Reserve Analysis Report

Tatum Ranch Community Association

Cave Creek, Arizona

Version 014

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Tatum Ranch Community Association

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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

reserve analysis was prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections
Indicate the "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. The projections define the timetables for repairs and replacements, such as when the buildings will be painted or when the asphalt will be seal coated. The projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

Inventory
Complete listing of the reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

♦ ♦ ♦ ♦ RESERVE FUNDING GOALS / OBJECTIVES ♦ ♦ ♦ ♦

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding
Describes the goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. The component calculation method or cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding
Describes the goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. The cash flow calculation method is typically used to develop a baseline funding plan.

Threshold Funding
Describes the goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. The cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding
Describes the pursuit of an objective as described or required by local laws or codes. The component calculation method or cash flow calculation method is typically used to develop a statutory funding plan.

♦ ♦ ♦ ♦ RESERVE FUNDING CALCULATION METHODS ♦ ♦ ♦ ♦

There are two funding methods which can be used to develop a reserve funding plan based on a reserve funding goal/objective: Component Calculation Method and Cash Flow Calculation Method. These calculation methods are described as follows:

Component Calculation Method
This calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line"

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:

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	0% Increase	3% Increase	10% Increase
Year 1	$10,000.00	$8,723.05	$6,274.54
Year 2	$10,000.00	$8,984.74	$6,901.99
Year 3	$10,000.00	$9,254.28	$7,592.19
Year 4	$10,000.00	$9,531.91	$8,351.41
Year 5	$10,000.00	$9,817.87	$9,186.55
Year 6	$10,000.00	$10,112.41	$10,105.21
Year 7	$10,000.00	$10,415.78	$11,115.73
Year 8	$10,000.00	$10,728.25	$12,227.30
Year 9	$10,000.00	$11,050.10	$13,450.03
Year 10	$10,000.00	$11,381.60	$14,795.04
TOTAL	$100,000.00	$100,000.00	$100,000.00

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter.

One of the major benefits of using this calculation method is that for any single component (or group of components), the accumulated balance and reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

Cash Flow Calculation Method

This calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not necessarily concerned with the ideal level of reserves through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding) or some other defined goal/objective (full funding, threshold funding or statutory funding). Unlike the component calculation method, this calculation method cannot precisely calculate the reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component method results to calculate a reasonable breakdown. This information is displayed on the Management / Accounting Summary and Charts as well as elsewhere within the report.

The **Directed Cash Flow Calculation Method** is our primary calculation method. It allows for several funding strategies to be manually tested until the optimal funding strategy accomplishing three goals is created:

Goal #1: Ensures that all scheduled reserve expenditures are covered by keeping the reserve cash balance above zero during the projected period (typically 30 years)

Goal #2: Uniformly distributes the costs of replacements over time to benefit both current & future members of the association by using consistent, incremental contribution increases

Goal #3: Provides for the lowest reserve funding recommendation as possible over time with the goal of approaching, reaching and/or maintaining a 100% fully funded reserve balance

These very important aspects of the **Directed Cash Flow Calculation Method** will greatly aid the board of directors during the annual budgeting process.

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♦ ♦ ♦ ♦ 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.

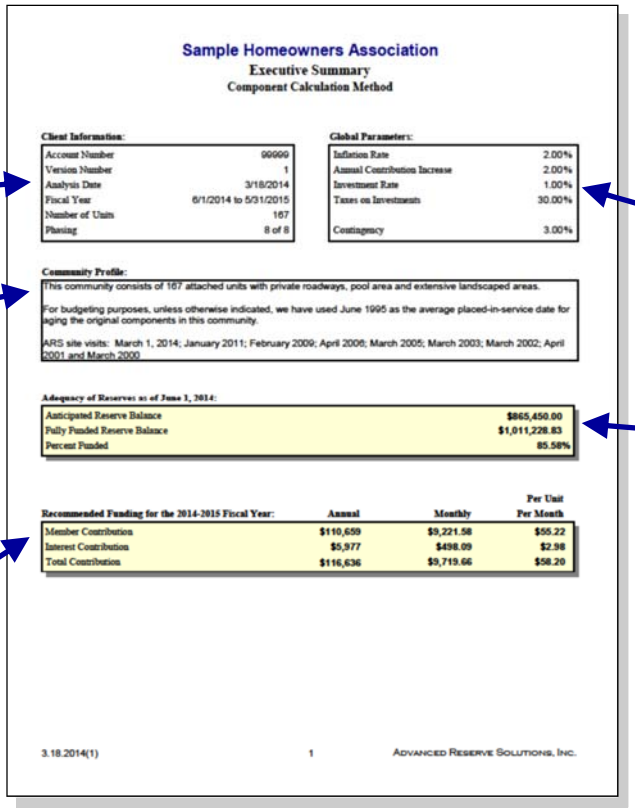
Client Information
Provides various client information including fiscal year for which the reserve analysis was prepared, number of units, phasing, etc.

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.

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

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.



Sample Homeowners Association
Executive Summary
Component Calculation Method

Client Information:

Account Number	99999
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	$865,450.00
Fully Funded Reserve Balance	$1,011,228.83
Percent Funded	85.58%

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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Calculation of Percent Funded

Summary displays all reserve components, shown here in "category" order. Provides the remaining life, useful life, current cost and the fully funded balance at the beginning of the fiscal year for which the reserve analysis was prepared.

Lifespans
Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Reserve Components
All components are displayed (shown here in "category" order).

Current Cost
Displays the current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance
Displays the fully funded balance for each component. This column is conveniently sub totaled.

Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	8	27	$101,697.50	$71,564.91
Streets - Asphalt, Repair	0	4	$3,621.75	$3,621.75
Streets - Asphalt, Seal Coat	0	4	$5,926.50	$5,926.50
Streets - Concrete, Unfunded	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-8**	**4-27**	**$111,245.75**	**$81,113.16**
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				
Pool - Heater				
Pool - Replaster & Tile Replace				
Pool Area - Barbecues				

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Sample Homeowners Association
Calculation of Percent Funded
Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool Area - Ceramic Tile	2	21	$8,591.63	$7,773.38
Pool Area - Concrete Deck, Unfunded	n.a.	n.a.	$0.00	$0.00
Pool Area - Furniture (Refurbish)	0	12	$9,255.00	$9,255.00
Pool Area - Furniture (Replace)	6	25	$17,315.00	$13,159.40
Pool Area - Mastic	0	4	$5,131.50	$5,131.50
Spa - Filter	0	13	$1,350.00	$1,350.00
Spa - Heater	0	10	$3,050.00	$3,050.00
Spa - Replaster & Tile Replace	3	8	$5,250.00	$3,126.40
Sub Total	**0-6**	**4-25**	**$91,747.38**	**$71,964.53**
070 Decks				
Decks - Clean & Top Coat	2	5	$30,480.00	$18,288.00
Decks - Resurface	2	13	$65,227.20	$54,720.81
Sub Total	**2**	**5-13**	**$95,707.20**	**$73,008.81**
080 Misc (Buildings)				
Fire Extinguisher Cabinets	2	21	$27,625.00	$24,994.05
Utility Closet Doors	2	21	$73,900.00	$66,861.90
Sub Total	**2**	**21**	**$101,525.00**	**$91,855.95**
090 Misc (Grounds)				
Landscape - Irrigation Controllers	0	12	$29,000.00	$29,000.00
Landscape - Renovation, Unfunded	n.a.	n.a.	$0.00	$0.00
Mailboxes	2	21	$37,200.00	$33,657.14
Sub Total	**0-2**	**12-21**	**$66,200.00**	**$62,657.14**
100 Termite Control				
Termite Control	n.a.	n.a.	$0.00	$100,000.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$100,000.00**
Contingency	n.a.	n.a.	n.a.	$29,453.27
Total	**0-11**	**2-30**	**$1,001,533.70**	**$1,011,228.83**
Anticipated Reserve Balance				**$865,450.00**
Percent Funded				**85.58%**

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The total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at the bottom of this summary. Also shown is the range of reserve component remaining lives and useful lives.

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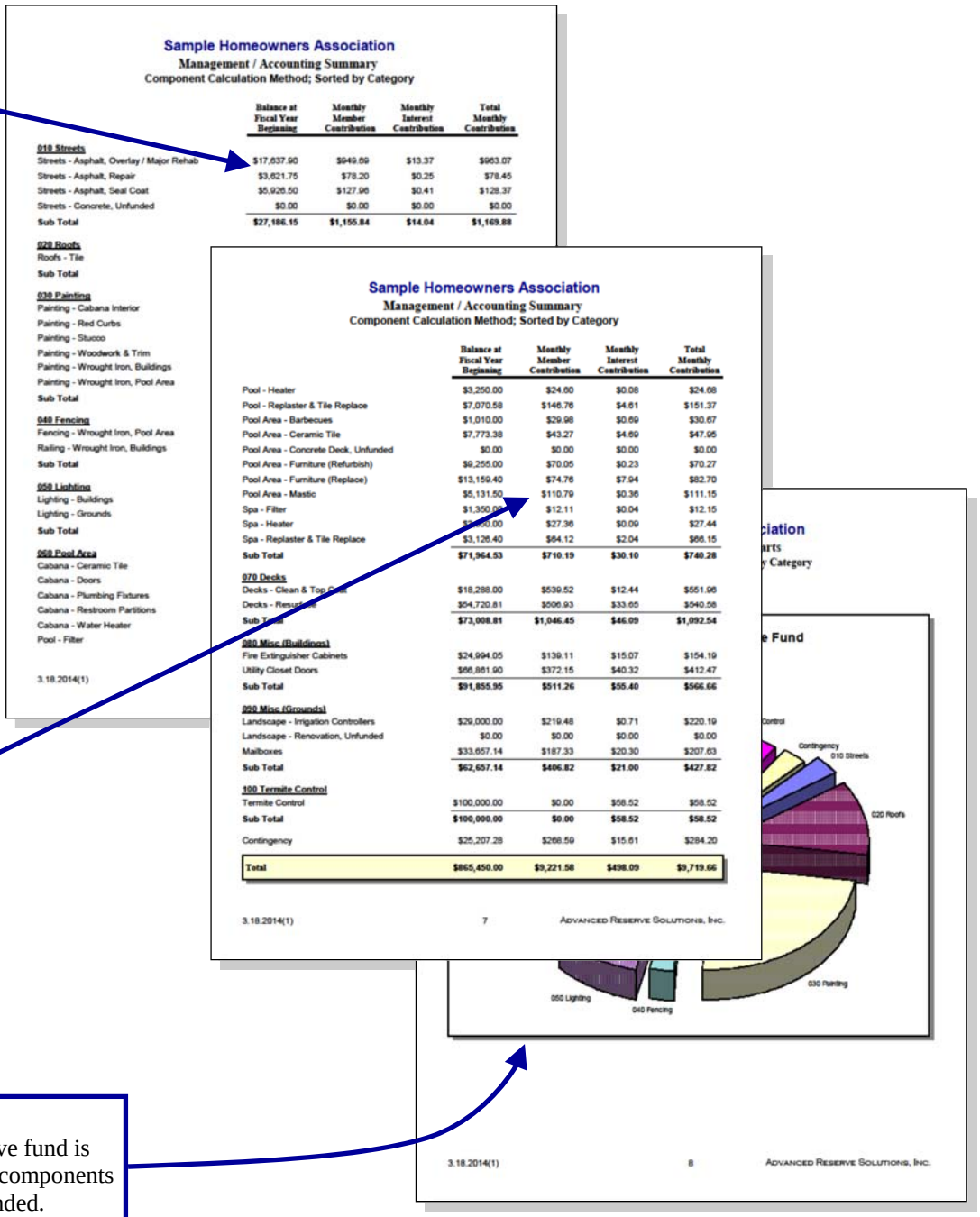
Management / Accounting Summary and Charts

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	$146.76	$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	$47.95
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	[illegible]	$27.36	$0.09	$27.44
Spa - Replaster & Tile Replace	$3,126.40	$64.12	$2.04	$66.15
Sub Total	**$71,964.53**	**$710.19**	**$30.10**	**$740.28**
070 Decks				
Decks - Clean & Top Coat	$18,288.00	$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	$24,994.05	$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	$29,000.00	$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	**$865,450.00**	**$9,221.58**	**$498.09**	**$9,719.66**

