

Clear Lake City Community Association, Inc.

Financial Statements

June 30, 2012 and 2011

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Independent Auditor's Report

To the Board of Trustees
Clear Lake City Community Association, Inc.
Houston, Texas

We have audited the accompanying balance sheets of the Clear Lake City Community Association, Inc. (a Texas Corporation) as of June 30, 2012 and June 30, 2011 and the related statements of revenues, expenditures and changes in fund balances and cash flows for the years 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 audits.

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 audits 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 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 Clear Lake City Community Association, Inc. as of June 30, 2012 and 2011 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.

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on page 12-17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Canady & Canady P.C.

January 17, 2013

Clear Lake City Community Association, Inc.
Balance Sheets
June 30, 2012 and 2011

	2012			2011
	Operating Fund	Replacement Fund	Total	Total
Assets				
Cash and cash equivalents	\$ 445,994	\$ 11,000	\$ 456,994	\$ 341,218
Certificate of deposit	-	989,000	989,000	1,080,000
Assessments receivable	143,557		143,557	116,307
Allowance for doubtful accounts	(42,000)		(42,000)	(32,000)
Accounts receivable - investment interest	2,858		2,858	3,340
Other receivables	3,269		3,269	5,933
Prepaid expenses	33,225		33,225	35,019
Land	1,745,178		1,745,178	1,745,178
Furniture and equipment, net of accumulated depreciation of \$3,835,380 and \$3,732,971	949,207		949,207	1,030,248
Finance lease asset, net of accumulated amortization of \$2,960 and \$1,851	2,595		2,595	3,706
Total Assets	\$3,283,883	\$1,000,000	\$4,283,883	\$4,328,949
Liabilities and Fund Balances				
Accounts payable	\$ 18,732	\$ -	\$ 18,732	\$ 4,032
Payroll tax payable	-		-	33
Accrued expenses	37,255		37,255	21,681
Prepaid maintenance fees	501,712		501,712	290,030
Rental and key deposit	3,593		3,593	7,788
Lease obligation	1,415		1,415	2,519
Total Liabilities	562,707		562,707	326,083
Fund Balances	2,721,176	1,000,000	3,721,176	4,002,866
Total Liabilities and Fund Balances	\$3,283,883	\$1,000,000	\$4,283,883	\$4,328,949

See accompanying notes to financial statements.

Clear Lake City Community Association, Inc.
 Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the Years Ended June 30, 2012 and 2011

	2012			2011
	Operating Fund	Replacement Fund	Total	Total
Revenues				
Maintenance assessment	\$ 600,145	\$ -	\$ 600,145	\$ 601,004
Transfer fees	36,720		36,720	36,827
Legal fees reimbursement	123,148		123,148	102,264
Late fees	53,817		53,817	43,275
Classes income:				
Exercise classes	123,665		123,665	124,377
Water classes	12,889		12,889	10,187
Facilities income:				
Rental fees	88,607		88,607	79,383
Pool tags	1,634		1,634	755
Fitness tags	10,973		10,973	8,964
Other fees	52,593		52,593	50,048
Interest income	15,802		15,802	32,188
Miscellaneous income	213,369		213,369	150,360
Total Revenues	<u>1,333,362</u>		<u>1,333,362</u>	<u>1,239,632</u>
Expenses				
Administrative expenses:				
Legal fees	153,847		153,847	153,521
Insurance	123,415		123,415	121,153
Taxes-payroll	55,690		55,690	60,038
General and administration expenses	34,938		34,938	33,790
Bad debt expense	32,439		32,439	35,045
Accounting and professional fees	18,794		18,794	16,455
Office supplies	13,474		13,474	13,926
Postage	9,004		9,004	17,399
Phone, pager, fax	7,713		7,713	7,756
Advertising	6,232		6,232	11,701
Equipment rental	4,398		4,398	4,602
Employee retirement benefits	3,888		3,888	3,415
Permits, dues and subscriptions	3,493		3,493	3,253
Transportation	3,047		3,047	2,306
Newsletter expenses	463		463	3,827
Taxes-property	32		32	32

See accompanying notes to financial statements.

