

**LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**



LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
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December 31, 2018

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of Lauderdale West Community  
Association No. 1, Inc.  
Plantation, FL

I have audited the accompanying financial statements of Lauderdale West Community Association No. 1, Inc. which comprise the balance sheet as of December 31, 2018, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Board of Directors

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lauderdale West Community Association No. 1, Inc. as of December 31, 2018, 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.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

*Guy Strum, P.A.*

Guy Strum, P.A.  
Plantation, FL  
February 1, 2019

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
BALANCE SHEET  
DECEMBER 31, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 1,775,325	\$ 900,929	\$ 2,676,254
Certificates of deposit	199,382	398,718	598,100
Accrued interest receivable	1,133	1,349	2,482
Maintenance assessments receivable, net of allowance for doubtful accounts of \$16,112	53,534	-	53,534
Other receivable - insurance proceeds	596,422	-	596,422
Prepaid expenses	226,795	-	226,795
Property and equipment, net of accumulated depreciation of \$2,293,709	1,890,023	-	1,890,023
Utility deposits	2,603	-	2,603
Interfund advances	(351,351)	351,351	-
	<u>\$ 4,393,866</u>	<u>\$ 1,652,347</u>	<u>\$ 6,046,213</u>

LIABILITIES AND FUND BALANCES

Accounts payable and accrued expenses	\$ 219,712	\$ -	\$ 219,712
Prepaid assessments	200,531	-	200,531
Deferred insurance proceeds	492,937	-	492,937
Escrow deposits	1,860	-	1,860
	915,040	-	915,040
Fund balances	<u>3,478,826</u>	<u>1,652,347</u>	<u>5,131,173</u>
	<u>\$ 4,393,866</u>	<u>\$ 1,652,347</u>	<u>\$ 6,046,213</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b>REVENUES:</b>			
Maintenance assessments	\$ 3,590,030	\$ 1,289,316	\$ 4,879,346
Interest income	7,229	20,423	27,652
Insurance proceeds	819,850	-	819,850
Other income	113,174	-	113,174
	<u>4,530,283</u>	<u>1,309,739</u>	<u>5,840,022</u>
<b>EXPENSES:</b>			
<b>Common Expenses:</b>			
Gas and oil	7,180	-	7,180
Water and sewer	30,409	-	30,409
Election expenses	2,531	-	2,531
Dumping	6,858	-	6,858
Electricity	95,875	-	95,875
Cable television	732,397	-	732,397
Elevator	4,420	-	4,420
Janitorial	132,300	-	132,300
Sprinklers	20,905	-	20,905
Lawn maintenance	356,000	-	356,000
Landscaping	10,895	-	10,895
Pest control	103,102	-	103,102
Lake and canal maintenance	5,040	-	5,040
Fire alarm	3,951	-	3,951
Television surveillance and security	12,153	-	12,153
Supplies and repair	35,292	-	35,292
Bulletin expense	31,045	-	31,045
Vehicle and bus repairs	4,206	-	4,206
Road and sidewalk repairs	14,783	-	14,783
Plumbing	8,189	-	8,189
Electrical	22,733	-	22,733
Pool	62,195	-	62,195
A/C repairs and maintenance	24,369	-	24,369
Movie and show expenses	64,215	-	64,215
Activities and athletics	6,253	-	6,253
Bookkeeping	69,765	-	69,765
Professional fees	75,729	-	75,729
Computer	23,044	-	23,044
Office	46,271	-	46,271
Telephone	28,440	-	28,440
Insurance	210,707	-	210,707
Licenses, permits and taxes	5,566	-	5,566
Payroll and related costs	351,873	-	351,873
Social	12,732	-	12,732
Capital items	109,998	-	109,998
Irrigation upgrade	232,577	-	232,577
Hurricane expenses	73,826	-	73,826
	<u>\$ 3,037,824</u>	<u>\$ -</u>	<u>\$ 3,037,824</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(CONTINUED)

