

2025 Mountain Oaks Homeowners Association

Reserve Study

(31 December 2025 – 2nd Edition)



MOUNTAIN OAKS HOMEOWNERS ASSOCIATION
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RESERVE STUDY
(15 December 2025 – 2nd Edition)

Part 1: Purpose of the Reserve Study

The purpose of this Reserve Study is to present an analysis of the monetary reserves necessary for the Mountain Oak Homeowners Association (MOHA) to maintain, repair, replace and improve the assets for which we, as homeowners, are jointly responsible. This study will also provide an assessment of MOHA's annual Operating Expenses to develop a more comprehensive picture of the resources needed to ensure adequate Reserve and Operating Expense funding. The Reserve Study will serve to inform MOHA's Board and MOHA members of planned projects and costs and future year funding requirements, and to assist in assessing annual dues.

Additionally, and of significant note, MOHA's Reserve budget continues to be severely constrained due to unplanned expenses and homeowner concerns regarding the price of annual HOA dues. Community improvements to jointly owned assets, primarily fencing and common driveways, have had to be consistently delayed and rescheduled due to lack of funding. Additionally, there are no Reserve Funds available for unplanned or unanticipated events which might require MOHA action and funding. A good example of this was the emergent requirement for the design, engineering, and relocation of a storm drain at the common driveway located at 5150/5140 Broadmoor Bluffs Drive (BBD) in 2018-2019 due to storm runoff damage. The project cost \$58,466, and it completely depleted available MOHA funds which in turn resulted in postponement of planned community improvements. The COVID pandemic also presented unanticipated cost challenges in that the cost of materials and labor for both community improvements and Operating Expenses increased significantly, requiring MOHA to juggle funding between Reserve and Operation funding.

Part 2: Legal Basis for the Reserve Study and Associated Governance

The Colorado Common Interest Ownership Act (CRS § 38-33.3-209.5), as amended by House Bill 22-1137, prescribes the governance and the management of Common Interest Communities (CIO) such as homeowners associations. MOHA's operation and its by laws and policies are legally rooted in this legislation. To promote responsible governance, the legislation directs homeowners associations to prepare Reserve Studies to identify requirements *"for the portions of the community maintained, repaired, replaced, and improved by the association; whether there is a funding plan for any work recommended by the reserve study; and, if so, the projected sources of funding for the work; and, whether the Reserve Study is based on a physical analysis and financial analysis."* CRS § 38-33.3-209.5 further identifies the two primary sources for Reserve Funds, which include annual Dues Assessments and Special Assessments.

Section 603 of MOHA's covenants provides for annual Dues Assessments to *"be increased each year based on the actual cost of expenses which shall take into account the increases in those expenses due to inflation."* Section 603 also requires that MOHA *"maintain an adequate Reserve Fund out of the annual assessments for the maintenance, repair and replacement of those elements of the Common Area that must be replaced on a periodic basis and for maintenance and repair of the exterior of all improvements."* MOHA has not been able to satisfy these minimum legislative or Covenant requirements due to homeowner concerns regarding price increases in assessed HOA dues (\$550 for calendar year 2025 and \$600 for 2026).

Part 3: Physical Description of the Mountain Oaks Subdivision

MOHA consists of 82 single family dwellings located along or adjacent to BBD and Neal Ranch Road (NRR); it is bounded on the north by a Public Nature Park (see **Figure 1**).

