



**Heron Bay - Master Association**  
New London, NC  
Level of Service: "Full"

Report #: **44502-0**  
# of Units: 284

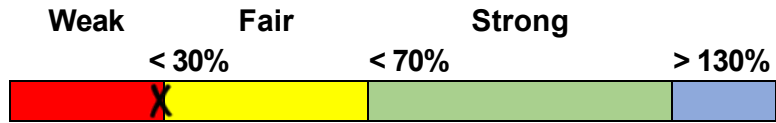
**January 1, 2023 through December 31, 2023**

**Findings & Recommendations**

**as of January 1, 2023**

Project Starting Reserve Balance .....	\$359,782
Currently Fully Funding Reserve Balance .....	\$1,187,177
Average Reserve Deficit (Surplus) Per Unit .....	\$2,913
Percent Funded .....	30.3 %
Recommended 2023 Fully Funding Contributions .....	\$93,788
Recommended 2023 Special Assessments for Reserves .....	\$0
Most Recent Reserve Contribution Rate .....	\$76,902

**Reserve Fund Strength: 30.3%**



**Risk of Special Assessment:**

**High      Medium      Low**

**Economic Assumptions:**

Net Annual "After Tax" Interest Earnings Accruing to Reserves .....	<b>1.00 %</b>
Annual Inflation Rate .....	<b>3.50 %</b>

This report is an "Update, With-Site-Visit" Reserve Study based on a prior study. We performed the site inspection on 7/20/2022

This Reserve Study was prepared or overseen by a credentialed Reserve Specialist (RS). As of the start of the initial fiscal year shown in this study, your Reserve fund is determined to be 30.3 % Funded. Based on this figure, the Client's risk of special assessments & deferred maintenance is currently Medium. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where clients enjoy a low risk of such Reserve cash flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$93,788 in the upcoming fiscal year. Going forward, the contribution rate recommended here should be increased as illustrated on the 30-yr Summary Table.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Site and Grounds</b>			
2107 Sidewalk/Driveway-Resurface	50	24	\$71,400
2123 Asphalt - Crack Seal/Repair	4	2	\$20,500
2123 CH Parking Asphalt - Seal/Repair	4	2	\$5,250
2124 Car Weight Sensor - Replace	10	9	\$10,000
2125 Asphalt - Resurface (Phase 1)	20	16	\$369,000
2125 Asphalt - Resurface (Phase 2)	20	10	\$464,000
2125 Asphalt to Boat Ramp - Resurface	25	8	\$13,950
2125 CH Parking Asphalt - Resurface	25	8	\$44,550
2143 7' Chain Link Fence - Replace	30	9	\$33,850
2169 Entry Sign - Refurbish/Repair	20	8	\$8,000
2175 Site Pole Lights - Replace	30	10	\$5,250
2543 Security Cameras - Upgrade/Replace	8	7	\$4,650
3020 Wood Guardrails - Replace	30	11	\$15,300
3025 Gravel Surface - Replenish	40	14	\$15,500
<b>Clubhouse</b>			
2181 Outdoor/Site Furniture - Replace	15	5	\$6,050
2307 Awnings - Replace	12	1	\$6,650
2316 Porch Decking - Resurface/Repair	35	20	\$37,500
2325 Porch Railings - Repaint	10	5	\$4,700
2326 Porch Railings - Replace	25	20	\$15,400
2343 Building Exterior - Seal/Paint	10	5	\$9,150
2353 Fiber Cement Siding - Repair/Repl.	60	34	\$16,550
2365 Windows - Replace	40	14	\$16,700
2366 Exterior Doors - Replace	40	14	\$14,000
2381 Roof (Asphalt Shingle) - Replace	25	5	\$28,200
2387 Gutters/Downspouts- Replace	30	10	\$4,450
2524 HVAC 1.5 Ton (Clubhouse) - Replace	20	0	\$5,950
2524 HVAC 3 Ton (Clubhouse) - Replace	20	8	\$8,450
2701 Interior Surfaces - Repaint	10	4	\$12,700
2706 Recessed Lights - Replace	30	6	\$8,925
2711 Carpeting - Replace	10	5	\$5,400
2746 Interior Furniture - Replace	20	10	\$23,000
2747 Kitchen - Remodel	30	15	\$40,000
2748 KitchenAppliances-Replace Allowance	20	4	\$6,450
2750 Bathrooms - Remodel	30	9	\$21,000
3010 Rug with Logo - Replace	30	5	\$7,250
<b>Docks</b>			

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
2193 Dock A - Resurface	15	4	\$46,150
2193 Dock B - Resurface	15	4	\$45,000
2193 Dock C - Resurface	15	4	\$48,200
2193 Dock D - Resurface	15	4	\$45,000
2194 Dock A - Replace/Rebuild	30	19	\$127,000
2194 Dock B - Replace/Rebuild	30	19	\$119,500
2194 Dock C - Replace/Rebuild	30	19	\$127,000
2194 Dock D - Replace/Rebuild	30	19	\$122,000
2196 Gangway (Dock A) - Replace	30	19	\$16,000
2196 Gangway (Dock B) - Replace	30	19	\$16,000
2196 Gangway (Dock C) - Replace	30	19	\$16,000
2196 Gangway (Dock D) - Replace	30	19	\$16,000
2337 Steps to Dock D - Replace	40	0	\$77,500
<b>Trails</b>			
2131 Asphalt (Path) Phase 1 - Resurface	20	8	\$38,500
2131 Asphalt (Path) Phase 2 - Resurface	20	10	\$38,500
2131 Asphalt (Path) Phase 3 - Resurface	20	12	\$38,500
2131 Asphalt (Path) Phase 4 - Resurface	20	14	\$38,500
2191 Bridge 1 - Resurface	20	14	\$11,200
2191 Bridge 2 - Resurface	20	14	\$5,075
2192 Bridge 1 - Replace/Rebuild	40	34	\$19,500
2192 Bridge 2 - Replace/Rebuild	40	34	\$8,870
<b>Guardhouse</b>			
2145 Entry/Exit Gates - Replace	35	12	\$18,000
2341 Guardhouse - Rebuild	65	39	\$30,000
2343 Guardhouse Exterior - Seal/Paint	7	4	\$3,750
2367 Guardhouse Windows & Doors - Replace	40	14	\$4,800
2381 Guardhouse Roof - Replace	25	4	\$2,450
2501 Intercom/Entry System - Replace	15	0	\$6,250
2508 RFID Sensor - Replace	15	0	\$13,500
2509 Gate Operators - Replace	5	0	\$12,500
2522 HVAC (Guardhouse) - Replace	20	1	\$4,600

**65 Total Funded Components**

Note 1: Yellow highlighted line items are expected to require attention in this initial year, light blue highlighted items are expected to occur within the first-five years.