

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

SEPTEMBER 30, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Unit Owners
Herons Glen Homeowners'
Association, Inc.

Dear Members:

Opinion

We have audited the accompanying financial statements of Herons Glen Homeowners' Association, Inc., which comprise the balance sheet as of September 30, 2024, and the related statements of revenues, 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 Herons Glen Homeowners' Association, Inc. as of September 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Herons Glen Homeowner's Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Effect of Adopting New Accounting Standard

As discussed in Note 3 to the financial statements, as of January 1, 2023, the Association adopted Financial Accounting Standards Board ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which supersedes accounting standards that currently exist under GAAP and provides a methodology for measuring credit losses that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The standard also requires Association's to disclose additional information, including expanded credit quality disclosures. The Association will be required to apply the expected credit loss model for accounts receivable, loans, and other financial instruments.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Herons Glen Homeowners' Association, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the 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 Herons Glen Homeowners' Association, Inc. 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 Herons Glen Homeowners' Association, Inc. 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 Supplementary Information on Future Major Repairs and Replacements be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Detailed Statement of Operating Revenues and Expenses Budget Comparison and the Detailed Statement of Operating Revenues and Changes in Fund Balances by Department are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Gerstle, Rosen & Goldenberg, P.A.

GERSTLE, ROSEN & GOLDENBERG, P.A.
Certified Public Accountants
Fort Myers, Florida
May 14, 2025

HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.

BALANCE SHEET

September 30, 2024

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 245,066	\$ 1,152,665	\$ 1,397,731
Accounts Receivable	15,204		15,204
Prepaid Expenses	161,993		161,993
Prepaid Cable Fees	134,284		134,284
Prepaid Insurance	19,171		19,171
Due To/From Funds	(800)	800	
TOTAL ASSETS	\$ 574,918	\$ 1,153,465	\$ 1,728,383
LIABILITIES AND FUND BALANCES			
Accounts Payable	\$ 35,739	\$ 6,305	\$ 42,044
Income Tax Payable	4,222		4,222
Capital Contributions Payable	13,632		13,632
Prepaid Maintenance Fees	149,411		149,411
Insurance Proceeds	9,333		9,333
Deferred Reserves - Contract Liabilities		1,147,160	1,147,160
Deferred Revenue - Blue Stream	256,075		256,075
TOTAL LIABILITIES	468,412	1,153,465	1,621,877
Fund Balances	106,506	0	106,506
TOTAL LIABILITIES AND FUND BALANCES	\$ 574,918	\$ 1,153,465	\$ 1,728,383

The Accompanying Notes Are An Integral Part Of This Financial Statement.

HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES

Year Ended September 30, 2024

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Maintenance Fees - Operating	\$ 1,266,204	\$ 239,616	\$ 1,505,820
Maintenance Fees - Lawn Mowing	608,244		608,244
Maintenance Fees - Cable TV	1,150,136		1,150,136
Maintenance Fees - Marathona	13,686		13,686
Fines	10,000		10,000
Interest Income	9,363	26,386	35,749
Late Fees /Interest	3,411		3,411
Activities	5,063		5,063
Blue Stream Income	57,979		57,979
HGRD Security Services	19,693		19,693
Insurance Proceeds	12,211		12,211
Miscellaneous Income	180		180
	<u>3,156,170</u>	<u>266,002</u>	<u>3,422,172</u>
EXPENSES			
Administrative	122,247		122,247
Insurance	31,757		31,757
Security	338,964		338,964
Maintenance - Grounds	799,084		799,084
Utilities	1,475,836		1,475,836
Payroll	306,919		306,919
Activities	950		950
Bingo	3,078		3,078
Reserve Expenditures		266,002	266,002
	<u>3,078,835</u>	<u>266,002</u>	<u>3,344,837</u>
EXCESS REVENUES (EXPENSES)	77,335	0	77,335
FUND BALANCES - BEGINNING	29,171	0	29,171
FUND BALANCES - ENDING	<u>\$ 106,506</u>	<u>\$ 0</u>	<u>\$ 106,506</u>

The Accompanying Notes Are An Integral Part Of This Financial Statement.

HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

Year Ended September 30, 2024

	OPERATING FUND	REPLACEMENT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
EXCESS REVENUES (EXPENSES)	\$ 77,335	\$ 0	\$ 77,335
ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
DECREASE (INCREASE) IN ASSETS:			
Accounts Receivable	(7,240)		(7,240)
Prepaid Expenses	(7,761)		(7,761)
Prepaid Cable Fees	30,403		30,403
Prepaid Insurance	(1,099)		(1,099)
Due To/From Funds	800	(800)	
INCREASE (DECREASE) IN LIABILITIES:			
Accounts Payable	(54,694)	(361,934)	(416,628)
Income Tax Payable	4,222		4,222
Capital Contributions Payable	(284)		(284)
Prepaid Maintenance Fees	(627)		(627)
Insurance Proceeds	9,333		9,333
Deferred Reserves - Contract Liabilities		256,050	256,050
Deferred Revenue - Blue Stream	(57,979)		(57,979)
Deferred Revenue - HGRD	(4,923)		(4,923)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(12,514)	(106,684)	(119,198)
NET INCREASE (DECREASE) IN CASH	(12,514)	(106,684)	(119,198)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	257,580	1,259,349	1,516,929
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 245,066	\$ 1,152,665	\$ 1,397,731
SUPPLEMENTAL DISCLOSURES:			
Interest Paid	\$ 0	\$ 0	\$ 0
Income Tax Paid	\$ 0	\$ 0	\$ 0

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

1. ORGANIZATION

Hérons Glen Homeowners' Association, Inc. is a statutory homeowners association incorporated on November 8, 1990, in the State of Florida. The Association is responsible for the operation and maintenance of the common property of Herons Glen Homeowners' Association, Inc. and when complete will consist of 1,300 units comprised of 13 duplexes, 22 four-plexes and 1,186 single family homes. The Association is located in North Fort Myers, Florida.

2. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 14, 2025, the date that the financial statements were available to be issued.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned and expenses are recorded in the period in which they are incurred.

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Member Assessments

Association members are subject to periodic assessments to provide funds for the Association's operating expenses and 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 obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose.

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

SEPTEMBER 30, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Member Assessments (Continued)

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments plus late fees and other charges, if applicable, from association members. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent according to its collection policy. The balances of assessments receivable as of the beginning and end of the year are \$7,964 and \$15,204, respectively.

The Association treats uncollectible assessments and other charges as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include closely monitoring of outstanding assessment balances by management, member payment history of outstanding assessment balances, and susceptibility to factors outside the Association's control. It is the opinion of the board of directors that the Association will ultimately prevail against homeowners with delinquent assessments and, accordingly, no allowance for credit losses is deemed necessary.

Contract Liability (Assessments received in advance - Replacement Fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance – Replacement Fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The balances of contract liabilities (assessments received in advance – Replacement Fund) as of the beginning and end of the year are \$891,110 and \$1,147,160, respectively.

Cash and Cash Equivalents

For presentation purposes, cash and cash equivalents consists of checking, money market and treasury bills with an original maturity of 90 days or less.

Property and Equipment

Real property and common area property acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the owners in common and not by the Association. Capital Expenditures are charged to the designated funds. Generally, personal property purchased by the Association is expensed.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

SEPTEMBER 30, 2024

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

Under FASB ASC 820, Fair Value Measurements and Disclosures, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and the fair value of its financial assets and liabilities at September 30, 2024 and therefore, no adjustment for the effect of FASB ASC 820 was made to the Associations' financial statements at September 30, 2024.

Adoption of FASB ASU 2016-13 and Related Standards

Effective January 1, 2023, the Association adopted FASB ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Association adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Association's financial statements but did change how the allowance for credit losses is determined.

