

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2019



LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
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December 31, 2019

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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, 2019, 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, 2019, 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

March 1, 2020

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
BALANCE SHEET
DECEMBER 31, 2019

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 3,613,572	\$ 1,326,944	\$ 4,940,516
Maintenance assessments receivable, net of allowance for doubtful accounts of \$17,000	31,674	-	31,674
Other receivable - cable television contract	203,850	-	203,850
Prepaid expenses	232,796	-	232,796
Property and equipment, net of accumulated depreciation of \$2,293,709	1,782,661	-	1,782,661
Utility deposits	2,603	-	2,603
	<u>\$ 5,867,156</u>	<u>\$ 1,326,944</u>	<u>\$ 7,194,100</u>

LIABILITIES AND FUND BALANCES

Accounts payable and accrued expenses	\$ 398,919	\$ -	\$ 398,919
Prepaid assessments	179,802	-	179,802
Contract liabilities (assessments received in advance)	-	1,125,940	1,125,940
Deferred insurance proceeds	1,354,091	-	1,354,091
Escrow deposits	500	-	500
	<u>1,933,312</u>	<u>1,125,940</u>	<u>3,059,252</u>
Fund balances	<u>3,933,844</u>	<u>201,004</u>	<u>4,134,848</u>
	<u>\$ 5,867,156</u>	<u>\$ 1,326,944</u>	<u>\$ 7,194,100</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, 2019

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES:			
Maintenance assessments	\$ 3,697,093	\$ 1,639,070	\$ 5,336,163
Bad debt - per budget	(2,500)	-	(2,500)
	<u>3,694,593</u>	<u>1,639,070</u>	<u>5,333,663</u>
Interest income	6,980	10,223	17,203
Insurance proceeds	1,553,446	-	1,553,446
Other income	440,401	-	440,401
	<u>5,695,420</u>	<u>1,649,293</u>	<u>7,344,713</u>
EXPENSES:			
Common Expenses:			
Gas and oil	6,185	-	6,185
Water and sewer	26,658	-	26,658
Election expenses	2,156	-	2,156
Dumping	8,233	-	8,233
Electricity	93,122	-	93,122
Cable television	749,361	-	749,361
Elevator	5,483	-	5,483
Janitorial	127,688	-	127,688
Sprinklers	121,709	-	121,709
Lawn maintenance	336,423	-	336,423
Landscaping	81,207	-	81,207
Pest control	167,840	-	167,840
Lake and canal maintenance	5,040	-	5,040
Fire alarm	11,820	-	11,820
Television surveillance and security	4,211	-	4,211
Supplies and repair	116,895	-	116,895
Bulletin expense	38,027	-	38,027
Vehicle and bus repairs	4,950	-	4,950
Plumbing	4,545	-	4,545
Electrical	13,990	-	13,990
Pool	48,041	-	48,041
A/C repairs and maintenance	8,640	-	8,640
Movie and show expenses	42,412	-	42,412
Activities and athletics	7,006	-	7,006
Bookkeeping	72,366	-	72,366
Professional fees	81,037	-	81,037
Computer	24,711	-	24,711
Office	58,492	-	58,492
Telephone	15,231	-	15,231
Insurance	156,647	-	156,647
Licenses, permits and taxes	6,105	-	6,105
Payroll and related costs	362,679	-	362,679
Social	15,825	-	15,825
Capital items	53,478	-	53,478
Irrigation upgrade	36,190	-	36,190
Hurricane expenses	1,576,261	-	1,576,261
	<u>\$ 4,490,664</u>	<u>\$ -</u>	<u>\$ 4,490,664</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, 2019
(CONTINUED)

	OPERATING FUND	REPLACEMENT FUND	TOTAL
Direct Expenses:			
Exterminating	\$ 975	\$ -	\$ 975
Repairs and maintenance	33,815	-	33,815
Roof repairs	216,875	-	216,875
Insurance	480,483	-	480,483
Filing fees	2,176	-	2,176
Bad debt	7,943	-	7,943
Credit reports	7,471	-	7,471
Replacement fund	-	1,654,844	1,654,844
	749,738	1,654,844	2,404,582
 EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	 455,018	 (5,551)	 449,467
 FUND BALANCES - JANUARY 1, 2019	 <u>3,478,826</u>	 <u>206,555</u>	 <u>3,685,381</u>
 FUND BALANCES - DECEMBER 31, 2019	 <u>\$ 3,933,844</u>	 <u>\$ 201,004</u>	 <u>\$ 4,134,848</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, 2019

