

Mailing Sheet

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

**SOUTHPOINTE CONDOMINIUM
ASSOCIATION, INC.**

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2016

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

TABLE OF CONTENTS

DECEMBER 31, 2016

	<u><i>Page</i></u>
INDEPENDENT AUDITOR'S REPORT	3
AUDITED FINANCIAL STATEMENTS	
Balance Sheet	5
Statement of Revenues, Expenses, and Changes in Fund Balances	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
SUPPLEMENTARY INFORMATION	
Statement of Revenues, Expenses, and Changes in Fund Balances - Operating Fund	15
Schedule of Expenses - Operating Fund	16
Future Major Repairs and Replacements (Unaudited)	17



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, 2016, 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, 2016, 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 20, 2018

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET

AS OF DECEMBER 31, 2016

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
ASSETS			
Cash & Cash Equivalents	\$ 7,854	\$ 457,619	\$ 465,473
Maintenance Assessments Receivable, Net of Allowance for Doubtful Accounts of \$5,814	64,371	-	64,371
Prepaid Expenses	115,308	-	115,308
Property and Equipment, Net of Accumulated Depreciation of \$30,155	15,848	-	15,848
Interfund Advances	<u>50,453</u>	<u>-</u>	<u>50,453</u>
TOTAL ASSETS	<u>\$ 253,834</u>	<u>\$ 457,619</u>	<u>\$ 711,453</u>
LIABILITIES AND FUND BALANCES			
Accounts Payable and Accrued Expenses	\$ 100,993	\$ -	\$ 100,993
Insurance Financing Payable	94,598	-	94,598
Prepaid Maintenance Assessments	37,962	-	37,962
Interfund Advances	<u>-</u>	<u>50,453</u>	<u>50,453</u>
TOTAL LIABILITIES	233,553	50,453	284,006
FUND BALANCES	<u>20,281</u>	<u>407,166</u>	<u>427,447</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 253,834</u>	<u>\$ 457,619</u>	<u>\$ 711,453</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, 2016

	Operating Fund	Replacement Fund	Total
REVENUES			
Maintenance Assessments	\$ 1,084,683	\$ 118,940	\$ 1,203,623
Interest Income	-	151	151
Other Income	37,636	-	37,636
TOTAL REVENUES	1,122,319	119,091	1,241,410
EXPENSES			
Common Area (see schedules)	328,666	-	328,666
Building Maintenance (see schedules)	122,111	-	122,111
Grounds Maintenance (see schedules)	138,131	-	138,131
Pool & Clubhouse Maintenance (see schedules)	36,585	-	36,585
General & Administrative (see schedules)	392,291	-	392,291
Replacement Fund	-	185,807	185,807
TOTAL EXPENSES	1,017,784	185,807	1,203,591
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	104,535	(66,716)	37,819
FUND BALANCES AT BEGINNING OF YEAR	(84,254)	473,882	389,628
FUND BALANCES AT END OF YEAR	\$ 20,281	\$ 407,166	\$ 427,447

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, 2016

	Operating Fund	Replacement Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess (Deficiency) of Revenues Over Expenses	\$ 104,535	\$ (66,716)	\$ 37,819
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:			
Depreciation Expense	5,361	-	5,361
(Increase) Decrease in:			
Maintenance Assessments Receivable	(10,786)	-	(10,786)
Prepaid Expenses	9,121	-	9,121
Increase (Decrease) in:			
Bank Overdraft	(39,766)	-	(39,766)
Accounts Payable and Accrued Expenses	65,420	-	65,420
Insurance Financing Payable	(6,181)	-	(6,181)
Prepaid Maintenance Assessments	4,376	-	4,376
	132,080	(66,716)	65,364
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interfund Advances	(124,726)	124,726	-
	(124,726)	124,726	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES			
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,354	58,010	65,364
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	500	399,609	400,109
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 7,854	\$ 457,619	\$ 465,473
SUPPLEMENTAL DISCLOSURES			
Income Taxes Paid	\$ -		
Cash Paid for Interest	\$ 35		

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

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

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.

