

From: admin@kingsdeer.org
To: [Kings Deer HOA](#)
Subject: Reminder **Open Forum meeting on Reserve Study & Funding - Monday, May 5
Date: Friday, May 2, 2025 4:45:40 PM
Attachments: [Reserve Funds Deep Dive - May Open Forum FINAL v 2025-05-05.pdf](#)

Notice of Open Forum



Deep Dive into the Reserve Study & Funding

The 2024-25 King's Deer HOA Board of Directors is hosting another Open Forum to provide a more detailed overview of the 2024 Reserve Study that guides our expenditures for maintaining the community's 27 shared assets – from Open Space maintenance to Playground upkeep and more. We want to answer your questions and understand your priorities.

When: Monday, May 5, 2025 - 6:00 p.m. to 7:00 p.m.
Where: King's Deer Troon Tavern, 19255 Royal Troon Dr.
Audience: King's Deer Homeowners
Hosts: Mike Sauer, Secretary & Tom Anderson, Treasurer

Agenda:

- Reserve Study Overview
- Current Reserve Funds Usage –
Where Your Money Goes

We look forward to seeing you on the 5th!

***A PDF of the presentation is attached to this email*



King's Deer Open Forum

Reserve Funds Deep Dive

Hosts: Mike Sauer & Tom Anderson

May 5, 2025

Agenda:

- *Reserve Study Overview (Tom)*
- *Current Reserve Usage (Mike)*

Introductions - Presenters



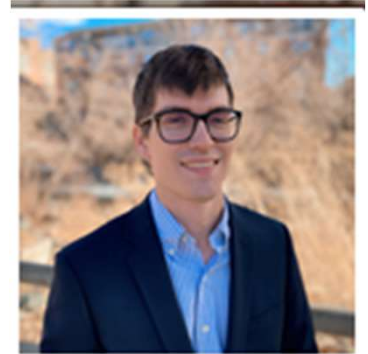
Mike Sauer
HOA Secretary



Tom Anderson
HOA Treasurer

Reserves and the 2024 Reserve Study

- Reserve funds are funds that HOAs set aside for future financial obligations such as major repairs, replacements, and maintenance
- We have external experts complete a reserve study every 3-5 years to determine how much to set aside for upcoming obligations
- The Board engaged **Association Reserves** to complete the 2024 Reserve Study with an on-site inspection and independent assessment of community assets
- The annual recommended Reserve contribution increased from \$28,800 to \$45,000 per year driven by inflation
- We are projected to have a \$37,000 reserve contribution shortfall in 2025



Serving Colorado – (Mailing Address)
1301 Arapahoe St. #105
Golden, CO 80401
(303) 994-9181
www.reservestudy.com



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Salt Lake City, UT 84101
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Reserve Study: Key Drivers

COST DRIVERS

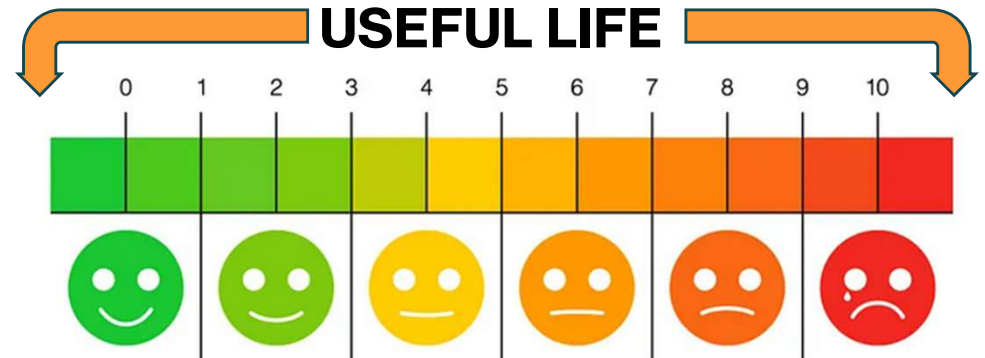
Current Cost Estimate



Annual Inflation %



AGE DRIVERS



PLACE IN LIFE CYCLE

- How long until we need to spend \$ to refurbish?
- What will it cost when that time comes?

