

Mailing Sheet

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

**SOUTHPOINTE CONDOMINIUM
ASSOCIATION, INC.**

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2021

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

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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

Opinion

We have audited the accompanying financial statements of Southpointe Condominium Association, Inc., which comprise the balance sheet as of December 31, 2021, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

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, 2021 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southpointe Condominium Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southpointe Condominium Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Southpointe Condominium Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southpointe Condominium Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Hoskins Quiros Osborne & LaBeaume, CPA, LLC

Hoskins Quiros Osborne & LaBeaume, CPA
 Certified Public Accountants
 Orlando, Florida
 April 29, 2022

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET

AS OF DECEMBER 31, 2021

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Hurricane Fund</u>	<u>Total</u>
ASSETS				
Cash & Cash Equivalents	\$ 773	\$ 341,102	\$ 592	\$ 342,467
Maintenance Assessments Receivable, Net	43,352	-	-	43,352
Prepaid Expenses	218,851	-	-	218,851
Property and Equipment, Net of Accumulated Depreciation of \$47,067	3,191	-	-	3,191
Interfund Advances	<u>-</u>	<u>90,000</u>	<u>-</u>	<u>90,000</u>
TOTAL ASSETS	<u>\$ 266,167</u>	<u>\$ 431,102</u>	<u>\$ 592</u>	<u>\$ 697,861</u>
LIABILITIES AND FUND BALANCES				
Accounts Payable and Accrued Expenses	\$ 20,394	\$ -	\$ -	\$ 20,394
Insurance Financing Payable	201,133	-	-	201,133
Prepaid Maintenance Assessments	52,940	-	-	52,940
Deferred Insurance Claim Proceeds	-	-	533	533
Interfund Borrowings	90,000	-	-	90,000
Contract Liabilities (Assessments received in advance-replacement fund)	<u>-</u>	<u>431,076</u>	<u>-</u>	<u>431,076</u>
TOTAL LIABILITIES	364,467	431,076	533	796,076
FUND BALANCES	<u>(98,300)</u>	<u>26</u>	<u>59</u>	<u>(98,215)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 266,167</u>	<u>\$ 431,102</u>	<u>\$ 592</u>	<u>\$ 697,861</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, 2021

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Hurricane Fund</u>	<u>Total</u>
REVENUES				
Maintenance Assessments	\$ 1,058,168	\$ 180,344	\$ -	\$ 1,238,512
Interest Income	3	41	-	44
Other Income	<u>21,660</u>	<u>-</u>	<u>-</u>	<u>21,660</u>
TOTAL REVENUES	1,079,831	180,385	-	1,260,216
EXPENSES				
Common Area (see schedules)	372,149	-	-	372,149
Building Maintenance (see schedules)	168,475	-	-	168,475
Grounds Maintenance (see schedules)	138,387	-	-	138,387
Pool & Clubhouse Maintenance (see schedules)	20,527	-	-	20,527
General & Administrative (see schedules)	450,541	-	-	450,541
Major Repairs, Replacements and Capital Improvements	<u>-</u>	<u>180,441</u>	<u>-</u>	<u>180,441</u>
TOTAL EXPENSES	<u>1,150,079</u>	<u>180,441</u>	<u>-</u>	<u>1,330,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(70,248)	(56)	-	(70,304)
FUND BALANCES AT BEGINNING OF YEAR	<u>(28,052)</u>	<u>82</u>	<u>59</u>	<u>(27,911)</u>
FUND BALANCES AT END OF YEAR	<u>\$ (98,300)</u>	<u>\$ 26</u>	<u>\$ 59</u>	<u>\$ (98,215)</u>

