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The Copper Creek Association *Oro Valley, AZ*



Report #: 8141-8
Beginning: January 1, 2022
Expires: December 31, 2022

RESERVE STUDY Update "No-Site-Visit"

October 4, 2021

Welcome to your Reserve Study!

A Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

Regardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**
Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**
A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**
A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

Questions?

Please contact your Project Manager directly.



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The Copper Creek Association

Oro Valley, AZ

Level of Service: Update "No-Site-Visit"

Report #: 8141-8

of Units: 955

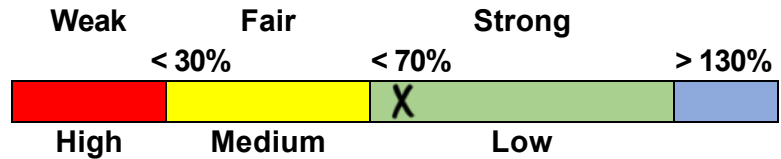
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Projected Starting Reserve Balance	\$309,784
Current Fully Funded Reserve Balance	\$400,414
Average Reserve Deficit (Surplus) Per Unit	\$95
Percent Funded	77.4 %
Current Monthly Reserve Contribution	\$6,000
Recommended 2022 Monthly Reserve Contribution	\$6,300

Reserve Fund Strength: 77.4%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves 1.00 %

Annual Inflation Rate 3.00 %

This is an Update "No-Site-Visit" Reserve Study based on a prior report prepared by Association Reserves for your 2021 Fiscal Year. No site inspection was performed as part of this Reserve Study.

The Reserve expense threshold for this analysis is \$2,000. That means any Reserve related expenses under the threshold are not funded in the Reserve Study and need to be paid from the Operating Budget.

Your Reserve Fund is 77.4 % Funded. This means the Reserve Fund status is Strong, and the HOA's risk of special assessments & deferred maintenance is currently Low.

The objective of your multi-year Funding Plan is to Fully Fund Reserves, where associations enjoy a low risk of Reserve cash flow problems.

Based on this starting point and anticipated future expenses, we recommend budgeting Monthly Reserve contributions of \$6,300 for the 2022 Fiscal Year. Annual increases are scheduled thereafter to help offset inflation and strengthen Reserves. Going forward, the contribution rate should be increased as illustrated on the 30-yr Summary Table.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
COMMON AREA				
103	Concrete - Repair	5	4	\$5,000
380	Monuments - Refurbish	20	8	\$18,000
385	Entry Lighting - Replace	15	12	\$37,000
501	Stucco Walls - Repair	20	4	\$50,000
505	Stucco Walls - Repaint (A)	10	7	\$43,000
505	Stucco Walls - Repaint (B)	10	0	\$120,000
515	Metal Fence - Partial Replace	10	4	\$20,000
520	Metal Fence - Repaint (A)	5	2	\$8,400
520	Metal Fence - Repaint (B)	5	0	\$8,400
530	View Fence - Partial Replace	10	5	\$135,000
540	Culvert Rails - Repaint	5	0	\$4,000
550	Bollards - Repaint	5	0	\$5,000
1010	Landscape Granite - Replenish	1	0	\$10,000
1015	Walking Trails - Repair	3	1	\$13,000
1020	Erosion Damage - Repair	3	0	\$2,600
1040	Drainage Basins - Inspect/Clean	3	0	\$21,000
1050	Drywells - Inspect/Clean	5	0	\$2,100
COMMUNITY PARK				
201	Parking Lot Asphalt - Repave	25	24	\$13,000
202	Parking Lot Asphalt - Seal/Repair	4	1	\$2,300
320	Pole Lights - Replace	35	5	\$6,200
330	Motion Detection Lights - Replace	15	11	\$2,100
410	Park Furniture - Partial Replace	5	1	\$7,300
420	Play Equipment - Replace	20	8	\$45,000
425	Shade Screen - Replace (A)	10	0	\$6,300
425	Shade Screen - Replace (B)	10	4	\$3,800
455	Ramada Roofs - Replace	25	21	\$7,300
465	Drinking Fountain - Replace	12	8	\$2,100
470	Restrooms - Remodel	15	11	\$6,500
490	Restroom Roof - Replace	15	5	\$2,500
650	Surveillance Cameras - Replace	8	4	\$13,000
680	Storage Container - Replace	30	25	\$4,200

31 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

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 combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

Methodology



For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

Which Physical Assets are Funded by Reserves?

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining 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 (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

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 do we establish Useful Life and Remaining Useful Life estimates?

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

How do we establish Current Repair/Replacement Cost Estimates?

In this order...

- 1) Actual client cost history, or current proposals
- 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?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

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?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to 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. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all of these expenses will take place as anticipated. This Reserve Study needs to be updated annually, because we expect the timing of expenses to shift and the size of the expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The chart below summarizes the projected future expenses at your association as defined by the Reserve Component List. A summary of these components is shown in the Component Details Table, while a summary of the expenses themselves is shown in the 30-yr Expense Summary Table.

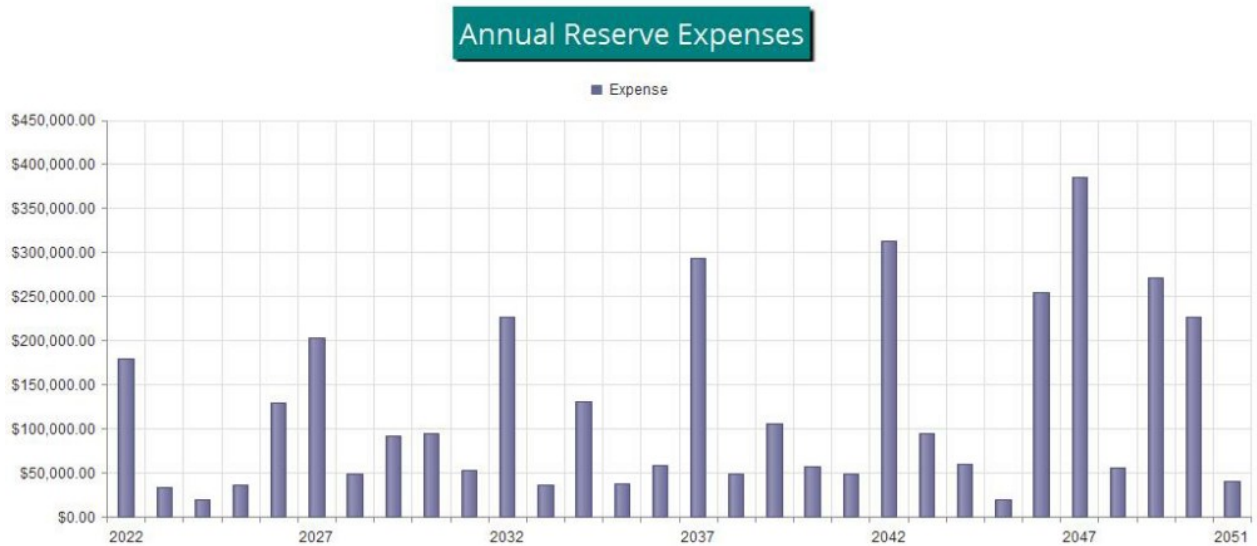


Figure 1

Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$309,784 as-of the start of your fiscal year on 1/1/2022. This is based on your actual balance of \$267,784 on 5/31/2021 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of 1/1/2022, your Fully Funded Balance is computed to be \$400,414. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to the Fully Funded Balance indicates Reserves are 77.4 % Funded.