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
Direct Expenses:			
Exterminating	\$ 23,516	\$ -	\$ 23,516
Repairs and maintenance	9,440	-	9,440
Hurricane	819,850	-	819,850
Roof repairs	263,629	-	263,629
Professional fees	16,869	-	16,869
Insurance	411,984	-	411,984
Credit reports	8,588	-	8,588
Replacement fund	-	2,052,012	2,052,012
	<u>1,553,876</u>	<u>2,052,012</u>	<u>3,605,888</u>
 EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	 (61,417)	 (742,273)	 (803,690)
 FUND BALANCES - JANUARY 1, 2018	 <u>3,540,243</u>	 <u>2,394,620</u>	 <u>5,934,863</u>
 FUND BALANCES - DECEMBER 31, 2018	 <u>\$ 3,478,826</u>	 <u>\$ 1,652,347</u>	 <u>\$ 5,131,173</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
Cash Flows from Operating Activities:			
Maintenance assessments collected	\$ 3,655,285	\$ 1,289,316	\$ 4,944,601
Interest income received	7,268	22,122	29,390
Other receipts	808,067	-	808,067
Cash paid for operating expenses	(4,097,829)	-	(4,097,829)
Cash paid for payroll and related expenses	(351,873)	-	(351,873)
Cash paid for replacement fund expenses	<u>-</u>	<u>(2,153,016)</u>	<u>(2,153,016)</u>
	-		
Net Cash Provided (Used) by Operating Activities	<u>20,918</u>	<u>(841,578)</u>	<u>(820,660)</u>
Cash Flows from Investing Activities:			
Purchase new vehicle	65,530	-	65,530
Sale of old vehicle	(85,559)	-	(85,559)
Net redemption (purchase) of certificates of deposit	<u>199,746</u>	<u>597,886</u>	<u>797,632</u>
Net Cash Provided (Used) by Investing Activities	<u>179,717</u>	<u>597,886</u>	<u>777,603</u>
Cash Flows from Financing Activities:			
Escrow deposits	(500)	-	(500)
Interfund advances	<u>309,985</u>	<u>(309,985)</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>309,485</u>	<u>(309,985)</u>	<u>(500)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	510,120	(553,677)	(43,557)
Cash and Cash Equivalents - January 1, 2018	<u>1,265,205</u>	<u>1,454,606</u>	<u>2,719,811</u>
Cash and Cash Equivalents - December 31, 2018	<u>\$ 1,775,325</u>	<u>\$ 900,929</u>	<u>\$ 2,676,254</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>RECONCILIATION OF EXCESS (DEFICIT) OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Excess (Deficit) of Revenues Over Expenses	\$ (61,417)	\$ (742,273)	\$ (803,690)
Adjustments to Reconcile Excess (Deficit) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:			
(Increase) Decrease in Assets:			
Accrued interest receivable	39	1,699	1,738
Maintenance assessments receivable	(6,126)	-	(6,126)
Other receivable	(593,422)	-	(593,422)
Prepaid expenses	12,180	-	12,180
Increase (Decrease) in Liabilities:			
Accounts payable and accrued expenses	129,818	(101,004)	28,814
Prepaid assessments	71,381	-	71,381
Deferred income	468,465	-	468,465
Total Adjustments	82,335	(99,305)	(16,970)
Net Cash Provided (Used) by Operating Activities	\$ 20,918	\$ (841,578)	\$ (820,660)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE A - NATURE OF ORGANIZATION

Lauderdale West Community Association No. 1, Inc. is a statutory condominium association incorporated in the State of Florida on October 30, 1972. The Association consists of both a homeowners association consisting of 815 single family homes and a condominium association consisting of 544 condominium units. The Association is responsible for the operation and maintenance of the common property and recreation facilities of the Lauderdale West Community located in Plantation, Florida.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Multi Condominium Statutory Reporting

The Association has elected, though not required, to report following rule 61B-22.006(4) of the Florida Administrative Code which requires multi condominium associations to present revenues, expenses and changes in fund balance for each condominium as well as the Association. The Association presents this information for the single family homes and the condominiums separately as well as combined into one reporting entity.

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

- |                    |   |
|--------------------|---|
| Operating Fund -   | This fund is used to account for financial resources available for the general operations of the Association. |
| Replacement Fund - | This fund is used to accumulate financial resources designated for future major repairs and replacements.     |

Interest Earned

The Board's policy is to allocate to the applicable fund interest earned on cash accounts.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Member Assessments

Association members are subject to monthly 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. The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are delinquent. Any excess assessments at year-end are retained by the Association for use in the succeeding year.

At December 31, 2018, the Association had delinquent assessments of \$69,646. It is the opinion of the Board of Directors that the Association will not ultimately prevail against some of these unit owners with delinquent assessments and, accordingly, an allowance for uncollectible accounts of \$16,112 is deemed necessary.

