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RESERVE STUDIES

RESERVE STUDY UPDATE

FOR

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION

Management By:
Vision Community Management, A RealManage Company
16625 S Desert Foothills Pkwy
Phoenix, AZ 85048

Prepared By:
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Goodyear, AZ 85338

June 5, 2026

EXECUTIVE SUMMARY

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION

June 5, 2026

Starting Reserve Balance 1/1/2026	$330,525
Projected Fully Funded Reserve Balance 1/1/2026	$383,208
Percent Fully Funded 1/1/2026	86%
Annual Reserve Contribution 2025	$34,032

This study is an update to a previous study performed by Association Reserves dated October 15, 2018. This update was performed with a field visit.

This study is based on the cash flow method of funding. This reserve analysis is based on an observation and assessment of the condition 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 was provided by the association on the reserve fund balance and contribution to the fund. 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 January 1, 2026.

2. The study reflects a beginning balance for the reserve fund of $330,525 and an annual contribution of $34,032. The financial information was provided by the association and was not audited. As reflected by the Current Assessment Funding Model Projection in the report, on pages 1-1 and 1-2, the reserve fund is underfunded.. 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 is included in the report, on pages 1-3 and 1-4, for consideration by the Association. The model suggests an annual contribution of $45,000 in 2026 followed by an annual 4% increase in 2030 and the following years. Other funding alternatives can be prepared if desired by the Board. Note that the study includes a 4% 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 November 3, 2025. 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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RESERVE STUDY

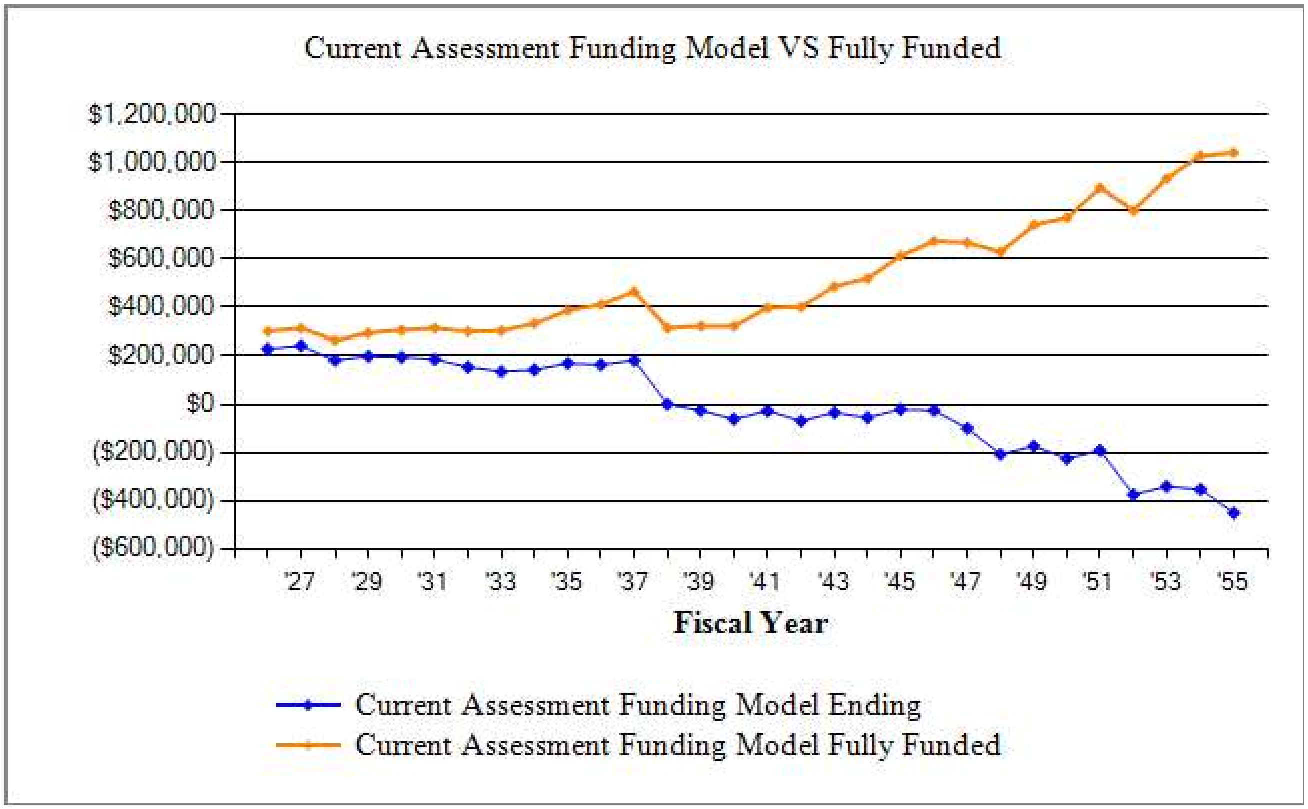
PART II INFORMATION ABOUT YOUR RESERVE STUDY

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Current Assessment Funding Model Summary

Report Date	June 5, 2026
Budget Year Beginning	January 1, 2026
Budget Year Ending	December 31, 2026
Total Units	161

Report Parameters

Inflation	4.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
2026 Beginning Balance	$330,525



Current Assessment Funding Model Summary of Calculations

Required Monthly Contribution	$2,836.00
$17.61 per unit monthly	
Average Net Monthly Interest Earned	$123.94
Total Monthly Allocation to Reserves	$2,959.94
$18.38 per unit monthly	

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Current Assessment Funding Model Projection

