

**SAND LAKE POINT
HOMEOWNERS ASSOCIATION, INC.**

Financial Statements

December 31, 2022

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To: Board of Directors
Sand Lake Point Homeowners Association, Inc.

We have reviewed the accompanying balance sheet of Sand Lake Point Homeowners Association, Inc. (the Association) as of December 31, 2022 and the related statements of revenue, expenditures and changes in fund balance and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All of the information in these financial statements is the representation of the management of the Association.

A review consists principally of inquiries of the Association's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

The Association has not presented the requested supplementary information about future major repairs and replacement costs of common property, which the American Institute of Certified Public Accountants has determined is required to supplement, although not required to be a part of, the basic financial statements.



Robert Schlotman
Certified Public Accountant

Orlando, Florida
March 31, 2023

SAND LAKE POINT HOMEOWNERS ASSOCIATION, INC.

BALANCE SHEET

As At December 31, 2022

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 186,408	\$ 271,227	\$ 457,635
Assessments receivable (Net of Allowance for Uncollectible Accounts-see note 3)	9,119	-	9,119
Deposit	306	-	306
Prepaid expenses	9,139	-	9,139
TOTAL ASSETS	<u>204,973</u>	<u>271,227</u>	<u>476,200</u>
LIABILITIES:			
Accounts payable	5,758	-	5,758
Prepaid assessments	6,597	-	6,597
TOTAL LIABILITIES	<u>12,355</u>	<u>-</u>	<u>12,355</u>
FUND BALANCE:	<u>192,617</u>	<u>271,227</u>	<u>463,845</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 204,973</u>	<u>\$ 271,227</u>	<u>\$ 476,200</u>

See notes and accountants' review report.

SAND LAKE POINT HOMEOWNERS ASSOCIATION, INC.

STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE

Year Ended December 31, 2022

	Operating Fund	Replacement Fund	Total
REVENUE			
Assessments	\$ 168,945	\$ 18,535	\$ 187,480
Interest	176	614	790
Clubhouse rentals	780		780
Other income	10,216		10,216
	180,117	19,149	199,266
TOTAL REVENUE			
EXPENDITURES:			
Accounting & legal fees	5,169	-	5,169
Bad debt	150	-	150
Grounds maintenance - contract	28,983	-	28,983
Grounds maintenance - other	31,240	-	31,240
Insurance	13,329	-	13,329
Management fees	27,468	-	27,468
Miscellaneous & social mtg room	3,442	-	3,442
Office and other	10,009	-	10,009
Repair & Maintenance	5,617	-	5,617
Replacement expenditures		15,076	15,076
Security	23,458		23,458
Utilities	8,793	-	8,793
	157,658	15,076	172,734
TOTAL EXPENDITURES			
REVENUE IN EXCESS OF EXPENDITURES	22,459	4,073	26,532
FUND BALANCE - 12/31/2021	195,159	292,154	487,312
Adjustment (see note)	(25,000)	(25,000)	(50,000)
FUND BALANCE - 12/31/2022	\$ 192,617	\$ 271,227	\$ 463,845

See notes and accountants' review report

SAND LAKE POINT HOMEOWNERS ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue in excess of expenditures	\$ 22,459	\$ 4,073
Adjustment to reconcile excess of revenue over expenditures to net cash provided by operating activities:		
(Increase) decrease in:		
Assessments receivable (Net)	(5,675)	
Prepaid expenses	763	
Deposit	(0)	
Accounts payable	712	
Prepaid assessments	(7,019)	
NET CASH PROVIDED (USED) BY OPERATIONS	\$ 11,240	\$ 4,073
CASH FLOWS FROM INVESTMENT ACTIVITIES		
	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Fund new management operations & reserves	(25,000)	(25,000)
NET CASH PROVIDED (USED) FOR FINANCE ACTIVITIES	(25,000)	(25,000)
NET INCREASE (DECREASE) OF CASH	(13,760)	(20,927)
CASH AT BEGINNING OF YEAR	\$ 200,168	\$ 292,154
CASH AT END OF YEAR	<u>\$ 186,408</u>	<u>\$ 271,227</u>

See notes and accountants' review report.

SAND LAKE POINT HOMEOWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

Note 1: Summary of Significant Accounting Policies

Organization

Sand Lake Point Homeowners Association, Inc. is incorporated in the State of Florida. The Association is responsible for the operation and maintenance of the common property within the development. The development consists of 436 residential units located in Orange County, Florida.

Fund Accounting

The Association presents its financial statements on the accrual basis using fund accounting. The financial statements are therefore segregated into funds based on the different funding policies established for operating and capital expenditures.

The operating fund reflects the maintenance assessments paid by the unit owners to meet the regular, recurring costs of operations. Expenditures from this fund are limited to those connected with daily operations.

The replacement fund is composed of capital assessments paid by unit owners to fund future replacements and major repairs. Expenditures from this fund are restricted to those items for which assessments were specifically collected. Interest earned on replacement funds remains in the Replacement Fund and is allocated to the components based on their respective balances.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid instruments with original maturities of not more than three months.

Real and Common Area Property

The Association capitalizes all property and equipment to which it holds title or has other evidence of ownership. Real and common area property acquired from the developer is not capitalized in the financial statements of the Association. Improvements made to the real property and common areas are expensed as incurred as a result of its acquisition.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

SAND LAKE POINT HOMEOWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

Concentrations of Risk

The Association maintains cash balances at several banks. Deposits at banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Association utilizes Interbank Cash Sweep (ICS) accounts to mitigate risk and as a result have no funds considered uninsured as of December 31, 2022.

