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February 20, 2021

To the Board of Directors
Imperial Golf Estates Homeowners Association, Inc.

We have audited the financial statements of Imperial Golf Estates Homeowners Association, Inc., ("the Association") for the year ended December 31, 2018, and have issued our report thereon dated November 5, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 26, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Imperial Golf Estates Homeowners Association, Inc. are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

There were no sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. As applicable, management has corrected all such misstatements. Enclosed you will find the proposed adjusting journal entries approved by management.

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Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 19, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Supplementary Information Accompanying the Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Required Supplementary Information

With respect to the supplementary information required by the Financial Accounting Standards Board, we applied certain limited procedures to the information, including inquiring of management about their methods of preparing the information; comparing the information for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements; and obtaining certain representations from management, including about whether the required supplementary information is measured and presented in accordance with prescribed guidelines.

This information is intended solely for the use of the Board of Directors and management of Imperial Golf Estates Homeowners Association, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Gerstle, Rosen & Goldenberg, P.A.

GERSTLE, ROSEN & GOLDENBERG, P.A.
Certified Public Accountants



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February 20, 2021

Board of Directors
Imperial Golf Estates
Homeowners Association, Inc.

Dear Board Members:

In planning and performing our audit of the financial statements of Imperial Golf Estates Homeowners Association, Inc., for the year ended December 31, 2018, we considered the internal control in order to determine our auditing procedures. As a result of our analysis we are bringing the following matters to your attention:

1. The Association has a low operating fund balance. We typically recommend that Association's maintain a fund balance of at least 10%, or 1-2 months of budgeted operating maintenance fees. The Association needs to give consideration to correcting the above, by passing a special assessment, increasing the assessment by a line item provision, or delaying expenditures, if possible.
2. The last reserve study was done in January 2008. A new study should be performed and updated annually in order for the proper budgeting to occur.

It is recommended that the Association engage a reserve study specialist to update the replacement fund analysis and determine the remaining useful lives of the replacement fund components and their associated replacement costs.

3. A separate bank account should be maintained for security deposit funds which should always equal the liability. The list should be reviewed and maintained on a regular basis.
4. The Association should include the warehouse in future funding for repair and replacement.
5. The Association should maintain adequate copies of Association records to include minutes and non - awardee bids.

We welcome the opportunity to discuss the above.

Very truly yours,

Gerstle, Rosen & Goldenberg, P.A.

GERSTLE, ROSEN & GOLDENBERG, P.A.
Certified Public Accountants

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**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Unit Owners
Imperial Golf Estates
Homeowners Association, Inc.

Dear Members:

Report on the Financial Statements

We have audited the accompanying financial statements of Imperial Golf Estates Homeowners Association, Inc., which comprise the balance sheet as of December 31, 2018, 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

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.

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**Board of Directors and Unit Owners
Imperial Golf Estates
Homeowners Association, Inc.
Page 2**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Imperial Golf Estates Homeowners Association, Inc., as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance 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 Detailed Statement of Operating Revenues and Expenses Budget Comparison is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of 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.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has omitted information on future major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

Gerstle, Rosen & Goldenberg, P.A.

GERSTLE, ROSEN & GOLDENBERG, P.A.
Certified Public Accountants
Fort Myers, Florida

February 20, 2021

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

BALANCE SHEET

December 31, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and Cash Equivalents	\$ 112,347	\$ 249,995	\$ 362,342
Certificates of Deposit		236,659	236,659
Accounts Receivable, Net of Allowance For Uncollectible Accounts of \$ 8,085	4,246		4,246
Marsilea / Entrada Receivable	438		438
Prepaid Expenses	5,918		5,918
Prepaid Insurance	10,131		10,131
TOTAL ASSETS	<u><u>\$ 133,080</u></u>	<u><u>\$ 486,654</u></u>	<u><u>\$ 619,734</u></u>
LIABILITIES AND FUND BALANCES			
Accounts Payable	\$ 15,010	\$	\$ 15,010
Accrued Expense	8,513		8,513
Security Deposits	10,000		10,000
Prepaid Maintenance Fees	<u>35,188</u>		<u>35,188</u>
TOTAL LIABILITIES	<u>68,711</u>	<u>0</u>	<u>68,711</u>
Fund Balances	<u>64,369</u>	<u>486,654</u>	<u>551,023</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 133,080</u></u>	<u><u>\$ 486,654</u></u>	<u><u>\$ 619,734</u></u>

