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**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**INDEPENDENT AUDITOR'S REPORT**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Las Vistas in Inverrary Condominium Association, Inc.  
Lauderhill, Florida

### Opinion

We have audited the accompanying financial statements of Las Vistas in Inverrary Condominium Association, Inc., which comprise the balance sheet as of December 31, 2023 and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Las Vistas in Inverrary Condominium Association, Inc. as of December 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Las Vistas in Inverrary Condominium Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Vistas in Inverrary Condominium Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Las Vistas in Inverrary Condominium Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Las Vistas in Inverrary Condominium Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses on pages 13 to 14 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 our 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 of common property on page 12 to be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

  
DAVE V. JOHN, LLC

Tamarac, Florida  
June 21, 2024

**LAS VISTAS INVERRARY CONDOMINIUM ASSOCIATION, INC.**

**BALANCE SHEET  
DECEMBER 31, 2023**

	<u>OPERATING</u> <u>FUND</u>	<u>RESERVE</u> <u>FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 109,810	\$ 242,799	\$ 352,609
Cash - restricted	247,245	-	247,245
Assessment receivable, net of bad debt allowance of \$62,867	223,353	-	223,353
Prepaid expense	788,492	-	788,492
Due from reserve fund		-	-
Property and equipment, net	727	-	727
Due/to/from funds	<u>28,024</u>	<u>(28,024)</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>1,397,652</u>	<u>214,775</u>	<u>1,612,426</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 20,127	\$ -	\$ 20,127
Deposit payable	353,195	-	353,195
Insurance payable	788,492	-	788,492
Loan payable	-	197,025	197,025
Deferred revenue	16,483	-	16,483
Contract liabilities (assessments received in advance- replacement fund)	<u>-</u>	<u>17,750</u>	<u>17,750</u>
<b>TOTAL LIABILITIES</b>	<u>1,178,297</u>	<u>214,775</u>	<u>1,393,072</u>
Contingencies	-	-	-
Fund balances (deficit)	219,354	-	219,354
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,397,652</u>	<u>\$ 214,775</u>	<u>\$ 1,612,426</u>

The accompanying notes are an integral part of these financial statements

**LAS VISTAS INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR BEGINNING JANUARY 1, 2023 TO THE YEAR ENDED DECEMBER 31, 2023**

	<b>OPERATING FUND</b>	<b>RESERVE FUND</b>	<b>TOTAL</b>
<b>REVENUES:</b>			
Maintenance fees	\$ 2,447,929	\$ 1,367,760	\$ 3,815,689
Special assessment income	-	3,596	3,596
Pass thru income	367,212	-	367,212
Other income	47,439	-	47,439
Estoppel fees	12,810	-	12,810
Insurance reimbursement	2,700	-	2,700
Interest income	2	4	6
<b>TOTAL REVENUES</b>	<u>2,878,092</u>	<u>1,371,360</u>	<u>4,249,452</u>
<b>EXPENSES</b>			
General and administrative	2,041,982	-	2,041,982
Repair and maintenance	452,118	1,371,360	1,823,478
Pass thru expense	407,360	-	407,360
Pool expense	68,389	-	68,389
Landscaping expense	63,905	-	63,905
Office expense	39,176	-	39,176
Recreation building expense	17,892	-	17,892
Apartment expense	14,093	-	14,093
Other expense	631	-	631
<b>TOTAL EXPENSES</b>	<u>3,105,546</u>	<u>1,371,360</u>	<u>4,476,906</u>
<b>EXCESS REVENUES (UNDER)/OVER</b>			
<b>EXPENSES</b>	(227,454)	-	(227,454)
<b>FUND BALANCES - BEGINNING</b>	446,408	-	446,408
Prior period adjustment	400	-	400
<b>FUND BALANCES - ENDING</b>	<u>\$ 219,354</u>	<u>\$ -</u>	<u>\$ 219,354</u>

The accompanying notes are an integral part of these financial statements

**LAS VISTAS INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
FOR THE YEAR BEGINNING JANUARY 1, 2023 TO THE YEAR ENDED DECEMBER 31, 2023

