

# RESERVE STUDY QUICK START GUIDE



The following is a four-step quick start guide to your Reserve Study report.

## STEP 1

LOCATED IN SECTION 1  
OF YOUR REPORT

### REVIEW CURRENT FINANCIAL CONDITIONS OF THE ASSOCIATION

To establish the starting point for all Reserve Expenditure and Reserve Funding Plan options, review the Executive Summary “Cash Status of the Reserve Fund” section to note the starting Reserve Balance and current annual Reserve Contributions.

## STEP 2

LOCATED IN SECTION 3  
OF YOUR REPORT

### REVIEW NEAR-TERM AND CAPITAL INTENSIVE RESERVE EXPENDITURES

The Reserve Expenditures table identifies the reserve components and related quantities, useful lives, remaining useful lives and future reserve expenditures during the next 30 years.

**INITIAL FOCUS** – expenditures during the next five years

**SUBSEQUENT FOCUS** – capital intensive expenditures years 6 through 30 (the column “Percentage of Future Expenditures” notes the relative importance of the expenditures)

The report narratives are available to detail the components, including photographic documentation of the conditions.

## RESERVE EXPENDITURES

The following is a sample of our Reserve Expenditure Table. Items and costs in your study will vary.

### RESERVE EXPENDITURES

Scenic Ridge  
Association  
Madison, USA

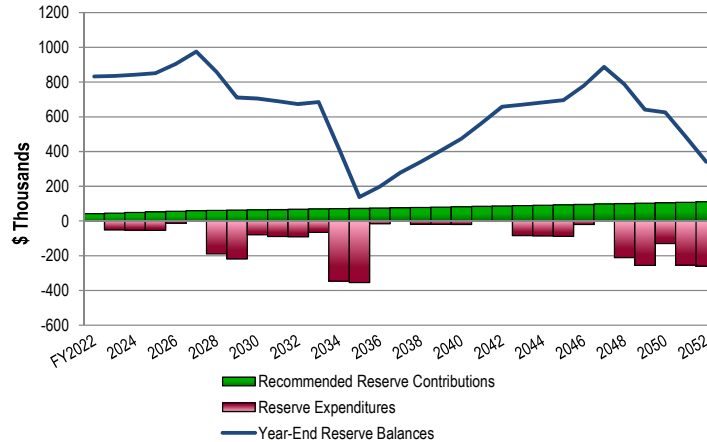
Total quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Unit (2022)	Costs, \$ Per Phase (2022)	Total (2022)	Percentage of Future Expenditures	RUL = 0 FY2022	1 2023	2 2024	3 2025	4 2026	5 2027
<b>Exterior Building Elements</b>																
4,500	1,500	Square Feet	Balconies, Composite, Phased	2028	20 to 25	6 to 8	35.00	52,500	157,500	16.6%						
975	488	Squares	Roofs, Asphalt Shingles, Phased	2034	15 to 20	12 to 13	425.00	207,188	414,375	18.4%						
9,000	4,500	Linear Feet	Sealants, Windows and Doors, Phased	2026	to 20	4 to 14	2.50	11,250	22,500	1.6%						12,418
75,000	25,000	Square Feet	Walls, Stucco, Paint Finishes and Capital Repairs, Phased	2023	8 to 10	1 to 3	1.50	37,500	112,500	15.1%	38,438	39,398	40,383			
75	25	Units	Walls, Trim, Soffits and Fascia, Paint Finishes, Phased	2023	4 to 6	1 to 3	500.00	12,500	37,500	10.7%	12,812	13,133	13,461			
<b>Property Site Elements</b>																
12,700	6,350	Square Yards	Asphalt Pavement, Mill and Overlay, Phased	2028	15 to 20	6 to 7	15.50	98,425	196,850	19.9%						
1,200	1,200	Square Feet	Pavers, Masonry	2029	15 to 20	7	17.00	20,400	20,400	2.1%						
2,600	1,300	Square Feet	Retaining Walls, Timber, Phased (Replace with Masonry)	2031	15 to 20	9 to 10	55.00	71,500	143,000	15.6%						
Anticipated Expenditures, By Year (\$3,065,933 over 30 years)											0	51,250	52,531	53,844	12,418	0

**STEP  
3**

LOCATED IN SECTIONS  
1 & 3 OF YOUR REPORT

**REVIEW RECOMMENDATIONS IN THE EXECUTIVE SUMMARY  
AND RESERVE FUNDING PLAN**

- The Executive Summary (Section 1 of your report) notes the Reserve Funding Plan recommendations in the section “Recommended Reserve Funding”. These recommendations note annual Reserve Contribution recommendations to fund the Reserve Expenditures.
- The graph at the end of the Executive Summary depicts the relationship between the Reserve Contributions, Reserve Expenditures and Reserve Balances.



The Reserve Funding Plan (Section 3 of your report) notes minimum thresholds in the Reserve Balances, or critical years. These critical years often govern the Reserve Contribution calculations.

**RESERVE FUNDING PLAN**

*The following is a sample of our Reserve Funding Plan.*

**CASH FLOW ANALYSIS**

**Scenic Ridge  
Association  
Madison, USA**

*Individual Reserve Budgets & Cash Flows for the Next 30 Years*

	<b>FY2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Reserves at Beginning of Year	780,000	831,612	835,807	842,284	851,039	905,095
<b>Total Recommended Reserve Contributions</b>	<b>42,000</b>	<b>45,500</b>	<b>49,000</b>	<b>52,500</b>	<b>56,000</b>	<b>59,500</b>
Estimated Interest Earned, During Year	9,612	9,945	10,008	10,099	10,474	11,218
Anticipated Expenditures, By Year	0	(51,250)	(52,531)	(53,844)	(12,418)	0
<b>Anticipated Reserves at Year End</b>	<b>\$831,612</b>	<b>\$835,807</b>	<b>\$842,284</b>	<b>\$851,039</b>	<b>\$905,095</b>	<b>\$975,813</b>

**STEP  
4**

**CONSIDER OPTIONS TO FUND THE RESERVE EXPENDITURES**

Upon review of the Reserve Contribution recommendations, discuss how the Association plans to fund the capital intensive projects:

- Reserves (including implementation of recommended Reserve Contribution increases)
- Loans
- Special/additional assessments