

**Arizona Office**  
4733 E. Firestone Drive  
Chandler, AZ 85249

Phone (480) 361-5340  
(800) 393-7903  
Fax (480) 634-4616  
[www.reservestudy.com](http://www.reservestudy.com)



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## “Full” Reserve Study



### Sanalina HOA Surprise, Arizona

**Report #: 25047-0**  
**For Period Beginning: January 1, 2015**  
**Expires: December 31, 2015**  
**Date Prepared: November 4, 2014**



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

**W**e don't want you to be surprised. This Report is designed to help you anticipate, and prepare for, the major common area expenses your association will face. Inside you will find:

- 1) The Reserve Component List (the “Scope and Schedule” of your Reserve projects) – telling you what your association is Reserving for, what condition they are in now, and what they'll cost to replace.**
- 2) An Evaluation of your current Reserve Fund Size and Strength (Percent Funded). This tells you your financial starting point, revealing your risk of deferred maintenance and special assessments.**
- 3) A Recommended Multi-Year Reserve Funding Plan, answering the question... “What do we do now?”**

**More Questions?**

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# Table of Contents

<b>3- Minute Executive Summary</b> .....	<b>i</b>
Reserve Study Summary .....	i
Reserve Component List – Table 1 .....	ii
<b>Introduction, Objectives, and Methodology</b> .....	<b>1</b>
Which Physical Assets are Funded by Reserves? .....	2
How do we establish Useful Life and Remaining Useful Life estimates? .....	2
How do we establish Current Repair/Replacement Cost Estimates?.....	2
How much Reserves are enough? .....	3
How much should we contribute? .....	4
What is our Recommended Funding Goal? .....	4
<b>Projected Expenses</b> .....	<b>6</b>
Expense Graph – Figure 1 .....	6
<b>Reserve Fund Status &amp; Recommended Funding Plan</b> .....	<b>7</b>
Funding Plan Graph – Figure 2.....	7
Cash Flow Graph – Figure 3 .....	8
% Funded Graph – Figure 4.....	8
<b>Table Descriptions</b> .....	<b>9</b>
Reserve Component List Detail – Table 2.....	10
Contribution & Fund Breakdown – Table 3 .....	11
Component Significance – Table 4 .....	12
30 Year Reserve Plan Summary – Table 5.....	13
30 Year Reserve Plan Year by Year Detail – Table 6 .....	14
<b>Accuracy, Limitations, and Disclosures</b> .....	<b>20</b>
<b>Terms and Definitions</b> .....	<b>21</b>
<b>Component Details</b> .....	<b>Appendix</b>

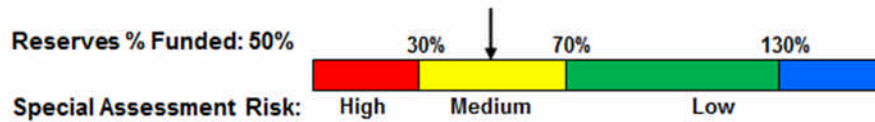
# 3- Minute Executive Summary

**Association:** Sanalina HOA **#:** 25047-0  
**Location:** Surprise, Arizona **# of Units:** 209  
**Report Period:** January 1, 2015 through December 31, 2015

***Findings/Recommendations as-of 1/1/2015:***

<b>Projected Starting Reserve Balance:</b> .....	<b>\$42,400</b>
<b>Current Fully Funded Reserve Balance:</b> .....	<b>\$85,485</b>
<b>Average Reserve Deficit (Surplus) Per Unit:</b> .....	<b>\$206</b>
<b>Recommended 2015 Monthly “Full Funding” Contributions:</b> .....	<b>\$1,403</b>
<b>Alternate Minimum Contributions* To Keep Reserves Above \$0:</b> .....	<b>\$1,050</b>
<b>Recommended 2015 Special Assessment for Reserves:</b> .....	<b>\$0</b>

**Most Recent Budgeted Reserve Contribution Rate:** .....\$1,403



***Economic Assumptions:***

**Net Annual “After Tax” Interest Earnings Accruing to Reserves.....**1.00%  
**Annual Inflation Rate .....**3.00%

- This is a “Full” Reserve Study (original, created “from scratch”) based on our site inspection on October 8, 2014. It was prepared by a credentialed Reserve Specialist (RS).
- The Reserve expense threshold for this analysis is \$1,000. This means no expenses under \$1,000 are funded in the Reserve Study.
- Because your Reserve Fund is 50% Funded, this means the association’s special assessment & deferred maintenance risk is currently medium. 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 and your anticipated future expenses, our recommendation is to maintain your Reserve contributions of \$1,403/month for the 2015 Fiscal Year. Nominal annual increases are scheduled to help offset inflation (see tables herein for details).

\*officially called “Baseline Funding”

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
103	Concrete - Repair	5	3	\$1,350
320	Solar Lights - Replace	45	44	\$20,000
324	Solar Lights - Refurbish	15	14	\$7,200
403	Mailboxes - Replace	18	7	\$24,150
405	Park Furniture - Replace (Concrete)	25	14	\$1,350
405	Park Furniture - Replace (Metal)	15	4	\$4,750
410	Playground Equipment - Replace	20	9	\$40,000
416	Playground Mulch - Replenish	10	0	\$4,000
433	Basketball Goals - Replace	18	7	\$1,600
440	Basketball Lights - Replace	45	34	\$13,500
442	Basketball Lights - Refurbish	15	4	\$5,400
501	Block Walls - Repair	25	14	\$4,250
503	Metal Fence - Replace	24	13	\$2,250
505	View Fence - Replace	40	29	\$10,000
701	Monuments - Refurbish	20	9	\$5,000
803	Irrigation Controllers - Replace	12	1	\$6,000
810	Drywells - Inspect/Clean	5	4	\$2,600
812	Drywells - Partial Replacement	25	14	\$16,500
1105	Block Walls - Repaint	7	2	\$2,700
1107	View Fence - Repaint	5	2	\$4,000
1111	Pole Lights - Repaint (Basketball)	5	0	\$1,000
1111	Pole Lights - Repaint (Solar)	5	9	\$1,500
1305	Ramada Roof - Replace	20	5	\$5,250
23	Total Funded Components			

Note: Yellow 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 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

LEVELS OF SERVICE



For this [Full Reserve Study](#), we started with a review of your Governing Documents, 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 quantify and evaluate your common areas, creating your Reserve Component List *from scratch*.

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

National Reserve Study Standards outlines a 4-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...

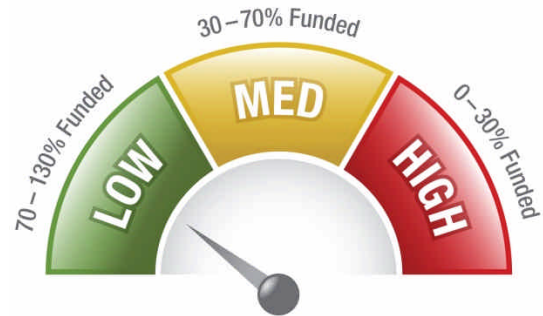
- 1) Actual client cost history, or current proposals
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

### *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 Board Members to recommend to their association. Remember, it is the Board’s job to provide for the ongoing care of the common areas. Board Members 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.

