

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2016



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.

FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

CONTENTS

	Page
Independent Auditor's Report .....	1-2
Financial Statements:	
Balance Sheet.....	3
Statement of Revenues and Expenses and Changes in Fund Balance (Deficit) .....	4
Statement of Cash Flows .....	5-6
Notes to Financial Statements .....	7-11
Supplementary Information:	
Schedule of Operating Expenses .....	12-14
Schedule of Operating Revenues and Expenses - Budget vs. Actual - Master.....	15-16
Schedule of Operating Revenues and Expenses - Budget vs. Actual - Carmel.....	17
Supplementary Information on Future Major Repairs and Replacements.....	18



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

## INDEPENDENT AUDITOR'S REPORT

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Grand Isles Master Homeowners Association, Inc., which comprise the balance sheet as of December 31, 2016, and the related statements of revenues and expenses and changes in fund balance (deficit) and cash flows for the year 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 audit. We conducted our audit 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, 2016, and the results of its operations and its cash flows for the year 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 12 to 14, the schedule of operating revenues and expenses - budget vs. actual - master on pages 15 and 16, and the schedule of operating revenues and expenses - budget vs. actual - carmel on page 17 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 page 18 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.

  
Gladstone & Company, LLC  
Certified Public Accountants  
Sunrise, Florida  
March 31, 2017

GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
BALANCE SHEET  
December 31, 2016

	Operating Fund	Replacement Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 97,449	\$ 129,197	\$ 226,646
Member Assessments Receivable (Net of Allowance for Doubtful Accounts of \$27,803)	69,785	-	69,785
Prepaid Insurance	6,412	-	6,412
Prepaid Expenses	1,609	-	1,609
Due from Operating Fund	-	20,333	20,333
Due to Replacement Fund	<u>(20,333)</u>	<u>-</u>	<u>(20,333)</u>
 Total Assets	 <u>\$ 154,922</u>	 <u>\$ 149,530</u>	 <u>\$ 304,452</u>

**LIABILITIES AND FUND BALANCE (DEFICIT)**

<b>LIABILITIES</b>			
Accounts Payable and Accrued Expenses	\$ 110,364	\$ -	\$ 110,364
Prepaid Member Assessments	<u>63,881</u>	<u>-</u>	<u>63,881</u>
 Total Liabilities	 174,245	 -	 174,245
 <b>FUND BALANCE (DEFICIT)</b>			
Master	\$ (6,292)	\$ 105,360	\$ 99,068
Carmel	<u>(13,031)</u>	<u>44,170</u>	<u>31,139</u>
 Total Fund Balance (Deficit)	 <u>(19,323)</u>	 <u>149,530</u>	 <u>130,207</u>
 Total Liabilities and Fund Balance (Deficit)	 <u>\$ 154,922</u>	 <u>\$ 149,530</u>	 <u>\$ 304,452</u>

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, 2016

	Operating Fund	Replacement Fund	Total
<b>REVENUES</b>			
Member Assessments	\$ 1,145,632	\$ 132,075	\$ 1,277,707
Median Maintenance Income	7,500	-	7,500
Late Fees and Owner Interest Income	15,508	-	15,508
Orientation Fees	10,200	-	10,200
Gate Card and Pool Key Income	6,046	-	6,046
Rental Home Contribution	4,200	-	4,200
Interest Income	13	659	672
Other Income	3,847	-	3,847
 Total Revenues	 1,192,946	 132,734	 1,325,680
<b>EXPENSES</b>			
Administrative	78,765	-	78,765
Contract Services	808,739	-	808,739
Repairs and Maintenance	55,688	-	55,688
Grounds Maintenance	38,125	-	38,125
Utilities	64,502	-	64,502
Carmel Expenses	136,630	-	136,630
Reserve Expenses	-	459,772	459,772
 Total Expenses	 1,182,449	 459,772	 1,642,221
 Excess (Deficiency) of Revenues over Expenses	 10,497	 (327,038)	 (316,541)
 Fund Balance (Deficit) - Beginning of Year	 (29,820)	 476,568	 446,748
 Fund Balance (Deficit) - End of Year	 \$ (19,323)	 \$ 149,530	 \$ 130,207