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, 2021

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Hurricane Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess (Deficiency) of Revenues Over Expenses	\$ (70,248)	\$ (56)	\$ -	\$ (70,304)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
Depreciation Expense	851	-	-	851
(Increase) Decrease in:				
Maintenance Assessments Receivable	3,181	-	-	3,181
Prepaid Expenses	(46,748)	-	-	(46,748)
Increase (Decrease) in:				
Accounts Payable and Accrued Expenses	(52,356)	-	-	(52,356)
Insurance Financing Payable	57,653	-	-	57,653
Prepaid Maintenance Assessments	9,609	-	-	9,609
Contract Liabilities	-	9,802	-	9,802
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(98,058)	9,746	-	(88,312)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Interfund Advances	90,000	(90,000)	-	-
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	90,000	(90,000)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,058)	(80,254)	-	(88,312)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	8,831	421,356	592	430,779
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 773</u>	<u>\$ 341,102</u>	<u>\$ 592</u>	<u>\$ 342,467</u>
SUPPLEMENTAL DISCLOSURES				
Income Taxes Paid	<u>\$ -</u>			
Cash Paid for Interest	<u>\$ 1,117</u>			

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

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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 Association recognizes interest income on the operating fund and the replacement fund when earned. The Association's policy is to account for fund expenditures using fund interest income before fund assessment income.

Interest in the replacement fund is 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, 2021

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, 2021 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, 2021. The Association's management believes it is no longer subject to income tax examinations for years prior to 2018.

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, 2021

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.

Deferred Insurance Claim Proceeds

In 2018, 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, 2021. 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.

Contract Liabilities (Assessments received in advance – replacement fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance – replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The balances of contract liabilities (assessments received in advance – replacement fund) as of the beginning and end of the year are \$421,274 and \$431,076, respectively.

NOTE C – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2021:

Office equipment	\$ 5,316
Furniture and fixtures	13,190
Golf carts and trailers	11,209
Maintenance equipment	18,414
Maintenance shed	2,129
Total property and equipment	<u>50,258</u>
Less: accumulated depreciation	<u>(47,067)</u>
Net property and equipment	<u><u>\$ 3,191</u></u>

Depreciation expense for the year was \$851.

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

DECEMBER 31, 2021

NOTE D – INTERFUND ADVANCES

The Association used its replacement fund to pay for operating fund expenditures in the current year. Subsequent to the balance sheet date, the Association has settled the interfund borrowings between operating and replacement funds.

NOTE E – 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 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 29, 2022, the date the financial statements were available to be issued.

NOTE G – UNCERTAINTIES

In 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Association. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

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. Accumulated funds, which aggregate \$431,102, and are presented on the accompanying balance sheet as a contract liability (assessments received in advance-replacement fund) and replacement fund balance at December 31, 2021, 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 2021 to estimate the remaining useful lives and the replacement costs of the common property components.

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, 2021

NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED

The activity within the future major repairs and replacements for the year ended December 31, 2021 is presented as follows:

CONDOMINIUM I	Contract Liabilities (assessments received in advance-replacement fund)				Replacement Fund Balance	Total Future Major Repairs & Replacement
	Roofs	Siding	Pooled Replacement Fund	Total		
BEGINNING OF YEAR	\$ 79,105	\$ 22,450	\$ 4,988	\$ 106,543	\$ 21	\$ 106,564
Maintenance Assessments	-	-	47,618	47,618	-	47,618
Interest Income	-	-	-	-	10	10
Expenditure	(2,976)	-	(42,110)	(45,086)	(24)	(45,110)
END OF YEAR	\$ 76,129	\$ 22,450	\$ 10,496	\$ 109,075	\$ 7	\$ 109,082

CONDOMINIUM II	Contract Liabilities (assessments received in advance-replacement fund)				Replacement Fund Balance	Total Future Major Repairs & Replacement
	Roofs	Siding	Pooled Replacement Fund	Total		
BEGINNING OF YEAR	\$ 45,491	\$ 19,700	\$ 6,218	\$ 71,409	\$ 13	\$ 71,422
Maintenance Assessments	-	-	38,020	38,020	-	38,020
Interest Income	-	-	-	-	7	7
Expenditure	(2,243)	-	(31,666)	(33,909)	(14)	(33,923)
END OF YEAR	\$ 43,248	\$ 19,700	\$ 12,572	\$ 75,520	\$ 6	\$ 75,526

