

Mailing Sheet

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

**SOUTHPOINTE CONDOMINIUM
ASSOCIATION, INC.**

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2019

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

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DECEMBER 31, 2019

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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, 2019, 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, 2019, 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 18 and schedule of expenses - operating fund on page 19 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 20 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

August 14, 2020

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET

AS OF DECEMBER 31, 2019

	Operating Fund	Replacement Fund	Hurricane Fund	Total
ASSETS				
Cash & Cash Equivalents	\$ 589	\$ 401,655	\$ 592	\$ 402,836
Maintenance Assessments Receivable, Net	38,440	-	-	38,440
Prepaid Expenses	142,192	-	-	142,192
Property and Equipment, Net of Accumulated Depreciation of \$43,807	2,196	-	-	2,196
TOTAL ASSETS	\$ 183,417	\$ 401,655	\$ 592	\$ 585,664
LIABILITIES AND FUND BALANCES				
Accounts Payable and Accrued Expenses	\$ 88,956	\$ -	\$ -	\$ 88,956
Insurance Financing Payable	104,108	-	-	104,108
Prepaid Maintenance Assessments	43,209	-	-	43,209
Deferred Insurance Claim Proceeds	-	-	533	533
Contract Liabilities (Assessments received in advance-replacement fund)	-	401,655	-	401,655
TOTAL LIABILITIES	236,273	401,655	533	638,461
FUND BALANCES	(52,856)	-	59	(52,797)
TOTAL LIABILITIES AND FUND BALANCES	\$ 183,417	\$ 401,655	\$ 592	\$ 585,664

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, 2019

	Operating Fund	Replacement Fund	Hurricane Fund	Total
REVENUES				
Maintenance Assessments	\$ 983,349	\$ 263,437	\$ -	\$ 1,246,786
Interest Income	5	290	-	295
Other Income	34,005	-	-	34,005
	1,017,359	263,727	-	1,281,086
TOTAL REVENUES				
EXPENSES				
Common Area (see schedules)	397,663	-	-	397,663
Building Maintenance (see schedules)	104,158	-	-	104,158
Grounds Maintenance (see schedules)	124,864	-	-	124,864
Pool & Clubhouse Maintenance (see schedules)	20,595	-	-	20,595
General & Administrative (see schedules)	486,450	-	-	486,450
Major Repairs, Replacements and Capital Improvements	-	263,727	-	263,727
	1,133,730	263,727	-	1,397,457
TOTAL EXPENSES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(116,371)	-	-	(116,371)
FUND BALANCES AT BEGINNING OF YEAR	63,515	-	59	63,574
FUND BALANCES AT END OF YEAR	\$ (52,856)	\$ -	\$ 59	\$ (52,797)

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, 2019

	Operating Fund	Replacement Fund	Hurricane Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess (Deficiency) of Revenues Over Expenses	\$ (116,371)	\$ -	\$ -	\$ (116,371)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
Depreciation Expense	4,479	-	-	4,479
(Increase) Decrease in:				
Maintenance Assessments Receivable	(8,189)	-	-	(8,189)
Prepaid Expenses	(20,501)	-	-	(20,501)
Increase (Decrease) in:				
Accounts Payable and Accrued Expenses	(5,766)	-	-	(5,766)
Insurance Financing Payable	15,837	-	-	15,837
Prepaid Maintenance Assessments	9,395	-	-	9,395
Contract Liabilities	-	(66,605)	-	(66,605)
	(121,116)	(66,605)	-	(187,721)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(121,116)	(66,605)	-	(187,721)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interfund Advances	116,343	(116,343)	-	-
	116,343	(116,343)	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	116,343	(116,343)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,773)	(182,948)	-	(187,721)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,362	584,603	592	590,557
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 589	\$ 401,655	\$ 592	\$ 402,836
SUPPLEMENTAL DISCLOSURES				
Income Taxes Paid	<u>\$ -</u>			
Cash Paid for Interest	<u>\$ 495</u>			

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

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

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, 2019

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 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 replacement 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. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are thirty days or more delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. Management considers all assessments receivable at December 31, 2019 to be fully collectible.

