

RHONEWOOD PARK ASSOCIATION

**FORECASTED STATEMENTS OF REPLACEMENT FUND
CASH RECEIPTS, DISBURSEMENTS AND BALANCES
AND ACCOUNTANTS' COMPILATION REPORT**

YEARS ENDING DECEMBER 31, 2021 TO 2050

[2021 Reserve Funding Plan]

RHONEWOOD PARK ASSOCIATION

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YEARS ENDING DECEMBER 31, 2021 TO 2050

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LEVY, ERLANGER & COMPANY LLP
Certified Public Accountants

290 King Street, Suite 12
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Board Of Directors
Rhonedwood Park Association
Livermore, California

Management is responsible for the accompanying financial forecast of **Rhonedwood Park Association**, which comprises the forecasted statements of replacement fund major component repair and replacement costs and cash receipts, disbursements and balances (the 2021 Reserve Funding Plan) for the years ending December 31, 2021 to 2050, and the related summaries of significant assumptions and accounting policies in accordance with guidelines for the presentation of a financial forecast established by the American Institute of Certified Public Accountants (AICPA). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the financial forecast nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial forecast.

The forecasted results may not be achieved as there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Levy, Erlanger & Company LLP

September 22, 2020

RHONWOOD PARK ASSOCIATION

FORECASTED STATEMENTS OF REPLACEMENT FUND
CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEARS ENDING DECEMBER 31, 2021 TO 2050

	1	2	3	4	5	6	7	8	9	10
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
COMPUTATION PARAMETERS										
Number of units	339	339	339	339	339	339	339	339	339	339
Replace fund regular assmnt per unit per mo	2.09	2.46	2.88	3.39	3.98	4.68	5.50	6.46	7.59	8.92
Replace fund registr fees per unit for yr	9	9	9	10	10	10	11	11	11	12
Annual assmnt increase rate at	17.5 % thru 2030									
Annual assmnt increase rate at	12.0 % thru 2040									
Annual assmnt increase rate at	-5.5 % thru 2050									
After-tax interest on cash balances	0.0 % p.a.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Replacement cost increase rate at	3.0 % p.a.									
CASH FLOW FORECASTS										
CASH RECEIPTS										
Regular assessments	8500	9988	11735	13789	16202	19037	22369	26284	30883	36288
Registration fees	3000	3090	3183	3278	3377	3478	3582	3690	3800	3914
Interest income	0	0	0	0	0	0	0	0	0	0
Total cash receipts	11500	13078	14918	17067	19579	22515	25951	29973	34683	40202
CASH DISBURSEMENTS										
Repair and replacement costs	52051	16989	12909	15110	12403	16855	16490	11090	156873	17985
Board approved deferral of expenditures										
Total cash disbursements	52051	16989	12909	15110	12403	16855	16490	11090	156873	17985
CASH FLOW (DEFICIENCY)	-40551	-3912	2009	1957	7176	5660	9461	18883	-122190	22217
CASH BALANCE, BEGINNING OF YEAR	185000	144449	140537	142546	144504	151680	157340	#####	185683	63494
CASH BALANCE, END OF YEAR	144449	140537	142546	144504	151680	157340	166801	#####	63494	85711

24%

85000

65000

RHONEWOOD PARK ASSOCIATION

FORECASTED STATEMENTS OF REPLACEMENT FUND
CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEARS ENDING DECEMBER 31, 2021 TO 2050

	11	12	13	14	15	16	17	18	19	20
	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040

COMPUTATION PARAMETERS

Number of units	339	339	339	339	339	339	339	339	339	339
Replace fund regular assmnt per unit per mo	9.99	11.19	12.53	14.04	15.72	17.61	19.72	22.09	24.74	27.71
Replace fund registr fees per unit for yr	12	12	13	13	13	14	14	15	15	16
Annual assmnt increase rate at 17.5 % thru 2030										
Annual assmnt increase rate at 12.0 % thru 2040										
Annual assmnt increase rate at -5.5 % thru 2050										
After-tax interest on cash balar 0.0 % p.a.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Replacement cost increase rate 3.0 % p.a.										

