Discovery Bay Leaseholders Association
Balance Sheet
As of June 30, 2016

		Jun 30, 16
ASSETS		
Current Assets		
Checking/Savings		
Operating (All Accounts Operating)		
KB 001 · Operating Checking 5011		
5011 · DB Fundraising	3,313.27	
KB 001 · Operating Checking 5011 - Other	26,480.31	
Total KB 001 · Operating Checking 5011		29,793.58
KB 003 · Operating Savings 5020		7,806.08
Petty Cash (Petty Cash)		61.86
Total Operating (All Accounts Operating)		37,661.52
Website 8920 (Website)		396.19
Reserves (All Accounts Reserves)		
DA 6488 · DA Davidson & Co Brokerage BIDP (DA Davidson Bank Insured Deposit ...		
BOI CD .500% 09/07/16 (BANK OF INDIA .500% DUE 09/07/16 DTD 06/09/16 FC ...	50,000.00	
GLDMN CD 6 m@.650% 7/13/16 (Matures 07/13/16)	100,000.00	
BAR3CD Bank of Baroda .600% (Bank of Baroda .600% maturity 07/27/16)	50,000.00	
DA 6488 · DA Davidson & Co Brokerage BIDP (DA Davidson Bank Insured Deposi...	51,262.13	
Total DA 6488 · DA Davidson & Co Brokerage BIDP (DA Davidson Bank Insured De...		251,262.13
KB 8918 · Market Fund Reserve Account		65,526.47
KB 8919 · Kitsap Bank Cap Imp Pool - Hall (Capital Improvement - Pool / Radcliffe)		7,865.42
KB 8928 · KB CD 60 mo @ 1.69% (Matures: 09/27/2016 Issued: 09/27/2011)		21,672.92

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Balance Sheet
As of June 30, 2016

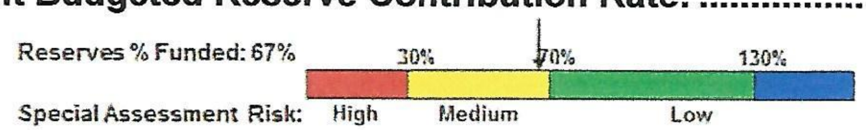
	Jun 30, 16
KB 8929 · KB CD 60 mo @ 1.540% (Matures: 04/27/2017 Issued: 04/27/2012)	15,892.57
STATE FARM @1.83% Matur 5/17/20	30,046.66
Total Reserves (All Accounts Reserves)	392,266.17
Total Checking/Savings	430,323.88
Accounts Receivable	
132 · Maintenance Fees	-21,689.68
Total Accounts Receivable	-21,689.68
Other Current Assets	
175 · Prepaid Insurance	1,303.55
Total Other Current Assets	1,303.55
Total Current Assets	409,937.75
Fixed Assets	
Personal Property	
Accum Depreciation	-20,140.00
Personal Property - Other	28,028.13
Total Personal Property	7,888.13
Total Fixed Assets	7,888.13
TOTAL ASSETS	**417,825.88**

3- Minute Executive Summary

Association: Discovery Bay Leaseholders Association — **#: 8592-8**
Location: Sequim, WA — **# of Units: 115**
Report Period: January 1, 2017 through December 31, 2017

Findings/Recommendations as-of 1/1/2017:

Projected Starting Reserve Balance:	$356,425
Current Fully Funded Reserve Balance:	$529,314
Average Reserve Deficit (Surplus) Per Unit:	$1,503
100% 2017 Monthly "Full Funding" Contributions:	$3,400
70% 2017 Monthly "Threshold Funding" Contributions:	$3,020
Baseline contributions (min to keep Reserves above $0:	$2,560
Recommended 2017 Special Assessment:	$0
Most Recent Budgeted Reserve Contribution Rate:	$2,960



Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	1.00%
Annual Inflation Rate	3.00%

