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The Bridges Community Association  
CC1: The Villas  
*Rancho Santa Fe, CA*



Report #: 14591-15  
Beginning: January 1, 2023  
Expires: December 31, 2023

**RESERVE STUDY**  
Update "No-Site-Visit"

September 9, 2022

# Welcome to your Reserve Study!

**A** Reserve Study is a valuable tool to help you budget responsibly for your property. This report contains all the information you need to avoid surprise expenses, make informed decisions, save money, and protect property values.

**R**egardless of the property type, it's a fact of life that the very moment construction is completed, every major building component begins a predictable process of physical deterioration. The operative word is "predictable" because planning for the inevitable is what a Reserve Study by **Association Reserves** is all about!

In this Report, you will find three key results:

- **Component List**  
Unique to each property, the Component List serves as the foundation of the Reserve Study and details the scope and schedule of all necessary repairs & replacements.
- **Reserve Fund Strength**  
A calculation that measures how well the Reserve Fund has kept pace with the property's physical deterioration.
- **Reserve Funding Plan**  
A multi-year funding plan based on current Reserve Fund strength that allows for component repairs and replacements to be completed in a timely manner, with an emphasis on fairness and avoiding "catch-up" funding.

## Questions?

Please contact your Project Manager directly.



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The Bridges Community Association - CC1: The Villas  
Rancho Santa Fe, CA  
Level of Service: Update "No-Site-Visit"

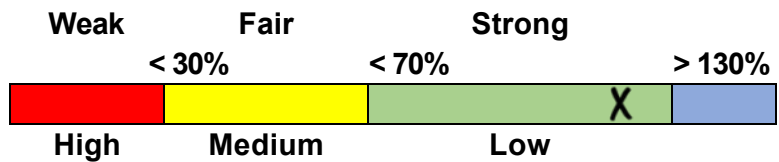
Report #: 14591-15  
# of Units: 59  
January 1, 2023 through December 31, 2023

Findings & Recommendations

as of January 1, 2023

Projected Starting Reserve Balance	\$217,433
Currently Fully Funded Reserve Balance	\$178,043
Average Reserve Deficit (Surplus) Per Unit	(\$668)
Percent Funded	122.1 %
Recommended 2023 Monthly Full Funding Contribution	\$3,860
Alternate minimum contributions to keep Reserve above \$0	\$3,570
Most Recent Reserve Contribution Rate	\$1,967

Reserve Fund Strength: 122.1%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	0.00 %
Annual Inflation Rate	3.00 %

This is an Update "No-Site-Visit", based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

Because your Reserve Fund is at 122.1 % Funded, this means the association's special assessment and deferred maintenance risk is currently Low. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where associations enjoy a low risk of Reserve cash-flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contribution rate to more-closely match the annual rate of deterioration occurring to your Reserve components.

No assets appropriate for Reserve designation were excluded.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>THE VILLAS CC1</b>				
321	Landscape Lights - Partial Replace	1	0	\$5,650
1021	Olive Trees - Treat	1	0	\$9,050
1901	Landscape - Refurbish (A)	7	5	\$210,000
1901	Landscape - Refurbish (B)	7	0	\$87,000
<b>SHARED WITH MASTER</b>				
1001	Backflow Devices - Replace(HOA/CC1)	20	2	\$5,000
1003	Irr Controllers - Replace (HOA/CC1)	15	2	\$6,950
1006	Elec Mtr Pedestal - Repl(HOA/CC1)	30	12	\$3,900
1006	Irrig Pedestals - Repl(HOA/CC1)	30	12	\$5,800
<b>8 Total Funded Components</b>				

Note 1: Yellow highlighted line items are expected to require attention in this 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 combination of research and well-defined computations, following consistent National Reserve Study Standard principles.

The foundation of this and every Reserve Study is your Reserve Component List (what you are reserving for). This is because the Reserve Component List defines the *scope and schedule* of all your anticipated upcoming Reserve projects. Based on that List and your starting balance, we calculate the association's Reserve Fund Strength (reported in terms of "Percent Funded"). Then we compute a Reserve Funding Plan to provide for the Reserve needs of the association. These form the three results of your Reserve Study.



Reserve contributions are not “for the future”. Reserve contributions are designed to offset the ongoing, daily deterioration of your Reserve assets. Done well, a stable, budgeted Reserve Funding Plan will collect sufficient funds from the owners who enjoyed the use of those assets, so the association is financially prepared for the irregular expenditures scattered through future years when those projects eventually require replacement.

## Methodology



For this [Update No-Site-Visit Reserve Study](#), we started with a review of your prior Reserve Study, then looked into recent Reserve expenditures, evaluated how expenditures are handled (ongoing maintenance vs Reserves), and researched any well-established association

precedents. We updated and adjusted your Reserve Component List on the basis of time elapsed since the last Reserve Study and interviews with association representatives.

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

There is a national-standard four-part test to determine which expenses should appear in your Reserve Component List. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the remaining 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 (often between .5% and 1% of an association's total budget). This limits Reserve



RESERVE COMPONENT "FOUR-PART TEST"

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 do we establish Useful Life and Remaining Useful Life estimates?*

- 1) Visual Inspection (observed wear and age)
- 2) Association Reserves database of experience
- 3) Client History (install dates & previous life cycle information)
- 4) Vendor Evaluation and Recommendation

## *How do we establish Current Repair/Replacement Cost Estimates?*

In this order...

- 1) Actual client cost history, or current proposals
- 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?

Reserve adequacy is not measured in cash terms. Reserve adequacy is found when the *amount* of current Reserve cash is compared to Reserve component deterioration (the *needs of the association*). Having *enough* means the association can execute its projects in a timely manner with existing Reserve funds. Not having *enough* typically creates deferred maintenance or special assessments.

Adequacy is measured in a two-step process:

- 1) Calculate the *value of deterioration* at the association (called Fully Funded Balance, or FFB).
- 2) Compare that to the Reserve Fund Balance, and express as a percentage.



Each year, the *value of deterioration* at the association changes. When there is more deterioration (as components approach the time they need to be replaced), there should be more cash to offset that deterioration and prepare for the expenditure. Conversely, the *value of deterioration* shrinks after projects are accomplished. The *value of deterioration* (the FFB) changes each year, and is a moving but predictable target.

There is a high risk of special assessments and deferred maintenance when the Percent Funded is *weak*, below 30%. Approximately 30% of all associations are in this high risk range. While the 100% point is Ideal (indicating Reserve cash is equal to the *value of deterioration*), a Reserve Fund in the 70% - 130% range is considered strong (low risk of special assessment).

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?



RESERVE FUNDING PRINCIPLES

According to National Reserve Study Standards, there are four Funding Principles to 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. Second, a stable contribution is desirable because it keeps these naturally irregular expenses from unsettling the budget.

Reserve contributions that are evenly distributed over current and future owners enable each owner to pay their fair share of the association's Reserve expenses over the years. And finally, we develop a plan that is fiscally responsible and safe for Boardmembers to recommend to their association. Remember, it is the Board's job to provide for the ongoing care of the common areas. Boardmembers invite liability exposure when Reserve contributions are inadequate to offset ongoing common area deterioration.

