



April 5, 2017

Dear Woodbridge Park Homeowners:

Enclosed is a copy of the Audit Report prepared by Moskowitz & Company, Inc., for the fiscal year ending December 31, 2016. It is a requirement of your CC&R's and the California Civil Code that a review be sent to each homeowner annually.

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

Sincerely,

Board of Directors
WOODBIDGE PARK ASSOCIATION, INC.



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

WOODBIDGE PARK ASSOCIATION, INC.

FINANCIAL STATEMENTS

AND

SUPPLEMENTARY INFORMATION

DECEMBER 31, 2016

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WOODBIDGE PARK ASSOCIATION, INC.

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors and Members of the
Woodbridge Park Association, Inc.

We have audited the accompanying financial statements of the Woodbridge Park Association, Inc., which comprise the balance sheet as of December 31, 2016, 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 Woodbridge Park Association, Inc. as of December 31, 2016, 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
March 7, 2017

WOODBIDGE PARK ASSOCIATION, INC.

BALANCE SHEET

DECEMBER 31, 2016

<u>ASSETS</u>	OPERATING FUND	REPLACEMENT FUND	TOTAL
Cash	\$ 316,251	\$ 1,232,485	\$ 1,548,736
Assessments Receivable, Net of Allowance For Doubtful Accounts of \$75,563 (Note 2)	22,213	-	22,213
Prepaid Insurance	9,368	-	9,368
TOTAL ASSETS	\$ 347,832	\$ 1,232,485	\$ 1,580,317
<u>LIABILITIES</u>			
Accounts Payable	\$ 4,117	\$ 1,576	5,693
Prepaid Assessments	32,839	-	32,839
Income Taxes Payable (Note 4)	379	-	379
TOTAL LIABILITIES	37,335	1,576	38,911
 Fund Balances	 310,497	 1,230,909	 1,541,406
TOTAL LIABILITIES AND FUND BALANCES	\$ 347,832	\$ 1,232,485	\$ 1,580,317

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

WOODBIDGE PARK ASSOCIATION, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

DECEMBER 31, 2016

<u>REVENUES</u>	OPERATING FUND	REPLACEMENT FUND	TOTAL
Regular Assessments	\$ 546,084	\$ 297,396	\$ 843,480
Late Charges	10,662	-	10,662
Fines	1,670	-	1,670
Interest Income	551	6,476	7,027
RV Lot Income	1,650	-	1,650
Key Fee	1,350	-	1,350
Insurance Refund	523	-	523
Miscellaneous	1,930	-	1,930
TOTAL REVENUES	564,420	303,872	868,292
<u>EXPENSES</u>			
Maintenance	150,410	-	150,410
Utilities	207,909	-	207,909
General & Administrative	186,624	-	186,624
TOTAL EXPENSES	544,943	36,806	581,749
Excess (Deficiency) of Revenues Over Expenses	19,477	267,066	286,543
Beginning Fund Balances	290,833	963,843	1,254,676
Prior Period Adjustment (Note 6)	187	-	187
ENDING FUND BALANCES	\$ 310,497	\$ 1,230,909	\$ 1,541,406

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

WOODBIDGE PARK ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

DECEMBER 31, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Excess (Deficiency) of Revenue Over Expenses	\$ 19,477	\$ 267,066	\$ 286,543
(Increase) Decrease in Assets:			
Assessments Receivable	10,702	-	10,702
Prepaid Insurance	9,186	-	9,186
Increase (Decrease) in Liabilities:			
Accounts Payable	(14,732)	1,576	(13,156)
Prepaid Assessments	4,015	-	4,015
Income Taxes Payable	(69)	-	(69)
Total Adjustments	9,102	1,576	10,678
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	28,579	268,642	297,221
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	-
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>			
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	28,579	268,642	297,221
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	287,672	963,843	1,251,515
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 316,251	\$ 1,232,485	\$ 1,548,736
<u>SUPPLEMENTAL DISCLOSURE:</u>			
Income Taxes Paid	\$ 1,609		

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

WOODBIDGE PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Organization:

Woodbridge Park Association, Inc., 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 198 residential units and is located in Ventura, California. The association began its operations in March 1977.

