

# Britton Falls by Del Webb HOA, Inc. **RESERVE STUDY & PLANNING**



**Presented By:**

**RSI CONSULTANTS**

A Subsidiary of Comer, Nowling & Associates, CPAs

Britton Falls by Del Webb HOA, Inc.

## What is a Reserve Study?

The analysis of a community's major repair and replacement needs such as: roofing, siding, landscaping, painting, paving, sidewalks, recreation amenities, signage, or fencing, etc.. The study focuses on a specified period of time (minimum of 20 years) and the development of a plan for accumulating resources (cash) to perform the repair or replacement work when it is needed.

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# What is a Reserve Study?

**Professional Standards describe the parts of a Reserve Study as:**

- The Physical Analysis is the examination and documentation of the component inventory. It includes a determination of each component's condition (useful life and remaining useful life estimates), and each component's valuation (replacement cost estimates). The component inventory should remain consistent over the course of the community's life, while the condition and valuation will change from year to year.
- The Financial Analysis is the development and presentation of a spending and funding schedule over the study period (typically 20 or 30 years) in the form of a monthly or annual reserve contribution.

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# Reasons for Maintaining a Reserve Fund

- **It protects the owners' investments**  
Reserve funds provide resources to maintain common areas and property and reduce deferred maintenance.
- **It meets some legal, fiduciary, and professional requirements.**  
A reserve fund may be required by:
  - Certain secondary mortgage markets and insurers:  
for example; Fannie Mae, Freddie Mac, FHA, and VA
  - State statutes, regulations, or court decisions
  - Community's governing documents
- **It reduces the need for special assessments.**  
Owners may not be able to afford a large special assessment that would be required if reserves are insufficient to cover a major repairs or replacements.

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## **Reasons for Conducting and Updating a Reserve Study**

- **Provide a documented plan for managing long-term maintenance obligations**
- **Budgeting Tool**
- **Reducing Tax Risk**

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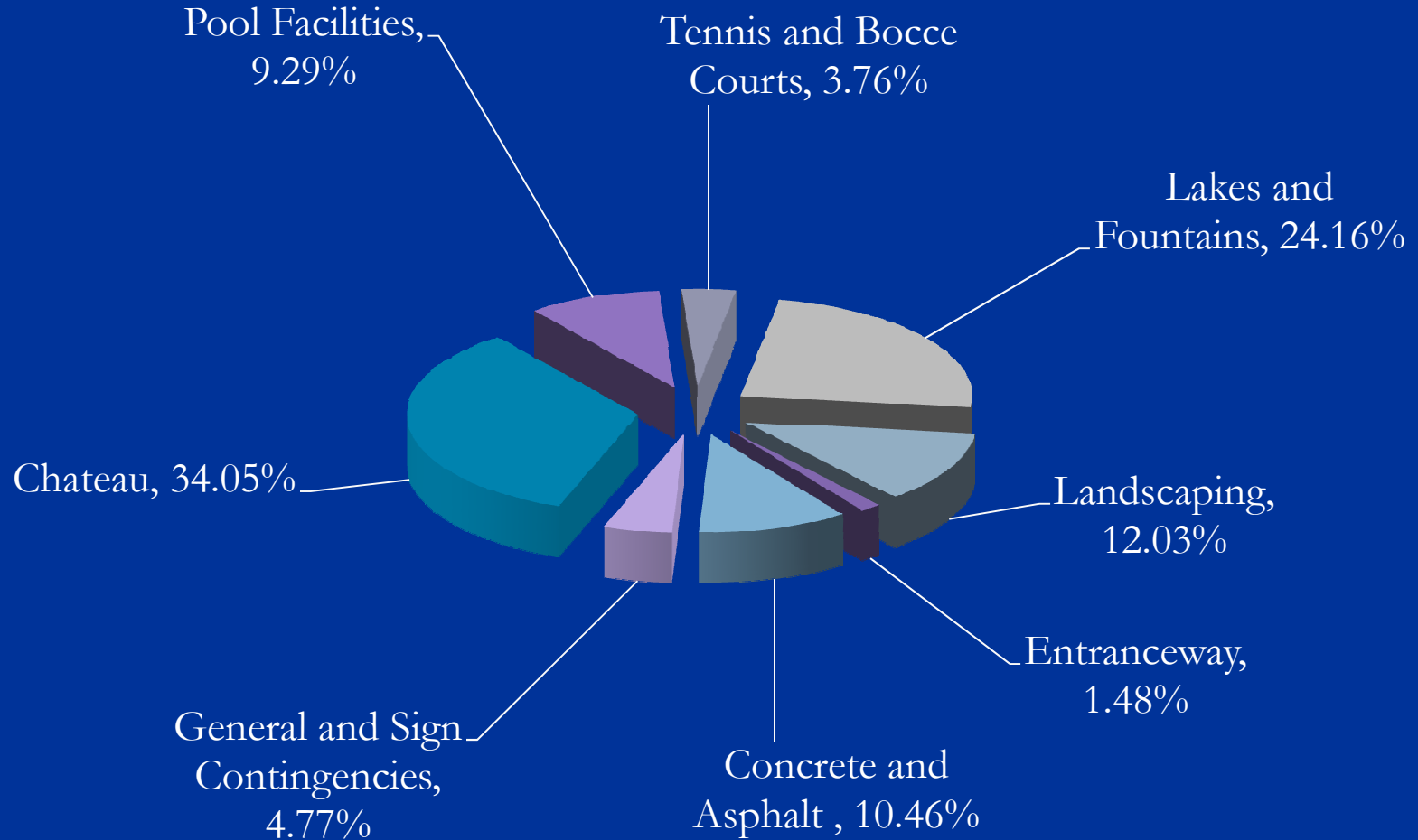
## Component List

