

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2017



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Grand Isles Master Homeowners Association, Inc.  
Wellington, Florida

We have audited the accompanying financial statements of Grand Isles Master Homeowners Association, Inc., which comprise the balance sheets as of December 31, 2017, and the related statements of revenues and expenses, and changes in fund balance and cash flows for the years then 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 judgment, 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 control 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.

To the Board of Directors  
Grand Isles Master Homeowners Association, Inc.  
Wellington, Florida

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grand Isles Master Homeowners Association, Inc., as of December 31, 2017, and the results of its operations and its cash flows for the years 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 schedule of operating expenses on pages 10 to 12, the schedule of operating revenues and expenses - budget vs. actual - master on pages 13 and 14, and the schedule of operating revenues and expenses - budget vs. actual - carnell on page 15 are presented for purposes of additional analysis and is 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 the supplementary information on future major repairs and replacements on pages 16 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. 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.



Gladstone & Company, LLC  
Certified Public Accountants  
Sunrise, Florida  
March 31, 2018

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
BALANCE SHEET  
December 31, 2017

	Operating Fund	Replacement Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 140,221	\$ 89,986	\$ 230,207
Certificates of Deposit	-	130,253	130,253
Member Assessments Receivable (Net of Allowance for Doubtful Accounts of \$26,729)	39,744	-	39,744
Prepaid Insurance	5,405	-	5,405
Prepaid Expenses	5,604	-	5,604
Due from Operating Fund	-	8,104	8,104
Due to Replacement Fund	(8,104)	-	(8,104)
 Total Assets	 \$ 182,870	 \$ 228,343	 \$ 411,213

**LIABILITIES AND FUND BALANCE**

<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 69,280	\$ -	\$ 69,280
Prepaid Member Assessments	68,985	-	68,985
 Total Liabilities	 138,265	 -	 138,265
 <b>FUND BALANCE</b>			
Master	\$ 61,990	\$ 190,241	\$ 252,231
Carmel	(17,385)	38,102	20,717
 Total Fund Balance	 44,605	 228,343	 272,948
 Total Liabilities and Fund Balance	 \$ 182,870	 \$ 228,343	 \$ 411,213

The accompanying notes are an integral part of these financial statements.

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE  
For the Year Ended December 31, 2017

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member Assessments	\$ 1,193,037	\$ 150,918	\$ 1,343,955
Median Maintenance Income	7,500	-	7,500
Late Fees and Owner Interest Income	14,049	-	14,049
Orientation Fees	12,300	-	12,300
Gate Card Income and Pool Key Income	46,817	-	46,817
Rental Home Contribution	3,300	-	3,300
Interest Income	34	732	766
Other Income	<u>6,065</u>	<u>-</u>	<u>6,065</u>
 Total Revenues	 <u>1,283,102</u>	 <u>151,650</u>	 <u>1,434,752</u>
<b>EXPENSES</b>			
Administrative	136,029	-	136,029
Contract Services	770,647	-	770,647
Repairs and Maintenance	30,259	-	30,259
Grounds Maintenance	60,979	-	60,979
Utilities	76,908	-	76,908
Carmel Expenses	144,352	-	144,352
Reserve Expenses	<u>-</u>	<u>72,837</u>	<u>72,837</u>
 Total Expenses	 <u>1,219,174</u>	 <u>72,837</u>	 <u>1,292,011</u>
 Excess of Revenues over Expenses	 63,928	 78,813	 142,741
 Fund Balance (Deficit) - Beginning of Year	 <u>(19,323)</u>	 <u>149,530</u>	 <u>130,207</u>
 Fund Balance - End of Year	 <u>\$ 44,605</u>	 <u>\$ 228,343</u>	 <u>\$ 272,948</u>

The accompanying notes are an integral part of these financial statements.

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2017

	Operating Fund	Replacement Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of Revenues over Expenses	\$ 63,928	\$ 78,813	\$ 142,741
Adjustments to Reconcile Excess of Revenues over Expenses to Net Cash Provided by Operating Activities:			
Bad Debt Expense	6,000	-	6,000
(Increase) Decrease in Assets:			
Member Assessments Receivables	24,041	-	24,041
Prepaid Insurance	1,007	-	1,007
Prepaid Expenses	(3,995)	-	(3,995)
Interfund Borrowings	(12,229)	12,229	-
Increase (Decrease) in Liabilities:			
Accounts Payable and Accrued Expenses	(41,084)	-	(41,084)
Prepaid Member Assessments	5,104	-	5,104
Net Cash Provided by Operating Activities	42,772	91,042	133,814
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Acquisitions) of Certificates of Deposits, Net of Redemptions	-	(130,253)	(130,253)
Net Cash (Used in) Financing Activities	-	(130,253)	(130,253)
Net Increase (Decrease) in Cash and Cash Equivalents	42,772	(39,211)	3,561
Cash and Cash Equivalents - Beginning of Year	97,449	129,197	226,646
Cash and Cash Equivalents - End of Year	\$ 140,221	\$ 89,986	\$ 230,207
<b>SUPPLEMENTAL INFORMATION</b>			
Income Taxes Paid	\$ -	\$ -	\$ -
Interest Paid	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

**NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Organization - Grand Isles Master Homeowners Association, Inc. (the "Association"), was incorporated as a not-for-profit corporation on March 22, 1996, in the State of Florida for the purpose of maintaining and preserving the common areas of the Association. Grand Isles Master Homeowners Association, Inc. consists of 611 residential units located in Wellington, Florida.

The community of Carmel, consisting of 183 residential units, is a sub division within the Grand Isles Master Homeowners Association, Inc. Their monthly maintenance assessments include specific recreation area amenities (pool, etc.,) that are for the sole benefit of Carmel owners.

2. Fund Accounting - The Association uses fund accounting, which requires that funds, such as the operating fund and the fund designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors. Disbursements from the replacement fund generally may be made only for designated purposes.

3. Basis of Accounting - The books and records are maintained on the accrual basis of accounting which recognizes revenues when earned, regardless of when received, and expenses when incurred, regardless of when paid, which is in accordance with accounting principles generally accepted in the United States of America.

4. Use of Estimates in the Preparation of Financial Statements - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

5. Member Assessments - Member assessments are billed monthly based upon their proportionate share of ownership and are recognized as revenue on a pro rata basis over the period covered by the billing. Member assessments are based upon estimates of amounts necessary to provide funds for the Association's operating expenses and future major repairs and replacements. Assessments receivable from members are reported at the outstanding balance due from the members. It is the Association's policy to retain legal counsel and place liens on the units of members whose assessments are delinquent. Any excess assessments at year end are retained by the Association for reduction of member assessments in future years.

6. Interest Income - The Board of Directors' policy is to allocate to the operating and replacement funds all interest earned on their respective cash and cash equivalent and investment accounts.



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2017

NOTE A - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Income Taxes - The Association may be taxed either as a homeowners' association or as a regular corporation. This election is made annually taking into account the best interest of the Association. For the year ended December 31, 2017, the Association elected to file as a homeowners' association in accordance with Internal Revenue Service Code section 528. Under that section, the Association excludes from taxation exempt function income, which generally consists of revenue from assessments to owners. The Association's investment income and other nonexempt income are subject to tax at a rate of 30%, net of any applicable expenses.

Under federal and state income tax laws, an entity's income tax returns are subject to examination by the applicable taxing authorities. The time period during which a return may be selected by a taxing authority for examination generally ends at the later of three years after the initial due date of the return or three years after the return is filed. At December 31, 2017, the Association's tax years that remain subject to examination are 2014 through 2016.

8. Recognition of Assets and Depreciation Policy - Real and personal common property acquired by the original homeowners from the developer and related improvements to such property are not recognized on the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association.

9. Cash and Cash Equivalents - For purposes of the December 31, 2017 balance sheets and statements of cash flows for the year then ended, the Association considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents

10. Concentration of Credit Risk - Financial instruments which potentially subject the Association to concentrations of credit risk are primarily cash and assessments receivable. The Association invests its excess cash in both deposits and high quality short-term liquid money market instruments with major financial institutions, and the carrying value approximates market value. The Association has not experienced losses related to these investments. The Association believes it is not exposed to any significant credit risk on cash and assessments receivable.

11. Comprehensive Income - ASC 220 (formerly SFAS No. 130) requires "a full set of general-purpose financial statements to be expanded to include the reporting of comprehensive income." Comprehensive income is comprised of two components, net income and other comprehensive income. For the year ended December 31, 2017, there were no items that qualify as comprehensive income.

12. Fair Value of Financial Instruments - The carrying amounts of cash, receivables, and payables approximate their fair values due to their short-term maturities.

