ELDORADO PROPERTY OWNERS ASSOCIATION

INDIAN WELLS, CALIFORNIA

**INDEPENDENT AUDITORS' REPORT,
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR JUNE 30, 2017**

ELDORADO PROPERTY OWNERS ASSOCIATION

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JUNE 30, 2018 AND 2017

LUND & GUTTRY LLP / CERTIFIED PUBLIC ACCOUNTANTS
36917 COOK STREET • SUITE 102 • PALM DESERT, CA 92211
Telephone (760) 568-2242 • Fax (760) 346-8891
www.lundandguttry.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members
Eldorado Property Owners Association
Indian Wells, California

We have audited the accompanying financial statement of Eldorado Property Owners Association (a California nonprofit corporation) (the Association), which comprise of the balance sheet as of June 30, 2018, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

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 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 risk 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of June 30, 2018, and the results of its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The financial statements of Eldorado Property Owners Association as of June 30, 2017, were audited by other auditors whose report dated October 31, 2017, expressed an unmodified opinion on those statements. They have not performed any auditing procedures on the June 30, 2017 financial statements since that date. The summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information about future major repairs and replacements on page 13 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 consist 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, or 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.

Lund & Guttry

October 29, 2018

ELDORADO PROPERTY OWNERS ASSOCIATION
BALANCE SHEET
JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2017)

ASSETS

	2018			2017 (Memorandum Only)
	Operating Fund	Replacement Fund	Total	Total
CURRENT ASSETS				
Cash	$ 947,436	$ 250,208	$ 1,197,644	$ 1,107,354
Investments	-	1,488,620	1,488,620	1,646,103
Accounts receivable (net of allowance for doubtful accounts of $184,000 and $55,000 for 2018 and 2017 respectively)	275,728	-	275,728	314,260
Due from related parties	6,715	-	6,715	2,412
Prepaid expenses	8,438	-	8,438	32,328
Interfund receivables (payable)	(5,332)	5,332	-	-
Total current assets	1,232,985	1,744,160	2,977,145	3,102,457
Property and equipment				
Operating equipment	278,330	-	278,330	261,203
Security equipment	73,470	-	73,470	72,920
Street lights	266,601	-	266,601	266,601
	618,401	-	618,401	600,724
Less accumulated depreciation	(353,029)	-	(353,029)	(267,959)
Total property and equipment	265,372	-	265,372	332,765
TOTAL ASSETS	$ 1,498,357	$ 1,744,160	$ 3,242,517	$ 3,435,222

LIABILITIES AND FUND BALANCES

	Operating Fund	Replacement Fund	Total	Total
CURRENT LIABILITIES				
Accounts payable and accrued expenses	$ 1,906	$ 19,500	$ 21,406	$ 42,101
Due to related Party - ECC	27,146	-	27,146	303,566
Deferred dues and maintenance	434,821	-	434,821	264,820
Deferred cable charges	64,100	-	64,100	103,047
Refundable construction deposits	40,000	-	40,000	100,000
Total current liabilities	567,973	19,500	587,473	813,534
Commitments (Note 6)				
FUND BALANCES	930,384	1,724,660	2,655,044	2,621,688
TOTAL LIABILITIES AND FUND BALANCE	$ 1,498,357	$ 1,744,160	$ 3,242,517	$ 3,435,222

(The accompanying notes are an integral part of these financial statements)

