

MOUNTAIN PARK HOME OWNERS ASSOCIATION

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

Years Ended December 31, 2014 and 2013

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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, 2014 and 2013 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

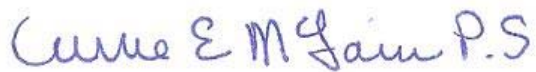
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

Independent Auditor's Report
Mountain Park Home Owners Association
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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, 2014 and 2013 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 10, 2015

MOUNTAIN PARK HOME OWNERS ASSOCIATION

BALANCE SHEETS

December 31, 2014 and 2013

	Operating Fund	Reserve Fund	2014 Total	2013 Total
ASSETS				
Cash	\$ 44,106	\$ 1,018,696	\$ 1,062,802	\$ 954,510
Members' assessments receivable, less allowance for doubtful accounts of \$70,000 and \$35,000	45,932	-	45,932	79,719
Accounts receivable, other	985	-	985	4,316
Prepaid expenses	16,731	-	16,731	16,435
Due from/to funds	14,742	(14,742)	-	-
Prepaid loan fee, net of accumulated amortization of \$14,366 and \$11,904	-	45,256	45,256	47,719
Fixtures and equipment, net of accumulated depreciation of \$182,753 and \$133,065	<u>194,800</u>	<u>-</u>	<u>194,800</u>	<u>236,183</u>
TOTAL ASSETS	<u><u>\$ 317,296</u></u>	<u><u>\$ 1,049,210</u></u>	<u><u>\$ 1,366,506</u></u>	<u><u>\$ 1,338,882</u></u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 35,112	\$ -	\$ 35,112	\$ 21,386
Accrued wages and payroll taxes	53,938	-	53,938	31,864
Accrued income tax	26,881	-	26,881	10,322
Accrued compensated absences	45,481	-	45,481	43,468
Members' assessments received in advance	32,226	-	32,226	26,029
Other liabilities	20,690	-	20,690	21,604
Long-term debt	<u>-</u>	<u>4,349,353</u>	<u>4,349,353</u>	<u>4,530,420</u>
 Total liabilities	 214,328	 4,349,353	 4,563,681	 4,685,093
 Total fund balances	 <u>102,968</u>	 <u>(3,300,143)</u>	 <u>(3,197,175)</u>	 <u>(3,346,211)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 317,296</u></u>	<u><u>\$ 1,049,210</u></u>	<u><u>\$ 1,366,506</u></u>	<u><u>\$ 1,338,882</u></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, 2014 and 2013

	Operating Fund	Reserve Fund	2014 Total	2013 Total
REVENUES				
Members' assessments	\$ 1,363,522	\$ 982,465	\$ 2,345,987	\$ 2,291,251
Playschool	476,769	-	476,769	478,403
Other income	222,521	-	222,521	223,367
Other income - non-residents	72,092	-	72,092	57,488
Other income - non-resident patrons	126,996	-	126,996	117,471
Members' interest income	6,779	-	6,779	6,362
Interest income	144	294	438	217
Insurance claim proceeds	-	-	-	3,416
Worker's compensation dividend	7,364	-	7,364	5,955
	2,276,187	982,759	3,258,946	3,183,930
EXPENSES				
Salaries and wages	1,271,043	-	1,271,043	1,135,063
Payroll taxes	133,657	-	133,657	123,034
Employee benefits and development	172,883	-	172,883	164,227
Contract labor	22,633	-	22,633	17,369
Uniforms and other employee expenses	4,090	-	4,090	2,818
Repairs, replacements and maintenance	39,856	194,607	234,463	252,591
Services	273,312	-	273,312	208,856
Supplies	134,462	-	134,462	117,128
Operational tools and equipment	5,520	-	5,520	3,244
Equipment rent and kitchen supplies	32,490	-	32,490	28,416
Automobile expenses	19,115	-	19,115	24,050
Insurance expense	121,901	-	121,901	123,447
Utilities	190,276	-	190,276	166,107
Professional fees	22,345	-	22,345	18,277
Marketing and member relations	66,321	-	66,321	20,018
Bank fees and collection costs	14,143	-	14,143	9,560
Taxes and licenses	6,336	-	6,336	4,343
Other operating expenses	19,994	-	19,994	19,148
Interest expense	-	223,231	223,231	232,076
Loan fee amortization	-	2,463	2,463	2,463
Depreciation	49,688	-	49,688	40,525
Bad debt expense	47,143	-	47,143	48,468
Federal and state income tax provisions	42,401	-	42,401	15,562
	2,689,609	420,301	3,109,910	2,776,790
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES				
	(413,422)	562,458	149,036	407,140
BEGINNING FUND BALANCES				
	491,470	(3,837,681)	(3,346,211)	(3,753,351)
INTERFUND TRANSFERS				
	24,920	(24,920)	-	-
ENDING FUND BALANCES				
	\$ 102,968	\$ (3,300,143)	\$ (3,197,175)	\$ (3,346,211)

