



**GATEWAY PARK MASTER
ASSOCIATION**

Independent auditor's report on
Financial Statements
And Supplementary Information

For the Period:
January 1, 2023 - December 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Homeowners
Gateway Park Master Association

Opinion

We have audited the accompanying financial statements of Gateway Park Master Association, which comprise the balance sheet as of December 31, 2025 and the related statements of revenues, expenses, and changes in fund balance and cash flows from January 1, 2023 to December 31, 2025, 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 Gateway Park Master Association as of December 31, 2025 and the results of its operations and its cash flows from January 1, 2023 to December 31, 2025 in accordance with accounting principles generally accepted in the United States of America.

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 Gateway Park Master Association 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 Gateway Park Master Association'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 Responsibilities 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 Gateway Park Master Association'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 Gateway Park Master Association'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Audit Adjusting Journal Entries (AJEs) and the Trial Balance Worksheet on pages 11-13 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Schedule of Future Major Repairs and Replacements on page 10 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, which 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.

Sonny Senulis, CPA



Principal
Finite, LLC

Aurora, Colorado

August 14, 2026

Gateway Park Master Association

December 31, 2025

Balance Sheet

	Operating Fund	Replacement Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,693	\$ 413,473	\$ 422,166
Accounts Receivable	8,798	-	8,798
Prepaid Expenses	1,817	-	1,817
Water Stock	686,000	-	686,000
Interfund Balance	22,406	(22,406)	-
Total Assets	727,713	391,067	1,118,780
LIABILITIES			
Accounts Payable	3,399	-	3,399
Prepaid Assessments	20,900	-	20,900
Notes Payable	289,683	-	289,683
Total Liabilities	313,981	-	313,981
MEMBER'S EQUITY			
Fund balances	413,732	391,067	804,799
Total member's equity	413,732	391,067	804,799
Total Liabilities and Member's Equity	\$ 727,713	\$ 391,067	\$ 1,118,780

Gateway Park Master Association

Statement of Revenues, Expenses and Changes in Fund Balances

For the Period January 1, 2023 - December 31, 2025

	Operating Fund	Replacement Fund	Total
REVENUES			
Homeowner Assessments	\$ 621,660	\$ -	\$ 621,660
Allocation of assessments to replacement fund	(239,544)	239,544	-
Late fees and other income	190	-	190
Interest Income	96	14,771	14,867
Total Revenues	382,402	254,315	636,717
EXPENSES			
Grounds Repair and Maintenance	227,188	-	227,188
Utilities	42,541	-	42,541
Interest Expense	37,330	-	37,330
Management	34,800	-	34,800
Insurance	7,126	-	7,126
Administrative	5,689	-	5,689
Legal and Professional Fees	2,869	-	2,869
Reserve Expense	-	22,406	22,406
Total Expenses	357,544	22,406	379,949
Excess (deficit) of revenues over expenses	24,858	231,910	256,768
MEMBER'S EQUITY			
Beginning fund balances	388,874	159,158	548,032
Ending fund balances	\$ 413,732	\$ 391,067	\$ 804,799

Statement of Cash Flows

For the Period January 1, 2023 - December 31, 2025

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
OPERATING ACTIVITIES			
Excess (deficit) of revenues over expenses	\$ 24,858	\$ 231,910	\$ 256,768
Adjustments to reconcile excess (deficit) to cash			
Decrease (increase) in operating assets:			
Accounts Receivable	(8,798)	-	(8,798)
Prepaid Expenses	(1,817)	-	(1,817)
Water Stock	(686,000)	-	(686,000)
Increase (decrease) in operating liabilities:			
Accounts payable	2,140	-	2,140
Prepaid assessments	12,993	-	12,993
Notes Payable	(64,845)	-	(64,845)
Cash provided by (used from) operating activities	<u>(721,468)</u>	<u>231,910</u>	<u>(489,559)</u>
FINANCING ACTIVITIES			
Change in interfund receivable (payable)	(22,406)	22,406	-
Equity Adjustment	686,000	-	686,000
Cash Provided by (used from) Financing Activities	<u>663,594</u>	<u>22,406</u>	<u>686,000</u>
Net increase (decrease) in cash and cash equivalents	(57,874)	254,315	196,441
CASH AND CASH EQUIVALENTS:			
Cash at beginning of year (1/1/2023)	66,567	159,158	225,724
Cash at End of Year (12/31/2025)	<u>\$ 8,693</u>	<u>\$ 413,473</u>	<u>\$ 422,166</u>

Gateway Park Master Association

Notes to Financial Statements December 31, 2025

Note 1. Nature of Organization

Gateway Park Master Association (the “Association”) was incorporated on April 27, 2004, in the state of Colorado. The Association is responsible for the operation, management, maintenance, and improvements of the common property within the development. The Association is located in Larimer County, Colorado and consists of 15 members and sub-associations.

Note 2. Summary of Significant Accounting Policies

BASIS OF ACCOUNTING

The accompanying financial statements have been prepared in accordance with the accrual method of accounting.

