

DRAFT FOR DISCUSSION ONLY

ASSOCIATION OF APARTMENT OWNERS OF
MAUI SANDS & MAUI SANDS II

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

*Boeckmann & Associates LLC
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ASSOCIATION OF APARTMENT OWNERS OF
MAUI SANDS & MAUI SANDS II

December 31, 2013

DRAFT FOR DISCUSSION ONLY

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Association of Apartment Owners of
Maui Sands and Maui Sands II
Lahaina, Hawaii 96761

We have audited the accompanying Balance Sheet of Association of Apartment Owners of Maui Sands and Maui Sands II as of December 31, 2013, and the related statements of Revenue and Expenses, Changes in Fund Balances and Cash Flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Association of Apartment Owners of Maui Sands and Maui Sands II as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Kahului, Hawaii
September 15, 2014

ASSOCIATION OF APARTMENT OWNERS OF MAUI SANDS & MAUI SANDS II

Balance Sheet
December 31, 2013

ASSETS

ASSETS

	Operating Fund	MS I Reserve Fund	MS II Reserve Fund	Total
Cash (Note 4)	\$ 169,205	\$ 150,412	\$ 42,309	\$ 361,926
Receivables from members, net of allowance for doubtful accounts of \$185,000	78,501	-	1	78,502
Lease Rent Receivable	165,935	-	-	165,935
Due from Operating to MS I Reserves	-	97,741	-	97,741
Due from MS II Reserves to Operating	-	-	6,000	6,000
Due from MS II to MS I	6,469	-	-	6,469
Prepaid Expenses	32,219	-	-	32,219
Other Assets	3,000	-	-	3,000
Total Assets	<u>\$455,329</u>	<u>\$248,153</u>	<u>\$48,310</u>	<u>\$751,792</u>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

Accounts Payable Trade	\$ 21,983	\$ -	\$ -	\$ 21,983
Lease Rent Payable	68,042	-	-	68,042
Insurance Payable	13,569	-	-	13,569
Prepayments By Members	19,815	-	-	19,815
Due to MSI Reserves from Operating	97,741	-	-	97,741
Due to Operating from MS II Reserves	6,000	-	-	6,000
Due to MS I from MS II	6,469	-	-	6,469
Note Payable (Note 10)	-	90,000	-	90,000
Accrued Payroll Liabilities	3,914	-	-	3,914
Other Liabilities	19,156	-	-	19,156
Total Current Liabilities	<u>256,689</u>	<u>90,000</u>	<u>-</u>	<u>346,689</u>

LONG TERM LIABILITIES

Lease Rent Payable	<u>148,081</u>	<u>-</u>	<u>-</u>	<u>148,081</u>
Total Long Term Liabilities	<u>148,081</u>	<u>-</u>	<u>-</u>	<u>148,081</u>

TOTAL LIABILITIES

	<u>404,770</u>	<u>90,000</u>	<u>-</u>	<u>494,770</u>
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Fund Balances	<u>50,599</u>	<u>158,153</u>	<u>48,310</u>	<u>257,062</u>
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TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 455,369</u>	<u>\$ 248,153</u>	<u>\$ 48,310</u>	<u>\$ 751,832</u>
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ASSOCIATION OF APARTMENT OWNERS OF MAUI SANDS & MAUI SANDS II

Statement of Revenues, Expenses, and Changes in Fund Balances For the Year Ended December 31, 2013