Clear Lake City Community Association, Inc.
 Statements of Revenues, Expenditures
 and Changes in Fund Balances
 For the Years Ended June 30, 2012 and 2011

	2012		2011
	Operating Fund	Replacement Fund	Total
Expenses (continued)			
Facilities expense:			
Landscape and grounds maintenance	21,255		15,257
Pool expenses	38,939		37,162
Maintenance and repairs	29,101		29,497
Lease asset amortization	1,111		1,111
Salaries and wages	534,902		565,596
Capital improvements	192,235		-
Utilities	125,741		107,652
Depreciation	103,038		103,892
Contract labor	41,824		39,762
Recreation expenses	22,980		34,606
Legal settlement	15,000		-
Janitor and shop supplies	14,314		12,075
Trash collection expense	3,173		10,809
Miscellaneous expenses	470		12,444
Interest expense	102		102
Total Expenses	1,615,052		1,458,184
Deficiency of Revenues over Expenses	(281,690)	-	(218,552)
Fund Balance			
Beginning balance	3,002,866	1,000,000	4,221,418
Ending balance	\$ 2,721,176	\$ 1,000,000	\$ 4,002,866

See accompanying notes to financial statements.

Clear Lake City Community Association, Inc.
Statements of Cash Flows
For the Years ended June 30, 2012 and 2011

	2012			2011
	Operating Fund	Replacement Fund	Total	Total
Cash flows from operating activities				
Deficiency of Revenues over Expenses	\$ (281,690)	\$ -	\$ (281,690)	\$(218,552)
Depreciation	103,038		103,038	103,892
Amortization	1,111		1,111	1,111
Bad debt	32,439		32,439	35,045
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
(Increase) decrease in:				
Assessments receivable	(49,688)		(49,688)	(43,560)
Accounts receivable - investment interest	482		482	2,867
Other receivables	2,664		2,664	(5,933)
Prepaid expenses	1,794		1,794	5,268
Increase (decrease) in:				
Accounts payable	14,700		14,700	(12,660)
Payroll tax payable	(33)		(33)	(336)
Accrued expenses	15,574		15,574	21,681
Prepaid assessments	211,682		211,682	(118,140)
Rental deposits	(4,195)		(4,195)	(1,855)
Lease obligation	(1,104)		(1,104)	(1,104)
Net cash used by operating activities	46,774	-	46,774	(232,276)
Cash flows from investing activities				
Redemption of Certificates of deposits	80,000	11,000	91,000	166,000
Acquisition of fixed assets	(21,998)		(21,998)	(138,725)
Net cash provided by investing activities	58,002	11,000	69,002	27,275
Net increase (decrease) in cash and cash equivalents	104,776	11,000	115,776	(205,001)
Cash and cash equivalents, beginning of year	341,218	-	341,218	546,219
Cash and cash equivalents, end of year	<u>\$ 445,994</u>	<u>\$ 11,000</u>	<u>\$ 456,994</u>	<u>\$ 341,218</u>
Supplemental Disclosures:				
Taxes Paid	\$ -	\$ -	\$ -	\$ -
Interest Paid	\$ 102	\$ -	\$ 102	\$ -

See accompanying notes to financial statements.

Clear Lake City Community Association, Inc.
Notes to the Financial Statements
June 30, 2012 and 2011

Note 1 – Organization

Clear Lake City Community Association, Inc. (the "Association"), a Texas non-profit corporation, was incorporated March 1963, organized for exclusively civic, educational, and recreational purposes, and to provide for maintenance, preservation and architectural control of properties within the boundaries of Clear Lake City Community Association's jurisdiction, and to promote the health, recreation, and well-being of the residents of the community. Association policies and procedures are determined by the Board of Trustees.

Note 2 - Summary of Significant Accounting Policies

Funds

The Association maintains an Operating Fund and a Replacement Fund. The Operating Fund is used for the payment of current operating expenses including normal maintenance of common areas. The Replacement Fund is used to fund anticipated major repairs and capital improvements over normal expected life of building improvements. Part of the monthly assessments is allocated to the Replacement Fund.

Cash

Cash includes cash and cash equivalents, defined as liquid investments with original maturities of three months or less.

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.

Fair Value of Financial Instruments

The Association's financial instruments are cash and cash equivalents, accounts receivable, prepaid expenses and accounts payable. The recorded values of the cash and cash equivalents, investments, accounts receivable, prepaid expenses and accounts payables approximate their fair values based on their short-term nature.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not reflected on the Association's financial statements. Those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes significant real and personal property to which it has title or other evidence of ownership at cost.

