# RESERVE ANALYSIS REPORT

**Sonoran Vista Parcel I**
Phoenix, Arizona
Version 013
July 11, 2022


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# Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:



## ♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

The Board of Directors of an association has a fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between "not enough," "just right" and "too much." Each member of an association should contribute to the reserve fund for their proportionate amount of "depreciation" (or "use") of the reserve components. Through time, if each owner contributes his "fair share" into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a "healthy" reserve fund are essential to protect and maintain the association's common areas and the property values of the individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a "financial blueprint" for the future of an association.

## ♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and even homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

**Budget**
Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis was prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

**Percent Funded**
Measure of the reserve fund "health" (expressed as a percentage) as of the beginning of the fiscal year for which the

method and is widely believed to be the most conservative reserve funding method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the ideal level of reserves in time, and then enables the association to maintain the ideal level of reserves through time. The following is a detailed description of the component calculation method:

Step 1: Calculation of fully funded balance for each component

The fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

The association's current reserve funds are assigned to (or distributed amongst) the reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserves are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, the components are organized in remaining life order, from least to greatest, and the remaining current reserve funds are assigned to each component up to its current cost, until reserves are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost.

Distributing, or assigning, the current reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the annual contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, this rate should match the inflation parameter. Matching the annual contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using an annual contribution increase parameter that is greater than the inflation parameter will reduce the burden to the current membership at the expense of the future membership. Using an annual contribution increase parameter that is less than the inflation parameter will increase the burden to the current membership to the benefit of the future membership. The following chart shows a comparison:

# Preface

## ♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

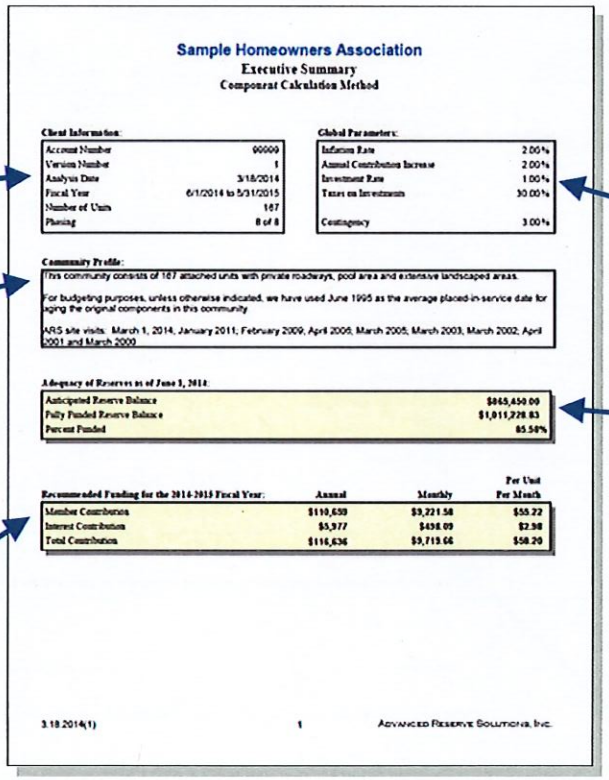
In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information, of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

**Executive Summary**
Provides general information about the client, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

**Client Information**
Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

**Community Profile**
Provides brief description of the community, as well as other "global" type comments.

**Budget**
Provides recommended funding for the fiscal year for which the reserve analysis was prepared. Indicates the reserve funding from the membership, anticipated interest contribution and the total contribution



Sample Homeowners Association
Executive Summary
Component Calculation Method

Client Information:

| | |
|---|---|
| Account Number | 00000 |
| Version Number | 1 |
| Analysis Date | 3/18/2014 |
| Fiscal Year | 6/1/2014 to 5/31/2015 |
| Number of Units | 167 |
| Phasing | 8 of 8 |

Global Parameters:

| | |
|---|---|
| Inflation Rate | 2.00% |
| Annual Contribution Increase | 2.00% |
| Investment Rate | 1.00% |
| Taxes on Investments | 30.00% |
| Contingency | 3.00% |

Community Profile:

This community consists of 167 attached units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used June 1995 as the average placed-in-service date for aging the original components in this community.

ARS site visits: March 1, 2014, January 2011, February 2009, April 2006, March 2005, March 2003, March 2002, April 2001 and March 2000

Adequacy of Reserves as of June 1, 2014:

| | |
|---|---|
| Anticipated Reserve Balance | $845,450.00 |
| Fully Funded Reserve Balance | $1,011,278.83 |
| Percent Funded | 83.58% |

| Recommended Funding for the 2014-2015 Fiscal Year: | Annual | Monthly | Per Unit Per Month |
|---|---|---|---|
| Member Contribution | $110,659 | $9,221.58 | $55.22 |
| Interest Contribution | $5,977 | $498.09 | $2.98 |
| Total Contribution | $116,636 | $9,719.66 | $58.20 |

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**Global Parameters**
Displays the calculation parameters that were used to calculate the reserve analysis including inflation, annual contribution increase, investment rate, tax rate and contingency.

**Adequacy of Reserves**
Displays the results of calculations with regard to the "health" of the reserve fund as of the beginning of the fiscal year for which the reserve analysis was prepared. Provides the anticipated reserve balance, fully funded reserve balance and the percent funded.