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	Operating Fund	MS I Reserve Fund	MS II Reserve Fund	Total
REVENUE				
Maintenance Fees	\$ 527,098	\$ 63,787	\$ 23,424	\$ 614,309
Special Assessment (Note5)	-	95,608	-	95,608
Reserve Surcharge	-	43,714	-	43,714
Rental Income	59,534	-	-	59,534
Late Fees & Late Interest	33,102	-	-	33,102
Laundry and Vending	702	12,389	-	13,091
Interest Income	154	134	7	295
Other Income	2,333	-	-	2,333
Total Revenue	622,923	215,632	23,431	861,986
EXPENSES				
Utilities (Schedule A)	134,802	-	-	134,802
Insurance (Schedule B)	106,127	-	-	106,127
Bad Debt Expense	63,369	83	-	63,452
Repairs and Maintenance (Schedule C)	76,785	-	-	76,785
Payroll and Payroll Taxes (Schedule E)	56,483	-	-	56,483
Lease Rent Renegotiation	6,816	-	-	6,816
Administration (Schedule D)	105,943	-	-	105,943
Rent Intercept	59,114	-	-	59,114
Special Projects / Reserve Study	2,000	-	-	2,000
Other Expenses	-	-	-	-
Major Repairs and Replacements (Schedule F)	-	30,925	-	30,925
Total Expenses	611,439	31,008	-	642,447
Excess Revenue Over (Under) Expenses	11,484	184,624	23,431	219,539
FUND BALANCES BEGINNING OF YEAR	39,075	(26,471)	24,879	37,483
FUND BALANCES END OF YEAR	\$ 50,559	\$ 158,153	\$ 48,310	\$ 257,022

ASSOCIATION OF APARTMENT OWNERS OF
MAUI SANDS & MAUI SANDS II

Statement of Cash Flows
For the Year Ended December 31, 2013

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	Operating Fund	MS I Reserve Fund	MS II Reserve Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess of revenue over (under) expenses	\$ 11,484	\$ 184,624	\$ 23,431	\$ 219,539
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
(Increase) Decrease In:				
Receivables from Members	(38,063)	-	(1)	(38,064)
Lease Rent Receivable	(74,134)	-	-	(74,134)
Due from Operating to MS I Reserve	-	(55,619)	-	(55,619)
Due from MS II Reserves to Operating	4,277	-	(6,000)	(1,723)
Due from MS II to MS I	(2,233)	-	-	(2,233)
Prepaid Expenses	(897)	-	-	(897)
Other Assets	(1,531)	-	-	(1,531)
Increase (Decrease) In:				
Notes Payable	-	(110,000)	-	(110,000)
Accounts Payable	(3,578)	-	-	(3,578)
Lease Rent Payable	93,696	-	-	93,696
Insurance Payable	(7,513)	-	-	(7,513)
Prepayments by Members	14,943	-	-	14,943
Due to MS I Reserve from Operating	55,619	-	-	55,619
Due to Operating from MS II Reserves	6,000	-	(4,277)	1,723
Due to MS I from MS II	2,233	-	-	2,233
Accrued and Other Liabilities	16,383	-	-	16,383
Net Cash (Used) Provided by Operating Activities	76,686	19,005	13,153	108,844
CASH FLOWS FROM INVESTING ACTIVITIES				
No Activities	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
No Activities	-	-	-	-
Net (Decrease) Increase in Cash for the Year	76,686	19,005	13,153	108,844
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	92,519	131,407	29,156	253,082
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$169,205</u>	<u>\$150,412</u>	<u>\$42,309</u>	<u>\$361,926</u>
Supplemental disclosure of cash flow information:				
Cash paid during the year for income taxes	\$ -	\$ -	\$ -	\$ -
Cash paid during the year for interest	\$ -	\$ 9,599	\$ -	\$ 9,599

The accompanying notes are an integral part of this financial statement.

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ASSOCIATION OF APARTMENT OWNERS OF MAUI SANDS & MAUI SANDS II

Notes to the Financial Statements
December 31, 2013

DRAFT FOR DISCUSSION ONLY

NOTE 1 – NATURE OF ASSOCIATION

The Association of Apartment Owners of Maui Sands (MS I) and the Association of Apartment Owners of Maui Sands II (MS II), (collective, the Association), were formed to provide for the management, maintenance, and care of the common areas of the Maui Sands complex. MS I and MS II consist of 56 and 20 residential condominium units, respectively, and was formed as required by Section 514B of the Hawaii Revised Statutes and the Declaration of Horizontal Property Regime filed with the State of Hawaii in 1964 and 1967, respectively. The property is located in Honokowai, Maui, Hawaii.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Accounting

It is the policy of the Association to maintain its books and prepare its audited financial statements and tax returns using the accrual method of accounting. Accordingly, revenue is recognized when earned and expenses are recognized when obligations are incurred.

Accounts Receivable and Maintenance Fees

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Accounts receivable at the balance sheet date represent fees due from unit owners for maintenance fees and other assessments. The Association specifically identifies accounts for write-off or bad debt allowance. The Association's policy is to retain legal counsel and place liens on the units of owners whose assessments are delinquent. Any excess assessments at year-end are retained by the Association for use in the following year.

