

REALTY INCORPORATED

**MARQUIS DOWNS AT BULLE ROCK
BOARD OF DIRECTORS MEETING
March 19, 2015**

- I. MINUTES**

- II. FINANCIAL**

- III. ACCOUNTS RECEIVABLE**

- IV. OPERATIONS REPORTS AND ACTION ITEMS**

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 - B. HVAC
 - C. Cleaning
 - D. Exterminating
 - E. Entry System
 - F. Fire Alarm Monitoring
 - G. Sprinkler System
 - H. Fire Extinguishers

- VI. PROFESSIONAL SERVICES**
 - A. Management
 - B. Legal
 - C. Audit
 - D. Insurance

- VII. OPEN SESSION**

PREPARED BY
Keith Emanuel, CMCA
Portfolio Manager



8701 GEORGIA AVENUE

COMMITMENT TO SERVICE SINCE 1971
SILVER SPRING, MARYLAND 20910

(301) 495-6600



MARQUIS DOWNS AT BULLE ROCK
DISCUSSION ITEMS FOR BOARD MEETING
March 19, 2015

I. MINUTES – BOARD VOTE REQUIRED AND SIGNATURE

Draft minutes of the February 19, 2015 Board Meeting are enclosed for the review and approval of the Board. [P1-P2] SIGN P2

II. FINANCIAL AFFAIRS

- A. Financial Statements as of February, 2015 [month #2 of 2015 fiscal year] have not been received as of this report.
- B. BB&T Bank Statement [Operating Account] for the month of January 2015 is included with this report. [P4-P9]
- C. Monument Bank Statement [Reserve Account] for the month of January 2015 is included with this report. [P10-P13]

III. ACCOUNTS RECEIVABLE

Delinquency Action Report as of January 31, 2015. Delinquencies currently at \$47,993.06.

Please refer to your Executive Session Board package

IV. CONTRACTED SERVICES

- A. Elevator
Maintenance – Schindler- 800-225-3123
Anniversary Date: March 15, 2016 (90 day notice)
- B. HVAC
Blue Dot- 410-879-9696 Name changed to Fort Pitt Group
Anniversary Date: March 1, 2016
- C. Cleaning
Andrea Cline - 410-303-5584
- D. Exterminating
Northwest Pest Control- 800-884-5275
Anniversary Date (Month to Month - 30 day notice)
- E. Entry System
Abingdon Lock- 410-515-2022
- F. Fire Alarm Monitoring
The Town Group- 800-652-5276 or 800-606-7811

MARQUIS DOWNS AT BULLE ROCK
DISCUSSION ITEMS FOR BOARD MEETING
March 19, 2015

CONTRACTED SERVICES [continued]

- G. Sprinkler System
Simplex-Grinnell (#1873119) 800-727-5922
- H. Fire Extinguishers
Simplex Grinnell

V. PROFESSIONAL SERVICES

- A. Managing Agent
Zalco Realty, Inc. 301-495-6600

[1] List of maintenance items since last meeting. Please review and determine if the Board would like to address anything right away. [P-13A]

[3] **Board Discussion needed.** Please discuss contractor who is working on 4th floor vents, determine if he is to be used and if we need to have him do another unit

[4] **Board Discussion.** The 2013 Audit is enclosed and [needs to be signed] [P14-P36] **SIGN PAGE 27!**

- Notes: Shows a \$24,949.00 operating deficit
- No reserve study
- There is no more DUE TO RESERVES - \$53,421.00 was funded during the year.

[5] Reserve Advisors have completed the Reserve Study: Is there any discussion

Quick notes:

1. A potential deficit in reserves will occur by 2020 at the current rate using the identified reserve expenditures. We have been funding \$12,429.00 per month
2. Our budget proposes \$14,400.00 per month
3. The Reserve Study is suggesting \$27,500.00 per month representing a 5% increase in the total operating budget.
4. The initial large expense in 2016 would be replacing all hallway carpets and painting.

[6] Nationwide will continue to insure Marquis Downs. I have requested a copy of the rejections and will email them upon receipt if I receive anything.

[7] Sprinkler System update.

Bruce Shelton working in Association with Swain Contracting will begin insulating the complete sprinkler pipe system in Building 200. This should begin Thursday March 12th. Upon completion of this project, the Board will determine if they want to proceed with Buildings 201 and 203. Other considerations such as insulating or replacing the soffit will need to be considered as well.

Nationwide has completed their estimates of damage in Bldg 201 and 203. Upon receipt of the checks we will provide Duraclean a deposit of 1/3 to start completion of the repairs that need to be done. Because of the lack of communication in the past, I hope to keep you more informed with how this project is progressing. I have asked Jared Harkins from Duraclean to keep me in the loop as well as Mike Klose from Nationwide to also do the same.

**MARQUIS DOWNS AT BULLE ROCK
DISCUSSION ITEMS FOR BOARD MEETING
March 19, 2015**

- B. Legal
Whiteford Taylor Preston

See above in Section III, Accounts Receivable
- C. Audit
Strauss & Associates

Engaged for 2013
- D. Insurance
Nationwide- Simmerer Insurance (P#-ACP-BPHK5112991903)
301-386-0900 2/13/15
- E. Board Matters (For the Board Minutes)

Minutes of Board of Directors – February 19, 2015

Executive session of meeting was opened at 6:00 pm with John, Mary Lou, Noel, Ted and Dot present.

First order of business was the issue of new leases. Relative to unit 203L, no appropriate lease has been submitted, but someone has moved in. Relative to unit 201D, board would suggest legal action pending receipt of a clearer copy of lease.

Board would like to initiate collection proceeding for 2 individuals owing over \$1,000.

Question arose concerning whether or not we can garnish rent directly from tenant or landlord not paying.

Board would like to return to the practice of reviewing leases as they are presented to Zalco and would like to have 2 board members approve each lease.

Keith to get back to us on above points.

Regular session started at 6:30 pm:

1. A motion was made to approve minutes from November 2014 meeting. Minutes approved.
2. Minutes of January 2015 were amended and will be approved by email in a few days.
3. Audit of 2012 was again presented for signing and returning to front desk. Signed by John Blische and given to Keith.
4. Mack's Home Service's repairs to 4th-floor dryer vent were deemed unsatisfactory. Dot will contact different company to see if they do repairs from outside buildings via ladder, not using lift.
5. Relative to recommendation contained in reserve study, there will be no increase in condo fees at this time,
6. Motion was made, seconded and passed to earmark move-in and move-out fees for building spruce-up: paint, carpet, drywall repairs, etc. Mack's has given us a reasonable quote of \$499 per building to clean all carpet therein. Several on the board favor annual professional carpet cleaning – at least on 1st floors – for all buildings.
7. Nationwide Insurance will continue to insure condos. Board will continue to search for additional company. Find out from Keith which companies have declined coverage and ask him if a letter exists to share with us. Ted will seek a quote from his insurer.

8. Relative to burst sprinkler pipes at 3 buildings (200, 201, 203) in the recent past, Board feels Ryan Homes should be notified. Noel states that the 3 oldest buildings, noted above, had a different configuration of sprinkler pipes in patio closet than in later buildings. Mary Lou will contact our Nationwide insurance agent to ask if any code violations were noted in their inspections of damaged buildings and whether or not they recommend a particular remedy for problem. One engineer, Steve Deluca recommended individual heaters in closets where pipe bursts have taken place, but heaters and/or bulbs must be run from resident's electricity and idea has not been well received. Also residents would have control of heating device – not a desirable situation. More expensive but much more comprehensive solution was submitted by Shelton Electric, who will give a presentation to board next Monday. After inspecting attics, Shelton concluded that pipe insulation and batting insulation should be added to attics, as well as possibly restricting some outside air flow. Preliminary estimate – depending on exact length of piping in attic – is \$10,000 per building (3 buildings) for the insulation only. Board members may select any of the above proposed solutions or pursue other options.

9. A closet fire code violation was reported. Violations have not been rectified. Letter to owner will be sent by management.