CASH FLOW FORECASTS

CASH RECEIPTS

Regular assessments	40642	45519	50982	57099	63951	71626	80221	89847	100629	112704
Registration fees	4032	4153	4277	4406	4538	4674	4814	4959	5107	5261
Interest income	0	0	0	0	0	0	0	0	0	0
Total cash receipts	44674	49672	55259	61505	68489	76299	85035	94806	105736	117965

CASH DISBURSEMENTS

Repair and replacement costs	21028	16567	29868	101560	237506	82951	49209	14658	30009	21995
Board approved deferral of expenditures					-50000		30000	20000		
Total cash disbursements	21028	16567	29868	101560	187506	82951	79209	34658	30009	21995

CASH FLOW (DEFICIENCY)

	23646	33105	25391	-40055	-119017	-6652	5826	60147	75727	95970
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CASH BALANCE, BEGINNING OF YEAR

	85711	109356	142462	167852	127797	8781	2129	7955	68103	143829
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CASH BALANCE, END OF YEAR

	109356	142462	167852	127797	8781	2129	7955	68103	143829	239799
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RHONWOOD PARK ASSOCIATION

FORECASTED STATEMENTS OF REPLACEMENT FUND
CASH RECEIPTS, DISBURSEMENTS AND BALANCES
YEARS ENDING DECEMBER 31, 2021 TO 2050

	21	22	23	24	25	26	27	28	29	30	Total
	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total
COMPUTATION PARAMETERS											
Number of units	339	339	339	339	339	339	339	339	339	339	339
Replace fund regular assmnt per unit per mo	26.18	24.74	23.38	22.09	20.88	19.73	18.65	17.62	16.65	15.74	
Replace fund registr fees per unit for yr	16	16	17	17	18	19	19	20	20	21	
Annual assmnt increase rate at 17.5 % thru 2030											
Annual assmnt increase rate at 12.0 % thru 2040											
Annual assmnt increase rate at -5.5 % thru 2050											
After-tax interest on cash balar 0.0 % p.a.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Replacement cost increase rate 3.0 % p.a.											
CASH FLOW FORECASTS											
CASH RECEIPTS											
Regular assessments	106505	100648	95112	89881	84937	80266	75851	71679	67737	64012	1744923
Registration fees	5418	5581	5748	5921	6098	6281	6470	6664	6864	7070	142726
Interest income	0	0	0	0	0	0	0	0	0	0	0
Total cash receipts	111924	106229	100860	95802	91036	86547	82321	78343	74601	71081	1887649
CASH DISBURSEMENTS											
Repair and replacement costs	167434	16138	28283	32021	11073	50888	35112	21542	30901	29774	1357273
Board approved deferral of expenditures											0
Total cash disbursements	167434	16138	28283	32021	11073	50888	35112	21542	30901	29774	1357273
CASH FLOW (DEFICIENCY)	-55510	90091	72578	63780	79963	35659	47209	56801	43700	41307	530377
CASH BALANCE, BEGINNING OF YEAR	239799	184289	274379	346957	410737	490701	526360	573569	630370	674069	185000
CASH BALANCE, END OF YEAR	184289	274379	346957	410737	490701	526360	573569	630370	674069	715377	715377

