

**WELLINGTON AERO CLUB
PROPERTY OWNERS ASSOCIATION, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2018

**WELLINGTON AERO CLUB
PROPERTY OWNERS ASSOCIATION, INC.**

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Rosa M. Cohen
Certified Public Accountant

INDEPENDENT AUDITORS' REPORT

Board of Directors and Unit Owners
Wellington Aero Club Property Owners Association, Inc.

Dear Members:

We were engaged to audit the accompanying financial statements of Wellington Aero Club Property Owners Association, Inc., which comprise the balance sheet as of December 31, 2018, 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.

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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. We were unable to confirm expenses and accounts payable in connection with the taxiway/runway project and fuel inventory.
2. As of the date of the audit report, management was still in the process of correcting accounts receivable, capitalized note interest payable and fixed assets.
3. We were unable to obtain management's representation.
4. We were unable to perform subsequent events.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded assets, accounts receivable and the elements making up the statements of income, changes in fund balance, and cash flows.

Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

We have not applied procedures to determine whether the funds designated for future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of our audit.

As further described in Notes 5 and 9, as of December 31, 2018, there is a due to/from that reflects an amount of \$485,837, by which the replacement fund is underfunded. The Association did not substantiate the use of the above funds.

Report on Supplementary Information

We were engaged to conduct an audit for the purpose of forming an opinion on the financial statements as a whole. The Detailed Statement of Operating Revenues and Expenses Budget Comparison on pages 13 through 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and 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. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion in relation to the financial statements.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has omitted information on future major repairs and replacements 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 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.

Rosa M. Cohen, CPA, LLC
Certified Public Accountant
Fort Lauderdale, Florida

June 7, 2021

Wellington Aero Club
Property Owners Association, Inc.

Balance Sheet

December 31, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 59,121	\$ 69	\$ 59,190
Cash - Fuel Account	11,260		11,260
Accounts Receivable, net	30,825		30,825
Prepaid Expenses	50,960		50,960
Prepaid Insurance	4,112		4,112
Utility Deposits	65		65
Fixed Assets - Runway, net	216,244		216,244
Due To/From	(485,837)	485,837	0
Fixed Assets - Taxiway Improvements, net	2,082,379		2,082,379
TOTAL ASSETS	\$ 1,969,129	\$ 485,906	\$ 2,455,035
LIABILITIES AND FUND BALANCES			
Accounts Payable and Accrued Expenses	\$ 11,302	\$	\$ 11,302
Security Deposits	5,979		5,979
Assessments Collected in Advance	55,478		55,478
Accrued Interest Payable	2,563		2,563
TrueGrid Loan Payable	1,260,021		1,260,021
TOTAL LIABILITIES	1,335,343	0	1,335,343
Fund Balances	633,786	485,906	1,119,692
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,969,129	\$ 485,906	\$ 2,455,035

The accompanying notes are an integral part of this financial statement.

Wellington Aero Club
Property Owners Association, Inc.

Statement of Revenues, Expenses and Changes in Fund Balances

For the Year Ended December 31, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Maintenance Assessments	\$ 501,318	\$ 65,402	\$ 566,720
Fuel Income	282,384		282,384
Interest Income		19	19
TOTAL REVENUES	783,702	65,421	849,123
EXPENSES			
(See Supplementary Information)			
Administrative and General	155,926		155,926
Utilities	10,633		10,633
Depreciation Expense	157,421		157,421
Contract Services	127,204		127,204
Repairs and Maintenance	327,015		327,015
TOTAL EXPENSES	778,199	0	778,199
EXCESS REVENUES (EXPENSES)	5,503	65,421	70,924
FUND BALANCE - BEGINNING	628,283	420,485	1,048,768
FUND BALANCE - ENDING	\$ 633,786	\$ 485,906	\$ 1,119,692

The accompanying notes are an integral part of this financial statement.

Wellington Aero Club
Property Owners Association, Inc.