Note 3 – Uninsured Cash Balance

The Association maintains its cash balances in a financial institution located in Houston, Texas. Accounts at the institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$ 250,000. As of June 30, 2012, all the cash balance was insured by FDIC.

Clear Lake City Community Association, Inc.
Notes to the Financial Statements (continued)
June 30, 2012 and 2011

Note 4 – Certificate of Deposit

Certificates of deposits are recorded at cost, and are held in various financial institutions by UBS Financial Services. Accounts at the institutions are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$ 250,000. As of June 30, 2012, all the balances of Certificate of Deposit are insured by FDIC.

The Association's policy is to hold investments until maturity; therefore, there are no gains or losses recognized on the accompanying Statements of Revenues and Expenses. The aggregate fair value of the investments as of June 30, 2012 and 2011 are \$ 1,038,412 and \$ 1,219,308, respectively. The gross unrealized gain as of June 30, 2012 and 2011 are \$ 4,600 and \$ 4,589, respectively.

Note 5 - Assessments

Certain residential and commercial properties in Clear Lake City are subject to an annual community service charge at the rate of eight (8) mills per square foot. The annual mill assessments, are collected to meet the Association's normal operating costs and, at the Board of Trustees' discretion, to fund reserves for the repair and replacement of the capital components. The annual community service charge shall not be raised above eight (8) mills per square foot of area, unless raised by the owners of a majority of the square foot area of the lots or property in all of said sections paying such charges. To secure payment of the assessments, a continuing lien covenant runs with the property assessed. This assessment fee is recognized as it is earned. Bad debts are provided on the allowance method (estimate not an actual loss) based on the Association's evaluation of outstanding receivable. The allowance for doubtful accounts was \$42,000 at June 30, 2012.

Note 6 - Assessments Received in Advance

Assessments received in advance at the balance sheet date represent payments received from association members during the current year, which relate to maintenance assessments for the subsequent year.

Note 7 – Retirement Plan

The Clear Lake City Community Association, Inc. maintains a SIMPLE IRA retirement plan described under IRC section 408(p). Employees of the Association are eligible to participate in the plan if they are expected to earn \$ 5,000 during the plan year or received \$ 5,000 during each of the two preceding calendar years. The Association provides a matching contribution up to 3% for 2012 and 2011 of the participant's compensation subject to certain limitations imposed by law. All contributions under the SIMPLE plan are fully vested and non-forfeitable. For the year ends ended June 30, 2012 and 2011, Employer retirement contributions were \$ 3,888 and \$ 3,415 as reported on the accompanying Statement of Revenues and Expenses, respectively.

Clear Lake City Community Association, Inc.
Notes to the Financial Statements (continued)
June 30, 2012 and 2011

Note 8 – Tax Exempt Status and Federal Income Tax

The Association is exempt from federal income under section 501(c) (4) of the Internal Revenue Code. Tax exempt status is based upon the Association promoting the common good and well-being of the community and general public, primarily to bring about civic betterment and social improvement. For the year ended June 30, 2012, the Association filed a Return of Organization Exempt from Income Tax.

The Association's tax filings are subject to audit. The Association's federal income tax returns for 2009, 2010, and 2011 remain open to examination by the Internal Revenue Service. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

Note 9 - State Franchise Tax

The Association is exempt from Texas franchise tax as specified under Section 171.082 of the Texas Tax Code as a homeowners' association.

Note 10 – Property and Equipment

Major classifications of property, equipment and furniture at June 30, 2012 and 2011, and their respective lives are summarized below:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>Useful life</u>
Building and Improvements	\$ 4,304,202	\$ 4,302,902	3-39
Office equipment	24,449	24,449	3-20
Machinery and equipment	290,754	270,056	3-15
Furniture and fixtures	111,543	112,173	3-15
Recreation equipment	53,639	53,639	3-5
	<u>4,784,587</u>	<u>4,763,219</u>	
Less: accumulated depreciation	<u>(3,835,380)</u>	<u>(3,732,971)</u>	
	<u><u>\$ 949,207</u></u>	<u><u>\$ 1,030,248</u></u>	

Depreciation is calculated using straight line method. Depreciation expense for the years ended June 30, 2012 and 2011 totaled \$ 103,038 and \$ 103,892, respectively.

