

**PRESTONWOOD FOREST MAINTENANCE
ASSOCIATION**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

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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, 2017 and 2016, 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.

Prestonwood Forest Maintenance Association
Independent Auditor's Report
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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, 2017 and 2016, 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.

Report on Summarized Comparative Information

We have previously audited Prestonwood Forest Maintenance Association's December 31, 2016 financial statements, and our report dated May 4, 2017 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 25, 2018

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION

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PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
BALANCE SHEETS
December 31, 2017 and 2016

	2017			2016
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL FOR COMPARATIVE PURPOSES ONLY
<u>ASSETS</u>				
CASH	\$ 32,625	\$ 7,957	\$ 40,582	\$ 229,811
RECEIVABLE - HOMEOWNERS	64,958	-	64,958	48,200
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(15,000)	-	(15,000)	(10,000)
RECEIVABLE - P.F.U.D.	5,000	-	5,000	5,000
DUE FROM OPERATING FUND	-	26,486	26,486	132,546
PREPAID EXPENSES	12,267	-	12,267	17,863
FIXED ASSETS, net of accumulated depreciation of \$156.	2,464	-	2,464	-
	<u>\$ 102,314</u>	<u>\$ 34,443</u>	<u>\$ 136,757</u>	<u>\$ 423,420</u>
<u>LIABILITIES AND FUND BALANCES</u>				
ACCOUNTS PAYABLE	\$ 81,165	\$ -	\$ 81,165	\$ 17,255
PREPAID ASSESSMENTS	141,635	-	141,635	147,852
DUE TO REPLACEMENT FUND	26,486	-	26,486	132,546
TOTAL LIABILITIES	249,286	-	249,286	297,653
FUND BALANCES (DEFICIT)	(146,972)	34,443	(112,529)	125,767
	<u>\$ 102,314</u>	<u>\$ 34,443</u>	<u>\$ 136,757</u>	<u>\$ 423,420</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, 2017 and 2016

	2017			2016
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL FOR COMPARATIVE PURPOSES ONLY
<u>REVENUES</u>				
Assessments	\$ 485,130	\$ -	\$ 485,130	\$ 485,130
Late fees	14,468	-	14,468	13,952
Interest income	4	1	5	347
Clubhouse rentals	2,400	-	2,400	3,525
Legal fee income	20,130	-	20,130	20,345
P.F.U.D. contribution income	5,000	-	5,000	5,000
Processing and other fees - H.S.	7,690	-	7,690	6,195
Miscellaneous income	1,318	-	1,318	400
TOTAL REVENUES	536,140	1	536,141	534,894
<u>EXPENSES</u>				
Accounting	4,600	-	4,600	4,100
Administrative notices	4,710	-	4,710	2,352
Bad debts	13,591	-	13,591	23,825
Capital expenditures	-	106,130	106,130	68,130
Community activities	11,719	-	11,719	7,826
Deed restriction expense	813	-	813	49
Depreciation	156	-	156	-
Donations	2,000	-	2,000	144
Hurricane damage expenses	99,479	-	99,479	-
Insurance	22,906	-	22,906	22,395
Landscape expense	44,752	-	44,752	46,300
Legal fees	19,096	-	19,096	20,963
Management fees	18,000	-	18,000	16,800
Miscellaneous and office expenses	9,221	-	9,221	17,574
Patrol expenses	78,128	-	78,128	76,813
Pest control	7,163	-	7,163	7,325
Processing and other fees - H.S.	7,690	-	7,690	6,195
Recreation center and Tennis	13,738	-	13,738	14,453
Swimming pool expense	139,669	-	139,669	88,944
Taxes - property	6	-	6	8
Telephone	7,093	-	7,093	4,867
Trash removal	161,521	-	161,521	158,650
Website	2,256	-	2,256	1,893
TOTAL EXPENSES	668,307	106,130	774,437	589,606
NET REVENUES (LOSS)	\$ (132,167)	\$ (106,129)	\$ (238,296)	\$ (54,712)

