

## SAN IGNACIO VISTAS, INC.

To: Financial Advisory Committee  
From: Robert W. Christensen  
Subject: Replacement Reserve Plan 2011 – 2016  
Date: November 1, 2011

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Attached is the Replacement Reserve Plan (2011 – 2016) and supporting plans including the Maintenance Plan and Funding Plan for your consideration.

- 1) Worksheets for Part 1 and Part 2 of the Maintenance Plan (Attachments 1 & 2). The Worksheets are built from the cost numbers provided by Jim Chervenka. Jim solicited bids from Ace, Bates, Cholla, IMP and Sunland during August and September 2011. In some cases Jim based his cost numbers on the average of the applicable bids and in others Jim used the most representative bid. All bids were then adjusted for taxes. These cost numbers are inflated by 3.5% per year and are then used to build the Maintenance Plan. See the notes immediately following each Worksheet for details and comparisons. Generally the quotes for Part 1 are down from those obtained in 2009 and 2010.
- 2) Maintenance Plan Part 1 (Attachment 3). Part 1 is dedicated to street maintenance. The timing of each item is discussed in the notes provided. In several cases this timing has been adjusted at the direction of the Maintenance Committee. It should be noted that a Reserve Study has been scheduled for 2012 and this should provide an independent test for many of these assumptions.
- 3) Maintenance Plan Part 2 (Attachment 4). Part 2 deals with the maintenance of assets other than the streets. Few of these have been tested by experience and the cost numbers have not been updated in several years. Except for refurbishing the Monuments all of the scheduled maintenance has been pushed back six or more years at the direction of the Maintenance Committee.
- 4) Funding Plan (Attachment 5). This plan compares the available reserve balances and planned contributions to the funds needed to execute the Maintenance Plan. The Ending Balance reports the excess of contributions over expenditures for any given year. The notes that follow the Plan explain certain assumptions. One is the reduction of interest earned to 1% for 2012 to 2015, then stepping up to 2% to 2020 and 3% thereafter. Another is the holding of the Reserve Contribution to \$50,400 in both 2011 and 2012. Because projected costs are down and their pacing slowed in several instances, the overall buildup of reserves is still greater than those of earlier plans.

- 5) Replacement Reserve Plan (Attachment 6). This provides a detailed accounting for each line item in the Replacement Reserve Plan over the six years beginning with 2011. Lines 7 and 8 have been renamed "Minor Repairs" and "Major Repairs", respectively. The years to fund lines 1, 2, 4 and 7 have been restated. This in turn has reduced the balances attributed to those line items. Line 10 benefits from the lower attributions to the other line items and also from any excess funding that is available each year. This excess is highlighted in yellow and represents the difference between the funding required (\$16,117 in 2011) and the projected actual funding (\$26,601). Over the six year period fund balances rise from \$261,571 (at year end 2010) to \$474,347 (at year end 2016) despite the dramatic fall in earnings from interest on these balances.

Immediate impact: By holding the required Reserve Contribution to \$50,400 (down from the \$52,164 projected in our 2010 plan), it would appear that no increase in dues would be required to fund the 2012 operating budget.

Note: This Plan covers the reserves set aside by the Association for the replacement of its assets. By far the largest component of the Plan is for the replacement of the streets with lesser reserves set aside for replacement of our curbs, sidewalks, storm sewers, drainage lines, retaining walls, monuments and barrier rails or posts. While the contributions required to fund these reserves are a significant claim upon the resources of the Association they are not sufficient to fund all of our maintenance requirements each year. Common area maintenance, the trimming of trees, the sweeping of the streets and similar expenditures are funded out of the Operating Budget. So too are all accounting, insurance, legal and other professional expenses, including consulting, engineering and related advisory expenses that might be associated with the maintenance or replacement of Association assets. Similarly utilities and the maintenance of our water and electrical hookups are funded out of the Operating Budget. From time to time the Association might also make capital improvements, for example the addition of a new drainage line, which would be funded out of the Operating Budget or perhaps a special assessment. Subsequent replacement costs would then become part of the reserve Plan.

