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**PRESTONWOOD FOREST MAINTENANCE
ASSOCIATION**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2016 AND 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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
May 4, 2017

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, 2016 and 2015

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTALS</u>	
<u>ASSETS</u>			<u>2016</u>	<u>2015</u>
CASH	\$ 221,785	\$ 8,026	\$ 229,811	\$ 270,158
RECEIVABLE - HOMEOWNERS	48,200	-	48,200	40,167
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(10,000)	-	(10,000)	-
RECEIVABLE - P.F.U.D.	5,000	-	5,000	-
DUE FROM OPERATING FUND	-	132,546	132,546	-
DUE FROM REPLACEMENT FUND	-	-	-	31,339
PREPAID EXPENSES	17,863	-	17,863	12,112
	<u>\$ 282,848</u>	<u>\$ 140,572</u>	<u>\$ 423,420</u>	<u>\$ 353,776</u>
<u>LIABILITIES AND FUND BALANCES</u>				
ACCOUNTS PAYABLE	\$ 17,255	\$ -	\$ 17,255	\$ 43,090
PREPAID ASSESSMENTS	147,852	-	147,852	98,868
DUE TO REPLACEMENT FUND	132,546	-	132,546	-
DUE TO OPERATING FUND	-	-	-	31,339
	<u>297,653</u>	<u>-</u>	<u>297,653</u>	<u>173,297</u>
TOTAL LIABILITIES	297,653	-	297,653	173,297
FUND BALANCES (DEFICIT)	<u>(14,805)</u>	<u>140,572</u>	<u>125,767</u>	<u>180,479</u>
	<u>\$ 282,848</u>	<u>\$ 140,572</u>	<u>\$ 423,420</u>	<u>\$ 353,776</u>

See accompanying notes and auditor's report.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
STATEMENTS OF REVENUES AND EXPENSES
Years ended December 31, 2016 and 2015

			TOTALS	
	OPERATING	REPLACEMENT		
	FUND	FUND	2016	2015
<u>REVENUES</u>				
Assessments	\$ 452,000	\$ 33,130	\$ 485,130	\$ 471,000
Late fees	13,952	-	13,952	10,301
Interest income	6	341	347	1,016
Clubhouse rentals	3,525	-	3,525	3,975
Legal fee income	20,345	-	20,345	14,183
P.F.U.D. contribution income	5,000	-	5,000	3,186
Bad debt recovery	-	-	-	445
Processing and other fees - H.S.	6,195	-	6,195	4,540
Miscellaneous income	400	-	400	309
TOTAL REVENUES	501,423	33,471	534,894	508,955
<u>EXPENSES</u>				
Accounting	4,100	-	4,100	3,700
Administrative notices	2,352	-	2,352	2,355
Bad debts	23,825	-	23,825	6,043
Capital expenditures	-	68,130	68,130	21,000
Community activities	7,826	-	7,826	6,199
Deed restriction expense	49	-	49	290
Insurance	22,395	-	22,395	21,373
Landscape expense	46,300	-	46,300	56,525
Legal fees	20,963	-	20,963	12,802
Management fees	16,800	-	16,800	16,800
Miscellaneous and office expenses	17,718	-	17,718	12,007
Patrol expenses	76,813	-	76,813	72,451
Pest control	7,325	-	7,325	7,134
Processing and other fees - H.S.	6,195	-	6,195	4,540
Recreation center and Tennis	14,453	-	14,453	17,322
Swimming pool expense	88,944	-	88,944	95,133
Taxes - property	8	-	8	5
Telephone	4,867	-	4,867	4,232
Trash removal	158,650	-	158,650	155,863
Website	1,893	-	1,893	1,651
TOTAL EXPENSES	521,476	68,130	589,606	517,425
NET REVENUES (LOSS)	\$ (20,053)	\$ (34,659)	\$ (54,712)	\$ (8,470)

See accompanying notes and auditor's report.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
STATEMENTS OF CHANGES IN FUND BALANCES
Years ended December 31, 2016 and 2015

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTALS</u>	
			<u>2016</u>	<u>2015</u>
BEGINNING OF YEAR FUND BALANCES	\$ 5,248	\$ 175,231	\$ 180,479	\$ 188,949
NET REVENUES (LOSS)	<u>(20,053)</u>	<u>(34,659)</u>	<u>(54,712)</u>	<u>(8,470)</u>
END OF YEAR FUND BALANCES (DEFICIT)	<u>\$ (14,805)</u>	<u>\$ 140,572</u>	<u>\$ 125,767</u>	<u>\$ 180,479</u>

See accompanying notes and auditor's report.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2016 and 2015

