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Update “With-Site-Visit” Reserve Study



The Springs at Santa Rita HOA Green Valley, Arizona

Report #: 12303-1
For Period Beginning: January 1, 2011
Ending: December 31, 2011

Date Prepared: March 31, 2011



Hello, and welcome to your Reserve Study!

This Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

With respect to Reserves, this Report will tell you “where you are”, and “where to go from here”.

In this Report, you will find...

- 1) A List of What you're Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

More Questions?

Visit our website at www.ReserveStudy.com or call us at:

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3- Minute Executive Summary

Association: The Springs at Santa Rita HOA **Assoc. #:** 12303-1
Location: Green Valley, Arizona
of Units: 440
Report Period: January 1, 2011 through December 31, 2011

Results

Projected Starting Reserve Balance:	\$334,415
Fully Funded Reserve Balance:	\$572,648
Average Reserve Deficit (Surplus) Per Unit:	\$541
Percent Funded:	58.4%
Planned 2011 Annual Reserve Contribution:	\$84,169
Recommended Special Assessment this Year:	\$0
Most Recent Reserve Contribution Rate:	\$84,169

Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves.....2.00%
Annual Inflation Rate3.00%

- This is an “Update With-Site-Visit” Reserve Study, based on a prior Report prepared by Association Reserves, Inc. for your 2005 Fiscal Year. The information in this Reserve Study is based on our site inspection on March 15, 2011.
- This Reserve Study was prepared by, or under the supervision of, a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is 58.4% Funded, this represents a fair, mid-range position. In perspective, above 30% but below 70% Funded defines the fair funding range, whereas 70% and above typifies Reserve strength.
- The association has the Reserve contributions set in place for 2011 at \$84,169/Year. We recommend increasing Reserve contributions to \$88,000/Year for 2012, followed by nominal annual increases (see tables herein) to help offset inflation.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.

Table 1: Executive Summary Table 1: Executive Summary

12303-1

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
COMMON AREA				
201 Asphalt - Resurface	30	18	\$881,350	\$1,500,439
204 Asphalt - Patch/Repair	6	0	\$22,050	\$26,329
206 Asphalt - Crack Fill	4	1	\$24,800	\$25,544
208 Asphalt - Seal/Repair	4	2	\$41,300	\$43,815
503 Metal Fences - Replace	30	15	\$6,050	\$9,426
601 Fountain Pump - Replace	10	10	\$900	\$1,210
703 Entry System - Replace	15	10	\$4,600	\$6,182
705 Gate Operators - Replace	15	10	\$7,200	\$9,676
912 Gatehouse Computer - Replace	5	1	\$1,050	\$1,082
913 Gatehouse Copier - Replace	10	1	\$700	\$721
920 Gatehouse HVAC - Replace	15	4	\$2,250	\$2,532
1107 Metal Fences - Repaint	5	4	\$1,500	\$1,688
1113 Stucco Walls - Repaint	8	0	\$2,755	\$3,490
1115 Gatehouse Stucco Surfaces - Repaint	6	5	\$10,700	\$12,404
1116 Gatehouse Wood Surfaces - Repaint	6	5	\$1,300	\$1,507
1120 Maintenance Building - Repaint	8	2	\$640	\$679
1301 Flat Roof - Replace	20	5	\$1,100	\$1,275
1304 Tile Roof - Refurbish	30	15	\$9,550	\$14,879
1500 Trailer - Replace	20	14	\$600	\$908
1510 ATV - Replace	10	4	\$5,000	\$5,628
PARKS & LANDSCAPE				
202 Asphalt Paths - Replace	40	25	\$76,650	\$160,488
206 Asphalt Paths - Crack Fill	4	1	\$1,725	\$1,777
208 Asphalt Paths - Seal/Repair	6	2	\$4,025	\$4,270
410 Fitness Trail - Replace (The Park)	30	15	\$10,900	\$16,982
411 Fitness Trail - Replace (Park #21)	30	15	\$10,900	\$16,982
412 Wood Timbers - Replace	18	3	\$1,000	\$1,093
420 Park Furniture - Replace	20	5	\$9,250	\$10,723
1002 Granite (Park #2) - Replenish	15	11	\$34,400	\$47,618
1003 Granite (Park #3) - Replenish	15	16	\$5,950	\$9,548
1004 Granite (Park #4) - Replenish	15	1	\$4,100	\$4,223
1005 Granite (Park #5) - Replenish	15	10	\$5,700	\$7,660
1006 Granite (Park #6) - Replenish	15	7	\$10,050	\$12,360
1007 Granite (Park #7) - Replenish	15	11	\$11,050	\$15,296
1008 Granite (Park #8) - Replenish	15	11	\$13,850	\$19,172
1009 Granite (Park #9) - Replenish	15	14	\$16,400	\$24,806
1010 Granite (Park #10) - Replenish	15	8	\$33,600	\$42,563
1011 Granite (Park #11) - Replenish	15	8	\$33,600	\$42,563
1013 Granite (Park #13) - Replenish	15	2	\$5,125	\$5,437
1014 Granite (Park #14) - Replenish	15	9	\$2,870	\$3,745
1015 Granite (Park #15) - Replenish	15	9	\$9,450	\$12,330
1016 Granite (Park #16) - Replenish	15	15	\$5,125	\$7,985
1017 Granite (Park #17) - Replenish	15	9	\$9,450	\$12,330
1018 Granite (Park #18) - Replenish	15	9	\$7,600	\$9,916
1020 Granite (Park #20) - Replenish	15	11	\$9,450	\$13,081

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1021 Granite (Park #21) - Replenish	15	11	\$7,600	\$10,520
1022 Granite (Park #22) - Replenish	15	11	\$3,500	\$4,845
1040 Wash - Clean Out	3	1	\$3,000	\$3,090
47 Total Funded Components				

Note: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association’s major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the association is obligated to maintain. Based on that List and your starting balance we computed the association’s Reserve Fund Strength (measured as “Percent Funded”), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.

Reserve Study

- Component List
- Reserve Fund Strength
- Recommended Contribs

As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two “in balance”. A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own “fair share” of ongoing common area deterioration.

Methodology

First we establish what the projected expenses are, then we determine the association’s financial status and create a Funding Plan. For this “Update With-Site-Visit” Reserve Study, we started with a review of your prior Reserve Study, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs. Reserves), and research into any well-established association precedents. We performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.

Reserve Study Types

- Full
- ➔ • Update With-Site-Visit
- Update No-Site-Visit

Which Physical Assets are Covered by Reserves?

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve

Reserve Components

- Common Area
- Limited Useful Life
- Predictable Life Limit
- Cost must be Significant

Components to major, predictable expenses. Within this framework, it is inappropriate to include “lifetime” components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

How are Useful Life and Remaining Useful Life established?

- 1) Visual Inspection (observed wear and age since last report)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

How are Cost Estimates Established?

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

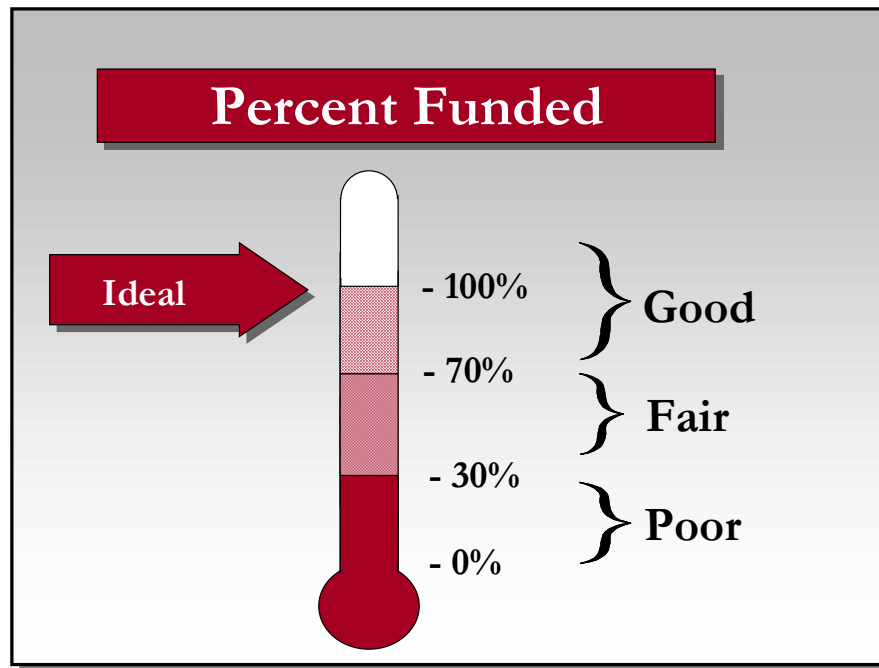
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

How much Reserves are enough?

