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Independent Accountant's Review Report

To the Board of Directors and Members
Palmira Golf and Country Club
Master Homeowners Association, Inc.

We have reviewed the accompanying financial statements of Palmira Golf and Country Club Master Homeowners Association, Inc. (the "Master Association"), which comprise the balance sheet as of December 31, 2016 and the related statements of revenues and expenses, changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the financial statements that are free from material misstatement whether due to error or fraud.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information about future major repairs and replacements in Note C is not a required part of the basic financial statements but is supplementary information required by the American Institute of Certified Public Accountants. We have compiled the supplementary information from information that is the representation of management of the

Master Association without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Comparative Combined Information for 2015

The comparative combined financial information of the Master Association as of December 31, 2015 and for the year then ended has been derived from financial statements that we reviewed; and in our report dated February 10, 2016 we stated we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Davis & Associates CPA's

Davis & Associates, CPA's
Naples, Florida
February 9, 2017

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Palmira Golf and Country Club Master Homeowners Association, Inc.
Balance Sheet
December 31, 2016
(With Comparative Combined Information for 2015)

	Master Association Fund	Renaissance Fund	Reserve Fund	Combined	
				2016	2015
ASSETS					
Current Assets					
Cash	\$ 105,556	\$ 40,542	\$ 685,473	\$ 831,571	\$ 876,608
Accounts Receivable	719,882	52,744	-	772,626	670,066
Due From The Golf Club at Palmira	-	(32)	-	(32)	9,659
Due From (to) Others Fund	(214,281)	203,608	10,673	-	-
Village Grill Inventory	-	4,912	-	4,912	7,180
Total Current Assets	611,157	301,773	696,146	1,609,076	1,563,513
Fixed Assets					
Equipment	87,426	52,069	-	139,495	110,969
Furniture and Fixtures	-	42,028	-	42,028	42,028
Land Improvements	458,758	79,545	-	538,303	536,056
Leasehold Improvements	-	126,280	-	126,280	117,160
	546,184	299,922	-	846,106	806,213
Accumulated Depreciation	(153,116)	(122,040)	-	(275,156)	(200,685)
Total Fixed Assets	393,067	177,882	-	570,950	605,528
Other Assets					
Deposits	15,001	7,440	-	22,441	36,213
TOTAL ASSETS	\$ 1,019,225	\$ 487,095	\$ 696,146	\$ 2,202,467	\$ 2,205,254
LIABILITIES & EQUITY					
Current Liabilities					
Accounts Payable	\$ 15,572	\$ 7,939	\$ -	\$ 23,511	\$ 66,628
Sales Tax Payable	-	5,738	-	5,738	5,626
Deferred Income - Owners	394,901	203,608	10,673	609,182	584,552
Deferred Income - Tennis	-	75,818	-	75,818	70,016
Deferred Income - Bocce Ball	-	4,630	-	4,630	4,520
Cable Liability	122,251	-	-	122,251	115,925
Landscape Deposit	10,000	-	-	10,000	13,500
Accrued Taxes	-	-	-	-	10,800
Total Current Liabilities	542,724	297,733	10,673	851,131	871,567
Total Liabilities	542,724	297,734	10,673	851,131	871,567
Members' Equity					
Working Fund Contributions	459,500	-	-	459,500	405,500
Transfers to Reserve Fund	(438,500)	-	-	(438,500)	(399,500)
Fund Balances	455,501	189,361	685,473	1,330,336	1,327,687
Total Members' Equity	476,501	189,361	685,473	1,351,336	1,333,687
TOTAL LIABILITIES & EQUITY	\$ 1,019,225	\$ 487,095	\$ 696,146	\$ 2,202,467	\$ 2,205,254

See Independent accountants' review report and accompanying notes to financial statements.