Allocation of Expenses

The Association allocates common maintenance, administrative and recreation expenses to the condominiums and the single family homes based on specific percentages. The condominiums are allocated 40% of these expenses and the single family homes are allocated 60%. Direct expenses are allocated to the entity that incurs the charge.

Income Taxes

The Association qualifies as a tax-exempt homeowners' association under Internal Revenue Code Section 528 for the year ended December 31, 2018. Under that Section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance, and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from nonmembers, is taxed at 30% by the federal government.

Under federal and state income tax laws, an entity's income tax returns are subject to examination by the applicable taxing authorities. The time period during which a return may be selected by a taxing authority for examination generally ends at the later of three years after the initial due date of the return or three years after the return is filed.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property, if any, 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 capitalizes personal property at cost and depreciates it using the straight-line method.

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.

Cash and Cash Equivalents

For purposes of these financial statements, the Association considers demand deposit accounts, savings accounts and certificate of deposits in highly liquid accounts to be cash equivalents.

Comprehensive Income

ASC 220 (formerly SFAS No. 130) requires "a full set of general-purpose financial statements to be expanded to include the reporting of comprehensive income." Comprehensive income is comprised of two components, net income and other comprehensive income. For the year ended December 31, 2018, there were no items that qualify as comprehensive income.

Fair Value of Financial Instruments

The carrying amounts of the Association's financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and long-term debt, approximate their fair values due to their short-term maturities.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounting for Uncertainty in Income Taxes

A loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized.

NOTE C – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents and Florida Statutes require that funds be accumulated for future major repairs and replacements of the common elements for the condominiums. Accumulated funds are to be held in separate accounts and are generally not available for expenditures for normal operations.

An independent study to determine the adequacy of the current funding program for the replacement of Association common elements has not been conducted. The Association is funding for future major repairs and replacements over the estimated remaining useful lives of the components of the replacement fund based on the Board of Directors' estimates of current replacement costs after considering amounts previously accumulated in the replacement fund.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may or may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association has the right to increase regular assessments, approve special assessments, or delay major repairs and replacements until funds are available.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2018

NOTE D – CONCENTRATIONS OF RISK

The Association maintains cash balances at several financial institutions. Cash accounts at these institutions are secured by the Federal Deposit Insurance Corporation up to \$250,000. Securities accounts are secured by the Securities Investor Protection Corporation up to \$500,000. At December 31, 2018, there were funds in excess of these limits.

NOTE E – INSURANCE DEDUCTIBLE

The property insurance policy covering the Association is subject to a deductible of 3% of the insured value for claims arising from wind and hailstorms. The Association is responsible for losses up to this amount. Single family homes are responsible for their own insurance.

NOTE F – PROPERTY, FURNITURE AND FIXTURES

Property, furniture and fixtures consist of the following at December 31, 2018:

		Estimated Useful Life <u>(In years)</u>
Land	\$ 1,782,662	N/A
Buildings	2,268,914	20-30
Motor vehicles	<u>132,156</u>	5-10
	4,183,732	
Less: Accumulated depreciation	<u>(2,293,709)</u>	
	<u>\$ 1,890,023</u>	

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE G – CABLE CONTRACT

The Association has entered a contract with a vendor granting them exclusive rights to install and operate equipment to provide bulk cable television services. The contract commences on the later of April 20, 2013 or the date 100% of the unit owners have had a chance to establish service and runs for seven years. Thereafter, the agreement shall extend for successive one year periods unless either party provides written notice of their intent not to renew at least 60 days prior to the end of the term. The initial cost of the contract will be \$33.95 per unit plus taxes and fees. After the first year, the fee may be increased “by an amount equal to no more than 4% annually, provided that fee may not exceed the retail price for services functionally equivalent to the bulk services”.

The Association also entered into a contract with a vendor to assist in marketing these services to new homeowners. As compensation for signing this contract, the Association received a per unit compensation of \$225 for a total of \$305,775. The right to receive this compensation terminates upon termination of the agreement and a refund will be due to the vendor based on the remaining term. Income will be recognized over the term of the contract beginning in 2013. The unearned portion of this income is reflected as deferred income on the accompanying balance sheet. The Association also paid a fee to another vendor for negotiating this contract. The fee was \$81,540. If the Association defaults on the agreement, a termination fee shall be due and calculated as follows: bulk monthly fee times 1,359 units times number of remaining months times 25%.

