

**CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY**

FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2020

**CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY**

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**YEAR ENDED DECEMBER 31, 2020**

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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, 2020, 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, 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.

**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 25, 2021

Audit Release Date: May 24, 2021

**CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY**  
**BALANCE SHEET**  
**DECEMBER 31, 2020**

	<u>OPERATING</u>	<u>REPLACEMENT</u>	<u>RENTAL</u>	<u>TOTAL</u>
Cash	\$ 120,489	\$ 686,140	\$ 185,173	\$ 991,802
Cash Escrow	-	-	666,315	666,315
Accounts Receivable	744	-	7,164	7,908
Due from Rental	36,222	-	-	36,222
Prepaid Expenses	198,763	-	-	198,763
Furniture and Equipment	46,653	-	41,475	88,128
Accumulated Depreciation	(46,653)	-	(41,475)	(88,128)
<b>TOTAL ASSETS</b>	<u>356,218</u>	<u>686,140</u>	<u>858,652</u>	<u>1,901,010</u>
Accounts Payable	1,920	-	-	1,920
Other Accrued Expenses	4,436	-	-	4,436
Due to Association	-	-	34,836	34,836
Booking Deposits	-	-	705,854	705,854
Taxes Payable	-	-	6,105	6,105
Due to Owners	-	-	39,522	39,522
Prepaid Maintenance Fees	48,325	-	-	48,325
Note Payable - PPP Loan/EIDL	-	-	52,617	52,617
Contract Liabilities	-	662,745	-	662,745
<b>TOTAL LIABILITIES</b>	<u>54,681</u>	<u>662,745</u>	<u>838,934</u>	<u>1,556,360</u>
<b>Fund Balances</b>	<u>301,537</u>	<u>23,395</u>	<u>19,718</u>	<u>344,650</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 356,218</u>	<u>\$ 686,140</u>	<u>\$ 858,652</u>	<u>\$ 1,901,010</u>

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, 2020**

	<u>OPERATING</u>	<u>REPLACEMENT</u>	<u>RENTAL</u>	<u>TOTAL</u>
<b>REVENUES</b>				
Members Assessments	\$ 513,578	\$ 92,149	\$ -	\$ 605,727
Commission Fees	-	-	290,600	290,600
Cleaning Fees	-	-	125,660	125,660
Occupancy Fees	-	-	75,565	75,565
Processing Fees	-	-	99,724	99,724
Interest Income	-	5,376	-	5,376
Reimbursed Expenses	42,000	-	9,154	51,154
Other Income	799	-	15,535	16,334
<b>TOTAL REVENUES</b>	<u>556,377</u>	<u>97,525</u>	<u>616,238</u>	<u>1,270,140</u>
<b>EXPENSES</b>				
Administrative	244,779	-	207,216	451,995
Grounds	31,431	-	184	31,615
Maintenance	46,703	-	239,521	286,224
Pool and Recreation	10,787	-	-	10,787
Utilities	126,452	-	8,915	135,367
Payroll	61,692	-	156,678	218,370
Replacement	-	92,455	-	92,455
<b>TOTAL EXPENSES</b>	<u>521,844</u>	<u>92,455</u>	<u>612,514</u>	<u>1,226,813</u>
<b>EXCESS (DEFICIT) REVENUES OVER EXPENSES</b>	34,533	5,070	3,724	43,327
<b>FUND BALANCE</b>				
Beginning of Year	267,004	18,325	48,960	334,289
Prior Period Adjustment	-	-	(32,966)	(32,966)
<b>FUND BALANCE End of Year</b>	<u>\$ 301,537</u>	<u>\$ 23,395</u>	<u>\$ 19,718</u>	<u>\$ 344,650</u>

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, 2020**

	<u>OPERATING</u>	<u>REPLACEMENT</u>	<u>RENTAL</u>	<u>TOTAL</u>
<b><u>Cash Flows From Operating Activities</u></b>				
Member Assessments	\$ 492,031	\$ 86,773	\$ -	\$ 578,804
Rental Income and Fees	-	-	594,833	594,833
Interest Received	-	5,376	-	5,376
Other Income Received	42,799	-	31,689	74,488
Cash Paid for Expenditures	(511,734)	(44,824)	(662,764)	(1,219,322)
Income Taxes Paid	-	-	-	-
Interest Paid	-	-	-	-
<b>Net Cash from Operations</b>	<u>23,096</u>	<u>47,325</u>	<u>(36,242)</u>	<u>34,179</u>
<b><u>Cash Flows From Financing Activities</u></b>				
Proceeds from Short-Term Debt	-	-	52,617	52,617
<b>Net Cash from Operations</b>	<u>-</u>	<u>-</u>	<u>52,617</u>	<u>52,617</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	23,096	47,325	16,375	86,796
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>97,393</u>	<u>638,815</u>	<u>835,113</u>	<u>1,571,321</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 120,489</u>	<u>\$ 686,140</u>	<u>\$ 851,488</u>	<u>\$ 1,658,117</u>

