

RESERVE ANALYSIS STUDY

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
San Antonio, Texas  
Account 273 - Version 273  
November 9, 2015

Report Prepared By

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## PART I - INTRODUCTION

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Preparing the annual budget and overseeing the association's finances are perhaps the most important responsibilities of board members. The annual operating and reserve budgets reflect the planning and goals of the association and set the level and quality of service for all of the association's activities.

### A. The Reserve Budget

#### ■ 1. Preparing the Budget

The association's budget consists of two basic parts, income and expenses. In our personal lives, most of us usually start by considering income. We take our income, pay our bills, and spend or save the remainder. While this may work well for personal finances, budget planning for a community association needs to take other factors into consideration as well.

When preparing the association's budget it is wise to begin with expenses. This allows for an objective statement of needs before determining the sources of income. After the expenses are identified and quantified, ideal expectations may then be weighed against practical considerations and a balanced budget may be prepared.

#### ■ 2. Determining Expenses

The budget process begins with an accurate inventory of all the major components for which the association is responsible. The determination of whether an expense should be labeled an operational expense, a reserve expense, or excluded altogether is sometimes subjective. Since this labeling may have a major impact on the financial plans of the association, subjective determinations should be minimized. We suggest the following considerations when labeling an expense:

**OPERATIONAL EXPENSES** occur at least annually, no matter how large the expense, and can be effectively budgeted for each year. They are characterized as being reasonably predictable both in terms of frequency and cost. Operational expenses include all minor expenses which would not otherwise adversely affect an operational budget from one year to the next. Examples of Operational Expenses include:

Utilities:

- Electricity
- Gas
- Water
- Telephone
- Cable TV

Services:

- Landscaping
- Pool Maintenance
- Street Sweeping
- Accounting
- Reserve Study

Administrative:

- Supplies
- Bank Service Charges
- Dues & Publications
- Licenses, Permits & Fees

Repair Expenses:

- Tile Roof Repairs
- Equipment Repairs
- Minor Concrete Repairs
- Operating Contingency

**RESERVE EXPENSES** are major expenses that occur other than annually and which must be budgeted for in advance in order to provide the necessary funds in time for their occurrence. Reserve expenses are reasonably predictable both in terms of frequency and cost. However, they may include significant assets which have an indeterminable but potential liability which may be demonstrated as a likely occurrence. They are expenses that when incurred would have a significant effect on the smooth operation of the budgetary process from one year to the next if they were not reserved for in advance. Examples of Reserve Expenses include:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Roof Replacements</li> <li>• Painting</li> <li>• Deck Resurfacing</li> <li>• Fencing Replacement</li> <li>• Street Slurry Coating</li> <li>• Asphalt Overlays</li> <li>• Pool Re-plastering</li> </ul> | <ul style="list-style-type: none"> <li>• Pool Equipment Replacement</li> <li>• Pool Furniture Replacement</li> <li>• Tennis Court Resurfacing</li> <li>• Park &amp; Play Equipment</li> <li>• Equipment Replacement</li> <li>• Interior Furnishings</li> <li>• Lighting Replacement</li> </ul> |
|---|--|

**BUDGETING IS NORMALLY EXCLUDED FOR** repairs or replacements of assets which are deemed to have an estimated useful life equal to or exceeding the estimated useful life of the facility or community itself, or exceeding the legal life of the community as defined in an association's governing documents. Examples include the complete replacement of elevators, tile roofs, wiring and plumbing. Also excluded are insignificant expenses which may be covered either by an operating or reserve contingency, or otherwise in a general maintenance fund. Costs which are caused by acts of God, accidents or other occurrences which are more properly insured for, rather than reserved for, are also excluded.

### ■ 3. Preparing the Reserve Study

Once the reserve assets have been identified and quantified, their respective replacement costs, useful lives and remaining lives must be assigned so that a funding schedule can be constructed. Replacement costs and useful lives can be found in published manuals such as construction estimators, appraisal handbooks, and valuation guides. Remaining lives are calculated from the useful lives and ages of assets and adjusted according to conditions such as design, manufacture quality, usage, exposure to the elements and maintenance history.

Certain calculations must be performed on the compiled data in order for the study to take on a practical meaning. Several methods have been developed, ranging from simple to complex. The least complicated method is the straight-line approach in which the replacement cost in today's dollars, less accumulated reserves, is divided by the estimated remaining life of the components. The most precise calculations, determine the replacement cost in future dollars and include provisions for interest on invested funds, net of taxes, and planned contribution increases each year in line with cost of living changes in addition to efficient distribution of the accumulated reserves.

By following the recommendations of an effective reserve study the association should avoid any major shortfalls. However, to remain accurate, the report should be updated on an annual basis to reflect such changes as shifts in economic parameters, additions of phases or assets, or expenditures of reserve funds. The association can assist in simplifying the reserve analysis update process by keeping accurate records of these changes throughout the year.

## ■ 4. Methods for Allocating Reserves

There are two methods that are suggested for allocating reserves.

The first method is to allocate the Monthly Membership Contribution to reserves each month. When interest is earned on the reserves, that interest must be left in reserves and only amounts set aside for taxes should be removed.

The second method is to allocate the Net Monthly Allocation to reserves (this is the member contribution plus the anticipated interest earned for the fiscal year). This method assumes that all interest earned will be assigned directly as operating income. This allocation takes into consideration the anticipated interest earned on accumulated reserves regardless of whether or not it is actually earned. When taxes are paid the amount due will be taken directly from the association's operating accounts as the reserve accounts are allocated only those moneys net of taxes.

## ■ 5. Distribution of Accumulated Reserves

The methods used to determine the ideal level of reserves and actual distributions for each asset, prior to completing calculations, are as follows:

The first step is to subtract from the total accumulated reserves the association has on hand any amounts for assets which have predetermined (fixed) reserve balances. If by error these amounts total more than the amount of funds available, then the remaining assets are adjusted accordingly. A provision for a contingency reserve is then deducted by the determined percentage.

