

# ***RESERVE STUDY SPECIALISTS***

***P.O. BOX 9178, CALABASAS, CA 91372***

***TEL: 818-992-1312 FAX: 818-992-1338***



## **RIVER ISLAND EAST HOMEOWNERS' ASSOCIATION**

### **FULL RESERVE STUDY**

**November 14, 2025 for Fiscal Year 2026**

# ***RESERVE STUDY SPECIALISTS***

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## **Initial Reserves**

Initial reserves for this Reserve Study were known to be \$324,769 on July 31, 2025. As per information provided by the Association the reserve balance at study start date of January 01, 2026 is projected to be \$350,000.

## **Reserve Funding Goal**

The baseline reserve funding goal is to plan the minimum reserve account balance consistent with cash demands of maintenance and replacement of reserve items annually. (Baseline Funding)

## **Depth of Study**

Full Service Reserve Study with Field Inspection. A field inspection was made to verify the existing condition of the various reserve study components, their physical condition, and to verify component quantities. In place testing, laboratory testing, and non-destructive or destructive testing of the reserve study components were not performed. Field measurements of component quantities were made, where necessary, to determine quantities of various components.

## **Statement**

Reserve Study Specialists is pleased to present to the Board of Directors the requested Reserve Funding Study. We believe that you will find the attached study thorough and complete. After you have had an opportunity to review the report you may have questions. Please do not hesitate to write or call, we would be pleased to answer any questions you may have.

## **Project Description**

River Island East is a community of 105 single-family homes. Phase I consisting of 66 lots was released in 1993. Phase II consisting of 39 lots was released in 2003. There are 26 vacant lots in both phases. Vacant lots pay dues at a lower rate since they are considered as unimproved lots. The HOA maintains the common area landscaping and front yards, swimming pool, private roads, fences & gates, walls, monuments & signs, mailboxes and wastewater treatment plant that was refurbished/rebuilt in 2008 at a cost of \$1,700,000.

## **Summary of Financial Assumptions**

The table below contains a partial summary of information provided by the Association.

<i>Fiscal Calendar Year Begins</i>	<i>January 01</i>
<i>Reserve Study by Fiscal Calendar Year Starting</i>	<i>January 01, 2026</i>
<i>Funding Study Length</i>	<i>30 Years</i>
<i>Number of Dues Paying Members</i>	<i>102</i>
<i>Reserve Balance as of January 01, 2026</i>	<i>\$350,000</i>
<i>Annual Inflation Rate</i>	<i>3%</i>
<i>Tax Rate on Reserve Interest</i>	<i>25%</i>
<i>Minimum Reserve Account Balance</i>	<i>\$0</i>
<i>Dues Change Period</i>	<i>1 Year</i>
<i>Monthly Dues</i>	<i>75*\$315, 26*\$230</i>

## **Reserve Study Assumptions**

- Cost estimates and financial information are accurate and current.
- No unforeseen circumstances will cause a significant reduction of reserves.
- Sufficient comprehensive property insurance exists to protect from insurance risks.
- The association plans to continue to maintain the existing common area and amenities.
- Reserve payments occur at the end of every calendar month.
- Expenses occur at the end of the expense year.

## **Impact of Component life**

The projected life expectancy of the major components and the reserve funding needs of the association are closely tied. Performing the appropriate routine maintenance for each major component generally increases the component useful life, effectively moving the component expense into the future, which reduces the reserve funding payments of the association.

Failure to perform such maintenance can shorten the remaining useful life of the major components, bringing the replacement expense closer to the present, which increases the reserve funding payments of the association.

## **Study Method**

Funding studies may be done in several ways, but we believe that the value of a meaningful funding study lies in the details. “Bulk” studies are quick, usually inexpensive, and almost always border on worthless.

In this study, we have used the “Component” method because it is the only method, which allows scrutiny of the funding details. The method is pragmatic, and allows human judgment and experience to enter into the equation.

Unless noted otherwise, the present cost of every reserve item in this report has been estimated using the “National Construction Estimator”, a nationally recognized standard, and modified by an area cost adjustment factor.

Where possible, known costs have been used. In addition, every reserve item has been given an estimated remaining useful life, an estimated useful life when new, and has been cast into the future to determine the inflated cost.

Equal annual payments are calculated for each reserve item based upon a payment starting year and a payment ending year using the end of period payment method. Interest earned on accumulated reserve funds and taxes on the reserve interest are also calculated. Initial reserve funds are consumed as expenses occur.

As you review this report, we are certain that you will appreciate the level of detail provided, allowing you to review each reserve item in detail.

## **Summary of Findings**

Reserve Study Specialists has estimated future projected expenses for the association based upon preservation of existing improvements.

The attached funding study is limited in scope to those expense items listed in the reserve study.

Of primary concern is the preservation of a positive funding balance with funds sufficient to meet projected expenses throughout the study life. Based upon the attached funding study, it is our professional opinion that annual reserve contributions as shown in the attached study will realize this goal. The association warrants that the information provided to Reserve Study Specialists, including but not limited to that information contained in the attached reserve study, that the maintenance records are complete and accurate, and that Reserve Study Specialists may rely upon such information and documents without further verification or corroboration.

Where the age of a particular Reserve Item (as listed in the Reserve Study) is unknown, the association shall provide to Reserve Study Specialists best-estimated age of that item. If the association is unable to provide an estimate of a Reserve Item's age, Reserve Study Specialists shall make its own estimate of age of the Reserve Item. The Reserve Study is created for the association's use, and is a reflection of information provided to Reserve Study Specialists. This information is not for the purpose of performing an audit, historical records, quality or forensic analyses.

## **Special Assessments**

Special assessments are not required in this reserve study, unless specified in the funding plan, provided the Board of Directors and association members adopt this reserve study as submitted. Any material change from the recommended reserve contributions may result in special assessments in future.

## **Percent Funded**

Many reserve studies use the concept of "Percent Funded" to measure the reserve account balance against a theoretically perfect value. Percent Funded is often used as a measure of the "Financial Health" of an association. The assumption is, the higher the percentage, the greater the "Financial Health". The question of substance is simply: How much is enough? To answer the question, some understanding of Percent Funded is required. Percent Funded is defined as the current cash reserves divided by the Fully Funded value at any instant in time. Fully Funded value is defined as the total depreciated value or accrued liability of all reserve items.

Most reserve items with a remaining life greater than the study life are not included in the calculation unless they are specifically instructed by the HOA to be included. For example; building framing, foundations, water lines, and other long-lived items that fall outside the envelope of the reserve study are excluded from the calculation. Percent Funded is then, the current reserve balance divided by the Fully Funded value multiplied by 100 (to give a percentage). The concept of percent funded is useful when the reserve study is comprehensive, but misleading when the reserve study is superficial or constrained. As a result, we recommend that the statement "Percent Funded" be used with caution.

This study will attempt to achieve a fully-funded reserves (100% funded) during the length of the study.

### **Keeping Your Reserve Study Current**

Reserve Study Specialists believes that funding studies are an essential part of property management. People and property are constantly changing and evolving. As a result, the useful life of a funding study is at best a few years and certainly not more than three years.

This reserve study should be updated to remain an accurate estimation of reserve funding:

- At changes in interest rates
- At changes in inflation rates
- At changes in the number of dues paying members
- Before starting new improvements
- Before making changes to the property
- After a flood or fire
- After the change of ownership or management
- After Annexation or Incorporation

### **Statement of Qualifications**

Reserve Study Specialists is a professional in the business of preparing reserve studies for community associations. I have inspected the association improvements, and have made a complete review of all components required to complete a reserve study. I have completed a physical inspection of the components listed in this reserve study. My inspection included a review of current condition, economic life, remaining useful life, and replacement cost of all components included in this reserve study. No destructive testing was done.

### **Conflict of Interest**

As the preparer of this reserve study, Reserve Study Specialists certifies that we do not have any vested interests, financial interests, or other interests that would cause a conflict of interest in the preparation of this reserve study.

Reserve Study Specialists would like to thank the association for the opportunity to be of service in the preparation of the attached Funding Study. Again, please feel free to write or call at our letterhead address if you have any questions.

