

RECEIVED JUN 03 2013

**PRESTONWOOD FOREST MAINTENANCE  
ASSOCIATION**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2012 AND 2011**

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**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors and Members of Prestonwood Forest Maintenance Association**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Prestonwood Forest Maintenance Association, which comprise the balance sheets as of December 31, 2012 and 2011, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

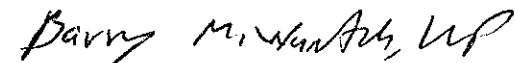
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prestonwood Forest Maintenance Association as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

## Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Information on Future Repairs and Replacements on page 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

  
Houston, Texas  
April 10, 2013

# PRESTONWOOD FOREST MAINTENANCE ASSOCIATION

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**PRESTONWOOD FOREST MAINTENANCE ASSOCIATION**  
**BALANCE SHEETS**  
**December 31, 2012 and 2011**

			<u>TOTALS</u>	
	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>2012</u>	<u>2011</u>
<b><u>ASSETS</u></b>				
CASH AND SHORT-TERM INVESTMENTS	\$ 140,740	\$ 226,290	\$ 367,030	\$ 406,255
RECEIVABLE - HOMEOWNERS	26,892	-	26,892	28,037
RECEIVABLE - P.F.U.D.	1,592	-	1,592	3,384
DUE FROM REPLACEMENT FUND	11,782	-	11,782	656
PREPAID EXPENSES	11,096	-	11,096	6,267
	<u>\$ 192,102</u>	<u>\$ 226,290</u>	<u>\$ 418,392</u>	<u>\$ 444,599</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
ACCOUNTS PAYABLE	\$ 19,939	\$ 1,750	\$ 21,689	\$ 32,788
PREPAID ASSESSMENTS	142,330	-	142,330	155,375
DUE TO OPERATING FUND	-	11,782	11,782	656
TOTAL LIABILITIES	162,269	13,532	175,801	188,819
FUND BALANCES	29,833	212,758	242,591	255,780
	<u>\$ 192,102</u>	<u>\$ 226,290</u>	<u>\$ 418,392</u>	<u>\$ 444,599</u>

See accompanying notes and auditor's report.

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**PRESTONWOOD FOREST MAINTENANCE ASSOCIATION**  
**STATEMENTS OF REVENUES AND EXPENSES**  
**Years ended December 31, 2012 and 2011**

			<u>TOTALS</u>	
	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>2012</u>	<u>2011</u>
<b><u>REVENUES</u></b>				
Assessments	\$ 417,000	\$ 54,000	\$ 471,000	\$ 453,730
Late fees	5,282	-	5,282	5,417
Interest income	279	24	303	1,116
Clubhouse rentals	2,900	-	2,900	2,000
Legal fee income	8,252	-	8,252	9,434
P.F.U.D. contribution income	8,010	-	8,010	5,000
Collection fees - H.S.	2,180	-	2,180	2,290
Miscellaneous income	410	-	410	470
	<u>444,313</u>	<u>54,024</u>	<u>498,337</u>	<u>479,457</u>
<b><u>EXPENSES</u></b>				
Accounting	3,500	-	3,500	3,400
Administrative notices	2,355	-	2,355	2,355
Bad debts	10,320	-	10,320	8,196
Capital expenditures	-	96,693	96,693	99,617
Collection fees - H.S.	2,180	-	2,180	2,290
Community activities	2,158	-	2,158	4,948
Deed restriction expense	125	-	125	50
Insurance	19,197	-	19,197	18,442
Landscape expense	35,810	-	35,810	48,220
Legal fees	9,468	-	9,468	14,080
Management fees	16,800	-	16,800	15,661
Miscellaneous and office expenses	8,794	-	8,794	9,648
Newsletter/website	1,393	-	1,393	1,505
Patrol expenses	71,132	-	71,132	67,365
Pest control	4,247	-	4,247	1,569
Recreation center and Tennis	9,232	-	9,232	24,538
Swimming pool expense	70,691	-	70,691	64,723
Taxes - property	3	-	3	5
Telephone	2,787	-	2,787	1,834
Trash removal	144,641	-	144,641	139,058
	<u>414,833</u>	<u>96,693</u>	<u>511,526</u>	<u>527,504</u>
<b>NET REVENUES (LOSS)</b>	<u>\$ 29,480</u>	<u>\$ (42,669)</u>	<u>\$ (13,189)</u>	<u>\$ (48,047)</u>

See accompanying notes and auditor's report.

