

Reserve Study

for

Moser Farms

Homeowners Association, Inc.



November 2025



Reserve Study

**Moser Farms
Homeowners Association, Inc.**

**Account 1299 - Version 02
November 2025**

Report Prepared By
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Disclosures

1. The financial funding model utilized:
 Cash Flow Method
 Component Method
2. The funding strategy, or objective, is:
 Full (Ideal) Funding Threshold Funding
 Baseline Funding Statutory Funding
 Funding as specified by client
3. This Reserve Study is:
 A Full Study Retroactive
 An Update with on-site inspection* An Update without on-site inspection*
*Updated reports rely on the validity of prior studies and the client is considered to have deemed previously developed quantities as accurate and reliable.
4. Involvement(s) with client which could result in actual or perceived conflicts of interest:
None
5. Inventory compilation: field measurements representative sampling drawings
6. Condition assessments: included did not include destructive or invasive analysis
 - All information provided by the client regarding financial, physical, quality or historical issues has been deemed reliable by the consultant, including unaudited data used to determine the beginning reserve balance. The study is a reflection of information gathered by and provided to the consultant and assembled for the client's use, not for purposes of performing an audit, quality/forensic analysis, or background checks of historical records.
 - Information provided about reserve projects is considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.
7. The following issues , if not disclosed, would cause a distortion of the client's condition:
None



Important Information

This document has been provided pursuant to an agreement containing restrictions on its use. The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for the client's own use and for compliance with all applicable regulations. However, no part of this document may be copied or distributed or disclosed to another reserve consultant without the expressed written permission of Reserve Design Advantage.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors, assorted vendors, specialist and independent contractors, the Community Association Institute, and various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional. Additionally, costs are obtained from numerous vendor catalogues, actual quotations or historical costs, and our own experience in the field of property management and reserve study preparation.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

We recommend that your reserve analysis study be updated on a regular basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, updates may be completed less expensively than the original study. Reserve Design Advantage would like to thank you for using our services and we invite you to call us should you have questions, comments or need assistance.

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Part I

Introduction

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and provide the economic guidance for all of the association's activities.

Funding Options

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is comprised of present members, but its continued viability depends upon its ability to attract future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members if any could be attracted. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole, both current and future community members.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to affect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five-year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major "reserve" expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their

effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association's overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve study provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a "fund status" and "funding plan".

In an **Update with site inspection**, the reserve study provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the "fund status and "funding plan."

In an **Update without site inspection**, the reserve study provider conducts life and valuation estimates to determine the "fund status" and "funding plan."

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association's major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next. Examples of *operational expenses* include:

Utilities:	Bank Service Charges	Accounting
Electricity	Dues & Publications	Reserve Study
Gas	Licenses, Permits & Fees	Repair Expenses:
Water	Insurance(s)	Tile Roof Repairs
Telephone	Services:	Equipment Repairs
Cable TV	Landscaping	Minor Concrete Repairs
Administrative:	Pool Maintenance	Operating Contingency
Supplies	Street Sweeping	

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may also include significant assets for which the association may have indeterminable exposure but still has the potential of a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance. Examples of reserve expenses include:

Roof Replacements	Park/Play Equipment
Painting	Pool/Spa Re-plastering
Deck Resurfacing	Pool Equipment Replacement
Fencing Replacement	Pool Furniture Replacement
Asphalt Seal Coating	Tennis Court Resurfacing
Asphalt Repairs	Lighting Replacement
Asphalt Overlays	Insurance(s)
Equipment Replacement	Reserve Study
Interior Furnishings	

Budgeting is Normally Excluded for:

Repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, the buildings structural elements, wiring and plumbing. Also excluded are insignificant expenses that may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for, are also excluded.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on a frequent basis to reflect such changes as shifts in economic parameters, the addition of common assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Reserve Design Advantage Threshold and the Reserve Design Advantage Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Reserve Design Advantage Component Funding model is based upon the component methodology.

Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding---Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = Age divided by Useful Life the results multiplied by Current Replacement Cost

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

The Reserve Design Advantage **Threshold Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

The Reserve Design Advantage **Threshold Funding Model**. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount other than \$0 as in minimum funding.

