

DBR FUNDS STRUCTURE

L/H Maintenance Fees (aka Dues)

OPERATIONS

OPERATIONS BUDGET

Replacement Contributions
Salaries, Administrative
Accounting, Taxes
Park Maintenance
Supplies
Landscape Maintenance
Insurance
Utilities

OPERATIONS SAVINGS

SURPLUS FROM BUDGET UNDERRUNS

Expenses not budgeted

Reserve Funds

REPLACEMENT CONTRIBUTIONS

EXISTING INFRASTRUCTURE

Floors	Septic
Roofs/siding	Well
Furniture	Heaters
Appliances	Pool
Equipment	Fences
Computers	Gate
Windows	Painting

CAPITAL IMPROVEMENT

NEW INFRASTRUCTURE

Donations, Fundraising
Special Assessments
Estate Legacy

Discovery Bay Leaseholders Association
Accountant's Statement of Revenues and Expenses
Year Ending December 31, 2019

Assets			
	Operating Fund	Reserve Fund	Total
Cash and Cash Equivalents	\$ 33,650	\$ 460,655	\$ 494,305
Certificates of Deposit - Held to Maturity	-	379,035	379,035
Assessments Receivable	3,392	34,632	38,024
Prepaid Federal Income Tax	527	-	527
Prepaid Expenses	5,971	-	5,971
Prepaid Insurance	526	-	526
Personal Property net of accumulated depreciation of \$34,404	32,458	-	32,458
Total Assets	\$ 76,524	\$ 874,322	\$ 950,846
Liabilities and Fund Balances			
Assessments collected in advance	\$ 38,697	\$ -	\$ 38,697
Accounts payable	3,651	-	3,651
Payroll taxes payable	2,523	-	2,523
Total Liabilities	44,871	-	44,871
Fund Balances	31,653	874,322	905,975
Total Liabilities and Fund Balances	\$ 76,524	\$ 874,322	\$ 950,846

DBR FINANCIAL SUMMARY JAN - JUNE, 2020

PROFIT & LOSS BUDGET PERFORMANCE

<u>Item</u>	<u>Expense</u>	<u>Budget</u>	<u>Var.</u>	<u>Comments</u>
❑ 901 Salaries	\$40,133	\$36,271	+\$3,862	Berm Mowing, Septic
❑ 910 Admin.	\$14,913	\$19,517	-\$4,604	No legal fees yet
❑ 940 Contracts	\$5,012	\$8,298	-\$3,286	No berm mowing
❑ 950 Maint/Repair	\$5,931	\$12,972	-\$7,041	Less Gravel, Park Maint. costs
❑ 970 Parts/Supplies	\$596	\$980	-\$384	Less Pet costs
❑ 975 Utilities	\$32,469	\$28,856	+\$3,613	Electric Expense
❑ 984 Taxes	\$5,435	\$5,350	\$85	+\$169 -----
❑ Total Expenses	\$104,489	\$112,245	-\$7,756	
❑ Total Income	\$113,909	\$112,030	+\$1,879	Electric Recovery
❑ Variance	+9,420	-----	-----	
❑ Reserve Contrib.	\$50,596	} Net Reserve		(\$8,420/mo. X 6, plus Interest)
❑ Reserve Expense	\$53,691	}		RJ Services, Bernt Ericson

Discovery Bay Leaseholders Association

Balance Sheet

As of June 30, 2020

▼ Checking/Savings	
▼ Operating (All Accounts Operating)	
▼ KB 001 · Operating Checking 5011	
▼ 5011 · DB Fundraising	
5011-2 · SAFETY ▶	572.08 ◀
5011-3 · GREEN TEAM	473.77
5011-4 · ACTIVITIES COMMITTEE	625.13
▼ 5011-5 · PET COMMITTEE	
Pet Emergency Fund	885.00
5011-5 · PET COMMITTEE - Other	944.85
Total 5011-5 · PET COMMITTEE	1,829.85
5011 · DB Fundraising - Other	2,678.74
Total 5011 · DB Fundraising	6,179.57
KB 001 · Operating Checking 5011 - Other	16,922.91
Total KB 001 · Operating Checking 5011	23,102.48
KB 003 · Operating Savings 5020	13,914.68
Total Operating (All Accounts Operating)	37,017.16
Petty Cash SF (Petty Cash)	194.93
Safe/Laundry	447.00
Website 8920 (Website)	987.94