Case Study Example: Signs/Monuments

Signs/Monuments Assumptions:

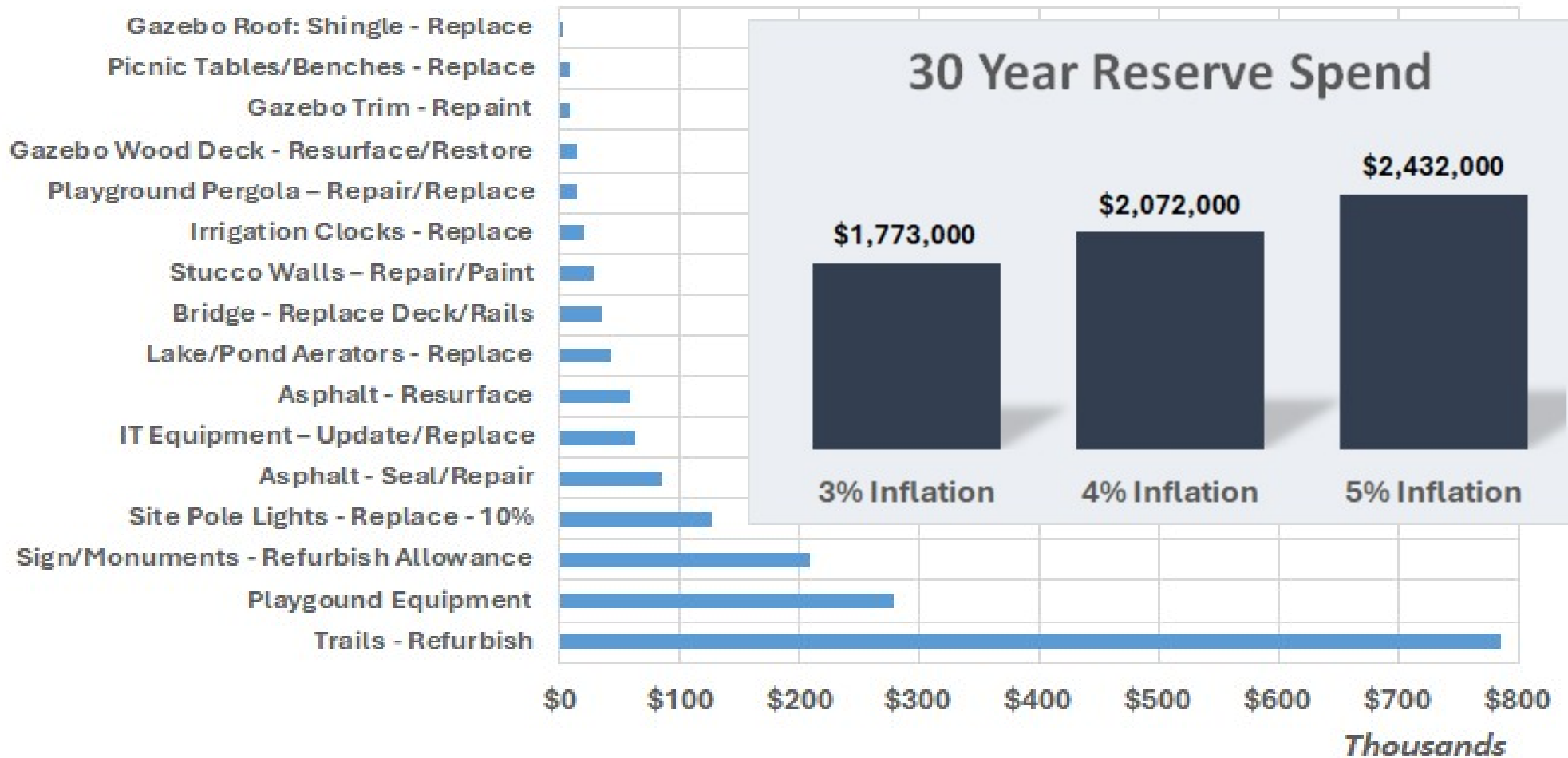
| | |
|-----------------------------------|-----------------|
| Useful Life | 10 Years |
| Remaining Life | 8 Years |
| Current Refurbishment Cost | \$39,500 |
| Inflation Rate | 3% |