The second step is to identify the ideal level of reserves for each asset. This is accomplished by evaluating the component's age proportionate to its estimated useful life and current replacement cost. The equation is

IDEAL LEVEL OF RESERVES =

$$\frac{\text{AGE}}{\text{USEFUL LIFE}} \times \text{CURRENT REPLACEMENT COST}$$

For example, an asset which is 3 years old, has a useful life of 5 years and current replacement cost of \$500, should have accumulated approximately \$300 in reserves.

This method of calculating the ideal level of reserves does not consider future replacement cost, nor interest earned on the accumulated reserves, as the reports do when calculating the monthly allocation requirements for future replacements. However, it is a reliable indicator of the adequacy of the Client's current reserves, based on current conditions and replacement cost.

If any assets are assigned a zero remaining life (schedule for replacement this fiscal year), then the amount assigned equals the current replacement cost and funding begins for the next cycle of replacement. If there are insufficient funds available to accomplish this, then the software automatically adjust the remaining life to 1 year.

The next step in this process is to arrange all of the assets used in the study in ascending order by remaining life. These assets are then assigned their respective ideal level of reserves until the amount of funds available are depleted, or until all assets are appropriately funded. If at the completion of this task there are additional monies which have not been distributed, the remaining reserves are then assigned in ascending order at a level equal to, but not exceeding, the current replacement cost for each component. If there are sufficient monies available to fund all assets at their current replacement cost levels, then any excess funds are designated as such and are not factored into any of the report computations.

Assigning the reserves in this manner defers the make-up period for any underfunding over the longest remaining life of all the assets under consideration, thereby minimizing the impact of deficiency.

If at the end of this process there are designated excess funds, they can be used to offset the monthly contribution requirements recommended, or used in any other manner the Client may desire.

If the reserves are underfunded, the monthly contribution requirements as outlined in this report can be expected to be higher than normal. In future years, as individual assets are replaced, the funding requirements will return to their normal levels. In the case of a large deficiency, a special assessment may be considered. We can easily generate revised reports outlining how the monthly contributions would be affected by such an adjustment, or by any other changes which may be under consideration.

## B. Your Reserve Analysis Study

### ■ 1. Users' Guide to Your Reserve Analysis Study

Part II of your report contains the reserve analysis study for your association. There are several types of reports in the study as described below.

#### REPORT SUMMARY

The **Report Summary** lists all of the parameters which were used in calculating the report as well as the summary of your reserve analysis study.

#### INDEX REPORTS

The **Asset Listing/Summary** lists all assets by category (i.e. roofing, painting, lighting, etc.) together with their remaining life, current cost, monthly reserve contribution, and net monthly allocation.

#### PROJECTIONS AND CHARTS

**Thirty-year Projections** as well as **Charts and Graphs** of projected data add to the usefulness of your reserve analysis study by summarizing the recommended contributions and expenditures from the fund for the next 30 years based on those estimates.

#### DETAIL REPORTS

The **Annual Expenditure Detail Report** list the expenditures per year based on the assets' estimated remaining life and their inflated cost.

The **Category Detail Report** itemizes each asset and lists all measurements, current and future costs and calculations for that asset. Provisions for percentage replacements, salvage values and one-time replacements can also be utilized.

The numerical listings for each asset are enhanced by extensive narrative detailing factors such as design, manufacture quality, usage, exposure to elements and maintenance history.

The **Detail Report Index** is an alphabetical listing of all assets together with the page number of the asset's category detail report and asset number.

## ■ 2. Definitions

**REPORT I.D.** - Includes the REPORT DATE (ex. November 15, 2012), VERSION (ex. 001), and ACCOUNT NUMBER (ex. 9773). Please use this information when referencing your report. (Displayed on the summary page.)

**BUDGET YEAR BEGINNING/ENDING** - The budgetary year for which the report is prepared. For associations with fiscal years ending December 31, the monthly contribution figures indicated are for the 12 month period beginning 1/1/20XX and ending 12/31/20XX.

**NUMBER OF UNITS/PHASES** - If applicable, the number of units and/or phases included in this version of the report.

**INFLATION** - This figure is used to approximate the future cost to repair or replace each component in the report. The current cost for each component is compounded on an annual basis by the number of remaining years to replacement and the total is used in calculating the monthly reserve contribution which will be necessary in order to accumulate the required funds in time for replacement.

**ANNUAL CONTRIBUTION INCREASE** - The percentage rate at which the association will increase its contribution to reserves at the end of each year until the year in which the asset is replaced. For example, in order to accumulate \$10,000 in 10 years, you could set aside \$1,000 per year. As an alternative, you could set aside \$795 the first year and increase that amount by 5% each year until the year of replacement. In either case you arrive at the same amount. The idea is that you start setting aside a lower amount and increase that number each year in accordance with the planned percentage. Ideally this figure should be equal to the rate of inflation. It can, however, be used to aid those associations who have not set aside appropriate reserves in the past by making the initial year's allocation less formidable.

**INVESTMENT YIELD** - The average interest rate anticipated by the association based upon their current investment practices.

**TAXES ON YIELD** - The estimated percentage of interest income which will be set aside for taxes.

**ACCUMULATED RESERVE BALANCE** - The anticipated reserve balance on the first day of the fiscal year for which this report has been prepared.



**PHASE INCREMENT DETAIL/AGE** - Comments regarding aging of the components on the basis of construction date or date of acceptance by the association.

**MONTHLY CONTRIBUTION** - The contribution to reserves required by the association each month.

**INTEREST CONTRIBUTION** - The interest that should be earned on the reserves, net of taxes, based upon their beginning reserve balance and monthly contributions for one year. This figure is averaged for budgeting purposes.

**NET MONTHLY ALLOCATION** - The sum of the monthly contribution and interest contribution figures.

**GROUP OR FACILITY NUMBER/CATEGORY NUMBER** - The report may be prepared and sorted either by group or facility (location, building, phase, etc.) or by category (roofing, painting, etc.). Standard report printing format is by category.

