

**KINGS LAKE HOMEOWNERS
ASSOCIATION, INC.**
NAPLES, FLORIDA
AUDITED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

TENTATIVE 5.19.2022

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TENTATIVE 5.19.2022



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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Kings Lake Homeowners
Association, Inc.
Naples, Florida

We have audited the accompanying financial statements of Kings Lake Homeowners Association, Inc., a Florida not-for-profit corporation, which comprise the balance sheet, as of December 31, 2021, and the related statements of revenues, expenses, and changes in fund balances 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 Kings Lake Homeowners Association, Inc. as of December 31, 2021, 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 Kings Lake Homeowners Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant 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 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 Kings Lake 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. 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment 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 Kings Lake 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kings Lake 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements, as a whole. The schedule of operating fund revenues and expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements, as a whole.

The Board of Directors
Kings Lake Homeowners
Association, Inc.
Naples, Florida
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Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that information on future major repairs and replacements on page 15 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.

THE DAVIS GROUP
AUDIT & ATTESTATION SERVICES, LLC

April 28, 2022

TENTATIVE 5.19.2022

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2021

	FUNDS		
	Operating	Replacement	Total
ASSETS			
Cash and cash equivalents	\$ 285,581	\$ 215,837	\$ 501,418
Accounts receivable - members	4,138	-	4,138
Accounts receivable - other	21,137	-	21,137
Prepaid insurance	4,451	-	4,451
Utility deposit	50	-	50
	<u>315,357</u>	<u>215,837</u>	<u>531,194</u>
Total assets	<u>\$ 315,357</u>	<u>\$ 215,837</u>	<u>\$ 531,194</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 3,153	\$ -	\$ 3,153
Payroll taxes payable	2,091	-	2,091
Assessments received in advance	218,111	-	218,111
ARC deposits	6,300	-	6,300
Contract liability (assessments received in advance - replacement)	-	215,837	215,837
	<u>229,655</u>	<u>215,837</u>	<u>445,492</u>
Total liabilities	<u>229,655</u>	<u>215,837</u>	<u>445,492</u>
FUND BALANCES	<u>85,702</u>	<u>-</u>	<u>85,702</u>
Total liabilities and fund balances	<u>\$ 315,357</u>	<u>\$ 215,837</u>	<u>\$ 531,194</u>

Read Independent Auditors' Report.
The accompanying notes are an integral
part of the financial statements.

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021

	FUNDS		
	Operating	Replacement	Total
REVENUES			
Maintenance fees	\$ 379,372	\$ 65,735	\$ 445,107
Irrigation fees	23,329	-	23,329
Owner late fees and interest income	1,014	-	1,014
Attorney and legal fees	6,767	-	6,767
Mailbox/other income	439	-	439
Application fees	710	-	710
Other income	31,133	-	31,133
Interest income	15	400	415
	<u>442,779</u>	<u>66,135</u>	<u>508,914</u>
EXPENSES			
Administrative	283,299	-	283,299
Utilities	11,928	-	11,928
Buildings	8,009	-	8,009
Grounds	112,115	-	112,115
Replacement	-	66,135	66,135
	<u>415,351</u>	<u>66,135</u>	<u>481,486</u>
Total expenses			
Excess of revenues over expenses	27,428	-	27,428
FUND BALANCES - January 1, 2021	58,672	-	58,672
Prior period adjustment	(398)	-	(398)
FUND BALANCES - December 31, 2021	<u>\$ 85,702</u>	<u>\$ -</u>	<u>\$ 85,702</u>

Read Independent Auditors' Report.
The accompanying notes are an integral
part of the financial statements.

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	FUNDS		
	<u>Operating</u>	<u>Replacement</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Maintenance fees received	\$ 396,961	\$ 28,589	\$ 425,550
Irrigation fees received	23,329		23,329
Owner late fees and interest income received	1,014	-	1,014
Attorney and legal fees received	6,767	-	6,767
Mailbox/other income received	439	-	439
Application fees received	710	-	710
Miscellaneous owner income received	31,133	-	31,133
Interest income received	15	400	415
Cash paid for replacement expenditure		(66,135)	(66,135)
Cash paid for operating expenditures	(414,649)	-	(414,649)
Interfund (payable)/receivable	(47)	47	-
	<u>45,672</u>	<u>(37,099)</u>	<u>8,573</u>
Net cash provided (used) by operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Prior period adjustment	(398)	-	(398)
	<u>(398)</u>	<u>-</u>	<u>(398)</u>
Net cash (used) by investing activities			
	<u>45,274</u>	<u>(37,099)</u>	<u>8,175</u>
Net increase (decrease) in cash			
CASH AND CASH EQUIVALENTS - January 1, 2021	<u>240,307</u>	<u>252,936</u>	<u>493,243</u>
CASH AND CASH EQUIVALENTS - December 31, 2021	<u>\$ 285,581</u>	<u>\$ 215,837</u>	<u>\$ 501,418</u>

