

SUMMERLIN NORTH COMMUNITY ASSOCIATION
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022



HILBURN & LEIN, CPAs
A PROFESSIONAL CORPORATION

SUMMERLIN NORTH COMMUNITY ASSOCIATION

DECEMBER 31, 2022

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HILBURN & LEIN, CPAs
A PROFESSIONAL CORPORATION

Gary W. Lein, CPA
Shareholder

Greg M. Sinacori, CPA
Shareholder

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of
Summerlin North Community Association
Las Vegas, Nevada

Opinion

We have audited the accompanying financial statements of Summerlin North Community Association, which comprise the balance sheet as of December 31, 2022, and the related statements of revenues and expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Summerlin North Community Association as of December 31, 2022, 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.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Summerlin North Community Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note 5 are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion on the financial statements is not modified with respect to this matter.

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 Summerlin North Community Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Summerlin North Community Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Summerlin North Community Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

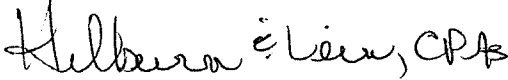
Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Reserve Analysis on page 13 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, who 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.

Summerlin North Community Association
June 7, 2023
Page 3

Other Matters

The Schedule of Revenues and Expenses - Budget and Actual on pages 14 and 15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Hilberon E. Linn, CPA

Las Vegas, Nevada
June 7, 2023

SUMMERLIN NORTH COMMUNITY ASSOCIATION
BALANCE SHEET
DECEMBER 31, 2022

<u>ASSETS</u>			
	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>	<u>TOTAL</u>
Cash - Notes 3 and 4	\$ 3,286,273	\$ 2,588,202	\$ 5,874,475
Certificates of Deposit - Note 4	1,003,392	1,405,592	2,408,984
Assessments Receivable, Net of Allowance for Doubtful Accounts \$771,420	325,742	-	325,742
Prepaid Expenses	620,001	-	620,001
Personal Property, Net of Accumulated Depreciation of \$191,393	1,852	-	1,852
TOTAL ASSETS	\$ <u>5,237,260</u>	\$ <u>3,993,794</u>	\$ <u>9,231,054</u>

LIABILITIES AND FUND BALANCES

Accounts Payable	\$ 99,081	\$ 128,513	\$ 227,594
Prepaid Assessments	1,096,947	-	1,096,947
Contract Liability - Note 2	-	3,865,281	3,865,281
	<u>1,196,028</u>	<u>3,993,794</u>	<u>5,189,822</u>
FUND BALANCES	<u>4,041,232</u>	<u>-</u>	<u>4,041,232</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>5,237,260</u>	\$ <u>3,993,794</u>	\$ <u>9,231,054</u>

The accompanying notes are an integral part of these financial statements

SUMMERLIN NORTH COMMUNITY ASSOCIATION
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2022

	OPERATING FUND	RESERVE FUND	TOTAL
REVENUES			
Member Assessments	\$ 11,315,559	\$ 582,371	\$ 11,897,930
Late Fees	51,216	-	51,216
Collection Fees	61,252	-	61,252
Fines, Net	136,393	-	136,393
Interest Income	11,836	15,242	27,078
Other Income	182,909	-	182,909
	<u>11,759,165</u>	<u>597,613</u>	<u>12,356,778</u>
EXPENSES			
Insurance	130,139	-	130,139
Electricity	70,984	-	70,984
Water	1,506,401	-	1,506,401
Landscaping	2,773,433	275,517	3,048,950
Repairs and Maintenance	193,133	289,848	482,981
Lighting	63,726	5,145	68,871
Wall and Gate Repairs and Maintenance	158,048	27,103	185,151
Building Repairs and Maintenance	134,037	-	134,037
Professional Management	1,115,003	-	1,115,003
Professional Fees	106,004	-	106,004
Collection Expense	61,732	-	61,732
Depreciation Expense	1,544	-	1,544
Postage and Printing	176,308	-	176,308
Council Facility and Administration - Note 8	5,321,322	-	5,321,322
Miscellaneous	10,325	-	10,325
	<u>11,822,139</u>	<u>597,613</u>	<u>12,419,752</u>
EXCESS OF EXPENSES OVER REVENUES	(62,974)	-	(62,974)
Fund Balances at Beginning of Year	<u>4,104,206</u>	<u>-</u>	<u>4,104,206</u>
FUND BALANCES AT END OF YEAR	\$ <u>4,041,232</u>	\$ <u>-</u>	\$ <u>4,041,232</u>

