



**KIRKLAND, RUSS,
MURPHY & TAPP**
CERTIFIED PUBLIC ACCOUNTANTS

A Professional Association

October 25, 2010

To the Board of Directors
Sun City Center West Master Association, Inc.

We have audited the financial statements of Sun City Center West Master Association, Inc. for the year ended March 31, 2010, and have issued our report thereon dated October 25, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Sun City Center West Master Association, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009-2010. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 25, 2010.

Management Consultations with Other Independent Accountants

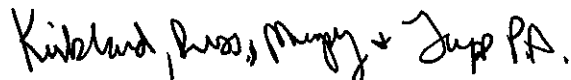
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Sun City Center West Master Association, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Kirkland, Russ, Murphy & Tapp P.A." The signature is written in a cursive, flowing style.

Kirkland, Russ, Murphy & Tapp, P.A.



**KIRKLAND, RUSS,
MURPHY & TAPP**

CERTIFIED PUBLIC ACCOUNTANTS

Jack W. Kirkland, Jr. Daniel J. Johnson
Andrew J. Russ Cindy Alvear Mull
Bruce H. Murphy Laura Krueger Brock
William G. Tapp Robert J. Batz
Paul C. Dunham Kevin R. Essex
Steven W. Grove Donald M. Jones, Jr.

A Professional Association

October 27, 2010

Ms. Dana Lin Phillips
c/o The Continental Group
Sun City Center West Master Association, Inc.
1904 Clubhouse Drive
Sun City Center, FL 33573

Dear Dana:

Enclosed please find five bound copies of the financial statements for Sun City Center West Master Association, Inc. as of March 31, 2010 along with our independent auditors' report thereon.

Please call me should you have any questions or comments.

Sincerely,

Kevin R. Essex

KRE/dob
Enc.

**SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.**

**Financial Statements
and Supplementary Schedule**

**March 31, 2010
(With Independent Auditors' Report Thereon)**

**SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.**

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KIRKLAND, RUSS, MURPHY & TAPP

CERTIFIED PUBLIC ACCOUNTANTS

A Professional Association

Independent Auditors' Report

To the Board of Directors
Sun City Center West Master Association, Inc.:

We have audited the accompanying balance sheet of Sun City Center West Master Association, Inc. (Association) as of March 31, 2010, and the related statements of revenues, expenses and changes in fund balances and cash flows for the year ended March 31, 2010. These financial statements are the responsibility of Sun City Center West Master Association, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sun City Center West Master Association, Inc. as of March 31, 2010, and the results of its operations and cash flows for the year ended March 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

The accompanying supplementary schedule of future major repairs and replacements as of March 31, 2010 is not a required part of the basic financial statements of Sun City Center West Master Association, Inc., but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Kirkland, Russ, Murphy & Tapp P.A.

October 25, 2010

**SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.**

Balance Sheet

March 31, 2010

	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 86,801	27,344	114,145
Certificates of deposit	-	646,184	646,184
Accounts receivable	63	-	63
Prepays	17,294	-	17,294
	<u>104,158</u>	<u>673,528</u>	<u>777,686</u>
Total assets	\$ <u>104,158</u>	<u>673,528</u>	<u>777,686</u>
Liabilities and Fund Balances			
Accounts payable	\$ 4,262	-	4,262
	<u>4,262</u>	<u>-</u>	<u>4,262</u>
Total current liabilities	4,262	-	4,262
Fund balances	99,896	673,528	773,424
	<u>99,896</u>	<u>673,528</u>	<u>773,424</u>
Total liabilities and fund balances	\$ <u>104,158</u>	<u>673,528</u>	<u>777,686</u>

**SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.**

Statement of Revenues, Expenses and Changes in Fund Balances

Year Ended March 31, 2010

	<u>Operating Fund</u>	<u>Restricted Fund</u>	<u>Total</u>
Revenues:			
Member assessments	\$ 831,390	491,647	1,323,037
Developer reserve funding	-	6,490	6,490
Reserve interest income	-	9,351	9,351
Other income	444	-	444
	<hr/>	<hr/>	<hr/>
Total revenues	831,834	507,488	1,339,322
	<hr/>	<hr/>	<hr/>
Expenses:			
Land, landscape and irrigation maintenance	262,965	131,147	394,112
Supplies	41,804	-	41,804
Paving and road expense	73,374	244,758	318,132
Plant replacement	20,758	-	20,758
Holiday decorations	9,028	-	9,028
Drainage	20,936	94,221	115,157
Fencing	-	19,506	19,506
Management fees	61,255	-	61,255
Lake maintenance	32,100	-	32,100
Insurance	81,679	-	81,679
Electricity	178,030	-	178,030
Income taxes	389	-	389
	<hr/>	<hr/>	<hr/>
Total expenses	782,318	489,632	1,271,950
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenses	49,516	17,856	67,372
Beginning fund balances	50,380	655,672	706,052
	<hr/>	<hr/>	<hr/>
Ending fund balances	\$ 99,896	673,528	773,424
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.**

Statement of Cash Flows

Year Ended March 31, 2010

	Operating Fund	Reserve Fund	Total
Cash flows from operating activities:			
Excess of revenues over expenses	\$ 49,516	17,856	67,372
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:			
Changes in:			
Accounts receivable	2,977	6,490	9,467
Prepays	40,879	-	40,879
Accounts payable	(9,998)	-	(9,998)
Net cash provided by operating activities	83,374	24,346	107,720
Cash flows from investing activities:			
Certificates of deposit	-	2,998	2,998
Net cash provided by investing activities	-	2,998	2,998
Net increase in cash and cash equivalents	83,374	27,344	110,718
Cash and cash equivalents at beginning of year	3,427	-	3,427
Cash and cash equivalents at end of year	\$ 86,801	27,344	114,145
Supplementary disclosure:			
Income taxes paid	\$ 389	-	389

See accompanying independent auditors' report and notes to financial statements.

**SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.**

Notes to Financial Statements

March 31, 2010 and 2009

(1) Summary of Significant Accounting Policies

(a) Organization

Sun City Center West Master Association, Inc. (Association) was incorporated as a not-for-profit corporation in the State of Florida on May 29, 1973, for the purpose of operating, managing and providing for the maintenance and conservation of the common elements and common areas of the Sun City Center West project located in Hillsborough County, Florida. Membership is automatic for Associations located within the Sun City Center West project.

(b) Basis of Accounting

The accounts of the Association are maintained and are presented on the accrual basis using fund accounting in accordance with accounting principles generally accepted in the United States of America. Revenue is recorded when earned and expenses when incurred.

(c) Membership Assessments

Members are assessed on a monthly basis their specified pro-rata share of the budgeted community operating expenses and their specified pro-rata share of the budgeted neighborhood area operating expenses, in accordance with the terms of the Declaration, Articles of Incorporation and By-laws of the Association, as determined by the Board of Directors.

(d) Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual Associations as members of the Master Association.

(e) Concentration of Credit Risk

The Association maintains its cash balances and equivalents at a commercial brokerage house. Equivalents consist of both money market funds and certificates of deposit. Expenditure of these funds is restricted based on approval by the Association's Board of Directors.

(f) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.**

Notes to Financial Statements - Continued

(1) Summary of Significant Accounting Policies - Continued

(g) Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

(h) Certificates of Deposit

The Association maintains reserve funds in certificates of deposit. Maturities on these certificates of deposit have maturities greater than three months.

(i) Income Taxes

The Association qualifies as a tax exempt homeowners' association under the Internal Revenue Code. The Association is not taxed on income and expenses related to its exempt purpose, which is the operating, managing and providing for the maintenance and conservation of the common elements and common areas of the Sun City Center West project. Net non-exempt function income, which includes earned interest and revenues received from non-members is not material to the financial statements, therefore no provisions for income taxes has been included in the accompanying financial statements.