	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of revenues(under)/over expenses	\$ (227,454)	\$ -	\$ (227,454)
Adjustment to reconcile net income (Loss) to			
Net Cash Used in Operating Activities:			
Depreciation Expense	909	-	909
Prior period adjustment	400	-	400
(Increase) decrease in:			
Assessment receivable	(44,653)	-	(44,653)
Prepaid insurance	(73,706)	-	(73,706)
Due to/from funds	(28,024)	28,024	-
(Decrease) increase in:			
Account payable	(5,835)	-	(5,835)
Other liabilities	-	-	-
Deposit payable	59,737	-	59,737
Insurance payable	123,692	-	123,692
Deferred revenue	(1)	-	(1)
Contract liabilities (assessments received in advance-replacement fund	-	(369,776)	(369,776)
Net Cash Provided (Used) by Operating Activities	<u>(194,935)</u>	<u>(341,752)</u>	<u>(536,687)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Due to/from reserve fund	134,162	(134,162)	-
Loan payable	-	197,026	197,026
Net Cash Provided (Used) by Financing Activities	<u>134,162</u>	<u>62,864</u>	<u>197,026</u>
 Decrease in Cash and cash equivalent	 (60,773)	 (278,888)	 (339,661)
Cash and cash equivalents, beginning of year	417,828	521,687	939,515
Cash and cash equivalents, end of year	<u>\$ 357,055</u>	<u>\$ 242,799</u>	<u>\$ 599,854</u>
 <u>Supplementary Cash Flow Disclosure Information</u>			
Interest expense	\$ 10,314	\$ -	\$ 10,314

The accompanying notes are an integral part of these financial statements



**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 – NATURE OF ORGANIZATION**

Las Vistas in Inverrary Condominium Association, Inc. (the Association) is a condominium association incorporated under the laws of the State of Florida for the purposes of maintaining and preserving its common property. The Association consists of 431 residential units located in Lauderhill, Florida.

Unit owners of the Association are also members of the Inverrary Association, Inc. (the Master Association), incorporated in 1971 as a Florida not-for-profit corporation, and pursuant to the Declaration of Protective covenants record in Broward County public records. The Master Association is responsible for maintenance and preservation of the architectural amenities, landscape and all other areas surrounding the condominiums. The Association's budget includes assessments to the members of the Association for the Master Association fees, and such fees are included in the accompanying statement of revenues and expenses and changes in fund balances.

**NOTE 2 – DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 21, 2024, the date that the financial statements were available to be issued.

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Las Vistas in Inverrary Condominium Association, Inc. are presented to assist in the understanding of the Association's financial position and operations. The financial statements and notes are representations of the Association management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Basis of Accounting**

The Association prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Financial statements are recorded at historical cost and consequently do not necessarily represent current values.

# **LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

#### **Fund Accounting**

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors. Disbursements from the replacement fund are generally made only for designated purposes. 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 regular, recurring costs of operations. Disbursements from this fund are limited to those connected with the day-to-day operations and are generally at the discretion of the Board of Directors.

**RESERVE FUND** – This fund is used to accumulate financial resources designated for future major repairs and replacements. Disbursements from this fund may be made only for their designated purposes.

**SPECIAL ASSESSMENT** – This fund is used to accumulate financial resources designated for future major repairs and replacements. Disbursements from this fund may be made only for their designated purposes.

#### **Maintenance Assessments**

Association members are subject to monthly assessments to provide funds for the Association's operating expenses. Maintenance receivable at the balance sheet date represents fees due from unit owners. The Association's policy is to place liens on the property of unit owners. Any excess assessments at year-end are retained by the Association for use in future years.

#### **Reserve Assessments**

Association members are subject to monthly reserve assessments to provide funds for future major repairs and replacements.

#### **Cash and Cash equivalents**

The Association considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

#### **Reserve Fund Interest**

Interest earned in the reserve account is retained in the respective reserve account.

# **LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

#### **Credit Risk**

Financial instruments, which potentially subject the Association to concentrations of credit risk, consist principally of cash and cash equivalents and assessments receivable. The Association tries to limit the amount of its credit exposure by placing its cash and cash equivalents with high quality financial institutions. Additionally, the Association tries to limit its deposits at each bank to \$250,000, the amount insured by the Federal Deposit Insurance Corporation.