CALCULATION OF RESERVE \$ NEEDED

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Base Cost | \$39,500 | \$40,685 | \$41,906 | \$43,163 | \$44,458 | \$45,791 | \$47,165 | \$48,580 |
| Inflation % | 3% | 3% | 3% | 3% | 3% | 3% | 3% | 3% |
| Inflation \$ | \$1,185 | \$1,221 | \$1,257 | \$1,295 | \$1,334 | \$1,374 | \$1,415 | \$1,457 |
| New Cost | \$40,685 | \$41,906 | \$43,163 | \$44,458 | \$45,791 | \$47,165 | \$48,580 | \$50,037 |

| | |
|----------------------------------------|-----------------|
| Refurbishment Cost in 8 years = | \$50,037 |
|----------------------------------------|-----------------|

Reserve Spend by Component



- **30 YEAR SPEND: \$1,773,000 to \$2,432,000 depending on inflation**
- **Refurbishment costs more than double over 30 years at 3% Inflation**

Reserve Study Projections

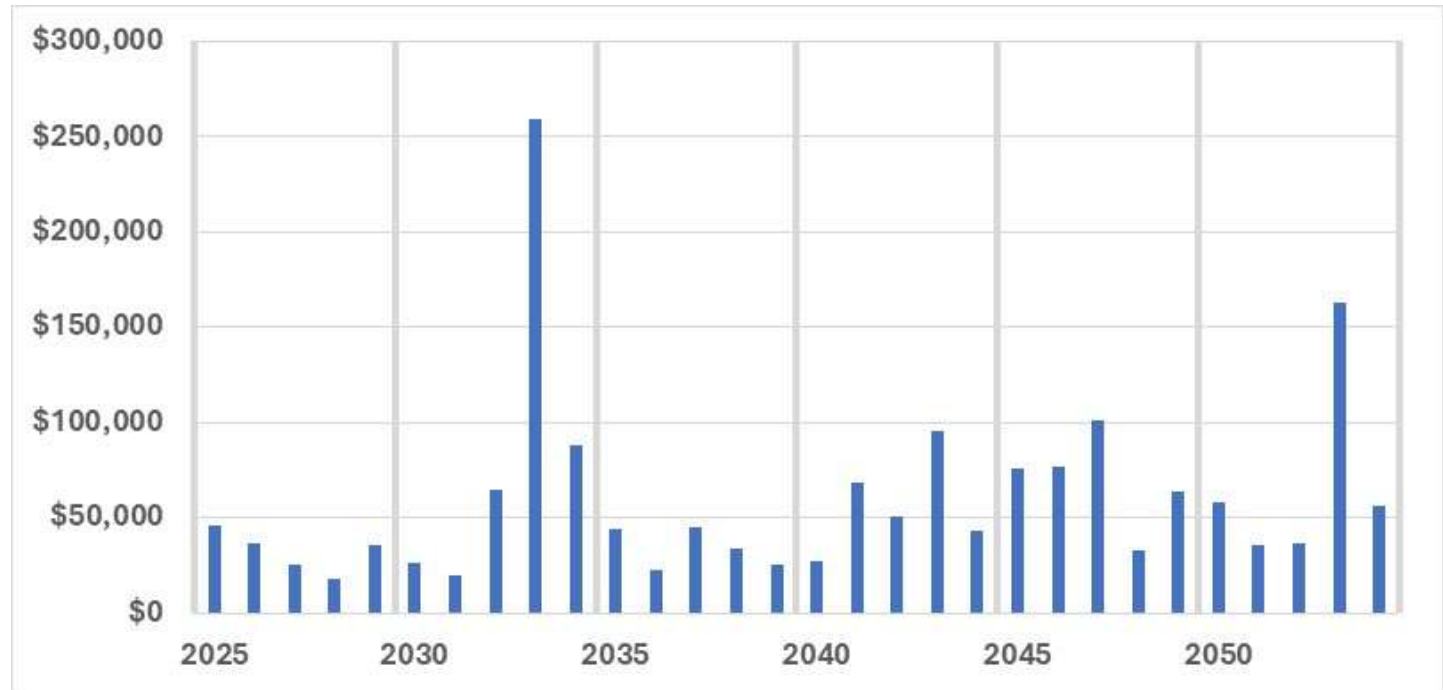
Income/Expense Detail

Report # 13409-2
With-Site-Visit

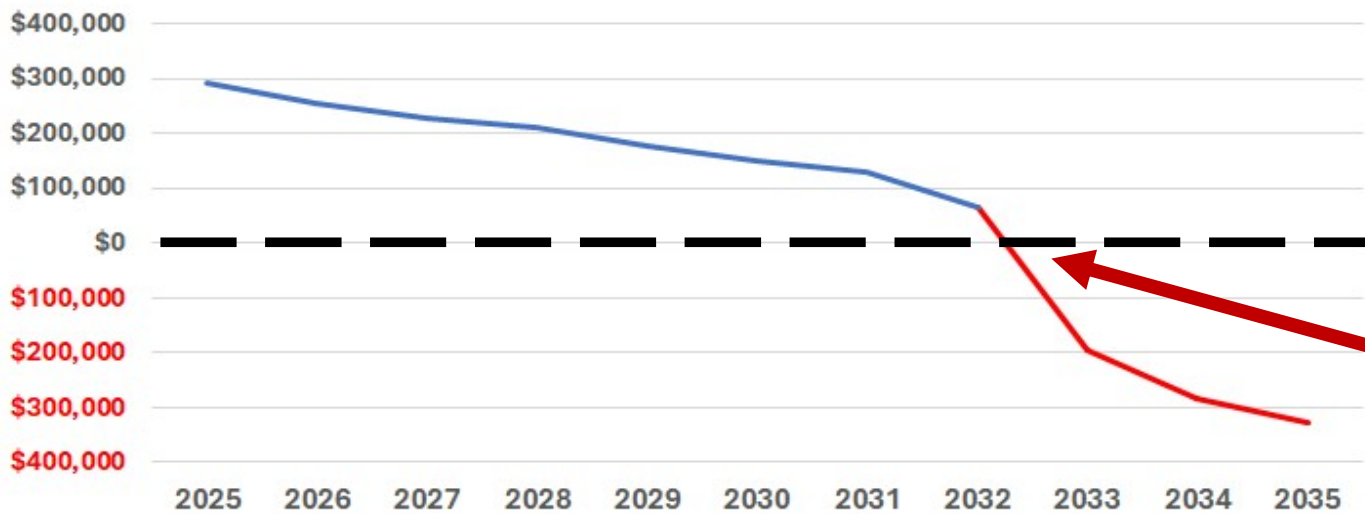
| Fiscal Year | 2025 | 2026 | 2027 | 2028 | 2029 |
|--------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Starting Reserve Balance | \$328,761 | \$327,511 | \$337,780 | \$360,059 | \$391,202 |
| Annual Reserve Funding | \$45,000 | \$46,350 | \$47,741 | \$49,173 | \$50,648 |
| Recommended Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Earnings | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Income | \$373,761 | \$373,861 | \$385,521 | \$409,232 | \$441,850 |