Action Points: Keith to notify Ryan of damage from sprinkler pipes.
Keith to provide rejection letters from insurance companies, if available.
Keith to arrange to have move-in/out fees earmarked for maintenance.
Keith to send letter to unit owner with closet fire code violation.

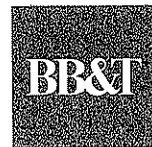
Meeting was adjourned at 7:42 pm.

Submitted by Dorothy Reilly

Meeting was adjourned at 7:42 pm.

Submitted by Dorothy Reilly

Sign _____



4

422-12-01-00 37001 15 C 001 30 55 003
MARQUIS DOWNS AT BULLE ROCK CONDO INC
C/O ZALCO REALTY INC - JANE P CLARK
8701 GEORGIA AVE STE 300
SILVER SPRING MD 20910-3727

Your account statement

For 01/30/2015

Contact us



BBT.com



(800) BANK-BBT or
(800) 226-5228

BB&T Merchant Services is committed to bringing you the latest technology as well as helping to protect you from potential risk and loss to your business. This is why we offer countertop, Bluetooth, and wireless terminals right now that allow you to accept chip card and contactless payments such as Apple Pay and Google Wallet.

Contactless technology will speed up your transaction process and allow customers multiple options to pay. These transactions are actually more secure since the card number is never stored.

Enabling your equipment to accept chip cards will again allow you to support how your customers want to pay and also help protect your losses. Today, if there is card-present counterfeit or duplicate card fraud the card issuer always takes on that liability and chargeback. On October 1, 2015, if you accept payments in a card-present environment and do not have a terminal, virtual terminal, mobile device or point-of-sale system that is enabled to process chip cards; you may see an increase in fraud, liability, and chargebacks.

Please know that protecting your customers and your business has never been more important to us. We recognize that you have many options and are constantly solicited by other providers. With this in mind, please know that if you are a BB&T Merchant Services client you can contact us if you receive a written competitive offer for a new credit card terminal, mobile processing solution, tablet solution, point-of-sale software, revised pricing or any other new account feature so that we can review it with you. Our BB&T Merchant Assurance Program assures you that BB&T will provide a comparable product or pricing solution (one per year) or we will waive your early termination penalty should you choose to close.

We welcome the opportunity to answer questions you may have especially regarding new technology, upgrades, and the chip card liability shift. You may contact us at 877-672-4228 from 8:30am-9:00pm ET, Monday through Friday.

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■ BUSINESS ANALYZED CHECKING 0005157995148

Account summary

Your previous balance as of 12/31/2014	\$49,955.64
Checks	- 37,016.45
Other withdrawals, debits and service charges	- 0.00
Deposits, credits and interest	+ 41,251.91
Your new balance as of 01/30/2015	= \$54,191.10

Checks

DATE	CHECK #	AMOUNT(\$)
01/05	10901	1,730.00
01/07	*10907	509.00

DATE	CHECK #	AMOUNT(\$)
01/12	*10910	1,425.00
01/05	*10913	255.00

DATE	CHECK #	AMOUNT(\$)
01/06	10914	348.07
01/13	10915	26,429.00

continued

■ BUSINESS ANALYZED CHECKING 0005157995148 (continued)

DATE	CHECK #	AMOUNT(\$)	DATE	CHECK #	AMOUNT(\$)
01/20	10916	106.57	01/13	10920	870.00
01/12	10917	164.87	01/15	10921	49.00
01/15	* 10919	1,400.00	01/20	10922	1,638.13

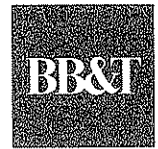
* indicates a skip in sequential check numbers above this item

DATE	CHECK #	AMOUNT(\$)
01/29	* 10924	305.85
01/29	* 10926	585.96
01/30	* 10928	1,200.00
Total checks		= \$37,016.45

Deposits, credits and interest

DATE	DESCRIPTION	AMOUNT(\$)
01/02	HOA ZALCO CONDO Marquis Downs at Bulle	1,691.92
01/02	SETTLEMENT ELECTRONIC LBX ZALCO	2,883.33
01/05	SETTLEMENT ELECTRONIC LBX ZALCO	1,246.99
01/05	HOA ZALCO CONDO Marquis Downs at Bulle	2,537.88
01/05	ACH DRAFT SETTLEMENT	8,882.58
01/06	SETTLEMENT ELECTRONIC LBX ZALCO	2,071.07
01/06	HOA ZALCO CONDO Marquis Downs at Bulle	2,537.88
01/07	HOA ZALCO CONDO Marquis Downs at Bulle	845.96
01/07	SETTLEMENT ELECTRONIC LBX ZALCO	1,691.92
01/08	CREDIT PAYLEASE.COM Zalco Realty Inc.	416.03
01/08	SETTLEMENT ELECTRONIC LBX ZALCO	845.96
01/08	HOA ZALCO CONDO Marquis Downs at Bulle	1,283.94
01/09	SETTLEMENT ELECTRONIC LBX ZALCO	422.98
01/12	HOA ZALCO CONDO Marquis Downs at Bulle	422.98
01/12	SETTLEMENT ELECTRONIC LBX ZALCO	845.96
01/13	HOA ZALCO CONDO Marquis Downs at Bulle	422.98
01/13	REMOTE DEPOSIT	845.96
01/14	CREDIT PAYLEASE.COM Zalco Realty Inc.	422.98
01/15	SETTLEMENT ELECTRONIC LBX ZALCO	422.98
01/15	HOA ZALCO CONDO Marquis Downs at Bulle	422.98
01/16	SETTLEMENT ELECTRONIC LBX ZALCO	422.98
01/20	SETTLEMENT ELECTRONIC LBX ZALCO	845.98
01/20	REMOTE DEPOSIT	1,195.96
01/21	REMOTE DEPOSIT	401.03
01/21	REMOTE DEPOSIT	422.98
01/26	SETTLEMENT ELECTRONIC LBX ZALCO	15.00
01/26	HOA ZALCO CONDO Marquis Downs at Bulle	845.96
01/27	HOA ZALCO CONDO Marquis Downs at Bulle	2,114.90
01/28	SETTLEMENT ELECTRONIC LBX ZALCO	422.98
01/29	CREDIT PAYLEASE.COM Zalco Realty Inc.	437.98
01/29	HOA ZALCO CONDO Marquis Downs at Bulle	2,537.92
01/30	HOA ZALCO CONDO Marquis Downs at Bulle	422.98

Total deposits, credits and interest = \$41,251.91



Questions, comments or errors?

Member FDIC

For general questions/comments or to report errors about your statement or account, please call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228) 24 hours a day, 7 days a week. BB&T Phone24 Client Service Associates are available to assist you from 6 a.m. until midnight ET. You may also contact your local BB&T financial center. To locate a BB&T financial center in your area, please visit BBT.com.

Electronic fund transfers

In case of errors or questions about your electronic fund transfers, if you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, contact us as soon as possible. You may write to us at the following address:

BB&T Liability Risk Management
P.O. Box 996
Wilson, NC 27894-0996

You may also call BB&T Phone24 at 1-800-BANK BBT or visit your local BB&T financial center. We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. Please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

We will investigate your complaint/concern and promptly take corrective action. If we take more than ten (10) business days to complete our investigation, your account will be credited for the amount you think is in error, minus a maximum of \$50 if we have a reasonable basis to believe that an unauthorized electronic fund transfer has occurred. This will provide you with access to your funds during the time it takes us to complete our investigation. You may have no liability for unauthorized Check Card purchases, subject to the terms and conditions in the current BB&T Electronic Fund Transfer Agreement and Disclosures. If you have arranged for direct deposit(s) to your account, please call BB&T Phone24 at 1-800-BANK BBT to verify that a deposit has been made.

If your periodic statement shows transfers that you did not make, tell us at once. If you do not inform us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after sixty (60) days. This will occur if we can prove that we could have stopped someone from taking the money if you had informed us in time. If a good reason kept you from informing us, we will extend the time periods.