RHONEWOOD PARK ASSOCIATION																		
FORECASTED STATEMENTS OF REPLACEMENT FUND																		
MAJOR COMPONENT REPAIR AND REPLACEMENT COSTS																		
YEARS ENDING DECEMBER 31, 2021 TO 2050																		
(CONTINUED)																		
Description	Est.	Est.	Curr.	Year	Est.	1	2	3	4	5	6	7	8	9	10	Repl.	Life	Est.
	Use.	Rem.	Repl.	Rplc.	Liab.											Cost	Used	Liab.
	Life	Life	Cost	Prov.	12-20	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	12-30	12-30	12-30
BUILDING EXTERIORS:																		
Wood Siding & Trim Paint	5	1	1883	377	1506	1883					1883					2457	4	1966
Wood Siding & Trim Repair	5	1	315	63	252	315					315					411	4	329
Tuff Shed Paint & Repairs	5	1	922	184	738	922					922					1203	4	962
Door Replace - Pump Room	16	12	765	48	191											998	14	873
Utility Doors Repl	15	1	4502	300	4202	4502										5874	9	3524
FENCING & WALLS																		
Chain Link Repairs	30	2	1322	44	1234		1322									1725	8	460
Entry Gate Repr/Repl	6	2	464	77	309		464						464			605	2	202
Entry Gate Replace	18	8	4637	258	2576								4637			6050	2	672
Emergency Gate Repr/Repl	6	3	927	155	464			927						927		1210	1	202
Emergency Gate Replace	20	17	9274	464	1391											12100	13	7865
Wood Fence Replace (Front)	15	9	7727	515	3091									7727		10082	1	672
Wood Fence Replace (Shared)	15	2	3506	234	3039		3506									4575	8	2440
Wood Fence (Parking Perimeter)	15	2	2142	143	1856		2142									2795	8	1491
LANDSCAPING																		
Irrigation Timer Replace	15	1	701	47	654	701										915	9	549
Irrigation Valves Replace	3	1	1184	395	789	1184			1184				1184			1545	0	0
Backflow Device Replace	15	1	1678	112	1566	1678										2189	9	1314
LIGHT FIXTURES																		
Bollard Lights	25	25	1489	60	0											1943	10	777
Exterior Bldg Spot Replace	25	5	922	37	738					922						1203	5	241
Exterior Roof Spot Replace	25	5	369	15	295					369						481	5	96
Exterior Bldg Latern Replace	25	10	246	10	148										246	321	0	0
Pole Lights (Parking Lot)	25	13	2481	99	1191											3237	22	2849
Pole Lights (Pool Area)	25	10	5453	218	3272										5453	7115	0	0
Pole Lights Replace	20	20	1623	81	0											2118	10	1059
Re-Wire Pole Lights (Parking Lot)	30	18	7129	238	2852											9302	22	6821
PAVED SURFACES																		
Asphalt Remove & Replace	25	14	58314	2333	25658											76087	21	63913
Asphalt Minor Repairs	10	9	8736	874	874									8736		11398	1	1140
Asphalt Slurry Seal	5	4	2601	520	520				2601					2601		3394	1	679
General Concrete Repairs	5	1	7221	1444	5777	7221										9422	4	7537
Replace Entire Concrete Deck	30	15	95036	3168	47518											124000	25	103334
RECREATION FACILITIES - MAIN POOL																		
Automatic Chlorinator	15	1	6502	433	6069	6502										8484	9	5090
Chemstrol System Replace	8	4	3450	431	1725				3450							4501	6	3376
Chlorinator Replace	5	2	430	86	258		430						430			561	3	337
Filters Replace	10	4	2337	234	1402				2337							3049	6	1830
Heater Replace	15	8	2583	172	1205								2583			3370	2	449
Heater Replace	15	2	2583	172	2239		2583									3370	8	1797
Pool Plumbing Replace	30	15	52971	1766	26486											69115	25	57596
Pump Stenner Replace	10	10	365	37	0										365	476	0	0
Pump Impeller Replace	10	6	2110	211	844						2110					2753	4	1101
Pump Motor Replace	10	7	3278	328	983							3278				4277	3	1283
Resurface Pool Interior	12	9	71952	5996	17988									71952		93881	1	7823
Tile & Coping Replace	24	9	21733	906	13583									21733		28357	1	1182
RECREATION FACILITIES - WADING POOL																		
Automatic Chlorinator	15	15	4337	289	0											5659	10	3773
Chlorinator Replace	5	4	430	86	86				430					430		561	1	112
Filter Replace	10	1	922	92	830	922										1203	9	1083
Pumps Replace (Stenner)	10	10	371	37	0										371	484	0	0
Pumps Replace (Stenner)	10	10	371	37	0										371	484	0	0
Resurface Pool Interior	12	9	3849	321	962									3849		5022	1	419
Tile & Coping Replace	24	9	3015	126	1884									3015		3934	1	164
ROOFING SYSTEM																		
Composition Shingles	30	5	7710	257	6425					7710						10060	5	1677
Gutters Repr/Repl	5	1	652	130	522	652										851	4	681
SECURITY SYSTEM																		
Camera Replace	14	14	2560	183	0											3340	10	2386
Camera Replace	14	13	2194	157	157											2863	11	2249
SWIM TEAM ITEMS																		
Life Guard Chair	15	11	1576	105	420											2056	14	1919
Lane Lines Replace	10	2	2493	249	1994		2493									3253	8	2602
Starting Blocks Replace	15	1	22591	1506	21085	22591										29476	9	17686
Sound System Replace	13	13	2437	187	0											3180	10	2446
Lane Line Drums Replace	20	1	1974	99	1875	1974										2576	9	1159
Timing System Replace	10	7	4884	488	1465								4884			6373	3	1912
EZ UP Replace	5	5	1035	207	0					1035					1035	1350	0	0

