



THE DOBSON ASSOCIATION, INC.

FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2023
AND FOR THE YEAR THEN ENDED

(WITH SUMMARIZED COMPARATIVE TOTALS
AS OF DECEMBER 31, 2022 AND FOR THE
YEAR THEN ENDED)



www.ButlerHansen.com

THE DOBSON ASSOCIATION, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Revenues, Expenses and Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 13
SUPPLEMENTARY INFORMATION	
Required Supplementary Information on Future Major Repairs and Replacements	14
Supplementary Schedule of Revenues, Expenses and Changes in Fund Balances	15 - 19

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Dobson Association, Inc.

Opinion

We have audited the accompanying financial statements of The Dobson Association, Inc. (an Arizona Corporation), which comprise the balance sheet as of December 31, 2023, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Dobson Association, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited The Dobson Association, Inc.'s December 31, 2022 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated April 11, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Dobson Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Dobson Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Dobson Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Dobson Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary statement of revenues, expenses and changes in fund balances, on pages 15 – 19, which is the responsibility of the Association's management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly we do not express an opinion or provide any assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information on future major repairs and replacements of common property, on page 14, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Butler Hansen, PLC

Gilbert, Arizona
April 1, 2024

THE DOBSON ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS AT DECEMBER 31, 2022)

	<u>Operating Fund</u>	<u>Reserve for Asset Replacement</u>	<u>Water Fund</u>	<u>Capital Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 1,093,231	\$ 526,769	\$ 45,498	\$ 210,868	\$ 1,876,366	\$ 829,514
Certificates of Deposit	-	-	-	249,264	249,264	492,246
Short-Term Investments	416,621	1,324,704	-	-	1,741,325	2,045,709
Accounts Receivable, Net of Allowance of \$84,950 and \$93,914 - 2023 and 2022, respectively	122,092	-	-	-	122,092	132,863
Accrued Interest	-	12,343	-	-	12,343	29
Prepaid Expenses	58,720	-	-	-	58,720	92,127
Inventory	94	-	-	-	94	3,613
Other Assets	9,325	-	-	18	9,343	3,150
Interfund Balance	6,863	(52,040)	5,429	39,748	-	-
TOTAL CURRENT ASSETS	<u>1,706,946</u>	<u>1,811,776</u>	<u>50,927</u>	<u>499,898</u>	<u>4,069,547</u>	<u>3,599,251</u>
OTHER ASSETS						
Net Property and Equipment	2,649,983	-	-	-	2,649,983	2,912,477
TOTAL OTHER ASSETS	<u>2,649,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,649,983</u>	<u>2,912,477</u>
TOTAL ASSETS	<u>\$ 4,356,929</u>	<u>\$ 1,811,776</u>	<u>\$ 50,927</u>	<u>\$ 499,898</u>	<u>\$ 6,719,530</u>	<u>\$ 6,511,728</u>
LIABILITIES AND FUND BALANCES						
CURRENT LIABILITIES						
Accounts Payable	\$ 32,335	\$ 4,420	\$ -	\$ -	\$ 36,755	\$ 113,584
Accrued Expenses	127,424	1,623	-	-	129,047	113,129
Prepaid Member Assessments	763,822	-	-	-	763,822	454,906
Prepaid Preschool Tuition	1,748	-	-	-	1,748	-
Other Liabilities	25,924	381	-	-	26,305	29,724
TOTAL CURRENT LIABILITIES	<u>951,253</u>	<u>6,424</u>	<u>-</u>	<u>-</u>	<u>957,677</u>	<u>711,343</u>
FUND BALANCES						
TOTAL FUND BALANCES	<u>3,405,676</u>	<u>1,805,352</u>	<u>50,927</u>	<u>499,898</u>	<u>5,761,853</u>	<u>5,800,385</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,356,929</u>	<u>\$ 1,811,776</u>	<u>\$ 50,927</u>	<u>\$ 499,898</u>	<u>\$ 6,719,530</u>	<u>\$ 6,511,728</u>

See accompanying notes to the financial statements.

