

929 West Street, Suite 310  
Annapolis, Maryland 21401

PHONE 410.268.0479  
FAX 410.268.8483  
TOLL FREE 800.850.2835

[www.mdareserves.com](http://www.mdareserves.com)

July 2011

## A Star Spangled Experience

NACBA, 55<sup>th</sup> National Conference

Respected Attendee,

Thank you for joining us at the NACBA National Conference and for stopping by the **Miller+Dodson** booth.

We are one of a few nationally recognized firms that deal specifically with **Capital Replacement Reserves**. As a leader in this field, **Miller+Dodson** offers an easy to use and understand report that is continuously being refined and enhanced to meet our client's needs ... your needs.

Two new features this year:

1. A **Video Library** addressing frequently asked questions.
2. A growing assortment of links to aid you in getting the most out of your facility's brick and mortar assets.

Both of these can be found embedded in our reports and on our website at [www.mdareserves.com](http://www.mdareserves.com).

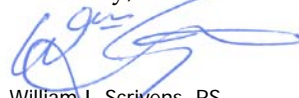
### Is Your Budget Forward Thinking?

Any way it goes ... your assembly, congregation, or parishioners will have to find the funds to replace your parking lots, roofs, interiors, kitchens, HVAC systems, vehicles, computers, and more. Stop scrambling and start planning for these expenses in your annual budget with a **Replacement Reserve Study**.

We are here to answer your questions, either at the booth, or give us a call, drop us an email, or visit our website. If you are already interested in a no-cost proposal for a Reserve Study, please click the "Proposal" button in the upper right corner of [www.mdareserves.com](http://www.mdareserves.com).

We hope that this information has sparked an interest in **Replacement Reserves**, and thank you for considering **Miller+Dodson**.

Sincerely,



William I. Scrivens, RS  
Reserve Specialist

[wscrivens@mdareserves.com](mailto:wscrivens@mdareserves.com)



*Our long-term planning skills spill over to  
our commitment to others ... ask about*

Time Talent Treasure  
**T3** with **Haiti**

Alexandria, VA  
Annapolis, MD  
Atlanta, GA  
Charleston, SC  
Colorado Springs, CO  
Columbus, OH  
Philadelphia, PA  
Virginia Beach, VA

## **REPLACEMENT RESERVES, ready or not!**

- ✓ **STABILIZE YOUR ANNUAL BUDGET.** We have an obligation to maintain our facility in a manner that ensures the long-term generational transfer of the facility and its components. The systematic establishment of Reserve Funding for a normal anticipated expense can help us meet this obligation and minimize unexpected funding surprises in an annual budget.
- ✓ **PROTECT YOUR BRICK AND MORTAR ASSETS.** A Reserve Fund provides for the planned replacement of our facility's major capital items, like roofs, repaving, HVAC equipment and more. Members expect their leadership to fulfill the obligation to replace worn or obsolete items. Funding Replacement Reserves allows for the aesthetic as well as the functional qualities of the facility to be maintained by being financially prudent about the funding for those replacements.
- ✓ **PROVIDE FOR SCHEDULED REPLACEMENTS.** Long-term financial forecasting for the replacement of capital assets allows for the strategic planning of donations and fundraisers, while reducing the need to find emergency funds by added donations, loans, or other means. Anticipating the financial needs of our facility allows for the proper allocation of replacement funding early in the life of a facility and the facility's components.
- ✓ **GUARD YOUR MISSIONARY WORK.** As we all know, some are able to give more than others, and those who do give, often give even more when asked. However, sometimes an unexpected expense can be larger than even the most generous contributors, and our missionary funding can be put at risk. Planning for the replacement of capital assets allows the funds to be allocated within the annual budget for what can and should be normal anticipated expenses.