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, 2020**

**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	\$ 34,533	\$ 5,070	\$ 3,724	\$ 43,327
Prior Period Correction	-	-	(32,966)	(32,966)
<b>Total</b>	<u>34,533</u>	<u>5,070</u>	<u>(29,242)</u>	<u>10,361</u>
Adjustment to Reconcile Excess (Deficit) Revenues over Expenses Provided by (Used in) Operating Activities				
<b>(Increase) Decrease in:</b>				
Receivables	2,757	-	3,284	6,041
Prepaid Expenses	(10,290)	-	-	(10,290)
Due Between Funds	37,471	(37,471)	-	-
<b>Increase (Decrease) in:</b>				
Payables	(24,264)	-	(4,887)	(29,151)
Accrued Liabilities	4,436	-	(4,909)	(473)
Contract Liabilities	-	79,726	(29,939)	49,787
Booking Deposits	-	-	29,451	29,451
Prepaid Maintenance Fees	(21,547)	-	-	(21,547)
<b>Total Adjustments</b>	<u>(11,437)</u>	<u>42,255</u>	<u>(7,000)</u>	<u>23,818</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 23,096</u>	<u>\$ 47,325</u>	<u>\$ (36,242)</u>	<u>\$ 34,179</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, 2020**

**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, 2020 for regular quarterly assessments was \$744.

**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, 2020. 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, 2020**

**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, 2020, the Association had \$39,603 of income. After allowable deductions the Association has no taxes due and a \$5,065 Net Operating Loss carryforward.

The Subsidiary's net income was \$3,724. The subsidiary did not owe any taxes and has a Net Operating Loss carryforward of \$27,266.

**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, 2020, the Association had no uninsured funds.

**CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**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. The Association had no depreciation expenses for the year ended December 31, 2020.

	<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 – RENTAL COVID-19**

The Rental division found it necessary to refund a large number of rental fees because the beach was not available and many renters were not able to travel. The amount refunded totaled \$652,635.

**NOTE 10 – PRIOR PERIOD ADJUSTMENT**

The Rental division changed the revenue recognition process in 2019 which created an adjustment necessary to deposit cash on hand. This adjustment was to be made in 2019 but was not done until 2020.

**CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2020**

**NOTE 11 – COVID-19 PANDEMIC**

Subsequent to December 31, 2020, markets have been negatively impacted by a novel strain of coronavirus (COVID-19), which was declared a pandemic by the World Health Organization (WHO) on March 11, 2020. The continued spread of COVID-19 and the actions being taken by governments, businesses, and individuals to limit this pandemic may adversely impact operations, including among other, increasing the credit risk of owners and collectability of owner assessments. This has resulted in significant economic uncertainty, of which the potential impact to the Association's future financial result is difficult to measure.

**NOTE 12 – NOTES PAYABLE**

The Rental division was able to secure a loan from the Small Business Administration from the Paycheck Protection Program in the amount of \$45,617. In addition, the Rental division was given a grant (EIDL) in the amount of \$7,000. The Association expects both of these amounts to be forgiven in 2021.

**CASA BLANCA ASSOCIATION, INC. and SUBSIDIARY**  
**SCHEDULE OF OPERATING AND RENTAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	<u>OPERATING</u>	<u>RENTAL</u>
<b>ADMINISTRATIVE</b>		
Bank and Merchant Fees	\$ 52	\$ 84,736
Fees, Dues and Licenses	596	1,671
Fees Payable to Division	-	-
Insurance	212,344	9,871
Advertising	-	4,358
Accounting /Audit	4,250	32,850
Professional Fees	1,881	-
Management Fees	20,695	24,000
Office Supplies	4,961	3,204
Postage and Delivery	-	1,183
Rent and Equipment Lease	-	2,652
Office Rent	-	18,000
Security	-	24,691
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<u>244,779</u>	<u>207,216</u>
<b>GROUNDS</b>		
Landscape Maintenance	24,720	-
Grounds Other	6,711	184
<b>TOTAL GROUNDS EXPENSES</b>	<u>31,431</u>	<u>184</u>
<b>MAINTENANCE</b>		
Maintenance Supplies	8,437	1,010
Owner Expenses	-	2,625
Contract Cleaning	-	141,053
Linens	-	60,621
Occupancy Supplies	-	7,799
Other Repair and Maintenance	-	7,318
Elevator Maintenance	5,973	-
Fire and Safety	4,074	-
HVAC Maintenance	520	-
Beach Maintenance	2,821	18,783
Pest Control	13,917	-
Common Area	8,603	-
Paver Work	-	-
Roof Repairs	2,358	-
Washer and Dryer Repair	-	312
<b>TOTAL MAINTENANCE EXPENSES</b>	<u>\$ 46,703</u>	<u>\$ 239,521</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, 2020**

