

**Key highlights**  
**Villas of Lake Destiny Homeowners Association**  
**Financial Statements as of December 31<sup>st</sup>, 2005.**

**Prepared by Arrington & Company, P.A.**

Our annual report separates into two parts.

The first is the Operating Fund where we receive monthly assessments (revenue) and pay for the various expenses of the Villas (Grounds, Irrigation, and Lights etc.).

The second part is the Replacement Fund where we are saving for the future replacement of roofs, painting, streets and other common area features. The replacement fund is sometimes referred to as the Reserve Fund.

**Balance Sheet**

	Operating Fund	Replacement Fund	Total
Assets (Total)	\$35,046	\$38,900	\$73,946
(-) Liabilities (Total)	7,052	0	7,052
(=) Fund Balance	27,994	38,900	66,894

**Statement of Revenues, Expenses and Change in Fund Balance**

	Operating Fund	Replacement Fund	Total
Revenues (Total)	\$99,046	\$20,081	\$119,137
(-) Expenses (Total)	98,479	4,137	7,052
(=) Excess of Rev Over Expenses	577	15,944	16,521
(+) Fund Balance Dec 2004	27,417	22,956	50,373
(=) Fund Balance Dec 2005	27,994	38,900	66,894

**Cash Flow**

	Operating Fund	Replacement Fund	Total
Excess Revenue Over Expenses	\$577	\$0	\$119,137
(+) Total Adjustments	1,316	0	1,316
(=) Net Increase in Cash	1,893	15,944	17,837
(+) Cash Balance Beginning of Year	28,992	22,956	51,948
(=) Cash at End of Year	30,885	38,900	69,785

Submitted by:

Steve Price  
Treasurer, Villas of Lake Destiny Homeowners Association, Inc.  
April 20<sup>th</sup>, 2006