4. DEFERRED RESERVES – CONTRACT LIABILITIES - FUTURE MAJOR REPAIRS AND REPLACEMENTS

Florida Statutes provide that each proposed budget include provisions for reserves for capital improvements and deferred maintenance. These accounts, if adopted, are restricted to their intended purpose unless modified by a qualified unit owner vote. In addition, any special assessments adopted are also restricted to their specific purpose.

The Association is funding the future major repairs and replacements based on estimates performed by the board of directors for the remaining useful lives and the replacement costs of the components. 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, the Association has the right to increase regular assessments, levy special assessments, or delay major repairs and replacements until funds are available.

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

SEPTEMBER 30, 2024

4. DEFERRED RESERVES – CONTRACT LIABILITIES - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The balance of the Contract Liability / Replacement Fund at September 30, 2024, consists of the following:

COMPONENTS	BALANCE 9/30/2023	INTEREST/ ASSESSMENTS	EXPENDITURES	BALANCE 9/30/2024
Pooled	\$856,741	\$505,303	(\$250,163)	\$1,111,881
Villas	31,521	16,299	(13,367)	34,453
Bingo	2,848	450	(2,472)	826
TOTAL	\$891,110	\$522,052	(\$266,002)	\$1,147,160

Reserves-Expenditures

As of September 30, 2024, the Association had expenditures with following vendors for approximately \$266,002.

VENDORS	Reserves Approxiamtely Cost
Southern Stripping Solutions LLC	\$45,999
England's Tree Service, Inc.	44,475
Premier Pressure Cleaning LLC	40,829
Everglades Pinestraw, Inc.	35,301
ASAP Mailbox & More, Inc.	18,159
Infinite Home Solutions	14,553
Rick Roberts Lawn Service	9,180
Other Vendors	57,506
TOTAL	\$266,002

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

SEPTEMBER 30, 2024

4. DEFERRED RESERVES – CONTRACT LIABILITIES - FUTURE MAJOR REPAIRS AND REPLACEMENTS (Continued)

Commitment – Southern Stripping Solutions LLC

The Association has contracted with Southern Stripping Solutions LLC in the amount of \$698,136. As of December 31, 2023, the Association has paid \$45,999 for pavement and curb restoration.

5. INCOME TAXES

The Association is subject to federal and state taxation and has essentially two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments. The other method enables the Association to elect to exclude from taxation "exempt function income," which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different rates.

The Association has filed its 2024 federal income tax return on Form 1120H under Section 528 of the Internal Revenue Code.

Federal income taxes due as of September 30, 2024 amounted to \$4,222.

The Association has evaluated its tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC").

The Association has no income tax returns under examination by the Internal Revenue Service. The Association believes it is no longer subject to income tax examinations for years prior to 2020.

6. COMMITMENTS

The Association has various contract services to maintain the common property including accounting services, cable television and internet service, security contract, common area landscaping, lake and fountain maintenance and wetland and preserve maintenance. These contracts have different expiration dates and renewal terms.

7. CAPITAL CONTRIBUTIONS / CAPITAL CONTRIBUTIONS PAYABLE

The capital contribution fund is comprised of \$200 per member which was collected at the time of the initial sale of a unit or resale of a unit. Subsequent sales require the buyer to reimburse the seller their capital contribution, there is therefore no required transaction by the Association.

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

SEPTEMBER 30, 2024

7. CAPITAL CONTRIBUTIONS / CAPITAL CONTRIBUTIONS PAYABLE (Continued)

Capital contributions payable represents initial capital contributions in excess of \$200 that are due to homeowners in the event of a resale of their parcel. The documents of the Association stipulate that each owner will be reimbursed the initial contribution upon resale of their property. Since amounts have varied over the years, the payable amount represents the amounts homeowners have paid in excess of the current \$200 capital contribution amount. As of September 30, 2024, there is a balance of \$13,632 in Capital Contributions Payable.