Beginning Balance: $330,525

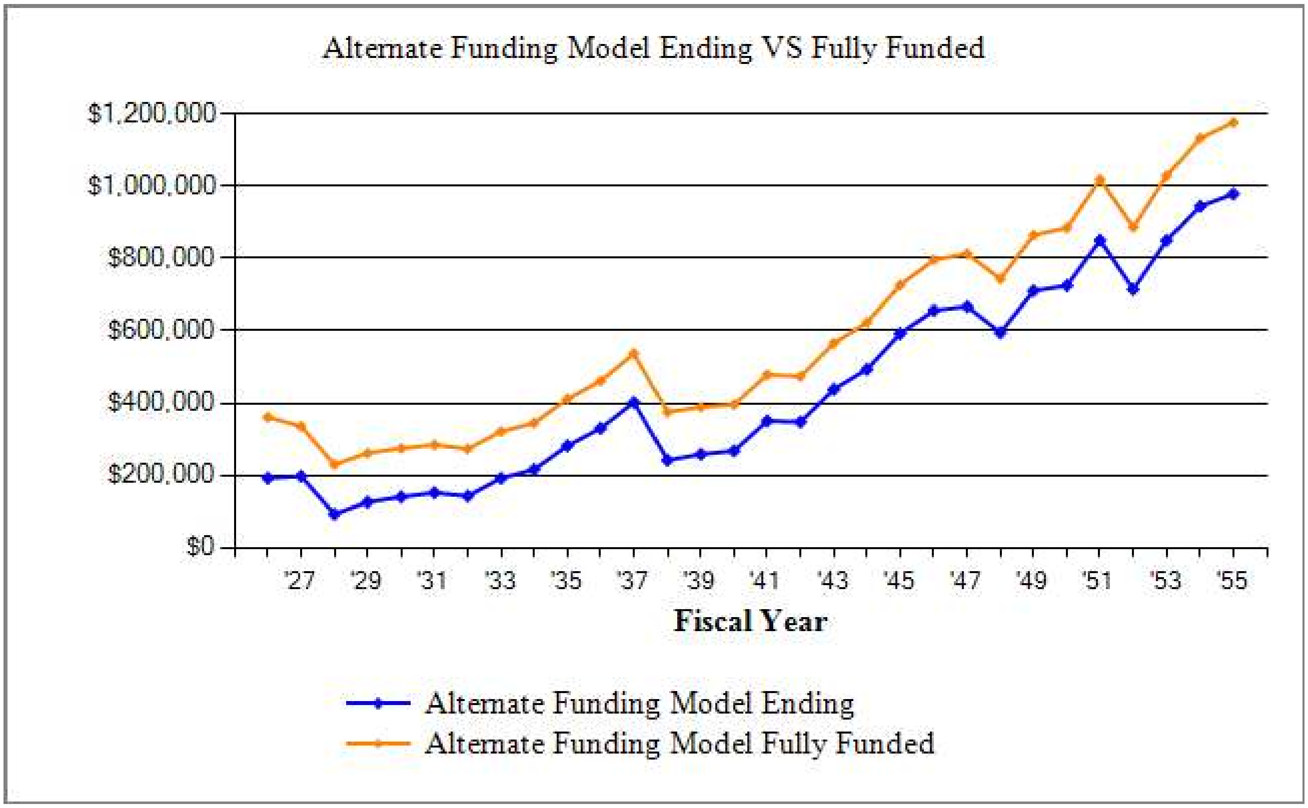
Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2026	537,096	34,032	1,487	137,150	228,894	300,643	76%
2027	547,503	34,032	1,583	21,840	242,670	313,604	77%
2028	569,404	34,032	1,162	95,663	182,201	263,837	69%
2029	592,180	34,032	1,280	18,279	199,234	294,082	68%
2030	615,867	34,032	1,253	39,190	195,329	305,367	64%
2031	640,502	34,032	1,192	44,043	186,510	313,669	59%
2032	666,122	34,032	967	67,188	154,321	300,018	51%
2033	692,767	34,032	841	52,966	136,227	302,478	45%
2034	720,477	34,032	890	27,919	143,231	332,908	43%
2035	749,296	34,032	1,075	8,540	169,798	386,808	44%
2036	779,268	34,032	1,036	40,652	164,214	411,664	40%
2037	810,439	34,032	1,164	16,934	182,476	464,248	39%
2038	842,856	34,032		216,111	396	313,939	0%
2039	876,571	34,032		60,276	-25,847	321,923	
2040	911,633	34,032		70,133	-61,948	322,299	
2041	948,099	34,032			-27,916	398,046	
2042	986,023	34,032		74,919	-68,804	401,421	
2043	1,025,464	34,032			-34,772	485,461	
2044	1,066,482	34,032		54,420	-55,159	518,986	
2045	1,109,141	34,032			-21,127	613,277	
2046	1,153,507	34,032		39,002	-26,097	673,718	
2047	1,199,647	34,032		107,558	-99,623	668,338	
2048	1,247,633	34,032		142,154	-207,745	629,945	
2049	1,297,539	34,032			-173,713	741,164	
2050	1,349,440	34,032		85,871	-225,552	770,967	
2051	1,403,418	34,032			-191,520	894,846	
2052	1,459,555	34,032		217,537	-375,024	801,164	
2053	1,517,937	34,032			-340,992	933,843	
2054	1,578,654	34,032		46,180	-353,140	1,027,827	
2055	1,641,800	34,032		131,607	-450,715	1,040,913	

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Alternate Funding Model Summary

Report Date	June 5, 2026
Budget Year Beginning	January 1, 2026
Budget Year Ending	December 31, 2026
Total Units	161

Report Parameters

Inflation	4.00%
Interest Rate on Reserve Deposit	1.00%
Tax Rate on Interest	30.00%
2026 Beginning Balance	$330,525



Alternate Funding Model Summary of Calculations

Required Monthly Contribution	$3,750.00
$23.29 per unit monthly	
Average Net Monthly Interest Earned	$127.41
Total Monthly Allocation to Reserves	$3,877.41
$24.08 per unit monthly	

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Alternate Funding Model Projection

Beginning Balance: $330,525

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Funded
2026	537,096	45,000	1,529	137,150	239,904	300,643	80%
2027	547,503	45,000	1,702	21,840	264,766	313,604	84%
2028	569,404	45,000	1,359	95,663	215,462	263,837	82%
2029	592,180	45,000	1,556	18,279	243,739	294,082	83%
2030	615,867	45,000	1,607	39,190	251,156	305,367	82%
2031	640,502	46,800	1,632	44,043	255,545	313,669	81%
2032	666,122	48,672	1,508	67,188	238,537	300,018	80%
2033	692,767	50,619	1,496	52,966	237,685	302,478	79%
2034	720,477	52,644	1,673	27,919	264,083	332,908	79%
2035	749,296	54,749	2,003	8,540	312,295	386,808	81%
2036	779,268	56,939	2,124	40,652	330,706	411,664	80%
2037	810,439	59,217	2,428	16,934	375,417	464,248	81%
2038	842,856	61,586	1,353	216,111	222,244	313,939	71%
2039	876,571	64,049	1,381	60,276	227,399	321,923	71%
2040	911,633	66,611	1,358	70,133	225,234	322,299	70%
2041	948,099	69,275	1,845		296,355	398,046	74%
2042	986,023	72,046	1,829	74,919	295,311	401,421	74%
2043	1,025,464	74,928	2,359		372,597	485,461	77%
2044	1,066,482	77,925	2,531	54,420	398,634	518,986	77%
2045	1,109,141	81,042	3,107		482,783	613,277	79%
2046	1,153,507	84,284	3,437	39,002	531,502	673,718	79%
2047	1,199,647	87,656	3,310	107,558	514,910	668,338	77%
2048	1,247,633	91,162	2,964	142,154	466,882	629,945	74%
2049	1,297,539	94,808	3,639		565,329	741,164	76%
2050	1,349,440	98,601	3,742	85,871	581,801	770,967	75%
2051	1,403,418	102,545	4,475		688,821	894,846	77%
2052	1,459,555	106,646	3,715	217,537	581,645	801,164	73%
2053	1,517,937	110,912	4,506		697,064	933,843	75%
2054	1,578,654	115,349	5,009	46,180	771,241	1,027,827	75%
2055	1,641,800	119,963	4,948	131,607	764,545	1,040,913	73%

