

Port Antigua Property Owners' Association, Inc.

Financial Statements

And

Supplementary Information

December 31, 2019

Port Antigua Property Owners' Association, Inc.

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# James D. Grainger, CPA, PA

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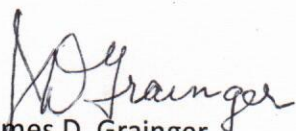
To the Board of Directors  
Port Antigua Property Owners' Association, Inc.  
Islamorada, Florida

Management is responsible for the accompanying financial statements of Port Antigua Property Owners' Association, Inc., which comprise the balance sheet as of December 31, 2019, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related selected notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. I have performed a compilation engagement in accordance with 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. I do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on page 5 be presented to supplement the basic financial statements. Such information is presented for purposes of additional analysis and, although is not a required 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 and for placing the basic financial statements in an appropriate operational, economic, or historical context.

The schedule of operating fund revenues and expenses (actual vs. budget) pages 6 – 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the responsibility of management. I have not audited, reviewed, or compiled the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

  
James D. Grainger  
Islamorada, Florida

April 15, 2020

Port Antigua Property Owners' Association, Inc.  
Balance Sheet  
Year Ended December 31, 2019

	Operating Fund	Replacement and Emergency Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 53,740	\$ 97,330	\$ 151,070
Dues receivable	9,501		9,501
Prepaid insurance	4,390		4,390
Due from Replacement Fund	450		450
Property and equipment			
Seawall	72,241		72,241
Beach	139,197		139,197
Boat ramp improvements	85,987		85,987
Cul-de-sac landscape restoration	13,366		13,366
Security equipment	42,640		42,640
Accumulated depreciation	(85,059)		(85,059)
Net Property and Equipment	268,372		268,372
TOTAL ASSETS	\$ 336,453	\$ 97,330	\$ 433,783
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 6,600	\$ -	\$ 6,600
Membership dues received in adv	186		186
Construction deposits	23,600		23,600
Due to Operating Fund		450	450
Contract liabilities		96,750	96,750
TOTAL LIABILITIES	30,386	97,200	127,586
FUND BALANCES	306,067	130	306,197
TOTAL LIABILITIES AND FUND BALANCES	\$ 336,453	\$ 97,330	\$ 433,783

\* See accompanying note and accountant's report

Port Antigua Property Owners' Association, Inc.  
Statement of Revenues, Expenses and Changes in  
Fund Balances  
Year Ended December 31, 2019

	Operating Fund	Replacement and Emergency Fund	Total
<b>REVENUES</b>			
Membership dues	\$ 137,000	\$ 14,450	\$ 151,450
Other	14,427		14,427
Interest income	52	130	182
	<u>151,479</u>	<u>14,580</u>	<u>166,059</u>
<b>TOTAL REVENUES</b>			
<b>EXPENSES</b>			
Property maintenance and security	85,997	14,450	100,447
General administrative	63,029		63,029
Depreciation	11,046		11,046
	<u>160,072</u>	<u>14,450</u>	<u>174,522</u>
<b>TOTAL EXPENSES</b>			
<b>EXCESS(DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>(8,593)</u>	<u>130</u>	<u>(8,463)</u>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	314,660	87,200	401,860
New Accounting Guidance Implementation		(87,200)	(87,200)
As adjusted	314,660	-	314,660
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 306,067</u>	<u>\$ 130</u>	<u>\$ 306,197</u>

\* See accompanying note and accountant's report.

Port Antigua Property Owners' Association, Inc.  
Statement of Cash Flows  
Year Ended December 31, 2019

	Operating Fund	Replacement and Emergency Fund	Total
Cash Flows from Operating Activities			
Excess(Deficiency) of Revenues over Expenses			
Adjustments to reconcile excess(deficiency) of revenues over expenses to net cash provided(used) by operating activities:	\$ (8,593)	\$ 130	\$ (8,463)
Depreciation	11,046		11,046
(Increase)decrease in:			
Accounts Rec - Dues	(5,349)		(5,349)
Prepaid Insurance			
Due from replacement fund	(450)		(450)
Increase(decrease) in:			
Accounts Payable	4,570		4,570
Contract Liabilities		96,750	96,750
Dues collected in advance	186		186
Due to Operating fund		450	450
Construction deposits	5,600		5,600
Reclass fund balance to contract liability		(87,200)	(87,200)
Net cash provided(used) by operating activities	7,010	10,130	17,140
Cash			
Beginning of year	46,730	87,200	133,930
End of year	\$ 53,740	\$ 97,330	\$ 151,070

Port Antigua Property Owners' Association, Inc.  
Selected Disclosures

Substantially all disclosures required by generally accepted accounting principles of the United States are not included.

