

2020
RKCA Site 6 & 7
CASH OPERATING BUDGET

| Acct No. | ACCOUNT DESCRIPTION | B | C | | D | E | F | G | H |
|----------------|---------------------|---------------|----------------|-----------------|-----------------|------|---|---|--|
| | | M O N T H L Y | | | | | | | Budget Variance / Apt 2020 from 2019 |
| | | BOARD | APPROVED | | ACTUAL AVERAGES | | | | |
| BUDGET 2020 | Adjust + / (-) | Change % | BUDGET 2019 | Jan-Aug 2019 | 2018 | 2017 | | | |

OPERATING RECEIPTS:

| | | | | | | | | | |
|------|----------------------------|----------|--------|--------|----------|----------|------|------|------|
| 4139 | * FEES & DUES | 5,840 | | | 5,840 | 5,475 | | | |
| 4209 | * ASSESSMENTS | | | | | | | | |
| 4319 | * REIMBURSEMENTS | | | | | | | | |
| 5809 | * TAXABLE RECEIPTS | 406 | 170 | 71.97% | 236 | 226 | | | 1.16 |
| 6996 | * TOTAL OPERATING RECEIPTS | \$ 6,246 | \$ 170 | 2.80% | \$ 6,076 | \$ 5,701 | \$ 0 | \$ 0 | 1.16 |

OPERATING DISBURSEMENTS :

| | | | | | | | | | |
|------|---------------------------------|----------|--------|--------|----------|----------|--------|------|--------|
| 7119 | * WAGES & BENEFITS | | | | | | | | |
| 7159 | * OFFICE & ADMIN | | | | | | | | |
| 7189 | * PROPERTY MGMT & ACCTG | | | | | | | | |
| 7198 | * OTHER PROFESSIONAL FEES | 230 | 230 | >100% | | 232 | | | 1.58 |
| 7219 | * ELEVATOR | | | | | | | | |
| 7229 | * ELECTRICITY | 325 | (32) | -8.88% | 357 | 314 | | | (0.22) |
| 7239 | * WATER & SEWER | | | | | | | | |
| 7249 | * GAS | | | | | | | | |
| 7259 | * EXTERMINATING | | | | | | | | |
| 7269 | * RUBBISH REMOVAL | | | | | | | | |
| 7289 | * TELEVISION / OTHER MISC | | | | | | | | |
| 7298 | * SECURITY | | | | | | | | |
| 7329 | * GROUNDS | 4,702 | 185 | 4.10% | 4,517 | 4,048 | | | 1.27 |
| 7339 | * CUSTODIAL / WINDOW CLEANING | | | | | | | | |
| 7369 | * GENERAL MAINTENANCE | 175 | | | 175 | 88 | (3) | | |
| 7389 | * HEAT - VENT - A/C | | | | | | | | |
| 7395 | * PAINT MAINTENANCE | | | | | | | | |
| 7449 | * AMENITIES | | | | | | | | |
| 7459 | * VEHICLE / OTHER M&R | | | | | | | | |
| 7519 | * TAXES | 67 | 67 | >100% | | | | | 0.46 |
| 7539 | * INSURANCE | | | | | | | | |
| 7549 | * OTHER FIXED EXPENSES | | | | | | | | |
| 7997 | * TOTAL OPERATING DISBURSEMENTS | \$ 5,499 | \$ 450 | 8.92% | \$ 5,048 | \$ 4,682 | \$ (3) | \$ 0 | 3.08 |

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|----------------|---------------------|---------------|----------------|-----------------|-----------------|------|---|---|--|
| | | M O N T H L Y | | | | | | | Budget Variance / Apt 2020 from 2019 |
| | | BOARD | APPROVED | | ACTUAL AVERAGES | | | | |
| BUDGET 2020 | Adjust + / (-) | Change % | BUDGET 2019 | Jan-Aug 2019 | 2018 | 2017 | | | |