Important information about your Constant Credit Account

Once advances are made from your Constant Credit Account, an INTEREST CHARGE

will automatically be imposed on the account's outstanding "Average daily balance." The INTEREST CHARGE is calculated by applying the "Daily periodic rate" to the "Average daily balance" of your account (including current transactions) and multiplying this figure by the number of days in the billing cycle. To get the "Average daily balance," we take the beginning account balance each day, add any new advances or debits, and subtract any payments or credits and the last unpaid INTEREST CHARGE. This gives us the daily balance. Then we add all of the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "Average daily balance."

Billing rights summary

In case of errors or questions about your Constant Credit statement

If you think your statement is incorrect, or if you need more information about a Constant Credit transaction on your statement, please call 1-800-BANK BBT or visit your local BB&T financial center. To dispute a payment, please write to us on a separate sheet of paper at the following address:

BankCard Services Division
P.O. Box 200
Wilson, NC 27894-0200

We must hear from you no later than sixty (60) days after we sent you the FIRST statement on which the error or problem appeared. You may telephone us, but doing so will not preserve your rights. In your letter, please provide the following information:

- Your name and account number
- Describe the error or transfer you are unsure about, and explain in detail why you believe this is an error or why you need more information
- The dollar amount of the suspected error

During our investigation process, you are not responsible for paying any amount in question; you are, however, obligated to pay the items on your statement that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount in question.

Mail-in deposits

If you wish to mail a deposit, please send a deposit ticket and check to your local BB&T financial center. Visit BBT.com to locate the BB&T financial center closest to you. Please do not send cash.

Change of address

If you need to change your address, please visit your local BB&T financial center or call BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).

How to Reconcile Your Account		Outstanding Checks and Other Debits (Section A)			
		Date/Check #	Amount	Date/Check #	Amount
1. List the new balance of your account from your latest statement here:					
2. Record any outstanding debits (checks, check card purchases, ATM withdrawals, electronic transactions, etc.) in section A. Record the transaction date, the check number or type of debit and the debit amount. Add up all of the debits, and enter the sum here:					
3. Subtract the amount in line 2 above from the amount in line 1 above and enter the total here:					
4. Record any outstanding credits in section B. Record the transaction date, credit type and the credit amount. Add up all of the credits and enter the sum here:					
5. Add the amount in line 4 to the amount in line 3 to find your balance. Enter the sum here. This amount should match the balance in your register.					
For more information, please contact your local BB&T relationship manager, visit BBT.com, or contact BB&T Phone24 at 1-800-BANK BBT (1-800-226-5228).		Outstanding Deposits and Other Credits (Section B)			
		Date/Type	Amount	Date/Type	Amount

7

Marquis Downs Condominium
Payment by Zesco Realty, Inc. as Managing Agent Only
For Marquis Downs at Bule Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Bank Banking and Trust Company
1400 BANK BKT BBT.com

12/29/2014 Date
010901 Check No.
1,730.00 Check Amount

Pay to the order of: ZALCO REALTY, INC.

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER \$20,000.00 REQUIRES TWO SIGNATURES

010901 ⑆5500330840005157995148⑆

Check # 10901 \$1,730.00

Marquis Downs Condominium
Payment by Zesco Realty, Inc. as Managing Agent Only
For Marquis Downs at Bule Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Bank Banking and Trust Company
1400 BANK BKT BBT.com

12/29/2014 Date
010901 Check No.
509.00 Check Amount

Pay to the order of: TOWN SECURITY INC.
1101 SHAMORTON PARK ROAD, SUITE 123
EDGEMOOR, MD 21040

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER \$20,000.00 REQUIRES TWO SIGNATURES

010901 ⑆5500330840005157995148⑆

Check # 10901 \$1,730.00

Marquis Downs Condominium
Payment by Zesco Realty, Inc. as Managing Agent Only
For Marquis Downs at Bule Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Bank Banking and Trust Company
1400 BANK BKT BBT.com

12/29/2014 Date
010907 Check No.
509.00 Check Amount

Pay to the order of: STRAUSS & ASSOCIATES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
9 PARK CENTRE COURT - SUITE 210
DOWNS MILLS, MD 21117

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER \$20,000.00 REQUIRES TWO SIGNATURES

010907 ⑆5500330840005157995148⑆

Check # 10907 \$509.00

Marquis Downs Condominium
Payment by Zesco Realty, Inc. as Managing Agent Only
For Marquis Downs at Bule Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Bank Banking and Trust Company
1400 BANK BKT BBT.com

12/29/2014 Date
010910 Check No.
1,425.00 Check Amount

Pay to the order of: D&D ELECTRICAL SERVICES, LLC
201 EAST RICHET AVENUE
NORTH EAST, MD 21091

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER \$20,000.00 REQUIRES TWO SIGNATURES

010910 ⑆5500330840005157995148⑆

Check # 10910 \$1,425.00

Marquis Downs Condominium
Payment by Zesco Realty, Inc. as Managing Agent Only
For Marquis Downs at Bule Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Bank Banking and Trust Company
1400 BANK BKT BBT.com

12/29/2014 Date
010913 Check No.
255.00 Check Amount

Pay to the order of: VERDON
P.O. BOX 888720
DALLAS, TX 75288

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER \$20,000.00 REQUIRES TWO SIGNATURES

010913 ⑆5500330840005157995148⑆

Check # 10913 \$255.00

Check # 10914 \$348.07

Check # 10914 \$348.07



8

MARQUE DOWNE CONDOMINIUM
Payment by Zico Realty, Inc. as Managing Agent Only
For Marquis Downs at Bulls Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Date: 12/30/2014 Check No: 010016 Check Amount: \$26,429.00

Pay to the order of: **BULLS ROCK COMMUNITY ASSOCIATION**

OVER 26,429.00 DOLLARS TWO SIGNATURES

VOID IF NOT CASHED WITHIN 60 DAYS FROM DATE OF ISSUE

0010915# 005500330840005157995148#

BB&T
1400 BANK BKT BBT.com

0010915# 005500330840005157995148#

CHECK# : 10915 \$26,429.00

CHECK# : 10915 \$26,429.00

MARQUE DOWNE CONDOMINIUM
Payment by Zico Realty, Inc. as Managing Agent Only
For Marquis Downs at Bulls Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Date: 1/7/2015 Check No: 010018 Check Amount: \$106.57

Pay to the order of: **VERIZON**
P.O. BOX 886720
DALLAS, TX 75288

OVER 106.57 DOLLARS TWO SIGNATURES

VOID IF NOT CASHED WITHIN 60 DAYS FROM DATE OF ISSUE

0010916# 005500330840005157995148#

BB&T
1400 BANK BKT BBT.com

0010916# 005500330840005157995148#

CHECK# : 10916 \$106.57

CHECK# : 10916 \$106.57

MARQUE DOWNE CONDOMINIUM
Payment by Zico Realty, Inc. as Managing Agent Only
For Marquis Downs at Bulls Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Date: 1/7/2015 Check No: 010017 Check Amount: \$106.57

Pay to the order of: **ZALCO REALTY, INC.**

OVER 106.57 DOLLARS TWO SIGNATURES

VOID IF NOT CASHED WITHIN 60 DAYS FROM DATE OF ISSUE

0010917# 005500330840005157995148#

BB&T
1400 BANK BKT BBT.com

0010917# 005500330840005157995148#

CHECK# : 10917 \$164.87

CHECK# : 10917 \$164.87

MARQUE DOWNE CONDOMINIUM
Payment by Zico Realty, Inc. as Managing Agent Only
For Marquis Downs at Bulls Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Date: 1/7/2015 Check No: 010019 Check Amount: \$164.87

Pay to the order of: **SUSAN ANDREA CLINE**
857 MARQUIS AVENUE
BALTIMORE, MD 21234