		Streets (Part1)						
<u>Year</u>	<u>SAM</u>	<u>Pulverize</u>	<u>Crack</u>	<u>Seal</u>	<u>Curb</u>	<u>Minor</u>	<u>Major</u>	
	<u>Overlay</u>	<u>&amp; Repave</u>	<u>Seal</u>	<u>Coat</u>	<u>Seal</u>	<u>Repairs</u>	<u>Repairs</u>	
1	2011	241,048	674,935	9,434	31,065	15,797	8,530	12,476
2	2012	249,485	698,558	9,764	32,152	16,350	8,829	12,913
3	2013	258,217	723,007	10,106	33,278	16,922	9,138	13,365
4	2014	267,254	748,312	10,460	34,442	17,514	9,457	13,832
5	2015	276,608	774,503	10,826	35,648	18,127	9,788	14,316
6	2016	286,289	801,611	11,205	36,895	18,762	10,131	14,818
7	2017	296,310	829,667	11,597	38,187	19,419	10,486	15,336
8	2018	306,680	858,706	12,003	39,523	20,098	10,853	15,873
9	2019	317,414	888,761	12,423	40,907	20,802	11,232	16,429
10	2020	328,524	919,867	12,858	42,338	21,530	11,626	17,004
11	2021	340,022	952,062	13,308	43,820	22,283	12,032	17,599
12	2022	351,923	985,385	13,773	45,354	23,063	12,454	18,215
13	2023	364,240	1,019,873	14,255	46,941	23,870	12,889	18,852
14	2024	376,988	1,055,569	14,754	48,584	24,706	13,341	19,512
15	2025	390,183	1,092,514	15,271	50,285	25,571	13,807	20,195
16	2026	403,839	1,130,752	15,805	52,045	26,465	14,291	20,902
17	2027	417,974	1,170,328	16,358	53,866	27,392	14,791	21,633
18	2028	432,603	1,211,289	16,931	55,752	28,350	15,309	22,390
19	2029	447,744	1,253,684	17,524	57,703	29,343	15,844	23,174
20	2030	463,415	1,297,563	18,137	59,723	30,370	16,399	23,985
21	2031	479,635	1,342,978	18,772	61,813	31,433	16,973	24,825
22	2032	496,422	1,389,982	19,429	63,976	32,533	17,567	25,693
23	2033	513,797	1,438,632	20,109	66,215	33,671	18,182	26,593
24	2034	531,779	1,488,984	20,812	68,533	34,850	18,818	27,523
25	2035	550,392	1,541,098	21,541	70,932	36,070	19,477	28,487
26	2036	569,655	1,595,037	22,295	73,414	37,332	20,158	29,484
27	2037	589,593	1,650,863	23,075	75,984	38,639	20,864	30,516
28	2038	610,229	1,708,643	23,883	78,643	39,991	21,594	31,584
29	2039	631,587	1,768,446	24,719	81,396	41,391	22,350	32,689
30	2040	653,693	1,830,341	25,584	84,244	42,840	23,132	33,833
31	2041	676,572	1,894,403	26,479	87,193	44,339	23,942	35,018
32	2042	700,252	1,960,707	27,406	90,245	45,891	24,780	36,243
33	2043	724,761	2,029,332	28,365	93,403	47,497	25,647	37,512
34	2044	750,127	2,100,359	29,358	96,672	49,159	26,545	38,825
35	2045	776,382	2,173,871	30,386	100,056	50,880	27,474	40,183

<b>Streets (Part 1)</b>								
<u>Year</u>	<u>SAM Overlay</u>	<u>Pulverize &amp; Repave</u>	<u>Crack Seal</u>	<u>Seal Coat</u>	<u>Curb Seal</u>	<u>Minor Repairs</u>	<u>Major Repairs</u>	
36	2046	803,555	2,249,957	31,449	103,558	52,661	28,436	41,590
37	2047	831,680	2,328,705	32,550	107,183	54,504	29,431	43,046
38	2048	860,789	2,410,210	33,689	110,934	56,411	30,461	44,552
39	2049	890,916	2,494,567	34,868	114,817	58,386	31,527	46,111
40	2050	922,098	2,581,877	36,089	118,835	60,429	32,630	47,725
41	2051	954,372	2,672,243	37,352	122,994	62,544	33,772	49,396
42	2052	987,775	2,765,771	38,659	127,299	64,733	34,955	51,125
43	2053	1,022,347	2,862,573	40,012	131,755	66,999	36,178	52,914
44	2054	1,058,129	2,962,764	41,412	136,366	69,344	37,444	54,766
45	2055	1,095,163	3,066,460	42,862	141,139	71,771	38,755	56,683

Note: *SAM Overlay* base cost in 2011 = \$4.50 psy for the overlay, \$.50 psy for the fog seal or \$5.00 psy x 46,371 square yards = \$231,855 + taxes @ 3.965% = \$241,048. Source Sunland. Compares with \$265,154 in both 2009 and 2010.

Note: *Pulverize and Repave* base cost in 2011 = \$14.00 psy x 46,371 square yards = \$649,194 + taxes @ 3.965% = \$674,935. Source Sunland. Compares with \$723,144 in both 2009 and 2010.

Note: *Crack seal* cost in 2011 = \$.19568 psy x 46,371 square yards = \$9,074 + taxes @ 3.965% = \$9,434. Source Sunland and three others. Compares with \$9,393 in 2009 and \$10,606 in 2010.

Note: *Seal Coat* cost in 2011 = \$.6444 psy x 46,371 square yards = \$29,880 + taxes @ 3.965% = \$31,065. Source Sunland and three others. Compares with \$43,389 in 2009 and 2010.

