

EAST OAKS OWERS ASSOCIATION
FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Draft for Discussion Purposes Only

EAST OAKS OWNERS ASSOCIATION

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
East Oaks Owners Association
Oak Park Heights, Minnesota

We have reviewed the accompanying financial statements of East Oaks Association, which comprise the balance sheet as of December 31, 2021, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of East Oaks Owners Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion on the Financial Statements

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on pages 11 through 17 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on it. Additionally, we have not applied procedures to determine whether the funds designated for future major repairs and replacement are adequate to meet such future costs because that determination is outside the scope of our review.

Casey, Menden, Faust & Nelson, P.A.

July 15, 2022

EAST OAKS OWNERS ASSOCIATION

BALANCE SHEET

DECEMBER 31, 2021

	2021		
	Operating Fund	Replacement Fund	Total
<u>ASSETS</u>			
Cash	\$ 40,229	\$ 62,278	\$ 102,507
Certificates of deposit	-	-	-
Receivable from Replacemet	-	-	-
Assessments receivable	214		214
Total assets	<u>\$ 40,443</u>	<u>\$ 62,278</u>	<u>\$ 102,721</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Accounts payable	\$ 143	\$ -	\$ 143
Prepaid assessments	2,176	-	2,176
Payable to Operating	-	-	-
Accrued income taxes	-	-	-
Total liabilities	2,319	-	2,319
Fund balances	38,124	62,278	100,402
Total liabilities and fund balances	<u>\$ 40,443</u>	<u>\$ 62,278</u>	<u>\$ 102,721</u>

EAST OAKS OWNERS ASSOCIATION

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

YEAR ENDED DECEMBER 31, 2021

	2021		
	Operating Fund	Replacement Fund	Total
Revenues:			
Assessments	\$ 62,304	\$ 19,596	\$ 81,900
Interest	-	275	275
Miscellaneous	984	-	984
Total revenues	63,288	19,871	83,159
Expenses:			
Management fees	6,940	-	6,940
Professional fees	330	-	330
Other administrative	5,906	-	5,906
Insurance	22,904	-	22,904
Repairs and maintenance	21,230	-	21,230
Grounds and related	107	-	107
Utilities	4,669	-	4,669
Trash removal	-	-	-
Income taxes	-	-	-
Major repairs and replacements	-	15	15
Total expenses	62,086	15	62,101
Excess (deficit) of revenues over expenses	1,202	19,856	21,058
Beginning fund balances	36,922	42,422	79,344
Ending fund balances	\$ 38,124	\$ 62,278	\$ 100,402

See Independent Accountant's Review Report and Notes to Financial Statements

EAST OAKS OWNERS ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2021

	2021		
	Operating Fund	Replacement Fund	Total
Cash flows from operating activities:			
Excess (deficit) of revenues over expenses	\$ 1,202	\$ 19,856	\$ 21,058
Adjustments to reconcile excess (deficit) of revenues over expenses to cash flows from operating activities:			
Assessments receivable	91	-	91
Receivable from Replacement	8,398	(8,398)	-
Prepaid expense	-	-	-
Accounts payable	(2,627)	-	(2,627)
Prepaid assessments	179	-	179
Accrued income taxes	-	-	-
Net cash flows from operating activities	7,243	11,458	18,701
Cash flows from investing activities:			
Certificates of deposit	-	-	-
Net increase (decrease) in cash	7,243	11,458	18,701
Cash: Beginning of year	32,986	50,820	83,806
Cash: End of year	<u>\$ 40,229</u>	<u>\$ 62,278</u>	<u>\$ 102,507</u>
Supplemental disclosure:			
Income taxes paid			<u>\$ -</u>
Interest paid			<u>\$ -</u>

EAST OAKS OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

NOTE 1 - NATURE OF ORGANIZATION

East Oaks Owners Association is townhome association incorporated in the state of Minnesota on March 10, 1997, as a Minnesota nonprofit corporation and governed by the Minnesota Common Interest Ownership Act. The Association is responsible for maintaining and preserving the common property that consists of 26 homes located in Oak Park Heights, Minnesota.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. State statutes prohibit borrowing from the Replacement Fund for fiscal years commencing on or after January 1, 2012. 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.

