



Other sessions are:

**Millions Gone in Minutes.** Alan Crandall of Mutual of Omaha Bank explains how to secure finances from cyber crime.

**Doing the Math.** Roy Helsing of The Helsing Group overviews funding methods.

**Standards of Excellence.** Mike McDermott of Browning Reserve Group and Rob Forney of Complex Solutions Ltd review APRA standards.

**Blowing Up a Whopper.** Brainstorming for the good of the order.

Symposium attendees will also participate in APRA's annual meeting as well as a dinner event to include amazing food and great networking! There's still time to register and earn your 8 hours of CE credits.

**REGISTER NOW**

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## Symposium Sponsor Spotlight



Complex Solutions was founded in 2001 and has offices in Nevada, Utah, and California while serving clients nation-wide. Complex Solutions is proud to be an APRA Sponsor.

APRA appreciates this sponsorship of the 2019 Symposium. Thank you Complex Solutions!

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## 2019 Continuing Education (CE) Criteria

Beginning in 2019, all PRAs must attend the APRA Symposium at minimum once every three years. Attending the Symposium fulfills your annual CE requirement of 8 hours. Why not register for the 2019 Symposium and get it out of the way? Click the "REGISTER NOW" button above!

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## Featured PRA Member



**Scott Clements**  
Reserve Studies Inc.

Scott Clements is Chief Executive Officer of Reserve Studies Inc. He has a long and distinguished career in reserve studies, building inspection and analysis. Mr. Clements has personally performed thousands of property inspections, including services for reserve funding analysis, property purchase, construction defect litigation support, and cost estimation. He is the former Director of Technical Training and Support for the nation's largest home inspection franchiser, AmeriSpec Inc. He has obtained multiple certifications in residential and commercial building inspection and reserve analysis.

Prior to purchasing an interest in RSI, Mr. Clements was Vice President of Inspectech Corporation, the West Coast's largest property inspection company. During his career in building inspection he was elected twice by his peers and served two non-consecutive terms as President of the California Real Estate Inspection Association. He was recognized by the Association with the John Daley Award, CREIA's highest honor.

Mr. Clements served as Co-Chairperson of the California Coalition of Home Inspectors, an industry advocate group in Sacramento representing three professional associations and over 2,000 members. He was awarded Chairman Emeritus status upon retiring from the industry in 2000.

Since entering the Reserve Analysis industry, he has become a popular speaker among community managers and HOA board members, has authored numerous articles for common interest development industry publications, including the California Association of Community Managers (CACM), and has served on multiple committees.

Scott was recognized with a Vision Award for Excellence in Service from the California Association of Community Managers.

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## Questions? Comments?

Contact APRA  
Headquarters!

877-858-5047  
[apra@teamwi.com](mailto:apra@teamwi.com)



## Interested in APRA Membership?

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## Interested in earning your PRA credential?

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## Crystal Balling

*By Richard Thompson, PRA of Regenesi Reserves*

A fortune teller asked me to gaze into her crystal ball. "I see wear and tear in your building's future. I see a new roof will be needed. I see cracking paint and asphalt in need of repair. I see (*gasp!*) a depleted reserve fund!"

It doesn't take a fortune teller to predict that common elements are going to wear out and it doesn't take a crystal ball to predict that HOAs are going to need money and a plan to fix them. So why do so many HOAs fail to properly plan for these predictable events and expenses?

The truth is that too many HOA boards are busy putting out this year's financial fires and haven't the time to think about next year and beyond. Remember, "it's hard to drain the swamp when you're up to your behind in alligators". In other words, it's easy to lose track of long term goals when you get sidetracked by more immediate demands. Putting out fires is what HOAs do, right? The poorly run ones seem to do just that.

HOAs are no different than any other business. Those that are successful engage in long range planning. Those that fail to plan fend off disaster after disaster and board members come and go through a revolving door. No real magic here. To know where you are going, you have to have a destination in mind. In spite of bumper sticker wisdom, those that wander really *are* lost.

So back to the HOA scenario. When a homeowner association doesn't have the funds to handle a major repairs, they defer those repairs until the funds are available. Of course, money doesn't grow on trees and without a plan to collect more money, band-aiding and deferring become the default reality and slippery slope.

How do you steer your HOA back up to high and stable ground? The first step is to review your reserve study. "What's a reserve study?" you say. A reserve study identifies all common element components that have useful lives between 2 and 30 years like the roof, fences, decks, paint, paving, etc. The average condominium has 15-30 components. The average high rise condo can easily have 100. And HOAs that own golf courses and marinas can have many more. Regardless, a reserve study is customized to the HOA in question.

[SIDEBAR: "But our condominium is small", you say (meaning, "why is a reserve study even necessary in our case?") It's basic math: The more people you have to share the cost, the less the cost per person. Smaller HOAs have a *greater* need for reserve planning because the cost per person is greater.]

After the component list is determined, a current repair or replacement cost must be determined for each as well as the remaining useful life. With this information and the current inflation factor, a funding plan can be made to instruct the board how much money to collect and set aside each year to meet future financial needs.

While there is no state or federal requirement, the reserve study should be performed by a professional since evaluating condition of components and establishing useful lives and current pricing takes special training that few boards have. The professionals carrying the highest credential in the industry, the PRA (Professional Reserve Analyst), belong to the Association of Professional Reserve Analysts. A list of members and contact information can be found at [www.apra-usa.com](http://www.apra-usa.com)

Rather than crystal ball your future, get a proper reserve study done and follow the funding and schedule recommendations. Leave the crystal balling to Lady Luck.

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*Interested in contributing an article to be featured in the APRA E-Newsletter? [Please fill out this form](#)*

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