

**BAYSHORE CLUB MANAGEMENT
ASSOCIATION, INC.**

Financial Statements

***For the year ended
December 31, 2020***

HAFER

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
BAYSHORE CLUB MANAGEMENT ASSOCIATION, Inc.

We have audited the accompanying financial statements of BAYSHORE CLUB MANAGEMENT ASSOCIATION, Inc. ("the Association"), which comprise the balance sheet as of December 31, 2020, and the related statement of revenues and expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

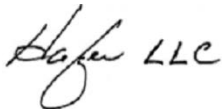
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 BAYSHORE CLUB MANAGEMENT ASSOCIATION, Inc. as of December 31, 2020, 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.



Palm Beach, Florida
February 6, 2022

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
BALANCE SHEET
December 31, 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Special Assessment Fund</u>	<u>Total Funds</u>
Assets				
Cash and cash equivalents	\$ 142,994	\$ 1,146,757	\$ 118,175	\$ 1,407,926
Certificates of deposit	-	320,843	-	320,843
Assessments receivable, net (Note 3)	8,019	-	-	8,019
Prepaid expenses	114,509	-	-	114,509
Utility deposits	1,700	-	-	1,700
Due from (to) funds (Note 9)	46,707	(49,422)	2,715	-
Total assets	<u>\$ 313,929</u>	<u>\$ 1,418,178</u>	<u>\$ 120,890</u>	<u>\$ 1,852,997</u>
Liabilities and fund balances				
Accounts payable and accruals	\$ 104,056	\$ -	\$ -	\$ 104,056
Prepaid assessments	33,672	-	-	33,672
Deferred cable revenue (Note 6)	41,494	-	-	41,494
Contract liabilities (Note 10)	-	1,310,513	120,890	1,431,403
Total liabilities	179,222	1,310,513	120,890	1,610,625
Fund balances	134,707	107,665	-	242,372
Total liabilities and fund balances	<u>\$ 313,929</u>	<u>\$ 1,418,178</u>	<u>\$ 120,890</u>	<u>\$ 1,852,997</u>

The accompanying notes are an integral part of these financial statements.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
For the year ended December 31, 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Special Assessment Fund</u>	<u>Total Funds</u>
Revenues				
Maintenance assessments	\$ 742,736	\$ 227,100	\$ -	\$ 969,836
Cable assessments	51,280	-	-	51,280
Special assessment revenue (Note 7)	-	-	295,192	295,192
Laundry income	8,648	-	-	8,648
Interest income	-	6,044	585	6,629
Other income	56,348	-	-	56,348
Total revenues	<u>859,012</u>	<u>233,144</u>	<u>295,777</u>	<u>1,387,933</u>
Expenses				
Administrative	30,565	-	-	30,565
Contract expenses	73,035	-	-	73,035
Insurance	168,702	-	-	168,702
Payroll and related	195,490	-	-	195,490
Repairs and maintenance	59,582	-	-	59,582
Utilities	290,855	-	-	290,855
Special assessment (Note 7)	-	-	295,777	295,777
Major repairs and replacements	-	267,724	-	267,724
Total expenses	<u>818,229</u>	<u>267,724</u>	<u>295,777</u>	<u>1,381,730</u>
Excess (deficiency) of revenues over expenses	40,783	(34,580)	-	6,203
Fund balances, beginning	<u>93,924</u>	<u>142,245</u>	<u>-</u>	<u>236,169</u>
Fund balances, ending	<u><u>\$ 134,707</u></u>	<u><u>\$ 107,665</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 242,372</u></u>

The accompanying notes are an integral part of these financial statements.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Special Assessment Fund</u>	<u>Total Funds</u>
Cash flows from operating activities				
Excess (deficiency) of revenues over expenses	\$ 40,783	\$ (34,580)	\$ -	\$ 6,203
<u>Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:</u>				
Provision for bad debt	738	-	(12,848)	(12,110)
<u>Changes in assets and liabilities:</u>				
Assessments receivable	(8,060)	-	12,848	4,788
Other receivable	53,250	-	-	53,250
Prepaid expenses	(15,479)	-	-	(15,479)
Utility deposits	(400)	-	-	(400)
Accounts payable and accruals	72,708	(7,603)	(227,423)	(162,318)
Prepaid assessments	25,950	-	(5,159)	20,791
Deferred cable revenue	(8,298)	-	-	(8,298)
Contract liabilities	-	198,400	(295,192)	(96,792)
Net cash provided (used) by operating activities	161,192	156,217	(527,774)	(210,365)
Cash flows (to) from investing activities				
(Purchases) maturities of CDs	-	(5,481)	255,391	249,910
Cash flows (to) from financing activities				
Interfund borrowings	(135,830)	44,342	91,488	-
Net increase (decrease) in cash and cash equivalents				
	25,362	195,078	(180,895)	39,545
Cash and cash equivalents, beginning	117,632	951,679	299,070	1,368,381
Cash and cash equivalents, ending	\$ 142,994	\$ 1,146,757	\$ 118,175	\$ 1,407,926

