

**CALABAY PARC AT TOWER LAKE
HOMEOWNERS ASSOCIATION, INC.**

**FINANCIALS STATEMENTS,
INDEPENDENT AUDITOR'S REPORT,
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2021



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Calabay Parc at Tower Lake Homeowners Association, Inc.

Opinion

We have audited the accompanying financial statements of Calabay Parc at Tower Lake Homeowners Association, Inc. 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 Calabay Parc at Tower 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 Calabay Parc at Tower 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.

Emphasis of Matter – Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Association has elected to change its accounting principle for recognizing revenue by adopting FASB ASC 606 in 2021. Our opinion is not modified with respect to that matter.

Other Matter – Future Major Repairs and Replacements

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note 4 and in the supplementary information on future major repairs and replacements are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion is not modified with respect to that matter.

Management's Responsibility 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 Calabay Parc at Tower 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 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 Calabay Parc at Tower 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 Calabay Parc at Tower 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.

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 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, which 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.

Tampa, Florida
October 05, 2022

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2021

	Operating Fund	Replacement Fund	Total
ASSETS			
Cash and cash equivalents	\$ 12,627	\$ 229,478	\$ 242,105
Assessments receivable	29,521	-	29,521
Prepaid insurance	3,071	-	3,071
	<u>\$ 45,219</u>	<u>\$ 229,478</u>	<u>\$ 274,697</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 1,814	\$ -	\$ 1,814
Prepaid assessments	58,125	-	58,125
Interfund borrowings	16,827	(16,827)	-
Performance obligations	-	245,988	245,988
Total liabilities	<u>76,766</u>	<u>229,161</u>	<u>305,927</u>
FUND BALANCES	<u>(31,547)</u>	<u>317</u>	<u>(31,230)</u>
Total liabilities and fund balances	<u>\$ 45,219</u>	<u>\$ 229,478</u>	<u>\$ 274,697</u>

See independent auditor's report and accompanying notes to the financial statements.

**CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Operating Fund	Replacement Fund	Total
REVENUES			
Maintenance assessments	\$ 618,805	\$ 15,523	\$ 634,328
Interest	7	18	25
Other	867	-	867
	<hr/>	<hr/>	<hr/>
Total revenues	619,679	15,541	635,220
	<hr/>	<hr/>	<hr/>
EXPENSES			
Landscaping	305,050	-	305,050
Security	186,371	-	186,371
Repairs & maintenance	20,312	15,523	35,835
Utilities	32,100	-	32,100
Management	20,880	-	20,880
Insurance	8,589	-	8,589
Professional	5,886	-	5,886
General & administrative	3,931	-	3,931
	<hr/>	<hr/>	<hr/>
Total expenses	583,119	15,523	598,642
	<hr/>	<hr/>	<hr/>
EXCESS OF REVENUES OVER EXPENSES	36,560	18	36,578
	<hr/>	<hr/>	<hr/>
Fund Balances - beginning of year	(68,107)	299	(67,808)
	<hr/>	<hr/>	<hr/>
FUND BALANCES - END OF YEAR	\$ (31,547)	\$ 317	\$ (31,230)
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See independent auditor's report and accompanying notes to the financial statements.

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Operating Fund	Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of revenues over expenses	\$ 36,560	\$ 18	\$ 36,578
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash from operating activities:			
Write-off of assessment receivable	6,312	-	6,312
Change in:			
Assessments receivable	(12,278)	-	(12,278)
Prepaid insurance	5,172	-	5,172
Utility deposit	3,461	-	3,461
Accounts payable and accrued expenses	(57,062)	-	(57,062)
Prepaid assessments	(4,478)	-	(4,478)
Performance obligation	-	29,272	29,272
Net cash provided by (used in) operating activities	<u>(22,313)</u>	<u>29,290</u>	<u>6,977</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interfund borrowings	<u>(57,273)</u>	<u>57,273</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(57,273)</u>	<u>57,273</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(79,586)	86,563	6,977
Cash and cash equivalents - beginning of year	<u>92,213</u>	<u>142,915</u>	<u>235,128</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,627</u>	<u>\$ 229,478</u>	<u>\$ 242,105</u>

See independent auditor's report and accompanying notes to the financial statements.