Unclassified Balance Sheet

The current/noncurrent distinction is deemed in practice to have little or no relevance to townhome and condominium associations. Accordingly, the Association has presented an unclassified balance sheet in accordance with industry standards.

Cash Equivalents

Investment instruments purchased with a maturity of three months or less are considered to be cash equivalents. Certificates of deposit and other securities with original maturities over three months are classified as short-term investments. At December 31, 2021, there were no cash equivalents.

The Association adopted ASU 2016-18, which requires that restricted cash and cash equivalents be included in the beginning and ending cash and cash equivalents in the statements of cash flows. The adoption of ASU 2016-18 did not result in any material changes to the statement of cash flows since restricted cash has already been segregated from operating cash via fund accounting.

See Independent Accountant's Review Report

EAST OAKS OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Association adopted ASU 2014-09 and all subsequent amendments to the ASU (collectively, "ASC 606"), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The majority of the Association's revenues come from sources that are outside the scope of ASC 606, such as operating and replacement reserve assessments. Revenue streams subject to ASC 606 can include: late fees, and interest income. Such fees are ancillary to the Association and are recognized as revenue at the point in time such fees are incurred. The adoption of this new guidance will not have a material impact on the Association's financial statements.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not reflected in the Association's financial statements because the Association has no basis in these assets. Accordingly, items such as the buildings, sidewalks, roadways and land are not recognized as assets.

In conformity with industry practice, the Association's policy is to recognize 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 nonmembers.

As of December 31, 2021, there are no recorded assets from common property.

Comprehensive Income

GAAP establishes standards for the reporting and disclosure of comprehensive income and its components which will be presented in association with East Oaks Owners Association's financial statements. Comprehensive income is defined as the change in a business enterprise's equity during a period arising from transactions, events or circumstances relating to non-owner sources, such as unrealized gains or losses on available-for-sale securities. It includes all changes in equity during a period except those resulting from investments by or distributions to owners. Net income and comprehensive income were the same for the year ended December 31, 2021.

EAST OAKS OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentrations, Risks and Uncertainties

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Assessments Receivable

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association is covered under the Minnesota Common Interest Ownership Act and has automatic continuing liens on assessments. The Association's policy is to pursue collections on homeowners whose assessments are delinquent. This may involve foreclosure on the property after other attempts to collect have failed. Any excess assessments at year end are retained by the Association for use in future years.

The estimated loss that management believes is probable is included in the allowance for doubtful accounts, which is based upon a number of factors, including a review of outstanding receivables, unit owners' ability to pay their obligations, and existing economic conditions. While the ultimate uncollectible amounts may differ, management believes that any additional loss would not materially impact the Association's financial position. Due to uncertainties in the collection process, however, it is at least reasonably possible management's estimate will change during the next year. That change cannot be estimated.

Uncertainties

Uncertainties related to certain aspects of the COVID-19 pandemic, including duration, economic ramifications and government actions to mitigate continue to exist. Future financial and other impacts to the Association are unknown.

NOTE 3 - INCOME TAXES

Common interest communities may elect to be taxed as regular corporations or as homeowners' associations. The Association elected to be taxed as a homeowners' association for the year ended December 31, 2021.

EAST OAKS OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

NOTE 3 - INCOME TAXES (Continued)

Under that election, the Association is generally taxed only on nonexempt income, such as interest earnings, at a 30% federal rate and at state corporate tax rates.

Federal and state taxing authorities generally have the right to examine returns for three years from the date of filing. Any interest or penalties incurred by the Association would be included in operating expenses in the accompanying financial statements. No interest or penalties are reflected in the 2021 financial statements.