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 December 31, 2017

**NOTE B - REPLACEMENT FUND**

The Association has established reserves. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

The following disclosure is made in accordance with Florida Statute 720.303(6)(c)2:

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS PURSUANT TO SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

The activity in the replacement fund was as follows:

Component	Balance 01/01/17	Assessments	Transfer	Interest Income	Expenses	Balance 12/31/17
<b>MASTER</b>						
General	\$ 95,804	\$ 132,522	\$ (5,600)	\$ -	\$(55,950)	\$166,776
Capital Improvements / Emergency	8,989	8,333	-	-	(5,689)	11,633
Storm Damage / Insurance Deductible	-	-	5,600	-	(4,975)	625
Interest Income	<u>567</u>	<u>-</u>	<u>-</u>	<u>641</u>	<u>-</u>	<u>1,208</u>
	<u>105,360</u>	<u>140,855</u>	<u>-</u>	<u>641</u>	<u>(66,614)</u>	<u>180,242</u>
<b>CARMEL</b>						
General	21,279	8,625	10,000	-	(3,450)	36,454
Capital Improvements / Emergency	22,799	1,438	(10,000)	-	(2,773)	11,464
Interest Income	<u>92</u>	<u>-</u>	<u>-</u>	<u>91</u>	<u>-</u>	<u>183</u>
	<u>44,170</u>	<u>10,063</u>	<u>-</u>	<u>91</u>	<u>(6,223)</u>	<u>48,101</u>
	<u>\$149,530</u>	<u>\$ 150,918</u>	<u>\$ -</u>	<u>\$ 732</u>	<u>\$(72,837)</u>	<u>\$228,343</u>

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2017

**NOTE B - REPLACEMENT FUND (Continued)**

The Board of Directors had a study conducted by professional engineers in May, 2017 to estimate the remaining useful lives and the replacement costs of the components of common property. 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. 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. Accordingly, the funding requirements of \$150,918 and \$189,527 have been included in the 2017 and 2018 budgets, respectively.

**NOTE C - ASSOCIATION INSURANCE DEDUCTIBLES**

Common property of the Association is located in South Florida, an area proven geographically prone to hurricanes. The Association's insurance policies define deductibles and exclusions which will yield uncovered costs if common property damage claims occur. If additional funds are needed to replace or repair common property, the Association has the right, subject to governing documents, to increase regular assessments, pass special assessments, borrow funds or delay major repairs and replacements until funds are available.

**NOTE D - CERTIFICATES OF DEPOSIT**

At December 31, 2017, the Association had \$130,253 in certificates of deposit with an interest rate of .95% and maturity dates in 2018. It is the intent of the Association to hold these certificates until maturity. If these certificates are liquidated prior to maturity, they would be subject to market fluctuations and possibly early withdrawal penalties.

**NOTE E - UNCERTAINTIES FOR INCOME TAXES**

The Association follows ASC Topic 740, "Income Taxes" in accounting for uncertain tax positions. The Association has evaluated its tax positions and any estimates utilized in its tax returns, and concluded that the Association has taken no uncertain tax position that require adjustment to the financial statements to comply with the provisions of this guidance.

**NOTE F - DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 31, 2018, the date that the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF OPERATING EXPENSES  
 December 31, 2017

EXPENSES	<u>(Actual)</u>
<b>ADMINISTRATIVE</b>	
Audit Expense	\$ 5,300
Bad Debt Expense	6,000
Bank Fees	1,166
Barcode Expense	5,216
Community Activities	12,749
Coupon Expense	5,499
Insurance	27,883
Legal Fees	46,402
Licenses and Fees	471
Miscellaneous	2,642
Office Expense	15,232
Studies (Reserve and Insurance)	5,170
Web Hosting	<u>2,299</u>
 Total Administrative	 <u>136,029</u>
<b>CONTRACT SERVICES</b>	
Cable Television	260,695
Gatehouse Attendants	119,882
Janitorial Service	29,852
Lake Maintenance	18,375
Landscaping Maintenance	149,293
Management Fees	94,006
Pest Control	1,550
Pool Maintenance and Repairs	10,911
Sheriff Patrols	<u>86,083</u>
 Total Contract Services	 <u>770,647</u>

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF OPERATING EXPENSES (continued)  
 For the Year Ended December 31, 2017

EXPENSES	<u>(Actual)</u>
<b>REPAIRS and MAINTENANCE</b>	
Air Conditioning	2,807
Clicker and Key	674
Fire Safety	4,811
Fitness Center	1,386
Gate	2,564
Golf Cart	1,064
Irrigation	7,560
Lighting Electrical	1,825
Pressure Cleaning	6,385
Road and Sign	538
Unit Maintenance	<u>645</u>
Total Repairs and Maintenance	<u>30,259</u>
<b>GROUNDS MAINTENANCE</b>	
Ficus Hedge Replacements	5,650
Hurricane Preparation and Cleanup	18,970
Landscape Extra / Whitefly	11,021
Landscape Replacement	9,444
Queen Palm Replacements	2,480
Recreation Area Repairs	1,701
Tree Trimming Replacement	<u>11,713</u>
Total Grounds Maintenance	<u>60,979</u>
<b>UTILITIES</b>	
Electricity	55,904
Telephone and Internet	14,542
Trash	1,684
Water and Sewer	<u>4,778</u>
Total Utilities	<u>76,908</u>

