



**Master Community  
Association, Inc.  
Financial Statements  
For the year ended  
December 31, 2019**

**DRAFT**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Master Community Association, Inc.:

To the Board of Directors of Master Community Association, Inc.

We have audited the accompanying financial statements of Master Community Association, Inc., which comprise the balance sheets as of December 31, 2019, 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. Information for the year ended December 31, 2018 is presented for comparative purposes only and was extracted from the financial statements presented by fund for that year on which we expressed an unmodified opinion in our report dated August 3, 2019.

### *Management's Responsibility for the Financial Statements*

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 material 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 risks 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 Master Community Association, Inc. as of December 31, 2019, 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.

## INDEPENDENT AUDITOR'S REPORT - continued

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Operating Fund Expenses, Budget and Actual on page 10 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Information on Future Major Repairs and Replacements on page 11 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, which 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 consisted 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, and 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.

James Moore & Associates, PC  
Certified Public Accountants  
Aurora, Colorado

**Master Community Association, Inc.**  
**Balance Sheets**  
**December 31, 2019**

(With Comparative Totals for December 31, 2018)

|  | December 31, 2019  |                  |                   | Total              | December           |
|--|--------------------|------------------|-------------------|--------------------|--------------------|
|  | Operating<br>Fund  | Reserve<br>Fund  | Community<br>Fund |                    | 2018<br>Total      |
| <b>ASSETS</b>  |                    |                  |                   |                    |                    |
| Cash and cash equivalents  | \$799,014          | \$706,469        | \$315,122         | \$1,820,605        | \$1,631,028        |
| Accounts receivable, net of allowance for doubtful accounts of \$60,000 and \$50,000 in 2019 and 2018, respectively: |                    |                  |                   |                    |                    |
| Homeowners & Builders  | 132,307            | 0                | 0                 | 132,307            | 98,661             |
| Declarant and other assessments receivable   | 37,570             | 0                | 0                 | 37,570             | 45,970             |
| Due to Reserve Fund / from Operating Fund  | (277,000)          | 277,000          | 0                 | 0                  | 0                  |
| Other receivables  | 63,789             | 0                | 0                 | 63,789             | 52,563             |
| Prepaid expenses   | 75,273             | 0                | 0                 | 75,273             | 42,899             |
| Receivable from PCMD   | 126,720            | 0                | 0                 | 126,720            | 174,347            |
| Other assets   | 10,695             | 0                | 0                 | 10,695             | 10,908             |
| Deposits   | 14,000             | 0                | 0                 | 14,000             | 14,000             |
| Property and equipment, net of accumulated depreciation of \$723,472 and \$545,642 in 2019 and 2018, respectively    | 1,067,877          | 0                | 0                 | 1,067,877          | 1,369,124          |
| <b>Total Assets</b>  | <b>\$2,050,245</b> | <b>\$983,469</b> | <b>\$315,122</b>  | <b>\$3,348,836</b> | <b>\$3,439,500</b> |
| <b>LIABILITIES AND FUND BALANCES</b>   |                    |                  |                   |                    |                    |
| Accounts payable   | \$279,653          | \$20,703         | \$0               | \$300,356          | \$298,003          |
| Prepaid assessments  | 210,537            | 0                | 0                 | 210,537            | 196,752            |
| Other liabilities  | 34,331             | 37,650           | 0                 | 71,981             | 68,054             |
| Payroll liabilities  | 5,471              | 0                | 0                 | 5,471              | 4,592              |
| <b>Total Liabilities</b>   | <b>\$529,992</b>   | <b>\$58,353</b>  | <b>\$0</b>        | <b>\$588,345</b>   | <b>\$567,401</b>   |
| Working capital  | 1,773,707          | 0                | 0                 | 1,773,707          | 1,641,907          |
| Fund balances  | (253,454)          | 925,116          | 315,122           | 986,784            | 1,230,192          |
| <b>Total Liabilities and Fund Balances</b>   | <b>\$2,050,245</b> | <b>\$983,469</b> | <b>\$315,122</b>  | <b>\$3,348,836</b> | <b>\$3,439,500</b> |

See accompanying notes and auditor's report.

**Master Community Association, Inc.**  
**Statements of Revenues, Expenses, and Changes in Fund Balances**  
**Year Ended December 31, 2019**

(With Comparative Totals for December 31, 2018)

|                                    | December 31, 2019  |                  |                   | Total              | December           |
|------------------------------------|--------------------|------------------|-------------------|--------------------|--------------------|
|                                    | Operating<br>Fund  | Reserve<br>Fund  | Community<br>Fund |                    | 2018<br>Total      |
| <b>REVENUES</b>                    |                    |                  |                   |                    |                    |
| Homeowner and builder assessments  | \$4,531,744        | \$0              | \$0               | \$4,531,744        | \$4,208,943        |
| Commercial and rentals assessments | 789,650            | 0                | 0                 | 789,650            | 734,678            |
| Declarant assessments              | 96,236             | 0                | 0                 | 96,236             | 67,626             |
| Investment income                  | 198                | 8,087            | 2,199             | 10,484             | 10,799             |
| Pool income                        | 951,853            | 0                | 0                 | 951,853            | 969,229            |
| Community fee income               | 0                  | 0                | 81,804            | 81,804             | 83,420             |
| Other income                       | 191,717            | 0                | 0                 | 191,717            | 203,072            |
| Collection fees / late fess        | 42,523             | 0                | 0                 | 42,523             | 35,576             |
| PCMD Income                        | 1,381,664          | 0                | 0                 | 1,381,664          | 1,430,356          |
|                                    | <u>\$7,985,585</u> | <u>\$8,087</u>   | <u>\$84,003</u>   | <u>\$8,077,675</u> | <u>\$7,743,699</u> |
| <b>EXPENSES</b>                    |                    |                  |                   |                    |                    |
| Repairs and maintenance            | \$2,922,513        | \$0              | \$0               | \$2,922,513        | \$2,457,456        |
| Utilities                          | 346,381            | 0                | 0                 | 346,381            | 329,648            |
| Administration                     | 2,814,081          | 0                | 0                 | 2,814,081          | 2,504,682          |
| Taxes and insurance                | 201,869            | 0                | 0                 | 201,869            | 211,939            |
| PCMD                               | 1,362,164          | 0                | 0                 | 1,362,164          | 1,413,127          |
| Reserve expenses                   | 0                  | 655,510          | 0                 | 655,510            | 611,787            |
| Community fund expenses            | 0                  | 0                | 18,565            | 18,565             | 18,000             |
|                                    | <u>\$7,647,008</u> | <u>\$655,510</u> | <u>\$18,565</u>   | <u>\$8,321,083</u> | <u>\$7,546,639</u> |
| Excess of revenues over expenses   | \$338,577          | (\$647,423)      | \$65,438          | (\$243,408)        | \$197,060          |
| Beginning fund balances            | (53,205)           | 1,033,713        | 249,684           | 1,230,192          | 1,033,132          |
| Transfer between funds             | (538,826)          | 538,826          | 0                 | 0                  | 0                  |
| Ending fund balances               | <u>(\$253,454)</u> | <u>\$925,116</u> | <u>\$315,122</u>  | <u>\$986,784</u>   | <u>\$1,230,192</u> |

See accompanying notes and auditor's report.

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**Master Community Association, Inc.**  
**Statements of Cash Flows**  
**Year Ended December 31, 2019**

(With Comparative Totals for December 31, 2018)

|  | December 31, 2019       |                         |                         | December<br>2018<br>Total |                           |
|--|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
|  | Operating<br>Fund       | Reserve<br>Fund         | Community<br>Fund       |                           | Total                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                         |                         |                         |                           |                           |
| Excess / (Deficit) of revenues over expenses   | \$338,577               | (\$647,423)             | \$65,438                | (\$243,408)               | \$197,060                 |
| Adjustments to reconcile excess (deficit) of revenues over expenses to net cash provided / (used) by operating activities: |                         |                         |                         |                           |                           |
| Depreciation expense   | 178,010                 | 0                       | 0                       | 178,010                   | 152,143                   |
| (Increase) decrease in:  |                         |                         |                         |                           |                           |
| Accounts receivable  |                         |                         |                         |                           |                           |
| Homeowners & Builders  | (33,646)                | 0                       | 0                       | (33,646)                  | 18,824                    |
| Declarant and other assessments receivable   | 8,400                   | 0                       | 0                       | 8,400                     | 86,576                    |
| Prepaid expenses   | (32,374)                | 0                       | 0                       | (32,374)                  | (17,932)                  |
| Receivable from PCMD   | 47,627                  | 0                       | 0                       | 47,627                    | (121,114)                 |
| Other assets   | 213                     | 0                       | 0                       | 213                       | 50                        |
| Increase (decrease) in:  |                         |                         |                         |                           |                           |
| Accounts payable   | (18,350)                | 20,703                  | 0                       | 2,353                     | 72,067                    |
| Prepaid assessments  | 13,785                  | 0                       | 0                       | 13,785                    | (2,025)                   |
| Other liabilities  | 2,767                   | 1,160                   | 0                       | 3,927                     | 19,952                    |
| Payroll liabilities  | 879                     | 0                       | 0                       | 879                       | 532                       |
| Net Cash Provided / (Used) by Operating Activities   | <u>505,888</u>          | <u>(625,560)</u>        | <u>65,438</u>           | <u>(54,234)</u>           | <u>406,133</u>            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                         |                         |                         |                           |                           |
| Due to/from reserve/operating fund   | (11,226)                | 0                       | 0                       | (11,226)                  | (27,334)                  |
| Property and equipment   | 123,237                 | 0                       | 0                       | 123,237                   | (560,124)                 |
| Due to Reserve Fund / from Operating Fund  | (132,000)               | 132,000                 | 0                       | 0                         | 0                         |
| Net Cash Provided / (Used) by Investing Activities   | <u>(19,989)</u>         | <u>132,000</u>          | <u>0</u>                | <u>112,011</u>            | <u>(587,458)</u>          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                         |                         |                         |                           |                           |
| Increase in Working capital  | 131,800                 | 0                       | 0                       | 131,800                   | 153,400                   |
| Interfund transfers  | (538,826)               | 538,826                 | 0                       | 0                         | 0                         |
| Net Cash Provided / (Used) by Financing Activities   | <u>(407,026)</u>        | <u>538,826</u>          | <u>0</u>                | <u>131,800</u>            | <u>153,400</u>            |
| <b>NET INCREASE (DECREASE) IN CASH</b>   | <b>78,873</b>           | <b>45,266</b>           | <b>65,438</b>           | <b>189,577</b>            | <b>(27,925)</b>           |
| <b>CASH AT BEGINNING OF YEAR</b>   | <b>720,141</b>          | <b>661,203</b>          | <b>249,684</b>          | <b>1,631,028</b>          | <b>1,658,953</b>          |
| <b>CASH AT END OF YEAR</b>   | <b><u>\$799,014</u></b> | <b><u>\$706,469</u></b> | <b><u>\$315,122</u></b> | <b><u>\$1,820,605</u></b> | <b><u>\$1,631,028</u></b> |

See accompanying notes and auditor's report.