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**PRESTONWOOD FOREST MAINTENANCE ASSOCIATION**  
**STATEMENTS OF CHANGES IN FUND BALANCES**  
**Years ended December 31, 2012 and 2011**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTALS</u>	
			<u>2012</u>	<u>2011</u>
BEGINNING OF YEAR FUND BALANCES	\$ 353	\$ 255,427	\$ 255,780	\$ 310,532
PRIOR PERIOD ADJUSTMENT	-	-	-	(6,705)
RESTATED FUND BALANCES	353	255,427	255,780	303,827
NET REVENUES (LOSS)	<u>29,480</u>	<u>(42,669)</u>	<u>(13,189)</u>	<u>(48,047)</u>
END OF YEAR FUND BALANCES	<u>\$ 29,833</u>	<u>\$ 212,758</u>	<u>\$ 242,591</u>	<u>\$ 255,780</u>

See accompanying notes and auditor's report.

**PRESTONWOOD FOREST MAINTENANCE ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
**Years ended December 31, 2012 and 2011**

			TOTALS	
	OPERATING FUND	REPLACEMENT FUND	2012	2011
EXCESS OF REVENUES (EXPENSES) OVER EXPENSES (REVENUES)	\$ 29,480	\$ (42,669)	\$ (13,189)	\$ (48,047)
ADJUSTMENT TO RECONCILE EXCESS OF REVENUES (EXPENSES) OVER EXPENSES (REVENUES) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Decrease in receivable - homeowners	1,145	-	1,145	2,373
Decrease in receivable - P.F.U.D. contribution	1,792	-	1,792	8,321
Decrease in receivable - vendor	-	-	-	1,960
Increase in prepaid expenses	(4,829)	-	(4,829)	-
Increase in accounts payable	-	1,750	1,750	16,466
Decrease in prepaid expenses	(12,849)	-	(12,849)	5,011
Increase in prepaid assessments	-	-	-	3,126
Decrease in prepaid assessments	(13,045)	-	(13,045)	-
Interfund transfers	(11,126)	11,126	-	-
Prior period adjustment	-	-	-	(6,705)
<b>TOTAL ADJUSTMENTS</b>	<u>(38,912)</u>	<u>12,876</u>	<u>(26,036)</u>	<u>30,552</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>(9,432)</u>	<u>(29,793)</u>	<u>(39,225)</u>	<u>(17,495)</u>
<b>NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS</b>	(9,432)	(29,793)	(39,225)	(17,495)
<b>CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF YEAR</b>	<u>150,172</u>	<u>256,083</u>	<u>406,255</u>	<u>423,750</u>
<b>CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR</b>	<u>\$ 140,740</u>	<u>\$ 226,290</u>	<u>\$ 367,030</u>	<u>\$ 406,255</u>

See accompanying notes and auditor's report.

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## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Organization and basis of presentation

Prestonwood Forest Maintenance Association (the "Association"), a Texas non-profit corporation, was incorporated March 1971, for the purposes to assess and collect a maintenance charge from owners of lots in the subdivision, and to use such funds for the general benefit of all owners of residential lots such as the management and maintenance of the Association and common area and facilities. Association policies and procedures are determined by the Board of Directors. The Association consists of 785 lots. The accompanying financial statements have been prepared on the accrual basis of accounting, whereby income is recognized when earned and costs and expenses are recognized when the obligations are incurred.

#### Date of management's review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 10, 2013, the date that the financial statements were available to be issued.

#### Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Fund accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund – This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund – This fund is used to accumulate financial resources designated for future major repairs and replacements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

#### Fund accounting (cont.)

For the years 2012 and 2011, \$54,000 and \$56,000 of assessments, and \$24 and \$743 interest earned was allocated to the replacement fund, respectively.

For the year ended December 31, 2011, certain reclassifications of \$1,960 were made to establish a replacement fund in 2011.

