



ENGINEERING & CONSULTING

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Full Reserve Study

Laurel Valley Homeowners Association, Inc.



Abington, Maryland

March 5, 2024

Reference Number: 230310

Table of Contents

Property and Study Summary 1.101
 Property Engineering Review 1.201
 Reserve Study Overview 1.301
 Funding Plan Overview 1.401
 Financial Analysis Chart 1.402
 30 Year Expenditure Summary 1.403
 Reserve Budgets 2024-2054 1.404
 Financial Information (provided) 1.501
 Credentials 1.601
 Limiting Conditions 1.701



Reserve Component List	Engineering Data Section	Replacement Year (red font if in 5 years or less)	Age (N/A = not available)	Useful Life (years)	Remaining Useful Life (years)	Replacement Cost without Inflation	% Included (blue font if less than 100%)	\$ Included	Number of Phases	Cost per Phase	Flexibility
Site Components											
Concrete Curbs (20% with repaving townhome parking)	6.121	2032	original	25	8	\$91,000	20%	\$18,200	3	\$6,067	deferrable
Concrete Sidewalks (5% every 5 years)	6.181	2025	varies	5	1	\$158,000	5%	\$7,900	1	\$7,900	deferrable
Landscape Renovation (!)	6.543	2026	varies	5	2	\$10,000	100%	\$10,000	1	\$10,000	discretionary
Mail Cluster Box Stations	6.621	2028	N/A	25	4	\$43,200	100%	\$43,200	1	\$43,200	deferrable
Pavement - Crack Repair, Patch and Stripe (!)	6.641	2025	N/A	4	1	\$17,200	100%	\$17,200	1	\$17,200	firm
Pavement Replacement - Townhome Parking	6.661	2032	N/A	25	8	\$562,000	100%	\$562,000	3	\$187,333	deferrable
Playground Equipment (swings)	6.761	2024	N/A	25	0	\$35,000	14%	\$4,728	1	\$4,728	deferrable
Playground Equipment (tot lot)	6.761	2030	N/A	25	6	\$35,000	86%	\$30,272	1	\$30,272	deferrable
Pond Restoration (!)	6.781	2024	N/A	30	0	\$94,000	100%	\$94,000	1	\$94,000	firm
Retaining Wall - Wood	6.901	2028	N/A	30	4	\$4,700	100%	\$4,700	1	\$4,700	deferrable
Signs	6.961	2044	2019	25	20	\$5,200	100%	\$5,200	1	\$5,200	deferrable

Laurel Valley Homeowners Association, Inc.

Property and Service Summary

Location:	Abingdon, Maryland
Property type:	planned unit development
Number of homes:	512
Year of construction:	1982
Date of inspection:	March 5, 2024
Type of service:	reserve study
Level of service:	Full Study
Length of analysis:	30 years
Beginning reserve balance (January 31, 2024):	\$243,257 (equivalent to an amount per home of \$475)
2024 budgeted reserve contribution:	\$12,000
2025 recommended reserve contribution:	\$26,500 = increase of \$14,500 (\$2.36 per home per month)
Features:	asphalt pavement at Merrick, Laurel Valley and Long Meadow Courts, playground, pond
Upcoming projects:	replacement of swings, pond restoration



asphalt pavement



playground



pond



common wooded area



Property Engineering Review

During our inspection of your property, we identify the following repairs and improvements that the property should consider:

Actionable recommendations - near term actions on these items will minimize future costs and maintain the comfort and security (See “Pages with Engineering Data” for more information where applicable):

We observed standing water at the sidewalks. This is a usability issue and a safety concern during freezing weather. The property should either raise the sidewalks or remove a few inches of sod/topsoil in these locations to allow the water to flow off the sidewalks.

We observed clogged catch basin inlets in the common areas that require cleaning.

We observed locations of poor grass growth beneath trees at the townhome parking, resulting in erosion and root exposure. We recommend crown raising (removing lower branches) at these trees to allow sunlight penetration and sustained grass growth.

The property should conduct periodic inspections of the playground per the manufacturer’s recommendation, log each inspection and react to those conditions as necessary to minimize hazards and liability. The following website provides guidelines for these inspections:
<https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist>.

Mulch provides a safety cushion under playground equipment. Low mulch levels present a safety concern and potential increased liability issue. For safety reasons, augment the mulch at the playground in the near term to a thickness of 12 inches and fund this expense through the operating budget.

The pond does not have a fence around the perimeter, which allows unwanted access to the pond. Our experience with these types of ponds suggests fences typically surround them. To minimize liability, the property could consider installing a fence around the pond.



Green ideas - Opportunities for energy efficiency and best practices for sustainability. Acting on these recommendations will provide significant cost savings (See “Pages with Engineering Data” for more information where applicable):

Rather than raking leaves in the fall and hauling them to the landfill, the property should mulch the leaves and allow them to decompose into the ground. The majority of the leaves will decompose during the fall and winter. Once the leaf particles settle in, microbes and worms begin to recycle the debris (the application of nitrogen-rich fertilizer can help speed up the decomposition process). Whatever remains in the spring can be cleaned up and either used in planting beds or removed from the site. Mulching leaves will eliminate costs associated with hauling the leaves off the property and ease the burden placed on landfills. Mulching leaves will minimize weed control and nutrient application costs.

Mulching leaves recycles a natural resource and provides a richer soil at no cost. The following website provides additional information:

https://www.canr.msu.edu/news/smart_gardeners_mulch_fallen_leaves_into_lawn_to_save_money.

The property has not seal coated the asphalt pavement and we agree with this practice. It is our professional opinion that seal coating asphalt pavement does not extend the useful life of the pavement. Seal coats do not add structural strength to the pavement. Seal coating is also a source of environmental contamination. Many properties opt to save money by *not* seal coating their pavement. If the property decides to seal coat for aesthetic reasons, avoid the use of coal-tar based pavement seal coats as they pollute waterways. Instead, consider a slurry coat of asphaltic emulsion to provide a sacrificial wearing surface to the pavement. Also, if the property chooses to seal coat, we recommend applying the seal coat in the spring rather than the fall. Snow removal equipment wears the seal coat. Application in the spring will provide the maximum visual enjoyment from a fresh seal coat. If seal coat application is desired, the property should fund this expense through the operating budget.

Engineering solutions - reference this information for proper scope of work and best outcome on upcoming projects (See “Pages with Engineering Data” for more information where applicable):

Landscape replacement timing is discretionary. Annual operating budgets should include funds for mowing, trimming, flowers and replacement of a limited amount of dead landscape. We include an allowance for periodic partial replacements of landscape to include replacement of overgrown bushes or trees as the property sees necessary. Overgrown bushes and trees can cause damage to exterior building components or site elements such as roots causing damage to sidewalks and branches causing damage to the buildings. Although unpredictable, this allowance could also be used for any landscape that has died from drought, disease, etc.

Maintenance to the pavement, including crack repairing all joints and patching potholes, will prevent water infiltration. This will minimize deterioration of the pavement and underlying base, and maximize the life of the pavement.

Implementation of these repairs and improvements could increase the useful life of the components, minimize operating costs and provide guidance at the time of component replacement.

Reserve Study Overview

This reserve study is a *physical and financial analysis* of your property that determines what components of your property will eventually require either major repairs or restoration, or complete replacement. Large, one-time contributions (special assessments) for these projects can be eliminated with development of a *reserve* through relatively smaller annual contributions. The physical analysis determines the existing quantities, conditions, useful lives and costs of the components. The financial analysis determines the existing financial situation of your property and the reserves necessary to offset the future expenses.

Reserve Component

Components in this reserve study meet the following requirements:

- responsibility of the property
- limited useful life expectancy
- predictable *remaining* useful life expectancy
- above a minimum threshold cost

Components that do not fulfill the above requirements are not included in this study.

30 Year Analysis

The analysis for this reserve study encompasses the next 30 years. The components of the property age each year. Those who enjoy the use of each component are financially responsible for what they enjoyed. This length of an analysis is necessary to analyze the aging of nearly all the major components of the property. The expectation is not that the current Owners, Board of Directors and/or Management will be present at the property in 30 years. Rather, the future analysis aids in determining the most accurate *current* contribution for the aging components.