Statement of Cash Flows

December 31, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
EXCESS REVENUES (EXPENSES)	\$ 5,503	\$ 65,421	\$ 70,924
Adjustment for Depreciation	157,421		157,421
ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
DECREASE (INCREASE) IN ASSETS:			
Accounts Receivable, net	(4,750)		(4,750)
Prepaid Expenses	(33,678)		(33,678)
Prepaid Insurance	(4,112)		(4,112)
Fixed Assets - Taxiway Improvements	(386,035)		(386,035)
Due To/From	81,877	(81,877)	0
INCREASE (DECREASE) IN LIABILITIES:			
Accounts Payable and Accrued Expenses	(11,717)		(11,717)
Maintenance Assessments Received in Advance	(8,208)		(8,208)
Accrued Interest Payable	(392)		(392)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(204,091)	(16,456)	(220,547)
CASH FLOWS FROM INVESTING ACTIVITIES			
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	0	0	0
CASH FLOWS FROM FINANCING ACTIVITIES			
TrueGrid Loan Payable	190,786		190,786
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	190,786	0	190,786
NET INCREASE (DECREASE) IN CASH CASH AND CASH EQUIVALENTS	(13,305)	(16,456)	(29,761)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	83,686	16,525	100,211
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 70,381	\$ 69	\$ 70,450

During 2018, the Association incurred interest expense of approximately \$58,961.

The accompanying notes are an integral part of this financial statement.

WELLINGTON AERO CLUB PROPERTY OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. ORGANIZATION

Wellington Aero Club Property Owners Association, Inc. is a not-for-profit; non-Stock Corporation organized pursuant to Chapter 720 of the Florida Statutes. The Association was organized on October 22, 1979 to maintain and protect the common areas owned by the individual unit owners in common and its 255 units located in Wellington, Florida.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned and expenses are recorded in the period in which they are incurred. Revenues received in advance are deferred until the applicable period.

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 purpose:

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

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. For presentation purposes, the Association consolidates checking and money market accounts.

WELLINGTON AERO CLUB PROPERTY OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
Continued

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capitalization, Depreciation and Amortization

Real property and common area property acquired from the developer and related improvements to such property are not recorded in the Association's financial statements, although they are owned by the Association. The Board of Directors cannot dispose of the property and the property does not generate any significant cash flow. Capital Expenditures are charged to the designated funds.

The runway and the TrueGrid taxiway improvements projects, which have useful lives of more than one year, are capitalized on the Association's financial statements. Capitalized assets are depreciated over their estimated useful lives using the straight-line method of depreciation. Other common personal property purchased with Association's funds are not capitalized in accordance with FASB 970-360-25.

The Association has capitalized the runway and the TrueGrid/taxiway improvements project:

	<u>Useful Lives</u>	<u>Cost</u>
Runway	10 Years	<u>\$ 752,247</u>
TrueGrid/Taxiway Improvements	15 Years	<u>2,082,379</u>
Less: Accumulated Depreciation		<u>(536,003)</u>
Fixed Assets - Net		<u><u>\$2,298,623</u></u>

Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 7, 2021, the date the financial statements were available to be issued.

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2018; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2018.

WELLINGTON AERO CLUB PROPERTY OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
Continued

December 31, 2018

3. MAINTENANCE ASSESSMENTS / ASSESSMENTS RECEIVABLE

The Association Declaration provides that each owner is chargeable for their proportionate share of common expenses based upon the budget adopted. The Association has lien rights in the event of delinquent assessments, which can be exercised through foreclosure proceedings. Maintenance assessments are payable monthly, at which time such revenue is recognized. Special assessments may be imposed from time to time as deemed appropriate by the Board of Directors. The Association recognizes late fees on delinquent assessments as provided for in the Association's governing documents.

Assessments receivable are recorded at the original billing amount plus applicable late fees. The Association will retain legal counsel and place a lien on the property of any unit owner whose assessments are past due. If applicable, management determines the allowance for bad debts by identifying troubled accounts through periodic review of the assessments receivable aging schedule. Assessments receivable are written off when deemed uncollectible. Recoveries of assessments receivable previously written off are recorded when received. As of December 31, 2018, assessments receivable amounted to \$30,825.