NOTE 4 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate \$62,278 at December 31, 2021 are held in separate accounts and are generally not available for operating purposes.

The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on future replacement costs, considering the amounts previously accumulated in the replacement fund. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments, to levy special assessments, or it may delay major repairs and replacements until funds are available. The Association has conducted a study of future major repairs and replacements (see supplementary information).

State statute (MCIOA) requires that the Association re-evaluate the adequacy of its budgeted replacement reserves every three years. As of December 31, 2021, the Association feels it is in compliance with MCIOA.

NOTE 5 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 15, 2022, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Draft for Discussion Purposes Only

EAST OAKS OWNERS ASSOCIATION

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS

DECEMBER 31, 2021
(Unaudited)

In December 2020, the Association hired a professional engineering firm to update its study to estimate the remaining useful lives and the replacement costs of the common property components. The estimates were based on estimated current costs to repair or replace the common property components at the end of their useful lives and assumed an inflation rate of 2.98%.

Estimated remaining useful lives and estimated current replacement costs have not been revised since the date of the study and do not take into account the effects of any expenditures or differences in the estimates.

The following table is based on the study and presents significant information about the components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Replacement Fund Balance at Dec. 31, 2021</u>
SEE ATTACHED SCHEDULE		<u>\$ 2,092,982</u>	<u>\$ 62,278</u>

DIVISION 1: YEARS 1-5 OF CASH FLOW ANALYSIS

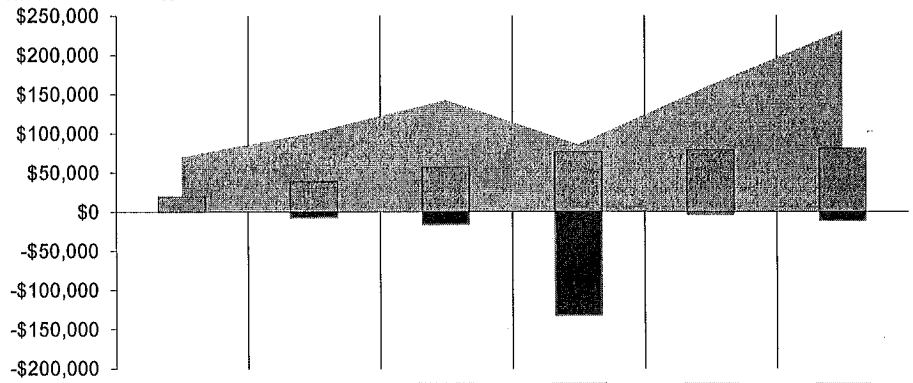
Local Inflationary Costs for Labor, Equipment and Materials:

2.98%

Interest Earned on Invested Reserves:

0.01%

- Projected Reserves at Year End
- Cumulative Expenditures, By Year
- Special Assessment
- Suggested Reserve Contributions