| # Component | | | | | |
| Sites & Grounds | | | | | |
| 21180 Trails - Refurbish | \$16,500 | \$16,995 | \$17,505 | \$18,030 | \$18,571 |
| 21190 Asphalt - Seal/Repair | \$0 | \$6,695 | \$0 | \$0 | \$0 |
| 21200 Asphalt - Resurface | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21240 Bridge - Replace Deck/Rails | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21390 Stucco Walls – Repair/Paint | \$0 | \$11,330 | \$0 | \$0 | \$0 |
| 21540 Pond - Liner Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21610 Sign/Monuments - Refurbish Allowance | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21660 Site Pole Lights - Replace - 10% | \$10,000 | \$0 | \$0 | \$0 | \$11,255 |
| 23200 Gazebo Wood Deck - Resurface/Restore | \$4,500 | \$0 | \$0 | \$0 | \$0 |
| 23350 Gazebo Trim - Repaint | \$0 | \$1,061 | \$0 | \$0 | \$0 |
| 23570 Gazebo Roof: Shingle - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Mechanical | | | | | |
| 25340 IT Equipment – Update/Replace | \$4,950 | \$0 | \$0 | \$0 | \$5,571 |
| 25570 Irrigation Clocks - Replace | \$0 | \$0 | \$7,957 | \$0 | \$0 |
| 25610 Lake/Pond Aerators - Replace | \$10,300 | \$0 | \$0 | \$0 | \$0 |
| Total Expenses | \$46,250 | \$36,081 | \$25,462 | \$18,030 | \$35,397 |
| Ending Reserve Balance | \$327,511 | \$337,780 | \$360,059 | \$391,202 | \$406,452 |

