
CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY

**FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2019

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY

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YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors and Residential Unit Owners
Casa Blanca Association, Inc. and Subsidiary
Sarasota, Florida

Report on the Financial Statements

My firm has audited the accompanying financial statements of Casa Blanca Association, Inc. and Subsidiary, which comprise the balance sheet as of December 31, 2019, and the related statements of revenues, 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 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.

Board of Directors
Casa Blanca Association, Inc. and Subsidiary

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

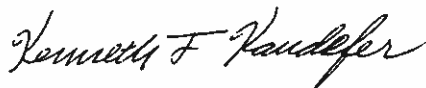
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Casa Blanca Association, Inc. and Subsidiary 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 basic financial statements as a whole. The accompanying Schedule of Operating Expenses and Schedule of Changes in Contract Liabilities and Replacement Fund Balances are presented for purposes of additional analysis and are not a required part of the basic 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Major Repairs and Replacements 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 operation, 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.



Kenneth F. Kandefer
Certified Public Accountant

Available to be Issued Date: April 30, 2020

Audit Release Date: June 18, 2020

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
BALANCE SHEET
DECEMBER 31, 2019

	OPERATING	REPLACEMENT	RENTAL	TOTAL
Cash	\$ 97,393	\$ 638,815	\$ 127,758	\$ 863,966
Cash Escrow	-	-	707,355	707,355
Accounts Receivable	-	-	10,448	10,448
Due from Rental	39,723	-	-	39,723
Prepaid Expenses	188,473	-	-	188,473
Furniture and Equipment	46,653	-	41,475	88,128
Accumulated Depreciation	(46,653)	-	(41,475)	(88,128)
Due to/from Funds	37,471	(37,471)	-	-
	363,060	601,344	845,561	1,809,965
TOTAL ASSETS	363,060	601,344	845,561	1,809,965
Accounts Payable	26,184	-	-	26,184
Due to Association	-	-	39,723	39,723
Booking Deposits	-	-	676,403	676,403
Taxes Payable	-	-	11,014	11,014
Due to Owners	-	-	69,461	69,461
Prepaid Maintenance Fees	69,872	-	-	69,872
Contract Liabilities	-	583,019	-	583,019
	96,056	583,019	796,601	1,475,676
TOTAL LIABILITIES	96,056	583,019	796,601	1,475,676
Fund Balances	267,004	18,325	48,960	334,289
TOTAL LIABILITIES AND FUND BALANCES	\$ 363,060	\$ 601,344	\$ 845,561	\$ 1,809,965

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

CASA-BLANCA ASSOCIATION, INC. and SUBSIDIARY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2019

	<u>OPERATING</u>	<u>REPLACEMENT</u>	<u>RENTAL</u>	<u>TOTAL</u>
REVENUES				
Members Assessments	\$ 495,736	\$ 49,221	\$ -	\$ 544,957
Commission Fees	-	-	330,759	330,759
Cleaning Fees	-	-	129,168	129,168
Occupancy Fees	-	-	83,944	83,944
Processing Fees	-	-	115,902	115,902
Interest Income	-	5,001	-	5,001
Reimbursed Expenses	-	-	17,008	17,008
Other Income	708	-	15,138	15,846
	<u>496,444</u>	<u>54,222</u>	<u>691,919</u>	<u>1,242,585</u>
EXPENSES				
Administrative	228,875	-	148,189	377,064
Grounds	32,795	-	36,635	69,430
Maintenance	36,780	-	249,456	286,236
Pool and Recreation	9,845	-	9,844	19,689
Utilities	86,362	-	23,666	110,028
Payroll	32,219	-	188,669	220,888
Replacement	-	49,221	-	49,221
	<u>426,876</u>	<u>49,221</u>	<u>656,459</u>	<u>1,132,556</u>
EXCESS (DEFICIT) REVENUES OVER EXPENSES BEFORE DEPRECIATION				
	69,568	5,001	35,460	110,029
DEPRECIATION				
	-	-	(5,378)	(5,378)
EXCESS (DEFICIT) REVENUES OVER EXPENSES AFTER DEPRECIATION				
	69,568	5,001	30,082	104,651
FUND BALANCE				
Beginning of Year	200,721	13,324	18,878	232,923
Prior Period Adjustment	(3,285)	-	-	(3,285)
	<u>267,004</u>	<u>18,325</u>	<u>48,960</u>	<u>334,289</u>
FUND BALANCE				
End of Year	<u>\$ 267,004</u>	<u>\$ 18,325</u>	<u>\$ 48,960</u>	<u>\$ 334,289</u>