8. DEFERRED REVENUE – BLUE STREAM INCENTIVE / PREPAID CABLE FEE EXPENSE

In February 2020, the Association entered into a nine (9) year service agreement with Blue Stream Communications, LLC (Blue Stream) for video and high-speed internet services, effective as of June 1, 2021. As consideration for granting Blue Stream the right to provide services, Blue Stream agreed to compensate the Association with a payment of \$400 per unit, plus an additional \$10,000 for a total of \$523,600. This amount was received in full by September 30, 2024, with \$57,979 in revenue recognized in the period and \$256,075 deferred for annual amortization during the remaining term of the contract.

The Association is amortizing expenses related to Blue Stream incentive income and as of September 30, 2024, there is currently \$256,075 deferred for annual amortization during the remaining term of the contract.

9. INSURANCE PROCEEDS

In 2023, the Association received insurance claim proceeds of \$21,544 and incurred \$12,211 in expenditures related to security cameras. As of September 30, 2024, the Association has a deferred balance of \$9,333 for use in a future period.

10. CONTINGENCIES

Legal

The Association is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business. Management believes that none of the claims and complaints of which it is currently aware will materially affect its business, financial position, or future operating results with the exception to increase in legal costs which may or may not be covered by the Association's director and officers insurance, although no assurance can be given with respect to the ultimate outcome of any such claims or with respect to the occurrence of any future claims.

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

SEPTEMBER 30, 2024

10. CONTINGENCIES (Continued)

Insurance Deductible

The current property insurance policy contains a deductible for hurricane damage. Should the Association incur an uninsured loss, the Association has the right to increase maintenance fees, pass a special assessment or delay repairs until funds are available.

SUPPLEMENTARY INFORMATION

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

**SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS**

**September 30, 2024
(Unaudited)**

In 2009, the Association conducted an independent study to estimate the remaining useful lives and the replacement costs of the components of common property. Actual expenditures may vary from these estimated amounts and the variance may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The following presents significant information about the components of common property:

<u>COMPONENTS</u>	<u>ESTIMATED REMAINING USEFUL LIVES</u>	<u>ESTIMATED 20 YEAR REPLACEMENT COSTS</u>
<u>Pooled HOA</u>		
Asphalt Replacement & Pavers	0 - 15 Years	\$4,086,042
Signs, Mailboxes, Posts	14 Years	190,422
Gatehouse	0 - 12 Years	239,438
Fountains	1 - 10 Years	46,140
HOA	2 - 15 Years	265,736
Asphalt / Sidewalk / Street Lights	0 - 17 Years	2,839,778
Lakes	0 - 16 Years	125,000
General Deferred Maint. & Repairs	Varied Years	5,273,148
TOTAL		<u>\$13,065,704</u>
<u>Villas</u>		
		<u>ESTIMATED REPLACEMENT COSTS</u>
Pressure Cleaning	0 Years	12,981
Painting	4 Years	67,228
Mulch	0 Years	3,226
Tree Trimming	0 Years	1,818
Fertilizer & Pest Control	0 Years	761
TOTAL		<u>\$86,014</u>
	<u>CONTRIBUTION PERIOD</u>	<u>POOLING METHOD FUNDING</u>
Annual - Pooled HOA	2024 / 2025	480,216
Annual - Villas	2024 / 2025	15,000
		<u>\$495,216</u>

