

RHONEWOOD PARK ASSOCIATION

2022 ANNUAL BUDGET REPORT

[California Civil Code Section 5300]

RHONEWOOD PARK ASSOCIATION

2022 ANNUAL BUDGET REPORT [California Civil Code Section 5300]

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- II. Insurance Disclosure

Rhonewood Park Association
2022 Pro Forma Operating Budget & Supplementary
Assessment And Reserve Funding Disclosure Summary

The accompanying 2022 pro forma operating budget for the fiscal year ending December 31, 2022 and related supplementary assessment and reserve funding disclosure summary are presented in accordance with California Civil Code Sections 5300 and 5570 and is the representation of management and/or the board of directors.

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<u>Assessment And Reserve Funding Disclosure Summary</u>								
1. <i>The current assessment per unit is <u>\$392.00 per year</u>. If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page ...</i>	-	-						
2. <i>Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the Board and/or members:</i>								
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Date Due</u></th> <th style="text-align: left;"><u>\$ PUPY (a)</u></th> <th style="text-align: left;"><u>Purpose</u></th> </tr> </thead> <tbody> <tr> <td>January 1, 2022</td> <td>\$404.00</td> <td>2022 operations and reserve funding</td> </tr> </tbody> </table>	<u>Date Due</u>	<u>\$ PUPY (a)</u>	<u>Purpose</u>	January 1, 2022	\$404.00	2022 operations and reserve funding		
<u>Date Due</u>	<u>\$ PUPY (a)</u>	<u>Purpose</u>						
January 1, 2022	\$404.00	2022 operations and reserve funding						
<hr style="width: 10%; margin-left: 0;"/> (a) PUPY - per unit per year. If variable, see attached schedule at pages...	-	-						

The above information is the representation of management and/or the board of directors of the association.

Levy, Erlanger & Company LLP, Certified Public Accountants
 San Francisco, California

Assessment And Reserve Funding Disclosure Summary
(Continued)

3. *Based on the most recent reserve study and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the Association's obligation for repair and/or replacement of major components during the next 30 years?* 6 - 7 2

X **Yes** **No** This answer is based on the reserve study dated September 2020 prepared by John D. Beatty and Company of Discovery Bay and the replacement reserve funding plan dated November 2021 prepared by Levy, Erlanger & Company LLP. The reasonableness of the reserve funding plan is dependent upon the data contained in the reserve study, including the completeness of the major component list, and the accuracy of the estimated quantity, useful and remaining lives, and replacement costs of those components. It is also dependent on certain significant assumptions, including but not limited to an average interest earnings rate before tax of -0-% per annum, an average cost inflation factor of 3% per annum, and the approval of regular and/or special assessments by the Board Of Directors and/or owners during the 29-year projection period.

4. *If the answer to #3 above is "No," what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years? **N/A***

<u>Year</u>	<u>Total Amount</u>	<u>Description</u>		
_____	\$ _____	\$ _____ to \$ _____	-	2

5. All major components are included in the reserve study and are included in its calculations.

The above information is the representation of management and/or the board of directors of the association.

Assessment/Reserve Funding Disclosure Summary
(Continued)

6. As of the last reserve study or update, the current balance in the reserve fund is **\$ 225,000**. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the required amount in the reserve fund is **\$ 275,000, (82% funded)** and if an alternate, but generally accepted, method of calculation is also used, the required amount is \$ n/a, pursuant to the n/a study prepared by n/a of n/a dated n/a.
- | | | | |
|--|--|---|---|
| | | 6 | 3 |
| | | 6 | 3 |

7. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the required amount in the reserve fund for the next five years and the projected percent funded for the next five years based upon **existing reserve assessments** is as follows:

<u>Year</u>	<u>Required Reserves</u>	<u>Cash Reserves- Existing Assmnts</u>	<u>Percent Funded</u>
2022	\$244,000	\$ 167,000	68%
2023	272,000	166,000	61
2024	301,000	164,000	54
2025	332,000	162,000	49
2026	376,000	170,000	45

The projected percent funded for the next five years based upon **projected reserve assessments** is as follows:

<u>Year</u>	<u>Required Reserves</u>	<u>Cash Reserves- Projected Assmnts</u>	<u>Percent Funded</u>
2022	\$244,000	\$ 167,000	68%
2023	272,000	168,000	62
2024	301,000	170,000	56
2025	332,000	175,000	53
2026	376,000	192,000	51

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change.

For the purposes of preparing a summary pursuant to this section [California Civil Code Section 5570]:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

The above information is the representation of management and/or the board of directors of the association.

