

Audited Financial Statements and
Supplementary Information

**KINGSTON PLANTATION
MASTER ASSOCIATION, INC.**

Years Ended December 31, 2021 and 2020

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Years Ended December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kingston Plantation Master Association, Inc.
Myrtle Beach, South Carolina

Opinion

I have audited the accompanying financial statements of Kingston Plantation Master Association, Inc., which comprise the balance sheets as of December 31, 2021 and 2020 and the related statements of revenues and expenses and changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kingston Plantation Master Association, Inc. as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Kingston Plantation Master Association, Inc. and to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to the audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 Kingston Plantation Master Association, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

(continued on next page)

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I:

- 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 Kingston Plantation Master 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Kingston Plantation Master Association Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements on page 13 be presented to supplement the basic financial statements. Such information, 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Wayne E. Fussaw, CPA

Surfside Beach, South Carolina

May 3, 2022

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

BALANCE SHEETS

December 31, 2021 and 2020

	Operating Fund	Reserve Fund	2021 Totals	2020 Totals
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>				
Cash & cash equivalents	\$ 777,457	\$ 2,441,903	\$ 3,219,360	\$ 2,541,017
Assessments & other amounts receivable	30,306	-	30,306	9,497
Prepaid insurance	18,794	-	18,794	16,999
Utility deposits	220	-	220	220
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u><u>\$ 826,777</u></u>	<u><u>\$ 2,441,903</u></u>	<u><u>\$ 3,268,680</u></u>	<u><u>\$ 2,567,733</u></u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Accounts payable	\$ 32,356	\$ -	\$ 32,356	\$ 47,025
Income taxes payable	-	-	-	1,753
Construction deposits	13,000	-	13,000	33,000
Deferred revenue - cable contract	280,260	-	280,260	-
Assessments received in advance - operating	46,303	-	46,303	3,225
Contract liabilities (assessments received in advance-reserve fund)	-	2,441,903	2,441,903	2,130,394
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	371,919	2,441,903	2,813,822	2,215,397
Fund balances	<u>454,858</u>	<u>-</u>	<u>454,858</u>	<u>352,336</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities & fund balances	<u><u>\$ 826,777</u></u>	<u><u>\$ 2,441,903</u></u>	<u><u>\$ 3,268,680</u></u>	<u><u>\$ 2,567,733</u></u>

The accompanying notes are an integral part of these financial statements.

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES

Years Ended December 31, 2021 and 2020

	Operating Fund	Reserve Fund	2021 Totals	2020 Totals
Revenues				
Regular assessments	\$ 2,199,005	\$ 400,000	\$ 2,599,005	\$ 2,599,307
FASB ASC 606	-	(311,509)	(311,509)	(275,635)
Cable TV assessments	315,303	-	315,303	315,000
Cable TV disconnect fees	-	-	-	245
Cable contract revenue	31,140	-	31,140	-
Interest / investment income	54	389	443	14,272
Rental income	19,845	-	19,845	19,845
Decal / sticker revenues	84,583	-	84,583	54,530
Other revenues	10,460	-	10,460	7,358
Total revenue	2,660,390	88,880	2,749,270	2,734,922
Expenses				
Repairs & maintenance				
General maintenance & materials	114,438	-	114,438	104,226
Irrigation maintenance	8,470	-	8,470	14,196
Janitorial supplies	1,731	-	1,731	1,921
Lake maintenance	9,540	-	9,540	9,540
Landscape contract	931,962	-	931,962	931,962
Landscape maintenance & supplies	28,124	-	28,124	49,154
Maintenance staff	194,396	-	194,396	205,246
Parking area maintenance	223	-	223	849
Pest control	23,856	-	23,856	23,386
Pool maintenance, supplies, & equipment	13,790	-	13,790	14,403
Tree maintenance	48,500	-	48,500	41,450
Total repairs & maintenance	1,375,030	-	1,375,030	1,396,333
General & administrative				
Management services	199,021	-	199,021	197,051
Accounting services	4,600	-	4,600	4,600
Legal & professional services	2,435	-	2,435	47,603
Insurance expense	39,812	-	39,812	35,655
Office supplies & administrative expenses	35,654	-	35,654	31,604
Total general & administrative	281,522	-	281,522	316,513

The accompanying notes are an integral part of these financial statements.

