

2023 Accounting Review
Crooked Pond Pool Association

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Crooked Pond Pool Association
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2023 Accounting Review – Financial Statements Opinions


Crooked Pond Pool Association

I performed a review of the financial statements of the Crooked Pond Association for the twelve-month period ending December 31, 2023. These statements include the Balance Sheet and the Statement of Revenues and Expenses

The major change to the financial statements as presented by the association treasurer was the capitalization of the tennis court resurfacing. Per tax and audit guidelines, this is a capital asset which falls under a 15-year depreciation period and the statements herein provided reflect this capital purchase on the balance sheet with only the annual depreciation appearing on the financial statement.

Moving forward, further emphasis and oversight is necessary in the handling and analysis of the Reserve account. Presently the association has a separate "Investment" account along with an operating account. It would be advisable that the amounts dedicated to the Capital Reserves be maintained in a separate, interest-bearing account to insure funds are available as a contingency for severe storm damages and to cover any insurance deductibles and major maintenance/improvement expenditures.

In my opinion, the financial reports referred to above depict a fair and accurate representation in all material respects, the financial position and changes in financial position of the Crooked Pond Pool Association as of December 31, 2023.



Jacqueline Palanzi
February 23, 2024

Crooked Pond Pool Association

2023 Supplemental Information and Observations

1. The Crooked Pond Pool Association is a not-for-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.
2. As noted in prior reports, despite review of past documents, the original asset values, and accumulated depreciation on the financial statements of the CPPA cannot be accurately determined. An estimated \$200,000 value was recorded to the Property and Equipment category of the balance sheet with an offset to equity.
3. Proof of insurance was noted via the payment of the annual premium of the policies. No further review of the insurance was made during this review.
4. Extraordinary expenses of \$26,343 were made in 2023 which was for the resurfacing of the tennis courts on the property. This expense has been capitalized on the balance sheet and only the annual depreciation is noted on the actual statement of revenues and expenditures.
5. The federal income tax return for the fiscal year ended December 31, 2023 was filed by the treasurer and was not provided for review or reconciled to these financial statements.
6. Prior year taxes were reconciled, filed and brought up to date during the fiscal year at no additional cost to the CPPA.

Crooked Pond Pool Association

2023 Recommendations for the Board of Directors

1. It was brought to my attention that mandatory 1099s have not been filed for service providers by the treasurer or board of directors for the monies paid out throughout the year. Past practice has not included the filing of Tax Forms 1099 for payments in excess of \$600 to non-incorporated service providers. A recommendation is being made to obtain Form W9 information from all vendors meeting this requirement (or who may potentially meet this requirement in the future), and to file the appropriate Form 1099 by the January 31st due date for the prior year end. Vendors meeting these criteria may include services such as landscaping, pool maintenance, legal and general repairs.
2. The association should reinstate the use of QuickBooks Online or some other web accessible software to ensure that this information is available to board members at any time and is not maintained on any one member's personal computer/software. In the event of illness or other unforeseen event, without such availability, this information could be lost and the monthly fee associated with said software is minimal to insure the constant availability of all financial records.
3. It is the recommendation of this review that the annual income tax filing be prepared in conjunction with this annual review to ensure that the taxes remain current and are prepared in accordance with current and updated tax laws.

Depreciation Schedule – Court Resurfacing

Year 1	1,317.15
Year 2	2,502.59
Year 3	2,252.33
Year 4	2,028.41
Year 5	1,825.57
Year 6	1,641.17
Year 7	1,554.24
Year 8	1,554.24
Year 9	1,556.87
Year 10	1,554.24
Year 11	1,556.87
Year 12	1,554.24
Year 13	1,556.87
Year 14	1,554.24
Year 15	1,556.87
Year 16	777.12

Total Depreciation 26343

Crooked Pond Pool Association
Balance Sheet
As Adjusted For Capital Purchases
As of December 31, 2023

