

**BAYSHORE CLUB
MANAGEMENT ASSOCIATION, INC.**

Financial Statements

***For the year ended
December 31, 2018***

HAFER

Certified Public Accountants and Consultants

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INDEPENDENT AUDITORS' 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, 2018, and the related statement of revenues and expenses and changes in fund balances (deficit) 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, 2018, 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
January 2, 2020

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
BALANCE SHEET
December 31, 2018

	Operating Fund	Replacement Fund	Special Assessment Fund	Total Funds
Assets				
Cash and cash equivalents	\$ 115,120	\$ 865,206	\$ 870,876	\$ 1,851,202
Certificates of deposit (Note 2)	-	307,528	-	307,528
Assessments receivable, net (Note 4)	15,036	-	-	15,036
Special assessments receivable, net (Note 4)	-	-	-	-
Prepaid expenses	84,854	-	-	84,854
Property and equipment, net (Note 2)	-	-	-	-
Utility deposits	1,300	-	-	1,300
Due from funds (Note 10)	-	203,739	-	203,739
Total assets	<u>\$ 216,310</u>	<u>\$ 1,376,473</u>	<u>\$ 870,876</u>	<u>\$ 2,463,659</u>
Liabilities and fund balances				
Accounts payable and accrued expenses	\$ 30,623	\$ 135,954	\$ -	\$ 166,577
Prepaid assessments	14,812	-	-	14,812
Deferred special assessment (Note 9)	-	-	760,711	760,711
Due to funds (Note 10)	93,574	-	110,165	203,739
Total liabilities	139,009	135,954	870,876	1,145,839
Fund balances	<u>77,301</u>	<u>1,240,519</u>	<u>-</u>	<u>1,317,820</u>
Total liabilities and fund balances	<u>\$ 216,310</u>	<u>\$ 1,376,473</u>	<u>\$ 870,876</u>	<u>\$ 2,463,659</u>

See notes to financial statements.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
For the year ended December 31, 2018

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Special Assessment Fund</u>	<u>Total Funds</u>
Revenues				
Maintenance assessments	\$ 683,608	\$ 399,588	\$ -	\$1,083,196
Special assessment revenue (Note 9)	-	-	376,714	376,714
Laundry income	11,280	-	-	11,280
Interest income	4	2,910	-	2,914
Other income	41,993	-	-	41,993
Total revenues	<u>736,885</u>	<u>402,498</u>	<u>376,714</u>	<u>1,516,097</u>
Expenses				
Administrative	82,303	-	-	82,303
Contract expenses	80,976	-	-	80,976
Insurance	141,486	-	-	141,486
Payroll and related	186,522	-	-	186,522
Repairs and maintenance	74,646	-	-	74,646
Utilities	218,922	-	-	218,922
Special assessment (Note 9)	-	-	109,674	109,674
Major repairs and replacements	-	274,366	-	274,366
Total expenses	<u>784,855</u>	<u>274,366</u>	<u>109,674</u>	<u>1,168,895</u>
Excess (deficiency) of revenues over over expenses	(47,970)	128,132	267,040	347,202
Fund balances, beginning	103,865	866,753	-	970,618
Interfund transfers (Note 11)	21,406	245,634	(267,040)	-
Fund balances, ending	<u>\$ 77,301</u>	<u>\$ 1,240,519</u>	<u>\$ -</u>	<u>\$1,317,820</u>

See notes to financial statements.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2018

	Operating Fund	Replacement Fund	Special Assessment Fund	Total Funds
Cash flows from operating activities				
Excess (deficiency) of revenues over expenses	\$ (47,970)	\$ 128,132	\$ 267,040	\$ 347,202
<u>Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash (used) provided by operating activities</u>				
Provision for bad debts	14,063	-	37,677	51,740
<u>Changes in assets and liabilities:</u>				
Assessments receivable	4,070	-	-	4,070
Special assessment receivable	-	61,600	882,700	944,300
Insurance proceeds receivable	805,558	-	-	805,558
Prepaid expenses	9,373	-	-	9,373
Accounts payable and accrued expenses	(820,605)	(26,882)	-	(847,287)
Prepaid assessments	(8,497)	-	-	(8,497)
Deferred special assessment	-	-	(376,713)	(376,713)
Net cash (used) provided by operating activities	(44,008)	163,050	810,704	929,746
Cash flows (to) investing activities				
Purchase of certificates of deposit, net	-	(96,110)	-	(96,110)
Cash flows from financing activities				
Interfund borrowings	4,938	337,242	(342,180)	-
Interfund transfers	21,406	245,634	(267,040)	-
Net cash provided (used) by financing activities	26,344	582,876	(609,220)	-
Net (decrease) increase in cash and cash equivalents	(17,664)	649,816	201,484	833,636
Cash and cash equivalents, beginning	132,784	215,390	669,392	1,017,566
Cash and cash equivalents, ending	\$ 115,120	\$ 865,206	\$ 870,876	\$ 1,851,202

