



LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.
INDEPENDENT AUDITORS' REPORT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2018



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DAVE V. JOHN, LLC
CERTIFIED PUBLIC ACCOUNTANT AND ADVISOR

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Las Vistas in Inverrary Condominium Association, Inc., which comprise the balance sheet as of December 31, 2018, 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.

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET

December 31, 2018

	OPERATING FUND	RESERVE FUND	TOTAL
ASSETS			
Cash	\$ 93,013	\$ 155,109	\$ 248,122
Cash-restricted	32,517	-	32,517
Assessment receivable, net of bad debt allowance of \$40,000	33,585	-	33,585
Prepaid insurance	242,890	-	242,890
Property and equipment, net	6,047	-	6,047
TOTAL ASSETS	\$ 408,052	\$ 155,109	\$ 563,161
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 79,365	\$ -	\$ 79,365
Other liabilities	18,894	-	18,894
Deposit payable	89,848	-	89,848
Insurance payable	222,781	-	222,781
Note payable	-	135,064	135,064
Deferred revenue	13,673	-	13,673
TOTAL LIABILITIES	\$ 424,561	\$ 135,064	\$ 559,625
CONTINGENCIES			
Fund balance(deficit)	(16,509)	20,045	3,536
TOTAL LIABILITIES AND FUND BALANCES	\$ 408,052	\$ 155,109	\$ 563,161

The accompanying notes are an integral part of these financial statements

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEAR BEGINNING JANUARY 1, 2018 TO THE YEAR ENDED DECEMBER 31, 2018

	OPERATING FUND	RESERVE FUND	TOTAL
REVENUES:			
Maintenance fees	\$ 1,368,048	\$ 320,085	\$ 1,688,133
Pass thru Income	165,504	-	165,504
Washing machine income	10,000	-	10,000
Interest income	1,070	42	1,112
Other income	65,473	-	65,473
TOTAL REVENUES	<u>1,610,095</u>	<u>320,127</u>	<u>1,930,222</u>
EXPENSES			
General and administrative	1,065,342	10,001	1,075,343
Office expense	95,741	-	95,741
Repair and maintenance	138,654	169,426	308,080
Apartment expense	6,490	-	6,490
Recreation building expense	23,462	-	23,462
Pool expense	49,084	-	49,084
Landscaping expense	43,897	-	43,897
Other expense	14,109	-	14,109
Pass thru expense	163,105	-	163,105
TOTAL EXPENSES	<u>1,599,884</u>	<u>179,427</u>	<u>1,779,311</u>
EXCESS REVENUES (UNDER)/OVER EXPENSES			
FUND BALANCES - BEGINNING	10,211	140,700	\$ 150,911
FUND BALANCES - ENDING	<u>(26,720)</u>	<u>(120,655)</u>	<u>(147,375)</u>
	<u>\$ (16,509)</u>	<u>\$ 20,045</u>	<u>\$ 3,536</u>