## What is our Recommended Funding Goal?

Maintaining the Reserve Fund at a level equal to the *value* of deterioration is called "Full Funding" (100% Funded). As each asset ages and becomes "used up," the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** Evidence shows that associations in the 70 - 130% range *enjoy a low risk of special assessments or deferred maintenance.*



FUNDING OBJECTIVES

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. Doing so allows the Reserve Fund to drop into the 0 - 30% range, where there is a high risk of special assessments & deferred maintenance. Since Baseline Funding still provides for the timely execution of all Reserve projects, and only the "margin of safety" is different, Baseline Funding contributions average only 10% - 15% less than Full Funding contributions. Threshold Funding is the title of all other Cash or Percent Funded objectives *between* Baseline Funding and Full Funding.

## Projected Expenses

While this Reserve Study looks forward 30 years, we have no expectation that all these expenses will all take place as anticipated. This Reserve Study needs to be updated annually because we expect the timing of these expenses to shift and the size of these expenses to change. We do feel more certain of the timing and cost of near-term expenses than expenses many years away. Please be aware of your near-term expenses, which we are able to project more accurately than the more distant projections.

The figure below summarizes the projected future expenses at your association as defined by your Reserve Component List. A summary of these components are shown in the Component Details table, while a summary of the expenses themselves are shown in the 30-yr Expense Summary table.

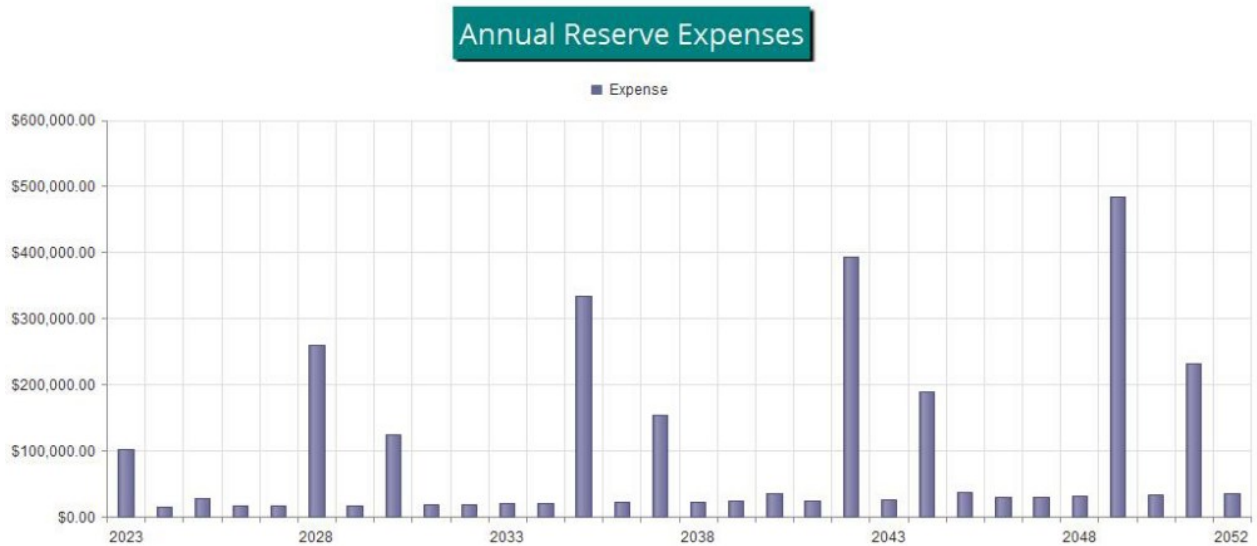


Figure 1

## Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$217,433 as-of the start of your Fiscal Year on 1/1/2023. As of your Fiscal Year Start, your Fully Funded Balance is computed to be \$178,043. This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 122.1 % Funded.

## Recommended Funding Plan

Based on your current Percent Funded and your near-term and long-term Reserve needs, we are recommending budgeted contributions of \$3,860 per month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in both the 30-yr Summary and the Cash Flow Detail tables.

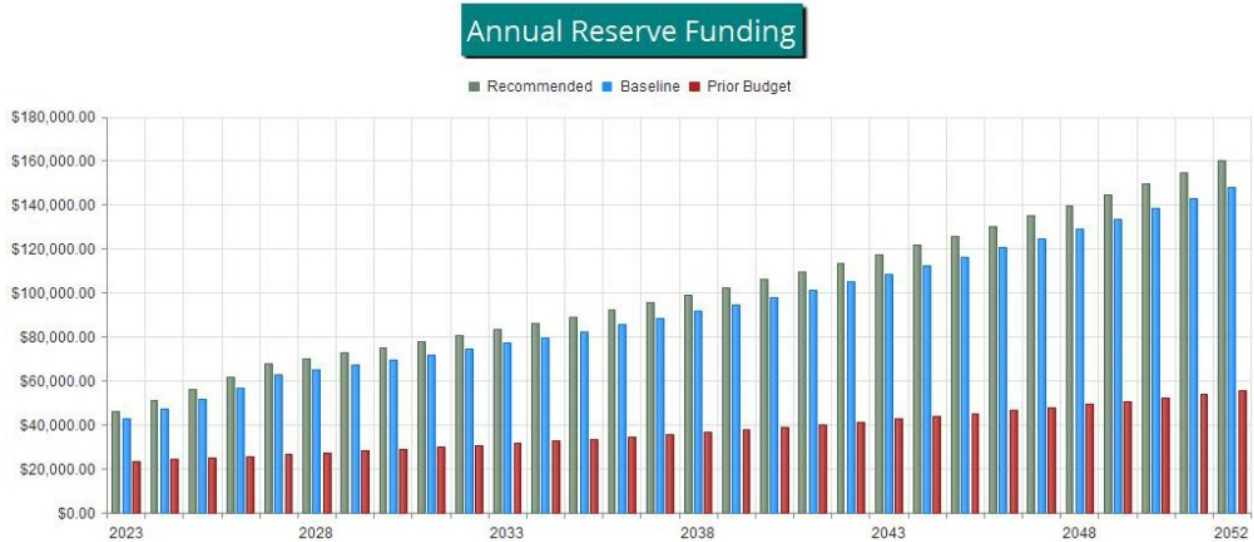


Figure 2

The following chart shows your Reserve balance under our recommended Full Funding Plan and at your current budgeted contribution rate, compared to your always-changing Fully Funded Balance target.