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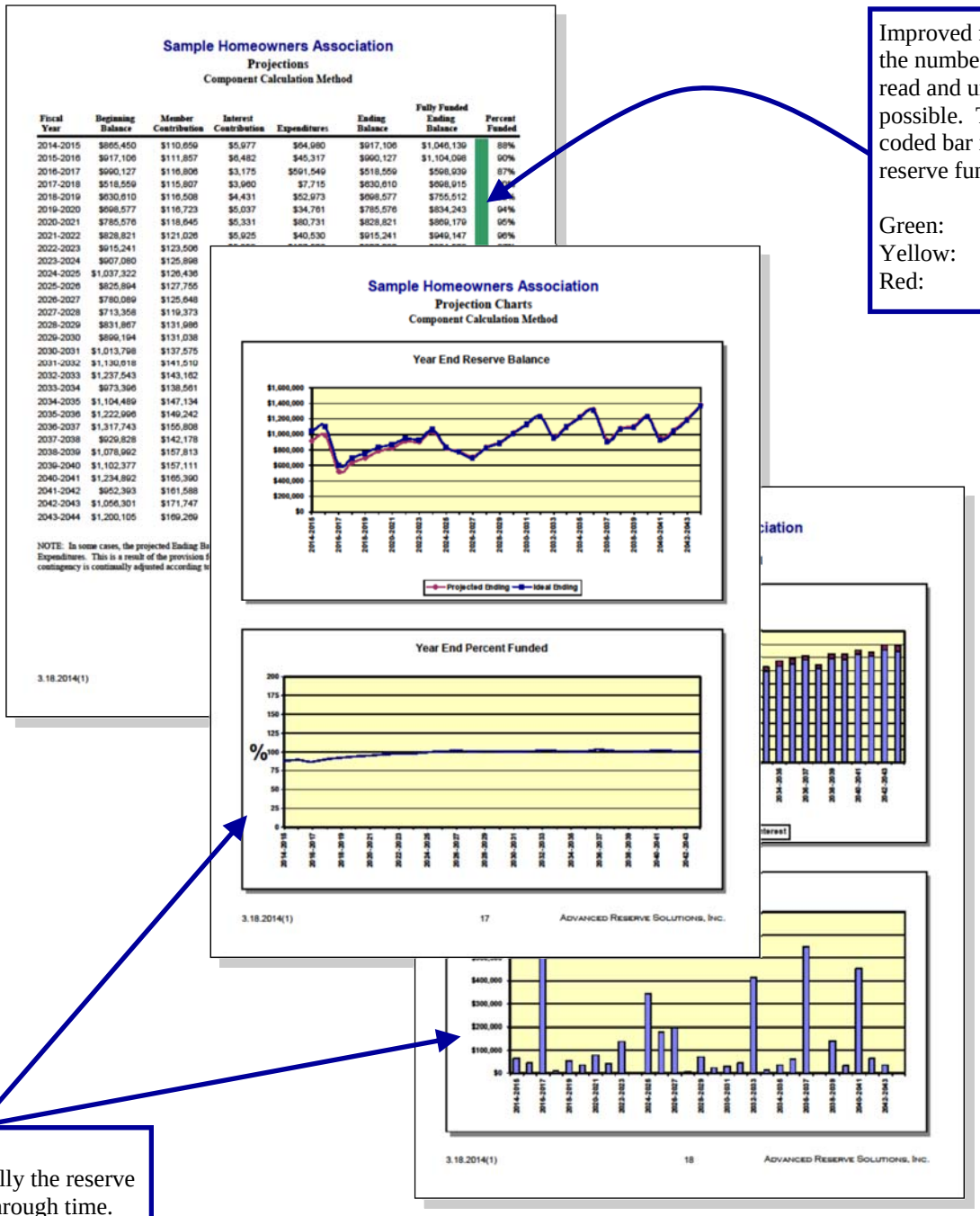
Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of the projection period (shown here for 30 years). The two columns on the right-hand side provide the fully funded ending balance and the percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



Improved format makes the numbers as easy to read and understand as possible. The color-coded bar indicates the reserve fund status:

Green:	Good
Yellow:	Fair
Red:	Poor

Charts
Show graphically the reserve funding plan through time.

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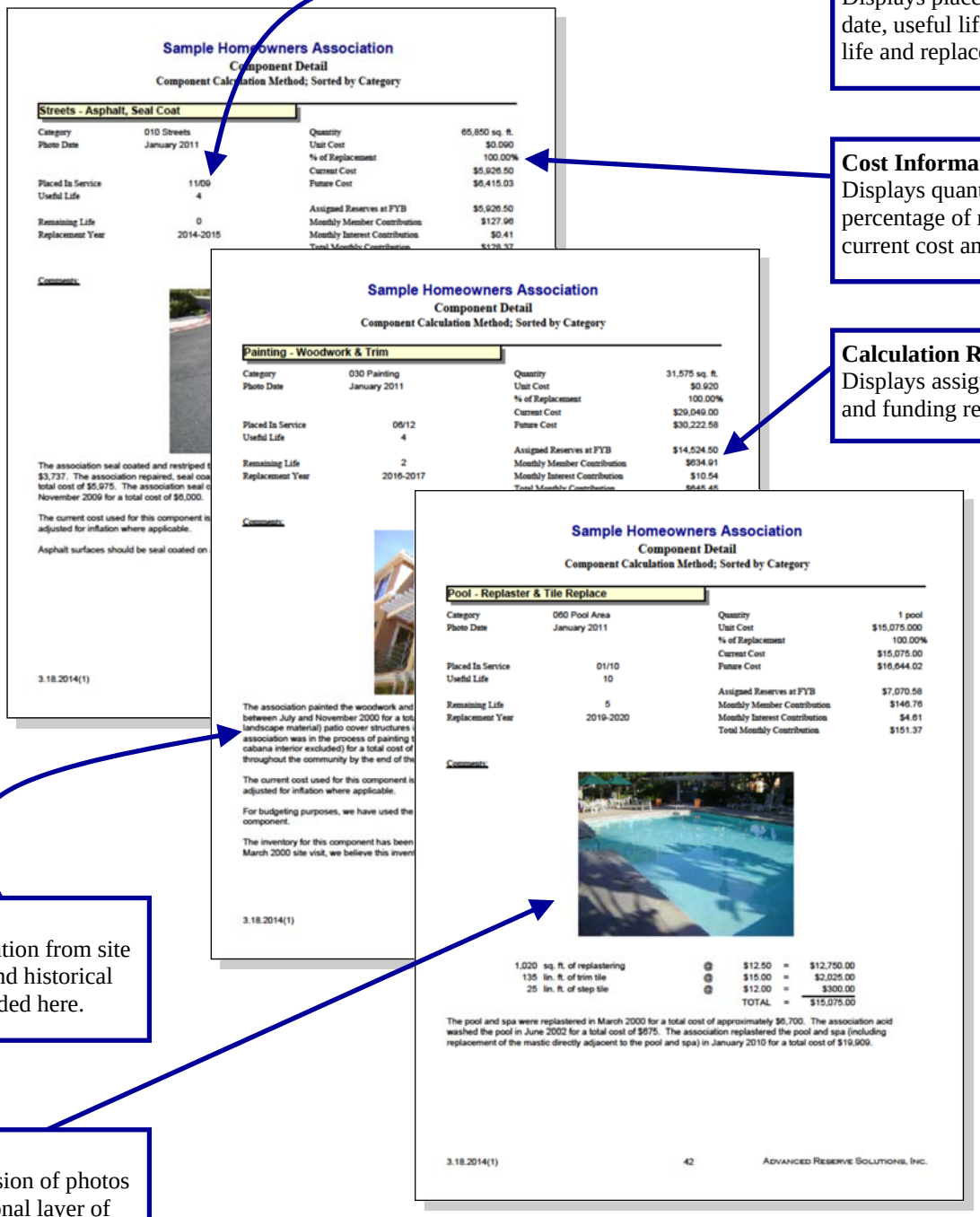
Component Detail

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

♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

Annual Contribution Increase Parameter
The rate used in the calculation of the funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each 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.

This parameter is used to develop a funding plan only; it does not necessarily mean that the reserve contributions must be raised each year. There are far more significant factors that will contribute to a total reserve contribution increase or decrease from year to year than this parameter. See the description of "reserve funding calculation methods" in this preface for more detail on this parameter.

Anticipated Reserve Balance (or Reserve Funds)
The amount of money, as of a certain point in time, held by the association to be used for the repair or replacement of reserve components. This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and "Fixed" Assigned Funds)
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component has been assigned.

The assigned funds are considered "fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns $10,000 to the roofs, but the association would like to show $20,000 assigned to roofs, "fixed" funds of $20,000 can be assigned.

Cash Flow Calculation Method
Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Component Calculation Method
Reserve funding calculation method developed based on each individual component. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Contingency Parameter
The rate used as a built-in buffer in the calculation of the funding plan. This rate will assign a percentage of the reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward the contingency each month.

Current Replacement Cost
The amount of money, as of the fiscal year beginning date for which the reserve analysis is prepared, that a reserve component is expected to cost to replace.

Fiscal Year
Indicates the budget year for the association for which the reserve analysis was prepared. The fiscal year beginning (FYB) is the first day of the budget year; the fiscal year end (FYE) is the last day of the budget year.

Fully Funded Reserve Balance (or Ideal Reserves)
The amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

Preface

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

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.

Preface

One-Time Replacement
Used for components that will be budgeted for only once.

Percent Funded
A measure, expressed as a percentage, of the association's reserve fund "health" as of a certain point in time. This number is the ratio of the anticipated reserve fund balance to the fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

An association that is 100% funded does not have all of the reserve 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.

Percentage of Replacement
The percentage of the reserve component that is expected to be replaced.

For most reserve components, this percentage should be 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%.

Phasing
Indicates the number of phases for which the reserve analysis was prepared and the total number of phases expected at build-out (i.e. Phase 4 of 7). In phased developments, the first number represents the number of phases, and corresponding common area components, that existed as of a certain point in time. The second number represents the number of phases that are expected to exist at build-out.

Placed-In-Service Date
The date (month and year) that the reserve component was originally put into service or last replaced.

Remaining Life
The length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment
The length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for the current cycle of replacement.

If the current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, the useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, the useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year
The fiscal year that a reserve component is scheduled to be replaced.

Reserve Components
Line items included in the reserve analysis.

Taxes on Investments Parameter
The rate used to offset the investment rate parameter in the calculation of the interest contribution. This parameter represents the marginal tax rate the association expects to pay on interest earned by the reserve funds and member contributions.

Preface

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.