**Site Inspection Notes**

During our site visit on October 8, 2014, we started by meeting with Community Manager Mr. Roger Hartzog with FirstService Residential to discuss the property and any issues or concerns. We then started the site inspection with the playground and basketball court area. Next, we inspected the common walls and fencing. Finally, we inspected the monuments, landscaping, and remaining common areas.



### 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. Your *first five years* of projected Reserve expenses total \$34,113. Adding the next five years, your *first ten years* of projected Reserve expenses are \$147,245. 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 expenses are shown in Table 5, while details of the projects that make up these expenses are shown in Table 6.

### Annual Reserve Expenses

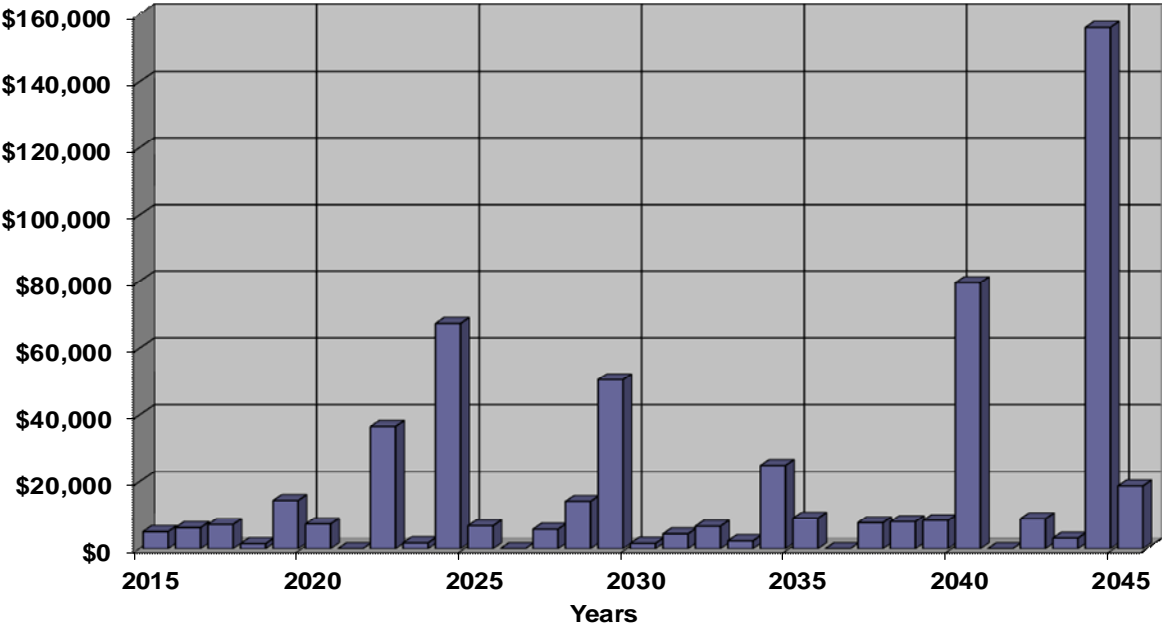


Figure 1

### Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$42,400 as-of the start of your Fiscal Year on January 1, 2015. This is based on your actual balance on June 30, 2014 of \$33,991 and anticipated Reserve contributions projected through the end of your Fiscal Year. As of January 1, 2015, your Fully Funded Balance is computed to be \$85,485 (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 50% Funded. Across the country, approximately 13% of associations in this range experience special assessments or deferred maintenance.

### Recommended Funding Plan

Based on your current Percent Funded and both your near-term and long-term Reserve needs, we recommend budgeted contributions of \$1,403/month this Fiscal Year. The overall 30-yr plan, in perspective, is shown below. This same information is shown numerically in Tables 5 & 6.

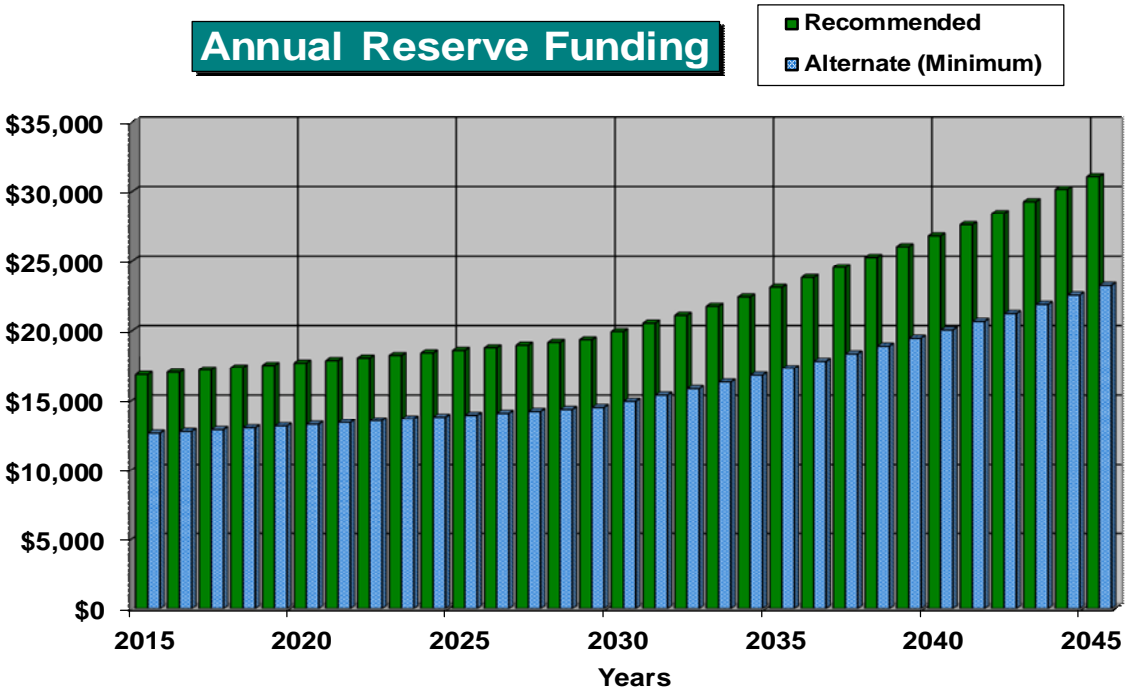


Figure 2

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

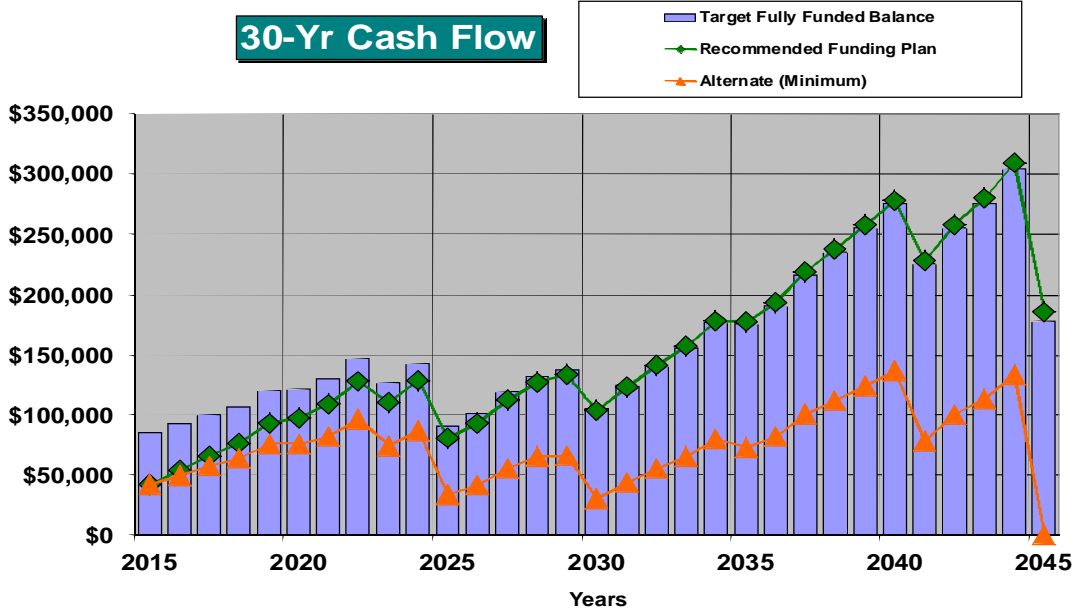


Figure 3

This figure shows this same information, plotted on a [Percent Funded](#) scale.

