



**The webinar will begin  
promptly at 12:02 PM**

**S5, Ep 10**



ASSOCIATION LEADERSHIP

# **SIRS Budget Implementation Overview**

# Panelists



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Castle Group  
Founder & CFO



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**Nicole Johnson**

Partner/Director of Ops  
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**Matt Kuisle**

Regional Executive Director  
Reserve Advisors



# Agenda

- ✓ Review of current law as it relates to Milestone Inspections
- ✓ Review of current law as it relates to Structural Integrity Reserve Studies
- ✓ Integration of SIRS into 2025 Budget Process
  - Analyzing your Reserve Study
  - Allocation of existing reserve balances into SIRS and NON-SIRS buckets
  - Determine your required SIRS and Non-SIRS funding for your 2025 budget
  - Confirm that you want to fully fund your SIRS and Non-SIRS reserves in 2025
- ✓ Q&A

*For an introduction to SIRS, watch:*

- *Season 4, Episode 10 and Episode 12*



# Analyze Your Reserve Study

## Traditional Reserve Study

- Balconies and Breezeways, Concrete Restoration
- Balconies and Breezeways, Railings
- Doors, Exterior
- Roofs, Thermoplastic
- Sealants, Windows, Doors, and Control Joints
- Walls, Stucco, Paint Finishes, and Capital Repairs
- Generator, Emergency
- Life Safety System
- Pipes, Riser Sections, Domestic Water, Sewer and Roof Drain
- Electrical Systems, Inspections and Capital Repairs
- Waterproof Membrane, Inspection and Capital Repairs, Plaza Deck
- Light Fixtures
- Elevator Cab Finishes
- Hallways
- Lobby, Renovation
- Mailboxes
- Paint Finishes, Stairwells (Includes Railings)
- Rest Rooms, Renovation, Spa
- Air Handling
- Elevators, Traction, Controls and Call Buttons
- Security System, Controlled Access Panel, and Surveillance
- Asphalt Pavement, Mill and Overlay
- Fences, Aluminum
- Gate Entry System
- Gate Operators
- Pools Furniture, mechanical equipment, and deck
- Electric Vehicle Charging Stations
- Exhaust System, Louvers



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### SIRS

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### NON-SIRS

- Light Fixtures
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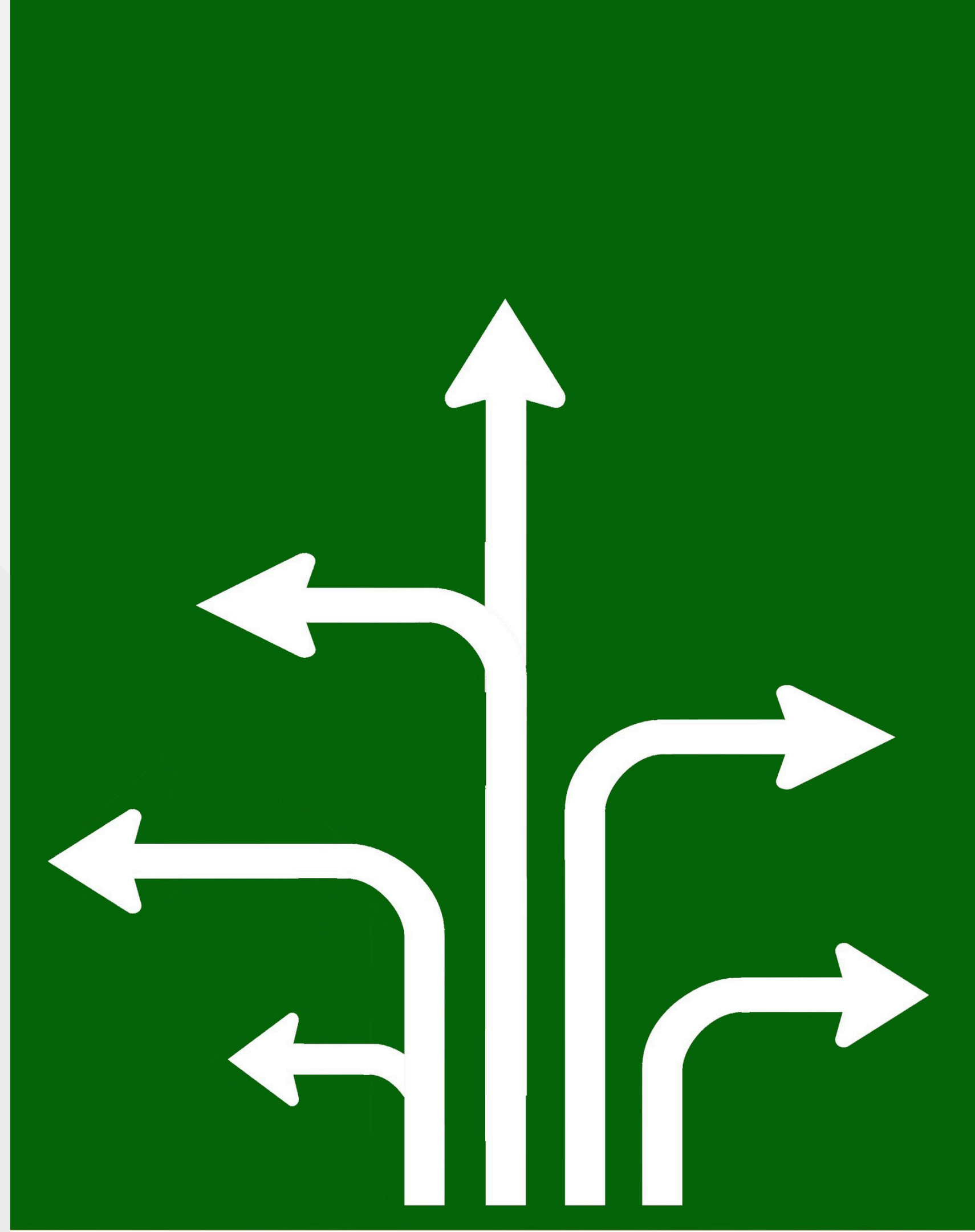
# Allocation of Existing Reserve Funds

