

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2016



LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
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December 31, 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of Lauderdale West Community
Association No. 1, Inc.
Plantation, FL

I have audited the accompanying financial statements of Lauderdale West Community Association No. 1, Inc. which comprise the balance sheet as of December 31, 2016, 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.

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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Board of Directors

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lauderdale West Community Association No. 1, 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

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule is 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 my 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 information on future major repairs and replacements 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Guy Strum, P.A.

Guy Strum, P.A.

Plantation, FL

February 15, 2017

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
BALANCE SHEET
DECEMBER 31, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,317,220	\$ 579,875	\$ 1,897,095
Certificates of deposit	598,150	2,601,452	3,199,602
Accrued interest receivable	-	5,880	5,880
Maintenance assessments receivable, net of allowance for doubtful accounts of \$35,136	55,411	-	55,411
Other receivable	2,135	-	2,135
Prepaid expenses	200,637	-	200,637
Property and equipment, net of accumulated depreciation of \$2,427,529	1,880,169	-	1,880,169
Utility deposits	2,603	-	2,603
	<u>\$ 4,056,325</u>	<u>\$ 3,187,207</u>	<u>\$ 7,243,532</u>

LIABILITIES AND FUND BALANCES

Accounts payable and accrued expenses	\$ 95,306	\$ 88,381	\$ 183,687
Prepaid assessments	129,242	-	129,242
Deferred income	58,444	-	58,444
Escrow deposits	11,903	-	11,903
	294,895	88,381	383,276
Fund balances	<u>3,761,430</u>	<u>3,098,826</u>	<u>6,860,256</u>
	<u>\$ 4,056,325</u>	<u>\$ 3,187,207</u>	<u>\$ 7,243,532</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES:			
Maintenance assessments	\$ 3,317,168	\$ 1,202,149	\$ 4,519,317
Interest income	7,942	40,601	48,543
Other income	136,454	-	136,454
	<u>3,461,564</u>	<u>1,242,750</u>	<u>4,704,314</u>
EXPENSES:			
Common Expenses:			
Gas and oil	2,379	-	2,379
Water and sewer	27,381	-	27,381
Election expenses	4,396	-	4,396
Dumping	7,306	-	7,306
Electricity	96,812	-	96,812
Cable television	684,764	-	684,764
Elevator	5,818	-	5,818
Janitorial	129,432	-	129,432
Sprinklers	224,595	-	224,595
Lawn maintenance	372,000	-	372,000
Landscaping	64,803	-	64,803
Pest control	88,826	-	88,826
Lake and canal maintenance	5,724	-	5,724
Fire alarm	11,638	-	11,638
Television surveillance and security	5,799	-	5,799
Supplies and repair	51,946	-	51,946
Bulletin expense	21,364	-	21,364
Small tools and handyman	3,019	-	3,019
Vehicle and bus repairs	3,353	-	3,353
Plumbing	7,884	-	7,884
Depreciation	4,240	-	4,240
Electrical	17,251	-	17,251
Pool	78,869	-	78,869
A/C repairs and maintenance	17,784	-	17,784
Movie and show expenses	59,622	-	59,622
Activities and athletics	9,379	-	9,379
Audio and lights	8,411	-	8,411
Bookkeeping	70,264	-	70,264
Professional fees	39,640	-	39,640
Computer	38,670	-	38,670
Office	41,762	-	41,762
Telephone	17,347	-	17,347
Insurance	164,456	-	164,456
Licenses, permits and taxes	5,515	-	5,515
Payroll and related costs	362,768	-	362,768
Social	7,008	-	7,008
Capital items	48,441	-	48,441
	<u>\$ 2,810,666</u>	<u>\$ -</u>	<u>\$ 2,810,666</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016
(CONTINUED)