Palmira Golf and Country Club Master Homeowners Association, Inc.
Statement of Revenues and Expenses
For the Year Ended December 31, 2016
(With Comparative Combined Information for 2015)

	Master Association Fund	Renaissance Fund	Reserve Fund	Combined	
				2016	2015
REVENUES					
Owner Assessments - Residents	\$ 1,579,604	\$ 758,604	\$ -	\$ 2,338,208	\$ 2,134,594
Owner Assessments - Nonresidents	-	13,163	-	13,163	13,302
Transfer Fees	-	7,994	-	7,994	10,200
Bar Code Revenue	2,615	-	-	2,615	1,388
Interest Income	145	-	2,930	3,075	1,590
Rental Income	14,400	-	-	14,400	-
Food Sales	-	102,746	-	102,746	117,177
Beverage Sales	-	39,116	-	39,116	45,885
Tennis Revenue	-	85,212	-	85,212	73,940
Bocce Dues	-	3,818	-	3,818	4,117
Fitness Income	-	37,110	-	37,110	33,745
Other	-	1,310	2,500	3,810	1,126
Total revenues	1,596,764	1,049,072	5,430	2,651,266	2,437,065
EXPENSES					
Cost of Sales	-	51,092	-	51,092	61,352
Administration	177,716	249,816	-	427,532	438,288
Fitness	-	135,330	-	135,330	121,176
Bocce and Pickle Ball Equipment	-	2,517	-	2,517	3,480
Activities	-	11,863	-	11,863	10,539
Tennis	-	100,965	-	100,965	105,927
Pool	-	54,839	-	54,839	74,232
Locker Room	-	2,316	-	2,316	3,106
Utilities	87,165	61,294	-	148,459	149,427
Village Grill	-	138,538	-	138,538	167,942
Pronto Park	-	7,420	-	7,420	5,385
Access Control	230,444	-	-	230,444	219,505
Maintenance	885,628	191,948	-	1,077,576	846,407
Maintenance - CDD Properties	139,139	-	-	139,139	129,733
Property Taxes	-	41,227	-	41,227	46,877
Insurance	-	16,775	-	16,775	11,842
Interest Expense	-	-	-	-	-
Depreciation	39,534	34,937	-	74,471	59,053
Rent Expense	-	-	-	-	-
Contingency	1,700	25,414	-	27,114	6,597
Total expenses	1,561,326	1,126,291	-	2,687,617	2,460,868
REVENUES OVER EXPENSES, BEFORE TAX	35,438	(77,219)	5,430	(36,351)	(23,803)
Income Tax Expense	-	-	-	-	-
EXCESS OF REVENUES OVER EXPENSES	\$ 35,438	\$ (77,219)	\$ 5,430	\$ (36,351)	\$ (23,803)

See independent accountants' review report and accompanying notes to financial statements.

Palmira golf and Country Club Master Homeowners Association, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2016
(With Comparative Combined Information for 2015)

	Master Association Fund	Renaissance Fund	Reserve Fund	Combined 2016	Combined 2015
CASH FLOWS FROM OPERATING ACTIVITIES					
Excess of Revenues over (under) expenses	\$ 35,438	\$ (77,219)	\$ 5,430	\$ (36,351)	\$ (23,803)
Depreciation expense	39,534	34,937	-	74,471	59,053
Adjustments to reconcile revenues over (under) expenses to net cash provided by operations:					
Increase (decrease) in assessments receivable over deferred income	(105,885)	33,867	-	(72,018)	60,017
Decrease (increase) in due from (to) other funds	13,957	(13,957)	-	-	-
Decrease (increase) in inventories	-	2,268	-	2,268	(2,350)
Increase (decrease) in payables	(18,246)	(24,871)	-	(43,117)	(74,607)
Increase cable liability	6,326	-	-	6,326	2,845
Increase (decrease) in landscape deposit	(3,500)	-	-	(3,500)	(13,772)
Increase (decrease) in accrued taxes	-	(10,800)	-	(10,800)	10,800
Other increase (decrease)	13,773	9,803	-	23,576	(11,600)
Net cash provided (used) by operating activities	(18,603)	(45,972)	5,430	(59,145)	6,583
CASH FLOWS FOR INVESTING ACTIVITIES					
Additions to fixed assets	(18,588)	(21,304)	-	(39,892)	(177,735)
CASH FLOWS FROM FINANCING ACTIVITIES					
Working Fund Contributions	54,000	-	-	54,000	86,000
Cash transferred to (from) Other Funds	23,016	15,056	(38,072)	-	-
Net cash from financing activities	77,016	15,056	(38,072)	54,000	86,000
NET INCREASE IN CASH	39,825	(52,220)	(32,642)	(45,037)	(85,152)
CASH AT BEGINNING OF PERIOD	65,731	92,762	718,115	876,608	961,761
CASH AT END OF PERIOD	\$ 105,556	\$ 40,542	\$ 685,473	\$ 831,571	\$ 876,609

See independent accountants' review report and accompanying notes to financial statements.