	<u>Dec 31, 23</u>	<u>Dec 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Checking Account	6,277.29	1,047.00	5,230.29	499.55%
Investment Account	25,022.79	20,554.31	4,468.48	21.74%
Total Checking/Savings	<u>31,300.08</u>	<u>21,601.31</u>	<u>9,698.77</u>	<u>44.9%</u>
Total Current Assets	31,300.08	21,601.31	9,698.77	44.9%
Fixed Assets				
Pool Furniture & Fixtures	15,206.39	15,206.39	0.00	0.0%
Pool House & Pool	200,000.00	200,000.00	0.00	0.0%
Resurfacing	26,343.00	0.00	26,343.00	100.0%
Total Depreciation	<u>-16,523.54</u>	<u>-15,206.39</u>	<u>-1,317.15</u>	<u>-8.66%</u>
Total Fixed Assets	<u>225,025.85</u>	<u>200,000.00</u>	<u>25,025.85</u>	<u>12.51%</u>
TOTAL ASSETS	<u><u>256,325.93</u></u>	<u><u>221,601.31</u></u>	<u><u>34,724.62</u></u>	<u><u>15.67%</u></u>
LIABILITIES & EQUITY				
Equity				
Capital Replacement Reserves	26,294.99	21,494.99	4,800.00	22.33%
Capital Reserves	200,000.00	200,000.00	0.00	0.0%
Retained Earnings	0.00	9,023.39	-9,023.39	-100.0%
Unrestricted Reserves	106.32	106.32	0.00	0.0%
Net Income	29,924.62	-9,023.39	38,948.01	431.63%
Total Equity	<u>256,325.93</u>	<u>221,601.31</u>	<u>34,724.62</u>	<u>15.67%</u>
TOTAL LIABILITIES & EQUITY	<u><u>256,325.93</u></u>	<u><u>221,601.31</u></u>	<u><u>34,724.62</u></u>	<u><u>15.67%</u></u>

Crooked Pond Pool Association
Statement of Revenues & Expenses
As Adjusted For Capital Purchases
January through December 2023

	<u>Jan - Dec 23</u>	<u>Jan - Dec 22</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
Assessments				
Current Year	47,800.00	44,267.90	3,532.10	7.98%
Prior Years	2,005.45	0.00	2,005.45	100.0%
Projects	23,900.00	0.00	23,900.00	100.0%
Total Assessments	<u>73,705.45</u>	<u>44,267.90</u>	<u>29,437.55</u>	<u>66.5%</u>
Interest Income	700.91	267.61	433.30	161.92%
Late Fees	883.72	78.92	804.80	1,019.77%
Miscellaneous Receipts	0.00	290.00	-290.00	-100.0%
Uncategorized Income	425.00	0.00	425.00	100.0%
Total Income	<u>75,715.08</u>	<u>44,904.43</u>	<u>30,810.65</u>	<u>68.61%</u>
Expense				
Cleaning/Janitorial	6,360.78	6,330.22	30.56	0.48%
Electricity	2,245.45	2,896.79	-651.34	-22.49%
General Repairs & Maintenance	1,218.43	6,285.63	-5,067.20	-80.62%
Insurance Expense	7,771.00	7,120.00	651.00	9.14%
Landscaping and Groundskeeping	1,755.00	1,680.00	75.00	4.46%
Legal & Professional	2,327.43	215.00	2,112.43	982.53%
Office Supplies & Software	336.90	349.80	-12.90	-3.69%
Other Business Expenses	0.00	171.00	-171.00	-100.0%
PO Box Rental	248.00	0.00	248.00	100.0%
Pool Chemicals	1,521.00	1,312.00	209.00	15.93%
Pool Maintenance	9,435.00	9,000.00	435.00	4.83%
Pool Reserves/Repairs	0.00	2,801.76	-2,801.76	-100.0%
Printing & Postage	340.59	431.37	-90.78	-21.05%
Security				
iCloud Monthly	300.00	375.00	-75.00	-20.0%
Pool Gate Lease	1,080.00	1,350.00	-270.00	-20.0%
Security Monitoring - Camera	743.00	500.00	243.00	48.6%
Total Security	<u>2,123.00</u>	<u>2,225.00</u>	<u>-102.00</u>	<u>-4.58%</u>
Taxes & Licenses	1,196.58	1,183.31	13.27	1.12%
Telephone	1,248.48	1,819.70	-571.22	-31.39%
Uncategorized Expense	309.97	4,093.65	-3,783.68	-92.43%
Water & Sewer	1,235.70	962.45	273.25	28.39%
Total Expense	<u>39,673.31</u>	<u>48,877.68</u>	<u>-9,204.37</u>	<u>-18.83%</u>
Net Ordinary Income	<u>36,041.77</u>	<u>-3,973.25</u>	<u>40,015.02</u>	<u>1,007.11%</u>
Other Income/Expense				
Other Expense				
Depreciation Expense	1,317.15	0.00	1,317.15	100.0%
Reserve Fees	4,800.00	5,050.14	-250.14	-4.95%
Total Other Expense	<u>6,117.15</u>	<u>5,050.14</u>	<u>1,067.01</u>	<u>21.13%</u>
Net Other Income	<u>-6,117.15</u>	<u>-5,050.14</u>	<u>-1,067.01</u>	<u>-21.13%</u>
Net Income	<u><u>29,924.62</u></u>	<u><u>-9,023.39</u></u>	<u><u>38,948.01</u></u>	<u><u>431.63%</u></u>