Date of Management's Review:

In preparing the financial statements, the association has evaluated events and transactions for potential recognition or disclosure through March 7, 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.

WOODBIDGE PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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 December 31, 2016 are \$22,213.

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 \$1,232,485 at December 31, 2016, 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 November 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.

WOODBRIIDGE PARK ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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 December 31, 2016, the association's provision for federal and state income taxes is \$379.

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 December 31, 2016, 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

Several accounting adjustments were made during the year ended December 31, 2016 which affected the prior fiscal year. The prior period adjustments are summarized below:

		<u>Operating</u>	<u>Replacement</u>
Prior Year Accounts Payable Adjustment	\$	195	\$ -
Prior Year Income Taxes Payable Adjustment		(8)	-
Total Prior Period Adjustments	\$	<u>187</u>	<u>\$ -</u>

NOTE 7 - 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).

WOODBIDGE PARK ASSOCIATION, INC.

SUPPLEMENTARY SCHEDULE OF OPERATING FUND EXPENSES

DECEMBER 31, 2016

MAINTENANCE

Landscaping	\$	76,437	
Pool		13,627	
Janitorial		2,070	
Pest Control		16,127	
Security		14,500	
Repair & Maintenance		27,649	
TOTAL MAINTENANCE EXPENSE			\$ 150,410

UTILITIES

Electricity		9,528	
Gas		10,048	
Water / Sewer		134,255	
Trash		54,078	
TOTAL UTILITIES EXPENSE			207,909

GENERAL & ADMINISTRATIVE

Accounting		2,650	
Bad Debt		21,726	
Legal		10,067	
BOD & Committee		635	
Clerical / Minutes		2,410	
Insurance		100,736	
Management Services		29,412	
Postage & Reproduction		13,030	
Reserve Study		720	
Income Taxes		1,540	
Bank Charge		2,130	
Meeting Attendance		151	
Miscellaneous		1,417	
TOTAL GENERAL & ADMINISTRATIVE			186,624
TOTAL OPERATING FUND EXPENSES			\$ 544,943

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

WOODBIDGE PARK ASSOCIATION, INC.

SUPPLEMENTARY SCHEDULE OF REPLACEMENT FUND EXPENSES

DECEMBER 31, 2016

REPLACEMENT FUND COMPONENTS

Roofing	\$	-
Painting		-
Wood Repairs		5,506
Wood Shingle Siding		-
Paving		800
Fencing/Security		-
Pool & Spa		1,410
Clubhouse		-
Tennis Court		-
Lighting		-
Irrigation		-
Tree Trimming		20,971
Maiboxes		-
Contingency		8,119
		<hr/>
TOTAL REPLACEMENT FUND EXPENSES	\$	<u>36,806</u>

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

WOODBIDGE PARK ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON REPLACEMENT FUND BALANCES

DECEMBER 31, 2016

An independent consultant conducted a study on November 11, 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.

COMPONENTS	Estimated Remaining Useful Life 12/31/16	Estimated Current Replacement Cost 12/31/16	Fund Balance 12/31/16
Roofing	3-7	\$ 1,400,100	
Painting	1-5	476,370	
Wood Repairs	5-20	180,100	
Wood Shingle Siding	4-25	796,380	
Paving	1-22	303,210	
Fencing/Security	1-19	86,980	
Pool & Spa	1-8	93,470	
Clubhouse	2-11	35,130	
Tennis Court	6	9,640	
Lighting	1-6	59,590	
Irrigation	1-9	19,680	
Tree Trimming	1	36,000	
Maiboxes	9	17,340	
Contingency			
TOTALS		\$ 3,513,990	\$ 1,230,909

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