CONDOMINIUM III	Contract Liabilities (assessments received in advance-replacement fund)				Replacement Fund Balance	Total Future Major Repairs & Replacement
	Roofs	Siding	Pooled Replacement Fund	Total		
BEGINNING OF YEAR	\$ 78,044	\$ 20,337	\$ 5,275	\$ 103,656	\$ 20	\$ 103,676
Maintenance Assessments	-	-	47,881	47,881	-	47,881
Interest Income	-	-	-	-	11	11
Expenditure	(2,976)	-	(42,109)	(45,085)	(25)	(45,110)
END OF YEAR	\$ 75,068	\$ 20,337	\$ 11,047	\$ 106,452	\$ 6	\$ 106,458

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2021

NOTE H – FUTURE MAJOR REPAIRS AND REPLACEMENTS - CONTINUED

	Contract Liabilities (assessments received in advance-replacement fund)				Replacement Fund	Total Future
			Pooled Replacement		Balance	Major Repairs & Replacement
CONDOMINIUM IV	Roofs	Siding	Fund	Total		
BEGINNING OF YEAR	\$ 36,666	\$ 9,668	\$ 1,982	\$ 48,316	\$ 10	\$ 48,326
Maintenance Assessments	-	-	23,180	23,180	-	23,180
Interest Income	-	-	-	-	5	5
Expenditure	(1,476)	-	(20,886)	(22,362)	(12)	(22,374)
END OF YEAR	<u>\$ 35,190</u>	<u>\$ 9,668</u>	<u>\$ 4,276</u>	<u>\$ 49,134</u>	<u>\$ 3</u>	<u>\$ 49,137</u>
	Contract Liabilities (assessments received in advance-replacement fund)					
			Pooled Replacement		Replacement Fund	Total Future
	Roofs	Siding	Fund	Total	Balance	Major Repairs & Replacement
CONDOMINIUM V						
BEGINNING OF YEAR	\$ 75,910	\$ 14,284	\$ 1,156	\$ 91,350	\$ 18	\$ 91,368
Maintenance Assessments	-	-	33,447	33,447	-	33,447
Interest Income	-	-	-	-	8	8
Expenditure	(2,234)	-	(31,668)	(33,902)	(22)	(33,924)
END OF YEAR	<u>\$ 73,676</u>	<u>\$ 14,284</u>	<u>\$ 2,935</u>	<u>\$ 90,895</u>	<u>\$ 4</u>	<u>\$ 90,899</u>
	Contract Liabilities (assessments received in advance-replacement fund)					
			Pooled Replacement		Replacement Fund	Total Future
	Roofs	Siding	Fund	Total	Balance	Major Repairs & Replacement
TOTALS						
BEGINNING OF YEAR	\$ 315,216	\$ 86,439	\$ 19,619	\$ 421,274	\$ 82	\$ 421,356
Maintenance Assessments	-	-	190,146	190,146	-	190,146
Interest Income	-	-	-	-	41	41
Expenditure	(11,905)	-	(168,439)	(180,344)	(97)	(180,441)
END OF YEAR	<u>\$ 303,311</u>	<u>\$ 86,439</u>	<u>\$ 41,326</u>	<u>\$ 431,076</u>	<u>\$ 26</u>	<u>\$ 431,102</u>

SUPPLEMENTARY INFORMATION

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

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

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>TOTAL</u>
REVENUES						
Maintenance Assessments	\$ 264,539	\$ 198,406	\$ 264,545	\$ 132,275	\$ 198,403	\$ 1,058,168
Other Income	5,392	4,852	6,828	2,491	2,100	21,663
TOTAL REVENUES	269,931	203,258	271,373	134,766	200,503	1,079,831
EXPENSES						
Common Area	93,038	69,964	93,037	46,146	69,964	372,149
Building Maintenance	41,989	31,423	42,503	21,137	31,423	168,475
Grounds Maintenance	34,597	26,016	34,598	17,128	26,048	138,387
Pool & Clubhouse Maintenance	5,132	3,859	5,132	2,545	3,859	20,527
General & Administrative	110,322	82,997	119,557	54,691	82,974	450,541
TOTAL EXPENSES	285,078	214,259	294,827	141,647	214,268	1,150,079
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(15,147)	(11,001)	(23,454)	(6,881)	(13,765)	(70,248)
FUND BALANCES AT BEGINNING OF YEAR	(119,538)	(37,708)	79,906	26,230	23,058	(28,052)
FUND BALANCES AT END OF YEAR	<u>\$ (134,685)</u>	<u>\$ (48,709)</u>	<u>\$ 56,452</u>	<u>\$ 19,349</u>	<u>\$ 9,293</u>	<u>\$ (98,300)</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, 2021