See accompanying notes to financial statements.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

STATEMENTS OF CASH FLOWS Years Ended December 31, 2014 and 2013

	Operating Fund	Reserve Fund	2014 Total	2013 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ (413,422)	\$ 562,458	\$ 149,036	\$ 407,140
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
Depreciation expense	49,688	-	49,688	40,525
Amortization of loan fees	-	2,463	2,463	2,463
Bad debt expense	47,143	-	47,143	48,468
(Increase) decrease in assets:				
Members' assessments receivable	(13,355)	-	(13,355)	(19,376)
Accounts receivable, other	3,332	-	3,332	(3,032)
Prepaid expenses	(296)	-	(296)	(448)
Due from/to funds	(14,742)	14,742	-	-
Increase (decrease) in liabilities:				
Accounts payable	13,725	-	13,725	(183,708)
Accrued wages and payroll taxes	22,074	-	22,074	5,963
Accrued income tax	16,559	-	16,559	8,315
Accrued compensated absences	2,013	-	2,013	4,033
Members' assessments received in advance	6,198	-	6,198	(954)
Other liabilities	(916)	-	(916)	8,315
Net cash provided (used) by operating activities	<u>(281,999)</u>	<u>579,663</u>	<u>297,664</u>	<u>317,704</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of equipment	<u>(8,305)</u>	<u>-</u>	<u>(8,305)</u>	<u>(117,026)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal payments on long-term debt	-	(181,067)	(181,067)	(172,225)
Interfund transfers, net (board approved)	<u>24,920</u>	<u>(24,920)</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by financing activities	<u>24,920</u>	<u>(205,987)</u>	<u>(181,067)</u>	<u>(172,225)</u>
NET INCREASE (DECREASE) IN CASH	(265,384)	373,676	108,292	28,453
CASH BEGINNING	<u>309,490</u>	<u>645,020</u>	<u>954,510</u>	<u>926,057</u>
CASH ENDING	<u>\$ 44,106</u>	<u>\$ 1,018,696</u>	<u>\$ 1,062,802</u>	<u>\$ 954,510</u>
SUPPLEMENTARY DISCLOSURES				
Cash paid during period for:				
Interest			\$223,231	\$232,076
Federal and state taxes			\$15,520	\$7,247

See accompanying notes to financial statements.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 and 2013

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 10, 2015 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, New Capital and the CDARS account held at First Citizens Bank. In 2015, the New Capital Fund was transferred to operating projects.

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, 2014 and 2013

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Members' Assessments

Association members are subject to annual 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. See Note 4.

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 2014 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 \$1,018,696 and \$645,020 at December 31, 2014 and 2013, respectively.

For comparability purposes, at December 31, 2013, the reserve fund's total revenues were \$674,757 with total reserve expenses of \$442,717 resulting in an excess of revenues over expenses of \$232,040. Net interfund transfers from the operating fund to reserves equaled \$59,395 in 2013.

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>2014</u>	<u>2013</u>
Playschool improvements	\$260,023	\$260,023
Landscape equipment	86,627	86,627
Clubhouse equipment	30,903	22,598
Accumulated depreciation	<u>(182,753)</u>	<u>(133,065)</u>
	<u>\$194,800</u>	<u>\$236,183</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, 2014 and 2013

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, 2014 and 2013 were \$45,481 and \$43,468, 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 2015.

NOTE 4 – MEMBERS' ASSESSMENTS RECEIVABLE

At December 31, 2014 and 2013, members' assessments receivable were \$115,932 and \$114,719, respectively. At December 31, 2014, current receivables were \$84,163 and long-term receivables were \$31,769. 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, 2014 were approximately \$88,400. 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 \$70,000 in 2014 and \$35,000 in 2013.