#### Owner assessments

The owners are assessed annual assessment fees which are collected to meet the Association's normal operating costs and to fund reserves for the repair and replacement of common areas. For the years ended December 31, 2012 and 2011, the Association's annual maintenance fees were \$600 and \$578 per owner lot, respectively.

#### Recognition of assets

The Association is responsible for preserving and maintaining the common area properties and may dispose of them only in accordance with Association Articles of Incorporation and other governing documents. In conformity with industry practice, the Association recognizes the following common property as assets:

- (a) Common personal property.
- (b) Common real property to which it has title and that it can dispose of for cash while retaining the proceeds or that is used to generate significant cash flows from members on the basis of usage or from non-members.

In conformity with industry practice, other common area property, primarily consisting of pool, recreation center, tennis court, and landscape, are not recognized as assets.

### NOTE 2 PREPAID EXPENSES

The balance of prepaid expenses at December 31, 2012 and 2011 consisted of the following:

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2      PREPAID EXPENSES (CONT.)**

	<b>2012</b>	<b>2011</b>
Prepaid patrol	\$ 5,329	\$ -
Prepaid insurance	5,767	5,767
Prepaid federal income taxes	-	500
<b>Total</b>	<b>\$ 11,096</b>	<b>\$ 6,267</b>

**NOTE 3      BAD DEBTS**

The Association uses the direct write-off method for the recognition of uncollected accounts. For community associations, the direct write-off method approximates the allowance method for recognition of bad debts, since the Association has a continuing lien on the owner lots for collection of the delinquent assessments. It is the opinion of the Board of Directors that that the Association will most likely prevail against the remaining homeowners whose assessments are delinquent and, accordingly, no allowance for uncollectible accounts is deemed necessary. For the years ended December 31, 2012 and 2011, the Association reported \$10,320 and \$8,196 of bad debt expenses, respectively.

**NOTE 4      FEDERAL INCOME TAXES**

The Association is a non-profit corporation that may elect to have its income taxed as a homeowner association under Section 528 of the Internal Revenue Code or as a regular corporation qualifying as a membership organization under Code Section 277. Section 528 of the Code permits the exclusion of maintenance assessments from taxable income and taxes income other than maintenance assessments (interest and other income) at a flat rate of 30%. Section 277 of the Code allows such organizations to deduct the expenses of furnishing services to members only to the extent of the amount of income derived from members during the taxable year.

For the years ended December 31, 2012 and 2011, the Association elected to file as a homeowner association, resulting in federal income tax expenses of \$-0-.

**NOTE 5      FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents do not require that funds be accumulated for future major repairs and replacements; but such determination can be made by the Board of Directors.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONT.)

The purpose of the annual assessment is to (1) provide the working capital necessary to meet the Association's annual operating expenses and (2) maintain a reserve for repair or replacement of the general common elements of the Association.

Accumulated funds should be held in a separate cash and investment accounts and are generally not available for expenditures for normal operations.

Criterium-Farrell Engineers conducted a reserve study in August 2009 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were obtained from licensed engineers who inspected the property. The table included in the unaudited Supplementary Information on Future Major Repairs and Replacements is based on the study.

The Board plans to fund for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of current replacement costs and considering amounts previously accumulated in the replacement fund.

Funds will be accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, and pass special assessments subject to the Bylaws and Declarations, or delay major repairs and replacements until funds are available.

### NOTE 6 PRESTONWOOD FOREST UTILITY DISTRICT CONTRIBUTION INCOME (P.F.U.D.)

For the years ended December 31, 2012 and 2011, the Association had \$8,010 and \$5,000 in contribution income, respectively, from the Municipal Utility District (M.U.D.) for reimbursement of deed restriction expenses. The M.U.D. contribution income has been reported on the accompanying statements of revenues and expenses. As of December 31, 2012 and 2011, a receivable of \$1,592 and \$3,384 has been reported on the accompanying balance sheets for quarterly funds due from P.F.U.D., respectively.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7 M.U.D. UTILITY SUBSIDY

The Prestonwood Forest M.U.D. subsidizes the Association's utility costs – electricity, gas, and water. The agreement between the Association and Prestonwood Forest M.U.D. is an informal agreement.

### NOTE 8 CAPITAL EXPENDITURES

During 2012, the Association incurred \$96,693 for capital expenditures. The capital expenditures were primarily for landscape and pool renovations.