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES**

Year Ended December 31, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
REVENUES			
Maintenance Fees	\$ 1,070,064	\$ 189,089	\$ 1,259,153
Interest Income		2,332	2,332
Late Fees	1,470		1,470
Legal Fee Recovery	20,097		20,097
Sales and Transfer Fees	33,000		33,000
Newsletter Income	10,457		10,457
Miscellaneous Income	1,000		1,000
Application Fees	5,850		5,850
Cable Incentive Income	3,460	125,600	129,060
Marsila and Entrada Income	658		658
	<u>1,146,056</u>	<u>317,021</u>	<u>1,463,077</u>
TOTAL REVENUES			
EXPENSES			
Administrative	181,078		181,078
Utilities	588,270		588,270
Building And Grounds Maintenance	279,015		279,015
Marsilea And Entrada - Shared Expense	595		595
Miscellaneous	29,045		29,045
Insurance	18,438		18,438
Reserve Expenditures		266,521	266,521
	<u>1,096,441</u>	<u>266,521</u>	<u>1,362,962</u>
TOTAL EXPENSES			
EXCESS REVENUES (EXPENSES)	49,615	50,500	100,115
FUND BALANCES - BEGINNING	14,754	436,154	450,908
FUND BALANCES - ENDING	<u>\$ 64,369</u>	<u>\$ 486,654</u>	<u>\$ 551,023</u>

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

STATEMENT OF CASH FLOWS

Year Ended December 31, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES			
EXCESS REVENUES (EXPENSES)	\$ 49,615	\$ 50,500	\$ 100,115
ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
DECREASE (INCREASE) IN ASSETS:			
Accounts Receivable - Net of Allowance	2,138		2,138
Marsilea / Entrada Receivable	1		1
Prepaid Expenses	(5,918)		(5,918)
Prepaid Insurance	3,950		3,950
INCREASE (DECREASE) IN LIABILITIES:			
Accounts Payable	(19,596)		(19,596)
Accrued Expense	8,513		8,513
Security Deposits	2,500		2,500
Prepaid Maintenance Fees	(108,283)		(108,283)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<hr/> (67,080) <hr/>	<hr/> 50,500 <hr/>	<hr/> (16,580) <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Certificates of Deposit		158,112	158,112
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<hr/> 0 <hr/>	<hr/> 158,112 <hr/>	<hr/> 158,112 <hr/>
NET INCREASE (DECREASE) IN CASH	(67,080)	208,612	141,532
CASH AND CASH EQUIVALENTS			
AT BEGINNING OF PERIOD	<hr/> 179,427 <hr/>	<hr/> 41,383 <hr/>	<hr/> 220,810 <hr/>
CASH AND CASH EQUIVALENTS			
AT END OF PERIOD	<u><u>\$ 112,347</u></u>	<u><u>\$ 249,995</u></u>	<u><u>\$ 362,342</u></u>

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

NOTES TO FINANCIAL STATEMENTS

December 31, 2018

1. ORGANIZATION

Imperial Golf Estates Homeowners Association, Inc. is a statutory homeowners' association incorporated on May 22, 1979 in the State of Florida. The Association is responsible for the operation and maintenance of the common property of Imperial Golf Estates Homeowners Association, Inc., which consists of 634 homes located in Naples, Florida.

2. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 20, 2021, the date that the financial statements were available to be issued.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned and expenses are recorded in the period in which they are incurred.

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.

Member Assessments

Association members are subject to periodic 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 are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association has lien rights in the event of delinquent assessments, which can be exercised through foreclosure proceedings.

Accounts receivable are recorded at the original billing amount plus late fees, if applicable. Management determines the allowance for doubtful accounts by identifying troubled accounts through periodic review of accounts receivable aging schedules. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For presentation purposes, cash and cash equivalents consists of checking, money market, certificates of deposit, and treasury bills with an original maturity of 90 days or less.

Certificates of Deposit

Certificates of Deposit totaling \$236,659 consist of highly liquid interest earning investments and have original maturities of greater than 90 days, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements

Property and Equipment

Real property and common area property 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 owners in common and not by the Association. Capital Expenditures are charged to the designated funds. Generally, personal property purchased by the Association is expensed.

Warehouse / Storage Shed

The Association has title to a storage structure valued at \$120,000. Although the Association has title to the storage structure there are no significant revenues to the association. The cost of maintaining structure is absorbed into the assessment structure of the Association, nor is it severable and saleable at the board's discretion because it is common area property of the Association. Accordingly, the Association does not capitalize the structure as an asset.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2018; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2018.

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2018

4. FUTURE MAJOR REPAIRS AND REPLACEMENTS

Florida Statutes provide that each proposed budget include provisions for reserves for capital improvements and deferred maintenance. These accounts, if adopted, are restricted to their intended purpose unless modified by a qualified unit owner vote. In addition, any special assessments adopted are also restricted to their specific purpose.