Reserve Expenses and Projection

- Reserve spend fluctuates by year
- 2033 spend spike is for playground equipment



Reserve Balance Over Time



- Reserve Balance continues to decline with no assessment change or asset cuts
- Funds are \$0 in 8 years (2033) when we run out of money



Current
Reserve
Usage

Where's the money
going?

Funding the Reserves

Expenses

Income

INCOME:

| |
|--------------------------------|
| Annual Insurance Fee |
| Annual Member Assessments |
| Billable Expense Reimbursement |
| Enforcement Trust Fund Fees |
| Interest Income |
| Late Fee Income |
| Mailbox Sales |
| Miscellaneous Income: |
| ACC Submittal Fee Income |
| Advertising Income |
| Ownership Transfer Fee |
| Violations and fines |

Administrative:

| |
|----------------------|
| Bank Charges |
| Community Events |
| Dues & Subscriptions |
| Education |
| Office Expense |
| Office Rental |
| Postage |
| Printing/Copies |
| Storage Rental |
| Website Services |

Office Salaries:

| |
|-------------------------|
| Auto Travel Expense |
| HOA Director |
| Payroll Taxes |
| Worker's Comp Insurance |

Other Expenses:

| |
|-------------------------|
| Advertising/Promotional |
| Bad Debts |
| Billable Expenses |
| Federal Income Tax |
| Insurance |
| Mailbox Expense |

Common Area Maintenance:

| |
|--------------------------|
| Fence & Wall Maintenance |
| Monument Maintenance |

Miscellaneous Maintenance:

| |
|--------------------------|
| Misc. Maintenance |
| Signage Repair |
| Street Light Maintenance |

Playground / Sportsfield:

| |
|--------------------------|
| Misc. Playground Expense |
| Portable Restrooms |
| Trash Removal |

Pond Maintenance:

| |
|------------------------------|
| Insect & Algae Control |
| Pond Infrastructure / Repair |

Trails Maintenance:

| |
|-------------------------|
| Misc. Trail Maintenance |
| Trail Materials |

Professional Fees:

| |
|-------------------|
| Accountant/Audit |
| Legal - Water |
| Legal Settlements |

Utilities:

| |
|----------------------------|
| Electrical for Subdivision |
| Water Co-Op |



Annual Reserve Fund Contribution

Recommendations are made regarding funding adequacy according to National Reserve Study Standards

Breakdown of Projected Reserve Expenses

| Component | Useful Life (years) | Remaining Life (years) | Current Average Cost |
|--------------------------------------|---------------------|------------------------|----------------------|
| Sites & Grounds | | | |
| Trails - Refurbish | 1 | 0 | \$ 16,500 |
| Asphalt - Seal/Repair | 4 | 1 | \$ 6,500 |
| Asphalt - Resurface | 25 | 9 | \$ 44,500 |
| Bridge - Replace Deck/Rails | 25 | 21 | \$ 18,500 |
| Stucco Walls – Repair/Paint | 15 | 1 | \$ 11,000 |
| Pond - Liner Replace | 50 | 30 | \$ 35,000 |
| Sign/Monuments - Refurbish Allowance | 10 | 8 | \$ 39,500 |
| Site Pole Lights - Replace - 10% | 4 | 0 | \$ 10,000 |
| Gazebo Wood Deck - Resurface/Restore | 25 | 0 | \$ 4,500 |
| Gazebo Trim - Repaint | 7 | 1 | \$ 1,030 |
| Gazebo Roof: Shingle - Replace | 25 | 7 | \$ 1,350 |
| Mechanical | | | |
| IT Equipment – Update/Replace | 4 | 0 | \$ 4,950 |
| Irrigation Clocks - Replace | 15 | 2 | \$ 7,500 |
| Lake/Pond Aerators - Replace | 10 | 0 | \$ 10,300 |

