

**Reserve Fund 10-year Projections  
Finance Committee Meeting - 5/16/24**

KICA Projections	Actual-Audited		Budget									
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Revenues</b>												
Assessments	1,532,563	1,563,495	1,593,495	1,593,495	1,625,000	1,650,000	1,675,000	1,675,000	1,675,000	1,675,000	1,675,000	1,675,000
Investment Income/Gains	1,036,423	889,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Contributions to Reserve (CTR) - 85%	2,747,044	3,400,000	2,000,000	2,000,000	2,850,000	2,550,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Commercial Access Fees - 85%	1,976,089	2,400,334	2,400,000	2,400,000	2,400,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
Transfer from Operating Fund	250,630											
<b>Total Revenues</b>	<b>7,542,749</b>	<b>8,252,829</b>	<b>6,993,495</b>	<b>6,993,495</b>	<b>7,875,000</b>	<b>7,450,000</b>	<b>6,925,000</b>	<b>6,925,000</b>	<b>6,925,000</b>	<b>6,925,000</b>	<b>6,925,000</b>	<b>6,925,000</b>
<b>Expenses</b>												
Capital Project - Landscape	414,275	415,000	290,000	250,000								
Capital Project - MRR	3,659,974	5,578,365	4,656,000	3,736,000								
<b>Total Expenses</b>	<b>4,074,249</b>	<b>5,993,365</b>	<b>4,946,000</b>	<b>3,986,000</b>	<b>4,295,361</b>	<b>4,261,728</b>	<b>3,362,266</b>	<b>6,980,378</b>	<b>3,678,147</b>	<b>3,896,978</b>	<b>3,923,181</b>	<b>3,368,683</b>
<b>Net Surplus/Deficit</b>	<b>3,468,500</b>	<b>2,259,464</b>	<b>2,047,495</b>	<b>3,007,495</b>	<b>3,579,639</b>	<b>3,188,272</b>	<b>3,562,734</b>	<b>(55,378)</b>	<b>3,246,853</b>	<b>3,028,022</b>	<b>3,001,819</b>	<b>3,556,317</b>
Beginning Fund Balance	13,387,186	16,855,686	19,115,150	21,162,645	24,170,140	27,749,779	30,938,051	34,500,785	34,445,407	37,692,260	40,720,282	43,722,101
Ending Fund Balance	16,855,686	19,115,150	21,162,645	24,170,140	27,749,779	30,938,051	34,500,785	34,445,407	37,692,260	40,720,282	43,722,101	47,278,418
<b>% Funded per KICA Projections</b>			<b>73.8%</b>	<b>78.3%</b>	<b>83.7%</b>	<b>90.7%</b>	<b>94.8%</b>	<b>96.9%</b>	<b>97.8%</b>	<b>98.3%</b>	<b>97.8%</b>	<b>96.8%</b>

**Reserve Study Report**

Beginning Balance per Study	12,500,000	15,018,245	19,115,150	20,159,413	22,057,118	23,854,323	25,898,708	29,078,330	28,852,384	32,147,930	35,493,933	39,092,397
<b>% Funded per Study</b>	<b>53.6%</b>	<b>56.9%</b>	<b>73.8%</b>	<b>74.6%</b>	<b>76.4%</b>	<b>78.0%</b>	<b>79.3%</b>	<b>81.7%</b>	<b>81.9%</b>	<b>83.8%</b>	<b>85.2%</b>	<b>86.6%</b>
"Fully Funded" amount	23,336,585	26,409,291	25,905,721	27,031,043	28,880,379	30,578,324	32,651,713	35,599,105	35,220,395	38,359,609	41,656,384	45,144,793

**Significant % Funded Increase from 2024 to 2025 due to:**

- Increase in Projected Beginning Reserve Balance - actual 2023 surplus approx. \$2M better than budget (utilized for 2024 Reserve Report) & 2024 approx. \$2M budgeted net surplus
- Decreasing Fully Funded Reserve Balance

**Variables impacting annual funding contribution: semi-controllable**

- Annual Assessments - controllable to the extent of rate changes - BOD directed through budget process
- CTR - controllable to the extent of rate change - Covenant - Member Vote
- Access Fees - controllable to the extent of rate changes - BOD approved through budget process
- Investment Performance - controllable to the extent maximizing investment balances
- Expenditures - controllable to the extent KICA can adjust the timing of repairs/replacements

Currently Fully Funded Reserve Balance	2025	2024	2023	2022
- Inflation Rate assumption	3.0%	5.0%	5.0%	4.0%
- Useful life determinations				
- Quality guidelines				
- Annual Component inventory				
- Periodic Component inspections				