

**MADISON GREEN MASTER
ASSOCIATION, INC.**

Financial Statements

***For the year ended
December 31, 2020***

HAFER

Certified Public Accountants and Consultants

251 Royal Palm Way; Suite 350

Palm Beach, Florida 33480

T: (561) 655-8700 F: (561) 655-6964

cpa@haferco.com

CONTENTS

Independent Auditor's Report	1
Financial Statements	
Balance Sheet	2
Statement of Revenues and Expenses and Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to Financial Statements	5
Independent Auditor's Report on Supplementary Information	11
Supplementary Information	
Schedule of Operating Expenses Compared to Budget	12
Schedule of Future Major Repairs and Replacements (Unaudited)	14

HAFER

Certified Public Accountants and Consultants

251 ROYAL PALM WAY, SUITE 350

PALM BEACH, FLORIDA 33480

TELEPHONE (561) 655-8700

FACSIMILE (561) 655-6964

WWW.HAFERCPAS.COM

INDEPENDENT AUDITOR'S 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, 2020, 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, 2020, 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 28, 2021

MADISON GREEN MASTER ASSOCIATION, INC.
BALANCE SHEET
December 31, 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Assets			
Cash and cash equivalents	\$ 1,061,311	\$ 716,230	\$ 1,777,541
Certificates of deposit	-	256,905	256,905
Assessments receivable, net (Note 3)	83,840	-	83,840
Prepaid expenses	67,054	-	67,054
Property and equipment, net (Note 4)	3,121	-	3,121
Utility deposits	3,316	-	3,316
Due from (to) funds (Note 9)	5,764	(5,764)	-
Total assets	<u>\$ 1,224,406</u>	<u>\$ 967,371</u>	<u>\$ 2,191,777</u>
Liabilities and fund balances			
Accounts payable and accrued expenses	\$ 37,855	\$ -	\$ 37,855
Prepaid assessments	167,162	-	167,162
Deferred cable revenue (Note 7)	109,729	-	109,729
Refundable deposits	17,448	-	17,448
Contract liabilities (Note 10)	-	906,036	906,036
Total liabilities	332,194	906,036	1,238,230
Fund balances	<u>892,212</u>	<u>61,335</u>	<u>953,547</u>
Total liabilities and fund balances	<u>\$ 1,224,406</u>	<u>\$ 967,371</u>	<u>\$ 2,191,777</u>

The accompanying notes are an integral part of these financial statements.

MADISON GREEN MASTER ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
For the year ended December 31, 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Revenues			
Maintenance assessments	\$ 1,963,000	\$ 153,416	\$ 2,116,416
Cable rebate revenue (Note 7)	28,625	-	28,625
Owner interest, legal and late fees	19,050	-	19,050
Interest income	517	5,060	5,577
Other income	44,435	-	44,435
	<u>2,055,627</u>	<u>158,476</u>	<u>2,214,103</u>
Total revenues			
Expenses			
Administration	238,876	-	238,876
Common area expenses	1,156,551	-	1,156,551
Grounds maintenance	285,879	-	285,879
Recreation expenses	291,654	-	291,654
Major repairs and replacements	-	153,416	153,416
	<u>1,972,960</u>	<u>153,416</u>	<u>2,126,376</u>
Total expenses			
Excess of revenues over expenses	82,667	5,060	87,727
Fund balances, beginning	<u>809,545</u>	<u>56,275</u>	<u>865,820</u>
Fund balances, ending	<u>\$ 892,212</u>	<u>\$ 61,335</u>	<u>\$ 953,547</u>

The accompanying notes are an integral part of these financial statements.