THE DOBSON ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	Operating Fund	Reserve for Asset Replacement	Water Fund	Capital Fund	Total 2023	Total 2022
REVENUES						
Homeowner Assessments	\$ 3,016,086	\$ -	\$ -	\$ -	\$ 3,016,086	\$ 2,872,642
Commercial Assessments	38,416	-	-	-	38,416	37,788
Service Charges, Transfer and Other Fees	221,178	-	-	-	221,178	195,857
Investment Income	24,258	68,872	562	12,349	106,041	21,951
Social and Recreational Activities	22,841	-	-	-	22,841	85,161
Rental Registration Fees	1,050	-	-	-	1,050	975
Facility and Equipment Rental Income	33,288	-	-	-	33,288	53,654
Preschool Tuition Income	66,095	-	-	-	66,095	79,488
Newsletter Advertising	30,196	-	-	-	30,196	59,304
Gain on Property and Equipment Disposal	1,261	-	-	-	1,261	-
Other Income	25,533	-	-	-	25,533	11,763
TOTAL REVENUES	3,480,202	68,872	562	12,349	3,561,985	3,418,583
EXPENSES						
General and Administrative	1,445,935	-	-	-	1,445,935	1,089,435
Board of Directors	53,975	-	-	-	53,975	58,327
Lakes	91,398	-	10,573	-	101,971	164,708
Landscaping/Common Areas	393,782	-	-	-	393,782	542,295
Maintenance	393,665	-	-	-	393,665	584,859
Preschool	64,653	-	-	-	64,653	75,392
Recreation Centers and Pool	333,783	-	-	-	333,783	448,821
Utilities	283,232	-	-	-	283,232	292,348
Watercraft	2,017	-	-	-	2,017	1,954
Depreciation	322,094	-	-	-	322,094	259,464
Bad Debt Expense	(3,481)	-	-	-	(3,481)	22,127
Water Conservation Fund Expenses	-	-	2,151	-	2,151	1,350
Capital Fund Expenses	-	-	-	85,499	85,499	212,199
Reserve Fund Expenses	-	121,241	-	-	121,241	363,178
TOTAL EXPENSES	3,381,053	121,241	12,724	85,499	3,600,517	4,116,457
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	99,149	(52,369)	(12,162)	(73,150)	(38,532)	(697,874)
FUND BALANCES, BEGINNING OF YEAR	3,172,811	1,756,745	43,089	827,740	5,800,385	6,498,259
TRANSFERS BETWEEN FUNDS						
Capitalized Fixed Asset Transfers	48,774	(48,774)	-	-	-	-
Contributions To Reserves	(149,750)	149,750	-	-	-	-
Contributions to Water Conservation Fund	(20,000)	-	20,000	-	-	-
Additional Transfers Between Funds	254,692	-	-	(254,692)	-	-
TOTAL TRANSFERS BETWEEN FUNDS	133,716	100,976	20,000	(254,692)	-	-
FUND BALANCES, END OF YEAR	\$ 3,405,676	\$ 1,805,352	\$ 50,927	\$ 499,898	\$ 5,761,853	\$ 5,800,385

See accompanying notes to the financial statements.

THE DOBSON ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>Operating Fund</u>	<u>Reserve for Asset Replacement</u>	<u>Water Fund</u>	<u>Capital Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Excess (Deficit) of Revenues Over Expenses	\$ 99,149	\$ (52,369)	\$ (12,162)	\$ (73,150)	\$ (38,532)	\$ (697,874)
Adjustments to Reconcile Excess (Deficit) of Revenues Over Expenses to Cash Provided (Used) by Operating Activities:						
Accretion of Investment Discount	(17,263)	(20,061)	-	-	(37,324)	-
Depreciation	322,094	-	-	-	322,094	259,464
Bad Debt Expense	(3,481)	-	-	-	(3,481)	22,127
Gain on Property and Equipment Disposal	(1,261)	-	-	-	(1,261)	-
Changes in Operating Assets and Liabilities:						
(Increase)/Decrease In:						
Accounts Receivable	14,252	-	-	-	14,252	(47,535)
Accrued Interest	6	(12,320)	-	-	(12,314)	673
Prepaid Expenses	33,407	-	-	-	33,407	(48,747)
Inventory	3,519	-	-	-	3,519	264
Other Assets	(6,323)	-	-	130	(6,193)	(2,773)
Increase/(Decrease) In:						
Accounts Payable	(16,073)	(39,346)	-	(21,410)	(76,829)	(9,691)
Accrued Expenses	23,978	(6,509)	-	(1,551)	15,918	(82,517)
Prepaid Member Assessments	308,916	-	-	-	308,916	70,213
Prepaid Newsletter Advertising	-	-	-	-	-	(4,460)
Prepaid Preschool Tuition	1,748	-	-	-	1,748	-
Other Liabilities	(3,419)	-	-	-	(3,419)	3,131
Net Cash Provided (Used) by Operating Activities	<u>759,249</u>	<u>(130,605)</u>	<u>(12,162)</u>	<u>(95,981)</u>	<u>520,501</u>	<u>(537,725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of Certificates of Deposit	-	-	-	-	-	(250,920)
Proceeds from Maturity of Certificates of Deposit	-	-	-	254,188	254,188	513,340
Purchases of Investments	(459,678)	(1,808,097)	-	-	(2,267,775)	(2,849,570)
Proceeds from Maturity of Investments	714,320	1,895,163	-	-	2,609,483	2,757,398
Reinvested Interest Earned	-	-	-	(11,206)	(11,206)	(2,769)
Purchase of Property and Equipment	(63,839)	-	-	-	(63,839)	(749,711)
Proceeds from Disposal of Property and Equipment	5,500	-	-	-	5,500	-
Net Cash Provided (Used) by Investing Activities	<u>196,303</u>	<u>87,066</u>	<u>-</u>	<u>242,982</u>	<u>526,351</u>	<u>(582,232)</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
Capitalized Fixed Asset Transfers	48,774	(48,774)	-	-	-	-
Contributions To Reserves	(149,750)	149,750	-	-	-	-
Contributions to Water Conservation Fund	(20,000)	-	20,000	-	-	-
Additional Transfers Between Funds	254,692	-	-	(254,692)	-	-
Change in Interfund Balance	(107,132)	117,414	(11,048)	766	-	-
Net Cash Provided (Used) by Financing Activities	<u>26,584</u>	<u>218,390</u>	<u>8,952</u>	<u>(253,926)</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	982,136	174,851	(3,210)	(106,925)	1,046,852	(1,119,957)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	111,095	351,918	48,708	317,793	829,514	1,949,471
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,093,231</u>	<u>\$ 526,769</u>	<u>\$ 45,498</u>	<u>\$ 210,868</u>	<u>\$ 1,876,366</u>	<u>\$ 829,514</u>
SUPPLEMENTARY INFORMATION						
Income Taxes Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense Paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

