

A Reserve Study

Morningside Woods Homeowners' Association

Fiscal Year 2005/06

Prepared by

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in January 2006

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Table of Contents

Summary

Background

Key Decisions

Figure 1, Totals & Fund Distributions

Figure 2, 20 Year Cash Flow – two pages

Figure 3, Component Details – five pages

Figure 4, 30 Year Summary Cash Flow

Appendix A – Excerpts from California Reserve Study Guidelines

Appendix B – Summary of the last three years' Operating Costs

Appendix C – How Combining Reserve Category Balances Work

Summary

The purpose of this study was to provide a 'real and working' analysis of the Reserve items Morningside Woods HOA is responsible for maintaining. That requires making certain decisions regarding future maintenance, which are discussed in detail in the Key Decisions section later in this study.

This study is based on the concept that Morningside Woods will continue to be maintained to the highest level possible with the resources available. This is with the knowledge that it would be unreasonable to expect maintenance projects to restore components to their "like new" state.

Income from interest on Reserve Fund balances deposited in financial institutions and future inflation of expense estimates were not included in this study, as they are not reliably and accurately predictable.

This study recognizes that some components require scheduled maintenance while others will be either repaired or replaced at a date that can only be predicted.

The calculations part of this study are done with an Excel Workbook, with no special Excel functions used, so that custom software will not be required to update and use this study in the future.

Assessments Related Conclusion

The Reserve Fund is fully funded, monthly assessments currently are \$198 and no increase is planned. In addition, no Special assessments are planned.

End of page

Background

The homes in Morningside Woods are legally defined as Attached Single Family Dwellings. There are 92 homes in 33 buildings on five cul-de-sacs. They were built in two stages, 51 homes on Teakwood, Wintergreen & Windyridge in 1979, then 41 homes on Mahogany & Conifer in 1985. An exception is that two of the homes built in 1985 are on Teakwood (410/450).

The homes have two or three bedrooms, are one or two story, and range in size from 1321 sq ft to 1681 sq ft.

The buildings have painted wood siding. The roofs were originally wood shake and were upgraded to cement tile in 1997.

Morningside Woods is located on 10.9 acres of land, of which 4 acres are common area. The homeowners 'own' the land under and very near their home. There are several dozen eucalyptus trees in the common area.

The streets are asphalt, 140,000 sq ft, and are generally in good condition. The exception is Wintergreen which is in fair condition.

The buildings have been painted about every seven years. However, the last painting of the buildings on Teakwood, Wintergreen, and Windyridge is not expected to last seven years.

The recreation area consists of a pool, a spa, and a restrooms/equipment building. The pool is 1,040 sq ft surface area and holds 35,400 gallons. The spa is 12 feet in diameter and holds 2,000 gallons. The pool/spa is heated only during daylight savings time.

End of page

Key Decisions

Roofs

There is no provision in this Reserve Study for replacing the roofs. The cement tile roofs will last as long as the wooden buildings they are on. There is provision for regular cleaning and inspection in this Reserve Study.

Streets

There is no provision in this Reserve Study for street overlays. None of the streets are through streets so traffic on them is from homeowners and guests only. There is concern of the asphalt on Wintergreen, which is in fair condition. This area will be re-evaluated about two years after the very recent (late 2005) street repair work. The plan is to use frequent slurry coating, along with affordable new techniques, to keep the streets acceptable.

This approach to street maintenance, by law, can be changed by a future Board of Directors. An “overlay” of just Wintergreen would cost each homeowner about \$456. An “overlay” of all streets would cost each homeowner about \$3,196. (estimates based on \$2.10 cost per sq ft).

Painting

The buildings’ first line of defense against termites and other pests is quality paint maintenance. The homes have been painted three or four times since they were built. This Reserve Study is based on continued painting every seven years. However, a review of that plan is recommended, however, future paint maintenance costs are based on the seven year cycle.

Security

From the day Morningside Woods was built, there has been contemplation of changing it to a gated community. There are two reasons for not gating:

1. The physical area was not landscaped to be gated.
2. A Gated community is not safer, it just ‘feels’ safer.

Recent developments in electronics can provide increased security but their actual costs to operate and maintain is unknown. This Study recommends further investigation and an update on this subject in next year’s update to this Study.