# Preface

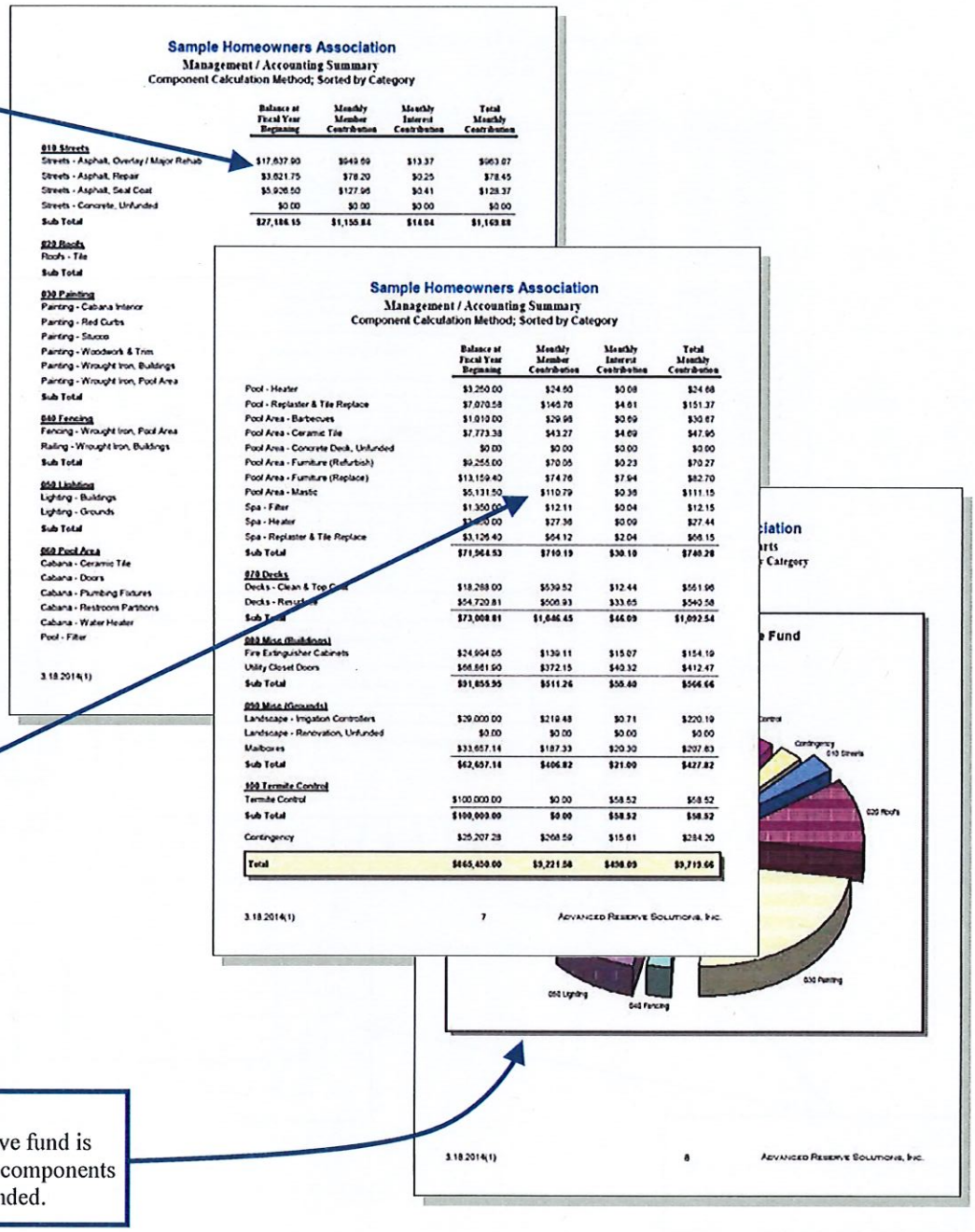
**Management / Accounting Summary and Charts**

Summary displays all reserve components, shown here in "category" order. Provides the assigned reserve funds at the beginning of the fiscal year for which the reserve analysis was prepared along with the monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how the total reserve fund is distributed amongst the reserve component categories and how each category is funded on a monthly basis.

**Balance at FYB**
Shows the amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

**Monthly Funding**
Displays the monthly funding for each component from the members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

**Pie Charts**
Show graphically how the reserve fund is distributed amongst the reserve components and how the components are funded.



Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

| | Balance at Fiscal Year Beginning | Monthly Member Contribution | Monthly Interest Contribution | Total Monthly Contribution |
|---|---|---|---|---|
| 010 Streets | | | | |
| Streets - Asphalt, Overlay / Major Rehab | $17,637.90 | $949.69 | $13.37 | $963.07 |
| Streets - Asphalt, Repair | $3,621.75 | $78.20 | $0.25 | $78.45 |
| Streets - Asphalt, Seal Coat | $5,926.50 | $127.96 | $0.41 | $128.37 |
| Streets - Concrete, Unfunded | $0.00 | $0.00 | $0.00 | $0.00 |
| Sub Total | $27,186.15 | $1,155.84 | $14.04 | $1,169.88 |
| 020 Roofs | | | | |
| Roofs - Tile | | | | |
| Sub Total | | | | |
| 030 Painting | | | | |
| Painting - Cabana Interior | | | | |
| Painting - Red Curbs | | | | |
| Painting - Stucco | | | | |
| Painting - Woodwork & Trim | | | | |
| Painting - Wrought Iron, Buildings | | | | |
| Painting - Wrought Iron, Pool Area | | | | |
| Sub Total | | | | |
| 040 Fencing | | | | |
| Fencing - Wrought Iron, Pool Area | | | | |
| Railing - Wrought Iron, Buildings | | | | |
| Sub Total | | | | |
| 050 Lighting | | | | |
| Lighting - Buildings | | | | |
| Lighting - Grounds | | | | |
| Sub Total | | | | |
| 060 Pool Area | | | | |
| Cabana - Ceramic Tile | | | | |
| Cabana - Doors | | | | |
| Cabana - Plumbing Fixtures | | | | |
| Cabana - Restroom Partitions | | | | |
| Cabana - Water Heater | | | | |
| Pool - Filter | | | | |