Crooked Pond Pool Association
Statement of Revenues & Expenses
As Adjusted For Capital Purchases
 January through December 2023

	<u>Jan - Dec 23</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Assessments				
Current Year	47,800.00	48,000.00	-200.00	99.58%
Prior Years	2,005.45			
Projects	23,900.00	24,000.00	-100.00	99.58%
Uncollectible Allowance	0.00	-400.00	400.00	0.0%
Total Assessments	<u>73,705.45</u>	<u>71,600.00</u>	<u>2,105.45</u>	<u>102.94%</u>
Interest Income	700.91	216.00	484.91	324.5%
Late Fees	883.72			
Uncategorized Income	425.00			
Total Income	<u>75,715.08</u>	<u>71,816.00</u>	<u>3,899.08</u>	<u>105.43%</u>
Expense				
Cleaning/Janitorial	6,360.78	6,950.00	-589.22	91.52%
Electricity	2,245.45	3,000.00	-754.55	74.85%
General Repairs & Maintenance	1,218.43	5,400.00	-4,181.57	22.56%
Insurance Expense	7,771.00	7,500.00	271.00	103.61%
Landscaping and Groundskeeping	1,755.00	2,000.00	-245.00	87.75%
Legal & Professional	2,327.43	400.00	1,927.43	581.86%
Office Supplies & Software	336.90	400.00	-63.10	84.23%
PO Box Rental	248.00			
Pool Chemicals	1,521.00	1,800.00	-279.00	84.5%
Pool Maintenance	9,435.00	9,000.00	435.00	104.83%
Printing & Postage	340.59	400.00	-59.41	85.15%
Security				
iCloud Monthly	300.00	300.00	0.00	100.0%
Pool Gate Lease	1,080.00	1,080.00	0.00	100.0%
Security Monitoring - Camera	743.00	400.00	343.00	185.75%
Total Security	<u>2,123.00</u>	<u>1,780.00</u>	<u>343.00</u>	<u>119.27%</u>
Taxes & Licenses	1,196.58	1,125.00	71.58	106.36%
Telephone	1,248.48	1,860.00	-611.52	67.12%
Uncategorized Expense	309.97	600.00	-290.03	51.66%
Water & Sewer	1,235.70	950.00	285.70	130.07%
Total Expense	<u>39,673.31</u>	<u>43,165.00</u>	<u>-3,491.69</u>	<u>91.91%</u>
Net Ordinary Income	<u>36,041.77</u>	<u>28,651.00</u>	<u>7,390.77</u>	<u>125.8%</u>
Other Income/Expense				
Other Expense				
Depreciation Expense	1,317.15			
Reserve Fees	4,800.00	4,800.00	0.00	100.0%
Total Other Expense	<u>6,117.15</u>	<u>4,800.00</u>	<u>1,317.15</u>	<u>127.44%</u>
Net Other Income	<u>-6,117.15</u>	<u>-4,800.00</u>	<u>-1,317.15</u>	<u>127.44%</u>
Net Income	<u><u>29,924.62</u></u>	<u><u>23,851.00</u></u>	<u><u>6,073.62</u></u>	<u><u>125.47%</u></u>

Crooked Pond Pool Association
Balance Sheet
Full Expensing of Tennis Court Resurfacing
As of December 31, 2023

