

**Bay Tree Club Association, Inc.**

**Independent Auditor's Report,  
Financial Statements  
and  
Supplementary Information**

**December 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Bay Tree Club Association, Inc.

We have audited the accompanying financial statements of Bay Tree Club Association, Inc., 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.

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 Bay Tree Club Association, Inc. as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in note 4 are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion is not modified with respect to that matter.

As discussed further in note 8, the Association has implemented the new guidance issued by the Financial Accounting Standards Board (FASB) that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). The effects of the new guidance has been included in note 8. Our opinion is not modified with respect to that matter.

As discussed further in note 9, the Board of Directors has approved a special assessment for \$2,000,000 for the replacement of the roofs. Our opinion is not modified with respect to that matter.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedules of operating fund expenses and of replacement fund activity on pages twelve (12) through fourteen (14) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page fifteen (15) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Murchings & Tyack CPAs, LLC*

April 25, 2020  
Curtiss Office  
Sarasota, Florida

**Bay Tree Club Association, Inc.**

Sarasota, Florida

**Balance Sheet**

December 31, 2019

**ASSETS**

<b>Assets</b>	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 134,803	\$ 315,855	\$ 450,658
Accounts receivable	95	-	95
Special assessment receivable	1,974,536	-	1,974,536
Due from other fund	-	19,787	19,787
Prepays and other	73,484	-	73,484
Property and equipment, net of accumulated depreciation of \$48,519	<u>37,682</u>	<u>-</u>	<u>37,682</u>
<b>Total Assets</b>	<b><u>\$ 2,220,600</u></b>	<b><u>\$ 335,642</u></b>	<b><u>\$ 2,556,242</u></b>

**LIABILITIES AND FUND BALANCES****Liabilities**

Accounts payable	\$ 11,486	\$ -	\$ 11,486
Due to other fund	19,787	-	19,787
Deposits	3,325	-	3,325
Deferred special assessment	1,974,536	-	1,974,536
Prepaid member assessments	97,598	-	97,598
Contract liabilities (assessments received in advance - replacement fund)	<u>-</u>	<u>335,642</u>	<u>335,642</u>
<b>Total Liabilities</b>	<b>2,106,732</b>	<b>335,642</b>	<b>2,442,374</b>
<b>Fund Balances</b>	<b><u>113,868</u></b>	<b><u>-</u></b>	<b><u>113,868</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 2,220,600</u></b>	<b><u>\$ 335,642</u></b>	<b><u>\$ 2,556,242</u></b>

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

**Bay Tree Club Association, Inc.**

Sarasota, Florida

**Statement of Revenues, Expenses and Changes in Fund Balances**

Year Ended December 31, 2019

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>Revenues</b>			
Member assessments	\$ 645,471	\$ 175,232	\$ 820,703
Interest	-	4,111	4,111
Application fees	16,485	-	16,485
Laundry	9,058	-	9,058
Other income	<u>1,336</u>	<u>-</u>	<u>1,336</u>
Total Revenues	<u>672,350</u>	<u>179,343</u>	<u>851,693</u>
<b>Expenses</b>			
Administration	337,351	-	337,351
Common area maintenance	104,005	-	104,005
Grounds maintenance	53,920	-	53,920
Utilities	169,138	-	169,138
Replacement	<u>-</u>	<u>179,343</u>	<u>179,343</u>
Total Expenses	<u>664,414</u>	<u>179,343</u>	<u>843,757</u>
Excess Revenues over Expenses	7,936	-	7,936
Beginning Fund Balances	<u>105,932</u>	<u>-</u>	<u>105,932</u>
Ending Fund Balances	<u>\$ 113,868</u>	<u>\$ -</u>	<u>\$ 113,868</u>