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Sample Homeowners Association
Management / Accounting Summary
Component Calculation Method; Sorted by Category

| | Balance at Fiscal Year Beginning | Monthly Member Contribution | Monthly Interest Contribution | Total Monthly Contribution |
|---|---|---|---|---|
| Pool - Heater | $3,250.00 | $24.60 | $0.08 | $24.68 |
| Pool - Replaster & Tile Replace | $7,070.58 | $146.78 | $4.61 | $151.37 |
| Pool Area - Barbecues | $1,010.00 | $29.98 | $0.69 | $30.67 |
| Pool Area - Ceramic Tile | $7,773.38 | $43.27 | $4.69 | $47.96 |
| Pool Area - Concrete Deck, Unfunded | $0.00 | $0.00 | $0.00 | $0.00 |
| Pool Area - Furniture (Refurbish) | $9,255.00 | $70.05 | $0.23 | $70.27 |
| Pool Area - Furniture (Replace) | $13,159.40 | $74.76 | $7.94 | $82.70 |
| Pool Area - Mastic | $5,131.50 | $110.79 | $0.36 | $111.15 |
| Spa - Filter | $1,350.00 | $12.11 | $0.04 | $12.15 |
| Spa - Heater | $3,400.00 | $27.36 | $0.09 | $27.44 |
| Spa - Replaster & Tile Replace | $3,126.40 | $64.12 | $2.04 | $66.15 |
| Sub Total | $71,564.53 | $710.19 | $30.18 | $740.28 |
| 070 Decks | | | | |
| Decks - Clean & Top Coat | $18,268.00 | $539.52 | $12.44 | $551.96 |
| Decks - Resurface | $54,720.81 | $506.93 | $33.65 | $540.58 |
| Sub Total | $73,008.81 | $1,046.45 | $46.09 | $1,092.54 |
| 080 Misc (Buildings) | | | | |
| Fire Extinguisher Cabinets | $24,904.05 | $139.11 | $15.07 | $154.19 |
| Utility Closet Doors | $66,861.90 | $372.15 | $40.32 | $412.47 |
| Sub Total | $91,855.95 | $511.26 | $55.40 | $566.66 |
| 090 Misc (Grounds) | | | | |
| Landscape - Irrigation Controllers | $20,000.00 | $219.48 | $0.71 | $220.19 |
| Landscape - Renovation, Unfunded | $0.00 | $0.00 | $0.00 | $0.00 |
| Mailboxes | $33,657.14 | $187.33 | $20.30 | $207.63 |
| Sub Total | $62,657.14 | $406.82 | $21.00 | $427.82 |
| 100 Termite Control | | | | |
| Termite Control | $100,000.00 | $0.00 | $58.52 | $58.52 |
| Sub Total | $100,000.00 | $0.00 | $58.52 | $58.52 |
| Contingency | $25,207.28 | $268.59 | $15.61 | $284.20 |
| Total | $465,450.00 | $3,221.58 | $498.09 | $3,719.66 |

