

**LAKE CLARKE GARDENS
CONDOMINIUM, INC.**

Financial Statements

***For the year ended
June 30, 2021***

HAFER

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
LAKE CLARKE GARDENS CONDOMINIUM, Inc.

We have audited the accompanying financial statements of LAKE CLARKE GARDENS CONDOMINIUM, Inc. ("the Association"), which comprise the balance sheet as of June 30, 2021, and the related statement of revenues and expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

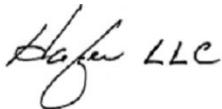
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LAKE CLARKE GARDENS CONDOMINIUM, Inc. as of June 30, 2021, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Palm Beach, Florida
January 10, 2022

LAKE CLARKE GARDENS CONDOMINIUM, INC.
BALANCE SHEET
June 30, 2021

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Special Assessment Fund</u>	<u>Total Funds</u>
Assets				
Cash and cash equivalents	\$ 1,456,680	\$ 430,522	\$ 25,491	\$ 1,912,693
Assessments receivable, net (Note 3)	61,332	-	8,584	69,916
Prepaid expenses	689,229	-	-	689,229
Investment in foreclosed units	34,426	-	-	34,426
Property and equipment, net (Note 4)	12,208	-	-	12,208
Utility deposits	507	-	-	507
Due (to) from funds (Note 12)	<u>(304,944)</u>	<u>334,659</u>	<u>(29,715)</u>	<u>-</u>
Total assets	<u><u>\$ 1,949,438</u></u>	<u><u>\$ 765,181</u></u>	<u><u>\$ 4,360</u></u>	<u><u>\$ 2,718,979</u></u>
Liabilities and fund balances				
Accounts payable and accruals	\$ 84,606	\$ -	\$ -	\$ 84,606
Insurance payable (Note 7)	619,940	-	-	619,940
Prepaid assessments	240,725	-	-	240,725
Deferred revenue (Note 9)	41,468	-	-	41,468
Refundable deposits	2,400	-	-	2,400
Contract liabilities (Note 13)	<u>-</u>	<u>180,513</u>	<u>-</u>	<u>180,513</u>
Total liabilities	989,139	180,513	-	1,169,652
Fund balances	<u>960,299</u>	<u>584,668</u>	<u>4,360</u>	<u>1,549,327</u>
Total liabilities and fund balances	<u><u>\$ 1,949,438</u></u>	<u><u>\$ 765,181</u></u>	<u><u>\$ 4,360</u></u>	<u><u>\$ 2,718,979</u></u>

The accompanying notes are an integral part of these financial statements.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2021

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Special Assessment Fund</u>	<u>Total Funds</u>
Revenues				
Maintenance assessments - common	\$ 1,857,583	\$ -	\$ -	\$ 1,857,583
Maintenance assessments - buildings	1,327,339	-	-	1,327,339
Special assessment (Note 10)	21,211	-	37,760	58,971
Gain on PPP loan forgiveness (Note 8)	124,120	-	-	124,120
Laundry income	60,569	-	-	60,569
Insurance proceeds	2,626	-	-	2,626
Interest income	3,177	45	-	3,222
Fees and other income	66,964	-	-	66,964
	<u>3,463,589</u>	<u>45</u>	<u>37,760</u>	<u>3,501,394</u>
Expenses				
Administration	1,467,899	-	-	1,467,899
Utilities	570,080	-	-	570,080
Contract	935,237	-	-	935,237
Repairs and maintenance	256,780	-	-	256,780
Recreation	3,185	-	-	3,185
Provision for bad debt	29,024	-	-	29,024
Special assessment (Note 10)	-	-	37,760	37,760
Major repairs and replacements	-	48,415	-	48,415
	<u>3,262,205</u>	<u>48,415</u>	<u>37,760</u>	<u>3,348,380</u>
Excess (deficiency) of revenues over expenses	201,384	(48,370)	-	153,014
Fund balances, beginning	1,271,454	120,499	4,360	1,396,313
Interfund transfers (Note 11)	(512,539)	512,539	-	-
Fund balances, ending	<u>\$ 960,299</u>	<u>\$ 584,668</u>	<u>\$ 4,360</u>	<u>\$ 1,549,327</u>

The accompanying notes are an integral part of these financial statements.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF CASH FLOWS
For the year ended June 30, 2021

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Special Assessment Fund</u>	<u>Total Funds</u>
Cash flows from operating activities				
Excess (deficiency) of revenues over expenses	\$ 201,384	\$ (48,370)	\$ -	\$ 153,014
<u>Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:</u>				
Depreciation expense	1,212	-	-	1,212
Provision for bad debt	29,024	-	-	29,024
Gain on PPP loan forgiveness	(124,120)	-	-	(124,120)
<u>Changes in assets and liabilities:</u>				
Assessments receivable	(62,623)	-	22,647	(39,976)
Prepaid expenses	(157,084)	-	-	(157,084)
Investment in foreclosed units	3,333	-	-	3,333
Utility deposits	(156)	-	-	(156)
Accounts payable and accruals	48,539	-	-	48,539
Prepaid assessments	45,015	-	-	45,015
Deferred revenue	(5,130)	-	-	(5,130)
Contract liabilities	-	68,733	(12,250)	56,483
Net cash provided (used) by operating activities	<u>(20,606)</u>	<u>20,363</u>	<u>10,397</u>	<u>10,154</u>
Cash flows (to) investing activities				
Purchases of property and equipment	<u>(13,420)</u>	<u>-</u>	<u>-</u>	<u>(13,420)</u>
Cash flows from financing activities				
Proceeds from insurance payable	727,768	-	-	727,768
Payments on insurance payable	(580,821)	-	-	(580,821)
Interfund borrowings	550,511	(552,227)	1,716	-
Interfund transfers	(512,539)	512,539	-	-
Net cash provided (used) by financing activities	<u>184,919</u>	<u>(39,688)</u>	<u>1,716</u>	<u>146,947</u>
Net increase (decrease) in cash and cash equivalents	150,893	(19,325)	12,113	143,681
Cash and cash equivalents, beginning	<u>1,305,787</u>	<u>449,847</u>	<u>13,378</u>	<u>1,769,012</u>
Cash and cash equivalents, ending	<u>\$ 1,456,680</u>	<u>\$ 430,522</u>	<u>\$ 25,491</u>	<u>\$ 1,912,693</u>

Supplemental disclosures of cash flow information (Note 14)

The accompanying notes are an integral part of these financial statements.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: Organization

LAKE CLARKE GARDENS CONDOMINIUM, Inc. (“the Association”) was incorporated under the laws of the State of Florida as a not-for-profit corporation on July 14, 1966. The Association is responsible for maintaining and preserving the common property of the Association, consisting principally of lawn areas, sidewalks, parking lots, pools, and the clubhouse, in accordance with the terms of Chapter 718, Florida Statutes (“FS §718”) and the provisions of its governing documents. The Association is a multi-condominium, consisting of 855 residential units in 24 individual condominiums (“Buildings”), located in Lake Worth, Florida.