ELDORADO PROPERTY OWNERS ASSOCIATION
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Operating Fund	Replacement Fund	Total	(Memorandum Only) Total
REVENUES				
Annual lot dues	$ 414,304	$ -	$ 414,304	$ 514,250
Rental income and commission income	-	186,657	186,657	343,160
Escrow transfer fees	-	4,500	4,500	9,000
Construction, permit, and plan check fees	133,500	17,818	151,318	94,339
Lot maintenance	13,769	-	13,769	16,886
Investment income	-	11,072	11,072	7,339
Miscellaneous income (expense)	359	(150)	209	(200)
Security dues	546,194	-	546,194	450,120
Cable television fees	140,855	-	140,855	187,464
ECC shared maintenance costs	112,720	-	112,720	118,062
ECOA shared maintenance costs	15,029	-	15,029	14,517
Total revenues	1,376,730	219,897	1,596,627	1,754,937
EXPENSES				
Maintenance				
ECC gardening services	215,929	-	215,929	214,389
Repairs and maintenance - landscaping	50,129	-	50,129	58,349
Repairs and maintenance - streets	20,957	-	20,957	22,571
Repairs and mintenance - street lights	-	25,458	25,458	-
Repairs and maintenance - storm channel	412	-	412	41,150
Storm damage	22,451	-	22,451	-
Services				
ECC accounting and payroll	53,863	-	53,863	52,426
ECC management service	35,895	-	35,895	34,562
Professional fees	37,274	-	37,274	25,767
Insurance	18,166	-	18,166	16,735
Contract services	12,157	-	12,157	11,072
Other				
Utilitites	47,246	-	47,246	49,050
Maintenance facility rental	12,393	-	12,393	11,813
Office supplies cable television fees	5,306	-	5,306	6,743
Supplies and small tools	2,944	-	2,944	2,503
Equipment rental	2,086	-	2,086	804
Uniforms	1,888	-	1,888	2,413
Total expenses	539,096	25,458	564,554	550,347
OTHER EXPENSES				
Deprecition	97,661	-	97,661	116,568
Loss on disposal of assets	15,388	-	15,388	-
Provision for doubtful accounts	129,000	-	129,000	55,000
Security services	546,194	-	546,194	450,120
Cable television expense	141,474	-	141,474	187,464
Income taxes	-	69,000	69,000	97,990
Total other expenses	929,717	69,000	998,717	907,142
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSE	(92,083)	125,439	33,356	297,448
FUND BALANCES BEGINNING OF THE YEAR	976,812	1,644,876	2,621,688	2,324,240
Interfund transfer - purchase of property and equipment	45,655	(45,655)	-	-
FUND BALANCE END OF YEAR	$ 930,384	$ 1,724,660	$ 2,655,044	$ 2,621,688

(The accompanying notes are an integral part of these financial statements)

ELDORADO PROPERTY OWNERS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
				(Memorandum Only)
CASH FLOWS FROM OPERATING ACTIVITIES	Operating Fund	Replacement Fund	Total	Total
Excess (deficiency) of revenues over expenses	$ (92,083)	$ 125,439	$ 33,356	$ 297,448
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used) in operating activities:				
Depreciation	97,661	-	97,661	116,568
Loss on disposal of assets	15,388	-	15,388	-
Unrealized loss on investment	-	16,934	16,934	18,821
Decrease (increase) in assets				
Accounts receivable	38,532	-	38,532	(310,172)
Due from related parties	(4,303)	-	(4,303)	2,638
Prepaid expenses	23,890		23,890	(1,977)
Interfund receivable (payable)	103,322	(103,322)	-	-
Increase (decrease) in assets				
Accounts payable and accrued expenses	(19,736)	(960)	(20,696)	40,755
Due to related parties - ECC	(276,420)	-	(276,420)	303,566
Due to related parties - ECOA	-	-	-	(31,750)
Deferred income	131,054		131,054	507
Refundable construction deposits	(60,000)	-	(60,000)	60,000
Net cash flows provided by (used) in operating activities	(42,695)	38,091	(4,604)	496,404
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments activity, net	-	140,549	140,549	256,472
Purchase of property and equipment	(45,655)	-	(45,655)	(56,888)
Fund transfers for purchase of property and equipment	45,655	(45,655)	-	-
Net cash flows provided by investing activities	-	94,894	94,894	199,584
NET INCREASE (DECREASE) IN CASH	(42,695)	132,985	90,290	695,988
CASH AT BEGINNING OF YEAR	1,009,631	97,723	1,107,354	411,366
CASH AT END OF YEAR	$ 966,936	$ 230,708	1,197,644	$ 1,107,354

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid for income taxes			$ 49,500	$ 63,000

(The accompanying notes are an integral part of these financial statements)

1. ORGANIZATION AND NATURE OF ACTIVITIES

Eldorado Property Owners Association (a California nonprofit corporation) (the Association) was incorporated in the state of California on February 14, 1958 as a homeowners' association. The Association provides certain maintenance and security services for 232 homes and ten vacant lots and common areas associated with those units, located on 220 acres within Eldorado Country Club (the Club) in Indian Wells, California.

