

**CYPRESS LANDING
ASSOCIATION, INC.**

FORT MYERS, FLORIDA

AUDITED FINANCIAL STATEMENTS

December 31, 2021

THE SPIRES GROUP, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Cypress Landing Association, Inc.
Fort Myers, Florida

Opinion

We have audited the accompanying financial statements of Cypress Landing Association, Inc., which comprise the balance sheets as of December 31, 2021, and the related statements of revenues, expenses, changes in fund balances, cash flows, the related notes to the financial statements and supplemental information for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cypress Landing Association, Inc. as of December 31, 2021, and the results of their operations and cash flows for the years 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 Cypress Landing 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 these 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 Cypress Landing 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 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 misstatements 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 Cypress Landing 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 Cypress Landing 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 made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Deferred Liabilities – Replacement and Replacement Fund Activities on page 14, includes information required by the Florida Statutes and are presented for the purpose of additional analysis and is not a required part of the basic 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Operating Revenues and Expenses Budget to Actual on page 15-16, are presented for the purpose of additional analysis and is not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries 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.

Disclaimer of Opinion of Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on page 17, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

The Spires Group P.A.

The Spires Group, P.A.
Fort Myers, Florida
October 10, 2023

CYPRESS LANDING ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2021

	FUNDS		
	Operating	Replacement	Total
ASSETS			
Cash and Cash Equivalents	\$ 631,562	\$ 1,915,918	\$ 2,547,480
Cerificates of Deposits	155,740	-	155,740
Accounts Receivable (net)	52,132	-	52,132
Prepaid Insurance	35,747	-	35,747
Due from Replacement	68	-	68
Total Assets	<u>\$ 875,249</u>	<u>\$ 1,915,918</u>	<u>\$ 2,791,099</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,342	\$ -	\$ 2,342
Accrued Expenses	5,065	-	5,065
Prepaid Assessments	40,551	-	40,551
Deferred Liabilities - Replacement	-	1,893,433	1,893,433
Due to Operating	-	68	68
Total Liabilities	<u>47,958</u>	<u>1,893,501</u>	<u>1,941,391</u>
Fund Balances	<u>827,291</u>	<u>22,417</u>	<u>849,708</u>
Total Liabilities and Fund Balances	<u>\$ 875,249</u>	<u>\$ 1,915,918</u>	<u>\$ 2,791,099</u>

See accompanying notes and accountant's report.

**CYPRESS LANDING ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES
AND CHANGES AND FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	FUNDS		
	Operating	Replacement	Total
REVENUES			
Assessments	\$ 1,214,964	\$ -	\$ 1,214,964
Gate Access	1,020	-	1,020
Interest Income	11,750	25,237	36,987
Late Fee/Finance Charges	2,258		2,258
Fines	1,034		1,034
Other Income	2,487		2,487
Total Revenues	<u>1,233,513</u>	<u>25,237</u>	<u>1,258,750</u>
EXPENSES			
Administration	198,909	-	198,909
Building Maintenance	247,280	12,694	259,974
Grounds Maintenance	312,990	1,011	314,001
Other	-	-	-
Pool	28,335	4,248	32,583
Utilities	558,351	-	558,351
Total Expenses	<u>1,345,865</u>	<u>17,953</u>	<u>1,363,818</u>
Excess (deficit) of revenue over expenses	(112,352)	7,284	(105,068)
FUND BALANCES - JANUARY 1, 2021	<u>939,643</u>	<u>15,133</u>	<u>954,776</u>
FUND BALANCES - DECEMBER 31, 2021	<u>\$ 827,291</u>	<u>\$ 22,417</u>	<u>\$ 849,708</u>

See accompanying notes and accountant's report.

CYPRESS LANDING ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	FUNDS		
	Operating	Replacement	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Sources of Cash:			
Cash Received from Owners	\$ 1,163,155	\$ 198,636	\$ 1,361,791
Interest Income Received	11,750	25,237	36,987
Other Cash Receipts	6,799	-	6,799
Cash Paid for Operating Expenses and Repairs	<u>(1,351,385)</u>	<u>(17,953)</u>	<u>(1,369,338)</u>
Net Cash Provided by (Used in) Operating Activities	(169,681)	205,920	36,239
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfer of Funds CD (net)	(68)	68	-
	<u>(1,244)</u>	<u>-</u>	<u>(1,244)</u>
Net Cash Provided by (Used in) Operating Activities	(1,312)	68	(1,244)
Net Increase (Decrease) in Cash	\$ (170,993)	\$ 205,988	\$ 34,995
Beginning Cash, January 1, 2021	<u>802,555</u>	<u>1,709,930</u>	<u>2,512,485</u>
Ending Cash, December 31, 2021	<u>\$ 631,562</u>	<u>\$ 1,915,918</u>	<u>\$ 2,547,480</u>

See accompanying notes and accountant's report.

