



Keanland Park HOA Board Meeting
May 7, 2025

Board Members Present:

Kevin Ruoff, Secretary Marc Groenier, Treasurer Chuck Klamm, At Large

Community Members Present as identified in Zoom:

Bruce and Margaret Snyder Jon's I phone Danielle and Greg Sullivan Thom and Loraine Miller
Bill Lesar Carolyn and Rich Whittinger David and Becky Schultz Marilyn Paul Abbott
Steve Barclift

The Board Meeting of the Keanland Park HOA was called to order by Kevin Ruoff, Board Secretary, on behalf of Board President Jim Huentelman who was unable to attend, at 6:30pm. Kevin introduced the board members present for the meeting. Kevin stated the purpose of the meeting was to discuss the 2025 budget, review a recent reserve study that has been completed and then take a forward look at financials to determine how to build up the HOA reserves as noted in the reserve study.

Kevin turned the meeting over to the HOA Treasurer Marc Groenier. Marc started by discussing the 2025 budget as shown below.

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
 BUDGET for Year Ending December 31, 2025
 (With Comparative Actual Data for the Years 2022 and 2023)

	2022 Actuals	2023 Actuals	2024 Actuals and Budget				Revised Budget	2025 Budget			Change from 2024 Actuals	
			Operating Fund	Reserve Fund	Total Actuals	Pct of Total		Operating Fund	Reserve Fund	Pct of Total		
REVENUES												
Membership Dues	\$ 47,700	\$ 47,700	\$ 47,700	\$ -	\$ 47,700	93%	47,700	\$ 35,510	\$ 12,190	\$ 47,700	85%	\$ -
<i>Per member dues</i>	\$ 450	\$ 450	\$ 450	\$ -				\$ 335	\$ 115			
Transfer Fees	-	900	-	900	900	2%	1,500	-	900	900	2%	-
<i>Transfer fee per sale</i>	\$ -	\$ 300	\$ -	\$ 300				\$ -	\$ 300			
Road Usage Fees	-	4,094	-	1,906	1,906	4%	-	-	1,059	1,059	2%	(847)
<i>Olympia Ecosystems</i>	\$ -	\$ 4,094	\$ -	\$ 1,906				\$ -	\$ 1,059			
<i>Thurston Conservation District</i>	n/a	n/a	n/a	n/a				n/a	\$ -			
<i>Road usage fee per load</i>	\$ -	\$ 70.59	n/a	\$ 70.59				n/a	\$ 70.59			
<i>Loads</i>		58		27					15			
Interest Income	260	439	49	513	562	1%	4,250	72	112	184	0%	(378)
<i>Olympia Fed S&L Checking</i>	\$ 40	\$ 45	\$ 49	\$ -				\$ 13	\$ -			
<i>Olympia Fed S&L Money Market</i>	\$ 220	\$ 394	\$ -	\$ 513				\$ -	\$ 112			
<i>Fidelity Investments Operatons</i>	n/a	n/a	n/a	n/a				\$ 85	\$ -			
Dividend Income	-	-	-	-	-	0%	-	1,597	4,847	6,444	11%	6,444
<i>Fidelity Investments Operatons</i>	n/a	n/a	n/a	n/a				\$ 1,597	\$ -			
<i>Fidelity Investments Reserves</i>	n/a	n/a	n/a	n/a				\$ -	\$ 4,847			
Total Revenues	\$ 47,960	\$ 53,133	\$ 47,749	\$ 3,319	\$ 51,068	100%	\$ 53,450	\$ 37,179	\$ 19,108	\$ 56,287	100%	\$ 5,219

Marc noted that this budget appears different than prior years as Operating and Reserve funds are now showing as two separate columns. Operating funds are for those items we spend money on each year, where the reserve fund is set aside for things that occur in the future. Items in blue are notations. Marc showed how Member Dues for 2022, 2023 and 2024 were \$450, but 2025 is separated out between the Operating fund and the Reserve Fund. Since this presentation was being done after the invoices were sent out, no dues increases were included.

Road usage fees in the past were collected into the Operating Fund but are now part of the Reserve Fund. Transfer fees have always belonged in the Reserve Fund.

In the past, interest income was only from Olympia Federal Savings and Loan but we are now in the process of moving most of our money to Fidelity and we promise a much more significant income.

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 (With Comparative Actual Data for the Years 2022 and 2023)

	2022 Actuals	2023 Actuals	2024 Actuals and Budget				Revised Budget	2025 Budget			Change from 2024 Actuals	
			Operating Fund	Reserve Fund	Total Actuals	Pct of Total		Operating Fund	Reserve Fund	Total Total		Pct of Total
EXPENSES												
Operating Expenses:												
Landscaping and Groundskeeping	3,002	3,564	3,672	-	3,672	10%	3,750	3,782	-	3,782	9%	110
<i>Trending</i>	-6% / 5%	19%	3%	-				3%	-			
Septic Inspections	26,067	21,134	23,749	-	23,749	65%	25,000	25,000	-	25,000	61%	1,251
<i>Trending</i>	22% / 30%	-19%	12%	-				5%	-			
Maintenance	3,127	19,246	4,094	-	4,094	11%	3,000	245	-	245	1%	(3,849)
<i>Crack sealing</i>	\$ 2,700	\$ 1,622	\$ -	\$ -				\$ -	\$ -			
<i>Road restriping</i>	\$ -	\$ 17,624	\$ -	\$ -				\$ -	\$ -			
<i>Mail box repair & relocate</i>	\$ -	\$ -	\$ 3,961	\$ -				\$ -	\$ -			
<i>Miscellaneous</i>	\$ 427	\$ -	\$ 133	\$ -				\$ 245	\$ -			
Road Repairs	-	-	-	-	-	-	-	-	2,500	2,500	6%	2,500
<i>Crack sealing</i>	\$ -	\$ -	\$ -	\$ -				\$ -	\$ 2,500			
Total Operating Expenses	32,196	43,944	31,515	-	31,515	86%	31,750	29,027	2,500	31,527	77%	12
General and Administration:												
Dues and Subscriptions	-	-	-	-	-	0%	-	-	-	-	0%	-
Insurance	2,440	2,658	2,486	-	2,486	7%	2,486	2,664	-	2,664	6%	178
<i>Trending</i>	0.31	9%	-6%	-				7%	-			
Professional Services	500	-	-	-	-	0%	-	1,881	-	1,881	5%	1,881
<i>Reserve Study</i>	\$ -	\$ -	\$ -	\$ -				\$ 1,881	\$ -			
<i>Income tax preparation</i>	\$ 500	\$ -	\$ -	\$ -				\$ -	\$ -			
Software Services	33	633	709	-	709	2%	1,000	1,092	-	1,092	3%	383
<i>Quickbooks</i>	\$ 33	\$ 633	\$ 709	\$ -				\$ 1,092	\$ -			
<i>Trending</i>	n/a	n/a	12%	-				54%	-			
Telecommunications	226	392	406	-	406	1%	-	417	-	417	1%	11
<i>Trending</i>	50% / -5%	73%	4%	-				3%	-			
<i>Zoom Communications.</i>	\$ -	\$ 164	\$ 175	\$ -				\$ 184	\$ -			
<i>Trending</i>			7%	-				5%	-			
<i>InMotion Hosting POS web hostin.</i>	\$ 195	\$ 195	\$ 195	\$ -				\$ 195	\$ -			
<i>InMotion Hosting POS domain re.</i>	\$ 31	\$ 33	\$ 36	\$ -				\$ 38	\$ -			
Post Office Box Rental	156	166	170	-	170	0%	-	175	-	175	0%	5
<i>Trending</i>		6%	2%	-				3%	-			

Marc went on to discuss Expenses, the funds needed to maintain the HOA as well as the General and Administrative expenses which are the expenses incurred such as taxes paid, professional services and others that are not considered operational.

Marc noted the new category of Road Repairs. In the past, crack repair and road striping were considered general fund items, and are now moved to the reserve fund. We have enough in reserves to cover any crack sealing needed.

Marc has restructured the General and Administrative fund items such as Dues and Subscriptions which are all now categorized under Telecommunications.