	OPERATING FUND	REPLACEMENT FUND	TOTAL
Cash Flows from Operating Activities:			
Maintenance assessments collected	\$ 3,695,724	\$ 1,319,218	\$ 5,014,942
Interest income received	8,113	11,571	19,684
Other receipts	1,694,127	-	1,694,127
Cash paid for operating expenses	(3,151,071)	-	(3,151,071)
Cash paid for payroll and related expenses	(362,679)	-	(362,679)
Cash paid for replacement fund expenses	-	(1,654,843)	(1,654,843)
	-	-	-
Net Cash Provided (Used) by Operating Activities	1,884,214	(324,054)	1,560,160
Cash Flows from Investing Activities:			
Sale of old vehicle	107,362	-	107,362
Net redemption (purchase) of certificates of deposit	199,382	398,718	598,100
Net Cash Provided (Used) by Investing Activities	306,744	398,718	705,462
Cash Flows from Financing Activities:			
Escrow deposits	(1,360)	-	(1,360)
Interfund advances	(351,351)	351,351	-
Net Cash Provided (Used) by Financing Activities	(352,711)	351,351	(1,360)
Net Increase (Decrease) in Cash and Cash Equivalents	1,838,247	426,015	2,264,262
Cash and Cash Equivalents - January 1, 2019	1,775,325	900,929	2,676,254
Cash and Cash Equivalents - December 31, 2019	\$ 3,613,572	\$ 1,326,944	\$ 4,940,516

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, 2019

	OPERATING FUND	REPLACEMENT FUND	TOTAL
RECONCILIATION OF EXCESS (DEFICIT) OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Excess (Deficit) of Revenues Over Expenses	\$ 455,018	\$ (5,551)	\$ 449,467
Adjustments to Reconcile Excess (Deficit) of Revenues Over Expenses to Net Cash Provided (Used) by Operating Activities:			
(Increase) Decrease in Assets:			
Accrued interest receivable	1,133	1,349	2,482
Maintenance assessments receivable	21,860	-	21,860
Other receivable	392,572	-	392,572
Prepaid expenses	(6,001)	-	(6,001)
Increase (Decrease) in Liabilities:			
Accounts payable and accrued expenses	179,207	-	179,207
Prepaid assessments	(20,729)	-	(20,729)
Contract liabilities (assessments received in advance)	-	(319,852)	(319,852)
Deferred income	861,154	-	861,154
Total Adjustments	1,429,196	(318,503)	1,110,693
Net Cash Provided (Used) by Operating Activities	\$ 1,884,214	\$ (324,054)	\$ 1,560,160

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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 815 single family homes and 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, 2019

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, 2019. 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.

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.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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, 2019, 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.

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.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected.

The Association's performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are sixty days or more delinquent. Any excess assessments at year end are retained by the Association for use in the succeeding year. It is the opinion of the Board of Directors that the Association will not ultimately prevail against some homeowners with delinquent assessments and, accordingly, an allowance for uncollectible accounts in the amount of \$17,000 is deemed necessary.

The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control. The balances of assessments receivable as of the beginning and end of the year are approximately \$49,000 and \$70,000 respectively.

Contract Liabilities (Assessments received in advance)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) is (are) recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The balances of contract liabilities (assessments received in advance-replacement fund) as of the beginning and end of the year are \$0 and \$1,125,940, respectively.

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.

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

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.

NOTE D - FASB ASC 606 – NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, Real Estate-Common Interest Realty Associations, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an association expects to be entitled in exchange for those goods or services.

The Association adopted the requirements of new guidance as of January 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenue and contract liabilities related to the replacement fund, as previously described.

