

MOUNTAIN PARK HOME OWNERS ASSOCIATION

**INDEPENDENT AUDITOR'S REPORT, FINANCIAL
STATEMENTS AND SUPPLEMENTARY
INFORMATION**

Years Ended December 31, 2015 and 2014

CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Revenues, Expenses and Changes in Fund Balances	4
Statements of Cash Flows	5
NOTES TO FINANCIAL STATEMENTS	6-10
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	11
Reserves Component Summary (Schedule of Future Repairs and Replacements) (Unaudited)	Attached

Independent Auditor's Report

To the Board of Directors
Mountain Park Home Owners Association
Lake Oswego, Oregon

We have audited the accompanying financial statements of **Mountain Park Home Owners Association** which comprise the balance sheets as of December 31, 2015 and 2014 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 representation 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 the internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial statements present fairly, in all material respects, the financial position of **Mountain Park Home Owners Association** as of December 31, 2015 and 2014 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.

A handwritten signature in blue ink that reads "Currie & McLain P.S.".

CURRIE & McLAIN, P.S.
Vancouver, Washington
March 15, 2016

MOUNTAIN PARK HOME OWNERS ASSOCIATION

BALANCE SHEETS

December 31, 2015 and 2014

	Operating Fund	Reserve Fund	2015 Total	2014 Total
ASSETS				
Cash	\$ 126,254	\$ 815,806	\$ 942,060	\$ 1,062,802
Members' assessments receivable, less allowance for doubtful accounts of \$64,192 and \$70,000	23,751	-	23,751	45,932
Accounts receivable, other	1,644	-	1,644	985
Prepaid expenses	25,200	-	25,200	16,731
Prepaid loan fee, net of accumulated amortization of \$17,110 and \$14,467	-	52,512	52,512	45,256
Fixtures and equipment, net of accumulated depreciation of \$233,660 and \$182,753	<u>167,233</u>	<u>-</u>	<u>167,233</u>	<u>194,800</u>
TOTAL ASSETS	<u>\$ 344,082</u>	<u>\$ 868,318</u>	<u>\$ 1,212,400</u>	<u>\$ 1,366,506</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 38,497	\$ -	\$ 38,497	\$ 35,112
Accrued wages and payroll taxes	54,875	-	54,875	53,938
Accrued income tax	-	-	-	26,881
Accrued compensated absences	45,519	-	45,519	45,481
Members' assessments received in advance	41,188	-	41,188	32,226
Other liabilities	18,289	-	18,289	20,690
Long-term debt	<u>-</u>	<u>4,154,421</u>	<u>4,154,421</u>	<u>4,349,353</u>
 Total liabilities	 198,368	 4,154,421	 4,352,789	 4,563,681
 Total fund balances	 <u>145,714</u>	 <u>(3,286,103)</u>	 <u>(3,140,389)</u>	 <u>(3,197,175)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 344,082</u>	<u>\$ 868,318</u>	<u>\$ 1,212,400</u>	<u>\$ 1,366,506</u>

See accompanying notes to financial statements.

MOUNTAIN PARK HOME OWNERS ASSOCIATION
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
Years Ended December 31, 2015 and 2014