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			Operating Fund	Reserve Fund	Total Actuals	Pct of Total		Operating Fund	Reserve Fund	Total		Pct of Total
EXPENSES continued												
Postage and Shipping	206	8	77	-	77	0%	-	157	-	157	0%	80
Office Supplies	171	69	-	-	-		300	250	-	250	1%	250
Licenses and Permits	20	20	20	-	20	0%	20	20	-	20	0%	-
<i>WA Secretary of State</i>												
Storm Water Taxes	-	-	-	-	-	0%	-	450	-	450	1%	450
Miscellaneous Expenses	-	209	607	-	607	2%	-	200	-	200	0%	(407)
<i>Miscellaneous.</i>	\$ -	\$ 209	\$ 47	\$ -				\$ 200	\$ -			
<i>Remove dead animal</i>	\$ -	\$ -	\$ 561	\$ -				\$ -	\$ -			
Bank Service Charges	15	-	15	-	15	0%	-	-	-	-	0%	(15)
Federal Income Taxes - see below	48	1,330	710	-	710	2%	1,805	2,276	-	2,276	6%	1,566
Total General and Administration Expenses	3,815	5,485	5,200	-	5,200	n/a	5,611	9,582	-	9,582	n/a	4,382
Total Expenses	\$ 36,011	\$ 49,429	\$ 36,715	\$ -	\$ 36,715	100%	\$ 37,361	\$ 38,609	\$ 2,500	\$ 41,109	100%	\$ 4,394
Excess (Deficiency) of Revenues Over Expenses	\$ 11,949	\$ 3,704	\$ 11,034	\$ 3,319	\$ 14,353		\$ 16,089	\$ (1,430)	\$ 16,608	\$ 15,178		\$ 825
Fund Balance at Start of Year	150,502	162,451	60,554	105,601	166,155		166,155	71,588	108,920	180,508		14,353
Interfund Transfers	-	-	-	-	-		-	(52,575)	52,575	-		-
<i>Reserve Fund income taxes [a]</i>								\$ 1,775	\$ (1,775)			
<i>Excess Operating Fund Cash [b]</i>								\$ (54,350)	\$ 54,350			
Fund Balance at End of Year	\$162,451	\$166,155	\$ 71,588	\$108,920	\$180,508		\$182,244	\$ 17,583	\$178,103	\$195,686		\$ 15,178

[a] Accounting change. Reserve Fund pays for its portion of Federal income taxes.
 [b] Budget change. Excess Operating funds transferred to Reserve Fund.
 [c] Loss offset by Reserve Fund transfer in.

Marc noted on page 3 that we have a new category of expenses for Storm Water Taxes, stating the county has finally caught up with the HOA and we have property where we must pay about \$450 per year for storm water fees.

Marc pointed out that our federal income tax projection is significantly higher than in prior years due to our projection of earning a lot more money from investing with Fidelity.

Under Excess (Deficiency) line shows a deficiency which is caused by the presentation style being used. Marc's plan is to have the Reserve Fund pay for its own income tax. In prior years all income tax was paid from the operating fund. Going forward, Marc will transfer money from the Reserve Fund to the Operating Fund to pay for its share of income tax. Marc showed that if you add the \$1,775 listed under Reserve Fund transfer for Income Taxes to the negative \$1,430 you show a slight profit for the operating fund.

We have a balance in our Operating Fund of \$71,588. Marc will be transferring \$54,350 from the Operating Fund to the Reserve Fund for future use.

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			Operating Fund	Reserve Fund	Total Actuals	Pct of Total		Operating Fund	Reserve Fund	Total	
FEDERAL INCOME TAX CALCULATIONS											
Road Usage Fees	\$ -	\$ 4,094	\$ -	\$ 1,906	\$ 1,906	\$ 1,906	\$ -	\$ 1,059	\$ 1,059		
Interest Income	260	439	49	513	562	562	72	112	184		
Dividend Income	-	-	-	-	-	-	1,597	4,847	6,444		
Total non-exempt income	260	4,533	49	2,419	2,468	2,468	1,669	6,018	7,687		
Specific deduction	(100)	(100)	-	(100)	(100)	(100)	-	(100)	(100)		
Taxable income	160	4,433	49	2,319	2,368	2,368	1,669	5,918	7,587		
Tax rate	30%	30%	30%	30%	30%	30%	30%	30%	30%		
Federal income tax	\$ 48	\$ 1,330	\$ 14	\$ 696	\$ 710	\$ 710	\$ 501	\$ 1,775	\$ 2,276		

Marc noted that the last sheet (Page 4) shows how the income taxes were calculated.

Marc proceeded to discuss the Level 1 Reserve Study that was conducted by a company called Cedcore. A reserve study is analysis of all the common assets of the HOA that wear out, such as roads and road signs. We own all the mailboxes and will at some point need to be replaced. The study determines the physical condition of these assets, their life expectancy and useful life and the current cost of replacement and from this come up with a component list. The second part of a reserve study is the financial analysis that looks at our reserves as well as future demands on those reserves for the replacement and refurbishment of those assets and sees whether we have enough reserves to meet those needs. This amount expresses as a percent funded; what percent of our reserve needs are currently funded. Ideally, we should have 100% funded. An example of this, even though we do not have carpet, is:

For example, if an association were to replace interior carpeting in 10 years at an expense of \$10,000; then each year the cost of deterioration is 1/10th of the replacement cost. Therefore, each year \$1,000 of cost is accrued. In year 2, the fully funded balance would be \$2,000. In year 5, the cost of existing deterioration is \$5,000, and so on. To determine the percent funded, the FFB is compared to the reserve fund balance. To continue the above example, the association has \$2,000 in their reserve fund in year 2. The total accrued deterioration or FFB is \$2,000, therefore they are 100% funded. The association has saved 100% of the accrued deterioration or fully funded balance. If they have set aside only \$1,000, the association is 50% funded, having saved 50% of the existing deterioration or cost.

As stated, the level 1 study provides a list of all major components and major repairs needed in between replacement.



1.1 Table 1 - Component List

Component	Quantity	Current Cost	UL	RUL
Asphalt: Maintenance, Crack Filling	237,200 Square Feet	\$28,500	5	3
Asphalt: Maintenance, Patching	237,200 Square Feet	\$11,900	5	1
Asphalt: Maintenance, Seal Coat	237,200 Square Feet	\$42,700	5	4
Asphalt: Resurface	237,200 Square Feet	\$771,000	40	31
Concrete: Repairs	Unfunded, operating expense			
Drainage Ditches: Clean	1 Allowance	\$2,500	5	1
Entry Sign: Replacement	1 Each	\$500	20	11
Fence: Wood and Wire Mesh, Replace	1,425 Linear Feet	\$35,600	20	11
Fence: Wood and Wire Mesh, Restain	1,425 Linear Feet	\$2,850	5	1
Landscaping: Refurbish	Unfunded as directed by Association			
Mailbox Clusters: Replace	7 Clusters	\$18,200	35	26
Signs: Replace	2 Each	\$500	20	11
Wetland Sensitivity Area	Unfunded, operating expense			
	Total Current Costs	\$914,250		
	Total Funded Components		10	

Components without a UL are one-time expenses, not expecting to reoccur at this time. It is important to note that actual costs may vary significantly based on scope of work, actual conditions, hidden deterioration, vendor selection, etc. This component list is for budget planning purposes only.

In the above, an example would be that we have 237,200 square feet of roads that belong to Keanland Park HOA and are maintained by the HOA and NOT Thurston County. The estimated cost of crack sealing currently is \$28,500, useful life (UL) of 5 years and the remaining useful life (RUL) of three years.

Eventual replacement for the roads, in about 31 more years (RUL) is estimated at today's cost of \$771,000. Replacement means taking off all the asphalt and putting a new asphalt down.

In the reserve study they looked at our component list and then looked at our finances.

1. Executive Summary

Report Details			
Association Name:	Keanland Park PRRD HOA		
Location:	East Olympia, WA	Number of Units:	106
Physical Description	PUD/Single Family	Site Visit Date:	12/17/2024
Level of Service:	Level I		
Report Period:	FY 2025	Projection Period:	2025 - 2054
Reserve Account Snap Shot	January 1, 2025		
Projected Reserve Balance:			\$101,077
Fully Funded Reserve Balance:			\$228,365
Percent Funded:			44 %
Reserve Surplus or (-) Deficit Per Unit:			(\$1,201)
Current Monthly Reserve Fund Contribution:			\$0
Interest Rate			0.51 %
Inflation Rate			3.00 %
2025 Reserve Contribution Requirements (based on the above position)			
Full Funding	Monthly Reserve Contribution:		\$4,666
	Monthly Reserve Contribution Per Unit (Average):		\$44
	Special Assessment Required for this Plan:		\$0
Baseline Funding	Monthly Reserve Contribution:		\$1,491
	Monthly Reserve Contribution Per Unit (Average):		\$14
	Special Assessment Required for this Plan:		\$0

Based upon the budget and maintenance practices of the association we have used a funding threshold of \$496. Expenses below \$496 are not funded within this report and best treated as a maintenance expense. We have included comments within the Component Analysis Section of this report.

The projected reserve fund balance is estimated based on the current reserve fund balance adding any remaining budgeted contributions and subtracting any planned projects to be completed prior to the end of the fiscal year.

The Association will need to establish a contribution of \$44.01 per Lot per month (\$528.17 per Unit per Year) to get onto the path to becoming Fully Funded in 2032 and have sufficient funds in the Reserve Account to maintain, repair or replace the Common Elements when needed.

In the above, the reserve balance as of January 1, 2025 (which has since been increased) was \$101,077. To be fully funded, we would need \$228,365, which means we are currently 44% funded. The above also shows our interest rate at 0.51%, but was we move accounts to Fidelity, we will earn eight to nine times that amount.

Based on the analysis by Cedcore as seen below, our current funding is 0 and, based on our current needs, we will be out of money by 2031. Marc projects even with our additional income from interest, road usage fees from OlyEco and our \$300 per home in transfer fees, we will still be out of money by 2032 unless we start contributing more to the reserves.