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, 2016

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.

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, 2016. The Association's management believes it is no longer subject to income tax examinations for years prior to 2013.

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, cash and cash equivalents include cash, money funds and certificates of deposit purchased with an original maturity date of three months or less.

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, 2016

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2016:

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	<u>46,003</u>
Less: accumulated depreciation	<u>(30,155)</u>
Net property and equipment	<u><u>\$ 15,848</u></u>

Depreciation expense for the year was \$5,361.

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 \$23,400 to an employee in the maintenance department who is also an Association Officer. Payments were made in the normal course of Association business.

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 20, 2018, the date the financial statements were available to be issued.

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2016

NOTE G – 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 \$407,000 at December 31, 2016, 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 2016.

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, 2016

NOTE G – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED

The activity within the replacement fund for the year ended December 31, 2016 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>
REVENUES						
Maintenance Assessments	\$ 10,995	\$ 101	\$ -	\$ 400	\$ 13,386	\$ 24,882
Interest income	21	3	3	-	10	37
TOTAL REVENUES	11,016	104	3	400	13,396	24,919
EXPENSES						
	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	11,016	104	3	400	13,396	24,919
FUND BALANCES - BEGINNING OF YEAR	82,156	9,874	11,026	3,226	47,453	153,735
RECLASS PRIOR YEAR EXPENDITURES**	-	1,125	-	-	(80,494)	(79,369)
FUND BALANCES - END OF YEAR	\$ 93,172	\$ 11,103	\$ 11,029	\$ 3,626	\$ (19,645)	\$ 99,285
<u>CONDOMINIUM II</u>	<u>Roofs</u>	<u>Painting</u>	<u>Paving</u>	<u>Pool/Spa</u>	<u>Siding</u>	<u>Total</u>
REVENUES						
Maintenance Assessments	\$ 9,921	\$ -	\$ -	\$ 300	\$ 10,826	\$ 21,047
Interest income	12	3	2	-	5	22
TOTAL REVENUES	9,933	3	2	300	10,831	21,069
EXPENSES						
	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	9,933	3	2	300	10,831	21,069
FUND BALANCES - BEGINNING OF YEAR	48,221	11,139	8,274	2,426	22,208	92,268
RECLASS PRIOR YEAR EXPENDITURES**	-	844	(12)	-	(47,812)	(46,980)
FUND BALANCES - END OF YEAR	\$ 58,154	\$ 11,986	\$ 8,264	\$ 2,726	\$ (14,773)	\$ 66,357

**In 2015, the Association replaced sidings of the building; however, the predecessor auditor presented the siding expenditures as roofs, painting, paving, and pool/spa expenditures on the Association's December 31, 2015 audited financial statements. Therefore, a "Reclass Prior Year Expenditures" was needed to make the appropriate reclassification for the siding expenditures. The reclassification had no effect on previously reported Excess (Deficiency) of Revenues Over Expenses and Fund Balances.

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2016

NOTE G – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED

<u>CONDOMINIUM III</u>	Roofs	Painting	Paving	Pool/Spa	Siding	Total
REVENUES						
Maintenance Assessments	\$ 10,692	\$ 1,319	\$ -	\$ 400	\$ 16,177	\$ 28,588
Interest income	21	-	4	-	7	32
TOTAL REVENUES	10,713	1,319	4	400	16,184	28,620
EXPENSES						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES						
FUND BALANCES - BEGINNING OF YEAR	10,713	1,319	4	400	12,859	25,295
RECLASS PRIOR YEAR EXPENDITURES**	83,474	(1,068)	17,010	(131,201)	28,884	(2,901)
FUND BALANCES - END OF YEAR	1,125	5,975	(5,975)	131,604	(61,386)	71,343
	\$ 95,312	\$ 6,226	\$ 11,039	\$ 803	\$ (19,643)	\$ 93,737
<u>CONDOMINIUM IV</u>						
REVENUES						
Maintenance Assessments	\$ 5,128	\$ -	\$ -	\$ 200	\$ 7,237	\$ 12,565
Interest income	11	2	2	-	-	15
TOTAL REVENUES	5,139	2	2	200	7,237	12,580
EXPENSES						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES						
FUND BALANCES - BEGINNING OF YEAR	5,139	2	2	200	(769)	4,574
RECLASS PRIOR YEAR EXPENDITURES**	44,027	10,051	5,514	1,609	(18,746)	42,455
FUND BALANCES - END OF YEAR	-	563	24	-	9,773	10,360
	\$ 49,166	\$ 10,616	\$ 5,540	\$ 1,809	\$ (9,742)	\$ 57,389