See notes to financial statements.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1: Organization

Bayshore Club Management Association, Inc. 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 Florida Statutes §718 and the provisions of the Declaration of Condominium. 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 and the special assessment fund are generally made only for designated purposes as approved by the Board of Directors.

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.

Property and depreciation

The Association capitalizes all real property and certain personal property which it purchases. 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 properties are owned by the individual unit owners in common, and not by the Association. Capitalized property and equipment are depreciated over the estimated useful lives of the assets using the straight-line and accelerated methods of depreciation. A schedule of property and accumulated depreciation at December 31, 2018 is as follows:

Management office unit	\$ 40,756
Less: accumulated depreciation	<u>(40,756)</u>
	<u>\$ -</u>

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.

Cash and cash equivalents

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

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.

Subsequent events

Subsequent events have been evaluated through January 2, 2020, the date the financial statements were available to be issued in accordance with FASB ASC 855.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
December 31, 2018

NOTE 2: Summary of significant accounting policies

Utility pass-through

In accordance with FASB ASC 605-45, the Association recognizes utility pass-through assessments using principal agent considerations. The Association is primarily involved in the determination of a specific service, it has the discretion in selecting the suppliers of such services, and it bears the credit risk for the amounts billed for the service; accordingly, management has determined that the Association is the principal, and, accordingly, recognizes all utility pass-through activities using gross reporting.

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. At December 31, 2018, certificates of deposit totaled \$307,528.

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.

Recently issued accounting guidance, not yet adopted

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("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, 2019. 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.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers". This new guidance will replace most existing U.S. GAAP guidance on this topic. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. In August 2015, the FASB issued ASU No. 2015-14, which deferred, by one year, the effective date for the revenue reporting standard. Additionally, in March 2016, the FASB issued ASU No. 2016-08, "Revenue from Contracts with Customers, Principal versus Agent Considerations (Reporting Revenue Gross versus Net)" clarifying the implementation guidance on principal versus agent considerations. Specifically, an entity is required to determine whether the nature of a promise is to provide the specified good or service itself (that is, the entity is a principal) or to arrange for the good or service to be provided to the customer by the other party (that is, the entity is an agent). The determination influences the timing and amount of revenue recognition. For non-public entities, such as the Association, these new ASUs are effective for annual periods beginning after December 15, 2018. Effective January 1, 2019, the Association has adopted the new revenue recognition requirements as required; the Association does not believe the effects will have a material effect on its financial statements.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
December 31, 2018

NOTE 3: Concentration of credit risk

The Association maintains its cash in bank at various financial institutions whereby deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At December 31, 2018, the Association has uninsured deposits in the amount of \$1,293,615

NOTE 4: Owners' assessments and allowance for uncollectible accounts

Monthly assessments to unit 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 unit 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. When necessary, 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.

The Association's assessments receivable at December 31, 2018 were as follows:

	Operating Assessments	Special Assessments
Assessments receivable	\$ 32,608	50,335
Less: allowance for bad debts	(17,572)	(50,335)
	\$ 15,036	-

NOTE 5: Income taxes

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 2018, 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. Additionally, 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 December 31, 2018. 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. Generally, the Association's federal income tax returns for 2016 - 2018 remain subject to possible examination by the Internal Revenue Service.

NOTE 6: Insurance contingencies

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.

NOTE 7: Other commitments and contingencies

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

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
December 31, 2018

NOTE 8: 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.

NOTE 9: 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 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. At December 31, 2018, the remaining unrecognized and unexpended balance of \$760,711 is recorded as deferred special assessment in the special assessment fund until expended for its designated purposes.

