



February 20, 2023

Oak Meadows Owners Association, Inc.  
Attn: Heather Sawlidi  
Board Treasurer  
Road 13 & Oak Meadows Blvd.  
Firestone, CO. 80504

Regarding: Reserve Study Final Version

Dear Heather,

Please find enclosed a final version of the Reserve Study for Oak Meadows Owners Association, Inc. This final version is being delivered via electronic media.

The following changes have been made to the report:

1. Component 1001 Privacy Wood Fencing Replacement (35%) – Project History has been added after the information was provided to our office

If any further adjustments are required due to a change in the association's philosophies, this can be accomplished at our standard rate of \$200 per hour.

Now that you have received the Reserve Analysis, use it as a tool to assist you in establishing your budget, as well as an advanced warning for upcoming projects. This report should be reviewed at least once a year for obtaining proposals in advance of pending projects, and to make sure the Reserve funds are in line with projections. The outcome of this report should be conveyed with the property owners as to the status of the Reserve fund. The property owners should also know what the Board of Directors plans are to improve or maintain the Reserve fund.

Remember, just like any major line item in the budget, it is important to review the Reserve Fund status and contribution rate each year as the budget planning process begins. The estimated replacement costs in this report are accurate to the best of our knowledge as of the date printed on this report. Our recommendations are made without guarantee based on continuous influxes in the various industries related to your components.

We look forward to working together in the future to assist the Board of Directors in planning their budgets by completing an updated Reserve Study.

Please let me know if there is anything else I can do to help. Have a great day!

Sincerely,

G. Michael Kelsen, RS, PRA  
Owner

Monday, February 20, 2023

Level 1, Premium Reserve Analysis

Oak Meadows Owners Association, Inc.  
Road 13 & Oak Meadows Blvd.  
Firestone, CO. 80504



**FINAL VERSION**

Report Period – 01/01/23 – 12/31/23

Client Reference Number – 04045

Property Type – Single Family Dwellings

Fiscal Year End – December 31st

Number of Units – 381

Date of Property Observation – August 24, 2022

Property Observation Conducted by – Mike Kelsen

Project Manager – Mike Kelsen, RS, PRA

Main Contact Person – Heather Sawlidi, Board Treasurer



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## Introduction to the Reserve Analysis –

The elected officials of this association made a wise decision to invest in a Reserve Analysis to get a better understanding of the status of the Reserve funds. This Analysis will be a valuable tool to assist the Board of Directors in making the decision to which the dues are derived. Typically, the Reserve contribution makes up 15% - 40% of the association's total budget. Therefore, Reserves is considered to be a significant part of the overall monthly association payment.

Every association conducts its business within a budget. There are typically two main parts to this budget, Operating and Reserves. The Operating budget includes all expenses that are fixed on an annual basis. These would include management fees, maintenance fees, utilities, etc. The Reserves is primarily made up of Capital Replacement items such as asphalt, landscaping, concrete work, irrigation, etc., that do not normally occur on an annual basis.

The Reserve Analysis is also broken down into two different parts, the Physical Analysis and the Financial Analysis. The Physical Analysis is information regarding the physical status and replacement cost of major common area components that the association is responsible to maintain. It is important to understand that while the Component Inventory will remain relatively "stable" from year to year, the Condition Assessment and Life/Valuation Estimates will most likely vary from year to year. You can find this information in the **Asset Inventory Section** (Section 2) of this Reserve Analysis. The **Financial Analysis Section** is the evaluation of the association's Reserve balance, income, and expenses. This is made up of finding the clients current Reserve Fund Status (measured as Percent Funded) and a recommendation for an appropriate Reserve Allocation rate (also known as the Funding Plan). You can find this information in Section 3 of this Reserve Analysis.

The purpose of this Reserve Analysis is to provide an educated estimate as to what the Reserve Allocation needs to be. The detailed schedules will serve as an advanced warning that major projects will need to be addressed in the future. This will allow the Board of Directors to have ample timing to obtain competitive estimates and bids that will result in cost savings to the individual homeowners. This will also ensure the physical well being of the property and ultimately enhance each owner's investment, while limiting the possibility of unexpected major projects that may lead to Special Assessments.

It is important for the client, owners, and potential future owners to understand that the information contained in this analysis is based on estimates and assumptions gathered from various sources. Estimated life expectancies and cycles are based upon conditions that were readily visible and accessible at time of the inspection. No destructive or intrusive methods (such as entering the walls to inspect the condition of electrical wiring, plumbing lines, and telephone wires) were performed. In addition, environmental hazards (such as lead paint, asbestos, radon, etc.), construction defects, and acts of nature have also been excluded from this report. If problem areas were revealed, a reasonable effort has been made to include these items within the report. While every effort has been made to ensure accurate results, this report reflects the judgement of Aspen Reserve Specialties and should not be construed as a guarantee or assurance of predicting future events.



## **General Information and Answers to Frequently Asked Questions –**

### **Why is it important to perform a Reserve Study?**

As previously mentioned, the Reserve allocation makes up a significant portion of the total monthly dues. This report provides the essential information that is needed to guide the Board of Directors in establishing the budget in order to run the daily operations of your association. It is suggested that a third party professionally prepare a Reserve Study since there is no vested interest in the property. Also, a professional knows what to look for and how to properly develop an accurate and reliable component list.

### **Now that we have “it”, what do we do with “it”?**

Hopefully, you will not look at this report and think it is too cumbersome to understand. Our intention is to make this Reserve Analysis very easy to read and understand. Please take the time to review it carefully and make sure the “main ingredients” (asset information) are complete and accurate. If there are any inaccuracies, please inform us immediately so we may revise the report.

Once you feel the report is an accurate tool to work from, use it to help establish your budget for the upcoming fiscal year. The Reserve allocation makes up a significant portion of the total monthly dues and this report should help you determine the correct amount of money to go into the Reserve fund. Additionally, the Reserve Study should act as a guide to obtain proposals in advance of pending projects. This will give you an opportunity to shop around for the best price available.

### **How often do we update or review “it”?**

Unfortunately, there is a misconception that these reports are good for an extended period of time since the report has projections for the next 30 years. Just like any major line item in the budget, the Reserve Analysis should be reviewed *each year before* the budget is established. Invariably, some assumptions have to be made during the compilation of this analysis. Anticipated events may not materialize and unpredictable circumstances could occur. Deterioration rates and repair/replacement costs will vary from causes that are unforeseen. Earned interest rates may vary from year to year. These variations could alter the content of the Reserve Analysis. Therefore, this analysis should be reviewed annually, and a property inspection should be conducted at least once every three years.

### **Is it the law to have a Reserve Study conducted?**

The Government requires reserve analyses in approximately 20 states for homeowners associations. Even if it is not currently governed by your state, the chances are very good that the documents of the association require the association to have a Reserve fund established. This doesn't mean a Reserve Analysis is required, but how are you going to know you have enough funds in the account if you don't have the proper information? Hypothetically, some associations look at the Reserve fund and think that \$50,000 is a lot of money and they are in good shape. What they don't know is a major expense is going to occur within 5 years, and the cost of the project is going to exceed \$75,000. So while \$50,000 sounds like a lot of money, in reality it won't even cover the expense, let alone all the other amenities the association is responsible to maintain.

## What makes an asset a “Reserve” item versus an “Operating” item?

A “Reserve” asset is an item that is the responsibility of the association to maintain, has a limited Useful Life, predictable Remaining Useful Life expectancies, typically occurs on a cyclical basis that exceeds 1 year, and costs above a minimum threshold cost. An “operating” expense is typically a fixed expense that occurs on an annual basis. For instance, minor repairs to a roof for damage caused by high winds or other weather elements would be considered an “operating” expense. However, if the entire roof needs to be replaced because it has reached the end of its life expectancy, then the replacement would be considered a Reserve expense.

## The GREY area of “maintenance” items that are often seen in a Reserve Study –

One of the most popular questions revolves around major “maintenance” items, such as painting the buildings or seal coating the asphalt. You may hear from your accountant that since painting or seal coating is not replacing a “capital” item, then it cannot be considered a Reserve issue. However, it is the opinion of several major Reserve Study providers that these items are considered to be major expenses that occur on a cyclical basis. Therefore, it makes it very difficult to ignore a major expense that meets the criteria to be considered a Reserve component. Once explained in this context, many accountants tend to agree and will include any expenses, such as these examples, as a Reserve component.

## The Property Inspection –

The Property Inspection was conducted following a review of the documents that were established by the developer identifying all common area assets. In some cases, the Board of Directors at some point may have revised the documents. In either case, the most current set of documents was reviewed prior to inspecting the property. In addition, common area assets may have been reported to Aspen Reserve Specialties by the client, or by other parties.

Estimated life expectancies and life cycles are based upon conditions that were readily accessible and visible at the time of the inspection. We did not destroy any landscape work, building walls, or perform any methods of intrusive investigation during the inspection. In these cases, information may have been obtained by contacting the contractor or vendor that has worked on the property.