Note: *Curb seal* cost in 2011 = \$.53 plf x 28,662 linear feet = \$15,195 + taxes @ 3.965% = \$15,797. Source Cholla Pavement Maintenance and Sunland. Compares with \$38,694 in 2009 and 2010.

Note: *Minor street repairs* cost in 2011 = \$5.47 psf x 1,500 square feet = \$8,205 + taxes @ 3.965% = \$8,530. Source Sunland and three others. Not comparable to previous quotes due to change in

Note: *Major street repair* cost in 2011 = \$6.00 psf x 2,000 square feet = \$12,000 + taxes @ 3.965% = \$12,476. Source Sunland. Cost basis comparable to 2009 and 2010 but coverage reduced.

Note: See Part 2 for balance of Maintenance Plan.

<b>Curbs, Drainage, Sidewalks, Walls etc. (Part 2)</b>					
<u>Year</u>	<u>Concrete</u> <u>Replace</u>	<u>Other</u> <u>Repairs</u>	<u>Other</u> <u>Repaint</u>	<u>Monuments</u>	
1	2011	6,030	5,100	2,600	7,000
2	2012	6,241	5,279	2,691	7,245
3	2013	6,459	5,463	2,785	7,499
4	2014	6,686	5,654	2,883	7,761
5	2015	6,920	5,852	2,984	8,033
6	2016	7,162	6,057	3,088	8,314
7	2017	7,412	6,269	3,196	8,605
8	2018	7,672	6,489	3,308	8,906
9	2019	7,940	6,716	3,424	9,218
10	2020	8,218	6,951	3,544	9,540
11	2021	8,506	7,194	3,668	9,874
12	2022	8,804	7,446	3,796	10,220
13	2023	9,112	7,706	3,929	10,577
14	2024	9,431	7,976	4,066	10,948
15	2025	9,761	8,255	4,209	11,331
16	2026	10,102	8,544	4,356	11,727
17	2027	10,456	8,843	4,508	12,138
18	2028	10,822	9,153	4,666	12,563
19	2029	11,201	9,473	4,829	13,002
20	2030	11,593	9,805	4,999	13,458
21	2031	11,998	10,148	5,173	13,929
22	2032	12,418	10,503	5,355	14,416
23	2033	12,853	10,871	5,542	14,921
24	2034	13,303	11,251	5,736	15,443
25	2035	13,768	11,645	5,937	15,983
26	2036	14,250	12,053	6,144	16,543
27	2037	14,749	12,474	6,359	17,122
28	2038	15,265	12,911	6,582	17,721
29	2039	15,800	13,363	6,812	18,341
30	2040	16,353	13,831	7,051	18,983
31	2041	16,925	14,315	7,298	19,648
32	2042	17,517	14,816	7,553	20,335
33	2043	18,130	15,334	7,817	21,047
34	2044	18,765	15,871	8,091	21,784
35	2045	19,422	16,426	8,374	22,546

Curbs, Drainage, Sidewalks, Walls etc. (Part 2)					
<u>Year</u>	<u>Concrete Replace</u>	<u>Other Repairs</u>	<u>Other Repaint</u>	<u>Monuments</u>	
36	2046	20,102	17,001	8,667	23,335
37	2047	20,805	17,596	8,971	24,152
38	2048	21,533	18,212	9,285	24,997
39	2049	22,287	18,850	9,610	25,872
40	2050	23,067	19,509	9,946	26,778
41	2051	23,874	20,192	10,294	27,715
42	2052	24,710	20,899	10,654	28,685
43	2053	25,575	21,630	11,027	29,689
44	2054	26,470	22,387	11,413	30,728
45	2055	27,396	23,171	11,813	31,803

Note: *Concrete replace* includes *Curbs* at a base cost in 2011 = \$29 plf x 100 linear feet = \$2,900 + taxes @ 3.965% = \$3,015 and *Sidewalks* at a base cost in 2011 = \$11.60 plf x 250 linear feet = \$2,900 + taxes @ 3.965% = \$3,015. Source R&R. No change from 2009 or 2010. No estimate is made for the replacement of the *storm sewer system*. The initial repairs are when the assets are 21 years old and then every in small increments every 7 years.

Note: *Other repairs* includes repairs to the *Drainage Channels* base cost in 2011 = \$20 psf x 200 square feet = \$4,000 + taxes @ 3.965% = \$4,159 and *Stucco Walls* base cost in 2011 = \$7.25 psf x 125 square feet = \$906 + taxes @ 3.965% = \$942. No change from 2009 or 2010. The next scheduled repairs are for when the assets are 20 years old and then every 5 years.