RHONEWOOD PARK ASSOCIATION																
FORECASTED STATEMENTS OF REPLACEMENT FUND																
MAJOR COMPONENT REPAIR AND REPLACEMENT COSTS																
YEARS ENDING DECEMBER 31, 2021 TO 2050																
(CONTINUED)																
	11	12	13	14	15	16	17	18	19	20	Repl.	Life	Est.			
Description	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Cost	Used	Liab.			
	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	12-40	12-40	12-40			
BUILDING EXTERIORS:																
Wood Siding & Trim Paint	1883					1883					3302	4	2641			
Wood Siding & Trim Repair	315					315					552	4	442			
Tuff Shed Paint & Repairs	922					922					1617	4	1293			
Door Replace - Pump Room		765									1341	8	671			
Utility Doors Repl						4502					7894	4	2105			
FENCING & WALLS																
Chain Link Repairs											2318	18	1391			
Entry Gate Repr/Repl				464						464	814	0	0			
Entry Gate Replace											8131	12	5421			
Emergency Gate Repr/Repl					927						1626	5	1355			
Emergency Gate Replace							9274				16262	3	2439			
Wood Fence Replace (Front)											13549	11	9936			
Wood Fence Replace (Shared)							3506				6148	3	1230			
Wood Fence (Parking Perimeter)							2142				3756	3	751			
LANDSCAPING																
Irrigation Timer Replace						701					1229	4	328			
Irrigation Valves Replace			1184			1184			1184		2076	1	692			
Backflow Device Replace						1678					2942	4	785			
LIGHT FIXTURES																
Bollard Lights											2611	20	2089			
Exterior Bldg Spot Replace											1617	15	970			
Exterior Roof Spot Replace											647	15	388			
Exterior Bldg Latern Replace											431	10	173			
Pole Lights (Parking Lot)			2481								4350	7	1218			
Pole Lights (Pool Area)											9562	10	3825			
Pole Lights Replace										1623	2846	0	0			
Re-Wire Pole Lights (Parking Lot)								7129			12501	2	833			
PAVED SURFACES																
Asphalt Remove & Replace				58314							102254	6	24541			
Asphalt Minor Repairs									8736		15319	1	1532			
Asphalt Slurry Seal				2601					2601		4561	1	912			
General Concrete Repairs	7221					7221					12662	4	10130			
Replace Entire Concrete Deck					95036						166646	5	27774			
RECREATION FACILITIES - MAIN POOL																
Automatic Chlorinator						6502					11401	4	3040			
Chemstrol System Replace		3450								3450	6050	0	0			
Chlorinator Replace		430					430				754	3	452			
Filters Replace				2337							4098	6	2459			
Heater Replace											4529	12	3623			
Heater Replace							2583				4529	3	906			
Pool Plumbing Replace					52971						92885	5	15481			
Pump Stenner Replace										365	640	0	0			
Pump Impeller Replace						2110					3700	4	1480			
Pump Motor Replace							3278				5748	3	1724			
Resurface Pool Interior											126168	11	115654			
Tile & Coping Replace											38109	11	17467			
RECREATION FACILITIES - WADING POOL																
Automatic Chlorinator					4337						7605	5	2535			
Chlorinator Replace				430					430		754	1	151			
Filter Replace	922										1617	9	1455			
Pumps Replace (Stenner)										371	651	0	0			
Pumps Replace (Stenner)										371	651	0	0			
Resurface Pool Interior											6749	11	6187			
Tile & Coping Replace											5287	11	2423			
ROOFING SYSTEM																
Composition Shingles											13520	15	6760			
Gutters Repr/Repl	652					652					1143	4	915			
SECURITY SYSTEM																
Camera Replace				2560							4489	6	1924			
Camera Replace			2194								3847	7	1924			
SWIM TEAM ITEMS																
Life Guard Chair	1576										2764	9	1658			
Lane Lines Replace		2493									4371	8	3497			
Starting Blocks Replace						22591					39613	4	10564			
Sound System Replace			2437								4273	7	2301			
Lane Line Drums Replace											3461	19	3288			
Timing System Replace							4884				8564	3	2569			
EZ UP Replace					1035					1035	1815	0	0			