	<u>OPERATING</u> <u>FUND</u>	<u>REPLACEMENT</u> <u>FUND</u>	<u>TOTALS</u>	
			<u>2016</u>	<u>2015</u>
EXCESS OF REVENUES (EXPENSES) OVER EXPENSES (REVENUES)	\$ (20,053)	\$ (34,659)	\$ (54,712)	\$ (8,470)
ADJUSTMENT TO RECONCILE EXCESS OF REVENUES (EXPENSES) OVER EXPENSES (REVENUES) TO NET CASH PROVIDED FROM OPERATING ACTIVITIES:				
Increase in receivable - homeowners	(8,033)	-	(8,033)	(11,279)
Increase in allowance for doubtful accounts	10,000	-	10,000	-
Increase in receivable - P.F.U.D. contribution	(5,000)	-	(5,000)	-
Decrease in receivable - P.F.U.D. contribution	-	-	-	6,340
Decrease in receivable - vendor	-	-	-	1,416
Increase in prepaid expenses	(5,751)	-	(5,751)	(566)
Increase in accounts payable	-	-	-	11,000
Decrease in accounts payable	(14,835)	(11,000)	(25,835)	(5,186)
Increase in prepaid assessments	48,984	-	48,984	-
Decrease in prepaid assessments	-	-	-	(9,754)
Net fund borrowings	163,885	(163,885)	-	-
TOTAL ADJUSTMENTS	189,250	(174,885)	14,365	(8,029)
NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	169,197	(209,544)	(40,347)	(16,499)
NET INCREASE (DECREASE) IN CASH	169,197	(209,544)	(40,347)	(16,499)
CASH AT BEGINNING OF YEAR	52,588	217,570	270,158	286,657
CASH AT END OF YEAR	<u>\$ 221,785</u>	<u>\$ 8,026</u>	<u>\$ 229,811</u>	<u>\$ 270,158</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, located in Harris County, Texas. 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, subsequent events and transactions for potential recognition or disclosure through May 4, 2017, 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 2016 and 2015, \$33,130 and \$32,865, respectively, of assessments were allocated to the replacement fund.

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, 2016 and 2015, the Association's annual maintenance fees were \$618 and \$600 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 on the balance sheets.

NOTE 2 PREPAID EXPENSES

The balance of prepaid expenses at December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Prepaid patrol	\$ 11,192	\$ 5,596
Prepaid insurance	<u>6,671</u>	<u>6,516</u>
Total	<u>\$ 17,863</u>	<u>\$ 12,112</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3 ALLOWANCE FOR DOUBTFUL ACCOUNTS – BAD DEBTS

The Association converted to the allowance method to recognize bad debt for the year ended December 31, 2016. The allowance method recognizes bad debt expenses based upon expectations of collectability. The Association previously used the direct write-off method for the recognition of uncollected accounts for the year ended December 31, 2015. The Association maintains a continuing lien on the owners' lots for collection of delinquent assessments.

	<u>2016</u>
Allowance beginning balance	\$ -
Allowance for bad debts	23,825
Direct write-off of bad debts	<u>(13,825)</u>
Allowance ending balance	<u>\$ 10,000</u>

For the previous year ended December 31, 2015 the Association reported \$6,043 of bad debt expenses.

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, 2016 and 2015, 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.

NOTES TO FINANCIAL STATEMENTS

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.

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, 2016 and 2015, the Association had \$5,000 and \$3,186 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. At December 31, 2016, a receivable of \$5,000 was reported on the accompanying balance sheets for 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 2016, the Association incurred \$68,130 for capital expenditures. The capital expenditures were primarily for fences, gates, signage, and tennis courts.

During 2015, the Association incurred \$21,000 for capital expenditures. The capital expenditures were for tennis courts.

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, 2016 and 2015, \$6,195 and \$4,540, 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, 2016, the balance of contingent deferred legal fees from the law firm was approximately \$8,633.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2016 AND 2015

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

December 31, 2016

(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 Monthly	Required 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	\$90.56	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	\$36.83	\$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	\$4,708.94	40	14	\$55.30	\$663.65	\$9,100.00
Painted Metal Fence - Replace - Charlynn	10 LF	\$35.00	\$350.00	\$117.72	40	14	\$1.38	\$16.59	\$227.50
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	\$1,293.67	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	\$1,293.67	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	16	7	\$31.65	\$379.78	\$2,109.38
Roof Replacement - Prestonwood	63 SQ	\$250.00	\$15,750.00	\$4,584.43	16	7	\$132.92	\$1,695.08	\$8,859.38
Wood Siding/Trim Repair - Charlynn	2,500 SF	\$2.50	\$6,250.00	\$3,234.16	10	0	\$0.00	\$0.00	\$6,250.00
Wood Siding/Trim Repair - Prestonwood	1,000 SF	\$2.50	\$2,500.00	\$1,293.67	10	0	\$0.00	\$0.00	\$2,500.00
Paint and Caulk Exterior Surfaces - Charlynn	2,500 SF	\$1.00	\$2,500.00	\$1,293.67	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	\$4,139.73	21	0	\$0.00	\$0.00	\$8,000.00
Community Building - Re-finish Interiors	1 LS	\$25,000.00	\$25,000.00	\$11,842.99	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	\$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
Amenities									
Tennis Court (Charlynn) - re-surface	1 LS	\$24,000.00	\$24,000.00	\$12,419.19	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	16	10	\$167.91	\$2,014.88	\$9,375.00
Swimming Pool Liner (Prestonwood) - re-plaster	1 LS	\$15,000.00	\$15,000.00	\$5,433.40	10	3	\$265.74	\$3,188.87	\$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-surface	1 LS	\$24,000.00	\$24,000.00	\$8,279.46	21	7	\$187.15	\$2,245.79	\$16,000.00
Pool Deck (Charlynn) - Re-surface	1 LS	\$16,000.00	\$16,000.00	\$5,519.64	21	7	\$124.77	\$1,497.19	\$10,666.67
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	\$1,164.30	8	5	\$80.60	\$967.14	\$2,250.00
Pool Furniture - Replace	1 LS	\$3,000.00	\$3,000.00	\$1,330.63	7	1	\$139.11	\$1,669.37	\$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	\$1,669.37	\$2,571.43
Other									
Reserve Study - Update	1 LS	\$2,500.00	\$2,500.00	\$776.20	5	2	\$71.83	\$861.90	\$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