

**BORDEAUX VILLAGE
HOMEOWNERS ASSOCIATION, INC.**

**FINANCIAL STATEMENTS
and
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2010

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**FINANCIAL STATEMENTS
and
INDEPENDENT AUDITORS' REPORT**

DECEMBER 31, 2010

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K R CRADDOCK, P.C.

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INDEPENDENT AUDITORS' REPORT

Board of Directors

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

We have audited the accompanying balance sheet of the Bordeaux Village Homeowners Association, Inc. as of December 31, 2010, and the related statements of revenues and expenses, changes in fund balance and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bordeaux Village Homeowners Association, Inc. as of December 31, 2010, 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.

K R CRADDOCK, P.C.

KR CRADDOCK, P.C.

Certified Public Accountant

Dallas, Texas

June 30, 2011

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**BALANCE SHEET
DECEMBER 31, 2010**

	Operating fund	Replacement fund	Combined funds
Assets			
Current assets:			
Cash and cash equivalents	\$ 21,194	\$ 270,149	\$ 291,343
Accounts receivable, net of allowance for doubtful accounts of \$ 1,801	15,956	-	15,956
Inter-fund assets (liabilities)	(23,762)	23,762	-
Prepaid expenses	7,562	-	7,562
Total current assets	\$ 20,950	\$ 293,911	\$ 314,861
 Total Assets	 \$ 20,950	 \$ 293,911	 \$ 314,861
 Liabilities and fund balance			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 563	\$ -	\$ 563
Note Payable	-	134,840	134,840
Prepaid assessments	24,208	-	24,208
Income tax payable	-	-	-
Unclaimed funds payable	1,072	-	1,072
Total current liabilities	\$ 25,843	\$ 134,840	\$ 160,683
Non-current liabilities:			
Non-current portion of note payable	-	1,033,304	1,033,304
Total non-current liabilities	\$ -	\$ 1,033,304	\$ 1,033,304
Fund balance (deficit)	(4,893)	(874,233)	(879,126)
Total liabilities and fund balance	\$ 20,950	\$ 293,911	\$ 314,861

The accompanying notes are an integral part of this statement.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Operating fund</u>	<u>Replacement fund</u>	<u>Combined funds</u>
Revenues:			
Owners' assessments	\$ 481,232	\$ 107,800	\$ 589,032
Special assessments	-	228,104	228,104
Late fees and NSF charges	2,579	-	2,579
Interest income	-	3,700	3,700
Rental income	260	-	260
Other income	798	-	798
	<u> </u>	<u> </u>	<u> </u>
Total revenues	<u>\$ 484,869</u>	<u>\$ 339,604</u>	<u>\$ 824,473</u>
Operating expenses:			
General and administrative	\$ 16,239	\$ -	\$ 16,239
Insurance	58,119	-	58,119
Interest expense	-	42,688	42,688
Professional services	44,713	-	44,713
Repairs and maintenance	142,174	-	142,174
Security	48,418	-	48,418
Utilities and telephone	103,964	-	103,964
Wages and salaries	79,925	-	79,925
Federal income tax expense	100	-	100
Major repairs & replacements	-	1,379,778	1,379,778
	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 493,652</u>	<u>\$ 1,422,466</u>	<u>\$ 1,916,118</u>
Excess (deficit) of revenues over expenses	<u>\$ (8,783)</u>	<u>\$ (1,082,862)</u>	<u>\$ (1,091,645)</u>

The accompanying notes are an integral part of this statement.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**STATEMENTS OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Operating fund</u>	<u>Replacement fund</u>	<u>Combined funds</u>
Balance, December 31, 2009	\$ 3,890	\$ 208,629	\$ 212,519
Permanent transfers between funds	-	-	-
Excess (deficit) of revenues over expenses	<u>(8,783)</u>	<u>(1,082,862)</u>	<u>(1,091,645)</u>
Balance, December 31, 2010	<u><u>\$ (4,893)</u></u>	<u><u>\$ (874,233)</u></u>	<u><u>\$ (879,126)</u></u>

The accompanying notes are an integral part of this statement.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010**

	<u>Operating fund</u>	<u>Replacement fund</u>	<u>Combined funds</u>
Cash flows from operating activities:			
Excess revenues / (expenses)	\$ (8,783)	\$ (1,082,862)	\$ (1,091,645)
Decrease / (Increase) in:			
Accounts receivable	(2,039)	-	(2,039)
Prepaid expenses	2,109	-	2,109
Increase / (Decrease) in:			
Accounts payable	(3,089)	-	(3,089)
Prepaid assessments	(1,583)	-	(1,583)
Other current liabilities	1,072	-	1,072
Income tax payable	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Net cash provided by operating activities	<u>\$ (12,313)</u>	<u>\$ (1,082,862)</u>	<u>\$ (1,095,175)</u>
 Cash flows from financing activities:			
Proceeds from line of credit	\$ -	\$ 1,200,000	\$ 1,200,000
Payments on line of credit	-	(148,199)	(148,199)
Change in inter-fund balances	12,873	(12,873)	-
	<u> </u>	<u> </u>	<u> </u>
Net cash provided by financing activities	<u>\$ 12,873</u>	<u>\$ 1,038,928</u>	<u>\$ 1,051,801</u>
 Net increase in cash and cash equivalents	\$ 560	\$ (43,934)	\$ (43,374)
 Cash and cash equivalents:			
December 31, 2009	<u>20,634</u>	<u>314,083</u>	<u>334,717</u>
 December 31, 2010	<u>\$ 21,194</u>	<u>\$ 270,149</u>	<u>\$ 291,343</u>
 Schedule of noncash investing and financing activities:			
Interest income received	<u>\$ 3,700</u>		