Prepared by:

Fred Etemad, PhD  
CEO

# RESERVE STUDY SPECIALISTS

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## Visual Condition of Complex at the time of Inspection

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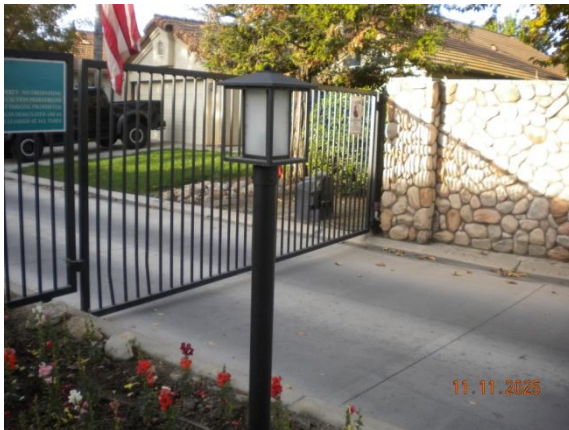


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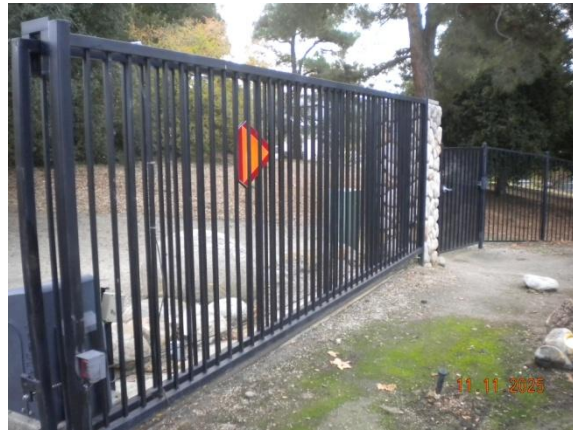


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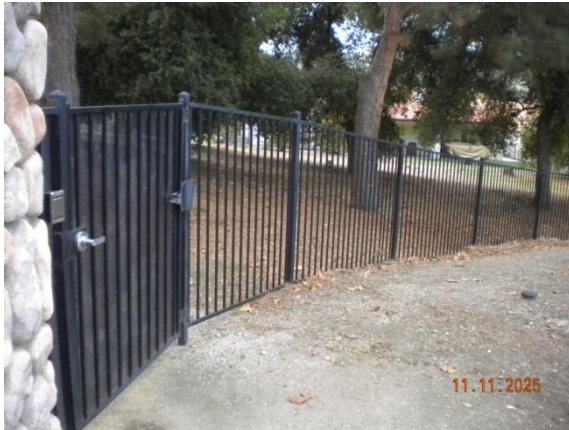


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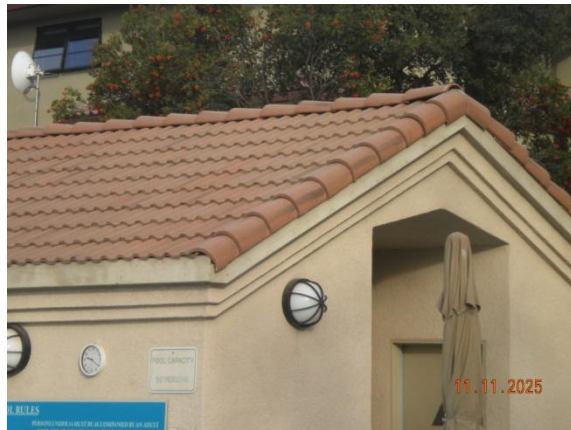


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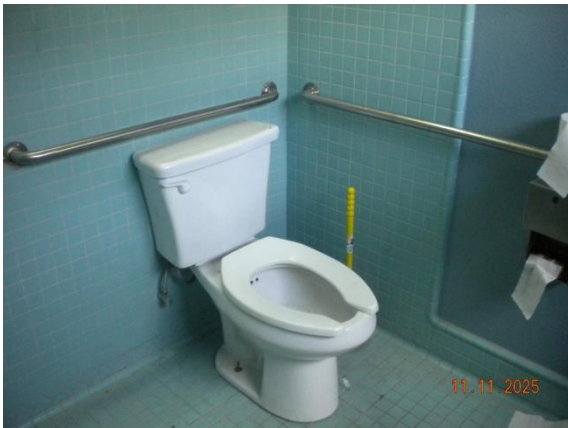


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**Visual Condition of Complex at the time of Inspection**

# RESERVE COMPONENTS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current							
Fiscal Year End Dec 31		Repair	Replace	Forecast						
	%	Repair	Total Rem				Unit			
Reserve Components		Cost	Life	Life	Quantity	Unit	Cost	Description		
<b>ROAD MAINTENANCE</b>										
1 - Asphalt Sealcoat & Striping		63061	7	3	180175 sq ft		0.35	Asphalt sealcoat & striping budget every 7 years, Phase 1 & 2		
2- Asphalt Cut & Patch	5	36035	7	2	180175 sq ft		4.00	Asphalt cut & patch repair at 5% of total every 7 years, Phase 1 & 2		
3- Asphalt Replace/Overlay, Ph 1	50	216250	42	10	108125 sq ft		4.00	Asphalt remove & replace at 50% or 100% overlay every 42 years, Ph 1		
4- Asphalt Replace/Overlay, Ph 2	50	144100	42	20	72050 sq ft		4.00	Asphalt remove & replace at 50% or 100% overlay every 42 years, Ph 2		
5- Concrete Curb & Gutter, Phase 1	5	11812	10	1	5250 ft		45.00	Concrete curb & gutter repair budget at 5% of total every 10 years, Ph 1		
6- Concrete Curb & Gutter, Phase 2	5	6633	10	1	2948 ft		45.00	Concrete curb & gutter repair budget at 5% of total every 10 years, Ph 2		
7- Stamped Concrete Driveway	10	17138	15	9	6855 sq ft		25.00	Stamped concrete & concrete drives repair budget at 10% every 15 years		
8- Concrete Sidewalk	10	4950	10	1	1980 sq ft		25.00	Concrete sidewalk repair budget at 10% of total every 10 years		
9- Concrete Valley Gutter	50	1600	15	2	32 ft		100.00	Concrete 6 ft valley gutter repair budget at 50% of total every 15 years		
<b>GATE EQUIPMENT</b>										
10- Entry Phone, Montgomery		11000	15	8	1 each		11000.00	Entry Phone system, Door King #1814, replace budget every 15 years		
11- Swing Gate Opener, Montgomery		9000	15	8	2 each		4500.00	Swing gate opener, Elite #CSW-200-UL, replace budget every 15 years		
12- Sensors, Montgomery		2500	15	9	3 each		833.33	Vehicle sensor replacement budget every 15 years		
13- Entry Phone, River Island		11000	15	8	1 each		11000.00	Entry Phone system, Door King #1814, replacement budget every 15 years		
14- Sliding Gate Opener, River Island		9000	15	8	2 each		4500.00	Sliding gate opener, Door King #9150-080, replace budget every 15 years		
15- Sensors, River Island		2500	15	8	3 each		833.33	Vehicle sensor replacement budget every 15 years		
<b>FENCES, WALLS &amp; GATES</b>										
16- Perimeter Wall, 5 ft, Paint & Repair		2660	15	2	190 ft		14.00	Perimeter wall, 5 ft, repair & paint budget every 15 years		
17- Perimeter Wall, 6ft, Paint & Repair		9968	15	2	623 ft		16.00	Perimeter wall, 6 ft, repair & paint budget every 15 years		
18- Split Rail Wood Fence, 3 ft	7	14314	10	0	6816 ft		30.00	Wood split-rail fence repair/replace budget at 7% of total every 10 years		
19- Metal Fence, 5', Repair & Paint		12089	7	1	1099 ft		11.00	Metal fences, 5 ft high, repair & paint budget every 7 years		
20- Metal Gates, Repair & Paint		3600	7	1	4 each		900.00	Metal gates repair & paint budget every 7 years		
21- Emergency Gate, Repair & Paint		900	7	1	1 each		900.00	Metal emergency gates repair & paint budget every 7 years		
22- Vehicle Entry Gates	25	3500	12	11	4 each		3500.00	Metal vehicle entry gates replace budget at 1 out of 4 gates every 12 years		
23- Metal Fences Replace	50	27475	21	12	1099 ft		50.00	Metal fences replace budget at 50% of total every 21 years		
<b>LANDSCAPING</b>										
24- Irrigation Timer, 18 Station		1100	20	17	1 each		1100.00	Irrigation timer replacement budget every 20 years		
25- Irrigation Timer, 24 Station		2250	20	17	2 each		1125.00	Irrigation timer replacement budget every 20 years		
26- Irrigation Valves		3600	3	0	12 each		300.00	Irrigation valve replacement budget at 12 units every 3 years		
27- Landscaping & Trees		16000	3	0	1 budget		16000.00	Landscape improvement & tree maintenance budget every 3 years		

