

**ASSOCIATION OF APARTMENT OWNERS OF  
WAILEA FAIRWAY VILLAS**

*FINANCIAL STATEMENTS*

FOR THE YEARS ENDED  
DECEMBER 31, 2022 and 2021

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# Shaun Thayer, CPA

Certified Public Accountant

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Association of Apartment Owners of Wailea Fairway Villas

### Opinion

I have audited the accompanying financial statements of the Association of Apartment Owners of Wailea Fairway Villas, which comprise the balance sheet – income tax basis as of December 31, 2022, and the related statements of revenue and expenses – income tax basis, changes in fund balance – income tax basis, and cash flows – income tax basis for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the Association of Apartment Owners of Wailea Fairway Villas as of December 31, 2022, and its revenues and expenses, changes in fund balance, and cash flows for the year then ended, in accordance with the basis of accounting the Association uses for income tax purposes as described in Note B.

### Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Association of Apartment Owners of Wailea Fairway Villas and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Basis of Accounting

I draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting the Association of Apartment Owners of Wailea Fairway Villas uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

### Future Major Repairs and Replacements

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. I have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note F are adequate to meet such future costs because that determination is outside the scope of my audit. My opinion is not modified with respect to that matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting described in Note B; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

## *Independent Auditor's Report - Continued*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Association of Apartment Owners of Wailea Fairway Villas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association of Apartment Owners of Wailea Fairway Villas' ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

### **Report on Summarized Comparative Information**

I have previously audited the Association of Apartment Owners of Wailea Fairway Villas' December 31, 2021 financial statements, and my report dated March 2, 2022, expressed an unmodified opinion on those financial statements. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Report on Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Operating Expenses – income tax basis is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Disclaimer of Opinion on Required Supplementary Information**

The income tax basis of accounting requires that the Supplementary Information on Future Major Repairs and Replacements on page 13 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Shaun Thayer, CPA*

Wailuku, Hawaii  
February 23, 2023

**Association of Apartment Owners of Wailea Fairway Villas**  
**Balance Sheet - Income Tax Basis**  
**December 31, 2022**  
**(With Summarized Totals as of December 31, 2021)**

<b>ASSETS</b>	2022			2021
	Operating Fund	Reserve Fund	Total	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 284,231	\$ 420,361	\$ 704,592	\$ 854,870
Certificates of deposit	-	1,590,742	1,590,742	1,746,258
Assessments receivable, net of allowance for doubtful accounts of \$0 in 2022 and \$21,723 in 2021	8,332	-	8,332	10,099
Prepaid expenses	31,641	-	31,641	32,066
Other assets	-	-	-	173
Property and equipment	74,400	-	74,400	74,400
Accumulated depreciation	(28,210)	-	(28,210)	(24,490)
Total assets	\$ 370,394	\$ 2,011,103	\$ 2,381,497	\$ 2,693,376
<b>LIABILITIES &amp; FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 47,246	\$ -	\$ 47,246	\$ 59,472
Insurance claim payable	8,865	-	8,865	8,865
Prepaid assessments	64,289	-	64,289	61,980
Other liabilities	395	-	395	507
Total liabilities	120,795	-	120,795	130,824
Fund balances	249,599	2,011,103	2,260,702	2,562,552
Total liabilities & fund balances	\$ 370,394	\$ 2,011,103	\$ 2,381,497	\$ 2,693,376

See accompanying notes to financial statements

**Association of Apartment Owners of Wailea Fairway Villas**  
**Statement of Revenue and Expenses - Income Tax Basis**  
**For the Year Ended December 31, 2022**  
**(With Summarized Totals for the Year Ended December 31, 2021)**