	OPERATING FUND	REPLACEMENT FUND	TOTAL
Direct Expenses:			
Exterminating	\$ 27,865	\$ -	\$ 27,865
Repairs and maintenance	8,752	-	8,752
Roof repairs	113,579	-	113,579
Professional fees	18,919	-	18,919
Insurance	448,268	-	448,268
Filing fees	2,176	-	2,176
Bad debt	(602)	-	(602)
Credit reports	8,100	-	8,100
Replacement fund	-	2,067,608	2,067,608
	<u>627,057</u>	<u>2,067,608</u>	<u>2,694,665</u>
 EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	 23,841	 (824,858)	 (801,017)
 FUND BALANCES - JANUARY 1, 2016	 3,635,842	 4,025,431	 7,661,273
 INTERFUND TRANSFERS	 <u>101,747</u>	 <u>(101,747)</u>	 <u>-</u>
 FUND BALANCES - DECEMBER 31, 2016	 <u>\$ 3,761,430</u>	 <u>\$ 3,098,826</u>	 <u>\$ 6,860,256</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	OPERATING FUND	REPLACEMENT FUND	TOTAL
Cash Flows from Operating Activities:			
Maintenance assessments collected	\$ 3,286,718	\$ 1,202,149	\$ 4,488,867
Interest income received	9,186	40,612	49,798
Other receipts	115,942	-	115,942
Cash paid for operating expenses	(2,991,880)	-	(2,991,880)
Cash paid for payroll and related expenses	(362,768)	-	(362,768)
Cash paid for replacement fund expenses	<u>-</u>	<u>(2,009,351)</u>	<u>(2,009,351)</u>
	-		
Net Cash Provided (Used) by Operating Activities	<u>57,198</u>	<u>(766,590)</u>	<u>(709,392)</u>
Cash Flows from Investing Activities:			
Purchase of fixed assets	(101,747)	-	(101,747)
Net redemption (purchase) of certificates of deposit	<u>-</u>	<u>592,391</u>	<u>592,391</u>
Net Cash Provided (Used) by Investing Activities	<u>(101,747)</u>	<u>592,391</u>	<u>490,644</u>
Cash Flows from Financing Activities:			
Escrow deposits	2,299	-	2,299
Interfund transfers	101,747	(101,747)	-
Interfund advances	<u>(18,204)</u>	<u>18,204</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>85,842</u>	<u>(83,543)</u>	<u>2,299</u>
Net Increase (Decrease) in Cash and Cash Equivalents	41,293	(257,742)	(216,449)
Cash and Cash Equivalents - January 1, 2016	<u>1,275,927</u>	<u>837,617</u>	<u>2,113,544</u>
Cash and Cash Equivalents - December 31, 2016	<u>\$ 1,317,220</u>	<u>\$ 579,875</u>	<u>\$ 1,897,095</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
RECONCILIATION OF EXCESS (DEFICIT) OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Excess (Deficit) of Revenues Over Expenses	\$ 23,841	\$ (824,858)	\$ (801,017)
Adjustments to Reconcile Excess (Deficit) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:			
Depreciation	4,240	-	4,240
(Increase) Decrease in Assets:			
Accrued interest receivable	1,244	11	1,255
Maintenance assessments receivable	(22,106)	-	(22,106)
Other receivable	16,604	-	16,604
Prepaid expenses	5,039	-	5,039
Increase (Decrease) in Liabilities:			
Accounts payable and accrued expenses	73,796	58,257	132,053
Prepaid assessments	(8,344)	-	(8,344)
Deferred income	(37,116)	-	(37,116)
Total Adjustments	<u>33,357</u>	<u>58,268</u>	<u>91,625</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 57,198</u>	<u>\$ (766,590)</u>	<u>\$ (709,392)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE A - NATURE OF ORGANIZATION

Lauderdale West Community Association No. 1, Inc. is a statutory condominium association incorporated in the State of Florida on October 30, 1972. The Association consists of both a homeowners association consisting of 815 single family homes and a condominium association consisting of 544 condominium units. The Association is responsible for the operation and maintenance of the common property and recreation facilities of the Lauderdale West Community located in Plantation, Florida.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Multi Condominium Statutory Reporting

The Association has elected, though not required, to report following rule 61B-22.006(4) of the Florida Administrative Code which requires multi condominium associations to present revenues, expenses and changes in fund balance for each condominium as well as the Association. The Association presents this information for the single family homes and the condominiums separately as well as combined into one reporting entity.

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.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are delinquent. Any excess assessments at year-end are retained by the Association for use in the succeeding year.

At December 31, 2016, the Association had delinquent assessments of \$90,547. It is the opinion of the Board of Directors that the Association will not ultimately prevail against some of these unit owners with delinquent assessments and, accordingly, an allowance for uncollectible accounts of \$35,136 is deemed necessary.