The accompanying notes are an integral part of this statement.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.**NOTES TO FINANCIAL STATEMENTS****Note A – Nature of organization:**

Bordeaux Village Homeowners Association, Inc. (the Association), is a Texas non-profit corporation incorporated May 19, 1980. The Association is responsible for the operation and maintenance of the common property of the Bordeaux Village Condominium project. The project consists of 210 residential units and related common areas located on approximately 15 acres in Dallas, Dallas County, Texas.

Note B – Summary of significant accounting policies:**Basis of accounting**

The Association prepares its financial statements on the accrual basis of accounting. Under this basis, income and the related assets are recognized when earned and expenses and related liabilities are recognized when incurred. Revenue of the Association is generated from collection of member dues and assessments. Expenses consist primarily of insurance, utilities, and repairs and maintenance.

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 repairs and replacements.

Cash and cash equivalents

For the purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks and money market funds with maturity dates of three months or less.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. The assessment amounts billed to members are determined by the board of directors. These assessments are based upon the member's undivided interest in the common properties. Assessments receivable at the balance sheet date represent dues and fees due from unit owners. Any excess assessments at year end are retained by the Association for use in the succeeding year. At December 31, 2010, the Association had delinquent assessments of \$17,757. An allowance for uncollectible accounts has been recorded in the amount of 1,801.

Income Taxes

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528 for the year ended December 31, 2010. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government. Income tax expense for the year was \$-0-.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.**NOTES TO FINANCIAL STATEMENTS****Note B – Summary of significant accounting policies (continued):****Property and Equipment**

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes any personal property at cost and depreciates it using the straight-line method.

Financial Instruments

The carrying value of cash and cash equivalents, accounts receivable and payable, and accrued liabilities approximate fair value due to the short term maturities of these assets and liabilities.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements and the accompanying footnote disclosures. Actual results could differ from these estimates.

Note C – Commitments:

The Association enters into various contracts for management, landscape and other services. Generally these contracts are for a one year term with a 30 day cancellation clause by either party. The Association has engaged Capital Consultants Management Corporation (CCMC), a professional property management company as its management agent for the year ended December 31, 2010. Under the terms of the contract, the Association paid management fees totaling \$39,000 to CCMC for the year ended December 31, 2010. Additionally, in accordance with the terms of the management agreement, the Association paid approximately \$79,925 to the agent for reimbursement of labor in 2010.

Note D – Future repairs and replacements:

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for operating purposes. It is the Association's policy to allocate interest earned on such funds to the replacement fund.

The Association has conducted a formal study to estimate the remaining useful lives and the replacement costs of the common property components. In prior years, the Association began accumulating funds for estimated future repairs and replacements based upon estimates by the Association's management of useful lives and replacement costs. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

Note E – Special assessments:

The Association levied special assessments totaling of \$228,104 during the current year. The proceeds from these special assessments were used to pay for major property-wide rehab projects.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Note F – Line of Credit:

In 2005 the Board of Directors established a line of credit in the amount of \$620,000. Principal balance as of December 31, 2010 is \$116,342. The loan bears interest at the rate of 7.25%, and is payable in monthly payments of \$10,193 through August 9, 2010. A summary of loan activity for the year follows:

Principal balance, December 31, 2009	\$	116,342
Draws against loan		-
Repayments		(116,342)
 Principal balance, December 31, 2010	 \$	 -

Note G – Note Payable:

In January 2010 the Association undertook a \$1.2 Million loan from Texas Capital Bank. Proceeds from the loans were used to fund a property-wide major renovation project. The loan bears interest at the rate of 8.5%, and is payable in monthly payments of \$19,079 (principal and interest). A summary of loan activity for the year follows:

Principal balance, December 31, 2009	\$	-
Draws against loan		1,200,000
Repayments		(31,856)
 Principal balance, December 31, 2010	 \$	 1,168,144

Annual principal maturities over the next five years:

2011	\$	134,840
2012		146,758
2013		159,730
2014		173,849
2015		189,216

The loan is secured by a pledge of substantially all of the assets of the Association.

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INDEPENDENT AUDITORS' REPORT ON ADDITIONAL AND SUPPLEMENTAL INFORMATION

To the Board of Directors of BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

Our report on our audit of the basic financial statements of Bordeaux Village Homeowners Association, Inc. for 2010 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules on pages 10-13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Supplemental information on future major repairs and replacements presented on pages 14-17 is not a required part of the basic financial statements but is supplementary information required by the American Institute of Certified Public Accountants. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

K R CRADDOCK, P.C.