## The Reserve Fund Analysis –

We projected the starting balance from taking the most recent balance statement, adding expected Reserve contributions for the rest of the year, and subtracting any pending projects for the rest of the year. We compared this number to the ideal Reserve Balance and arrived at the Percent funded level. Measures of strength are as follows:

**0% - 30% Funded** – Is considered to be a “weak” financial position. Associations that fall into this category are subject to Special Assessments and deferred maintenance, which could lead to lower property values. If the association is in this position, actions should be taken to improve the financial strength of the Reserve Fund.

**31% - 69% Funded** – The majority of associations are considered to be in this “fair” financial position. While this doesn’t represent financial strength and stability, the likelihood of Special Assessments and deferred maintenance is diminished. Effort should be taken to continue strengthening the financial position of the Reserve fund.

**70% - 99% Funded** – This indicates financial strength of a Reserve fund and every attempt to maintain this level should be a goal of the association.

**100% Funded** – This is the ideal amount of Reserve funding. This means that the association has the exact amount of funds in the Reserve account that should be at any given time.

## Summary of Oak Meadows Owners Assoc. Inc. -

Assoc. #04045

Projected Starting Balance as of January 1, 2023 -	<b>\$289,097</b>
Ideal Reserve Balance as of January 1, 2023 -	<b>\$243,231</b>
Percent Funded as of January 1, 2023 -	<b>119%</b>
Recommended Reserve Allocation (per month) -	<b>\$3,900</b>
Minimum Reserve Allocation (per month) -	<b>\$3,200</b>
Recommended Special Assessment -	<b>\$0</b>

Information to complete this Reserve Analysis was gathered during a property evaluation of the common area elements on August 24, 2022. In addition, we obtained information by contacting local vendors and contractors, as well as communicating with the property representative (Community Manager). To the best of our knowledge, the conclusions and suggestions of this report are considered reliable and accurate insofar as the information obtained from these sources.

This property is a single-family home development containing 381 single family detached homes that were constructed from 2000 through 2015, with the majority of the community and common area assets constructed in the early to mid-2000's. A park area was constructed in 2020 to serve as a community asset. Additional maintenance responsibilities of the master association include, common sidewalks, entrance monuments, fencing, an irrigation system and landscaping. Please refer to the *Projected Reserve Expenditure* table in the Financial Analysis section for a list of when components are scheduled to be addressed.

In comparing the projected balance of \$289,097 versus the ideal Reserve Balance of \$243,231 we find the association Reserve fund to be at the ideal financial position at this point in time (approximately 119% funded of ideal). Despite this position, based on the information contained in this report, we find the current budgeted Reserve allocation (\$167 per month) to be less than adequate in maintaining the strength of the Reserve fund to prepare for future projects. Therefore, we are recommending an increase of the Reserve contribution to \$3,900 per month (representing an increase of \$9.80 per unit per month) starting in 2023, followed by nominal annual increases of 4.75% thereafter to help offset the effects of inflation. By following the recommendation, the plan will maintain the Reserve account in a positive manner, while gradually increasing to a fully funded position within the thirty-year period.

In the percent Funded graph, you will see we have also provided a "minimum Reserve contribution" of \$3,200 per month. If the Reserve contribution falls below this rate, then the Reserve fund will fall into a situation where Special Assessments, deferred maintenance, and lower property values are likely at some point in the near future. The minimum Reserve allocation follows the "threshold" theory of Reserve funding where the "percent funded" status is not allowed to dip below 30% funded at any point during the thirty-year period.

This was provided for one purpose only, to show the association how small the difference is between the two scenarios and how it would not make financial sense to contribute less money (approximately \$1.85 per home per month in this case) to the Reserve fund to only stay above a certain threshold. As you can see, the difference between the two scenarios is considered to be minimal, and based on the risk, we strongly suggest the recommended Reserve Allocation is followed.

Comp #: 209 Wood Fencing/Pavilion - Restain



*Observations:*

- In this climate, we recommend staining wood fences every 3 - 4 years to maintain appearance and protect wood surfaces from exposure to elements that will cause deterioration.

*Location:* See general notes

*Quantity:* Approx. 4,100 LF

*Life Expectancy:* 4 Remaining Life: 0

*Best Cost:* \$28,350  
\$7.50/LF; Estimate to repaint fence

*Worst Cost:* \$31,200  
\$8.25/LF; Higher estimate for more prep work

*Source Information:* Cost database

General Notes:

3 rail -  
 Tract D - Approx. 30 LF Tract G - Approx. 145 LF  
 Tract J - Approx. 50 LF Tract P - Approx. 175 LF  
 Tract K - Approx. 50 LF Tract L - Approx. 55 LF  
 Privacy -  
 Tract A - Approx. 305 LF Tract B - Approx. 670 LF  
 Tract C - Approx. 40 LF Tract D - Approx. 465 LF  
 Tract E - Approx. 560 LF Tract G - Approx. 105 LF  
 Tract J - Approx. 370 LF Tract K - Approx. 370 LF  
 Tract L - Approx. 360 LF Pavilion - Approx. 350 GSF



Comp #: 601 Concrete Surfaces - Repair



*Observations:*

- It is unlikely all areas will fail and need to be replaced at the same time.
- Therefore, we set an allowance of 10% of the total area measured (1735 GSF) to be repaired every 4 years.
- As the property continues to age, it is possible the percentage or frequency of repairs will need to be adjusted in future Reserve Study updates.

*Location:* **Common area sidewalks**

*Quantity:* **Approx. 17,315 GSF**

*Life Expectancy:* **4** *Remaining Life:* **2**

*Best Cost:* **\$26,025**

Allowance to repair 10% of sidewalks every 4 years

*Worst Cost:* **\$28,625**

Higher allowance for more repairs

*Source Information:* Cost database

*Component History*

- 2020 - \$42,500 (Grey concrete patio/pathway at park area)

*General Notes:*

Along Oak Meadows Blvd. - Approx. 7,920 GSF  
 Pathway off Ulysses - Approx. 1,500 GSF  
 Drain swale on Twilight - Approx. 400 GSF  
 Tract J - Approx. 1,270 GSF  
 Tract K - Approx. 1,270 GSF  
 Tract L - Approx. 1,325 GSF  
 Tract O - Approx. 155 GSF  
 Tract P - Approx. 945 GSF  
 Park area - Approx. 2,530 GSF

Comp #: 801      Monuments - Rebuild



*Observations:*

- While the materials used should have an indefinite life expectancy, we recommend planning on renovating monument every 25 - 30 years to maintain current trends and an appropriate appearance.
- Remaining life is based on observed conditions and approximately age of all monuments.

*Location:*                    **Colorado Blvd & Oak Meadows Blvd**

*Quantity:*                    **(2) Monuments**

*Life Expectancy:*    **30**      *Remaining Life:* **6**

*Best Cost:*                    **\$23,000**  
 \$11,500/monument; Estimate to re-build

*Worst Cost:*                **\$28,000**  
 \$14,000/monument; Estimate for improvements

*Source Information:*        Cost database

*General Notes:*

Each monument has:  
 Block - Approx. 120 GSF  
 (1) Spot light  
 "Oak Meadows" lettering and logo, along with  
 "covenant protected community" sign



Comp #: 803 Mailboxes - Replace (2000)



*Observations:*

- This line item is for the original mailboxes that were installed when construction of the community began.
- Per Postal regulations effective 2012, "all customers are responsible for repairs and replacement of keys, locks, or the boxes/cluster units themselves".
- Based on our experience, these boxes will have a life expectancy of 20 - 24 years due to location and quality.
- Remaining life is based on age and observed condition.

*Location:*               **See general notes**

*Quantity:*               **(11) Various CBU's**

*Life Expectancy:*   **24**       *Remaining Life: 1*

*Best Cost:*             **\$34,100**  
 \$3100/CBU; Estimate to replace

*Worst Cost:*           **\$38,500**  
 \$3500/CBU; Higher estimate for better quality

*Source Information:* Cost database

**General Notes:**

- 6200 Twilight - (1) 13 box CBU, no label
- 11250 Dover St. - (1) 13 box CBU, 2000
- Utica Ct. - (1) 13 box CBU, 2000
- 6189 Valley Vista - (2) 13 box CBU, 2000
- 6140 Viewpoint - (1) 16 box CBU, no label
- 11437 Deerfield - (1) 16 box CBU, no label
- 11297 Deerfield - (1) 16 box CBU, 03/2000
- 11319 Daisy - (1) 16 box CBU, 2000
- 11447 Daisy - (1) 16 box CBU, 2000
- 11458 Daisy - (1) 16 box CBU, 2000

Comp #: 803 Mailboxes - Replace (2002)



*Observations:*

- Per Postal regulations effective 2012, "all customers are responsible for repairs and replacement of keys, locks, or the boxes/cluster units themselves".
- Based on our experience, these boxes will have a life expectancy of 20 - 24 years due to location and quality.
- Remaining life is based on age and observed condition.