## Component (line item method)

- Allocate cash in each line item to the appropriate bucket

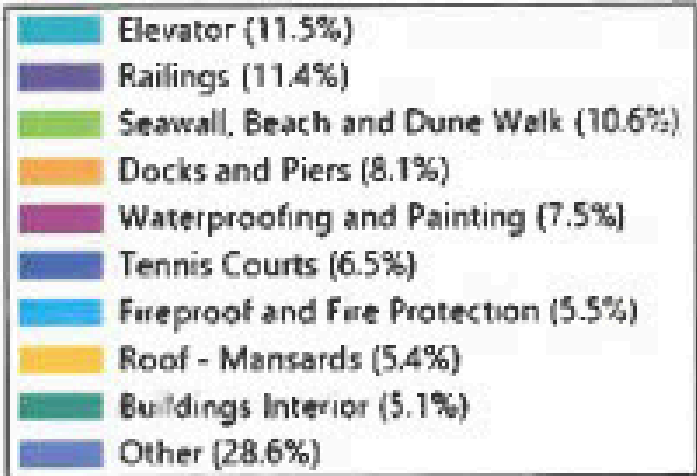
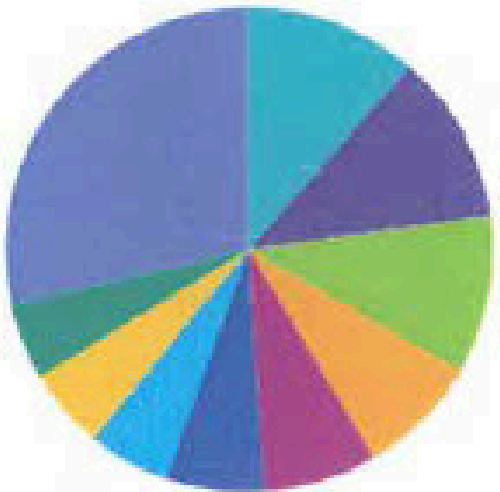
## Pooling method

- 100-0 strategy - 100% of the balance allocated to SIRS bucket
- Minimize future cash flow strategy
- Hybrid
  - Elevator example



