RESERVE ANALYSIS REPORT

Cave Creek Villas

Phoenix, Arizona

Version 002

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Advanced Reserve Solutions, Inc.

2761 E. Bridgeport Parkway

Gilbert, Arizona 85295

Phone (480) 473-7643

Tom Thompson: Email: tthompson@arsinc.com

Cave Creek Villas

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Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

♦ ♦ ♦ ♦ INTRODUCTION TO RESERVE BUDGETING ♦ ♦ ♦ ♦

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes a “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain association common areas and property values of individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

♦ ♦ ♦ ♦ UNDERSTANDING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget
Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis is prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

Percent Funded
Measure of the reserve fund "health" (expressed as a percentage) as of the beginning of the fiscal year for which the reserve analysis is prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

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

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

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

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

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

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

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

Statutory Funding
Describes goal/objective as described or required by local laws or codes. Component calculation method, minimum cash flow calculation method or directed cash flow calculation method may be used to develop a statutory funding plan, depending on the requirements.

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

There are three funding methods which can be used to develop a reserve funding plan based on reserve funding goals/ objectives: Component Calculation Method, Minimum Cash Flow Calculation Method and Directed Cash Flow Calculation Method.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow calculation method funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user "directs" the funding plan as needed to achieve reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using the directed cash flow calculation method. Whereas component calculation method funding plans and minimum cash flow calculation method funding plans are typically used as reference information; usually considered the "floor" (minimum cash flow calculation method) and "ceiling" (component calculation method) of a reasonable reserve funding plan.

The three calculation methods are described as follows:

Component Calculation Method

Component calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the "straight line" method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the fully funded reserves in time, and then enables the association to maintain fully funded reserves through time. The following is a detailed description of component calculation method:

Step 1: Calculation of fully funded balance for each component

Fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

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

Step 2: Distribution of current reserve funds

Association's current reserve funds are assigned to (or distributed amongst) reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserve funds are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a "second pass." Again, components are organized in remaining life order, from least to greatest, and remaining current reserve funds are assigned to each component up to its current cost, until reserve funds are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a "third pass." Components with a remaining life of zero years are assigned double their current cost, until reserve funds are exhausted. After pass 3, if additional reserve funds remain, there are excess reserves.

Distributing, or assigning, reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a "starting" balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the contribution increase parameter to develop a "stair stepped" contribution.

For example, if an association needs to accumulate $100,000 in ten years, $10,000 could be contributed each year. Alternatively, the association could contribute $8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, the contribution increase parameter should match the inflation parameter. Matching the contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using a contribution increase parameter that is greater than the inflation parameter will reduce the burden to current members at the expense of future members. Using a contribution increase parameter that is less than the inflation parameter will increase the burden to the current members to the benefit of future members. The following chart shows a comparison:

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

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

Minimum Cash Flow Calculation Method

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

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding). This calculation method will determine the minimum reserve contribution to ensure that the beginning reserve balance is sufficient to pay for the scheduled expenditures in each year. By definition, this calculation method will create a funding plan where, at some point over the projection period, the beginning reserve fund balance will equal the expenditures for that year. Under some conditions, based on reserve expenditure profile, this calculation method produces a funding plan that will take the association into an overfunded status through time; in these cases, directed cash flow calculation method can be used to optimize results.

Minimum cash flow calculation method is not without downsides… Unlike component calculation method, the minimum cash flow calculation method cannot precisely calculate reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using minimum cash flow calculation method typical-

ly requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

Directed Cash Flow Calculation Method

Directed cash flow calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due and, if possible, determine the optimal funding plan to achieve 100% funding over the projection period.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user "directs" the funding plan as needed to achieve any reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using this calculation method.

Directed cash flow calculation method is not without downsides… Unlike component calculation method, the directed cash flow calculation method cannot precisely calculate reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using directed cash flow calculation method typically requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

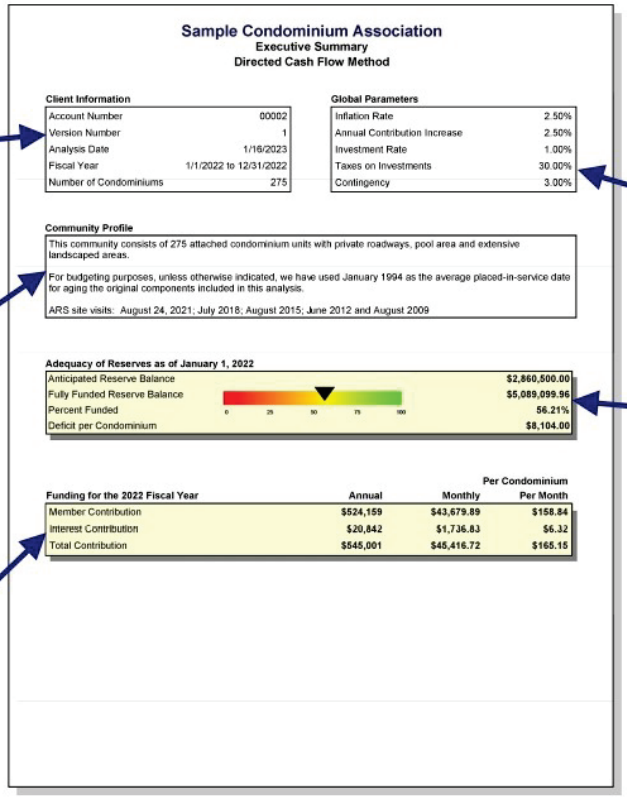
♦ ♦ ♦ ♦ READING THE RESERVE ANALYSIS ♦ ♦ ♦ ♦

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a "red flag" is raised in this review, the reader should then check the detail information ("Component Detail"), of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

Executive Summary
Provides general information about project, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information
Provides information including fiscal year for which reserve analysis is prepared, number of units, etc.

Global Parameters
Displays calculation parameters that were used to calculate reserve analysis including inflation, contribution increase, investment rate, tax rate and contingency.



Sample Condominium Association
Executive Summary
Directed Cash Flow Method

Client Information

Account Number	00002
Version Number	1
Analysis Date	1/16/2023
Fiscal Year	1/1/2022 to 12/31/2022
Number of Condominiums	275

Global Parameters

Inflation Rate	2.50%
Annual Contribution Increase	2.50%
Investment Rate	1.00%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile

This community consists of 275 attached condominium units with private roadways, pool area and extensive landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used January 1994 as the average placed-in-service date for aging the original components included in this analysis.

ARS site visits: August 24, 2021; July 2018; August 2015; June 2012 and August 2009

Adequacy of Reserves as of January 1, 2022

Anticipated Reserve Balance	$2,860,500.00
Fully Funded Reserve Balance	$5,089,099.96
Percent Funded	56.21%
Deficit per Condominium	$8,104.00

Funding for the 2022 Fiscal Year	Annual	Monthly	Per Condominium Per Month
Member Contribution	$524,159	$43,679.89	$158.84
Interest Contribution	$20,842	$1,736.83	$6.32
Total Contribution	$545,001	$45,416.72	$165.15

Community Profile
Provides brief description of community as well as other "global" comments.

Budget
Provides recommended funding for fiscal year for which reserve analysis is prepared. Indicates reserve funding from membership, anticipated interest contribution and total contribution requirement.

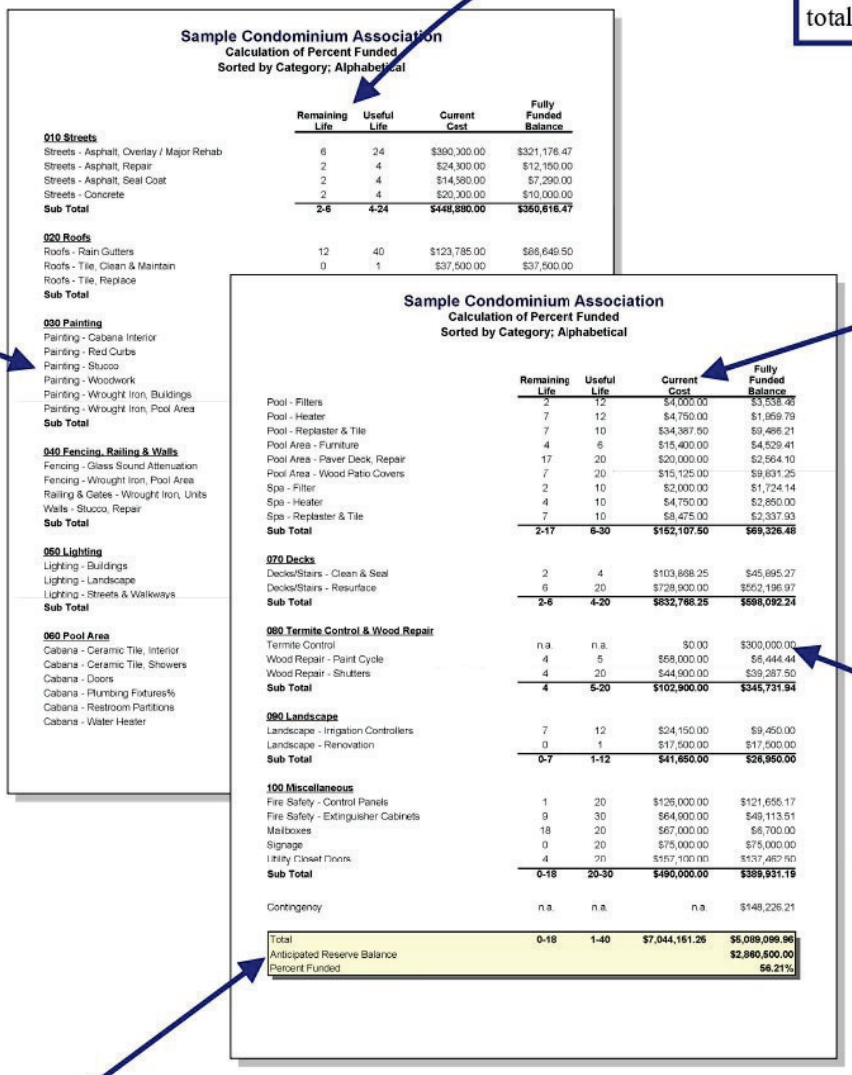
Adequacy of Reserves
Displays results of calculations with regard to "health" of reserve fund as of beginning of fiscal year for which the reserve analysis is prepared. Provides anticipated reserve balance, fully funded reserve balance and percent funded.