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, 2014, the Association incurred a net membership loss which reduced the taxable income resulting in a federal income tax provision of \$33,840. At December 31, 2013, the federal tax provision was \$11,212.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 and 2013

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. The Association was taxed by the State of Oregon on taxable income resulting in state tax of \$8,561 in 2014 and \$4,280 in 2013.

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, 2011 through December 31, 2013 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. In May 2012, the loan was renegotiated which resulted in a reduction of the interest rate from 6.30% to 4.95% and a reduction in monthly payments from \$39,300 to \$33,700. The interest rate can change on the 10th day of December 2013 and on that day every three years thereafter. The Note will mature on June 30, 2030. This commitment is collateralized by all of the Association's personal property and proceeds from the annual members' assessments.

At December 31, 2014, the Association had a balance in prepaid loan fees of \$45,256, net of the accumulated amortization. The loan balance at December 31, 2014 is as follows:

Long-term debt	\$ 4,349,353
Less current maturities in 2015	<u>190,368</u>
Long-term debt, net of current portion	<u>\$ 4,158,985</u>

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

2015 - \$190,368
2016 - \$199,556
2017 - \$210,394
2018 - \$221,194
2019 - \$232,560

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, 2014 was \$13,195 and \$12,086 in 2013.

MOUNTAIN PARK HOME OWNERS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2014 and 2013

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, 2014, the Association had cash balances held at First Citizens Bank totaling \$711,645 of which \$461,645 was uninsured. The Association experienced no losses on these accounts at the date of this audit report. Cash balances, by bank, at December 31, 2014 are of the following:

First Citizens Bank	\$ 711,645
JP Morgan Chase	50,036
Amalgamated Bank	243,598
The Private Bank	<u>56,523</u>
	<u>\$1,061,802</u>

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, 2014, 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. Service expense at December 31, 2014 was \$7,582. Future minimum payments for the IP services are:

January 1, 2015 – December 31, 2015	\$7,550
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. The Xerox equipment lease expense at December 31, 2014 was \$8,754. Future minimum payments for this lease are:

January 1, 2015 – December 31, 2015	\$9,000
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

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, 2014 and 2013 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.

CURRIE & McLAIN, P.S.
Vancouver, Washington
March 10, 2015

Mountain Park Homeowners Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	
Version Number	2
Analysis Date	12/31/2014
Fiscal Year	1/1/2015 to 12/31/2015
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, 2015:

Anticipated Reserve Balance	\$985,844.00
Theoretically Ideal Reserve Balance	\$2,796,293.04
Percent Funded	35.26%

Recommended Funding for the 2015 Fiscal Year:	Annual	Monthly	Per Unit
			Per Month
Member Contribution	\$258,081	\$21,506.75	\$21,506.75
Interest Contribution	\$0	\$0.00	\$0.00
Total Contribution	\$258,081	\$21,506.75	\$21,506.75