Funding Method

The funding method of this reserve study utilizes the *cash flow method*. With the cash flow method, contributions to the reserve fund are designed to offset variable annual expenditures. We experiment with different contribution scenarios until an ideal scenario is discovered to offset reserve expenditures. All expenses and contributions are *pooled* together. Our experience indicates that the cash flow method typically results in lower overall contributions than the *component method*, which typically segregates funds.

Funding Goal

The funding goal of this reserve study is to maintain a reserve balance above a minimum *threshold* during the years of major expenditures. We assume a contingency reserve balance of not less than

approximately ten percent (10%) of the expenditures in the **threshold funding year** (The year the reserve balance is at its lowest point. See Funding Plan Page 1.401 for the identification of this year). The property can determine if they prefer a higher or lower contingency.

The ideal situation is when the threshold funding year is in the last year of the analysis. This provides the maximum amount of time that the property can save up for major expenses. A critical situation is when the threshold funding year is in the first few years of the analysis. This situation requires major initial reserve contributions to offset near term expenditures.

Funding

This reserve study assumes an ideal situation where all future costs are offset by annual contributions to the reserve fund. *We understand that this is not always possible.* Our experience suggests that major projects are funded through multiple means such as partially through the reserve fund and partial through either additional assessments or bank loans. The specific funding of the projects is determined by the property at the time of the event (this is not something we can forecast). The goal of the property should be to follow the recommended funding plan outlined in this reserve study. If the recommended reserve contributions are not feasible as determined by the Board of Director's judgment, this reserve study should then be used, at a minimum, to justify the need for an *increase* over the *current* reserve fund contribution.

Flexibility

The time of replacement for each component involves a varying degree of deduction. To help understand the criticality of each replacement time, we provide the following replacement flexibility guide:

firm - Replacement time has little, if any, flexibility. Deferring the replacement time would have an adverse effect on the property, likely incurring additional costs and a greater scope of work.

deferrable - Replacement time has limited flexibility. Continually deferring the replacement time would eventually have an adverse effect on the property and raise aesthetic concerns.

discretionary - Replacement time has flexibility. Continually deferring the replacement time would either raise aesthetic concerns or the component does not affect the functionality of the property. The replacement costs for certain discretionary expenses can vary greatly as they are subject to improvements and expansions as desired by the property.

We DO NOT use this information in determination of the times of replacements. Our estimated times of replacements are based on the age and condition of each individual component, along with our vast

experience. Changing how a component is labeled would not change our recommended time of replacement. This information is only provided for the benefit of the board to aid them in making revisions, if that is something they chose to do, and understand the risks.

This guide could be considered a risk factor. If the board chooses to defer a component that is Firm, there is a great risk. If the board chooses to defer a component that is Discretionary, there is little risk. If the board chooses to defer a component that is Deferrable, there is risk.

Reserve Study Requirements

Property Declarations occasionally define reserve study requirements. The state legislature may also define reserve study requirements. The following is a link to state reserve study requirements (the property should be aware more recent or pending legislation may exist since the date of this report):

<https://www.caionline.org/Advocacy/Priorities/ReserveStudy/Pages/default.aspx>

It is our intention that this reserve study complies with these requirements. The property should consult with their attorney on discrepancies between reserve study requirements. Contact us for any revision necessary to the reserve study to fulfill these requirements.

Cost estimates

We obtain the cost estimates for replacements from the following sources:

- published sources (*RS Means* based on standard union labor rate)
- historical costs
- proprietary information

Our estimates are not guarantees of actual replacement costs. We base our estimates on our calculation of expected market rate for your specific location and specific situation. Multiple contractor bids will result in multiple cost estimates. *Multiple* contractor estimates will inevitably vary from our *single* estimate. The property should verify the scope of work in the contractor's estimate is similar to what is noted on the Engineering Data page (Engineering Data pages are all the data pages subsequent to "Limiting Conditions", Page 1.701). Common reasons for cost discrepancies include varying scopes of work and improvements over the existing components. Technological improvements also cause cost discrepancies - what may have been current technology at the time of the study could be obsolete at the time of replacement. If the property receives an estimate that is higher than the estimate in this reserve study for the same scope of work, the property should use this study as a tool to negotiate a lower cost. If the property receives an estimate that is lower than the estimate in this reserve study for the same scope of work - the estimate is below the expected market rate.

Long Lived Components

There exists components at the property that will not require replacement during the 30 year analysis. Although these long lived components will eventually require replacement, they do not fall within the scope of the analysis. Periodic updates of the study will eventually include their replacement. Frequent updates of the study will ensure the property has up to 30 years to plan for their eventual replacement. The following is a list of **common** long lived components for the property:

- subsurface pipes

Operating Budget

The operating budget provides funds necessary for the daily operation of the property. In general, the operating budget includes expenses that repeat from year to year, such as administrative expenses and cleaning. All the property components require maintenance. *This reserve study does not include maintenance costs that would traditionally fall under an operating budget.* We assume the property will fund normal annual maintenance through the operating budget. We also assume that the property will fund replacement of components below an estimated minimum threshold cost of

\$4,000

through the operating budget. The following is a list of components that we assume the property will fund through the operating budget:

- landscape annual maintenance
- playground surface
- signs for traffic management and street identification

The items in the list above have a minimal (if any) impact on our recommended reserve fund contribution. If the property chooses to fund these expenses through reserves, updates of this reserve study would account for these expenses.

Responsibility of Others

We were informed that the following components within the property are not the responsibility of the association:

- fire hydrants
- individual homes and lots (including sidewalks to townhome entrances)
- light poles and fixtures

Additional Assessments

The objective of properly planned operating budgets and reserve contributions is to avoid additional assessments. However, additional assessments are necessary for unplanned costs such as code change requirements, unobservable conditions, property improvements, etc. We *do not* recommend the property fund these expenses through reserves. The property should consult with an attorney to determine if the property Bylaws have a provision for these types of expenses.

Definitions and Supporting Information

Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) are national organizations that provide requirements for reserve studies. The property should refer to these organizations for reserve study definitions and supporting information. The following are links to these organizations:

<http://www.caionline.org>

<http://www.apra-usa.com/>

Reserve Fund Status

If the property were to fund all expenditures identified in this study through reserves, an increase in the reserve contributions is necessary. See Funding Plan Page 1.401 for our recommended reserve funding plan.

Updates

The reserve study is a static snap shot in time based on the date of the inspection. However, costs, inflation rates, interest rates and weather conditions are dynamic in that they are always changing. This necessitates periodic *updates* of the reserve study. We suggest updating the reserve study every three to six years. Factors that can determine when an update should occur are an upcoming major project, completion of a major project, major change to the property, known change in the interest and/or

inflation rates compared to the last reserve study, etc. Please contact us for a reserve study update proposal when necessary.

Sincerely,



Justin J. Maier, RS
Partner
Superior Reserve Engineering & Consulting
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888-688-4560
Report submitted on: March 15, 2024

Recommended Reserve Funding Plan

Laurel Valley Homeowners Association, Inc.