THE DOBSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

NOTE 1 – NATURE OF THE ORGANIZATION

The Dobson Association, Inc., a not-for-profit homeowners' association, was incorporated April 17, 1973. The Association provides for the operation, maintenance and preservation of recreational facilities, lakes, property and common areas within the community of Dobson Ranch. The Association consists of 4,955 billable units owned by residents, located on approximately 2,000 acres in Mesa, Arizona. The Association is managed by a paid staff, with the Board of Directors providing oversight and policy making. The Board of Directors also approves and implements an annual financial budget from which the Association operates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes using the following funds established according to their nature and purpose:

Operating Fund

The Operating Fund is used to account for financial resources available for the general operations of the Association.

Reserve for Asset Replacement Fund

The Reserve for Asset Replacement Fund is used to account for the use and accumulation of funds for future major repairs and replacements.

Water Fund

The Water Fund is used to account for water conservation activities.

Capital Fund

The Capital Fund is used to account for the financial transactions of new common property and equipment purchased by the Association, community beautification and landscaping activities.

Accounts Receivable

The annual budget and member assessments are approved by the Board of Directors. Association members are subject to quarterly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and future replacements. Assessments receivable at December 31, 2023, represent fees due from homeowners. The Association accounts for receivables on the cost basis. Receivables are considered delinquent after 90 days, at which time the Association pursues collection. Receivables are reviewed regularly and the Association establishes an allowance for doubtful accounts on receivables based on an estimate of accounts which will not be fully collected. Accounts are written-off when a homeowner enters bankruptcy or foreclosure. Any excess assessments at year end are retained by the Association for use in the succeeding year.

Prepaid Assessments and Revenue Recognition

Payments received by the Association prior to the assessment due date are properly not recognized as revenue until the corresponding assessment is made by the Association and are classified as Prepaid Assessments. Revenue from assessments, allocated to either the operating or reserve fund, is recognized as the performance obligation to maintain the community and to provide ongoing services is considered completed, generally on a quarterly basis.

THE DOBSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers cash in operating bank accounts, money market accounts, cash on hand, and certificates of deposit, purchased with original maturity dates of three months or less, as cash and cash equivalents.

Certificates of Deposit

The Association invests in certificates of deposit that generally mature in three years or less. The Association intends to hold certificates of deposit until maturity. Certificates of deposit are recorded at cost.

Inventory

Inventory consists primarily of movie and similar local activity tickets and is stated at the lower of cost or net realizable value. Cost is determined under the first-in, first-out (FIFO) method.

Use of Estimates

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

Property and Equipment

The Association capitalizes all common real property purchased with Association funds, to which it has title or other evidence of ownership, and with a cost of \$10,000 or more. Purchased real property is recorded at cost and depreciated using the straight-line depreciation method over the useful life of the asset.

At December 31, 2023 and 2022, the common real property capitalized consisted of:

- (A) La Casita Community Center
- (B) The Saratoga Recreation Center
- (C) The Los Altos Recreation Center
- (D) Various other real property improvements

Property not capitalized consists of land, landscape rights-of-way and seven lakes.

The Association also capitalizes personal property with a purchase price of \$5,000 or more that it acquires. Purchased personal property and equipment is recorded at cost and depreciated using the straight-line depreciation method over the useful lives of the property and equipment ranging from 3 to 30 years.

Investments

The Association classifies investments as held-to-maturity. Held-to-maturity investments include debt securities that the Association has the positive intent and the ability to hold to maturity. Held-to-maturity investments are recorded at cost and any discount or premium is amortized over the life of the investment. In accordance with generally accepted accounting principles, any gain or loss in the fair market value of the securities subsequent to their purchase is not recognized unless a gain or loss is realized via the sale of any securities prior to maturity. Also, any unrealized gain or loss would be recognized in the event that the Board changed the designation of these investments to other than held-to-maturity. Investments with maturity dates not exceeding one year are classified as short-term investments.

THE DOBSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurement

The Association measures the fair value of its investments in accordance with FASB ASC 820, *Fair Value Measurement*. The standard provides a hierarchy for prioritizing inputs to valuation techniques:

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are unadjusted quoted prices in inactive markets or significant observable market data.
- Level 3 inputs are significant unobservable data.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Date of Management’s Review

Subsequent events have been evaluated through April 1, 2024, which is the date the financial statements were available to be issued.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total, but not by fund category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association’s financial statements for the year ended December 31, 2022, from which the summarized information was derived.

NOTE 3 – CASH AND CASH EQUIVALENTS

As of December 31, 2023 and 2022, the cash and cash equivalent balances were as follows:

	2023			2022
	Operating	Reserve and Other Funds	Total	Total
General Checking Accounts	\$ 1,085,660	\$ 33,404	\$ 1,119,064	\$ 125,231
General Savings Accounts	1	-	1	1
Money Market Accounts	7,270	749,731	757,001	703,247
Petty Cash	300	-	300	1,035
Total	\$ 1,093,231	\$ 783,135	\$ 1,876,366	\$ 829,514

The cash listed as operating is available for current operations and is not bound by any restriction or designation. Cash listed as reserve and other is designated by the Board of Directors for future major repairs and replacements and is generally not available for current operations.