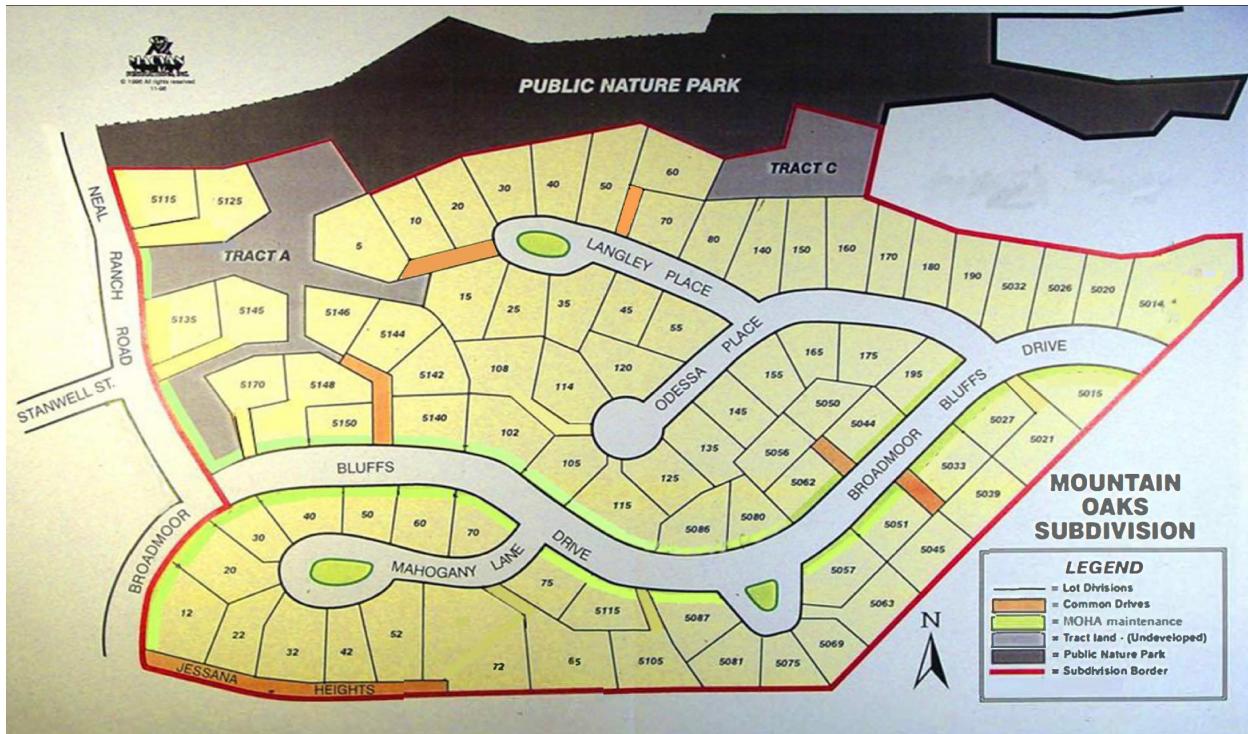


Figure 1 – Mountain Oaks Subdivision

MOHA is responsible for the maintenance, repair, replacement and / or improvement of:

- Six common driveways. These driveways are located on Jessana Heights Drive and adjacent to BBD and Langley Place (LP). They provide joint access to multiple properties for owners / residents. Each driveway must be repaved on a periodic basis due to weather, wear, and tear (approximately every 25 – 30 years). See **Figures 2 – 6** below.



Figure 2 – Jessana Heights Long Common Driveway (six homes)



Figure 3 – Short Common Driveway at 5062/5044 BBD (four homes)



Figure 4 – Short Common Driveway at 5051/5033 BBD (four homes)

Currently, five of these driveways are at the end of their life cycle (over thirty years old) and will require repaving within the next three years. These include Jessana Heights (JH) (**Figure 2**), 5062/5044 BBD (**Figure 3**), 5051/5033 BBD (**Figure 4**), 5/10/15 LP (**Figure 5**) and 50/60/70 LP (**Figure 5**). The two driveways located off LP (**Figure 5**) were previously believed to be the responsibility of individual homeowners; however, a 2022 legal review of MOHA's plat revealed these two driveways are MOHA's responsibility to maintain. Because it was previously believed the homeowners were responsible for maintenance, the MOHA Board never planned or budgeted to repave them. The driveway at 5150/5140 BBD (**Figure 6**) was repaved in 2019 in conjunction with the storm water repair project discussed in **Part 1** of this study. This resulted from an unprogrammed, emergent requirement for the design, engineering, and relocation of a storm drain due to run damage. Repaving the driveway and some landscaping was also required, including sprinkler repair / reinstallation at one of the properties. The total cost for this effort was \$58,466. This, in conjunction with increased costs for labor and materials

(especially for fencing and landscaping), caused a spike in homeowners dues between 2020 and 2026. Dues have been increased to \$600 per homeowner per year given inflation and the unavailability of sufficient Reserve funding to accomplish planned improvement projects.



Figure 5 - 5/10/15 Langley Place and 50/60/70 Langley Place (from left to right)(six homes)