Discovery Bay Leaseholders Association**Balance Sheet**

As of June 30, 2020

▼ DA 6488 · DA Davidson & Co Brokerage BIDP	
BANK OF CHINA .150% 07/30/20	100,000.00
INDEPENDENT BANK 08/10/20 .200%	50,000.00
ALLY BANK DUE 10/05/20 1.95%	72,000.00
ALLY BANK DUE 08/03/20 1.9%	52,000.00
WELLS FARGO 2.550% due 02/16/21	51,000.00
DA 6488 · DA Davidson & Co Brokerage BIDP - Other	81,833.17
Total DA 6488 · DA Davidson & Co Brokerage BIDP	406,833.17
STATE FARM @1.83% Matur 3/17/21	32,330.14
KB 8918 · Market Fund Reserve Account	6,002.69
KB 8919 · Kitsap Bank Cap Improvement (Capital Improvement -)	29,747.50
KB 4118 Cap Improv-Land Purch	3,011.93
▼ Key Bank	
Key Bank Checking Project 9613	25.00
Septic Assessement Recvd 6716	27,732.41
Total Key Bank	27,757.41
Total Reserves (All Accounts Reserves)	505,682.84
Total Checking/Savings	544,329.87

Discovery Bay Leaseholders Association
Balance Sheet
As of June 30, 2020

▼ Accounts Receivable	
132 · Maintenance Fees	-35,070.54
133 · Special Assessment Receivable (Special Septic Assesement Receiv...	20,696.55
Total Accounts Receivable	-14,373.99
▼ Other Current Assets	
1499 · Undeposited Funds	1,252.36
175 · Prepaid Insurance	1,472.79
192 · Income Tax Overpayment	440.00
Total Other Current Assets	3,165.15
Total Current Assets	533,121.03
▼ Fixed Assets	
▼ Personal Property	
Accum Depreciation	-34,404.00
Personal Property - Other	66,861.86
Total Personal Property	32,457.86
Total Fixed Assets	32,457.86
TOTAL ASSETS	<u>565,578.89</u>

Discovery Bay Leaseholders Association
Balance Sheet
As of June 30, 2020

▼ LIABILITIES & EQUITY		
▼ Liabilities		
▼ Current Liabilities		
▼ Accounts Payable		
2000 · *Accounts Payable		-4,712.66
Total Accounts Payable		-4,712.66
▼ Credit Cards		
Kitsap Visa (Kitsap Visa)		574.93
Total Credit Cards		574.93
▼ Other Current Liabilities		
2200 · Sales Tax Payable		0.50
411 · Accrued Fed W/hldg, SS, Medi		1,505.78
412 · Accrued SUTA		27.48
413 · Accrued FUTA		128.72
414 · Accrued L & I		540.69
Total Other Current Liabilities		2,203.17
Total Current Liabilities		-1,934.56
Total Liabilities		-1,934.56
▼ Equity		
3900 · Retained Earnings		5,718.28
610 · Operating Fund Balance		32,376.56
620 · Reserve Fund Balance		868,458.78
Net Income		-339,040.17
Total Equity		567,513.45
TOTAL LIABILITIES & EQUITY		<u>565,578.89</u>