	2022			2021
	Operating Fund	Reserve Fund	Total	Total
<b>REVENUE:</b>				
Owner assessments	\$ 983,854	\$ 252,002	\$ 1,235,856	\$ 1,163,880
Interest income	1,673	11,551	13,224	20,043
Late fees	3,299	-	3,299	3,373
Rental income	200	-	200	21,462
Other income	5,750	-	5,750	9,130
Total revenue	994,776	263,553	1,258,329	1,217,888
<b>EXPENSES:</b>				
Major repairs and replacements	-	554,118	554,118	85,555
Utilities (Exhibit I)	289,819	-	289,819	277,141
Grounds contract	262,080	-	262,080	253,920
Payroll and related costs (Exhibit I)	181,313	-	181,313	172,401
Repairs and maintenance (Exhibit I)	97,921	-	97,921	95,924
Insurance	72,101	-	72,101	68,304
Management fee	39,936	-	39,936	39,312
Office and administrative	14,917	-	14,917	13,213
Security	13,712	-	13,712	12,432
Professional fees	11,441	-	11,441	12,642
Bad debt	8,011	-	8,011	-
Rental expenses	5,827	-	5,827	11,603
Depreciation expense	3,720	-	3,720	3,720
Meetings	3,105	-	3,105	2,872
Income taxes	1,259	-	1,259	8,183
General excise taxes	899	-	899	2,181
Total expenses	1,006,061	554,118	1,560,179	1,059,403
<b>EXCESS OF REVENUE OVER (UNDER) EXPENSES</b>	<b>\$ (11,285)</b>	<b>\$ (290,565)</b>	<b>\$ (301,850)</b>	<b>\$ 158,485</b>

**Association of Apartment Owners of Wailea Fairway Villas**  
**Statement of Changes in Fund Balance - Income Tax Basis**  
**For the Year Ended December 31, 2022**  
**(With Summarized Totals for the Year Ended December 31, 2021)**

	2022			2021
	Operating Fund	Reserve Fund	Total	Total
BEGINNING FUND BALANCE	\$ 260,884	\$ 2,301,668	\$ 2,562,552	\$ 2,404,067
EXCESS OF REVENUE OVER (UNDER) EXPENSES	<u>(11,285)</u>	<u>(290,565)</u>	<u>(301,850)</u>	<u>158,485</u>
ENDING FUND BALANCE	<u>\$ 249,599</u>	<u>\$ 2,011,103</u>	<u>\$ 2,260,702</u>	<u>\$ 2,562,552</u>

**Association of Apartment Owners of Wailea Fairway Villas**  
**Statement of Cash Flows - Income Tax Basis**  
**For the Year Ended December 31, 2022**  
**(With Summarized Totals for the Year Ended December 31, 2021)**

	2022			2021
	Operating Fund	Reserve Fund	Total	Total
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Excess of revenue over (under) expenses	\$ (11,285)	\$ (290,565)	\$ (301,850)	\$ 158,485
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	3,720	-	3,720	3,720
Provision for doubtful accounts	(21,723)	-	(21,723)	-
(Increase) decrease in assessments receivable	23,490	-	23,490	(1,962)
(Increase) decrease in prepaid expenses	425	-	425	(9,886)
(Increase) decrease in other assets	173	-	173	(173)
Increase (decrease) in accounts payable	(12,226)	-	(12,226)	13,808
Increase (decrease) in income taxes payable	-	-	-	(15,042)
Increase (decrease) in prepaid assessments	2,309	-	2,309	12,690
Increase (decrease) in other liabilities	(112)	-	(112)	(90)
Net cash provided (used) by operating activities	<u>(15,229)</u>	<u>(290,565)</u>	<u>(305,794)</u>	<u>161,550</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Matured certificates of deposit	203,490	1,542,768	1,746,258	1,681,087
Purchase of certificates of deposit	<u>-</u>	<u>(1,590,742)</u>	<u>(1,590,742)</u>	<u>(1,746,258)</u>
Net cash provided (used) by investing activities	203,490	(47,974)	155,516	(65,171)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
No activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH &amp; EQUIVALENTS</b>	188,261	(338,539)	(150,278)	96,379
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>95,970</u>	<u>758,900</u>	<u>854,870</u>	<u>758,491</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 284,231</u></u>	<u><u>\$ 420,361</u></u>	<u><u>\$ 704,592</u></u>	<u><u>\$ 854,870</u></u>
<b>Supplemental disclosure of cash flow information:</b>				
Cash paid during the year for income taxes	\$ -	\$ -	\$ -	\$ 30,642
Cash paid during the year for interest	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements



# **ASSOCIATION OF APARTMENT OWNERS OF WAILEA FAIRWAY VILLAS**

## **NOTES TO FINANCIAL STATEMENTS December 31, 2022 and 2021**

### **NOTE A - NATURE OF ORGANIZATION**

The Association of Apartment Owners of Wailea Fairway Villas, an unincorporated association, is an organization of owners of 118 condominium units formed in 1998 to provide for the management, maintenance and care of the common areas. The Association was formed as required by Section 514B of the Hawaii Revised Statutes and the Declaration of Condominium Property Regime filed with the State of Hawaii. The condominium is located in Wailea, Maui, Hawaii.

