

**ASSATEAGUE POINTE  
HOMEOWNERS ASSOCIATION, INC.**

**AUDIT COMMUNICATIONS**

**DECEMBER 31, 2021**

ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.

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**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE  
UNDER SAS NO. 114**



**Wigglesworth, Layton, Moyers & Chance, PC.**

**Certified Public Accountants**

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May 4, 2022

To the Board of Directors  
Assateague Pointe Homeowners Association, Inc.  
Ocean City, Maryland

We have audited the financial statements of Assateague Pointe Homeowners Association, Inc. (the Association) for the year ended December 31, 2021, and have issued our report thereon dated May 4, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 24, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Association are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statement was the calculation of depreciation of capitalized assets.

The financial statement disclosures are neutral, consistent, and clear.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 4, 2022.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Required Supplementary Information*

With respect to the supplementary information required by the Financial Accounting Standards Board, we applied certain limited procedures to the information, including inquiring of management about their methods of preparing the information; comparing the information for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements; and obtaining certain representations from management, including about whether the required supplementary information is measured and presented in accordance with prescribed guidelines.

This information is intended solely for the use of the Board of Directors and management of Assateague Pointe Homeowners Association, Inc. and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

*Wigglesworth, Layton, Morgan & Chance, P.C.*

Salisbury, Maryland

**COMMUNICATION OF SIGNIFICANT DEFICIENCIES AND MATERIAL  
WEAKNESSES UNDER SAS NO. 115**



**Wigglesworth, Layton, Moyers & Chance, P.C.**

**Certified Public Accountants**

May 4, 2022

To the Board of Directors  
Assateague Pointe Homeowners Association, Inc.  
Ocean City, Maryland

In planning and performing our audit of the financial statements of Assateague Pointe Homeowners Association, Inc. (the Association) as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Association's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the weakness 2021-1 in the attached *Schedule of Findings and Recommendations* to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any significant deficiencies during the course of the audit procedures.

This communication is intended solely for the information and use of management, the Board of Directors and others within the Association, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Wigglesworth, Layton, Moyers & Chance, P.C.*

Salisbury, Maryland

## **SCHEDULE OF FINDINGS AND RECOMMENDATIONS**



## **Material Weaknesses**

### **2021-1 Segregation of duties within the accounting function**

There is a lack of segregation of duties within all of the accounting and bookkeeping functions of the Association. All process functions are primarily performed by the same person, who, for example, receives cash, prepares deposits and slips for the bank, makes the deposit into the bank accounts, posts all transactions to the general ledger and reconciles the bank statements.

A lack of segregation of duties significantly increases the risk of fraud, and intentional or unintentional errors can go undetected. This is a common situation in small organizations due to matters such as budget constraints, or the organization's determination that the benefit of hiring enough personnel for sufficient segregation of duties may not justify the cost.

In order to address the lack of segregation of duties, each board member is provided a detailed general ledger, itemized list of receipts and disbursements, detailed list of accounts receivable, a comparative budget to actual revenue and expense statement and a balance sheet for review on a monthly basis.

## **General Comments**

### **2021-2 Check Signing and Board Approval on Disbursements**

The Association should consider requiring two signatures on all check disbursements in order to improve internal control and help to prevent, deter or detect fraud. In addition we recommend that the Board review all disbursements from the Association consecutively at each Board meeting in order to improve internal control and help to prevent, deter or detect fraud. These measures can be particularly effective and important when there is a lack of segregation of duties.

**ASSATEAGUE POINTE  
HOMEOWNERS ASSOCIATION, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**

ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.

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**Wigglesworth, Layton, Moyers & Chance, P.C.**

**Certified Public Accountants**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Assateague Pointe Homeowners Association, Inc.  
Ocean City, MD

We have audited the accompanying financial statements of Assateague Pointe Homeowners Association, Inc., which comprise the statement of assets, liabilities and fund balance – tax basis as of December 31, 2021, and the related statements of revenues, expenses, and change in fund balance – tax basis, cash flows – tax basis and statement of operating expenses – tax basis 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 Assateague Pointe Homeowners Association, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with the tax basis of accounting.

### **Basis for Opinion**

We conducted our audits 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 Assateague Pointe Homeowners Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Future Major Repairs and Replacements**

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 1 are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting that Assateague Pointe Homeowners Association, Inc. uses for income tax purposes, 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 Assateague Pointe Homeowners Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **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 Assateague Pointe Homeowners Association, Inc.'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 Assateague Pointe Homeowners Association, Inc.'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**

The tax basis of accounting requires that the budget and mandatory fees and assessments – 2022 and the information on future major repairs and replacements on pages 13 through 15 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.

