



**RESERVE STUDY
FOR
RANCHO VERDE HOMEOWNERS ASSOCIATION**



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March 9, 2020



EXECUTIVE SUMMARY

RANCHO VERDE HOMEOWNERS ASSOCIATION

March 9, 2020

Starting Reserve Balance 1/1/2020	\$141,626
Projected Fully Funded Reserve Balance 1/1/2020	\$212,018
Percent Fully Funded 1/1/2020	67%
Current Annual Reserve Contribution	\$21,585

This study is based on the cash flow method of funding. This analysis is an assessment of the reserve fund based on a field assessment of the condition of the assets of the association, a projection of the useful life and remaining useful life of those assets, and the replacement costs for those assets. The financial information on the reserve fund balance and contribution to the fund was provided by the association and was not audited. The general guideline used in our studies to determine whether the cost to replace or maintain an asset is paid from reserves or operations is if the replacement cost exceeds \$500 it is included in reserves. That can be modified at the direction of the Board.

Following are some key points relative to your study:

1. The study has a fiscal year beginning date of 1/1/2020.
2. As reflected by the Current Assessment Funding Model Projection in the report, the reserve fund is underfunded and will actually run out of funds in year 2030. Reserve funds are generally considered to be in a healthy condition if the reserve balance is at or above 70% of the fully funded balance.
3. Because of the underfunded condition based on the current funding, an Alternate Funding Model was prepared and included in the report for consideration by the Association. The model suggests annual contributions to the reserve fund of \$30,000 in 2021, \$40,000 in 2022 thru 2036 and a 5% annual increase in 2037 and following years. With this funding alternative the reserve fund will remain in a healthy balance for many years. Other funding alternatives can be prepared if desired by the Board. Note that the study includes a 3% inflation on costs based on current construction cost indexes so some increase in funding over time is recommended to stay even with cost increase from inflation.
4. This study should be compared with the operating budget to make sure there are no overlaps or gaps of items in this study and in the operating budget.

5. The physical assessment of components was based on field reviews conducted on December 23, 2019. The field review consisted of on-site observations of common areas and facilities. No sampling or destructive testing was performed. The on-site observation is not a comprehensive quality inspection. Quantification of assets was accomplished with a combination of on-site measurements, aerial photos and information provided by the association.
6. The consultant has no other involvement with the association that could be considered a conflict of interest. To our knowledge, there are no material issues that have not been disclosed that would cause a distortion of the association's reserve fund.

Report was prepared by:

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Part One

Important Information

The client shall have the right to reproduce and distribute copies of this report, or the information contained within, as may be required for compliance with all applicable regulations.

This reserve analysis study and the parameters under which it has been completed are based upon information provided to us in part by representatives of the association, its contractors and vendors and our own experience with local costs. We also may rely on various construction pricing and scheduling manuals including, but not limited to: Marshall & Swift Valuation Service, RS Means Facilities Maintenance & Repair Cost Data, RS Means Repair & Remodeling Cost Data, National Construction Estimator, National Repair & Remodel Estimator, Dodge Cost Manual and McGraw-Hill Professional, if needed.

It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life will approximate that of the norm per industry standards and/or manufacturer's specifications. In some cases, estimates may have been used on assets, which have an indeterminable but potential liability to the association. The decision for the inclusion of these as well as all assets considered is left to the client.

This reserve analysis study is a reflection of information provided to or assembled by the consultant for the association's use, not for the purpose of performing an audit, quality/forensic analyses or background checks of historical records. Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues is deemed reliable by the consultant.

We recommend that your reserve analysis study be updated on an annual basis due to fluctuating interest rates, inflationary changes, and the unpredictable nature of the lives of many of the assets under consideration. All of the information collected during our inspection of the association and computations made subsequently in preparing this reserve analysis study are retained in our computer files. Therefore, annual updates may be completed quickly and inexpensively each year.

FDReserve Studies would like to thank you for using our services. We invite you to call us at any time, should you have questions, comments or need assistance. In addition, any of the parameters and estimates used in this study may be changed at your request, after which we will provide a revised study.

This reserve analysis is prepared under the supervision of William A. Schlimgen PE, a registered professional engineer in Arizona with more than 10 years of experience in preparation of reserve studies and more than 40 years of engineering management, design, inspection and construction management experience.

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Part I

Document

This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described.

Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

When a major repair or replacement is required in a community, an association has essentially four options available to address the expenditure:

The first, and only logical means that the Board of Directors has to ensure its ability to maintain the assets for which it is obligated, is by **assessing an adequate level of reserves** as part of the regular membership assessment, thereby distributing the cost of the replacements uniformly over the entire membership. The community is not only comprised of present members, but also future members. Any decision by the Board of Directors to adopt a calculation method or funding plan which would disproportionately burden future members in order to make up for past reserve deficits, would be a breach of its fiduciary responsibility to those future members. Unlike individuals determining their own course of action, the board is responsible to the "community" as a whole.

Whereas, if the association was setting aside reserves for this purpose, using the vehicle of the regularly assessed membership dues, it would have had the full term of the life of the roof, for example, to accumulate the necessary moneys. Additionally, those contributions would have been evenly distributed over the entire membership and would have earned interest as part of that contribution.

The second option is for the association to **acquire a loan** from a lending institution in order to effect the required repairs. In many cases, banks will lend to an association using "future homeowner assessments" as collateral for the loan. With this method, the current board is pledging the future assets of an association. They are also incurring the additional expense of interest fees along with the original principal amount. In the case of a \$150,000 roofing replacement, the association may be required to pay back the loan over a three to five year period, with interest.

The third option, too often used, is simply to **defer the required repair or replacement**. This option, which is not recommended, can create an environment of declining property values due to expanding lists of deferred maintenance items and the association's financial inability to keep pace with the normal aging process of the common area components. This, in turn, can have a seriously negative impact on sellers in the association by making it difficult, or even impossible, for potential buyers to obtain financing from lenders. Increasingly, lending institutions are requesting copies of the association's most recent reserve study before granting loans, either for the association itself, a prospective purchaser, or for an individual within such an association.

The fourth option is to pass a "**special assessment**" to the membership in an amount required to cover the expenditure. When a special assessment is passed, the association has the authority and responsibility to collect the assessments, even by means of foreclosure, if necessary. However, an association

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considering a special assessment cannot guarantee that an assessment, when needed, will be passed. Consequently, the association cannot guarantee its ability to perform the required repairs or replacements to those major components for which it is obligated when the need arises. Additionally, while relatively new communities require very little in the way of major “reserve” expenditures, associations reaching 12 to 15 years of age and older, find many components reaching the end of their effective useful lives. These required expenditures, all accruing at the same time, could be devastating to an association’s overall budget.

Types of Reserve Studies

Most reserve studies fit into one of three categories:

Full Reserve Study;

Update with site inspection; and

Update without site inspection.

