

December 2025 Financial Statement

prepared for:

Queens Bay Resort Condominium
777 Harrah Way
Lake Havasu City, AZ 86403

NSC Certified Public Accountants LLC
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To the Board of Trustees
Queens Bay Resort Condominiums Owners Association
Lake Havasu City, Arizona

Management is responsible for the accompanying financial statements of Queens Bay Resort Condominiums Owners Association, which comprise the Statement of Assets, Liabilities and Fund Balance-modified cash basis as of December 31, 2025, and the related Statement of Revenues and Expenses-modified cash basis for the one-month and twelve-month periods then ended, and for determining that the modified cash basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Management has elected to omit substantially all the disclosures ordinarily included in financial statements prepared in accordance with the tax basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, net assets, revenues, and expenses. Accordingly, the financial statements are not designed for those who are not informed about such matters.

The accompanying budget of Queens Bay Resort Condominiums Owners Association for the year ending December 31, 2025 as presented on the Statement of Revenues and Expenses – Budget vs. Actual has not been compiled or examined by our firm, and, accordingly we do not express an opinion or any other form of assurance on it.

Management has elected to omit the summaries of significant assumptions and accounting policies required under established guidelines for presentation of prospective financial statements. If the omitted summaries were included in the budgeted information, they might influence the user's conclusions about the Company's budgeted information. Accordingly, this budgeted information is not designed for those who are not informed about such matters.

N *NSC Certified Public Accountants LLC*
S *A Professional Services Firm*
C *Accounting * Tax * Business Consulting*

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The American Institute of Certified Public Accountants has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be part of, the basic financial statements. Queens Bay Resort Condominiums Owners Association has not presented this supplementary information.

We are not independent with respect to Queens Bay Resort Condominiums Owners Association.

NSC Certified Public Accountants LLC

NSC Certified Public Accountants, LLC
Lake Havasu City, Arizona
February 19, 2026

QUEENS BAY RESORT CONDOMINIUM
Statement of Assets, Liabilities and Fund Balance - Modified Cash Basis
December 31, 2025
Unaudited

	<u>OPERATIONS</u>	<u>RESERVES</u>	<u>TOTALS</u>
ASSETS			
Current Assets			
Foothills Bank - Sweep 933 Res	\$ 0	\$ 113,309	113,309
Foothills Bank- Sweep 246 Oper	111,492	0	111,492
CD- Foothills 6 Mos 11/23/25	0	167,958	167,958
Foothills Checking- Operations	62,922	0	62,922
CD - PNC 8 Mos 1/23/2026	0	215,281	215,281
CD National Bank 6 Mos 12/1/25	0	1,673	1,673
PNC MM - Operating	5,786	0	5,786
CD - Foothills 4 WK 12/26/25	0	150,000	150,000
CD - Foothills 13 WK 12/26/25	0	75,040	75,040
CD - Foothills 26 WK 12/26/25	0	75,039	75,039
Homeowners Dues Receivable	14,760	0	14,760
	<hr/>	<hr/>	<hr/>
Total Current Assets	194,960	798,300	993,260
Property and Equipment			
Improvements	157,724	0	157,724
Furniture & Fixtures	83,460	0	83,460
Machinery & Equipment	215,023	0	215,023
Building Improvements	106,419	0	106,419
Accumulated Depreciation	(442,446)	0	(442,446)
	<hr/>	<hr/>	<hr/>
Total Property and Equipment	120,180	0	120,180
Other Assets			
	<hr/>	<hr/>	<hr/>
Total Other Assets	0	0	0
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 315,140	\$ 798,300	1,113,440
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts Payable	\$ 24,050	\$ 0	24,050
Garnishment	517	0	517
Federal WH Payable	321	0	321
FICA Payable	1,865	0	1,865
Futa Payable	43	0	43
State WH Payable	1,196	0	1,196
Suta Payable	177	0	177
Credit Card Payable	(2,511)	0	(2,511)
Prepaid Owner Billings	84,532	0	84,532
Homeowner Fund	2,405	0	2,405
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	112,595	0	112,595
Long-Term Liabilities			
	<hr/>	<hr/>	<hr/>
Total Long-Term Liabilities	0	0	0
	<hr/>	<hr/>	<hr/>
Total Liabilities	112,595	0	112,595
Fund Balance:			
Fund Balance - Operations	213,058	0	213,058
Fund Balance - Reserves	0	648,251	648,251
Revenues over (under) Expenses	(10,513)	150,049	139,536
	<hr/>	<hr/>	<hr/>
Total Fund Balance	202,545	798,300	1,000,845
	<hr/>	<hr/>	<hr/>
Total Liabilities & Fund Balance	\$ 315,140	\$ 798,300	1,113,440
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See Accountants' Compilation Report