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 NATURE OF ORGANIZATION

Calabay Parc at Tower Lake Homeowners Association, Inc. (the "Association") was incorporated on October 29, 2004 as a corporation, not-for-profit under the terms and provisions of Chapter 617, Florida Statutes. The Association operates under Chapter 720, Florida Statutes, and is responsible for operating and maintaining the common property within the development, which consists of 316 residential units located in Polk County, Florida.

Operation of the Association is administered by its duly elected Board of Directors (the "Board").

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The financial statements of the Association are prepared on the accrual basis of accounting, which recognizes revenue when earned, regardless of when received, and expenses when incurred, regardless of when paid.

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 financial statements have been prepared using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund – This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund – This fund is used to accumulate financial resources designated for future major repairs and replacements of the Association.

Liquidity

Assets are presented in the accompanying Balance Sheet according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Association considers all investments with a maturity date of three months or less when purchased to be cash equivalents.

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Concentration of Credit Risk

The Association's primary source of income is assessments paid by owners. Risk of loss is limited by the Association's ability to foreclose on property when assessments are not being paid

Bank deposit accounts are federally insured up to certain limits. The uninsured portion of these deposit was approximately \$39,000 as of December 31, 2021. The Association has not experienced any losses on such accounts, and believes it is not exposed to significant risk on bank deposit accounts.

Commonly Owned Assets

In conformity with industry practice, the Association's policy for recognizing common property on its Balance Sheet is to recognize common property to which it has title and the Board can dispose of for cash while retaining the proceeds for the Association or that is used to generate significant cash flows from members on the basis of usage or from nonmembers.

Real common property is not capitalized when its use and disposition by the Association's Board is restricted.

Personal Property and Equipment

The Association capitalizes common personal property owned and used by the Association in operating, preserving, maintaining, repairing, and replacing common property, or providing other services, when the cost of the property is significant, and its useful life exceeds one year.

Owner Assessments

Association owners are subject to quarterly assessments, as determined in the Association's annual budget, 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 on a daily, pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when the Association has incurred the expenses related to the fund's 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 homeowners whose assessments are past due.

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.

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

The annual budget and assessments of owners are determined by the Board. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods.

Performance Obligation

The Association recognizes revenue from owners as the related performance obligations are satisfied. A performance obligation is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement fund assessments.

Interest Earned

The Board's policy is to allocate interest earned to the operating and replacement fund in proportion to the interest-bearing deposits of each fund.

Donated Services

The Board and its officers serve without compensation. The value of such services is not recorded in the financial statements.

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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Change in Accounting Principle

In May 2014, the Financial Accounting Standards Board (the "FASB") issued new guidance ASU No. 2014-09 that created Topic 606, "*Revenue from Contracts with Customers*" in the Accounting Standards Codification ("ASC"). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, "*Real Estate – Common Interest Realty Associations ("CIRAs"), Revenue Recognition,*" and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods and services.

Association adopted ASC 606 in 2021 and has changed the accounting principle related to recognition of performance obligations related to replacement fund assessments. The Association believes the performance obligation related to replacement fund assessments received from the owners will be satisfied when the related expenditures are incurred. It used the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to the beginning fund balance as of January 1, 2021.

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

The change in accounting principle resulted in the following change to the replacement fund balance as of January 1, 2021:

Fund balance, as previously reported, at January 1, 2021	\$	217,015
Adjustment		<u>(216,716)</u>
Fund balance, as adjusted, at January 1, 2021	\$	<u>299</u>

The effect of the change in accounting principle is a decrease in 2021 replacement fund assessments by approximately \$29,000 and a recording of a performance obligation at December 31, 2021 of approximately \$246,000. The Association has no customer contract modifications that had an effect on the Association's transition to the changes.