In a **Full Reserve Study**, the reserve provider conducts a component inventory, a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both a “fund status” and “funding plan”.

In an **Update with site inspection**, the reserve provider conducts a component inventory (verification only, not quantification unless new components have been added to the inventory), a condition assessment (based upon on-site visual observations), and life and valuation estimates to determine both the “fund status and “funding plan.”

In an **Update without site inspection**, the reserve provider conducts life and valuation estimates to determine the “fund status” and “funding plan.”

The Reserve Study: A Physical and a Financial Analysis

There are two components of a reserve study: a physical analysis and a financial analysis.

Physical Analysis

During the physical analysis, a reserve study provider evaluates information regarding the physical status and repair/replacement cost of the association’s major common area components. To do so, the provider conducts a component inventory, a condition assessment, and life and valuation estimates.

Developing a Component List

The budget process begins with full inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled as operational, reserve, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense.

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Operational Expenses

Occur at least annually, no matter how large the expense, and can be budgeted for effectively each year. They are characterized as being reasonably predictable, both in terms of frequency and cost. Operational expenses include all minor expenses, which would not otherwise adversely affect an operational budget from one year to the next.

Reserve Expenses

These are major expenses that occur other than annually, and which must be budgeted for in advance in order to ensure the availability of the necessary funds in time for their use. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets that have an indeterminable but potential liability that may be demonstrated as a likely occurrence. They are expenses that, when incurred, would have a significant effect on the smooth operation of the budgetary process from one year to the next, if they were not reserved for in advance.

Budgeting is Normally Excluded

For expenses that are necessitated by acts of nature, accidents or other occurrences that are more properly insured for, rather than reserved for.

Financial Analysis

The financial analysis assesses the association's reserve balance or "fund status" (measured in cash or as percent fully funded) to determine a recommendation for the appropriate reserve contribution rate in the future, known as the "funding plan".

Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufactured quality, usage, exposure to the elements and maintenance history.

By following the recommendations of an effective reserve study, the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

Funding Methods

From the simplest to the most complex, reserve analysis providers use many different computational processes to calculate reserve requirements. However, there are two basic processes identified as industry standards: the cash flow method and the component method.

The cash flow method develops a reserve-funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the actual anticipated schedule of reserve expenses until the desired funding goal is achieved. This method sets up a "window" in which all future anticipated replacement costs are computed, based upon the individual lives of the components under consideration. The Threshold and

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the Current Assessment funding models are based upon the cash flow method.

The component method develops a reserve-funding plan where the total contribution is based upon the sum of contributions for individual components. The component method is the more conservative of the two funding options, and assures that the association will achieve and maintain an ideal level of reserve over time. This method also allows for computations on individual components in the analysis. The Component Funding model is based upon the component methodology.

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Funding Strategies

Once an association has established its funding goals, the association can select an appropriate funding plan. There are four basic strategies from which most associations select. It is recommended that associations consult professionals to determine the best strategy or combination of plans that best suit the association's need. Additionally, associations should consult with their financial advisor to determine the tax implications of selecting a particular plan. Further, consultation with the American Institute of Certified Public Accountants (AICPA) for their reporting requirements is advisable. The four funding plans and descriptions of each are detailed below. Associations will have to update their reserve studies more or less frequently depending on the funding strategy they select.

Full Funding--Given that the basis of funding for reserves is to distribute the costs of the replacements over the lives of the components in question, it follows that the ideal level of reserves would be proportionately related to those lives and costs. If an association has a component with an expected estimated useful life of ten years, it would set aside approximately one-tenth of the replacement cost each year. At the end of three years, one would expect three-tenths of the replacement cost to have accumulated, and if so, that component would be "fully-funded." This model is important in that it is a measure of the adequacy of an association's reserves at any one point of time, and is independent of any particular method which may have been used for past funding or may be under consideration for future funding. This formula represents a snapshot in time and is based upon current replacement cost, independent of future inflationary or investment factors:

Fully Funded Reserves = **Age** divided by **Useful Life** the results multiplied by **Current Replacement Cost**

When an association's total accumulated reserves for all components meet this criterion, its reserves are considered "fully-funded."

The **Threshold Funding Model (Minimum Funding)**. The goal of this funding method is to keep the reserve cash balance above zero. This means that while each individual component may not be fully funded, the reserve balance overall does not drop below zero during the projected period. An association using this funding method must understand that even a minor reduction in a component's remaining useful life can result in a deficit in the reserve cash balance.

The **Threshold Funding Model**. This method is based upon the cash flow funding concept. The minimum reserve cash balance in threshold funding, however, is set at a predetermined dollar amount (other than \$0).

The **Current Assessment Funding Model**. This method is also based upon the cash flow funding concept. The initial reserve assessment is set at the association's current fiscal year funding level and a 30-year projection is calculated to illustrate the adequacy of the current funding over time.

The **Component Funding Model**. This is a straight-line funding model. It distributes the cash reserves to individual reserve components and then calculates what the reserve assessment and interest contribution (minus taxes) should be, again by each reserve component. The current annual assessment is then determined by summing all the individual component assessments, hence the name "Component Funding Model". This is the most conservative funding model. It leads to or maintains the fully funded reserve position. The following details this calculation process.

Component Funding Model Distribution of Accumulated Reserves

The "Distribution of Accumulated Reserves Report" is a "Component Funding Model" calculation. This

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distribution **does not** apply to the cash flow funding models.

When calculating reserves based upon the component methodology, a beginning reserve balance must be allocated for each of the individual components considered in the analysis, before the individual calculations can be completed. When this distribution is not available, or of sufficient detail, the following method is suggested for allocating reserves:

The first step the program performs in this process is subtracting, from the total accumulated reserves, any amounts for assets that have predetermined (fixed) reserve balances. The user can “fix” the accumulated reserve balance within the program on the individual asset’s detail page. If, by error, these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage used, and if there are sufficient remaining funds available.

The second step is to identify the ideal level of reserves for each asset. As indicated in the prior section, this is accomplished by evaluating the component’s age proportionate to its estimated useful life and current replacement cost. Again, the equation used is as follows:

Fully Funded Reserves = (Age/Useful Life) x Current Replacement Cost

The software program performs the above calculations to the actual month the component was placed-in-service. The program projects that the accumulation of necessary reserves for repairs or replacements will be available on the first day of the fiscal year in which they are scheduled to occur.

The next step the program performs is to arrange all of the assets used in the study in ascending order by remaining life, and alphabetically within each grouping of remaining life items. These assets are then assigned their respective ideal level of reserves until the amount of funds available is depleted, or until all assets are appropriately funded. If any assets are assigned a zero remaining life (scheduled for replacement in the current fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjusts the zero remaining life items to one year, and that asset assumes its new grouping position alphabetically in the final printed report.

If, at the completion of this task, there are additional moneys that have not been distributed, the remaining reserves are then assigned, in ascending order, to a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient moneys available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations. If, at the end of this assignment process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the client may desire.