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

**Bay Tree Club Association, Inc.**

Sarasota, Florida

**Statement of Cash Flows**

Year Ended December 31, 2019

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>Cash Flows From Operating Activities:</b>			
Member assessments received	\$ 656,219	\$ 161,000	\$ 817,219
Interest received	-	4,111	4,111
Other receipts	26,379	-	26,379
Cash paid to suppliers and contractors	<u>(668,212)</u>	<u>(179,343)</u>	<u>(847,555)</u>
Net Cash Provided (Used) by Operating Activities	<u>14,386</u>	<u>(14,232)</u>	<u>154</u>
<b>Cash Flows From Investing Activities:</b>			
Change in certificates of deposits	-	35,000	35,000
Purchase of equipment	<u>(34,325)</u>	<u>-</u>	<u>(34,325)</u>
Net Cash Provided (Used) by Investing Activities	<u>(34,325)</u>	<u>35,000</u>	<u>675</u>
<b>Cash Flows From Financing Activities:</b>			
Change in due (to) from other fund	<u>(5,213)</u>	<u>5,213</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>(5,213)</u>	<u>5,213</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(25,152)	25,981	829
Cash and Cash Equivalents - Beginning of Year	<u>159,955</u>	<u>289,874</u>	<u>449,829</u>
Cash and Cash Equivalents - End of Year	<u>\$ 134,803</u>	<u>\$ 315,855</u>	<u>\$ 450,658</u>

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

**Bay Tree Club Association, Inc.**

Sarasota, Florida

**Statement of Cash Flows**

Year Ended December 31, 2019

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Reconciliation of excess revenues over expenses to net cash provided (used) by operating activities			
Excess Revenues over Expenses	\$ 7,936	\$ -	\$ 7,936
Adjustments to reconcile excess revenues over expenses to net cash provided (used) by operating activities:			
Depreciation	8,860	-	8,860
Decrease (increase) in operating assets:			
Assessments receivable	(95)	-	(95)
Prepays and other	(3,613)	-	(3,613)
Increase (decrease) in operating liabilities			
Accounts payable	(5,032)	-	(5,032)
Payroll accrual	(4,013)	-	(4,013)
Deposits	(500)	-	(500)
Contract liabilities	-	(14,232)	(14,232)
Prepaid member assessments	<u>10,843</u>	<u>-</u>	<u>10,843</u>
Total Adjustments	<u>6,450</u>	<u>(14,232)</u>	<u>(7,782)</u>
Net cash provided (used) by operating activities	<u>\$ 14,386</u>	<u>\$ (14,232)</u>	<u>\$ 154</u>

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



**Bay Tree Club Association, Inc.**  
Sarasota, Florida

**Notes to the Financial Statements**  
December 31, 2019

**Note 1 – Nature of Organization and Management Review**

Nature of Organization

Bay Tree Club Association, Inc. (“the Association”) is a not-for-profit corporation organized to provide an entity pursuant to Section 718 of the Florida Condominium Act for the administration, maintenance, operation, and management of 120 residential units of Bay Tree Club Association located on Siesta Key, Florida. Assessments against the owners of the condominium units, which are the principal source of revenue, are based on the total estimated amounts required to protect and maintain the property owned by the unit owners in common of the Association.

All policy decisions are formulated by the Board of Directors. Certain major decisions are referred to the general membership before action is taken.

Management Review

The Association has evaluated events and transactions for potential recognition or disclosure through April 25, 2020, the date the financial statements were available to be issued.

**Note 2 – Summary of Significant Accounting Policies**

Financial Statements

The financial statements and notes are the representations of the Association’s management, who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of 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 Board of Directors and 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. The operating fund reflects the operating assessments paid by unit owners to meet the regular costs of operation. Expenditures of this fund are limited to those connected with the day-to-day operations and non-recurring unanticipated expenditures.

Replacement Fund – This fund is used to account for financial resources designated for future major repairs and replacements. The replacement fund is composed of all capital assessments paid by unit owners to fund future replacements, major repairs and purchases of additional commonly-owned assets. Disbursements from the reserve fund may generally be made only for designated purposes.