The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control.

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, 2019. The Association's management believes it is no longer subject to income tax examinations for years prior to 2016.

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.

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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 as of December 31, 2019. 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, 2019:

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		(43,807)
Net property and equipment	\$	<u>2,196</u>

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

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2019

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 – DATE OF MANAGEMENT’S REVIEW

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through August 14, 2020, the date the financial statements were available to be issued.

NOTE F – 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 as of January 1, 2019. Adoption of the new guidance resulted in changes to Association’s accounting policies for assessment revenue and contract liabilities related to the replacement fund, as previously described.

The adoption of the new revenue recognition guidance resulted in the following change to fund balance as of January 1, 2019:

Total fund balance, as previously reported, at January 1, 2019	\$ 531,833
Adjustment	<u>(468,259)</u>
Total fund balance, as adjusted, at January 1, 2019	<u>\$ 63,574</u>

The effect of the adoption is an increase in 2019 assessments by \$66,605 and a recording of a contract liability (assessments received in advance-replacement fund) at December 31, 2019, of \$401,655. The Association has no customer contract modifications that had an effect on the Association’s transition to the new guidance.

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2019

NOTE F – FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION - CONTINUED

The modified retrospective method of transition requires us to disclose the effect of applying the new guidance on each item included on the 2019 financial statements. Following are the line items from the balance sheet as of December 31, 2019, 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:

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<u>Liabilities:</u>			
Contract Liabilities (Assessments received in advance-replacement fund)	\$ -	\$ 401,655	\$ 401,655
Total Liabilities	236,806	401,655	638,461
 <u>Fund Balance:</u>			
Ending Fund Balances	348,858	(401,655)	(52,797)

The following are the line items from the statement of revenues, expenses, and changes in fund balances and the statement of cash flows for the year ended December 31, 2019, that were affected, 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:

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<u>Revenue:</u>			
Regular Assessments	\$ 1,180,181	\$ 66,605	\$ 1,246,786
Excess (Deficiency) of Revenues Over Expenses	(182,976)	66,605	(116,371)
 <u>Cash Flows:</u>			
Excess (Deficiency) of Revenues Over Expenses	(182,976)	66,605	(116,371)
Increase in Contract Liabilities	-	(66,605)	(66,605)

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2019

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 \$401,655 at December 31, 2019, 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 2019 to estimate the remaining useful lives and the replacement costs of the common property components. In addition, the Association adopted pooling method for replacement fund starting January 1, 2020.

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, 2019

NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED

The activity within the contract liabilities for the year ended December 31, 2019 is presented as follows:

<u>CONDOMINIUM I</u>	<u>Roofs</u>	<u>Painting</u>	<u>Paving</u>	<u>Pool/Spa</u>	<u>Siding</u>	<u>Total</u>
CONTRACT LIABILITIES - BEGINNING OF YEAR	\$ 91,415	\$ 11,130	\$ 13,145	\$ (1,905)	\$ (231)	\$ 113,554
Maintenance Assessments	21,199	804	5,774	55	22,681	50,513
Interest Income	73	-	-	-	-	73
Expenditure	(33,582)	(10,084)	(18,919)	-	-	(62,585)
Transfer	-	(1,850)	-	1,850	-	-
CONTRACT LIABILITIES - END OF YEAR	<u>\$ 79,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,450</u>	<u>\$ 101,555</u>
<u>CONDOMINIUM II</u>	<u>Roofs</u>	<u>Painting</u>	<u>Paving</u>	<u>Pool/Spa</u>	<u>Siding</u>	<u>Total</u>
CONTRACT LIABILITIES - BEGINNING OF YEAR	\$ 54,803	\$ 12,014	\$ 11,874	\$ (1,434)	\$ 989	\$ 78,246
Maintenance Assessments	15,897	806	1,391	351	18,711	37,156
Interest Income	44	-	-	-	-	44
Expenditure	(25,253)	(11,737)	(13,265)	-	-	(50,255)
Transfer	-	(1,083)	-	1,083	-	-
CONTRACT LIABILITIES - END OF YEAR	<u>\$ 45,491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,700</u>	<u>\$ 65,191</u>