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

CASA BLANCE ASSOCIATION, INC and SUBSIDIARY

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019**

	<u>OPERATING</u>	<u>REPLACEMENT</u>	<u>RENTAL</u>	<u>TOTAL</u>
<u>Cash Flows From Operating Activities</u>				
Member Assessments	\$ 487,698	\$ 183,392	\$ -	\$ 671,090
Rental Income and Fees	-	-	651,686	651,686
Interest Received	-	5,001	-	5,001
Other Income Received	708	-	32,146	32,854
Cash Paid for Expenditures	(423,934)	(11,750)	(461,588)	(897,272)
Income Taxes Paid	-	-	-	-
Interest Paid	-	-	-	-
Net Cash from Operations	64,472	176,643	222,244	463,359
<u>Cash Flows From Investing Activities</u>				
Purchase of Assets	-	-	(2,800)	(2,800)
Net Cash from Operations	-	-	(2,800)	(2,800)
Net Increase (Decrease) in Cash and Cash Equivalents	64,472	176,643	219,444	460,559
Cash and Cash Equivalents, Beginning of Year	32,921	462,172	615,669	1,110,762
Cash and Cash Equivalents, End of Year	\$ 97,393	\$ 638,815	\$ 835,113	\$ 1,571,321

Cash and cash equivalents reflected in these financial statements include money market funds, standard checking and savings accounts.

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

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

**RECONCILIATION OF EXCESS (DEFICIT)
OF REVENUES OVER EXPENSES TO
NET CASH PROVIDED BY OPERATING
ACTIVITIES:**

	<u>OPERATING</u>	<u>REPLACEMENT</u>	<u>RENTAL</u>	<u>TOTAL</u>
Excess (Deficit) Revenues Over Expenses	\$ 69,568	\$ 5,001	\$ 30,082	\$ 104,651
Prior Period Correction	(3,285)	-	-	(3,285)
Depreciation	-	-	5,378	5,378
Total	<u>66,283</u>	<u>5,001</u>	<u>35,460</u>	<u>106,744</u>
Adjustment to Reconcile Excess (Deficit) Revenues over Expenses Provided by (Used in) Operating Activities				
(Increase) Decrease in:				
Receivables	(38,919)	-	(8,087)	(47,006)
Prepaid Expenses	21,948	-	2,200	24,148
Due Between Funds	(34,186)	37,471	7,467	10,752
Increase (Decrease) in:				
Payables	18,465	-	(2,151)	16,314
Accrued Liabilities	-	-	485	485
Contract Liabilities	-	134,171	-	134,171
Booking Deposits	-	-	186,870	186,870
Prepaid Maintenance Fees	30,881	-	-	30,881
Total Adjustments	<u>(1,811)</u>	<u>171,642</u>	<u>186,784</u>	<u>356,615</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 64,472</u>	<u>\$ 176,643</u>	<u>\$ 222,244</u>	<u>\$ 463,359</u>

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

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 - NATURE OF ORGANIZATION

CASA BLANCA ASSOCIATION, INC. AND SUBSIDIARY is a not-for-profit corporation organized on February 15, 1966 according to the Florida Condominium Act for the purpose of offering maintenance services to its members who are the unit owners in Casa Blanca Condominium located in Sarasota, Fl. The Association represents 88 residential units. Substantially, all of the Association's revenues are provided by its members through yearly assessments. This Association is the parent company of the wholly owned subsidiary, Casa Blanca Vacation Rentals, Inc. ("the Subsidiary") which operates a short term rental program.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. 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 general operations of the Association.

Replacement Fund--This fund is used to accumulate financial resources designated for future major repairs and replacements.

Rental Fund--This fund is used to account for the income and expenses derived from short term rentals at Casa Blanca Association, Inc.

Member Assessments

Association members are subject to quarterly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessment receivables at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent. Accounts Receivable at December 31, 2019 for regular quarterly assessments was \$ -0-.

Income Tax

The Association is classified as a nonexempt membership organization for both federal and state income tax purposes for the year ended December 31, 2019. The Association is subject to specific rulings and regulations applicable to nonexempt membership organization. In general, The Association is required to separate its taxable income and deductions into membership transactions, nonmembership transactions and capital transactions.

The Association is filing as a regular corporation under Section 277 of the Internal Revenue Code whereby non-exempt function income is taxed at regular corporate rates.

The Subsidiary is taxed as a regular corporation.

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 reported period. Actual results could differ from those estimates.

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line method.

NOTE 3 - PROVISION FOR INCOME TAXES

As stated in Note 2, the Association is taxed by the Internal Revenue Service on any non-membership income, net of certain deductions. For the year ended December 31, 2019, the Association had \$5,001 of tax income and after allowable deduction has no taxes due and a \$5,065 Net Operating Loss carryforward.

The Subsidiary's taxable income was \$30,082. The subsidiary did not owe any taxes and has a Net Operating Loss carryforward of \$30,990.