Tatum Ranch Community Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	1007
Version Number	014
Analysis Date	09/14/2020
Fiscal Year	1/1/2021 to 12/31/2021
Number of Lots	3,586
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.45 %
Annual Contribution Increase	2.45 %
Investment Rate	2.00 %
Taxes on Investments	0.00 %
Contingency	0.00 %

Community Profile:

Unless otherwise indicated, we have used 1989 as the basis for aging original components, 2004 as the basis for aging the Community Center and 2009 for aging the Activity Center. The projected reserve balance calculation follows:

Reserve Balance as of 6/30/2020: $1,141,406
Remaining 2018 Contribution to Reserves: $60,000 ($10,000/month x 6 months remaining)
Remaining 2018 Reserve Expenses: $0
Projected 1/1/2019 Reserve Balance: $1,201,406

Completed Reports: 1995, 1998, 1999, 2000, 2002, 2003, 2004, 2006, 2009, 2011, 2012, 2014, 2016, 2018, 2020 (updated without site visit) (revised 9/2020)

Adequacy of Reserves as of January 1, 2021:

Anticipated Reserve Balance	**$1,201,406.00**
Fully Funded Reserve Balance	**$1,120,030.25**
Percent Funded	**107.27%**

Recommended Funding for the 2021 Fiscal Year:	Annual	Monthly	Per Lot Per Month
Member Contribution	**$127,475**	**$10,622.92**	**$2.96**
Interest Contribution	**$21,531**	**$1,794.21**	**$0.50**
Total Contribution	**$149,006**	**$12,417.13**	**$3.46**

Tatum Ranch Community Association

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Activity Room - Television	0	$800.00	$800.00
Fertigation System (2019)	0	$4,375.00	$4,375.00
Irrigation Controllers	0	$7,500.00	$7,500.00
Mailboxes (Assn Owned) (2019)	0	$18,000.00	$18,000.00
Mailboxes (Assn Owned) (2020)	0	$18,000.00	$18,000.00
Mailboxes (Assn Owned) (2021)	0	$18,000.00	$18,000.00
Mailboxes (Remove Stucco) (2021)	0	$4,500.00	$4,500.00
Office Equipment - Printers	0	$1,500.00	$1,500.00
Paint - Common Area Walls & Fencing	0	$70,000.00	$70,000.00
Paint - Ramada Support Structures	0	$1,250.00	$1,250.00
Park/Play Equipment (Roberta Lane)	0	$25,000.00	$25,000.00
Vehicles - 2006 Toyota Tacoma	0	$24,000.00	$24,000.00
Community Center - Crack Seal & Seal Coat	1	$3,359.76	$4,750.00
Community Center - HVAC Systems	1	$42,972.22	$45,500.00
Community Center - Patio Furniture	1	$7,333.33	$8,000.00
Community Center - Sail Shades	1	$4,675.00	$5,100.00
Mailboxes (Assn Owned) (2022)	1	$17,280.00	$18,000.00
Mailboxes (Remove Stucco) (2022)	1	$3,375.00	$4,500.00
Monument Sign Letters	1	$6,000.00	$7,500.00
Community Center - Paint Interiors	2	$6,662.07	$8,400.00
Mailboxes (Remove Stucco) (2023)	2	$2,700.00	$4,500.00
Community Center - Appliances	3	$14,875.00	$17,500.00
Community Center - Audio/Video Systems	3	$17,000.00	$20,000.00
Community Center - Drinking Fountain	3	$1,062.50	$1,250.00
Community Center - Furniture	3	$68,000.00	$80,000.00
Community Center - Paint Exteriors	3	$7,187.50	$11,500.00
Mailboxes (Remove Stucco) (2024)	3	$2,250.00	$4,500.00
Office Equipment - Computers	3	$2,723.08	$8,850.00
Mailboxes (Remove Stucco) (2025)	4	$1,928.57	$4,500.00
Office Equipment - File Cabinets	4	$214.29	$1,500.00
Vehicles - 2011 Toyota Tacoma	4	$17,142.86	$24,000.00
Mailboxes (Remove Stucco) (2026)	5	$1,687.50	$4,500.00
Actvity Room - HVAC System	6	$4,302.82	$6,500.00
Community Center - Carpet	6	$3,660.00	$9,150.00
Mailboxes (Remove Stucco) (2027)	6	$1,500.00	$4,500.00

Tatum Ranch Community Association

Distribution of Current Reserve Funds

Sorted by Remaining Life

	Remaining Life	Fully Funded Balance	Assigned Reserves
Mailboxes (Remove Stucco) (2028)	7	$1,350.00	$4,500.00
Community Center - Bollard Light Fixtures	8	$11,220.00	$16,500.00
Community Center - Interior Remodel	8	$68,000.00	$74,337.24
Community Center - Asphalt Overlay	9	$20,240.13	$20,240.13
Fencing - Wrought Iron (2031)	10	$121,296.00	$121,296.00
Fencing - Wrought Iron (2032)	11	$118,337.56	$118,337.56
Fencing - Wrought Iron (2033)	12	$115,520.00	$115,520.00
Activity Room - Interior Remodel	13	$7,121.21	$7,121.21
Fencing - Wrought Iron (2034)	13	$112,833.49	$112,833.49
Fencing - Wrought Iron (2035)	14	$110,269.09	$110,269.09
Fertigation System (2017)	16	$800.00	$800.00
Community Center - Flat Roofs (Silicone System)	17	$615.00	$615.00
Fertigation System (2018)	17	$544.53	$544.53
Community Center - Gates	23	$1,066.75	$1,066.75
Concrete Components (Unfunded)	n.a.	$0.00	$0.00
Granite Replenishment (Unfunded)	n.a.	$0.00	$0.00
Irrigation System (Unfunded)	n.a.	$0.00	$0.00
Lighting (Unfunded)	n.a.	$0.00	$0.00
Office Equipment - Server (Unfunded)	n.a.	$0.00	$0.00
Roofs - Metal, Ramadas (Unfunded)	n.a.	$0.00	$0.00
Tree Trimming (Unfunded)	n.a.	$0.00	$0.00
Contingency	n.a.	$0.00	$0.00
Total	**0-23**	**$1,120,030.25**	**$1,201,406.00**
Percent Funded			**107.27%**

Tatum Ranch Community Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Concrete Components (Unfunded)	n.a.	n.a.	$0.00	$0.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$0.00**
020 Roofs				
Roofs - Metal, Ramadas (Unfunded)	n.a.	n.a.	$0.00	$0.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$0.00**
030 Painting				
Paint - Common Area Walls & Fencing	0	1	$70,000.00	$70,000.00
Paint - Ramada Support Structures	0	5	$1,250.00	$1,250.00
Sub Total	**0**	**1-5**	**$71,250.00**	**$71,250.00**
040 Fencing/Walls				
Fencing - Wrought Iron (2031)	10	40	$161,728.00	$121,296.00
Fencing - Wrought Iron (2032)	11	41	$161,728.00	$118,337.56
Fencing - Wrought Iron (2033)	12	42	$161,728.00	$115,520.00
Fencing - Wrought Iron (2034)	13	43	$161,728.00	$112,833.49
Fencing - Wrought Iron (2035)	14	44	$161,728.00	$110,269.09
Sub Total	**10-14**	**40-44**	**$808,640.00**	**$578,256.14**
050 Lighting				
Lighting (Unfunded)	n.a.	n.a.	$0.00	$0.00
Sub Total	**n.a.**	**n.a.**	**$0.00**	**$0.00**
065 Parks				
Park/Play Equipment (Roberta Lane)	0	18	$25,000.00	$25,000.00
Sub Total	**0**	**18**	**$25,000.00**	**$25,000.00**
070 Office Equipment				
Office Equipment - Computers	3	5	$8,850.00	$2,723.08
Office Equipment - File Cabinets	4	5	$1,500.00	$214.29
Office Equipment - Printers	0	4	$1,500.00	$1,500.00
Office Equipment - Server (Unfunded)	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-4**	**4-5**	**$11,850.00**	**$4,437.36**
075 Community Center				
Community Center - Appliances	3	20	$17,500.00	$14,875.00
Community Center - Asphalt Overlay	9	26	$30,955.50	$20,240.13
Community Center - Audio/Video Systems	3	20	$20,000.00	$17,000.00
Community Center - Bollard Light Fixtures	8	25	$16,500.00	$11,220.00

Tatum Ranch Community Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Community Center - Carpet	6	10	$9,150.00	$3,660.00
Community Center - Crack Seal & Seal Coat	1	4	$4,750.00	$3,359.76
Community Center - Drinking Fountain	3	20	$1,250.00	$1,062.50
Community Center - Flat Roofs (Silicone System)	17	20	$4,100.00	$615.00
Community Center - Furniture	3	20	$80,000.00	$68,000.00
Community Center - Gates	23	40	$2,510.00	$1,066.75
Community Center - HVAC Systems	1	18	$45,500.00	$42,972.22
Community Center - Interior Remodel	8	25	$100,000.00	$68,000.00
Community Center - Paint Exteriors	3	8	$11,500.00	$7,187.50
Community Center - Paint Interiors	2	10	$8,400.00	$6,662.07
Community Center - Patio Furniture	1	12	$8,000.00	$7,333.33
Community Center - Sail Shades	1	12	$5,100.00	$4,675.00
Sub Total	**1-23**	**4-40**	**$365,215.50**	**$277,929.27**
076 Activiy Room				
Activity Room - Interior Remodel	13	25	$15,000.00	$7,121.21
Activity Room - Television	0	12	$800.00	$800.00
Actvity Room - HVAC System	6	18	$6,500.00	$4,302.82
Sub Total	**0-13**	**12-25**	**$22,300.00**	**$12,224.03**
080 Vehicles				
Vehicles - 2006 Toyota Tacoma	0	14	$24,000.00	$24,000.00
Vehicles - 2011 Toyota Tacoma	4	14	$24,000.00	$17,142.86
Sub Total	**0-4**	**14**	**$48,000.00**	**$41,142.86**
100 Grounds				
Fertigation System (2017)	16	20	$4,000.00	$800.00
Fertigation System (2018)	17	20	$4,375.00	$544.53
Fertigation System (2019)	0	20	$4,375.00	$4,375.00
Granite Replenishment (Unfunded)	n.a.	n.a.	$0.00	$0.00
Irrigation Controllers	0	5	$7,500.00	$7,500.00
Irrigation System (Unfunded)	n.a.	n.a.	$0.00	$0.00
Mailboxes (Assn Owned) (2019)	0	25	$18,000.00	$18,000.00
Mailboxes (Assn Owned) (2020)	0	25	$18,000.00	$18,000.00
Mailboxes (Assn Owned) (2021)	0	25	$18,000.00	$18,000.00
Mailboxes (Assn Owned) (2022)	1	25	$18,000.00	$17,280.00
Mailboxes (Remove Stucco) (2021)	0	3	$4,500.00	$4,500.00
Mailboxes (Remove Stucco) (2022)	1	4	$4,500.00	$3,375.00
Mailboxes (Remove Stucco) (2023)	2	5	$4,500.00	$2,700.00

Tatum Ranch Community Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Mailboxes (Remove Stucco) (2024)	3	6	$4,500.00	$2,250.00
Mailboxes (Remove Stucco) (2025)	4	7	$4,500.00	$1,928.57
Mailboxes (Remove Stucco) (2026)	5	8	$4,500.00	$1,687.50
Mailboxes (Remove Stucco) (2027)	6	9	$4,500.00	$1,500.00
Mailboxes (Remove Stucco) (2028)	7	10	$4,500.00	$1,350.00
Monument Sign Letters	1	5	$7,500.00	$6,000.00
Tree Trimming (Unfunded)	n.a.	n.a.	$0.00	$0.00
Sub Total	**0-17**	**3-25**	**$135,750.00**	**$109,790.60**
Contingency	n.a.	n.a.	n.a.	$0.00
Total	**0-23**	**1-44**	**$1,488,005.50**	**$1,120,030.25**
Anticipated Reserve Balance				**$1,201,406.00**
Percent Funded				**107.27%**