The Reserve Design Advantage **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level or at its future expected assessment and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The Reserve Design Advantage **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" is a "Component Funding Model" calculation. This

distribution does not apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can “fix” the accumulated reserve balance within the program on the individual asset’s detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component’s age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

Reserve Design Advantage uses the software program Reserve Analyst® that performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to “replenish” the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. The program can easily generate revised reports outlining how the monthly

contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the “Monthly Reserve Assessment Required”, the “Average Net Monthly Interest Earned” contribution and the “Total Monthly Allocation to Reserves.” The association should allocate the “Monthly Reserve Assessment Required” amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the “Total Monthly Allocation” to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association’s operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users’ Guide to your Reserve Analysis Study

Part II of your Reserve Design Advantage Report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report as well as the summary of your reserve analysis study.

Index Reports

The **Distribution of Accumulated Reserves** report lists all assets in remaining life order. It also identifies the ideal level of reserves that should have accumulated for the association as well as the actual reserves available. This information is valid only for the “Component Funding Model” calculation.

The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The Reserve Design Advantage Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.

Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

A Multi-Purpose Tool

Your Reserve Design Advantage Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your Reserve Design Advantage reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The Reserve Design Advantage reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your Reserve Design Advantage Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your Reserve Design Advantage Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the Reserve Design Advantage reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The Reserve Design Advantage reserve study is an regular and consistent disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.
- The Reserve Design Advantage Owners' Summary meets the disclosure requirements of the California Civil Code and also the recently adopted ECHO standards.
- Your Reserve Design Advantage Report provides a record of the time, cost, and quantities of past reserve replacements. At times the association's management company and board of directors are transitory which may result in the loss of these important records.

Moser Farms
Prospect, KY
Current Assessment Funding Model Summary

		Report Parameters
Report Date	November 19, 2025	2.45%
Account Number	1299	1.50%
Budget Year Beginning	January 1, 2026	2.00%
Budget Year Ending	December 31, 2026	
Total Units	178	3.00%
		2026 Beginning Balance
		\$30,000

Notes to the Reserve Study

This Reserve Study for Moser Farms has been prepared after review of governing documents; review of financial statements; on-site inspection; and discussion with the Board.