Allocation of Expenses

The Association allocates common maintenance, administrative and recreation expenses to the condominiums and the single family homes based on specific percentages. The condominiums are allocated 40% of these expenses and the single family homes are allocated 60%. Direct expenses are allocated to the entity that incurs the charge.

Income Taxes

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528 for the year ended December 31, 2016. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government.

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.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line method.

Interest Earned

The Board's policy is to allocate to the applicable fund interest earned on cash accounts.

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 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.

Cash and Cash Equivalents

For purposes of these financial statements, the Association considers demand deposit accounts, savings accounts and certificate of deposits in highly liquid accounts to be cash equivalents.

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.

Fair Value of Financial Instruments

The carrying amounts of the Association's financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and long-term debt, approximate their fair values due to their short-term maturities.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting for Uncertainty in Income Taxes

A loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized.

NOTE C – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents and Florida Statutes require that funds be accumulated for future major repairs and replacements of the common elements for the condominiums. Accumulated funds are to be held in separate accounts and are generally not available for expenditures for normal operations.

An independent study to determine the adequacy of the current funding program for the replacement of Association common elements has not been conducted. The Association is funding for future major repairs and replacements over the estimated remaining useful lives of the components of the replacement fund based on the Board of Directors' estimates of current replacement costs after considering amounts previously accumulated in the replacement fund.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may or 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, approve special assessments, or delay major repairs and replacements until funds are available.

During 2016, the Association transferred \$101,747 from the replacement fund to the operating fund for the purchase of a new bus.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE D – CONCENTRATIONS OF RISK

The Association maintains cash balances at several financial institutions. Cash accounts at these institutions are secured by the Federal Deposit Insurance Corporation up to \$250,000. Securities accounts are secured by the Securities Investor Protection Corporation up to \$500,000.

NOTE E – INSURANCE DEDUCTIBLE

The property insurance policy covering the Association is subject to a deductible of 3% of the insured value for claims arising from wind and hailstorms. The Association is responsible for losses up to this amount. Single family homes are responsible for their own insurance.

NOTE F – PROPERTY, FURNITURE AND FIXTURES

Property, furniture and fixtures consist of the following at December 31, 2016:

		Estimated Useful Life <u>(In years)</u>
Land	\$1,782,662	N/A
Buildings	2,268,914	20-30
Motor vehicles	<u>176,551</u>	5-10
	4,228,127	
Less: Accumulated depreciation	<u>(2,347,958)</u>	
	<u>\$1,880,169</u>	

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE G – INVESTMENT IN LAUDERDALE WEST COMMUNITY REALTY HOLDINGS, LLC

The Association created a subsidiary limited liability company known as Lauderdale West Community Realty Holdings, LLC, filed August 19, 2010 under State of Florida Document Number L10000087350. The purpose of this wholly owned subsidiary is to take legal ownership of real estate as a result of Association foreclosures on non-payment of maintenance assessments by unit owners. This structure will allow the Association to control the ownership and title upon the foreclosure sale. This was done in order to minimize any risks associated with the Association directly owning the real estate in the Association's name, subject to any respective mortgages.

The Association is not obligated to any third party loans as the Association has not agreed to be bound by such loans either by re-executing any note or any mortgage assumption agreement.

There is no value presented on the accompanying balance sheet. At this point the value of the unit itself is in question due to unknown circumstances involving the eventual sale of the unit and the ability to collect any back maintenance fees owed.

The last of these units was sold In February 2017.

NOTE H – CABLE CONTRACT

The Association has entered a contract with a vendor granting them exclusive rights to install and operate equipment to provide bulk cable television services. The contract commences on the later of April 20, 2013 or the date 100% of the unit owners have had a chance to establish service and runs for seven years. Thereafter, the agreement shall extend for successive one year periods unless either party provides written notice of their intent not to renew at least 60 days prior to the end of the term. The initial cost of the contract will be \$33.95 per unit plus taxes and fees. After the first year, the fee may be increased "by an amount equal to no more then 4% annually, provided that fee may not exceed the retail price for services functionally equivalent to the bulk services".