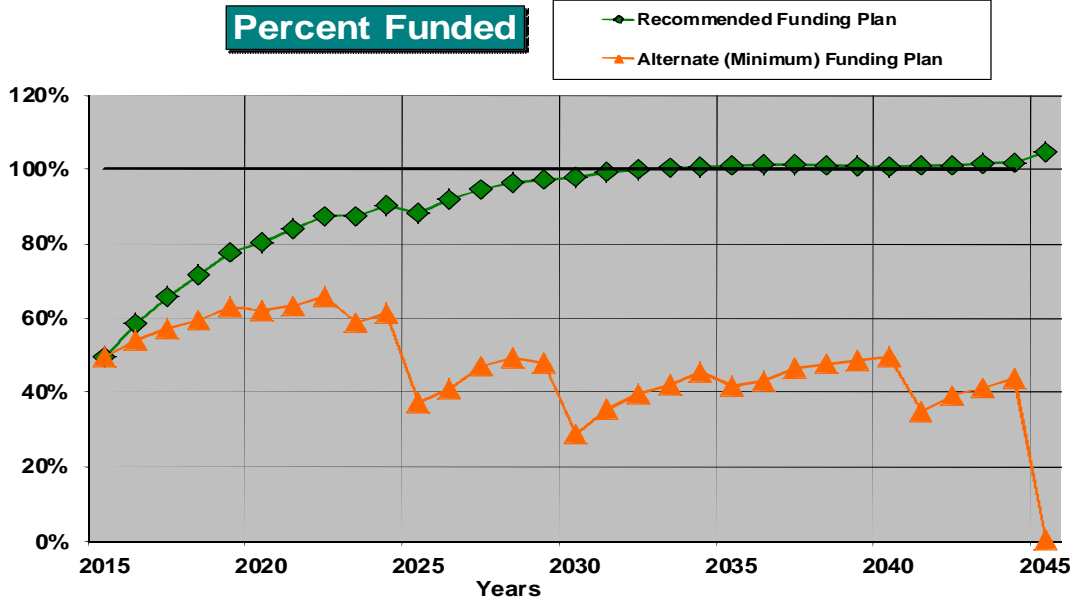


Figure 4

## **Table Descriptions**

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

Table 1 is a summary of your Reserve Components (your Reserve Component List), the information found in Table 2.

Table 2 is your Reserve Component List, which forms the foundation of this Reserve Study. This table represents the information from which all other tables are derived.

Table 3 shows the calculation of your Fully Funded Balance, the measure of your current Reserve component deterioration. For each component, the Fully Funded Balance is the fraction of life used up multiplied by its estimated Current Replacement Cost.

Table 4 shows the significance of each component to Reserve needs of the association, 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 Current Replacement Cost by Useful Life, then that component's percentage of the total is displayed.

Table 5: This table 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 for each year.

Table 6: This table shows the cash flow detail for the next 30 years. This table makes it possible to see which components are projected to require repair or replacement each year, and the size of those individual expenses.

**Table 2: Reserve Component List Detail****25047-0**

#	Component	Quantity	Useful Life	Rem. Useful Life	[ --- Current Cost Estimate --- ]	
					Best Case	Worst Case
103	Concrete - Repair	Numerous Sq Ft	5	3	\$1,200	\$1,500
320	Solar Lights - Replace	(12) Lights	45	44	\$17,000	\$23,000
324	Solar Lights - Refurbish	(12) Lights	15	14	\$6,500	\$7,900
403	Mailboxes - Replace	(17) Clusters	18	7	\$21,700	\$26,600
405	Park Furniture - Replace (Concrete)	(1) Table	25	14	\$1,200	\$1,500
405	Park Furniture - Replace (Metal)	(7) Assorted Pieces	15	4	\$4,300	\$5,200
410	Playground Equipment - Replace	(1) Playstructure	20	9	\$33,000	\$47,000
416	Playground Mulch - Replenish	Approx 2,000 Sq Ft	10	0	\$3,500	\$4,500
433	Basketball Goals - Replace	(2) Goals	18	7	\$1,400	\$1,800
440	Basketball Lights - Replace	(6) Lights	45	34	\$12,000	\$15,000
442	Basketball Lights - Refurbish	(6) Lights	15	4	\$4,800	\$6,000
501	Block Walls - Repair	Approx 1,300 LF	25	14	\$3,800	\$4,700
503	Metal Fence - Replace	Approx 50 LF	24	13	\$2,000	\$2,500
505	View Fence - Replace	Approx 400 LF	40	29	\$9,000	\$11,000
701	Monuments - Refurbish	(2) Monuments	20	9	\$4,400	\$5,600
803	Irrigation Controllers - Replace	(4) RainBird	12	1	\$5,300	\$6,700
810	Drywells - Inspect/Clean	(7) Drywells	5	4	\$2,300	\$2,900
812	Drywells - Partial Replacement	(1) of (7) Drywells	25	14	\$14,000	\$19,000
1105	Block Walls - Repaint	Approx 1,300 LF	7	2	\$2,400	\$3,000
1107	View Fence - Repaint	Approx 400 LF	5	2	\$3,500	\$4,500
1111	Pole Lights - Repaint (Basketball)	(6) Lights	5	0	\$900	\$1,100
1111	Pole Lights - Repaint (Solar)	(12) Lights	5	9	\$1,300	\$1,700
1305	Ramada Roof - Replace	Approx 300 Sq Ft	20	5	\$4,700	\$5,800
23	Total Funded Components					