The modified retrospective method of transition requires the Association to disclose the effect of applying the new accounting principle on each item included in its 2021 financial statements. As such, the following are the replacement fund line items from the Association's Balance Sheet as of December 31, 2021 that were affected, the amounts that would have been reported under the former accounting principle, the effects of applying the new accounting principle, and the replacement fund balances reported under the new accounting principle:

	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Liabilities:</u>			
Performance obligation	\$ -	\$ 245,988	\$ 245,988
Total liabilities	(16,827)	245,988	229,161
<u>Fund Balance:</u>			
Ending fund balance	\$ 246,305	\$ (245,988)	\$ 317

The following are the replacement fund line items from the Statement of Revenues, Expenses, and Changes in Fund Balances and the Statement of Cash Flows for the year ended December 31, 2021 that were affected, the amounts that would have been reported under the former accounting principle, the effects of applying the new accounting principle, and the replacement fund balances reported under the new accounting principle:

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<u>Revenues:</u>			
Member assessments	\$ 44,795	\$ (29,272)	\$ 15,523
Excess of revenues over expenses	29,290	(29,272)	18
<u>Cash Flows:</u>			
Excess of revenues over expenses	\$ 29,290	\$ (29,272)	\$ 18
Performance obligation	-	29,272	29,272

Subsequent events

Subsequent events have been evaluated through October 05, 2022, which is the date the financial statements were available to be issued.

NOTE 3 OWNERS' ASSESSMENTS

Quarterly assessments to owners were \$525 in 2021. Of these amounts, approximately \$35 was designated for the replacement fund.

The following table reconciles the 2021 budgeted assessments to the amounts recognized as assessment revenue in the Statement of Revenues, Expenses, and Changes in Fund Balances:

	Operating Fund	Replacement Fund	Total
Budgeted regular assessments	\$ 618,805	\$ 44,795	\$ 663,600
Less additions to performance obligations	-	(29,272)	(29,272)
	\$ 618,805	\$ 15,523	\$ 634,328

NOTE 4 FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents and Florida Statutes offer specific rules and requirements regarding the Association's accumulation of funds for future major repairs and replacements. These funds are reported in the replacement fund. The replacement fund is utilized to accumulate funds for capital expenditures and deferred maintenance by an allocation of the maintenance fee assessment charged to each unit owner specifically designated for the fund in the annual budget. The total amount of these funds that have been accumulated and have not been spent as of December 31, 2021 are presented on the Balance Sheet as performance obligation. Deductions from the fund are recorded as costs as incurred to meet the

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

objective for which the fund was established. Replacement funds are held in separate bank accounts and generally are not available for expenditures for normal operations.

During the last quarter of 2021, the Association's management performed an analysis to estimate the remaining useful lives and replacement costs of the common property. The table, included in the Supplementary Information on Future Major Repairs and Replacements, is based on the updated estimates. The Association is fully funding reserves based on that analysis.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components using a process known as the pooling method. The pooling method is a statutorily accepted calculation whereby annual funding amounts are calculated to provide a positive cash flow so that future expenditures will be adequately funded.

Actual expenditures may vary from the 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, borrow (with certain restrictions), or delay major repairs and replacement until funds are available.

The following is a table of the current year's activity in the replacement fund, by component:

	January 1, 2021	Additions	Charges	Transfers	December 31, 2021
Performance obligation					
Pooled reserves	\$ 201,236	44,795	\$ (15,523)	\$ -	\$ 230,508
Entryway	11,023	-	-	-	11,023
Wall	2,355	-	-	-	2,355
Irrigation	2,102	-	-	-	2,102
	<u>\$ 216,716</u>	<u>\$ 44,795</u>	<u>\$ (15,523)</u>	<u>\$ -</u>	<u>\$ 245,988</u>
Fund Balance					
Interest	\$ 299	\$ 18	\$ -	\$ -	\$ 317

NOTE 5 ASSESSMENTS RECEIVABLE

As of December 31, 2021, the Board determined that the likelihood of collecting approximately \$30,000 of delinquent assessments from owners is probable. These are recorded as assessments receivable on the Balance Sheet.

