

2022 Audit Review - Financial Statements Opinion

Crooked Pond Pool Association

I performed an audit review of the financial statements of the Crooked Pond Pool Association for the twelve-month fiscal year ended December 31, 2022. These statements include the Balance Sheet and the Statement of Revenues and Expenses.

It should be noted that Depreciation Expense of \$8,394.39 was recorded in prior Fiscal Year 2020 for purchase of pool furniture, and Depreciation Expense of \$6,812.00 was recorded in prior Fiscal Year 2021 for purchase of security equipment. No Capital Assets were booked in Fiscal Year 2022.

Going forward, further emphasis and oversight is needed in the handling and analysis of the Reserve account. Consideration should be given to setting up two separate Reserves. One for major maintenance repairs and enhancements, and the second account as a contingency for severe storm damage and to cover insurance deductibles.

In my opinion, the financial reports referred to above present fairly, in all other material respects, the financial position and the changes in financial position for the Crooked Pond Pool Association as of December 31, 2022.



Jim Jumpeter

May 30, 2023

CROOKED POND POOL ASSOCIATION

2022 Supplemental Information

- The Crooked Pond Pool Association (CPPA) is a non-profit homeowners association which owns and operates a swimming pool and two tennis / pickleball courts for the benefit of the residents of the Crooked Pond subdivision of the Hilton Head Plantation.
- Directors and officers of the CPPA have searched for documentation for the costs of the physical plant without success and are therefore unable currently to determine original asset values and accumulated depreciation on the financial statements of the CPPA. An estimated \$200,000 was recorded to Property & Equipment with an offset to Equity.
- Insurance Declarations from State Farm Insurance and South Carolina Wind and Hail Underwriting Association were provided as Proof of Insurance for General Liability, Umbrella, and Wind and Hail coverage.
- Extraordinary expenditures in 2022 included: Pool House Painting \$3,770.18 (May), Hydraulic Gate Closures \$639.40 (June), Pool Filter Sand & Laterals Replacement \$2,373.76 (July) and Tree Trimming \$3,490.00 (July).
- The federal income tax return for the fiscal year ended December 31, 2022, was not provided and therefore not reviewed or reconciled to the audited financial statements.

CROOKED POND POOL ASSOCIATION

BALANCE SHEET

December 31, 2022

(With Comparative Totals as of December 31, 2021)

	12/31/2022	12/31/2021
ASSETS		
Current Assets		
Cash - Checking Account	\$ 1,047.00	\$ 2,272.90
Cash - Investment Account	20,554.31	23,301.68
Total Current Assets	21,601.31	25,574.58
 Noncurrent Assets		
Capital Assets **	200,000.00	200,000.00
Accumulated Depreciation	-	-
Furniture, Fixtures & Equipment	15,206.39	15,206.39
Accumulated Depreciation	(15,206.39)	(15,206.39)
Total noncurrent assets	200,000.00	200,000.00
 Total Assets	 \$ 221,601.31	 \$ 225,574.58
 LIABILITIES AND FUND BALANCES		
Total Liabilities	-	-
 FUND BALANCES		
Net Investment in Capital Assets **	200,000.00	200,000.00
Capital Replacement Reserve	21,494.99	19,598.22
Unrestricted	106.32	5,976.36
Total liabilities and fund balances	\$ 221,601.31	\$ 225,574.58

** Information not available at this time.

CROOKED POND POOL ASSOCIATION
STATEMENT OF REVENUES AND EXPENSES

For the Fiscal Year Ended December 31, 2022

(With comparative totals for the fiscal year ended December 31, 2021)