- **Chateau**
  - **Exterior**
  - **Interior**
- **Pools**
- **Parking Lot**
- **Tennis Courts**
- **Bocce Ball**
- **Lakes**
  - **Fountains**
  - **Erosion Control**
- **Landscaping**
- **Entranceway**
- **Walking Paths**
- **Entranceway**
- **Common Concrete**
  - **Sidewalks**
  - **Curbs**
- **Sign Contingency**
- **General Contingency**

## Britton Falls by Del Webb HOA, Inc.

Components	Current Cost	Percentage
Chateau	\$ 1,273,381.01	34.05%
Pool Facilities	\$ 347,436.60	9.29%
Tennis and Bocce Courts	\$ 140,656.98	3.76%
Lakes and Fountains	\$ 903,572.94	24.16%
Landscaping	\$ 449,685.98	12.03%
Entranceway	\$ 55,248.51	1.48%
Concrete and Asphalt	\$ 391,106.68	10.46%
General and Sign Contingencies	\$ 178,256.97	4.77%
	\$ 3,739,345.69	100.00%

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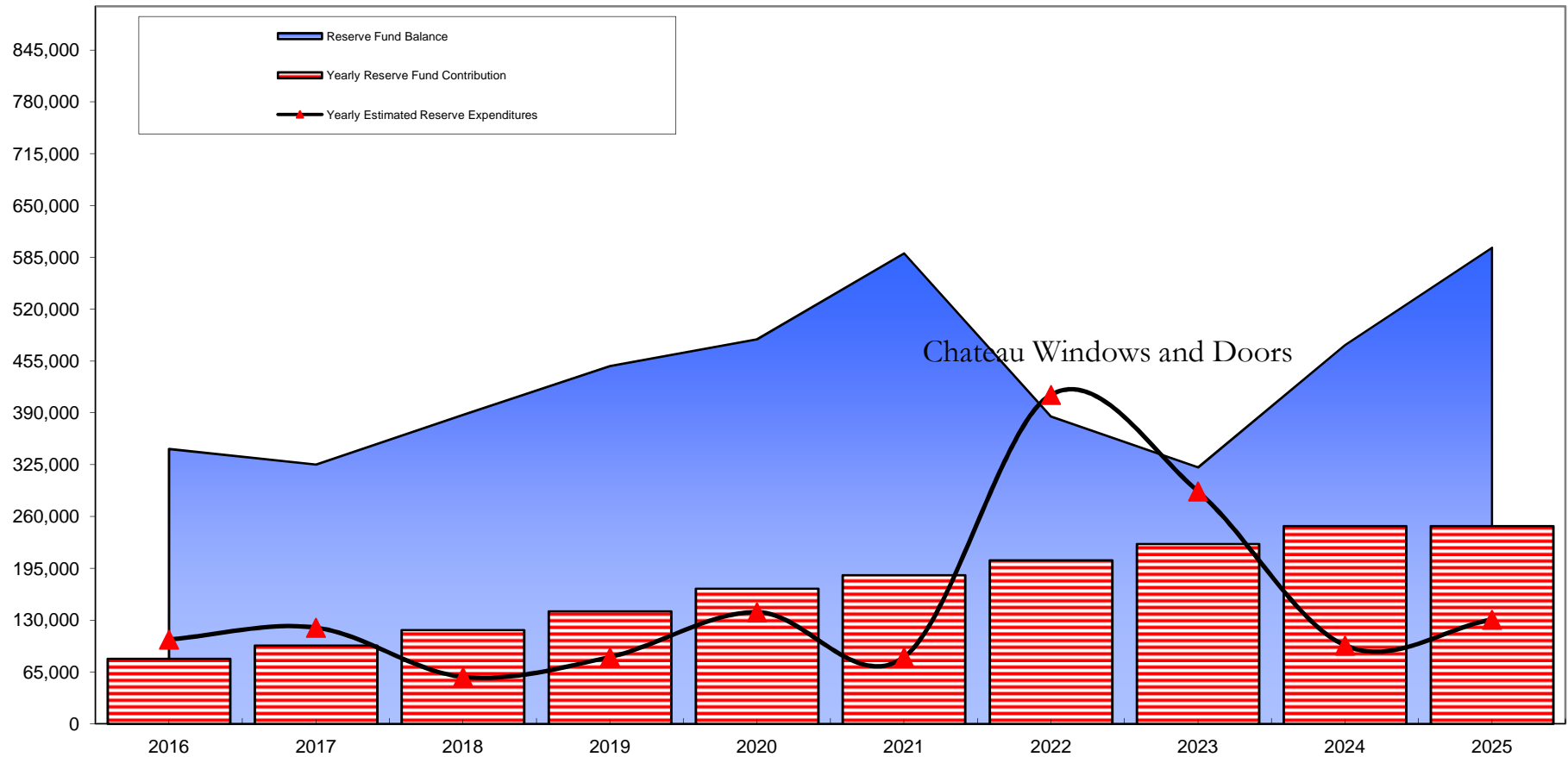


