

Clear Lake City Community Association, Inc.

Financial Statements

June 30, 2018 and 2017

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Canady & Canady
Certified Public Accountants
4707 Ingersoll St.
Houston, TX 77027
713-783-1021 Fax 713-783-6770
www.canadycanady.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Clear Lake City Community Association, Inc., which comprise the balance sheets as of June 30, 2018 and 2017, and related statements of revenues, expenditures and changes in fund balances and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation 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 internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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Independent Auditor's Report (Continued)

To the Board of Directors of
Clear Lake City Community Association, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of Clear Lake City Community Association, Inc. as of June 30, 2018 and 2017, 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.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that **Supplementary Information on Future Major Repairs and Replacements** on page 14 - 18 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 the 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

Houston, Texas

March 12, 2019

Clear Lake City Community Association, Inc.
Balance Sheets
June 30, 2018 and 2017

	2018			2017
	Operating Fund	Replacement Fund	Total	Total
Assets				
Cash and cash equivalents	\$ 239,180	\$ 100,000	\$ 339,180	\$ 406,849
Certificate of deposits		900,000	900,000	900,000
Assessments receivable	286,875		286,875	223,415
Less: Allowance for doubtful accounts	(50,124)		(50,124)	(50,124)
Investments interest receivable	2,526		2,526	2,895
Other receivables	15,273		15,273	19,198
Prepaid expenses	36,913		36,913	20,644
Land	1,745,178		1,745,178	1,745,178
Furniture and equipment (net of accumulated depreciation of \$ 1,512,195 and \$ 1,705,525)	589,799		589,799	632,227
Total Assets	\$ 2,865,620	\$ 1,000,000	\$ 3,865,620	\$ 3,900,282
Liabilities and Fund Balances				
Accounts payable	\$ -	\$ -	\$ -	1,227
Other payables and accrued expenses	13,822		13,822	14,760
Prepaid maintenance fees	207,162		207,162	412,796
Rental and key deposits	183		183	483
Total Liabilities	221,167	-	221,167	429,266
Fund Balances	2,644,453	1,000,000	3,644,453	3,471,016
Total Liabilities and Fund Balances	\$ 2,865,620	\$ 1,000,000	\$ 3,865,620	\$ 3,900,282
	-	-	-	-

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, 2018 and 2017

	2018			2017
	Operating Fund	Replacement Fund	Total	Total
Revenues				
Maintenance assessments	\$ 626,092	\$ -	\$ 626,092	\$ 602,849
Insurance claim	697,147		697,147	-
Recreational and programming	192,890		192,890	188,784
Transfer fees	107,925		107,925	134,047
Rental	95,609		95,609	82,372
Late fees	87,708		87,708	67,955
Legal fees reimbursement	29,654		29,654	28,094
Interest	16,449		16,449	13,734
Miscellaneous	19,183		19,183	8,689
Total Revenues	1,872,657	-	1,872,657	1,126,524
Expenses				
Administrative expenses:				
Insurance	133,687		133,687	135,878
Legal fees	56,788		56,788	56,126
General office and administration	41,871		41,871	43,754
Taxes-payroll	35,994		35,994	38,055
Newsletter	11,620		11,620	18,232
Bad debt	7,852		7,852	9,680
Professional fees	7,075		7,075	12,536
Workers compensation	6,647		6,647	7,587
Equipment rental	6,211		6,211	6,527
Permits, dues and subscriptions	4,328		4,328	4,399
Postage	3,482		3,482	6,066
Phone, pager, fax	1,989		1,989	2,570
Security	439		439	1,641
Facilities expense:				
Salaries and wages	453,882		453,882	484,847
Utilities	89,572		89,572	96,684
Landscape and grounds maintenance	78,986		78,986	99,595

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, 2018 and 2017

	2018		2017
	Operating Fund	Replacement Fund	Total
Expenses (continued)			
Capital improvements	452,895		452,895
Maintenance and repairs	103,165		103,165
Depreciation	80,205		80,205
Programming and events	27,871		27,871
Contract labor	26,677		26,677
Miscellaneous	23,014		23,014
Janitor and shop supplies	21,347		21,347
Pool	18,635		18,635
Total Expenses	1,694,232	-	1,694,232
Excess (Deficiency) of Revenues over Expenses	178,425	-	178,425
			(176,530)
Fund Balances			
Beginning of the year	2,471,016	1,000,000	3,471,016
Prior period adjustment	(4,988)		(4,988)
End of the year	<u>\$ 2,644,453</u>	<u>\$ 1,000,000</u>	<u>\$ 3,644,453</u>
			<u>\$ 3,471,016</u>

See accompanying notes to financial statements.