Assigning the reserves in this manner defers the make-up period for any under-funding over the longest remaining life of all assets under consideration, thereby minimizing the impact of any deficiency. For example, if the report indicates an under funding of \$50,000, this under-funding will be assigned to components with the longest remaining lives in order to give more time to “replenish” the account. If the \$50,000 under-funding were to be assigned to short remaining life items, the impact would be felt immediately.

If the reserves are under-funded, the monthly contribution requirements, as outlined in this report, can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may

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be considered. The program can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes that may be under consideration.

Funding Reserves

Three assessment and contribution figures are provided in the report, the “Monthly Reserve Assessment Required”, the “Average Net Monthly Interest Earned” contribution and the “Total Monthly Allocation to Reserves.” The association should allocate the “Monthly Reserve Assessment Required” amount to reserves each month when the interest earned on the reserves is left in the reserve accounts as part of the contribution. Any interest earned on reserve deposits, must be left in reserves and only amounts set aside for taxes should be removed.

The second alternative is to allocate the “Total Monthly Allocation” to reserves (this is the member assessment plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid, the amount due will be taken directly from the association’s operating accounts as the reserve accounts are allocated only those moneys net of taxes.

Users’ Guide to your Reserve Analysis Study

Part II of your report contains the reserve analysis study for your association. There are seven types of reports in the study as described below.

Report Summaries

The Report Summary for all funding models lists all of the parameters that were used in calculating the report.

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The **Component Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

Detail Reports

The Detail Report itemizes each asset and lists all measurements, current and future costs, and calculations for that asset. Provisions for percentage replacements, salvage values, and one-time replacements can also be utilized. These reports can be sorted by category or group.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufactured quality, usage, exposure to elements and maintenance history.

The Detail Index is an alphabetical listing of all assets, together with the page number of the asset's detail report, the projected replacement year, and the asset number.

Projections

Thirty-year projections add to the usefulness of your reserve analysis study.

Definitions

Report I.D.

Includes the Report Date (example: November 15, 1992), Account Number (example: 9773), and Version (example: 1.0). Please use this information (displayed on the summary page) when referencing your report.

Budget Year Beginning/Ending

The budgetary year for which the report is prepared. For associations with fiscal years ending December 31st, the monthly contribution figures indicated are for the 12-month period beginning 1/1/20xx and ending 12/31/20xx.

Number of Units and/or Phases

If applicable, the number of units and/or phases included in this version of the report.

Inflation

This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement, and the total is used in calculating the monthly reserve contribution that will be necessary to accumulate the required funds in time for replacement.

Annual Assessment Increase

This represents the percentage rate at which the association will increase its assessment to reserves at the end of each year. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aide those associations that have not set aside appropriate reserves in the past, by making the initial year's allocation less formidable.

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Investment Yield Before Taxes

The average interest rate anticipated by the association based upon its current investment practices.

Taxes on Interest Yield

The estimated percentage of interest income that will be set aside to pay income taxes on the interest earned.

Projected Reserve Balance

The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared. This is based upon information provided and not audited.

Percent Fully Funded

The ratio, at the beginning of the fiscal year, of the actual (or projected) reserve balance to the calculated fully funded balance, expressed as a percentage.

Phase Increment Detail and/or Age

Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

Monthly Assessment

The assessment to reserves required by the association each month.

Interest Contribution (After Taxes)

The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

Total Monthly Allocation

The sum of the monthly assessment and interest contribution figures.

Group and Category

The report may be prepared and sorted either by group (location, building, phase, etc.) or by category (roofing, painting, etc.). The standard report printing format is by category.

Percentage of Replacement or Repairs

In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

Placed-In-Service Date

The month and year that the asset was placed-in-service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

Estimated Useful Life

The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom-used meeting room or office.

Adjustment to Useful Life

Once the useful life is determined, it may be adjusted, up or down, by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated

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replacement cycles for future replacements.

Estimated Remaining Life

This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed-in-service.

Replacement Year

The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

Annual Fixed Reserves

An optional figure which, if used, will override the normal process of allocating reserves to each asset.

Fixed Assessment

An optional figure which, if used, will override all calculations and set the assessment at this amount. This assessment can be set for monthly, quarterly or annually as necessary.

Salvage Value

The salvage value of the asset at the time of replacement, if applicable.

One-Time Replacement

Notation if the asset is to be replaced on a one-time basis.

Current Replacement Cost

The estimated replacement cost effective at the beginning of the fiscal year for which the report is being prepared

Future Replacement Cost

The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

Component Inventory

The task of selecting and qualifying reserve components. This task can be accomplished through on-site visual, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

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A Multi-Purpose Tool

Your Report is an important part of your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

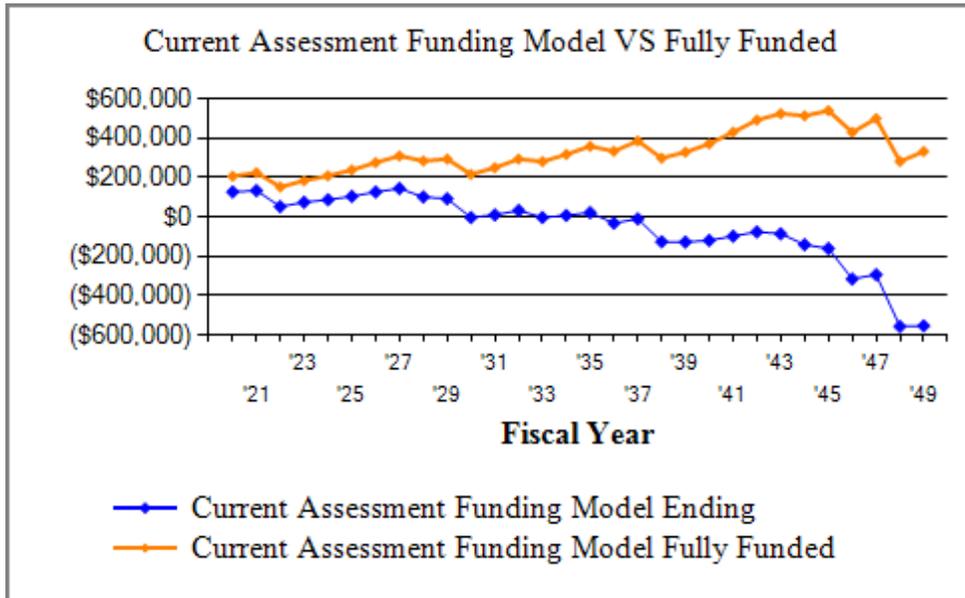
In addition, your reserve study serves a variety of useful purposes:

- Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.
- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- The reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your Report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your Report is a tool that can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components for which the association is obligated.
- Since the reserve analysis study includes measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.

