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## Update “With-Site-Visit” Reserve Study



### San Ignacio Vistas HOA Green Valley, Arizona

Report #: 15861-1  
For Period Beginning: January 1, 2013  
Expires: December 31, 2013

Date Prepared: September 24, 2012



## 3- Minute Executive Summary

**Association:** San Ignacio Vistas HOA **Assoc. #:** 15861-1  
**Location:** Green Valley, Arizona  
**# of Units:** 228  
**Report Period:** January 1, 2013 through December 31, 2013

**Results as-of 1/1/2013:**

<b>Projected Starting Reserve Balance:</b> .....	<b>\$338,977</b>
<b>Fully Funded Reserve Balance:</b> .....	<b>\$494,136</b>
<b>Average Reserve Deficit (Surplus) Per Unit:</b> .....	<b>\$681</b>
<b>Percent Funded:</b> .....	<b>68.6%</b>
<b>Recommended 2013 Annual Reserve Contribution:</b> .....	<b>\$52,400</b>
<b>Recommended 2013 Special Assessment for Reserves:</b> .....	<b>\$0</b>
<b>Most Recent Reserve Contribution Rate:</b> .....	<b>\$50,400</b>

**Economic Assumptions:**

**Net Annual “After Tax” Interest Earnings Accruing to Reserves.....** 1.20%  
**Annual Inflation Rate.....** 3.00%

- This is an “Update With-Site-Visit” Reserve Study, based on a prior Report prepared by Association Reserves for your 2008 Fiscal Year. The information in this Reserve Study is based on our site inspection on August 7, 2012.
- This analysis incorporates a new asphalt maintenance plan that involves applying SAM coats (overlay) to extend the pavement life. It also incorporates anticipated expenses for erosion mitigation as recommended by Westland Resources.
- Because your Reserve Fund is 68.6% Funded, this represents a borderline fair to strong financial position. In perspective, association’s with Reserves over 70% typically enjoy fiscal stability with low risk of special assessments and deferred maintenance.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, we recommend annual Reserve contributions of \$52,400, followed by nominal annual increases (see tables herein) to help offset inflation.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
103 Concrete - Repair	5	2	\$8,000	\$8,487
201 Streets - Pulverize & Repave	40	27	\$774,200	\$1,719,722
202 Streets - Major Repair	N/A	3	\$13,350	\$14,588
204 Streets - SAM Coat	12	3	\$237,900	\$259,960
206 Streets - Seal/Repair	4	7	\$29,625	\$36,435
207 Streets - Crack Seal	2	1	\$8,100	\$8,343
208 Streets - Curb Sealing	20	17	\$22,450	\$37,106
250 Street Signs - Repair/Refurbish	10	3	\$2,065	\$2,256
710 Monuments - Modernize	30	12	\$7,400	\$10,551
712 Monuments - Refurbish	10	2	\$1,000	\$1,061
<b>1021 Hillside - Erosion Mitigation (P1)</b>	<b>N/A</b>	<b>0</b>	<b>\$22,200</b>	<b>\$0</b>
1022 Hillside - Erosion Mitigation (P2)	N/A	1	\$22,200	\$22,866
1023 Hillside - Erosion Mitigation (P3)	N/A	2	\$22,200	\$23,552
1030 Hillside - Erosion Mitigation	5	7	\$12,500	\$15,373
1105 Stucco Walls (Monuments) - Repaint	6	4	\$945	\$1,064
1106 Stucco Walls (Parking) - Repaint	6	2	\$1,260	\$1,337
<b>16 Total Funded Components</b>				

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Note 2: highlighted line items are expected to require attention in the initial year

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## **Hello, and welcome to your Reserve Study!**

**T**his Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

**W**ith respect to Reserves, this Report will tell you “where you are”, and “where to go from here”.

### **In this Report, you will find...**

- 1) A List of What you’re Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

### **More Questions?**

Visit our website at [www.ReserveStudy.com](http://www.ReserveStudy.com) or call us at:

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## 3- Minute Executive Summary

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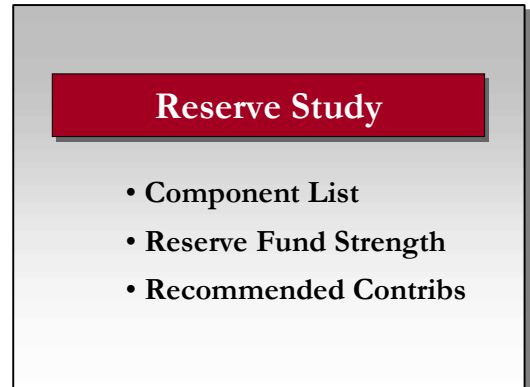
Note 2: highlighted line items are expected to require attention in the initial year



## Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

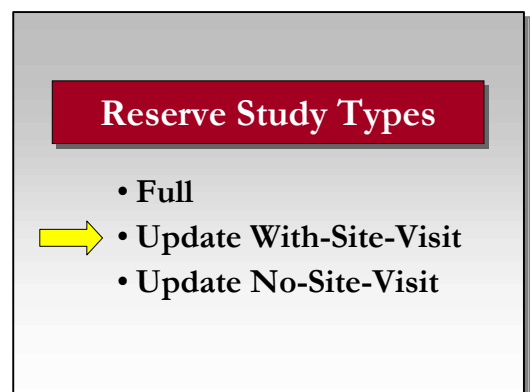
In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the association is obligated to maintain. Based on that List and your starting balance we computed the association's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.



As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing common area deterioration.

## Methodology

First we establish what the projected expenses are, then we determine the association's financial status and create a Funding Plan. For this "Update With-Site-Visit" Reserve Study, we started with a review of your prior Reserve Study, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs. Reserves), and research into any well-established association precedents. We performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.





### *Which Physical Assets are Covered by Reserves?*

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a “surprise” which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve

#### **Reserve Components**

- Common Area
- Limited Useful Life
- Predictable Life Limit
- Cost must be Significant

Components to major, predictable expenses. Within this framework, it is inappropriate to include “lifetime” components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

### *How are Useful Life and Remaining Useful Life established?*

- 1) Visual Inspection (observed wear and age since last report)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