# RESERVE COMPONENTS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current						
Fiscal Year End Dec 31		Repair	Replace	Forecast					
	%	Repair	Total Rem				Unit		
Reserve Components		Cost	Life	Life	Quantity	Unit	Cost	Description	
<b>POOL</b>									
28- Cabana Exterior Repair & Paint		3300	12	2	1100 sq ft		3.00	Stucco repair & paint budget every 12 years	
29- Cabana Interior Paint		2048	12	7	1365 sq ft		1.50	Cabana interior paint budget every 12 years	
30- Cabana Interior Light		1050	25	21	6 each		175.00	Cabana interior light replacement budget every 25 years	
31- Cabana Exhaust Fan 1/6 hp		800	25	21	2 each		400.00	Cabana exhaust fan replacement budget every 25 years	
32- Restrooms & Shower Remodel		8000	30	6	1 budget		8000.00	Restrooms & shower remodel & fixture replace budget every 30 years	
33- Pool area furniture		7500	7	3	1 each		7500.00	Pool area furniture replacement budget every 7 years	
34- Pool Pump		2750	12	8	2 each		1375.00	Pool pump replacement budget every 12 years	
35- Pool Filter		2750	15	11	2 each		1375.00	Pool filter replacement budget every 15 years	
36- Pool Chlorinator		1500	6	2	1 each		1500.00	Pool chlorinator replacement budget every 6 years	
37- Separation Tank		1750	15	11	2 each		875.00	Separation tank replacement budget every 15 years	
38- Pool Deck Repair	10	10863	10	9	4345 sq ft		25.00	Pool deck repair budget at 10% of total every 10 years	
39- Pool Resurface		46500	15	0	3100 sq ft		15.00	Pool replaster budget every 15 years	
40- Pool Tile & Coping		22400	30	0	224 ft		100.00	Pool tile replace & coping repair budget every 30 years	
<b>WASTE WATER TREATMENT</b>									
41- Plant Building Paint		5000	18	1	1 budget		5000.00	Plant exterior paint budget every 18 years	
42- Chain Link Fence Repair		3000	16	0	1 budget		3000.00	Chain link fence repair/replace budget every 16 years	
43- Tank Refurbishment		110000	15	2	1 budget		110000.00	Tank refurbishment work budget every 15 years	
44- Generator Repair		41000	25	7	1 budget		41000.00	Generator repair budget every 25 years	
45- Pumps	36.36	24000	6	0	11 each		6000.00	Pumps replacement budget at 4 out of 11 every 6 years	
46- Blowers	57.14	26000	8	1	7 each		6500.00	Blower repair/replacement budget at 4 units out of 7 every 8 years	
47- Electrical Panel		36500	25	7	1 budget		36500.00	Electrical improvement budget every 25 years	
48- Filters		54000	25	7	4 each		13500.00	Filter repair/replacement budget every 25 years	
49- UV System Reactor		12500	20	2	1 budget		12500.00	UV System reactor repair/replacement budget every 20 years	
50- UV System Others		6500	3	0	1 budget		6500.00	UV System, lamps, gaskets & wiper repair/replace budget every 3 years	
51- Disposal Field		100000	15	14	1 budget		100000.00	Disposal field improvement budget every 15 years	
52- Equipment Repair/Overhaul		22000	3	0	1 budget		22000.00	Equipment repair/overhaul/improve budget every 3 years	

## RESERVE COMPONENTS

## RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current						
Fiscal Year End Dec 31		Repair	Replace	Forecast				Unit	
	%	Repair	Total Rem				Unit		
Reserve Components		Cost	Life	Life	Quantity	Unit	Cost	Description	
<b>LIGHTING</b>									
53- Landscape Lights		5800	20	18	29 each		200.00	Fluorescent, flood & well light fixture replace budget every 20 years	
54- Yard Pole Lights		8250	30	6	11 each		750.00	Pole light fixture replace & pole repair every 30 years, 4ft, 8ft & 10ft poles	
55- Cabana Lights		675	25	6	5 each		135.00	Exterior cabana light replacement budget every 25 years	
56- Lighting Timer		1100	25	1	4 each		275.00	Intermatic timer #T101 replacement every 25 years	
<b>OTHERS</b>									
57- Sewer Line & Storm Drain		9000	5	4	1 budget		9000.00	Sewer line & storm drain periodical inspection/repair budget every 5 years	
58- Monument & Signs		3000	10	8	1 budget		3000.00	Monument & signs replacement budget every 10 years	
59- Unplanned Project Fund		4484	5	1	1	1 budget	4483.76	5% of Annual liability for unplanned or emergency projects	

# LIABILITY ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current						
Fiscal Year End Dec 31		Repair	Replace	Forecast					
	%	Repair	Total Rem						
Reserve Components		Cost	Life	Life	Annual Liability	Accrued Liability	% of Annual Liability		Notes
<b>ROAD MAINTENANCE</b>							<b>29.36%</b>		
1 - Asphalt Sealcoat & Striping		63061	7	3	9009	36035	10.05%		
2- Asphalt Cut & Patch	5	36035	7	2	5148	25739	5.74%		
3- Asphalt Replace/Overlay, Ph 1	50	216250	42	10	5149	164762	5.74%		
4- Asphalt Replace/Overlay, Ph 2	50	144100	42	20	3431	75481	3.83%		
5- Concrete Curb & Gutter, Phase 1	5	11812	10	1	1181	10631	1.32%		
6- Concrete Curb & Gutter, Phase 2	5	6633	10	1	663	5970	0.74%		
7- Stamped Concrete Driveway	10	17138	15	9	1143	6855	1.27%		
8- Concrete Sidewalk	10	4950	10	1	495	4455	0.55%		
9- Concrete Valley Gutter	50	1600	15	2	107	1387	0.12%		
<b>GATE EQUIPMENT</b>							<b>3.35%</b>		
10- Entry Phone, Montgomery		11000	15	8	733	5133	0.82%		
11- Swing Gate Opener, Montgomery		9000	15	8	600	4200	0.67%		
12- Sensors, Montgomery		2500	15	9	167	1000	0.19%		
13- Entry Phone, River Island		11000	15	8	733	5133	0.82%		
14- Sliding Gate Opener, River Island		9000	15	8	600	4200	0.67%		
15- Sensors, River Island		2500	15	8	167	1167	0.19%		
<b>FENCES, WALLS &amp; GATES</b>							<b>6.96%</b>		
16- Perimeter Wall, 5 ft, Paint & Repair		2660	15	2	177	2305	0.20%		
17- Perimeter Wall, 6ft, Paint & Repair		9968	15	2	665	8639	0.74%		
18- Split Rail Wood Fence, 3 ft	7	14314	10	0	1431	14314	1.60%		
19- Metal Fence, 5', Repair & Paint		12089	7	1	1727	10362	1.93%		
20- Metal Gates, Repair & Paint		3600	7	1	514	3086	0.57%		
21- Emergency Gate, Repair & Paint		900	7	1	129	771	0.14%		
22- Vehicle Entry Gates	25	3500	12	11	292	292	0.33%		
23- Metal Fences Replace	50	27475	21	12	1308	11775	1.46%		
<b>LANDSCAPING</b>							<b>7.47%</b>		
24- Irrigation Timer, 18 Station		1100	20	17	55	165	0.06%		
25- Irrigation Timer, 24 Station		2250	20	17	113	338	0.13%		
26- Irrigation Valves		3600	3	0	1200	3600	1.34%		
27- Landscaping & Trees		16000	3	0	5333	16000	5.95%		

**% Funded at the end of Dec 2025**  
**43.02%**

# LIABILITY ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current						
Fiscal Year End Dec 31		Repair	Replace	Forecast					
	%	Repair	Total Rem						
Reserve Components		Cost	Life	Life	Annual Liability	Accrued Liability	% of Annual Liability	Notes	
<b>POOL</b>							<b>8.44%</b>		
28- Cabana Exterior Repair & Paint		3300	12	2	275	2750	0.31%		
29- Cabana Interior Paint		2048	12	7	171	853	0.19%		
30- Cabana Interior Light		1050	25	21	42	168	0.05%		
31- Cabana Exhaust Fan 1/6 hp		800	25	21	32	128	0.04%		
32- Restrooms & Shower Remodel		8000	30	6	267	6400	0.30%		
33- Pool area furniture		7500	7	3	1071	4286	1.19%		
34- Pool Pump		2750	12	8	229	917	0.26%		
35- Pool Filter		2750	15	11	183	733	0.20%		
36- Pool Chlorinator		1500	6	2	250	1000	0.28%		
37- Separation Tank		1750	15	11	117	467	0.13%		
38- Pool Deck Repair	10	10863	10	9	1086	1086	1.21%		
39- Pool Resurface		46500	15	0	3100	46500	3.46%		
40- Pool Tile & Coping		22400	30	0	747	22400	0.83%		
<b>WASTE WATER TREATMENT</b>							<b>41.37%</b>		
41- Plant Building Paint		5000	18	1	278	4722	0.31%		
42- Chain Link Fence Repair		3000	16	0	188	3000	0.21%		
43- Tank Refurbishment		110000	15	2	7333	95333	8.18%		
44- Generator Repair		41000	25	7	1640	29520	1.83%		
45- Pumps	36	24000	6	0	4000	24000	4.46%		
46- Blowers	57	26000	8	1	3250	22750	3.62%		
47- Electrical Panel		36500	25	7	1460	26280	1.63%		
48- Filters		54000	25	7	2160	38880	2.41%		
49- UV System Reactor		12500	20	2	625	11250	0.70%		
50- UV System Others		6500	3	0	2167	6500	2.42%		
51- Disposal Field		100000	15	14	6667	6667	7.43%		
52- Equipment Repair/Overhaul		22000	3	0	7333	22000	8.18%		

