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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 September 30, 2018 and the related Statement of Revenues & Expenses for the nine 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

October 22, 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

September 30, 2018

Accrual Basis

	<u>Sep 30, 18</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Chase Checking-1915	3,920.47
Chase Reserve Savings-9554	212,084.38
Petty Cash	9.87
<b>Total Checking/Savings</b>	<u>216,014.72</u>
<b>Other Current Assets</b>	
Due from Employee - OP Paycheck	459.53
Insurance Reserve - Restricted	15,323.50
<b>Total Other Current Assets</b>	<u>15,783.03</u>
<b>Total Current Assets</b>	<u>231,797.75</u>
<b>Fixed Assets</b>	
Improvements - Common Area	
Cap Improvements - Common Areas	415,428.30
Cap Improvements - Deprec	(160,804.90)
<b>Total Improvements - Common Area</b>	<u>254,623.40</u>
<b>Property &amp; Equipment</b>	
Beams	
Beams - Bldg - Depreciation	(5,060.25)
Beams - Bldg - Original Cost	32,436.75
<b>Total Beams</b>	<u>27,376.50</u>
Boiler	
Boiler E & F/G - Depreciation	(8,879.80)
Boiler E & F/G - Original Cost	49,248.21
<b>Total Boiler</b>	<u>40,368.41</u>
Catwalks	
Catwalks A, B, F - Depreciation	(14,698.72)
Catwalks A, B, F - Original Cost	21,945.33
Catwalks C&G Bldg 2018 - Cost	6,181.92
Catwalks D & E 2015 Cost	14,889.00
Catwalks D & E Depreciation	(9,638.72)
Catwalks G, H, C - Cost	21,089.32
Catwalks G, H, C - Depreciation	(1,125.00)
<b>Total Catwalks</b>	<u>38,643.13</u>
Clubhouse Furnace	
Clubhouse - Furnace - Acc Dep	(1,508.97)
Clubhouse - Furnace - Cost	2,114.00
<b>Total Clubhouse Furnace</b>	<u>605.03</u>
Concrete	
Perimeter Road - 2018 Cost	67,384.02
<b>Total Concrete</b>	<u>67,384.02</u>
Furniture and Equipment	
Equipment - Common Area	
BBQ 2018 - Cost	2,135.02
BBQ 2018 - Dep	(609.32)
<b>Total Equipment - Common Area</b>	<u>1,525.70</u>
<b>Total Furniture and Equipment</b>	<u>1,525.70</u>
<b>Grounds</b>	

Oak Creek Estados Condominium Management Corp  
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Accrual Basis

	Sep 30, 18
	568.34
	(367.00)
2015 Gravel Cost	
2015 Gravel Dep	
Basin	1,974.74
Basin - Cost	(1,278.00)
Basin - Depreciation	
<b>Total Basin</b>	<b>696.74</b>
Landscaping	11,274.04
2014 Landscaping Cost	(4,087.47)
2014 Landscaping Dep	2,504.05
2015 Landscaping Cost	(1,391.03)
2015 Landscaping Dep	
<b>Total Landscaping</b>	<b>8,299.59</b>
<b>Total Grounds</b>	<b>9,197.67</b>
Lighting	2,657.11
Bldg Fixtures - 2015	7,684.94
Bldg Fixtures - 2016	(169.72)
Bldg Fixtures - Phase I - Dep	(898.25)
Bldg Fixtures - Phase II - Dep	
<b>Total Lighting</b>	<b>9,274.08</b>
Office Equipment - Computers	791.60
New Computer -Lenovo	
<b>Total Office Equipment - Computers</b>	<b>791.60</b>
Paint Bldgs , Structures, Walls	21,000.00
Paint - 2015 Bldg A - Cost	(1,050.00)
Paint - 2015 Bldg A - Dep	41,000.00
Paint - 2015 Bldgs F & G - Cost	(2,423.00)
Paint - 2015 Bldgs F & G - Dep	34,728.00
Paint - 2016 Bldg D & E - Cost	(265.00)
Paint - 2016 Bldg D & E Dep	16,873.00
Paint - 2016 Bldg H Cost	(128.00)
Paint - 2016 Bldg H Dep	14,354.00
Paint - 2017 Bldg B Cost	(647.47)
Paint - 2017 Bldg B Dep	15,500.00
Paint - 2017 Bldg C Cost	(780.53)
Paint - 2017 Bldg C Dep	11,448.00
Paint - Perimeter Wall Cost	(276.53)
Paint - Perimeter Walls Dep	44,019.90
Paint - Wood Trim - Cost	(3,202.00)
Paint - Wood Trim - Dep	(2,927.53)
Painting 2016 Dep	
<b>Total Paint Bldgs , Structures, Walls</b>	<b>187,222.84</b>
Parking Lot - Improvements	5,992.53
Parking - Curb & Line Painting	(2,187.78)
Parking Lot Imps - Dep	
<b>Total Parking Lot - Improvements</b>	<b>3,804.75</b>
Pool	474.95
Pool - 2014 Furniture - Cost	3,943.40
Pool - 2015 Furniture - Cost	(741.97)
Pool - Deck - Depreciation	(3,358.00)
Pool - Furniture - Depreciation	
<b>Total Pool</b>	<b>318.38</b>
Roofs	24,821.52
Roofs - 2015 Garage - Cost	(3,047.25)
Roofs - 2015 Garage - Dep	