Tatum Ranch Community Association

Projections

Directed Cash Flow Calculation Method

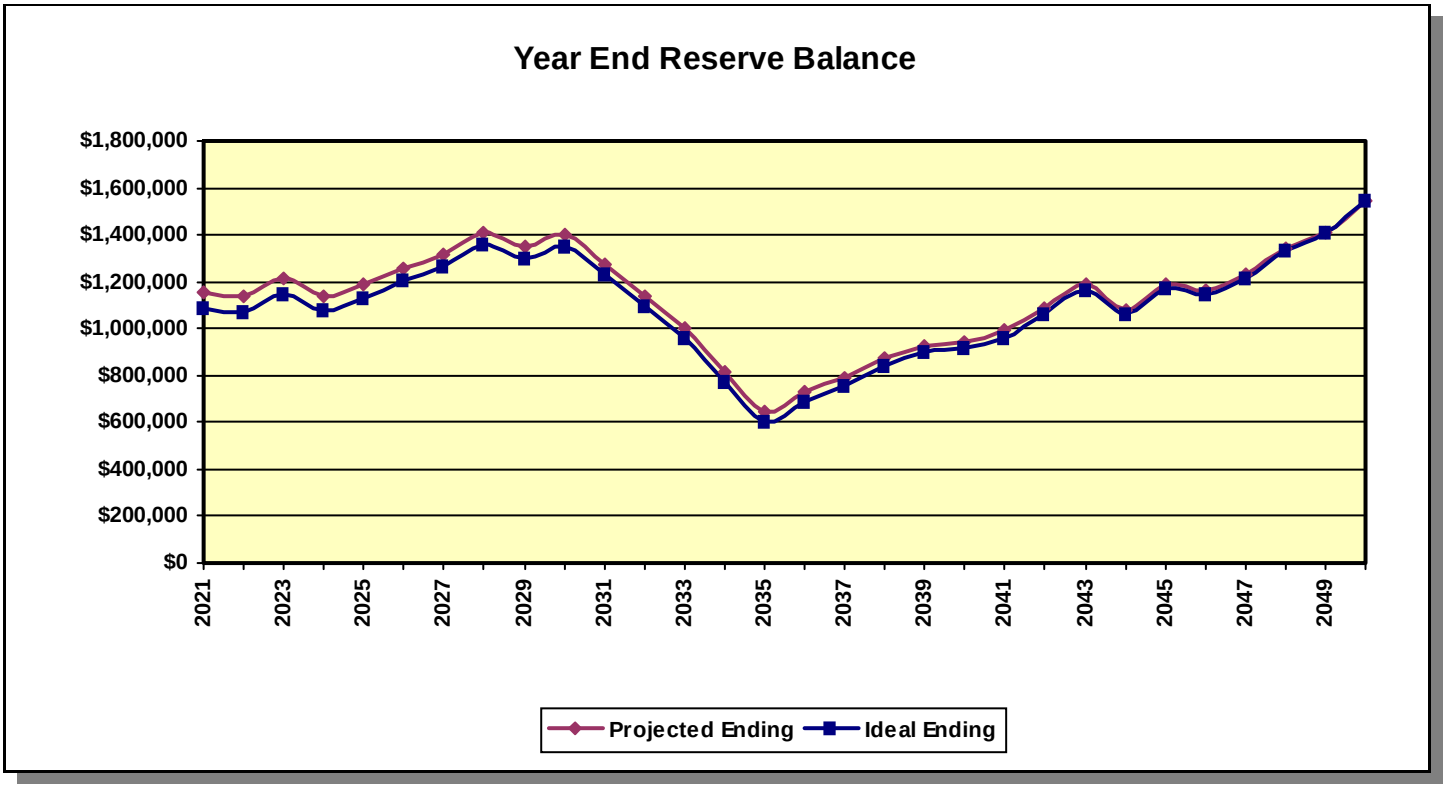
Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2021	$1,201,406	$127,475	$21,531	$192,925	$1,157,487	$1,082,720	107%
2022	$1,157,487	$130,598	$21,189	$167,352	$1,141,922	$1,072,558	106%
2023	$1,141,922	$133,798	$22,526	$87,012	$1,211,234	$1,146,759	106%
2024	$1,211,234	$137,076	$21,075	$229,687	$1,139,697	$1,078,838	106%
2025	$1,139,697	$140,434	$22,042	$111,819	$1,190,355	$1,132,673	105%
2026	$1,190,355	$143,875	$23,348	$99,321	$1,258,256	$1,203,457	105%
2027	$1,258,256	$147,400	$24,477	$112,913	$1,317,220	$1,265,000	104%
2028	$1,317,220	$151,011	$26,198	$88,255	$1,406,173	$1,356,387	104%
2029	$1,406,173	$154,711	$24,987	$238,908	$1,346,963	$1,299,363	104%
2030	$1,346,963	$158,501	$25,958	$133,298	$1,398,124	$1,353,051	103%
2031	$1,398,124	$162,385	$23,534	$306,334	$1,277,708	$1,234,661	103%
2032	$1,277,708	$166,363	$20,719	$327,216	$1,137,574	$1,096,085	104%
2033	$1,137,574	$170,439	$17,990	$324,135	$1,001,867	$961,611	104%
2034	$1,001,867	$174,615	$14,272	$374,540	$816,213	$776,773	105%
2035	$816,213	$178,893	$10,838	$360,982	$644,961	$606,120	106%
2036	$644,961	$183,276	$12,422	$113,222	$727,437	$689,530	105%
2037	$727,437	$187,766	$13,674	$135,733	$793,144	$756,443	105%
2038	$793,144	$192,366	$15,247	$125,591	$875,166	$840,008	104%
2039	$875,166	$197,079	$16,272	$159,008	$929,509	$896,130	104%
2040	$929,509	$201,907	$16,515	$203,531	$944,400	$912,875	103%
2041	$944,400	$206,854	$17,378	$177,889	$990,743	$961,282	103%
2042	$990,743	$211,922	$19,191	$136,737	$1,085,119	$1,058,137	103%
2043	$1,085,119	$217,114	$21,209	$133,530	$1,189,912	$1,165,880	102%
2044	$1,189,912	$222,433	$19,020	$349,176	$1,082,190	$1,060,689	102%
2045	$1,082,190	$227,883	$21,046	$143,550	$1,187,569	$1,169,073	102%
2046	$1,187,569	$233,466	$20,555	$275,819	$1,165,772	$1,150,224	101%
2047	$1,165,772	$239,186	$21,772	$196,359	$1,230,371	$1,218,079	101%
2048	$1,230,371	$245,046	$23,931	$156,668	$1,342,680	$1,334,161	101%
2049	$1,342,680	$251,050	$25,267	$205,507	$1,413,490	$1,409,097	100%
2050	$1,413,490	$257,201	$27,796	$153,846	$1,544,640	$1,544,988	100%

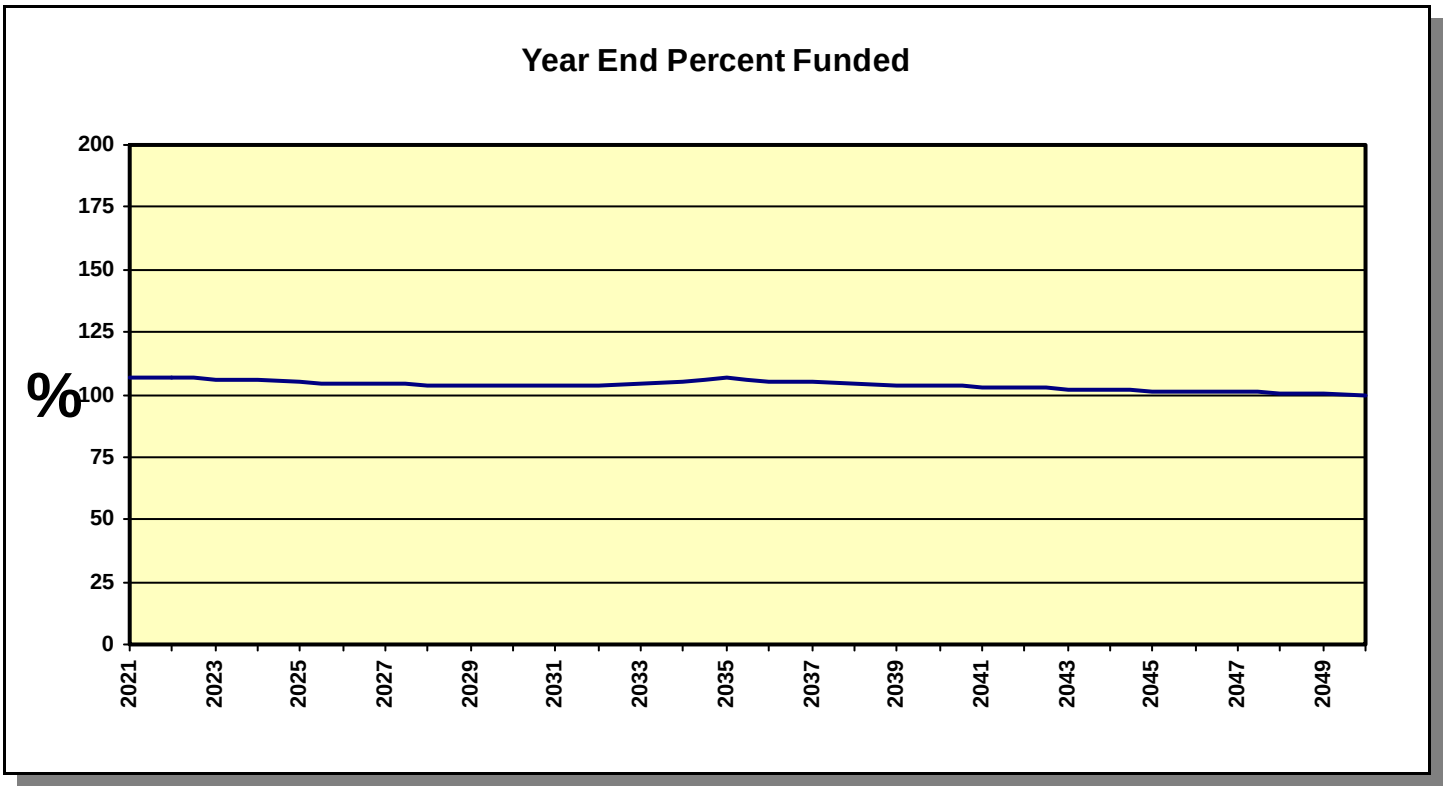
NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need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