Submitted by Brent Eckhart, RS – November 19, 2025

Current Assessment Funding Model Summary of Calculations

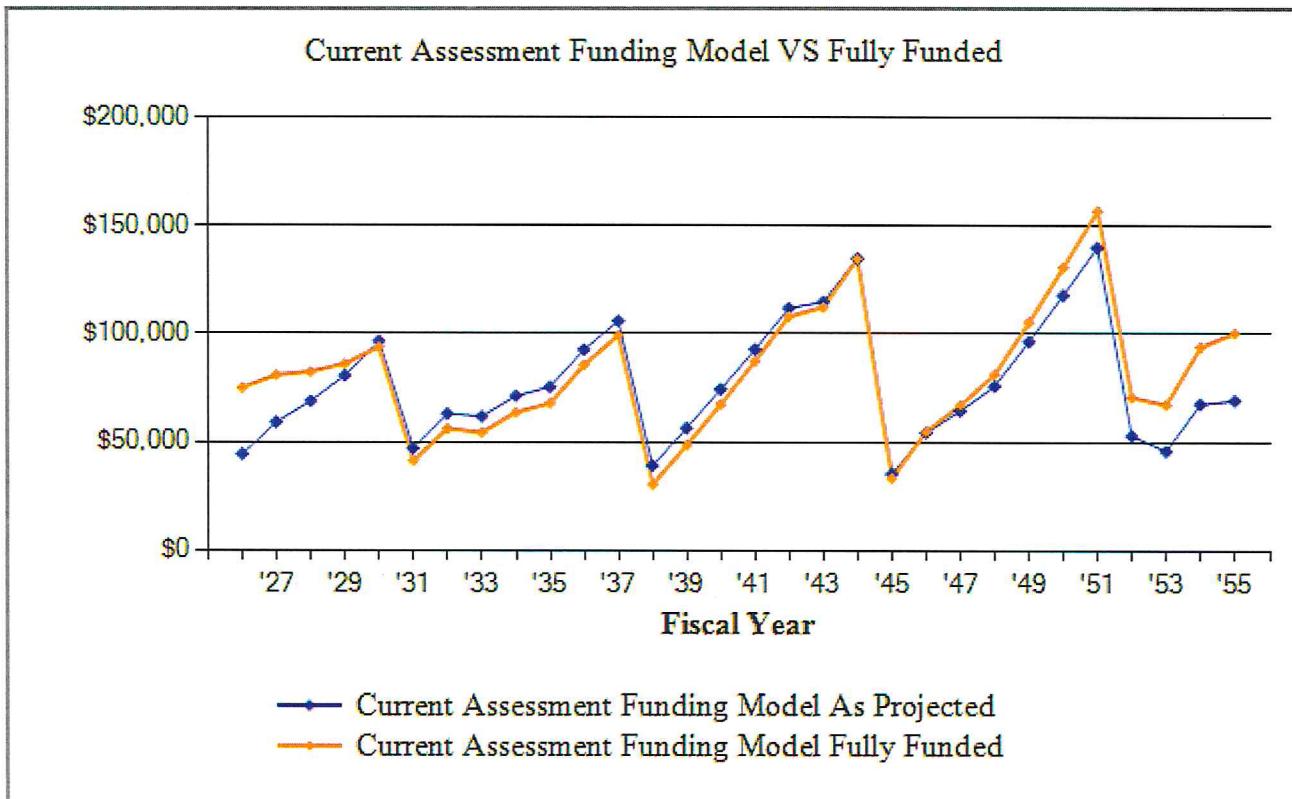
Required Annual Contribution	\$13,350.00
<i>\$75.00 per unit annually</i>	
Average Net Annual Interest Earned	\$867.00
Total Annual Allocation to Reserves	\$14,217.00
<i>\$79.87 per unit annually</i>	

Moser Farms
Current Assessment Funding Model Projection

Beginning Balance: \$30,000

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2026	91,255	13,350	867		44,217	74,869	59%
2027	93,491	13,550	1,155		58,923	80,824	73%
2028	95,781	13,754	1,349	5,248	68,777	82,400	83%
2029	98,128	13,960	1,579	3,764	80,552	86,073	94%
2030	100,532	14,169	1,894		96,616	93,949	103%
2031	102,995	14,382	922	64,897	47,022	41,266	114%
2032	105,518	14,597	1,232		62,852	56,167	112%
2033	108,104	14,816	1,210	17,177	61,701	54,398	113%
2034	110,752	15,039	1,395	6,985	71,150	63,718	112%
2035	113,466	15,264	1,480	12,434	75,460	67,888	111%
2036	116,246	15,493	1,819		92,773	85,677	108%
2037	119,094	15,726	2,079	4,568	106,009	99,474	107%
2038	122,011	15,962	768	83,565	39,174	30,577	128%
2039	125,001	16,201	1,107		56,482	48,667	116%
2040	128,063	16,444	1,459		74,385	67,626	110%
2041	131,201	16,691	1,822		92,897	87,484	106%
2042	134,415	16,941	2,197		112,035	108,274	103%
2043	137,708	17,195	2,253	16,600	114,883	112,498	102%
2044	141,082	17,453	2,647		134,982	134,827	100%
2045	144,539	17,715	694	118,000	35,391	33,551	105%
2046	148,080	17,981	1,067		54,439	54,916	99%
2047	151,708	18,250	1,262	9,567	64,384	67,202	96%
2048	155,425	18,524	1,488	8,516	75,880	81,416	93%
2049	159,233	18,802	1,894		96,575	105,501	92%
2050	163,134	19,084	2,313		117,972	130,717	90%
2051	167,130	19,370	2,747		140,089	157,105	89%
2052	171,225	19,661	1,037	107,889	52,898	70,756	75%
2053	175,420	19,956	900	27,873	45,879	67,386	68%
2054	179,718	20,255	1,323		67,457	93,969	72%
2055	184,121	20,559	1,357	20,177	69,196	100,504	69%

Moser Farms
Current Assessment Funding Model VS Fully Funded Chart



The Current Assessment Funding Model is based on the current annual assessment, parameters, and reserve fund balance. Because it is calculated using the current annual assessment, it will give the accurate projection of how well the association is funded for the next 30 years of planned reserve expenditures.