Note: *Other repaint* includes the repainting of the *Culvert Rails* base cost in 2011 = \$1.50 plf x 371 linear feet = \$557 + taxes @ 3.965% = \$580 and of the *Stucco Walls including the Monuments* base cost in 2011 = \$1.25 psf x 1,550 square feet = \$1,938 + taxes @ 3.965% = \$2,014. No change from 2009 or 2010. The monuments are scheduled for refurbishment including repainting in 2012. The initial repainting of the culvert rails and most of the retaining walls is scheduled when the assets are 20 years old and then in 15 year intervals.

Note: *Monument signage* base cost in 2011 = \$7,000. No change from 2009 or 2010. The initial signage changes is scheduled when the asset is 18 years old and then every 18 years thereafter.

**Maintenance Plan**  
(US Dollars)

		Streets (Part1)							
<u>Year</u>		<u>SAM Overlay</u>	<u>Pulverize &amp; Repave</u>	<u>Crack Seal</u>	<u>Seal Coat</u>	<u>Curb Seal</u>	<u>Minor Repairs</u>	<u>Major Repairs</u>	<u>Total</u>
1	2011								0
2	2012			9,764	32,152				41,916
3	2013								0
4	2014			10,460		17,514			27,974
5	2015						9,788		9,788
6	2016			11,205	36,895				48,100
7	2017							15,336	15,336
8	2018			12,003					12,003
9	2019						11,232		11,232
10	2020			12,858					12,858
11	2021	340,022							340,022
12	2022								0
13	2023								0
14	2024			14,754					14,754
15	2025								0
16	2026			15,805	52,045				67,850
17	2027								0
18	2028			16,931		28,350			45,281
19	2029						15,844		15,844
20	2030			18,137	59,723				77,860
21	2031							24,825	24,825
22	2032			19,429					19,429
23	2033						18,182		18,182
24	2034	531,779		20,812					552,591
25	2035								0
26	2036								0
27	2037			23,075					23,075
28	2038								0
29	2039			24,719	81,396				106,115
30	2040								0
31	2041			26,479					26,479
32	2042					45,891	24,780	36,243	106,914
33	2043			28,365	93,403				121,768
34	2044								0
35	2045			30,386					30,386

Streets (Part1)								
Year	SAM Overlay	Pulverize & Repave	Crack Seal	Seal Coat	Curb Seal	Minor Repairs	Major Repairs	Total
36	2046							0
37	2047	2,328,705						2,328,705
38	2048							0
39	2049							0
40	2050							0
41	2051							0
42	2052		38,659	127,299				165,958
43	2053							0
44	2054		41,412					41,412
45	2055							0

NOTES:

*SAM Overlays* are scheduled for 2021 and 2034. Streets are 25 years old in 2021 (estimated life of streets is 20 - 30 years). The second overlay is 13 years later (estimated life of overlays is 10 - 15 years). Six months after the overlay a Fog Seal is applied. SAM overlay cost \$4.50 psy and the Fog Seal \$.50 psy in 2011 or \$5.00 psy before taxes of 3.965%.

Thirteen years after the second overlay the streets are scheduled for replacement using a *Pulverize and Repave* process. Cost in 2011 is \$14 psy before taxes (\$14.56 after taxes). The estimated life of this process is 20 - 30 years.

Three years after an overlay the cracks are sealed (*Crack Seal*) and the streets are seal coated (*Seal Coat*). Cracks are sealed every two years and the streets are resealed every four years thereafter. Crack sealing cost is \$.19568 psy and seal coating cost is \$.6444 psy in 2011 based upon the before tax average of four bids.

*Curb seal* is required in intervals of about 14 years. Cost in 2011 is \$.53 plf based upon the before tax average of two bids.

*Minor street repairs* including "alligatored" areas and larger cracks is scheduled from time to time and in the year preceding Overlays. Cost in 2011 is \$5.47 psf based upon the before tax average of four bids.

*Major street repairs* may be necessary but are almost never planned. Here we set aside a contingency for repairs based on a cost in 2011 of \$6 psf for repairs in 2017, 2031 and 2042.

Note: See Part 2 for balance of Maintenance Plan.

Curbs, Drainage, Sidewalks, Walls etc. (Part 2)						
Year	Concrete Replace	Other Repairs	Other Repaint	Monuments	Total Part 1	Total Part 1 & 2
1 2011					0	0
2 2012				2,000	41,916	43,916
3 2013					0	0
4 2014					27,974	27,974
5 2015				8,033	9,788	17,821
6 2016					48,100	48,100
7 2017		6,269	3,196		15,336	24,801
8 2018	7,672				12,003	19,675
9 2019					11,232	11,232
10 2020					12,858	12,858
11 2021					340,022	340,022
12 2022		6,072			0	6,072
13 2023					0	0
14 2024					14,754	14,754
15 2025	9,761				0	9,761
16 2026					67,850	67,850
17 2027		7,212			0	7,212
18 2028					45,281	45,281
19 2029					15,844	15,844
20 2030					77,860	77,860
21 2031					24,825	24,825
22 2032	12,418	10,503	5,355		19,429	47,705
23 2033				14,921	18,182	33,103
24 2034					552,591	552,591
25 2035					0	0
26 2036					0	0
27 2037		10,173			23,075	33,248
28 2038					0	0
29 2039	15,800				106,115	121,915
30 2040					0	0
31 2041					26,479	26,479
32 2042		12,082			106,914	118,996
33 2043					121,768	121,768
34 2044					0	0
35 2045					30,386	30,386

