

HIGH POINT HOMEOWNERS ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2018



John J. Jurcago, CPA LLC

10850 Pearl Road, Suite D5, Strongsville, Ohio 44136 • (440) 846-9170 • Fax (440) 846-9515



PFS Personal Financial
Specialist

January 31, 2019

High Point Homeowners Association
Robert Campobenedetto, Treasurer
Strongsville, Ohio

Dear High Point Homeowners Association Trustees:

John J. Jurcago CPA LLC is pleased to provide High Point Homeowners Association with the professional services described below. This letter confirms our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide. The engagement between you and our firm will be governed by the terms of this Agreement.

Engagement Objective and Scope

We will prepare, from information you provide, the annual financial statements of High Point Homeowners Association, which are comprised of statement of balance sheet, and revenue and expenses, as of December 31, 2018, and for the year then ended.

The objective of our engagement is to prepare financial statements based upon information that you provide to us. We will utilize information provided to us as the representations of management, without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for the statements to be in conformity with U.S. generally accepted accounting principles ("U.S. GAAP").

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, we will not express an opinion or a conclusion or provide any assurance on the financial statements.

The prepared financial statements will not be accompanied by a report.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws or regulations.

CPA Firm Responsibilities

We will conduct our engagement in accordance with the Statements on Standards for Accounting and Review Services ("SSARS") issued by the American Institute of Certified Public Accountants.

Financial statement preparation differs significantly from an engagement to compile financial statements, or a review or audit of financial statements. Compilation procedures require the accountant to consider whether the financial statements appear to be appropriate in form and free from obvious material misstatements. A financial statement preparation does not include such procedures. In addition, a financial statement preparation also does not contemplate performing inquiry, analytical procedures, or other procedures ordinarily performed in a review. Finally, a financial statement preparation does not contemplate obtaining an understanding of the entity's internal controls, assessing fraud risk, testing accounting records by obtaining sufficient appropriate audit evidence through inspection, observation, confirmation, or the examination of source documents (for example, cancelled checks or bank images), or other procedures ordinarily performed in an audit.

However, we will perform a reconciliation of cash on deposit with balances on the statement, test dues on the statement for reasonableness, look over disbursement classification and reasonableness.

Each page of the financial statements will include a legend with the following items:

- A statement indicating that no assurance is provided on the financial statements.
- If applicable, a statement on whether the financial statements contain any known departures from U.S. GAAP, including inadequate disclosure.
- If applicable, a statement on whether the financial statements omit substantially all required disclosures.

If we become aware of records, documents, explanations, or other information, including significant judgments, used in preparation of the financial statement that are incomplete, inaccurate, or otherwise unsatisfactory, we will bring this information to the attention of management and request additional or corrected information.

Our responsibility under this engagement is limited to the period covered by our services and does not extend to matters that may arise during any later periods for which we are not engaged.

Client Responsibilities

The engagement to be performed is conducted on the basis that management acknowledges and understands that our role is to prepare financial statements in accordance with U.S. GAAP.

Your management is responsible for:

- the selection of the financial reporting framework to be applied in the preparation and fair presentation of the financial statements;
- designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from misstatement whether due to fraud or error;
- preventing and detecting fraud, including the design and implementation of programs and controls to prevent and detect fraud;
- identifying and ensuring that you comply with the laws and regulations applicable to your activities;



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- making all personnel, financial records and related information available to us on a timely basis, including communications from you;
- informing us about all known, alleged, or suspected thefts or fraud that involve your management, employees, former employees, or others where the thefts or fraud could have an effect on the financial statements; and
- ensuring the accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, that you provide to us for the preparation of the financial statements.

Your management agrees to:

- make all management decisions and perform all management functions, including determining account coding and approving all proposed journal entries;
- designate an individual who possesses suitable skill, knowledge, and experience, preferably within senior management, to oversee our services;
- evaluate the adequacy and results of the services performed; and
- accept responsibility for the results of the services.

You have designated Robert Campobenedetto, treasurer as our primary contact for this engagement.

During the course of the engagement, we may assist management with judgments regarding amounts or disclosures to be reflected in the financial statements. We will discuss any such judgments with you, and you accept responsibility for those judgments.

You also acknowledge that independence is not required in order to provide financial statement preparation services in accordance with the SSARS. The performance of the preparation services may impair our independence unless safeguards are met. We are available to discuss these safeguards with you if you anticipate the need for services that require independence, such as an audit or review of financial statements.