Calculation of Percent Funded

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

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

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



Sample Condominium Association
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	6	24	$390,000.00	$321,176.47
Streets - Asphalt, Repair	2	4	$24,300.00	$12,150.00
Streets - Asphalt, Seal Coat	2	4	$14,580.00	$7,290.00
Streets - Concrete	2	4	$20,000.00	$10,000.00
Sub Total	**2-6**	**4-24**	**$448,880.00**	**$350,616.47**
020 Roofs				
Roofs - Rain Gutters	12	40	$123,785.00	$86,649.50
Roofs - Tile, Clean & Maintain	0	1	$37,500.00	$37,500.00
Roofs - Tile, Replace				
Sub Total				
030 Painting				
Painting - Cabana Interior				
Painting - Red Curbs				
Painting - Stucco				
Painting - Woodwork				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation				
Fencing - Wrought Iron, Pool Area				
Railing & Gates - Wrought Iron, Units				
Walls - Stucco, Repair				
Sub Total				
050 Lighting				
Lighting - Buildings				
Lighting - Landscape				
Lighting - Streets & Walkways				
Sub Total				
060 Pool Area				
Cabana - Ceramic Tile, Interior				
Cabana - Ceramic Tile, Showers				
Cabana - Doors				
Cabana - Plumbing Fixtures%				
Cabana - Restroom Partitions				
Cabana - Water Heater				

Sample Condominium Association
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool - Filters	2	12	$4,000.00	$3,538.46
Pool - Heater	7	12	$4,750.00	$1,959.79
Pool - Replaster & Tile	7	10	$34,387.50	$9,486.21
Pool Area - Furniture	4	6	$15,400.00	$4,529.41
Pool Area - Paver Deck, Repair	17	20	$20,000.00	$2,564.10
Pool Area - Wood Patio Covers	7	20	$15,125.00	$9,831.25
Spa - Filter	2	10	$2,000.00	$1,724.14
Spa - Heater	4	10	$4,750.00	$2,850.00
Spa - Replaster & Tile	7	10	$8,475.00	$2,337.93
Sub Total	**2-17**	**6-30**	**$152,107.50**	**$69,326.48**
070 Decks				
Decks/Stairs - Clean & Seal	2	4	$103,868.25	$45,695.27
Decks/Stairs - Resurface	6	20	$728,900.00	$552,196.97
Sub Total	**2-6**	**4-20**	**$832,768.25**	**$598,092.24**
080 Termite Control & Wood Repair				
Termite Control	n.a.	n.a.	$0.00	$300,000.00
Wood Repair - Paint Cycle	4	5	$58,000.00	$6,444.44
Wood Repair - Shutters	4	20	$44,900.00	$39,287.50
Sub Total	**4**	**5-20**	**$102,900.00**	**$345,731.94**
090 Landscape				
Landscape - Irrigation Controllers	7	12	$24,150.00	$9,450.00
Landscape - Renovation	0	1	$17,500.00	$17,500.00
Sub Total	**0-7**	**1-12**	**$41,650.00**	**$26,950.00**
100 Miscellaneous				
Fire Safety - Control Panels	1	20	$126,000.00	$121,655.17
Fire Safety - Extinguisher Cabinets	9	30	$64,900.00	$49,113.51
Mailboxes	18	20	$67,000.00	$8,700.00
Signage	0	20	$75,000.00	$75,000.00
Utility Closet Doors	4	20	$157,100.00	$137,462.50
Sub Total	**0-18**	**20-30**	**$490,000.00**	**$389,931.19**
Contingency	n.a.	n.a.	n.a.	$148,226.21
Total	0-18	1-40	$7,044,161.26	$5,089,099.96
Anticipated Reserve Balance				$2,860,500.00
Percent Funded				56.21%

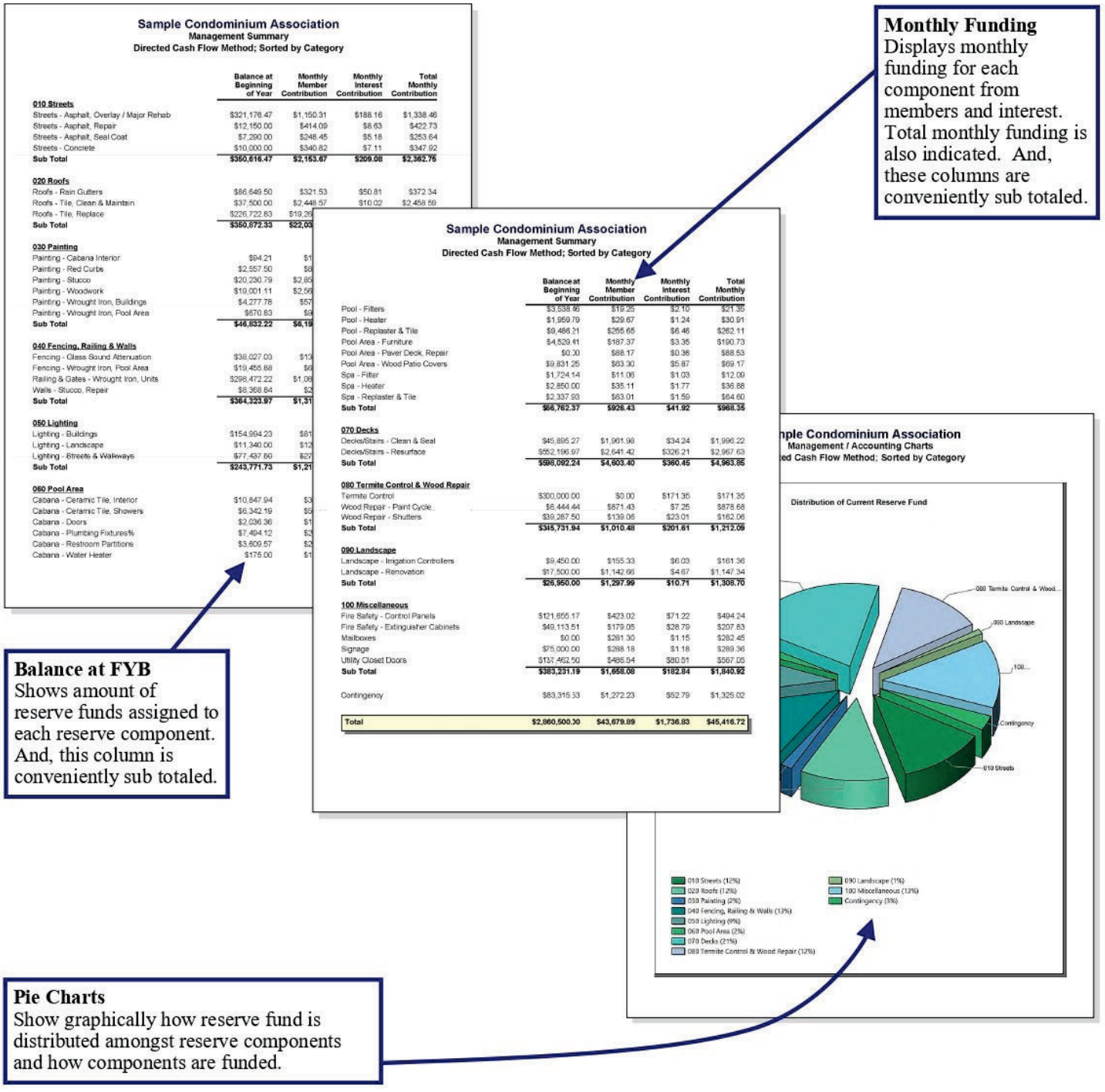
Current Cost
Displays current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

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

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

Management Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides assigned reserve funds at beginning of fiscal year for which reserve analysis is prepared along with monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how reserve fund is distributed amongst reserve component categories and how each category is funded on a monthly basis.



Sample Condominium Association
Management Summary
Directed Cash Flow Method; Sorted by Category

	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	$321,176.47	$1,150.31	$188.16	$1,338.46
Streets - Asphalt, Repair	$12,150.00	$414.09	$8.63	$422.73
Streets - Asphalt, Seal Coat	$7,290.00	$248.45	$5.18	$253.64
Streets - Concrete	$10,000.00	$340.82	$7.11	$347.92
Sub Total	**$350,616.47**	**$2,153.67**	**$209.08**	**$2,362.75**
020 Roofs				
Roofs - Rain Gutters	$86,649.50	$321.53	$50.81	$372.34
Roofs - Tile, Clean & Maintain	$37,500.00	$2,448.57	$10.02	$2,458.59
Roofs - Tile, Replace	$226,722.83	$19,26		
Sub Total	**$350,872.33**	**$22,03**		
030 Painting				
Painting - Cabana Interior	$84.21	$1		
Painting - Red Curbs	$2,557.50	$8		
Painting - Stucco	$20,230.79	$2,85		
Painting - Woodwork	$19,001.11	$2,56		
Painting - Wrought Iron, Buildings	$4,277.78	$57		
Painting - Wrought Iron, Pool Area	$670.83	$9		
Sub Total	**$46,832.22**	**$6,19**		
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation	$38,027.03	$13		
Fencing - Wrought Iron, Pool Area	$19,455.88	$6		
Railing & Gates - Wrought Iron, Units	$298,472.22	$1,08		
Walls - Stucco, Repair	$8,368.84	$2		
Sub Total	**$364,323.97**	**$1,31**		
050 Lighting				
Lighting - Buildings	$154,994.23	$81		
Lighting - Landscape	$11,340.00	$12		
Lighting - Streets & Walkways	$77,437.50	$27		
Sub Total	**$243,771.73**	**$1,21**		
060 Pool Area				
Cabana - Ceramic Tile, Interior	$10,847.94	$3		
Cabana - Ceramic Tile, Showers	$6,342.19	$5		
Cabana - Doors	$2,036.36	$1		
Cabana - Plumbing Fixtures%	$7,494.12	$2		
Cabana - Restroom Partitions	$3,609.57	$2		
Cabana - Water Heater	$175.00	$1		

Sample Condominium Association
Management Summary
Directed Cash Flow Method; Sorted by Category

	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
Pool - Filters	$3,538.86	$19.25	$2.10	$21.35
Pool - Heater	$1,959.79	$29.67	$1.24	$30.91
Pool - Replaster & Tile	$9,486.21	$255.65	$6.46	$262.11
Pool Area - Furniture	$4,529.41	$187.37	$3.35	$190.73
Pool Area - Paver Deck, Repair	$0.30	$88.17	$0.36	$88.53
Pool Area - Wood Patio Covers	$9,831.25	$93.30	$5.87	$99.17
Spa - Filter	$1,724.14	$11.06	$1.03	$12.09
Spa - Heater	$2,850.00	$35.11	$1.77	$36.88
Spa - Replaster & Tile	$2,337.93	$63.01	$1.59	$64.60
Sub Total	**$56,762.37**	**$926.43**	**$41.92**	**$968.35**
070 Decks				
Decks/Stairs - Clean & Seal	$45,895.27	$1,961.98	$34.24	$1,996.22
Decks/Stairs - Resurface	$552,196.97	$2,641.42	$326.21	$2,967.63
Sub Total	**$598,092.24**	**$4,603.40**	**$360.45**	**$4,963.85**
080 Termite Control & Wood Repair				
Termite Control	$300,000.00	$0.00	$171.36	$171.36
Wood Repair - Paint Cycle	$6,444.44	$871.43	$7.25	$878.68
Wood Repair - Shutters	$39,287.50	$139.06	$23.01	$162.06
Sub Total	**$345,731.94**	**$1,010.48**	**$201.61**	**$1,212.09**
090 Landscape				
Landscape - Irrigation Controllers	$9,450.00	$155.33	$6.03	$161.36
Landscape - Renovation	$17,500.00	$1,142.66	$4.67	$1,147.34
Sub Total	**$26,950.00**	**$1,297.99**	**$10.71**	**$1,308.70**
100 Miscellaneous				
Fire Safety - Control Panels	$121,655.17	$423.02	$71.22	$494.24
Fire Safety - Extinguisher Cabinets	$49,113.51	$179.05	$28.79	$207.83
Mailboxes	$0.00	$281.30	$1.15	$282.45
Signage	$75,000.00	$288.18	$1.18	$289.36
Utility Closet Doors	$137,462.50	$486.54	$80.51	$567.05
Sub Total	**$383,231.19**	**$1,658.09**	**$182.84**	**$1,840.92**
Contingency	$83,315.53	$1,272.23	$52.79	$1,325.02
Total	**$2,860,500.30**	**$43,679.89**	**$1,736.83**	**$45,416.72**

Monthly Funding
Displays monthly funding for each component from members and interest. Total monthly funding is also indicated. And, these columns are conveniently sub totaled.