The accompanying notes are an integral part of these financial statements.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1: Organization

BAYSHORE CLUB MANAGEMENT ASSOCIATION, Inc. (“the Association”) was incorporated under the laws of the State of Florida as a not-for-profit corporation on September 6, 1972. The Association is responsible for maintaining and preserving the common property of the Association in accordance with the terms of Chapter 718, Florida Statutes (“FS §718”) and the provisions of its governing documents. The Association consists of 213 residential units, including one Association owned unit used for the management office, located in Daytona, Florida.

NOTE 2: Summary of significant accounting policies

Fund accounting

The Association prepares its financial statements on the accrual basis of accounting and presents them using fund accounting, using separate funds for operations, future major repairs and replacements and special assessments. Disbursements from the operating fund are generally for the day-to-day operations and non-recurring unanticipated expenditures of the Association and are made at the discretion of the Board of Directors. Disbursements from the replacement fund generally are made only for designated purposes.

Estimates

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

Short-term financial instruments

The carrying amount of the Association’s financial instruments, which include cash and cash equivalents, assessments receivable, prepaid expenses, accounts payable and accrued expenses, and other assets and liabilities, approximate their fair values due to their short-term maturities.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks including money market funds. Cash equivalents include highly liquid securities, including certificates of deposit, with original maturities of 90 days or less.

Certificates of deposit

Certificates of deposit consist of those certificates with original maturities of more than 90 days. The certificates are carried at cost plus any interest earned and reinvested. The Association, at least annually, assesses for any other-than-temporary impairment, and as of the date of these financial statements, the Association does not believe any impairment exists. The certificates have varying maturity dates and varying interest rates.

Owners’ assessments and allowance for uncollectible accounts

Monthly assessments to owners are based upon a share of the budgeted operating expenses and future major repairs and replacements. The Association retains excess operating funds at the end of the year for use in future operating periods. Assessments receivable at the balance sheet date represent fees due from owners. Assessments paid in advance are included on the balance sheet as prepaid assessments. The Association’s policy is to retain legal counsel and place liens or foreclose on units of members whose assessments are delinquent. The Association’s estimate of the allowance for uncollectible accounts is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of reported amounts.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2: Summary of significant accounting policies (continued)

Property and equipment

Common property of the Association is accounted for in accordance with ASC 972-360 and prevalent industry practices. As such, real property and common area acquired from the developer and related improvements to such property are not reflected on the Association financial statements because those assets are owned by the unit owners in common, and not by the Association. The Association capitalizes, at cost, certain personal and real property which it purchases. Capitalized property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method of depreciation.

Revenue recognition

Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the considerations we expect to be entitled to in exchange for those goods or services. The Association derives its revenue from operating assessments (including cable assessments), reserve assessments, special assessments, and other ancillary sources. The Association has applied FASB ASC 606-10-10-4 since all contracts with its customers have similar characteristics and the Association expects that the effects on the financial statements of applying this guidance would not differ materially from applying the guidance to the individual contracts.

The Association has identified the following performance obligations:

- *Operating assessments (including cable assessments)* – the performance obligation is the maintenance and management of the common area property and is met on a periodic basis throughout the year. Operating assessments revenue is recognized on a periodic basis, as billed, and it is probable it will be collected.
- *Reserve assessments* – the performance obligation is the expenditure of the assessed funds for the intended purpose. Reserve assessments revenue is recognized when the related expenditures are made.
- *Special assessment revenue* – the performance obligation is the purpose for which the special assessment was levied. Special assessment revenue is recognized as the purpose of the special assessment is satisfied.
- *Other ancillary revenues* – the performance obligation is delivery of the underlying services. Revenue is recognized as the services are rendered.

In evaluating whether collectability of an amount of consideration is probable, the Association must consider the customer's (owner's) ability and intention to pay that amount of consideration when it is due. In instances where the Association's collection of fees is not probable (delinquent owners, foreclosures, etc.), it cannot recognize revenue.

Contract liabilities

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of the performance obligations.

Interest earned

Interest earned by each fund is allocated to the appropriate fund. Income taxes on the interest earned are paid from the operating fund.