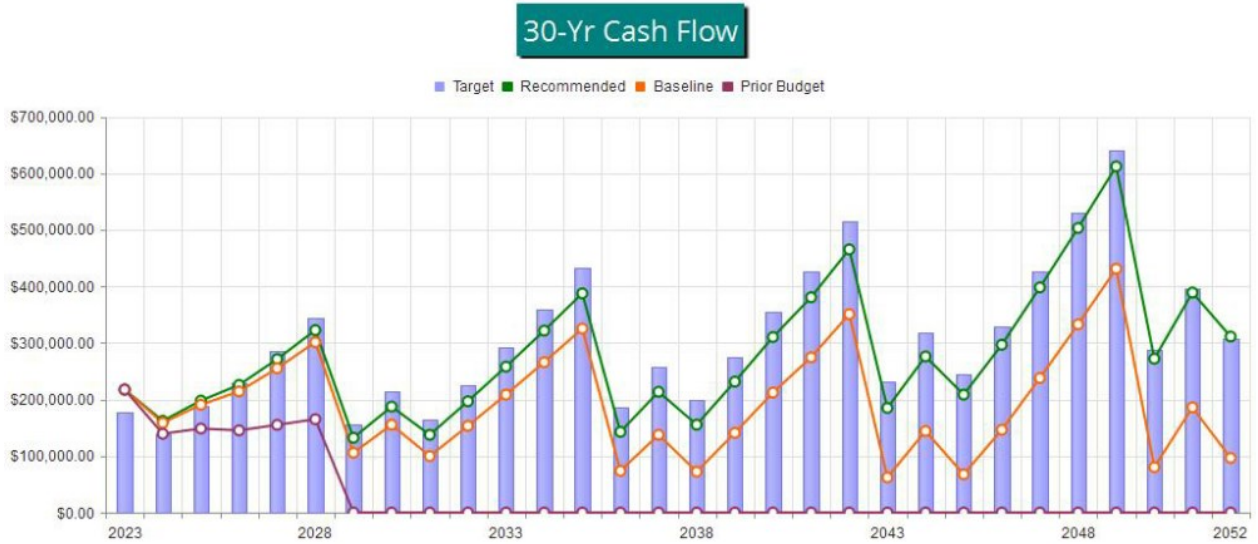


Figure 3

This figure shows the same information plotted on a Percent Funded scale. It is clear here to see how your Reserve Fund strength approaches the 100% Funded level under our recommended multi-yr Funding Plan.

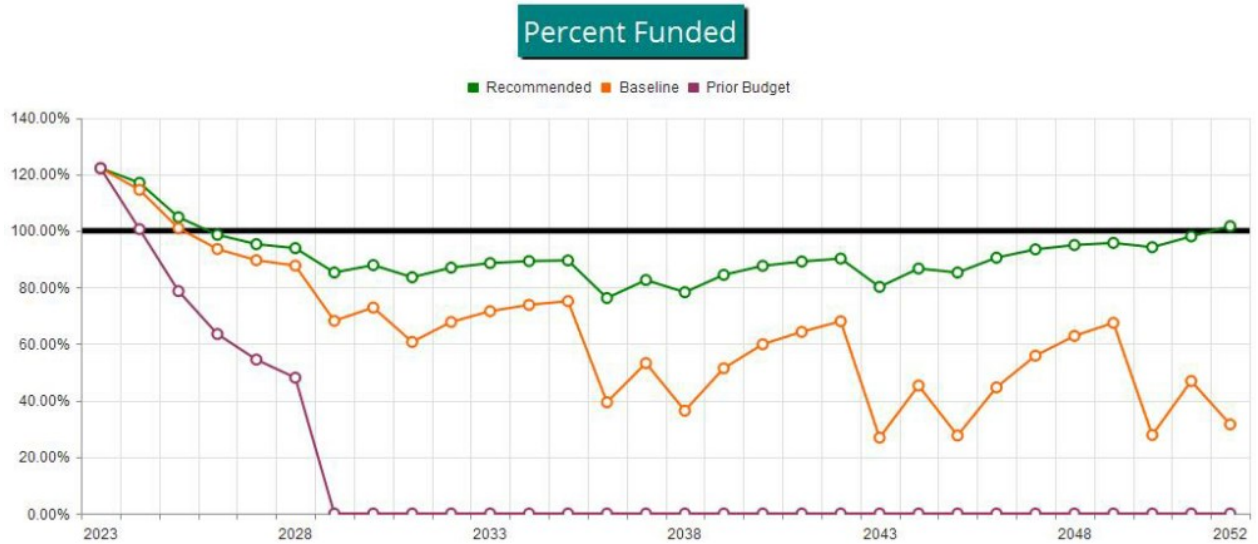


Figure 4



Executive Summary is a summary of your Reserve Components

Budget Summary is a management and accounting tool, summarizing groupings of your Reserve Components.

Reserve Component List Detail discloses key Component information, providing the foundation upon which the financial analysis is performed.

Fully Funded Balance shows the calculation of the Fully Funded Balance for each of your components, and their contributions to the property total. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Component Significance shows the relative significance of each component to Reserve funding needs of the property, helping you see which components have more (or less) influence than others on your total Reserve contribution rate. The deterioration cost/yr of each component is calculated by dividing the estimated Current Replacement Cost by its Useful Life, then that component's percentage of the total is displayed.

Accounting & Tax Summary provides information on each Component's proportion of key totals. If shown, the Current Fund Balance is a re-distribution of the current Reserve total to near-term (low RUL) projects first. Any Reserve contribution shown is a portion of the total current contribution rate, assigned proportionally on the basis of that component's deterioration cost/yr. As this is a Cash Flow analysis in which no funds are assigned or restricted to particular components, all values shown are only representative and have no merit outside of tax preparation purposes. They are not useful for Reserve funding calculations.

30-Yr Reserve Plan Summary provides a one-page 30-year summary of the cash flowing into and out of the Reserve Fund, with a display of the Fully Funded Balance, Percent Funded, and special assessment risk at the beginning of each year.

30-Year Income/Expense Detail shows the detailed income and expenses for each of the next 30 years. This table makes it possible to see which components are projected to require repair or replacement in a particular year, and the size of those individual expenses.

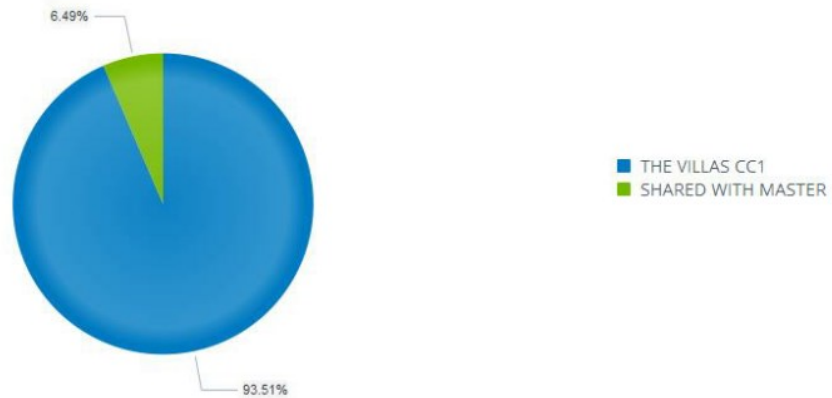


	Useful Life		2023 Rem. Useful Life		Estimated Replacement Cost in 2023	2023 Expenditures	01/01/2023	01/01/2023	Remaining Bal. to be Funded	2023 Contributions
	Min	Max	Min	Max			Current Fund Balance	Fully Funded Balance		
THE VILLAS CC1	1	7	0	5	\$311,700	\$101,700	\$197,474	\$161,700	\$114,226	\$45,494
SHARED WITH MASTER	15	30	2	12	\$21,650	\$0	\$19,959	\$16,343	\$1,691	\$826
					\$333,350	\$101,700	\$217,433	\$178,043	\$115,917	\$46,320