NOTE 2: Summary of significant accounting policies

Fund accounting

The Association prepares its financial statements on the accrual basis of accounting and presents them using fund accounting, using separate funds for operations, future major repairs and replacements, and special assessments. Disbursements from the operating fund are generally for the day-to-day operations and non-recurring unanticipated expenditures of the Association and are made at the discretion of the Board of Directors. Disbursements from the replacement fund and the special assessment fund generally are made only for designated purposes.

Allocation of revenues and expenses

The Association’s policy is to allocate revenues and expenses not directly associated with specific condominiums using a ratio allocation that is based on the total number and type of condominium units, as more fully discussed in the *owners’ assessments* section.

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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Short-term financial instruments

The carrying amount of the Association’s financial instruments, which include cash and cash equivalents, assessments receivable, prepaid expenses, accounts payable and accrued expenses, and other assets and liabilities, approximate their fair values due to their short-term nature or maturities.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks including money market funds. Cash equivalents include highly liquid securities, including certificates of deposit, with original maturities of 90 days or less.

Owners’ assessments, fees and other income, and allowance for uncollectible accounts

Monthly assessments to unit owners are based upon a share of the budgeted operating expenses and future major repairs and replacements, net of interest, fees, and other income. Such budgeted expenses are allocated to the Buildings and, in turn, to unit owners, as follows:

- Expenses attributable to the Association’s common areas are allocated to the Buildings based upon weighted common area ratios as directed by each Building’s Declaration of Condominium. Also, under such directions, expenses attributable to the Buildings are allocated to members based upon the Buildings’ percentage factors as recorded in each Building’s documents.
- Building expenses include direct charges and expenses attributable to several or all Buildings are allocated on a fair basis reflecting benefit. Expenses for cable television are based on the number of units and are allocated to units on a pro-rata basis.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 2: Summary of significant accounting policies (continued)

Owners' assessments, fees and other income, and allowance for uncollectible accounts (continued)

- Interest income, fees, and other income are credited directly to the fund that earns the income. Other income includes fees and miscellaneous revenues which are recorded within common. Fees are charged for applications, condo questionnaires, estoppel letters, inspections, newsletter advertising, fobs, late payments, etc. Laundry revenues are recorded as income by each Building and used to reduce their building maintenance assessments each year.

Assessments receivable at the balance sheet date represent fees due from unit owners. Assessments paid in advance are included on the balance sheet as prepaid assessments. The Association's policy is to retain legal counsel and place liens or foreclose on units of members whose assessments are delinquent.

The Association's estimate of the allowance for uncollectible accounts is based on relevant information about past events, including historical experience, the age of invoices, current conditions, and reasonable and supportable forecasts that affect the collectability of reported amounts.

Investments in foreclosed units

The Association records as its cost basis in foreclosed units any acquisition costs, the amounts due from former owners for maintenance assessments, interest, legal fees, and other costs directly associated with the maintenance and upkeep of the units.

Property and equipment

Common property of the Association is accounted for in accordance with ASC 972-360 and prevalent industry practices. As such, real property and common area acquired from the developer and related improvements to such property are not reflected on the Association financial statements because those assets are owned by the unit owners in common, and not by the Association. The Association capitalizes, at cost, certain personal and real property which it purchases. Capitalized property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method of depreciation.

Revenue recognition

Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the considerations we expect to be entitled to in exchange for those goods or services. The Association derives its revenue from operating assessments, reserve assessments, special assessments, and other ancillary sources. The Association has applied FASB ASC 606-10-10-4 since all contracts with its customers have similar characteristics and the Association expects that the effects on the financial statements of applying this guidance would not differ materially from applying the guidance to the individual contracts.

The Association has identified the following performance obligations:

- *Operating assessments* – the performance obligation is the maintenance and management of the common area property and is met on a periodic basis throughout the year. Operating assessments revenue is recognized on a periodic basis, as billed, and it is probable it will be collected.
- *Reserve assessments* – the performance obligation is the expenditure of the assessed funds for the intended purpose. Reserve assessments revenue is recognized when the related expenditures are made, unless otherwise disclosed.
- *Special assessment revenue* – the performance obligation is the purpose for which the special assessment was levied. Special assessment revenue is recognized as the purpose of the special assessment is satisfied.
- *Other ancillary revenues* – the performance obligation is delivery of the underlying services. Revenue is recognized as the services are rendered.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 2: Summary of significant accounting policies (continued)

Revenue recognition (continued)

In evaluating whether collectability of an amount of consideration is probable, the Association must consider the customer's (owner's) ability and intention to pay that amount of consideration when it is due. In instances where the Association's collection of fees is not probable (foreclosures, etc.), it cannot recognize revenue until the amounts are collected.

Contract liabilities

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of the performance obligations.

Compensated absences

Employees of the Association are entitled to paid vacations, sick days, and other time off depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Association's policy is to recognize the costs of compensated absences when paid to employees.

Income taxes (Form 1120-H)

The Association makes a yearly election to be taxed either under Internal Revenue Code ("IRC") §528 as a homeowners' association or under IRC §277 as a regular corporation. For the year ended June 30, 2021, the Association elected to be taxed under §528. Under this election, the Association is generally taxed only on non-exempt function income, such as interest earnings, at applicable rates. From time to time, certain temporary differences may arise between financial and taxable income, the overall effects of which are not material to the financial statements taken as whole. As such, the Association has not recorded deferred income taxes at the balance sheet date. The Association's policy on income statement classification of interest and penalties related to income tax obligations is to include such items as part of income tax expense. The Association's tax filings are generally subject to examination by taxing authorities for three years after the returns are filed.

Recently issued accounting pronouncements, not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard will affect all entities that lease assets and will require lessees to recognize a lease liability and a right-of-use asset for all leases (except short-term leases that have a duration of less than one year) as of the date on which the lessor makes the underlying asset available to the lessee. For non-public entities, such as the Association, the new standard is effective for annual periods beginning after December 15, 2021. While the Association expects the adoption of this standard to result in an increase to its reported assets and liabilities, the Association has not yet determined the full impact that the adoption of this standard will have on its financial statements and related disclosures.

NOTE 3: Assessments receivable, net

The Association's assessments receivable was as follows at June 30, 2021:

Operating assessments receivable	\$ 95,407
Special assessments receivable	10,509
Less: allowance for doubtful accounts – operating	(34,075)
Less: allowance for doubtful accounts – special assessments	(1,925)
	<u>\$ 69,916</u>

LAKE CLARKE GARDENS CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4: Property and equipment

A schedule of property, equipment, and accumulated depreciation was as follows at June 30, 2021:

Machinery and equipment	\$ 140,225
Less: accumulated depreciation	(128,017)
	<u>\$ 12,208</u>

For the year ended June 30, 2021, depreciation expense was \$1,212.

NOTE 5: Concentration of credit risk

The Association maintains its cash and cash equivalents at various financial institutions whereby deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At June 30, 2021, the Association had uninsured deposits in the amount of \$20,578.

NOTE 6: Commitments and contingencies

Insurance windstorm deductible

In the event of a loss due to a hurricane the Association would be responsible for a deductible of 3% of the total insured value of the property under the provisions of the hurricane loss insurance contract.