income on the accompanying balance sheet. The Association also paid a fee to another vendor for negotiating this contract. The fee was \$81,540. If the Association defaults on the agreement, a termination fee shall be due and calculated as follows: bulk monthly fee times 1,359 units times number of remaining months times 25%.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE H – CABLE CONTRACT (continued)

The Association also entered into a contract with a vendor to assist in marketing these services to new homeowners. As compensation for signing this contract, the Association received a per unit compensation of \$225 for a total of \$305,775. The right to receive this compensation terminates upon termination of the agreement and a refund will be due to the vendor based on the remaining term. Income will be recognized over the term of the contract beginning in 2013. The unearned portion of this income is reflected as deferred

NOTE I - COMMITMENTS

The Association has entered into a contract to upgrade the irrigation sprinkler heads. The contract calls for a down payment of \$75,199 and twenty four monthly payments of \$12,533. This began in January 2015 and concluded in December 2016.

NOTE J - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of this report. That date is the date the financial statements were available to be issued.

**SUPPLEMENTAL SCHEDULES AND
SUPPLEMENTARY INFORMATION
ON FUTURE MAJOR REPAIRS
AND REPLACEMENTS**

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN OPERATING FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Total	Common	Condominiums	Single Family Homes
REVENUES:				
Maintenance assessments	\$ 3,317,168	\$ -	\$ 1,596,233	\$ 1,720,935
Interest income	7,942	7,593	349	-
Other income	136,454	94,019	13,405	29,030
Allocation of common revenue	-	(101,612)	40,645	60,967
	<u>3,461,564</u>	<u>-</u>	<u>1,650,632</u>	<u>1,810,932</u>
EXPENSES:				
Common Expenses:				
Gas and oil	2,379	2,379	-	-
Water and sewer	27,381	27,381	-	-
Election expenses	4,396	4,396	-	-
Dumping	7,306	7,306	-	-
Electricity	96,812	96,812	-	-
Cable television	684,764	684,764	-	-
Elevator	5,818	5,818	-	-
Janitorial	129,432	129,432	-	-
Sprinklers	224,595	224,595	-	-
Lawn maintenance	372,000	372,000	-	-
Landscaping	64,803	64,803	-	-
Pest control	88,826	88,826	-	-
Lake and canal maintenance	5,724	5,724	-	-
Fire alarm	11,638	11,638	-	-
Television surveillance and security	5,799	5,799	-	-
Supplies and repairs	51,946	51,946	-	-
Bulletin expense	21,364	21,364	-	-
Small tools and handyman	3,019	3,019	-	-
Vehicle and bus repairs	3,353	3,353	-	-
Plumbing	7,884	7,884	-	-
Depreciation	4,240	4,240	-	-
Electrical	17,251	17,251	-	-
Pool	78,869	78,869	-	-
A/C repairs and maintenance	17,784	17,784	-	-
Movie and show expenses	59,622	59,622	-	-
Activities and athletics	9,379	9,379	-	-
Audio and lights	8,411	8,411	-	-
Bookkeeping	70,264	70,264	-	-
Professional fees	39,640	39,640	-	-
Computer	38,670	38,670	-	-
Office	41,762	41,762	-	-
Telephone	17,347	17,347	-	-
Insurance	164,456	164,456	-	-
Licenses, permits and taxes	5,515	5,515	-	-
Payroll and related costs	362,768	362,768	-	-
Social	7,008	7,008	-	-
Capital items	48,441	48,441	-	-
Allocation of Association Expenses	-	(2,810,666)	1,124,266	1,686,400
	<u>\$ 2,810,666</u>	<u>\$ -</u>	<u>\$ 1,124,266</u>	<u>\$ 1,686,400</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN OPERATING FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016
(CONTINUED)