RHONEWOOD PARK ASSOCIATION														
FORECASTED STATEMENTS OF REPLACEMENT FUND														
MAJOR COMPONENT REPAIR AND REPLACEMENT COSTS														
YEARS ENDING DECEMBER 31, 2021 TO 2050														
(CONTINUED)														
	21	22	23	24	25	26	27	28	29	30		Repl.	Life	Est.
											Total	Cost	Used	Liab.
Description	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total	12-50	12-50	12-50
BUILDING EXTERIORS:														
Wood Siding & Trim Paint	1883					1883					11298	4444	4	3555
Wood Siding & Trim Repair	315					315					1890	743	4	595
Tuff Shed Paint & Repairs	922					922					5532	2176	4	1741
Door Replace - Pump Room								765			1530	1805	2	226
Utility Doors Repl											9004	10625	14	9916
FENCING & WALLS														
Chain Link Repairs											1322	3120	28	2912
Entry Gate Repr/Repl						464					2320	1095	4	730
Entry Gate Replace						4637					9274	10943	4	2432
Emergency Gate Repr/Repl	927						927				4635	2188	3	1094
Emergency Gate Replace											9274	21887	13	14226
Wood Fence Replace (Front)				7727							15454	18236	6	7294
Wood Fence Replace (Shared)											7012	8274	13	7171
Wood Fence (Parking Perimeter)											4284	5055	13	4381
LANDSCAPING														
Irrigation Timer Replace											1402	1654	14	1544
Irrigation Valves Replace		1184			1184			1184			11840	2794	2	1863
Backflow Device Replace											3356	3960	14	3696
LIGHT FIXTURES														
Bollard Lights					1489						1489	3514	5	703
Exterior Bldg Spot Replace										922	1844	2176	0	0
Exterior Roof Spot Replace										369	738	871	0	0
Exterior Bldg Latern Replace											246	581	20	464
Pole Lights (Parking Lot)											2481	5855	17	3982
Pole Lights (Pool Area)											5453	12869	20	10295
Pole Lights Replace											1623	3830	10	1915
Re-Wire Pole Lights (Parking Lot)											7129	16824	12	6730
PAVED SURFACES														
Asphalt Remove & Replace											58314	137621	16	88077
Asphalt Minor Repairs								8736			26208	20617	1	2062
Asphalt Slurry Seal				2601					2601		15606	6138	1	1228
General Concrete Repairs	7221					7221					43326	17042	4	13633
Replace Entire Concrete Deck											95036	224285	15	112142
RECREATION FACILITIES - MAIN POOL														
Automatic Chlorinator											13004	15345	14	14322
Chemstrol System Replace								3450			13800	8142	2	2036
Chlorinator Replace		430					430				2580	1015	3	609
Filters Replace				2337							7011	5515	6	3309
Heater Replace			2583								5166	6096	7	2845
Heater Replace											5166	6096	13	5283
Pool Plumbing Replace											52971	125012	15	62506
Pump Stenner Replace										365	1095	861	0	0
Pump Impeller Replace						2110					6330	4980	4	1992
Pump Motor Replace							3278				9834	7736	3	2321
Resurface Pool Interior	71952										143904	169807	9	127355
Tile & Coping Replace											21733	51290	21	44879
RECREATION FACILITIES - WADING POOL														
Automatic Chlorinator										4337	8674	10235	0	0
Chlorinator Replace				430					430		2580	1015	1	203
Filter Replace	922										2766	2176	9	1958
Pumps Replace (Stenner)										371	1113	876	0	0
Pumps Replace (Stenner)										371	1113	876	0	0
Resurface Pool Interior	3849										7698	9084	9	6813
Tile & Coping Replace											3015	7115	21	6226
ROOFING SYSTEM														
Composition Shingles											7710	18196	25	15163
Gutters Repr/Repl	652					652					3912	1539	4	1231
SECURITY SYSTEM														
Camera Replace								2560			5120	6042	2	863
Camera Replace							2194				4388	5178	3	1110
SWIM TEAM ITEMS														
Life Guard Chair						1576					3152	3719	4	992
Lane Lines Replace		2493									7479	5883	8	4707
Starting Blocks Replace											45182	53315	14	49760
Sound System Replace							2437				4874	5751	4	1770
Lane Line Drums Replace	1974										3948	4659	9	2096
Timing System Replace							4884				14652	11526	3	3458
EZ UP Replace					1035					1035	6210	2443	0	0