	<u>Dec 31, 23</u>	<u>Dec 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Checking Account	6,277.29	1,047.00	5,230.29	499.55%
Investment Account	25,022.79	20,554.31	4,468.48	21.74%
Total Checking/Savings	<u>31,300.08</u>	<u>21,601.31</u>	<u>9,698.77</u>	<u>44.9%</u>
Total Current Assets	31,300.08	21,601.31	9,698.77	44.9%
Fixed Assets				
Pool Furniture & Fixtures	15,206.39	15,206.39	0.00	0.0%
Pool House & Pool	200,000.00	200,000.00	0.00	0.0%
Total Depreciation	<u>-15,206.39</u>	<u>-15,206.39</u>	<u>0.00</u>	<u>0.0%</u>
Total Fixed Assets	<u>200,000.00</u>	<u>200,000.00</u>	<u>0.00</u>	<u>0.0%</u>
TOTAL ASSETS	<u><u>231,300.08</u></u>	<u><u>221,601.31</u></u>	<u><u>9,698.77</u></u>	<u><u>4.38%</u></u>
LIABILITIES & EQUITY				
Equity				
Capital Replacement Reserves	26,294.99	21,494.99	4,800.00	22.33%
Capital Reserves	200,000.00	200,000.00	0.00	0.0%
Retained Earnings	0.00	9,023.39	-9,023.39	-100.0%
Unrestricted Reserves	106.32	106.32	0.00	0.0%
Net Income	4,898.77	-9,023.39	13,922.16	154.29%
Total Equity	<u>231,300.08</u>	<u>221,601.31</u>	<u>9,698.77</u>	<u>4.38%</u>
TOTAL LIABILITIES & EQUITY	<u><u>231,300.08</u></u>	<u><u>221,601.31</u></u>	<u><u>9,698.77</u></u>	<u><u>4.38%</u></u>

Crooked Pond Pool Association
Statement of Revenues & Expenses
Full Expensing of Tennis Court Resurfacing
January through December 2023

	<u>Jan - Dec 23</u>	<u>Jan - Dec 22</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense				
Income				
Assessments				
Current Year	47,800.00	44,267.90	3,532.10	7.98%
Prior Years	2,005.45	0.00	2,005.45	100.0%
Projects	<u>23,900.00</u>	<u>0.00</u>	<u>23,900.00</u>	<u>100.0%</u>
Total Assessments	<u>73,705.45</u>	<u>44,267.90</u>	<u>29,437.55</u>	<u>66.5%</u>
Interest Income	700.91	267.61	433.30	161.92%
Late Fees	883.72	78.92	804.80	1,019.77%
Miscellaneous Receipts	0.00	290.00	-290.00	-100.0%
Uncategorized Income	<u>425.00</u>	<u>0.00</u>	<u>425.00</u>	<u>100.0%</u>
Total Income	<u>75,715.08</u>	<u>44,904.43</u>	<u>30,810.65</u>	<u>68.61%</u>
Expense				
Cleaning/Janitorial	6,360.78	6,330.22	30.56	0.48%
Electricity	2,245.45	2,896.79	-651.34	-22.49%
General Repairs & Maintenance	1,218.43	6,285.63	-5,067.20	-80.62%
Insurance Expense	7,771.00	7,120.00	651.00	9.14%
Landscaping and Groundskeeping	1,755.00	1,680.00	75.00	4.46%
Legal & Professional	2,327.43	215.00	2,112.43	982.53%
Office Supplies & Software	336.90	349.80	-12.90	-3.69%
Other Business Expenses	0.00	171.00	-171.00	-100.0%
PO Box Rental	248.00	0.00	248.00	100.0%
Pool Chemicals	1,521.00	1,312.00	209.00	15.93%
Pool Maintenance	9,435.00	9,000.00	435.00	4.83%
Pool Reserves/Repairs	0.00	2,801.76	-2,801.76	-100.0%
Printing & Postage	340.59	431.37	-90.78	-21.05%
Resurfacing	26,343.00	0.00	26,343.00	100.0%
Security				
iCloud Monthly	300.00	375.00	-75.00	-20.0%
Pool Gate Lease	1,080.00	1,350.00	-270.00	-20.0%
Security Monitoring - Camera	<u>743.00</u>	<u>500.00</u>	<u>243.00</u>	<u>48.6%</u>
Total Security	<u>2,123.00</u>	<u>2,225.00</u>	<u>-102.00</u>	<u>-4.58%</u>
Taxes & Licenses	1,196.58	1,183.31	13.27	1.12%
Telephone	1,248.48	1,819.70	-571.22	-31.39%
Uncategorized Expense	309.97	4,093.65	-3,783.68	-92.43%
Water & Sewer	<u>1,235.70</u>	<u>962.45</u>	<u>273.25</u>	<u>28.39%</u>
Total Expense	<u>66,016.31</u>	<u>48,877.68</u>	<u>17,138.63</u>	<u>35.06%</u>
Net Ordinary Income	<u>9,698.77</u>	<u>-3,973.25</u>	<u>13,672.02</u>	<u>344.1%</u>
Other Income/Expense				
Other Expense				
Reserve Fees	<u>4,800.00</u>	<u>5,050.14</u>	<u>-250.14</u>	<u>-4.95%</u>
Total Other Expense	<u>4,800.00</u>	<u>5,050.14</u>	<u>-250.14</u>	<u>-4.95%</u>
Net Other Income	<u>-4,800.00</u>	<u>-5,050.14</u>	<u>250.14</u>	<u>4.95%</u>
Net Income	<u><u>4,898.77</u></u>	<u><u>-9,023.39</u></u>	<u><u>13,922.16</u></u>	<u><u>154.29%</u></u>