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES (continued)

Years Ended December 31, 2021 and 2020

	Operating Fund	Reserve Fund	2021 Totals	2020 Totals
<u>Expenses (continued)</u>				
Utilities				
Electricity	71,209	-	71,209	70,900
Water & sewer	7,681	-	7,681	5,989
Trash removal	23,516	-	23,516	23,954
Telephone	4,394	-	4,394	4,151
High speed internet access	394	-	394	394
Cable television	321,834	-	321,834	314,271
Total utilities	<u>429,028</u>	<u>-</u>	<u>429,028</u>	<u>419,659</u>
Other expenses (income)				
Contract security	450,950	-	450,950	432,202
Santee Cooper settlement refund	-	-	-	(7,332)
Holiday decorations	1,281	-	1,281	4,816
Taxes & licenses	20,057	-	20,057	12,267
Total other expenses (income)	<u>472,288</u>	<u>-</u>	<u>472,288</u>	<u>441,953</u>
Major repairs & replacements				
Building and other common property repairs and replacements	-	88,880	88,880	130,597
Total major repairs & replacements	<u>-</u>	<u>88,880</u>	<u>88,880</u>	<u>130,597</u>
Total expenses	<u>2,557,868</u>	<u>88,880</u>	<u>2,646,748</u>	<u>2,705,055</u>
Excess of revenues over expenses	102,522	-	102,522	29,867
Beginning fund balances	<u>352,336</u>	<u>-</u>	<u>352,336</u>	<u>322,469</u>
Ending fund balances	<u>\$ 454,858</u>	<u>\$ -</u>	<u>\$ 454,858</u>	<u>\$ 352,336</u>

The accompanying notes are an integral part of these financial statements.

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2020

	Operating Fund	Reserve Fund	2021 Totals	2020 Totals
Cash flows from operating activities:				
Excess of revenues over expenses	\$ 102,522	\$ -	\$ 102,522	\$ 29,867
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:				
(Increase) decrease in:				
Assessments & other amounts receivable	(20,809)	-	(20,809)	(7,864)
Prepaid insurance	(1,795)	-	(1,795)	(4,042)
Increase (decrease) in:				
Accounts payable	(10,015)	(4,654)	(14,669)	16,960
Income taxes payable	(1,753)	-	(1,753)	(2,649)
Construction deposits	(20,000)	-	(20,000)	5,000
Assessments received in advance - operating	43,078	-	43,078	2,283
Deferred revenue	280,260	-	280,260	-
Contract liabilities (assessments received in advance-reserve fund)	-	311,509	311,509	275,635
Net cash provided by operating activities	<u>371,488</u>	<u>306,855</u>	<u>678,343</u>	<u>315,190</u>
Cash flows from investing activities:				
Redemptions of certificates of deposit	-	-	-	509,327
Interest income - certificates of deposit	-	-	-	(8,479)
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,848</u>
Net increase in cash	371,488	306,855	678,343	816,038
Cash & cash equivalents, beginning of year	<u>405,969</u>	<u>2,135,048</u>	<u>2,541,017</u>	<u>1,724,979</u>
Cash & cash equivalents, end of year	<u>\$ 777,457</u>	<u>\$ 2,441,903</u>	<u>\$ 3,219,360</u>	<u>\$ 2,541,017</u>
Supplementary cash flow information				
Cash paid during the year for:				
Income taxes	<u>\$ 1,753</u>	<u>\$ -</u>	<u>\$ 1,753</u>	<u>\$ 4,550</u>

The accompanying notes are an integral part of these financial statements.

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

1 - NATURE OF ORGANIZATION

Kingston Plantation Master Association, Inc. (the Association) is a statutory association incorporated and existing under the laws of the state of South Carolina. The Association is responsible for maintaining and preserving common property, enforcing rules for mutual benefit, and providing other common services to the Kingston Plantation. The Association is the master association for the fourteen (14) subordinate regimes located within the Kingston Plantation, a resort development in Myrtle Beach, South Carolina, consisting of 1,643 residential and commercial units. The Association began its operation in 1986.

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 3, 2022, the date that the financial statements were available to be issued.

3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Association has elected to report its revenues and expenses on the accrual basis. Consequently, revenues and expenses are recognized when the revenues are earned rather than when received and when the expenses are incurred rather than when paid.

