

C/O FIRSTSERVICE RESIDENTIAL
 PO BOX 1510
 UPLAND CA 91785

*****ASSETS*****

OPERATING ASSETS

| | | |
|------|---------------------------|-----------------|
| 1000 | Cash In Bank - Union Bank | 309,063.06 |
| 1200 | Prepaid Expenses | 5,500.00 |
| 1300 | Accounts Receivable | 76,840.14 |
| 1301 | Violation Receivable | 3,450.00 |
| 1310 | Other Receivable | 300.00 |
| 1373 | Wells Fargo - Operating | 12,971.66 |
| 1375 | Morgan Stanley Operating | 102,864.69 |
| 1390 | Due from Reserves | <u>4,557.00</u> |

TOTAL OPERATING ASSETS **515,546.55**

RESERVE ASSETS

| | | |
|------|-----------------------------|-------------------|
| 1410 | Morgan Stanley/Smith Barney | 3,065,271.85 |
| 1498 | Due to Operating | <u>(4,557.00)</u> |

TOTAL RESERVE ASSETS **3,060,714.85**

TOTAL ASSETS **3,576,261.40**

*****LIABILITIES*****

LIABILITIES

| | | |
|------|---------------------|------------------|
| 2100 | Accrued Expenses | 13,685.52 |
| 2200 | Prepaid Assessments | <u>36,172.67</u> |

TOTAL LIABILITIES **49,858.19**

*****EQUITY*****

ASSOCIATION RESERVES

| | | |
|------|----------|---------------------|
| 3001 | Reserves | <u>3,060,714.85</u> |
|------|----------|---------------------|

TOTAL RESERVES **3,060,714.85**

| | | |
|------|-------------------|------------------|
| 3300 | Retained Earnings | 420,636.83 |
| | CURRENT EARNINGS | <u>45,051.53</u> |

TOTAL EQUITY **465,688.36**

TOTAL LIABILITIES AND EQUITY **3,576,261.40**

PLEASE CONSULT RESERVE STUDY TO
 DETERMINE ADEQUACY OF RESERVES.

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| | Current Actual | Current Budget | Current Variance | Y-T-D Actual | Y-T-D Budget | Y-T-D Variance | Total Budget |
|-------------------------------------|-------------------|-------------------|---------------------|-----------------|-----------------|-------------------|-----------------|
| ***I N C O M E*** | | | | | | | |
| Assessment Income | 77,215 | 77,216 | (1) | 386,073 | 386,080 | (7) | 926,592 |
| Interest Income | 4,171 | 0 | 4,171 | 15,293 | 0 | 15,293 | 0 |
| Janitorial Income | 0 | 0 | 0 | 25 | 0 | 25 | 0 |
| Key Income | 100 | 0 | 100 | 400 | 0 | 400 | 0 |
| Gate/Transmitter Income | 0 | 0 | 0 | 520 | 0 | 520 | 0 |
| Clubhouse Rental Income | 550 | 0 | 550 | 1,400 | 0 | 1,400 | 0 |
| Late Fee Income | 449 | 0 | 449 | 2,386 | 0 | 2,386 | 0 |
| NSF Income | 75 | 0 | 75 | 150 | 0 | 150 | 0 |
| Delinquent Letter Income | 0 | 0 | 0 | 105 | 0 | 105 | 0 |
| Legal Fee Income | 0 | 0 | 0 | 6,231 | 0 | 6,231 | 0 |
| Small Claims Income | 0 | 0 | 0 | 50 | 0 | 50 | 0 |
| Violation Income | 0 | 0 | 0 | 50 | 0 | 50 | 0 |
| TOTAL INCOME | 82,559 | 77,216 | 5,343 | 412,683 | 386,080 | 26,603 | 926,592 |
| ***E X P E N S E S*** | | | | | | | |
| FIXED EXPENSES | | | | | | | |
| Insurance Expense | 5,476 | 905 | (4,571) | 5,476 | 4,525 | (951) | 10,860 |
| License & Fees | 0 | 65 | 65 | 0 | 325 | 325 | 780 |
| Income Tax Expense | 5,500 | 600 | (4,900) | 7,759 | 3,000 | (4,759) | 7,200 |
| Franchise Tax Expense | 0 | 200 | 200 | 4,806 | 1,000 | (3,806) | 2,400 |
| TOTAL FIXED EXPENSES | 10,976 | 1,770 | (9,206) | 18,041 | 8,850 | (9,191) | 21,240 |
| UTILITIES | | | | | | | |
| Electricity | 2,362 | 2,450 | 88 | 11,730 | 12,250 | 520 | 29,400 |
| Street Lights | 920 | 875 | (45) | 4,305 | 4,375 | 70 | 10,500 |
| Gas Expense | 1,104 | 600 | (504) | 2,270 | 3,000 | 730 | 7,200 |
| Water Expense | 10,736 | 9,400 | (1,336) | 18,527 | 47,000 | 28,473 | 112,800 |
| Sewer Expense | 73 | 1,000 | 927 | 318 | 5,000 | 4,682 | 12,000 |
| Telephone Expense | 289 | 200 | (89) | 1,130 | 1,000 | (130) | 2,400 |
| Intercoms | 106 | 125 | 19 | 531 | 625 | 94 | 1,500 |
| TOTAL UTILITIES | 15,589 | 14,650 | (939) | 38,811 | 73,250 | 34,439 | 175,800 |
| POOL MAINTENANCE AND REPAIRS | | | | | | | |