The modified retrospective method of transition requires us to disclose the effect of applying the new guidance on each item included in our 2019 financial statements. Following are the line items from our balance sheet as of December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<u>Liabilities:</u>			
Contract liabilities (assessments received in advance)	\$ -	\$ 1,125,940	\$ 1,125,940
Total liabilities	<u>\$ -</u>	<u>\$ 1,125,940</u>	<u>\$ 1,125,940</u>
<u>Fund Balance:</u>			
Ending fund balance (deficit)	<u>\$ 5,260,788</u>	<u>\$ (1,125,940)</u>	<u>\$ 4,134,848</u>

The following are the line items from the statement of revenues, expenses, and changes in fund balances and the statement of cash flows for the year ended December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance:

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<u>Revenue:</u>			
Regular assessments	\$ 5,013,811	\$ 319,852	\$ 5,333,663
Excess (deficit) of revenues over expenses	129,615	319,852	449,467
<u>Cash Flow:</u>			
Excess (deficit) of revenues over expenses	129,615	319,852	449,467
Increase in contract liabilities - (assessments received in advance)	\$ -	\$ (319,852)	\$ (319,852)

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE E – 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, 2019, there were funds in excess of these limits.

NOTE F – INSURANCE DEDUCTIBLE

The property insurance policy covering the Association is subject to a deductible of 2% 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 G – PROPERTY, FURNITURE AND FIXTURES

Property, furniture and fixtures consist of the following at December 31, 2019:

		Estimated Useful Life (In years)
Land	\$ 1,782,662	N/A
Buildings	2,268,914	20-30
Motor vehicles	<u>24,794</u>	5-10
	4,076,370	
Less: Accumulated depreciation	<u>(2,293,709)</u>	
	<u>\$ 1,782,661</u>	

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE H – CABLE CONTRACT

On May 16, 2019, the Association entered a contract with a vendor to provide cable television, high speed internet and digital phone services to the units on a bulk and retail rate. The term of the agreement is for nine years and automatically renews for one year unless intent not to renew is sent 90 days prior to the end of the term.

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 \$407,700.

NOTE I – 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. 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. During 2019, the Association received another \$3,011,022 and spent \$1,553,446.

NOTE J - 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, 2019

	Total	Common	Condominiums	Single Family Homes
REVENUES:				
Maintenance assessments	\$ 3,697,093	\$ -	\$ 1,712,271	\$ 1,984,822
Bad debt - per budget	(2,500)	-	-	(2,500)
	3,694,593	-	1,712,271	1,982,322
Interest income	6,980	6,980	-	-
Insurance proceeds	1,553,446	1,553,446	-	-
Other income	440,401	400,010	16,354	24,037
Allocation of common revenue	-	(1,960,436)	784,174	1,176,262
	5,695,420	-	2,512,799	3,182,621
EXPENSES:				
Common Expenses:				
Gas and oil	6,185	6,185	-	-
Water and sewer	26,658	26,658	-	-
Election expenses	2,156	2,156	-	-
Dumping	8,233	8,233	-	-
Electricity	93,122	93,122	-	-
Cable television	749,361	749,361	-	-
Elevator	5,483	5,483	-	-
Janitorial	127,688	127,688	-	-
Sprinklers	121,709	121,709	-	-
Lawn maintenance	336,423	336,423	-	-
Landscaping	81,207	81,207	-	-
Pest control	167,840	167,840	-	-
Lake and canal maintenance	5,040	5,040	-	-
Fire alarm	11,820	11,820	-	-
Television surveillance and security	4,211	4,211	-	-
Supplies and repairs	116,895	116,895	-	-
Bulletin expense	38,027	38,027	-	-
Vehicle and bus repairs	4,950	4,950	-	-
Plumbing	4,545	4,545	-	-
Electrical	13,990	13,990	-	-
Pool	48,041	48,041	-	-
A/C repairs and maintenance	8,640	8,640	-	-
Movie and show expenses	42,412	42,412	-	-
Activities and athletics	7,006	7,006	-	-
Bookkeeping	72,366	72,366	-	-
Professional fees	81,037	81,037	-	-
Computer	24,711	24,711	-	-
Office	58,492	58,492	-	-
Telephone	15,231	15,231	-	-
Insurance	156,647	156,647	-	-
Licenses, permits and taxes	6,105	6,105	-	-
Payroll and related costs	362,679	362,679	-	-
Social	15,825	15,825	-	-
Capital items	53,478	53,478	-	-
Irrigation upgrade	36,190	36,190	-	-
Hurricane expenses	1,576,261	1,576,261	-	-
Allocation of Association Expenses	-	(4,490,664)	1,796,266	2,694,398
	\$ 4,490,664	\$ -	\$ 1,796,266	\$ 2,694,398

