

RIVERWALK HOMEOWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

December 31, 2022

RIVERWALK HOMEOWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

Year Ended December 31, 2022

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HACKER ROMANO

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Gary Hacker, CPA
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INDEPENDENT AUDITORS' REPORT

Board of Directors and Members of
Riverwalk Homeowners Association, Inc.
Jupiter, Florida

Dear Board of Directors and Members:

Opinion

We have audited the accompanying financial statements of Riverwalk Homeowners Association, Inc., which comprise the balance sheet as of December 31, 2022, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverwalk Homeowners Association, Inc., as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial statements section of our report. We are required to be independent of Riverwalk Homeowners Association, Inc. and to meet our other ethical responsibilities in accordance with the ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverwalk Homeowners Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:


- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Riverwalk Homeowners Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events considered in the aggregate, that raise substantial doubt about Riverwalk Homeowners Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements on page 12 be presented to supplement the basic financial statements. Such information, although not a 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 for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

HACKER & ROMANO



Hollywood, Florida
April 28, 2023

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
BALANCE SHEET
December 31, 2022

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ -	\$ 1,005,320	\$ 1,005,320
Assessments Receivable (Less: allowance for doubtful accounts of \$48,480)	41,971	-	41,971
Legal Fee Recovery Receivable	78,506	-	78,506
Prepaid Insurance	12,943	-	12,943
Due From Operating Fund	-	56,001	56,001
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 133,420	\$ 1,061,321	\$ 1,194,741
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>			
Accounts Payable & Accrued Expenses	\$ 24,917	\$ 100,678	\$ 125,595
Prepaid Assessments	34,408	-	34,408
Security Deposits	14,965	-	14,965
Insurance Payable	3,129	-	3,129
Contract Liabilities (Assessments received in advance-Replacement Fund)	-	915,662	915,662
Due To Replacement Fund	56,001	-	56,001
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	\$ 133,420	\$ 1,016,340	\$ 1,149,760
<u>FUND BALANCES</u>			
Fund Balance	\$ -	\$ 44,981	\$ 44,981
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 133,420	\$ 1,061,321	\$ 1,194,741
	<hr/>	<hr/>	<hr/>

See Accountants Audit Report and Accompanying Notes to the Financial Statements

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
Year Ended December 31, 2022

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Maintenance Fees	\$ 679,600	\$ 597,290	\$ 1,276,890
Late Fees & Other Income	37,558		37,558
Application Fees and Estoppel Income	28,300	-	28,300
Interest Income	3,097	-	3,097
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	\$ 748,555	\$ 597,290	\$ 1,345,845
	<hr/>	<hr/>	<hr/>
<u>EXPENSES</u>			
Administrative	\$ 284,226	\$ -	\$ 284,226
	-	-	-
Operations	215,064	600,964	816,028
	-	-	-
Utilities	53,828	-	53,828
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	\$ 553,118	\$ 600,964	\$ 1,154,082
	<hr/>	<hr/>	<hr/>
EXCESS REVENUES/(EXPENSES)	\$ 195,437	\$ (3,674)	\$ 191,763
FUND BALANCE 12/31/21	68,638	671,970	740,608
INTRAFUND TRANSFER	-	(887,390)	(887,390)
INTERFUND TRANSFER	(264,075)	264,075	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE 12/31/22	\$ -	\$ 44,981	\$ 44,981
	<hr/>	<hr/>	<hr/>