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting used for federal income tax reporting. The income tax basis differs from accounting principles generally accepted in the United States of America (GAAP) primarily as follows: depreciation is calculated using recovery periods prescribed for federal income tax reporting, investments are presented at cost, right-of-use assets and lease liabilities are not recorded for leases, revenue recognition, and bad debts are recognized under the direct write-off method.

#### Revenue Recognition

Revenue primarily consists of receipts from ongoing member assessments, which are recorded as assessment income in the financial statements. The Association's annual budget is the basis for establishing the annual assessments required from each member to cover the Association's operating expenses, plus an allocation to the capital reserve fund. Member assessments are due on the first of each month. The performance obligation related to member assessments is the maintenance and management of the common area property, which is satisfied in a consistent and ongoing basis through daily management, maintenance, and repairs. The Association also receives rental income and interest from bank deposits and investment accounts. The Association may levy special assessments for capital improvements and other purposes when needed.

#### Assessments Receivable

Assessments receivable at the balance sheet date are stated at the amounts due from outstanding assessments from unit owners. The Association's policy is to retain legal counsel and place liens on the units of owners whose assessments are delinquent. Receivables are written-off when substantially all collection efforts have been exhausted. Any excess assessments at year-end are retained by the Association for use in the following year.

# ASSOCIATION OF APARTMENT OWNERS OF WAILEA FAIRWAY VILLAS

## NOTES TO FINANCIAL STATEMENTS December 31, 2022 and 2021

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### Income Taxes

For the years ended December 31, 2022 and 2021, the Association elected to be taxed as a “homeowners association”. Under this election, maintenance fees received from owners are exempt from taxation and the Association pays tax only on non-maintenance fee income, primarily interest, less attributable expense, at a flat rate of 30% for Federal taxes and regular corporate rates for State of Hawaii taxes. Reserve Fund activity is treated as capital contributions/expenditures. In evaluating the tax positions and related income tax contingencies as of December 31, 2022 and 2021, the Association believes it has no uncertain tax positions that would require disclosure or adjustment. The Association’s Federal and Hawaii income tax returns for 2019 through 2022 are open tax years under the normal three-year statute of limitations and are therefore potentially subject to examination.

#### Fund Accounting

The accounts of the Association are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose.

Operating Fund - The Operating Fund is used to account for financial resources available for the general operations and maintenance of the Association.

Future Repairs and Replacements Fund - The Future Repairs and Replacements Fund (Reserve Fund) accounts for funds accumulated and spent on capital improvements, and major repairs and replacements related to the common areas of the Association.

#### Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association’s financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association will capitalize the cost of assets to which it holds title in its name or has other evidence of ownership. Property and equipment will be stated at cost. Depreciation will be computed using the straight-line method or the Modified Accelerated Cost Recovery System (MACRS).

# ASSOCIATION OF APARTMENT OWNERS OF WAILEA FAIRWAY VILLAS

## NOTES TO FINANCIAL STATEMENTS December 31, 2022 and 2021

### **NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### Management's Use of Estimates

The preparation of financial statements in conformity with the income tax basis 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.

#### Prior Year Comparative Totals

The financial statements include certain prior year summarized comparative information in total but not by fund. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

### **NOTE C - CASH AND CASH EQUIVALENT BALANCES**

Cash equivalents reflected in the financial statements include certificates of deposit and other investments with original maturity of three months or less. Cash accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Uninsured balances were approximately \$481,000 and \$620,000, as of December 31, 2022 and 2021, respectively. The Association maintained bank deposits which, at times, may exceed insured limits set by the Federal Deposit Insurance Corporation (FDIC). The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

### **NOTE D – DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 23, 2023, the date that the financial statements were available to be issued.

### **NOTE E – RECLASSIFICATIONS**

Certain reclassifications of 2021 amounts were made to conform to 2022 presentations. Such reclassifications had no impact on 2021 net income.