End of page

Figure 1, Totals & Fund Distributions

The top two tables are summaries of the five pages of Figure 3. There are two key columns, the annualized Cost to Replace (C to R) and the Desired Balance.

The total C to R amount is – literally – the amount that must be allocated the Reserve Fund during the life of that component to keep Morningside Woods in its current condition.

The contingency factor set by the Board of Directors is 2%.

The Desired Balance is what should have been saved for each component category, were it an independent account. Since the Reserve Fund is a collection of five accounts, the Funds balance can be lower than the total of the Desired Balances.

Note this sentence in Figure 1:

“To avoid Special Assessment, minimum Reserve balance:”

That calculation is done by analyzing the Reserve Fund’s Cash Flow for the next 20 years. For this calculation the first year of allocations is delayed to better represent actual cash flow. There are several other factors that affect this calculation, but the main one is spreading out scheduled expenditures, especially the largest – painting. If the painting is spread out over several years, it can be of higher cost (equals better quality?) with a lower Reserve Fund balance.

For many reasons it is not desirable that the Reserve Fund balance ever reach zero, so there is provision for setting a cushion by the Board of Directors.

The lower two boxes will be used for individual component calculations.

Figure 1 is on the following page.

End of page

Figure 1, Totals & Distributions

Components that are under a maintenance schedule

Component		Cost to Replace	Annual C to R	Desired Balance
Painting	1n	188,220	26,889	145,781
Streets	2n	32,817	8,204	31,016
Pool/Spa	4n	6,215	938	4,325
Misc - Scheduled	5n	2,231	360	1,007
Maintenance Totals:		229,483	36,391	182,129

Components that fail or wear out

Component		Cost to Replace	Annual C to R	Desired Balance
Irrig - Predicted	3n	16,815	1,121	5,805
Irrig - Repair	3n	29,600	555	2,775
Pool/Spa	4n	22,672	1,768	11,722
Misc - Predicted	5n	11,457	478	9,718
Misc - Repair	5n	45,900	1,150	6,200
Repair/Replace Totals:		126,444	5,072	36,220
Totals:		<u>355,926</u>	<u>41,462</u>	<u>218,350</u>

To Be Fully Funded

(Retroactive to Aug 31, 2005)

Regular Allocation to Reserve Fund:

Annualized 'Cost to Replace' divided by 12 = 3,455
 Plus a contingency of: 2% 69
 Then regular Allocation to the Reserve Fund is: 3,524 per month
 42,288 per year

Reserve Fund Balance:

To avoid Special Assessment, minimum Reserve balance: 114,944
 Add for "spend at start" of year: 42,288
 Or, add for a different cushion: 0
 Distribute among components: 157,232
 Remainder for Capital Improvements: 25,055
 Reserve Fund balance as of Aug 31, 2005: 182,287

Reserve Fund - Component Allocations & Distribution:

Component Category	Current Funds Dist.		Allocation Amount		
	fr Des Bal	Amount	fr Anl Dep	per Mo	per Yr
Painting	66.8%	104,976	64.9%	2,285	27,424
Streets	14.2%	22,334	19.8%	697	8,368
Irrigation	3.9%	6,179	4.0%	142	1,709
Pool/Spa	7.3%	11,555	6.5%	230	2,759
Miscellaneous	7.8%	12,188	4.8%	169	2,027
	100.0%	157,232	100.0%	3,524	42,288

L52

Figure 2, 20 Year Cash Flow

This is a table on two pages that depict every reserve expenditure over 20 years. Note that the year 2015 is shown on both pages for ease of reading. The top section depicts the scheduled maintenance expenditures, the middle section the predicted repair or replace expenditures, the bottom section depicts the Reserve Fund balance for each year.

During the preparation of this study several project values were noted along the bottom of the page and remain for convenience.

Figure 2 is on the following two pages.