The accompanying notes are an integral part of these financial statements

SUMMERLIN NORTH COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	OPERATING FUND	RESERVE FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of Expenses over Revenues	\$ (62,974)	\$ -	\$ (62,974)
ADJUSTMENTS TO RECONCILE EXCESS EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation Expense	1,544	-	1,544
Interest on Certificates of Deposit	(3,392)	(5,592)	(8,984)
Changes in:			
Assessments Receivable	(24,559)	-	(24,559)
Prepaid Expenses	(26,106)	-	(26,106)
Accounts Payable	85,555	128,513	214,068
Prepaid Assessments	(70,810)	-	(70,810)
Contract Liability	-	211,634	211,634
	(37,768)	334,555	296,787
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (100,742)	\$ 334,555	\$ 233,813

The accompanying notes are an integral part of these financial statements

SUMMERLIN NORTH COMMUNITY ASSOCIATION
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	OPERATING FUND	RESERVE FUND	TOTAL
CASH FLOWS USED FOR INVESTING ACTIVITIES			
Purchase of Certificates of Deposit	\$ (1,000,000)	\$ (1,400,000)	\$ (2,400,000)
CASH FLOWS FROM FINANCING ACTIVITIES	-	-	-
NET DECREASE IN CASH	(1,100,742)	(1,065,445)	(2,166,187)
Cash at Beginning of Year	4,387,015	3,653,647	8,040,662
CASH AT END OF YEAR	<u>\$ 3,286,273</u>	<u>\$ 2,588,202</u>	<u>\$ 5,874,475</u>
SUPPLEMENTARY INFORMATION:			
Cash Paid for Federal Income Taxes	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

**SUMMERLIN NORTH COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 1 - ORGANIZATION

The Summerlin North Community Association was incorporated on September 25, 1990. The Association is a statutory planned unit development in Las Vegas, Nevada, organized as a domestic non-profit corporation for purposes of maintaining and preserving the Association's common property. The Association consists of 17,738 residential, commercial, and builder lots.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING METHOD

Summerlin North Community Association maintains its records on the accrual basis of accounting. Under this method of accounting, revenue is recognized when performance obligation is met, whether received or not, and expenses are recognized when goods or services are incurred, whether paid or not.

FUND ACCOUNTING

The Association uses fund accounting which requires funds, such as operating funds for day-to-day expenses, and reserve funds designated for future major repairs and replacements of the common property, to be classified separately for accounting and reporting purposes. Disbursements from the operating fund are made in accordance with an annual budget, or as approved by the Board of Directors. Disbursements from the reserve and other designated funds may be made only for their designated purposes.

REVENUE RECOGNITION

Accounting Standards Codification Topic 606, Revenue from Contracts with Customers requires the recognition of revenue when the performance obligations under the terms of the contracts with customers are satisfied. Revenue is recognized in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. For purposes of this Association, the definition of customers includes the Association's members.

MEMBER ASSESSMENTS

Association members are subject to monthly assessments to provide funds for the Association's operating expenses and future major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligation related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligation to the reserve fund assessments is satisfied when these funds are expended for their designated purpose. Any excess assessments at year end are retained by the Association for use in the succeeding year.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from members. The Association's policy is to assess late fees on assessments over 30 days past due, and place liens on the properties of homeowners whose assessments are 90 days or more delinquent. The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include consideration of past experience and susceptibility to factors outside the Association's control. For the year ended December 31, 2022, there were not any uncollectible assessments that were excluded from revenue. Assessments receivable at the balance sheet date represents amounts due from members for maintenance assessments, late fees, other fees, and fines, if any, due from owners, and are stated at the amounts expected to be collected. The balances of assessments receivable at the beginning of 2022 and the end of 2022 were \$1,042,698 and \$1,097,162 respectively.