OVER 164.87 DOLLARS TWO SIGNATURES

VOID IF NOT CASHED WITHIN 60 DAYS FROM DATE OF ISSUE

0010919# 005500330840005157995148#

BB&T
1400 BANK BKT BBT.com

0010919# 005500330840005157995148#

CHECK# : 10919 \$1,400.00

CHECK# : 10919 \$1,400.00

MARQUE DOWNE CONDOMINIUM
Payment by Zico Realty, Inc. as Managing Agent Only
For Marquis Downs at Bulls Rock
Condominium, Inc., Principal
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Date: 1/7/2015 Check No: 010020 Check Amount: \$870.00

Pay to the order of: **DANIEL H. DONOVAN**
TRUST IN HOME IMPROVEMENT LLC
2650 SMALLWOOD DRIVE
ABINGDON, MD 21009

OVER 870.00 DOLLARS TWO SIGNATURES

VOID IF NOT CASHED WITHIN 60 DAYS FROM DATE OF ISSUE

0010920# 005500330840005157995148#

BB&T
1400 BANK BKT BBT.com

0010920# 005500330840005157995148#

CHECK# : 10920 \$870.00

CHECK# : 10920 \$870.00

Marquis Downs Condominium
 Payment by Zanco Realty, Inc. as Managing Agent Only
 For Marquis Downs at Bule Rock
 Condominium, Inc., Principal
 8701 Georgia Avenue
 Silver Spring, Maryland 20910-3713

Date: 1/13/2018 Check No. 010921 Check Amount: \$49.00

Pay to the order of: **ZALCO REALTY, INC.**

OVER FORTY NINE AND 00/100 DOLLARS

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER 100.00 REQUIRES TWO SIGNATURES

⑆010921⑆ ⑆55003308⑆0005157995148⑆

⑆010921⑆ ⑆55003308⑆0005157995148⑆

CHECK#: 10921 \$49.00

CHECK#: 10921 \$49.00

Marquis Downs Condominium
 Payment by Zanco Realty, Inc. as Managing Agent Only
 For Marquis Downs at Bule Rock
 Condominium, Inc., Principal
 8701 Georgia Avenue
 Silver Spring, Maryland 20910-3713

Date: 1/13/2018 Check No. 010922 Check Amount: \$1,638.13

Pay to the order of: **BGE-BALTIMORE GAS & ELECTRIC CO.**
 P.O. BOX 13070
 PHILADELPHIA, PA 19101-3070

OVER ONE THOUSAND SIX HUNDRED THIRTY EIGHT AND 13/100 DOLLARS

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER 100.00 REQUIRES TWO SIGNATURES

⑆010922⑆ ⑆55003308⑆0005157995148⑆

⑆010922⑆ ⑆55003308⑆0005157995148⑆

CHECK#: 10922 \$1,638.13

CHECK#: 10922 \$1,638.13

Marquis Downs Condominium
 Payment by Zanco Realty, Inc. as Managing Agent Only
 For Marquis Downs at Bule Rock
 Condominium, Inc., Principal
 8701 Georgia Avenue
 Silver Spring, Maryland 20910-3713

Date: 1/16/2018 Check No. 010924 Check Amount: \$305.85

Pay to the order of: **VERIZON**
 P.O. BOX 800780
 DALLAS, TX 75280

OVER THREE HUNDRED FIVE AND 85/100 DOLLARS

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER 100.00 REQUIRES TWO SIGNATURES

⑆010924⑆ ⑆55003308⑆0005157995148⑆

⑆010924⑆ ⑆55003308⑆0005157995148⑆

CHECK#: 10924 \$305.85

CHECK#: 10924 \$305.85

Marquis Downs Condominium
 Payment by Zanco Realty, Inc. as Managing Agent Only
 For Marquis Downs at Bule Rock
 Condominium, Inc., Principal
 8701 Georgia Avenue
 Silver Spring, Maryland 20910-3713

Date: 1/23/2018 Check No. 010926 Check Amount: \$585.96

Pay to the order of: **DMPLEX GRINNELL**
 DEPT. 0110030
 PR. B'NH, IL 60046-0110

OVER FIVE HUNDRED EIGHTY FIVE AND 96/100 DOLLARS

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER 100.00 REQUIRES TWO SIGNATURES

⑆010926⑆ ⑆55003308⑆0005157995148⑆

⑆010926⑆ ⑆55003308⑆0005157995148⑆

CHECK#: 10926 \$585.96

CHECK#: 10926 \$585.96

Marquis Downs Condominium
 Payment by Zanco Realty, Inc. as Managing Agent Only
 For Marquis Downs at Bule Rock
 Condominium, Inc., Principal
 8701 Georgia Avenue
 Silver Spring, Maryland 20910-3713

Date: 1/23/2018 Check No. 010928 Check Amount: \$1,200.00

Pay to the order of: **MARQUIS DOWNS @ BULE ROCK - RVS**
 MONUMENT BANK ACCT:1000021978

OVER ONE THOUSAND TWO HUNDRED AND 00/100 DOLLARS

VOID IF NOT CASHED WITHIN 90 DAYS FROM DATE OF ISSUE

OVER 100.00 REQUIRES TWO SIGNATURES

⑆010928⑆ ⑆55003308⑆0005157995148⑆

⑆010928⑆ ⑆55003308⑆0005157995148⑆

CHECK#: 10928 \$1,200.00

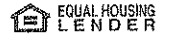
CHECK#: 10928 \$1,200.00



Monument Bank

7401 Wisconsin Ave, Suite 300
Bethesda, MD 20814
Return Service Requested

MEMBER
FDIC



(301) 841-9600

www.monumentbank.com

00000970-0004459-0001-0003-MIMR8901000201156886

970

Marguis Downs At Bulle Rock Condo Inc
C/O Zalco Realty Inc Agent
Attention: J Clark
8701 Georgia Ave Ste 300
Silver Spring MD 20910-3727

Page 1 of 3

Account Number: 1000022978
Date: 02/01/15
Images: 1
Branch: 002

IMPORTANT CHANGE OF ADDRESS INFORMATION

As of Monday, December 15, 2014 Monument Bank is relocating its Administrative offices to:
2101 Gaither Road, Suite 600, Rockville, MD 20850-4068.
All telephone numbers, fax numbers, and emails will remain the same.

CHECKING

125,160.97

COMMERCIAL PREMIER MM **Marguis Downs At Bulle Rock Condo Inc** **Acct 1000022978**

Beginning Balance	1/01/15	123,871.49
Deposits / Misc Credits	2	1,289.48
Withdrawals / Misc Debits	0	.00
Ending Balance	1/31/15	125,160.97
Service Charge		.00
Interest Paid Thru	1/31/15	89.48
Interest Paid Year To Date		89.48
Average Balance		123,948
Average Collected Balance		123,871
Minimum Balance		123,871

Transaction Detail



Date	Deposits	Withdrawals	Activity Description
1/30	1,200.00		DEPOSIT
1/30	89.48		INTEREST PAID

CHANGE OF ADDRESS

NEW ADDRESS: _____

HOME PHONE: _____ BUSINESS PHONE: _____ MOBILE PHONE: _____

CHANGE ON: ☐ All Accounts ☐ Account No(s) _____

SPECIAL INSTRUCTIONS: _____

Date: _____ Authorized Signature _____

Authorized Signature _____

Email Address: _____

CUT ALONG DOTTED LINE AND MAIL OR TAKE TO MONUMENT BANK

RECONCILEMENT FORM			
CHECKS OUTSTANDING		TO PROVE BALANCE AS SHOWN ON YOUR STATEMENT	
NUMBER	AMOUNT		
		1. Deduct all service charges from your checkbook.	
		2. Be sure all checks issued from your personalized checkbook are posted numerically (as issued). Sort your checks numerically.	
		3. Check off on the stubs of your checkbook each check listed as paid by the Bank and make a list of the numbers and amounts of those still outstanding in the spaces provided at the left. Be sure to include all checks still outstanding from your previous statement. To the sum of the outstanding checks add the balance as shown in your checkbook.	
		4. List below all deposits which do not appear on the statement and add to this total the balance as shown by the statement.	
		The two results should agree and if so, this statement is considered correct.	
		DEPOSITS NOT SHOWN ON STATEMENT	
BALANCE PER CHECKBOOK		BALANCE PER STATEMENT	
TOTAL		TOTAL	
WORK SPACE			

IMPORTANT INFORMATION CONCERNING YOUR OVERDRAFT PROTECTION LINE OF CREDIT

For your convenience, the Bank automatically deducts your minimum monthly payment from your checking account and any accrued interest will be applied to your outstanding loan balance. To avoid additional FINANCE CHARGES pay the entire "new balance" and any accrued FINANCE CHARGES. The FINANCE CHARGE is computed by taking the unpaid principal balance of your account at the beginning of each new billing cycle. Each day we subtract payments and credits from this balance and add new loans. This gives us the daily principal balance for your account each day. We then multiply this daily principal balance by the periodic rate on the front of this statement. 1/365 of the Annual Percentage Rate is your FINANCE CHARGE for the billing cycle. The Account Statement closing date is on the front of this statement.