**In 2015, the Association replaced sidings of the building; however, the predecessor auditor presented the siding expenditures as roofs, painting, paving, and pool/spa expenditures on the Association's December 31, 2015 audited financial statements. Therefore, a "Reclass Prior Year Expenditures" was needed to make the appropriate reclassification for the siding expenditures. The reclassification had no effect on previously reported Excess (Deficiency) of Revenues Over Expenses and Fund Balances.

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2016

NOTE G – 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>
REVENUES						
Maintenance Assessments	\$ 7,355	\$ -	\$ -	\$ 300	\$ 24,203	\$ 31,858
Interest income	17	4	2	-	22	45
TOTAL REVENUES	7,372	4	2	300	24,225	31,903
EXPENSES						
	-	-	-	-	174,476	174,476
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	7,372	4	2	300	(150,251)	(142,573)
FUND BALANCES - BEGINNING OF YEAR	68,735	17,238	8,270	2,414	91,668	188,325
RECLASS PRIOR YEAR EXPENDITURES**	-	844	(12)	-	43,814	44,646
FUND BALANCES - END OF YEAR	\$ 76,107	\$ 18,086	\$ 8,260	\$ 2,714	\$ (14,769)	\$ 90,398
TOTALS	Roofs	Painting	Paving	Pool/Spa	Siding	Total
REVENUES						
Maintenance Assessments	\$ 44,091	\$ 1,420	\$ -	\$ 1,600	\$ 71,829	\$ 118,940
Interest income	82	12	13	-	44	151
TOTAL REVENUES	44,173	1,432	13	1,600	71,873	119,091
EXPENSES						
	-	-	-	-	185,807	185,807
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	44,173	1,432	13	1,600	(113,934)	(66,716)
FUND BALANCES - BEGINNING OF YEAR	326,613	47,234	50,094	(121,526)	171,467	473,882
RECLASS PRIOR YEAR EXPENDITURES**	1,125	9,351	(5,975)	131,604	(136,105)	-
FUND BALANCES - END OF YEAR	\$ 371,911	\$ 58,017	\$ 44,132	\$ 11,678	\$ (78,572)	\$ 407,166

**In 2015, the Association replaced sidings of the building; however, the predecessor auditor presented the siding expenditures as roofs, painting, paving, and pool/spa expenditures on the Association's December 31, 2015 audited financial statements. Therefore, a "Reclass Prior Year Expenditures" was needed to make the appropriate reclassification for the siding expenditures. The reclassification had no effect on previously reported Excess (Deficiency) of Revenues Over Expenses and Fund Balances.

SUPPLEMENTARY INFORMATION

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

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

FOR THE YEAR ENDED DECEMBER 31, 2016

	I	II	III	IV	V	TOTAL
REVENUES						
Maintenance Assessments	\$ 275,999	\$ 206,237	\$ 273,342	\$ 137,499	\$ 191,606	\$ 1,084,683
Other Income	6,924	7,330	7,043	1,709	14,630	37,636
TOTAL REVENUES	282,923	213,567	280,385	139,208	206,236	1,122,319
EXPENSES						
Common Area	82,168	61,779	82,166	40,774	61,779	328,666
Building Maintenance	31,736	23,302	29,961	14,750	22,362	122,111
Grounds Maintenance	34,510	25,952	34,511	17,117	26,041	138,131
Pool & Clubhouse Maintenance	9,147	6,878	9,146	4,536	6,878	36,585
General & Administrative	97,449	74,115	98,687	48,611	73,429	392,291
TOTAL EXPENSES	255,010	192,026	254,471	125,788	190,489	1,017,784
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	27,913	21,541	25,914	13,420	15,747	104,535
FUND BALANCES AT BEGINNING OF YEAR	(131,448)	(42,324)	66,208	(11,267)	34,577	(84,254)
FUND BALANCES AT END OF YEAR	\$ (103,535)	\$ (20,783)	\$ 92,122	\$ 2,153	\$ 50,324	\$ 20,281