Recommended Funding Plan

Based on your current Percent Funded and cash flow requirements, we recommend budgeting Monthly Reserve contributions of \$6,300 this Fiscal Year. The overall 30-year plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

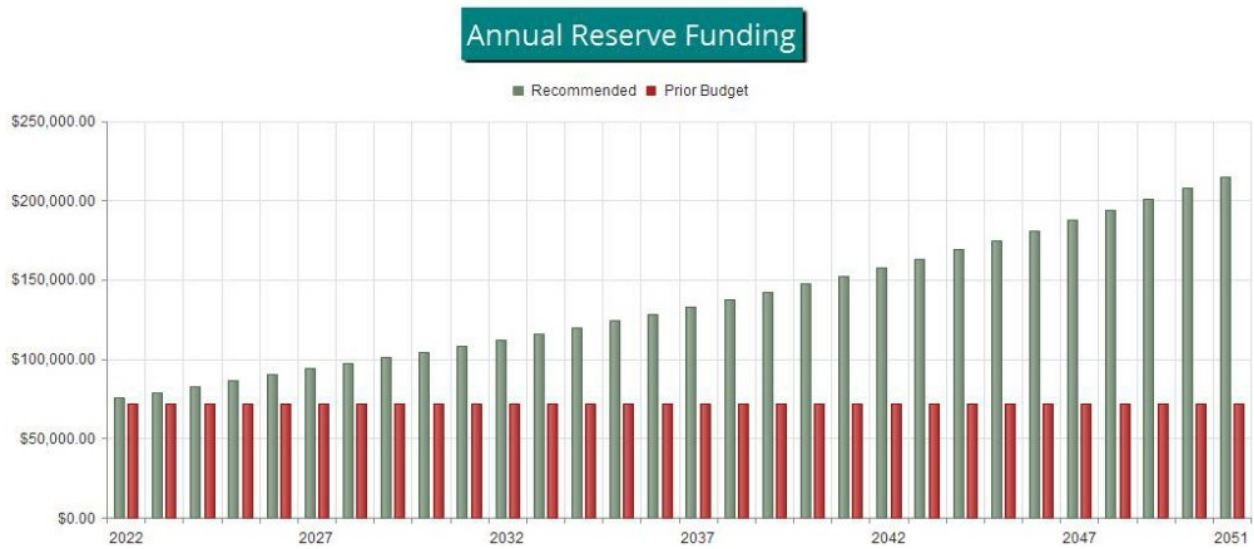


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your currently budgeted contribution rate, compared to the always-changing Fully Funded Balance target.

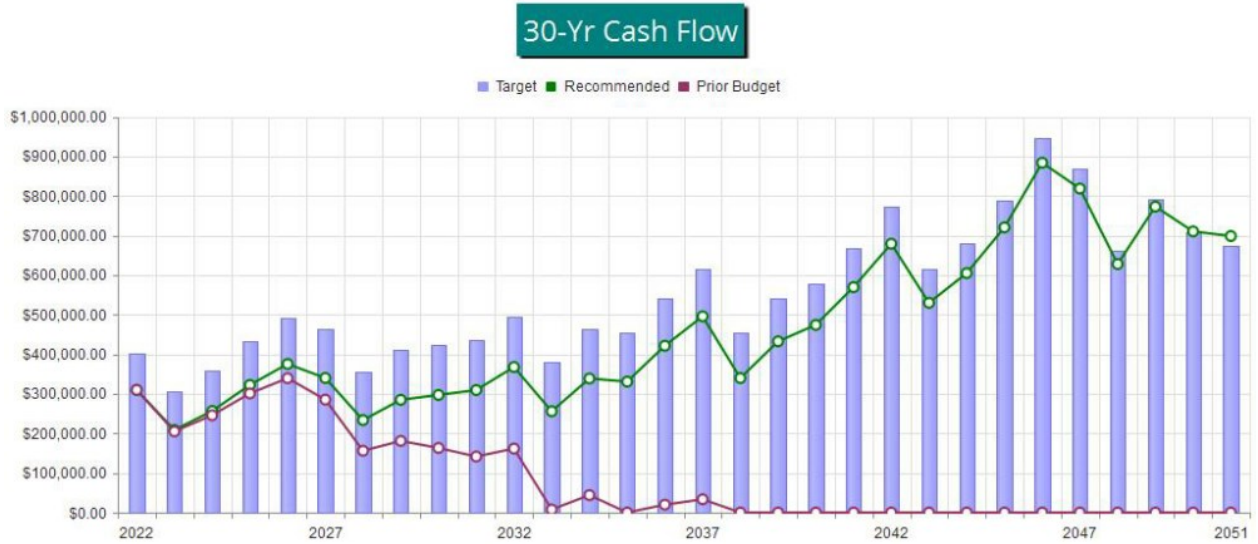


Figure 3

This chart shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-year Funding Plan.

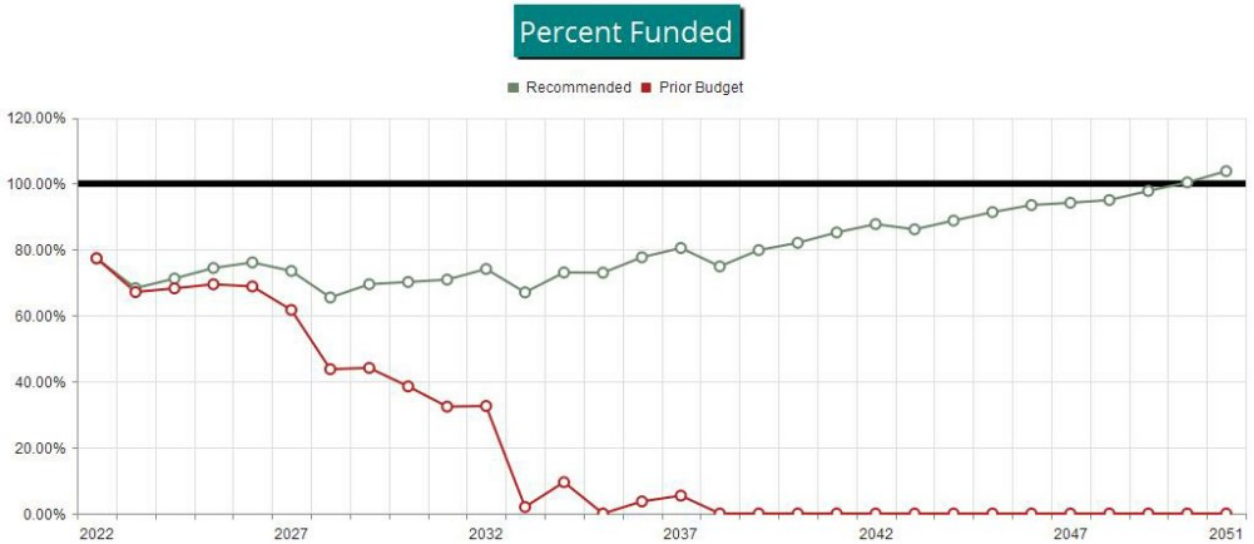


Figure 4



Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

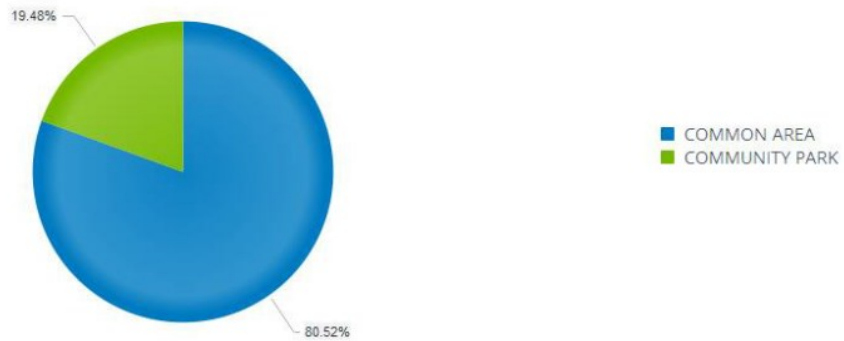


	Useful Life		2022 Rem. Useful Life		Estimated Replacement Cost in 2022	2022 Expenditures	01/01/2022 Current Fund Balance	01/01/2022 Fully Funded Balance	Remaining Bal. to be Funded	2022 Contributions
	Min	Max	Min	Max						
COMMON AREA	1	20	0	12	\$502,500	\$173,100	\$287,139	\$338,407	\$215,361	\$66,613
COMMUNITY PARK	4	35	0	25	\$121,600	\$6,300	\$22,645	\$62,007	\$98,955	\$8,987
					\$624,100	\$179,400	\$309,784	\$400,414	\$314,316	\$75,600