Litigation

The Association, from time-to-time, may become party to various legal actions normally associated with condominium associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

Other commitments and contingencies

The Association has contracted with various vendors for various services related to certain administration, contract, landscaping, and repairs and maintenance expenses. These contracts are approved, as necessary, by the Board of Directors and have varying expiration dates and renewal terms.

NOTE 7: Insurance payable

During 2020-2021, the Association financed its insurance premiums. The total amount financed was \$667,386 and is payable in monthly installments of \$60,672 including interest at 3.65% through May 2022. The financing is secured by any unearned premiums or other sums which may become collectible under the terms of the agreement. At June 30, 2021, the outstanding balance, including accrued interest, was \$619,940.

NOTE 8: Note payable

On May 2, 2020, the Association entered into a loan agreement with U.S. Small Business Administration in the amount of \$124,120 pursuant to the Paycheck Protection Program as part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). The note bears a stated interest rate of 1.00% per annum and is payable in 24 monthly installments of principal and interest, with the first six monthly installments being deferred.

During the year ended June 30, 2021, the loan was forgiven in full in accordance with the provisions of the CARES Act.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 9: Deferred revenue

During August 2019, the Association entered into a bulk cable and internet contract with a provider. As consideration for entering into a 10-year contract, the cable provider agreed to pay the Association a beautification fee of \$51,300. The Association is amortizing the fee as revenue over the life of the contract. For the years ended June 30, 2021 and 2020, the Association recognized \$5,130 and \$4,702 as other income, respectively. At June 30, 2021, the remaining balance of \$41,468 was recorded as deferred revenue to be recognized over the remaining life of the contract.

NOTE 10: Special assessments

The Board of Directors may levy a special assessment on all members of the Association to cover the cost of a special project that is for the benefit of the entire Association. The Board may also levy a special assessment on the owners of a specific condominium building to cover that cost of a project that is related to that specific building, such as roof replacement or concrete restoration.

All special assessments are recognized in the special assessment fund when billed and in accordance with the satisfaction of their performance obligations, unless otherwise noted. All special assessment related expenses are recognized in the special assessment fund as services are rendered, unless otherwise noted.

Details of special assessment activity are as follows:

Operating fund balance deficits

On January 5, 2021, the Association passed special assessments equal to the Buildings operating fund balance deficit at June 30, 2020, totaling \$21,211 as follows:

- Building 6: \$11,165
- Building 17: \$10,046

For the year ended June 30, 2021, all Buildings recognized the special assessments in full in their respective operating funds.

Termite tenting

For the year ended June 30, 2021, Building 22 recognized special assessment revenue for termite tenting of \$12,250, the amount of its contract liability (deferred special assessment revenue) at June 30, 2020, because the performance obligation was fully satisfied.

Roof flashing

On April 8, 2021, the Association passed a special assessment for Building 3 for the purpose of roof flashing replacement and repairs in the amount of \$7,385. For the year ended June 30, 2021, the Association recognized the special assessment in full in the special assessment fund in conjunction with the related expenses incurred.

Elevator submersible power unit

On April 8, 2021, the Association passed a special assessment for Building 7 for the purpose of their elevator's new submersible power unit in the amount of \$18,125. For the year ended June 30, 2021, the Association recognized the special assessment in full in the special assessment fund in conjunction with the related expenses incurred.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 11: Future major repairs and replacements

The Association's governing documents and FS §718 require that the Association's annual budget include budgeted assessments for future major repairs and replacements (reserves), unless waived in whole or in part by a vote of the owners in accordance with the governing documents and Florida law. Accumulated funds are held in separate interest-bearing accounts and are generally not available for operating purposes

Replacement funds are accumulated based on estimated current costs of the components of common property. Actual expenditures may vary from the estimated amounts 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 may increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

During 2020, the Board of Directors contracted with a reserve specialist to conduct an independent study to estimate the useful lives, the remaining useful lives, and replacement costs of the common property components. The schedule included in the required supplementary information on future major repairs and replacements is based upon this study.

Reserve funding – common

For the year ended June 30, 2021, the Association's unit owners voted to partially fund common reserves in the amount of \$8,028, which was recorded as contract liabilities as discussed in Note 13. For the year ending June 30, 2022, the Association's unit owners voted to partially fund common reserves in the amount of \$17,381.

Reserve funding – Buildings

Annually, each respective Building conducts a vote of its unit owners with respect to funding of its Building reserves. The results of the vote for each respective building are available upon request from management. Buildings' owners voted to partially fund Building reserves in the amount of \$60,705, which was recorded as contract liabilities as discussed in Note 13.

Interfund transfers

During the year ended June 30, 2021, the Association has recorded a net interfund transfer in the amount of \$512,539 from the operating fund. Of this amount, \$462,839 was transferred for 13 Buildings, which had pro-rata operating fund balances in excess of 3.5 months of total expenses in fiscal year June 30, 2020.

Pooled expenses

For the year ended June 30, 2021, common pooled expenses of \$48,415 consist of \$11,900 for windows and doors, \$11,930 for well drilling, and \$24,585 for roofing costs.

Detailed activity for the replacement fund is provided in the supplemental information in the Statement of Changes in Replacement Fund Contract Liabilities and Fund Balances – By Building beginning on Page 20.

NOTE 12: Interfund borrowings

At June 30, 2021, the Association's operating fund and special assessment fund owed the replacement fund \$304,944 and \$29,715, respectively. This interfund borrowing was for investment purposes.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 13: Contract liabilities

A schedule of contract liabilities for the replacement fund at June 30, 2021 is as follows:

Contract liabilities, beginning of year	\$ 111,780
Plus: amounts assessed not recognized as revenues	68,733*
Less: amounts recognized as revenues as performance obligations were satisfied	<u>-</u>
Contract liabilities, end of year	<u>\$ 180,513</u>

* Amounts assessed for the year ended June 30, 2021, were not recognized as revenue in the current year because expenses of \$48,370 are offset by the \$512,539 of transfers from the operating fund.

NOTE 14: Supplemental disclosures of cash flow information

Non-cash financing activities during 2020-2021 were as follows:

Cost of insurance coverage acquired via financing agreements	\$ 727,767
Cash paid related to financing agreements (down payments)	<u>(60,381)</u>
Liabilities assumed	<u>\$ 667,386</u>
PPP loan forgiveness	<u>\$ 124,120</u>

NOTE 15: Subsequent events

Management has evaluated subsequent events through January 10, 2022, the date the financial statements were available to be issued.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
LAKE CLARKE GARDENS CONDOMINIUM, Inc.

Report on the Financial Statements

We have audited the financial statements of LAKE CLARKE GARDENS CONDOMINIUM, Inc. ("the Association") as of and for the year ended June 30, 2021, and our report thereon dated January 10, 2022, which expressed an unmodified opinion on those financial statements, appears on Page 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on Pages 20 through 31, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information 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.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Future Major Repairs and Replacements on Pages 13 through 19 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.



Palm Beach, Florida
January 10, 2022

LAKE CLARKE GARDENS CONDOMINIUM, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)
June 30, 2021

During 2020, the Board of Directors retained Association Reserves to conduct a review of the estimated remaining useful lives and the replacement costs of the components of the common property of Lake Clarke Gardens Condominium, Inc. common property. The estimates associated with the individual buildings are also based upon the study.