	Operating Fund	Reserve Fund	2015 Total	2014 Total
REVENUES				
Members' assessments	\$ 1,687,091	\$ 722,381	\$ 2,409,472	\$ 2,345,987
Playschool	549,139	-	549,139	476,769
Other income	314,369	-	314,369	229,885
Other income - non-residents	137,902	-	137,902	72,092
Other income - non-resident patrons	156,425	-	156,425	126,996
Members' interest income	6,768	-	6,768	6,779
Interest income	131	269	400	438
	<u>2,851,825</u>	<u>722,650</u>	<u>3,574,475</u>	<u>3,258,946</u>
EXPENSES				
Salaries and wages	1,508,956	-	1,508,956	1,271,043
Payroll taxes	154,144	-	154,144	133,657
Employee benefits and development	163,942	-	163,942	172,883
Contract labor	5,273	-	5,273	22,633
Uniforms and other employee expenses	6,958	-	6,958	4,090
Repairs, replacements and maintenance	42,182	446,517	488,699	234,463
Services	223,169	-	223,169	273,312
Supplies	168,098	-	168,098	134,462
Operational tools and equipment	9,144	-	9,144	5,520
Equipment rent and kitchen supplies	31,091	-	31,091	32,490
Automobile expenses	12,718	-	12,718	19,115
Insurance expense	125,288	-	125,288	121,901
Utilities	195,662	-	195,662	190,276
Professional fees	66,472	-	66,472	22,345
Marketing and member relations	29,946	-	29,946	66,321
Bank fees and collection costs	15,664	-	15,664	14,143
Taxes and licenses	5,944	-	5,944	6,336
Other operating expenses	26,322	-	26,322	19,994
Interest expense	-	199,092	199,092	223,231
Loan fee amortization	-	2,744	2,744	2,463
Depreciation	52,901	-	52,901	49,688
Loss on disposal of asset	2,608	-	2,608	-
Bad debt expense	22,854	-	22,854	47,143
Federal and state income tax provisions	-	-	-	42,401
	<u>2,869,336</u>	<u>648,353</u>	<u>3,517,689</u>	<u>3,109,910</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES				
	(17,511)	74,297	56,786	149,036
BEGINNING FUND BALANCES				
	102,968	(3,300,143)	(3,197,175)	(3,346,211)
INTERFUND TRANSFERS				
	<u>60,257</u>	<u>(60,257)</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCES				
	<u>\$ 145,714</u>	<u>\$ (3,286,103)</u>	<u>\$ (3,140,389)</u>	<u>\$ (3,197,175)</u>

See accompanying notes to financial statements.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2015 and 2014

	Operating Fund	Reserve Fund	2015 Total	2014 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ (17,511)	\$ 74,297	\$ 56,786	\$ 149,036
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
Loss on sale of asset	2,608	-	2,608	-
Depreciation expense	52,901	-	52,901	49,688
Amortization of loan fees	-	2,744	2,744	2,463
Bad debt expense	22,854	-	22,854	47,143
(Increase) decrease in assets:				
Members' assessments receivable	(673)	-	(673)	(13,355)
Accounts receivable, other	(659)	-	(659)	3,332
Prepaid expenses	(18,468)	-	(18,468)	(296)
Increase (decrease) in liabilities:				
Accounts payable	3,385	-	3,385	13,725
Accrued wages and payroll taxes	937	-	937	22,074
Accrued income tax	(26,881)	-	(26,881)	16,559
Accrued compensated absences	38	-	38	2,013
Members' assessments received in advance	8,962	-	8,962	6,198
Other liabilities	(2,401)	-	(2,401)	(916)
Net cash provided (used) by operating activities	<u>25,092</u>	<u>77,041</u>	<u>102,133</u>	<u>297,664</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of equipment	<u>(3,201)</u>	<u>(24,742)</u>	<u>(27,943)</u>	<u>(8,305)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal payments on long-term debt	-	(194,932)	(194,932)	(181,067)
Interfund transfers, net	<u>60,257</u>	<u>(60,257)</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>60,257</u>	<u>(255,189)</u>	<u>(194,932)</u>	<u>(181,067)</u>
NET INCREASE (DECREASE) IN CASH	82,148	(202,890)	(120,742)	108,292
CASH BEGINNING	<u>44,106</u>	<u>1,018,696</u>	<u>1,062,802</u>	<u>954,510</u>
CASH ENDING	<u>\$ 126,254</u>	<u>\$ 815,806</u>	<u>\$ 942,060</u>	<u>\$ 1,062,802</u>

SUPPLEMENTARY DISCLOSURES

Cash paid during period for:

Interest		\$199,092	\$223,231
Federal and state taxes		\$12,842	\$15,520

See accompanying notes to financial statements.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 1 – NATURE OF THE ORGANIZATION

Mountain Park Home Owners Association (the “Association”) is a nonprofit Oregon corporation established in 1968 as a planned unit development for the purpose of providing managerial and operational services on behalf of the homeowners. The Association is responsible for preserving and maintaining the common property. The development is located on 700 acres between Portland and Lake Oswego, Oregon and consists of 3,716 residential units.