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Asset Summary Report

Description	Asset ID	Replacement Date	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Painting									
Playground - Paint Asset ID: 1036	2023	2031	2,500	8	0	5	3,042	1 @	2,500.00
Pole Lights (Recreation) - Paint Asset ID: 1033	2018	2028	3,058	8	2	2	3,308	11 @	278.00
Tennis Light Poles - Paint Asset ID: 1029	2018	2028	2,500	8	2	2	2,704	1 @	2,500.00
Walls (Stucco) - Paint Asset ID: 1008	2018	2028	56,982	10	0	2	61,632	49550 @	1.15
Fencing/Security									
Bridle Path Chains & Posts (A) - Rep.. Asset ID: 1009	1978	2032	8,100	40	14	6	10,249	18 @	450.00
Bridle Path Fencing & Gate (B) - Re.. Asset ID: 1010	1978	2032	2,500	40	14	6	3,163	1 @	2,500.00
Bridle Path Fencing & Gate (C) - Re.. Asset ID: 1011	1978	2032	2,500	40	14	6	3,163	1 @	2,500.00
Emergency Gate - Replace Asset ID: 1020	2003	2033	19,000	30	0	7	25,003	1 @	19,000.00
Horse Arena Split Rail Fence - Repai.. Asset ID: 1041	*1041*	*Unfunded*							
Horse Benches - Replace Asset ID: 1023	*1023*	*Unfunded*							
Tennis Fence - Paint Asset ID: 1031	2018	2028	13,681	8	2	2	14,797	1 @	13,681.12
Tennis Fence - Replace Asset ID: 1030	2018	2046	10,800	28	0	20	23,664	1 @	10,800.00
Walls (Stucco) A - Repair Asset ID: 1006	2018	2027	10,000	10	-1	1	10,400	1 @	10,000.00
Walls (Stucco) B - Repair Asset ID: 1007	2003	2027	1,000	10	14	1	1,040	1 @	1,000.00
Lighting									
Horse Arena Lights - Paint Asset ID: 1040	2018	2028	2,224	8	2	2	2,405	8 @	278.00
Horse Arena Lights - Replace Asset ID: 1039	*1039*	*Unfunded*							
Pole Lights (Community) - Replace Asset ID: 1002	*1002*	*Unfunded*							
Pole Lights (Entrance) - Replace Asset ID: 1005	1998	2033	16,250	30	5	7	21,384	5 @	3,250.00
Tennis Lights - Replace Heads Asset ID: 1028	2024	2034	5,400	10	0	8	7,390	12 @	450.00
Recreation/Horse Arena									
Basketball Court Concrete - Replace Asset ID: 1026	1978	2026	120,500	50	-2	0	120,500	1 @	120,500.00

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Asset Summary Report

Description	Asset ID	Replacement Date	Current Cost	Useful Life	Adjustment	Remaining	Future Cost	Quantity	Unit Cost
Recreation/Horse Arena continued...									
Play Structure - Replace Asset ID: 1034	2018	2038	75,000	20	0	12	120,077	1 @	75,000.00
Racquetball Structure - Demo Asset ID: 1027	2026	2026	10,650	1	0	0	10,650	1 @	10,650.00
Swing Set Poles - Replace Asset ID: 1035	1978	2033	5,000	50	5	7	6,580	1 @	5,000.00
Tennis Courts - Resurface Asset ID: 1032	2023	2031	28,700	8	0	5	34,918	2 @	14,350.00
Equipment									
Backflow Valves - Replace - Phase1 Asset ID: 1016	1998	2035	6,000	20	17	9	8,540	2 @	6,000.00
Backflow Valves - Replace - Phase2 Asset ID: 1016	1998	2036	6,000	20	18	10	8,881	2 @	6,000.00
Baseball Backstop - Replace Asset ID: 1038	1979	2029	6,250	40	10	3	7,030	25 @	250.00
Electric Panel - Replace Asset ID: 1017	1978	2026	6,000	35	13	0	6,000	2 @	3,000.00
Irrigation Controllers - Replace Asset ID: 1015	*1015*	*Unfunded*							
Irrigation System (Flood) - Refurbish Asset ID: 1013	1978	2027	10,000	25	24	1	10,400	1 @	10,000.00
Park Furnishings - Replace Asset ID: 1024	2004	2029	10,000	25	0	3	11,249	1 @	10,000.00
Playground Furnishings - Replace Asset ID: 1025	2009	2034	8,000	25	0	8	10,949	1 @	8,000.00
Grounds Components									
Arbor - Care Asset ID: 1021	2022	2032	40,000	10	0	6	50,613	1 @	40,000.00
Concrete Components - Repair/Repla.. Asset ID: 1004	2022	2028	7,000	6	0	2	7,571	1 @	7,000.00
Granite (A) - Replenish Asset ID: 1018	2020	2030	8,000	10	0	4	9,359	1 @	8,000.00
Granite (B) - Replenish Asset ID: 1019	2020	2030	24,000	10	0	4	28,077	1 @	24,000.00
Pavers (Concrete) - Repair/Replace P.. Asset ID: 1003	2018	2030	1,500	10	2	4	1,755	1 @	1,500.00
Signs									
Directional Signs - Refurbish/replace Asset ID: 1022	2023	2031	5,000	8	0	5	6,083	1 @	5,000.00
Monuments - Refurbish Asset ID: 1001	2018	2028	3,000	10	0	2	3,245	2 @	1,500.00

Playground - Paint

		1 LS	@ $2,500.00
Asset ID	1036	Asset Actual Cost	$2,500.00
	Recreation Area	Percent Replacement	100%
Category	Painting	Future Cost	$3,041.63
Placed in Service	October 2023		
Useful Life	8		
Replacement Year	2031		
Remaining Life	5		

Good condition. Budget to paint play structure and swing set.

Pole Lights (Recreation) - Paint

		11 EA	@ $278.00
Asset ID	1033	Asset Actual Cost	$3,058.00
	Recreation Area	Percent Replacement	100%
Category	Painting	Future Cost	$3,307.53
Placed in Service	October 2018		
Useful Life	8		
Adjustment	2		
Replacement Year	2028		
Remaining Life	2		

Poor condition. Budget to paint recreation area pole lights.

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Detail Report

Tennis Light Poles - Paint

		1 LS	@ $2,500.00
Asset ID	1029	Asset Actual Cost	$2,500.00
	Recreation Area	Percent Replacement	100%
Category	Painting	Future Cost	$2,704.00
Placed in Service	October 2018		
Useful Life	8		
Adjustment	2		
Replacement Year	2028		
Remaining Life	2		

Fair to poor condition. Budget to paint (9) poles.

2018 - Painted total $1,900.

Walls (Stucco) - Paint

		49,550 SF	@ $1.15
Asset ID	1008	Asset Actual Cost	$56,982.50
	Grounds	Percent Replacement	100%
Category	Painting	Future Cost	$61,632.27
Placed in Service	October 2018		
Useful Life	10		
Replacement Year	2028		
Remaining Life	2		

Walls (Stucco) - Paint continued...

Poor condition. Budget to paint masonry block stucco walls. Locations include entrance, Warner Rd., Price Rd., South of community along bridle path, and interior walls.