**PERCENTAGE OF REPLACEMENT** - In some cases, an asset may not be replaced in its entirety or the cost may be shared with a second party. Examples are budgeting for a percentage of replacement of streets over a period of time, or sharing the expense to replace a common wall with a neighboring party.

**PLACED IN SERVICE** - The month and year that the asset was placed in service. This may be the construction date, the first escrow closure date in a given phase, or the date of the last servicing or replacement.

**ESTIMATED USEFUL LIFE** - The estimated useful life of an asset based upon industry standards, manufacturer specifications, visual inspection, location, usage, association standards and prior history. All of these factors are taken into consideration when tailoring the estimated useful life to the particular asset. For example, the carpeting in a hallway or elevator (a heavy traffic area) will not have the same life as the identical carpeting in a seldom used meeting room or office.

**ADJUSTMENT TO USEFUL LIFE** - Once the useful life is determined it may be adjusted +1- by this separate figure for the current cycle of replacement. This will allow for a current period adjustment without affecting the estimated replacement cycles for future replacements.

**ESTIMATED REMAINING LIFE** - This calculation is completed internally based upon the report's fiscal year date and the date the asset was placed in service.

**REPLACEMENT YEAR** - The year that the asset is scheduled to be replaced. The appropriate funds will be available by the first day of the fiscal year for which replacement is anticipated.

**FIXED ACCUMULATED RESERVES** - An optional figure which, if used, will override the normal process of allocating reserves to each asset.

**FIXED MONTHLY CONTRIBUTION** - An optional figure which, if used, will override all calculations and set the contribution at this amount.

**SALVAGE VALUE** - The salvage value of the asset at the time of replacement, if applicable.

**ONE-TIME REPLACEMENT** - Notation if the asset is to be replaced on a one-time basis.

**CURRENT REPLACEMENT COST** - The estimated replacement cost effective as of the beginning of the fiscal year for which the report is being prepared.

**FUTURE REPLACEMENT COST** - The estimated cost to repair or replace the asset at the end of its estimated useful life based upon the current replacement cost and inflation.

### ■ 3. A Multi-Purpose Tool

Your reserve study is an important part your association's budgetary process. Following its recommendations should ensure the association's smooth budgetary transitions from one fiscal year to the next, and either decrease or eliminate the need for "special assessments".

In addition, your reserve study serves a variety of useful purposes:

Following the recommendations of a reserve study performed by a professional consultant can protect the Board of Directors in a community from personal liability concerning reserve components and reserve funding.

- A reserve analysis study is required by your accountant during the preparation of the association's annual audit.
- A reserve study is often requested by lending institutions during the process of loan applications, both for the community and, in many cases, the individual owners.
- Your report is also a detailed inventory of the association's major assets and serves as a management tool for scheduling, coordinating and planning future repairs and replacements.
- Your report is a tool which can assist the Board in fulfilling its legal and fiduciary obligations for maintaining the community in a state of good repair. If a community is operating on a special assessment basis, it cannot guarantee that an assessment, when needed, will be passed. Therefore, it cannot guarantee its ability to perform the required repairs or replacements to those major components which the association is obligated to maintain.
- Since the reserve analysis study includes precise measurements and cost estimates of the client's assets, the detail reports may be used to evaluate the accuracy and price of contractor bids when assets are due to be repaired or replaced.
- The reserve study is an annual disclosure to the membership concerning the financial condition of the association, and may be used as a "consumers' guide" by prospective purchasers.



SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Distribution of Accumulated Reserves

REPORT DATE: November 9, 2015  
VERSION: 273  
ACCOUNT NUMBER: 273

DESCRIPTION	REM LIFE	IDEAL ACCUM RESERVES	ACTUAL DISTRIBUTION
Fencing - Wrought Iron, Gates	0	3,877.00	3,877.00
Fencing - Rock Walls	2	1,844.27	1,844.27
Irrigation Controllers	3	592.81	592.81
Security - Gate Operators, Sliding	3	4,238.56	4,238.56
Front Entrance Marquee	4	795.74	795.74
Lighting - Pole Replacement	4	631.37	631.37
Park Equipmt - BBQ, Charcoal Pedestal	4	564.57	564.57
Playgrd Equipmt - Playhouse	4	468.44	468.44
Playgrd Equipmt - Swing Set	4	631.37	631.37
Playgrd Equipmt - Swing Set Kiddie	4	468.44	468.44
Street Sign - Pole Replacement	4	1,891.67	1,891.67
Pipe Railing - Steel	7	1,444.96	1,444.96
Park Equipmt - Benches, 6'	8	547.09	547.09
Park Equipmt - Picnic Table, 6'	8	747.78	747.78
Playgrd Equipmt - Play Platform	8	3,780.13	3,780.13
Irrigation Controllers	11	49.30	49.30
Streets - Asphalt Overlay	11	59,789.45	59,789.45
Signs - Traffic	12	0.00	0.00
Security - Entrance, Keypad	13	546.95	546.95
Streets - Asphalt Repairs	14	5,608.77	5,290.10
Gazebo - Deluxe	17	4,470.66	0.00
Entrance Monument	22	0.00	0.00
Irrigation - Distribution System	22	0.00	0.00
Fencing - Split Rail	23	422.24	0.00
Concrete Driveways/Walkways	37	0.00	0.00

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Distribution of Accumulated Reserves

DESCRIPTION	REM LIFE	IDEAL ACCUM RESERVES	ACTUAL DISTRIBUTION
Total Asset Summary:		93,411.57	88,200.00
Contingency @ 0.00%:		0.00	0.00
Grand Total:		93,411.57	88,200.00
Excess Reserves Not Used:			0.00
Percent Ideally Funded:	94.42%		

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Asset Listing/Summary by Category