**LIABILITY ANALYSIS**

**RIVER ISLAND EAST HOA**

Inflation Rate	%	3	Current						
Fiscal Year End Dec 31		Repair	Replace	Forecast					
		%	Repair	Total Rem					
Reserve Components			Cost	Life	Life	Annual Liability	Accrued Liability	% of Annual Liability	Notes
<b>LIGHTING</b>								<b>0.71%</b>	
53- Landscape Lights			5800	20	18	290	580	0.32%	
54- Yard Pole Lights			8250	30	6	275	6600	0.31%	
55- Cabana Lights			675	25	6	27	513	0.03%	
56- Lighting Timer			1100	25	1	44	1056	0.05%	
<b>OTHERS</b>								<b>2.34%</b>	
57- Sewer Line & Storm Drain			9000	5	4	1800	1800	2.01%	
58- Monument & Signs			3000	10	8	300	600	0.33%	
59- Unplanned Project Fund		5	4484	1	1				
<b>TOTAL</b>						89675	813534		

# FUTURE EXPENDITURE ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current												
Fiscal Year End Dec 31		Repair	Replace	Forecast	Year										
	%	Repair	Total Rem	Life	Life	1	2	3	4	5	6	7	8	9	10
Reserve Components		Cost	Life	Life		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>ROAD MAINTENANCE</b>															
1 - Asphalt Sealcoat & Striping		63061	7	3				68908							84749
2- Asphalt Cut & Patch	5	36035	7	2			38230							47018	
3- Asphalt Replace/Overlay, Ph 1	50	216250	42	10											290622
4- Asphalt Replace/Overlay, Ph 2	50	144100	42	20											
5- Concrete Curb & Gutter, Phase 1	5	11812	10	1	12166										
6- Concrete Curb & Gutter, Phase 2	5	6633	10	1	6832										
7- Stamped Concrete Driveway	10	17138	15	9										22361	
8- Concrete Sidewalk	10	4950	10	1	5099										
9- Concrete Valley Gutter	50	1600	15	2			1697								
<b>GATE EQUIPMENT</b>															
10- Entry Phone, Montgomery		11000	15	8									13934		
11- Swing Gate Opener, Montgomery		9000	15	8									11401		
12- Sensors, Montgomery		2500	15	9										3262	
13- Entry Phone, River Island		11000	15	8									13934		
14- Sliding Gate Opener, River Island		9000	15	8									11401		
15- Sensors, River Island		2500	15	8									3167		
<b>FENCES, WALLS &amp; GATES</b>															
16- Perimeter Wall, 5 ft, Paint & Repair		2660	15	2			2822								
17- Perimeter Wall, 6ft, Paint & Repair		9968	15	2			10575								
18- Split Rail Wood Fence, 3 ft	7	14314	10	0	14743										
19- Metal Fence, 5', Repair & Paint		12089	7	1	12452								15314		
20- Metal Gates, Repair & Paint		3600	7	1	3708								4560		
21- Emergency Gate, Repair & Paint		900	7	1	927								1140		
22- Vehicle Entry Gates	25	3500	12	11											
23- Metal Fences Replace	50	27475	21	12											
<b>LANDSCAPING</b>															
24- Irrigation Timer, 18 Station		1100	20	17											
25- Irrigation Timer, 24 Station		2250	20	17											
26- Irrigation Valves		3600	3	0	3708				4052			4428			4838
27- Landscaping & Trees		16000	3	0	16480				18008			19678			21503

# FUTURE EXPENDITURE ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current												
Fiscal Year End Dec 31		Repair	Replace	Forecast	Year										
	%	Repair	Total Rem	Life	Life	1	2	3	4	5	6	7	8	9	10
Reserve Components		Cost	Life	Life		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>POOL</b>															
28- Cabana Exterior Repair & Paint		3300	12	2			3501								
29- Cabana Interior Paint		2048	12	7								2519			
30- Cabana Interior Light		1050	25	21											
31- Cabana Exhaust Fan 1/6 hp		800	25	21											
32- Restrooms & Shower Remodel		8000	30	6							9552				
33- Pool area furniture		7500	7	3				8195							10079
34- Pool Pump		2750	12	8									3484		
35- Pool Filter		2750	15	11											
36- Pool Chlorinator		1500	6	2			1591						1900		
37- Separation Tank		1750	15	11											
38- Pool Deck Repair	10	10863	10	9										14174	
39- Pool Resurface		46500	15	0		47895									
40- Pool Tile & Coping		22400	30	0		23072									
<b>WASTE WATER TREATMENT</b>															
41- Plant Building Paint		5000	18	1		5150									
42- Chain Link Fence Repair		3000	16	0		3090									
43- Tank Refurbishment		110000	15	2			116699								
44- Generator Repair		41000	25	7								50425			
45- Pumps	36	24000	6	0		24720						29517			
46- Blowers	57	26000	8	1		26780								33924	
47- Electrical Panel		36500	25	7								44890			
48- Filters		54000	25	7								66413			
49- UV System Reactor		12500	20	2			13261								
50- UV System Others		6500	3	0		6695			7316			7994			8735
51- Disposal Field		100000	15	14											
52- Equipment Repair/Overhaul		22000	3	0		22660			24761			27057			29566

# FUTURE EXPENDITURE ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current												
Fiscal Year End Dec 31		Repair	Replace	Forecast	Year										
	%	Repair	Total Rem	1	2	3	4	5	6	7	8	9	10		
Reserve Components		Cost	Life	Life	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
<b>LIGHTING</b>															
53- Landscape Lights		5800	20	18											
54- Yard Pole Lights		8250	30	6						9851					
55- Cabana Lights		675	25	6						806					
56- Lighting Timer		1100	25	1	1133										
<b>OTHERS</b>															
57- Sewer Line & Storm Drain		9000	5	4			10130						11743		
58- Monument & Signs		3000	10	8								3800			
59- Unplanned Project Fund		5	4484	1	1	4618	4757	4900	5047	5198	5354	5514	5680	5850	6026
<b>TOTAL</b>						241928	193133	82003	69313	5198	25563	258436	89716	138332	456118

# FUTURE EXPENDITURE ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current												
Fiscal Year End Dec 31		Repair	Replace	Forecast	Year										
	%	Repair	Total Rem	Life	Life	11	12	13	14	15	16	17	18	19	20
Reserve Components		Cost	Life	Life		2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
<b>ROAD MAINTENANCE</b>															
1 - Asphalt Sealcoat & Striping		63061	7	3								104230			
2- Asphalt Cut & Patch	5	36035	7	2							57826				
3- Asphalt Replace/Overlay, Ph 1	50	216250	42	10											
4- Asphalt Replace/Overlay, Ph 2	50	144100	42	20											260261
5- Concrete Curb & Gutter, Phase 1	5	11812	10	1	16351										
6- Concrete Curb & Gutter, Phase 2	5	6633	10	1	9182										
7- Stamped Concrete Driveway	10	17138	15	9											
8- Concrete Sidewalk	10	4950	10	1	6852										
9- Concrete Valley Gutter	50	1600	15	2								2645			
<b>GATE EQUIPMENT</b>															
10- Entry Phone, Montgomery		11000	15	8											
11- Swing Gate Opener, Montgomery		9000	15	8											
12- Sensors, Montgomery		2500	15	9											
13- Entry Phone, River Island		11000	15	8											
14- Sliding Gate Opener, River Island		9000	15	8											
15- Sensors, River Island		2500	15	8											
<b>FENCES, WALLS &amp; GATES</b>															
16- Perimeter Wall, 5 ft, Paint & Repair		2660	15	2								4397			
17- Perimeter Wall, 6ft, Paint & Repair		9968	15	2								16476			
18- Split Rail Wood Fence, 3 ft	7	14314	10	0	19814										
19- Metal Fence, 5', Repair & Paint		12089	7	1						18834					
20- Metal Gates, Repair & Paint		3600	7	1						5609					
21- Emergency Gate, Repair & Paint		900	7	1						1402					
22- Vehicle Entry Gates	25	3500	12	11	4845										
23- Metal Fences Replace	50	27475	21	12			39173								
<b>LANDSCAPING</b>															
24- Irrigation Timer, 18 Station		1100	20	17								1818			
25- Irrigation Timer, 24 Station		2250	20	17								3719			
26- Irrigation Valves		3600	3	0				5287			5777			6313	
27- Landscaping & Trees		16000	3	0				23497			25675			28056	

# FUTURE EXPENDITURE ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current												
Fiscal Year End Dec 31		Repair	Replace	Forecast	Year										
	%	Repair	Total Rem	Life	Life	11	12	13	14	15	16	17	18	19	20
Reserve Components		Cost	Life	Life		2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
<b>POOL</b>															
28- Cabana Exterior Repair & Paint		3300	12	2					4992						
29- Cabana Interior Paint		2048	12	7										3591	
30- Cabana Interior Light		1050	25	21											
31- Cabana Exhaust Fan 1/6 hp		800	25	21											
32- Restrooms & Shower Remodel		8000	30	6											
33- Pool area furniture		7500	7	3								12396			
34- Pool Pump		2750	12	8											4967
35- Pool Filter		2750	15	11	3807										
36- Pool Chlorinator		1500	6	2					2269						2709
37- Separation Tank		1750	15	11	2422										
38- Pool Deck Repair	10	10863	10	9										19048	
39- Pool Resurface		46500	15	0							74619				
40- Pool Tile & Coping		22400	30	0											
<b>WASTE WATER TREATMENT</b>															
41- Plant Building Paint		5000	18	1										8768	
42- Chain Link Fence Repair		3000	16	0								4959			
43- Tank Refurbishment		110000	15	2								181813			
44- Generator Repair		41000	25	7											
45- Pumps	36	24000	6	0				35245						42084	
46- Blowers	57	26000	8	1								42974			
47- Electrical Panel		36500	25	7											
48- Filters		54000	25	7											
49- UV System Reactor		12500	20	2											
50- UV System Others		6500	3	0				9545			10431			11398	
51- Disposal Field		100000	15	14					151259						
52- Equipment Repair/Overhaul		22000	3	0				32308			35304			38577	