End of page

Figure 2, 20 Year Cash Flow

Scheduled Expenses

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u> >
Restroom Plus			1,000							1,000	>
Paint Phase I			98,050							98,050	>
Paint Phase II		72,150							72,150		>
Prep Phase I			9,805							9,805	>
Prep Phase II		7,215							7,215		>
Slurry Phase I Plus	14,312				14,312				14,312		>
Slurry Phase II Plus	9,060				9,060				9,060		>
Prep Phase I+ streets	3,578				3,578				3,578		>
Prep Phase II+ streets	2,265				2,265				2,265		>
Bomanites (6)			3,603				3,603				3,603 >
Spa Replaster			1,722								>
Pool Caulking	770				770				770		>
Spa Caulking	207				207				207		>
P/S decking				3,515							3,515 >
P/S 6' fnce - paint				1,511							1,511 >
MW Glen Gate - paint					720					720	>
Scheduled Totals:	30,192	79,365	114,180	5,026	30,912	0	3,603	0	109,557	109,575	8,629 >

Predicted Repairs

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u> >
32 sta Irritrol											>
36 sta Irritrol											>
12 sta Rainmaster											>
24 sta Rainmaster											>
32 sta Rainmaster											1,500 >
Backflow Valves								6,800			>
Underground valves	555	555	555	555	555	555	555	555	555	555	>
Pool H/P/F					4,400						>
Spa H/P/F					3,400						>
Pool Replaster						6,687					>
Pool 4' tiles											>
P/S wtr lne tiles											>
P/S 3/4 edge blks											>
Water Heater (RR)	425										425 >
P/S 6' fnce rep				9,497							>
MW Glen Gate - Rep					1,500						>
Security floods - Rep											>
Street Lights	750	750	750	750	750	750	750	750	750	750	>
Walkway lights	100	100	100	100	100	100	100	100	100	100	>
Roof Maintenance	300	300	300	300	300	300	300	300	300	300	>
Predicted Totals:	2,130	1,705	1,705	11,202	11,005	8,392	1,705	8,505	1,705	1,705	3,630 >

Cash Flow

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u> >
Start Balance:	157,232	167,198	128,416	54,819	80,880	81,251	115,146	152,127	185,910	116,936	47,944 >
Sch & Pre Expenses:	32,322	81,070	115,885	16,228	41,917	8,392	5,308	8,505	111,262	111,280	12,259 >
Yrly Res Alloc:	42,288	42,288	42,288	42,288	42,288	42,288	42,288	42,288	42,288	42,288	42,288 >
End Balance:	167,198	128,416	54,819	80,880	81,251	115,146	152,127	185,910	116,936	47,944	77,973 >

Minimum End Balance: 42,288 in year: 2021

3,524 < Monthly allocation
157,232 < Start balance

Figure 2, 20 Year Cash Flow

Scheduled Expenses

<	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
<							1,000					Restroom Plus
<							98,050					Paint Phase I
<						72,150						Paint Phase II
<							9,805					Prep Phase I
<						7,215						Prep Phase II
<			14,312				14,312				14,312	Slurry Phase I Plus
<			9,060				9,060				9,060	Slurry Phase II Plus
<			3,578				3,578				3,578	Prep Phase I+ streets
<			2,265				2,265				2,265	Prep Phase II+ streets
<	3,603					3,603			3,603			Bomanites (6)
<		1,722									1,722	Spa Replaster
<			770				770				770	Pool Caulking
<			207				207				207	Spa Caulking
<	3,515							3,515				P/S decking
<	1,511							1,511				P/S 6' fnce - paint
<					720					720		MW Glen Gate - paint
<	8,629	1,722	30,192	0	4,323	79,365	139,047	5,026	3,603	720	31,914	Scheduled Totals:

Predicted Repairs

<	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
<					1,500							32 sta Irritrol
<				1,565								36 sta Irritrol
<			1,250									12 sta Rainmaster
<		4,200										24 sta Rainmaster
<	1,500											32 sta Rainmaster
<												Backflow Valves
<	555	555	555	555	555	555	555	555	555	555	555	Underground valves
<					4,400							Pool H/P/F
<					3,400							Spa H/P/F
<								6,687				Pool Replaster
<				600								Pool 4' tiles
<				3,580								P/S wtr lne tiles
<				3,580								P/S 3/4 edge blks
<	425										425	Water Heater (RR)
<												P/S 6' fnce rep
<												MW Glen Gate - Rep
<				460								Security floods - Rep
<	750	750	750	750	750	750	750	750	750	750	750	Street Lights
<	100	100	100	100	100	100	100	100	100	100	100	Walkway lights
<	300	300	300	300	300	300	300	300	300	300	300	Roof Maintenance
<	3,630	5,905	2,955	11,490	11,005	1,705	1,705	8,392	1,705	1,705	2,130	Predicted Totals:

Cash Flow

<	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	
<	47,944	77,973	112,634	121,775	152,573	179,534	140,752	42,288	71,157	108,138	148,001	Start Balance:
<	12,259	7,627	33,147	11,490	15,328	81,070	140,752	13,418	5,308	2,425	34,044	Sch & Pre Expenses:
<	42,288	42,288	42,288	42,288	42,288	42,288	42,288	42,288	42,288	42,288	42,288	Yrly Res Alloc:
<	77,973	112,634	121,775	152,573	179,534	140,752	42,288	71,157	108,138	148,001	156,245	End Balance:

	<u>Paint related</u>	<u>Paint related</u>	<u>Street related</u>
Cost to paint:	1,850	Paint phase I:	108,855
Est. Prep Cost Factor:	10%	Paint phase II:	79,365
Full cycle (Yrs)	7	Slurry cost:	0.167
		Slurry Phase I Streets:	17,889
		Slurry Phase II Streets:	11,325

Figure 3, Five pages, Component Details

The estimates on these five pages are the heart of this Reserve Study.

The terms used are 'industry standards' for reserve studies:

Cost to Replace (C to R) is amount of the expense

Full Life is the time between expenses

Rem is an abbreviation for Remaining and indicates years until next expense

This study separates Reserve expenses into three categories:

Scheduled – Expense is on a planned and regular cycle.

Predicted Failure – Expense is caused when a major component “dies”.

Predicted Repair – Expense is caused when one of many components “die”.

The best way to explain the Predicted Repair category is by example.

There are 160 underground valves (Irrigation, Figure 3c) with a repair cost of \$185. They have an estimated life of 15 years.

Previous studies simply multiplied 160 by \$185 (=\$29,600) and predicted that expense would occur in a certain year. Actually, some have already been replaced, and some will last much longer than expected. This study predicts 3 valves will be replaced each year but the Reserve fund must have in reserve the amount to replace 15 valves in one year.

This concept was also applied to the street light fixtures.

Past costs, as well as industry norms, were used for the estimates. However, an estimate is actually just a prediction, which is never a certainty. When more than one number was available, this study used the higher number.

Figure 3 is on the following five pages.

End of page

Figure 3a, Painting Components - Details

<u>Painting</u>	<u>1n</u>	<u>Quan</u>	<u>of</u>	<u>Unit</u>	<u>Cost to</u>	<u>Life</u>	
				<u>cost</u>	<u>replace</u>	<u>Full</u>	<u>Rem</u>
Restroom Plus	11	1	Bldg	1,000	1,000	7	2
Paint Phase I	12	53	homes	1,850	98,050	7	2
Paint Phase II	13	39	homes	1,850	72,150	7	1
Prep Phase I	14	53	homes	185	9,805	7	2
Prep Phase II	15	39	homes	185	7,215	7	1
Cost to Replace total:					188,220		
Should save each year:					26,889		
Should be saved:					145,781		

Estimates:

Cost to paint: 1,850 per home
 Est. Prep Cost Factor: 10%
 Life cycle: 7 years

Est. Project Totals:	
Paint phase I:	\$108,855
Paint phase II:	\$79,365

<u>Glens</u>	<u>Bldgs</u>	<u>Homes</u>
Teakwood	4	7
Wintergreen	6	17
Windyridge	10	29
Mahogany	8	22
Conifer	<u>6</u>	<u>17</u>
	34	92

Details & History:

Painted TK, WG, WR in 2002/2003: 53 homes \$58,100 \$1,096

1. Wild Country, #8735D
2. Bark Mulch, #8734M
3. Desert Tumbleweed, #8723M, this paint was deleted.

L50

Figure 3b, Streets Components - Details

<u>Streets</u>	<u>2n</u>	<u>Quan</u>	<u>of</u>	<u>Unit</u>	<u>Cost to</u>	<u>Life</u>	
				<u>cost</u>	<u>replace</u>	<u>Full</u>	<u>Rem</u>
Slurry Phase I Plus	21	85,869	sq ft	0.167	14,312	4	0
Slurry Phase II Plus	22	54,362	sq ft	0.167	9,060	4	0
Prep Phase I+ streets	23	85,869	sq ft	0.042	3,578	4	0
Prep Phase II+ streets	24	54,362	sq ft	0.042	2,265	4	0
Bomanites (6)	25	3,275	sq ft	1.10	3,603	4	2
Cost to Replace total:					32,817		
Should save each year:					8,204		
Should be saved:					31,016		