REPORT DATE: November 9, 2015  
VERSION: 273  
ACCOUNT NUMBER: 273

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
Concrete Driveways/Walkways	37	0	0.00	0.00
Streets - Asphalt Overlay	11	108,208	498.10	542.56
Streets - Asphalt Repairs	14	20,105	115.34	119.55
*** CATEGORY SUMMARY:		128,313	613.44	662.11
Fencing - Rock Walls	2	3,272	63.17	64.73
Fencing - Split Rail	23	8,746	45.26	45.44
Fencing - Wrought Iron, Gates	0	3,877	23.73	23.82
*** CATEGORY SUMMARY:		15,895	132.16	133.99
Lighting - Pole Replacement	4	775	3.80	4.26
*** CATEGORY SUMMARY:		775	3.80	4.26
Gazebo - Deluxe	17	8,793	56.12	56.34
Park Eqpmt - BBQ, Charcoal Pedestal	4	693	3.40	3.81
Park Eqpmt - Benches, 6'	8	796	3.50	3.90
Park Eqpmt - Picnic Table, 6'	8	1,088	4.78	5.33
Playgrd Equipmt - Play Platform	8	5,500	24.15	26.93
Playgrd Equipmt - Playhouse	4	575	2.82	3.16
Playgrd Equipmt - Swing Set	4	775	3.80	4.26
Playgrd Equipmt - Swing Set Kiddie	4	575	2.82	3.16
*** CATEGORY SUMMARY:		18,795	101.39	106.89
Security - Entrance, Keypad	13	4,610	32.46	32.98
Security - Gate Operators, Sliding	3	5,720	47.25	50.45
*** CATEGORY SUMMARY:		10,330	79.71	83.43
Pipe Railing - Steel	7	2,020	9.10	10.16
*** CATEGORY SUMMARY:		2,020	9.10	10.16
Entrance Monument	22	0	0.00	0.00
Front Entrance Marquee	4	1,000	5.31	5.90
Irrigation - Distribution System	22	0	0.00	0.00
Irrigation Controllers	3	800	6.61	7.06
Irrigation Controllers	11	700	5.90	5.96
Signs - Traffic	12	0	0.00	0.00
Street Sign - Pole Replacement	4	2,322	11.40	12.79
*** CATEGORY SUMMARY:		4,822	29.22	31.71
TOTAL ASSET SUMMARY:		180,951	968.82	1,032.55
CONTINGENCY @ 0.00%:			0.00	0.00
GRAND TOTAL:			968.82	1,032.55

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Reserve Analysis Summary by Category

REPORT DATE: November 9, 2015  
VERSION: 273  
ACCOUNT NUMBER: 273

DESCRIPTION	USE/REM LIFE	CURRENT COST	IDEAL RESERVES	ASSIGNED RESERVES	ANNUAL CONTRBTN
Concrete Driveways/Walkways	55/37	0	0	0	0
Streets - Asphalt Overlay	20/11	108,208	59,789	59,789	5,977
Streets - Asphalt Repairs	20/14	20,105	5,609	5,290	1,384
*** CATEGORY SUMMARY:		128,313	65,398	65,080	7,361
Fencing - Rock Walls	5/ 2	3,272	1,844	1,844	758
Fencing - Split Rail	25/23	8,746	422	0	543
Fencing - Wrought Iron, Gates	18/ 0	3,877	3,877	3,877	285
*** CATEGORY SUMMARY:		15,895	6,144	5,721	1,586
Lighting - Pole Replacement	22/ 4	775	631	631	46
*** CATEGORY SUMMARY:		775	631	631	46
Gazebo - Deluxe	25/17	8,793	4,471	0	673
Park Eqpmt - BBQ, Charcoal Pedestal	12/ 4	693	565	565	41
Park Eqpmt - Benches, 6'	16/ 8	796	547	547	42
Park Eqpmt - Picnic Table, 6'	16/ 8	1,088	748	748	57
Playgrd Equipmt - Play Platform	16/ 8	5,500	3,780	3,780	290
Playgrd Equipmt - Playhouse	22/ 4	575	468	468	34
Playgrd Equipmt - Swing Set	22/ 4	775	631	631	46
Playgrd Equipmt - Swing Set Kiddie	22/ 4	575	468	468	34
*** CATEGORY SUMMARY:		18,795	11,678	7,208	1,217
Security - Entrance, Keypad	15/13	4,610	547	547	390
Security - Gate Operators, Sliding	12/ 3	5,720	4,239	4,239	567
*** CATEGORY SUMMARY:		10,330	4,786	4,786	957
Pipe Railing - Steel	25/ 7	2,020	1,445	1,445	109
*** CATEGORY SUMMARY:		2,020	1,445	1,445	109
Entrance Monument	40/22	0	0	0	0
Front Entrance Marquee	20/ 4	1,000	796	796	64
Irrigation - Distribution System	40/22	0	0	0	0
Irrigation Controllers	12/ 3	800	593	593	79
Irrigation Controllers	12/11	700	49	49	71
Signs - Traffic	15/12	0	0	0	0
Street Sign - Pole Replacement	22/ 4	2,322	1,892	1,892	137
*** CATEGORY SUMMARY:		4,822	3,330	3,330	351



SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Reserve Analysis Summary by Category

DESCRIPTION	USE/REM LIFE	CURRENT COST	IDEAL RESERVES	ASSIGNED RESERVES	ANNUAL CONTBTN
TOTAL ASSET SUMMARY:		180,951	93,412	88,200	11,626
CONTINGENCY @ 0.00%:			0	0	0
GRAND TOTAL:			93,412	88,200	11,626