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, 2016

	Operating Fund	Replacement Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Member Assessments Received	\$ 1,154,877	\$ 132,075	\$ 1,286,952
Median Maintenance Income Received	7,500	-	7,500
Orientation Fees Received	10,200	-	10,200
Gate Card and Pool Key Income Received	6,046	-	6,046
Rental Home Contribution Received	4,200	-	4,200
Interest Income Received	13	659	672
Other Income Received	3,847	-	3,847
Cash Paid for Expenses	<u>(1,118,086)</u>	<u>(459,772)</u>	<u>(1,577,858)</u>
Net Cash Provided by (Used in) Operating Activities	<u>68,597</u>	<u>(327,038)</u>	<u>(258,441)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interfund Borrowings	<u>(56,077)</u>	<u>56,077</u>	<u>-</u>
Net Cash Provided by (Used in) Financing Activities	<u>(56,077)</u>	<u>56,077</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	12,520	(270,961)	(258,441)
Cash and Cash Equivalents - Beginning of Year	<u>84,929</u>	<u>400,158</u>	<u>485,087</u>
Cash and Cash Equivalents - End of Year	<u>\$ 97,449</u>	<u>\$ 129,197</u>	<u>\$ 226,646</u>

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

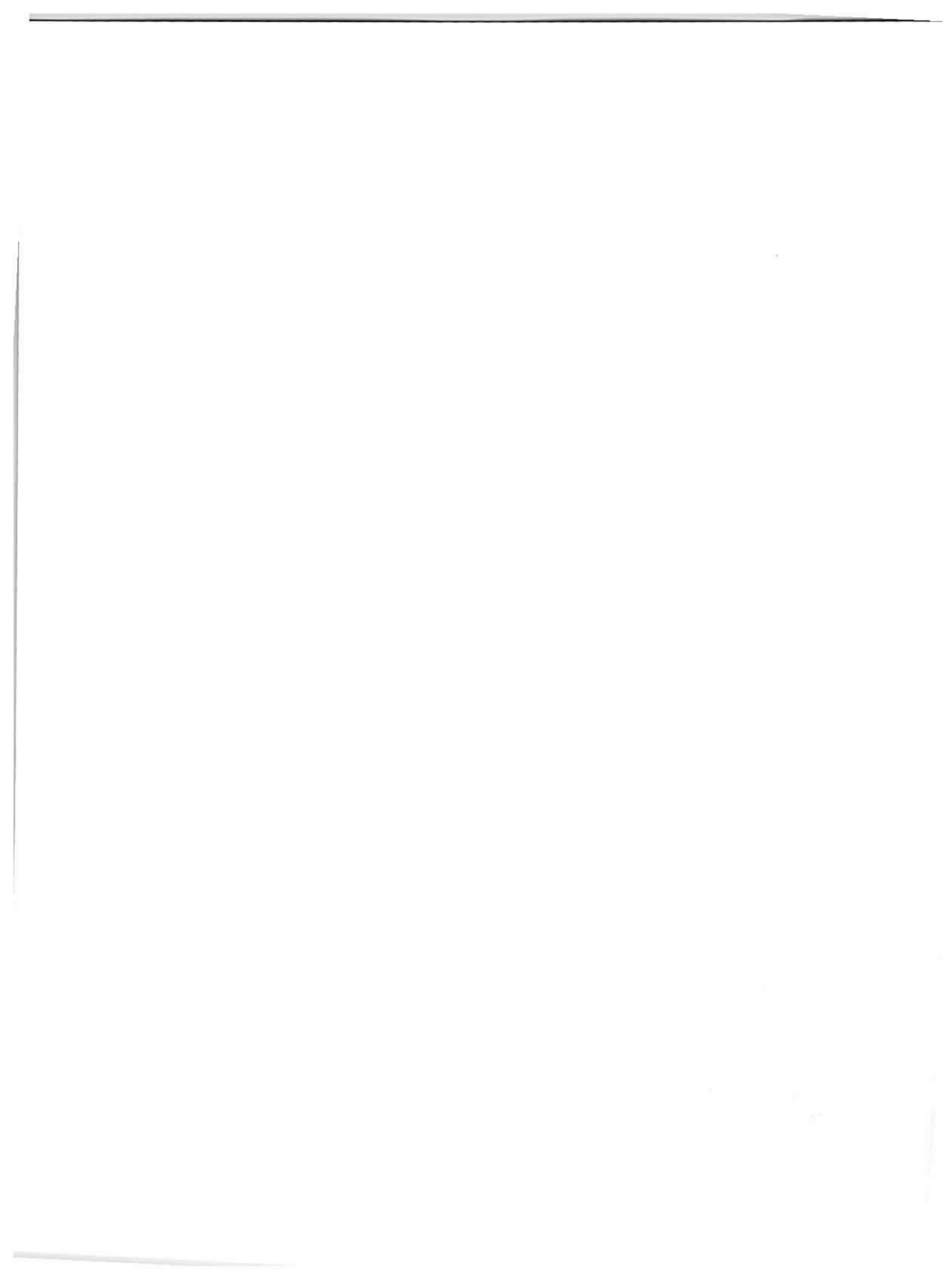




GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS (Continued)  
For the Year Ended December 31, 2016

	Operating Fund	Replacement Fund	Total
Reconciliation of Excess (Deficiency) of Revenues over Expenses to Net Cash Provided by (Used in) Operating Activities			
Excess (Deficiency) of Revenues over Expenses	\$ 10,497	\$ (327,038)	\$ (316,541)
Adjustments to Reconcile Excess (Deficiency) of Revenues over Expenses to Net Cash Provided by (Used in) Operating Activities:			
Allowance for Doubtful Accounts	(1,992)	-	(1,992)
Decrease in Assets:			
Member Assessments Receivables	605	-	605
Prepaid Insurance	3,319	-	3,319
Prepaid Expenses	216	-	216
Increase (Decrease) in Liabilities:			
Accounts Payable and Accrued Expenses	62,820	-	62,820
Prepaid Member Assessments	(6,868)	-	(6,868)
Net Cash Provided by (Used in) Operating Activities	\$ 68,597	\$ (327,038)	\$ (258,441)

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



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2016

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.