Compensated absences

Employees of the Association are entitled to paid vacations, sick days, and other time off depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Association's policy is to recognize the costs of compensated absences when paid to employees.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 2: Summary of significant accounting policies (continued)

Income taxes (Form 1120-H)

The Association makes a yearly election to be taxed either under Internal Revenue Code (“IRC”) §528 as a homeowners' association or under IRC §277 as a regular corporation. For 2020, the Association elected to be taxed under §528. Under this election, the Association is generally taxed only on non-exempt function income, such as interest earnings, at applicable rates. From time to time, certain temporary differences may arise between financial and taxable income, the overall effects of which are not material to the financial statements taken as whole. As such, the Association has not recorded deferred income taxes at the balance sheet date. The Association’s policy on income statement classification of interest and penalties related to income tax obligations is to include such items as part of income tax expense. The Association’s tax filings are generally subject to examination by taxing authorities for three years after the returns are filed.

Recently issued accounting pronouncements, not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard will affect all entities that lease assets and will require lessees to recognize a lease liability and a right-of-use asset for all leases (except short-term leases that have a duration of less than one year) as of the date on which the lessor makes the underlying asset available to the lessee. For non-public entities, such as the Association, the new standard is effective for annual periods beginning after December 15, 2021. While the Association expects the adoption of this standard to result in an increase to its reported assets and liabilities, the Association has not yet determined the full impact that the adoption of this standard will have on its financial statements and related disclosures.

NOTE 3: Assessments receivable, net

The Association's assessments receivable was as follows at December 31, 2020:

	Operating Fund	Special Assessment Fund
Assessments receivable	\$ 8,757	\$ 6,598
Less: allowance for uncollectible accounts	(738)	(6,598)
	\$ 8,019	\$ -

NOTE 4: Concentration of credit risk

The Association maintains its cash and cash equivalents at various financial institutions whereby deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2020, the Association had uninsured deposits in the amount of \$732,922.

NOTE 5: Commitments and contingencies

Insurance windstorm deductible

In the event of a loss due to a hurricane the Association would be responsible for a deductible of 2% of the total insured value of the property under the provisions of the hurricane loss insurance contract.

Litigation

The Association, from time-to-time, may become party to various legal actions normally associated with condominium associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management’s opinion, would not be material to the future financial condition of the Association.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 5: Commitments and contingencies (continued)

Other commitments and contingencies

The Association has contracted with various vendors for various services to maintain the common property related to certain administrative, contract, and repairs and maintenance expenses. These contracts are approved, as necessary, by the Board of Directors and have varying expiration dates and renewal terms.

NOTE 6: Deferred cable revenue

On August 1, 2019, the Association entered into a bulk cable contract with a cable provider. As consideration for entering into a seventy-seven-month contract, the cable provider agreed to pay the Association \$53,250. The Association is amortizing the revenue over the life of the contract. For the year ended December 31, 2020, the Association recognized \$8,298 as other income. At December 31, 2020, the remaining balance of \$41,494 was recorded as deferred cable revenue and will be recognized over the remaining life of the contract.

NOTE 7: Special assessments

On October 18, 2017, the Association approved a special assessment in the amount of \$1,737,925 (\$1,737,913 was billed due to rounding) to be used for reserve replacement, completion of the painting project, plaza deck replacement, sauna floor replacement, repairs for both men's and women's bath areas, sprinkler system repairs and replacement, construction overruns, and estimate bad debt. The Board of Directors approved the payment schedule in two phases and provided owners various payment options, as more fully discussed in the minutes detailing the passage of the special assessment. The total special assessment on a per unit basis is as follows: one-bedroom units: \$6,233; two-bedroom units: \$9,175; three-bedroom units: \$12,466. During the year ended December 31, 2017, the Association expended \$600,489 towards its designated purposes. During the year ended December 31, 2018, the Association expended \$109,674 towards its designated purposes and recognized reserve transfers in the amount of \$267,040. During the year ended December 31, 2019, the Association expended \$346,760 towards its designated purposes and earned interest income of \$2,132. During the year ended December 31, 2020, the Association expended \$295,777 towards its designated purposes and earned interest income of \$585. At December 31, 2020, the remaining unrecognized and unexpended balance of \$120,890 is recorded as a contract liability in the special assessment fund until satisfaction of the performance obligation.

NOTE 8: Future major repairs and replacements

The Association's governing documents and FS §718 require that the Association's annual budget include budgeted assessments for future major repairs and replacements (reserves), unless waived in whole or in part by a vote of the owners in accordance with the governing documents and Florida law. Accumulated funds are held in separate interest-bearing accounts and are generally not available for operating purposes.