Interest Earned on Reserves

The Association’s policy is to include in the replacement fund any interest earned on the replacement fund investments.

Allocation of Income and Expenses

The allocation of income and expenses to Association members is based on the condominium documents, which state that the Association members share the income and expenses based on the size of the unit.

Cash Equivalents

For purposes of the balance sheet and the statement of cash flows, the Association considers demand deposits with banks, money market funds and all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Bay Tree Club Association, Inc.**  
Sarasota, Florida

**Notes to the Financial Statements**  
December 31, 2019

**Note 2 – Summary of Significant Accounting Policies - continued**

Member Assessments

Association members are subject to quarterly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. The quarterly assessments for 2019 ranged from \$1,512 to \$1,855, of which \$302 to \$370 was designated for the replacement fund. Excess assessments at year end are retained by the association for use in the succeeding year.

Assessments receivable as of December 31, 2019 are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of unit owners whose assessments are delinquent. As of December 31, 2019, the Association had outstanding assessments and other receivables of \$95. It is the opinion of the Board of Directors that the Association will ultimately prevail against all the unit owners with delinquent assessments and, accordingly, an allowance for uncollectible accounts was deemed unnecessary.

The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of experience and susceptibility to factors outside the Association's control. The balances of assessments receivable as of the beginning and end of the year are \$0 and \$95, respectively.

Income Taxes

The Association has an option for income tax purposes to elect on an annual basis to be taxed as a regular corporation under Section 277 of the Internal Revenue Code whereby non-member income is taxed at regular corporate rates, or to be taxed at a special corporate rate of 30% on its net, non-function income, less \$100 exclusion, in accordance with Section 528 of the Internal Revenue Code. For 2019, the Association has elected to file under Section 528.

FASB ASC 740, *Income Taxes*, sets forth standards for financial presentation and disclosure of income tax liabilities and expenses and clarifies the accounting for uncertainty in income taxes recognized. In accordance with FASB ASC 740, *Income Taxes*, the Association has evaluated its tax positions and determined that the Association has no uncertain income tax positions that could have a material effect on the financial statements.

As of the date of the financial statements, the Association's federal and state income tax returns for 2017, 2018 and 2019 are subject to examination by the Internal Revenue Service. These returns are open to examination generally for three years after they were filed.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Commonly Owned Assets

The Association has the responsibility to preserve and maintain the commonly owned assets. Commonly owned assets include building exteriors, pool, cabana, docks, landscaping and paved areas. The Association's policy is not to capitalize and depreciate the commonly owned real property as ownership is vested directly or indirectly in the unit owners and these assets are not deemed to be severable.

**Bay Tree Club Association, Inc.**  
Sarasota, Florida

**Notes to the Financial Statements**  
December 31, 2019

**Note 2 – Summary of Significant Accounting Policies - continued**

Property and Equipment

The Association capitalizes personal property to which it has title at cost. The Association's property and equipment are depreciated using the straight-line method over the estimated useful life of five (5) years. Depreciation expenses was \$8,860 for the year ended December 31, 2019.

**Note 3 – Property and Equipment**

Property and equipment consists of the following:

Furniture	\$ 5,228
Machinery and equipment	<u>80,973</u>
Total cost	86,201
Accumulated depreciation	<u>(48,519)</u>
Net property and equipment	<u>\$ 37,682</u>

**Note 4 – Future Major Repairs and Replacements**

Florida Statutes and the Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds, which aggregate \$335,642 are presented as contract liabilities on the accompanying balance sheet, are held in a separate bank account and generally are not available for expenditures for normal operations.

The Association's Board of Directors and management updated the replacement fund study as part of the annual budgeting process. The replacement fund study was based off a formal 2015 study, actual recent expenditures, bids from licensed contractors and estimates by the Board of Directors and management. The Association is funding for major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs and considering amounts previously designated for future repairs and replacements. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on the study. The 2020 budget includes funding of \$161,000. The study includes a 2020 funding contribution of \$161,000. The members waived full funding of the replacement fund for 2019 and 2020.

