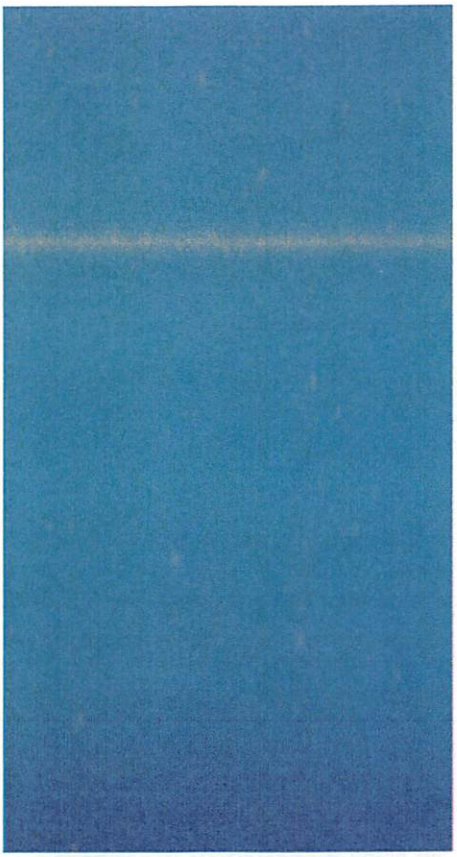
THE M.P.R. HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024
AND FOR THE YEAR THEN ENDED



BUTLER PLC HANSEN

www.ButlerHansen.com

BUTLER PLC HANSEN
CERTIFIED PUBLIC ACCOUNTANTS

1734 E. Boston St., Suite 101 • Gilbert, AZ 85295
TEL: 480-497-1250 • FAX: 480-497-0622
www.ButlerHansen.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The M.P.R. Homeowners Association

Opinion

We have audited the accompanying financial statements of The M.P.R. Homeowners Association (an Arizona Corporation), which comprise the balance sheet as of December 31, 2024, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The M.P.R. Homeowners Association as of December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The M.P.R. Homeowners Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The M.P.R. Homeowners Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 M.P.R. Homeowners Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The M.P.R. Homeowners Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of revenues, expenses and changes in fund balances and the supplementary statement of reserve activity, on pages 15 - 18, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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 any assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information on future major repairs and replacements of common property, on page 14, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who 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.

Butler Hansen, PLC

Gilbert, Arizona
April 2, 2025

THE M.P.R. HOMEOWNERS ASSOCIATION
BALANCE SHEET
DECEMBER 31, 2024

	Operating Fund	Capital Fund	Reserve Replacement Fund	Total
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	$ 537,155	$ -	$ 140,069	$ 677,224
Investments	370,000	-	702,000	1,072,000
Accounts Receivable, Net of Allowance of $28,045	20,629	-	-	20,629
Interest Receivable	7,269	-	11,172	18,441
Prepaid Expenses	45,396	-	-	45,396
Prepaid Income Taxes	1,429	-	-	1,429
TOTAL CURRENT ASSETS	981,878	-	853,241	1,835,119
OTHER ASSETS				
Property and Equipment, Net	-	959,289	-	959,289
Long-Term Investments	-	-	436,000	436,000
Utility Deposits	2,000	-	-	2,000
TOTAL OTHER ASSETS	2,000	959,289	436,000	1,397,289
TOTAL ASSETS	$ 983,878	$ 959,289	$ 1,289,241	$ 3,232,408
LIABILITIES AND FUND BALANCES				
CURRENT LIABILITIES				
Accounts Payable	$ 40,027	$ -	$ 662	$ 40,689
Compensation and Benefit Accruals	200,212	-	-	200,212
Prepaid Owner Assessments	793,824	-	-	793,824
TOTAL CURRENT LIABILITIES	1,034,063	-	662	1,034,725
FUND BALANCES	(50,185)	959,289	1,288,579	2,197,683
TOTAL LIABILITIES AND FUND BALANCES	$ 983,878	$ 959,289	$ 1,289,241	$ 3,232,408

See accompanying notes to the financial statements.