Clear Lake City Community Association, Inc.
Statements of Cash Flow
For the Years Ended June 30, 2018 and 2017

	2018			2017
	Operating Fund	Replacement Fund	Total	Total
Cash Flows From Operating Activities				
Excess (Deficiency) of Revenues over Expenses	\$ 178,425	\$ -	\$ 178,425	\$ (176,530)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
Prior period adjustment	(4,988)		(4,988)	82,849
Depreciation	80,205		80,205	68,595
Bad debt	7,075		7,075	9,680
Decrease (increase) in:				
Assessments receivable	(70,535)		(70,535)	37,397
Investments interest receivable	369		369	(264)
Other receivable	3,925		3,925	10,049
Prepaid expenses	(16,269)		(16,269)	22,054
Increase (decrease) in:				
Accounts payable	(1,227)		(1,227)	652
Payroll tax payable	(938)		(938)	(17,376)
Prepaid assessments	(205,634)		(205,634)	118,100
Rental deposits	(300)		(300)	483
Net Cash (Used) Provided by Operating Activities	<u>(29,892)</u>	<u>-</u>	<u>(29,892)</u>	<u>155,689</u>
Cash Flows From Investing Activities				
Purchase of Property and Equipment	<u>(37,777)</u>		<u>(37,777)</u>	<u>(101,230)</u>
Net Cash (Used) by Investing Activities	<u>(37,777)</u>	<u>-</u>	<u>(37,777)</u>	<u>(101,230)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<u>(67,669)</u>	<u>-</u>	<u>(67,669)</u>	<u>54,459</u>
Cash and cash equivalents, beginning of year	306,849	100,000	406,849	352,390
Cash and cash equivalents, end of year	<u>\$ 239,180</u>	<u>\$ 100,000</u>	<u>\$ 339,180</u>	<u>\$ 406,849</u>
Supplemental Disclosures:				
Income Taxes Paid	\$ -	\$ -	\$ -	\$ -
Interest Paid	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

Clear Lake City Community Association, Inc.
Notes to the Financial Statements
June 30, 2018 and 2017

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 - Date of Management's Review

In preparing the financial statements, the Association has evaluated the events and transactions for potential recognition or disclosure through March 12, 2019, the date the financial statement were available to be issued.

Note 3 - Summary of Significant Accounting Policies

Fund Accounting

The Association uses fund accounting which requires funds allocated for future major repairs and replacements be classified separately from funds available for general operations. 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.

Replacement Fund – This fund is used to account for financial resources designated for future repairs and replacements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, whereby income is recognized when earned and costs and expenses are recognized when the obligations are incurred.

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.

Clear Lake City Community Association, Inc.
Notes to the Financial Statements (continued)
June 30, 2018 and 2017

Note 3 - Summary of Significant Accounting Policies (Continued)

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.

Note 4 - Uninsured Cash Balance

The Association maintains its cash balances in financial institutions which are members of FDIC. Accounts at the institution are secured by Federal Deposit Insurance Corporation (FDIC) under the Federal Government's Transaction Account Guarantee Program up to \$ 250,000. As of June 30, 2018 and 2017, all the cash balance was insured by FDIC.

Note 5 - Certificates of Deposits

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, 2018 and 2017, 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, 2018 and 2017 are \$ 1,033,146 and \$ 943,952, respectively. The gross unrealized loss as of June 30, 2018 and 2017 are \$ 12,744 and \$ 4,395, respectively.

Note 6 - Assessments and Assessments Receivable

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 \$ 50,124 and \$ 50,124 at June 30, 2018 and 2017.

Note 7 - 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.