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Current Assessment Funding Model Summary

Report Date	March 09, 2020
Budget Year Beginning	January 01, 2020
Budget Year Ending	December 31, 2020
Total Units	63

<i>Report Parameters</i>	
Inflation	3.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
2020 Beginning Balance	\$141,626



RANCHO VERDE HOMEOWNERS ASSOCIATION
Current Assessment Funding Model Projection

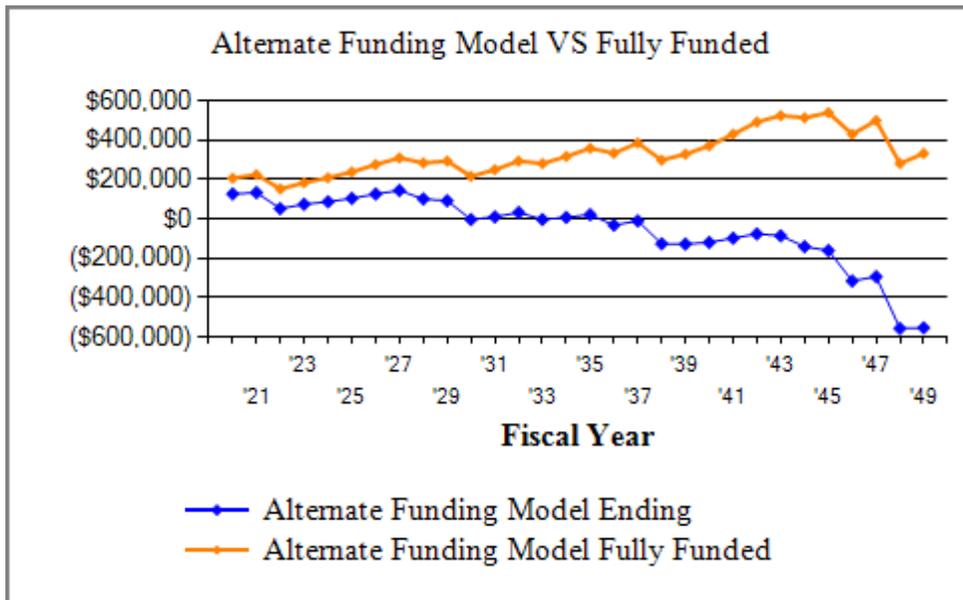
Beginning Balance: \$141,626

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	334,830	21,585	876	38,000	126,087	206,283	61%
2021	344,875	21,585	926	15,450	133,148	224,415	59%
2022	355,221	21,585	360	103,289	51,804	151,579	34%
2023	365,878	21,585	514		73,903	183,749	40%
2024	376,854	21,585	605	9,060	87,032	208,382	42%
2025	388,160	21,585	721	5,565	103,774	238,208	44%
2026	399,805	21,585	878		126,237	275,539	46%
2027	411,799	21,585	1,000	4,919	143,902	309,829	46%
2028	424,153	21,585	701	65,391	100,797	284,022	35%
2029	436,877	21,585	639	31,106	91,916	293,722	31%
2030	449,984	21,585		117,351	-3,850	215,877	-2%
2031	463,483	21,585	70	7,752	10,053	249,651	4%
2032	477,388	21,585	221		31,859	293,481	11%
2033	491,709	21,585		57,273	-3,828	280,898	-1%
2034	506,460	21,585	50	10,588	7,219	317,150	2%
2035	521,654	21,585	149	7,478	21,475	358,855	6%
2036	537,304	21,585		75,100	-32,040	333,358	-10%
2037	553,423	21,585			-10,455	385,682	-3%
2038	570,026	21,585		138,510	-127,380	298,179	-43%
2039	587,126	21,585		22,603	-128,398	328,744	-39%
2040	604,740	21,585		13,004	-119,817	371,460	-32%
2041	622,882	21,585			-98,232	430,238	-23%
2042	641,569	21,585			-76,647	492,209	-16%
2043	660,816	21,585		31,577	-86,640	524,986	-17%
2044	680,640	21,585		76,840	-141,894	513,643	-28%
2045	701,060	21,585		41,457	-161,766	539,965	-30%
2046	722,091	21,585		176,215	-316,396	429,884	-74%
2047	743,754	21,585			-294,811	499,659	-59%
2048	766,067	21,585		284,847	-558,073	281,255	-198%
2049	789,049	21,585		18,475	-554,963	332,462	-167%

RANCHO VERDE HOMEOWNERS ASSOCIATION
Alternate Funding Model Summary

Report Date	March 09, 2020
Budget Year Beginning	January 01, 2020
Budget Year Ending	December 31, 2020
Total Units	63

<i>Report Parameters</i>	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
2020 Beginning Balance	\$141,626



The Alternate Funding Model is based on the following:

- Annual contributions to the reserve fund of \$30,000 in 2021 and \$40,000 in 2022 through 2036
- Annual increase in the reserve contribution of 5% in 2037 and following years

RANCHO VERDE HOMEOWNERS ASSOCIATION
Alternate Funding Model Projection

Beginning Balance: \$141,626

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2020	334,830	21,585	876	38,000	126,087	206,283	61%
2021	344,875	30,000	984	15,450	141,622	224,415	63%
2022	355,221	40,000	548	103,289	78,881	151,579	52%
2023	365,878	40,000	832		119,713	183,749	65%
2024	376,854	40,000	1,055	9,060	151,707	208,382	73%
2025	388,160	40,000	1,303	5,565	187,446	238,208	79%
2026	399,805	40,000	1,592		229,038	275,539	83%
2027	411,799	40,000	1,849	4,919	265,967	309,829	86%
2028	424,153	40,000	1,684	65,391	242,261	284,022	85%
2029	436,877	40,000	1,758	31,106	252,913	293,722	86%
2030	449,984	40,000	1,229	117,351	176,791	215,877	82%
2031	463,483	40,000	1,463	7,752	210,503	249,651	84%
2032	477,388	40,000	1,754		252,256	293,481	86%
2033	491,709	40,000	1,645	57,273	236,628	280,898	84%
2034	506,460	40,000	1,862	10,588	267,903	317,150	84%
2035	521,654	40,000	2,103	7,478	302,527	358,855	84%
2036	537,304	40,000	1,872	75,100	269,299	333,358	81%
2037	553,423	42,000	2,179		313,478	385,682	81%
2038	570,026	44,100	1,533	138,510	220,602	298,179	74%
2039	587,126	46,305	1,710	22,603	246,014	328,744	75%
2040	604,740	48,620	1,971	13,004	283,602	371,460	76%
2041	622,882	51,051	2,343		336,996	430,238	78%
2042	641,569	53,604	2,734		393,334	492,209	80%
2043	660,816	56,284	2,926	31,577	420,966	524,986	80%
2044	680,640	59,098	2,823	76,840	406,048	513,643	79%
2045	701,060	62,053	2,987	41,457	429,630	539,965	80%
2046	722,091	65,156	2,230	176,215	320,801	429,884	75%
2047	743,754	68,414	2,725		391,939	499,659	78%
2048	766,067	71,834	1,252	284,847	180,179	281,255	64%
2049	789,049	75,426	1,660	18,475	238,789	332,462	72%