The Association also provides early education classes for children of members and other individuals as a for-profit activity. These services are provided using Association facilities.

NOTE 2 – DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 15, 2016 the date that the financial statements were available to be issued.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Reserve Fund—This fund is used to accumulate financial resources designated for future major repairs and replacements as well as for loan and contingency reserves. The Reserve Fund is comprised of the cash accounts designated to Mandatory Reserves and the CDARS account held at First Citizens Bank.

Revenue Recognition

Regular assessments to members are recognized as revenue during the period for which they are assessed. Assessments received in advance of this period are reported as members’ assessments received in advance on the balance sheet and represent dues that are retained by the Association for use in the succeeding year.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Members' Assessments

Association members are subject to assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Members' assessments receivable represent fees due from owners. The Association's policy is to notify the homeowners with a series of letters for immediate payment of past due assessments. If this measure is not successful, the accounts are turned over to legal counsel and collected by them with the net dues remitted to the Association. If the assessment remains unpaid after eighteen months, suit will be filed against the homeowner.

Future Major Repairs and Replacements

The Association's governing documents require the Association to finance estimated future major repairs and replacements through common assessments. The reserve study was conducted in 2012 and updated in December 2015 to determine the remaining useful lives of the components of common properties and to estimate the current costs of the major repairs and replacements that may be required in future years. The Association plans to have adequate reserves as needed for these major repairs and replacements. For this purpose, the reserve fund cash balances totaled \$815,806 and \$1,018,696 at December 31, 2015 and 2014, respectively.

For comparability purposes, at December 31, 2014, the reserve fund's total revenues were \$982,759 with total reserve expenses of \$420,301 resulting in an excess of revenues over expenses of \$562,458. Net interfund transfers from the reserve fund to operating equaled \$24,920 in 2014.

Common Real Property and Equipment

Common real property acquired by the original homeowners from the developer and related improvements to such property are not capitalized on the Association's financial statements. Common real property not capitalized consists of walking trails, a recreation center, tennis courts, maintenance facility, pool and related equipment, greenbelt areas and any real property directly associated with the residential units.

The Association's policy for capitalizing common personal property extends to income producing assets and to property purchased for use within the community. Capitalized assets are of the following:

	<u>2015</u>	<u>2014</u>
Playschool improvements	\$278,268	\$260,023
Landscape equipment	86,627	86,627
Clubhouse equipment	35,998	30,903
Accumulated depreciation	<u>(233,660)</u>	<u>(182,753)</u>
	<u>\$167,233</u>	<u>\$194,800</u>

The equipment acquired and improvements are depreciated over the estimated useful life from 5 to 10 years using the straight-line method of depreciation.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Compensated Absences

Eligible employees can carry-forward a maximum number of personal time off hours (PTO) based on the length of their service. For full-time employees that have served ten years or more, a maximum of 300 hours can be carried forward, personnel employed for 4 to 10 years, the maximum is 240 hours and less than 4 years of employment the cap is 180 hours. Upon employment ending, the accrued PTO is paid-out up to the capped amount. Accrued compensated balances at December 31, 2015 and 2014 were \$45,519 and \$45,481, respectively.

Cash and Cash Equivalents

For the purpose of balance sheet classification and statement of cash flows presentation, investments with maturity of twelve months or less are considered cash equivalents. The certificates of deposit are considered part of cash equivalents. Both certificates of deposit owned by the Association mature in August 2016.

NOTE 4 – MEMBERS' ASSESSMENTS RECEIVABLE

At December 31, 2015 and 2014, members' assessments receivable were \$87,943 and \$115,932, respectively. At December 31, 2015, current receivables were \$74,510 and long-term receivables were \$13,433. The long-term balances are supported by written payment plans and are expected to be collected according to each agreement term.