RHONEWOOD PARK ASSOCIATION																		
FORECASTED STATEMENTS OF REPLACEMENT FUND																		
MAJOR COMPONENT REPAIR AND REPLACEMENT COSTS																		
YEARS ENDING DECEMBER 31, 2021 TO 2050																		
(CONTINUED)																		
Description	Est.	Est.	Curr.	Year	Est.	1	2	3	4	5	6	7	8	9	10	Repl.	Life	Est.
	Use.	Rem.	Repl.	Rplc.	Liab.											Cost	Used	Liab.
	Life	Life	Cost	Prov.	12-20	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	12-30	12-30	12-30
OTHER																		
Defibrillator Replace	5	2	219	44	131		219					219				286	3	171
Door Access System Replace	15	4	2937	196	2154				2937							3832	6	1533
Drain/Pipe Repr/Repl	10	10	3125	313	0									3125	4077	0	0	
Pool Furniture Repl	10	3	10438	1044	7307			10438								13619	7	9533
Wood Bench Refinish & Repr	5	1	348	70	278	348					348					454	4	363
Wood Bench Replace	15	9	1391	93	556									1391	1815	1	121	
Restrooms Paint & Repairs	5	2	2610	522	1566		2610					2610				3405	3	2043
Reserve Study Update						NOTE: Funding is addressed via the association's operating budget												
Reserve Study Update Inspection						NOTE: Funding is addressed via the association's operating budget												
UNSCHEDULED EXPENSE	1	0	656	656	656	656	725	803	889	984	1089	1205	1333	1476	1634	856	1	856
Rounding to nearest \$1,000/\$5,000				226	-836													
			489000	31000	235000	52051	16494	12168	13828	11020	14540	13810	9017	123837	13784			350000
Replacement cost increase factor		3.0	% per annum			1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30			
						52051	16989	12909	15110	12403	16855	16490	11090	156873	17985			270000

RHONEWOOD PARK ASSOCIATION																								
FORECASTED STATEMENTS OF REPLACEMENT FUND																								
MAJOR COMPONENT REPAIR AND REPLACEMENT COSTS																								
YEARS ENDING DECEMBER 31, 2021 TO 2050																								
(CONTINUED)																								
	11	12	13	14	15	16	17	18	19	20	Repl.	Life	Est.											
Description	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Cost	Used	Liab.											
	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	12-40	12-40	12-40											
OTHER																								
Defibrillator Replace		219					219				384	3	230											
Door Access System Replace									2937		5150	1	343											
Drain/Pipe Repr/Repl										3125	5480	0	0											
Pool Furniture Repl			10438								18303	7	12812											
Wood Bench Refinish & Repr	348					348					610	4	488											
Wood Bench Replace											2439	11	1789											
Restrooms Paint & Repairs		2610					2610				4577	3	2746											
Reserve Study Update																								
Reserve Study Update Inspection																								
UNSCHEDULED EXPENSE	1808	2001	2215	2451	2713	2634	1739	1739	1739	1739	1150	1	1150											
	15647	11968	20949	69157	157019	53243	30665	8868	17627	12543			335000											
	1.34	1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75														
	21028	16567	29868	101560	237506	82951	49209	14658	30009	21995			190000											