	Total	Common	Condominiums	Single Family Homes
Direct Expenses:				
Exterminating	\$ 27,865	\$ -	\$ 15,530	\$ 12,335
Repairs and maintenance	8,752	-	7,291	1,461
Roof repairs	113,579	-	3,217	110,362
Professional fees	18,919	-	7,778	11,141
Insurance	448,268	-	448,268	-
Filing fees	2,176	-	2,176	-
Bad debt (recovery)	(602)	-	-	(602)
Credit reports	8,100	-	3,392	4,708
	<u>627,057</u>	<u>-</u>	<u>487,652</u>	<u>139,405</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	23,841	-	38,714	(14,873)
FUND BALANCES - JANUARY 1, 2016	3,635,842	-	1,498,289	2,137,553
INTERFUND TRANSFER	<u>101,747</u>	<u>-</u>	<u>40,699</u>	<u>61,048</u>
FUND BALANCES - DECEMBER 31, 2016	<u>\$ 3,761,430</u>	<u>\$ -</u>	<u>\$ 1,577,702</u>	<u>\$ 2,183,728</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO.1, INC.
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN REPLACEMENT FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Balance December 31, 2015	Assessments	Other	Interest	Expenses	Balance December 31, 2016
<u>Condominiums</u>						
<u>Common</u>						
Bus	\$ 38,364	\$ 1,637	\$ (40,001)	\$ -	\$ -	\$ -
Recreation area roofs	19,835	6,694	-	-	-	26,529
Recreation area A/C	17,064	4,867	-	-	-	21,931
Recreation center decorating	5,182	2,470	-	-	-	7,652
Road resurface	29,999	-	-	-	-	29,999
Sea wall	4,704	96	-	-	-	4,800
Sprinkler pumps	477	3,714	-	-	-	4,191
Resurface pools	28,277	-	-	-	-	28,277
Hurricane	40,000	-	-	-	-	40,000
Pool - satellite	4,000	1,333	-	-	-	5,333
Main pool	28,761	937	-	-	-	29,698
Roof - satellite	2,905	568	-	-	-	3,473
Fire sprinkler	18,873	2,530	-	-	-	21,403
	<u>238,441</u>	<u>24,846</u>	<u>(40,001)</u>	<u>-</u>	<u>-</u>	<u>223,286</u>
<u>Direct</u>						
Roof	934,157	103,850	-	-	(215,610)	822,397
Paint	5,492	70,000	225	-	(75,717)	-
Termite control	14,769	-	-	-	(9,175)	5,594
Pipe replacement	43,157	20,000	-	-	(9,414)	53,743
Quadplex inspections	25,995	-	-	-	(5,168)	20,827
Resealing	-	13,333	-	-	-	13,333
Interest	29,316	-	(923)	10,010	-	38,403
	<u>1,052,886</u>	<u>207,183</u>	<u>(698)</u>	<u>10,010</u>	<u>(315,084)</u>	<u>954,297</u>
<u>Condominium totals</u>	<u>\$ 1,291,327</u>	<u>\$ 232,029</u>	<u>\$ (40,699)</u>	<u>\$ 10,010</u>	<u>\$ (315,084)</u>	<u>\$ 1,177,583</u>
<u>Single Family Homes</u>						
<u>Common</u>						
Bus	\$ 57,339	\$ 2,661	\$ (60,000)	\$ -	\$ -	\$ -
Recreation area roofs	30,100	9,983	-	-	-	40,083
Recreation area A/C	25,837	7,270	-	-	-	33,107
Recreation center decorating	7,762	3,706	-	-	-	11,468
Road resurface	37,469	7,531	-	-	-	45,000
Sea wall	7,073	128	-	-	(1,300)	5,901
Sprinkler pumps	750	5,571	-	-	-	6,321
Resurface pools	42,134	-	-	-	-	42,134
Hurricane	60,000	-	-	-	-	60,000
Pool - satellite	6,000	2,000	-	-	-	8,000
Main pool	43,141	1,405	-	-	-	44,546
Roof - satellite	851	1,072	-	-	-	1,923
Fire sprinkler	28,356	3,793	-	-	-	32,149
	<u>346,812</u>	<u>45,120</u>	<u>(60,000)</u>	<u>-</u>	<u>(1,300)</u>	<u>330,632</u>
<u>Direct</u>						
Roofs	2,227,005	710,000	-	-	(1,516,823)	1,420,182
Paint	42,288	200,000	-	-	(197,918)	44,370
Termite control	5,125	15,000	16,358	-	(36,483)	-
Interest	112,874	-	(17,406)	30,591	-	126,059
	<u>2,387,292</u>	<u>925,000</u>	<u>(1,048)</u>	<u>30,591</u>	<u>(1,751,224)</u>	<u>1,590,611</u>
<u>Single family homes totals</u>	<u>2,734,104</u>	<u>970,120</u>	<u>(61,048)</u>	<u>30,591</u>	<u>(1,752,524)</u>	<u>1,921,243</u>
Grand Totals	<u>\$ 4,025,431</u>	<u>\$ 1,202,149</u>	<u>\$ (101,747)</u>	<u>\$ 40,601</u>	<u>\$ (2,067,608)</u>	<u>\$ 3,098,826</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
UNAUDITED
DECEMBER 31, 2016

The Board of Directors and management have estimated the remaining useful lives and the replacement costs of the components of common property. The following table is based on these estimates and presents significant information about the components of common property.