### *How are Cost Estimates Established?*

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

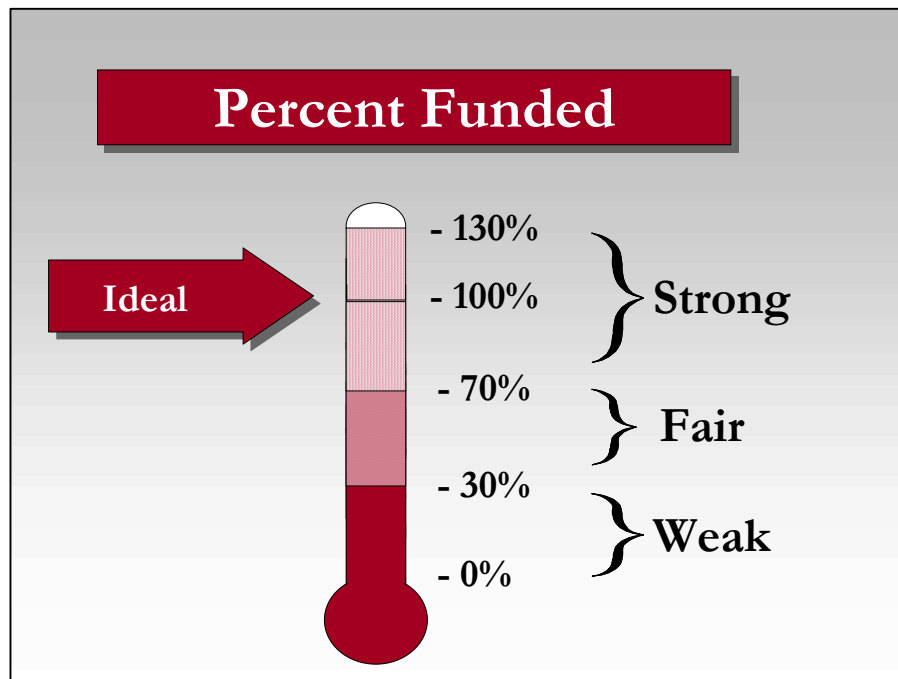
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

### *How much Reserves are enough?*

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the association's Fully Funded Balance (FFB).
- 2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the association increase, but shrinks when projects are accomplished and the Reserve needs of the association decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Special assessments and deferred maintenance are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered “strong” because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

*How much should we contribute?*

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the association’s Reserve expenses (this means we recommend special assessments only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Board members to recommend to their association.

**Funding Principles**

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

*What is our Recommended Funding Goal?*

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, associations in the 100% range rarely experience special assessments or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these associations, deterioration occurs without matching Reserve contributions. With a low Percent Funded, special assessments and deferred maintenance are common.

Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

**Funding Goals**

- Full Funding
- Threshold Funding
- Baseline Funding

**Site Inspection Notes**

During our site visit on August 7, 2012, I started by meeting with Board and Committee Members Marianne Bishop, Joyce Bulau, Paul Gilmore, Bob Christensen, and Ann Striker. We spent time reviewing the HOA's revised asphalt maintenance plan. We also discussed the need to incorporate funding for erosion mitigation based on results of the Westland Resources erosion study. We then toured the community to see some of the issues discussed.

After the meeting, I went back through the community to visually inspect and photograph the common areas in more detail.



### Projected Expenses

The figure below shows the array of the projected future expenses at your association. This figure clearly shows the near term and future expenses that your association will face. Note the large expense slated for 2040 primarily reflects repaving the streets.

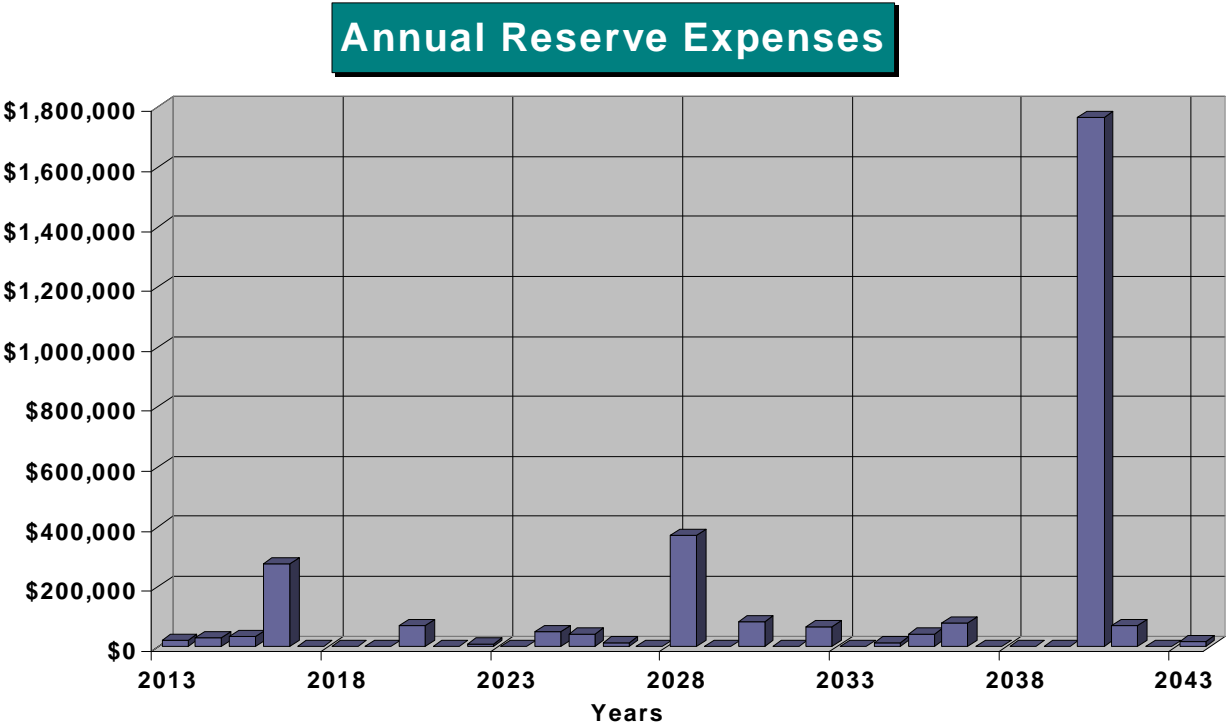


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.

### Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$338,977 as-of the start of your Fiscal Year on January 1, 2013. This is based on your actual balance on July 31, 2012 of \$341,662 and anticipated Reserve contributions and expenses projected through the end of your Fiscal Year. As of January 1, 2013, your Fully Funded Balance is computed to be \$494,136 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 69% Funded. As indicated earlier in the Executive Summary, this represents a borderline fair to strong status.

### Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we recommend annual Reserve contributions of \$52,400 this Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is also shown numerically in both Tables 4 & 5.

