

## **White Horse Park 2025/2026 Reserve Study (FINAL VERSION)**

February 3, 2025

Dear White Horse Park Homeowners,

The (FINAL) copy of the Reserve Study has been posted to the website and can be found under "Financials".

To recap information in the letter sent with the Reserve Study (FIRST-DRAFT), Maryland law requires homeowners' associations to conduct a Reserve Study at least every five (5) years. Our first reserve study was performed in 2020 and can be found on the WHP webpage under "Financial Reports". The most recent reserve study performed by Associated Reserves was performed last year (2025) and is also on our website under "Financial Reports".

The 2020 reserve study was a "Level I" study and is the most in-depth study which includes a thorough inspection of all common areas to identify potential issues and estimate repair or replacement costs and when they need to be done. This type of reserve study is typically done once by an HOA but can be done as often as desired.

The 2025 reserve study was a "Level II" study which is conducted using information from the 2020 Level I reserve study combined with client information regarding updates or repairs done since the prior study. There was a site visit done and this study provides an update on funding needs based on updated costs and what improvements have been made by the association since the last reserve study. There is also a "Level III" study that is recommended yearly.

As elected board members we have the fiduciary responsibility to protect the association assets, endure the long-term well-being of the community and avoid financial strain. The reserve study is critical because it provides a comprehensive review of the common areas and a cost analysis to make sure funds are available. Reserves are to be used for necessary updates and repairs which may or may not correspond to the dates listed in the study. We can push back updates, repair & maintenance dates listed in the study. However, we cannot defer needed updates, repairs and maintenance just to keep funds in the reserves.

Most funding calculation amounts suggested in the reserve study are likely to be inflated because the estimated costs are calculated using a national standard formula that applies to the whole country. The information in the reserve study will continually change over time as updates, repairs and maintenance are added to the study. It's imperative that the reserve study be updated with all information due to work performed.

The designated changes are as follows:

- Study date changed from calendar year to our fiscal year (April 1 – March 31)
- Corrected amount of reserve balance to include both the general reserves and marina reserves.
- Removed the "Mailbox Replacement" from the study.

*Our HOA is different than most because we are responsible for maintenance and repairs on our utility facility structures, such as plumbing & electric. Our reserve study does not reflect any information related to our infrastructure. To add our infrastructure information to future reserve studies we would need to have a complete study done by a certified engineer of all equipment and submit it to Associated Reserves. As mentioned in the January 2026 newsletter, a Maryland Law passed in October 2025, stated we must create a fund to for repairs to our infrastructure.*

*Everyone needs to understand the mandated funding for our infrastructure is IN ADDITION to a reserve contribution required by Maryland. The minimum yearly reserve contribution is \$349,000. Contributing this amount will result in us being 31% funded according to the reserve study. Currently, there is no minimum requirement for the infrastructure fund required by Maryland law. However, the board does have the responsibility to fund it appropriately. As most homeowners know, most of our infrastructure is 30+ years old and we really need to take that into consideration.*

*Our goal with the 2026/2027 budget is to comply with Maryland law for reserves and maintain needed funds for the operations regarding common ground while making sure the increase in monthly payments as low as possible.*

*Best regards  
Val Clark (Treasurer)  
John, Tammy, Leroy & Tracey*