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2019

NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED

<u>CONDOMINIUM III</u>	<u>Roofs</u>	<u>Painting</u>	<u>Paving</u>	<u>Pool/Spa</u>	<u>Siding</u>	<u>Total</u>
CONTRACT LIABILITIES - BEGINNING OF YEAR	\$ 90,356	\$ 6,241	\$ 13,155	\$ (4,730)	\$ 1,393	\$ 106,415
Maintenance Assessments	21,198	1,614	5,774	470	18,944	48,000
Interest Income	72	-	-	-	-	72
Expenditure	(33,582)	(3,595)	(18,929)	-	-	(56,106)
Transfer	-	(4,260)	-	4,260	-	-
CONTRACT LIABILITIES - END OF YEAR	<u>\$ 78,044</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,337</u>	<u>\$ 98,381</u>
<u>CONDOMINIUM IV</u>	<u>Roofs</u>	<u>Painting</u>	<u>Paving</u>	<u>Pool/Spa</u>	<u>Siding</u>	<u>Total</u>
CONTRACT LIABILITIES - BEGINNING OF YEAR	\$ 42,685	\$ 10,641	\$ 7,962	\$ (934)	\$ (728)	\$ 59,626
Maintenance Assessments	10,603	1,621	925	234	10,396	23,779
Interest Income	34	-	-	-	-	34
Expenditure	(16,656)	(11,562)	(8,887)	-	-	(37,105)
Transfer	-	(700)	-	700	-	-
CONTRACT LIABILITIES - END OF YEAR	<u>\$ 36,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,668</u>	<u>\$ 46,334</u>

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2019

NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED

<u>CONDOMINIUM V</u>	<u>Roofs</u>	<u>Painting</u>	<u>Paving</u>	<u>Pool/Spa</u>	<u>Siding</u>	<u>Total</u>
CONTRACT LIABILITIES - BEGINNING OF YEAR	\$ 85,195	\$ 18,129	\$ 9,844	\$ (1,443)	\$ (1,307)	\$ 110,418
Maintenance Assessments	15,901	1,213	4,329	351	15,591	37,385
Interest Income	67	-	-	-	-	67
Expenditure	(25,253)	(18,250)	(14,173)	-	-	(57,676)
Transfer	-	(1,092)	-	1,092	-	-
CONTRACT LIABILITIES - END OF YEAR	<u>\$ 75,910</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,284</u>	<u>\$ 90,194</u>
<u>TOTALS</u>	<u>Roofs</u>	<u>Painting</u>	<u>Paving</u>	<u>Pool/Spa</u>	<u>Siding</u>	<u>Total</u>
CONTRACT LIABILITIES - BEGINNING OF YEAR	\$ 364,454	\$ 58,155	\$ 55,980	\$ (10,446)	\$ 116	\$ 468,259
Maintenance Assessments	84,798	6,058	18,193	1,461	86,323	196,833
Interest Income	290	-	-	-	-	290
Expenditure	(134,326)	(55,228)	(74,173)	-	-	(263,727)
Transfer	-	(8,985)	-	8,985	-	-
CONTRACT LIABILITIES - END OF YEAR	<u>\$ 315,216</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,439</u>	<u>\$ 401,655</u>