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the association's Fully Funded Balance (FFB).
- 2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the association increase, but shrinks when projects are accomplished and the Reserve needs of the association decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Special assessments and deferred maintenance are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

How much should we contribute?

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the association’s Reserve expenses (this means we recommend special assessments only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Board members to recommend to their association.

Funding Principles

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, associations in the 100% range rarely experience special assessments or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these associations, deterioration occurs without matching Reserve contributions. With a low Percent Funded, special assessments and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

Funding Goals

- Full Funding
- Threshold Funding
- Baseline Funding

Site Inspection Notes

During our site visit on March 15, 2011, we started by meeting with several members of the Board. We discussed the previous report and what changes have occurred since then. We also discussed Reserve projects planned in the future. We then started the site inspection beginning with the common grounds. Next, we inspected the asphalt and sidewalks. Finally, we inspected the parks and walking trail.



Projected Expenses

The figure below shows the array of the projected future expenses at your association. This figure clearly shows the near term and future expenses that your association will face. Note the large expense slated for 2029 primarily reflects resurfacing the asphalt.

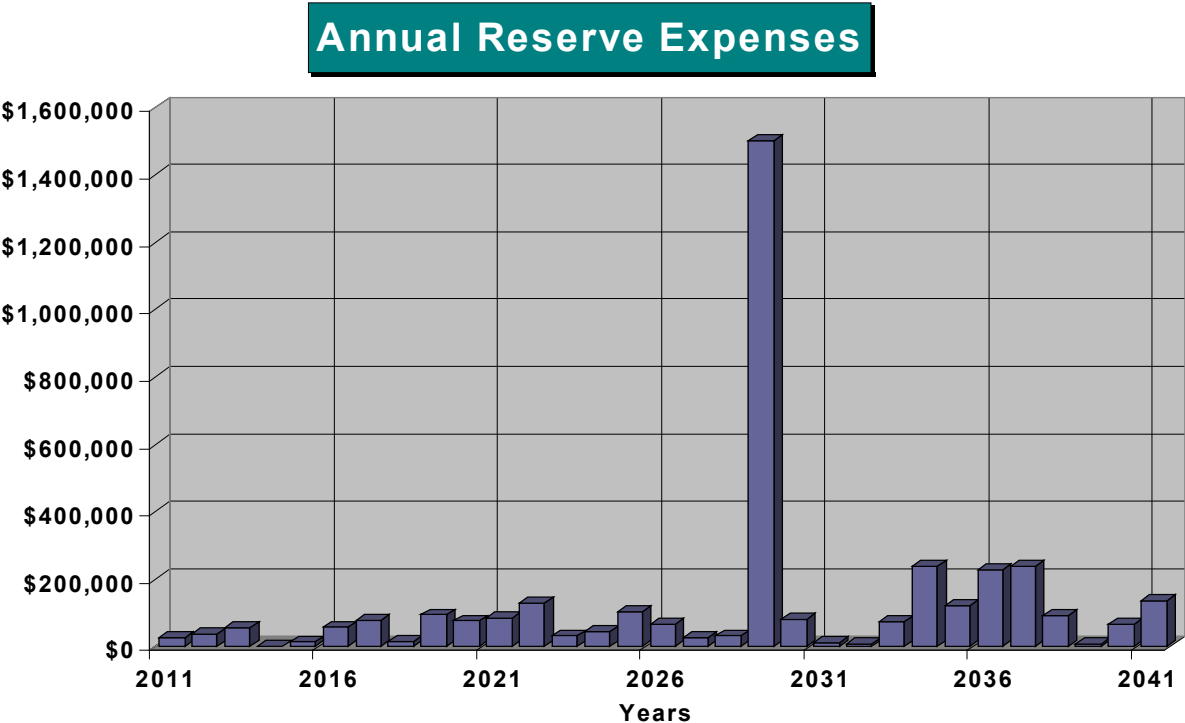


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$334,415 as-of the start of your Fiscal Year on January 1, 2011. This is based on your actual balance on December 31, 2010 of \$334,415. As of January 1, 2011, your Fully Funded Balance is computed to be \$572,648 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 58% Funded. As indicated earlier in the Executive Summary, this represents a fair, mid-range position.

Recommended Funding Plan

The association has the Reserve contributions set in place for 2011 at \$84,169/Year. We recommend increasing Reserve contributions to \$88,000/Year for 2012, followed by nominal annual increases to help offset inflation. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Tables 4 and 5.