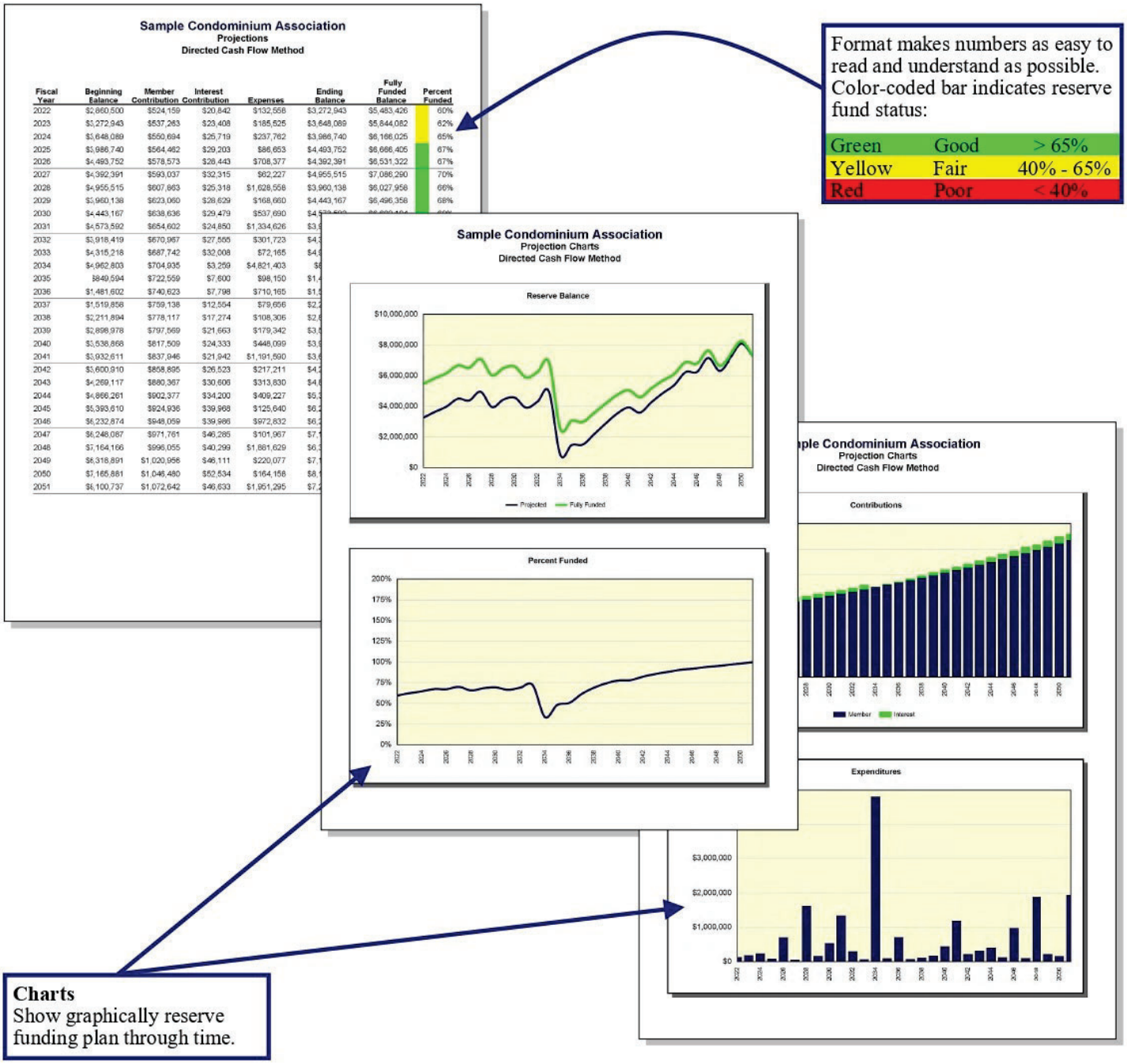
Balance at FYB
Shows amount of reserve funds assigned to each reserve component. And, this column is conveniently sub totaled.

Pie Charts
Show graphically how reserve fund is distributed amongst reserve components and how components are funded.

Preface

Projections and Charts

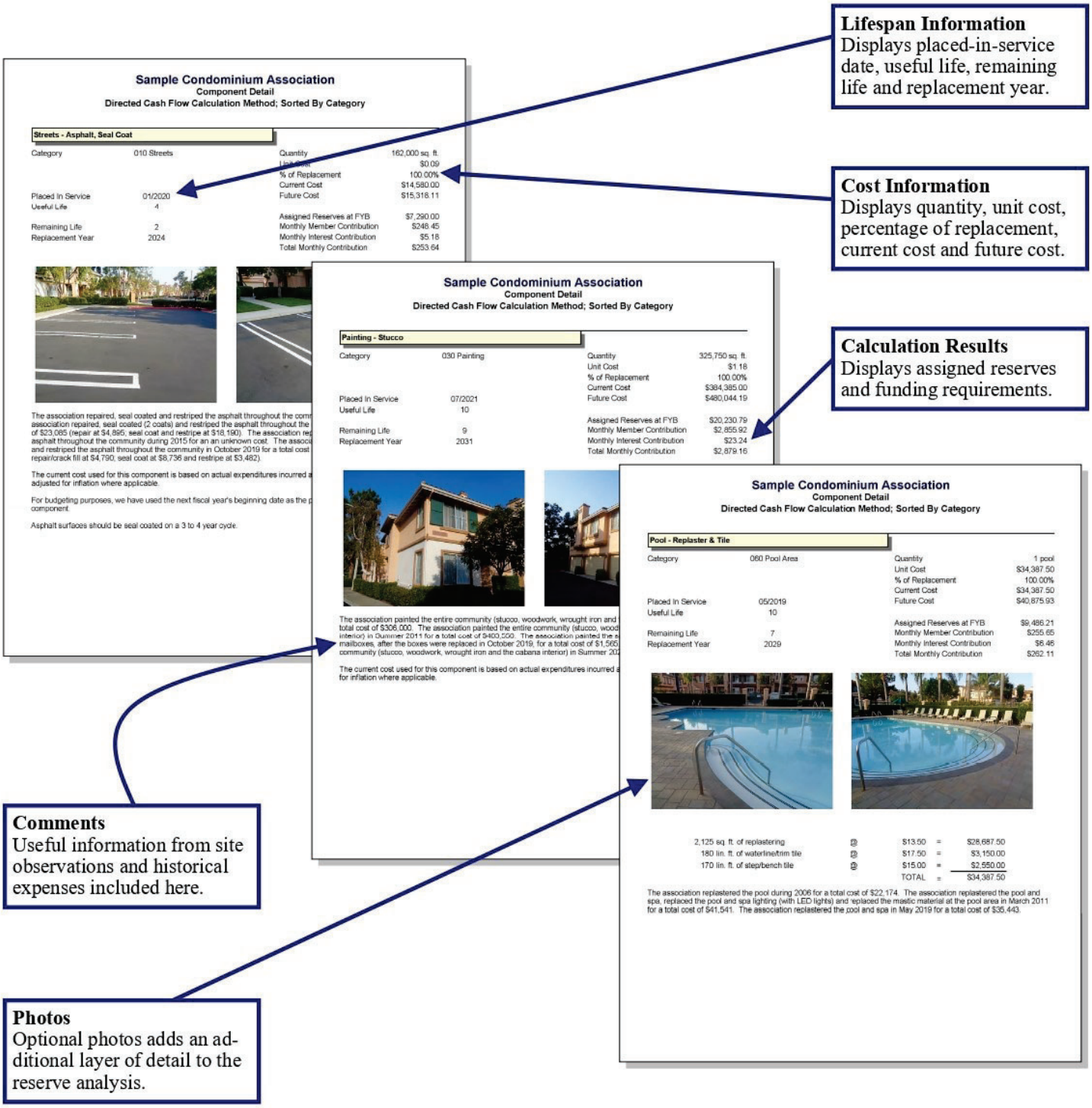
Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of projection period (shown here for 30 years). Two columns on the right-hand side provide fully funded ending balance and percent funded for each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



Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2022	$2,860,500	$524,159	$20,842	$132,558	$3,272,943	$5,483,426	60%
2023	$3,272,943	$537,263	$23,408	$185,525	$3,648,089	$5,844,082	62%
2024	$3,648,089	$550,694	$25,719	$237,762	$3,986,740	$6,166,025	65%
2025	$3,986,740	$564,462	$29,203	$86,653	$4,493,752	$6,666,405	67%
2026	$4,493,752	$578,573	$28,443	$708,377	$4,392,391	$6,531,322	67%
2027	$4,392,391	$593,037	$32,315	$62,227	$4,955,515	$7,086,290	70%
2028	$4,955,515	$607,863	$25,318	$1,628,558	$3,960,138	$6,027,958	66%
2029	$3,960,138	$623,060	$28,629	$168,660	$4,443,167	$6,496,358	68%
2030	$4,443,167	$638,636	$29,479	$537,690	$4,573,592		
2031	$4,573,592	$654,602	$24,850	$1,334,626	$3,918,419		
2032	$3,918,419	$670,967	$27,555	$301,723	$4,315,218		
2033	$4,315,218	$687,742	$32,008	$72,165	$4,962,803		
2034	$4,962,803	$704,935	$3,259	$4,821,403	$849,594		
2035	$849,594	$722,559	$7,600	$98,150	$1,481,602		
2036	$1,481,602	$740,623	$7,798	$710,165	$1,519,858		
2037	$1,519,858	$759,138	$12,554	$79,656	$2,211,894		
2038	$2,211,894	$778,117	$17,274	$108,306	$2,898,978		
2039	$2,898,978	$797,569	$21,663	$179,342	$3,538,868		
2040	$3,538,868	$817,509	$24,333	$448,099	$3,932,611		
2041	$3,932,611	$837,946	$21,942	$1,191,590	$3,600,910		
2042	$3,600,910	$858,895	$26,523	$217,211	$4,269,117		
2043	$4,269,117	$880,367	$30,606	$313,830	$4,866,261		
2044	$4,866,261	$902,377	$34,200	$409,227	$5,393,610		
2045	$5,393,610	$924,936	$39,968	$125,640	$6,232,874		
2046	$6,232,874	$948,059	$39,986	$972,832	$6,248,087		
2047	$6,248,087	$971,761	$46,285	$101,967	$7,164,166		
2048	$7,164,166	$996,055	$40,299	$1,881,629	$6,318,891		
2049	$6,318,891	$1,020,956	$46,111	$220,077	$7,165,881		
2050	$7,165,881	$1,046,480	$52,534	$164,158	$8,100,737		
2051	$8,100,737	$1,072,642	$46,633	$1,951,295			

Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.



