

**Maple Ridge At Ave Maria
Homeowners Association, Inc.**

December 31, 2015

Tapia & Associates, PA

Certified Public Accountants

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Maple Ridge At Ave Maria Homeowners Association, Inc.

We have compiled the accompanying balance sheet of Maple Ridge At Ave Maria Homeowners Association, Inc. as of December 31, 2015, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Accounting principles generally accepted in the United States of America require that supplementary information about future major repairs and replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have compiled the required supplementary information without audit or review, and, accordingly, we do not express an opinion or provide any assurance on it.

Tapia & Associates, P.A.

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Certified Public Accountants

January 30, 2016

Maple Ridge At Ave Maria Homeowners Association, Inc.
Balance Sheet
December 31, 2015

| | <u>Operating Fund</u> | <u>Replacement Fund</u> | <u>Total</u> |
|--|-----------------------------|-----------------------------|--------------------------|
| ASSETS | | | |
| Cash & Cash Equivalents | \$ 140,669 | \$ 3,581 | \$ 144,250 |
| Assessments Receivable Net of allowance for bad debts \$ (56) | 6,678 | | 6,678 |
| Prepaid Insurance | 6,539 | | 6,539 |
| Due From Operating Fund | <u> </u> | <u>875</u> | <u>875</u> |
| TOTAL ASSETS | <u><u>\$ 153,886</u></u> | <u><u>\$ 4,456</u></u> | <u><u>\$ 158,342</u></u> |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable & Accrued Expenses | \$ 6,353 | \$ 0 | \$ 6,353 |
| Prepaid Assessments | 11,875 | | 11,875 |
| Security Deposits | 1,500 | | 1,500 |
| Due To Replacement Fund | <u>875</u> | <u> </u> | <u>875</u> |
| TOTAL LIABILITIES | \$ 20,603 | \$ 0 | \$ 20,603 |
| FUND BALANCES | <u>133,283</u> | <u>4,456</u> | <u>137,739</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u><u>\$ 153,886</u></u> | <u><u>\$ 4,456</u></u> | <u><u>\$ 158,342</u></u> |

See Independent Accountant's Compilation Report
See Accompanying Notes To Financial Statements

Maple Ridge At Ave Maria Homeowners Association, Inc.
Statement Of Revenues, Expenses
And Changes In Fund Balances
For The Year Ended December 31, 2015

| | <u>Operating Fund</u> | <u>Replacement Fund</u> | <u>Total</u> |
|---|---------------------------|-----------------------------|--------------------------|
| REVENUES | | | |
| Assessments | \$ 194,400 | \$ 3,636 | \$ 198,036 |
| Late Fees | 4,550 | | 4,550 |
| Interest Income | 16 | 1 | 17 |
| Screening Income | 2,405 | | 2,405 |
| Collections - Administration Fees | <u>1,465</u> | | <u>1,465</u> |
| TOTAL REVENUES | <u>\$ 202,836</u> | <u>\$ 3,637</u> | <u>\$ 206,473</u> |
| EXPENSES | | | |
| Management Fees | \$ 23,402 | \$ | \$ 23,402 |
| Professional Fees | 3,464 | | 3,464 |
| Insurance | 12,553 | | 12,553 |
| Licenses & Fees | 61 | | 61 |
| Electricity | 16,251 | | 16,251 |
| Landscape Maintenance | 35,358 | | 35,358 |
| Screening Fees | 2,380 | | 2,380 |
| Pest Control - Interior | 9,800 | | 9,800 |
| Sprinkler Maintenance | 672 | | 672 |
| Sprinkler Supplies & Repairs | 333 | | 333 |
| Landscape Replacement | 6,971 | | 6,971 |
| Printing & Postage | 5,058 | | 5,058 |
| Collections - Administration | 1,386 | | 1,386 |
| Website Maintenance | 350 | | 350 |
| Miscellaneous | 6,160 | | 6,160 |
| MMI Live Service | 200 | | 200 |
| Bad Debts | <u>214</u> | | <u>214</u> |
| TOTAL EXPENSES | <u>124,613</u> | <u>0</u> | <u>124,613</u> |
| REVENUES OVER (UNDER) EXPENSES | 78,223 | 3,637 | 81,860 |
| Contributed Capital | 28,247 | 0 | 28,247 |
| FUND BALANCE - BEGINNING OF PERIOD | <u>26,813</u> | <u>819</u> | <u>27,632</u> |
| FUND BALANCE - END OF PERIOD | <u><u>\$ 133,283</u></u> | <u><u>\$ 4,456</u></u> | <u><u>\$ 137,739</u></u> |

See Independent Accountant's Compilation Report
See Accompanying Notes To Financial Statements