Moser Farms
Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2026</i>	
<i>No Replacement in 2027</i>	
Replacement Year 2028	
Pavillion Refurbishment	5,248
Total for 2028	<u>\$5,248</u>
Replacement Year 2029	
Entry Monuments Refurbishment	3,764
Total for 2029	<u>\$3,764</u>
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Concrete Sidewalk Allowance	8,465
Landscape Allowance	56,433
Total for 2031	<u>\$64,897</u>
<i>No Replacement in 2032</i>	
Replacement Year 2033	
Pavillion Refurbishment	5,923
Signage Replacement	4,146
Traffic Island Refurbishment	7,108
Total for 2033	<u>\$17,177</u>
Replacement Year 2034	
Street Sign Replacement	6,985
Total for 2034	<u>\$6,985</u>
Replacement Year 2035	
Playground Refurbishment	12,434
Total for 2035	<u>\$12,434</u>
<i>No Replacement in 2036</i>	
Replacement Year 2037	
Entry Monuments Refurbishment	4,568
Total for 2037	<u>\$4,568</u>

Moser Farms
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2038	
Concrete Sidewalk Allowance	10,028
Landscape Allowance	66,852
Pavillion Refurbishment	6,685
Total for 2038	\$83,565
<i>No Replacement in 2039</i>	
<i>No Replacement in 2040</i>	
<i>No Replacement in 2041</i>	
<i>No Replacement in 2042</i>	
Replacement Year 2043	
Pavillion Refurbishment	7,545
Traffic Island Refurbishment	9,054
Total for 2043	\$16,600
<i>No Replacement in 2044</i>	
Replacement Year 2045	
Concrete Sidewalk Allowance	11,879
Entry Monuments Refurbishment	5,544
Landscape Allowance	79,195
Playground Refurbishment	15,839
Signage Replacement	5,544
Total for 2045	\$118,000
<i>No Replacement in 2046</i>	
Replacement Year 2047	
Street Sign Replacement	9,567
Total for 2047	\$9,567
Replacement Year 2048	
Pavillion Refurbishment	8,516
Total for 2048	\$8,516
Replacement Year 2049	
Entry Monuments Replacement	
Total for 2049	

Moser Farms
Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2050</i>	
<i>No Replacement in 2051</i>	
Replacement Year 2052	
Concrete Sidewalk Allowance	14,073
Landscape Allowance	93,817
Total for 2052	\$107,889
Replacement Year 2053	
Entry Monuments Refurbishment	6,728
Pavillion Refurbishment	9,612
Traffic Island Refurbishment	11,534
Total for 2053	\$27,873
<i>No Replacement in 2054</i>	
Replacement Year 2055	
Playground Refurbishment	20,177
Total for 2055	\$20,177

Moser Farms Spread Sheet

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Moser Farms Spread Sheet

Year Total:

Reserve Design Advantage

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Moser Farms Spread Sheet

Year Total:

Reserve Design Advantage

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Moser Farms
Detail Report by Category

Concrete Sidewalk Allowance - 2031

Asset ID	1013	1 Allowance	@ \$7,500.00
		Asset Cost	\$7,500.00
		Percent Replacement	100%
	Street Elements	Future Cost	\$8,464.89
Placed in Service	January 1999	Assigned Reserves	\$6,328.12
Useful Life	7		
Adjustment	25	Annual Assessment	\$309.27
Replacement Year	2031	Interest Contribution	\$132.75
Remaining Life	5	Reserve Allocation	\$442.02



Some of the concrete sidewalks are on common areas and are the responsibility of the association. This reserve provides funding to keep the sidewalks in a safe and attractive condition.