# Component Funding

Current Replacement Cost: \$12,457,993.00



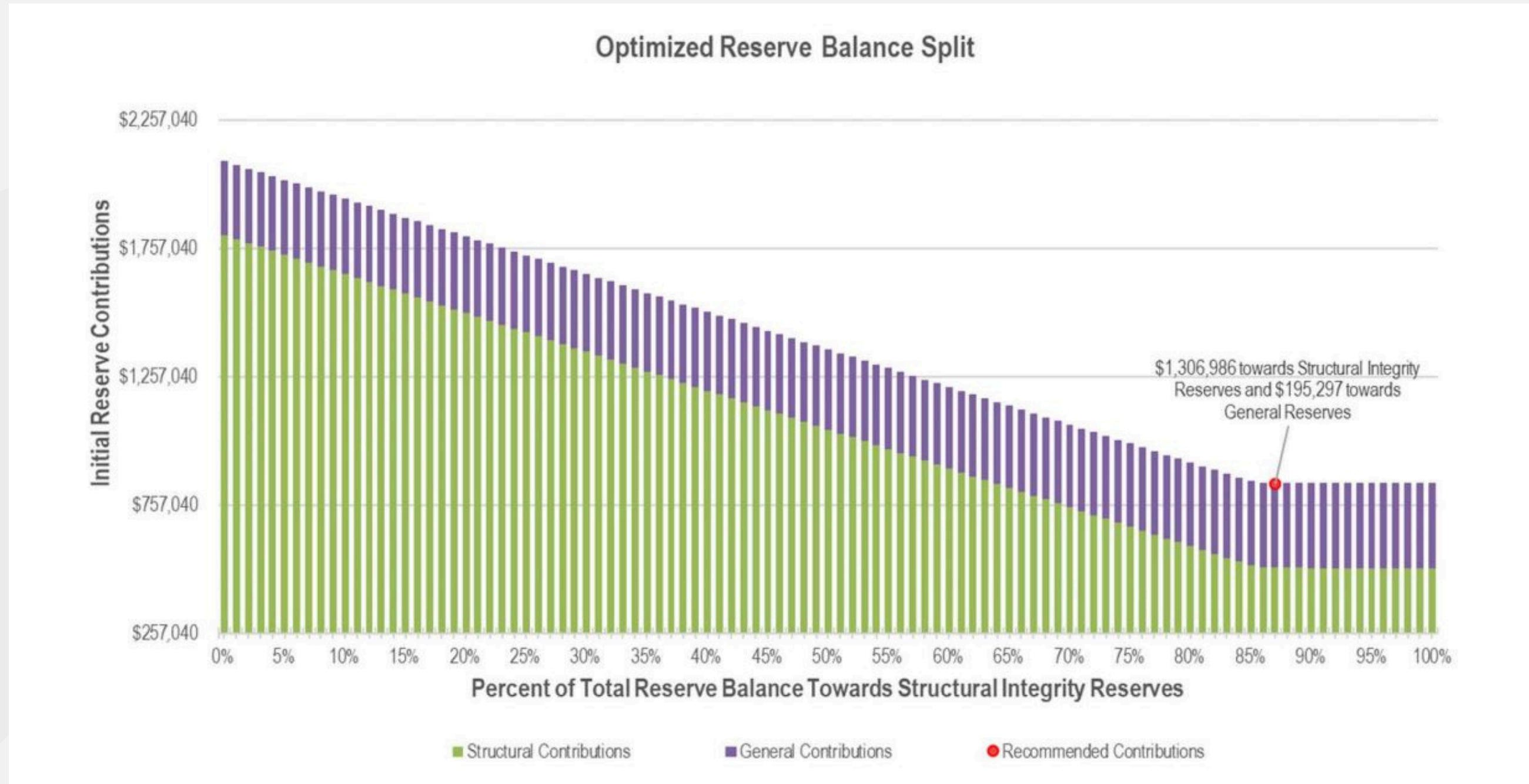
	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Area Lighting	10-20	9-15	\$243,850	\$9,526	\$19,293	\$39,663	\$21,295
Buildings Interior	10-20	1-18	\$639,750	\$58,633	\$34,088	\$244,125	\$37,625
Docks and Piers	25-35	0-19	\$1,010,205	\$214,865	\$33,519	\$894,621	\$36,998
Domestic Water Pumps	15-15	5-5	\$57,750	\$9,247	\$3,850	\$38,500	\$4,250
Electrical System	20-20	12-12	\$131,250	\$12,609	\$6,563	\$52,500	\$7,244
Elevator	30-30	22-22	\$1,428,000	\$91,459	\$47,600	\$380,800	\$52,540
Fireproof and Fire Protection	15-30	9-22	\$686,700	\$60,247	\$26,425	\$250,845	\$29,168
HVAC	15-30	12-24	\$463,050	\$22,873	\$16,433	\$95,235	\$18,138
Pavement	5-20	2-4	\$198,702	\$39,731	\$12,808	\$165,425	\$14,137
Plumbing	25-25	24-24	\$157,500	\$1,513	\$6,300	\$6,300	\$6,954
Pool	15-15	2-13	\$371,325	\$36,178	\$24,755	\$150,630	\$27,324
Railings	50-50	10-11	\$1,416,450	\$268,475	\$28,329	\$1,117,830	\$31,269