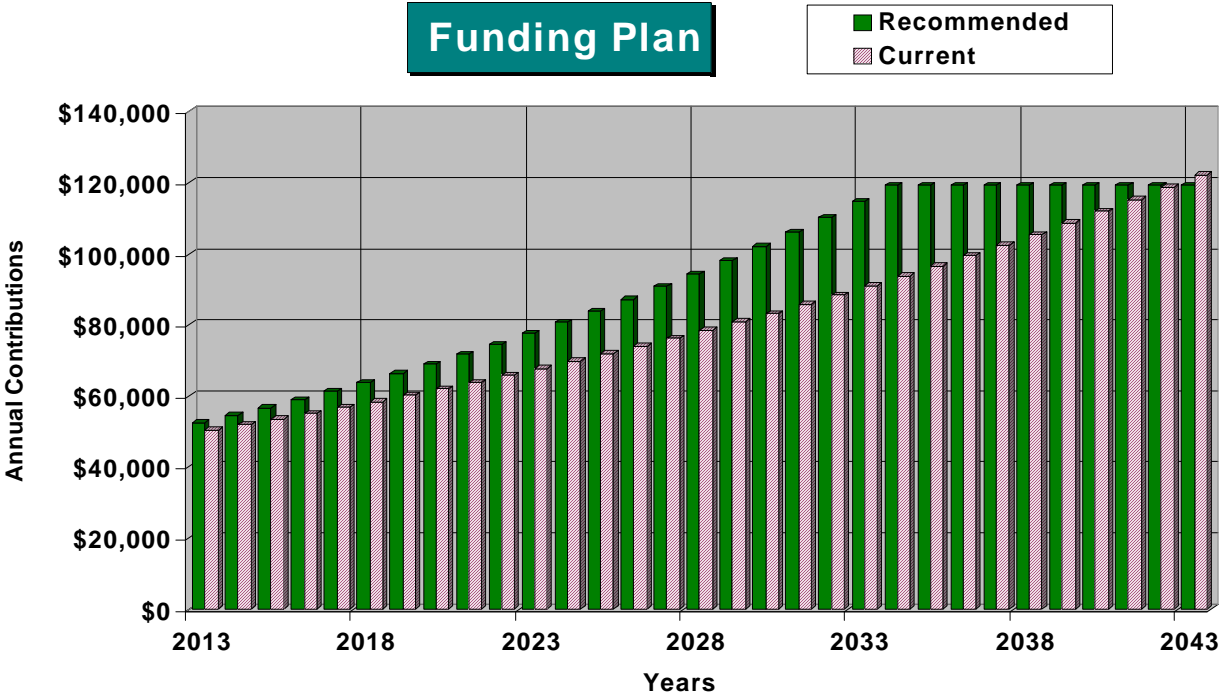


Figure 2



The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

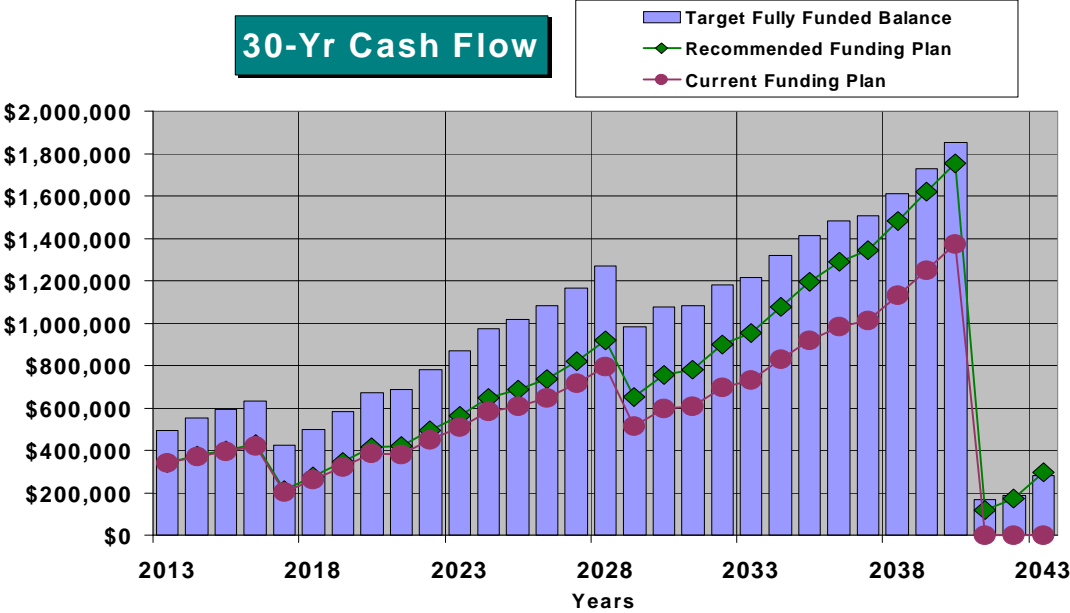


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

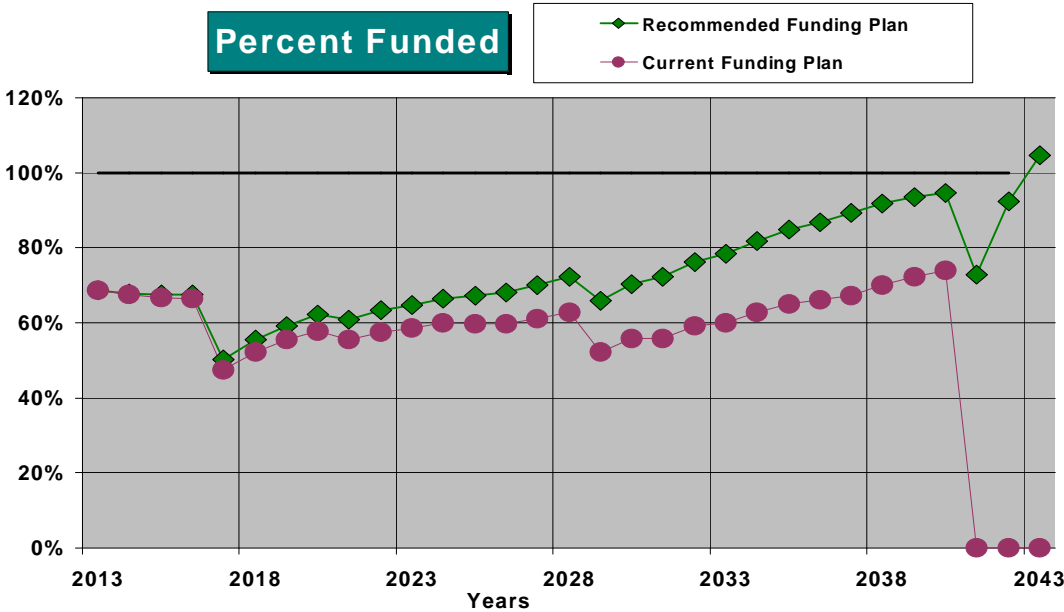


Figure 4



## Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

**Table 2: Reserve Component List Detail**

**15861-1**

# Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
103 Concrete - Repair	Numerous Sq Ft	5	2	\$7,000	\$9,000
201 Streets - Pulverize & Repave	Approx 417,340 Sq Ft	40	27	\$697,000	\$851,400
202 Streets - Major Repair	Approx 417,340 Sq Ft	N/A	3	\$12,000	\$14,700
204 Streets - SAM Coat	Approx 417,340 Sq Ft	12	3	\$208,700	\$267,100
206 Streets - Seal/Repair	Approx 417,340 Sq Ft	4	7	\$26,700	\$32,550
207 Streets - Crack Seal	Approx 417,340 Sq Ft	2	1	\$7,200	\$9,000
208 Streets - Curb Sealing	Approx 28,662 LF	20	17	\$20,200	\$24,700
250 Street Signs - Repair/Refurbish	Numerous Signs	10	3	\$1,860	\$2,270
710 Monuments - Modernize	(2) Monuments	30	12	\$6,600	\$8,200
712 Monuments - Refurbish	(2) Monuments	10	2	\$900	\$1,100
1021 Hillsides - Erosion Mitigation (P1)	Numerous Sq Ft	N/A	0	\$20,000	\$24,400
1022 Hillsides - Erosion Mitigation (P2)	Numerous Sq Ft	N/A	1	\$20,000	\$24,400
1023 Hillsides - Erosion Mitigation (P3)	Numerous Sq Ft	N/A	2	\$20,000	\$24,400
1030 Hillsides - Erosion Mitigation	Numerous Sq Ft	5	7	\$10,000	\$15,000
1105 Stucco Walls (Monuments) - Repaint	Approx 1,500 Sq Ft	6	4	\$840	\$1,050
1106 Stucco Walls (Parking) - Repaint	Approx 2,800 Sq Ft	6	2	\$1,120	\$1,400
16 Total Funded Components					

**Table 3: Contribution and Fund Breakdown****15861-1**

# Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
103 Concrete - Repair	5	2	\$8,000	\$4,800	\$4,800.00	\$1,400.61
201 Streets - Pulverize & Repave	40	27	\$774,200	\$251,615	\$96,456.50	\$16,943.01
202 Streets - Major Repair	N/A	3	\$13,350	\$3,338	\$3,337.50	\$2,191.19
204 Streets - SAM Coat	12	3	\$237,900	\$178,425	\$178,425.00	\$17,354.44
206 Streets - Seal/Repair	4	7	\$29,625	\$0	\$0.00	\$0.00
207 Streets - Crack Seal	2	1	\$8,100	\$4,050	\$4,050.00	\$3,545.29
208 Streets - Curb Sealing	20	17	\$22,450	\$3,368	\$3,367.50	\$982.62
250 Street Signs - Repair/Refurbish	10	3	\$2,065	\$1,446	\$1,445.50	\$180.77
710 Monuments - Modernize	30	12	\$7,400	\$4,440	\$4,440.00	\$215.93
712 Monuments - Refurbish	10	2	\$1,000	\$800	\$800.00	\$87.54
1021 Hillsides - Erosion Mitigation (P1)	N/A	0	\$22,200	\$22,200	\$22,200.00	\$0.00
1022 Hillsides - Erosion Mitigation (P2)	N/A	1	\$22,200	\$11,100	\$11,100.00	\$4,858.37
1023 Hillsides - Erosion Mitigation (P3)	N/A	2	\$22,200	\$7,400	\$7,400.00	\$4,318.55