The Association places its cash with a high credit quality financial institution and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

#### **Fair Value of Financial Instruments**

The financial position of the Association at December 31, 2023 includes certain financial instruments that may have a fair value that is different from the value currently reflected on the financial statements. In reviewing the financial instruments of the Association, certain assumptions and methods were used to determine the fair value of each category of financial instruments for which it is practicable to estimate that value. The carrying amounts and estimated fair value of the Association's financial instruments generally approximate their fair values at December 31, 2023.

Cash and cash equivalents, assessment receivable, prepaid insurance, prepaid expense, accounts payable and accrued expense in the financial statements approximate fair value because of the short-term maturity of these instruments.

#### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

#### **Income Taxes**

The Association filed its income tax return as a homeowners' association in accordance with Internal Revenue Code Section 528. Under that section, the Association is not taxed on uniform assessments to members and other income received from association members solely as a function of their membership in the Association. The Association is taxed at the rate of 30% on its nonexempt function income, which includes interest income and revenue received from nonmembers.

# **LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

#### **Revenue and Revenue Recognition**

The Condominium Association recognizes revenue from homeowner assessments over the assessment period, which is generally one year, during which time members have continuous access to common areas, services, and certain community events.

Homeowner assessments paid in advance are deferred to the assessment period to which they relate. All other amounts paid in advance are deferred to the period in which the underlying program or community event takes place. Due to the nature and timing of the performance and/or transfer of services and products, substantially all deferred revenue at December 31 of each year is recognized in the following year.

#### **Allowance for Bad Debts**

The Association utilizes the allowance method of recognizing the future potential uncollectibility of owner assessments receivable. This reserve is calculated based on the estimated percentage of potentially uncollectible accounts 90 or more days overdue. The Association's policy is to charge late fees and interest to owner accounts that are 30 or more days overdue. Owner assessment accounts that are 90 or more days past due may be contracted for collection. Florida law provides various other remedies for delinquent assessments, including the filing of liens, foreclosing on the unit owner, and obtaining judgment on other assets of the unit owners.

#### **Property and Equipment - Depreciation**

The Association's policy for recognizing common property as assets in its balance sheet is to recognize (a) common personal property and (b) real property to which it has title and that it can dispose of for cash while retaining the proceeds or that is used to generate significant cash flows from members on the basis of usage or from nonmembers. Depreciation is computed by using the straight-line method based over the estimated useful lives of the assets as follows:

Furniture and Fixture	5-7 Years
Equipment	5 Years

Expenditures for major renewals and betterments over \$750 that extend the useful life of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Compensated Absences**

Employees of the Association are entitled to paid vacation and paid sick days depending on job classification, length of service, and other factors. It is not practicable for the Association to estimate the amount of compensation for future absences. Accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The Association's policy is to recognize the costs of compensated absences when actually paid to employees.

**Contract liabilities (Assessments Received in Advance - Replacement Fund)**

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) are recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. During the current year, the Association assessed and received \$1,367,760 in the replacement fund.

**NOTE 4 – CONCENTRATIONS AND CREDIT RISK**

Financial Instruments, which potentially subject the Association to concentrations and credit risk, consist principally of cash and cash equivalents. Cash on deposit with two financial institutions amount to \$599,855 at December 31, 2023 was insured up to \$250,000 by the U.S Federal Deposit Insurance Corporation. As of December 31, 2023, the Association had \$99,755 in excess of the FDIC insured amount.

**NOTE 5 – CASH RESTRICTED**

The restricted cash amount of \$247,245 represents six months maintenance security from each new owner. This cash is deposited into a separate bank account and will be returned with interest, to the owners after 18 months of on-time maintenance fee payments.

**NOTE 6 – INCOME TAXES**

The Association elected to be taxed only on non-membership income, such as interest income. Income tax expense was \$--0-- in 2023.

**NOTE 7 – COMMITMENTS**

Pursuant to its authority existing under the Association's By-Laws, the Board of Directors entered various contractual commitment services to maintain the common property including alarm monitoring, exterminator, landscaping services, management services, pool maintenance, and waste removal. These contracts have different expiration dates and renewals.

**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 8 – CONTINGENCIES**

The Association is currently involved in a pending litigation, at this time management is unable to determine the outcome of this event and whether it would have a material effect on the financial condition of the Association.