See Accountants Audit Report and Accompanying Notes to the Financial Statements

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Sources of Cash			
Maintenance Fees	\$ 684,638	\$ 218,000	\$ 902,638
Late Fees & Other Income	37,558	-	37,558
Application Fees and Estoppel Income	28,300	-	28,300
Interest Income	3,097	-	3,097
	<hr/>	<hr/>	<hr/>
Total Sources of Cash	\$ 753,593	\$ 218,000	\$ 971,593
Uses of Cash			
Expenses Paid	545,519	500,286	1,045,805
	<hr/>	<hr/>	<hr/>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 208,074</u>	<u>\$ (282,286)</u>	<u>\$ (74,212)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interfund Transfers	<u>(1,287,606)</u>	<u>1,287,606</u>	<u>-</u>
Net Cash (Used In) Provided By Financing Activities	<u>(1,287,606)</u>	<u>1,287,606</u>	<u>-</u>
Total (Decrease) Increase in Cash and Cash Equivalents	\$ (1,079,532)	\$ 1,005,320	\$ (74,212)
Cash and Cash Equivalents - December 31, 2021	<u>1,079,532</u>	<u>-</u>	<u>1,079,532</u>
Cash and Cash Equivalents - December 31, 2022	<u><u>\$ -</u></u>	<u><u>\$ 1,005,320</u></u>	<u><u>\$ 1,005,320</u></u>
SUPPLEMENTAL DISCLOSURES			
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interest Paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accountants Audit Report and Accompanying Notes to the Financial Statements

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess Revenues/(Expenses)	\$ 195,437	\$ (3,674)	\$ 191,763
Reconciliation of Excess Revenues/(Expenses) To Cash From Net Operating Activities:			
(Increase) Decrease In Assets:			
Assessments Receivable	(7,243)	-	(7,243)
Prepaid Insurance	(6,223)	-	(6,223)
Prepaid Expenses	660	-	660
Increase (Decrease) In Liabilities:			
Accounts Payable & Accrued Expenses	9,933	100,678	110,611
Prepaid Assessments	12,281	-	12,281
Security Deposits	100	-	100
Insurance Payable	3,129	-	3,129
Contract Liabilities (Assessments received in advance-Replacement Fund)	<u>-</u>	<u>(379,290)</u>	<u>(379,290)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 208,074</u>	<u>\$ (282,286)</u>	<u>\$ (74,212)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interfund Transfers	<u>(1,287,606)</u>	<u>1,287,606</u>	<u>-</u>
Net Cash (Used In) Provided By Financing Activities	<u>(1,287,606)</u>	<u>1,287,606</u>	<u>\$ -</u>
Total (Decrease) Increase in Cash and Cash Equivalents	\$ (1,079,532)	\$ 1,005,320	\$ (74,212)
Cash and Cash Equivalents - December 31, 2021	<u>\$ 1,079,532</u>	<u>\$ -</u>	<u>\$ 1,079,532</u>
Cash and Cash Equivalents - December 31, 2022	<u>\$ -</u>	<u>\$ 1,005,320</u>	<u>\$ 1,005,320</u>
SUPPLEMENTAL DISCLOSURES			
Income Taxes Paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Interest Paid	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Accountants Audit Report and Accompanying Notes to the Financial Statements

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Riverwalk Homeowners Association, Inc. is presented to assist in the understanding of the financial statements. The financial statements and notes are the representations of management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been applied on a consistent basis.

1. Organization – Riverwalks Homeowners Association, Inc. (“The Association”) is a three hundred forty (340) residential unit homeowners association incorporated as a not-for-profit corporation in the State of Florida in December 1984. The Association, located in Jupiter, Florida, is responsible for the operation and maintenance of the common areas of Riverwalk Homeowners Association, Inc.

2. Date of Management’s Review – In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 28, 2023, the date that the financial statements were available to be issued.

3. Fund Accounting - The Association uses fund accounting, which requires that funds, such as the operating fund and the fund designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors and Property Manager for the general operations of the Association. Disbursements from the Replacement Fund generally may be made only for designated purposes.

Operating Fund – This fund is used to account for financial resources available for the regular, recurring costs of operations. Disbursements from this fund are generally at the discretion of the Board of Directors.

Replacement Fund – This fund is used to accumulate financial resources designated for future repairs and replacements. Disbursements from this fund may be made only for their designated purposes.