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, 2016

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>TOTAL</u>
Common Area						
Common Area	\$ 528	\$ 397	\$ 528	\$ 262	\$ 397	\$ 2,112
Fountain	265	199	264	129	199	1,056
Pest Control	6,549	4,916	6,550	3,268	4,916	26,199
Security and Fire Protection	2,919	2,196	2,920	1,448	2,196	11,679
Storage	494	370	493	246	370	1,973
Utilities	71,399	53,688	71,394	35,411	53,688	285,580
Vending Machine Supplies	4	4	5	4	4	21
Water	10	9	12	6	9	46
Total Common Area	<u>\$ 82,168</u>	<u>\$ 61,779</u>	<u>\$ 82,166</u>	<u>\$ 40,774</u>	<u>\$ 61,779</u>	<u>\$ 328,666</u>
Building Maintenance						
Contract Labor	\$ -	\$ 900	\$ 90	\$ -	\$ -	\$ 990
Repair and Maintenance	6,127	3,145	4,263	2,048	3,105	18,688
Salaries and Wages	25,609	19,257	25,608	12,702	19,257	102,433
Total Building Maintenance	<u>\$ 31,736</u>	<u>\$ 23,302</u>	<u>\$ 29,961</u>	<u>\$ 14,750</u>	<u>\$ 22,362</u>	<u>\$ 122,111</u>
Grounds Maintenance						
Contract Labor	\$ 337	\$ 254	\$ 338	\$ 167	\$ 254	\$ 1,350
Equipment Rental	15	11	15	7	99	147
Equipment Repair	1,488	1,119	1,488	738	1,119	5,952
Fuel	384	289	384	189	289	1,535
Irrigation	54	41	54	27	41	217
Plants, Mulch, Rocks & Other	1,540	1,158	1,540	765	1,158	6,161
Salaries and Wages	26,686	20,067	26,686	13,237	20,068	106,744
Yard Trash	4,006	3,013	4,006	1,987	3,013	16,025
Total Grounds Maintenance	<u>\$ 34,510</u>	<u>\$ 25,952</u>	<u>\$ 34,511</u>	<u>\$ 17,117</u>	<u>\$ 26,041</u>	<u>\$ 138,131</u>
Pool & Clubhouse Maintenance						
Repairs, Maintenance and Supplies	\$ 9,147	\$ 6,878	\$ 9,146	\$ 4,536	\$ 6,878	\$ 36,585
Total Pool & Clubhouse Maintenance	<u>\$ 9,147</u>	<u>\$ 6,878</u>	<u>\$ 9,146</u>	<u>\$ 4,536</u>	<u>\$ 6,878</u>	<u>\$ 36,585</u>
General & Administrative						
Depreciation	\$ 1,340	\$ 1,008	\$ 1,340	\$ 665	\$ 1,008	\$ 5,361
Insurance	39,737	29,818	39,737	19,839	29,817	158,948
Janitorial	1,568	1,179	1,568	778	1,179	6,272
Licenses and Fees	1,213	910	1,213	604	910	4,850
Miscellaneous	519	1,591	1,205	593	906	4,814
Office and Postage	4,454	3,350	4,454	2,206	3,350	17,814
Payroll Fees	121	91	121	60	91	484
Payroll Taxes	6,114	4,598	6,114	3,033	4,598	24,457
Professional Fees	14,094	10,598	14,094	6,991	10,598	56,375
Salaries and Wages	25,505	19,180	25,507	12,657	19,180	102,029
Repair and Maintenance	1,201	602	1,751	399	602	4,555
Telephone	1,583	1,190	1,583	786	1,190	6,332
Total General & Administrative	<u>\$ 97,449</u>	<u>\$ 74,115</u>	<u>\$ 98,687</u>	<u>\$ 48,611</u>	<u>\$ 73,429</u>	<u>\$ 392,291</u>

