

Reserve Gap & Funding Report

Example Towers Condominium Association, Inc.

100 Example Blvd, Tampa, FL · FL · 120 units · 8 habitable stories

Annual reserve contributions

Annual comparison	Budgeted / year	Comparator / year	Shortfall / year	Result
Study's highest recommendation Applications from 2026-08-03	\$140,000.00	\$180,000.00	\$40,000.00	gap
15% assessment-income floor Applications from 2027-01-04	\$140,000.00	\$150,000.00	\$10,000.00	gap

These are separate numerical comparisons, not two cumulative requirements. Do not add their shortfalls together. A lender may use an acceptable study instead of the percentage calculation. This report does not determine the review pathway, study acceptance or mortgage eligibility.

Component-cost funding illustration

Entered component costs	Reserve cash	Illustrative funding amount
\$1,815,000.00	\$360,000.00	\$1,455,000.00

The component-cost illustration totals every entered replacement cost at today's prices plus deferred maintenance, then subtracts reserve cash. It includes components due after the projection window. It is not an amount immediately due, a fully funded balance, or either annual contribution shortfall.

State-rule model · FL

Balances stay at or above zero in the 10-year current-budget model. Florida's baseline funding goal is above zero. This zero-floor check does not establish that goal or cover the full reserve-study period.

Fla. HB 913 (ch. 2025-175); F.S. 718.112(2)(f)

The zero-floor result uses the current budget contribution of \$140,000.00 per year. Track A instead uses the entered baseline contribution of \$120,000.00 per year. Its lowest annual closing balance is -\$127,453.64 in 2032. That Track A path has a cash shortfall; the current-budget result does not validate it.

This packet is a financial analysis prepared from documents supplied by the association. It is not a structural integrity reserve study, an engineering report, legal advice, an insurance determination, or a loan commitment. Figures are taken from the association's SIRS and governing documents and have not been independently verified. The board should rely on its licensed engineer or reserve specialist, its counsel, and its lender for those matters. If the funding method adopted differs from the method assumed in the SIRS, the SIRS must be updated by its preparer.

Three funding illustrations

Compare financing costs beside the status quo.

Financing measure	Status quo	Special assessment	Loan / line of credit	Hybrid
Special assessment	\$0.00	\$1,455,000.00	\$0.00	\$727,500.00
Gross loan principal	\$0.00	\$0.00	\$1,469,696.97	\$734,848.48
Association loan payment / month	\$0.00	\$0.00	\$17,637.93	\$8,818.96
First-year cost per 1% ownership	\$0.00	\$14,550.00	\$2,116.55	\$8,333.28
Monthly cost after year one per 1%	\$0.00	\$0.00	\$176.38	\$88.19
Association financing cash over 10 years	\$0.00	\$1,455,000.00	\$2,116,551.60	\$1,785,775.20
Study comparison	gap	gap	gap	gap
15% floor comparison	gap	gap	gap	gap

Basis of comparison

Financing costs are incremental to the current budget, nominal and undiscounted. They exclude regular assessments, existing debt and any increase in annual reserve contributions. The status quo shows zero incremental financing cost; scheduled work and annual shortfalls still remain.

Loan: 7.75% over 10 years, 1% financed origination. Special-assessment window: 12 months. Hybrid: 50% special assessment. Payments stop at the modeled term; any balance beyond the 10-year window is outside the cash total.

Collection timing and authority

Scenario reserve balances use actual modeled collections over the entered payment window. Uncollected assessments are excluded from cash. The annual model does not test intrayear liquidity or delayed payments. Loan illustrations use monthly amortization; revolving credit draw schedules are not modeled.

Association counsel must determine voting and borrowing requirements against the governing documents and applicable law. No method is selected by this report.

Why the funded cash columns match: under the entered timing and interest assumptions, the special assessment, loan and hybrid put the same net financing amount into reserve cash. Loan payments are funded separately by owners, so borrowing costs differ even when these year-end reserve balances are identical. Equal reserve balances do not mean equal owner costs.

Financing cash timing

Year-end reserve balances using the current budget contribution and the entered financing amount. Assessment receipts follow the payment window; loan net proceeds arrive in year one.