*Location:*                **See general notes**

*Quantity:*                **(13) Various CBU's**

*Life Expectancy:*    **24**        *Remaining Life:* **3**

*Best Cost:*                **\$40,300**  
 \$3100/CBU; Estimate to replace

*Worst Cost:*             **\$45,500**  
 \$3500/CBU; Higher estimate for better quality

*Source Information:* Cost database

**General Notes:**

Ulysses - (2) 12 box CBU's, 2002  
 Twilight - (1) 8 box CBU, 2002  
 By Settlers park on Deerfield - (3) 16 box CBUs,  
 (5) 8 box CBU's, (2) 12 box CBU's all 2002



Comp #: 804 Mailboxes - Replace (2004/05)



*Observations:*

- Per Postal regulations effective 2012, "all customers are responsible for repairs and replacement of keys, locks, or the boxes/cluster units themselves".
- Based on our experience, these boxes will have a life expectancy of 20 - 24 years due to location and quality.
- Remaining life is based on age and observed condition.

*Location:*                **See general notes**

*Quantity:*                **(3) Various CBU's**

*Life Expectancy:*    **24**      *Remaining Life:* **6**

*Best Cost:*                **\$9,300**  
 \$3100/CBU; Estimate to replace

*Worst Cost:*             **\$10,500**  
 \$3500/CBU; Higher estimate for better quality

*Source Information:* Cost Database

**General Notes:**

6303 Utica Ave. - (1) 16-box CBU, 2005 (1)  
 12-box CBU, 2005  
 6399 Union Ave. - (1) 13-box CBU, 2004

Comp #: 805 Mailboxes - Replace (2013)



*Observations:*

- Per Postal regulations effective 2012, "all customers are responsible for repairs and replacement of keys, locks, or the boxes/cluster units themselves".
- Based on our experience, these boxes will have a life expectancy of 20 - 24 years due to location and quality.
- Remaining life is based on age and observed condition.

*Location:*               **See general notes**

*Quantity:*               **(4) Various CBU's**

*Life Expectancy:*   **24**       *Remaining Life:* **14**

*Best Cost:*               **\$12,400**  
 \$3100/CBU; Estimate to replace

*Worst Cost:*            **\$14,000**  
 \$3500/CBU; Higher estimate for better quality

*Source Information:* Cost Database

**General Notes:**

6305 Utica - (2) 16 box CBU's, Sept 2013, Nov 2013  
 6303 Twilight - (2) 16 box CBU's, 2013

Comp #: 1001 Privacy Wood Fencing - Replace (35%)



*Observations:*

- The replacement cycle is based on the observed quality of fence installed and the current condition.
- In our experience, fences that are stained on a periodic basis (every 3 - 4 years), have a replacement cycle of 20 - 25 years
- Due to the varying ages of the fences, this line item represents replacement of 35% of the fence (1150 LF) every 12 years.
- The remaining life is based on age of fence and observed conditions.

*Location:* **Common areas**

*Quantity:* **Approx. 3,245 LF**

*Life Expectancy:* **12**      *Remaining Life:* **8**

*Best Cost:* **\$46,000**  
 Allowance to replace approx. 35% of fence

*Worst Cost:* **\$51,750**  
 Higher allowance for more needed replacement

*Source Information:* Cost database

*General Notes:*

- Tract A - Approx. 305 LF
- Tract B - Approx. 670 LF
- Tract C - Approx. 40 LF
- Tract D - Approx. 465 LF
- Tract E - Approx. 560 LF
- Tract G - Approx. 105 LF
- Tract J - Approx. 370 LF
- Tract K - Approx. 370 LF
- Tract L - Approx. 360 LF

*Component History*

- 2018 - \$56,533 (Replace fence on Oak Meadows, Colorado Blvd, and the homes on Ulysses)



Comp #: 1005    Block Columns - Replace



*Observations:*

- While it is unlikely that the entire column will need to be replaced, it is likely that periodic repairs may be necessary to replace loose or missing stones.
- Due to the small area, we recommend repairing these columns on an as needed basis with general operating funds.

*Location:*                    **Along main roads**

*Quantity:*                    **Approx. 385 GSF**

*Life Expectancy:*    **N/A**    *Remaining Life:*

*Best Cost:*                    **\$0**

*Worst Cost:*                    **\$0**

*Source Information:*

**General Notes:**

Along Oak Meadows Blvd. - (6) 2x2x6 = 288 GSF  
 Along County Road 13 - (2) 2x2x6 = 96 GSF



Comp #: 1009 Rail Fencing - Partial Replace



*Observations:*

- This type of fence has an average life expectancy of 15 - 20 years, depending on level of maintenance and exposure to elements.
- Due to the varying ages of the fences and the different levels of exposure to elements, we recommend the association plan on replacing 50% of the fence every other stain cycle.
- There were no observed areas that require immediate mass replacement. A few boards and posts should be replaced as part of prep work before staining.

*Location:*                    **See general notes**

*Quantity:*                    **Approx. 505 LF**

*Life Expectancy:*        **8        Remaining Life: 4**

*Best Cost:*                    **\$6,825**  
 Allowance to replace approx. 50% of fence

*Worst Cost:*                **\$7,575**  
 Higher allowance for more needed replacement

*Source Information:* Cost database

**General Notes:**

Tract D - Approx. 30 LF  
 Tract G - Approx. 145 LF  
 Tract J - Approx. 50 LF  
 Tract P - Approx. 175 LF  
 Tract K - Approx. 50 LF  
 Tract L - Approx. 55 LF

Comp #: 1301    Play Equipment - Replace



*Observations:*

- Depending on overall level of use and care, the average life expectancy for play equipment ranges from 15 - 18 years.
- Expect high use for this facility due to the demographics of the community with the majority being young families with children.
- Estimated replacement cost is higher than amount paid in 2020 to account for labor to remove and dispose equipment during replacement

*Location:*                **Park on Twilight**

*Quantity:*                **(2) Units**

*Life Expectancy:*    **20**      *Remaining Life:* **17**

*Best Cost:*                **\$75,000**  
Estimate to replace and install with similar type

*Worst Cost:*             **\$82,000**  
Higher estimate for larger structure

*Source Information:* Past client cost

*General Notes:*

Corkscrew slide, Climbing wall, Arch ladder, Tunnel slide, Bubble tube bridge, 1/4 turn small slide, (5) Platforms Swing set w/ (2) saddles

*Component History*

- 2020 - \$71,390 (Install playground equipment, drainage system w/ rock/fabric/pipe, ground cover (rubber mulch), concrete curbing - costs not broken out)



Comp #: 1303 Tot Lot Groundcover - Refill



*Observations:*

- Depending on the level of use and care, expect to refill groundcover bed every 4 to 6 years to maintain appearance and ensure proper function as a safety component.

*Location:* **Park on Twilight**

*Quantity:* **Approx. 35 cubic yards**

*Life Expectancy:* **6 Remaining Life: 4**

*Best Cost:* **\$1,500**  
\$43/cu yd; Estimate for playground mulch

*Worst Cost:* **\$1,650**  
\$47/cu yd; Higher estimate for better quality

*Source Information:* Research on website

General Notes:

*Component History*

- 2020 - Install playground equipment, drainage system w/ rock/fabric/pipe, ground cover (rubber mulch), concrete curbing - costs not broken out

Comp #: 1305 Park Furnishings - Replace



*Observations:*

- Expect to replace this component approximately every 10 - 12 years.
- Remaining life based on current condition.

*Location:* **Park on Twilight**

*Quantity:* **(1) Grill, (2) Picnic Tables**

*Life Expectancy:* **12** *Remaining Life:* **9**

*Best Cost:* **\$5,500**  
Estimate to replace with similar

*Worst Cost:* **\$6,000**  
Higher estimate for upgraded furnishings

*Source Information:* Past client cost

*General Notes:*

- (1) Charcoal grill
- (2) Picnic Tables
- (3) Benches

*Component History*

- 2020 - \$5,200 (2 picnic tables and free standing grill, costs not broken out)



Comp #: 1311 Pet Waste Pick Up Stations - Replace



*Observations:*

- Due to the varying ages of stations and low individual replacement cost of each station, it is an unlikely event that all will require replacement at the same time
- Therefore, we do not recommend reserving for replacement at this time.
- Maintain and replace on an as needed basis using operating funds.

*Location:* **Common areas**

*Quantity:* **(3) Stations**

*Life Expectancy:* **N/A** *Remaining Life:*

*Best Cost:* **\$0**

*Worst Cost:* **\$0**

*Source Information:*

**General Notes:**

Along Oak Meadows - (1)  
 Oak Meadows & Twilight - (1)  
 Park on Twilight - (1)

Comp #: 1314 Wood Pavilion - Replace



*Observations:*

- In our experience, we have seen these metal structures have a replacement cycle of 25 - 35 years, depending on location and level of care.
- The remaining life is based on observed conditions and estimated age of the structure.
- Stain structure as needed with operating funds, or perform at the same time as wood fencing.

*Location:* **Park on Twilight**

*Quantity:* **(1) Pavilion**

*Life Expectancy:* **35**      *Remaining Life:* **32**

*Best Cost:* **\$40,000**

Estimate to rebuild/replace

*Worst Cost:* **\$45,000**

Higher estimate for larger structure

*Source Information:* Cost Database

*General Notes:*

Comp shingle roof - Approx. 350 GSF  
 (4) LED lights

*Component History*

- 2020 - \$39,970 (Cedar wood frame and cover, 450 SF)

Comp #: 1701    Irrigation System - Rebuild



*Observations:*

- This line item is for repairs and replacement that lies outside the scope of routine maintenance: bulk sprinkler head replacement, bulk valve replacement, backflow devices, rerouting lateral lines, rewiring, etc.
- In order to ensure the funds are available for major repairs, we recommend reserving funds for these projects every 4 - 5 years.
- The funding on this line item is for major repairs and is not to be interpreted as complete irrigation system replacement.

