

SPYGLASS POINT CONDOMINIUM ASSOCIATION of Pensacola, Inc.
Notice of Board Meeting
February 9, 2023 (Thursday) 5:30 p.m.

PLACE OF MEETING

Downtown Pensacola Library
239 N. Spring Street
Pensacola, FL 32503

AGENDA

1. **Call Meeting to Order. Establish a quorum.**
2. **Adopt Previous Minutes.**
3. **Old Business:**
 - Minutes: Presentation and vote on minutes from January 5 meeting (Sec. Brown)
 - M&H and American Coastal Insurance Update (Pres. Davis/Treas. Alsop)
 - Financials Update–Movement in Reserves (Treas. Alsop)
 - Pool Bathroom Buildout
 - Engineer Drawings (Building F, M, B)
 - Potential Contractors for restoration of Buildings F,M,B
4. **New Business:**
 - CPA 2022 Financial Report: Presentation of, and vote on, CPA contract for compiled financial statements for 2022. In accordance with Florida Statute 718.3027 regarding conflicts of interest, it is disclosed that the proposal is from Griffin and Furman, LLC (a partner of whom is Stephen Griffin–brother of Board Treasurer Christina Alsop). This is the same firm that prepared the reviewed financial statements for 2021. Please refer to the attached proposal. Treasurer Alsop shall excuse herself from the room for the discussion and vote regarding this contract.
 - Presentation and vote on adding additional reserve account line items to the financial statements. Also, financials for December 2022 (Treas. Alsop) Please see attached.
 - General Maintenance Progress Report (Dirs. Kirk and Mascarenhas)
 - Consolidate Bank Accounts to Synovus (VP Chustz)
 - Paint spray gun acquisition (Dir. Kirk)
5. **Community Comments**
6. **Adjourn Meeting**



Stephen M. Griffin, CPA
Robert J. Furman, CPA

Jessica S. Benjamin, Director
Racheal D. Alvey, Director
Michael R. Choate, CPA, Director

American Society of Certified Public Accountants
Society of Louisiana CPAs

January 30, 2023

To the Board of Directors
Spyglass Point Condominium Association of Pensacola, Inc.
Pensacola, Florida

We are pleased to confirm our understanding of the services we are to provide for Spyclass Point Condominium Association of Pensacola, Inc. (the "Association") for the year ended December 31, 2022.

We will prepare the basic financial statements of the Association, which comprise the balance sheet, statement of revenues, expenses, and changes in fund balance, statement of cashflow and the related footnotes for the year ended December 31, 2022 and perform a compilation engagement with respect to those financial statements. The supplementary information accompanying the compiled financial statements will be presented for purposes of additional analysis. The supplementary information will be compiled from information that is the representation of management. We will not audit or review the supplementary information. We will not express an opinion, a conclusion, or provide any assurance on such supplementary information.

We will assist your accountant in adjusting the books of accounts with the objective that he will be able to prepare a working trial balance from which financial statements can be prepared. Your accountant will provide us with a detailed trial balance and any supporting schedules we require.

Our Responsibilities

The objective of our engagement is to—

1. prepare financial statements in accordance with accounting principles generally accepted in the United States of America based on information provided by you and
2. apply accounting and financial reporting expertise to assist you in the presentation of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

We will conduct our compilation engagement in accordance with the Statements on Standards for Accounting and Review Services (SSARS) promulgated by the Accounting and Review Services Committee of the AICPA and comply with applicable professional standards, including the AICPA's Code of Professional Conduct, and its ethical principles of integrity, objectivity, professional competence, and due care, when performing the bookkeeping services, preparing the financial statements, and performing the compilation engagement.

We are not required to, and will not, verify the accuracy or completeness of the information you will provide to us for the engagement or otherwise gather evidence for the purpose of expressing an opinion or

2270 7th St., Suite 1
Mandeville LA 70471
(985) 727-9924 Phone
(985) 727-9975 Fax

2915 S. Sherwood Forest Blvd., Suite B
Baton Rouge, LA 70816
(225) 292-7434 Phone
(225) 293-3651 Fax

4900 Cypress St. #15
West Monroe, LA 71291
(318) 397-2472 Phone

a conclusion. Accordingly, we will not express an opinion or a conclusion nor provide any assurance on the financial statements.