	2021	2022	2023	2024	2025	2026
+ Reserves at Beginning of Year	51,000	70,602	101,878	142,875	86,166	161,716
+ Suggested Reserve Contribution	19,598	38,600	57,600	76,600	78,900	81,300
Annual Reserve Adjustment (%)		97.0%	49.2%	33.0%	3.0%	3.0%
+ Special Assessment						
+ Estimated Interest Earned on Invested Reserves	6	9	12	11	12	20
+ Cumulative Expenses, By Year		-7,333	-16,814	-133,320	-3,363	-11,890
= Projected Reserves at Year End	70,602	101,878	142,875	86,166	161,716	231,145
Line Item	Year Start 2021	1 2022	2 2023	3 2024	4 2025	5 2026
Reserve Component Listed by Property Class						
EXTERNAL BUILDING COMPONENTS						
1 Decks, Structure / Decking / Railings, Front, Replacement						
2 Decks, Structure / Decking / Railings, Rear, Replacement, Phased						
3 Garage Doors, Metal Sectional						
4 Gutters and Downspouts, Aluminum						
5 Roofs, Asphalt Shingles, Phased						
6 Soffits and Fascia, Aluminum, Phased						
7 Walls, Masonry, Inspection and Capital Repairs						
8 Walls, Vinyl Siding, Phased (Includes Full Wood Trim Replacement)						
9 Walls, Wood Trim, Paint Finishes					3,363	
SITE COMPONENTS						
10 Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat		7,333				
11 Asphalt Pavement, Driveways, Replacement, Phased			10,888			
12 Asphalt Pavement, Street, Mill and Overlay						11,890
13 Asphalt Pavement, Street, Full-Depth Replacement				113,414		
14 Catch Basins, Capital Repairs				3,768		
15 Concrete Curbs and Gutters, Partial Replacement				6,972		
16 Concrete Driveway Aprons and Sidewalks, Partial Replacement				6,333		
17 Irrigation System, Phased Replacements						
18 Light Poles and Fixtures						
19 Mailbox Stations						
20 Retaining Walls, Masonry, Phased Replacements						
21 Retaining Walls, Timber, Replace with Masonry			5,727			
22 Signage						
OTHER COMPONENTS						
23 Reserve Study Update				2,834		

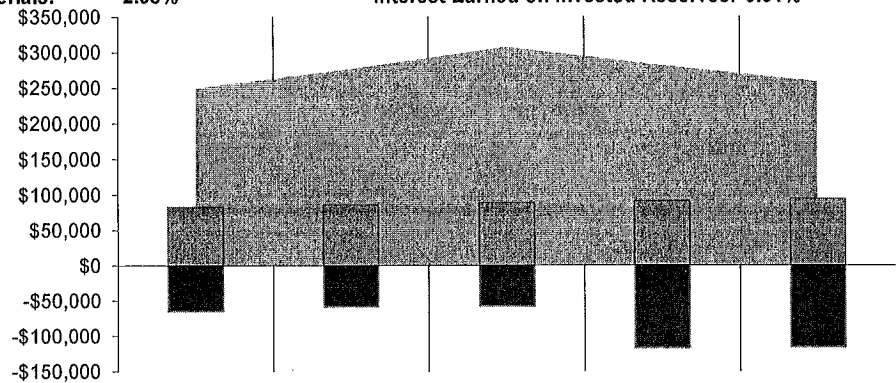
DIVISION 2: YEARS 6-10 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials:

2.98%

Interest Earned on Invested Reserves: 0.01%

- Projected Reserves at Year End
- Cumulative Expenditures, By Year
- Special Assessment
- Suggested Reserve Contributions



		2027	2028	2029	2030	2031
+	Reserves at Beginning of Year	231,145	249,384	276,920	307,612	281,361
+	Suggested Reserve Contribution	83,700	86,200	88,800	91,400	94,100
	Annual Reserve Adjustment (%)	3.0%	3.0%	3.0%	2.9%	3.0%
+	Special Assessment					
+	Estimated Interest Earned on Invested Reserves	24	26	29	29	27
+	Cumulative Expenditure, By Year	-65,485	-58,690	-58,137	-117,880	-117,177
=	Projected Reserves at Year End	249,384	276,920	307,612	281,361	258,311
Line Item	Reserve Component Listed by Property Class	6 2027	7 2028	8 2029	9 2030	10 2031
	EXTERNAL BUILDING COMPONENTS					
1	Decks, Structure / Decking / Railings, Front, Replacement					
2	Decks, Structure / Decking / Railings, Rear, Replacement, Phased	44,747	46,081			
3	Garage Doors, Metal Sectional			37,818		
4	Gutters and Downspouts, Aluminum					
5	Roofs, Asphalt Shingles, Phased				113,786	117,177
6	Soffits and Fascia, Aluminum, Phased					
7	Walls, Masonry, Inspection and Capital Repairs					
8	Walls, Vinyl Siding, Phased (Includes Full Wood Trim Replacement)					
9	Walls, Wood Trim, Paint Finishes				3,894	
	SITE COMPONENTS					
10	Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat	8,493				
11	Asphalt Pavement, Driveways, Replacement, Phased	12,245	12,610	12,985		
12	Asphalt Pavement, Street, Mill and Overlay					
13	Asphalt Pavement, Street, Full-Depth Replacement					
14	Catch Basins, Capital Repairs					
15	Concrete Curbs and Gutters, Partial Replacement					
16	Concrete Driveway Aprons and Sidewalks, Partial Replacement			7,334		
17	Irrigation System, Phased Replacements					
18	Light Poles and Fixtures					
19	Mailbox Stations					
20	Retaining Walls, Masonry, Phased Replacements					
21	Retaining Walls, Timber, Replace with Masonry					
22	Signage					
	OTHER COMPONENTS					
23	Reserve Study Update					