Assessment/Reserve Funding Disclosure Summary
(Continued)

- (2) *"Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment And Reserve Funding Disclosure Summary.*
- (3) *The form set out in subdivision (a) [items #1-#7] shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) [items #1-#7] is provided.*
- (4) *For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the Board to fund reserves in accordance with this calculation.*

The above information is the representation of management and/or the board of directors of the association.

**Levy, Erlanger & Company LLP, Certified Public Accountants
San Francisco, California**

RHONEWOOD PARK ASSOCIATION

**FORECASTED STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND BALANCES
AND ACCOUNTANTS' COMPILATION REPORT**

YEAR ENDING DECEMBER 31, 2022

**[California Civil Code Section 5300
2022 Pro Forma Operating Budget]**

RHONEWOOD PARK ASSOCIATION

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YEAR ENDING DECEMBER 31, 2022**

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LEVY, ERLANGER & COMPANY LLP
Certified Public Accountants

290 King Street, Suite 12
San Francisco, California 94107

Board Of Directors
Rhonedwood Park Association
Livermore, California

Management is responsible for the accompanying financial forecast of **Rhonedwood Park Association**, which comprises the forecasted statement of revenues, expenses and changes in fund balances and the supplemental information (the 2022 Pro Forma Operating Budget) for the year ending December 31, 2022, 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.

Accordingly, the current funding program may or may not be sufficient to meet all future replacement costs. The ability of the Association to fund its liability for replacement of major components is dependent upon increases in that portion of the regular assessment which is allocated to the replacement fund, as well as special assessments.

This forecast is presented in accordance with the requirements of California Civil Code Section 5300.

Levy, Erlanger & Company LLP

November 16, 2021

RHONEWOOD PARK ASSOCIATION

FORECASTED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES YEAR ENDING DECEMBER 31, 2022

	Operations Fund	Replacement Fund	Total Funds
	-----	-----	-----
REVENUES			
Regular assessments	\$ 127,956	\$ 9,000	\$ 136,956
Swim team income	42,850	3,000	45,850
Pool income	36,000		36,000
Swim lessons	15,000		15,000
Other income	12,507		12,507
	-----	-----	-----
Total revenues	234,313	12,000	246,313
	-----	-----	-----
EXPENSES			
<u>Maintenance and operations</u>			
Payroll	91,609	-	91,609
Major component replacement provision (Notes 3 and 5)		32,000	32,000
Payroll taxes and workers' compensation	20,800		20,800
Swim team expense	19,750		19,750
Pool expenses	18,350		18,350
Repairs	4,500		4,500
Gardener	3,250		3,250
Soda and ice cream	2,650		2,650
	-----	-----	-----
	160,909	32,000	192,909
	-----	-----	-----
<u>Administration</u>			
Business manager	21,854	-	21,854
Insurance	12,100		12,100
Legal and accounting	5,800		5,800
Office, copies and postage	4,100		4,100
Social expense	2,500		2,500
Voice	450		450
	-----	-----	-----
	46,804	-	46,804
	-----	-----	-----

See accountants' compilation report and accompanying notes and significant assumptions.

RHONEWOOD PARK ASSOCIATION

**FORECASTED STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDING DECEMBER 31, 2022
(CONTINUED)**

	Operations Fund	Replacement Fund	Total Funds
	-----	-----	-----
EXPENSES (CONTINUED)			
<u>Utilities</u>			
Gas and electricity	\$ 16,000	\$ -	\$ 16,000
Water and sewer	5,500		5,500
Garbage	3,100		3,100
Phone	2,000		2,000
	-----	-----	-----
	26,600	-	26,600
	-----	-----	-----
 Total expenses	 234,313	 32,000	 266,313
	-----	-----	-----
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	 -	 (20,000)	 (20,000)
 FUND BALANCE (DEFICIT), BEGINNING OF YEAR (NOTE 5)	 2,000	 (50,000)	 (48,000)
	-----	-----	-----
FUND BALANCE (DEFICIT), END OF YEAR	 \$ 2,000	 \$ (70,000)	 \$ (68,000)
	=====	=====	=====

See accountants' compilation report and accompanying notes and significant assumptions.

RHONEWOOD PARK ASSOCIATION

NOTES AND ASSUMPTIONS TO THE FORECASTED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES YEAR ENDING DECEMBER 31, 2022

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 in August 1970 as a nonprofit, mutual-benefit corporation to provide for the management and maintenance of the common area property.