♦ ♦ ♦ ♦ GLOSSARY OF KEY TERMS ♦ ♦ ♦ ♦

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

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

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

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

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

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

In most cases, this rate should match the inflation parameter. Matching the contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

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

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

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

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

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

Fully funded reserve balance is the sum of the fully funded reserves for each reserve component.
An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve com-

ponents it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost
Amount of money, as of fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters
Financial parameters used to calculate reserve analysis. See also "inflation parameter," "contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter
Rate used in calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents rate the association expects the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution
Amount of money contributed to reserve fund by interest earned on reserve fund and member contributions.

Investment Rate Parameter
Gross rate used in calculation of interest contribution (interest earned) from reserve balance and member contributions. This rate (net of taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate association expects to earn on their reserve fund investments.

Membership Contribution
Amount of money contributed to reserve fund by association's membership.

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

Monthly Contribution (and "Fixed" Monthly Contribution)
Amount of money, for fiscal year which reserve analysis is prepared, that a reserve component will be funded.

Monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds $1,000 to the roofs each month, but the association would like to show $500 funded to roofs each month, a "fixed" contribution of $500 can be assigned.

Number of Units (or other assessment basis)
Number of units for which reserve analysis is prepared. In "phased" developments, this number represents the number of units, and corresponding common area components, that exist as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than number of units. Examples include time-interval weeks for timeshare resorts or lot acreage (or square feet) for commercial/ industrial developments.

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

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

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

Reserve fund health:

Green	Good	> 65%
Yellow	Fair	40% to 65%
Red	Poor	< 40%

An association that is 100% funded does not have all reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for reserve components it maintains, based on each component's current replacement cost, age and useful life.

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

For most reserve components, this percentage is 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%. Another example would be a component where partial replacement is expected, such as interior doors.

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

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

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

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

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

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

Reserve Components
Line items included in the reserve analysis.

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

Total Contribution
Sum of membership contribution and interest contribution.

Useful Life
Length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

♦ ♦ ♦ ♦ LIMITATIONS OF RESERVE ANALYSIS ♦ ♦ ♦ ♦

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

Representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility or error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, climate change, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the reserve components.

Cave Creek Villas
Executive Summary
Directed Cash Flow Method

Client Information

Account Number	2487
Version Number	002
Analysis Date	8/7/2025
Fiscal Year	1/1/2026 to 12/31/2026
Number of Units	120

Global Parameters

Inflation Rate	3.00%
Annual Contribution Increase	10.00%
Investment Rate	1.70%
Taxes on Investments	0.00%
Contingency	0.00%

Community Profile

This community was built in 2005. Refer to the Component Detail section of this report for the dates used to age each reserve component. The projected reserve balance calculation follows:

Reserve Balance as of 4/30/2025: $319,936
Remaining 2025 Contribution to Reserves: $38,437 ($4,802.62/month x 8 months remaining)
Remaining 2025 Reserve Expenses: $0
Projected Reserve Balance as of 1/1/2026: $358,373

As of 1/1/2026 the reserve account will be 44.82% funded. In order to be able to cover the three largest projects (tile roof underlayment replacement, painting, asphalt) the reserve contribution will need to be significantly increased annually at 10% through 2038 to "catch up" funding. After 2038, the reserve contribution can then be decreased to $113,500, with a planned 3% annual increase thereafter.

Completed Reports: 2005, 8/2025 (updated with site visit)

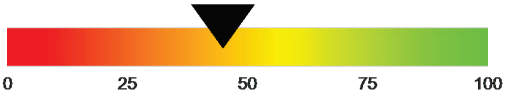
Adequacy of Reserves as of January 1, 2026

Anticipated Reserve Balance	**$358,373.00**
Fully Funded Reserve Balance	**$799,597.14**
Percent Funded	**44.82%**

Funding for the 2026 Fiscal Year	Annual	Monthly	Per Unit Per Month
Member Contribution	**$63,420**	**$5,285.00**	**$44.04**
Interest Contribution	**$6,158**	**$513.20**	**$4.28**
Total Contribution	**$69,578**	**$5,798.20**	**$48.32**

Cave Creek Villas

Phoenix, Arizona
120 Units
12/31/2026 Fiscal Year End



Adequacy of Reserves as of 01/01/2026	
Percent Funded	**44.82%**
Reserve Fund Balance	**$358,373.00**
Fully Funded Balance	**$799,597.14**
Deficit per Unit	**$3,676.87**

Reserve Funding for 2026 Directed Cash Flow Method	Annual	Monthly	Per Unit Per Month
Member Contribution	**$63,420**	**$5,285.00**	**$44.04**
Interest Contribution	**$6,158**	**$513.20**	**$4.28**
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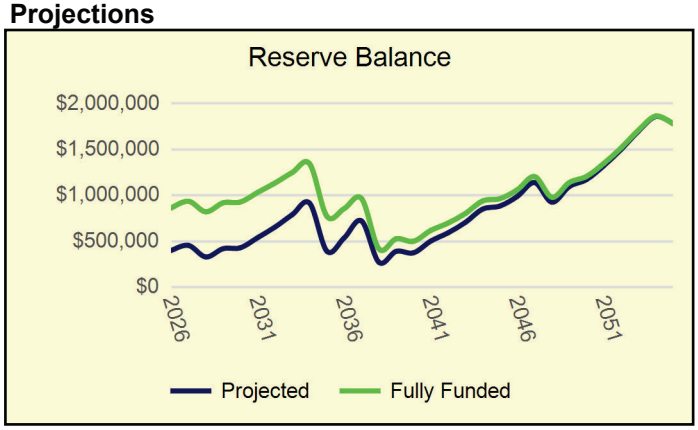
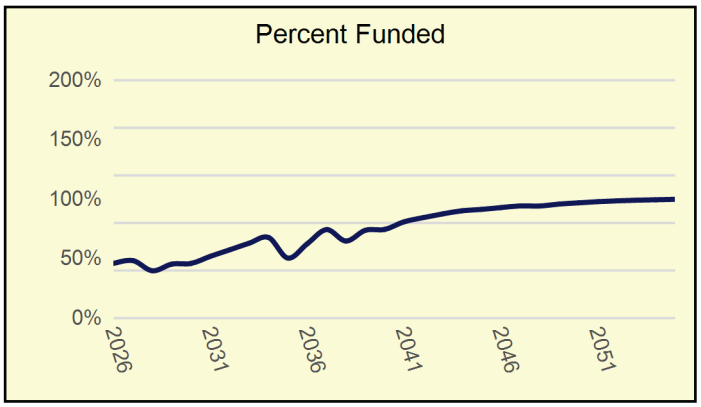
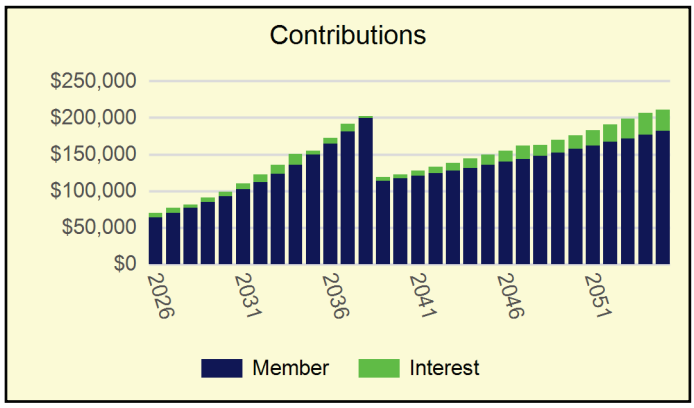
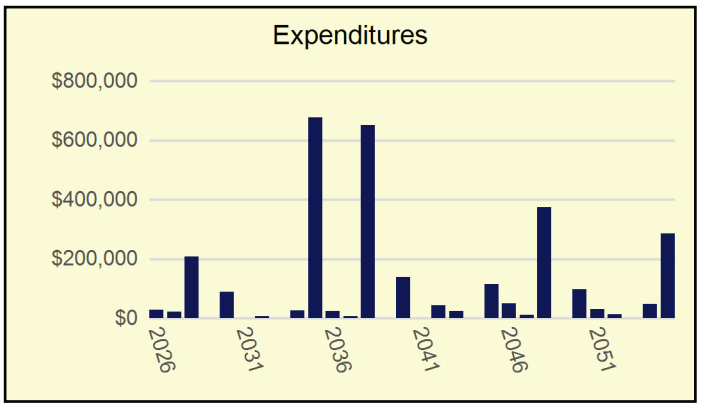
Projections









Cave Creek Villas

Distribution of Current Reserve Funds

Sorted by Remaining Life; Alphabetical

	Remaining Life	Fully Funded Balance	Assigned Reserves
Asphalt: Crack Seal & Seal Coat	0	$14,239.20	$14,239.20
Paint: Wrought Iron Fencing	0	$6,615.00	$6,615.00
Pool: Deck Recoat	0	$7,050.00	$7,050.00
Grounds: Concrete Components	1	$2,400.00	$2,400.00
Paint: Walls, Ramada, Trash Enclosures, Split Railings	1	$13,125.00	$13,125.00
Pool: Pump & Motor	1	$2,400.00	$2,400.00
Paint: Building Exteriors	2	$154,736.84	$154,736.84
Asphalt: Repairs	4	$3,559.80	$3,559.80
Grounds: Granite Replenishment	4	$15,000.00	$15,000.00
Grounds: Irrigation Controllers	4	$2,520.00	$2,520.00
Grounds: Mailboxes	4	$19,740.00	$19,740.00
Fencing: Wrought Iron (Pool)	9	$12,600.00	$12,600.00
Lighting: Bollard Fixtures (Center Walkway)	9	$8,580.00	$8,580.00
Pool: Furniture	9	$1,100.00	$1,100.00
Pool: Picnic Tables	9	$3,360.00	$3,360.00
Roofs: Tile Underlayment (Ramada)	9	$1,065.75	$1,065.75
Roofs: Tile Underlayment (Residential Buildings)	9	$323,400.00	$90,281.41
Pool: Deck Resurface	10	$9,400.00	$0.00
Asphalt: Remove & Repave	12	$151,021.82	$0.00
Pool: Filter	12	$809.86	$0.00
Entrances: Gate Equipment	14	$2,615.22	$0.00
Pool: Resurface & Replace Tile	14	$8,767.00	$0.00
Fencing: Wrought Iron (Interior & Perimeter)	19	$34,571.25	$0.00
Entrances: Gates	29	$920.39	$0.00
Grounds: Irrigation System (Unfunded)	n.a.	$0.00	$0.00
Grounds: Monument Sign Letters (Unfunded)	n.a.	$0.00	$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	$0.00	$0.00
Contingency	n.a.	$0.00	$0.00
Total	**0-29**	**$799,597.14**	**$358,373.00**
Percent Funded			**44.82%**

