

**Mailing Sheet**

**Southpointe Condominium Association, Inc.**  
3700 Woodgate Blvd  
Orlando, FL 32822

**SOUTHPOINTE CONDOMINIUM  
ASSOCIATION, INC.**

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2018**

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

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**DECEMBER 31, 2018**

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Hoskins Quiros Osborne & LaBeaume CPA, LLC

*Life Can Be Taxing. We Can Help.*

### **Independent Auditor's Report**

To Board of Directors of  
Southpointe Condominium Association, Inc.  
3700 Woodgate Blvd  
Orlando, FL 32822

We have audited the accompanying financial statements of Southpointe Condominium Association, Inc., which comprise the balance sheet as of December 31, 2018, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year ended, and the related notes to the financial statements.

#### ***Management's Responsibility 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; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southpointe Condominium Association, Inc. as of December 31, 2018, 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.

### ***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of revenues, expenses, and changes in fund balances - operating fund on page 15 and schedule of expenses - operating fund on page 16 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that future major repairs and replacements on page 17 be presented to supplement the basic financial statements. Such information, although not 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.

***Hoskins Quiros Osborne & LaBeaume, CPA, LLC***

Hoskins Quiros Osborne & LaBeaume, CPA

Certified Public Accountants

Orlando, Florida

April 15, 2019

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**BALANCE SHEET**

**AS OF DECEMBER 31, 2018**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Hurricane Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 5,362	\$ 584,603	\$ 592	\$ 590,557
Maintenance Assessments Receivable, Net	30,248	-	-	30,248
Prepaid Expenses	121,693	-	-	121,693
Property and Equipment, Net of Accumulated Depreciation of \$39,327	6,676	-	-	6,676
Interfund Advances	116,343	-	-	116,343
<b>TOTAL ASSETS</b>	<u>\$ 280,322</u>	<u>\$ 584,603</u>	<u>\$ 592</u>	<u>\$ 865,517</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts Payable and Accrued Expenses	\$ 94,722	\$ -	\$ -	\$ 94,722
Insurance Financing Payable	88,272	-	-	88,272
Prepaid Maintenance Assessments	33,814	-	-	33,814
Deferred Insurance Claim Proceeds	-	-	533	533
Interfund Borrowings	-	116,343	-	116,343
<b>TOTAL LIABILITIES</b>	216,808	116,343	533	333,684
<b>FUND BALANCES</b>	<u>63,514</u>	<u>468,260</u>	<u>59</u>	<u>531,833</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 280,322</u>	<u>\$ 584,603</u>	<u>\$ 592</u>	<u>\$ 865,517</u>

See accompanying independent auditor's report and notes to financial statements

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Hurricane Fund</b>	<b>Total</b>
<b>REVENUES</b>				
Maintenance Assessments	\$ 886,736	\$ 317,105	\$ -	\$ 1,203,841
Insurance Claim Proceeds	-	-	2,061,212	2,061,212
Interest Income	9	902	57	968
Other Income	39,615	-	-	39,615
<b>TOTAL REVENUES</b>	926,360	318,007	2,061,269	3,305,636
<b>EXPENSES</b>				
Common Area (see schedules)	298,611	-	-	298,611
Building Maintenance (see schedules)	147,654	-	-	147,654
Grounds Maintenance (see schedules)	131,833	-	-	131,833
Pool & Clubhouse Maintenance (see schedules)	19,954	-	-	19,954
General & Administrative (see schedules)	356,011	-	-	356,011
Major Repairs, Replacements and Capital Improvements	-	441,590	2,061,212	2,502,802
<b>TOTAL EXPENSES</b>	954,063	441,590	2,061,212	3,456,865
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(27,703)	(123,583)	57	(151,229)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	91,217	591,843	2	683,062
<b>FUND BALANCES AT END OF YEAR</b>	\$ 63,514	\$ 468,260	\$ 59	\$ 531,833