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 in the following funds established according to their nature and purpose:

Operating Fund – used to account for financial resources available for the general operations of the association

Replacement Fund – used to accumulate financial resources designated for future major repairs and replacements

CASH AND CASH EQUIVALENTS

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

The Association’s cash and cash equivalents at December 31, 2025 consisted of a checking account book balance of \$8,693 in the operating fund, and savings accounts and a money market funds book balance of \$413,473 in the replacement fund.

MEMBER ASSESSMENTS

Association members are subject to assessments to provide funds for their Association's operating expenses, future capital acquisitions, and major repairs and replacements. The annual budget and owner assessments are determined by the Board of Directors.

The total assessment for the Association for 2023-2025 was \$621,660 of which \$239,544 was designated to the replacement fund. Any excess assessments at year-end are retained by the Association for use in the following year.

WATER STOCK/NOTES PAYABLE

In 2017, the Association purchased Water Stock for \$686,000, financing a portion of the acquisition through a loan from a financial institution. The loan has since been refinanced twice, most recently in December 2025, extending the maturity date to December 22, 2030. Monthly payments of \$5,683 include principal and interest, and the outstanding balance was \$289,683 as of December 31, 2025. The Water Stock is recorded at historical cost and will remain on the Association's balance sheet unless sold, impaired, or otherwise remeasured under applicable accounting standards.

ASSESSMENTS RECEIVABLE

The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent.

RECOGNITION OF ASSETS AND DEPRECIATION POLICY

Real and personal common property acquired by the original unit owners from the developer, as well as replacements and improvements thereto, is not recognized on the Association's financial statements because it is commonly owned by individual owners and its disposition by the Association's board is restricted. Replacements and improvements to common property are not recognized as assets because their disposition is restricted.

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.

INTEREST INCOME

Interest income is allocated to the operating and replacement fund in proportion to the interest-bearing deposits of each fund.

INCOME TAXES

The Association must file annual Federal and Colorado income tax returns. Homeowners associations may be taxed either as homeowner associations (1120-H) or as regular corporations (1120). For the years ended December 31, 2023, December 31, 2024 and December 31, 2025, the Association filed its 2023, 2024 and 2025 federal income tax returns as a homeowners association (Form 1120-H) in accordance with Internal Revenue Code Section 528. Under section 528 the Association is not taxed on assessment revenues or on other income derived from members and used to serve Association's exempt purposes. Those exempt purposes generally include the maintenance, management and care of Association property. However, under section 528 certain income, such as interest, is deemed to be related to nonexempt purposes. Nonexempt income, net of expenses allocable to that income, is taxable for both federal and Colorado tax purposes.

Note 3. Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditor's report, which is the date that the financial statements were available to be issued.

Note 4. Contingencies

The Association is a party to various legal actions normally associated with homeowner associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

Note 5. Future Major Repairs and Replacements

The Association's governing documents provide certain guidelines for governing its financial activities which includes that each proposed budget includes provisions for reserves for future major repairs and replacements. Accumulated funds, which aggregated \$391,067 at December 31, 2025 are restricted to their intended purpose unless modified by a vote of the board of directors.

Aspen Reserve Specialties conducted a reserve study in 2023 to estimate the remaining useful lives and the replacement costs of the common area components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual results may vary from these estimates, and such 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 to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Gateway Park Master Association
Supplementary Information on Future Major Repairs and Replacements
December 31, 2025
(Unaudited)

An independent engineer conducted a study in 2023, to estimate the remaining useful lives and the repair and replacement costs of the components of the Association's common property. The following information is based on the study and presents significant information about the components of the Association's common property. See the Reserve study for additional detail regarding the timing and frequency of the repairs and replacements for the various elements of the study. Some of the items in the following table may have already been repaired or replaced as of the date of this report.

Components	As of December 31, 2023	
	Estimated Remaining Useful Lives (Years)	Estimated Current Repair and Replacement Costs for Current & Future Projects
Asphalt - Major Overlay	7	24,700
Asphalt - Surface Application	0	3,990
Concrete - Partial Replace	0	66,125
Flow Meter - Replace	9	8,500
Monuments - Rebuild	5	33,750
Decorative Guard Rail - Major Repairs	5	31,400
Gazebo - Major Repairs	4	18,750
Irrigation System - Major Repairs	3	32,500
Irrigation Controllers - Replace (1)	2	4,500
Irrigation Controllers - Replace (2)	8	2,250
Groundcover - Replenish	0	7,125
Tree - Replacement/Major Maintenance	2	12,750
Pond - Major Maintenance	0	16,500
Control Panel - Replace (Pump House)	4	37,500
Control Panel - Replace (Southeast Corner)	4	15,750
Heat Exchanger - Replace	5	4,750
Mini Power Center - Replace	0	8,375
Pump - Rebuild (Southeast Corner)	8	7,150
Pumps - Rebuild (Pumphouse)	12	43,000
Total Estimated Costs for Current & Future Projects		\$ 379,365
Replacement Fund Balance at December 31, 2025		\$ 391,067

