

Five Year Study for the Clairmont Manor Homeowners Assoc (HOA) Inc.

Approved by the Board of Directors on 15 September 2025

Note: Supersedes previous Five Year Study dated 3 September 2020

Purpose: The purpose of this study is to determine the necessity and amount of reserves required to repair, replace, and restore the capital components of the HOA.

Clairmont Manor HOA is a community of 74 lots containing 64 single family homes. The current annual assessment per lot is \$220. The annual income from assessments is \$15180. (65 lots paying \$220 = \$14300 plus four members owning an additional eight adjacent lots paying \$110 per lot at \$880.) One lot is owned by the HOA as part of the Common Area. The income from disclosure packets for sales of homes averages \$300 per year. Total annual income is \$15480.

The capital components of the HOA which require expenditure of funds consists of;

- A. 230 feet of stone facing block wall at the entrance to the community.
- B. 1925 feet of wood half round post fencing with three wood rails at the entrance to the community bordering Old Orange Road.
- C. Common area maintenance , entrance lighting and landscaping.

By the very nature of the capital components, the requirement to consider budgeting for their total replacement is unnecessary as each component has been repaired or restored annually on an as required basis. The overall serviceable condition of the fence is maintained by repairing and restoring only that part of the fence that requires attention. The same for any repairs required for the stone wall and entrance lighting. Any necessary repairs are undertaken immediately and the cost is included in that year's annual budget.

The stone facing block wall has been repaired once over its lifetime of thirty-one years. By annually addressing only the part of the wall that requires repair or restoration, the overall serviceable condition of the wall is maintained. The stone wall was repaired and cleaned in 2020. The cost of the repairs was \$2400. As the condition of the wall has not changed during the past five years, an estimate to maintain the wall can be deduced from spreading the cost of \$2400 over its life of thirty-one years and budgeting \$77 ($\$2400/31=\77) annually towards its maintenance.

The wood fence has been repaired five times in the last thirty-one years for a total cost of \$14881. Repairs were completed in 2010, 2014, 2017, 2020 and 2015. Making the assumption that the actual weathering and rot the fence has encountered over its thirty-one-year lifetime continues at the same pace, this would require an annual budget of \$480 ($\$14881/31=\480).

A review was conducted of the average annual HOA expenses for the last five years including the average capital component repair costs, with the result forecasting a net annual surplus of \$766.

Annual Income (assessments and copies of disclosure packets): **\$15480**

Annual Expenses:

Computer and internet; \$100

Mowing; \$5376

Landscaping; \$3316

Fence repair and painting; \$480 avg

Wall repair estimate; \$77 budgetary

Entrance lighting and repairs; \$500 avg

Tree trimming and removal; \$500 avg

Insurance; \$1000 avg

Legal and accounting; \$280 avg

License and permits; \$75

Office supplies; \$150 avg

Officer fees (treasurer and secretary); \$2000

Postage and delivery; \$160 avg

Utilities (entrance lighting); \$700 avg

Total expenses; **\$14714**

Net income; **\$766**

It should also be noted that for the thirty-one years of the HOA existence, these same capital components have been adequately maintained with an assessment of \$220 per year. Over these thirty-one years, the HOA has been able to accumulate \$35282 in its checking account.

Conclusion: The annual costs to repair and or restore the Clairmont Manor HOA capital components can continue to be covered by the current HOA annual assessment thus there is no need for a reserve fund at this time.

Signed; Clairmont Manor HOA Board of Directors