Income Taxes:

For the year ended December 31, 2013, the Association was taxed as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made in accordance with Internal Revenue Code, Revenue Ruling 70-604. The Association is taxed only on its non-membership income, such as interest earnings, at regular federal and state corporate tax rates. Reserve Fund activity is treated as capital contributions/expenditures. The Association's Federal and Hawaii

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ASSOCIATION OF APARTMENT OWNERS OF
MAUI SANDS & MAUI SANDS II

Notes to the Financial Statements
December 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

income tax returns for 2010 through 2013 are open tax years under the normal three year statute of limitations and are therefore potentially subject to examination.

Fair Value

The carrying amounts reflected in the balance sheet for cash and cash equivalents, receivables, and payables approximate their respective fair values due to the short maturities of those instruments.

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. Property and equipment will be stated at cost. Depreciation will be provided using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance costs are expensed as incurred.

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. Interfund amounts represent amounts due to / from between the Operating and Capital Reserve Funds.

Operating Fund- The Operating Fund accounts for excess funds accumulated from operations. The Association may return this money to its members or apply it to the subsequent years operating budget.

Capital Reserve Fund- The Capital Reserve Funds for MS I and MS II account for funds accumulated and spent on future major repairs and replacements related to the common areas association with the units of Maui Sands I and Maui Sands II.

ASSOCIATION OF APARTMENT OWNERS OF MAUI SANDS & MAUI SANDS II

Notes to the Financial Statements
December 31, 2013

DRAFT FOR DISCUSSION ONLY

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Management's Use of Estimates

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

NOTE 3 – CASH EQUIVALENTS

Cash equivalents, if any, reflected in the financial statements include certificates of deposit and other investments with original maturity of three months or less.

NOTE 4 – CASH BALANCES

The Association maintains its cash balances at the financial institutions noted below. Accounts at banking institutions are secured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. Money market funds deposited with Morgan Stanley are not covered by the FDIC.

At December 31, 2013, cash accounts consisted of the following:

Community Association Bank, Reserve (MS1 & MS II)	\$ 43,730
Morgan Stanley, Reserve (MS I)	106,682
Community Association Banc, Operating (MS II)	(727)
Community Association Banc, Operating (MS I)	151,971
American Savings Bank, Reserve (MS II)	42,309
Bank of Hawaii, Operating	17,761
Petty Cash	200
	<u>\$ 361,926</u>

ASSOCIATION OF APARTMENT OWNERS OF MAUI SANDS & MAUI SANDS II

Notes to the Financial Statements
December 31, 2013

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NOTE 5 – CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from owners are maintenance fees for the upkeep of the common elements and special assessments.

NOTE 6- FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Hawaii Revised Statutes 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 plan), fund one hundred percent of those amounts, or fund one hundred percent of the estimated annual replacement expenditures (cash flow plan). Funds designated for capital reserves 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 capital reserve purposes.

In accordance with the Hawaii Revised Statutes, the Association's Board of Directors engaged an independent contractor to conduct three studies to estimate the remaining useful lives and the replacement costs of the common property components for the common areas, MSI and MSII. The studies, dated February 20, 2013, assume an annual inflation rate of 3.00% and an interest rate of 1.00% on reserve funds. The table included in the unaudited Supplementary Information on Future Major Repairs and Replacements, page 13, is based on these studies.

The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on this studies' estimates of current replacement costs, considering amounts previously designated for future repairs and replacements. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts designated for future repairs and replacements may not be adequate to met 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 repairs and replacements and that by January 1, 2000 the required reserve funds must be 50% funded.

ASSOCIATION OF APARTMENT OWNERS OF MAUI SANDS & MAUI SANDS II

Notes to the Financial Statements
December 31, 2013

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NOTE 7 – COMMITMENTS

As of December 31, 2013, the Association had various contracts or commitments, which consist of:

Management services contract with Management Consultants of Hawaii of approximately \$2400 per month.

Annual Grounds maintenance agreement with A-Nutt Nurseries of approximately \$3500 per month.