CYPRESS LANDING ASSOCIATION, INC.
STATEMENT OF CASH FLOWS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2021

RECONCILIATION OF REVENUES OVER (UNDER) EXPENSES TO NET CASH
PROVIDED (USED) BY OPERATING ACTIVITIES

	FUNDS		
	Operating	Replacement	Total
CASH PROVIDED (USED) BY <u>OPERATING ACTIVITIES:</u>			
Revenues Over (Under) Expenses	\$ (112,352)	\$ 7,284	\$ (105,068)
(Increase) Decrease in:			
Accounts Receivable	(26,027)	-	(26,027)
Prepaid Insurance	(8,295)	-	(8,295)
Increase (Decrease) in:			
Accounts Payable	(2,290)	-	(2,290)
Accrued Expenses	5,065	-	5,065
Prepaid Maintenance Fees	(25,782)	-	(25,782)
Deferred Liabilities	-	198,636	198,636
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (169,681)</u>	<u>\$ 205,920</u>	<u>\$ 36,239</u>

See accompanying notes and accountant's report.

**CYPRESS LANDING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

NOTE 1 - THE ASSOCIATION

Cypress Landing Association, Inc. (the "Association") was incorporated April 20, 2004 under the laws of Florida as a corporation not for profit, organized under Florida Statute 720 to operate and manage Cypress Landing Association, Inc., consisting of 380 units located in Fort Myers, Florida. The owners of all units in the Association are the only members.

NOTE 2 – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 10, 2023, the date that the financial statements were available to be issued.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Funds Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. The accounting policies that affect the more significant elements of the Association's financial statements are summarized below. These policies have been applied on a consistent basis.

The Association uses the fund method of accounting, on the accrual basis, which requires the funds, such as operating funds and replacement funds for future repairs and replacements, be classified separately for accounting and reporting purposes.

Fund accounting is helpful in segregating funds having restrictions on their use. The operating fund is used to account for financial resources available for the general operations of the Association. Disbursements from the operating fund are generally at the discretion of the Board of Directors, for recurring costs of operation. The replacement fund is used to accumulate financial resources designated for future major repairs and replacements. Expenditures from this fund are restricted to those items for which assessments were levied.

Interest earned on the replacement fund is retained in the replacement fund and allocated among the various components.

Accounts Receivable

Accounts receivable - owners at the balance sheet date represents fees due from the unit owners. The Association's policy is to retain legal counsel and place liens on the properties that are delinquent. As of December 31, 2021, the Association had 3 delinquent units owing more than 4 quarters. The Association has not established an allowance for doubtful accounts as of December 31, 2021.

The Association treats uncollectible assessments as credit losses. Method, inputs, and assumptions used to evaluate when assessments are considered uncollectible include consideration of past experience and susceptibility to factors outside of the Association's control. The balances of assessments receivable as of the beginning and end of the year are \$26,105 and \$52,132 respectively.

CYPRESS LANDING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash equivalent

For purposes of reporting cash flows, the Association considers all short-term highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Property and Equipment

The Association follows prevalent industry practice, as contained in the “Real Estate – Common Interest Realty Association Topic of the FASB ASC” in accounting for the common property of the Association. Real property that is not directly associated with the units is capitalized only if the Association has title or other evidence of ownership of the property, and either the Association can dispose of the property at the discretion of the Board of Directors or the property is used by the Association’s to generate significant cash flows from members on the basis of usage or from nonmembers. As a result, commonly owned real property is not recorded on the Association’s financial statements.

The association’s accounting policy is to capitalize the cost of personal property with a cost of \$1,000 or more and estimated useful life in excess of one year and to depreciate such property over a period of five to thirty-nine years using the straight-line method.

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 (are) recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The balances of contract liabilities (assessments received in advance-replacement fund) as of the beginning and end of the year are \$1,694,797 and \$1,893,433, respectively.