Membership in the Association does not entitle the member to any individual interest, participation, share or property right in the assets of the Association. All properties owned by the Association and such funds as are accumulated, if any, are the indivisible property of the Association as a whole, to be used only for corporate purposes. Upon dissolution or winding-up of the Association, after paying or adequately providing for the debts and obligations of the Association, the directors or persons in charge of the liquidation shall assign, transfer or convey any remaining assets to the members of the Association. Such assets are to be divided into a number equal to the number of lots owned of record by all members, and each member is to receive a proportionate share of such assets based upon the number of lots that such member owns.

Under the Amended and Restated Declaration of Conditions and Restrictions (CC&R’s) recorded May 10, 2010 and expiring on April 17, 2030, no person(s) shall purchase a lot within the Project until and unless each such person has been accepted for membership in the Eldorado Country Club, unless the Association fails to exercise its rights of first refusal to purchase the lot as outlined in the CC&R’s. Specifically, if a prospective purchaser of a lot within the Project is not accepted for membership in the Club, the seller of such lot shall, by written notice to the Association, offer its lot for sale to the Association on the same terms and conditions which seller had agreed to accept from the prospective purchaser.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation – 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 operations of the Association.

Replacement Fund: This fund is used to accumulate financial resources designated for future major street repairs and other capital replacements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents

The Association considers all highly-liquid investments with a maturity of three months or less to be cash equivalents. The Association has not designated any other assets as cash equivalents in determining the net increase in cash in the statement of cash flows.

Investments

As of June 30, 2018, and 2017, short-term investments consist of investments in certificates of deposit. The Association reports the investments at fair value. Unrealized gains and losses and interest income earned from certificates of deposit is included as investment income on the statements of revenues and expenses. No capital gain or loss was recognized at the time of redemption of any certificates of deposit.

Accounts Receivable

The Association uses the allowance method to estimate uncollectible accounts. For the year ended June 30, 2018 and 2017 the Association deemed certain accounts to be uncollectible and recorded an appropriate allowance for doubtful accounts.

Interest Income

Interest income is allocated to the operating and replacement funds in proportion to the interest-bearing deposits of each fund.

Property and Equipment

The Association capitalizes all property and equipment to which it has title or other evidence of ownership. Property is recorded at cost. The cost of maintenance and repairs are charged to expense and significant renewals and betterments are capitalized.

Depreciation

Capitalized common property is depreciated over estimated useful lives of 3 to 15 years using straight-line and accelerated methods. Upon retirement, sale, or other disposition of property and equipment, the costs and accumulated depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations. Depreciation expense for the years ended June 30, 2018 and 2017 was $97,661 and $116,568, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Annual lot dues and lot maintenance revenues billed in advance are recorded as deferred revenue and are recognized as revenues in the periods to which they apply. Related party reimbursement revenues are recognized at the time related expenses are incurred. Real estate rental and construction permit fee revenues are recognized in the period incurred. Percentage rent and escrow transfer fees revenues are recognized when the related homes are sold.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Memorandum Totals

The financial statements include certain prior-year summarized comparative information in total but no net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the prior year, from which the summarized information was derived.

3. INVESTMENTS

The Association invests funds, in certificates of deposit, based on an approved investment policy instituted by the Board of Directors. The general policy is to purchase certificates of deposits with varying terms and maturity dates. The maturity dates will coincide with projected future cash requirements to fund capital improvements. The investments are considered to be held to maturity and are carried at cost, which approximates the fair value. At June 30, 2018, the Association's investments totaled $1,488,620.

4. CONCENTRATION OF CREDIT RISK

As discussed in Note 1, the primary activity of the Association is the management of common areas within the Eldorado community, which creates a condition of economic dependency based on the continued viability of Eldorado Country Club (the Club).

The Association maintains its cash and cash equivalents with two financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures interest bearing and non-interest-bearing accounts up to $250,000. As of June 30, 2018, the Association maintained deposits of approximately $697,000 in excess of insured limits. On a regular basis, the Association's policy is to review the financial strength of the financial institution to ensure financial stability and credit quality. The Association has not experienced any losses on any deposits and does not anticipate any losses as a result of the excess balance.