1030 Hillsides - Erosion Mitigation	5	7	\$12,500	\$0	\$0.00	\$0.00
1105 Stucco Walls (Monuments) - Repaint	6	4	\$945	\$315	\$315.00	\$137.87
1106 Stucco Walls (Parking) - Repaint	6	2	\$1,260	\$840	\$840.00	\$183.83
16 Total Funded Components				\$494,136	\$338,977	\$52,400

**Table 4: 30-Year Reserve Plan Summary**

**15861-1**

**Fiscal Year Beginning: 01/01/13**

<b>Interest:</b>	<b>1.2%</b>	<b>Inflation:</b>	<b>3.0%</b>
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2013	\$338,977	\$494,136	68.6%	Fair	\$52,400	\$0	\$4,272	\$22,200
2014	\$373,449	\$550,763	67.8%	Fair	\$54,496	\$0	\$4,647	\$31,209
2015	\$401,383	\$594,708	67.5%	Fair	\$56,676	\$0	\$4,977	\$34,437
2016	\$428,599	\$633,899	67.6%	Fair	\$58,943	\$0	\$3,857	\$276,804
2017	\$214,595	\$427,155	50.2%	Fair	\$61,301	\$0	\$2,953	\$1,064
2018	\$277,785	\$500,002	55.6%	Fair	\$63,753	\$0	\$3,736	\$0
2019	\$345,274	\$582,800	59.2%	Fair	\$66,303	\$0	\$4,566	\$0
2020	\$416,143	\$670,115	62.1%	Fair	\$68,955	\$0	\$5,005	\$71,609
2021	\$418,494	\$688,388	60.8%	Fair	\$71,713	\$0	\$5,473	\$1,596
2022	\$494,083	\$781,480	63.2%	Fair	\$74,582	\$0	\$6,348	\$10,569
2023	\$564,444	\$870,345	64.9%	Fair	\$77,565	\$0	\$7,271	\$1,270
2024	\$648,010	\$973,743	66.5%	Fair	\$80,667	\$0	\$7,991	\$52,220
2025	\$684,448	\$1,019,563	67.1%	Fair	\$83,894	\$0	\$8,516	\$41,204
2026	\$735,653	\$1,080,215	68.1%	Fair	\$87,250	\$0	\$9,313	\$14,928
2027	\$817,289	\$1,165,802	70.1%	Strong	\$90,740	\$0	\$10,398	\$1,906
2028	\$916,520	\$1,269,425	72.2%	Strong	\$94,369	\$0	\$9,392	\$370,640
2029	\$649,641	\$985,049	66.0%	Fair	\$98,144	\$0	\$8,422	\$1,516
2030	\$754,691	\$1,074,118	70.3%	Strong	\$102,070	\$0	\$9,213	\$84,378
2031	\$781,596	\$1,082,345	72.2%	Strong	\$106,153	\$0	\$10,071	\$0
2032	\$897,820	\$1,179,615	76.1%	Strong	\$110,399	\$0	\$11,100	\$66,151
2033	\$953,168	\$1,213,612	78.5%	Strong	\$114,815	\$0	\$12,180	\$2,276
2034	\$1,077,887	\$1,316,423	81.9%	Strong	\$119,407	\$0	\$13,636	\$15,068
2035	\$1,195,862	\$1,411,203	84.7%	Strong	\$119,407	\$0	\$14,890	\$43,007
2036	\$1,287,153	\$1,482,175	86.8%	Strong	\$119,407	\$0	\$15,778	\$78,529
2037	\$1,343,809	\$1,505,821	89.2%	Strong	\$119,407	\$0	\$16,935	\$0
2038	\$1,480,151	\$1,611,410	91.9%	Strong	\$119,407	\$0	\$18,580	\$0
2039	\$1,618,139	\$1,730,714	93.5%	Strong	\$119,407	\$0	\$20,229	\$2,717
2040	\$1,755,058	\$1,852,927	94.7%	Strong	\$119,407	\$0	\$11,247	\$1,765,258
2041	\$120,455	\$165,581	72.7%	Strong	\$119,407	\$0	\$1,752	\$69,942
2042	\$171,672	\$185,594	92.5%	Strong	\$119,407	\$0	\$2,792	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)****15861-1**