KR CRADDOCK, P.C.

Certified Public Accountant

Dallas, Texas

June 30, 2011

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**SCHEDULES OF GENERAL AND ADMINISTRATIVE, INSURANCE, PROFESSIONAL
SERVICES, UTILITIES AND TELEPHONE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Operating fund</u>	<u>Replacement fund</u>	<u>Combined funds</u>
General and administrative:			
Bad debt expense	\$ 1,849	\$ -	\$ 1,849
Licenses and permits	1,692	-	1,692
Meetings	2,516	-	2,516
Miscellaneous expense	1,578	-	1,578
Office supplies	6,474	-	6,474
Social / recreation events	<u>2,130</u>	<u>-</u>	<u>2,130</u>
 Total general and administrative:	 <u>\$ 16,239</u>	 <u>\$ -</u>	 <u>\$ 16,239</u>
 Insurance:			
Crime	\$ 758	\$ -	\$ 758
Directors and officers	1,625	-	1,625
Property and liability	50,596	-	50,596
Umbrella	4,900	-	4,900
Workers compensation	<u>240</u>	<u>-</u>	<u>240</u>
 Total insurance:	 <u>\$ 58,119</u>	 <u>\$ -</u>	 <u>\$ 58,119</u>
 Professional services:			
Accounting	\$ 1,700	\$ -	\$ 1,700
Legal	2,135	-	2,135
Management fees	39,000	-	39,000
Professional fees	<u>1,878</u>	<u>-</u>	<u>1,878</u>
 Total professional services:	 <u>\$ 44,713</u>	 <u>\$ -</u>	 <u>\$ 44,713</u>
 Utilities and telephone:			
Electricity	\$ 11,560	\$ -	\$ 11,560
Telephone	1,131	-	1,131
Trash Removal	15,532	-	15,532
Water and sewer	<u>75,741</u>	<u>-</u>	<u>75,741</u>
 Total utilities and telephone:	 <u>\$ 103,964</u>	 <u>\$ -</u>	 <u>\$ 103,964</u>

See independent auditors' report on additional and supplemental information.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

