



King's Deer Open Forum

Reserve Funds Deep Dive

Hosts: Mike Sauer & Tom Anderson

May 5, 2025

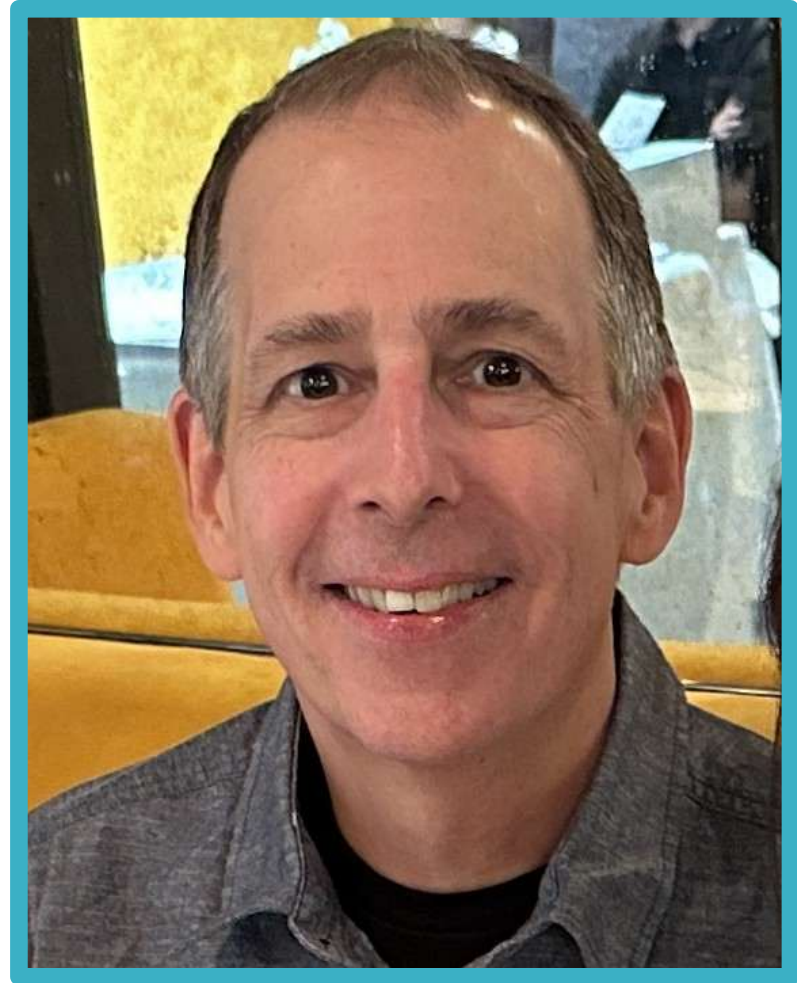
Agenda:

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

Introductions - Presenters



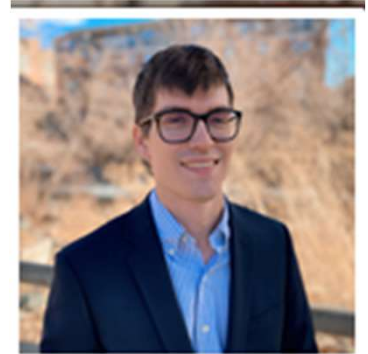
Mike Sauer
HOA Secretary



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



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Reserve Study: Key Drivers

COST DRIVERS

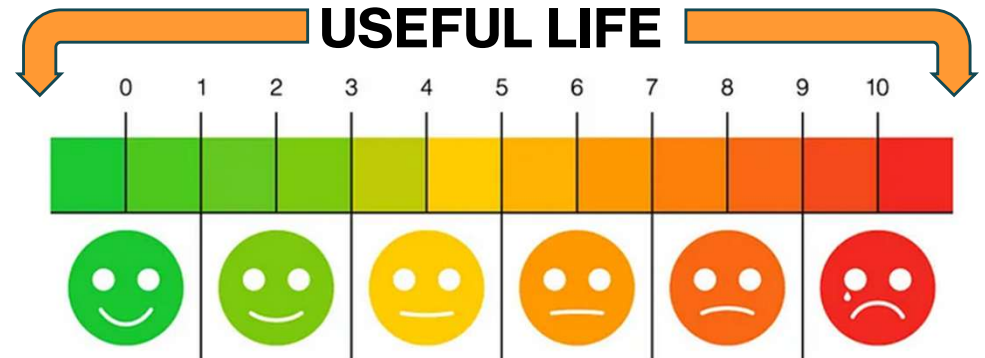
Current
Cost
Estimate



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:

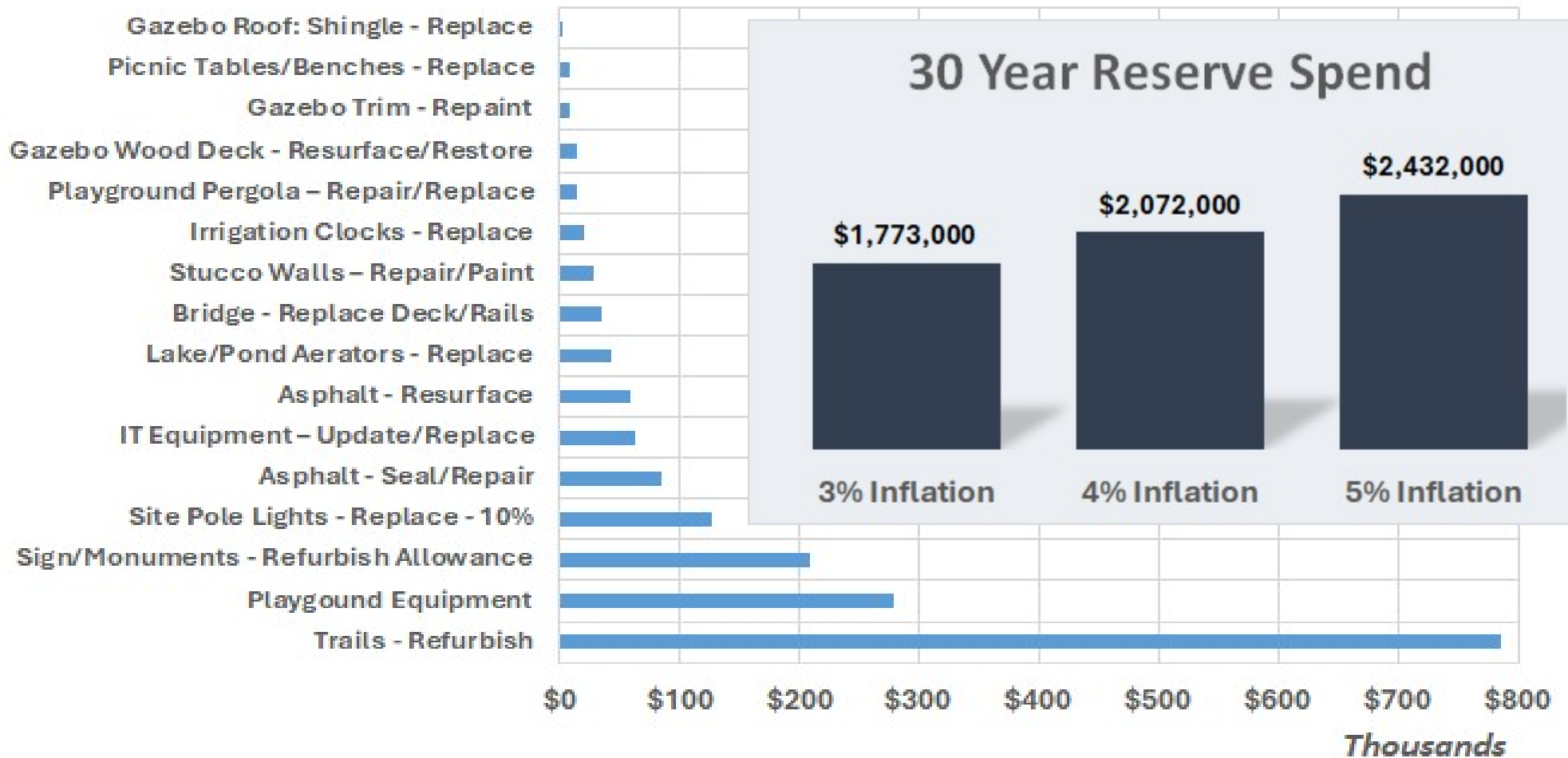
Useful Life	10 Years
Remaining Life	8 Years
Current Refurbishment Cost	\$39,500
Inflation Rate	3%

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
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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