The Association is currently negotiating a new agreement for video services.

NOTE H –INSURANCE RECOVERY

The Association sustained damage as a result of Hurricane Irma on September 10, 2017. In 2018 the Association received \$716,365 from its insurance carrier to cover the costs. In 2019, the Association has received another \$596,422. During 2018, the Association spent \$819,850 repairing the damages. The remaining insurance proceeds have been recorded as deferred insurance proceeds on the accompanying financial statements until spent.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018

NOTE I - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date of this report. That date is the date the financial statements were available to be issued.



**SUPPLEMENTAL SCHEDULES AND  
SUPPLEMENTARY INFORMATION  
ON FUTURE MAJOR REPAIRS  
AND REPLACEMENTS**

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN OPERATING FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Total	Common	Condominiums	Single Family Homes
<b>REVENUES:</b>				
Maintenance assessments	\$ 3,590,030	\$ -	\$ 1,678,367	\$ 1,911,663
Interest income	7,229	7,229	-	-
Insurance proceeds	819,850	-	819,850	-
Other income	113,174	69,304	25,093	18,777
Allocation of common revenue	-	(76,533)	30,613	45,920
	<u>4,530,283</u>	<u>-</u>	<u>2,553,923</u>	<u>1,976,360</u>
<b>EXPENSES:</b>				
Common Expenses:				
Gas and oil	7,180	7,180	-	-
Water and sewer	30,409	30,409	-	-
Election expenses	2,531	2,531	-	-
Dumping	6,858	6,858	-	-
Electricity	95,875	95,875	-	-
Cable television	732,397	732,397	-	-
Elevator	4,420	4,420	-	-
Janitorial	132,300	132,300	-	-
Sprinklers	20,905	20,905	-	-
Lawn maintenance	356,000	356,000	-	-
Landscaping	10,895	10,895	-	-
Pest control	103,102	103,102	-	-
Lake and canal maintenance	5,040	5,040	-	-
Fire alarm	3,951	3,951	-	-
Television surveillance and security	12,153	12,153	-	-
Supplies and repairs	35,292	35,292	-	-
Bulletin expense	31,045	31,045	-	-
Vehicle and bus repairs	4,206	4,206	-	-
Road and sidewalk repairs	14,783	14,783	-	-
Plumbing	8,189	8,189	-	-
Electrical	22,733	22,733	-	-
Pool	62,195	62,195	-	-
A/C repairs and maintenance	24,369	24,369	-	-
Movie and show expenses	64,215	64,215	-	-
Activities and athletics	6,253	6,253	-	-
Bookkeeping	69,765	69,765	-	-
Professional fees	75,729	75,729	-	-
Computer	23,044	23,044	-	-
Office	46,271	46,271	-	-
Telephone	28,440	28,440	-	-
Insurance	210,707	210,707	-	-
Licenses, permits and taxes	5,566	5,566	-	-
Payroll and related costs	351,873	351,873	-	-
Social	12,732	12,732	-	-
Capital items	109,998	109,998	-	-
Irrigation upgrade	232,577	232,577	-	-
Hurricane expenses	73,826	73,826	-	-
Allocation of Association Expenses	-	(3,037,824)	1,215,130	1,822,694
	<u>\$ 3,037,824</u>	<u>\$ -</u>	<u>\$ 1,215,130</u>	<u>\$ 1,822,694</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN OPERATING FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(CONTINUED)

	<u>Total</u>	<u>Common</u>	<u>Condominiums</u>	<u>Single Family Homes</u>
Direct Expenses:				
Exterminating	\$ 23,516	\$ -	\$ 1,641	\$ 21,875
Repairs and maintenance	9,440	-	9,440	-
Hurricane	819,850	-	819,850	-
Roof repairs	263,629	-	197,067	66,562
Professional fees	16,869	-	-	16,869
Insurance	411,984	-	411,984	-
Credit reports	8,588	-	3,950	4,638
	<u>1,553,876</u>	<u>-</u>	<u>1,443,932</u>	<u>109,944</u>
 EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	 (61,417)	 -	 (105,139)	 43,722
 FUND BALANCES - JANUARY 1, 2018	 <u>3,540,243</u>	 <u>-</u>	 <u>1,549,303</u>	 <u>1,990,940</u>
 FUND BALANCES - DECEMBER 31, 2018	 <u>\$ 3,478,826</u>	 <u>\$ -</u>	 <u>\$ 1,444,164</u>	 <u>\$ 2,034,662</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO.1, INC.  
SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN REPLACEMENT FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2018