Bridle Path Chains & Posts (A) - Replace

		18 EA	@ $450.00
Asset ID	1009	Asset Actual Cost	$8,100.00
	Grounds	Percent Replacement	100%
Category	Fencing/Security	Future Cost	$10,249.08
Placed in Service	October 1978		
Useful Life	40		
Adjustment	14		
Replacement Year	2032		
Remaining Life	6		

Fair condition. Budget to replace bridle path chains and posts. Low priority - life adjustment.

Bridle Path Fencing & Gate (B) - Replace

		1 EA	@ $2,500.00
Asset ID	1010	Asset Actual Cost	$2,500.00
	Grounds	Percent Replacement	100%
Category	Fencing/Security	Future Cost	$3,163.30
Placed in Service	October 1978		
Useful Life	40		
Adjustment	14		
Replacement Year	2032		
Remaining Life	6		

Bridle Path Fencing & Gate (B) - Replace continued...

Fair condition. Budget to replace approximately 40 LF of split rail fencing/gates. Location South end of Fairfield Dr. Low priority - life adjustment.

Bridle Path Fencing & Gate (C) - Replace

		1 EA	@ $2,500.00
Asset ID	1011	Asset Actual Cost	$2,500.00
	Grounds	Percent Replacement	100%
Category	Fencing/Security	Future Cost	$3,163.30
Placed in Service	October 1978		
Useful Life	40		
Adjustment	14		
Replacement Year	2032		
Remaining Life	6		

Budget to replace approximately 40 LF of split rail fencing/gates. Location Southeast corner of Price Rd. Low priority - life adjustment.

Emergency Gate - Replace

		1 LS	@ $19,000.00
Asset ID	1020	Asset Actual Cost	$19,000.00
	Grounds	Percent Replacement	100%
Category	Fencing/Security	Future Cost	$25,002.70
Placed in Service	October 2003		
Useful Life	30		
Replacement Year	2033		
Remaining Life	7		

Emergency Gate - Replace continued...

Good condition. Budget to replace emergency fire gate with block wall. Approximately 25 LF.

Horse Arena Split Rail Fence - Repair/Replace Footings

		1 LS	
Asset ID	1041	Asset Actual Cost	
	Recreation Area	Percent Replacement	100%
Category	Fencing/Security	Future Cost	
Placed in Service	October 1978		
Useful Life	30		
Adjustment	18		
Replacement Year	2026		
Remaining Life	0		

Poor condition. Budget to repair and/or replace footings where needed. Reportedly footings are failing. Approximately 670 LF of split rail fencing. Association requests to defer indefinitely.

Horse Benches - Replace

		3 EA	
Asset ID	1023	Asset Actual Cost	
	Recreation Area	Percent Replacement	100%
Category	Fencing/Security	Future Cost	
Placed in Service	October 1978		
No Useful Life			

Unfunded. No anticipation to replace.

Tennis Fence - Paint

		1 LS	@ $13,681.12
Asset ID	1031	Asset Actual Cost	$13,681.12
	Recreation Area	Percent Replacement	100%
Category	Fencing/Security	Future Cost	$14,797.50
Placed in Service	October 2018		
Useful Life	8		
Adjustment	2		
Replacement Year	2028		
Remaining Life	2		

Fair condition. Budget to paint chain link tennis fencing. Approximately 600 SF. Life

Tennis Fence - Paint continued...

adjustment due to condition.

Tennis Fence - Replace

		1 LS	@ $10,800.00
Asset ID	1030	Asset Actual Cost	$10,800.00
	Recreation Area	Percent Replacement	100%
Category	Fencing/Security	Future Cost	$23,664.13
Placed in Service	October 2018		
Useful Life	28		
Replacement Year	2046		
Remaining Life	20		

Good condition. Budget to replace chain link tennis fencing. Approximately 540 LF.

2018 - Replaced fence total $10,800.

Walls (Stucco) A - Repair

		1 LS	@ $10,000.00
Asset ID	1006	Asset Actual Cost	$10,000.00
	Grounds	Percent Replacement	100%
Category	Fencing/Security	Future Cost	$10,400.00
Placed in Service	October 2018		
Useful Life	10		
Adjustment	-1		
Replacement Year	2027		
Remaining Life	1		

Walls (Stucco) A - Repair continued...

Various conditions. Budget to repair painted stucco walls. Location entrance Warner Rd & Fairfield Dr. and North of lots 157 & 158 along Warner Rd. Recommend paint with minor stucco repair soon to presreve and asthetics. In conjunction with wall paint, see asset ID 1008. Approximately 7,800 SF of wall.

2018 - Repaired.

Walls (Stucco) B - Repair

		1 LS	@ $1,000.00
Asset ID	1007	Asset Actual Cost	$1,000.00
	Grounds	Percent Replacement	100%
Category	Fencing/Security	Future Cost	$1,040.00
Placed in Service	October 2003		
Useful Life	10		
Adjustment	14		
Replacement Year	2027		
Remaining Life	1		

Various conditions. Budget to repair painted stucco walls. Location along Price Rd. Recommend paint with minor stucco repair soon to presreve and asthetics. In conjunction with

Walls (Stucco) B - Repair continued...

wall paint, see asset ID 1008. Approximateluy 17,000 SF of wall.

Horse Arena Lights - Paint

		8 EA	@ $278.00
Asset ID	1040	Asset Actual Cost	$2,224.00
	Recreation Area	Percent Replacement	100%
Category	Lighting	Future Cost	$2,405.48
Placed in Service	October 2018		
Useful Life	8		
Adjustment	2		
Replacement Year	2028		
Remaining Life	2		

Poor condition. Budget to paint horse arena light poles.

Horse Arena Lights - Replace

		8 EA	
Asset ID	1039	Asset Actual Cost	
	Recreation Area	Percent Replacement	100%
Category	Lighting	Future Cost	
Placed in Service	October 1978		
Useful Life	28		
Adjustment	22		
Replacement Year	2028		
Remaining Life	2		

Horse Arena Lights - Replace continued...

Assume working condition. Budget to replace horse arena lights including heads and poles. Association requested this be deferred indefinitely.

Pole Lights (Community) - Replace

		60 EA	
Asset ID	1002	Asset Actual Cost	
	Grounds	Percent Replacement	100%
Category	Lighting	Future Cost	
Placed in Service	October 1978		
No Useful Life			

Unfunded. Leased from APS. Unknown (working) condition.

Pole Lights (Entrance) - Replace

		5 EA	@ $3,250.00
Asset ID	1005	Asset Actual Cost	$16,250.00
	Grounds	Percent Replacement	100%
Category	Lighting	Future Cost	$21,383.89
Placed in Service	October 1998		
Useful Life	30		
Adjustment	5		
Replacement Year	2033		
Remaining Life	7		

Condition (working) unknown. Budget to replace (5) entrance pole lights. Location on Fairfield Dr.