Palmira Golf and Country Club Master Homeowners Association, Inc.
Notes to Financial Statements
December 31, 2016

Note A - Nature of Organization

Palmira Golf and Country Club Master Homeowners Association, Inc. (the "Master Association") was incorporated on March 7, 2001 in the State of Florida. The Master Association is responsible for the operation and maintenance of the common property within the Palmira Golf and Country Club residential community. The development consists of 821 residential units and lots located in a gated community in Bonita Springs, Florida.

The Renaissance Center at Palmira, Inc. (the 'Renaissance Center') is a club within the Palmira Golf and Country Club residential community that provides fitness, swimming, tennis, bocce ball and pickle ball facilities for its members. The Master Association assigned its lease of the Renaissance Center club facilities to the Renaissance Center which is now responsible for operating and maintaining these facilities. The Master Association and the Renaissance Center have a common board of directors.

Note B - Summary of Significant Accounting Policies

Combined Financial Statements

The financial statements of the Master Association include the accounts of the Master Association and the accounts of the Renaissance Center.

Fund Accounting

The Master Association and the Renaissance Center maintain their accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose.

Master Association Fund - This fund is used to account for the financial resources available for the general operations of the Master Association.

Renaissance Fund - This fund is used to account for the financial resources available for the general operations of the Renaissance Center.

Reserve Fund - This fund is used to accumulate financial resources designated for paying the estimated costs of future major repairs and replacements for both the Master Association and the Renaissance Center. Reserve Fund cash is held in separate bank accounts and is not available

Member Assessments

Master Association members are the 10 homeowner and condominium associations comprising the Palmira Golf and Country Club residential community. Member associations are subject to quarterly assessments, based on the number of Contributing Units (Dwelling Units and Lots on which a single Dwelling Unit may be constructed) within each association, to provide funds for the Master Associations' operating expenses, and the estimated costs of future major repairs and replacements.

Any excess assessments for operating expenses at year end are retained by the Master Association and considered when setting operating assessments for the subsequent year.

Future Major Repairs and Replacements

Governing documents for the Master Association and the Renaissance Center permit the board of directors to assess members for the estimated costs of future major repairs and replacements. Members have been assessed to fund the Reserve Fund over the weighted average remaining life of the common property and major maintenance schedule. See Note C.

Palmira Golf and Country Club Master Homeowners Association, Inc.
Notes to Financial Statements
December 31, 2016

Note B - Summary of Significant Accounting Policies, continued

Interest Income

Each fund has separate bank accounts and interest earned on any account is retained by the applicable fund.

Income Taxes

The Master Association and the Renaissance Center file separate income tax returns. The Master Association files as a homeowners association and generally pays income tax, if any, only on nonexempt function income such as investment income and income from non-member use of its facilities.

Commencing with 2013, the Renaissance Center files tax returns as a tax exempt organization. Accordingly, the Renaissance Center is not taxed on income derived from member activities and will pay income taxes, if any, only on income derived from investment income and non-member activities.

Property and Equipment

As permitted by generally accepted accounting principles, the cost of common real property has not been capitalized. At December 31, 2016, properties not capitalized consist of guardhouse buildings, street lights, irrigation pumps, fountains, sidewalks, roads, parking lots and greenbelts. According to the Master Association's governing documents, two-thirds of all members must approve the disposition of any common real property.

Subsequent to the initial purchase, real and personal property and equipment acquired by the Master Association and the Renaissance Center are recorded at cost, if the cost of the unit of property acquired is \$5,000 or more. Equipment that costs less than \$5,000 is expensed. Equipment leased pursuant to terms of capital lease agreements, where equipment costs are less than \$5,000, are recorded in expense as lease payments are made.