**Curbs, Drainage, Sidewalks, Walls etc. (Part 2)**

<u>Year</u>	<u>Concrete Replace</u>	<u>Other Repairs</u>	<u>Other Repaint</u>	<u>Monuments</u>	<u>Total Part 1</u>	<u>Total Part 1 &amp; 2</u>
36 2046	20,102				0	20,102
37 2047		17,596	8,971		2,328,705	2,355,272
38 2048					0	0
39 2049					0	0
40 2050					0	0
41 2051				27,715	0	27,715
42 2052		17,043			165,958	183,001
43 2053					0	0
44 2054					41,412	41,412
45 2055					0	0

We will begin to replace severely cracked *curbs* and *sidewalks* in 2018 and in 7 year intervals thereafter. Cost including taxes in 2011 is \$30.15 plf for curbs and \$12.06 plf for sidewalks. There is no plan to repair or replace any portion of the *storm sewer system*.

*Drainage channels* will need repair and it is assumed here the repairs will next occur in 2017 and then every five years thereafter. Cost including taxes in 2011 is \$20.80 psf. Repairs to the *stucco walls* are also planned for 2017 and then in 15 year intervals. Cost including taxes in 2011 is \$7.54 psf.

*Culvert rails* require their initial repainting in 2017. Cost including taxes in 2011 is \$1.56 plf. Repainting of the *Stucco retaining walls and monuments* is also set for 2017 and then in fifteen year intervals. Cost including taxes is \$1.30 psf in 2011. Some refurbishment of the monuments, including repainted is set for early 2012.

*Monuments* will need new signage from time to time.

The *total for Part 1* (Streets) is shown again here and then the total for both *Part 1 and Part 2*. This total is then carried over to the Funding Plan (third column from the right).

**Funding Plan**  
(US Dollars)

		Contributions			Expenditures		
<u>Year</u>	<u>Opening Balance</u>	<u>Interest Earned</u>	<u>Reserve Contribution</u>	<u>Total</u>	<u>Reserve Projects</u>	<u>Ending Balance</u>	
1	2011	261,571	5,000	50,400	55,400	0	316,971
2	2012	316,971	3,170	50,400	53,570	43,916	326,625
3	2013	326,625	3,266	51,912	55,178	0	381,803
4	2014	381,803	3,818	53,469	57,287	27,974	411,116
5	2015	411,116	8,222	55,073	63,296	17,821	456,591
6	2016	456,591	9,132	56,726	65,857	48,100	474,349
7	2017	474,349	9,487	58,427	67,914	24,801	517,462
8	2018	517,462	10,349	60,180	70,529	19,675	568,316
9	2019	568,316	11,366	61,986	73,352	11,232	630,436
10	2020	630,436	18,913	63,845	82,758	12,858	700,337
11	2021	700,337	21,010	65,761	86,771	340,022	447,085
12	2022	447,085	13,413	67,733	81,146	6,072	522,159
13	2023	522,159	15,665	69,765	85,430	0	607,590
14	2024	607,590	18,228	71,858	90,086	14,754	682,922
15	2025	682,922	20,488	74,014	94,502	9,761	767,662
16	2026	767,662	23,030	76,235	99,264	67,850	799,077
17	2027	799,077	23,972	78,522	102,494	7,212	894,359
18	2928	894,359	26,831	80,877	107,708	45,281	956,785
19	2029	956,785	28,704	83,304	112,007	15,844	1,052,949
20	2030	1,052,949	31,588	85,803	117,391	77,860	1,092,480
21	2031	1,092,480	32,774	88,377	121,151	24,825	1,188,806
22	2032	1,188,806	35,664	91,028	126,692	47,705	1,267,793
23	2033	1,267,793	38,034	93,759	131,793	33,103	1,366,483
24	2034	1,366,483	40,994	96,572	137,566	552,591	951,458
25	2035	951,458	28,544	99,469	128,012	0	1,079,470
26	2036	1,079,470	32,384	102,453	134,837	0	1,214,307
27	2037	1,214,307	36,429	105,526	141,956	33,248	1,323,015
28	2038	1,323,015	39,690	108,692	148,383	0	1,471,397
29	2039	1,471,397	44,142	111,953	156,095	121,915	1,505,577
30	2040	1,505,577	45,167	115,312	160,479	0	1,666,056
31	2041	1,666,056	49,982	118,771	168,753	26,479	1,808,330
32	2042	1,808,330	54,250	122,334	176,584	118,996	1,865,918
33	2043	1,865,918	55,978	126,004	181,982	121,768	1,926,131
34	2044	1,926,131	57,784	129,784	187,568	0	2,113,699