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

NOTE 8 – LEASE RENT

The Association serves as the collection agent for the underlying master ground leases for the property. The lease rents collected and paid are not reflected as income or an expense in the accompanying financial statements, as they are the obligation of the individual owners. The monies collected are remitted to the lessors monthly. The lease expires on June 30, 2037 and the next lease rent renegotiation date is July 1, 2017.

NOTE 9 – NOTES PAYABLE

MS I entered into a term loan agreement in August 2011 in the amount of \$100,000 to fund the roof replacement project. The two year loan has a fixed rate of 5.00% and calls for interest only payments of approximately \$420 per month. The entire principal balance was due at maturity on August 15, 2013. The outstanding balance on the note was \$45,000 at December 31, 2013 was carried as an unsecured loan and repaid in total on September 15, 2014.

NOTE 10 – SPECIAL ASSESSMENT

A special assessment for MS I owners in the amount of \$9,300 per unit was approved at the annual meeting held on April 23, 2011. The purpose of the assessment was to assist in paying for the roof replacement project. Owners have the option of paying the assessment in full or being billed over 37 months.

ASSOCIATION OF APARTMENT OWNERS OF
MAUI SANDS & MAUI SANDS II

Notes to the Financial Statements
December 31, 2013

NOTE 11 – SUBSEQUENT EVENTS

The financial statements considered subsequent events through September 15, 2014, the date that the financial statements were available to be issued. As of January 31, 2014 Maui Sands II left the Association.

ASSOCIATION OF APARTMENT OWNERS OF MAUI SANDS & MAUI SANDS II

Supporting Schedules for Revenue and Expense
For the Year Ended December 31, 2013

Schedule A: Utilities

Sewer	\$ 46,802
Water	32,187
Cable	29,102
Electricity	19,552
Gas	5,462
Telephone	1,697
Utilities Expenses	<u>\$ 134,802</u>

Schedule B: Insurance

Property Liability I	\$ 19,568
Flood I	60,202
Flood II	22,220
Fidelity Bond I	310
Fidelity Bond II	310
Umbrella I	1,514
D & O Liability	2,003
Insurance Expenses	<u>\$ 106,127</u>

Schedule C: Repairs & Maintenance

Grounds	\$ 44,455
Building	8,930
Refuse	8,779
Tree Trimming	7,166
Pool	2,526
Pest Control	2,408
Lighting and Electrical	1,673
Equipment	186
Fire Extinguishers	363
Resident Manager Unit	299
Repairs & Maintenance Expense	<u>\$ 76,785</u>

ASSOCIATION OF APARTMENT OWNERS OF MAUI SANDS & MAUI SANDS II

Supporting Schedules for Revenue and Expense
For the Year Ended December 31, 2013

Schedule D: Administration

Management Fee	\$ 31,992
Office and Administrative	3,387
GET Tax	4,241
Property Tax	1,371
Meeting Expense	2,551
Legal Fees	54,891
Audit / Public Accounting	3,333
Outside Services	1,800
Dues and Subscription	459
Unit 5H Rental Expense	899
Auto Expense	1,019
Administration Expense	<u>\$ 105,943</u>

Schedule E: Payroll and Payroll Taxes

Payroll	\$ 41,958
Health Insurance	5,986
Payroll Taxes	6,199
Payroll Processing	1,740
Workers Comp and TDI Insurance	600
Payroll and Payroll Taxes	<u>\$ 56,483</u>

Schedule G: Renewals & Replacements

MS I Reserve	
Pool Furniture	\$ 9,033
Loan Interest Expense	9,599
	<u>18,632</u>
MS II Reserve	
Parking Lot	12,293
	<u>12,293</u>
Renewals & Replacements Expense	<u>\$ 30,925</u>

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors
Association of Apartment Owners of
Maui Sands I and Maui Sands II
Lahaina, Hawaii 96761

The supplementary information on future major repairs and replacements on Page 14 is not a required part of the basic financial statements of the Association of Apartment Owners of Maui Sands I and Maui Sands II but is supplementary information required by the American Institute of Certified Public Accountants. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Kahului, Hawaii
September 15, 2014

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ASSOCIATION OF APARTMENT OWNERS OF
MAUI SANDS I AND MAUI SANDS II

Unaudited Supplementary Information on Future Major Repairs and Replacements
As of December 31, 2013

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The Board of Directors has updated the reserve study in 2013 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components as of the date of the study. Actual expenditures could vary from the estimates and the variations may be material. Funding requirements consider an inflation rate of 4.0%.