NOTE 2 - THE FORECAST

This forecasted statement is the Board of Directors' estimate of revenues, expenses and changes in fund balances based on the assumptions set forth below. The assumptions disclosed herein are those that the Board believes are significant to the forecast. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur subsequent to November 16, 2021 the date of this forecast. Therefore, the actual results achieved during the forecast period may vary from the forecast, and the variations may be material.

NOTE 3 - BASIS OF PRESENTATION

The accompanying forecasted financial statement is presented on the accrual basis of accounting, in accordance with the provisions of California Civil Code Section 5300.

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. Hence, for 2022, the estimated annual wearing out of the major components, shown as "major component replacement provision" totals \$32,000 (the component by component computation of this amount is shown in the accompanying forecasted schedule of major component replacement provision and estimated liability).

See accountants' compilation report.

RHONEWOOD PARK ASSOCIATION

**NOTES AND ASSUMPTIONS TO THE FORECASTED STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDING DECEMBER 31, 2022
(CONTINUED)**

NOTE 3 - BASIS OF PRESENTATION (CONTINUED)

While the Association is required by California statute to present its budget on an accrual basis, it is also important to understand the projected cash-basis expenditures for next year based upon the Association's most recent reserve study or Board-directed update thereof. During the year ending December 31, 2022, major component repair and replacement expenditures presently forecasted as follows:

Swim team items	\$ 27,900
Recreation facilities - mail pool	9,800
Building exteriors	7,900
Fencing and walls	7,700
Paved surfaces	7,400
Other major repairs and replacements	9,200

Total	\$ 69,900
	=====

Whether or not the foregoing forecasted expenditures are made during the year ending December 31, 2022 will depend upon the respective components' state of repair and the approval of the Board of Directors. In addition, major component repairs and replacements not listed above may be made if the component should fail and require immediate repair and replacement.

NOTE 4 - REVENUES

Total regular (annual) assessments for 2022 are expected to average \$404.00 per unit per year. The amount allocated to the operations fund is estimated to average \$377.45 per unit per year. The amount allocated to the replacement fund is estimated to average \$26.55 per unit per year.

Interest income (after income taxes) of \$-0- is forecasted to be earned on operations and replacement fund cash balances. Interest income is computed utilizing an estimated -0-% before-tax interest rate and an estimated -0-% after-tax interest rate. Hence, an estimated combined federal and California income tax rate of approximately 30% is assumed.

See accountants' compilation report.

RHONEWOOD PARK ASSOCIATION

**NOTES AND ASSUMPTIONS TO THE FORECASTED STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDING DECEMBER 31, 2022
(CONTINUED)**

NOTE 5 - REPLACEMENT FUND BALANCE (DEFICIT) AND PERCENT FUNDED

The beginning of the year deficit in the replacement fund results from an excess of estimated major component replacement liability over replacement fund cash reserves, as follows:

Estimated cash reserves	\$ 225,000
Estimated liability	(275,000)

Replacement fund surplus (deficit) (aka over(under) funded reserves)	\$ (50,000)
	=====
Over(under) funded reserves per unit On average	\$ (147)
	=====
Estimated percent funded	82%
	=====

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 December 31, 2021. The estimated liability is computed, for each component, by multiplying the estimated current replacement cost by the fraction (estimated useful life-estimated remaining life)/estimated useful life. The component by component computation of liability is shown in the accompanying forecasted schedule of major component replacement provision and estimated liability.

The estimated reserves percent funded is computed by dividing the estimated cash reserves by the estimated reserve liability.

NOTE 6 - RESERVE FUNDING PLAN

The Association plans to fund the future repair and/or replacement of the major components by proposing increases in that portion of the regular assessment which goes into the replacement fund, and/or special assessments.

See accountants' compilation report.

RHONEWOOD PARK ASSOCIATION

**NOTES AND ASSUMPTIONS TO THE FORECASTED STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDING DECEMBER 31, 2022
(CONTINUED)**

NOTE 6 - RESERVE FUNDING PLAN (CONTINUED)

Under this program, beginning in 2022 at a base replacement fund contribution of \$26.55 per unit per year that portion of the regular assessment which goes into the replacement fund must increase by 18-1/2% per annum through the year 2031, increase by 15-1/2% per annum through the year 2041, and decrease by 25-1/2% per annum thereafter through the year 2050 (the end of the forecast period).

