

**PRESTONWOOD FOREST MAINTENANCE
ASSOCIATION**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

BARRY M. WUNTCH, LLP

CERTIFIED PUBLIC ACCOUNTANTS

6060 Richmond Ave., Suite 301

Houston, Texas 77057

BARRY M. WUNTCH, LLP

CERTIFIED PUBLIC ACCOUNTANTS

6060 Richmond Ave., Suite 301
Houston, Texas 77057
Email: wuntch@ix.netcom.com
(713) 974-5515 • Fax: (713) 974-5528

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, 2013 and 2012, 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 audits. 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.

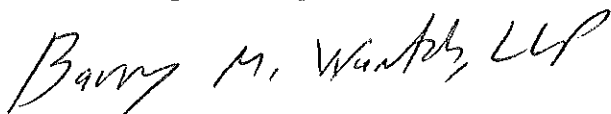
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2013 and 2012, 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 12 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 12, 2014

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1-2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Revenues and Expenses	4
Statements of Changes in Fund Balances	5
Statements of Cash Flows	6
NOTES TO FINANCIAL STATEMENTS	7-11
SUPPLEMENTARY INFORMATION	
Supplementary Information on Future Major Repairs and Replacements	12

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
BALANCE SHEETS
December 31, 2013 and 2012

			<u>TOTALS</u>	
	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>				
CASH AND SHORT-TERM INVESTMENTS	\$ 106,244	\$ 172,345	\$ 278,589	\$ 367,030
RECEIVABLE - HOMEOWNERS	28,721	-	28,721	26,892
RECEIVABLE - P.F.U.D.	6,379	-	6,379	1,592
RECEIVABLE - VENDOR	823	-	823	-
DUE FROM REPLACEMENT FUND	12,184	-	12,184	11,782
PREPAID EXPENSES	10,300	-	10,300	11,096
	<u>\$ 164,651</u>	<u>\$ 172,345</u>	<u>\$ 336,996</u>	<u>\$ 418,392</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
ACCOUNTS PAYABLE	\$ 21,969	\$ -	\$ 21,969	\$ 21,689
PREPAID ASSESSMENTS	111,043	-	111,043	142,330
DUE TO OPERATING FUND	-	12,184	12,184	11,782
	<u>133,012</u>	<u>12,184</u>	<u>145,196</u>	<u>175,801</u>
TOTAL LIABILITIES	133,012	12,184	145,196	175,801
FUND BALANCES	<u>31,639</u>	<u>160,161</u>	<u>191,800</u>	<u>242,591</u>
	<u>\$ 164,651</u>	<u>\$ 172,345</u>	<u>\$ 336,996</u>	<u>\$ 418,392</u>

See accompanying notes and auditor's report.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
STATEMENTS OF REVENUES AND EXPENSES
Years ended December 31, 2013 and 2012

			<u>TOTALS</u>	
	<u>OPERATING</u> <u>FUND</u>	<u>REPLACEMENT</u> <u>FUND</u>	<u>2013</u>	<u>2012</u>
<u>REVENUES</u>				
Assessments	\$ 421,000	\$ 50,000	\$ 471,000	\$ 471,000
Late fees	5,109	-	5,109	5,282
Interest income	288	306	594	303
Clubhouse rentals	4,350	-	4,350	2,900
Legal fee income	4,203	-	4,203	8,252
P.F.U.D. contribution income	6,379	-	6,379	8,010
Processing and other fees - H.S.	3,955	-	3,955	2,180
Miscellaneous income	1,275	-	1,275	410
TOTAL REVENUES	446,559	50,306	496,865	498,337
<u>EXPENSES</u>				
Accounting	3,300	-	3,300	3,500
Administrative notices	2,355	-	2,355	2,355
Bad debts	8,311	-	8,311	10,320
Capital expenditures	-	102,903	102,903	96,693
Casualty loss - property	1,000	-	1,000	-
Community activities	5,269	-	5,269	2,158
Deed restriction expense	225	-	225	125
Insurance	20,807	-	20,807	19,197
Landscape expense	36,327	-	36,327	35,810
Legal fees	6,933	-	6,933	9,468
Management fees	16,875	-	16,875	16,800
Miscellaneous and office expenses	11,150	-	11,150	8,794
Newsletter/website	1,350	-	1,350	1,393
Patrol expenses	67,316	-	67,316	71,132
Pest control	5,587	-	5,587	4,247
Processing and other fees - H.S.	3,955	-	3,955	2,180
Recreation center and Tennis	6,633	-	6,633	9,232
Swimming pool expense	96,024	-	96,024	70,691
Taxes - property	2	-	2	3
Telephone	3,107	-	3,107	2,787
Trash removal	148,227	-	148,227	144,641
TOTAL EXPENSES	444,753	102,903	547,656	511,526
NET REVENUES (LOSS)	\$ 1,806	\$ (52,597)	\$ (50,791)	\$ (13,189)