Tennis Lights - Replace Heads

		12 EA	@ $450.00
Asset ID	1028	Asset Actual Cost	$5,400.00
	Recreation Area	Percent Replacement	100%
Category	Lighting	Future Cost	$7,390.27
Placed in Service	October 2024		
Useful Life	10		
Replacement Year	2034		
Remaining Life	8		

Tennis Lights - Replace Heads continued...

Working condition. Budget to replace (12) LED heads. Does not include pole replacement.

2024 - Convert to LED heads total $4,930.

Basketball Court Concrete - Replace

Asset ID	1026	1 LS	@ $120,500.00
	Recreation Area	Asset Actual Cost	$120,500.00
Category	Recreation/Horse Arena	Percent Replacement	100%
Placed in Service	October 1978	Future Cost	$120,500.00
Useful Life	50		
Adjustment	-2		
Replacement Year	2026		
Remaining Life	0		


Poor condition. Budget to replace the 1/2 court basketball with full court basketball in conjunction of removing the racquetball structure.

Play Structure - Replace

Asset ID	1034	1 EA	@ $75,000.00
	Recreation Area	Asset Actual Cost	$75,000.00
Category	Recreation/Horse Arena	Percent Replacement	100%
Placed in Service	October 2018	Future Cost	$120,077.42
Useful Life	20		
Replacement Year	2038		
Remaining Life	12		

Play Structure - Replace continued...

Good condition. Budget to replace large play structure.

2018 - Installed total $52,500.

Racquetball Structure - Demo

		1 LS	@ $10,650.00
Asset ID	1027	Asset Actual Cost	$10,650.00
	Recreation Area	Percent Replacement	100%
Category	Recreation/Horse Arena	Future Cost	$10,650.00
Placed in Service	October 2026		
Useful Life	1		
Replacement Year	2026		
Remaining Life	0		

Non use. Budget for one time demo of racquetball structure.

Swing Set Poles - Replace

Asset ID	1035	1 EA	@ $5,000.00
	Recreation Area	Asset Actual Cost	$5,000.00
Category	Recreation/Horse Arena	Percent Replacement	100%
Placed in Service	October 1978	Future Cost	$6,579.66
Useful Life	50		
Adjustment	5		
Replacement Year	2033		
Remaining Life	7		

Old but sturdy condition. Budget to replace swing set poles. Operating budget for swing hardware and seats replacement.

Tennis Courts - Resurface

Asset ID	1032	2 EA	@ $14,350.00
	Recreation Area	Asset Actual Cost	$28,700.00
Category	Recreation/Horse Arena	Percent Replacement	100%
Placed in Service	October 2023	Future Cost	$34,917.94
Useful Life	8		
Replacement Year	2031		
Remaining Life	5		

Tennis Courts - Resurface continued...

Good condition. Budget to resurface two tennis courts. No anticipation to replace courts. Replaced in 2018 with post tension concrete total $86,000. Noted no cracking. Resurfaced approximately 2-3 years ago.

Backflow Valves - Replace - Phase1

		2 EA	@ $6,000.00
Asset ID	1016	Asset Actual Cost	$6,000.00
	Grounds	Percent Replacement	50%
Category	Equipment	Future Cost	$8,539.87
Placed in Service	October 1998		
Useful Life	20		
Adjustment	17		
Replacement Year	2035		
Remaining Life	9		

Working condition. Budget to replace (2) 3" backflow valves. Placed in service date based on community age.

Backflow Valves - Replace - Phase2

		2 EA	@ $6,000.00
Asset ID	1016	Asset Actual Cost	$6,000.00
	Grounds	Percent Replacement	50%
Category	Equipment	Future Cost	$8,881.47
Placed in Service	October 1998		
Useful Life	20		
Adjustment	18		
Replacement Year	2036		
Remaining Life	10		

Backflow Valves - Replace - Phase2 continued...

Working condition. Budget to replace (2) 3" backflow valves. Placed in service date based on community age.

Baseball Backstop - Replace

		25 LF	@ $250.00
Asset ID	1038	Asset Actual Cost	$6,250.00
	Recreation Area	Percent Replacement	100%
Category	Equipment	Future Cost	$7,030.40
Placed in Service	October 1979		
Useful Life	40		
Adjustment	10		
Replacement Year	2029		
Remaining Life	3		

Fair condition. Budget to replace chain baseball backstop. Noted bent out of shape but sturdy.

Electric Panel - Replace

		2 EA	@ $3,000.00
Asset ID	1017	Asset Actual Cost	$6,000.00
	Recreation Area	Percent Replacement	100%
Category	Equipment	Future Cost	$6,000.00
Placed in Service	October 1978		
Useful Life	35		
Adjustment	13		
Replacement Year	2026		
Remaining Life	0		

Budget to replace electric panels assume 100 amp panels. Located on raquetball and horse arenas. One will be replaced when building is torn down and replaced with full basketball court.

Irrigation Controllers - Replace

		6 EA	
Asset ID	1015	Asset Actual Cost	
	Grounds	Percent Replacement	100%
Category	Equipment	Future Cost	
Placed in Service	October 1978		
No Useful Life			

Irrigation Controllers - Replace continued...

Unfunded, under threshold. Budget to replace Weathermatic w/smart link irrigation controllers. Approximately, $350 each.

Irrigation System (Flood) - Refurbish

		1 LS	@ $10,000.00
Asset ID	1013	Asset Actual Cost	$10,000.00
	Grounds	Percent Replacement	100%
Category	Equipment	Future Cost	$10,400.00
Placed in Service	October 1978		
Useful Life	25		
Adjustment	24		
Replacement Year	2027		
Remaining Life	1		

Budget to refurbish flood irrigation system. Location near baseball and basketball areas. Noted (2) irrigation lift stations these are unfunded and have a long life.

2022 - Staking of trees and drip lines total $3,750.

2022 - Irrigation plumbing valve replaced total $1,675.

Park Furnishings - Replace

		1 LS	@ $10,000.00
Asset ID	1024	Asset Actual Cost	$10,000.00
	Recreation Area	Percent Replacement	100%
Category	Equipment	Future Cost	$11,248.64
Placed in Service	October 2004		
Useful Life	25		
Replacement Year	2029		
Remaining Life	3		


Fair condition. Budget to replace park furnishings including rectangle concrete tables, benches and trash cans.

Playground Furnishings - Replace

		1 LS	@ $8,000.00
Asset ID	1025	Asset Actual Cost	$8,000.00
	Recreation Area	Percent Replacement	100%
Category	Equipment	Future Cost	$10,948.55
Placed in Service	October 2009		
Useful Life	25		
Replacement Year	2034		
Remaining Life	8		


Fair condition. Budget to replace park furnishings including round concrete tables with

Playground Furnishings - Replace continued...

benches.

Arbor - Care

		1 LS	@ $40,000.00
Asset ID	1021	Asset Actual Cost	$40,000.00
	Grounds	Percent Replacement	100%
Category	Grounds Components	Future Cost	$50,612.76
Placed in Service	October 2022		
Useful Life	10		
Replacement Year	2032		
Remaining Life	6		

Budget to remove and/or replace trees and plantings throughout the community.

