Gerstle, Rosen & Goldenberg, P.A.
Certified Public Accountants
www.grgcpa.com

Mark R. Gerstle, C.P.A., CFF
mgerstle@grgcpa.com

Robert Rosen, C.P.A.
rrosen@grgcpa.com

Brian K. Goldenberg, Partner
bgoldenberg@grgcpa.com

DATE OF FINAL

Board of Directors
South Pointe Cove Condominium Association, Inc.

Dear Board Members:

As a result of our audit of the financial statements of South Pointe Cove Condominium Association, Inc. for the year ended December 31, 2022, we are bringing the following matter to your attention:

1. Florida Statute requires that replacement funds be accounted for separately and be fully funded. The Due To/From reflects an amount of $47,107, by which the reserves are underfunded. The Association should make the necessary cash transfer in order to correct this situation. If the Association has insufficient cash to do this, the Association should increase assessments, pass a special assessment or have a unit owner vote to reallocate unfunded reserves to operating capital.

2. The Association should ensure that a list of current security deposits held is maintained and reviewed on a regular basis. In addition the separate bank account should always equal the deposits (bank charges should be born by the operating fund). The Association should consider utilizing a non-interest bearing account for this purpose, circumstances providing. Any unclaimed funds (security deposits) are to be sent to the State.

3. It is recommended that Associations engage a reserve study specialist to have an independent replacement fund analysis to determine the useful lives of the replacement fund components and their associated replacement costs. This study should be updated annually in order for the proper budgeting to occur.

We welcome the opportunity to discuss the above.

Very truly yours,

Gerstle, Rosen & Goldenberg, P.A.

GERSTLE, ROSEN & GOLDENBERG, P.A.
Certified Public Accountants

HOLLYWOOD
Venture Corporate Center
3440 Hollywood Blvd.
Suite 100
Hollywood, FL 33021
Phone: 305.937.0116
Fax. 305.937.0128

BOCA RATON
3835 N.W. Boca Raton Blvd.
Suite 100
Boca Raton, FL 33431
Phone: 561.447.4000
Fax: 561.447.4004

FT. MYERS
12595 New Brittany Blvd.
Bldg. 20W
Fort Myers, FL 33907
Phone: 239.672.4364
Fax: 239.672.4367

NAPLES
999 Vanderbilt Beach Rd.
Suite 200
Naples, FL 34108
Phone: 1.239.325.5000
Fax: 1.239.325.5001

ORLANDO
111 North Orange Ave.
Suite 800
Orlando, FL 32801
Phone: 407.564.2812
Fax: 407.564.2057

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2022

TABLE OF CONTENTS

Gerstle, Rosen & Goldenberg, P.A.
Certified Public Accountants
www.grgcpa.com

Mark R. Gerstle, C.P.A., CFF
mgerstle@grgcpa.com

Robert Rosen, C.P.A.
rrosen@grgcpa.com

Brian K. Goldenberg, Partner
bgoldenberg@grgcpa.com

ACCOUNTANTS' COMPILATION REPORT

Board of Directors and Unit Owners
South Pointe Cove Condominium Association, Inc.

Dear Members:

Management is responsible for the accompanying financial statements of South Pointe Cove Condominium Association, Inc., which comprise the balance sheet as of December 31, 2022, 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Effect of Adopting New Accounting Standard

As discussed in Note 3 to the financial statements, as of January 1, 2022, the Association adopted FASB ASC 842, *Leases,* the first applicable year which supersedes existing accounting standards for leases and requires associations to account for leases as either finance leases or operating leases and to recognize right-of-use lease assets and corresponding lease liabilities on the balance sheet for all leases other than leases with terms of 12 months or less.