NOTE 10: Due (to) from funds / interfund borrowings

At December 31, 2018, the Association's replacement fund is owed \$93,574 from its operating fund and \$110,165 from its special assessment fund. These interfund borrowings from the replacement fund may be in violation of Florida Statutes unless repaid within 30 days.

NOTE 11: 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 Board of Directors 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. The schedule included in the required supplementary information on future major repairs and replacements is based upon this study.

For the year ended December 31, 2018, the Association's unit owners voted to partially fund reserves in the amount of \$399,588. For the year ending December 31, 2019, the Association's unit owners voted to partially fund reserves in the amount of \$375,000.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
December 31, 2018

NOTE 11: Future major repairs and replacements (continued)

Components of the replacement fund are as follows:

	Balance 01/01/18	Additions	Interest Income	Expenses ¹	Transfers ²	Balance 12/31/18
Roof	\$ 110,999	\$ 16,896	\$ -	\$ 2,100	\$ -	\$ 125,795
Painting	43,986	11,088	-	-	(43,984)	11,090
Paving	63,210	14,412	-	-	-	77,622
Decorating	256,329	-	-	68,854	-	187,475
Tennis courts	30,953	-	-	138	-	30,815
Heating and A/C	40,514	8,832	-	16,518	-	32,828
Pool	55,130	1,308	-	-	-	56,438
Pumps	69,222	82,800	-	72,682	-	79,340
Common glass	45,711	35,376	-	39,818	-	41,269
Elevators	62,486	71,136	-	20,381	-	113,241
Safety & security	19,546	48,984	-	763	-	67,767
Equipment	43,026	27,900	-	18,995	-	51,931
Structural	(77,286)	61,092	-	19,905	295,031	258,932
Landscaping	1,565	5,388	-	1,943	-	5,010
Insurance	22,694	-	-	-	(22,694)	-
Garage renovation	29,644	12,792	-	8,862	-	33,574
Deferred maint.	47,328	-	-	3,407	1,288	45,209
Other	-	1,584	-	-	15,993	17,577
Interest	1,696	-	2,910	-	-	4,606
	<u>\$ 866,753</u>	<u>\$ 399,588</u>	<u>\$ 2,910</u>	<u>\$ 274,366</u>	<u>\$ 245,634</u>	<u>\$ 1,240,519</u>

¹ Total expenses of \$274,366 include amounts recorded as accounts payable and accrued expenses in the amount of \$135,954 at December 31, 2018.

² During 2018, the Association approved the transfers of \$21,406 to the operating fund and \$245,634 to the reserve fund from the special assessment fund.

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INDEPENDENT AUDITORS' 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, 2018, and our report thereon dated January 2, 2020, 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 11 and 12, 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 13 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
January 2, 2020

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET
For the year ended December 31, 2018

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Administrative			
Accounting and annual audit	\$ 6,500	\$ 9,000	\$ 2,500
Appraisal fee	1,000	1,000	-
Association administration	-	600	600
Association administrative	159	-	(159)
Background check	1,610	1,440	(170)
Bad debt expense	27,019	8,000	(19,019)
Bank service charges	829	150	(679)
Computer equipment and supplies	409	500	91
Computer repair and service	385	700	315
Computer software and website	483	700	217
Division fees	3,675	913	(2,762)
Legal expenses	30,619	25,000	(5,619)
Licensing, certifications and education	15	600	585
Office supplies and toner	4,205	5,600	1,395
Other expenses	500	-	(500)
Petty cash	-	900	900
Postage	3,880	4,000	120
Reserve study	665	650	(15)
Tax return	350	350	-
	<u>82,303</u>	<u>60,103</u>	<u>(22,200)</u>
Contract expenses			
Copier lease	5,932	3,067	(2,865)
Elevators	17,686	18,000	314
Emergency steam generator	-	500	500
Fire equipment and pump	5,317	3,300	(2,017)
Fire extinguisher annual certificate	1,165	3,618	2,453
Housekeeping	31,372	31,000	(372)
Interior pest control	2,492	3,600	1,108
Lawn maintenance service	8,685	8,400	(285)
Lawn treatment service	2,563	2,874	311
Postage meter lease	520	165	(355)
Security and answering service	2,863	2,100	(763)
Soft warm stream generators	2,381	455	(1,926)
	<u>80,976</u>	<u>77,079</u>	<u>(3,897)</u>
Insurance			
Flood	31,519	34,428	2,909
General liability and others	13,526	14,529	1,003
Property and wind	96,441	110,500	14,059
	<u>\$ 141,486</u>	<u>\$ 159,457</u>	<u>\$ 17,971</u>