Percent Funded: 122.1%

Budget Summary

Percentage of Total Estimated Replacement Costs



#	Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate
<b>THE VILLAS CC1</b>					
321	Landscape Lights - Partial Replace	~ (270) Fixtures TOTAL	1	0	\$5,650
1021	Olive Trees - Treat	~ (53) Olive Trees	1	0	\$9,050
1901	Landscape - Refurbish (A)	~ (59) Yards Total	7	5	\$210,000
1901	Landscape - Refurbish (B)	~ (59) Yards Total	7	0	\$87,000
<b>SHARED WITH MASTER</b>					
1001	Backflow Devices - Replace(HOA/CC1)	~ (4) Backflows	20	2	\$5,000
1003	Irr Controllers - Replace (HOA/CC1)	(4) Controllers	15	2	\$6,950
1006	Elec Mtr Pedestal - Repl(HOA/CC1)	(1) Meter Pedestal	30	12	\$3,900
1006	Irrig Pedestals - Repl(HOA/CC1)	(4) Enclosures	30	12	\$5,800

---

8 Total Funded Components

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
<b>THE VILLAS CC1</b>								
321	Landscape Lights - Partial Replace	\$5,650	X	1	/	1	=	\$5,650
1021	Olive Trees - Treat	\$9,050	X	1	/	1	=	\$9,050
1901	Landscape - Refurbish (A)	\$210,000	X	2	/	7	=	\$60,000
1901	Landscape - Refurbish (B)	\$87,000	X	7	/	7	=	\$87,000
<b>SHARED WITH MASTER</b>								
1001	Backflow Devices - Replace(HOA/CC1)	\$5,000	X	18	/	20	=	\$4,500
1003	Irr Controllers - Replace (HOA/CC1)	\$6,950	X	13	/	15	=	\$6,023
1006	Elec Mtr Pedestal - Repl(HOA/CC1)	\$3,900	X	18	/	30	=	\$2,340
1006	Irrig Pedestals - Repl(HOA/CC1)	\$5,800	X	18	/	30	=	\$3,480
								\$178,043

#	Component	Useful Life (yrs)	Current Cost Estimate	Deterioration Cost/Yr	Deterioration Significance
<b>THE VILLAS CC1</b>					
321	Landscape Lights - Partial Replace	1	\$5,650	\$5,650	9.71 %
1021	Olive Trees - Treat	1	\$9,050	\$9,050	15.56 %
1901	Landscape - Refurbish (A)	7	\$210,000	\$30,000	51.58 %
1901	Landscape - Refurbish (B)	7	\$87,000	\$12,429	21.37 %
<b>SHARED WITH MASTER</b>					
1001	Backflow Devices - Replace(HOA/CC1)	20	\$5,000	\$250	0.43 %
1003	Irr Controllers - Replace (HOA/CC1)	15	\$6,950	\$463	0.80 %
1006	Elec Mtr Pedestal - Repl(HOA/CC1)	30	\$3,900	\$130	0.22 %
1006	Irrig Pedestals - Repl(HOA/CC1)	30	\$5,800	\$193	0.33 %
8	Total Funded Components			\$58,165	100.00 %

#	Component	UL	RUL	Current Cost Estimate	Fully Funded Balance	Projected Reserve Balance	Proportional Reserve Funding
<b>THE VILLAS CC1</b>							
321	Landscape Lights - Partial Replace	1	0	\$5,650	\$5,650	\$6,900	\$374.95
1021	Olive Trees - Treat	1	0	\$9,050	\$9,050	\$11,052	\$600.58
1901	Landscape - Refurbish (A)	7	5	\$210,000	\$60,000	\$73,274	\$1,990.88
1901	Landscape - Refurbish (B)	7	0	\$87,000	\$87,000	\$106,247	\$824.79
<b>SHARED WITH MASTER</b>							
1001	Backflow Devices - Replace(HOA/CC1)	20	2	\$5,000	\$4,500	\$5,496	\$16.59
1003	Irr Controllers - Replace (HOA/CC1)	15	2	\$6,950	\$6,023	\$7,356	\$30.75
1006	Elec Mtr Pedestal - Repl(HOA/CC1)	30	12	\$3,900	\$2,340	\$2,858	\$8.63
1006	Irrig Pedestals - Repl(HOA/CC1)	30	12	\$5,800	\$3,480	\$4,250	\$12.83
8 Total Funded Components					\$178,043	\$217,433	\$3,860

