

Reserve Studies: Protecting Your Community's Future

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What's in store

1. Reserve Study Overview
2. Benefits of a Reserve Study
3. The Role of HOA Board Members
4. Community Action Plans

What is an HOA Reserve Study?



Overview

**Financial Planning
Tool**



Purpose

Adequate Funds



Key Components

**Physical Evaluation
and Financial
Analysis**

HOA Case Study



1



2



3

Cash is the lifeblood of your Association

Risks of Underfunded Reserves



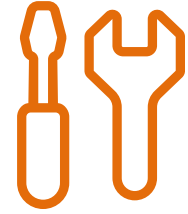
**Potential Legal
Liabilities**



**Reduced
Community
Amenities**



**Increased
Assessments**



**Deferred
Maintenance**



**Declining
Property
Values**

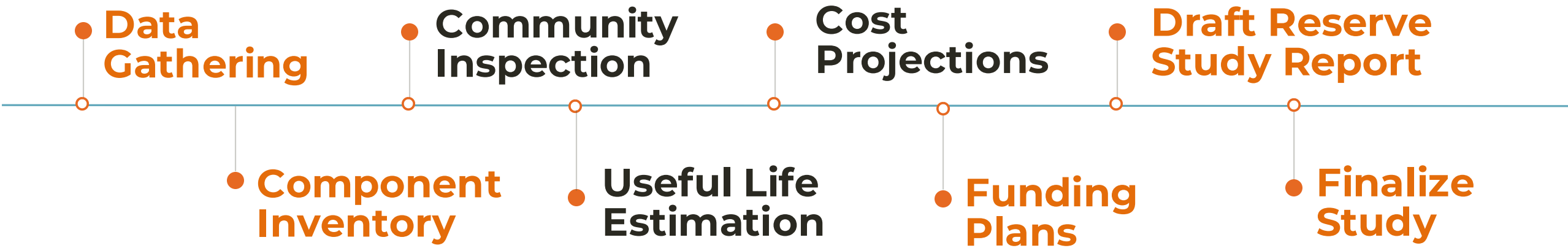


**Community
Dissatisfaction**

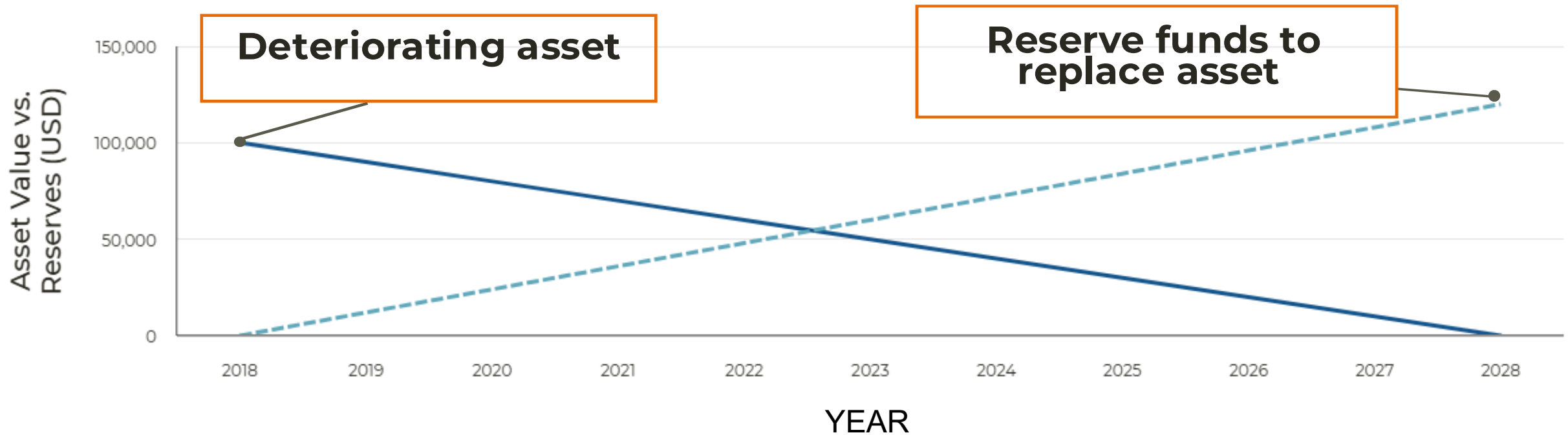


**Insurance
Challenges**

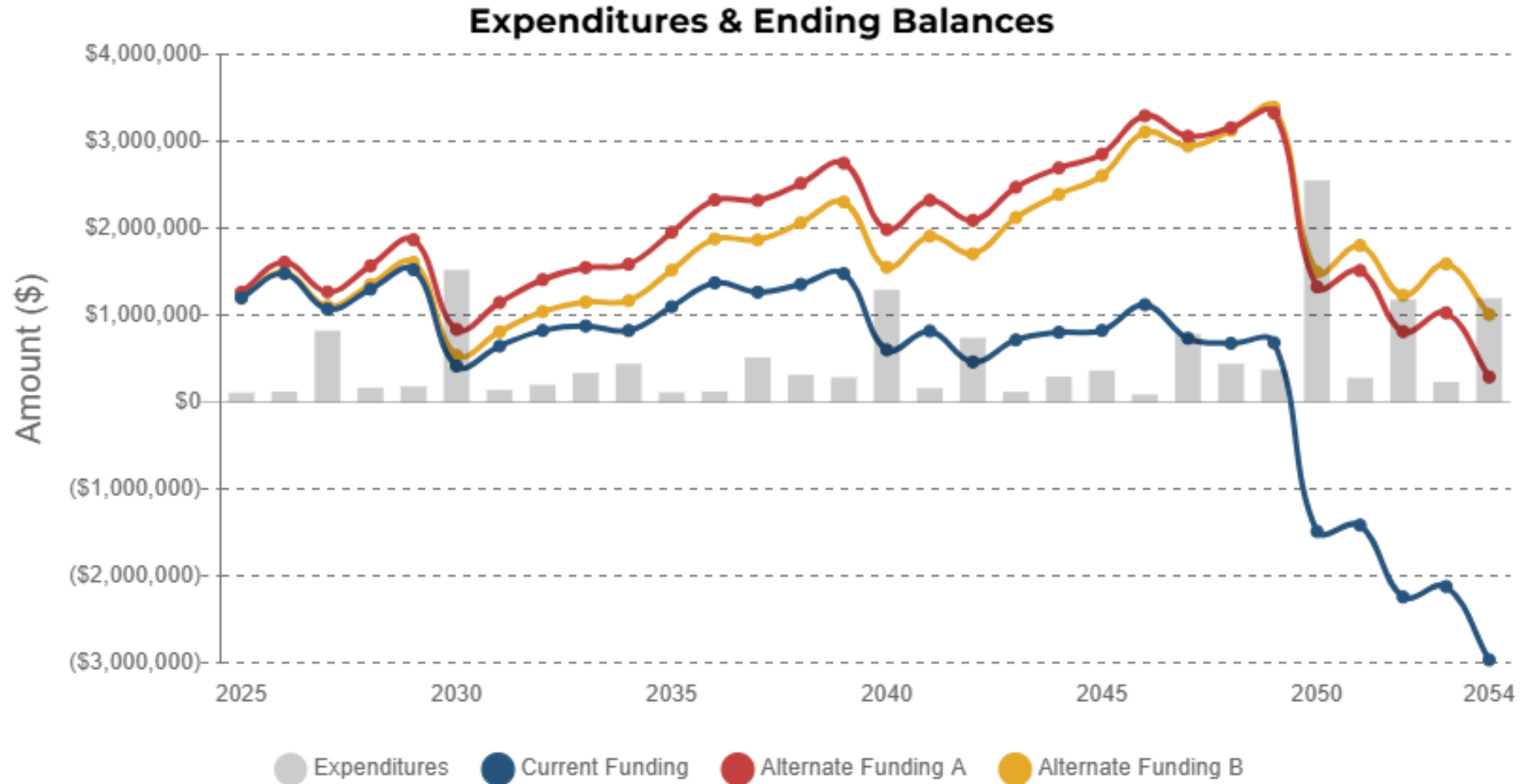
The Reserve Study Process



Reserve Study Funding and Depreciating Assets Example



When do you start planning for replacement?