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF OPERATING EXPENSES (continued)  
 For the Year Ended December 31, 2017

EXPENSES	<u>(Actual)</u>
<b>CARMEL EXPENSES</b>	
Audit Expense	1,700
Electricity	10,056
Insurance	2,428
Irrigation Repairs and Maintenance	19,762
Janitorial	11,182
Landscape Maintenance	40,917
Landscape Replacement	551
Management Fees	43,035
Pest Control	615
Pool Maintenance and Repairs	7,713
Pressure Cleaning	425
Recreation Area Repairs and Maintenance	2,806
Water and Sewer	<u>3,162</u>
Total Carmel Expenses	<u>144,352</u>
<b>TOTAL EXPENSES</b>	<u><u>\$ 1,219,174</u></u>

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
SUPPLEMENTARY INFORMATION  
MASTER  
SCHEDULE OF OPERATING REVENUES AND EXPENSES - BUDGET VS. ACTUAL  
December 31, 2017

	Operating Fund	Budget (Unaudited)	Variance (Unaudited)
<b>REVENUES</b>			
Member Assessments	\$ 1,053,039	\$ 1,053,039	\$ -
Median Maintenance Income	7,500	7,500	-
Late Fees and Owner Interest Income	14,049	10,000	4,049
Orientation Fees	12,300	11,000	1,300
Gate Card and Pool Key Income	46,817	30,000	16,817
Lot Income	-	500	(500)
Rental Home Contribution	3,300	4,000	(700)
Interest Income	34	150	(116)
Other Income	6,065	-	6,065
	<u>1,143,104</u>	<u>1,116,189</u>	<u>26,915</u>
<b>Total Revenues</b>			
<b>EXPENSES</b>			
<b>ADMINISTRATIVE</b>			
Administrative Storage	-	550	550
Audit Expense	5,300	5,600	300
Bad Debt Expense	6,000	6,000	-
Bank Fees	1,166	200	(966)
Barcode Expense	5,216	-	(5,216)
Community Activities	12,749	6,000	(6,749)
Coupon Expense	5,499	3,000	(2,499)
Insurance	27,883	27,000	(883)
Legal Fees	46,402	25,000	(21,402)
Litigation Costs	-	5,000	5,000
Licenses and Fees	471	810	339
Miscellaneous	2,642	3,526	884
Office Expense	15,232	12,000	(3,232)
Operating Budget Shortfall	-	5,000	5,000
Studies (Reserve and Insurance)	5,170	5,600	430
Web Hosting	2,299	1,300	(999)
	<u>136,029</u>	<u>106,586</u>	<u>(29,443)</u>
<b>Total Administrative</b>			
<b>CONTRACT SERVICES</b>			
Cable Television	260,695	258,000	(2,695)
Gatehouse Attendants	119,882	135,000	15,118
Janitorial Service	29,852	25,000	(4,852)
Lake Maintenance	18,375	22,000	3,625
Landscaping Maintenance	149,293	170,000	20,707
Management Fees	94,006	103,361	9,355
Pest Control	1,550	2,000	450
Pool Maintenance and Repairs	10,911	12,000	1,089
Sheriff Patrols	86,083	86,112	29
	<u>770,647</u>	<u>813,473</u>	<u>42,826</u>
<b>Total Contract Services</b>			



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION  
 MASTER

SCHEDULE OF OPERATING REVENUES AND EXPENSES - BUDGET VS. ACTUAL (continued)  
 For the Year Ended December 31, 2017