Maple Ridge At Ave Maria Homeowners Association, Inc.
Statement Of Cash Flows
For The Year Ended December 31, 2015

| | <u>Operating Fund</u> | <u>Replacement Fund</u> | <u>Total</u> |
|---|---------------------------|-----------------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Revenues over (under) expenses | \$ 78,223 | \$ 3,637 | \$ 81,860 |
| Adjustments to reconcile revenues over (under) expenses to net cash provided by operating activities: | | | |
| (Increase) decrease in: | | | |
| Assessments Receivable | (5,966) | | (5,966) |
| Prepaid Insurance | (4,101) | | (4,101) |
| Due From Operating Fund | | (508) | (508) |
| Increase (decrease) in: | | | |
| Accounts Payable & Accrued Expenses | 3,702 | | 3,702 |
| Prepaid Assessments | 7,956 | | 7,956 |
| Security Deposits | 1,000 | | 1,000 |
| Due To Replacement Fund | <u>508</u> | <u> </u> | <u>508</u> |
| NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES | 81,322 | 3,129 | 84,451 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Contributed Capital | 28,247 | 0 | 28,247 |
| CASH & CASH EQUIVALENTS BEGINNING OF PERIOD | | | |
| | <u>31,100</u> | <u>452</u> | <u>31,552</u> |
| CASH & CASH EQUIVALENTS END OF PERIOD | | | |
| | <u>\$ 140,669</u> | <u>\$ 3,581</u> | <u>\$ 144,250</u> |

See Independent Accountant's Compilation Report
See Accompanying Notes To Financial Statements

Maple Ridge At Ave Maria Homeowners Association, Inc.
Notes to Financial Statements
December 31, 2015

NOTE 1. ORGANIZATION

Maple Ridge At Ave Maria Homeowners Association, Inc. is a homeowners association incorporated in the state of Florida in 2013. The Association is responsible for the operation and maintenance of the common areas within the development. The Association, as of December 31, 2015, consists of 486 residential units.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FUND ACCOUNTING- The association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the board of directors and property manager. Disbursements from the replacement fund generally may be made only for designated purposes.

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

PROPERTY AND EQUIPMENT- Common real property directly associated with the units is not capitalized. Common real property not directly associated with the units, in which the Association has title or other evidence of ownership, is only capitalized if the board of directors can dispose of it at its discretion for cash or claims to cash with the Association retaining the proceeds, or the property generates significant cash flows. Personal property purchased with Association funds is capitalized at cost and depreciated over its estimated useful life using the straight-line method of depreciation.

ESTIMATES- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3. ASSESSMENTS

The annual budget and assessments of owners are determined by the board of directors. Assessments are levied against the unit owners for their proportionate share of common expenses and future major repairs and replacements. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

Maple Ridge At Ave Maria Homeowners Association, Inc.
Notes to Financial Statements
December 31, 2015

NOTE 4. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The budget includes estimates of the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. An independent study has not been conducted. The table included in the unaudited supplementary information on future major repairs and replacements is based on these estimates. The Association is funding for future major repairs and replacements over the remaining useful lives of the components based on the estimates of current replacement costs and considering amounts previously accumulated in the replacement fund.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association may increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Activity in the replacement fund for the year ending December 31, 2015 is as follows:

| | Balance 12/31/2014 | Additions | Charges | Balance 12/31/2015 |
|----------|-----------------------|-----------------|-------------|-----------------------|
| Roads | \$ 819 | \$ 3,636 | \$ - | \$ 4,455 |
| Interest | - | 1 | - | 1 |
| Totals | <u>\$ 819</u> | <u>\$ 3,637</u> | <u>\$ -</u> | <u>\$ 4,456</u> |

NOTE 5. INCOME TAXES

Homeowners associations may be taxed either as homeowners associations or as regular corporations. For the year ended December 31, 2015, the Association elected to be taxed as a homeowners association. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings, at the rate of 30%. Exempt function income, which consists primarily of member assessments, is not taxable. The Association's income tax returns are generally subject to examination by taxing authorities for three years after the returns are filed.

NOTE 6. CAPITAL CONTRIBUTIONS

Each purchaser is required, at the time of closing, to contribute to the Association an amount for working capital. These monies are reflected in the accompanying financial statements as contributed capital. These funds may be utilized for payment of expenditures for the benefit of the Association.

Supplementary Information

Maple Ridge At Ave Maria Homeowners Association, Inc.
Supplemental Information on Future Major Repairs and Replacements
(Unaudited)
December 31, 2015

| <u>Components</u> | <u>Estimated Remaining Useful Life (Years)</u> | <u>Estimated Current Replacement Costs</u> | <u>Annual Funding Requirement</u> | <u>Replacement Fund Balance at December 31, 2015</u> |
|-------------------|--|--|---|--|
| Roads | 15 | \$ 150,000 | \$ 9,972 | \$ 4,455 |
| Interest | | - | - | 1 |
| Totals | | <u>\$ 150,000</u> | <u>\$ 9,972</u> | <u>\$ 4,456</u> |

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