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**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
INDEPENDENT AUDITORS' REPORT  
FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED DECEMBER 31, 2019

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## 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, 2019, 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.



## *Opinion*

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, 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*

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, 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. 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  
April 1, 2020



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

**BALANCE SHEET**

December 31, 2019

	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash	\$ 48,763	\$ 299,381	\$ 348,144
Cash - restricted	147,389	-	147,389
Assessment receivable, net of bad debt allowance of \$13,000	47,578	-	47,578
Prepaid insurance	214,355	-	214,355
Property and equipment, net	4,573	-	4,573
TOTAL ASSETS	<u>\$ 462,658</u>	<u>\$ 299,381</u>	<u>\$ 762,039</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 99,255	\$ -	\$ 99,255
Other liabilities	18,794	-	18,794
Deposit payable	147,389	-	147,389
Insurance payable	158,576	-	158,576
Deferred revenue	10,516	-	10,516
TOTAL LIABILITIES	<u>434,530</u>	<u>-</u>	<u>434,530</u>
CONTINGENCIES	-	-	-
Fund balance(deficit)	28,128	299,381	327,509
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 462,658</u>	<u>\$ 299,381</u>	<u>\$ 762,039</u>

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, 2019 TO THE YEAR ENDED DECEMBER 31, 2019

	<u>OPERATING</u> <u>FUND</u>	<u>RESERVE</u> <u>FUND</u>	<u>TOTAL</u>
<b>REVENUES:</b>			
Maintenance fees	\$ 1,425,432	\$ 416,851	\$ 1,842,283
Special Assessment income	194,000	-	194,000
Pass thru income	206,880	-	206,880
Interest income	4,151	74	4,225
Other income	42,716	-	42,716
<b>TOTAL REVENUES</b>	<u>1,873,179</u>	<u>416,925</u>	<u>2,290,104</u>
<b>EXPENSES</b>			
General and administrative	1,231,045	2,508	1,233,553
Repair and maintenance	146,957	135,081	282,038
Pass thru expense	203,539	-	203,539
Office expense	116,203	-	116,203
Landscaping expense	50,747	-	50,747
Pool expense	42,164	-	42,164
Recreation building expense	21,457	-	21,457
Other expense	9,270	-	9,270
Apartment expense	7,160	-	7,160
<b>TOTAL EXPENSES</b>	<u>1,828,542</u>	<u>137,589</u>	<u>1,966,131</u>
<b>EXCESS REVENUES (UNDER)/OVER</b>			
EXPENSES	44,637	279,336	\$ 323,973
FUND BALANCES - BEGINNING	<u>(16,509)</u>	<u>20,045</u>	<u>3,536</u>
FUND BALANCES - ENDING	<u>\$ 28,128</u>	<u>\$ 299,381</u>	<u>\$ 327,509</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, 2019 TO THE YEAR ENDED DECEMBER 31, 2019

	<u>OPERATING</u> <u>FUND</u>	<u>RESERVE</u> <u>FUND</u>	<u>TOTAL</u>
Cash flows From Operating Activities			
Excess of revenues(under)/over expenses	\$ 44,637	\$ 279,336	\$ 323,973
Adjustments to reconcile Net income to			
Net Cash Used in Operating Activities			
Depreciation	1,474	-	1,474
(Increase) decrease in:			
Assessment receivable	(13,993)	-	(13,993)
Prepaid insurance	28,535	-	28,535
(Decrease) increase in:			
Account payable	19,890	-	19,890
Insurance payable	(64,205)	-	(64,205)
Other liabilities	(100)	-	(100)
Deposit payable	57,541	-	57,541
Deferred revenue	(3,157)	-	(3,157)
Net Cash Provided (Used) by Operating Activities	<u>70,622</u>	<u>279,336</u>	<u>349,958</u>
Cash flows From Investing Activities			
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows From Financing Activities			
Note payable	<u>-</u>	<u>(135,064)</u>	<u>(135,064)</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>(135,064)</u>	<u>(135,064)</u>
Increase (Decrease) in Cash and Cash Equivalents	70,622	144,272	214,894
Cash and Cash Equivalents, Beginning of Year	125,530	155,109	280,639
Cash and Cash Equivalents, End of Year	\$ <u>196,152</u>	\$ <u>299,381</u>	\$ <u>495,533</u>
<u>Supplementary Disclosure:</u>			
Interest expense	\$ -	\$ 2,493	\$ 2,493

The accompanying notes are an integral part of these financial statements

**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**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, 2019**

**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, 2019, the Association had \$70,315 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, 2019 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, 2019.

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, 2019**

**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, 2019**

**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 April 1, 2020, the date that the financial statements were available to be issued.

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

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

### **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 \$348,144 at December 31, 2019 was insured up to \$250,000 by the U.S Federal Deposit Insurance Corporation. As of December 31, 2019, the Association had \$70,315 in excess of the FDIC insured amount.

### **NOTE 5 – CASH RESTRICTED**

The restricted cash amount of \$147,389 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 – ECONOMIC CONCENTRATION**

The Association maintains cash balances at a local bank, the total of which is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019, the Association's uninsured cash balance totaled approximately \$70,315.

### **NOTE 7 – INCOME TAXES**

The Association elected to be taxed only on non-membership income, such as interest income. Income tax expense was \$--0-- in 2019.

### **NOTE 8 – 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 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.

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

## **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

### **NOTE 10 – 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. 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.

The Association is currently involved in another 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 company.

