

**HAWAIIAN SHORES COMMUNITY ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED OCTOBER 31, 2017**



**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Hawaiian Shores Community Association  
Pahoa, Hawaii

We have audited the accompanying financial statements of Hawaiian Shores Community Association, which comprise the balance sheet as of October 31, 2017, and the related statements of revenues, expenses, and changes in fund balance, 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.

### ***Auditors' 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 from 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 auditors' 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.

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***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hawaiian Shores Community Association as of October 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Omission of Report on Supplementary Information about Future Repairs and Maintenance***

Management has omitted the schedule of future repairs and maintenance that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by 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. Our opinion on the basic financial statements is not affected by this missing information.



**CliftonLarsonAllen, LLP**

Owatonna, Minnesota  
April 4, 2018

**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
BALANCE SHEET  
OCTOBER 31, 2017**

	<u>Operating Fund</u>	<u>Water Fund</u>	<u>Roads Fund</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 87,940	\$ 420,808	\$ 305,693
Certificates of Deposit	-	27,743	-
Accounts Receivable, Net	138,750	-	-
Prepaid Expenses	5,183	-	-
Total Current Assets	<u>231,873</u>	<u>448,551</u>	<u>305,693</u>
<b>PROPERTY AND EQUIPMENT</b>			
Land	2,645,628	-	-
Buildings, Furniture, and Equipment	3,293,477	-	-
Vehicles	73,002	-	-
Work in Progress	302,160	-	-
Less: Accumulated Depreciation and Amortization	<u>(2,723,495)</u>	-	-
Net Property and Equipment	3,590,772	-	-
<b>CERTIFICATES OF DEPOSIT</b>			
	<u>-</u>	<u>55,029</u>	<u>-</u>
Total Assets	<u><u>\$ 3,822,645</u></u>	<u><u>\$ 503,580</u></u>	<u><u>\$ 305,693</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 5,348	\$ -	\$ -
Prepaid Water and Assessments	19,654	-	-
Accrued Payroll Liabilities	16,821	-	-
Current Portion of Long-Term Debt	<u>38,783</u>	-	-
Total Current Liabilities	80,606	-	-
<b>LONG-TERM DEBT</b>			
	<u>70,636</u>	-	-
Total Liabilities	151,242	-	-
<b>FUND BALANCES</b>			
	<u>3,671,403</u>	<u>503,580</u>	<u>305,693</u>
Total Liabilities and Fund Balances	<u><u>\$ 3,822,645</u></u>	<u><u>\$ 503,580</u></u>	<u><u>\$ 305,693</u></u>

See accompanying Notes to Financial Statements.



<u>Parks and Facilities Fund</u>	<u>Emergency Fund</u>	<u>Total</u>
\$ 261,679	\$ 163,476	\$ 1,239,596
-	19,617	47,360
-	-	138,750
-	-	5,183
<u>261,679</u>	<u>183,093</u>	<u>1,430,889</u>
-	-	2,645,628
-	-	3,293,477
-	-	73,002
-	-	302,160
-	-	(2,723,495)
-	-	3,590,772
-	59,031	114,060
<u>\$ 261,679</u>	<u>\$ 242,124</u>	<u>\$ 5,135,721</u>
\$ -	\$ -	\$ 5,348
-	-	19,654
-	-	16,821
-	-	38,783
-	-	80,606
-	-	70,636
-	-	151,242
<u>261,679</u>	<u>242,124</u>	<u>4,984,479</u>
<u>\$ 261,679</u>	<u>\$ 242,124</u>	<u>\$ 5,135,721</u>