The following is based upon the Association Reserves study and presents the significant information about the components of property of the Association.

<u>Component</u>	<u>Estimated Remaining Life</u>	<u>Estimated Replacement Cost</u>	<u>Contract Liabilities and Fund Balance June 30, 2021</u>	<u>Approved Budgeted Funding June 30, 2022</u>
Common property:				
Building exteriors	5-39	\$ 188,300	\$ -	\$ -
Common interiors	0-19	176,500	-	-
Exterior amenities	0-15	282,800	-	-
Mechanical, electrical, and plumbing	0-12	199,450	-	-
Site and grounds	2-20	342,355	-	-
Pooled reserves	-	-	170,823	17,381
		<u>1,189,405</u>	<u>170,823</u>	<u>17,381</u>
Buildings*		<u>4,427,875</u>	<u>594,358</u>	<u>64,545</u>
		<u>\$ 5,617,280</u>	<u>\$ 765,181</u>	<u>\$ 81,926</u>

* See Schedule of Future Major Repairs and Replacements – By Building on Pages 14-19.

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS - BY BUILDING (UNAUDITED)
June 30, 2021

	<u>Estimated Replacement Cost</u>	<u>Estimated Total Useful Life (Years)</u>	<u>Estimated Remaining Life (Years)</u>	<u>Contract Liabilities and Fund Balance June 30, 2021</u>	<u>Approved Budgeted Funding June 30, 2022</u>
Building 2					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	19	-
Painting	12,400	8	6	-	-
Paving	31,215	4-20	2-17	-	-
Roofing	40,000	10	5	-	-
Pooled reserves	-	-	-	3,864	2,852
	<u>\$ 156,865</u>			<u>\$ 3,883</u>	<u>\$ 2,852</u>
Building 3					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	24,825	4-20	2-17	-	-
Roofing	40,000	10	5	-	-
Pooled reserves	-	-	-	2,628	2,853
	<u>\$ 150,475</u>			<u>\$ 2,628</u>	<u>\$ 2,853</u>
Building 4					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	19,755	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Pooled reserves	-	-	-	2,371	2,431
	<u>\$ 185,405</u>			<u>\$ 2,371</u>	<u>\$ 2,431</u>
Building 5					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	20,160	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Pooled reserves	-	-	-	15,571	4,238
	<u>\$ 185,810</u>			<u>\$ 15,571</u>	<u>\$ 4,238</u>
Building 6					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	23,900	4-20	2-17	-	-
Roofing	40,000	10	6	-	-
Pooled reserves	-	-	-	4,800	2,662
	<u>\$ 149,550</u>			<u>\$ 4,800</u>	<u>\$ 2,662</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS - BY BUILDING (UNAUDITED)
June 30, 2021

	<u>Estimated Replacement Cost</u>	<u>Estimated Total Useful Life (Years)</u>	<u>Estimated Remaining Life (Years)</u>	<u>Contract Liabilities and Fund Balance June 30, 2021</u>	<u>Approved Budgeted Funding June 30, 2022</u>
Building 7					
Concrete restoration	\$ 7,500	8	6	\$ -	\$ -
Elevator	136,000	25	0	-	-
Painting	16,900	8	6	-	-
Paving	39,500	4-20	2-17	-	-
Roofing	224,500	25	3	-	-
Fire alarm system	10,000	20	0	-	-
Walkway railings	153,600	25	15	-	-
Pooled reserves	-	-	-	3,329	12,459
	<u>\$ 588,000</u>			<u>\$ 3,329</u>	<u>\$ 12,459</u>
Building 8					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	19,900	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Pooled reserves	-	-	-	1,968	2,644
	<u>\$ 185,550</u>			<u>\$ 1,968</u>	<u>\$ 2,644</u>
Building 9					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	21,600	4-20	2-17	-	-
Roofing	40,000	10	4	-	-
Pooled reserves	-	-	-	3,836	2,918
	<u>\$ 147,250</u>			<u>\$ 3,836</u>	<u>\$ 2,918</u>
Building 10					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	28,220	4-20	2-17	-	-
Roofing	40,000	10	4	-	-
Pooled reserves	-	-	-	1,978	3,012
	<u>\$ 153,870</u>			<u>\$ 1,978</u>	<u>\$ 3,012</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS - BY BUILDING (UNAUDITED)
June 30, 2021

	<u>Estimated Replacement Cost</u>	<u>Estimated Total Useful Life (Years)</u>	<u>Estimated Remaining Life (Years)</u>	<u>Contract Liabilities and Fund Balance June 30, 2021</u>	<u>Approved Budgeted Funding June 30, 2022</u>
Building 12					
Concrete restoration	\$ 4,000	8	6	\$ -	\$ -
Elevator	68,750	25	0	1,895	-
Painting	9,900	8	6	-	-
Paving	23,320	4-20	2-17	-	-
Roofing	120,000	25	2	13,850	-
Fire alarm system	10,000	20	0	-	-
Pooled reserves	-	-	-	7,745	5,440
	<u>\$ 235,970</u>			<u>\$ 23,490</u>	<u>\$ 5,440</u>
Building 14					
Concrete restoration	\$ 4,875	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,800	8	6	-	-
Paving	21,490	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Fire alarm system	10,000	20	0	-	-
Pooled reserves	-	-	-	93,679	208
	<u>\$ 197,915</u>			<u>\$ 93,679</u>	<u>\$ 208</u>
Building 15					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	6	-
Painting	12,400	8	6	-	-
Paving	18,525	4-20	2-17	-	-
Roofing	40,000	10	5	614	-
Pooled reserves	-	-	-	2,227	2,791
	<u>\$ 144,175</u>			<u>\$ 2,847</u>	<u>\$ 2,791</u>
Building 16					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	4	-
Painting	12,400	8	6	-	-
Paving	37,730	4-20	2-17	-	-
Roofing	80,000	see reserve study		349	-
Pooled reserves	-	-	-	1,964	4,736
	<u>\$ 203,380</u>			<u>\$ 2,317</u>	<u>\$ 4,736</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS - BY BUILDING (UNAUDITED)
June 30, 2021

	<u>Estimated Replacement Cost</u>	<u>Estimated Total Useful Life (Years)</u>	<u>Estimated Remaining Life (Years)</u>	<u>Contract Liabilities and Fund Balance June 30, 2021</u>	<u>Approved Budgeted Funding June 30, 2022</u>
Building 17					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	13,860	4-20	2-17	-	-
Roofing	80,000	0	0	-	-
Pooled reserves	-	-	-	2,734	2,587
	<u>\$ 179,510</u>			<u>\$ 2,734</u>	<u>\$ 2,587</u>
Building 18					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	30,670	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Pooled reserves	-	-	-	41,499	1,600
	<u>\$ 196,320</u>			<u>\$ 41,499</u>	<u>\$ 1,600</u>
Building 19					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	16,925	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Pooled reserves	-	-	-	88,177	121
	<u>\$ 182,575</u>			<u>\$ 88,177</u>	<u>\$ 121</u>
Building 20A					
Concrete restoration	\$ 2,000	8	6	\$ -	\$ -
Painting	6,850	8	6	-	-
Paving	11,025	4-20	2-17	-	-
Roofing	80,000	see reserve study		6,829	-
Pooled reserves	-	-	-	9,212	-
	<u>\$ 99,875</u>			<u>\$ 16,041</u>	<u>\$ -</u>
Building 20B					
Concrete restoration	\$ 3,000	8	6	\$ -	\$ -
Elevator	68,750	25	0	62	-
Painting	7,300	8	6	-	-
Paving	16,385	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Pooled reserves	-	-	-	52,745	1,050
	<u>\$ 175,435</u>			<u>\$ 52,807</u>	<u>\$ 1,050</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS - BY BUILDING (UNAUDITED)
June 30, 2021