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| | Current Actual | Current Budget | Current Variance | | Y-T-D Actual | Y-T-D Budget | Y-T-D Variance | Total Budget |
|--|-------------------|-------------------|---------------------|---|-----------------|-----------------|-------------------|-----------------|
| | 335 | 625 | 290 | Pool Maintenance | 2,155 | 3,125 | 970 | 7,500 |
| | 610 | 450 | (160) | Pool/Spa Repairs | 1,408 | 2,250 | 842 | 5,400 |
| | (65) | 0 | 65 | Pool Repairs | 0 | 0 | 0 | 0 |
| | 0 | 500 | 500 | Pool Monitors | 0 | 2,500 | 2,500 | 6,000 |
| | 880 | 1,575 | 695 | TOTAL POOL MAINTENANCE & REPAIRS | 3,562 | 7,875 | 4,313 | 18,900 |
| | | | | LANDSCAPE MAINTENANCE | | | | |
| | 14,956 | 14,956 | 0 | Landscape Maintenance | 74,580 | 74,780 | 200 | 179,472 |
| | 5,946 | 2,000 | (3,946) | Landscape Extras | 10,002 | 10,000 | (2) | 24,000 |
| | 0 | 1,400 | 1,400 | Tree Maintenance | 16,250 | 7,000 | (9,250) | 16,800 |
| | 5,245 | 2,000 | (3,245) | Irrigation Repairs | 6,760 | 10,000 | 3,240 | 24,000 |
| | 26,147 | 20,356 | (5,791) | TOTAL LANDSCAPE MAINTENANCE | 107,592 | 101,780 | (5,812) | 244,272 |
| | | | | GENERAL MAINTENANCE | | | | |
| | 977 | 500 | (477) | Common Area Misc | 2,804 | 2,500 | (304) | 6,000 |
| | 235 | 235 | 0 | Lighting Maintenance | 1,328 | 1,175 | (153) | 2,820 |
| | 4,200 | 4,100 | (100) | Security/Patrol | 19,800 | 20,500 | 700 | 49,200 |
| | 1,194 | 1,150 | (44) | Janitorial/Cleaning | 5,085 | 5,750 | 665 | 13,800 |
| | 0 | 100 | 100 | Janitorial - Other | 11 | 500 | 489 | 1,200 |
| | 358 | 385 | 27 | Sweeping | 1,790 | 1,925 | 135 | 4,620 |
| | 50 | 60 | 10 | Pest Control Expense | 200 | 300 | 100 | 720 |
| | 0 | 175 | 175 | Backflow Test/Repair | 0 | 875 | 875 | 2,100 |
| | 5,315 | 2,000 | (3,315) | Sewer Lift Station Maint | 8,936 | 10,000 | 1,064 | 24,000 |
| | 12,329 | 8,705 | (3,624) | TOTAL GENERAL MAINTENANCE | 39,953 | 43,525 | 3,572 | 104,460 |
| | | | | REPAIRS | | | | |
| | 2,723 | 150 | (2,573) | General Repairs | 5,028 | 750 | (4,278) | 1,800 |
| | 273 | 300 | 27 | Exterior Light Repairs | 998 | 1,500 | 502 | 3,600 |
| | 0 | 100 | 100 | Plumbing Repairs | 2,420 | 500 | (1,920) | 1,200 |
| | 205 | 725 | 520 | Access Gate Repairs | 1,229 | 3,625 | 2,396 | 8,700 |
| | 0 | 175 | 175 | Locks and Keys | 404 | 875 | 471 | 2,100 |
| | 0 | 75 | 75 | Signs | 88 | 375 | 287 | 900 |
| | 3,201 | 1,525 | (1,676) | TOTAL REPAIRS | 10,166 | 7,625 | (2,541) | 18,300 |

