

# 3-Minute Executive Summary

**Association:** The Glen of Pacific Grove HOA **Assoc. #: 7492-1**  
**Location:** Pacific Grove, CA  
**# of Units:** 60  
**Report Period:** September 1, 2013 through August 31, 2014

**Results as-of 9/1/2013:**

Projected Starting Reserve Balance: .....	\$377,261
Fully Funded (Theoretical) Reserve Balance: .....	\$393,991
Average Reserve Deficit (Surplus) Per Unit:.....	\$279
Percent Funded (Reserve Score): .....	95.8%
Recommended 2013/14 monthly Reserve Contribution: .....	\$6,365
Recommended 2013/14 Special Assessment for Reserves: .....	\$0
Most Recent Reserve Contribution Rate:.....	\$6,365

**Economic Assumptions:**

Net Annual "After Tax" Interest Earnings Accruing to Reserves .....0.10%  
 Annual Inflation Rate .....2.00%

- This is an "Update No-Site-Visit" Reserve Study, based on a prior Report prepared by Association Reserves for your 2012/13 Fiscal Year. No site inspection was performed as part of this Reserve Study.
- This Reserve Study was prepared by a credentialed Reserve Specialist (RS)
- Because your Reserve Fund is at 95.8% Funded, this represents a strong position.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to maintain your current Reserve contributions.
- Funding for maintenance of the tennis court has been excluded form this study at the request of the Board.



[www.ReserveStudy.com](http://www.ReserveStudy.com)  
 415/694-8931



# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
103 Concrete Surfaces - Repair	10	9	\$35,700	\$42,665
201 Asphalt - Resurface	30	29	\$108,435	\$192,564
202 Asphalt - Seal/Repair	5	4	\$9,395	\$10,169
320 Pole Lights - Replace	30	12	\$44,175	\$56,025
324 Wall Lights - Replace	25	8	\$11,425	\$13,386
403 Mailboxes - Replace	25	6	\$14,280	\$16,082
502 Chain Link Fence - Replace	30	9	\$12,850	\$15,357
503 Metal Fence - Replace	30	28	\$19,865	\$34,585
505 Wood Fence - Partial Replace	10	4	\$6,350	\$6,873
702 Vehicle Gates - Replace	30	12	\$14,280	\$18,110
<b>704 Intercom - Replace</b>	<b>15</b>	<b>0</b>	<b>\$4,600</b>	<b>\$6,191</b>
706 Gate Operators/Remotes - Replace	10	9	\$9,480	\$11,329
1001 Backflow Device - Replace	25	6	\$7,150	\$8,052
<b>1009 Irrigation System - Repair/Replace</b>	<b>N/A</b>	<b>0</b>	<b>\$15,000</b>	<b>\$0</b>
<b>1009 Landscape - Replenish</b>	<b>N/A</b>	<b>0</b>	<b>\$20,000</b>	<b>\$0</b>
1107 Metal Fence - Repaint	5	3	\$3,500	\$3,714
1116 Exterior Surfaces - Repaint	10	2	\$171,000	\$177,908
1121 Exterior Surfaces - Repair	10	2	\$21,500	\$22,369
1303 Comp Shingle Roof - Replace	30	25	\$454,500	\$745,655
1310 Gutters/Downspouts - Replace (ph.1)	30	16	\$59,650	\$81,887
1311 Gutters/Downspouts - Replace (ph.2)	30	21	\$29,850	\$45,243
1701 Creek Bridge - Replace	25	20	\$15,900	\$23,627
<b>22 Total Funded Components</b>				

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Note 2: highlighted line items are expected to require attention in the initial year

## Assessment and Reserve Funding Disclosure Summary

### The Glen of Pacific Grove

For Fiscal Year Beginning: 9/1/2013

# of Units: 60

1) Budgeted Amounts:	Total	Average Per unit*
Reserve Contributions:	\$6,428.67	\$107.14
Operating Budget:	\$12,171.33	\$202.86
Total:	\$18,600.00	\$310.00

per: Month

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Due	Total Amount Per Unit*	Purpose
N/A		
N/A		
Total:		\$0.00

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected Reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**

- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*	
N/A		
N/A		
N/A		
N/A		
Total:		\$0

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **No** Tennis Court

6) All computations/disclosures are based on the fiscal year start date of:	9/1/2013
Fully Funded Balance (based on formula defined in 1365.2.5(b)4):	\$393,991.00
Projected Reserve Fund Balance:	\$377,261.00
Percent Funded:	95.8%
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$278.83

Based on the 6/26/2013 Reserve Study by Association Reserves.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Kevin Fink, R.S.