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# **Master Community Association, Inc.**

## **Notes to Financial Statements**

### **December 31, 2019**

#### **Note 1 - Nature of Organization**

Master Community Association, Inc. (the Association) was incorporated on September 25, 2001, in the State of Colorado. The development is planned for approximately 15,000 units, of which 8,000 will be individually owned residential units, 4,000 units equivalents will be multi-family residential rentals, and 3,000 units equivalents will be commercial, industrial, office, or recreation use. As of December 31, 2019, approximately 8,850 residential units had been sold to homeowners.

#### **Note 2 - Summary of Significant Accounting Policies**

##### **Basis of Accounting**

Both the accompanying financial statements and related income tax returns have been prepared in accordance with the accrual method of accounting.

##### **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.

**Reserve Fund**- This fund is used to accumulate financial resources designated for future major repairs and replacements.

**Community Fund** – This fund is used to accumulate financial resources designated for achieving objectives of the Development Plan. See Note 5 for additional information.

##### **Cash and Cash Equivalents**

The Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

##### **Assessments Receivable**

Assessments are stated on the balance sheet at face value. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent.

##### **Recognition of Assets and Depreciation Policy**

Real and personal common property acquired by the original unit owners from the developer, as well as replacements and improvements thereto, is not recognized on the Association's financial statements because it is commonly owned by individual owners and its disposition by the Association's board is restricted. Replacements and improvements to common property are not recognized as assets because their disposition is restricted.

##### **Depreciation**

Capitalized common property is depreciated over its estimated useful life using the straight-line method of depreciation.



**Master Community Association, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019**

Working Capital Reserves

Working capital deposits collected from homeowners at the initial closing of each lot, as required by the Declarations, have been recorded as contributed capital of the operating fund.

Member Assessments

Association members are subject to regular assessment to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Owners' assessments are determined by an annual budget approved by the board to meet operating costs and contribute to the replacement fund. Assessments receivable at the balance sheet date represent fees due from unit owners. Any excess assessments at year end are retained by the Association for use in the succeeding year.

For the year ended December 31, 2019 owners were assessed owners were assessed from \$25 to \$43 per month.

The Association has recognized Topic 606, Revenue from Contracts with Customers, of the Financial Accounting Standards Board's Accounting Standards Codification effective January 1, 2019. There are no material changes to the Association's revenue recognition as a result of this implementation. The Association recognizes assessment revenue when the performance obligation has been met. The performance obligation for assessments (both operating and reserve) is the maintenance of common areas, which is met on a periodic basis throughout the year. Therefore, assessment revenue is recognized monthly.

Income Taxes

The Association expects to file its December 31, 2018 income tax return as an exempt organization using Form 990. As of December 31, 2018, the tax years that remain subject to examination by taxing authorities begin with 2016.

Estimates

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

**Note 3 – Property and Equipment**

Property and equipment consist of the following:

|                                  |                     |
|----------------------------------|---------------------|
| Lease hold improvement           | 1,278,002           |
| Furniture and training equipment | 296,111             |
| Pool facility                    | 54,181              |
| Vehicles                         | <u>163,055</u>      |
|                                  | 1,974,421           |
| Accumulated depreciation         | <u>(723,472)</u>    |
|                                  | <u>\$ 1,067,877</u> |

**Master Community Association, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 4 - Future Major Repairs and Replacements**

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregated \$925,116 and \$1,033,713 at December 31, 2019 and 2018, respectively, are held in separate accounts and are generally not available for operating purposes.

Management of the Association conducted a study to estimate the remaining useful lives and the replacement costs of the common area components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. 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 5 – Community Fee Assessments**

Upon the transfer of a unit within the Association, Section 6.12 of the First Amended and Restated Community Declaration requires a Community Fee to be paid by the seller. The purpose of the Community Fee is to provide funding to help achieve the objectives of the Development Plan. The objectives of the Development Plan are: providing affordable housing, increasing availability of jobs training programs, increasing the availability of educational programs, promoting sustainable development, and creating open space.

The Community Fee is calculated by multiplying the selling price in excess of \$100,000 by 0.25%. Such Community Fee is to be deposited into an escrow account. On a quarterly basis, the escrow holder is to transfer 95% of the Community Fee collected to the Community Investment Fund, a separate legal entity, and 5% of the Community Fee collected to the Association. Accordingly, only the Association's 5% of the Community Fee is reflected as Community Fee income in the Association's financial statement and is maintained as a separate fund.

**Note 6 – PCMD – Park Creek Metropolitan District**

The Association has entered into a contract with the Park Creek Metropolitan District ("PCMD") for the grounds maintenance of PCMD parks property. PCMD has agreed to reimburse the Association for all expenditures incurred on PCMD property.

**Master Community Association, Inc.**  
**Notes to Financial Statements**  
**December 31, 2019**

**Note 7 – Office, Community Room and Storage Lease**

On January 22, 2016 the association leased office space from Drake Stapleton Partners. The fifteen-year lease calls for a monthly base rent of \$14,170.33 and has one option to extend the lease term for five years. Monthly rent increases by 10% in year 4 of the lease, another 10% in years six, nine, 11, and 14 of the lease.

**Note 8 - Contingencies**

The Association is a party to various legal actions normally associated with homeowners associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

**Note 9 - Supplemental Disclosures**

During the year ended December 31, 2019, the Association paid \$0 in interest expense and \$0 in income taxes.

**Note 10 – Date of Management's Review**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through \_\_\_\_\_, the date that the financial statements were available to be issued.

**Master Community Association, Inc.**  
**Schedule of Operating Fund Expenses, Budget and Actual**  
**Year Ended December 31, 2019**

(With Comparative Totals for December 31, 2018)

|                                   | <u>Year Ended</u>         |                           | <u>Year Ended</u>         |                           |
|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                   | <u>December 2019</u>      |                           | <u>December 2018</u>      |                           |
|                                   | <u>Budget</u>             | <u>Actual</u>             | <u>Budget</u>             | <u>Actual</u>             |
|                                   | (Unaudited)               |                           | (Unaudited)               |                           |
| <b>Repairs and maintenance</b>    |                           |                           |                           |                           |
| Grounds maintenance               | \$864,040                 | \$979,302                 | \$765,596                 | \$843,029                 |
| Building repairs and maintenance  | 42,500                    | 100,439                   | 57,000                    | 91,484                    |
| Aviator pool maintenance          | 71,110                    | 68,553                    | 71,797                    | 74,166                    |
| Puddle Jumper pool maintenance    | 71,110                    | 61,858                    | 71,797                    | 71,012                    |
| Filing 15 pool maintenance        | 71,110                    | 64,873                    | 71,797                    | 71,882                    |
| Jet Stream pool maintenance       | 71,110                    | 64,736                    | 71,797                    | 74,163                    |
| Runway 36 pool maintenance        | 71,110                    | 82,237                    | 71,797                    | 77,859                    |
| Maverick pool maintenance         | 71,110                    | 72,324                    | 71,797                    | 69,322                    |
| Filing 54 Pool                    | 71,110                    | 8,831                     | 0                         | 0                         |
| General pool operations           | 902,850                   | 1,022,480                 | 831,850                   | 889,669                   |
| Snow removal                      | 95,000                    | 200,129                   | 90,000                    | 24,844                    |
| Other expenses                    | 24,000                    | 18,741                    | 24,000                    | 17,883                    |
| Depreciation expense              | 0                         | 178,010                   | 0                         | 152,143                   |
|                                   | <u>2,426,160</u>          | <u>2,922,513</u>          | <u>2,199,228</u>          | <u>2,457,456</u>          |
| <b>Utilities</b>                  |                           |                           |                           |                           |
| Gas & electric                    | 43,200                    | 125,244                   | 28,050                    | 80,654                    |
| Water                             | 172,750                   | 153,460                   | 170,250                   | 144,045                   |
| Storm drain fees                  | 181,300                   | 67,677                    | 190,300                   | 104,949                   |
|                                   | <u>397,250</u>            | <u>346,381</u>            | <u>388,600</u>            | <u>329,648</u>            |
| <b>Administration</b>             |                           |                           |                           |                           |
| Management                        | 1,183,500                 | 1,171,978                 | 1,142,240                 | 1,170,599                 |
| Professional services             | 93,000                    | 158,187                   | 67,500                    | 72,135                    |
| Administrative                    | 51,600                    | 78,908                    | 51,600                    | 61,541                    |
| Office - MCA South                | 149,100                   | 119,828                   | 281,100                   | 258,886                   |
| Bad debt expense                  | 0                         | 10,000                    | 0                         | 0                         |
| Intranet                          | 27,600                    | 33,712                    | 27,600                    | 26,659                    |
| Social activities                 | 651,199                   | 679,364                   | 647,512                   | 563,706                   |
| Community room / MCA office North | 468,000                   | 562,104                   | 249,960                   | 351,156                   |
|                                   | <u>2,623,999</u>          | <u>2,814,081</u>          | <u>2,467,512</u>          | <u>2,504,682</u>          |
| <b>Taxes and insurance</b>        |                           |                           |                           |                           |
| Insurance                         | 202,000                   | 192,943                   | 198,435                   | 201,444                   |
| Property taxes                    | 0                         | 8,926                     | 0                         | 10,495                    |
|                                   | <u>202,000</u>            | <u>201,869</u>            | <u>198,435</u>            | <u>211,939</u>            |
| <b>PCMD</b>                       |                           |                           |                           |                           |
| PCMD - Grounds maintenance        | 862,104                   | 795,602                   | 772,988                   | 923,387                   |
| PCMD - Other maintenance          | 123,100                   | 120,519                   | 120,300                   | 112,060                   |
| PCMD - Snow removal               | 45,000                    | 135,422                   | 45,000                    | 10,378                    |
| PCMD - Tree maintenance           | 15,000                    | 1,658                     | 15,000                    | 12,683                    |
| PCMD - Utilities                  | 354,649                   | 308,963                   | 315,000                   | 354,619                   |
|                                   | <u>1,399,853</u>          | <u>1,362,164</u>          | <u>1,268,288</u>          | <u>1,413,127</u>          |
| <b>GRAND TOTAL</b>                | <u><u>\$7,049,262</u></u> | <u><u>\$7,647,008</u></u> | <u><u>\$6,522,063</u></u> | <u><u>\$6,916,852</u></u> |

See accompanying notes and auditor's report.