*Location:*                    **Common area landscaping**

*Quantity:*                    **Moderate sized system**

*Life Expectancy:*    **5**    *Remaining Life:*    **3**

*Best Cost:*                    **\$16,500**

Allowance for major repairs

*Worst Cost:*                    **\$18,000**

Higher allowance for more labor

*Source Information:* Research with contractor

General Notes:

*Component History*

- 2020 - \$15,510 (Rainbird irrigation, heads, valve, wire and poly pipe, Rainbird drip valve assembly, emitters and 3/4" source line for park area)



Comp #: 1703    Irrigation Controllers - Replace



*Observations:*

- Expect to replace irrigation controllers every 10 - 12 years if properly maintained and under normal conditions.
- Funding is for replacement with a similar controller.
- Smart controllers allow the association to monitor the system remotely and improve efficiency.

*Location:*                    **Landscaped areas**

*Quantity:*                    **(3) Weathermatic controllers**

*Life Expectancy:*    **12**      *Remaining Life:* **8**

*Best Cost:*                    **\$8,400**  
 \$2,800/controller; Estimate to replace

*Worst Cost:*                    **\$9,900**  
 \$3,300/controller; Higher estimate

*Source Information:* Cost database

**General Notes:**

Oak Meadows & Deerfield - (1) Weathermatic Smartline SL4800, Nov 19  
 Twilight & Oak Meadows - (1) Weathermatic Smartline SL4800, Nov 19  
 Park on Twilight - (1) Weathermatic Smartline



Comp #: 1706 Backflow Devices - Replace



*Observations:*

- Devices are enclosed in a protective enclosure to prevent theft. No reported problems with any of the devices.
- Due to the ability to rebuild and replace these devices for a relatively low cost and the fact that failure of the device is unpredictable, we do not recommend reserving for replacement.
- Repair and/or replace these devices/enclosures on an as needed basis using operating funds, or include as part of major irrigation repairs (See component #1701)

*Location:*                **Landscaped areas**

*Quantity:*                **(5) Devices**

*Life Expectancy:*    **N/A**      *Remaining Life:*

*Best Cost:*                **\$0**

*Worst Cost:*                **\$0**

*Source Information:*

**General Notes:**

Along Oak Meadows Blvd. - (3) devices  
 6300 Utica Ave. Breezeway (tract K) - (1) device  
 Park on Twilight - (1) w/ cage

Comp #: 1801 Groundcover - Replenish



*Observations:*

- Typically, associations will establish a line item in the operating budget to handle annual replacement of shrubs, plants, grass areas, etc.
- Therefore, separate Reserve funding is not necessary as long as funding has been established in a separate budget.
- If the association prefers to include a funding allowance for groundcover replenishment, then we would need to know how much and how often the current board of directors would prefer to set aside since this would be considered a discretionary expense.

*Location:* **Throughout community**

*Quantity:* **Extensive**

*Life Expectancy:* **5** *Remaining Life:* **2**

*Best Cost:* **\$15,000**

Allowance for major refurbishment projects

*Worst Cost:* **\$17,500**

Higher allowance for more refurbishment needs

*Source Information:* Past client cost

General Notes:

*Component History*

- 2020 - \$3,300 (Edging between turf and rock/mulch areas); \$18,350 (Rock mulch, wood mulch and planters mix); - \$3,498 (Plant 54 mixed variety shrubs and 16 mixed variety grass);- \$1,050 (Plant 35 mixed variety flowers);- \$30,400 (Plant approx. 18,000 GSF sod)

Comp #: 1803    Ditch - Dredging



*Observations:*

The ditch appeared in good condition at time of observation with no outstanding issues at time of observation. It was reported that the association was forced to fund for the dredging of the ditch within the past couple of years. This ditch is actually installed to the North of the property and outside the perimeter of Oak Meadows. However, due to zoning and local jurisdiction, the responsibility is Oak Meadow's. Reserve to dredge ditch every 10 years.  
 - No reported major maintenance recently

*Location:*                    **North of community perimeter**

*Quantity:*                    **Approx. 6,465 LF**

*Life Expectancy:*    **10**      *Remaining Life:* **0**

*Best Cost:*                    **\$25,000**  
Estimate to dredge/maintain drainage ditch

*Worst Cost:*                    **\$28,000**  
Higher estimate for more labor/repairs

*Source Information:*

*General Notes:*

Approx. 3,169 LF on Lohman property Approx. 3,293 LF on Varra Company property
---



Comp #: 1804 Tree - Replacement/Major Maintenance



*Observations:*

- It is very difficult to predict a replacement cycle for trees as there are several factors that will contribute to a tree dying.
- Factors such as disease, infestation of insects, heavy snow storms, etc. can all attribute to eventual tree replacement.
- Since it is difficult to predict when the replacement will be necessary, Reserve funding is typically not a factor.
- However, based on our recent experience, an allowance for periodic replacement has been included.

*Location:* **Common areas**

*Quantity:* **Numerous sizes/types**

*Life Expectancy:* **7** *Remaining Life:* **4**

*Best Cost:* **\$10,000**  
Allowance for major maintenance/replacement

*Worst Cost:* **\$12,500**  
Higher allowance for more maintenance

*Source Information:* Cost Database

General Notes:

*Component History*

- 2020 - \$15,375 (plant 15 mixed variety trees and 9 evergreen trees); \$1,981 (Tree stakes/straps and wire per tree)

Comp #: 2001 BOD Computers/Printers - Replace



*Observations:*

- This was requested in past Reserve Studies to include as a Reserve line item
- No reported replacement recently, so it is assumed the equipment owned by the association is older and is nearing or reached the end of their life expectancy.

*Location:* **Community BOD**

*Quantity:* **(4) printers, (2) laptops**

*Life Expectancy:* **4** *Remaining Life:* **0**

*Best Cost:* **\$5,500**  
Estimate to replace computer and printers

*Worst Cost:* **\$6,200**  
Higher estimate for more needed hardware

*Source Information:* Past client cost

*General Notes:*

Comp #: 2003    Electrical System



*Observations:*

- Since the life of expectancy of electrical systems is unpredictable, Reserve funding is not included for this component.
- If the association establishes a pattern of frequent repairs or inspections, then an allowance could be added to the report at the request of the client.

*Location:*                    **Common areas, park and pavilion**

General Notes:

*Quantity:*                    **Moderate system**

*Life Expectancy:*    **N/A**    *Remaining Life:*

*Best Cost:*                    **\$0**

*Worst Cost:*                    **\$0**

*Source Information:*

*Component History*

- 2020 - \$3,300 (Install (5) 110 outlets in landscape (1 at pavilion, 1 at street landscape, 3 in rear/east landscape bed)



## Funding Summary For Oak Meadows Owners Association, Inc

NOTE: The results of this report are based on replacement costs we know as of the date of this report. We are not responsible for higher than normal price increases after the date of this report.

### Beginning Assumptions

Financial Information Source	Research With Client
# of units	381
Fiscal Year End	December 31, 2023
Monthly Dues from 2022 budget	\$9,525.00
Monthly Reserve Allocation from 2022 Budget	\$167.00
Projected Starting Reserve Balance (as of 1/1/2023)	\$289,097
Reserve Balance: Average Per Unit	\$759
Ideal Starting Reserve Balance (as of 1/1/2023)	\$243,231
Ideal Reserve Balance: Average Per Unit	\$638

### Economic Factors

Past 20 year Average Inflation Rate (Based on CCI)	4.25%
Current Average Interest Rate	1.00%