2022 - Planting project total $40,950.

Concrete Components - Repair/Replace Sections

		1 LS	@ $7,000.00
Asset ID	1004	Asset Actual Cost	$7,000.00
	Grounds	Percent Replacement	100%
Category	Grounds Components	Future Cost	$7,571.20
Placed in Service	October 2022		
Useful Life	6		
Replacement Year	2028		
Remaining Life	2		

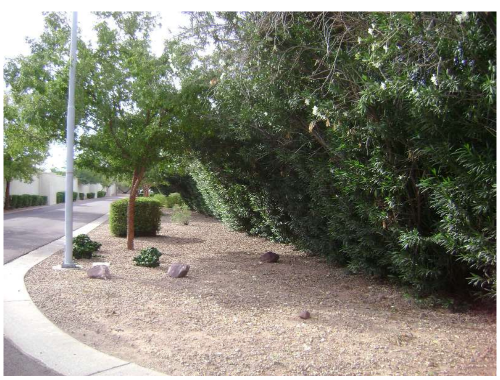
Concrete Components - Repair/Replace Sections continued...

Fair condition. Budget to repair and/or replace sections of concrete walkways or landscape curbing when needed. Noted lifting of sidewalk due to tree roots.

2022 - Concrete remove & replace total $6,800.

Granite (A) - Replenish

		1 LS	@ $8,000.00
Asset ID	1018	Asset Actual Cost	$8,000.00
	Grounds	Percent Replacement	100%
Category	Grounds Components	Future Cost	$9,358.87
Placed in Service	October 2020		
Useful Life	10		
Replacement Year	2030		
Remaining Life	4		



Good condition overall. Budget to replenish granite located on Price Rd. & Caroline Ln., along recreation area sidewalk, bridal path entrances and horse arena walkway where needed. Approximately 2,200 SF.

Granite (B) - Replenish

		1 LS	@ $24,000.00
Asset ID	1019	Asset Actual Cost	$24,000.00
	Grounds	Percent Replacement	100%
Category	Grounds Components	Future Cost	$28,076.61
Placed in Service	October 2020		
Useful Life	10		
Replacement Year	2030		
Remaining Life	4		

Good condition. Budget to replenish granite located on Warner Rd. & Fairfield Dr. and along Price interior areas where needed. Approximately 40,000 SF.

Pavers (Concrete) - Repair/Replace Pieces

		1 LS	@ $1,500.00
Asset ID	1003	Asset Actual Cost	$1,500.00
	Recreation Area	Percent Replacement	100%
Category	Grounds Components	Future Cost	$1,754.79
Placed in Service	October 2018		
Useful Life	10		
Adjustment	2		
Replacement Year	2030		
Remaining Life	4		

Pavers (Concrete) - Repair/Replace Pieces continued...

Good condition. Budget to repair and/or replace sections of concrete pavers. Located near tennis and play structure.

Directional Signs - Refurbish/replace

		1 LS	@ $5,000.00
Asset ID	1022	Asset Actual Cost	$5,000.00
	Grounds	Percent Replacement	100%
Category	Signs	Future Cost	$6,083.26
Placed in Service	October 2023		
Useful Life	8		
Replacement Year	2031		
Remaining Life	5		


Good condition. Budget to refurbish and/or replace signs as needed. Located at the recreation area and grounds. Placed in service date unknown, based on condition.

Monuments - Refurbish

		2 EA	@ $1,500.00
Asset ID	1001	Asset Actual Cost	$3,000.00
	Grounds	Percent Replacement	100%
Category	Signs	Future Cost	$3,244.80
Placed in Service	October 2018		
Useful Life	10		
Replacement Year	2028		
Remaining Life	2		

Fair condition. Budget to repair stucco cracks, paint stucco, and paint metal lettering and horse

Monuments - Refurbish continued...

busts. No anticipation to remove & replace. Location entrance off Warner Rd. In conjunction with wall repairs, see asset ID 1006.

2018 - Monuments refurbished total $10,441.

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Detail Index

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Detail Index

Total Funded Assets	34
Total Unfunded Assets	5
Total Assets	39

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description		Expenditures
Replacement Year 2026		
Recreation/Horse Arena		
1026	Basketball Court Concrete - Replace	120,500
1027	Racquetball Structure - Demo	10,650
Equipment		
1017	Electric Panel - Replace	6,000
Total for 2026		**$137,150**
Replacement Year 2027		
Fencing/Security		
1006	Walls (Stucco) A - Repair	10,400
1007	Walls (Stucco) B - Repair	1,040
Equipment		
1013	Irrigation System (Flood) - Refurbish	10,400
Total for 2027		**$21,840**
Replacement Year 2028		
Painting		
1033	Pole Lights (Recreation) - Paint	3,308
1029	Tennis Light Poles - Paint	2,704
1008	Walls (Stucco) - Paint	61,632
Fencing/Security		
1031	Tennis Fence - Paint	14,797
Lighting		
1040	Horse Arena Lights - Paint	2,405
Grounds Components		
1004	Concrete Components - Repair/Replace Sections	7,571
Signs		
1001	Monuments - Refurbish	3,245
Total for 2028		**$95,663**
Replacement Year 2029		
Equipment		
1038	Baseball Backstop - Replace	7,030
1024	Park Furnishings - Replace	11,249
Total for 2029		**$18,279**

Description		Expenditures
Replacement Year 2030		
Grounds Components		
1018	Granite (A) - Replenish	9,359
1019	Granite (B) - Replenish	28,077
1003	Pavers (Concrete) - Repair/Replace Pieces	1,755
Total for 2030		**$39,190**
Replacement Year 2031		
Painting		
1036	Playground - Paint	3,042
Recreation/Horse Arena		
1032	Tennis Courts - Resurface	34,918
Signs		
1022	Directional Signs - Refurbish/replace	6,083
Total for 2031		**$44,043**
Replacement Year 2032		
Fencing/Security		
1009	Bridle Path Chains & Posts (A) - Replace	10,249
1010	Bridle Path Fencing & Gate (B) - Replace	3,163
1011	Bridle Path Fencing & Gate (C) - Replace	3,163
Grounds Components		
1021	Arbor - Care	50,613
Total for 2032		**$67,188**
Replacement Year 2033		
Fencing/Security		
1020	Emergency Gate - Replace	25,003
Lighting		
1005	Pole Lights (Entrance) - Replace	21,384
Recreation/Horse Arena		
1035	Swing Set Poles - Replace	6,580
Total for 2033		**$52,966**
Replacement Year 2034		
Lighting		
1028	Tennis Lights - Replace Heads	7,390

