

Riverwalk Asset Replacement Saving Analysis

As of 11/01/2015

Assumptions –

(1) No Inflation of Actual Historical Costs	
(2) Cable TV cancellation \$24 mo x 12 x 340 units =	\$97,920
(3) Internet Cancellation \$900 mo X 12	= 10,800
	<hr/>
(4) Total Internet/TV Cost Avoidance	\$108,720yr
(5) High Speed Internet Cost Added	
Cost of Windstream Line	\$19,000 yr
System Support \$4 X 12mo X340	\$16,320 yr
	<hr/>
Total Internet Added	- \$35,320 yr

Net Budget Saving Yr at Currents Dues Rate \$73,400 yr

(6) Riverwalk has never adopted Statutory Reserves but has numerous Capital assets that need to be replaced/repared as specified below. A savings account will be established and funded as described herein to replace/repair these assets when required, so as to minimize the need special membership assessments in the future.

Factors:	Life	Total Cost	Per-Year	Needed-Now	Reference
Roof Savings	20yrs	\$1,011,025	\$50,531	\$595,292	Exhibit 1
Painting Savings	7yrs	303,106	43,300	185,253	Exhibit 2
Boat Storage Savings			4,960	44,160	Exhibit 3 Pg9
Street Savings	25yrs	200,000	8,000	40,000	Estimate
Pool Savings					
Pool Deck	25yrs	50,000	2,000	12,000	Estimate
Pool Surface	20yrs	50,000	2,500	12,000	Estimate
Tennis Court Savings	10yrs	5,000	500	5,000	Estimate
Playground Savings	15yrs	10,000	667	3,000	Estimate
Truck Savings	10yrs	10,000	1,000	10,000	Estimate
Golf Cart Savings	5yrs	5,000	1,000	1,000	Estimate
			<hr/>	<hr/>	
Total Savings Required as of 12/31/2015			114,458	\$907,705	

Other Factors

Tree Removal Project (One time 2016)	\$65,000
	<hr/>
Total Needed in Savings Now (Above Normal Operating Budget)	\$972,451

Less Cash In Bank Now	Wells Fargo 10/31/2015	\$237,712	Exhibit 4
	BB&T 10/30/2015	184,357	Exhibit 5
Less Estimated Expenses Nov/Dec	Payroll	-12,500	
	Lights	- 6,000	
	Landscape	-14,000	
	Boat Gate	-3,000	
	Truck	-5,000	
	Audit	-5,300	
	Internet & (HD Pro)	-7,000	
	Gutters	-5,000	
	Utilites	-7,500	
	Other	-5,000	

Estimated Savings Balance as of 12/31/2015		-351,769	-351,769

Underfunding of Savings 12/31/2015 – Need to Recover			620,682

 Analysis of future Savings funding:

As set forth in the assumptions above, just as a point of information, in 2015 savings from cancelling ITS Contract and adding high speed internet will be a net operating Budget Savings (at the current dues rate) of \$73,400 per year into the future.

At the current dues rate Riverwalk budgeted in 2016, we will have a total of \$149,709 to add to savings (Exhibit 6). In addition the 2016 budget will cover the tree removal cost of \$65,000 and Painting (\$72,720) from Savings, which will reduce the savings deficit of \$620,682 by \$287,429 (i.e. \$149,709 + \$65,000 + \$72,720) to \$333,253. However, we will also have to fund the normal annual savings contribution of \$114,458 for 2016 which will increase the deficit to \$447,716 as of the end of 2016. Thereafter, the deficit will be funded at a rate of \$287,429-\$114,458 or \$172,971 per year (assuming the operating budget stays relatively constant). On this basis the \$447,716 deficit as of 12/31/2016 should be eliminated by 1/1/2020. Thereafter, we should see a dues reduction. From a cash flow standpoint, no significant cash will be needed from savings until the Painting Project begins in 2019 at an estimated cost of \$75,000.

EXHIBIT 1

2009 Roll Analysis

YEAR	2020	2021	2022	2023	2024	2025	2029	Total
	6303-6	6271-6	6231-6	6207-8	6167-6	6143-6	6150-8	
	6311-6	6279-8	6247-8	6215-8	6175-6	6158-8	6288-7	
	6319-6	6287-6	6255-6	6223-8	6183-8	6151-8		
	6327-6	6295-6	6263-8	6239-6	6198-8	6159-6		
	6335-7	6375-6	6270-6		6246-8	6174-7		
	6343-8		6351-4		6254-8	6182-7		
	6383-6		6359-7			6190-8		
	6391-7					6191-6		
						6199-6		
						6206-8		
						6214-8		
						6222-8		
						6230-8		
						6238-8		
						6262-6		
						6367-6		
						6166-6		
Total units	52	32	45	30	44	122	15	340
TTL								
COST	\$165,000.00	\$103,125.00	\$144,375.00	\$82,500.00	\$123,750.00	\$350,625.00	\$41,250.00	\$1,010,025.00
2015 NEED	\$123,750.00	\$72,187.00	\$93,844.00	\$49,506.00	\$68,063.00	\$175,313.00	\$12,375	\$595,292

