

**MADISON GREEN
MASTER ASSOCIATION, INC.**

Financial Statements

***For the year ended
December 31, 2018***

HAFER

Certified Public Accountants and Consultants

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Madison Green Master Association, Inc.

We have audited the accompanying financial statements of Madison Green Master Association, Inc. ("the Association"), which comprise the balance sheet as of December 31, 2018, and the related statement of revenues and expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

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

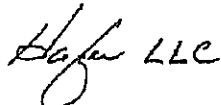
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Madison Green Master Association, Inc. as of December 31, 2018, 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.



Palm Beach, Florida
July 25, 2019

MADISON GREEN MASTER ASSOCIATION, INC.
BALANCE SHEET
December 31, 2018

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Assets			
Cash and cash equivalents	\$ 1,226,579	\$ 695,279	\$ 1,921,858
Certificates of deposit (Note 2)	-	249,118	249,118
Assessments receivable, net (Note 4)	73,531	-	73,531
Prepaid expenses	57,093	-	57,093
Property and equipment, net (Note 2)	8,563	-	8,563
Utility deposits	3,316	-	3,316
Total assets	<u>\$ 1,369,082</u>	<u>\$ 944,397</u>	<u>\$ 2,313,479</u>
Liabilities and fund balances			
Accounts payable and accrued expenses	\$ 38,546	\$ -	\$ 38,546
Prepaid maintenance fees	119,672	-	119,672
Deferred cable income (Note 9)	166,979	-	166,979
Refundable deposits	14,146	-	14,146
Total liabilities	339,343	-	339,343
Fund balances	<u>1,029,739</u>	<u>944,397</u>	<u>1,974,136</u>
Total liabilities and fund balances	<u>\$ 1,369,082</u>	<u>\$ 944,397</u>	<u>\$ 2,313,479</u>

See notes to financial statements.

MADISON GREEN MASTER ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
For the year ended December 31, 2018

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Revenues			
Maintenance assessments	\$ 1,725,100	\$ 84,000	\$ 1,809,100
Cable rebate revenue (Note 9)	28,625	-	28,625
Owner interest, legal and late fees	29,359	-	29,359
Interest income	737	3,507	4,244
Other income	22,966	200	23,166
	<u>1,806,787</u>	<u>87,707</u>	<u>1,894,494</u>
Expenses			
Administration	275,921	-	275,921
Common area expenses	965,453	-	965,453
Grounds maintenance	294,209	-	294,209
Recreation expenses	310,293	-	310,293
Major repairs and replacements	-	73,347	73,347
	<u>1,845,876</u>	<u>73,347</u>	<u>1,919,223</u>
Excess (deficiency) of revenues over expenses	(39,089)	14,360	(24,729)
Fund balances, beginning of year	1,063,478	935,387	1,998,865
Interfund transfers (Note 10)	5,350	(5,350)	-
Fund balances, end of year	<u>\$ 1,029,739</u>	<u>\$ 944,397</u>	<u>\$ 1,974,136</u>

See notes to financial statements.

MADISON GREEN MASTER ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2018

	Operating Fund	Replacement Fund	Total Funds
Cash flows from operating activities			
Excess (deficiency) of revenues over expenses	\$ (39,089)	\$ 14,360	\$ (24,729)
<u>Adjustments to reconcile (deficiency) excess of revenues over expenses to net cash (used) provided by operating activities:</u>			
Provision for bad debts	(33,904)	-	(33,904)
Depreciation expense	5,174	-	5,174
<u>Changes in assets and liabilities:</u>			
Assessments receivable	26,893	-	26,893
Prepaid expenses	720	-	720
Accounts payable and accrued expenses	21,327	-	21,327
Prepaid maintenance fees	14,915	-	14,915
Deferred cable income	(28,625)	-	(28,625)
Refundable deposits	400	-	400
Net cash (used) provided by operating activities	(32,189)	14,360	(17,829)
Cash flows (to) investing activities			
Purchase of property and equipment	(5,350)	-	(5,350)
Reinvestment of earnings on certificates of deposit	-	(3,076)	(3,076)
Net cash (used) by investing activities	(5,350)	(3,076)	(8,426)
Cash flows (to) financing activities			
Interfund transfers	5,350	(5,350)	-
Net (decrease) increase in cash and cash equivalents	(32,189)	5,934	(26,255)
Cash and cash equivalents, beginning of year	1,258,768	689,345	1,948,113
Cash and cash equivalents, end of year	\$ 1,226,579	\$ 695,279	\$ 1,921,858