Percent Ideally Funded:            94.42%

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
RDA Standard Projections

REPORT DATE: November 9, 2015  
VERSION: 273  
ACCOUNT NUMBER: 273

Beginning Accumulated Reserves: \$88,200

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	IDEAL ENDING RESERVES	PERCENT IDEALLY FUNDED
'16	180,951	11,626	765	3,877	96,714	100,101	97%
'17	184,570	11,676	871	0	109,260	111,055	98%
'18	188,261	11,688	949	3,404	118,494	118,871	100%
'19	192,027	11,793	998	6,919	124,366	123,418	101%
'20	195,867	11,696	1,045	7,269	129,838	127,907	102%
'21	199,784	11,268	1,152	0	142,258	140,088	102%
'22	203,780	11,066	1,257	0	154,581	152,705	101%
'23	207,856	11,857	1,313	6,079	161,672	159,569	101%
'24	212,013	12,313	1,354	8,652	166,687	164,353	101%
'25	216,253	12,035	1,470	0	180,192	178,265	101%
'26	220,578	11,470	1,583	0	193,245	192,668	100%
'27	224,990	15,204	553	135,413	73,589	70,733	104%
'28	229,489	14,396	649	4,150	84,483	80,494	105%
'29	234,079	13,910	724	5,964	93,153	88,846	105%
'30	238,761	14,722	626	26,529	81,973	76,604	107%
'31	243,536	15,114	684	8,775	88,996	82,486	108%
'32	248,407	15,002	810	951	103,856	96,732	107%
'33	253,375	16,344	806	16,894	104,112	95,412	109%
'34	258,442	16,132	904	5,537	115,611	105,930	109%
'35	263,611	15,851	1,048	0	132,510	122,590	108%
'36	268,883	15,678	1,192	0	149,380	139,875	107%
'37	274,261	15,514	1,335	0	166,229	157,802	105%
'38	279,746	16,369	1,440	5,059	178,980	171,231	105%
'39	285,341	16,845	1,466	14,896	182,394	175,183	104%
'40	291,048	17,383	1,509	13,485	187,801	180,968	104%
'41	296,869	17,083	1,669	0	206,554	200,944	103%
'42	302,806	17,413	1,759	8,404	217,322	213,074	102%
'43	308,863	19,374	1,787	16,714	221,770	217,305	102%
'44	315,040	19,778	1,891	9,233	234,207	229,592	102%
'45	321,341	19,270	2,074	0	255,551	251,888	101%

NOTE: In some cases, the projected ending reserves may exceed the ideal ending reserves during years following high expenditures. This is a result of the provision for a contingency in the report, which in the projections, is never expended. The contingency is continually adjusted according to present needs and any excess is redistributed among all assets considered.

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Annual Expenditure Detail

REPORT DATE: November 9, 2015  
VERSION: 273  
ACCOUNT NUMBER: 273

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DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2016	
Fencing - Wrought Iron, Gates	3,877.00
*** ANNUAL TOTAL:	<u>3,877.00</u>
REPLACEMENT YEAR 2017	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2018	
Fencing - Rock Walls	3,404.29
*** ANNUAL TOTAL:	<u>3,404.29</u>
REPLACEMENT YEAR 2019	
Irrigation Controllers	848.97
Security - Gate Operators, Sliding	6,070.11
*** ANNUAL TOTAL:	<u>6,919.08</u>
REPLACEMENT YEAR 2020	
Front Entrance Marquee	1,082.43
Lighting - Pole Replacement	838.89
Park Equipmt - BBQ, Charcoal Pedestal	750.13
Playgrd Equipmt - Playhouse	622.39
Playgrd Equipmt - Swing Set	838.89
Playgrd Equipmt - Swing Set Kiddie	622.39
Street Sign - Pole Replacement	2,513.41
*** ANNUAL TOTAL:	<u>7,268.53</u>
REPLACEMENT YEAR 2021	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2022	
*** ANNUAL TOTAL:	0.00

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2023	
Fencing - Rock Walls	3,758.62
Pipe Railing - Steel	2,320.57
*** ANNUAL TOTAL:	6,079.19
REPLACEMENT YEAR 2024	
Park Eqpmt - Benches, 6'	932.64
Park Eqpmt - Picnic Table, 6'	1,274.77
Playgrd Equipmt - Play Platform	6,444.13
*** ANNUAL TOTAL:	8,651.54
REPLACEMENT YEAR 2025	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2026	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2027	
Irrigation Controllers	870.37
Streets - Asphalt Overlay	134,542.93
*** ANNUAL TOTAL:	135,413.30
REPLACEMENT YEAR 2028	
Fencing - Rock Walls	4,149.82
*** ANNUAL TOTAL:	4,149.82
REPLACEMENT YEAR 2029	
Security - Entrance, Keypad	5,963.52
*** ANNUAL TOTAL:	5,963.52
REPLACEMENT YEAR 2030	
Streets - Asphalt Repairs	26,528.53
*** ANNUAL TOTAL:	26,528.53

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2031	
Irrigation Controllers	1,076.70
Security - Gate Operators, Sliding	7,698.37
*** ANNUAL TOTAL:	8,775.07
REPLACEMENT YEAR 2032	
Park Eqpmt - BBQ, Charcoal Pedestal	951.34
*** ANNUAL TOTAL:	951.34
REPLACEMENT YEAR 2033	
Fencing - Rock Walls	4,581.75
Gazebo - Deluxe	12,312.31
*** ANNUAL TOTAL:	16,894.06
REPLACEMENT YEAR 2034	
Fencing - Wrought Iron, Gates	5,537.31
*** ANNUAL TOTAL:	5,537.31
REPLACEMENT YEAR 2035	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2036	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2037	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2038	
Fencing - Rock Walls	5,058.63
*** ANNUAL TOTAL:	5,058.63
REPLACEMENT YEAR 2039	
Fencing - Split Rail	13,792.14
Irrigation Controllers	1,103.84
*** ANNUAL TOTAL:	14,895.98

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Annual Expenditure Detail

DESCRIPTION	EXPENDITURES
REPLACEMENT YEAR 2040	
Front Entrance Marquee	1,608.42
Park Eqpmt - Benches, 6'	1,280.31
Park Eqpmt - Picnic Table, 6'	1,750.00
Playgrd Equipmt - Play Platform	8,846.42
*** ANNUAL TOTAL:	13,485.15
REPLACEMENT YEAR 2041	
*** ANNUAL TOTAL:	0.00
REPLACEMENT YEAR 2042	
Lighting - Pole Replacement	1,296.88
Playgrd Equipmt - Playhouse	962.20
Playgrd Equipmt - Swing Set	1,296.88
Playgrd Equipmt - Swing Set Kiddie	962.20
Street Sign - Pole Replacement	3,885.70
*** ANNUAL TOTAL:	8,403.86
REPLACEMENT YEAR 2043	
Fencing - Rock Walls	5,585.14
Irrigation Controllers	1,365.51
Security - Gate Operators, Sliding	9,763.41
*** ANNUAL TOTAL:	16,714.06
REPLACEMENT YEAR 2044	
Park Eqpmt - BBQ, Charcoal Pedestal	1,206.55
Security - Entrance, Keypad	8,026.10
*** ANNUAL TOTAL:	9,232.65
REPLACEMENT YEAR 2045	
*** ANNUAL TOTAL:	0.00