Date: 7/18/2013

\*Note: If assessments vary by the size or type of unit, allocate per unit per the attached.

*The financial representations set forth in this summary are based on the best estimates of the preparer at that time.*

*The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax*

*interest rate earned on reserve funds was: 0.10%*

*The assumed long-term inflation rate was: 2.00%*

**Note: Some information on this Form has been provided to Association Reserves, and has not been independently verified.**

**Table 4: 30-Year Reserve Plan Summary Based on BoD Decision**

**7492-1**

**Fiscal Year Beginning: 09/01/13**

**Interest: 0.10%**

**Inflation: 2.0%**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase		Loans or Special Assmts	Interest Income	Projected Reserve Expenses
					In Annual Reserve Contribs.	Annual Reserve Contribs.			
2013	\$377,261	\$393,991	95.8%	Strong	0.99%	\$77,144	\$0	\$396	\$39,600
2014	\$415,201	\$416,585	99.7%	Strong	1.00%	\$77,915	\$0	\$454	\$0
2015	\$493,571	\$481,125	102.6%	Strong	1.00%	\$78,695	\$0	\$433	\$200,277
2016	\$372,422	\$343,798	108.3%	Strong	1.00%	\$79,482	\$0	\$410	\$3,714
2017	\$448,600	\$405,364	110.7%	Strong	1.00%	\$80,276	\$0	\$480	\$17,043
2018	\$512,314	\$455,737	112.4%	Strong	1.00%	\$81,079	\$0	\$553	\$0
2019	\$593,946	\$525,693	113.0%	Strong	1.00%	\$81,890	\$0	\$623	\$24,134
2020	\$652,325	\$573,649	113.7%	Strong	1.00%	\$82,709	\$0	\$694	\$0
2021	\$735,728	\$648,422	113.5%	Strong	1.00%	\$83,536	\$0	\$769	\$17,487
2022	\$802,546	\$708,119	113.3%	Strong	1.00%	\$84,371	\$0	\$805	\$80,579
2023	\$807,143	\$705,948	114.3%	Strong	1.00%	\$85,215	\$0	\$850	\$0
2024	\$893,208	\$787,241	113.5%	Strong	1.00%	\$86,067	\$0	\$937	\$0
2025	\$980,212	\$871,504	112.5%	Strong	1.00%	\$86,928	\$0	\$865	\$318,272
2026	\$749,733	\$634,185	118.2%	Strong	1.00%	\$87,797	\$0	\$792	\$4,528
2027	\$833,794	\$713,536	116.9%	Strong	1.00%	\$88,675	\$0	\$868	\$20,775
2028	\$902,562	\$779,327	115.8%	Strong	1.00%	\$89,562	\$0	\$945	\$6,191
2029	\$986,878	\$862,765	114.4%	Strong	0.75%	\$90,234	\$0	\$992	\$81,887
2030	\$996,216	\$872,145	114.2%	Strong	0.75%	\$90,910	\$0	\$1,042	\$0
2031	\$1,088,169	\$966,750	112.6%	Strong	0.75%	\$91,592	\$0	\$1,132	\$4,999
2032	\$1,175,894	\$1,059,691	111.0%	Strong	0.75%	\$92,279	\$0	\$1,183	\$79,505
2033	\$1,189,850	\$1,080,069	110.2%	Strong	0.75%	\$92,971	\$0	\$1,225	\$23,627
2034	\$1,260,420	\$1,159,456	108.7%	Strong	0.75%	\$93,668	\$0	\$1,285	\$45,243
2035	\$1,310,131	\$1,220,020	107.4%	Strong	0.75%	\$94,371	\$0	\$1,209	\$297,601
2036	\$1,108,110	\$1,026,061	108.0%	Strong	0.75%	\$95,079	\$0	\$1,153	\$5,519
2037	\$1,198,823	\$1,127,849	106.3%	Strong	0.75%	\$95,792	\$0	\$1,235	\$25,325
2038	\$1,270,525	\$1,213,210	104.7%	Strong	0.75%	\$96,510	\$0	\$946	\$745,655
2039	\$622,326	\$567,313	109.7%	Strong	0.75%	\$97,234	\$0	\$671	\$0
2040	\$720,231	\$670,875	107.4%	Strong	0.75%	\$97,963	\$0	\$770	\$0
2041	\$818,964	\$778,353	105.2%	Strong	0.75%	\$98,698	\$0	\$848	\$40,679
2042	\$877,832	\$848,368	103.5%	Strong	0.75%	\$99,438	\$0	\$783	\$289,480