**SUMMERLIN NORTH COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In February 2016, the FASB issued ASU 2016-02, “Leases” (Topic 842). The ASU supersedes FASB ASC 840, Leases, and added Topic 842, Leases, to the FASB ASC. Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right of use assets and lease liabilities on the balance sheet for operating leases.

Effective January 1, 2022, as a result of the change in accounting standards, the Association adopted FASB issued ASU 2016-02, *Leases (Topic 842)* and the related amendments using the modified retrospective transition method approach with January 1, 2022 as the initial date of application, and elected to adopt the following practical expedients as accounting policy upon initial adoption of the lease standard:

- **Short-term lease exception:** Allows the Association to not recognize leases with a contractual term of 12 months or less on the balance sheet.
- **Election to not separate non-lease components:** Allows the Association to not separate lease and non-lease components and to account for both components as a single component, recognized on its balance sheet.
- **Package of practical expedients for transition:** Allows the Association to not reassess (i) whether any expired or existing contracts are or contain leases, (ii) the lease classification for any expired or existing leases and (iii) whether any initial direct costs for any existing leases as of the transition date.
- **Additional transition method/relief:** Allows the Association to apply the transition requirements in the lease standard as of the transition date, with any impact of initially applying the lease standard recognized as a cumulative effect adjustment to retained earnings in the period of adoption. Adoption of this standard had no effect on these financial statements.

CAPITAL CONTRIBUTIONS

At the initial transfer date between homeowner and builder, six months of assessments are collected as a capital contribution. Two months of assessments remain with the Association. The remaining four months of assessments are transferred to The Summerlin Council (See Note 8).

PROPERTY AND EQUIPMENT

Real property and common areas annexed to the Association by the Declarant are not capitalized on the Association financial statements. Common property, which consists of walls, a community management building, sidewalks, fences, lighting, signs, and various landscaping, are restricted to use by the Association’s members, their tenants, and guests. Such property provides no probable future economic benefit to the Association, and such ownership is only a legal formality that has no effect on the financial position of the Association. Replacements and improvements to the real property and common areas are also not capitalized. According to the Association governing documents, a majority of all owners must approve dispositions of any common real property.

Personal property purchased with Association funds, to which the Association holds the title, is capitalized at cost, and depreciated over an estimated useful life using the straight-line method of depreciation. Personal property consists of office furniture and equipment, and useful lives range from 5 to 7 years.

**SUMMERLIN NORTH COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRACT ASSETS AND LIABILITIES

Contract assets represent revenue recognized in excess of amounts billed. No such amounts are reported on the Balance Sheet as of December 31, 2022. Contract liabilities represent revenue collected in advance of the contract period or amount billed in excess of revenue recognized. These liabilities are reported on the Balance Sheet as a contract liability. 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 performance obligation related to replacement of reserve assessments. The balances of contract liabilities as of the beginning of 2022 and end of 2022 were \$3,653,647 and \$3,865,281, respectively.

USE OF ESTIMATES

The preparation of financial statements, in conformity with U.S. generally accepted accounting principles, requires management to make certain estimates and assumptions that affect amounts reported in the statements and accompanying notes. Assets, liabilities, and contingency disclosures require estimates as of the date of the financial statements. Revenues and expenses require estimates during the reporting period. Actual results could differ from those estimates.

DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of the independent auditors' report, which is the date the financial statements were issued.