Depreciation

Capitalized property and equipment are depreciated over their estimated useful lives using the straight-line method of depreciation.

Cable Liability

The Master Association, in its capacity as agent for the member associations, bills the member associations on a quarterly basis for cable services. Invoices from the cable provider are then paid by the Master Association. See Note D.

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 the 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.

Note C - Reserve Fund Supplemental Information (See Independent Accountants' Review Report)

During 2014, management obtained the estimated replacement costs for the components of common property listed in the table below; and the estimated costs of major maintenance projects that principally relate to painting and power washing. Property components with estimated remaining lives exceeding 50 years are not considered in current Reserve Fund funding calculations nor are these components considered in determining the current funding status of the Reserve Fund.

Palmira Golf and Country Club Master Homeowners Association, Inc.
Notes to Financial Statements
December 31, 2016

The activity in the Reserve Fund during 2016 and 2015 is summarized as follows:

	2016	2015
Fund balance, beginning of year	\$ 718,115	\$ 779,477
Member assessments	-	-
Interest income	2,930	1,453
Member contributions	2,500	-
Transfers from (to) other funds	(38,072)	(62,814)
	\$ 685,473	\$ 718,115

The following table presents information about the components of common property.

Components	Remaining Life (Years)	Estimated Replacement Cost	
		2016	2015
Guardhouse buildings (2)	(a)	\$ 309,000	\$ 309,000
Guardhouse roofs (2)	16	90,000	90,000
Irrigation pumps (5)	15	140,000	100,000
Road paving	1 - 12	495,000	505,000
Decorative street lights	(a)	438,000	438,000
Perimeter fence	46	96,000	96,000
East Gate	43	90,000	90,000
Other equipment	6 - 9	217,000	187,000
RCC equipment	1 - 46	412,513	621,813
Major maintenance projects	1 - 10	120,500	90,500
		\$ 2,408,013	\$ 2,527,313

(a) Over 50 years

Based on the estimated costs and timing of property replacements and major maintenance projects, at December 31, 2016 the Master Association is under-reserved by approximately \$35,000. In accordance with a policy established by the board, insurance policy deductibles of \$276,000 are not scheduled reserve fund components. However the board believes that reserve fund balances should be maintained at a level that would cover such deductibles should an insured event occur.

Note D - Commitments and Contingencies

Leases

The Master Association leased the Renaissance Center Club and some of its furniture and fixtures from The Golf Club at Palmira, Inc. (the "Club") under a 50-year net lease ending March 4, 2059. The lease was subsequently assigned by the Master Association to the Renaissance Center. Pursuant to the lease the Renaissance Center must pay all operating and maintenance costs relating to the Renaissance Center facilities, including insurance and real estate taxes, plus \$2,120 per month, commencing July 1, 2009, for the initial 60-month term of the lease. After 60 months and for the remainder of the lease term, the monthly rent will be reduced to \$10 per year. For 2016 and 2015 the Renaissance Center paid net rent to the Club of \$10 for each year.

Palmira Golf and Country Club Master Homeowners Association, Inc.
Notes to Financial Statements
December 31, 2016

The Renaissance Center is obligated under capital lease agreements requiring monthly payments of varying amounts through January 2020. Lease payments charged to expense for 2016 and 2015 were \$43,442 and \$32,274, respectively. Lease payments for future years are as follows:

2017	\$	30,324
2018		30,324
2019		24,969
2020		15,281
2021		14,748
Thereafter		-

Comcast Agreement

Neighborhood homeowner and condominium associations' are party to a Bulk Cable Television Service and Easement Agreement with Comcast. The Agreement gives Comcast the exclusive right to install, construct, operate, maintain, repair, upgrade, replace and remove a cable communications system and to market and deliver cable services to the Palmira Golf and Country Club residential community. The agreement expires on January 1, 2022. Monthly fees under the agreement may be increased by Comcast upon 30 days notice, but any increases are subject to a 3% annual maximum.

Management Agreements

The Master Association and the Renaissance Center have management agreements with KEB Management Services LLC. The agreements are in force through December 31, 2017. Monthly fees under the agreements are \$8,225 and \$2,125, respectively.