Estimates

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

Recently Issued Accounting Standards

The FASB issued new guidance that created ASC Topic 606, “Revenue from Contracts with Customers”. Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, “Real Estate – Common interest Realty Associations, 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 an Association expects to be entitled in exchange for those goods or services.

The Association adopted the requirements of this new guidance as of January 1, 2020.

Recently Issued Accounting Standards (Continued)

To achieve the core principle of the new guidance, the Association applies the following steps: (i) identify the contract with the customer; (ii) determine whether the promised goods or services are sperate performance obligations in the contract or a single performance obligation; (iii) determine the transaction price, including considering the constraint on variable consideration; (iv) allocate the transaction price to the performance obligations in the contract; (v) recognize revenue when (or as) the Association satisfies each of the performance obligation.

CYPRESS LANDING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax

The Association's policy is to record interest expense or penalties related to income tax in operating expenses. For the year ended December 31, 2021, no interest or penalties were paid or accrued.

Interest Income

The Association recognizes interest income on the operating fund and the replacement fund when earned. The Association's policy is to accumulate reserve interest income to be used at the Board's discretion toward any reserve component expenditure in the future.

NOTE 4 – 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 \$1,893,433, and are presented on the accompanying balance sheet as a contract liability (assessments received in advance-replacement fund) at December 31, 2021, are held in separate accounts and are generally not available for operating purposes. The Association also has replacement fund balances as of December 31, 2021 of \$22,417 which are also restricted funds for the use of future major repairs and replacements.

The association's replacement fund is utilized to accumulate statutory capital expenditures and deferred maintenance according to Florida Statute 720.303(6)(d), by an allocation of the maintenance fee assessment charged to each unit owner specifically designated for the fund in the annual budget.

Deductions from the fund are recorded at costs, as incurred, which are determined by the Association's Board of Directors (the "Board"), to meet the objectives for which the fund was established.

The Association is responsible for the replacement and repair of amenities, and other common elements in accordance with the Association's declaration of covenants, conditions and restrictions. The Association is funding for these 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.

There has been no formal study to estimate the remaining lives and the replacement costs of the property. In preparing the 2022 budget the Board of Directors reviewed the replacement fund components in 2021 to estimate the remaining useful lives and the replacement costs of the components of common property. The table in the unaudited supplementary information on Schedule of Capital Expenditures and Deferred Maintenance on page 17 is based on these estimates.

The calculations for future major repairs and replacements in the replacement fund are based on estimated current costs for repairs and replacements on common property components. Actual expenditures may vary from the estimated future replacement costs and these variances could be material. Consequently, the amounts accumulated in the replacement fund may not be adequate to fund the major repairs and replacements.

CYPRESS LANDING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – INCOME TAXES

The Association is subject to federal and state income taxes. Annually, the Association may qualify and elect to be treated as a tax-exempt organization under Section 528 of the Internal Revenue Code. Under this election, revenue from maintenance fees, reserve and special assessments (exempt-function income) is not subject to state or federal income taxes. However, income that is not exempt function is federally taxed at a 30% rate (after a \$100 exemption) and is exempt from Florida income tax. If the Association does not qualify and/or make this election, it is taxed as a regular corporation under the provisions of Internal Revenue Code Section 277. This section provides that the excess of income from members is used to offset next year expenses or returned to the member to avoid being taxed. The Association is taxed on all non-member income net of allocable expenses. The Association elected to file Form 1120H under Code Section 528 and had no federal income tax or state income tax liability for the year ended December 31, 2021.

The Association uses the standard Accounting for Uncertainty in Income Taxes. It is the Association's policy to evaluate all tax positions to identify any that may be considered uncertain. All identified material tax positions are assessed and measured by "a-more-likely-than-not" threshold to determine if the tax position is uncertain and what, if any, the effect of the uncertain tax position may have on the financial statements. No material uncertain tax positions were identified for 2021. Currently, the statute of limitations remains open for tax returns filed subsequent to and including 2018; however, no IRS or Florida Department of Revenue examinations are in process or anticipated.

NOTE 8 – PREPAID ASSESSMENTS

Prepaid maintenance fees consist of January 2022 maintenance fees received as of December 31, 2021. As of December 31, 2021, there was a balance of \$40,551.

NOTE 11 - ASSESSMENTS CHARGES TO UNIT OWNERS

Pursuant to the Declaration of Covenants and Bylaws of the Association, regular and special assessments are allocated to each unit owner. During the year ended December 31, 2021, the Association assessed members \$266.44 per month to fund operations and \$43.56 to fund the reserve for future repairs and replacements. Each unit owner shares equally in the operating costs.