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, 2017 and 2016

	2017			2016
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL FOR COMPARATIVE PURPOSES ONLY
BEGINNING OF YEAR FUND BALANCES	\$ (14,805)	\$ 140,572	\$ 125,767	\$ 180,479
NET REVENUES (LOSS)	<u>(132,167)</u>	<u>(106,129)</u>	<u>(238,296)</u>	<u>(54,712)</u>
END OF YEAR FUND BALANCES (DEFICIT)	<u>\$ (146,972)</u>	<u>\$ 34,443</u>	<u>\$ (112,529)</u>	<u>\$ 125,767</u>

See accompanying notes and auditor's report.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2017 and 2016

	2017			2016
	OPERATING FUND	REPLACEMENT FUND	TOTAL	TOTAL FOR COMPARATIVE PURPOSES ONLY
EXCESS OF REVENUES (EXPENSES) OVER EXPENSES (REVENUES)	<u>\$ (132,167)</u>	<u>\$ (106,129)</u>	<u>\$ (238,296)</u>	<u>\$ (54,712)</u>
ADJUSTMENT TO RECONCILE EXCESS OF REVENUES (EXPENSES) OVER EXPENSES (REVENUES) TO NET CASH PROVIDED FROM OPERATING ACTIVITIES:				
Increase in receivable - homeowners	(16,758)	-	(16,758)	(8,033)
Increase in allowance for doubtful accounts	5,000	-	5,000	10,000
Increase in receivable - P.F.U.D. contribution	-	-	-	(5,000)
Increase in prepaid expenses	-	-	-	(5,751)
Decrease in prepaid expenses	5,596	-	5,596	-
Depreciation	156	-	156	-
Increase in accounts payable	63,910	-	63,910	-
Decrease in accounts payable	-	-	-	(25,835)
Increase in prepaid assessments	-	-	-	48,984
Decrease in prepaid assessments	(6,217)	-	(6,217)	-
Net fund borrowings	<u>(106,060)</u>	<u>106,060</u>	<u>-</u>	<u>-</u>
TOTAL ADJUSTMENTS	<u>(54,373)</u>	<u>106,060</u>	<u>51,687</u>	<u>14,365</u>
NET CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	<u>(186,540)</u>	<u>(69)</u>	<u>(186,609)</u>	<u>(40,347)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Fixed asset purchases	<u>(2,620)</u>	<u>-</u>	<u>(2,620)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	<u>(189,160)</u>	<u>(69)</u>	<u>(189,229)</u>	<u>(40,347)</u>
CASH AT BEGINNING OF YEAR	<u>221,785</u>	<u>8,026</u>	<u>229,811</u>	<u>270,158</u>
CASH AT END OF YEAR	<u>\$ 32,625</u>	<u>\$ 7,957</u>	<u>\$ 40,582</u>	<u>\$ 229,811</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, 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 April 25, 2018, the date that the financial statements were available to be issued.

Summarized prior year financial information

The financial statements include certain prior-year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31 of the prior year, from which the summarized information was derived.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

For the years 2017 and 2016, \$-0- and \$33,130, respectively, of assessments were allocated to the replacement fund.

Capital expenditures

For the year end December 31, 2017, the Association incurred \$106,130 for capital expenditures. The capital expenditures were for pool bathroom remodeling and pool improvements, as reported on the accompanying statements of revenues and expenses.

For the year end December 31, 2016, the Association incurred \$68,130 for capital expenditures. The capital expenditures were primarily for fences, gates, signage, and tennis courts, as reported on the accompanying statements of revenues and expense.

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, 2017 and 2016, the Association's annual maintenance fees were \$618 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:

NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Recognition of assets (cont.)

- (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.

Common personal property is depreciated under the straight-line method based upon the useful life of the asset for both financial and tax reporting purposes.