Percent Funded: 77.4%

Budget Summary

Percentage of Total Estimated Replacement Costs



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
COMMON AREA					
103	Concrete - Repair	Numerous Sq Ft	5	4	\$5,000
380	Monuments - Refurbish	(9) Monuments	20	8	\$18,000
385	Entry Lighting - Replace	Approx (136) Fixtures	15	12	\$37,000
501	Stucco Walls - Repair	Approx 133,600 Sq Ft	20	4	\$50,000
505	Stucco Walls - Repaint (A)	Numerous Sq Ft	10	7	\$43,000
505	Stucco Walls - Repaint (B)	Approx 133,600 Sq Ft	10	0	\$120,000
515	Metal Fence - Partial Replace	Approx 1,200 LF	10	4	\$20,000
520	Metal Fence - Repaint (A)	50% of 1,200 LF	5	2	\$8,400
520	Metal Fence - Repaint (B)	50% of 1,200 LF	5	0	\$8,400
530	View Fence - Partial Replace	Approx 16,600 LF	10	5	\$135,000
540	Culvert Rails - Repaint	Approx 500 LF	5	0	\$4,000
550	Bollards - Repaint	Approx (138) Bollards	5	0	\$5,000
1010	Landscape Granite - Replenish	Numerous Sq Ft	1	0	\$10,000
1015	Walking Trails - Repair	Numerous Sq Ft	3	1	\$13,000
1020	Erosion Damage - Repair	Numerous Sq Ft	3	0	\$2,600
1040	Drainage Basins - Inspect/Clean	(4) Basins	3	0	\$21,000
1050	Drywells - Inspect/Clean	(2) Drywells	5	0	\$2,100
COMMUNITY PARK					
201	Parking Lot Asphalt - Repave	Approx 4,300 Sq Ft	25	24	\$13,000
202	Parking Lot Asphalt - Seal/Repair	Approx 4,300 Sq Ft	4	1	\$2,300
320	Pole Lights - Replace	(2) Pole Lights	35	5	\$6,200
330	Motion Detection Lights - Replace	(6) Motion Lights	15	11	\$2,100
410	Park Furniture - Partial Replace	(25) Assorted Pieces	5	1	\$7,300
420	Play Equipment - Replace	(4) Assorted Pieces	20	8	\$45,000
425	Shade Screen - Replace (A)	(1) Screen: ~800 Sq Ft	10	0	\$6,300
425	Shade Screen - Replace (B)	(1) Screen: ~600 Sq Ft	10	4	\$3,800
455	Ramada Roofs - Replace	(2) Roofs: ~700 Sq Ft	25	21	\$7,300
465	Drinking Fountain - Replace	(1) Elkay	12	8	\$2,100
470	Restrooms - Remodel	(2) Restrooms	15	11	\$6,500
490	Restroom Roof - Replace	(1) Roof: ~250 Sq Ft	15	5	\$2,500
650	Surveillance Cameras - Replace	(6) Cameras	8	4	\$13,000
680	Storage Container - Replace	(1) 20' Container	30	25	\$4,200
31	Total Funded Components				

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
COMMON AREA								
103	Concrete - Repair	\$5,000	X	1	/	5	=	\$1,000
380	Monuments - Refurbish	\$18,000	X	12	/	20	=	\$10,800
385	Entry Lighting - Replace	\$37,000	X	3	/	15	=	\$7,400
501	Stucco Walls - Repair	\$50,000	X	16	/	20	=	\$40,000
505	Stucco Walls - Repaint (A)	\$43,000	X	3	/	10	=	\$12,900
505	Stucco Walls - Repaint (B)	\$120,000	X	10	/	10	=	\$120,000
515	Metal Fence - Partial Replace	\$20,000	X	6	/	10	=	\$12,000
520	Metal Fence - Repaint (A)	\$8,400	X	3	/	5	=	\$5,040
520	Metal Fence - Repaint (B)	\$8,400	X	5	/	5	=	\$8,400
530	View Fence - Partial Replace	\$135,000	X	5	/	10	=	\$67,500
540	Culvert Rails - Repaint	\$4,000	X	5	/	5	=	\$4,000
550	Bollards - Repaint	\$5,000	X	5	/	5	=	\$5,000
1010	Landscape Granite - Replenish	\$10,000	X	1	/	1	=	\$10,000
1015	Walking Trails - Repair	\$13,000	X	2	/	3	=	\$8,667
1020	Erosion Damage - Repair	\$2,600	X	3	/	3	=	\$2,600
1040	Drainage Basins - Inspect/Clean	\$21,000	X	3	/	3	=	\$21,000
1050	Drywells - Inspect/Clean	\$2,100	X	5	/	5	=	\$2,100
COMMUNITY PARK								
201	Parking Lot Asphalt - Repave	\$13,000	X	1	/	25	=	\$520
202	Parking Lot Asphalt - Seal/Repair	\$2,300	X	3	/	4	=	\$1,725
320	Pole Lights - Replace	\$6,200	X	30	/	35	=	\$5,314
330	Motion Detection Lights - Replace	\$2,100	X	4	/	15	=	\$560
410	Park Furniture - Partial Replace	\$7,300	X	4	/	5	=	\$5,840
420	Play Equipment - Replace	\$45,000	X	12	/	20	=	\$27,000
425	Shade Screen - Replace (A)	\$6,300	X	10	/	10	=	\$6,300
425	Shade Screen - Replace (B)	\$3,800	X	6	/	10	=	\$2,280
455	Ramada Roofs - Replace	\$7,300	X	4	/	25	=	\$1,168
465	Drinking Fountain - Replace	\$2,100	X	4	/	12	=	\$700
470	Restrooms - Remodel	\$6,500	X	4	/	15	=	\$1,733
490	Restroom Roof - Replace	\$2,500	X	10	/	15	=	\$1,667
650	Surveillance Cameras - Replace	\$13,000	X	4	/	8	=	\$6,500
680	Storage Container - Replace	\$4,200	X	5	/	30	=	\$700
								\$400,414

# Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
COMMON AREA				
103 Concrete - Repair	5	\$5,000	\$1,000	1.33 %
380 Monuments - Refurbish	20	\$18,000	\$900	1.19 %
385 Entry Lighting - Replace	15	\$37,000	\$2,467	3.27 %
501 Stucco Walls - Repair	20	\$50,000	\$2,500	3.32 %
505 Stucco Walls - Repaint (A)	10	\$43,000	\$4,300	5.70 %
505 Stucco Walls - Repaint (B)	10	\$120,000	\$12,000	15.91 %
515 Metal Fence - Partial Replace	10	\$20,000	\$2,000	2.65 %
520 Metal Fence - Repaint (A)	5	\$8,400	\$1,680	2.23 %
520 Metal Fence - Repaint (B)	5	\$8,400	\$1,680	2.23 %
530 View Fence - Partial Replace	10	\$135,000	\$13,500	17.90 %
540 Culvert Rails - Repaint	5	\$4,000	\$800	1.06 %
550 Bollards - Repaint	5	\$5,000	\$1,000	1.33 %
1010 Landscape Granite - Replenish	1	\$10,000	\$10,000	13.26 %
1015 Walking Trails - Repair	3	\$13,000	\$4,333	5.75 %
1020 Erosion Damage - Repair	3	\$2,600	\$867	1.15 %
1040 Drainage Basins - Inspect/Clean	3	\$21,000	\$7,000	9.28 %
1050 Drywells - Inspect/Clean	5	\$2,100	\$420	0.56 %
COMMUNITY PARK				
201 Parking Lot Asphalt - Repave	25	\$13,000	\$520	0.69 %
202 Parking Lot Asphalt - Seal/Repair	4	\$2,300	\$575	0.76 %
320 Pole Lights - Replace	35	\$6,200	\$177	0.23 %
330 Motion Detection Lights - Replace	15	\$2,100	\$140	0.19 %
410 Park Furniture - Partial Replace	5	\$7,300	\$1,460	1.94 %
420 Play Equipment - Replace	20	\$45,000	\$2,250	2.98 %
425 Shade Screen - Replace (A)	10	\$6,300	\$630	0.84 %
425 Shade Screen - Replace (B)	10	\$3,800	\$380	0.50 %
455 Ramada Roofs - Replace	25	\$7,300	\$292	0.39 %
465 Drinking Fountain - Replace	12	\$2,100	\$175	0.23 %
470 Restrooms - Remodel	15	\$6,500	\$433	0.57 %
490 Restroom Roof - Replace	15	\$2,500	\$167	0.22 %
650 Surveillance Cameras - Replace	8	\$13,000	\$1,625	2.15 %
680 Storage Container - Replace	30	\$4,200	\$140	0.19 %
31 Total Funded Components			\$75,411	100.00 %

