

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

**Financial Statements**

**December 31, 2024**

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

**BALANCE SHEET**

**As At December 31, 2024**

	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Total</b>
ASSETS:			
Cash and cash equivalents	\$ 304,588	\$ 166,040	\$ 470,627
Assessments receivable (Net of Allowance for Uncollectible Accounts-see note 3)	29,108	-	29,108
Deposit	306	-	306
Prepaid expenses	24,869	-	24,869
Property & Equipment, net (Note 8)-RESTATED	94,906	-	94,906
Due from Reserve	-	-	-
TOTAL ASSETS	<u>453,777</u>	<u>166,040</u>	<u>619,816</u>
LIABILITIES:			
Accounts payable	5,586	-	5,586
Prepaid assessments	137,063	-	137,063
Rental security deposits	210	-	210
Notes Payable, Net (Note 7 )-RESTATED	90,385	-	90,385
Due to Operating	-	-	-
TOTAL LIABILITIES	<u>233,245</u>	<u>-</u>	<u>233,245</u>
FUND BALANCE:	<u>220,532</u>	<u>166,040</u>	<u>386,572</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 453,777</u>	<u>\$ 166,040</u>	<u>\$ 619,816</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, 2024**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
REVENUE			
Assessments	\$ 170,560	\$ 27,820	\$ 198,380
Interest	10,459	9,205	19,664
Clubhouse rentals	930	-	930
Other income	15,975	-	15,975
	<u>197,924</u>	<u>37,026</u>	<u>234,949</u>
TOTAL REVENUE			
EXPENDITURES:			
General & Administrative	75,143	-	75,143
Grounds maintenance & repair	137,012	-	137,012
Pool & Clubhouse	7,895	-	7,895
Utilities	8,110	-	8,110
Replacement expenditures	-	151,224	151,224
Depreciation	2,157	-	2,157
	<u>230,318</u>	<u>151,224</u>	<u>381,542</u>
TOTAL EXPENDITURES			
REVENUE IN EXCESS OF EXPENDITURES	(32,394)	(114,198)	(146,592)
FUND BALANCE - 12/31/2023	252,926	280,238	533,164
FUND BALANCE - 12/31/2024	<u>\$ 220,532</u>	<u>\$ 166,040</u>	<u>\$ 386,572</u>

See notes and accountants' review report

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

**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2024**

	OPERATING FUND	REPLACEMENT FUND
	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES		
Revenue in excess of expenditures	\$ (32,394)	\$ (114,198)
Adj for non cash items	2,157	
Adjustment to reconcile excess of revenue over expenditures to net cash provided by operating activities:		
(Increase) decrease in:		
Assessments receivable (Net)	(15,239)	
Prepaid expenses	(5,509)	
Deposit	(0)	
inter-fund transfers	2,500	(2,500)
Accounts payable	128	
Security deposits liability	-	
Prepaid assessments	45,010	
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY OPERATIONS	\$ (3,346)	\$ (116,698)
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Property & Equipment - RESTATED	(1,715)	-
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NET CASH PROVIDED (USED) FOR INVESTMENT ACTIVITIES	(1,715)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
SBA loan proceeds, net	(44,000)	
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NET CASH PROVIDED (USED) FOR FINANCE ACTIVITIES	(44,000)	-
NET INCREASE (DECREASE) OF CASH	(49,061)	(116,698)
CASH AT BEGINNING OF YEAR	\$ 353,649	\$ 282,739
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CASH AT END OF YEAR	\$ 304,588	\$ 166,040
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See notes and accountants' review report.

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

## **NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2024**

### **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, 2024

### 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, 2024.

### 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 2024:

COMPONENT	BALANCE 12/31/2023	FUNDING		INTEREST INCOME	ADJUSTMENTS	EXPENSES	
		DURING YEAR				DURING YEAR	BALANCE 12/31/2024
Landscaping	\$ 53,096	\$ 1,576	\$ 1,744	\$ 853	\$ (6,500)	\$ 50,769	
Paving	28,255	720	928	773	-	30,676	
Dock	49,529	1,359	1,627	(4,286)	(100,121)	(51,892)	
Irrigation/Well	(533)	503	(18)	16		(31)	
Clubhouse Roof	30,220	1,054	993	(1,762)	(44,385)	(13,880)	
Sealcoat	7,912	-	260	205		8,377	
Gate Operators/Mechanics	10,378	-	341	268		10,987	
Gate System Electronics	(10)	276	-	15		281	
General/Contingency	48,648	2,768	1,598	1,419		54,433	
Playground	8,275	381	272	236		9,164	
Video Surveillance	12,351	-	406	90		12,847	
Tennis Court Repavement	6,142	17,220	202	(14,989)	-	8,575	
Tennis Court	25,975	1,963	853	16,945	-	45,736	
Totals	\$ 280,238	\$ 27,820	\$ 9,205	\$ (218)	\$(151,006)	\$ 166,041	