	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/16	2017 Funding per Budget	2017 Full Funding
<u>Condominiums</u>					
<u>Common - 40%</u>					
Bus	10	\$ 40,000	\$ -	\$ 4,000	\$ 4,000
Recreation area roofs	5	60,000	26,529	6,583	6,583
Recreation area A/C	7	56,000	21,931	4,809	4,809
Recreation center decorating	5	20,000	7,652	2,429	2,429
Road resurface	7	30,000	29,999	4,286	-
Sea wall	1	4,800	4,800	-	-
Sprinkler pumps	7	26,000	4,191	3,714	3,116
Resurface pools	7	24,590	28,277	-	-
Hurricane	N/A	-	40,000	-	-
Pool - satellite	11	20,000	5,333	1,323	1,323
Main pool	11	40,000	29,698	930	930
Roof - satellite	15	12,000	3,473	565	565
Fire sprinkler	20	72,000	21,403	2,519	2,519
		<u>405,390</u>	<u>223,286</u>	<u>31,158</u>	<u>26,274</u>
<u>Direct - 100%</u>					
Roof	Various	2,431,000	822,397	114,938	114,938
Paint	Various	350,000	-	50,000	50,000
Termite control	Various	Various	5,594	6,528	6,528
Pipe replacement	Various	100,000	53,743	20,000	20,000
Resealing parking	2	40,000	13,333	12,777	13,334
Lawn grading	1	61,000	-	61,000	61,000
Quadplex inspection	1	26,000	20,827	-	5,173
Interest	N/A	N/A	38,403	-	-
		<u>3,008,000</u>	<u>954,297</u>	<u>265,243</u>	<u>270,973</u>
<u>Condominium totals</u>		<u>\$ 3,413,390</u>	<u>\$ 1,177,583</u>	<u>\$ 296,401</u>	<u>\$ 297,247</u>

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
REPAIRS AND REPLACEMENTS
UNAUDITED
DECEMBER 31, 2016
(CONTINUED)

	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/16	2017 Funding per Budget	2017 Full Funding
<u>Single Family Homes</u>					
<u>Common - 60%</u>					
Bus	10	\$ 60,000	\$ -	\$ 6,000	\$ 6,000
Recreation area roofs	5	90,000	40,083	9,817	9,817
Recreation area A/C	7	84,000	33,107	7,184	7,184
Recreation center decorating	5	30,000	11,468	3,644	3,706
Road resurface	7	45,000	45,000	6,429	-
Sea wall	1	7,200	5,901	88	1,299
Sprinkler pumps	7	39,000	6,321	5,571	4,668
Resurface pools	6	36,886	42,134	-	-
Hurricane	N/A	-	60,000	-	-
Pool - satellite	11	30,000	8,000	1,985	1,985
Main pool	11	60,000	44,546	1,394	1,394
Roof - satellite	15	18,000	1,923	1,066	1,066
Fire sprinkler	20	108,000	32,149	3,777	3,777
		<u>608,086</u>	<u>330,632</u>	<u>46,955</u>	<u>40,896</u>
<u>Direct - 100%</u>					
Roofs	Various	16,137,000	1,420,182	726,149	726,149
Paint	Various	1,260,000	44,370	180,000	180,000
Termite control	Various	Various	-	15,000	15,000
Interest	N/A	N/A	126,059	-	-
		<u>17,397,000</u>	<u>1,590,611</u>	<u>921,149</u>	<u>921,149</u>
<u>Single family homes totals</u>		<u>18,005,086</u>	<u>1,921,243</u>	<u>968,104</u>	<u>962,045</u>
Grand totals		<u>\$ 21,418,476</u>	<u>\$ 3,098,826</u>	<u>\$ 1,264,505</u>	<u>\$1,259,292</u>