30-Year Reserve Plan Summary

Report # 8141-8
No-Site-Visit

Fiscal Year Start: 2022

Interest:

1.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Contribs.	Reserve Contribs.			
2022	\$309,784	\$400,414	77.4 %	Low	5.00 %	\$75,600	\$0	\$2,591	\$179,400
2023	\$208,575	\$305,318	68.3 %	Medium	4.50 %	\$79,002	\$0	\$2,323	\$33,578
2024	\$256,322	\$359,895	71.2 %	Low	4.50 %	\$82,557	\$0	\$2,892	\$19,521
2025	\$322,250	\$432,989	74.4 %	Low	4.50 %	\$86,272	\$0	\$3,486	\$36,716
2026	\$375,293	\$493,037	76.1 %	Low	4.50 %	\$90,154	\$0	\$3,574	\$129,208
2027	\$339,813	\$462,165	73.5 %	Low	4.50 %	\$94,211	\$0	\$2,865	\$203,453
2028	\$233,437	\$356,519	65.5 %	Medium	3.50 %	\$97,509	\$0	\$2,590	\$48,837
2029	\$284,699	\$409,658	69.5 %	Medium	3.50 %	\$100,922	\$0	\$2,907	\$91,503
2030	\$297,025	\$423,228	70.2 %	Low	3.50 %	\$104,454	\$0	\$3,031	\$95,134
2031	\$309,375	\$436,331	70.9 %	Low	3.50 %	\$108,110	\$0	\$3,383	\$53,365
2032	\$367,502	\$495,800	74.1 %	Low	3.50 %	\$111,894	\$0	\$3,114	\$226,853
2033	\$255,657	\$381,402	67.0 %	Medium	3.50 %	\$115,810	\$0	\$2,970	\$35,852
2034	\$338,585	\$463,435	73.1 %	Low	3.50 %	\$119,863	\$0	\$3,345	\$131,170
2035	\$330,623	\$452,976	73.0 %	Low	3.50 %	\$124,058	\$0	\$3,758	\$37,154
2036	\$421,286	\$542,362	77.7 %	Low	3.50 %	\$128,400	\$0	\$4,582	\$58,688
2037	\$495,580	\$615,671	80.5 %	Low	3.50 %	\$132,894	\$0	\$4,174	\$293,054
2038	\$339,595	\$453,309	74.9 %	Low	3.50 %	\$137,546	\$0	\$3,858	\$48,623
2039	\$432,376	\$541,469	79.9 %	Low	3.50 %	\$142,360	\$0	\$4,530	\$105,286
2040	\$473,979	\$577,650	82.1 %	Low	3.50 %	\$147,342	\$0	\$5,214	\$57,202
2041	\$569,334	\$668,295	85.2 %	Low	3.50 %	\$152,499	\$0	\$6,239	\$49,098
2042	\$678,974	\$773,973	87.7 %	Low	3.50 %	\$157,837	\$0	\$6,041	\$313,180
2043	\$529,672	\$614,904	86.1 %	Low	3.50 %	\$163,361	\$0	\$5,670	\$93,945
2044	\$604,758	\$681,082	88.8 %	Low	3.50 %	\$169,079	\$0	\$6,622	\$60,166
2045	\$720,294	\$788,374	91.4 %	Low	3.50 %	\$174,997	\$0	\$8,016	\$19,736
2046	\$883,571	\$944,992	93.5 %	Low	3.50 %	\$181,121	\$0	\$8,506	\$254,912
2047	\$818,285	\$868,675	94.2 %	Low	3.50 %	\$187,461	\$0	\$7,227	\$385,255
2048	\$627,718	\$660,553	95.0 %	Low	3.50 %	\$194,022	\$0	\$7,000	\$55,856
2049	\$772,884	\$790,348	97.8 %	Low	3.50 %	\$200,813	\$0	\$7,412	\$270,997
2050	\$710,111	\$707,465	100.4 %	Low	3.50 %	\$207,841	\$0	\$7,040	\$226,505
2051	\$698,487	\$673,100	103.8 %	Low	3.50 %	\$215,115	\$0	\$7,893	\$40,769

Fiscal Year	2022	2023	2024	2025	2026
Starting Reserve Balance	\$309,784	\$208,575	\$256,322	\$322,250	\$375,293
Annual Reserve Contribution	\$75,600	\$79,002	\$82,557	\$86,272	\$90,154
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,591	\$2,323	\$2,892	\$3,486	\$3,574
Total Income	\$387,975	\$289,900	\$341,771	\$412,009	\$469,022
# Component					
COMMON AREA					
103 Concrete - Repair	\$0	\$0	\$0	\$0	\$5,628
380 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
385 Entry Lighting - Replace	\$0	\$0	\$0	\$0	\$0
501 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$56,275
505 Stucco Walls - Repaint (A)	\$0	\$0	\$0	\$0	\$0
505 Stucco Walls - Repaint (B)	\$120,000	\$0	\$0	\$0	\$0
515 Metal Fence - Partial Replace	\$0	\$0	\$0	\$0	\$22,510
520 Metal Fence - Repaint (A)	\$0	\$0	\$8,912	\$0	\$0
520 Metal Fence - Repaint (B)	\$8,400	\$0	\$0	\$0	\$0
530 View Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
540 Culvert Rails - Repaint	\$4,000	\$0	\$0	\$0	\$0
550 Bollards - Repaint	\$5,000	\$0	\$0	\$0	\$0
1010 Landscape Granite - Replenish	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
1015 Walking Trails - Repair	\$0	\$13,390	\$0	\$0	\$14,632
1020 Erosion Damage - Repair	\$2,600	\$0	\$0	\$2,841	\$0
1040 Drainage Basins - Inspect/Clean	\$21,000	\$0	\$0	\$22,947	\$0
1050 Drywells - Inspect/Clean	\$2,100	\$0	\$0	\$0	\$0
COMMUNITY PARK					
201 Parking Lot Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Parking Lot Asphalt - Seal/Repair	\$0	\$2,369	\$0	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
330 Motion Detection Lights - Replace	\$0	\$0	\$0	\$0	\$0
410 Park Furniture - Partial Replace	\$0	\$7,519	\$0	\$0	\$0
420 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (A)	\$6,300	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (B)	\$0	\$0	\$0	\$0	\$4,277
455 Ramada Roofs - Replace	\$0	\$0	\$0	\$0	\$0
465 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
470 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
490 Restroom Roof - Replace	\$0	\$0	\$0	\$0	\$0
650 Surveillance Cameras - Replace	\$0	\$0	\$0	\$0	\$14,632
680 Storage Container - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$179,400	\$33,578	\$19,521	\$36,716	\$129,208
Ending Reserve Balance	\$208,575	\$256,322	\$322,250	\$375,293	\$339,813