4. INCOME TAXES

The Association is subject to federal taxation and has essentially two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments (Section 277 of the Internal Revenue Code). The other method enables the Association to elect to exclude from taxation "exempt function income," (Section 528 of the Internal Revenue Code), which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different rates.

The Association has filed its 2018 federal income tax return on Form 1120-H under Section 528 of the Internal Revenue Code.

There is no current year provision for income taxes.

The Association has evaluated its tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC").

The Association has no income tax returns under examination by the Internal Revenue Service. The Association believes it is no longer subject to income tax examinations for years prior to 2015.

WELLINGTON AERO CLUB PROPERTY OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
Continued

December 31, 2018

5. REPLACEMENT FUND

The current 2018 fiscal year approved budget includes provisions for reserves for capital improvements and deferred maintenance. The funds are being accumulated based on estimates of future needs for repairs and replacements of common property components. Information about the estimates of future costs of major repairs and replacements, as required by the Financial Accounting Standards Board, has not been presented. The Association has not conducted an independent study to estimate the remaining useful lives and the replacement costs of the components of common property. Actual expenditures may vary from the estimated future expenditures, 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 has the right to increase regular assessments, pass special assessments, seek short-term financing or delay major repairs and replacements until funds are available (see Note 10).

The balance at December 31, 2018, consists of the following:

<u>COMPONENTS</u>	<u>BALANCE</u> <u>12/31/2017</u>	<u>INTEREST/</u> <u>ASSESSMENTS</u>	<u>EXPENDITURES</u>	<u>BALANCE</u> <u>12/31/2018</u>
General	\$420,485	\$65,402	\$0	\$485,887
TOTAL	\$420,485	\$65,402	\$0	\$485,887

THE BUDGET OF THE ASSOCIATION PROVIDES FOR 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.

During the current 2018 fiscal year, reserve contributions of \$65,402 were allocated.

The Association does not allocate interest earned on the replacements fund to specific replacement components as earned but does so periodically depending on projected requirements.

The Due To/From reflects an amount of \$485,837, by which the replacement funds are underfunded. The Association could increase assessments, pass a special assessment or delay expenditures, if possible, in order to rectify this situation.

WELLINGTON AERO CLUB PROPERTY OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
Continued

December 31, 2018

6. PILOT HOUSE/ ELECTRONIC FUEL KEY SECURITY DEPOSITS

As of December 31, 2018, security deposits amounted to \$5,979, which is the same amount as reported the prior fiscal year. The Association no longer collects fuel key security deposits from owners.

7. TRUEGRID/ TAXIWAY IMPROVEMENTS NOTE PAYABLE TRUEGRID/ TAXIWAY IMPROVEMENTS PROJECT NON-REVOLVING LINE OF CREDIT/ PROMISSORY NOTE

The Association (“the Borrower”) financed the above project with a \$1,500,000 Promissory Note dated May 16, 2017 to the order of TD Bank, N.A. (“Lender”). Interest only on the principal balance outstanding is due and payable monthly, commencing June 8, 2017, from that date and every month thereafter for a total of eleven (11) months for the purpose of permitting Borrower to complete the Improvements (the “Draw Period”), accrued and unpaid interest shall be due and payable in arrears on the principal balance of this Note from time to time outstanding at the Base Rate plus Two and Seventy Five Hundredths Percent (2.75%). Thereafter, commencing on June 8, 2018, the expiration of the Non-Revolving Credit Maturity Date, principal and accrued and unpaid interest shall be due and payable in equal monthly installments, to allow for one hundred eight (108) equal payments, based on a fixed rate of interest equal to Four and Five Tenths Percent (4.5%) amortized over the term of the Term Loan and shall continue on the same day each month thereafter until the Term Loan Maturity Date, May 8, 2027 or sooner, following a default of the Maker under the Agreement or under this Note. As of December 31, 2018, the Association has drawn approximately \$1,341,029.