QUEENS BAY RESORT CONDOMINIUM
Statement of Revenues and Expenses - Modified Cash Basis
For the Twelve Months Ending December 31, 2025
Unaudited

	Curr. Mo. Operations		Curr. Mo. Reserves		Y-T-D Operations		Y-T-D Reserves					
Revenues												
Homeowner Dues	\$	918,000	95.16	\$	0	0.00	\$	918,000	95.16	\$	0	0.00
Transfer Fees		2,000	0.21		0	0.00		2,000	0.21		0	0.00
Late Fees		100	0.01		0	0.00		100	0.01		0	0.00
Interest Income		2,199	0.23		0	0.00		2,199	0.23		0	0.00
Interest Income-Reserves		0	0.00		12,906	60.67		0	0.00		12,906	60.67
Transfer To Reserves		(8,366)	(0.87)		0	0.00		(8,366)	(0.87)		0	0.00
Transfer to Reserves		0	0.00		8,366	39.33		0	0.00		8,366	39.33
Insurance Reimbursement-		47,811	4.96		0	0.00		47,811	4.96		0	0.00
Fine Income		(250)	(0.03)		0	0.00		(250)	(0.03)		0	0.00
Sponsorships Income		3,150	0.33		0	0.00		3,150	0.33		0	0.00
Total Revenues		<u>964,644</u>	<u>100.00</u>		<u>21,272</u>	<u>100.00</u>		<u>964,644</u>	<u>100.00</u>		<u>21,272</u>	<u>100.00</u>
Expenses												
Payroll		130,863	13.57		0	0.00		130,863	13.57		0	0.00
Building Insurance		146,046	15.14		0	0.00		146,046	15.14		0	0.00
FICA Expense		10,011	1.04		0	0.00		10,011	1.04		0	0.00
Unemployment Expense		300	0.03		0	0.00		300	0.03		0	0.00
Workmans Comp		3,405	0.35		0	0.00		3,405	0.35		0	0.00
Alarm Service		895	0.09		0	0.00		895	0.09		0	0.00
Bank Charges		(341)	(0.04)		0	0.00		(341)	(0.04)		0	0.00
Bank Charges		0	0.00		3	0.01		0	0.00		3	0.01
Accounting		26,215	2.72		0	0.00		26,215	2.72		0	0.00
Legal		788	0.08		0	0.00		788	0.08		0	0.00
Gate Repairs		790	0.08		0	0.00		790	0.08		0	0.00
Operating Supplies		5,764	0.60		0	0.00		5,764	0.60		0	0.00
Landscaping Services		8,853	0.92		0	0.00		8,853	0.92		0	0.00
Elevator Service		22,228	2.30		0	0.00		22,228	2.30		0	0.00
Printing		231	0.02		0	0.00		231	0.02		0	0.00
Postage		462	0.05		0	0.00		462	0.05		0	0.00
Office Supplies		1,175	0.12		0	0.00		1,175	0.12		0	0.00
Electric		41,133	4.26		0	0.00		41,133	4.26		0	0.00
Gas		9,469	0.98		0	0.00		9,469	0.98		0	0.00
Water Usage		53,886	5.59		0	0.00		53,886	5.59		0	0.00
Sewer		96,586	10.01		0	0.00		96,586	10.01		0	0.00
Trash Removal		15,702	1.63		0	0.00		15,702	1.63		0	0.00
Water softener expense		22,740	2.36		0	0.00		22,740	2.36		0	0.00
Pool Chemicals		4,773	0.49		0	0.00		4,773	0.49		0	0.00
Pool Maintenance		6,964	0.72		0	0.00		6,964	0.72		0	0.00
Pest Control Service		5,805	0.60		0	0.00		5,805	0.60		0	0.00
Security Camera		6,682	0.69		0	0.00		6,682	0.69		0	0.00
Taxes		6,284	0.65		0	0.00		6,284	0.65		0	0.00
Internet/Website		1,186	0.12		0	0.00		1,186	0.12		0	0.00
AZ PTE Estimated Taxes		1,280	0.13		0	0.00		1,280	0.13		0	0.00
Licenses		490	0.05		0	0.00		490	0.05		0	0.00
Telephone/Mobile Phone		1,669	0.17		0	0.00		1,669	0.17		0	0.00
Board Meeting Expense		160	0.02		0	0.00		160	0.02		0	0.00
Major Maint. - Bldg & Pai		289	0.03		0	0.00		289	0.03		0	0.00
Building Pipe Maintenance		28,467	2.95		0	0.00		28,467	2.95		0	0.00
General Building Maintena		35,346	3.66		0	0.00		35,346	3.66		0	0.00
Interest Expense		182	0.02		0	0.00		182	0.02		0	0.00
Depreciation Expense		39,882	4.13		0	0.00		39,882	4.13		0	0.00
Insurance Expense - Lobby		102,561	10.63		0	0.00		102,561	10.63		0	0.00
Insurance Expense - Stack 3		4,141	0.43		0	0.00		4,141	0.43		0	0.00