**Funding Plan**  
(US Dollars)

		Contributions				Expenditures	
<u>Year</u>		<u>Opening Balance</u>	<u>Interest Earned</u>	<u>Reserve Contribution</u>	<u>Total</u>	<u>Reserve Projects</u>	<u>Ending Balance</u>
35	2045	2,113,699	63,411	137,688	201,099	30,386	2,284,412
36	2046	2,284,412	68,532	141,819	210,351	20,102	2,474,661
37	2047	2,474,661	74,240	146,073	220,313	2,355,272	339,702
38	2048	Following the repaving of our streets in 2047 a new long term Maintenance Plan will need to be developed and with it a new long term Funding Plan.					
39	2049						
40	2050						
41	2051						
42	2052						
43	2053						
44	2054						
45	2055						
NOTES:							
Assumed <i>interest earned</i> is 1% of <i>opening balance</i> of reserve funds to 2015, then 2% to 2020 and 3% thereafter. This is more conservative than in previous plans.							
Assumes <i>Reserve Contribution</i> of \$221 per household in 2011 and 2012 and then increasing by 3.0% per year thereafter.							
<i>Reserve project</i> expenses are taken from Maintenance Plan Part 1 and 2 (see Part 2 for total).							

		2011								
	Capital Account	Expected Life	Years to Rebuild	Years to Fund	12/31/2010 Balance	Full Funded Balance	Funding Required	2011 Funding	2011 Expense	12/31/2011 Balance
1	Curb & Sidewalk - Replace	TBD	7	8	670	6,030	670	670	-	1,340
2	Monument Signage	TBD	18	5	1,400	7,000	1,120	1,120	-	2,520
3	Other Repairs	TBD	5	7	638	5,100	637	637	-	1,275
4	Other Repainting	TBD	15	7	1,739	2,600	123	123	-	1,862
5	Streets - Crack Seal	2 years	2	2	-	9,434	4,717	4,717	-	4,717
6	Streets - Curb Seal	12-16 yrs	14	4	3,159	15,797	3,160	3,160	-	6,319
7	Streets - Minor Repairs	TBD	various	5	1,706	8,530	1,365	1,365	-	3,071
8	Streets - Major Repairs	TBD	14	7	1,560	12,476	1,559	1,559	-	3,119
9	Streets - Overlay	10-15 yrs	13	11	156,551	241,048	7,682	7,682	-	164,233
10	Streets - Pulverize/Repave	20-30 yrs	40	37	78,615	674,935	16,117	26,601	-	105,216
11	Streets - Reseal	4 years	4	2	15,533	31,065	7,766	7,766	-	23,299
Total Reserves					\$261,571	\$1,014,015	\$44,915	\$55,400	\$0	\$316,971

		2012								
	Capital Account	Expected Life	Years to Rebuild	Years to Fund	12/31/2011 Balance	Full Funded Balance	Funding Required	2012 Funding	2012 Expense	12/31/2012 Balance
1	Curb & Sidewalk - Replace	TBD	7	7	1,340	6,241	700	700	-	2,040
2	Monument Signage	TBD	18	4	2,520	7,245	1,181	1,181	-	3,701
3	Other Repairs	TBD	5	6	1,275	5,279	667	667	-	1,943
4	Other Repainting	TBD	15	6	1,862	2,691	138	138	2,000	0
5	Streets - Crack Seal	2 years	2	1	4,717	9,764	5,047	5,047	9,764	0
6	Streets - Curb Seal	12-16 yrs	14	3	6,319	16,350	3,344	3,344	-	9,662
7	Streets - Minor Repairs	TBD	various	4	3,071	8,829	1,439	1,439	-	4,510
8	Streets - Major Repairs	TBD	14	6	3,119	12,913	1,632	1,632	-	4,752
9	Streets - Overlay	10-15 yrs	13	10	164,233	249,485	8,525	8,525	-	172,758
10	Streets - Pulverize/Repave	20-30 yrs	40	36	105,216	698,558	16,482	22,042	-	127,258
11	Streets - Reseal	4 years	4	1	23,299	32,152	8,853	8,853	32,152	0
Total Reserves					\$316,971	\$1,049,506	\$48,010	\$53,570	\$43,916	\$326,625