4. Use of Estimates in the Preparation of Financial Statements - The preparation of financial statements in conformity with generally accepted accounting principles 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

5. Maintenance Assessments - Association members are subject to monthly assessments that shall be allocated on an equal share per unit to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Maintenance assessments receivable at the balance sheet date represent fees due from unit owners. Assessment Revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its assessments is satisfied over time in a daily pro-rata basis using the input method. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in future operating periods. Quarterly assessments to owners were \$660 in 2022. Of this amount, \$160 was designated to the Replacement Fund. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside of the Association's control.

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2022

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Recognition of assets and depreciation policy – Common areas owned by the Association are reserved for the use of the owners and are required to be maintained as common areas under the Declaration and therefore, the sale of such common areas for revenue is remote. Accordingly, such common areas are not recorded in the financial records of the Association. The Association will capitalize, at cost, personal property which it acquires with Association funds.
7. Concentration of Credit Risk - Financial instruments which potentially subject the Association to concentrations of credit risks are primarily cash and assessments receivable. The Association invests its excess cash in an interest-bearing ICS sweep account with a major financial institution. Accounts at the institution are insured by the FDIC up to \$250,000. As of December 31, 2022, the Association had no uninsured balances. The Association has established an allowance for the possibility of uncollectible assessments receivable in the amount of \$48,480.
8. Interest Income – The Board of Directors' policy is to allocate to the operating fund all interest earned in the cash accounts.
9. Income Taxes - The Association may be taxed either as a homeowners' association or as a regular corporation. This election is made annually taking into account the best interest of the Association. For the year ended December 31, 2022, the Association elected to file as a homeowners' association in accordance with Internal Revenue Service Code section 528. Under that section, the Association excludes from taxation exempt function income, which generally consists of revenue from assessments to owners. The Association's investment income and other nonexempt income are subject to tax at a rate of 30%, net of any applicable expenses. Income tax expense for the year 2022 was \$0. Under federal and state income tax laws, an entity's income tax returns are subject to examination by the applicable taxing authorities. The time period during which a return may be selected by a taxing authority for examination generally ends at the later of three years after the initial due date of the return or three years after the return is filed. At December 31, 2022, the Association's tax years that remain subject to examination are 2019-2021.
10. Cash and Cash Equivalents – For presentation purposes, the Association consolidates checking and money market accounts.
11. Fair Value Measurement – The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2022, because of their short-term maturities; therefore, no adjustment for the effect if FASB ASC 820 was made to the Association's financial statements at December 31, 2022.
12. Contract Liabilities (Assessments received in advance-Replacement Fund) – The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to the replacement reserve assessments. The balances of contract liabilities (assessments received in advance – replacement fund) as of the beginning and end of the year are \$407,562 and \$915,662, respectively.

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2022

NOTE B – REPLACEMENT FUND

The Association's governing documents and Florida statutes do not require that funds be accumulated for major repairs and replacements, except for the boat storage area. The Association membership has not adopted statutory reserves as defined under Florida Statute 720.303(6) of the Homeowners Association Act. As a result, any calculation or funding of reserves by the Association is recommended, but optional. The Board of Directors estimated the useful lives and the replacement costs of the components of common property. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on these estimates.

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

The Association is funding for major repairs and replacements over the remaining useful lives of the components based on the estimates of current replacement costs and considering amounts previously accumulated in the replacement fund. Accordingly, the funding requirement of \$313,200 has been included in the 2023 budget. Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The activity in the Replacement Fund was as follows:

Component	Fund Balance 1/1/2022	Contract Liabilities Balance 1/1/2022	Budgeted Assessments	Transfers	Expenses	Contract Liabilities Balance 12/31/2022	Fund Balance 12/31/2022
Roofing					523,465		
Weir Repairs					73,825		
		\$407,562	\$ 218,000	\$ 887,390	\$ 597,290	\$ 915,662	
	\$671,970			(623,315)	3,674		\$ 44,981

NOTE C – UNCERTAINTY IN INCOME TAXES

The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequences of events that have been recognized in an entity's financial statements or tax returns. The Association evaluates its uncertain tax positions using the provisions of ASC 450, *Accounting for Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position, or for all uncertain tax positions in the aggregate, could differ from the amount recognized. For the year ended December 31, 2022, there were no transactions that would cause an uncertainty in the accounting for an income tax liability or refund.