CASH FLOW STATEMENT

For purposes of the Statement of Cash Flows, the Association considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

NOTE 3 - CASH

Cash at December 31, 2022, as represented on the balance sheet is detailed as follows:

	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>
Petty Cash	\$ 200	\$ -
Pacific Western Bank:		
General Checking	1,494,989	-
Money Market Account	1,791,084	-
General Checking	-	604,355
Money Market Account	-	1,983,847
	<u>\$ 3,286,273</u>	<u>\$ 2,588,202</u>

**SUMMERLIN NORTH COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 4 - OFF-BALANCE SHEET RISK AND CONCENTRATIONS OF RISK

The Association maintains its funds and certificates of deposit at Pacific Western Bank. These funds and CDs are federally insured by the FDIC up to \$250,000. In addition, Liberty Mutual Insurance Company, (a private carrier), has issued a Depositor Surety Bond to Pacific Western Bank. Liberty Mutual Insurance Company guarantees the full and complete payment required to be made by Pacific Western Bank on its obligations to the Association in the event of bank failure. The Bond is continuous and may be cancelled by the Surety or the Principal as set forth in the Bond. At December 31, 2022, Pacific Western Bank reported deposits before outstanding checks of \$8,489,331 of which \$250,000 was insured by FDIC, resulting in a cash and CD balance of \$8,739,331 subject to private insurance. In March 2023, Liberty Mutual Insurance Company sent a 30 day cancellation notice. Effective April 19, 2023, Liberty Mutual Insurance Company cancelled the depository bond on all Pacific Western Bank accounts. The Association has reallocated their funds into various FDIC insured accounts at Pacific Western Bank.

NOTE 5 - 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 \$3,865,281 at December 31, 2022, and are presented on the accompanying balance sheet as a contract liability (assessments received in advance) and/or reserve fund equity is held in separate accounts and are not available for operating purposes.

The Association engaged an independent consultant who conducted a study in 2020 to estimate the remaining useful lives and the replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of future replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, 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 future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase the regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available. According to the reserve study, the recommended reserve contribution for 2022 was \$899,500. The Association assessed \$794,000 and recognized \$582,371 in assessment revenue for reserve funding in 2022.

NOTE 6 - FEDERAL INCOME TAXES

The Association has received IRS approval under Internal Revenue Section 501(c)(4) to file as an organization exempt from federal income tax. All income except unrelated business activity revenue is exempt from taxation. For the year ended December 31, 2022, the Association had no unrelated business activity revenue, resulting in no tax liability. Tax years open under the statute of limitations are 2020, 2021, and 2022.

NOTE 7 - OTHER TRANSACTION

On September 26, 1997, the Declarant entered into a special transaction with a commercial property owner. The commercial property paid the Association \$160,053 as a one-time assessment. This figure was computed based on the present value of their current monthly assessment of \$1,087 at 8 percent for 30 years. On a monthly basis, the regular monthly assessment is recognized as assessment income along with the applicable discount. For 2022, \$13,046 in assessment income was recognized, net of a present value discount of \$11,309. The remaining balance of \$140,414 has been combined with other prepaid assessments.

**SUMMERLIN NORTH COMMUNITY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 8 - THE SUMMERLIN COUNCIL

In 1997, the members of the Association voted to amend the existing governing documents of the Association to form The Summerlin Council. The Council provides for member services and recreational programs, facilities and amenity maintenance, and park monitor services within Council parks. Funding for The Summerlin Council comes from Summerlin North, South, and West Community Associations, and Summerlin Centre Owner's Association based on the total density of each Association.

For 2022, Summerlin North Community Association was required to contribute \$5,321,322 which represented approximately 41% of the Council operations. In order to assist the Council in paying operational expenses on a timely basis, each Association advances the Council funds based on anticipated expenses. This is reconciled monthly with any over payment shown as a prepaid expense, and any under payment shown as a liability.

The Mutual Benefit Agreement entered into with The Summerlin Council ran through December 31, 2022. The agreement is automatically extended for a successive period of one year, unless one of the executing parties provides notice at least 90 days prior to the termination date of its intention not to renew the agreement. The agreement was renewed for 2023.

