

**THE LANDINGS MAINTENANCE
ASSOCIATION, INC.**

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

YEAR ENDED DECEMBER 31, 2015

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Independent Auditors' Report

March 2, 2016

To the Board of Directors
The Landings Maintenance Association, Inc.
Weston, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of The Landings Maintenance Association, Inc., which comprise of the balance sheet as of December 31, 2015, and the related statements of revenues, expenses and changes in fund balances (deficits) and cash flows for the year then ended and the related notes to financial statements.

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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Opinion

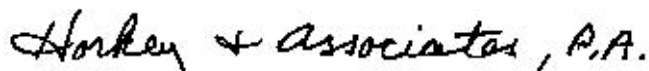
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2015, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses on page 13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on common property on pages 14, 15 and 16 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 the 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 the 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.



Certified Public Accountants
Plantation, Florida

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2015

	OPERATING FUND	REPLACEMENT FUNDS	TOTAL
ASSETS			
Cash and cash equivalents	\$ 242,837	\$ 146,347	\$ 389,184
Assessments receivable, net of allowance of \$353	-	-	-
Accounts receivable	1,776	-	1,776
Prepaid expenses	7,388	-	7,388
Deposits	80	-	80
Due from operating fund	-	7,629	7,629
 Total assets	 \$ 252,081	 \$ 153,976	 \$ 406,057

LIABILITIES AND FUND BALANCES (DEFICITS)

LIABILITIES			
Accounts payable and accrued liabilities	\$ 32,192	\$ -	\$ 32,192
Assessments paid in advance	20,023	-	20,023
Deferred cable income	-	31,995	31,995
Security deposits payable	4,500	-	4,500
Due to replacement fund	7,629	-	7,629
 Total liabilities	 64,344	 31,995	 96,339
 FUND BALANCES			
Fund balance (deficit)	187,737	121,981	309,718
 Total fund balances	 187,737	 121,981	 309,718
 Total liabilities and fund balances (deficits)	 \$ 252,081	 \$ 153,976	 \$ 406,057

The accompanying notes are an integral part of these financial statements

**THE LANDINGS MAINTENANCE ASSOCIATION, INC.
STATEMENT OF REVENUE, EXPENSES AND
CHANGES IN FUND BALANCES (DEFICITS)
YEAR ENDED DECEMBER 31, 2015**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUNDS</u>	<u>TOTAL</u>
REVENUES			
Assessments	\$ 475,794	\$ 49,086	\$ 524,880
Interest income	141	956	1,097
Cable income	-	2,430	2,430
Late fees	3,527	-	3,527
Miscellaneous	1,905	-	1,905
Transponder	6,170	-	6,170
	<u>487,537</u>	<u>52,472</u>	<u>540,009</u>
Total revenues			
EXPENSES			
Administrative	56,730	-	56,730
Utilities	21,823	-	21,823
Landscaping	143,578	-	143,578
Gate access control	165,414	-	165,414
Bad debts	2,613	-	2,613
Holiday	4,957	-	4,957
Maintenance	63,880	121,596	185,476
	<u>458,995</u>	<u>121,596</u>	<u>580,591</u>
Total expenses			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	28,542	(69,124)	(40,582)
Fund balance (deficit) - beginning of year	<u>159,195</u>	<u>191,105</u>	<u>350,300</u>
Fund balance (deficit) - end of year	<u>\$ 187,737</u>	<u>\$ 121,981</u>	<u>\$ 309,718</u>

The accompanying notes are an integral part of these financial statements

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUNDS</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from unit owners	\$ 477,922	\$ 49,086	\$ 527,008
Interest	141	956	1,097
Paid to contractors and suppliers	<u>(447,946)</u>	<u>(121,596)</u>	<u>(569,542)</u>
Net cash provided by (used in) operating activities	<u>30,117</u>	<u>(71,554)</u>	<u>(41,437)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Transfer between funds	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	30,117	(71,554)	(41,437)
Cash and cash equivalents - beginning of year	<u>212,720</u>	<u>217,901</u>	<u>430,621</u>
Cash and cash equivalents - end of year	<u>\$ 242,837</u>	<u>\$ 146,347</u>	<u>\$ 389,184</u>