Fiscal Year	2013	2014	2015	2016	2017
Starting Reserve Balance	\$338,977	\$373,449	\$401,383	\$428,599	\$214,595
Annual Reserve Contribution	\$52,400	\$54,496	\$56,676	\$58,943	\$61,301
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,272	\$4,647	\$4,977	\$3,857	\$2,953
<b>Total Income</b>	<b>\$395,649</b>	<b>\$432,592</b>	<b>\$463,036</b>	<b>\$491,399</b>	<b>\$278,849</b>
<b># Component</b>					
103 Concrete - Repair	\$0	\$0	\$8,487	\$0	\$0
201 Streets - Pulverize & Repave	\$0	\$0	\$0	\$0	\$0
202 Streets - Major Repair	\$0	\$0	\$0	\$14,588	\$0
204 Streets - SAM Coat	\$0	\$0	\$0	\$259,960	\$0
206 Streets - Seal/Repair	\$0	\$0	\$0	\$0	\$0
207 Streets - Crack Seal	\$0	\$8,343	\$0	\$0	\$0
208 Streets - Curb Sealing	\$0	\$0	\$0	\$0	\$0
250 Street Signs - Repair/Refurbish	\$0	\$0	\$0	\$2,256	\$0
710 Monuments - Modernize	\$0	\$0	\$0	\$0	\$0
712 Monuments - Refurbish	\$0	\$0	\$1,061	\$0	\$0
1021 Hillsides - Erosion Mitigation (P1)	\$22,200	\$0	\$0	\$0	\$0
1022 Hillsides - Erosion Mitigation (P2)	\$0	\$22,866	\$0	\$0	\$0
1023 Hillsides - Erosion Mitigation (P3)	\$0	\$0	\$23,552	\$0	\$0
1030 Hillsides - Erosion Mitigation	\$0	\$0	\$0	\$0	\$0
1105 Stucco Walls (Monuments) - Repaint	\$0	\$0	\$0	\$0	\$1,064
1106 Stucco Walls (Parking) - Repaint	\$0	\$0	\$1,337	\$0	\$0
<b>Total Expenses</b>	<b>\$22,200</b>	<b>\$31,209</b>	<b>\$34,437</b>	<b>\$276,804</b>	<b>\$1,064</b>
<b>Ending Reserve Balance:</b>	<b>\$373,449</b>	<b>\$401,383</b>	<b>\$428,599</b>	<b>\$214,595</b>	<b>\$277,785</b>

**Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)****15861-1**

Fiscal Year	2018	2019	2020	2021	2022
Starting Reserve Balance	\$277,785	\$345,274	\$416,143	\$418,494	\$494,083
Annual Reserve Contribution	\$63,753	\$66,303	\$68,955	\$71,713	\$74,582
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$3,736	\$4,566	\$5,005	\$5,473	\$6,348
<b>Total Income</b>	<b>\$345,274</b>	<b>\$416,143</b>	<b>\$490,103</b>	<b>\$495,679</b>	<b>\$575,013</b>
<b># Component</b>					
103 Concrete - Repair	\$0	\$0	\$9,839	\$0	\$0
201 Streets - Pulverize & Repave	\$0	\$0	\$0	\$0	\$0
202 Streets - Major Repair	\$0	\$0	\$0	\$0	\$0
204 Streets - SAM Coat	\$0	\$0	\$0	\$0	\$0
206 Streets - Seal/Repair	\$0	\$0	\$36,435	\$0	\$0
207 Streets - Crack Seal	\$0	\$0	\$9,962	\$0	\$10,569
208 Streets - Curb Sealing	\$0	\$0	\$0	\$0	\$0
250 Street Signs - Repair/Refurbish	\$0	\$0	\$0	\$0	\$0
710 Monuments - Modernize	\$0	\$0	\$0	\$0	\$0
712 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
1021 Hillsides - Erosion Mitigation (P1)	\$0	\$0	\$0	\$0	\$0
1022 Hillsides - Erosion Mitigation (P2)	\$0	\$0	\$0	\$0	\$0
1023 Hillsides - Erosion Mitigation (P3)	\$0	\$0	\$0	\$0	\$0
1030 Hillsides - Erosion Mitigation	\$0	\$0	\$15,373	\$0	\$0
1105 Stucco Walls (Monuments) - Repaint	\$0	\$0	\$0	\$0	\$0
1106 Stucco Walls (Parking) - Repaint	\$0	\$0	\$0	\$1,596	\$0
<b>Total Expenses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$71,609</b>	<b>\$1,596</b>	<b>\$10,569</b>
<b>Ending Reserve Balance:</b>	<b>\$345,274</b>	<b>\$416,143</b>	<b>\$418,494</b>	<b>\$494,083</b>	<b>\$564,444</b>

**Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)****15861-1**

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$564,444	\$648,010	\$684,448	\$735,653	\$817,289
Annual Reserve Contribution	\$77,565	\$80,667	\$83,894	\$87,250	\$90,740
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$7,271	\$7,991	\$8,516	\$9,313	\$10,398
<b>Total Income</b>	<b>\$649,280</b>	<b>\$736,668</b>	<b>\$776,858</b>	<b>\$832,216</b>	<b>\$918,426</b>
<b># Component</b>					
103 Concrete - Repair	\$0	\$0	\$11,406	\$0	\$0
201 Streets - Pulverize & Repave	\$0	\$0	\$0	\$0	\$0
202 Streets - Major Repair	\$0	\$0	\$0	\$0	\$0
204 Streets - SAM Coat	\$0	\$0	\$0	\$0	\$0
206 Streets - Seal/Repair	\$0	\$41,008	\$0	\$0	\$0
207 Streets - Crack Seal	\$0	\$11,212	\$0	\$11,895	\$0
208 Streets - Curb Sealing	\$0	\$0	\$0	\$0	\$0
250 Street Signs - Repair/Refurbish	\$0	\$0	\$0	\$3,033	\$0
710 Monuments - Modernize	\$0	\$0	\$10,551	\$0	\$0
712 Monuments - Refurbish	\$0	\$0	\$1,426	\$0	\$0
1021 Hillsides - Erosion Mitigation (P1)	\$0	\$0	\$0	\$0	\$0
1022 Hillsides - Erosion Mitigation (P2)	\$0	\$0	\$0	\$0	\$0
1023 Hillsides - Erosion Mitigation (P3)	\$0	\$0	\$0	\$0	\$0
1030 Hillsides - Erosion Mitigation	\$0	\$0	\$17,822	\$0	\$0
1105 Stucco Walls (Monuments) - Repaint	\$1,270	\$0	\$0	\$0	\$0
1106 Stucco Walls (Parking) - Repaint	\$0	\$0	\$0	\$0	\$1,906
<b>Total Expenses</b>	<b>\$1,270</b>	<b>\$52,220</b>	<b>\$41,204</b>	<b>\$14,928</b>	<b>\$1,906</b>
<b>Ending Reserve Balance:</b>	<b>\$648,010</b>	<b>\$684,448</b>	<b>\$735,653</b>	<b>\$817,289</b>	<b>\$916,520</b>



**Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)****15861-1**

Fiscal Year	2028	2029	2030	2031	2032
Starting Reserve Balance	\$916,520	\$649,641	\$754,691	\$781,596	\$897,820
Annual Reserve Contribution	\$94,369	\$98,144	\$102,070	\$106,153	\$110,399
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$9,392	\$8,422	\$9,213	\$10,071	\$11,100
<b>Total Income</b>	<b>\$1,020,282</b>	<b>\$756,207</b>	<b>\$865,974</b>	<b>\$897,820</b>	<b>\$1,019,319</b>
<b># Component</b>					
103 Concrete - Repair	\$0	\$0	\$13,223	\$0	\$0
201 Streets - Pulverize & Repave	\$0	\$0	\$0	\$0	\$0
202 Streets - Major Repair	\$0	\$0	\$0	\$0	\$0
204 Streets - SAM Coat	\$370,640	\$0	\$0	\$0	\$0
206 Streets - Seal/Repair	\$0	\$0	\$0	\$0	\$51,948
207 Streets - Crack Seal	\$0	\$0	\$13,388	\$0	\$14,203
208 Streets - Curb Sealing	\$0	\$0	\$37,106	\$0	\$0
250 Street Signs - Repair/Refurbish	\$0	\$0	\$0	\$0	\$0
710 Monuments - Modernize	\$0	\$0	\$0	\$0	\$0
712 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
1021 Hillsides - Erosion Mitigation (P1)	\$0	\$0	\$0	\$0	\$0
1022 Hillsides - Erosion Mitigation (P2)	\$0	\$0	\$0	\$0	\$0
1023 Hillsides - Erosion Mitigation (P3)	\$0	\$0	\$0	\$0	\$0
1030 Hillsides - Erosion Mitigation	\$0	\$0	\$20,661	\$0	\$0
1105 Stucco Walls (Monuments) - Repaint	\$0	\$1,516	\$0	\$0	\$0
1106 Stucco Walls (Parking) - Repaint	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$370,640</b>	<b>\$1,516</b>	<b>\$84,378</b>	<b>\$0</b>	<b>\$66,151</b>
<b>Ending Reserve Balance:</b>	<b>\$649,641</b>	<b>\$754,691</b>	<b>\$781,596</b>	<b>\$897,820</b>	<b>\$953,168</b>

**Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)****15861-1**

Fiscal Year	2033	2034	2035	2036	2037
Starting Reserve Balance	\$953,168	\$1,077,887	\$1,195,862	\$1,287,153	\$1,343,809
Annual Reserve Contribution	\$114,815	\$119,407	\$119,407	\$119,407	\$119,407
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$12,180	\$13,636	\$14,890	\$15,778	\$16,935
<b>Total Income</b>	<b>\$1,080,163</b>	<b>\$1,210,930</b>	<b>\$1,330,160</b>	<b>\$1,422,338</b>	<b>\$1,480,151</b>
<b># Component</b>					
103 Concrete - Repair	\$0	\$0	\$15,329	\$0	\$0
201 Streets - Pulverize & Repave	\$0	\$0	\$0	\$0	\$0
202 Streets - Major Repair	\$0	\$0	\$0	\$0	\$0
204 Streets - SAM Coat	\$0	\$0	\$0	\$0	\$0
206 Streets - Seal/Repair	\$0	\$0	\$0	\$58,468	\$0
207 Streets - Crack Seal	\$0	\$15,068	\$0	\$15,986	\$0
208 Streets - Curb Sealing	\$0	\$0	\$0	\$0	\$0
250 Street Signs - Repair/Refurbish	\$0	\$0	\$0	\$4,075	\$0
710 Monuments - Modernize	\$0	\$0	\$0	\$0	\$0
712 Monuments - Refurbish	\$0	\$0	\$1,916	\$0	\$0
1021 Hillsides - Erosion Mitigation (P1)	\$0	\$0	\$0	\$0	\$0
1022 Hillsides - Erosion Mitigation (P2)	\$0	\$0	\$0	\$0	\$0
1023 Hillsides - Erosion Mitigation (P3)	\$0	\$0	\$0	\$0	\$0
1030 Hillsides - Erosion Mitigation	\$0	\$0	\$23,951	\$0	\$0
1105 Stucco Walls (Monuments) - Repaint	\$0	\$0	\$1,811	\$0	\$0
1106 Stucco Walls (Parking) - Repaint	\$2,276	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$2,276</b>	<b>\$15,068</b>	<b>\$43,007</b>	<b>\$78,529</b>	<b>\$0</b>
<b>Ending Reserve Balance:</b>	<b>\$1,077,887</b>	<b>\$1,195,862</b>	<b>\$1,287,153</b>	<b>\$1,343,809</b>	<b>\$1,480,151</b>

**Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)****15861-1**

Fiscal Year	2038	2039	2040	2041	2042
Starting Reserve Balance	\$1,480,151	\$1,618,139	\$1,755,058	\$120,455	\$171,672
Annual Reserve Contribution	\$119,407	\$119,407	\$119,407	\$119,407	\$119,407
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$18,580	\$20,229	\$11,247	\$1,752	\$2,792
<b>Total Income</b>	<b>\$1,618,139</b>	<b>\$1,757,775</b>	<b>\$1,885,713</b>	<b>\$241,614</b>	<b>\$293,871</b>
<b># Component</b>					
103 Concrete - Repair	\$0	\$0	\$17,770	\$0	\$0
201 Streets - Pulverize & Repave	\$0	\$0	\$1,719,722	\$0	\$0
202 Streets - Major Repair	\$0	\$0	\$0	\$0	\$0
204 Streets - SAM Coat	\$0	\$0	\$0	\$0	\$0
206 Streets - Seal/Repair	\$0	\$0	\$0	\$67,780	\$0
207 Streets - Crack Seal	\$0	\$0	\$0	\$0	\$0
208 Streets - Curb Sealing	\$0	\$0	\$0	\$0	\$0
250 Street Signs - Repair/Refurbish	\$0	\$0	\$0	\$0	\$0
710 Monuments - Modernize	\$0	\$0	\$0	\$0	\$0
712 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
1021 Hillsides - Erosion Mitigation (P1)	\$0	\$0	\$0	\$0	\$0
1022 Hillsides - Erosion Mitigation (P2)	\$0	\$0	\$0	\$0	\$0
1023 Hillsides - Erosion Mitigation (P3)	\$0	\$0	\$0	\$0	\$0
1030 Hillsides - Erosion Mitigation	\$0	\$0	\$27,766	\$0	\$0
1105 Stucco Walls (Monuments) - Repaint	\$0	\$0	\$0	\$2,162	\$0
1106 Stucco Walls (Parking) - Repaint	\$0	\$2,717	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$0</b>	<b>\$2,717</b>	<b>\$1,765,258</b>	<b>\$69,942</b>	<b>\$0</b>
<b>Ending Reserve Balance:</b>	<b>\$1,618,139</b>	<b>\$1,755,058</b>	<b>\$120,455</b>	<b>\$171,672</b>	<b>\$293,871</b>

## Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a “one-year” document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, or ownership expectations. Because many years of financial preparation help the preparation for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

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

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association’s representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were developed by Association Reserves unless otherwise noted in our “Site Inspection Notes” comments. No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budget purposes.