Roof - Clubhouse	20-20	5-5	\$23,625	\$4,256	\$1,181	\$17,719	\$1,304
Roof - Mansards	25-25	14-14	\$678,300	\$71,681	\$27,132	\$298,452	\$29,948
Roof - Phase I East Villa	20-20	19-19	\$172,652	\$2,073	\$8,633	\$8,633	\$9,529
Roof - Phase I Main Bldg	20-20	7-7	\$463,050	\$72,288	\$23,153	\$300,983	\$25,555
Roof - Phase I West Villa	20-20	19-19	\$172,652	\$2,073	\$8,633	\$8,633	\$9,529
Roof - Phase II	20-20	16-16	\$346,773	\$16,657	\$17,339	\$69,355	\$19,138
Roof - Phase III	20-20	19-19	\$550,699	\$6,613	\$27,535	\$27,535	\$30,393
Seawall, Beach and Dune Walk	10-45	0-19	\$1,316,875	\$281,799	\$35,883	\$1,173,309	\$39,607
Structure	14-14	11-11	\$84,000	\$4,323	\$6,000	\$18,000	\$6,623
Tennis Courts	20-25	4-20	\$808,374	\$151,496	\$40,153	\$630,773	\$44,321
Waterproofing and Painting	3-10	2-8	\$936,713	\$105,221	\$98,245	\$438,101	\$108,441
Windows and Exterior Doors	30-30	9-9	\$99,750	\$16,770	\$3,325	\$69,825	\$3,670
<b>Totals</b>			<b>\$12,457,993</b>	<b>\$1,560,606</b>	<b>\$557,171</b>	<b>\$6,497,789</b>	<b>\$615,000</b>