MADISON GREEN MASTER ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Cash flows from operating activities			
Excess of revenues over expenses	\$ 82,667	\$ 5,060	\$ 87,727
<u>Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities:</u>			
Depreciation expense	764	-	764
Provision for bad debt	13,663	-	13,663
<u>Changes in assets and liabilities:</u>			
Assessments receivable	(27,540)	-	(27,540)
Prepaid expenses	(9,475)	-	(9,475)
Accounts payable and accrued expenses	(2,064)	-	(2,064)
Prepaid assessments	28,028	-	28,028
Deferred cable revenue	(28,625)	-	(28,625)
Refundable deposits	4,689	-	4,689
Contract liabilities	-	(55,416)	(55,416)
Net cash provided (used) by operating activities	62,107	(50,356)	11,751
Cash flows (to) investing activities			
Reinvestment of earnings on certificates of deposit	-	(3,346)	(3,346)
Cash flows (to) from financing activities			
Interfund borrowings	(5,764)	5,764	-
Net increase (decrease) in cash and cash equivalents	56,343	(47,938)	8,405
Cash and cash equivalents, beginning	1,004,968	764,168	1,769,136
Cash and cash equivalents, ending	<u>\$ 1,061,311</u>	<u>\$ 716,230</u>	<u>\$ 1,777,541</u>

The accompanying notes are an integral part of these financial statements.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: Organization

MADISON GREEN MASTER ASSOCIATION, Inc. (“the Association”) was incorporated under the laws 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 Chapter 720, Florida Statutes (“FS §720”) and the provisions of its governing documents. The Association consists of 1,145 homes/lots 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.

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.

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, prepaid assessments, and other assets and liabilities, approximate their fair values due to their short-term maturities.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks including money market funds. Cash equivalents include highly liquid securities, including certificates of deposit, with original maturities of 90 days or less.

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.

Owners’ assessments and allowance for uncollectible accounts and credit risk

Quarterly 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 assessments. The Association’s policy is to retain legal counsel and place liens or foreclose on homes of members whose assessments are delinquent. The Association’s estimate of the allowance for uncollectible accounts and credit risk are based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of reported amounts.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2: Summary of significant accounting policies (continued)

Property and equipment

Common property of the Association is accounted for in accordance with ASC 972-360 and prevalent industry practices. 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. The Association capitalizes, at cost, certain personal and real property which it purchases. Capitalized property and equipment are depreciated over the estimated useful lives of the assets using the straight-line and accelerated methods of depreciation.

Revenue recognition

Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the considerations we expect to be entitled to in exchange for those goods or services. The Association derives its revenue from operating assessments, reserve assessments, and other ancillary sources. The Association has applied FASB ASC 606-10-10-4 since all contracts with its customers have similar characteristics and the Association expects that the effects on the financial statements of applying this guidance would not differ materially from applying the guidance to the individual contracts.

The Association has identified the following performance obligations:

- *Operating assessments* – the performance obligation is the maintenance and management of the common area property and is met on a periodic basis throughout the year. Operating assessments revenue is recognized on a periodic basis, as billed, and it is probable it will be collected.
- *Reserve assessments* – the performance obligation is the expenditure of the assessed funds for the intended purpose. Reserve assessments revenue is recognized when the related expenditures are made.
- *Other ancillary revenues* – the performance obligation is delivery of the underlying services. Revenue is recognized as the services are rendered.

In evaluating whether collectability of an amount of consideration is probable, the Association must consider the customer's (owner's) ability and intention to pay that amount of consideration when it is due. In instances where the Association's collection of fees is not probable (delinquent owners, foreclosures, etc.), it cannot recognize revenue.

Contract liabilities

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of the performance obligations.

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.

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. It is impractical to estimate the amount of compensation for future absences and, 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.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2: Summary of significant accounting policies (continued)

Income taxes (Form 1120-H)

The Association makes a yearly election to be taxed either under Internal Revenue Code (“IRC”) §528 as a homeowners' association or under IRC §277 as a regular corporation. For 2020, the Association elected to be taxed under §528. Under this election, the Association is generally taxed only on non-exempt function income, such as interest earnings, at applicable rates. 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 the balance sheet date. 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. The Association’s tax filings are generally subject to examination by taxing authorities for three years after the returns are filed.

Recently issued accounting pronouncements, not yet adopted

In February 2016, the FASB issued 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, 2021. 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.