NOTE 4 – CERTIFICATE OF DEPOSIT

Certificates of deposit held directly with financial institutions are reported as certificates of deposit. At December 31, 2023, the Association had \$249,264 in a certificate of deposit. The certificate of deposit outstanding at December 31, 2023 is reported in the capital fund, matures in 2024, and earns interest at a rate of 3.50%.

THE DOBSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

NOTE 5 – INVESTMENTS

Held-to-maturity investments consisted of the following at December 31, 2023:

	Operating Fund	Reserve for Asset Replacement	Total
Certificates of Deposit	\$ -	\$ 626,000	\$ 626,000
US Treasury Bills	416,621	698,704	1,115,325
Total Investments	<u>\$ 416,621</u>	<u>\$ 1,324,704</u>	<u>\$ 1,741,325</u>

The Association reports certificates of deposit held with brokerage firms as investments. The certificate of deposit investments are held at par value, yield interest at rates ranging between 5.15% and 5.50%, and will mature at par value. The Association's investments in US Treasury Bills are held at par value net of unaccreted discount and will mature at par value.

The fair value of the investments is determined by reference to quoted market prices and other relevant information generated by market transactions. The fair value of the Association's investments is determined as follows:

Par Value	\$ 1,749,000
Less: Accreted Discount	(20,061)
Less: Unaccreted Discount	(7,675)
Unrealized Gain/(Loss)	<u>21,014</u>
Total Fair Value	<u>\$ 1,742,278</u>

The following table presents the fair value hierarchy for the balances of the investments of the Association measured at cost as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of Deposit	\$ 626,812	\$ -	\$ -	\$ 626,812
US Treasury Bills	<u>1,115,466</u>	<u>-</u>	<u>-</u>	<u>1,115,466</u>
Total Investments	<u>\$ 1,742,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,742,278</u>

The maturity dates of negotiable certificates of deposit and US Treasury Bills are as follows:

Less than one year	<u>\$ 1,749,000</u>
Total	1,749,000
Unaccreted Discount	<u>(7,675)</u>
Gross Amortized Cost	<u>\$ 1,741,325</u>

THE DOBSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

NOTE 6 – ACCOUNTS RECEIVABLE

Accounts and other receivables consisted of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Assessments Receivable	\$ 104,239	\$ 107,311
Fees Receivable	69,284	74,168
Fines Receivable	27,414	26,774
Other Receivable	<u>6,105</u>	<u>18,524</u>
Total Accounts Receivable	207,042	226,777
Less: Allowance for Doubtful Accounts	<u>(84,950)</u>	<u>(93,914)</u>
Total Net Receivables	<u>\$ 122,092</u>	<u>\$ 132,863</u>

Total bad debt expense for the years ended December 31, 2023 and 2022, was (\$3,481) and \$22,127, respectively. At December 31, 2023 and 2022, an allowance for doubtful accounts for Accounts Receivable was recorded in the amount of \$84,950 and \$93,914, respectively. Accounts Receivable past due greater than 90 days at December 31, 2023 and 2022, totaled \$170,592 and \$187,428, respectively. The Association could incur losses, up to the full amount of the receivables.

NOTE 7 – MEMBER ASSESSMENTS

Association members are subject to annual assessments, billed on a quarterly basis, to provide funds for the Association's operating expenses and major repairs and replacements. During 2023, the combined annual assessment was \$608.60, payable in quarterly installments of \$152.15. Assessment revenue allocated to the operating and reserve funds is recognized as the related performance obligation is satisfied at transaction amounts expected to be collected. The Association's performance obligation related to its annual assessments billed on a periodic basis is satisfied over time on a daily pro-rata basis using the input method. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from homeowners.

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are thirty days or more delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. There is no maximum annual assessment defined in the Association's governing documents.

At December 31, 2023, the Association had delinquent assessments of \$104,239. It is the opinion of the Board of Directors that the Association will ultimately prevail against the majority of the homeowners with delinquent assessments.

The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control. The balances of assessments receivable as of the beginning and end of the year are \$107,311 and \$104,239, respectively.

THE DOBSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

NOTE 8 – WATER CONSERVATION FUND COMMITMENTS

The Association entered into a settlement agreement with the Arizona Department of Water Resources under the Fourth Management Plan. The arrangement stipulates that the Association shall contribute \$20,000 annually, beginning July 1, 2023 to a Water Conservation Fund. The Dobson Association’s agreement with the Arizona Department of Water Resources carries the Fund and the annual contribution forward until the first calendar year in which the Fifth Management Plan conservation requirements are in effect. The use of the funds is restricted to the purposes set out in the agreement. The Association is prohibited from spending money from the fund unless the expenditure is first approved, in writing, in a timely manner by a representative of the Arizona Department of Water Resources. The Stipulation and Order on Review, resolves all issues raised by the Association in its application for administrative review and eliminates any liability the Association may have had under the Second Management Plan Stipulation for having exceeded its yearly water allotments in some years.

NOTE 9 – INCOME TAXES

The Association has received from the Internal Revenue Service an exemption from federal income taxes under Section 501(c)(4) of the Internal Revenue Code for exempt function income earned. A provision is made in the financial statements for income taxes on unrelated trade or business income earned, when required.