The presently-projected reserve funding plan is further summarized as follows:

	<u>Estimated Cash Balance</u>	<u>Estimated Reserve Liability</u>	<u>Estimated Reserve Income</u>	<u>Estimated Reserve Expenditure</u>
<u>Present</u> 12-2021	225,000	275,000	=	82% Funded
2022				12,000 69,900
2023				13,755 12,804
2024				15,821 13,697
2025				18,254 13,599
2026				21,123 3,553
<u>10 Years</u> 12-2031	145,000	390,000	=	37% Funded
<u>20 Years</u> 12-2041	440,000	250,000	=	100% Funded
<u>29 Years</u> 12-2050	690,000	685,000	=	100% Funded

Note: Estimated reserve expenditures may be net in projected Board-approved deferrals; see the reserve funding plan for full details.

See accountants' compilation report.

RHONEWOOD PARK ASSOCIATION

**NOTES AND ASSUMPTIONS TO THE FORECASTED STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDING DECEMBER 31, 2022
(CONTINUED)**

NOTE 7 - SIGNIFICANT ASSUMPTIONS

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

Components

The components listed here are those the Board of Directors has determined to be the major components which the Association is obligated to reserve for after reviewing its governing documents and/or consulting with legal counsel and other knowledgeable persons. The Board of Directors has determined that the maintenance and repair of major components not included in the reserve fund, if any, shall be funded through the operations fund budget.

Components not included in the component and funding studies by the Board of Directors have either (1) been considered to have an estimated remaining life in excess of 24 years and will remain unfunded until the estimated remaining life is 24 years or less, or (2) are expected to be maintained, repaired and replaced through the operations fund budget.

Replacement Cost Inflation Rate

The estimated average long-term rate of increase expected in major repair and replacement costs should approximate 3% per annum.

Replacement Fund Interest Rate

The estimated average long-term before-tax interest rate earned on 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 operating expenses.

Estimated Useful Life

The estimated useful life of each identified major component was determined by John D. Beatty And Company of Discovery Bay, the Association's component study expert, in their report dated September 2020.

See accountants' compilation report.

RHONEWOOD PARK ASSOCIATION

**NOTES AND ASSUMPTIONS TO THE FORECASTED STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDING DECEMBER 31, 2022
(CONTINUED)**

NOTE 7 - SIGNIFICANT ASSUMPTIONS (CONTINUED)

Estimated Remaining Life

The estimated remaining life of each identified major component was originally determined by John D. Beatty And Company of Discovery Bay, the Association's component study expert, in their report dated September 2020. For purposes of this, the 2022 Pro Forma Operating Budget, the 2020 reserve analysis has been updated, generally by decreasing estimated remaining lives by one year.

Estimated Current Replacement Cost

The estimated current replacement cost of each identified major component was originally determined by John D. Beatty And Company of Discovery Bay, the Association's component study expert, in their report dated September 2020. For purposes of this, the 2022 Pro Forma Operating Budget, the 2020 reserve analysis has been updated, generally, by increasing current replacement costs by 3%.

NOTE 8 - BANK LOAN DISCLOSURE

There is no outstanding current or projected loan balance as of December 31, 2021.

See accountants' compilation report.

RHONWOOD PARK ASSOCIATION

FORECASTED SCHEDULE OF ESTIMATED MAJOR COMPONENT
REPLACEMENT PROVISION FOR THE YEAR ENDING DECEMBER 31, 2022
AND ESTIMATED LIABILITY AT DECEMBER 31, 2021