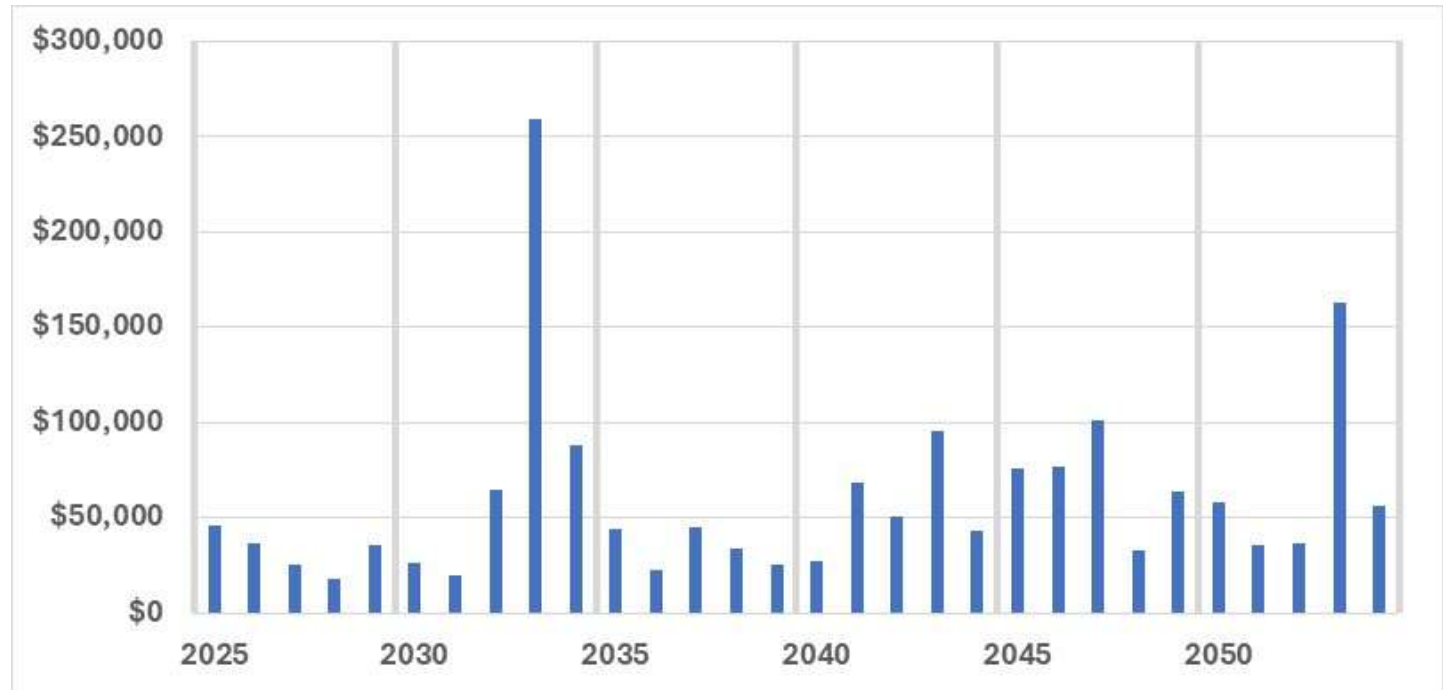
Income/Expense Detail

Report # 13409-2
With-Site-Visit

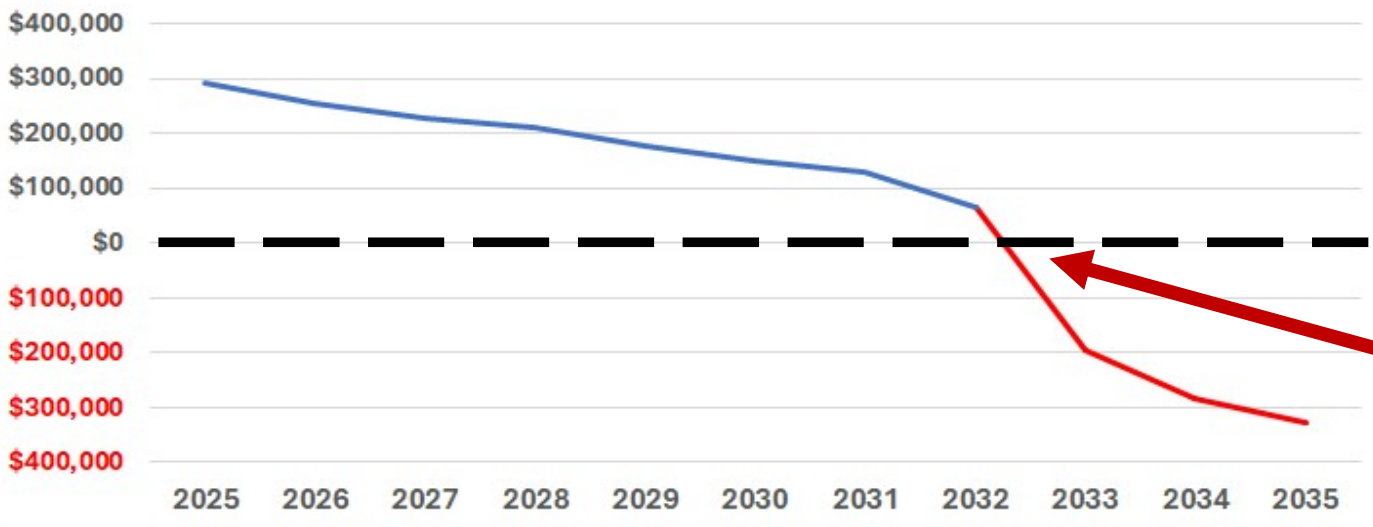
Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$328,761	\$327,511	\$337,780	\$360,059	\$391,202
Annual Reserve Funding	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
Total Income	\$373,761	\$373,861	\$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
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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

#13409-3a
Kings Deer HOA
Project Manager: None

Documents uPlanIt

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	

#13409-3a
Kings Deer HOA
Project Manager: None

Documents uPlanIt

Cost Centers: Kings Deer HOA [Video Overview \(3:22\)](#)

COMPONENTS CONTROL PANEL **RECOMMENDATIONS** FUNDING PLAN OVERRIDE TABLES AND CHARTS

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

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

Percent Funded