See auditors' report on supplementary information.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET (CONT'D)
For the year ended December 31, 2018

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Payroll and related			
Payroll taxes	\$ 11,716	\$ 12,505	\$ 789
Salary and wages	136,266	163,470	27,204
Temp service cost	32,333	7,000	(25,333)
Travel expense	1,500	-	(1,500)
Workers comp. insurance	4,707	5,653	946
	<u>186,522</u>	<u>188,628</u>	<u>2,106</u>
Repairs and maintenance			
Annual carpet and tile cleaning	1,115	3,000	1,885
Elevator repair	2,513	6,000	3,487
General maintenance	41,944	15,000	(26,944)
Grounds and landscaping	6,615	7,000	385
HVAC maintenance and repairs	2,536	2,000	(536)
Housekeeping and janitorial supplies	3,287	2,000	(1,287)
Owner unit repairs due to Association	7,692	-	(7,692)
Plumbing maintenance	3,138	6,500	3,362
Pool maintenance and supplies	5,806	8,000	2,194
	<u>74,646</u>	<u>49,500</u>	<u>(25,146)</u>
Utilities			
Electric	58,303	57,500	(803)
Fireline	1,217	1,025	(192)
Garbage	18,338	16,500	(1,838)
Gas for mowing	342	200	(142)
Generator fuel	2,387	600	(1,787)
Landfill	6,492	5,750	(742)
Phone and entrance directory	12,919	10,700	(2,219)
Recycling	5,162	4,600	(562)
Sewer	44,290	39,000	(5,290)
Solid Waste fuel adjustment	1,079	-	(1,079)
Stormwater	31,357	28,000	(3,357)
Utility taxes and surcharges	2,766	-	(2,766)
Water	34,270	30,000	(4,270)
	<u>218,922</u>	<u>193,875</u>	<u>(25,047)</u>
Total budgeted expenses	<u>\$ 784,855</u>	<u>\$ 728,642</u>	<u>\$ (56,213)</u>

See auditors' report on supplementary information.

BAYSHORE CLUB MANAGEMENT ASSOCIATION, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)
December 31, 2018

The following schedule is based upon a study conducted by an independent consultant in 2018 and updated in 2019 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>Required Statutory Funding 12/31/19</u>	<u>Approved Budgeted Funding 12/31/19</u>
Roof	20-25	13-19	\$ 601,410	\$ 35,148	\$ 34,992
Painting	5-8	1-8	381,242	140,838	21,000
Paving	4-20	1-2	100,278	17,554	17,004
Decorating	8-25	1-21	570,975	73,336	-
Tennis courts	5-22	1-8	21,931	-	-
Heating and A/C	8-12	1-12	80,273	2,954	2,004
Pool	8-30	1-25	163,870	5,543	996
Pumps	2-45	1-24	314,648	57,331	57,000
Common glass	2-35	1-30	355,521	33,379	80,004
Elevators	15-30	10-25	630,780	25,425	75,000
Safety & security	8-40	1-30	801,492	53,295	24,996
Equipment	6-40	2-21	324,737	29,783	2,004
Structural	10-50	1-28	2,073,121	1,238,874	30,000
Landscaping	10	8	50,000	5,624	-
Insurance	-	-	-	-	-
Garage renovation	6-40	6-30	424,281	13,024	30,000
Deferred maint.	-	-	-	-	-
Other	12-26	4-25	79,801	3,746	-
Interest	-	-	-	-	-
			<u>\$ 6,974,360</u>	<u>\$ 1,735,854</u>	<u>\$ 375,000</u>

* Required statutory funding for the year ending December 31, 2019, of \$1,735,854 is the amount of assessments necessary to bring reserves up to the level necessary to avoid a special assessment. This disclosure is made in accordance with Florida Statute §718.111(13).

See auditors' report on supplementary information.