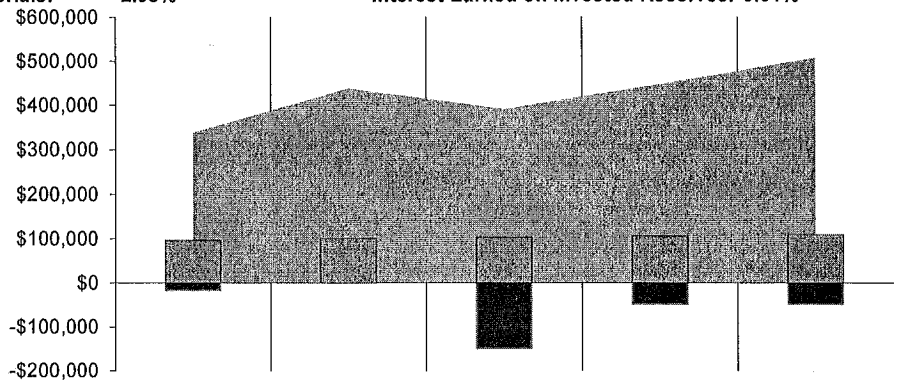
DIVISION 3: YEARS 11-15 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials:

2.98%

Interest Earned on Invested Reserves: 0.01%

- Projected Reserves at Year End
- Cumulative Expenditures, By Year
- Special Assessment
- Suggested Reserve Contributions



	2032	2033	2034	2035	2036
+ Reserves at Beginning of Year	258,311	338,222	438,061	390,709	447,625
+ Suggested Reserve Contribution	96,800	99,800	102,800	105,900	109,100
Annual Reserve Adjustment (%)	3.0%	3.0%	3.0%	3.0%	3.0%
+ Special Assessment					
+ Estimated Interest Earned on Invested Reserves	30	39	41	42	48
+ Cumulative Expenditure, By Year	-17,019		-160,193	-49,026	-48,933
= Projected Reserves at Year End	338,222	438,061	390,709	447,625	607,840

Line Item	Reserve Component Listed by Property Class	11 2032	12 2033	13 2034	14 2035	15 2036
1	EXTERNAL BUILDING COMPONENTS					
2	Decks, Structure / Decking / Railings, Front, Replacement					
3	Decks, Structure / Decking / Railings, Rear, Replacement, Phased					
4	Garage Doors, Metal Sectional					
5	Gutters and Downspouts, Aluminum					
6	Roofs, Asphalt Shingles, Phased			127,968		
7	Soffits and Fascia, Aluminum, Phased					
8	Walls, Masonry, Inspection and Capital Repairs					
9	Walls, Vinyl Siding, Phased (Includes Full Wood Trim Replacement)			4,380		
10	Walls, Wood Trim, Paint Finishes					
11	SITE COMPONENTS					
12	Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat	9,836				
13	Asphalt Pavement, Driveways, Replacement, Phased					
14	Asphalt Pavement, Street, Mill and Overlay					
15	Asphalt Pavement, Street, Full-Depth Replacement					
16	Catch Basins, Capital Repairs					
17	Concrete Curbs and Gutters, Partial Replacement			9,351		
18	Concrete Driveway Aprons and Sidewalks, Partial Replacement			8,494		
19	Irrigation System, Phased Replacements				49,026	
20	Light Poles and Fixtures	7,183				
21	Mailbox Stations					
22	Retaining Walls, Masonry, Phased Replacements					48,933
23	Retaining Walls, Timber, Replace with Masonry					
24	Signage					
25	OTHER COMPONENTS					
26	Reserve Study Update					