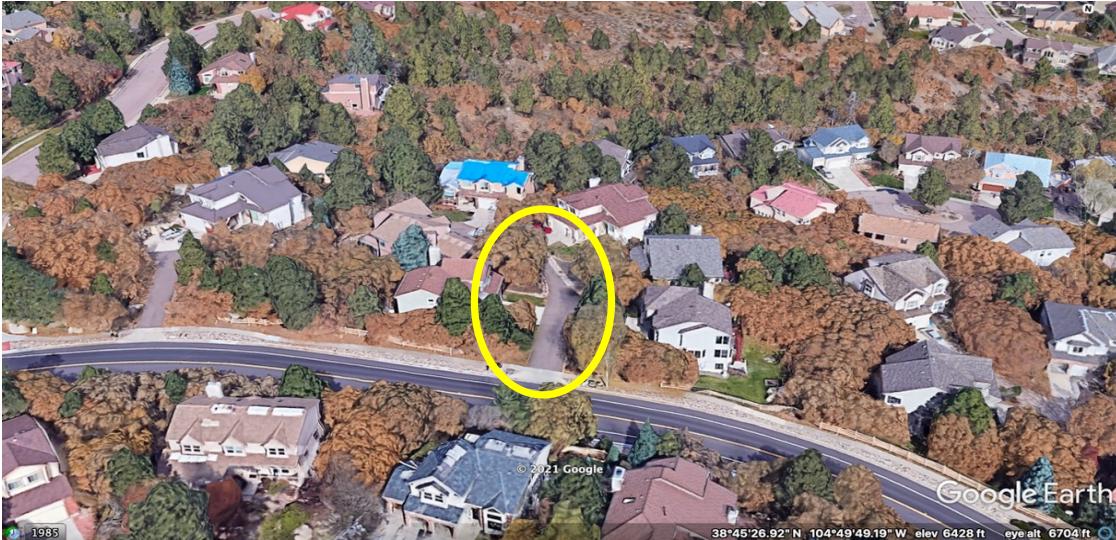


Figure 6 – Long Common Driveway at 5150/5140 BBD (six homes)

Traffic Islands. MOHA is also responsible for three traffic islands (Figure 7). LP and BBD have been xeriscaped and replaced with rock. MOHA also worked with the city to jointly fund and perform curb and gutter repair and to add sidewalk on LP in 2020 at a cost of \$3,074, and a pine tree was removed at LP for \$760. The Mahogany Lane (MH) island was not included in the rock scaping project and is maintained yearly with weed mitigation. Operating costs for landscaping and weed mitigation for the traffic islands will continue to be necessary yearly over time.