Fund Accounting

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 specific funds established according to their nature and purpose. The Association's funds are separated between operating funds and funds for future major repairs and replacements. Operating disbursements are made generally at the discretion of the Board of Directors and the Association's property management company. Replacement funds have been set aside for a specific purpose and are to be disbursed accordingly.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of demand deposits and temporary, highly liquid investment accounts. The Association considers all certificates of deposit with original maturities of less than one hundred twenty (120) days to be cash equivalents.

Certificates of Deposit

The Association considers all certificates of deposit with original maturities of more than one hundred twenty (120) days to be an asset presented separately on the balance sheet.

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assessments Received in Advance – Operating Fund

Assessments received in advance in the operating fund at December 31, 2021 and 2020 represents payments received in advance for homeowners' operating assessments. These advance payments will be recognized as revenue in the months in which they are earned.

Contract Liabilities (Assessments received in advance-reserve fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-reserve 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.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not reflected on the Association's financial statements. Those properties are owned by the individual unit owners in common and dedicated for the use of the entire community. These common areas cannot be sold separately and thus have no fair market value other than that related to their intended use. All expenditures for real property common elements and improvements are reflected as an expense in the period incurred. Common property elements not recognized as assets in the financial statements consist primarily of access pool elements, landscaping, property and other common areas.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions 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 is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the reserve fund assessments are satisfied when these funds are expended for their designated purpose.

Assessments receivable, at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners and other amounts owed to the Association. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are ninety days or more delinquent. The Association has not recorded an allowance for doubtful accounts at December 31, 2021 and 2020. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained included consideration of past experience and susceptibility to factors outside of the Association's control.

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

4 - COMMITMENTS & CONTINGENCIES

The Association is a party to various legal actions normally associated with homeowner associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

From time to time, the Association may enter into contracts with vendors, towards the end of the calendar year. Some of these contracts may call for a down-payment to begin the job, and payments as the work progresses. The Association recognizes these expenses as the work is completed and billed by the contractor.

5 - INCOME TAXES

Under the provisions of the Internal Revenue Code, the Association is allowed to elect each year to file as an eligible Section 528 homeowner's association, thereby excluding exempt function income from taxation, or file as an ordinary taxable corporation. Under Section 528, the Association is taxed on its net nonexempt function income, which consists primarily of interest, rental and vending income, at a flat rate of 30% by the federal government and at 5% by the State of South Carolina. Income related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property, is not taxable. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed on its non-membership income, such as interest earnings, at regular federal and state corporate rates.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2021 and 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

The Association's tax filings are subject to audit by various taxing authorities. The Association's federal and state income tax returns generally remain open to examination by the Internal Revenue Service and the South Carolina Department of Revenue for three (3) years after they were filed. In evaluating the Association's tax calculations, the Association believes that its estimates are appropriate based on current facts and circumstances.

6 - MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated net funds, which total \$2,441,903 and \$2,130,394 at December 31, 2021 and 2020, respectively, are presented on the accompanying balance sheets as a contract liability (assessments received in advance – reserve fund) and are held in separate accounts and generally not available for operating purposes. However, these funds may be used, as needed, for any Association purpose at the discretion of the Board of Directors.

The Association's Board of Directors estimates the remaining useful lives and 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 estimates of current replacement costs, considering amounts previously designated for future repairs and replacements. The estimates for current replacement costs include a provision for the future effects of inflation. Actual expenditures, however, may vary from the estimated amounts and the 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 board approval, to increase regular assessments or to levy a special assessment to supplement previously budgeted funds.

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
(Continued)

7 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents. Cash and cash equivalent balances on deposit at financial institutions are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At December 31, 2021 and 2020, there was uninsured balances of \$18,138 and \$28,994, respectively. Balances often fluctuate during the year depending on the Association's cash flow requirements. Management regularly monitors the financial condition of the banking institutions to minimize the risk of loss due to uninsured balances.

8 - MANAGEMENT COMPANY

Maintenance personnel employed by the management company provide contract building, grounds and other maintenance services to the Association. Payments to the management company for these services amounted to \$194,396 and \$205,246 for the years ended December 31, 2021 and 2020, respectively.

The Association also reimburses the management company for items such as postage, office supplies, printing, and other maintenance items. Reimbursements totaled \$52,615 and \$50,902 for the years ended December 31, 2021 and 2020, respectively.

9 - ASSESSMENTS

Regular monthly assessments to the fourteen (14) subordinate regimes ranged from \$264 to \$37,996 in 2021 and 2020. At December 31, 2021 and 2020, all assessments and other amounts receivable are considered to be fully collectible and the Association does not recognize an allowance for doubtful accounts or bad debt expense for the years then ended.