In case of errors or questions about your Overdraft Protection Line of Credit, please telephone us at 301-841-9600 or write us at 7401 Wisconsin Avenue, Suite 300, Attention: Loan Operations, Bethesda, MD 20814 as soon as possible. We must hear from you no later than 60 days after we sent you the first statement on which the error or problem appeared. Written authorization must accompany the oral request within 10 business days.

- 1) Tell us your name and account number
- 2) Describe the error and explain if you can why you believe there is an error. If you need more information, describe the item you are unsure about.
- 3) Tell us the dollar amount of the suspected error.

You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question we cannot report you delinquent or take any action to collect the amount in question. If the investigation will take longer than 10 business days, we will recredit your account for the amount you think is in error, so that you will have use of the money during the investigation period.

Under the Fair Credit Reporting Act you have the right to notify us if we report any inaccurate information about your account to the credit bureaus. Such notices should be sent in writing and include your complete name, current address, social security number, telephone number, loan number, and the reason why you believe the information reported is in error. Send your notice to Monument Bank, Loan Operations, 7401 Wisconsin Avenue, Suite 300, Bethesda, MD 20814

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Telephone us at 301-841-9600 or write us at 7401 Wisconsin Avenue, Suite 300, Bethesda, MD 20814 as soon as you can, if you think your statement or any of your automatic teller machine receipts is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- 1) Tell us your name and account number
- 2) Describe the error or transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- 3) Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will recredit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

PREAUTHORIZED CREDITS

If you have arranged to have direct deposits made to your account once every 60 days from the same person or company, you can call us at 301-841-9700 to find out whether or not the deposit was made.

IMPORTANT: Every Statement should be checked with your own records. If no errors are reported within 30 days, your account will be considered correct.

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Marguis Downs At Bulle Rock Condo Inc
C/O Zalco Realty Inc Agent
Attention: J Clark
8701 Georgia Ave Ste 300
Silver Spring MD 20910-3727

Page 2 of 3

Account Number: 1000022978
Date: 02/01/15
Images: 1
Branch 002

Daily Balance Summary

Date	Balance	Date	Balance	Date	Balance
1/30	125,160.97				



13A

MARQUIS DOWNS REPAIR LIST

Building	Repair	Status
205 R	Ceiling Leak	Fixed
201	Door Lock Assembly	Fixed
201	Exterior Light	Fixed
All Bldgs	Lightbulbs in elevators	Fixed
200	Splattered paint, cracked sidewalks, broken louvers	
207	Dirty carpets, paint the frnt alcove, paint hallways, replace mats in vestibule	
202 P	Window leak and Interior damage	Fixed
205 Q	Ceiling Leak	Fixed
202 G	Leak Window	Fixed
All Bldgs	Consider higher wattage	Fixed
202 C	Window leak	Fixed
207 H	Bedroom window leak	Fixed
207H	Electrical Switches shorting	Fixed
205	Front of bldg filthy, bird nests	
All Bldgs	More lightbulbs	Fixed
202	Bird nest in dryer vent/2nd level	
200 E	Stain on carpet	
205	Mold inside of back door	
205	HVAC VENTS NEEDS TO BE FILLED AND SEALED	
203	outdoor faucets/vacuum brkr	
207	outdoor faucets	
200	Broken Fire Extinguisher Case	Fixed
201	Nest in dryer vent, dryer vent broken	
All Bldgs	Fourth Floor Dryer vents	
204	Chipped Concrete	
204	Outdoor Lamp is cracked	
204	Dumpster Corral in Bad Repair	
204	Side parking lot raised sidewalk	
201	Paint missing from window frame 3rd floor	
200	Paint missing from window frame 4th floor	
200	Roof Leak	Fixed
200	Light Fixtures to be replaced 4th fl	Fixed
200	Stains near elevator	
205 2nd flr	Door Closer unhinged.	Fixed
207	Possible Fire Alarm Panel Repair	
201D-H	Drip from roof to metal plate making noise	
207	4th Floor ceiling buckling	
204	Back vestibule damaged by leak	
204	Dampness 1st floor utility closet	
200	damaged window frames	
201	damaged window frames	
207	Sidewalk rising, underwater leak	
207	Emergency Flood light ck red lt	
200	Drywall Damage behind stairwell door	
203	3rd floor broken door closer	

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Strauss & Associates, P.A.

Certified Public Accountants

9 Park Center Court, Suite 210 • Owings Mills, Maryland 21117
(410) 363-1011 • Fax (410) 363-6919

December 23, 2014

Paul Loeffler
Zalco Realty, Inc.
8701 Georgia Avenue
Silver Spring, Maryland 20910-3713

Dear Paul:

Enclosed is the draft copy of the Financial Statements and Auditor's Report of Marquis Downs at Bulle Rock Condominium, Inc. for the year ended December 31, 2013.

Also enclosed are the following:

*Representation letter - The representation letter is a letter from the Association to us confirming that to the best of your knowledge and belief all information was provided or disclosed to us. This letter needs to be signed and dated at the bottom of page 3 by the managing agent and a member of the board of directors. In order to issue the final audit please send the most recent financial statement along with the signed representation letter to our office.

*Management letter - The management letter is not a required communication under auditing standards, but is a by-product of the audit. We generally issue a management letter to communicate our comments and recommendations.

*Communication with Those Charged with Governance under SAS No. 114 - Under Statement of Auditing Standards (SAS) No. 114, we are required to communicate audit matters that, in our professional judgment, may be significant and relevant to those charged with governance of the Association.

*Adjusted Trial Balance and Adjusting Journal Entries - These are the proposed audit adjustments for the period under audit.

Thank you for your cooperation.

Sincerely,

STRAUSS & ASSOCIATES, P.A.



Marc J. Strauss, CPA

MJS/tms
Enclosure

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
MARQUIS DOWNS AT
BULLE ROCK CONDOMINIUM, INC.
December 31, 2013

DRAFT COPY - SUBJECT TO CHANGE

CONTENTS

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BALANCE SHEET	5
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES	6
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NOTES TO FINANCIAL STATEMENTS	8

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Marquis Downs at Bulle Rock Condominium, Inc.

We have audited the accompanying financial statements of Marquis Downs at Bulle Rock Condominium, Inc., which comprise the balance sheet as of December 31, 2013 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 Marquis Downs at Bulle Rock Condominium, Inc. at December 31, 2013 and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note D, the Association has not conducted a study to estimate the remaining lives and replacement costs of the common property and therefore, has not presented the estimates of future costs of major repairs and replacements that the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.

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MARQUIS DOWNS AT BULLE ROCK CONDOMINIUM, INC.