See accompanying independent auditor's report and notes to financial statements

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Hurricane Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Excess (Deficiency) of Revenues Over Expenses	\$ (27,703)	\$ (123,583)	\$ 57	\$ (151,229)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
Depreciation Expense	4,479	-	-	4,479
Bad Debt Expense (Recovery)	237	-	-	237
(Increase) Decrease in:				
Maintenance Assessments Receivable	(3,729)	-	-	(3,729)
Employee Advance	2,700	-	-	2,700
Prepaid Expenses	(6,216)	24,207	-	17,991
Increase (Decrease) in:				
Accounts Payable and Accrued Expenses	(29,619)	-	-	(29,619)
Insurance Financing Payable	(5,613)	-	-	(5,613)
Prepaid Maintenance Assessments	(6,835)	-	-	(6,835)
Deferred Insurance Claim Proceeds	-	-	(831,250)	(831,250)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(72,299)</b>	<b>(99,376)</b>	<b>(831,193)</b>	<b>(1,002,868)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Interfund Advances	50,408	(50,408)	-	-
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<b>50,408</b>	<b>(50,408)</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(21,891)</b>	<b>(149,784)</b>	<b>(831,193)</b>	<b>(1,002,868)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>27,253</b>	<b>734,387</b>	<b>831,785</b>	<b>1,593,425</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 5,362</b>	<b>\$ 584,603</b>	<b>\$ 592</b>	<b>\$ 590,557</b>
<b>SUPPLEMENTAL DISCLOSURES</b>				
Income Taxes Paid	\$ -			
Cash Paid for Interest	\$ 565			

See accompanying independent auditor's report and notes to financial statements



**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**NOTE A – ORGANIZATION**

Southpointe Condominium Association, Inc. is a statutory multi-condominium association incorporated in the State of Florida on November 1, 1983. The Association is responsible for the operation and maintenance of the common property of Southpointe Condominium. The Association consists of 448 residential units in five separate condominiums located in Orlando, Florida.

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

Multi Condominium Statutory Reporting

Rule 61B-22.006(4) of the Florida Administrative Code requires multi condominium associations to present revenues, expenses, and changes in fund balance for each condominium.

The Association allocates common maintenance and administrative expenses, which are for the benefit of all the condominiums, to each condominium based on the total number of units per condominium, divided by the total number of units in the Association. All activity attributable to a particular condominium should be charged only to that condominium.

Fund Accounting

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

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

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

Hurricane Fund — This fund is used to accumulate financial resources restricted for future major repairs and replacements of designated common elements that require replacement from hurricane damage.

Interest Earned

The Board's policy is to allocate to the applicable fund interest earned on cash accounts. Interest in the replacement fund is then allocated to each condominium on a per unit basis. Within each condominium, interest is allocated to each replacement fund component based on the beginning balance of the component in proportion to the total replacement fund for each condominium.

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**DECEMBER 31, 2018**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Maintenance Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are delinquent. Any excess assessments at year-end are retained by the Association for use in succeeding years. The allowance for uncollectible assessments has been established by the Board of Directors based upon their estimate of potential uncollectible balances. There is no allowance for bad debt as of December 31, 2018.

Income Taxes

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. The Association has elected to be taxed as a homeowners' association under Section 528 of the Internal Revenue Code. This Section provides that the Association will be taxed only on nonexempt income as defined under Section 528. Net nonexempt function income, which includes interest earned and revenues received from nonmembers, is taxed at 30% by the federal government. An income tax provision was not required due to the excess of allocable expenses over nonexempt income for the year ended December 31, 2018. The Association's management believes it is no longer subject to income tax examinations for years prior to 2015.

Property and Equipment

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less at the date of purchase to be cash equivalents.

Fair Value of Financial Instruments

The carrying amounts of the Association's financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and long-term debt, approximate their fair values due to their short-term maturities.

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**DECEMBER 31, 2018**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Deferred Insurance Claim Proceeds

The Association received a total of \$2,061,745 to cover the cost of damages from a hurricane, \$533 of which was deferred at December 31, 2018. Revenue for the insurance proceeds is recognized when the funds are expended or the liabilities are incurred in connection with making the repairs or obtaining the insurance settlement.

Concentrations of Credit Risk

Financial instruments that potentially subject the Association to concentrations of credit risk consist of temporary cash investments. The Association places such assets with quality financial institutions. The balances, at times, may exceed federally insured limits.

**NOTE C – PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at December 31, 2018:

Office equipment	\$	5,316
Furniture and fixtures		13,190
Golf carts and trailers		6,954
Maintenance equipment		18,414
Maintenance shed		2,129
Total property and equipment		46,003
Less: accumulated depreciation		(39,327)
Net property and equipment	\$	<u>6,676</u>

Depreciation expense for the year was \$4,479.

**NOTE D – INSURANCE DEDUCTIBLE**

The property insurance policy covering the Association is subject to a deductible of 5% of the insured value for claims arising from wind and hailstorms. The Association is responsible for losses up to this amount.

**NOTE E – RELATED PARTIES**

The Association paid \$14,508 to an employee in the maintenance department who is also an Association Officer. Payments were made in the normal course of Association business.