10 - DEFERRED REVENUE – CABLE CONTRACT

In 2021, the Association entered into a ten (10) year agreement with their cable television provider to be the sole cable television provider for the Association. The agreement called for the Association to receive a lump-sum payment of \$311,400, which will be recognized as cable contract revenue over the life of the agreement. For the year ended December 31, 2021, the Association recognizes cable contract revenue of \$31,140, which is presented on the statements of revenues and expenses and changes in fund balances. As of December 31, 2021, the Association recognizes cable contract revenue of \$280,260, which is presented on the balance sheet as a liability.

11 - RECLASSIFICATIONS

Certain reclassifications may have been made to the prior year financial statements in order for them to be in conformity with current year presentation.

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

12 - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, Real Estate - Common Interest Realty Associations, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

The Association adopted the requirements of new guidance as of January 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenue and contract liabilities related to the reserve fund, as previously described.

The effect of the adoption is a decrease in 2021 and 2020 revenue by \$311,509 and \$275,635, respectively. The effect of the adoption also resulted in a recording of a contract liability (assessments received in advance-reserve fund) at December 31, 2021 and 2020 of \$2,441,903 and \$2,130,394, respectively. The Association has no customer contract modifications that had an effect on the Association's transition to the new guidance.

The modified retrospective method of transition requires the Association to disclose the effect of applying the new guidance on each item included in the financial statements. Following are the line items from the balance sheets as of December 31, 2021 and 2020, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

At December 31, 2021	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Liabilities:</u>			
Contract liabilities - (Assessments received in advance - reserve fund)	\$ -	\$ 2,441,903	\$ 2,441,903
Total liabilities	371,919	2,441,903	2,813,822
<u>Fund Balance:</u>			
Ending fund balances	2,896,761	(2,441,903)	454,858

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

12 - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION (continued)

At December 31, 2020	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Liabilities:</u>			
Contract liabilities - (Assessments received in advance - reserve fund)	\$ -	\$ 2,130,394	\$ 2,130,394
Total liabilities	85,003	2,130,394	2,215,397

<u>Fund Balance:</u>			
Ending fund balances	2,482,730	(2,130,394)	352,336

The following are the line items from the statements of revenues, expenses and changes in fund balances and the statements of cash flows for the years ended December 31, 2021 and 2020, that were effected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance.

For the year ended December 31, 2021	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Revenues:</u>			

Total revenues	\$ 3,060,779	\$ (311,509)	\$ 2,749,270
Excess of revenues over expenses	414,031	(311,509)	102,522

<u>Cash Flows</u>			
Excess of revenues over expenses	414,031	(311,509)	102,522
Increase in contract liabilities (Assessments received in advance - reserve fund)	-	311,509	311,509

For the year ended December 31, 2020	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Revenues:</u>			

Total revenues	\$ 3,010,557	\$ (275,635)	\$ 2,734,922
Excess of revenues over expenses	305,502	(275,635)	29,867

<u>Cash Flows</u>			
Excess of revenues over expenses	305,502	(275,635)	29,867
Increase in contract liabilities (Assessments received in advance - reserve fund)	-	275,635	275,635

SUPPLEMENTARY INFORMATION

KINGSTON PLANTATION MASTER ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(Un-audited)

December 31, 2021

The following is based on estimates conducted by an outside engineering firm in 2018 and presents significant information about the components of common property. The estimated remaining useful lives and estimated replacements costs are based on estimates of market replacement and opinions from respective contractors and their industry standards. Actual amounts will vary based on the timing and need for the specific components.

Component	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs	Year 2022 Budgeted Funding	Reserve Fund Contract Liabilities 12/31/21
Laurel Court meeting building exterior elements	3 to 27	\$ 181,304	\$ 5,100	\$ 31,135
Laurel Court meeting building interior elements	0 to 25	269,815	7,590	46,335
Property site elements	0 to 27	11,586,068	325,918	1,989,648
Beach pool elements	0 to 24	952,617	26,797	163,591
St. James pool elements	0 to 24	654,779	18,419	112,444
Landscaping & tree replacement	0 to 24	575,042	16,176	98,750
		\$ 14,219,625	\$ 400,000	\$ 2,441,903

See independent auditor's report.