RANCHO VERDE HOMEOWNERS ASSOCIATION
Asset Summary Report

Description	Date In Service	Replacement Date	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit
Streets/Asphalt									
Asphalt - Overlay Asset ID: 1016	1998	2048	120,000	40	10	28	274,551	80000 @	1.50
Asphalt - Seal Coat and Crack Fill Asset ID: 1017	2018	2022	16,000	7	-3	2	16,974	80000 @	0.20
Painting									
Block Walls - Paint Asset ID: 1008	2012	2020	28,800	8	0	0	28,800	38400 @	0.75
Block Walls - Repair Asset ID: 1009	2012	2020	2,000	8	0	0	2,000	1 @	2,000.00
Metal Entry Gates & Pedestrian Gat.. Asset ID: 1021	2012	2020	700	5	0	0	700	1 @	700.00
Metal Entry Gates - Replace Asset ID: 1022	1998	2033	24,000	30	5	13	35,245	4 @	6,000.00
Metal Fence - Paint Asset ID: 1010	2012	2020	2,100	5	0	0	2,100	1400 @	1.50
Metal Fence - Repair Asset ID: 1011	2012	2020	2,000	5	0	0	2,000	1 @	2,000.00
Lighting									
Landscape Lighting - Replace Asset ID: 1023	1998	2028	4,500	20	10	8	5,700	15 @	300.00
Path Lighting - Replace Asset ID: 1024	1998	2031	5,250	28	5	11	7,267	15 @	350.00
Recreation									
Sand - Replenish Asset ID: 1001	2019	2029	840	10	0	9	1,096	20 @	42.00
Equipment									
Backflow Preventers - Replace Asset ID: 1004	1998	2020	1,400	20	0	0	1,400	2 @	700.00
Entry Access Telephone System - Re.. Asset ID: 1020	2015	2027	4,000	12	0	7	4,919	1 @	4,000.00
Gate Operators - Replace Asset ID: 1019	2009	2021	15,000	12	0	1	15,450	4 @	3,750.00
Irrigation Controller - Replace Asset ID: 1015	2016	2031	350	15	0	11	484	1 @	350.00
Irrigation Controllers - Replace Asset ID: 1014	2009	2024	1,050	15	0	4	1,182	3 @	350.00
Park Furnishings - Replace Asset ID: 1003	2010	2030	1,160	20	0	10	1,559	1 @	1,160.00
Playstructures - Replace Asset ID: 1002	1998	2028	14,900	25	5	8	18,875	1 @	14,900.00

RANCHO VERDE HOMEOWNERS ASSOCIATION
Asset Summary Report

Description	Date In Service	Replacement Date	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit
Grounds Components									
Concrete Components - Repair Asset ID: 1013	2019	2024	2,000	5	0	4	2,251	1 @	2,000.00
Drainage Channel - Clean & Inspect Asset ID: 1007	2019	2024	5,000	5	0	4	5,628	1 @	5,000.00
Exposed Aggregate - Repair Asset ID: 1018	<i>1018</i>	<i>Unfunded</i>							
Granite - Replenish Asset ID: 1005	2014	2022	81,360	8	0	2	86,315	1 @	81,360.00
Signs									
Signs - Replace Asset ID: 1012	2020	2020	1,000	20	0	0	1,000	1 @	1,000.00
Street Signs - Replace Asset ID: 1006	1998	2028	1,420	30	0	8	1,799	4 @	355.00

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Asphalt - Overlay

		80,000 SF	@ \$1.50
Asset ID	1016	Asset Cost	\$120,000.00
	Streets/Parking	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$274,551.32
Placed in Service	January 1998		
Useful Life	40		
Adjustment	10		
Replacement Year	2048		
Remaining Life	28		



Good condition. Pavement should last indefinitely if maintained on a regular basis. Future updates to this study should continue to evaluate the condition of the pavement and make appropriate adjustments. Approximately 24' wide.

Asphalt - Seal Coat and Crack Fill

		80,000 SF	@ \$0.20
Asset ID	1017	Asset Cost	\$16,000.00
	Streets/Parking	Percent Replacement	100%
	Streets/Asphalt	Future Cost	\$16,974.40
Placed in Service	January 2018		
Useful Life	7		
Adjustment	-3		
Replacement Year	2022		
Remaining Life	2		

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Asphalt - Seal Coat and Crack Fill continued...



Good condition. Approximately 24' wide. Seal coat applied in 2018. The normal useful life of standard seal coat in Arizona is 3-4 years. Recommend Assn investigate using HA5 (by Holbrook Asphalt) which has a useful life of approximately 7 years. This component budgets for applying HA5 4 years after last seal coat application and then on a 7 year cycle.

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Block Walls - Paint

		38,400 SF	@ \$0.75
Asset ID	1008	Asset Cost	\$28,800.00
	Grounds	Percent Replacement	100%
	Painting	Future Cost	\$28,800.00
Placed in Service	January 2012		
Useful Life	8		
Replacement Year	2020		
Remaining Life	0		



Poor condition. Recommend repair and painting soon. Noted water damage on walls. Includes 8' painted perimeter walls, interior common walls and painted stucco walls surrounding park area. Approx 4800 lf of block walls.

Block Walls - Repair

		1 LS	@ \$2,000.00
Asset ID	1009	Asset Cost	\$2,000.00
	Grounds	Percent Replacement	100%
	Painting	Future Cost	\$2,000.00
Placed in Service	January 2012		
Useful Life	8		
Replacement Year	2020		
Remaining Life	0		

**RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category**

Block Walls - Repair continued...



Some wall cracking noted. Recommend repairs be made in conjunction with painting. This component provides a budget for repairs on a 8 year recurring cycle with painting.

Metal Entry Gates & Pedestrian Gates - Paint

Asset ID	1021	1 LS	@ \$700.00
	Grounds	Asset Cost	\$700.00
	Painting	Percent Replacement	100%
Placed in Service	January 2012	Future Cost	\$700.00
Useful Life	5		
Replacement Year	2020		
Remaining Life	0		

Good condition. 4 metal vehicle gates 10.5' x 5.5' and 2 metal 7' x 5.5' fence and pedestrian gates.

Metal Entry Gates - Replace

Asset ID	1022	4 EA	@ \$6,000.00
	Grounds	Asset Cost	\$24,000.00
	Painting	Percent Replacement	100%
Placed in Service	January 1998	Future Cost	\$35,244.81
Useful Life	30		
Adjustment	5		
Replacement Year	2033		
Remaining Life	13		

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Metal Entry Gates - Replace continued...