Year	Inflated expenditures (3% annual)	Recommended reserve contributions	Ending reserve balance	Average \$ per home per month (512 homes)**	\$ increase per month from previous year	% increase from previous year
2024*	(\$98,728)	\$12,000	\$159,112	\$1.95	-	-
2025	(\$25,853)	\$26,500	\$162,948	\$4.31	\$2.36	120.8%
2026	(\$10,609)	\$41,000	\$196,902	\$6.67	\$2.36	54.7%
2027	\$0	\$55,500	\$256,895	\$9.03	\$2.36	35.4%
2028	(\$53,912)	\$70,000	\$278,282	\$11.39	\$2.36	26.1%
2029	(\$19,940)	\$84,500	\$349,054	\$13.75	\$2.36	20.7%
2030	(\$45,580)	\$87,000	\$397,869	\$14.16	\$0.41	3.0%
2031	(\$12,299)	\$89,600	\$483,900	\$14.58	\$0.42	3.0%
2032	(\$244,993)	\$92,300	\$339,358	\$15.02	\$0.44	3.0%
2033	(\$252,343)	\$95,100	\$187,330	\$15.48	\$0.46	3.0%
***2034	(\$259,913)	\$98,000	\$27,544	\$15.95	\$0.47	3.0%
2035	(\$10,935)	\$60,000	\$77,650	\$9.77	-\$6.18	-38.8%
2036	(\$14,258)	\$60,000	\$125,402	\$9.77	\$0.00	0.0%
2037	(\$25,259)	\$60,000	\$162,999	\$9.77	\$0.00	0.0%
2038	\$0	\$60,000	\$226,859	\$9.77	\$0.00	0.0%
2039	\$0	\$60,000	\$291,996	\$9.77	\$0.00	0.0%
2040	(\$12,677)	\$60,000	\$345,631	\$9.77	\$0.00	0.0%
2041	(\$44,957)	\$60,000	\$367,737	\$9.77	\$0.00	0.0%
2042	\$0	\$60,000	\$435,692	\$9.77	\$0.00	0.0%
2043	\$0	\$60,000	\$505,006	\$9.77	\$0.00	0.0%
2044	(\$9,392)	\$60,000	\$566,220	\$9.77	\$0.00	0.0%
2045	(\$46,693)	\$60,000	\$590,984	\$9.77	\$0.00	0.0%
2046	(\$19,161)	\$60,000	\$644,051	\$9.77	\$0.00	0.0%
2047	\$0	\$60,000	\$717,532	\$9.77	\$0.00	0.0%
2048	\$0	\$60,000	\$792,483	\$9.77	\$0.00	0.0%
2049	(\$45,912)	\$60,000	\$822,562	\$9.77	\$0.00	0.0%
2050	(\$17,037)	\$60,000	\$882,406	\$9.77	\$0.00	0.0%
2051	(\$22,213)	\$60,000	\$938,219	\$9.77	\$0.00	0.0%
2052	\$0	\$60,000	\$1,017,583	\$9.77	\$0.00	0.0%
2053	(\$142,337)	\$60,000	\$954,774	\$9.77	\$0.00	0.0%
2054****	(\$228,163)	\$60,000	\$804,026	\$9.77	\$0.00	0.0%

* reserve contributions are budgeted

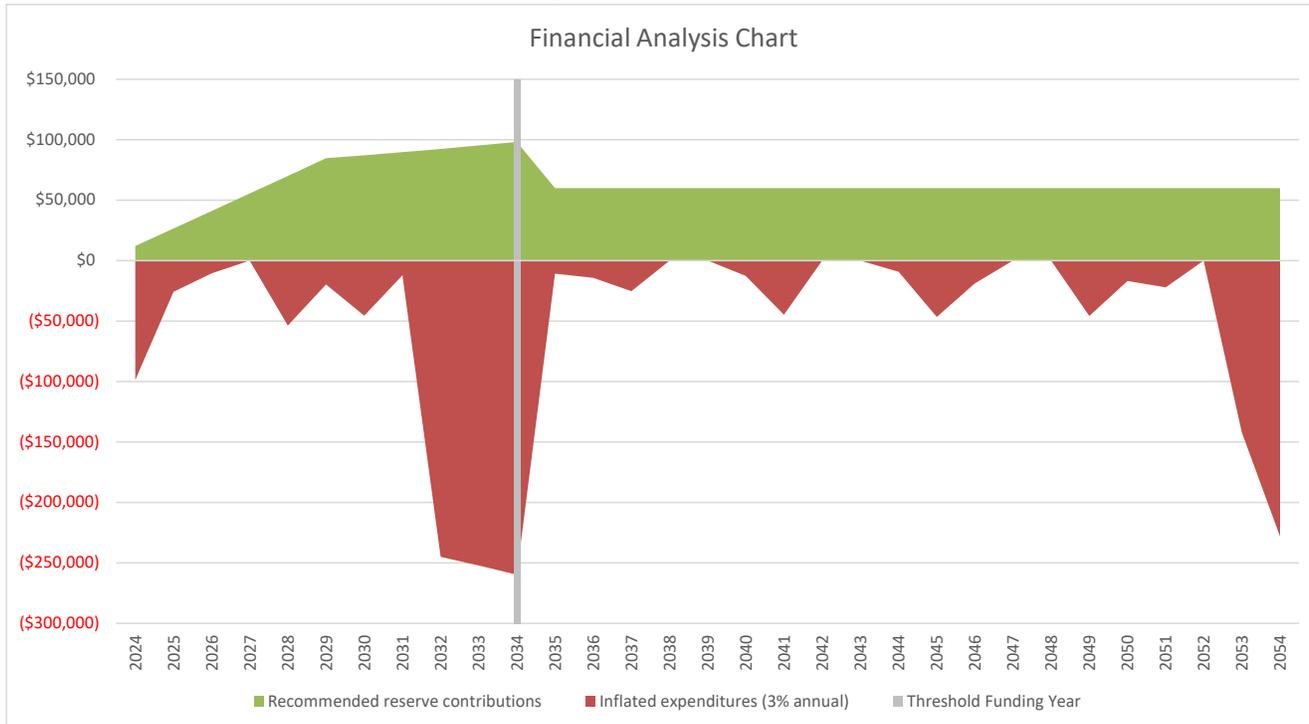
**The costs in this column represent an AVERAGE \$ only and is only intended to put the \$ into perspective.

***2034 is the THRESHOLD FUNDING YEAR (the year the reserve balance is at its lowest point)

2054**Ending reserve balance considers the need for replacement of the pavement after 2054.**



Laurel Valley Homeowners Association, Inc.



30 Year Expenditure Summary

These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403



Laurel Valley Homeowners Association, Inc.

Fiscal year	2024	2025	2026	2027	2028	2029	2030	2031
Construction inflation rate (30 year average)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compounded construction inflation	100.0%	103.0%	106.1%	109.3%	112.6%	115.9%	119.4%	123.0%
Beginning reserve balance (January 31, 2024)	\$243,257	\$159,112	\$162,948	\$196,902	\$256,895	\$278,282	\$349,054	\$397,869
Inflated expenditures (3% annual)	(\$98,728)	(\$25,853)	(\$10,609)	\$0	(\$53,912)	(\$19,940)	(\$45,580)	(\$12,299)
Recommended reserve contributions (remaining amount for 2024)	\$11,000	\$26,500	\$41,000	\$55,500	\$70,000	\$84,500	\$87,000	\$89,600
Estimated interest earned (2.0% PROJECTED yield rate)	\$3,582	\$3,189	\$3,563	\$4,493	\$5,299	\$6,211	\$7,395	\$8,730
Ending reserve balance	\$159,112	\$162,948	\$196,902	\$256,895	\$278,282	\$349,054	\$397,869	\$483,900

Reserve Component List

Site Components

Concrete Curbs (20% with repaving townhome parking)								
Concrete Sidewalks (5% every 5 years)		8,137					9,433	
Landscape Renovation (l)			10,609					12,299
Mail Cluster Box Stations					48,622			
Pavement - Crack Repair, Patch and Stripe (l)		17,716				19,940		
Pavement Replacement - Townhome Parking								
Playground Equipment (swings)	4,728							
Playground Equipment (tot lot)							36,146	
Pond Restoration (l)	94,000							
Retaining Wall - Wood					5,290			
Signs								

30 Year Expenditure Summary

These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403



Laurel Valley Homeowners Association, Inc.