BALANCE SHEET

December 31, 2013

ASSETS

	<u>Operating fund</u>	<u>Replacement fund</u>	<u>Total</u>
CURRENT ASSETS			
Cash	\$ 27,535	\$ 154,822	\$ 182,357
Assessments receivable (net of allowance for doubtful accounts of \$36,540)	14,317	-	14,317
Prepaid expenses	8,414	-	8,414
Total current assets	<u>\$ 50,266</u>	<u>\$ 154,822</u>	<u>\$ 205,088</u>

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES			
Accounts payable	\$ 15,931	\$ -	\$ 15,931
Prepaid assessments	24,177	-	24,177
Due to Bulle Rock Community Association, Inc.	9,077	-	9,077
Total current liabilities	49,185	-	49,185
FUND BALANCES	<u>1,081</u>	<u>154,822</u>	<u>155,903</u>
Total liabilities and fund balances	<u>\$ 50,266</u>	<u>\$ 154,822</u>	<u>\$ 205,088</u>

See independent auditor's report and notes to financial statements.

MARQUIS DOWNS AT BULLE ROCK CONDOMINIUM, INC.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES

For the year ended December 31, 2013

	Operating fund	Replacement fund	Total
REVENUES			
Assessments	\$ 169,233	\$ 52,429	\$ 221,662
Bad debt recovery	29,302	-	29,302
Interest income	-	992	992
Late fee income	660	-	660
Legal fee income	1,781	-	1,781
Master fee income	316,685	-	316,685
Other income	9,256	-	9,256
	<u>526,917</u>	<u>53,421</u>	<u>580,338</u>
EXPENSES			
Administrative	1,365	-	1,365
Electricity	15,567	-	15,567
Elevator	30,453	-	30,453
Exterminating	2,450	-	2,450
Fire system	4,554	-	4,554
HVAC expenses	5,540	-	5,540
Insurance	35,594	-	35,594
Janitorial	18,550	-	18,550
Management fees	20,786	-	20,786
Master fees	317,157	-	317,157
Miscellaneous	940	-	940
Professional fees	16,455	-	16,455
Repairs and maintenance	28,921	-	28,921
Sprinkler system	2,552	-	2,552
Water and sewer	52,368	-	52,368
	<u>553,252</u>	<u>-</u>	<u>553,252</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(26,335)	53,421	27,086
FUND BALANCES			
- beginning of year	<u>27,416</u>	<u>101,401</u>	<u>128,817</u>
FUND BALANCES end of year	<u>\$ 1,081</u>	<u>\$ 154,822</u>	<u>\$ 155,903</u>

See independent auditor's report and notes to financial statements.

MARQUIS DOWNS AT BULLE ROCK CONDOMINIUM, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

	Operating fund	Replacement fund	Total
Excess (deficiency) of revenues over expenses	\$ (26,335)	\$ 53,421	\$ 27,086
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:			
(Increase) decrease in:			
Assessments receivable	29,413	-	29,413
Due from Bulle Rock Community Association, Inc.	1,319	-	1,319
Prepaid expenses	(372)	-	(372)
Increase (decrease) in:			
Accounts payable	(3,129)	-	(3,129)
Prepaid assessments	6,083	-	6,083
Allowance for doubtful accounts	(31,928)	-	(31,928)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(24,949)	53,421	28,472
NET INCREASE (DECREASE) IN CASH	(24,949)	53,421	28,472
CASH AT BEGINNING OF YEAR	52,484	101,401	153,885
CASH AT END OF YEAR	\$ 27,535	\$ 154,822	\$ 182,357

SUPPLEMENTAL INFORMATION

Income taxes paid

\$ - \$ - \$ -

See independent auditor's report and notes to financial statements.

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MARQUIS DOWNS AT BULLE ROCK CONDOMINIUM, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE A - ORGANIZATION, PURPOSE, AND MANAGEMENT

Marquis Downs at Bulle Rock Condominium, Inc., a non-stock corporation, exists for the private benefit of its members having as its purpose the general upkeep and maintenance of the common elements of the development and any other common expenses of the unit owners. The Association, located in Havre de Grace, Maryland, is comprised of 112 condominium units.

The Association has engaged Zalco Realty, Inc. as its agent to collect maintenance fees for the unit owners, to administer the policies of the Board of Directors and to assist in the management of the Association's affairs.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant policies consistently applied in the preparation of the accompanying statements follows:

1. Method of accounting

The financial statements are presented on the accrual method of accounting, in which revenues are recognized when earned and expenses when incurred, not necessarily when received or paid.

2. Funds

The Association uses fund accounting, which requires that funds, such as operating and replacement funds, be classified separately for accounting and reporting purposes. The operating fund is used to account for financial resources available for the general operations of the Association. The replacement fund is used to accumulate financial resources designated for future major repairs and replacements.

3. Income taxes

Condominium associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2013, the Association elected to be taxed as a homeowners' association. Under that election, the Association is taxed on its nonexempt function income, such as interest earned, at a flat rate of 30%. Exempt function income, which consists primarily of member assessments, is not taxable.

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MARQUIS DOWNS AT BULLE ROCK CONDOMINIUM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2013

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Income taxes - continued

The Association's policy is to recognize any tax penalties and interest as an expense when incurred. For the year ended December 31, 2013, the Association incurred no penalties and interest related to income taxes. Tax returns are subject to examination by the Internal Revenue Service and State of Maryland for three years after they are filed.

4. 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.

5. 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 to help in the collection of unit owners whose assessments are delinquent. An allowance for doubtful accounts has been set up as an estimate for those accounts which may not be collectible.

NOTE C - CASH

As of December 31, 2013, the Association maintained its funds in the following manner:

<u>Institution</u>	<u>Type of account</u>	<u>Cash</u>
BB&T	Checking	\$ 27,035
Monument Bank	Money Market	154,822
Petty Cash		<u>500</u>
		<u>\$ 182,357</u>

MARQUIS DOWNS AT BULLE ROCK CONDOMINIUM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2013

NOTE D - REPLACEMENT FUND

The Association has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future.

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Funds are being accumulated in the replacement fund based on estimated future costs for repairs and replacements of common property components. Actual expenditures and investment income 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 all future needs for major repairs and replacements. If additional funds are needed, the Association has the right, subject to membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

NOTE E - SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through *(date inserted after completion of the final audit)*, the date the financial statements were available to be issued.

DRAFT COPY

SUBJECT TO CHANGE

Strauss & Associates, P.A.
Certified Public Accountants
9 Park Center Court, Suite 210
Owings Mills, Maryland 21117

We are providing this letter in connection with your audit of the balance sheet of Marquis Downs at Bulle Rock Condominium, Inc. as of December 31, 2013, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Marquis Downs at Bulle Rock Condominium, Inc. in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation in the financial statements of financial position, results of operations, and cash flows in conformity with generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following representations made to you during the audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have made available to you all-
 - a. Financial records and related data
 - b. Minutes of the meetings of directors and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. We have no knowledge of-
 - a. Fraud or suspected fraud involving management or employees who have significant roles in internal control.
 - b. Fraud or suspected fraud involving others that could have a material effect on the financial statements.
4. The Association has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity balances.
5. The following have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions and related accounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements, and guarantees.
 - b. Guarantees, whether written or oral, under which the Association is contingently liable.
 - c. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - d. Agreements to repurchase assets previously sold.