The loan is collateralized by the Borrower’s personal property and assessments, as granted to Borrower pursuant to that certain Declaration of Covenants and Restrictions for Wellington Aero Club of the Landings at Wellington, P.U.D. The principal payments for each year through maturity are as follows:

YEAR	PRINCIPAL PAYMENT
2019	\$ 141,999
2020	148,522
2021	155,345
2022	162,482
2023	169,946
2024	177,753
2025	185,919
THERAFTER	118,055
TOTAL	\$1,260,021

The balance of the line of credit as of December 31, 2018 is \$1,260,021. During the current year, the Association incurred principal and interest payments of approximately \$81,008 and \$58,961, respectively.

WELLINGTON AERO CLUB PROPERTY OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Continued

December 31, 2018

8. COMMITMENTS

The Association has various monthly and yearly contract services to maintain the common property including accounting and management services, pest control, internet services and landscaping maintenance. These contracts have different expiration dates and renewal terms and are cancellable with or without cause upon receipt of 30-60 day written notice.

9. CONTINGENCIES

1. Insurance Deductible

The current property insurance policy is adequate and contains a deductible for windstorm damage equivalent to 3% of the common element insured value, with a minimum of \$25,000, per occurrence. The Association has not set funds aside to cover the deductible. Should the Association incur an uninsured loss, the Association has the right to increase maintenance fees, pass a special assessment, seek short-term borrowing or delay repairs until funds are available.

2. Litigations

The Association is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business. There are no other claims or complaints, of which the Association is currently aware that will materially affect its business, financial position, or future operating results, with the exception to increase in legal costs which may or may not be covered by the Association's director and officer's insurance. Therefore, no assurance can be given with respect to the ultimate outcome of any such claims or with respect to the occurrence of any future claims.

3. Replacement Fund

The Due To/From reflects an amount of \$485,837, by which the replacement funds are underfunded. The Association could increase assessments, pass a special assessment or delay expenditures, if possible, in order to rectify this situation.

The Association has not conducted an independent study to estimate the remaining useful lives and the replacement costs of the components of common property. Actual expenditures may vary from the estimated future expenditures, 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 has the right to increase regular assessments, pass special assessments, seek short-term financing, or delay major repairs and replacements until funds are available.

WELLINGTON AERO CLUB PROPERTY OWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
Continued

December 31, 2018

10. SUBSEQUENT EVENTS

1. Uncertainties – COVID-19 Global Pandemic

As of June 7, 2021, the date the financial statements were available to be issued. As of that date, the following subsequent event is reported: In March 2020, the World Health Organization declared the outbreak of COVID-19 a global pandemic. The responses by federal, state, and local governments have included stay-at-home orders, school closures, and restrictions on public gatherings, travel, and non-essential businesses and services that have adversely affected workforces, economies, and financial markets resulting in significant economic downturn and volatility in investment markets. The heightened market risk and volatility associated with COVID-19 could materially affect owners' account balances and the amounts reported in accompanying financial statements. However, because of the many uncertainties, the ultimate impact cannot be reasonably estimated.

2. Legal

CASE NO. 2021-CA-000994-XXXX-MB(AK), Herring vs. Wellington Aero Club Property Owners Association, Inc., et. al. (Breach of Fiduciary Duty/Slander)

The Association is the Defendant in connection with the above case. The Association has filed a Counterclaim against the Plaintiff seeking recovery of unpaid assessments. The amount of monetary or other damages sought by the Plaintiffs is unknown. The case is being litigated by the Association's insurance carrier and is currently set for trial on January 9, 2023.