**Master Association, Inc. / Stapleton MCA**  
**Distribution of Current Reserve Funds**  
**Sorted by Remaining Life**

|  | Remaining<br>Life | Theoretically<br>Ideal<br>Balance | Assigned<br>Reserves |
|--|-------------------|-----------------------------------|----------------------|
| Arc Park - Wood Chip Replenishment           | 0                 | \$1,350.00                        | \$1,350.00           |
| Aviator Park - Wood Chip Replenishment       | 0                 | \$1,900.00                        | \$1,900.00           |
| Aviator Pool - Asphalt, Repair               | 0                 | \$456.82                          | \$456.82             |
| Aviator Pool - Asphalt, Slurry Seal          | 0                 | \$1,194.76                        | \$1,194.76           |
| Aviator Pool - Mastic                        | 0                 | \$1,938.75                        | \$1,938.75           |
| Aviator Pool - Painting, Wood Solid Board%%% | 0                 | \$630.00                          | \$630.00             |
| Aviator Pool - Painting, Wrought Iron        | 0                 | \$4,106.25                        | \$4,106.25           |
| Constellation Park - Wood Chip Replenishment | 0                 | \$1,200.00                        | \$1,200.00           |
| F15 Park - Wood Chip Replenishment           | 0                 | \$2,050.00                        | \$2,050.00           |
| F15 Pool - Mastic                            | 0                 | \$1,518.75                        | \$1,518.75           |
| F15 Pool - Painting, Wrought Iron            | 0                 | \$6,270.00                        | \$6,270.00           |
| F18(A) Park - Wood Chip Replenishment        | 0                 | \$1,750.00                        | \$1,750.00           |
| Fountain Area - A/C Unit                     | 0                 | \$5,000.00                        | \$5,000.00           |
| Fountain Area - Filter, Older                | 0                 | \$3,500.00                        | \$3,500.00           |
| Fountain Area - Pumps, Older                 | 0                 | \$10,000.00                       | \$10,000.00          |
| Grounds - Concrete                           | 0                 | \$110,723.49                      | \$110,723.49         |
| Jet Stream Park - Wood Chip Replenishment    | 0                 | \$1,700.00                        | \$1,700.00           |
| Jet Stream Pool - Asphalt, Repair            | 0                 | \$88.14                           | \$88.14              |
| Jet Stream Pool - Asphalt, Slurry Seal       | 0                 | \$230.52                          | \$230.52             |
| Jet Stream Pool - Mastic                     | 0                 | \$3,112.50                        | \$3,112.50           |
| Jet Stream Pool - Painting, Wrought Iron     | 0                 | \$2,968.75                        | \$2,968.75           |
| Puddle Jumper Park - Wood Chip Replenishment | 0                 | \$1,400.00                        | \$1,400.00           |
| Puddle Jumper Pool - Asphalt, Repair         | 0                 | \$675.03                          | \$675.03             |
| Puddle Jumper Pool - Asphalt, Slurry Seal    | 0                 | \$1,765.45                        | \$1,765.45           |
| Puddle Jumper Pool - Mastic                  | 0                 | \$1,612.50                        | \$1,612.50           |
| Puddle Jumper Pool - Painting, Wrought Iron  | 0                 | \$3,375.00                        | \$3,375.00           |
| Summer Park - Wood Chip Replenishment        | 0                 | \$1,550.00                        | \$1,550.00           |
| The Green Park - Painting, fencing           | 0                 | \$4,852.50                        | \$4,852.50           |
| Aviator Pool - Drinking Fountains            | 1                 | \$2,062.50                        | \$2,250.00           |
| Aviator Pool - Pool Cleaner                  | 1                 | \$3,208.33                        | \$3,500.00           |
| Aviator Pool - Portable Pool Cleaner         | 1                 | \$2,291.67                        | \$2,500.00           |
| Aviator Pool - Pumps                         | 1                 | \$5,500.00                        | \$6,000.00           |
| Aviator Pool - Replaster & Tile Replace      | 1                 | \$59,848.25                       | \$65,289.00          |
| Aviator Pool - Water Heater                  | 1                 | \$1,100.00                        | \$1,200.00           |
| F15 Pool - Asphalt, Repair                   | 1                 | \$263.45                          | \$301.08             |
| F15 Pool - Asphalt, Slurry Seal              | 1                 | \$689.01                          | \$787.44             |
| Aviator Pool - Filter                        | 3                 | \$5,500.00                        | \$7,000.00           |
| Puddle Jumper Pool - Drinking Fountain       | 3                 | \$1,125.00                        | \$1,500.00           |
| Puddle Jumper Pool - Pool Cleaner            | 3                 | \$2,625.00                        | \$3,500.00           |
| Puddle Jumper Pool - Portable Pool Cleaner   | 3                 | \$1,875.00                        | \$2,500.00           |

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ADVANCED RESERVE SOLUTIONS, INC.

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**Master Association, Inc. / Stapleton MCA**  
**Distribution of Current Reserve Funds**  
**Sorted by Remaining Life**

|  | Remaining<br>Life | Theoretically<br>Ideal<br>Balance | Assigned<br>Reserves |
|--|-------------------|-----------------------------------|----------------------|
| Puddle Jumper Pool - Pumps                 | 3                 | \$14,250.00                       | \$19,000.00          |
| Aviator Pool - Fencing, Wood Solid Board   | 5                 | \$693.00                          | \$1,008.00           |
| F15 Pool - Drinking Fountain, Chilled      | 5                 | \$1,108.33                        | \$1,900.00           |
| F15 Pool - Pool Cleaner                    | 5                 | \$2,041.67                        | \$3,500.00           |
| F15 Pool - Portable Pool Cleaner           | 5                 | \$1,458.33                        | \$2,500.00           |
| F15 Pool - Pumps                           | 5                 | \$4,841.67                        | \$8,300.00           |
| F15 Pool - Replaster & Tile Replace        | 5                 | \$39,410.00                       | \$67,560.00          |
| F15 Pool - Water Heater                    | 5                 | \$700.00                          | \$1,200.00           |
| Fountain Area - Pumps, Newer               | 5                 | \$1,458.33                        | \$2,500.00           |
| 29th Avenue Median - Lighting              | 7                 | \$51,333.33                       | \$84,000.00          |
| 35th Avenue Median - Lighting              | 7                 | \$22,000.00                       | \$36,000.00          |
| Aviator Park - Grills                      | 7                 | \$733.33                          | \$1,200.00           |
| Aviator Pool - Cabinets                    | 7                 | \$3,300.00                        | \$5,400.00           |
| Aviator Pool - Doors                       | 7                 | \$2,566.67                        | \$4,200.00           |
| Aviator Pool - Fencing, Wrought Iron       | 7                 | \$17,673.33                       | \$28,920.00          |
| Aviator Pool - Grills                      | 7                 | \$1,466.67                        | \$2,400.00           |
| Aviator Pool - Life Guard Stands           | 7                 | \$6,111.11                        | \$10,000.00          |
| Aviator Pool - Lighting                    | 7                 | \$1,619.44                        | \$2,650.00           |
| Aviator Pool - Sign, Monument/Directory    | 7                 | \$733.33                          | \$1,200.00           |
| Central Park - Lighting                    | 7                 | \$11,733.33                       | \$19,200.00          |
| F15 Park - Lighting                        | 7                 | \$855.56                          | \$1,400.00           |
| Jet Stream Park - Lighting                 | 7                 | \$641.67                          | \$1,050.00           |
| Jet Stream Pool - Drinking Fountains       | 7                 | \$625.00                          | \$1,500.00           |
| Jet Stream Pool - Pool Cleaner             | 7                 | \$1,458.33                        | \$3,500.00           |
| Jet Stream Pool - Portable Pool Cleaner    | 7                 | \$1,041.67                        | \$2,500.00           |
| Jet Stream Pool - Pumps                    | 7                 | \$2,708.33                        | \$6,500.00           |
| Jet Stream Pool - Replaster & Tile Replace | 7                 | \$25,508.13                       | \$61,219.50          |
| Jet Stream Pool - Water Heater             | 7                 | \$500.00                          | \$1,200.00           |
| Puddle Jumper Park - Grills                | 7                 | \$733.33                          | \$1,200.00           |
| The Green Park - Lighting                  | 7                 | \$22,458.33                       | \$36,750.00          |
| The Green Park - Signs                     | 7                 | \$1,833.33                        | \$3,000.00           |
| F15 Pool - Expansion Joints                | 8                 | \$267.75                          | \$573.75             |
| Aviator Pool - Asphalt, Overlay            | 9                 | \$5,798.10                        | \$10,542.00          |
| F15 Pool - Fencing, Wood Solid Board       | 9                 | \$2,992.50                        | \$6,840.00           |
| Fountain Area - Filter, Newer              | 9                 | \$875.00                          | \$3,500.00           |
| Puddle Jumper Pool - Cabinets/Counters     | 9                 | \$5,400.00                        | \$10,800.00          |
| Puddle Jumper Pool - Fencing, Wrought Iron | 9                 | \$12,120.00                       | \$24,240.00          |
| Puddle Jumper Pool - Grills                | 9                 | \$1,200.00                        | \$2,400.00           |

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**Distribution of Current Reserve Funds**  
**Sorted by Remaining Life**

|   | Remaining<br>Life | Theoretically<br>Ideal<br>Balance | Assigned<br>Reserves |
|---|-------------------|-----------------------------------|----------------------|
| Puddle Jumper Pool - Life Guard Stands        | 9                 | \$5,000.00                        | \$10,000.00          |
| Puddle Jumper Pool - Lighting                 | 9                 | \$7,025.00                        | \$14,050.00          |
| Puddle Jumper Pool - Sign, Monument/Directory | 9                 | \$600.00                          | \$1,200.00           |
| Jet Stream Pool - Expansion Joints            | 10                | \$116.25                          | \$348.75             |
| Puddle Jumper Pool - Water Heater             | 10                | \$200.00                          | \$1,200.00           |
| F15 Pool - Cabinets/Counters                  | 11                | \$2,100.00                        | \$5,400.00           |
| F15 Pool - Doors                              | 11                | \$1,088.89                        | \$2,800.00           |
| F15 Pool - Fencing, Wrought Iron              | 11                | \$13,720.00                       | \$35,280.00          |
| F15 Pool - Grills                             | 11                | \$933.33                          | \$2,400.00           |
| F15 Pool - Life Guard Stands                  | 11                | \$2,916.67                        | \$7,500.00           |
| F15 Pool - Lighting                           | 11                | \$5,619.44                        | \$14,450.00          |
| F15 Pool - Sign, Monument/Directory           | 11                | \$466.67                          | \$1,200.00           |
| Puddle Jumper Pool - Asphalt, Overlay         | 11                | \$7,009.88                        | \$15,577.50          |
| Puddle Jumper Pool - Filter                   | 11                | \$20,250.00                       | \$45,000.00          |
| Puddle Jumper Pool - Replaster & Tile Replace | 11                | \$11,958.33                       | \$50,964.83          |
| Aviator Pool - Wood Structure                 | 13                | \$9,166.67                        | \$9,166.67           |
| F15 Pool - Asphalt, Overlay                   | 13                | \$2,431.80                        | \$2,431.80           |
| F15 Pool - Filter                             | 13                | \$15,750.00                       | \$15,750.00          |
| Jet Stream Pool - Counters                    | 13                | \$833.33                          | \$833.33             |
| Jet Stream Pool - Doors                       | 13                | \$1,944.44                        | \$1,944.44           |
| Jet Stream Pool - Fencing, Wrought Iron       | 13                | \$6,011.11                        | \$6,011.11           |
| Jet Stream Pool - Grills                      | 13                | \$666.67                          | \$666.67             |
| Jet Stream Pool - Life Guard Stands           | 13                | \$2,777.78                        | \$2,777.78           |
| Jet Stream Pool - Lighting                    | 13                | \$3,416.67                        | \$3,416.67           |
| Jet Stream Pool - Sign, Monument/Directory    | 13                | \$333.33                          | \$333.33             |
| 24th Avenue Park - Benches                    | 14                | \$1,210.00                        | \$1,210.00           |
| 24th Avenue Park - Shade Structure            | 14                | \$4,400.00                        | \$4,400.00           |
| 24th Avenue Park - Trash Receptacle           | 14                | \$198.00                          | \$198.00             |
| 29th Avenue Median - Benches                  | 14                | \$4,840.00                        | \$4,840.00           |
| 29th Avenue Median - Trash Receptacle         | 14                | \$2,178.00                        | \$2,178.00           |
| 35th Avenue Median - Benches                  | 14                | \$3,630.00                        | \$3,630.00           |
| 35th Avenue Median - Trash Receptacle         | 14                | \$990.00                          | \$990.00             |
| Arc Park - Benches                            | 14                | \$2,904.00                        | \$2,904.00           |
| Arc Park - Play Structure, Small              | 14                | \$6,600.00                        | \$6,600.00           |
| Arc Park - Trash Receptacle                   | 14                | \$396.00                          | \$396.00             |
| Arrowhead Park - Benches                      | 14                | \$726.00                          | \$726.00             |
| Arrowhead Park - Trash Receptacle             | 14                | \$198.00                          | \$198.00             |
| Aviator Park - 2 Swing, Swing Set             | 14                | \$418.00                          | \$418.00             |

