

RESERVE STUDY SAN MARCOS ESTATES 01/2018

	LIFE (YRS)	REM LIFE	Date Needed	Cost in today's\$	Cost inflated	Allocation of current \$	Saving/mo req'd for first need	Need Date 2nd need	Cost inflated	Allocation of current \$
CLEAN DRY WELLS	3	2	2020	3000	3185	3060	0	2023	3478	3150
PAINT WALLS	4	3	2021	5000	5470	5152	0	2025	5925	5159
REPLACE IRRIGATION CONTROLLEI	15	1	2019	1000	1030	1009	0	2034	1605	1173
REPLACE MONUMENTS' TILE	20	10	2028	6000	8063	6614	0	2048	14564	8040
GRANITE REPLACEMENT	5	0	2018	6000	6000	6000	0	2023	6956	6300
REPLACE IRRIGATION LINES	25	20	2038	20000	36122	24316	0	2063	75632	5000
Total needed						46151	0			28822

ASSUMPTIONS:

INFLATION RATE OF EXPENSES: 3%

INTEREST ON RESERVE FUND: 2%

Current Reserves (12/31/17)	97566
Allocated for first need	46151
Allocated for second need	28822
Allocated for third need	0
Total allocated	74973
Surplus	22593

Current budget savings/mo	340
Savings for first need	0
Savings for second need	73
Savings for third need	264
Total savings required/mo	337

Conclusion: It is safe to spend \$22,000 on xeriscape conversion at this t
HOA is saving enough to cover the next 3 needs of all items based on
3% inflation rate of expenses and 2% interest on savings. This should
be re-evaluated in five years based on future economic environment.

Saving/mo req'd for 2nd need	Need Date 3rd need	Cost inflated	note 1 Saving/mo req'd for 3rd need
0 CLEAN DRY WELLS	2026	3800	37
0 PAINT WALLS	2029	6921	47
0 REPLACE IRRIGATION CONTROLLEI	2049	2500	5
0 REPLACE MONUMENTS' TILE	2068	26303	26
0 GRANITE REPLACEMENT	2028	8064	61
73 REPLACE IRRIGATION LINES	2088	158356	88
73			264

note 1: this savings calculation assumes no allocation of present reserve funds

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