The accompanying notes are an integral part of these financial statements

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2015

	OPERATING FUND	REPLACEMENT FUNDS	TOTAL
RECONCILIATION OF EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 28,542	\$ (69,124)	\$ (40,582)
ADJUSTMENTS TO RECONCILE EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Bad debt expense	2,613	-	2,613
(Increase) Decrease in assessments receivable	(1,368)	-	(1,368)
(Increase) Decrease in prepaid expenses	527	-	527
(Increase) Decrease in other receivable	(1,776)	-	(1,776)
Increase (Decrease) in accounts payable and accrued liabilities	7,909	-	7,909
Increase (Decrease) in deferred cable income	-	(2,430)	(2,430)
Increase (Decrease) in assessments paid in advance	(6,330)	-	(6,330)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 30,117	\$ (71,554)	\$ (41,437)

The accompanying notes are an integral part of these financial statements

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Landings Maintenance Association, Inc. (the Association) is a not-for-profit; non-stock corporation organized in March, 1995 pursuant to Chapter 720 of the Florida Statutes. The Association was formed to maintain and protect the common areas and consists of 243 single family homes in Weston, Florida.

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned as of the date of billing and expenses are recorded in the period in which they are incurred. Accordingly, assessments uncollected at the year-end are treated as maintenance receivables and any amounts paid by unit owners for the following year are treated as maintenance fees received in advanced.

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 day to day operations of the Association.

General Replacement Fund - This fund is used to accumulate financial resources designated for future major asset repairs and replacements (excluding streets).

Street Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements of the Association's streets.

Each Replacement Fund is funded based on the expected timing of the future asset replacements in the respective fund.

Disbursements from the Operating Fund are generally at the discretion of the Board of Directors and Property Manager. Disbursements from the General Replacement Fund and the Street Replacement Fund may be made only from the designated purposes by the Board of Directors.

Cash And Cash Equivalents

For purposes of the statement of cash flows, the Association considers demand deposit accounts, savings accounts and certificate of deposits to be cash equivalents.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could vary from the estimates that were used.

**THE LANDINGS MAINTENANCE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

Capitalization and Depreciation Policy

Real property and common area acquired from the developer and related improvements to such property are not recorded in the Association's financial statements. The values of the common areas are not reflected in these financial statements since title to these properties is vested with individual home owners on a pro-rata basis and not with the Association. Generally, personal property purchased by the Association is expensed.

NOTE 2 - MAINTENANCE ASSESSMENTS

The Association's policy is to retain legal counsel and place liens on the residences of home owners whose assessments are delinquent. As of December 31, 2015, the Association had assessments receivable in the amount of \$353, of which \$353 is deemed to be uncollectible, with an allowance for doubtful accounts established for that amount.

NOTE 3 - HOME OWNER ASSESSMENTS

The Board of Directors determines the annual budget and assessments of home owners. The Association's policy is to retain any excess operating funds at the end of the operating year for use in future operating periods. The responsibility for payment of common expenses is apportioned among individual home owners. Based on the 2015 annual budget, the home owner assessment was \$540 per quarter due on the first of the month in January, April, July and October.

NOTE 4 - CURRENT PERIOD REPLACEMENT FUNDS ACTIVITY

The approved budget includes provisions for replacement for capital improvements and deferred maintenance. The funds are being accumulated based on estimates of future needs for repairs and replacements of common property components as disclosed in the supplemental information. Actual expenditures may vary from the estimated future expenditures, and the variations may be material.

Therefore, amounts accumulated in the General Replacement Fund and/or the Street 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, pass special assessments, arrange short or long term financing, or delay major repairs and replacements until funds are available.