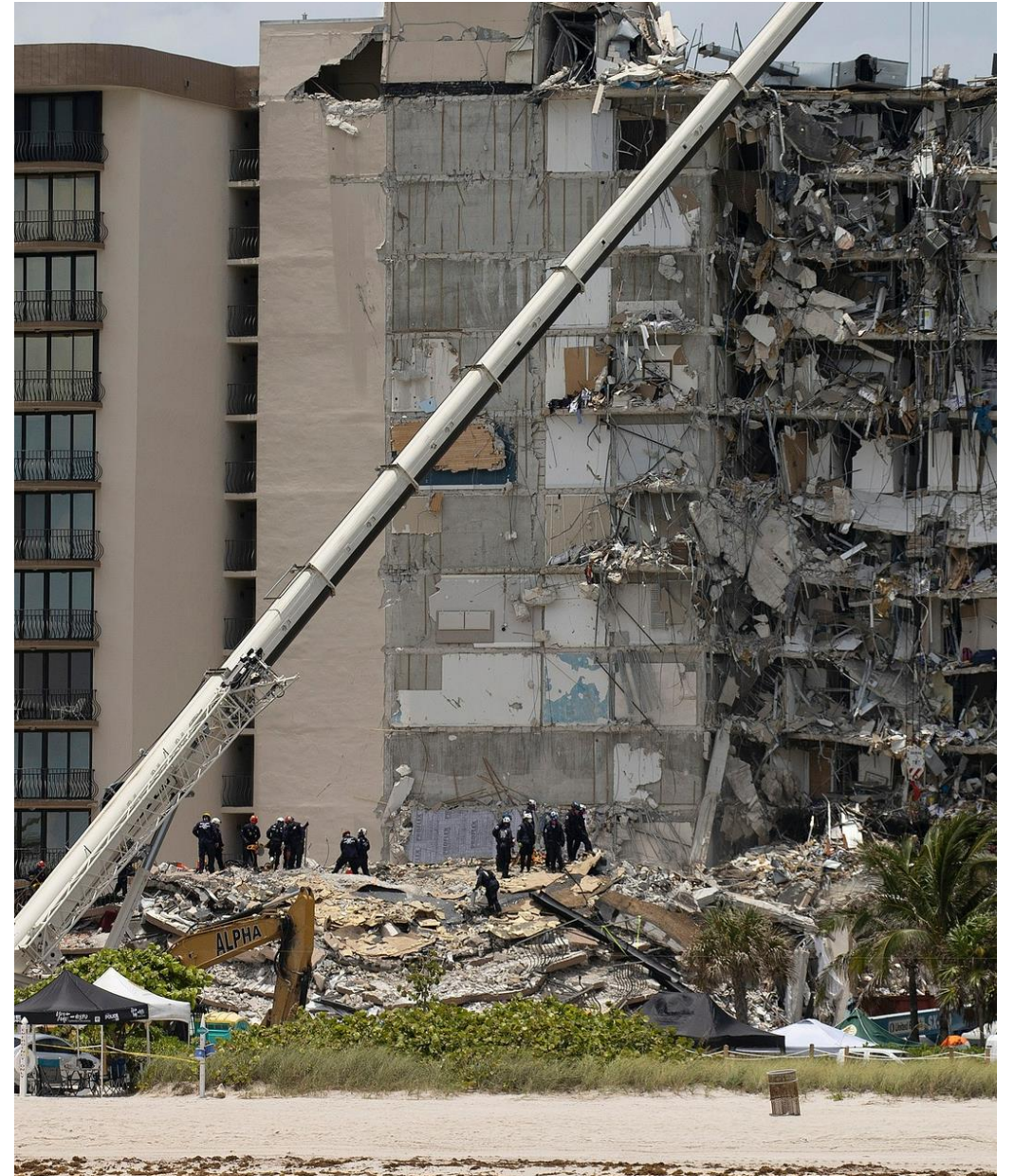


Example of 30-year funding plans provided in a Reserve Study

The Tragic Surfside Building Collapse

Our infrastructure is **aging**:

54% of community buildings are at least 35 years old (1990 or earlier).