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

CATEGORY	COMPONENT	SERVICE LIFE	REPLACEMENT COST	PROJECTED COST
2013				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$10,000
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,000
Painting & Repairs	Ext. - Wood (Paint)	11	\$68,552	\$68,552
Security & Fire Systems	Fire System - Pull Stations (Bldgs 1-6)	20	\$6,000	\$6,000
			Total for 2013:	\$87,552
2014				
Miscellaneous	Water shut-off Valves - Bldgs. 2-6	30	\$1,500	\$1,545
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$10,300
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,090
Painting & Repairs	Ext. - Walkways Repairs (Contingency)	5	\$2,000	\$2,060
Painting & Repairs	Spalling Repairs (Contingency)	5	\$6,000	\$6,180
Roofing	Storage Areas - Capsheet Roofing (Replace)	12	\$4,640	\$4,779
			Total for 2014:	\$27,954
2015				
Common Interior	Carpeting (Walkways) - Bldgs. 1-6	8	\$18,690	\$19,828
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$10,609
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,183
			Total for 2015:	\$33,620

CATEGORY	COMPONENT	SERVICE LIFE	REPLACEMENT COST	PROJECTED COST
2016				
Miscellaneous	Termite Treatment	10	\$33,600	\$36,716
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$10,927
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,278
			Total for 2016:	\$50,921
2017				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$11,255
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,377
Roofing	Gutters & Downspouts (Contingency)	5	\$7,400	\$8,329
			Total for 2017:	\$22,961
2018				
Lighting	Ext. Fixtures - Bldgs. 1-6	20	\$9,120	\$10,573
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$11,593
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,478
			Total for 2018:	\$25,644
2019				
Fencing & Rails	Lanai & Walkway Rails (25%)	10	\$13,300	\$15,881
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$11,941
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,582
Painting & Repairs	Ext. - Walkways Repairs (Contingency)	5	\$2,000	\$2,388
Painting & Repairs	Spalling Repairs (Contingency)	5	\$6,000	\$7,164
Security & Fire Systems	Fire System - Hoses/Cabinets (Replace)	20	\$3,390	\$4,048
			Total for 2019:	\$45,004
2020				
Miscellaneous	Plumbing Repairs (Contingency)	30	\$25,760	\$31,682
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$12,299
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,690
Security & Fire Systems	Fire Systems - Wet Standpipe (Replace)	50	\$24,000	\$29,517
			Total for 2020:	\$77,188

CATEGORY	COMPONENT	SERVICE LIFE	REPLACEMENT COST	PROJECTED COST
2021				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$12,668
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,800
			Total for 2021:	\$16,468
2022				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$13,048
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$3,914
Roofing	Built-Up Roofing - Bldgs. 1-6 (Coat/Repairs)	10	\$15,500	\$20,224
Roofing	Gutters & Downspouts (Contingency)	5	\$7,400	\$9,655
			Total for 2022:	\$46,841
2023				
Common Interior	Carpeting (Walkways) - Bldgs. 1-6	8	\$18,690	\$25,118
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$13,439
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$4,032
			Total for 2023:	\$42,589
2024				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$13,842
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$4,153
Painting & Repairs	Ext. - Walkways Repairs (Contingency)	5	\$2,000	\$2,768
Painting & Repairs	Ext. Wood (Paint)	11	\$68,552	\$94,892
Roofing	Spalling Repairs (Contingency)	5	\$6,000	\$8,305
			Total for 2024:	\$123,960
2025				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$14,258
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$4,277
			Total for 2025:	\$18,535