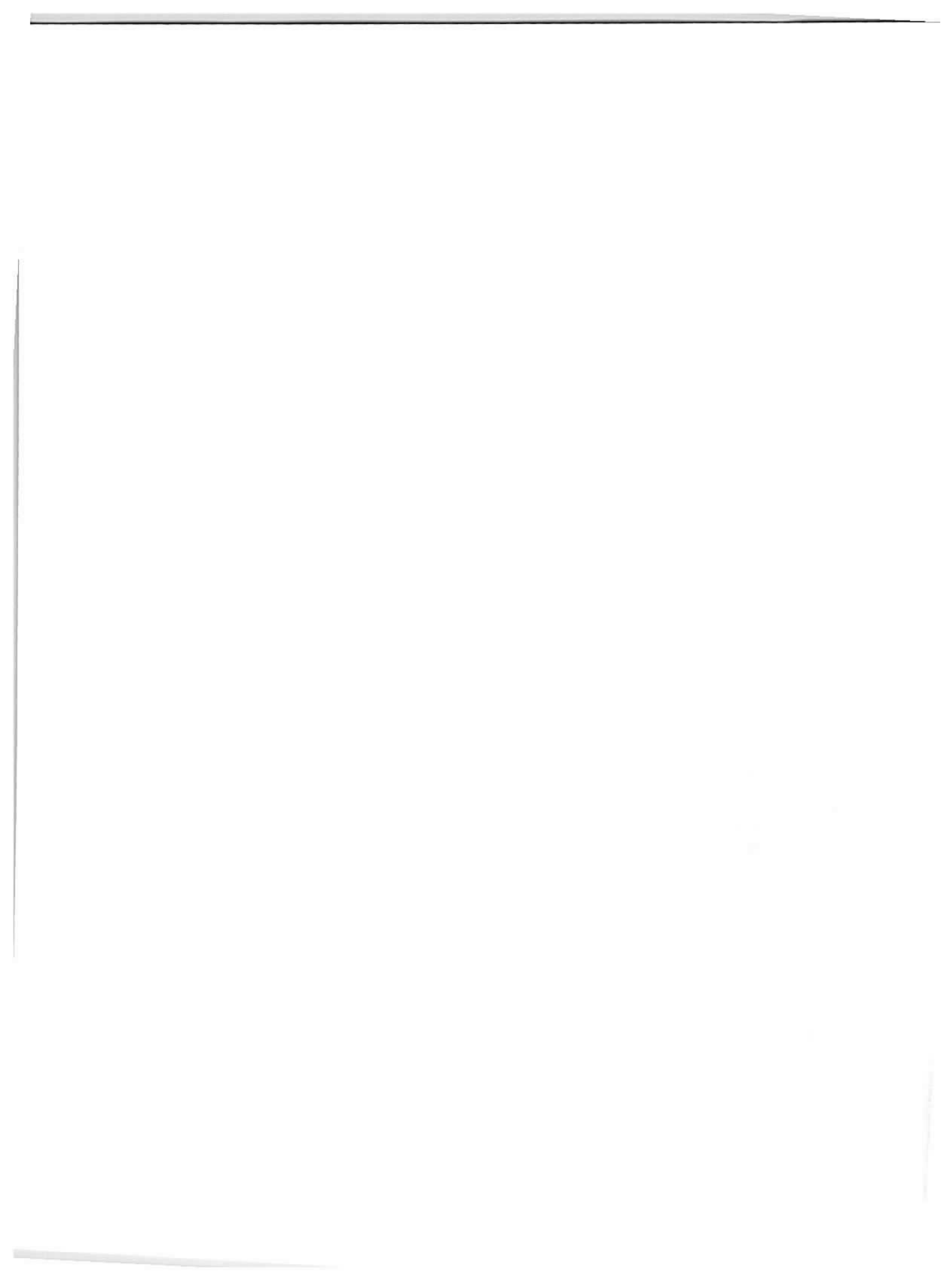
2. Fund Accounting - The Association uses fund accounting, which requires that funds, such as the operating fund and the fund designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the 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, 2016

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, 2016, 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, 2016, the Association's tax years that remain subject to examination are 2013 through 2015.

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, 2016 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, 2016, 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, 2016

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:

<u>Component</u>	<u>Balance 01/01/16</u>	<u>Assessments</u>	<u>Interest Income</u>	<u>Expenses</u>	<u>Balance 12/31/16</u>
<b>MASTER</b>					
Reserves	\$ 366,719	\$ 100,000	\$ -	\$(370,915)	\$ 95,804
Capital Improvements	30,120	20,000	-	(41,131)	8,989
Interest Income	-	-	567	-	567
	<u>396,839</u>	<u>120,000</u>	<u>567</u>	<u>(412,046)</u>	<u>105,360</u>
<b>CARMEL</b>					
Reserves	45,074	8,625	-	(32,420)	21,279
Capital Improvements	34,655	3,450	-	(15,306)	22,799
Interest Income	-	-	92	-	92
	<u>79,729</u>	<u>12,075</u>	<u>92</u>	<u>(47,726)</u>	<u>44,170</u>
	<u>\$ 476,568</u>	<u>\$ 132,075</u>	<u>\$ 659</u>	<u>\$(459,772)</u>	<u>\$ 149,530</u>





GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 December 31, 2016

NOTE B - REPLACEMENT FUND (Continued)

The Board of Directors had a study conducted by professional engineers in 2012 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 requirement of \$132,075 and \$132,075 has been included in the 2016 and 2017 budgets, respectively.