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| | Current Actual | Current Budget | Current Variance | Y-T-D Actual | Y-T-D Budget | Y-T-D Variance | Total Budget |
|---|-------------------|-------------------|---------------------|-----------------|-----------------|-------------------|-----------------|
| GENERAL AND ADMINISTRATION | | | | | | | |
| Activities Committee | 0 | 963 | 963 | 594 | 4,815 | 4,221 | 11,556 |
| Misc General & Admin | 0 | 10 | 10 | 0 | 50 | 50 | 120 |
| Legal Fees | 1,378 | 700 | (678) | 9,591 | 3,500 | (6,091) | 8,400 |
| Collection Expenses | 0 | 300 | 300 | 50 | 1,500 | 1,450 | 3,600 |
| Bank Charges | 15 | 30 | 15 | 75 | 150 | 75 | 360 |
| Postage & Printing | 1,004 | 300 | (704) | 2,196 | 1,500 | (696) | 3,600 |
| Reserve Study | 0 | 100 | 100 | 0 | 500 | 500 | 1,200 |
| Website Expenses | 227 | 25 | (202) | 239 | 125 | (114) | 300 |
| Storage | 126 | 120 | (6) | 606 | 600 | (6) | 1,440 |
| Management Fee Exp | 3,070 | 3,070 | 0 | 15,350 | 15,350 | 0 | 36,840 |
| NSF Charges | 0 | 0 | 0 | 225 | 0 | (225) | 0 |
| 1096/1099 Processing | 0 | 5 | 5 | 90 | 25 | (65) | 60 |
| Accounting | 0 | 75 | 75 | 1,215 | 375 | (840) | 900 |
| Late Charge Expense | 290 | 250 | (40) | 910 | 1,250 | 340 | 3,000 |
| Lien Fee Expense | 0 | 50 | 50 | 0 | 250 | 250 | 600 |
| Delinquent Letter Expense | 35 | 50 | 15 | 140 | 250 | 110 | 600 |
| Uncollectible Dues | 0 | 2,000 | 2,000 | 25 | 10,000 | 9,975 | 24,000 |
| TOTAL GENERAL & ADMINISTRATION | 6,146 | 8,048 | 1,903 | 31,305 | 40,240 | 8,935 | 96,576 |
| RESERVE ALLOCATION | | | | | | | |
| Lighting | 78 | 78 | 0 | 390 | 390 | 0 | 936 |
| Painting | 3,044 | 3,044 | 0 | 15,220 | 15,220 | 0 | 36,528 |
| Streets and Drives | 11,392 | 11,392 | 0 | 56,960 | 56,960 | 0 | 136,704 |
| Signs/Monuments | 338 | 338 | 0 | 1,690 | 1,690 | 0 | 4,056 |
| Pools | 572 | 572 | 0 | 2,860 | 2,860 | 0 | 6,864 |
| Fences | 1,042 | 1,042 | 0 | 5,210 | 5,210 | 0 | 12,504 |
| Walls | 173 | 173 | 0 | 865 | 865 | 0 | 2,076 |
| Landscaping | 484 | 484 | 0 | 2,420 | 2,420 | 0 | 5,808 |
| Irrigation | 784 | 784 | 0 | 3,920 | 3,920 | 0 | 9,408 |
| Gates | 491 | 491 | 0 | 2,455 | 2,455 | 0 | 5,892 |
| Tot Lot | 130 | 130 | 0 | 650 | 650 | 0 | 1,560 |
| Mailboxes | 489 | 489 | 0 | 2,445 | 2,445 | 0 | 5,868 |
| Clubhouse | 590 | 590 | 0 | 2,950 | 2,950 | 0 | 7,080 |
| Contingency | 980 | 980 | 0 | 4,900 | 4,900 | 0 | 11,760 |
| Reserve Interest | 4,165 | 0 | (4,165) | 15,265 | 0 | (15,265) | 0 |