- **This is an "Update With-Site-Visit" Reserve Study, based on our site inspection on May 19, 2016 and meets or exceeds all requirements of the RCW. This study was prepared by a credentialed Reserve Specialist (RS™).**
- **Your Reserve Fund is currently 67% Funded. This means the association's special assessment & deferred maintenance risk is currently low. The objective of your multi-year Funding Plan is to fund your Reserves to a level where you will enjoy a low risk of such Reserve cash flow problems.**
- **Based on this starting point and your anticipated future expenses, our recommendation is to increase your Reserve contributions to within the 70% to 100% level as noted above. The 100% "Full" and 70% contribution rates are designed to achieve these funding objectives *by the end* of our 30-year report scope. No assets appropriate for Reserve designation were excluded. See photo appendix for component details; the basis of our assumptions.**

Table 1: Executive Summary				8592-8
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
	Site/Grounds			
101	Culverts - Repair/Replace	5	1	$2,750
103	Wood Fence - Replace	17	4	$9,100
104	Dog Park Fence, Gate - Replace	20	5	$2,350
105	Concrete - Repair/Replace	5	0	$2,850
110	Gate Arms/Operators - Replace	15	5	$4,750
111	Pressure Sensor - Replace	10	4	$3,600
	Recreation			
300	Pool (Gunite) - Resurface	12	11	$13,000
301	Pool Tile - Replace	24	23	$5,000
302	Pool Heat Pump - Replace	10	9	$6,000
303	Pool Heater - Replace	10	5	$3,100
304	Pool Lift - Replace	15	14	$5,000
306	Pool Shed - Replace	15	14	$2,800
309	Pool Ozonator - Replace	5	4	$1,650
310	Pool Cover - Replace	10	9	$5,000
312	Pool Fence - Replace	15	14	$3,200
315	Pool Deck - Resurface/Replace	15	25	$5,000
370	Heaters/Picnic Sets - Replace	15	5	$4,000
403	Bowflex - Replace	10	2	$2,550
	Building Exteriors			
501	Office/Lounge Roof/Gtr/Ds - Replace	35	24	$24,950
502	O/L Structural/Siding/Wndws - Replc	50	6	$48,450
511	Laundry Bldg Roof/Gtr/Dsp - Replace	35	23	$24,950
512	Lndry Structural Sdng/Wndws - Repl	50	6	$44,850
520	Lodge (Radclyffe) - Replace	40	1	$168,000
522	Lodge Deck - Replace	17	1	$23,000
530	Tool Shop - Replace	30	14	$54,650
535	Big Mower Shed - Replace	30	21	$6,500
536	Small Mower Shed	15	1	$5,000
537	Garden Shop - Repair/Replace	25	4	$5,900
538	Guardhouse Bldg. - Replace	20	4	$3,000
540	Ramada Bldg - Replace	30	18	$40,850
551	Lower Restroom Roof/Gtr - Replace	35	32	$8,700
552	Rstrm Structural Siding/Wdw/Replace	50	6	$14,400
560	Building Exteriors - Paint	10	5	$10,000
	Building Interiors			
700	Office/Lounge Flooring - Replace	15	10	$6,200
701	Office/Lounge Furniture - Replace	10	5	$4,350
702	Office/Lounge Appls - Replace	15	5	$2,000
704	Office, Tech Equipment - Replace	2	0	$2,260
705	Office/Lounge Conference Tables	10	5	$2,900
710	Laundry Flooring - Replace	10	6	$3,850
711	Laundry Water Heaters - Replace	10	6	$3,100

Table 1: Executive Summary				8592-8
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Cost Estimate
712	Lower Restroom Water Heater - Repl	10	6	$1,500
722	Radclyffe Appliances - Replace	10	1	$8,750
730	Tool Shop Furnace - Replace	15	14	$1,700
750	Restroom Bldg Interior - Refurbish	30	27	$25,450
755	Baseboard Heaters - Replace	20	5	$5,000
760	Building Interiors - Paint	15	5	$2,000
	Systems			
899	Well - Sanitary Survey	5	1	$2,000
901	Water Tank - Clean	5	0	$1,500
902	Water Distribution System - Replc	10	5	$45,000
903	Well House Electrical - Replace	10	2	$1,900
904	Well Control Panel - Replace	30	20	$5,000
905	Well Pump - Replace	10	2	$3,600
910	Generator (Well) - Replace	10	5	$2,500
920	Septic System - Repair/Replace	30	2	$50,000
923	Meadow Drainfield Controls -Replace	10	2	$1,650
924	Generator (Septic) - Replace	10	5	$2,500
925	Meadow Drainfield Pump - Repl ('08)	10	1	$1,500
925	Meadow Drainfield Pump - Repl ('14)	10	7	$1,500
927	Leachfield A Equipment - Replace	10	5	$3,200
928	Leachfield B Equipment - Replace	10	0	$3,200
	Equipment			
949	Polaris Ranger - Replace	10	4	$14,300
952	Cub Cadet Tank - Replace	10	1	$9,850
953	John Deere Tractor - Replace	10	1	$2,750
956	Craftsman Mower - Replace	10	4	$1,960
960	Utility Trailer - Replace	10	9	$2,300
962	Landscape Equipment - Replace	5	4	$1,600
65	Total Funded Components			