**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES  
YEAR ENDED OCTOBER 31, 2017**

	Operating Fund	Water Fund	Roads Fund
<b>REVENUES</b>			
Annual Assessments	\$ 471,068	\$ -	\$ -
Water Fees	236,497	-	-
Rental Income	21,250	-	-
Transfer Fees	32,100	-	-
Guest Fees	6,464	-	-
Interest and Investment Income	35	2,342	922
Water Hookup Fees	7,000	-	-
Other Revenue	7,300	15,327	5,840
Loss on Disposal of Assets	(2,050)	-	-
Reimbursable Legal Fees	2,369	-	-
Total Revenues	<u>782,033</u>	<u>17,669</u>	<u>6,762</u>
<b>EXPENSES</b>			
Salaries and Wages	293,904	-	-
Board of Directors Expense	1,978	-	-
Depreciation	75,362	-	-
Employee Benefits	38,370	-	-
Insurance	40,290	-	-
Interest Expense	3,918	-	-
Legal Fees	16,082	-	-
Maintenance and Repairs	53,978	-	-
Miscellaneous Expense	32,352	-	65
Office Expenses	15,861	-	-
Payroll Expenses	26,244	-	-
Postage	4,296	-	-
Printing	9,065	-	-
Professional Services	15,242	-	-
Property Taxes	3,260	-	-
Subscriptions and Trainings	1,313	-	-
Utilities	40,324	-	-
Total Expenses	<u>671,839</u>	<u>-</u>	<u>65</u>
<b>EXCESS EXPENSES OVER REVENUES</b>	110,194	17,669	6,697
Transfers Between Funds	(68,537)	44,200	85,000
Fund Balances - Beginning of Year	<u>3,629,746</u>	<u>441,711</u>	<u>213,996</u>
<b>FUND BALANCES - END OF YEAR</b>	<u><u>\$ 3,671,403</u></u>	<u><u>\$ 503,580</u></u>	<u><u>\$ 305,693</u></u>

See accompanying Notes to Financial Statements.

Parks and Facilities Fund	Emergency Fund	Total
\$ -	\$ -	\$ 471,068
-	-	236,497
-	-	21,250
-	-	32,100
-	-	6,464
1,267	1,829	6,395
-	-	7,000
-	-	28,467
-	-	(2,050)
-	-	2,369
1,267	1,829	809,560
-	-	293,904
-	-	1,978
-	-	75,362
-	-	38,370
-	-	40,290
-	-	3,918
-	-	16,082
-	-	53,978
1,910	6,470	40,797
-	-	15,861
-	-	26,244
-	-	4,296
-	-	9,065
-	-	15,242
-	-	3,260
-	-	1,313
-	-	40,324
1,910	6,470	680,284
(643)	(4,641)	129,276
(60,663)	-	-
322,985	246,765	4,855,203
\$ 261,679	\$ 242,124	\$ 4,984,479

**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
STATEMENT OF CASH FLOWS  
YEAR ENDED OCTOBER 31, 2017**

	<u>Operating Fund</u>	<u>Water Fund</u>	<u>Roads Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of Revenues over Expenses			
(Expenses over Revenues)	\$ 110,194	\$ 17,669	\$ 6,697
Adjustments to Reconcile to Net Cash			
Provided by Operating Activities:			
Unrealized (Gain) Loss on Investments	-	(873)	-
Depreciation	75,362	-	-
Loss on Sale of Property and Equipment	2,050	-	-
(Increase) Decrease in:			
Accounts Receivable	(11,312)	-	-
Prepaid Expenses	(1,268)	-	-
Change in Interfund Due to Due From	12,917	(15,327)	(5,840)
Increase (Decrease) in:			
Accounts Payable	3,456	-	-
Prepaid Water and Assessments	(143)	-	-
Accrued Payroll Liabilities	(905)	-	-
Net Cash Provided by Operating Activities	<u>190,351</u>	<u>1,469</u>	<u>857</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from Maturities of Certificates of Deposit	-	-	-
Purchase of Property and Equipment	<u>(114,662)</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	(114,662)	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Transfers Between Funds	(68,537)	44,200	85,000
Proceeds from Long-Term Debt	47,402	-	-
Payments on Long-Term Debt	<u>(71,146)</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>(92,281)</u>	<u>44,200</u>	<u>85,000</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(16,592)	45,669	85,857
Cash and Cash Equivalents - Beginning of Year	<u>104,532</u>	<u>375,139</u>	<u>219,836</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 87,940</u>	<u>\$ 420,808</u>	<u>\$ 305,693</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>			
Cash Paid for Interest	<u>\$ 3,918</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

Parks and Facilities Fund	Emergency Fund	Total
\$ (643)	\$ (4,641)	\$ 129,276
-	(1,177)	(2,050)
-	-	75,362
-	-	2,050
-	-	(11,312)
-	-	(1,268)
1,780	6,470	-
-	-	3,456
-	-	(143)
-	-	(905)
<u>1,137</u>	<u>652</u>	<u>194,466</u>
60,550	-	60,550
-	-	(114,662)
<u>60,550</u>	<u>-</u>	<u>(54,112)</u>
(60,663)	-	-
-	-	47,402
-	-	(71,146)
<u>(60,663)</u>	<u>-</u>	<u>(23,744)</u>
1,024	652	116,610
<u>260,655</u>	<u>162,824</u>	<u>1,122,986</u>
<u>\$ 261,679</u>	<u>\$ 163,476</u>	<u>\$ 1,239,596</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,918</u>

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**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Hawaiian Shores Community Association (the Association) was incorporated as a nonprofit corporation in the state of Hawaii on July 16, 1971. The Association is located in the Hawaiian Shores Subdivision, District of Puna, county of Hawaii, comprising 1,288 lots. Each lot owner is subject to covenants, conditions, and restrictions as set forth in the Declaration of Covenants, Conditions, and Restrictions - Hawaiian Shores Recreational Estates.