# 30-Year Reserve Plan Summary

Report # 14591-15  
No-Site-Visit

Fiscal Year Start: 2023

Interest: 0.00 %

Inflation: 3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2023	\$217,433	\$178,043	122.1 %	Low	96.24 %	\$46,320	\$0	\$0	\$101,700
2024	\$162,053	\$138,544	117.0 %	Low	10.00 %	\$50,952	\$0	\$0	\$15,141
2025	\$197,864	\$188,812	104.8 %	Low	10.00 %	\$56,047	\$0	\$0	\$28,273
2026	\$225,638	\$228,914	98.6 %	Low	10.00 %	\$61,652	\$0	\$0	\$16,063
2027	\$271,227	\$284,702	95.3 %	Low	10.00 %	\$67,817	\$0	\$0	\$16,545
2028	\$322,499	\$343,631	93.9 %	Low	3.50 %	\$70,191	\$0	\$0	\$260,489
2029	\$132,201	\$155,089	85.2 %	Low	3.50 %	\$72,647	\$0	\$0	\$17,553
2030	\$187,296	\$213,199	87.9 %	Low	3.50 %	\$75,190	\$0	\$0	\$125,078
2031	\$137,407	\$164,446	83.6 %	Low	3.50 %	\$77,822	\$0	\$0	\$18,622
2032	\$196,608	\$226,092	87.0 %	Low	3.50 %	\$80,545	\$0	\$0	\$19,180
2033	\$257,973	\$291,288	88.6 %	Low	3.50 %	\$83,365	\$0	\$0	\$19,756
2034	\$321,582	\$360,193	89.3 %	Low	3.50 %	\$86,282	\$0	\$0	\$20,348
2035	\$387,516	\$432,970	89.5 %	Low	3.50 %	\$89,302	\$0	\$0	\$334,198
2036	\$142,620	\$187,152	76.2 %	Low	3.50 %	\$92,428	\$0	\$0	\$21,587
2037	\$213,460	\$258,512	82.6 %	Low	3.50 %	\$95,663	\$0	\$0	\$153,830
2038	\$155,292	\$198,441	78.3 %	Low	3.50 %	\$99,011	\$0	\$0	\$22,902
2039	\$231,401	\$274,143	84.4 %	Low	3.50 %	\$102,476	\$0	\$0	\$23,589
2040	\$310,288	\$354,209	87.6 %	Low	3.50 %	\$106,063	\$0	\$0	\$35,784
2041	\$380,567	\$427,000	89.1 %	Low	3.50 %	\$109,775	\$0	\$0	\$25,026
2042	\$465,317	\$516,027	90.2 %	Low	3.50 %	\$113,617	\$0	\$0	\$394,013
2043	\$184,921	\$230,727	80.1 %	Low	3.50 %	\$117,594	\$0	\$0	\$26,550
2044	\$275,965	\$318,507	86.6 %	Low	3.50 %	\$121,710	\$0	\$0	\$189,192
2045	\$208,483	\$244,645	85.2 %	Low	3.50 %	\$125,970	\$0	\$0	\$37,747
2046	\$296,705	\$327,899	90.5 %	Low	3.50 %	\$130,378	\$0	\$0	\$29,012
2047	\$398,072	\$426,092	93.4 %	Low	3.50 %	\$134,942	\$0	\$0	\$29,882
2048	\$503,132	\$529,881	95.0 %	Low	3.50 %	\$139,665	\$0	\$0	\$30,779
2049	\$612,018	\$639,515	95.7 %	Low	3.50 %	\$144,553	\$0	\$0	\$484,586
2050	\$271,985	\$288,778	94.2 %	Low	3.50 %	\$149,612	\$0	\$0	\$32,653
2051	\$388,944	\$396,887	98.0 %	Low	3.50 %	\$154,849	\$0	\$0	\$232,682
2052	\$311,111	\$306,201	101.6 %	Low	3.50 %	\$160,268	\$0	\$0	\$34,642

# 30-Year Reserve Plan Summary (Alternate Funding Plan)

Report # 14591-15  
No-Site-Visit

Fiscal Year Start: 2023

Interest:

0.00 %

Inflation:

3.00 %

Reserve Fund Strength: as-of Fiscal Year Start Date

Projected Reserve Balance Changes

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase		Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding	Reserve Funding			
2023	\$217,433	\$178,043	122.1 %	Low	81.49 %	\$42,840	\$0	\$0	\$101,700
2024	\$158,573	\$138,544	114.5 %	Low	10.00 %	\$47,124	\$0	\$0	\$15,141
2025	\$190,556	\$188,812	100.9 %	Low	10.00 %	\$51,836	\$0	\$0	\$28,273
2026	\$214,119	\$228,914	93.5 %	Low	10.00 %	\$57,020	\$0	\$0	\$16,063
2027	\$255,076	\$284,702	89.6 %	Low	10.00 %	\$62,722	\$0	\$0	\$16,545
2028	\$301,253	\$343,631	87.7 %	Low	3.50 %	\$64,917	\$0	\$0	\$260,489
2029	\$105,682	\$155,089	68.1 %	Medium	3.50 %	\$67,189	\$0	\$0	\$17,553
2030	\$155,318	\$213,199	72.9 %	Low	3.50 %	\$69,541	\$0	\$0	\$125,078
2031	\$99,781	\$164,446	60.7 %	Medium	3.50 %	\$71,975	\$0	\$0	\$18,622
2032	\$153,135	\$226,092	67.7 %	Medium	3.50 %	\$74,494	\$0	\$0	\$19,180
2033	\$208,449	\$291,288	71.6 %	Low	3.50 %	\$77,101	\$0	\$0	\$19,756
2034	\$265,795	\$360,193	73.8 %	Low	3.50 %	\$79,800	\$0	\$0	\$20,348
2035	\$325,246	\$432,970	75.1 %	Low	3.50 %	\$82,593	\$0	\$0	\$334,198
2036	\$73,641	\$187,152	39.3 %	Medium	3.50 %	\$85,484	\$0	\$0	\$21,587
2037	\$137,537	\$258,512	53.2 %	Medium	3.50 %	\$88,476	\$0	\$0	\$153,830
2038	\$72,182	\$198,441	36.4 %	Medium	3.50 %	\$91,572	\$0	\$0	\$22,902
2039	\$140,853	\$274,143	51.4 %	Medium	3.50 %	\$94,777	\$0	\$0	\$23,589
2040	\$212,041	\$354,209	59.9 %	Medium	3.50 %	\$98,095	\$0	\$0	\$35,784
2041	\$274,351	\$427,000	64.3 %	Medium	3.50 %	\$101,528	\$0	\$0	\$25,026
2042	\$350,853	\$516,027	68.0 %	Medium	3.50 %	\$105,081	\$0	\$0	\$394,013
2043	\$61,922	\$230,727	26.8 %	High	3.50 %	\$108,759	\$0	\$0	\$26,550
2044	\$144,131	\$318,507	45.3 %	Medium	3.50 %	\$112,566	\$0	\$0	\$189,192
2045	\$67,505	\$244,645	27.6 %	High	3.50 %	\$116,506	\$0	\$0	\$37,747
2046	\$146,263	\$327,899	44.6 %	Medium	3.50 %	\$120,583	\$0	\$0	\$29,012
2047	\$237,834	\$426,092	55.8 %	Medium	3.50 %	\$124,804	\$0	\$0	\$29,882
2048	\$332,756	\$529,881	62.8 %	Medium	3.50 %	\$129,172	\$0	\$0	\$30,779
2049	\$431,149	\$639,515	67.4 %	Medium	3.50 %	\$133,693	\$0	\$0	\$484,586
2050	\$80,256	\$288,778	27.8 %	High	3.50 %	\$138,372	\$0	\$0	\$32,653
2051	\$185,975	\$396,887	46.9 %	Medium	3.50 %	\$143,215	\$0	\$0	\$232,682
2052	\$96,508	\$306,201	31.5 %	Medium	3.50 %	\$148,228	\$0	\$0	\$34,642

# 30-Year Income/Expense Detail

Report # 14591-15  
No-Site-Visit

Fiscal Year	2023	2024	2025	2026	2027
Starting Reserve Balance	\$217,433	\$162,053	\$197,864	\$225,638	\$271,227
Annual Reserve Funding	\$46,320	\$50,952	\$56,047	\$61,652	\$67,817
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$263,753</b>	<b>\$213,005</b>	<b>\$253,911</b>	<b>\$287,290</b>	<b>\$339,044</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$5,650	\$5,820	\$5,994	\$6,174	\$6,359
1021 Olive Trees - Treat	\$9,050	\$9,322	\$9,601	\$9,889	\$10,186
1901 Landscape - Refurbish (A)	\$0	\$0	\$0	\$0	\$0
1901 Landscape - Refurbish (B)	\$87,000	\$0	\$0	\$0	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$5,305	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$7,373	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$101,700</b>	<b>\$15,141</b>	<b>\$28,273</b>	<b>\$16,063</b>	<b>\$16,545</b>
Ending Reserve Balance	\$162,053	\$197,864	\$225,638	\$271,227	\$322,499