	<u>Operating Fund</u>	<u>Budget (Unaudited)</u>	<u>Variance (Unaudited)</u>
<b>EXPENSES</b>			
<b>REPAIRS and MAINTENANCE</b>			
Air Conditioning	2,807	3,000	193
Clicker and Key	674	5,500	4,826
Fire Safety	4,811	6,200	1,389
Fitness Center	1,386	1,500	114
Gate	2,564	6,000	3,436
General	-	2,750	2,750
Golf Cart	1,064	1,500	436
Guardhouse	-	2,000	2,000
Irrigation	7,560	10,000	2,440
Lighting Electrical	1,825	5,000	3,175
Pressure Cleaning	6,385	9,000	2,615
Road and Sign	538	500	(38)
Unit Maintenance	645	500	(145)
	<u>30,259</u>	<u>53,450</u>	<u>23,191</u>
<b>Total Repairs and Maintenance</b>			
<b>GROUNDS MAINTENANCE</b>			
Hurricane Preparation and Cleanup	18,970	5,000	(13,970)
Ficus Hedge Replacements	5,650	60,000	54,350
Landscape Extra / Whitefly	11,021	14,000	2,979
Landscape Replacement	9,444	18,000	8,556
Queen Palm Replacements	2,480	5,000	2,520
Recreation Area Repairs	1,701	5,000	3,299
Tree Trimming Replacement	11,713	9,000	(2,713)
	<u>60,979</u>	<u>116,000</u>	<u>55,021</u>
<b>Total Grounds Maintenance</b>			
<b>UTILITIES</b>			
Electricity	55,904	50,000	(5,904)
Telephone and Internet	14,542	14,000	(542)
Trash	1,684	2,000	316
Water and Sewer	4,778	3,800	(978)
	<u>76,908</u>	<u>69,800</u>	<u>(7,108)</u>
<b>Total Utilities</b>			
	<u>1,074,822</u>	<u>1,159,309</u>	<u>84,487</u>
<b>Total Expenses</b>			
Excess (Deficiency) of Revenues over Expenses	\$ 68,282	\$ <u>(43,120)</u>	\$ <u>111,402</u>
Fund Balance (Deficit) - Beginning of Year	<u>(6,292)</u>		
Fund Balance - End of Year	<u>\$ 61,990</u>		

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION

CARMEL

SCHEDULE OF OPERATING REVENUES AND EXPENSES - BUDGET VS. ACTUAL

December 31, 2017

	Operating Fund	Budget (Unaudited)	Variance (Unaudited)
<b>REVENUES</b>			
Member Assessments - Carmel	139,998	139,998	-
Total Revenues	<u>139,998</u>	<u>139,998</u>	<u>-</u>
<b>EXPENSES</b>			
Audit Expense	1,700	1,400	(300)
Electricity	10,056	8,500	(1,556)
Fire Safety Repairs and Maintenance	-	50	50
Insurance	2,428	3,000	572
Irrigation Repairs and Maintenance	19,762	18,100	(1,662)
Janitorial	11,182	12,000	818
Landscape Maintenance	40,917	43,000	2,083
Landscape Replacement	551	1,000	449
Lighting Repairs and Maintenance	-	500	500
Management Fees	43,035	44,298	1,263
Pest Control	615	700	85
Pool Maintenance and Repairs	7,713	8,000	287
Pressure Cleaning	425	500	75
Recreation Area Repairs and Maintenance	2,806	1,000	(1,806)
Water and Sewer	<u>3,162</u>	<u>1,500</u>	<u>(1,662)</u>
Total Expenses	<u>144,352</u>	<u>143,548</u>	<u>(804)</u>
(Deficiency) of Revenues over Expenses	\$ (4,354)	<u>\$ (3,550)</u>	<u>\$ (804)</u>
Fund Balance (Deficit) - Beginning of Year	<u>(13,031)</u>		
Fund Balance (Deficit) - End of Year	<u>\$ (17,385)</u>		

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION ON FUTURE MAJOR  
 REPAIRS AND REPLACEMENTS  
 For the Year Ended December 31, 2017  
 (Unaudited)

The Board of Directors had a study conducted by professional engineers in May, 2017 to estimate the remaining useful lives and the replacement costs of the components of common property.

The following table is based on the study and present the significant information about the components of common property.

Components	Estimated Useful Lives (Years)	Estimated Remaining Useful Lives (Years)	Estimated Replacement Costs	2018 Reserve Contribution
<b>MASTER</b>				
Site and Grounds	1 - 50	0 - 32	\$ 1,325,600	\$ -
Clubhouse and Guardhouse	4 - 40	1 - 23	306,700	-
Mechanical / Electrical / Plumbing	5 - 20	2 - 14	132,600	-
Exterior Amenities	5 - 30	1 - 26	<u>356,000</u>	-
			<u>2,120,900</u>	<u>165,496</u>
<b>CARMEL</b>				
Pool and Recreation Facilities	5 - 30	0 - 13	<u>175,350</u>	<u>24,031</u>
<b>TOTAL</b>			<u>\$ 2,296,250</u>	<u>\$ 189,527</u>