Information about the estimates of future costs of major repairs and replacements, as required by the Financial Accounting Standards Board, has not been presented. The Association has not conducted a study to estimate the remaining useful lives and the replacement costs of the Replacement Fund components. 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 for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments levy special assessments or delay major repairs and replacements until funds are available.

The balance of the Replacement Fund at December 31, 2018, consists of the following:

COMPONENTS	BALANCE 12/31/2017	INTEREST/ ASSESSMENTS	(A) COMCAST		EXPENDITURES	BALANCE 12/31/2018
			INCENTIVE	TRANSFERS		
Concrete	\$31,722	\$133	\$0	\$467	\$0	\$32,322
Drainage	129,414	189,705	0	1,905	(171,739)	149,285
Entry Gates	28,811	121	0	425	0	29,357
Equipment	57,445	111	0	846	(31,400)	27,002
Fence	28,917	122	0	426	0	29,465
Gatehouse	2,974	12	0	44	0	3,030
Generator	3,049	13	0	45	0	3,107
Irrigation	56,683	239	0	835	0	57,757
Landscaping	1,704	271	54,756	9,433	(620)	65,544
Marsilea/Entrada Maint	21,257	90	0	313	0	21,660
Roadway	0	293	70,844	0	(3,012)	68,125
Contingency	74,178	311	0	(14,739)	(59,750)	0
TOTAL	\$436,154	\$191,421	\$125,600	\$0	(\$266,521)	\$486,654

Reserves-Expenditures

The Association had expenditures with following vendors; Seaton Paving, MRI Underwater Specialists, Converged Services, Inc., Bonness, Jose Pineda Lawn Service and other various vendors for approximately \$272,900.

(A) Cable Incentive

In 2018, the Association allocated \$125,600 to Landscaping and Roadway Components.

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2018

5. INCOME TAXES

The Association is subject to federal and state taxation and has essentially two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments (Section 277 of the Internal Revenue Code). The other method enables the Association to elect to exclude from taxation "exempt function income," (Section 528 of the Internal Revenue Code), which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different rates.

The Association has filed its 2018 federal income tax return on Form 1120H under Section 528 of the Internal Revenue Code.

There is no current year provision for income taxes.

The Association has evaluated its tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC").

The Association has no income tax returns under examination by the Internal Revenue Service. The Association believes it is no longer subject to income tax examinations for years prior to 2015.

6. COMMITMENTS

The Association has various contract services to maintain the common property including management services, cable television service, common area landscaping, trash service, lake maintenance, pest control and gate access control. These contracts have different expiration dates and renewal terms.

School Access fee

The Association has a Roadway Use / Contribution Agreement with the District School Board of Collier County, Florida granting the School Board an easement and right to utilize Association roadways. The Association received a total of \$100,000 under the agreement for a period of 20 years ending in 2031.

In the event the school board is prohibited from utilizing the roadway during the 20-year period, the Board of Directors have agreed to refund a portion of the contribution for the period of time the roadway is unavailable to the school board.

The Association has determined no significant risk of forfeiture exists and therefore, has elected to record the \$80,000 as settlement income and not a deferred liability. The Association previously had deferred the amount received in advance as a deferred liability, but subsequently recognized the \$80,000 in deferred school access revenue in 2015.

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2018

6. COMMITMENTS (Continued)

Cable Incentive

In 2018, the Association received Cable Incentive from Comcast in the amount of \$125,600 for cable services. The Association has elected to recognize the entire amount of the incentive. If at any time in the future the Association decides to terminate the contract with Comcast, then the prorated incentive amount determined, as stipulated in the agreement, must be paid back to Comcast.

7. SECURITY DEPOSITS

The Association requires the collection of refundable security deposits at the time of construction of new homes. For the year ended December 31, 2018 the security deposit balance was \$10,000.

8. TRANSFER FEE INCOME

Upon the resale of a unit, the purchaser is obligated to pay a transfer fee in the amount of \$1,000. For the year-ended December 31, 2018, the total amount collected by the Association was \$33,000.

9. HURRICANE IRMA EXPENSES

In September 2017, the Association experienced a weather event, Hurricane Irma. The Association has recorded \$25,470 for repairs and cleanup in 2018. Additional damages or claims caused by this event may not be known as of the date these financials were available to be issued and therefore no adjustments or accruals have been made to this report.

10. CONTINGENCIES

Insurance Deductible

The current property insurance policy contains a deductible for hurricane damage. Should the Association incur an uninsured loss, the Association has the right to increase maintenance fees, pass a special assessment or delay repairs until funds are available.