	12/31/2022	12/31/2021
INCOME		
Assessment income	\$ 44,267.90	\$ 42,645.00
Allowance for Doubtful Accounts	0.00	0.00
Assessment Late Fees	78.92	328.94
Interest income	267.61	130.02
Miscellaneous income	290.00	130.00
TOTAL INCOME	\$ 44,904.43	\$ 43,233.96
 EXPENSES		
	\$ -	\$ 6,812.00
Cleaning	6,330.22	5,229.04
Pool Maintenance	9,000.00	9,993.00
Pool Chemicals	1,312.00	-
Pool Reserve Repairs	2,801.76	2,600.00
Landscape Maintenance	1,680.00	1,680.00
Electricity	2,896.79	1,986.69
Water & Sewer	962.45	904.67
Telephone	1,819.70	1,969.19
Printing & Postage	431.37	274.41
Office Supplies & Software	349.80	387.32
Other Business Expenses	171.00	-
Insurance	7,120.00	7,058.00
Uncategorized Expense	4,093.65	3,574.45
Taxes & Licenses	1,183.31	1,085.03
Security	-	-
Security Monitoring-Camera	500.00	300.00
Pool Gate Monthly Lease	1,350.00	274.67
Tennis Gate Monthly Lease	-	262.33
iCloud Monthly	375.00	149.17
Legal & Professional Services	215.00	-
General Repair & Maintenance	6,285.63	4,189.99
Reserve Fee	5,050.14	4,213.20
TOTAL EXPENSES	\$ 53,927.82	\$ 52,943.16
 Revenues over (under) expenses	 \$ (9,023.39)	 \$ (9,709.20)

CROOKED POND POOL ASSOCIATION
SUPPLEMENTAL INFORMATION
STATEMENT OF CHANGES IN FUND BALANCES
 For the 12 Month Fiscal Year Ended December 31, 2022

	<u>Operating Fund</u>	<u>Capital Replacement Fund</u>	<u>Total</u>
Balance - Beginning of Year	\$ 5,976.36	\$ 19,598.22	\$ 25,574.58
Excess of Revenues Over Expences	(9,023.39)		(9,023.39)
Interfund Transactions	153.35	4,896.77	5,050.12
Interfund Transfers	3,000.00	(3,000.00)	-
Net Change in Fund Balances	(5,870.04)	1,896.77	(3,973.27)
Balance - End of Year	<u>\$ 106.32</u>	<u>\$ 21,494.99</u>	<u>\$ 21,601.31</u>

CROOKED POND POOL ASSOCIATION

Calendar Year 2022 Budget vs. Actuals

	Budget	Actual	Variance
INCOME			
Assessment Income	45,600.00	44,267.90	(1,332.10)
Allowance for Doubtful Accounts	(380.00)	-	380.00
Assessment Late Fees	-	78.92	78.92
Interest Income	120.00	267.61	147.61
Uncategorized Income	-	290.00	290.00
TOTAL INCOME	45,340.00	44,904.43	(435.57)
EXPENSES			
Depreciation Expense	-	-	-
Cleaning	6,610.00	6,330.22	279.78
Routine Pool Maintenance	9,000.00	9,000.00	-
Pool Chemicals	1,800.00	1,312.00	488.00
Pool Reserve Repairs	-	2,801.76	(2,801.76)
Landscape Maintenance	2,000.00	1,680.00	320.00
Electricity	2,400.00	2,896.79	(496.79)
Water & Sewer	950.00	962.45	(12.45)
Telephone	1,980.00	1,819.70	160.30
Printing & Postage	300.00	431.37	(131.37)
Office Supplies & Software	400.00	349.80	50.20
Other Business Expenses	-	171.00	(171.00)
Insurance	7,400.00	7,120.00	280.00
Uncategorized Expense	600.00	4,093.65	(3,493.65)
Taxes & Licenses	1,100.00	1,183.31	(83.31)
Security		-	-
Security Monitoring-Camera	400.00	500.00	(100.00)
Pool Gate Monthly Lease	1,080.00	1,350.00	(270.00)
Tennis Gate Monthly Lease	-	-	-
iCloud Monthly	300.00	375.00	(75.00)
Legal & Professional Services	400.00	215.00	185.00
General Repair & Maintenance	5,400.00	6,285.63	(885.63)
Reserve Fee	5,050.14	5,050.14	-
TOTAL EXPENSES	47,170.14	53,927.82	(6,757.68)
NET INCOME	(1,830.14)	(9,023.39)	(7,193.25)