NOTE 10 – PROPERTY AND EQUIPMENT

Depreciable Property and Equipment in use as of December 31, 2023 and 2022, consisted of the following:

	2023	2022
Equipment		
Administration	\$ 115,869	\$ 129,764
Recreation	105,686	95,179
Lake Maintenance	281,313	281,313
Common Area Maintenance	133,053	133,053
Total Equipment	635,921	639,309
Vehicles	311,633	311,633
Buildings and Improvements	7,134,201	7,085,427
Total Property and Equipment	8,081,755	8,036,369
Less: Accumulated Depreciation	(5,431,772)	(5,123,892)
Net Property and Equipment	\$ 2,649,983	\$ 2,912,477

Depreciation expense for the years ended December 31, 2023 and 2022, was \$322,094 and \$259,464, respectively.

THE DOBSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

NOTE 11 – RESERVE FOR ASSET REPLACEMENT FUND EXPENDITURES

The following major repairs and/or replacements were paid out of reserve for asset replacement funds specifically set aside for such purposes for the years ended December 31, 2023 and 2022:

	2023	2022
Purchase of Property & Equipment	\$ 48,774	\$ 749,711
Major Repair Expenditures	121,241	363,178
Major Reserve Fund Expenditures	\$ 170,015	\$ 1,112,889

NOTE 12 – TRANSFERS TO RESERVE FOR ASSET REPLACEMENT FUND

The Association is accumulating funds for future major repairs and replacements; at December 31, 2023, these funds were \$1,805,352. The annual provision to the reserve funds is determined by the Board of Directors and is based, in part, on projected reserve expenses derived in a Reserve Study completed in 2022, by a licensed contractor. The study provides an independent estimate of the future major repair and replacement costs of buildings, improvements and related equipment. The reserve for asset replacement fund represents funds restricted by the Board to meet these anticipated expenses. The funds set aside each year are generated from member assessments, net of operating expenses, and other net revenues. These funds are held in various short and long-term investments and are generally not available for operating purposes.

Actual expenditures may vary from the estimated amounts determined by the study, and the variations may be material. Therefore, amounts accumulated in the reserve for asset replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association may increase regular assessments, levy special assessments, subject to member approval, or may delay major repairs and replacements until funds are available. During the years ended December 31, 2023 and 2022, the Association contributed \$149,750 and \$643,000, respectively, to the Reserve for Asset Replacement Fund.

NOTE 13 – UNCERTAIN TAX POSITIONS

The Association accounts for uncertain tax positions, if any, in accordance with FASB Accounting Standards Codification Section 740. In accordance with these professional standards, the Association recognizes tax positions only to the extent that Management believes it is “more likely than not” that its tax positions will be sustained upon IRS examination. Management believes that it has no uncertain tax position for the year ending December 31, 2023.

The Association believes that its income tax filing position will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Association’s financial condition, net income or cash flows. Accordingly, the Association has not recorded any reserves, or related accruals for interest and penalties for uncertain tax positions at December 31, 2023.

The Association is subject to routine audits by taxing jurisdictions; however, there are no audits currently in progress for any tax periods. The Association believes it is no longer subject to income tax examinations by U.S. federal tax authorities for years before 2021, or by Arizona state tax authorities for years before 2020.

THE DOBSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR 2022)

NOTE 14 – CONCENTRATION OF CREDIT RISK

The Association's primary source of revenue is member assessments, which are earned on assessable lots or parcels located within a small geographic area. Member assessments and related receivables are subject to concentration of credit risk, given that they are primarily from a small geographical area, which can be impacted by similar economic conditions. Member assessments may be secured by liens upon a member's property or legal judgements. The Association monitors the collectability of these receivables and pursues collection as needed. Should the Association's collection efforts be unsuccessful, the Association could incur losses up to the full amount due. Management routinely assesses the collectability of these receivables and provides for an allowance for doubtful accounts.

The Association had net assessments and other receivables at December 31, 2023 and 2022, totaling \$122,092 and \$132,863, respectively, which are subject to a significant concentration of credit risk, given that the receivables are entirely within the homeowner association industry, and primarily from a small geographical area, which can be impacted by similar economic conditions.

The Association maintains its cash and investment deposits with various financial institutions. The Association places its cash deposits with financial institutions in checking, savings, money market accounts, which are secured by the Federal Deposit Insurance Corporation (FDIC) coverage up to \$250,000 for all accounts held in each financial institution. The Association also maintains investment accounts in a brokerage account, which are covered up to \$500,000, limited to \$250,000 for cash, by the Securities Investor Protection Corporation (SIPC). At various times, deposits with these financial institutions, designated as cash and cash equivalents and investments, may exceed insurance coverage provided by the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC), or other types of insurance programs. In addition, CIT Bank mitigates the risk of loss for cash deposits held in Premiere Money Market accounts in excess of FDIC limits through the use of a Surety Bond.



THE DOBSON ASSOCIATION, INC.

SUPPLEMENTARY
INFORMATION



www.ButlerHansen.com

THE DOBSON ASSOCIATION, INC.
REQUIRED SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
DECEMBER 31, 2023

The Board of Directors of The Dobson Association, Inc. authorized management to engage an independent consulting company to perform a Reserve Study to estimate the remaining useful lives and the replacement costs of the components of property and improvements. The study was performed in 2022 and is the basis for future requirements presented in this schedule. The reporting period for the study is January 1, 2023 through December 31, 2023. Replacement costs were based on the estimated costs to repair or replace the components at the end of their useful lives. The component amounts, reported in the fund balance column, were allocated based on the estimated current replacement cost for presentation purposes only, and are not specifically designated among the components. The Board of Directors has the discretion to expend the accumulated funds to the various components as required.