Required Supplementary Information On Future Major Repairs and Replacements

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property 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, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The information was subject to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

HOLLYWOOD
Venture Corporate Center
3440 Hollywood Blvd.
Suite 100
Hollywood, FL 33021
Phone: 305.937.0116
Fax. 305.937.0128

BOCA RATON
3835 N.W. Boca Raton Blvd.
Suite 100
Boca Raton, FL 33431
Phone: 561.447.4000
Fax: 561.447.4004

FT. MYERS
12595 New Brittany Blvd.
Bldg. 20W
Fort Myers, FL 33907
Phone: 239.672.4364
Fax: 239.672.4367

NAPLES
999 Vanderbilt Beach Rd.
Suite 200
Naples, FL 34108
Phone: 1.239.325.5000
Fax: 1.239.325.5001

ORLANDO
111 North Orange Ave.
Suite 800
Orlando, FL 32801
Phone: 407.564.2812
Fax: 407.564.2057

Report on Supplementary Information

The supplementary information contained in the Detailed Statement of Operating Revenues and Expenses - Budget Comparison is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on it.

GERSTLE, ROSEN & GOLDENBERG, P.A.
Certified Public Accountants
Hollywood, Florida

DATE OF FINAL

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET

December 31, 2022

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash and Cash Equivalents	$ 32,254	$ 155,528	$ 187,782
Accounts Receivable, Net of Allowance For Credit Losses of $ 4,248	3,839		3,839
Prepaid Insurance	45,156		45,156
Due To/From Funds	(47,107)	47,107	
Reserve Real Estate		75,794	75,794
TOTAL ASSETS	$ 34,142	$ 278,429	$ 312,571
LIABILITIES AND FUND BALANCES			
Accounts Payable	$ 5,157	$	$ 5,157
Security Deposits	7,800		7,800
Prepaid Maintenance Fees	1,922		1,922
Contract Liability - Deferred Reserves		277,904	277,904
TOTAL LIABILITIES	14,879	277,904	292,783
Fund Balances	19,263	525	19,788
TOTAL LIABILITIES AND FUND BALANCES	$ 34,142	$ 278,429	$ 312,571

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

Year Ended December 31, 2022

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Maintenance Fees	$ 100,156	$ 9,112	$ 109,268
Additional Reserve Income		2,445	2,445
Rental Income	48,000		48,000
Interest Income	18	91	109
Late Fees	350		350
Miscellaneous Income	8,752		8,752
TOTAL REVENUES	157,276	11,648	168,924
EXPENSES			
Insurance	46,011		46,011
Operating Expenses	37,849		37,849
Contracts	48,361		48,361
Reserve Expenditures		11,557	11,557
Repairs and Maintenance	11,273		11,273
Utilities	17,641		17,641
Rental Unit Expense	7,446		7,446
TOTAL EXPENSES	168,581	11,557	180,138
EXCESS REVENUES (EXPENSES)	(11,305)	91	(11,214)
FUND BALANCES - BEGINNING	30,568	434	31,002
FUND BALANCES - ENDING	$ 19,263	$ 525	$ 19,788

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

	OPERATING FUND	REPLACEMENT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
EXCESS REVENUES (EXPENSES)	$ (11,305)	$ 91	$ (11,214)
ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
DECREASE (INCREASE) IN ASSETS:			
Unit Owner Receivable - Net of Allowance	4,475		4,475
Prepaid Insurance	(40,224)		(40,224)
Due To/From Funds	47,107	(47,107)	
INCREASE (DECREASE) IN LIABILITIES:			
Accounts Payable	1,541		1,541
Prepaid Maintenance Fees	(3,019)		(3,019)
Contract Liability - Deferred Reserves		23,150	23,150
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(1,425)	(23,866)	(25,291)
NET INCREASE (DECREASE) IN CASH	(1,425)	(23,866)	(25,291)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	33,679	179,394	213,073
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 32,254	$ 155,528	$ 187,782

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. ORGANIZATION

South Pointe Cove Condominium Association, Inc. is a statutory condominium association incorporated on June 20, 2003, in the State of Florida. The Association is responsible for the operation and maintenance of the common property of South Pointe Cove Condominium Association, Inc. and consists of 66 units located in Homestead, FL.

2. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through DATE OF FINAL, the date that the financial statements were available to be issued.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned and expenses are recorded in the period in which they are incurred.

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.