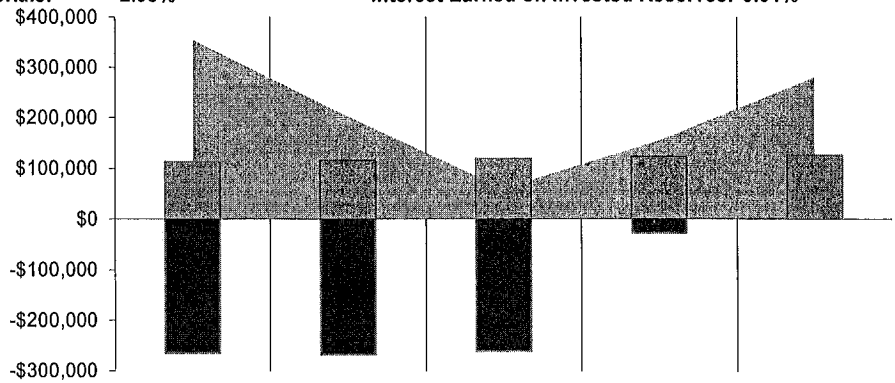
DIVISION 4: YEARS 16-20 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials:

2.98%

Interest Earned on Invested Reserves: 0.01%

- Projected Reserves at Year End
- Cumulative Expenditures, By Year
- Special Assessment
- Suggested Reserve Contributions



		2037	2038	2039	2040	2041
+	Reserves at Beginning of Year	507,840	355,289	202,444	59,740	154,284
+	Suggested Reserve Contribution	112,400	115,700	119,100	122,600	126,300
	Annual Reserve Adjustment (%)	3.0%	2.9%	2.9%	2.9%	3.0%
+	Special Assessment					
+	Estimated Interest Earned on Invested Reserves	43	28	13	11	22
+	Cumulative Expenditure, By Year	-264,994	-268,573	-281,817	-28,067	
=	Projected Reserves at Year End	355,289	202,444	59,740	154,284	280,606
Line Item	Reserve Component Listed by Property Class	16 2037	17 2038	18 2039	19 2040	20 2041
	EXTERNAL BUILDING COMPONENTS					
1	Decks, Structure / Decking / Railings, Front, Replacement					
2	Decks, Structure / Decking / Railings, Rear, Replacement, Phased					
3	Garage Doors, Metal Sectional					
4	Gutters and Downspouts, Aluminum					
5	Roofs, Asphalt Shingles, Phased					
6	Soffits and Fascia, Aluminum, Phased	66,946	68,941	70,995		
7	Walls, Masonry, Inspection and Capital Repairs		7,084			
8	Walls, Vinyl Siding, Phased (Includes Full Wood Trim Replacement)	179,937	185,300	190,821		
9	Walls, Wood Trim, Paint Finishes					
	SITE COMPONENTS					
10	Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat	11,392				
11	Asphalt Pavement, Driveways, Replacement, Phased				17,936	
12	Asphalt Pavement, Street, Mill and Overlay					
13	Asphalt Pavement, Street, Full-Depth Replacement					
14	Catch Basins, Capital Repairs					
15	Concrete Curbs and Gutters, Partial Replacement					
16	Concrete Driveway Aprons and Sidewalks, Partial Replacement				10,131	
17	Irrigation System, Phased Replacements					
18	Light Poles and Fixtures					
19	Mailbox Stations		7,249			
20	Retaining Walls, Masonry, Phased Replacements					
21	Retaining Walls, Timber, Replace with Masonry					
22	Signage	6,719				
	OTHER COMPONENTS					
23	Reserve Study Update					