Crooked Pond Pool Association
Statement of Revenues & Expenses
Full Expensing of Tennis Court Resurfacing
 January through December 2023

	Jan - Dec 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Assessments				
Current Year	47,800.00	48,000.00	-200.00	99.58%
Prior Years	2,005.45			
Projects	23,900.00	24,000.00	-100.00	99.58%
Uncollectible Allowance	0.00	-400.00	400.00	0.0%
Total Assessments	73,705.45	71,600.00	2,105.45	102.94%
Interest Income	700.91	216.00	484.91	324.5%
Late Fees	883.72			
Uncategorized Income	425.00			
Total Income	75,715.08	71,816.00	3,899.08	105.43%
Expense				
Cleaning/Janitorial	6,360.78	6,950.00	-589.22	91.52%
Electricity	2,245.45	3,000.00	-754.55	74.85%
General Repairs & Maintenance	1,218.43	5,400.00	-4,181.57	22.56%
Insurance Expense	7,771.00	7,500.00	271.00	103.61%
Landscaping and Groundskeeping	1,755.00	2,000.00	-245.00	87.75%
Legal & Professional	2,327.43	400.00	1,927.43	581.86%
Office Supplies & Software	336.90	400.00	-63.10	84.23%
PO Box Rental	248.00			
Pool Chemicals	1,521.00	1,800.00	-279.00	84.5%
Pool Maintenance	9,435.00	9,000.00	435.00	104.83%
Printing & Postage	340.59	400.00	-59.41	85.15%
Resurfacing	26,343.00	26,000.00	343.00	101.32%
Security				
iCloud Monthly	300.00	300.00	0.00	100.0%
Pool Gate Lease	1,080.00	1,080.00	0.00	100.0%
Security Monitoring - Camera	743.00	400.00	343.00	185.75%
Total Security	2,123.00	1,780.00	343.00	119.27%
Taxes & Licenses	1,196.58	1,125.00	71.58	106.36%
Telephone	1,248.48	1,860.00	-611.52	67.12%
Uncategorized Expense	309.97	600.00	-290.03	51.66%
Water & Sewer	1,235.70	950.00	285.70	130.07%
Total Expense	66,016.31	69,165.00	-3,148.69	95.45%
Net Ordinary Income	9,698.77	2,651.00	7,047.77	365.85%
Other Income/Expense				
Other Expense				
Reserve Fees	4,800.00	4,800.00	0.00	100.0%
Total Other Expense	4,800.00	4,800.00	0.00	100.0%
Net Other Income	-4,800.00	-4,800.00	0.00	100.0%
Net Income	4,898.77	-2,149.00	7,047.77	-227.96%