See notes to financial statements.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: Organization

Madison Green Master Association, Inc. ("the Association") was incorporated under the law of the State of Florida as a not-for-profit corporation on December 30, 1999. The Association is responsible for maintaining and preserving the common property of the Association in accordance with the terms of Florida Statutes §720 and the provisions of the Association's governing documents. The Association consists of 1,145 units located in Royal Palm Beach, Florida.

NOTE 2: Summary of significant accounting policies

Fund accounting

The Association prepares its financial statements on the accrual basis of accounting and presents them using fund accounting, using separate funds for operations and future major repairs and replacements. Disbursements from the operating fund are generally for the day-to-day operations and non-recurring unanticipated expenditures of the Association and are made at the discretion of the Board of Directors. Disbursements from the replacement fund generally are made only for designated purposes.

Interest earned

Interest earned by each fund is allocated to the appropriate fund. Income taxes on the interest earned are paid from the operating fund.

Property and depreciation

The Association capitalizes all real property and certain personal property which it purchases. Common areas owned by the Association are reserved for the use of the owners and/or are required to be maintained as common areas under the Declaration and/or governmental restrictions; therefore, the sale of such common areas for revenue is remote. Accordingly, such common areas are not recorded in the financial records of the Association. Capitalized property and equipment are depreciated over the estimated useful lives of the assets using the straight-line and accelerated methods of depreciation. At December 31, 2018, depreciation expense was \$5,174. A schedule of property, equipment, and accumulated depreciation at December 31, 2018 is as follows:

Gym equipment	\$ 40,876
Golf cart	<u>5,350</u>
	46,226
Less: accumulated depreciation	<u>(37,663)</u>
	<u>\$ 8,563</u>

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. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks including certificates of deposits and money market funds. Cash equivalents include highly liquid securities with a maturity of 90 days or less.

Short-term financial instruments

The carrying amount of the Association's financial instruments, which include cash and cash equivalents, assessments receivable, prepaid expenses, accounts payable and accrued expenses and other assets and liabilities, approximate their fair values due to their short-term maturities.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
December 31, 2018

NOTE 2: Summary of significant accounting policies (continued)

Compensated absences

Employees of the Association are entitled to paid vacations, sick days, and other time off depending on job classification, length of service, and other factors. The Association policy is that employees must use vacation annually or it is no longer available; accordingly, no liability has been recorded in the accompanying financial statements. The Association's policy is to recognize the costs of compensated absences when paid to employees.

Certificates of deposit

Certificates of deposit consist of those certificates with original maturities of more than 90 days. The certificates are carried at cost plus any interest earned and reinvested. The Association, at least annually, assesses for any other-than-temporary impairment, and as of the date of these financial statements, the Association does not believe any impairment exists. The certificates have varying maturity dates and varying interest rates. At December 31, 2018, certificates of deposit totaled \$249,118.

Utility pass-through

In accordance with FASB ASC 605-45, the Association recognizes utility pass-through assessments using principal agent considerations. The Association is primarily involved in the determination of a specific service, it has the discretion in selecting the suppliers of such services, and it bears the credit risk for the amounts billed for the service; accordingly, management has determined that the Association is the principal, and, accordingly, recognizes all utility pass-through activities using gross reporting.