Cave Creek Villas
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Asphalt				
Asphalt: Crack Seal & Seal Coat	0	4	$14,239.20	$14,239.20
Asphalt: Remove & Repave	12	32	$237,320.00	$151,021.82
Asphalt: Repairs	4	8	$7,119.60	$3,559.80
Sub Total	**0-12**	**4-32**	**$258,678.80**	**$168,820.82**
020 Roofs				
Roofs: Tile Underlayment (Ramada)	9	30	$1,522.50	$1,065.75
Roofs: Tile Underlayment (Residential Buildings)	9	30	$462,000.00	$323,400.00
Sub Total	**9**	**30**	**$463,522.50**	**$324,465.75**
030 Painting				
Paint: Building Exteriors	2	10	$196,000.00	$154,736.84
Paint: Walls, Ramada, Trash Enclosures, Split Railings	1	8	$15,000.00	$13,125.00
Paint: Wrought Iron Fencing	0	4	$6,615.00	$6,615.00
Sub Total	**0-2**	**4-10**	**$217,615.00**	**$174,476.84**
040 Fencing/Walls				
Fencing: Wrought Iron (Interior & Perimeter)	19	40	$65,850.00	$34,571.25
Fencing: Wrought Iron (Pool)	9	30	$18,000.00	$12,600.00
Sub Total	**9-19**	**30-40**	**$83,850.00**	**$47,171.25**
050 Lighting				
Lighting: Bollard Fixtures (Center Walkway)	9	20	$15,600.00	$8,580.00
Sub Total	**9**	**20**	**$15,600.00**	**$8,580.00**
060 Pool				
Pool: Deck Recoat	0	20	$7,050.00	$7,050.00
Pool: Deck Resurface	10	20	$18,800.00	$9,400.00
Pool: Filter	12	18	$2,500.00	$809.86
Pool: Furniture	9	15	$2,750.00	$1,100.00
Pool: Picnic Tables	9	30	$4,800.00	$3,360.00
Pool: Pump & Motor	1	5	$3,000.00	$2,400.00
Pool: Resurface & Replace Tile	14	25	$19,925.00	$8,767.00
Sub Total	**0-14**	**5-30**	**$58,825.00**	**$32,886.86**
080 Entrances				
Entrances: Gate Equipment	14	15	$46,551.00	$2,615.22
Entrances: Gates	29	30	$32,950.00	$920.39
Sub Total	**14-29**	**15-30**	**$79,501.00**	**$3,535.62**

Cave Creek Villas
Calculation of Percent Funded
Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
100 Grounds				
Grounds: Concrete Components	1	5	$3,000.00	$2,400.00
Grounds: Granite Replenishment	4	10	$25,000.00	$15,000.00
Grounds: Irrigation Controllers	4	25	$3,000.00	$2,520.00
Grounds: Irrigation System (Unfunded)	n.a.	n.a.	$0.00	$0.00
Grounds: Mailboxes	4	25	$23,500.00	$19,740.00
Grounds: Monument Sign Letters (Unfunded)	n.a.	n.a.	$0.00	$0.00
Grounds: Tree Trimming (Unfunded)	n.a.	n.a.	$0.00	$0.00
Sub Total	**1-4**	**5-25**	**$54,500.00**	**$39,660.00**
Contingency	n.a.	n.a.	n.a.	$0.00
Total	**0-29**	**4-40**	**$1,232,092.30**	**$799,597.14**
Anticipated Reserve Balance				**$358,373.00**
Percent Funded				**44.82%**

Cave Creek Villas
Projections
Directed Cash Flow Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2026	$358,373	$63,420	$6,158	$27,904	$400,047	$862,674	46%
2027	$400,047	$69,762	$7,030	$21,630	$455,209	$936,141	49%
2028	$455,209	$76,738	$4,837	$207,936	$328,848	$820,885	40%
2029	$328,848	$84,412	$6,295	$0	$419,555	$918,471	46%
2030	$419,555	$92,853	$6,383	$89,448	$429,342	$928,010	46%
2031	$429,342	$102,139	$8,156	$0	$539,636	$1,032,190	52%
2032	$539,636	$112,352	$10,002	$7,164	$654,827	$1,134,407	58%
2033	$654,827	$123,588	$12,187	$0	$790,601	$1,249,428	63%
2034	$790,601	$135,946	$14,157	$26,417	$914,287	$1,343,119	68%
2035	$914,287	$149,541	$5,218	$678,055	$390,992	$770,938	51%
2036	$390,992	$164,495	$7,554	$25,266	$537,775	$856,541	63%
2037	$537,775	$180,945	$10,488	$8,305	$720,902	$964,837	75%
2038	$720,902	$199,039	$2,754	$651,108	$271,587	$417,356	65%
2039	$271,587	$113,500	$5,542	$0	$390,629	$526,919	74%
2040	$390,629	$116,905	$5,237	$138,366	$374,405	$500,109	75%
2041	$374,405	$120,412	$7,357	$0	$502,175	$618,008	81%
2042	$502,175	$124,025	$8,836	$43,093	$591,943	$698,145	85%
2043	$591,943	$127,745	$10,717	$24,793	$705,612	$802,716	88%
2044	$705,612	$131,578	$13,119	$0	$850,309	$939,234	91%
2045	$850,309	$135,525	$13,651	$115,468	$884,017	$964,289	92%
2046	$884,017	$139,591	$15,375	$50,398	$988,585	$1,060,593	93%
2047	$988,585	$143,778	$17,872	$11,162	$1,139,073	$1,203,777	95%
2048	$1,139,073	$148,092	$14,241	$375,556	$925,850	$979,617	95%
2049	$925,850	$152,535	$17,057	$0	$1,095,441	$1,139,351	96%
2050	$1,095,441	$157,111	$18,305	$98,802	$1,172,055	$1,206,021	97%
2051	$1,172,055	$161,824	$20,810	$31,407	$1,323,281	$1,348,136	98%
2052	$1,323,281	$166,679	$23,755	$12,940	$1,500,776	$1,517,685	99%
2053	$1,500,776	$171,679	$27,057	$0	$1,699,511	$1,709,920	99%
2054	$1,699,511	$176,829	$29,685	$47,713	$1,858,313	$1,863,180	100%
2055	$1,858,313	$182,134	$28,355	$286,561	$1,782,241	$1,779,542	100%

Cave Creek Villas
Annual Expenditures
Sorted by Alphabetical

2026 Fiscal Year	
Asphalt: Crack Seal & Seal Coat	$14,239.20
Paint: Wrought Iron Fencing	$6,615.00
Pool: Deck Recoat	$7,050.00
Sub Total	**$27,904.20**
2027 Fiscal Year	
Grounds: Concrete Components	$3,090.00
Paint: Walls, Ramada, Trash Enclosures, Split Railings	$15,450.00
Pool: Pump & Motor	$3,090.00
Sub Total	**$21,630.00**
2028 Fiscal Year	
Paint: Building Exteriors	$207,936.40
Sub Total	**$207,936.40**
2030 Fiscal Year	
Asphalt: Crack Seal & Seal Coat	$16,026.35
Asphalt: Repairs	$8,013.17
Grounds: Granite Replenishment	$28,137.72
Grounds: Irrigation Controllers	$3,376.53
Grounds: Mailboxes	$26,449.46
Paint: Wrought Iron Fencing	$7,445.24
Sub Total	**$89,448.46**
2032 Fiscal Year	
Grounds: Concrete Components	$3,582.16
Pool: Pump & Motor	$3,582.16
Sub Total	**$7,164.31**
2034 Fiscal Year	
Asphalt: Crack Seal & Seal Coat	$18,037.79
Paint: Wrought Iron Fencing	$8,379.68
Sub Total	**$26,417.48**
2035 Fiscal Year	
Fencing: Wrought Iron (Pool)	$23,485.92
Lighting: Bollard Fixtures (Center Walkway)	$20,354.46
Paint: Walls, Ramada, Trash Enclosures, Split Railings	$19,571.60
Pool: Furniture	$3,588.13
Pool: Picnic Tables	$6,262.91
Roofs: Tile Underlayment (Ramada)	$1,986.52
Roofs: Tile Underlayment (Residential Buildings)	$602,805.21

Cave Creek Villas
Annual Expenditures
Sorted by Alphabetical

Sub Total	**$678,054.74**
2036 Fiscal Year	
Pool: Deck Resurface	$25,265.63
Sub Total	**$25,265.63**
2037 Fiscal Year	
Grounds: Concrete Components	$4,152.70
Pool: Pump & Motor	$4,152.70
Sub Total	**$8,305.40**
2038 Fiscal Year	
Asphalt: Crack Seal & Seal Coat	$20,301.69
Asphalt: Remove & Repave	$338,361.57
Paint: Building Exteriors	$279,449.13
Paint: Wrought Iron Fencing	$9,431.41
Pool: Filter	$3,564.40
Sub Total	**$651,108.21**
2040 Fiscal Year	
Entrances: Gate Equipment	$70,412.56
Grounds: Granite Replenishment	$37,814.74
Pool: Resurface & Replace Tile	$30,138.35
Sub Total	**$138,365.66**
2042 Fiscal Year	
Asphalt: Crack Seal & Seal Coat	$22,849.74
Grounds: Concrete Components	$4,814.12
Paint: Wrought Iron Fencing	$10,615.13
Pool: Pump & Motor	$4,814.12
Sub Total	**$43,093.11**
2043 Fiscal Year	
Paint: Walls, Ramada, Trash Enclosures, Split Railings	$24,792.71
Sub Total	**$24,792.71**
2045 Fiscal Year	
Fencing: Wrought Iron (Interior & Perimeter)	$115,468.37
Sub Total	**$115,468.37**
2046 Fiscal Year	
Asphalt: Crack Seal & Seal Coat	$25,717.58

Cave Creek Villas
Annual Expenditures
Sorted by Alphabetical

Paint: Wrought Iron Fencing	$11,947.43
Pool: Deck Recoat	$12,733.08
Sub Total	**$50,398.09**

2047 Fiscal Year

Grounds: Concrete Components	$5,580.88
Pool: Pump & Motor	$5,580.88
Sub Total	**$11,161.77**

2048 Fiscal Year

Paint: Building Exteriors	$375,556.27
Sub Total	**$375,556.27**

2050 Fiscal Year

Asphalt: Crack Seal & Seal Coat	$28,945.36
Grounds: Granite Replenishment	$50,819.85
Paint: Wrought Iron Fencing	$13,446.93
Pool: Furniture	$5,590.18
Sub Total	**$98,802.33**

2051 Fiscal Year

Paint: Walls, Ramada, Trash Enclosures, Split Railings	$31,406.67
Sub Total	**$31,406.67**

2052 Fiscal Year

Grounds: Concrete Components	$6,469.77
Pool: Pump & Motor	$6,469.77
Sub Total	**$12,939.55**

2054 Fiscal Year

Asphalt: Crack Seal & Seal Coat	$32,578.26
Paint: Wrought Iron Fencing	$15,134.64
Sub Total	**$47,712.90**

2055 Fiscal Year

Entrances: Gate Equipment	$109,700.48
Entrances: Gates	$77,648.83
Grounds: Irrigation Controllers	$7,069.70
Grounds: Mailboxes	$55,379.29
Lighting: Bollard Fixtures (Center Walkway)	$36,762.42
Sub Total	**$286,560.72**

Asphalt: Crack Seal & Seal Coat

Category	010 Asphalt	Quantity	59,330 sq. ft.
		Unit Cost	$0.24
		% of Replacement	100.00%
		Current Cost	$14,239.20
Placed In Service	01/2022	Future Cost	$16,026.35
Useful Life	4		
		Assigned Reserves at FYB	$14,239.20
Remaining Life	0	Monthly Member Contribution	$189.26
Replacement Year	2026	Monthly Interest Contribution	$2.10
		Total Monthly Contribution	$191.36

This component budgets for a continuous four (4) year crackfill and seal coating cycle.