| Component | Useful Life (years) | Remaining Life (years) | Current Average Cost |
|--------------------------------------|---------------------|------------------------|----------------------|
| Amenities | | | |
| Playground Pergola – Repair/Replace | 30 | 19 | \$ 8,000 |
| Playground Cover - Refill | 15 | 7 | \$ 35,000 |
| Balance Beam - Replace | 25 | 8 | \$ 1,250 |
| Large Playground Equipment - Replace | 25 | 8 | \$ 47,000 |
| Slide - Replace | 25 | 8 | \$ 5,750 |
| Small Playground Equipment - Replace | 25 | 8 | \$ 23,500 |
| Spring Jeep - Replace | 25 | 8 | \$ 5,000 |
| Spring Toy - Replace | 25 | 8 | \$ 2,250 |
| Swing Sets - Replace | 25 | 8 | \$ 7,000 |
| Teeter Totter - Replace | 25 | 8 | \$ 6,000 |
| Twirling Swings - Replace | 25 | 8 | \$ 11,000 |
| Zip Line - Replace | 25 | 8 | \$ 24,000 |
| Picnic Tables/Benches - Replace | 20 | 10 | \$ 6,000 |
| 27 Total Funded Components | | | |

Source: 2024 Reserve Study p. 5

5-Yr Projected Reserve Expenses

30-Year Income/Expense Detail

Report # 13409-2
With-Site-Visit

| Fiscal Year | 2025 | 2026 | 2027 | 2028 | 2029 |
|--------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Starting Reserve Balance | \$328,761 | \$327,511 | \$337,780 | \$360,059 | \$391,202 |
| Annual Reserve Funding | \$45,000 | \$46,350 | \$47,741 | \$49,173 | \$50,648 |
| Recommended Special Assessments | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest Earnings | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Income | \$373,761 | \$373,861 | \$385,521 | \$409,232 | \$441,850 |
| # Component | | | | | |
| Sites & Grounds | | | | | |
| 21180 Trails - Refurbish | \$16,500 | \$16,995 | \$17,505 | \$18,030 | \$18,571 |
| 21190 Asphalt - Seal/Repair | \$0 | \$6,695 | \$0 | \$0 | \$0 |
| 21200 Asphalt - Resurface | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21240 Bridge - Replace Deck/Rails | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21390 Stucco Walls - Repair/Paint | \$0 | \$11,330 | \$0 | \$0 | \$0 |
| 21540 Pond - Liner Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21610 Sign/Monuments - Refurbish Allowance | \$0 | \$0 | \$0 | \$0 | \$0 |
| 21660 Site Pole Lights - Replace - 10% | \$10,000 | \$0 | \$0 | \$0 | \$11,255 |
| 23200 Gazebo Wood Deck - Resurface/Restore | \$4,500 | \$0 | \$0 | \$0 | \$0 |
| 23350 Gazebo Trim - Repaint | \$0 | \$1,061 | \$0 | \$0 | \$0 |
| 23570 Gazebo Roof: Shingle - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Mechanical | | | | | |
| 25340 IT Equipment - Update/Replace | \$4,950 | \$0 | \$0 | \$0 | \$5,571 |
| 25570 Irrigation Clocks - Replace | \$0 | \$0 | \$7,957 | \$0 | \$0 |
| 25610 Lake/Pond Aerators - Replace | \$10,300 | \$0 | \$0 | \$0 | \$0 |
| Amenities | | | | | |
| 21430 Playground Pergola - Repair/Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26030 Playground Cover - Refill | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Balance Beam - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Large Playground Equipment - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Slide - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Small Playground Equipment - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Spring Jeep - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Spring Toy - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Swing Sets - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Teeter Totter - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Twirling Swings - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26050 Zip Line - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| 26060 Picnic Tables/Benches - Replace | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Expenses | \$46,250 | \$36,081 | \$25,462 | \$18,030 | \$35,397 |
| Ending Reserve Balance | \$327,511 | \$337,780 | \$360,059 | \$391,202 | \$406,452 |