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**Distribution of Current Reserve Funds**  
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|   | Remaining<br>Life | Theoretically<br>Ideal<br>Balance | Assigned<br>Reserves |
|---|-------------------|-----------------------------------|----------------------|
| Aviator Park - Benches                      | 14                | \$242.00                          | \$242.00             |
| Aviator Park - Picnic Tables                | 14                | \$330.00                          | \$330.00             |
| Aviator Park - Play Structure, Small        | 14                | \$4,620.00                        | \$4,620.00           |
| Aviator Park - Trash Receptacle             | 14                | \$198.00                          | \$198.00             |
| Aviator Pool - Benches                      | 14                | \$242.00                          | \$242.00             |
| Aviator Pool - Plumbing Fixtures            | 14                | \$6,336.00                        | \$6,336.00           |
| Aviator Pool - Trash Receptacles            | 14                | \$1,188.00                        | \$1,188.00           |
| Constellation Park - 3 Swing, Swing Set     | 14                | \$528.00                          | \$528.00             |
| Constellation Park - Benches                | 14                | \$968.00                          | \$968.00             |
| Constellation Park - Play Structure, Medium | 14                | \$5,500.00                        | \$5,500.00           |
| Constellation Park - Trash Receptacle       | 14                | \$396.00                          | \$396.00             |
| F15 Park - 4 Swing, Swing Set               | 14                | \$660.00                          | \$660.00             |
| F15 Park - Benches                          | 14                | \$484.00                          | \$484.00             |
| F15 Park - Picnic Tables                    | 14                | \$660.00                          | \$660.00             |
| F15 Park - Play Structure, Large            | 14                | \$8,140.00                        | \$8,140.00           |
| F15 Park - Play Structure, Medium           | 14                | \$5,500.00                        | \$5,500.00           |
| F15 Park - Trash Receptacle                 | 14                | \$198.00                          | \$198.00             |
| F15 Pool - Benches                          | 14                | \$726.00                          | \$726.00             |
| F15 Pool - Trash Receptacles                | 14                | \$1,188.00                        | \$1,188.00           |
| F18(A) Park - 3 Swing, Swing Set            | 14                | \$528.00                          | \$528.00             |
| F18(A) Park - Benches                       | 14                | \$1,936.00                        | \$1,936.00           |
| F18(A) Park - Play Structure, Medium        | 14                | \$880.00                          | \$880.00             |
| F18(A) Park - Trash Receptacle              | 14                | \$198.00                          | \$198.00             |
| F18(B) Park - Benches                       | 14                | \$2,420.00                        | \$2,420.00           |
| F18(B) Park - Trash Receptacle              | 14                | \$198.00                          | \$198.00             |
| F18(C) Park - Benches                       | 14                | \$1,936.00                        | \$1,936.00           |
| F18(C) Park - Trash Receptacle              | 14                | \$198.00                          | \$198.00             |
| F18(D) Park - Benches                       | 14                | \$1,694.00                        | \$1,694.00           |
| F18(D) Park - Trash Receptacle              | 14                | \$198.00                          | \$198.00             |
| Fall Park - Benches                         | 14                | \$968.00                          | \$968.00             |
| Fall Park - Shade Structure                 | 14                | \$4,400.00                        | \$4,400.00           |
| Fall Park - Trash Receptacle                | 14                | \$198.00                          | \$198.00             |
| Fountain Area - Trash Receptacle            | 14                | \$792.00                          | \$792.00             |
| Fountain Area - Benches                     | 14                | \$1,936.00                        | \$1,936.00           |
| Fountain Area - Picnic Tables               | 14                | \$1,980.00                        | \$1,980.00           |
| Grounds - Backflow Devices                  | 14                | \$31,900.00                       | \$31,900.00          |
| Heritage Park - Benches                     | 14                | \$1,452.00                        | \$1,452.00           |
| Heritage Park - Trash Receptacle            | 14                | \$198.00                          | \$198.00             |
| Jet Stream Park - 3 Swing, Swing Set        | 14                | \$528.00                          | \$528.00             |
| Jet Stream Park - Benches                   | 14                | \$726.00                          | \$726.00             |
| Jet Stream Park - Picnic Tables             | 14                | \$330.00                          | \$330.00             |
| Jet Stream Park - Trash Receptacle          | 14                | \$198.00                          | \$198.00             |

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**Distribution of Current Reserve Funds**  
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|  | Remaining<br>Life | Theoretically<br>Ideal<br>Balance | Assigned<br>Reserves |
|--|-------------------|-----------------------------------|----------------------|
| Measurement Park - Benches                 | 14                | \$726.00                          | \$726.00             |
| Measurement Park - Trash Receptacle        | 14                | \$198.00                          | \$198.00             |
| Puddle Jumper Park - Picnic Tables         | 14                | \$660.00                          | \$660.00             |
| Puddle Jumper Park - Play Structure, Small | 14                | \$4,620.00                        | \$4,620.00           |
| Puddle Jumper Park - Trash Receptacle      | 14                | \$198.00                          | \$198.00             |
| Sail Park - Benches                        | 14                | \$1,452.00                        | \$1,452.00           |
| Sail Park - Trash Receptacle               | 14                | \$396.00                          | \$396.00             |
| Song Bird Park - Benches                   | 14                | \$726.00                          | \$726.00             |
| Song Bird Park - Shade Structure           | 14                | \$4,400.00                        | \$4,400.00           |
| Song Bird Park - Trash Receptacle          | 14                | \$198.00                          | \$198.00             |
| Spring Park - Benches                      | 14                | \$3,388.00                        | \$3,388.00           |
| Spring Park - Shade Structure              | 14                | \$4,400.00                        | \$4,400.00           |
| Spring Park - Trash Receptacle             | 14                | \$198.00                          | \$198.00             |
| Square Park - Benches                      | 14                | \$1,936.00                        | \$1,936.00           |
| Square Park - Trash Receptacle             | 14                | \$396.00                          | \$396.00             |
| Summer Park - Benches                      | 14                | \$484.00                          | \$484.00             |
| Summer Park - Play Structure, Large        | 14                | \$8,800.00                        | \$8,800.00           |
| Summer Park - Trash Receptacle             | 14                | \$198.00                          | \$198.00             |
| Terra Park - Benches                       | 14                | \$484.00                          | \$484.00             |
| Terra Park - Trash Receptacle              | 14                | \$198.00                          | \$198.00             |
| The Green Park - Benches                   | 14                | \$2,904.00                        | \$2,904.00           |
| The Green Park - Fencing                   | 14                | \$8,510.48                        | \$8,510.48           |
| The Green Park - Picnic Tables             | 14                | \$1,980.00                        | \$1,980.00           |
| The Green Park - Structure, Canopy         | 14                | \$3,740.00                        | \$3,740.00           |
| The Green Park - Trash Receptacle          | 14                | \$396.00                          | \$396.00             |
| Winter Park - Benches                      | 14                | \$726.00                          | \$726.00             |
| Winter Park - Trash Receptacle             | 14                | \$198.00                          | \$198.00             |
| Jet Stream Pool - Asphalt, Overlay         | 15                | \$508.50                          | \$508.50             |
| Jet Stream Pool - Filter                   | 15                | \$15,000.00                       | \$15,000.00          |
| Puddle Jumper Pool - Benches               | 16                | \$198.00                          | \$198.00             |
| Puddle Jumper Pool - Plumbing Fixtures     | 16                | \$5,454.00                        | \$5,454.00           |
| Puddle Jumper Pool - Trash Receptacles     | 16                | \$648.00                          | \$648.00             |
| F15 Pool - Picnic Tables                   | 18                | \$840.00                          | \$840.00             |
| F15 Pool - Plumbing Fixtures               | 18                | \$4,158.00                        | \$4,158.00           |
| Aviator Pool - Heater                      | 19                | \$12,833.33                       | \$12,833.33          |
| Jet Stream Pool - Benches                  | 20                | \$110.00                          | \$110.00             |
| Jet Stream Pool - Plumbing Fixtures        | 20                | \$3,170.00                        | \$3,170.00           |

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|   | Remaining<br>Life | Theoretically<br>Ideal<br>Balance | Assigned<br>Reserves  |
|---|-------------------|-----------------------------------|-----------------------|
| Jet Stream Pool - Trash Receptacles           | 20                | \$360.00                          | \$360.00              |
| Puddle Jumper Pool - Heater                   | 21                | \$10,500.00                       | \$10,500.00           |
| Puddle Jumper Pool - Wall Cover, Ceramic Tile | 21                | \$8,721.22                        | \$8,721.22            |
| F15 Pool - Heater                             | 23                | \$11,666.67                       | \$11,666.67           |
| Jet Stream Pool - Wall Cover, Ceramic Tile    | 25                | \$2,570.88                        | \$2,570.88            |
| Jet Stream Pool - Heater                      | 27                | \$5,000.00                        | \$5,000.00            |
| 29th Avenue Median - Structure, Unfunded      | n.a.              | \$0.00                            | \$0.00                |
| Central Park - Structure, Unfunded            | n.a.              | \$0.00                            | \$0.00                |
| Contingency                                   | n.a.              | \$27,432.77                       | \$37,864.08           |
| <b>Total</b>                                  | <b>0-27</b>       | <b>\$941,858.43</b>               | <b>\$1,300,000.00</b> |
| <b>Percent Funded</b>                         |                   |                                   | <b>138.02%</b>        |

