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## Independent Accountant's Compilation Report

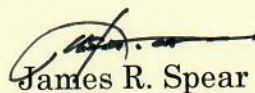
To the Board of Directors  
Oak Creek Estados Condominium Management Corp  
Sedona, Arizona 86351

I have compiled the accompanying Statement of Financial Position of Oak Creek Estados Condominium Management Corp as of October 31, 2018 and the related Statement of Revenues & Expenses for the ten month period then ended. I 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 U.S. generally accepted accounting principles.

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

My 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.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America, including the Statement of Cash Flows. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.



James R. Spear CPA CGMA FABFA

November 16, 2018  
Sedona, Arizona

Member

American Institute of Certified Public Accountants  
Arizona Society of Certified Public Accountants  
Fellow, American Board of Forensic Accounting

Oak Creek Estados Condominium Management Corp  
Statement of Financial Position

October 31, 2018

Accrual Basis

	Oct 31, 18
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Chase Checking-1915	15,640.10
Chase Reserve Savings-9554	203,115.22
Petty Cash	209.87
Total Checking/Savings	218,965.19
Other Current Assets	
Insurance Reserve - Restricted	15,323.50
Total Other Current Assets	15,323.50
Total Current Assets	234,288.69
Fixed Assets	
Improvements - Common Area	
Accumulated Depreciation	(1,655.83)
Cap Improvements - Common Areas	415,428.30
Cap Improvements - Deprec	(160,804.90)
Total Improvements - Common Area	252,967.57
Property & Equipment	
Beams	
Beams - Bldg - Depreciation	(5,158.50)
Beams - Bldg - Original Cost	32,436.75
Total Beams	27,278.25
Boiler	
Boiler E & F/G - Depreciation	(9,029.00)
Boiler E & F/G - Original Cost	49,248.21
Total Boiler	40,219.21
Catwalks	
Catwalks A, B, F - Depreciation	(14,956.80)
Catwalks A, B, F - Original Cost	21,945.33
Catwalks C&G Bldg 2018 - Cost	11,511.92
Catwalks D & E 2015 Cost	14,889.00
Catwalks D & E Depreciation	(9,691.80)
Catwalks G, H, C - Cost	21,089.32
Catwalks G, H, C - Depreciation	(1,125.00)
Total Catwalks	43,661.97
Clubhouse Furnace	
Clubhouse - Furnace - Acc Dep	(1,529.30)
Clubhouse - Furnace - Cost	2,114.00
Total Clubhouse Furnace	584.70
Concrete	
Perimeter Road - 2018 Cost	67,384.02
Total Concrete	67,384.02
Furniture and Equipment	
Equipment - Common Area	
BBQ 2018 - Cost	2,135.02
BBQ 2018 - Dep	(913.98)
Total Equipment - Common Area	1,221.04
Total Furniture and Equipment	1,221.04

Oak Creek Estados Condominium Management Corp  
Statement of Financial Position

October 31, 2018

Accrual Basis

	Oct 31, 18
Grounds	
2015 Gravel Cost	568.34
2015 Gravel Dep	(369.00)
Basin	
Basin - Cost	1,974.74
Basin - Depreciation	(1,285.00)
Total Basin	689.74
Landscaping	
2014 Landscaping Cost	11,274.04
2014 Landscaping Dep	(4,159.30)
2015 Landscaping Cost	2,504.05
2015 Landscaping Dep	(1,398.70)
Total Landscaping	8,220.09
Total Grounds	9,109.17
Lighting	
Bldg Fixtures - 2015	2,657.11
Bldg Fixtures - 2016	7,684.94
Bldg Fixtures - Phase I - Dep	(177.80)
Bldg Fixtures - Phase II - Dep	(921.50)
Total Lighting	9,242.75
Office Equipment - Computers	
New Computer-Lenovo	791.60
Total Office Equipment - Computers	791.60
Paint Bldgs , Structures, Walls	
Paint - 2015 Bldg A - Cost	21,000.00
Paint - 2015 Bldg A - Dep	(1,050.00)
Paint - 2015 Bldgs F & G - Cost	41,000.00
Paint - 2015 Bldgs F & G - Dep	(2,423.00)
Paint - 2016 Bldg D & E - Cost	34,728.00
Paint - 2016 Bldg D & E Dep	(265.00)
Paint - 2016 Bldg H Cost	16,873.00
Paint - 2016 Bldg H Dep	(128.00)
Paint - 2017 Bldg B Cost	14,354.00
Paint - 2017 Bldg B Dep	(678.30)
Paint - 2017 Bldg C Cost	15,500.00
Paint - 2017 Bldg C Dep	(817.70)
Paint - Perimeter Wall Cost	11,448.00
Paint - Perimeter Walls Dep	(289.70)
Paint - Wood Trim - Cost	44,019.90
Paint - Wood Trim - Dep	(3,202.00)
Painting 2016 Dep	(3,037.70)
Total Paint Bldgs , Structures, Walls	187,031.50
Parking Lot - Improvements	
Parking - Curb & Line Painting	5,992.53
Parking Lot Imps - Dep	(2,226.20)
Total Parking Lot - Improvements	3,766.33
Pool	
Pool - 2014 Furniture - Cost	474.95
Pool - 2015 Furniture - Cost	3,943.40
Pool - Deck - Depreciation	(777.30)
Pool - Furniture - Depreciation	(3,358.00)
Total Pool	283.05