CATEGORY	COMPONENT	SERVICE LIFE	REPLACEMENT COST	PROJECTED COST
2026				
Miscellaneous	Termite Treatment	10	\$33,600	\$49,343
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$14,685
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$4,406
Roofing	Storage Areas - Capsheet Roofing (Replace)	12	\$4,640	\$6,814
			Total for 2026:	\$75,248
2027				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$15,126
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$4,538
Roofing	Gutters & Downspouts (Contingency)	5	\$7,400	\$11,193
			Total for 2027:	\$30,857
2028				
Miscellaneous	Beach Deck Area	20	\$7,600	\$11,841
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$15,580
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$4,674
			Total for 2028:	\$32,095
2029				
Fencing & Rails	Lanai & Walkway Rails (25%)	10	\$13,300	\$21,343
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$16,047
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$4,814
Painting & Repairs	Ext. - Walkways Repairs (Contingency)	5	\$2,000	\$3,209
Painting & Repairs	Spalling Repairs (Contingency)	5	\$6,000	\$9,628
			Total for 2029:	\$55,041
2030				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$16,528
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$4,959
			Total for 2030:	\$21,487

CATEGORY	COMPONENT	SERVICE LIFE	REPLACEMENT COST	PROJECTED COST
2031				
Common Interior	Carpeting (Walkways) - Bldgs. 1-6	8	\$18,690	\$31,818
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$17,024
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$5,107
			Total for 2031:	\$53,949
2032				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$17,535
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$5,261
Roofing	Built-Up Roofing - Bldgs. 1-6 (Coat/Repairs)	10	\$15,500	\$27,179
Roofing	Gutters & Downspouts (Contingency)	5	\$7,400	\$12,976
			Total for 2032:	\$62,951
2033				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$18,061
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$5,418
Security & Fire Systems	Fire System - Pull Stations (Bldgs 1-6)	20	\$6,000	\$10,837
			Total for 2033:	\$34,316
2034				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$18,603
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$5,581
Painting & Repairs	Ext. - Walkways Repairs (Contingency)	5	\$2,000	\$3,721
Painting & Repairs	Spalling Repairs (Contingency)	5	\$6,000	\$11,162
			Total for 2034:	\$39,067
2035				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$19,161
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$5,748
Painting & Repairs	Ext. Wood (Paint)	11	\$68,552	\$131,353
			Total for 2035:	\$156,262
2036				
Miscellaneous	Termite Treatment	10	\$33,600	\$66,313
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$19,736
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$5,921
			Total for 2036:	\$91,970

CATEGORY	COMPONENT	SERVICE LIFE	REPLACEMENT COST	PROJECTED COST
2037				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$20,328
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$6,098
Roofing	Gutters & Downspouts (Contingency)	5	\$7,400	\$15,043
			Total for 2037:	\$41,469
2038				
Lighting	Ext. Fixtures - Bldgs. 1-6	20	\$9,120	\$19,095
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$20,938
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$6,281
Roofing	Storage Areas - Capsheet Roofing (Replace)	12	\$4,640	\$9,715
			Total for 2038:	\$56,029
2039				
Common Interior	Carpeting (Walkways) - Bldgs. 1-6	8	\$18,690	\$40,307
Fencing & Rails	Lanai & Walkway Rails (25%)	10	\$13,300	\$28,683
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$21,566
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$6,470
Painting & Repairs	Ext. - Walkways Repairs (Contingency)	5	\$2,000	\$4,313
Painting & Repairs	Spalling Repairs (Contingency)	5	\$6,000	\$12,940
Security & Fire Systems	Fire System - Hoses/Cabinets (Replace)	20	\$3,390	\$7,311
			Total for 2039:	\$121,590
2040				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$22,213
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$6,664
			Total for 2040:	\$28,877
2041				
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$22,879
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$6,864
			Total for 2041:	\$29,743

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CATEGORY	COMPONENT	SERVICE LIFE	REPLACEMENT COST	PROJECTED COST
2042				
Miscellaneous	Water Shut-Off Valves - Bldg. 1	30	\$300	\$707
Painting & Repairs	Ext. - Fascia/Lanai Repairs (Annual Contingency)	1	\$10,000	\$23,566
Painting & Repairs	Ext. - Siding Repairs (Annual Contingency)	1	\$3,000	\$7,070
Roofing	Built-Up Roofing - Bldgs. 1-6 (Coat/Repairs)	10	\$15,500	\$36,527
Roofing	Built-Up Roofing - Bldgs. 1-6 (Replace)	30	\$51,646	\$121,707
Roofing	Gutters & Downspouts (Contingency)	5	\$7,400	\$17,439
			Total for 2042:	\$207,016