The following table presents significant information about the components of property and improvements:

<u>Component</u>	<u>Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Replacement Fund Balance December 31, 2023</u>
Brookedge Estates Tennis Court	0 to 43	\$ 88,659	\$ 18,118
Dennis Kavanaugh Park	8 to 38	77,839	15,907
Dobson Pines Garden	3	9,858	2,015
General Common Area	0 to 19	534,732	109,277
General Common Area - Northern	0 to 29	970,735	198,377
General Common Area - Southern	0 to 30	372,036	76,028
La Casita: Clubhouse Interior	0 to 19	667,894	136,489
La Casita: Clubhouse Exterior	0 to 22	239,480	48,940
La Casita: Pool Area	0 to 29	479,920	98,075
La Casita: Recreation Center	0 to 47	892,356	182,360
Laguna Park	0 to 29	694,383	141,902
Laguna Shores Tennis Courts	0 to 44	171,084	34,962
Lakes	0 to 29	578,450	118,211
Los Altos: Clubhouse	0 to 19	319,113	65,213
Los Altos: Pool Area	0 to 29	437,919	89,492
Los Altos: Recreation Center	1 to 48	673,951	137,727
Maintenance Yard	0 to 23	483,953	98,899
Mini Park	9 to 29	172,927	35,339
Rose Garden Park	12	5,300	1,083
Saratoga: Clubhouse	5 to 34	470,033	96,056
Saratoga: Pool Area	0 to 18	152,450	31,154
Saratoga: Recreation Center	0 to 45	322,764	65,957
Storage Yard	0 to 10	18,444	3,771
Total		<u>\$ 8,834,280</u>	<u>\$ 1,805,352</u>

See independent auditor's report.

THE DOBSON ASSOCIATION, INC.
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	Operating Fund	Reserve for Asset Replacement	Water Fund	Capital Fund	Total 2023	Total 2022
REVENUES						
Homeowner Assessments	\$ 3,016,086	\$ -	\$ -	\$ -	\$ 3,016,086	\$ 2,872,642
Commercial Assessments	38,416	-	-	-	38,416	37,788
Transfer and Disclosure Fees	79,589	-	-	-	79,589	126,004
Late Fees	34,380	-	-	-	34,380	35,145
Collection Fees Reimbursement	70,999	-	-	-	70,999	10,647
Dishonored Check Fees	2,590	-	-	-	2,590	2,730
License and ID Card Fees	2,080	-	-	-	2,080	2,176
CC&R Fines	31,540	-	-	-	31,540	19,120
Pontoon Boat Fees	-	-	-	-	-	35
Interest Income	24,258	68,872	562	12,349	106,041	21,951
Social Activities Income	22,841	-	-	-	22,841	85,161
Rental Registration Fees	1,050	-	-	-	1,050	975
Facility and Equipment Rental Income	33,288	-	-	-	33,288	53,654
Preschool Tuition Income	66,095	-	-	-	66,095	79,488
Newsletter Advertising	30,196	-	-	-	30,196	59,304
Dock Boat Slip Rental	5,937	-	-	-	5,937	4,275
Escrow Rush Fee	4,425	-	-	-	4,425	2,970
Vendor Sponsorship	6,010	-	-	-	6,010	2,500
Gain on Property and Equipment Disposal	1,261	-	-	-	1,261	-
Miscellaneous	9,161	-	-	-	9,161	2,018
TOTAL REVENUES	3,480,202	68,872	562	12,349	3,561,985	3,418,583
EXPENSES						
GENERAL AND ADMINISTRATIVE						
Salaries & Wages	379,779	-	-	-	379,779	374,780
Bonus - Administration	8,159	-	-	-	8,159	8,200
Payroll Taxes	30,032	-	-	-	30,032	30,344
Employee Benefits	38,090	-	-	-	38,090	23,656
Workers Compensation Insurance	1,796	-	-	-	1,796	2,946
Property & Liability Insurance	168,917	-	-	-	168,917	126,157
Newsletter Production	77,424	-	-	-	77,424	77,424
Newsletter Distribution	21,465	-	-	-	21,465	21,144
Postage	14,731	-	-	-	14,731	17,707
Printing	16,128	-	-	-	16,128	14,611
IT Service	54,158	-	-	-	54,158	50,882
Bank & Merchant Fees	19,492	-	-	-	19,492	26,718
Office Supplies	9,581	-	-	-	9,581	6,820
Contract Services - Administration	233,226	-	-	-	233,226	8,662
Collection Expenses	87,509	-	-	-	87,509	14,230
Miscellaneous Expenses	10,588	-	-	-	10,588	223
Property Taxes	27	-	-	-	27	11
Attorney Fees	26,709	-	-	-	26,709	13,995
Training & Travel	3,982	-	-	-	3,982	9,034
Office Equipment Rental & Maintenance	8,584	-	-	-	8,584	11,992
Attorney Fees	168	-	-	-	168	12,833
Membership Fees	2,013	-	-	-	2,013	3,109
Reserve Study	4,270	-	-	-	4,270	2,520
Marketing	1,763	-	-	-	1,763	4,240
Uniforms	2,184	-	-	-	2,184	1,118
License/Permits	1,890	-	-	-	1,890	-
Office Expense	2,652	-	-	-	2,652	-
Employee Appreciation/Recognition	6,671	-	-	-	6,671	-
Website Development	5,291	-	-	-	5,291	8,357

(CONTINUED)

See independent auditor's report.