2013										
	Capital Account	Expected Life	Years to Rebuild	Years to Fund	12/31/2012 Balance	Full Funded Balance	Funding Required	2013 Funding	2013 Expense	12/31/2013 Balance
1	Curb & Sidewalk - Replace	TBD	7	6	2,040	6,459	737	737	-	2,777
2	Monument Signage	TBD	18	3	3,701	7,499	1,266	1,266	-	4,967
3	Other Repairs	TBD	5	5	1,943	5,463	704	704	-	2,647
4	Other Repainting	TBD	15	5	0	2,785	557	557	-	557
5	Streets - Crack Seal	2 years	2	2	0	10,106	5,053	5,053	-	5,053
6	Streets - Curb Seal	12-16 yrs	14	2	9,662	16,922	3,630	3,630	-	13,292
7	Streets - Minor Repairs	TBD	various	3	4,510	9,138	1,542	1,542	-	6,053
8	Streets - Major Repairs	TBD	14	5	4,752	13,365	1,723	1,723	-	6,474
9	Streets - Overlay	10-15 yrs	13	9	172,758	258,217	9,495	9,495	-	182,253
10	Streets - Pulverize/Repave	20-30 yrs	40	35	127,258	723,007	17,021	22,152	-	149,410
11	Streets - Reseal	4 years	4	4	0	33,278	8,319	8,319	-	8,320
Total Reserves					\$326,625	\$1,086,238	\$50,047	\$55,178	\$0	\$381,803

2014										
	Capital Account	Expected Life	Years to Rebuild	Years to Fund	12/31/2013 Balance	Full Funded Balance	Funding Required	2014 Funding	2014 Expense	12/31/2014 Balance
1	Curb & Sidewalk - Replace	TBD	7	5	2,777	6,686	782	782	-	3,558
2	Monument Signage	TBD	18	2	4,967	7,761	1,397	1,397	-	6,364
3	Other Repairs	TBD	5	4	2,647	5,654	752	752	-	3,399
4	Other Repainting	TBD	15	4	557	2,882	581	581	-	1,138
5	Streets - Crack Seal	2 years	2	1	5,053	10,460	5,407	5,407	10,460	(0)
6	Streets - Curb Seal	12-16 yrs	14	1	13,292	17,514	4,222	4,222	17,514	0
7	Streets - Minor Repairs	TBD	various	2	6,053	9,457	1,702	1,702	-	7,755
8	Streets - Major Repairs	TBD	14	4	6,474	13,832	1,840	1,840	-	8,314
9	Streets - Overlay	10-15 yrs	13	8	182,253	267,254	10,625	10,625	-	192,878
10	Streets - Pulverize/Repave	20-30 yrs	40	34	149,410	748,312	17,615	21,272	-	170,682
11	Streets - Reseal	4 years	4	3	8,320	34,442	8,708	8,708	-	17,027
Total Reserves					\$381,803	\$1,124,256	\$53,630	\$57,287	\$27,974	\$411,116

		2015								
	Capital Account	Expected Life	Years to Rebuild	Years to Fund	12/31/2014 Balance	Full Funded Balance	Funding Required	2015 Funding	2015 Expense	12/31/2015 Balance
1	Curb & Sidewalk - Replace	TBD	7	4	3,558	6,920	840	840	-	4,399
2	Monument Signage	TBD	18	1	6,364	8,033	1,669	1,669	8,033	(0)
3	Other Repairs	TBD	5	3	3,399	5,852	818	818	-	4,216
4	Other Repainting	TBD	15	3	1,138	2,983	615	615	-	1,753
5	Streets - Crack Seal	2 years	2	2	(0)	10,826	5,413	5,413	-	5,413
6	Streets - Curb Seal	12-16 yrs	14	14	0	18,127	1,295	1,295	-	1,295
7	Streets - Minor Repairs	TBD	various	1	7,755	9,788	2,033	2,033	9,788	0
8	Streets - Major Repairs	TBD	14	3	8,314	14,316	2,001	2,001	-	10,315
9	Streets - Overlay	10-15 yrs	13	7	192,878	276,608	11,961	11,961	-	204,840
10	Streets - Pulverize/Repave	20-30 yrs	40	33	170,682	774,503	18,298	27,340	-	198,022
11	Streets - Reseal	4 years	4	2	17,027	35,648	9,310	9,310	-	26,337
Total Reserves					\$411,116	\$1,163,605	\$54,253	\$63,296	\$17,821	\$456,590