During 2011, the Association incurred \$99,617 for capital expenditures. The capital expenditures were primarily for landscape, drainage, and clubhouse and tennis court repairs.

### NOTE 9 RELATED PARTY TRANSACTIONS

#### Management collection fee

The Association has an arrangement whereby the management company assesses a fee to owners for handling delinquent assessment collections, which are then charged to the respective owners, and upon collection reimbursed to the management company. The collection fee by the management company is reported on the accompanying statements of revenues and expenses as offsetting income and expense called "Collection fees – H.S." For the years ended December 31, 2012 and 2011, \$2,180 and \$2,290 of collections from owners was reported for management collection fee services.

### NOTE 10 PRIOR PERIOD ADJUSTMENT

The beginning operating fund balance for the year ended December 31, 2011 was restated by \$6,705 due to an overstatement of receivable – P.F.U.D. contribution and P.F.U.D. contribution income in the prior year ended December 31, 2010. The resulting prior period adjustment will not affect prior year's federal income tax expense.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11 DEFERRED LEGAL FEES CONTINGENT LIABILITY

The Association is under a "Deferred Billing Agreement" with their law firm; which means the Association could be responsible for additional attorney fees for collection work against delinquent owners under the circumstances set forth in the "Deferred Billing Agreement". In addition, the attorney's fees could likewise be reduced if a court awards less than the amount of the attorney's fees requested, in which case their law firm will absorb the reduction and the Association will not be responsible for those fees.

The Association under the "Deferred Billing Agreement" would be billed by their law firm under conditions of the agreement such as; if the Association decides to: (a) withdraw an account from their law firm after legal services have been performed, (b) place an account on hold after legal services have been performed, and/or (c) accept a final payment from a property owner that does not include attorney's fees. In addition, to these conditions, the "Deferred Billing Agreement" describes other circumstances where attorney's fees will be billed to the Association. As of December 31, 2012, the legal fees that have not been billed under the "Deferred Billing Agreement" are \$2,677, which are not recognized as liability on the accompanying balance sheets.

**PRESTONWOOD FOREST MAINTENANCE ASSOCIATION**

**SUPPLEMENTARY INFORMATION**

**YEARS ENDED DECEMBER 31, 2012 AND 2011**

# PRESTONWOOD FOREST MAINTENANCE ASSOCIATION SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS

December 31, 2012  
(Unaudited)

Criterion-Farrell Engineers performed a reserve study in August 2009 to estimate the remaining useful lives and the replacement costs of the components of common property. The following table is based on the study and presents significant information about the components of common property:



### Itemized Worksheet

Capital Item To Be Replaced	Quantity	Unit cost	Reserve Requirement (*)	Beginning Balance	Frequency (yrs)**	Remaining Life (yrs)	Reserve Funding Required Monthly	Reserve Funding Required Annual	Full Funding Balance
<b>Site</b>									
Drainage Improvements - Prestonwood Forest	1 LS	\$4,500.00	\$4,500.00	\$2,328.60	50	0	\$0.00	\$0.00	\$4,500.00
Irrigation system - Extended to north yard	1 LS	\$4,500.00	\$4,500.00	\$2,328.60	21	0	\$0.00	\$0.00	\$4,500.00
Irrigation System Upgrade	1 LS	\$4,500.00	\$4,500.00	\$211.69	11	10	\$35.74	\$428.83	\$409.09
Painted Metal Gate/fence (repair & paint) - Charlynn	1 LS	\$175.00	\$175.00	\$90.66	5	0	\$0.00	\$0.00	\$175.00
Chain Link Fencing - Replace - Charlynn	360 LF	\$25.00	\$9,000.00	\$3,104.80	30	10	\$49.13	\$589.52	\$6,000.00
Monument Sign - Major repair/replace	1 LS	\$5,000.00	\$5,000.00	\$1,379.91	30	14	\$21.55	\$258.58	\$2,668.67
Drainage Improvements - Charlynn	1 LS	\$4,500.00	\$4,500.00	\$2,328.60	50	0	\$0.00	\$0.00	\$4,500.00
Parking Lot - Joint/crack Fill & Stop Repair	1 LS	\$750.00	\$750.00	\$310.48	5	1	\$36.63	\$439.52	\$800.00
Concrete Flatwork (walks & decks, etc) - Charlynn	1 LS	\$2,000.00	\$2,000.00	\$1,034.93	5	0	\$0.00	\$0.00	\$2,000.00
Concrete Flatwork (walks & decks) - Prestonwood	1 LS	\$3,000.00	\$3,000.00	\$1,552.40	5	0	\$0.00	\$0.00	\$3,000.00
Painted Metal Fence (repair & paint) - Prestonwood	400 LF	\$3.00	\$1,200.00	\$620.96	5	0	\$0.00	\$0.00	\$1,200.00
Wood Fence (Major Repair/Replace) Charlynn	100 LF	\$12.00	\$1,200.00	\$382.23	12	5	\$13.96	\$167.55	\$700.00
Wood Fence (Major Repair/Replace) Prestonwood	400 LF	\$12.00	\$4,800.00	\$1,448.91	12	5	\$55.85	\$670.22	\$2,800.00
Brick Column (Fence) repair - Charlynn	5 EA	\$200.00	\$1,000.00	\$517.47	10	0	\$0.00	\$0.00	\$1,000.00
Brick Column (fence) repair - Prestonwood	15 EA	\$200.00	\$3,000.00	\$1,552.40	10	0	\$0.00	\$0.00	\$3,000.00
Painted Metal Fence - Replace - Prestonwood	400 LF	\$35.00	\$14,000.00	\$4,708.84	40	14	\$55.30	\$683.85	\$8,100.00
Painted Metal Fence - Replace - Charlynn	10 LF	\$35.00	\$350.00	\$117.72	40	14	\$1.38	\$18.59	\$227.50
Chain link Fence - Replace - Prestonwood	600 LF	\$25.00	\$15,000.00	\$5,174.66	30	10	\$61.88	\$882.53	\$10,000.00
Pole mounted Lights - Replace - Charlynn	4 EA	\$1,500.00	\$6,000.00	\$2,839.08	20	3	\$93.36	\$1,120.31	\$5,100.00
Pole mounted Lights - Replace - Prestonwood	6 EA	\$1,500.00	\$9,000.00	\$1,630.02	20	13	\$47.24	\$566.92	\$3,150.00
<b>Building Exterior</b>									
Foundation Repair	1 LS	\$7,500.00	\$7,500.00	\$3,881.00	21	0	\$0.00	\$0.00	\$7,500.00
Termite Inspection & Treatment	1 LS	\$2,500.00	\$2,500.00	\$1,293.87	21	0	\$0.00	\$0.00	\$2,500.00
Brick Veneer at Clubhouse - Repair	1 LS	\$6,000.00	\$6,000.00	\$3,104.80	21	0	\$0.00	\$0.00	\$6,000.00
Exterior Doors & Vents - Repair/Replace - Charlynn	1 LS	\$2,500.00	\$2,500.00	\$1,293.87	21	0	\$0.00	\$0.00	\$2,500.00
Contingency for Termite Damage	1 LS	\$10,000.00	\$10,000.00	\$5,174.66	21	0	\$0.00	\$0.00	\$10,000.00
Roof Replacement - Charlynn	15 SQ	\$250.00	\$3,750.00	\$1,091.53	18	7	\$31.65	\$378.78	\$2,109.38