Funds
reallocated

Assets Ranked by Expense

| Reserve Study Components | 2025-2029 | 2030-2034 | 2035-2039 | 2040-2044 | 2045-2049 | 2050-2054 | Total | Ranking |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|---------|
| Trails | \$87,601 | \$101,554 | \$117,729 | \$136,479 | \$158,217 | \$183,416 | \$784,996 | 1 |
| Sign/Monuments | \$0 | \$50,037 | | \$67,246 | \$0 | \$90,373 | \$207,656 | 2 |
| Site Pole Lights | \$21,255 | \$12,668 | \$14,258 | \$16,047 | \$38,389 | \$22,879 | \$125,496 | 3 |
| Playground Cover | \$0 | \$43,046 | \$0 | \$0 | \$67,064 | \$0 | \$110,110 | 4 |
| Asphalt – Seal | \$6,695 | \$16,016 | \$9,545 | \$10,744 | \$12,092 | \$28,928 | \$84,020 | 5 |
| IT Equipment | \$10,521 | \$6,271 | \$7,058 | \$7,943 | \$19,002 | \$11,325 | \$62,120 | 6 |
| Large Playground Equipment | \$0 | \$59,538 | \$0 | \$0 | \$0 | \$0 | \$59,538 | 7 |
| Asphalt – Resurface | \$0 | \$58,062 | \$0 | \$0 | \$0 | \$0 | \$58,062 | 8 |
| Lake/Pond Aerators | \$10,300 | \$0 | \$13,842 | \$0 | \$18,603 | \$0 | \$42,745 | 9 |
| Bridge | \$0 | \$0 | \$0 | \$0 | \$34,415 | \$0 | \$34,415 | 10 |
| Zip Line | \$0 | \$30,402 | \$0 | \$0 | \$0 | \$0 | \$30,402 | 11 |
| Small Playground Equipment | \$0 | \$29,769 | \$0 | \$0 | \$0 | \$0 | \$29,769 | 12 |
| Stucco Wall | \$11,330 | \$0 | \$0 | \$17,652 | \$0 | \$0 | \$28,982 | 13 |
| Irrigation Clocks | \$7,957 | \$0 | \$0 | \$12,396 | \$0 | \$0 | \$20,353 | 14 |
| Playground Pergola | \$0 | \$0 | \$0 | \$14,028 | \$0 | \$0 | \$14,028 | 15 |
| Twirling Swings | \$0 | \$13,934 | \$0 | \$0 | \$0 | \$0 | \$13,934 | 16 |
| Gazebo Wood Deck | \$4,500 | \$0 | \$0 | \$0 | \$0 | \$9,422 | \$13,922 | 17 |
| Swing Sets | \$0 | \$8,867 | \$0 | \$0 | \$0 | \$0 | \$8,867 | 18 |
| Gazebo Trim | \$1,061 | \$1,305 | \$0 | \$1,605 | \$1,974 | \$2,427 | \$8,372 | 19 |
| Picnic Tables | \$0 | \$0 | \$8,063 | \$0 | \$0 | \$0 | \$8,063 | 20 |
| Teeter Totter | \$0 | \$7,601 | \$0 | \$0 | \$0 | \$0 | \$7,601 | 21 |
| Slide | \$0 | \$7,284 | \$0 | \$0 | \$0 | \$0 | \$7,284 | 22 |
| Spring Jeep | \$0 | \$6,334 | \$0 | \$0 | \$0 | \$0 | \$6,334 | 23 |
| Spring Toy | \$0 | \$2,850 | \$0 | \$0 | \$0 | \$0 | \$2,850 | 24 |
| Gazebo Roof | \$0 | \$1,660 | \$0 | \$0 | \$0 | \$0 | \$1,660 | 25 |
| Balance Beam | \$0 | \$1,583 | \$0 | \$0 | \$0 | \$0 | \$1,583 | 26 |
| Pond Liner | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 27 |
| Total | \$161,220 | \$458,781 | \$170,495 | \$284,140 | \$349,756 | \$348,770 | \$1,773,162 | |

Example – Site Pole lights

Brandon Industries

SM-S4 pole + freight? \$416.00
 $\$10,000/\$416.00 = 24$ Light Poles

Western Steel Inc.