Repl Cost	%To Date	Need Now
165,000	15/20 - 75%	123,750
103,125	14/20 - 70%	72,187
144,375	13/20 - 65%	93,844
82,500	12/20 - 60%	49,506
123,750	11/20 - 55%	68,063
350,625	10/20 - 50%	175,313
41,250	6/20 - 30%	12,375

\$1,010,025 \$595,292 <- Deficit 12/31/15

EXHIBIT 1

5/1/14

Adjusted Paint Schedule 2012

END

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
6143-7	6327-6		6367-6	6254-8			6143-7	6327-6		6367-6	6254-8	
6159-6	6295-6		6351-4	6263-8			6159-6	6295-6		6351-4	6263-8	
6319-6	6287-6		6231-6	6223-8			6319-6	6287-6		6231-6	6223-8	
6391-6	6279-8		6199-6	6255-6			6391-6	6279-8		6199-6	6255-6	
6383-6	6271-8		6207-8	6247-8			6383-6	6271-8		6207-8	6247-8	
6150-8	6215-8		6359-7	6375-6			6150-8	6215-8		6359-7	6375-6	
6183-8	6151-8		6206-8	6166-7			6183-8	6151-8		6206-8	6166-7	
6311-6	6246-8		6182-7	6239-6			6311-6	6246-8		6182-7	6239-6	
6343-8	6198-8		6174-7	6239-6			6343-8	6198-8		6174-7	6222-8	
6175-6	6303-6		6288-7	6222-8			6175-6	6303-6		6288-7	6191-6	
6167-6	6190-8		6270-6	6158-8			6167-6	6190-8		6270-6	6158-8	
6335-7	6230-8						6335-7	6230-8				
6214-8	6262-8		FULL	6/7			6214-8	6262-8				
	6238-8			1/86				6238-8				
13	14		11	11			13	14		11	11	

64976 72,726
 64976 62,331
 74,800 129
 90,610
 32,057 25,884
 25,884

EXHIBIT 2

Assumption: 7 yrs Painting Required
 # 303,106 Costs Paint all Building that
 Adjust cost 12/31/2015 for Painting
 Costs Paint Per year 303,106/7
 43,300

64976	2015
62331	2016
32,057	2019
25,884	2020
<hr/>	
185,253	Total

Due

EXHIBIT 2

Adjust

Coastal Painting Company sincerely appreciates the opportunity to submit the foregoing painting proposal to RIVERWALK HOA. If we can be of any further assistance please do not hesitate to contact us at (800) 320-8083.

Steve Warsche

Sales Representative

954-818-0613

Coastal Painting is prepared to perform the above services for the sum of:

\$303,106.00

(Total Project for painting in 2012) \$291,550.00

Option #1	6143, 6159, 6319, 6391, 6383, 6150, 6183, 6311, 6343, 6175, 6167, 6335, 6214 (88 UNITS).....in 2012.....	\$74,800.00	<u>CB</u> Initial
Option #2	6327, 6295, 6287, 6279, 6271, 6215, 6151, 6246, 6198, 6303, 6190, 6230, 6262, 6238 (104 UNITS)in 2013.....	\$90,610.00	<u>GB</u> Initial
Option #3	6367, 6351, 6231, 6199, 6207, 6359, 6206, 6182 6174, 6288, 6270 (72 UNITS).....in 2015.....	\$64,976.00	_____ Initial
Option #5	6254, 6263, 6223, 6255, 6247, 6375, 6166, 6191 6239, 6222, 6158 (79 UNITS).....in 2016.....	\$72,720.00	_____ Initial

PAYMENT SCHEDULE - TO BE DETERMINED

BOTH PARTIES AGREE TO ALL THE ABOVE PROPOSAL TERMS AND CONDITIONS AND UPON SIGNING BELOW, BOTH PARTIES AGREE AND UNDERSTAND THAT THIS PROPOSAL, as well as the Exhibits and Addendum attached hereto, HAVE NOW BECOME A BINDING CONTRACT:

IN WITNESS WHEREOF, the parties have executed this Contract on the dates set forth herein below:

Contract Authorization: _____ Date: _____
Coastal Painting Company Representative

Contract Authorization: [Signature] Date: 6/28/12
Signature
George Fall CCAM
Riverwalk HOA Representative

2
88
304
72
79
343
Why units

Price Breakdown

This is for one full coat of wood primer and one finish coat
Buildings in 2012

6 Unit Building.....	\$5,100.00
7 Unit Building.....	\$5,950.00
8 Unit Building.....	\$6,800.00
Replacement of Screens (40).....	\$2,000.00
Coastal will split the cost \$1,000.00	