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# AUDIT AJE's

## Master Community Association, Inc.

December 31, 2019

| AJE # | ACCOUNT NUMBER                            | ACCOUNT NAME  | <u>DEBIT</u>   |              | <u>CREDIT</u>  |  |
|-------|---|---|----------------|--------------|----------------|--|
|       |   |   | OPERATING FUND | RESERVE FUND | OPERATING FUND | RESERVE FUND                                 |
| 1     | 30101<br>30001                            | <b>BEGINNING FUND BALANCE</b><br>Working capital<br>To record prior yr ajes 1 and 14  | \$248,200      |              |                | \$248,200                                    |
| 2     | 11001<br>11002<br>30101                   | Office of Operations - lease hold improvements<br>Furniture, fixtures & equipments<br><b>BEGINNING FUND BALANCE</b><br>To record the effect of pr yr aje  | \$16,900       |              |                | \$17,565                                     |
| 3     | 10902<br>10603                            | Rent deposit - Drake office lease<br>Prepaid one month's rent and deposit<br>To be consistent with prior years  | \$14,000       |              |                | \$14,000                                     |
| 4     | 30101<br>11006<br>11007<br>11008<br>11009 | <b>BEGINNING FUND BALANCE</b><br>Accum Dep - Office of Oper<br>Accum Dep - Furniture and equipment<br>Accum Dep - Pool facility<br>Accum Dep - Vehicles<br>to record accumulated depreciation as of<br>12.31.18 | \$292,512      |              |                | \$199,226<br>\$7,662<br>\$65,058<br>\$20,566 |
| 5     | 40303<br>30101                            | Interest income reserves<br><b>BEGINNING FUND BALANCE</b><br>To reverse pr yr ajes 20 and 24  |                | \$1,276      |                | \$1,276                                      |
| 6     | 11003<br>11002<br>11001<br>30101          | Pool facility<br>Furniture, fixtures & equipments<br>Office of Operations - lease hold improvements<br><b>BEGINNING FUND BALANCE</b><br>To record the effect of pr yr aje 12                                    | \$4,932        |              |                | \$2,102<br>\$605<br>\$2,225                  |
| 7     | 53301<br>30101                            | Insurance<br><b>BEGINNING FUND BALANCE</b><br>To reverse 12.31.18 prepaid insurance   | \$15,200       |              |                | \$15,200                                     |
| 8     | 30101<br>53601<br>52901                   | <b>BEGINNING FUND BALANCE</b><br>PCMD Grounds management<br>Com rm janitorial / rent /improv / other<br>To reverse 12.31.18 AP  | \$70,696       |              |                | \$55,250<br>\$15,446                         |
| 9     | 51901<br>30101                            | Storm drain fees<br><b>BEGINNING FUND BALANCE</b><br>To reverse 12.31.18 prepaid sewer  | \$2,681        |              |                | \$2,681                                      |
| 10    | 40901<br>30101                            | PCMD Income<br><b>BEGINNING FUND BALANCE</b><br>To reverse income receivable @ 12.31.18   | \$55,250       |              |                | \$55,250                                     |
| 11    | 30101<br>52102<br>52105                   | <b>BEGINNING FUND BALANCE</b><br>Admin Payroll expense<br>Payroll taxes<br>To reverse 12.31.18 accrued payroll  | \$25,212       |              |                | \$23,121<br>\$2,091                          |

# AUDIT AJE's

## Master Community Association, Inc.

December 31, 2019

| AJE # | ACCOUNT NUMBER | ACCOUNT NAME  | <u>DEBIT</u>   |              | <u>CREDIT</u>  |              |
|-------|----------------|---|----------------|--------------|----------------|--------------|
|       |                |   | OPERATING FUND | RESERVE FUND | OPERATING FUND | RESERVE FUND |
| 12    | 11010          | Accumulated depreciation  | \$252,950      |              |                |              |
|       | 11006          | Accum Dep - Office of Oper  |                |              | \$62,850       |              |
|       | 11007          | Accum Dep - Furniture and equipment                                     |                |              | \$51,753       |              |
|       | 11008          | Accum Dep - Pool facility   |                |              | \$104,568      |              |
|       | 11009          | Accum Dep - Vehicles  |                |              | \$33,779       |              |
|       |                | To reclass accumulated depreciation by category                         |                |              |                |              |
| 13    | 11001          | Office of Operations - lease hold improvements                          | \$12,653       |              |                |              |
|       | 11005          | Construction in progress  |                |              | \$12,653       |              |
|       |                | To reclass to correct account   |                |              |                |              |
| 14    | 10004          | Operating 1st B # 3350  | \$18,747       |              |                |              |
|       | 30101          | BEGINNING FUND BALANCE  |                |              | \$2,985        |              |
|       | 10701          | Receivable from PCMD  |                |              | \$13,172       |              |
|       | 10204          | A/R Builders  |                |              | \$2,590        |              |
|       |                | To record pr yr aje - to correct AR balances and write off old balances |                |              |                |              |
| 15    | 30101          | BEGINNING FUND BALANCE  | \$5,637        |              |                |              |
|       | 51302          | Miscellaneous   |                |              | \$5,637        |              |
|       |                | Unallocated difference  |                |              |                |              |
| 16    | 52601          | Bad debt expense  | \$10,000       |              |                |              |
|       | 10205          | Allowance for uncollectible accounts                                    |                |              | \$10,000       |              |
|       |                | To record additional allowance  |                |              |                |              |
| 17    | 51102          | Pool operations / training / ID's / other                               | \$11,728       |              |                |              |
|       | 51302          | Miscellaneous   | \$2,362        |              |                |              |
|       | 51102          | Pool operations / training / ID's / other                               | \$29,401       |              |                |              |
|       | 11004          | Vehicles  |                |              | \$1,037        |              |
|       | 11001          | Office of Operations - lease hold improvements                          |                |              | \$1,325        |              |
|       | 11003          | Pool facility   |                |              | \$11,728       |              |
|       | 11002          | Furniture, fixtures & equipments  |                |              | \$29,401       |              |
|       |                | To reclass expenses to the correct line                                 |                |              |                |              |
| 18    | 51501          | Depreciation expense  | \$178,010      |              |                |              |
|       | 11006          | Accum Dep - Office of Oper  |                |              | \$128,319      |              |
|       | 11008          | Accum Dep - Pool facility   |                |              | \$4,363        |              |
|       | 11007          | Accum Dep - Furniture and equipment                                     |                |              | \$33,013       |              |
|       | 11009          | Accum Dep - Vehicles  |                |              | \$12,315       |              |
|       |                | To record accumulated depreciation @ 12.31.19                           |                |              |                |              |
| 19    | 40801          | Working capital   | \$131,800      |              |                |              |
|       | 30001          | Working capital   |                |              | \$131,800      |              |
|       |                | To reclass working capital income                                       |                |              |                |              |
| 20    | 40303          | Interest income reserves  |                | \$132,000    |                |              |
|       | 30102          | TRANSFER BETWEEN FUNDS  |                |              | \$132,000      |              |
|       |                | To reclass transfers  |                |              |                |              |

# AUDIT AJE's

## Master Community Association, Inc.

December 31, 2019

| AJE # | ACCOUNT NUMBER                   | ACCOUNT NAME  | DEBIT          |              | CREDIT         |              |
|-------|----------------------------------|---|----------------|--------------|----------------|--------------|
|       |                                  |   | OPERATING FUND | RESERVE FUND | OPERATING FUND | RESERVE FUND |
| 21    | 40502<br>55001                   | CIF Deposits<br>Community fund expenses<br>To reclass to expense account  |                | \$1,552,714  |                | \$1,552,714  |
| 22    | 53401<br>52202                   | Property taxes<br>Audit & tax prep<br>To reclass property taxes to correct line   | \$8,926        |              | \$8,926        |              |
| 23    | 51901<br>51801<br>51601<br>51801 | Storm drain fees<br>Water<br>Gas and electric<br>Water<br>To reclass expenses to the correct line   | \$10,027       |              | \$10,027       |              |
|       |                                  |   | \$180,000      |              | \$180,000      |              |
| 24    | 10601<br>53301                   | Prepaid insurance<br>Insurance<br>To record prepaid insurance @ 12.31.19  | \$50,255       |              | \$50,255       |              |
| 25    | 40901<br>53702                   | PCMD Income<br>PCMD prior year expense<br>To reclass to correct line  | \$55,250       |              | \$55,250       |              |
| 26    | 54501<br>20001                   | Reserve expenses<br>A/P<br>To record additional AP  |                | \$20,703     |                | \$20,703     |
| 27    | 30101<br>30101                   | BEGINNING FUND BALANCE<br>BEGINNING FUND BALANCE  |                | \$423,759    | \$423,759      |              |
| 28    | 10402<br>10401                   | Due from Operating<br>Due to Reserves   |                | \$277,000    | \$277,000      |              |
| 29    | 30101<br>54501                   | BEGINNING FUND BALANCE<br>Reserve expenses<br>To correct beginning fund balance   |                | \$2,923      |                | \$2,923      |
| 30    | 30102<br>30102                   | TRANSFER BETWEEN FUNDS<br>TRANSFER BETWEEN FUNDS  | \$220,826      |              |                | \$220,826    |
| 31    | 40603<br>11001                   | Other<br>Office of Operations - lease hold improvements<br>To reflect Drake TI allowance as a reduction of tenant improvements, rather than as other income |                | \$183,072    | \$183,072      |              |

