

THE FAIRWAYS AT FIELDCREEK RANCH HOMEOWNERS ASSOCIATION

“A Common Interest Community” Budget and Reserve Study Statement

The budget for the Association is attached and includes the estimated annual operating revenue and expenditures, and the reserve account contributions and expenditures for the Association. The Association’s Board of Directors recommend the 2011 Association Assessments remain at \$325 per member per month.

The Association also incorporates into the Budget the Reserve Study [March 24, 2006] prepared by Advanced Reserve Solutions, Inc. [ARS]. This study includes the current estimated replacement costs, estimated remaining life, and estimated useful life of each major component of the common elements. Nevada Revised Statutes [NRS] requires the executive board of an Association to have a reserve study prepared at least once every five [5] years, review the results of the reserve study at least annually, and make any adjustments it deems necessary to maintain the required reserves. A copy of the Reserve Study is available for review at the Association’s office and additional copies of the Reserve Study will be provided upon request.

A Reserve Study is a compilation and evaluation of the Association’s major components such as roads, sewers, common area maintenance and irrigation systems. Once the components are determined, the study estimates the age of the component, how long it can expect to remain serviceable, and what it will cost to replace it. The study then projects these figures in a thirty [30] year cash flow chart. The information is used to determine how much the association should collect each month to be deposited to a reserve account in order to have the money available to replace each component as needed.

Don Barry is a registered reserve specialist by the State of Nevada with both AMS and PCAM designations. Their office is located at 701 N. Green Valley Parkway, Suite 200, Henderson, NV 89074. ARS possesses over a decade of combined reserve consulting and other related experience and is well equipped to provide superior analysis and quality service to their clients through a network of resident consultant in California and Nevada.

The Reserve Study estimates \$327,234 as the amount of cash reserves that are necessary at the end of the 2011 Budget Year, \$62,662 as the 2011 Projected Reserve Funding Amount, \$6,087 as the 2011 Projected Earned Interest, and \$36,862 as 2011 Projected Reserve Expenses. Member monthly reserve contribution is \$80.34. The Association’s 2011 Budget reflects the following information:

Reserve Account Balance as of September 30, 2010	\$272,523.07
Projected remaining 2010 Transfers to the Reserve Account	\$57,254.00
Projected remaining 2010 Interest earned	\$570.00
Projected remaining 2010 Reserve Account Expenditures	\$35,000.00
Projected Reserve Account Balance as of December 31, 2010	\$295,347.00
Budgeted 2011 Transfers to the Reserve Account	\$47,388.00
Budgeted 2011 Interest Income – Reserve	\$2,500.00
Budgeted 2011 Reserve Account Expenditures	\$18,000.00
Budgeted Reserve Account Balance as of December 31, 2011	\$327,235.00

The Board of Directors does not anticipate the levy of one or more special assessments to be necessary to repair, replace or restore any major component of the common elements or to provide adequate funding for the reserves designated for that purpose.

Professionally Managed by: A`La Carte Association Management, LLC
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Fairways at Fieldcreek Ranch 2011 Board Approved Budget

	\$325 per Unit Quarterly	2011		
	Income	Budget		
Quarterly Assessments		\$ 84,500.00		
Estimated Uncollectables		\$ (5,200.00)		
ARC Review Fees		\$ 1,000.00		
Non-Compliance Fines		\$ -		
Late Fees		\$ -		
Total Income		\$ 80,300.00		
	Operating Expense			
State/Local Gov't Fees & Licenses		\$ 25.00		
Review/Audit		\$ 1,750.00		
Management Contract		\$ 9,600.00		
Additional Management Fees		\$ -		
Copying/Printing		\$ 1,000.00		
Assessment Coupons		\$ 250.00		
Postage		\$ 500.00		
Ombudsman Fee		\$ 190.00		
Insurance		\$ 1,790.00		
Legal		\$ 1,000.00		
Income Tax Preparation		\$ 350.00		
Income Tax		\$ 660.00		
Reserve Study		\$ 1,000.00		
Electricity		\$ 500.00		
Telephone		\$ 500.00		
Box Storage		\$ 144.00		
Water		\$ 1,000.00		
Street Sweeping		\$ 800.00		
Sewer Maintenance		\$ 2,000.00		
Snow Removal		\$ 1,000.00		
Collection Pond Maintenance		\$ 1,000.00		
General Maintenance		\$ 300.00		
Landscape Contract		\$ 2,284.00		
Landscape/Irrig/Supply/Repair		\$ 400.00		
Transfer To Reserves (see 1 below)		\$ 47,388.00		
Total Operations Expenses		\$ 75,431.00		
NET Income/(Loss)		\$ 4,869.00		
	Reserves Expenses			
Gate Repair		\$ 2,000.00		
Asphalt Crack Fill		\$ 11,000.00		
Entrance Improvement		\$ 5,000.00		
Insurance Reimbursement				
Total Reserves Expenses		\$ 18,000.00		
Budget-year Reserve Increase		\$ 31,888.00		
Projected Year-End Reserve Balance		\$ 327,235.00		
1 - Includes budget-year reserves increase and reserve expenses				
Excess Revenues from 2010, if any, will be carried over into 2011 for payment of expenses and/or reserves.				
Reserve Study March 24, 2006 prepared by:				
ARS, Inc., 701 N. Green Valley Parkway, Suite 200, Henderson, NV 89074				