SUPPLEMENTARY INFORMATION

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

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

FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>TOTAL</u>
REVENUES						
Maintenance Assessments	\$ 245,841	\$ 184,380	\$ 245,834	\$ 122,919	\$ 184,375	\$ 983,349
Other Income	10,156	3,095	6,024	1,871	12,864	34,010
TOTAL REVENUES	255,997	187,475	251,858	124,790	197,239	1,017,359
EXPENSES						
Common Area	99,441	74,779	99,341	49,323	74,779	397,663
Building Maintenance	26,207	19,089	29,094	11,624	18,144	104,158
Grounds Maintenance	31,215	23,476	31,215	15,482	23,476	124,864
Pool & Clubhouse Maintenance	5,149	3,869	5,149	2,559	3,869	20,595
General & Administrative	120,626	88,230	120,196	58,227	99,171	486,450
TOTAL EXPENSES	282,638	209,443	284,995	137,215	219,439	1,133,730
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(26,641)	(21,968)	(33,137)	(12,425)	(22,200)	(116,371)
FUND BALANCES AT BEGINNING OF YEAR	(102,591)	(21,806)	108,599	32,029	47,284	63,515
FUND BALANCES AT END OF YEAR	<u>\$ (129,232)</u>	<u>\$ (43,774)</u>	<u>\$ 75,462</u>	<u>\$ 19,604</u>	<u>\$ 25,084</u>	<u>\$ (52,856)</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, 2019

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>TOTAL</u>
Common Area						
Fountain	\$ 264	\$ 198	\$ 264	\$ 132	\$ 198	\$ 1,056
Pest Control	6,300	4,738	6,300	3,124	4,738	25,200
Security and Fire Protection	2,866	2,155	2,766	1,420	2,155	11,362
Storage	618	465	618	306	465	2,472
Utilities	89,309	67,160	89,309	44,298	67,160	357,236
Vending Machine Supplies	84	63	84	43	63	337
Total Common Area	<u>\$ 99,441</u>	<u>\$ 74,779</u>	<u>\$ 99,341</u>	<u>\$ 49,323</u>	<u>\$ 74,779</u>	<u>\$ 397,663</u>
Building Maintenance						
Contract Labor	\$ 6,103	\$ 4,600	\$ 6,118	\$ 3,034	\$ 4,600	\$ 24,455
Repair and Maintenance	8,312	6,221	9,043	4,054	6,221	33,851
Salaries and Wages	11,792	8,268	13,933	4,536	7,323	45,852
Total Building Maintenance	<u>\$ 26,207</u>	<u>\$ 19,089</u>	<u>\$ 29,094</u>	<u>\$ 11,624</u>	<u>\$ 18,144</u>	<u>\$ 104,158</u>
Grounds Maintenance						
Contract Labor	\$ 565	\$ 425	\$ 565	\$ 280	\$ 425	\$ 2,260
Equipment Repair	1,147	863	1,147	568	863	4,588
Fuel	651	490	651	322	490	2,604
Irrigation	18	13	18	10	13	72
Plants, Mulch, Rocks & Other	864	650	864	430	650	3,458
Salaries and Wages	24,648	18,536	24,648	12,225	18,536	98,593
Yard Trash	3,322	2,499	3,322	1,647	2,499	13,289
Total Grounds Maintenance	<u>\$ 31,215</u>	<u>\$ 23,476</u>	<u>\$ 31,215</u>	<u>\$ 15,482</u>	<u>\$ 23,476</u>	<u>\$ 124,864</u>
Pool & Clubhouse Maintenance						
Repairs, Maintenance and Supplies	\$ 5,149	\$ 3,869	\$ 5,149	\$ 2,559	\$ 3,869	\$ 20,595
Total Pool & Clubhouse Maintenance	<u>\$ 5,149</u>	<u>\$ 3,869</u>	<u>\$ 5,149</u>	<u>\$ 2,559</u>	<u>\$ 3,869</u>	<u>\$ 20,595</u>
General & Administrative						
Depreciation	\$ 1,120	\$ 842	\$ 1,120	\$ 555	\$ 842	\$ 4,479
Insurance	40,385	30,363	40,384	20,047	30,363	161,542
Janitorial	1,456	1,095	1,456	722	1,095	5,824
Licenses and Fees	709	533	709	349	533	2,833
Miscellaneous	32,670	22,162	32,270	14,616	33,062	134,780
Office and Postage	3,947	2,899	3,918	1,928	2,940	15,632
Payroll Fees	523	393	523	260	393	2,092
Payroll Taxes	5,174	3,891	5,174	2,566	3,891	20,696
Professional Fees	9,849	7,407	9,849	4,887	7,407	39,399
Salaries and Wages	22,827	17,166	22,827	11,322	17,166	91,308
Repair and Maintenance	698	525	698	344	525	2,790
Telephone	1,268	954	1,268	631	954	5,075
Total General & Administrative	<u>\$ 120,626</u>	<u>\$ 88,230</u>	<u>\$ 120,196</u>	<u>\$ 58,227</u>	<u>\$ 99,171</u>	<u>\$ 486,450</u>