NOTE 13 – CERTIFICATE OF DEPOSITS

The following are the major categories of assets measured at fair value on a recurring basis during the year ended December 31, 2022. The Association has decided to show all investments at fair value. Below is the schedule of all investments at fair market value:

<u>Description</u>	<u>Interest Rate</u>	<u>FMV</u>
Bank of Ozark	.45%	155,740
Total CD's		\$ 155,740

CYPRESS LANDING ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 13 – CONCENTRATION OF CREDIT RISK

The Association maintains accounts at various financial institutions in the form of bank deposits which, at times, may exceed federally insured limits of \$250,000. The Association has not experienced any losses on such accounts and believes it is not exposed to any significant risk on cash. As of December 31, 2021, they have exceeded the limit by \$588,726.

SUPPLEMENTARY INFORMATION

CYPRESS LANDING ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF DEFERRED LIABILITIES AND REPLACEMENT FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Deferred Liabilities Components	BALANCE 1/1/2021	ADDITIONS	DELETIONS	TRANSFERS	BALANCE 12/31/2021
Capital Improvement	\$ 5,008	\$ -	\$ -	\$ -	\$ 5,008
Clubhouse Interior/Furniture	7,342	48	(5)	5	7,390
Fitness Romm Equip	20,769	1,416	(89)	89	22,185
Fountains	9,483	756	-	-	10,239
Gate System	33,761	6,996	(1,011)	1,011	40,757
Painting	100,714	39,288	-	-	140,002
Pavement & Roadways	314,263	18,816	-	-	333,079
Pool Resurfacing & Equipment	9,738	1,692	-	-	11,430
Pool Heater	7,912	1,416	(4,248)	4,248	9,328
Roof - Major Repairs	1,107,765	99,144	-	-	1,206,909
Pool Furniture	5,500	-	-	-	5,500
AC Clubhouse	8,626	1,272	-	-	9,898
Pressure Cleaning Roof	55,089	21,672	-	-	76,761
Gutter Project	(13,173)	6,120	(12,600)	12,600	(7,053)
C.E.R.T	-	-	-	-	-
Emergency	22,000	-	-	-	22,000
Total Deferred Liabilities	\$ 1,694,797	\$ 198,636	\$ (17,953)	\$ 17,953	\$ 1,893,433

Fund Balance Components	BALANCE 1/1/2021	ADDITIONS	DELETIONS	TRANSFERS	BALANCE 12/31/2021
Reserve Interest	\$ 15,133	\$ 25,237	\$ -	\$ (17,953)	\$ 22,417
Total Fund Balance	\$ 15,133	\$ 25,237	\$ -	\$ (17,953)	\$ 22,417
Total Deferred Liabilities & Fund Balances	\$ 1,709,930	\$ 223,873	\$ (17,953)	\$ -	\$ 1,915,850

Interest income of \$25,237 earned on the replacement funds in 2021 are included in additions to funds.

See accompanying notes and accountant's report.

CYPRESS LANDING ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUE AND EXPENSES
BUDGET TO ACTUAL - OPERATING FUND
DECEMBER 31, 2021

	<u>ACTUAL</u>	<u>2021 BUDGET</u>	<u>VARIANCE</u>
REVENUES			
Assessments - Operating	\$ 1,214,964	\$ 1,214,964	\$ -
Gate Access	1,020	-	1,020
Operating Interest Income	11,750	-	11,750
Late Fee/Finance Charges	2,258	-	2,258
Fines	1,034	-	1,034
Other Income	2,487	-	2,487
Total Revenues	<u>1,233,513</u>	<u>1,214,964</u>	<u>18,549</u>
EXPENSES			
<u>Administration</u>			
Accounting/Tax Prep	275	4,000	(3,725)
Office Supplies/Postage	6,624	7,500	(876)
Office Staffing	19,104	30,000	(10,896)
Corp Annual Report	61	61	-
Uncollectable Assessments	-	10,000	(10,000)
Insurance	91,212	82,400	8,812
Legal & Professional	4,653	18,000	(13,347)
Licenses/Fees/Permits	-	1,000	(1,000)
Management Fees	76,980	76,980	-
Rental Property Expense	-	10,000	(10,000)
Total Administration	<u>198,909</u>	<u>239,941</u>	<u>(41,032)</u>
<u>Building Maintenance</u>			
Janitorial Service/Supply	31,569	26,000	5,569
Building General Maint/Supply	133,819	50,000	83,819
Clubhouse A/C Maint/Supplpy	458	1,000	(542)
Entry Systems Contract	56,497	48,000	8,497
Emergency Equip Maint/Supply	-	300	(300)
Entry System Maint	12,132	12,000	132
Fitness Equip Maint/Supply	505	5,000	(4,495)
Gutter Maintenance	12,300	-	12,300
Total Building Maintenance	<u>247,280</u>	<u>142,300</u>	<u>104,980</u>