The balance at December 31, 2015 consists of the following:

<u>Funds</u>	<u>Balance December 31, 2014</u>	<u>Assessments and Additions</u>	<u>Expenditures</u>	<u>Balance December 31, 2015</u>
General Replacement	\$191,105	\$ 45,180	\$ (121,596)	\$ 114,689
Street Replacement	-	7,292	-	7,292
Totals	<u>\$191,105</u>	<u>\$ 52,472</u>	<u>\$ (121,596)</u>	<u>\$ 121,981</u>

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

As outlined in State of Florida Statutes, home owner associations which elect to fund reserves in their budgets must include reserve accounts for any item with a replacement cost of at least \$10,000. The amount to be reserved is computed by means of a formula that is based upon the estimated life and estimated replacement cost of each reserve item.

In 2014 the Board prepared a Long Term Plan detailing the future replacement (timing and cost) of the Association's major assets and created a related funding plan that minimizes the need for future special assessments. The Board contracted Association Reserves to perform an independent engineering study to determine the reasonableness of the Long Term Plan assumptions and conclusions. The Reserve Study was completed in November 2014. The Reserve Study estimates regarding the condition, estimated cost and estimated replacement timing of the Association's major assets are consistent with the Long Term Plan. The Reserve Study acknowledges that there are many strategies, including the Long Term Plan funding plan, that could be employed to attain a sound financial position while also maintaining the physical assets of the community to a high standard. Any funds to be accumulated in the Replacement Funds would be based on these estimates, which may not be accurate. Future actual expenditures may vary from the estimated expenditures, and the variation may be material. The table included in unaudited supplementary information on future major repairs and replacements is based on these estimates.

State law also provides that the majority of the home owners, at a duly called meeting of the Association, may vote to reserve amounts less adequate than required by law or vote to provide no reserves. The Association's Board of Directors determined for the year ended December 31, 2015, to fund \$41,796 into the General Replacement Fund and \$7,290 into the Street Replacement Fund.

Since future actual expenditures may vary from the estimated expenditures, if there is a shortage of funds when needed, the Association has the right to increase the assessments, pass special assessments, arrange short or long term financing, or delay replacement, in certain cases, until funds are available.

NOTE 6 - INCOME TAXES

The Association is subject to federal and state taxation and has essentially two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments. The other method enables the Association to elect to exclude from taxation "exempt function income," which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different rates. There is no current year provision for income taxes. The Association is subject to routine audits by tax authorities; however, there are currently no audits for any tax periods in progress. The Association is subject to audit for its tax years ending December 2013, 2014 and 2015.

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 7 - COMMITMENTS

The Association has various contract services to maintain the common property including management services, lawn maintenance, and security services. These contracts are currently on an annual or month to month basis.

NOTE 8 - CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject the Association to concentration of credit risk are primarily cash. The Association invests its excess cash in both certificates of deposit and high quality short term liquid money market instruments ("Cash Equivalents") with major financial institutions, and carrying value approximates market value. The Federal Deposit Insurance Corporation (FDIC) provides insurance for each institution up to \$250,000. The Association maintains bank accounts at separate banks for the Operating Fund and the General Replacement Fund and the Street Replacement Fund. As of December 31, 2015 the Association had \$15,608 funds in excess of the insured limit for the Operating Fund. The Association has not experienced any losses related to these investments and believes it is not exposed to any significant credit risk on cash.

NOTE 9 - RELATED PARTY TRANSACTIONS

In 2013, the Board of Directors obtained vendor proposals to install a new RFID gate access and security system. The winning bid was from a company owned by a member of the Board of Directors. The Board conducted the bidding, proposal evaluation and voting in accordance with the Florida Statutes Title XL Real and Personal Property Chapter 720 Homeowners' Associations that regulates homeowners' association transactions. The related 2015 Operating Fund expenditures were \$2,226 for system maintenance and \$5,087 for repairs and new gate tags.

See Note 10 - 395 Mallard Road.