Fiscal year	Status quo	Special assessment	Loan / line of credit	Hybrid
2026	\$462,200.00	\$1,917,200.00	\$1,917,200.00	\$1,917,200.00
2027	\$611,444.00	\$2,095,544.00	\$2,095,544.00	\$2,095,544.00
2028	\$424,184.88	\$1,937,966.88	\$1,937,966.88	\$1,937,966.88
2029	\$572,668.58	\$2,116,726.22	\$2,116,726.22	\$2,116,726.22
2030	\$724,121.95	\$2,299,060.74	\$2,299,060.74	\$2,299,060.74
2031	\$878,604.39	\$2,485,041.95	\$2,485,041.95	\$2,485,041.95
2032	\$21,232.03	\$1,659,798.34	\$1,659,798.34	\$1,659,798.34
2033	\$161,656.67	\$1,832,994.31	\$1,832,994.31	\$1,832,994.31
2034	\$304,889.80	\$2,009,654.20	\$2,009,654.20	\$2,009,654.20
2035	\$450,987.60	\$2,189,847.28	\$2,189,847.28	\$2,189,847.28

Closing reserve = opening + current-budget contribution + collected assessment + net loan proceeds + reserve interest – scheduled replacements. Loan payments are funded separately by owners and are not deducted from reserve cash. Existing debt is excluded. Negative year-end cash is a modeled shortfall, not a financing recommendation. Intraday liquidity still needs the study preparer's schedule.

Special-assessment collections

Fiscal year	Special assessment	Hybrid assessment	Loan debt service	Hybrid debt service
2026	\$1,455,000.00	\$727,500.00	\$211,655.16	\$105,827.52
2027	\$0.00	\$0.00	\$211,655.16	\$105,827.52
2028	\$0.00	\$0.00	\$211,655.16	\$105,827.52
2029	\$0.00	\$0.00	\$211,655.16	\$105,827.52
2030	\$0.00	\$0.00	\$211,655.16	\$105,827.52
2031	\$0.00	\$0.00	\$211,655.16	\$105,827.52
2032	\$0.00	\$0.00	\$211,655.16	\$105,827.52
2033	\$0.00	\$0.00	\$211,655.16	\$105,827.52
2034	\$0.00	\$0.00	\$211,655.16	\$105,827.52
2035	\$0.00	\$0.00	\$211,655.16	\$105,827.52

10-year reserve cash · Track A

The entered baseline contribution, held flat. This is a contribution path, not a determination that the state rule is met.

Lowest year-end balance	Fiscal year	Final year-end balance
-\$127,453.64	2032	\$234,797.29

Reserve cash in dollars; year-end balances

Fiscal year	Opening	Contribution	Interest	Replacements	Closing
2026	\$360,000.00	\$120,000.00	\$7,200.00	\$45,000.00	\$442,200.00
2027	\$442,200.00	\$120,000.00	\$8,844.00	\$0.00	\$571,044.00
2028	\$571,044.00	\$120,000.00	\$11,420.88	\$339,488.00	\$362,976.88
2029	\$362,976.88	\$120,000.00	\$7,259.54	\$0.00	\$490,236.42
2030	\$490,236.42	\$120,000.00	\$9,804.73	\$0.00	\$620,041.15
2031	\$620,041.15	\$120,000.00	\$12,400.82	\$0.00	\$752,441.97
2032	\$752,441.97	\$120,000.00	\$15,048.84	\$1,014,944.45	-\$127,453.64
2033	-\$127,453.64	\$120,000.00	\$0.00	\$0.00	-\$7,453.64
2034	-\$7,453.64	\$120,000.00	\$0.00	\$0.00	\$112,546.36
2035	\$112,546.36	\$120,000.00	\$2,250.93	\$0.00	\$234,797.29

Closing reserve = opening reserve + contribution + interest - scheduled replacements. These two tracks are contribution-only comparisons; no new special assessment, loan proceeds or loan debt service is included. They are separate from the financing illustrations.

Interest method: Opening reserves. Interest applies to positive opening reserves once per year. Replacements use explicit due years when supplied; otherwise years remaining are elapsed years from the first projection year. Only explicitly entered cycles repeat. Deferred maintenance occurs once in year one. The annual model does not test intrayear liquidity or delayed payments. Any annual closing balance at or below zero is highlighted.

10-year reserve cash · Track B

The entered highest recommended contribution, with the 15% benchmark added from the first fiscal year starting after January 4, 2027. This is a combined funding sensitivity, not a lender-required schedule. Lender timing follows application dates, not this fiscal-year assumption. Assessment income stays flat.