See Accountants' Compilation Report

QUEENS BAY RESORT CONDOMINIUM
Statement of Revenues and Expenses - Modified Cash Basis
For the Twelve Months Ending December 31, 2025
Unaudited

	Curr. Mo. Operations		Curr. Mo. Reserves		Y-T-D Operations		Y-T-D Reserves	
Sponsorships Expense	3,015	0.31	0	0.00	3,015	0.31	0	0.00
Operation Overage to Rese	128,780	13.35	0	0.00	128,780	13.35	0	0.00
Operative Overage to Rese	0	0.00	(128,780)	(605.4)	0	0.00	(128,780)	(605.4)
	<u>975,157</u>	101.09	<u>(128,777)</u>	(605.3)	<u>975,157</u>	101.09	<u>(128,777)</u>	(605.3)
Total Expenses								
Excess (Deficiency) of								
Revenues Over Expenses	<u>\$ (10,513)</u>	(1.09)	<u>\$ 150,049</u>	705.38	<u>\$ (10,513)</u>	(1.09)	<u>\$ 150,049</u>	705.38

QUEENS BAY RESORT CONDOMINIUM
Statement of Revenues and Expenses - Budget vs. Actual
For the Twelve Months Ending December 31, 2025
Unaudited

	Y-T-D Oper. Actual	Y-T-D Oper. Budget	Y-T-D Oper. Variance	Y-T-D Reserves Actual	Y-T-D Reserves Budget	Y-T-D Reserves Variance
Revenues						
Homeowner Dues	\$ 918,000	\$ 918,000	0	\$ 0	\$ 0	0
Transfer Fees	2,000	1,400	600	0	0	0
Late Fees	100	0	100	0	0	0
Interest Income	2,199	0	2,199	0	0	0
Interest Income-Reserves	0	0	0	12,906	0	12,906
Transfer To Reserves	(8,366)	(83,448)	75,082	0	0	0
Transfer to Reserves	0	0	0	8,366	(47,292)	55,658
Insurance Reimbursement- Lobby	47,811	0	47,811	0	0	0
Fine Income	(250)	0	(250)	0	0	0
Sponsorships Income	3,150	0	3,150	0	0	0
Total Revenues	964,644	835,952	128,692	21,272	(47,292)	68,564
Expenses						
Payroll	130,863	157,186	(26,323)	0	0	0
Building Insurance	146,046	145,582	464	0	0	0
FICA Expense	10,011	12,615	(2,604)	0	0	0
Unemployment Expense	300	326	(26)	0	0	0
Workmans Comp	3,405	4,243	(838)	0	0	0
Alarm Service	895	2,447	(1,552)	0	0	0
Bank Charges	(341)	100	(441)	0	0	0
Bank Charges	0	0	0	3	0	3
Accounting	26,215	26,390	(175)	0	0	0
Legal	788	10,000	(9,212)	0	0	0
Gate Repairs	790	860	(70)	0	0	0