Oak Creek Estados Condominium Management Corp  
Statement of Financial Position

October 31, 2018

Accrual Basis

	Oct 31, 18
Roofs	
Roofs - 2015 Garage - Cost	24,821.52
Roofs - 2015 Garage - Dep	(3,122.50)
Roofs - 2016 Garages - Cost	34,268.36
Roofs - 2016 Garages - Dep	(2,648.30)
Roofs - 2017 Garages - Cost	20,179.91
Roofs - 2017 Garages - Dep	(1,800.50)
Roofs - 2017 Sprayfoam Cost	8,174.00
Roofs - 2017 Sprayfoam Dep	(22.00)
Tile Roofs - Clubhouse - Cost	6,664.16
Tile Roofs 2013 - Cost	13,033.94
Tile Roofs 2013 - Depreciation	(1,955.00)
Tile Roofs 2014 - Cost	10,121.18
Tile Roofs 2014 - Depreciation	(4,537.30)
Tile Roofs 2015 - Cost	8,610.94
Tile Roofs 2015 - Dep	(977.80)
Tile Roofs 2016 - Cost	7,130.65
Tile Roofs 2016 - Dep	(528.80)
Tile Roofs 2017 - Cost	10,586.96
Tile Roofs 2017 - Dep	(559.80)
Tile Roofs 2018 - Cost	13,885.40
Tile Roofs 2018 - Dep	(1,552.67)
Tile Roofs Stairwell 2017 Cost	5,612.48
Tile Roofs Stairwell 2017 Dep	(77.00)
Tile Roofs Stairwells 2013 Cost	3,709.02
Tile Roofs Stairwells 2013 Dep	(620.70)
	148,396.15
Total Roofs	
Signs	
Signs - Community - Cost	2,337.48
Signs - Community - Dep	(1,299.80)
Signs - Entrance - Cost	3,340.64
Signs - Entrance - Depreciation	(3,195.00)
	1,183.32
Total Signs	
Spa/Swim Spa	
Spa New - 2016 Cost	46,447.00
Spa New - 2016 Dep	(3,096.50)
Swim Spa - Heater - Cost	2,282.78
Swim Spa - Heater - Dep	(2,512.70)
	43,120.58
Total Spa/Swim Spa	
Vents	
Vents - 2016	3,833.00
Vents - Dryer Phase I - Cost	6,577.75
Vents - Dryer Phase I - Dep	(1,270.00)
	9,140.75
Total Vents	
Total Property & Equipment	592,414.39
Total Fixed Assets	845,381.96
TOTAL ASSETS	1,079,670.65
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	1,242.97
Prepaid Dues/Fees	22,103.62
	23,346.59
Total Other Current Liabilities	

Oak Creek Estados Condominium Management Corp  
Statement of Financial Position

Accrual Basis

October 31, 2018

	<u>Oct 31, 18</u>
Total Current Liabilities	<u>23,346.59</u>
Total Liabilities	23,346.59
Equity	
Opening Balance Equity	243,669.40
Restricted Acct. - Insurance	15,323.50
Retained Earnings	722,674.67
Net Income	<u>74,656.49</u>
Total Equity	<u>1,056,324.06</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,079,670.65</u></u>

Oak Creek Estados Condominium Management Corp  
**Statement of Revenues & Expenses**  
 For the Period Ending .....

Accrual Basis

	Oct 18
Ordinary Income/Expense	
Income	
Income	
Administration Fee	25.00
HOA Dues	36,079.04
Long Term Rental Fees	50.00
Short/Vacation Term Rentals	1,200.00
Total Income	37,354.04
Total Income	37,354.04
Gross Profit	37,354.04
Expense	
Bank Service Charges	21.60
Computer and Internet Expenses	85.40
Depreciation Expense	3,653.82
Employee Cell Phones	72.24
Employee Loan-Dan	200.00
Gasoline	20.00
Insurance Expense	6,763.23
Licenses, Permits & Inspections	720.00
Office Supplies	506.13
Payroll Expenses	6,006.70
Payroll Tax Expenses	284.44
Professional Fees	
Legal Fees	276.21
QuickBooks Payroll Services	2.13
Total Professional Fees	278.34
Reimbursements to Owners	977.61
Repairs and Maintenance	
Catwalks	283.54
General Maintenance	376.54
Insect Service	315.00
Inside Unit Repair	2,350.15
Landscaping and Groundskeeping	188.67
Landscaping Services	3,630.00
Office and Clubhouse	40.38
Pool and Spa Maintenance	932.50
Roofs	64.32
Small Tools-Shop	5.31
Total Repairs and Maintenance	8,186.41
Telephone Expense	120.02
Utilities	
Electric	1,486.79
Gas	1,955.75
Sewer	265.36
Trash Removal Services	1,353.26
Water	2,306.20
Total Utilities	7,367.36
Total Expense	35,263.30
Net Ordinary Income	2,090.74
Other Income/Expense	
Other Income	
Interest Income	15.01
Total Other Income	15.01