The unit cost includes any restriping that may be necessary.

It should be noted that the repair/seal coat and repaving assets are budgeted to occur in the same budget year. It is recommended that the asphalt is seal coated within 6 months of repaving. Therefore, this component appears in the same year as the repaving project. If the Association chooses not to seal coat within 6 months of repaving, the accumulated funds can be used for any additional expenses associated with the major project or remain in the reserve account to be reallocated to other projects in the future.

Instead of using a typical seal coat maintenance program, the Association has the option to go with a High Density Mineral Bond (HA5) surface treatment. This product, sold in AZ by Holbrook Asphalt, provides a durable surface that reduces the frequency of "coating", preserves the underlying asphalt, and can significantly extend the timeframe for the major asphalt rehabilitation project, or likely eliminate the need for it at a single point in time. If the Association would like us to create an alternative reserve study that assumes an HA5 program, we can do so at the Board's request for an additional fee of $300. Please note, this is not included as part of the free revision process.

Note that we are not endorsing Holbrook Asphalt, but presenting the HA5 program as an alternative option to a typical seal coat maintenance program. We recommend that the Association contact Holbrook Asphalt (602.377.5406) to have the community asphalt evaluated to determine if the HA5 program is a viable option.

Cave Creek Villas
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Asphalt: Remove & Repave

Category	010 Asphalt	Quantity	59,330 sq. ft.
		Unit Cost	$4.00
		% of Replacement	100.00%
		Current Cost	$237,320.00
Placed In Service	01/2005	Future Cost	$338,361.57
Useful Life	32		
Adjustment	+1	Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$822.82
Replacement Year	2038	Monthly Interest Contribution	$9.14
		Total Monthly Contribution	$831.96

This component includes a provision to pulverize the existing asphalt, removing excess materials, grade and compact pulverized material, and repave with 2.5" of new asphalt.

Asphalt: Repairs

Category	010 Asphalt	Quantity	59,330 sq. ft.
		Unit Cost	$6.00
		% of Replacement	2.00%
		Current Cost	$7,119.60
Placed In Service	01/2022	Future Cost	$8,013.17
Useful Life	8		
		Assigned Reserves at FYB	$3,559.80
Remaining Life	4	Monthly Member Contribution	$49.64
Replacement Year	2030	Monthly Interest Contribution	$5.45
	One-Time Replacement	Total Monthly Contribution	$55.08

It is estimated that a percentage of the asphalt areas will require repair or replacement. These repairs are not specifically predictable in terms of nature, location or cost. The actual condition of the asphalt should be monitored over time and these estimates adjusted accordingly. Funds allocated to repairs in the year that removal and repaving is set to occur should be used for repairs to the base as needed. If not needed, these funds should remain in the reserve account to be reallocated to other projects.

This is a one-time expense for repairs that is not recurring in this analysis.

Roofs: Tile Underlayment (Ramada)

Category	020 Roofs	Quantity	290 sq. ft.
		Unit Cost	$5.25
		% of Replacement	100.00%
		Current Cost	$1,522.50
Placed In Service	01/2005	Future Cost	$1,986.52
Useful Life	30		
		Assigned Reserves at FYB	$1,065.75
Remaining Life	9	Monthly Member Contribution	$2.90
Replacement Year	2035	Monthly Interest Contribution	$1.50
		Total Monthly Contribution	$4.40

The following comments apply to the concrete tile roofs atop the pool ramada:

Tile roof systems are designed to last for the life of the project. However, the integrity of the tile roof is dependent on the condition of the roof underlayment. The tile can last indefinitely but wil not keep the building watertight unless the underlayment is intact.

The condition of a tile roof can be deceiving. The tile may appear to be in good condition, but must be removed in order to determine the condition of the underlayment. Should it be discovered that the underlayment has deteriorated, the only solution is to remove the existing tile, replace the underlayment and then reinstall the tile. If too many tiles are damaged during the removal process, it is possible that the tiles may require replacement as well at a higher cost.

Flashing defects, attachment problems and broken/displaced/missing tiles are common factors affecting the condition of the underlayment by allowing exposure to sun and rain. Therefore, in order to protect your investment and to extend the life of the underlayment, it is necessary to have a qualified roofer inspect the tile roofs on a regular basis. We recommend that the Association include a line item in the operating budget for regular tile roof inspections and repairs.

Given the many factors listed above, we have included a provision for tile roof underlayment replacement. After several discussions with local roofing contractors and inspectors, we have been advised that tile roof underlayment has an expected life range of 20 - 40 years. In order to account for this significant future liability, we are budgeting to replace the underlayment. Should the client wish to budget for the tile roofs in a different manner we will do so at their request.

Roofs: Tile Underlayment (Residential Buildings)

Category	020 Roofs	Quantity	88,000 sq. ft.
		Unit Cost	$5.25
		% of Replacement	100.00%
		Current Cost	$462,000.00
Placed In Service	01/2005	Future Cost	$602,805.21
Useful Life	30		
		Assigned Reserves at FYB	$90,281.41
Remaining Life	9	Monthly Member Contribution	$1,940.09
Replacement Year	2035	Monthly Interest Contribution	$145.72
		Total Monthly Contribution	$2,085.81

The CCRs were amended in 2017 to assign ownership and maintnenance responsibility for the building exteriors (roofs and painting) to the Association.

To date, no tile roof underlayment has been replaced, but roofs have been repaired as needed.

We are budgeting to replace the tile roof underlayment in 2035 and then on a 30-year cycle thereafter. If there is a need for replacements prior to 2035, accumulated funds should be used as needed.

Cost per sq. ft. is based on very recent information from 5-Guys Roofing.

Paint: Building Exteriors

Category	030 Painting	Quantity	1 total
		Unit Cost	$196,000.00
		% of Replacement	100.00%
		Current Cost	$196,000.00
Placed In Service	07/2018	Future Cost	$207,936.40
Useful Life	10		
		Assigned Reserves at FYB	$154,736.84
Remaining Life	2	Monthly Member Contribution	$1,268.39
Replacement Year	2028	Monthly Interest Contribution	$226.90
		Total Monthly Contribution	$1,495.29

The CCRs were amended in 2017 to assign ownership and maintnenance responsibility for the building exteriors (roofs and painting) to the Association.

Last painted during 2018 by Empire AZ Painting for $139,029. We have estimated the current cost to be an average of $7,000 per building totaling $196,000.

Paint: Walls, Ramada, Trash Enclosures, Split Railings

Category	030 Painting
Placed In Service	01/2019
Useful Life	8
Remaining Life	1
Replacement Year	2027

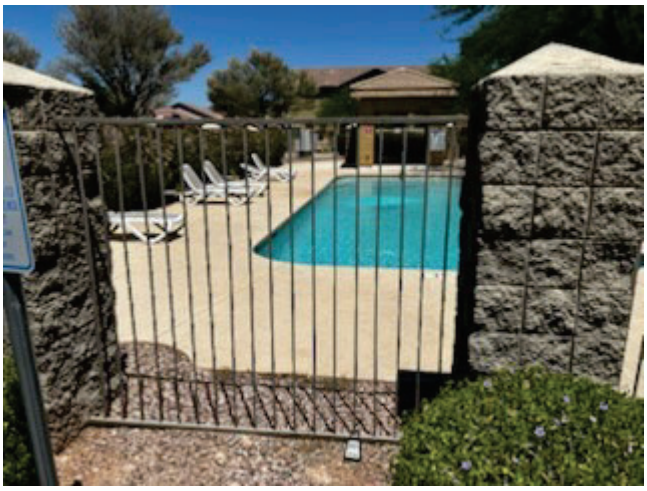
Quantity	1 total
Unit Cost	$15,000.00
% of Replacement	100.00%
Current Cost	$15,000.00
Future Cost	$15,450.00
Assigned Reserves at FYB	$13,125.00
Monthly Member Contribution	$117.85
Monthly Interest Contribution	$19.36
Total Monthly Contribution	$137.21

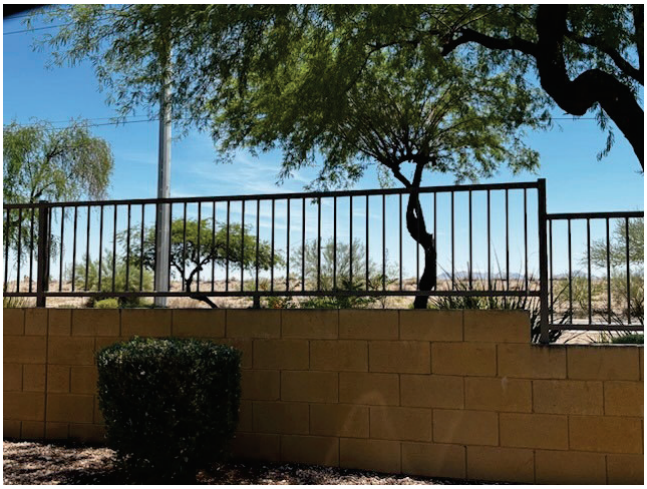
This is an estimate for painting the common area walls, pool ramada, split railings and the four (4) trash enclosure gates and walls on an eight (8) year cycle. Cost includes a provision for repairs to be done in conjunction with each paint cycle.

Cave Creek Villas
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Paint: Wrought Iron Fencing

Category	030 Painting	Quantity	4,410 sq. ft.
		Unit Cost	$1.50
		% of Replacement	100.00%
		Current Cost	$6,615.00
Placed In Service	01/2022	Future Cost	$7,445.24
Useful Life	4		
		Assigned Reserves at FYB	$6,615.00
Remaining Life	0	Monthly Member Contribution	$87.92
Replacement Year	2026	Monthly Interest Contribution	$0.98
		Total Monthly Contribution	$88.90





This is an estimate for painting the wrought iron fencing throughout the property in 2026.

Fencing: Wrought Iron (Interior & Perimeter)

Category	040 Fencing/Walls
Placed In Service	01/2005
Useful Life	40
Remaining Life	19
Replacement Year	2045

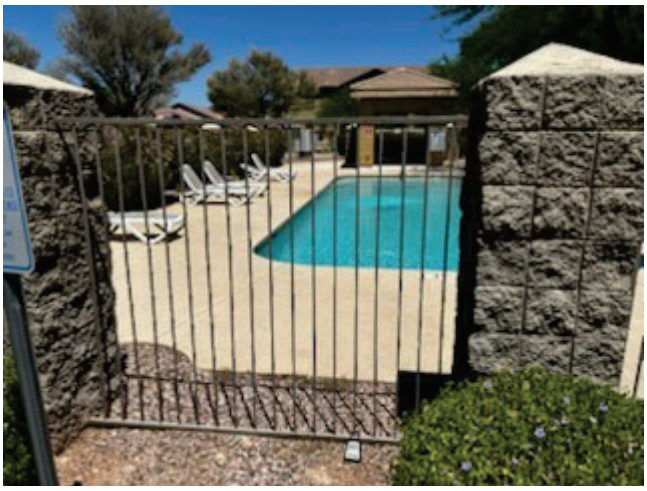
Quantity	1 total
Unit Cost	$65,850.00
% of Replacement	100.00%
Current Cost	$65,850.00
Future Cost	$115,468.37
Assigned Reserves at FYB	$0.00
Monthly Member Contribution	$113.40
Monthly Interest Contribution	$1.26
Total Monthly Contribution	$114.66

680 LF of 2'4" fencing	@	$50.00	=	$34,000.00
490 LF of 3'9" fencing	@	$65.00	=	$31,850.00
		TOTAL	=	$65,850.00

The Association is 100% responsible for maintaining this fencing.