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, 2019
(CONTINUED)

	<u>Total</u>	<u>Common</u>	<u>Condominiums</u>	<u>Single Family Homes</u>
Direct Expenses:				
Exterminating	\$ 975	\$ -	\$ 690	\$ 285
Repairs and maintenance	33,815	-	3,340	30,475
Roof repairs	216,875	-	101,111	115,764
Insurance	480,483	-	480,483	-
Filing fees	2,176	-	2,176	-
Bad debt	7,943	-	-	7,943
Credit reports	7,471	-	3,132	4,339
	<u>749,738</u>	<u>-</u>	<u>590,932</u>	<u>158,806</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	455,018	-	125,601	329,417
FUND BALANCES - JANUARY 1, 2019	<u>3,478,826</u>	<u>-</u>	<u>1,444,164</u>	<u>2,034,662</u>
FUND BALANCES - DECEMBER 31, 2019	<u>\$ 3,933,844</u>	<u>\$ -</u>	<u>\$ 1,569,765</u>	<u>\$ 2,364,079</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
SCHEDULES OF REPLACEMENT FUND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2019

	Balance January 1, 2019	Assessments	Interest	Expenses	Balance December 31, 2019
<u>Condominiums</u>					
<u>Common</u>					
Bus replacement	\$ 8,000	\$ 2,222	\$ -	\$ (10,012)	\$ 210
Recreation area roofs	39,834	5,041	-	-	44,875
Recreation area A/C	31,616	4,064	-	-	35,680
Recreation center decorating	12,561	1,860	-	(14,421)	-
Road resurface	34,284	-	-	(34,284)	-
Sea wall	4,800	-	-	-	4,800
Sprinkler pumps	11,645	3,714	-	-	15,359
Resurface pool/spa	28,277	-	-	-	28,277
Hurricane	-	14,400	-	-	14,400
Satellite pool/spa	7,990	1,201	-	-	9,191
Main pool/spa	24,941	1,506	-	-	26,447
Maintenance - roof	-	800	-	-	800
Satellite roof	4,611	857	-	-	5,468
Fire sprinkler	26,452	2,397	-	-	28,849
	<u>235,011</u>	<u>38,062</u>	<u>-</u>	<u>(58,717)</u>	<u>214,356</u>
<u>Direct</u>					
Roof replacement	-	69,200	-	(69,200)	-
Paint	17,650	54,000	-	(55,825)	15,825
Termite control	-	19,584	-	(11,175)	8,409
Plumbing	87,193	13,450	-	-	100,643
Quadplex inspections	5,855	3,500	-	-	9,355
Pave parking lot	39,556	13,444	-	-	53,000
Lawn grading	122,000	61,000	-	-	183,000
Interest	64,914	-	8,090	(6,308)	66,696
	<u>337,168</u>	<u>234,178</u>	<u>8,090</u>	<u>(142,508)</u>	<u>436,928</u>
<u>Condominium totals</u>	\$ 572,179	\$ 272,240	\$ 8,090	\$ (201,225)	\$ 651,284
<u>Single Family Homes</u>					
<u>Common</u>					
Bus replacement	\$ 12,100	\$ 3,422	\$ -	\$ (12,018)	\$ 3,504
Recreation area roofs	60,470	7,383	-	-	67,853
Recreation area A/C	47,576	6,071	-	-	53,647
Recreation center decorating	18,834	2,791	-	(21,625)	-
Road resurface	51,429	-	-	(51,429)	-
Sea wall	12,001	-	-	-	12,001
Sprinkler pumps	17,463	5,571	-	-	23,034
Resurface pool/spa	42,134	-	-	-	42,134
Hurricane	72,000	21,600	-	-	93,600
Satellite pool/spa	11,986	1,801	-	-	13,787
Main pool/spa	37,410	2,259	-	-	39,669
Maintenance - roof	-	1,200	-	-	1,200
Satellite roof	4,062	1,286	-	-	5,348
Fire sprinkler	39,719	3,594	-	-	43,313
	<u>427,184</u>	<u>56,978</u>	<u>-</u>	<u>(85,072)</u>	<u>399,090</u>
<u>Direct</u>					
Roof replacement	419,576	765,000	-	(1,184,576)	-
Paint	91,767	185,000	-	(140,500)	136,267
Termite control	-	40,000	-	(34,005)	5,995
Interest	141,641	-	2,133	(9,466)	134,308
	<u>652,984</u>	<u>990,000</u>	<u>2,133</u>	<u>(1,368,547)</u>	<u>276,570</u>
<u>Single family homes totals</u>	1,080,168	1,046,978	2,133	(1,453,619)	675,660
<u>Grand Totals</u>	\$ 1,652,347	\$ 1,319,218	\$ 10,223	\$ (1,654,844)	\$ 1,326,944