Clear Lake City Community Association, Inc.
Notes to the Financial Statements (continued)
June 30, 2018 and 2017

Note 8 - 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 2018 and 2017 of the participant's compensation subject to certain limitations imposed by law. All contributions under the SIMPLE plan are fully vested and non-forfeitable.

Note 9 - 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 years ended June 30, 2018 and 2017, the Association filed a Return of Organization Exempt from Income Tax.

The Association adopted the accounting for uncertainty for income tax guidance, which clarifies the accounting and recognition for tax positions taken or expected to be taken in its income tax return. An entities status, including its status as a tax exempt not for profit entity, is included in the definition of a tax position.

The Association's tax filings are subject to audit. The Association's federal income tax returns for 2015, 2016 and 2017 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 10 - State Franchise Tax and Sales Tax

The Association is exempt from Texas franchise tax as specified under Section 171.082 of the Texas Tax Code as a homeowners' association. The Association is exempt from sales tax as a qualifying 501(c) (4) Association.

Clear Lake City Community Association, Inc.
Notes to the Financial Statements (continued)
June 30, 2018 and 2017

Note 11 - 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.

Major classifications of property, equipment and furniture at June 30, 2018 and 2017, and their respective lives are summarized below:

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Useful life</u>
Building and Improvements	\$ 1,837,364	\$ 1,999,636	3-39
Office equipment	10,471	17,356	3-20
Machinery and equipment	133,072	189,554	3-15
Furniture and fixtures	79,366	78,821	3-15
Recreation equipment	41,721	54,385	3-5
	<u>2,101,994</u>	<u>2,339,752</u>	
Less: accumulated depreciation	<u>(1,512,195)</u>	<u>(1,707,525)</u>	
	<u>\$ 589,799</u>	<u>\$ 632,227</u>	

Depreciation is calculated using straight line method. Depreciation expense for the years ended June 30, 2018 and 2017 totaled \$ 80,205 and \$ 68,595, respectively.

Note 12 – Prior Period Adjustment

Prior period adjustment represents the adjustment for beginning fund balance to agree with prior year.

Note 13 - 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. The Board determined that \$ 1 million should be kept in replacement fund. 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.

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.

Clear Lake City Community Association, Inc.
Supplementary Information On
Future Major Repairs and Replacements
June 30, 2018 and 2017
(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, 2018 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			
a. Resurface single-ply membrane roofs	3	\$ 250,000	25
b. Re-surface built-up and modified roofing	4	20,000	20
c. Paint exterior walls	0	20,000	8
d. Patch/reseal/restripe asphalt - repair curbing	0	37,600	5
e. Paint/repair pole mounted lighting	0	900	5
f. Replace pole mounted lighting	3	4,500	20
g. Repairs/upgrades to electronic service components	0	10,000	40
h. Repair/treat rust - metal perimeter fence	0	8,000	5
i. Re-point mortar at brick wall fence	0	1,500	20
j. Repair sidewalks	0	4,000	5
k. Backstops	0	10,000	10
Office Area			
a. Replace older HVAC units	0	16,000	15
b. Replace newer HVAC units	3	16,000	15
c. Replace water heater	0	1,000	10
d. Replace drinking fountain	0	800	10
e. Replace computers, office equip. & furniture	0	16,000	5
f. Re-finish interiors (walls and ceilings)	3	24,000	10
g. Replace bathroom fixtures	0	2,600	30
h. Replace flooring (carpet/tile/wood)	3	24,000	10
Pavilion Room			
a. Replace HVAC units	0	8,000	15
b. Replace water heater	0	1,000	10
c. Replace bathroom fixtures	0	2,600	30
d. Repair flooring, wood	0	16,000	7
e. Replace flooring, wood	13	39,000	40

Clear Lake City Community Association, Inc.
Supplementary Information On
Future Major Repairs and Replacements - Continued
June 30, 2018 and 2017
(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	0	3,200	15
b. Repair boiler (pool hot water)	4	2,000	5
c. Replace boiler	13	15,000	20
d. Pump Filtration Equipment	0	10,000	5
e. Pool liner re-plaster	0	30,000	10
f. Pool deck & coping - repair/re-surface	0	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	0	3,000	10
f. Replace flooring	3	82,225	20
g. Replace drinking fountains	0	820	10
h. Replace bathroom fixtures	0	6,000	30
Weight Room			
a. Replace equipment			
Universal weight set	0	6,000	15
Free weight equipment	0	4,000	15
Stair steppers	0	4,500	5
Treadmills	0	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)	0	2,000	7
d. Flooring	0	3,500	7