## Terms and Definitions

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area)
<b>GSY</b>	Gross Square Yards (area)
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)

**Effective Age:** The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

**Fully Funded Balance (FFB):** The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

**Inflation:** Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

**Interest:** Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

**Percent Funded:** The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

**Remaining Useful Life:** The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

**Useful Life:** The estimated time, in years, that a common area component can be expected to serve its intended function.

**Photographic Inventory Appendix**

Client: 15861A San Ignacio Vistas HOA

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**Comp #:** 103 Concrete - Repair

Quantity: Numerous Sq Ft

Location: Sidewalks, curbing and drainage concrete

Evaluation: There is no expectancy to completely replace the concrete. This component provides an allowance for periodic repairs and/or partial replacements. There is a low spot of curbing on View Ridge Drive that needs to be corrected to eliminate the pooling water. This will be addressed as part of the erosion projects.

Useful Life:  
5 years

Remaining Life:  
2 years



Best Case: \$7,000.00  
Allowance to repair

Worst Case: \$9,000.00  
Higher allowance

Cost Source: ARI Cost Allowance

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**Comp #:** 201 Streets - Pulverize & Repave

Quantity: Approx 417,340 Sq Ft

Location: Streets throughout the community

Evaluation: Streets are original from 1997. Moderate cracking noted throughout community. Some of the cracks are large. No signs of failure or alligating though. Pavement still appears to be in good to fair condition overall. Life span is based on planned application of a SAM coat and periodic sealing.

Useful Life:  
40 years

Remaining Life:  
27 years



Best Case: \$697,000.00  
\$1.67/Sq Ft; Estimate to pulverize & repave

Worst Case: \$851,400.00  
\$2.04/Sq Ft; Higher estimate for more labor and material

Cost Source: Research with Sunland Asphalt (520-547-4481)

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# Association Reserves

# Inventory Appendix

Client: 15861A San Ignacio Vistas HOA

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**Comp #:** 202 Streets - Major Repair

Quantity: Approx 417,340 Sq Ft

Location: Streets throughout the community

Evaluation: HOA had some major repair work done in the past and reportedly has another area that will also need work in the near future. This component provides a one time repair for that area as requested by the HOA. Cost allocation is also based on the HOA's budget. Expect to perform this repair prior to the SAM coat application.

Useful Life:

Remaining Life:  
3 years



Best Case: \$12,000.00

Worst Case: \$14,700.00

Allowance for major repairs

Higher allowance

Cost Source: Estimate Based on HOA's Budget

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**Comp #:** 204 Streets - SAM Coat

Quantity: Approx 417,340 Sq Ft

Location: Streets throughout the community

Evaluation: SAM stands for a stress absorbing membrane. It is applied to older pavement to protect the surface and extend its life. Planned application of this coating is the reason repaving has been scheduled with a 40-year life. Expect to apply the first SAM coat when the pavement is ~20-years old and again at 30-years old. Coating is expected to last 8 - 12 years.

Useful Life:  
12 years

Remaining Life:  
3 years



Best Case: \$208,700.00

Worst Case: \$267,100.00

\$0.50/Sq Ft; Estimate to apply SAM coat

\$0.64/Sq Ft; Higher estimate

Cost Source: Research with Sunland Asphalt (520-547-4481)

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Client: 15861A San Ignacio Vistas HOA

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**Comp #:** 206 Streets - Seal/Repair

Quantity: Approx 417,340 Sq Ft

Location: Streets throughout community

Evaluation: Streets were repaired and sealed during April 2012 for \$28,599. Seal looks new and is in good condition. Dark and uniform application. Remaining life is higher than the scheduled useful life, because it reflects sealing 4-years after the SAM coat is applied.

Useful Life:  
4 years

Remaining Life:  
7 years



Best Case: \$26,700.00  
\$0.064/Sq Ft; Estimate to seal coat

Worst Case: \$32,550.00  
\$0.078/Sq Ft; Higher estimate, includes minor patching

Cost Source: Client Cost History

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**Comp #:** 207 Streets - Crack Seal

Quantity: Approx 417,340 Sq Ft

Location: Streets throughout the community

Evaluation: Crack sealing was completed during February 2012 for \$7,858. Cracks look well sealed and are in good condition. Once the SAM coat is applied, crack seal should not be needed as frequently, and the cost will likely be less.

Useful Life:  
2 years

Remaining Life:  
1 years



Best Case: \$7,200.00  
Allowance to crack seal

Worst Case: \$9,000.00  
Higher allowance

Cost Source: Client Cost History

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Client: 15861A San Ignacio Vistas HOA

**Comp #:** 208 Streets - Curb Sealing

Quantity: Approx 28,662 LF

Location: Streets throughout the community

Evaluation: Sunland Asphalt recommended HOA plan to periodically seal the cracks along the curb line throughout the community. This helps to prevent water intrusion below the asphalt base. HOA spent \$15,879 in 2008 and \$19,090 in 2009 for both crack and curb sealing. The amount for just curb sealing is unknown, but HOA had a proposal for \$19,601 in 2007.



Useful Life:  
20 years

Remaining Life:  
17 years

Best Case: \$20,200.00  
Allowance for curb sealing

Worst Case: \$24,700.00  
Higher allowance

Cost Source: Client Cost History

**Comp #:** 250 Street Signs - Repair/Refurbish

Quantity: Numerous Signs

Location: Bordering streets throughout the community

Evaluation: Street signs appear to be typical, city style signs. Because streets are private, HOA is responsible to repair or replace them. HOA spent ~\$1,700 on signs from 2004 to 2006. This component funds for periodic sign repairs and/or refurbishing.



Useful Life:  
10 years

Remaining Life:  
3 years

Best Case: \$1,860.00  
Allowance for street sign repairs

Worst Case: \$2,270.00  
Higher allowance

Cost Source: Client Cost History

Client: 15861A San Ignacio Vistas HOA

**Comp #: 403 Mailboxes - Replace**

Quantity: Numerous Clusters

Location: Throughout the community

Evaluation: These mailboxes are aluminum, mounted to a pedestal. The Post Office is responsible to replace them in the future, not the association. No Reserve funding required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #: 710 Monuments - Modernize**

Quantity: (2) Monuments

Location: (1) at View Ridge Dr & Calle Tres and (1) at Camino Del Sol & Vista Ridge Dr

Evaluation: Original from 1997. These are solid metal cutout letters mounted to stucco walls. Long life expectancy under normal circumstances. This component funds for eventual replacement of the letters to update or modernize the appearance.