Fiscal Year	2027	2028	2029	2030	2031
Starting Reserve Balance	\$339,813	\$233,437	\$284,699	\$297,025	\$309,375
Annual Reserve Contribution	\$94,211	\$97,509	\$100,922	\$104,454	\$108,110
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,865	\$2,590	\$2,907	\$3,031	\$3,383
Total Income	\$436,890	\$333,535	\$388,527	\$404,509	\$420,868
# Component					
COMMON AREA					
103 Concrete - Repair	\$0	\$0	\$0	\$0	\$6,524
380 Monuments - Refurbish	\$0	\$0	\$0	\$22,802	\$0
385 Entry Lighting - Replace	\$0	\$0	\$0	\$0	\$0
501 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
505 Stucco Walls - Repaint (A)	\$0	\$0	\$52,885	\$0	\$0
505 Stucco Walls - Repaint (B)	\$0	\$0	\$0	\$0	\$0
515 Metal Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Fence - Repaint (A)	\$0	\$0	\$10,331	\$0	\$0
520 Metal Fence - Repaint (B)	\$9,738	\$0	\$0	\$0	\$0
530 View Fence - Partial Replace	\$156,502	\$0	\$0	\$0	\$0
540 Culvert Rails - Repaint	\$4,637	\$0	\$0	\$0	\$0
550 Bollards - Repaint	\$5,796	\$0	\$0	\$0	\$0
1010 Landscape Granite - Replenish	\$11,593	\$11,941	\$12,299	\$12,668	\$13,048
1015 Walking Trails - Repair	\$0	\$0	\$15,988	\$0	\$0
1020 Erosion Damage - Repair	\$0	\$3,105	\$0	\$0	\$3,392
1040 Drainage Basins - Inspect/Clean	\$0	\$25,075	\$0	\$0	\$27,400
1050 Drywells - Inspect/Clean	\$2,434	\$0	\$0	\$0	\$0
COMMUNITY PARK					
201 Parking Lot Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Parking Lot Asphalt - Seal/Repair	\$2,666	\$0	\$0	\$0	\$3,001
320 Pole Lights - Replace	\$7,187	\$0	\$0	\$0	\$0
330 Motion Detection Lights - Replace	\$0	\$0	\$0	\$0	\$0
410 Park Furniture - Partial Replace	\$0	\$8,717	\$0	\$0	\$0
420 Play Equipment - Replace	\$0	\$0	\$0	\$57,005	\$0
425 Shade Screen - Replace (A)	\$0	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (B)	\$0	\$0	\$0	\$0	\$0
455 Ramada Roofs - Replace	\$0	\$0	\$0	\$0	\$0
465 Drinking Fountain - Replace	\$0	\$0	\$0	\$2,660	\$0
470 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
490 Restroom Roof - Replace	\$2,898	\$0	\$0	\$0	\$0
650 Surveillance Cameras - Replace	\$0	\$0	\$0	\$0	\$0
680 Storage Container - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$203,453	\$48,837	\$91,503	\$95,134	\$53,365
Ending Reserve Balance	\$233,437	\$284,699	\$297,025	\$309,375	\$367,502

Fiscal Year	2032	2033	2034	2035	2036
Starting Reserve Balance	\$367,502	\$255,657	\$338,585	\$330,623	\$421,286
Annual Reserve Contribution	\$111,894	\$115,810	\$119,863	\$124,058	\$128,400
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,114	\$2,970	\$3,345	\$3,758	\$4,582
Total Income	\$482,510	\$374,437	\$461,793	\$458,439	\$554,268
# Component					
COMMON AREA					
103 Concrete - Repair	\$0	\$0	\$0	\$0	\$7,563
380 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
385 Entry Lighting - Replace	\$0	\$0	\$52,753	\$0	\$0
501 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
505 Stucco Walls - Repaint (A)	\$0	\$0	\$0	\$0	\$0
505 Stucco Walls - Repaint (B)	\$161,270	\$0	\$0	\$0	\$0
515 Metal Fence - Partial Replace	\$0	\$0	\$0	\$0	\$30,252
520 Metal Fence - Repaint (A)	\$0	\$0	\$11,976	\$0	\$0
520 Metal Fence - Repaint (B)	\$11,289	\$0	\$0	\$0	\$0
530 View Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
540 Culvert Rails - Repaint	\$5,376	\$0	\$0	\$0	\$0
550 Bollards - Repaint	\$6,720	\$0	\$0	\$0	\$0
1010 Landscape Granite - Replenish	\$13,439	\$13,842	\$14,258	\$14,685	\$15,126
1015 Walking Trails - Repair	\$17,471	\$0	\$0	\$19,091	\$0
1020 Erosion Damage - Repair	\$0	\$0	\$3,707	\$0	\$0
1040 Drainage Basins - Inspect/Clean	\$0	\$0	\$29,941	\$0	\$0
1050 Drywells - Inspect/Clean	\$2,822	\$0	\$0	\$0	\$0
COMMUNITY PARK					
201 Parking Lot Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Parking Lot Asphalt - Seal/Repair	\$0	\$0	\$0	\$3,378	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
330 Motion Detection Lights - Replace	\$0	\$2,907	\$0	\$0	\$0
410 Park Furniture - Partial Replace	\$0	\$10,105	\$0	\$0	\$0
420 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (A)	\$8,467	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (B)	\$0	\$0	\$0	\$0	\$5,748
455 Ramada Roofs - Replace	\$0	\$0	\$0	\$0	\$0
465 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
470 Restrooms - Remodel	\$0	\$8,998	\$0	\$0	\$0
490 Restroom Roof - Replace	\$0	\$0	\$0	\$0	\$0
650 Surveillance Cameras - Replace	\$0	\$0	\$18,535	\$0	\$0
680 Storage Container - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$226,853	\$35,852	\$131,170	\$37,154	\$58,688
Ending Reserve Balance	\$255,657	\$338,585	\$330,623	\$421,286	\$495,580

Fiscal Year	2037	2038	2039	2040	2041
Starting Reserve Balance	\$495,580	\$339,595	\$432,376	\$473,979	\$569,334
Annual Reserve Contribution	\$132,894	\$137,546	\$142,360	\$147,342	\$152,499
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,174	\$3,858	\$4,530	\$5,214	\$6,239
Total Income	\$632,648	\$480,999	\$579,266	\$626,536	\$728,073
# Component					
COMMON AREA					
103 Concrete - Repair	\$0	\$0	\$0	\$0	\$8,768
380 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
385 Entry Lighting - Replace	\$0	\$0	\$0	\$0	\$0
501 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
505 Stucco Walls - Repaint (A)	\$0	\$0	\$71,072	\$0	\$0
505 Stucco Walls - Repaint (B)	\$0	\$0	\$0	\$0	\$0
515 Metal Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Fence - Repaint (A)	\$0	\$0	\$13,884	\$0	\$0
520 Metal Fence - Repaint (B)	\$13,087	\$0	\$0	\$0	\$0
530 View Fence - Partial Replace	\$210,326	\$0	\$0	\$20,326	\$0
540 Culvert Rails - Repaint	\$6,232	\$0	\$0	\$0	\$0
550 Bollards - Repaint	\$7,790	\$0	\$0	\$0	\$0
1010 Landscape Granite - Replenish	\$15,580	\$16,047	\$16,528	\$17,024	\$17,535
1015 Walking Trails - Repair	\$0	\$20,861	\$0	\$0	\$22,796
1020 Erosion Damage - Repair	\$4,051	\$0	\$0	\$4,426	\$0
1040 Drainage Basins - Inspect/Clean	\$32,717	\$0	\$0	\$35,751	\$0
1050 Drywells - Inspect/Clean	\$3,272	\$0	\$0	\$0	\$0
COMMUNITY PARK					
201 Parking Lot Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Parking Lot Asphalt - Seal/Repair	\$0	\$0	\$3,802	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
330 Motion Detection Lights - Replace	\$0	\$0	\$0	\$0	\$0
410 Park Furniture - Partial Replace	\$0	\$11,714	\$0	\$0	\$0
420 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (A)	\$0	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (B)	\$0	\$0	\$0	\$0	\$0
455 Ramada Roofs - Replace	\$0	\$0	\$0	\$0	\$0
465 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
470 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
490 Restroom Roof - Replace	\$0	\$0	\$0	\$0	\$0
650 Surveillance Cameras - Replace	\$0	\$0	\$0	\$0	\$0
680 Storage Container - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$293,054	\$48,623	\$105,286	\$57,202	\$49,098
Ending Reserve Balance	\$339,595	\$432,376	\$473,979	\$569,334	\$678,974

