

Reserve Study Board Summary

Demo Association

2025 Annual Reserve Study | April 1, 2025

SPECIAL ASSESSMENT RISK		PERCENT FUNDED	
Medium		39.5%	
Based on percent funded; balance stays positive		Fair	
RESERVE BALANCE	ANNUAL CONTRIBUTION	MONTHLY PER UNIT	COMPONENTS
\$425K	\$170,000	\$44	44
Fully Funded Balance: \$1,075,734 Total Replacement Cost: \$2,562,649 Per Unit Annual: \$531			
About This Summary: This board summary is a condensed version of the full reserve study report. For complete component details, funding projections, and methodology, refer to the full report. This study should be updated every 3 years or when significant changes occur. This summary does not constitute legal or financial advice.			

Recommended Actions

Priority	Action	Cost (today's)	Timeline
High	Plan replacement of 5 components due within 3 years	\$117,729	From 2026
Medium	Increase annual contributions to reach the 70% funded target	-	Next budget

Components Requiring Attention

Component	Condition	Remaining Life	Cost (today's)
Digital Information Displays	Fair	1 yr	\$22,240
Wi-Fi Network	Good	2 yrs	\$12,484
Exterior Painting	Fair	3 yrs	\$12,526
Water Heater - Common	Good	3 yrs	\$9,418
Cardio Equipment	Good	3 yrs	\$61,061
HVAC System - Clubhouse	Poor	4 yrs	\$9,111
Building Automation System	Good	4 yrs	\$29,588
Emergency Lighting	Good	4 yrs	\$17,625
Interior Painting	Excellent	5 yrs	\$8,294
Intercom System	Good	5 yrs	\$18,750

Due within 5 years or rated poor or failed. Costs are today's replacement cost; the funding plan adds inflation in the year each is due.

Upcoming Replacements (6 to 10 Years)

Component	Remaining Life	Condition	Cost (today's)
Playground Equipment	6 yrs	Fair	\$45,000
Clubhouse Furnishings	6 yrs	Good	\$23,214
Access Control System	6 yrs	Good	\$30,591
Security Cameras	6 yrs	Good	\$36,634
Irrigation System	7 yrs	Good	\$17,298

10-Year Reserve Fund Projection

Year	Reserve Balance	% Funded	Expenditures	Contribution	Risk
2025 (start)	\$425,000	39.5%	\$0	\$0	Medium
2026	\$579,743	47.2%	\$22,907	\$170,000	Medium
2027	\$752,034	53.7%	\$13,244	\$175,100	Medium
2028	\$855,222	56.8%	\$90,702	\$180,353	Medium
2029	\$992,986	60.4%	\$63,393	\$185,764	Medium
2030	\$1,071,031	62.1%	\$131,165	\$191,337	Medium
2031	\$1,099,110	62.6%	\$188,277	\$197,077	Medium
2032	\$1,233,709	65.2%	\$88,173	\$202,989	Medium
2033	\$1,411,030	68.1%	\$53,964	\$209,079	Medium
2034	\$1,501,607	69.3%	\$150,173	\$215,351	Medium
2035	\$1,608,853	70.6%	\$141,594	\$221,811	Low

The first row, marked (start), is the position on the study date: the current reserve balance, with no contribution, interest or expenses. The next 10 rows are projected years.