See accompanying notes and auditor's report.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
STATEMENTS OF CHANGES IN FUND BALANCES
Years ended December 31, 2013 and 2012

	OPERATING FUND	REPLACEMENT FUND	TOTALS	
			2013	2012
BEGINNING OF YEAR FUND BALANCES	\$ 29,833	\$ 212,758	\$ 242,591	\$ 255,780
NET REVENUES (LOSS)	1,806	(52,597)	(50,791)	(13,189)
END OF YEAR FUND BALANCES	\$ 31,639	\$ 160,161	\$ 191,800	\$ 242,591

See accompanying notes and auditor's report.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2013 and 2012

			<u>TOTALS</u>	
	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>2013</u>	<u>2012</u>
EXCESS OF REVENUES (EXPENSES) OVER EXPENSES (REVENUES)	\$ 1,806	\$ (52,597)	\$ (50,791)	\$ (13,189)
ADJUSTMENT TO RECONCILE EXCESS OF REVENUES (EXPENSES) OVER EXPENSES (REVENUES) TO NET CASH PROVIDED FROM OPERATING ACTIVITIES:				
Increase in receivable - homeowners	(1,829)	-	(1,829)	-
Decrease in receivable - homeowners	-	-	-	1,145
Increase in receivable - P.F.U.D. contribution	(4,787)	-	(4,787)	-
Decrease in receivable - P.F.U.D. contribution	-	-	-	1,792
Increase in receivable - vendor	(823)	-	(823)	-
Increase in prepaid expenses	-	-	-	(4,829)
Decrease in prepaid expenses	796	-	796	(12,849)
Increase in accounts payable	2,030	-	2,030	1,750
Decrease in accounts payable	-	(1,750)	(1,750)	-
Decrease in prepaid assessments	(31,287)	-	(31,287)	(13,045)
Net fund borrowings	(402)	402	-	-
TOTAL ADJUSTMENTS	<u>(36,302)</u>	<u>(1,348)</u>	<u>(37,650)</u>	<u>(26,036)</u>
NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	<u>(34,496)</u>	<u>(53,945)</u>	<u>(88,441)</u>	<u>(39,225)</u>
NET INCREASE (DECREASE) IN CASH AND SHORT-TERM INVESTMENTS	(34,496)	(53,945)	(88,441)	(39,225)
CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF YEAR	<u>140,740</u>	<u>226,290</u>	<u>367,030</u>	<u>406,255</u>
CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR	<u>\$ 106,244</u>	<u>\$ 172,345</u>	<u>\$ 278,589</u>	<u>\$ 367,030</u>

See accompanying notes and auditor's report.

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 12, 2014, 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 2013 and 2012, \$50,000 and \$54,000 of assessments, and \$306 and \$24 interest earned was allocated to the replacement fund, respectively.

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, 2013 and 2012, the Association's annual maintenance fees were \$600 per owner lot.

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, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Prepaid patrol	\$ 5,329	\$ 5,329
Prepaid insurance	<u>4,971</u>	<u>5,767</u>
Total	<u>\$ 10,300</u>	<u>\$ 11,096</u>

NOTES TO FINANCIAL STATEMENTS

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, 2013 and 2012, the Association reported \$8,311 and \$10,320 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, 2013 and 2012, the Association elected to file as a homeowner association, resulting in federal income tax expenses of \$-0-.

Federal income tax returns are subject to examination within three years after the original return is filed in accordance with the statute of limitations.

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. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONT.)

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, 2013 and 2012, the Association had \$6,379 and \$8,010 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, 2013 and 2012, a receivable of \$6,379 and \$1,592 has been reported on the accompanying balance sheets for funds due from P.F.U.D., respectively.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 CAPITAL EXPENDITURES

During 2013, the Association incurred \$102,903 for capital expenditures. The capital expenditures were primarily for pool repairs, decking and renovations.

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

NOTE 9 RELATED PARTY TRANSACTIONS

Processing and other fees

The Association has an arrangement whereby the management company assesses processing and other fees to owners, which are then charged to the respective owners and are reimbursed to the management company. For the years ended December 31, 2013 and 2012, \$3,955 and \$2,180, respectively, for processing and other fees by the management company was reported on the accompanying statements of revenues and expenses as offsetting income and expense called "Processing and other fees – H.S."