	<u>Estimated Replacement Cost</u>	<u>Estimated Total Useful Life (Years)</u>	<u>Estimated Remaining Life (Years)</u>	<u>Contract Liabilities and Fund Balance June 30, 2021</u>	<u>Approved Budgeted Funding June 30, 2022</u>
Building 21					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	18,915	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Pooled reserves	-	-	-	55,095	1,125
	<u>\$ 184,565</u>			<u>\$ 55,095</u>	<u>\$ 1,125</u>
Building 22					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	5	-
Painting	12,400	8	6	-	-
Paving	30,440	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Pooled reserves	-	-	-	65,002	814
	<u>\$ 196,090</u>			<u>\$ 65,007</u>	<u>\$ 814</u>
Building 23					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	24,665	4-20	2-17	-	-
Roofing	80,000	see reserve study		1,227	-
Pooled reserves	-	-	-	64,790	830
	<u>\$ 190,315</u>			<u>\$ 66,017</u>	<u>\$ 830</u>
Building 24					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	-	-
Painting	12,400	8	6	-	-
Paving	23,140	4-20	2-17	-	-
Roofing	40,000	10	7	-	-
Pooled reserves	-	-	-	18,839	2,116
	<u>\$ 148,790</u>			<u>\$ 18,839</u>	<u>\$ 2,116</u>
Building 25					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	9	-
Painting	12,400	8	6	-	-
Paving	21,610	4-20	2-17	-	-
Roofing	80,000	see reserve study		-	-
Pooled reserves	-	-	-	10,155	2,608
	<u>\$ 187,260</u>			<u>\$ 10,164</u>	<u>\$ 2,608</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS - BY BUILDING (UNAUDITED)
June 30, 2021

	<u>Estimated Replacement Cost</u>	<u>Estimated Total Useful Life (Years)</u>	<u>Estimated Remaining Life (Years)</u>	<u>Contract Liabilities and Fund Balance June 30, 2021</u>	<u>Approved Budgeted Funding June 30, 2022</u>
Building 26					
Concrete restoration	\$ 4,500	8	6	\$ -	\$ -
Elevator	68,750	25	0	351	-
Painting	12,400	8	6	-	-
Paving	20,875	4-20	2-17	-	-
Roofing	80,000	see reserve study		389	-
Pooled reserves	-	-	-	14,541	2,450
	<u>\$ 186,525</u>			<u>\$ 15,281</u>	<u>\$ 2,450</u>
Common	<u>\$ -</u>			<u>\$ 170,823</u>	<u>\$ 17,381</u>
Total common and all buildings					
Concrete restoration	\$ 106,875			\$ -	\$ -
Elevator	1,648,500			2,351	-
Painting	289,350			-	-
Paving	558,650			-	-
Roofing	1,824,500			23,258	-
Pooled reserves	-			739,572	81,926
Total	<u>\$ 4,427,875</u>			<u>\$ 765,181</u>	<u>\$ 81,926</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF CHANGES IN REPLACEMENT FUND CONTRACT LIABILITIES AND FUND BALANCES
For the year ended June 30, 2021

	<u>Building 2</u>	<u>Building 3</u>	<u>Building 4</u>	<u>Building 5</u>	<u>Building 6</u>
Elevator					
Beginning	\$ 19	\$ -	\$ -	\$ -	\$ -
Additions	-	-	-	-	-
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	-	-	-
Ending	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Roofing					
Beginning	-	-	-	-	-
Additions	-	-	-	-	-
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	-	-	-
Ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pooled reserves					
Beginning	385	-	-	-	2,906
Additions	2,156	2,160	2,371	4,444	1,894
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	1,323	468	-	11,127	-
Ending	<u>3,864</u>	<u>2,628</u>	<u>2,371</u>	<u>15,571</u>	<u>4,800</u>
Total					
Beginning	404	-	-	-	2,906
Additions	2,156	2,160	2,371	4,444	1,894
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	1,323	468	-	11,127	-
Ending	<u>\$ 3,883</u>	<u>\$ 2,628</u>	<u>\$ 2,371</u>	<u>\$ 15,571</u>	<u>\$ 4,800</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF CHANGES IN REPLACEMENT FUND CONTRACT LIABILITIES AND FUND BALANCES
For the year ended June 30, 2021

	<u>Building 7</u>	<u>Building 8</u>	<u>Building 9</u>	<u>Building 10</u>	<u>Building 12</u>
Elevator					
Beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,895
Additions	-	-	-	-	-
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	-	-	-
Ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,895</u>
Roofing					
Beginning	-	-	-	-	13,850
Additions	-	-	-	-	-
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	-	-	-
Ending	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,850</u>
Pooled reserves					
Beginning	-	-	-	-	3,840
Additions	3,329	1,968	1,416	1,978	3,905
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	2,420	-	-
Ending	<u>3,329</u>	<u>1,968</u>	<u>3,836</u>	<u>1,978</u>	<u>7,745</u>
Total					
Beginning	-	-	-	-	19,585
Additions	3,329	1,968	1,416	1,978	3,905
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	2,420	-	-
Ending	<u>\$ 3,329</u>	<u>\$ 1,968</u>	<u>\$ 3,836</u>	<u>\$ 1,978</u>	<u>\$ 23,490</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF CHANGES IN REPLACEMENT FUND CONTRACT LIABILITIES AND FUND BALANCES
For the year ended June 30, 2021

	<u>Building 14</u>	<u>Building 15</u>	<u>Building 16</u>	<u>Building 17</u>	<u>Building 18</u>
Elevator					
Beginning	\$ -	\$ 6	\$ 4	\$ -	\$ -
Additions	-	-	-	-	-
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	-	-	-
Ending	<u>-</u>	<u>6</u>	<u>4</u>	<u>-</u>	<u>-</u>
Roofing					
Beginning	-	614	349	-	-
Additions	-	-	-	-	-
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	-	-	-
Ending	<u>-</u>	<u>614</u>	<u>349</u>	<u>-</u>	<u>-</u>
Pooled reserves					
Beginning	455	-	-	-	-
Additions	2,284	2,227	1,964	2,734	2,791
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	90,940	-	-	-	38,708
Ending	<u>93,679</u>	<u>2,227</u>	<u>1,964</u>	<u>2,734</u>	<u>41,499</u>
Total					
Beginning	455	620	353	-	-
Additions	2,284	2,227	1,964	2,734	2,791
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	90,940	-	-	-	38,708
Ending	<u>\$ 93,679</u>	<u>\$ 2,847</u>	<u>\$ 2,317</u>	<u>\$ 2,734</u>	<u>\$ 41,499</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF CHANGES IN REPLACEMENT FUND CONTRACT LIABILITIES AND FUND BALANCES
For the year ended June 30, 2021

