

THE HAMPTONS AT MAPLEWOOD

Homeowners Association, Inc.

Financial Statements
December 31, 2009

VINIAR & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
TEQUESTA, FLORIDA

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.
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Viniar & Company

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of
The Hamptons at Maplewood Homeowners Association, Inc.
Jupiter, Florida

We have audited the accompanying balance sheet of The Hamptons at Maplewood Homeowners Association, Inc. as of December 31, 2009, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Association's December 31, 2008 audited financial statements, and in our report dated February 25, 2009, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Hamptons at Maplewood Homeowners Association, Inc. as of December 31, 2009, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information contained in the Schedule of Operating Fund Revenues and Expenses – Budget and Actual on pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Supplementary Information on Emergency and Future Projects on page 12 is not a required part of the basic financial statements of The Hamptons at Maplewood Homeowners Association, Inc., but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.



Viniar & Company
March 26, 2010

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.

Balance Sheet

as of December 31, 2009

(With Comparative Totals for December 31, 2008)

	Operating Fund	E&FP Fund	Totals	
			2009	2008
ASSETS:				
Cash and cash equivalents	\$ 194,641	\$ 231	\$ 194,872	\$ 83,406
Investments in certificates of deposit	-	100,143	100,143	200,000
Assessments receivable	32,599	200	32,799	17,970
Prepaid expenses	15,670	-	15,670	1,686
Utility deposits	355	-	355	355
Due from other fund	-	136,787	136,787	2,000
Total assets	<u>\$ 243,265</u>	<u>\$ 237,361</u>	<u>\$ 480,626</u>	<u>\$ 305,417</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 6,571	\$ -	\$ 6,571	\$ 10,471
Prepaid assessments	71,104	-	71,104	73,463
Income taxes payable	517	-	517	182
Due to other fund	136,787	-	136,787	2,000
Total liabilities	<u>214,979</u>	<u>-</u>	<u>214,979</u>	<u>86,116</u>
Total fund balances	<u>28,286</u>	<u>237,361</u>	<u>265,647</u>	<u>219,301</u>
Total liabilities and fund balances	<u>\$ 243,265</u>	<u>\$ 237,361</u>	<u>\$ 480,626</u>	<u>\$ 305,417</u>

The accompanying notes are an integral part of these financial statements.

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.
Statement of Revenues, Expenses and Changes in Fund Balances
for the Year Ended December 31, 2009
(With Comparative Totals for December 31, 2008)

	Operating Fund	E&FP Fund	Totals	
			2009	2008
Revenues:				
Member assessments	\$ 647,800	\$ 39,500	\$ 687,300	\$ 687,300
Interest income	1,202	6,577	7,779	4,543
Miscellaneous income	10,625	-	10,625	58,056
Total revenues	659,627	46,077	705,704	749,899
Expenses:				
Administrative	127,676	-	127,676	109,060
Grounds and facilities	342,826	7,206	350,032	398,366
Utility	179,424	-	179,424	171,000
Bad debts	1,709	-	1,709	-
Income tax	517	-	517	182
Total expenses	652,152	7,206	659,358	678,608
Excess of revenues over expenses	7,475	38,871	46,346	71,291
Fund balances, beginning of year	20,811	198,490	219,301	148,010
Fund balances, end of year	\$ 28,286	\$ 237,361	\$ 265,647	\$ 219,301

The accompanying notes are an integral part of these financial statements.

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.