*Wiggleworth, Layton, Moyner & Chance, P.C.*

Salisbury, MD  
May 4, 2022

**ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE**  
**TAX BASIS**  
**DECEMBER 31, 2021**

**ASSETS**

**CURRENT ASSETS**

Cash - undesignated	\$ 47,283
Cash - designated for future repairs and replacements	170,988
Accounts receivable	
H.O.A. dues	49,263
Due from sanitary commission	1,900
Inventory	7,274
Prepaid insurance	<u>13,184</u>

**TOTAL CURRENT ASSETS** 289,892

**PROPERTY AND EQUIPMENT**

Furniture and equipment	180,647
Autos and trucks	<u>71,042</u>
	251,689
Accumulated depreciation	<u>(213,903)</u>

**TOTAL PROPERTY AND EQUIPMENT** 37,786

**TOTAL ASSETS** \$ 327,678

**LIABILITIES AND FUND BALANCE**

**CURRENT LIABILITIES**

Accounts payable - trade	\$ 27,597
Accrued salaries	1,903
Accrued income taxes	153
Current portion of long term debt	6,112
H. O. A. dues received in advance	6,751
Line of credit - Bank of Ocean City	<u>50,100</u>

**TOTAL CURRENT LIABILITIES** 92,616

**NON-CURRENT LIABILITIES**

Loan payable - Ford Motor Credit	<u>478</u>
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**TOTAL NON-CURRENT LIABILITIES** 478

**FUND BALANCES**

Undesignated	63,596
Designated for future repairs and replacements	<u>170,988</u>

**TOTAL FUND BALANCES** 234,584

**TOTAL LIABILITIES AND FUND BALANCE** \$ 327,678

The accompanying notes are an integral part of the basic financial statements.

**ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND BALANCE**  
**TAX BASIS**  
**DECEMBER 31, 2021**

<b>REVENUES</b>		
Assessments - H.O.A. dues	\$	786,725
	<b>TOTAL REVENUES</b>	786,725
<b>EXPENSES</b>		
Operating expenses		1,119,949
	<b>TOTAL EXPENSES</b>	1,119,949
<b>OTHER INCOME (EXPENSES)</b>		
Boat storage income		17,425
Electric charges		282,884
Gate card income		1,332
Interest income		611
Laundry and games income		7,297
Miscellaneous income		17,815
Interest expense		(2,917)
	<b>TOTAL OTHER INCOME (EXPENSES)</b>	324,447
	<b>NET INCOME (LOSS) BEFORE INCOME TAXES</b>	(8,777)
<b>INCOME TAXES</b>		
Federal income tax		(107)
State income tax		(46)
	<b>TOTAL INCOME TAXES</b>	(153)
	<b>NET INCOME (LOSS)</b>	(8,930)
<b>FUND BALANCE - BEGINNING OF YEAR</b>		173,514
Transfers to reserve for replacements		70,000
	<b>FUND BALANCE - END OF YEAR</b>	\$ 234,584

The accompanying notes are an integral part of the basic financial statements.

**ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**TAX BASIS**  
**DECEMBER 31, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income (loss)	\$	(8,930)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation		10,840
(Increase) decrease in current assets:		
Accounts receivable		
H.O.A. dues		10,578
Due from sanitary		1,651
Inventory		2,893
Prepaid insurance		691
Increase (decrease) in current liabilities:		
Accrued payroll taxes		(336)
Accrued income taxes		10
Accrued salaries		863
Accounts payable		4,295
H. O. A. dues received in advance		2,701
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		<b>25,256</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment		(27,179)
Transfers to reserve for replacements		70,000
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>		<b>42,821</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal payments on loan payable		(5,165)
New borrowings - net of current year repayments - line of credit		100
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>		<b>(5,065)</b>

		NET INCREASE (DECREASE) IN CASH	63,012
		<b>CASH - BEGINNING OF YEAR</b>	155,259
		<b>CASH - END OF YEAR</b>	\$ 218,271

The accompanying notes are an integral part of the basic financial statements.



**ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.**  
**STATEMENT OF OPERATING EXPENSES**  
**TAX BASIS**  
**DECEMBER 31, 2021**

**OPERATING EXPENSES**

Administrative expense	\$	93,200
Custodial		2,090
Depreciation expense		10,840
Entertainment expense		22,900
Insurance		31,731
Life guard		65,696
Meeting expense		2,150
Miscellaneous expense		5,223
Office expense		6,226
Payroll expense		2,272
Professional fees		15,139
Repairs and maintenance		
Building		13,380
Electric system		31,633
Equipment		2,530
Erosion control		73,368
Gate		2,200
Grounds		149,439
Pier/camera		2,581
Pool renovations		1,949
Road		780
Vehicle		9,511
Vending		2,358
Reserve for replacements		70,000
Salary - gatehouse		88,492
Special projects		11,300
Supplies - pool		13,162
Taxes - payroll		26,233
Taxes and licenses		55
Trash removal		75,256
Utilities and telephone		278,411
WiFi		9,844
		9,844
<b>TOTAL OPERATING EXPENSES</b>	<b>\$</b>	<b><u>1,119,949</u></b>

The accompanying notes are an integral part of the basic financial statements.

**ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

Assateague Pointe Homeowners Association, Inc. (the Association) was formed on August 1, 1990 as a Maryland non-stock, non-profit corporation to provide services for the benefit of the lot owners of Assateague Pointe.

The Association is responsible for operation and maintenance of the common property within the development. The development consists of 522 lots located on approximately 90 acres in Worcester County, Maryland.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Association prepares its financial statements on the tax basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Association recognizes income when earned and expenses when accrued.

**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** -- Used to account for financial resources available for the general operations of the Association.

**Replacement Fund** -- Used to accumulate financial resources designated for future major repairs and replacements.

**Use of Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

**Cash and Cash Equivalents**

The Association considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Association members are subject to quarterly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Accounts receivable on the balance sheet date represent fees due from unit owners. No amounts are considered uncollectible at December 31, 2021 and accordingly, no allowance for uncollectible accounts is deemed necessary. The Association's policy is to retain legal counsel and place liens on the units of members whose assessments are delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year.

**Inventory**

Inventories consisting of shirts, hats, towels and other small accessories are stated at the lower of cost or market with cost determined using the first-in, first-out method. The overall value and amount of inventory is insignificant to the financial statements as a whole.

**Property and Equipment**

Property and equipment are carried at cost. Depreciation for property and equipment is calculated using the straight-line and accelerated methods over a life of 5 to 7 years.

Depreciation for the year ending December 31, 2021 was \$10,840.

Expenditures for maintenance and repairs are charged to expense as incurred.

**ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Property and Equipment** (continued)

Expenditures for major renewals and betterments to the real estate are expensed unless one of the two following criteria applies: 1) the Homeowners Association can sell the improvements and retain the proceeds, or 2) can use the property to generate significant cash flows from members on the basis of usage or from non-members.

**Future Major Repairs and Replacements**

The Association's Board of Directors 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 current replacement costs. Actual expenditures, however, may vary from the estimated amounts and variations may be material. Therefore, amounts designated for future repairs and replacements 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 regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

The details of the Board of Director's plan for major repairs and replacements can be found in the supplementary information of this financial statement.

**Income Taxes**

The Association has elected to be taxed under the provisions of Section 277 of the Internal Revenue Code for the year ended December 31, 2021. This section provides that the Association is exempt from taxation on amounts received as exempt function income, such as membership dues, fees and assessments, but non-member interest is taxable at corporate income tax rates.

Although the Association was not under examination at December 31, 2021 by any major taxing authority, the Association was subject to examination for tax years ending December 31, 2021, 2020, 2019 and 2018. All required federal and state tax returns were filed by the due dates as of December 31, 2021.

**NOTE 2 – SHORT-TERM DEBT**

The Association has a line of credit with the Bank of Ocean City that is used for short-term cash flow purposes, particularly during the off season winter months.

**NOTE 3 – LONG-TERM DEBT**

The second loan originated in 2018 in the amount of \$26,415 for the purchase of a truck. The loan is for a sixty month period, with a beginning interest rate of 7.11%. As of December 31, 2021, the unpaid principal balance of the loan was 6,590. Principal maturities of the note payable during the next five years are as follows:

Year ending December 31,		
2022	\$	6,112
2023		<u>478</u>
	\$	<u>6,590</u>

**ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 4 -- RELATED PARTY TRANSACTIONS**

Administrative expenses were paid to related parties for the year ended December 31, 2021 as follows:

- Accounting and payroll expenses paid to Purnell Properties, Inc. was \$21,200.
- Office expense paid to Purnell Properties, Inc. was \$1,781.
- Telephone expense paid to Purnell Properties, Inc. was \$2,133.
- Utility expense paid to Resort Real Estate was \$4,878.
- Management expense paid to Resort Real Estate was \$72,000.