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## Funding Plan Graph

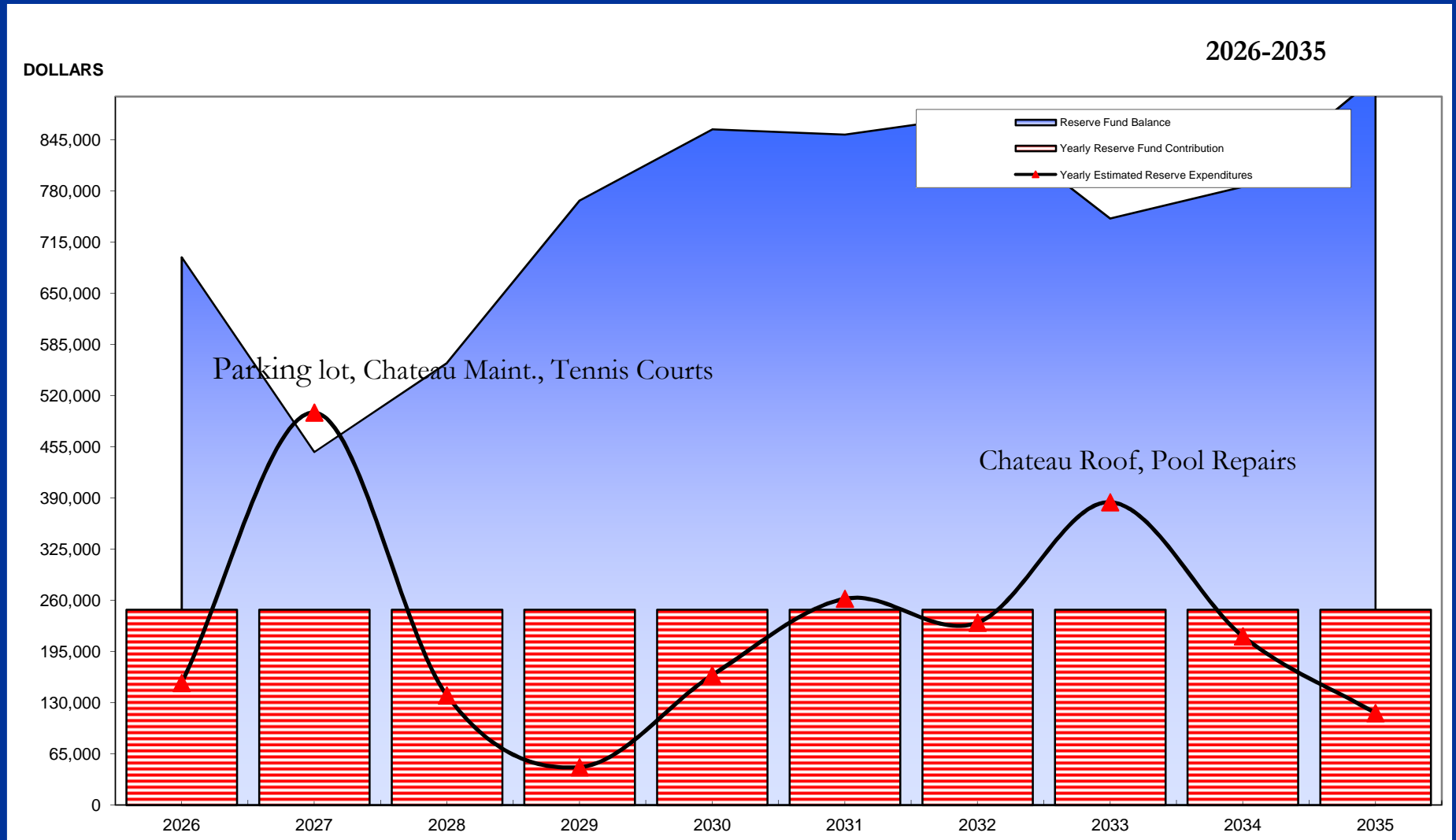
2016-2025

DOLLARS



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## Funding Plan Graph



**QUESTIONS?**

Thank you



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