Roof Replacement - Prestonwood	63 SQ	\$250.00	\$15,750.00	\$4,584.43	18	7	\$132.92	\$1,695.08	\$8,859.38
Wood Siding/Trim Repair - Charlynn	2,500 SF	\$2.50	\$6,250.00	\$3,234.18	10	0	\$0.00	\$0.00	\$6,250.00
Wood Siding/Trim Repair - Prestonwood	1,000 SF	\$2.50	\$2,500.00	\$1,293.87	10	0	\$0.00	\$0.00	\$2,500.00
Paint and Caulk Exterior Surfaces - Charlynn	2,500 SF	\$1.00	\$2,500.00	\$1,293.87	5	0	\$0.00	\$0.00	\$2,500.00
Paint and Caulk Exterior Surfaces - Prestonwood	1,000 SF	\$1.00	\$1,000.00	\$517.47	5	0	\$0.00	\$0.00	\$1,000.00
<b>Building Interior</b>									
Kitchen - Remodel - Modernization	1 LS	\$20,000.00	\$20,000.00	\$10,349.32	20	0	\$0.00	\$0.00	\$20,000.00
Restroom ADA Conversion - Prestonwood site	1 LS	\$8,000.00	\$8,000.00	\$4,139.73	21	0	\$0.00	\$0.00	\$8,000.00
Community Building - Re-finish interiors	1 LS	\$25,000.00	\$25,000.00	\$11,642.99	10	1	\$1,113.08	\$13,357.01	\$22,500.00
Charlynn site - Re-finish interiors	1 LS	\$15,000.00	\$15,000.00	\$9,985.79	10	1	\$687.85	\$8,014.21	\$13,500.00
<b>Mechanical</b>									
Split System Air Conditioners - Replace	1 LS	\$18,000.00	\$18,000.00	\$1,241.92	15	13	\$107.42	\$1,289.05	\$2,400.00
Water Heater (Prestonwood) - Replace	1 LS	\$1,100.00	\$1,100.00	\$569.21	10	0	\$0.00	\$0.00	\$1,100.00
Water Heater (Charlynn) - Replace	1 LS	\$550.00	\$550.00	\$170.76	10	4	\$7.90	\$94.81	\$330.00
<b>Amenities</b>									
Tennis Court (Charlynn) - re-surface	1 LS	\$24,000.00	\$24,000.00	\$12,419.10	10	0	\$0.00	\$0.00	\$24,000.00
Tennis Court (Prestonwood) - Re-surface	1 LS	\$16,000.00	\$16,000.00	\$827.95	10	9	\$140.48	\$1,685.78	\$1,800.00
Water Fountains - Replace - Prestonwood	2 EA	\$900.00	\$1,800.00	\$931.44	21	0	\$0.00	\$0.00	\$1,800.00
Outdoor Wooden Structures - Replace	1 LS	\$25,000.00	\$25,000.00	\$4,851.25	16	10	\$167.91	\$2,014.88	\$9,375.00
Swimming Pool Liner (Prestonwood) - re-plaster	1 LS	\$15,000.00	\$15,000.00	\$5,434.40	10	3	\$265.74	\$3,168.87	\$10,500.00
Swimming Pool Liner (Charlynn) - re-plaster	1 LS	\$12,000.00	\$12,000.00	\$4,346.72	10	3	\$212.59	\$2,551.09	\$8,400.00
Pool Deck (Prestonwood) - Re-suffice	1 LS	\$24,000.00	\$24,000.00	\$8,279.48	21	7	\$187.15	\$2,245.79	\$18,000.00
Pool Deck (Charlynn) - Re-suffice	1 LS	\$16,000.00	\$16,000.00	\$5,519.84	21	7	\$124.77	\$1,497.19	\$10,688.67
Pool Equipment (Prestonwood) - Replace	1 LS	\$8,000.00	\$8,000.00	\$1,552.40	8	5	\$107.46	\$1,289.52	\$3,000.00
Pool Equipment (Charlynn) - Replace	1 LS	\$6,000.00	\$6,000.00	\$1,184.30	8	5	\$80.60	\$987.14	\$2,250.00
Pool Furniture - Replace	1 LS	\$3,000.00	\$3,000.00	\$1,330.63	7	1	\$139.11	\$1,689.37	\$2,571.43
Water Fountains - Charlynn	2 EA	\$900.00	\$1,800.00	\$931.44	21	0	\$0.00	\$0.00	\$1,800.00
Pool Furniture - Replace - Prestonwood	1 LS	\$3,000.00	\$3,000.00	\$1,330.63	7	1	\$139.11	\$1,689.37	\$2,571.43
<b>Other</b>									
Reserve Study - Update	1 LS	\$2,500.00	\$2,500.00	\$778.20	5	2	\$71.83	\$881.90	\$1,500.00
<b>Totals</b>			\$399,475.00	\$145,000.00			\$4,189.59	\$50,275.11	\$280,211.53
<b>Total Over Term</b>			\$592,250.00						

\* Costs are typically 10%.

\*\* Reserve study is based on a 20 year projection of non-normal maintenance.