



FAIRWAYS ASSOCIATION

April 28, 2017

Dear PGA WEST Fairways Homeowner:

The California Civil Code requires that a review of the Financial Statements of the Association be prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy for any fiscal year in which the gross income of the Association exceeds \$75,000.00.

Therefore, please find enclosed the audited Financial Statements for PGA WEST Fairways Association for the fiscal year of January 1, 2016 through December 31, 2016. The audit includes the Base assessment audit, audit for the two sub-associations and each of the 17 Special Benefit Areas (SBAs).

The materials have been reviewed by the Controller of The Management Trust, Desert Division, the Fairways Finance Committee and the Board of Directors of the PGA WEST Fairways Association; and were approved by the Board for mailing to all homeowners. The audit was prepared by Brabo & Carlsen, LLP, Certified Public Accountants.

If you have any questions, please do not hesitate to contact me directly at (760) 862-6335 or by email at [Cassie.Gertz@managementtrust.com](mailto:Cassie.Gertz@managementtrust.com).

Sincerely,

***On Behalf of the Board of Directors  
PGA WEST Fairways Association***

  
Cassie Gertz, CCAM, CMCA  
General Manager

Enclosure

# ***Financial Statements***

PGA WEST FAIRWAYS  
ASSOCIATION

DECEMBER 31, 2016

**INDEPENDENT AUDITORS' REPORT**

Board of Directors and Members  
PGA WEST Fairways Association  
La Quinta, California

***Report on the Financial Statements***

We have audited the accompanying financial statements of PGA WEST Fairways Association, which comprise the balance sheet as of December 31, 2016, 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 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 PGA WEST Fairways Association 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.

Board of Directors and Members  
PGA WEST Fairways Association  
La Quinta, California

*(Continued)*

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenses and statements of revenues and expenses on pages 9 - 30 are presented for purposes of additional analysis and are 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 information on future major repairs and replacements on page 31 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.

*Brabo & Carlson, LLP*

Palm Springs, California

April 17, 2017

**PGA WEST FAIRWAYS ASSOCIATION**

**BALANCE SHEET**

**DECEMBER 31, 2016**

**ASSETS**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 437,743	\$ 1,063,886	\$ 1,501,629
Certificates of deposit	400,000	3,400,000	3,800,000
Assessments receivable, net of allowance for doubtful accounts of \$35,864	106,126	-	106,126
Accrued interest receivable	672	8,869	9,541
Prepaid expenses	31,095	-	31,095
Prepaid income taxes	462	-	462
Inter-fund receivable/payable	10,308	(10,308)	-
	<u>\$ 986,406</u>	<u>\$ 4,462,447</u>	<u>\$ 5,448,853</u>

**LIABILITIES AND FUND BALANCES**

<b>LIABILITIES</b>			
Accounts payable	\$ 102,608	\$ 24,447	\$ 127,055
Income taxes payable	4,319	-	4,319
Prepaid assessments	182,931	-	182,931
Performance deposits	34,569	-	34,569
	<u>324,427</u>	<u>24,447</u>	<u>348,874</u>
<b>FUND BALANCES</b>	<u>661,979</u>	<u>4,438,000</u>	<u>5,099,979</u>
	<u>\$ 986,406</u>	<u>\$ 4,462,447</u>	<u>\$ 5,448,853</u>

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

**PGA WEST FAIRWAYS ASSOCIATION**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES**  
**YEAR ENDED DECEMBER 31, 2016**

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 5,587,166	\$ 775,769	\$ 6,362,935
Interest income	4,331	35,203	39,534
Late fees and miscellaneous	29,066	-	29,066
	<u>5,620,563</u>	<u>810,972</u>	<u>6,431,535</u>
<b>EXPENSES</b>			
Master association dues	1,018,149	-	1,018,149
Administrative and professional	2,049,215	-	2,049,215
Grounds and facilities	1,832,161	-	1,832,161
Utilities and services	641,176	-	641,176
Income taxes	8,004	-	8,004
Replacement fund expenditures	-	362,136	362,136
	<u>5,548,705</u>	<u>362,136</u>	<u>5,910,841</u>
Excess of revenues over expenses	<u>\$ 71,858</u>	<u>\$ 448,836</u>	<u>\$ 520,694</u>
<b>FUND BALANCES, beginning of the year</b>	<b>\$ 537,034</b>	<b>\$ 3,989,164</b>	<b>\$ 4,526,198</b>
Adjustment for overstatement of accounts payable	53,087	-	53,087
<b>FUND BALANCES, beginning of the year - as restated</b>	<b>590,121</b>	<b>3,989,164</b>	<b>4,579,285</b>
Excess of revenues over expenses for the year	71,858	448,836	520,694
<b>FUND BALANCES, end of the year</b>	<b><u>\$ 661,979</u></b>	<b><u>\$ 4,438,000</u></b>	<b><u>\$ 5,099,979</u></b>