# FUTURE EXPENDITURE ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current												
Fiscal Year End Dec 31		Repair	Replace	Forecast	Year										
	%	Repair	Total Rem	11	12	13	14	15	16	17	18	19	20		
Reserve Components		Cost	Life	Life	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	
<b>LIGHTING</b>															
53- Landscape Lights		5800	20	18								9874			
54- Yard Pole Lights		8250	30	6											
55- Cabana Lights		675	25	6											
56- Lighting Timer		1100	25	1											
<b>OTHERS</b>															
57- Sewer Line & Storm Drain		9000	5	4			13613						15782		
58- Monument & Signs		3000	10	8								5107			
59- Unplanned Project Fund		5	4484	1	1	6207	6393	6585	6782	6986	7195	7411	7633	7862	8098
<b>TOTAL</b>						69479	45566	112466	178915	32831	216826	382837	22615	181479	276035

# FUTURE EXPENDITURE ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current												
Fiscal Year End Dec 31		Repair	Replace	Forecast	Year										
	%	Repair	Total Rem	Life	Life	21	22	23	24	25	26	27	28	29	30
Reserve Components		Cost	Life	Life		2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
<b>ROAD MAINTENANCE</b>															
1 - Asphalt Sealcoat & Striping		63061	7	3					128190						
2- Asphalt Cut & Patch	5	36035	7	2				71118							87466
3- Asphalt Replace/Overlay, Ph 1	50	216250	42	10											
4- Asphalt Replace/Overlay, Ph 2	50	144100	42	20											
5- Concrete Curb & Gutter, Phase 1	5	11812	10	1	21974										
6- Concrete Curb & Gutter, Phase 2	5	6633	10	1	12339										
7- Stamped Concrete Driveway	10	17138	15	9					34838						
8- Concrete Sidewalk	10	4950	10	1	9208										
9- Concrete Valley Gutter	50	1600	15	2											
<b>GATE EQUIPMENT</b>															
10- Entry Phone, Montgomery		11000	15	8					21709						
11- Swing Gate Opener, Montgomery		9000	15	8					17762						
12- Sensors, Montgomery		2500	15	9						5082					
13- Entry Phone, River Island		11000	15	8					21709						
14- Sliding Gate Opener, River Island		9000	15	8					17762						
15- Sensors, River Island		2500	15	8					4934						
<b>FENCES, WALLS &amp; GATES</b>															
16- Perimeter Wall, 5 ft, Paint & Repair		2660	15	2											
17- Perimeter Wall, 6ft, Paint & Repair		9968	15	2											
18- Split Rail Wood Fence, 3 ft	7	14314	10	0	26628										
19- Metal Fence, 5', Repair & Paint		12089	7	1				23164						28489	
20- Metal Gates, Repair & Paint		3600	7	1				6898						8484	
21- Emergency Gate, Repair & Paint		900	7	1				1724						2121	
22- Vehicle Entry Gates	25	3500	12	11					6908						
23- Metal Fences Replace	50	27475	21	12											
<b>LANDSCAPING</b>															
24- Irrigation Timer, 18 Station		1100	20	17											
25- Irrigation Timer, 24 Station		2250	20	17											
26- Irrigation Valves		3600	3	0			6898			7538			8237		
27- Landscaping & Trees		16000	3	0			30658			33500			36607		

# FUTURE EXPENDITURE ANALYSIS

# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current											
Fiscal Year End Dec 31		Repair	Replace	Forecast	Year									
	%	Repair	Total	Rem	21	22	23	24	25	26	27	28	29	30
Reserve Components		Cost	Life	Life	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055
<b>POOL</b>														
28- Cabana Exterior Repair & Paint		3300	12	2						7117				
29- Cabana Interior Paint		2048	12	7										
30- Cabana Interior Light		1050	25	21	1953									
31- Cabana Exhaust Fan 1/6 hp		800	25	21	1488									
32- Restrooms & Shower Remodel		8000	30	6										
33- Pool area furniture		7500	7	3			15246							
34- Pool Pump		2750	12	8										
35- Pool Filter		2750	15	11						5931				
36- Pool Chlorinator		1500	6	2						3235				
37- Separation Tank		1750	15	11						3774				
38- Pool Deck Repair	10	10863	10	9									25599	
39- Pool Resurface		46500	15	0										
40- Pool Tile & Coping		22400	30	0										
<b>WASTE WATER TREATMENT</b>														
41- Plant Building Paint		5000	18	1										
42- Chain Link Fence Repair		3000	16	0										
43- Tank Refurbishment		110000	15	2										
44- Generator Repair		41000	25	7										
45- Pumps	36	24000	6	0					50251					
46- Blowers	57	26000	8	1					54438					
47- Electrical Panel		36500	25	7										
48- Filters		54000	25	7										
49- UV System Reactor		12500	20	2		23951								
50- UV System Others		6500	3	0		12455			13610			14872		
51- Disposal Field		100000	15	14									235657	
52- Equipment Repair/Overhaul		22000	3	0		42154			46063			50334		

# FUTURE EXPENDITURE ANALYSIS

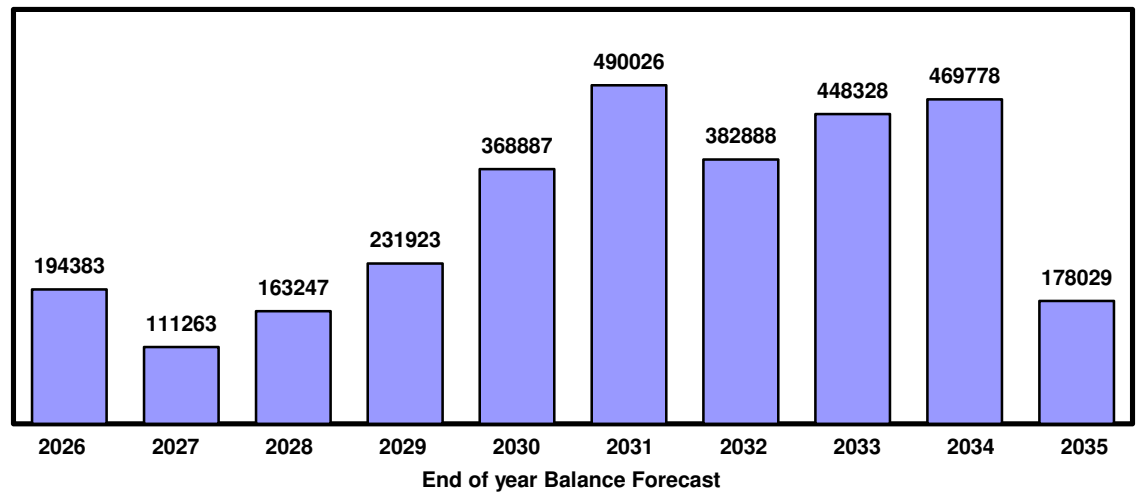
# RIVER ISLAND EAST HOA

Inflation Rate	%	3	Current												
Fiscal Year End Dec 31		Repair	Replace	Forecast	Year										
	%	Repair	Total Rem	21	22	23	24	25	26	27	28	29	30		
Reserve Components		Cost	Life	Life	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	
<b>LIGHTING</b>															
53- Landscape Lights		5800	20	18											
54- Yard Pole Lights		8250	30	6											
55- Cabana Lights		675	25	6											
56- Lighting Timer		1100	25	1						2372					
<b>OTHERS</b>															
57- Sewer Line & Storm Drain		9000	5	4			18295						21209		
58- Monument & Signs		3000	10	8								6864			
59- Unplanned Project Fund		5	4484	1	1	8341	8591	8849	9115	9388	9670	9960	10259	10566	10883
<b>TOTAL</b>						81933	156493	170752	210766	214788	32098	9960	127172	332124	98350