Moser Farms
Detail Report by Category

Entry Monuments Refurbishment - 2029

Asset ID	1001	1 Project Asset Cost	@ \$3,500.00
Placed in Service	Street Elements	Asset Cost	\$3,500.00
Useful Life	January 1999	Percent Replacement	100%
Adjustment	8	Future Cost	\$3,763.60
Replacement Year	22	Assigned Reserves	\$3,150.00
Remaining Life	2029	Annual Assessment	\$149.71
	3	Interest Contribution	<u>\$65.99</u>
		Reserve Allocation	\$215.71



There are several entry / other monument structures throughout the community. The main entry monument consists of a stone column 2' x 2' x 6' (h) with a concrete cap. From that column runs a four-rail white fence 24' in length and connects to another column 2' x 2' x 6' (h) with a concrete cap. On the other side of that column there is a stone wall 8' x 5' (h) with an engraved sign. It connects to a third column of the same description with another 24' of four-rail fence and a final column with the same description.

Additionally, there are two Bern Gardens stone entry columns and engraved sign; two Zurich Park stone monuments; and 1 Geneva Springs monument with stone columns and wall. Lastly, there are two sets of stone column and wood rail fixtures.

Refurbishment would include mortar repair, fence repair, in-ground lighting replacement and pressure washing of the stone.

Moser Farms
Detail Report by Category

Entry Monuments Replacement - 2049

Asset ID	1002	1 Project Asset Cost	@ \$0.00
Placed in Service	Street Elements	Percent Replacement	100%
Useful Life	January 1999	Future Cost	
Replacement Year	50	Assigned Reserves	<i>none</i>
Remaining Life	2049	<i>No Future Assessments</i>	
	23		



Replacement of the monuments is not funded as the materials are long lasting and the design is not likely to become outdated.

There are several entry / other monument structures throughout the community. The main entry monument consists of a stone column 2' x 2' x 6' (h) with a concrete cap. From that column runs a four-rail white fence 24' in length and connects to another column 2' x 2' x 6' (h) with a concrete cap. On the other side of that column there is a stone wall 8' x 5' (h) with an engraved sign. It connects to a third column of the same description with another 24' of four-rail fence and a final column with the same description.

Additionally, there are two Bern Gardens stone entry columns and engraved sign; two Zurich Park stone monuments; and 1 Geneva Springs monument with stone columns and wall.

Moser Farms
Detail Report by Category

Security

Asset ID	1012	1 Project Asset Cost	@ \$0.00
Placed in Service	Street Elements	Percent Replacement	100%
Useful Life	January 1999	Future Cost	
Adjustment	15	Assigned Reserves	<i>none</i>
Replacement Year	15		
Remaining Life	2029	<i>No Future Assessments</i>	
	3		



The security cameras are leased and covered under the annual operating account.

Moser Farms
Detail Report by Category

Signage Replacement - 2033

Asset ID	1009	1 Project	@ \$3,500.00
		Asset Cost	\$3,500.00
Placed in Service	Street Elements	Percent Replacement	100%
Useful Life	January 1999	Future Cost	\$4,146.21
Adjustment	12	Assigned Reserves	<i>none</i>
Replacement Year	22		
Remaining Life	2033	Annual Assessment	\$607.27
	7	Interest Contribution	<u>\$12.15</u>
		Reserve Allocation	\$619.41



Signage throughout the community is generally uniform and attractive. This reserve provides funding to periodically replace the signage.

Moser Farms
Detail Report by Category

Street Repair and Replacement

Asset ID	1011	1 Project Asset Cost	@ \$0.00
Placed in Service	Street Elements	Percent Replacement	100%
Useful Life	January 1999	Future Cost	
Replacement Year	40	Assigned Reserves	<i>none</i>
Remaining Life	2039	<i>No Future Assessments</i>	



Street repair and resurfacing are the responsibility of the municipality. There is no cost associated with this asset.