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

REPORT DATE: November 9, 2015  
VERSION: 273  
ACCOUNT NUMBER: 273

Concrete Driveways/Walkways		QUANTITY	1 comment
ASSET ID	1001	UNIT COST	0.000
GROUP/FACILITY	0	PERCENT REPL	0.00%
CATEGORY	10	CURRENT COST	0.00
		FUTURE COST	0.00
PLACED IN SERVICE	6/98	ASSIGNED RESERVES	0.00
55 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR	2053	INTEREST	0.00
37 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

It is normally a standard policy not to fund for concrete deck, sidewalk, or driveway repairs as a reserve component. It is anticipated that any repairs required will be addressed immediately due to safety concerns. Good maintenance practice would not allow the need for repairs to accumulate to a point that they would become a major expense. Minor repairs, as needed, may be covered by the operational budget, operational contingency or reserve contingency. Should the client feel otherwise, we would be happy to incorporate this element into our analysis.

Streets - Asphalt Overlay		QUANTITY	133,590 sq ft
ASSET ID	1013	UNIT COST	0.810
GROUP/FACILITY	0	PERCENT REPL	100.00%
CATEGORY	10	CURRENT COST	108,207.90
		FUTURE COST	134,542.92
PLACED IN SERVICE	6/02	ASSIGNED RESERVES	59,789.45
20 YEAR USEFUL LIFE		SALVAGE VALUE	0.00
+5 YEAR ADJUSTMENT		MONTHLY CNTRBTN	498.10
REPLACEMENT YEAR	2027	INTEREST	44.46
11 YEAR REM LIFE		MONTHLY ALLOCTN	542.56

REMARKS:

133,590 sq. ft. of 2.0" overlay @ .81

Most asphalt areas can be expected to last approximately 20 years before it will become necessary for an overlay to be applied. If the asphalt repairs are maintained and since the roads have minimal traffic, the expected life for the asphalt of the roads are extended to 25 years. This can double the life of the surface upon application. It will be necessary to adjust man-hole and valve covers at the time the overlay is applied. Deflection test-

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Streets - Asphalt Overlay, Continued ...

ing should be conducted by an independent consultant near the end of the estimated useful life to determine the condition of the asphalt and estimated remaining life before the overlay is required.

Streets - Asphalt Repairs		QUANTITY	133,590 sq. ft.
		UNIT COST	3.010
ASSET ID	1014	PERCENT REPL	5.00%
GROUP/FACILITY	0	CURRENT COST	20,105.30
CATEGORY	10	FUTURE COST	26,528.52
		ASSIGNED RESERVES	5,290.10
PLACED IN SERVICE	8/10	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	115.34
REPLACEMENT YEAR 2030		INTEREST	4.21
14 YEAR REM LIFE		MONTHLY ALLOCTN	119.55

REMARKS:

cut and remove 2" asphalt & 36" subbase @ \$ 1.12  
 30" fill @ .50  
 6" base @ .36  
 2" asphalt @ .75  
 tar emulsion protective seal coat @ .28  
 The life cycle has been updated based on expected overlay.  
 \* NOTE: may also use a smaller % over a shorter cycle.

It is estimated that a percentage of the asphalt areas will require repair or replacement every few years. The actual condition of the asphalt should be monitored through time and the estimates adjusted accordingly.

CATEGORY SUMMARY:	ASSIGNED RESERVES	65,079.55
	MONTHLY CNTRBTN	613.44
	INTEREST	48.67
	MONTHLY ALLOCTN	662.11



SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Fencing - Rock Walls		QUANTITY	1 total
		UNIT COST	65,442.000
ASSET ID	1005	PERCENT REPL	5.00%
GROUP/FACILITY	0	CURRENT COST	3,272.10
CATEGORY	40	FUTURE COST	3,404.29
		ASSIGNED RESERVES	1,844.27
PLACED IN SERVICE	6/13	SALVAGE VALUE	0.00
5 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	63.17
REPLACEMENT YEAR	2018	INTEREST	1.56
2 YEAR REM LIFE		MONTHLY ALLOCTN	64.73

REMARKS:

1,338 lin. ft. of 6' fencing @ 48.91  
Repairs were made in 2008 and 2013 to seal cracks.

It is estimated that a percentage of the precast concrete walls will require repair or replacement. The actual condition of these walls should be monitored through time and the estimates adjusted accordingly.

Fencing - Split Rail		QUANTITY	748 lin ft
		UNIT COST	11.693
ASSET ID	1016	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	8,746.36
CATEGORY	40	FUTURE COST	13,792.13
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	11/14	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	45.26
REPLACEMENT YEAR	2039	INTEREST	0.18
23 YEAR REM LIFE		MONTHLY ALLOCTN	45.44

REMARKS:

748 lin. ft. of PVC 2-rail fence with 25 year guarantee.

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Fencing - Wrought Iron, Gates		QUANTITY	1 set
		UNIT COST	3,877.000
ASSET ID	1004	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	3,877.00
CATEGORY	40	FUTURE COST	3,877.00
		ASSIGNED RESERVES	3,877.00
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
18 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	23.73
REPLACEMENT YEAR 2016		INTEREST	0.09
0 YEAR REM LIFE		MONTHLY ALLOCTN	23.82

REMARKS:

- 1 - 4.5' x 6' standard pedestrian gates @ \$ 9.84 (per sq. ft.)
- 2 - 5' x 26' vehicle gates @ 13.89 (per sq. ft.)