SUPPLEMENTARY FINANCIAL INFORMATION

**SUMMERLIN NORTH COMMUNITY ASSOCIATION
SCHEDULE OF RESERVE ANALYSIS
DECEMBER 31, 2022**

(UNAUDITED)

The Association engaged an independent specialist to conduct a Reserve Study in 2020 to estimate the remaining useful lives and the replacement costs of the common property components. Replacement cost projections are based on future estimated replacement costs with assumed values of interest at 2.5% and inflation at 2.5%. The study uses the threshold method, which funds the reserve by attaining and maintaining a specified dollar or percent funded amount.

MAJOR COMPONENT LOCATION	ESTIMATED REMAINING USEFUL LIFE	ESTIMATED FUTURE REPLACE- MENT COST
General Common Area	0 - 4	\$ 956,630
Hills Village North	0 - 16	448,081
Hills Village South	0 - 6	522,159
Pueblo	0 - 7	530,951
Canyons	0 - 12	363,464
Trails	0 - 15	504,219
Crossings	0 - 9	674,389
Arbors	0 - 12	1,650,094
Community Management Building	0 - 19	<u>600,127</u>
		<u>\$ 6,250,114</u>

(See Independent Auditors' Report)

**SUMMERLIN NORTH COMMUNITY ASSOCIATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>ACTUAL</u>	<u>BUDGET</u>	VARIANCE FAVORABLE/ <u>(UNFAVORABLE)</u>
		(UNAUDITED)	(UNAUDITED)
<u>OPERATING FUND</u>			
REVENUES			
Member Assessments	\$ 11,315,559	\$ 11,327,255	\$ (11,696)
Late Fees	51,216	50,000	1,216
Collection Fees	61,252	80,000	(18,748)
Fines, Net	136,393	40,000	96,393
Uncollectable Assessments	-	(20,000)	20,000
Interest Income	11,836	5,000	6,836
Other Income	182,909	386,426	(203,517)
	<u>11,759,165</u>	<u>11,868,681</u>	<u>(109,516)</u>
EXPENSES			
Insurance	130,139	123,984	(6,155)
Electricity	70,984	75,000	4,016
Water	1,506,401	1,969,989	463,588
Landscaping	2,773,433	2,390,181	(383,252)
Repairs and Maintenance	193,133	139,500	(53,633)
Lighting	63,726	68,000	4,274
Wall and Gate Repairs	158,048	79,500	(78,548)
Building Maintenance	134,037	146,200	12,163
Professional Management	1,115,003	1,116,628	1,625
Professional Fees	106,004	169,055	63,051
Collection Expense	61,732	80,000	18,268
Depreciation Expense	1,544	1,544	-
Postage and Printing	176,308	180,000	3,692
Council Facility and Administration	5,321,322	5,321,300	(22)
Miscellaneous	10,325	7,800	(2,525)
	<u>11,822,139</u>	<u>11,868,681</u>	<u>46,542</u>
EXCESS OF EXPENSES OVER REVENUES	\$ (62,974)	\$ -	\$ (62,974)

(See Independent Auditors' Report)

**SUMMERLIN NORTH COMMUNITY ASSOCIATION
SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

	ACTUAL	BUDGET (UNAUDITED)	VARIANCE FAVORABLE/ (UNFAVORABLE) (UNAUDITED)
<u>RESERVE FUND</u>			
REVENUES			
Member Assessments	\$ 582,371	\$ 794,000	\$ (211,629) *
Interest Income	15,242	15,000	242
	597,613	809,000	(211,387)
EXPENSES			
Landscaping	275,517	600,000	324,483
Common Area Repairs	289,848	165,000	(124,848)
Lighting Repairs	5,145	30,000	24,855
Wall and Fence Repairs	27,103	50,000	22,897
	597,613	845,000	247,387
EXCESS OF EXPENSES OVER REVENUES	\$ -	\$ (36,000)	\$ 36,000

* The Association recognizes reserve revenue from members as the related expenses (performance Obligations) are satisfied.

(See Independent Auditors' Report)