	2032	2033	threshold funding year 2034	2035	2036	2037	2038	2039
Fiscal year	2032	2033	2034	2035	2036	2037	2038	2039
Construction inflation rate (30 year average)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compounded construction inflation	126.7%	130.5%	134.4%	138.4%	142.6%	146.9%	151.3%	155.8%
Beginning reserve balance (January 31, 2024)	\$483,900	\$339,358	\$187,330	\$27,544	\$77,650	\$125,402	\$162,999	\$226,859
Inflated expenditures (3% annual)	(\$244,993)	(\$252,343)	(\$259,913)	(\$10,935)	(\$14,258)	(\$25,259)	\$0	\$0
Recommended reserve contributions (remaining amount for 2024)	\$92,300	\$95,100	\$98,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Estimated interest earned (2.0% PROJECTED yield rate)	\$8,151	\$5,215	\$2,127	\$1,042	\$2,010	\$2,855	\$3,860	\$5,137
Ending reserve balance	\$339,358	\$187,330	\$27,544	\$77,650	\$125,402	\$162,999	\$226,859	\$291,996

Reserve Component List

Site Components

Concrete Curbs (20% with repaving townhome parking)	7,685	7,916	8,153					
Concrete Sidewalks (5% every 5 years)				10,935				
Landscape Renovation (l)					14,258			
Mail Cluster Box Stations								
Pavement - Crack Repair, Patch and Stripe (l)						25,259		
Pavement Replacement - Townhome Parking	237,308	244,428	251,760					
Playground Equipment (swings)								
Playground Equipment (tot lot)								
Pond Restoration (l)								
Retaining Wall - Wood								
Signs								

30 Year Expenditure Summary

These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403



Laurel Valley Homeowners Association, Inc.

Fiscal year	2040	2041	2042	2043	2044	2045	2046	2047
Construction inflation rate (30 year average)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compounded construction inflation	160.5%	165.3%	170.2%	175.4%	180.6%	186.0%	191.6%	197.4%
Beginning reserve balance (January 31, 2024)	\$291,996	\$345,631	\$367,737	\$435,692	\$505,006	\$566,220	\$590,984	\$644,051
Inflated expenditures (3% annual)	(\$12,677)	(\$44,957)	\$0	\$0	(\$9,392)	(\$46,693)	(\$19,161)	\$0
Recommended reserve contributions (remaining amount for 2024)	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Estimated interest earned (2.0% PROJECTED yield rate)	\$6,313	\$7,063	\$7,955	\$9,314	\$10,606	\$11,457	\$12,228	\$13,481
Ending reserve balance	\$345,631	\$367,737	\$435,692	\$505,006	\$566,220	\$590,984	\$644,051	\$717,532

Reserve Component List

Site Components

Concrete Curbs (20% with repaving townhome parking)								
Concrete Sidewalks (5% every 5 years)	12,677					14,696		
Landscape Renovation (l)		16,528					19,161	
Mail Cluster Box Stations								
Pavement - Crack Repair, Patch and Stripe (l)		28,429				31,997		
Pavement Replacement - Townhome Parking								
Playground Equipment (swings)								
Playground Equipment (tot lot)								
Pond Restoration (l)								
Retaining Wall - Wood								
Signs					9,392			

30 Year Expenditure Summary

These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403



Laurel Valley Homeowners Association, Inc.

Fiscal year	2048	2049	2050	2051	2052	2053	2054
Construction inflation rate (30 year average)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compounded construction inflation	203.3%	209.4%	215.7%	222.1%	228.8%	235.7%	242.7%
Beginning reserve balance (January 31, 2024)	\$717,532	\$792,483	\$822,562	\$882,406	\$938,219	\$1,017,583	\$954,774
Inflated expenditures (3% annual)	\$0	(\$45,912)	(\$17,037)	(\$22,213)	\$0	(\$142,337)	(\$228,163)
Recommended reserve contributions (remaining amount for 2024)	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Estimated interest earned (2.0% PROJECTED yield rate)	\$14,951	\$15,991	\$16,881	\$18,026	\$19,364	\$19,528	\$17,414
Ending reserve balance	\$792,483	\$822,562	\$882,406	\$938,219	\$1,017,583	\$954,774	\$804,026

Reserve Component List

Site Components

Concrete Curbs (20% with repaving townhome parking)							
Concrete Sidewalks (5% every 5 years)			17,037				
Landscape Renovation (l)				22,213			
Mail Cluster Box Stations						101,804	
Pavement - Crack Repair, Patch and Stripe (l)		36,013				40,533	
Pavement Replacement - Townhome Parking							
Playground Equipment (swings)		9,899					
Playground Equipment (tot lot)							
Pond Restoration (l)							228,163
Retaining Wall - Wood							
Signs							



2024

Hybrid Reserve Expenditures and Funding Plan
January 1, 2024 through December 31, 2024

Year of forecast: 0
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2024: 100.0%

Unaudited, provided, beginning reserve balance as of January 31, 2024: \$243,257

Budgeted reserve contribution (11 remaining months of \$12,000 contribution): + \$11,000
 Estimated interest earned (11 months of remaining interest at 2.0% yield rate): + \$3,582

Total remaining contributions: = \$14,582

Laurel Valley Homeowners Association, Inc.

2024 Expenditures

	Number of phases	Flexibility	Engineering Data Section	
Playground Equipment (swings)	1	deferrable	6.761	(\$4,728)
Pond Restoration (!)	1	firm	6.781	(\$94,000)
Total expenditures:				(\$98,728)
			Ending reserve balance:	<u>\$159,112</u>



2025

Hybrid Reserve Expenditures and Funding Plan

January 1, 2025 through December 31, 2025

Year of forecast: 1
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2025: 103.0%

Beginning reserve balance: \$159,112

Recommended reserve contribution: + \$26,500
 Estimated interest earned (2.0% PROJECTED yield rate): + \$3,189

Total contributions: = \$29,689

Laurel Valley Homeowners Association, Inc.

2025 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Concrete Sidewalks (5% every 5 years)	1	deferrable	6.181	(\$8,137)
Pavement - Crack Repair, Patch and Stripe (!)	1	firm	6.641	(\$17,716)
Total expenditures:				(\$25,853)
			Ending reserve balance:	\$162,948



2026

Hybrid Reserve Expenditures and Funding Plan

January 1, 2026 through December 31, 2026

Year of forecast: 2
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2026: 106.1%

Beginning reserve balance: \$162,948

Recommended reserve contribution: + \$41,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$3,563

Total contributions: = \$44,563

Laurel Valley Homeowners Association, Inc.

2026 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape Renovation (!)	1	discretionary	6.543	(\$10,609)
Total expenditures:				(\$10,609)
			Ending reserve balance:	<u>\$196,902</u>



2027

Hybrid Reserve Expenditures and Funding Plan

January 1, 2027 through December 31, 2027

Year of forecast: 3
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2027: 109.3%

Beginning reserve balance: \$196,902

Recommended reserve contribution: + \$55,500
 Estimated interest earned (2.0% PROJECTED yield rate): + \$4,493

Total contributions: = \$59,993

Laurel Valley Homeowners Association, Inc.

2027 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$256,895



2028

Hybrid Reserve Expenditures and Funding Plan

January 1, 2028 through December 31, 2028

Year of forecast: 4
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2028: 112.6%

Beginning reserve balance: \$256,895

Recommended reserve contribution: + \$70,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$5,299

Total contributions: = \$75,299

Laurel Valley Homeowners Association, Inc.

2028 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Mail Cluster Box Stations	1	deferrable	6.621	(\$48,622)
Retaining Wall - Wood	1	deferrable	6.901	(\$5,290)
Total expenditures:				(\$53,912)

Ending reserve balance: \$278,282



2029

Hybrid Reserve Expenditures and Funding Plan

January 1, 2029 through December 31, 2029

Year of forecast: 5
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2029: 115.9%

Beginning reserve balance: \$278,282

Recommended reserve contribution: + \$84,500
 Estimated interest earned (2.0% PROJECTED yield rate): + \$6,211

Total contributions: = \$90,711

Laurel Valley Homeowners Association, Inc.

2029 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Pavement - Crack Repair, Patch and Stripe (!)	1	firm	6.641	(\$19,940)
Total expenditures:				(\$19,940)
			Ending reserve balance:	<u>\$349,054</u>



2030

Hybrid Reserve Expenditures and Funding Plan

January 1, 2030 through December 31, 2030

Year of forecast: 6
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2030: 119.4%

Beginning reserve balance: \$349,054

Recommended reserve contribution: + \$87,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$7,395

Total contributions: = \$94,395

Laurel Valley Homeowners Association, Inc.