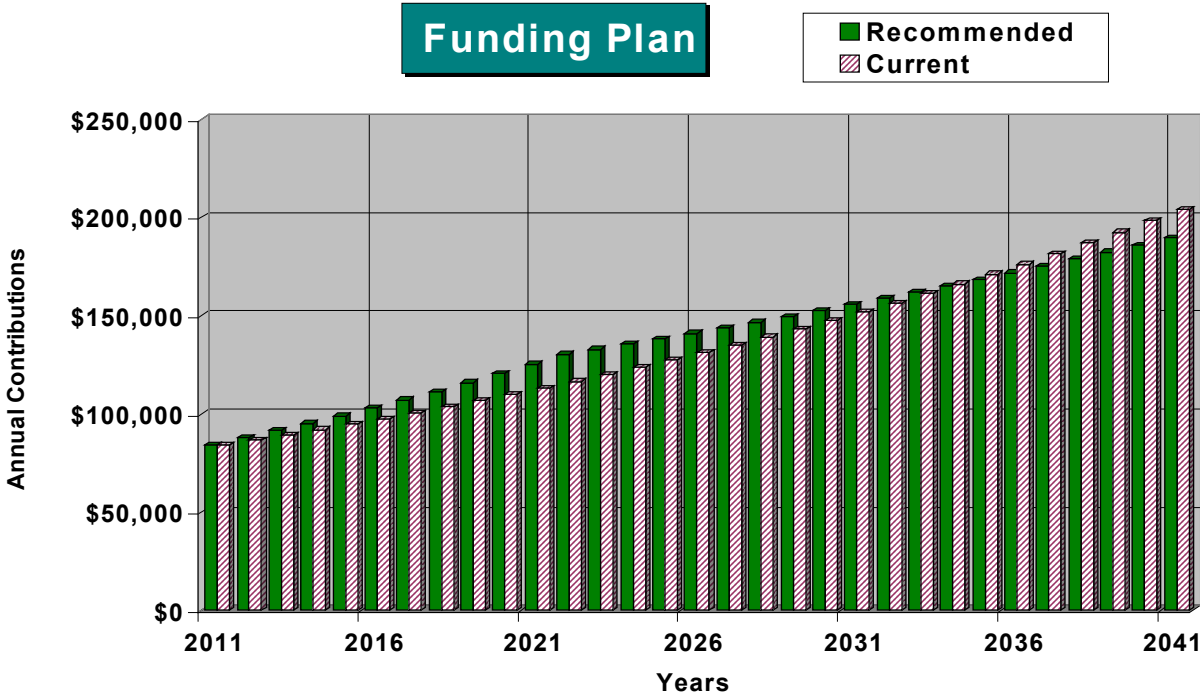


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

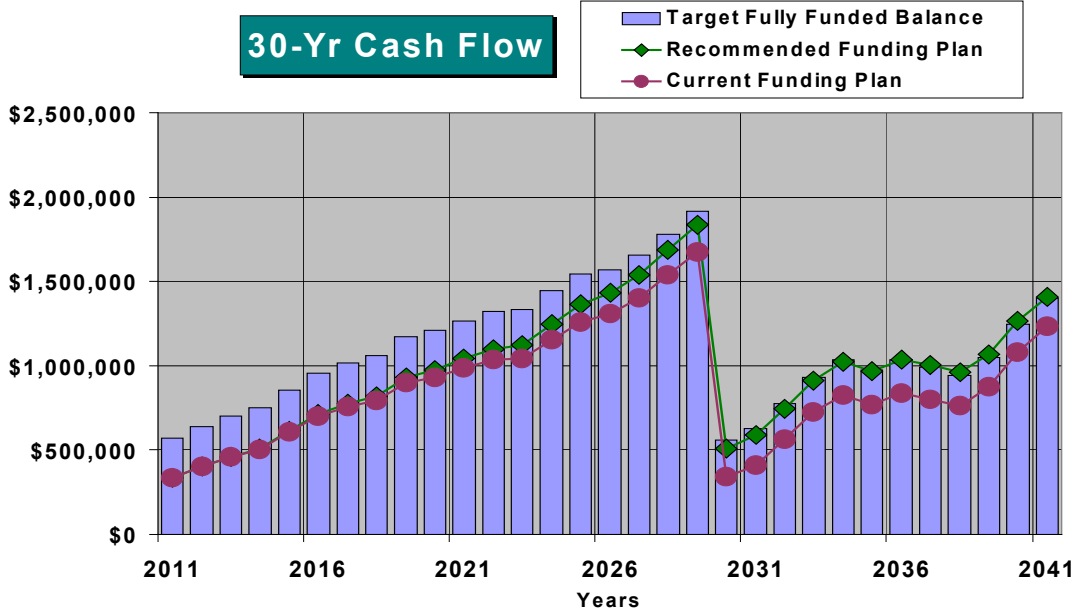


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

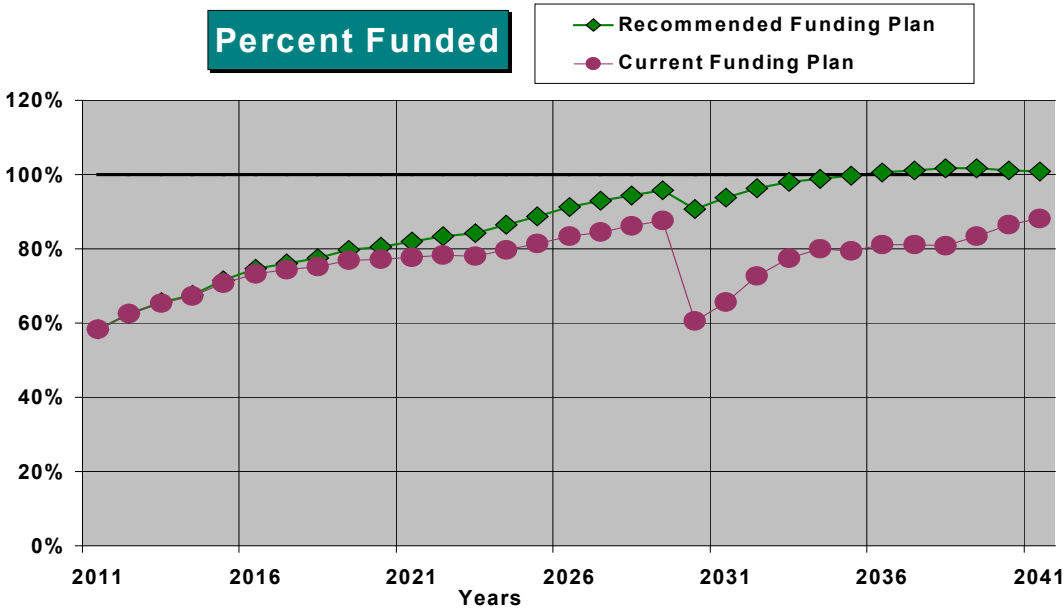


Figure 4

Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

Table 2: Reserve Component List Detail**12303-1**

# Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
COMMON AREA					
201 Asphalt - Resurface	Approx 550,860 Sq Ft	30	18	\$771,200	\$991,500
204 Asphalt - Patch/Repair	Approx 550,860 Sq Ft	6	0	\$19,300	\$24,800
206 Asphalt - Crack Fill	Approx 550,860 Sq Ft	4	1	\$19,300	\$30,300
208 Asphalt - Seal/Repair	Approx 550,860 Sq Ft	4	2	\$35,800	\$46,800
503 Metal Fences - Replace	Approx 220 LF	30	15	\$5,500	\$6,600
601 Fountain Pump - Replace	(1) Pump	10	10	\$800	\$1,000
703 Entry System - Replace	(1) Sentex System	15	10	\$4,200	\$5,000
705 Gate Operators - Replace	(2) Elite Operators	15	10	\$6,600	\$7,800
912 Gatehouse Computer - Replace	(1) Dell Computer	5	1	\$900	\$1,200
913 Gatehouse Copier - Replace	(1) Canon PC920	10	1	\$600	\$800
920 Gatehouse HVAC - Replace	(1) Samsung A/C	15	4	\$2,000	\$2,500
1107 Metal Fences - Repaint	Approx 250 LF	5	4	\$1,350	\$1,650
1113 Stucco Walls - Repaint	Approx 4,750 Sq Ft	8	0	\$2,470	\$3,040
1115 Gatehouse Stucco Surfaces - Repaint	Approx 18,460 Sq Ft	6	5	\$9,600	\$11,800
1116 Gatehouse Wood Surfaces - Repaint	Approx 6,100 Sq Ft	6	5	\$1,150	\$1,450
1120 Maintenance Building - Repaint	Approx 910 Sq Ft	8	2	\$550	\$730
1301 Flat Roof - Replace	Approx 275 Sq Ft	20	5	\$960	\$1,240
1304 Tile Roof - Refurbish	Approx 2,720 Sq Ft	30	15	\$8,200	\$10,900
1500 Trailer - Replace	(1) Carry-On Trailer	20	14	\$500	\$700
1510 ATV - Replace	(1) ATV	10	4	\$4,500	\$5,500
PARKS & LANDSCAPE					
202 Asphalt Paths - Replace	Approx 38,320 Sq Ft	40	25	\$67,100	\$86,200
206 Asphalt Paths - Crack Fill	Approx 38,320 Sq Ft	4	1	\$1,340	\$2,110
208 Asphalt Paths - Seal/Repair	Approx 38,320 Sq Ft	6	2	\$3,450	\$4,600
410 Fitness Trail - Replace (The Park)	(11) Stations	30	15	\$9,900	\$11,900
411 Fitness Trail - Replace (Park #21)	(12) Stations	30	15	\$9,900	\$11,900
412 Wood Timbers - Replace	Approx 95 LF	18	3	\$860	\$1,140
420 Park Furniture - Replace	(12) Assorted Pieces	20	5	\$8,400	\$10,100
1002 Granite (Park #2) - Replenish	Approx 840 Tons	15	11	\$30,200	\$38,600
1003 Granite (Park #3) - Replenish	Approx 145 Tons	15	16	\$5,200	\$6,700
1004 Granite (Park #4) - Replenish	Approx 100 Tons	15	1	\$3,600	\$4,600
1005 Granite (Park #5) - Replenish	Approx 140 Tons	15	10	\$5,000	\$6,400
1006 Granite (Park #6) - Replenish	Approx 245 Tons	15	7	\$8,800	\$11,300
1007 Granite (Park #7) - Replenish	Approx 270 Tons	15	11	\$9,700	\$12,400
1008 Granite (Park #8) - Replenish	Approx 290 Tons	15	11	\$12,200	\$15,500
1009 Granite (Park #9) - Replenish	Approx 400 Tons	15	14	\$14,400	\$18,400
1010 Granite (Park #10) - Replenish	Approx 820 Tons	15	8	\$29,500	\$37,700
1011 Granite (Park #11) - Replenish	Approx 820 Tons	15	8	\$29,500	\$37,700
1013 Granite (Park #13) - Replenish	Approx 125 Tons	15	2	\$4,500	\$5,750
1014 Granite (Park #14) - Replenish	Approx 70 Tons	15	9	\$2,520	\$3,220
1015 Granite (Park #15) - Replenish	Approx 230 Tons	15	9	\$8,300	\$10,600
1016 Granite (Park #16) - Replenish	Approx 125 Tons	15	15	\$4,500	\$5,750
1017 Granite (Park #17) - Replenish	Approx 230 Tons	15	9	\$8,300	\$10,600
1018 Granite (Park #18) - Replenish	Approx 185 Tons	15	9	\$6,700	\$8,500