SUPPLEMENTARY INFORMATION

**WELLINGTON AERO CLUB
PROPERTY OWNERS ASSOCIATION, INC.**

SUPPLEMENTARY INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
BUDGET COMPARISON**

Year Ended December 31, 2018

	<u>FINANCIAL STATEMENTS</u>	<u>BUDGET (Unaudited)</u>	Favorable (Unfavorable) VARIANCE
<u>REVENUES:</u>			
Maintenance Assessments	\$501,318	\$501,329	(\$11)
Fuel Income	282,384	0	282,384
Total Revenues	783,702	501,329	282,373
<u>EXPENSES:</u>			
<u>GENERAL AND ADMINISTRATIVE</u>			
Accounting	23,500	23,500	0
Professional/Architectural Fees	37,596	7,500	(30,096)
Bad Debt Expense	0	4,688	4,688
Bank Charges	360	200	(160)
Licenses and Permits	160	0	(160)
Legal Fees	19,816	2,000	(17,816)
Loan Interest Expense	58,600	190,402	131,802
Social Events	0	4,669	4,669
Website Maintenance	852	1,100	248
Office Supplies	2,143	2,000	(143)
Property Insurance	12,899	22,000	9,101
TOTAL GENERAL AND ADMINISTRATIVE	155,926	258,059	102,133
<u>UTILITIES</u>			
Electricity	6,639	5,000	(1,639)
Water and Sewer	558	850	292
Trash	0	500	500
Telephone	681	1,800	1,119
Internet Services	2,755	1,500	(1,255)
TOTAL UTILITIES	10,633	9,650	(983)
<u>DEPRECIATION</u>			
Depreciation Expense	157,421	121,128	(36,293)
TOTAL DEPRECIATION	157,421	121,128	(36,293)

See independent auditors' report.

**WELLINGTON AERO CLUB
PROPERTY OWNERS ASSOCIATION, INC.**

SUPPLEMENTARY INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
BUDGET COMPARISON**

Year Ended December 31, 2018

	<u>FINANCIAL STATEMENTS</u>	<u>BUDGET (Unaudited)</u>	Favorable (Unfavorable) VARIANCE
<u>EXPENSES, Continued:</u>			
<u>CONTRACT SERVICES</u>			
Landscape Maintenance	94,994	55,000	(39,994)
Management Services	31,500	31,500	0
Pest Control	710	600	(110)
TOTAL CONTRACT SERVICES	<u>127,204</u>	<u>87,100</u>	<u>(40,104)</u>
<u>REPAIRS AND MAINTENANCE</u>			
Fuel Expense	282,384	0	(282,384)
Pilot House - Landscaping	0	2,000	2,000
Irrigation - Pilot House	0	500	500
Repairs and Maintenance	44,631	22,892	(21,739)
TOTAL CONTRACT SERVICES	<u>327,015</u>	<u>25,392</u>	<u>(301,623)</u>
Total Expenses	<u>778,199</u>	<u>501,329</u>	<u>(276,870)</u>
Excess Revenues (Expenses)	<u>\$5,503</u>	<u>\$0</u>	<u>\$5,503</u>

See independent auditors' report.



Rosa M. Cohen
Certified Public Accountant

Wellington Aero Club Property Owners Association, Inc.

PROPOSED ADJUSTING JOURNAL ENTRIES

AND

TRIAL BALANCE

**WELLINGTON AERO CLUB
PROPERTY OWNERS ASSOCIATION, INC.**

**PROPOSED ADJUSTING JOURNAL ENTRIES
December 31, 2018**

	GL ACCOUNT NUMBER	DEBIT	CREDIT
1			
Prepaid Expenses		\$ 6,665.24	
Property Accounting			\$ 3,916.66
Management Fees			2,625.00
Website			70.00
Utilities			53.58
To adjust 12-month accruals per budget.			
2			
Interest Income (Operating)		18.84	
Maintenance Income (Operating)		65,402.00	
Interest Income (Reserves)			18.84
Maintenance Income (Reserves)			65,402.00
To reclass and adjust.			
3			
Prior Period Adjustment		5,620.25	
Fund Balance (Operating)			5,620.25
To adjust.			
		\$ 77,706.33	\$ 77,706.33