**NOTE 9 – INSURANCE MATTERS**

The Association maintains insurance coverage for hurricane damages sustained by the condominium. The Association has not set aside funds to cover the deductible. Accordingly, if such funds are needed, the Association has the right to assess its members or seek bank financing. In addition, in as much as certain other expenses may be incurred by the Association in the event of a windstorm, the ultimate extent of such loss in excess of the aforementioned maximum deductible cannot be determined. In the event of a disaster, the Association could be exposed to losses for damages in excess of insurance coverage limits.

**NOTE 10 – ASSESSMENT RECEIVABLE**

Assessment receivable at December 31, 2023 was as follows:

Assessment receivable	\$ 286,221
Less: allowance for doubtful accounts	<u>(62,867)</u>
Total	<u>\$ 223,354</u>

As of December 31, 2023, approximately \$194,172 of assessments receivable were in excess of 90 days past due. The Board of Directors estimate that approximately \$62,867 is not collectible. The Board of Directors has established an allowance for doubtful accounts in that amount. However, further bad debts to be written off may be significant.

To reduce credit risk with respect to receivables, the Association's policy is to retain legal counsel and to enforce its liens on any unpaid assessments, including the taking of foreclosure action.

**NOTE 11 – FURNITURE AND EQUIPMENT**

Furniture and equipment consist of the following as of December 31, 2023:

Computers	\$ 10,676
Furniture and equipment	42,506
Supervisor's apartment	118,754
Less: accumulated depreciation	<u>(171,209)</u>
Total	<u>\$ 727</u>

Depreciation for the year ending December 31, 2023 was \$909.



# **LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

### **NOTE 12 – OWNER ASSESSMENTS**

The owners are assessed monthly maintenance fees, which are collected to meet the Association's normal operating cost and to fund reserves for the repair and the replacement of the common areas. Total assessments collected for the year ended December 31, 2023 was approximately \$3,815,689 including \$2,447,929 for the operating fund and \$1,367,760 for the reserve fund.

### **NOTE 13 – DEFERRED ASSESSMENTS REVENUE**

Deferred revenue represents prepaid assessments and is primarily composed of payments received in advance for the first quarter's billing of the next fiscal year.

### **NOTE 14 – INSURANCE PAYABLE**

The Association is paying its insurance premium with an unsecured note payable to a finance company in monthly installments. The balance due as of December 31, 2023, was approximately \$788,492.

### **NOTE 15 – FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate approximately \$214,775 at December 31, 2023, are held in separate accounts and are generally not available for operating purposes.

The Association has not conducted a study to determine the remaining useful lives of the components of common property and current estimates of cost of major repairs and replacements that may be required in the future.

The unit owners voted to fund the statutory reserves for future major repairs and replacements. If replacement funds are needed to meet future needs for major repairs and replacement, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacement until funds are available. The effect of future assessments has not been determined.

The balance at December 31, 2023, consists of the following:

Components	Balance 1/1/2023	Assessment	Interest	Expenditures	Other	Balance 12/31/2023
Pooled balances	\$ 521,687	\$ 1,371,356	\$ 4	\$ 1,741,135	\$ 62,863	\$ 214,775
	\$ 521,687	\$ 1,371,356	\$ 4	\$ 1,741,135	\$ 62,863	\$ 214,775

**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 16 – LINE OF CREDIT**

The Association entered into a \$200,000 line of credit agreement with a bank with an interest rate of 8.75%. The balance as of December 31, 2023 was \$197,026. Interest expense for the year ended December 31, 2023 was approximately \$10,314.

**NOTE 17 – UNCERTAINTY IN INCOME TAXES**

The Association has adopted the guidance for uncertainty in income taxes in FASB ASC 740. The Association will record a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. The Association continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Association's evaluation on December 31, 2023 revealed no tax positions that would have a material impact on the financial statements. The Association does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements. The federal income tax returns of the Association for 2023 are subject to examination, generally for three years after being filed.

**NOTE 18 – CONTINGENCY**

The World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. It is at least reasonably possible that this matter will negatively impact the Association. However, the financial impact and duration cannot be reasonably estimated at this time.

**NOTE 19 – SUBSEQUENT EVENTS**

Under FASB ASC 855, subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or ready to be issued. The Association recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing the financial statements.

The Association's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the balance sheet but arose after the balance sheet date and before financial statements are issued.