The reserve expenses are comprised of the following:

<u>Reserve Expenses</u>	<u>Total Expenses</u>	<u>Master Reserve</u>	<u>Master Capital Improvements</u>	<u>Carmel Reserve</u>	<u>Carmel Capital Improvements</u>
Clubhouse	\$ 52,088	\$ 50,668	\$ 1,420	\$ -	\$ -
Gate House and Security	37,877	37,877	-	-	-
Paving	6,850	6,850	-	-	-
Recreation Facilities	125,337	118,145	6,514	678	-
Restoration	<u>237,620</u>	<u>157,375</u>	<u>33,197</u>	<u>31,742</u>	<u>15,306</u>
Total Reserve Expenses	<u>\$ 459,772</u>	<u>\$ 370,915</u>	<u>\$ 41,131</u>	<u>\$ 32,420</u>	<u>\$ 15,306</u>

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.



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS (Continued)  
December 31, 2016

NOTE D - UNCERTAINTIES FOR INCOME TAXES

For the year ended December 31, 2016, the Association adopted the provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Update (ASU) 2009-06, *Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for Nonpublic Entities*, which provides a financial statement recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return. Adopting ASU 2009-06 had no impact on the Association's financial statements.

NOTE E - 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, 2017, the date that the financial statements were available to be issued.

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SUPPLEMENTARY INFORMATION



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF OPERATING EXPENSES  
 December 31, 2016

EXPENSES	<u>(Actual)</u>
<b>ADMINISTRATIVE</b>	
Administrative Storage	\$ 160
Audit Expense	4,900
Bad Debt Expense	6,000
Community Activities	5,197
Coupon Expense	459
Insurance	32,643
Legal Fees	15,101
Licenses and Fees	713
Miscellaneous	3,121
Office Expense	9,326
Web Hosting	<u>1,145</u>
 Total Administrative	 <u>78,765</u>
 <b>CONTRACT SERVICES</b>	
Cable Television	247,024
Gatehouse Attendants	132,803
Janitorial Service	25,821
Lake Maintenance	22,500
Landscaping Maintenance	156,194
Management Fees	92,578
Pest Control	1,790
Pool Maintenance and Repairs	10,450
Sheriff Patrols	<u>119,579</u>
 Total Contract Services	 <u>808,739</u>





GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF OPERATING EXPENSES (continued)  
 For the Year Ended December 31, 2016

EXPENSES	<u>(Actual)</u>
REPAIRS and MAINTENANCE	
Air Conditioning	1,900
Clicker and Key	3,735
Fire Safety	7,389
Fitness Center	1,937
Gate	10,070
General	1,181
Golf Cart	973
Guardhouse	3,772
Irrigation	11,622
Lighting Electrical	5,987
Pressure Cleaning	6,649
Road and Sign	183
Unit Maintenance	<u>290</u>
 Total Repairs and Maintenance	 <u>55,688</u>
GROUNDS MAINTENANCE	
Hurricane Preparation and Cleanup	4,903
Landscape Replacement	12,907
Recreation Area Repairs	4,273
Tree Trimming Replacement	<u>16,042</u>
 Total Grounds Maintenance	 <u>38,125</u>
UTILITIES	
Electricity	46,420
Telephone and Internet	13,043
Trash	1,703
Water and Sewer	<u>3,336</u>
 Total Utilities	 <u>64,502</u>



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF OPERATING EXPENSES (continued)  
 For the Year Ended December 31, 2016