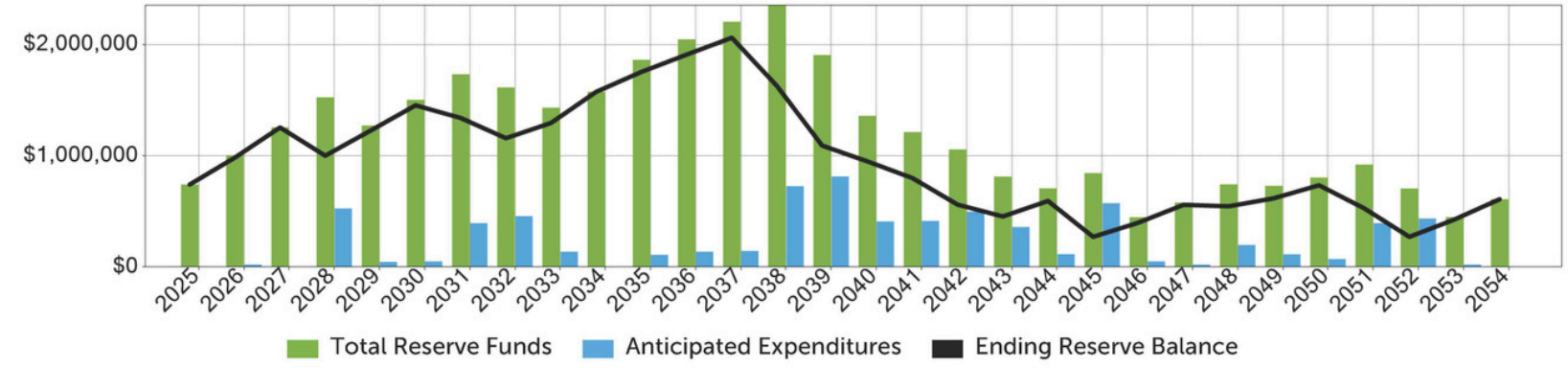
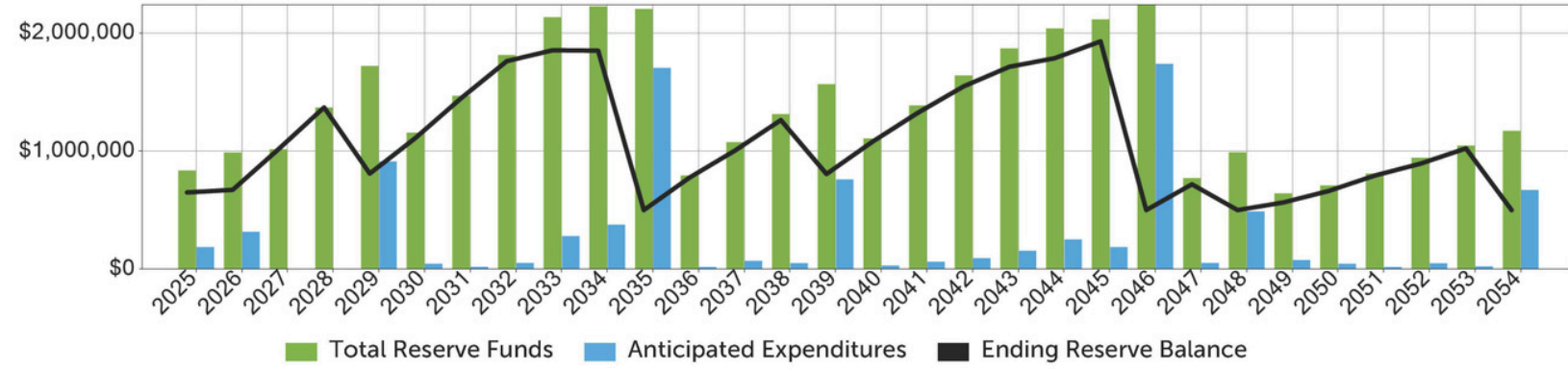