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

SUPPLEMENTAL INFORMATION

**DETAILED STATEMENT OF REVENUES AND EXPENSES
BUDGET COMPARISON
OPERATING FUND**

Year Ended September 30, 2024

	ACTUAL	BUDGET (Unaudited)	VARIANCE
<u>REVENUES:</u>			
Maintenance Fees - Operating	\$1,266,204	\$1,266,235	(\$31)
Maintenance Fees - Lawn Mowing	608,244	608,244	0
Maintenance Fees - Cable TV	1,150,136	1,150,108	28
Maintenance Fees - Marathona	13,686	13,686	0
Fines	10,000	19,693	(9,693)
Interest Income	9,363	0	9,363
Late Fees/Interest	3,411	0	3,411
Activities	5,063	0	5,063
Blue Stream Income	57,979	50,000	7,979
HGRD Security Services	19,693	0	19,693
Insurance Proceeds	12,211	0	12,211
Miscellaneous	180	0	180
TOTAL REVENUES	3,156,170	3,107,966	48,204
<u>EXPENSES:</u>			
<u>ADMINISTRATIVE</u>			
Accounting Services	27,036	27,036	0
Accounting Office Supplies	914	1,500	586
Accounting Postage	930	1,000	70
Audit	6,900	6,900	0
Bad Debt	0	2,500	2,500
Bank Fees	0	50	50
Cable Project Fees	30,404	30,404	0
Casual Labor	0	500	500
Collections Fees	0	1,000	1,000
Communications	10,525	7,700	(2,825)
Copier and Postage Lease	5,210	5,523	313
Corporate Annual Report	61	62	1
Dues and Subscriptions	0	100	100
Licenses and Permits	28	0	(28)
Legal Fees	6,241	9,700	3,459
Miscellaneous Contingency	6,875	6,900	25
Office - HOA	7,220	9,000	1,780
Postage - HOA	3,400	2,500	(900)
Professional Fees	6,199	4,900	(1,299)
Supplies and Decorations	1,441	3,500	2,059
Tax Expense	4,222	1,500	(2,722)
Volunteer	4,641	4,500	(141)
TOTAL ADMINISTRATIVE	122,247	126,775	4,528

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

SUPPLEMENTAL INFORMATION

**DETAILED STATEMENT OF REVENUES AND EXPENSES
BUDGET COMPARISON
OPERATING FUND**

Year Ended September 30, 2024

EXPENSES(Continued):	ACTUAL	BUDGET (Unaudited)	VARIANCE
<u>INSURANCE</u>			
Insurance - Auto	4,681	2,063	(2,618)
Insurance - D&O	4,665	4,477	(188)
Insurance - Crime	1,133	1,554	421
Insurance - General Liability	8,473	8,466	(7)
Insurance - Property Gatehouse	3,728	7,828	4,100
Insurance - Umbrella	3,460	3,344	(116)
Insurance - Workers Comp	5,617	5,558	(59)
TOTAL INSURANCE	31,757	33,290	1,533
<u>SECURITY</u>			
Security Contract	286,310	284,700	(1,610)
Security Access Control	12,048	11,320	(728)
Security Building -Gate Repairs and Maint.	29,741	13,000	(16,741)
Security Roving Patrol	4,353	4,100	(253)
Security Utilities	6,512	7,200	688
TOTAL SECURITY	338,964	320,320	(18,644)
<u>MAINTENANCE - GROUNDS</u>			
Grounds Maintenance Contract	130,915	134,070	3,155
Grounds Maintenance - Marathona	13,313	13,686	373
Grounds Mulch	1,125	10,000	8,875
Grounds Landscape Replacement	1,849	3,000	1,151
Grounds Repair / Maintenance	11,986	11,000	(986)
Lake / Fountain Maintenance	9,327	9,753	426
Lawn Mowing	590,575	608,244	17,669
Road Sweeping	5,292	5,450	158
Tree Trimming	15,175	10,000	(5,175)
Vehicle Maintenance / Repair	1,303	1,200	(103)
Wetland and Preserve Maintenance	18,224	18,225	1
TOTAL MAINTENANCE - GROUNDS	799,084	824,628	25,544
<u>UTILITIES</u>			
Cable and Internet Fees	1,175,972	1,200,108	24,136
Electricity - Fountains & Bubblers	3,412	3,385	(27)
Electricity - Street Lights	51,842	39,600	(12,242)
Telephone - Office	2,246	2,220	(26)
Water - CLIS Irrigation	242,364	242,364	0
TOTAL UTILITIES	1,475,836	1,487,677	11,841