		2016								
	Capital Account	Expected Life	Years to Rebuild	Years to Fund	12/31/2015 Balance	Full Funded Balance	Funding Required	2016 Funding	2016 Expense	12/31/2016 Balance
1	Curb & Sidewalk - Replace	TBD	7	3	4,399	7,162	921	921	-	5,320
2	Monument Signage	TBD	18	18	(0)	8,314	462	462	-	462
3	Other Repairs	TBD	5	2	4,216	6,057	920	920	-	5,137
4	Other Repainting	TBD	15	2	1,753	3,088	667	667	-	2,421
5	Streets - Crack Seal	2 years	2	1	5,413	11,205	5,792	5,792	11,205	(0)
6	Streets - Curb Seal	12-16 yrs	14	13	1,295	18,762	1,344	1,344	-	2,639
7	Streets - Minor Repairs	TBD	various	4	0	10,131	2,533	2,533	-	2,533
8	Streets - Major Repairs	TBD	14	2	10,315	14,818	2,251	2,251	-	12,566
9	Streets - Overlay	10-15 yrs	13	6	204,840	286,289	13,575	13,575	-	218,415
10	Streets - Pulverize/Repave	20-30 yrs	40	32	198,022	801,611	18,862	26,834	-	224,856
11	Streets - Reseal	4 years	4	1	26,337	36,895	10,558	10,558	36,895	0
Total Reserves					\$456,590	\$1,204,331	\$57,885	\$65,857	\$48,100	\$474,347

**San Ignacio Vistas, Inc**  
**Proposed Budget 2012**

Income	<u>Jan - Dec 12</u>	
<b>Operating Revenue</b>		
400 - Assessments	102,600	Present dues WITH NO INCREASE
410 - Transfer and Document Fees	1,500	Real estate market slow down
420 - Operating Fund Interest	300	calculated on 1% of dimishing operating budget
<b>Total Operating Revenue</b>	<u>104,400</u>	
<b>Reserve Fund</b>		
4200 - Reserve Fund Interest	3,170	calculated at 1%
<b>Total Reserve Fund</b>	<u>3,170</u>	
<b>Total Income</b>	107,570	
<b>Expense</b>		
600 - Reserve Allocation	50,400	Recommended contribution per MC
<b>Operating</b>		
<b>Maintenance Expenditures</b>		
500 - Yearly Contract	23,925	same as 2011
502 - Tree Trimming	4,000	\$3600 in 2010
503 - Utilities	850	\$815 in 2010
504 - Capital Improvements	3,500	
505 - Other Maintenance	3,000	INCLUDES SEMI ANNUAL STREET SWEEPING
<b>Total Maintenance Expenditures</b>	<u>35,275</u>	
<b>Administrative</b>		
510 - Contract Service	10,200	\$50 per month increase
511 - Board	600	
512 - Legal	1,200	
513 - Communications		
513.1 - Computer and Internet	1,180	Renew Website for 5 years /GoDaddy
513.2 - Telephone	780	
513.3 - Office Supplies	300	
513.4 - Printing/Reproduction	1,575	
513.5 - Postage/Delivery	250	
513.6 - Record Storage	400	
<b>Total 513 - Communications</b>	<u>4,485</u>	
<b>Total Administrative</b>	16,485	
<b>Other Operating</b>		
520 - Audit and Accounting	100	tax prep and forms
521 - Insurance	3,112	provides 2% increase over 2011 & New Policy
522 - Membership Fees	1,254	
523 - Taxes and Contingency		
523.1 - Taxes - Property	30	
523.3 - Arizona Corporation Fee	10	
523.4 - Contingency	400	
<b>Total 523 - Taxes and Contingency</b>	<u>440</u>	
<b>Total Other Operating</b>	<u>4,906</u>	
<b>Total Operating</b>	56,666	
<b>Reserve Fund Account</b>		
4201 - Reserves - Misc. Expense	810	remaining 1/2 payment for full reserve study
<b>Total Reserve Fund Account</b>	<u>810</u>	
<b>Total Expense</b>	107,876	
<b>Net Income</b>	<u><u>-306</u></u>	

**PROJECTION OF DUES INCREASES**  
(US Dollars)

		Contributions			Expenditures		
Year		Opening Balance	Interest Earned	Reserve Contribution	Total	Reserve Projects	Ending Balance
1	2011	261,571	5,000	50,400	55,400	0	316,971
2	2012	316,971	3,170	50,400	53,570	43,916	326,625
3	2013	326,625	3,266	51,912	55,178	0	381,803
4	2014	381,803	3,818	53,469	57,287	27,974	411,116
5	2015	411,116	8,222	55,073	63,296	17,821	456,591
6	2016	456,591	9,132	56,726	65,857	48,100	474,349
7	2017	474,349	9,487	58,427	67,914	24,801	517,462
8	2018	517,462	10,349	60,180	70,529	19,675	568,316
9	2019	568,316	11,366	61,986	73,352	11,232	630,436
10	2020	630,436	18,913	63,845	82,758	12,858	700,337
11	2021	700,337	21,010	65,761	86,771	340,022	447,085

ONE PERCENT INCREASE TO OPERATING BUDGET	CONTRIB/RESERVE PLUS OPERATING BUDGET LESS INTEREST / 228 LOTS	3/YR AVG	PROPOSED DUES
56000	445	450	450
56560	455		455
57691	466		460
58845	476	470	465
60022	469		470
61222	477		475
62447	489	488	480
63696	498		485
64970	507		490
66269	488	496	495
67594	493		500