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

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

DECEMBER 31, 2019

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 2019; 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:

<u>CONDOMINIUM I</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Contract Liabilities at 12/31/2019	2020 Pooled Funding per Budget	2020 Full Pooled Funding Calculation
Roofs	14	\$ 333,750	\$ 79,105		
Painting	10	12,500	-		
Paving	20	93,750	-		
Pool/Spa	5	4,875	-		
Siding	10	249,500	22,450		
		<u>\$ 694,375</u>	<u>\$ 101,555</u>	<u>\$ 47,812</u>	<u>\$ 47,812</u>

<u>CONDOMINIUM II</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Contract Liabilities at 12/31/2019	2020 Pooled Funding per Budget	2020 Full Pooled Funding Calculation
Roofs	14	\$ 250,313	\$ 45,491		
Painting	10	9,375	-		
Paving	20	70,313	-		
Pool/Spa	5	3,656	-		
Siding	9	187,125	19,700		
		<u>\$ 520,782</u>	<u>\$ 65,191</u>	<u>\$ 38,421</u>	<u>\$ 38,421</u>

<u>CONDOMINIUM III</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Contract Liabilities at 12/31/2019	2020 Pooled Funding per Budget	2020 Full Pooled Funding Calculation
Roofs	14	\$ 333,750	\$ 78,044		
Painting	10	12,500	-		
Paving	20	93,750	-		
Pool/Spa	5	4,875	-		
Siding	10	249,500	20,337		
		<u>\$ 694,375</u>	<u>\$ 98,381</u>	<u>\$ 48,099</u>	<u>\$ 48,099</u>

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED) - CONTINUED

DECEMBER 31, 2019

<u>CONDOMINIUM IV</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Contract Liabilities at 12/31/2019	2020 Pooled Funding per Budget	2020 Full Pooled Funding Calculation
Component					
Roofs	14	\$ 166,875	\$ 36,666		
Painting	10	6,250	-		
Paving	20	46,875	-		
Pool/Spa	5	2,438	-		
Siding	11	124,750	9,668		
		<u>\$ 347,188</u>	<u>\$ 46,334</u>	<u>\$ 23,222</u>	<u>\$ 23,222</u>
<u>CONDOMINIUM V</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Contract Liabilities at 12/31/2019	2020 Pooled Funding per Budget	2020 Full Pooled Funding Calculation
Component					
Roofs	14	\$ 250,313	\$ 75,910		
Painting	10	9,375	-		
Paving	20	70,313	-		
Pool/Spa	5	3,656	-		
Siding	11	187,125	14,284		
		<u>\$ 520,782</u>	<u>\$ 90,194</u>	<u>\$ 33,360</u>	<u>\$ 33,360</u>
<u>TOTALS</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Contract Liabilities at 12/31/2019	2020 Pooled Funding per Budget	2020 Full Pooled Funding Calculation
Component					
Roofs	14	\$ 1,335,001	\$ 315,216		
Painting	10	50,000	-		
Paving	20	375,001	-		
Pool/Spa	5	19,500	-		
Siding	9 -11	998,000	86,439		
		<u>\$ 2,777,502</u>	<u>\$ 401,655</u>	<u>\$ 190,914</u>	<u>\$ 190,914</u>