Recently issued accounting guidance, not yet adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, "Leases". The standard will affect all entities that lease assets and will require lessees to recognize a lease liability and a right-of-use asset for all leases (except short-term leases that have a duration of less than one year) as of the date on which the lessor makes the underlying asset available to the lessee. For non-public entities, such as the Association, the new standard is effective for annual periods beginning after December 15, 2019. While the Association expects the adoption of this standard to result in an increase to its reported assets and liabilities, the Association has not yet determined the full impact that the adoption of this standard will have on its financial statements and related disclosures.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers". This new guidance will replace most existing U.S. GAAP guidance on this topic. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU No. 2015-14, which deferred, by one year, the effective date for the revenue reporting standard. Additionally, in March 2016, the FASB issued ASU No. 2016-08, "Revenue from Contracts with Customers, Principal versus Agent Considerations (Reporting Revenue Gross versus Net)" clarifying the implementation guidance on principal versus agent considerations. Specifically, an entity is required to determine whether the nature of a promise is to provide the specified good or service itself (that is, the entity is a principal) or to arrange for the good or service to be provided to the customer by the other party (that is, the entity is an agent). The determination influences the timing and amount of revenue recognition. For non-public entities, such as the Association, these new ASUs are effective for annual periods beginning after December 15, 2018. Effective January 1, 2019, the Association has adopted the new revenue recognition requirements as required; the Association does not believe the effects will have a material effect on its financial statements.

Subsequent events

Subsequent events have been evaluated through July 25, 2019, the date the financial statements were available to be issued in accordance with FASB ASC 855.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
December 31, 2018

NOTE 3: Concentration of credit risk

The Association maintains its cash in bank at various financial institutions whereby are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2018, the Association has uninsured deposits in the amount of \$860,346.

NOTE 4: Owners' assessments and allowance for uncollectible accounts

Monthly assessments to owners are based upon a share of the budgeted operating expenses and future major repairs and replacements. The Association retains excess operating funds at the end of the year for use in future operating periods. Assessments receivable at the balance sheet date represent fees due from owners. Assessments paid in advance are included on the balance sheet as prepaid maintenance fees. The Association's policy is to retain legal counsel and place liens or foreclose on units of members whose assessments are delinquent. The Association's estimate of the allowance for uncollectible accounts is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of reported amounts.

The Association's assessments receivable at December 31, 2018 were as follows:

Assessments receivable	\$ 123,713
Less: allowance for doubtful accounts	<u>(50,182)</u>
	<u>\$ 73,531</u>

NOTE 5: Litigation

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 6: Insurance contingencies

In the event of a loss due to a hurricane the Association would be responsible for a deductible of 3% of the total insured value of the property under the provisions of the hurricane loss insurance contract.

NOTE 7: Other commitments and contingencies

The Association has contracted with various vendors for various services to maintain the common property related to certain administration, common area expenses, grounds maintenance and recreation expenses. These contracts are approved, as necessary, by the Board of Directors and have varying expiration dates and renewal terms.

NOTE 8: Income taxes

The Association makes a yearly election to be taxed either under Internal Revenue Code Section 528 as a condominium association or under regular corporate income tax provisions. For the year ended December 31, 2018, the Association was taxed under Section 528. Under this election, the Association is generally taxed only on non-membership income, such as interest earnings, at applicable rates. Additionally, from time to time, certain temporary differences may arise between financial and taxable income, the overall effects of which are not material to the financial statements taken as whole. As such, the Association has not recorded deferred income taxes at December 31, 2018. The Association's policy on income statement classification of interest and penalties related to income tax obligations is to include such items as part of income tax expense. Generally, the Association's federal income tax returns for 2016 - 2018 remain subject to possible examination by the Internal Revenue Service.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
December 31, 2018