6. There are no-
 - a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification 450, Contingencies (formerly Statement of Financial Accounting Standards No. 5).
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB ASC 450, Contingencies (formerly Statement of Financial Accounting Standards No.5).
 - d. Transfers or designations of fund balances or interfund borrowings that were not properly authorized and approved, or uncollectible interfund loans that have not been properly reflected in the financial statements or disclosed to you.
7. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
9. The Association has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
11. The board of directors has not conducted a study to determine the estimated funding needed for future major repairs and replacements. It is funding major repairs and replacements through special assessments or borrowings as needs arise.
12. The Association's allocation of expenses against exempt and nonexempt function income conforms with the IRS rules, which require that the allocation be made "on a reasonable basis."
13. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
14. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Association vulnerable to the risk of a near-term severe impact that have not been properly disclosed in the financial statements.
15. The board of directors has reviewed the adequacy of insurance coverage during the year.
16. We are in agreement with the adjusting journal entries you have recommended, and they have been posted to the Association's accounts, if appropriate.
17. We understand that the Association is responsible for the choice of income tax filing and the consequences thereof.
18. We have reviewed the transactions affecting replacement reserves (including inter-equity transfers). We are in agreement with them and they are properly authorized and approved.
19. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

- 20. We have no knowledge of any allegations of fraud or suspected fraud affecting the Association received in communications from employees, former employees, regulators, or others.
- 21. We have disclosed to you all material events, if any, that would require adjustments to, or disclosure in, the financial statements. In addition, we represent that no other material events have occurred since you completed your audit fieldwork and through the date of this letter. Examples of material events include, but are not limited to, contracts for replacement reserve expenditures, losses due to fire, changes in ongoing litigation or new litigation and approval of special assessments. Material events that have occurred are:

By: _____
Member of Board of Directors

By: _____
Managing Agent

Date: _____

Date: _____

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12/31/13
DefaultMARQUIS DOWNS AT BULLE ROCK CONDO
Trial Balance Grid Report50217
Page 1

Number	Description	Type	Prior Period	Unadjusted Balance	Adjusting Dr	Adjusting Cr	Adjusted Balance
1002	CASH - OPERATING - BB&T	A	51,984.11	28,295.64	0.00	1,261.08	27,034.56
1030	CASH - PETTY CASH	A	500.00	500.00	0.00	0.00	500.00
1040	CASH - MONUMENT BANK MM	A	101,400.63	154,710.59	111.09	0.00	154,821.68
1219	MISC FEES RECEIVABLE	A	6,856.55	0.00	12,862.40	6,856.55	6,005.85
1220	CONDO FEES RECEIVABLE	A	30,472.43	15,401.88	0.00	0.00	15,401.88
1225	HOA FEES RECEIVABLE	A	33,854.92	21,065.34	0.00	0.00	21,065.34
1242	SPECIAL ASSESSMENT RECEIVA	A	1,861.50	688.30	0.00	0.00	688.30
1250	ALLOWANCE FOR DOUBTFUL ACC	A	(68,467.65)	(29,316.38)	0.00	7,224.00	(36,540.38)
1270	PARKING FEES RECEIVABLE	A	0.00	471.96	0.00	0.00	471.96
1285	A/R PRIOR OWNERS	A	7,224.00	7,224.00	0.00	0.00	7,224.00
1290	DUE FROM PRIOR MGMT	A	0.00	(959.24)	959.24	0.00	0.00
1295	DUE FROM BULLE ROCK COMMUN	A	1,319.23	0.00	0.00	0.00	0.00
1650	PREPAID INSURANCE	A	4,197.50	4,694.83	823.02	1,032.85	4,485.00
1660	PREPAID EXPENSE - OTHER	A	3,844.53	6,217.69	2,269.84	4,558.45	3,929.08
2101	ACCRUED EXPENSES	L	(19,060.07)	(14,524.09)	1,608.51	3,009.51	(15,925.09)
2105	DUE TO BULLE ROCK COMMUNIT	L	(9,077.43)	0.00	0.00	9,077.43	(9,077.43)
2120	PREPAID CONDO FEES	L	(7,442.77)	(6,494.29)	62.20	8,317.51	(14,749.60)
2122	PREPAID HOA FEES	L	(10,650.75)	(18,943.53)	9,525.57	0.00	(9,417.96)
2125	PREPAID SPECIAL ASSESSMENT	L	0.00	0.00	0.00	9.18	(9.18)
2290	A/P - OTHER	L	0.00	(5.00)	0.00	0.00	(5.00)
3170	REPLACEMENT RESERVE	L	(37,469.94)	(153,829.63)	0.00	0.00	(153,829.63)
3200	RESERVE CONTRIBUTIONS	L	(63,601.83)	0.00	0.00	0.00	0.00
3255	RESERVE INTEREST	L	(328.86)	(880.96)	0.00	111.09	(992.05)
4150	UNAPPROPRIATED MEMBERS EQU	L	(128,331.99)	(34,417.39)	7,001.29	0.00	(27,416.10)
5100	CONDOMINIUM FEE	R	(212,405.00)	(221,662.15)	0.00	0.00	(221,662.15)
5300	HOA ASSESSMENTS	R	(311,612.17)	(316,685.16)	0.00	0.00	(316,685.16)
5330	BAD DEBT RECOVERY/LOSS	R	0.00	(31,927.27)	2,625.43	0.00	(29,301.84)
5700	PARKING FEES	R	0.00	(235.98)	0.00	0.00	(235.98)
5830	INTEREST INCOME	R	0.00	(881.96)	881.96	0.00	0.00
5836	LATE FEES	R	(1,035.00)	(1,290.00)	1,395.00	765.00	(660.00)
5844	LEGAL FEES	R	(295.00)	(1,827.97)	136.75	90.00	(1,781.22)
5848	MISCELLANEOUS	R	(4,719.56)	(2,943.95)	5,324.80	5,150.85	(2,770.00)
5850	MOVE IN/MOVE OUT FEE	R	(4,625.00)	(6,250.00)	0.00	0.00	(6,250.00)
5995	TRANSFERS TO RESERVE	R	63,601.83	52,429.00	0.00	0.00	52,429.00
5996	TRANSFER RESERVE INTEREST	R	0.00	881.96	0.00	881.96	0.00
6125	ADMINISTRATIVE EXPENSE	E	(141.00)	0.00	0.00	0.00	0.00
6129	BAD DEBT EXPENSE	E	61,243.65	2,625.43	0.00	2,625.43	0.00
6220	HOA FEES	E	311,025.00	317,157.12	0.00	0.00	317,157.12
6245	LEGAL	E	2,985.00	4,229.65	50.00	0.00	4,279.65

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12/31/13
DefaultMARQUIS DOWNS AT BULLE ROCK CONDO
Trial Balance Grid Report50217
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Number	Description	Type	Prior Period	Unadjusted Balance	Adjusting Dr	Adjusting Cr	Adjusted Balance
6246	LEGAL - COLLECTIONS	[E]	10,295.47	12,175.42	0.00	0.00	12,175.42
6255	MANAGEMENT FEES	[E]	20,160.00	20,786.00	0.00	0.00	20,786.00
6265	MISCELLANEOUS	[E]	1,601.71	939.77	0.00	0.00	939.77
6280	OFFICE EXPENSES	[E]	1,691.56	754.53	246.76	288.20	713.09
6281	OFFICE SUPPLIES	[E]	0.00	652.87	0.00	0.00	652.87
6545	PROPERTY & LIABILITY INSUR	[E]	32,820.50	34,560.65	1,032.85	0.00	35,593.50
7120	BUILDING R&M	[E]	11,084.88	18,360.34	0.00	0.00	18,360.34
7160	ELEVATOR REPAIRS & MAINT.	[E]	4,737.63	899.84	802.94	0.00	1,702.78
7215	HVAC R&M	[E]	0.00	3,965.00	0.00	0.00	3,965.00
7220	INSURANCE DEDUCTIBLE	[E]	0.00	3,866.19	0.00	0.00	3,866.19
7221	INSURANCE REIM/DED CLAIM #	[E]	0.00	6,446.09	0.00	0.00	6,446.09
7515	LIGHTING SUPPLIES	[E]	0.00	249.10	0.00	0.00	249.10
7623	CLEANING CONTRACT	[E]	18,550.00	18,550.00	0.00	0.00	18,550.00
7645	ELEVATOR	[E]	21,609.87	23,066.59	4,584.15	0.00	27,650.74
7646	ELEVATOR INSPECTIONS	[E]	1,099.00	1,099.00	0.00	0.00	1,099.00
7655	EXTERMINATING	[E]	1,470.00	2,450.00	0.00	0.00	2,450.00
7661	FIRE SYSTEM MONITOR	[E]	2,032.06	3,933.06	621.00	0.00	4,554.06
7662	FIRE SPRINKLER SYSTEM	[E]	2,515.33	2,552.34	0.00	0.00	2,552.34
7670	HVAC	[E]	2,620.83	1,575.00	0.00	0.00	1,575.00
7690	LANDSCAPING	[E]	(190.00)	0.00	0.00	0.00	0.00
7750	ELECTRICITY	[E]	11,527.51	15,656.75	274.53	364.72	15,566.56
7780	WATER & SEWER	[E]	53,266.79	53,943.02	0.00	1,575.52	52,367.50
Total			0.00	0.00	53,199.33	53,199.33	0.00
YTD Profit/(Loss)				(20,100.28)			(26,334.77)