RESERVE CONTRIBUTIONS :

| | | | | | | | | | |
|------|---|----------|--------|---------|----------|----------|--------|------|--------|
| 7998 | * TRANSFER to RESERVES from CHKG | 748 | (280) | -27.28% | 1,028 | 930 | | | (1.92) |
| 7999 | * TOTAL RESERVE CONTRIBUTIONS & OPERATING DISBURSEMENTS | \$ 6,246 | \$ 170 | 2.80% | \$ 6,076 | \$ 5,611 | \$ (3) | \$ 0 | 1.16 |
| 8002 | * NET OF TOTAL RESERVE CONTRIBUTIONS, OPERATING DISBURSEMENTS, & OPERATING RECEIPTS | \$ 0 | \$ (0) | | \$ 0 | \$ 90 | \$ 3 | \$ 0 | |

NON-OPERATING RECEIPTS & DISBURSEMENTS :

| | | | | | | | | | |
|------|---|-------|--------|-------|------|-------|------|------|------|
| 8639 | * CAPITAL / EXCEPTIONAL DISB | (591) | (591) | >100% | | | | | 4.05 |
| 9279 | * TRANSFER from RESERVES to CHKG | 591 | 591 | >100% | | | | | 4.05 |
| 9000 | * OTHER COLLECTIONS (+) | | | | | | | | |
| 9020 | * OTHER TRANSMITTALS (-) | | | | | | | | |
| 9295 | * NET NON-OPERATING EFFECT | \$ 0 | \$ 0 | >100% | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| 9521 | * NET OF RESERVE CONTRIBUTIONS, OPERATING DISBURSEMENTS, OPERATING RECEIPTS, & NON-OPERATING EFFECT | \$ 0 | \$ (0) | >100% | \$ 0 | \$ 90 | \$ 3 | \$ 0 | |

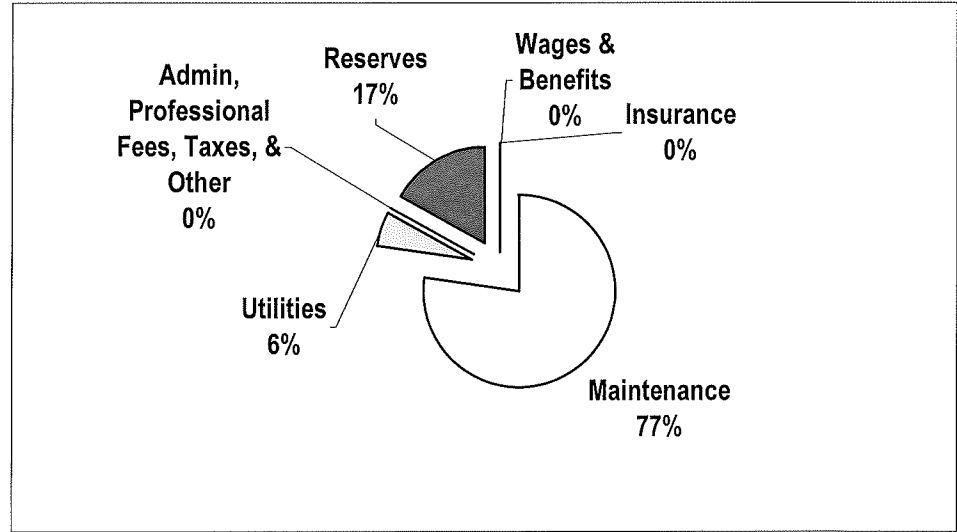
2020
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CASH OPERATING BUDGET