Fencing: Wrought Iron (Pool)

Category	040 Fencing/Walls	Quantity	1 total
		Unit Cost	$18,000.00
		% of Replacement	100.00%
		Current Cost	$18,000.00
Placed In Service	01/2005	Future Cost	$23,485.92
Useful Life	30		
		Assigned Reserves at FYB	$12,600.00
Remaining Life	9	Monthly Member Contribution	$34.33
Replacement Year	2035	Monthly Interest Contribution	$17.71
		Total Monthly Contribution	$52.04



180 LF of 5'6" fencing	@	$100.00	=	$18,000.00
		TOTAL	=	$18,000.00

The Association is 100% responsible for maintaining this fencing.

Lighting: Bollard Fixtures (Center Walkway)

Category	050 Lighting	Quantity	13 bollards
		Unit Cost	$1,200.00
		% of Replacement	100.00%
		Current Cost	$15,600.00
Placed In Service	01/2015	Future Cost	$20,354.46
Useful Life	20		
		Assigned Reserves at FYB	$8,580.00
Remaining Life	9	Monthly Member Contribution	$40.38
Replacement Year	2035	Monthly Interest Contribution	$12.25
		Total Monthly Contribution	$52.63

These are 4' high metal bollard light fixtures located along the center walkway to the east of the pool area. We have estimate the placed in service date.

Pool: Deck Recoat

Category	060 Pool	Quantity	2,350 sq. ft.
		Unit Cost	$3.00
		% of Replacement	100.00%
		Current Cost	$7,050.00
Placed In Service	01/2016	Future Cost	$12,733.08
Useful Life	20		
Adjustment	-10	Assigned Reserves at FYB	$7,050.00
Remaining Life	0	Monthly Member Contribution	$11.12
Replacement Year	2026	Monthly Interest Contribution	$0.12
		Total Monthly Contribution	$11.25

This is an estimtae for recoating/painting the pool deck.

Pool: Deck Resurface

Category	060 Pool	Quantity	2,350 sq. ft.
		Unit Cost	$8.00
		% of Replacement	100.00%
		Current Cost	$18,800.00
Placed In Service	01/2016	Future Cost	$25,265.63
Useful Life	20		
		Assigned Reserves at FYB	$0.00
Remaining Life	10	Monthly Member Contribution	$83.41
Replacement Year	2036	Monthly Interest Contribution	$0.93
		Total Monthly Contribution	$84.34

This is an estimtae for resurfacing the pool deck by removing the acrylic lace texture surface and adding a new acrylic lace texture surface.

Pool: Filter

Category	060 Pool	Quantity	1 filter
		Unit Cost	$2,500.00
		% of Replacement	100.00%
		Current Cost	$2,500.00
Placed In Service	04/2020	Future Cost	$3,564.40
Useful Life	18		
		Assigned Reserves at FYB	$0.00
Remaining Life	12	Monthly Member Contribution	$8.67
Replacement Year	2038	Monthly Interest Contribution	$0.10
		Total Monthly Contribution	$8.76

This is a Triton II glass media filter.

Pool: Furniture

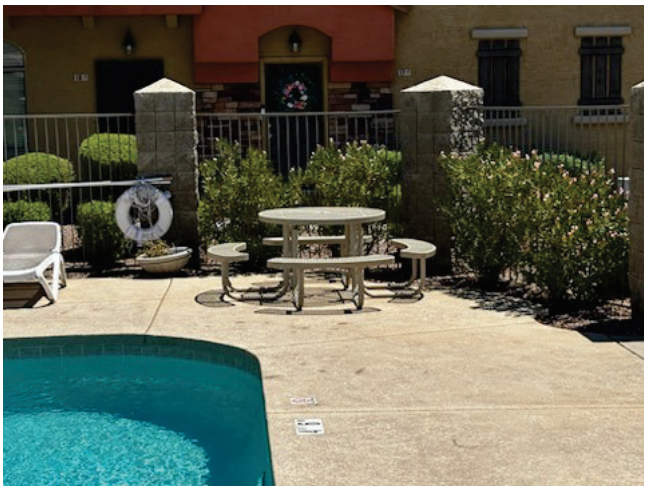
Category	060 Pool	Quantity	1 total
		Unit Cost	$2,750.00
		% of Replacement	100.00%
		Current Cost	$2,750.00
Placed In Service	01/2020	Future Cost	$3,588.13
Useful Life	15		
		Assigned Reserves at FYB	$1,100.00
Remaining Life	9	Monthly Member Contribution	$8.99
Replacement Year	2035	Monthly Interest Contribution	$1.61
		Total Monthly Contribution	$10.60

This is an estimate for replacement of the pool furniture including 11 plastic sling lounges.

Cave Creek Villas
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool: Picnic Tables

Category	060 Pool	Quantity	1 total
		Unit Cost	$4,800.00
		% of Replacement	100.00%
		Current Cost	$4,800.00
Placed In Service	01/2005	Future Cost	$6,262.91
Useful Life	30		
		Assigned Reserves at FYB	$3,360.00
Remaining Life	9	Monthly Member Contribution	$9.15
Replacement Year	2035	Monthly Interest Contribution	$4.72
		Total Monthly Contribution	$13.88



This component budgets for replacement of the following park equipment:

1	picnic table w/4 bench seats	@	$1,500.00	=	$1,500.00
1	6 picnic table center post	@	$2,000.00	=	$2,000.00
2	trash receptacles	@	$650.00	=	$1,300.00
			TOTAL	=	$4,800.00

Pool: Pump & Motor

Category	060 Pool	Quantity	1 total
		Unit Cost	$3,000.00
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/2022	Future Cost	$3,090.00
Useful Life	5		
		Assigned Reserves at FYB	$2,400.00
Remaining Life	1	Monthly Member Contribution	$36.41
Replacement Year	2027	Monthly Interest Contribution	$3.71
		Total Monthly Contribution	$40.12

This component will accumulate funds to be used as needed for the pool pump and motor.

Pool: Resurface & Replace Tile

Category	060 Pool	Quantity	1 total
		Unit Cost	$19,925.00
		% of Replacement	100.00%
		Current Cost	$19,925.00
Placed In Service	01/2015	Future Cost	$30,138.35
Useful Life	25		
		Assigned Reserves at FYB	$0.00
Remaining Life	14	Monthly Member Contribution	$55.42
Replacement Year	2040	Monthly Interest Contribution	$0.62
		Total Monthly Contribution	$56.03

1,300	SF pool resurface with pebble	@	$12.00	=	$15,600.00
125	LF of trim tile	@	$25.00	=	$3,125.00
48	LF of bench tile	@	$25.00	=	$1,200.00
			TOTAL	=	$19,925.00

Entrances: Gate Equipment

Category	080 Entrances	Quantity	1 total
		Unit Cost	$46,551.00
		% of Replacement	100.00%
		Current Cost	$46,551.00
Placed In Service	03/2025	Future Cost	$70,412.56
Useful Life	15		
		Assigned Reserves at FYB	$0.00
Remaining Life	14	Monthly Member Contribution	$129.47
Replacement Year	2040	Monthly Interest Contribution	$1.44
		Total Monthly Contribution	$130.91

Galaxy Gates replaced all gate equipment at both gates in 3/2025 for $46,551.

Cost included a new LiftMaster myQ callbox, Maximum Solutons Megatron 1400 swing gate operators (4) at the Deer Valley Entrance (3/3/2025) and (2) at the Cave Creek entrance (12/8/2024), battery backup system, photo eyes, loops and loop detectors, wireless communicator, wiring and labor.

Cave Creek Villas
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Entrances: Gates

Category	080 Entrances	Quantity	1 total
		Unit Cost	$32,950.00
		% of Replacement	100.00%
		Current Cost	$32,950.00
Placed In Service	03/2025	Future Cost	$77,648.83
Useful Life	30		
		Assigned Reserves at FYB	$0.00
Remaining Life	29	Monthly Member Contribution	$25.38
Replacement Year	2055	Monthly Interest Contribution	$0.28
		Total Monthly Contribution	$25.66

Galaxy Gates replaced all of the entrance gates at both gates in 3/2025 for $32,950.

Grounds: Concrete Components

Category	100 Grounds	Quantity	1 total
		Unit Cost	$3,000.00
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/2022	Future Cost	$3,090.00
Useful Life	5		
		Assigned Reserves at FYB	$2,400.00
Remaining Life	1	Monthly Member Contribution	$36.41
Replacement Year	2027	Monthly Interest Contribution	$3.71
		Total Monthly Contribution	$40.12

This component will accumulate $3,500 every five (5) years for concrete repairs.

Cave Creek Villas
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Grounds: Granite Replenishment

Category	100 Grounds	Quantity	250 tons
		Unit Cost	$100.00
		% of Replacement	100.00%
		Current Cost	$25,000.00
Placed In Service	01/2020	Future Cost	$28,137.72
Useful Life	10		
		Assigned Reserves at FYB	$15,000.00
Remaining Life	4	Monthly Member Contribution	$142.69
Replacement Year	2030	Monthly Interest Contribution	$22.21
		Total Monthly Contribution	$164.91

There is approximately 60,000 sq. ft. of common area landsacpe granite which equates to 250 tons when replenished at 1" added to the existing base. We are budgeting to replenish every 10 years.

Grounds: Irrigation Controllers

Category	100 Grounds	Quantity	2 controllers
		Unit Cost	$1,500.00
		% of Replacement	100.00%
		Current Cost	$3,000.00
Placed In Service	01/2005	Future Cost	$3,376.53
Useful Life	25		
		Assigned Reserves at FYB	$2,520.00
Remaining Life	4	Monthly Member Contribution	$8.02
Replacement Year	2030	Monthly Interest Contribution	$3.55
		Total Monthly Contribution	$11.58

These are Leit solar controllers located next to the pool area.

Grounds: Irrigation System (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/2005	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Irrigation systems are one of the most difficult items to budget for without specific information provided by an expert who is specifically familiar with the system inventory and system condition.

We have been advised by irrigation system experts that most system components (piping, sprinkler heads, valves, etc) have a useful life of 20+ years. However, budgeting for the replacement of an irrigation system requires evaluation of the present condition (to identify remaining useful life) and replacement cost - both of which call for expert evaluation, but fall outside the scope of a reserve study.

Therefore, we recommend that the Association board and/or management company have the system evaluated to determine the appropriate scope of work, projected replacement cost and remaining life, all of which are necessary, so that budgeting can be included in a revision or future update of this analysis.

Grounds: Mailboxes

Category	100 Grounds	Quantity	1 total
		Unit Cost	$23,500.00
		% of Replacement	100.00%
		Current Cost	$23,500.00
Placed In Service	01/2005	Future Cost	$26,449.46
Useful Life	25		
		Assigned Reserves at FYB	$19,740.00
Remaining Life	4	Monthly Member Contribution	$62.84
Replacement Year	2030	Monthly Interest Contribution	$27.85
		Total Monthly Contribution	$90.69

This component budgets to replace the following pedestal mounted mailboxes:

1	8 box set w/2 parcel lockers	@	$2,500.00	=	$2,500.00
7	16 box sets with 2 parcel lockers	@	$3,000.00	=	$21,000.00
			TOTAL	=	$23,500.00

Grounds: Monument Sign Letters (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/2005	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

We re not budgeting to replace the steel monument sign letters that indicate "CAVE CREEK VILLAS" as they have an indefinite life.