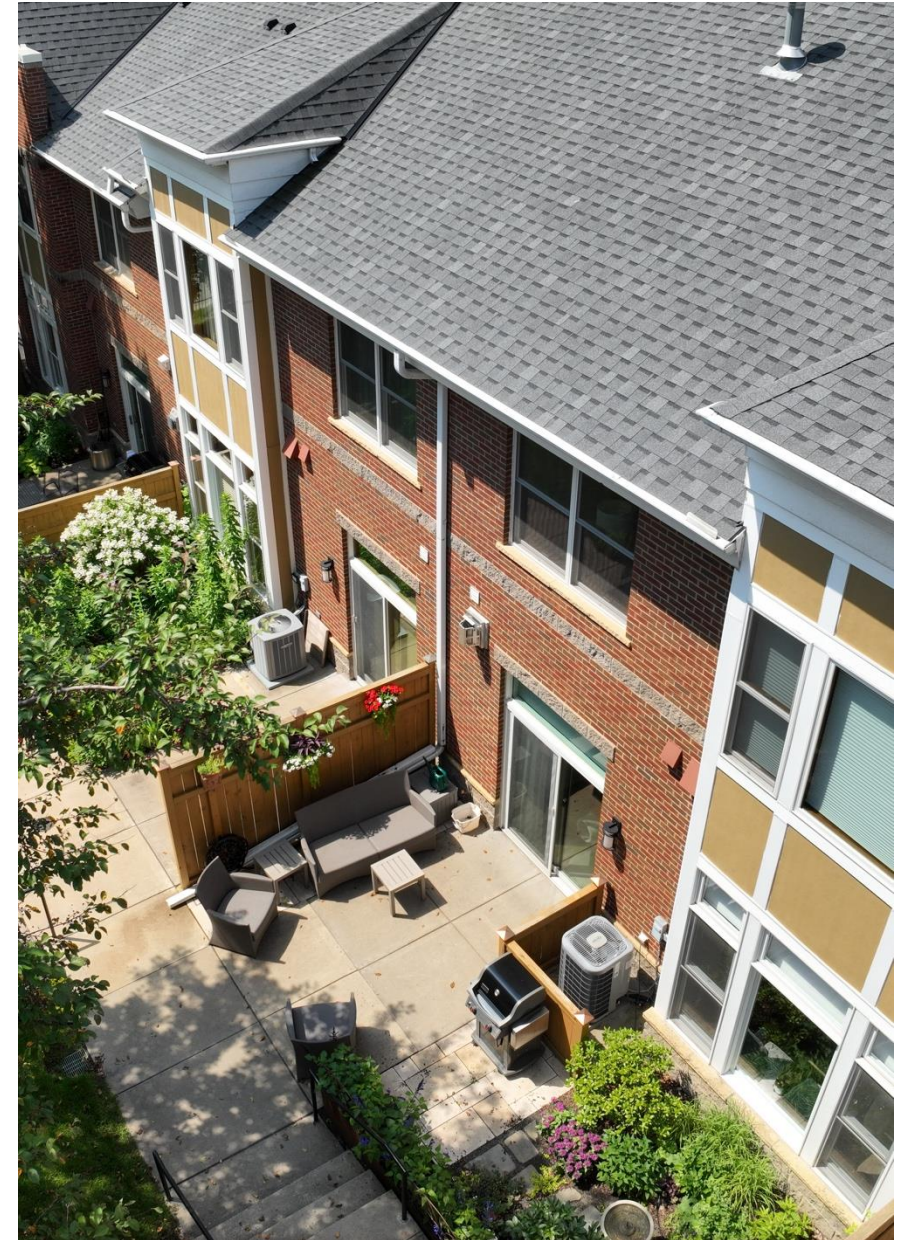
Communities: No Reserve Study

Minimum

- Decide and document what “adequate reserves” means for your community.
- Get an unbiased assessment of your community assets.
- Build a project list.
- Solicit bids for large expenses expected in the near-term.