Clear Lake City Community Association, Inc.
Notes to the Financial Statements (continued)
June 30, 2012 and 2011

Note 11 – Future Major Repairs and Replacements

The Association's governing documents do not require that funds be accumulated for future major repairs and replacements, but such determination can be made by the Board of Trustees. The purpose of the annual assessments are to (1) provide the working capital necessary to meet the Association's annual operating expenses and (2) maintain a reserve for repair or replacement of the capital components of the Association. Accumulated funds are held in separate cash and investment accounts and are generally not available for expenditures for normal operations.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments in accordance with the declaration or delay major repairs and replacements until funds are available.

Note 12 – Finance Lease Asset

In April 2009, the Association entered into a finance lease agreement of a printer, the term of the lease included a bargaining purchase option of \$1.00. The present value of minimum lease obligation is \$5,557 for lease term 60 months, \$205.00 per month payable at the beginning of each month at the incremental borrowing rate of 3.25% (prime rate in April 2009). As of June 30, 2012 the accumulated amortization of the lease asset is \$2,960. The future minimum lease payments for each of the five succeeding fiscal years are as follow:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Future Minimum Lease Payment</u>
2010	137	1,069	1,206
2011	101	1,104	1,206
2012	65	1,141	1,206
2013	27	1,178	1,206
2014	1	200	201

Note 13 - Date of Management's Review

In preparing the financial statements, the Association has evaluated the events and transactions for potential recognition or disclosure through January 17, 2013, the date the financial statement were available to be issued.

Note 14 – Subsequent Events

Upon evaluation, the Association notes that there were no material subsequent events between the date of the financial statements and the date that the financial statements were issued or available to be issued.

Supplemental Information

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To the Board of Trustees
Clear Lake City Community Association, Inc.
Houston, Texas

The supplementary information on future major repairs and replacements on page 11-17 is not a required part of the basic financial statements of Clear Lake City Community Association, Inc., but it 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.

January 17, 2013

Clear Lake City Community Association, Inc.
 Supplementary Information
 On Future Major Repairs and Replacements
 June 30, 2012
 (Unaudited)

An independent engineer conducted a study on February 14, 2010 to estimate the remaining useful lives and the replacement costs of the components of the Association's common property. The following information is based on the study and presents significant information about the components of common property. At the June 30, 2012 fiscal year-end, the Association's reserve fund balance was \$ 1,000,000.

<u>Capital Item To Be Replaced</u>	<u>Remaining Life</u>	<u>Estimated Cost</u>	<u>Frequency (Years)</u>
Applewhite Sports and Recreation Center			
Resurface single-ply membrane roofs	7	250,000	25
Re-surface built-up and modified roofing	8	20,000	20
Paint exterior walls	0	20,000	8
Patch/reseal/restripe asphalt - repair curbing	0	37,600	5
Paint/repair pole mounted lighting	0	900	5
Replace pole mounted lighting	7	4,500	20
Repairs/upgrades to electronic service components	0	10,000	40
Repair/treat rust - metal perimeter fence	0	8,000	5
Re-point mortar at brick wall fence	0	1,500	20
Repair sidewalks	0	4,000	5
Backstops	0	10,000	10
Office Area			
a. Replace older HVAC units	0	16,000	15
b. Replace newer HVAC units	7	16,000	15
c. Replace water heater	0	1,000	10
d. Replace drinking fountain	2	800	10
e. Replace computers, office equip. & furniture	0	16,000	5
f. Re-finish interiors (walls and ceilings)	7	24,000	10
g. Replace bathroom fixtures	0	2,600	30
h. Replace flooring (carpet/tile/wood)	7	24,000	10
Pavilion Room			
a. Replace HVAC units	0	8,000	15
b. Replace water heater	3	1,000	10
c. Replace bathroom fixtures	3	2,600	30
d. Repair flooring, wood	4	16,000	7
e. Replace flooring, wood	17	39,000	40

Clear Lake City Community Association, Inc.
 Supplementary Information
 On Future Major Repairs and Replacements
 June 30, 2012
 (Unaudited)