### **NOTE 11 – ASSESSMENT RECEIVABLE**

Assessment receivable at December 31, 2019 was as follows:

Assessment receivable	\$ 60,578
Less: allowance for doubtful accounts	<u>(13,000)</u>
Total	<u>\$ 47,578</u>

As of December 31, 2019, approximately \$32,643 of assessments receivable were in excess of 90 days past due. The Board of Directors estimate that approximately \$13,000 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 12 – FURNITURE AND EQUIPMENT**

Furniture and equipment consist of the following as of December 31, 2019:

Computers	\$ 10,676
Furniture and equipment	42,506
Supervisor's apartment	118,754
Less: accumulated depreciation	<u>(167,363)</u>
Total	<u>\$ 4,573</u>

Depreciation for the period ending December 31, 2019 was \$1,474.

**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 13 – 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, 2019 was approximately \$1,842,283 including \$1,425,432 for the operating fund and \$416,851 for the reserve fund.

**NOTE 14 – 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 15 – 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 16 – 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, 2019, was approximately \$158,576.

**NOTE 17 – 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 \$299,381 at December 31, 2019, 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.



**LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**FUTURE MAJOR REPAIRS AND REPLACEMENTS – continued**

The balance at December 31, 2019, consists of the following:

	Balance 1/1/2019	Interest	Assessment	Expenditures	Balance 12/31/2019
Pooled balances	\$ 20,045	\$ 74	\$ 416,851	\$ 137,589	\$ 299,381
TOTALS	\$ 20,045	\$ 74	\$ 416,851	\$ 137,589	\$ 299,381

**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, 2019 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 2019 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, 2019**

**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, 2019	2020 Funding Requirement
Pooled components	1-18 year	\$4,239,000	\$ 299,381	\$235,000

# LAS VISTAS IN INVERRARY CONDOMINIUM ASSOCIATION, INC.

## SCHEDULE OF EXPENSES

FOR THE YEAR BEGINNING JANUARY 1, 2019 TO THE YEAR ENDED DECEMBER 31, 2019

	OPERATING FUND	RESERVE FUND	TOTAL
<b>GENERAL AND ADMINISTRATIVE</b>			
Water, sewer and trash removal	\$ 351,803	\$ -	\$ 351,803
Salaries, wages and benefits	244,136	-	244,136
Insurance	224,441	-	224,441
Administrative expenses	175,146	15	175,161
Professional fees	56,788	-	56,788
Service contracts	46,688	-	46,688
Management fees	44,878	-	44,878
Electric	29,836	-	29,836
Alarm maintenance	24,221	-	24,221
Bad debt	15,811	-	15,811
Exterminator	10,801	-	10,801
Telephone	6,496	-	6,496
Interest expense	-	2,493	2,493
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>1,231,045</b>	<b>2,508</b>	<b>1,233,553</b>
<b>OFFICE EXPENSE</b>			
Salaries, wages and benefits	68,680	-	68,680
Office supplies	26,859	-	26,859
Telephone and internet	16,340	-	16,340
Equipment rental	4,324	-	4,324
<b>TOTAL OFFICE EXPENSE</b>	<b>116,203</b>	<b>-</b>	<b>116,203</b>
<b>REPAIR AND MAINTENANCE</b>			
Roof	4,530	114,980	119,510
Supplies	48,941	-	48,941
Plumbing	24,156	3,461	27,617
General repairs	18,805	-	18,805
Drywall	17,807	-	17,807
Elevator	5,698	11,000	16,698
Fence repair	11,435	2,080	13,515
Golf cart	7,139	-	7,139
Building	6,938	-	6,938
Pool	-	3,560	3,560
Security cameras	1,508	-	1,508
<b>TOTAL REPAIR AND MAINTENANCE</b>	<b>146,957</b>	<b>135,081</b>	<b>282,038</b>
<b>APARTMENT EXPENSE</b>			
Maintenance fee	5,016	-	5,016
Real estate taxes	2,144	-	2,144
<b>TOTAL APARTMENT EXPENSE</b>	<b>7,160</b>	<b>-</b>	<b>7,160</b>

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, 2019 TO THE YEAR ENDED DECEMBER 31, 2019

	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>	<u>TOTAL</u>
<b>RECREATION BUILDING EXPENSE</b>			
Utilities	10,799	-	10,799
Repair and maintenance	9,184	-	9,184
Depreciation	1,474	-	1,474
<b>TOTAL RECREATION BUILDING EXPENSE</b>	<u>21,457</u>	<u>-</u>	<u>21,457</u>
<b>POOL EXPENSE</b>			
Gas	18,820	-	18,820
Pool Service	12,930	-	12,930
Pool repairs	10,414	-	10,414
<b>TOTAL POOL EXPENSE</b>	<u>42,164</u>	<u>-</u>	<u>42,164</u>
<b>LANDSCAPING EXPENSE</b>			
Lawn maintenance	49,699	-	49,699
Lawn, timber and plants replacement	1,048	-	1,048
<b>TOTAL LANDSCAPING EXPENSE</b>	<u>50,747</u>	<u>-</u>	<u>50,747</u>
<b>OTHER EXPENSE</b>			
Legal settlement	5,500	-	5,500
Apartment expense	3,770	-	3,770
<b>TOTAL OTHER EXPENSE</b>	<u>9,270</u>	<u>-</u>	<u>9,270</u>
<b>PASS THRU EXPENSE</b>			
Association expense	33,618	-	33,618
Cable expense	169,921	-	169,921
<b>TOTAL PASS THRU EXPENSE</b>	<u>203,539</u>	<u>-</u>	<u>203,539</u>

The accompanying notes are an integral part of these financial statements