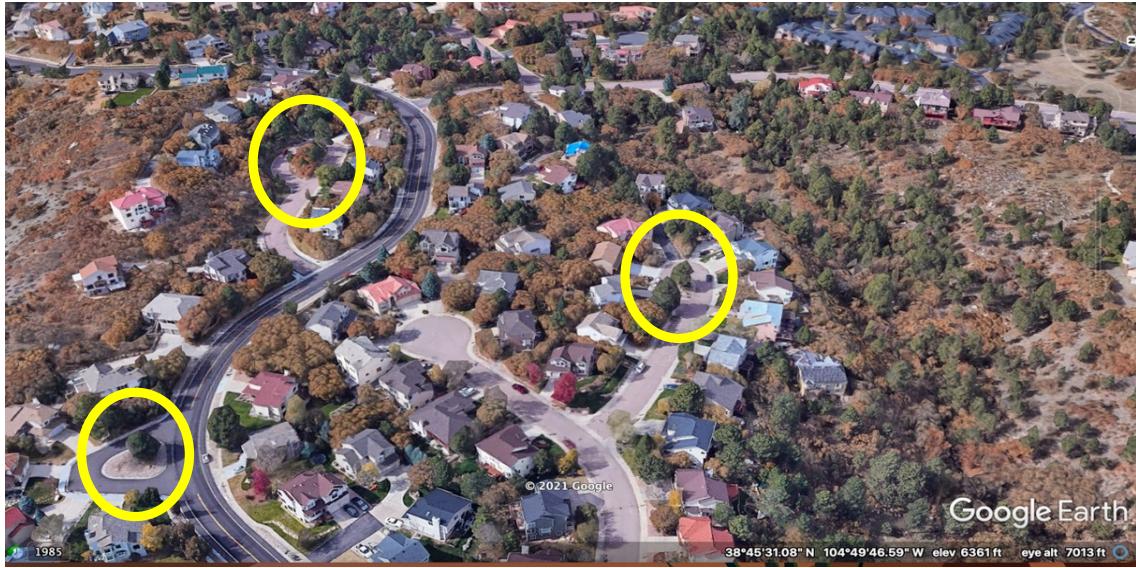


Figure 7 – Commonly Owned Traffic Islands

Fencing and Curbing. MOHA also maintains the curbing and fencing along BBD and NRR. The curbing consisted of grass and sprinklers until 2013, when it was xeriscaped and replaced with rock to save cost (mowing and water). MOHA'S fencing replacement project was finally completed in 2025. The original fencing was constructed when construction on MOHA began in 1987 to the mid-1990s. **Phase 1** of MOHA's Fence Replacement project (north side of BBD from NRR to Odessa Place (OP) was completed in 2020 at a cost of \$18,200. **Phase 2** (south side of BBD from ML to OP and the fronting along NRR) was completed in 2022 at a total cost of \$43,035 (\$38,910 in 2022 and \$4,125 in 2023). **Phase 3** of MOHA's fencing replacement was scheduled for completion in 2023 (JH to ML); however, Reserve funding constraints and inflation resulted in the project being divided into three Parts. **Part 1** (south side of BBD from JH to NRR) was completed in 2023 at a cost of \$14,327, and **Part 2** (partial fencing from NRR toward ML) occurred in the summer of 2024 for \$14,254. **Part 3** (remainder of BBD to ML, the remainder of NRR, and the gully adjacent to NRR was completed in 2025 at a cost of \$28,096. Note, two generous homeowners adjacent to the gully contributed an additional \$5,420 to ensure the project remained on track. Fence painting / upkeep is planned for 2029-2030 (required every 7-10 years). See **Figures 8 - 10.**



Figure 8 – North Side of Commonly Owned MOHA Fencing / Curbing Along BBD (Fencing Phase 1)



Figure 9 - South Side of MOHA Owned Fencing / Curbing Along BBD (Fencing Phases 2 & 3)



Figure 10 – Commonly Owned MOHA Fencing / Curbing on Neal Ranch Road (Fencing Phase 2)

Part 4: Tables of HOA Reserve Assets, Including Status, Replacement Timeline, Estimated Future Costs (Reserve Expenses), and Recurring Expenses (Operating Expenses). MOHA financial obligations include costs associated with improvements and maintenance to the jointly owned physical assets described above. As such, they are subject to Reserve Funding (see **Table 1**). Most recent examples of this include replacement of old mailboxes with locking mailboxes in 2018-2019 at a cost of \$20,050, and the execution of **Phase 1**, **Phase 2**, and **Phase 3** of MOHA's fencing project between 2020 and 2025 at a total cost of \$117,914. The remaining near term Reserve upgrades consist of five common driveways which are long overdue for repaving. These are in addition to the driveway repaving and repair associated with stormwater damage at 5150/5140 BBD in 2020 in 2018-2019 (see **Figure 6** above). **Phase 1** of MOHA's driveway repaving project will begin in 2026 (see **Table 1** below).

Common Asset	Current Status	Future Investment Timeline	Estimated Future Cost
Mahogany Lane Island Curbing	Good condition – periodic cleanup required.	TBD	N / A
Langley Place Curb and Traffic Island	Repaired in 2020 at a cost of \$3,074; good condition – periodic cleanup required.	One time	N / A
Mailbox Replacement	All new in 2018-2019 at a cost of \$20,040.	One time	N / A
Fence Replacement	<p>Phase 1 – Last replaced in 2020 at a cost of \$18,200; north side of BBD from NRR to OP.</p> <p>Phase 2 – Last replaced in 2022 at a cost of \$43,035 (\$38,910 paid in 2022 and \$4,125 in 2023); south side of BBD from ML to OP and fronting along NRR.</p> <p>Phase 3:</p> <ul style="list-style-type: none"> - Part 1 completed in 2023 for a cost of \$14,327 on south side of BBD from JH to the MOHA sign opposite NRR. - Part 2 completed in 2024 at a cost of \$14,254; south side of BBD from MOHA sign opposite NRR toward ML. - Part 3 completed in 2025 at a cost of \$28,096 (two homeowners contributed \$5,240); this included the remainder of BBD to ML, the remainder of NRR, and the gully fence adjacent to NRR. 	2042 2043 2044 2044-45 2045-46	\$30,000 \$55,000 \$22,000 \$25,000 \$35,000
Fence Upkeep / Painting	New fencing installed between 2020 and 2025 - painting and upkeep expected every 8-10 years (\$12,000 per year estimated).	2034-2037	\$30,000
BBD Long Driveway 5150/5140 BBD	Repaved in 2019 as part of storm water drain relocation, including \$30,00 for repaving; Sealcoating required in 2026 at a cost of \$1,390 to improve life expectancy.	2045	\$48,000
Common Driveway Repaving	<p>Phase 1A - 5062/5044 BBD Short Driveway; repaving needed; planned for 2026 at a cost of \$9,532 (both asphalt and concrete work); Sealcoat to be applied at a cost of \$500.</p> <p>Phase 1B - 5051/5033 BBD Short Driveway; repaving needed; planned for 2026 at a cost of \$11,115</p>	2055 2055	\$15,000 \$19,000