Total over 90 days past due members' assessments receivable at December 31, 2015 were approximately \$95,180. The Association's policy for writing-off accounts receivable to bad debt is to use the allowance method whereby the uncollectible receivables are written-off through the allowance for doubtful accounts. The Board of Directors elected to provide an allowance for doubtful accounts based on a review of current receivables. The allowance for doubtful accounts was determined to be \$64,192 in 2015 and \$70,000 in 2014.

NOTE 5 – INCOME TAXES

Homeowners associations may be taxed either as a residential association under Internal Revenue Code ("IRC") Section 528 or under IRC Section 277 which applies to certain membership organizations. The Association is required to be taxed under the provisions of IRC Section 277. Under IRC Section 277, the Association must separate membership income and expenses from non-membership income and expenses. Each component is taxed separately; however, net membership income is deferred from federal taxation if certain elections are made.

For the year ended December 31, 2015, the Association had net membership income of \$269,268 and had a net non-member loss of \$4,689. The net membership income and the net non-member loss may be carried over into the 2016 taxable year. The Association had no tax due at December 31, 2015.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 5 – INCOME TAXES (CONTINUED)

For state income tax purposes, the Association is either taxed on the Association's net non-membership income or as a minimum determined by the gross revenues. There is no tax due to the state of Oregon at December 31, 2015, but maintains a prepaid state income tax balance of \$8,561. At December 31, 2014, the federal tax provision was \$33,840 and the state tax provision was \$8,561.

NOTE 6 – UNCERTAIN TAX POSITIONS

The Association's federal and state income tax returns are generally subject to examination by taxing authorities for three years after the returns are filed. The income tax returns from December 31, 2012 through December 31, 2014 remain open to examination.

NOTE 7 – LONG-TERM DEBT

In November 2008, the Association entered into an agreement with a bank to provide funds to finance renovation costs to the clubhouse, common areas and equipment. On August 5, 2015, the loan was renegotiated which resulted in a reduction of the interest rate from 4.95% to 3.95% and a reduction in monthly payments from \$33,700 to \$31,636. The interest rate can change on the 10th day of December 2016, based on the weekly average of United States Treasury securities adjusted to a constant maturity of three years plus 2.5%. The Note will mature on June 10, 2030. This commitment is collateralized by all of the Association's personal property and proceeds from the annual members' assessments.

At December 31, 2015, the Association had a balance in prepaid loan fees of \$52,512, net of the accumulated amortization. The loan balance at December 31, 2015 is as follows:

Long-term debt	\$ 4,154,421
Less current maturities in 2016	<u>219,663</u>
Long-term debt, net of current portion	<u>\$ 3,934,758</u>

Maturities due over the subsequent five-year period are as follows:

2016 - \$219,663
2017 - \$228,498
2018 - \$237,689
2019 - \$247,250
2020 - \$257,195

NOTE 8 – RETIREMENT PLAN

The Association established a 401(k) plan on January 1, 1991. All employees who worked at least 1,000 hours during the plan year are eligible to participate in the plan. Participating employees are eligible to contribute a portion of their wages to the plan. The Association pays a matching contribution on employee contributions up to 3% of the participants' compensation for the plan year. The Association's contribution for the year ended December 31, 2015 was \$12,602 and \$13,195 in 2014.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2015 and 2014

NOTE 9 – CONCENTRATION OF CREDIT RISK

Cash balances in federally insured financial institutions are covered by the FDIC up to \$250,000 per depositor. At December 31, 2015, the Association had cash balances held at First Citizens Bank totaling \$590,561 of which \$340,561 was uninsured. The Association maintains an additional CDARS account at First Citizens Bank which deposits the Association's funds in other FDIC insured banks under the FDIC limit of \$250,000. At December 31, 2015 the balance in the First Citizens Bank CDARS account totaled \$300,415. The Association experienced no losses on these accounts as of the date of this audit report.

The Association has a sweep arrangement with First Citizens Bank for the operating checking account.

In this arrangement, the swept funds on deposit at the bank are backed by US Treasury Bonds. At December 31, 2015, there was no cash balance in the sweep account. The Association also has a petty cash fund on hand totaling \$1,000.

