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# **SERVICIOS AMAPAS, A.C.**

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## **COMMENTS TO THE FINANCIAL STATEMENTS OF THE FISCAL YEARS ENDING ON DECEMBER 31 2018 and 2017.**

### **1.- OPERATION AND MAJOR ACCOUNTING POLICIES**

The association was constituted on May 19, 2006 in Puerto Vallarta, Jalisco, for an indefinite period of time. The main purpose of the Association is the administration of the funds assigned to the maintenance, conservation and common services present and future, and at large, to the condominium operation, pursuant to the condominium regime bylaws.

The major accounting policies are described below:

- a) The financial statements were prepared in accordance with the Financial Information Standards, except for the lack of application of NIF D-3 "Benefits to Employees" are expressed in pesos and, because the Association is in an economic environment not inflationary the effects of the inflation of the period on the figures were not included.
- b) The Condominium applies the policy of registering its assets in the resultant accounts in order to comply with the established budget.
- c) The accounting equity is classified according to the restrictions that the Condominiums established on the quotas or reserve funds approved at their annual meeting.
- d) The fees are income that increase the accounting equity when cash contributions are received.
- e) The Condominium applies the policy of registering its assets in the resultant accounts in order to comply with the established budget. The statutes establish that it may accept on behalf of the condominium CIMA III all kinds of donations either of immovable property by partners, condominiums or third parties. And maintenance fees either ordinary or extraordinary in order to optimize the development and achievement of the corporate purpose. The only equipment that is registered as active were swimming pool heaters.

## **2.- CASH**

The cash is integrated by the bank accounts and its value is considered as a nominal value. The investments available at sight have been valued according to its net value of sale at the closing date and the results derived from the yielding produced by said investments, are recognized as free accrued results derived from said investments at the moment they are produced.

## **3.- PAYABLE ACCOUNTS**

At the end of the fiscal year, the accounts are integrated as follows:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Accounts receivable Owner	\$427,625	\$488,684
Provision of uncollectible accounts	(199,489)	(421,488)
<b>Total</b>	<b>\$228,136</b>	<b>\$67,196</b>

The accounts to be collected present an important delay in the portfolio up to December 31, 2018. The balance of the account 1B of Luis Miguel Amutio has a debt for the amount of \$428,025 including moratorium extra charges for the incompliance of the payment of the maintenance fees.

Currently, the administration has performed legal actions in order to recover the account.

## **4.- INVESTMENTS**

The condominium has an investment in the banking institution Bancomer S.A., for an amount of \$1,715,831.00, this investment is in pesos and is located in Investment Societies, and classified as Short Term and low risk.

The investment account is integrated:

	<b><u>2018</u></b>	<b><u>2017</u></b>
Bancomer account 2044578880	\$979,628	\$341,964
Bancomer account 2047220774	736,203	683,653
<b>Total</b>	<b>\$1,715,831</b>	<b>\$1,025,617</b>

## **5.- INCOME TAX**

Pursuant to the fiscal provisions in force, the Condominium does not have to pay the income tax. Condominiums are exempt since they are included in Title III of the above mentioned law, article 79, fraction XVIII.

## **6. CONDOMINIUM DOWN PAYMENT**

The condominium down payment are integrated by the contributions made by the condominiums and represent future obligations of the condominium, on services to be earned in the following year.

## **7. TAXES PAYABLE**

The balance at December 31<sup>ST</sup> 2018:

<b>Concept</b>	<b>2018</b>	<b>2017</b>
2% of payroll	\$2,524	\$2,348
Salary income tax	12,491	12,851
Fee income tax	8,773	8,199
Retained value added tax	9,358	8,746
Social Welfare	9,545	9,064
SAR	10,777	10,071
INFONAVIT	8,587	8,053
<b>Total</b>	<b>\$62,055</b>	<b>\$59,332</b>

## **8.- YEARS OF SERVICE BONUS AND PERSONNEL DISMISSAL PAYMENT**

The years of service bonus to be paid to the personnel who decide to retire after having worked during fifteen or more years, pursuant to the Federal Labor Law are not recognized as the cost of the worked years, since the accrued passive, based on the Company appraisals does not completely reflect such obligations. On the other hand the provisions contained in NIF D-3 Benefits to the Employees, issued by the Mexican Council for the Financial Research, C. A., are considered important, taking into account the years of service of the personnel of the association.

The rest of the compensations to be granted to the personnel in case of separation, incapacity or death, must be charged to the yearly results of the related year.

## **9.- PATRIMONY**

a) The patrimony account is integrated as follows:

<b>NON RESTRICTED PATRIMONY</b>	<b>2018</b>	<b>2017</b>
Fiscal year remnant	\$ 251,144	\$ 309,998
<b>Total of the unrestricted patrimony</b>	<b>\$251,144</b>	<b>\$ 309,998</b>

### **TEMPORARILY RESTRICTED PATRIMONY**

Remnants of previous years	\$786,058	\$ 786,058
<b>Total of the patrimony temporarily restricted</b>	<b>\$786,058</b>	<b>\$ 786,058</b>

### **PERMANENTLY RESTRICTED PATRIMONY**

Reserve Fund	\$642,187	\$ 642,187
Future projects fund	360,999	0
<b>Total of permanently restricted patrimony</b>	<b>\$1,003,186</b>	<b>\$ 642,187</b>

<b>TOTAL PATRIMONY</b>	<b>\$ 2,040,388</b>	<b>\$ 1,738,244</b>
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- b) The remainder of \$ 309,998 generated in 2017 was applied in the operation of the year 2018, as shown in the statement of activities of the above mentioned period.
- c) In the year 2018 a part of an account receivable that was in arrears was recovered. For that reason, it was not considered as an income within the budget, it is presented within the assets in the concept of future projects, pending of its classification and destination of application according to what is approved in the assembly of owners.