Fiscal Year	2042	2043	2044	2045	2046
Starting Reserve Balance	\$678,974	\$529,672	\$604,758	\$720,294	\$883,571
Annual Reserve Contribution	\$157,837	\$163,361	\$169,079	\$174,997	\$181,121
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,041	\$5,670	\$6,622	\$8,016	\$8,506
Total Income	\$842,852	\$698,703	\$780,460	\$903,306	\$1,073,198
# Component					
COMMON AREA					
103 Concrete - Repair	\$0	\$0	\$0	\$0	\$10,164
380 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
385 Entry Lighting - Replace	\$0	\$0	\$0	\$0	\$0
501 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$101,640
505 Stucco Walls - Repaint (A)	\$0	\$0	\$0	\$0	\$0
505 Stucco Walls - Repaint (B)	\$216,733	\$0	\$0	\$0	\$0
515 Metal Fence - Partial Replace	\$0	\$0	\$0	\$0	\$40,656
520 Metal Fence - Repaint (A)	\$0	\$0	\$16,095	\$0	\$0
520 Metal Fence - Repaint (B)	\$15,171	\$0	\$0	\$0	\$0
530 View Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
540 Culvert Rails - Repaint	\$7,224	\$0	\$0	\$0	\$0
550 Bollards - Repaint	\$9,031	\$0	\$0	\$0	\$0
1010 Landscape Granite - Replenish	\$18,061	\$18,603	\$19,161	\$19,736	\$20,328
1015 Walking Trails - Repair	\$0	\$0	\$24,909	\$0	\$0
1020 Erosion Damage - Repair	\$0	\$4,837	\$0	\$0	\$5,285
1040 Drainage Basins - Inspect/Clean	\$0	\$39,066	\$0	\$0	\$42,689
1050 Drywells - Inspect/Clean	\$3,793	\$0	\$0	\$0	\$0
COMMUNITY PARK					
201 Parking Lot Asphalt - Repave	\$0	\$0	\$0	\$0	\$26,426
202 Parking Lot Asphalt - Seal/Repair	\$0	\$4,279	\$0	\$0	\$0
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
330 Motion Detection Lights - Replace	\$0	\$0	\$0	\$0	\$0
410 Park Furniture - Partial Replace	\$0	\$13,580	\$0	\$0	\$0
420 Play Equipment - Replace	\$0	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (A)	\$11,379	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (B)	\$0	\$0	\$0	\$0	\$7,725
455 Ramada Roofs - Replace	\$0	\$13,580	\$0	\$0	\$0
465 Drinking Fountain - Replace	\$3,793	\$0	\$0	\$0	\$0
470 Restrooms - Remodel	\$0	\$0	\$0	\$0	\$0
490 Restroom Roof - Replace	\$4,515	\$0	\$0	\$0	\$0
650 Surveillance Cameras - Replace	\$23,479	\$0	\$0	\$0	\$0
680 Storage Container - Replace	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$313,180	\$93,945	\$60,166	\$19,736	\$254,912
Ending Reserve Balance	\$529,672	\$604,758	\$720,294	\$883,571	\$818,285

Fiscal Year	2047	2048	2049	2050	2051
Starting Reserve Balance	\$818,285	\$627,718	\$772,884	\$710,111	\$698,487
Annual Reserve Contribution	\$187,461	\$194,022	\$200,813	\$207,841	\$215,115
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,227	\$7,000	\$7,412	\$7,040	\$7,893
Total Income	\$1,012,973	\$828,740	\$981,108	\$924,992	\$921,496
# Component					
COMMON AREA					
103 Concrete - Repair	\$0	\$0	\$0	\$0	\$11,783
380 Monuments - Refurbish	\$0	\$0	\$0	\$41,183	\$0
385 Entry Lighting - Replace	\$0	\$0	\$82,188	\$0	\$0
501 Stucco Walls - Repair	\$0	\$0	\$0	\$0	\$0
505 Stucco Walls - Repaint (A)	\$0	\$0	\$95,515	\$0	\$0
505 Stucco Walls - Repaint (B)	\$0	\$0	\$0	\$0	\$0
515 Metal Fence - Partial Replace	\$0	\$0	\$0	\$0	\$0
520 Metal Fence - Repaint (A)	\$0	\$0	\$18,659	\$0	\$0
520 Metal Fence - Repaint (B)	\$17,588	\$0	\$0	\$0	\$0
530 View Fence - Partial Replace	\$282,660	\$0	\$0	\$0	\$0
540 Culvert Rails - Repaint	\$8,375	\$0	\$0	\$0	\$0
550 Bollards - Repaint	\$10,469	\$0	\$0	\$0	\$0
1010 Landscape Granite - Replenish	\$20,938	\$21,566	\$22,213	\$22,879	\$23,566
1015 Walking Trails - Repair	\$27,219	\$0	\$0	\$29,743	\$0
1020 Erosion Damage - Repair	\$0	\$0	\$5,775	\$0	\$0
1040 Drainage Basins - Inspect/Clean	\$0	\$0	\$46,647	\$0	\$0
1050 Drywells - Inspect/Clean	\$4,397	\$0	\$0	\$0	\$0
COMMUNITY PARK					
201 Parking Lot Asphalt - Repave	\$0	\$0	\$0	\$0	\$0
202 Parking Lot Asphalt - Seal/Repair	\$4,816	\$0	\$0	\$0	\$5,420
320 Pole Lights - Replace	\$0	\$0	\$0	\$0	\$0
330 Motion Detection Lights - Replace	\$0	\$4,529	\$0	\$0	\$0
410 Park Furniture - Partial Replace	\$0	\$15,743	\$0	\$0	\$0
420 Play Equipment - Replace	\$0	\$0	\$0	\$102,957	\$0
425 Shade Screen - Replace (A)	\$0	\$0	\$0	\$0	\$0
425 Shade Screen - Replace (B)	\$0	\$0	\$0	\$0	\$0
455 Ramada Roofs - Replace	\$0	\$0	\$0	\$0	\$0
465 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
470 Restrooms - Remodel	\$0	\$14,018	\$0	\$0	\$0
490 Restroom Roof - Replace	\$0	\$0	\$0	\$0	\$0
650 Surveillance Cameras - Replace	\$0	\$0	\$0	\$29,743	\$0
680 Storage Container - Replace	\$8,794	\$0	\$0	\$0	\$0
Total Expenses	\$385,255	\$55,856	\$270,997	\$226,505	\$40,769
Ending Reserve Balance	\$627,718	\$772,884	\$710,111	\$698,487	\$880,727



Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. DJ Vlaming, R.S., company president, is a credentialed Reserve Specialist (#61). All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.



Terms and Definitions

BTU	British Thermal Unit (a standard unit of energy)
DIA	Diameter
GSF	Gross Square Feet (area). Equivalent to Square Feet
GSY	Gross Square Yards (area). Equivalent to Square Yards
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 value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
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 the "30-yr Income/Expense Detail" table.
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.
Percent Funded	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
Remaining Useful Life (RUL)	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
Useful Life (UL)	The estimated time, in years, that a common area component can be expected to serve its intended function.



Component Details

The primary purpose of the Component Details appendix is to provide the reader with the basis of our funding assumptions resulting from the physical analysis and subsequent research. The information presented here represents a wide range of components that were observed and measured against National Reserve Study Standards to determine if they meet the criteria for reserve funding:

- 1) Common area repair & replacement responsibility
- 2) Component must have a limited useful life
- 3) Life limit must be predictable
- 4) Above a minimum threshold cost (board's discretion – typically ½ to 1% of Annual operating expenses).

Not all of your components may have been found appropriate for reserve funding. In our judgment, the components meeting the above four criteria are shown with the Useful Life (how often the project is expected to occur), Remaining Useful Life (when the next instance of the expense will be) and representative market cost range termed “Best Cost” and “Worst Cost”. There are many factors that can result in a wide variety of potential costs, and we have attempted to present the cost range in which your actual expense will occur.

Where no Useful Life, Remaining Useful Life, or pricing exists, the component was deemed inappropriate for Reserve Funding.

COMMON AREA

Comp #: 103 Concrete - Repair

Quantity: Numerous Sq Ft

Location: Common walkways & pads at park area & washes

Funded?: Yes.

History: ~\$18,500 spent during 2021 to replace concrete pads for walking path in the wash.

Comments: There is no expectancy to completely replace the concrete. This component provides an allowance for periodic repairs and/or partial replacements.

Useful Life: 5 years

Remaining Life: 4 years

Best Case: \$ 5,000

Worst Case: \$5,000

Cost Source: ARI Cost Allowance

Comp #: 380 Monuments - Refurbish

Quantity: (9) Monuments

Location: Property entrances/exits on Tangerine, La Canada, & Naranja Drive

Funded?: Yes.

History: Refurbished in 2010 for ~\$12,000.

Comments:

Useful Life: 20 years

Remaining Life: 8 years

Best Case: \$ 18,000

Worst Case: \$18,000

Cost Source: Client Cost History

Comp #: 385 Entry Lighting - Replace

Quantity: Approx (136) Fixtures

Location: Property entrances/exits on Tangerine, La Canada, & Naranja Drive

Funded?: Yes.