TRIAL BALANCE

| ACCOUNT NUMBER  | ACCOUNT NAME                         | Client Account Number  | BUDGET | DECREASE  |         | TOTAL          |              | UNADJUSTED     |              | ADJUSTED       |              | PRIOR YEAR TOTAL | SECOND PRIOR YEAR TOTAL |
|---|--------------------------------------|------------------------|--------|-----------|---------|----------------|--------------|----------------|--------------|----------------|--------------|------------------|-------------------------|
|   |                                      |                        |        | 3/1/19    | 255,090 | OPERATING FUND | RESERVE FUND | OPERATING FUND | RESERVE FUND | OPERATING FUND | RESERVE FUND |                  |                         |
| Master Community Association, Inc.<br>December 31, 2019 |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| <b>ASSETS</b>   |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| 10001   | Cash and cash equivalents            | 1070                   |        | 315,122   | 0       | 315,122        | 0            | 247,571        | 0            | 247,571        | 0            | 132,707          |                         |
| 10002   | Community fund - 1st bank # 2063     | 1055                   |        | 639,648   | 0       | 639,648        | 0            | 0              | 555,080      | 555,080        | 0            | 747,014          |                         |
| 10003   | Community reserve - #6276            | 1015                   |        | 1,072     | 0       | 1,072          | 0            | 0              | 39,994       | 39,994         | 0            | 474              |                         |
| 10004   | Operating Reserve - 1st B #2075      | 1020                   |        | 209,271   | 0       | 228,018        | 0            | 239,327        | 0            | 239,327        | 0            | 292,554          |                         |
| 10005   | Operating 1st B # 3350               | 1010                   |        | 565,425   | 0       | 565,425        | 0            | 475,597        | 0            | 475,597        | 0            | 416,173          |                         |
| 10006   | Ope MSI USB #0652                    | 1060                   |        | 65,749    | 0       | 65,749         | 0            | 66,129         | 0            | 66,129         | 0            | 66,004           |                         |
| 10007   | MCA - Investment Schwab #6061        | 1530 / 1535            |        | 4,317     | 0       | 4,317          | 0            | 4,217          | 0            | 4,217          | 0            | 4,027            |                         |
| 10008   | Petty cash                           | 1025 / 1080            |        | 1,254     | 0       | 1,254          | 0            | 3,113          | 0            | 3,113          | 0            | 0                |                         |
| 10201   | First bk #1749 and #3107             |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| <b>Accounts receivable</b>                              |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| <b>Homeowners &amp; Builders</b>                        |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| 10201   | A/R homeowners                       | 1110-01                |        | 86,213    | 0       | 86,213         | 0            | 75,984         | 0            | 75,984         | 0            | 66,206           |                         |
| 10203   | A/R Other                            |                        |        | 0         | 0       | 0              | 0            | 0              | 0            | 0              | 0            | 0                |                         |
| 10204   | A/R Builders                         | 1110-04                |        | 106,684   | 0       | 106,684        | 0            | 72,677         | 0            | 72,677         | 0            | 101,279          |                         |
| 10205   | Allowance for uncollectible accounts |                        |        | (50,000)  | 0       | (60,000)       | 0            | (50,000)       | 0            | (50,000)       | 0            | (50,000)         |                         |
| <b>Declarant and other assessments receivable</b>       |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| 10301   | Declarant                            | 1110-03                |        | 7,315     | 0       | 7,315          | 0            | 9,653          | 0            | 9,653          | 0            | 102,729          |                         |
| 10302   | For rent Residential                 | 1110-06                |        | 20,400    | 0       | 20,400         | 0            | 28,898         | 0            | 28,898         | 0            | 18,240           |                         |
| 10303   | Commercial                           | 1110-02                |        | 9,855     | 0       | 9,855          | 0            | 7,419          | 0            | 7,419          | 0            | 11,577           |                         |
| <b>Due to Reserve Fund / from Operating Fund</b>        |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| 10401   | Due to Reserves                      |                        |        | (277,000) | 0       | (277,000)      | 0            | (409,000)      | 0            | (409,000)      | 0            | (589,000)        |                         |
| 10402   | Due from Operating                   |                        |        | 0         | 0       | 277,000        | 0            | 0              | 409,000      | 409,000        | 0            | 589,000          |                         |
| <b>Other receivables</b>                                |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| 10501   | Working capital receivable           |                        |        | 0         | 0       | 0              | 0            | 0              | 0            | 0              | 0            | 0                |                         |
| 10502   | Domestic water service               | 1110-08                |        | 20,025    | 0       | 20,025         | 0            | 15,781         | 0            | 15,781         | 0            | 14,198           |                         |
| 10503   | Other AR                             | 1110-09, 1110-11, 1110 |        | 43,764    | 0       | 43,764         | 0            | 36,782         | 0            | 36,782         | 0            | 11,031           |                         |
| <b>Prepaid expenses</b>                                 |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| 10601   | Prepaid insurance                    | 1450                   |        | 50,255    | 0       | 50,255         | 0            | 15,200         | 0            | 15,200         | 0            | 10,444           |                         |
| 10602   | Prepaid water / sewer                |                        |        | 0         | 0       | 0              | 0            | 2,681          | 0            | 2,681          | 0            | 182              |                         |
| 10603   | Prepaid one month's rent and deposit |                        |        | 39,018    | 0       | 25,018         | 0            | 25,018         | 0            | 25,018         | 0            | 14,341           |                         |
| 10605   | Coupon books - prepaid               |                        |        | 0         | 0       | 0              | 0            | 0              | 0            | 0              | 0            | 0                |                         |
| <b>Receivable from PCMD</b>                             |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| 10701   | Receivable from PCMD                 | 1110-05                |        | 139,892   | 0       | 126,720        | 0            | 174,347        | 0            | 174,347        | 0            | 53,233           |                         |
| <b>Other assets</b>                                     |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| 10801   | Inventories for sale                 | 1410                   |        | 1,500     | 0       | 1,500          | 0            | 1,500          | 0            | 1,500          | 0            | 1,500            |                         |
| 10802   | Inventories for use                  | 1420                   |        | 10,506    | 0       | 10,506         | 0            | 10,506         | 0            | 10,506         | 0            | 10,506           |                         |
| 10803   | Accrued interest                     |                        |        | 0         | 0       | 0              | 0            | 0              | 0            | 0              | 0            | 0                |                         |
| 10804   | Unposted funds / payroll service     | 1299 / 1300            |        | (1,311)   | 0       | (1,311)        | 0            | (1,098)        | 0            | (1,098)        | 0            | (1,048)          |                         |
| <b>Deposits</b>   |                                      |                        |        |           |         |                |              |                |              |                |              |                  |                         |
| 10901   | Deposits / signs Yesso               |                        |        | 0         | 0       | 0              | 0            | 0              | 0            | 0              | 0            | 0                |                         |

TRIAL BALANCE

|   | 14,000    | 0         | 14,000    | 0         | 14,000    | 0 | 14,000    | 14,000    |
|---|-----------|-----------|-----------|-----------|-----------|---|-----------|-----------|
| 10902 Rent deposit - Drake office lease             |           |           |           |           |           |   |           |           |
| Property and equipment                              |           |           |           |           |           |   |           |           |
| 11001 Office of Operations - lease hold improvement | 1,433,451 | 0         | 1,278,002 | 0         | 1,278,002 | 0 | 1,461,074 | 940,101   |
| 11002 Furniture, fixtures & equipments              | 345,179   | 0         | 296,111   | 0         | 296,111   | 0 | 277,088   | 277,089   |
| 11003 Pool facility                                 | 60,977    | 0         | 54,181    | 0         | 54,181    | 0 | 50,781    | 45,848    |
| 11004 Vehicles                                      | 164,092   | 0         | 163,055   | 0         | 163,055   | 0 | 125,643   | 91,424    |
| 11005 Construction in progress                      | 12,653    | 0         | 0         | 0         | 0         | 0 | 0         | 0         |
| 11006 Accum Dep - Office of Oper                    |           | 0         | (390,395) | 0         | (390,395) | 0 | (262,076) | (157,379) |
| 11007 Accum Dep - Furniture and equipment           |           | 0         | (92,428)  | 0         | (92,428)  | 0 | (59,415)  | (55,486)  |
| 11008 Accum Dep - Pool facility                     |           | 0         | (173,989) | 0         | (173,989) | 0 | (169,626) | (137,533) |
| 11009 Accum Dep - Vehicles                          |           | 0         | (66,660)  | 0         | (66,660)  | 0 | (54,345)  | (42,921)  |
| 11010 Accumulated depreciation                      | (252,950) | 0         | 0         | 0         | 0         | 0 | 0         | 0         |
| <b>LIABILITIES AND FUND BALANCES</b>                |           |           |           |           |           |   |           |           |
| Accounts payable                                    |           |           |           |           |           |   |           |           |
| 20001 A/P   | 279,653   | 20,703    | 279,653   | 20,703    | 300,356   | 0 | 272,791   | 225,936   |
| 20002 Accrued payroll                               |           | 0         | 0         | 0         | 0         | 0 | 25,212    | 0         |
| Prepaid assessments                                 |           |           |           |           |           |   |           |           |
| 20101 Prepaid assessments                           | 210,537   | 0         | 210,537   | 0         | 210,537   | 0 | 196,752   | 198,777   |
| Other liabilities                                   |           |           |           |           |           |   |           |           |
| 20201 Income tax payable                            | 22,773    | 0         | 22,773    | 0         | 22,773    | 0 | 0         | 0         |
| 20202 Swim team fund                                | (260)     | 0         | (260)     | 0         | (260)     | 0 | 0         | (260)     |
| 20203 Refundable advances                           | 2,842     | 0         | 2,842     | 0         | 2,842     | 0 | 2,842     | 1,990     |
| 20204 Direct deposit liabilities                    |           | 37,650    | 0         | 37,650    | 37,650    | 0 | 36,490    | 36,000    |
| 20205 Storm sewer reserve fund                      | 8,028     | 0         | 8,028     | 0         | 8,028     | 0 | 6,027     | (1,207)   |
| 20206 Credit card - Capital one # 1868 / 6927       | 8,035     | 0         | 8,035     | 0         | 8,035     | 0 | 7,009     | 0         |
| 20207 Credit card - Visa #5586                      | (7,087)   | 0         | (7,087)   | 0         | (7,087)   | 0 | (7,087)   | 0         |
| 20208 CC old balances                               |           |           |           |           |           |   |           |           |
| Payroll liabilities                                 |           |           |           |           |           |   |           |           |
| 20401 Flexave / 401K                                | 5,471     | 0         | 5,471     | 0         | 5,471     | 0 | 4,592     | 4,060     |
| Unrealized gain / (loss) on investments             |           |           |           |           |           |   |           |           |
| 21001 Unrealized gain / (loss) on investments       |           | 0         | 0         | 0         | 0         | 0 | 0         | 0         |
| Working capital                                     |           |           |           |           |           |   |           |           |
| 30001 Working capital                               | 1,393,707 | 1,773,707 | 1,773,707 | 0         | 1,773,707 | 0 | 1,641,907 | 1,488,507 |
| Unrealized gain / (loss) on investments             |           |           |           |           |           |   |           |           |
| 30050 Unrealized gain / (loss) on investments       |           | 0         | 0         | 0         | 0         | 0 | 0         | 0         |
| Fund balances                                       |           |           |           |           |           |   |           |           |
| 30101 Fund balances                                 | 87,617    | 1,708,803 | (53,205)  | 1,283,397 | 1,230,192 | 0 | (465,360) | 1,011,724 |
| 30102 BEGINNING FUND BALANCE                        | (450,000) | 318,000   | (538,826) | 538,826   | 538,826   | 0 | (732,000) | 420,000   |
| <b>REVENUES</b>                                     |           |           |           |           |           |   |           |           |
| Homeowner and builder assessments                   |           |           |           |           |           |   |           |           |
| 40001 Residential assessments                       | 4,120,078 | 4,257,499 | 4,257,499 | 0         | 4,257,499 | 0 | 3,935,970 | 3,935,970 |
| 40003 Builder assessments                           | 180,000   | 274,245   | 274,245   | 0         | 274,245   | 0 | 272,973   | 272,973   |
| Commercial and rentals assessments                  |           |           |           |           |           |   |           |           |
| 40101 For rent residential assessments              | 605,056   | 615,804   | 615,804   | 0         | 615,804   | 0 | 565,056   | 565,056   |
| 40103 Commercial assessments                        | 171,324   | 173,846   | 173,846   | 0         | 173,846   | 0 | 169,622   | 169,622   |
| Declarant assessments                               |           |           |           |           |           |   |           |           |
| 40201 Declarant assessments                         | 100,000   | 96,236    | 96,236    | 0         | 96,236    | 0 | 67,626    | 67,626    |
| Investment income                                   |           |           |           |           |           |   |           |           |

