

**FINANCIAL STATEMENTS**  
**OF**  
**TWIN LAKES SUBDIVISION ASSOCIATION, INC.**  
**AS OF**  
**DECEMBER 31, 2016**

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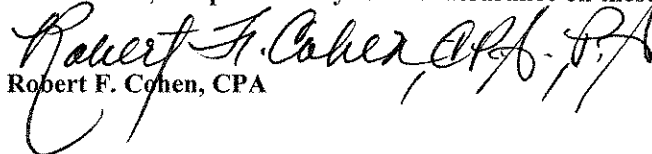
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Certified Public Accountants

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**To the Board of Directors  
Twin Lakes Subdivision  
Association, Inc.  
Tampa, Florida**

Management is responsible for the accompanying financial statements of Twin Lakes Subdivision Association, Inc. (a non-profit organization) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements in accordance with the accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

  
Robert F. Cohen, CPA

March 2, 2017

**TWIN LAKES SUBDIVISION ASSOCIATION, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2016**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Cash	\$ 235,059	\$ 247,833	\$ 482,892
Deposits	<u>800</u>	<u>0</u>	<u>800</u>
Total Assets	<u>\$ 235,859</u>	<u>\$ 247,833</u>	<u>\$ 483,692</u>
 <b><u>LIABILITIES AND FUND BALANCE</u></b>			
Prepaid assessments	<u>\$ 22,742</u>	<u>0</u>	<u>\$ 22,742</u>
Total Liabilities	22,742	0	22,742
Fund Balance	<u>213,117</u>	<u>247,833</u>	<u>460,950</u>
Total Liabilities and Fund Balance	<u>\$ 235,859</u>	<u>\$ 247,833</u>	<u>\$ 483,692</u>

See the accountant's report.

**TWIN LAKES SUBDIVISION ASSOCIATION, INC.  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Regular assessments	\$107,787	\$ 36,040	\$ 143,827
Interest income	<u>215</u>	<u>738</u>	<u>953</u>
	<u>108,002</u>	<u>36,778</u>	<u>144,780</u>
<b>EXPENSES</b>			
Administration fees	5,755		5,755
Bank charges	91		91
Electric & phone	7,787		7,787
Grounds maintenance	12,185		12,185
Insurance	5,276		5,276
Irrigation	469		469
Lake maintenance	6,060		6,060
Landscaping	1,150		1,150
Legal and Accounting	1,893		1,893
Management fees	9,600		9,600
Pool service and Resurfacing	11,406	15,707	27,113
Repairs and maintenance	11,064		11,064
Taxes	613		613
Water and sewer	<u>802</u>		<u>802</u>
	<u>74,151</u>	<u>15,707</u>	<u>89,858</u>
<b>EXCESS (DEFICIT) REVENUE OVER EXPENSES</b>	<b>33,851</b>	<b>21,071</b>	<b>54,922</b>
<b>BEGINNING FUND BALANCE</b>	<u>179,266</u>	<u>226,762</u>	<u>406,028</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 213,117</u>	<u>\$247,833</u>	<u>\$460,950</u>

See the accountant's report.

**TWIN LAKES SUBDIVISION ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Excess (Deficit) Revenues Over Expenses</b>	<u>\$ 33,851</u>	<u>\$ 21,071</u>	<u>\$ 54,922</u>
<b>Adjustments to reconcile excess (deficit) of revenues over Expenses to net cash from Operating activities:</b>			
<b>Increase (Decrease) in:</b>			
<b>Prepaid assessments</b>	<u>9,066</u>	<u>0</u>	<u>9,066</u>
<b>Cash Flows from Operating     Activities</b>	<u>9,066</u>	<u>0</u>	<u>9,066</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>42,917</b>	<b>21,071</b>	<b>63,988</b>
<b>CASH AT BEGINNING OF YEAR</b>	<u>192,142</u>	<u>226,762</u>	<u>418,904</u>
<b>CASH AT END OF YEAR</b>	<u><u>\$ 235,059</u></u>	<u><u>\$ 247,833</u></u>	<u><u>\$ 482,892</u></u>

See the accountant's report.

**TWIN LAKES SUBDIVISION ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 1 - NATURE OF ORGANIZATION**

Twin Lakes Subdivision Association, Inc. was incorporated on October 14, 1988 as a corporation, not-for-profit, under the terms and provisions of Chapter 617, Florida Statutes. The Association which operates under Florida Statute 720 is responsible for the operation and maintenance of the common property within the development. The development consists of residential units located in Land O'Lakes, Florida.

**NOTES 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Accounting**

The Association uses fund accounting, which requires that funds, such as operating funds and funds 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 and property manager. Disbursements from the replacement fund generally may be made only for designated purposes.

**Interest Earned**

The board's policy is to allocate interest earned to the operating and replacement fund in proportion to the interest-bearing deposits of each fund.

**Property**

In conformity with industry practice, the Association's policy for recognizing common property as assets in its balance sheet is to recognize (a) common property and (b) real property to which it has title and that the board of directors can dispose of for cash while retaining the proceeds for the Association or that is used to generate significant cash flow members on the basis of usage or from nonmembers.

**TWIN LAKES SUBDIVISION ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property, (Continued)**

The Association holds title to common real property consisting of entryway and lake.

The disposition and use of common property is restricted by the Association's governing documents.

**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 the statement of cash flows, the Association considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**NOTE 3 – OWNER'S ASSESSMENTS**

Quarterly assessments to owners were \$143.00 for the year ended December 31, 2016. Approximately \$38 of these assessments was designated for the replacement fund.

The annual budget and assessments of owners are determined by the board of directors. The Association retains excess operating funds at the end of the operating year, if any, use in future operating periods.



**TWIN LAKES SUBDIVISION ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**NOTE 4 – FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents provide certain guidelines for governing its financial activities. The Association maintains an operating fund available for general operations.

The Association has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. The board has also not developed a plan to fund those needs. When replacement funds are needed to meet future needs for major repairs and replacements, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available. The effect on future assessments has not been determined at this time.

The Association has collected fund for various deferred maintenance items. The balance in the account was \$247,833 at December 31, 2016 and is reflected as an appropriated fund balance in the financial statements.

**NOTE 5 – INCOME TAXES**

Homeowner's associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2016, the Association elected to be taxed as a homeowners' association. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings. Exempt function income, which consists primarily of member assessments, is not taxable.

**NOTE 6 – CONCENTRATION OF CREDIT RISK**

The company maintains accounts with banks. Accounts at each institution are insured up to the FDIC limits.