2.5.1 - 30 Year Reserve Fund Projection (Current Funding)

Current Funding Plan									
Year	Start Balance	Annual Reserve Contribution	Special Assessments	Additional Assessments Necessary Per Unit /Per Year	Interest Income	Reserve Expenses	Ending Balance	Fully Funded Balance	Ending Percent Funded
2025	\$101,077	\$0	\$0		\$361	\$0	\$101,438	\$228,365	44.42 %
2026	\$101,438	\$0	\$0		\$299	\$17,768	\$83,969	\$275,710	30.46 %
2027	\$83,969	\$0	\$0		\$300	\$0	\$84,269	\$307,390	27.41 %
2028	\$84,269	\$0	\$0		\$190	\$31,143	\$53,316	\$359,573	14.83 %
2029	\$53,316	\$0	\$0		\$19	\$48,059	\$5,276	\$382,532	1.38 %
2030	\$5,276	\$0	\$0		\$19	\$0	\$5,295	\$390,084	1.36 %
2031	\$5,295	\$0	\$0	\$144	\$0	\$20,597	\$0	\$448,731	-3.41 %
2032	\$0	\$0	\$0		\$0	\$0	\$0	\$489,330	0.00 %
2033	\$0	\$0	\$0	\$341	\$0	\$36,103	\$0	\$553,813	-6.52 %
2034	\$0	\$0	\$0	\$526	\$0	\$55,714	\$0	\$584,538	-9.53 %
2035	\$0	\$0	\$0		\$0	\$0	\$0	\$597,525	0.00 %
2036	\$0	\$0	\$0	\$703	\$0	\$74,541	\$0	\$669,872	-11.13 %
2037	\$0	\$0	\$0		\$0	\$0	\$0	\$669,245	0.00 %
2038	\$0	\$0	\$0	\$395	\$0	\$41,853	\$0	\$747,058	-5.60 %
2039	\$0	\$0	\$0	\$609	\$0	\$64,588	\$0	\$785,828	-8.22 %
2040	\$0	\$0	\$0		\$0	\$0	\$0	\$804,129	0.00 %
2041	\$0	\$0	\$0	\$261	\$0	\$27,681	\$0	\$891,342	-3.11 %
2042	\$0	\$0	\$0		\$0	\$0	\$0	\$954,553	0.00 %
2043	\$0	\$0	\$0	\$458	\$0	\$48,519	\$0	\$1,050,120	-4.62 %
2044	\$0	\$0	\$0	\$706	\$0	\$74,875	\$0	\$1,100,588	-6.80 %
2045	\$0	\$0	\$0		\$0	\$0	\$0	\$1,127,492	0.00 %
2046	\$0	\$0	\$0	\$303	\$0	\$32,091	\$0	\$1,234,454	-2.60 %
2047	\$0	\$0	\$0		\$0	\$0	\$0	\$1,313,767	0.00 %
2048	\$0	\$0	\$0	\$531	\$0	\$56,247	\$0	\$1,430,771	-3.93 %
2049	\$0	\$0	\$0	\$819	\$0	\$86,800	\$0	\$1,495,679	-5.80 %
2050	\$0	\$0	\$0		\$0	\$0	\$0	\$1,533,462	0.00 %
2051	\$0	\$0	\$0	\$721	\$0	\$76,450	\$0	\$1,664,252	-4.59 %
2052	\$0	\$0	\$0		\$0	\$0	\$0	\$1,722,765	0.00 %
2053	\$0	\$0	\$0	\$615	\$0	\$65,206	\$0	\$1,864,398	-3.50 %
2054	\$0	\$0	\$0	\$949	\$0	\$100,625	\$0	\$1,945,816	-5.17 %

Cedcore is recommending, based on their analysis, that if we contribute \$528.17 per member per year to the reserve fund and increase by the rate in inflation per year, we would be fully funded by 2032.

The following chart shows that projection:

2.5.3 - 30 Year Reserve Fund Projection (Full Funding)

Full Funding Plan								
Year	Start Balance	Annual Reserve Contribution	Special Assessments	Interest Income	Reserve Expenses	Ending Balance	Fully Funded Balance	Ending Percent Funded
2025	\$101,077	\$55,986	\$0	\$461	\$0	\$157,524	\$228,365	68.98 %
2026	\$157,524	\$57,666	\$0	\$602	\$17,768	\$198,024	\$275,710	71.82 %
2027	\$198,024	\$59,396	\$0	\$813	\$0	\$258,233	\$307,390	84.01 %
2028	\$258,233	\$61,177	\$0	\$920	\$31,143	\$289,187	\$359,573	80.43 %
2029	\$289,187	\$63,013	\$0	\$973	\$48,059	\$305,114	\$382,532	79.76 %
2030	\$305,114	\$64,903	\$0	\$1,205	\$0	\$371,222	\$390,084	95.16 %
2031	\$371,222	\$66,850	\$0	\$1,371	\$20,597	\$418,846	\$448,731	93.34 %
2032	\$418,846	\$68,856	\$0	\$1,618	\$0	\$489,320	\$489,330	100.00 %
2033	\$489,320	\$62,934	\$0	\$1,730	\$36,103	\$517,881	\$553,813	93.51 %
2034	\$517,881	\$64,822	\$0	\$1,766	\$55,714	\$528,755	\$584,538	90.46 %
2035	\$528,755	\$66,767	\$0	\$2,007	\$0	\$597,529	\$597,525	100.00 %
2036	\$597,529	\$69,620	\$0	\$1,991	\$74,541	\$594,599	\$669,872	88.76 %
2037	\$594,599	\$72,384	\$0	\$2,252	\$0	\$669,235	\$669,245	100.00 %
2038	\$669,235	\$75,258	\$0	\$2,374	\$41,853	\$705,014	\$747,058	94.37 %
2039	\$705,014	\$78,245	\$0	\$2,426	\$64,588	\$721,097	\$785,828	91.76 %
2040	\$721,097	\$81,352	\$0	\$2,720	\$0	\$805,169	\$804,129	100.13 %
2041	\$805,169	\$84,581	\$0	\$2,927	\$27,681	\$864,996	\$891,342	97.04 %
2042	\$864,996	\$87,939	\$0	\$3,245	\$0	\$956,180	\$954,553	100.17 %
2043	\$956,180	\$91,430	\$0	\$3,404	\$48,519	\$1,002,495	\$1,050,120	95.46 %
2044	\$1,002,495	\$95,060	\$0	\$3,481	\$74,875	\$1,026,161	\$1,100,588	93.24 %
2045	\$1,026,161	\$98,834	\$0	\$3,840	\$0	\$1,128,835	\$1,127,492	100.12 %
2046	\$1,128,835	\$102,758	\$0	\$4,099	\$32,091	\$1,203,601	\$1,234,454	97.50 %
2047	\$1,203,601	\$106,837	\$0	\$4,488	\$0	\$1,314,926	\$1,313,767	100.09 %
2048	\$1,314,926	\$111,079	\$0	\$4,692	\$56,247	\$1,374,450	\$1,430,771	96.06 %
2049	\$1,374,450	\$115,489	\$0	\$4,803	\$86,800	\$1,407,942	\$1,495,679	94.13 %
2050	\$1,407,942	\$120,073	\$0	\$5,241	\$0	\$1,533,256	\$1,533,462	99.99 %
2051	\$1,533,256	\$124,840	\$0	\$5,424	\$76,450	\$1,587,070	\$1,664,252	95.36 %
2052	\$1,587,070	\$129,797	\$0	\$5,898	\$0	\$1,722,764	\$1,722,765	100.00 %
2053	\$1,722,764	\$134,949	\$0	\$6,158	\$65,206	\$1,798,665	\$1,864,398	96.47 %
2054	\$1,798,665	\$140,307	\$0	\$6,312	\$100,625	\$1,844,659	\$1,945,816	94.80 %

This amount, an increase to our annual dues of \$528.17 per year to the dues is a shock, however Marc and the Board have come up with an alternative that we think will be much better which will be covered later.

Cedcore has made some assumptions such as when dues are collected, when bills are paid and interest income. Based on this we took their list of components and put them on a table for our use.

