



October 10, 2017

Dear Greystone Collection Homeowners Association:

Enclosed is a copy of the review prepared by Allyn Moskowitz, for the fiscal year ending June 30, 2017. It is a requirement of your CC&R's and the California Civil Code that the review be sent to each homeowner annually.

Please retain this document with the other permanent records for your home.

Sincerely,

Board of Directors  
Greystone Collection Homeowners Association



CERTIFIED PUBLIC ACCOUNTANTS  
19510 Ventura Blvd., Suite 209  
Tarzana, CA 91356  
(818) 708-9050 Fax (818) 708-9095

**THE GREYSTONE COLLECTION CAMARILLO  
HOMEOWNERS' ASSOCIATION**

**FINANCIAL STATEMENTS**

**AND**

**SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**

**THE GREYSTONE COLLECTION CAMARILLO  
HOMEOWNERS' ASSOCIATION**

**FINANCIAL STATEMENTS**

**AND**

**SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017**

**THE GREYSTONE COLLECTION CAMARILLO  
HOMEOWNERS' ASSOCIATION**

**TABLE OF CONTENTS**

Independent Auditor's Report .....	1-1a
Balance Sheet as of June 30, 2017 .....	2
Statement of Revenues, Expenses and Changes in Fund Balances for the Year Ended June 30, 2017 .....	3
Statement of Cash Flows for the Year Ended June 30, 2017 .....	4
Notes to the Financial Statements .....	5-7
Supplementary Schedule of Operating Fund Expenses for the Year Ended June 30, 2017 .....	8
Supplementary Schedule of Replacement Fund Expenses for the Year Ended June 30, 2017 .....	9
Supplementary Information on Replacement Fund Balances for the Year Ended June 30, 2017 .....	10



CERTIFIED PUBLIC ACCOUNTANTS  
19510 Ventura Blvd., Suite 209  
Tarzana, CA 91356  
(818) 708-9050 Fax (818) 708-9095

## **INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors and Members of the  
The Greystone Collection Camarillo Homeowners' Association

We have audited the accompanying financial statements of the The Greystone Collection Camarillo Homeowners' Association, which comprise the balance sheet as of June 30, 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.

### **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 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 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 The Greystone Collection Camarillo Homeowners' Association as of June 30, 2017, 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.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 8 and 9 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. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacement of common properties on Page 10 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, 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.

*Moskowitz and Company, Inc.*

Certified Public Accountants

Tarzana, CA  
September 20, 2017

**THE GREYSTONE COLLECTION CAMARILLO  
HOMEOWNERS' ASSOCIATION**

**BALANCE SHEET**

**JUNE 30, 2017**

<b><u>ASSETS</u></b>	<b>OPERATING FUND</b>	<b>REPLACEMENT FUND</b>	<b>TOTAL</b>
Cash	\$ 123,160	\$ 456,168	\$ 579,328
Assessments Receivable, Net of Allowance For Doubtful Accounts of \$3,065	1,638	-	1,638
Prepaid Insurance	2,418	-	2,418
Prepaid Income Taxes	2,183	-	2,183
Prepaid Expenses	-	-	-
Refundable Deposits	100	-	100
Due From Replacement Fund	19,861	-	19,861
<b>TOTAL ASSETS</b>	<b>\$ 149,360</b>	<b>\$ 456,168</b>	<b>\$ 605,528</b>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 10,454	\$ -	\$ 10,454
Prepaid Assessments	6,100	-	6,100
Income Taxes Payable (Note 4)	10	-	10
Due To Operating Fund	-	19,861	19,861
<b>TOTAL LIABILITIES</b>	<b>16,564</b>	<b>19,861</b>	<b>36,425</b>
 Fund Balances	 132,796	 436,307	 569,103
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 149,360</b>	<b>\$ 456,168</b>	<b>\$ 605,528</b>

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

**THE GREYSTONE COLLECTION CAMARILLO  
HOMEOWNERS' ASSOCIATION**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**

**JUNE 30, 2017**

<b><u>REVENUES</u></b>	<b>OPERATING FUND</b>	<b>REPLACEMENT FUND</b>	<b>TOTAL</b>
Regular Assessments	\$ 117,408	\$ 60,000	\$ 177,408
RV Lot Income	4,400	-	4,400
Interest Income	-	1,301	1,301
Late Fees	342	-	342
Key Fees	150	-	150
Bad Debt Recovery	1,210	-	1,210
Insurance Refund	670	-	670
Miscellaneous Income	749	-	749
<b>TOTAL REVENUES</b>	<b>124,929</b>	<b>61,301</b>	<b>186,230</b>
<b><u>EXPENSES</u></b>			
Maintenance	64,985	-	64,985
Utilities	20,022	-	20,022
General & Administrative	36,276	-	36,276
Reserve Expenditures	-	34,707	34,707
<b>TOTAL EXPENSES</b>	<b>121,283</b>	<b>34,707</b>	<b>155,990</b>
Excess (Deficiency) of Revenues Over Expenses	3,646	26,594	30,240
Beginning Fund Balances	129,251	409,713	538,964
Prior Period Adjustment (Note 6)	(101)	-	(101)
<b>ENDING FUND BALANCES</b>	<b>\$ 132,796</b>	<b>\$ 436,307</b>	<b>\$ 569,103</b>