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Fund

Contingency
010 Streets
020 Roofs
030 Painting
040 Fencing
050 Lighting

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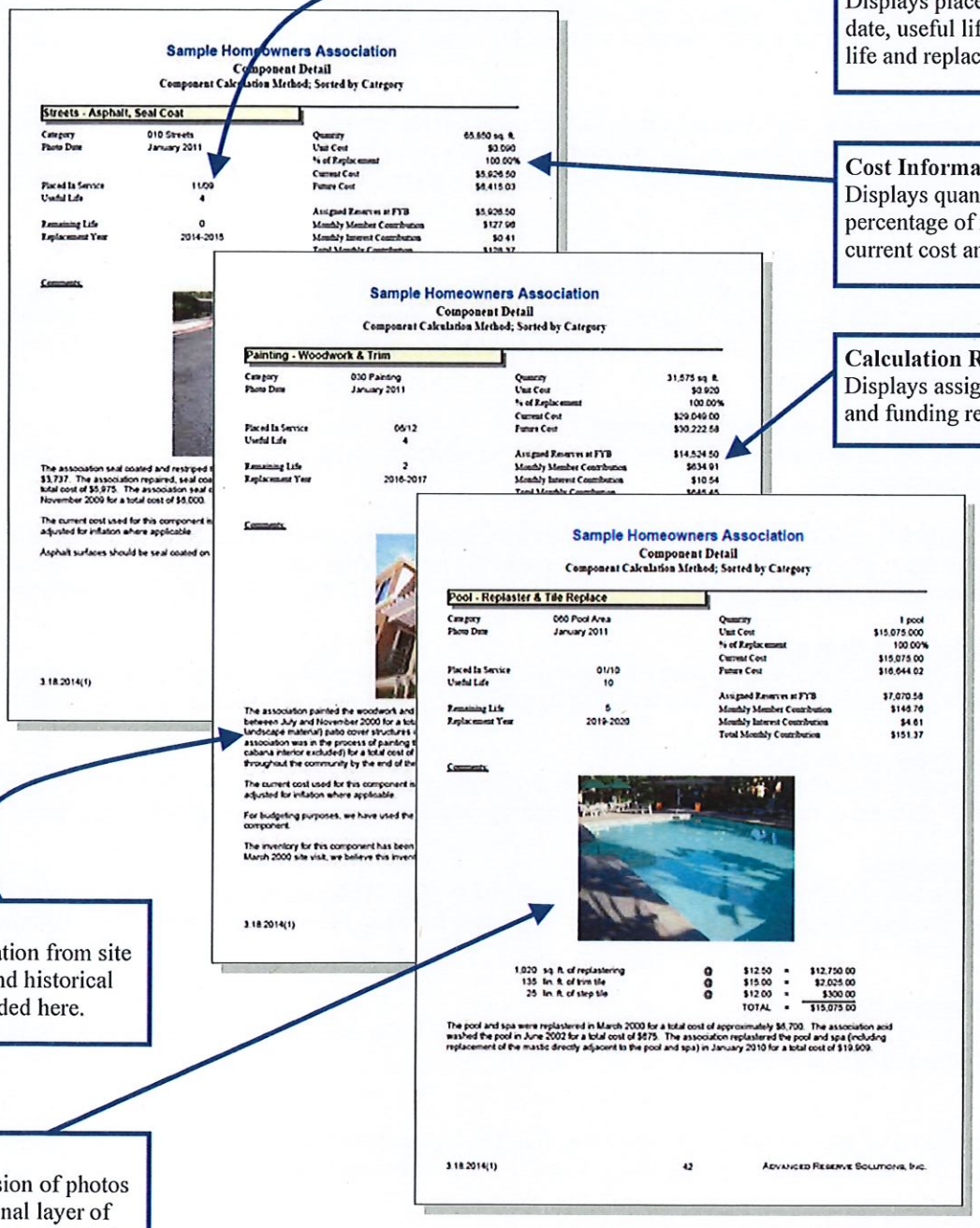
# Preface

## Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.




**Lifespan Information**
Displays placed-in-service date, useful life, remaining life and replacement year.

**Cost Information**
Displays quantity, unit cost, percentage of replacement, current cost and future cost.

**Calculation Results**
Displays assigned reserves and funding requirements.

**Comments**
Useful information from site observations and historical expenses included here.

**Photos**
Optional inclusion of photos adds an additional layer of detail to the reserve analysis.

# Preface

$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \text{ X Current Replacement Cost}$$

The fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve components it maintains, based on each component's current replacement cost, age and useful life.

**Future Replacement Cost**
The amount of money, as of the fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

**Global Parameters**
The financial parameters used to calculate the reserve analysis. See also "inflation parameter," "annual contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

**Inflation Parameter**
The rate used in the calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents the rate the association expects the cost of goods and services relating to their reserve components to increase each year.

**Interest Contribution**
The amount of money contributed to the reserve fund by the interest earned on the reserve fund and member contributions.

**Investment Rate Parameter**
The gross rate used in the calculation of interest contribution (interest earned) from the reserve balance and member contributions. This rate (net of the taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate the association expects to earn on their reserve fund investments.

**Membership Contribution**
The amount of money contributed to the reserve fund by the association's membership.

**Monthly Contribution (and "Fixed" Monthly Contribution)**
The amount of money, for the fiscal year which the reserve analysis is prepared, that a reserve component will be funded.

The monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

**Number of Units (or other assessment basis)**
Indicates the number of units for which the reserve analysis was prepared. In "phased" developments (see phasing), this number represents the number of units, and corresponding common area components, that existed as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than the number of units. Examples include time-interval weeks for timeshare resorts or lot acreage for commercial/industrial developments.

**Total Contribution**
The sum of the membership contribution and interest contribution.

**Useful Life**
The length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

## ♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS ♦ ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

The representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the components.

# Sonoran Vista Parcel I

## Distribution of Current Reserve Funds

### Sorted by Remaining Life

| | Remaining Life | Fully Funded Balance | Assigned Reserves |
|---|---|---|---|
| Asphalt - Repair/Seal Coat | 2 | $8,707.32 | $8,707.32 |
| Desert Willow Entrance - Access Phone | 2 | $5,000.00 | $5,000.00 |
| Grounds - Concrete Components (Repairs) | 2 | $0.00 | $0.00 |
| Paint - Block & Stucco Walls | 2 | $24,000.00 | $24,000.00 |
| Paint - Monument Sign | 2 | $900.00 | $900.00 |
| Paint - Monument Street Signs | 2 | $600.00 | $600.00 |
| Lone Mountain Entrance - Gate Operators | 9 | $8,275.86 | $8,275.86 |
| Lone Mountain Entrance - Gates | 9 | $15,135.14 | $15,135.14 |
| Desert Willow Entrance - Surveillance System | 10 | $750.00 | $750.00 |
| Desert Willow Entrance - Tomar Device | 10 | $441.67 | $441.67 |
| Grounds - Mailboxes (Provision) | 10 | $0.00 | $0.00 |
| Lone Mountain Entrance - Tomar Device | 11 | $214.58 | $214.58 |
| Desert Willow Entrance - Gate Operators | 12 | $1,181.82 | $1,181.82 |
| Grounds - Monument Sign Letters | 13 | $1,130.85 | $1,130.85 |
| Asphalt - Remove & Replace (Sections 1 & 3) | 14 | $227,550.27 | $214,432.77 |
| Asphalt - Remove & Replace (Section 2) | 18 | $86,039.47 | $0.00 |
| Desert Willow Entrance - Gates | 33 | $571.43 | $0.00 |
| Grounds - Irrigation System (Unfunded) | n.a. | $0.00 | $0.00 |
| Grounds - Tree Trimming (Unfunded) | n.a. | $0.00 | $0.00 |
| Contingency | n.a. | $0.00 | $0.00 |
| **Total** | **2-33** | **$380,498.40** | **$280,770.00** |
| **Percent Funded** | | | **73.79%** |