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
RESERVE FUND PROJECT COMPONENTS by YEAR

Project			Drainage Ditch Cleaning		Fence Restaining		Fence Replacement		
UL / RUL (years)			5	1	5	1	20	11	
Round up factor				\$1		\$1		\$1	
Period	Year	Annual Disbursements	Estimated Cost [a] [b]	Disbursements	Estimated Cost [a] [b]	Disbursements	Estimated Cost [a] [b]	Disbursements	
1	2025	2,500	2,500.00	-	2,850.00	-	35,600.00	-	
2	2026	17,768	2,575.00	2,575	2,935.50	2,936	36,668.00	-	
3	2027	2,653	2,652.25	-	3,023.57	-	37,768.04	-	
4	2028	-	2,731.82	-	3,114.28	-	38,901.08	-	
5	2029	48,060	2,813.77	-	3,207.71	-	40,068.11	-	
6	2030	-	2,898.18	-	3,303.94	-	41,270.15	-	
7	2031	9,376	2,985.13	2,986	3,403.06	3,404	42,508.25	-	
8	2032	14,636	3,074.68	-	3,505.15	-	43,783.50	-	
9	2033	3,167	3,166.92	-	3,610.30	-	45,097.01	-	
10	2034	-	3,261.93	-	3,718.61	-	46,449.92	-	
11	2035	57,386	3,359.79	-	3,830.17	-	47,843.42	-	
12	2036	54,125	3,460.58	3,461	3,945.08	3,946 [d]	49,278.72	49,279	
13	2037	3,565	3,564.40	-	4,063.43	-	50,757.08	-	
14	2038	17,476	3,671.33	-	4,185.33	-	52,279.79	-	
15	2039	3,782	3,781.47	-	4,310.89	-	53,848.18	-	
16	2040	-	3,894.91	-	4,440.22	-	55,463.63	-	
17	2041	77,107	4,011.76	4,012	4,573.43	4,574	57,127.54	-	
18	2042	-	4,132.11	-	4,710.63	-	58,841.37	-	
19	2043	4,257	4,256.07	-	4,851.95	-	60,606.61	-	
20	2044	20,867	4,383.75	-	4,997.51	-	62,424.81	-	
21	2045	4,516	4,515.26	-	5,147.44	-	64,297.55	-	
22	2046	9,953	4,650.72	4,651	5,301.86	5,302	66,226.48	-	
23	2047	81,818	4,790.24	-	5,460.92	-	68,213.27	-	
24	2048	-	4,933.95	-	5,624.75	-	70,259.67	-	
25	2049	5,082	5,081.97	-	5,793.49	-	72,367.46	-	
26	2050	24,916	5,234.43	-	5,967.29	-	74,538.48	-	
27	2051	56,181	5,391.46	5,392	6,146.31	6,147	76,774.63	-	
28	2052	-	5,553.20	-	6,330.70	-	79,077.87	-	
29	2053	97,695	5,719.80	-	6,520.62	-	81,450.21	-	
30	2054	-	5,891.39	-	6,716.24	-	83,893.72	-	
31	2055	-	6,068.13	-	6,917.73	-	86,410.53	-	
32	2056	2,025,317	6,250.17	6,251	7,125.26	7,126 [d]	89,002.85	89,003	
33	2057	6,438	6,437.68	-	7,339.02	-	91,672.94	-	
34	2058	-	6,630.81	-	7,559.19	-	94,423.13	-	
35	2059	6,830	6,829.73	-	7,785.97	-	97,255.82	-	
36	2060	-	7,034.62	-	8,019.55	-	100,173.49	-	
37	2061	146,510	7,245.66	7,246	8,260.14	8,261	103,178.69	-	
38	2062	35,525	7,463.03	-	8,507.94	-	106,274.05	-	
39	2063	7,687	7,686.92	-	8,763.18	-	109,462.27	-	
40	2064	-	7,917.53	-	9,026.08	-	112,746.14	-	
41	2065	8,156	8,155.06	-	9,296.86	-	116,128.52	-	
		<u>\$ 2,642,203</u>	Cumulative Reserve Requirements through year 2056. [rr]						

- [a] Increases yearly by projected 3.00% inflation rate
- [b] Based on Reserve Study estimate.
- [c] Based on KPHOA prior experience.

- [d] Not performed when fence replaced.
- [rr] Estimated road resurfacing year.

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
RESERVE FUND PROJECT COMPONENTS by YEAR
Mail Box Replacement

Project		Sign Replacement [e]		[f] [g]		Road Crack Filling	
UL / RUL (yrs)		20	11	35	26	2	0
Round up factor			\$1		\$1		\$1
Period	Year	Estimated Cost [a] [b]	Disburse-ments	Estimated Cost [a] [b]	Disburse-ments	Estimated Cost [a] [c]	Disburse-ments
1	2025	1,000.00	-	18,200.00	-	2,500.00	2,500
2	2026	1,030.00	-	18,746.00	-	2,575.00	-
3	2027	1,060.90	-	19,308.38	-	2,652.25	2,653
4	2028	1,092.73	-	19,887.63	-	2,731.82	-
5	2029	1,125.51	-	20,484.26	-	2,813.77	2,814 [d]
6	2030	1,159.28	-	21,098.79	-	2,898.18	-
7	2031	1,194.06	-	21,731.75	-	2,985.13	2,986
8	2032	1,229.88	-	22,383.70	-	3,074.68	-
9	2033	1,266.78	-	23,055.21	-	3,166.92	3,167
10	2034	1,304.78	-	23,746.87	-	3,261.93	-
11	2035	1,343.92	-	24,459.28	-	3,359.79	3,360 [d]
12	2036	1,384.24	1,385	25,193.06	-	3,460.58	-
13	2037	1,425.77	-	25,948.85	-	3,564.40	3,565
14	2038	1,468.54	-	26,727.32	-	3,671.33	-
15	2039	1,512.60	-	27,529.14	-	3,781.47	3,782
16	2040	1,557.98	-	28,355.01	-	3,894.91	-
17	2041	1,604.72	-	29,205.66	-	4,011.76	4,012 [d]
18	2042	1,652.86	-	30,081.83	-	4,132.11	-
19	2043	1,702.45	-	30,984.28	-	4,256.07	4,257
20	2044	1,753.52	-	31,913.81	-	4,383.75	-
21	2045	1,806.13	-	32,871.22	-	4,515.26	4,516
22	2046	1,860.31	-	33,857.36	-	4,650.72	-
23	2047	1,916.12	-	34,873.08	-	4,790.24	4,791 [d]
24	2048	1,973.60	-	35,919.27	-	4,933.95	-
25	2049	2,032.81	-	36,996.85	-	5,081.97	5,082
26	2050	2,093.79	-	38,106.76	-	5,234.43	-
27	2051	2,156.60	-	39,249.96	39,250	5,391.46	5,392
28	2052	2,221.30	-	40,427.46	-	5,553.20	-
29	2053	2,287.94	-	41,640.28	-	5,719.80	5,720 [d]
30	2054	2,356.58	-	42,889.49	-	5,891.39	-
31	2055	2,427.28	-	44,176.17	-	6,068.13	6,069 [d]
32	2056	2,500.10	2,501	45,501.46	-	6,250.17	-
33	2057	2,575.10	-	46,866.50	-	6,437.68	6,438
34	2058	2,652.35	-	48,272.50	-	6,630.81	-
35	2059	2,731.92	-	49,720.68	-	6,829.73	6,830
36	2060	2,813.88	-	51,212.30	-	7,034.62	-
37	2061	2,898.30	-	52,748.67	-	7,245.66	7,246
38	2062	2,985.25	-	54,331.13	-	7,463.03	-
39	2063	3,074.81	-	55,961.06	-	7,686.92	7,687
40	2064	3,167.05	-	57,639.89	-	7,917.53	-
41	2065	3,262.06	-	59,369.09	-	8,155.06	8,156

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
RESERVE FUND PROJECT COMPONENTS by YEAR

Project		Patching Pavement		Road Seal Coating		Road Resurfacing	
UL / RUL (yrs)		6	1	6	4	40	31
Round up factor			\$1		\$1		\$1
Period	Year	Estimated Cost [a] [b]	Disburse-ments	Estimated Cost [a] [b]	Disburse-ments	Estimated Cost [a] [b]	Disburse-ments
1	2025	11,900.00	-	42,700.00	-	771,000.00	-
2	2026	12,257.00	12,257	43,981.00	-	794,130.00	-
3	2027	12,624.71	-	45,300.43	-	817,953.90	-
4	2028	13,003.45	-	46,659.44	-	842,492.52	-
5	2029	13,393.55	-	48,059.22	48,060	867,767.30	-
6	2030	13,795.36	-	49,501.00	-	893,800.32	-
7	2031	14,209.22	-	50,986.03	-	920,614.33	-
8	2032	14,635.50	14,636	52,515.61	-	948,232.76	-
9	2033	15,074.57	-	54,091.08	-	976,679.74	-
10	2034	15,526.81	-	55,713.81	-	1,005,980.13	-
11	2035	15,992.61	-	57,385.22	57,386	1,036,159.53	-
12	2036	16,472.39	-	59,106.78	-	1,067,244.32	-
13	2037	16,966.56	-	60,879.98	-	1,099,261.65	-
14	2038	17,475.56	17,476	62,706.38	-	1,132,239.50	-
15	2039	17,999.83	-	64,587.57	-	1,166,206.69	-
16	2040	18,539.82	-	66,525.20	-	1,201,192.89	-
17	2041	19,096.01	-	68,520.96	68,521	1,237,228.68	-
18	2042	19,668.89	-	70,576.59	-	1,274,345.54	-
19	2043	20,258.96	-	72,693.89	-	1,312,575.91	-
20	2044	20,866.73	20,867	74,874.71	-	1,351,953.19	-
21	2045	21,492.73	-	77,120.95	-	1,392,511.79	-
22	2046	22,137.51	-	79,434.58	-	1,434,287.14	-
23	2047	22,801.64	-	81,817.62	81,818	1,477,315.75	-
24	2048	23,485.69	-	84,272.15	-	1,521,635.22	-
25	2049	24,190.26	-	86,800.31	-	1,567,284.28	-
26	2050	24,915.97	24,916	89,404.32	-	1,614,302.81	-
27	2051	25,663.45	-	92,086.45	-	1,662,731.89	-
28	2052	26,433.35	-	94,849.04	-	1,712,613.85	-
29	2053	27,226.35	-	97,694.51	97,695	1,763,992.27	-
30	2054	28,043.14	-	100,625.35	-	1,816,912.04	-
31	2055	28,884.43	-	103,644.11	-	1,871,419.40	-
32	2056	29,750.96	29,751 [d]	106,753.43	-	1,927,561.98	1,927,562
33	2057	30,643.49	-	109,956.03	-	1,985,388.84	-
34	2058	31,562.79	-	113,254.71	-	2,044,950.51	-
35	2059	32,509.67	-	116,652.35	116,653 [e]	2,106,299.03	-
36	2060	33,484.96	-	120,151.92	-	2,169,488.00	-
37	2061	34,489.51	-	123,756.48	123,757	2,234,572.64	-
38	2062	35,524.20	35,525	127,469.17	-	2,301,609.82	-
39	2063	36,589.93	-	131,293.25	-	2,370,658.11	-
40	2064	37,687.63	-	135,232.05	-	2,441,777.85	-
41	2065	38,818.26	-	139,289.01	-	2,515,031.19	-