Moser Farms
Detail Report by Category

Street Sign Replacement - 2034

Asset ID	1007	1 Project Asset Cost	@ \$5,755.00
Placed in Service	Street Elements	Percent Replacement	\$5,755.00
Useful Life	January 2021	Future Cost	100%
Replacement Year	13	Assigned Reserves	\$6,984.59
Remaining Life	2034	Annual Assessment	<u>\$886.08</u>
	8	Interest Contribution	<u>\$17.72</u>
		Reserve Allocation	\$903.80



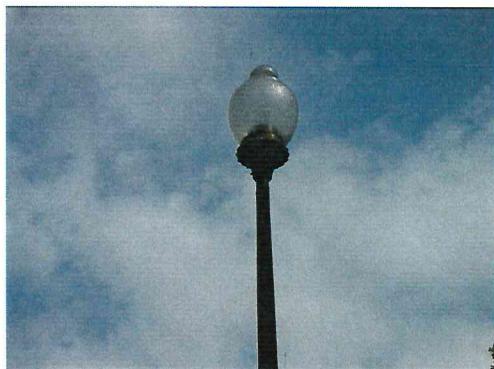
The metal poles which hold the street signs and (often) stop signs are durable and may be painted to keep their appearance fresh. Often replacement of the poles comes from car damage as opposed to a structured replacement program. This reserve provides funding for changing out the street signs to maintain an attractive appearance.

35 - street name signs	@	\$95.00	\$3,325.00
23 - stop signs	@	\$60.00	\$1,380.00
14 - informational signs	@	\$75.00	<u>\$1,050.00</u>
Total =			\$5,755.00

Moser Farms
Detail Report by Category

Streetlight Replacement

Asset ID	1008	1 Project Asset Cost	@ \$0.00
Placed in Service	January 1999	Percent Replacement	100%
Useful Life	40	Future Cost	
Replacement Year	2039	Assigned Reserves	<i>none</i>
Remaining Life	13	<i>No Future Assessments</i>	



Streetlights are leased and there is no cost associated with this asset.

Moser Farms
Detail Report by Category

Traffic Island Refurbishment - 2033

Asset ID	1006	1 Project Asset Cost	@ \$6,000.00
Placed in Service	Street Elements	Percent Replacement	\$6,000.00
Useful Life	January 1999	Future Cost	100%
Adjustment	10	Assigned Reserves	\$7,107.80
Replacement Year	24	Annual Assessment	\$1,041.03
Remaining Life	2033	Interest Contribution	<u>\$20.82</u>
	7	Reserve Allocation	\$1,061.85



This reserve provides funding to keep the traffic islands in a safe and attractive condition. This would include tree trimming, tree replacement, curb repairs, etc.

Moser Farms
Detail Report by Category

Street Elements - Total Current Cost	\$26,255
Assigned Reserves	\$9,478
Fully Funded Reserves	\$19,236

Moser Farms
Detail Report by Category

Pavillion Refurbishment - 2028

Asset ID	1003	1 Project	@ \$5,000.00
		Asset Cost	\$5,000.00
Placed in Service	Playgrounds	Percent Replacement	100%
Useful Life	January 1999	Future Cost	\$5,248.00
Adjustment	5	Assigned Reserves	\$4,655.17
Replacement Year	24	Annual Assessment	\$218.18
Remaining Life	2028	Interest Contribution	<u>\$97.47</u>
	2	Reserve Allocation	\$315.65



There is a pavillion adjacent to the playground. The pavillion is on a concrete slab that is 34' x 34'. There are nine wood support poles 5" x 5" x 8' (h). The roof is constructed of wood with asphalt shingles and guttering on four sides with two downspouts. There is an electric light on the ceiling. Amenities include two metal picnic tables 2' 6" x 8'; two metal trash cans; 1 charcoal grill; and 1 metal bench.

Refurbishment would include periodic painting, power washing, roof maintenance and periodic upgrades/replacement of the amenities.

Moser Farms
Detail Report by Category

Playground Refurbishment - 2035

Asset ID	1005	1 Project Asset Cost	@ \$10,000.00
Placed in Service	Playgrounds	Percent Replacement	100%
Useful Life	January 2025	Future Cost	\$12,433.91
Replacement Year	10	Assigned Reserves	<i>none</i>
Remaining Life	2035	Annual Assessment	\$1,387.92
	9	Interest Contribution	\$27.76
		Reserve Allocation	\$1,415.68



The playground is being extensively overhauled in 2025, including new play equipment and a synthetic mulch substrate. In time, equipment will be switched out both for aesthetic and improved product reasons, as well as wear and tear. This provides ongoing funding to periodically upgrade the equipment.