NOTE 10 - 395 MALLARD ROAD

In September 2015 the Association foreclosed on its lien at 395 Mallard Road and purchased the home in a foreclosure sale for \$300. The home remains subject to a bank mortgage that exceeds the fair market value of the home. The Association is currently paying certain maintenance costs including insurance, water, electric, landscape maintenance and member assessments. The Association paid \$12,400 in 2015 related to 395 Mallard Road, primarily related to prior year legal fees that were payable upon the sale of the property. At a special meeting of the Board of Directors on October 21, 2015, the Board considered various alternatives to sell the property and responded to homeowner questions. The Board approved the proposal from Michael Bakalar, a Board member, to enter into a "short sale" agreement with Alternative Property Solutions, LLC, (a Bakalar company) for 395 Mallard Road. The purchase price is \$23,825.50 and payment to the Association is conditional on Alternative Property Solutions, LLC being able to successfully negotiate and consummate a "short sale" with the mortgage company and the prior owner no later than June 30, 2016. Mr. Bakalar abstained from the vote because he was a related party. The Board conducted the proposal evaluation and voting in accordance with the Florida Statutes Title XL Real and Personal Property Chapter 720 Homeowners' Associations that regulates homeowners' association transactions.

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

NOTE 11 - SUBSEQUENT EVENTS

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 2, 2016, the date that the financial statements were available to be issued.

NOTE 12 - CABLE INCOME

On March 1, 2014 the Association entered into a fifteen year Installation and Services Agreement with Comcast of Greater Florida/Georgia, Inc. The agreement shall automatically renew for successive 2 year periods subject to approval of the parties. Pursuant to the agreement, Comcast will make available broadband communications to The Landings homeowners, including multichannel video, internet and voice services. In consideration for the Association entering into the agreement with Comcast and granting it access to the community and the right to provide services to The Landings homeowners, Comcast paid the Association a one-time fee of \$150 per home or \$36,450. The fee was recorded in the Replacement Fund and will be recognized in revenue over the fifteen year life of the agreement. The Replacement Fund recognized income of \$2,430 in 2015 and recorded \$31,995 in deferred revenue on the balance sheet at December 31, 2015..

SUPPLEMENTARY INFORMATION

**THE LANDINGS MAINTENANCE ASSOCIATION, INC.
SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2015**

	OPERATING FUND	REPLACEMENT FUNDS	TOTAL
ADMINISTRATIVE:			
Management fees	\$ 29,730	\$ -	\$ 29,730
Legal	815	-	815
Accounting	4,006	-	4,006
Office expense	2,371	-	2,371
Coupon order	1,295	-	1,295
Bank charges	172	-	172
Insurance	15,213	-	15,213
Meeting room	900	-	900
Licenses and permits	<u>2,228</u>	<u>-</u>	<u>2,228</u>
	<u>\$ 56,730</u>	<u>\$ -</u>	<u>\$ 56,730</u>
UTILITIES:			
Electricity	\$ 10,327	\$ -	\$ 10,327
Telephone	2,615	-	2,615
Water and sewer	<u>8,881</u>	<u>-</u>	<u>8,881</u>
	<u>\$ 21,823</u>	<u>\$ -</u>	<u>\$ 21,823</u>
LANDSCAPING:			
Lawn maintenance	\$ 58,700	\$ -	\$ 58,700
Fertilization and pest control	24,025	-	24,025
Landscape extra	33,684	-	33,684
Mulch	8,400	-	8,400
Swale tree trimming	16,989	-	16,989
Other	<u>1,780</u>	<u>-</u>	<u>1,780</u>
	<u>\$ 143,578</u>	<u>\$ -</u>	<u>\$ 143,578</u>
GATE ACCESS CONTROL:			
Guard services	\$ 163,188	\$ -	\$ 163,188
Gate access control	<u>2,226</u>	<u>-</u>	<u>2,226</u>
	<u>\$ 165,414</u>	<u>\$ -</u>	<u>\$ 165,414</u>
HOLIDAY:			
Holiday	\$ <u>4,957</u>	\$ <u>-</u>	\$ <u>4,957</u>
	<u>\$ 4,957</u>	<u>\$ -</u>	<u>\$ 4,957</u>
MAINTENANCE:			
General	\$ 7,904	\$ -	\$ 7,904
Gate access	5,415	-	5,415
Irrigation wet check	10,782	-	10,782
Storm drains	6,475	-	6,475
Janitorial	13,032	-	13,032
Pressure cleaning	7,872	-	7,872
395 Mallard unit expenses	12,400	-	12,400
Tot lot	-	20,793	20,793
Sidewalk	-	56,265	56,265
Monument wall	-	44,501	44,501
Miscellaneous	<u>-</u>	<u>37</u>	<u>37</u>
	<u>\$ 63,880</u>	<u>\$ 121,596</u>	<u>\$ 185,476</u>