2030 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Concrete Sidewalks (5% every 5 years)	1	deferrable	6.181	(\$9,433)
Playground Equipment (tot lot)	1	deferrable	6.761	(\$36,146)
Total expenditures:				(\$45,580)
			Ending reserve balance:	<u>\$397,869</u>



2031

Hybrid Reserve Expenditures and Funding Plan

January 1, 2031 through December 31, 2031

Year of forecast: 7
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2031: 123.0%

Beginning reserve balance: \$397,869

Recommended reserve contribution: + \$89,600
 Estimated interest earned (2.0% PROJECTED yield rate): + \$8,730

Total contributions: = \$98,330

Laurel Valley Homeowners Association, Inc.

2031 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape Renovation (!)	1	discretionary	6.543	(\$12,299)
Total expenditures:				(\$12,299)
			Ending reserve balance:	<u>\$483,900</u>



2032

Hybrid Reserve Expenditures and Funding Plan

January 1, 2032 through December 31, 2032

Year of forecast: 8
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2032: 126.7%

Beginning reserve balance: \$483,900

Recommended reserve contribution: + \$92,300
 Estimated interest earned (2.0% PROJECTED yield rate): + \$8,151

Total contributions: = \$100,451

Laurel Valley Homeowners Association, Inc.

2032 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Concrete Curbs (20% with repaving townhome parking)	3	deferrable	6.121	(\$7,685)
Pavement Replacement - Townhome Parking	3	deferrable	6.661	(\$237,308)
Total expenditures:				(\$244,993)
			Ending reserve balance:	<u>\$339,358</u>



2033

Hybrid Reserve Expenditures and Funding Plan

January 1, 2033 through December 31, 2033

Year of forecast: 9
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2033: 130.5%

Beginning reserve balance: \$339,358

Recommended reserve contribution: + \$95,100
 Estimated interest earned (2.0% PROJECTED yield rate): + \$5,215

Total contributions: = \$100,315

Laurel Valley Homeowners Association, Inc.

2033 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Concrete Curbs (20% with repaving townhome parking)	3	deferrable	6.121	(\$7,916)
Pavement Replacement - Townhome Parking	3	deferrable	6.661	(\$244,428)
Total expenditures:				(\$252,343)
			Ending reserve balance:	<u>\$187,330</u>



2034 (Threshold)

Hybrid Reserve Expenditures and Funding Plan

January 1, 2034 through December 31, 2034

Year of forecast:	10
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2034 (Threshold):	134.4%

Beginning reserve balance: \$187,330

Recommended reserve contribution: + \$98,000

Estimated interest earned (2.0% PROJECTED yield rate): + \$2,127

Total contributions: = \$100,127

Laurel Valley Homeowners Association, Inc.

2034 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Concrete Curbs (20% with repaving townhome parking)	3	deferrable	6.121	(\$8,153)
Pavement Replacement - Townhome Parking	3	deferrable	6.661	(\$251,760)
Total expenditures:				(\$259,913)

Ending reserve balance: \$27,544



2035

Hybrid Reserve Expenditures and Funding Plan

January 1, 2035 through December 31, 2035

Year of forecast: 11
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2035: 138.4%

Beginning reserve balance: \$27,544

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$1,042

Total contributions: = \$61,042

Laurel Valley Homeowners Association, Inc.

2035 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Concrete Sidewalks (5% every 5 years)	1	deferrable	6.181	(\$10,935)
Total expenditures:				(\$10,935)
			Ending reserve balance:	<u>\$77,650</u>



2036

Hybrid Reserve Expenditures and Funding Plan

January 1, 2036 through December 31, 2036

Year of forecast: 12
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2036: 142.6%

Beginning reserve balance: \$77,650

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$2,010

Total contributions: = \$62,010

Laurel Valley Homeowners Association, Inc.

2036 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape Renovation (!)	1	discretionary	6.543	(\$14,258)
Total expenditures:				(\$14,258)
			Ending reserve balance:	<u>\$125,402</u>



2037

Hybrid Reserve Expenditures and Funding Plan

January 1, 2037 through December 31, 2037

Year of forecast: 13
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2037: 146.9%

Beginning reserve balance: \$125,402

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$2,855

Total contributions: = \$62,855

Laurel Valley Homeowners Association, Inc.

2037 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Pavement - Crack Repair, Patch and Stripe (!)	1	firm	6.641	(\$25,259)
Total expenditures:				(\$25,259)
			Ending reserve balance:	<u>\$162,999</u>



2038

Hybrid Reserve Expenditures and Funding Plan

January 1, 2038 through December 31, 2038

Year of forecast: 14
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2038: 151.3%

Beginning reserve balance: \$162,999

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$3,860

Total contributions: = \$63,860

Laurel Valley Homeowners Association, Inc.

2038 Expenditures (inflated)

Total expenditures:

Number of phases Flexibility Engineering Data Section

\$0

Ending reserve balance: \$226,859



2039

Hybrid Reserve Expenditures and Funding Plan

January 1, 2039 through December 31, 2039

Year of forecast: 15
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2039: 155.8%

Beginning reserve balance: \$226,859

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$5,137

Total contributions: = \$65,137

Laurel Valley Homeowners Association, Inc.

2039 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$291,996



2040

Hybrid Reserve Expenditures and Funding Plan

January 1, 2040 through December 31, 2040

Year of forecast: 16
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2040: 160.5%

Beginning reserve balance: \$291,996

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$6,313

Total contributions: = \$66,313

Laurel Valley Homeowners Association, Inc.

2040 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Concrete Sidewalks (5% every 5 years)	1	deferrable	6.181	(\$12,677)
Total expenditures:				(\$12,677)
			Ending reserve balance:	<u>\$345,631</u>



2041

Hybrid Reserve Expenditures and Funding Plan

January 1, 2041 through December 31, 2041

Year of forecast:	17
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2041:	165.3%

Beginning reserve balance: \$345,631

Recommended reserve contribution: + \$60,000

Estimated interest earned (2.0% PROJECTED yield rate): + \$7,063

Total contributions: = \$67,063

Laurel Valley Homeowners Association, Inc.

2041 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape Renovation (!)	1	discretionary	6.543	(\$16,528)
Pavement - Crack Repair, Patch and Stripe (!)	1	firm	6.641	(\$28,429)
Total expenditures:				(\$44,957)
			Ending reserve balance:	<u>\$367,737</u>



2042

Hybrid Reserve Expenditures and Funding Plan

January 1, 2042 through December 31, 2042

Year of forecast: 18
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2042: 170.2%

Beginning reserve balance: \$367,737

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$7,955

Total contributions: = \$67,955

Laurel Valley Homeowners Association, Inc.

2042 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$435,692



2043

Hybrid Reserve Expenditures and Funding Plan

January 1, 2043 through December 31, 2043

Year of forecast: 19
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2043: 175.4%

Beginning reserve balance: \$435,692

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$9,314

Total contributions: = \$69,314

Laurel Valley Homeowners Association, Inc.

2043 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$505,006



2044

Hybrid Reserve Expenditures and Funding Plan

January 1, 2044 through December 31, 2044

Year of forecast: 20
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2044: 180.6%

Beginning reserve balance: \$505,006

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$10,606

Total contributions: = \$70,606

Laurel Valley Homeowners Association, Inc.

2044 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Signs	1	deferrable	6.961	(\$9,392)
Total expenditures:				(\$9,392)
			Ending reserve balance:	<u>\$566,220</u>



2045

Hybrid Reserve Expenditures and Funding Plan

January 1, 2045 through December 31, 2045

Year of forecast: 21
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2045: 186.0%

Beginning reserve balance: \$566,220

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$11,457

Total contributions: = \$71,457

Laurel Valley Homeowners Association, Inc.

2045 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Concrete Sidewalks (5% every 5 years)	1	deferrable	6.181	(\$14,696)
Pavement - Crack Repair, Patch and Stripe (!)	1	firm	6.641	(\$31,997)
Total expenditures:				(\$46,693)

Ending reserve balance: \$590,984



2046

Hybrid Reserve Expenditures and Funding Plan

January 1, 2046 through December 31, 2046

Year of forecast: 22
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2046: 191.6%

Beginning reserve balance: \$590,984

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$12,228

Total contributions: = \$72,228

Laurel Valley Homeowners Association, Inc.