Gateway Park Master Association

December 31, 2025

Summary AJE

Account Description	DR	CR
Water Stock	686,000.00	
Reserve Contribution Expense	110,836.07	
Due to Operating from Reserves	22,405.88	
Prepaid Insurance	1,817.34	
Reserve - FNBO CD	106.48	
AppFolio Opening Balance Equity		292,225.34
Reserve Fund Equity		275,423.61
Operating Fund Equity		118,351.05
Reserve Contribution Income		110,836.07
Due from Reserves to Operating		22,405.88
Insurance		1,817.34
Interest Income - Res		68.39
Interest Income - Ops		38.09
Total	821,165.77	821,165.77

Audit Adjusting Journal Entries (AJEs)

AJE 1	DR	Prepaid Insurance		1,817.34	
		CR	Insurance		1,817.34
Adjust Insurance Exp and Prepaid Insurance at 12/31/2025					
AJE 2	DR	Reserve - FNBO CD		106.48	
		CR	Interest Income - Res		106.48
Adjust CD Account Balance at 12/31/2025					
AJE 3	DR	Water Stock		686,000.00	
		CR	Operating Fund Equity		686,000.00
Record Water Stock as Asset Back onto the Balance Sheet					
AJE 4	DR	Interest Income - Res		38.09	
		CR	Interest Income - Ops		38.09
Reclassify 2025 Operating Fund Earned Interest to its own GL Account					
AJE 5	DR	Reserve Contribution Expense		110,836.07	
		CR	Reserve Contribution Income		110,836.07
Record 2025 Reserve Contribution Expense/Income					
AJE 6	DR	Operating Fund Equity		567,648.95	
		CR	AppFolio Opening Balance Equity		292,225.34
		CR	Reserve Fund Equity		275,423.61
Separate out Res Equity Fund Balance from Ops and Move AF Opening Bal to Ops Fund Equity					
AJE 7	DR	Due to Operating from Reserves		22,405.88	
		CR	Due from Reserves to Operating		22,405.88
Record Interfund Balance at 12/31/2025, originated from 2024-2025 Res Exp Paid from Ops Fund					

Gateway Park Master Association

December 31, 2025

Trial Balance Worksheet

Fund	Account Description	Dec 31, 2025		AJE #	Dec 31, 2025
		Unadjusted	Adjustments		Adjusted
O	Operating - FCB	8,692.61			8,692.61
R	Reserve - FNBO CD	213,361.30	106.48	2	213,467.78
R	Reserve - FCB	108,940.55			108,940.55
R	Loan Reserves - FCB	91,064.70			91,064.70
O	Accounts Receivable	8,797.50			8,797.50
O	Prepaid Insurance		1,817.34	1	1,817.34
O	Water Stock		686,000.00	3	686,000.00
O	Due to Operating from Reserves		22,405.88	7	22,405.88
O	Accounts Payable	-3,398.70			-3,398.70
O	Prepaid Assessments	-20,900.00			-20,900.00
R	Due from Reserves to Operating		-22,405.88	7	-22,405.88
O	Notes Payable - FNBO	-289,682.60			-289,682.60
O	AppFolio Opening Balance Equity	292,225.34	-292,225.34	6	0.00
O	Operating Fund Equity	-295,689.28	-118,351.05	3,6	-414,040.33
R	Reserve Fund Equity		-275,423.61	6	-275,423.61
O	Residential Assessments	-225,000.12			-225,000.12
O	Late Fees	-20.00			-20.00
O	Interest Charge	-5.23			-5.23
O	Interest Income - Ops	0.00	-38.09	4	-38.09
O	Management and Accounting	11,700.00			11,700.00
O	Administrative Other	300.00			300.00
O	Income Tax Expense	250.00			250.00
O	Printing	123.20			123.20
O	Envelopes and Postage	128.41			128.41
O	Checks	9.75			9.75
O	DORA	44.00			44.00
O	SOS	25.00			25.00
O	Insurance	2,747.34	-1,817.34	1	930.00
O	Legal	934.00			934.00
O	Landscape Contract	36,757.89			36,757.89
O	Tree and Shrub Maintenance	9,458.05			9,458.05
O	Irrigation System Maintenance and Repairs	8,541.25			8,541.25
O	Snow Removal	4,183.66			4,183.66
O	Pumphouse - Pond	13,018.05			13,018.05
O	Maintenance and Repairs - Building	15.40			15.40
O	Water Assessments	5,389.64			5,389.64
O	Electric	8,351.23			8,351.23
O	Water/Sewer	370.97			370.97
O	Website Maintenance	467.93			467.93
O	Interest Charges	11,570.24			11,570.24
O	Pet Waste Station/Pickup	1,857.00			1,857.00
O	Backflow Testing/Repairs/Etc	110.00			110.00
O	Reserve Contribution Expense		110,836.07	5	110,836.07
R	Reserve Contribution Income		-110,836.07	5	-110,836.07
R	Interest Income - Res	-8,826.96	-68.39	2,4	-8,895.35
R	Res Exp - Pumphouse	4,087.88			4,087.88
	Balance	0.00	0.00		0.00
	Profit (Loss)	113,411.42	1,923.82		115,335.24
O	Operating				
R	Replacement				