Useful Life:  
30 years

Remaining Life:  
12 years



Best Case: \$6,600.00

Worst Case: \$8,200.00

\$3,300/Monument; Estimate to replace the letters

\$4,100/Monument; Higher estimate

Cost Source: ARI Cost Database



Client: 15861A San Ignacio Vistas HOA

**Comp #: 712 Monuments - Refurbish**

Quantity: (2) Monuments

Location: (1) at View Ridge Dr & Calle Tres and (1) at Camino Del Sol & Vista Ridge Dr

Evaluation: The original monument lettering from 1997 was powder coated in 2005 for \$815. Finish is still in good condition. This component funds to powder coat the letters periodically between scheduled replacement to maintain the appearance.

Useful Life:  
10 years

Remaining Life:  
2 years



Best Case: \$900.00

\$450/Monument; Estimate to powder coat the letters

Worst Case: \$1,100.00

\$550/Monument; Higher estimate to replace the letters

Cost Source: Client Cost History

**Comp #: 1003 Irrigation Controller - Replace**

Quantity: (1) Hardie, 6-station

Location: Mounted to the monument wall on Vista Ridge Dr. and Camino Del Sol

Evaluation: Actual age of the controller is unknown. Appears to be functional. Replacement cost is too small for Reserve designation, so no funding has been allocated. Treat replacement as a maintenance expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 15861A San Ignacio Vistas HOA

**Comp #:** 1005 Landscape Granite - Replenish

Quantity: Numerous Sq Ft

Location: Monuments & sporadic common areas

Evaluation: There is a minimal quantity of granite throughout the community. Granite has been added to some sections bordering streets and around the mailboxes since our 2007 inspection. Top dress as needed with Operating funds, or include as part of the erosion mitigation allowance.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp #:** 1021 Hillsides - Erosion Mitigation (P1)

Quantity: Numerous Sq Ft

Location: Hillsides and common areas throughout community

Evaluation: HOA recently hired Westland Resources to inspect the community for erosion issues and to create a scope of work for repairs. Westland identified 6 major areas of the community that need attention with an estimated repair cost of \$66,575. We anticipate this work will be spread over 3-years and have included funding as a one-time expense.

Useful Life:

Remaining Life:  
0 years



Best Case: \$20,000.00

Worst Case: \$24,400.00

Allowance for 1/3 of the erosion mitigation repairs

Higher allowance, reflects 1/3 of the repair estimate

Cost Source: Estimate Based on Westland Engineering's Erosion Study

Client: 15861A San Ignacio Vistas HOA

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**Comp #:** 1022 Hillside - Erosion Mitigation (P2)

Quantity: Numerous Sq Ft

Location: Hillside and common areas throughout community

Evaluation: This component reflects the 2nd phase of erosion repairs, currently scheduled for 2014.

Useful Life:

Remaining Life:

1 years



Best Case: \$20,000.00

Allowance for 1/3 of the erosion mitigation repairs

Worst Case: \$24,400.00

Higher allowance, reflects 1/3 of the repair estimate

Cost Source: Estimate Based on Westland Engineering's Erosion Study

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**Comp #:** 1023 Hillside - Erosion Mitigation (P3)

Quantity: Numerous Sq Ft

Location: Hillside and common areas throughout community

Evaluation: This component reflects the 3rd phase of erosion repairs, currently scheduled for 2015.

Useful Life:

Remaining Life:

2 years



Best Case: \$20,000.00

Allowance for 1/3 of the erosion mitigation repairs

Worst Case: \$24,400.00

Higher allowance, reflects 1/3 of the repair estimate

Cost Source: Estimate Based on Westland Engineering's Erosion Study

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Client: 15861A San Ignacio Vistas HOA

**Comp #:** 1030 Hillside - Erosion Mitigation

Quantity: Numerous Sq Ft

Location: Hillside and common areas throughout community

Evaluation: Prior to the anticipated upcoming mitigation expenses totaling over \$66,000, HOA spent \$55,667 on various erosion projects from 2004 to 2012. Majority of this expense was during 2004. Due to the hillside location of this community, HOA should always anticipate some repairs to both prevent and repair erosion problems.

Useful Life:  
5 years

Remaining Life:  
7 years



Best Case: \$10,000.00

Worst Case: \$15,000.00

Allowance for erosion mitigation repairs

Higher allowance for more extensive repairs

Cost Source: ARI Cost Allowance

**Comp #:** 1102 Culvert Rails - Repaint

Quantity: Approx 110 LF

Location: Vista Ridge Drive at Meadow Ridge Dr & Prarie Hills Dr

Evaluation: The rails are faded and have some surface rust. Chipped paint was also noted. Repainting should be planned periodically to protect the metal and to restore the appearance. The cost to paint these rails is too small for Reserve designation. Treat painting as a maintenance expense or include with other painting projects.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:



**Client: 15861A San Ignacio Vistas HOA**

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**Comp #: 1104 Block Walls - Paint/Repair**

Quantity: Numerous Sq Ft

Location: Rear perimeter of homes throughout community

Evaluation: Rear yard walls are unpainted block, so painting is not necessary. Repair work is likely at some point in the future; however, owners' are responsible for their yard walls, not the HOA. No Reserve funding is required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

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**Comp #: 1105 Stucco Walls (Monuments) - Repaint**

Quantity: Approx 1,500 Sq Ft

Location: Monuments at View Ridge Dr & Calle Tres and Camino Del Sol & Vista Ridge Dr

Evaluation: Stucco monument walls were repainted during November 2011 for \$900. Surfaces look new and are in good condition. Repaint periodically to maintain and restore the appearance.

Useful Life:

6 years

Remaining Life:

4 years



Best Case: \$840.00

\$0.56/Sq Ft; Estimate to repaint

Worst Case: \$1,050.00

\$0.70/Sq Ft; Higher estimate

Cost Source: Client Cost History

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Client: 15861A San Ignacio Vistas HOA

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**Comp #: 1106 Stucco Walls (Parking) - Repaint**

Quantity: Approx 2,800 Sq Ft

Location: Retaining walls bordering parking areas at (4) locations throughout community

Evaluation: The stucco coated retaining walls at parking areas were last repaired and painted during June 2009 for \$1,138. Surfaces are still in good to fair condition. No significant staining or cracks noted. Repaint periodically to maintain and restore the appearance.

Useful Life:  
6 years

Remaining Life:  
2 years



Best Case: \$1,120.00  
\$0.40/Sq Ft; Estimate to repaint

Worst Case: \$1,400.00  
\$0.50/Sq Ft; Higher estimate

Cost Source: Client Cost History

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