SEPTIC PROJECT FINANCIAL STATUS

EXPENSES TO DATE			
ADC	01/18/18	Begin Task 1.1-1.2	\$2,500.00
Olympic Sewer/Drain	02/17/18	Meadow A Lines	\$436.00
ADC	03/06/18	Complete Task 1.3-1.8	\$2,300.00
ADC	04/26/18	Contract Engr. Acceptance	\$6,000.00
Bernt Ericsen Exc.	06/14/18	Septic Trenching	\$981.00
Dept. of Health	08/24/18	Application fee sent to ADC	\$800.00 x
ADC	09/18/18	Task 2.1-2.8	\$7,465.00
Brothers Plumbing	10/29/18	Check sewer lines	\$419.65
Department of Health	10/16/18	Project Review	\$500.00 x
Bernt Ericsen Exc.	11/14/18	Perk Holes	\$795.70
Ferguson Plumbing	12/05/18	Septic-10 casing seals	\$181.74
Home Depot	12/05/18	Perk Test Pebbles	\$25.98
Bernt Ericsen Exc.	02/15/19	Septic Test Holes	\$545.00
ADC	04/04/19	Bal Task 2, Comp Task 3.1-3.5	\$26,535.00
Olympic Surveyors	04/16/19	Survey Loss Site	\$2,640.00 x
Tippy Top Tree Service	07/10/19	Tree Removal, septic site	\$5,275.60
Jefferson Co DCD	07/15/19	Research Easements	\$50.00
ADC	07/29/19	90% Completion, Task 4	\$17,550.00
ADC	09/24/19	Final 10% Task 4, 10% Task 5	\$5,350.00
USPS	11/30/19	Postage, septic contract	\$7.35
Harris, Wakayama	11/30/19	Legal, septic contract	\$245.00 x
Harris, Wakayama	12/05/19	Legal, septic contract	\$90.00 x
RJ Services	01/17/20	Septic Deposit	\$150,000.00
Olympic Surveyors	02/19/20	Survey for Septic	\$1,520.00 x
Tippy Top Tree Service	07/10/19	Tree Removal, septic site	\$5,275.60
Jefferson Co DCD	07/15/19	Research Easements	\$50.00
ADC	07/29/19	90% Completion, Task 4	\$17,550.00
ADC	09/24/19	Final 10% Task 4, 10% Task 5	\$5,350.00
USPS	11/30/19	Postage, septic contract	\$7.35
Harris, Wakayama	11/30/19	Legal, septic contract	\$245.00 x
Harris, Wakayama	12/05/19	Legal, septic contract	\$90.00 x

SEPTIC PROJECT FINANCIAL STATUS

RJ Services	01/17/20	Septic Deposit	\$150,000.00	
Olympic Surveyors	02/19/20	Survey for Septic	\$1,520.00	x
Jefferson County	03/04/2020	Septic Permit	\$266.00	x
Bill's Plumbing	05/13/20	Sanikan	\$140.00	
ADC	05/26/20	Additional 15% task 5	\$5,100.00	
RJ Services	06/05/20	Septic Deposit	\$162,750.00	
Bill's Plumbing	06/16/20	Sanikan	\$95.00	
Spectra Labs	06/24/20	Water Samples	\$96.00	
Brothers Plumbing	06/26/20	Camera lines	\$995.87	
RJ Services	6/29/2020	Manholes, Excavating, Pump	\$29,007.63	
Allied Trenchless	7/8/2020	Line Septic Pipes, 1/2 down	\$9,800.00	
Goodman Septic	7/8/2020	Pump	\$7,150.00	
Goodman Septic	7/10/2020	Pump	\$6,683.75	
Goodman Septic	7/21/2020	Pump	\$10,633.00	
PUD of Jeff Co	7/21/2020	Septic Electric Hook up	\$2,820.00	x
Allied Trenchless	7/23/2020	Line Septic Pipes, balance due	\$9,646.81	
Goodman Septic	7/28/2020	Pump	\$12,152.00	
			\$489,549.08	

SEPTIC PROJECT FINANCIAL STATUS

ALLOCATED FUNDS				
Reserves allocated for Septic				\$58,562.00
Lot Sale				\$35,000.00
Fundraising				\$23,962.07
Assessment (115 x \$2477)				\$284,855.00
Total Funds Allcated				\$402,379.07
Septic Expenses through to date				\$489,549.08
Funds paid over allocated reserves				(\$87,170.01)
Left to pay per contracts :				
		ADC		\$25,500.00
		RJ Services		\$131,970.00
				\$157,470.00
Contracted Expenses:				\$385,550.00
Budgeted Expenses not in contract:				\$8,881.00
Above Expenses not in contract or budgeted for:				\$95,118.08
				\$489,549.08