5. RENTAL AND COMMISSION INCOME

On March 29, 1984, the Association acquired (at a cost of $75,000) all the rights, title, and interest of a lease between the Club and the Estate of Robert P. McCulloch relating to real estate office occupancy and usage. The annual ground lease payment from the Association to the Club is $10. On May 10, 2010, the Association entered into a sub-lease agreement with Morton & Murphy, Premier Real Estate Brokers, Inc. (a California S Corporation) for a term of 3 years. On January 16, 2014, the Association renewed the lease on a subsequent month-to-month provision.

The sub-lease agreement provides for base rent of $2,000 per month with a month-to-month provision. In addition to the base rent, the sub-lessee is required to pay the Association a percentage rent, which is based upon a percentage of gross receipts attributable to property sold by the sub- lessee from the real estate office located on the premises of the Club. (Note 10)

Total rental and commission income, for the years ended June 30, 2018 and 2017 was $186,657 and $343,160, respectively.

6. COMMITMENTS

In 2014, the Association entered into an Installation and Service Agreement (the Agreement) with Time Warner Cable for bundled multi-channel video service (cable television) and high-speed data service, effective October 1, 2014. In March 2017 the Agreement was extended to October 1, 2020. Under the terms of the extended Agreement, effective October 1, 2017, each homeowner will be charged at a rate of $45 per month per unit. Annual increases are limited to 5% per year beginning January 1, 2018. The Agreement covers 211 units.

Future estimated annual payments over the life of the Agreement are as follows:

Year Ending June 30,	
2019	$122,628
2020	128,759
2021	32,975
	$284,362

7. RELATED PARTY TRANSACTIONS

Effective April 1, 2010, the Association, ECC, and ECOA entered into a comprehensive Master Agreement (the Agreement) which clarified many of the operational and financial arrangements between the three entities. The Agreement has a five-year term with an automatic renewal for an additional five years. Pursuant to the Agreement, ECC bills each association for their share of security expenses. Pursuant to the Agreement, representatives from the Association, ECC, and ECOA review, modify, and approve the annual operating and capital budgets for security. For the fiscal years ended June 30, 2018 and 2017, total operating costs related to security services provided ECC were $546,194 and $450,120 respectively.

7. RELATED PARTY TRANSACTIONS (continued)

The three parties also share in the costs of maintaining the streets, streetlights, and common areas based on the following cost allocation breakdown:

EPOA	66%
ECC	30%
ECOA	4%

The Association supervises the maintenance of streets, streetlights and common area landscaping within the Eldorado community. The Association is paid (by ECC and ECOA) for these costs in accordance with the terms of the Agreement for ECC's and ECOA's portion of these costs.

Total fees (income to the Association) related to shared maintenance for the years ended June 30, 2018 and 2017 were as follows:

	2018	2017
Shared maintenance - ECC	$ 112,720	$ 118,062
Shared maintenance - ECOA	15,059	14,517
	$ 127,779	$ 132,579

As of June 30, 2018 and 2017 the Association had amounts receivable from ECOA for shared costs of $6,715 and $2,412, respectively.

The Association is charged a monthly fee for accounting and management services provided by ECC. These services are subject to annual increases based on the Consumer Price Index, limited to 5% per year.

Total fees paid by the Association to ECC related to accounting, management services and golf course maintenance building usage for the years ended June 30, 2018 and 2017 were as follows:

	2018	2017
Accounting fees	$ 53,863	$ 52,426
Management fees	35,895	34,562
Golf course maintenance building usage fee	12,393	11,813
	$ 102,151	$ 98,801

ECC is the legal employer for the Association, paying all salaries and benefit costs on behalf of the Association. Each month the Association reimburses ECC for payroll and benefit expenses incurred by the Association. Total amounts reported for employee costs were $215,928 and $214,389, respectively.

7. **RELATED PARTY TRANSACTIONS (continued)**

Related party payables at June 30 are comprised of the following:

	2018	2017
Payroll, benefit, administrative costs–ECC	$ 27,146	$ 85,708

As of June 30, 2017, there was $303,566 due to ECC as presented on the balance sheet, which includes the above $85,708 and the remaining $217,858 for the 2017/2018 annual security billing from ECC. The offsetting asset for the pre-billed security is included in accounts receivable as of June 30, 2017.