Wellington Aero Club Property Owners Association, Inc.
TRIAL BALANCE
December 31, 2018

ACCOUNT DESCRIPTION	G/L ACCOUNT NUMBER	UNADJUSTED BALANCES		ADJUSTMENTS		ADJUSTED BALANCES	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
<u>BALANCE SHEET</u>							
<u>ASSETS</u>							
TD Bank 9533		60,801.19		-	-	60,801.19	
TD Bank Fuel Account 0522		11,259.78		-	-	11,259.78	
TD Bank Reserve 1207		68.89		-	-	68.89	
Accounts Receivables		30,825.00		-	-	30,825.00	
Fuel		44,294.13		-	-	44,294.13	
Other Prepaid Expenses		0.00		6,665.24	-	6,665.24	
Insurance		4,111.76		-	-	4,111.76	
Undeposited Funds			1,680.00	-	-		1,680.00
Utility Deposit		65.00		-	-	65.00	
Accumulated Depreciation			536,003.49	-	-		536,003.49
Fixed Assets - Runway		752,247.33		-	-	752,247.33	
True Grid Taxiway Improvements		2,082,378.95		-	-	2,082,378.95	
<u>LIABILITIES AND FUND BALANCE</u>							
Accrued Expenses			14,268.23	-	-		14,268.23
Electronic fuel key deposit			2,859.00	-	-		2,859.00
Notice Fee Payable			2,654.48	-	-		2,654.48
Pilot House Key Deposit			3,120.00	-	-		3,120.00
Prepaid Assessments			55,477.57	-	-		55,477.57
Accrued Interest Payable			2,563.05	-	-		2,563.05
TrueGrid Loan Payable- Other			1,260,020.94	-	-		1,260,020.94
Reserves			420,485.00	-	65,420.82		485,905.82
Prior Period Adjustment		0.00		5,620.25	-	5,620.25	
RETAINED EARNINGS			622,662.75	-	5,620.25		628,283.00
CURRENT YEAR NET INCOME / (LOSS)	-----		64,257.52				5,502.94

Wellington Aero Club Property Owners Association, Inc.
TRIAL BALANCE
December 31, 2018

ACCOUNT DESCRIPTION	G/L ACCOUNT NUMBER	UNADJUSTED BALANCES		ADJUSTMENTS		ADJUSTED BALANCES	
		DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
<u>INCOME STATEMENT</u>							
<u>REVENUES</u>							
Fuel Income			282,383.80	-	-		282,383.80
HOA Fees			566,720.00	65,402.00	-		501,318.00
Interest Income			18.82	18.82	-		0.00
<u>EXPENSES</u>							
Bank Service Charge		360.00		-	-	360.00	
Business Licenses/Permits		159.80		-	-	159.80	
Depreciation Expense		157,421.16		-	-	157,421.16	
Fuel Expense		282,383.80		-	-	282,383.80	
Insurance Expense		12,899.26		-	-	12,899.26	
Interest and Other Loan Expenses		58,600.59		-	-	58,600.59	
Landscaping and Groundskeeping		94,994.48		-	-	94,994.48	
Legal Fees		19,816.50		-	-	19,816.50	
Website		922.00		-	70.00	852.00	
Office Supplies		2,143.00		-	-	2,143.00	
Pest Control		710.00		-	-	710.00	
Professional Fees		37,595.64		-	-	37,595.64	
Property Accounting		27,416.62		-	3,916.66	23,499.96	
Property Management Fees		34,125.00		-	2,625.00	31,500.00	
Repairs and Maintenance		43,686.76		-	-	43,686.76	
Runway Repairs		943.80		-	-	943.80	
Telephone Expense		680.84		-	-	680.84	
Utilities		10,005.85		-	53.58	9,952.27	
				-	-		
		3,770,917.13	3,770,917.13	77,706.31	77,706.31	3,776,537.38	3,776,537.38
		0.00		0.00		0.00	
ENDING ADJUSTED OPERATING FUND :						633,785.94	