Tatum Ranch Community Association

Projection Charts

Directed Cash Flow Calculation Method

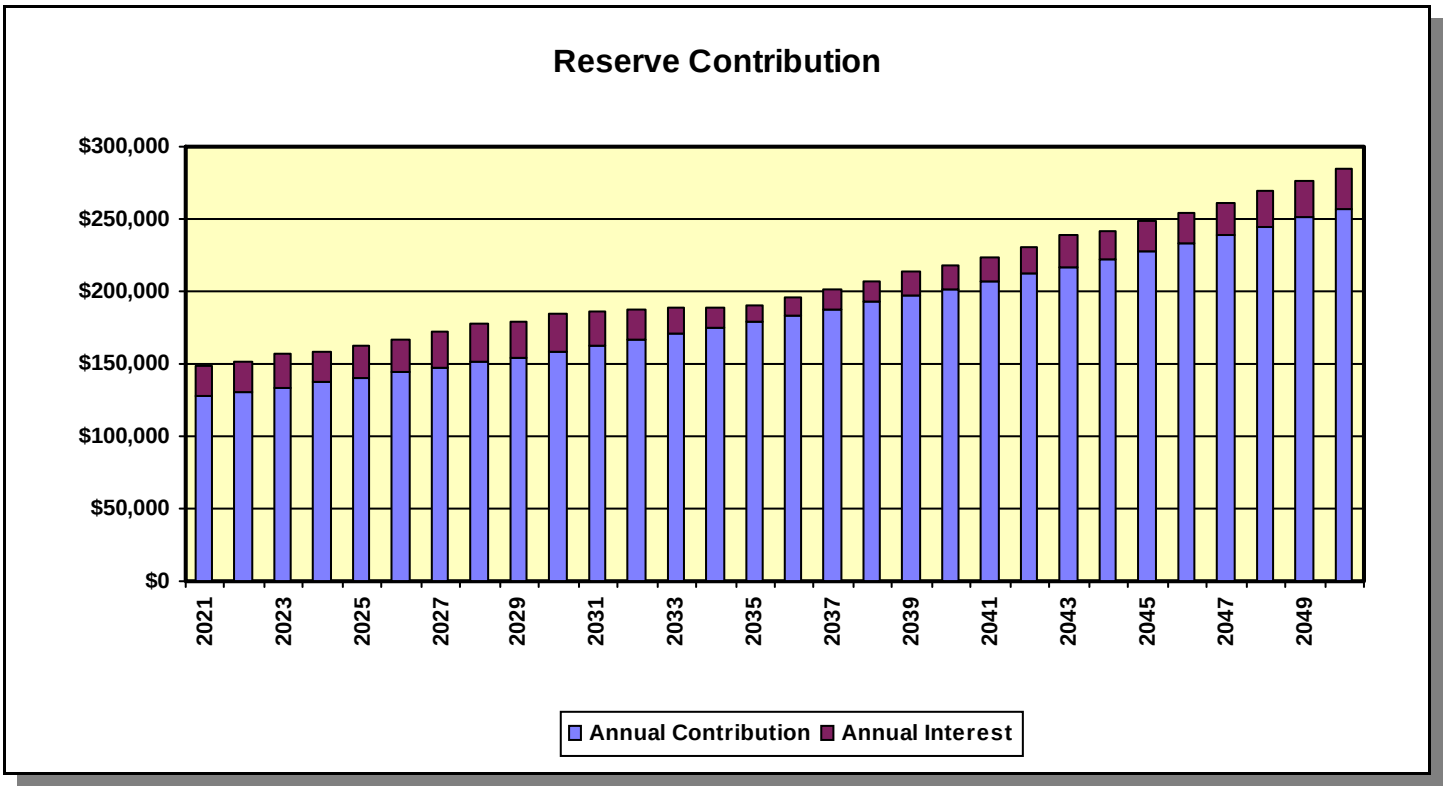


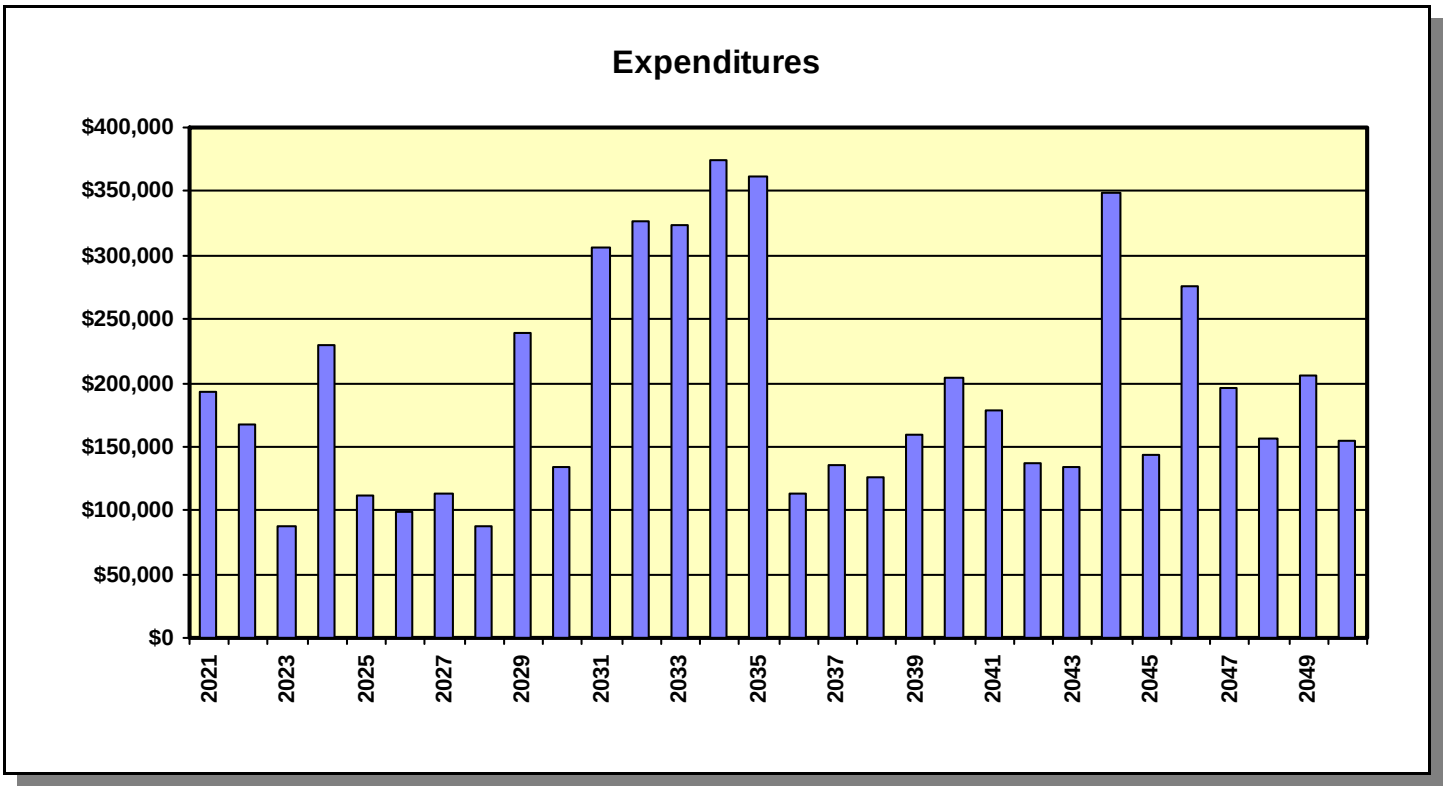


Tatum Ranch Community Association

Projection Charts

Directed Cash Flow Calculation Method





Tatum Ranch Community Association

Annual Expenditure Detail

Sorted by Description

2021 Fiscal Year	
Activity Room - Television	$800.00
Fertigation System (2019)	$4,375.00
Irrigation Controllers	$7,500.00
Mailboxes (Assn Owned) (2019)	$18,000.00
Mailboxes (Assn Owned) (2020)	$18,000.00
Mailboxes (Assn Owned) (2021)	$18,000.00
Mailboxes (Remove Stucco) (2021)	$4,500.00
Office Equipment - Printers	$1,500.00
Paint - Common Area Walls & Fencing	$70,000.00
Paint - Ramada Support Structures	$1,250.00
Park/Play Equipment (Roberta Lane)	$25,000.00
Vehicles - 2006 Toyota Tacoma	$24,000.00
Sub Total	**$192,925.00**
2022 Fiscal Year	
Community Center - Crack Seal & Seal Coat	$4,866.38
Community Center - HVAC Systems	$46,614.75
Community Center - Patio Furniture	$8,196.00
Community Center - Sail Shades	$5,224.95
Mailboxes (Assn Owned) (2022)	$18,441.00
Mailboxes (Remove Stucco) (2022)	$4,610.25
Monument Sign Letters	$7,683.75
Paint - Common Area Walls & Fencing	$71,715.00
Sub Total	**$167,352.08**
2023 Fiscal Year	
Community Center - Paint Interiors	$8,816.64
Mailboxes (Remove Stucco) (2023)	$4,723.20
Paint - Common Area Walls & Fencing	$73,472.02
Sub Total	**$87,011.86**
2024 Fiscal Year	
Community Center - Appliances	$18,818.02
Community Center - Audio/Video Systems	$21,506.31
Community Center - Drinking Fountain	$1,344.14
Community Center - Furniture	$86,025.24
Community Center - Paint Exteriors	$12,366.13
Mailboxes (Remove Stucco) (2024)	$4,838.92
Office Equipment - Computers	$9,516.54

Tatum Ranch Community Association

Annual Expenditure Detail

Sorted by Description

Paint - Common Area Walls & Fencing	$75,272.08
Sub Total	**$229,687.38**
2025 Fiscal Year	
Mailboxes (Remove Stucco) (2025)	$4,957.47
Office Equipment - File Cabinets	$1,652.49
Office Equipment - Printers	$1,652.49
Paint - Common Area Walls & Fencing	$77,116.25
Vehicles - 2011 Toyota Tacoma	$26,439.86
Sub Total	**$111,818.56**
2026 Fiscal Year	
Community Center - Crack Seal & Seal Coat	$5,361.09
Irrigation Controllers	$8,464.89
Mailboxes (Remove Stucco) (2026)	$5,078.93
Paint - Common Area Walls & Fencing	$79,005.60
Paint - Ramada Support Structures	$1,410.81
Sub Total	**$99,321.32**
2027 Fiscal Year	
Actvity Room - HVAC System	$7,515.97
Community Center - Carpet	$10,580.18
Mailboxes (Remove Stucco) (2027)	$5,203.37
Monument Sign Letters	$8,672.28
Paint - Common Area Walls & Fencing	$80,941.23
Sub Total	**$112,913.02**
2028 Fiscal Year	
Mailboxes (Remove Stucco) (2028)	$5,330.85
Paint - Common Area Walls & Fencing	$82,924.29
Sub Total	**$88,255.14**
2029 Fiscal Year	
Community Center - Bollard Light Fixtures	$20,025.33
Community Center - Interior Remodel	$121,365.63
Office Equipment - Computers	$10,740.86
Office Equipment - Printers	$1,820.48
Paint - Common Area Walls & Fencing	$84,955.94
Sub Total	**$238,908.24**

Tatum Ranch Community Association

Annual Expenditure Detail

Sorted by Description

2030 Fiscal Year	
Community Center - Asphalt Overlay	$38,489.79
Community Center - Crack Seal & Seal Coat	$5,906.11
Office Equipment - File Cabinets	$1,865.09
Paint - Common Area Walls & Fencing	$87,037.36
Sub Total	**$133,298.34**
2031 Fiscal Year	
Fencing - Wrought Iron (2031)	$206,017.85
Irrigation Controllers	$9,553.90
Paint - Common Area Walls & Fencing	$89,169.77
Paint - Ramada Support Structures	$1,592.32
Sub Total	**$306,333.84**
2032 Fiscal Year	
Community Center - Paint Exteriors	$15,008.23
Fencing - Wrought Iron (2032)	$211,065.28
Monument Sign Letters	$9,787.98
Paint - Common Area Walls & Fencing	$91,354.43
Sub Total	**$327,215.92**
2033 Fiscal Year	
Activity Room - Television	$1,069.63
Community Center - Paint Interiors	$11,231.11
Fencing - Wrought Iron (2033)	$216,236.38
Office Equipment - Printers	$2,005.56
Paint - Common Area Walls & Fencing	$93,592.62
Sub Total	**$324,135.30**
2034 Fiscal Year	
Activity Room - Interior Remodel	$20,546.92
Community Center - Crack Seal & Seal Coat	$6,506.53
Community Center - Patio Furniture	$10,958.36
Community Center - Sail Shades	$6,985.95
Fencing - Wrought Iron (2034)	$221,534.17
Office Equipment - Computers	$12,122.68
Paint - Common Area Walls & Fencing	$95,885.64
Sub Total	**$374,540.25**
2035 Fiscal Year	
Fencing - Wrought Iron (2035)	$226,961.76

Tatum Ranch Community Association

Annual Expenditure Detail

Sorted by Description

Office Equipment - File Cabinets	$2,105.03
Paint - Common Area Walls & Fencing	$98,234.83
Vehicles - 2006 Toyota Tacoma	$33,680.51
Sub Total	**$360,982.14**
2036 Fiscal Year	
Irrigation Controllers	$10,783.03
Paint - Common Area Walls & Fencing	$100,641.59
Paint - Ramada Support Structures	$1,797.17
Sub Total	**$113,221.79**
2037 Fiscal Year	
Community Center - Carpet	$13,477.60
Fertigation System (2017)	$5,891.85
Monument Sign Letters	$11,047.21
Office Equipment - Printers	$2,209.44
Paint - Common Area Walls & Fencing	$103,107.31
Sub Total	**$135,733.40**
2038 Fiscal Year	
Community Center - Crack Seal & Seal Coat	$7,167.98
Community Center - Flat Roofs (Silicone System)	$6,187.10
Fertigation System (2018)	$6,602.09
Paint - Common Area Walls & Fencing	$105,633.44
Sub Total	**$125,590.61**
2039 Fiscal Year	
Office Equipment - Computers	$13,682.28
Paint - Common Area Walls & Fencing	$108,221.46
Vehicles - 2011 Toyota Tacoma	$37,104.50
Sub Total	**$159,008.24**
2040 Fiscal Year	
Community Center - HVAC Systems	$72,067.37
Community Center - Paint Exteriors	$18,214.83
Office Equipment - File Cabinets	$2,375.85
Paint - Common Area Walls & Fencing	$110,872.88
Sub Total	**$203,530.93**
2041 Fiscal Year	
Fertigation System (2019)	$7,099.33

Tatum Ranch Community Association

Annual Expenditure Detail

Sorted by Description

Irrigation Controllers	$12,170.28
Office Equipment - Printers	$2,434.06
Paint - Common Area Walls & Fencing	$113,589.27
Paint - Ramada Support Structures	$2,028.38
Park/Play Equipment (Roberta Lane)	$40,567.60
Sub Total	**$177,888.90**
2042 Fiscal Year	
Community Center - Crack Seal & Seal Coat	$7,896.69
Monument Sign Letters	$12,468.45
Paint - Common Area Walls & Fencing	$116,372.20
Sub Total	**$136,737.34**
2043 Fiscal Year	
Community Center - Paint Interiors	$14,306.80
Paint - Common Area Walls & Fencing	$119,223.32
Sub Total	**$133,530.12**
2044 Fiscal Year	
Community Center - Appliances	$30,536.07
Community Center - Audio/Video Systems	$34,898.37
Community Center - Drinking Fountain	$2,181.15
Community Center - Furniture	$139,593.48
Community Center - Gates	$4,379.75
Office Equipment - Computers	$15,442.53
Paint - Common Area Walls & Fencing	$122,144.29
Sub Total	**$349,175.64**
2045 Fiscal Year	
Activity Room - Television	$1,430.14
Actvity Room - HVAC System	$11,619.85
Office Equipment - File Cabinets	$2,681.50
Office Equipment - Printers	$2,681.50
Paint - Common Area Walls & Fencing	$125,136.83
Sub Total	**$143,549.82**
2046 Fiscal Year	
Community Center - Crack Seal & Seal Coat	$8,699.47
Community Center - Patio Furniture	$14,651.74
Community Center - Sail Shades	$9,340.48