THE DOBSON ASSOCIATION, INC.
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	Operating Fund	Reserve for Asset Replacement	Water Fund	Capital Fund	Total 2023	Total 2022
GENERAL AND						
ADMINISTRATIVE (CONTINUED)						
Caliber Software & Support	6,591	-	-	-	6,591	11,728
Southwest Access Video	15,563	-	-	-	15,563	17,722
Adobe Software License	2,978	-	-	-	2,978	5,481
Office Equipment Purchase	2,440	-	-	-	2,440	5,220
Dobson Ranch App	15,588	-	-	-	15,588	15,588
Code Enforcement	18,702	-	-	-	18,702	16,659
Barkan Software Subscription	8,110	-	-	-	8,110	-
Management Fee	101,460	-	-	-	101,460	110,872
Late Letters	37,224	-	-	-	37,224	34,452
TOTAL GENERAL AND ADMINISTRATIVE	1,445,935	-	-	-	1,445,935	1,089,435
BOARD OF DIRECTORS						
Public Relations	3,083	-	-	-	3,083	14,130
Annual Meeting	11,315	-	-	-	11,315	5,920
Audit Fees	17,938	-	-	-	17,938	17,300
Monthly Meetings	3,566	-	-	-	3,566	3,119
Membership Expense	-	-	-	-	-	1,022
Sponsorships	3,999	-	-	-	3,999	3,974
Electronic Voting	13,924	-	-	-	13,924	12,812
State Income Tax	150	-	-	-	150	50
TOTAL BOARD OF DIRECTORS	53,975	-	-	-	53,975	58,327
LAKES						
Salt River Project - Water	32,551	-	-	-	32,551	30,308
Maintenance and Repair	3,381	-	-	-	3,381	23,832
Chemicals	10,200	-	-	-	10,200	5,309
Attorney Fees - Water Issues	-	-	-	-	-	53,123
Fish	14,966	-	-	-	14,966	30,162
Service and Testing	30,300	-	-	-	30,300	18,070
Consulting Fees - Water	-	-	7,860	-	7,860	-
Turf/Water Reduction	-	-	2,713	-	2,713	-
Irrigation Controller	-	-	-	-	-	-
Sim Cards - Subscription - Water	-	-	-	-	-	3,904
TOTAL LAKES	91,398	-	10,573	-	101,971	164,708
LANDSCAPING/Common Areas						
Landscape Salaries & Wages	241,853	-	-	-	241,853	299,146
Bonus - Landscape	11,877	-	-	-	11,877	5,600
Payroll Taxes - Landscape	18,270	-	-	-	18,270	24,051
Employee Benefits - Landscape	33,815	-	-	-	33,815	67,571
Workers Comp Insurance - Landscape	5,786	-	-	-	5,786	8,713
Outside Contractors	2,230	-	-	-	2,230	6,725
Irrigation Systems	9,649	-	-	-	9,649	27,841
Trees & Shrubs	893	-	-	-	893	14,921
Tree Trimming & Service	50,640	-	-	-	50,640	52,295
Seasonal Plants	3,693	-	-	-	3,693	2,754

(CONTINUED)

See independent auditor's report.

THE DOBSON ASSOCIATION, INC.
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	Operating Fund	Reserve for Asset Replacement	Water Fund	Capital Fund	Total 2023	Total 2022
LANDSCAPING/COMMON AREAS (CONTINUED)						
Fertilizer/Pesticide/Herbicide	8,341	-	-	-	8,341	8,849
Overseeding	-	-	-	-	-	14,658
Tools & Equipment - Landscape	5,479	-	-	-	5,479	6,106
Uniforms - Landscape	904	-	-	-	904	1,915
Training & Travel - Landscape	352	-	-	-	352	1,150
TOTAL LANDSCAPING/ COMMON AREAS	393,782	-	-	-	393,782	542,295
MAINTENANCE						
Maintenance Salaries & Wages	153,708	-	-	-	153,708	249,545
Bonus - Maintenance	7,578	-	-	-	7,578	3,800
Payroll Taxes	11,685	-	-	-	11,685	19,526
Employee Benefits	11,936	-	-	-	11,936	15,112
Workers Compensation Insurance	3,913	-	-	-	3,913	6,005
Fence Maintenance & Repair	-	-	-	-	-	1,483
Janitorial Service & Supplies	58,938	-	-	-	58,938	40,212
Vehicle Maintenance & Repair	22,446	-	-	-	22,446	34,904
Supplies	9,383	-	-	-	9,383	12,540
Building Maintenance & Repair	8,877	-	-	-	8,877	7,112
Outside Contractors	25,456	-	-	-	25,456	2,925
Tools & Equipment	5,323	-	-	-	5,323	4,256
Equipment & Maintenance Repair	4,501	-	-	-	4,501	8,236
Fence Replacement Co-Share	106	-	-	-	106	72,643
Common Area Maintenance & Repair	3,532	-	-	-	3,532	19,052
Locks/Keys/Signage	641	-	-	-	641	7,727
Uniforms	281	-	-	-	281	1,850
Training & Travel	352	-	-	-	352	464
Electrical Maintenance & Repair	1,774	-	-	-	1,774	6,109
Pool Maintenance	38,199	-	-	-	38,199	37,734
Pool Chemicals	24,737	-	-	-	24,737	25,798
Water Conservation MR&R Expense	299	-	-	-	299	7,826
TOTAL MAINTENANCE	393,665	-	-	-	393,665	584,859
PRESCHOOL						
Preschool Salaries & Wages	47,322	-	-	-	47,322	51,787
Bonus - Preschool	-	-	-	-	-	1,200
Payroll Taxes - Preschool	3,581	-	-	-	3,581	4,141
Employee Benefits - Preschool	6,249	-	-	-	6,249	8,653
Workers Compensation Insurance	251	-	-	-	251	711
Insurance & Permits	4,215	-	-	-	4,215	4,565
Supplies	3,035	-	-	-	3,035	4,335
TOTAL PRESCHOOL	64,653	-	-	-	64,653	75,392