**Table 3: Fully Funded Balance****25047-0**

#	Component	Current Cost Estimate	X	Effective Age	/	Useful Life	=	Fully Funded Balance
103	Concrete - Repair	\$1,350	X	2	/	5	=	\$540
320	Solar Lights - Replace	\$20,000	X	1	/	45	=	\$444
324	Solar Lights - Refurbish	\$7,200	X	1	/	15	=	\$480
403	Mailboxes - Replace	\$24,150	X	11	/	18	=	\$14,758
405	Park Furniture - Replace (Concrete)	\$1,350	X	11	/	25	=	\$594
405	Park Furniture - Replace (Metal)	\$4,750	X	11	/	15	=	\$3,483
410	Playground Equipment - Replace	\$40,000	X	11	/	20	=	\$22,000
416	Playground Mulch - Replenish	\$4,000	X	10	/	10	=	\$4,000
433	Basketball Goals - Replace	\$1,600	X	11	/	18	=	\$978
440	Basketball Lights - Replace	\$13,500	X	11	/	45	=	\$3,300
442	Basketball Lights - Refurbish	\$5,400	X	11	/	15	=	\$3,960
501	Block Walls - Repair	\$4,250	X	11	/	25	=	\$1,870
503	Metal Fence - Replace	\$2,250	X	11	/	24	=	\$1,031
505	View Fence - Replace	\$10,000	X	11	/	40	=	\$2,750
701	Monuments - Refurbish	\$5,000	X	11	/	20	=	\$2,750
803	Irrigation Controllers - Replace	\$6,000	X	11	/	12	=	\$5,500
810	Drywells - Inspect/Clean	\$2,600	X	1	/	5	=	\$520
812	Drywells - Partial Replacement	\$16,500	X	11	/	25	=	\$7,260
1105	Block Walls - Repaint	\$2,700	X	5	/	7	=	\$1,929
1107	View Fence - Repaint	\$4,000	X	3	/	5	=	\$2,400
1111	Pole Lights - Repaint (Basketball)	\$1,000	X	5	/	5	=	\$1,000
1111	Pole Lights - Repaint (Solar)	\$1,500	X	0	/	5	=	\$0
1305	Ramada Roof - Replace	\$5,250	X	15	/	20	=	\$3,938
								\$85,485



**Table 4: Component Significance****25047-0**

#	Component	Useful Life	Current Cost Estimate	Deterioration Cost/Yr.	Deterioration Significance
103	Concrete - Repair	5	\$1,350	\$270	2.6%
320	Solar Lights - Replace	45	\$20,000	\$444	4.3%
324	Solar Lights - Refurbish	15	\$7,200	\$480	4.6%
403	Mailboxes - Replace	18	\$24,150	\$1,342	12.8%
405	Park Furniture - Replace (Concrete)	25	\$1,350	\$54	0.5%
405	Park Furniture - Replace (Metal)	15	\$4,750	\$317	3.0%
410	Playground Equipment - Replace	20	\$40,000	\$2,000	19.1%
416	Playground Mulch - Replenish	10	\$4,000	\$400	3.8%
433	Basketball Goals - Replace	18	\$1,600	\$89	0.9%
440	Basketball Lights - Replace	45	\$13,500	\$300	2.9%
442	Basketball Lights - Refurbish	15	\$5,400	\$360	3.4%
501	Block Walls - Repair	25	\$4,250	\$170	1.6%
503	Metal Fence - Replace	24	\$2,250	\$94	0.9%
505	View Fence - Replace	40	\$10,000	\$250	2.4%
701	Monuments - Refurbish	20	\$5,000	\$250	2.4%
803	Irrigation Controllers - Replace	12	\$6,000	\$500	4.8%
810	Drywells - Inspect/Clean	5	\$2,600	\$520	5.0%
812	Drywells - Partial Replacement	25	\$16,500	\$660	6.3%
1105	Block Walls - Repaint	7	\$2,700	\$386	3.7%
1107	View Fence - Repaint	5	\$4,000	\$800	7.7%
1111	Pole Lights - Repaint (Basketball)	5	\$1,000	\$200	1.9%
1111	Pole Lights - Repaint (Solar)	5	\$1,500	\$300	2.9%
1305	Ramada Roof - Replace	20	\$5,250	\$263	2.5%
23	Total Funded Components			\$10,448	100.0%

**Table 5: 30-Year Reserve Plan Summary**

**25047-0**

**Report Start Date: 01/01/15**

**Interest: 1.0%**

**Inflation: 3.0%**

**Reserve Fund Strength Calculations  
(All values as of Fiscal Year Start Date)**

**Projected Reserve Balance Changes**

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2015	\$42,400	\$85,485	49.6%	Med	\$16,836	\$0	\$485	\$5,000
2016	\$54,721	\$93,352	58.6%	Med	\$17,004	\$0	\$604	\$6,180
2017	\$66,150	\$100,553	65.8%	Med	\$17,174	\$0	\$715	\$7,108
2018	\$76,931	\$107,337	71.7%	Low	\$17,346	\$0	\$853	\$1,475
2019	\$93,655	\$120,458	77.7%	Low	\$17,520	\$0	\$957	\$14,350
2020	\$97,781	\$121,403	80.5%	Low	\$17,695	\$0	\$1,035	\$7,245
2021	\$109,265	\$130,057	84.0%	Low	\$17,872	\$0	\$1,187	\$0
2022	\$128,324	\$146,808	87.4%	Low	\$18,050	\$0	\$1,196	\$36,589
2023	\$110,982	\$126,761	87.6%	Low	\$18,231	\$0	\$1,198	\$1,710
2024	\$128,701	\$142,434	90.4%	Low	\$18,413	\$0	\$1,046	\$67,587
2025	\$80,573	\$91,133	88.4%	Low	\$18,597	\$0	\$869	\$6,720
2026	\$93,320	\$101,408	92.0%	Low	\$18,783	\$0	\$1,032	\$0
2027	\$113,135	\$119,346	94.8%	Low	\$18,971	\$0	\$1,203	\$5,703
2028	\$127,606	\$132,395	96.4%	Low	\$19,161	\$0	\$1,307	\$14,098
2029	\$133,977	\$137,649	97.3%	Low	\$19,353	\$0	\$1,189	\$50,520
2030	\$103,998	\$106,019	98.1%	Low	\$19,933	\$0	\$1,137	\$1,558
2031	\$123,510	\$124,360	99.3%	Low	\$20,531	\$0	\$1,322	\$4,333
2032	\$141,031	\$140,897	100.1%	Low	\$21,147	\$0	\$1,490	\$6,611
2033	\$157,056	\$156,100	100.6%	Low	\$21,781	\$0	\$1,676	\$2,298
2034	\$178,215	\$176,736	100.8%	Low	\$22,435	\$0	\$1,778	\$24,987
2035	\$177,440	\$175,171	101.3%	Low	\$23,108	\$0	\$1,853	\$9,031
2036	\$193,371	\$190,560	101.5%	Low	\$23,801	\$0	\$2,062	\$0
2037	\$219,234	\$216,296	101.4%	Low	\$24,515	\$0	\$2,287	\$7,664
2038	\$238,372	\$235,510	101.2%	Low	\$25,251	\$0	\$2,481	\$7,993
2039	\$258,111	\$255,580	101.0%	Low	\$26,008	\$0	\$2,682	\$8,334
2040	\$278,467	\$276,538	100.7%	Low	\$26,788	\$0	\$2,532	\$79,564
2041	\$228,224	\$225,415	101.2%	Low	\$27,592	\$0	\$2,431	\$0
2042	\$258,247	\$255,384	101.1%	Low	\$28,420	\$0	\$2,692	\$8,885
2043	\$280,474	\$275,967	101.6%	Low	\$29,272	\$0	\$2,949	\$3,089
2044	\$309,607	\$303,800	101.9%	Low	\$30,151	\$0	\$2,477	\$156,240

**Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)****25047-0**

Fiscal Year	2015	2016	2017	2018	2019
Starting Reserve Balance	\$42,400	\$54,721	\$66,150	\$76,931	\$93,655
Annual Reserve Contribution	\$16,836	\$17,004	\$17,174	\$17,346	\$17,520
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$485	\$604	\$715	\$853	\$957
<b>Total Income</b>	<b>\$59,721</b>	<b>\$72,330</b>	<b>\$84,039</b>	<b>\$95,130</b>	<b>\$112,131</b>
# Component					
103 Concrete - Repair	\$0	\$0	\$0	\$1,475	\$0
320 Solar Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Solar Lights - Refurbish	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Concrete)	\$0	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Metal)	\$0	\$0	\$0	\$0	\$5,346
410 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$0
416 Playground Mulch - Replenish	\$4,000	\$0	\$0	\$0	\$0
433 Basketball Goals - Replace	\$0	\$0	\$0	\$0	\$0
440 Basketball Lights - Replace	\$0	\$0	\$0	\$0	\$0
442 Basketball Lights - Refurbish	\$0	\$0	\$0	\$0	\$6,078
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
803 Irrigation Controllers - Replace	\$0	\$6,180	\$0	\$0	\$0
810 Drywells - Inspect/Clean	\$0	\$0	\$0	\$0	\$2,926
812 Drywells - Partial Replacement	\$0	\$0	\$0	\$0	\$0
1105 Block Walls - Repaint	\$0	\$0	\$2,864	\$0	\$0
1107 View Fence - Repaint	\$0	\$0	\$4,244	\$0	\$0
1111 Pole Lights - Repaint (Basketball)	\$1,000	\$0	\$0	\$0	\$0
1111 Pole Lights - Repaint (Solar)	\$0	\$0	\$0	\$0	\$0
1305 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$5,000</b>	<b>\$6,180</b>	<b>\$7,108</b>	<b>\$1,475</b>	<b>\$14,350</b>
Ending Reserve Balance:	\$54,721	\$66,150	\$76,931	\$93,655	\$97,781

**Table 6: 30-Year Income/Expense Detail (yrs 5 through 9)****25047-0**

Fiscal Year	2020	2021	2022	2023	2024
Starting Reserve Balance	\$97,781	\$109,265	\$128,324	\$110,982	\$128,701
Annual Reserve Contribution	\$17,695	\$17,872	\$18,050	\$18,231	\$18,413
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,035	\$1,187	\$1,196	\$1,198	\$1,046
<b>Total Income</b>	<b>\$116,511</b>	<b>\$128,324</b>	<b>\$147,571</b>	<b>\$130,411</b>	<b>\$148,160</b>
<b># Component</b>					
103 Concrete - Repair	\$0	\$0	\$0	\$1,710	\$0
320 Solar Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Solar Lights - Refurbish	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$29,701	\$0	\$0
405 Park Furniture - Replace (Concrete)	\$0	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Metal)	\$0	\$0	\$0	\$0	\$0
410 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$52,191
416 Playground Mulch - Replenish	\$0	\$0	\$0	\$0	\$0
433 Basketball Goals - Replace	\$0	\$0	\$1,968	\$0	\$0
440 Basketball Lights - Replace	\$0	\$0	\$0	\$0	\$0
442 Basketball Lights - Refurbish	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$6,524
803 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
810 Drywells - Inspect/Clean	\$0	\$0	\$0	\$0	\$3,392
812 Drywells - Partial Replacement	\$0	\$0	\$0	\$0	\$0
1105 Block Walls - Repaint	\$0	\$0	\$0	\$0	\$3,523
1107 View Fence - Repaint	\$0	\$0	\$4,919	\$0	\$0
1111 Pole Lights - Repaint (Basketball)	\$1,159	\$0	\$0	\$0	\$0
1111 Pole Lights - Repaint (Solar)	\$0	\$0	\$0	\$0	\$1,957
1305 Ramada Roof - Replace	\$6,086	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$7,245</b>	<b>\$0</b>	<b>\$36,589</b>	<b>\$1,710</b>	<b>\$67,587</b>
Ending Reserve Balance:	\$109,265	\$128,324	\$110,982	\$128,701	\$80,573

**Table 6: 30-Year Income/Expense Detail (yrs 10 through 14)****25047-0**

Fiscal Year	2025	2026	2027	2028	2029
Starting Reserve Balance	\$80,573	\$93,320	\$113,135	\$127,606	\$133,977
Annual Reserve Contribution	\$18,597	\$18,783	\$18,971	\$19,161	\$19,353
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$869	\$1,032	\$1,203	\$1,307	\$1,189
<b>Total Income</b>	<b>\$100,039</b>	<b>\$113,135</b>	<b>\$133,309</b>	<b>\$148,075</b>	<b>\$154,519</b>
# Component					
103 Concrete - Repair	\$0	\$0	\$0	\$1,983	\$0
320 Solar Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Solar Lights - Refurbish	\$0	\$0	\$0	\$0	\$10,891
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Concrete)	\$0	\$0	\$0	\$0	\$2,042
405 Park Furniture - Replace (Metal)	\$0	\$0	\$0	\$0	\$0
410 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$0
416 Playground Mulch - Replenish	\$5,376	\$0	\$0	\$0	\$0
433 Basketball Goals - Replace	\$0	\$0	\$0	\$0	\$0
440 Basketball Lights - Replace	\$0	\$0	\$0	\$0	\$0
442 Basketball Lights - Refurbish	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$6,429
503 Metal Fence - Replace	\$0	\$0	\$0	\$3,304	\$0
505 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
803 Irrigation Controllers - Replace	\$0	\$0	\$0	\$8,811	\$0
810 Drywells - Inspect/Clean	\$0	\$0	\$0	\$0	\$3,933
812 Drywells - Partial Replacement	\$0	\$0	\$0	\$0	\$24,958
1105 Block Walls - Repaint	\$0	\$0	\$0	\$0	\$0
1107 View Fence - Repaint	\$0	\$0	\$5,703	\$0	\$0
1111 Pole Lights - Repaint (Basketball)	\$1,344	\$0	\$0	\$0	\$0
1111 Pole Lights - Repaint (Solar)	\$0	\$0	\$0	\$0	\$2,269
1305 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$6,720</b>	<b>\$0</b>	<b>\$5,703</b>	<b>\$14,098</b>	<b>\$50,520</b>
Ending Reserve Balance:	\$93,320	\$113,135	\$127,606	\$133,977	\$103,998

**Table 6: 30-Year Income/Expense Detail (yrs 15 through 19)****25047-0**

Fiscal Year	2030	2031	2032	2033	2034
Starting Reserve Balance	\$103,998	\$123,510	\$141,031	\$157,056	\$178,215
Annual Reserve Contribution	\$19,933	\$20,531	\$21,147	\$21,781	\$22,435
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,137	\$1,322	\$1,490	\$1,676	\$1,778
<b>Total Income</b>	<b>\$125,068</b>	<b>\$145,364</b>	<b>\$163,668</b>	<b>\$180,513</b>	<b>\$202,428</b>
<b># Component</b>					
103 Concrete - Repair	\$0	\$0	\$0	\$2,298	\$0
320 Solar Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Solar Lights - Refurbish	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Concrete)	\$0	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Metal)	\$0	\$0	\$0	\$0	\$8,329
410 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$0
416 Playground Mulch - Replenish	\$0	\$0	\$0	\$0	\$0
433 Basketball Goals - Replace	\$0	\$0	\$0	\$0	\$0
440 Basketball Lights - Replace	\$0	\$0	\$0	\$0	\$0
442 Basketball Lights - Refurbish	\$0	\$0	\$0	\$0	\$9,469
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
803 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
810 Drywells - Inspect/Clean	\$0	\$0	\$0	\$0	\$4,559
812 Drywells - Partial Replacement	\$0	\$0	\$0	\$0	\$0
1105 Block Walls - Repaint	\$0	\$4,333	\$0	\$0	\$0
1107 View Fence - Repaint	\$0	\$0	\$6,611	\$0	\$0
1111 Pole Lights - Repaint (Basketball)	\$1,558	\$0	\$0	\$0	\$0
1111 Pole Lights - Repaint (Solar)	\$0	\$0	\$0	\$0	\$2,630
1305 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$1,558</b>	<b>\$4,333</b>	<b>\$6,611</b>	<b>\$2,298</b>	<b>\$24,987</b>
Ending Reserve Balance:	\$123,510	\$141,031	\$157,056	\$178,215	\$177,440