In addition, there were approximately \$8,000 of delinquent assessments from owners as of December 31, 2021 that the Board determined the likelihood of collection would be doubtful and, therefore, are considered to be variable

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

consideration. The variable consideration relates to prior years' assessments and have no impact on the current year financial statements.

NOTE 6 PREPAID ASSESSMENTS

Prepaid assessments totaling approximately \$58,000 at December 31, 2021, consist of assessment payments relating to the first quarterly installment of the 2022 assessment, and any quarter, thereafter, as applicable, that were received by the Association prior to January 1, 2022.

NOTE 7 PERFORMANCE OBLIGATIONS

Performance obligations totaling approximately \$246,000 at December 31, 2021, consist of replacement fund assessments levied by the Association prior to January 1, 2022 that had not yet been expended for their designated purpose.

NOTE 8 PROPERTY MANAGEMENT

In 2021, the Association was managed by Highland Community Management, LLC (the "Property Manager"). The Property Manager's responsibilities included, but were not limited to, the Association's bookkeeping, budget preparation, and the coordinating of property maintenance and other administrative duties. Payments made to the Property Manager totaled approximately \$23,000 in 2021. Of these payments, approximately \$21,000 was for management fees and related costs, and \$2,000 was for general and administrative. These payments are recorded as expenses in the Statement of Revenues, Expenses, and Changes in Fund Balances.

NOTE 9 INCOME TAXES

The Association has elected to file as a homeowner's association in accordance with Internal Revenue Code 528, using Form 1120-H. The Association's investment income and other nonexempt income are subject to tax. Management has evaluated the Association's tax position and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Tax Topic of the FASB ASC.

With few exceptions, the Association is subject to income tax examinations by the U.S. federal or state tax authorities for three years after the tax returns are filed. The Association recorded no income tax expense in 2021.

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 INTERFUND BORROWINGS

As of December 31, 2021, the operating fund owed the replacement fund approximately \$17,000. The Association fully intends to eliminate this interfund borrowing through systematic annual repayments.

NOTE 11 COMMITMENTS

The Association has entered into several contractual agreements, generally cancelable upon 30 days written notice, with outside vendors and service providers to maintain the building and grounds and to help with the Association's administration.

NOTE 12 CONTINGENCIES

In March 2020, the World Health Organization declared a novel strain of coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. These measures could negatively impact the Association's operations, vendors, and owners' ability to pay their assessments. The Association cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption may materially impact the Association's operations or cash flows.

The Association may be periodically involved in legal actions and claims that arise as a result of events that occur in the normal course of operations.

SUPPLEMENTARY INFORMATION

CALABAY PARC AT TOWER LAKE HOMEOWNERS ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(UNAUDITED)
DECEMBER 31, 2021

During the last quarter of 2021, the Association's management performed an analysis to estimate the remaining useful lives and replacement costs of the common property. Current replacement costs were based on the estimated costs to repair or replace the common property components. The table below shows the estimated current costs of reserves, and the Association's approved full funding of those reserves, based on the reserve analysis.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Balance January 1, 2022</u>	<u>2022 Approved Full Funding per Budget</u>
Property site elements	various	\$ 2,097,190	\$ -	\$ -
Building service elements	various	104,500	15,480	-
Interior building	various	103,920	-	-
Exterior building	various	99,275	-	-
Reserve study	various	2,750	-	-
Pooled reserves	N/A	N/A	230,508	53,000
Interest	N/A	N/A	317	-
		<u>\$ 2,407,635</u>	<u>\$ 246,305</u>	<u>\$ 53,000</u>

See independent auditor's report and accompanying notes to the financial statements.