TRIAL BALANCE

|                           | 4090  | 198     | 198       | 198     | 198 | 198     | 198     | 198     | 380    | 380     | 380 | 470     |
|---------------------------|---|---------|-----------|---------|-----|---------|---------|---------|--------|---------|-----|---------|
| Interest income operating |   |         |           |         |     |         |         |         |        |         |     |         |
| Interest income reserves  |   |         |           |         |     |         |         |         |        |         |     |         |
| Capital gain (loss)       |   |         |           |         |     |         |         |         |        |         |     |         |
| <b>Pool Income</b>        |   |         |           |         |     |         |         |         |        |         |     |         |
| 40301                     | 4090  |         |           |         |     |         |         |         |        |         |     |         |
| 40303                     | 6050-01                                       |         |           |         |     |         |         |         |        |         |     |         |
| 40304                     |   |         |           |         |     |         |         |         |        |         |     |         |
| 40401                     | 4060-01                                       | 273,750 | 294,478   | 294,478 | 0   | 294,478 | 203,800 | 281,315 | 0      | 281,315 | 0   | 281,315 |
| 40402                     | 4060-02                                       | 194,520 | 196,439   | 196,439 | 0   | 196,439 | 200,000 | 196,259 | 0      | 196,259 | 0   | 196,259 |
| 40403                     | 4060-03 / 04                                  | 261,000 | 272,295   | 272,295 | 0   | 272,295 | 247,500 | 258,172 | 0      | 258,172 | 0   | 258,172 |
| 40404                     | 4080/4092-01                                  | 115,800 | 105,891   | 105,891 | 0   | 105,891 | 114,300 | 133,764 | 0      | 133,764 | 0   | 133,764 |
| 40405                     | 4095  | 54,000  | 60,864    | 60,864  | 0   | 60,864  | 12,000  | 50,118  | 0      | 50,118  | 0   | 50,118  |
| 40406                     | 4060-07 / 4090                                |         | 21,886    | 21,886  | 0   | 21,886  |         | 49,601  | 0      | 49,601  | 0   | 49,601  |
| 40501                     | Community fee income                          |         |           |         |     |         |         |         |        |         |     |         |
| 40502                     | Community fee income                          |         | 81,804    | 81,804  | 0   | 81,804  |         |         | 83,420 | 83,420  | 0   | 83,420  |
| 40503                     | CIF Deposits                                  |         | 1,552,714 |         | 0   |         |         |         |        |         |     |         |
| 40503                     | Community fund interest                       |         | 0         | 0       | 0   | 0       |         |         |        |         |     |         |
| 40601                     | Other income                                  |         |           |         |     |         |         |         |        |         |     |         |
| 40602                     | Community events                              | 155,500 | 152,992   | 152,992 | 0   | 152,992 | 163,000 | 163,281 | 0      | 163,281 | 0   | 163,281 |
| 40603                     | Water filling 32                              | 38,100  | 38,725    | 38,725  | 0   | 38,725  | 38,100  | 39,791  | 0      | 39,791  | 0   | 39,791  |
| 40603                     | Other   |         | 183,072   |         | 0   |         |         |         |        |         |     |         |
| 40701                     | Collection fees / late fees                   |         |           |         |     |         |         |         |        |         |     |         |
| 40702                     | Legal fee                                     | 18,000  | 19,390    | 19,390  | 0   | 19,390  | 8,400   | 14,091  | 0      | 14,091  | 0   | 14,091  |
| 40703                     | Lien fee                                      | 2,400   | 4,200     | 4,200   | 0   | 4,200   | 2,400   | 3,300   | 0      | 3,300   | 0   | 3,300   |
| 40801                     | Late / collection fees                        | 17,400  | 18,933    | 18,933  | 0   | 18,933  | 14,400  | 18,185  | 0      | 18,185  | 0   | 18,185  |
| 40801                     | Working capital                               |         |           |         |     |         |         |         |        |         |     |         |
| 40901                     | Working capital                               |         | 131,800   |         | 0   |         |         |         | 96,000 |         | 0   |         |
| 40901                     | PCMD Income                                   |         |           |         |     |         |         |         |        |         |     |         |
| 40901                     | PCMD Income                                   |         | 1,492,164 |         | 0   |         |         |         |        |         |     |         |
| 50001                     | Repairs and maintenance                       |         |           |         |     |         |         |         |        |         |     |         |
| 50002                     | Grounds maintenance                           |         |           |         |     |         |         |         |        |         |     |         |
| 50003                     | Maintenance contract                          | 570,840 | 617,662   | 617,662 | 0   | 617,662 | 516,096 | 510,660 | 0      | 510,660 | 0   | 510,660 |
| 50004                     | Sprinklers                                    | 52,000  | 43,545    | 43,545  | 0   | 43,545  | 51,500  | 37,440  | 0      | 37,440  | 0   | 37,440  |
| 50005                     | Grounds improvements                          | 30,000  | 30,296    | 30,296  | 0   | 30,296  | 30,000  | 26,577  | 0      | 26,577  | 0   | 26,577  |
| 50101                     | Fertilization/Weed/Insect Control/annual inst | 88,000  | 92,986    | 92,986  | 0   | 92,986  | 88,000  | 88,000  | 0      | 88,000  | 0   | 88,000  |
| 50102                     | Grounds maintenance / Facility Maintenance    | 123,200 | 194,813   | 194,813 | 0   | 194,813 | 80,000  | 180,352 | 0      | 180,352 | 0   | 180,352 |
| 50103                     | Building repairs and maintenance              |         |           |         |     |         |         |         |        |         |     |         |
| 50104                     | Lighting maintenance                          | 24,000  | 38,738    | 38,738  | 0   | 38,738  | 24,000  | 40,584  | 0      | 40,584  | 0   | 40,584  |
| 50105                     | Playground maintenance / storage              | 15,000  | 0         | 0       | 0   | 0       | 10,000  | 1,192   | 0      | 1,192   | 0   | 1,192   |
| 50201                     | Waterscape maintenance                        | 3,500   | 7,283     | 7,283   | 0   | 7,283   | 3,000   | 1,911   | 0      | 1,911   | 0   | 1,911   |
| 50202                     | Trash & debris                                |         | 48,168    | 48,168  | 0   | 48,168  | 12,000  | 37,375  | 0      | 37,375  | 0   | 37,375  |
| 50203                     | Tree replacement                              |         | 6,250     | 6,250   | 0   | 6,250   | 8,000   | 10,422  | 0      | 10,422  | 0   | 10,422  |
| 50204                     | Aviator pool maintenance                      |         |           |         |     |         |         |         |        |         |     |         |
| 50205                     | A-P maint / maintenance                       | 13,500  | 13,550    | 13,550  | 0   | 13,550  | 13,500  | 12,210  | 0      | 12,210  | 0   | 12,210  |
| 50301                     | A-P supplies / programming rep / equip        | 6,500   | 3,479     | 3,479   | 0   | 3,479   | 6,500   | 7,360   | 0      | 7,360   | 0   | 7,360   |
| 50302                     | A-P Cabana maint / Other                      | 5,260   | 5,853     | 5,853   | 0   | 5,853   | 6,072   | 8,744   | 0      | 8,744   | 0   | 8,744   |
| 50303                     | A-P chemicals                                 | 9,300   | 11,768    | 11,768  | 0   | 11,768  | 9,300   | 10,581  | 0      | 10,581  | 0   | 10,581  |
| 50304                     | A-P telephone / utilities                     | 36,550  | 33,903    | 33,903  | 0   | 33,903  | 36,425  | 35,271  | 0      | 35,271  | 0   | 35,271  |
| 50305                     | Puddle Jumper pool maintenance                |         |           |         |     |         |         |         |        |         |     |         |
| 50306                     | Puddle J pool maint / maintenance             | 16,000  | 14,213    | 14,213  | 0   | 14,213  | 16,000  | 13,443  | 0      | 13,443  | 0   | 13,443  |



TRIAL BALANCE

|       |  |                             |         |          |   |         |   |         |         |   |         |   |         |
|-------|--|-----------------------------|---------|----------|---|---------|---|---------|---------|---|---------|---|---------|
| 50302 | Puddle J pool supplies / trash rem         | 5420-08 / 09                | 4,000   | 2,061    | 0 | 2,061   | d | 4,000   | 2,556   | 0 | 2,556   | 0 | 2,556   |
| 50303 | Puddle J pool Lifeguarding                 | 5420-05 / 16                | 5,260   | 5,793    | 0 | 5,793   | d | 6,072   | 8,744   | 0 | 8,744   | 0 | 8,744   |
| 50304 | Puddle J pool chemicals                    | 5420-02                     | 9,300   | 6,416    | 0 | 6,416   | d | 9,300   | 8,790   | 0 | 8,790   | 0 | 8,790   |
| 50305 | Puddle J pool Telephone / utilities        | 5420-07 / 13                | 36,550  | 33,375   | 0 | 33,375  | d | 36,425  | 37,479  | 0 | 37,479  | 0 | 37,479  |
| 50401 | Filling 15 pool maintenance                | 5430-01 / 15 / 16           | 20,060  | 20,165   | 0 | 20,165  | d | 20,872  | 17,242  | 0 | 17,242  | 0 | 17,242  |
| 50402 | F15 Pool maint / systems / security        | 5430-08 / 09                | 4,000   | 2,389    | 0 | 2,389   | d | 4,000   | 2,911   | 0 | 2,911   | 0 | 2,911   |
| 50403 | F15 Pool supplies / repairs / systems      | 5430-05                     | 1,200   | 800      | 0 | 800     | d | 1,200   | 3,701   | 0 | 3,701   | 0 | 3,701   |
| 50404 | F15 Pool lifeguarding                      | 5430-02                     | 9,300   | 8,219    | 0 | 8,219   | d | 9,300   | 11,272  | 0 | 11,272  | 0 | 11,272  |
| 50405 | F15 Pool chemicals                         | 5430-07 / 13                | 36,550  | 33,300   | 0 | 33,300  | d | 36,425  | 36,756  | 0 | 36,756  | 0 | 36,756  |
| 50501 | Jet Stream pool maintenance                | 5440-08                     | 1,800   | 2,782    | 0 | 2,782   | d | 1,800   | 2,116   | 0 | 2,116   | 0 | 2,116   |
| 50502 | JS Pool Trash removal                      | 5440-02 / 05 / 09 / 16      | 16,760  | 12,654   | 0 | 12,654  | d | 17,572  | 18,953  | 0 | 18,953  | 0 | 18,953  |
| 50504 | JS Pool Cabana / other / programming       | 5440-01 / 15                | 16,000  | 16,191   | 0 | 16,191  | d | 16,000  | 15,811  | 0 | 15,811  | 0 | 15,811  |
| 50505 | JS Pool Systems / Maintenance              | 5440-07 / 13                | 36,550  | 33,109   | 0 | 33,109  | d | 36,425  | 37,283  | 0 | 37,283  | 0 | 37,283  |
| 50601 | Runway 36 pool maintenance                 | 5455-01 / 15                | 16,000  | 21,544   | 0 | 21,544  | d | 16,000  | 17,673  | 0 | 17,673  | 0 | 17,673  |
| 50602 | Runway Pool Maintenance and systems        | 5455-13 / 07 / 08           | 38,350  | 37,912   | 0 | 37,912  | d | 38,225  | 38,845  | 0 | 38,845  | 0 | 38,845  |
| 50603 | Runway utilities / phone / Trash removal   | 5455-02 / 05 / 09 / 16      | 16,760  | 22,781   | 0 | 22,781  | d | 17,572  | 21,341  | 0 | 21,341  | 0 | 21,341  |
| 50701 | Maverick pool maintenance                  | 5456-01 / 15                | 16,000  | 12,921   | 0 | 12,921  | d | 16,000  | 13,823  | 0 | 13,823  | 0 | 13,823  |
| 50702 | Maverick Pool Maintenance and systems      | 5456-13 / 07 / 08           | 38,350  | 36,662   | 0 | 36,662  | d | 38,225  | 37,523  | 0 | 37,523  | 0 | 37,523  |
| 50703 | Maverick utilities / phone / trash removal | 5456-02 / 05 / 09 / 16      | 16,760  | 22,741   | 0 | 22,741  | d | 17,572  | 17,976  | 0 | 17,976  | 0 | 17,976  |
| 50801 | Filing 54 Pool                             | 5470                        | 71,110  | 8,831    | 0 | 8,831   | d |         |         | 0 |         | 0 | 0       |
| 51101 | General pool operations                    | 5400-01 / 03 / 04           | 710,000 | 622,751  | 0 | 622,751 | d | 664,000 | 568,705 | 0 | 568,705 | 0 | 568,705 |
| 51102 | Pool payroll expense                       | 5400-05 to 12 / 5407 / 5408 | 76,850  | 109,164  | 0 | 150,293 | d | 60,850  | 102,938 | 0 | 102,938 | 0 | 102,938 |
| 51103 | Pool operations / training / ID's / other  | 5406 & 5490-01 / 02         | 13,000  | 14,473   | 0 | 14,473  | d | 13,000  | 16,297  | 0 | 16,297  | 0 | 16,297  |
| 51104 | Pool supplies                              | 5408                        | 28,000  | 59,554   | 0 | 59,554  | d | 28,000  | 46,250  | 0 | 46,250  | 0 | 46,250  |
| 51105 | Pool - Swim team                           | 5406-02                     | 75,000  | 175,409  | 0 | 175,409 | d | 66,000  | 155,479 | 0 | 155,479 | 0 | 155,479 |
| 51201 | Pool - payroll tax expense                 |                             |         |          |   |         |   |         |         |   |         |   |         |
| 51201 | Snow removal                               | 5210-08                     | 95,000  | 200,129  | 0 | 200,129 | x | 90,000  | 24,844  | 0 | 24,844  | 0 | 24,844  |
| 51301 | Other expenses                             | 5500-03 / 05                | 12,000  | 5,567    | 0 | 5,567   | h | 12,000  | 8,845   | 0 | 8,845   | 0 | 8,845   |
| 51302 | Fees and charges                           | 55002                       |         | (27)     | 0 | (3,302) | h |         | 2,707   | 0 | 2,707   | 0 | 2,707   |
| 51303 | Miscellaneous                              |                             | 12,000  | 16,476   | 0 | 16,476  | h | 12,000  | 6,331   | 0 | 6,331   | 0 | 6,331   |
| 51304 | Truck expenses                             |                             |         |          | 0 | 0       |   |         | 0       | 0 | 0       | 0 | 0       |
| 51501 | Other pool expenses                        |                             |         |          | 0 | 0       |   |         | 0       | 0 | 0       | 0 | 0       |
| 51501 | Depreciation expense                       |                             |         |          | 0 | 0       |   |         | 152,143 | 0 | 152,143 | 0 | 152,143 |
| 51601 | Utilities                                  |                             |         |          | 0 | 0       |   |         |         | 0 |         | 0 |         |
| 51801 | Gas & electric                             | 5220-02                     | 43,200  | (54,756) | 0 | 125,244 | c | 28,050  | 80,654  | 0 | 80,654  | 0 | 80,654  |
| 51801 | Water                                      |                             |         |          | 0 | 0       |   |         |         | 0 |         | 0 |         |
| 51803 | Water service equipment                    | 5220-01                     | 172,750 | 340,663  | 0 | 150,636 | c | 170,250 | 131,820 | 0 | 131,820 | 0 | 131,820 |
| 51901 | Storm drain fees                           | 5220-02                     |         | 2,824    | 0 | 2,824   | c |         | 12,225  | 0 | 12,225  | 0 | 12,225  |
| 51901 | Storm drain fees                           |                             | 136,000 | 17,735   | 0 | 30,443  | c | 135,000 | 59,684  | 0 | 59,684  | 0 | 59,684  |