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

**PGA WEST FAIRWAYS ASSOCIATION**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2016**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess (deficiencies) of revenues over expenses	\$ 71,858	\$ 448,836	\$ 520,694
Adjustments to reconcile excess of revenues over expenses to net cash flow from operating activities:			
(Increase) Decrease in:			
Assessments receivable	2,612	-	2,612
Accrued interest receivable	(672)	(8,869)	(9,541)
Prepaid expenses	(30,389)	-	(30,389)
Prepaid taxes	(462)	-	(462)
Interfund receivable/(payable)	(98,372)	98,372	-
Increase (Decrease) in:			
Accounts payable	(135,158)	5,407	(129,751)
Income taxes payable	4,319	(441)	3,878
Prepaid assessments	(33,221)	-	(33,221)
Performance deposits	(17,749)	-	(17,749)
 Net cash provided (used) by operating activities	 <u>(237,234)</u>	 <u>543,305</u>	 <u>306,071</u>
 Net increase (decrease) in cash	 (237,234)	 543,305	 306,071
 CASH, beginning of year	 <u>674,977</u>	 <u>520,581</u>	 <u>1,195,558</u>
 CASH, end of year	 <u>\$ 437,743</u>	 <u>\$ 1,063,886</u>	 <u>\$ 1,501,629</u>

**SUPPLEMENTAL DISCLOSURES OF CASH FLOW  
INFORMATION**

Cash paid during the year for:  
    Income taxes

\$ 4,641

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

PGA WEST FAIRWAYS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The PGA WEST Fairways Association was organized as a not-for-profit corporation for purposes of maintaining and preserving common property within the development. The development consisted of 912 units at December 31, 2016, located in La Quinta, California. When the Association is fully developed, it will consist of approximately 1200 units. The Association was incorporated in October 1998 and began its operations in December 1999 when the first units were sold to residential users.

Accounting Method

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.

Allowance for Doubtful Accounts

The Association uses the allowance method to estimate uncollectible accounts.

Cash Equivalents

The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Real property and common areas acquired from the developers and related improvements to such property are not recognized as assets on the Association's financial statements. Expenditures for major repairs and replacements are accounted for as replacement fund expenditures for purposes of financial reporting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent.



PGA WEST FAIRWAYS ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Income Taxes

Homeowners' associations may elect to be taxed as regular corporations or as homeowners' associations. The Association elected to be taxed as a regular corporation for the year ended December 31, 2016. Under the election, the Association is taxed on non-membership income, such as interest earnings. Similar reporting requirements apply to the State of California.

The Association's policy is to record income tax related interest and penalties in operating expenses. For the year ended December 31, 2016 there was no interest or penalties expense recorded and no accrued interest or penalties.

Management has considered its tax positions and believes that all of the positions taken by the Association on its Federal and State tax returns are more likely than not to be sustained upon examination. The Association's Forms 1120, US Corporation Income Tax Return are subject to examination by the IRS, generally for three years after they are filed. The Association's Forms 100, Corporation Franchise or Income Tax Return and Forms 199, California Exempt Organization Annual Information Return, are subject to examination by the Franchise Tax Board, generally for four years after they are filed.

Fair Value of Financial Instruments

The carrying value of the Association's financial instruments is considered to approximate the fair value. Cash, most assessments receivable, accounts payable and accrued liabilities are settled so close to the balance sheet date that the fair value does not differ significantly from the stated amounts.

Subsequent Events

Subsequent events have been evaluated through April 17, 2017, which is the date the financial statements were available to be issued.

**NOTE 1: OWNERS' ASSESSMENTS AND ASSESSMENTS RECEIVABLE**

Association members are subject to paying assessments to fund the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at December 31, 2016 represent assessments and other fees due from owners. The Association's governing documents provide for various collection remedies for delinquent assessments, including liens on the owner's unit, foreclosing on the unit owner, or obtaining a judgment on other assets of the unit owner.

Monthly assessments to owners for the year ended December 31, 2016 ranged from \$151 - \$650, depending on location. Of those amounts, \$33 - \$132 was designated to the replacement fund.

The annual budget and owner's assessments are determined by the Board of Directors. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

**PGA WEST FAIRWAYS ASSOCIATION**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

**NOTE 2: COMMON AREA PROPERTY**

At completion of the project, the Association will hold title to common real property consisting of land, roads, pools and spas, gates, landscape areas, and walls. The Association is responsible for preserving and maintaining the properties and may not dispose of them. In conformity with industry practice, the Association's common property is not recognized as assets.

**NOTE 3: FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

The Board of Directors engaged an outside consultant to conduct a study in November 2016 to estimate the remaining useful lives and the replacement costs of the components of common property. The study is based on current estimated replacement costs. Funding requirements consider an annual inflation rate of 3.0 percent and interest of 1.0 percent, after taxes, on amounts funded for future major repairs and replacements. The table included on page 31 in the un-audited supplementary information on future major repairs and replacements is based on the study.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimate of current replacement costs and considering amounts previously accumulated in the replacement fund. Accordingly, the funding requirement of \$33 - \$137 per unit per month has been included in the 2017 budget. Because actual expenditures may vary from the estimated future expenditures and the variations may be material, 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, or delay major repairs and replacements until funds are available.