# Minimize Future Cash Flow Strategy



# Hybrid

## NON-SIRS



Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Ending Percent Funded
2025	\$319,052	\$129.07	\$500,000	\$16,985	\$836,037	\$186,732	\$649,305	\$4,020,030	16%
2026	\$319,052	\$129.07	\$649,305	\$19,519	\$987,875	\$316,400	\$671,475	\$3,979,633	17%
2027	\$319,052	\$129.07	\$671,475	\$24,930	\$1,015,457	\$0	\$1,015,457	\$4,255,637	24%
2028	\$319,052	\$129.07	\$1,015,457	\$35,249	\$1,369,758	\$0	\$1,369,758	\$4,531,640	30%
2029	\$319,052	\$129.07	\$1,369,758	\$32,203	\$1,721,013	\$911,676	\$809,337	\$3,895,967	21%
2030	\$319,052	\$129.07	\$809,337	\$28,382	\$1,156,771	\$45,600	\$1,111,171	\$4,126,371	27%
2031	\$319,052	\$129.07	\$1,111,171	\$37,822	\$1,468,045	\$19,918	\$1,448,127	\$4,382,456	33%
2032	\$319,052	\$129.07	\$1,448,127	\$47,443	\$1,814,622	\$52,416	\$1,762,206	\$4,606,043	38%
2033	\$319,052	\$129.07	\$1,762,206	\$53,442	\$2,134,700	\$280,644	\$1,854,056	\$4,601,403	40%
2034	\$319,052	\$129.07	\$1,854,056	\$54,748	\$2,227,856	\$377,312	\$1,850,543	\$4,500,094	41%
2035	\$319,052	\$129.07	\$1,850,543	\$34,737	\$2,204,332	\$1,704,332	\$500,000	\$3,071,765	16%
2036	\$273,823	\$110.77	\$500,000	\$18,845	\$792,668	\$17,472	\$775,196	\$3,330,296	23%
2037	\$273,823	\$110.77	\$775,196	\$26,314	\$1,075,333	\$69,918	\$1,005,415	\$3,533,062	28%
2038	\$273,823	\$110.77	\$1,005,415	\$33,516	\$1,312,754	\$50,232	\$1,262,522	\$3,755,514	34%
2039	\$273,823	\$110.77	\$1,262,522	\$30,567	\$1,566,912	\$761,069	\$805,843	\$3,267,128	25%
2040	\$273,823	\$110.77	\$805,843	\$27,833	\$1,107,498	\$30,000	\$1,077,498	\$3,509,812	31%
2041	\$273,823	\$110.77	\$1,077,498	\$35,496	\$1,386,817	\$62,400	\$1,324,417	\$3,720,096	36%
2042	\$273,823	\$110.77	\$1,324,417	\$42,448	\$1,640,687	\$92,820	\$1,547,867	\$3,899,959	40%
2043	\$273,823	\$110.77	\$1,547,867	\$48,201	\$1,869,891	\$156,156	\$1,713,735	\$4,016,487	43%
2044	\$273,823	\$110.77	\$1,713,735	\$51,741	\$2,039,298	\$251,922	\$1,787,377	\$4,037,249	44%
2045	\$273,823	\$110.77	\$1,787,377	\$54,928	\$2,116,127	\$186,732	\$1,929,395	\$4,123,200	47%
2046	\$273,823	\$110.77	\$1,929,395	\$35,902	\$2,239,120	\$1,739,120	\$500,000	\$2,656,764	19%
2047	\$252,810	\$102.27	\$500,000	\$18,006	\$770,816	\$52,416	\$718,400	\$2,877,032	25%
2048	\$252,810	\$102.27	\$718,400	\$18,006	\$989,216	\$489,216	\$500,000	\$2,660,499	19%
2049	\$125,669	\$50.84	\$500,000	\$15,730	\$641,399	\$77,012	\$564,386	\$2,856,171	20%
2050	\$125,669	\$50.84	\$564,386	\$18,133	\$708,187	\$45,600	\$662,587	\$3,083,254	21%
2051	\$125,669	\$50.84	\$662,587	\$21,501	\$809,757	\$17,472	\$792,285	\$3,338,466	24%
2052	\$125,669	\$50.84	\$792,285	\$24,904	\$942,857	\$50,000	\$892,857	\$3,561,150	25%
2053	\$125,669	\$50.84	\$892,857	\$28,310	\$1,046,836	\$24,024	\$1,022,812	\$3,809,810	27%
2054	\$125,669	\$50.84	\$1,022,812	\$22,505	\$1,170,985	\$670,985	\$500,000	\$3,411,508	15%

