

MASTER HOMEOWNERS ASSOCIATION FOR GREEN VALLEY RANCH

FINANCIAL STATEMENTS

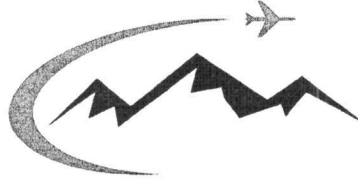
with

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

and

SUPPLEMENTARY INFORMATION

December 31, 2023



Mountain Capital CPA PC
12235 Pecos St STE 100, Westminster CO 80234
720-500-0050

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Members of the:
Master Homeowners Association for Green Valley Ranch

We have reviewed the accompanying financial statements of the Master Homeowners Association for Green Valley Ranch, which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses, changes in fund balance, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Master Homeowners Association for Green Valley Ranch and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Westminster, CO
October 25, 2024

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MASTER HOMEOWNERS ASSOCIATION FOR GREEN VALLEY RANCH

(See Independent Accountant's Review Report)

BALANCE SHEET

December 31, 2023

ASSETS

Current Assets:

Cash	\$ 1,416,116
Accounts receivable, net allowance for doubtful accounts of \$749,297	339,769
Prepaid expenses	<u>9,463</u>
 TOTAL ASSETS	 <u>\$ 1,765,348</u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 21,737
Prepaid assessments	<u>3,650</u>
 TOTAL LIABILITIES	 25,387

Contingencies (Notes 5 and 6) -

Fund Balance 1,739,961

TOTAL LIABILITIES AND
FUND BALANCE \$ 1,765,348

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

MASTER HOMEOWNERS ASSOCIATION FOR GREEN VALLEY RANCH

(See Independent Accountant's Review Report)

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2023

Revenues:	
Covenant violation, fines and fees	\$ 289,341
Property transfer and closing fees	47,200
Miscellaneous	12,614
Interest income	5,593
Lien fees	6,300
Total Revenues	<u>361,048</u>
Expenses:	
Insurance	10,769
Professional fees	67,969
Community events	7,815
Mailboxes	24,885
Miscellaneous	4,771
Green Valley Ranch Metropolitan District (Note 5)	111,000
Total Expenses	<u>227,209</u>
Excess of Revenues Over Expenses	133,839
Fund Balance - January 1, 2023	<u>1,606,122</u>
Fund Balance - December 31, 2023	<u>\$ 1,739,961</u>

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

MASTER HOMEOWNERS ASSOCIATION FOR GREEN VALLEY RANCH

(See Independent Accountant's Review Report)

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2023

Cash flows from operating activities:	
Excess of revenues over expenses	\$ 133,839
Adjustment to reconcile excess of revenues over expenses to net cash provided (used) by operating activities:	
Increase in assessments receivable	(50,136)
Decrease in accounts payable	(6,584)
Increase in prepaid expenses	(2,590)
	<u>(59,310)</u>
Net cash provided by operating activities	74,529
Cash Balance - January 1, 2023	<u>1,341,587</u>
Cash Balance - December 31, 2023	<u>\$ 1,416,116</u>

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

MASTER HOMEOWNERS ASSOCIATION FOR GREEN VALLEY RANCH

NOTES TO FINANCIAL STATEMENTS
(See Independent Accountant's Review Report)

December 31, 2023

(1) Nature of Organization

Master Homeowners Association for Green Valley Ranch (the Association), a not-for-profit corporation organized under the laws of Colorado in 1984, was formed to manage and maintain the common property on behalf of the members of the Association, to enforce the provisions of the master and supplemental declarations, and to adopt rules and regulations covering ownership of property. The Association transferred ownership and the responsibility for maintenance for all of its common areas, including parkways, entrance monuments, grounds improvements, fences, and utility easements, to the GVR metropolitan district in the latter part of 2001. The Association is located in the City and County of Denver, Colorado, and consists of owners of 4,593 homes and lots. During June of 2007, an additional 1.6 million square feet of common property was transferred to the Association from the declarant under the provisions of the Master declaration. Maintenance of this common area was transferred to the GVR Metropolitan District during 2010.

(2) Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 25, 2024, the date that the financial statements were available to be issued.

(3) Summary of Significant Accounting Policies

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purposes.

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Member Assessments

Association members are subject to annual assessments to provide funds for the Association's operating expenses. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent. For the year end December 31, 2023 there were no annual assessments.

MASTER HOMEOWNERS ASSOCIATION FOR GREEN VALLEY RANCH

NOTES TO FINANCIAL STATEMENTS, CONTINUED
(See Independent Accountant's Review Report)

December 31, 2023

(3) Summary of Significant Accounting Policies, Continued

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. Actual results could differ from those estimates.

Depreciation

Capitalized common property is depreciated over its estimated useful life using the straight-line method of depreciation.

Property and Equipment

The Association capitalizes all property and equipment to which it has title or other evidence of ownership with the exception of real property directly associated with the units. At December 31, 2023, property not capitalized consists of swimming pool, tennis courts, clubhouse, sidewalks, signs, fences and greenbelts. According to the Association's governing documents, two-thirds of all unit owners must approve dispositions of any common real property. Property and equipment acquired by the Association are recorded at cost and property contributed to the Association by the developer is recorded at estimated fair value at the date of contribution.

(4) Income Taxes

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528 for the year ended December 31, 2023. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government and at 4.4% by the State of Colorado. The Association had no taxable income for the year ended December 31, 2023.

MASTER HOMEOWNERS ASSOCIATION FOR GREEN VALLEY RANCH

NOTES TO FINANCIAL STATEMENTS, CONTINUED
(See Independent Accountant's Review Report)

December 31, 2023

(5) Green Valley Ranch Metropolitan District

During December of 2010, the Association entered into an agreement with the Green Valley Ranch Metropolitan District (District). The District will provide covenant enforcement and design review services for the Association under the agreement. The District's services will be funded by property tax revenues levied by the District and revenues collected by the Association and transferred to the District as part of this agreement. The amount transferred to the District during 2023 was \$111,000 with the amount budgeted for 2024 of \$ 121,800.