**NOTE 4: CONCENTRATION OF CREDIT RISK**

The Association maintains accounts with banks and brokerage firms. The Federal Deposit Insurance Corporation insures accounts at banks up to \$250,000 at each institution and the Securities Investor Protection Corporation insures accounts at brokerage firms up to \$500,000 (with a limit of \$250,000 for cash).

**NOTE 5: PRIOR PERIOD ADJUSTMENT**

Fund balance at the beginning of 2016 has been adjusted to correct an error in the accrued landscape expenses from previous years. Had the error not been made cumulative excess of revenues over expenses would have increased \$53,087. The restatement had no tax effect.

PGA WEST FAIRWAYS ASSOCIATION

SCHEDULE OF EXPENSES

YEAR ENDED DECEMBER 31, 2016

ADMINISTRATIVE AND PROFESSIONAL

Legal and accounting	\$ 74,377
Management service	249,251
Insurance	31,927
Administrative expense	27,936
Reserve study	7,400
Base assessment	1,658,324
	<u>\$ 2,049,215</u>

GROUNDS AND FACILITIES

Common area maintenance	\$ 57,087
Street and drive maintenance	28,088
Pest control	2,555
Pool and spa maintenance	29,292
Irrigation repairs	3,518
Landscape extras	29,866
Landscape maintenance	1,625,653
	<u>\$ 1,832,161</u>

UTILITIES AND SERVICES

Electricity	\$ 47,985
Water	242,851
Gas	15,834
Cable television	334,506
	<u>\$ 641,176</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - BASE

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 1,278,273	\$ 382,080	\$ 1,660,353
Interest income	4,312	35,203	39,515
Late fees and miscellaneous	29,268	-	29,268
<b>TOTAL REVENUES</b>	<b>1,311,853</b>	<b>417,283</b>	<b>1,729,136</b>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Legal and accounting	72,188	-	72,188
Management service	249,251	-	249,251
Insurance	28,360	-	28,360
Administrative expense	27,935	-	27,935
Reserve study	7,400	-	7,400
	<u>385,134</u>	<u>-</u>	<u>385,134</u>
<b>GROUNDS AND FACILITIES</b>			
Common area maintenance	55,502	-	55,502
Street and drive maintenance	26,460	-	26,460
Pest control	2,555	-	2,555
Pool and spa maintenance	29,292	-	29,292
Flowers	22,332	-	22,332
Irrigation repairs	1,143	-	1,143
Landscape extras	8,820	-	8,820
Landscape maintenance	345,227	-	345,227
	<u>491,331</u>	<u>-</u>	<u>491,331</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	21,809	-	21,809
Water	41,251	-	41,251
Gas	15,834	-	15,834
Cable television	334,506	-	334,506
	<u>413,400</u>	<u>-</u>	<u>413,400</u>
<b>INCOME TAXES</b>	<u>8,004</u>	<u>-</u>	<u>8,004</u>
<b>REPLACEMENT FUND EXPENDITURES</b>	<u>-</u>	<u>215,397</u>	<u>215,397</u>
<b>TOTAL EXPENSES</b>	<b>1,297,869</b>	<b>215,397</b>	<b>1,513,266</b>
Excess (deficiency) of revenues over expenses	<u>\$ 13,984</u>	<u>\$ 201,886</u>	<u>\$ 215,870</u>
<b>FUND BALANCES,</b> beginning of the year - as restated	\$ 23,605	\$ 1,626,357	\$ 1,649,962
Excess (deficiency) of revenues over expenses for the year	13,984	201,886	215,870
Interfund transfers	-	-	-
<b>FUND BALANCES, end of the year</b>	<u>\$ 37,589</u>	<u>\$ 1,828,243</u>	<u>\$ 1,865,832</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - HERITAGE

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 240,120	\$ 29,880	\$ 270,000
<b>TOTAL REVENUES</b>	<u>240,120</u>	<u>29,880</u>	<u>270,000</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	33,696	-	33,696
Base assessment	66,144	-	66,144
Bad debt	-	-	-
	<u>99,840</u>	<u>-</u>	<u>99,840</u>
<b>GROUNDS AND FACILITIES</b>			
Common area maintenance	-	-	-
Pest control	-	-	-
Flowers	1,024	-	1,024
Irrigation repairs	-	-	-
Landscape extras	1,760	-	1,760
Landscape maintenance	127,500	-	127,500
	<u>130,284</u>	<u>-</u>	<u>130,284</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	1,168	-	1,168
Water	9,239	-	9,239
	<u>10,407</u>	<u>-</u>	<u>10,407</u>
<b>REPLACEMENT FUND EXPENDITURES</b>			
		8,721	8,721
<b>TOTAL EXPENSES</b>	<u>240,531</u>	<u>8,721</u>	<u>249,252</u>
Excess (deficiency) of revenues over expenses	<u>\$ (411)</u>	<u>\$ 21,159</u>	<u>\$ 20,748</u>
<b>FUND BALANCES,</b> beginning of the year - as restated	\$ 39,079	\$ 288,968	\$ 328,047
Excess (deficiency) of revenues over expenses for the year	(411)	21,159	20,748
Interfund transfers	-	-	-
<b>FUND BALANCES,</b> end of the year	<u>\$ 38,668</u>	<u>\$ 310,127</u>	<u>\$ 348,795</u>