Estimates:

Slurry cost: 0.167 per sqft
 Prep Factor: 25%
 Slurry life cycle: 4 years
 MW Glen split for Slurry: 67%

<u>Project Totals:</u>	
Slurry Phase I Streets:	\$17,889
Slurry Phase II Streets:	\$11,325

<u>Street Square Footage</u>			<u>Slurry areas</u>	
			<u>Phs 1</u>	<u>Phs 2</u>
Morningside	50,160	sq ft	33,440	16,720
Teakwood	10,901	sq ft	10,901	
Wintergreen	21,626	sq ft	21,626	
Windyridge	19,902	sq ft	19,902	
Mahogany	20,141	sq ft		20,141
Conifer	17,501	sq ft		17,501
	140,231	sq ft	85,869	54,362

See: Hst_St

L50

Figure 3c, Irrigation Components - Details

Irrigation

<u>Irrig - Predicted</u>	<u>3n</u>	<u>Quan</u>	<u>of</u>	<u>Unit</u>	<u>Cost to</u>	<u>Life</u>	
				<u>cost</u>	<u>replace</u>	<u>Full</u>	<u>Rem</u>
32 sta Irritrol	31	1	ea	1,500	1,500	15	14
36 sta Irritrol	32	1	ea	1,565	1,565	15	13
12 sta Rainmaster	33	1	ea	1,250	1,250	15	12
24 sta Rainmaster	34	3	ea	1,400	4,200	15	11
32 sta Rainmaster	35	1	ea	1,500	1,500	15	10
Backflow Valves	36	8	ea	850	6,800	15	7

Cost to Replace total: 16,815
 Should save each year: 1,121
 Should be saved: 5,805

<u>Irrig - Repair</u>	<u>3n</u>	<u>Quan</u>	<u>of</u>	<u>Unit</u>	<u>Cost to</u>	<u>Max</u>	<u>Typ</u>
				<u>cost</u>	<u>replace</u>		
Underground valves	37	160	ea	185	29,600	15	3

Cost to Replace total: 29,600
 Should save each year: 555
 Should be saved: 2,775

Estimated:

Backflow valve cost: 850
 Underground valve cost: 185

Replace Backflow valves:	6,800
Replace Underground valves:	29,600

Details & History:

- Underground valves: Previously referred to as automatic valves.
They are electrically controlled by the 'clocks' and are usually underground
- From Green Horizons, Nov 1, 2005:
All seven Controllers are in "like new" condition.

<u>Location</u>	<u>Controller description</u>
TK	32 Station Irritrol
WG	24 Station Rainmaster
WG	24 Station Rainmaster
WR	12 Station Rainmaster
WR	24 Station Rainmaster
MG	36 Station Irritrol
CG	32 Stqtion Rainmaster

L51

Figure 3d, Pool / Spa Components - Details

<u>Pool/Spa</u>	<u>4n</u>	<u>Quan</u>	<u>of</u>	<u>Unit</u>	<u>Cost to</u>	<u>Life</u>	
				<u>cost</u>	<u>replace</u>	<u>Full</u>	<u>Rem</u>
Scheduled Items							
Spa Replaster	40	210	sq ft	8	1,722	9	2
Pool Caulking	41	141	ln ft	5	770	4	0
Spa Caulking	42	38	ln ft	5	207	4	0
P/S decking	43	4,394	sq ft	1	3,515	7	3
Cost to Replace total:					6,215		
Should save each year:					938		
Should be saved:					4,325		
Predicted Items							
Pool H/P/F	44	1	unit	4,400	4,400	10	4
Spa H/P/F	45	1	unit	3,400	3,400	10	4
Pool Replaster	46	1,631	sq ft	4	6,687	12	5
Pool 4' tiles	47	30	ln ft	20	600	20	13
P/S wtr lne tiles	48	179	ln ft	20	3,580	20	13
P/S 3/4 edge blks	49	179	ln ft	20	3,580	20	13
Water Heater (RR)	80	1	unit	425	425	10	0
Cost to Replace total:					22,672		
Should save each year:					1,768		
Should be saved:					11,722		