	Balance December 31, 2017	Assessments	Other	Interest	Expenses	Balance December 31, 2018
<b><u>Condominiums</u></b>						
<b><u>Common</u></b>						
Bus replacement	\$ 4,000	\$ 4,000	\$ -	\$ -	\$ -	\$ 8,000
Recreation area roofs	33,112	6,722	-	-	-	39,834
Recreation area A/C	26,740	4,876	-	-	-	31,616
Recreation center decorating	10,081	2,480	-	-	-	12,561
Road resurface	34,284	-	-	-	-	34,284
Sea wall	4,800	-	-	-	-	4,800
Sprinkler pumps	7,931	3,714	-	-	-	11,645
Resurface pool/spa	28,277	-	-	-	-	28,277
Hurricane	40,000	8,000	-	-	(48,000)	-
Satellite pool/spa	6,656	1,334	-	-	-	7,990
Main pool/spa	23,268	1,673	-	-	-	24,941
Satellite roof	4,041	570	-	-	-	4,611
Fire sprinkler	23,922	2,530	-	-	-	26,452
	<u>247,112</u>	<u>35,899</u>	<u>-</u>	<u>-</u>	<u>(48,000)</u>	<u>235,011</u>
<b><u>Direct</u></b>						
Roof replacement	714,572	69,200	-	-	(783,772)	-
Paint	-	50,900	-	-	(33,250)	17,650
Termite control	-	19,584	-	-	(19,584)	-
Plumbing	73,743	13,450	-	-	-	87,193
Quadplex inspections	3,455	3,500	-	-	(1,100)	5,855
Pave parking lot	26,110	13,446	-	-	-	39,556
Lawn grading	61,000	61,000	-	-	-	122,000
Interest	49,608	-	-	15,306	-	64,914
	<u>928,488</u>	<u>231,080</u>	<u>-</u>	<u>15,306</u>	<u>(837,706)</u>	<u>337,168</u>
<b>Condominium totals</b>	<b>\$ 1,175,600</b>	<b>\$ 266,979</b>	<b>\$ -</b>	<b>\$ 15,306</b>	<b>\$ (885,706)</b>	<b>\$ 572,179</b>
<b><u>Single Family Homes</u></b>						
<b><u>Common</u></b>						
Bus replacement	\$ 6,000	\$ 6,100	\$ -	\$ -	\$ -	\$ 12,100
Recreation area roofs	49,900	10,570	-	-	-	60,470
Recreation area A/C	40,291	7,285	-	-	-	47,576
Recreation center decorating	15,112	3,722	-	-	-	18,834
Road resurface	51,429	-	-	-	-	51,429
Sea wall	5,989	6,012	-	-	-	12,001
Sprinkler pumps	11,892	5,571	-	-	-	17,463
Resurface pool/spa	42,134	-	-	-	-	42,134
Hurricane	60,000	12,000	-	-	-	72,000
Satellite pool/spa	9,985	2,001	-	-	-	11,986
Main pool/spa	34,900	2,510	-	-	-	37,410
Satellite roof	2,989	1,073	-	-	-	4,062
Fire sprinkler	35,926	3,793	-	-	-	39,719
	<u>366,547</u>	<u>60,637</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,184</u>
<b><u>Direct</u></b>						
Roof replacement	636,150	765,000	-	-	(981,574)	419,576
Paint	79,799	181,700	-	-	(169,732)	91,767
Termite control	-	15,000	-	-	(15,000)	-
Interest	136,524	-	-	5,117	-	141,641
	<u>852,473</u>	<u>961,700</u>	<u>-</u>	<u>5,117</u>	<u>(1,166,306)</u>	<u>652,984</u>
<b>Single family homes totals</b>	<b>1,219,020</b>	<b>1,022,337</b>	<b>-</b>	<b>5,117</b>	<b>(1,166,306)</b>	<b>1,080,168</b>
<b>Grand Totals</b>	<b>\$ 2,394,620</b>	<b>\$ 1,289,316</b>	<b>\$ -</b>	<b>\$ 20,423</b>	<b>\$ (2,052,012)</b>	<b>\$ 1,652,347</b>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR  
REPAIRS AND REPLACEMENTS  
UNAUDITED  
DECEMBER 31, 2018

The Board of Directors and management have estimated the remaining useful lives and the replacement costs of the components of common property. The following table is based on these estimates and presents significant information about the components of common property.