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 FINANCIAL CONDITION (NET DEFICIT) FUND BALANCE – POSSIBLE CONTINGENCIES

The Association had a net deficit fund balance of (\$112,529) at December 31, 2017 as reported on the accompanying Balance Sheets. If the Association incurred a material or costly future economic unforeseen event, it's possible that the Association would require an immediate passing of a special assessment or delay repairs, replacement or resolving the situation until funds are available.

In the subsequent year 2018 the Association did increase the annual assessment.

NOTE 3 PREPAID EXPENSES

The balance of prepaid expenses at December 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Prepaid patrol	\$ 5,596	\$ 11,192
Prepaid insurance	<u>6,671</u>	<u>6,671</u>
Total	<u>\$ 12,267</u>	<u>\$ 17,863</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4 ALLOWANCE FOR DOUBTFUL ACCOUNTS – BAD DEBTS

The Association uses the allowance method to recognize bad debt. The allowance method recognizes bad debt expenses based upon expectations of collectability. The Association maintains a continuing lien on the owners' lots for collection of delinquent assessments.

	2017	2016
Allowance beginning balance	\$ 10,000	\$ –
Allowance for bad debts	13,591	23,825
Direct write-off of bad debts	<u>(13,591)</u>	<u>(13,825)</u>
Allowance ending balance	<u>\$ 10,000</u>	<u>\$ 10,000</u>

NOTE 5 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, 2017 and 2016, 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 6 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 6 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 7 PRESTONWOOD FOREST UTILITY DISTRICT CONTRIBUTION INCOME (P.F.U.D.)

For the years ended December 31, 2017 and 2016, the Association had \$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. For the years ended December 31, 2017 and 2016, a receivable of \$5,000 was reported on the accompanying balance sheets for funds due from P.F.U.D., respectively.

NOTE 8 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 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, 2017 and 2016, \$7,690 and \$6,195, 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 HURRICANE HARVEY DAMAGE EXPENSES

In August 2017, the Association incurred damages to the common area resulting from the impact of Hurricane Harvey. The Association incurred \$99,479 in Hurricane Harvey related expenses, which were reported on the accompanying income and expense statements for the year end December 31, 2017. The Association was not covered by insurance for the hurricane damage expenses.

The homes of certain homeowner members of the Association were affected by flooding due to the hurricane. The potential future effect to the Association, if any, can not be determined as of the date of this audit report, April 25, 2018.

PRESTONWOOD FOREST MAINTENANCE ASSOCIATION
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2017 AND 2016

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

December 31, 2017

(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 Monthly	Reserve Funding Annual	Full Funding Balance
Site									
Drainage Improvements - Prestonwood Forest	1 LS	\$4,500.00	\$4,500.00	\$2,328.60	30	0	\$0.00	\$0.00	\$4,500.00
Irrigation system - Extend to north yard	1 LS	\$4,500.00	\$4,500.00	\$2,328.80	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	\$408.09
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	\$2,668.87
Drainage Improvements - Charlynn	1 LS	\$4,500.00	\$4,500.00	\$2,328.80	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	\$463.52	\$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	\$362.23	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	\$663.85	\$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	\$1,830.02	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	\$5,174.66	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	\$379.78	\$2,109.38
Roof Replacement - Prestonwood	63 SQ	\$250.00	\$15,750.00	\$4,584.43	18	7	\$132.82	\$1,595.08	\$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	\$10,348.32	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	\$8,985.79	10	1	\$667.85	\$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	\$170.78	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	\$140.46	\$1,685.78	\$1,800.00
Water Fountains - Replace - Prestonwood	2 EA	\$900.00	\$1,800.00	\$631.44	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	\$265.74	\$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	\$8,279.46	21	7	\$187.15	\$2,245.79	\$16,000.00
Pool Deck (Charlynn) - Re-surface	1 LS	\$16,000.00	\$16,000.00	\$5,518.64	21	7	\$124.77	\$1,497.19	\$10,866.67
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	\$80.80	\$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