### Current Reserve Status

Current Balance as a % of Ideal Balance	119%
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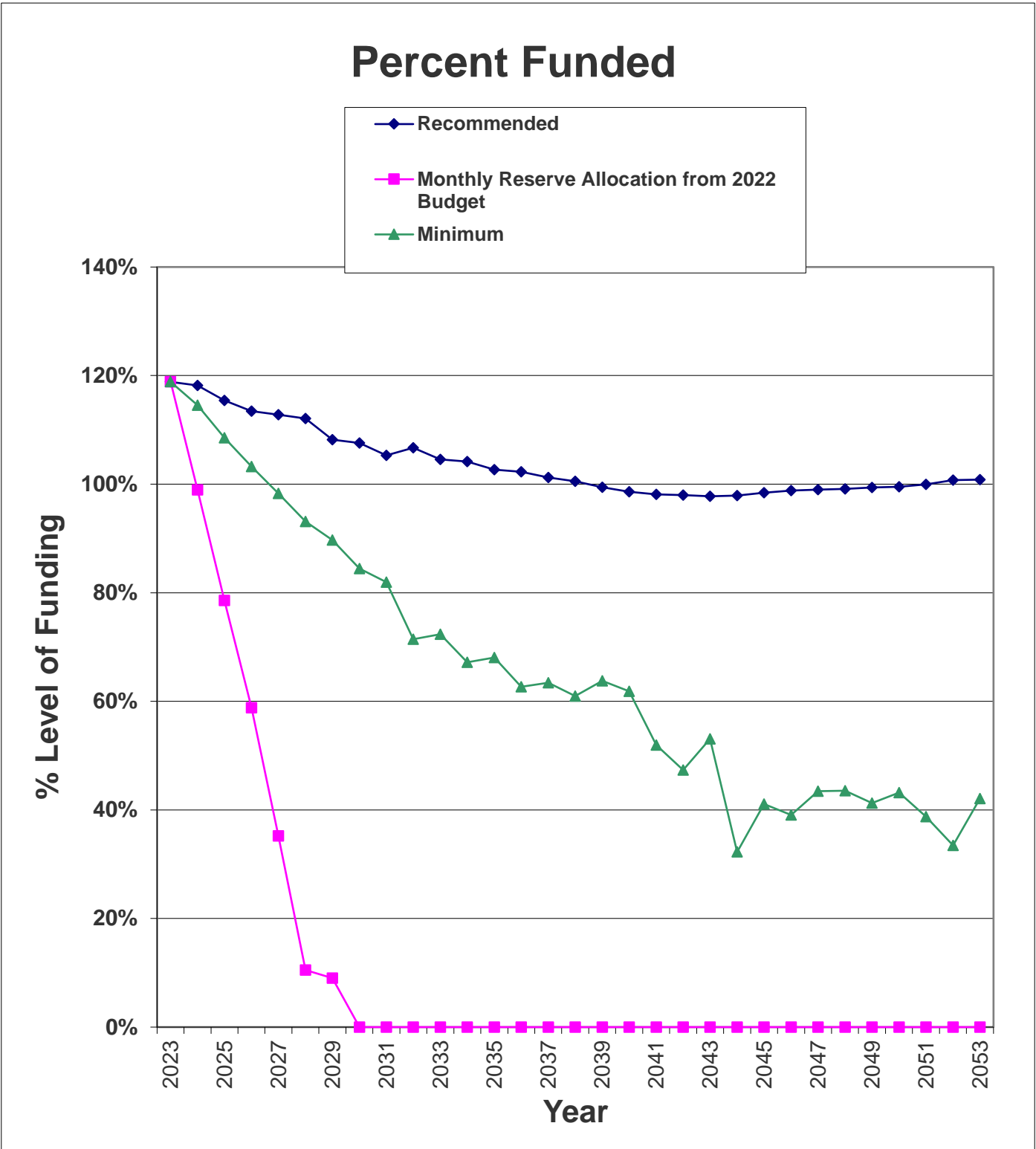
### Recommendations for 2023 Fiscal Year

Monthly Reserve Allocation	\$3,900
Per Unit	\$10.24
Minimum Monthly Reserve Allocation	\$3,200
Per Unit	\$8.40
Primary Annual Increases	4.75%
# of Years	30
Additional Funding Req'd	\$0
Per Unit	\$0

### Changes From Prior Year (2022 to 2023)

Increase/Decrease to Reserve Allocation	\$3,733
as Percentage	2235%
Average Per Unit	\$9.80

Percent Funded Graph For Oak Meadows Owners Association, Inc



Component Inventory for Oak Meadows Owners Assoc., Inc.

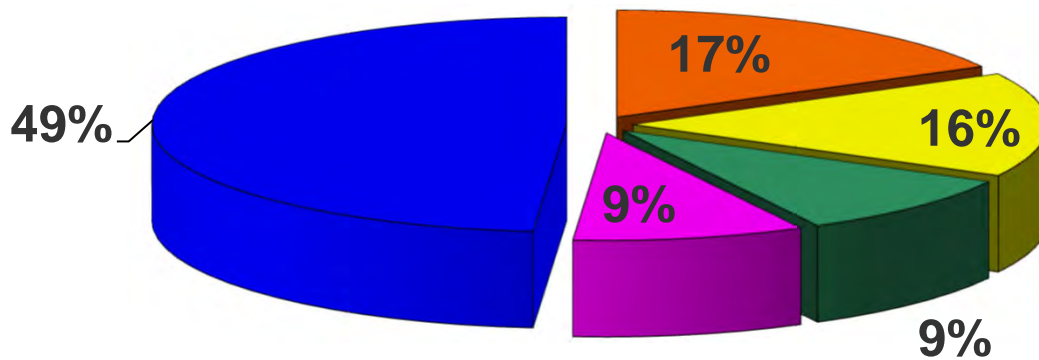
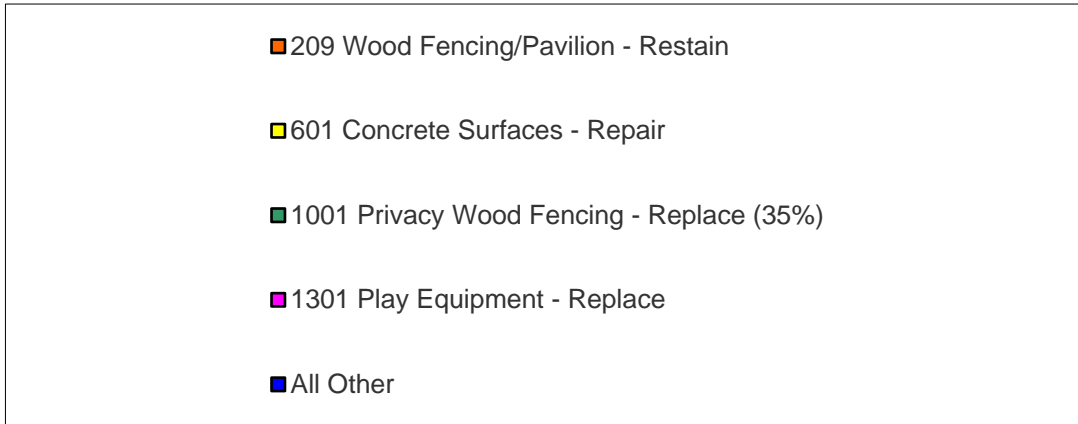
Category	Asset #	Asset Name	UL	RUL	Best Cost	Worst Cost
Painted Surfaces	209	Wood Fencing/Pavilion - Restain	4	0	\$28,350	\$31,200
Walking Surfaces	601	Concrete Surfaces - Repair	4	2	\$26,025	\$28,625
Prop. Identification	801	Monuments - Rebuild	30	6	\$23,000	\$28,000
	803	Mailboxes - Replace (2000)	24	1	\$34,100	\$38,500
	803	Mailboxes - Replace (2002)	24	3	\$40,300	\$45,500
	804	Mailboxes - Replace (2004/05)	24	6	\$9,300	\$10,500
	805	Mailboxes - Replace (2013)	24	14	\$12,400	\$14,000
Fencing/Walls	1001	Privacy Wood Fencing - Replace (35%)	12	8	\$46,000	\$51,750
	1005	Block Columns - Replace	N/A		\$0	\$0
	1009	Rail Fencing - Partial Replace	8	4	\$6,825	\$7,575
Recreation Equip.	1301	Play Equipment - Replace	20	17	\$75,000	\$82,000
	1303	Tot Lot Groundcover - Refill	6	4	\$1,500	\$1,650
	1305	Park Furnishings - Replace	12	9	\$5,500	\$6,000
	1311	Pet Waste Pick Up Stations - Replace	N/A		\$0	\$0
	1314	Wood Pavilion - Replace	35	32	\$40,000	\$45,000
Irrig. System	1701	Irrigation System - Rebuild	5	3	\$16,500	\$18,000
	1703	Irrigation Controllers - Replace	12	8	\$8,400	\$9,900
	1706	Backflow Devices - Replace	N/A		\$0	\$0
Landscaping	1801	Groundcover - Replenish	5	2	\$15,000	\$17,500
	1803	Ditch - Dredging	10	0	\$25,000	\$28,000
	1804	Tree - Replacement/Major Maintenance	7	4	\$10,000	\$12,500
Miscellaneous	2001	BOD Computers/Printers - Replace	4	0	\$5,500	\$6,200
	2003	Electrical System	N/A		\$0	\$0



*Significant Components For Oak Meadows Owners Association, Inc*

ID	Asset Name	UL	RUL	Significance:		
				Ave Curr Cost	(Curr Cost/UL) As \$	As %
209	Wood Fencing/Pavilion - Restain	4	0	\$29,775	\$7,444	17.1422%
601	Concrete Surfaces - Repair	4	2	\$27,325	\$6,831	15.7317%
801	Monuments - Rebuild	30	6	\$25,500	\$850	1.9575%
803	Mailboxes - Replace (2000)	24	1	\$36,300	\$1,513	3.4831%
803	Mailboxes - Replace (2002)	24	3	\$42,900	\$1,788	4.1164%
804	Mailboxes - Replace (2004/05)	24	6	\$9,900	\$413	0.9499%
805	Mailboxes - Replace (2013)	24	14	\$13,200	\$550	1.2666%
1001	Privacy Wood Fencing - Replace (35%)	12	8	\$48,875	\$4,073	9.3795%
1009	Rail Fencing - Partial Replace	8	4	\$7,200	\$900	2.0726%
1301	Play Equipment - Replace	20	17	\$78,500	\$3,925	9.0389%
1303	Tot Lot Groundcover - Refill	6	4	\$1,575	\$263	0.6045%
1305	Park Furnishings - Replace	12	9	\$5,750	\$479	1.1035%
1314	Wood Pavilion - Replace	35	32	\$42,500	\$1,214	2.7964%
1701	Irrigation System - Rebuild	5	3	\$17,250	\$3,450	7.9450%
1703	Irrigation Controllers - Replace	12	8	\$9,150	\$763	1.7560%
1801	Groundcover - Replenish	5	2	\$16,250	\$3,250	7.4844%
1803	Ditch - Dredging	10	0	\$26,500	\$2,650	6.1027%
1804	Tree - Replacement/Major Maintenance	7	4	\$11,250	\$1,607	3.7011%
2001	BOD Computers/Printers - Replace	4	0	\$5,850	\$1,463	3.3680%