Table 2: Reserve Component List Detail**12303-1**

# Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
1020 Granite (Park #20) - Replenish	Approx 230 Tons	15	11	\$8,300	\$10,600
1021 Granite (Park #21) - Replenish	Approx 185 Tons	15	11	\$6,700	\$8,500
1022 Granite (Park #22) - Replenish	Approx 85 Tons	15	11	\$3,100	\$3,900
1040 Wash - Clean Out	Numerous Sq Ft	3	1	\$2,800	\$3,200
47 Total Funded Components					

Table 3: Contribution and Fund Breakdown**12303-1**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
COMMON AREA						
201 Asphalt - Resurface	30	18	\$881,350	\$352,540	\$143,050.75	\$33,232.65
204 Asphalt - Patch/Repair	6	0	\$22,050	\$22,050	\$22,050.00	\$4,157.14
206 Asphalt - Crack Fill	4	1	\$24,800	\$18,600	\$18,600.00	\$7,013.41
208 Asphalt - Seal/Repair	4	2	\$41,300	\$20,650	\$20,650.00	\$11,679.60
503 Metal Fences - Replace	30	15	\$6,050	\$3,025	\$3,025.00	\$228.12
601 Fountain Pump - Replace	10	10	\$900	\$0	\$0.00	\$0.00
703 Entry System - Replace	15	10	\$4,600	\$1,533	\$1,533.33	\$346.90
705 Gate Operators - Replace	15	10	\$7,200	\$2,400	\$2,400.00	\$542.97
912 Gatehouse Computer - Replace	5	1	\$1,050	\$840	\$840.00	\$237.55
913 Gatehouse Copier - Replace	10	1	\$700	\$630	\$630.00	\$79.18
920 Gatehouse HVAC - Replace	15	4	\$2,250	\$1,650	\$1,650.00	\$169.68
1107 Metal Fences - Repaint	5	4	\$1,500	\$300	\$300.00	\$339.36
1113 Stucco Walls - Repaint	8	0	\$2,755	\$2,755	\$2,755.00	\$389.56
1115 Gatehouse Stucco Surfaces - Repaint	6	5	\$10,700	\$1,783	\$1,783.33	\$2,017.30
1116 Gatehouse Wood Surfaces - Repaint	6	5	\$1,300	\$217	\$216.67	\$245.09
1120 Maintenance Building - Repaint	8	2	\$640	\$480	\$480.00	\$90.50
1301 Flat Roof - Replace	20	5	\$1,100	\$825	\$825.00	\$62.22
1304 Tile Roof - Refurbish	30	15	\$9,550	\$4,775	\$4,775.00	\$360.10
1500 Trailer - Replace	20	14	\$600	\$180	\$180.00	\$33.94
1510 ATV - Replace	10	4	\$5,000	\$3,000	\$3,000.00	\$565.60
PARKS & LANDSCAPE						
202 Asphalt Paths - Replace	40	25	\$76,650	\$28,744	\$0.00	\$2,167.65
206 Asphalt Paths - Crack Fill	4	1	\$1,725	\$1,294	\$1,293.75	\$487.83
208 Asphalt Paths - Seal/Repair	6	2	\$4,025	\$2,683	\$2,683.33	\$758.84
410 Fitness Trail - Replace (The Park)	30	15	\$10,900	\$5,450	\$5,450.00	\$411.00
411 Fitness Trail - Replace (Park #21)	30	15	\$10,900	\$5,450	\$5,450.00	\$411.00
412 Wood Timbers - Replace	18	3	\$1,000	\$833	\$833.33	\$62.84
420 Park Furniture - Replace	20	5	\$9,250	\$6,938	\$6,937.50	\$523.18
1002 Granite (Park #2) - Replenish	15	11	\$34,400	\$9,173	\$9,173.33	\$2,594.21
1003 Granite (Park #3) - Replenish	15	16	\$5,950	\$0	\$0.00	\$0.00
1004 Granite (Park #4) - Replenish	15	1	\$4,100	\$3,827	\$3,826.67	\$309.19
1005 Granite (Park #5) - Replenish	15	10	\$5,700	\$1,900	\$1,900.00	\$429.85
1006 Granite (Park #6) - Replenish	15	7	\$10,050	\$5,360	\$5,360.00	\$757.90
1007 Granite (Park #7) - Replenish	15	11	\$11,050	\$2,947	\$2,946.67	\$833.31
1008 Granite (Park #8) - Replenish	15	11	\$13,850	\$3,693	\$3,693.33	\$1,044.47
1009 Granite (Park #9) - Replenish	15	14	\$16,400	\$1,093	\$1,093.33	\$1,236.77
1010 Granite (Park #10) - Replenish	15	8	\$33,600	\$15,680	\$15,680.00	\$2,533.88
1011 Granite (Park #11) - Replenish	15	8	\$33,600	\$15,680	\$15,680.00	\$2,533.88
1013 Granite (Park #13) - Replenish	15	2	\$5,125	\$4,442	\$4,441.67	\$386.49
1014 Granite (Park #14) - Replenish	15	9	\$2,870	\$1,148	\$1,148.00	\$216.44
1015 Granite (Park #15) - Replenish	15	9	\$9,450	\$3,780	\$3,780.00	\$712.65
1016 Granite (Park #16) - Replenish	15	15	\$5,125	\$0	\$0.00	\$0.00
1017 Granite (Park #17) - Replenish	15	9	\$9,450	\$3,780	\$3,780.00	\$712.65
1018 Granite (Park #18) - Replenish	15	9	\$7,600	\$3,040	\$3,040.00	\$573.14

Table 3: Contribution and Fund Breakdown**12303-1**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
1020 Granite (Park #20) - Replenish	15	11	\$9,450	\$2,520	\$2,520.00	\$712.65
1021 Granite (Park #21) - Replenish	15	11	\$7,600	\$2,027	\$2,026.67	\$573.14
1022 Granite (Park #22) - Replenish	15	11	\$3,500	\$933	\$933.33	\$263.95
1040 Wash - Clean Out	3	1	\$3,000	\$2,000	\$2,000.00	\$1,131.20
47 Total Funded Components				\$572,648	\$334,415	\$84,169