Lowest year-end balance	Fiscal year	Final year-end balance
\$318,603.36	2032	\$888,976.44

Reserve cash in dollars; year-end balances

Fiscal year	Opening	Contribution	Interest	Replacements	Closing
2026	\$360,000.00	\$180,000.00	\$7,200.00	\$45,000.00	\$502,200.00
2027	\$502,200.00	\$180,000.00	\$10,044.00	\$0.00	\$692,244.00
2028	\$692,244.00	\$180,000.00	\$13,844.88	\$339,488.00	\$546,600.88
2029	\$546,600.88	\$180,000.00	\$10,932.02	\$0.00	\$737,532.90
2030	\$737,532.90	\$180,000.00	\$14,750.66	\$0.00	\$932,283.56
2031	\$932,283.56	\$180,000.00	\$18,645.67	\$0.00	\$1,130,929.23
2032	\$1,130,929.23	\$180,000.00	\$22,618.58	\$1,014,944.45	\$318,603.36
2033	\$318,603.36	\$180,000.00	\$6,372.07	\$0.00	\$504,975.43
2034	\$504,975.43	\$180,000.00	\$10,099.51	\$0.00	\$695,074.94
2035	\$695,074.94	\$180,000.00	\$13,901.50	\$0.00	\$888,976.44

Closing reserve = opening reserve + contribution + interest – scheduled replacements. These two tracks are contribution-only comparisons; no new special assessment, loan proceeds or loan debt service is included. They are separate from the financing illustrations.

Interest method: Opening reserves. Interest applies to positive opening reserves once per year. Replacements use explicit due years when supplied; otherwise years remaining are elapsed years from the first projection year. Only explicitly entered cycles repeat. Deferred maintenance occurs once in year one. The annual model does not test intrayear liquidity or delayed payments. Any annual closing balance at or below zero is highlighted.

Inputs and document references

Entered figure	Value	Document basis
Study preparer	Example Reserve Engineering, Inc.	Reserve study
Preparer license type	PE	Reserve study
Study date	2026-03-15	Reserve study
Funding method	baseline	Reserve study
Highest annual contribution	\$180,000.00	Reserve study
Baseline annual contribution	\$120,000.00	Reserve study
Assessment-income base / year	\$1,000,000.00	Entered budget base; lender-permitted exclusions are not calculated
Reserve contribution / year	\$140,000.00	Adopted budget
Reserve cash	\$360,000.00	Bank statement as of 2026-06-30
Existing loan balance	\$0.00	Entered context; excluded from model
Existing monthly debt service	\$0.00	Entered context; excluded from model
Buildings	1	Association data
Fiscal year / starting month	2026 / 1	Adopted budget
Milestone inspection completed	Yes	User declaration; no pause modeled

These document labels identify where the figures should come from; they do not prove that documents were received or verified. Component page references appear in the schedule. Assumptions and their supplied source labels follow.

Assumptions and model boundaries

Assumption	Value	Source label
Inflation (%)	3	SIRS preparer (study default)
Reserve interest (%)	2	SIRS preparer / bank (study default)
Loan term (years)	10	Packet spec (base case)
Loan rate (%)	7.75	Indicative — replace with a lender quote
Financed origination (%)	1	Lender quote placeholder
Assessment window (months)	12	Board choice
Hybrid special-assessment share (%)	50	Board choice
Delinquency stress (%)	10	AAB/WAB thought-leadership — not a regulation
Delinquency stress (days)	60	AAB/WAB thought-leadership — not a regulation
Reserve floor (%)	15	Fannie Mae LL-2026-03
Prior floor, context only (%)	10	Fannie Mae LL-2026-03 (prior rule, context only)
Study comparison effective date	2026-08-03	Fannie Mae LL-2026-03
Floor effective date	2027-01-04	Fannie Mae LL-2026-03
Projection years	10	Packet spec

Default source labels are starting assumptions, not evidence that the study preparer supplied a figure. Replace defaults with the actual study assumptions and lender terms before relying on an illustration.

The model is limited to the entered components and 10-year period. Components after the horizon remain included in the component-cost illustration but are not paid in these projections. Only explicitly entered replacement cycles repeat. Tax, loan balloons and existing-debt amortization are excluded.

Component schedule

Component / source	Years remaining	Replacement today	Deferred maintenance	Due fiscal year
Roof — main building SIRS p.14, Table 3	6	\$850,000.00	\$0.00	2032; once
Exterior waterproofing / stucco SIRS p.15	2	\$320,000.00	\$45,000.00	2028; once
Plumbing risers SIRS p.16	12	\$600,000.00	\$0.00	2038; once

All entered components: replacement costs plus deferred maintenance total \$1,815,000.00. The schedule uses the association's inputs without independent verification.