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

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

DECEMBER 31, 2016

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 2016; 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 Fund Balance at 12/31/2016	2017 Funding per Budget	2017 Full Funding Calculation
Roofs	7	\$ 349,288	\$ 93,172	\$ 37,796	\$ 36,588
Painting	7	11,500	11,103	-	57
Paving	2	17,000	11,029	2,698	2,986
Pool/Spa	18	9,625	3,626	378	333
Siding	18	240,000	(19,645)	13,367	14,425
		<u>\$ 627,413</u>	<u>\$ 99,285</u>	<u>\$ 54,239</u>	<u>\$ 54,389</u>

<u>CONDOMINIUM II</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2016	2017 Funding per Budget	2017 Full Funding Calculation
Roofs	7	\$ 261,966	\$ 58,154	\$ 28,347	\$ 29,116
Painting	7	8,625	11,986	-	-
Paving	1	12,750	8,264	4,048	4,486
Pool/Spa	18	7,219	2,726	284	250
Siding	17	180,000	(14,773)	10,615	11,457
		<u>\$ 470,560</u>	<u>\$ 66,357</u>	<u>\$ 43,294</u>	<u>\$ 45,309</u>

<u>CONDOMINIUM III</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2016	2017 Funding per Budget	2017 Full Funding Calculation
Roofs	7	\$ 349,288	\$ 95,312	\$ 37,796	\$ 36,282
Painting	7	11,500	6,226	-	753
Paving	2	17,000	11,039	2,698	2,981
Pool/Spa	18	9,625	803	378	490
Siding	17	240,000	(19,643)	14,153	15,273
		<u>\$ 627,413</u>	<u>\$ 93,737</u>	<u>\$ 55,025</u>	<u>\$ 55,779</u>

See accompanying independent auditor's report

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED) - CONTINUED

DECEMBER 31, 2016

<u>CONDOMINIUM IV</u>					
<u>Component</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2016	2017 Funding per Budget	2017 Full Funding Calculation
Roofs	7	\$ 174,644	\$ 49,166	\$ 18,898	\$ 17,925
Painting	7	5,750	10,616	-	-
Paving	1	8,500	5,540	2,698	2,960
Pool/Spa	18	4,813	1,809	189	167
Siding	19	120,000	(9,742)	6,332	6,829
		<u>\$ 313,707</u>	<u>\$ 57,389</u>	<u>\$ 28,117</u>	<u>\$ 27,881</u>
<u>CONDOMINIUM V</u>					
<u>Component</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2016	2017 Funding per Budget	2017 Full Funding Calculation
Roofs	7	\$ 261,966	\$ 76,107	\$ 28,347	\$ 26,551
Painting	7	8,625	18,086	-	-
Paving	2	12,750	8,260	2,024	2,245
Pool/Spa	18	7,219	2,714	284	250
Siding	19	180,000	(14,769)	9,498	10,251
		<u>\$ 470,560</u>	<u>\$ 90,398</u>	<u>\$ 40,153</u>	<u>\$ 39,297</u>
<u>TOTALS</u>					
<u>Component</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/2016	2017 Funding per Budget	2017 Full Funding Calculation
Roofs	7	\$ 1,397,152	\$ 371,911	\$ 151,184	\$ 146,462
Painting	7	46,000	58,017	-	810
Paving	1-2	68,000	44,132	14,166	15,658
Pool/Spa	18	38,501	11,678	1,513	1,490
Siding	17-19	960,000	(78,572)	53,965	58,235
		<u>\$ 2,509,653</u>	<u>\$ 407,166</u>	<u>\$ 220,828</u>	<u>\$ 222,655</u>

See accompanying independent auditor's report