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, 2019

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	Reserve Balances at 12/31/19	2020 Funding per Budget
<u>Condominiums</u>				
<u>Common - 40%</u>				
Bus replacement	9	\$ 36,000	\$ 210	\$ 3,977
Fire sprinkler	18	72,000	28,849	2,397
Hurricane	29	480,000	14,400	16,055
Main pool/spa	9	40,000	26,447	1,506
Maintenance roof	24	20,000	800	800
Satellite pool/spa	9	20,000	9,191	1,201
Rec center decoration	3	20,000	-	5,588
Rec area A/C	5	56,000	35,680	4,064
Rec area roofs	3	60,000	44,875	5,041
Resurface pool/spa	5	24,590	28,277	-
Road resurface	5	60,000	-	5,143
Satellite roof	13	12,000	5,468	502
Sea wall	1	8,000	4,800	3,191
Sprinkler pumps	5	26,000	15,359	2,128
		934,590	214,356	51,593
<u>Direct - 100%</u>				
Lawn grading	-	-	183,000	61,000 *
Paint	Various	378,000	15,825	36,217 *
Pave parking lot	2	120,000	53,000	33,500
Plumbing	2	100,000	100,643	-
Quadplex inspection	10	26,000	9,355	2,081
Interest	N/A	N/A	66,696	N/A
Roof replacement	Various	2,431,000	-	81,033 *
Termite control	Various	-	8,409	19,584 *
		3,055,000	436,928	233,415
<u>Condominium totals</u>		\$ 3,989,590	\$ 651,284	\$ 285,008

LAUDERDALE WEST COMMUNITY ASSOCIATION NO. 1, INC.
 SUPPLEMENTARY INFORMATION ON FUTURE MAJOR
 REPAIRS AND REPLACEMENTS
 UNAUDITED
 DECEMBER 31, 2019
 (CONTINUED)

	Estimated Remaining Useful Life (in years)	Estimated Replacement Cost	Reserve Balances at 12/31/19	2020 Funding per Budget
Single Family Homes				
<u>Common - 60%</u>				
Bus replacement	9	\$ 54,000	\$ 3,504	\$ 5,611
Fire sprinkler	18	108,000	43,313	3,594
Hurricane	29	720,000	93,600	21,600
Main pool/spa	9	60,000	39,669	2,259
Maintenance roof	24	30,000	1,200	1,200
Satellite pool/spa	9	30,000	13,787	1,801
Rec center decoration	3	30,000	-	8,384
Rec area roofs	3	90,000	67,853	7,382
Rec area A/C	5	84,000	53,647	6,070
Resurface pool/spa	4	36,886	42,134	-
Road resurface	5	45,000	-	7,714
Satellite roof	13	18,000	5,348	973
Sea wall	1	12,000	12,001	-
Sprinkler pumps	5	39,000	23,034	3,193
		1,356,886	399,090	69,781
<u>Direct - 100%</u>				
Paint	Various	405,558	136,267	57,937 *
Interest	N/A	N/A	134,308	N/A
Roof replacement	Various	16,137,000	-	919,260 *
Termite control	Various	N/A	5,995	-
		16,542,558	276,570	977,197
<u>Single family homes totals</u>		17,899,444	675,660	1,046,978
Grand totals		\$ 21,889,034	\$ 1,326,944	\$ 1,331,986

* Not enough information provided on budget to calculate