Member 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 are 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments plus late fees, if applicable from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent according to its collection policy. Management determines the allowance for doubtful accounts by identifying troubled accounts through periodic review of accounts receivable aging schedules. 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. The balances of assessments receivable as of the beginning and end of the year are **(net AR)** $7,034 and $3,839, respectively.

Contract Liability (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 liability (assessments received in advance – Replacement Fund) as of the beginning and end of the year are $254,754 and $277,904, respectively.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

For presentation purposes, the Association consolidates checking accounts.

Capitalization and Depreciation Policy

Real property not directly associated with units are recognized as assets by the Association when the Association has title to the property and either the asset can be disposed of by the Board of Directors or generates significant cash flows from members on the basis of usage or from nonmembers. Common personal property purchased with Association funds, with a useful life of more than one year, is capitalized on the Association's financial statements. Capitalized assets are depreciated over their estimated useful lives using the straight-line method of depreciation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2022; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2022.

4. REPLACEMENT FUNDS

Florida Statutes provide that each proposed budget include provisions for reserves for capital improvements and deferred maintenance. These accounts, if adopted, are restricted to their intended purpose unless modified by a qualified unit owner vote. In addition, any special assessments adopted are also restricted to their specific purpose.

The approved budget includes provisions for reserves for capital improvements and deferred maintenance. The funds are being accumulated based on estimates of future needs for repairs and replacements of common property components as disclosed in the supplementary information. Actual expenditures may vary from the estimated future expenditures, 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 to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS
Continued

December 31, 2022

4. REPLACEMENT FUNDS (Continued)

The balance at December 31, 2022, consists of the following:

COMPONENTS	BALANCE 12/31/2021	INTEREST/ ASSESSMENTS	ADD'L INCOME	EXPENDITURES	BALANCE 12/31/2022
Painting	$59,509	$9,497		$0	$69,006
Resurfacing	22,301	7,354	0	(11,557)	18,098
Tile Roofing	172,944	15,411	0	0	188,355
Reserve Fund Balance	0	0	2,445	0	2,445
SUB-TOTAL CONTRACT LIABILITY - DEFERRED RESERVES	254,754	32,262	2,445	(11,557)	277,904
Fund Balance - Unallocated Interest	434	91	0	0	525
TOTAL LIABILITIES AND FUND BALANCE	$255,188	$32,353	$2,445	($11,557)	$278,429

The Association does not allocate interest earned on the replacements fund to specific replacement components as earned, but does so periodically depending on projected requirements.

Florida Statute requires that replacement funds be accounted for separately and be fully funded. The Due To/From reflects an amount of $47,107, by which the reserves are underfunded. The Association should make the necessary cash transfer in order to correct this situation.

If the Association has insufficient cash to do this, the Association should increase assessments, pass a special assessment or have a unit owner vote to reallocate between the funds.

4. REPLACEMENT FUNDS (Continued)

<u>Reserve Real Estate</u>

In May 2016, the Association took title to two units and have recognized them as assets. The rental income and expenses, if any, are reflected on the statement of revenue, expenses and changes in fund balances.

Current Funds	$155,528
Investment	75,794
TOTAL	$231,322

5. INCOME TAXES

The Association is subject to federal and state taxation and has essentially two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments (Section 277 of the Internal Revenue Code). The other method enables the Association to elect to exclude from taxation "exempt function income," (Section 528 of the Internal Revenue Code), which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different rates.

The Association filed its 2021 federal income tax return on Form 1120 under Section 277 of the Internal Revenue Code.

The current year provision consists of:

Federal	$3,310
State of Florida	0
Total	$3,310

The Association has evaluated its tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC").

The Association has no income tax returns under examination by the Internal Revenue Service. The Association believes it is no longer subject to income tax examinations for years prior to 2019.

6. COMMITMENTS

The Association has various contract services to maintain the common property including management services, common area landscaping, trash service and janitorial services. These contracts have different expiration dates and renewal terms.

7. CONTINGENCIES

Insurance Deductible

The current property insurance policy contains a deductible for hurricane damage. Should the Association incur an uninsured loss, the Association has the right to increase maintenance fees, pass a special assessment or delay repairs until funds are available.