Table 4: 30-Year Reserve Plan Summary**12303-1****Fiscal Year Beginning: 01/01/11****Interest:****2.0%****Inflation:****3.0%**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2011	\$334,415	\$572,648	58.4%	Fair	\$84,169	\$0	\$7,349	\$24,805
2012	\$401,128	\$641,362	62.5%	Fair	\$88,000	\$0	\$8,617	\$36,436
2013	\$461,309	\$702,891	65.6%	Fair	\$91,520	\$0	\$9,688	\$54,201
2014	\$508,315	\$750,362	67.7%	Fair	\$95,181	\$0	\$11,210	\$1,093
2015	\$613,613	\$856,426	71.6%	Strong	\$98,988	\$0	\$13,251	\$13,225
2016	\$712,627	\$955,715	74.6%	Strong	\$102,948	\$0	\$14,851	\$56,660
2017	\$773,766	\$1,015,863	76.2%	Strong	\$107,065	\$0	\$15,922	\$76,897
2018	\$819,857	\$1,059,665	77.4%	Strong	\$111,348	\$0	\$17,510	\$16,050
2019	\$932,665	\$1,170,229	79.7%	Strong	\$115,802	\$0	\$19,048	\$93,716
2020	\$973,800	\$1,206,974	80.7%	Strong	\$120,434	\$0	\$20,115	\$74,887
2021	\$1,039,462	\$1,266,756	82.1%	Strong	\$125,251	\$0	\$21,386	\$85,124
2022	\$1,100,975	\$1,320,810	83.4%	Strong	\$130,261	\$0	\$22,230	\$129,564
2023	\$1,123,902	\$1,333,823	84.3%	Strong	\$132,867	\$0	\$23,709	\$31,438
2024	\$1,249,040	\$1,446,105	86.4%	Strong	\$135,524	\$0	\$26,141	\$43,358
2025	\$1,367,346	\$1,543,238	88.6%	Strong	\$138,235	\$0	\$27,966	\$101,835
2026	\$1,431,712	\$1,569,921	91.2%	Strong	\$140,999	\$0	\$29,653	\$66,253
2027	\$1,536,111	\$1,653,663	92.9%	Strong	\$143,819	\$0	\$32,184	\$27,047
2028	\$1,685,067	\$1,783,445	94.5%	Strong	\$146,696	\$0	\$35,178	\$31,156
2029	\$1,835,785	\$1,916,129	95.8%	Strong	\$149,630	\$0	\$23,411	\$1,501,529
2030	\$507,296	\$558,964	90.8%	Strong	\$152,622	\$0	\$10,956	\$81,626
2031	\$589,248	\$627,542	93.9%	Strong	\$155,675	\$0	\$13,348	\$11,604
2032	\$746,666	\$774,376	96.4%	Strong	\$158,788	\$0	\$16,589	\$8,325
2033	\$913,719	\$932,365	98.0%	Strong	\$161,964	\$0	\$19,345	\$72,525
2034	\$1,022,503	\$1,033,269	99.0%	Strong	\$165,203	\$0	\$19,906	\$237,817
2035	\$969,795	\$971,377	99.8%	Strong	\$168,507	\$0	\$20,061	\$120,291
2036	\$1,038,073	\$1,033,242	100.5%	Strong	\$171,877	\$0	\$20,384	\$228,222
2037	\$1,002,113	\$990,493	101.2%	Strong	\$175,315	\$0	\$19,594	\$238,012
2038	\$959,009	\$942,175	101.8%	Strong	\$178,821	\$0	\$20,236	\$91,739
2039	\$1,066,327	\$1,048,082	101.7%	Strong	\$182,398	\$0	\$23,295	\$6,864
2040	\$1,265,156	\$1,249,752	101.2%	Strong	\$186,045	\$0	\$26,739	\$66,926

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)**12303-1**

Fiscal Year	2011	2012	2013	2014	2015
Starting Reserve Balance	\$334,415	\$401,128	\$461,309	\$508,315	\$613,613
Annual Reserve Contribution	\$84,169	\$88,000	\$91,520	\$95,181	\$98,988
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,349	\$8,617	\$9,688	\$11,210	\$13,251
Total Income	\$425,933	\$497,745	\$562,517	\$614,706	\$725,852
# Component					
COMMON AREA					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
204 Asphalt - Patch/Repair	\$22,050	\$0	\$0	\$0	\$0
206 Asphalt - Crack Fill	\$0	\$25,544	\$0	\$0	\$0
208 Asphalt - Seal/Repair	\$0	\$0	\$43,815	\$0	\$0
503 Metal Fences - Replace	\$0	\$0	\$0	\$0	\$0
601 Fountain Pump - Replace	\$0	\$0	\$0	\$0	\$0
703 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
705 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
912 Gatehouse Computer - Replace	\$0	\$1,082	\$0	\$0	\$0
913 Gatehouse Copier - Replace	\$0	\$721	\$0	\$0	\$0
920 Gatehouse HVAC - Replace	\$0	\$0	\$0	\$0	\$2,532
1107 Metal Fences - Repaint	\$0	\$0	\$0	\$0	\$1,688
1113 Stucco Walls - Repaint	\$2,755	\$0	\$0	\$0	\$0
1115 Gatehouse Stucco Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1116 Gatehouse Wood Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1120 Maintenance Building - Repaint	\$0	\$0	\$679	\$0	\$0
1301 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
1304 Tile Roof - Refurbish	\$0	\$0	\$0	\$0	\$0
1500 Trailer - Replace	\$0	\$0	\$0	\$0	\$0
1510 ATV - Replace	\$0	\$0	\$0	\$0	\$5,628
PARKS & LANDSCAPE					
202 Asphalt Paths - Replace	\$0	\$0	\$0	\$0	\$0
206 Asphalt Paths - Crack Fill	\$0	\$1,777	\$0	\$0	\$0
208 Asphalt Paths - Seal/Repair	\$0	\$0	\$4,270	\$0	\$0
410 Fitness Trail - Replace (The Park)	\$0	\$0	\$0	\$0	\$0
411 Fitness Trail - Replace (Park #21)	\$0	\$0	\$0	\$0	\$0
412 Wood Timbers - Replace	\$0	\$0	\$0	\$1,093	\$0
420 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
1002 Granite (Park #2) - Replenish	\$0	\$0	\$0	\$0	\$0
1003 Granite (Park #3) - Replenish	\$0	\$0	\$0	\$0	\$0
1004 Granite (Park #4) - Replenish	\$0	\$4,223	\$0	\$0	\$0
1005 Granite (Park #5) - Replenish	\$0	\$0	\$0	\$0	\$0
1006 Granite (Park #6) - Replenish	\$0	\$0	\$0	\$0	\$0
1007 Granite (Park #7) - Replenish	\$0	\$0	\$0	\$0	\$0
1008 Granite (Park #8) - Replenish	\$0	\$0	\$0	\$0	\$0
1009 Granite (Park #9) - Replenish	\$0	\$0	\$0	\$0	\$0
1010 Granite (Park #10) - Replenish	\$0	\$0	\$0	\$0	\$0
1011 Granite (Park #11) - Replenish	\$0	\$0	\$0	\$0	\$0

Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)**12303-1**

Fiscal Year	2011	2012	2013	2014	2015
1013 Granite (Park #13) - Replenish	\$0	\$0	\$5,437	\$0	\$0
1014 Granite (Park #14) - Replenish	\$0	\$0	\$0	\$0	\$0
1015 Granite (Park #15) - Replenish	\$0	\$0	\$0	\$0	\$0
1016 Granite (Park #16) - Replenish	\$0	\$0	\$0	\$0	\$0
1017 Granite (Park #17) - Replenish	\$0	\$0	\$0	\$0	\$0
1018 Granite (Park #18) - Replenish	\$0	\$0	\$0	\$0	\$0
1020 Granite (Park #20) - Replenish	\$0	\$0	\$0	\$0	\$0
1021 Granite (Park #21) - Replenish	\$0	\$0	\$0	\$0	\$0
1022 Granite (Park #22) - Replenish	\$0	\$0	\$0	\$0	\$0
1040 Wash - Clean Out	\$0	\$3,090	\$0	\$0	\$3,377
Total Expenses	\$24,805	\$36,436	\$54,201	\$1,093	\$13,225
Ending Reserve Balance:	\$401,128	\$461,309	\$508,315	\$613,613	\$712,627

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)