	FUNDS		
	Operating	Replacement	Total
RECONCILIATION OF EXCESS OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Excess of revenues over expenses	\$ 27,428	\$ -	\$ 27,428
Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities:			
Decrease in accounts receivable - members	461	-	461
(Increase) in accounts receivable - other	(21,137)	-	(21,137)
(Increase) in prepaid insurance	(604)	-	(604)
Decrease in prepaid expenses	450	-	450
(Decrease) in accounts payable	(4,113)	-	(4,113)
Increase in payroll taxes payable	1,669	-	1,669
Increase in ARC deposits	3,300	-	3,300
Increase in assessments received in advance	38,265	-	38,265
(Decrease) in contract liability (assessments received in advance - replacement)	-	(37,146)	(37,146)
Interfund (payable)/receivable	(47)	47	-
Total adjustments	18,244	(37,099)	(18,855)
Net cash provided (used) by operating activities	\$ 45,672	\$ (37,099)	\$ 8,573

Read Independent Auditors' Report.
The accompanying notes are an integral
part of the financial statements.

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - THE ASSOCIATION

Kings Lake Homeowners Association, Inc. (the "Association") is a statutory homeowners' organization incorporated under the laws of the State of Florida, which began operating in 1984, for the purpose of operating, preserving, and maintaining the common areas and property of the Association. The Kings Lake subdivision consists of 1,173 residential properties, on approximately 82.7 acres, located in Naples, Florida.

NOTE 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, 2022; the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Accounting

The Association prepares its financial statements on the accrual basis and presents them as separate funds based on its different funding policies for operations and replacement expenditures.

Property and Equipment

Ownership of commonly owned real property and certain common personal property is vested directly or indirectly in the unit owners and those assets are not deemed to be severable. As a result, these commonly owned assets are not presented in the Association's financial statements.

Member Assessments and Revenue Recognition

Association members are subject to periodic assessments to provide funds for the Association's operating expenses and major repairs and replacements. 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 operating assessments are satisfied over time and recognized as collected. The performance obligations related to the reserve fund assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent. 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 the Association's control.

Funds

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. The assets of the Association are maintained and classified into separate funds to account for daily operations or capital replacements.

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds (Continued)

The operating fund reflects the operating portion of annual assessments paid by the owners to meet various day-to-day expenditures incurred in the administration, maintenance, and operation of the Association.

The replacement fund is composed of the portion of the annual assessments designated in the budget to fund future major repairs and replacements, as further discussed in Note 9.

Cash Flows

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Association made no cash payments for federal income taxes and no cash payments for state income taxes during the year ended December 31, 2021.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 4 - CASH AND CASH EQUIVALENTS

The Association maintains its cash and cash equivalents balances at various financial institutions located in Southwest Florida. Accounts at the commercial banking institutions are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. As of December 31, 2021, \$14,001 of these balances were uninsured. The reconciled book balance, as of December 31, 2021, was \$501,418.

NOTE 5 - ACCOUNTS RECEIVABLE - MEMBERS

Accounts receivable - members consists of maintenance fees billed which have not been collected by the Association, as of December 31, 2021. The collectibility of the accounts receivable has been calculated under the assumption that the Association will receive one year's maintenance fee per the Florida Statute.

NOTE 6 - FAIR VALUE MEASUREMENTS

The Fair Value Measurements Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure requirements for fair value measurements.

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

The Association measures the fair value of assets and liabilities, as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2: Inputs other than quoted market prices included with Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for an asset or liability. Level 3 inputs should be used to measure fair value to the extent that observable level 1 or 2 inputs are not available.

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Association's significant financial instruments are cash, accounts receivable, accounts payable, and other short-term assets and liabilities. For these financial instruments (level 1), carrying values approximate fair value, because of the short maturity of these instruments.