	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>TOTAL</u>
Common Area						
Fountain	\$ 826	\$ 621	\$ 825	\$ 410	\$ 620	\$ 3,302
Pest Control	6,717	5,050	6,716	3,331	5,051	26,865
Security and Fire Protection	5,134	3,861	5,134	2,546	3,861	20,536
Storage	717	539	717	355	539	2,867
Utilities	79,596	59,857	79,597	39,480	59,857	318,387
Vending Machine Supplies	48	36	48	24	36	192
Total Common Area	<u>\$ 93,038</u>	<u>\$ 69,964</u>	<u>\$ 93,037</u>	<u>\$ 46,146</u>	<u>\$ 69,964</u>	<u>\$ 372,149</u>
Building Maintenance						
Contract Labor	\$ 8,138	\$ 6,119	\$ 8,138	\$ 4,036	\$ 6,119	\$ 32,550
Repair and Maintenance	12,628	9,344	13,142	6,576	9,344	51,034
Salaries and Wages	21,223	15,960	21,223	10,525	15,960	84,891
Total Building Maintenance	<u>\$ 41,989</u>	<u>\$ 31,423</u>	<u>\$ 42,503</u>	<u>\$ 21,137</u>	<u>\$ 31,423</u>	<u>\$ 168,475</u>
Grounds Maintenance						
Contract Labor	\$ 578	\$ 434	\$ 578	\$ 286	\$ 434	\$ 2,310
Equipment Rental	324	244	325	162	243	1,298
Equipment Repair	1,200	902	1,200	562	935	4,799
Plants, Mulch, Rocks & Other	1,425	1,071	1,425	707	1,071	5,699
Salaries and Wages	25,345	19,060	25,345	12,571	19,060	101,381
Yard Trash	5,725	4,305	5,725	2,840	4,305	22,900
Total Grounds Maintenance	<u>\$ 34,597</u>	<u>\$ 26,016</u>	<u>\$ 34,598</u>	<u>\$ 17,128</u>	<u>\$ 26,048</u>	<u>\$ 138,387</u>
Pool & Clubhouse Maintenance						
Repairs, Maintenance and Supplies	\$ 5,132	\$ 3,859	\$ 5,132	\$ 2,545	\$ 3,859	\$ 20,527
Total Pool & Clubhouse Maintenance	<u>\$ 5,132</u>	<u>\$ 3,859</u>	<u>\$ 5,132</u>	<u>\$ 2,545</u>	<u>\$ 3,859</u>	<u>\$ 20,527</u>
General & Administrative						
Depreciation	\$ 213	\$ 160	\$ 213	\$ 105	\$ 160	\$ 851
Insurance	54,860	41,261	54,860	27,158	41,261	219,400
Janitorial	1,456	1,095	1,456	722	1,095	5,824
Licenses and Fees	683	512	683	338	512	2,728
Miscellaneous	10,254	7,712	19,454	5,087	7,711	50,218
Office and Postage	2,587	1,976	2,623	1,309	1,952	10,447
Payroll Fees	915	686	915	454	688	3,658
Payroll Taxes	5,383	4,048	5,383	2,670	4,048	21,532
Professional Fees	9,086	6,832	9,084	4,506	6,832	36,340
Salaries and Wages	23,761	17,869	23,762	11,786	17,869	95,047
Telephone	1,124	846	1,124	556	846	4,496
Total General & Administrative	<u>\$ 110,322</u>	<u>\$ 82,997</u>	<u>\$ 119,557</u>	<u>\$ 54,691</u>	<u>\$ 82,974</u>	<u>\$ 450,541</u>