**PGA WEST FAIRWAYS ASSOCIATION**

**STATEMENTS OF REVENUES AND EXPENSES - MASTERS**

**YEAR ENDED DECEMBER 31, 2016**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Member assessments	<u>\$ 309,924</u>	<u>\$ 9,684</u>	<u>\$ 319,608</u>
<b>TOTAL REVENUES</b>	<u>309,924</u>	<u>9,684</u>	<u>319,608</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	64,584	-	64,584
Base assessment	<u>126,780</u>	<u>-</u>	<u>126,780</u>
	<u>191,364</u>	<u>-</u>	<u>191,364</u>
<b>GROUNDS AND FACILITIES</b>			
Common area maintenance	99	-	99
Flowers	2,903	-	2,903
Irrigation repairs	88	-	88
Landscape extras	4,176	-	4,176
Landscape maintenance	<u>86,556</u>	<u>-</u>	<u>86,556</u>
	<u>93,822</u>	<u>-</u>	<u>93,822</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	2,024	-	2,024
Water	<u>22,574</u>	<u>-</u>	<u>22,574</u>
	<u>24,598</u>	<u>-</u>	<u>24,598</u>
<b>REPLACEMENT FUND EXPENDITURES</b>			
		<u>16,791</u>	<u>16,791</u>
<b>TOTAL EXPENSES</b>	<u>309,784</u>	<u>16,791</u>	<u>326,575</u>
Excess (deficiency) of revenues over expenses	<u>\$ 140</u>	<u>\$ (7,107)</u>	<u>\$ (6,967)</u>
<b>FUND BALANCES,</b>			
beginning of the year - as restated	<u>\$ 38,006</u>	<u>\$ 149,789</u>	<u>\$ 187,795</u>
Excess (deficiency) of revenues over expenses for the year	140	(7,107)	(6,967)
Interfund transfer	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES,</b>			
end of the year	<u>\$ 38,146</u>	<u>\$ 142,682</u>	<u>\$ 180,828</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - LEGENDS

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 251,855	\$ 61,885	\$ 313,740
Interest income	19	-	19
<b>TOTAL REVENUES</b>	<u>251,874</u>	<u>61,885</u>	<u>313,759</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	58,968	-	58,968
Base assessment	115,752	-	115,752
Legal fees and accounting	52	-	52
	<u>174,772</u>	<u>-</u>	<u>174,772</u>
<b>GROUNDS AND FACILITIES</b>			
Common area	84	-	84
Flowers	2,402	-	2,402
Irrigation repairs	283	-	283
Landscape extras	1,160	-	1,160
Landscape maintenance	72,400	-	72,400
	<u>76,329</u>	<u>-</u>	<u>76,329</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	1,183	-	1,183
	<u>1,183</u>	<u>-</u>	<u>1,183</u>
<b>REPLACEMENT FUND EXPENDITURES</b>	<u>-</u>	<u>5,735</u>	<u>5,735</u>
<b>TOTAL EXPENSES</b>	<u>252,284</u>	<u>5,735</u>	<u>258,019</u>
Excess (deficiency) of revenues over expenses	<u>\$ (410)</u>	<u>\$ 56,150</u>	<u>\$ 55,740</u>
<b>FUND BALANCES,</b>			
beginning of the year - as restated	\$ 32,973	\$ 421,180	\$ 454,153
Excess (deficiency) of revenues over expenses for the year	(410)	56,150	55,740
Interfund transfer	-	-	-
<b>FUND BALANCES,</b>	<u>\$ 32,563</u>	<u>\$ 477,330</u>	<u>\$ 509,893</u>
end of the year			

**PGA WEST FAIRWAYS ASSOCIATION**  
**STATEMENTS OF REVENUES AND EXPENSES - SPANISH BAY**  
**YEAR ENDED DECEMBER 31, 2016**

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 297,297	\$ 62,703	\$ 360,000
<b>TOTAL REVENUES</b>	<u>297,297</u>	<u>62,703</u>	<u>360,000</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	70,200	-	70,200
Base assessment	137,772	-	137,772
	<u>207,972</u>	<u>-</u>	<u>207,972</u>
<b>GROUNDS AND FACILITIES</b>			
Common area maintenance	-	-	-
Flowers	1,776	-	1,776
Irrigation repairs	168	-	168
Landscape extras	460	-	460
Landscape maintenance	71,016	-	71,016
	<u>73,420</u>	<u>-</u>	<u>73,420</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	1,657	-	1,657
Water	14,476	-	14,476
	<u>16,133</u>	<u>-</u>	<u>16,133</u>
<b>REPLACEMENT FUND EXPENDITURES</b>	<u>-</u>	<u>12,616</u>	<u>12,616</u>
<b>TOTAL EXPENSES</b>	<u>297,525</u>	<u>12,616</u>	<u>310,141</u>
Excess (deficiency) of revenues over expenses	<u>\$ (228)</u>	<u>\$ 50,087</u>	<u>\$ 49,859</u>
<b>FUND BALANCES,</b> beginning of the year - as restated	\$ 45,608	\$ 392,139	\$ 437,747
Excess (deficiency) of revenues over expenses for the year	(228)	50,087	49,859
Interfund transfers	-	-	-
<b>FUND BALANCES,</b> end of the year	<u>\$ 45,380</u>	<u>\$ 442,226</u>	<u>\$ 487,606</u>



PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - HERMITAGE

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
REVENUES			
Member assessments	\$ 338,568	\$ 9,624	\$ 348,192
TOTAL REVENUES	<u>338,568</u>	<u>9,624</u>	<u>348,192</u>
EXPENSES			
ADMINISTRATIVE AND PROFESSIONAL			
Master Association dues	48,672	-	48,672
Base assessment	95,544	-	95,544
	<u>144,216</u>	<u>-</u>	<u>144,216</u>
GROUNDS AND FACILITIES			
Common area maintenance	190	-	190
Flowers	2,193	-	2,193
Irrigation repairs	382	-	382
Landscape extras	1,820	-	1,820
Landscape maintenance	154,752	-	154,752
	<u>159,337</u>	<u>-</u>	<u>159,337</u>
UTILITIES AND SERVICES			
Electricity	7,490	-	7,490
Water	25,799	-	25,799
	<u>33,289</u>	<u>-</u>	<u>33,289</u>
REPLACEMENT FUND EXPENDITURES	-	9,766	9,766
TOTAL EXPENSES	<u>336,842</u>	<u>9,766</u>	<u>346,608</u>
Excess (deficiency) of revenues over expenses	\$ 1,726	\$ (142)	\$ 1,584
FUND BALANCES, beginning of the year - as restated	\$ 51,504	\$ 54,168	\$ 105,672
Excess (deficiency) of revenues over expenses for the year	1,726	(142)	1,584
Interfund transfers	-	-	-
FUND BALANCES, end of the year	<u>\$ 53,230</u>	<u>\$ 54,026</u>	<u>\$ 107,256</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - TIBURON

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 108,614	\$ 4,930	\$ 113,544
<b>TOTAL REVENUES</b>	<u>108,614</u>	<u>4,930</u>	<u>113,544</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	35,568	-	35,568
Base assessment	34,908	-	34,908
Legal fees	-	-	-
	<u>70,476</u>	<u>-</u>	<u>70,476</u>
<b>GROUNDS AND FACILITIES</b>			
Common area maintenance	69	-	69
Flowers	2,997	-	2,997
Irrigation	280	-	280
Landscape extras	220	-	220
Landscape maintenance	27,875	-	27,875
	<u>31,441</u>	<u>-</u>	<u>31,441</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	168	-	168
Water	4,465	-	4,465
	<u>4,633</u>	<u>-</u>	<u>4,633</u>
<b>REPLACEMENT FUND EXPENDITURES</b>	<u>-</u>	<u>2,200</u>	<u>2,200</u>
<b>TOTAL EXPENSES</b>	<u>106,550</u>	<u>2,200</u>	<u>108,750</u>
Excess (deficiency) of revenues over expenses	<u>\$ 2,064</u>	<u>\$ 2,730</u>	<u>\$ 4,794</u>
<b>FUND BALANCES,</b> beginning of the year - as restated	\$ 19,365	\$ 27,363	\$ 46,728
Excess (deficiency) of revenues over expenses for the year	2,064	2,730	4,794
Interfund transfer	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES,</b> end of the year	<u>\$ 21,429</u>	<u>\$ 30,093</u>	<u>\$ 51,522</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - NORMAN ESTATES

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 319,875	\$ 39,957	\$ 359,832
Late fees and miscellaneous	(61)	-	(61)
<b>TOTAL REVENUES</b>	<u>319,814</u>	<u>39,957</u>	<u>359,771</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	108,576	-	108,576
Base assessment	106,560	-	106,560
	<u>215,136</u>	<u>-</u>	<u>215,136</u>
<b>GROUNDS AND FACILITIES</b>			
Common area maintenance	84	-	84
Flowers	2,444	-	2,444
Irrigation repairs	88	-	88
Landscape extras	1,340	-	1,340
Streets and drives	1,628	-	1,628
Landscape maintenance	83,460	-	83,460
	<u>89,044</u>	<u>-</u>	<u>89,044</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	2,130	-	2,130
Water	15,218	-	15,218
	<u>17,348</u>	<u>-</u>	<u>17,348</u>
<b>REPLACEMENT FUND EXPENDITURES</b>	<u>-</u>	<u>35,749</u>	<u>35,749</u>
<b>TOTAL EXPENSES</b>	<u>321,528</u>	<u>35,749</u>	<u>357,277</u>
Excess (deficiency) of revenues over expenses	<u>\$ (1,714)</u>	<u>\$ 4,208</u>	<u>\$ 2,494</u>
<b>FUND BALANCES,</b> beginning of the year - as restated	\$ 40,875	\$ 272,670	\$ 313,545
Excess (deficiency) of revenues over expenses for the year	<u>(1,714)</u>	<u>4,208</u>	<u>2,494</u>
<b>FUND BALANCES,</b> end of the year	<u>\$ 39,161</u>	<u>\$ 276,878</u>	<u>\$ 316,039</u>



PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - TOLL BROS

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
REVENUES			
Member assessments	\$ 527,280	\$ 26,520	\$ 553,800
TOTAL REVENUES	<u>527,280</u>	<u>26,520</u>	<u>553,800</u>
EXPENSES			
ADMINISTRATIVE AND PROFESSIONAL			
Master Association dues	132,912	-	132,912
Base assessment	130,452	-	130,452
Legal	-	-	-
	<u>263,364</u>	<u>-</u>	<u>263,364</u>
GROUNDS AND FACILITIES			
Common area maintenance	-	-	-
Pest control	-	-	-
Irrigation repairs	(150)	-	(150)
Landscape extras	-	-	-
Landscape maintenance	218,270	-	218,270
	<u>218,120</u>	<u>-</u>	<u>218,120</u>
UTILITIES AND SERVICES			
Electricity	686	-	686
Water	34,635	-	34,635
	<u>35,321</u>	<u>-</u>	<u>35,321</u>
REPLACEMENT FUND EXPENDITURES	<u>-</u>	<u>13,335</u>	<u>13,335</u>
TOTAL EXPENSES	<u>516,805</u>	<u>13,335</u>	<u>530,140</u>
Excess (deficiency) of revenues over expenses	<u>\$ 10,475</u>	<u>\$ 13,185</u>	<u>\$ 23,660</u>
FUND BALANCES, beginning of the year	\$ 39,615	\$ 83,864	\$ 123,479
Excess (deficiency) of revenues over expenses for the year	<u>10,475</u>	<u>13,185</u>	<u>23,660</u>
FUND BALANCES, end of the year	<u>\$ 50,090</u>	<u>\$ 97,049</u>	<u>\$ 147,139</u>



PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - LA CALA

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 210,961	\$ 48,623	\$ 259,584
<b>TOTAL REVENUES</b>	<u>210,961</u>	<u>48,623</u>	<u>259,584</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	48,672	-	48,672
Base assessment	95,544	-	95,544
Legal	-	-	-
	<u>144,216</u>	<u>-</u>	<u>144,216</u>
<b>GROUNDS AND FACILITIES</b>			
Common area maintenance	457	-	457
Flowers	1,692	-	1,692
Landscape extras	820	-	820
Landscape maintenance	62,676	-	62,676
	<u>65,645</u>	<u>-</u>	<u>65,645</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	1,223	-	1,223
	<u>1,223</u>	<u>-</u>	<u>1,223</u>
<b>REPLACEMENT FUND EXPENDITURES</b>	<u>-</u>	<u>5,654</u>	<u>5,654</u>
<b>TOTAL EXPENSES</b>	<u>211,084</u>	<u>5,654</u>	<u>216,738</u>
Excess (deficiency) of revenues over expenses	<u>\$ (123)</u>	<u>\$ 42,969</u>	<u>\$ 42,846</u>
<b>FUND BALANCES,</b> beginning of the year - as restated	\$ 55,949	\$ 227,679	\$ 283,628
Excess (deficiency) of revenues over expenses for the year	(123)	42,969	42,846
Interfund transfer	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES,</b> end of the year	<u>\$ 55,826</u>	<u>\$ 270,648</u>	<u>\$ 326,474</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - PASADERA

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 367,611	\$ 23,205	\$ 390,816
<b>TOTAL REVENUES</b>	<u>367,611</u>	<u>23,205</u>	<u>390,816</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	86,112	-	86,112
Base assessment	169,032	-	169,032
Legal fees	-	-	-
	<u>255,144</u>	<u>-</u>	<u>255,144</u>
<b>GROUNDS AND FACILITIES</b>			
Common area maintenance	156	-	156
Flowers	2,903	-	2,903
Irrigation repairs	116	-	116
Landscape extras	360	-	360
Landscape maintenance	73,576	-	73,576
	<u>77,111</u>	<u>-</u>	<u>77,111</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	531	-	531
Water	22,500	-	22,500
	<u>23,031</u>	<u>-</u>	<u>23,031</u>
<b>REPLACEMENT FUND EXPENDITURES</b>	<u>-</u>	<u>7,721</u>	<u>7,721</u>
<b>TOTAL EXPENSES</b>	<u>355,286</u>	<u>7,721</u>	<u>363,007</u>
Excess (deficiency) of revenues over expenses	<u>\$ 12,325</u>	<u>\$ 15,484</u>	<u>\$ 27,809</u>
<b>FUND BALANCES,</b> beginning of the year - as restated	\$ 34,046	\$ 88,754	\$ 122,800
Excess (deficiency) of revenues over expenses for the year	<u>12,325</u>	<u>15,484</u>	<u>27,809</u>
<b>FUND BALANCES,</b> end of the year	<u>\$ 46,371</u>	<u>\$ 104,238</u>	<u>\$ 150,609</u>



PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - EAGLE BEND

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 292,680	\$ 23,160	\$ 315,840
<b>TOTAL REVENUES</b>	<u>292,680</u>	<u>23,160</u>	<u>315,840</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	65,520	-	65,520
Base assessment	128,616	-	128,616
Legal Fees	1,127	-	1,127
Bad debt	-	-	-
	<u>195,263</u>	<u>-</u>	<u>195,263</u>
<b>GROUPS AND FACILITIES</b>			
Common area maintenance	180	-	180
Flowers	5,689	-	5,689
Irrigation repairs	280	-	280
Landscape extras	3,410	-	3,410
Landscape maintenance	66,288	-	66,288
	<u>75,847</u>	<u>-</u>	<u>75,847</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	2,796	-	2,796
Water	18,675	-	18,675
	<u>21,471</u>	<u>-</u>	<u>21,471</u>
<b>REPLACEMENT FUND EXPENDITURES</b>	<u>-</u>	<u>5,899</u>	<u>5,899</u>
<b>TOTAL EXPENSES</b>	<u>292,581</u>	<u>5,899</u>	<u>298,480</u>
Excess (deficiency) of revenues over expenses	<u>\$ 99</u>	<u>\$ 17,261</u>	<u>\$ 17,360</u>
<b>FUND BALANCES,</b>			
beginning of the year - as restated	\$ 33,673	\$ 71,830	\$ 105,503
Excess (deficiency) of revenues over expenses for the year	99	17,261	17,360
Interfund transfer	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES,</b>			
end of the year	<u>\$ 33,772</u>	<u>\$ 89,091</u>	<u>\$ 122,863</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - MUIRFIELD

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 349,200	\$ 18,000	\$ 367,200
<b>TOTAL REVENUES</b>	<u>349,200</u>	<u>18,000</u>	<u>367,200</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	79,560	-	79,560
Base assessment	156,168	-	156,168
Legal Fees	962	-	962
	<u>236,690</u>	<u>-</u>	<u>236,690</u>
<b>GROUPS AND FACILITIES</b>			
Common area maintenance	544	-	544
Flowers	3,571	-	3,571
Irrigation repairs	237	-	237
Landscape extras	1,680	-	1,680
Landscape maintenance	106,620	-	106,620
	<u>112,652</u>	<u>-</u>	<u>112,652</u>
<b>UTILITIES AND SERVICES</b>			
Electricity	1,831	-	1,831
Water	1,036	-	1,036
	<u>2,867</u>	<u>-</u>	<u>2,867</u>
<b>REPLACEMENT FUND EXPENDITURES</b>	<u>-</u>	<u>11,788</u>	<u>11,788</u>
<b>TOTAL EXPENSES</b>	<u>352,209</u>	<u>11,788</u>	<u>363,997</u>
Excess (deficiency) of revenues over expenses	<u>\$ (3,009)</u>	<u>\$ 6,212</u>	<u>\$ 3,203</u>
<b>FUND BALANCES</b>			
beginning of the year - as restated	\$ 66,843	\$ 66,562	\$ 133,405
Excess (deficiency) of revenues over expenses for the year	(3,009)	6,212	3,203
Interfund transfer	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES, end of the year</b>	<u>\$ 63,834</u>	<u>\$ 72,774</u>	<u>\$ 136,608</u>

**PGA WEST FAIRWAYS ASSOCIATION**

**STATEMENTS OF REVENUES AND EXPENSES - PENNISULA PARK**

**YEAR ENDED DECEMBER 31, 2016**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Member assessments	<u>\$ 49,464</u>	<u>\$ -</u>	<u>\$ 49,464</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	16,848	-	16,848
Base assessment	32,616	-	32,616
Legal	-	-	-
	<u>49,464</u>	<u>-</u>	<u>49,464</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>
 <b>FUND BALANCES,</b> beginning of the year	 \$ (671)	 \$ -	 \$ (671)
 Excess (deficiency) of revenues over expenses for the year	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <b>FUND BALANCES,</b> end of the year	 <u>\$ (671)</u>	 <u>\$ -</u>	 <u>\$ (671)</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - RESIDENCE CLUB

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
REVENUES			
Member assessments	\$ 38,052	\$ -	\$ 38,052
EXPENSES			
ADMINISTRATIVE AND PROFESSIONAL			
Base assessment	38,052	-	38,052
	<u>38,052</u>	<u>-</u>	<u>38,052</u>
Excess (deficiency) of revenues over expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES			
beginning of the year	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenses for the year	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PGA WEST FAIRWAYS ASSOCIATION**  
**STATEMENTS OF REVENUES AND EXPENSES - VILLAS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Member assessments	\$ 43,631	\$ 5,340	\$ 48,971
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	10,678	-	10,678
Base assessment	14,604	-	14,604
Legal	3,568	-	3,568
	<u>28,850</u>	<u>-</u>	<u>28,850</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ 14,781</u>	 <u>\$ 5,340</u>	 <u>\$ 20,121</u>
 <b>FUND BALANCES,</b> beginning of the year	 \$ -	 \$ -	 \$ -
 Excess (deficiency) of revenues over expenses for the year	 <u>14,781</u>	 <u>5,340</u>	 <u>20,121</u>
 <b>FUND BALANCES,</b> end of the year	 <u>\$ 14,781</u>	 <u>\$ 5,340</u>	 <u>\$ 20,121</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - HACIENDAS