Significant Components Graph For Oak Meadows Owners Association, Inc



Asset ID	Asset Name	UL	RUL	Average Curr. Cost	Significance: (Curr Cost/UL) As \$	As %
209	Wood Fencing/Pavilion - Restain	4	0	\$29,775	\$7,444	17%
601	Concrete Surfaces - Repair	4	2	\$27,325	\$6,831	16%
1001	Privacy Wood Fencing - Replace (35%)	12	8	\$48,875	\$4,073	9%
1301	Play Equipment - Replace	20	17	\$78,500	\$3,925	9%
All Other	See Expanded Table on Page 4 For Additional Breakdown				\$21,151	49%

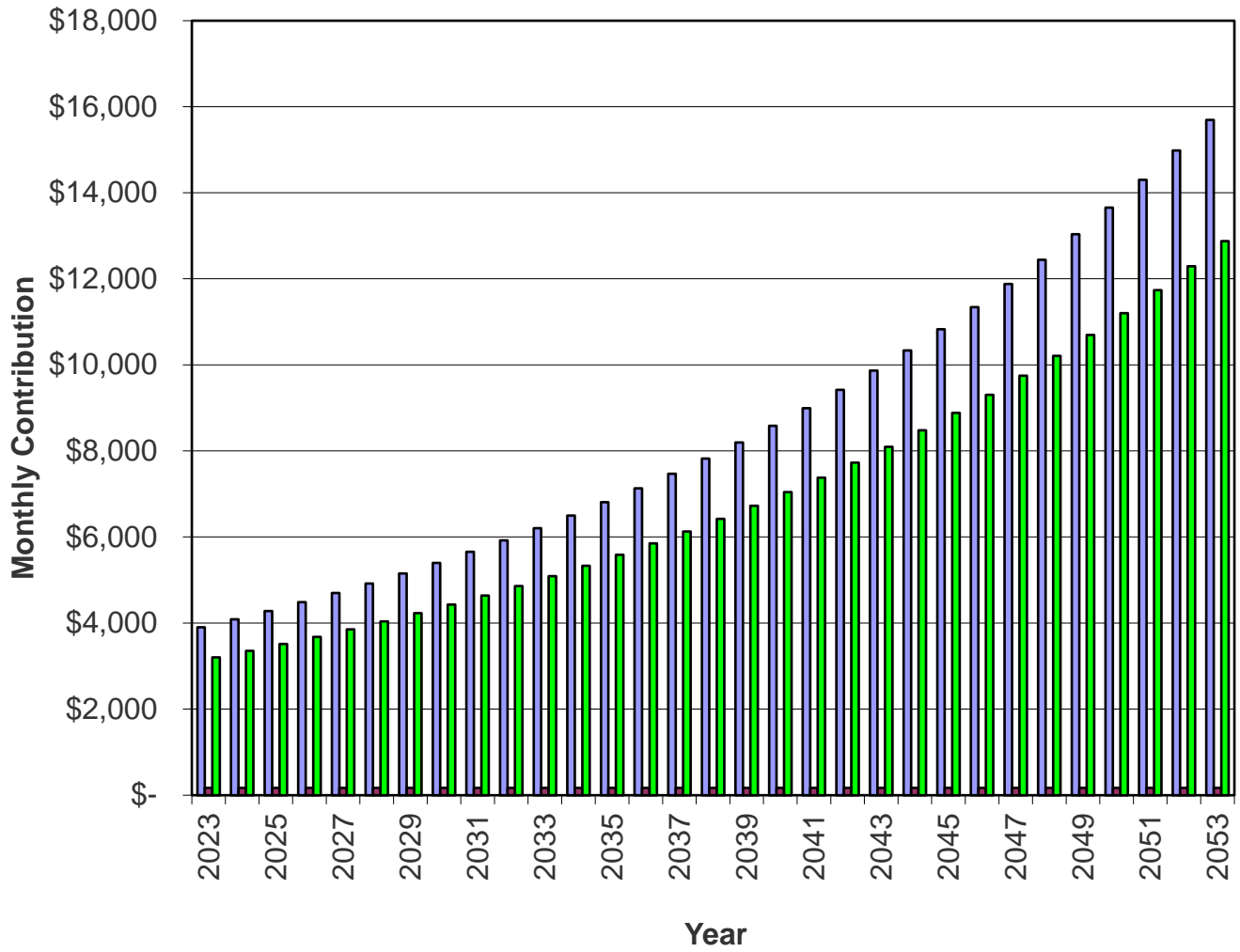
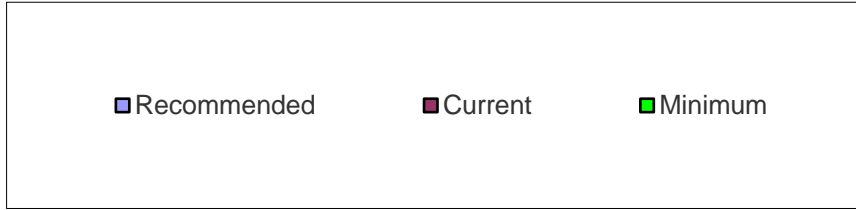
*Yearly Summary For Oak Meadows Owners Association, Inc*

<b>Fiscal Year Start</b>	<b>Fully Funded Balance</b>	<b>Starting Reserve Balance</b>	<b>Percent Funded</b>	<b>Annual Reserve Contribs</b>	<b>Additional Funding Req'd</b>	<b>Interest Income</b>	<b>Reserve Expenses</b>
2023	\$243,231	\$289,097	119%	\$46,800	\$0	\$2,827	\$62,125
2024	\$234,072	\$276,599	118%	\$49,023	\$0	\$2,835	\$37,843
2025	\$251,762	\$290,614	115%	\$51,352	\$0	\$2,940	\$47,358
2026	\$262,290	\$297,548	113%	\$53,791	\$0	\$2,917	\$68,150
2027	\$253,681	\$286,106	113%	\$56,346	\$0	\$2,827	\$65,731
2028	\$249,407	\$279,548	112%	\$59,022	\$0	\$3,105	\$0
2029	\$315,749	\$341,675	108%	\$61,826	\$0	\$3,339	\$80,519
2030	\$303,338	\$326,321	108%	\$64,763	\$0	\$3,494	\$21,746
2031	\$354,140	\$372,831	105%	\$67,839	\$0	\$3,309	\$154,718
2032	\$271,053	\$289,262	107%	\$71,061	\$0	\$3,221	\$8,363
2033	\$339,694	\$355,181	105%	\$74,437	\$0	\$3,520	\$83,998
2034	\$335,201	\$349,139	104%	\$77,972	\$0	\$3,810	\$17,782
2035	\$402,463	\$413,139	103%	\$81,676	\$0	\$4,072	\$97,346
2036	\$392,681	\$401,541	102%	\$85,556	\$0	\$4,315	\$29,633
2037	\$456,243	\$461,778	101%	\$89,619	\$0	\$4,725	\$72,575
2038	\$481,045	\$483,547	101%	\$93,876	\$0	\$5,329	\$0
2039	\$586,006	\$582,752	99%	\$98,336	\$0	\$5,985	\$72,404
2040	\$623,539	\$614,669	99%	\$103,006	\$0	\$5,727	\$192,253
2041	\$541,469	\$531,149	98%	\$107,899	\$0	\$5,285	\$118,086
2042	\$537,134	\$526,248	98%	\$113,024	\$0	\$5,854	\$0
2043	\$659,789	\$645,126	98%	\$118,393	\$0	\$5,605	\$292,766
2044	\$486,691	\$476,359	98%	\$124,017	\$0	\$5,339	\$13,781
2045	\$601,501	\$591,934	98%	\$129,908	\$0	\$6,032	\$112,806
2046	\$622,568	\$615,069	99%	\$136,078	\$0	\$6,637	\$44,930
2047	\$720,097	\$712,853	99%	\$142,542	\$0	\$7,391	\$96,734
2048	\$772,777	\$766,052	99%	\$149,313	\$0	\$7,770	\$134,602
2049	\$793,443	\$788,533	99%	\$156,405	\$0	\$8,302	\$80,638
2050	\$876,691	\$872,602	100%	\$163,834	\$0	\$8,675	\$181,974
2051	\$863,512	\$863,138	100%	\$171,616	\$0	\$8,540	\$197,726
2052	\$839,270	\$845,568	101%	\$179,768	\$0	\$9,398	\$0