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS – CONTINUED**

**DECEMBER 31, 2018**

**NOTE F – DATE OF MANAGEMENT’S REVIEW**

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 15, 2019, the date the financial statements were available to be issued.

**NOTE G – NEW ACCOUNTING PRONOUNCEMENT**

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The core principle of ASU 2014-09 is to recognize revenues when a customer obtains control of a good or service, in an amount that reflects the consideration to which an entity is expected to be entitled for those goods or services. The standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14, which deferred the effective date of ASU 2014-09 by one year. The ASU 2014-09 standard will be effective for the Association in 2019. The Association is currently evaluating the effect that the new standard will have on its financial statements.

**NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents, as well as Florida Statutes, require funds to be accumulated for future major repairs and replacements. The funds are segregated and are generally not available for expenditures for normal operations. Accumulated funds, which aggregate approximately \$468,300 at December 31, 2018, are held in separate accounts and are generally not available for operating purposes.

The funding program was based on a study performed by the board of directors and the Property Manager in November 2002 to estimate the remaining useful lives and the replacement costs of the common property components. The Association's estimated current replacement costs were revised in 2018.

The Association is funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, 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 Florida Statutes require the accumulation of such reserves.

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**DECEMBER 31, 2018**

**NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED**

The activity within the replacement fund for the year ended December 31, 2018 is presented as follows:

<b><u>CONDOMINIUM I</u></b>	<b><u>Roofs</u></b>	<b><u>Painting</u></b>	<b><u>Paving</u></b>	<b><u>Pool/Spa</u></b>	<b><u>Siding</u></b>	<b><u>Total</u></b>
REVENUES						
Maintenance Assessments	\$ 63,256	\$ -	\$ 1,855	\$ 27	\$ 13,360	\$ 78,498
Interest income	188	16	16	-	-	220
TOTAL REVENUES	<u>63,444</u>	<u>16</u>	<u>1,871</u>	<u>27</u>	<u>13,360</u>	<u>78,718</u>
EXPENSES	<u>103,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,313</u>	<u>110,398</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(39,641)	16	1,871	27	6,047	(31,680)
FUND BALANCES - BEGINNING OF YEAR	<u>131,056</u>	<u>11,114</u>	<u>11,274</u>	<u>(1,932)</u>	<u>(6,278)</u>	<u>145,234</u>
FUND BALANCES - END OF YEAR	<u>\$ 91,415</u>	<u>\$ 11,130</u>	<u>\$ 13,145</u>	<u>\$ (1,905)</u>	<u>\$ (231)</u>	<u>\$ 113,554</u>
<b><u>CONDOMINIUM II</u></b>	<b><u>Roofs</u></b>	<b><u>Painting</u></b>	<b><u>Paving</u></b>	<b><u>Pool/Spa</u></b>	<b><u>Siding</u></b>	<b><u>Total</u></b>
REVENUES						
Maintenance Assessments	\$ 49,202	\$ -	\$ 1,391	\$ 19	\$ 10,646	\$ 61,258
Interest income	124	17	15	-	-	156
TOTAL REVENUES	<u>49,326</u>	<u>17</u>	<u>1,406</u>	<u>19</u>	<u>10,646</u>	<u>61,414</u>
EXPENSES	<u>81,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,499</u>	<u>86,578</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(31,753)	17	1,406	19	5,147	(25,164)
FUND BALANCES - BEGINNING OF YEAR	<u>86,556</u>	<u>11,997</u>	<u>10,468</u>	<u>(1,453)</u>	<u>(4,158)</u>	<u>103,410</u>
FUND BALANCES - END OF YEAR	<u>\$ 54,803</u>	<u>\$ 12,014</u>	<u>\$ 11,874</u>	<u>\$ (1,434)</u>	<u>\$ 989</u>	<u>\$ 78,246</u>