NOTE 10 – INTERNET PROVIDER SERVICE CONTRACT

In November 2013, the Association entered into a service agreement with Windstream for internet provider (IP) services. The contract term is for 5 years at a monthly charge of \$629. This agreement is non-cancellable and will remain in effect throughout the term. It will automatically renew for successive one-year terms unless notified in writing thirty days prior to its expiration. Future minimum payments for the IP services are:

January 1, 2016 – December 31, 2016	\$7,550
January 1, 2017 – December 31, 2017	\$7,550
January 1, 2018 – November 30, 2018	\$6,920

NOTE 11 – EQUIPMENT LEASE CONTRACT

In July 2014, the Association entered into an agreement with CTX to lease Xerox equipment. The lease term is for 5 years at a monthly charge of \$750. This agreement is non-cancellable and will remain in effect throughout the term. It will automatically renew for additional one-year periods unless notified in writing sixty days prior to its expiration. Future minimum payments for this lease are:

January 1, 2016 – December 31, 2016	\$9,000
January 1, 2017 – December 31, 2017	\$9,000
January 1, 2018 – December 31, 2018	\$9,000
January 1, 2019 – July 31, 2019	\$5,200

SUPPLEMENTARY INFORMATION

Currie & McLain, P.S.
Certified Public Accountants

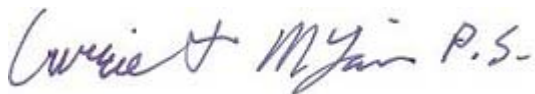
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Independent Auditor's Report
On Supplementary Information

To the Board of Directors of
Mountain Park Home Owners Association

Our report on our audit of the basic financial statements of **Mountain Park Home Owners Association** for the years ended December 31, 2015 and 2014 appears on page 1 and 2. The audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole.

The attached supplementary information on Future Repairs and Replacements (Reserves Component Summary) is not a required part of the basic financial statements of **Mountain Park Home Owners Association**, 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 measurements and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



CURRIE & McLAIN, P.S.
Vancouver, Washington
March 15, 2016

Mountain Park Homeowners Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	
Version Number	2
Analysis Date	12/31/2015
Fiscal Year	1/1/2016 to 12/31/2016
Number of Units	1
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.50 %
Annual Contribution Increase	0.00 %
Investment Rate	0.00 %
Taxes on Investments	0.00 %
Contingency	3.00 %

Community Profile:

Adequacy of Reserves as of January 1, 2016:

Anticipated Reserve Balance	\$815,805.00
Fully Funded Reserve Balance	\$2,799,094.72
Percent Funded	29.15%

Recommended Funding for the 2016 Fiscal Year:	Annual	Monthly	Per Unit
			Per Month
Member Contribution	\$282,745	\$23,562.05	\$23,562.05
Interest Contribution	\$0	\$0.00	\$0.00
Total Contribution	\$282,745	\$23,562.05	\$23,562.05