Grounds: Tree Trimming (Unfunded)

Category	100 Grounds	Quantity	1 comment
		Unit Cost	$0.00
		% of Replacement	0.00%
		Current Cost	$0.00
Placed In Service	01/2005	Future Cost	$0.00
Useful Life	n.a.		
		Assigned Reserves at FYB	$0.00
Remaining Life	n.a.	Monthly Member Contribution	$0.00
Replacement Year	n.a.	Monthly Interest Contribution	$0.00
		Total Monthly Contribution	$0.00

Tree trimming is accounted for in the operating budget.

Cave Creek Villas

Cross-Tabular Summary

Directed Cash Flow Method; Sorted by Category

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING RESERVE BALANCE	**$358,373**	**$400,047**	**$455,209**	**$328,848**	**$419,555**	**$429,342**	**$539,636**	**$654,827**	**$790,601**	**$914,287**
Member Contribution	**$63,420**	**$69,762**	**$76,738**	**$84,412**	**$92,853**	**$102,139**	**$112,352**	**$123,588**	**$135,946**	**$149,541**
Interest Contribution	**$6,158**	**$7,030**	**$4,837**	**$6,295**	**$6,383**	**$8,156**	**$10,002**	**$12,187**	**$14,157**	**$5,218**
Expenditures (detailed below)	**$27,904**	**$21,630**	**$207,936**	**$0**	**$89,448**	**$0**	**$7,164**	**$0**	**$26,417**	**$678,055**
ENDING RESERVE BALANCE	**$400,047**	**$455,209**	**$328,848**	**$419,555**	**$429,342**	**$539,636**	**$654,827**	**$790,601**	**$914,287**	**$390,992**
Asphalt: Crack Seal & Seal Coat	$14,239				$16,026				$18,038	
Asphalt: Remove & Repave										
Asphalt: Repairs					$8,013					
Roofs: Tile Underlayment (Ramada)										$1,987
Roofs: Tile Underlayment (Residential Buildings)										$602,805
Paint: Building Exteriors			$207,936							
Paint: Walls, Ramada, Trash Enclosures, Split Railings		$15,450								$19,572
Paint: Wrought Iron Fencing	$6,615				$7,445				$8,380	
Fencing: Wrought Iron (Interior & Perimeter)										
Fencing: Wrought Iron (Pool)										$23,486
Lighting: Bollard Fixtures (Center Walkway)										$20,354
Pool: Deck Recoat	$7,050									
Pool: Deck Resurface										
Pool: Filter										
Pool: Furniture										$3,588
Pool: Picnic Tables										$6,263
Pool: Pump & Motor		$3,090					$3,582			
Pool: Resurface & Replace Tile										
Entrances: Gate Equipment										
Entrances: Gates										
Grounds: Concrete Components		$3,090					$3,582			
Grounds: Granite Replenishment					$28,138					
Grounds: Irrigation Controllers					$3,377					
Grounds: Irrigation System (Unfunded)										

Cave Creek Villas

Cross-Tabular Summary

Directed Cash Flow Method; Sorted by Category

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
BEGINNING RESERVE BALANCE	**$390,992**	**$537,775**	**$720,902**	**$271,587**	**$390,629**	**$374,405**	**$502,175**	**$591,943**	**$705,612**	**$850,309**
Member Contribution	**$164,495**	**$180,945**	**$199,039**	**$113,500**	**$116,905**	**$120,412**	**$124,025**	**$127,745**	**$131,578**	**$135,525**
Interest Contribution	**$7,554**	**$10,488**	**$2,754**	**$5,542**	**$5,237**	**$7,357**	**$8,836**	**$10,717**	**$13,119**	**$13,651**
Expenditures (detailed below)	**$25,266**	**$8,305**	**$651,108**	**$0**	**$138,366**	**$0**	**$43,093**	**$24,793**	**$0**	**$115,468**
ENDING RESERVE BALANCE	**$537,775**	**$720,902**	**$271,587**	**$390,629**	**$374,405**	**$502,175**	**$591,943**	**$705,612**	**$850,309**	**$884,017**
Asphalt: Crack Seal & Seal Coat			$20,302				$22,850			
Asphalt: Remove & Repave			$338,362							
Asphalt: Repairs										
Roofs: Tile Underlayment (Ramada)										
Roofs: Tile Underlayment (Residential Buildings)										
Paint: Building Exteriors			$279,449							
Paint: Walls, Ramada, Trash Enclosures, Split Railings								$24,793		
Paint: Wrought Iron Fencing			$9,431				$10,615			
Fencing: Wrought Iron (Interior & Perimeter)										$115,468
Fencing: Wrought Iron (Pool)										
Lighting: Bollard Fixtures (Center Walkway)										
Pool: Deck Recoat										
Pool: Deck Resurface	$25,266									
Pool: Filter			$3,564							
Pool: Furniture										
Pool: Picnic Tables										
Pool: Pump & Motor		$4,153					$4,814			
Pool: Resurface & Replace Tile					$30,138					
Entrances: Gate Equipment					$70,413					
Entrances: Gates										
Grounds: Concrete Components		$4,153					$4,814			
Grounds: Granite Replenishment					$37,815					
Grounds: Irrigation Controllers										
Grounds: Irrigation System (Unfunded)										

Cave Creek Villas

Cross-Tabular Summary

Directed Cash Flow Method; Sorted by Category

	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
BEGINNING RESERVE BALANCE	**$884,017**	**$988,585**	**$1,139,073**	**$925,850**	**$1,095,441**	**$1,172,055**	**$1,323,281**	**$1,500,776**	**$1,699,511**	**$1,858,313**
Member Contribution	**$139,591**	**$143,778**	**$148,092**	**$152,535**	**$157,111**	**$161,824**	**$166,679**	**$171,679**	**$176,829**	**$182,134**
Interest Contribution	**$15,375**	**$17,872**	**$14,241**	**$17,057**	**$18,305**	**$20,810**	**$23,755**	**$27,057**	**$29,685**	**$28,355**
Expenditures (detailed below)	**$50,398**	**$11,162**	**$375,556**	**$0**	**$98,802**	**$31,407**	**$12,940**	**$0**	**$47,713**	**$286,561**
ENDING RESERVE BALANCE	**$988,585**	**$1,139,073**	**$925,850**	**$1,095,441**	**$1,172,055**	**$1,323,281**	**$1,500,776**	**$1,699,511**	**$1,858,313**	**$1,782,241**
Asphalt: Crack Seal & Seal Coat	$25,718				$28,945				$32,578	
Asphalt: Remove & Repave										
Asphalt: Repairs										
Roofs: Tile Underlayment (Ramada)										
Roofs: Tile Underlayment (Residential Buildings)										
Paint: Building Exteriors			$375,556							
Paint: Walls, Ramada, Trash Enclosures, Split Railings						$31,407				
Paint: Wrought Iron Fencing	$11,947				$13,447				$15,135	
Fencing: Wrought Iron (Interior & Perimeter)										
Fencing: Wrought Iron (Pool)										
Lighting: Bollard Fixtures (Center Walkway)										$36,762
Pool: Deck Recoat	$12,733									
Pool: Deck Resurface										
Pool: Filter										
Pool: Furniture					$5,590					
Pool: Picnic Tables										
Pool: Pump & Motor		$5,581					$6,470			
Pool: Resurface & Replace Tile										
Entrances: Gate Equipment										$109,700
Entrances: Gates										$77,649
Grounds: Concrete Components		$5,581					$6,470			
Grounds: Granite Replenishment					$50,820					
Grounds: Irrigation Controllers										$7,070
Grounds: Irrigation System (Unfunded)										

Cave Creek Villas

Cross-Tabular Summary

Directed Cash Flow Method; Sorted by Category

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
BEGINNING RESERVE BALANCE	**$358,373**	**$400,047**	**$455,209**	**$328,848**	**$419,555**	**$429,342**	**$539,636**	**$654,827**	**$790,601**	**$914,287**
Member Contribution	**$63,420**	**$69,762**	**$76,738**	**$84,412**	**$92,853**	**$102,139**	**$112,352**	**$123,588**	**$135,946**	**$149,541**
Interest Contribution	**$6,158**	**$7,030**	**$4,837**	**$6,295**	**$6,383**	**$8,156**	**$10,002**	**$12,187**	**$14,157**	**$5,218**
Expenditures (detailed below)	**$27,904**	**$21,630**	**$207,936**	**$0**	**$89,448**	**$0**	**$7,164**	**$0**	**$26,417**	**$678,055**
ENDING RESERVE BALANCE	**$400,047**	**$455,209**	**$328,848**	**$419,555**	**$429,342**	**$539,636**	**$654,827**	**$790,601**	**$914,287**	**$390,992**
Grounds: Mailboxes					$26,449					
Grounds: Monument Sign Letters (Unfunded)										
Grounds: Tree Trimming (Unfunded)										

Cave Creek Villas

Cross-Tabular Summary

Directed Cash Flow Method; Sorted by Category

	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
BEGINNING RESERVE BALANCE	$390,992	$537,775	$720,902	$271,587	$390,629	$374,405	$502,175	$591,943	$705,612	$850,309
Member Contribution	$164,495	$180,945	$199,039	$113,500	$116,905	$120,412	$124,025	$127,745	$131,578	$135,525
Interest Contribution	$7,554	$10,488	$2,754	$5,542	$5,237	$7,357	$8,836	$10,717	$13,119	$13,651
Expenditures (detailed below)	$25,266	$8,305	$651,108	$0	$138,366	$0	$43,093	$24,793	$0	$115,468
ENDING RESERVE BALANCE	$537,775	$720,902	$271,587	$390,629	$374,405	$502,175	$591,943	$705,612	$850,309	$884,017
Grounds: Mailboxes										
Grounds: Monument Sign Letters (Unfunded)										
Grounds: Tree Trimming (Unfunded)										

Cave Creek Villas

Cross-Tabular Summary

Directed Cash Flow Method; Sorted by Category

	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
BEGINNING RESERVE BALANCE	$884,017	$988,585	$1,139,073	$925,850	$1,095,441	$1,172,055	$1,323,281	$1,500,776	$1,699,511	$1,858,313
Member Contribution	$139,591	$143,778	$148,092	$152,535	$157,111	$161,824	$166,679	$171,679	$176,829	$182,134
Interest Contribution	$15,375	$17,872	$14,241	$17,057	$18,305	$20,810	$23,755	$27,057	$29,685	$28,355
Expenditures (detailed below)	$50,398	$11,162	$375,556	$0	$98,802	$31,407	$12,940	$0	$47,713	$286,561
ENDING RESERVE BALANCE	$988,585	$1,139,073	$925,850	$1,095,441	$1,172,055	$1,323,281	$1,500,776	$1,699,511	$1,858,313	$1,782,241
Grounds: Mailboxes										$55,379
Grounds: Monument Sign Letters (Unfunded)										
Grounds: Tree Trimming (Unfunded)										

Cave Creek Villas
Component Detail Index

27 Components