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Starting Reserve Balance	Interest Earned	Total Reserve Funds	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Ending Percent Funded
2025	\$237,710	\$96.16	\$485,000	\$18,116	\$740,825	\$0	\$740,825	\$2,199,804	34%
2026	\$237,710	\$96.16	\$740,825	\$25,477	\$1,004,012	\$20,894	\$983,118	\$2,459,785	40%
2027	\$237,710	\$96.16	\$983,118	\$33,059	\$1,253,887	\$0	\$1,253,887	\$2,740,659	46%
2028	\$237,710	\$96.16	\$1,253,887	\$33,307	\$1,524,904	\$525,000	\$999,904	\$2,496,534	40%
2029	\$237,710	\$96.16	\$999,904	\$32,881	\$1,270,494	\$45,464	\$1,225,030	\$2,731,944	45%
2030	\$237,710	\$96.16	\$1,225,030	\$39,579	\$1,502,319	\$49,140	\$1,453,179	\$2,963,679	49%
2031	\$237,710	\$96.16	\$1,453,179	\$41,263	\$1,732,152	\$393,200	\$1,338,952	\$2,851,353	47%
2032	\$237,710	\$96.16	\$1,338,952	\$36,892	\$1,613,554	\$456,131	\$1,157,423	\$2,676,097	43%
2033	\$237,710	\$96.16	\$1,157,423	\$36,241	\$1,431,373	\$136,500	\$1,294,873	\$2,820,471	46%
2034	\$237,710	\$96.16	\$1,294,873	\$42,412	\$1,574,995	\$0	\$1,574,995	\$3,101,346	51%
2035	\$237,710	\$96.16	\$1,574,995	\$49,192	\$1,861,896	\$108,254	\$1,753,642	\$3,273,966	54%
2036	\$237,710	\$96.16	\$1,753,642	\$54,127	\$2,045,479	\$136,500	\$1,908,979	\$3,418,341	56%
2037	\$237,710	\$96.16	\$1,908,979	\$58,673	\$2,205,362	\$144,144	\$2,061,218	\$3,555,071	58%
2038	\$237,710	\$96.16	\$2,061,218	\$54,507	\$2,353,434	\$726,326	\$1,627,109	\$3,109,620	52%
2039	\$237,710	\$96.16	\$1,627,109	\$40,168	\$1,904,986	\$814,059	\$1,090,928	\$2,576,435	42%
2040	\$237,710	\$96.16	\$1,090,928	\$30,147	\$1,358,784	\$409,784	\$949,000	\$2,447,526	39%
2041	\$237,710	\$96.16	\$949,000	\$25,824	\$1,212,534	\$414,094	\$798,440	\$2,314,307	35%
2042	\$237,710	\$96.16	\$798,440	\$20,073	\$1,056,223	\$496,389	\$559,834	\$2,098,792	27%
2043	\$237,710	\$96.16	\$559,834	\$14,974	\$812,517	\$359,115	\$453,402	\$2,020,551	22%
2044	\$237,710	\$96.16	\$453,402	\$15,462	\$706,573	\$113,714	\$592,860	\$2,187,712	27%
2045	\$237,710	\$96.16	\$592,860	\$12,752	\$843,321	\$573,321	\$270,000	\$1,895,265	14%
2046	\$167,025	\$67.57	\$270,000	\$9,868	\$446,893	\$49,140	\$397,753	\$2,127,000	19%
2047	\$167,025	\$67.57	\$397,753	\$14,125	\$578,902	\$20,894	\$558,008	\$2,386,980	23%
2048	\$167,025	\$67.57	\$558,008	\$16,297	\$741,330	\$196,560	\$544,770	\$2,471,295	22%
2049	\$167,025	\$67.57	\$544,770	\$17,170	\$728,964	\$111,930	\$617,034	\$2,640,239	23%
2050	\$167,025	\$67.57	\$617,034	\$19,966	\$804,024	\$70,034	\$733,991	\$2,851,080	26%
2051	\$167,025	\$67.57	\$733,991	\$18,627	\$919,642	\$393,200	\$526,442	\$2,738,754	19%
2052	\$167,025	\$67.57	\$526,442	\$11,770	\$705,237	\$435,237	\$270,000	\$2,584,391	10%
2053	\$167,025	\$67.57	\$270,000	\$10,292	\$447,317	\$20,894	\$426,423	\$2,837,408	15%
2054	\$167,025	\$67.57	\$426,423	\$15,298	\$608,746	\$0	\$608,746	\$3,111,318	20%

# New Budget Reserve Disclosure

Description	2024 Approved	2025 Proposed
<b>Revenue:</b>		
Maintenance Fees	3,119,286	3,613,985
Reserve Contribution	575,000	615,000
Other	9,900	9,900
<b>Total Revenue</b>	<b>3,704,386</b>	<b>4,239,085</b>
<b>Expenses:</b>		
Total Management Labor	460,899	516,568
Total Insurance	1,450,806	1,489,469
Total Administrative Expenses	130,624	130,124
Total Contract Services	612,167	512,868
Total Supplies & Repair	345,540	365,306
Total Utilities	545,000	599,650
<b>Total Expenses without Reserves</b>	<b>3,545,036</b>	<b>3,613,985</b>
<b>Reserves</b>		
Reserves-SIRS		375,000
Reserves-NON-SIRS		240,000
<b>Total Reserves</b>	<b>575,000</b>	<b>615,000</b>
<b>Net Income/(Loss)</b>	<b>0</b>	<b>0</b>



# Funding Options In 2025

- Fully fund SIRS and NON-SIRS reserves
- Waive or partially fund NON-SIRS reserves
- Waive or partially fund SIRS reserves (2025 only)



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# Thank You

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Next Episode

Season 5, E11

September 18 | 12 PM - 1 PM



Upcoming Event

**The CooperatorEvents  
South Florida Condo, HOA  
& APT Expo**

December 12, 2024 | 10 am - 4 pm  
Broward County Convention Center  
Booth #621

CEU Class | Basic of Building a Budget  
instructed by Paul Kurtz, Castle Group  
Regional Director. The course objective is to  
help board members and property managers  
understand the current financial position of an  
association. Register to attend by scanning  
the QR code with your smartphone camera or  
visit [fl-expo.com/castle](https://fl-expo.com/castle).