History: Installed during 2018-2019 for ~\$33,300.

Comments: Quantity includes approximately (54) bollards and (82) landscape lights.

Useful Life: 15 years

Remaining Life: 12 years

Best Case: \$ 37,000

Worst Case: \$37,000

Cost Source: Client Cost History

Comp #: 403 Mailboxes - Replace

Quantity: Numerous Clusters

Location: Adjacent to streets throughout community

Funded?: No. The mailboxes are Post Office owned and maintained.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 415 Exercise Stations - Replace

Quantity: Approx (5) Stations

Location: Along wash/common area trail

Funded?: No. The association reports the stations will not be replaced when they are finally deemed unusable. No Reserve funding has been allocated to replace any of the exercise stations.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 420 Pet Stations - Replace

Quantity: Approx (5) Stations

Location: Bordering streets & common areas throughout community, including Community Park

Funded?: No. Individual replacement cost is under the Reserve expense threshold. Replace individually as-needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 430 Concrete Furniture - Replace**Quantity: (3) Benches, (10) Trash**

Location: Adjacent to walkways throughout community; Community Park

Funded?: No. Individual replacement cost is under the Reserve threshold. Replace individually as-needed with Operating funds.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 501 Stucco Walls - Repair**Quantity: Approx 133,600 Sq Ft**

Location: Common walls throughout the community, including monument walls

Funded?: Yes.

History:

Comments: Walls are expected to last the life of the community under normal circumstances. This component funds an allowance for repairs and/or partial replacement due to excessive settling or other sources of damage.

Useful Life: 20 years

Remaining Life: 4 years

Best Case: \$ 50,000

Worst Case: \$50,000

Cost Source: ARI Cost Allowance

Comp #: 505 Stucco Walls - Repaint (A)**Quantity: Numerous Sq Ft**

Location: Common walls throughout the community, including monument walls & park restrooms/ramadas

Funded?: Yes.

History: ~\$27,000 was spent during 2018-2019 for walls, monument, and park restrooms repainting. Another ~\$11,700 was spent during 2020 for wall painting.

Comments:

Useful Life: 10 years

Remaining Life: 7 years

Best Case: \$ 43,000

Worst Case: \$43,000

Cost Source: Client Cost History

Comp #: 505 Stucco Walls - Repaint (B)**Quantity: Approx 133,600 Sq Ft**

Location: Common walls throughout the community

Funded?: Yes.

History: Repainted in 2010-2011 for ~\$87,000 (excluding view walls). Another \$3,300 was paid in 2010 to paint monument walls.

Comments: HOA reportedly received an estimate of ~\$143,000 to repaint the community walls. This component provides funding to repaint the community walls, minus those areas already repainted in 2018-2020 (included under Stucco Walls A). Repaint periodically to maintain the appearance and keep surfaces well sealed.

Useful Life: 10 years

Remaining Life: 0 years

Best Case: \$ 120,000

Worst Case: \$120,000

Cost Source: Past Estimate Provided by Client

Comp #: 515 Metal Fence - Partial Replace**Quantity: Approx 1,200 LF**

Location: Drainage basins & run-offs

Funded?: Yes.

History: Section replaced by La Canada/Canada Creek in 2017.

Comments: We do not anticipate replacing all of the metal fence at one time will occur. This component provides funding for periodic, partial replacement.

Useful Life: 10 years

Remaining Life: 4 years

Best Case: \$ 20,000

Worst Case: \$20,000

Reflects replacing ~33% of the total LF

Cost Source: Client Cost History

Comp #: 520 Metal Fence - Repaint (A)**Quantity: 50% of 1,200 LF**

Location: Drainage basins & run-offs

Funded?: Yes.

History: ~\$7,300 spent during 2019 for metal fence repainting.

Comments: This component provides funding to repaint ~50% of the metal fencing.

Useful Life: 5 years

Remaining Life: 2 years

Best Case: \$ 8,400

Worst Case: \$8,400

Cost Source: Client Cost History

Comp #: 520 Metal Fence - Repaint (B)**Quantity: 50% of 1,200 LF**

Location: Drainage basins & run-offs

Funded?: Yes.

History:

Comments: This component provides funding to repaint ~50% of the metal fencing.

Useful Life: 5 years

Remaining Life: 0 years

Best Case: \$ 8,400

Worst Case: \$8,400

Cost Source: ARI Cost Database

Comp #: 530 View Fence - Partial Replace**Quantity: Approx 16,600 LF**

Location: Homeowner backyards throughout community

Funded?: Yes.

History:

Comments: View fence has not been maintained over the years. We do not anticipate replacing all of the view fence at one time.

This component provides funding for periodic, partial replacement.

Useful Life: 10 years

Remaining Life: 5 years

Best Case: \$ 135,000

Worst Case: \$135,000

Reflects replacing ~20% of the total LF

Cost Source: ARI Cost Allowance

Comp #: 535 View Fence - Repaint**Quantity: Approx 16,600 LF**

Location: Homeowner backyards throughout community

Funded?: No. The HOA reportedly has no plans to repaint the view fencing, since access is difficult due to steep slopes and heavy vegetation

History: HOA reports the view fence has never been completely repainted.

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 540 Culvert Rails - Repaint**Quantity: Approx 500 LF**

Location: Sidewalks over wash areas, handrails to walking trail, some water drainage areas

Funded?: Yes.

History:

Comments:

Useful Life: 5 years

Remaining Life: 0 years

Best Case: \$ 4,000

Worst Case: \$4,000

Cost Source: ARI Cost Database

Comp #: 550 Bollards - Repaint**Quantity: Approx (138) Bollards**

Location: Drainage areas throughout community & around the drywells

Funded?: Yes.

History:

Comments: Although many of these bollards are the responsibility of Oro Valley, the HOA has requested funding for repainting, scheduled simultaneously with the metal fencing and culvert rails.

Useful Life: 5 years

Remaining Life: 0 years

Best Case: \$ 5,000

Worst Case: \$5,000

Cost Source: ARI Cost Database

Comp #: 1001 Irrigation System - Replace**Quantity: Lines, Valves, Emitters**

Location: Common areas throughout community

Funded?: No. We assume system will be repaired as-needed using Operating funds.

History:

Comments: It is beyond the scope of this Reserve Study to quantify and assess conditions of the irrigation system components.

Funding for replacement of the system can be added to this study at the HOA's request, but we would need to be provided with cost and timing estimates.

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1005 Backflow Valves - Replace**Quantity: (6) Valves**

Location: Common areas throughout community

Funded?: No. Individual replacement cost is under the Reserve threshold.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1010 Landscape Granite - Replenish**Quantity: Numerous Sq Ft**

Location: Bordering walls & common areas throughout community

Funded?: Yes.

History: ~\$3,100 spent during 2019. ~\$28,400 spent during 2018. ~\$7,000 spent during 2010.

Comments: The HOA plans to replenish sections of granite every year. This component provides an allowance to periodically replenish/top dress granite areas.

Useful Life: 1 years

Remaining Life: 0 years

Best Case: \$ 10,000

Worst Case: \$10,000

Cost Source: ARI Cost Allowance

Comp #: 1015 Walking Trails - Repair**Quantity: Numerous Sq Ft**

Location: Wash/common areas

Funded?: Yes.

History: ~\$12,000 spent during late 2020 for walking trail repairs. Nothing was spent during 2018 or 2019.

Comments: Repair cost will vary depending on the amount and severity of monsoon storms. Funding is provided for periodic repairs to the walkway trails.

Useful Life: 3 years

Remaining Life: 1 years

Best Case: \$ 13,000

Worst Case: \$13,000

Cost Source: Client Cost History

Comp #: 1020 Erosion Damage - Repair**Quantity: Numerous Sq Ft**

Location: Drainage & concrete spillways

Funded?: Yes.

History:

Comments: Repair cost will vary depending on the amount and severity of monsoon storms. Funding is provided for periodic erosion repairs.

Useful Life: 3 years

Remaining Life: 0 years

Best Case: \$ 2,600

Worst Case: \$2,600

Cost Source: Past Estimate Provided by Client

Comp #: 1025 Trees - Trim/Replace**Quantity: Numerous Trees**

Location: Common areas throughout community

Funded?: No. Trees should be trimmed and maintained as part of the annual landscape Operating budget.