THE M.P.R. HOMEOWNERS ASSOCIATION
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Operating Fund	Capital Fund	Reserve Replacement Fund	Total
REVENUES				
Homeowner Assessments	$ 2,299,572	$ -	$ -	$ 2,299,572
Commercial Assessments	471,240	-	-	471,240
Undeveloped Lot Assessments	1,089	-	-	1,089
Fines and Other Fees	67,353	-	-	67,353
Escrow Fee Income	72,100	-	-	72,100
Investment Income	17,821	-	58,364	76,185
TOTAL REVENUES	2,929,175	-	58,364	2,987,539
EXPENSES				
Administration	875,174	-	-	875,174
Common Areas	1,345,616	-	-	1,345,616
Recreation Centers	214,458	-	-	214,458
General Maintenance	205,442	-	-	205,442
Lakes	8,790	-	-	8,790
Depreciation	-	77,416	-	77,416
Major Repairs and Replacements	-	-	275,752	275,752
TOTAL EXPENSES	2,649,480	77,416	275,752	3,002,648
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	279,695	(77,416)	(217,388)	(15,109)
FUND BALANCES, BEGINNING OF YEAR	(129,880)	1,004,059	1,338,613	2,212,792
TRANSFERS BETWEEN FUNDS				
Allocation to Reserves	(200,000)	-	200,000	-
Capitalized Fixed Asset Transfers	-	32,646	(32,646)	-
TOTAL TRANSFERS BETWEEN FUNDS	(200,000)	32,646	167,354	-
FUND BALANCES, END OF YEAR	$ (50,185)	$ 959,289	$ 1,288,579	$ 2,197,683

See accompanying notes to the financial statements.

THE M.P.R. HOMEOWNERS ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Operating Fund	Capital Fund	Reserve Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Excess (Deficit) of Revenues Over Expenses	$ 279,695	$ (77,416)	$ (217,388)	$ (15,109)
Adjustments to Reconcile Excess (Deficit) of Revenues Over Expenses to Cash Provided (Used) by Operating Activities:				
Depreciation	-	77,416	-	77,416
Bad Debt Expense	2,680	-	-	2,680
(Increase)/Decrease In:				
Accounts Receivable	(10,171)	-	-	(10,171)
Interest Receivable	(762)	-	361	(401)
Prepaid Expenses	(6,132)	-	-	(6,132)
Prepaid Income Taxes	(1,429)	-	-	(1,429)
Increase/(Decrease) In:				
Accounts Payable	5,420	-	(8,083)	(2,663)
Accrued Expenses	(6,218)	-	-	(6,218)
Compensation and Benefit Accruals	50,813	-	-	50,813
Prepaid Owner Assessments	32,443	-	-	32,443
Net Cash Provided (Used) by Operating Activities	346,339	-	(225,110)	121,229
CASH FLOWS FROM INVESTING ACTIVITIES				
Maturities of Investments	280,000	-	598,000	878,000
Purchases of Investments	(370,000)	-	(538,000)	(908,000)
Purchases of Fixed Assets	-	(32,646)	-	(32,646)
Net Cash Provided (Used) by Investing Activities	(90,000)	(32,646)	60,000	(62,646)
CASH FLOWS FROM FINANCING ACTIVITIES				
Allocation to Reserves	(200,000)	-	200,000	-
Capitalized Fixed Asset Transfers	-	32,646	(32,646)	-
Net Cash Provided (Used) by Financing Activities	(200,000)	32,646	167,354	-
NET INCREASE (DECREASE) IN CASH	56,339	-	2,244	58,583
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	480,816	-	137,825	618,641
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 537,155	$ -	$ 140,069	$ 677,224
SUPPLEMENTARY INFORMATION				
Income Taxes Paid	$ 19,516			
Interest Expense	$ -			

See accompanying notes to the financial statements.