12303-1

Fiscal Year	2016	2017	2018	2019	2020
Starting Reserve Balance	\$712,627	\$773,766	\$819,857	\$932,665	\$973,800
Annual Reserve Contribution	\$102,948	\$107,065	\$111,348	\$115,802	\$120,434
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$14,851	\$15,922	\$17,510	\$19,048	\$20,115
Total Income	\$830,426	\$896,754	\$948,715	\$1,067,515	\$1,114,349
# Component					
COMMON AREA					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
204 Asphalt - Patch/Repair	\$0	\$26,329	\$0	\$0	\$0
206 Asphalt - Crack Fill	\$28,750	\$0	\$0	\$0	\$32,358
208 Asphalt - Seal/Repair	\$0	\$49,314	\$0	\$0	\$0
503 Metal Fences - Replace	\$0	\$0	\$0	\$0	\$0
601 Fountain Pump - Replace	\$0	\$0	\$0	\$0	\$0
703 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
705 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
912 Gatehouse Computer - Replace	\$0	\$1,254	\$0	\$0	\$0
913 Gatehouse Copier - Replace	\$0	\$0	\$0	\$0	\$0
920 Gatehouse HVAC - Replace	\$0	\$0	\$0	\$0	\$0
1107 Metal Fences - Repaint	\$0	\$0	\$0	\$0	\$1,957
1113 Stucco Walls - Repaint	\$0	\$0	\$0	\$3,490	\$0
1115 Gatehouse Stucco Surfaces - Repaint	\$12,404	\$0	\$0	\$0	\$0
1116 Gatehouse Wood Surfaces - Repaint	\$1,507	\$0	\$0	\$0	\$0
1120 Maintenance Building - Repaint	\$0	\$0	\$0	\$0	\$0
1301 Flat Roof - Replace	\$1,275	\$0	\$0	\$0	\$0
1304 Tile Roof - Refurbish	\$0	\$0	\$0	\$0	\$0
1500 Trailer - Replace	\$0	\$0	\$0	\$0	\$0
1510 ATV - Replace	\$0	\$0	\$0	\$0	\$0
PARKS & LANDSCAPE					
202 Asphalt Paths - Replace	\$0	\$0	\$0	\$0	\$0
206 Asphalt Paths - Crack Fill	\$2,000	\$0	\$0	\$0	\$2,251
208 Asphalt Paths - Seal/Repair	\$0	\$0	\$0	\$5,099	\$0
410 Fitness Trail - Replace (The Park)	\$0	\$0	\$0	\$0	\$0
411 Fitness Trail - Replace (Park #21)	\$0	\$0	\$0	\$0	\$0
412 Wood Timbers - Replace	\$0	\$0	\$0	\$0	\$0
420 Park Furniture - Replace	\$10,723	\$0	\$0	\$0	\$0
1002 Granite (Park #2) - Replenish	\$0	\$0	\$0	\$0	\$0
1003 Granite (Park #3) - Replenish	\$0	\$0	\$0	\$0	\$0
1004 Granite (Park #4) - Replenish	\$0	\$0	\$0	\$0	\$0
1005 Granite (Park #5) - Replenish	\$0	\$0	\$0	\$0	\$0
1006 Granite (Park #6) - Replenish	\$0	\$0	\$12,360	\$0	\$0
1007 Granite (Park #7) - Replenish	\$0	\$0	\$0	\$0	\$0
1008 Granite (Park #8) - Replenish	\$0	\$0	\$0	\$0	\$0
1009 Granite (Park #9) - Replenish	\$0	\$0	\$0	\$0	\$0
1010 Granite (Park #10) - Replenish	\$0	\$0	\$0	\$42,563	\$0
1011 Granite (Park #11) - Replenish	\$0	\$0	\$0	\$42,563	\$0

Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)**12303-1**

Fiscal Year	2016	2017	2018	2019	2020
1013 Granite (Park #13) - Replenish	\$0	\$0	\$0	\$0	\$0
1014 Granite (Park #14) - Replenish	\$0	\$0	\$0	\$0	\$3,745
1015 Granite (Park #15) - Replenish	\$0	\$0	\$0	\$0	\$12,330
1016 Granite (Park #16) - Replenish	\$0	\$0	\$0	\$0	\$0
1017 Granite (Park #17) - Replenish	\$0	\$0	\$0	\$0	\$12,330
1018 Granite (Park #18) - Replenish	\$0	\$0	\$0	\$0	\$9,916
1020 Granite (Park #20) - Replenish	\$0	\$0	\$0	\$0	\$0
1021 Granite (Park #21) - Replenish	\$0	\$0	\$0	\$0	\$0
1022 Granite (Park #22) - Replenish	\$0	\$0	\$0	\$0	\$0
1040 Wash - Clean Out	\$0	\$0	\$3,690	\$0	\$0
Total Expenses	\$56,660	\$76,897	\$16,050	\$93,716	\$74,887
Ending Reserve Balance:	\$773,766	\$819,857	\$932,665	\$973,800	\$1,039,462

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)**12303-1**

Fiscal Year	2021	2022	2023	2024	2025
Starting Reserve Balance	\$1,039,462	\$1,100,975	\$1,123,902	\$1,249,040	\$1,367,346
Annual Reserve Contribution	\$125,251	\$130,261	\$132,867	\$135,524	\$138,235
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$21,386	\$22,230	\$23,709	\$26,141	\$27,966
Total Income	\$1,186,099	\$1,253,466	\$1,280,478	\$1,410,705	\$1,533,547
# Component					
COMMON AREA					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
204 Asphalt - Patch/Repair	\$0	\$0	\$31,438	\$0	\$0
206 Asphalt - Crack Fill	\$0	\$0	\$0	\$36,420	\$0
208 Asphalt - Seal/Repair	\$55,504	\$0	\$0	\$0	\$62,470
503 Metal Fences - Replace	\$0	\$0	\$0	\$0	\$0
601 Fountain Pump - Replace	\$1,210	\$0	\$0	\$0	\$0
703 Entry System - Replace	\$6,182	\$0	\$0	\$0	\$0
705 Gate Operators - Replace	\$9,676	\$0	\$0	\$0	\$0
912 Gatehouse Computer - Replace	\$0	\$1,453	\$0	\$0	\$0
913 Gatehouse Copier - Replace	\$0	\$969	\$0	\$0	\$0
920 Gatehouse HVAC - Replace	\$0	\$0	\$0	\$0	\$0
1107 Metal Fences - Repaint	\$0	\$0	\$0	\$0	\$0
1113 Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Gatehouse Stucco Surfaces - Repaint	\$0	\$14,811	\$0	\$0	\$0
1116 Gatehouse Wood Surfaces - Repaint	\$0	\$1,800	\$0	\$0	\$0
1120 Maintenance Building - Repaint	\$860	\$0	\$0	\$0	\$0
1301 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
1304 Tile Roof - Refurbish	\$0	\$0	\$0	\$0	\$0
1500 Trailer - Replace	\$0	\$0	\$0	\$0	\$908
1510 ATV - Replace	\$0	\$0	\$0	\$0	\$7,563
PARKS & LANDSCAPE					
202 Asphalt Paths - Replace	\$0	\$0	\$0	\$0	\$0
206 Asphalt Paths - Crack Fill	\$0	\$0	\$0	\$2,533	\$0
208 Asphalt Paths - Seal/Repair	\$0	\$0	\$0	\$0	\$6,088
410 Fitness Trail - Replace (The Park)	\$0	\$0	\$0	\$0	\$0
411 Fitness Trail - Replace (Park #21)	\$0	\$0	\$0	\$0	\$0
412 Wood Timbers - Replace	\$0	\$0	\$0	\$0	\$0
420 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
1002 Granite (Park #2) - Replenish	\$0	\$47,618	\$0	\$0	\$0
1003 Granite (Park #3) - Replenish	\$0	\$0	\$0	\$0	\$0
1004 Granite (Park #4) - Replenish	\$0	\$0	\$0	\$0	\$0
1005 Granite (Park #5) - Replenish	\$7,660	\$0	\$0	\$0	\$0
1006 Granite (Park #6) - Replenish	\$0	\$0	\$0	\$0	\$0
1007 Granite (Park #7) - Replenish	\$0	\$15,296	\$0	\$0	\$0
1008 Granite (Park #8) - Replenish	\$0	\$19,172	\$0	\$0	\$0
1009 Granite (Park #9) - Replenish	\$0	\$0	\$0	\$0	\$24,806
1010 Granite (Park #10) - Replenish	\$0	\$0	\$0	\$0	\$0
1011 Granite (Park #11) - Replenish	\$0	\$0	\$0	\$0	\$0

Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)**12303-1**

Fiscal Year	2021	2022	2023	2024	2025
1013 Granite (Park #13) - Replenish	\$0	\$0	\$0	\$0	\$0
1014 Granite (Park #14) - Replenish	\$0	\$0	\$0	\$0	\$0
1015 Granite (Park #15) - Replenish	\$0	\$0	\$0	\$0	\$0
1016 Granite (Park #16) - Replenish	\$0	\$0	\$0	\$0	\$0
1017 Granite (Park #17) - Replenish	\$0	\$0	\$0	\$0	\$0
1018 Granite (Park #18) - Replenish	\$0	\$0	\$0	\$0	\$0
1020 Granite (Park #20) - Replenish	\$0	\$13,081	\$0	\$0	\$0
1021 Granite (Park #21) - Replenish	\$0	\$10,520	\$0	\$0	\$0
1022 Granite (Park #22) - Replenish	\$0	\$4,845	\$0	\$0	\$0
1040 Wash - Clean Out	\$4,032	\$0	\$0	\$4,406	\$0
Total Expenses	\$85,124	\$129,564	\$31,438	\$43,358	\$101,835
Ending Reserve Balance:	\$1,100,975	\$1,123,902	\$1,249,040	\$1,367,346	\$1,431,712