# Sonoran Vista Parcel I

## Projections

### Directed Cash Flow Calculation Method

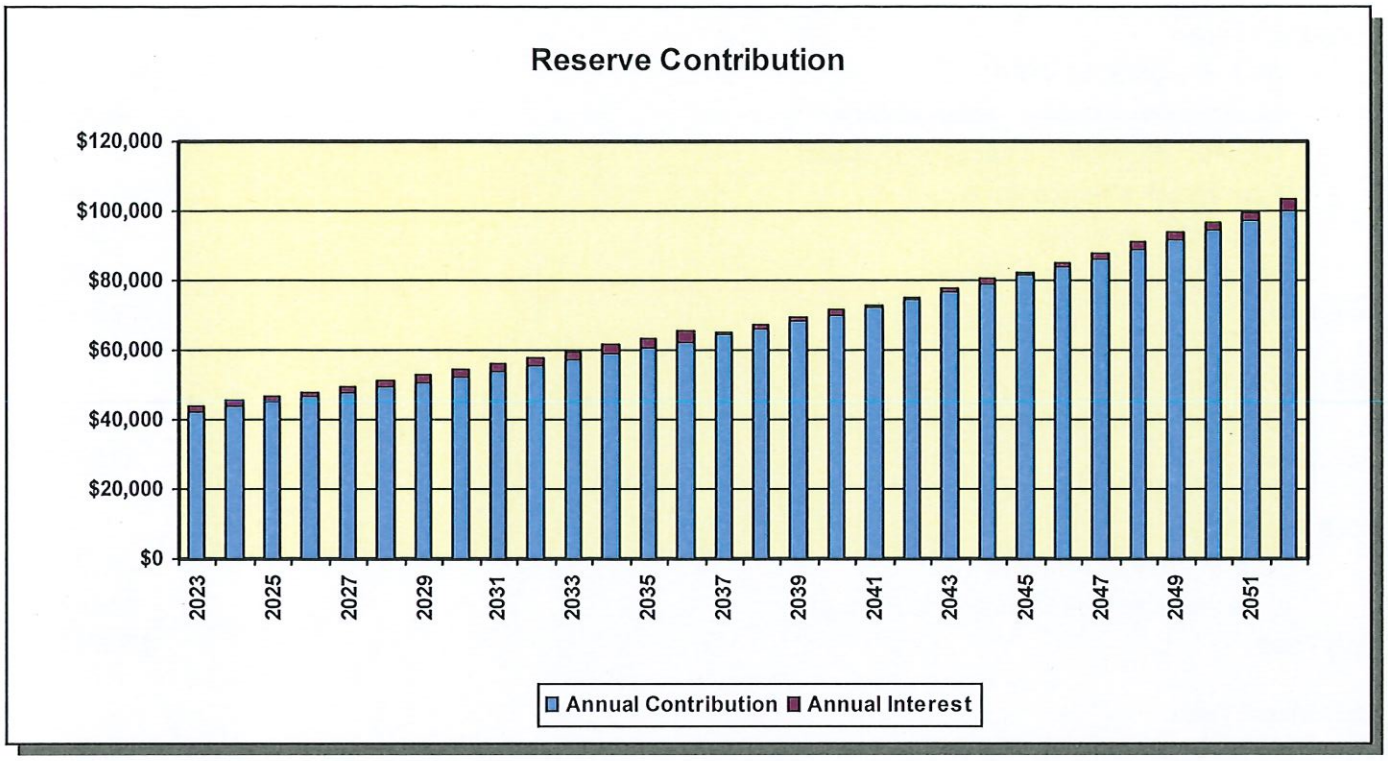
| Fiscal Year | Beginning Balance | Member Contribution | Interest Contribution | Expenditures | Ending Balance | Fully Funded Ending Balance | Percent Funded |
|---|---|---|---|---|---|---|---|
| 2023 | $280,770 | $42,480 | $1,354 | $0 | $324,604 | $423,776 | 77% |
| 2024 | $324,604 | $43,754 | $1,554 | $0 | $369,912 | $469,309 | 79% |
| 2025 | $369,912 | $45,067 | $1,414 | $76,915 | $339,478 | $436,989 | 78% |
| 2026 | $339,478 | $46,419 | $1,627 | $0 | $387,524 | $483,908 | 80% |
| 2027 | $387,524 | $47,812 | $1,831 | $3,377 | $433,790 | $529,770 | 82% |
| 2028 | $433,790 | $49,246 | $2,058 | $0 | $485,094 | $581,531 | 83% |
| 2029 | $485,094 | $50,723 | $2,163 | $28,657 | $509,323 | $606,404 | 84% |
| 2030 | $509,323 | $52,245 | $2,169 | $52,270 | $511,467 | $608,811 | 84% |
| 2031 | $511,467 | $53,812 | $2,400 | $3,800 | $563,880 | $662,354 | 85% |
| 2032 | $563,880 | $55,427 | $2,469 | $41,753 | $580,023 | $680,150 | 85% |
| 2033 | $580,023 | $57,090 | $2,514 | $48,583 | $591,044 | $692,672 | 85% |
| 2034 | $591,044 | $58,802 | $2,771 | $3,564 | $649,052 | $753,204 | 86% |
| 2035 | $649,052 | $60,566 | $2,718 | $74,140 | $638,196 | $744,147 | 86% |
| 2036 | $638,196 | $62,383 | $2,991 | $3,524 | $700,046 | $808,891 | 87% |
| 2037 | $700,046 | $64,255 | $874 | $535,588 | $229,587 | $332,617 | 69% |
| 2038 | $229,587 | $66,182 | $1,172 | $0 | $296,942 | $395,243 | 75% |
| 2039 | $296,942 | $68,168 | $1,458 | $4,814 | $361,753 | $456,369 | 79% |
| 2040 | $361,753 | $70,213 | $1,459 | $70,246 | $363,180 | $453,561 | 80% |
| 2041 | $363,180 | $72,319 | $348 | $319,164 | $116,683 | $196,606 | 59% |
| 2042 | $116,683 | $74,489 | $680 | $0 | $191,852 | $262,426 | 73% |
| 2043 | $191,852 | $76,724 | $958 | $14,449 | $255,085 | $317,136 | 80% |
| 2044 | $255,085 | $79,025 | $1,313 | $0 | $335,424 | $390,221 | 86% |
| 2045 | $335,424 | $81,396 | $1,044 | $141,121 | $276,744 | $322,051 | 86% |
| 2046 | $276,744 | $83,838 | $1,398 | $5,082 | $356,898 | $393,920 | 91% |
| 2047 | $356,898 | $86,353 | $1,650 | $30,492 | $414,409 | $443,797 | 93% |
| 2048 | $414,409 | $88,944 | $2,052 | $0 | $505,405 | $528,661 | 96% |
| 2049 | $505,405 | $91,612 | $2,176 | $64,698 | $534,496 | $551,578 | 97% |
| 2050 | $534,496 | $94,360 | $2,114 | $108,843 | $522,127 | $531,924 | 98% |
| 2051 | $522,127 | $97,191 | $2,524 | $6,864 | $614,979 | $618,996 | 99% |
| 2052 | $614,979 | $100,107 | $2,980 | $0 | $718,066 | $718,096 | 100% |