NOTE 3: Assessments receivable, net

The Association’s assessments receivable was as follows at December 31, 2020:

Assessments receivable	\$ 132,782
Less: allowance for doubtful accounts	(48,942)
	\$ 83,840

NOTE 4: Property and equipment

A schedule of property, equipment, and accumulated depreciation was as follows at December 31, 2020:

Land	\$ 40,876
Machinery and equipment	5,350
	46,226
Less: accumulated depreciation	(43,105)
	\$ 3,121

For the year ended December 31, 2020, depreciation expense was \$764.

NOTE 5: Concentration of credit risk

The Association maintains its cash and cash equivalents at various financial institutions whereby deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2020, the Association had uninsured deposits in the amount of \$759,117.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 6: Commitments and contingencies

Insurance windstorm deductible

In the event of a loss due to a hurricane the Association would be responsible for a deductible of 2% of the total insured value of the property under the provisions of the hurricane loss insurance contract.

Litigation

The Association, from time-to-time, may become 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.

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, 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 7: Deferred cable revenue

On November 9, 2016, the Association entered into a new bulk cable contract with a cable provider. The Association engaged a consultant to assist in the negotiations. As consideration for entering into an eight-year contract, the cable provider agreed to pay the Association \$250 per unit, or \$286,250 ("the compensation amount"). As compensation for their services, the consultant was paid 20% of the total compensation amount, or \$57,250, resulting in a net amount to the Association totaling \$229,000. The Association is amortizing the revenue over the life of the contract. For the year ended December 31, 2020, the Association recognized \$28,625 as cable rebate revenue. At December 31, 2020, the remaining balance of \$109,729 was recorded as deferred cable revenue and will be recognized over the remaining life of the contract.

NOTE 8: 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, 2020, the Association voluntarily funded reserves in the amount of \$98,000. For the year ending December 31, 2021, the Association is voluntarily funding reserves in the amount of \$98,000.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 8: Future major repairs and replacements (continued)

Components of the replacement fund are as follows:

	Contract Liabilities and Fund Balance, January 1, 2020	Additions	Interest Income	Expenses	Transfers	Contract Liabilities and Fund Balance, December 31, 2020
General reserves	\$ 961,452	\$ 98,000	\$ -	\$ 153,416	\$ -	\$ 906,036
Interest	56,275	-	5,060	-	-	61,335
	<u>\$ 1,017,727</u>	<u>\$ 98,000</u>	<u>\$ 5,060</u>	<u>\$ 153,416</u>	<u>\$ -</u>	<u>\$ 967,371</u>

Details of pooled expenses:

Interiors	\$ 37,601
Painting	4,250
Restoration	14,014
Roofing	79,751
Sports courts	17,800
	<u>\$ 153,416</u>

A reconciliation of the table above to the balance sheet replacement fund reporting is as follows:

Contract liabilities	\$ 906,036
Fund balance	61,335
	<u>\$ 967,371</u>

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 SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTEREST OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

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.

NOTE 9: Interfund borrowings

At December 31, 2020, the Association's replacement fund owed its operating fund \$5,764. This interfund borrowing was for investment purposes and was therefore permitted under FS §720.

MADISON GREEN MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 10: Contract liabilities

A schedule of contract liabilities at December 31, 2020 is as follows:

Contract liabilities, beginning	\$ 961,452
Plus: amounts assessed	98,000
Less: amounts recognized as performance obligations have been satisfied	<u>(153,416)</u>
Contract liabilities, ending	<u>\$ 906,036</u>

NOTE 11: Subsequent events

Management has evaluated subsequent events through July 28, 2021, the date the financial statements were available to be issued.