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**DECEMBER 31, 2018**

**NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED**

<b><u>CONDOMINIUM III</u></b>	<b><u>Roofs</u></b>	<b><u>Painting</u></b>	<b><u>Paving</u></b>	<b><u>Pool/Spa</u></b>	<b><u>Siding</u></b>	<b><u>Total</u></b>
REVENUES						
Maintenance Assessments	\$ 63,056	\$ -	\$ 1,855	\$ 27	\$ 14,195	\$ 79,133
Interest income	188	9	16	-	-	213
TOTAL REVENUES	<u>63,244</u>	<u>9</u>	<u>1,871</u>	<u>27</u>	<u>14,195</u>	<u>79,346</u>
EXPENSES	<u>103,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,312</u>	<u>110,397</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(39,841)	9	1,871	27	6,883	(31,051)
FUND BALANCES - BEGINNING OF YEAR	<u>130,197</u>	<u>6,232</u>	<u>11,284</u>	<u>(4,757)</u>	<u>(5,490)</u>	<u>137,466</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 90,356</u></u>	<u><u>\$ 6,241</u></u>	<u><u>\$ 13,155</u></u>	<u><u>\$ (4,730)</u></u>	<u><u>\$ 1,393</u></u>	<u><u>\$ 106,415</u></u>
<b><u>CONDOMINIUM IV</u></b>	<b><u>Roofs</u></b>	<b><u>Painting</u></b>	<b><u>Paving</u></b>	<b><u>Pool/Spa</u></b>	<b><u>Siding</u></b>	<b><u>Total</u></b>
REVENUES						
Maintenance Assessments	\$ 32,846	\$ -	\$ 928	\$ 14	\$ 6,309	\$ 40,097
Interest income	98	15	11	-	-	124
TOTAL REVENUES	<u>32,944</u>	<u>15</u>	<u>939</u>	<u>14</u>	<u>6,309</u>	<u>40,221</u>
EXPENSES	<u>58,368</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,627</u>	<u>61,995</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(25,424)	15	939	14	2,682	(21,774)
FUND BALANCES - BEGINNING OF YEAR	<u>68,110</u>	<u>10,626</u>	<u>7,023</u>	<u>(948)</u>	<u>(3,410)</u>	<u>81,401</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 42,686</u></u>	<u><u>\$ 10,641</u></u>	<u><u>\$ 7,962</u></u>	<u><u>\$ (934)</u></u>	<u><u>\$ (728)</u></u>	<u><u>\$ 59,627</u></u>

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**DECEMBER 31, 2018**

**NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED**

<b><u>CONDOMINIUM V</u></b>	<b><u>Roofs</u></b>	<b><u>Painting</u></b>	<b><u>Paving</u></b>	<b><u>Pool/Spa</u></b>	<b><u>Siding</u></b>	<b><u>Total</u></b>
REVENUES						
Maintenance Assessments	\$ 47,242	\$ -	\$ 1,391	\$ 23	\$ 9,463	\$ 58,119
Interest income	150	26	13	-	-	189
TOTAL REVENUES	47,392	26	1,404	23	9,463	58,308
EXPENSES	66,723	-	-	-	5,499	72,222
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(19,331)	26	1,404	23	3,964	(13,914)
FUND BALANCES - BEGINNING OF YEAR	104,526	18,103	8,440	(1,466)	(5,271)	124,332
FUND BALANCES - END OF YEAR	<u>\$ 85,195</u>	<u>\$ 18,129</u>	<u>\$ 9,844</u>	<u>\$ (1,443)</u>	<u>\$ (1,307)</u>	<u>\$ 110,418</u>
<b><u>TOTALS</u></b>	<b><u>Roofs</u></b>	<b><u>Painting</u></b>	<b><u>Paving</u></b>	<b><u>Pool/Spa</u></b>	<b><u>Siding</u></b>	<b><u>Total</u></b>
REVENUES						
Maintenance Assessments	\$ 255,602	\$ -	\$ 7,420	\$ 110	\$ 53,973	\$ 317,105
Interest income	748	83	71	-	-	902
TOTAL REVENUES	256,350	83	7,491	110	53,973	318,007
EXPENSES	412,340	-	-	-	29,250	441,590
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(155,990)	83	7,491	110	24,723	(123,583)
FUND BALANCES - BEGINNING OF YEAR	520,445	58,072	48,489	(10,556)	(24,607)	591,843
FUND BALANCES - END OF YEAR	<u>\$ 364,455</u>	<u>\$ 58,155</u>	<u>\$ 55,980</u>	<u>\$ (10,446)</u>	<u>\$ 116</u>	<u>\$ 468,260</u>