Funds are being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, 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 has the right, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

**Note 5 – Concentrations**

The Association maintains its cash balances at local financial institutions. Accounts at each financial institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 in aggregate. At times, cash balances may be in excess of FDIC insured limits. As of December 31, 2019 there was \$0 above FDIC insured limits.

All revenues are generated from residences of a single condominium located in a small geographic area. A loss of revenue could disrupt operations and have a severe impact on the Association.

**Bay Tree Club Association, Inc.**  
Sarasota, Florida

**Notes to the Financial Statements**  
December 31, 2019

**Note 6 – Contingencies**

The Associations current windstorm policy contains a 5% deductible clause. Based upon an insured value of the buildings and contents of approximately \$26 million, the first 5% or approximately \$1.3 million in damages caused by a named windstorm as further defined in the insurance policy would be the responsibility of the Association.

At times, the Association is involved in disputes or litigation with owners, suppliers and others in the normal course of operations. In the opinion of the Board of Directors, the ultimate disposition of these matters will not have a material adverse effect on the Association’s financial position, liquidity or results of operations.

**Note 7 – Commitment**

Cable

During 2014, the Association entered into a bulk services agreement with a local cable serve provider. The term of the contract is for seven (7) years. This agreement will automatically renew for successive one (1) year periods, unless either party provides ninety days written notice of their intent not to renew. The service provider has the right to increase the fee as further defined in the agreement. Based upon current costs, future minimum payments under this agreement are as follows:

December 31,		
2020	\$	99,600
2021		99,600
Thereafter		<u>          -</u>
Total		<u>\$199,200</u>

**Note 8 - 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 ACS 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 of 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.

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

	Operating Fund	Replacement Fund	Total
Fund balance, as previously reported, as of January 1, 2019	\$ 105,932	\$ 349,874	\$ 455,806
Adjustment	<u>          -</u>	<u>(349,874)</u>	<u>(349,874)</u>
Fund balance, as adjusted, as of January 1, 2019	<u>\$ 105,932</u>	<u>\$          -</u>	<u>\$ 105,932</u>

**Bay Tree Club Association, Inc.**  
Sarasota, Florida

**Notes to the Financial Statements**  
December 31, 2019

**Note 8 - FASB ASC 606 New Accounting Guidance Implementation - continued**

The effect of the adoption is an increase in 2019 assessments recognized of \$14,232 and a recording of contract liability (assessments received in advance-replacement fund) at December 31, 2019, of \$335,642. The Association has no customer contract modifications that had an effect on the Association's transition to 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:

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<b>Liabilities:</b>			
Contract liabilities	\$ -	\$ 335,642	\$ 335,642
Total liabilities	2,106,732	335,642	2,442,374
<b>Fund Balance:</b>			
Ending fund balances	\$ 449,510	\$ (335,642)	\$ 113,868

The following are the line items from the statement of revenues, expenses and changes in fund balances and the statement of cash flows for the year ended December 31, 2019, that were effected, 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:

	Amounts That Would Have Been Reported	Effects of Applying New Guidance	As Reported
<b>Revenue:</b>			
Member assessments	\$ 806,471	\$ 14,232	\$ 820,703
Excess (deficit) of revenues over expenses	(6,296)	14,232	7,936
<b>Cash flows:</b>			
Excess (deficit) of revenues over expenses	(6,296)	14,232	7,936
Decrease in contract liabilities	\$ -	\$ (14,232)	\$ (14,232)

**Note 9 – Special Assessment**

During December 2019, the Board of Directors passed a special assessment for \$2,000,000 for replacing the roofs and related work. Subsequently, during January 2020, the Board of Directors revised the assessment amount to \$1,974,536. The special assessment cost per unit ranges from \$14,834 to \$18,130 based on the size of the unit with various payment options. The Association has entered into a contract with a local vendor for this project. The total contract price is \$1,708,123, excluding other related work, and is to be funded by the special assessment proceeds. This project is expected to be completed and paid for during 2020.