HAFER

Certified Public Accountants and Consultants

251 ROYAL PALM WAY, SUITE 350

PALM BEACH, FLORIDA 33480

TELEPHONE (561) 655-8700

FACSIMILE (561) 655-6964

WWW.HAFERCPAs.COM

INDEPENDENT AUDITOR'S 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, 2020, and our report thereon dated July 28, 2021, 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 12 and 13, 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 14 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 28, 2021

MADISON GREEN MASTER ASSOCIATION, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET
For the year ended December 31, 2020

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Administration			
Accounting service	\$ 31,927	\$ 33,000	\$ 1,073
Bad debt expense	-	21,205	21,205
Bank charges	1,102	1,000	(102)
Depreciation expense	764	-	(764)
Insurance expenses	60,450	70,000	9,550
Legal fees	4,652	9,000	4,348
Legal fees - collections	2,290	10,000	7,710
Licenses and permit fees	4,241	4,000	(241)
Office equipment	6,815	6,000	(815)
Office supplies and printing	12,972	12,000	(972)
Postage	3,377	2,800	(577)
Professional fees	9,671	6,000	(3,671)
Salaries	95,454	122,000	26,546
Telephone	5,161	5,000	(161)
	<u>238,876</u>	<u>302,005</u>	<u>63,129</u>
Common area expenses			
Cable TV	1,155,558	1,188,400	32,842
Channel 63 and website	993	800	(193)
	<u>1,156,551</u>	<u>1,189,200</u>	<u>32,649</u>
Grounds maintenance			
Fertilizer and pest control	22,230	20,000	(2,230)
Holiday lighting	8,438	8,000	(438)
Irrigation repairs and maintenance	35,223	30,000	(5,223)
Lakes and preserves	42,441	41,300	(1,141)
Lakes and preserves - extras	-	2,500	2,500
Landscape extras	9,351	12,000	2,649
Lawn and landscape maintenance	138,000	138,000	-
Mulch	9,000	12,700	3,700
Seasonal flowers	4,696	7,000	2,304
Trees and palms trimming	16,500	27,000	10,500
	<u>\$ 285,879</u>	<u>\$ 298,500</u>	<u>\$ 12,621</u>

See auditor's report on supplementary information.

MADISON GREEN MASTER ASSOCIATION, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET (CONTINUED)
For the year ended December 31, 2020

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Recreation expenses			
Alarm system	\$ 4,684	\$ 2,500	\$ (2,184)
Clubhouse functions	14,656	14,000	(656)
Electricity	55,521	71,000	15,479
Golf cart and minor equipment	259	2,500	2,241
Gym maintenance	2,321	3,200	879
ID system and doors	145	2,000	1,855
Janitorial supplies	6,044	6,000	(44)
Pest control	2,715	3,000	285
Pool maintenance	21,410	21,120	(290)
Pool repairs and upgrades	11,434	12,000	566
Repairs and maintenance	39,695	40,000	305
Special projects	1,500	7,500	6,000
Tennis and basketball courts	3,379	2,000	(1,379)
Trash removal	3,026	3,000	(26)
Uniforms	742	1,000	258
Wages	116,652	130,000	13,348
Water and sewer	7,471	9,000	1,529
	<u>291,654</u>	<u>329,820</u>	<u>38,166</u>
Total budgeted expenses	<u>\$ 1,972,960</u>	<u>\$ 2,119,525</u>	<u>\$ 146,565</u>

See auditor's report on supplementary information.

MADISON GREEN MASTER ASSOCIATION, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)
December 31, 2020

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>Contract Liabilities and Fund Balance December 31, 2020</u>	<u>Approved Budgeted Funding December 31, 2021</u>
Roofing	12-26	0-23	\$ 214,721	\$ -	\$ -
Painting	8-16	0-10	41,199	-	-
Paving	5-24	0-7	270,606	-	-
Interiors	8-30	0-17	391,078	-	-
Restoration	10-30	0-24	195,456	-	-
Pool area	5-32	0-12	234,474	-	-
Sports courts	8-28	0-9	221,115	-	-
General reserves	-	-	-	906,036	98,000
Interest	-	-	-	61,335	-
			<u>\$ 1,568,649</u>	<u>\$ 967,371</u>	<u>\$ 98,000</u>

See auditor's report on supplementary information.