Pool: 35,400 gallons volume 1,040 sq ft surface area
Spa: 2,000 gallons volume 113 sq ft surface area 12 ft Dia

Rick's Pool Service 4165 Gilbar St. Oceanside, CA 92056 760 415-1095	Dee Higgins 2140 Peppertree Place Escondido, CA 92026 760 747-0471
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Details & History:

Pool H/P/F	44		
Heater	Raypak model 401-WHG	399,000 BTU	
Pump	WFE-6	1.5 HP	<<< Showing corrosion.
Filter	D.E. SMBW 2060	58 sq ft	
Spa H/P/F	45		
Heater	Raypak 2100	335,000 BTU	<<< Very old
Pump	WFE-3	3/4 HP	
Filter	D.E. SMBW 4036	35 sq ft	

L50

Figure 3e, Miscellaneous Components - Details

Miscellaneous

<u>Misc - Scheduled</u>	<u>5n</u>	<u>Quan</u>	<u>of</u>	<u>Unit</u>	<u>Cost to</u>	<u>Life</u>	
				<u>cost</u>	<u>replace</u>	<u>Full</u>	<u>Rem</u>
P/S 6' fnce - paint	51	2,158	sq ft	0.7	1,511	7	3
MW Glen Gate - paint	52	180	sq ft	4	720	5	4
Cost to Replace total:					2,231		
Should save each year:					360		
Should be saved:					1,007		

<u>Misc - Predicted</u>	<u>5n</u>	<u>Quan</u>	<u>of</u>	<u>Unit</u>	<u>Cost to</u>	<u>Life</u>	
				<u>cost</u>	<u>replace</u>	<u>Full</u>	<u>Rem</u>
P/S 6' fnce rep	53	2,158	sq ft	4.4	9,497	25	3
MW Glen Gate - Rep	54	300	sq ft	5	1,500	20	4
Security floods - Rep	55	4	ea	115	460	20	13
Cost to Replace total:					11,457		
Should save each year:					478		
Should be saved:					9,718		

<u>Misc - Repair</u>	<u>5n</u>	<u>Quan</u>	<u>of</u>	<u>Unit</u>	<u>Cost to</u>	<u>Max</u>	<u>Typ</u>
				<u>cost</u>	<u>replace</u>		
Street Lights	56	18	ea	1,500	27,000	2	0.5
Walkway lights	57	45	ea	200	9,000	4	0.5
Roof Maintenance	58	33	Bldgs	300	9,900	8	1
Cost to Replace total:					45,900		
Should save each year:					1,150		
Should be saved:					6,200		

Fencing Details & History:

P/S 6' fnce - paint 51 2,158 sq ft
 Fence is a parimeter fence around pool/spa area. It is wrought iron 'sticks' type, about 370 ln ft by 70" high. There are about 50 posts anchored in concrete.

Fire Access Gate: 52 180 sq ft
 Gate is about 30' wide by 6' high

Roof Maintenance:

Cost to clean one roof: 300
 Multiple to clean all roofs: 8

Light Fixture Details & History:

Street Lights' bulb now used: H39KC-175DX, bulb less than \$15 each.
 From Phillips product description: 175W, Deluxe White, Mogul Base, ED-28 Standard Mercury Vapor Lamp (dia. 3 1/2", length 8 5/16")
 Note: 365*12=4,380 hours, 10,000 hours is a little over 2 years.

L51

Figure 4, 30 Year Summary Cash Flow

This figure is similar to Figure 2 except that:

- It is over 30 years, and,
- Only Component Category totals are used.

This was used, mainly, for checking Workbook accuracy.

Figure 4 is on the following page.

