

SERENITY POINT CONDOMINIUM ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018

SERENITY POINT CONDOMINIUM ASSOCIATION, INC.  
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To the Board of Directors  
Serenity Point Condominium Association, Inc.  
Topsail Beach, North Carolina

Management is responsible for the accompanying financial statements of Serenity Point Condominium Association, Inc. ( a corporation), which comprise the balance sheet as of December 31, 2018, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related 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. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

***Jay B. Maready, CPA, P.A.***

Wilmington, North Carolina

November 8, 2019

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Member of:  
*American Institute of Certified Public Accountants*  
*North Carolina Association of Certified Public Accountants*



SERENITY POINT CONDOMINIUM ASSOCIATION, INC.  
BALANCE SHEET  
December 31, 2018

Assets

Cash in bank	\$	296,929
Accounts receivable		8,151
Reimbursed hurricane expense		<u>54,486</u>
Total assets	\$	<u><u>359,566</u></u>

Liabilities and Fund Balance

Liabilities

Accounts payable	\$	1,289
Line of credit		4,334
Prepaid dues		11,660
Insurance advance escrow		<u>155,750</u>
Total liabilities		<u>173,033</u>

Fund Balance

Undesignated		40,381
Reserved		<u>146,153</u>
Total fund balance		<u>186,534</u>

Total liabilities and fund balance	\$	<u><u>359,566</u></u>
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See accompanying notes and accountant's report.

SERENITY POINT CONDOMINIUM ASSOCIATION, INC.  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND BALANCE

For the Year Ended December 31, 2018

Revenues

Dues	\$ 424,228
Interest income	200
Other income	<u>1,505</u>
Total revenues	<u>425,933</u>

Expenses

Bank charges	518
General supplies and materials	12,961
Insurance expense	181,996
Maintenance:	
Buildings and labor	16,088
Grounds	33,717
Exterior painting	34,655
Pool	7,300
Management fees	25,992
Office expense	672
Professional fees	1,490
Termite bond and pest control	1,890
Utilities	6,379
Waste water treatment plant expenses	<u>55,877</u>

Total expenses	<u>379,535</u>
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Excess of revenues over expenses	46,398
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Fund balance, beginning	<u>140,136</u>
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Fund balance, ending	<u><u>\$ 186,534</u></u>
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See accompanying notes and accountant's report.

SERENITY POINT CONDOMINIUM ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Excess of revenues over expenses	\$ 46,398
Adjustments to reconcile excess of expenses over revenues to net cash used by operating activities:	
(Increase) in accounts receivable	(328)
(Increase) in reimbursed hurricane expense	(54,486)
(Decrease) in accounts payable	(601)
Increase in Line of Credit - Bank of America	4,334
Increase in prepaid dues	3,850
Increase in insurance advance escrow	<u>155,750</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>154,917</u>
NET INCREASE IN CASH	154,917
CASH, JANUARY 1, 2018	<u>142,012</u>
CASH, DECEMBER 31, 2018	<u><u>\$ 296,929</u></u>

See accompanying notes and accountant's report.

SERENITY POINT CONDOMINIUM ASSOCIATION, INC.  
Notes to Financial Statements  
December 31, 2018

**Note 1: Organization**

The Serenity Point Condominium Association, Inc. is a statutory condominium association organized as a not-for-profit corporation for the purposes of maintaining and preserving common property of the Serenity Point Condominiums. The Serenity Point Condominiums consist of fifty-four (54) residential units occupying a site of approximately twenty (20) acres located at Topsail Beach, NC. The Association began its operations in May, 1986.

**Note 2: Summary of Significant Accounting Policies**

Pervasiveness of 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.

Fund accounting: The Association uses fund accounting, which requires that funds such as operating funds designated for future major repairs and replacements be classified separately for accounting and reporting purposes.

**Note 3: Future Repairs and Replacements**

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in reserve accounts and amounted to \$146,153 at December 31, 2018.