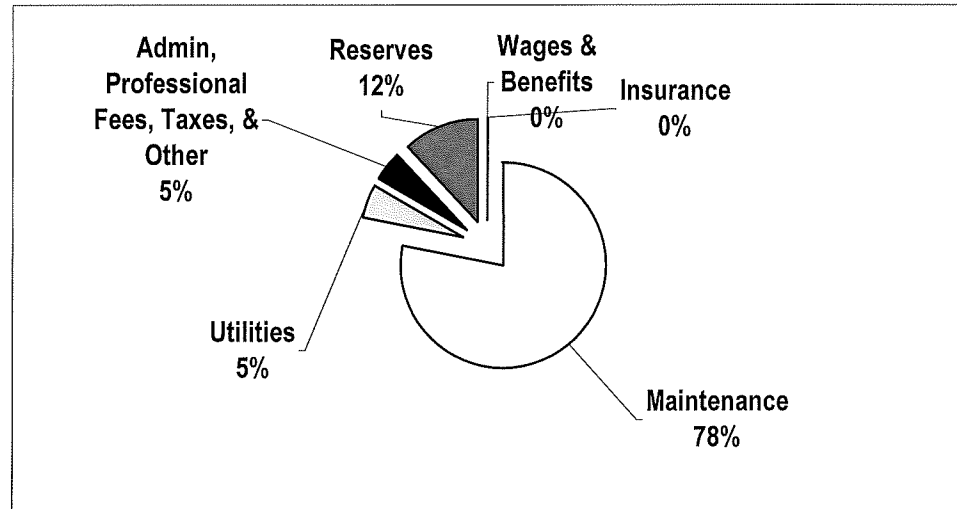
| APT / UNIT TYPE | NO. OF APTS | PERCENT COMMON INTEREST | BOARD APPROVED 2019 | BOARD APPROVED 2020 | Increase / Decrease 2019 - 2020 | APT / UNIT | |
|-----------------|-------------|-------------------------|---------------------|---------------------|---------------------------------|--------------|-----------------------|
| | | | | | | TYPE TOTAL % | COLLECTION TOTAL \$\$ |
| UNIT | 146 | 0.68493% | \$ 40.00 | \$ 40.00 | \$ 0.00 | 100.00000% | \$ 5,840.00 |
| | 146 | | | | | 100.00% | \$ 5,840.00 |

RKCA Site 6 & 7 CASH OPERATING BUDGET

| Present Year 2019 | vs | Budget Year 2020 |
|----------------------|--|---------------------|
| \$ 0 | Wages & Benefits | \$ 0 |
| \$ 0 | Insurance | \$ 0 |
| \$ 4,692 | Maintenance | \$ 4,877 |
| \$ 357 | Utilities | \$ 325 |
| \$ 0 | Admin, Professional Fees, Taxes, & Other | \$ 297 |
| \$ 1,028 | Reserves | \$ 748 |



2019 Budget Expense Distribution



2020 Budget Expense Distribution

FORECAST REPLACEMENT RESERVE PROJECTIONS : The AOA has selected the **Cash Flow** method of reserve funding. The annual replacement reserve funding option selected reflects a **-14.88%** change from the current year **2019** to **2020**. The AOA intends to collect amounts shown on line " f " projected over the next 20 year period. Reserve contributions may change year to year with each budget review. Changes will be based on annual evaluations of the condition of asset components that the AOA is responsible to maintain and the estimated useful life of the components.

| END OF YEAR ==>> | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|---|------------|------------|------------|-------------|------------|------------|-------------|------------|------------|------------|------------|
| CALENDAR YEAR ==>> | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
| a) ADEQUATE Replacement Reserve | \$ 172,934 | \$ 177,665 | \$ 189,729 | \$ 136,115 | \$ 150,227 | \$ 164,338 | \$ 103,340 | \$ 120,646 | \$ 137,952 | \$ 155,259 | \$ 172,565 |
| b) PERCENT FUNDED MINIMUM Replacement Reserve | \$ 86,467 | \$ 88,832 | \$ 94,865 | \$ 68,058 | \$ 75,113 | \$ 82,169 | \$ 51,670 | \$ 60,323 | \$ 68,976 | \$ 77,629 | \$ 86,283 |
| c) TOTAL ANNUAL CAPITAL EXPENDITURES | \$ 0 | \$ (7,093) | \$ 0 | \$ (65,678) | \$ 0 | \$ 0 | \$ (75,110) | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| d) BOARD APPROVED REPLACEMENT RESERVES | \$ 12,336 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 |
| e) PROJECTED SPECIAL ASSESSMENTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| f) PROJECTED Replacement Reserves + Special Assessments | \$ 12,336 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 |
| g) AFTER-TAX INTEREST EARNED @ RATE = 1.25% | \$ 0 | \$ 2,053 | \$ 2,122 | \$ 2,280 | \$ 1,617 | \$ 1,769 | \$ 1,923 | \$ 1,138 | \$ 1,283 | \$ 1,431 | \$ 1,580 |
| h) FORECAST REPLACEMENT RESERVE BALANCE | \$ 163,949 | \$ 169,410 | \$ 182,031 | \$ 129,133 | \$ 141,250 | \$ 153,520 | \$ 90,832 | \$ 102,470 | \$ 114,254 | \$ 126,185 | \$ 138,265 |
| i) FORECAST % FUNDED | 95% | 95% | 96% | 95% | 94% | 93% | 88% | 85% | 83% | 81% | 80% |