12 ft aluminum 4" round tube \$1,084.02
 12 ft steel ¼" X 4" tube \$198.24
 12 ft Steel ¾" x 4" tube \$280.44
 6 ¼" Plates and gussets \$114.00

| | |
|--------------------------------|----------|
| 12 ft steel ¼" X 4" tube | \$198.24 |
| 1 ¼" Plate and gusset | \$ 19.00 |
| Welding cost per post | \$100.00 |
| Power Coating \$4.00 per Ln ft | \$ 48.00 |
| Total per post | \$365.24 |

$\$10,000/\$365.24 = 27$ Light Poles

Platinum Power Coating

| | |
|---------------------------------------------------------------|----------|
| 1 -12 ft light pole sandblast & power coat | \$ 72.00 |
| 1 -12 ft light pole sandblast & primed & Power coat (suggest) | \$ 84.00 |

$\$5,124/\$84.00 =$ All 61 Light Poles
 Save \$4,876.00



The Board adopted a competitive bid policy in 2024



HOA Challenges in Maintaining Community Assets

- Fluctuating costs
- Availability of contractors and/or volunteers
- Impact of climate on Trails and recurring deterioration
- Inadequate funding of Reserve Account

Summary

- Reserve funds are funds that HOAs set aside for future financial obligations such as major repairs, replacements, and maintenance
- Key factors impacting reserve calculations are Inflation, Cost Estimates, Asset Useful Life, and length of time until refurbishment
- Current contribution to Reserve funding is inadequate by \$69 per member for 2025 and higher for the longer term
- Consequences of inadequate funding are elimination of assets such as the trails, monuments and playground which are the most significant reserve expenses



Appendix

Complete Reserve Studies for 2024 and prior years are available at www.kingsdeer.org > owner login > library

Reserve Study Basics

- Begins with a list of all HOA components and projects that will require maintenance & funding:
 - Common Area maintenance obligation
 - Need and schedule of project can be reasonably anticipated
 - Total cost is material (i.e. more than 0.5% of budget)
- Funding is intended to offset ongoing, daily deterioration of assets; not unpredicted emergency expenses
- Specific processes are used to establish estimates for Useful Life, Remaining Useful Life and Repair/Replacement costs, including
 - Site Inspection
 - Association Reserves database of experience
 - Installation dates and historical life cycle and cost information
 - Vendor evaluations and recommendations
 - National Industry cost estimating guidebooks
- Recommendations are made regarding funding adequacy according to National Reserve Study Standards

Source: 2024 King's Deer Reserve Study

Association Reserves uPlanIt Software

Cost Centers: Kings Deer HOA

COMPONENTS

CONTROL PANEL

RECOMMENDATIONS

FUNDING PLAN
OVERRIDE

Chapters: ALL

[View Tutorial \(4:06\)](#)

| # | Funded | Component Name | Qty | UOM | UL | RUL | Current Cost | Notes |
|--------------------------------------------|--------|---------------------------------|--------|--------|----|-----|--------------|-------|
| Sites & Grounds + Add component | | | | | | | | |
| 21100 | No | Site Drainage System - Clean/Re | 1 | System | 0 | 0 | \$ | |
| 21180 | Yes | Trails - Refurbish | 166900 | GSF | 1 | 0 | \$ 16500 | |
| 21190 | Yes | Asphalt - Seal/Repair | 16300 | GSF | 4 | 1 | \$ 6500 | |

Cost Centers: Kings Deer HOA

[Video Overview \(3:22\)](#)

COMPONENTS

CONTROL PANEL

RECOMMENDATIONS

FUNDING PLAN
OVERRIDE

TABLES AND CHARTS

| | |
|----------------------------------------|-----------------------|
| RESERVE FUNDING \$ 45,000.00 | PER UNIT \$84.75 |
| 1ST INCREASE (%) 3.00 | NUMBER OF YEARS 30 |
| 2ND INCREASE (%) 3.00 | NUMBER OF YEARS 30 |
| 1ST YEAR SPECIAL ASSESSMENT \$ 0.00 | PER UNIT \$0 |
| 2ND YEAR SPECIAL ASSESSMENT \$ 0.00 | PER UNIT \$0 |
| 3RD YEAR SPECIAL ASSESSMENT \$ 0.00 | PER UNIT \$0 |
| 4TH YEAR SPECIAL ASSESSMENT \$ 0.00 | PER UNIT \$0 |

Percent Funded

[View Tutorial \(4:06\)](#)