RESERVES PROJECTON

BALANCE AS OF JULY 28, 2020	\$478,320.45	
Income: Monthly contributions	<u>\$ 42,100.00</u>	(\$8420 x 5)
Assessment Payments	\$ 7,114.03	
TOTAL	\$527,534.48	
Expenses:		
Still owed contractual payment:		
RJ Services	\$131,970.00	
ADC	<u>\$ 25,500.00</u>	
Billed put unpaid Septic Expenses:		
RJ Services	<u>\$ 29,903.06</u>	
Best guess:		
Upcoming pumping cost:	<u>\$ 16,600.00</u>	
NOP to pump station:	\$ 500.00	
RJ Services Trench	<u>\$ 15,000.00</u>	
Tank Rental	\$ 9,000.00	
Upcoming Reserve Expenditures:	\$ 2,300.00	Sanitary Survey
Projected End of Year Balance:	\$296,791.42	
Projected percentage funded:	38.5%	

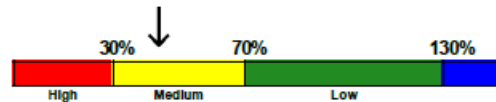
3- Minute Executive Summary

Association: Discovery Bay Leaseholder Assoc. Assoc. #: 8592-12
 Location: Sequim, WA # of Units: 115
 Report Period: January 1, 2021 through December 31, 2021

Findings/Recommendations as-of: January 1, 2021

Starting Reserve Balance	\$355,908
Current Fully Funded Reserve Balance	\$800,198
Percent Funded	44.5 %
Average Reserve (Deficit) or Surplus Per Unit	(\$3,863)
Recommended 2021 100% Monthly "Full Funding" Contributions	\$8,420
Recommended 2021 70% Monthly "Threshold Funding" Contributions	\$7,450
2021 "Alternate / Baseline Funding" minimum to keep Reserves above \$0	\$5,150
Most Recent Budgeted Contribution Rate	\$8,420

Reserves % Funded: 44.5%



Special Assessment Risk:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves1.00 %
 Annual Inflation Rate3.00 %

• This is a Update "No-Site-Visit" Reserve Study, meeting all requirements of the Revised Code of Washington (RCW). This study was prepared by a credentialed Reserve Specialist (RS™).

• Your Reserve Fund is currently 44.5 % Funded. This means the association's special assessment & deferred maintenance risk is currently Medium. 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 maintain your budget Reserve Contributions at the 100% level as noted above. The 100% "Full" contribution rate is designed to gradually achieve this funding objective by the end of our 30-year report scope.

• No assets appropriate for Reserve designation known to be excluded. See appendix for component information and the basis of our assumptions. "Alternate Funding" in this report is synonymous with Baseline Funding, as defined within the RCW "to maintain the reserve account balance above zero throughout the thirty-year study period, without special assessments." Funding plan contribution rates are presented as an aggregate total, assuming average percentage of ownership. The actual ownership allocation may vary - refer to your governing documents.

Executive Summary

8592-12

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Site/Grounds			
101 Culverts/Drainage - Repair/Replace	4	0	\$15,000
103 Wood Fence - Replace	17	5	\$10,300
104 Dog Park Fence, Gate - Replace	25	6	\$3,600
105 Concrete - Repair/Replace	10	9	\$3,250
110 Gate Arms/Operators - Replace	15	3	\$5,350
111 Pressure Sensor - Replace	10	3	\$4,000
Recreation			
300 Pool (Gunite) - Resurface	12	7	\$14,600
301 Pool Tile - Replace	24	19	\$5,600
302 Pool Heater/Heat Pump - Replace	10	5	\$6,800
304 Pool Lift - Replace	15	10	\$5,600
306 Pool Shed - Replace	15	10	\$3,200
309 Pool Ozonator - Replace	5	0	\$1,850
310 Pool Cover - Replace	10	5	\$5,600
312 Pool Fence - Replace	15	10	\$3,600
315 Pool Deck - Resurface/Replace	15	10	\$5,600
370 Heaters/Picnic Sets - Replace	15	5	\$4,600
403 Workout Bench - Replace	15	10	\$2,300