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



**THE GREYSTONE COLLECTION CAMARILLO  
HOMEOWNERS' ASSOCIATION**

**STATEMENT OF CASH FLOWS**

**JUNE 30, 2017**

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Excess (Deficiency) of Revenue Over Expenses	\$ 3,646	\$ 26,594	\$ 30,240
(Increase) Decrease in Assets:			
Assessments Receivable	(556)	-	(556)
Prepaid Insurance	456	-	456
Prepaid Income Taxes	-	-	-
Prepaid Expenses	256	-	256
Due From Replacement Fund	-	-	-
Increase (Decrease) in Liabilities:			
Accounts Payable	6,623	-	6,623
Prepaid Assessments	(511)	-	(511)
Income Taxes Payable	-	-	-
Due To Operating Fund	-	-	-
Total Adjustments	6,268	-	6,268
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	9,914	26,594	36,508
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	-
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>			
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,914	26,594	36,508
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	113,246	429,574	542,820
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 123,160	\$ 456,168	\$ 579,328
<b><u>SUPPLEMENTAL DISCLOSURE:</u></b>			
Income Taxes Paid	\$ 10		

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

**THE GREYSTONE COLLECTION CAMARILLO HOMEOWNERS' ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

**Organization:**

The Greystone Collection Camarillo Homeowners' Association, a California mutual benefit corporation, is organized and operated to provide for the management, maintenance and care of association property and common areas. In addition to such duties, the association maintains architectural control, enforces its protective restrictions, and promotes the general welfare of the community comprising the association. The association consists of 176 residential units and is located in Camarillo, California. The association began its operations in July 1996.

**Date of Management's Review:**

In preparing the financial statements, the association has evaluated events and transactions for potential recognition or disclosure through September 20, 2017, the date that the financial statements were available to be issued.

**Accounting Method:**

The association maintains its books on the accrual basis of accounting. Revenues are recorded when billed, and expenses are recorded when incurred.

**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 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.

# THE GREYSTONE COLLECTION CAMARILLO HOMEOWNERS' ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

### Capitalization Policy and Depreciation:

Equipment purchased with association funds is capitalized at cost and depreciated over its useful life using the straight-line method of depreciation. Real and personal property acquired by the original homeowners from the developer and replacements and improvements are not capitalized on the association financial statements because they are owned by the individual owners in common and not by the association.

### NOTE 2 – OWNERS' ASSESSMENTS AND ASSESSMENTS RECEIVABLE

The annual budget and owners' assessments are determined and approved by the Board of Directors. The association retains excess operating funds at the end of the fiscal year, if any, for use in the following fiscal year. Net assessments receivable at June 30, 2017 are \$1,638.

The association has several means of enforcing collection of delinquent assessments receivable including the filing of liens, foreclosure proceedings and attachment of homeowner assets or earnings.

The association uses the allowance method to record bad debts. The association takes into consideration its past experience in similar circumstances and makes an evaluation of the likelihood of collection from the delinquent owner accounts. The association then records an annual reserve for those delinquent accounts that may subsequently be deemed uncollectible.

### NOTE 3 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$456,168 at June 30, 2017, are held in separate accounts and are generally not available for operating purposes. It is the policy of this association to allocate all interest earned on these funds to the appropriate fund.

The association engaged an independent consultant who conducted a study in March 2016 to estimate the remaining useful lives and the replacement costs of the common property components. The association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, 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 future needs. If additional funds are needed, however, the association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

**THE GREYSTONE COLLECTION CAMARILLO HOMEOWNERS' ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017**

**NOTE 4 – INCOME TAXES**

The association is a tax-exempt organization under Section 528 of the Internal Revenue Code. Under that section, exempt function income is exempt from taxation, and the association is taxed only on its non-exempt function income at 30% by the federal government and at 8.84% by the State of California. Alternatively, if certain specific filing requirements are satisfied, the association can elect to be taxed as a regular corporation for federal tax purposes. When filing as a regular corporation, membership income is exempt from taxation and the association is taxed only on its non-membership income at regular federal tax rates.

