Lake Moovalya Keys
Homeowner's Association

Financial Statements

With Accountants' Review Report

December 31, 2025 and 2024

LAKE MOOVALYA KEYS, INC.
Financial Statements
December 31, 2025 and 2024

Contents

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

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Lake Moovalya Keys, Inc.
Parker, Arizona

We have reviewed the accompanying financial statements of Lake Moovalya Keys, (an Arizona C Corporation), which comprise the statement of assets, liabilities, and members' equity – modified cash basis as of December 31, 2025 and 2024, and the related statements of revenues and expenses, change in members' equity and statement of cash flows – modified cash basis for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. 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. Our conclusion is not modified with respect to this matter.

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Required Supplementary Information

Management has omitted supplementary information about future major repairs and replacements of common property that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

NSC Certified Public Accountants LLC

Lake Havasu City, Arizona
May 28, 2026

LAKE MOOVALYA KEYS, INC
Statement of Assets, Liabilities, and Members' Equity - Modified Cash Basis
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets:		
Cash - undesignated	$ 227,672	$ 187,826
Cash - designated for future repairs	47,098	39,530
Assessments receivable	7,644	8,237
Inventory	369	439
Total current assets	282,783	236,032
Property, plant and equipment	144,787	161,519
	$ 427,570	**$ 397,551**
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Assessments received in advance	$ 23,760	$ 14,487
Construction and rental deposits	7,599	8,372
Total current liabilities	31,359	22,859
Long-term debt	-	-
Members' equity		
Undesignated	349,113	335,162
Designated for future repairs	47,098	39,530
Total members' equity	396,211	374,692
	$ 427,570	**$ 397,551**

LAKE MOOVALYA KEYS, INC
Statement of Revenues and Expenses - Modified Cash Basis
Years ended December 31, 2025 and 2024

	2025	2024
Revenue		
Regular assessments	$ 222,293	$ 223,019
Tenant information and transfer fees	16,075	15,750
Interest income	3,694	2,933
Other	5,920	6,080
Total revenue	247,982	247,782
Expenses		
Utilities	105,826	104,429
General and administrative	60,297	60,396
Repairs and maintenance	32,564	29,454
Depreciation	17,850	15,204
Insurance	8,790	8,712
Security	3,789	4,214
Supplies	1,185	1,953
Legal and professional fees	775	7,624
Interest - security deposits	1	1
Taxes	(4,613)	4,672
Total expenses	226,463	236,659
Excess of revenues over expenses	$ 21,519	$ 11,123

See independent accountants' review report and accompanying notes to the financial statements.

LAKE MOOVALYA KEYS, INC.
Statement of Changes in Members' Equity - Modified Cash Basis
Years ended December 31, 2025 and 2024

Balance, December 31, 2023	**$ 363,569**
Excess of revenues over expenses	11,123
Balance, December 31, 2024	**374,692**
Excess of revenues over expenses	21,519
Balance, December 31, 2025	**$ 396,211**

LAKE MOOVALYA KEYS, INC
Statement of Cash Flows - Modified Cash Basis
Years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Excess of revenues over expenses	$ 21,519	$ 11,123
Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities:		
Depreciation	17,850	15,204
Change in operating assets and liabilities - increase (decrease) in cash:		
Assessments receivable	593	(1,543)
Inventory	70	82
Assessments received in advance	9,273	6,976
Deposits	(773)	(5)
Net cash provided by operating activities	48,532	31,837
Cash flows from investing activities:		
Additions to property and equipment	(1,118)	(57,064)
Net cash used by investing activities	(1,118)	(57,064)
Net increase in cash	47,414	(25,227)
Cash, beginning of year	227,356	252,584
Cash, end of year	**$ 274,770**	**$ 227,356**
Supplemental disclosures:		
Income taxes paid	$ 50	$ 50

LAKE MOOVALYA KEYS, INC.
Notes to Financial Statements
December 31, 2025 and 2024

1. ORGANIZATION AND OPERATIONS

Lake Moovalya Keys, Inc. (Association) is a not-for-profit Arizona corporation organized for the purpose of operating and maintaining the common property of Lake Moovalya Keys located in Parker, Arizona. The residential homeowner association began its operations in February 1970.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting used by the Association. That basis differs from generally accepted accounting principles primarily due to timing of revenue recognition and because the Association depreciates property, equipment and leasehold improvements using accelerated methods and useful lives as prescribed by the Internal Revenue Service.

Revenue

The Association levies annual assessments of $864 for each standard lot and $1,296 for each oversized lot. These assessments are billed and payable quarterly. Other revenue includes fees commonly charged by homeowners' associations, such as transfer fees, fines, and disclosure fees.

Use of Estimates

The preparation of financial statements in conformity with the income tax basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Assessments Receivable

Association members are subject to quarterly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Accounts receivable at the balance sheet date are stated at the amounts expected to be collected from the outstanding assessments from lot owners. No amounts are considered to be uncollectible at December 31, 2025 and 2024.

Cash and Cash Equivalents

The Association maintains its available cash at two financial institutions. The Association's cash balances as of December 31, 2025 and 2024 did not exceed the federally insured limit.

Property, Plant and Equipment

Property, equipment and improvements are carried at cost. Depreciation of equipment and improvements is provided using accelerated methods over useful lives of the assets ranging from 5 to 39 years.

Income Taxes

The Association is classified as a nonexempt membership organization for both federal and state income tax purposes for the years ended December 31, 2025 and 2024. The Association files income tax returns with both the Internal Revenue Service and the State of Arizona. Generally, federal and state authorities may examine the Association's tax returns for three years from the filing date and the current and prior three years (four years for the State of Arizona) remain subject to examination as of December 31, 2025.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Subsequent Events

The Association has performed a review of events subsequent to the balance sheet date through May 28, 2026, the date the financial statements were available to be issued.

LAKE MOOVALYA KEYS, INC.
Notes to Financial Statements
December 31, 2025 and 2024

3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following as of December 31, 2025 and 2024:

	2025	2024
Bridges and Streets	766,894	766,894
Building, Gates, Security	55,914	55,914
Boat Ramps	7.800	7,800
Office Equipment	3,579	2,461
Land	23,000	23,000
	857,187	856,069
Less Accumulated Depreciation	(712,400)	(694,550)
	$ 144,787	$ 161,519

Depreciation expense was approximately $17,850 and $15,204 for the years ended December 31, 2025 and 2024, respectively.

4. CASH – DESIGNATED FOR FUTURE REPAIRS

The Association annually transfers approximately $50 per lot in order to provide funds for future repairs. Cash balances for future repairs are $47,098 and $39,530 in 2025 and 2024, respectively.