The accompanying notes are an integral part of these financial statements

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR BEGINNING JANUARY 1, 2018 TO THE YEAR ENDED DECEMBER 31, 2018

	OPERATING FUND	RESERVE FUND	TOTAL
Cash flows From Operating Activities			
Excess of revenues(under)/over expenses	\$ 10,211	\$ 140,700	\$ 150,911
Adjustments to reconcile Net income to Net Cash Used in Operating Activities			
Depreciation	1,143	-	1,143
(Increase) decrease in:			
Assessment receivable	23,830	-	23,830
Other assets	40,226	-	40,226
Prepaid insurance	(13,522)	-	(13,522)
(Decrease) increase in:			
Account payable	(55,941)	-	(55,941)
Insurance payable	50,492	-	50,492
Other liabilities	(2,773)	-	(2,773)
Deposit payable	39,848	-	39,848
Deferred revenue	(124,781)	-	(124,781)
Net Cash provided(Used) by Operating Activities	<u>(31,267)</u>	<u>140,700</u>	<u>109,433</u>
Cash flows From Investing Activities			
Fixed asset	<u>(2,761)</u>	<u>-</u>	<u>(2,761)</u>
Net Cash provided(Used) by Investing Activities	<u>(2,761)</u>	<u>-</u>	<u>(2,761)</u>
Cash flows From Financing Activities			
Note payable	<u>-</u>	<u>(64,360)</u>	<u>(64,360)</u>
Net Cash provided(Used) by Financing Activities	<u>-</u>	<u>(64,360)</u>	<u>(64,360)</u>
 Increase(Decrease) in Cash and Cash Equivalents	 (34,028)	 76,340	 42,312
 Cash and Cash Equivalents, Beginning of Year	 159,558	 78,769	 238,327
 Cash and Cash Equivalents, End of Year	 <u>\$ 125,530</u>	 <u>\$ 155,109</u>	 <u>\$ 280,639</u>
 Supplementary Disclosure:			
Interest expense	\$ -	\$ 10,001	\$ 10,001

The accompanying notes are an integral part of these financial statements

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

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 – 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.

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.

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

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. As of December 31, 2018, the Association had no amount in excess of the FDIC insured amount.

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, 2018 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, 2018.

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.

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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.

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.

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.

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

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.

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.

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.

NOTE 3 – DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 28, 2019, the date that the financial statements were available to be issued.

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

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 \$280,639 at December 31, 2018 was insured up to \$250,000 by the U.S Federal Deposit Insurance Corporation.

NOTE 5 – CASH RESTRICTED

The restricted cash amount of \$32,517 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 2018.

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.

NOTE 8 – 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 9 – CONTINGENCIES

The Association is currently involved in a pending case, which revolves around the Inverrary Association, Inc. ("Master Association") attempting to enforce its alleged rights pursuant to its Declaration of Restrictive Covenants.

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

CONTINGENCIES – continued

The likelihood of an unfavorable outcome is low, and the probability of a verdict in favor of Master Association is estimated to be around 20-30%. The likelihood of an award of significant damages to the Master Association is also low, due to the expiration of the Master Association's governing documents.

NOTE 10 – ASSESSMENT RECEIVABLE

Assessment receivable at December 31, 2018 was as follows:

Assessment receivable	\$ 73,585
Less: allowance for doubtful accounts	(40,000)
Total	<u><u>\$ 33,585</u></u>

As of December 31, 2018, approximately \$54,444 of assessments receivable were in excess of 90 days past due. The Board of Directors estimate that approximately \$40,000 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, 2018:

Computers	\$ 10,676
Furniture and equipment	42,506
Supervisor's apartment	118,754
Less: accumulated depreciation	(165,889)
Total	<u><u>\$ 6,047</u></u>

Depreciation for the period ending December 31, 2018 was \$1,143.

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, 2018 was approximately \$1,688,133 including \$1,368,048 for the operating fund and \$320,085 for the reserve fund.

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 13 – SPECIAL ASSESSMENTS

During the year ended December 31, 2016, the Association approved a special assessment of \$300,000 to cover expenses incurred in the Catwalk Project, and that one sixtieth (1/60) of such special assessment plus interest to be paid by all the unit owners. On the first day of each month, for the next sixty (60) consecutive months, such payments will be integrated into the yearly budget of the Association and in the monthly maintenance payments and become due retroactively to January 1, 2016 until December 31, 2020.

NOTE 14 – 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 15 – 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, 2018, was approximately \$222,781.