	(asphalt only); Sealcoat to be applied at a cost of \$750.	2057	\$15,000
	Phase 2A - 5/10/15 Langley Place Short Driveway; repaving needed; planned for 2027 at a cost of \$10,208 (asphalt only); Sealcoat to be applied at a cost of \$700.	2057	\$15,000
	Phase 2B - 50/60/70 Langley Place Short Driveway; repaving needed; planned for 2027 at a cost of \$8,264 (asphalt only); Sealcoat to be applied at a cost of \$560.	2058	\$42,000
	Phase 3 - Jessana Heights Long Driveway; repaving needed; planned for 2027 at a cost of \$32425 (asphalt only).		
	Phase 4 – Jessana Heights Long Driveway; Sealcoat to be applied at a cost of \$2,350 in 2029.		

Table 1 – Future Reserve Expenses

There are also annual Operating Expenses for which MOHA must budget; these costs include snow removal, annual landscaping, spring cleanup, weed abatement, legal fees, insurance, supplies, mailing, office supplies, website maintenance, PO Box, mailbox repair, driveway / concrete repair, and other emergent expenses. **Table 2** below lists Operating Costs for 2021 through 2025 and anticipated costs from 2026 through 2030.

	2022	2023	2024	2025	** 2026 Est	** 2027 Est	** 2028	** 2029	** 2030
Snow Removal	9430	8325	*17450	8150	10839	11164	11499	11844	12199
Landscaping	5095	12740	3235	5700	6693	6894	7101	7314	7533
Legal	829	1540	777	0	1048	1079	1111	1144	1178
Insurance	2328	2585	3239	3014	3104	3197	3293	3389	3490
Miscellaneous OE	2977	2327	4305	5196	3701	3812	3926	4043	4164
Total	20659	27517	29006	22060	25385	26146	26930	27734	28564

* Extra fall cleanup expenses or snow removal charges incurred

** Estimated - Assumes 3% near term inflation rate per year

Table 2 – Actual Operating Costs (2022-2025) and Estimated Operating Costs (2026-2030)

Part 5: Discussion and Conclusion.

This is the second Reserve Study conducted for MOHA and will serve as a baseline for future iterations, shaping MOHA's anticipated spending requirements, including the next five years. Because some capital projects have already been completed (see **Table 1**), required improvements between 2026-2030 will include **Phases 1 - 3** of common driveway repaving, driveway Sealcoating, and fence maintenance and repainting. These actions require MOHA to maintain adequate investment to achieve these tasks with certainty and to begin building reserves in accordance with Colorado law (e.g., money for a rainy day).

Accordingly, this Reserve Study concludes that MOHA's dues assessment will be \$600 in calendar year 2026 and then reevaluated annually to ensure adequate funding. The Board of Directors assesses that \$600 per homeowner is fair and equitable, particularly when compared to the average of \$412 per month for HOA dues in Colorado. Additionally, when construction of MOHA began in 1988, the original assessment was \$225 per year per homeowner. Had MOHA accounted for inflation as required by state law (see **Part 2 above**), the dues in 2025 would be \$631 (U.S. Bureau of Labor

Statistics Inflation Calculator). **Table 3** provides MOHA's 2025 cash flow for 2025 and its estimated 2026-2030 cash flow assuming a minimum dues assessment of \$600 per year.

	2025	2026 est	2027 est	2028 est	2029 est	2030 est
Beginning Balance	12840	23228	18007	21339	9924	17040
Income	60543	40800	49200	49200	49200	49200
Reserve Items	-28096	-22,036	-19722	-33685	-14350	-12000
OE	-22060	-23985	-26146	-26930	-27734	-28564
Ending Balance	23227	18007	21339	9924	17040	25676

Note: Estimates assume 3% inflation

Table 3 – MOHA 2025 Cash Flow and 2026-2030 Estimated Cash Flow

The Board's projections indicate there is sufficient cash flow to execute MOHA's planned driveway and fence repainting projects, as well as routine operations, over the next five years. This assumes there are no unplanned events or developments. The Board's projections for 2028-2030 appear healthier, and should allow MOHA to build sufficient Reserves to satisfy the legislative requirements addressed in **Part 2** of this study. As always, MOHA will reevaluate homeowner's dues based on annual developments to determine whether changes are appropriate. Information on these efforts are provided every January during Annual Board Meetings and in the Annual Meeting Notes posted on the MOHA website:

https://www.mountaintoakshoa.org/class_custom7.cfm.