**SUPPLEMENTARY INFORMATION**



**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES - OPERATING FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>TOTAL</u>
<b>REVENUES</b>						
Maintenance Assessments	\$ 221,684	\$ 166,268	\$ 221,681	\$ 110,841	\$ 166,262	\$ 886,736
Other Income	12,356	3,898	8,984	6,341	8,045	39,624
<b>TOTAL REVENUES</b>	234,040	170,166	230,665	117,182	174,307	926,360
<b>EXPENSES</b>						
Common Area	74,605	56,083	74,676	37,059	56,188	298,611
Building Maintenance	35,962	27,043	35,970	17,830	30,849	147,654
Grounds Maintenance	32,958	24,743	32,806	16,539	24,787	131,833
Pool & Clubhouse Maintenance	4,988	3,751	4,538	2,787	3,890	19,954
General & Administrative	88,567	67,413	89,014	44,172	66,845	356,011
<b>TOTAL EXPENSES</b>	237,080	179,033	237,004	118,387	182,559	954,063
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	(3,040)	(8,867)	(6,339)	(1,205)	(8,252)	(27,703)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	(99,551)	(12,939)	114,938	33,233	55,536	91,217
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ (102,591)</u>	<u>\$ (21,806)</u>	<u>\$ 108,599</u>	<u>\$ 32,028</u>	<u>\$ 47,284</u>	<u>\$ 63,514</u>

See accompanying independent auditor's report and notes to financial statements

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**SCHEDULE OF EXPENSES - OPERATING FUND**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>TOTAL</u>
<b>Common Area</b>						
Fountain	\$ 264	\$ 199	\$ 264	\$ 120	\$ 209	\$ 1,056
Pest Control	6,466	4,800	6,446	3,250	4,904	25,866
Security and Fire Protection	3,248	2,443	3,248	1,612	2,439	12,990
Storage	571	471	662	307	466	2,477
Utilities	64,056	48,170	64,056	31,770	48,170	256,222
<b>Total Common Area</b>	<u>\$ 74,605</u>	<u>\$ 56,083</u>	<u>\$ 74,676</u>	<u>\$ 37,059</u>	<u>\$ 56,188</u>	<u>\$ 298,611</u>
<b>Building Maintenance</b>						
Contract Labor	\$ 858	\$ 645	\$ 858	\$ 424	\$ 645	\$ 3,430
Repair and Maintenance	8,570	6,445	8,578	4,245	10,251	38,089
Salaries and Wages	26,534	19,953	26,534	13,161	19,953	106,135
<b>Total Building Maintenance</b>	<u>\$ 35,962</u>	<u>\$ 27,043</u>	<u>\$ 35,970</u>	<u>\$ 17,830</u>	<u>\$ 30,849</u>	<u>\$ 147,654</u>
<b>Grounds Maintenance</b>						
Contract Labor	\$ 1,125	\$ 846	\$ 1,125	\$ 558	\$ 846	\$ 4,500
Equipment Repair	975	690	1,019	483	734	3,901
Fuel	441	332	441	219	332	1,765
Irrigation	120	91	120	59	91	481
Plants, Mulch, Rocks & Other	996	749	944	545	749	3,983
Salaries and Wages	25,812	19,411	25,812	12,802	19,411	103,248
Yard Trash	3,489	2,624	3,345	1,873	2,624	13,955
<b>Total Grounds Maintenance</b>	<u>\$ 32,958</u>	<u>\$ 24,743</u>	<u>\$ 32,806</u>	<u>\$ 16,539</u>	<u>\$ 24,787</u>	<u>\$ 131,833</u>
<b>Pool &amp; Clubhouse Maintenance</b>						
Repairs, Maintenance and Supplies	\$ 4,988	\$ 3,751	\$ 4,538	\$ 2,787	\$ 3,890	\$ 19,954
<b>Total Pool &amp; Clubhouse Maintenance</b>	<u>\$ 4,988</u>	<u>\$ 3,751</u>	<u>\$ 4,538</u>	<u>\$ 2,787</u>	<u>\$ 3,890</u>	<u>\$ 19,954</u>
<b>General &amp; Administrative</b>						
Bad Debt	\$ -	\$ 237	\$ -	\$ -	\$ -	\$ 237
Depreciation	1,120	842	1,120	555	842	4,479
Insurance	35,150	26,885	35,418	17,515	26,635	141,603
Janitorial	1,483	1,115	1,483	737	1,115	5,933
Licenses and Fees	842	633	842	415	633	3,365
Miscellaneous	363	271	363	194	261	1,452
Office and Postage	3,218	2,544	3,510	1,652	2,513	13,437
Payroll Fees	50	38	50	24	38	200
Payroll Taxes	6,056	4,554	6,056	3,004	4,554	24,224
Professional Fees	11,263	8,469	11,150	5,703	8,469	45,054
Salaries and Wages	25,374	19,082	25,374	12,585	19,082	101,497
Repair and Maintenance	2,097	1,577	2,097	1,039	1,516	8,326
Telephone	1,551	1,166	1,551	749	1,187	6,204
<b>Total General &amp; Administrative</b>	<u>\$ 88,567</u>	<u>\$ 67,413</u>	<u>\$ 89,014</u>	<u>\$ 44,172</u>	<u>\$ 66,845</u>	<u>\$ 356,011</u>