8. **INCOME TAXES**

Homeowners' associations may be taxed either as a homeowners' association or as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income, such as interest earnings and rental income, at regular Federal and state corporate rates. The Association has made the annual election to be taxed as a regular corporation to minimize its tax obligation. All income taxes are considered current expenses.

Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the difference between the reported amounts of assets and liabilities and their tax basis. For the Association deferred taxes arise from using different depreciation methods for financial reporting purposes and tax reporting purposes.

The Association’s policy is to recognize tax positions in the financial statements when it is more-likely- than-not the position will be sustained upon examination by the tax authorities. As of June 30, 2018, the Association had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. As of June 30, 2018, the Association’s annual tax fillings for the prior three and four years are open for audit by Federal and state tax agencies, respectively.

For the years ended June 30, 2018 and 2017, the Association was taxed as a regular corporation. Income tax expense consists of the following:

	2018	2017
Federal	$ 52,000	$ 66,100
State	17,000	31,890
	$ 69,000	$ 97,990

9. FUTURE MAJOR REPAIRS AND IMPROVEMENTS

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for expenditures for normal operations. The Board of Directors had a study conducted in June 2018 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were obtained from reserve study consultants. Actual expenditures, however, 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.

10. SUBSEQUENT EVENTS

The Association has evaluated all potential subsequent events as of October 29, 2018, when the financial statements were authorized and available to be issued. Other than the item indicated below, no subsequent events or transactions were identified after June 30, 2018 or as of October 29, 2018 that require disclosure to the financial statements.

In September 2018, the Association received a notice for the lease termination from the sub-lessee Morton & Murphy, Premier Real Estate Brokers, Inc. effective October 1, 2018. A new real estate lessee is slated to be in place by October 2018.

SUPPLEMENTAL INFORMATION

ELDORADO PROPERTY OWNERS ASSOCIATION
FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)
JUNE 30, 2018

Replacement reserves are estimated amounts for replacement of major assets of the Association. Reserving provides a secure, planned financial base to address major cost emergencies and to provide replacement of capital assets. A reserve fund acts to stabilize the assets of the community and member assessments, and enables the Association's ability to execute its various responsibilities.

As of July 1, 2008, the Association, in order to make its operations less dependent on non-member income, made the decision to allocate 100% of dues income to the Operating Fund while allocating 100% of the Percentage Rent received under the sub-lease agreement with Morton & Murphy (see Note 5) to the Replacement Fund. Homeowners who undertake to construct or remodel their homes are charged an amount equal to 100% of any construction permit fees charged the homeowner by the City of Indian Wells. For the year ending June 30, 2018, the Association budgeted base and percentage rent, transfer fees and construction permit fees of $112,000. Such revenues and fees collected by the Association will be allocated to the Replacement Fund.

The Association contracted for and obtained a reserve study, including site inspection, in June 2018. The reserves are approximately 67% funded and the reserve study defined the funding as "Fairly Funded". The unfunded reserves represent a deficit in reserves of approximately $862,711. The estimate for replacement reserves has been prepared using the same sharing percentages as outlined in the Master Agreement.

	Average Estimated Useful Lives (Years)	Average Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs*	Estimate of Required Reserves at June 30, 2018**
Landscaping Equipment	6-30	0-8	$ 210,523	$ 166,095
Streets	4-30	1-17	1,973,798	1,241,960
Security	8-25	0-8	609,483	388,115
Street Lights	5-25	0-21	345,747	118,529
Landscaping	4-20	0-20	416,916	258,743
Flood Channel	5-25	2-10	252,081	126,784
Vehicles	5-7	0-5	88,972	51,748
Real Estate Office	10-25	3-17	215,185	106,085
Contingency (5%)			-	129,372
Total Required Reserves			$ 4,112,705	2,587,431
Reserve fund balance				1,724,660
Reserves Deficit				$ 862,771

* Estimated Current Replacement Cost – Total cost to replace or repair component in today's dollars.

** Estimate of Required Reserves – The amount that should have been saved during the life of the component as of the end of the fiscal year.