Moser Farms
Detail Report by Category

Playgrounds - Total Current Cost	\$15,000
Assigned Reserves	\$4,655
Fully Funded Reserves	\$5,655

Moser Farms
Detail Report by Category

Landscape Allowance - 2031

Asset ID	1010	1 Allowance @	\$50,000.00
		Asset Cost	\$50,000.00
Placed in Service	Landscape	Percent Replacement	100%
	January 1999	Future Cost	\$56,432.57
Useful Life	7	Assigned Reserves	\$14,966.70
Adjustment	25		
Replacement Year	2031	Annual Assessment	\$8,350.04
Remaining Life	5	Interest Contribution	<u>\$466.33</u>
		Reserve Allocation	\$8,816.37



There is a large amount of common area land in Moser Farms. Most landscape costs will likely be included in the operating account. This funding may be used for irregular projects such as a forestry survey, tree disease treatments, drainage mitigation, etc.

Moser Farms
Detail Report by Category

Landscape - Total Current Cost	\$50,000
Assigned Reserves	\$14,967
Fully Funded Reserves	\$42,187

Moser Farms
Detail Report by Category

Sound Barrier Wall

Asset ID	1016	1 Project Asset Cost	@ \$0.00
Contingencies		Percent Replacement	100%
Placed in Service	January 1999	Future Cost	
Useful Life	50	Assigned Reserves	<i>none</i>
Replacement Year	2049	<i>No Future Assessments</i>	
Remaining Life	23		



The board has informed us the Sound Barrier Wall is the responsibility of the Kentucky Transportation Cabinet.

Moser Farms
Detail Report by Category

Contingencies - Total Current Cost	\$0
Assigned Reserves	\$0
Fully Funded Reserves	\$0

Moser Farms
Detail Report by Category

Driveways

Asset ID	1015	1 Project Asset Cost	@ \$0.00
Homeowner Resp.	January 1999	Percent Replacement Future Cost	100%
Placed in Service		Assigned Reserves	
No Useful Life			<i>none</i>

No Future Assessments



Driveways are the responsibility of the individual homeowner.

Moser Farms
Detail Report by Category

Mailboxes

Asset ID	1014	1 Project Asset Cost	@ \$0.00
Homeowner Resp.	January 1999	Percent Replacement Future Cost	100%
Placed in Service		Assigned Reserves	<i>none</i>
No Useful Life			

No Future Assessments



Mailboxes are the responsibility of the individual homeowner.

Moser Farms
Detail Report by Category

Homeowner Resp. - Total Current Cost	\$0
Assigned Reserves	\$0
Fully Funded Reserves	\$0

Moser Farms
Detail Report by Category

Detail Report Summary

Total of All Assets

Assigned Reserves	\$29,100.00
Annual Contribution	\$12,949.50
Annual Interest	\$840.99
Annual Allocation	\$13,790.49

Contingency at 3.00%

Assigned Reserves	\$900.00
Annual Contribution	\$400.50
Annual Interest	\$26.01
Annual Allocation	\$426.51

Grand Total

Assigned Reserves	\$30,000.00
Annual Contribution	\$13,350.00
Annual Interest	\$867.00
Annual Allocation	\$14,217.00

Moser Farms
Category Detail Index

Asset ID	Description	Replacement	Page
1013	Concrete Sidewalk Allowance	2031	2-10
1015	Driveways	Unfunded	2-27
1001	Entry Monuments Refurbishment	2029	2-11
1002	Entry Monuments Replacement	2049	2-12
1010	Landscape Allowance	2031	2-23
1014	Mailboxes	Unfunded	2-28
1003	Pavillion Refurbishment	2028	2-20
1005	Playground Refurbishment	2035	2-21
1012	Security	Unfunded	2-13
1009	Signage Replacement	2033	2-14
1016	Sound Barrier Wall	Unfunded	2-25
1011	Street Repair and Replacement	Unfunded	2-15
1007	Street Sign Replacement	2034	2-16
1008	Streetlight Replacement	Unfunded	2-17
1006	Traffic Island Refurbishment	2033	2-18
Total Funded Assets		9	
Total Unfunded Assets		<u>6</u>	
Total Assets		15	

Moser Farms
Annual Expenditure Chart

