

2024 Heritage Estates Property Owners Association Reserve Study

In 2022 the treasurer created an electronic database of past financial records, categorizing each expense as either an operating or maintenance cost. Formulating a Reserve budget required more details on the costs and timelines for road maintenance. In 2023, a professional study provided this information, enabling the treasurer to compute the annual share of depreciation costs. This information was used to create a proposed Reserve budget for member approval, to set the upcoming 2025 assessment.

The table below presents the annual depreciation values for the properties maintained by HEPOA.

First repair	Item to Maintain	Cost (\$)	life years	Annual Share of Depreciation Costs (\$)	Actual amount and date
2011	Gazebo: Pressure wash and stain:	\$350	5	\$70	\$250, 2025
2012	Gazebo: Replace Boards:	\$200	5	\$40	All new with donations, 2025
2015	Replace Gazebo roof	\$1,632	30	\$54	
2016	Gazebo Road: Gravel:	\$795	8	\$99	\$1000, 2025
2016	Supplement Mailboxes	\$1,172	25	\$47	
2016	Concrete for Mailbox installation	\$90	20	\$5	
2016	Trim encroaching foliage on ROW	\$6,000	20	\$300	
2017	Repaint HEPOA Entrance Sign:	\$515	9	\$57	
2023	Guard Rail: Replace rotten parts:	\$400	5	\$80	
2023	Culvert Repair and Cleaning	\$200	10	\$20	\$200, 2025
2023	Gazebo: Paint	\$112	5	\$22	
2024	Heritage River patch & Autumn Run pothole repair:	\$8,876	16	\$555	
2033	Road surface - Heritage River Road	\$39,128	25	\$1,565	
2034	Road surface - River Sound	\$99,130	26	\$3,813	
2034	Road surface - Autumn Run	\$69,903	32	\$2,184	
2035	Road surface - Deerfield	\$19,636	33	\$595	
2035	Road surface - Timbersong	\$18,902	33	\$573	
	Total			\$10,080	

To date, the assessments designated for the Reserves were not aligned with actual needs. As a result, even if annual assessments starting in 2025 accurately reflect the necessary amounts, there will be a shortfall of \$44,535 in the Reserve fund in ten years.

The assessment per lot can be determined by $\$10,080 \div \text{Number of lots}$. The additional assessment to make up the shortfall over ten years will be $\$44,535 \div 10 \div \text{Number of lots}$.

The treasurer has invested the Reserve funds that are not needed soon in a Certificate of Deposit earning 5% annually as a hedge against inflation.