Operating Supplies	5,764	5,596	168	0	0	0
Landscaping Services	8,853	7,500	1,353	0	0	0
Elevator Service	22,228	20,700	1,528	0	0	0
Printing	231	374	(143)	0	0	0
Postage	462	600	(138)	0	0	0
Office Supplies	1,175	1,800	(625)	0	0	0
Electric	41,133	42,799	(1,666)	0	0	0
Gas	9,469	13,913	(4,444)	0	0	0
Water Usage	53,886	59,273	(5,387)	0	0	0
Sewer	96,586	105,114	(8,528)	0	0	0
Trash Removal	15,702	13,796	1,906	0	0	0
Water softener expense	22,740	26,190	(3,450)	0	0	0
Pool Chemicals	4,773	8,000	(3,227)	0	0	0
Pool Maintenance	6,964	6,000	964	0	0	0
Pest Control Service	5,805	4,803	1,002	0	0	0
Security Camera	6,682	6,600	82	0	0	0
Security Camera Reserves	0	0	0	0	4,900	(4,900)
Taxes	6,284	904	5,380	0	0	0
Internet/Website	1,186	2,416	(1,230)	0	0	0
AZ PTE Estimated Taxes	1,280	0	1,280	0	0	0
Licenses	490	610	(120)	0	0	0
Telephone/Mobile Phone	1,669	1,500	169	0	0	0
Board Meeting Expense	160	635	(475)	0	0	0
Major Maint. - Bldg & Paint	289	7,835	(7,546)	0	0	0
Major Maint. - RDA	0	0	0	0	11,538	(11,538)
Building Pipe Maintenance	28,467	44,666	(16,199)	0	0	0
General Building Maintenance	35,346	50,000	(14,654)	0	0	0
Water Damages/Pipe Leaks	0	5,000	(5,000)	0	0	0

See Accountants' Compilation Report

QUEENS BAY RESORT CONDOMINIUM
Statement of Revenues and Expenses - Budget vs. Actual
For the Twelve Months Ending December 31, 2025
Unaudited

	Y-T-D Oper. Actual	Y-T-D Oper. Budget	Y-T-D Oper. Variance	Y-T-D Reserves Actual	Y-T-D Reserves Budget	Y-T-D Reserves Variance
Interest Expense	182	120	62	0	0	0
Depreciation Expense	39,882	0	39,882	0	0	0
Insurance Expense - Lobby	102,561	0	102,561	0	0	0
Insurance Expense - Stack 33	4,141	0	4,141	0	0	0
Sponsorships Expense	3,015	0	3,015	0	0	0
Total Expenses	<u>846,377</u>	<u>796,493</u>	<u>49,884</u>	<u>3</u>	<u>16,438</u>	<u>(16,435)</u>
Excess (Deficiency) of Revenues Over Expenses	<u>\$ 118,267</u>	<u>\$ 39,459</u>	<u>78,808</u>	<u>\$ 21,269</u>	<u>\$ (63,730)</u>	<u>84,999</u>