NOTE 9: Deferred cable revenue

On November 9, 2016, the Association entered into a new bulk cable contract with Comcast. The Association engaged Community Cable Consultants, LLC as a consultant to assist in the negotiations with Comcast. As consideration for entering into an eight-year contract, Comcast agreed to pay the Association \$250 per unit, or \$286,250 ("the compensation amount"). As compensation for their services, Community Cable Consultants, LLC was paid 20% of the total compensation amount, or \$57,250, resulting in a net amount to the Association totaling \$229,000. The Association, in accordance with accounting policies generally accepted in the United States of America, is amortizing the revenue over the life of the contract. For the year ended December 31, 2018, the Association has recognized \$28,625 as cable rebate revenue. At December 31, 2018, the remaining balance of \$166,979 is recorded as deferred cable revenue and will be recognized over the remaining life of the contract.

NOTE 10: Future major repairs and replacements

The Association's governing documents and FS §720 require that the Association's annual budget include budgeted assessments for future major repairs and replacements (reserves), unless waived in whole or in part by a vote of the owners in accordance with the governing documents and Florida law. Accumulated funds are held in separate interest-bearing accounts and are generally not available for operating purposes.

Reserve funds are accumulated based on estimated current costs of the components of common property. Actual expenditures 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 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.

During 2017, the Board of Directors contracted with a reserve specialist to conduct an independent study to estimate the useful lives, the remaining useful lives, and replacement costs of the common property components. The schedule included in the required supplementary information on future major repairs and replacements is based upon this study.

For the year ended December 31, 2018, the Association voluntarily funded reserves in the amount of \$84,000. For the year ending December 31, 2019, the Association is voluntarily funding reserves in the amount of \$88,800.

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS. OWNERS MAY ELECT TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO THE PROVISIONS OF FLORIDA STATUTES 720.303(6), UPON APPROVAL OF NOT LESS THAN A MAJORITY OF THE TOTAL VOTING INTEREST IN THE ASSOCIATION.

THE BUDGET OF THE ASSOCIATION PROVIDES FOR THE LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
December 31, 2018

NOTE 10: Future major repairs and replacements (continued)

Components of the replacement fund are as follows:

	Balance 01/01/18	Additions	Interest Income	Expenses	Transfers	Balance 12/31/18
General reserves	\$ 892,538	\$ 84,200 ¹	\$ -	\$ 73,347	\$ (5,350) ²	\$ 898,041
Interest	42,849	-	3,507	-	-	46,356
	<u>\$ 935,387</u>	<u>\$ 84,200</u>	<u>\$ 3,507</u>	<u>\$ 73,347</u>	<u>\$ (5,350)</u>	<u>\$ 944,397</u>

Details of pooled expenses:

Playground equipment	\$ 51,927
Painting	14,970
Computers	2,447
Basketball court	2,349
Pool furniture	1,654
	<u>\$ 73,347</u>

NOTE 11: Related party transactions

During 2018, the Association reimbursed their past and current property managers for various out-of-pocket expenses. For the year ended December 31, 2018, the Board of Directors approved reimbursements totaling approximately \$33,546 to these individuals. At December 31, 2018, the Association is indebted to this related party for \$300.

¹ Additions is comprised of current year budgeted funding of \$84,000 and \$200 of other income.

² During 2018, the Association recorded a transfer in the amount of \$5,350 for a golf cart that was purchased in the replacement fund and capitalized in the operating fund.

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Madison Green Master Association, Inc.

Report on the Financial Statements

We have audited the financial statements of Madison Green Master Association, Inc. ("the Association") as of and for the year ended December 31, 2018, and our report thereon dated July 25, 2019, which expressed an unmodified opinion on those financial statements, appears on Page 1.

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 expenses compared to budget on Pages 11 and 12, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited," 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. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Future Major Repairs and Replacements on Page 13 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.