As of June 30, 2017, the association's provision for federal and state income taxes is \$10.

**NOTE 5 – CASH FLOWS**

The Statement of Cash Flows was prepared using the indirect method of calculation. For purposes of this statement for the year ended June 30, 2017, cash and cash equivalents include cash on hand and on deposit with banks. There were no non-cash investing or financing activities.

**NOTE 6 – PRIOR PERIOD ADJUSTMENT**

An accounting adjustment was made during the year ended June 30, 2017 which affected the prior fiscal year. The prior period adjustment is summarized below:

		Operating		Replacement
Cash Beginning Balance Adjustment	\$	(101)	\$	-
Total Prior Period Adjustments	\$	(101)	\$	-

**NOTE 6 – UNINSURED CASH BALANCES**

The association maintains its cash balances at one or more financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Balances in these accounts may exceed the FDIC insured amount of \$250,000. Funds maintained in brokerage accounts are not federally insured, but are privately insured by the Securities Investor Protection Corporation (SIPC).

**THE GREYSTONE COLLECTION CAMARILLO  
HOMEOWNERS' ASSOCIATION**

**SUPPLEMENTARY SCHEDULE OF OPERATING FUND EXPENSES**

**JUNE 30, 2017**

**MAINTENANCE**

Landscaping	\$ 23,233	
Repairs & Maintenance	32,736	
Pool / Spa	9,016	
	<hr/>	
TOTAL MAINTENANCE EXPENSE .....		\$ 64,985

**UTILITIES**

Electricity	5,449	
Gas	4,628	
Water / Sewer	9,945	
	<hr/>	
TOTAL UTILITIES EXPENSE .....		20,022

**GENERAL & ADMINISTRATIVE**

Accounting	1,200	
Insurance	9,509	
Management Services	17,952	
Postage & Reproduction	5,652	
BOD & Committee	448	
Clerical/ Minutes	900	
Income Taxes	10	
Miscellaneous	605	
	<hr/>	
TOTAL GENERAL & ADMINISTRATIVE .....		36,276
		<hr/>
TOTAL OPERATING FUND EXPENSES .....		\$ 121,283

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

**THE GREYSTONE COLLECTION CAMARILLO  
HOMEOWNERS' ASSOCIATION**

**SUPPLEMENTARY SCHEDULE OF REPLACEMENT FUND EXPENSES**

**JUNE 30, 2017**

**REPLACEMENT FUND COMPONENTS**

Roofing	\$ -
Painting	5,701
Asphalt	16,600
Vehicle Gates	-
Phone Entry System	-
Vehicle Gate Operators	-
Water Heater	-
HVAC Unit	-
Monuments	-
Mailboxes	-
Wood Trellis	-
Security	-
Wrought Iron Fence	-
Pool/ Spa	816
Pool Furniture	-
Solar Panels	-
Recreation Equipment	-
Interiors	-
Flooring	-
Lights	9,045
Irrigation System	-
Landscaping	2,545
Utility Systems	-
Plumbing	-
Clubhouse Appliances	-
Concrete	-
Wood Replacement	-
Anodes - Special Assessment	-
Reserve Bank Charges	-
Contingency	-
 TOTAL REPLACEMENT FUND EXPENSES .....	 \$ 34,707

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

**THE GREYSTONE COLLECTION CAMARILLO HOMEOWNERS' ASSOCIATION**

**SUPPLEMENTARY INFORMATION ON REPLACEMENT FUND BALANCES**

**JUNE 30, 2017**

An independent consultant conducted a study on March 28, 2016 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

The following information is based on the study and presents significant information about the components of common property.

<u>COMPONENTS</u>	<u>Estimated Remaining Useful Life 6/30/17</u>	<u>Estimated Future Replacement Cost 6/30/17</u>	<u>Fund Balance 6/30/17</u>
Roofing	12	15,683	\$ -
Painting	0-9	13,615	-
Asphalt	0-16	832,054	-
Vehicle Gates	11	98,973	-
Phone Entry System	8	5,067	-
Vehicle Gate Operators	0-4	25,497	-
HVAC Unit	0	7,061	-
Mailboxes	0	8,405	-
Wood Trellis	3	22,947	-
Security	4	7,991	-
Wrought Iron Fence	0	5,764	-
Pool/ Spa	0-8	38,603	-
Pool Furniture	0	8,060	-
Solar Panels	0	10,906	-
Recreation Equipment	0-6	61,073	-
Interiors	1	1,288	-
Lights	1-2	9,183	-
Irrigation System	0-21	35,417	-
Clubhouse Appliances	0-8	35,060	-
<b>TOTALS</b>		<u><u>\$ 1,242,647</u></u>	<u><u>\$ 436,307</u></u>

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