(CONTINUED)

See independent auditor's report.

THE DOBSON ASSOCIATION, INC.
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>Operating Fund</u>	<u>Reserve for Asset Replacement</u>	<u>Water Fund</u>	<u>Capital Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
RECREATION CENTERS AND POOL						
Recreation Salaries & Wages	216,147	-	-	-	216,147	289,875
Bonus - Recreation	5,382	-	-	-	5,382	1,800
Payroll Taxes - Recreation	16,661	-	-	-	16,661	24,636
Employee Benefits - Recreation	4,428	-	-	-	4,428	17,217
Workers Compensation Insurance	2,053	-	-	-	2,053	3,317
Recreation/Sports Supplies	1,177	-	-	-	1,177	3,068
Items - Under Reserve Threshold	1,523	-	-	-	1,523	2,512
License & ID Cards	2,845	-	-	-	2,845	370
Uniforms - Recreation	997	-	-	-	997	2,101
Training & Travel - Recreation	2,281	-	-	-	2,281	4,773
Recreation Center Events	57,983	-	-	-	57,983	65,845
Event Signage	814	-	-	-	814	12,525
Tennis Supplies	1,380	-	-	-	1,380	2,191
Insurance & Permits	1,215	-	-	-	1,215	1,055
Instructor Fees	180	-	-	-	180	-
Software Maintenance	14,074	-	-	-	14,074	17,199
Office Equipment Purchase	4,600	-	-	-	4,600	337
Mileage Reimbursement	43	-	-	-	43	-
TOTAL RECREATION CENTERS AND POOL	<u>333,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>333,783</u>	<u>448,821</u>
UTILITIES						
City Water	177,834	-	-	-	177,834	174,931
Electricity	61,572	-	-	-	61,572	57,213
Telephone	20,969	-	-	-	20,969	38,386
Solid Waste	15,571	-	-	-	15,571	13,533
Waste Water	5,104	-	-	-	5,104	7,209
Natural Gas	2,182	-	-	-	2,182	1,076
TOTAL UTILITIES	<u>283,232</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,232</u>	<u>292,348</u>
OTHER EXPENDITURES						
Watercraft	2,017	-	-	-	2,017	1,954
Depreciation	322,094	-	-	-	322,094	259,464
Bad Debt Expense	(3,481)	-	-	-	(3,481)	22,127
Water Conservation Fund Expenses	-	-	2,151	-	2,151	1,350
Capital Fund Expenses	-	-	-	85,499	85,499	212,198
Reserve Fund Expenses	-	121,241	-	-	121,241	363,179
TOTAL OTHER EXPENDITURES	<u>320,630</u>	<u>121,241</u>	<u>2,151</u>	<u>85,499</u>	<u>529,521</u>	<u>860,272</u>
TOTAL EXPENSES	<u>3,381,053</u>	<u>121,241</u>	<u>12,724</u>	<u>85,499</u>	<u>3,600,517</u>	<u>4,116,457</u>
EXCESS REVENUES (EXPENSES)	99,149	(52,369)	(12,162)	(73,150)	(38,532)	(697,874)

(CONTINUED)

See independent auditor's report.

THE DOBSON ASSOCIATION, INC.
SUPPLEMENTARY SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED DECEMBER 31, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2022)

	<u>Operating Fund</u>	<u>Reserve for Asset Replacement</u>	<u>Water Fund</u>	<u>Capital Fund</u>	<u>Total 2023</u>	<u>Total 2022</u>
FUND BALANCES, BEGINNING OF YEAR	3,172,811	1,756,745	43,089	827,740	5,800,385	6,498,259
TRANSFERS BETWEEN FUNDS						
Capitalized Fixed Asset Transfers	48,774	(48,774)	-	-	-	-
Contributions To Reserves	(149,750)	149,750	-	-	-	-
Contributions to Water Conservation Fund	(20,000)	-	20,000	-	-	-
Additional Transfers Between Funds	254,692	-	-	(254,692)	-	-
TOTAL TRANSFERS BETWEEN FUNDS	<u>133,716</u>	<u>100,976</u>	<u>20,000</u>	<u>(254,692)</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,405,676</u>	<u>\$ 1,805,352</u>	<u>\$ 50,927</u>	<u>\$ 499,898</u>	<u>\$ 5,761,853</u>	<u>\$ 5,800,385</u>

See independent auditor's report.