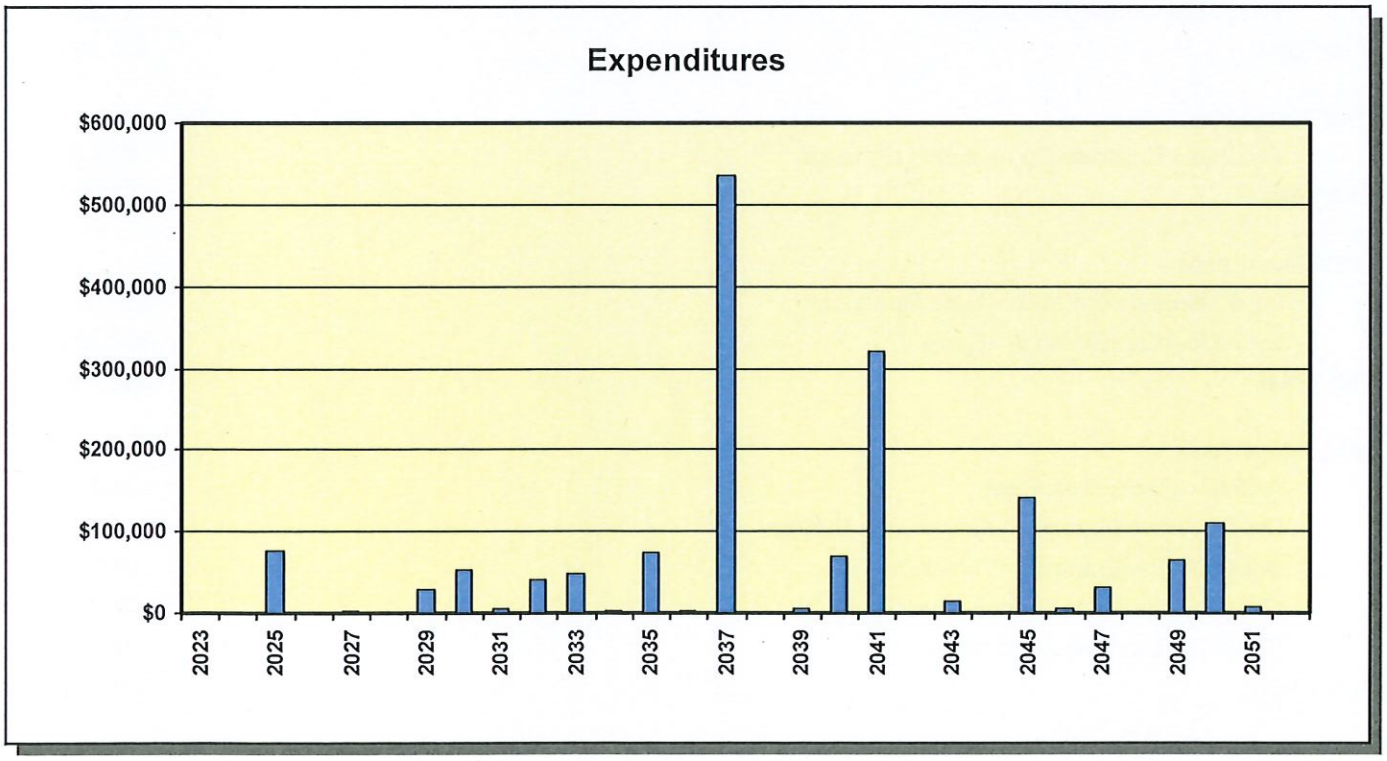
NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