Recommended

- Get a third-party, professional reserve study.



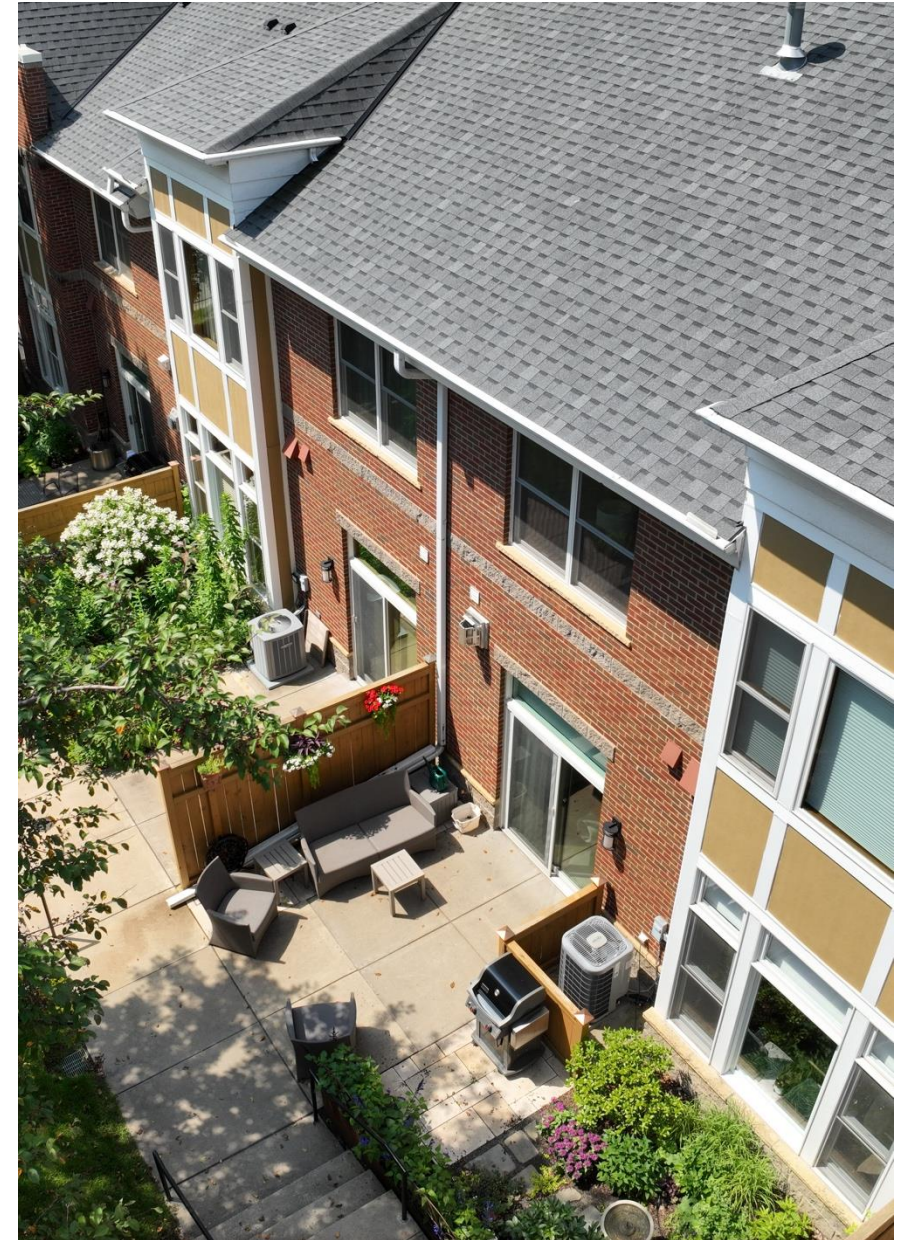
Communities: With Reserve Study

Annually

- Look-Back: Projects & Spend
- Look-Forward: Projects & Expenses
- Solicit bids for large expenses expected in the near-term.
- Complete independent review (optional)

Every 3-Years

- Reserve Study Update



Thank you!

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