The purpose and activities of the Association are to promote the best interests of the property owners in the subdivision and to promote, strive to improve, and manage all common and community facilities within the subdivision.

**Fund Accounting**

The financial statements of the Association are prepared on the accrual basis of accounting, which recognizes revenue when earned, regardless of when received, and expenses when incurred, regardless of when paid.

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 purpose:

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

Water Fund – This fund is to be used exclusively to fund the water system.

Roads Fund – This fund is to be used exclusively to fund road related expenses.

Park and Facilities Fund – This fund is to be used exclusively to fund park-related expenses.

Emergency Fund – This fund is to account for financial resources related to any emergencies or extraordinary situations and major projects that may not have been budgeted or planned.

The Association reports information regarding its financial position and activities according to three classes of fund balance: unrestricted fund balance, temporarily restricted fund balance, and permanently restricted fund balance.

The Association presents temporarily restricted contributions, which are fulfilled in the same time period, within the unrestricted fund balance class. The Association had no fund balances classified as temporarily or permanently restricted funds at October 31, 2017.

**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Liquidity**

Assets are presented in the accompanying balance sheet according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash is defined as demand deposits and certificates of deposit with original maturities of three months or less. The Association maintains bank accounts with balances which, at times, may exceed federally insured limits.

**Member Assessments**

Owners are subject to a yearly assessment of \$350 to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Any assessments not paid within two months of its effective date will bear interest, retroactive from the effective date at the rate of 1% per month, or at such other rate as the board of directors establish. The Association's bylaws allow the Association to also establish special assessments.

The Association has receivables which are subject to significant concentration of credit risk. Homeowner receivables are all due from the Association's members, who reside within a relatively small geographic area. The Association has provisions to assess late fees and lien the real property. If these provisions fail, the Association could incur a loss equal to the receivables.

**Property and Equipment**

Real property acquired is reflected on the Association's financial statements. The Association's policy is to capitalize property and equipment with a useful life greater than one year and for which the Association holds title in its name and has a value greater than \$5,000. Capitalized assets are stated at cost, less depreciation, calculated using the straight-line method over the assets' estimated useful lives.

Buildings, Furniture, and Equipment	3 to 50 Years
Vehicles	10 Years

Depreciation in the amount of \$75,362 was charged to statement of revenues, expenses, and changes in fund balance for the year ended October 31, 2017.

**Investments**

Investments consist of brokered certificates of deposit with readily determinable fair values and are measured at fair value on the balance sheet.



**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2017**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prepaid Water and Assessments**

Water payments and assessments received by the Association in advance and prior to assessment or billing are not recognized as revenue until the corresponding assessment is made. Payments of water fees and assessments in advance are generally not available for use in the current year operations and are not recognized as revenue until earned.

**Income Taxes**

The Association is exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code (IRC), except for amounts representing unrelated business income.

The Association follows the income tax standard for uncertain tax positions. The Association evaluated its tax positions and determined it has no material uncertain tax positions for the year ended October 31, 2017, in accordance with applicable standards.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**Risks and Uncertainties**

The Association is subject to a concentration of risk in the event of financial distress due to the current economic climate of the District of Puna housing market, which may affect the ability of the Association's members and builders to pay assessments. If assessments are unable to be collected, the Association's results of operations, financial position, and cash flows could be adversely affected.

**Subsequent Events**

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 4, 2018, the date the financial statements were available to be issued.

**NOTE 2 ACCOUNTS RECEIVABLE**

The Association's policy is to place liens on the properties whose annual assessments are in arrears. Because of foreclosures against certain property owners which cast doubt on the collectability of certain assessments, management has established an allowance for doubtful accounts of \$100,000 at October 31, 2017, for this uncertainty based on past collection history and the composite of the current balance.