CATEGORY SUMMARY:	ASSIGNED RESERVES	5,721.27
	MONTHLY CNTRBTN	132.16
	INTEREST	1.83
	MONTHLY ALLOCTN	133.99

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Lighting - Pole Replacement	QUANTITY	1 pole
	UNIT COST	775.000
ASSET ID 1025	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	775.00
CATEGORY 50	FUTURE COST	838.88
	ASSIGNED RESERVES	631.37
PLACED IN SERVICE 6/98	SALVAGE VALUE	0.00
22 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	3.80
REPLACEMENT YEAR 2020	INTEREST	0.46
4 YEAR REM LIFE	MONTHLY ALLOCTN	4.26

REMARKS:

Decorative round steel pole & labor:

Located at recreation area with four lights

CATEGORY SUMMARY:	ASSIGNED RESERVES	631.37
	MONTHLY CNTRBTN	3.80
	INTEREST	0.46
	MONTHLY ALLOCTN	4.26

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Gazebo - Deluxe		QUANTITY	1 gazebo
		UNIT COST	8,793.000
ASSET ID	1024	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	8,793.00
CATEGORY	60	FUTURE COST	12,312.32
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE			
+10 YEAR ADJUSTMENT		MONTHLY CNTRBTN	56.12
REPLACEMENT YEAR 2033		INTEREST	0.22
17 YEAR REM LIFE		MONTHLY ALLOCTN	56.34

REMARKS:

Typical cost each for 8' to 20' wood units including minimal foundation but excluding floors:

Gazebo has metal roof and wooden benches.

Per the Board, all wooden surfaces were refinished in late 2011. The life has been extended as a result.

Park Eqpmt - BBQ, Charcoal Pedestal		QUANTITY	3 BBQs
		UNIT COST	231.000
ASSET ID	1017	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	693.00
CATEGORY	60	FUTURE COST	750.13
		ASSIGNED RESERVES	564.57
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
12 YEAR USEFUL LIFE			
+10 YEAR ADJUSTMENT		MONTHLY CNTRBTN	3.40
REPLACEMENT YEAR 2020		INTEREST	0.41
4 YEAR REM LIFE		MONTHLY ALLOCTN	3.81

REMARKS:

Per the Board, equipment is in excellent shape and life has been extended.

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Park Eqpmt - Benches, 6'		QUANTITY	4 benches
		UNIT COST	199.000
ASSET ID	1018	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	796.00
CATEGORY	60	FUTURE COST	932.64
		ASSIGNED RESERVES	547.09
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
16 YEAR USEFUL LIFE			
+10 YEAR ADJUSTMENT		MONTHLY CNTRBTN	3.50
REPLACEMENT YEAR 2024		INTEREST	0.40
8 YEAR REM LIFE		MONTHLY ALLOCTN	3.90

REMARKS:

Per the Board, the equipment is in excellent condition. All the wood in the area was refinished in late 2011 and the life has been extended.

Park Eqpmt - Picnic Table, 6'		QUANTITY	4 tables
		UNIT COST	272.000
ASSET ID	1019	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	1,088.00
CATEGORY	60	FUTURE COST	1,274.77
		ASSIGNED RESERVES	747.78
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
16 YEAR USEFUL LIFE			
+10 YEAR ADJUSTMENT		MONTHLY CNTRBTN	4.78
REPLACEMENT YEAR 2024		INTEREST	0.55
8 YEAR REM LIFE		MONTHLY ALLOCTN	5.33

REMARKS:

These are portable units.

Per the Board, equipment is in excellent condition. All wood in the area was refinished in late 2011 and the life has been extended.

Playgrd Equipmt - Play Platform		QUANTITY	1 total
		UNIT COST	5,500.000
ASSET ID	1020	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	5,500.00
CATEGORY	60	FUTURE COST	6,444.13
		ASSIGNED RESERVES	3,780.13
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
16 YEAR USEFUL LIFE			
+10 YEAR ADJUSTMENT		MONTHLY CNTRBTN	24.15
REPLACEMENT YEAR 2024		INTEREST	2.78
8 YEAR REM LIFE		MONTHLY ALLOCTN	26.93

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Playgrd Equipmt - Play Platform, Continued ...

REMARKS:

Per Board 2015 inspection indicated equipment is in very good condition.

Playgrd Equipmt - Playhouse
-----------------------------

	QUANTITY	1 house
	UNIT COST	575.000
ASSET ID 1022	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	575.00
CATEGORY 60	FUTURE COST	622.40
	ASSIGNED RESERVES	468.44
PLACED IN SERVICE 6/98	SALVAGE VALUE	0.00
22 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	2.82
REPLACEMENT YEAR 2020	INTEREST	0.34
4 YEAR REM LIFE	MONTHLY ALLOCTN	3.16

REMARKS: NONE

Playgrd Equipmt - Swing Set
-----------------------------

	QUANTITY	1 swing set
	UNIT COST	775.000
ASSET ID 1021	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	775.00
CATEGORY 60	FUTURE COST	838.88
	ASSIGNED RESERVES	631.37
PLACED IN SERVICE 6/98	SALVAGE VALUE	0.00
22 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	3.80
REPLACEMENT YEAR 2020	INTEREST	0.46
4 YEAR REM LIFE	MONTHLY ALLOCTN	4.26

REMARKS: NONE

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Playgrd Equipmt - Swing Set Kiddie		QUANTITY	1 swing set
		UNIT COST	575.000
ASSET ID	1026	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	575.00
CATEGORY	60	FUTURE COST	622.40
		ASSIGNED RESERVES	468.44
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
22 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	2.82
REPLACEMENT YEAR	2020	INTEREST	0.34
4 YEAR REM LIFE		MONTHLY ALLOCTN	3.16

REMARKS: NONE

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CATEGORY SUMMARY:	ASSIGNED RESERVES	7,207.82
	MONTHLY CNTRBTN	101.39
	INTEREST	5.50
	MONTHLY ALLOCTN	106.89





SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Pipe Railing - Steel		QUANTITY	91 lin. ft.
		UNIT COST	22.200
ASSET ID	1010	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	2,020.20
CATEGORY	90	FUTURE COST	2,320.57
		ASSIGNED RESERVES	1,444.96
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
25 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	9.10
REPLACEMENT YEAR	2023	INTEREST	1.06
7 YEAR REM LIFE		MONTHLY ALLOCTN	10.16

REMARKS:

Pipe railings, 38" high:

CATEGORY SUMMARY:	ASSIGNED RESERVES	1,444.96
	MONTHLY CNTRBTN	9.10
	INTEREST	1.06
	MONTHLY ALLOCTN	10.16

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Entrance Monument		QUANTITY	1 each
		UNIT COST	0.000
ASSET ID	1027	PERCENT REPL	0.00%
GROUP/FACILITY	0	CURRENT COST	0.00
CATEGORY	100	FUTURE COST	0.00
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
40 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR	2038	INTEREST	0.00
22 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

Major repair or replacement is not projected as a requirement at this time.