This brings us to our dues calculations:

**KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
BUDGETED MEMBERSHIP DUES for Year Ending December 31, 2025**

	2025 Budgeted Operating Fund	
	<u>Fund Balance</u>	<u>Expenses</u>
Total Expenses		\$ 38,609
Less income taxes on reserve fund investment (paid by reserve fund)		(2,276)
Less net investment income from operations, after taxes		(1,168)
Adjustment for one-time expenses		-
Special assessments		-
Projected Cash Expenditures		<u>\$ 35,165</u>
Fund Balance Adjustments:		
Desired Desired Ending Fund Balance (50% of Projected Cash Expenditures)	<u>\$ 17,583</u>	
Projected Operating Fund Ending Balance	(71,933)	
Ending Fund Balance in Excess of Needs	<u>\$ (54,350)</u>	
Excess used to forgo dues increases (\$0.00 / member)	-	-
Excess transferred to Reserve Fund	<u>\$ 54,350</u>	
 Projected Cash Needs [a]		 <u><u>\$ 35,165</u></u>
 Projected HOA Membership Dues:		
Number of Members [b]	106	
Membership Dues, Operating ([a] divided by [b], rounded up to nearest \$5)	<u>\$ 335</u>	See note 1
Membership Dues, Reserves (increases every year by 3.00%, rounded to the nearest \$5)	<u>115</u>	See note 2
Total Projected HOA Dues [c]	<u><u>\$ 450</u></u>	
 Current HOA Dues and Assessments [d]		 450
 Membership Dues and Assessment for 2025 (greater of projected or current HOA dues)"		 <u><u>\$ 450</u></u> See note 3

Note 1 Operating Fund dues are subject to annual revisions due to changes in:
1) Operating Fund expenditures, 2) estimated rate of inflation, and
3) projected Operating Fund earnings.

Note 2 Reserve Fund dues are subject to annual revisions due to changes in:
1) estimated road repair costs, 2) estimated rate of inflection,
3) estimated Reserve Fund earning, and 4) changes in HOA funding model.

Note 3 If 1996 HOA dues (\$450.00) were increased by the rate of inflation, 2025 dues would be \$600.00.

As we look at the above, remember we never used to look at separate operating and reserve funds and it appeared we had plenty of reserve funds, so no one calculated how much reserve funds we needed to collect for future needs. Now that the funds are separated, we need to calculate our operating funds separate from our reserve funds.

In the future, if our operating funds are too small, we will need to increase the dues and if they are larger than what we need, we can shave something off our reserves. Based on the above out of our current 2025 dues of \$450, \$335 is going to operating funds and \$115 is going to reserve funds.

The below shows a calculation for our projected operating fund to allow for payment of expenses and to maintain an ending fund balance of 50% of the budget.

For the use of Keanland Park PRRD HOA members only.

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
OPERATING FUND PROJECTED ACTIVITY for the NEXT 33 YEARS
 Used to determine MEMBER DUES and ASSESSMENTS for 2025, 2026, and 2027

<u>v - Annual Dues per Member.</u>					Tax on	Projected	Ending Balance	
Year	[1]	Beginning Balance [2]	Dues ([1] x [2])	Interest Income [3]	Nonexempt Income [4]	Disbursements [5]	Amount	Pct of Disbursements
2025	\$335	\$ 71,587.75	\$ 35,510.00	\$ 1,669.00	\$ (2,276.00)	(\$36,333.00)	\$ 17,582.75	48%
		Reserve Fund taxes			1,775.00	<- Moved from	Reserve Fund	
		Excess Op Fund Balance.	(54,350.00)	Moved to Reserve Fund->				
2026	\$355	17,582.75	37,630.00	1,208.49	(362.55)	(37,422.99)	18,635.70	50%
2027	\$365	18,635.70	38,690.00	1,263.70	(379.11)	(38,545.68)	19,664.61	51%
2028	\$370	19,664.61	39,220.00	1,301.48	(390.44)	(39,702.05)	20,093.60	51%
2029	\$380	20,093.60	40,280.00	1,330.59	(399.18)	(40,893.11)	20,411.90	50%
2030	\$395	20,411.90	41,870.00	1,370.58	(411.17)	(42,119.90)	21,121.41	50%
2031	\$405	21,121.41	42,930.00	1,409.70	(422.91)	(43,383.50)	21,654.70	50%
2032	\$420	21,654.70	44,520.00	1,457.04	(437.11)	(44,685.01)	22,509.62	50%
2033	\$430	22,509.62	45,580.00	1,500.69	(450.21)	(46,025.56)	23,114.54	50%
2034	\$445	23,114.54	47,170.00	1,549.58	(464.87)	(47,406.33)	23,962.92	51%
2035	\$455	23,962.92	48,230.00	1,591.61	(477.48)	(48,828.52)	24,478.53	50%
2036	\$470	24,478.53	49,820.00	1,635.52	(490.66)	(50,293.38)	25,150.01	50%
2037	\$485	25,150.01	51,410.00	1,684.93	(505.48)	(51,802.18)	25,937.28	50%
2038	\$500	25,937.28	53,000.00	1,738.22	(521.47)	(53,356.25)	26,797.78	50%
2039	\$515	26,797.78	54,590.00	1,793.66	(538.10)	(54,956.94)	27,686.40	50%
2040	\$530	27,686.40	56,180.00	1,849.43	(554.83)	(56,605.65)	28,555.35	50%
2041	\$545	28,555.35	57,770.00	1,903.58	(571.07)	(58,303.82)	29,354.04	50%
2042	\$560	29,354.04	59,360.00	1,954.08	(586.22)	(60,052.93)	30,028.97	50%
2043	\$580	30,028.97	61,480.00	2,014.65	(604.40)	(61,854.52)	31,064.70	50%
2044	\$595	31,064.70	63,070.00	2,072.85	(621.86)	(63,710.16)	31,875.53	50%
2045	\$615	31,875.53	65,190.00	2,137.03	(641.11)	(65,621.46)	32,939.99	50%
2046	\$630	32,939.99	66,780.00	2,194.50	(658.35)	(67,590.10)	33,666.04	50%
2047	\$655	33,666.04	69,430.00	2,269.24	(680.77)	(69,617.80)	35,066.71	50%
2048	\$670	35,066.71	71,020.00	2,338.16	(701.45)	(71,706.33)	36,017.09	50%
2049	\$690	36,017.09	73,140.00	2,403.92	(721.18)	(73,857.52)	36,982.31	50%
2050	\$710	36,982.31	75,260.00	2,469.20	(740.76)	(76,073.25)	37,897.50	50%
2051	\$735	37,897.50	77,910.00	2,547.28	(764.18)	(78,355.45)	39,235.15	50%
2052	\$755	39,235.15	80,030.00	2,625.20	(787.56)	(80,706.11)	40,396.68	50%
2053	\$775	40,396.68	82,150.00	2,694.91	(808.47)	(83,127.29)	41,305.83	50%
2054	\$805	41,305.83	85,330.00	2,785.11	(835.53)	(85,621.11)	42,964.30	50%
2055	\$825	42,964.30	87,450.00	2,872.24	(861.67)	(88,189.74)	44,235.13	50%
2056	\$850	44,235.13	90,100.00	2,958.48	(887.54)	(90,835.43)	45,570.64	50%
2057	\$875	45,570.64	92,750.00	3,045.98	(913.79)	(93,560.49)	46,892.34	50%

- [1] Operating Fund dues increase by a formulaic amount that maintains an operating fund balance equal to 50% net expenses each year, rounded up to nearest \$5.00.
- [2] 2025 amount from page 1.
- [3] 4.00% projected earning rate.
- [4] Projected Tax Rate of 30% on Operating and Reserve Fund Earnings with a \$100 special annual deduction. Non-exempt (taxable) income includes road usage fees, and interest and dividend Inco
- [5] Expenses increased yearly by projected 3.00% inflation rate.