<b>Fiscal Year</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Starting Reserve Balance	\$322,499	\$132,201	\$187,296	\$137,407	\$196,608
Annual Reserve Funding	\$70,191	\$72,647	\$75,190	\$77,822	\$80,545
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$392,690</b>	<b>\$204,848</b>	<b>\$262,486</b>	<b>\$215,229</b>	<b>\$277,153</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$6,550	\$6,746	\$6,949	\$7,157	\$7,372
1021 Olive Trees - Treat	\$10,491	\$10,806	\$11,130	\$11,464	\$11,808
1901 Landscape - Refurbish (A)	\$243,448	\$0	\$0	\$0	\$0
1901 Landscape - Refurbish (B)	\$0	\$0	\$106,999	\$0	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$260,489</b>	<b>\$17,553</b>	<b>\$125,078</b>	<b>\$18,622</b>	<b>\$19,180</b>
Ending Reserve Balance	\$132,201	\$187,296	\$137,407	\$196,608	\$257,973

<b>Fiscal Year</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>
Starting Reserve Balance	\$257,973	\$321,582	\$387,516	\$142,620	\$213,460
Annual Reserve Funding	\$83,365	\$86,282	\$89,302	\$92,428	\$95,663
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$341,337</b>	<b>\$407,864</b>	<b>\$476,818</b>	<b>\$235,048</b>	<b>\$309,123</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$7,593	\$7,821	\$8,056	\$8,297	\$8,546
1021 Olive Trees - Treat	\$12,162	\$12,527	\$12,903	\$13,290	\$13,689
1901 Landscape - Refurbish (A)	\$0	\$0	\$299,410	\$0	\$0
1901 Landscape - Refurbish (B)	\$0	\$0	\$0	\$0	\$131,595
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$5,560	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$8,269	\$0	\$0
<b>Total Expenses</b>	<b>\$19,756</b>	<b>\$20,348</b>	<b>\$334,198</b>	<b>\$21,587</b>	<b>\$153,830</b>
Ending Reserve Balance	\$321,582	\$387,516	\$142,620	\$213,460	\$155,292

<b>Fiscal Year</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>
Starting Reserve Balance	\$155,292	\$231,401	\$310,288	\$380,567	\$465,317
Annual Reserve Funding	\$99,011	\$102,476	\$106,063	\$109,775	\$113,617
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$254,303</b>	<b>\$333,878</b>	<b>\$416,351</b>	<b>\$490,342</b>	<b>\$578,934</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$8,803	\$9,067	\$9,339	\$9,619	\$9,907
1021 Olive Trees - Treat	\$14,100	\$14,523	\$14,958	\$15,407	\$15,869
1901 Landscape - Refurbish (A)	\$0	\$0	\$0	\$0	\$368,236
1901 Landscape - Refurbish (B)	\$0	\$0	\$0	\$0	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$11,487	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$22,902</b>	<b>\$23,589</b>	<b>\$35,784</b>	<b>\$25,026</b>	<b>\$394,013</b>
Ending Reserve Balance	\$231,401	\$310,288	\$380,567	\$465,317	\$184,921

<b>Fiscal Year</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>
Starting Reserve Balance	\$184,921	\$275,965	\$208,483	\$296,705	\$398,072
Annual Reserve Funding	\$117,594	\$121,710	\$125,970	\$130,378	\$134,942
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$302,515</b>	<b>\$397,675</b>	<b>\$334,453</b>	<b>\$427,084</b>	<b>\$533,014</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$10,205	\$10,511	\$10,826	\$11,151	\$11,485
1021 Olive Trees - Treat	\$16,345	\$16,836	\$17,341	\$17,861	\$18,397
1901 Landscape - Refurbish (A)	\$0	\$0	\$0	\$0	\$0
1901 Landscape - Refurbish (B)	\$0	\$161,846	\$0	\$0	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$9,581	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$26,550</b>	<b>\$189,192</b>	<b>\$37,747</b>	<b>\$29,012</b>	<b>\$29,882</b>
Ending Reserve Balance	\$275,965	\$208,483	\$296,705	\$398,072	\$503,132

<b>Fiscal Year</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>	<b>2051</b>	<b>2052</b>
Starting Reserve Balance	\$503,132	\$612,018	\$271,985	\$388,944	\$311,111
Annual Reserve Funding	\$139,665	\$144,553	\$149,612	\$154,849	\$160,268
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$642,796</b>	<b>\$756,571</b>	<b>\$421,597</b>	<b>\$543,793</b>	<b>\$471,379</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$11,830	\$12,185	\$12,550	\$12,927	\$13,315
1021 Olive Trees - Treat	\$18,949	\$19,517	\$20,103	\$20,706	\$21,327
1901 Landscape - Refurbish (A)	\$0	\$452,884	\$0	\$0	\$0
1901 Landscape - Refurbish (B)	\$0	\$0	\$0	\$199,050	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$30,779</b>	<b>\$484,586</b>	<b>\$32,653</b>	<b>\$232,682</b>	<b>\$34,642</b>
Ending Reserve Balance	\$612,018	\$271,985	\$388,944	\$311,111	\$436,738

<b>Fiscal Year</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Starting Reserve Balance	\$217,433	\$158,573	\$190,556	\$214,119	\$255,076
Annual Reserve Funding	\$42,840	\$47,124	\$51,836	\$57,020	\$62,722
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$260,273</b>	<b>\$205,697</b>	<b>\$242,392</b>	<b>\$271,139</b>	<b>\$317,798</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$5,650	\$5,820	\$5,994	\$6,174	\$6,359
1021 Olive Trees - Treat	\$9,050	\$9,322	\$9,601	\$9,889	\$10,186
1901 Landscape - Refurbish (A)	\$0	\$0	\$0	\$0	\$0
1901 Landscape - Refurbish (B)	\$87,000	\$0	\$0	\$0	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$5,305	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$7,373	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$101,700</b>	<b>\$15,141</b>	<b>\$28,273</b>	<b>\$16,063</b>	<b>\$16,545</b>
Ending Reserve Balance	\$158,573	\$190,556	\$214,119	\$255,076	\$301,253

<b>Fiscal Year</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Starting Reserve Balance	\$301,253	\$105,682	\$155,318	\$99,781	\$153,135
Annual Reserve Funding	\$64,917	\$67,189	\$69,541	\$71,975	\$74,494
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$366,170</b>	<b>\$172,871</b>	<b>\$224,859</b>	<b>\$171,756</b>	<b>\$227,629</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$6,550	\$6,746	\$6,949	\$7,157	\$7,372
1021 Olive Trees - Treat	\$10,491	\$10,806	\$11,130	\$11,464	\$11,808
1901 Landscape - Refurbish (A)	\$243,448	\$0	\$0	\$0	\$0
1901 Landscape - Refurbish (B)	\$0	\$0	\$106,999	\$0	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$260,489</b>	<b>\$17,553</b>	<b>\$125,078</b>	<b>\$18,622</b>	<b>\$19,180</b>
Ending Reserve Balance	\$105,682	\$155,318	\$99,781	\$153,135	\$208,449