Timing of the Engagement

We expect to begin our services soon after the signing of this engagement letter and plan to provide the prepared financial statements to you within approximately 90 days. The timing of our work is dependent upon the timely receipt of the information we request from you. Our services will conclude with the delivery of the prepared financial statements or upon termination of the engagement, if earlier.

Professional Fees

Our professional fee for the services outlined above is estimated to be \$1500, of which \$700 for financial statement preparation, \$800 for preparation of Form 1120. This fee is based upon the complexity of the work to be performed, and our professional time, as well as out-of-pocket expenses. In addition, this fee depends upon the timely delivery, availability, quality, and completeness of the information you provide to us. You agree that you will deliver all records requested and respond to all inquiries made by our staff to complete this engagement on a timely basis.



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We appreciate the opportunity to be of service to you. Please date and execute the enclosed copy of this Agreement and return it to us to acknowledge your acceptance. We will not initiate services until we receive the executed Agreement.


Very truly yours,

John J. Jurcago CPA LLC



John J. Jurcago CPA

ACCEPTED:



High Point Homeowners Association

Robert Campobenedetto

Treasurer

2/12/19

Date



John J. Jurcago, CPA LLC

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High Point Homeowners Association

Balance Sheet - As of 12/31/2018

(Includes unrealized gains)

As of 12/31/2018

1/7/2019

Page 1

Account	12/31/2018 Balance
ASSETS	
Cash and Bank Accounts	
Checking Account	3,513.78
Money Market Acct.	103,637.02
TOTAL Cash and Bank Accounts	107,150.80
TOTAL ASSETS	107,150.80
LIABILITIES	
Other Liabilities	
Dues Paid in Advance	1,800.00
Misc. Payables	0.00
Rent Paid in Advance	0.00
Taxes Withheld	186.30
TOTAL Other Liabilities	1,986.30
TOTAL LIABILITIES	1,986.30
OVERALL TOTAL	105,164.50

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No assurance is provided on these financial statements.
 The titles and format of the statements do not conform with U.S. GAAP.
 The statements omit substantially all disclosures.

High Point Homeowners Association
Statement of Revenue and Expenses - tax basis
For the Year Ended December 31, 2018

Category Description	1/1/2018 Actual	- Budget	12/31/2018 Difference
INCOME			
Clubhouse Rent	10,950.00	11,000.00	-50.00
Dues - Current	234,803.59	233,080.00	1,723.59
Interest	1,401.43	1,000.00	401.43
Other Inc	5.00	0.00	5.00
TOTAL INCOME	247,160.02	245,080.00	2,080.02
EXPENSES			
Actg Svcs	2,020.00	1,950.00	-70.00
Assoc Improv	3,791.75	3,000.00	-791.75
Capital Projects	0.00	62,000.00	62,000.00
Club Operations	17,794.07	10,400.00	-7,394.07
Clubhouse Clean	8,066.66	5,200.00	-2,866.66
Electricity	12,554.85	12,500.00	-54.85
Gas	5,164.69	6,000.00	835.31
Groundskeeping - Contracts	57,391.01	52,000.00	-5,391.01
Groundskeeping - Other	22,638.04	30,000.00	7,361.96
Insurance	14,516.00	14,500.00	-16.00
Legal+Bank Fees	-679.01	500.00	1,179.02
Lifeguard Rent	0.00	300.00	300.00
Other Expense	0.00	0.00	0.00
Pool Management	53,560.00	53,500.00	-60.00
Pool Rep+Equip	17,966.53	3,000.00	-14,966.53
Postage	2,093.75	1,700.00	-393.75
Printing	1,591.67	2,000.00	408.33
Real Estate Tax	1,197.40	1,300.00	102.60
Recreation Area	8,529.51	3,000.00	-5,529.51
Security	465.91	550.00	84.09
Social	5,188.13	5,500.00	311.87
Supplies	2,341.09	2,000.00	-341.09
Taxes	642.61	1,500.00	857.39
Telephone	2,387.04	2,000.00	-387.04
Water & Sewer	5,491.80	5,000.00	-491.80
TOTAL EXPENSES	244,713.49	279,400.00	34,686.51
OVERALL TOTAL	2,446.53	-34,320.00	36,766.53

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