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

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)

DECEMBER 31, 2021

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 Association's estimated replacement cost and remaining useful life (in years) were revised in 2021; 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	Total Future Major Repairs & Replacements at December 31, 2021	2022 Pooled Funding per Budget	2022 Full Pooled Funding Calculation
Component					
Roofs	14	\$ 333,750	\$ 76,129		
Painting	9	8,125	-		
Paving	19	93,750	-		
Pool/Spa	3	4,875	-		
Siding	10	249,500	22,457		
Pooled Replacement Fund		-	10,496		
		<u>\$ 690,000</u>	<u>\$ 109,082</u>	<u>\$ 47,607</u>	<u>\$ 47,607</u>
<u>CONDOMINIUM II</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Total Future Major Repairs & Replacements at December 31, 2021	2022 Pooled Funding per Budget	2022 Full Pooled Funding Calculation
Component					
Roofs	14	\$ 250,313	\$ 43,248		
Painting	9	6,093	-		
Paving	19	70,313	-		
Pool/Spa	3	3,656	-		
Siding	9	187,125	19,706		
Pooled Replacement Fund		-	12,572		
		<u>\$ 517,500</u>	<u>\$ 75,526</u>	<u>\$ 37,787</u>	<u>\$ 37,787</u>
<u>CONDOMINIUM III</u>	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Total Future Major Repairs & Replacements at December 31, 2021	2022 Pooled Funding per Budget	2022 Full Pooled Funding Calculation
Component					
Roofs	14	\$ 333,750	\$ 75,068		
Painting	9	8,125	-		
Paving	19	93,750	-		
Pool/Spa	3	4,875	-		
Siding	10	249,500	20,343		
Pooled Replacement Fund		-	11,047		
		<u>\$ 690,000</u>	<u>\$ 106,458</u>	<u>\$ 47,858</u>	<u>\$ 47,858</u>

SOUTHPOINTE CONDOMINIUM ASSOCIATION, INC.

FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED) - CONTINUED

DECEMBER 31, 2021

<u>CONDOMINIUM IV</u>					
Component	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Total Future Major Repairs & Replacements at December 31, 2021	2022 Pooled Funding per Budget	2022 Full Pooled Funding Calculation
Roofs	14	\$ 166,875	\$ 35,190		
Painting	9	4,063	-		
Paving	19	46,874	-		
Pool/Spa	3	2,438	-		
Siding	11	124,750	9,671		
Pooled Replacement Fund		-	4,276		
		<u>\$ 345,000</u>	<u>\$ 49,137</u>	<u>\$ 23,234</u>	<u>\$ 23,234</u>
 <u>CONDOMINIUM V</u>					
Component	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Total Future Major Repairs & Replacements at December 31, 2021	2022 Pooled Funding per Budget	2022 Full Pooled Funding Calculation
Roofs	14	\$ 250,312	\$ 73,676		
Painting	9	6,094	-		
Paving	19	70,313	-		
Pool/Spa	3	3,656	-		
Siding	11	187,125	14,288		
Pooled Replacement Fund		-	2,935		
		<u>\$ 517,500</u>	<u>\$ 90,899</u>	<u>\$ 33,663</u>	<u>\$ 33,663</u>
 <u>TOTALS</u>					
Component	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Total Future Major Repairs & Replacements at December 31, 2021	2022 Pooled Funding per Budget	2022 Full Pooled Funding Calculation
Roofs	14	\$ 1,335,000	\$ 303,311		
Painting	9	32,500	-		
Paving	19	375,000	-		
Pool/Spa	3	19,500	-		
Siding	9 - 11	998,000	86,465		
Pooled Replacement Fund		-	41,326		
		<u>\$ 2,760,000</u>	<u>\$ 431,102</u>	<u>\$ 190,149</u>	<u>\$ 190,149</u>

See accompanying independent auditor's report