Description		Expenditures
Replacement Year 2034 continued...		
Equipment		
1025	Playground Furnishings - Replace	10,949
Grounds Components		
1004	Concrete Components - Repair/Replace Sections	9,580
Total for 2034		**$27,919**
Replacement Year 2035		
Equipment		
1016	Backflow Valves - Replace - Phase1	8,540
Total for 2035		**$8,540**
Replacement Year 2036		
Painting		
1033	Pole Lights (Recreation) - Paint	4,527
1029	Tennis Light Poles - Paint	3,701
Fencing/Security		
1031	Tennis Fence - Paint	20,251
Lighting		
1040	Horse Arena Lights - Paint	3,292
Equipment		
1016	Backflow Valves - Replace - Phase2	8,881
Total for 2036		**$40,652**
Replacement Year 2037		
Fencing/Security		
1006	Walls (Stucco) A - Repair	15,395
1007	Walls (Stucco) B - Repair	1,539
Total for 2037		**$16,934**
Replacement Year 2038		
Painting		
1008	Walls (Stucco) - Paint	91,231
Recreation/Horse Arena		
1034	Play Structure - Replace	120,077

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description		Expenditures
Replacement Year 2038 continued...		
Signs		
1001	Monuments - Refurbish	4,803
Total for 2038		**$216,111**
Replacement Year 2039		
Painting		
1036	Playground - Paint	4,163
Recreation/Horse Arena		
1032	Tennis Courts - Resurface	47,788
Signs		
1022	Directional Signs - Refurbish/replace	8,325
Total for 2039		**$60,276**
Replacement Year 2040		
Grounds Components		
1004	Concrete Components - Repair/Replace Sections	12,122
1018	Granite (A) - Replenish	13,853
1019	Granite (B) - Replenish	41,560
1003	Pavers (Concrete) - Repair/Replace Pieces	2,598
Total for 2040		**$70,133**
No Replacement in 2041		
Replacement Year 2042		
Grounds Components		
1021	Arbor - Care	74,919
Total for 2042		**$74,919**
No Replacement in 2043		
Replacement Year 2044		
Painting		
1033	Pole Lights (Recreation) - Paint	6,195
1029	Tennis Light Poles - Paint	5,065

Description		Expenditures
Replacement Year 2044 continued...		
Fencing/Security		
1031	Tennis Fence - Paint	27,715
Lighting		
1040	Horse Arena Lights - Paint	4,505
1028	Tennis Lights - Replace Heads	10,939
Total for 2044		**$54,420**
No Replacement in 2045		
Replacement Year 2046		
Fencing/Security		
1030	Tennis Fence - Replace	23,664
Grounds Components		
1004	Concrete Components - Repair/Replace Sections	15,338
Total for 2046		**$39,002**
Replacement Year 2047		
Painting		
1036	Playground - Paint	5,697
Fencing/Security		
1006	Walls (Stucco) A - Repair	22,788
1007	Walls (Stucco) B - Repair	2,279
Recreation/Horse Arena		
1032	Tennis Courts - Resurface	65,401
Signs		
1022	Directional Signs - Refurbish/replace	11,394
Total for 2047		**$107,558**
Replacement Year 2048		
Painting		
1008	Walls (Stucco) - Paint	135,044
Signs		
1001	Monuments - Refurbish	7,110
Total for 2048		**$142,154**

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description		Expenditures
No Replacement in 2049		
Replacement Year 2050		
Grounds Components		
1018	Granite (A) - Replenish	20,506
1019	Granite (B) - Replenish	61,519
1003	Pavers (Concrete) - Repair/Replace Pieces	3,845
Total for 2050		**$85,871**
No Replacement in 2051		
Replacement Year 2052		
Painting		
1033	Pole Lights (Recreation) - Paint	8,478
1029	Tennis Light Poles - Paint	6,931
Fencing/Security		
1031	Tennis Fence - Paint	37,930
Lighting		
1040	Horse Arena Lights - Paint	6,166
Equipment		
1013	Irrigation System (Flood) - Refurbish	27,725
Grounds Components		
1021	Arbor - Care	110,899
1004	Concrete Components - Repair/Replace Sections	19,407
Total for 2052		**$217,537**
No Replacement in 2053		
Replacement Year 2054		
Lighting		
1028	Tennis Lights - Replace Heads	16,193
Equipment		
1024	Park Furnishings - Replace	29,987
Total for 2054		**$46,180**

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Annual Expenditure Detail

Description		Expenditures
Replacement Year 2055		
Painting		
1036	Playground - Paint	7,797
Recreation/Horse Arena		
1032	Tennis Courts - Resurface	89,505
Equipment		
1016	Backflow Valves - Replace - Phase1	18,712
Signs		
1022	Directional Signs - Refurbish/replace	15,593
Total for 2055		**$131,607**

ID Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Painting										
1036 Playground - Paint						3,042				
1033 Pole Lights (Recreation) - Paint			3,308							
1029 Tennis Light Poles - Paint			2,704							
1008 Walls (Stucco) - Paint			61,632							
Painting Total:			**67,644**			**3,042**				
Fencing/Security										
1009 Bridle Path Chains & Posts (A) - Replace							10,249			
1010 Bridle Path Fencing & Gate (B) - Replace							3,163			
1011 Bridle Path Fencing & Gate (C) - Replace							3,163			
1020 Emergency Gate - Replace								25,003		
1041 Horse Arena Split Rail Fence - Repair/Replac..	*Unfunded*									
1023 Horse Benches - Replace	*Unfunded*									
1031 Tennis Fence - Paint			14,797							
1030 Tennis Fence - Replace										
1006 Walls (Stucco) A - Repair		10,400								
1007 Walls (Stucco) B - Repair		1,040								
Fencing/Security Total:		**11,440**	**14,797**				**16,576**	**25,003**		
Lighting										
1040 Horse Arena Lights - Paint			2,405							
1039 Horse Arena Lights - Replace	*Unfunded*									
1002 Pole Lights (Community) - Replace	*Unfunded*									
1005 Pole Lights (Entrance) - Replace								21,384		
1028 Tennis Lights - Replace Heads									7,390	
Lighting Total:			**2,405**					**21,384**	**7,390**	
Recreation/Horse Arena										
1026 Basketball Court Concrete - Replace	120,500									
1034 Play Structure - Replace										
1027 Racquetball Structure - Demo	10,650									
1035 Swing Set Poles - Replace								6,580		
1032 Tennis Courts - Resurface						34,918				
Recreation/Horse Arena Total:	**131,150**					**34,918**		**6,580**		

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Spread Sheet

ID Description	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Equipment										
1016 Backflow Valves - Replace - Phase1										8,540
1016 Backflow Valves - Replace - Phase2										
1038 Baseball Backstop - Replace				7,030						
1017 Electric Panel - Replace	6,000									
1015 Irrigation Controllers - Replace	*Unfunded*									
1013 Irrigation System (Flood) - Refurbish		10,400								
1024 Park Furnishings - Replace				11,249						
1025 Playground Furnishings - Replace									10,949	
Equipment Total:	**6,000**	**10,400**		**18,279**					**10,949**	**8,540**
Grounds Components										
1021 Arbor - Care							50,613			
1004 Concrete Components - Repair/Replace Secti..			7,571						9,580	
1018 Granite (A) - Replenish					9,359					
1019 Granite (B) - Replenish					28,077					
1003 Pavers (Concrete) - Repair/Replace Pieces					1,755					
Grounds Components Total:			**7,571**		**39,190**		**50,613**		**9,580**	
Signs										
1022 Directional Signs - Refurbish/replace						6,083				
1001 Monuments - Refurbish			3,245							
Signs Total:			**3,245**			**6,083**				
Year Total:	**137,150**	**21,840**	**95,663**	**18,279**	**39,190**	**44,043**	**67,188**	**52,966**	**27,919**	**8,540**