Statement of Cash Flows

for the Year Ended December 31, 2009

(With Comparative Totals for December 31, 2008)

	Operating Fund	E&FP Fund	Totals	
			2009	2008
Cash flows provided by (used in)				
operating activities:				
Member assessments collected	\$ 630,612	\$ 39,500	\$ 670,112	\$ 706,215
Interest received	1,202	6,577	7,779	4,543
Miscellaneous income	10,625	-	10,625	58,056
Cash paid to suppliers for goods, services and special projects	(669,519)	(7,206)	(676,725)	(675,260)
Income taxes	(182)	-	(182)	(771)
Interfund transfers	138,727	(138,727)	-	-
Net cash provided by (used in) operating activities	<u>111,465</u>	<u>(99,856)</u>	<u>11,609</u>	<u>92,783</u>
Cash flows provided by (used in)				
investing activities:				
Redemption (purchase) certificate of deposit	-	99,857	99,857	(200,000)
Net cash provided by (used in) investing activities	<u>-</u>	<u>99,857</u>	<u>99,857</u>	<u>(200,000)</u>
Net increase (decrease) in cash and cash equivalents	111,465	1	111,466	(107,217)
Cash and cash equivalents, beginning of year	83,176	230	83,406	190,623
Cash and cash equivalents, end of year	<u>\$ 194,641</u>	<u>\$ 231</u>	<u>\$ 194,872</u>	<u>\$ 83,406</u>
Reconciliation of excess of revenues over expenses to net cash provided by (used in) operating activities:				
Excess of revenues over expenses	\$ 7,475	\$ 38,871	\$ 46,346	\$ 71,291
Adjustments to reconcile excess of revenues over expenses to net cash provided by (used in) operating activities:				
Interfund transfers	138,727	(138,727)	-	-
Assessments receivable	(14,829)	-	(14,829)	(11,527)
Prepaid expenses	(13,984)	-	(13,984)	190
Accounts payable	(3,900)	-	(3,900)	2,976
Prepaid assessments	(2,359)	-	(2,359)	30,442
Income taxes payable	335	-	335	(589)
Net cash provided by (used in) operating activities	<u>\$ 111,465</u>	<u>\$ (99,856)</u>	<u>\$ 11,609</u>	<u>\$ 92,783</u>

The accompanying notes are an integral part of these financial statements.

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2009

NOTE 1: NATURE OF THE ORGANIZATION

The Hamptons at Maplewood Homeowners Association, Inc. (the Association) was incorporated, in January 1988, under the laws of the State of Florida, as a not-for-profit corporation organized pursuant to and under Chapter 720 of the Florida Statutes, for the purpose of operation and maintenance of the common property located in Jupiter, Florida, in accordance with the provisions of the Declaration of Condominium. The Association consists of 395 residential single family homes.

NOTE 2: DATE OF MANAGEMENT'S REVIEW

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 26, 2010, the date that these financial statements were available to be issued.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association prepares its financial statements on the accrual basis of accounting and presents them as separate funds in order to properly account for restrictions on expenses resulting from actions of the Board of Directors or the Association voting membership.

The Association utilizes the following fund types:

Operating Fund – reflects the operating assessments paid by unit owners to meet the regular, recurring costs of operation. Expenses of this fund are limited to those connected with the day-to-day operations.

Emergency and Future Projects (E&FP) Fund – records all assessments paid by unit owners to fund emergency and future projects. Interest earned on the deposits of the fund is retained in the fund. Income to the E&FP Fund is determined by the board of directors and may originate as specific allocations of funds from the “Operating Fund” as established in the annual budget or as specific allocation which may be from time to time, designated by the board. Expenses paid from this fund are designated by the board and represent specific facility related, non-routine expenses, including, but not limited to, emergency programs such as storm remediation.

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, the Association considers demand deposits with banks, certificates of deposit, money market funds and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Investments

The Association invests in certificates of deposit, purchased with varying maturities of three months or more, and interest is added back monthly to the funds purchased. It is the Association's intention to hold the certificates of deposit to maturity. At December 31, 2009, the Association held invested funds of \$100,143, which matures November 26, 2010.

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2009

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

The Association expenses all property and equipment to which it holds title or has other evidence of ownership. 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 has a negligible amount of equipment or property other than that permanently installed as improvements to real property. For this reason, these minor assets are expensed when purchased and no provision for depreciation is made.

Inter-fund Receivables and Payables

During the course of normal operations, the Association had transactions between funds. To the extent that certain transactions between funds have not been paid or received at December 31, 2009, balances of inter-fund amounts receivable or payable have been recorded.