2046 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape Renovation (!)	1	discretionary	6.543	(\$19,161)
Total expenditures:				(\$19,161)
			Ending reserve balance:	<u>\$644,051</u>



2047

Hybrid Reserve Expenditures and Funding Plan

January 1, 2047 through December 31, 2047

Year of forecast: 23
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2047: 197.4%

Beginning reserve balance: \$644,051

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$13,481

Total contributions: = \$73,481

Laurel Valley Homeowners Association, Inc.

2047 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$717,532



2048

Hybrid Reserve Expenditures and Funding Plan

January 1, 2048 through December 31, 2048

Year of forecast: 24
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2048: 203.3%

Beginning reserve balance: \$717,532

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$14,951

Total contributions: = \$74,951

Laurel Valley Homeowners Association, Inc.

2048 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$792,483



2049

Hybrid Reserve Expenditures and Funding Plan

January 1, 2049 through December 31, 2049

Year of forecast: 25
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2049: 209.4%

Beginning reserve balance: \$792,483

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$15,991

Total contributions: = \$75,991

Laurel Valley Homeowners Association, Inc.

2049 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Pavement - Crack Repair, Patch and Stripe (!)	1	firm	6.641	(\$36,013)
Playground Equipment (swings)	1	deferrable	6.761	(\$9,899)
Total expenditures:				(\$45,912)

Ending reserve balance: \$822,562



2050

Hybrid Reserve Expenditures and Funding Plan

January 1, 2050 through December 31, 2050

Year of forecast: 26
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2050: 215.7%

Beginning reserve balance: \$822,562

Recommended reserve contribution: + \$60,000

Estimated interest earned (2.0% PROJECTED yield rate): + \$16,881

Total contributions: = \$76,881

Laurel Valley Homeowners Association, Inc.

2050 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Concrete Sidewalks (5% every 5 years)	1	deferrable	6.181	<u>(\$17,037)</u>
Total expenditures:				<u>(\$17,037)</u>
			Ending reserve balance:	<u>\$882,406</u>



2051

Hybrid Reserve Expenditures and Funding Plan

January 1, 2051 through December 31, 2051

Year of forecast: 27
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2051: 222.1%

Beginning reserve balance: \$882,406

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$18,026

Total contributions: = \$78,026

Laurel Valley Homeowners Association, Inc.

2051 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Landscape Renovation (!)	1	discretionary	6.543	(\$22,213)
Total expenditures:				(\$22,213)
			Ending reserve balance:	<u>\$938,219</u>



2052

Hybrid Reserve Expenditures and Funding Plan

January 1, 2052 through December 31, 2052

Year of forecast: 28
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2052: 228.8%

Beginning reserve balance: \$938,219

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$19,364

Total contributions: = \$79,364

Laurel Valley Homeowners Association, Inc.

2052 Expenditures (inflated)

Total expenditures:

Number of phases	Flexibility	Engineering Data Section
------------------	-------------	--------------------------

\$0

Ending reserve balance: \$1,017,583



2053

Hybrid Reserve Expenditures and Funding Plan

January 1, 2053 through December 31, 2053

Year of forecast: 29
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2053: 235.7%

Beginning reserve balance: \$1,017,583

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$19,528

Total contributions: = \$79,528

Laurel Valley Homeowners Association, Inc.

2053 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Mail Cluster Box Stations	1	deferrable	6.621	(\$101,804)
Pavement - Crack Repair, Patch and Stripe (!)	1	firm	6.641	(\$40,533)
Total expenditures:				(\$142,337)

Ending reserve balance: \$954,774



2054

Hybrid Reserve Expenditures and Funding Plan

January 1, 2054 through December 31, 2054

Year of forecast: 30
 Annual CONSTRUCTION inflation rate (30 year average): 3.0%
 Compounded CONSTRUCTION inflation in 2054: 242.7%

Beginning reserve balance: \$954,774

Recommended reserve contribution: + \$60,000
 Estimated interest earned (2.0% PROJECTED yield rate): + \$17,414

Total contributions: = \$77,414

Laurel Valley Homeowners Association, Inc.

2054 Expenditures (inflated)

	Number of phases	Flexibility	Engineering Data Section	
Pond Restoration (!)	1	firm	6.781	(\$228,163)
Total expenditures:				(\$228,163)
			Ending reserve balance:	<u>\$804,026</u>

Budget - Comparative 23 YTD Actual, 23 Annual Budget, 24 Budget

Exported On: 2024-01-19 09:46:18 -0500

Properties: Laurel Valley Homeowners Association, Inc. - Edith Stone Dr Abingdon, MD 21009

Period Range: Jan 2023 to Dec 2023

Comparison Period Range: Jan 2024 to Dec 2024

Additional Account Types: Asset, Cash, Liability, Capital

Accounting Basis: Cash

GL Account Map: None - use master chart of accounts

Level of Detail: Detail View

Account Number	Account Name	Period Actual	Period Budget	Comparison Budget
Income				
4000	Dues	98,314.03	91,648.00	91,648.00
4026	Trash Assessment	0.00	395.00	0.00
4027	Townhouse Assessments	26,726.25	29,614.00	29,614.00
4090	Dues Allocated to Reserve	-12,000.00	0.00	0.00
4410	NSF Fees	2.97	0.00	0.00
5800	Interest Income	3,663.52	0.00	0.00
5812	Legal Income	3,293.47	0.00	0.00
	Total Budgeted Operating Income	120,000.14	121,657.00	121,262.00
Expense				
6242	Grounds Contract	0.00	18,000.00	18,000.00
6243	Tree Maintenance	1,650.00	9,750.00	9,750.00
6247	Pond Maintenance	0.00	19,600.00	19,600.00
6250	Gardening/Landscaping	28,965.00	0.00	0.00
6270	Pelican Management Fee	22,914.00	0.00	0.00
6280	Management Fee	0.00	17,400.00	17,400.00
6320	Insurance - Property	6,358.00	4,765.00	4,765.00
6410	Gas and Electricity	4,016.61	0.00	0.00
6449	Garbage & Recycling-Reimbursement	0.00	0.00	395.00
6450	Garbage and Recycling	603.00	0.00	0.00
6782	Tot Lot	0.00	5,000.00	5,000.00
7200	Bad Debt	128.38	0.00	0.00
7420	Office Supplies	0.00	4,500.00	4,500.00
7480	Bank Fees	10.00	0.00	0.00
7485	Miscellaneous Expense	0.20	0.00	0.00
7490	Office Administrative Expenses	3,534.45	0.00	0.00
7610	Legal Expenses	150.00	2,500.00	2,500.00
7615	Accounting Expenses	0.00	425.00	425.00
7620	Other Professional Fees	1,925.00	0.00	0.00
7835	Townhouse Roads	0.00	20,000.00	20,000.00
7836	Townhouse Street Lights	0.00	3,540.00	3,540.00
7837	Townhouse Snow Removal	0.00	6,074.00	6,074.00
	Total Budgeted Operating Expense	70,254.64	111,554.00	111,949.00
	Total Budgeted Operating Income	120,000.14	121,657.00	121,262.00
	Total Budgeted Operating Expense	70,254.64	111,554.00	111,949.00
	NOI - Net Operating Income	49,745.50	10,103.00	9,313.00
Other Income				
8121	Reserve Dues	12,000.00	0.00	0.00
8123	Reserve Interest Income	4,431.60	0.00	0.00
	Total Budgeted Other Income	16,431.60	0.00	0.00
Other Expense				
Reserve Expense				
9303	Landscaping/Trees-Shrubs	10,660.00	0.00	0.00
9361	Pond Repairs	0.00	9,313.00	6,074.00
	Total Reserve Expense	10,660.00	9,313.00	6,074.00
	Total Budgeted Other Expense	10,660.00	9,313.00	6,074.00
	Net Other Income	5,771.60	-9,313.00	-6,074.00
	Total Budgeted Income	136,431.74	121,657.00	121,262.00
	Total Budgeted Expense	80,914.64	120,867.00	118,023.00
	Net Income	55,517.10	790.00	3,239.00
Cash				
1150	Cash - Farmers & Merchants Operating	60,948.02	0.00	0.00
1155	Other Cash	-6,533.14	0.00	0.00
1158	Farmers & Merchants Reserve	3,559.93	0.00	0.00
1221	Laurel Valley F&M Pond Reserve	712.25	0.00	0.00
1222	Laurel Valley F&M Townhome Reserve	1,499.42	0.00	0.00
	Total Budgeted Cash	60,186.48	0.00	0.00
Liability				
2120	Security Deposits Clearing	-100.00	0.00	0.00
2300	Prepaid Dues/Rent	4,620.38	0.00	0.00
2500	Accounts Payable	149.00	0.00	0.00
	Total Budgeted Liability	4,669.38	0.00	0.00

