

WATERFORD MASTER OWNERS ASSOCIATION, INC
BOD RESOLUTION October 2023

Resolution: The WMOA BOD has approved the restriction of all income derived from account #3016 (Deferred Revenue-Drainage Reserve) to be used only to fund Reserve Account #3512 (Drainage Structure). This resolution will remain in effect until the entire balance of the Deferred Revenue has been amortized over a 10-year period.

Background: During the budget year of 2021, WMOA received a payment of \$ 108,800.00 from Comcast for the distribution rights for cable wires throughout the Waterford Community. This payment was received in December of 2021 and was subject to a management fee of 25% or \$27,200.00 which was expensed to account #7820.99 in December 2021. As part of the 2023 budget, the WMOA BOD committed the net proceeds of \$80,000.00 to fund the reserve account #3512 (Drainage Structure).

Financial Reporting Requirements: As part of the WMOA 2022 Financial Audit, WMOA has been informed that in accordance with Standard Accounting Principles, the net proceeds of \$81,600.00 must be accounted for as Deferred Revenue (account #3016) and then amortized over a 10-year period as Cable Revenue (account #5041).

Recommendation: WMOA pass a resolution that restricts all income derived from the amortization of account #3016 (Deferred Revenue) to be credited to reserve account \$3512 (Drainage Structure). At the end of each fiscal year, an accounting entry will be processed accordingly:

Debit Account #3016 (Deferred Revenue-Drainage)	\$ 8,046.66
Credit Account # 5041 (Cable Revenue)	(\$8,046.66)
Debit Account #3900 (Retained Earnings)	\$8,046.66
Credit Account # 3512 (Drainage Struct Reserve)	(\$8,046.66)

WMOA BOD Approved 2023 10 12