<u>Capital Item To Be Replaced</u>	<u>Remaining Life</u>	<u>Estimated Cost</u>	<u>Frequency (Years)</u>
Indoor Pool			
a. Replace ceiling mounted heaters	3	3,200	15
b. Repair boiler (pool hot water)	8	2,000	5
c. Replace boiler	17	15,000	20
d. Pump Filtration Equipment	0	10,000	5
e. Pool liner re-plaster	3	30,000	10
f. Pool deck & coping - repair/re-surface	4	20,000	15
g. Life guard stands	0	4,000	10
h. Pool furniture	0	3,000	7
Basketball Courts			
a. Repairs to heating and cooling equipment	0	5,000	5
b. Replace cooling tower	0	20,000	20
c. Replace boiler/heater	0	20,000	20
d. Replace air handler and ventilation equipment	0	60,000	15
e. Replace basketball backboards w/ rims	2	3,000	10
f. Replace flooring	7	82,225	20
g. Replace drinking fountains	2	820	10
h. Replace bathroom fixtures	0	6,000	30
Weight Room			
a. Replace equipment			
Universal weight set	2	6,000	15
Free weight equipment	2	4,000	15
Stair steppers	0	4,500	5
Treadmills	3	9,000	5
Treadmills	0	9,000	5
Bicycles	0	9,000	5
Elliptical	0	10,000	5
b. HVAC window unit	0	3,100	12
c. Televisions (2 each)	1	2,000	7
d. Flooring	1	3,500	7

Clear Lake City Community Association, Inc.
 Supplementary Information
 On Future Major Repairs and Replacements
 June 30, 2012
 (Unaudited)

<u>Capital Item To Be Replaced</u>	<u>Remaining Life</u>	<u>Estimated Cost</u>	<u>Frequency (Years)</u>
Outdoor Pools			
a. Swimming Pools			
Pump Filtration Equipment	8	15,000	5
Guard Stands	0	4,000	10
Dive Stands	0	26,000	10
Diving Boards	0	6,000	5
Shade Structure	2	5,000	10
Pool liner re-plaster (Dive)	7	9,000	10
Pool liner re-plaster (Slide)	7	5,000	10
Pool liner re-plaster (Main)	0	30,000	10
Pool deck and coping - repair/re-surface	4	20,000	15
Pool furniture	0	3,000	7
Replace slide	2	70,000	20
b. Repairs to pool equipment room MEP	0	7,500	5
c. Replace bathroom fixtures	0	24,000	30
d. Repair/replace wrought iron fence	0	4,000	5
e. Replace bleachers	2	11,000	20
Fullerton Park			
a. Replace playground equipment	3	100,000	20
b. Install sand and misc. equipment	0	15,000	25
c. Replace benches/tables	2	3,000	20
d. Tennis courts			
Replace windscreen	4	6,000	5
Repair/Replace chain link fence	7	11,520	20
Resurface courts	4	36,000	5
Replace benches	0	2,000	20
Repair/replace pole mounted lighting	7	18,000	20
Replace shed	7	2,500	20
Replace nets	0	4,000	5
Replace pulleys	0	4,000	5
e. Patch/reseal/restripe asphalt - repair curbing	0	18,000	5
f. Repair sidewalks	0	4,160	5

Clear Lake City Community Association, Inc.
 Supplementary Information
 On Future Major Repairs and Replacements
 June 30, 2012
 (Unaudited)

<u>Capital Item To Be Replaced</u>	<u>Remaining Life</u>	<u>Estimated Cost</u>	<u>Frequency (Years)</u>
Rutledge Park			
a. Replace playground equipment	4	25,000	20
b. Install sand and misc. equipment	8	5,000	25
c. Replace benches/tables	5	6,000	20
d. Tennis courts			
Install windscreen	0	3,000	20
Replace/Replace chain link fence	7	7,680	20
Resurface courts	2	18,000	7
Replace benches	7	1,500	20
Replace nets	0	2,000	5
Replace pulleys	0	2,000	5
e. Swimming Pool			
Pool filtration equipment	0	5,000	7
Guard Stands	2	1,500	10
Dive Stands	2	1,500	10
Diving Boards	2	13,000	10
Shade Structure	2	5,000	10
Pool liner re-plaster	9	30,000	10
Pool deck and coping - repair/re-surface	4	20,000	15
Pool furniture	0	3,000	7
f. Patch/reseal restripe asphalt - repair curbing	0	5,700	5
g. Repair/treat rust - metal perimeter fence	0	4,000	5
h. Replace bathroom fixtures	0	7,500	30
i. Paint stucco exterior of pool house	3	1,800	10
j. Resurface roof of pool house	0	3,750	20
k. Repair sidewalks	0	4,000	5
Krueger Park			
a. Tennis courts			
Replace windscreen	2	3,000	5
Repair/Replace chain link fence	7	7,680	20
Resurface courts	1	18,000	7
Replace benches	7	750	20
Repair/replace pole mounted lighting	7	6,000	20
Replace nets	0	2,000	5
Replace pulleys	0	2,000	5