Buildings in 2013

6 Unit Building.....	\$5,227.50
8 Unit Building.....	\$6,970.00
Replacement of Screens	
Coastal will split the cost	

Buildings in 2015

4 Unit Building.....	\$3,609.78
6 Unit Building.....	\$5,414.66
7 Unit Building.....	\$6,317.12
8 Unit Building.....	\$7,219.55
Replacement of Screens	
Coastal will split the cost	

Buildings in 2016

6 Unit Building.....	\$5,523.00
7 Unit Building.....	\$6,443.54
8 Unit Building.....	\$7,364.00
Replacement of Screens	
Coastal will split the cost	

Roof a Cide Shingle Roofs (4 Year Warranty against Mildew) Never Pressure Clean Again!

Roof a cide.....	\$100.00 per unit
With Pre-cleaning (Dirty roofs).....	\$150.00 per unit

This product will not hurt plants, pets or people

GB

RIVERWALK HOMEOWNERS ASSOCIATION, INC.

(A Not-for-Profit Corporation)

FINANCIAL STATEMENTS

DECEMBER 31, 2014

DRAFT

FRIEDMAN, FELDMESSER & KARPELES, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Business Market Rate Account

Account number: 2000042062813 ■ October 1, 2015 - October 31, 2015 ■ Page 1 of 4

LEX HABBIT 4



RIVERWALK HOMEOWNERS ASSOCIATION INC
C/O MANAGERS OFFICE
6285 RIVERWALK LN
JUPITER FL 33458-7944

Questions?

Available by phone 24 hours a day, 7 days a week:
Telecommunications Relay Services calls accepted
1-800-CALL-WELLS (1-800-225-5935)

TTY: 1-800-877-4833

En español: 1-877-337-7454

Online: wells Fargo.com/biz

Write: Wells Fargo Bank, N.A. (287)
P.O. Box 6995
Portland, OR 97228-6995

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Activity summary

Beginning balance on 10/1	\$237,692.34
Deposits/Credits	20.19
Withdrawals/Debits	0.00
Ending balance on 10/31	\$237,712.53
Average ledger balance this period	\$237,692.34

Account number: [REDACTED]
RIVERWALK HOMEOWNERS ASSOCIATION INC
Florida account terms and conditions apply
For Direct Deposit use
Routing Number (RTN): [REDACTED]
For Wire Transfers use
Routing Number (RTN): [REDACTED]

Interest summary

Interest paid this statement	\$20.19
Average collected balance	\$237,692.34
Annual percentage yield earned	0.10%
Interest earned this statement period	\$20.19
Interest paid this year	\$189.00



EXHIBIT 5



858-06-01-00 40408 41 C 001 30 55 004
 RIVERWALK HOMEOWNERS ASSOCIATION INC
 OPERATING ACCT
 PO BOX 31887
 PALM BEACH GARDENS FL 33420-1887

Your account statement

For 10/30/2015

Contact us



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■ ASSOC SVCS INTEREST CHECKING

Account summary

Your previous balance as of 09/30/2015	\$107,026.64
Checks	- 63,104.75
Other withdrawals, debits and service charges	- 5,390.33
Deposits, credits and interest	+ 145,825.48
Your new balance as of 10/30/2015	= \$184,357.04

Interest summary

Interest paid this statement period	\$6.13
2015 interest paid year-to-date	\$51.54
Interest rate	0.05%

Checks

DATE	CHECK #	AMOUNT(\$)
10/02	6016	7,348.86
10/01	*6022	184.70
10/07	*6028	500.00
10/13	6029	246.24
10/13	6030	200.00
10/13	6031	109.00
10/14	*6033	617.14
10/13	6034	518.00
10/13	6035	6,750.00
10/13	6036	3,943.20
10/09	6037	715.00
10/13	6038	265.89
10/13	6039	1,498.00
10/08	6040	1,369.36

DATE	CHECK #	AMOUNT(\$)
10/15	6041	184.70
10/09	6042	1,044.08
10/08	6043	1,050.26
10/09	6044	819.56
10/13	6045	600.00
10/13	6046	103.63
10/09	6047	11.07
10/15	*6049	11,731.78
10/20	6050	147.70
10/26	6051	127.20
10/21	6052	12.36
10/21	6053	750.00
10/29	6054	138.00
10/23	6055	139.92

DATE	CHECK #	AMOUNT(\$)
10/23	*6059	450.00
10/30	*6061	250.00
10/26	*6064	127.00
10/29	*6066	593.05
10/21	6067	1,369.36
10/30	6068	184.70
10/23	6069	1,044.08
10/21	6070	1,050.26
10/22	6071	819.56
10/26	6072	449.53
10/27	6073	100.00
10/23	6074	200.00
10/28	6075	15,341.56

* indicates a skip in sequential check numbers above this item

Total checks = \$63,104.75