

## Reserve Study Review – Fiscal 2006/07

This is a review of our Reserve Study conducted during Fiscal year 2005/06. These were the Reserve expenditures in this, the first year after the Study was conducted.

- Street slurry coat - \$14,760
- Spa jet pumps - \$1,502
- Pool Heater - \$2,950
- Pool/Spa restroom hot water heater - \$1,066
- Pool/Spa water 'top-off' repair - \$700
- Common area drain repair - \$2,500
- Paths overlay - \$20,615

The street slurry project came in \$14,455 under Study estimate, probably because we did all of our streets at once. We applied the savings to repair our badly damaged paths. At this writing the path overlay is scheduled but has not begun. Path overlays are usually not included in Reserve Studies, they usually don't have to be repaired. But here in Morningside Woods the roots from the large number of trees in our common area have damaged the asphalt paths.

The Pool/Spa area expenditures were about what our Study estimated. Other expenditures such as replastering, caulking and deck coating will be necessary in the next few years.

For paint maintenance of our homes' exterior, the Board plans to retain a professional in that area for advice.

The Reserve Fund is fully funded, monthly assessments currently are \$198 and no increase is planned. In addition, no Special assessments are planned.

Note that about 19% of our monthly assessments are deposited in our Reserve Fund.

Bruce Osterberg  
Treasurer, Morningside Woods HOA  
July 30, 2006.

# Figure 1, Totals & Distributions

## Components that are under a maintenance schedule

<u>Component</u>		<u>Cost to Replace</u>	<u>Annual C to R</u>	<u>Desired Balance</u>
Painting	1n	188,220	26,889	188,220
Streets	2n	32,817	8,204	9,105
Pool/Spa	4n	6,215	938	5,019
Other - Scheduled	5n	2,231	360	1,367
Maintenance Totals:		229,483	36,391	203,711

## Components that fail or wear out

<u>Component</u>		<u>Cost to Replace</u>	<u>Annual C to R</u>	<u>Desired Balance</u>
Irrig - Predicted	3n	16,815	1,121	6,926
Irrig - Repair	3n	29,600	555	2,775
Pool/Spa	4n	22,997	1,540	9,744
Other - Predicted	5n	11,457	478	10,196
Other - Repair	5n	45,900	1,150	6,200
Repair/Replace Totals:		126,769	4,844	35,841
Totals:		<u>356,251</u>	<u>41,235</u>	<u>239,552</u>

## To Be Fully Funded

### Regular Allocation to Reserve Fund:

Annualized 'Cost to Replace' divided by 12 = 3,436  
 Plus a contingency of: 2% 69  
 Then regular Allocation to the Reserve Fund is: 3,505 per month  
 42,060 per year

### Reserve Fund Balance:

To avoid Special Assessment, minimum Reserve balance: 156,541 (2013)  
 Add for "spend at start" of year: 0  
 Reserve Account minimum balance: 12,000  
 Set aside for components: 168,541  
 Remainder for Capital Improvements: 11,941  
 Reserve Fund balance as of Aug 31, 2006: 180,482

## Reserve Fund - Component Allocations & Distribution:

<u>Component Category</u>	<u>Current Funds Dist.</u>		<u>Allocation Amount</u>		
	<u>fr Des Bal</u>	<u>Amount</u>	<u>fr Anl Dep</u>	<u>per Mo</u>	<u>per Yr</u>
Painting	78.6%	132,425	65.2%	2,286	27,427
Streets	3.8%	6,406	19.9%	697	8,369
Irrigation	4.0%	6,826	4.1%	142	1,710
Pool/Spa	6.2%	10,386	6.0%	211	2,528
Other	7.4%	12,498	4.8%	169	2,027
	100.0%	168,541	100.0%	3,505	42,060

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