**Table 6: 30-Year Income/Expense Detail (yrs 20 through 24)****25047-0**

Fiscal Year	2035	2036	2037	2038	2039
Starting Reserve Balance	\$177,440	\$193,371	\$219,234	\$238,372	\$258,111
Annual Reserve Contribution	\$23,108	\$23,801	\$24,515	\$25,251	\$26,008
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,853	\$2,062	\$2,287	\$2,481	\$2,682
<b>Total Income</b>	<b>\$202,401</b>	<b>\$219,234</b>	<b>\$246,036</b>	<b>\$266,104</b>	<b>\$286,801</b>
# Component					
103 Concrete - Repair	\$0	\$0	\$0	\$2,664	\$0
320 Solar Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Solar Lights - Refurbish	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Concrete)	\$0	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Metal)	\$0	\$0	\$0	\$0	\$0
410 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$0
416 Playground Mulch - Replenish	\$7,224	\$0	\$0	\$0	\$0
433 Basketball Goals - Replace	\$0	\$0	\$0	\$0	\$0
440 Basketball Lights - Replace	\$0	\$0	\$0	\$0	\$0
442 Basketball Lights - Refurbish	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 View Fence - Replace	\$0	\$0	\$0	\$0	\$0
701 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$0
803 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
810 Drywells - Inspect/Clean	\$0	\$0	\$0	\$0	\$5,285
812 Drywells - Partial Replacement	\$0	\$0	\$0	\$0	\$0
1105 Block Walls - Repaint	\$0	\$0	\$0	\$5,329	\$0
1107 View Fence - Repaint	\$0	\$0	\$7,664	\$0	\$0
1111 Pole Lights - Repaint (Basketball)	\$1,806	\$0	\$0	\$0	\$0
1111 Pole Lights - Repaint (Solar)	\$0	\$0	\$0	\$0	\$3,049
1305 Ramada Roof - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$9,031</b>	<b>\$0</b>	<b>\$7,664</b>	<b>\$7,993</b>	<b>\$8,334</b>
Ending Reserve Balance:	\$193,371	\$219,234	\$238,372	\$258,111	\$278,467

**Table 6: 30-Year Income/Expense Detail (yrs 25 through 29)****25047-0**

Fiscal Year	2040	2041	2042	2043	2044
Starting Reserve Balance	\$278,467	\$228,224	\$258,247	\$280,474	\$309,607
Annual Reserve Contribution	\$26,788	\$27,592	\$28,420	\$29,272	\$30,151
Recommended Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$2,532	\$2,431	\$2,692	\$2,949	\$2,477
<b>Total Income</b>	<b>\$307,787</b>	<b>\$258,247</b>	<b>\$289,360</b>	<b>\$312,696</b>	<b>\$342,235</b>
<b># Component</b>					
103 Concrete - Repair	\$0	\$0	\$0	\$3,089	\$0
320 Solar Lights - Replace	\$0	\$0	\$0	\$0	\$0
324 Solar Lights - Refurbish	\$0	\$0	\$0	\$0	\$16,967
403 Mailboxes - Replace	\$50,565	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Concrete)	\$0	\$0	\$0	\$0	\$0
405 Park Furniture - Replace (Metal)	\$0	\$0	\$0	\$0	\$0
410 Playground Equipment - Replace	\$0	\$0	\$0	\$0	\$94,263
416 Playground Mulch - Replenish	\$0	\$0	\$0	\$0	\$0
433 Basketball Goals - Replace	\$3,350	\$0	\$0	\$0	\$0
440 Basketball Lights - Replace	\$0	\$0	\$0	\$0	\$0
442 Basketball Lights - Refurbish	\$0	\$0	\$0	\$0	\$0
501 Block Walls - Repair	\$0	\$0	\$0	\$0	\$0
503 Metal Fence - Replace	\$0	\$0	\$0	\$0	\$0
505 View Fence - Replace	\$0	\$0	\$0	\$0	\$23,566
701 Monuments - Refurbish	\$0	\$0	\$0	\$0	\$11,783
803 Irrigation Controllers - Replace	\$12,563	\$0	\$0	\$0	\$0
810 Drywells - Inspect/Clean	\$0	\$0	\$0	\$0	\$6,127
812 Drywells - Partial Replacement	\$0	\$0	\$0	\$0	\$0
1105 Block Walls - Repaint	\$0	\$0	\$0	\$0	\$0
1107 View Fence - Repaint	\$0	\$0	\$8,885	\$0	\$0
1111 Pole Lights - Repaint (Basketball)	\$2,094	\$0	\$0	\$0	\$0
1111 Pole Lights - Repaint (Solar)	\$0	\$0	\$0	\$0	\$3,535
1305 Ramada Roof - Replace	\$10,992	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$79,564</b>	<b>\$0</b>	<b>\$8,885</b>	<b>\$3,089</b>	<b>\$156,240</b>
Ending Reserve Balance:	\$228,224	\$258,247	\$280,474	\$309,607	\$185,995



## Accuracy, Limitations, and Disclosures

Because we have no control over future events, we do not expect that all the events we anticipate will occur as planned. We expect that inflationary trends will continue, and we expect Reserve funds to continue to earn interest, so we believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. We can control measurements, which we attempt to establish within 5% accuracy through a combination of on-site measurements, drawings, and satellite imagery. The starting Reserve Balance and interest rate earned on deposited Reserve funds that you provided to us were considered reliable and were not confirmed independently. 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 Useful Life, Remaining Useful Life, and Current Cost estimates assume a stable economic environment and lack of natural disasters.

Because the physical condition of your components, the association's Reserve balance, the economic environment, and legislative environment change each year, this Reserve Study is by nature a "one-year" document. Because a long-term perspective improves the accuracy of near-term planning, this Report projects expenses for the next 30 years. It is our recommendation and that of the Financial Accounting Standards Board (FASB) that your Reserve Study be updated each year as part of the annual budget process.

Association Reserves 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 (#61). All work done by Association Reserves – AZ, LLC 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.

Component quantities indicated in this Report were developed by Association Reserves unless noted otherwise in our "Site Inspection Notes" comments. No destructive or intrusive testing was performed. This Report and the site inspection were accomplished only for Reserve budget purposes (to help identify and address the normal deterioration of properly built and installed components with predictable life expectancies). The Funding Plan in this Report was developed using the cash-flow methodology to achieve the specified Funding Objective.