Tatum Ranch Community Association

Annual Expenditure Detail

Sorted by Description

Irrigation Controllers	$13,736.00
Mailboxes (Assn Owned) (2019)	$32,966.40
Mailboxes (Assn Owned) (2020)	$32,966.40
Mailboxes (Assn Owned) (2021)	$32,966.40
Paint - Common Area Walls & Fencing	$128,202.68
Paint - Ramada Support Structures	$2,289.33
Sub Total	**$275,818.91**
2047 Fiscal Year	
Community Center - Carpet	$17,168.49
Mailboxes (Assn Owned) (2022)	$33,774.08
Monument Sign Letters	$14,072.53
Paint - Common Area Walls & Fencing	$131,343.65
Sub Total	**$196,358.75**
2048 Fiscal Year	
Community Center - Paint Exteriors	$22,106.54
Paint - Common Area Walls & Fencing	$134,561.57
Sub Total	**$156,668.11**
2049 Fiscal Year	
Office Equipment - Computers	$17,429.23
Office Equipment - Printers	$2,954.11
Paint - Common Area Walls & Fencing	$137,858.32
Vehicles - 2006 Toyota Tacoma	$47,265.71
Sub Total	**$205,507.37**
2050 Fiscal Year	
Community Center - Crack Seal & Seal Coat	$9,583.86
Office Equipment - File Cabinets	$3,026.48
Paint - Common Area Walls & Fencing	$141,235.85
Sub Total	**$153,846.20**

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Concrete Components (Unfunded)

Category	010 Streets	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/89	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

We are not budgeting for repair or replacement of concrete components in this analysis. It is anticipated that any repairs/replacements required will be addressed immediately due to safety concerns. There should not be a need for complete replacement at a single point in time, and good maintenance practice won't allow the need for repairs to accumulate to a point of major expense. We recommend that a line item be set up in the annual operating budget to account for potential concrete repairs/replacements on an as needed basis. However, should the client wish to include budgeting for concrete components as a reserve expense, we will do so at their request (cost and useful life to be provided by client).

Roofs - Metal, Ramadas (Unfunded)

Category	020 Roofs	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/89	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

We are not budgeting to replace the metal ramada roof(s) because the have an indefinite useful life and should last for the life of the ramada if properly maintained. Any required repairs should be handled on an as needed basis and the expense paid for out of the annual operating budget.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Paint - Common Area Walls & Fencing

Category	030 Painting	Quantity	1 total
		Unit Cost	$70,000.000
		% of Replacement	100.00%
		Current Cost	$70,000.00
Placed In Service	01/20	Future Cost	$71,715.00
Useful Life	1		
		Assigned Reserves at FYB	$70,000.00
Remaining Life	0	Monthly Member Contribution	$6,914.12
Replacement Year	2021	Monthly Interest Contribution	$55.01
		Total Monthly Contribution	$6,969.13

Comments:

We have been advised that the Association expects to spend in th range of $60,000 per year for painting common area walls and wrought iron fencing. We have included an additional $10,000 per year for wall and fence repairs to be completed in conjunction with each panint cycle.

The current paint contractor is Luxor Painting.

Luxor Painting completed projects in 2020 totalling $63,125 to paint walls, fencing and mailboxes.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Paint - Ramada Support Structures

Category	030 Painting	Quantity	1 total
		Unit Cost	$1,250.000
		% of Replacement	100.00%
		Current Cost	$1,250.00
Placed In Service	01/14	Future Cost	$1,410.81
Useful Life	5		
		Assigned Reserves at FYB	$1,250.00
Remaining Life	0	Monthly Member Contribution	$24.90
Replacement Year	2021	Monthly Interest Contribution	$0.20
		Total Monthly Contribution	$25.10

Comments:

This component is to paint the metal support beams and poles at the two ramadas located at:

1 - Desert Willow Parwkay & Roberta Lane
1 - 43rd Street & Melanie Drive

Last painted in February 2014 for $1,188.

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

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fencing - Wrought Iron (2031)

Category	040 Fencing/Walls	Quantity	10,108 lin. ft.
		Unit Cost	$32.000
		% of Replacement	50.00%
		Current Cost	$161,728.00
Placed In Service	01/91	Future Cost	$206,017.85
Useful Life	40		
		Assigned Reserves at FYB	$121,296.00
Remaining Life	10	Monthly Member Contribution	$457.46
Replacement Year	2031	Monthly Interest Contribution	$209.27
		Total Monthly Contribution	$666.73

Comments:

There is approximately 50,540 lineal feet of wrought iron fencing located on boundary lines between lots and common areas (measurement previously provided by the client).

The cost to replace this fencing is to be shared on a 50% - 50% basis between the Association and the individual lot owner (see pages 21 & 22 of the CCRs).

The client has requested that we spread the replacement of this wrought iron over a five (5) year period of time, starting in 2031, based on the current condition. Therefore, this component budgets for 1/5 of the wrought iron.

Fencing - Wrought Iron (2032)

Category	040 Fencing/Walls	Quantity	10,108 lin. ft.
		Unit Cost	$32.000
		% of Replacement	50.00%
		Current Cost	$161,728.00
Placed In Service	01/91	Future Cost	$211,065.28
Useful Life	40		
Adjustment	+1	Assigned Reserves at FYB	$118,337.56
Remaining Life	11	Monthly Member Contribution	$447.13
Replacement Year	2032	Monthly Interest Contribution	$204.18
		Total Monthly Contribution	$651.31

Comments:

This component budgets for phase 2 of the wrought iron fencing replacement.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fencing - Wrought Iron (2033)

Category	040 Fencing/Walls	Quantity	10,108 lin. ft.
		Unit Cost	$32.000
		% of Replacement	50.00%
		Current Cost	$161,728.00
Placed In Service	01/91	Future Cost	$216,236.38
Useful Life	40		
Adjustment	+2	Assigned Reserves at FYB	$115,520.00
Remaining Life	12	Monthly Member Contribution	$437.30
Replacement Year	2033	Monthly Interest Contribution	$199.32
		Total Monthly Contribution	$636.62

Comments:

This component budgets for phase 3 of the wrought iron fencing replacement.

Fencing - Wrought Iron (2034)

Category	040 Fencing/Walls	Quantity	10,108 lin. ft.
		Unit Cost	$32.000
		% of Replacement	50.00%
		Current Cost	$161,728.00
Placed In Service	01/91	Future Cost	$221,534.17
Useful Life	40		
Adjustment	+3	Assigned Reserves at FYB	$112,833.49
Remaining Life	13	Monthly Member Contribution	$427.93
Replacement Year	2034	Monthly Interest Contribution	$194.69
		Total Monthly Contribution	$622.62

Comments:

This component budgets for phase 4 of the wrought iron fencing replacement.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fencing - Wrought Iron (2035)

Category	040 Fencing/Walls	Quantity	10,108 lin. ft.
		Unit Cost	$32.000
		% of Replacement	50.00%
		Current Cost	$161,728.00
Placed In Service	01/91	Future Cost	$226,961.76
Useful Life	40		
Adjustment	+4	Assigned Reserves at FYB	$110,269.09
Remaining Life	14	Monthly Member Contribution	$418.98
Replacement Year	2035	Monthly Interest Contribution	$190.27
		Total Monthly Contribution	$609.25

Comments:

This component budgets for phase 5 of the wrought iron fencing replacement.

Lighting (Unfunded)

Category	050 Lighting	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/89	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

We are not budgeting to replace any ground level landscape, monument or pathway lighting systems. Individual light fixtures are most often replaced as needed using operating funds due to frequent damage by pedestrians, landscape personnel, and/or weather conditions. Should complete replacement of the lighting system(s) be required, expert evaluation will be necessary to provide replacement cost information.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Park/Play Equipment (Roberta Lane)

Category	065 Parks	Quantity	1 total
		Unit Cost	$25,000.000
		% of Replacement	100.00%
		Current Cost	$25,000.00
Placed In Service	01/01	Future Cost	$40,567.60
Useful Life	20		
Adjustment	-2	Assigned Reserves at FYB	$25,000.00
Remaining Life	0	Monthly Member Contribution	$128.48
Replacement Year	2021	Monthly Interest Contribution	$1.02
		Total Monthly Contribution	$129.50

Comments:

This component budgets for replacement of the Roberta play area equipment, including the playstructure and trash receptacle. Based on condition, we have scheduled this project for 2021.

Location: Desert Willow Parkway & Roberta Lane

Office Equipment - Computers

Category	070 Office Equipment	Quantity	1 total
		Unit Cost	$8,850.000
		% of Replacement	100.00%
		Current Cost	$8,850.00
Placed In Service	09/19	Future Cost	$9,516.54
Useful Life	5		
		Assigned Reserves at FYB	$8,850.00
Remaining Life	3	Monthly Member Contribution	$3.68
Replacement Year	2024	Monthly Interest Contribution	$15.04
		Total Monthly Contribution	$18.72

Comments:

Computers were last replaced in September 2019 by ByteWize for $8,636.99.

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

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Office Equipment - File Cabinets

Category	070 Office Equipment	Quantity	1 total
		Unit Cost	$1,500.000
		% of Replacement	100.00%
		Current Cost	$1,500.00
Placed In Service	05/20	Future Cost	$1,652.49
Useful Life	5		
		Assigned Reserves at FYB	$1,500.00
Remaining Life	4	Monthly Member Contribution	$0.62
Replacement Year	2025	Monthly Interest Contribution	$2.55
		Total Monthly Contribution	$3.17

Comments:

There are a total of 18 metal file cabinets that vary in age, size and condition. This component will accumulate $1,500 over a 10 year period to be used as needed to replace these cabinets.

A new file cabinet was purchased in May 2020 for $573,98.

Office Equipment - Printers

Category	070 Office Equipment	Quantity	1 total
		Unit Cost	$1,500.000
		% of Replacement	100.00%
		Current Cost	$1,500.00
Placed In Service	01/17	Future Cost	$1,652.49
Useful Life	4		
		Assigned Reserves at FYB	$1,500.00
Remaining Life	0	Monthly Member Contribution	$37.27
Replacement Year	2021	Monthly Interest Contribution	$0.29
		Total Monthly Contribution	$37.57

Comments:

This component will accumulate $2,000 every four (4) years to be used as needed for replacement of the office area printers.

Note that one new printer (Hewlett Packard HPM506) was replaced in 2017.

The main color copying is now done on the newlt leased copier/printer.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Office Equipment - Server (Unfunded)

Category	070 Office Equipment	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/14	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Spectrum Technology Solutions replaced the server with a Hewlett Packard, ProLiant, ML350p Gen 8 server in October 2013 for $8,019. We have been advised by the management team that the server is still in service but will not be replaced when it fails.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Appliances

Category	075 Community Center	Quantity	1 total
		Unit Cost	$17,500.000
		% of Replacement	100.00%
		Current Cost	$17,500.00
Placed In Service	01/04	Future Cost	$18,818.02
Useful Life	20		
		Assigned Reserves at FYB	$17,500.00
Remaining Life	3	Monthly Member Contribution	$7.28
Replacement Year	2024	Monthly Interest Contribution	$29.72
		Total Monthly Contribution	$37.00

Comments:

Approximately $14,000 of new appliances were purchased in 2004 including:

- built in refrigerator
- dishwasher
- microwave oven
- oven/range combo
- water heaters
- secondary refrigerator
- upright freezer

This component budgets to replace these appliances on a 20 year cycle.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Asphalt Overlay

Category	075 Community Center	Quantity	22,930 sq. ft.
		Unit Cost	$1.350
		% of Replacement	100.00%
		Current Cost	$30,955.50
Placed In Service	01/04	Future Cost	$38,489.79
Useful Life	24		
Adjustment	+2	Assigned Reserves at FYB	$20,240.13
Remaining Life	9	Monthly Member Contribution	$128.02
Replacement Year	2030	Monthly Interest Contribution	$35.34
		Total Monthly Contribution	$163.35

Comments:

This component budgets to edge mill next to existing concrete curbs/aprons in order to match heights and apply a conventional 1.5" overlay atop the existing asphalt.

This maintenance program assumes that at the time this project is scheduled to occur the asphalt has been maintained in a good enough condition that existing cracks will not quickly reflect through the newly paved surface.