Note 2: Reserve for Major Repairs and Replacements

The Association is funding for major repairs and replacements based on estimated current replacement costs. Actual expenditures may vary from the amounts estimated and may be material in their variances from the estimates. As a result, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, the Association has the right to increase regular assessments, to levy special assessments, or it may delay major repairs and replacements until funds are available. The effect on future assessments has not at this time been determined.

The following table presents significant information about the components of common property for the year 2022:

COMPONENT	BALANCE	FUNDING		ADJUSTMENTS	EXPENSES	
	12/31/2021	DURING YEAR	INTEREST INCOME		DURING YEAR	BALANCE 12/31/2022
Contingency	\$ 60,336	616	127	(25,000)	-	\$ 36,079
Dock	45,475	2,826	100	-	-	48,401
Irrigation/Well	1,070	644	4	-	-	1,718
Landscaping	62,699	4,513	118	-	(10,607)	56,723
Gate Operators/Mechanics	10,189	-	21	-	-	10,210
Sealcoat	7,768	-	16	-	-	7,784
Playground	5,805	1,161	14	-	-	6,980
Clubhouse Roof	27,313	1,179	59	-	-	28,551
Video Surveillance	14,349	-	27	-	(1,592)	12,784
Paving	23,886	1,929	54	-	-	25,869
Tennis Court	22,904	1,619	50	(317)	-	24,573
Tennis Court Repavement	2,789	1,303	9	317	-	4,101
Gate System Electronics	7,571	2,745	15	-	(2,877)	7,454
Totals	<u>292,154</u>	<u>18,535</u>	<u>614</u>	<u>(25,000)</u>	<u>(15,076)</u>	<u>271,227</u>

SAND LAKE POINT HOMEOWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

Note 3: Member Assessments / Credit Risk

Association members are subject to assessments to provide funds for the Association's operating expenditures, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. It is the Association's policy to retain legal counsel and place liens on the property of delinquent homeowners. Assessments which have been regarded as uncollectible as of the report date have been charged to bad debt expense. The allowance for uncollectible accounts is \$7,372 as of December 31, 2022.

Note 4: Income Taxes

Homeowners' associations may elect to be taxed as regular corporations or as homeowners' associations. With either election the association is usually taxed only on its non-membership income, such as interest earnings. The Association has no tax liability for 2022.

Note 5: Subsequent Events / Contingencies

The Association has evaluated events and transactions for potential disclosure through March 25, 2023, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

Note 6: Retained Earnings Adjustment

On December 5th 2022, funds were transferred to fund operating and reserve changeover to a new property management company. This was recorded as an adjustment to retained earnings.

SAND LAKE POINT HOMEOWNERS ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

Year Ended December 31, 2022

SUPPLEMENTAL INFORMATION

Actual to Budget
Actual to Prior Year

SAND LAKE POINT HOMEOWNERS ASSOCIATION INC.

**SUPPLEMENTARY INFORMATION - STATEMENT OF REVENUE AND EXPENDITURES
ACTUAL TO BUDGET (UNAUDITED)**

Year Ended December 31, 2022

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
REVENUE			
Assessments	\$ 187,480	\$ 187,480	\$ -
Interest & late fees	790	-	790
Clubhouse rentals	780	-	780
Other income	10,216	-	10,216
	<u>199,266</u>	<u>187,480</u>	<u>11,786</u>
TOTAL REVENUE			
EXPENDITURES:			
Accounting & legal fees	5,169	5,200	(31)
Bad debt	150	150	-
Grounds maintenance - contract	28,983	29,000	(17)
Grounds maintenance - other	31,240	31,586	(346)
Insurance	13,329	14,100	(771)
Management fees	27,468	31,392	(3,924)
Miscellaneous & social mtg room	3,442	1,100	2,342
Office and other	10,009	10,612	(603)
Repair & Maintenance	5,617	8,300	(2,683)
Security	23,458	27,858	(4,400)
Utilities	8,793	9,648	(855)
Reserve funding	15,076	18,535	(3,459)
	<u>172,734</u>	<u>187,480</u>	<u>(14,746)</u>
TOTAL EXPENDITURES			
REVENUE IN EXCESS OF EXPENDITURES	<u>26,532</u>	<u>-</u>	<u>26,532</u>

SAND LAKE POINT HOMEOWNERS ASSOCIATION INC.

**SUPPLEMENTARY INFORMATION - STATEMENT OF REVENUE AND EXPENDITURES
ACTUAL TO PRIOR YEAR (UNAUDITED)**

Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<u>VARIANCE</u>
REVENUE			
Assessments	\$ 187,480	\$ 187,480	\$ -
Interest & late fees	790	567	223
Clubhouse rentals	780	150	630
Other income	10,216	8,259	1,957
	<u>199,266</u>	<u>196,456</u>	<u>2,810</u>
TOTAL REVENUE			
EXPENDITURES:			
Accounting & legal fees	5,169	842	4,327
Bad debt	150	6,421	(6,271)
Grounds maintenance - contract	28,983	30,924	(1,941)
Grounds maintenance - other	31,240	27,126	4,114
Insurance	13,329	12,552	777
Management fees	27,468	27,468	-
Miscellaneous & social mtg room	3,442	1,125	2,317
Office and other	10,009	8,413	1,596
Repair & Maintenance	5,617	4,862	755
Security	23,458	27,058	(3,600)
Utilities	8,793	9,449	(656)
Reserve funding	15,076	-	15,076
	<u>172,734</u>	<u>156,240</u>	<u>16,494</u>
TOTAL EXPENDITURES			
REVENUE IN EXCESS OF EXPENDITURES	<u>26,532</u>	<u>40,216</u>	<u>(13,684)</u>