Front Entrance Marquee		QUANTITY	1
		UNIT COST	1,000.000
ASSET ID	1029	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	1,000.00
CATEGORY	100	FUTURE COST	1,082.43
		ASSIGNED RESERVES	795.74
PLACED IN SERVICE	6/00	SALVAGE VALUE	0.00
20 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	5.31
REPLACEMENT YEAR	2020	INTEREST	0.59
4 YEAR REM LIFE		MONTHLY ALLOCTN	5.90

REMARKS: NONE

Irrigation - Distribution System		QUANTITY	1 comment
		UNIT COST	0.000
ASSET ID	1006	PERCENT REPL	0.00%
GROUP/FACILITY	0	CURRENT COST	0.00
CATEGORY	100	FUTURE COST	0.00
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
40 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR	2038	INTEREST	0.00
22 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Irrigation - Distribution System, Continued ...

REMARKS:

These devices require an annual inspection and should be repaired "as needed." Thus, we have not provided an allocation for the replacement of these units.

Irrigation Controllers	QUANTITY	2 total
	UNIT COST	400.000
ASSET ID 1007	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	800.00
CATEGORY 100	FUTURE COST	848.97
	ASSIGNED RESERVES	592.81
PLACED IN SERVICE 6/07	SALVAGE VALUE	0.00
12 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	6.61
REPLACEMENT YEAR 2019	INTEREST	0.45
3 YEAR REM LIFE	MONTHLY ALLOCTN	7.06

REMARKS:

Irritrol 24-station controller, model TC-24EX-B, at the front entrance  
Hunter PRO-C 12 station controller at the rec area

Irrigation Controllers	QUANTITY	2
	UNIT COST	350.000
ASSET ID 1028	PERCENT REPL	100.00%
GROUP/FACILITY 0	CURRENT COST	700.00
CATEGORY 100	FUTURE COST	870.36
	ASSIGNED RESERVES	49.30
PLACED IN SERVICE 3/15	SALVAGE VALUE	0.00
12 YEAR USEFUL LIFE		
+0 YEAR ADJUSTMENT	MONTHLY CNTRBTN	5.90
REPLACEMENT YEAR 2027	INTEREST	0.06
11 YEAR REM LIFE	MONTHLY ALLOCTN	5.96

REMARKS:

Hunter Node 400 Controllers - one at exit & one at Granite Spring middle island.

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

Signs - Traffic		QUANTITY	1 total
		UNIT COST	0.000
ASSET ID	1015	PERCENT REPL	0.00%
GROUP/FACILITY	0	CURRENT COST	0.00
CATEGORY	100	FUTURE COST	0.00
		ASSIGNED RESERVES	0.00
PLACED IN SERVICE	6/13	SALVAGE VALUE	0.00
15 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	0.00
REPLACEMENT YEAR	2028	INTEREST	0.00
12 YEAR REM LIFE		MONTHLY ALLOCTN	0.00

REMARKS:

Traffic signs, reflectorized, with 2" galvanized steel pipe post 10' long set 2' into the ground:

* - "STOP" - 24" x 24"	@	\$ 163
* - "YIELD" - 30" triangle	@	129
* - Speed Limit, Exit, etc, 18" x 24"	@	129
* - Warning - 24" x 24"	@	138

NOTE: This is often an operational expense.

Street Sign - Pole Replacement		QUANTITY	6 poles
		UNIT COST	387.000
ASSET ID	1009	PERCENT REPL	100.00%
GROUP/FACILITY	0	CURRENT COST	2,322.00
CATEGORY	100	FUTURE COST	2,513.41
		ASSIGNED RESERVES	1,891.67
PLACED IN SERVICE	6/98	SALVAGE VALUE	0.00
22 YEAR USEFUL LIFE			
+0 YEAR ADJUSTMENT		MONTHLY CNTRBTN	11.40
REPLACEMENT YEAR	2020	INTEREST	1.39
4 YEAR REM LIFE		MONTHLY ALLOCTN	12.79

REMARKS:

Decorative Round steel pole & labor:

9.5' @ \$ 387

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

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CATEGORY SUMMARY:	ASSIGNED RESERVES	3,329.52
	MONTHLY CNTRBTN	29.22
	INTEREST	2.49
	MONTHLY ALLOCTN	31.71

SPRINGS AT STONE OAK HOMEOWNERS ASSN.  
Detail Report by Category

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TOTAL ALL ASSETS:	ASSIGNED RESERVES	88,200.00
	MONTHLY CNTRBTN	968.82
	INTEREST	63.73
	MONTHLY ALLOCTN	1,032.55
CONTINGENCY @ 0.00%:	ASSIGNED RESERVES	0.00
	MONTHLY CNTRBTN	0.00
	INTEREST	0.00
	MONTHLY ALLOCTN	0.00
GRAND TOTALS:	ASSIGNED RESERVES	88,200.00
	MONTHLY CNTRBTN	968.82
	INTEREST	63.73
	MONTHLY ALLOCTN	1,032.55

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1013	Streets - Asphalt Overlay	2-12
1014	Streets - Asphalt Repairs	2-13

TOTAL ASSET LINES INCLUDED: 25