End of file

Figure 4, 30 Year Cash Flow

	<u>Reserve Fund</u>		<u>Scheduled Expenses</u>						<u>Predicted Expenses</u>						
	<u>Beg Balance</u>	<u>Expenses</u>	<u>Sub-Total</u>	<u>Paint</u>	<u>Streets</u>	<u>Irrig</u>	<u>P / S</u>	<u>Various</u>	<u>Sub-Total</u>	<u>Paint</u>	<u>Streets</u>	<u>Irrig</u>	<u>P / S</u>	<u>Various</u>	
2005	157,232	32,322	30,192	0	29,215	0	977	0	2,130	0	0	555	425	1,150	2005
2006	167,198	81,070	79,365	79,365	0	0	0	0	1,705	0	0	555	0	1,150	2006
2007	128,416	115,885	114,180	108,855	3,603	0	1,722	0	1,705	0	0	555	0	1,150	2007
2008	54,819	16,228	5,026	0	0	0	3,515	1,511	11,202	0	0	555	0	10,647	2008
2009	80,880	41,917	30,912	0	29,215	0	977	720	11,005	0	0	555	7,800	2,650	2009
2010	81,251	8,392	0	0	0	0	0	0	8,392	0	0	555	6,687	1,150	2010
2011	115,146	5,308	3,603	0	3,603	0	0	0	1,705	0	0	555	0	1,150	2011
2012	152,127	8,505	0	0	0	0	0	0	8,505	0	0	7,355	0	1,150	2012
2013	185,910	111,262	109,557	79,365	29,215	0	977	0	1,705	0	0	555	0	1,150	2013
2014	116,936	111,280	109,575	108,855	0	0	0	720	1,705	0	0	555	0	1,150	2014
2015	47,944	12,259	8,629	0	3,603	0	3,515	1,511	3,630	0	0	2,055	425	1,150	2015
2016	77,973	7,627	1,722	0	0	0	1,722	0	5,905	0	0	4,755	0	1,150	2016
2017	112,634	33,147	30,192	0	29,215	0	977	0	2,955	0	0	1,805	0	1,150	2017
2018	121,775	11,490	0	0	0	0	0	0	11,490	0	0	2,120	7,760	1,610	2018
2019	152,573	15,328	4,323	0	3,603	0	0	720	11,005	0	0	2,055	7,800	1,150	2019
2020	179,534	81,070	79,365	79,365	0	0	0	0	1,705	0	0	555	0	1,150	2020
2021	140,752	140,752	139,047	108,855	29,215	0	977	0	1,705	0	0	555	0	1,150	2021
2022	42,288	13,418	5,026	0	0	0	3,515	1,511	8,392	0	0	555	6,687	1,150	2022
2023	71,157	5,308	3,603	0	3,603	0	0	0	1,705	0	0	555	0	1,150	2023
2024	108,138	2,425	720	0	0	0	0	720	1,705	0	0	555	0	1,150	2024
2025	148,001	34,044	31,914	0	29,215	0	2,699	0	2,130	0	0	555	425	1,150	2025
2026	156,245	1,705	0	0	0	0	0	0	1,705	0	0	555	0	1,150	2026
2027	196,828	91,473	82,968	79,365	3,603	0	0	0	8,505	0	0	7,355	0	1,150	2027
2028	147,643	110,560	108,855	108,855	0	0	0	0	1,705	0	0	555	0	1,150	2028
2029	79,371	46,943	35,938	0	29,215	0	4,493	2,231	11,005	0	0	555	7,800	2,650	2029
2030	74,716	3,205	0	0	0	0	0	0	3,205	0	0	2,055	0	1,150	2030
2031	113,799	9,508	3,603	0	3,603	0	0	0	5,905	0	0	4,755	0	1,150	2031
2032	146,580	2,955	0	0	0	0	0	0	2,955	0	0	1,805	0	1,150	2032
2033	185,913	42,959	30,192	0	29,215	0	977	0	12,767	0	0	2,120	0	10,647	2033
2034	185,242	91,699	81,807	79,365	0	0	1,722	720	9,892	0	0	2,055	6,687	1,150	2034
2035	135,831	114,588	112,458	108,855	3,603	0	0	0	2,130	0	0	555	425	1,150	2035
2036	63,531														2036

Key Cost-to-Replace amounts:

157,232 < Beginning Balance
3,524 < Monthly allocation

Min Bal:	42,288	Cost to paint:	1,850	Slurry cost:	0.167
Max Exp:	140,752	Paint phase I:	108,855	Slurry Phase I Streets:	17,889
		Paint phase II:	79,365	Slurry Phase II Streets:	11,325