<b>Fiscal Year</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2036</b>	<b>2037</b>
Starting Reserve Balance	\$208,449	\$265,795	\$325,246	\$73,641	\$137,537
Annual Reserve Funding	\$77,101	\$79,800	\$82,593	\$85,484	\$88,476
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$285,550</b>	<b>\$345,595</b>	<b>\$407,839</b>	<b>\$159,125</b>	<b>\$226,013</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$7,593	\$7,821	\$8,056	\$8,297	\$8,546
1021 Olive Trees - Treat	\$12,162	\$12,527	\$12,903	\$13,290	\$13,689
1901 Landscape - Refurbish (A)	\$0	\$0	\$299,410	\$0	\$0
1901 Landscape - Refurbish (B)	\$0	\$0	\$0	\$0	\$131,595
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$5,560	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$8,269	\$0	\$0
<b>Total Expenses</b>	<b>\$19,756</b>	<b>\$20,348</b>	<b>\$334,198</b>	<b>\$21,587</b>	<b>\$153,830</b>
Ending Reserve Balance	\$265,795	\$325,246	\$73,641	\$137,537	\$72,182

<b>Fiscal Year</b>	<b>2038</b>	<b>2039</b>	<b>2040</b>	<b>2041</b>	<b>2042</b>
Starting Reserve Balance	\$72,182	\$140,853	\$212,041	\$274,351	\$350,853
Annual Reserve Funding	\$91,572	\$94,777	\$98,095	\$101,528	\$105,081
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$163,755</b>	<b>\$235,630</b>	<b>\$310,135</b>	<b>\$375,879</b>	<b>\$455,934</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$8,803	\$9,067	\$9,339	\$9,619	\$9,907
1021 Olive Trees - Treat	\$14,100	\$14,523	\$14,958	\$15,407	\$15,869
1901 Landscape - Refurbish (A)	\$0	\$0	\$0	\$0	\$368,236
1901 Landscape - Refurbish (B)	\$0	\$0	\$0	\$0	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$11,487	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$22,902</b>	<b>\$23,589</b>	<b>\$35,784</b>	<b>\$25,026</b>	<b>\$394,013</b>
Ending Reserve Balance	\$140,853	\$212,041	\$274,351	\$350,853	\$61,922

<b>Fiscal Year</b>	<b>2043</b>	<b>2044</b>	<b>2045</b>	<b>2046</b>	<b>2047</b>
Starting Reserve Balance	\$61,922	\$144,131	\$67,505	\$146,263	\$237,834
Annual Reserve Funding	\$108,759	\$112,566	\$116,506	\$120,583	\$124,804
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$170,681</b>	<b>\$256,697</b>	<b>\$184,010</b>	<b>\$266,846</b>	<b>\$362,638</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$10,205	\$10,511	\$10,826	\$11,151	\$11,485
1021 Olive Trees - Treat	\$16,345	\$16,836	\$17,341	\$17,861	\$18,397
1901 Landscape - Refurbish (A)	\$0	\$0	\$0	\$0	\$0
1901 Landscape - Refurbish (B)	\$0	\$161,846	\$0	\$0	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$9,581	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$26,550</b>	<b>\$189,192</b>	<b>\$37,747</b>	<b>\$29,012</b>	<b>\$29,882</b>
Ending Reserve Balance	\$144,131	\$67,505	\$146,263	\$237,834	\$332,756

<b>Fiscal Year</b>	<b>2048</b>	<b>2049</b>	<b>2050</b>	<b>2051</b>	<b>2052</b>
Starting Reserve Balance	\$332,756	\$431,149	\$80,256	\$185,975	\$96,508
Annual Reserve Funding	\$129,172	\$133,693	\$138,372	\$143,215	\$148,228
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$0	\$0	\$0	\$0	\$0
<b>Total Income</b>	<b>\$461,928</b>	<b>\$564,842</b>	<b>\$218,628</b>	<b>\$329,190</b>	<b>\$244,735</b>
# Component					
<b>THE VILLAS CC1</b>					
321 Landscape Lights - Partial Replace	\$11,830	\$12,185	\$12,550	\$12,927	\$13,315
1021 Olive Trees - Treat	\$18,949	\$19,517	\$20,103	\$20,706	\$21,327
1901 Landscape - Refurbish (A)	\$0	\$452,884	\$0	\$0	\$0
1901 Landscape - Refurbish (B)	\$0	\$0	\$0	\$199,050	\$0
<b>SHARED WITH MASTER</b>					
1001 Backflow Devices - Replace(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1003 Irr Controllers - Replace (HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Elec Mtr Pedestal - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
1006 Irrig Pedestals - Repl(HOA/CC1)	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$30,779</b>	<b>\$484,586</b>	<b>\$32,653</b>	<b>\$232,682</b>	<b>\$34,642</b>
Ending Reserve Balance	\$431,149	\$80,256	\$185,975	\$96,508	\$210,094



## Accuracy, Limitations, and Disclosures

Association Reserves and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Matthew Swain, R.S., company President, is a credentialed Reserve Specialist (#134). All work done by Association Reserves is performed under his Responsible Charge and is performed in accordance with National Reserve Study Standards (NRSS). There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the client's situation.

Per NRSS, information provided by official representative(s) of the client, vendors, and suppliers regarding financial details, component physical details and/or quantities, or historical issues/conditions will be deemed reliable, and is not intended to be used for the purpose of any type of audit, quality/forensic analysis, or background checks of historical records. As such, information provided to us has not been audited or independently verified.

Estimates for interest and inflation have been included, because including such estimates are more accurate than ignoring them completely. When we are hired to prepare Update reports, the client is considered to have deemed those previously developed component quantities as accurate and reliable, whether established by our firm or other individuals/firms (unless specifically mentioned in our Site Inspection Notes). During inspections our company standard is to establish measurements within 5% accuracy, and our scope includes visual inspection of accessible areas and components and does not include any destructive or other testing. Our work is done only for budget purposes. Uses or expectations outside our expertise and scope of work include, but are not limited to, project audit, quality inspection, and the identification of construction defects, hazardous materials, or dangerous conditions. Identifying hidden issues such as but not limited to plumbing or electrical problems are also outside our scope of work. Our estimates assume proper original installation & construction, adherence to recommended preventive maintenance, a stable economic environment, and do not consider frequency or severity of natural disasters. Our opinions of component Useful Life, Remaining Useful Life, and current or future cost estimates are not a warranty or guarantee of actual costs or timing.

Because the physical and financial status of the property, legislation, the economy, weather, owner expectations, and usage are all in a continual state of change over which we have no control, we do not expect that the events projected in this document will all occur exactly as planned. This Reserve Study is by nature a "one-year" document in need of being updated annually so that more accurate estimates can be incorporated. It is only because a long-term perspective improves the accuracy of near-term planning that this Report projects expenses into the future. We fully expect a number of adjustments will be necessary through the interim years to the cost and timing of expense projections and the funding necessary to prepare for those estimated expenses.