# Sonoran Vista Parcel I

## Projection Charts

### Directed Cash Flow Calculation Method



# Sonoran Vista Parcel I

## Annual Expenditure Detail

### Sorted by Description

| | |
|---|---|
| **2034 Fiscal Year** | |
| Lone Mountain Entrance - Tomar Device | $3,564.40 |
| **Sub Total** | **$3,564.40** |
| **2035 Fiscal Year** | |
| Desert Willow Entrance - Gate Operators | $9,267.45 |
| Grounds - Concrete Components (Repairs) | $4,277.28 |
| Paint - Block & Stucco Walls | $57,030.44 |
| Paint - Monument Sign | $2,138.64 |
| Paint - Monument Street Signs | $1,425.76 |
| **Sub Total** | **$74,139.57** |
| **2036 Fiscal Year** | |
| Grounds - Monument Sign Letters | $3,524.48 |
| **Sub Total** | **$3,524.48** |
| **2037 Fiscal Year** | |
| Asphalt - Remove & Replace (Sections 1 & 3) | $490,210.29 |
| Asphalt - Repair/Seal Coat | $31,764.38 |
| Desert Willow Entrance - Access Phone | $9,075.54 |
| Grounds - Concrete Components (Repairs) | $4,537.77 |
| **Sub Total** | **$535,587.98** |
| **2039 Fiscal Year** | |
| Grounds - Concrete Components (Repairs) | $4,814.12 |
| **Sub Total** | **$4,814.12** |
| **2040 Fiscal Year** | |
| Paint - Block & Stucco Walls | $66,113.91 |
| Paint - Monument Sign | $2,479.27 |
| Paint - Monument Street Signs | $1,652.85 |
| **Sub Total** | **$70,246.02** |
| **2041 Fiscal Year** | |
| Asphalt - Remove & Replace (Section 2) | $278,305.24 |
| Asphalt - Repair/Seal Coat | $35,751.09 |
| Grounds - Concrete Components (Repairs) | $5,107.30 |
| **Sub Total** | **$319,163.64** |
| **2043 Fiscal Year** | |
| Grounds - Concrete Components (Repairs) | $5,418.33 |

# Sonoran Vista Parcel I

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

## Asphalt - Remove & Replace (Section 2)

| | | | |
|---|---|---|---|
| Category | 010 Asphalt | Quantity | 50,300 sq. ft. |
| | | Unit Cost | $3.250 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $163,475.00 |
| Placed In Service | 01/03 | Future Cost | $278,305.24 |
| Useful Life | 35 | | |
| Adjustment | +3 | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 18 | Monthly Member Contribution | $827.06 |
| Replacement Year | 2041 | Monthly Interest Contribution | $1.95 |
| | | Total Monthly Contribution | $829.02 |

Comments:

The Section 2 asphalt was removed and repaved in late 2002. This component is an estimate for removal and repaving in 2041.

Section 2 Measurement = 50,300 sq. ft.

# Sonoran Vista Parcel I

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

## Asphalt - Repair/Seal Coat

| | | | |
|---|---|---|---|
| Category | 010 Asphalt | Quantity | 1 total |
| | | Unit Cost | $21,000.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $21,000.00 |
| Placed In Service | 08/21 | Future Cost | $22,278.90 |
| Useful Life | 4 | | |
| | | Assigned Reserves at FYB | $8,707.32 |
| Remaining Life | 2 | Monthly Member Contribution | $477.89 |
| Replacement Year | 2025 | Monthly Interest Contribution | $4.37 |
| | | Total Monthly Contribution | $482.25 |

Comments:

The community asphalt was repaired and seal coated in the summer of 2021 by ACE Asphalt for $17,447. Cost has been adjusted for inflation.

We are budgeting for a similar scope of work every, four (4) years going forward, making the assumption that a similar level of repairs will be needed.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

It should be noted that the repair/seal coat and rehabilitation assets are budgeted to occur in the same budget year. It is recommended that the asphalt is seal coated within 6 months of resurfacing or replacement. Therefore, this component appears in the same year as the removal and repaving or overlay project. If the Association chooses not to seal coat within 6 months of resurfacing or replacement, the accumulated funds can be used for any additional expenses associated with the major project or remain in the reserve account to be reallocated to other projects in the future.

# Sonoran Vista Parcel I

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

## Paint - Monument Street Signs

| | | | |
|---|---|---|---|
| Category | 030 Painting | Quantity | 1 total |
| | | Unit Cost | $1,000.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $1,000.00 |
| Placed In Service | 01/20 | Future Cost | $1,060.90 |
| Useful Life | 5 | | |
| | | Assigned Reserves at FYB | $600.00 |
| Remaining Life | 2 | Monthly Member Contribution | $16.13 |
| Replacement Year | 2025 | Monthly Interest Contribution | $0.26 |
| | | Total Monthly Contribution | $16.39 |

Comments:

Painted in 2020 for $800. Cost has been adjusted for inflation.