**NOTE 5 -- CASH FLOWS DISCLOSURES**

Cash paid for interest during 2021 was \$2,917.

Cash paid for income taxes for 2021 was \$153.

**NOTE 6 -- SUBSEQUENT EVENTS**

The Association has examined all subsequent events through May 4, 2022 the date the financial statements were available to be issued. In March of 2020, the United States went into an economic shutdown with a goal of slowing the spread of the contagious coronavirus, or COVID-19. While the economic impact from shutdown on the Association was minimal in 2021, there is still uncertainty of the long term effects going into 2021.

**REQUIRED SUPPLEMENTARY INFORMATION**

ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.

Proposed Budget by Month - Tax Basis

January through December 2022

Ordinary Income/Expense	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	TOTAL
Income													
5010 - MONTHLY INCOME ASSESS	65,250.00	65,250.00	65,250.00	65,250.00	65,250.00	65,250.00	65,250.00	65,250.00	65,250.00	65,250.00	65,250.00	65,250.00	783,000.00
5020 - ELECTRIC CHARGES INCOME	0.00	0.00	40,000.00	0.00	0.00	63,000.00	0.00	0.00	130,000.00	0.00	0.00	45,000.00	278,000.00
5030 - LAUNDRY/VENDING RECEIPTS	450.00	0.00	495.00	0.00	760.00	366.00	2,603.00	2,140.00	158.00	588.00	0.00	0.00	7,500.00
5140 - BOAT STORAGE INCOME	9,692.00	2,626.00	1,721.00	2,899.00	180.00	91.00	0.00	0.00	0.00	0.00	91.00	0.00	17,300.00
5151 - INTEREST INCOME-OWNERS	292.00	474.00	276.00	184.00	437.00	278.00	191.00	500.00	293.00	218.00	635.00	222.00	4,000.00
5161 - GATE CARD & MISC INCOME	0.00	73.00	0.00	31.00	225.00	30.00	77.00	83.00	33.00	39.00	0.00	9.00	600.00
Total Income	75,684.00	68,423.00	107,682.00	68,364.00	66,852.00	129,015.00	68,121.00	67,973.00	195,734.00	66,095.00	65,976.00	110,481.00	1,050,400.00
Gross Profit	75,684.00	68,423.00	107,682.00	68,364.00	66,852.00	129,015.00	68,121.00	67,973.00	195,734.00	66,095.00	65,976.00	110,481.00	1,050,400.00
Expense													
AMENITIES													
7620 - POOL CONTRACT	0.00	0.00	12,594.00	12,594.00	12,594.00	12,594.00	12,594.00	0.00	1,950.00	0.00	100.00	0.00	65,000.00
7630 - POOL MAINTENANCE	0.00	0.00	0.00	0.00	2,800.00	1,200.00	1,000.00	2,350.00	2,200.00	450.00	0.00	0.00	10,000.00
7650 - FURNITURE & EQUIP PURCHA	0.00	500.00	4,000.00	5,000.00	5,000.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	15,000.00
7915 - ENTERTAINMENT	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00	3,000.00	0.00	0.00	0.00	0.00	6,000.00
Total AMENITIES	0.00	500.00	16,594.00	17,594.00	21,394.00	14,794.00	14,594.00	5,850.00	4,130.00	450.00	100.00	0.00	96,000.00
EXPENSE													
7530 - GATEHOUSE, ETC	6,000.00	6,000.00	6,200.00	7,750.00	8,000.00	8,500.00	9,500.00	8,500.00	8,000.00	7,000.00	9,400.00	5,150.00	90,000.00
7531 - PAYROLL TAXES	1,315.00	1,173.00	1,461.00	2,542.00	3,762.00	2,808.00	2,840.00	2,846.00	1,890.00	1,715.00	1,467.00	1,081.00	24,500.00
7540 - INSURANCE	2,054.00	0.00	4,650.00	10,159.00	0.00	3,113.00	530.00	2,132.00	1,790.00	1,704.00	2,163.00	1,705.00	30,000.00
7550 - LEGAL & ACCOUNTING	0.00	0.00	7,000.00	0.00	0.00	0.00	400.00	400.00	0.00	0.00	0.00	0.00	7,800.00
7552 - CONTINGENCY	164.00	198.00	164.00	257.00	228.00	182.00	1,718.00	323.00	252.00	172.00	195.00	147.00	4,000.00
7560 - OFFICE EXPENSE	1,315.00	400.00	364.00	1,828.00	323.00	646.00	2,339.00	336.00	314.00	985.00	1,843.00	307.00	11,000.00
7570 - ADMINISTRATIVE	2,000.00	1,600.00	1,600.00	2,000.00	1,800.00	1,200.00	1,600.00	1,600.00	2,200.00	2,000.00	1,800.00	1,800.00	20,800.00
7575 - MANAGEMENT EXPENSE	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	72,000.00
7580 - TELEPHONE	1,165.00	231.00	235.00	235.00	524.00	263.00	337.00	100.00	225.00	228.00	228.00	229.00	4,000.00
7590 - VEHICLE MAINT- GATE TRUCK	0.00	0.00	72.00	622.00	693.00	341.00	808.00	578.00	0.00	0.00	178.00	708.00	4,000.00
7590.1 - GAS - GATE TRUCKS	300.00	250.00	225.00	335.00	300.00	265.00	275.00	360.00	250.00	240.00	100.00	100.00	3,000.00
7647 - INTEREST	36.00	33.00	30.00	27.00	24.00	21.00	18.00	15.00	12.00	9.00	6.00	4.00	235.00
7690 - BANK CHARGES	97.00	97.00	97.00	97.00	97.00	97.00	97.00	97.00	97.00	97.00	97.00	98.00	1,165.00
7825 - MEETING EXPENSE	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	2,400.00
Total EXPENSE	20,646.00	16,182.00	28,298.00	32,052.00	32,052.00	23,436.00	26,462.00	23,487.00	21,230.00	20,350.00	23,477.00	17,529.00	274,900.00

ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.

Proposed Budget by Month - Tax Basis

January through December 2022

	Jan 22	Feb 22	Mar 22	Apr 22	May 22	Jun 22	Jul 22	Aug 22	Sep 22	Oct 22	Nov 22	Dec 22	TOTAL Jan - Dec 22
<b>MAINTENANCE</b>													
7610 - BUILDING MAINTENANCE	2,368.00	2,112.00	1,425.00	1,150.00	3,659.00	693.00	785.00	636.00	616.00	765.00	1,593.00	698.00	16,500.00
7620 - CUSTODIAL	100.00	100.00	200.00	200.00	200.00	500.00	600.00	600.00	200.00	100.00	100.00	100.00	3,000.00
7625 - ELECTRIC SYS MAINTENANCE	1,828.00	188.00	5,236.00	48.00	1,210.00	3,126.00	2,840.00	4,768.00	50.00	606.00	50.00	50.00	20,000.00
7630 - EQUIPMENT MAINTENANCE	0.00	242.00	357.00	1,368.00	208.00	179.00	1,226.00	936.00	3,898.00	626.00	960.00	0.00	10,000.00
7639 - GATE REPAIRS	250.00	0.00	0.00	600.00	0.00	300.00	300.00	400.00	300.00	200.00	0.00	660.00	3,000.00
7640 - GROUND MAINTENANCE	4,311.00	374.00	590.00	13,923.00	18,464.00	15,809.00	15,484.00	18,091.00	10,625.00	13,221.00	8,675.00	433.00	120,000.00
7640.1 - GAS - GROUNDS CREW	0.00	0.00	675.00	875.00	600.00	775.00	775.00	775.00	600.00	0.00	425.00	0.00	5,500.00
7641 - EROSION CONTROL	0.00	5,723.00	385.00	4,027.00	888.00	3,344.00	633.00	0.00	0.00	0.00	0.00	0.00	15,000.00
7642 - ROAD MAINTENANCE	0.00	0.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	500.00	0.00	0.00	4,000.00
7643 - PIER/CAMERA MAINTENANCE	0.00	0.00	500.00	500.00	500.00	500.00	1,000.00	1,000.00	500.00	500.00	0.00	0.00	5,000.00
7644 - BOAT STORAGE MAINTENANCE	0.00	0.00	200.00	200.00	100.00	100.00	100.00	100.00	100.00	100.00	0.00	0.00	1,000.00
7645 - SPECIAL PROJECTS	2,000.00	2,900.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Total MAINTENANCE	10,857.00	10,739.00	12,068.00	25,391.00	28,329.00	27,826.00	26,243.00	28,806.00	19,389.00	18,518.00	13,803.00	3,931.00	227,000.00
<b>UTILITY EXPENSES</b>													
7700 - CABLE TV	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	350.00	4,200.00
7701 - WIFI SUPPORT	783.00	783.00	783.00	783.00	783.00	783.00	783.00	783.00	783.00	783.00	783.00	787.00	9,400.00
7710 - ELECTRICITY	13,000.00	15,000.00	12,000.00	13,500.00	17,500.00	32,000.00	47,500.00	47,500.00	35,000.00	16,500.00	14,500.00	14,000.00	278,000.00
7713 - TAXES AND LICENSES	0.00	0.00	0.00	62.00	0.00	0.00	0.00	0.00	1,038.00	0.00	0.00	0.00	1,100.00
7714 - WATER & SEWER SERVICE	0.00	0.00	300.00	0.00	0.00	300.00	0.00	0.00	600.00	0.00	0.00	600.00	1,800.00
7720 - PROPANE GAS	644.00	0.00	296.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	876.00	1,182.00	3,000.00
7730 - TRASH REMOVAL	7,500.00	4,000.00	4,000.00	7,000.00	6,500.00	7,000.00	8,000.00	7,000.00	6,000.00	6,000.00	6,000.00	6,000.00	75,000.00
Total UTILITY EXPENSES	22,277.00	20,133.00	17,729.00	21,695.00	25,133.00	40,433.00	56,633.00	55,633.00	43,771.00	23,633.00	22,511.00	22,919.00	372,500.00
Total Expense	53,780.00	47,554.00	74,689.00	96,732.00	96,607.00	106,489.00	123,932.00	114,776.00	88,520.00	63,051.00	59,891.00	44,379.00	970,400.00
Net Ordinary Income	21,904.00	20,869.00	32,993.00	-28,368.00	-29,755.00	22,526.00	-55,811.00	-46,803.00	107,214.00	3,044.00	6,085.00	66,102.00	120,000.00
Other Income/Expense													
Other Expense													
7950 - RESERVE FOR REPLACEMENT	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	120,000.00
Total Other Expense	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	120,000.00
Net Other Income	-10,000.00	-10,000.00	-10,000.00	-10,000.00	-10,000.00	-10,000.00	-10,000.00	-10,000.00	-10,000.00	-10,000.00	-10,000.00	-10,000.00	-120,000.00
Net Income	11,904.00	10,869.00	22,993.00	-38,368.00	-39,755.00	12,526.00	-65,811.00	-56,803.00	97,214.00	-6,956.00	-3,915.00	56,102.00	0.00