The Association has adopted Accounting Standards Codification Topic 740 (ASC 740) relating to the accounting for uncertainty in income taxes. This accounting prescribes a recognition and measurement of tax positions taken or expected to be taken on a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. There was no material impact to the Association's financial position or results of operations due to adoption of this standard.

(j) Fair Value Measurement

Management uses the fair value hierarchy established by generally accepted accounting principles, which gives the highest priority to quoted prices in active markets, to measure the fair value of financial instruments. The fair value of financial instruments is estimated based on market trading information, where available. Absent published market values for an instrument or other assets, management uses observable market data to arrive at its estimates of fair value.

Generally accepted accounting principles define fair value as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, a three-level fair value hierarchy has been established that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities.

**SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.**

Notes to Financial Statements - Continued

(1) Summary of Significant Accounting Policies - Continued

(j) Fair Value Measurement - Continued

Level 2 Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

At March 31, 2010, the Association utilized Level 1 inputs to value its certificate of deposits and money market accounts.

(2) Future Major Repairs and Replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$674,000 at March 31, 2010, are held in separate accounts and are generally not available for operating purposes. It is the Association's policy to allocate interest earned on such funds to each component based upon their specified percentage of total funds reserved.

The Association has conducted an internal study to determine the adequacy of the assessment program to provide for future major repairs and replacements of the common elements. It is funding such major repairs and replacements over the estimated useful lives of the components based on estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts designed for future repairs and replacements may not be adequate to meet future needs. If additional funds are needed, the Association has the right, subject to member approval, to increase regular assessments, levy special assessments or delay major repairs and replacements until funds are available.

The Association has allocated funds for future major repairs and replacements as follows as of March 31, 2010:

	<u>Paving and Road</u>	<u>Drainage</u>	<u>Fence</u>	<u>Bridge</u>	<u>Irrigation</u>	<u>Total</u>
Balance at March 31, 2009	\$ 219,281	161,606	-	9,477	265,308	655,672
Assessment and developer funding	250,451	91,553	20,172	2,455	133,506	498,137
Interest income	2,238	2,646	18	168	4,281	9,351
Disbursements	<u>(244,758)</u>	<u>(94,221)</u>	<u>(19,506)</u>	<u>-</u>	<u>(131,147)</u>	<u>(489,632)</u>
Balance at March 31, 2010	<u>\$ 227,212</u>	<u>161,584</u>	<u>684</u>	<u>12,100</u>	<u>271,948</u>	<u>673,528</u>

SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.

Notes to Financial Statements - Continued

(3) Subsequent Events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition and disclosure through October 25, 2010, the date the financial statements were available to be issued.

**SUN CITY CENTER WEST
MASTER ASSOCIATION, INC.**

**Supplementary Schedule of Future Major Repairs and Replacements
(Unaudited)**

March 31, 2010

The Association has conducted an internal study to estimate the remaining useful lives of the replacement cost of the components of common property. This study will be reviewed and updated annually to take into account the effects of inflation and the current condition of the components.

The following table presents significant information about the components of common property at March 31, 2010.

<u>Component</u>		<u>Estimated Remaining Useful Life (Years)</u>		<u>Estimated Current Replacement Cost</u>		<u>Replacement Fund Balance at March 31, 2010</u>
Paving and Road	(A)	15	\$	4,072,868	(A)	227,212
Drainage		4		600,000		161,584
Fence		6.5		150,000		684
Bridge		11		250,000		12,100
Irrigation		6.8		1,047,800		271,948
Gate House:						
Roof - Maingate		9		50,000		-
Roof - Southgate		13		5,000		-
Paint - Maingate and Southgate		2		6,250		-
						<u>\$ 673,528</u>

(A) Paving reserves are based upon a predetermined 15 year schedule and based on annual inspection and current condition.