Legal

The Association is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business. Management believes that none of the claims and complaints of which it is currently aware will materially affect its business, financial position, or future operating results with the exception to increase in legal costs which may or may not be covered by the Association's director and officer's insurance, although no assurance can be given with respect to the ultimate outcome of any such claims or with respect to the occurrence of any future claims.

SUPPLEMENTARY INFORMATION

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

SUPPLEMENTAL INFORMATION

**DETAILED STATEMENT OF REVENUES AND EXPENSES
BUDGET COMPARISON
OPERATING FUND**

Year Ended December 31, 2018

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
REVENUES:			
Maintenance Fees	\$1,070,064	\$1,079,714	(\$9,650)
Late Fees	1,470	2,500	(1,030)
Legal Fee Recovery	20,097	0	20,097
Sales and Transfer Fees	33,000	37,000	(4,000)
Newsletter Income	10,457	12,000	(1,543)
Miscellaneous Income	1,000	2,000	(1,000)
Application Fees	5,850	5,000	850
Gate Access	3,460	0	3,460
Marsila and Entrada Income	658	0	658
Total Revenues	<u>1,146,056</u>	<u>1,138,214</u>	<u>7,842</u>
EXPENSES:			
<u>ADMINISTRATIVE</u>			
Corporate Filing Fee	61	61	0
Management and Accounting Fee	47,930	47,930	0
Website Expenses	1,265	1,700	435
Office Expense and Postage	10,962	15,000	4,038
Payroll	71,206	75,000	3,794
Bad Debt Expense	3,636	2,000	(1,636)
Credit Card Fees	896	0	(896)
Newsletters Expense	14,912	19,000	4,088
Board Meeting Expenses	1,476	1,900	424
Professional and Legal	22,017	30,000	7,983
Audit Fees	4,600	2,500	(2,100)
Application Fees Expense	1,670	0	(1,670)
Smart Passes	270	350	80
Taxes, Licenses, and Dues	177	100	(77)
TOTAL ADMINISTRATIVE	<u>181,078</u>	<u>195,541</u>	<u>14,463</u>
<u>UTILITIES</u>			
Electric	30,838	41,000	10,162
Trash Removal	1,574	1,500	(74)
Cable TV	552,063	583,860	31,797
Telephone	3,795	5,000	1,205
TOTAL UTILITIES	<u>588,270</u>	<u>631,360</u>	<u>43,090</u>

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.**

SUPPLEMENTAL INFORMATION

**DETAILED STATEMENT OF REVENUES AND EXPENSES
BUDGET COMPARISON
OPERATING FUND**

Year Ended December 31, 2018

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
EXPENSES - Continued			
<u><i>BUILDING AND GROUNDS MAINTENANCE</i></u>			
Irrigation System	15,085	13,163	(1,922)
Grounds Maintenance and Supplies	20,176	7,000	(13,176)
Storm Damage	4,350	0	(4,350)
Lake Maintenance	12,750	14,000	1,250
Fountain Maintenance	0	1,000	1,000
Site Signage	2,809	2,500	(309)
Landscape Contract	75,510	76,800	1,290
Landscape Maintenance - Entrance	1,650	3,000	1,350
Fertilizer and Weed Control	13,109	12,000	(1,109)
Landscaping	4,277	14,500	10,223
Tree Trimming and Replacement	9,786	8,000	(1,786)
Exotic Maintenance	0	9,000	9,000
Mulch - Annual	1,475	10,000	8,525
Gate Access Control	106,612	107,000	388
Building Maintenance	3,517	0	(3,517)
Entry and Gate Maintenance	5,761	12,000	6,239
Gas and Oil	2,148	1,800	(348)
Vehicle Expense	0	500	500
<i>TOTAL BUILDING AND GROUNDS MAINTENANCE</i>	<u>279,015</u>	<u>292,263</u>	<u>13,248</u>
<u><i>MARSILEA AND ENTRADA - SHARED EXPENSE</i></u>			
Street Lights - Electricity	595	0	(595)
<i>TOTAL MARSILEA AND ENTRADA - SHARED EXPENSE</i>	<u>595</u>	<u>0</u>	<u>(595)</u>
<u><i>MISCELLANEOUS</i></u>			
Hurricane Irma Expense	25,470	0	(25,470)
Contingency	3,575	2,000	(1,575)
Holiday Event Expense	0	500	500
<i>TOTAL MISCELLANEOUS</i>	<u>29,045</u>	<u>2,500</u>	<u>(26,545)</u>
<u><i>INSURANCE</i></u>			
Insurance - Package	13,263	11,000	(2,263)
Insurance - Fidelity Bond	59	450	391
Insurance - D & O	5,116	4,300	(816)
Insurance - Workers Compensation	0	800	800
<i>TOTAL INSURANCE</i>	<u>18,438</u>	<u>16,550</u>	<u>(1,888)</u>
Total Operating Expenses	<u>1,096,441</u>	<u>1,138,214</u>	<u>41,773</u>
Excess Operating Revenues (Expenses)	<u>\$49,615</u>	<u>\$0</u>	<u>\$49,615</u>

See independent auditors' report.