**ASSATEAGUE POINTE HOMEOWNERS ASSOCIATION, INC.**  
**Projected Reserve Fund Usage - Tax Basis**

20 Year Plan 2020 - 2040

Year	Transfers	Usage	Balance	Roads	Roofing	Pool	Pier	Electric	Erosion Control
2019			71,919						
2020	28,000	(10,000)	89,919	-	-	-	-	10,000	-
2021	120,000	(60,250)	149,669	-	-	-	-	10,250	50,000
2022	120,000	(161,692)	107,977	52,500	-	48,692	-	10,500	50,000
2023	120,000	(22,790)	205,187	-	12,040	-	-	10,750	-
2024	120,000	(66,000)	259,187	55,000	-	-	-	11,000	-
2025	120,000	(42,443)	336,744	-	22,950	8,243	-	11,250	-
2026	120,000	(11,500)	445,244	-	-	-	-	11,500	-
2027	120,000	(11,750)	553,494	-	-	-	-	11,750	-
2028	120,000	(12,000)	661,494	-	-	-	-	12,000	-
2029	120,000	(343,000)	438,494	306,250	-	-	-	12,250	24,500
2030	120,000	(137,500)	420,994	-	-	-	125,000	12,500	-
2031	120,000	(12,750)	528,244	-	-	-	-	12,750	-
2032	120,000	(141,612)	506,632	-	-	102,612	-	13,000	26,000
2033	120,000	(212,000)	414,632	198,750	-	-	-	13,250	-
2034	120,000	(13,500)	521,132	-	-	-	-	13,500	-
2035	120,000	(316,250)	324,882	275,000	-	-	-	13,750	27,500
2036	120,000	(14,000)	430,882	-	-	-	-	14,000	-
2037	120,000	(14,250)	536,632	-	-	-	-	14,250	-
2038	120,000	(261,000)	395,632	217,500	-	-	-	14,500	29,000
2039	120,000	(14,750)	500,882	-	-	-	-	14,750	-
2040	120,000	(165,000)	455,882	150,000	-	-	-	15,000	-
				1,255,000	34,990	159,547	125,000	262,500	207,000