Association Reserves' 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)

**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 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.

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

**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 6.

**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.

**Percent Funded:** 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.

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

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

**Component Details**

Client: 25047A Sanalina HOA

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**Comp # : 103      Concrete - Repair**      Quantity: Numerous Sq Ft  
Location : Common area walkways; Landscape curbing; Basketball court  
Funded? : Yes

History : Installed during 2004.

Evaluation : There is no expectancy to completely replace the concrete. This component provides an allowance for periodic repairs and/or partial replacements. Generally smooth and in good shape overall.

Useful Life:  
5 years

Remaining Life:  
3 years



Best Case: \$1,200

Worst Case: \$1,500

Allowance for repairs and/or partial replacement

Higher allowance

Cost Source: ARI Cost Allowance

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**Comp # : 320      Solar Lights - Replace**      Quantity: (12) Lights  
Location : Adjacent to mailboxes, east end of community, & ramada at the playground  
Funded? : Yes

History : Installed during 2013-2014 for approximately \$19,000.

Evaluation : Appear newer and in good shape. Manufactured by Solar King. This component provides funding for complete replacement of the pole, fixture, and solar panel assembly.

Useful Life:  
45 years

Remaining Life:  
44 years



Best Case: \$17,000

Worst Case: \$23,000

Estimate to replace

Higher estimate

Cost Source: Client Cost History

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Client: 25047A Sanalina HOA

**Comp # : 324      Solar Lights - Refurbish      Quantity: (12) Lights**

Location : Adjacent to mailboxes, east end of community, & ramada at the playground

Funded? : Yes

History : Installed during 2013-2014.

Evaluation : This component provides funding to refurbish the solar lights in-between complete replacement intervals. This may include replacing solar panels, batteries, fixtures, etc.

Useful Life:  
15 years

Remaining Life:  
14 years



Best Case: \$6,500  
Estimate to refurbish

Worst Case: \$7,900  
Higher estimate

Cost Source: ARI Cost Database

**Comp # : 403      Mailboxes - Replace      Quantity: (17) Clusters**

Location : Adjacent to streets throughout community

Funded? : Yes

History : Installed during 2004.

Evaluation : Clusters include (9) 16-box, (6) 12-box, and (2) 8-box. Still functional and in fair shape. Future replacement should be anticipated.

Useful Life:  
18 years

Remaining Life:  
7 years



Best Case: \$21,700  
Estimate to replace

Worst Case: \$26,600  
Higher estimate

Cost Source: Research at [www.mailboxes.com](http://www.mailboxes.com)

Client: 25047A Sanalina HOA

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**Comp # : 405      Park Furniture - Replace (Concrete)      Quantity: (1) Table**

Location : Playground area

Funded? : Yes

History : Installed during 2004.

Evaluation : Still appears to be in nice shape. Long life component under normal circumstances. It would still be prudent to plan for future replacement.

Useful Life:  
25 years

Remaining Life:  
14 years



Best Case: \$1,200  
Estimate to replace

Worst Case: \$1,500  
Higher estimate

Cost Source: ARI Cost Database

---

**Comp # : 405      Park Furniture - Replace (Metal)      Quantity: (7) Assorted Pieces**

Location : Playground area & east end of community

Funded? : Yes

History : Installed during 2004.

Evaluation : Pieces include (4) benches, (1) trash receptacle, and (2) charcoal grills. Appear to be in decent shape and not abused. Future replacement should be anticipated.

Useful Life:  
15 years

Remaining Life:  
4 years



Best Case: \$4,300  
Estimate to replace

Worst Case: \$5,200  
Higher estimate

Cost Source: ARI Cost Database

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Client: 25047A Sanalina HOA

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**Comp # : 410      Playground Equipment - Replace**

Quantity: (1) Playstructure

Location : Playground area

Funded? : Yes

History : Installed during 2004.

Evaluation : Appears to be in decent shape and not abused. Manufactured by Playworld Systems. Future replacement should be anticipated.

Useful Life:  
20 years

Remaining Life:  
9 years



Best Case: \$33,000  
Estimate to replace

Worst Case: \$47,000  
Higher estimate

Cost Source: ARI Cost Database

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**Comp # : 416      Playground Mulch - Replenish**

Quantity: Approx 2,000 Sq Ft

Location : Playground area

Funded? : Yes

History : Installed during 2004.

Evaluation : Surfaces feel and appear thin. Recommend planning to replenish in the near future.

Useful Life:  
10 years

Remaining Life:  
0 years



Best Case: \$3,500  
Estimate to replenish

Worst Case: \$4,500  
Higher estimate

Cost Source: ARI Cost Database

---

Client: 25047A Sanalina HOA

**Comp # : 430      Basketball Court - Replace**

Quantity: (1) Full Court

Location : Adjacent to the playground area

Funded? : No There is no expectancy for replacement.

History : Installed during 2004.

Evaluation : This is a concrete court with painted lines. Under normal circumstances there is no expectancy to replace the court. Repaint the lines periodically as an Operating expense.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp # : 433      Basketball Goals - Replace**

Quantity: (2) Goals

Location : Basketball court

Funded? : Yes

History : Installed during 2004.

Evaluation : Use and wear evident. Manufactured by PW Athletics. Future replacement should be anticipated.

Useful Life:

18 years

Remaining Life:

7 years



Best Case: \$1,400

Worst Case: \$1,800

Estimate to replace

Higher estimate

Cost Source: ARI Cost Database



Client: 25047A Sanalina HOA

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**Comp # : 440      Basketball Lights - Replace      Quantity: (6) Lights**  
Location : Basketball court  
Funded? : Yes

History : Installed during 2004.

Evaluation : The basketball court lights are reportedly the responsibility of the association. Appear functional with no problems reported. This component provides funding for complete replacement of the pole and fixture assembly.

Useful Life:  
45 years

Remaining Life:  
34 years



Best Case: \$12,000  
Estimate to replace

Worst Case: \$15,000  
Higher estimate

Cost Source: ARI Cost Database

---

**Comp # : 442      Basketball Lights - Refurbish      Quantity: (6) Lights**  
Location : Basketball court  
Funded? : Yes

History : Installed during 2004.

Evaluation : This component provides funding to refurbish the basketball lights in-between complete replacement intervals. This will primarily include replacing the fixtures.

Useful Life:  
15 years

Remaining Life:  
4 years



Best Case: \$4,800  
Estimate to refurbish

Worst Case: \$6,000  
Higher estimate

Cost Source: ARI Cost Database

---

Client: 25047A Sanalina HOA

**Comp # : 501      Block Walls - Repair      Quantity: Approx 1,300 LF**

Location : Southwest end of community (not bordering homeowner lots)

Funded? : Yes

History : Installed during 2004.

Evaluation : Walls are expected to last the life of the community under normal circumstances. This component provides an allowance for repairs and/or partial replacement due to excessive settling or other sources of damage.

Useful Life:  
25 years

Remaining Life:  
14 years



Best Case: \$3,800

Worst Case: \$4,700

Estimate to repair 5% of the total

Higher estimate to repair 5%

Cost Source: ARI Cost Database

**Comp # : 501      Block Walls - Repair      Quantity: Numerous LF**

Location : Walls bordering homeowner lots

Funded? : No Responsibility of each owner, not the association.

History : Installed during 2004.

