

RESERVE ACCOUNT

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Index Utah Code
Title 57 Real Estate
Chapter 88 Community Association Act
Part 2 Administrative Provisions
Section 211 Reserve analysis -- Reserve fund.
Effective 5/8/2018

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57-8a-211. Reserve analysis -- Reserve fund.

- (1) As used in this section:
 - (a) "Reserve analysis" means an analysis to determine:
 - (i) the need for a reserve fund to accumulate reserve funds; and
 - (ii) the appropriate amount of any reserve fund
 - (b) "Reserve fund line item" means the line item in an association's annual budget that identifies the amount to be placed into a reserve fund.
 - (c) "Reserve funds" means money to cover the cost of repairing, replacing, or restoring common areas and facilities that have a useful life of three years or more and a remaining useful life of less than 30 years, if the cost cannot reasonably be funded from the general budget or other funds of the association.
- (2) Except as otherwise provided in the governing documents, a board shall:
 - (a) cause a reserve analysis to be conducted no less frequently than every six years; and
 - (b) review and, if necessary, update a previously conducted reserve analysis no less frequently than every three years.
- (3) The board may conduct a reserve analysis itself or may engage a reliable person or organization, as determined by the board, to conduct the reserve analysis.
- (4) A reserve fund analysis shall include:
 - (a) a list of the components identified in the reserve analysis that will reasonably require reserve funds;
 - (b) a statement of the probable remaining useful life, as of the date of the reserve analysis, of each component identified in the reserve analysis;
 - (c) an estimate of the cost to repair, replace, or restore each component identified in the reserve analysis;
 - (d) an estimate of the total annual contribution to a reserve fund necessary to meet the cost to repair, replace, or restore each component identified in the reserve analysis during the component's useful life and at the end of the component's useful life; and
 - (e) a reserve funding plan that recommends how the association may fund the annual contribution described in Subsection (4)(d).
- (5) An association shall:
 - (a) annually provide lot owners a summary of the most recent reserve analysis or update; and
 - (b) provide a copy of the complete reserve analysis or update to a lot owner who requests a copy;
 - (c) in formulating the association's budget each year, an association shall include a reserve fund line item in:
 - (a) an amount the board determines, based on the reserve analysis, to be prudent; or
 - (b) an amount required by the governing documents, if the governing documents require an amount higher than the amount determined under Subsection (6)(a).
 - (d) within 45 days after the day on which an association adopts the association's annual budget, the lot owners may veto the reserve fund line item by a 51% vote of the allocated voting interests in the association at a special meeting called by the lot owners for the purpose of voting whether to veto a reserve fund line item.
 - (e) if the lot owners veto a reserve fund line item under Subsection (7)(a) and a reserve fund line item exists in a previously approved annual budget of the association that was not vetoed, the association shall fund the reserve account in accordance with that prior reserve fund line item.
 - (f) subject to Subsection (8)(b), if an association does not comply with the requirements described in Subsection (5), (6), or (7) and fails to remedy the noncompliance within the time specified in Subsection (8)(c), a lot owner may file an action in state court for:
 - (i) injunctive relief requiring the association to comply with the requirements of Subsection (5), (6), or (7);
 - (ii) \$500 or the lot owner's actual damages, whichever is greater;
 - (iii) any other remedy provided by law; and
 - (iv) reasonable costs and attorney fees.
 - (g) no fewer than 90 days before the day on which a lot owner files a complaint under Subsection (8)(a), the lot owner shall deliver written notice described in Subsection (8)(c) to the association.
 - (h) a notice under Subsection (8)(b) shall state:
 - (i) the requirement in Subsection (5), (6), or (7) with which the association has failed to comply;
 - (ii) a demand that the association come into compliance with the requirements; and
 - (iii) a date, no fewer than 90 days after the day on which the lot owner delivers the notice, by which the association shall remedy its noncompliance.
 - (i) in a case filed under Subsection (8)(a), a court may order an association to produce the summary of the reserve analysis or the complete reserve analysis on an expedited basis and at the association's expense.
 - (j) unless a majority of association members vote to approve the use of reserve fund money for that purpose, a board may not use money in a reserve fund

ASPEN COVE HOA
RESERVE ACCOUNT RECONCILIATION
2021

OPENING BALANCE	1/1/2021		\$30,563.59
CONTRIBUTIONS			\$ 9,794.00
INTEREST INCOME			\$ 10.41
EXPENDITURES			
	FRONT ENTRANCE-MOVE POLE	\$ 1,300.00	
			\$ 1,300.00
ENDING BALANCE	12/31/2021		<u>\$39,068.00</u>

ASPEN COVE HOA RESERVE ANALYSIS

UTAH CODE 57-8a-211 Reserve analysis -- Reserve fund. (Effective 5/8/2018)

(4) A reserve fund analysis shall include:

COMPONENT (4)(a) (Items having a useful life > 3 and < 30 years)	YEAR PLACED IN SERVICE	USEFUL LIFE (4)(b)		REPAIR/REPLACEMENT COST TOTAL	BEG RESERVE	PAST YEAR ACTIVITY (2021)			NEW YEAR CONTRIBUTION REQ'D
		ORIGINAL	REMAINING			CONTRIBUTION	EXPENDITURES	END RESERVE	
5 HP Well Pump*	1999	15	0	\$7,000	\$7,000	\$0		\$7,000	\$0
10 HP Well Pump	2013	15	6	\$6,782	\$848	\$848		\$1,696	\$848
Water System Controls	2020	10	8	\$6,152	(\$5,700)	\$1,185		(\$4,515)	\$1,333
Fire Pump	2019	15	12	\$7,867	\$524	\$524		\$1,049	\$568
Booster Pump #1	2019	15	12	\$4,269	\$285	\$285		\$569	\$308
Booster Pump #2	2019	15	12	\$4,268	\$285	\$285		\$569	\$308
Water Tank Repair	1999	30	7	\$40,000	\$2,778	\$4,653		\$7,431	\$4,653
Front Gate	2014	20	12	\$9,140	\$653	\$653		\$1,306	\$653
Front Entrance Landscaping	2020	10	8	\$10,000	(\$3,620)	\$1,362	(\$1,300)	(\$3,558)	\$1,695
Tennis Court Surface*	1999	10	0	\$11,500	\$11,500	\$0		\$11,500	\$0
Basketball Court Surface*	1999	10	0	\$6,000	\$6,000	\$0		\$6,000	\$0
General Contingency + Interest Income			0	\$10,000	\$10,012	\$10		\$10,022	\$0
TOTALS				\$122,978	\$30,564	\$9,804	(\$1,300)	\$39,068	\$10,366

* Dates and costs for these items are estimates. The others are supported by actual invoices.

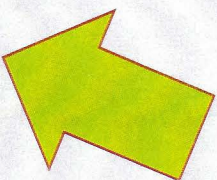
2022

ANNUAL BUDGET

	Average 2012-20	2020 Actual	2021 Actual	2021 Budget	2022 Budget	
Revenue						
HOA Dues			\$ 71,273	\$ 73,660	\$ 67,360	
Collections-Past Due Accounts			\$ 5,624	\$ 3,000	\$ 3,000	
Leasing Water Shares			\$ 2,555	\$ 2,500	\$ 2,500	
Other-Impact Fees, Interest			\$ 9,500	\$ 4,000	\$ 5,000	
Total Revenue	\$ 66,919	\$ 65,765	\$ 88,952	\$ 83,160	\$ 77,860	100%
Expenses						
WATER SYSTEM						
Water System Management	\$ 2,942	\$ 7,119	\$ 6,480	\$ 7,000	\$ 6,800	
Water Shares	\$ 1,011	\$ 1,097	\$ 1,286	\$ 1,250	\$ 1,300	
Water System Maintenance	\$ 5,334	\$ 745	\$ 3,811	\$ 1,500	\$ 1,500	
Power	\$ 4,662	\$ 4,144	\$ 4,889	\$ 4,500	\$ 4,750	
	\$ 13,949	\$ 13,105	\$ 16,467	\$ 14,250	\$ 14,350	18%
ROADS						
Dust Control	\$ 7,673	\$ 10,643	\$ 10,617	\$ 10,750	\$ 10,750	
Road Maintenance	\$ 7,123	\$ 5,904	\$ 14,988	\$ 6,500	\$ 7,000	
Snow Removal	\$ 15,850	\$ 21,447	\$ 9,188	\$ 21,000	\$ 20,000	
	\$ 30,646	\$ 37,993	\$ 34,793	\$ 38,250	\$ 37,750	48%
MEMBER SERVICES						
State Park Passes	\$ 9,343	\$ 9,375	\$ 9,500	\$ 12,700	\$ 8,450	
Common Area Maintenance	\$ 1,302	\$ 1,672	\$ 1,713	\$ 1,500	\$ 1,500	
Annual Mtg/Mbr Service	\$ 117	\$ 20	\$ -	\$ 100	\$ 100	
Website Management	\$ 45	\$ 130	\$ 53	\$ 175	\$ 150	
	\$ 10,807	\$ 11,197	\$ 11,266	\$ 14,475	\$ 10,200	13%
GATES/SECURITY						
Gates - Maintenance	\$ 1,603	\$ 1,820	\$ 562	\$ 500	\$ 500	
Gates - Comms & Controls	\$ 581	\$ 1,175	\$ 943	\$ 1,250	\$ 1,000	
Security	\$ 360	\$ -	\$ -	\$ 1,500	\$ 1,500	
	\$ 2,544	\$ 2,995	\$ 1,505	\$ 3,250	\$ 3,000	4%
ADMINISTRATIVE/GENERAL						
Corporate Dues	\$ 88	\$ 334	\$ 10	\$ 350	\$ 10	
Liability Insurance	\$ 688	\$ 845	\$ 980	\$ 850	\$ 980	
Office Supplies	\$ 497	\$ 173	\$ 1,010	\$ 1,000	\$ 200	
Postage	\$ 229	\$ 179	\$ 220	\$ 250	\$ 250	
Property Tax	\$ 597	\$ 220	\$ 247	\$ 250	\$ 250	
	\$ 2,098	\$ 1,751	\$ 2,466	\$ 2,700	\$ 1,690	2%
Total Expenses	\$ 60,044	\$ 67,041	\$ 66,497	\$ 72,925	\$ 66,990	86%
Contribution to Reserve Fund			\$ 9,794	\$ 9,794	\$ 10,366	13%
Net Income (loss)	\$ 6,876	\$ (1,276)	\$ 12,660	\$ 441	\$ 504	

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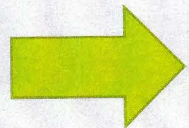
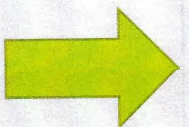
1. Annual dues: \$67,360
2. Collection of past due balances = \$3,000
3. Leasing Water Shares 100 x \$25 = \$2,500
4. Impact fees, transfer fees, interest = \$5,000



Average	2020	2021	2021	2022
2012-20	Actual	Actual	Budget	Budget

WATER SYSTEM

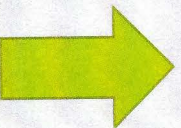
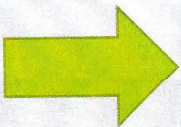
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