - Cooperatives](#)
- [FL 720](#)

State Funded Grant / Loan Options

- [MySafeFLHome Condo Grants](#)

Stone Building Solutions (SBS)

- [Stone Building Solutions](#)
- [Stone Webinars](#)
- [Leave a 5-Star Review for SBS](#)

Financial Management for HOAs and Associations

- [HOA Invest](#)



Disclosures

Port Royal Condominium Association, Inc. ("the Association") engaged Stone Building Solutions LLC ("Stone") to conduct a Structural Integrity Reserve Study ("SIRS"). The study is based on a visual review of representative common areas by a qualified member of our engineering team, combined with information provided through documentation, interviews with Association representatives, and documentation submitted.

Stone holds no present or future interest in the subject property and has no personal or financial interest in any parties involved. Our engagement was not contingent upon any predetermined outcome, and compensation is not dependent on the results or any actions arising from this report.

This Reserve Study is a planning tool, not a substitute for an audit, engineering analysis, or insurance appraisal. All cost estimates and component life projections are based on industry-standard sources, including, but not limited to: RSMeans, Verisk, Xactimate, Marshall & Swift, McGraw-Hill, and actual vendor data, as well as Stone's experience in construction, reserve analysis, and valuation.

Cash flow projections were produced using Stone's reserve study software, which has been independently reviewed by a Certified Public Accounting firm for compliance with the AICPA Audit and Accounting Guide for Common Interest Realty Associations. Calculations align with IRS guidelines for Form 1120-C and 1120-H entities.

This report reflects assumptions and estimates based on current information and conditions. No guarantee is made regarding future costs, component performance, or funding sufficiency.

According to Florida law, community association managers and management firms are obligated to act in good faith, with loyalty, skill, diligence, honesty, full disclosure, and reasonable fees. When under contract with an association subject to the requirements of Florida Statutes §553.899 (Milestone Inspections) or §718.112(2)(g) (Structural Integrity Reserve Studies), they must comply with these statutory obligations as directed by the association's board. Stone provides this study as a tool to support that compliance.

Stone Building Solutions LLC remains available to provide further engineering evaluations, construction monitoring, and reserve updates upon request. We are committed to professional integrity and industry best practices.



Update Requirements

Florida State Statutes require an update for this study to be performed and published every 10 years.

We suggest yearly updates and provide a rock solid rate call 848-986-0367 or email reserves@stonebldg.com.

While Florida law requires updating the SIRS study only every 10 years, we suggest a yearly refresh to keep your reserve amounts as solid as a rock. Given that this study is still new, annual updates help ensure you're always on the cutting edge of funding requirements. Once your association is up to speed and has a smooth funding flow, we recommend shifting to updates every five years.

Communities that stay on top of their reserve planning often find their allocations drop over time, leading to stronger fiscal and structural health.

As a valued Stone Customer, we're offering a special deal: sign on now, save 10% today, and receive these discounted rates:

Annual Updates 4-year commitment 30% (normally 40%)

5-year update 68% (normally 80% plus market conditions at the time)

Stone Building Solutions will integrate the cost of these updates into your budgets so you can plan ahead without a hitch. Currently, your study does not allocate any updates for the next 10 years (SIRS).

Ready to keep your reserve funds as steady as granite? Contact us at 848-986-0367 or email us at info@stonebldg.com to order your updated study and keep your community rolling smoothly!