Reserve Contributions For Oak Meadows Owners Association, Inc

# Reserve Contributions



*Component Funding Information For Oak Meadows Owners Association, Inc*

<b>ID</b>	<b>Component Name</b>	<b>Ave Current Cost</b>	<b>Ideal Balance</b>	<b>Current Fund Balance</b>	<b>Monthly</b>
209	Wood Fencing/Pavilion - Restain	\$29,775	\$29,775	\$35,390	\$668.55
601	Concrete Surfaces - Repair	\$27,325	\$13,663	\$16,239	\$613.54
801	Monuments - Rebuild	\$25,500	\$20,400	\$24,247	\$76.34
803	Mailboxes - Replace (2000)	\$36,300	\$34,788	\$41,347	\$135.84
803	Mailboxes - Replace (2002)	\$42,900	\$37,538	\$44,616	\$160.54
804	Mailboxes - Replace (2004/05)	\$9,900	\$7,425	\$8,825	\$37.05
805	Mailboxes - Replace (2013)	\$13,200	\$5,500	\$6,537	\$49.40
1001	Privacy Wood Fencing - Replace (35%)	\$48,875	\$16,292	\$19,364	\$365.80
1009	Rail Fencing - Partial Replace	\$7,200	\$3,600	\$4,279	\$80.83
1301	Play Equipment - Replace	\$78,500	\$11,775	\$13,995	\$352.52
1303	Tot Lot Groundcover - Refill	\$1,575	\$525	\$624	\$23.58
1305	Park Furnishings - Replace	\$5,750	\$1,438	\$1,709	\$43.04
1314	Wood Pavilion - Replace	\$42,500	\$3,643	\$4,330	\$109.06
1701	Irrigation System - Rebuild	\$17,250	\$6,900	\$8,201	\$309.86
1703	Irrigation Controllers - Replace	\$9,150	\$3,050	\$3,625	\$68.48
1801	Groundcover - Replenish	\$16,250	\$9,750	\$11,589	\$291.89
1803	Ditch - Dredging	\$26,500	\$26,500	\$31,497	\$238.00
1804	Tree - Replacement/Major Maintenance	\$11,250	\$4,821	\$5,731	\$144.34
2001	BOD Computers/Printers - Replace	\$5,850	\$5,850	\$6,953	\$131.35

## Yearly Cash Flow For Oak Meadows Owners Association, Inc

Year	2023	2024	2025	2026	2027
<b>Starting Balance</b>	\$289,097	\$276,599	\$290,614	\$297,548	\$286,106
Reserve Income	\$46,800	\$49,023	\$51,352	\$53,791	\$56,346
Interest Earnings	\$2,827	\$2,835	\$2,940	\$2,917	\$2,827
Additional Funding Req'd	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$338,724	\$328,457	\$344,906	\$354,256	\$345,279
<b>Reserve Expenditures</b>	\$62,125	\$37,843	\$47,358	\$68,150	\$65,731
<b>Ending Balance</b>	\$276,599	\$290,614	\$297,548	\$286,106	\$279,548

Year	2028	2029	2030	2031	2032
<b>Starting Balance</b>	\$279,548	\$341,675	\$326,321	\$372,831	\$289,262
Reserve Income	\$59,022	\$61,826	\$64,763	\$67,839	\$71,061
Interest Earnings	\$3,105	\$3,339	\$3,494	\$3,309	\$3,221
Additional Funding Req'd	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$341,675	\$406,840	\$394,578	\$443,979	\$363,544
<b>Reserve Expenditures</b>	\$0	\$80,519	\$21,746	\$154,718	\$8,363
<b>Ending Balance</b>	\$341,675	\$326,321	\$372,831	\$289,262	\$355,181

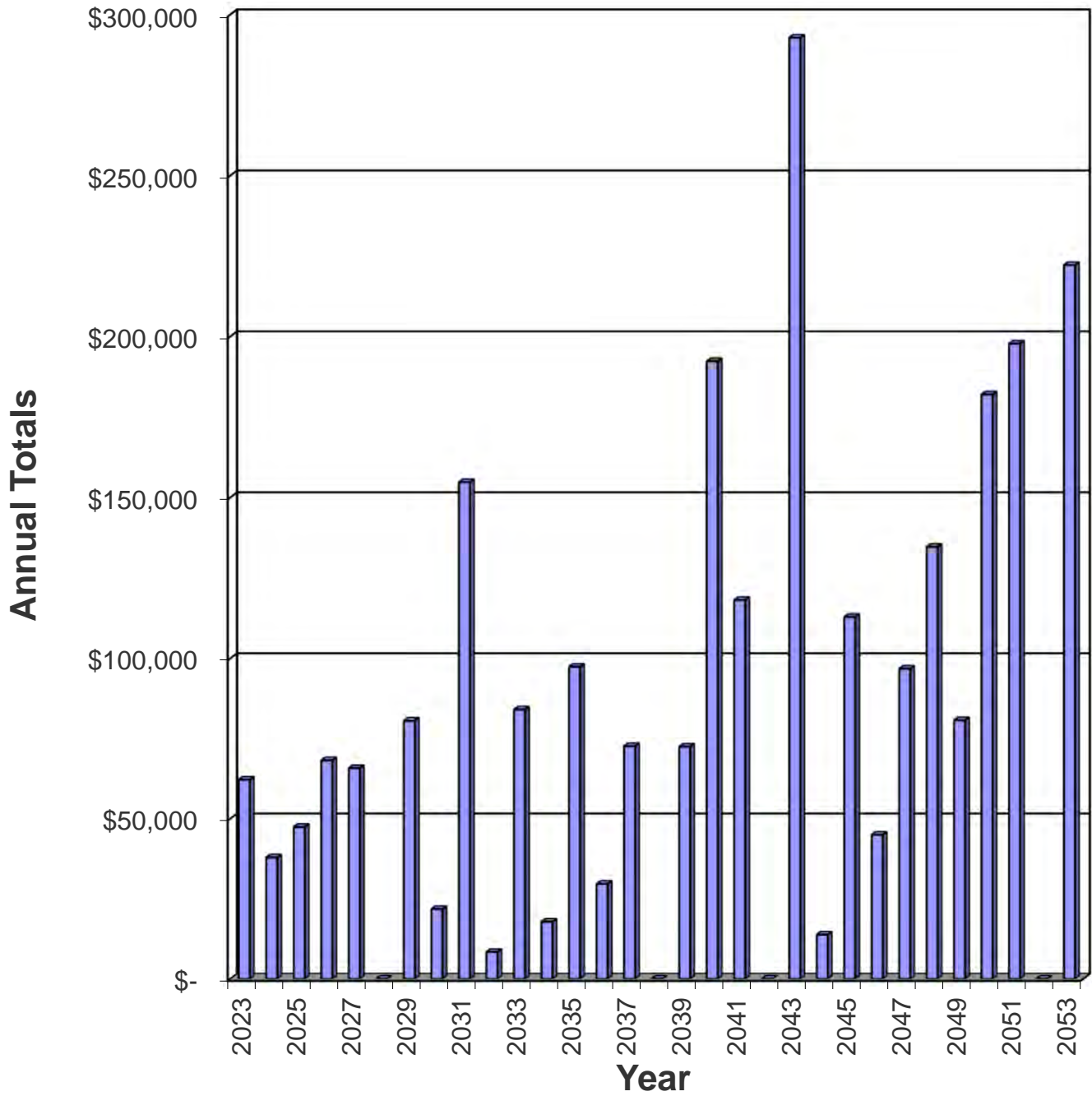
Year	2033	2034	2035	2036	2037
<b>Starting Balance</b>	\$355,181	\$349,139	\$413,139	\$401,541	\$461,778
Reserve Income	\$74,437	\$77,972	\$81,676	\$85,556	\$89,619
Interest Earnings	\$3,520	\$3,810	\$4,072	\$4,315	\$4,725
Additional Funding Req'd	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$433,137	\$430,921	\$498,886	\$491,411	\$556,122
<b>Reserve Expenditures</b>	\$83,998	\$17,782	\$97,346	\$29,633	\$72,575
<b>Ending Balance</b>	\$349,139	\$413,139	\$401,541	\$461,778	\$483,547

Year	2038	2039	2040	2041	2042
<b>Starting Balance</b>	\$483,547	\$582,752	\$614,669	\$531,149	\$526,248
Reserve Income	\$93,876	\$98,336	\$103,006	\$107,899	\$113,024
Interest Earnings	\$5,329	\$5,985	\$5,727	\$5,285	\$5,854
Additional Funding Req'd	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$582,752	\$687,073	\$723,402	\$644,333	\$645,126
<b>Reserve Expenditures</b>	\$0	\$72,404	\$192,253	\$118,086	\$0
<b>Ending Balance</b>	\$582,752	\$614,669	\$531,149	\$526,248	\$645,126