Good condition. 4 metal vehicle gates 10.5' x 5.5' and 2 metal 7' x 5.5' fence and pedestrian gates.

Metal Fence - Paint		1,400 SF	@ \$1.50
Asset ID	1010	Asset Cost	\$2,100.00
	Recreation	Percent Replacement	100%
	Painting	Future Cost	\$2,100.00
Placed in Service	January 2012		
Useful Life	5		
Replacement Year	2020		
Remaining Life	0		



Located at park area. Poor condition. Recommend paint soon to preserve. Approximately 1,400 sq. ft.

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Metal Fence - Repair

		1 LS	@ \$2,000.00
Asset ID	1011	Asset Cost	\$2,000.00
	Recreation	Percent Replacement	100%
	Painting	Future Cost	\$2,000.00
Placed in Service	January 2012		
Useful Life	5		
Replacement Year	2020		
Remaining Life	0		



Located at park area. Poor condition. Recommend paint soon to preserve. Approximately 1,400 sq. ft. Some rusting noted. Granite covers the bottom rail in some areas that accelerates rusting of the metal. This component provides a budget for repair in conjunction with painting.

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Landscape Lighting - Replace

		15 EA	@ \$300.00
Asset ID	1023	Asset Cost	\$4,500.00
	Grounds	Percent Replacement	100%
	Lighting	Future Cost	\$5,700.46
Placed in Service	January 1998		
Useful Life	20		
Adjustment	10		
Replacement Year	2028		
Remaining Life	8		



Working condition.

Path Lighting - Replace

		15 EA	@ \$350.00
Asset ID	1024	Asset Cost	\$5,250.00
	Grounds	Percent Replacement	100%
	Lighting	Future Cost	\$7,267.23
Placed in Service	January 1998		
Useful Life	28		
Adjustment	5		
Replacement Year	2031		
Remaining Life	11		

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Path Lighting - Replace continued...



Working condition. 3' high bollard lighting.

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Sand - Replenish

		20 Ton	@ \$42.00
Asset ID	1001	Asset Cost	\$840.00
	Recreation	Percent Replacement	100%
	Recreation	Future Cost	\$1,096.01
Placed in Service	January 2019		
Useful Life	10		
Replacement Year	2029		
Remaining Life	9		



Good condition. Approximately 1,875 sq. ft. of sand. Budget for 20 ton sand replenishment every 10 years.

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Backflow Preventers - Replace

		2 EA	@ \$700.00
Asset ID	1004	Asset Cost	\$1,400.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	\$1,400.00
Placed in Service	January 1998		
Useful Life	20		
Replacement Year	2020		
Remaining Life	0		



Febco 1" 825 backflow preventers. Cages added 2020.

Entry Access Telephone System - Replace

		1 EA	@ \$4,000.00
Asset ID	1020	Asset Cost	\$4,000.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	\$4,919.50
Placed in Service	January 2015		
Useful Life	12		
Replacement Year	2027		
Remaining Life	7		



Working condition. Sentex entry access telephone system.

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Gate Operators - Replace

		4 EA	@ \$3,750.00
Asset ID	1019	Asset Cost	\$15,000.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	\$15,450.00
Placed in Service	January 2009		
Useful Life	12		
Replacement Year	2021		
Remaining Life	1		



Working condition. (4) Elite 1 HP CSW200 swing gate operators mfg date 2009.

Irrigation Controller - Replace

		1 EA	@ \$350.00
Asset ID	1015	Asset Cost	\$350.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	\$484.48
Placed in Service	October 2016		
Useful Life	15		
Replacement Year	2031		
Remaining Life	11		

Working condition. (1) located at entry/exit wall. Unverified size.

Irrigation Controllers - Replace

		3 EA	@ \$350.00
Asset ID	1014	Asset Cost	\$1,050.00
	Grounds	Percent Replacement	100%
	Equipment	Future Cost	\$1,181.78
Placed in Service	January 2009		
Useful Life	15		
Replacement Year	2024		
Remaining Life	4		

**RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category**

Irrigation Controllers - Replace continued...



Working condition. (3) Hunter Pro-C 12-station controllers located along walking tract.

Park Furnishings - Replace		1 EA	@ \$1,160.00
Asset ID	1003	Asset Cost	\$1,160.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	\$1,558.94
Placed in Service	January 2010		
Useful Life	20		
Replacement Year	2030		
Remaining Life	10		



Good condition. (1) 8' thermoplastic coated bench.

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Playstructures - Replace

		1 LS	@ \$14,900.00
Asset ID	1002	Asset Cost	\$14,900.00
	Recreation	Percent Replacement	100%
	Equipment	Future Cost	\$18,874.87
Placed in Service	January 1998		
Useful Life	25		
Adjustment	5		
Replacement Year	2028		
Remaining Life	8		



Good condition.

1 - slide tubular (plastic)	@ \$9,000.00 =	\$9,000.00
1 - monkey bars (metal)	@ 2,000.00 =	2,000.00
1 - crawling tube (plastic)	@ 1,500.00 =	1,500.00
1 - balance beam (metal)	@ 900.00 =	900.00
1 - climber (metal)	@ 1,500.00 =	<u>1,500.00</u>
	Total =	\$14,900.00

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Concrete Components - Repair

		1 LS	@ \$2,000.00
Asset ID	1013	Asset Cost	\$2,000.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	\$2,251.02
Placed in Service	January 2019		
Useful Life	5		
Replacement Year	2024		
Remaining Life	4		



Good condition. Noted repairs throughout community. This component provides a budget for concrete repair on a 5 year recurring cycle.

Drainage Channel - Clean & Inspect

		1 LS	@ \$5,000.00
Asset ID	1007	Asset Cost	\$5,000.00
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	\$5,627.54
Placed in Service	January 2019		
Useful Life	5		
Replacement Year	2024		
Remaining Life	4		



Located on the perimeter of the community. This component provides a budget for cleaning

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Drainage Channel - Clean & Inspect continued...

the channels on a 5 year recurring cycle. The amount of work required depends on the amount of rainfall.

Exposed Aggregate - Repair

Asset ID	1018	Asset Cost	
	Grounds	Percent Replacement	100%
	Grounds Components	Future Cost	
Placed in Service	January 1998		
No Useful Life			



Good condition. Noted some corner cracking. Concrete should last indefinitely.

Granite - Replenish

Asset ID	1005	1 LS	@ \$81,360.00
	Grounds	Asset Cost	\$81,360.00
	Grounds Components	Percent Replacement	100%
Placed in Service	June 2014	Future Cost	\$86,314.82
Useful Life	8		
Replacement Year	2022		
Remaining Life	2		

RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category

Granite - Replenish continued...