**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2017**

**NOTE 3 FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

*Level 2* – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable such as pricing models, discounted cash flow models, and similar techniques not based on the assumptions that market participants would use in pricing an asset or liability.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Debt securities consisting of certificates of deposit are generally valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality, and type. Debt securities are generally classified within Level 2 of the valuation hierarchy. Certificates of deposit are held to maturity, with various maturity dates through June 30, 2018 and earn various interest rates ranging from 0.35% to 5.00%.

**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2017**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Assets measured on a recurring basis at October 31, 2017, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Brokered Certificates of Deposit	<u>\$ -</u>	<u>\$ 161,420</u>	<u>\$ -</u>	<u>\$ 161,420</u>

**NOTE 4 CERTIFICATES OF DEPOSIT**

Certificates of deposits at October 31, 2017, consist of the following:

<u>Maturity Date</u>	<u>Amount</u>	<u>Rate</u>
2018	\$ 47,360	1.60%
2019	57,994	1.75%
2020	56,066	2.00%
Total	<u>\$ 161,420</u>	

Investment return is summarized as follows:

Interest and Dividends	\$ 4,598
Unrealized Gains	2,050
Total	<u>\$ 6,648</u>

**NOTE 5 WATER SYSTEM**

The Association owns and operates a water system for the subdivision. According to the Association's bylaws, each lot owner must pay a water hook-up fee before starting construction or landscaping. The individual meter system has been completed and billings are based on actual measured usage. The Association also requires a security deposit of \$200 from tenants (renters/lessees). This deposit is refundable to tenants when they move out of the subdivision. Total water deposits held by the Association were \$6,167 at October 31, 2017 and are included in prepaid water and assessments on the balance sheet.

**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2017**

**NOTE 6 LONG-TERM DEBT**

In 2016, the Association secured funding in the form of a loan and grant from the United States Department of Agriculture (USDA) to upgrade the existing water infrastructure. The costs associated with the project are to be billed to the USDA when incurred. The full value of the potential loan is \$1,550,000, of which \$109,419 is outstanding at October 31, 2017. The loan bears interest at 2.5% and calls for monthly payments of \$3,423 through January 21, 2056. The Association has been making accelerated payments since inception of the loan. Once the full value of the loan is drawn, the USDA will issue a grant for \$1,309,200 to finish the project.

Estimated maturities of long-term debt are as follows:

<u>Year Ending October 31,</u>	<u>Amount</u>
2018	\$ 38,783
2019	39,764
2020	<u>30,872</u>
Total	<u>\$ 109,419</u>

**NOTE 7 EMPLOYEE BENEFIT PLANS**

The Association established a Simplified Employee Pension Plan for all eligible employees. In 2017, the Association also established a 401(k) Plan with the same eligibility requirements. Employees are eligible to participate in these plans upon attaining the age of 21 years and having performed services for the Association for at least one year, or two years of part-time service, earning gross wages of \$5,000 or greater in each of the two years. The Association will match the employee's contribution up to 3% of the employee's annual salary. Contributions by the Association were \$6,066 for the year ended October 31, 2017.

**NOTE 8 RENTAL INCOME**

In February 2014, the Association entered into a five-year lease for the use of Association property for the purpose of a cellular transmission tower. The Association received monthly payments of \$1,200 per month plus applicable General Excise taxes until a second carrier was added to the tower increasing the monthly rental income by \$1,700 per month. Additional carriers added will increase rental income by \$500 per carrier. The lease includes a renewal option for up to four five-year periods with a 10% increase with each renewal for a total of 20 years of extensions possible. Total rental income under this lease agreement was \$21,250 for the year ended October 31, 2017.

The Association also entered into a five-year lease allowing an area school access to their property through the Association's property. Annual payments of \$2,000 are recorded as income from this lease agreement.

**HAWAIIAN SHORES COMMUNITY ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2017**

**NOTE 9 LEASE AGREEMENTS**

The Association entered into noncancelable leases for equipment. One of the leases requires quarterly payments of \$201 through December 31, 2017. The other lease requires minimum lease payments of \$250 through August 2018. Future minimum lease payments are as follows: 2018 - \$2,701.

**NOTE 10 COMMITMENTS**

The Association entered into two commitments related to its water project. Total outstanding commitments from these contracts were \$2,419,600 as of October 31, 2017.

**NOTE 11 FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association has no requirement in its governing documents to accumulate funds for future major repairs and replacements. The Association has set aside funds for specific purposes as discussed in Note 1 to the financial statements.