Evaluation : Walls bordering homeowner lots are reportedly the responsibility of each owner, not the association. No Reserve funding has been allocated for repairs or repainting.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

Client: 25047A Sanalina HOA

**Comp # : 503 Metal Fence - Replace**

Quantity: Approx 50 LF

Location : In-between lots 69 & 70; Near lot 1

Funded? : Yes

History : Installed during 2004. Some repairs were completed recently.

Evaluation : Rust issues evident. Repaint periodically as an Operating expense to maintain the appearance and to inhibit rust. Future replacement should be anticipated.

Useful Life:  
24 years

Remaining Life:  
13 years



Best Case: \$2,000  
Estimate to replace

Worst Case: \$2,500  
Higher estimate

Cost Source: ARI Cost Database

**Comp # : 505 View Fence - Replace**

Quantity: Approx 400 LF

Location : Bordering south end of the playground & basketball court area

Funded? : Yes

History : Installed during 2004.

Evaluation : Appears sturdy and in good shape. Fence is mounted on block walls and away from irrigation exposure, which will extend the life expectancy. It would still be prudent to plan for complete replacement eventually.

Useful Life:  
40 years

Remaining Life:  
29 years



Best Case: \$9,000  
Estimate to replace

Worst Case: \$11,000  
Higher estimate

Cost Source: ARI Cost Database

Client: 25047A Sanalina HOA

**Comp # : 701      Monuments - Refurbish**

Quantity: (2) Monuments

Location : Community entrances off Waddell Rd

Funded? : Yes

History : Installed during 2004.

Evaluation : These are double-sided monuments. Still in decent shape. Funding is provided for future replacement of the lettering.

Useful Life:  
20 years

Remaining Life:  
9 years



Best Case: \$4,400  
Estimate to refurbish

Worst Case: \$5,600  
Higher estimate

Cost Source: ARI Cost Database

**Comp # : 803      Irrigation Controllers - Replace**

Quantity: (4) RainBird

Location : (2) south of the basketball court, (1) near lot 69, and (1) at Waddell Rd & 152nd Dr

Funded? : Yes

History : Installed during 2004.

Evaluation : Assumed to be functional with no problems reported. Based on age, controllers should be nearing time for replacement.

Useful Life:  
12 years

Remaining Life:  
1 years



Best Case: \$5,300  
Estimate to replace

Worst Case: \$6,700  
Higher estimate

Cost Source: ARI Cost Database

# Association Reserves - AZ, LLC

# Component Details

Client: 25047A Sanalina HOA

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**Comp # : 805      Landscape Granite - Replenish      Quantity: Numerous Tons**

Location : Common areas throughout community

Funded? : No The association plans to replenish as an Operating expense.

History : Installed during 2004.

Evaluation : Approximately \$25,000 is being spent between 2013-2017 to top-dress the existing granite throughout the community. The association budgets replenishing as an Operating expense. No Reserve funding required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

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**Comp # : 810      Drywells - Inspect/Clean      Quantity: (7) Drywells**

Location : (6) along the south & east ends of the community; (1) near the playground & basketball court area

Funded? : Yes

History : Inspected and cleaned during 2014 for approximately \$2,500.

Evaluation : Periodic inspection and cleaning should be expected to ensure proper function and longevity.

Useful Life:

5 years

Remaining Life:

4 years



Best Case: \$2,300

Worst Case: \$2,900

Estimate to inspect/clean

Higher estimate

Cost Source: Client Cost History

---

Client: 25047A Sanalina HOA

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**Comp # : 812      Drywells - Partial Replacement**

Quantity: (1) of (7) Drywells

Location : (6) along the south & east ends of the community; (1) near the playground & basketball court area

Funded? : Yes

History : Installed during 2004.

Evaluation : There is no expectancy to replace drywells under normal circumstances. Replacement is usually the result of improper installation or neglect. This component provides an allowance for partial replacement in the event failure does occur.

Useful Life:  
25 years

Remaining Life:  
14 years



Best Case: \$14,000

Worst Case: \$19,000

Estimate to replace (1) of (7) drywells

Higher estimate

Cost Source: ARI Cost Database

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**Comp # : 1105      Block Walls - Repaint**

Quantity: Approx 1,300 LF

Location : Southwest end of community (not bordering homeowner lots)

Funded? : Yes

History : Installed during 2004.

Evaluation : Surfaces appear to be in decent shape. Periodic repainting should be expected. Treat touch-ups as an Operating expense.

Useful Life:  
7 years

Remaining Life:  
2 years



Best Case: \$2,400

Worst Case: \$3,000

Estimate to repaint

Higher estimate

Cost Source: ARI Cost Database

---

Client: 25047A Sanalina HOA

**Comp # : 1106 Culvert Rails - Repaint**

Quantity: Minimal LF

Location : Drainage areas throughout community

Funded? : No Repaint periodically as an Operating expense.

History : Installed during 2004.

Evaluation : Surfaces appear to be in poor shape. Rust and fading evident. The association plans to repaint the culvert rails as an Operating expense. No Reserve funding required.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

**Comp # : 1107 View Fence - Repaint**

Quantity: Approx 400 LF

Location : Bordering south end of the playground & basketball court area

Funded? : Yes

History : Repainted during 2012 for approximately \$4,000. Cost is high and likely included some repairs.

Evaluation : Fair conditions observed. Repaint periodically to maintain the appearance and to inhibit rust.

Useful Life:

5 years

Remaining Life:

2 years



Best Case: \$3,500

Worst Case: \$4,500

Estimate to repaint

Higher estimate

Cost Source: Client Cost History

Client: 25047A Sanalina HOA

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**Comp # : 1111 Pole Lights - Repaint (Basketball)** Quantity: (6) Lights

Location : Basketball court

Funded? : Yes

History : Installed during 2004. They do not appear to have been repainted since installation.

Evaluation : Pole lights appear faded and oxidized. Recommend planning to repaint in the near future to restore the appearance and to inhibit rust.

Useful Life:  
5 years

Remaining Life:  
0 years



Best Case: \$900  
Estimate to repaint

Worst Case: \$1,100  
Higher estimate

Cost Source: ARI Cost Database

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**Comp # : 1111 Pole Lights - Repaint (Solar)** Quantity: (12) Lights

Location : Adjacent to mailboxes, east end of community, & ramada at the playground

Funded? : Yes

History : Installed during 2013-2014.

Evaluation : Initial finish from the factory has an extended life span. Expect to eventually paint the pole lights, and periodically thereafter. Surfaces still appear to be in good shape.

Useful Life:  
5 years

Remaining Life:  
9 years



Best Case: \$1,300  
Estimate to repaint

Worst Case: \$1,700  
Higher estimate

Cost Source: ARI Cost Database

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Client: 25047A Sanalina HOA

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Comp # : 1305 Ramada Roof - Replace

Quantity: Approx 300 Sq Ft

Location : Playground area

Funded? : Yes

History : Installed during 2004.

Evaluation : Dents and holes noted. Roof exhibits wear and damages. Funding is provided for future replacement. Remaining life reflects condition and not the age. Repaint the ramada metal beams and posts as an Operating expense.

Useful Life:  
20 years

Remaining Life:  
5 years



Best Case: \$4,700  
Estimate to replace

Worst Case: \$5,800  
Higher estimate

Cost Source: ARI Cost Database

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