## **SUPPLEMENTARY INFORMATION**

**Bay Tree Club Association, Inc.**

Sarasota, Florida

**Supplementary Schedule of Operating Fund Expenses**

Year Ended December 31, 2019

	<u>Operating Fund</u>
<b>Administration</b>	
Insurance	\$ 170,548
Payroll	108,906
Legal and accounting	8,488
Management fee	34,335
Office supplies	8,123
Licences and permits	1,886
Telephone	3,548
Miscellaneous	<u>1,517</u>
Total Administration	<u>337,351</u>
<b>Common Area Maintenance</b>	
Elevator telephone	1,640
Fire alarm	4,539
Elevator maintenance contract	4,716
Elevator repairs	2,633
Interior pest control	3,963
Maintenance and building supplies	5,935
Pool maintenance contract	8,902
Pool supplies and repairs	1,822
Pool fuel	7,310
Building maintenance and repairs	14,446
A/C contract	10,038
Plumbing stacks and inspection	2,255
Janitorial	24,890
Depreciation	8,860
Other	<u>2,056</u>
Total Common Area Maintenance	<u>104,005</u>
<b>Grounds Maintenance</b>	
Landscape maintenance	22,770
Sprinkler and irrigation	4,227
Grounds furniture	2,485
Grounds repairs and fertilizer	6,229
Landscape beautification	3,264
Tree maintenance	7,400
Grounds supplies	<u>7,545</u>
Total Grounds Maintenance	<u>53,920</u>

Continued page 13

**Bay Tree Club Association, Inc.**

Sarasota, Florida

**Supplementary Schedule of Operating Fund Expenses**

Year Ended December 31, 2019

	<u>Operating Fund</u>
<b>Utilities</b>	
Water and sewer	56,148
Electricity	15,994
Cable	95,003
Trash	<u>1,993</u>
 Total Utilities	 <u>169,138</u>
 Total Operating Fund Expenses	 <u>\$ 664,414</u>



**Bay Tree Club Association, Inc.**  
Sarasota, Florida

**Supplementary Schedule of Replacement Fund Activity**  
Year Ended December 31, 2019

	<u>1/1/19</u>	<u>Member Assessment</u>	<u>Revenue Recognized</u>	<u>Interest</u>	<u>Expenses</u>	<u>12/31/19</u>
Contract liability	\$ 349,874	\$ 161,000	\$ (175,232)	\$ -	\$ -	\$ 335,642
Fund balance	\$ -	\$ -	\$ 175,232	\$ 4,111	\$ (179,343)	\$ -

**2019 replacement fund expenses consist of the following:**

Walkways	\$ 139,806
Trash Chutes	12,381
Roofs	17,800
Building	<u>9,356</u>
Total expenses	\$ <u>179,343</u>

**Bay Tree Club Association, Inc.**  
Sarasota, Florida

**Supplementary Information on Future Major Repairs and Replacements**  
December 31, 2019  
**(Unaudited)**

The following is the estimated remaining life and estimated cost to replace the components of the replacement fund. This information is based on the replacement fund study prepared as part of the annual budgeting process. These estimates are based off a formal 2015 study, actual recent expenditures, bids from licensed contractors and estimates of the Board of Directors and management.

<u>Reserve Component</u>	<u>Estimated Remaining Life In Years</u>	<u>Estimated Cost to Replace</u>	<u>2020 Funding Requirement</u>
Roofs	0	\$ 1,950,000	
Painting and concrete restoration	0-6	280,000	
Paving and resurfacing	0-16	120,000	
Building components	0-40	260,000	
Plumbing	0-10	240,000	
Recreation, pools, and docks	0-20	210,000	
Security, elevators, and fire alarms	0-20	<u>190,000</u>	
		<u>\$ 3,250,000</u>	<u>\$ 161,000</u>

Read note 4

Read independent auditor's report