In this engagement our compensation is not contingent upon our conclusions, and our liability in any matter involving this Reserve Study is limited to our fee for services rendered.



## 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). Equivalent to Square Feet
<b>GSY</b>	Gross Square Yards (area). Equivalent to Square Yards
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)
<b>Effective Age</b>	The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.
<b>Fully Funded Balance (FFB)</b>	The value of the deterioration of the Reserve Components. This is the fraction of life "used up" of each component multiplied by its estimated Current Replacement. While calculated for each component, it is summed together for an association total.
<b>Inflation</b>	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 the "30-yr Income/Expense Detail" table.
<b>Interest</b>	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.
<b>Percent Funded</b>	The ratio, at a particular point in time (the first day of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.
<b>Remaining Useful Life (RUL)</b>	The estimated time, in years, that a common area component can be expected to continue to serve its intended function.
<b>Useful Life (UL)</b>	The estimated time, in years, that a common area component can be expected to serve its intended function.



## Component Details

## THE VILLAS CC1

**Comp #: 321 Landscape Lights - Partial Replace****Quantity: ~ (270) Fixtures TOTAL**

Location: CC1 Common Area (Front Yards)

Funded?: Yes.

History:

Comments: Management reports annual allowance noted below moving forward.

Useful Life: 1 years

Remaining Life: 0 years

Best Case: \$ 4,500

Worst Case: \$6,800

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

**Comp #: 503 Metal Fence - Replace****Quantity: Moderate LF**

Location: Local areas throughout CC1 Common Area

Funded?: No. Does not fit NRSS 4-Part Test: HOA/CC is not responsible party

History:

Comments: Management reports majority of fencing throughout Villas Cost Center is owner responsibility. Minimal gate areas reported as CC1 responsibility, however no firm definition at this time, thus no funding incorporated. Once identified by association representative to AR staff and confirmed, funding can be incorporated for CC1 areas.

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 1021 Olive Trees - Treat****Quantity: ~ (53) Olive Trees**

Location: Common areas throughout The Villas Cost Center

Funded?: Yes.

History: Treatment began in 2016

Comments: Management reports the need to annually treat olive trees. Funding allocated accordingly.

Useful Life: 1 years

Remaining Life: 0 years

Best Case: \$ 8,100

Worst Case: \$10,000

Lower allowance

Higher allowance

Cost Source: Estimate Provided by Client

**Comp #: 1107 Metal Fence - Repaint****Quantity: Approx 1,600 LF**

Location: Local areas throughout CC1 Common Area

Funded?: No. Does not fit NRSS 4-Part Test: HOA/CC is not responsible party

History:

Comments: Management reports majority of fencing throughout Villas Cost Center is owner responsibility. Minimal gate areas reported as CC1 responsibility, however no firm definition at this time, thus no funding incorporated. Once identified by association representative to AR staff and confirmed, funding can be incorporated for CC1 areas.

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

**Comp #: 1901 Landscape - Refurbish (A)****Quantity: ~ (59) Yards Total**

Location: Common areas

Funded?: Yes.

History: 2021: ~ \$175k done w/\$25k left to complete (phase A)

Comments:

Useful Life: 7 years

Remaining Life: 5 years

Best Case: \$ 180,000

Worst Case: \$240,000

Lower allowance for partial refurbishments

Higher allowance for similar work

Cost Source: Client Cost History

**Comp #: 1901 Landscape - Refurbish (B)****Quantity: ~ (59) Yards Total**

Location: Common areas

Funded?: Yes.

History: 2021: ~ \$175k done w/\$25k left to complete

Comments:

Useful Life: 7 years

Remaining Life: 0 years

Best Case: \$ 76,000

Worst Case: \$98,000

Lower allowance for partial refurbishments

Higher allowance for similar work

Cost Source: Estimate Provided by Client

**Comp #: 1901 Storm Drain - Repairs**

**Quantity: Moderate GSF**

Location: CC1 Common Area

Funded?: No. Reportedly handled out of the Operating budget. No Reserve funding allocated.

History:

Comments: Reported to be an annual expense through Operating Funds.

Useful Life:

Remaining Life:

Best Case:

Worst Case:

Cost Source:

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**Comp #: 1001 Backflow Devices - Replace(HOA/CC1)**

**Quantity: ~ (4) Backflows**

Location: Throughout common area landscaping  
Funded?: Yes.

History:

Comments: Reduced RUL by 1, cost inflated.

Useful Life: 20 years

Best Case: \$ 4,000

Lower allowance for 50% of total replacement cost  
(other 50% = Villas Component)

Remaining Life: 2 years

Worst Case: \$6,000

Higher allowance for 50% of total replacement cost (other 50% = Villas Component)

Cost Source: ARI Cost Database: Similar Project

Cost History

**Comp #: 1003 Irr Controllers - Replace (HOA/CC1)**

**Quantity: (4) Controllers**

Location: Calle Portone (Lots 142,177/178), Easement at Calle Portone (Lot 179), Corte Spagna (Lot 128)

Funded?: Yes.

History:

Comments: Reduced RUL by 1, cost inflated.

Useful Life: 15 years

Best Case: \$ 6,500

Lower allowance for 50% of total replacement cost  
(other 50% = Villas Component)

Remaining Life: 2 years

Worst Case: \$7,400

Higher allowance for 50% of total replacement cost (other 50% = Villas Component)

Cost Source: Client Cost History plus inflation (2 @

Master, \$2,700/ea 2016)

**Comp #: 1006 Elec Mtr Pedestal - Repl(HOA/CC1)**

**Quantity: (1) Meter Pedestal**

Location: Corte Fresco / Corte Spagna

Funded?: Yes.

History:

Comments: Reduced RUL by 1, cost inflated.

Useful Life: 30 years

Best Case: \$ 3,300

Lower allowance for 50% of total replacement cost  
(other 50% = Villas Component)

Remaining Life: 12 years

Worst Case: \$4,500

Higher allowance for 50% of total replacement cost (other 50% = Villas Component)

Cost Source: ARI Cost Database: Similar Project

Cost History

**Comp #: 1006 Irrig Pedestals - Repl(HOA/CC1)**

**Quantity: (4) Enclosures**

Location: Calle Portone (Lots 142,177/178), Easement at Calle Portone (Lot 179), Corte Spagna (Lot 128)

Funded?: Yes.

History: Original

Comments: Reduced RUL by 1, cost inflated.

Useful Life: 30 years

Best Case: \$ 5,000

Lower allowance for 50% of total replacement cost  
(other 50% = Villas Component)

Remaining Life: 12 years

Worst Case: \$6,600

Higher allowance for 50% of total replacement cost (other 50% = Villas Component)

Cost Source: Client Cost History plus inflation (1 for

Master @ \$2,095 in 2015)