See independent auditors report.

CYPRESS LANDING ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUE AND EXPENSES
BUDGET TO ACTUAL - OPERATING FUND (CONTINUED)
DECEMBER 31, 2021

EXPENSES (continued)	ACTUAL	2021 BUDGET	VARIANCE
<u>Grounds Maintenance</u>			
Alarm System Monitor	1,384	-	1,384
Horticultural Fert/Pest Control	2,348	-	2,348
Irrigation Maint/Supply	18,458	8,000	10,458
Fountain Maint/Supply	2,096	10,000	(7,904)
Termite/Armstrong	17,450	10,000	7,450
Bldg Pest/Armstrong	15,550	12,000	3,550
Landscape Contract	140,169	148,196	(8,027)
Landscape Replace/Improv	43,753	70,000	(26,247)
Lake Maint/Supply	10,024	10,000	24
Refuse Compactor Maint/Supply	4,571	3,000	1,571
Trash Area Expense	7,720	2,000	5,720
Power Sweep	-	2,000	(2,000)
Tree Trimming	17,423	30,000	(12,577)
Security Patrol/Security Kiosk	-	3,000	(3,000)
General Grounds Maintenance	32,044	30,000	2,044
Total Grounds Maintenance	<u>312,990</u>	<u>338,196</u>	<u>(25,206)</u>
OTHER			
Contingency	-	8,116	(8,116)
Total Other	<u>-</u>	<u>8,116</u>	<u>(8,116)</u>
POOL			
Pool Maint/Supply	28,335	24,000	4,335
Total Pool	<u>28,335</u>	<u>24,000</u>	<u>4,335</u>
<u>Utilities</u>			
Trash	29,709	36,566	(6,857)
Electric	39,366	32,110	7,256
Water/Sewer	21,575	6,861	14,714
Cable/Satellite TV & Internet	466,091	384,951	81,140
Telephone	1,610	1,923	(313)
Total Utilities	<u>558,351</u>	<u>462,411</u>	<u>95,940</u>
Total Expenses	<u>1,345,865</u>	<u>1,214,964</u>	<u>130,901</u>
Excess of Revenues Over (Under) Expenses	<u>\$ (112,352)</u>	<u>\$ -</u>	<u>\$ (112,352)</u>

See independent auditors report.

CYPRESS LANDING ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION
SCHEDULE OF FUND COMPONENTS
DECEMBER 31, 2021

During 2021 the Board evaluated the remaining useful lives and replacement costs of the components of common property.

The following table is based on those estimates, and presents significant information about the components of common property:

Components	Estimated Useful Lives	Estimated Remaining Useful Lives	Estimated Current Replacement Costs	2022 Funding
Capital Improvement	5 years	1 years	\$ 5,000	\$ -
Clubhouse Interior/Furniture	5 years	2 years	7,000	-
Fitness Romm Equip	7 years	2 years	22,000	-
Fountains	10 years	6 years	7,500	-
Gate System	5 years	2 years	35,000	-
Painting	7 years	4 years	250,000	26,676
Pavement & Roadways	20 years	10 years	350,000	1,536
Pool Resurfacing & Equipment	10 years	10 years	20,000	840
Pool Heater	7 years	4 years	15,000	2,448
Roof - Major Repairs	25 years	10 years	2,500,000	128,484
Pool Furniture	5 years	3 years	5,000	-
AC Clubhouse	10 years	4 years	15,000	1,248
Pressure Cleaning Roof	3 years	2 years	65,000	-
Irrigation Pumps	15 years	5 years	30,000	6,000
Gutter Project	3 years	3 years	24,000	8,004
Emergency	1 years	1 years	22,000	-
Total			<u>\$ 3,372,500</u>	<u>\$ 175,236</u>

See accountant's review report.