Fair to poor condition. Recommend replenishment soon, over 6 years since replenished. Includes park area, entry/exit areas along 110 St, along common wall areas, walking tracts and along Shea Blvd (including rip rap). Arizona Panoramic Landscaping LLC provided estimates dated 4/11/2019 and 9/23/2019 totaling \$76,360. They verbally indicated that an additional 50 ton (\$5,000) will be required for the park area. Total estimated cost \$81,360.

**RANCHO VERDE HOMEOWNERS ASSOCIATION
Detail Report by Category**

Signs - Replace

		1 LS	@ \$1,000.00
Asset ID	1012	Asset Cost	\$1,000.00
	Grounds	Percent Replacement	100%
	Signs	Future Cost	\$1,000.00
Placed in Service	January 2020		
Useful Life	20		
Replacement Year	2020		
Remaining Life	0		



Miscellaneous signs located throughout community.

Street Signs - Replace

		4 EA	@ \$355.00
Asset ID	1006	Asset Cost	\$1,420.00
	Grounds	Percent Replacement	100%
	Signs	Future Cost	\$1,798.81
Placed in Service	January 1998		
Useful Life	30		
Replacement Year	2028		
Remaining Life	8		



Good condition. 2 blade 2 name street signs.

RANCHO VERDE HOMEOWNERS ASSOCIATION
Category Detail Index

Asset ID	Description	Replacement	Page
Streets/Asphalt			
1016	Asphalt - Overlay	2048	2-7
1017	Asphalt - Seal Coat and Crack Fill	2022	2-7
Painting			
1008	Block Walls - Paint	2020	2-9
1009	Block Walls - Repair	2020	2-9
1021	Metal Entry Gates & Pedestrian Gates - Paint	2020	2-10
1022	Metal Entry Gates - Replace	2033	2-10
1010	Metal Fence - Paint	2020	2-11
1011	Metal Fence - Repair	2020	2-12
Lighting			
1023	Landscape Lighting - Replace	2028	2-13
1024	Path Lighting - Replace	2031	2-13
Recreation			
1001	Sand - Replenish	2029	2-15
Equipment			
1004	Backflow Preventers - Replace	2020	2-16
1020	Entry Access Telephone System - Replace	2027	2-16
1019	Gate Operators - Replace	2021	2-17
1015	Irrigation Controller - Replace	2031	2-17
1014	Irrigation Controllers - Replace	2024	2-17
1003	Park Furnishings - Replace	2030	2-18
1002	Playstructures - Replace	2028	2-19
Grounds Components			
1013	Concrete Components - Repair	2024	2-20
1007	Drainage Channel - Clean & Inspect	2024	2-20
1018	Exposed Aggregate - Repair	Unfunded	2-21
1005	Granite - Replenish	2022	2-21
Signs			
1012	Signs - Replace	2020	2-23
1006	Street Signs - Replace	2028	2-23
	Total Funded Assets	23	
	Total Unfunded Assets	<u>1</u>	
	Total Assets	24	

RANCHO VERDE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2020	
Painting	
Block Walls - Paint	28,800
Block Walls - Repair	2,000
Metal Entry Gates & Pedestrian Gates - Paint	700
Metal Fence - Paint	2,100
Metal Fence - Repair	2,000
Equipment	
Backflow Preventers - Replace	1,400
Signs	
Signs - Replace	1,000
Total for 2020	\$38,000
Replacement Year 2021	
Equipment	
Gate Operators - Replace	15,450
Total for 2021	\$15,450
Replacement Year 2022	
Streets/Asphalt	
Asphalt - Seal Coat and Crack Fill	16,974
Grounds Components	
Granite - Replenish	86,315
Total for 2022	\$103,289
<i>No Replacement in 2023</i>	
Replacement Year 2024	
Equipment	
Irrigation Controllers - Replace	1,182
Grounds Components	
Concrete Components - Repair	2,251
Drainage Channel - Clean & Inspect	5,628
Total for 2024	\$9,060

RANCHO VERDE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025	
Painting	
Metal Entry Gates & Pedestrian Gates - Paint	811
Metal Fence - Paint	2,434
Metal Fence - Repair	2,319
Total for 2025	<u>\$5,565</u>
<i>No Replacement in 2026</i>	
Replacement Year 2027	
Equipment	
Entry Access Telephone System - Replace	4,919
Total for 2027	<u>\$4,919</u>
Replacement Year 2028	
Painting	
Block Walls - Paint	36,483
Block Walls - Repair	2,534
Lighting	
Landscape Lighting - Replace	5,700
Equipment	
Playstructures - Replace	18,875
Signs	
Street Signs - Replace	1,799
Total for 2028	<u>\$65,391</u>
Replacement Year 2029	
Streets/Asphalt	
Asphalt - Seal Coat and Crack Fill	20,876
Recreation	
Sand - Replenish	1,096
Grounds Components	
Concrete Components - Repair	2,610
Drainage Channel - Clean & Inspect	6,524
Total for 2029	<u>\$31,106</u>

RANCHO VERDE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2030	
Painting	
Metal Entry Gates & Pedestrian Gates - Paint	941
Metal Fence - Paint	2,822
Metal Fence - Repair	2,688
Equipment	
Park Furnishings - Replace	1,559
Grounds Components	
Granite - Replenish	109,341
Total for 2030	<u>\$117,351</u>
Replacement Year 2031	
Lighting	
Path Lighting - Replace	7,267
Equipment	
Irrigation Controller - Replace	484
Total for 2031	<u>\$7,752</u>
<i>No Replacement in 2032</i>	
Replacement Year 2033	
Painting	
Metal Entry Gates - Replace	35,245
Equipment	
Gate Operators - Replace	22,028
Total for 2033	<u>\$57,273</u>
Replacement Year 2034	
Grounds Components	
Concrete Components - Repair	3,025
Drainage Channel - Clean & Inspect	7,563
Total for 2034	<u>\$10,588</u>
Replacement Year 2035	
Painting	
Metal Entry Gates & Pedestrian Gates - Paint	1,091

RANCHO VERDE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2035 continued...</i>	
Metal Fence - Paint	3,272
Metal Fence - Repair	3,116
Total for 2035	\$7,478
 Replacement Year 2036	
Streets/Asphalt	
Asphalt - Seal Coat and Crack Fill	25,675
Painting	
Block Walls - Paint	46,216
Block Walls - Repair	3,209
Total for 2036	\$75,100
 <i>No Replacement in 2037</i>	
 Replacement Year 2038	
Grounds Components	
Granite - Replenish	138,510
Total for 2038	\$138,510
 Replacement Year 2039	
Recreation	
Sand - Replenish	1,473
Equipment	
Entry Access Telephone System - Replace	7,014
Irrigation Controllers - Replace	1,841
Grounds Components	
Concrete Components - Repair	3,507
Drainage Channel - Clean & Inspect	8,768
Total for 2039	\$22,603
 Replacement Year 2040	
Painting	
Metal Entry Gates & Pedestrian Gates - Paint	1,264
Metal Fence - Paint	3,793