Our engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations. However, we will inform the appropriate level of management of any material errors and any evidence or information that comes to our attention during the performance of our procedures that fraud may have occurred. In addition, we will inform you of any evidence or information that comes to our attention during the performance of our compilation procedures regarding any wrongdoing within the entity or noncompliance with laws and regulations that may have occurred, unless they are clearly inconsequential. We have no responsibility to identify and communicate deficiencies or material weaknesses in your internal control as part of this engagement.

We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

We will also prepare the Association's 2022 federal and state income tax returns for Homeowners Associations.

Your Responsibilities

The engagement to be performed is conducted on the basis that you acknowledge and understand that our role is to prepare financial statements in accordance with accounting principles generally accepted in the United States of America and assist you in the presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. You have the following overall responsibilities that are fundamental to our undertaking the engagement in accordance with SSARS:

1. The selection of accounting principles generally accepted in the United States of America as the financial reporting framework to be applied in the preparation of the financial statements.
2. The preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America and the inclusion of all informative disclosures that are appropriate for accounting principles generally accepted in the United States of America, if applicable.
3. The design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements.
4. The prevention and detection of fraud.
5. To ensure that the Association complies with the laws and regulations applicable to its activities.
6. The accuracy and completeness of the records, documents, explanations, and other information, including significant judgments, you provide to us for the engagement.
7. To provide us with—
 - access to all information of which you are aware is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - additional information that we may request from you for the purpose of the compilation engagement.
 - unrestricted access to persons within the Association of whom we determine it necessary to make inquiries.

8. Including our compilation report in any document containing financial statements that indicate that we have performed a compilation engagement on such financial statements and, prior to the inclusion of the report, to ask our permission to do so.

You are also responsible for all management decisions and responsibilities and for designating an individual with suitable skills, knowledge, and experience to oversee our bookkeeping services and the preparation of your financial statements. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services.

Our Report

As part of our engagement, we will issue a report that will state that we did not audit or review the financial statements and that, accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them. If, for any reason, we are unable to complete the compilation of your financial statements, we will not issue a report on such statements as a result of this engagement.

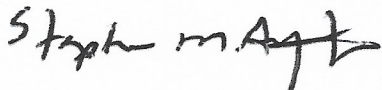
Other Relevant Information

Stephen M. Griffin is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fee for the compilation services will not exceed \$2,500. Our fee for the income tax returns will be \$425. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign and return to us.

Sincerely,



Stephen M. Griffin, CPA

Acknowledged:

Spyglass Point Condominium Association of Pensacola, Inc.

Date:

Spyglass Point Condominium Association of Pensacola, Inc.
Additional Line Items to be Added to Reserves
Attachment to Board of Directors Meeting on February 9, 2023

Per the minutes of the Special Board meeting held on September 29, 2022, the previous board voted to add additional line items to the pooled reserves. The following is an excerpt from those Board minutes. The current Board is seeking to ratify this previous vote and add the line items to the reserves. Please note that of the line items being added, Spyglass already also has water pipes, insurance, pool resurfacing, and upgrade fund as line items.

Excerpt:

4. New Business

a. Add new line items to pool reserves – financials

Patty Martinez stated that, in consultation with our attorney and the Florida Statutes, there are items that are line items missing from our reserves which should be identified:

- Roofing is already in the reserve budget
- Fences, both perimeter and the unit owner fences are already in the reserve budget
- Painting is already in the reserve budget
- Paving of the asphalt is already in the reserve budget

Items to be added:

- Sidewalks
- Water Pipes (Polybutylene)
- Vinyl Siding
- Balcony decks and railings
- Landscaping
- Mailboxes
- Lighting
- Windows
- Breezeways
- Exterior Doors
- Pool House
- Electrical
- Dryer Vents
- Structural components
- Pressure washing
- Signage
- Insurance deductibles

The board is adding these items to comply with the Florida statutes which requires items that are \$10,000 or more in expenses should be identified in the COA's reserve funding budget and that there are funds allocated for those items to be repaired/replaced; we cannot use reserve funds for items not listed in the reserve line items, they must be specifically identified and funding provided for.