# CASH FLOW ANALYSIS

# RIVER ISLAND EAST HOA

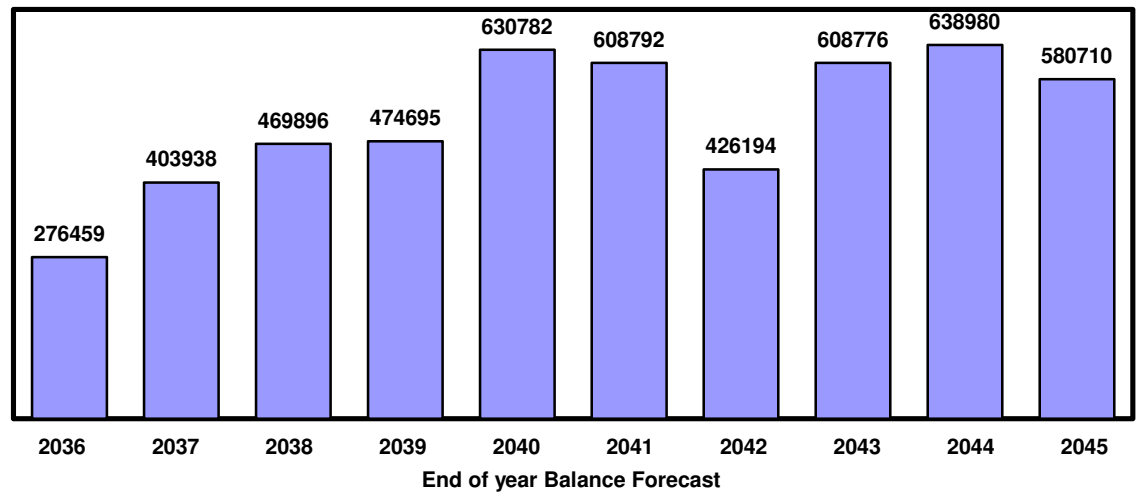
	%	3	Year									
			1	2	3	4	5	6	7	8	9	10
Inflation Rate			2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Number of units		101										
<b>STARTING BALANCE</b>			350000	194383	111263	163247	231923	368887	490026	382888	448328	469778
<b>TOTAL ANNUAL EXPENDITURE</b>			241928	193133	82003	69313	5198	25563	258436	89716	138332	456118
<b>ANNUAL RESERVE CONTRIBUTION</b>			84840	109080	133320	137120	141028	145047	149181	153432	157805	162303
Reserve contribution per unit per month			70.00	90.00	110.00	113.13	116.36	119.68	123.09	126.59	130.20	133.91
Reserve contribution increase %			40.00	28.57	22.22	2.85	2.85	2.85	2.85	2.85	2.85	2.85
<b>SPECIAL ASSESSMENTS</b>												
<b>INTEREST RECEIVED</b>		RATE % 0.50	1962	1245	890	1159	1512	2207	2823	2298	2636	2755
<b>TAX ON INTEREST</b>		RATE % 25	491	311	222	290	378	552	706	575	659	689
<b>END OF YEAR BALANCE</b>			194383	111263	163247	231923	368887	490026	382888	448328	469778	178029
<b>PERCENT FUNDED</b>			29.15%	18.75%	25.82%	33.72%	45.41%	53.05%	47.34%	51.98%	53.82%	31.26%



# CASH FLOW ANALYSIS

# RIVER ISLAND EAST HOA

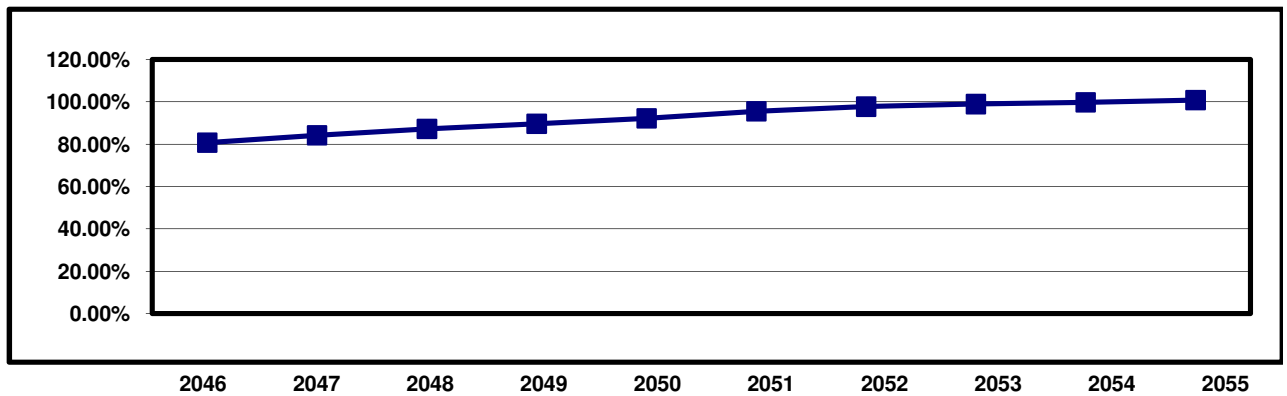
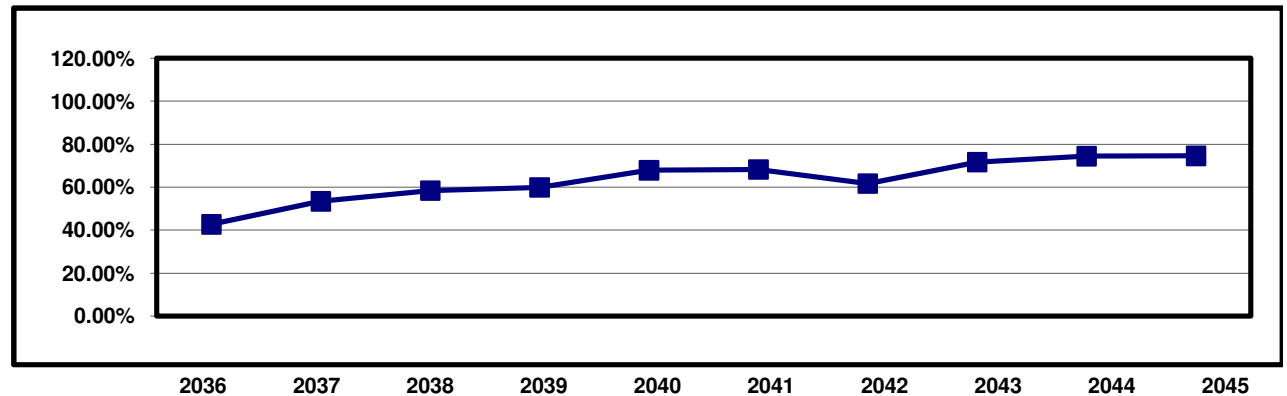
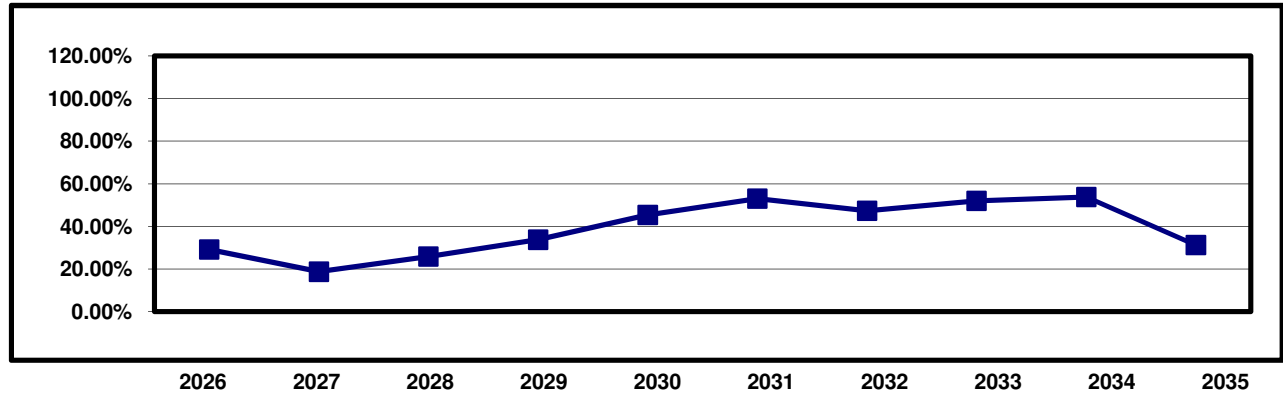
	%	3	Year									
			11	12	13	14	15	16	17	18	19	20
Inflation Rate			2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
Number of units		101										
<b>STARTING BALANCE</b>			178029	276459	403938	469896	474695	630782	608792	426194	608776	638980
<b>TOTAL ANNUAL EXPENDITURE</b>			69479	45566	112466	178915	32831	216826	382837	22615	181479	276035
<b>ANNUAL RESERVE CONTRIBUTION</b>			166928	171686	176579	181611	186787	192111	197586	203217	209009	214965
Reserve contribution per unit per month			137.73	141.65	145.69	149.84	154.11	158.51	163.02	167.67	172.45	177.36
Reserve contribution increase %			2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
<b>SPECIAL ASSESSMENTS</b>												
<b>INTEREST RECEIVED</b>			1307	1812	2461	2804	2840	3634	3538	2639	3566	3732
<b>TAX ON INTEREST</b>			327	453	615	701	710	909	884	660	892	933
<b>END OF YEAR BALANCE</b>			276459	403938	469896	474695	630782	608792	426194	608776	638980	580710
<b>PERCENT FUNDED</b>			42.70%	53.46%	58.44%	59.96%	67.87%	68.29%	61.68%	71.67%	74.42%	74.61%





