Strategic Inspections

Annual Desktop Compliance Review — Summary Report

SAMPLE REPORT — Illustrative Example (Fictitious Property & Data)

Association / Property	Bayview Terrace Condominium Association
Property Address	4521 Bayview Drive, Fort Lauderdale, FL 33301
Management Company	Coastal Property Management Group
Property Manager	Jennifer Alvarez
Review Period	January 1, 2025 – December 31, 2025
Report Date	August 7, 2026
Baseline Reserve Study	Strategic Inspections Reserve Study, dated March 2024

Executive Summary

Bayview Terrace Condominium Association completed the Annual Desktop Compliance Review questionnaire and supporting documentation for the 2025 calendar year. Overall, the association remains in good standing on lending compliance and violation resolution. Two items warrant attention: an unbudgeted early roof replacement following storm damage, and a current-year reserve contribution that falls below the reserve study's recommended funding level. Based on these findings, Strategic Inspections recommends a follow-up on-site inspection to verify the quality of the completed roof repair and reassess remaining useful life estimates for storm-exposed components.

Overall Rating:

MONITOR — SITE INSPECTION RECOMMENDED

Risk Rating Key

- Green — No issues identified
- Yellow — Monitor / minor concern noted
- Red — Significant concern; action recommended

A. Fannie Mae / Freddie Mac and Bank Lending Compliance

NO ISSUES IDENTIFIED

- No notices of non-compliance or change in Fannie Mae/Freddie Mac project eligibility status reported since the baseline report.
- No active or pending special assessments.
- No pending or active litigation involving the association.
- Master, flood, and fidelity/crime insurance policies current and unchanged.
- Assessment delinquency rate: 4% of units (below the 15% lending threshold).
- Reserve study is current and within the interval required by applicable lenders.

B. Reserve Fund Status

MONITOR — MINOR CONCERN

Metric	Prior Year	Current Year
Reserve fund balance	$915,000	$842,000
Annual reserve contribution (budget)	$167,000	$180,000
Reserve study recommended contribution	$185,000	$195,000
Total reserve spend (12 mo.)	$41,500	$310,000

- Reserve balance declined year-over-year due to an unbudgeted roof section replacement (see Section E).
- Reserve spend of $310,000 over the past 12 months is substantially above the prior year ($41,500), driven by the roof repair.
- Flagged: $275,000 of the roof replacement cost was not anticipated in the reserve study; approximately $190,000 was offset by insurance proceeds.

C. Annual Operating Budget Analysis

MONITOR — MINOR CONCERN

- Current-year reserve contribution: $180,000 (approximately 14% of the $1.28M annual operating budget).
- Reserve contribution increased 8% over the prior year but remains approximately $15,000 below the $195,000 contribution recommended in the most recent reserve study.
- Flagged: reserve funding is trending below the reserve study's recommended level; board should consider closing the gap in the next budget cycle.

D. Property Violations

NO ISSUES IDENTIFIED

Violation	Issuing Authority	Date Issued	Status	Cost / Impact
Expired fire pump certification	City Fire Marshal	3/12/2025	Resolved 6/2025	$2,400; no ongoing impact

- One violation reported in the 2025 calendar year (expired fire pump certification); resolved within 90 days with no ongoing compliance or insurability impact.
- No unresolved violations reported.

E. Critical Repairs & Deferred Maintenance

MONITOR — MINOR CONCERN

- Building C roof section was replaced in December 2025 — approximately 15 years earlier than its original expected useful life — due to Hurricane-related damage in September 2025. Repair is complete; insurance proceeds of $190,000 offset a portion of the $275,000 cost.
- Pool deck resurfacing remains on the reserve study's projected schedule (target 2027); no deferred maintenance concern at this time.
- No other critical repair items or life-safety concerns reported.

F. Site Inspection Escalation Trigger

ACTION RECOMMENDED

- Trigger: early component replacement due to storm damage (Building C roof), combined with a reserve funding level below the reserve study's recommendation.
- Recommendation: an on-site inspection by a Strategic Inspections engineer is recommended to verify the quality and completeness of the roof repair and to reassess remaining useful life estimates for other storm-exposed components (e.g., building envelope, balconies, drainage).
- No other escalation triggers (catastrophic failure elsewhere, additional flood/fire events) were reported.

Recommendations & Next Steps

- Schedule a follow-up on-site inspection focused on the Building C roof repair and storm-exposed components.
- Board to evaluate increasing the annual reserve contribution to align with the reserve study's recommended funding level.
- Continue monitoring; no lending-compliance deficiencies identified at this time.

Methodology & Limitations

This report reflects a desktop review based solely on information and documentation self-reported by the property manager via the ADCR questionnaire. No independent site visit, physical inspection, or verification of documentation was performed as part of this review. Findings and recommendations are limited to the information provided and the reporting period indicated above.

Strategic Inspections | This is a sample report prepared for internal illustration purposes only.