<u>Description</u>	<u>Est. Use. Life</u>	<u>Est. Rem. Life</u>	<u>Curr. Repl. Cost</u>	<u>Year Rplc. Prov.</u>	<u>Est. Liab. 12-21</u>
BUILDING EXTERIORS:					
Wood Siding & Trim Paint	5	0	1939	388	1939
Wood Siding & Trim Repair	5	0	324	65	324
Tuff Shed Paint & Repairs	5	0	950	190	950
Door Replace - Pump Room	16	11	788	49	246
Utility Doors Repl	15	0	4637	309	4637
FENCING & WALLS					
Chain Link Repairs	30	1	1362	45	1316
Entry Gate Repr/Repl	6	1	478	80	398
Entry Gate Replace	18	7	4776	265	2919
Emergency Gate Repr/Repl	6	2	955	159	637
Emergency Gate Replace	20	16	9552	478	1910
Wood Fence Replace (Front)	15	8	7959	531	3714
Wood Fence Replace (Shared)	15	1	3611	241	3370
Wood Fence (Parking Perimeter)	15	1	2206	147	2059
LANDSCAPING					
Irrigation Timer Replace	15	0	722	48	722
Irrigation Valves Replace	3	0	1220	407	1220
Backflow Device Replace	15	0	1728	115	1728
LIGHT FIXTURES					
Bollard Lights	25	24	1534	61	61
Exterior Bldg Spot Replace	25	4	950	38	798
Exterior Roof Spot Replace	25	4	380	15	319
Exterior Bldg Latern Replace	25	9	253	10	162
Pole Lights (Parking Lot)	25	12	2555	102	1329
Pole Lights (Pool Area)	25	9	5617	225	3595
Pole Lights Replace	20	19	1672	84	84
Re-Wire Pole Lights (Parking Lot)	30	17	7343	245	3182
PAVED SURFACES					
Asphalt Remove & Replace	25	13	60063	2403	28830
Asphalt Minor Repairs	10	8	8998	900	1800
Asphalt Slurry Seal	5	3	2679	536	1072
General Concrete Repairs	5	0	7438	1488	7438
Replace Entire Concrete Deck	30	14	97887	3263	52206
RECREATION FACILITIES - MAIN POOL					
Automatic Chlorinator	15	0	6697	446	6697
Chemstrol System Replace	8	3	3554	444	2221
Chlorinator Replace	5	1	443	89	354
Filters Replace	10	3	2407	241	1685
Heater Replace	15	7	2660	177	1419
Heater Replace	15	1	2660	177	2483
Pool Plumbing Replace	30	14	54560	1819	29099
Pump Stenner Replace	10	9	376	38	38
Pump Impeller Replace	10	5	2173	217	1087
Pump Motor Replace	10	6	3376	338	1351
Resurface Pool Interior	12	8	74111	6176	24704
Tile & Coping Replace	24	8	22385	933	14923

See accountants' compilation report and accompanying notes and significant assumptions.

RHONEWOOD PARK ASSOCIATION

FORECASTED SCHEDULE OF ESTIMATED MAJOR COMPONENT
REPLACEMENT PROVISION FOR THE YEAR ENDING DECEMBER 31, 2022
AND ESTIMATED LIABILITY AT DECEMBER 31, 2021

<u>Description</u>	<u>Est.</u> <u>Use.</u> <u>Life</u>	<u>Est.</u> <u>Rem.</u> <u>Life</u>	<u>Curr.</u> <u>Repl.</u> <u>Cost</u>	<u>Year</u> <u>Rplc.</u> <u>Prov.</u>	<u>Est.</u> <u>Liab.</u> <u>12-21</u>
RECREATION FACILITIES - WADING POOL					
Automatic Chlorinator	15	14	4467	298	298
Chlorinator Replace	5	3	443	89	177
Filter Replace	10	0	950	95	950
Pumps Replace (Stenner)	10	9	382	38	38
Pumps Replace (Stenner)	10	9	382	38	38
Resurface Pool Interior	12	8	3964	330	1321
Tile & Coping Replace	24	8	3105	129	2070
ROOFING SYSTEM					
Composition Shingles	30	4	7941	265	6882
Gutters Repr/Repl	5	0	672	134	672
SECURITY SYSTEM					
Camera Replace	14	13	2637	188	188
Camera Replace	14	12	2260	161	323
SWIM TEAM ITEMS					
Life Guard Chair	15	10	1623	108	541
Lane Lines Replace	10	1	2568	257	2311
Starting Blocks Replace	15	0	23269	1551	23269
Sound System Replace	13	12	2510	193	193
Lane Line Drums Replace	20	0	2033	102	2033
Timing System Replace	10	6	5031	503	2012
EZ UP Replace	5	4	1066	213	213
OTHER					
Defibrillator Replace	5	1	226	45	180
Door Access System Replace	15	3	3025	202	2420
Drain/Pipe Repr/Repl	10	9	3219	322	322
Pool Furniture Repl	10	2	10751	1075	8601
Wood Bench Refinish & Repr	5	0	358	72	358
Wood Bench Replace	15	8	1433	96	669
Restrooms Paint & Repairs	5	1	2688	538	2151
Reserve Study Update					
Reserve Study Update Inspection					
UNSCHEDULED EXPENSE	1	0	676	676	676
Rounding to nearest \$1,000/\$5,000				303	1067
Estimated major component repair and replacement provision for the year ending December 31, 2022				<u>32000</u>	
Estimated liability for repair and replacement of common area major components at December 31, 2021					275000
Estimated replacement fund cash reserves at December 31, 2021					<u>225000</u>
Excess of estimated major component replacement liability over estimated replacement fund cash reserves at December 31, 2021					<u>50000</u>

See accountants' compilation report and accompanying notes and significant assumptions.

RHONEWOOD PARK ASSOCIATION

2022 ANNUAL BUDGET REPORT [California Civil Code Section 5300]

II. INSURANCE DISCLOSURE

Please refer to the following pages.