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| | Current Actual | Current Budget | Current Variance | Y-T-D Actual | Y-T-D Budget | Y-T-D Variance | Total Budget |
|---------------------------------|-------------------|-------------------|---------------------|-----------------|-----------------|-------------------|-----------------|
| | <u>24,752</u> | <u>20,587</u> | <u>(4,165)</u> | <u>118,200</u> | <u>102,935</u> | <u>(15,265)</u> | <u>247,044</u> |
| | <u>100,019</u> | <u>77,216</u> | <u>(22,803)</u> | <u>367,631</u> | <u>386,080</u> | <u>18,449</u> | <u>926,592</u> |
| | <u>(17,460)</u> | <u>0</u> | <u>(17,460)</u> | <u>45,052</u> | <u>0</u> | <u>45,052</u> | <u>0</u> |
| TOTAL RESERVE ALLOCATION | | | | | | | |
| TOTAL EXPENSES | | | | | | | |
| NET INCOME | | | | | | | |

Investment Report
MOUNTAIN COVE COMMUNITY

| GL Account | Description | Subacct | Type Of Invest | Acct No | Amount | Rate | Investment | Maturity |
|------------|-----------------------------------|---------|----------------------|--------------|--------------|-------|------------|------------|
| 1373 | Wells Fargo Bank (Arch Deposit) | MM0001 | Money Market | 9168817808 | 12,971.66 | | | |
| | Total | | Wells Fargo - Oper | | 12,971.66 | | | |
| 1375 | Morgan Stanley/Smith Barney OP MM | MM0001 | Money Market | 238156026300 | 102,864.69 | | | |
| | Total | | Morgan Stanley Opera | | 102,864.69 | | | |
| | TOTAL | | OPERATING ACCOUNTS | | 115,836.35 | | | |
| 1410 | JPM Bank | CD0001 | Cert of Deposit | 48126XVE2 | 100,000.00 | 1.80% | 01/23/2017 | 01/31/2020 |
| | Ally Bank | CD0002 | Cert of Deposit | 02006LSR5 | 50,000.00 | 1.25% | 07/28/2015 | 08/07/2017 |
| | Goldman Sachs | CD0003 | Cert of Deposit | 38148JRS2 | 100,000.00 | 1.90% | 04/16/2015 | 04/22/2020 |
| | Synchrony Bank | CD0004 | Cert of Deposit | 87164YFR0 | 200,000.00 | 2.00% | 03/17/2015 | 03/20/2020 |
| | Worlds Foremost | CD0005 | Cert of Deposit | 981571DA7 | 100,000.00 | 1.75% | 02/09/2017 | 02/10/2020 |
| | First Bank PR | CD0006 | Cert of Deposit | 33767ASK8 | 250,000.00 | 1.60% | 11/16/2015 | 11/26/2018 |
| | Amex Centurion | CD0007 | Cert of Deposit | 02587DXY9 | 50,000.00 | 2.00% | 05/05/2015 | 05/14/2020 |
| | Ally BK Midvale UT | CD0008 | Cert of Deposit | 02006LA45 | 200,000.00 | 1.15% | 04/28/2016 | 04/29/2019 |
| | Wells Fargo | CD0009 | Cert of Deposit | 949763FA9 | 100,000.00 | 1.80% | 03/02/2017 | 03/02/2020 |
| | Discover Bank | CD0010 | Cert of Deposit | 254672MH8 | 100,000.00 | 1.85% | 04/16/2015 | 04/22/2020 |
| | Comenity Bank | CD0011 | Cert of Deposit | 20099AQJ9 | 200,000.00 | 1.20% | 07/06/2016 | 07/15/2019 |
| | Capital One Bk | CD0012 | Cert of Deposit | 140420TA8 | 200,000.00 | 1.15% | 06/30/2015 | 07/10/2017 |
| | Wells Fargo Sioux Falls SD | CD0013 | Cert of Deposit | 9497485G8 | 150,000.00 | 1.25% | 05/18/2015 | 05/20/2019 |
| | Goldman Sachs | cd0014 | Cert of Deposit | 38148J2Y6 | 50,000.00 | 1.70% | 11/16/2015 | 11/26/2018 |
| | BMW Salt Lake City UT | CD0015 | Cert of Deposit | 05580AER1 | 200,000.00 | 1.15% | 05/27/2016 | 05/28/2019 |
| | Capitol One | CD0016 | Cert of Deposit | 140420ZM5 | 25,000.00 | 1.05% | 07/06/2016 | 07/06/2019 |
| | Amex Centurion | CD0017 | Cert of Deposit | 02587DM39 | 100,000.00 | 1.40% | 11/28/2016 | 12/03/2018 |
| | Compass Bank | CD0018 | Cert of Deposit | 20451PMU7 | 250,000.00 | 1.30% | 07/28/2015 | 07/31/2017 |
| | Evergreen Bank | cd0019 | Cert of Deposit | 300185EQ4 | 200,000.00 | 1.05% | 09/28/2015 | 09/28/2018 |
| | Pyramax Bank | CD0021 | Cert of Deposit | 747133CA2 | 100,000.00 | 1.65% | 05/05/2015 | 11/09/2020 |
| | Synchrony | CD0022 | Cert of Deposit | 87164YGV0 | 50,000.00 | 1.80% | 05/05/2015 | 05/08/2020 |
| | Morgan Stanley/Smith Barney | MM0001 | Money Market | 238108286300 | 290,271.85 | | | |
| | Total | | M Stanley/S Barney | | 3,065,271.85 | | | |
| | TOTAL | | RESERVE ACCOUNTS | | 3,065,271.85 | | | |
| | Entity Total | | | | 3,181,108.20 | | | |