The Fairways at Fieldcreek Ranch POA Annual Expenditure Detail

2006 Fiscal Year		\$10,267.50
	Streets - Asphalt, Crack Seal	\$22,892.35
	Streets - Asphalt, Slurry Seal	\$33,159.85
	Total	
 2008 Fiscal Year		 \$12,423.68
	Streets - Asphalt, Crack Seal	\$12,423.68
	Total	
 2010 Fiscal Year		 \$15,032.65
	Streets - Asphalt, Crack Seal	\$15,032.65
	Total	
 2011 Fiscal Year		 \$36,861.97
	Streets - Asphalt, Slurry Seal	\$36,861.97
	Total	
 2012 Fiscal Year		 \$18,189.50
	Streets - Asphalt, Crack Seal	\$18,189.50
	Total	
 2013 Fiscal Year		 \$88,273.31
	Access - Operators, Gate	\$30,883.86
	Streets - Asphalt, Periodic Repairs	\$119,157.17
	Total	
 2014 Fiscal Year		 \$22,009.30
	Streets - Asphalt, Crack Seal	\$22,009.30
	Total	
 2015 Fiscal Year		 \$8,597.44
	Access - Entrance Phone	\$8,597.44
	Total	
 2016 Fiscal Year		 \$26,631.25
	Streets - Asphalt, Crack Seal	\$59,351.06
	Streets - Asphalt, Slurry Seal	\$85,982.31
	Total	
 2017 Fiscal Year		 \$1,643.41
	Fencing - Wood, Split Rail	

The Fairways at Fieldcreek Ranch POA

Projections

Component Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Theoretically Ideal Ending Balance	Percent Funded
2006	\$73,078	\$44,106	\$1,273	\$33,160	\$85,298	\$107,758	79%
2007	\$85,298	\$49,034	\$2,283	\$0	\$136,616	\$148,377	92%
2008	\$136,616	\$54,080	\$3,157	\$12,424	\$181,429	\$181,965	100%
2009	\$181,429	\$60,175	\$4,429	\$0	\$246,033	\$236,267	104%
2010	\$246,033	\$58,878	\$5,468	\$15,033	\$295,347	\$282,581	105%
2011	\$295,347	\$62,662	\$6,087	\$36,862	\$327,234	\$312,764	105%
2012	\$327,234	\$70,706	\$7,237	\$18,190	\$386,988	\$371,488	104%
2013	\$386,988	\$74,830	\$6,403	\$119,157	\$349,064	\$326,493	107%
2014	\$349,064	\$85,898	\$7,766	\$22,009	\$420,718	\$392,352	107%
2015	\$420,718	\$83,258	\$9,544	\$8,597	\$504,923	\$485,819	104%
2016	\$504,923	\$115,043	\$9,997	\$85,982	\$543,981	\$507,343	107%
2017	\$543,981	\$111,322	\$12,577	\$1,643	\$666,236	\$633,611	105%
2018	\$666,236	\$135,726	\$14,757	\$32,224	\$784,496	\$745,602	105%
2019	\$784,496	\$134,929	\$17,909	\$1,461	\$935,872	\$912,160	103%
2020	\$935,872	\$160,490	\$20,571	\$38,991	\$1,077,942	\$1,062,223	101%
2021	\$1,077,942	\$182,366	\$21,536	\$145,521	\$1,136,324	\$1,116,892	102%
2022	\$1,136,324	\$214,176	\$25,167	\$47,179	\$1,328,488	\$1,299,783	102%
2023	\$1,328,488	\$218,747	\$30,286	\$0	\$1,577,520	\$1,566,878	101%
2024	\$1,577,520	\$263,467	\$34,789	\$57,086	\$1,818,690	\$1,809,720	100%
2025	\$1,818,690	\$285,402	\$33,396	\$373,967	\$1,763,520	\$1,732,909	102%
2026	\$1,763,520	\$278,757	\$6,049	\$1,605,493	\$442,833	\$269,684	164%
2027	\$442,833	\$244,599	\$11,758	\$0	\$699,190	\$497,408	141%
2028	\$699,190	\$304,256	\$15,999	\$83,580	\$935,864	\$673,288	139%
2029	\$935,864	\$288,104	\$21,940	\$32,649	\$1,213,260	\$946,543	128%
2030	\$1,213,260	\$359,809	\$27,064	\$101,132	\$1,499,000	\$1,193,827	126%
2031	\$1,499,000	\$381,572	\$30,220	\$247,981	\$1,662,812	\$1,326,178	125%
2032	\$1,662,812	\$455,398	\$37,071	\$122,370	\$2,032,911	\$1,643,471	124%
2033	\$2,032,911	\$429,800	\$47,105	\$7,551	\$2,502,265	\$2,154,917	116%
2034	\$2,502,265	\$520,333	\$54,954	\$148,068	\$2,929,485	\$2,593,869	113%
2035	\$2,929,485	\$487,244	\$66,832	\$0	\$3,483,560	\$3,283,592	106%

NOTE: In some cases, the projected Ending Balance may exceed the Theoretically Ideal Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

The Fairways at Fieldcreek Ranch POA

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