Mountain Park Homeowners Association Projections

Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2016	\$815,805	\$282,745	\$0	\$358,498	\$740,052	\$2,810,190	26%
2017	\$740,052	\$282,745	\$0	\$319,432	\$703,364	\$2,876,038	24%
2018	\$703,364	\$282,745	\$0	\$351,838	\$634,271	\$2,918,201	22%
2019	\$634,271	\$282,745	\$0	\$186,721	\$730,295	\$3,144,809	23%
2020	\$730,295	\$282,745	\$0	\$337,281	\$675,758	\$3,227,259	21%
2021	\$675,758	\$282,745	\$0	\$156,132	\$802,371	\$3,512,371	23%
2022	\$802,371	\$282,745	\$0	\$143,271	\$941,845	\$3,827,421	25%
2023	\$941,845	\$282,745	\$0	\$180,583	\$1,044,006	\$4,120,767	25%
2024	\$1,044,006	\$282,745	\$0	\$106,413	\$1,220,338	\$4,509,581	27%
2025	\$1,220,338	\$282,745	\$0	\$476,045	\$1,027,037	\$4,528,880	23%
2026	\$1,027,037	\$282,745	\$0	\$381,150	\$928,631	\$4,660,238	20%
2027	\$928,631	\$282,745	\$0	\$229,378	\$981,998	\$4,965,603	20%
2028	\$981,998	\$282,745	\$0	\$689,243	\$575,499	\$4,806,810	12%
2029	\$575,499	\$282,745	\$0	\$255,433	\$602,811	\$5,113,110	12%
2030	\$602,811	\$282,745	\$0	\$338,484	\$547,071	\$5,351,249	10%
2031	\$547,071	\$662,381	\$0	\$625,655	\$583,798	\$5,305,164	11%
2032	\$583,798	\$662,381	\$0	\$186,565	\$1,059,613	\$5,733,489	18%
2033	\$1,059,613	\$662,381	\$0	\$609,372	\$1,112,623	\$5,740,040	19%
2034	\$1,112,623	\$662,381	\$0	\$154,788	\$1,620,215	\$6,239,342	26%
2035	\$1,620,215	\$662,381	\$0	\$749,262	\$1,533,334	\$6,136,472	25%
2036	\$1,533,334	\$662,381	\$0	\$249,152	\$1,946,563	\$6,572,068	30%
2037	\$1,946,563	\$662,381	\$0	\$386,937	\$2,222,007	\$6,886,691	32%
2038	\$2,222,007	\$662,381	\$0	\$274,585	\$2,609,803	\$7,341,699	36%
2039	\$2,609,803	\$662,381	\$0	\$115,490	\$3,156,694	\$7,990,364	40%
2040	\$3,156,694	\$662,381	\$0	\$1,075,997	\$2,743,078	\$7,656,040	36%
2041	\$2,743,078	\$662,381	\$0	\$944,223	\$2,461,236	\$7,467,842	33%
2042	\$2,461,236	\$662,381	\$0	\$547,560	\$2,576,057	\$7,708,963	33%
2043	\$2,576,057	\$662,381	\$0	\$422,193	\$2,816,244	\$8,104,242	35%
2044	\$2,816,244	\$662,381	\$0	\$178,620	\$3,300,005	\$8,782,760	38%
2045	\$3,300,005	\$662,381	\$0	\$843,529	\$3,118,857	\$8,797,256	35%

NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

Mountain Park Homeowners Association

Audit Information

Sorted by Category - Directed Cash Flow Calculation Method

	Estimated Remaining Life	Current Replacement Cost	Balance 1/1/2016	Assessments	Interfund Transfers	Interest Income	Expenditures	Balance 12/31/2016
02500 Irrigation	0-29	107,010.00	25,169.51	5,812.32	0.00	0.00	15,000.00	15,981.84
02700 Pavements	0-44	673,572.37	122,999.20	34,903.43	0.00	0.00	49,000.00	108,902.63
02790 Athletic (Tennis) Surface	7	20,800.00	0.00	1,265.26	0.00	0.00	0.00	1,265.26
02820 Fences and Gates	0-32	100,288.00	44,758.86	2,829.52	0.00	0.00	25,000.00	22,588.37
02850 Prefabricated Bridge	59	250,000.00	0.00	6,515.45	0.00	0.00	0.00	6,515.45
02880 Play Structure	1-19	38,244.00	9,629.63	1,269.18	0.00	0.00	0.00	10,898.81
03300 Cast in Place Concrete	24-36	34,500.00	0.00	868.57	0.00	0.00	0.00	868.57
04900 Masonry Restoration	4-49	48,500.00	0.00	2,675.70	0.00	0.00	0.00	2,675.70
05500 Metal Fabrication	24-70	18,852.00	0.00	526.16	0.00	0.00	0.00	526.16
06100 Beams	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
06200 Finish Carpentry	0-19	18,573.00	1,073.00	921.43	0.00	0.00	1,073.00	921.43
06410 Custom Cabinets	5-24	98,030.00	0.00	3,821.40	0.00	0.00	0.00	3,821.40
06415 Countertops	17-22	55,546.00	0.00	1,719.86	0.00	0.00	0.00	1,719.86
07210 Insulation	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
07400 Roofing and Siding	0-50	685,899.56	16,045.77	18,380.86	0.00	0.00	9,680.00	24,746.63
08100 Metal Doors, Frames and	12-32	154,850.00	0.00	4,876.58	0.00	0.00	0.00	4,876.58
08200 Wood Doors, Frames and	2-32	78,000.00	444.05	12,963.19	0.00	0.00	0.00	13,407.24
08330 Coiling Doors	19	1,500.00	0.00	45.21	0.00	0.00	0.00	45.21
08350 Access Doors	18	3,489.00	0.00	108.29	0.00	0.00	0.00	108.29
08500 Windows	9-37	384,440.00	0.00	11,400.35	0.00	0.00	0.00	11,400.35
08600 Skylights	1-17	15,643.00	1,733.33	483.85	0.00	0.00	0.00	2,217.18
08700 Door Hardware	4-9	23,500.00	0.00	1,659.57	0.00	0.00	0.00	1,659.57
08800 Mirrors	19	30,000.00	0.00	904.21	0.00	0.00	0.00	904.21
09200 Metal Lath, Drywall, and Pl	0-24	18,573.00	1,073.00	866.42	0.00	0.00	1,073.00	866.42
09300 Tile	29-34	112,073.34	0.00	2,785.70	0.00	0.00	0.00	2,785.70