| END OF YEAR ==>> | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 |
|---|-------------|------------|-------------|-----------|------------|------------|-------------|------------|------------|------------|
| CALENDAR YEAR ==>> | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2036 | 2037 | 2038 | 2039 |
| a) ADEQUATE Replacement Reserve | \$ 103,850 | \$ 125,112 | \$ 60,227 | \$ 84,174 | \$ 108,121 | \$ 132,068 | \$ 145,066 | \$ 169,385 | \$ 193,704 | \$ 218,023 |
| b) PERCENT FUNDED MINIMUM Replacement Reserve | \$ 51,925 | \$ 62,556 | \$ 30,114 | \$ 42,087 | \$ 54,061 | \$ 66,034 | \$ 72,533 | \$ 84,693 | \$ 96,852 | \$ 109,011 |
| c) TOTAL ANNUAL CAPITAL EXPENDITURES | \$ (86,021) | \$ 0 | \$ (86,147) | \$ 0 | \$ 0 | \$ 0 | \$ (10,949) | \$ 0 | \$ 0 | \$ 0 |
| d) BOARD APPROVED REPLACEMENT RESERVES | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 |
| e) PROJECTED SPECIAL ASSESSMENTS | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| f) PROJECTED Replacement Reserves + Special Assessments | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 | \$ 10,500 |
| g) AFTER-TAX INTEREST EARNED @ RATE = 1.25% | \$ 1,732 | \$ 808 | \$ 949 | \$ 14 | \$ 145 | \$ 279 | \$ 414 | \$ 413 | \$ 550 | \$ 688 |
| h) FORECAST REPLACEMENT RESERVE BALANCE | \$ 64,475 | \$ 75,783 | \$ 1,085 | \$ 11,599 | \$ 22,244 | \$ 33,023 | \$ 32,988 | \$ 43,901 | \$ 54,951 | \$ 66,139 |
| i) FORECAST % FUNDED | 62% | 61% | 2% | 14% | 21% | 25% | 23% | 26% | 28% | 30% |