10:30 AM

02/03/23

Accrual Basis

**Spyglass Point
Balance Sheet
As of December 31, 2022**

	Dec 31, 22
ASSETS	
Current Assets	
Checking/Savings	
CD Synovus	37,312 22
Money Market - Synovus	21,463 61
Operating Synovus	
Operating/Insurance Assessm...	15,099 22
Operating Synovus - Other	31,465 45
Total Operating Synovus	46,564 67
Reserve - Hancock	22,554 17
Reserve - The First	35,966 18
Total Checking/Savings	163,860 85
Other Current Assets	
Assessments Receivable	8,104 84
Due from Operating to Reserves	4,950 00
Prepaid Insurance	62,213 32
Refund Receivable	782 71
Special Assessments Receivable	9,775 85
Total Other Current Assets	85,826 72
Total Current Assets	249,687 57
TOTAL ASSETS	249,687.57
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	8,324 41
Total Accounts Payable	8,324 41
Other Current Liabilities	
Due to Reserves from Operati...	4,950 00
Note Payable - Insurance	45,128 20
Prepaid Assessments	4,192 16
Total Other Current Liabilities	54,270 36
Total Current Liabilities	62,594 77
Total Liabilities	62,594 77
Equity	
Fences Fund Balance	9,454 08
Insurance Fund Balance	36,000 00
Painting Fund Balance	34,235 94
Paving Fund Balance	26,978 37
Pool Resurf & Deck Fund Balance	2,022 77
Retained Earnings	69,059 69
Roofing Fund Balance	68,660 35
Upgrade Fund Balance	12,000 00
Water Pipe Fund Balance	33,479 54
Net Income	-104,797 94
Total Equity	187,092 80
TOTAL LIABILITIES & EQUITY	249,687.57

Unaudited - For Management Purposes Only

10:32 AM

02/03/23

Accrual Basis

**Spyglass Point
Profit & Loss
January through December 2022**

	Jan - Dec ...
Ordinary Income/Expense	
Income	
2022 Special Assessment Assessments	74,114.40
Insurance Claim Proceeds	320,925.75
Interest Income	8,515.75
Late Fees	2,744.80
Miscellaneous Income	883.36
	3,246.00
Total Income	410,430.06
Expense	
Accounting Fees	12,425.00
Bank Charges	541.95
Electricity	12,623.86
Garbage	19,298.21
General Maintenance	34,138.81
Insurance	113,037.28
Insurance Reserve Fundi...	18,000.00
Interest Expense	2,059.54
Landscaping	0.00
Late Payment Fee	622.72
Lawn Maintenance	45,799.33
Lawn Pest Control	0.00
Legal Fees	16,620.95
Licenses and Fees	540.85
Management Fees	25,725.00
Pool Keys	161.25
Pool Maintenance	5,879.49
Pool Monitoring/Cleaning	0.00
Postage	390.26
Repairs and Maintenance	0.00
Reserve Funding	38,250.00
Security	200.00
Sprinkler Maintenance	11,251.40
Stationary and Printing	1,493.46
Termite Bond	4,563.25
Upgrade Reserve Fund	0.00
Water and Sewer	6,403.88
Total Expense	370,026.49
Net Ordinary Income	40,403.57
Other Income/Expense	
Other Expense	
Improvements	123,638.22
Reserve Insurance	33,164.00
Reserve Transfer	-56,250.00
Tree Work	32,650.00
Upgrade Fund	0.00
Water Pipe Replacement	11,999.29
Total Other Expense	145,201.51
Net Other Income	-145,201.51
Net Income	-104,797.94

For Management Purposes Only