EXPENSES	<u>(Actual)</u>
CARMEL EXPENSES	
Audit Expense	2,100
Electricity	8,450
Insurance	3,508
Irrigation Repairs and Maintenance	14,936
Janitorial	12,000
Landscape Maintenance	44,123
Landscape Replacement	938
Management Fees	39,676
Pest Control	540
Pool Maintenance and Repairs	7,813
Pressure Cleaning	375
Recreation Area Repairs and Maintenance	912
Water and Sewer	<u>1,259</u>
Total Carmel Expenses	<u>136,630</u>
TOTAL EXPENSES	<u>\$ 1,182,449</u>



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION  
 MASTER  
 SCHEDULE OF OPERATING REVENUES AND EXPENSES - BUDGET VS. ACTUAL  
 December 31, 2016

	Operating Fund	Budget (Unaudited)	Variance (Unaudited)
<b>REVENUES</b>			
Member Assessments	\$ 1,001,791	\$ 1,002,810	\$ (1,019)
Median Maintenance Income	7,500	7,500	-
Late Fees and Owner Interest Income	15,508	30,000	(14,492)
Orientation Fees	10,200	12,000	(1,800)
Gate Card and Pool Key Income	6,046	4,500	1,546
Lot Income	-	4,000	(4,000)
Rental Home Contribution	4,200	-	4,200
Interest Income	13	400	(387)
Legal Fee Recovery	-	25,000	(25,000)
Other Income	<u>3,847</u>	<u>2,000</u>	<u>1,847</u>
 Total Revenues	 <u>1,049,105</u>	 <u>1,088,210</u>	 <u>(39,105)</u>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE</b>			
Administrative Storage	160	550	390
Audit Expense	4,900	5,600	700
Bad Debt Expense	6,000	6,000	-
Community Activities	5,197	5,000	(197)
Coupon Expense	459	3,000	2,541
Insurance	32,643	46,700	14,057
Legal Fees	15,101	25,000	9,899
Licenses and Fees	713	510	(203)
Miscellaneous	3,121	5,000	1,879
Office Expense	9,326	5,000	(4,326)
Web Hosting	<u>1,145</u>	<u>500</u>	<u>(645)</u>
 Total Administrative	 <u>78,765</u>	 <u>102,860</u>	 <u>24,095</u>
<b>CONTRACT SERVICES</b>			
Cable Television	247,024	237,000	(10,024)
Gatehouse Attendants	132,803	130,000	(2,803)
Janitorial Service	25,821	32,000	6,179
Lake Maintenance	22,500	25,000	2,500
Landscaping Maintenance	156,194	175,000	18,806
Management Fees	92,578	83,950	(8,628)
Pest Control	1,790	2,000	210
Pool Maintenance and Repairs	10,450	12,600	2,150
Sheriff Patrols	<u>119,579</u>	<u>140,000</u>	<u>20,421</u>
 Total Contract Services	 <u>808,739</u>	 <u>837,550</u>	 <u>28,811</u>

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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, 2016