RANCHO VERDE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2040 continued...	
Metal Fence - Repair	3,612
Equipment	
Backflow Preventers - Replace	2,529
Signs	
Signs - Replace	1,806
Total for 2040	\$13,004
<i>No Replacement in 2041</i>	
<i>No Replacement in 2042</i>	
Replacement Year 2043	
Streets/Asphalt	
Asphalt - Seal Coat and Crack Fill	31,577
Total for 2043	\$31,577
Replacement Year 2044	
Painting	
Block Walls - Paint	58,544
Block Walls - Repair	4,066
Grounds Components	
Concrete Components - Repair	4,066
Drainage Channel - Clean & Inspect	10,164
Total for 2044	\$76,840
Replacement Year 2045	
Painting	
Metal Entry Gates & Pedestrian Gates - Paint	1,466
Metal Fence - Paint	4,397
Metal Fence - Repair	4,188
Equipment	
Gate Operators - Replace	31,407
Total for 2045	\$41,457
Replacement Year 2046	
Equipment	
Irrigation Controller - Replace	755

RANCHO VERDE HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2046 continued...</i>	
Grounds Components	
Granite - Replenish	175,460
Total for 2046	<u>\$176,215</u>
 <i>No Replacement in 2047</i>	
 Replacement Year 2048	
Streets/Asphalt	
Asphalt - Overlay	274,551
Lighting	
Landscape Lighting - Replace	10,296
Total for 2048	<u>\$284,847</u>
 Replacement Year 2049	
Recreation	
Sand - Replenish	1,980
Grounds Components	
Concrete Components - Repair	4,713
Drainage Channel - Clean & Inspect	11,783
Total for 2049	<u>\$18,475</u>

RANCHO VERDE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Streets/Asphalt										
Asphalt - Overlay										
Asphalt - Seal Coat and Crack Fill			16,974							20,876
Streets/Asphalt Total:			16,974							20,876
Painting										
Block Walls - Paint	28,800								36,483	
Block Walls - Repair	2,000								2,534	
Metal Entry Gates & Pedestrian Gates - Paint	700					811				
Metal Entry Gates - Replace										
Metal Fence - Paint	2,100					2,434				
Metal Fence - Repair	2,000					2,319				
Painting Total:	35,600					5,565			39,017	
Lighting										
Landscape Lighting - Replace									5,700	
Path Lighting - Replace										
Lighting Total:									5,700	
Recreation										
Sand - Replenish										1,096
Recreation Total:										1,096
Equipment										
Backflow Preventers - Replace	1,400									
Entry Access Telephone System - Replace								4,919		
Gate Operators - Replace		15,450								
Irrigation Controller - Replace										
Irrigation Controllers - Replace					1,182					
Park Furnishings - Replace										
Playstructures - Replace									18,875	
Equipment Total:	1,400	15,450			1,182			4,919	18,875	
Grounds Components										
Concrete Components - Repair					2,251					2,610

RANCHO VERDE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
<i>Grounds Components continued...</i>										
Drainage Channel - Clean & Inspect					5,628					6,524
Exposed Aggregate - Repair	<i>Unfunded</i>									
Granite - Replenish			86,315							
Grounds Components Total:			86,315		7,879					9,133
Signs										
Signs - Replace	1,000									
Street Signs - Replace									1,799	
Signs Total:	1,000								1,799	
Year Total:	38,000	15,450	103,289		9,060	5,565		4,919	65,391	31,106

RANCHO VERDE HOMEOWNERS ASSOCIATION
Spread Sheet

	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Description										
Streets/Asphalt										
Asphalt - Overlay										
Asphalt - Seal Coat and Crack Fill							25,675			
Streets/Asphalt Total:							25,675			
Painting										
Block Walls - Paint							46,216			
Block Walls - Repair							3,209			
Metal Entry Gates & Pedestrian Gates - Paint	941					1,091				
Metal Entry Gates - Replace				35,245						
Metal Fence - Paint	2,822					3,272				
Metal Fence - Repair	2,688					3,116				
Painting Total:	6,451			35,245		7,478	49,425			
Lighting										
Landscape Lighting - Replace										
Path Lighting - Replace		7,267								
Lighting Total:		7,267								
Recreation										
Sand - Replenish										1,473
Recreation Total:										1,473
Equipment										
Backflow Preventers - Replace										
Entry Access Telephone System - Replace										7,014
Gate Operators - Replace				22,028						
Irrigation Controller - Replace		484								
Irrigation Controllers - Replace										1,841
Park Furnishings - Replace	1,559									
Playstructures - Replace										
Equipment Total:	1,559	484		22,028						8,855
Grounds Components										
Concrete Components - Repair					3,025					3,507

RANCHO VERDE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
<i>Grounds Components continued...</i>										
Drainage Channel - Clean & Inspect					7,563					8,768
Exposed Aggregate - Repair	<i>Unfunded</i>									
Granite - Replenish	109,341								138,510	
Grounds Components Total:	109,341				10,588				138,510	12,275
Signs										
Signs - Replace										
Street Signs - Replace										
Signs Total:										
Year Total:	117,351	7,752		57,273	10,588	7,478	75,100		138,510	22,603

RANCHO VERDE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Streets/Asphalt										
Asphalt - Overlay									274,551	
Asphalt - Seal Coat and Crack Fill				31,577						
Streets/Asphalt Total:				31,577					274,551	
Painting										
Block Walls - Paint					58,544					
Block Walls - Repair					4,066					
Metal Entry Gates & Pedestrian Gates - Paint	1,264						1,466			
Metal Entry Gates - Replace										
Metal Fence - Paint	3,793						4,397			
Metal Fence - Repair	3,612						4,188			
Painting Total:	8,669				62,610		10,050			
Lighting										
Landscape Lighting - Replace									10,296	
Path Lighting - Replace										
Lighting Total:									10,296	
Recreation										
Sand - Replenish										1,980
Recreation Total:										1,980
Equipment										
Backflow Preventers - Replace	2,529									
Entry Access Telephone System - Replace										
Gate Operators - Replace						31,407				
Irrigation Controller - Replace							755			
Irrigation Controllers - Replace										
Park Furnishings - Replace										
Playstructures - Replace										
Equipment Total:	2,529					31,407		755		
Grounds Components										
Concrete Components - Repair					4,066					4,713

RANCHO VERDE HOMEOWNERS ASSOCIATION
Spread Sheet

Description	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
<i>Grounds Components continued...</i>										
Drainage Channel - Clean & Inspect					10,164					11,783
Exposed Aggregate - Repair	<i>Unfunded</i>									
Granite - Replenish							175,460			
Grounds Components Total:					14,230		175,460			16,496
Signs										
Signs - Replace	1,806									
Street Signs - Replace										
Signs Total:	1,806									
Year Total:	13,004			31,577	76,840	41,457	176,215		284,847	18,475