Mountain Park Homeowners Association

Audit Information

Sorted by Category - Directed Cash Flow Calculation Method

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09510 Acoustical Ceiling System	15-17	13,500.00	0.00	458.09	0.00	0.00	0.00	458.09
09620 Athletic Flooring	19	42,500.00	0.00	1,280.97	0.00	0.00	0.00	1,280.97
09640 Wood Flooring	0-39	85,212.00	3,560.00	2,759.68	0.00	0.00	3,560.00	2,759.68
09650 Resilient Flooring	0-50	39,598.00	11,943.00	1,240.39	0.00	0.00	11,943.00	1,240.39
09670 Fluid Applied Flooring	34	51,000.00	0.00	1,244.09	0.00	0.00	0.00	1,244.09
09680 Carpet	4-14	52,759.25	0.00	2,557.45	0.00	0.00	0.00	2,557.45
09840 Acoustic Wall Treatment	34	37,000.00	0.00	902.57	0.00	0.00	0.00	902.57
09900 Painting & Coatings	0-16	140,705.00	15,348.00	10,338.42	0.00	0.00	2,148.00	23,538.42
09960 High Performance Coating	10-19	27,500.00	0.00	1,025.29	0.00	0.00	0.00	1,025.29
10160 Toilet Partitions	29-32	14,250.00	0.00	355.34	0.00	0.00	0.00	355.34
10400 Monuments	37	27,203.00	0.00	656.67	0.00	0.00	0.00	656.67
10430 Signage	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10450 Wall & Corner Guards	24	2,000.00	0.00	53.99	0.00	0.00	0.00	53.99
10500 Lockers & Benches	2-20	65,750.00	9,600.00	1,987.92	0.00	0.00	0.00	11,587.92
10520 Fire Extinguishers & Cabin	4	4,000.00	0.00	395.41	0.00	0.00	0.00	395.41
10800 Toilet & Bath Accessories	0	1,073.00	1,073.00	393.98	0.00	0.00	1,073.00	393.98
11010 Maintenance Equipment	0-29	124,894.00	86,643.97	5,849.02	0.00	0.00	6,950.00	85,542.99
11140 Vehicles	1-7	162,950.00	69,186.67	8,626.64	0.00	0.00	0.00	77,813.31
11400 Food Service Equipment	1-8	25,308.00	13,544.75	1,394.15	0.00	0.00	0.00	14,938.90
11480 Athletic Equipment	0-15	63,615.00	27,625.00	11,904.80	0.00	0.00	27,625.00	11,904.80
11680 Office Equipment	0-8	20,220.00	7,252.00	3,436.50	0.00	0.00	7,252.00	3,436.50
11990 Misc Equipment	0-9	12,318.00	4,323.00	794.77	0.00	0.00	4,323.00	794.77
12100 Office Furniture	0	10,400.00	10,400.00	3,818.61	0.00	0.00	10,400.00	3,818.61
12500 Rental Furniture/Chairs, T	10-13	22,000.00	0.00	993.07	0.00	0.00	0.00	993.07
13051 Steam Room Equipment	15	20,000.00	0.00	691.74	0.00	0.00	0.00	691.74