	<u>Building 19</u>	<u>Building 20A</u>	<u>Building 20B</u>	<u>Building 21</u>	<u>Building 22</u>
Elevator					
Beginning	\$ -	\$ -	\$ 62	\$ -	\$ 5
Additions	-	-	-	-	-
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	-	-	-
Ending	<u>-</u>	<u>-</u>	<u>62</u>	<u>-</u>	<u>5</u>
Roofing					
Beginning	-	6,829	-	-	-
Additions	-	-	-	-	-
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	-	-	-	-	-
Ending	<u>-</u>	<u>6,829</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pooled reserves					
Beginning	4,320	-	1	-	2,151
Additions	4,648	1,008	3,349	2,498	2,156
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	79,209	8,204	49,395	52,597	60,695
Ending	<u>88,177</u>	<u>9,212</u>	<u>52,745</u>	<u>55,095</u>	<u>65,002</u>
Total					
Beginning	4,320	6,829	63	-	2,156
Additions	4,648	1,008	3,349	2,498	2,156
Expenditures	-	-	-	-	-
Interest income	-	-	-	-	-
Interfund transfers	79,209	8,204	49,395	52,597	60,695
Ending	<u>\$ 88,177</u>	<u>\$ 16,041</u>	<u>\$ 52,807</u>	<u>\$ 55,095</u>	<u>\$ 65,007</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF CHANGES IN REPLACEMENT FUND CONTRACT LIABILITIES AND FUND BALANCES
For the year ended June 30, 2021

	<u>Building 23</u>	<u>Building 24</u>	<u>Building 25</u>	<u>Building 26</u>	<u>Common</u>	<u>Total</u>
Elevator						
Beginning	\$ -	\$ -	\$ 9	\$ 351	\$ -	\$ 2,351
Additions	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Interfund transfers	-	-	-	-	-	-
Ending	<u>-</u>	<u>-</u>	<u>9</u>	<u>351</u>	<u>-</u>	<u>2,351</u>
Roofing						
Beginning	1,227	-	-	389	-	23,258
Additions	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Interfund transfers	-	-	-	-	-	-
Ending	<u>1,227</u>	<u>-</u>	<u>-</u>	<u>389</u>	<u>-</u>	<u>23,258</u>
Pooled reserves						
Beginning	6,714	16,879	7,854	-	161,165	206,670
Additions	2,728	1,960	2,301	2,436	8,028	68,733
Expenditures	-	-	-	-	(48,415)	(48,415)
Interest income	-	-	-	-	45	45
Interfund transfers	55,348	-	-	12,105	50,000	512,539
Ending	<u>64,790</u>	<u>18,839</u>	<u>10,155</u>	<u>14,541</u>	<u>170,823</u>	<u>739,572</u>
Total						
Beginning	7,941	16,879	7,863	740	161,165	232,279
Additions	2,728	1,960	2,301	2,436	8,028	68,733
Expenditures	-	-	-	-	(48,415)	(48,415)
Interest income	-	-	-	-	45	45
Interfund transfers	55,348	-	-	12,105	50,000	512,539
Ending	<u>\$ 66,017</u>	<u>\$ 18,839</u>	<u>\$ 10,164</u>	<u>\$ 15,281</u>	<u>\$ 170,823</u>	<u>\$ 765,181</u>

See auditor's report on supplementary information.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF OPERATING ACTIVITIES AND CHANGES IN FUND BALANCE (DEFICIT) - BY BUILDING
For the year ended June 30, 2021

	<u>Building 2</u>	<u>Building 3</u>	<u>Building 4</u>	<u>Building 5</u>	<u>Building 6</u>
Revenues					
Maintenance assessments - common	\$ 73,536	\$ 76,644	\$ 76,644	\$ 78,816	\$ 80,687
Maintenance assessments - building	52,346	56,226	55,102	59,646	56,568
Special assessment	-	-	-	-	11,165
Gain on PPP loan forgiveness	-	-	-	-	-
Laundry income	2,273	2,707	2,825	2,602	2,270
Insurance proceeds	-	-	-	-	-
Interest income	-	-	-	-	-
Fees and other income	-	-	-	-	-
Total revenues	<u>128,155</u>	<u>135,577</u>	<u>134,571</u>	<u>141,064</u>	<u>150,690</u>
Expenses					
Administration	150	150	150	150	150
Utilities	23,221	23,358	23,394	26,026	19,937
Contract	33,808	37,378	33,808	35,643	33,808
Repairs and maintenance	480	100	1,393	3,998	100
Recreation	-	-	-	-	-
Provision for bad debt	-	-	-	-	-
Allocation of common expenses	73,409	76,512	76,512	78,680	80,547
Total expenses	<u>131,068</u>	<u>137,498</u>	<u>135,257</u>	<u>144,497</u>	<u>134,542</u>
Excess of revenues over expenses	(2,913)	(1,921)	(686)	(3,433)	16,148
Fund balance (deficit), beginning of year	32,666	34,492	13,381	52,381	(11,165)
Interfund transfers (Note 11)	(1,323)	(468)	-	(11,127)	-
Fund balance, end of year	<u>\$ 28,430</u>	<u>\$ 32,103</u>	<u>\$ 12,695</u>	<u>\$ 37,821</u>	<u>\$ 4,983</u>
<u>Breakdown of current year excess (deficiency) of revenues over expenses:</u>					
Attributable to common activities	\$ 127	\$ 132	\$ 132	\$ 136	\$ 140
Attributable to building activities	<u>(3,040)</u>	<u>(2,053)</u>	<u>(818)</u>	<u>(3,569)</u>	<u>16,008</u>
Excess (deficiency) of revenues over expenses	<u>\$ (2,913)</u>	<u>\$ (1,921)</u>	<u>\$ (686)</u>	<u>\$ (3,433)</u>	<u>\$ 16,148</u>

Please read page 31 in conjunction with this Statement of Operating Activities and Changes in Fund Balance (Deficit) - by Building.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF OPERATING ACTIVITIES AND CHANGES IN FUND BALANCE (DEFICIT) - BY BUILDING
For the year ended June 30, 2021