NOTE 7 - INCOME TAXES

The Association files its income tax return, as a homeowners' association, in accordance with Internal Revenue Code Section 528. Under that Section, the Association is not taxed on uniform assessments to members and other income received from Association members solely, as a function of their membership in the Association. The Association is taxed at the rate of 30% on its investment income and other non-exempt function income. The Association incurred no federal and no state income tax expense for the year ended December 31, 2021.

Management considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential changes that management believes are more likely than not to occur upon examination by tax authorities. Management has not identified any uncertain tax positions in its filed income tax returns that require recognition or disclosure in the accompanying financial statements. The Association's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

NOTE 8 - ASSESSMENTS RECEIVED IN ADVANCE

Assessments received in advance consist of unbilled maintenance fees, which were received by the Association, as of December 31, 2021.

NOTE 9 - REPLACEMENT FUND

The Association's replacement fund is utilized to accumulate funds for future major repairs and replacements, by an allocation of the maintenance fees charged to each owner specifically designated for the fund in the annual budget. Deductions from the fund are recorded as costs, as incurred, which are determined by the Board, to meet the objective for which the fund was established.

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 9 - REPLACEMENT FUND (Continued)

The following is a table of the activity in the replacement fund:

Components	Balance January 1, 2021	Additions To Fund	Intra-fund Transfer	Charges To Fund	Balance December 31, 2021
Irrigation pumps and motors	\$ 10,045	\$ 1,577	\$ -	\$ -	\$ 11,622
Tennis court	5,076	-	-	-	5,076
Roads and path paving	10,755	2,313	-	-	13,068
Truck	23,173	2,805	-	-	25,978
Utility cart	6,031	162	334	6,527	-
Landscape equipment	5,150	-	-	-	5,150
Pump house	22,375	979	-	-	23,354
JD tractor 2100/mower deck	12,318	-	66	14,466	(2,082)
Kubota tractor 2200	11,537	-	-	-	11,537
JD walk behind mower	2,304	-	-	-	2,304
Bearcat wood chipper	3,906	-	-	-	3,906
Lake	59,363	1,774	-	31,857	29,280
Signs	5,094	-	-	-	5,094
Wall paint	3,952	1,053	-	5,000	5
Landscape improvement	14,130	7,461	-	4,385	17,206
Storm reserve less prior	47,680	10,465	-	3,900	54,245
Nature preserve	10,094	-	-	-	10,094
Unallocated interest	-	400	(400)	-	-
	<u>252,983</u>	<u>28,989</u>	<u>-</u>	<u>66,135</u>	<u>215,837</u>
ASC 606 adjustment	<u>(252,983)</u>	<u>37,146</u>	<u>-</u>	<u>-</u>	<u>(215,837)</u>
ASC 606 adjusted balance	<u>\$ -</u>	<u>\$ 66,135</u>	<u>\$ -</u>	<u>\$ 66,135</u>	<u>\$ -</u>

Additions to fund include \$400 of interest income.

During the year ended December 31, 2021, the Association funded major repairs and replacements based on the Board's estimates of current replacement costs. The 2022 statutory and approved budgeted funding is \$65,200 and \$38,147, respectively, as shown in the unaudited supplementary information. The components' actual replacement cost, useful lives, and investment income may vary from estimated amounts and the variation 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, through its Board, has the power to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 - PRIOR PERIOD ADJUSTMENT

Prior period adjustment consists of an adjustment relating to interest income recognition.

NOTE 11 - COMMITMENTS

The Association currently has various contracts with vendors, including a management agreement with Southwest Property Management. The contract automatically renews, annually, unless terminated by either party, with 30 days advance notice.

TENTATIVE 5.19.2022

SUPPLEMENTARY INFORMATION

TENTATIVE 5.19.2022

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
 SUPPLEMENTARY INFORMATION ON
 FUTURE MAJOR REPAIRS AND REPLACEMENTS
 DECEMBER 31, 2021
 (Unaudited)

The following table is based on estimates provided by the Board during 2021, using replacement costs and estimates from vendors, and presents significant information about the components of common property:

<u>Components</u>	<u>Estimated Useful Lives</u>	<u>Estimated Remaining Useful Lives</u>	<u>Estimated Current Replacement Costs</u>	<u>2022 Statutory Funding</u>	<u>2022 Approved Budgeted Funding</u>
Irrigation pumps and motors	20 years	18 years	\$ 40,000	\$ 1,577	\$ 1,577
Tennis court	5 years	0 years	5,000	-	-
Roads and path paving	5 years	3 years	20,000	2,311	2,311
Truck	12 years	5 years	40,000	2,804	2,804
Utility cart	15 years	15 years	10,000	667	696
Landscape equipment	10 years	0 years	5,000	-	-
Pump house	20 years	17 years	40,000	979	979
JD tractor 2100/mower deck	6 years	0 years	25,000	27,082	-
Bearcat wood chipper	9 years	0 years	3,800	-	-
Lake	15 years	5 years	70,000	8,144	8,144
Signs	5 years	0 years	5,000	-	-
Wall paint	6 years	5 years	15,000	2,999	2,999
Landscape improvement	10 years	4 years	40,000	5,698	4,602
Hurricane/emergency	10 years	4 years	100,000	11,439	12,535
Maintenance shop	10 years	10 years	15,000	1,500	1,500
Nature preserve	6 years	0 years	10,000	-	-
			<u>\$ 443,800</u>	<u>\$ 65,200</u>	<u>\$ 38,147</u>

Estimated future replacement costs are based on the assumption that the rate of interest income earned on replacement funds will be equal to the rate of inflation.

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
SCHEDULE OF OPERATING FUND REVENUES AND EXPENSES -
BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u> <i>(Unaudited)</i>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
REVENUES			
Maintenance fees	\$ 382,313	\$ 379,372	\$ (2,941)
Irrigation fees	24,899	23,329	(1,570)
Owner late fees and interest income	-	1,014	1,014
Attorney and legal fees	2,000	6,767	4,767
Mailbox/other income	1,000	439	(561)
Application fees	-	710	710
Other income	-	31,133	31,133
Interest income	-	15	15
	<u>410,212</u>	<u>442,779</u>	<u>32,567</u>
EXPENSES			
ADMINISTRATIVE			
Management fees	70,000	69,313	687
Vehicle and equipment	8,000	14,785	(6,785)
Bad debts	1,000	-	1,000
Office expense	27,000	16,451	10,549
Legal	7,000	38,354	(31,354)
Accounting	3,000	4,350	(1,350)
On-site personnel	123,000	122,230	770
Corporate fees	62	61	1
Insurance - commercial policy	16,000	17,755	(1,755)
	<u>255,062</u>	<u>283,299</u>	<u>(28,237)</u>
UTILITIES			
Electricity - irrigation	6,000	6,251	(251)
Electricity - entry and shop	1,000	763	237
Water/sewer	500	339	161
Refuse/recycling	200	130	70
Telephone	3,300	4,445	(1,145)
	<u>11,000</u>	<u>11,928</u>	<u>(928)</u>

KINGS LAKE HOMEOWNERS ASSOCIATION, INC.
SCHEDULE OF OPERATING FUND REVENUES AND EXPENSES -
BUDGET TO ACTUAL - (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Budget</u> <i>(Unaudited)</i>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
BUILDINGS			
Building/sign maintenance/pressure clean	2,500	5,284	(2,784)
Contingency	<u>4,300</u>	<u>2,725</u>	<u>1,575</u>
Total buildings	<u>6,800</u>	<u>8,009</u>	<u>(1,209)</u>
GROUNDS			
Irrigation maintenance and repair	2,000	2,129	(129)
Landscape maintenance	14,000	7,311	6,689
Landscape contract	48,450	49,325	(875)
Preserve and fence maintenance	500	4,061	(3,561)
Pumps	2,000	-	2,000
Pump maintenance contract	1,200	1,746	(546)
Lake maintenance	32,000	17,725	14,275
Mailbox replacement	1,000	3,580	(2,580)
Tennis court repair	500	30	470
Tree trimming	-	820	(820)
Equipment purchase	1,000	2,490	(1,490)
Storage container lease	2,700	4,778	(2,078)
Landscape replacement	30,000	14,517	15,483
Christmas decoration	<u>2,000</u>	<u>3,603</u>	<u>(1,603)</u>
Total grounds	<u>137,350</u>	<u>112,115</u>	<u>25,235</u>
Total operating fund expenses	<u>410,212</u>	<u>415,351</u>	<u>(5,139)</u>
Excess of revenues over expenses	<u>\$ -</u>	<u>\$ 27,428</u>	<u>\$ 27,428</u>