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| 51902                                    | 5230-01 | 45,300  | 37,234  | 0 | 37,234  | 0 | 37,234  | c | 55,300  | 45,265  | 0 | 45,265  | 0 | 45,265  |
|--|---------|---------|---------|---|---------|---|---------|---|---------|---------|---|---------|---|---------|
| F32 Water                                |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| Administration                           |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| Management                               |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 52101                                    | 5030    | 218,400 | 178,312 | 0 | 178,312 | 0 | 178,312 | x | 215,000 | 175,515 | 0 | 175,515 | 0 | 175,515 |
| 52102                                    |         | 810,000 | 831,116 | 0 | 807,995 | 0 | 807,995 |   | 780,000 | 824,275 | 0 | 824,275 | 0 | 824,275 |
| 52103                                    |         | 108,000 | 128,395 | 0 | 128,395 | 0 | 128,395 |   | 102,000 | 106,225 | 0 | 106,225 | 0 | 106,225 |
| 52104                                    |         | 47,100  | 59,367  | 0 | 59,367  | 0 | 59,367  |   | 45,240  | 62,493  | 0 | 62,493  | 0 | 62,493  |
| 52105                                    |         |         | (2,091) | 0 | (2,091) | 0 | (2,091) |   | 2,091   | 2,091   | 0 | 2,091   | 0 | 2,091   |
| Professional services                    |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 52201                                    |         | 14,400  | 51,163  | 0 | 51,163  | 0 | 51,163  | x | 12,000  | 16,847  | 0 | 16,847  | 0 | 16,847  |
| 52202                                    |         | 28,500  | 52,963  | 0 | 44,037  | 0 | 44,037  | x | 25,000  | 18,080  | 0 | 18,080  | 0 | 18,080  |
| 52205                                    |         | 50,100  | 62,987  | 0 | 62,987  | 0 | 62,987  | x | 30,500  | 37,208  | 0 | 37,208  | 0 | 37,208  |
| Administrative                           |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 52401                                    |         | 5,400   | 16,876  | 0 | 16,876  | 0 | 16,876  | B | 5,400   | 7,970   | 0 | 7,970   | 0 | 7,970   |
| 52402                                    |         | 44,400  | 59,870  | 0 | 59,870  | 0 | 59,870  | B | 44,400  | 52,065  | 0 | 52,065  | 0 | 52,065  |
| 52403                                    |         | 1,800   | 2,162   | 0 | 2,162   | 0 | 2,162   | B | 1,800   | 1,506   | 0 | 1,506   | 0 | 1,506   |
| Office - MCA South                       |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 52501                                    |         | 149,100 | 119,828 | 0 | 119,828 | 0 | 119,828 | x | 281,100 | 258,886 | 0 | 258,886 | 0 | 258,886 |
| Office Rent South / Janitorial / other   |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| Bad debt expense                         |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 52601                                    |         |         | 10,000  | 0 | 10,000  | 0 | 10,000  | x |         | 0       | 0 | 0       | 0 | 0       |
| Intranet                                 |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 52701                                    |         | 6,000   | 214     | 0 | 214     | 0 | 214     | f | 6,000   | 1,938   | 0 | 1,938   | 0 | 1,938   |
| 52702                                    |         | 21,600  | 33,498  | 0 | 33,498  | 0 | 33,498  | f | 21,600  | 24,721  | 0 | 24,721  | 0 | 24,721  |
| Social activities                        |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 52801                                    |         | 651,199 | 679,364 | 0 | 679,364 | 0 | 679,364 | x | 600,012 | 514,961 | 0 | 514,961 | 0 | 514,961 |
| 52802                                    |         |         | 0       | 0 | 0       | 0 | 0       |   | 47,500  | 48,745  | 0 | 48,745  | 0 | 48,745  |
| Community room / MCA office North        |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 52901                                    |         | 468,000 | 577,550 | 0 | 562,104 | 0 | 562,104 | x | 249,960 | 351,156 | 0 | 351,156 | 0 | 351,156 |
| Com rm janitorial / rent /improv / other |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| Taxes and insurance                      |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| Federal income tax                       |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 53101                                    |         |         | 0       | 0 | 0       | 0 | 0       |   |         | 0       | 0 | 0       | 0 | 0       |
| Federal income tax                       |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 53201                                    |         |         | 0       | 0 | 0       | 0 | 0       |   |         | 0       | 0 | 0       | 0 | 0       |
| State income tax                         |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 53301                                    |         | 202,000 | 227,998 | 0 | 192,943 | 0 | 192,943 | x | 198,435 | 201,444 | 0 | 201,444 | 0 | 201,444 |
| Insurance                                |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| Property taxes                           |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 53401                                    |         |         | 8,926   | 0 | 8,926   | 0 | 8,926   | x |         | 10,495  | 0 | 10,495  | 0 | 10,495  |
| PCMD                                     |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| PCMD - Grounds maintenance               |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 53601                                    |         | 700,104 | 683,266 | 0 | 630,016 | 0 | 630,016 | e | 662,988 | 655,826 | 0 | 655,826 | 0 | 655,826 |
| 53602                                    |         | 72,000  | 46,218  | 0 | 46,218  | 0 | 46,218  | e | 40,000  | 125,133 | 0 | 125,133 | 0 | 125,133 |
| 53603                                    |         | 90,000  | 119,368 | 0 | 119,368 | 0 | 119,368 | e | 70,000  | 142,428 | 0 | 142,428 | 0 | 142,428 |
| PCMD - Other maintenance                 |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 53701                                    |         | 21,600  | 20,726  | 0 | 20,726  | 0 | 20,726  | e | 19,200  | 22,158  | 0 | 22,158  | 0 | 22,158  |
| 53702                                    |         |         | 55,250  | 0 | 0       | 0 | 0       |   | 0       | 0       | 0 | 0       | 0 | 0       |
| 53703                                    |         | 101,500 | 99,793  | 0 | 99,793  | 0 | 99,793  | e | 101,100 | 89,902  | 0 | 89,902  | 0 | 89,902  |
| PCMD - Snow removal                      |         |         |         |   |         |   |         |   |         |         |   |         |   |         |
| 54101                                    |         | 45,000  | 133,422 | 0 | 133,422 | 0 | 133,422 | e | 45,000  | 10,378  | 0 | 10,378  | 0 | 10,378  |





July 30, 2020

To the Board of Directors of  
Master Community Association, Inc.

We have audited the financial statements of Master Community Association, Inc. for the year ended December 31, 2019, and have issued our report thereon. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 5, 2019. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Master Community Association, Inc. are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were):

None noted.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

None noted.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in performing and completing our audit. We did, however, note opportunity for improvement in account controls or procedures as identified in our management comments letter to the board of directors.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Supplementary Information Accompanying the Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

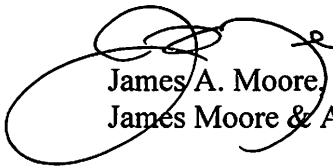
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Required Supplementary Information

With respect to the supplementary information required by the Financial Accounting Standards Board, we applied certain limited procedures to the information, including inquiring of management about their methods of preparing the information; comparing the information for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements; and obtaining certain representations from management, including about whether the required supplementary information is measured and presented in accordance with prescribed guidelines.

This information is intended solely for the use of the Board of Directors and management of Master Community Association, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



James A. Moore, CPA  
James Moore & Associates, PC