History:

Comments:

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

Comp #: 1040 Drainage Basins - Inspect/Clean**Quantity: (4) Basins**

Location: (1) at La Canada/Canada Creek; (1) at La Canada/Rain Rock Way; (1) at La Canada/Silverleaf; (1) at Weeping Wash/Running River

Funded?: Yes.

History: ~\$18,300 spent primarily during 2018 for evaluations and repairs.

Comments: Drainage basins require periodic inspection, cleaning, and repairs. It is beyond the scope of this Reserve Study to predict the timing or cost of repairs needed to the drainage basins.

Useful Life: 3 years

Remaining Life: 0 years

Best Case: \$ 21,000

Worst Case: \$21,000

Cost Source: Client Cost History

Comp #: 1050 Drywells - Inspect/Clean

Quantity: (2) Drywells

Location: Eagle Peak Drive

Funded?: Yes.

History:

Comments: The HOA originally planned to abandon these drywells, however that plan has changed and the HOA now plans to periodically clean and maintain these drywells. Periodic cleaning is necessary to ensure proper function and longevity.

Useful Life: 5 years

Remaining Life: 0 years

Best Case: \$ 2,100

Worst Case: \$2,100

Cost Source: ARI Cost Allowance

COMMUNITY PARK

Comp #: 201 Parking Lot Asphalt - Repave**Quantity: Approx 4,300 Sq Ft**

Location: Park area

Funded?: Yes.

History: Repaved during 2021 for ~\$12,400. Previously received an overlay during 2012.

Comments: Life span is based on periodically seal coating and maintaining the surface.

Useful Life: 25 years

Remaining Life: 24 years

Best Case: \$ 13,000

Worst Case: \$13,000

Cost Source: Client Cost History

Comp #: 202 Parking Lot Asphalt - Seal/Repair**Quantity: Approx 4,300 Sq Ft**

Location: Park area

Funded?: Yes.

History:

Comments: Asphalt should typically be sealed 1-2 years after being repaved. Seal coat asphalt surfaces periodically to prevent premature cracking and deterioration.

Useful Life: 4 years

Remaining Life: 1 years

Best Case: \$ 2,300

Worst Case: \$2,300

Cost Source: Client Cost History

Comp #: 320 Pole Lights - Replace**Quantity: (2) Pole Lights**

Location: Park area

Funded?: Yes.

History: Installed around 1992.

Comments: These are 15' - 20' tall steel light poles.

Useful Life: 35 years

Remaining Life: 5 years

Best Case: \$ 6,200

Worst Case: \$6,200

Cost Source: ARI Cost Database

Comp #: 330 Motion Detection Lights - Replace**Quantity: (6) Motion Lights**

Location: Park area - (2) mounted to pole adjacent to parking lot & (4) mounted to ramadas

Funded?: Yes.

History: Installed during 2018 for ~\$1,800.

Comments:

Useful Life: 15 years

Remaining Life: 11 years

Best Case: \$ 2,100

Worst Case: \$2,100

Cost Source: Client Cost History

Comp #: 410 Park Furniture - Partial Replace**Quantity: (25) Assorted Pieces**

Location: Park area & walkways throughout community

Funded?: Yes.

History: (2) benches added during 2018 for ~\$1,400.

Comments: Quantity includes (3) concrete benches, (10) concrete trash receptacles, (8) metal benches, (2) aluminum picnic tables, and (2) BBQ grills. Varying ages, styles, and conditions. There is no expectancy to replace all of the park furniture at the same time. Funding is provided for periodic, partial replacement.

Useful Life: 5 years

Remaining Life: 1 years

Best Case: \$ 7,300

Worst Case: \$7,300

Cost Source: ARI Cost Allowance

Comp #: 420 Play Equipment - Replace**Quantity: (4) Assorted Pieces**

Location: Park area

Funded?: Yes.

History: The playstructure and swingset were installed around 2010 for ~\$27,000. (2) GameTime spring riders were added in 2012 for ~\$2,400.

Comments:

Useful Life: 20 years

Remaining Life: 8 years

Best Case: \$ 45,000

Worst Case: \$45,000

Cost Source: Client Cost History

Comp #: 425 Shade Screen - Replace (A) **Quantity: (1) Screen: ~800 Sq Ft**
Location: Park area - above playstructure
Funded?: Yes.
History: Installed around 2010 with the playstructure.
Comments: Funding is provided for future replacement of only the shade screen fabric.
Useful Life: 10 years Remaining Life: 0 years
Best Case: \$ 6,300 Worst Case: \$6,300
Cost Source: ARI Cost Database

Comp #: 425 Shade Screen - Replace (B) **Quantity: (1) Screen: ~600 Sq Ft**
Location: Park area - above swingset
Funded?: Yes.
History: Per satellite imagery, installation occurred around 2016.
Comments: Funding is provided for future replacement of only the shade screen fabric.
Useful Life: 10 years Remaining Life: 4 years
Best Case: \$ 3,800 Worst Case: \$3,800
Cost Source: ARI Cost Database

Comp #: 440 Playground Sand - Replenish **Quantity: Approx 55 Tons**
Location: Park area
Funded?: No. Recommend replenishing and sifting the sand as-needed using Operating funds.
History:
Comments:
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 455 Ramada Roofs - Replace **Quantity: (2) Roofs: ~700 Sq Ft**
Location: Rooftop of ramadas
Funded?: Yes.
History: Previous rolled flat roofs were replaced with metal during 2018.
Comments: Long life component under normal circumstances. Future replacement of the metal rooftop should still be anticipated at some point in the future.
Useful Life: 25 years Remaining Life: 21 years
Best Case: \$ 7,300 Worst Case: \$7,300
Cost Source: ARI Cost Database

Comp #: 465 Drinking Fountain - Replace **Quantity: (1) Elkay**
Location: Wall mounted at park restroom building
Funded?: Yes.
History: Replaced around 2018.
Comments:
Useful Life: 12 years Remaining Life: 8 years
Best Case: \$ 2,100 Worst Case: \$2,100
Cost Source: ARI Cost Database

Comp #: 470 Restrooms - Remodel **Quantity: (2) Restrooms**
Location: Park area
Funded?: Yes.
History: Remodeled during 2018.
Comments: Expect to remodel the restrooms again in the future. This would include replacing the toilets, sinks, under-sink water heaters, electronic door locks, etc.
Useful Life: 15 years Remaining Life: 11 years
Best Case: \$ 6,500 Worst Case: \$6,500
Cost Source: ARI Cost Allowance

Comp #: 480 Restrooms/Ramadas - Repaint **Quantity: Approx 3,800 Sq Ft**
Location: Interior/exterior surfaces of the restroom building; Ramada metal surfaces
Funded?: No. Funding for repainting is included with the community stucco walls under the Common Area chapter of this report.
History: Repainted during 2018-2019. Previously repainted 2009-2010 for \$900.
Comments:
Useful Life: Remaining Life:
Best Case: Worst Case:
Cost Source:

Comp #: 490 Restroom Roof - Replace

Quantity: (1) Roof: ~250 Sq Ft

Location: Rooftop of restrooms

Funded?: Yes.

History: Replaced during 2012.

Comments:

Useful Life: 15 years

Remaining Life: 5 years

Best Case: \$ 2,500

Worst Case: \$2,500

Cost Source: ARI Cost Database

Comp #: 650 Surveillance Cameras - Replace

Quantity: (6) Cameras

Location: Park area - mounted to pole lights & restroom building

Funded?: Yes.

History: ~\$11,700 spent during 2018. Previously installed during 2011.

Comments:

Useful Life: 8 years

Remaining Life: 4 years

Best Case: \$ 13,000

Worst Case: \$13,000

Cost Source: Client Cost History

Comp #: 680 Storage Container - Replace

Quantity: (1) 20' Container

Location: Park area - behind the restroom building

Funded?: Yes.

History: Per satellite imagery, this large metal storage container was added around 2017.

Comments: Long life component under normal circumstances. It would still be prudent to plan for replacement or significant repairs eventually. Repainting should be included with the restroom building exterior.

Useful Life: 30 years

Remaining Life: 25 years

Best Case: \$ 4,200

Worst Case: \$4,200

Cost Source: ARI Cost Allowance