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Spread Sheet

ID Description	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Painting										
1036 Playground - Paint				4,163						
1033 Pole Lights (Recreation) - Paint	4,527								6,195	
1029 Tennis Light Poles - Paint	3,701								5,065	
1008 Walls (Stucco) - Paint			91,231							
Painting Total:	**8,227**		**91,231**	**4,163**					**11,259**	
Fencing/Security										
1009 Bridle Path Chains & Posts (A) - Replace										
1010 Bridle Path Fencing & Gate (B) - Replace										
1011 Bridle Path Fencing & Gate (C) - Replace										
1020 Emergency Gate - Replace										
1041 Horse Arena Split Rail Fence - Repair/Replac..	*Unfunded*									
1023 Horse Benches - Replace	*Unfunded*									
1031 Tennis Fence - Paint	20,251								27,715	
1030 Tennis Fence - Replace										
1006 Walls (Stucco) A - Repair		15,395								
1007 Walls (Stucco) B - Repair		1,539								
Fencing/Security Total:	**20,251**	**16,934**							**27,715**	
Lighting										
1040 Horse Arena Lights - Paint	3,292								4,505	
1039 Horse Arena Lights - Replace	*Unfunded*									
1002 Pole Lights (Community) - Replace	*Unfunded*									
1005 Pole Lights (Entrance) - Replace										
1028 Tennis Lights - Replace Heads									10,939	
Lighting Total:	**3,292**								**15,445**	
Recreation/Horse Arena										
1026 Basketball Court Concrete - Replace										
1034 Play Structure - Replace			120,077							
1027 Racquetball Structure - Demo										
1035 Swing Set Poles - Replace										
1032 Tennis Courts - Resurface				47,788						
Recreation/Horse Arena Total:			**120,077**	**47,788**						

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Spread Sheet

ID Description	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Equipment										
1016 Backflow Valves - Replace - Phase1										
1016 Backflow Valves - Replace - Phase2	8,881									
1038 Baseball Backstop - Replace										
1017 Electric Panel - Replace										
1015 Irrigation Controllers - Replace	*Unfunded*									
1013 Irrigation System (Flood) - Refurbish										
1024 Park Furnishings - Replace										
1025 Playground Furnishings - Replace										
Equipment Total:	**8,881**									
Grounds Components										
1021 Arbor - Care							74,919			
1004 Concrete Components - Repair/Replace Secti..					12,122					
1018 Granite (A) - Replenish					13,853					
1019 Granite (B) - Replenish					41,560					
1003 Pavers (Concrete) - Repair/Replace Pieces					2,598					
Grounds Components Total:					**70,133**		**74,919**			
Signs										
1022 Directional Signs - Refurbish/replace				8,325						
1001 Monuments - Refurbish			4,803							
Signs Total:			**4,803**	**8,325**						
Year Total:	**40,652**	**16,934**	**216,111**	**60,276**	**70,133**		**74,919**		**54,420**	

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Spread Sheet

ID Description	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Painting										
1036 Playground - Paint		5,697								7,797
1033 Pole Lights (Recreation) - Paint							8,478			
1029 Tennis Light Poles - Paint							6,931			
1008 Walls (Stucco) - Paint			135,044							
Painting Total:		**5,697**	**135,044**				**15,409**			**7,797**
Fencing/Security										
1009 Bridle Path Chains & Posts (A) - Replace										
1010 Bridle Path Fencing & Gate (B) - Replace										
1011 Bridle Path Fencing & Gate (C) - Replace										
1020 Emergency Gate - Replace										
1041 Horse Arena Split Rail Fence - Repair/Replac..	*Unfunded*									
1023 Horse Benches - Replace	*Unfunded*									
1031 Tennis Fence - Paint							37,930			
1030 Tennis Fence - Replace	23,664									
1006 Walls (Stucco) A - Repair		22,788								
1007 Walls (Stucco) B - Repair		2,279								
Fencing/Security Total:	**23,664**	**25,066**					**37,930**			
Lighting										
1040 Horse Arena Lights - Paint							6,166			
1039 Horse Arena Lights - Replace	*Unfunded*									
1002 Pole Lights (Community) - Replace	*Unfunded*									
1005 Pole Lights (Entrance) - Replace										
1028 Tennis Lights - Replace Heads									16,193	
Lighting Total:							**6,166**		**16,193**	
Recreation/Horse Arena										
1026 Basketball Court Concrete - Replace										
1034 Play Structure - Replace										
1027 Racquetball Structure - Demo										
1035 Swing Set Poles - Replace										
1032 Tennis Courts - Resurface		65,401								89,505
Recreation/Horse Arena Total:		**65,401**								**89,505**

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
Spread Sheet

ID Description	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
Equipment										
1016 Backflow Valves - Replace - Phase1										18,712
1016 Backflow Valves - Replace - Phase2										
1038 Baseball Backstop - Replace										
1017 Electric Panel - Replace										
1015 Irrigation Controllers - Replace	*Unfunded*									
1013 Irrigation System (Flood) - Refurbish							27,725			
1024 Park Furnishings - Replace									29,987	
1025 Playground Furnishings - Replace										
Equipment Total:							**27,725**		**29,987**	**18,712**
Grounds Components										
1021 Arbor - Care							110,899			
1004 Concrete Components - Repair/Replace Secti..	15,338						19,407			
1018 Granite (A) - Replenish					20,506					
1019 Granite (B) - Replenish					61,519					
1003 Pavers (Concrete) - Repair/Replace Pieces					3,845					
Grounds Components Total:	**15,338**				**85,871**		**130,306**			
Signs										
1022 Directional Signs - Refurbish/replace		11,394								15,593
1001 Monuments - Refurbish			7,110							
Signs Total:		**11,394**	**7,110**							**15,593**
Year Total:	**39,002**	**107,558**	**142,154**		**85,871**		**217,537**		**46,180**	**131,607**

CIRCLE G RANCHES 4 HOMEOWNERS ASSOCIATION
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 primarily upon information provided to us in part by representatives of the association, its contractors and vendors and our own experience with local costs and useful lives of assets in the local environment. 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 and the local environment in which the asset is placed and performs. 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 reflects 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 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.

The 2023 Community Association Institute Reserve Study Standards recommends that associations prepare and use preventive maintenance plans to define, schedule and track preventive maintenance. The maintenance plan can be a resource when developing asset information for the reserve study.

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.

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.

Funding Options

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 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.

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 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.

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** <u>divided by</u> **Useful Life** <u>the results multiplied by</u> **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 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 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

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.

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 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).

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.