See accompanying independent auditor's report and notes to financial statements

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)**

**DECEMBER 31, 2018**

The Association's Board has estimated the remaining useful lives and the replacement costs of components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the end of their useful lives. The most recent study adopted by the Board was performed in November 2002. The Association's estimated current replacement costs were revised in 2018; however, do not take into account the effects of inflation between the date of the estimate and the date that the component will require repair or replacement.

The following is based on the estimate and presents significant information about the components of common property:

<b><u>CONDOMINIUM I</u></b>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2018	2019 Funding per Budget	2019 Full Funding Calculation
Roofs	15	\$ 412,500	\$ 91,415	\$ 21,199	\$ 21,406
Painting	4	17,750	11,130	808	1,655
Paving	1	19,750	13,145	5,774	6,605
Pool/Spa	15	4,875	(1,905)	52	452
Siding	11	249,500	(231)	22,679	22,703
		<u>\$ 704,375</u>	<u>\$ 113,554</u>	<u>\$ 50,512</u>	<u>\$ 52,821</u>

<b><u>CONDOMINIUM II</u></b>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2018	2019 Funding per Budget	2019 Full Funding Calculation
Roofs	15	\$ 309,375	\$ 54,803	\$ 15,899	\$ 16,971
Painting	3	13,313	12,014	808	-
Paving	1	14,813	11,874	1,391	2,939
Pool/Spa	16	3,656	(1,434)	351	318
Siding	10	187,125	989	18,710	18,614
		<u>\$ 528,282</u>	<u>\$ 78,246</u>	<u>\$ 37,159</u>	<u>\$ 38,842</u>

<b><u>CONDOMINIUM III</u></b>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2018	2019 Funding per Budget	2019 Full Funding Calculation
Roofs	15	\$ 412,500	\$ 90,356	\$ 21,199	\$ 21,476
Painting	2	17,750	6,241	1,616	5,755
Paving	1	19,750	13,155	5,774	6,595
Pool/Spa	16	4,875	(4,730)	468	600
Siding	10	249,500	1,393	18,947	24,811
		<u>\$ 704,375</u>	<u>\$ 106,415</u>	<u>\$ 48,004</u>	<u>\$ 59,237</u>

**SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.**

**FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED) - CONTINUED**

**DECEMBER 31, 2018**

<b><u>CONDOMINIUM IV</u></b>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2018	2019 Funding per Budget	2019 Full Funding Calculation
Roofs	15	\$ 174,644	\$ 42,686	\$ 10,599	\$ 8,797
Painting	1	5,750	10,641	1,616	-
Paving	1	8,500	7,962	928	538
Pool/Spa	16	1,813	(934)	234	172
Siding	12	120,000	(728)	10,395	10,061
		<u>\$ 310,707</u>	<u>\$ 59,627</u>	<u>\$ 23,772</u>	<u>\$ 19,568</u>

<b><u>CONDOMINIUM V</u></b>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2018	2019 Funding per Budget	2019 Full Funding Calculation
Roofs	15	\$ 309,375	\$ 85,195	\$ 15,899	\$ 14,945
Painting	2	13,313	18,129	1,212	-
Paving	1	14,813	9,844	4,330	4,969
Pool/Spa	16	3,656	(1,443)	351	319
Siding	12	187,125	(1,307)	15,592	15,703
		<u>\$ 528,282</u>	<u>\$ 110,418</u>	<u>\$ 37,384</u>	<u>\$ 35,936</u>

<b><u>TOTALS</u></b>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2018	2019 Funding per Budget	2019 Full Funding Calculation
Roofs	15	\$ 1,618,394	\$ 364,455	\$ 84,795	\$ 83,595
Painting	2 - 4	67,876	58,155	6,060	7,410
Paving	1	77,626	55,980	18,197	21,646
Pool/Spa	15 - 16	18,875	(10,446)	1,456	1,861
Siding	10 - 12	993,250	116	86,323	91,892
		<u>\$ 2,776,021</u>	<u>\$ 468,260</u>	<u>\$ 196,831</u>	<u>\$ 206,404</u>

See accompanying independent auditor's report