If it becomes evident over time that an overlay will not be the best option, we will adjust this asset to begin accounting for a removal and repaving (R & R) project at a current cost in the $1.90 - $2.00 per sq. ft. range.

Community Center - Audio/Video Systems

Category	075 Community Center	Quantity	1 total
		Unit Cost	$20,000.000
		% of Replacement	100.00%
		Current Cost	$20,000.00
Placed In Service	01/04	Future Cost	$21,506.31
Useful Life	20		
		Assigned Reserves at FYB	$20,000.00
Remaining Life	3	Monthly Member Contribution	$8.32
Replacement Year	2024	Monthly Interest Contribution	$33.98
		Total Monthly Contribution	$42.30

Comments:

We were previously advised that $27,263 was spent to purchase and install the audio/video system for the Community Center. This component will accumulate $20,000 over a 20 year period to be used as needed for replacement of the major components. There should be no need to rewire the system at the time of replacement.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Bollard Light Fixtures

Category	075 Community Center	Quantity	11 bollards
		Unit Cost	$1,500.000
		% of Replacement	100.00%
		Current Cost	$16,500.00
Placed In Service	01/04	Future Cost	$20,025.33
Useful Life	25		
		Assigned Reserves at FYB	$16,500.00
Remaining Life	8	Monthly Member Contribution	$6.87
Replacement Year	2029	Monthly Interest Contribution	$28.03
		Total Monthly Contribution	$34.89

Comments:

These are 3'6" meta bolard light fixtures in the Communtiy Center parking lot.

Community Center - Carpet

Category	075 Community Center	Quantity	1 total
		Unit Cost	$9,150.000
		% of Replacement	100.00%
		Current Cost	$9,150.00
Placed In Service	01/17	Future Cost	$10,580.18
Useful Life	10		
		Assigned Reserves at FYB	$9,150.00
Remaining Life	6	Monthly Member Contribution	$3.81
Replacement Year	2027	Monthly Interest Contribution	$15.54
		Total Monthly Contribution	$19.35

Comments:

Replaced in late 2016 for $8,250.

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

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Crack Seal & Seal Coat

Category	075 Community Center	Quantity	1 total
		Unit Cost	$4,750.000
		% of Replacement	100.00%
		Current Cost	$4,750.00
Placed In Service	08/18	Future Cost	$4,866.38
Useful Life	4		
		Assigned Reserves at FYB	$4,750.00
Remaining Life	1	Monthly Member Contribution	$1.98
Replacement Year	2022	Monthly Interest Contribution	$8.07
		Total Monthly Contribution	$10.05

Comments:

This is an estimate for crack sealing and seal coating the community center parking lot.

We have been advised that the Association plans to complete this project before the end of 2018. No bids have been obtained yet. Therefore, we have estimated the cost at $4,750.

Community Center - Drinking Fountain

Category	075 Community Center	Quantity	1 total
		Unit Cost	$1,250.000
		% of Replacement	100.00%
		Current Cost	$1,250.00
Placed In Service	01/04	Future Cost	$1,344.14
Useful Life	20		
		Assigned Reserves at FYB	$1,250.00
Remaining Life	3	Monthly Member Contribution	$0.52
Replacement Year	2024	Monthly Interest Contribution	$2.13
		Total Monthly Contribution	$2.65

Comments:

This is an Oasis, wall mounted, wheelchair accessible, chilled drinking fountain located in the Community Center, between the restrooms.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Flat Roofs (Silicone System)

Category	075 Community Center	Quantity	1 total
		Unit Cost	$4,100.000
		% of Replacement	100.00%
		Current Cost	$4,100.00
Placed In Service	01/18	Future Cost	$6,187.10
Useful Life	20		
		Assigned Reserves at FYB	$615.00
Remaining Life	17	Monthly Member Contribution	$21.20
Replacement Year	2038	Monthly Interest Contribution	$1.21
		Total Monthly Contribution	$22.40

Comments:

Paramount Roofing completed a project in November 2017 to install a new silicone roofing system over the exiting foam and TPO system for $3,897.93. This new roofing system has a 20 year warranty.

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

Community Center - Furniture

Category	075 Community Center	Quantity	1 total
		Unit Cost	$80,000.000
		% of Replacement	100.00%
		Current Cost	$80,000.00
Placed In Service	01/04	Future Cost	$86,025.24
Useful Life	20		
		Assigned Reserves at FYB	$80,000.00
Remaining Life	3	Monthly Member Contribution	$33.29
Replacement Year	2024	Monthly Interest Contribution	$135.89
		Total Monthly Contribution	$169.18

Comments:

We were previously advised that $80,000 worth of furniture was purchased for the Community Center. This component will accumulate this amount every 20 years to be used as needed.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Gates

Category	075 Community Center	Quantity	1 total
		Unit Cost	$2,510.000
		% of Replacement	100.00%
		Current Cost	$2,510.00
Placed In Service	01/04	Future Cost	$4,379.75
Useful Life	40		
		Assigned Reserves at FYB	$1,066.75
Remaining Life	23	Monthly Member Contribution	$6.93
Replacement Year	2044	Monthly Interest Contribution	$1.86
		Total Monthly Contribution	$8.80

Comments:

1	4'0" x 3'5" meta frame patio gates	@	$410.00	=	$410.00
2	6'0" x 5'10" metal frame trash gates	@	$1,050.00	=	$2,100.00
			TOTAL	=	$2,510.00

We are not budgeting to replace the heavy gauge, metal frame gates at the parking lot entrance.

Community Center - HVAC Systems

Category	075 Community Center	Quantity	1 total
		Unit Cost	$45,500.000
		% of Replacement	100.00%
		Current Cost	$45,500.00
Placed In Service	01/04	Future Cost	$46,614.75
Useful Life	18		
		Assigned Reserves at FYB	$45,500.00
Remaining Life	1	Monthly Member Contribution	$18.93
Replacement Year	2022	Monthly Interest Contribution	$77.29
		Total Monthly Contribution	$96.22

Comments:

7	5 ton split system heat pumps	@	$6,500.00	=	$45,500.00
			TOTAL	=	$45,500.00

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Interior Remodel

Category	075 Community Center	Quantity	1 total
		Unit Cost	$100,000.000
		% of Replacement	100.00%
		Current Cost	$100,000.00
Placed In Service	01/04	Future Cost	$121,365.63
Useful Life	25		
		Assigned Reserves at FYB	$74,337.24
Remaining Life	8	Monthly Member Contribution	$352.48
Replacement Year	2029	Monthly Interest Contribution	$128.83
		Total Monthly Contribution	$481.31

Comments:

This component will accumulate $100,000 for the interior remodeling of the clubhouse on a 25 year cycle, and will allow funding to be available for the replacement of the following components on an as needed basis: plumbing fixtures, floor tile, wall tile, partitions, accordian style room partition, countertops, cabinets, window coverings, track lighting, and interior painting.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Paint Exteriors

Category	075 Community Center	Quantity	1 total
		Unit Cost	$11,500.000
		% of Replacement	100.00%
		Current Cost	$11,500.00
Placed In Service	01/16	Future Cost	$12,366.13
Useful Life	8		
		Assigned Reserves at FYB	$11,500.00
Remaining Life	3	Monthly Member Contribution	$4.78
Replacement Year	2024	Monthly Interest Contribution	$19.53
		Total Monthly Contribution	$24.32

Comments:

The Community Center exterior was last painted in late 2015 for $10,903 including:

- building exterior
- trash enclosure walls and gates
- stucco walls surrounding parking lot and courtyard
- courtyard gates
- carports

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

For budgeting purposes, we have used the next fiscal year's beginning date as the placed-in-service date for this component.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Paint Interiors

Category	075 Community Center	Quantity	1 total
		Unit Cost	$8,400.000
		% of Replacement	100.00%
		Current Cost	$8,400.00
Placed In Service	05/13	Future Cost	$8,816.64
Useful Life	10		
		Assigned Reserves at FYB	$8,400.00
Remaining Life	2	Monthly Member Contribution	$3.50
Replacement Year	2023	Monthly Interest Contribution	$14.27
		Total Monthly Contribution	$17.77

Comments:

The Community Center exterior was last painted by CertaPro Painters in May 2013 for $7,457.

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

Community Center - Patio Furniture

Category	075 Community Center	Quantity	1 total
		Unit Cost	$8,000.000
		% of Replacement	100.00%
		Current Cost	$8,000.00
Placed In Service	01/10	Future Cost	$8,196.00
Useful Life	12		
		Assigned Reserves at FYB	$8,000.00
Remaining Life	1	Monthly Member Contribution	$3.33
Replacement Year	2022	Monthly Interest Contribution	$13.59
		Total Monthly Contribution	$16.91

Comments:

New patio furniture including eight (8) faux stone tables and 32 high-back sling chairs were purchased in December 2009 for $6,689.

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

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Community Center - Sail Shades

Category	075 Community Center	Quantity	1 total
		Unit Cost	$5,100.000
		% of Replacement	100.00%
		Current Cost	$5,100.00
Placed In Service	01/10	Future Cost	$5,224.95
Useful Life	12		
		Assigned Reserves at FYB	$5,100.00
Remaining Life	1	Monthly Member Contribution	$2.12
Replacement Year	2022	Monthly Interest Contribution	$8.67
		Total Monthly Contribution	$10.79

Comments:

3	11' x 22' sail shades	@	$1,700.00	=	$5,100.00
			TOTAL	=	$5,100.00

A new shade structure with three (3) sail shades was installed in November 2009 by Royal Covers of Arizona for $13,049 (included engineering services, sail shades and install of all support poles).

We are budgeting to replace the sailshade fabric only.

Activity Room - Interior Remodel

Category	076 Activiy Room	Quantity	1 total
		Unit Cost	$15,000.000
		% of Replacement	100.00%
		Current Cost	$15,000.00
Placed In Service	04/09	Future Cost	$20,546.92
Useful Life	25		
		Assigned Reserves at FYB	$7,121.21
Remaining Life	13	Monthly Member Contribution	$64.35
Replacement Year	2034	Monthly Interest Contribution	$12.59
		Total Monthly Contribution	$76.94

Comments:

This component will accumulate $15,000 for the interior remodeling of the Activty Room on a 25 year cycle, and will allow funding to be available for the replacement of the following components on an as needed basis: floor tile, countertops, cabinets, furniture, ceiling fans, lighting, artwork, and interior painting.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Activity Room - Television

Category	076 Activiy Room	Quantity	1 total
		Unit Cost	$800.000
		% of Replacement	100.00%
		Current Cost	$800.00
Placed In Service	04/09	Future Cost	$1,069.63
Useful Life	12		
		Assigned Reserves at FYB	$800.00
Remaining Life	0	Monthly Member Contribution	$6.74
Replacement Year	2021	Monthly Interest Contribution	$0.05
		Total Monthly Contribution	$6.79

Comments:

Mitsubishi 46" LCD televsion.

Actvity Room - HVAC System

Category	076 Activiy Room	Quantity	1 total
		Unit Cost	$6,500.000
		% of Replacement	100.00%
		Current Cost	$6,500.00
Placed In Service	04/09	Future Cost	$7,515.97
Useful Life	18		
		Assigned Reserves at FYB	$6,500.00
Remaining Life	6	Monthly Member Contribution	$2.70
Replacement Year	2027	Monthly Interest Contribution	$11.04
		Total Monthly Contribution	$13.74

Comments:

1	5 ton split system heat pump	@	$6,500.00	=	$6,500.00
			TOTAL	=	$6,500.00

This unit was installed in April 2009 when the Acvtivity Room was completed.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Vehicles - 2006 Toyota Tacoma

Category	080 Vehicles	Quantity	1 total
		Unit Cost	$24,000.000
		% of Replacement	100.00%
		Current Cost	$24,000.00
Placed In Service	01/06	Future Cost	$33,680.51
Useful Life	14		
		Assigned Reserves at FYB	$24,000.00
Remaining Life	0	Monthly Member Contribution	$174.01
Replacement Year	2021	Monthly Interest Contribution	$1.38
		Total Monthly Contribution	$175.39

Comments:

Purchased in 2006 for $17,200.

Budgeting to replace this truck in 2020 at the client's request.