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

SUPPLEMENTAL INFORMATION

**DETAILED STATEMENT OF REVENUES AND EXPENSES
BUDGET COMPARISON
OPERATING FUND**

Year Ended September 30, 2024

<u>EXPENSES(Continued):</u>	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>PAYROLL</u>			
Payroll - Admin	7,382	7,341	(41)
Payroll - Benefits	39,569	49,000	9,431
Payroll - Staff	241,024	239,127	(1,897)
Payroll - Tax	18,944	19,808	864
TOTAL PAYROLL	<u>306,919</u>	<u>315,276</u>	<u>8,357</u>
<u>ACTIVITIES</u>			
Activities	950	0	(950)
TOTAL ACTIVITIES	<u>950</u>	<u>0</u>	<u>(950)</u>
<u>BINGO</u>			
Bingo Expense	3,078	0	(3,078)
TOTAL BINGO	<u>3,078</u>	<u>0</u>	<u>(3,078)</u>
TOTAL OPERATING EXPENSES	<u>3,078,835</u>	<u>3,107,966</u>	<u>29,131</u>
EXCESS OPERATING REVENUES (EXPENSES)	<u>\$77,335</u>	<u>\$0</u>	<u>\$77,335</u>

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

SUPPLEMENTAL INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
CHANGES IN FUND BALANCES BY COMMON, ACTIVITIES, BINGO AND MARATHONA**

Year Ended September 30, 2024

	<u>ACTUAL COMMON</u>	<u>ACTUAL ACTIVITIES</u>	<u>ACTUAL BINGO</u>	<u>ACTUAL MARATHONA</u>	<u>ACTUAL TOTAL</u>
REVENUES:					
Maintenance Fees - Operating	\$1,266,204	0	0	0	\$1,266,204
Maintenance Fees - Lawn Mowing	608,244	0	0	0	608,244
Maintenance Fees - Cable TV	1,150,136	0	0	0	1,150,136
Maintenance Fees - Marathona	0	0	0	13,686	13,686
Fines	10,000	0	0	0	10,000
Interest Income	9,363	0	0	0	9,363
Late Fees/Interest	3,411	0	0	0	3,411
Activities	0	1,561	3502	0	5,063
Blue Stream Income	57,979	0	0	0	57,979
HGRD Security Services	19,693	0	0	0	19,693
Insurance Proceeds	12,211	0	0	0	12,211
Miscellaneous	180	0	0	0	180
TOTAL REVENUE	<u>3,137,421</u>	<u>1,561</u>	<u>3,502</u>	<u>13,686</u>	<u>3,156,170</u>
EXPENSES:					
<i>ADMINISTRATIVE</i>					
Accounting Services	27,036	0	0	0	27,036
Accounting Office Supplies	914	0	0	0	914
Accounting Postage	930	0	0	0	930
Audit	6,900	0	0	0	6,900
Cable Project Fees	30,404	0	0	0	30,404
Communications	10,525	0	0	0	10,525
Copier and Postage Lease	5,210	0	0	0	5,210
Corporate Annual Report	61	0	0	0	61
Licenses and Permits	28	0	0	0	28
Legal Fees	6,241	0	0	0	6,241
Miscellaneous Contingency	6,875	0	0	0	6,875
Office - HOA	7,220	0	0	0	7,220
Postage - HOA	3,400	0	0	0	3,400
Professional Fees	6,199	0	0	0	6,199
Supplies and Decorations	1,441	0	0	0	1,441
Tax Expense	4,222	0	0	0	4,222
Volunteer	4,641	0	0	0	4,641
TOTAL ADMINISTRATIVE	<u>122,247</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>122,247</u>

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

SUPPLEMENTAL INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
CHANGES IN FUND BALANCES BY COMMON, ACTIVITIES, BINGO AND MARATHONA**