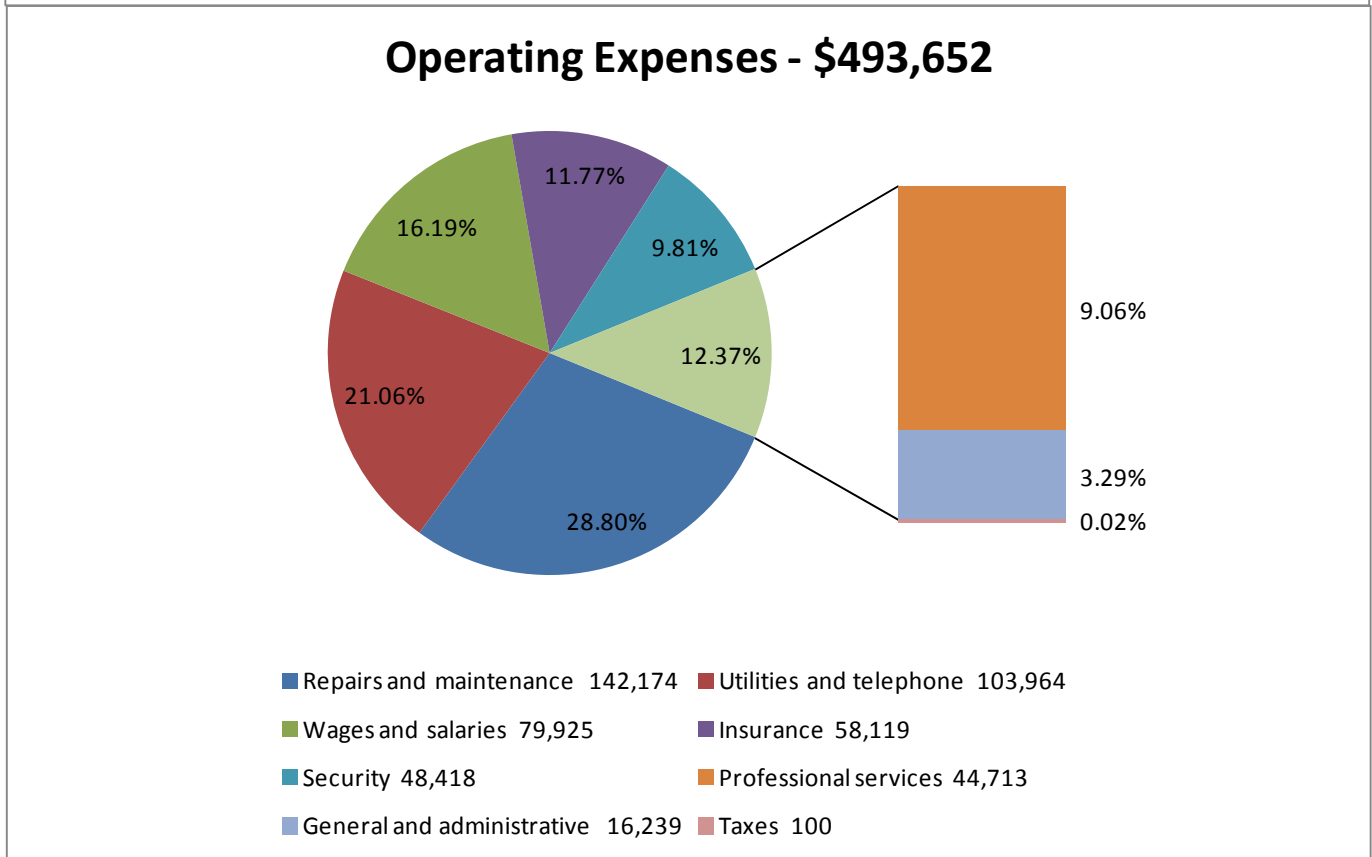
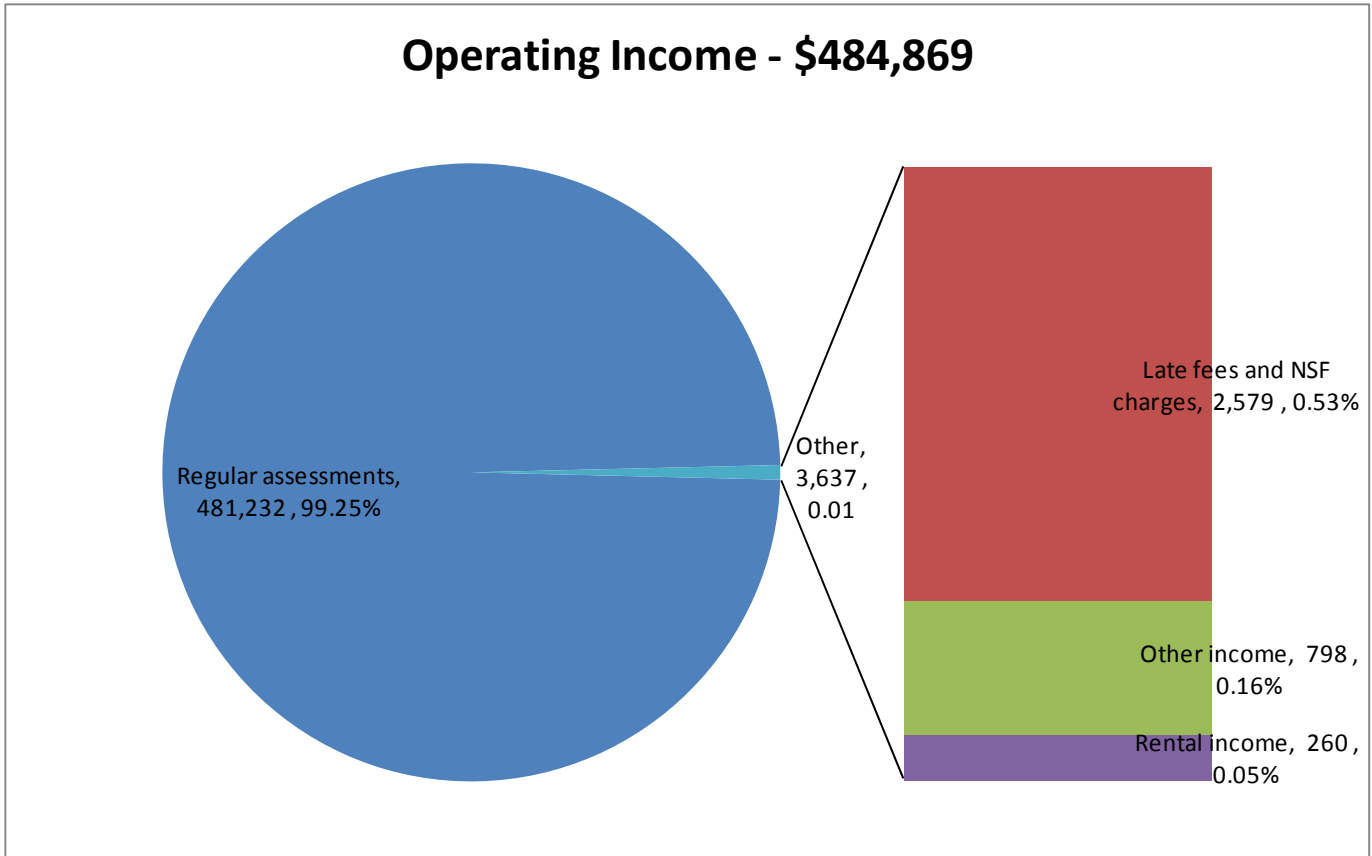
**SCHEDULES OF WAGES AND SALARIES, REPAIRS AND MAINTENANCE,
MAJOR REPAIRS AND REPLACEMENTS EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Operating fund</u>	<u>Replacement fund</u>	<u>Combined funds</u>
Wages and salaries			
Wages - carpentry	\$ 1,393	\$ -	\$ 1,393
Wages - painting staff	7,571	-	7,571
Wages - porter	31,994	-	31,994
Wages - maintenance	<u>38,967</u>	<u>-</u>	<u>38,967</u>
Total wages and salaries:	<u>\$ 79,925</u>	<u>\$ -</u>	<u>\$ 79,925</u>
Repairs and maintenance:			
Building and materials	\$ 211	\$ -	\$ 211
Electrical	2,067	-	2,067
Irrigation	5,828	-	5,828
Landscaping	102,936	-	102,936
Other	1,574	-	1,574
Pest control	6,039	-	6,039
Plumbing	6,346	-	6,346
Pools	5,648	-	5,648
Roof	<u>11,525</u>	<u>-</u>	<u>11,525</u>
Total repairs and maintenance:	<u>\$ 142,174</u>	<u>\$ -</u>	<u>\$ 142,174</u>
Major repairs and replacements:			
Foundations	\$ -	\$ 2,150	\$ 2,150
Furnishings	-	1,778	1,778.00
Irrigation System	-	5,316	5,316.00
Landscaping	-	60,416	60,416.00
Other	-	953	953.00
Parking Lot	-	685	685.00
Roof	-	19,475	19,475.00
Sidewalks	-	1,066	1,066.00
Special Construction	<u>-</u>	<u>1,287,939</u>	<u>1,287,939.00</u>
Total major repairs and replacements:	<u>\$ -</u>	<u>\$ 1,379,778</u>	<u>\$ 1,379,778</u>

