

R-Ranch POA Draft 2022 Budget Review and Reserve Study

The procedures used to determine DRAFT reserve needs of the association included online construction formulas based on structure square footage. Equipment, vehicles, AC units and other equipment were searched online for current average sales prices in today's dollars. The costs of replacement of buildings for insurance purposes were determined by using current 2021 per square foot cost for commercial buildings of similar size and use. The average remaining years of asset life were based on each asset's current condition or last time it was replaced compared to industry standards. An average cost of living increase of 3% was used across all assets multiplied by remaining years of usable life to arrive at the expected replacement cost each of 30 years into the future ending with 2051.

This DRAFT budget summary may be modified prior to final approval by the Board of Directors. Owners may request a copy of the full budget from the Association office which will mail the document, by first-class mail, within five (5) business days.

These DRAFT numbers are based on 1,050 owners and does not include any additional possible revenue such as new owners or unlisted special events and includes the proposed fee increases for 2022. This summary is based on a detailed estimated budget and is an estimate only. Assessments include the 20% increase to \$1,056.

Projected Revenue:

Assessments based on 1050 Owners	\$1,108,800.00
Late charges and collection revenue	\$ 15,000.00
All other Office revenue	\$ 13,645.00
Shooting Facility revenue	\$ 19,900.00
Cattle Lease	\$ 5,250.00
All special events revenue	\$ 6,350.00
A-Frame Revenue and line shacks	\$ 11,630.00
Utility fees revenue	\$ 51,331.00
Campground fees revenue	\$ 13,300.00
Guest passes	\$ 22,860.00
Pump Truck	\$ 13,340.00
Ice all locations	\$ 8,000.00
Trailer Storage	\$ 50,000.00
Vending Revenue	\$ 10,350.00
Stables revenue	\$ 37,925.00
Miscellaneous revenue	\$ 1,025.00
GROSS REVENUE	\$1,388,706.00
Estimated Cost of Goods Sold	\$ 8,500.00
NET REVENUE	\$1,380,206.00

Projected Expenses:

Ice, Vending, Trailer Storage, washer/dryer	\$ 16,350.00
Total Payroll incl. taxes and workers' comp	\$ 754,131.00
HR, Board, Staff & Volunteer Expense	\$ 13,600.00
Entertainment- Bands & planned special events	\$ 13,500.00
Insurance	\$ 122,800.00
Legal and Professional fees	\$ 52,000.00
Office supplies, collections, copier, recording fees, QB, bank fees	\$ 35,700.00
Computers, network, programs, safety training	\$ 26,000.00
Election and postage	\$ 10,500.00
Credit card processing & bank fees	\$ 16,400.00
Repairs & services: HQ, Maint., CW, Klam., Potty pump and laundry	\$ 43,170.00
Klamath, Cottonwood & Bunkhouse Supplies	\$ 4,500.00
Pool, OS, Water Sys, Tools, Fire, A-Frame, Fuel	\$ 7,700.00
Utilities and contract services	\$ 41,500.00
Taxes and business permits	\$ 188,200.00
Stables feed	\$ 40,800.00
All other Stables expense	\$ 60,000.00
Miscellaneous	\$ 44,150.00
	\$ 13,599.72
Total Estimated Expenses	\$1,504,600.72
Anticipated residual or shortfall	\$ (124,394.72)

Current Reserve Status:

There is currently \$45,793 in the reserve account which is significantly below the estimated amount needed to meet future repair and maintenance needs. A DRAFT preliminary reserve study including all locations, building and other significant assets has been completed. The asset remaining life expectancies and replacement costs will be reviewed over the next few weeks to reflect future funding needs more accurately. The current estimated funding needed over the next thirty (30) years is \$4,087,990. The average life of existing facilities and assets is estimated at 5.73 years and based on the preliminary reserve study, replacement/repair costs would be \$435,811 in 2022, \$243,090 in 2023 and \$219,230 in 2024. The total estimated amount that should be set aside in 2022 for future needs, many of which are immediate, would be \$1,049,261. The current reserve is 10.3% of next years estimated requirement.

Major components and estimated future reserve needs are:

Headquarters	\$	141,735.00
TV Room and Baths	\$	44,083.00
Line Shack Bathhouse	\$	12,639.00
Hay Barn	\$	62,185.00
CW Maintenance Shop	\$	37,180.00
Klamath Lodge	\$	115,143.00
Klamath Lower Bathhouse	\$	74,425.00
Gun Range	\$	31,335.00
Potable Water Systems	\$	523,173.00
All Paved Roads on Property	\$	1,321,072.00
All Ranch Equipment including: mowers, printers, vehicles, pool pumps, etc.	\$	1,115,873.00
A-Frame	\$	43,779.00
Maintenance Shop / Warehouse	\$	45,694.00
Stables	\$	121,083.00
CW Singlewide	\$	52,021.00
CW Bathhouse	\$	84,035.00
Klamath Upper Bathhouse	\$	81,454.00
Klamath Maintenance Shop	\$	25,713.00
Klamath Manager House	\$	159,339.00
Irrigation Water System	\$	125,434.00

The Board of Directors has not determined at this time if any special assessments are required or will be required for the fiscal year 2022.

For the Board of Directors,

Kelley Kemp

R-Ranch Association Manager

For further information, contact the Association Office at 530-475-3495 or by email at hq@r-ranchca.com.

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