Members assessments

Association members are subject to quarterly 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, while assessments received in advance represent future months' fees paid in advance by unit owners. The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are thirty days or more delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. At December 31, 2009, the Association had \$32,799 of delinquent assessments. The Association considers all delinquent assessments to be fully collectible, and accordingly, no allowance for uncollectible accounts is necessary.

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.

Summarized Financial Information for 2008

The financial information for the year ended December 31, 2008, presented for comparative purposes, is not intended to be a complete financial statement presentation. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

NOTE 4: CONCENTRATION OF CREDIT RISK

The Association maintains cash balances at several financial institutions located in Palm Beach County, Florida. The accounts are insured at each institution by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2009, the Association had no uninsured balances.

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.

Notes to Financial Statements

December 31, 2009

NOTE 5: EMERGENCY AND FUTURE PROJECTS FUND

The Association's governing documents permit, but do not require, that funds be accumulated for future major repairs and replacements by utilizing a formula based upon the estimated remaining useful lives and estimated replacement costs of the common property. Accumulated funds are to be held in separate accounts and are not available for expenditures for normal operations.

The board of directors updates an analysis annually, during the budgetary process, to estimate the remaining useful lives and the replacement costs of the components of common property. The analysis was obtained from various sources including licensed contractors and general experience of the membership communicated at monthly meetings. Based upon that analysis, the Association is providing for partial funding of pooled replacements as to minimize, but not eliminate special assessments.

At December 31, 2009, \$100,374 was on deposit in accounts designated for emergency and future projects. The Operating Fund owed the Emergency and Future Projects Fund \$136,787. Funds are being accumulated for emergency and future projects based on estimates of future needs for repairs and replacements of common property. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Therefore, amounts accumulated may not be adequate to meet all future needs for emergencies and future projects. If additional funds are needed, the Association has the right to increase regular assessments, approve a special assessment, or delay projects until funds are available. Accordingly, the funding requirement of \$39,500 has been included in the 2010 budget.

The following table presents the activity of the fund for the year:

Component	Balance at January 1, 2009	Assessments and Interest	Disbursements	Balance at December 31, 2009
Unallocated	<u>\$ 198,490</u>	<u>\$ 46,077</u>	<u>\$ 7,206</u>	<u>\$ 237,361</u>

NOTE 6: INCOME TAXES

Associations may elect to be taxed as regular corporations or as homeowners' associations. The Association elected to be taxed as a regular corporation for the year ended December 31, 2009. Under the election, the Association is taxed only on non-membership income, such as interest earnings, at regular federal and state corporate tax rates. Membership income is exempt from taxation if certain elections are made. At December 31, 2009, the Association had income tax expense of \$517.

NOTE 7: UNCERTAINTY IN INCOME TAXES

The Association has adopted FASB Interpretation No. 48 (ASC 740-10), *Accounting for Uncertainty in Income Taxes*, applicable to nonpublic entities, for the year ended December 31, 2009. No interest and penalties were recognized in the financial statements. The years that remain subject to examination by tax authorities are December 31, 2007, December 31, 2008 and December 31, 2009.

ADDITIONAL INFORMATION

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.

Schedule of Operating Fund Revenues and Expenses - Budget and Actual
for the Year Ended December 31, 2009