## Desert Willow Entrance - Access Phone

| | | | |
|---|---|---|---|
| Category | 080 Desert Willow Entrance | Quantity | 1 phone |
| | | Unit Cost | $6,000.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $6,000.00 |
| Placed In Service | 01/13 | Future Cost | $6,365.40 |
| Useful Life | 12 | | |
| | | Assigned Reserves at FYB | $5,000.00 |
| Remaining Life | 2 | Monthly Member Contribution | $46.76 |
| Replacement Year | 2025 | Monthly Interest Contribution | $1.97 |
| | | Total Monthly Contribution | $48.73 |

Comments:

This is a "hands-free" access phone. The client has advised us that the mother board was replaced in 2007, again in December 2008, again in February 2009 (warranty), and again in December 2012 for $573.02, and again in 2021 for $800.

We are budgeting to replace the entire access phone in 2025.

# Sonoran Vista Parcel I

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

### Desert Willow Entrance - Surveillance System

| | | | |
|---|---|---|---|
| Category | 080 Desert Willow Entrance | Quantity | 1 total |
| | | Unit Cost | $4,500.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $4,500.00 |
| Placed In Service | 01/21 | Future Cost | $6,047.62 |
| Useful Life | 12 | | |
| | | Assigned Reserves at FYB | $750.00 |
| Remaining Life | 10 | Monthly Member Contribution | $32.45 |
| Replacement Year | 2033 | Monthly Interest Contribution | $0.36 |
| | | Total Monthly Contribution | $32.81 |

Comments:

Info provided by the management team.

### Desert Willow Entrance - Tomar Device

| | | | |
|---|---|---|---|
| Category | 080 Desert Willow Entrance | Quantity | 1 tomar |
| | | Unit Cost | $2,650.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $2,650.00 |
| Placed In Service | 01/21 | Future Cost | $3,561.38 |
| Useful Life | 12 | | |
| | | Assigned Reserves at FYB | $441.67 |
| Remaining Life | 10 | Monthly Member Contribution | $19.11 |
| Replacement Year | 2033 | Monthly Interest Contribution | $0.21 |
| | | Total Monthly Contribution | $19.32 |

Comments:

Installed in 2021 for $2,500.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

# Sonoran Vista Parcel I

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

## Lone Mountain Entrance - Gates

| | | | |
|---|---|---|---|
| Category | 081 Lone Mountain Entrance | Quantity | 1 total |
| | | Unit Cost | $20,000.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $20,000.00 |
| Placed In Service | 01/95 | Future Cost | $26,095.46 |
| Useful Life | 35 | | |
| Adjustment | +2 | Assigned Reserves at FYB | $15,135.14 |
| Remaining Life | 9 | Monthly Member Contribution | $72.06 |
| Replacement Year | 2032 | Monthly Interest Contribution | $5.80 |
| | | Total Monthly Contribution | $77.86 |

Comments:

We have been advised that the Lone Mountain entrance will be restructured in 2032 and these gates will become swing gates as a result.

| | | | | |
|---|---|---|---|---|
| 2 6'10" x 22'8" vehicle gates | @ | $10,000.00 | = | $20,000.00 |
| | | TOTAL | = | $20,000.00 |

## Grounds - Concrete Components (Repairs)

| | | | |
|---|---|---|---|
| Category | 100 Grounds | Quantity | 1 total |
| | | Unit Cost | $3,000.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $3,000.00 |
| Placed In Service | 01/23 | Future Cost | $3,182.70 |
| Useful Life | 2 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 2 | Monthly Member Contribution | $112.72 |
| Replacement Year | 2025 | Monthly Interest Contribution | $0.27 |
| | | Total Monthly Contribution | $112.99 |

Comments:

Performance Paving & Sealing made concrete repairs in 6/2016 for $2,873.

Going forward, we have included a provision of $3,000 every two (2) years for concrete repairs.

# Sonoran Vista Parcel I

## Component Detail

### Directed Cashflow Calculation Method; Sorted by Category

## Grounds - Mailboxes (Provision)

| | | | |
|---|---|---|---|
| Category | 100 Grounds | Quantity | 1 total |
| | | Unit Cost | $5,000.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $5,000.00 |
| Placed In Service | 01/23 | Future Cost | $6,719.58 |
| Useful Life | 10 | | |
| | | Assigned Reserves at FYB | $0.00 |
| Remaining Life | 10 | Monthly Member Contribution | $41.43 |
| Replacement Year | 2033 | Monthly Interest Contribution | $0.10 |
| | | Total Monthly Contribution | $41.53 |

Comments:

This component will accumulate $5,000 every seven (7) years to be used as needed for mailbox related expenses.

## Grounds - Monument Sign Letters

| | | | |
|---|---|---|---|
| Category | 100 Grounds | Quantity | 1 total |
| | | Unit Cost | $2,400.000 |
| | | % of Replacement | 100.00% |
| | | Current Cost | $2,400.00 |
| Placed In Service | 06/11 | Future Cost | $3,524.48 |
| Useful Life | 25 | | |
| | | Assigned Reserves at FYB | $1,130.85 |
| Remaining Life | 13 | Monthly Member Contribution | $10.46 |
| Replacement Year | 2036 | Monthly Interest Contribution | $0.45 |
| | | Total Monthly Contribution | $10.91 |

Comments:

This component budgets to replace the monument sign letters that indicate "SONORAN VISTA".

These letters were replaced in June 2011 by Albert's Sign Works Inc. for $1,858.06. We are budgeting to replace these letters every, 20 years.

The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

# Sonoran Vista Parcel I

## Detail Report Index



Number of components included in this reserve analysis is 19.