

Kings Creek Village Association, Inc.
Financial Statements and Supplementary Information
December 31, 2025



INDEPENDENT AUDITORS' REPORT

Board of Directors
Kings Creek Village Association, Inc.

Opinion

We have audited the accompanying financial statements of **Kings Creek Village Association, Inc.**, which comprise the balance sheet as of December 31, 2025, and the related statements of revenues, expenses and changes in fund balances and cash flows, and the related notes to the financial statements, for the year ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Kings Creek Village Association, Inc.** as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be Independent of **Kings Creek Village 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.

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, which raise substantial doubt about **Kings Creek Village Association, Inc's** ability to continue as a going concern within one year after the date of the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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, misrepresentation, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would include 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statement, 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 to design audit procedures that are appropriate in the circumstances, not for the purpose of expressing an opinion on the effectiveness of **Kings Creek Village 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 judgement, there are conditions or events considered in the aggregate, which raise substantial doubt about **Kings Creek Village Association, Inc's** ability to continue as a going concern for a reasonable period.

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 in Required Supplementary Information in Future Major Repairs and Replacements

Accounting principles generally accepted in the United States of America require that the 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. 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 Statement of Operating Revenue and Expenses – Budget Comparison on pages 14-15, which is the responsibility of the Associations' management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information, except for the annual budget 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, that information, except for the annual budget information, is fairly stated in all material respects in relation to the financial statements as a whole.

Kings Creek Village Association, Inc.
Independent Auditors' Report

Emphasis of Matter

As of December 31, 2025, the replacement fund cash account was due \$134,813 from the operating fund.

Woodstand LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Boca Raton, FL

July 22, 2026

Kings Creek Village Association, Inc.
Balance Sheet
December 31, 2025

	Operating Fund	Replacement Fund	Total
Assets			
Cash and Cash Equivalents	\$ 65,511	\$ 249,846	\$ 315,357
Investments	-	150,173	150,173
Assessments Receivable (Sub-Assocs and Owners)	100,146	-	100,146
Prepaid Insurance	93,177	-	93,177
Utility Deposits	600	-	600
Interfund Borrowings (Note 8)	-	134,813	134,813
Total Assets	\$ 259,434	\$ 534,832	\$ 794,266
Liabilities and Fund Balances			
Accounts Payable/Accrued Expenses	13,152	-	13,152
Interfund Borrowings (Note 8)	134,813	-	134,813
Clubhouse Security Deposits	3,950	-	3,950
Prepaid Maintenance Assessments	15,126	-	15,126
Total Liabilities	167,041	-	167,041
Fund Balances	92,393	534,832	627,225
Total Liabilities and Fund Balances	\$ 259,434	\$ 534,832	\$ 794,266

The accompanying notes are an integral part of the financial statements

Kings Creek Village Association, Inc.
Statement of Revenues, Expense and Changes in Fund Balances
For the Year Ended December 31, 2025

	Operating Fund	Replacement Fund	Total
<u>Revenues</u>			
Maintenance Assessments	\$ 565,107	\$ 78,251	\$ 643,358
Misc Income and Vending	17,427	-	17,427
Late Charge	3,254	-	3,254
Interest Income	45	13,005	13,050
Total Revenues	585,834	91,256	677,089
<u>Expenses (pages 14-15)</u>			
Property Expenses	182,900	-	182,900
Maintenance and Service Items	50,175	-	50,175
General and Administrative	12,004	-	12,004
Insurance	109,069	-	109,069
Utilities	27,776	-	27,776
Personnel	173,614	-	173,614
Replacement Fund	-	52,970	52,970
Total Expenses	555,538	52,970	608,508
Excess of Revenues over (Expenses)	30,295	38,286	68,581
Fund Balances - Beginning	62,098	496,547	558,645
Fund Balances - Ending	\$ 92,393	\$ 534,832	\$ 627,225

The accompanying notes are an integral part of the financial statements

Kings Creek Village Association, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2025