	Budget (Compiled)	Actual	Variance Favorable (Unfavorable)
Revenues:			
Member assessments	\$ 647,800	\$ 647,800	\$ -
Interest income	-	1,202	1,202
Miscellaneous income	12,000	10,625	(1,375)
Total revenues	659,800	659,627	(173)
Expenses:			
Administrative			
Accounting fees	11,940	12,674	(734)
Management fees	43,725	54,262	(10,537)
Legal fees	3,600	8,357	(4,757)
Audit	3,800	4,250	(450)
Insurance	4,200	5,595	(1,395)
Screening	600	945	(345)
Inspection services	2,500	3,864	(1,364)
POA assessments	34,760	34,760	-
Office expenses	2,100	913	1,187
Security	2,500	1,290	1,210
Contingency	600	766	(166)
Total administrative	110,325	127,676	(17,351)
Grounds and Facilities			
Lawns	179,400	175,280	4,120
Miscellaneous	2,850	1,446	1,404
Trees and shrubs	44,000	17,772	26,228
Tree trimming	32,000	32,423	(423)
Hammock preserve	6,200	7,256	(1,056)
Fertilizer applications	12,000	7,420	4,580
Pesticide applications	12,000	9,763	2,237
Walkway and driveway cleaning	12,000	20,349	(8,349)
Wall maintenance	900	-	900
Lake maintenance	6,600	6,375	225
Fountain maintenance	1,200	-	1,200
Irrigation	59,800	57,556	2,244
Pump maintenance and communication	3,600	1,283	2,317
Repairs and maintenance	1,200	2,433	(1,233)
Contingency	1,800	3,470	(1,670)
Total grounds and facilities	375,550	342,826	32,724

(continued)

See auditor's report.

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.
Schedule of Operating Fund Revenues and Expenses - Budget and Actual (continued)
for the Year Ended December 31, 2009

	Budget (Compiled)	Actual	Variance Favorable (Unfavorable)
Utility			
Electricity	24,000	23,992	8
Cable television	155,500	155,432	68
Total utility	<u>179,500</u>	<u>179,424</u>	<u>76</u>
Bad debts	<u>3,600</u>	<u>1,709</u>	<u>1,891</u>
Income tax	<u>600</u>	<u>517</u>	<u>83</u>
Total expenses	<u>669,575</u>	<u>652,152</u>	<u>17,423</u>
Excess of revenues over (under) expenses	<u>\$ (9,775)</u>	<u>\$ 7,475</u>	<u>\$ 17,250</u>

See auditor's report.

SUPPLEMENTARY INFORMATION

THE HAMPTONS AT MAPLEWOOD HOMEOWNERS ASSOCIATION, INC.

Supplementary Information on Emergency and Future Projects Analysis

(Unaudited)

December 31, 2009

The Association has provided for a partially funded Emergency and Future Projects Fund in a manner intended to avoid frequent special assessments. It is the Association's policy to avoid collection of funds until specific needs are established. The budget of the Association includes disclosure of the status of these funds and projections of special assessments, where possible. Much of the Association's needs for emergency and future projects funds derive from provisions for weather event recovery and/or other needs, which are difficult to predict. It has been the Association's policy to disclose to owners, in a timely manner, any intent to levy a special assessment and to allow flexibility in the payment schedule for any special assessment. It is the Board's belief that this treatment is in the best interests of the owners.

The budget of the Association does not provide for reserve accounts for capital expenditures and deferred maintenance, which may result in special assessments. Members may elect to provide for reserve accounts, pursuant to the provisions of Section 720.303(6), Florida Statutes, upon approval of not less than a majority of the voting interest of the Association.

Component	Estimated Remaining Useful Life	Estimated Replacement Cost	Balance at December 31, 2009	2010 Budgeted Funding
Emergency storm remediation	1 years	\$ 100,000	\$ -	\$ -
Painting of common areas	2 years	700,000	-	-
Lake bank restoration	6 years	160,000	-	-
Street trees and vegetative buffer	2 years	160,000	-	-
Unallocated funds	N/A	-	237,361	39,500
		<u>\$ 1,120,000</u>	<u>\$ 237,361</u>	<u>\$ 39,500</u>

NOTE: PAINTING OF COMMON AREAS

The Association's documents allow for the cost of painting the 395 residential units, the perimeter wall and the common walls to be funded by a special assessment. It is anticipated that the painting project will be initiated in early 2011, with the related special assessment payable in the first quarter of 2011. The Association's documents also provide that the owners may extend payments over three years, payable in twelve quarterly increments at the prevailing market interest rate for homeowners associations' borrowings.

See auditor's report.