

Cascade Mountain Property Owners Association (CMPOA)

Long Term Planning Committee

Five (5) Year Plan

2019 through 2023

Committee Members:

Howard Mayo, President, Treasurer, Chairman Security, Pool & Tennis Committees
Robert (Bob) Greene, VP, Chairman Roads, Building & Grounds Committee
Sharon Gwin, Chairperson Social Committee
John Campbell, Architectural Committee Chairman
Vance Smith, Board Member
David Truitt, Board Member

Collaborative Member: Floyd Jones, Treasurer Water Co.

General Statute Underlying Five-Year Plan Requirements:

Virginia Code Title 55. Property and Conveyances § 55-514.1. Reserves for capital components

- A. Except to the extent otherwise provided in the declaration and unless the declaration imposes more stringent requirements, the board of directors shall:
1. Conduct at least once every five years a study to determine the necessity and amount of reserves required to repair, replace and restore the capital components;
 2. Review the results of that study at least annually to determine if reserves are sufficient; and
 3. Make any adjustments the board of directors deems necessary to maintain reserves, as appropriate.
- B. To the extent that the reserve study conducted in accordance with this section indicates a need to budget for reserves, the association budget shall include, without limitation:
1. The current estimated replacement cost, estimated remaining life and estimated useful life of the capital components;
 2. As of the beginning of the fiscal year for which the budget is prepared, the current amount of accumulated cash reserves set aside, to repair, replace or restore capital components and the amount of the expected contribution to the reserve fund for that year; and
 3. A general statement describing the procedures used for the estimation and accumulation of cash reserves pursuant to this section and the extent to which the association is funding its reserve obligations consistent with the study currently in effect.

Reserves vs. Budgeted Annual Operating Funds: Reserves are like a savings account and operating funds are akin to money in a checkbook for routine spending. Both are funded from annual dues; but, reserves are only 8.5% (\$15,000/\$175,800) of anticipated dues to be collected in 2019. The monies that we are focused upon in this 5-year plan are only the reserves anticipated to be collected and monies already in the reserve fund. The operating dollars are set during the annual budgeting process as are the amounts to fund the reserve. If the item is a small repair or normal maintenance not rising to the level of a large capital expenditure; then it comes out of operations, not the reserve.

Summary: [This is a “living” document meant to be reviewed at least annually.]

The purpose of the Long Term Plan is to adhere to the required provisions of the above referenced Code and provide for the long-term, financial security of the CMPOA in an effort to preserve our assets and infrastructure. The plan, in the form of a spreadsheet [attached] is compliant with the stated purpose.

The largest capital expenditures are:

2019: Total = \$51,500

Reset the posts surrounding the tennis courts, \$2,000,
Paint the playground equipment, \$500,
Fix the cracks in the pool itself, \$5,000,
Replace and stain fencing surrounding the pool, \$3,000,
Replace flooring in the Poolhouse, \$8,000,
Re-plumb the faucets & sinks in the Poolhouse, \$1,500,
Replace lighting within the main room of the Poolhouse, \$1,500,
Road Paving & Striping (carried over from 2018 budget), \$30,000;

2020: Total = \$37,000

Provide a new set of mailboxes, \$4,000,
Culvert repair/replace on Southern View, \$15,000,
Foundation Repair on the Firehouse, \$3,000,
Summithaus: Interior painting, refrigerator & broken furniture replacement, \$15,000;

2021: \$70,000 to repair the Dam (per the Engineering study);

2022: No Scheduled Expenditures;

2023: Culvert repair/replace on the Flint Ridge side of Cascade Trail at the old washout site, \$15,000.

General Statement: Procedures for the estimation and accumulation of cash reserves is predicated upon the current year Balance Sheet and the Budgeted line item "Reserve" for future years. Consistent with the study currently in effect, CMPOA is funding its

reserve obligations at a rate of 53.60% (\$93,000/\$173,500). The \$93k is accumulated through budgeted reserves and capital items over 5-years with the balance of monies scheduled to be spent (totaling \$173,500) to be taken out of the accumulated reserves.

Statement Regarding the 2013 Special Assessment: Funds remaining from that which was collected for infrastructure and placed with Reserves will be exhausted in 2019.

Special Assessment funds collected as of Month End September 2018 were \$223,246, less \$84,550 for washout repairs, \$37,225 for guardrails and \$82,418 for capital improvements to the Summithaus which leaves a balance of \$19,053.

**CMPOA Reserve for Capital Items
5-Year Plan**

	B	C	D	E	G	H	I	J	K
1	General Statement: Procedures for the estimation and accumulation of cash reserves is predicated upon the current year Balance Sheet and the Budgeted line item "Reserve" for future years. Consistent with the								
2	study currently in effect, CMPOA is funding its reserve obligations at a rate of 53.60% (\$93k/\$173.5k) out of budgeted reserves and capital items over 5-years with the balance from accumulated reserves.								
3					Year End 2018 Reserve Balance				
4	Accumulated Cash Reserve Per Year:				\$252,340	\$215,840	\$196,840	\$146,840	\$166,840
5	Amount of Expected Contribution to Reserves Per Year:				\$15,000	\$18,000	\$20,000	\$20,000	\$20,000
6	Year:				<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
7	Capital Items	Estimated Replacement Cost	Estimated Remaining Life	Estimated Useful Life (likely to remain in service)					
8									
9	Entrance Signs	\$5,500	20	20					
10	Tennis Courts	\$120,000	20	20	\$2,000				
11	Playground	\$10,000	20	20	\$500				
12	Guard House	\$25,000	25	25					
13	Security Gates	\$38,000	15	15					
14	Mail Boxes	\$6,000	15	15		\$4,000			
15	Pool	\$200,000	20	20	\$8,000				
16	Pool House	\$110,000	20	20	\$11,000				
17	SummitHaus	\$520,000	30	30		\$15,000			
18	Pond/Dam/Piping	\$220,000	5	5		\$15,000	\$70,000		\$15,000
19	Barn	\$100,000	10	10					
20	Maintenance Shed	\$15,000	20	20					
21	Firehouse Building	\$50,000	30	30		\$3,000			
22									
23	Major Paved Roadways:								
24	Cascade Trail	\$162,231	20	20	\$6,000				
25	Southern View	\$162,231	20	20	\$6,000				
26	Hidden Wood	\$162,231	20	20	\$6,000				
27	Otter Creek	\$162,231	20	20	\$6,000				
28	Flint Ridge	\$162,231	20	20	\$6,000				
29	Guard Rails	\$160,000	20	20					
30									
31									
32	Water Company:								
33	Tanks at Cascade	\$334,000	40	40					
34	Tanks at Flint Ridge	\$238,875	40	40					
35	4-Well Pump Houses	\$27,480	30	30					
36	Water Lines	\$1,500,000	20	20					
37									
38	Total per year				\$51,500	\$37,000	\$70,000	\$0	\$15,000
39									