Palm Beach, Florida
July 25, 2019

MADISON GREEN MASTER ASSOCIATION, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET
For the year ended December 31, 2018

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Administration			
Accounting service	\$ 31,126	\$ 31,500	\$ 374
Bad debt expense	-	36,000	36,000
Bank charges	941	1,000	59
Comcast dispute	1,614	-	(1,614)
Depreciation expense	5,174	-	(5,174)
Insurance expenses	58,232	72,000	13,768
Legal fees	17,082	6,000	(11,082)
Legal fees - collections	7,632	7,000	(632)
Licenses and permit fees	6,131	4,200	(1,931)
Office equipment	7,206	6,000	(1,206)
Office supplies and printing	10,130	10,000	(130)
Postage	1,995	3,400	1,405
Professional fees	9,125	8,000	(1,125)
Salaries	115,108	117,000	1,892
Telephone	4,425	3,900	(525)
	<u>275,921</u>	<u>306,000</u>	<u>30,079</u>
Common area maintenance			
Cable TV	964,202	1,207,487	243,285
Channel 63 and website	1,251	400	(851)
	<u>965,453</u>	<u>1,207,887</u>	<u>242,434</u>
Grounds maintenance			
Fertilizer and pest control	15,282	21,500	6,218
Irrigation repairs and maintenance	38,429	27,000	(11,429)
Lakes and preserves	40,944	41,334	390
Lakes and preserves - extras	812	3,000	2,188
Landscape extras	7,088	12,000	4,912
Lawn and landscape maintenance	138,000	138,000	-
Mulch	12,700	19,000	6,300
Seasonal flowers	17,694	10,000	(7,694)
Trees and palms trimming	23,260	25,000	1,740
	<u>\$ 294,209</u>	<u>\$ 296,834</u>	<u>\$ 2,625</u>

See auditors' report on supplementary information.

MADISON GREEN MASTER ASSOCIATION, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET (CONT'D)
For the year ended December 31, 2018

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Recreation expenses			
Alarm system	\$ 2,779	\$ 3,200	\$ 421
Clubhouse functions	6,265	4,000	(2,265)
Electricity	68,069	66,000	(2,069)
Golf cart and minor equipment	600	500	(100)
Gym maintenance	2,863	2,800	(63)
ID system and doors	2,697	2,000	(697)
Janitorial supplies	4,267	4,000	(267)
Pest control	1,535	1,500	(35)
Pool maintenance	18,683	18,000	(683)
Pool repairs and upgrade	15,536	10,000	(5,536)
Repairs and maintenance	42,044	25,000	(17,044)
Special projects	2,604	92,000	89,396
Tennis and basketball courts	3,044	2,500	(544)
Trash removal	2,901	3,300	399
Uniforms	666	800	134
Wages	127,283	122,000	(5,283)
Water and sewer	8,457	8,000	(457)
	<u>310,293</u>	<u>365,600</u>	<u>55,307</u>
Total budgeted expenses	<u>\$ 1,845,876</u>	<u>\$ 2,176,321</u>	<u>\$ 330,445</u>

See auditors' report on supplementary information.

MADISON GREEN MASTER ASSOCIATION, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)
December 31, 2017

The following schedule is based upon a study conducted by an independent consultant in 2017 to estimate the remaining useful lives and replacement costs of the components of common property. The schedule provides information about components of common property.

<u>Component</u>	<u>Estimated Useful Life (years)</u>	<u>Estimated Remaining Life (years)</u>	<u>Estimated Replacement Cost</u>	<u>Fund Balance 12/31/18</u>	<u>Approved Budgeted Funding 12/31/19</u>
Roofing	12-26	1-25	\$ 214,721	\$ -	\$ -
Painting	8-16	0-12	41,199	-	-
Paving	5-24	2-9	270,606	-	-
Interiors	8-30	0-19	391,078	-	-
Restoration	10-30	0-26	195,456	-	-
Pool area	5-32	0-14	234,474	-	-
Sports courts	8-28	0-11	221,115	-	-
General reserves	-	-	-	898,041	88,800
Interest	-	-	-	46,356	-
			<u>\$ 1,568,649</u>	<u>\$ 944,397</u>	<u>\$ 88,800</u>

See auditors' report on supplementary information.