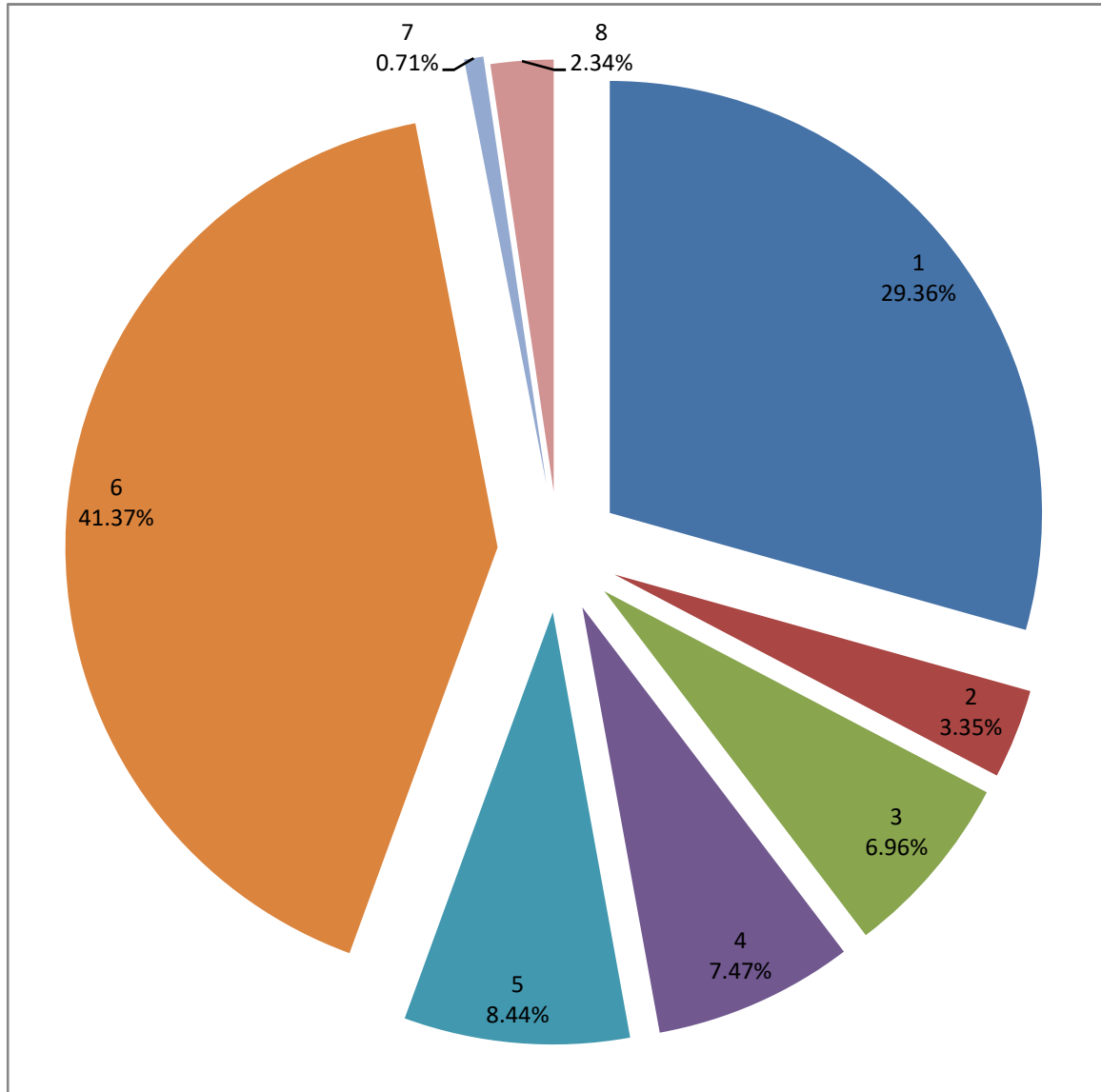
# FUTURE LIABILITY ANALYSIS (PERCENT FUNDED)

# RIVER ISLAND EAST HOA



# PRESENT % ANNUAL LIABILITY OF MAIN EXPENSE CATEGORY

# RIVER ISLAND EAST HOA



1- ROAD MAINTNANCE	29.36%
2- GATE EQUIPMENT	3.35%
3- FENCES, WALLS & GATES	6.96%
4- LANDSCAPING	7.47%
5- POOL	8.44%
6- WASTE WATER TREATMENT	41.37%
7- LIGHTING	0.71%
8- OTHERS	2.34%

## Summary

## RIVER ISLAND EAST HOA

### ASSOCIATION

Association name	RIVER ISLAND EAST HOA	
Address	Montgomery Dr, Springville, CA 93265	
Association Type	Single Family Homes	
Number of Units	101	Total number of units 105, Dues paying members 101 units
Year Built	Phase I- 1993, Phase II- 2003	

### FINANCIAL

Fiscal year begins	January 01	
Starting fiscal year	2026	
Monthly dues	\$230 - \$315	75 improved lots @ \$315/month and 26 vacant lots @ \$230/month
End of year Projected reserve balance	\$350,000	
Current annual reserve contribution	\$60,600	
Reserve account interest rate %	0.50	

### ASSUMPTIONS

Inflation rate %	3.00
Tax rate %	25.00
Minimum reserve balance	\$0
Unplanned project fund %	5.00

### FUNDING PLAN SIX YEAR SUMMARY

Year	2026	2027	2028	2029	2030	2031
Special assessments	\$0	\$0	\$0	\$0	\$0	\$0
Annual Reserve contribution	\$84,840	\$109,080	\$133,320	\$137,120	\$141,028	\$145,047
Contribution per unit/month	\$70.00	\$90.00	\$110.00	\$113.13	\$116.36	\$119.68
Contribution increase on the year before	\$20.00	\$20.00	\$20.00	\$3.13	\$3.22	\$3.32
Contribution increase %	40.00%	28.57%	22.22%	2.85%	2.85%	2.85%
Annual expenses	\$241,928	\$193,133	\$82,003	\$69,313	\$5,198	\$25,563
End of year balance	\$194,383	\$111,263	\$163,247	\$231,923	\$368,887	\$490,026
Accrued liability	\$666,731	\$593,493	\$632,184	\$687,813	\$812,406	\$923,646
Percent funded	29.15%	18.75%	25.82%	33.72%	45.41%	53.05%
Deficiency/Surplus per unit	\$4,677	\$4,775	\$4,643	\$4,514	\$4,391	\$4,293