Oak Creek Estados Condominium Management Corp  
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	Sep 30, 18
Roofs - 2016 Garages - Cost	34,268.36
Roofs - 2016 Garages - Dep	(2,544.47)
Roofs - 2017 Garages - Cost	20,179.91
Roofs - 2017 Garages - Dep	(1,690.75)
Roofs - 2017 Sprayfoam Cost	8,174.00
Roofs - 2017 Sprayfoam Dep	(21.00)
Tile Roofs - Clubhouse - Cost	6,664.16
Tile Roofs 2013 - Cost	13,033.94
Tile Roofs 2013 - Depreciation	(1,915.50)
Tile Roofs 2014 - Cost	10,121.18
Tile Roofs 2014 - Depreciation	(4,486.47)
Tile Roofs 2015 - Cost	8,610.94
Tile Roofs 2015 - Dep	(951.72)
Tile Roofs 2016 - Cost	7,130.65
Tile Roofs 2016 - Dep	(507.22)
Tile Roofs 2017 - Cost	10,586.96
Tile Roofs 2017 - Dep	(534.32)
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	(603.03)
<b>Total Roofs</b>	<b>148,867.12</b>
<b>Signs</b>	
Signs - Community - Cost	2,337.48
Signs - Community - Dep	(1,240.72)
Signs - Entrance - Cost	3,340.64
Signs - Entrance - Depreciation	(3,195.00)
<b>Total Signs</b>	<b>1,242.40</b>
<b>Spa/Swim Spa</b>	
Spa New - 2016 Cost	46,447.00
Spa New - 2016 Dep	(2,955.75)
Swim Spa - Heater - Cost	2,282.78
Swim Spa - Heater - Dep	(2,485.53)
<b>Total Spa/Swim Spa</b>	<b>43,288.50</b>
<b>Vents</b>	
Vents - 2016	3,833.00
Vents - Dryer Phase I - Cost	6,577.75
Vents - Dryer Phase I - Dep	(1,238.50)
<b>Total Vents</b>	<b>9,172.25</b>
<b>Total Property &amp; Equipment</b>	<b>589,082.38</b>
<b>Total Fixed Assets</b>	<b>843,705.78</b>
<b>TOTAL ASSETS</b>	<b>1,075,503.53</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
Current Liabilities	
Other Current Liabilities	
Payroll Liabilities	3,358.69
Prepaid Dues/Fees	17,971.53
<b>Total Other Current Liabilities</b>	<b>21,330.22</b>
<b>Total Current Liabilities</b>	<b>21,330.22</b>
<b>Total Liabilities</b>	<b>21,330.22</b>
<b>Equity</b>	

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Statement of Financial Position  
September 30, 2018

Accrual Basis

	<u>Sep 30, 18</u>
Opening Balance Equity	243,669.40
Restricted Acct. - Insurance	15,323.50
Retained Earnings	722,674.67
Net Income	<u>72,505.74</u>
Total Equity	<u>1,054,173.31</u>
TOTAL LIABILITIES & EQUITY	<u><u>1,075,503.53</u></u>

Oak Creek Estados Condominium Management Corp  
Statement of Revenues & Expenses

Accrual Basis

For the Period Ending ...