### **NOTE F - FUTURE MAJOR REPAIRS AND REPLACEMENTS**

Hawaii State law mandates all condominium Board of Directors to establish and fund reserve accounts for repairs and replacement of major components of condominium property. Associations shall assess their members to either fund a minimum of fifty percent of the estimated replacement reserves (Percent Funded

# ASSOCIATION OF APARTMENT OWNERS OF WAILEA FAIRWAY VILLAS

## NOTES TO FINANCIAL STATEMENTS December 31, 2022 and 2021

### **NOTE F - FUTURE MAJOR REPAIRS AND REPLACEMENTS (continued)**

Plan) or fund one hundred percent of the estimated annual replacement expenditures (Cash Flow Plan). As of December 31, 2022 and 2021, accumulated funds of \$2,011,103 and \$2,301,668, respectively, are held in the Association's reserve cash and investment accounts and are generally not available for operating purposes. It is the Association's policy that interest earned on such funds is for reserve purposes.

The Association's Board of Directors engaged McCaffery Reserve Consulting to conduct a study for the 2022 fiscal year to estimate the remaining useful lives and the replacement costs of the common property components. This study assumes an annual inflation rate of 3.00% and an interest rate of 1.50% on reserve funds. The table included in the unaudited Supplementary Information on Future Major Repairs and Replacements, page 13, is based on this study.

The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on this study's estimates of current replacement costs, considering amounts previously designated for future major repairs and replacements. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts designated for future major repairs and replacements may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to the Board of Director's approval, to increase regular assessments, levy special assessments, or delay major repairs and replacements until funds become available.

The Association has elected to use the Percent Funded Plan of funding for replacement expenditures. The Hawaii Revised Statutes require that all condominium associations accumulate funds for future major repairs and replacements and that by January 1, 2000 the required reserve funds must be at least 50% funded. As of December 31, 2022 and 2021, the Association was 75% and 84% funded, respectively.

### **NOTE G - LEASES**

The Association leased a unit that it took over via non-judicial foreclosure under a short-term lease lasting less than one-year. The Association received \$200 and \$21,462 in rental income from this lease for the years ended December 31, 2022 and 2021, respectively. The unit is subject to the primary mortgage and was taken back by the mortgagee.

# **ASSOCIATION OF APARTMENT OWNERS OF WAILEA FAIRWAY VILLAS**

## **NOTES TO FINANCIAL STATEMENTS** December 31, 2022 and 2021

### **NOTE H – CERTIFICATES OF DEPOSIT**

The Association has invested a portion of its operating and reserve funds in certificates of deposit at various banks that mature from January 2023 to October 2023. Proceeds from matured certificates are reinvested in new CD's. The certificates have interest rates of 0.399% to 2.800%. The certificates are purchased at par, recorded at cost, and held to maturity. Matured certificates totaled \$1,746,258 and \$1,681,087, respectively, for the years ended December 31, 2022 and 2021. No investment gains or losses were recognized on the matured CD's.

### **NOTE I - COMMITMENTS**

As of December 31, 2022, the Association had various contracts or commitments, which consist of:

Landscape maintenance contract terminating on December 31, 2024. The agreement may be terminated by either party at any time by a 30-day written notice of termination. The agreement calls for monthly fees of \$21,840 in 2022, \$22,540 in 2023 and \$23,260 in 2024.

The Association has also entered into various other minor service contracts.

### **NOTE J – CONTINGENCIES**

The Association was named as a Rule 19 Defendant and no damages are being sought against the Association. In addition, the Association is currently being defended by an attorney appointed by its insurance carrier. However, the Association has not been provided details about specific modifications to the Project that the DOJ is seeking from the contractor and design professional defendants. The Association cannot obtain an evaluation of the proposed modifications to the Project to determine how it affects the Association until it has this information. For these reasons, it would be premature to offer an authoritative evaluation of the potential outcome at this time and it is also not possible at this time to determine the magnitude of any potential loss with respect to the aforementioned claims.