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.
PROPOSED ADJUSTING JOURNAL ENTRIES
Year Ended December 31, 2018**

		DEBIT	CREDIT
1			
FUND BALANCE		6,085	
ALLOWANCE FOR BAD DEBT			6,085
<i>(to increase allowance over 90 days)</i>			
2			
ACCOUNTING FEES		4,600	
ACCRUED EXPENSE - CPA FEE			4,600
<i>(to accrue for the CPA Fee)</i>			
3			
RSV - ROADWAY PHASE 1-5		3,012	
RSV - CONTINGENCY		75,582	
RSV - MAINTENANCE SHED			6,214
RSV - CUL DE SAC REPLACE			72,380
<i>(to accrue for the CPA Fee)</i>			
		89,279	89,279

**IMPERIAL GOLF ESTATES
HOMEOWNERS ASSOCIATION, INC.
POST CLOSING TRIAL BALANCE
December 31, 2018**

ACCOUNT TITLE		CLIENT T/B		ADJUSTMENTS			CPA F/S	
		DEBIT	CREDIT	DEBIT		CREDIT	DEBIT	CREDIT
<u>BALANCE SHEET</u>								
<u>ASSETS</u>								
CASH - OPERATING - IBERIA BANK		\$ 100,470		-		-	\$ 100,470	
CASH - OPERATING - FLORIDA COMMUNITY BANK		10,000		-		-	10,000	
CASH - OPERATING - IBERIA BANK - MARSILEA/ENTRADA		1,877		-		-	1,877	
CASH - RESERVE - VALLEY NATIONAL BANK		249,995		-		-	249,995	
CASH - RESERVE - EVERBANK CD 4/4/18		79,531		-		-	79,531	
CASH - RESERVE - FLORIDA COMMUNITY BANK CD		157,128		-		-	157,128	
OWNERS RECEIVABLE		12,331		-		-	12,331	
ALLOWANCE FOR DOUBTFUL ACCOUNTS			2,000	-	1	6,085		8,085
MARSILEA/ENTRADA RECEIVABLE		438		-		-	438	
FPL - LIGHT REFUND		5,918		-		-	5,918	
PREPAID INSURANCE		10,131		-		-	10,131	
<u>LIABILITIES AND FUND BALANCE</u>								
ACCOUNTS PAYABLE			15,010	-		-		15,010
ACCRUED EXPENSES			3,913	-		-		3,913
ACCRUED EXPENSES - CPA				-	2	4,600		4,600
SECURITY DEPOSITS			10,000	-		-		10,000
PREPAID OWNER ASSESSMENT			35,188	-		-		35,188
RSV - CONCRETE/SIDEWALK/DRIVEWAY			32,322	-		-		32,322
RSV - CUL DE SAC REPLACE		72,380		-	3	72,380	0	
RSV - DRAINAGE			149,285	-		-		149,285
RSV -ENTRY GATE			29,357	-		-		29,357
RSV -EQUIPMENT			27,002	-		-		27,002
RSV - FENCE			29,465	-		-		29,465
RSV -GATE HOUSE			3,030	-		-		3,030
RSV - GENERATOR			3,107	-		-		3,107
RSV - IRRIGATION SYSTEM			57,757	-		-		57,757
RSV - LANDSCAPING			65,544	-		-		65,544
RSV - MAINTENANCE SHED		6,214		-	3	6,214	0	
RSV - MARSILEA/ENTRADA MAINTENANCE			21,660	-		-		21,660
RSV - ROADWAY PHASE 1-5			71,137	3,012	3	-		68,125
RSV - CONTINGENCY			75,582	75,582	3			0
				-		-		
FUND BALANCE			33,846	19,092		-		14,754
CURRENT YEAR INCOME / LOSS			41,208	-		8,407		49,615
		\$ 706,413	\$ 706,413	\$ 97,686		\$ 97,686	\$ 627,819	\$ 627,819
		\$0		\$0			\$0	
ENDING FUND BALANCE PER CPA F/S SHOULD EQUAL: \$64,369								