RHONEWOOD PARK ASSOCIATION															
FORECASTED STATEMENTS OF REPLACEMENT FUND															
MAJOR COMPONENT REPAIR AND REPLACEMENT COSTS															
YEARS ENDING DECEMBER 31, 2021 TO 2050															
(CONTINUED)															
	21	22	23	24	25	26	27	28	29	30		Repl.	Life	Est.	
Description	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	Total	Cost	Used	Liab.	
												12-50	12-50	12-50	
OTHER															
Defibrillator Replace		219					219				1314	517	3	310	
Door Access System Replace											5874	6931	11	5083	
Drain/Pipe Repr/Repl										3125	9375	7375	0	0	
Pool Furniture Repl			10438								31314	24634	7	17244	
Wood Bench Refinish & Repr	348					348					2088	821	4	657	
Wood Bench Replace				1391							2782	3283	6	1313	
Restrooms Paint & Repairs		2610					2610				15660	6160	3	3696	
Reserve Study Update															
Reserve Study Update Inspection															
UNSCHEDULED EXPENSE	1739	1739	1739	1739	1739	1739	1739	1739	1739	1739	48966	1548	1	1548	
	92704	8675	14760	16225	5447	24304	16281	9698	13506	12634	892473			700000	
	1.81	1.86	1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36					
	167434	16138	28283	32021	11073	50888	35112	21542	30901	29774	1357273	PV @	2.36	295000	

RHONWOOD PARK ASSOCIATION

NOTES AND ASSUMPTIONS TO THE FORECASTED FINANCIAL STATEMENTS YEARS ENDING DECEMBER 31, 2021 TO 2050

NOTE 1 - THE ASSOCIATION

Rhonewood Park Association (the Association) is a common interest subdivision located in Livermore, California which consists of 339 residential lots and certain common area property. The Association was organized as a nonprofit mutual-benefit corporation in August 1970 to provide for management and maintenance of the common area property.

The accompanying forecasted financial statements include only the income and expenditures of the replacement fund; the activities of the operations fund are not included.

NOTE 2 - THE FORECASTS

These forecasted statements are the Board of Directors' estimate of cash receipts and cash disbursements from replacement fund activity based on the assumptions set forth below. The assumptions disclosed herein are those that the Board of Directors believes are significant to the forecasts. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur subsequent to September 22, 2020 the date of these forecasts. Therefore, the actual results achieved during the forecast period may vary from the forecasts, and the variations may be material. Because of automatic rounding to the nearest whole dollar of calculated line item amounts, certain subtotals and totals may not exactly equal the printed sum of the line item amounts above such subtotals and totals. These minor rounding differences have no significant effect on the accompanying forecasted statements.

See accountants' compilation report.

RHONEWOOD PARK ASSOCIATION

NOTES AND ASSUMPTIONS TO THE FORECASTED FINANCIAL STATEMENTS YEARS ENDING DECEMBER 31, 2021 TO 2050 (CONTINUED)

NOTE 3 - BASIS OF PRESENTATION

The accompanying forecasted financial statements have been prepared on the cash basis of accounting, rather than accrual basis accounting which is consistent with generally accepted accounting principles used in the Association's historical financial statements because the Association believes it to be more useful for estimating its future replacement fund cash requirements.

NOTE 4 - FUNDING PLAN AND SUMMARY OF SIGNIFICANT ASSUMPTIONS

Regular assessments represent that portion of the total annual assessments which are allocated to the future repair, replacement or additions to major common area property components. Annual replacement assessments are computed by multiplying the product of the number of units and the base year annual assessment by the compounded assessment increase factor.

As of **December 31, 2020** the estimated cash balance is \$185,000 and the estimated liability for the replacement of major components is \$235,000. Hence, the Association is expected to be **79% funded** at December 31, 2020. The initial replacement fund contribution per unit per year of \$25.07, assessment increase factor of 17-1/2% per annum through the year 2030, assessment increase factor of 12% per annum through the year 2040, and assessment decrease factor of 5-1/2% per annum thereafter through the year 2050 (the end of the forecast period) is the recommendation of the Board of Directors.

As of **December 31, 2030**, the forecast results in an estimated cash balance of approximately \$85,000 (\$65,000 in current dollars utilizing a discount factor of 3% per annum); the estimated liability for the replacement of major components is forecasted to approximate \$350,000 (\$270,000 in current dollars utilizing a discount factor of 3% per annum). Hence, the Association is expected to be **24% funded** at December 31, 2030.

See accountants' compilation report.