Building Exteriors				
501	Office/Lounge Roof/Gtr/Ds - Replace	35	20	\$28,100
502	O/L Structural/Siding/Wndws - Replc	50	20	\$54,500
511	Laundry Bldg Roof/Gtr/Dsp - Replace	35	19	\$28,100
512	Lndry Structural Sding/Wndws - Repl	50	20	\$50,500
520	Lodge (Radclyffe) - Replace	40	10	\$264,400
522	Lodge Deck - Replace	20	3	\$27,550
530	Tool Shop - Replace	30	10	\$81,550
535	Big Mower Shed - Replace	30	17	\$7,450
536	Small Mower Shed - Replace	17	0	\$15,000
537	Garden Shop - Repair/Replace	25	2	\$6,650
538	Guardhouse Bldg - Refurbish/Replace	20	4	\$3,400
540	Ramada Bldg - Replace	30	14	\$47,500
551	Lower Restroom Bldg - Replace	35	28	\$121,000
552	Rstrm Structural Siding/Wdw/Replace	50	20	\$16,200
560	Building Exteriors - Paint	10	1	\$11,200
Building Interiors				
700	Office/Lounge Flooring - Replace	15	6	\$7,000
701	Office/Lounge Furniture - Replace	10	1	\$4,950
702	Office/Lounge Appls - Replace	15	3	\$2,400
710	Laundry Flooring - Replace	20	15	\$4,300
711	Laundry Water Heaters - Replace	10	2	\$3,500
712	Lower Restroom Water Heater - Repl	10	2	\$1,700
730	Tool Shop Furnace - Replace	15	11	\$2,400
750	Restroom Bldg Interior - Refurbish	30	23	\$28,650
755	Baseboard Heaters - Replace	20	3	\$5,600
760	Building Interiors - Paint	15	1	\$2,350

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Systems			
899 Well - Sanitary Survey	5	4	\$2,400
900 Well - Replace	80	22	\$32,850
901 Water Tank - Clean	5	4	\$1,700
903 Well House Electrical - Replace	10	0	\$2,300
904 Well Control Panel - Replace	30	16	\$5,600
905 Well Pump - Replace	10	0	\$4,020
906 Water Distribution System - Replc	100	40	\$300,000
907 Water Distribution - Periodic Rprs	10	9	\$10,000
910 Generator (Well) - Replace	10	1	\$2,900
920 Septic Sys - Rpr/Rplc	15	14	\$30,000
922 Septic Maintenance - 2026 Estimate	0	5	\$5,000
923 Septic Maintenance - 2031 Estimate	0	10	\$3,000
924 Sewer Lines - Replace	5	0	\$15,000
Equipment			
949 Polaris Ranger - Replace	10	1	\$16,100
952 Cub Cadet Mower - Replace	10	8	\$8,050
953 John Deere Tractor - Replace	10	7	\$2,000
955 Walk Behind Mower - Replace	10	8	\$1,650
960 Utility Trailer - Replace	10	5	\$2,700
961 Dump Trailer - Replace	10	6	\$5,150
962 Landscape Equipment - Replace	5	0	\$1,800
963 Tractor, Kubota - Replace	15	10	\$24,000
63 Total Funded Components			

Note 1: Yellow highlighted line items are expected to require attention in this initial year, green highlighted items are expected to occur within the first-five years.