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

During 2018, and updated during 2019, the Association contracted with a reserve specialist to conduct an independent study to estimate the useful lives, the remaining useful lives, and replacement costs of the common property components. However, the schedule included in the required supplementary information on future major repairs and replacements is based upon this study as revised by the Board during the preparation of the 2021 budget.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 8: Future major repairs and replacements (continued)

For the year ended December 31, 2020, the Association's unit owners voted to partially fund reserves in the amount of \$425,500. For the year ending December 31, 2021, the Association's unit owners voted to partially fund reserves in the amount of \$425,500.

Components of the replacement fund are as follows:

	Contract Liabilities and Fund Balance, January 1, 2020	Additions	Interest Income	Expenses	Transfers	Contract Liabilities and Fund Balance, December 31, 2020
Roof	\$ 134,614	\$ 35,000	\$ -	\$ -	\$ -	\$ 169,614
Painting	60,124	21,000	-	-	-	81,124
Paving	94,627	17,000	-	-	-	111,627
Decorating	185,264	50,000	-	22,184	-	213,080
Tennis courts	30,545	3,000	-	37,280	4,000	265
Heating and A/C	29,989	2,000	-	10,650	-	21,339
Pool	43,955	1,000	-	18,934	-	26,021
Pumps	78,277	50,000	-	3,902	-	124,375
Common glass	70,273	80,000	-	91,456	-	58,817
Elevators	155,341	80,000	-	3,200	1,077	233,218
Safety & security	88,180	35,526	-	46,052	-	77,654
Equipment	48,858	11,500	-	4,155	-	56,203
Structural	123,211	50,000	-	15,547	-	157,664
Landscaping	2,821	1,589	-	5,178	2,000	1,232
Garage renovation	63,574	3,301	-	24,602	18,000	60,273
Deferred maint.	9,209	-	-	-	-	9,209
Other	16,463	-	-	-	-	16,463
Interest	19,033	-	6,044	-	(25,077)	-
	<u>\$ 1,254,358</u>	<u>\$ 440,916</u>	<u>\$ 6,044</u>	<u>\$ 283,140</u>	<u>\$ -</u>	<u>\$ 1,418,178</u>

A reconciliation of the table above to the balance sheet replacement fund reporting is as follows:

Contract liabilities	\$ 1,310,513
Fund balance	107,665
	<u>\$ 1,418,178</u>

NOTE 9: Interfund borrowings

At December 31, 2020, the Association's replacement fund owed its operating fund and special assessment fund \$46,707 and \$2,715, respectively. These interfund borrowings were for investment purposes and were therefore permitted under FS §718.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 10: Contract liabilities

A schedule of replacement fund contract liabilities at December 31, 2020 is as follows:

Contract liabilities, beginning	\$ 1,112,113
Plus: amounts assessed	425,500
Less: amounts recognized as performance obligations have been satisfied	<u>(227,100)</u>
Contract liabilities, ending	<u>\$ 1,310,513</u>

See Note 7 for details related to special assessment fund contract liabilities.

NOTE 11: Subsequent events

On January 21, 2021, the Association approved allocating the remaining deferred revenue from the 2017 special assessment to the elevator reserve component.

Management has evaluated subsequent events through February 6, 2022, the date the financial statements were available to be issued.

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
BAYSHORE CLUB MANAGEMENT ASSOCIATION, Inc.

Report on the Financial Statements

We have audited the financial statements of BAYSHORE CLUB MANAGEMENT ASSOCIATION, Inc. ("the Association") as of and for the year ended December 31, 2020, and our report thereon dated February 6, 2022, which expressed an unmodified opinion on those financial statements, appears on Page 1.

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 operating expenses compared to budget on Pages 12 and 13, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited," 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. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Future Major Repairs and Replacements on Page 14 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, 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.



Palm Beach, Florida
February 6, 2022

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET
For the year ended December 31, 2020