We currently have \$115 per homeowner, per year, going into the reserve fund. The following sheet shows the projected Reserve Fund activity for the next 33 years.

Marc has created a formula to get the reserve fund dues to where all is said and done, we have enough in our reserve fund to cover the \$2,000,000 estimated of 2056 expenses. The reserve study only took us to 2054, but two years later in 2056 we are projected to need full road replacement of approximately \$771,000 in today's dollars will be a little less than \$2,000,000 in 2056.

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
RESERVE FUND PROJECTED ACTIVITY for the NEXT 33 YEARS
 Used to determine MEMBER DUES and ASSESSMENTS for 2025, 2026, and 2027

v - Annual Dues per Member.		Tax on		Road Repair				
Year	[1] Beginning Balance	Dues/Transfer Fees [2]	Other Income [3]	Interest Income [4]	Nonexempt Income [5]	Disbursements [6] [7]	Ending Balance	
2025	\$115 \$ 108,920.16	\$ 13,090.00	\$ 1,058.85	3,147.33	\$ (1,231.85)	\$ (2,500.00)	\$ 178,102.66	
	Reserve Fund taxes	(1,775.00)	Moved to Operating Fund->		1,775.00			
	Excess Op Fund Balance->	54,350.00	< 10 mo in bank	1,811.67	(543.50)	<- Moved from Operating Fund		
2026	\$295 178,102.66	32,170.00	1,058.85	7,799.78	(2,627.59)	(17,768)	198,735.70	
2027	\$305 198,735.70	33,230.00	1,058.85	8,908.82	(2,960.30)	(2,653)	236,320.07	
2028	\$315 236,320.07	34,290.00	1,058.85	10,488.21	(3,434.12)	-	278,723.01	
2029	\$325 278,723.01	35,350.00	1,058.85	11,415.13	(3,712.19)	(48,060)	274,774.80	
2030	\$335 274,774.80	36,410.00	-	12,065.29	(3,589.59)	-	319,660.50	
2031	\$350 319,660.50	38,000.00	-	13,752.15	(4,095.65)	(9,376)	357,941.00	
2032	\$365 357,941.00	39,590.00	-	15,243.41	(4,543.02)	(14,636)	393,595.39	
2033	\$380 393,595.39	41,180.00	-	16,908.43	(5,042.53)	(3,167)	443,474.29	
2034	\$395 443,474.29	42,770.00	-	19,004.07	(5,671.22)	-	499,577.14	
2035	\$410 499,577.14	44,360.00	-	20,339.45	(6,071.84)	(57,386)	500,818.75	
2036	\$425 500,818.75	45,950.00	-	20,491.17	(6,117.35)	(54,125)	507,017.57	
2037	\$440 507,017.57	47,540.00	-	21,629.49	(6,458.85)	(3,565)	566,163.21	
2038	\$455 566,163.21	49,130.00	-	23,811.16	(7,113.35)	(17,476)	614,515.02	
2039	\$470 614,515.02	50,720.00	-	26,021.17	(7,776.35)	(3,782)	679,697.84	
2040	\$485 679,697.84	52,310.00	-	28,739.21	(8,591.76)	-	752,155.29	
2041	\$500 752,155.29	53,900.00	-	30,400.09	(9,090.03)	(77,107)	750,258.35	
2042	\$515 750,258.35	55,490.00	-	31,657.03	(9,467.11)	-	827,938.27	
2043	\$535 827,938.27	57,610.00	-	34,756.88	(10,397.06)	(4,257)	905,651.09	
2044	\$555 905,651.09	59,730.00	-	37,652.16	(11,265.65)	(20,867)	970,900.60	
2045	\$575 970,900.60	61,850.00	-	40,598.26	(12,149.48)	(4,516)	1,056,683.38	
2046	\$595 1,056,683.38	63,970.00	-	44,002.55	(13,170.77)	(9,953)	1,141,532.16	
2047	\$615 1,141,532.16	66,090.00	-	46,262.35	(13,848.71)	(81,818)	1,158,217.80	
2048	\$635 1,158,217.80	68,210.00	-	48,357.01	(14,477.10)	-	1,260,307.71	
2049	\$655 1,260,307.71	70,330.00	-	52,419.51	(15,695.85)	(5,082)	1,362,279.37	
2050	\$675 1,362,279.37	72,450.00	-	56,231.41	(16,839.42)	(24,916)	1,449,205.36	
2051	\$700 1,449,205.36	75,100.00	-	59,266.86	(17,750.06)	(56,181)	1,509,641.16	
2052	\$725 1,509,641.16	77,750.00	-	62,700.15	(18,780.05)	-	1,631,311.26	
2053	\$750 1,631,311.26	80,400.00	-	66,018.20	(19,775.46)	(97,695)	1,660,259.00	
2054	\$775 1,660,259.00	83,050.00	-	68,883.86	(20,635.16)	-	1,791,557.70	
2055	\$800 1,791,557.70	85,700.00	-	74,215.31	(22,234.59)	-	1,929,238.42	
2056	\$825 1,929,238.42	88,350.00	-	46,046.75	(13,784.03)	(2,025,317)	24,534.14	
	Cumulative disbursements through 2056					(\$2,642,203) [rr]		
2057	\$850 24,534.14	91,000.00	-	3,586.07	(1,045.82)	(6,438)	111,636.39	
						Per Member	Total	
2056	No Reserve Fund deficit projected.						\$ -	\$ -

[1] Reserve Fund dues increase by 3.00% every year, rounded to nearest \$5
 [2] Dues include estimated \$900/yr Transfer Fees. Dues are collected in March and earn interest for 9/12 of the year. Transfer fees earn interest for estimated 3/12 of the year.
 [3] Projected road usage fees. [4] 4.00% projected earning rate.
 [5] Projected Tax Rate of 30% on Reserve Fund Earnings with a \$100 special annual deduction. Other Income and Interest Income are Non-exempt (taxable) income. HOA Special deduction used here.
 [6] See Reserve Fund Project Components List attached. Projected disbursements are made on August 01 of each year. [7] Projected 3.0% Annual Inflation Rate.
 (2,025,317) Drainage ditch cleaning, fence replacement, sign replacement, and road resurfacing.

Based on the above we have come up with a formula that will increase the reserve fund dues by \$180 and will then mirror the 3% rate of inflation. The operating dues are going up by about 3% per year. Our reserve funds, after our proposed \$200 increase, will then go up approximately \$20-\$25 per year thereafter as can be seen on the chart below.

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
PROJECTED MEMBERSHIP DUES by YEAR through year 2057

Year	Operating Fund Dues		Reserve Fund Dues		Total Dues	Annual Increase	
						Amount	Percent
2025	\$ 335.00	Operating	\$ 115.00	Reserve	\$ 450.00	\$ -	0.00%
2026	355.00	Fund dues	295.00	Fund dues	650.00	200.00	44.44%
2027	365.00	increase by	305.00	increase by	670.00	20.00	3.08%
2028	370.00	a formulaic	315.00	3.00% every	685.00	15.00	2.24%
2029	380.00	amount that	325.00	year,	705.00	20.00	2.92%
2030	395.00	maintains an	335.00	rounded	730.00	25.00	3.55%
2031	405.00	operating	350.00	UP to	755.00	25.00	3.42%
2032	420.00	fund balance	365.00	nearest	785.00	30.00	3.97%
2033	430.00	equal to 50%	380.00	\$5.00	810.00	25.00	3.18%
2034	445.00	net	395.00		840.00	30.00	3.70%
2035	455.00	expenses	410.00		865.00	25.00	2.98%
2036	470.00	each year,	425.00		895.00	30.00	3.47%
2037	485.00	rounded up	440.00		925.00	30.00	3.35%
2038	500.00	to nearest	455.00		955.00	30.00	3.24%
2039	515.00		470.00		985.00	30.00	3.14%
2040	530.00		485.00		1,015.00	30.00	3.05%
2041	545.00		500.00		1,045.00	30.00	2.96%
2042	560.00		515.00		1,075.00	30.00	2.87%
2043	580.00		535.00		1,115.00	40.00	3.72%
2044	595.00		555.00		1,150.00	35.00	3.14%
2045	615.00		575.00		1,190.00	40.00	3.48%
2046	630.00		595.00		1,225.00	35.00	2.94%
2047	655.00		615.00		1,270.00	45.00	3.67%
2048	670.00		635.00		1,305.00	35.00	2.76%
2049	690.00		655.00		1,345.00	40.00	3.07%
2050	710.00		675.00		1,385.00	40.00	2.97%
2051	735.00		700.00		1,435.00	50.00	3.61%
2052	755.00		725.00		1,480.00	45.00	3.14%
2053	775.00		750.00		1,525.00	45.00	3.04%
2054	805.00		775.00		1,580.00	55.00	3.61%
2055	825.00		800.00		1,625.00	45.00	2.85%
2056	850.00		825.00		1,675.00	50.00	3.08%
2057	875.00		850.00		1,725.00	50.00	2.99%

The initial above **initial** increase of \$200 was chosen so that we could get a good funding start on the Reserve Fund and then make the Operating Fund and the Reserve Fund increase by approximately 3% per year thereafter.