	<u>Operating</u> <u>Fund</u>	<u>Replacement</u> <u>Fund</u>	<u>Total</u>
Excess (deficit) of revenues over expenses	\$ 30,295	\$ 38,286	\$ 68,581
Adjustments to Reconcile Excess (Deficit) of Revenues over Expenses			
Decrease (Increase) in Assets:			
Receivables	(79,610)	-	(79,610)
Prepaid Expenses	(7,475)	-	(7,475)
Increase (Decrease) in Liabilities:			
Accounts Payable/Accrued Expenses	(11,811)	-	(11,811)
Prepaid Maintenance Assessments	(8,811)	-	(8,811)
Net Cash Provided (Used) by Operating Activities	(77,412)	38,286	(39,126)
Cash Provided by Financing Activities			
Investing Activity	-	(150,174)	(150,174)
Interfund Loan	62,329	(62,329)	-
Net Cash Provided (used) by Financing Activities	62,329	(212,503)	(150,174)
Net Cash Provided (used) by All Activities	(15,083)	(174,217)	(189,300)
Cash and Cash Equivalents at Beginning of Period	80,594	424,063	504,657
Cash and Cash Equivalents End of Period	<u>\$ 65,511</u>	<u>\$ 249,846</u>	<u>\$ 315,357</u>

The accompanying notes are an integral part of the financial statements

Kings Creek Village Association, Inc.
Notes to the Financial Statements
December 31, 2025

NOTE 1- NATURE OF ORGANIZATION

Kings Creek Village Association, Inc. was organized as a Florida not-for-profit corporation in 1971 for the purpose of operating and maintaining the common areas in Kings Creek Village, Miami-Dade County, Florida. The Association serves as both a Master Association to other Sub-Associations within the community, as well as the main Association for other communities within Kings Creek.

NOTE 2- DATE OF MANAGEMENT'S REVIEW

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

NOTE 3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned as of the date of billing and expenses are deducted in the period in which they are incurred which is in accordance with principles generally accepted in the United States of America.

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. Disbursements from the operating fund are generally at the discretion of the Board of Directors.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements. Disbursements from the replacement fund generally may be made only for designated purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates by management include the determination of the adequacy of the allowance for anticipated collectability of maintenance.

Kings Creek Village Association, Inc.
Notes to the Financial Statements
(Continued)
December 31, 2025

NOTE 3- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Members are assessed their pro rata share of the annual budget and any special assessments according to percentages set in the governing documents. 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 and replacement fund assessments are satisfied over time on a daily pro-rata basis using the input method. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners.

Cash and Cash Equivalents

The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Capitalization and Depreciation Policy

Real property and common areas acquired from the developer and related improvements to such property are not reported in the Association's financial statements because those properties are owned by the unit owners in common, and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line method.

Income Taxes

The Association has elected to file its federal income tax return using Section 528 of the Internal Revenue Code (IRC) which is designed for condominium associations. Under this section, the Association is not taxed on income and expenses related to its exempt function purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Income from other sources, including interest, net of related expenses, is taxed at a 30% income tax rate. By electing to file its federal income tax return under the condominium section of the IRC, the Association is exempt from filing a state return.

Kings Creek Village Association, Inc.
Notes to the Financial Statements
(Continued)
December 31, 2025

NOTE 4- MAINTENANCE 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. Members are assessed their pro rata share of the annual budget and any special assessments according to percentages set in the governing documents. Assessment revenue is recognized as performance obligations are satisfied at transaction amounts expected to be collected. The Association feels that the performance obligation is met inherently as a CIRA and is reporting the entire replacement fund as a fund balance and not a contract liability. Accounts receivable as of December 31, 2025, and 2024 were \$100,146 and \$20,536 respectively.

NOTE 5- CONTINGENCIES

The Association's insurance policies contain a windstorm deductible in the amount of 3% of the face value of the policies per occurrence for the year. In the event of an occurrence of windstorm damage, or damage severe enough to require reconstruction of common elements, the Association may not be able to pay for the deductible portion of the claim from existing funds. In such an event, the Association may adopt a special assessment to pay for the deductible portion of the claim.