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS
DECEMBER 31, 2015
(UNAUDITED)

In 2014 the Board prepared a Long Term Plan detailing the future replacement (timing and cost) of the Association's major assets and created a related funding plan that minimizes the need for future special assessments.

Starting in 2015 two separate replacement funds were established and each fund is funded based on the expected timing of the asset replacements in the respective fund.

General Replacement Fund - The fund is used to accumulate financial resources designated for future major asset repairs and replacements (excluding streets).

Street Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements of the Association's streets.

The Board contracted Association Reserves to perform an independent engineering study to determine the reasonableness of the Long Term Plan assumptions and conclusions. The Reserve Study was completed in November 2014. The Reserve Study estimates regarding the condition, estimated cost and estimated replacement timing of the Association's major assets are consistent with the Long Term Plan. The Reserve Study acknowledges that there are many strategies, including the Long Term Plan funding plan that could be employed to attain a sound financial position while also maintaining the physical assets of the community to a high standard. Any funds to be accumulated in the General Replacement Fund or the Street Replacement Fund would be based on these estimates, which may not be accurate. Future actual expenditures may vary from the estimated expenditures, and the variation may be material. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, arrange short or long term financing, or delay major repairs and replacements until funds are available.

The December 31, 2015 Replacement Fund balances and 2015 assessments for the General Replacement Fund and the Street Replacement Fund are included in Note 4 - Current Period Replacement Funds Activity.

**THE LANDINGS MAINTENANCE ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS
DECEMBER 31, 2015
(UNAUDITED)**

The pro forma funding and expenses of the General Replacement Fund are summarized below. The information requires estimates of the timing and amount of future revenue and expense. Actual amounts may differ from these estimates.

Year	General Replacement Fund Pro Forma					
	Beginning Balance	Revenue		Expenses		Ending Balance
		Fees	Interest	SW, VG	Other Assets	
2016	\$114,689	\$ 46,656	\$ 616	\$ (54,000)	\$ (24,000)	\$ 83,961
2017	83,961	51,516	542	(50,000)	(38,950)	47,069
2018	47,069	56,376	357	(50,000)	-	53,802
2019	53,802	61,236	391	(30,000)	-	85,429
2020	85,429	66,096	549	(30,000)	(92,610)	29,464
		281,880	2,455	(214,000)	(155,560)	
2021	29,464	70,956	269	-	-	100,689
2022	100,689	75,816	625	-	-	177,130
2023	177,130	80,676	1,007	-	(241,065)	17,748
2024	17,748	85,536	211	-	(30,460)	73,035
2025	73,035	90,396	487	-	(186,705)	(22,787)
		403,380	2,599	-	(458,231)	
Total 2016 - 2025		<u>\$ 685,260</u>	<u>\$ 5,054</u>	<u>\$ (214,000)</u>	<u>\$ (613,790)</u>	

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS (Continued)
DECEMBER 31, 2015
(UNAUDITED)

The estimated timing and cost to replace the General Replacement Fund Other Assets is as follows:

	<u>Estimated Life</u>		<u>Year</u>		<u>Estimated Replacement Cost</u>	
	2016		<u>Installed</u>	<u>Replacement</u>	<u>2016</u>	<u>Replacement</u>
	<u>Total Remaining</u>				<u>CAGR</u>	<u>2.5%</u>
Gatehouse Improvements	20	0	2015	2016	18,000	18,000
Cul de sac landscape lights (3) New	10	0		2016	6,000	6,000
					<u>24,000</u>	<u>24,000</u>
Basketball Courts Resurface	10	1	2007	2017	4,500	4,612
Park Picnic Tables (3), Garbage Cans	12	1	2005	2017	3,500	3,588
Cul de sac landscape lights (10) - new	10	1		2017	20,000	20,500
					<u>28,000</u>	<u>28,700</u>
Mailbox Replacement	15	4	2005	2020	72,900	80,468
Entry Gates	15	4	2005	2020	11,000	12,142
					<u>83,900</u>	<u>92,610</u>
Light Poles (105) - Replacement	20	7	2003	2023	178,500	212,180
Park fences	20	7	2003	2023	24,300	28,885
					<u>202,800</u>	<u>241,065</u>
Gate Entry System	10	8	2014	2024	20,000	24,368
Security Cameras	10	8	2014	2024	5,000	6,092
					<u>25,000</u>	<u>30,460</u>
Park Pavillion	30	9	1995	2025	28,000	34,968
Irrigation System Lakes & Cul de Sacs	20	9	2005	2025	55,000	68,687
Tot Lot Resurface, Root Barrier, Mulch	10	9	2015	2025	16,400	20,481
Tot Lot New Swings, Install & Refinish	10	9	2015	2025	2,600	3,247
Park Picnic Tables (3), Garbage Cans	10	9	2015	2025	3,000	3,747
Monument Wall Repairs, Paint	10	9	2015	2025	7,800	9,741
Monument Walls (5) New Letters	10	9	2015	2025	15,200	18,983
Lights Monuments (5) & Entrance	10	9	2015	2025	21,500	26,851
					<u>149,500</u>	<u>186,705</u>
Total 2016 - 2025					513,200	603,540

THE LANDINGS MAINTENANCE ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS (Continued)
DECEMBER 31, 2015
(UNAUDITED)

The pro forma funding and expenses of the Street Replacement Fund are summarized below. The information requires estimates of the timing and amount of future revenue and expense. Actual amounts may differ from these estimates.

Year	Street Replacement Fund Pro Forma					Ending Balance
	Beginning Balance	Revenue			Expenses	
		Fees	Interest	Transfers		
2016	\$ 7,292	\$ 14,580	\$ -	\$ 142,600	\$ (142,600)	\$ 21,872
2017	21,872	21,870	547	-	-	44,289
2018	44,289	29,160	1,107	-	-	74,556
2019	74,556	36,450	1,864	-	-	112,870
2020	112,870	43,740	2,822	-	-	159,432
		145,800	6,340	142,600	(142,600)	
2021	159,432	51,030	3,986	-	-	214,447
2022	214,447	58,320	5,361	-	(150,000)	128,129
2023	128,129	65,610	3,203	-	-	196,942
2024	196,942	72,900	4,924	-	-	274,765
2025	274,765	80,190	6,869	-	-	361,825
		328,050	24,343		(150,000)	
2026	361,825	87,480	9,046	-	-	458,350
2027	458,350	97,200	11,459	-	-	567,009
2028	567,009	97,200	14,175	-	-	678,384
2029	678,384	97,200	16,960	-	(800,000)	(7,456)
2030	(7,456)	97,200	-	-	-	89,744
		476,280	51,639		(800,000)	
Total 2016 - 2030		\$950,130	\$82,322	\$142,600	\$(1,092,600)	

The 2016 transfer of \$142,600 will come from a one-time transfer from the Operating Fund cash balance (approximately \$100,000) and the balance from a one-time transfer from the General Replacement Fund to cover the projected expenses of:

- * Removing tree roots that are causing damaged to the asphalt and valley gutters
- * Applying the asphalt conditioner that is expected to increase the useful life of the roads before a replacement is required
- * Removal of pavement lines
- * New thermoplastic repainting of the pavement lines.