

Tom S. Thorsen, CPA, PA

Certified Public Accountant

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Management

Villa Towers Condominium Association, Inc.
3640 North Ocean Drive
Singer Island, Florida

Management is responsible for the accompanying financial statement of Villa Towers Condominium Association, Inc. (a common interest realty corporation), operating and reserve funds, which comprise the statement of cash receipts and disbursements for the year ended December 31, 2016, and for determining that the cash basis of accounting is an acceptable financial reporting framework. I have performed a compilation engagement in accordance with Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Committee of the American Institute of Certified Public Accountants (AICPA). I did not audit or review the financial statement 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 this financial statement.

The financial statement is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

With the exception of the attached Supplementary Schedule of Future Major Repairs and Reserves, management has elected to omit substantially all financial statement disclosures ordinarily included in the financial statements prepared in accordance with the cash basis of accounting. The supplementary schedule is not a required part of the basic financial statements, but is required by the State of Florida and Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. The required supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the required supplementary information, and accordingly I do not express an opinion or any other form of assurance on the supplementary schedule. If the other omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's cash receipts and disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.



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March 13, 2017

Villa Towers Condominium Association, Inc.
Statement of Cash Receipts and Disbursements
Operating and Reserve Funds
Year ended December 31, 2016

	<u>Operating</u>	<u>Reserve</u>	<u>Total</u>
Cash receipts			
Maintenance assessments	\$328,951	\$	\$ 328,951
Rental income	9,975		9,975
Interest income		228	228
Other income	855	23,960	24,815
Transfer to reserve	(81,605)	81,605	
	<u>258,176</u>	<u>105,793</u>	<u>363,969</u>
Total receipts			
Cash disbursements			
Reserve study expense	900		900
Legal and accounting expense	9,238		9,238
Alarm expense	2,469	6,167	8,636
Beach cleaning expense	600		600
Cable TV expense	25,813		25,813
Elevator expense	9,798	36,823	46,621
Fuel-Gas expense	12,198		12,198
Electricity expense	9,879		9,879
Insurance expense	79,333		79,333
Interest expense	116		116
Janitorial service	22,582		22,582
Maintenance and repairs	34,185	19,583	53,768
Special Assessment repairs		27,375	27,375
Office expense	2,145		2,145
Pool maintenance	4,933		4,933
Taxes and licenses	408		408
Telephone expense	3,043		3,043
Water and sewer expense	33,940		33,940
Federal and state income tax			
	<u>251,580</u>	<u>89,948</u>	<u>341,528</u>
Total disbursements			
Excess cash receipts over (less than) disbursements	6,596	15,845	22,441
Cash beginning of the year	<u>38,710</u>	<u>217,844</u>	<u>256,554</u>
Cash end of year	<u>\$ 45,306</u>	<u>\$ 233,689</u>	<u>\$ 278,995</u>

See independent accountant's compilation report.

Villa Towers Condominium Association, Inc
Operating and Reserve Funds
Selected Information - Substantially All Disclosures Are Not Included
For the year ended December 31, 2016

Supplementary Schedule of Future Major Repairs and Reserves

The Board of Directors commissioned a reserve study in May 2015, and with the assistance of appropriate vendors, to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates are based on an estimate of the average future replacement costs.

The annual reserve funding in 2016 was \$81,605, which consists of the normal funding, \$228 of allocated interest, and insurance proceeds of \$23,960, allocated to elevators, for a total of \$105,793. Reserve expenditures in 2016 were \$89,948, and included special assessment expenditures of \$31,042 as shown below.

The following table presents significant information about condominium common property.

<u>Components</u>	<u>Estimated Remain- ing Useful Lives</u>	<u>Estimated Future Replacement Costs</u>	<u>Year Needed</u>	<u>Balance 12/31/15</u>	<u>2016 Reserve Funding</u>	<u>2016 Reserve Expenses</u>	<u>Balance 12/31/16</u>
Roofing	2-12	\$ 84,020	2027	\$ 33,328	\$ 14,000	\$ 3,387	\$ 43,941
Painting	2	157,885	2017	61,561	24,994	1,327	85,228
Restoration	1-28	749,095	2043	10,967	25,835	21,036	15,766
Paving	2-18	54,946	2033	1,104	3,000		4,104
Elevators	7-24	445,400	2039	73,698	37,964	36,823	74,839
Special Assessment				37,186		27,375	9,811
				<u>\$ 217,844</u>	<u>\$ 105,793</u>	<u>\$ 89,948</u>	<u>\$233,689</u>

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