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (Continued)
December 31, 2022

NOTE D – SUBSEQUENT EVENT

In March 2023 the Association signed a contract with RCI Painting & Waterproofing to Paint twenty-two (22) two story buildings (151 units) for \$209,875 for the general scope of project. The contract allows for a 5% increase in price if the work is to be divided into 2 years.

SUPPLEMENTAL INFORMATION

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
SCHEDULE OF EXPENSES
Year Ended December 31, 2022

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>ADMINISTRATIVE</u>			
Insurance	\$ 28,343	\$ -	\$ 28,343
Management Fees	225,106	-	225,106
Licenses, Taxes and Permits	900	-	900
Office Expense	15,143	-	15,143
Professional Fees	14,734	-	14,734
TOTAL ADMINISTRATIVE	\$ 284,226	\$ -	284,226
<u>OPERATIONS</u>			
Boat Yard Repairs	\$ -	\$ 3,674	\$ 3,674
Concrete Repair	8,794	-	8,794
General Repairs and Maintenance	40,668	-	40,668
Gutter Cleaning	10,350	-	10,350
Irrigation Maintenance	5,512	-	5,512
Lake Maintenance	1,988	-	1,988
Landscaping Service Contract	77,376	-	77,376
Mangrove Trimming	3,014	-	3,014
Paving - Striping	5,600	-	5,600
Pool Repairs	21,842	-	21,842
Roof Repairs	-	523,465	523,465
Security	1,045	-	1,045
Tree Trimming and Removal	36,470	-	36,470
Weir Repairs	2,405	73,825	76,230
TOTAL OPERATIONS	\$ 215,064	\$ 600,964	816,028
<u>UTILITIES</u>			
Electricity	\$ 40,336	\$ -	\$ 40,336
Telephone and Internet Service	5,055	-	5,055
Trash Removal	2,195	-	2,195
Water and Sewer	6,242	-	6,242
TOTAL UTILITIES	\$ 53,828	\$ -	\$ 53,828

See Accountants Audit Report and Accompanying Notes to the Financial Statements

RIVERWALK HOMEOWNERS ASSOCIATION, INC.
SUPPLEMENTAL INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS

December 31, 2022

(Unaudited)

The Association's governing documents and Florida Statutes do not require that funds be accumulated for major repairs and replacements. Although not required, the Association has estimated reserves to properly present its financial situation. The Board of Directors estimated the useful lives and the replacement cost of the components of common property elements. The following table is based on those estimates and presents significant information about the components of common property:

<u>Component</u>	<u>Estimated Useful Life (Yrs)</u>	<u>Estimated Costs</u>	<u>Funds set Aside as of 12/31/2022</u>
Boat Yard, Ramp and Dock	35	\$ 50,000	\$ 44,981
Golf Cart #1	7	5,000	5,000
Golf Cart #2	7	5,000	3,000
Golf Cart #3	7	5,000	1,500
Painting	8	633,000	239,000
Playground	20	70,000	60,000
Pool Deck	25	50,000	9,700
Pool Surface	20	50,000	11,000
Roof	20	2,009,000	553,162
Storm Water Drains	35	75,000	26,000
Street	25	200,000	4,100
Tennis Court	10	15,000	2,000
Truck	4	5,000	1,200
		<u>\$ 3,172,000</u>	<u>\$ 960,643</u>

Note: During 2022 when the Association paid \$523,465 for Roofing costs the future impact of the unforeseen, dramatic increase in re-roofing costs required and immediate increase to reserves and major assessment increases in 2023 to \$710 and to \$775 in 2024 and 2025 to cover the reserve under funding. To minimize the future impact of increased reroofing costs the operating fund balance surplus at December 31, 2022 of \$264,075 was transferred to the reserves.

See Accountants Audit Report and Accompanying Notes to the Financial Statements