30-Year Reserve Plan Summary

8592-12
NSV

Fiscal Year Start: 2021					Interest: 1.00 %		Inflation: 3.00 %		
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)					Projected Reserve Balance Changes				
	Starting	Fully			% Increase				
Year	Reserve	Funded	Percent	Special	In Annual	Reserve	Loan or	Interest	Reserve
	Balance	Balance	Funded	Assmt	Reserve	Contribs.	Special	Income	Expenses
				Risk	Contribs.	Contribs.	Assmts		
2021	\$355,908	\$800,198	44.5 %	Medium	0.00 %	\$101,040	\$0	\$3,807	\$54,970
2022	\$405,785	\$821,728	49.4 %	Medium	1.35 %	\$102,404	\$0	\$4,397	\$38,625
2023	\$473,961	\$862,454	55.0 %	Medium	1.35 %	\$103,786	\$0	\$5,220	\$12,572
2024	\$570,395	\$933,106	61.1 %	Medium	1.35 %	\$105,188	\$0	\$6,012	\$49,063
2025	\$632,531	\$970,505	65.2 %	Medium	1.35 %	\$106,608	\$0	\$6,763	\$25,324
2026	\$720,578	\$1,037,229	69.5 %	Medium	1.35 %	\$108,047	\$0	\$7,469	\$62,195
2027	\$773,899	\$1,066,937	72.5 %	Low	1.35 %	\$109,505	\$0	\$8,230	\$18,806
2028	\$872,828	\$1,144,168	76.3 %	Low	1.35 %	\$110,984	\$0	\$9,223	\$20,416
2029	\$972,619	\$1,224,123	79.5 %	Low	1.35 %	\$112,482	\$0	\$10,179	\$31,289
2030	\$1,063,991	\$1,297,602	82.0 %	Low	1.35 %	\$114,001	\$0	\$11,148	\$22,638
2031	\$1,166,501	\$1,385,610	84.2 %	Low	1.35 %	\$115,540	\$0	\$9,611	\$535,174
2032	\$756,477	\$948,441	79.8 %	Low	1.35 %	\$117,099	\$0	\$7,927	\$51,978
2033	\$829,525	\$998,025	83.1 %	Low	1.35 %	\$118,680	\$0	\$8,785	\$28,800
2034	\$928,190	\$1,075,209	86.3 %	Low	1.35 %	\$120,282	\$0	\$9,899	\$5,874
2035	\$1,052,497	\$1,180,629	89.1 %	Low	1.35 %	\$121,906	\$0	\$10,566	\$123,427
2036	\$1,061,542	\$1,170,509	90.7 %	Low	1.35 %	\$123,552	\$0	\$10,987	\$59,281
2037	\$1,136,800	\$1,228,604	92.5 %	Low	1.35 %	\$125,220	\$0	\$11,823	\$45,092
2038	\$1,228,751	\$1,305,577	94.1 %	Low	1.35 %	\$126,910	\$0	\$12,778	\$40,412
2039	\$1,328,027	\$1,392,277	95.4 %	Low	1.35 %	\$128,624	\$0	\$13,838	\$29,707
2040	\$1,440,782	\$1,495,278	96.4 %	Low	1.35 %	\$130,360	\$0	\$14,551	\$115,118
2041	\$1,470,575	\$1,516,151	97.0 %	Low	1.35 %	\$132,120	\$0	\$13,678	\$350,151
2042	\$1,266,222	\$1,298,405	97.5 %	Low	1.35 %	\$133,904	\$0	\$12,999	\$78,411
2043	\$1,334,714	\$1,356,940	98.4 %	Low	1.35 %	\$135,711	\$0	\$13,625	\$92,644
2044	\$1,391,406	\$1,405,582	99.0 %	Low	1.35 %	\$137,543	\$0	\$14,017	\$129,862
2045	\$1,413,104	\$1,420,450	99.5 %	Low	1.35 %	\$139,400	\$0	\$14,666	\$45,738
2046	\$1,521,433	\$1,525,605	99.7 %	Low	1.35 %	\$141,282	\$0	\$15,173	\$163,419
2047	\$1,514,469	\$1,515,992	99.9 %	Low	1.35 %	\$143,189	\$0	\$15,852	\$16,282
2048	\$1,657,227	\$1,661,031	99.8 %	Low	1.35 %	\$145,122	\$0	\$17,281	\$19,214
2049	\$1,800,417	\$1,810,890	99.4 %	Low	1.35 %	\$147,082	\$0	\$17,151	\$333,351
2050	\$1,631,298	\$1,645,279	99.2 %	Low	1.35 %	\$149,067	\$0	\$16,576	\$111,583