The way this option was arrived at was looking at several options for increasing the dues to increase the reserve funds. As can be seen on the chart below, the first option was to increase dues by \$30 per year. In looking at this option further, by the year 2038, this became the most expensive option for homeowners.

Next, a 7.8% increase in dues per year was looked at, but then this became the most expensive in 2044.

If we followed the Reserve Study example and put \$485.00 it became currently the most expensive, but if we look at the end of time, the \$30 per year option by 2067 the dues would be \$1,960. In the 7.8% option dues would be \$2,470 by 2067 and in the Reserve Study recommendation the dues would be the lowest at \$1,360 in 2067.

Using the option of a onetime \$200 increase in dues in 2026 and then increasing dues by approximately 3% each year thereafter, the dues in 2067 would be \$1,725. The board feels that this is a happy medium where the dues are not going up exorbitantly high, but people can count on an increase of about 3% each year after 2026.

2025 DUES PROJECTIONS UNDER DIFFERENT BUDGET OPTIONS

Year	Dues increase as needed to maintain a 50% of projected expenditure fund balance.	Pct.	OPTION			OPTION			New Budget			One-Time Increase					
			After 2025, increases by \$30 each year.			Increases by 7.8% every year, rounded UP to nearest \$5.00			\$295 in 2026, then increases by 3.00% every year, rounded UP to nearest \$5.00			Increases to \$485 per year starting in 2026. No further dues increases projected.					
			Incr.	Reserve Fund Dues	Pct. Total Dues	Incr.	Reserve Fund Dues	Pct. Total Dues	Incr.	Reserve Fund Dues	Pct. Total Dues	Incr.	Reserve Fund Dues	Pct. Total Dues	Incr.		
2025	\$ 335.00 Operating		\$ 115.00		\$ 450.00		\$ 115.00		\$ 450.00		\$ 115.00		\$ 450.00		\$ 115.00		\$ 450.00
2026	355.00 Fund dues	6%	145.00	26%	500.00	11%	125.00	9%	480.00	7%	295.00	157%	650.00	44%	485.00	322%	840.00
2027	365.00 increase by	3%	175.00	21%	540.00	8%	135.00	8%	500.00	4%	305.00	3%	670.00	3%	485.00	0%	850.00
2028	370.00 a formulaic	1%	205.00	17%	575.00	6%	150.00	11%	520.00	4%	315.00	3%	685.00	2%	485.00	0%	855.00
2029	380.00 amount	3%	235.00	15%	615.00	7%	165.00	10%	545.00	5%	325.00	3%	705.00	3%	485.00	0%	865.00
2030	395.00 that	4%	265.00	13%	660.00	7%	180.00	9%	575.00	6%	335.00	3%	730.00	4%	485.00	0%	880.00
2031	405.00 maintains	3%	295.00	11%	700.00	6%	195.00	8%	600.00	4%	350.00	4%	755.00	3%	485.00	0%	890.00
2032	420.00 an	4%	325.00	10%	745.00	6%	215.00	10%	635.00	6%	365.00	4%	785.00	4%	485.00	0%	905.00
2033	430.00 operating	2%	355.00	9%	785.00	5%	235.00	9%	665.00	5%	380.00	4%	810.00	3%	485.00	0%	915.00
2034	445.00 fund	3%	385.00	8%	830.00	6%	255.00	9%	700.00	5%	395.00	4%	840.00	4%	485.00	0%	930.00
2035	455.00 balance	2%	415.00	8%	870.00	5%	275.00	8%	730.00	4%	410.00	4%	865.00	3%	485.00	0%	940.00
2036	470.00 equal to	3%	445.00	7%	915.00	5%	300.00	9%	770.00	5%	425.00	4%	895.00	3%	485.00	0%	955.00
2037	485.00 50% net	3%	475.00	7%	960.00	5%	325.00	8%	810.00	5%	440.00	4%	925.00	3%	485.00	0%	970.00
2038	500.00 expenses	3%	505.00	6%	1,005.00	5%	355.00	9%	855.00	6%	455.00	3%	955.00	3%	485.00	0%	985.00
2039	515.00 each year,	3%	535.00	6%	1,050.00	4%	385.00	8%	900.00	5%	470.00	3%	985.00	3%	485.00	0%	1,000.00
2040	530.00 rounded up	3%	565.00	6%	1,095.00	4%	420.00	9%	950.00	6%	485.00	3%	1,015.00	3%	485.00	0%	1,015.00
2041	545.00 to nearest	3%	595.00	5%	1,140.00	4%	455.00	8%	1,000.00	5%	500.00	3%	1,045.00	3%	485.00	0%	1,030.00
2042	560.00 \$5.00.	3%	625.00	5%	1,185.00	4%	495.00	9%	1,055.00	5%	515.00	3%	1,075.00	3%	485.00	0%	1,045.00
2043	580.00	4%	655.00	5%	1,235.00	4%	535.00	8%	1,115.00	6%	535.00	4%	1,115.00	4%	485.00	0%	1,065.00
2044	595.00	3%	685.00	5%	1,280.00	4%	580.00	8%	1,175.00	5%	555.00	4%	1,150.00	3%	485.00	0%	1,080.00
2045	615.00	3%	715.00	4%	1,330.00	4%	630.00	9%	1,245.00	6%	575.00	4%	1,190.00	3%	485.00	0%	1,100.00
2046	630.00	2%	745.00	4%	1,375.00	3%	680.00	8%	1,310.00	5%	595.00	3%	1,225.00	3%	485.00	0%	1,115.00
2047	655.00	4%	775.00	4%	1,430.00	4%	735.00	8%	1,390.00	6%	615.00	3%	1,270.00	4%	485.00	0%	1,140.00
2048	670.00	2%	805.00	4%	1,475.00	3%	795.00	8%	1,465.00	5%	635.00	3%	1,305.00	3%	485.00	0%	1,155.00
2049	690.00	3%	835.00	4%	1,525.00	3%	860.00	8%	1,550.00	6%	655.00	3%	1,345.00	3%	485.00	0%	1,175.00
2050	710.00	3%	865.00	4%	1,575.00	3%	930.00	8%	1,640.00	6%	675.00	3%	1,385.00	3%	485.00	0%	1,195.00
2051	735.00	4%	895.00	3%	1,630.00	3%	1,005.00	8%	1,740.00	6%	700.00	4%	1,435.00	4%	485.00	0%	1,220.00
2052	755.00	3%	925.00	3%	1,680.00	3%	1,085.00	8%	1,840.00	6%	725.00	4%	1,480.00	3%	485.00	0%	1,240.00
2053	775.00	3%	955.00	3%	1,730.00	3%	1,170.00	8%	1,945.00	6%	750.00	3%	1,525.00	3%	485.00	0%	1,260.00
2054	805.00	4%	985.00	3%	1,790.00	3%	1,265.00	8%	2,070.00	6%	775.00	3%	1,580.00	4%	485.00	0%	1,290.00
2055	825.00	2%	1,015.00	3%	1,840.00	3%	1,365.00	8%	2,190.00	6%	800.00	3%	1,625.00	3%	485.00	0%	1,310.00
2056	850.00	3%	1,045.00	3%	1,895.00	3%	1,475.00	8%	2,325.00	6%	825.00	3%	1,675.00	3%	485.00	0%	1,335.00
2057	875.00	3%	1,075.00	3%	1,950.00	3%	1,595.00	8%	2,470.00	6%	850.00	3%	1,725.00	3%	485.00	0%	1,360.00

The following sheet shows the projected percentage funded by year based on the recommended dues increase.

For the use of Keanland Park PRRD HOA members only.

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
RESERVE FUND PERCENTAGE FUNDED by YEAR through year 2056
 Based on Available Funds Over Cumulative Requirements