### 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

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

## **NOTES TO FINANCIAL STATEMENTS**

### **Year Ended December 31, 2024**

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 \$4,897 as of December 31, 2024.

#### **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 2024.

IRS Code Section 528 defines exempt function income as membership dues, fees or assessments, received from the residential owner-members of the association. Exempt function income also includes interest, fines, penalties and late fees received from members for late payment of assessments as well as other charges to members for gate keys or remotes. In 2024 \$170,560 of resident assessments, \$15,975 in fines, fees, and exempt function interest were included in the \$196,994 exempt function income reported on the tax return.

Exempt function income does not include assessments for reserve account funding. In 2024 \$27,920 in assessments were allocated to reserve account funding.

#### **Note 5: Subsequent Events / Contingencies**

The Association has evaluated events and transactions for potential disclosure through April 7, 2025, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

#### **Note 6: Notes Payable**

On June 1, 2023 the Association entered into an agreement with the SBA to secure a loan in the amount of \$92,100 at an annual interest rate of 1.875%. The note requires monthly payments of \$343 beginning twelve (12) months from the date of initial disbursement (August 2024).

The note matures May 31, 2053 (thirty-year note). The outstanding balance of the note is \$90,385 as of December 31, 2024.

#### **Note 7: Property & Equipment**

Property and Equipment additions are stated at cost at the date of purchase less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful lives of the assets or the lease term. The estimated depreciable life is 15 years.

As noted in ASC 360-10-20 depreciation should begin when the long-lived asset is substantially complete and ready for its intended use. As of December 31, 2024 the Association recorded \$2,156 in depreciation expense.

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

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended December 31, 2024**

**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, 2024**

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>
REVENUE			
Assessments	\$ 198,380	\$ 198,380	\$ -
Interest & late fees	19,664	20,000	(336)
Clubhouse rentals	930	-	930
Other income	15,975	-	15,975
	<u>234,949</u>	<u>218,380</u>	<u>16,569</u>
TOTAL REVENUE			
EXPENDITURES:			
General & Administrative	75,143	80,055	(4,912)
Grounds maintenance & repair	137,012	90,929	46,083
Pool & Clubhouse	7,895	10,225	(2,330)
Utilities	8,110	9,350	(1,240)
Replacement expenditures	151,224	27,820	123,404
Depreciation	2,157	-	2,157
	<u>381,542</u>	<u>218,380</u>	<u>163,162</u>
TOTAL EXPENDITURES			
REVENUE IN EXCESS OF EXPENDITURES	<u>(146,592)</u>	<u>0</u>	<u>(146,593)</u>

**SAND LAKE POINT HOMEOWNERS ASSOCIATION INC.**

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

**Year Ended December 31, 2024**

	<u>2024</u>	<u>2023</u>	<u>VARIANCE</u>
REVENUE			
Assessments	\$ 198,380	\$ 187,480	\$ 10,900
Interest & late fees	19,664	10,570	9,094
Clubhouse rentals	930	545	385
Other income	15,975	10,243	5,732
	<u>234,949</u>	<u>208,838</u>	<u>26,111</u>
TOTAL REVENUE			
EXPENDITURES:			
General & Administrative	75,143	63,729	11,414
Grounds maintenance & repair	137,012	78,105	58,907
Pool & Clubhouse	7,895	4,985	2,910
Utilities	8,110	7,430	680
Replacement expenditures	151,224	14,063	137,161
Depreciation	2,157	-	2,157
	<u>381,542</u>	<u>168,312</u>	<u>213,230</u>
TOTAL EXPENDITURES			
REVENUE IN EXCESS OF EXPENDITURES	<u>\$ (146,592)</u>	<u>\$ 40,526</u>	<u>\$ (187,118)</u>