Mountain Park Homeowners Association

Audit Information

Sorted by Category - Directed Cash Flow Calculation Method

	Estimated Remaining Life	Current Replacement Cost	Balance 1/1/2016	Assessments	Interfund Transfers	Interest Income	Expenditures	Balance 12/31/2016
13060 Sauna	15-34	36,000.00	0.00	1,061.66	0.00	0.00	0.00	1,061.66
13150 Pool & Spas	44	380,000.00	0.00	9,169.16	0.00	0.00	0.00	9,169.16
13151 Pool & Spa Equipment	4-29	339,398.36	0.00	13,811.44	0.00	0.00	0.00	13,811.44
13152 Pool & Spa Piping	24-44	312,500.00	0.00	7,950.83	0.00	0.00	0.00	7,950.83
13153 Pool & Spa Finishes	24	70,000.00	0.00	1,889.77	0.00	0.00	0.00	1,889.77
13155 Water Slide Equipment	9-44	127,500.00	0.00	3,297.00	0.00	0.00	0.00	3,297.00
14200 Elevators	9-20	55,000.00	0.00	1,665.10	0.00	0.00	0.00	1,665.10
15300 Fire Protection	2-54	173,250.00	10,080.00	6,114.56	0.00	0.00	0.00	16,194.56
15400 Plumbing	1-48	323,664.00	2,619.95	8,783.38	0.00	0.00	0.00	11,403.33
15500 HVAC Equipment & Distrib	0-33	240,180.50	66,648.00	8,878.18	0.00	0.00	1,128.00	74,398.18
15510 Hydronic Piping Systems	10	15,750.00	0.00	722.22	0.00	0.00	0.00	722.22
15540 HVAC Pumps	10	30,450.00	0.00	1,396.29	0.00	0.00	0.00	1,396.29
15560 Boilers & Accessories	17	120,750.00	0.00	3,871.62	0.00	0.00	0.00	3,871.62
15700 Heating Equipment	4	4,000.00	0.00	395.41	0.00	0.00	0.00	395.41
15950 HVAC Controls	n.a.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16400 Electrical Service Distributi	12	78,750.00	0.00	3,161.58	0.00	0.00	0.00	3,161.58
16500 Lighting	0-34	463,619.00	215,203.00	13,127.55	0.00	0.00	167,203.00	61,127.55
16600 Emergency Systems	0	6,994.00	6,994.00	484.25	0.00	0.00	6,994.00	484.25
16720 Fire Alarm	9-11	90,922.00	0.00	4,373.48	0.00	0.00	0.00	4,373.48
16730 Security	0-9	8,500.00	6,000.00	366.44	0.00	0.00	6,000.00	366.44
16800 Sound & Video	9	28,500.00	0.00	1,416.66	0.00	0.00	0.00	1,416.66
16900 Lighting Controls	0-9	29,573.00	1,073.00	1,810.64	0.00	0.00	1,073.00	1,810.64

Mountain Park Homeowners Association

Audit Information

Sorted by Category - Directed Cash Flow Calculation Method

	Estimated Remaining Life	Current Replacement Cost	Balance 1/1/2016	Assessments	Interfund Transfers	Interest Income	Expenditures	Balance 12/31/2016
Contingency			23,761.31	22,989.51	0.00	0.00	0.00	46,750.82
Totals	0-70	6,972,939.38	815,805.00	297,498.83	0.00	0.00	358,498.00	754,805.83