MOUNTAIN PARK HOMEOWNERS ASSOCIATION**31-Dec-14****RESERVES COMPONENT SUMMARY - RESERVES ANALYSIS**

	Remaining	Useful	Current Cost	Theoretically
	Life	Life		Ideal Balance
02500 Irrigation	0-29	30-45	\$92,228	\$78,510
02700 Pavements	0-39	23-51	\$660,726	\$488,641
02790 Athletic (Tennis) Surface	8	10	\$20,800	\$3,437
02820 Fences and Gates	0-33	15-80	\$78,038	\$49,184
02850 Prefabricated Bridge	60	80	\$250,000	\$62,500
02880 Play Structure	0-10	18-35	\$41,465	\$38,223
03300 Cast in Place Concrete	25-37	30-40	\$34,500	\$3,557
04900 Masonry Restoration	0-5	10-47	\$48,500	\$38,500
05500 Metal Fabrication	25-71	30-75	\$18,852	\$1,327
06100 Beams -Ext. Balcony South -Unfunded	N.A.	N.A.	\$0	\$0
06200 Finish Carpentry	0-20	1-25	\$18,547	\$4,547
06410 Custom Cabinets	0-20	7-25	\$98,000	\$39,011
06415 Countertops	18-23	20-25	\$55,546	\$11,470
07210 Insulation- Unfunded	N.A.	N.A.	\$0	\$0
07400 Roofing and Siding	1-51	25-98	\$676,220	\$264,293
08100 Metal Doors, Frames and Hardware	13-33	35-60	\$154,850	\$66,827
08200 Wood Doors, Frames and Hardware	3-33	40-50	\$78,000	\$65,670
08330 Coiling Doors	20	25	\$1,500	\$300
08350 Access Doors	19	20	\$3,489	\$174
08500 Windows	10-38	35-60	\$384,440	\$128,874
08600 Skylights	1-18	20-26	\$15,643	\$2,685
08700 Door Hardware	5-10	10-15	\$23,500	\$9,500
08800 Mirrors	20	25	\$30,000	\$6,000
09200 Metal Lath, Drywall, and Plaster	0-25	1-30	\$18,547	\$3,964
09300 Tile	0-13	35-36	\$105,707	\$38,413
09510 Acoustical Ceiling Systems	16-18	23	\$13,500	\$3,804
09620 Athletic Flooring	20	25	\$42,500	\$8,500
09640 Wood Flooring	1-39	2-45	\$83,750	\$9,294
09650 Resilient Flooring	0-51	20-55	\$36,756	\$20,742
09670 Fluid Applied Flooring	35	40	\$51,000	\$6,375
09680 Carpet	0-10	15-21	\$39,263	\$27,632
09840 Acoustic Wall Treatment	35	40	\$37,000	\$4,625
09900 Painting & Coatings	0-17	1-50	\$143,798	\$80,108
09960 High Performance Coatings	11-20	16-25	\$27,500	\$6,906
10160 Toilet Partitions	30-33	35	\$14,250	\$1,166
10400 Monuments	38	40	\$27,203	\$754
10430 Signage-Emergency Clubhouse- Unfunded	N.A.	N.A.	\$0	\$0
10450 Walls & Corner Guards	25	30	\$2,000	\$333
10500 Lockers & Benches	3-21	16-50	\$65,750	\$21,560
10520 Fire Extinguishers & Cabinets	5	10	\$4,000	\$2,000
10800 Toilet & Bath Accessories	0	1	\$1,047	\$1,047
11010 Maintenance Equipment	0-17	5-26	\$124,894	\$97,810
11140 Vehicles	1-8	10-14	\$162,950	\$86,241

MOUNTAIN PARK HOMEOWNERS ASSOCIATION**31-Dec-14****RESERVES COMPONENT SUMMARY - RESERVES ANALYSIS**

	Remaining	Useful		Theoretically
	Life	Life	Current Cost	Ideal Balance
11400 Food Service Equipment	1-9	5-26	\$25,308	\$14,708
11480 Athletic Equipment	0-16	1-21	\$54,430	\$27,689
11680 Office Equipment	0-9	1-10	\$16,729	\$5,808
11990 Misc Equipment	10	15	\$6,000	\$2,000
12100 Office Furniture	0-1	1-2	\$6,783	\$4,692
12500 Rental Furniture/Chairs, Tables	11-15	15	\$22,000	\$5,467
13051 Steam Room Equipment	16	21	\$20,000	\$4,762
13060 Sauna	16-35	21-40	\$36,000	\$6,536
13150 Pool & Spas	45	50	\$380,000	\$38,000
13151 Pool & Spa Equipment	0-30	5-35	\$339,934	\$93,065
13152 Pool & Spa Piping	25-45	30-50	\$312,500	\$42,152
13153 Pool & Spa Finishes	25	30	\$70,000	\$11,667
13155 Water Slide Equipment	10-45	15-50	\$127,500	\$15,167
14200 Elevators	10-21	15-26	\$55,000	\$10,929
15300 Fire Protection	3-55	50-60	\$173,250	\$109,795
15400 Plumbing	1-49	15-50	\$323,664	\$37,302
15500 HVAC Equipment & Distribution	0-34	1-81	\$240,582	\$147,989
15510 Hydronic Piping Systems	11	16	\$15,750	\$4,922
15540 HVAC Pumps	11	16	\$30,450	\$9,516
15560 Boilers & Accessories	18	23	\$120,750	\$26,250
15700 Heating Equipment	5	10	\$4,000	\$2,000
15950 HVAC Controls-HVAC & Boiler IT Controls	N.A.	N.A.	\$0	\$0
16400 Electrical Service Distribution	13	60	\$78,750	\$61,688
16500 Lighting	0-28	1-50	\$331,638	\$178,303
16600 Emergency Systems	30	35	\$21,000	\$3,000
16700 Voice and Data	1	26	\$5,000	\$4,808
16720 Fire Alarm	10-12	15	\$90,922	\$27,518
16730 Security	10	15	\$43,700	\$14,567
16800 Sound & Video	10	15	\$28,500	\$9,500
16900 Lighting Controls	0-10	1-15	\$29,547	\$10,547
Contingency	N.A.	N.A.	N.A.	81445.43
Total			\$6,795,946	\$2,796,293
Anticipated Reserves				\$985,844
Percent Funded				35.26%