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Administrative			
Accounting and annual audit	\$ 7,150	\$ 9,000	\$ 1,850
Association administrative	393	600	207
Background check	2,214	1,440	(774)
Bad debt expense	476	5,705	5,229
Bank service charges	164	150	(14)
Computer equipment and supplies	361	500	139
Computer repair and service	275	500	225
Computer software and website	12	700	688
Division fees	-	35	35
Legal expenses	10,166	25,000	14,834
Licensing, certifications and education	663	150	(513)
Office supplies and toner	5,758	4,000	(1,758)
Postage	1,333	1,508	175
Reserve study	1,600	1,500	(100)
Tax return	-	350	350
	<u>30,565</u>	<u>51,138</u>	<u>20,573</u>
Contract expenses			
Copier lease	4,588	2,820	(1,768)
Elevators	18,958	20,000	1,042
Emergency steam generator	-	1,300	1,300
Fire equipment and pump	449	1,620	1,171
Fire extinguisher annual certificate	3,357	1,500	(1,857)
Housekeeping	27,755	38,400	10,645
HVAC service contract	-	3,500	3,500
Interior pest control	3,387	4,800	1,413
Lawn maintenance service	10,800	10,500	(300)
Lawn treatment service	2,467	3,100	633
Postage meter lease	992	652	(340)
Soft warm steam generators	282	200	(82)
	<u>73,035</u>	<u>88,392</u>	<u>15,357</u>
Insurance			
Flood	39,760	43,519	3,759
General liability and others	26,277	26,443	166
Property and wind	102,665	96,045	(6,620)
	<u>168,702</u>	<u>166,007</u>	<u>(2,695)</u>
Payroll and related			
Maintenance	610	-	(610)
Miscellaneous employee benefit	13,831	-	(13,831)
Payroll taxes	14,912	15,035	123
Salary and wages	162,728	174,064	11,336
Workers comp. insurance	3,409	3,285	(124)
	<u>\$ 195,490</u>	<u>\$ 192,384</u>	<u>\$ (3,106)</u>

See auditor's report on supplementary information.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET (CONTINUED)
For the year ended December 31, 2020

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Repairs and maintenance			
Annual carpet and tile cleaning	\$ -	\$ 2,000	\$ 2,000
Elevator repair	5,218	20,000	14,782
General maintenance	37,699	24,400	(13,299)
Grounds and landscaping	6,902	7,000	98
Housekeeping and janitorial supplies	921	2,000	1,079
HVAC maintenance and repairs	490	3,000	2,510
Plumbing maintenance	552	6,500	5,948
Pool maintenance and supplies	7,800	7,500	(300)
	<u>59,582</u>	<u>72,400</u>	<u>12,818</u>
Utilities			
Cable	76,996	-	(76,996)
Electric	48,018	54,000	5,982
Fireline	963	1,142	179
Garbage	29,922	23,877	(6,045)
Gas for mowing	-	450	450
Generator fuel	-	600	600
Landfill	10,631	8,580	(2,051)
Natural gas	2,005	-	(2,005)
Phone and entrance directory	10,414	10,800	386
Recycling	5,053	5,128	75
Sewer	41,989	44,701	2,712
Solid Waste fuel adjustment	2,359	1,379	(980)
Stormwater	30,595	30,982	387
Utility taxes and surcharges	2,405	3,509	1,104
Water	29,505	36,694	7,189
	<u>290,855</u>	<u>221,842</u>	<u>(69,013)</u>
Total budgeted expenses	<u>\$ 818,229</u>	<u>\$ 792,163</u>	<u>\$ (26,066)</u>

See auditor's report on supplementary information.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)
December 31, 2020

The following schedule is based upon a study conducted by an independent consultant in 2018, updated in 2019, and revised by the Board in the 2021 budget to estimate the remaining useful lives and replacement costs of the components of common property. The schedule provides information about components of common property.

<u>Component</u>	<u>Estimated Useful Life (years)</u>	<u>Estimated Remaining Life (years)</u>	<u>Estimated Replacement Cost</u>	<u>Statutory Funding December 31, 2021</u>	<u>Approved Budgeted Funding December 31, 2021</u>
Roof	20-25	13-19	\$ 601,410	\$ 37,291	\$ 35,000
Painting	5-8	1-8	381,242	101,524	21,000
Paving	4-20	1-2	100,278	2,647	-
Decorating	8-25	1-21	570,975	40,714	50,000
Tennis courts	5-22	1-8	21,931	3,107	-
Heating and A/C	8-12	1-12	80,273	7,500	2,000
Pool	8-30	1-25	163,870	7,597	1,000
Pumps	2-45	1-24	314,648	15,625	50,000
Common glass	2-35	1-30	355,521	71,673	80,000
Elevators	15-30	10-25	630,780	522,898	99,000
Safety & security	8-40	1-30	801,492	64,545	25,000
Equipment	6-40	2-21	324,737	51,488	11,500
Structural	10-50	1-28	2,073,121	136,061	50,000
Landscaping	10	8	50,000	8,569	1,000
Garage renovation	6-40	6-30	424,281	15,693	-
Other	12-26	4-25	79,801	5,167	-
			<u>\$ 6,974,360</u>	<u>\$ 1,092,099</u>	<u>\$ 425,500</u>

See auditor's report on supplementary information.