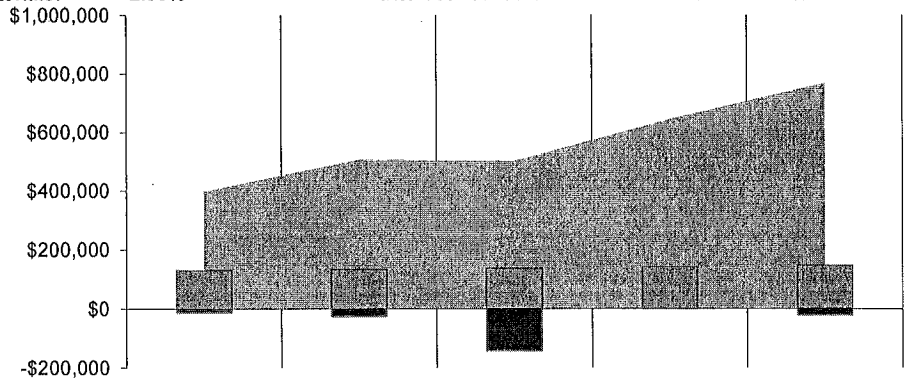
DIVISION 5: YEARS 21-25 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials:

2.98%

Interest Earned on Invested Reserves: 0.01%

- Projected Reserves at Year End
- Cumulative Expenditures, By Year
- Special Assessment
- Suggested Reserve Contributions



	2042	2043	2044	2045	2046
+ Reserves at Beginning of Year	280,606	397,546	506,298	501,739	643,896
+ Suggested Reserve Contribution	130,100	134,000	138,000	142,100	146,300
Annual Reserve Adjustment (%)	3.0%	3.0%	3.0%	3.0%	3.0%
+ Special Assessment					
+ Estimated Interest Earned on Invested Reserves	34	45	60	57	71
+ Cumulative Expenditure, By Year	-13,194	-25,293	-142,610		-21,392
= Projected Reserves at Year End	397,546	506,298	501,739	643,896	768,875
Line Item	21	22	23	24	25
Reserve Component Listed by Property Class	2042	2043	2044	2045	2046
EXTERNAL BUILDING COMPONENTS					
1 Decks, Structure / Decking / Railings, Front, Replacement					
2 Decks, Structure / Decking / Railings, Rear, Replacement, Phased					
3 Garage Doors, Metal Sectional					
4 Gutters and Downspouts, Aluminum					
5 Roofs, Asphalt Shingles, Phased					
6 Soffits and Fascia, Aluminum, Phased					
7 Walls, Masonry, Inspection and Capital Repairs					
8 Walls, Vinyl Siding, Phased (Includes Full Wood Trim Replacement)					
9 Walls, Wood Trim, Paint Finishes		5,705			
SITE COMPONENTS					
10 Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat	13,194				
11 Asphalt Pavement, Driveways, Replacement, Phased		19,588			
12 Asphalt Pavement, Street, Mill and Overlay			111,895		
13 Asphalt Pavement, Street, Full-Depth Replacement					
14 Catch Basins, Capital Repairs			6,779		
15 Concrete Curbs and Gutters, Partial Replacement			12,543		
16 Concrete Driveway Aprons and Sidewalks, Partial Replacement			11,393		
17 Irrigation System, Phased Replacements					
18 Light Poles and Fixtures					
19 Mailbox Stations					
20 Retaining Walls, Masonry, Phased Replacements					
21 Retaining Walls, Timber, Replace with Masonry					
22 Signage					
OTHER COMPONENTS					
23 Reserve Study Update					