	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/18	2019 Funding per Budget	2019 Full Funding	
<b><u>Condominiums</u></b>						
<b><u>Common - 40%</u></b>						
Bus replacement	9	\$ 28,000	\$ 8,000	\$ 2,222	\$ 2,222	
Fire sprinkler	19	72,000	26,452	2,397	2,397	
Hurricane	30	480,000	-	14,400	16,000	
Main pool/spa	10	40,000	24,941	1,506	1,506	
Maintenance roof	25	20,000	-	800	800	
Satellite pool/spa	10	20,000	7,990	1,201	1,201	
Rec center decoration	4	20,000	12,561	1,860	1,860	
Rec area A/C	6	56,000	31,616	4,064	4,064	
Rec area roofs	4	60,000	39,834	5,041	5,041	
Resurface pool/spa	6	24,590	28,277	-	-	
Road resurface	6	60,000	34,284	-	4,286	
Satellite roof	14	12,000	4,611	857	528	
Sea wall	1	8,000	4,800	-	3,200	
Sprinkler pumps	6	26,000	11,645	3,714	2,393	
		<u>926,590</u>	<u>235,011</u>	<u>38,062</u>	<u>45,498</u>	
<b><u>Direct - 100%</u></b>						
Lawn grading	-	-	122,000	61,000	-	*
Paint	Various	378,000	17,650	54,000	-	*
Pave parking lot	2	40,000	39,556	13,444	222	
Plumbing	2	100,000	87,193	13,450	6,404	
Quadplex inspection	10	35,000	5,855	3,500	2,915	
Interest	N/A	N/A	64,914	N/A	N/A	
Roof replacement	Various	2,431,000	-	69,200	-	*
Termite control	Various	-	-	19,584	-	*
		<u>2,984,000</u>	<u>337,168</u>	<u>234,178</u>	<u>9,541</u>	
<b><u>Condominium totals</u></b>		<u>\$ 3,910,590</u>	<u>\$ 572,179</u>	<u>\$ 272,240</u>	<u>\$ 55,039</u>	

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.  
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR  
REPAIRS AND REPLACEMENTS  
UNAUDITED  
DECEMBER 31, 2018  
(CONTINUED)

	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Components of Fund Balance at 12/31/18	2019 Funding per Budget	2019 Full Funding
<b>Single Family Homes</b>					
<u>Common - 60%</u>					
Bus replacement	9	\$ 42,000	\$ 12,100	\$ 3,422	\$ 3,322
Fire sprinkler	19	108,000	39,719	3,594	3,594
Hurricane	30	720,000	72,000	21,600	21,600
Main pool/spa	10	60,000	37,410	2,259	2,259
Maintenance roof	25	30,000	-	1,200	1,200
Satellite pool/spa	10	30,000	11,986	1,801	1,801
Rec center decoration	4	30,000	18,834	2,791	2,791
Rec area roofs	4	90,000	60,470	7,383	7,383
Rec area A/C	6	84,000	47,576	6,071	6,071
Resurface pool/spa	5	36,886	42,134	-	-
Road resurface	6	45,000	51,429	-	-
Satellite roof	14	18,000	4,062	1,286	996
Sea wall	1	12,000	12,001	-	-
Sprinkler pumps	6	39,000	17,463	5,571	3,590
		<u>1,344,886</u>	<u>427,184</u>	<u>56,978</u>	<u>54,607</u>
<u>Direct - 100%</u>					
Paint	Various	1,295,000	91,767	185,000	- *
Interest	N/A	N/A	141,641	N/A	N/A
Roof replacement	Various	16,137,000	419,576	765,000	- *
Termite control	Various	N/A	-	40,000	- *
		<u>17,432,000</u>	<u>652,984</u>	<u>990,000</u>	<u>-</u>
<u>Single family homes totals</u>		<u>18,776,886</u>	<u>1,080,168</u>	<u>1,046,978</u>	<u>54,607</u>
<b>Grand totals</b>		<u>\$ 22,687,476</u>	<u>\$ 1,652,347</u>	<u>\$ 1,319,218</u>	<u>\$ 109,646</u>

\* Not enough information provided on budget to calculate