NOTE 10 DEFERRED LEGAL FEES CONTINGENT LIABILITY

The Association has entered into a deferred legal fee billing arrangement with a law firm to handle certain Association legal matters. The agreement between the Association and the law firm, under certain circumstances, may result in immediate liability to the Association and payment of legal fees in accordance with the terms of the law firm's "Deferred Billing Agreement".

As of December 31, 2013, the balance of contingent deferred legal fees from the law firm was approximately \$4,812.

NOTE 11 CASUALTY LOSS - PROPERTY

During 2013, the Association incurred theft of air condition units. The Association incurred a net casualty loss of \$1,000 after receiving insurance proceeds and related costs, as reported on the accompanying statements of revenues and expenses for the year ended December 31, 2013.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION

SUPPLEMENTARY INFORMATION

YEARS ENDED DECEMBER 31, 2013 AND 2012

**PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
December 31, 2013
(Unaudited)**

Criterium-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	Annual	Full Funding Balance
Site									
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 - Extend 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	\$90.58	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	\$8,000.00
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	\$38.63	\$439.52	\$600.00
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	\$620.66	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	3 EA	\$700.00	\$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	\$4,708.94	40	14	\$55.30	\$683.85	\$9,100.00
Painted Metal Fence - Replace - Charlynn	10 LF	\$35.00	\$350.00	\$117.72	40	14	\$1.38	\$16.59	\$227.60
Chain link Fence - Replace - Prestonwood	600 LF	\$25.00	\$15,000.00	\$5,174.68	30	10	\$81.88	\$982.53	\$10,000.00
Pole mounted Lights - Replace - Charlynn	4 EA	\$1,500.00	\$6,000.00	\$2,639.08	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
Building Exterior									
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	\$5,174.68	21	0	\$0.00	\$0.00	\$10,000.00
Roof Replacement - Charlynn	15 SQ	\$250.00	\$3,750.00	\$1,091.53	18	7	\$31.85	\$379.78	\$2,109.38
Roof Replacement - Prestonwood	63 SQ	\$250.00	\$15,750.00	\$4,584.43	18	7	\$132.92	\$1,595.08	\$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
Building Interior									
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	\$4,138.73	21	0	\$0.00	\$0.00	\$8,000.00
Community Building - Re-finish Interiors	1 LS	\$25,000.00	\$25,000.00	\$11,842.99	10	1	\$1,113.08	\$13,357.01	\$22,500.00
Charlynn site - Re-finish Interiors	1 LS	\$15,000.00	\$15,000.00	\$6,985.79	10	1	\$687.85	\$8,014.21	\$13,500.00
Mechanical									
Split System Air Conditioners - Replace	1 LS	\$18,000.00	\$18,000.00	\$1,241.92	15	13	\$107.42	\$1,289.08	\$2,400.00
Water Heater (Prestonwood) - Replace	1 LS	\$1,100.00	\$1,100.00	\$589.21	10	0	\$0.00	\$0.00	\$1,100.00
Water Heater (Charlynn) - Replace	1 LS	\$550.00	\$550.00	\$170.78	10	4	\$7.90	\$94.81	\$330.00
Amenities									
Tennis Court (Charlynn) - re-surface	1 LS	\$24,000.00	\$24,000.00	\$12,418.19	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	\$1,600.00
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	18	10	\$167.91	\$2,014.88	\$9,375.00
Swimming Pool Liner (Prestonwood) - re-plaster	1 LS	\$15,000.00	\$15,000.00	\$5,433.40	10	3	\$285.74	\$3,188.87	\$10,500.00
Swimming Pool Liner (Charlynn) - re-plaster	1 LS	\$12,000.00	\$12,000.00	\$4,348.72	10	3	\$212.59	\$2,551.09	\$8,400.00
Pool Deck (Prestonwood) - Re-surface	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-surface	1 LS	\$16,000.00	\$16,000.00	\$5,519.64	21	7	\$124.77	\$1,497.19	\$10,868.67
Pool Equipment (Prestonwood) - Replace	1 LS	\$8,000.00	\$8,000.00	\$1,552.40	8	5	\$107.48	\$1,289.52	\$3,000.00
Pool Equipment (Charlynn) - Replace	1 LS	\$6,000.00	\$6,000.00	\$1,164.30	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
Other									
Reserve Study - Update	1 LS	\$2,500.00	\$2,500.00	\$776.20	5	2	\$71.83	\$861.60	\$1,500.00
Totals			\$399,475.00	\$145,000.00			\$4,189.59	\$50,275.11	\$280,211.53
Total Over Term			\$592,250.00						

* Costs are typically 10%±

** Reserve study is based on a 20 year projection of non-annual maintenance