Mountain Park Homeowners Association

Projections

Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Theoretically Ideal Ending Balance	Percent Funded
2015	\$985,844	\$258,081	\$0	\$438,359	\$805,566	\$2,696,069	30%
2016	\$805,566	\$258,081	\$0	\$267,925	\$795,722	\$2,785,952	29%
2017	\$795,722	\$258,081	\$0	\$83,087	\$970,717	\$3,082,583	31%
2018	\$970,717	\$258,081	\$0	\$405,332	\$823,466	\$3,055,121	27%
2019	\$823,466	\$258,081	\$0	\$173,142	\$908,405	\$3,280,732	28%
2020	\$908,405	\$258,081	\$0	\$333,072	\$833,414	\$3,352,058	25%
2021	\$833,414	\$258,081	\$0	\$134,196	\$957,299	\$3,644,016	26%
2022	\$957,299	\$258,081	\$0	\$124,083	\$1,091,296	\$3,962,696	28%
2023	\$1,091,296	\$258,081	\$0	\$151,243	\$1,198,134	\$4,270,228	28%
2024	\$1,198,134	\$258,081	\$0	\$86,602	\$1,369,613	\$4,663,018	29%
2025	\$1,369,613	\$258,081	\$0	\$600,968	\$1,026,726	\$4,534,281	23%
2026	\$1,026,726	\$258,081	\$0	\$419,489	\$865,318	\$4,604,844	19%
2027	\$865,318	\$258,081	\$0	\$157,471	\$965,928	\$4,963,773	19%
2028	\$965,928	\$258,081	\$0	\$687,651	\$536,358	\$4,785,198	11%
2029	\$536,358	\$258,081	\$0	\$214,927	\$579,512	\$5,111,767	11%
2030	\$579,512	\$258,081	\$0	\$318,954	\$518,639	\$5,347,520	10%
2031	\$518,639	\$662,380	\$0	\$595,416	\$585,603	\$5,309,753	11%
2032	\$585,603	\$662,380	\$0	\$159,286	\$1,088,697	\$5,742,893	19%
2033	\$1,088,697	\$662,380	\$0	\$598,823	\$1,152,253	\$5,736,152	20%
2034	\$1,152,253	\$662,380	\$0	\$135,230	\$1,679,404	\$6,230,726	27%
2035	\$1,679,404	\$662,380	\$0	\$733,842	\$1,607,942	\$6,118,028	26%
2036	\$1,607,942	\$662,380	\$0	\$421,466	\$1,848,856	\$6,344,695	29%
2037	\$1,848,856	\$662,380	\$0	\$165,646	\$2,345,590	\$6,860,052	34%
2038	\$2,345,590	\$662,380	\$0	\$249,699	\$2,758,271	\$7,312,774	38%
2039	\$2,758,271	\$662,380	\$0	\$76,540	\$3,344,111	\$7,973,247	42%
2040	\$3,344,111	\$662,380	\$0	\$1,162,477	\$2,844,015	\$7,517,944	38%
2041	\$2,844,015	\$662,380	\$0	\$859,827	\$2,646,567	\$7,385,421	36%
2042	\$2,646,567	\$662,380	\$0	\$529,708	\$2,779,239	\$7,612,601	37%
2043	\$2,779,239	\$662,380	\$0	\$412,721	\$3,028,898	\$7,983,974	38%
2044	\$3,028,898	\$662,380	\$0	\$146,265	\$3,545,013	\$8,661,360	41%

NOTE: In some cases, the projected Ending Balance may exceed the Theoretically Ideal 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.