Vehicles - 2011 Toyota Tacoma

Category	080 Vehicles	Quantity	1 total
		Unit Cost	$24,000.000
		% of Replacement	100.00%
		Current Cost	$24,000.00
Placed In Service	01/11	Future Cost	$26,439.86
Useful Life	14		
		Assigned Reserves at FYB	$24,000.00
Remaining Life	4	Monthly Member Contribution	$9.99
Replacement Year	2025	Monthly Interest Contribution	$40.77
		Total Monthly Contribution	$50.76

Comments:

Purchased in 2011 for $19,807.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fertigation System (2017)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$4,000.000
		% of Replacement	100.00%
		Current Cost	$4,000.00
Placed In Service	01/17	Future Cost	$5,891.85
Useful Life	20		
		Assigned Reserves at FYB	$800.00
Remaining Life	16	Monthly Member Contribution	$20.72
Replacement Year	2037	Monthly Interest Contribution	$1.52
		Total Monthly Contribution	$22.24

Comments:

Luxor Landscaping completed a project to install a a fertigation system at three (3) locations in 2017 for $3,838.15. This component budgets to replace these components on a 20 year cycle.

Fertigation System (2018)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$4,375.000
		% of Replacement	100.00%
		Current Cost	$4,375.00
Placed In Service	08/18	Future Cost	$6,602.09
Useful Life	20		
		Assigned Reserves at FYB	$544.53
Remaining Life	17	Monthly Member Contribution	$23.24
Replacement Year	2038	Monthly Interest Contribution	$1.11
		Total Monthly Contribution	$24.35

Comments:

Luxor Landscaping completed a project to install a a fertigation system at two (2) locations in 2018 for $4,158. This component budgets to replace these components on a 20 year cycle.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Fertigation System (2019)

Category	100 Grounds	Quantity	1 total
		Unit Cost	$4,375.000
		% of Replacement	100.00%
		Current Cost	$4,375.00
Placed In Service	01/89	Future Cost	$7,099.33
Useful Life	20		
		Assigned Reserves at FYB	$4,375.00
Remaining Life	0	Monthly Member Contribution	$22.48
Replacement Year	2021	Monthly Interest Contribution	$0.18
		Total Monthly Contribution	$22.67

Comments:

This component budgets to install fertigation system in two (2) additional locations in 2019 for the same cost paid in 2018.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Granite Replenishment (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/89	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

We are not budgeting to replenish the common area granite landscape rock located throughout the community because the cost to do so is most often considered an operating expense. We recommend that a line item be set up in the annual operating budget to account for future replenishments, that the condition of the granite be monitored over time, and adjusted an experience dictates.

Should the Association wish to have granite replenishment included in the reserve study, we will budget for it the Board's request. However, in order to do so, we will need the following information:

- $ amount to be budgeted or total square footage
- Useful life to be used
- Year in which the next expenditure should occur

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Irrigation Controllers

Category	100 Grounds	Quantity	1 total
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$7,500.00
Placed In Service	01/16	Future Cost	$8,464.89
Useful Life	5		
		Assigned Reserves at FYB	$7,500.00
Remaining Life	0	Monthly Member Contribution	$149.41
Replacement Year	2021	Monthly Interest Contribution	$1.19
		Total Monthly Contribution	$150.60

Comments:

We were previously advised that there are 35 irrigation controllers throughout the community, ranging from 4 station to 24 station controllers.

We are budgeting $7,500 every five (5) years for replacement.

Irrigation System (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/89	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Luxor Landscaping has provided a proposal to replace two (2) sections of main line irrigation piping with schedule 40 PVC pipe. The cost of this project is $74,285. There are an additional eight (8) sections with similar scope of work needed, bringing the total cost to approximately $675,000.

We have been advised that the Association plans to make any necessary repairs/replacements to the irrigation system on an as needed basis, using funds from the annual operating budget. Therefore, we have excluded funding for the irrigation system in this analysis.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Mailboxes (Assn Owned) (2019)

Category	100 Grounds	Quantity	6 units
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$18,000.00
Placed In Service	01/94	Future Cost	$32,966.40
Useful Life	25		
		Assigned Reserves at FYB	$18,000.00
Remaining Life	0	Monthly Member Contribution	$74.78
Replacement Year	2021	Monthly Interest Contribution	$0.59
		Total Monthly Contribution	$75.37

Comments:

The Association owns 24 mailbox kiosks that are comprised of stucco surrounds and metal boxes. We have been advised by the client that the cost to replace each one is $2,000 to remove and replace the stucco plus an additional amount for the metal boxes (we have estimated another $1,000).

At the request of the client, we were previously budgeting to replace six (6) of the 24 in 2019. We were not advised that these mailboxes were replaced in 2019 or 2020. Therefore, we have pushed their replacement to 2021.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Mailboxes (Assn Owned) (2020)

Category	100 Grounds	Quantity	6 units
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$18,000.00
Placed In Service	01/95	Future Cost	$32,966.40
Useful Life	25		
		Assigned Reserves at FYB	$18,000.00
Remaining Life	0	Monthly Member Contribution	$74.78
Replacement Year	2021	Monthly Interest Contribution	$0.59
		Total Monthly Contribution	$75.37

Comments:

The Association owns 24 mailbox kiosks that are comprised of stucco surrounds and metal boxes. We have been advised by the client that the cost to replace each one is $2,000 to remove and replace the stucco plus an additional amount for the metal boxes (we have estimated another $1,000).

At the request of the client, we were previously budgeting to replace six (6) of the 24 in 2020. We were not advised that these mailboxes were replaced in 2020. Therefore, we have pushed their replacement to 2021.

Mailboxes (Assn Owned) (2021)

Category	100 Grounds	Quantity	6 units
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$18,000.00
Placed In Service	01/96	Future Cost	$32,966.40
Useful Life	25		
		Assigned Reserves at FYB	$18,000.00
Remaining Life	0	Monthly Member Contribution	$74.78
Replacement Year	2021	Monthly Interest Contribution	$0.59
		Total Monthly Contribution	$75.37

Comments:

The Association owns 24 mailbox kiosks that are comprised of stucco surrounds and metal boxes. We have been advised by the client that the cost to replace each one is $2,000 to remove and replace the stucco plus an additional amount for the metal boxes (we have estimated another $1,000).

At the request of the client, we are budgeting to replace six (6) of the 24 in 2020.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Mailboxes (Assn Owned) (2022)

Category	100 Grounds	Quantity	6 units
		Unit Cost	$3,000.000
		% of Replacement	100.00%
		Current Cost	$18,000.00
Placed In Service	01/97	Future Cost	$18,441.00
Useful Life	25		
		Assigned Reserves at FYB	$18,000.00
Remaining Life	1	Monthly Member Contribution	$7.49
Replacement Year	2022	Monthly Interest Contribution	$30.58
		Total Monthly Contribution	$38.07

Comments:

The Association owns 24 mailbox kiosks that are comprised of stucco surrounds and metal boxes. We have been advised by the client that the cost to replace each one is $2,000 to remove and replace the stucco plus an additional amount for the metal boxes (we have estimated another $1,000).

At the request of the client, we are budgeting to replace six (6) of the 24 in 2020.

Mailboxes (Remove Stucco) (2021)

One Time Replacement

Category	100 Grounds	Quantity	10 kiosks
		Unit Cost	$450.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/18	Future Cost	$0.00
Useful Life	3		
		Assigned Reserves at FYB	$4,500.00
Remaining Life	0	Monthly Member Contribution	$0.00
Replacement Year	2021	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

Accounts for 10 kiosks.

This is a one-time expense.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Mailboxes (Remove Stucco) (2022)

		One Time Replacement	
Category	100 Grounds	Quantity	10 kiosks
		Unit Cost	$450.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/18	Future Cost	$4,610.25
Useful Life	4		
		Assigned Reserves at FYB	$4,500.00
Remaining Life	1	Monthly Member Contribution	$1.87
Replacement Year	2022	Monthly Interest Contribution	$7.64
		Total Monthly Contribution	$9.51

Comments:

Accounts for 10 kiosks.

This is a one-time expense.

Mailboxes (Remove Stucco) (2023)

		One Time Replacement	
Category	100 Grounds	Quantity	10 kiosks
		Unit Cost	$450.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/18	Future Cost	$4,723.20
Useful Life	5		
		Assigned Reserves at FYB	$4,500.00
Remaining Life	2	Monthly Member Contribution	$1.87
Replacement Year	2023	Monthly Interest Contribution	$7.64
		Total Monthly Contribution	$9.51

Comments:

Accounts for 10 kiosks.

This is a one-time expense.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Mailboxes (Remove Stucco) (2024)

		One Time Replacement	
Category	100 Grounds	Quantity	10 kiosks
		Unit Cost	$450.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/18	Future Cost	$4,838.92
Useful Life	6		
		Assigned Reserves at FYB	$4,500.00
Remaining Life	3	Monthly Member Contribution	$1.87
Replacement Year	2024	Monthly Interest Contribution	$7.64
		Total Monthly Contribution	$9.51

Comments:

Accounts for 10 kiosks.

This is a one-time expense.

Mailboxes (Remove Stucco) (2025)

		One Time Replacement	
Category	100 Grounds	Quantity	10 kiosks
		Unit Cost	$450.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/18	Future Cost	$4,957.47
Useful Life	7		
		Assigned Reserves at FYB	$4,500.00
Remaining Life	4	Monthly Member Contribution	$1.87
Replacement Year	2025	Monthly Interest Contribution	$7.64
		Total Monthly Contribution	$9.51

Comments:

Accounts for 10 kiosks.

This is a one-time expense.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Mailboxes (Remove Stucco) (2026)

		One Time Replacement	
Category	100 Grounds	Quantity	10 kiosks
		Unit Cost	$450.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/18	Future Cost	$5,078.93
Useful Life	8		
		Assigned Reserves at FYB	$4,500.00
Remaining Life	5	Monthly Member Contribution	$1.87
Replacement Year	2026	Monthly Interest Contribution	$7.64
		Total Monthly Contribution	$9.51

Comments:

Accounts for 10 kiosks.

This is a one-time expense.

Mailboxes (Remove Stucco) (2027)

		One Time Replacement	
Category	100 Grounds	Quantity	10 kiosks
		Unit Cost	$450.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/18	Future Cost	$5,203.37
Useful Life	9		
		Assigned Reserves at FYB	$4,500.00
Remaining Life	6	Monthly Member Contribution	$1.87
Replacement Year	2027	Monthly Interest Contribution	$7.64
		Total Monthly Contribution	$9.51

Comments:

Accounts for 10 kiosks.

This is a one-time expense.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Mailboxes (Remove Stucco) (2028)

		One Time Replacement	
Category	100 Grounds	Quantity	10 kiosks
		Unit Cost	$450.000
		% of Replacement	100.00%
		Current Cost	$4,500.00
Placed In Service	01/18	Future Cost	$5,330.85
Useful Life	10		
		Assigned Reserves at FYB	$4,500.00
Remaining Life	7	Monthly Member Contribution	$1.87
Replacement Year	2028	Monthly Interest Contribution	$7.64
		Total Monthly Contribution	$9.51

Comments:

Accounts for 10 kiosks.

This is a one-time expense.

Monument Sign Letters

Category	100 Grounds	Quantity	1 total
		Unit Cost	$7,500.000
		% of Replacement	100.00%
		Current Cost	$7,500.00
Placed In Service	01/17	Future Cost	$7,683.75
Useful Life	5		
		Assigned Reserves at FYB	$7,500.00
Remaining Life	1	Monthly Member Contribution	$3.12
Replacement Year	2022	Monthly Interest Contribution	$12.74
		Total Monthly Contribution	$15.86

Comments:

There are a number of monument signs throughout the community that are cmprised of metal letters and metal emblems. This component will accumulate $7,500 every five (5) years to be used as needed for replacement of these letters.

Tatum Ranch Community Association

Component Detail

Directed Cashflow Calculation Method; Sorted by Category

Tree Trimming (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.000
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/89	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Comments:

We have been advised by arborists that major tree trimming is usually required every 3 – 5 years and could be considered a reserve expense. However, the cost for a major tree trimming project depends on the size, type, maturity and number of trees at the community – all of which call for expert evaluation, but fall outside the scope of a reserve study.

Should the Board obtain a proposal and trimming schedule we will include budgeting for tree trimming in a revision or future update of this analysis at the Board's request.

Tatum Ranch Community Association

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Number of components included in this reserve analysis is 56.