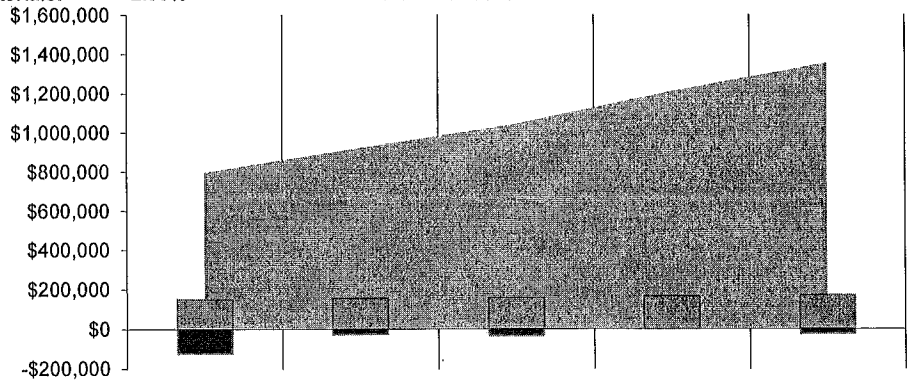
DIVISION 6: YEARS 26-30 OF CASH FLOW ANALYSIS

Local Inflationary Costs for Labor, Equipment and Materials:

2.98%

Interest Earned on Invested Reserves: 0.01%

- Projected Reserves at Year End
- Cumulative Expenditures, By Year
- Special Assessment
- Suggested Reserve Contributions



	2047	2048	2049	2050	2051
+ Reserves at Beginning of Year	768,875	795,572	921,565	1,044,906	1,209,619
+ Suggested Reserve Contribution	150,700	155,200	159,800	164,600	169,500
Annual Reserve Adjustment (%)	3.0%	3.0%	3.0%	3.0%	3.0%
+ Special Assessment					
+ Estimated Interest Earned on Invested Reserves	78	86	98	113	128
+ Cumulative Expenditure, By Year	-124,081	-29,293	-36,557	-25,085	-25,085
= Projected Reserves at Year End	795,572	921,565	1,044,906	1,209,619	1,354,182
Line Item	26	27	28	29	30
Reserve Component Listed by Property Class	2047	2048	2049	2050	2051
EXTERNAL BUILDING COMPONENTS					
1 Decks, Structure / Decking / Railings, Front, Replacement					25,085
2 Decks, Structure / Decking / Railings, Rear, Replacement, Phased					
3 Garage Doors, Metal Sectional					
4 Gutters and Downspouts, Aluminum	86,771				
5 Roofs, Asphalt Shingles, Phased					
6 Soffits and Fascia, Aluminum, Phased					
7 Walls, Masonry, Inspection and Capital Repairs					
8 Walls, Vinyl Siding, Phased (Includes Full Wood Trim Replacement)					
9 Walls, Wood Trim, Paint Finishes		6,607			
SITE COMPONENTS					
10 Asphalt Pavement, Crack Repair, Patch and Partial Seal Coat	15,280				
11 Asphalt Pavement, Driveways, Replacement, Phased	22,029	22,686	23,362		
12 Asphalt Pavement, Street, Mill and Overlay					
13 Asphalt Pavement, Street, Full-Depth Replacement					
14 Catch Basins, Capital Repairs					
15 Concrete Curbs and Gutters, Partial Replacement					
16 Concrete Driveway Aprons and Sidewalks, Partial Replacement			13,195		
17 Irrigation System, Phased Replacements					
18 Light Poles and Fixtures					
19 Mailbox Stations					
20 Retaining Walls, Masonry, Phased Replacements					
21 Retaining Walls, Timber, Replace with Masonry					
22 Signage					
OTHER COMPONENTS					
23 Reserve Study Update					