NOTE 6- REPLACEMENT FUND

Florida Statutes provide that each proposed budget includes 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 approved budget includes a provision for reserves for capital improvements and deferred maintenance. The funds are being accumulated based on estimates of future needs for repairs and replacements of common property components as disclosed in the supplementary information. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. 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.

Kings Creek Village Association, Inc.
Notes to the Financial Statements
(Continued)
December 31, 2025

NOTE 6- REPLACEMENT FUND-(Continued)

The activity in the replacement fund was as follows:

<u>Components</u>	<u>Balance</u> <u>12/31/24</u>	<u>Interest/</u> <u>Assessments</u>	<u>Transfers</u>	<u>Expenditures</u>	<u>Balance</u> <u>12/31/25</u>
Pool	\$ 31,129	\$ 3,283	\$ -	\$ 2,500	\$ 31,912
Comm. Building	115,598	40,959	-	-	156,557
Truck	27,000	1,383	-	-	28,383
Parking & Rec. Area	34,376	19,241	-	-	53,617
Roof	46,349	586	-	-	46,935
Tennis Court	8,785	15,276	-	-	24,061
Street Lighting	35,000	5,807	-	36,870	3,937
Trees & Landscaping	12,098	3,319	-	6,800	8,617
Contingency Other	156,107	4,398	-	6,800	153,705
Interest	30,106	12,403	(16,000)	-	27,111
Total	<u>\$ 496,547</u>	<u>\$ 107,857</u>	<u>\$ (16,000)</u>	<u>\$ 52,970</u>	<u>\$ 534,832</u>

NOTE 7- 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 a different rate.

Kings Creek Village Association, Inc.
Notes to the Financial Statements
(Continued)
December 31, 2025

NOTE 7- INCOME TAXES-(continued)

The Association will file its 2025 federal income tax return on Form 1120H under Section 528 of the Internal Revenue Code.

There is no current year provision for income taxes.

The Association has no income tax returns under examination by the Internal Revenue Service. However, the Association's federal income tax returns for 2021, 2022 and 2023 are subject to examination, generally for three years after they are filed. 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)

NOTE 8- INTERFUND LOAN

As of December 31, 2025, the operating fund owes the replacement fund \$134,813. The Association needs to plan for repayment of this loan.

NOTE 9- COMMITMENTS

The Association has various contract services to maintain the common property. These contracts have different expiration dates and renewal terms.

NOTE 10 - PRIOR PERIOD ADJUSTMENT

Prior period adjustments are transactions and corrections relating to prior accounting periods and are made in order to reflect the current year without distortion.

NOTE 11- LEGAL

The Association, from time to time, may be subject to potential claims encountered in the normal course of business. In the opinion of management, the resolution of such claims will not have a material adverse effect on the Association's financial position, results of operations, or cash flows.

Kings Creek Village Association, Inc.
Notes to the Financial Statements
(Continued)
December 31, 2025

NOTE 12- FASB ASC TOPIC 842-LEASES-NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 842, Leases, in the Accounting Standards Classification (ASC). Topic 842 supersedes the leasing requirements of Topic 840, Leases, and requires entities to recognize substantially all operating and finance leases separately on their balance sheets as lease liabilities with a corresponding right-of-use asset, and to disclose certain information concerning the nature of the lease, significant judgements in measuring the lease, and information adequate to assess the amount, timing, and uncertainty of cash flows arising from such leases. The Association adopted the requirements of new guidance as of December 15, 2022, using a modified retrospective approach. The Association applied the new guidance using the practical expedient provided in Topic 842 that allows the new guidance to be applied only to leases finalized after the implementation date. Leases executed prior to the implementation date will continue to be accounted for under the previous FASB ASC Topic 840, unless modifications are made to the lease. The Association has evaluated the new standard (Topic 842) and has concluded that no material modifications should be made to the Association's financial statements on December 31, 2025.