Legal

The Association is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business. Management believes that none of the claims and complaints of which it is currently aware will materially affect its business, financial position, or future operating results with the exception to increase in legal costs which may or may not be covered by the Association’s director and officers insurance, although no assurance can be given with respect to the ultimate outcome of any such claims or with respect to the occurrence of any future claims.

Senate Bill 4D – “Milestone Inspections” and “Structural Integrity Reserve Study”

In 2022, the Florida legislature passed Senate Bill 4D regarding condominium building safety laws. Among other things, the new law mandates “milestone inspections” of condominium buildings. The requirements for the inspection vary based on the characteristics of the structure. The new law also requires a “structural integrity reserve study” to be performed at least every ten years and members cannot opt-out of the mandatory funding of reserves for structural integrity components, regardless of a membership vote. The new law takes effect immediately, however, the legislature has provided a two-year period for compliance with many of the requirements.

SUPPLEMENTARY INFORMATION

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS

December 31, 2022
(Unaudited)

The Association **has not** conducted an independent study to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on estimates from historical experience. Actual expenditures may vary from these estimated amounts and the variance may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The following presents significant information about the components of common property:

COMPONENTS	ESTIMATED REMAINING USEFUL LIVES	ESTIMATED CURRENT REPLACEMENT COSTS	2023 FUNDING REQUIREMENT
Painting	2 Years	$88,000	$9,101
Resurfacing	4 Year	29,700	2,743
Tile Roofing	4 Years	250,000	15,090
TOTAL		$367,700	$26,934

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
BUDGET COMPARISON

Year Ended December 31, 2022

	ACTUAL	BUDGET (Unaudited)	VARIANCE
REVENUES:			
Maintenance Fees	$100,156	$99,957	199
Rental Income	48,000	46,800	1,200
Interest Income	18	0	18
Late Fees	350	0	350
MISCELLANEOUS INCOME			
Violations - Fines	2,130	0	2,130
Legal Expense Reimbursement	724	0	724
Miscellaneous Income	5,898	0	5,898
TOTAL MISCELLANEOUS INCOME	8,752	0	8,752
TOTAL REVENUES	157,276	146,757	10,519
EXPENSES:			
INSURANCE			
Crime Insurance	251	301	50
D&O Insurance	1,422	1,338	(84)
General Liability	10,132	9,720	(412)
Insurance Financing Interest	191	646	455
Non-owned Auto	276	331	55
Property Insurance	33,486	32,681	(805)
Legal Defense Insurance	122	0	(122)
Bond	131	0	(131)
TOTAL INSURANCE	46,011	45,017	(994)
OPERATING EXPENSES			
Accounting	1,200	1,250	50
Bad Debts	2,640	2,640	0
Bank Charges	48	267	219
Contingency	0	500	500
DBPR - Condo Fees	0	132	132
Legal and Professional Fees	3,100	10,000	6,900
Licenses, & Permits	3,433	360	(3,073)
Mailings (Postage, Copies, and Labor)	84	1,380	1,296
Management Fees	11,088	11,088	0
Miscellaneous Expense	1,080	1,500	420
Office Expenses	216	60	(156)
Coupons	322	0	(322)
Rent Paid	334	0	(334)
Supplies & Equipment	9,718	0	(9,718)
Income Tax	3,310	0	(3,310)
Website	727	900	173
Parking Decal	549	0	(549)
TOTAL OPERATING EXPENSES	37,849	30,077	(7,772)
CONTRACTS			
Fire Mitigation and Inspection	380	0	(380)
Cleaning - Other	0	4,000	4,000
Janitorial	17,364	3,600	(13,764)
Landscaping - Mowing / Cutting	23,181	14,400	(8,781)
Pest Control	7,436	5,000	(2,436)
Security Equipment	0	900	900
TOTAL CONTRACTS	48,361	27,900	(20,461)