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.
Note 2: Yellow highlighted line items are expected to require attention in the initial year, green highlighted items are expected to occur within the first five years.

Cross reference component numbers with photographic inventory appendix.

Table 5: 30-Year Reserve Plan Summary — 8592-8

Fiscal Year Start: 01/01/17

Interest:	1.0%	Inflation:	3.0%

Reserve Fund Strength Calculations (All values as of Fiscal Year Start Date)					Projected Reserve Balance Changes			
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Reserve Contribs.	Loans or Special Assmts	Interest Income	Reserve Expenses
2017	$356,425	$529,314	67.3%	Med	$40,800	$0	$3,736	$9,810
2018	$391,151	$575,597	68.0%	Med	$42,636	$0	$2,987	$230,308
2019	$206,466	$397,371	52.0%	Med	$44,555	$0	$1,968	$65,733
2020	$187,255	$384,561	48.7%	Med	$46,560	$0	$2,115	$0
2021	$235,930	$440,361	53.6%	Med	$48,655	$0	$2,369	$48,813
2022	$238,141	$448,886	53.1%	Med	$50,844	$0	$2,077	$113,609
2023	$177,453	$392,295	45.2%	Med	$53,132	$0	$1,311	$147,059
2024	$84,837	$300,960	28.2%	High	$55,523	$0	$1,122	$1,845
2025	$139,637	$357,908	39.0%	Med	$58,022	$0	$1,680	$2,863
2026	$196,475	$417,010	47.1%	Med	$60,633	$0	$2,170	$21,594
2027	$237,684	$460,132	51.7%	Med	$63,361	$0	$2,598	$21,516
2028	$282,127	$506,674	55.7%	Med	$66,212	$0	$2,885	$56,200
2029	$295,024	$520,536	56.7%	Med	$69,192	$0	$3,226	$17,052
2030	$350,390	$576,832	60.7%	Med	$72,306	$0	$3,883	$0
2031	$426,578	$654,128	65.2%	Med	$75,559	$0	$3,960	$140,247
2032	$365,851	$591,087	61.9%	Med	$78,960	$0	$3,462	$121,366
2033	$326,907	$547,458	59.7%	Med	$82,513	$0	$3,534	$32,832
2034	$380,121	$595,618	63.8%	Med	$86,226	$0	$4,239	$2,479
2035	$468,107	$678,453	69.0%	Med	$90,106	$0	$4,590	$112,548
2036	$450,255	$652,428	69.0%	Med	$94,161	$0	$4,850	$29,021
2037	$520,246	$713,742	72.9%	Low	$98,398	$0	$5,471	$49,776
2038	$574,338	$757,666	75.8%	Low	$102,826	$0	$5,883	$80,365
2039	$602,681	$773,615	77.9%	Low	$107,453	$0	$6,479	$22,917
2040	$693,697	$851,493	81.5%	Low	$112,288	$0	$7,107	$84,766
2041	$728,327	$870,352	83.7%	Low	$117,341	$0	$7,362	$108,389
2042	$744,641	$867,864	85.8%	Low	$122,622	$0	$7,082	$201,945
2043	$672,400	$771,429	87.2%	Low	$128,140	$0	$7,231	$33,341
2044	$774,430	$848,330	91.3%	Low	$133,906	$0	$8,152	$59,864
2045	$856,624	$902,861	94.9%	Low	$139,932	$0	$9,283	$5,171
2046	$1,000,668	$1,018,085	98.3%	Low	$146,229	$0	$10,371	$82,833