December 31, 2019

Note 1: New Accounting Guidance Implementation: The Financial Accounting Board issued new guidance that created Topic 606, Revenue from Contracts with Customers. This affects Homeowners Associations under the title of Common Interest Realty Associations (CIRA) revenue recognition. The purpose is to clarify the timing of reporting revenue. It requires that the revenue collected should not be identified as revenue until the designated purpose of those funds are disbursed.

As a result, the funds that have been collected and designated but not disbursed are now recorded as a liability identified as "contract liabilities". Accordingly, the Replacement Fund balance of \$87,200 at December 31, 2018 was moved to contract liabilities at January 1, 2019. The adoption of the new recognition guidance resulted in the following changes:

	<u>Fund Balance</u>	<u>Contract Liabilities</u>
Balance 12.31.18	\$ 87,200	\$ 0
Transferred	( 87,200)	87,200
Disbursed		( 14,450)
Assessment		14,000
Interest Income	130	
Emergency Assessment		<u>10,000</u>
TOTAL	\$ 130	\$ 96,750

Note 2: Port Antigua Property Owners Association, Inc. has previously depreciated its property and equipment using an accelerated method. For the current year, it has elected to use the straight line method for the remaining life of those and future capital assets that may be acquired. Depreciation expense for 2019 was \$11,046.

## Supplementary Information



Port Antigua Property Owners' Association, Inc.  
 Supplementary Information on Estimated Future  
 Major Repairs and Replacements and Emergency Hurricane Damage  
 Year Ended December 31, 2019

Major Repairs and Replacements

<u>Component</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>
Partial Landscaping	2	7,000
Fencing	7	15,000
Chickee Huts	7	10,000
Boat Ramp Card Reader/Gate	4	4,000
Security Cameras	1	3,500
Signage	6	800
Beach Card Reader	4	3,000
Boat Ramp/Dock	19	100,000
<u>Emergency Hurricane Damage</u>		<u>150,000</u>
 TOTAL		 <u><u>\$ 293,300</u></u>

Port Antigua Property Owners' Association, Inc.  
Schedule of Operating Fund Revenues and Expenses  
Actual vs. Budget  
Year Ended December 31, 2019

	Actual	Budget	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Membership Dues	\$ 137,000	\$ 146,000	\$ (9,000)
Architect Fees	2,075	5,000	(2,925)
Beach Cards	1,002	500	502
Vacant Lot Mowing	3,900	6,000	(2,100)
Late Fees	1,500		1,500
Ramp Keys	800		800
Interest	52	266	(214)
Estoppel Fees	5,150	700	4,450
<b>Total Revenues</b>	<b>\$ 151,479</b>	<b>\$ 158,466</b>	<b>\$ (6,987)</b>

			Variance (Favorable) Unfavorable
<b>Expenses</b>			
<b>Property Maintenance and Security</b>			
Trash, waste removal	4,556	4,410	146
Beach sand renourishment	14,616	11,000	3,616
Bi-annual beach palm tree trim	8,850	4,600	4,250
Bi-annual cul-de-sac trim	2,775	2,300	475
Gravel	500	600	(100)
Fence and Signage	2,313	2,500	(187)
Monthly cul-de-sac	3,788	3,120	668
Monthly PAPOA entrance	2,100	1,800	300
Weekly beach cleaning	19,560	17,250	2,310
Boat ramp gate card reader system	680	1,000	(320)
BBQ grill replacement	1,234	1,500	(266)
Security deputies	18,595	15,000	3,595
Security cameras	950	-	950
Vacant lot mowing	5,480	6,000	(520)
<b>Total Property maintenance and security</b>	<b>\$ 85,997</b>	<b>\$ 71,080</b>	<b>\$ 14,917</b>

<b>General and Administrative</b>			
Donations	400	400	-
Accounting	9,521	8,600	921
Architectural review	4,650	5,000	(350)
Electric	8,317	9,200	(883)
Insurance	9,929	10,450	(521)

(Continued)

Port Antigua Property Owners' Association, Inc.  
 Schedule of Operating Fund Revenues and Expenses  
 Actual vs. Budget  
 Year Ended December 31, 2019

Legal	1,354	24,000	(22,646)
Taxes and Licenses	1,176	275	901
Managing director	19,496	19,300	196
Meetings	600	1,000	(400)
Newsletter	874	1,000	(126)
Website		1,000	(1,000)
Office Supplies	5,636	5,000	636
Telephone	583	625	(42)
Water	336	350	(14)
Welcome and recreation	157	1,000	(843)
Total General and Administrative	<u>\$ 63,029</u>	<u>\$ 87,200</u>	<u>\$ (24,171)</u>