Clear Lake City Community Association, Inc.
Supplementary Information On
Future Major Repairs and Replacements - Continued
June 30, 2018 and 2017
(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	4	15,000	5
Guard Stands	0	4,000	10
Dive Stands	0	26,000	10
Diving Boards	0	6,000	5
Shade Structure	0	5,000	10
Pool liner re-plaster (Dive)	3	9,000	10
Pool liner re-plaster (Slide)	3	5,000	10
Pool liner re-plaster (Main)	0	30,000	10
Pool deck and coping - repair/re-surface	0	20,000	15
Pool furniture	0	3,000	7
Replace slide	0	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	0	11,000	20
Fullerton Park			
a. Replace playground equipment	0	100,000	20
b. Install sand and misc. equipment	0	15,000	25
c. Replace benches/tables	0	3,000	20
d. Tennis courts			
Replace windscreen	0	6,000	5
Repair/Replace chain link fence	3	11,520	20
Resurface courts	0	36,000	5
Replace benches	0	2,000	20
Repair/replace pole mounted lighting	3	18,000	20
Replace shed	3	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 - Continued
June 30, 2018 and 2017
(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	0	25,000	20
b. Install sand and misc. equipment	4	5,000	25
c. Replace benches/tables	1	6,000	20
d. Tennis courts			
Install windscreen	0	3,000	20
Replace/Replace chain link fence	3	7,680	20
Resurface courts	0	18,000	7
Replace benches	3	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	0	1,500	10
Dive Stands	0	1,500	10
Diving Boards	0	13,000	10
Shade Structure	0	5,000	10
Pool liner re-plaster	5	30,000	10
Pool deck and coping - repair/re-surface	0	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	0	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	0	3,000	5
Repair/Replace chain link fence	3	7,680	20
Resurface courts	0	18,000	7
Replace benches	3	750	20
Repair/replace pole mounted lighting	3	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 - Continued
June 30, 2018 and 2017
(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	4	3,500	5
Guard Stands	1	2,000	10
Pool liner re-plaster	0	26,000	10
Pool deck and coping - repair/re-surface	0	20,000	15
Pool furniture	0	3,000	7
Shade Structure	0	5,000	10
c. Repair/treat rust -metal perimeter fence	0	4,500	5
d. Replace playground equipment	13	45,000	20
e. Install sand and quad swings	1	5,000	10
f. Replace benches/tables	3	5,000	20
g. Replace backstop	1	1,500	20
h. Repair concrete paving/curbing, seal and stripe	0	2,500	5
i. Paint exterior of pool house	0	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	13	45,000	20
b. Replace - Playground border and sand	3	4,500	10
c. Replace benches/tables	0	3,000	20
d. Tennis courts			
Replace windscreen	0	1,400	5
Replace chain link fence	3	7,680	20
Resurface courts	0	20,000	7
Replace benches	0	750	20
Repair/replace pole mounted lighting	3	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 - Continued
June 30, 2018 and 2017
(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	5	3,500	5
Guard Stands	0	3,000	10
Dive Stands	0	13,000	10
Diving Boards	0	3,000	5
Shade Structure	0	5,000	10
Pool liner re-plaster	4	26,000	10
Pool deck & coping - repair/re-surface	1	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	16	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	2	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	4	4,000	20
d. Replace/repair backstops	0	3,000	20
e. Replace gazebo	4	30,000	20
f. Repair sidewalks	0	10,000	5
Drill Site			
a. Install sand and misc play equip	19	10,000	25
b. Replace backstops	8	4,500	20
c. Replace soccer goals	0	750	10
d. Repair concrete paving/curbing, seal and stripe	0	1,000	5
e. Replace benches/tables	4	2,000	20
Other			
Electrical evaluation	0	50,000	40
Repairs/upgrades to electronic service components	0	50,000	40
Update Reserve Study	0	4,500	5
Total		<u>\$ 2,100,965</u>	