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Prepared by _____

MARQUIS DOWNS AT BULLE ROCK CONDO
Adjusting Journal Entries

50217

Page 1

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
1.	Adjusting	12/31/13					
		1219	MISC FEES RECEIVABLE	6,856.55			
		1250	ALLOWANCE FOR DOUBTFUL ACC		7,224.00		
		1290	DUE FROM PRIOR MGMT	959.24			
		1650	PREPAID INSURANCE	823.02			
		1660	PREPAID EXPENSE - OTHER	2,269.84			
		2101	ACCRUED EXPENSES		1,608.51		
		2105	DUE TO BULLE ROCK COMMUNIT		9,077.43		
		4150	UNAPPROPRIATED MEMBERS EQU	7,001.29			
						0.00	
			TO ADJUST OPENING BALANCES				
2.	Adjusting	12/31/13					
		1040	CASH - MONUMENT BANK MM	111.09			
		3255	RESERVE INTEREST		111.09		
		2122	PREPAID HOA FEES	9,525.57			
		2120	PREPAID CONDO FEES	62.20			
		2125	PREPAID SPECIAL ASSESSMENT FI		9.18		
		2120	PREPAID CONDO FEES		8,317.51		
		1002	CASH - OPERATING - BB&T		1,261.08		
						0.00	
			TO RECONCILE CASH				
3.	Adjusting	12/31/13					
		1650	PREPAID INSURANCE		1,032.85		
		6545	PROPERTY & LIABILITY INSURAN	1,032.85			
						(1,032.85)	
			TO ADJUST PREPAID INSURANCE TO SCHEDULE				
4.	Adjusting	12/31/13					
		7645	ELEVATOR	4,558.45			
		1660	PREPAID EXPENSE - OTHER		4,558.45		
						(4,558.45)	
			TO ADJUST PREPAID EXPENSES TO SCHEDULE				
5.	Adjusting	12/31/13					
		5844	LEGAL FEES	60.00			
		5836	LATE FEES	1,395.00			
		5844	LEGAL FEES	76.75			
		5848	MISCELLANEOUS	5,324.80			
		1219	MISC FEES RECEIVABLE		6,856.55		
						(6,856.55)	
			TO REVERSE 12/31/12 MISC RECEIVABLES				

Prepared by _____

MARQUIS DOWNS AT BULLE ROCK CONDO
Adjusting Journal Entries

50217

Page 2

Reviewed by _____

Reference	Type	Date Account Number	Description	Debit	Credit	Net Income Effect	Workpaper
6.	Adjusting	12/31/13					
		7750	ELECTRICITY	274.53			
		7780	WATER & SEWER		1,265.27		
		7750	ELECTRICITY		329.57		
		6280	OFFICE EXPENSES		67.32		
		6280	OFFICE EXPENSES		180.28		
		6280	OFFICE EXPENSES		40.60		
		2101	ACCRUED EXPENSES	1,608.51			
						1,608.51	
			TO REVERSE 12/31/12 ACCRUED EXPENSES				
7.	Adjusting	12/31/13					
		7661	FIRE SYSTEM MONITOR	621.00			
		7645	ELEVATOR	25.70			
		6245	LEGAL	50.00			
		6280	OFFICE EXPENSES	16.00			
		6280	OFFICE EXPENSES	230.76			
		7160	ELEVATOR REPAIRS & MAINT.	802.94			
		7750	ELECTRICITY		35.15		
		7780	WATER & SEWER		310.25		
		2101	ACCRUED EXPENSES		1,401.00		
						(1,401.00)	
			TO RECORD ADDITIONAL 12/31/13 ACCRUED EXPENSES				
8.	Adjusting	12/31/13					
		5830	INTEREST INCOME	881.96			
		5996	TRANSFER RESERVE INTEREST		881.96		
		6129	BAD DEBT EXPENSE		2,625.43		
		5330	BAD DEBT RECOVERY/LOSS	2,625.43			
						0.00	
			TO COMBINE ACCOUNTS				
9.	Adjusting	12/31/13					
		5844	LEGAL FEES		40.00		
		5836	LATE FEES		765.00		
		5844	LEGAL FEES		50.00		
		5848	MISCELLANEOUS		5,150.85		
		1219	MISC FEES RECEIVABLE	6,005.85			
						6,005.85	
			TO RECORD MISCELLANEOUS RECEIVABLES				
		TOTAL		53,199.33	53,199.33	(6,234.49)	

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Strauss & Associates, P.A.

Certified Public Accountants

9 Park Center Court, Suite 210 • Owings Mills, Maryland 21117
(410) 363-1011 • Fax (410) 363-6919

Management Letter

December 23, 2014

Board of Directors
Marquis Downs at Bulle Rock Condominium, Inc.

Dear Board of Directors:

In connection with our examination of the financial statements of Marquis Downs at Bulle Rock Condominium, Inc. for the year ended December 31, 2013, we make the following comments and recommendations.

No Replacement Fund Study Conducted

The Association has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. We recommend that the Association conduct a study to estimate the costs of repairing and replacing those components and that computations be made as to the amount of funds the Association should accumulate to make the necessary repairs and replacements.

Assessments Receivable

The Board should review the allowance that has been set up to determine those accounts that are deemed uncollectible. Collection efforts should be continued even after accounts are written off.

A portion of assessments receivable in the amount of \$7,224 is for past due assessments from prior owners. The Association should pursue collection or write off the balances if they are deemed uncollectible.

Insurance

We recommend the Association meet with its insurance agent at least annually to discuss insurance coverage. The Association should make sure the insurance policies provide the necessary and appropriate protection. In addition to all of the standard coverage that is usually recommended, the Association should maintain appropriate crime and director and officers (D&O) coverage. Maryland legislation requires all condominiums, homeowner associations, and housing cooperatives to purchase fidelity bond insurance to provide for the indemnification of the community against loss resulting from fraud or theft by any officer, director, managing agent, or employee who disburses funds for the community. The fidelity insurance coverage must cover three months of assessments and the amount in investment accounts held by the community at the time the fidelity bond insurance is issued.

Closing of Books

The Association closed the books for December 31, 2013 without including deposits that cleared the bank in December. We recommend leaving the books open to ensure all items in the general ledger are recorded in the proper period.

Due to Bulle Rock Community Association, Inc.

The Association owes Bulle Rock Community Association, Inc. \$9,077 for past due master fees. The Association should reimburse these fees as soon as possible.

These comments and recommendations are intended solely for the information and use of the Board of Directors, management, and others within the Association and is not intended to be, and should not be, used by anyone other than those specified parties.

We would be pleased to discuss our comments and recommendation in greater detail.

Sincerely,



STRAUSS & ASSOCIATES, P.A.

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Strauss & Associates, P.A.

Certified Public Accountants

9 Park Center Court, Suite 210 • Owings Mills, Maryland 21117
(410) 363-1011 • Fax (410) 363-6919

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE UNDER SAS NO. 114

December 23, 2014

Board of Directors
Marquis Downs at Bulle Rock Condominium, Inc.

Dear Board of Directors,

We have audited the financial statements of Marquis Downs at Bulle Rock Condominium, Inc. for the year ended December 31, 2013. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and through discussions with management and/or the Board of Directors.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Association are described in Note B to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2013. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There was no significant accounting estimates for the year under audit.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no significant disclosures to the financial statements for the year under audit.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The proposed adjusting entries have been provided to the Association.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management and the Board of Directors each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of management, the Board of Directors, and others within the Association, and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature, likely of a representative from Strauss & Associates, P.A., consisting of a stylized 'S' followed by a horizontal line.

STRAUSS & ASSOCIATES, P.A.