See independent auditors' report on additional and supplemental information.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

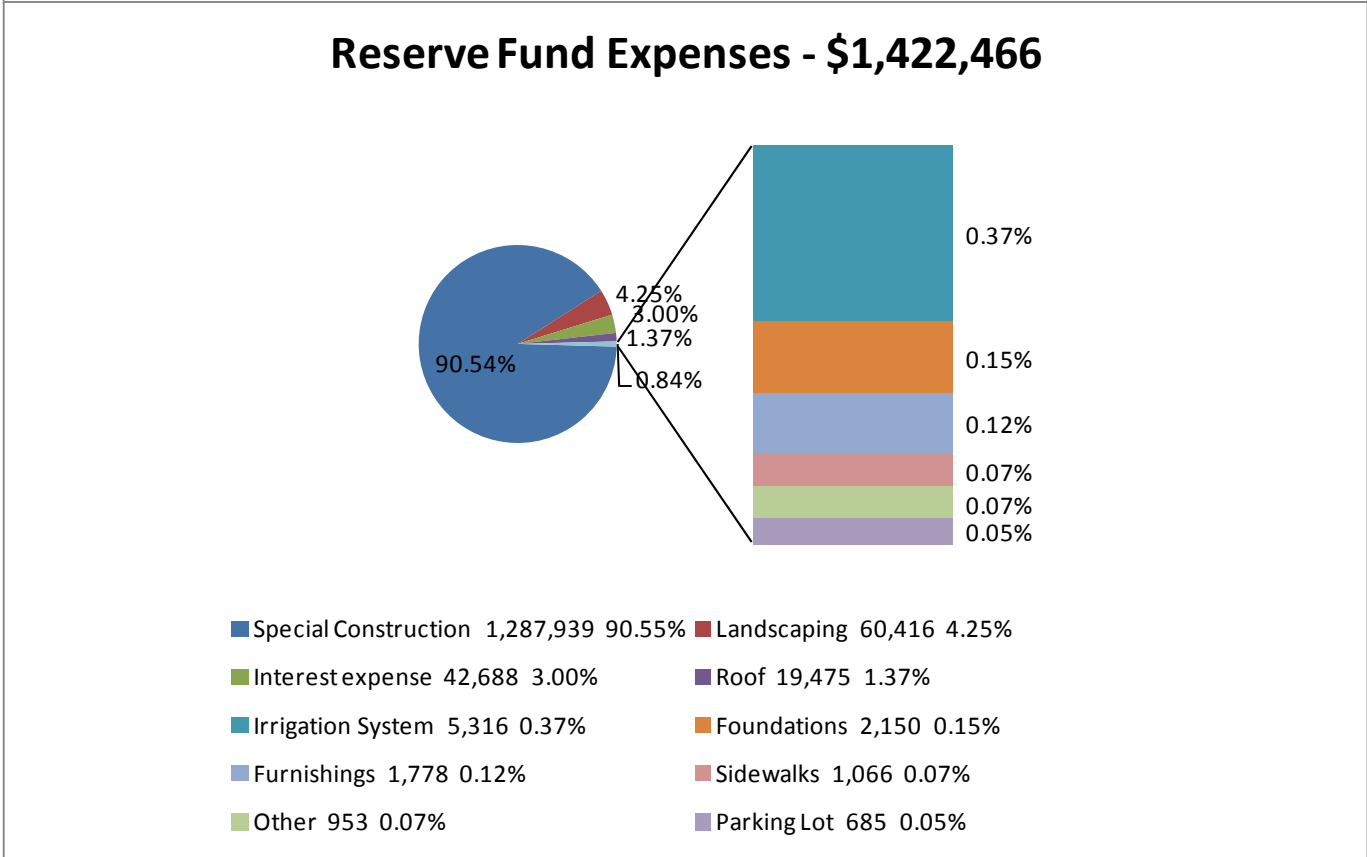
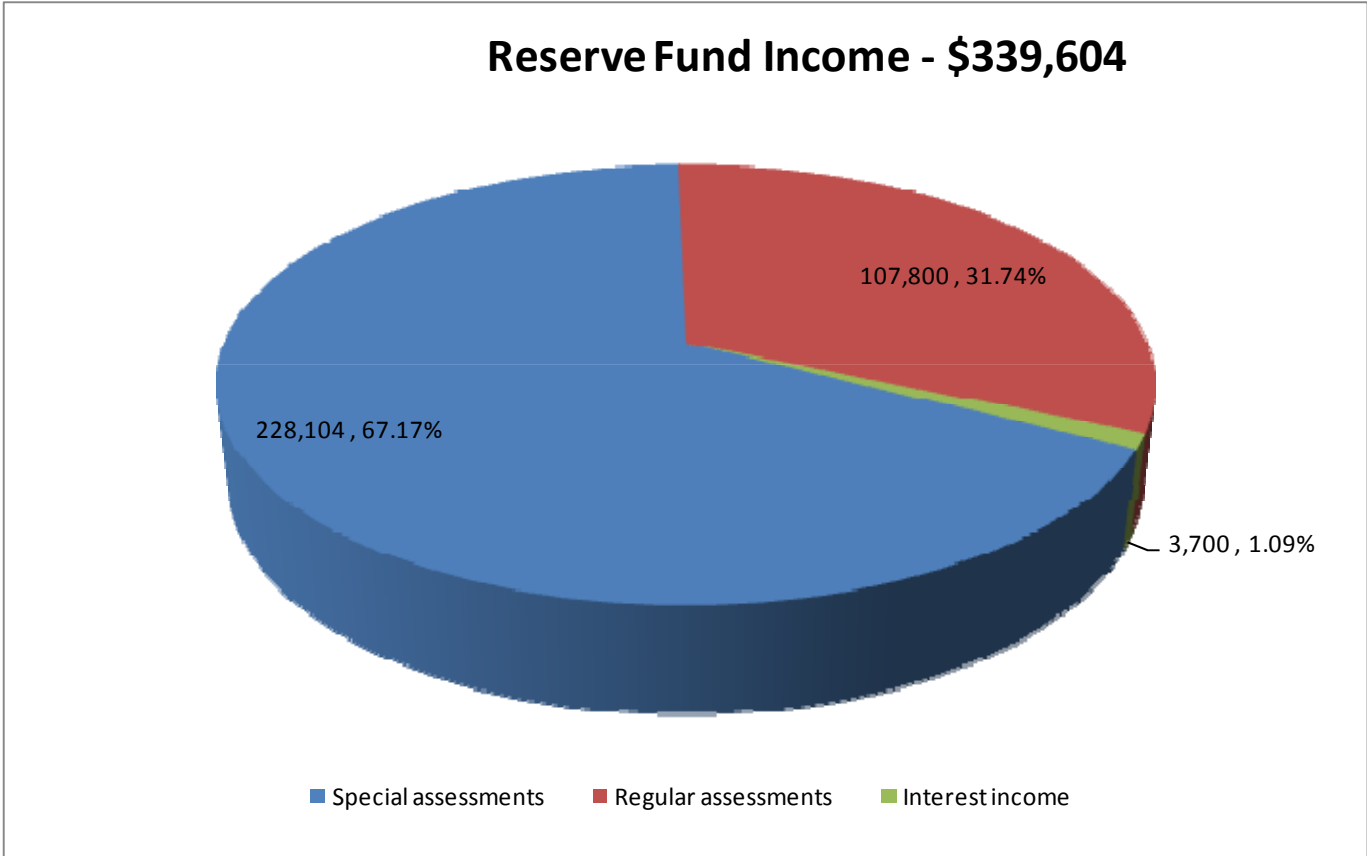
**SCHEDULES OF OPERATING FUND INCOME AND EXPENSE CHARTS
FOR THE YEAR ENDED DECEMBER 31, 2010**



See independent auditors' report on additional and supplemental information.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**SCHEDULES OF RESERVE FUND INCOME AND EXPENSE CHARTS
FOR THE YEAR ENDED DECEMBER 31, 2010**



See independent auditors' report on additional and supplemental information.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**SUPPLEMENTAL INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
DECEMBER 31, 2010**

The Board of Directors engaged the firm of Reserve Advisors, Inc. to conduct a reserve study to estimate the remaining useful lives and the replacement costs of the components of common property. The following tables are based on the study (updated as of April 2011) and presents significant information about the components of the common property.