	Sep 18	Jan - Sep...
Ordinary Income/Expense		
Income		
Income		
Amenity Keys	0.00	433.28
Disclosure Fee	500.00	1,000.00
HOA Dues	36,084.51	332,408.95
Late Fees	176.67	726.97
Long Term Rental Fees	50.00	525.00
Real Estate Resale Fee	0.00	1,000.00
Short/Vacation Term Rentals	890.00	7,070.00
Transfer Fee	40.00	280.00
Income - Other	0.00	660.27
Total Income	37,741.18	344,104.47
Returned Check Charges	0.00	12.00
Total Income	37,741.18	344,116.47
Gross Profit	37,741.18	344,116.47
Expense		
Automobile Expense	0.00	742.74
Bad Debt Expense	0.00	8,090.30
Bank Service Charges	0.00	62.00
Cash Advance Repayment	0.00	0.00
Computer and Internet Expenses	75.00	669.99
Depreciation Expense	3,653.82	32,304.43
Dues and Subscriptions	0.00	0.00
Employee Cell Phones	70.97	480.56
Employee Loan-Dan	0.00	0.00
Gasoline	15.40	202.78
Gifts	0.00	460.00
Income Tax	0.00	50.00
Insurance Expense	0.00	22,957.40
Licenses, Permits & Inspections	0.00	173.00
Mailing	243.12	623.11
Office Supplies	10.36	1,536.65
Payroll Expenses	6,500.60	50,435.68
Payroll Tax Expenses	303.21	3,400.12
Printing and Copying Expense	0.00	31.00
Professional Fees		
Accounting Services	0.00	4,595.00
Legal Fees	3,365.00	6,492.07
Permits & Inspection Services	0.00	720.00
QuickBooks Payroll Services	2.13	457.33
Total Professional Fees	3,367.13	12,264.40
Reimbursements to Owners	0.00	646.03
Repairs and Maintenance		
Boiler	0.00	2,871.77
Cooler	0.00	1,389.64
General Maintenance	1,550.49	11,414.68
Insect Service	0.00	1,235.00
Inside Unit Repair	0.00	2,736.86
Landscaping and Groundskeeping	98.32	1,540.42
Landscaping Services	3,600.00	29,025.00
Office and Clubhouse	164.91	721.11
Pool and Spa Maintenance	2,247.25	7,808.45
Railings	32.15	32.15
Roofs	204.04	283.25
Sidewalks	0.00	915.36
Speedbumps	0.00	530.66
Swamp Cooler	248.53	248.53

Oak Creek Estados Condominium Management Corp  
Statement of Revenues & Expenses

For the Period Ending ...

Accrual Basis

	<u>Sep 18</u>	<u>Jan - Sep...</u>
Total Repairs and Maintenance	8,145.69	60,752.88
Small Tools & Equipment	71.22	1,334.73
Telephone Expense	119.40	1,381.61
Utilities		
Electric	1,446.58	14,388.69
Gas	1,736.98	28,216.51
Sewer	0.00	530.72
Trash Removal Services	1,244.22	5,698.99
Water	<u>3,045.73</u>	<u>22,203.48</u>
Total Utilities	7,473.51	71,038.39
Workers Compensation Insurance	<u>0.00</u>	<u>2,078.00</u>
Total Expense	<u>30,049.43</u>	<u>271,715.80</u>
Net Ordinary Income	7,691.75	72,400.67
Other Income/Expense		
Other Income		
Interest Income	<u>12.53</u>	<u>105.07</u>
Total Other Income	<u>12.53</u>	<u>105.07</u>
Net Other Income	<u>12.53</u>	<u>105.07</u>
Net Income	<u><u>7,704.28</u></u>	<u><u>72,505.74</u></u>