NOTE 4 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds would be held in a separate account and are generally not available for expenditures for normal operations.

The Association engaged an independent engineer who conducted an updated study in 2016 to estimate the remaining useful lives and the replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund.

Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts that would be accumulated in the replacement fund may not be adequate to meet future needs. If additional funds would be needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

NOTE 5 – UNINSURED CASH BALANCES

The Association maintains its cash in financial institutions in Florida. Cash balances are insured under the FDIC for up to \$250,000 per institution. At December 31, 2019, the Association had no uninsured funds.

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 6 – UNCERTAINTY IN INCOME TAXES

The Association evaluates its uncertain tax position in compliance with requirements established by the financial standards board. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. Management has determined that there are no probable liabilities related to the current Association tax position.

NOTE 7 – DATE OF MANAGEMENT REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date indicated on the Auditor's letter labeled "available for issue" date.

NOTE 8 – PROPERTY AND EQUIPMENT

Property and Equipment are valued at cost. Depreciation is recorded on the straight line basis over the useful lives of the assets. Depreciation expenses for the year ended December 31, 2019 was \$5,378.

	<u>Operating</u>	<u>Rental</u>	<u>Total</u>
Equipment	\$ 46,653	\$ 41,475	\$ 88,128
Accumulated Depreciation	<u>(46,653)</u>	<u>(41,475)</u>	<u>(88,128.)</u>
Net Book Value	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

NOTE 9—FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, *Real Estate—Common Interest Realty Associations, Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

The Association adopted the requirements of new guidance as of January 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenue and contract liabilities related to the replacement fund, as previously described.

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 9—FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION (cont'd)

The adoption of the new revenue recognition guidance resulted in the following change to fund balance as of January 1, 2019:

Fund balance, as previously reported, at January 1, 2019	\$ 681,771
Adjustment	<u>(448,848)</u>
Fund balance, as adjusted, at January 1, 2019	<u>\$232,923</u>

The effect of the adoption is a decrease in 2019 assessments by \$134,171 and a recording of a contract liability (assessments received in advance-replacement fund) at December 31, 2019, of \$583,019. The Association has no customer contract modifications that had an effect on the Association's transition to the new guidance.

The modified retrospective method of transition requires us to disclose the effect of applying the new guidance on each item included in our 2019 financial statements. Following are the line items from our balance sheet as of December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Liabilities:</u>			
Contract liabilities	\$ -	\$583,019	\$ 583,019
Total liabilities	<u>892,657</u>	<u>583,019</u>	<u>1,475,676</u>
<u>Fund Balance:</u>			
Ending fund balances	<u>\$ 917,308</u>	<u>\$(583,019)</u>	<u>\$ 334,289</u>

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2019

NOTE 9—FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION (cont'd)

The following are the line items from the statement of revenues, expenses, and changes in fund balances for the year ended December 31, 2019, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance:

	<u>Amounts That Would Have Been Reported</u>	<u>Effects of Applying New Guidance</u>	<u>As Reported</u>
<u>Revenue:</u>			
Regular assessments	\$ 679,128	\$ (134,171)	\$ 544,957
Excess of revenues over expenses	\$ 238,822	\$(134,171)	\$ 104,651

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
SCHEDULE OF OPERATING AND RENTAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	<u>OPERATING</u>	<u>RENTAL</u>
ADMINISTRATIVE		
Bank and Merchant Fees	\$ -	\$ 77,480
Fees, Dues and Licenses	596	1,427
Fees Payable to Division	352	-
Insurance	195,085	10,769
Advertising	-	4,201
Accounting/Audit	4,250	24,667
Professional Fees	2,548	165
Management Fees	19,900	-
Office Supplies	6,003	3,291
Postage and Delivery	-	983
Rent and Equipment Lease	-	3,129
Office Rent	-	15
Security	-	22,062
Bad Debt Expense	141	-
TOTAL ADMINISTRATIVE EXPENSES	<u>228,875</u>	<u>148,189</u>
GROUNDS		
Landscape Maintenance	24,240	-
Grounds Other	8,555	36,635
TOTAL GROUNDS EXPENSES	<u>32,795</u>	<u>36,635</u>
MAINTENANCE		
Maintenance Supplies	4,130	4,159
Owner Expenses	-	2,249
Contract Cleaning	-	154,555
Linens	-	65,504
Occupancy Supplies	-	9,074
Other Repair and Maintenance	-	4,359
Elevator Maintenance	13,421	-
Fire and Safety	1,916	-
HVAC Maintenance	635	-
Beach Maintenance	1,702	1,702
Pest Control	9,458	-
Common Area	3,944	5,027
Paver Work	769	-
Roof Repairs	795	-
Vending Machines	-	133
Washer and Dryer Repair	10	2,694
TOTAL MAINTENANCE EXPENSES	<u>\$ 36,780</u>	<u>\$ 249,456</u>