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)**12303-1**

Fiscal Year	2026	2027	2028	2029	2030
Starting Reserve Balance	\$1,431,712	\$1,536,111	\$1,685,067	\$1,835,785	\$507,296
Annual Reserve Contribution	\$140,999	\$143,819	\$146,696	\$149,630	\$152,622
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$29,653	\$32,184	\$35,178	\$23,411	\$10,956
Total Income	\$1,602,364	\$1,712,114	\$1,866,941	\$2,008,825	\$670,874
# Component					
COMMON AREA					
201 Asphalt - Resurface	\$0	\$0	\$0	\$1,500,439	\$0
204 Asphalt - Patch/Repair	\$0	\$0	\$0	\$0	\$0
206 Asphalt - Crack Fill	\$0	\$0	\$0	\$0	\$0
208 Asphalt - Seal/Repair	\$0	\$0	\$0	\$0	\$72,420
503 Metal Fences - Replace	\$9,426	\$0	\$0	\$0	\$0
601 Fountain Pump - Replace	\$0	\$0	\$0	\$0	\$0
703 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
705 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
912 Gatehouse Computer - Replace	\$0	\$1,685	\$0	\$0	\$0
913 Gatehouse Copier - Replace	\$0	\$0	\$0	\$0	\$0
920 Gatehouse HVAC - Replace	\$0	\$0	\$0	\$0	\$3,945
1107 Metal Fences - Repaint	\$0	\$0	\$0	\$0	\$0
1113 Stucco Walls - Repaint	\$0	\$4,421	\$0	\$0	\$0
1115 Gatehouse Stucco Surfaces - Repaint	\$0	\$0	\$17,685	\$0	\$0
1116 Gatehouse Wood Surfaces - Repaint	\$0	\$0	\$2,149	\$0	\$0
1120 Maintenance Building - Repaint	\$0	\$0	\$0	\$1,090	\$0
1301 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
1304 Tile Roof - Refurbish	\$14,879	\$0	\$0	\$0	\$0
1500 Trailer - Replace	\$0	\$0	\$0	\$0	\$0
1510 ATV - Replace	\$0	\$0	\$0	\$0	\$0
PARKS & LANDSCAPE					
202 Asphalt Paths - Replace	\$0	\$0	\$0	\$0	\$0
206 Asphalt Paths - Crack Fill	\$0	\$0	\$2,851	\$0	\$0
208 Asphalt Paths - Seal/Repair	\$0	\$0	\$0	\$0	\$0
410 Fitness Trail - Replace (The Park)	\$16,982	\$0	\$0	\$0	\$0
411 Fitness Trail - Replace (Park #21)	\$16,982	\$0	\$0	\$0	\$0
412 Wood Timbers - Replace	\$0	\$0	\$0	\$0	\$0
420 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
1002 Granite (Park #2) - Replenish	\$0	\$0	\$0	\$0	\$0
1003 Granite (Park #3) - Replenish	\$0	\$9,548	\$0	\$0	\$0
1004 Granite (Park #4) - Replenish	\$0	\$6,579	\$0	\$0	\$0
1005 Granite (Park #5) - Replenish	\$0	\$0	\$0	\$0	\$0
1006 Granite (Park #6) - Replenish	\$0	\$0	\$0	\$0	\$0
1007 Granite (Park #7) - Replenish	\$0	\$0	\$0	\$0	\$0
1008 Granite (Park #8) - Replenish	\$0	\$0	\$0	\$0	\$0
1009 Granite (Park #9) - Replenish	\$0	\$0	\$0	\$0	\$0
1010 Granite (Park #10) - Replenish	\$0	\$0	\$0	\$0	\$0
1011 Granite (Park #11) - Replenish	\$0	\$0	\$0	\$0	\$0

Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)**12303-1**

Fiscal Year	2026	2027	2028	2029	2030
1013 Granite (Park #13) - Replenish	\$0	\$0	\$8,471	\$0	\$0
1014 Granite (Park #14) - Replenish	\$0	\$0	\$0	\$0	\$0
1015 Granite (Park #15) - Replenish	\$0	\$0	\$0	\$0	\$0
1016 Granite (Park #16) - Replenish	\$7,985	\$0	\$0	\$0	\$0
1017 Granite (Park #17) - Replenish	\$0	\$0	\$0	\$0	\$0
1018 Granite (Park #18) - Replenish	\$0	\$0	\$0	\$0	\$0
1020 Granite (Park #20) - Replenish	\$0	\$0	\$0	\$0	\$0
1021 Granite (Park #21) - Replenish	\$0	\$0	\$0	\$0	\$0
1022 Granite (Park #22) - Replenish	\$0	\$0	\$0	\$0	\$0
1040 Wash - Clean Out	\$0	\$4,814	\$0	\$0	\$5,261
Total Expenses	\$66,253	\$27,047	\$31,156	\$1,501,529	\$81,626
Ending Reserve Balance:	\$1,536,111	\$1,685,067	\$1,835,785	\$507,296	\$589,248

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)**12303-1**

Fiscal Year	2031	2032	2033	2034	2035
Starting Reserve Balance	\$589,248	\$746,666	\$913,719	\$1,022,503	\$969,795
Annual Reserve Contribution	\$155,675	\$158,788	\$161,964	\$165,203	\$168,507
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$13,348	\$16,589	\$19,345	\$19,906	\$20,061
Total Income	\$758,270	\$922,043	\$1,095,028	\$1,207,612	\$1,158,363
# Component					
COMMON AREA					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
204 Asphalt - Patch/Repair	\$0	\$0	\$0	\$0	\$44,823
206 Asphalt - Crack Fill	\$0	\$0	\$47,519	\$0	\$0
208 Asphalt - Seal/Repair	\$0	\$0	\$0	\$81,509	\$0
503 Metal Fences - Replace	\$0	\$0	\$0	\$0	\$0
601 Fountain Pump - Replace	\$1,626	\$0	\$0	\$0	\$0
703 Entry System - Replace	\$0	\$0	\$0	\$0	\$0
705 Gate Operators - Replace	\$0	\$0	\$0	\$0	\$0
912 Gatehouse Computer - Replace	\$0	\$1,953	\$0	\$0	\$0
913 Gatehouse Copier - Replace	\$0	\$1,302	\$0	\$0	\$0
920 Gatehouse HVAC - Replace	\$0	\$0	\$0	\$0	\$0
1107 Metal Fences - Repaint	\$2,709	\$0	\$0	\$0	\$0
1113 Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$5,600
1115 Gatehouse Stucco Surfaces - Repaint	\$0	\$0	\$0	\$21,117	\$0
1116 Gatehouse Wood Surfaces - Repaint	\$0	\$0	\$0	\$2,566	\$0
1120 Maintenance Building - Repaint	\$0	\$0	\$0	\$0	\$0
1301 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0
1304 Tile Roof - Refurbish	\$0	\$0	\$0	\$0	\$0
1500 Trailer - Replace	\$0	\$0	\$0	\$0	\$0
1510 ATV - Replace	\$0	\$0	\$0	\$0	\$10,164
PARKS & LANDSCAPE					
202 Asphalt Paths - Replace	\$0	\$0	\$0	\$0	\$0
206 Asphalt Paths - Crack Fill	\$0	\$3,209	\$0	\$0	\$0
208 Asphalt Paths - Seal/Repair	\$7,270	\$0	\$0	\$0	\$0
410 Fitness Trail - Replace (The Park)	\$0	\$0	\$0	\$0	\$0
411 Fitness Trail - Replace (Park #21)	\$0	\$0	\$0	\$0	\$0
412 Wood Timbers - Replace	\$0	\$1,860	\$0	\$0	\$0
420 Park Furniture - Replace	\$0	\$0	\$0	\$0	\$0
1002 Granite (Park #2) - Replenish	\$0	\$0	\$0	\$0	\$0
1003 Granite (Park #3) - Replenish	\$0	\$0	\$0	\$0	\$0
1004 Granite (Park #4) - Replenish	\$0	\$0	\$0	\$0	\$0
1005 Granite (Park #5) - Replenish	\$0	\$0	\$0	\$0	\$0
1006 Granite (Park #6) - Replenish	\$0	\$0	\$19,257	\$0	\$0
1007 Granite (Park #7) - Replenish	\$0	\$0	\$0	\$0	\$0
1008 Granite (Park #8) - Replenish	\$0	\$0	\$0	\$0	\$0
1009 Granite (Park #9) - Replenish	\$0	\$0	\$0	\$0	\$0
1010 Granite (Park #10) - Replenish	\$0	\$0	\$0	\$66,313	\$0
1011 Granite (Park #11) - Replenish	\$0	\$0	\$0	\$66,313	\$0

Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)**12303-1**

Fiscal Year	2031	2032	2033	2034	2035
1013 Granite (Park #13) - Replenish	\$0	\$0	\$0	\$0	\$0
1014 Granite (Park #14) - Replenish	\$0	\$0	\$0	\$0	\$5,834
1015 Granite (Park #15) - Replenish	\$0	\$0	\$0	\$0	\$19,210
1016 Granite (Park #16) - Replenish	\$0	\$0	\$0	\$0	\$0
1017 Granite (Park #17) - Replenish	\$0	\$0	\$0	\$0	\$19,210
1018 Granite (Park #18) - Replenish	\$0	\$0	\$0	\$0	\$15,449
1020 Granite (Park #20) - Replenish	\$0	\$0	\$0	\$0	\$0
1021 Granite (Park #21) - Replenish	\$0	\$0	\$0	\$0	\$0
1022 Granite (Park #22) - Replenish	\$0	\$0	\$0	\$0	\$0
1040 Wash - Clean Out	\$0	\$0	\$5,748	\$0	\$0
Total Expenses	\$11,604	\$8,325	\$72,525	\$237,817	\$120,291
Ending Reserve Balance:	\$746,666	\$913,719	\$1,022,503	\$969,795	\$1,038,073

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)

12303-1

Fiscal Year	2036	2037	2038	2039	2040
Starting Reserve Balance	\$1,038,073	\$1,002,113	\$959,009	\$1,066,327	\$1,265,156
Annual Reserve Contribution	\$171,877	\$175,315	\$178,821	\$182,398	\$186,045
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$20,384	\$19,594	\$20,236	\$23,295	\$26,739
Total Income	\$1,230,334	\$1,197,022	\$1,158,066	\$1,272,019	\$1,477,940
# Component					
COMMON AREA					
201 Asphalt - Resurface	\$0	\$0	\$0	\$0	\$0
204 Asphalt - Patch/Repair	\$0	\$0	\$0	\$0	\$0
206 Asphalt - Crack Fill	\$0	\$53,483	\$0	\$0	\$0
208 Asphalt - Seal/Repair	\$0	\$0	\$91,739	\$0	\$0
503 Metal Fences - Replace	\$0	\$0	\$0	\$0	\$0
601 Fountain Pump - Replace	\$0	\$0	\$0	\$0	\$0
703 Entry System - Replace	\$9,631	\$0	\$0	\$0	\$0
705 Gate Operators - Replace	\$15,075	\$0	\$0	\$0	\$0
912 Gatehouse Computer - Replace	\$0	\$2,264	\$0	\$0	\$0
913 Gatehouse Copier - Replace	\$0	\$0	\$0	\$0	\$0
920 Gatehouse HVAC - Replace	\$0	\$0	\$0	\$0	\$0
1107 Metal Fences - Repaint	\$3,141	\$0	\$0	\$0	\$0
1113 Stucco Walls - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Gatehouse Stucco Surfaces - Repaint	\$0	\$0	\$0	\$0	\$25,215
1116 Gatehouse Wood Surfaces - Repaint	\$0	\$0	\$0	\$0	\$3,064
1120 Maintenance Building - Repaint	\$0	\$1,380	\$0	\$0	\$0
1301 Flat Roof - Replace	\$2,303	\$0	\$0	\$0	\$0
1304 Tile Roof - Refurbish	\$0	\$0	\$0	\$0	\$0
1500 Trailer - Replace	\$0	\$0	\$0	\$0	\$0
1510 ATV - Replace	\$0	\$0	\$0	\$0	\$0
PARKS & LANDSCAPE					
202 Asphalt Paths - Replace	\$160,488	\$0	\$0	\$0	\$0
206 Asphalt Paths - Crack Fill	\$0	\$0	\$0	\$0	\$0
208 Asphalt Paths - Seal/Repair	\$0	\$8,680	\$0	\$0	\$0
410 Fitness Trail - Replace (The Park)	\$0	\$0	\$0	\$0	\$0
411 Fitness Trail - Replace (Park #21)	\$0	\$0	\$0	\$0	\$0
412 Wood Timbers - Replace	\$0	\$0	\$0	\$0	\$0
420 Park Furniture - Replace	\$19,367	\$0	\$0	\$0	\$0
1002 Granite (Park #2) - Replenish	\$0	\$74,187	\$0	\$0	\$0
1003 Granite (Park #3) - Replenish	\$0	\$0	\$0	\$0	\$0
1004 Granite (Park #4) - Replenish	\$0	\$0	\$0	\$0	\$0
1005 Granite (Park #5) - Replenish	\$11,935	\$0	\$0	\$0	\$0
1006 Granite (Park #6) - Replenish	\$0	\$0	\$0	\$0	\$0
1007 Granite (Park #7) - Replenish	\$0	\$23,830	\$0	\$0	\$0
1008 Granite (Park #8) - Replenish	\$0	\$29,869	\$0	\$0	\$0
1009 Granite (Park #9) - Replenish	\$0	\$0	\$0	\$0	\$38,648
1010 Granite (Park #10) - Replenish	\$0	\$0	\$0	\$0	\$0
1011 Granite (Park #11) - Replenish	\$0	\$0	\$0	\$0	\$0

Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)**12303-1**

Fiscal Year	2036	2037	2038	2039	2040
1013 Granite (Park #13) - Replenish	\$0	\$0	\$0	\$0	\$0
1014 Granite (Park #14) - Replenish	\$0	\$0	\$0	\$0	\$0
1015 Granite (Park #15) - Replenish	\$0	\$0	\$0	\$0	\$0
1016 Granite (Park #16) - Replenish	\$0	\$0	\$0	\$0	\$0
1017 Granite (Park #17) - Replenish	\$0	\$0	\$0	\$0	\$0
1018 Granite (Park #18) - Replenish	\$0	\$0	\$0	\$0	\$0
1020 Granite (Park #20) - Replenish	\$0	\$20,380	\$0	\$0	\$0
1021 Granite (Park #21) - Replenish	\$0	\$16,390	\$0	\$0	\$0
1022 Granite (Park #22) - Replenish	\$0	\$7,548	\$0	\$0	\$0
1040 Wash - Clean Out	\$6,281	\$0	\$0	\$6,864	\$0
Total Expenses	\$228,222	\$238,012	\$91,739	\$6,864	\$66,926
Ending Reserve Balance:	\$1,002,113	\$959,009	\$1,066,327	\$1,265,156	\$1,411,013

Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – Arizona, LLC, and its employees have no ownership, management, or other business relationships with the client beyond this Reserve Study engagement. D.J. Vlaming, R.S., company president, is a credentialed Reserve Specialist. All work done by Association Reserves – Arizona, LLC is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association’s situation.

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association’s representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were developed by Association Reserves unless otherwise noted in our “Site Inspection Notes” comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area)
GSY	Gross Square Yards (area)
HP	Horsepower
LF	Linear Feet (length)

Effective Age: The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

Fully Funded Balance (FFB): The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

Inflation: Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

Interest: Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

Percent Funded: The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

Remaining Useful Life: The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

Useful Life: The estimated time, in years, that a common area component can be expected to serve its intended function.