**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENT  
(UNAUDITED)**

There has not been a formal reserve study to estimate the remaining useful lives or to calculate the replacement cost of future major repairs and replacements. The estimated current replacement cost does not include the possible effect of inflation or interest rates between the date that the components will require repair or replacement. The Board has estimated the current replacement costs of the future major repairs and replacement. The Board has developed seven-year plan which are similar to the items in a reserve study.

The Board of Directors of the Association estimated the remaining useful lives and the replacement cost of the components of common property.

The following table is based on these estimates:

Component	Estimated Remaining Useful Life	Estimated Current Fund Replacement Cost	Replacement Balance December 31, 2023	2024 Funding Requirement
Pooled components	1-18 year	\$4,239,000	\$214,775	\$740,000

**LAS VISTAS INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**SCHEDULE OF EXPENSES**  
**FOR THE YEAR BEGINNING JANUARY 1, 2023 TO THE YEAR ENDED DECEMBER 31, 2023**

	<u>OPERATING</u> <u>FUND</u>	<u>RESERVE</u> <u>FUND</u>	<u>TOTAL</u>
<b>GENERAL AND ADMINISTRATIVE</b>			
Insurance	\$ 731,811	\$ -	\$ 731,811
Water, sewer and trash removal	427,515	-	427,515
Salaries, wages and benefits	360,084	-	360,084
Professional fees	164,136	-	164,136
Service contracts	168,308	-	168,308
Electric	62,959	-	62,959
Alarm maintenance	73,352	-	73,352
Administrative expenses	21,336	171	21,507
Telephone	8,540	-	8,540
Inspection fee	2,945	-	2,945
Bad debt	-	-	-
Exterminator	20,825	-	20,825
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<u>2,041,812</u>	<u>171</u>	<u>2,041,983</u>
<b>OFFICE EXPENSE</b>			
Salaries, wages and benefits	10,960	-	10,960
Office supplies	10,151	-	10,151
Telephone and internet	14,406	-	14,406
Computer services	-	-	-
Equipment rental	3,659	-	3,659
<b>TOTAL OFFICE EXPENSE</b>	<u>39,176</u>	<u>-</u>	<u>39,176</u>
<b>REPAIR AND MAINTENANCE</b>			
General repairs	73,023	187,152	260,175
Plumbing	83,062	-	83,062
Supplies	72,383	-	72,383
Roof	9,425	1,224,048	1,233,473
Fence repair	35,613	-	35,613
Drywall	22,425	-	22,425
Building	81,636	-	81,636
Elevator	53,904	329,936	383,840
Golf cart	18,467	-	18,467
Security cameras	2,181	-	2,181
Paving	-	-	-
Pool	-	-	-
<b>TOTAL REPAIR AND MAINTENANCE</b>	<u>452,118</u>	<u>1,741,135</u>	<u>2,193,253</u>
<b>APARTMENT EXPENSE</b>			
Maintenance fees	14,093	-	14,093
Real estate taxes	-	-	-
<b>TOTAL APARTMENT EXPENSE</b>	<u>14,093</u>	<u>-</u>	<u>14,093</u>

**LAS VISTAS INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**SCHEDULE OF EXPENSES**  
**FOR THE YEAR BEGINNING JANUARY 1, 2023 TO THE YEAR ENDED DECEMBER 31, 2023**

	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>	<u>TOTAL</u>
<b>RECREATION BUILDING EXPENSE</b>			
Repair and maintenance	14,334	-	14,334
Utilities	-	-	-
Depreciation	909	-	909
Air conditioning	2,650	-	2,650
TOTAL RECREATION BUILDING EXPENSE	17,892	-	17,892
<b>POOL EXPENSE</b>			
Pool Service	44,526	-	44,526
Pool repairs	18,869	-	18,869
Gas	4,994	-	4,994
TOTAL POOL EXPENSE	68,389	-	68,389
<b>LANDSCAPING EXPENSE</b>			
Lawn maintenance	61,035	-	61,035
Lawn, timber and plants replacement	2,870	-	2,870
TOTAL LANDSCAPING EXPENSE	63,905	-	63,905
<b>OTHER EXPENSE</b>			
Legal settlement	631	-	631
Taxes	-	-	-
Apartment expense	-	-	-
TOTAL OTHER EXPENSE	631	-	631
<b>PASS THRU EXPENSE</b>			
Cable expense	373,742	-	373,742
Association expense	33,618	-	33,618
TOTAL PASS THRU EXPENSE	407,360	-	407,360