	Operating Fund	Budget (Unaudited)	Variance (Unaudited)
<b>EXPENSES</b>			
<b>REPAIRS and MAINTENANCE</b>			
Air Conditioning	1,900	3,000	1,100
Clicker and Key	3,735	2,000	(1,735)
Fire Safety	7,389	3,000	(4,389)
Fitness Center	1,937	1,500	(437)
Gate	10,070	6,000	(4,070)
General	1,181	-	(1,181)
Golf Cart	973	1,500	527
Guardhouse	3,772	1,500	(2,272)
Irrigation	11,622	14,000	2,378
Lighting Electrical	5,987	5,000	(987)
Pressure Cleaning	6,649	12,000	5,351
Road and Sign	183	500	317
Unit Maintenance	290	4,000	3,710
	<u>55,688</u>	<u>54,000</u>	<u>(1,688)</u>
<b>Total Repairs and Maintenance</b>			
<b>GROUNDS MAINTENANCE</b>			
Hurricane Preparation and Cleanup	4,903	5,000	97
Landscape Replacement	12,907	5,000	(7,907)
Recreation Area Repairs	4,273	5,000	727
Tree Trimming Replacement	16,042	6,000	(10,042)
	<u>38,125</u>	<u>21,000</u>	<u>(17,125)</u>
<b>Total Grounds Maintenance</b>			
<b>UTILITIES</b>			
Electricity	46,420	56,000	9,580
Telephone and Internet	13,043	11,000	(2,043)
Trash	1,703	2,000	297
Water and Sewer	3,336	3,800	464
	<u>64,502</u>	<u>72,800</u>	<u>8,298</u>
<b>Total Utilities</b>			
	<u>1,045,819</u>	<u>1,088,210</u>	<u>42,391</u>
<b>Total Expenses</b>			
Excess of Revenues over Expenses	\$ 3,286	\$ -	\$ 3,286
Fund Balance (Deficit) - Beginning of Year	<u>(9,578)</u>		
Fund Balance (Deficit) - End of Year	<u>\$ (6,292)</u>		

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GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION  
 CARMEL  
 SCHEDULE OF OPERATING REVENUES AND EXPENSES - BUDGET VS. ACTUAL  
 December 31, 2016

	Operating Fund	Budget (Unaudited)	Variance (Unaudited)
<b>REVENUES</b>			
Member Assessments - Carmel	143,841	143,841	-
Total Revenues	143,841	143,841	-
<b>EXPENSES</b>			
Audit Expense	2,100	2,400	300
Electricity	8,450	9,844	1,394
Fire Safety Repairs and Maintenance	-	50	50
General Repairs and Maintenance	-	750	750
Insurance	3,508	8,056	4,548
Irrigation Repairs and Maintenance	14,936	20,000	5,064
Janitorial	12,000	10,000	(2,000)
Landscape Maintenance	44,123	41,155	(2,968)
Landscape Replacement	938	500	(438)
Licenses and Fees	-	300	300
Lighting and Electrical Repairs and Maintenance	-	500	500
Management Fees	39,676	36,120	(3,556)
Miscellaneous	-	1,526	1,526
Pest Control	540	740	200
Pool Maintenance and Repairs	7,813	8,400	587
Pressure Cleaning	375	500	125
Recreation Area Repairs and Maintenance	912	1,000	88
<i>Water and Sewer</i>	1,259	2,000	741
Total Expenses	136,630	143,841	7,211
Excess of Revenues over Expenses	\$ 7,211	\$ -	\$ 7,211
Fund Balance (Deficit) - Beginning of Year	(20,242)		
Fund Balance (Deficit) - End of Year	\$ (13,031)		



GRAND ISLES MASTER HOMEOWNERS ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION ON FUTURE MAJOR  
 REPAIRS AND REPLACEMENTS  
 For the Year Ended December 31, 2016  
 (Unaudited)

The Board of Directors had a study conducted by professional engineers in 2012 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.

<u>Components</u>	<u>Estimated Useful Lives (Years)</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Replacement Costs</u>	<u>2017 Reserve Contribution</u>
MASTER				
Clubhouse	8 - 30	1 - 9	\$ 261,687	\$ -
Paving	10 - 55	7 - 37	1,749,651	-
Gate House and Security	8 - 25	8 - 20	65,116	-
Recreation Facilities	6 - 28	1 - 21	219,869	-
Restoration	15 - 60	15 - 55	<u>1,744,900</u>	<u>-</u>
			<u>\$ 4,041,223</u>	<u>\$ 100,000</u>
CARMEL				
Pool House	8 - 25	1 - 5	\$ 26,250	-
Recreation Facilities	6 - 28	1 - 13	70,089	-
Restoration	15	3	<u>16,700</u>	<u>-</u>
Total			<u>\$ 113,039</u>	<u>\$ 8,625</u>