Summary of funding requirements:	Estimated Current Replacement Costs	Estimated Future Replacement Costs	% of Total Future Replacements	Component of 2010 Year End Fund Balance
Reserve component category				
Property Site Elements	\$ 1,973,000	\$ 3,266,005	33.99%	\$ 64,585
Exterior Building Elements	2,902,260	4,532,476	47.16%	133,376
Clubhouse Elements	46,000	66,244	0.69%	1,967
Pool Elements	95,660	142,588	1.48%	3,197
Loan repayment	1,599,192	1,599,192	16.64%	66,500
Reserve study update	3,600	3,600	0.04%	524
Totals	<u>\$ 6,619,712</u>	<u>\$ 9,610,105</u>	<u>100.00%</u>	<u>\$ 270,149</u>

Summary of current funding:	Estimated Future Replacement Cost	Estimated Current Funding	Estimated Current Funding Needed
Reserve component category			
Property Site Elements	3,266,005	64,585	221,879
Exterior Building Elements	4,532,476	133,376	458,203
Clubhouse Elements	66,244	1,967	6,757
Pool Elements	142,588	3,197	10,985
Loan repayment	1,599,192	66,500	228,456
Reserve study update	3,600	524	1,800
Total	<u>9,610,105</u>	<u>270,149</u>	<u>928,080</u>

Recommended annual contribution 425,000

(per Reserve Advisors, Inc. 2009 study, updated in April 2011)

See independent auditors' report on additional and supplemental information.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**SUPPLEMENTAL INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)
DECEMBER 31, 2010**

Detail of components:	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Cost	Estimated Current Funding	Estimated Current Funding Needed
Property Site Elements				
Carpport roofs, metal and membrane - phase 1 of 6	4	\$ 78,219	\$ 5,692	\$ 19,555
Carpport roofs, metal and membrane - phase 2 of 6	5	80,409	4,682	16,082
Carpport roofs, metal and membrane - phase 3 of 6	6	82,661	4,011	13,777
Carpport roofs, metal and membrane - phase 4 of 6	29	156,005	1,566	5,379
Carpport roofs, metal and membrane - phase 5 of 6	30	160,374	1,556	5,346
Carpport roofs, metal and membrane - phase 6 of 6	31	164,864	1,548	5,318
Concrete alleys, parking - prt. rplcmnt 1 of 5	8	104,498	3,802	13,062
Concrete alleys, parking - prt. rplcmnt 2 of 5	13	119,970	2,686	9,228
Concrete alleys, parking - prt. rplcmnt 3 of 5	18	137,733	2,227	7,652
Concrete alleys, parking - prt. rplcmnt 4 of 5	23	158,126	2,001	6,875
Concrete alleys, parking - prt. rplcmnt 5 of 5	28	181,538	1,887	6,484
Concrete sidewalks - part. rplcmnt 1 of 5	8	33,546	1,221	4,193
Concrete sidewalks - part. rplcmnt 2 of 5	13	38,513	862	2,963
Concrete sidewalks - part. rplcmnt 3 of 5	18	44,216	715	2,456
Concrete sidewalks - part. rplcmnt 4 of 5	23	50,763	642	2,207
Concrete sidewalks - part. rplcmnt 5 of 5	28	58,279	606	2,081
Concrete stoops - prt. rplcmnt 1 of 5	8	9,099	331	1,137
Concrete stoops - prt. rplcmnt 2 of 5	13	10,447	234	804
Concrete stoops - prt. rplcmnt 3 of 5	18	11,993	194	666
Concrete stoops - prt. rplcmnt 4 of 5	23	13,769	174	599
Concrete stoops - prt. rplcmnt 5 of 5	28	15,808	164	565
Fences, wood, paint refinish - phase 1 of 10	5	36,273	2,112	7,255
Fences, wood, paint refinish - phase 2 of 10	6	37,289	1,809	6,215
Fences, wood, paint refinish - phase 3 of 10	10	41,644	1,212	4,164
Fences, wood, paint refinish - phase 4 of 10	11	42,810	1,133	3,892
Fences, wood, paint refinish - phase 5 of 10	20	54,889	799	2,744
Fences, wood, paint refinish - phase 6 of 10	21	56,426	782	2,687
Fences, wood, paint refinish - phase 7 of 10	25	63,016	734	2,521
Fences, wood, paint refinish - phase 8 of 10	26	64,780	725	2,492
Fences, wood, paint refinish - phase 9 of 10	30	72,346	702	2,412
Fences, wood, paint refinish - phase 10 of 10	31	74,372	698	2,399
Fences, wood, replacement - phase 1 of 2	15	120,556	2,339	8,037
Fences, wood, replacement - phase 2 of 2	16	123,931	2,255	7,746
Irrigation system	11	269,409	7,129	24,492
Light poles and fixtures	25	142,795	1,663	5,712
Pipes, subsurface utilities, phase 1 of 7	25	46,564	542	1,863
Pipes, subsurface utilities, phase 2 of 7	26	47,867	536	1,841
Pipes, subsurface utilities, phase 3 of 7	27	49,208	531	1,823
Pipes, subsurface utilities, phase 4 of 7	28	50,585	526	1,807
Pipes, subsurface utilities, phase 5 of 7	29	52,002	522	1,793
Pipes, subsurface utilities, phase 6 of 7	30	53,458	519	1,782
Pipes, subsurface utilities, phase 7 of 7	31	54,955	516	1,773
Sub-Total		\$ 3,266,005	\$ 64,585	\$ 221,879

See independent auditors' report on additional and supplemental information.

BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**SUPPLEMENTAL INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)
DECEMBER 31, 2010**

	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Cost	Estimated Current Funding	Estimated Current Funding Needed
Exterior Building Elements				
Decks, wood, replacement - phase 1 of 4	4	\$ 104,292	\$ 7,589	\$ 26,073
Decks, wood, replacement - phase 2 of 4	5	107,212	6,241	21,442
Decks, wood, replacement - phase 3 of 4	24	181,181	2,197	7,549
Decks, wood, replacement - phase 4 of 4	25	186,254	2,170	7,450
Decks, wood, sbsqnt. replacement - phase 1 of 4	15	154,559	2,999	10,304
Decks, wood, sbsqnt. replacement - phase 2 of 4	16	158,886	2,890	9,930
Decks, wood, sbsqnt. replacement - phase 3 of 4	17	163,335	2,797	9,608
Decks, wood, sbsqnt. replacement - phase 4 of 4	18	167,908	2,715	9,328
Gutters & downspouts replacement - phase 1 of 2	20	70,977	1,033	3,549
Gutters & downspouts replacement - phase 2 of 2	21	72,964	1,011	3,474
Light fixtures	21	65,668	910	3,127
Roofs, asphalt shingles, replacement phase 1 of 4	2	247,440	36,013	123,720
Roofs, asphalt shingles, replacement phase 2 of 4	3	254,368	24,681	84,789
Roofs, asphalt shingles, replacement phase 3 of 4	20	406,767	5,920	20,338
Roofs, asphalt shingles, replacement phase 4 of 4	21	418,156	5,796	19,912
Roofs, metal	30	98,006	951	3,267
Shutters, replacement - phase 1 of 2	20	70,267	1,023	3,513
Shutters, replacement - phase 2 of 2	21	72,235	1,001	3,440
Walls, aluminum siding	6	48,907	2,373	8,151
Walls, masonry - phase 1 of 6	10	62,376	1,816	6,238
Walls, masonry - phase 2 of 6	11	64,123	1,697	5,829
Walls, masonry - phase 3 of 6	20	82,215	1,197	4,111
Walls, masonry - phase 4 of 6	21	84,517	1,172	4,025
Walls, masonry - phase 5 of 6	30	108,364	1,051	3,612
Walls, masonry - phase 6 of 6	31	111,398	1,046	3,593
Walls, paint finishes - phase 1 of 6	10	117,958	3,434	11,796
Walls, paint finishes - phase 2 of 6	11	121,260	3,209	11,024
Walls, paint finishes - phase 3 of 6	20	155,474	2,263	7,774
Walls, paint finishes - phase 4 of 6	21	159,827	2,215	7,611
Walls, paint finishes - phase 5 of 6	30	204,922	1,988	6,831
Walls, paint finishes - phase 6 of 6	31	210,660	1,978	6,795
Sub-Total		<u>\$ 4,532,476</u>	<u>\$ 133,376</u>	<u>\$ 458,203</u>
Clubhouse Elements				
Building services equip - phase 1 of 2	8	\$ 6,066	\$ 221	\$ 758
Building services equip - phase 2 of 2	23	9,179	116	399
Interior renovation, complete	13	27,858	624	2,143
Interior renovations, partial - 1 of 2	3	8,454	820	2,818
Interior renovations, partial - 2 of 2	23	14,687	186	639
Sub-Total		<u>\$ 66,244</u>	<u>\$ 1,967</u>	<u>\$ 6,757</u>

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BORDEAUX VILLAGE HOMEOWNERS ASSOCIATION, INC.

**SUPPLEMENTAL INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)
DECEMBER 31, 2010**

Pool Elements	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Cost	Estimated Current Funding	Estimated Current Funding Needed
Fence, metal	22	\$ 11,251	\$ 149	\$ 511
Mechanical equipment - phase 1 of 3	4	5,432	395	1,358
Mechanical equipment - phase 2 of 3	17	7,778	133	458
Mechanical equipment - phase 3 of 3	30	11,137	108	371
Plaster & tile replacement/repairs - phase 1 of 2	4	5,084	370	1,271
Plaster & tile replacement/repairs - phase 2 of 2	24	8,833	107	368
Structure and deck replacement	14	93,073	1,935	6,648
Sub-Total		<u>\$ 142,588</u>	<u>\$ 3,197</u>	<u>\$ 10,985</u>
 Loan repayment	 7	 \$ 1,599,192	 \$ 66,500	 \$ 228,456
Reserve study update	2	\$ 3,600	\$ 524	\$ 1,800
 Total		 <u>9,610,105</u>	 <u>270,149</u>	 <u>928,080</u>

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