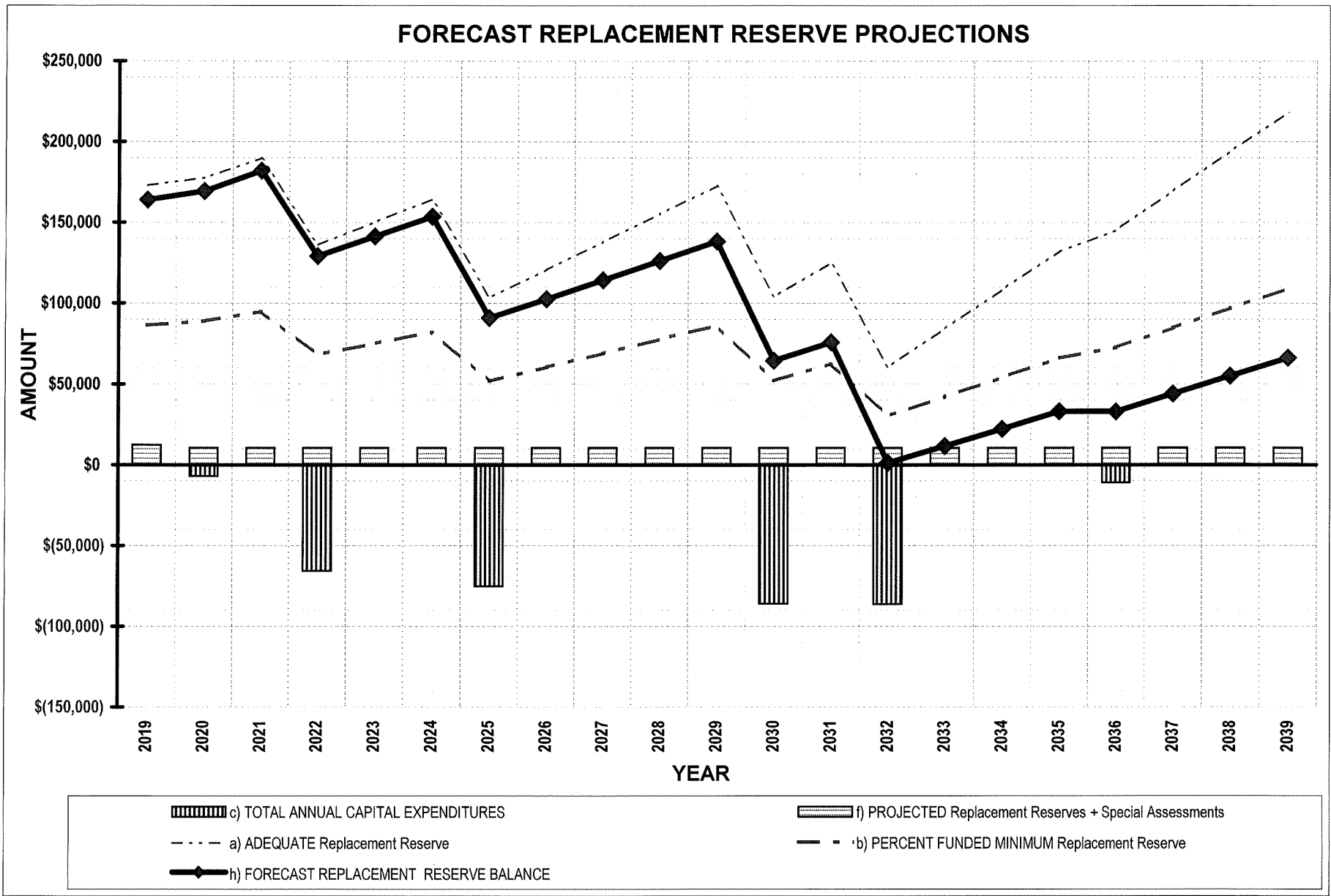


TABLE 2 - REPLACEMENT RESERVE ANALYSIS FOR THE YEAR 2020

| ASSETS | | LIFE CYCLE | | | | ESTIMATED COSTS | | | PERCENT FUNDED RESERVE REQUIREMENTS (excludes Cash Flow Method) | | | REPLACEMENT RESERVE FUNDING | | |
|------------------------------------|--|--|----------------|-----------------|-----------------|-----------------------|------------------------|-----------------------|--|---------------------|------------------|------------------------------|----------|--|
| ITEM No. | DESCRIPTION | ACTUAL START YEAR | HRS START YEAR | EST USEFUL LIFE | FIRST YEAR REPL | YEAR OF COST ESTIMATE | ESTIMATED REPLACE COST | 1ST CYCLE FUTURE COST | 2019 ACTUAL RESERVE BAL | 50% MINIMUM RESERVE | ADEQUATE RESERVE | BOARD APPROVED CONTRIBUTIONS | | |
| | | | | | | | | | | | | 2019 | 2020 | |
| 1 | Continenency - Irrigation | 2004 | 2004 | 16 | 2020 | 2005 | \$ 4,722 | \$ 7,093 | | | | \$ 403 | \$ 403 | |
| 2 | Asphalt Slurry Seal | 2012 | 2012 | 10 | 2022 | 2012 | \$ 50,073 | \$ 65,678 | | | | \$ 6,206 | \$ 6,206 | |
| 3 | Street Lights - Private Roadways - Incr #1 | 1994 | 1994 | 31 | 2025 | 2010 | \$ 50,000 | \$ 75,110 | | | | \$ 1,998 | \$ 1,998 | |
| 4 | Street Lights - Private Roadways - Incr #2 | 1994 | 1994 | 36 | 2030 | 2010 | \$ 50,000 | \$ 86,021 | | | | \$ 3,729 | \$ 1,893 | |
| Recommended Inflation Rate = 2.75% | | TOTAL ANNUAL RESERVES ==> | | | | | | \$ 163,949 | \$ 86,467 | \$ 172,934 | \$ 12,336 | \$ 10,500 | | |
| After-Tax Interest Rate = 1.25% | | TOTAL MONTHLY REPLACEMENT RESERVES ==> | | | | | | \$ 1,028 | \$ 875 | | | | | |