Reserve Statment
0428 MOUNTAIN COVE COMMUNITY
05/31/2017

| Account | SubAcct | Description | Balance Beg of Year | Current Reallocation | YTD Reallocation | Current Transfer | YTD Transfer | Current Expenses | YTD Expenses | Current Balance |
|---------|---------|------------------|------------------------|-------------------------|---------------------|---------------------|-----------------|---------------------|-----------------|--------------------|
| 3001 | CLUBHS | Clubhouse | 93,696.54 | 0.00 | 0.00 | 590.00 | 2,950.00 | 0.00 | -2,385.00 | 94,261.54 |
| 3001 | CONTIN | Contingency | 125,847.94 | 0.00 | 0.00 | 980.00 | 4,900.00 | 0.00 | 0.00 | 130,747.94 |
| 3001 | FENCE | Fence | 684,688.05 | 0.00 | 0.00 | 1,042.00 | 5,210.00 | 0.00 | 0.00 | 689,898.05 |
| 3001 | GATES | Gates | 71,095.13 | 0.00 | 0.00 | 491.00 | 2,455.00 | -1,160.00 | -1,160.00 | 72,390.13 |
| 3001 | IRRIG | Irrigation | 161,370.90 | 0.00 | 0.00 | 784.00 | 3,920.00 | 0.00 | -3,718.00 | 161,572.90 |
| 3001 | LANDS | Landscaping | 49,191.25 | 0.00 | 0.00 | 484.00 | 2,420.00 | 0.00 | 0.00 | 51,611.25 |
| 3001 | LIGHTS | Lights | 30,314.60 | 0.00 | 0.00 | 78.00 | 390.00 | 0.00 | 0.00 | 30,704.60 |
| 3001 | MAILBO | Mailboxes | 72,432.14 | 0.00 | 0.00 | 489.00 | 2,445.00 | 0.00 | 0.00 | 74,877.14 |
| 3001 | PAINT | Paint | 138,476.31 | 0.00 | 0.00 | 3,044.00 | 15,220.00 | 0.00 | 0.00 | 153,696.31 |
| 3001 | POOL | Pools | 40,705.76 | 0.00 | 0.00 | 572.00 | 2,860.00 | -3,397.00 | -3,397.00 | 40,168.76 |
| 3001 | RESINT | Reserve Interest | 311,742.37 | 0.00 | 0.00 | 4,165.44 | 15,265.01 | 0.00 | 0.00 | 327,007.38 |
| 3001 | SIGNS | Signs | 41,984.73 | 0.00 | 0.00 | 338.00 | 1,690.00 | 0.00 | 0.00 | 43,674.73 |
| 3001 | STREET | Streets & Drives | 1,074,433.47 | 0.00 | 0.00 | 11,392.00 | 56,960.00 | 0.00 | 0.00 | 1,131,393.47 |
| 3001 | TOTLOT | Tot Lot | 36,300.19 | 0.00 | 0.00 | 130.00 | 650.00 | 0.00 | 0.00 | 36,950.19 |
| 3001 | WALLS | Walls | 20,895.46 | 0.00 | 0.00 | 173.00 | 865.00 | 0.00 | 0.00 | 21,760.46 |
| 3001 | | Entity Totals | 2,953,174.84 | 0.00 | 0.00 | 24,752.44 | 118,200.01 | -4,557.00 | -10,660.00 | 3,060,714.85 |