Year Ended September 30, 2024

	<u>ACTUAL COMMON</u>	<u>ACTUAL ACTIVITIES</u>	<u>ACTUAL BINGO</u>	<u>ACTUAL MARATHONA</u>	<u>ACTUAL TOTAL</u>
<u>EXPENSES(Continued):</u>					
<u>INSURANCE</u>					
Insurance - Auto	4,681	0	0	0	4,681
Insurance - D&O	4,665	0	0	0	4,665
Insurance - Crime	1,133	0	0	0	1,133
Insurance - General Liability	8,473	0	0	0	8,473
Insurance - Property Gatehouse	3,728	0	0	0	3,728
Insurance - Umbrella	3,460	0	0	0	3,460
Insurance - Workers Comp	5,617	0	0	0	5,617
TOTAL INSURANCE	<u>31,757</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31,757</u>
<u>SECURITY</u>					
Security Contract	286,310	0	0	0	286,310
Security Access Control	12,048	0	0	0	12,048
Security Building & Gate R&M	29,741	0	0	0	29,741
Security Roving Patrol	4,353	0	0	0	4,353
Security Utilities	6,512	0	0	0	6,512
TOTAL SECURITY	<u>338,964</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>338,964</u>
<u>MAINTENANCE - GROUNDS</u>					
Grounds Maintenance Contract	130,915	0	0	0	130,915
Grounds Maintenance - Marathona	0	0	0	13,313	13,313
Grounds Mulch	1,125	0	0	0	1,125
Grounds Landscape Replacement	1,849	0	0	0	1,849
Grounds Repair / Maintenance	11,986	0	0	0	11,986
Lake / Fountain Maintenance	9,327	0	0	0	9,327
Lawn Mowing	590,575	0	0	0	590,575
Road Sweeping	5,292	0	0	0	5,292
Tree Trimming	15,175	0	0	0	15,175
Vehicle Maintenance / Repair	1,303	0	0	0	1,303
Wetland and Preserve Maintenance	18,224	0	0	0	18,224
TOTAL MAINTENANCE - GROUNDS	<u>785,771</u>	<u>0</u>	<u>0</u>	<u>13,313</u>	<u>799,084</u>
<u>UTILITIES</u>					
Cable and Internet Fees	1,175,972	0	0	0	1,175,972
Electricity - Fountains & Bubblers	3,412	0	0	0	3,412
Electricity - Street Lights	51,842	0	0	0	51,842
Telephone - Office	2,246	0	0	0	2,246
Water - CLIS Irrigation	242,364	0	0	0	242,364
TOTAL UTILITIES	<u>1,475,836</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,475,836</u>

**HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.**

SUPPLEMENTAL INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
CHANGES IN FUND BALANCES BY COMMON, ACTIVITIES, BINGO AND MARATHONA**

Year Ended September 30, 2024

	<u>ACTUAL COMMON</u>	<u>ACTUAL ACTIVITIES</u>	<u>ACTUAL BINGO</u>	<u>ACTUAL MARATHONA</u>	<u>ACTUAL TOTAL</u>
<u>EXPENSES(Continued):</u>					
<i><u>PAYROLL</u></i>					
Payroll - Admin	7,382	0	0	0	7,382
Payroll - Benefits	39,569	0	0	0	39,569
Payroll - Staff	241,024	0	0	0	241,024
Payroll - Tax	18,944	0	0	0	18,944
TOTAL PAYROLL	<u>306,919</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>306,919</u>
<i><u>ACTIVITIES</u></i>					
Activities	0	950	0	0	950
TOTAL ACTIVITIES	<u>0</u>	<u>950</u>	<u>0</u>	<u>0</u>	<u>950</u>
<i><u>BINGO</u></i>					
Bingo Expense	0	0	3,078	0	3,078
TOTAL BINGO	<u>0</u>	<u>0</u>	<u>3,078</u>	<u>0</u>	<u>3,078</u>
TOTAL OPERATING EXPENSES	<u>3,061,494</u>	<u>950</u>	<u>3,078</u>	<u>13,313</u>	<u>3,078,835</u>
EXCESS OPERATING REVENUES (EXPENSES)	75,927	611	424	373	77,335
FUND BALANCE - BEGINNING	21,251	446	2,219	5,255	29,171
FUND BALANCE - ENDING	<u>\$97,178</u>	<u>\$1,057</u>	<u>\$2,643</u>	<u>\$5,628</u>	<u>\$106,506</u>

HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.
POST CLOSING TRIAL BALANCE
Year Ended September 30, 2024

ACCOUNT TITLE	CLIENT T/B		ADJUSTMENTS		CPA F/S	
	DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
<u>BALANCE SHEET</u>						
<u>ASSETS</u>						
CASH-OPERATING-AMERICAN MOMENTUM	60,712		-	-	60,712	
CASH-OPERATING-AMB MM	124,055		-	-	124,055	
CASH-OPERATING-VALLEY NATIONAL BANK	6,844		-	-	6,844	
CASH-OPERATING-AMB ICS	53,430		-	-	53,430	
CASH-OPERATING-FIRST HORIZON ACTIVITIES	1,457		-	-	1,457	
CASH-OPERATING-FIRST HORIZONS BINGO	2,743		-	-	2,743	
CASH-OPERATING-CREDIT CARDS (2)		4,175	-	-		4,175
CASH-RESERVES-AMERICAN MOMENTUM	96,216		-	-	96,216	
CASH-RESERVES-BANK OZK	150,914		-	-	150,914	
CASH-RESERVES-CENTENNIAL BANK	248,175		-	-	248,175	
CASH-RESERVES-FIRST HORIZONS MARATHONA	32,653		-	-	32,653	
CASH-RESERVES-FIRST HORIZONS BINGO	926		-	-	926	
CASH-RESERVES-FIDELITY	623,781		-	-	623,781	
ACCOUNTS RECEIVABLE	15,204		-	-	15,204	
PREPAID INSURANCE	19,171		-	-	19,171	
PREPAID EXPENSE	161,993		-	-	161,993	
PREPAID CABLE FEE EXPENSES	134,284		-	-	134,284	
<u>LIABILITIES AND FUND BALANCE</u>						
ACCOUNTS PAYABLE-OPERATING		35,739	-	-		35,739
ACCOUNTS PAYABLE-RESERVES		6,305	-	-		6,305
INCOME TAX PAYABLE		4,222	-	-		4,222
PREPAID ASSESSMENTS		149,411	-	-		149,411
CAPITAL CONTRIBUTIONS PAYABLE		13,632	-	-		13,632
INSURNACE PROCEEDS		9,333	-	-		9,333
UNEARNED BLUE STREAM INCOME		256,075	-	-		256,075
CONTRACT LIABILITY-POOLED		1,111,881	-	-		1,111,881
CONTRACT LIABILITY-MARATHONA		34,453	-	-		34,453
CONTRACT LIABILITY-BINGO		826	-	-		826
FUND BALANCE ACTIVITIES		446	-	-		446
FUND BALANCE BINGO		2,219	-	-		2,219
FUND BALANCE MARATHONA		5,255	-	-		5,255
FUND BALANCE-OPERATING		21,251	-	-		21,251
CURRENT YEAR INCOME / LOSS		77,335	-	-		77,335
	\$1,732,558	\$1,732,558	\$0	\$0	\$1,732,558	\$1,732,558
	\$0		\$0		\$0	
ENDING FUND BALANCE PER CPA F/S SHOULD EQUAL:					\$106,506	

HERONS GLEN
HOMEOWNERS' ASSOCIATION, INC.
PROPOSED ADJUSTING JOURNAL ENTRIES
September 30, 2024

		DEBIT	CREDIT
1			
SECURITY	720	12,211	
INSURANCE CLAIMS INCOME	NEW		12,211
<i>To recognize insurance claims income.</i>			
		\$12,211	\$12,211