Clear Lake City Community Association, Inc.
 Supplementary Information
 On Future Major Repairs and Replacements
 June 30, 2012
 (Unaudited)

<u>Capital Item To Be Replaced</u>	<u>Remaining Life</u>	<u>Estimated Cost</u>	<u>Frequency (Years)</u>
Krueger Park (Cont.)			
b. Swimming Pool			
Pool filtration equipment	8	3,500	5
Guard Stands	5	2,000	10
Pool liner re-plaster	2	26,000	10
Pool deck and coping - repair/re-surface	4	20,000	15
Pool furniture	0	3,000	7
Shade Structure	2	5,000	10
c. Repair/treat rust -metal perimeter fence	0	4,500	5
d. Replace playground equipment	17	45,000	20
e. Install sand and quad swings	5	5,000	10
f. Replace benches/tables	7	5,000	20
g. Replace backstop	5	1,500	20
h. Repair concrete paving/curbing, seal and stripe	0	2,500	5
i. Paint exterior of pool house	3	1,500	8
j. Resurface roof of pool house	0	1,250	20
k. Repair sidewalks	0	1,500	5
Oakbrook West Park			
a. Replace playground equipment	17	45,000	20
b. Replace - Playground border and sand	7	4,500	10
c. Replace benches/tables	3	3,000	20
d. Tennis courts			
Replace windscreen	0	1,400	5
Replace chain link fence	7	7,680	20
Resurface courts	0	20,000	7
Replace benches	1	750	20
Repair/replace pole mounted lighting	7	6,000	20
Replace nets	0	2,000	5
Replace pulleys	0	2,000	5

Clear Lake City Community Association, Inc.
 Supplementary Information
 On Future Major Repairs and Replacements
 June 30, 2012
 (Unaudited)

<u>Capital Item To Be Replaced</u>	<u>Remaining Life</u>	<u>Estimated Cost</u>	<u>Frequency (Years)</u>
Oakbrook West Park (Cont.)			
e. Swimming pool			
Pool filtration equipment	8	3,500	5
Guard Stands	2	3,000	10
Dive Stands	2	13,000	10
Diving Boards	0	3,000	5
Shade Structure	2	5,000	10
Pool liner re-plaster	7	26,000	10
Pool deck & coping - repair/re-surface	4	20,000	15
Pool furniture	0	3,000	7
f. Repair concrete paving/curbing, seal and stripe	0	8,000	5
g. Replace bathroom fixtures	0	4,500	30
h. Re-point brick mortar at pool house exterior	19	2,500	20
i. Paint wood trim at pool house exterior	0	1,500	5
j. Resurface roof of pool house	0	1,250	20
k. Repair backstops	5	3,000	20
l. Repair/treat rust - metal perimeter fence	0	4,500	5
m. Repair sidewalks	0	3,000	5
Royal Park			
a. Replace playground equipment	0	45,000	20
b. Install sand and misc. equipment	0	5,000	25
c. Replace benches/tables	7	4,000	20
d. Replace/repair backstops	0	3,000	20
e. Replace gazebo	7	30,000	20
f. Repair sidewalks	0	10,000	5
Drill Site			
a. Install sand and misc play equip	22	10,000	25
b. Replace backstops	11	4,500	20
c. Replace soccer goals	2	750	10
d. Repair concrete paving/curbing, seal and stripe	0	1,000	5
e. Replace benches/tables	7	2,000	20
Other			
Electrical evaluation	0	50,000	40
Repairs/upgrades to electronic service components	0	50,000	40
Update Reserve Study	2	4,500	5
Total		<u>\$2,100,965</u>	