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

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
SCHEDULE OF OPERATING AND RENTAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	OPERATING	RENTAL
POOL AND RECREATION		
Pool Expense	\$ 5,522	\$ 5,522
Pool Fuel	4,323	4,322
TOTAL POOL AND RECREATION EXPENSES	9,845	9,844
 UTILITIES EXPENSE		
Electric	6,087	6,087
Cable TV and Wi-Fi	47,808	4,758
Telecommunications	4,719	12,821
Trash	1,813	-
Water and Sewer	25,935	-
TOTAL UTILITIES EXPENSES	86,362	23,666
 PAYROLL		
Office and Administrative	-	140,753
Maintenance	32,219	47,916
TOTAL PAYROLL EXPENSES	32,219	188,669
 TOTAL OPERATING EXPENSES	\$ 426,876	\$ 656,459

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

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY

**SCHEDULE OF CHANGES IN CONTRACT LIABILITIES AND REPLACEMENT FUND BALANCES
YEAR ENDED DECEMBER 31, 2019**

CONTRACT LIABILITIES

	<u>Beginning Balance</u>	<u>Assessments and Other</u>	<u>Revenue Recognized</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Ending Balance</u>
Building Restoration	\$ 138,150	\$ 71,442	\$ -	\$ -	\$ -	\$ 209,592
Mechanical/Electrical	23,990	10,509	-	-	-	34,499
Exterior Painting/Powerwashing	29,841	14,476	-	-	-	44,317
Roadway Resurfacing	37,289	13,171	-	-	-	50,460
Ground Site Improvements	(26,691)	19,509	(30,500)	-	37,682	-
Pool	14,740	5,673	(18,721)	-	-	1,692
Roofing	222,093	38,716	-	-	(37,682)	223,127
Railings	9,436	9,896	-	-	-	19,332
TOTAL CONTRACT LIABILITIES	<u>\$ 448,848</u>	<u>\$ 183,392</u>	<u>\$ (49,221)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583,019</u>

REPLACEMENT FUND

Building Restoration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Mechanical/Electrical	-	-	-	-	-	-
Exterior Painting/Powerwashing	-	-	-	-	-	-
Roadway Resurfacing	-	-	-	-	-	-
Ground Site Improvements	-	-	30,500	(30,500)	-	-
Pool	-	-	18,721	(18,721)	-	-
Roofing	-	-	-	-	-	-
Railings	-	-	-	-	-	-
Interest	13,324	5,001	-	-	-	18,325
TOTAL REPLACEMENT	<u>\$ 13,324</u>	<u>\$ 5,001</u>	<u>\$ 49,221</u>	<u>\$ (49,221)</u>	<u>\$ -</u>	<u>\$ 18,325</u>

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

CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
YEAR ENDED DECEMBER 31, 2019

(UNAUDITED)

Management and the Board have updated an engineer's study to estimate the remaining useful Lives and estimated cost to replace the components of reserves. This information was created while preparing the proposed 2020 budget.

<u>Components</u>	<u>Estimated Useful Life</u>	<u>Estimated Remaining Useful Life</u>	<u>Estimated Replacement Costs</u>	<u>Funding Requirement 2020</u>
Buildings/Structures				
Concrete Restoration	10	3	\$ 85,000	\$ 16,235
Sewer remediation	2	1	50,000	28,650
Mechanical/Electrical				
Elevator Modernization	30	17	71,810	2,420
Fire Alarm System	25	9	21,680	1,380
HVAC Package Unit	10	1	11,696	6,702
Exterior Painting				
Paint/Water proof Mid Rise	10	3	35,904	6,858
Paint/Water proof Office Buildings	10	2	4,668	1,337
Paint/Water proof Villas	10	4	71,568	10,252
Pavement				
Pavers, Parking and Drives	30	25	225,400	5,166
Clean and Seal Pavers	58	4	40,000	5,730
Pool				
Pool Decking	30	9	23,165	1,475
Pool Fencing and Gates	24	3	6,735	1,286
Pool Interiors	13	4	28,188	4,038
Roofing				
Roofing Mid Rise	20	11	158,840	8,274
Roofing Office Flat	20	4	28,432	4,073
Roofing Office Metal	35	22	10,215	266
Roofing Villas	35	22	1,067,387	27,800
Railings	40	1	16,808	9,631
Ground Site Improvements				
Beach Cabanas	20	3	15,120	2,888
Fencing, North Boundary	25	8	12,743	913
Lighting, Parking/Drives	24	1	23,474	13,450
Seawall	40	7	101,280	8,290
Signage	17	1	7,100	4,068
TOTAL			<u>\$ 2,117,213</u>	<u>\$ 171,182</u>