Oak Creek Estados Condominium Management Corp  
Statement of Revenues & Expenses  
For the Period Ending .....

Accrual Basis

	<u>Oct 18</u>
Net Other Income	<u>15.01</u>
Net Income	<u><u>2,105.75</u></u>

Oak Creek Estados Condominium Management Corp

Statement of Revenues & Expenses

For the Period January 1 - October 31, 2018

Accrual Basis

	Oct 18	Jan - Oct...
Ordinary Income/Expense		
Income		
Income		
Administration Fee	25.00	25.00
Amenity Keys	0.00	433.28
Disclosure Fee	0.00	1,000.00
HOA Dues	36,079.04	368487.99
Late Fees	0.00	726.97
Long Term Rental Fees	50.00	575.00
Real Estate Resale Fee	0.00	1,000.00
Short/Vacation Term Rentals	1,200.00	8,315.00
Transfer Fee	0.00	280.00
Income - Other	0.00	660.27
Total Income	37,354.04	381503.51
Returned Check Charges	0.00	12.00
Total Income	37,354.04	381515.51
Gross Profit	37,354.04	381515.51
Expense		
Automobile Expense	0.00	742.74
Bad Debt Expense	0.00	8,090.30
Bank Service Charges	21.60	83.60
Cash Advance Repayment	0.00	0.00
Computer and Internet Expenses	85.40	755.39
Depreciation Expense	3,653.82	35,958.25
Dues and Subscriptions	0.00	0.00
Employee Cell Phones	72.24	552.80
Employee Loan-Dan	200.00	200.00
Gasoline	20.00	222.78
Gifts	0.00	460.00
Income Tax	0.00	50.00
Insurance Expense	6,763.23	29,720.63
Licenses, Permits & Inspections	720.00	893.00
Mailing	0.00	623.11
Office Supplies	506.13	2,042.78
Payroll Expenses	6,006.70	56,442.38
Payroll Tax Expenses	284.44	3,684.56
Printing and Copying Expense	0.00	31.00
Professional Fees		
Accounting Services	0.00	4,595.00
Legal Fees	276.21	6,768.28
Permits & Inspection Services	0.00	720.00
QuickBooks Payroll Services	2.13	459.46
Total Professional Fees	278.34	12,542.74
Reimbursements to Owners	977.61	1,623.64
Repairs and Maintenance		
Boiler	0.00	2,871.77
Catwalks	283.54	283.54
Cooler	0.00	1,389.64
General Maintenance	376.54	11,791.22
Insect Service	315.00	1,550.00
Inside Unit Repair	2,350.15	5,087.01
Landscaping and Groundskeeping	188.67	1,729.09
Landscaping Services	3,630.00	32,655.00
Office and Clubhouse	40.38	761.49
Pool and Spa Maintenance	932.50	8,740.95
Railings	0.00	32.15
Roofs	64.32	347.57
Sidewalks	0.00	915.36
Small Tools-Shop	5.31	5.31



Oak Creek Estados Condominium Management Corp

Statement of Revenues & Expenses

For the Period January 1 - October 31, 2018

Accrual Basis

	Oct 18	Jan - Oct...
Speedbumps	0.00	530.66
Swamp Cooler	0.00	248.53
Total Repairs and Maintenance	8,186.41	68,939.29
Small Tools & Equipment	0.00	1,334.73
Telephone Expense	120.02	1,501.63
Utilities		
Electric	1,486.79	15,875.48
Gas	1,955.75	30,172.26
Sewer	265.36	796.08
Trash Removal Services	1,353.26	7,052.25
Water	2,306.20	24,509.68
Total Utilities	7,367.36	78,405.75
Workers Compensation Insurance	0.00	2,078.00
Total Expense	35,263.30	306,979.10
Net Ordinary Income	2,090.74	74,536.41
Other Income/Expense		
Other Income		
Interest Income	15.01	120.08
Total Other Income	15.01	120.08
Net Other Income	15.01	120.08
Net Income	2,105.75	74,656.49