NOTE 13- RELATED PARTY TRANSACTIONS

From time to time, members of the Board of Directors, or employees of the Association will advance small amounts of funds for expense on behalf of the Association. The advances are reimbursed upon presentation of documentation verifying the expense.

NOTE 14- FIXED ASSETS

As of December 31, 2025, the fixed assets have been fully depreciated.

NOTE 15- ALLOWANCE FOR DOUBTFUL ACCOUNTS

As of December 31, 2025, it is estimated that all accounts receivable balances will be collected.

Kings Creek Village Association, Inc.
Supplementary Information on
Future Major Repairs and Replacements
December 31, 2025
(Unaudited)

The Association conducted an independent study to estimate the remaining useful lives and the replacement costs of the components of common property as of January 1, 2024. Replacement costs were based on estimates from historical experience. Actual expenditures may vary from these estimated amounts and the variance may be material. Therefore, the 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>Component</u>	<u>Estimated Remaining Useful Lives</u>	<u>Estimated Current Replacement Costs</u>	<u>Designated for Repairs and Replace 12/31/2025</u>	<u>Annual Funding Per Budget 2026</u>
Pool & Heather	0-3	52,454	-	-
Community Bldg	1-30	425,350	-	-
Truck	0	30,000	-	-
Parking & Rec Areas	0-23	252,350	-	-
Roof	10	64,150	-	-
Tennis Courts	0-8	253,600	-	-
Street Light	1	78,650	-	-
Fountain & Painting	0-6	54,800	-	-
Contingency	0-9	93,750	-	-
Tree Trimming	0-9	30,000	-	-
Pooled Reserves			534,832	
TOTAL		\$1,337,104	\$534,832	\$90,251

Kings Creek Village Association, Inc.
Statement of Operating Expenses - Budget Comparison
For the Year Ended December 31, 2025

	Operating - Actual	2025 Budget	Variance
Property Expenses			
Security	154,374	168,819	(14,445)
Trash Collection	5,795	8,925	(3,130)
Audit & Financial Statements	5,700	5,871	(171)
Legal Fees	8,031	3,075	4,956
Accounting Fees	9,000	9,270	(270)
Total Property Expenses	182,900	195,960	(13,060)
Maintenance and Service Items			
Exterminating/Pest Control	-	527	(527)
Maint Equipment/Materials/Supplies	20,671	16,099	4,572
Lawn & Landscaping	14,420	19,142	(4,722)
Janitorial Supplies	2,462	2,810	(348)
Street Light Maintenance	3,450	2,788	662
Pool Maintenance and Repairs	8,165	8,000	165
Truck Maintenance	-	225	(225)
Contingency	1,007	5,000	(3,993)
Total Repairs & Maintenance	50,175	54,591	(4,416)
General and Administrative			
Licenses/Fees/Corp Taxes	200	2,624	(2,424)
Printing/Supplies/Equip	7,952	6,639	1,313
Postage	1,517	2,179	(662)
Website/IT	2,335	1,967	368
Bad Debt	-	1,000	(1,000)
Total General and Administrative	12,004	14,409	(2,405)
Insurance	109,069	104,436	4,633
Total Insurance	109,069	104,436	4,633

Kings Creek Village Association, Inc.
Statement of Operating Expenses - Budget Comparison
For the Year Ended December 31, 2025

	Operating- Actual	2025 Budget	Variance
Utilities			
Electricity	20,389	17,877	2,512
Water and Sewer	2,882	1,728	1,154
Telephone	4,505	5,242	(737)
Total Utilities	27,776	24,847	2,929
Personnel			
Salaries	141,103	157,649	(16,546)
Payroll Taxes	28,961	27,507	1,454
Payroll Processing	3,550	3,440	110
Total Personnel	173,614	188,596	(14,982)
Total Expenses	555,538	582,839	(27,302)