### 30 YEAR RESERVE FUNDING PLAN (RECOMMENDED)

### RIVER ISLAND EAST HOA

Calendar Year	Starting	Total	Annual	Reserve	Reserve	Contribution				End of	Fully	Deficiency	
	Reserve	Annual	Reserve	Per Unit	Increase	Per Unit	Special	Interest	Tax on	Year	Funded	Percent	Surplus ( )
	Balance	Expenditure	Contribution	Per Month	%	Per Month	Assessment	Received	Interest	Balance	Balance	Funded	Per Unit
2026	\$350,000	\$241,928	\$84,840	\$70.00	40.00	\$20.00	\$0	\$1,962	\$491	\$194,383	\$666,731	29.15%	\$4,677
2027	\$194,383	\$193,133	\$109,080	\$90.00	28.57	\$20.00	\$0	\$1,245	\$311	\$111,263	\$593,493	18.75%	\$4,775
2028	\$111,263	\$82,003	\$133,320	\$110.00	22.22	\$20.00	\$0	\$890	\$222	\$163,247	\$632,184	25.82%	\$4,643
2029	\$163,247	\$69,313	\$137,120	\$113.13	2.85	\$3.13	\$0	\$1,159	\$290	\$231,923	\$687,813	33.72%	\$4,514
2030	\$231,923	\$5,198	\$141,028	\$116.36	2.85	\$3.22	\$0	\$1,512	\$378	\$368,887	\$812,406	45.41%	\$4,391
2031	\$368,887	\$25,563	\$145,047	\$119.68	2.85	\$3.32	\$0	\$2,207	\$552	\$490,026	\$923,646	53.05%	\$4,293
2032	\$490,026	\$258,436	\$149,181	\$123.09	2.85	\$3.41	\$0	\$2,823	\$706	\$382,888	\$808,723	47.34%	\$4,216
2033	\$382,888	\$89,716	\$153,432	\$126.59	2.85	\$3.51	\$0	\$2,298	\$575	\$448,328	\$862,546	51.98%	\$4,101
2034	\$448,328	\$138,332	\$157,805	\$130.20	2.85	\$3.61	\$0	\$2,636	\$659	\$469,778	\$872,947	53.82%	\$3,992
2035	\$469,778	\$456,118	\$162,303	\$133.91	2.85	\$3.71	\$0	\$2,755	\$689	\$178,029	\$569,559	31.26%	\$3,877
2036	\$178,029	\$69,479	\$166,928	\$137.73	2.85	\$3.82	\$0	\$1,307	\$327	\$276,459	\$647,505	42.70%	\$3,674
2037	\$276,459	\$45,566	\$171,686	\$141.65	2.85	\$3.93	\$0	\$1,812	\$453	\$403,938	\$755,613	53.46%	\$3,482
2038	\$403,938	\$112,466	\$176,579	\$145.69	2.85	\$4.04	\$0	\$2,461	\$615	\$469,896	\$804,091	58.44%	\$3,309
2039	\$469,896	\$178,915	\$181,611	\$149.84	2.85	\$4.15	\$0	\$2,804	\$701	\$474,695	\$791,723	59.96%	\$3,139
2040	\$474,695	\$32,831	\$186,787	\$154.11	2.85	\$4.27	\$0	\$2,840	\$710	\$630,782	\$929,340	67.87%	\$2,956
2041	\$630,782	\$216,826	\$192,111	\$158.51	2.85	\$4.39	\$0	\$3,634	\$909	\$608,792	\$891,492	68.29%	\$2,799
2042	\$608,792	\$382,837	\$197,586	\$163.02	2.85	\$4.52	\$0	\$3,538	\$884	\$426,194	\$691,030	61.68%	\$2,622
2043	\$426,194	\$22,615	\$203,217	\$167.67	2.85	\$4.65	\$0	\$2,639	\$660	\$608,776	\$849,445	71.67%	\$2,383
2044	\$608,776	\$181,479	\$209,009	\$172.45	2.85	\$4.78	\$0	\$3,566	\$892	\$638,980	\$858,558	74.42%	\$2,174
2045	\$638,980	\$276,035	\$214,965	\$177.36	2.85	\$4.91	\$0	\$3,732	\$933	\$580,710	\$778,342	74.61%	\$1,957
2046	\$580,710	\$81,933	\$221,092	\$182.42	2.85	\$5.05	\$0	\$3,456	\$864	\$722,462	\$894,923	80.73%	\$1,708
2047	\$722,462	\$156,493	\$227,393	\$187.62	2.85	\$5.20	\$0	\$4,181	\$1,045	\$796,497	\$945,695	84.22%	\$1,477
2048	\$796,497	\$170,752	\$233,874	\$192.97	2.85	\$5.35	\$0	\$4,567	\$1,142	\$863,043	\$989,145	87.25%	\$1,249
2049	\$863,043	\$210,766	\$240,539	\$198.46	2.85	\$5.50	\$0	\$4,917	\$1,229	\$896,504	\$999,459	89.70%	\$1,019
2050	\$896,504	\$214,788	\$247,394	\$204.12	2.85	\$5.66	\$0	\$5,101	\$1,275	\$932,937	\$1,011,803	92.21%	\$781
2051	\$932,937	\$32,098	\$254,445	\$209.94	2.85	\$5.82	\$0	\$5,301	\$1,325	\$1,159,259	\$1,213,121	95.56%	\$533
2052	\$1,159,259	\$9,960	\$261,697	\$215.92	2.85	\$5.98	\$0	\$6,451	\$1,613	\$1,415,834	\$1,448,709	97.73%	\$325
2053	\$1,415,834	\$127,172	\$269,155	\$222.08	2.85	\$6.15	\$0	\$7,752	\$1,938	\$1,563,632	\$1,580,428	98.94%	\$166
2054	\$1,563,632	\$332,124	\$276,826	\$228.40	2.85	\$6.33	\$0	\$8,510	\$2,128	\$1,514,716	\$1,517,608	99.81%	\$29
2055	\$1,514,716	\$98,350	\$284,716	\$234.91	2.85	\$6.51	\$0	\$8,285	\$2,071	\$1,707,296	\$1,693,335	100.82%	(\$138)

### 30 YEAR RESERVE FUNDING PLAN (WITH NO INCREASE IN CONTRIBUTION)

### RIVER ISLAND EAST HOA

Calendar Year	Starting Reserve Balance	Total Annual Expenditure	Annual Reserve Contribution	Reserve	Reserve	Contribution	Special Assessment	Interest Received	Tax on Interest	End of Year Balance	Fully Funded Balance	Percent Funded	Deficiency
				Contribution	Contribution	Increase							Surplus ( )
				Per Unit	Increase %	Per Unit							Per Unit
2026	\$350,000	\$241,928	\$60,600	\$50.00	0.00	\$0	\$0	\$1,902	\$475	\$170,098	\$666,731	25.51%	\$4,917
2027	\$170,098	\$193,133	\$60,600	\$50.00	0.00	\$0	\$0	\$1,002	\$250	\$38,316	\$593,493	6.46%	\$5,497
2028	\$38,316	\$82,003	\$60,600	\$50.00	0.00	\$0	\$0	\$343	\$86	\$17,170	\$632,184	2.72%	\$6,089
2029	\$17,170	\$69,313	\$60,600	\$50.00	0.00	\$0	\$0	\$237	\$59	\$8,635	\$687,813	1.26%	\$6,725
2030	\$8,635	\$5,198	\$60,600	\$50.00	0.00	\$0	\$0	\$195	\$49	\$64,183	\$812,406	7.90%	\$7,408
2031	\$64,183	\$25,563	\$60,600	\$50.00	0.00	\$0	\$0	\$472	\$118	\$99,574	\$923,646	10.78%	\$8,159
2032	\$99,574	\$258,436	\$60,600	\$50.00	0.00	\$0	\$0	\$649	\$162	(\$97,774)	\$808,723	-12.09%	\$8,975
2033	(\$97,774)	\$89,716	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$126,891)	\$862,546	-14.71%	\$9,796
2034	(\$126,891)	\$138,332	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$204,622)	\$872,947	-23.44%	\$10,669
2035	(\$204,622)	\$456,118	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$600,141)	\$569,559	-105.37%	\$11,581
2036	(\$600,141)	\$69,479	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$609,019)	\$647,505	-94.06%	\$12,441
2037	(\$609,019)	\$45,566	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$593,985)	\$755,613	-78.61%	\$13,362
2038	(\$593,985)	\$112,466	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$645,850)	\$804,091	-80.32%	\$14,356
2039	(\$645,850)	\$178,915	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$764,165)	\$791,723	-96.52%	\$15,405
2040	(\$764,165)	\$32,831	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$736,396)	\$929,340	-79.24%	\$16,492
2041	(\$736,396)	\$216,826	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$892,622)	\$891,492	-100.13%	\$17,664
2042	(\$892,622)	\$382,837	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$1,214,859)	\$691,030	-175.80%	\$18,870
2043	(\$1,214,859)	\$22,615	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$1,176,874)	\$849,445	-138.55%	\$20,063
2044	(\$1,176,874)	\$181,479	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$1,297,752)	\$858,558	-151.15%	\$21,350
2045	(\$1,297,752)	\$276,035	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$1,513,187)	\$778,342	-194.41%	\$22,688
2046	(\$1,513,187)	\$81,933	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$1,534,520)	\$894,923	-171.47%	\$24,054
2047	(\$1,534,520)	\$156,493	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$1,630,413)	\$945,695	-172.40%	\$25,506
2048	(\$1,630,413)	\$170,752	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$1,740,565)	\$989,145	-175.97%	\$27,027
2049	(\$1,740,565)	\$210,766	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$1,890,731)	\$999,459	-189.18%	\$28,616
2050	(\$1,890,731)	\$214,788	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$2,044,919)	\$1,011,803	-202.11%	\$30,265
2051	(\$2,044,919)	\$32,098	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$2,016,417)	\$1,213,121	-166.22%	\$31,976
2052	(\$2,016,417)	\$9,960	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$1,965,777)	\$1,448,709	-135.69%	\$33,807
2053	(\$1,965,777)	\$127,172	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$2,032,348)	\$1,580,428	-128.59%	\$35,770
2054	(\$2,032,348)	\$332,124	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$2,303,873)	\$1,517,608	-151.81%	\$37,836
2055	(\$2,303,873)	\$98,350	\$60,600	\$50.00	0.00	\$0	\$0	\$0	\$0	(\$2,341,622)	\$1,693,335	-138.28%	\$39,950



## ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

**RIVER ISLAND EAST HOA    Nov 14, 2025,    For the Fiscal Year Ending Dec 31, 2025**

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$813,534, based in whole or in part on the last reserve study or update prepared by Reserve Study Specialists as of Nov 14, 2025. The projected reserve fund cash balance at the end of current fiscal year is \$350,000, resulting in reserves being 43.02% percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$350,000. (See attached explanation)
- (7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is (SEE ATTACHED 30 YEAR FUNDING PLAN) and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (SEE ATTACHED 30 YEAR FUNDING PLAN) leaving the reserve at (SEE ATTACHED 30 YEAR FUNDING PLAN) percent funding. If the Reserve Funding Plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (SEE ATTACHED 30 YEAR FUNDING PLAN), leaving the reserve at (SEE ATTACHED 30 YEAR FUNDING PLAN) percent funding.

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. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 0.50 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00 percent per year.

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 55530 [sic; s/b 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.

[Civil Code Section 5570 (b)(4) referred to paragraphs (6) and (7) provides : "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 in accordance with this calculation."]

**DISCLAIMER:** The information contained in this disclosure is a PROJECTION ONLY. Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more.