Fund Balance Sheet

1.502

Properties: Active

As of: 01/31/2024

Accounting Basis: Cash

GL Account Map: None - use master chart of accounts

Level of Detail: Detail View

Account Name	Operating	Reserve	Total
ASSETS			
Cash			
Cash - Farmers & Merchants Operating	140,245.86		140,245.86
Farmers & Merchants Reserve		122,650.31	122,650.31
Laurel Valley F&M Pond Reserve		37,799.30	37,799.30
Laurel Valley F&M Townhome Reserve		79,574.80	79,574.80
Total Cash	140,245.86	240,024.41	380,270.27
Due from Operating Fund		3,233.07	3,233.07
TOTAL ASSETS	140,245.86	243,257.48	383,503.34
LIABILITIES & CAPITAL			
Liabilities			
Security Deposits Clearing	-100.00		-100.00
Prepaid Dues/Rent	-926.17		-926.17
Due to Reserve Fund	3,233.07		3,233.07
Total Liabilities	2,206.90	0.00	2,206.90
Capital			
Calculated Retained Earnings	28,131.96	1,000.00	29,131.96
Calculated Prior Years Retained Earnings	109,907.00	242,257.48	352,164.48
Total Capital	138,038.96	243,257.48	381,296.44
TOTAL LIABILITIES & CAPITAL	140,245.86	243,257.48	383,503.34

Summary of Qualifications

Justin J. Maier, P.E., RS
Partner

Services

Justin J. Maier is a partner and co-founder of Superior Reserve Engineering and Consulting. Justin J. Maier provides *expert* reserve and transition studies, and property engineering reviews. Properties that have benefited from his experience include townhome associations, condominium associations, planned unit developments, marinas, resorts, hotels, churches and country clubs. These properties vary from complex high rise buildings to vintage buildings of historical significance. He has provided these services to *more than* 2,500 properties throughout the United States and worldwide.



Prior Experience

Prior to co-founding Superior Reserve with Nik J. Clark, Mr. Maier had conducted reserve and transition studies with Reserve Advisors for 14 years. During this time, he was the Director of Product Development where he oversaw the development, improvement and production efficiency of reserve and transition studies for the firm. He was the leading producer of reserve and transition studies. Mr. Maier was instrumental in improving the quality of reports both in content, clarity and appearance. Reserve Advisors experienced tremendous success based on the standard of reserve and transition study quality that he implemented.

Mr. Maier was a structural engineer for Wausau Window and Wall Systems. There he analyzed stresses in horizontal and vertical components of aluminum frame curtain wall window systems in projects throughout the United States for both wind pressure and suction loads. He was involved in field work to correct improperly installed system components.

Mr. Maier was an Assistant Engineer for Crest Consulting Engineers. His services required on-site field investigation of architectural and structural failures, analysis of the preexisting design and conditions, and determination of the design shortfalls or owner modifications that caused the failures. He designed remedial repairs, produced cost estimates for the repairs, prepared the specifications and oversaw the implementation of the repairs.

Expert Witness

Through the expert witness of Mr. Maier, the Villages at Cumberland Trail in Columbus, Ohio and The Retreat Homeowners Association in Indianapolis, Indiana were able to successfully negotiate a settlement for their construction defects.

Education

Milwaukee School of Engineering (MSOE) - Bachelors of Science in Architectural Engineering

Professional Affiliations

Professional Engineer (P.E.) - licenses held in WI, IL, OH, NY, TX, DC, VA, MD, MI, MN, PA
Reserve Specialist (RS) - credential awarded by Community Association's Institute (CAI)
Certified Pool / Spa Operator - issued by the National Swimming Pool Foundation

Terms, Conditions and Limitations

- 1) Superior Reserve Engineering & Consulting (SREC) will perform a visual inspection of the property. While due diligence will be exercised during the onsite inspection, we make no representations regarding latent or hidden defects not observable from a visual inspection. We do not conduct invasive or destructive testing nor provide an exhaustive review of building code compliance. Material testing, core sampling, performance testing of building or site elements and equipment is not part of the scope of work.
- 2) Our opinions of estimated costs and remaining useful lives are not a guarantee of the actual costs of replacement, a warranty of the common elements or other property elements, or a guarantee of remaining useful lives.
- 3) SREC may rely on information provided to us, by the client named in this contract, in our report. We assume information provided to us by the client to be correct and assume no liability for the accuracy of information provided to us by the client. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon as supplied by you or others under your direction, or which may result from any improper use or reliance on the report by you or third parties under your control or direction.
- 4) Our Reserve Study Report in whole or part is not and cannot be used as a design specification, design engineering services or an appraisal.
- 5) Substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials could, if present, adversely affect the validity of this study. Unless otherwise stated in this report, the existence of hazardous substance, that may or may not be present on or in the property, was not considered. Our opinions are predicated on the assumption that there are no hazardous materials on or in the property. We assume no responsibility for any such conditions. We are not qualified to detect such substances, quantify the impact, or develop the remedial cost.
- 6) In the event of errors in our report, SREC's liability is limited to the cost of this study.

Curbs

Age: original Frequency: 25 Replacement year: 2032

Material: concrete

Overall condition: **good to poor**

Specific condition: cracks in concrete

Locations: lining the townhome parking

Quantity (linear feet): 4,000

Cost (\$/linear foot): \$23

Current total cost (note 1): \$91,000

Coordinate with: repaving townhome parking

Assumptions: 3,500 psi replacement concrete



cracks in concrete



cracked concrete



concrete cracks



cracks in concrete

(note 1) Concrete curbs have a useful life of up to 60 years. Replacement of all the curbs during a single event is unlikely. Instead, we assume periodic replacements of limited quantities.

Sidewalks

Age: varies Frequency: 5 Replacement year: 2025

Material:	concrete
Finish:	plain
Overall condition:	good to poor
Specific condition:	cracks, settlement, surface deterioration, poor drainage and trip hazards
Locations:	townhome parking areas
Length (linear feet):	3,000
Quantity (square feet):	12,000
Cost (\$/square foot):	\$13.20
Current total cost (note 1):	\$158,000
Operating expenses:	marking of trip hazards, interim replacements of deteriorated sections, slab jacking (pumping grout under sections to lift them)
Anticipated expenses:	remove deteriorated concrete compact and augment gravel base install 4-inch thick, 3,000 psi concrete 6x6 - W1.4xW1.4 steel reinforcing mesh plain finish

Actionable recommendations: We observed standing water at the sidewalks. This is a usability issue and a safety concern during freezing weather. The property should either raise the sidewalks or remove a few inches of sod/topsoil in these locations to allow the water to flow off the sidewalks.



surface deterioration



cracks in concrete



sidewalk settlement and trip hazards



poor drainage

(note 1) Concrete sidewalks have a useful life of up to 60 years. Replacement of all the sidewalks during a single event is unlikely. Instead, we assume periodic replacements of limited quantities.

Landscape Renovation

Age: varies Frequency: 5 Renovation year: 2026

Budgetary amount (note 1): \$10,000 (\$20 per home)

Landscaped and wooded acreage: 34.2

Operating expenses: mowing, trimming, flowers, sod, mulch, etc.