NOTE 16 – 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 \$20,045 at December 31, 2018, 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, 2018, consists of the following:

	Balance 1/1/2018	Interest	Assessment	Expenditures	Balance 12/31/2018
Pooled balances	\$ (120,655)	\$ 42	\$ 320,085	\$ 179,427	\$ 20,045
TOTALS	\$ (120,655)	\$ 42	\$ 320,085	\$ 179,427	\$ 20,045

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

NOTE 17 – NOTE PAYABLE

Note payable Repayable in 60 monthly installments of approximately \$5,720 at 5.35% interest, maturing January 2021:

Total	\$ 135,064
Less: current portion	<u>(62,584)</u>
Long-term debt	72,480
2019	62,584
2020	66,063
2021	6,417
Thereafter	--0--
	<u>\$ 135,064</u>

Interest expense for the year ended December 31, 2018 was approximately \$10,001.

NOTE 18 – 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, 2018 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 2018 are subject to examination, generally for three years after being filed.

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, 2018

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 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, 2018	2019 Funding Requirement
Pooled components	1-18 year	\$4,239,000	\$ 20,045	\$235,000

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF EXPENSES

FOR THE YEAR BEGINNING JANUARY 1, 2018 TO THE YEAR ENDED DECEMBER 31, 2018

	OPERATING FUND	RESERVE FUND	TOTAL
GENERAL AND ADMINISTRATIVE			
Insurance	\$ 224,032	\$ -	\$ 224,032
Salaries, wages and benefits	302,315	-	302,315
Service contracts	38,653	-	38,653
Electric	28,844	-	28,844
Alarm maintenance	23,622	-	23,622
Exterminator	12,888	-	12,888
Telephone	6,384	-	6,384
Administrative expenses	7,935	-	7,935
Water, sewer and trash removal	338,211	-	338,211
Bad debt	31,422	-	31,422
Professional fees	51,035	-	51,035
TOTAL GENERAL AND ADMINISTRATIVE	1,065,342	-	1,065,342
OFFICE EXPENSE			
Salaries, wages and benefits	55,566	-	55,566
Equipment rental	4,324	-	4,324
Office supplies	27,260	-	27,260
Telephone and internet	8,591	-	8,591
TOTAL OFFICE EXPENSE	95,741	-	95,741
REPAIR AND MAINTENANCE			
Golf cart	5,219	-	5,219
Fence repair	9,399	-	9,399
Plumbing	38,361	-	38,361
General repairs	25,564	-	25,564
Drywall	10,105	-	10,105
Supplies	36,117	-	36,117
Elevator	9,684	-	9,684
Building	1,020	-	1,020
Security cameras	300	-	300
Roof	2,885	-	2,885
TOTAL REPAIR AND MAINTENANCE	138,654	-	138,654
APARTMENT EXPENSE			
Maintenance fee	4,548	-	4,548
Real estate taxes	1,942	-	1,942
TOTAL APARTMENT EXPENSE	6,490	-	6,490

The accompanying notes are an integral part of these financial statements

LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF EXPENSES (CONTINUED)

FOR THE YEAR BEGINNING JANUARY 1, 2018 TO THE YEAR ENDED DECEMBER 31, 2018

	OPERATING FUND	RESERVE FUND	TOTAL
RECREATION BUILDING EXPENSE			
Depreciation	1,143	-	1,143
Utilities	10,423	-	10,423
Repair and maintenance	11,896	-	11,896
TOTAL RECREATION BUILDING EXPENSE	23,462	-	23,462
POOL EXPENSE			
Pool Service	10,500	-	10,500
Gas	24,730	-	24,730
Pool repairs	13,854	-	13,854
TOTAL POOL EXPENSE	49,084	-	49,084
LANDSCAPING EXPENSE			
Lawn maintenance	42,053	-	42,053
Lawn, timber and plants replacement	300	-	300
Tree cutting	1,544	-	1,544
TOTAL LANDSCAPING EXPENSE	43,897	-	43,897
OTHER EXPENSE			
Legal settlement	11,500	-	11,500
Apartment expense	2,609	-	2,609
TOTAL OTHER EXPENSE	14,109	-	11,500
PASS THRU EXPENSE			
Cable expense	163,105	-	163,105
TOTAL PASS THRU EXPENSE	163,105	-	163,105

The accompanying notes are an integral part of these financial statements