Year	2043	2044	2045	2046	2047
<b>Starting Balance</b>	\$645,126	\$476,359	\$591,934	\$615,069	\$712,853
Reserve Income	\$118,393	\$124,017	\$129,908	\$136,078	\$142,542
Interest Earnings	\$5,605	\$5,339	\$6,032	\$6,637	\$7,391
Additional Funding Req'd	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$769,125	\$605,715	\$727,874	\$757,784	\$862,787
<b>Reserve Expenditures</b>	\$292,766	\$13,781	\$112,806	\$44,930	\$96,734
<b>Ending Balance</b>	\$476,359	\$591,934	\$615,069	\$712,853	\$766,052

Year	2048	2049	2050	2051	2052
<b>Starting Balance</b>	\$766,052	\$788,533	\$872,602	\$863,138	\$845,568
Reserve Income	\$149,313	\$156,405	\$163,834	\$171,616	\$179,768
Interest Earnings	\$7,770	\$8,302	\$8,675	\$8,540	\$9,398
Additional Funding Req'd	\$0	\$0	\$0	\$0	\$0
<b>Funds Available</b>	\$923,135	\$953,240	\$1,045,111	\$1,043,294	\$1,034,734
<b>Reserve Expenditures</b>	\$134,602	\$80,638	\$181,974	\$197,726	\$0
<b>Ending Balance</b>	\$788,533	\$872,602	\$863,138	\$845,568	\$1,034,734

## Reserve Expenditures





*Projected Reserve Expenditures For Oak Meadows Owners Association, Inc*

<b>Year</b>	<b>Asset ID</b>	<b>Asset Name</b>	<b>Projected Cost</b>	<b>Total Per Annum</b>
2023	209	Wood Fencing/Pavilion - Restain	\$29,775	
	1803	Ditch - Dredging	\$26,500	
	2001	BOD Computers/Printers - Replace	\$5,850	\$62,125
2024	803	Mailboxes - Replace (2000)	\$37,843	\$37,843
2025	601	Concrete Surfaces - Repair	\$29,697	
	1801	Groundcover - Replenish	\$17,661	\$47,358
2026	803	Mailboxes - Replace (2002)	\$48,606	
	1701	Irrigation System - Rebuild	\$19,544	\$68,150
2027	209	Wood Fencing/Pavilion - Restain	\$35,169	
	1009	Rail Fencing - Partial Replace	\$8,504	
	1303	Tot Lot Groundcover - Refill	\$1,860	
	1804	Tree - Replacement/Major Maintenance	\$13,288	
	2001	BOD Computers/Printers - Replace	\$6,910	\$65,731
2028		No Expenditures Projected		\$0
2029	601	Concrete Surfaces - Repair	\$35,077	
	801	Monuments - Rebuild	\$32,734	
	804	Mailboxes - Replace (2004/05)	\$12,708	\$80,519
2030	1801	Groundcover - Replenish	\$21,746	\$21,746
2031	209	Wood Fencing/Pavilion - Restain	\$41,539	
	1001	Privacy Wood Fencing - Replace (35%)	\$68,186	
	1701	Irrigation System - Rebuild	\$24,066	
	1703	Irrigation Controllers - Replace	\$12,765	
	2001	BOD Computers/Printers - Replace	\$8,161	\$154,718
2032	1305	Park Furnishings - Replace	\$8,363	\$8,363
2033	601	Concrete Surfaces - Repair	\$41,431	
	1303	Tot Lot Groundcover - Refill	\$2,388	
	1803	Ditch - Dredging	\$40,180	\$83,998
2034	1804	Tree - Replacement/Major Maintenance	\$17,782	\$17,782
2035	209	Wood Fencing/Pavilion - Restain	\$49,064	
	1009	Rail Fencing - Partial Replace	\$11,864	
	1801	Groundcover - Replenish	\$26,777	
	2001	BOD Computers/Printers - Replace	\$9,640	\$97,346
2036	1701	Irrigation System - Rebuild	\$29,633	\$29,633
2037	601	Concrete Surfaces - Repair	\$48,936	
	805	Mailboxes - Replace (2013)	\$23,640	\$72,575
2038		No Expenditures Projected		\$0
2039	209	Wood Fencing/Pavilion - Restain	\$57,952	
	1303	Tot Lot Groundcover - Refill	\$3,065	
	2001	BOD Computers/Printers - Replace	\$11,386	\$72,404
2040	1301	Play Equipment - Replace	\$159,281	
	1801	Groundcover - Replenish	\$32,972	\$192,253
2041	601	Concrete Surfaces - Repair	\$57,800	
	1701	Irrigation System - Rebuild	\$36,489	
	1804	Tree - Replacement/Major Maintenance	\$23,797	\$118,086
2042		No Expenditures Projected		\$0
2043	209	Wood Fencing/Pavilion - Restain	\$68,450	
	1001	Privacy Wood Fencing - Replace (35%)	\$112,359	
	1009	Rail Fencing - Partial Replace	\$16,552	
	1703	Irrigation Controllers - Replace	\$21,035	
	1803	Ditch - Dredging	\$60,921	
	2001	BOD Computers/Printers - Replace	\$13,449	\$292,766
2044	1305	Park Furnishings - Replace	\$13,781	\$13,781
2045	601	Concrete Surfaces - Repair	\$68,271	

<b>Year</b>	<b>Asset ID</b>	<b>Asset Name</b>	<b>Projected Cost</b>	<b>Total Per Annum</b>
	1303	Tot Lot Groundcover - Refill	\$3,935	
	1801	Groundcover - Replenish	\$40,600	\$112,806
2046	1701	Irrigation System - Rebuild	\$44,930	\$44,930
2047	209	Wood Fencing/Pavilion - Restain	\$80,849	
	2001	BOD Computers/Printers - Replace	\$15,885	\$96,734
2048	803	Mailboxes - Replace (2000)	\$102,756	
	1804	Tree - Replacement/Major Maintenance	\$31,846	\$134,602
2049	601	Concrete Surfaces - Repair	\$80,638	\$80,638
2050	803	Mailboxes - Replace (2002)	\$131,981	
	1801	Groundcover - Replenish	\$49,993	\$181,974
2051	209	Wood Fencing/Pavilion - Restain	\$95,495	
	1009	Rail Fencing - Partial Replace	\$23,092	
	1303	Tot Lot Groundcover - Refill	\$5,051	
	1701	Irrigation System - Rebuild	\$55,325	
	2001	BOD Computers/Printers - Replace	\$18,762	\$197,726
2052		No Expenditures Projected		\$0
2053	601	Concrete Surfaces - Repair	\$95,245	
	804	Mailboxes - Replace (2004/05)	\$34,508	
	1803	Ditch - Dredging	\$92,369	\$222,122

## **Glossary of Commonly used Words and Phrases** (provided by the National Reserve Study Standards of the Community Associations Institute)

**Asset or Component** – Individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association Responsibility, 2) with limited Useful Life expectancies, 3) have predictable Remaining Life expectancies, 4) above a minimum threshold cost, and 5) required by local codes.

**Cash Flow Method** – A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

**Component Inventory** – The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representatives.

**Deficit** – An actual (or projected) Reserve Balance, which is less than the Fully Funded Balance.

**Effective Age** – The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

**Financial Analysis** – The portion of the Reserve Study where current status of the Reserves (Measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of the Reserve Study.

**Component Full Funding** – When the actual (or projected) cumulative Reserve balance for all components is equal to the Fully Funded Balance.

**Fully Fund Balance (aka – Ideal Balance)** – An indicator against which Actual (or projected) Reserve Balance can be compared. The Reserve balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This number is calculated for each component, and then summed together for an association total.

$$\text{FFB} = \text{Replacement Cost} \times \text{Effective Age} / \text{Useful Life}$$

**Fund Status** – The status of the Reserve Fund as compared to an established benchmark, such as percent funding.

**Funding Goals** – Independent of methodology utilized, the following represent the basic categories of Funding Plan Goals.

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve Balance above zero.
- **Component Full Funding:** Setting a Reserve funding goal of attaining and maintaining cumulative Reserves at or near 100% funded.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than the “Component Fully Funding” method.

**Funding Plan** – An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

**Funding Principles** –

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

**Life and Valuation Estimates** – The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

**Percent Funded** – The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual* (or *projected*) Reserve Balance to the accrued *Fund Balance*, expressed as a percentage.

**Physical Analysis** – The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

**Remaining Useful Life (RUL)** – Also referred to as “Remaining Life” (RL). The estimated time, in years, that a reserve component can be expected to *continue* to serve its intended function. Projects anticipated to occur in the initial year have “0” Remaining Useful Life.

**Replacement Cost** – The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

**Reserve Balance** – Actual or projected funds as of a particular point in time (typically the beginning of the fiscal year) that the association has identified for use to defray the future repair or replacement of those major components in which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. This is based upon information provided and is not audited.

**Reserve Provider** – An individual that prepares Reserve Studies. Also known as **Aspen Reserve Specialties**.

**Reserve Study** – A budget-planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: The Physical Analysis and the Financial Analysis.

**Special Assessment** – An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

**Surplus** – An actual (or projected) Reserve Balance that is greater than the Fully Funded Balance.

**Useful Life (UL)** – Also known as “Life Expectancy”, or “Depreciable Life”. The estimated time, in years, that a Reserve component can be expected to serve its intended function if properly constructed and maintained in its present application or installation.