RHONEWOOD PARK ASSOCIATION

**NOTES AND ASSUMPTIONS TO THE FORECASTED FINANCIAL STATEMENTS
YEARS ENDING DECEMBER 31, 2021 TO 2050
(CONTINUED)**

**NOTE 4 - FUNDING PLAN AND SUMMARY OF SIGNIFICANT ASSUMPTIONS
(CONTINUED)**

As of **December 31, 2040**, the forecast results in an estimated cash balance of approximately \$240,000 (\$135,000 in current dollars utilizing a discount factor of 3% per annum); the estimated liability for the replacement of major components is forecasted to approximate \$335,000 (\$190,000 in current dollars utilizing a discount factor of 3% per annum). Hence, the Association is expected to be **72% funded** at December 31, 2040.

As of **December 31, 2050**, the forecast results in an estimated cash balance of approximately \$715,000 (\$305,000 in current dollars utilizing a discount factor of 3% per annum); the estimated liability for the replacement of major components is forecasted to approximate \$700,000 (\$295,000 in current dollars utilizing a discount factor of 3% per annum). Hence, the Association is expected to be **100% funded** at December 31, 2050.

In arriving at the foregoing funding plan, the following significant assumptions have been made:

Components not included in the component and funding studies by the Board of Directors have either been considered to have an estimated remaining useful life in excess of 25 years, or are expected to be maintained, repaired and replaced through the annual operations fund budget.

Average long-term rate of increase expected in repair and replacement costs will approximate 3% per annum

Average long-term, before-tax interest rate earned on idle replacement fund cash balances will approximate -0-% per annum

Interest earned on replacement fund cash balances will remain in the replacement fund and not be used to defray day-to-day operations fund expenses.

See accountants' compilation report.

RHONEWOOD PARK ASSOCIATION

**NOTES AND ASSUMPTIONS TO THE FORECASTED FINANCIAL STATEMENTS
YEARS ENDING DECEMBER 31, 2021 TO 2050
(CONTINUED)**

**NOTE 4 - FUNDING PLAN AND SUMMARY OF SIGNIFICANT ASSUMPTIONS
(CONTINUED)**

Year-end replacement fund cash balance will not fall below \$-0- during the forecast period.

NOTE 5 - SPECIAL ASSESSMENTS

Special assessments represent discrete assessments levied by the Board Of Directors to meet present or anticipated financial requirements. There are no special assessments presently projected during the forecast period.

NOTE 6 - INTEREST INCOME

The Board of Directors has determined that the forecasted cash balances will earn interest at an after-tax interest rate averaging -0-% per annum. Interest income (after income taxes) is computed by multiplying the beginning of the year cash balances by the after-tax interest rate of -0-% per annum. The after-tax interest rate was derived by multiplying the before-tax rate of -0-% per annum estimated by the Board of Directors by an effective combined federal and California income tax rate of approximately 30%.

NOTE 7 - REPLACEMENT COSTS, USEFUL AND REMAINING LIVES

Replacement costs are the result of a reserve analysis performed by John D. Beatty And Company of Discovery Bay in their report dated September 2020. The component description, estimated useful life, estimated remaining life, and estimated replacement costs were taken from this report.

See accountants' compilation report.

RHONEWOOD PARK ASSOCIATION

**NOTES AND ASSUMPTIONS TO THE FORECASTED FINANCIAL STATEMENTS
YEARS ENDING DECEMBER 31, 2021 TO 2050
(CONTINUED)**

NOTE 8 - MAJOR COMPONENT INFLATION RATE

In order to compute the estimated liability for repair and replacement of major components at December 31, 2050, it was necessary to first determine the periodic interest rate needed for a present value (the latest replacement cost prior to December 31, 2050) to grow to its estimated future value in the year 2050 (the end of the forecast period). For these purposes, the Board of Directors believes that 3% per annum represents a reasonable estimated rate of increase.

NOTE 9 - YEARLY REPLACEMENT PROVISION

The yearly replacement provision represents an estimate of the "wearing out" of the major components, stated in dollars. The provision for repair and replacement of major components has been estimated, for each component, by dividing the estimated current replacement cost by the estimated useful life.

**NOTE 10 - ESTIMATED LIABILITY AT DECEMBER 31, 2020, 2030, 2040
AND 2050**

The estimated liability for repair and replacement of major components represents an estimate of how much money should have been accumulated for that portion of each component which has "worn out" or been "used up" as of a particular point in time.

The estimated liabilities at December 31, 2020, 2030, 2040 and 2050, for each major component, are computed by multiplying the estimated replacement cost by the fraction (useful life-remaining life)/useful life.

See accountants' compilation report.