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
REVENUES			
Member assessments	\$ 21,541	\$ 7,884	\$ 29,425
EXPENSES			
ADMINISTRATIVE AND PROFESSIONAL			
Master Association dues	19,835	-	19,835
Base assessment	8,432	-	8,432
Legal	-	-	-
	<u>28,267</u>	<u>-</u>	<u>28,267</u>
Excess (deficiency) of revenues over expenses	<u>\$ (6,726)</u>	<u>\$ 7,884</u>	<u>\$ 1,158</u>
FUND BALANCES, beginning of the year	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenses for the year	<u>(6,726)</u>	<u>7,884</u>	<u>1,158</u>
FUND BALANCES, end of the year	<u>\$ (6,726)</u>	<u>\$ 7,884</u>	<u>\$ 1,158</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - ESTATES

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 27,154	\$ -	\$ 27,154
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	-	-	-
Base assessment	10,872	-	10,872
Legal	-	-	-
	<u>10,872</u>	<u>-</u>	<u>10,872</u>
Excess (deficiency) of revenues over expenses	<u>\$ 16,282</u>	<u>\$ -</u>	<u>\$ 16,282</u>
<b>FUND BALANCES</b>			
beginning of the year	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over expenses for the year	<u>16,282</u>	<u>-</u>	<u>16,282</u>
<b>FUND BALANCES</b> end of the year	<u>\$ 16,282</u>	<u>\$ -</u>	<u>\$ 16,282</u>

PGA WEST FAIRWAYS ASSOCIATION

STATEMENTS OF REVENUES AND EXPENSES - MONTERRA

YEAR ENDED DECEMBER 31, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member assessments	\$ 26,426	\$ 634	\$ 27,060
<b>EXPENSES</b>			
<b>ADMINISTRATIVE AND PROFESSIONAL</b>			
Master Association dues	8,580	-	8,580
Base assessment	8,580	-	8,580
Legal	-	-	-
	<u>17,160</u>	<u>-</u>	<u>17,160</u>
 Excess (deficiency) of revenues over expenses	 <u>\$ 9,266</u>	 <u>\$ 634</u>	 <u>\$ 9,900</u>
 <b>FUND BALANCES,</b> beginning of the year	 \$ -	 \$ -	 \$ -
 Excess (deficiency) of revenues over expenses for the year	 <u>9,266</u>	 <u>634</u>	 <u>9,900</u>
 <b>FUND BALANCES,</b> end of the year	 <u>\$ 9,266</u>	 <u>\$ 634</u>	 <u>\$ 9,900</u>



**PGA WEST FAIRWAYS ASSOCIATION**  
**SUPPLEMENTARY INFORMATION ON**  
**FUTURE MAJOR REPAIRS AND REPLACEMENTS**

**DECEMBER 31, 2016**

**(UNAUDITED)**

The Board of Directors engaged an outside consultant to conduct a study in November 2016 to estimate the remaining useful lives and the replacement costs of the components of common property. The study is based on current estimated replacement costs. Funding requirements consider an annual inflation rate of 3.0 percent and interest of 1.0 percent, after taxes, on amounts funded for future major repairs and replacements.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives (In Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>2017 Funding Requirement</u>	<u>Components of Fund Balance at Dec. 31, 2016</u>
Base Budget	0 - 36	\$ 7,044,255	\$ 352,800	\$ 1,828,243
Heritage	0 - 26	235,250	29,880	310,127
Masters	0 - 27	133,950	9,684	142,682
Legends	0 - 26	399,400	61,884	477,330
Spanish Bay	0 - 26	456,450	62,700	442,226
Hermitage	0 - 26	128,000	19,200	54,026
Tiburon	0 - 26	59,650	4,932	30,093
Norman Estates	0 - 36	597,100	39,960	276,878
Summit	0 - 26	224,900	16,560	88,707
Toll Brothers	0 - 26	257,075	33,000	97,049
Tumberry	0 - 26	152,350	5,100	140,030
La Cala	0 - 26	339,950	48,624	270,648
Pasadera	0 - 26	209,500	23,208	104,238
Eagle Bend	0 - 26	165,950	23,160	89,091
Muirfield	0 - 27	228,550	18,000	72,774
Villas	-	-	5,340	5,340
Haciendas	-	-	7,889	7,884
Monterra	-	-	1,488	634
Totals		<u>\$10,632,330</u>	<u>\$ 763,409</u>	<u>\$ 4,438,000</u>