	<u>Building 7</u>	<u>Building 8</u>	<u>Building 9</u>	<u>Building 10</u>	<u>Building 12</u>
Revenues					
Maintenance assessments - common	\$ 136,716	\$ 73,536	\$ 72,501	\$ 70,430	\$ 73,191
Maintenance assessments - building	92,946	52,347	52,255	54,197	49,525
Special assessment	-	-	-	-	-
Gain on PPP loan forgiveness	-	-	-	-	-
Laundry income	2,798	1,602	2,034	2,019	3,170
Insurance proceeds	-	-	8,339	12,206	-
Interest income	-	-	-	-	-
Fees and other income	-	-	-	-	-
Total revenues	<u>232,460</u>	<u>127,485</u>	<u>135,129</u>	<u>138,852</u>	<u>125,886</u>
Expenses					
Administration	300	150	150	150	150
Utilities	30,165	16,594	18,656	19,488	18,471
Contract	59,843	33,808	33,808	33,808	30,254
Repairs and maintenance	200	3,800	100	2,379	1,728
Recreation	-	-	-	-	-
Provision for bad debt	-	-	-	-	-
Allocation of common expenses	136,479	73,409	72,376	70,308	73,065
Total expenses	<u>226,987</u>	<u>127,761</u>	<u>125,090</u>	<u>126,133</u>	<u>123,668</u>
Excess of revenues over expenses	5,473	(276)	10,039	12,719	2,218
Fund balance (deficit), beginning of year	53,296	11,102	35,276	33,564	15,625
Interfund transfers (Note 11)	-	-	(2,420)	-	-
Fund balance, end of year	<u>\$ 58,769</u>	<u>\$ 10,826</u>	<u>\$ 42,895</u>	<u>\$ 46,283</u>	<u>\$ 17,843</u>
<u>Breakdown of current year excess (deficiency) of revenues over expenses:</u>					
Attributable to common activities	\$ 237	\$ 127	\$ 125	\$ 122	\$ 126
Attributable to building activities	<u>5,236</u>	<u>(403)</u>	<u>9,914</u>	<u>12,597</u>	<u>2,092</u>
Excess (deficiency) of revenues over expenses	<u>\$ 5,473</u>	<u>\$ (276)</u>	<u>\$ 10,039</u>	<u>\$ 12,719</u>	<u>\$ 2,218</u>

Please read page 31 in conjunction with this Statement of Operating Activities and Changes in Fund Balance (Deficit) - by Building.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF OPERATING ACTIVITIES AND CHANGES IN FUND BALANCE (DEFICIT) - BY BUILDING
For the year ended June 30, 2021

	<u>Building 14</u>	<u>Building 15</u>	<u>Building 16</u>	<u>Building 17</u>	<u>Building 18</u>
Revenues					
Maintenance assessments - common	\$ 89,072	\$ 78,716	\$ 79,752	\$ 79,752	\$ 79,752
Maintenance assessments - building	65,217	54,895	55,837	53,797	59,660
Special assessment	-	-	-	10,046	-
Gain on PPP loan forgiveness	-	-	-	-	-
Laundry income	3,236	2,564	2,697	2,549	2,962
Insurance proceeds	-	-	-	-	-
Interest income	-	-	-	-	-
Fees and other income	-	-	-	-	-
Total revenues	<u>157,525</u>	<u>136,175</u>	<u>138,286</u>	<u>146,144</u>	<u>142,374</u>
Expenses					
Administration	225	150	225	150	75
Utilities	26,448	21,698	20,768	19,047	26,483
Contract	38,131	33,845	33,808	33,808	37,908
Repairs and maintenance	100	100	100	8,046	165
Recreation	-	-	-	-	-
Provision for bad debt	-	-	-	-	-
Allocation of common expenses	88,919	78,581	79,614	79,614	79,614
Total expenses	<u>153,823</u>	<u>134,374</u>	<u>134,515</u>	<u>140,665</u>	<u>144,245</u>
Excess of revenues over expenses	3,702	1,801	3,771	5,479	(1,871)
Fund balance (deficit), beginning of year	171,924	28,621	26,724	(10,046)	91,951
Interfund transfers (Note 11)	<u>(90,940)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,708)</u>
Fund balance, end of year	<u>\$ 84,686</u>	<u>\$ 30,422</u>	<u>\$ 30,495</u>	<u>\$ (4,567)</u>	<u>\$ 51,372</u>
<u>Breakdown of current year excess (deficiency) of revenues over expenses:</u>					
Attributable to common activities	\$ 153	\$ 135	\$ 138	\$ 138	\$ 138
Attributable to building activities	<u>3,549</u>	<u>1,666</u>	<u>3,633</u>	<u>5,341</u>	<u>(2,009)</u>
Excess (deficiency) of revenues over expenses	<u>\$ 3,702</u>	<u>\$ 1,801</u>	<u>\$ 3,771</u>	<u>\$ 5,479</u>	<u>\$ (1,871)</u>

Please read page 31 in conjunction with this Statement of Operating Activities and Changes in Fund Balance (Deficit) - by Building.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF OPERATING ACTIVITIES AND CHANGES IN FUND BALANCE (DEFICIT) - BY BUILDING
For the year ended June 30, 2021

	<u>Building 19</u>	<u>Building 20A</u>	<u>Building 20B</u>	<u>Building 21</u>	<u>Building 22</u>
Revenues					
Maintenance assessments - common	\$ 79,752	\$ 34,524	\$ 46,608	\$ 79,752	\$ 76,644
Maintenance assessments - building	54,423	25,919	38,980	55,060	58,461
Special assessment	-	-	-	-	-
Gain on PPP loan forgiveness	-	-	-	-	-
Laundry income	1,808	1,522	2,692	3,488	3,534
Insurance proceeds	-	-	-	-	-
Interest income	-	-	-	-	-
Fees and other income	-	-	-	-	-
Total revenues	<u>135,983</u>	<u>61,965</u>	<u>88,280</u>	<u>138,300</u>	<u>138,639</u>
Expenses					
Administration	150	-	150	150	225
Utilities	21,331	10,390	16,593	23,287	25,281
Contract	33,808	14,040	23,215	32,602	34,399
Repairs and maintenance	1,804	1,329	4,754	100	100
Recreation	-	-	-	-	-
Provision for bad debt	-	-	-	-	-
Allocation of common expenses	79,614	34,465	46,528	79,614	76,512
Total expenses	<u>136,707</u>	<u>60,224</u>	<u>91,240</u>	<u>135,753</u>	<u>136,517</u>
Excess of revenues over expenses	(724)	1,741	(2,960)	2,547	2,122
Fund balance (deficit), beginning of year	148,518	27,805	93,228	110,281	121,829
Interfund transfers (Note 11)	<u>(79,209)</u>	<u>(8,204)</u>	<u>(49,395)</u>	<u>(52,597)</u>	<u>(60,695)</u>
Fund balance, end of year	<u>\$ 68,585</u>	<u>\$ 21,342</u>	<u>\$ 40,873</u>	<u>\$ 60,231</u>	<u>\$ 63,256</u>
<u>Breakdown of current year excess (deficiency) of revenues over expenses:</u>					
Attributable to common activities	\$ 138	\$ 59	\$ 80	\$ 138	\$ 132
Attributable to building activities	<u>(862)</u>	<u>1,682</u>	<u>(3,040)</u>	<u>2,409</u>	<u>1,990</u>
Excess (deficiency) of revenues over expenses	<u>\$ (724)</u>	<u>\$ 1,741</u>	<u>\$ (2,960)</u>	<u>\$ 2,547</u>	<u>\$ 2,122</u>

Please read page 31 in conjunction with this Statement of Operating Activities and Changes in Fund Balance (Deficit) - by Building.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF OPERATING ACTIVITIES AND CHANGES IN FUND BALANCE (DEFICIT) - BY BUILDING
For the year ended June 30, 2021