Year	Reserve Fund Assets			Reserve Fund Projected Disbursements			
	Beginning Balance	Additions Net of Tax	Balance Before Disbursements [a] [col 4]	Cumulative Requirements Through 2056 [rr] [col.5]	Cumulative Spending [a] [col 6]	Net Requirements [col 5] - [col 6]	Percent [col 4] / [col 6]
2025	\$ 108,920	\$ 71,683	\$ 180,603.00	\$ 2,642,203	\$ (2,500.00)	\$ 2,639,703	6.84%
2026	178,103	\$ 38,401	216,504	2,642,203	(20,268)	2,621,935	8.26%
2027	198,736	40,237	238,973	2,642,203	(22,921)	2,619,282	9.12%
2028	236,320	42,403	278,723	2,642,203	(22,921)	2,619,282	10.64%
2029	278,723	44,112	322,835	2,642,203	(70,981)	2,571,222	12.56%
2030	274,775	44,886	319,661	2,642,203	(70,981)	2,571,222	12.43%
2031	319,661	47,656	367,317	2,642,203	(80,357)	2,561,846	14.34%
2032	357,941	50,290	408,231	2,642,203	(94,993)	2,547,210	16.03%
2033	393,595	53,046	446,641	2,642,203	(98,160)	2,544,043	17.56%
2034	443,474	56,103	499,577	2,642,203	(98,160)	2,544,043	19.64%
2035	499,577	58,628	558,205	2,642,203	(155,546)	2,486,657	22.45%
2036	500,819	60,324	561,143	2,642,203	(209,671)	2,432,532	23.07%
2037	507,018	62,710	569,728	2,642,203	(213,236)	2,428,967	23.46%
2038	566,163	65,828	631,991	2,642,203	(230,712)	2,411,491	26.21%
2039	614,515	68,965	683,480	2,642,203	(234,494)	2,407,709	28.39%
2040	679,698	72,457	752,155	2,642,203	(234,494)	2,407,709	31.24%
2041	752,155	75,210	827,365	2,642,203	(311,601)	2,330,602	35.50%
2042	750,258	77,680	827,938	2,642,203	(311,601)	2,330,602	35.52%
2043	827,938	81,970	909,908	2,642,203	(315,858)	2,326,345	39.11%
2044	905,651	86,117	991,768	2,642,203	(336,725)	2,305,478	43.02%
2045	970,901	90,298	1,061,199	2,642,203	(341,241)	2,300,962	46.12%
2046	1,056,683	94,802	1,151,485	2,642,203	(351,194)	2,291,009	50.26%
2047	1,141,532	98,504	1,240,036	2,642,203	(433,012)	2,209,191	56.13%
2048	1,158,218	102,090	1,260,308	2,642,203	(433,012)	2,209,191	57.05%
2049	1,260,308	107,053	1,367,361	2,642,203	(438,094)	2,204,109	62.04%
2050	1,362,279	111,842	1,474,121	2,642,203	(463,010)	2,179,193	67.65%
2051	1,449,205	116,617	1,565,822	2,642,203	(519,191)	2,123,012	73.75%
2052	1,509,641	121,670	1,631,311	2,642,203	(519,191)	2,123,012	76.84%
2053	1,631,311	126,643	1,757,954	2,642,203	(616,886)	2,025,317	86.80%
2054	1,660,259	131,299	1,791,558	2,642,203	(616,886)	2,025,317	88.46%
2055	1,791,558	137,680	1,929,238	2,642,203	(616,886)	2,025,317	95.26%
2056	1,929,238	120,613	2,049,851	2,642,203	(2,642,203)	-	n/a
2057	24,534						
2056	Total funds available		<u>\$ 2,049,851</u>	Funds to be spent		<u>\$ 2,025,317</u>	<u>101.21%</u>

The next page below shows two goals we need to hit. The first is that 60% of our income is from operating dues and that 90% of our operating expenses are for the actual operations of the HOA.

For the use of Keanland Park PRRD HOA members only.

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
 IRS INCOME and EXPENDITURE TESTS for FORM 1120-H STATUS
 For the Year 2025 (With Comparative Totals for the Year 2024)

Sixty Percent (60%) Income Test:

At least 60% of the association's gross income for the tax year must consist of exempt function income.

	2025 Budget		2024 Actuals	
Exempt Function Income:				
Membership Dues, Operating	\$ 35,510		\$ 47,700	
Total Exempt Function Income	35,510	82.20%	47,700	95.08%
Total Income:				
Exempt Function Income	35,510		47,700	
Road Usage Fees	1,059		1,906	
Interest Income	184		562	
Dividend Income	6,444		-	
Total Income for 60% Test	43,197	100%	50,168	100%
Membership Dues, Reserves	12,190	[1]	-	[1]
Transfer Fees	900	[1]	900	[1]
Total income from all sources	56,287		51,068	

Ninety Percent (90%) Expenditures Test:

At least 90% of the association's expenses for the tax year must consist of expenses to acquire, build, manage, maintain, and care for its property.

	2024 Budget		2024 Actuals	
Exempt Function Expenses:				
Landscaping and Groundskeeping	\$ 3,782		\$ 3,672	
Septic Inspections	25,000		23,749	
Maintenance	245		4,094	
Dues and Subscriptions	-		-	
Insurance	2,664		2,486	
Professional Services	1,881		-	
Software Services	1,092		709	
Telecommunications	417		406	
Post Office Box Rental	175		170	
Postage and Shipping	157		77	
Office Supplies	250		-	
Licenses and Permits	20		20	
Storm Water Taxes	450		-	
Miscellaneous Expenses	200		607	
Bank Service Charges	-		15	
Total Exempt Function Expenses	36,333	100.00%	36,005	100.00%
Add Non-exempt expenses	-		-	
Total Expenses for 90% Test	36,333	100%	36,005	100%
Road Repairs	2,500	[1]	-	[1]
Federal Income Taxes	2,276		710	
Total Expenses	41,109		36,715	

[1] Assessments and expenditures for capital improvements are excluded from 60% and 90% tests.

While not part of the budget, Marc did provide a three year balance sheet to show we have transferred money from the Operations Fund to the Reserve Fund for the transfer fees and the road usage fees.

These statements have not been professionally Audited or Reviewed.

For the use of Keanland Park PRRD HOA members only.

KEANLAND PARK PRRD HOME OWNER'S ASSOCIATION
COMPARATIVE BALANCE SHEETS for Years 2022, 2023, 2024

	2022			2023			2024		
	Operating Fund	Reserve Fund	Total	Operating Fund	Reserve Fund	Total	Operating Fund	Reserve Fund	Total
Cash and Cash Equivalents:									
Oly Fed Checking	\$ 61,630	\$ -	\$ 61,630	\$ 63,539	\$ -	\$ 63,539	\$ 71,808	\$ -	\$ 71,808
Oly Fed Small Balance	655	-	655	853	-	853	940	-	940
Undeposited Funds	-	-	-	-	-	-	-	-	-
Fidelity Res Checking	-	-	-	-	-	-	-	-	-
Oly Fed Money Market	-	100,213	100,213	-	100,607	100,607	-	108,920	108,920
Other Current Assets:									
Membership Dues Receivable	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	2,486	-	2,486	-	-	-
insurance	\$ -	\$ -	\$ -	\$ 2,486	\$ -	\$ 2,486	\$ -	\$ -	\$ -
Accounts Receivable	-	-	-	-	-	-	-	-	-
Interfund Balances	-	-	-	(4,994)	4,994	-	-	-	-
TOTAL ASSETS	\$ 62,285	\$ 100,213	\$ 162,498	\$ 61,884	\$ 105,601	\$ 167,485	\$ 72,748	\$ 108,920	\$ 181,668
Liabilities:									
Accounts Payable	-	-	-	-	-	-	-	-	-
Prepaid Membership Dues	-	-	-	-	-	-	450	-	450
Income Taxes Payable	48	-	48	1,330	-	1,330	710	-	710
Total Liabilities	48	-	48	1,330	-	1,330	1,160	-	1,160
Fund Balance:	62,237	100,213	162,450	60,554	105,601	166,155	71,588	108,920	180,508
TOTAL LIABILITIES AND FUND BALANCE	62,285	100,213	162,498	61,884	105,601	167,485	72,748	108,920	181,668

	2022			2023			2024		
	Operating Fund	Reserve Fund	Year	Operating Fund	Reserve Fund	Year	Operating Fund	Reserve Fund	Year
<i>Reserve Transfer Fees collected by the Operating Fund</i>				(900)	900	2023	(900)	900	2023
							(900)	900	2024
<i>Reserve Fund Road Usage Fees collected by the Operating Fund</i>				(4,094)	4,094	2023	(4,094)	4,094	2023
							(1,906)	1,906	2024
<i>Transfer Fees and Road Usage Fees moved to Reserve Fund</i>							7,800	(7,800)	2024
Interfund Balances	\$ -	\$ -	\$ -	\$ (4,994)	\$ 4,994	\$ -	\$ -	\$ -	\$ -

Marc stated that all of these are projections; if the rate of inflation goes high, if our earnings plummet, if our expenses increase, these projections will change. For now, this is our crystal ball with our best projections.

Kevin closed out the meeting thanking Marc for all his time and effort in putting this budget and proposal together, and this was echoed in the comments by a few Members in attendance. It was noted that the majority of Homeowners have paid their dues, only 4 remain outstanding.

Kevin noted that the HOA will need to increase dues going forward and that will need to be voted on by all Members. The board will be putting together a document to get out and a vote put together. The Board recognizes that no one wants dues to increase but it is either an increase in our dues, or at some time there will be a special assessment everyone would be responsible for. Kevin noted that an increase per year is the least expensive out of pocket option. Marc noted that it is also about equity. We do not want to put too much burden on the current Homeowners but at the same time it just is flat out not fair to put everything off so that Homeowners down the road are hit with a \$20,000 - \$30,000 special assessment for roads to be resurfaced. It is our obligation.

Lorraine Miller thanked Marc for his work and mentioned she was thankful for the Level 1 Reserve Study rather than the Level 3 that Todd had done in 2020. Lorraine also asked if there was any discussion about increasing the resident joining fees (which we are calling transfer fees now, based on a community vote in 2024). Kevin stated that the board would look at this in the future.

Several attendees commented that the Keanland Park HOA dues were low compared to other communities nearby. Marc stated that if we had increased dues by the rate of inflation every year from 2016 to 2025, we would be paying north of \$600 today.

Kevin adjourned the meeting at 7:30pm.