**Association of Apartment Owners of Wailea Fairway Villas**  
**Schedule of Operating Expenses - Income Tax Basis**  
**For the Year Ended December 31, 2022**  
**(With Summarized Totals for the Year Ended December 31, 2021)**

	Total 2022	Total 2021
Utilities:		
Water	\$ 137,854	\$ 134,294
Sewer	66,322	63,389
Television cable service	58,509	53,024
Electricity	23,677	22,658
Telephone	3,132	3,265
Gas	325	511
Total utilities	<u>\$ 289,819</u>	<u>\$ 277,141</u>
Payroll and payroll taxes:		
Salaries and wages	\$ 146,295	\$ 139,885
Payroll taxes	14,795	14,018
Employee benefits	14,597	14,310
Workers compensation and TDI	5,626	4,188
Total payroll and related costs	<u>\$ 181,313</u>	<u>\$ 172,401</u>
Repairs and maintenance:		
Pool, spa, BBQ	\$ 33,287	\$ 28,578
Refuse	27,296	26,224
Building	16,378	17,843
Pest control	5,345	6,412
Grounds and landscaping	5,288	3,650
Irrigation	5,287	8,577
Equipment	3,161	2,314
Fire equipment	1,879	2,326
Total repairs and maintenance	<u>\$ 97,921</u>	<u>\$ 95,924</u>

See accompanying notes to financial statements

## **SUPPLEMENTARY INFORMATION**

**Association of Apartment Owners of Wailea Fairway Villas**  
**Supplementary Information On Future Major Repairs and Replacements**  
**(UNAUDITED)**  
**December 31, 2022**

The following table is based on the study prepared by McCaffery Reserve Consulting and presents significant information about the components of the common property (see Note F).

<b>Components</b>	<b>Normal Life</b>	<b>Remaining Life</b>	<b>Estimated Current Replacement Cost</b>	<b>Fully Funded Reserve</b>
Tile underlayment and repairs	30	6	1,375,000	1,100,000
Gutters and downspouts	30	6	144,000	115,200
Painting building exterior	12	11	491,325	40,944
Painting clubhouse	12	11	5,948	496
Painting bollard lights	7	7	2,970	-
Asphalt slurry seal and repair	5	1	40,500	32,400
Asphalt overlay and replace	30	4	373,500	323,700
Asphalt concrete repairs	10	4	8,000	4,800
Lanai stair railing repairs	15	2	40,000	34,667
Metal pool fence	25	2	44,612	41,043
Trash gates	10	7	20,213	6,064
AC units	12	6	28,552	14,276
Gym flooring	15	1	4,759	4,442
Gym equipment	7	1	28,552	24,473
Furnishings	12	2	11,897	9,914
Kitchen remodel	20	13	23,793	8,328
Restroom remodel	20	13	23,793	8,328
Doors and windows	40	16	17,845	10,707
Pool resurface/tile	20	7	56,000	36,400
Pool equipment upgrade	8	2	10,000	7,500
Spa resurface/tile	12	7	12,000	5,000
Spa equipment upgrade	8	7	10,000	1,250
Pool furnishings	6	2	6,543	4,362
Pool deck	25	15	59,483	23,793
Pool deck reseal	6	0	15,000	15,000
Grills	8	1	6,662	5,829
Irrigation system upgrade	20	1	237,930	226,034
Landscape replacements	5	0	15,000	15,000
Landscape replacements	5	1	15,000	12,000
Landscape replacements	5	2	18,500	11,100
Unit lighting	25	17	47,586	15,228
Bollard lights	25	9	123,129	78,803
Pole lights	20	7	151,050	98,183
Mailboxes	25	1	21,057	20,215
Electrical repairs	5	0	6,000	6,000
Bridge repairs	10	2	8,922	7,138
Signage	20	1	9,517	9,041
Backflow valves	18	0	28,552	28,552
Common plumbing	6	4	12,000	4,000
Entry landing waterproof	33	9	74,234	53,988
Lanai waterproof	33	9	145,613	105,900
Unit patio spalling repairs	8	0	12,000	12,000
Electrical utility doors	30	0	15,120	15,120
Unit shut off valve boxes	30	27	13,860	1,386
Unit shut off valve boxes	30	28	34,650	2,310
Golf cart	5	0	4,402	4,402
Solar system	15	8	89,224	41,638
Dryer vent	25	0	15,073	15,073
Dryer vent	25	2	15,593	14,346
<b>Total</b>			<b>\$ 3,974,959</b>	<b>\$ 2,676,369</b>

See accompanying notes to financial statements