Components: trees
bushes
repairs to catch basins in landscape areas
regrading

Actionable recommendations: We observed clogged catch basin inlets in the common areas that require cleaning.

Actionable recommendations: We observed locations of poor grass growth beneath trees at the townhome parking, resulting in erosion and root exposure. We recommend crown raising (removing lower branches) at these trees to allow sunlight penetration and sustained grass growth.

Green ideas: Rather than raking leaves in the fall and hauling them to the landfill, the property should mulch the leaves and allow them to decompose into the ground. The majority of the leaves will decompose during the fall and winter. Once the leaf particles settle in, microbes and worms begin to recycle the debris (the application of nitrogen-rich fertilizer can help speed up the decomposition process). Whatever remains in the spring can be cleaned up and either used in planting beds or removed from the site. Mulching leaves will eliminate costs associated with hauling the leaves off the property and ease the burden placed on landfills. Mulching leaves will minimize weed control and nutrient application costs. Mulching leaves recycles a natural resource and provides a richer soil at no cost. The following website provides additional information:

https://www.canr.msu.edu/news/smart_gardeners_mulch_fallen_leaves_into_la wn_to_save_money.

Engineering solutions: Landscape replacement timing is discretionary. Annual operating budgets should include funds for mowing, trimming, flowers and replacement of a limited amount of dead landscape. We include an allowance for periodic partial replacements of landscape to include replacement of overgrown bushes or trees as the property sees necessary. Overgrown bushes and trees can cause damage to exterior building components or site elements such as roots causing damage to sidewalks and branches causing damage to the buildings. Although unpredictable, this allowance could also be used for any landscape that has died from drought, disease, etc.



landscape in common area



poor grass growth and root exposure



landscape at property identification sign



basin clogged with leaves

(note 1) Replacement of all the landscape in a single event is unlikely. Instead, we include an allowance for periodic partial replacements.

Mail Cluster Box Stations

Age: N/A Useful life: 25 Replacement year: 2028

Material: aluminum

Number of mail stations: 12

Exposure: unprotected from weather

Boxes per station (each): 8, 12 and 16

Box size: 6 inches x 5 inches

Overall condition: fair

Specific condition: weathering and replaced posts

Cost (\$/station): \$3,600

Current total cost: \$43,200 (\$84 per home)

Operating expenses: painting, replacement of locks

Comments: The mailboxes do not comply with United States Postal Service STD-4C, 12w x 15d x 3h. Replacement boxes must comply with this standard.



aluminum mail cluster box stations with wood replacement posts



weathering of metal



mailbox stations



mailbox station

Pavement - Crack Repair, Patch and Stripe

Repair age: N/A Frequency: 4 Event year: 2025

Location: townhome parking

Overall condition: fair

Specific condition: cracks, poor drainage and deterioration

Quantity (square yards): 10,800

Repair cost (\$/square yard): \$1.60

Current repair cost: \$17,200 (\$34 per home)

Assumptions: repair all open cracks (1/8 to 1 inch wide) and patch deteriorated pavement to minimize water penetration

Anticipated costs: crack repair
patch (1%)
stripe parking areas
repairs to catch basins (7 each)
repaint concrete curbs

Green ideas: The property has not seal coated the asphalt pavement and we agree with this practice. It is our professional opinion that seal coating asphalt pavement does not extend the useful life of the pavement. Seal coats do not add structural strength to the pavement. Seal coating is also a source of environmental contamination. Many properties opt to save money by *not* seal coating their pavement. If the property decides to seal coat for aesthetic reasons, avoid the use of coal-tar based pavement seal coats as they pollute waterways. Instead, consider a slurry coat of asphaltic emulsion to provide a sacrificial wearing surface to the pavement. Also, if the property chooses to seal coat, we recommend applying the seal coat in the spring rather than the fall. Snow removal equipment wears the seal coat. Application in the spring will provide the maximum visual enjoyment from a fresh seal coat. If seal coat application is desired, the property should fund this expense through the operating budget.

Engineering solutions: Maintenance to the pavement, including crack repairing all joints and patching potholes, will prevent water infiltration. This will minimize deterioration of the pavement and underlying base, and maximize the life of the pavement.



unrepaired cracks



cracks in pavement



pavement cracks



cracks throughout pavement

Pavement Replacement - Townhome Parking

Age: N/A Useful life: 25 Paving year: 2032

Material:	asphalt
Location:	townhome parking
Overall condition:	fair
Specific condition:	cracks, poor drainage and deterioration
Typical traffic type:	residential vehicles and garbage trucks
Quantity (square yards):	10,800
Quantity of catch basins:	7
Square yards of pavement per catch basin:	1,500 (reasonable amount of pavement per drain)
Repaving method:	replacement
Cost (\$/square yard):	\$52
Current total cost:	\$562,000 (\$1,098 per home)
Coordinate with:	partial replacements of concrete curbs
Anticipated costs:	remove pavement regrade and augment base (3 inches) install new pavement (4 inches) repairs to catch basins (7 each) stripe parking areas mobilization (multiple paving years)



asphalt pavement at townhome parking



pavement overview



pavement deterioration



cracks in pavement



unrepaired cracks



cracks in pavement



cracks in pavement



unrepaired cracks



pavement cracks



significant cracks in pavement



cracks in pavement



repaired and unrepaired cracks

Playground Equipment

Age: N/A Useful life: 25 Replacement year: varies

Playground quantity (each): 1

Materials: metal and plastic

Manufacturer: *GameTime*

Play surface condition: surface needs augmentation (fund this expense through the operating budget)

Overall condition: **fair to poor**

Specific condition: weathering, swing replacement in process and poor drainage

Current total cost: \$35,000 (\$68 per home)

Operating expenses: play surface maintenance

Equipment included:

- decks
- roofs
- steps
- slides
- bridge/crawl tunnel
- swings
- benchs
- border

Actionable recommendations: The property should conduct periodic inspections of the playground per the manufacturer's recommendation, log each inspection and react to those conditions as necessary to minimize hazards and liability. The following website provides guidelines for these inspections: <https://www.cpsc.gov/safety-education/safety-guides/playgrounds/public-playground-safety-checklist>.

Actionable recommendations: Mulch provides a safety cushion under playground equipment. Low mulch levels present a safety concern and potential increased liability issue. For safety reasons, augment the mulch at the playground in the near term to a thickness of 12 inches and fund this expense through the operating budget.



playground equipment



swings have been removed for replacement



weathering of metal



weathering of plastic

Pond Restoration

Restoration age: N/A Frequency: 30 Restoration year: 2024

Quantity of ponds (each): 1

Perimeter (linear feet): 500

Acreage: 0.4

Overall condition: **poor**

Specific condition: near term restoration necessary per the State of Maryland

Restoration cost: \$94,000 (\$184 per home)

Restoration expenses: sediment removal (25%)
 shoreline repairs (25%)
 structure repairs (2 each)
 mobilization
 consulting fees

Actionable recommendations: The pond does not have a fence around the perimeter, which allows unwanted access to the pond. Our experience with these types of ponds suggests fences typically surround them. To minimize liability, the property could consider installing a fence around the pond.



pond overview



pond shoreline



vegetative growth in pond



phragmite growth in pond

Retaining Wall - Wood

Age: N/A Useful life: 30 Replacement year: 2028

Material: wood

Size of timbers (inches): 6 by 6

Location: Merrick

Overall condition: **fair to poor**

Specific condition: weathering, leaning and wood rot

Number of walls (each): 1

Length (linear feet): 60

Quantity (square feet): 120

Cost (\$/square foot): \$39

Current total cost: \$4,700 (\$9 per home)

Anticipated costs: remove wall
install new wall



wood retaining wall



wood rot

Signs

Age: 2019 Useful life: 25 Replacement year: 2044

Purpose: property identification

Material: composite

Overall condition: good to fair

Specific condition: minor weathering

Quantity (each): 2

Cost per sign: \$2,600

Current total cost: \$5,200 (\$10 per home)

Anticipated costs:
plaques
posts
lighting



property identification sign



solar lights at sign



rear of sign



rear of sign