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
BUDGET COMPARISON

Year Ended December 31, 2022

	ACTUAL	BUDGET (Unaudited)	VARIANCE
EXPENSES(Continued):			
REPAIRS AND MAINTENANCE			
Fire Life Safety	703	675	(28)
General Repairs & Maintenance	3,157	5,400	2,243
Landscape / Sprinklers	0	1,714	1,714
Plumbing / Sewer Repair & Maintenance	950	0	(950)
Roof Repairs	1,908	4,800	2,892
Entry / Service Gate	4,555	1,305	(3,250)
TOTAL REPAIRS AND MAINTENANCE	11,273	13,894	2,621
UTILITIES			
Electricity	1,889	1,560	(329)
Internet	4,158	4,092	(66)
Waste Removal	11,594	11,956	362
TOTAL UTILITIES	17,641	17,608	(33)
RENTAL EXPENSE			
Common Unit Association Expense	2,177	4,008	1,831
Rental Expenses	0	1,700	1,700
Unit Maintenance	0	1,700	1,700
Property Taxes	5,269	4,853	(416)
TOTAL RENTAL EXPENSE	7,446	12,261	4,815
Total Operating Expenses	168,581	146,757	(21,824)
Excess Operating Revenues (Expenses)	($11,305)	$0	($11,305)

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.
PROPOSED ADJUSTING JOURNAL ENTRIES
December 31, 2022

	DEBIT	CREDIT
1		
FUND BALANCE	**$5,971**	
INTEREST INCOME - OPERATING	**8**	
RESERVE - PAVING	**12**	
RESERVE - INTEREST		**93**
MISCELLANEOUS INCOME		**5,898**
~to reconcile fund balance and reclassify reserves		
2		
INCOME TAX EXPENSE	**3,310**	
ACCOUNTS PAYABLE		**3,310**
~to accrue income tax payment		
3		
OPERATING FUND BALANCE	**63,702**	
MEMBER'S SURPLUS - PRIOR YEAR ADJUSTMENT		**46,589**
RETAINED EARNINGS / MEMBER SURPLUS		**17,113**
~to adjust insurance		
	$73,003	**$73,003**

SOUTH POINTE COVE
CONDOMINIUM ASSOCIATION, INC.

POST CLOSING TRIAL BALANCE
December 31, 2022

ACCOUNT TITLE	CLIENT T/B DEBIT	CLIENT T/B CREDIT	ADJUSTMENTS DEBIT	ADJUSTMENTS CREDIT	CPA F/S DEBIT	CPA F/S CREDIT
BALANCE SHEET						
ASSETS						
CASH - OPERATING - CITY NATIONAL	$32,254		-	-	$32,254	
ACCOUNTS RECEIVABLE	6,807		-	-	6,807	
OTHER RECEIVABLES	1,280		-	-	1,280	
ALLOWANCE FOR BAD DEBT		4,248	-	-		4,248
PREPAID INSURANCE	43,448		-	-	43,448	
CASH - RESERVES - CITY NATIONAL	155,528		-	-	155,528	
RESERVE - REAL ESTATE	75,794		-	-	75,794	
LIABILITIES AND FUND BALANCE						
ACCOUNTS PAYABLE		1,847	-	3,310		5,157
PREPAID ASSESSMENTS		1,922	-	-		1,922
INSURANCE PAYABLE	1,708		-	-	1,708	
SECURITY DEPOSITS		7,800	-	-		7,800
			-	-		
RESERVES - ROOF		188,355	-	-		188,355
RESERVES - PAINTING		69,006	-	-		69,006
RESERVES - PAVING		18,110	12	-		18,098
RESERVES - INTEREST		432	-	93		525
RESERVES FUND BALANCE		2,445	-	-		2,445
OPERATING FUND BALANCE		100,241	69,673	-		30,568
MEMBER'S SURPLUS - PY ADJ	46,589		-	46,589	0	
RETAINED EARNINGS / MEMBER SURPLUS	17,113		-	17,113	0	
CURRENT YEAR INCOME / LOSS	13,885		-	2,580	11,305	
	$394,406	$394,406	$69,685	$69,685	$328,124	$328,124
	$0		$0		$0	

ENDING FUND BALANCE PER CPA F/S SHOULD EQUAL: $19,263