**Developed in the mid 1980's by Community Association's Institute (CAI), the practices and guidelines used in a Reserve Study are well established. The Reserve Study is a regular part of a Community Association's annual budget and a valuable tool in their long-term financial plan. This important tool can provide the same benefits to your Church or Private School!**

*"One of the primary business duties of any facility is to maintain and preserve the property's value by maintaining an aesthetic and functional standard. A replacement reserve fund has a tremendous impact on a facility's future, regardless of age, size, or architectural type."\**

\* A paraphrased excerpted from the CAI's *Guide for Association Practitioners #24.*

## REFERENCE LIST RELIGIOUS AND EDUCATIONAL FACILITIES

### **Edenton Street United Methodist Church**

228 West Edenton Street  
Raleigh, NC 27603  
Contact: Mr. Dan Johnson  
919.832.7535

### **Burke Presbyterian Church**

5690 Oak Leather Drive  
Burke, VA 22015  
Contact: Mr. J. Richard Gauthey  
703.764.0456

### **Temple Emanu-EL and Pre-School**

8500 Hillcrest Avenue  
Dallas, TX 75225  
Contact: Mr. Randy Crosland  
214.706.0000

### **Dumbarton United Methodist Church**

3133 Dumbarton Avenue, NW  
Washington, DC 20007  
Contact: Mr. David Cook  
609.915.3063

### **Saint Bede Catholic Church**

3686 Ironbound Road  
Wilmington, VA 23188  
Contact: Mr. Al Jaroszewicz  
757.229.3631

### **Vanderbilt Presbyterian Church and Learning Center**

12250 Piper Boulevard  
Naples, FL 34110  
Contact: Mr. Rudy Zant  
239.597.5410

### **Grove Baptist Church and Marriner Christian Academy**

5910 West Norfolk Road  
Portsmouth, VA 23703  
Contact: Mr. Alexander Gatling  
757.484.4149

### **Wilshire Baptist Church and Early Childhood Learning Center**

4316 Abrams Road  
Dallas, TX 75214  
Contact: Mr. Paul Johnson  
214.452.3157

### **Saint Elizabeth Ann Seton Church**

1800 Seton Drive  
Crofton, MD 21114  
Contact: Mr. Jack O'Malley  
410.721.5770

### **Bradley Hills Presbyterian Church**

6601 Bradley Boulevard  
Bethesda, MD 20817  
Contact: Mr. Farid Beltran  
301.365.2850

### **East Cooper Baptist Church and Palmetto Christian Academy**

361 Egypt Road  
Mt. Pleasant, SC 29464  
Contact: Mr. Dan Legare  
843.856.3222

### **Saint Martin's Church and Day School**

1120 Spa Road  
Annapolis, MD 21401  
Contact: Ms. Barbara Hoffman  
410.263.4723

### **Gonzaga College High School**

19 Eye Street, NW  
Washington, DC 20001  
Contact: Mr. Mark Emory  
202.336.7129

### **Wilde Lake Interfaith Center**

10431 Twin Rivers Road  
Columbia, MD 21044  
Contact: Ms. Margo Duke  
410.730.7920

## FAQ

### What are the basic 'nuts and bolts' of a Reserve Study?

#### DETERMINE APPROPRIATE LEVEL OF SERVICE

**Level 1**, Reserve Study is an initial Study in which all five tasks are performed:

- Develop an Inventory of Reservable Components.
- Perform Condition Assessments.
- Establish Usable Lives and Replacement Cost Estimates.
- Report the Current Funding Status.
- Provide a Projected Funding Plan.

**Level 2**, Update to an existing Reserve Study, with Site Visit/On-Site Review

- Modify an Existing Component Inventory.
- Perform Condition Assessments.
- Establish Usable Lives and Replacement Cost Estimates.
- Report the Current Funding Status.
- Provide a Projected Funding Plan.

**Level 3**, Update to an existing Reserve Study, with No Site Visit/On-Site Review

- Establish Usable Lives and Replacement Cost Estimates.
- Report the Current Funding Status.
- Provide a Projected Funding Plan.

#### PHYSICAL ANALYSIS

- **Component Inventory:** Quantify the type and number of each component.
- **Condition Assessment:** Evaluate the physical condition and use of each component.
- **Useful Life:** Determine the normal and remaining life of each component.
- **Replacement Cost:** Establish a realistic replacement cost of each component.

#### FINANCIAL ANALYSIS

- Report on the Current Funding Status based on the facility's Fiscal Year using the Opening Balance and Current Funding as provided by the Client.
- Provide a Projected Funding Plan, typically modeled using the **Cash Flow Method**.

#### COORDINATION WITH CLIENT

- Review and incorporate the Client's input, paying particular attention to the preferential use and purposes of the facility.

#### CONTINUED SERVICES

- Meet with membership to present the Study and Recommendations.
- Develop recommendations for a **Strategic Funding Plan**.
- Provide annual or other future Updates to the Reserve Study.

**Level 2, Reserve Study Updates are recommended normally every 3 to 5 years.**