	Building 23	Building 24	Building 25
Revenues			
Maintenance assessments - common	\$ 80,269	\$ 80,787	\$ 79,751
Maintenance assessments - building	55,176	55,371	57,448
Special assessment	-	-	-
Gain on PPP loan forgiveness	-	-	-
Laundry income	3,342	3,038	2,257
Insurance proceeds	-	-	-
Interest income	-	-	-
Fees and other income	-	-	-
	<u>138,787</u>	<u>139,196</u>	<u>139,456</u>
Expenses			
Administration	225	150	650
Utilities	24,928	24,337	23,189
Contract	33,808	33,983	33,808
Repairs and maintenance	100	1,329	100
Recreation	-	-	-
Provision for bad debt	-	-	-
Allocation of common expenses	80,130	80,647	79,614
	<u>139,191</u>	<u>140,446</u>	<u>137,361</u>
Excess of revenues over expenses	(404)	(1,250)	2,095
Fund balance (deficit), beginning of year	115,382	19,932	3,538
Interfund transfers (Note 11)	(55,348)	-	-
Fund balance, end of year	<u>\$ 59,630</u>	<u>\$ 18,682</u>	<u>\$ 5,633</u>
<u>Breakdown of current year excess (deficiency) of revenues over expenses:</u>			
Attributable to common activities	\$ 139	\$ 140	\$ 137
Attributable to building activities	(543)	(1,390)	1,958
	<u>(404)</u>	<u>(1,250)</u>	<u>2,095</u>
Excess (deficiency) of revenues over expenses	<u>\$ (404)</u>	<u>\$ (1,250)</u>	<u>\$ 2,095</u>

Please read page 31 in conjunction with this Statement of Operating Activities and Changes in Fund Balance (Deficit) - by Building.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
STATEMENT OF OPERATING ACTIVITIES AND CHANGES IN FUND BALANCE (DEFICIT) - BY BUILDING
For the year ended June 30, 2021

	<u>Building 26</u>	<u>Common</u>	<u>Total</u>
Revenues			
Maintenance assessments - common	\$ 79,751	\$ -	\$ 1,857,583
Maintenance assessments - building	56,139	(202)	1,327,339
Special assessment	-	-	21,211
Gain on PPP loan forgiveness	-	124,120	124,120
Laundry income	1,502	(922)	60,569
Insurance proceeds	-	(17,919)	2,626
Interest income	-	3,177	3,177
Fees and other income	-	66,964	66,964
	<u>137,392</u>	<u>175,218</u>	<u>3,463,589</u>
Total revenues			
Expenses			
Administration	150	1,463,574	1,467,899
Utilities	17,671	49,319	570,080
Contract	33,810	118,298	935,237
Repairs and maintenance	182	224,193	256,780
Recreation	-	3,185	3,185
Provision for bad debt	-	29,024	29,024
Allocation of common expenses	79,612	(1,854,375)	-
	<u>131,425</u>	<u>33,218</u>	<u>3,262,205</u>
Total expenses			
Excess of revenues over expenses	5,967	142,000	201,384
Fund balance (deficit), beginning of year	51,149	-	1,271,454
Interfund transfers (Note 11)	<u>(12,105)</u>	<u>(50,000)</u>	<u>(512,539)</u>
Fund balance, end of year	<u>\$ 45,011</u>	<u>\$ 92,000</u>	<u>\$ 960,299</u>
<u>Breakdown of current year excess (deficiency) of revenues over expenses:</u>			
Attributable to common activities	\$ 139	\$ 142,000	\$ 145,208
Attributable to building activities	<u>5,828</u>	<u>-</u>	<u>56,176</u>
Excess (deficiency) of revenues over expenses	<u>\$ 5,967</u>	<u>\$ 142,000</u>	<u>\$ 201,384</u>

Please read page 31 in conjunction with this Statement of Operating Activities and Changes in Fund Balance (Deficit) - by Building.

LAKE CLARKE GARDENS CONDOMINIUM, INC.
NOTES TO STATEMENT OF OPERATING ACTIVITIES AND CHANGES IN FUND BALANCE (DEFICIT) - BY BUILDING
For the year ended June 30, 2021

During the year ended June 30, 2021, the Association's Board of Directors adopted a new methodology, referred to as the Operating Fund Balance / Working Capital Method, for evaluating the sufficiency of each Building's Operating Fund Balance compared to its annual Total Operating Expenses (including allocated Common expenses). Essentially, it was determined each Building should ideally have Operating Fund Balance at the end of a fiscal year equal to at least 3.5 months of its Total Operating Expenses for that fiscal year.

Based on the Operating Fund Balance / Working Capital Method, applied as of June 30, 2020:

1. Building 6 and 17 had special assessments in the year ended June 30, 2021 equal to the amount of its Operating Fund Deficit at June 30, 2020.
2. Building 4, 6, 7, 8, 12, 15, 16, 17, 24 and 25 had Operating Fund Balance equal to less than 3.5 months of its Total Operating Expenses, and therefore have been assessed with "Working Capital Charges" in the year ended June 30, 2022, not to exceed \$20 per month per Unit, in an effort to increase Operating Fund Balances over time.
3. Building 2, 3, 5, 9, 14, 18, 19, 20A, 20B, 21, 22, 23 and 26 had transfers to its Replacements/Reserve Fund in the year ending June 30, 2021, equal to the amount of its Pro-Rata Operating Fund Balance in excess of 3.5 months of its Total Operating Expenses for the year ended June 30, 2020.

Based on the Operating Fund Balance / Working Capital Method, applied as of June 30, 2021, subject to final review and approval by the Association's Board of Directors:

4. Building 17 will have a special assessment in the year ending June 30, 2022 of \$4,567, the amount of its Operating Fund Deficit at June 30, 2021.
5. Building 2, 3, 4, 5, 6, 7, 8, 12, 15, 16, 17, 24 and 25 had Operating Fund Balance equal to less than 3.5 months of its Total Operating Expenses, and therefore will be assessed with "Working Capital Charges" in the year ending June 30, 2023, not to exceed \$20 per month per Unit, in an effort to increase Operating Fund Balances over time.
6. No Building will have transfers to its Replacements/Reserve Fund in the year ending June 30, 2022 because Total Buildings' Operating Fund Balance was not in excess of 3.5 months of Total Operating Expenses for the year ended June 30, 2021.

In addition, subject to final review and approval by the Association's Board of Directors, special assessments may occur to accelerate increases in Operating Fund Balances for five Buildings which, for the year ended June 30, 2021, had **both**: (a) a Deficiency of Building Activities Revenues (*excluding Special Assessments*) over its Building Activities Expenses, **and** (b) Operating Fund Balance equal to less than 3.5 months of its Total Operating Expenses (including allocation of Common Expenses). Calculated amounts of these potential special assessments are as follows:

Building	Amount
2	\$ 3,040
3	\$ 2,053
4	\$ 818
5	\$ 3,569
8	\$ 403
17*	\$ 128
24	\$ 1,390

* The amount of this special assessment for Building 17 has been reduced by the special assessment of \$4,567 related to its Operating Fund Balance Deficit at June 30, 2021.