	<u>OPERATING</u>	<u>RENTAL</u>
<b>POOL AND RECREATION</b>		
Pool Expense	\$ 9,804	\$ -
Pool Fuel	983	-
<b>TOTAL POOL AND RECREATION EXPENSES</b>	<u>10,787</u>	<u>-</u>
 <b>UTILITIES EXPENSE</b>		
Electric	13,446	-
Cable TV and Wi-Fi	50,939	-
Telecommunications	6,225	8,915
Trash	1,858	-
Water and Sewer	53,984	-
<b>TOTAL UTILITIES EXPENSES</b>	<u>126,452</u>	<u>8,915</u>
 <b>PAYROLL</b>		
Office and Administrative	-	130,990
Maintenance	61,692	25,688
<b>TOTAL PAYROLL EXPENSES</b>	<u>61,692</u>	<u>156,678</u>
 <b>TOTAL OPERATING EXPENSES</b>	<u>\$ 521,844</u>	<u>\$ 612,514</u>

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, 2020**

**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	\$ 209,592	\$ 44,885	\$ (11,670)	\$ -	\$ -	\$ 242,807
Mechanical/Electrical	34,499	10,502	(10,498)	-	-	34,503
Exterior Painting/Powerwashing	44,317	18,447	-	-	-	62,764
Roadway Resurfacing	50,460	10,896	(634)	-	-	60,722
Ground Site Improvements	-	29,609	(23,930)	-	-	5,679
Pool	1,692	7,492	(42,076)	-	32,892	-
Roofing	223,127	40,413	(2,900)	-	(32,892)	227,748
Railings	19,332	9,631	(441)	-	-	28,522
<b>TOTAL CONTRACT LIABILITIES</b>	<u>\$ 583,019</u>	<u>\$ 171,875</u>	<u>\$ (92,149)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 662,745</u>

**REPLACEMENT FUND**

Building Restoration	\$ -	\$ -	\$ 11,670	\$ (11,670)	\$ -	\$ -
Mechanical/Electrical	-	-	10,498	(10,498)	-	-
Exterior Painting/Powerwashing	-	-	-	-	-	-
Elevator	-	-	-	(306)	-	(306)
Roadway Resurfacing	-	-	634	(634)	-	-
Ground Site Improvements	-	-	23,930	(23,930)	-	-
Pool	-	-	42,076	(42,076)	-	-
Roofing	-	-	2,900	(2,900)	-	-
Railings	-	-	441	(441)	-	-
Interest	18,325	5,376	-	-	-	23,701
<b>TOTAL REPLACEMENT</b>	<u>\$ 18,325</u>	<u>\$ 5,376</u>	<u>\$ 92,149</u>	<u>\$ (92,455)</u>	<u>\$ -</u>	<u>\$ 23,395</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, 2020**

(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 2021 budget.

<u>Components</u>	<u>Estimated Useful Life</u>	<u>Estimated Remaining Useful Life</u>	<u>Estimated Replacement Costs</u>	<u>Funding Requirement 2021</u>
<b>Buildings/Structures</b>				
Concrete Restoration	10	2	\$ 85,000	\$ 21,699
Sewer remediation	2	1	25,000	12,764
<b>Mechanical/Electrical</b>				
Elevator Modernization	30	16	71,810	2,291
Fire Alarm System	25	8	21,680	1,384
HVAC Package Unit	10	10	10,200	521
<b>Exterior Painting</b>				
Paint/Water proof Mid Rise	10	2	35,904	9,166
Paint/Water proof Office Buildings	10	1	4,668	2,383
Paint/Water proof Villas	10	3	71,568	12,180
<b>Pavement</b>				
Pavers, Parking and Drives	30	24	225,400	4,795
Clean and Seal Pavers	5	3	40,000	6,808
<b>Pool</b>				
Pool Decking	30	8	23,165	1,478
Pool Fencing and Gates	24	2	6,735	1,719
Pool Interiors	13	13	58,000	2,278
<b>Roofing</b>				
Roofing Mid Rise	20	10	158,840	8,110
Roofing Office Flat	20	3	28,432	4,839
Roofing Office Metal	35	21	10,215	248
Roofing Villas	35	21	1,067,387	25,951
<b>Railings</b>	40	1	16,808	8,582
<b>Ground Site Improvements</b>				
Beach Cabanas	20	2	15,120	3,860
Fencing, North Boundary	25	7	12,743	929
Lighting, Parking/Drives	24	1	23,474	11,985
Seawall	40	6	101,280	8,618
Signage	17	1	7,100	3,625
<b>TOTAL</b>			<u>\$ 2,120,529</u>	<u>\$ 156,213</u>