

Bay Tree Club Association, Inc.

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

December 31, 2023



TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Balance Sheet	3
Statement of Revenues, Expenses and changes in fund balances	4
Statement of Cash Flows	5-6
Notes to the Financial Statements	7-11
SUPPLEMENTARY INFORMATION	
Schedule of Operating Fund Expenses	12-13
Schedule of Replacement Fund Activity	14
Information on Future Major Repairs and Replacements	15



Members: American Institute of Certified Public Accountants • Florida Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the accompanying financial statements of Bay Tree Club Association, Inc., which comprise the balance sheet as of December 31, 2023, 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Bay Tree Club Association, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

During 2023, the Association had air conditioning work performed by a local vendor. The Board of Directors are working with the Association attorney to recover payments of \$33,960 from the vendor for unsatisfactory performance. The \$33,960 has been recorded on the accompanying balance sheet as other receivable. We were unable to obtain sufficient appropriate audit evidence as to the collectability of the \$33,960 other receivable. Consequently, we were unable to determine whether any adjustments to this amount was necessary.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bay Tree Club Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Bay Tree Club Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Bay Tree Club Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Bay Tree Club Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of operating fund expenses and 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, 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 is the responsibility of management and, 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.

Tyack CPA & Company, LLC

Sarasota, Florida
May 6, 2024

Bay Tree Club Association, Inc.
Sarasota, Florida

Balance Sheet
December 31, 2023

ASSETS

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 51,630	\$ 404,962	\$ 456,592
Assessments receivable	368	-	368
Other receivable	33,960	-	33,960
Due from other fund	-	87,680	87,680
Prepays expenses	181,143	81,935	263,078
Property and equipment, net of accumulated depreciation of \$107,953	<u>29,646</u>	<u>-</u>	<u>29,646</u>
 Total Assets	 <u>\$ 296,747</u>	 <u>\$ 574,577</u>	 <u>\$ 871,324</u>

LIABILITIES AND FUND BALANCES

Liabilities			
Accrued expenses	\$ 17,117	\$ -	\$ 17,117
Due to other fund	87,680	-	87,680
Deposits	3,623	-	3,623
Deferred special assessment	10,308	-	10,308
Prepaid member assessments	81,135	-	81,135
Contract liabilities (assessments received in advance - replacement fund)	<u>-</u>	<u>574,577</u>	<u>574,577</u>
 Total Liabilities	 199,863	 574,577	 774,440
 Fund Balances	 <u>96,884</u>	 <u>-</u>	 <u>96,884</u>
 Total Liabilities and Fund Balances	 <u>\$ 296,747</u>	 <u>\$ 574,577</u>	 <u>\$ 871,324</u>

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, 2023

	Operating Fund	Replacement Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Member assessments	\$ 962,610	\$ 82,927	\$ 1,045,537
Special assessment	121,304	-	121,304
Interest	166	3,427	3,593
Application fees and other	13,696	-	13,696
Laundry	<u>13,329</u>	<u>-</u>	<u>13,329</u>
Total Revenues	<u>1,111,105</u>	<u>86,354</u>	<u>1,197,459</u>
Expenses			
Administration	547,499	-	547,499
Common area maintenance	145,733	-	145,733
Grounds maintenance	69,459	-	69,459
Utilities	194,820	-	194,820
Special assessment	121,304	-	121,304
Replacement	<u>-</u>	<u>86,354</u>	<u>86,354</u>
Total Expenses	<u>1,078,815</u>	<u>86,354</u>	<u>1,165,169</u>
Excess Revenues over Expenses	32,290	-	32,290
Beginning Fund Balances	<u>64,594</u>	<u>-</u>	<u>64,594</u>
Ending Fund Balances	<u>\$ 96,884</u>	<u>\$ -</u>	<u>\$ 96,884</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, 2023

	Operating Fund	Replacement Fund	Total
Cash Flows From Operating Activities:			
Member assessments received	\$ 970,787	\$ 123,750	\$ 1,094,537
Interest received	166	3,427	3,593
Other receipts	26,823	-	26,823
Cash paid to suppliers and contractors	(1,044,972)	(168,289)	(1,213,261)
Net Cash Provided (Used) by Operating Activities	(47,196)	(41,112)	(88,308)
Cash Flows From Investing Activities:			
Purchase of property and equipment	(4,198)	-	(4,198)
Net Cash Provided (Used) by Investing Activities	(4,198)	-	(4,198)
Cash Flows From Financing Activities:			
Change in due (to) from other fund	(2,394)	2,394	-
Net Cash Provided (Used) by Financing Activities	(2,394)	2,394	-
Net Increase (Decrease) in Cash and Cash Equivalents	(53,788)	(38,718)	(92,506)
Cash and Cash Equivalents - Beginning of Year	105,418	443,680	549,098
Cash and Cash Equivalents - End of Year	\$ 51,630	\$ 404,962	\$ 456,592

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, 2023

	Operating Fund	Replacement Fund	Total
Reconciliation of excess revenues over expenses to net cash provided (used) by operating activities			
Excess Revenues over Expenses	\$ 32,290	\$ -	\$ 32,290
Adjustments to reconcile excess revenues over expenses to net cash provided (used) by operating activities:			
Depreciation	16,342	-	16,342
Decrease (increase) in operating assets:			
Assessments receivable	(253)	-	(253)
Other receivable	(33,960)	-	(33,960)
Prepaid expenses	54,241	(81,935)	(27,694)
Increase (decrease) in operating liabilities			
Accrued expenses	(2,780)	-	(2,780)
Deposits	(202)	-	(202)
Deferred special assessments	(121,304)	-	(121,304)
Prepaid member assessments	8,430	-	8,430
Contract liabilities	-	40,823	40,823
Total Adjustments	(79,486)	(41,112)	(120,598)
Net cash provided (used) by operating activities	\$ (47,196)	\$ (41,112)	\$ (88,308)

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, 2023

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 May 6, 2024, 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, 2023

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 2023 ranged from \$2,037 to \$2,499, of which \$232 to \$285 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, 2023 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, 2023, the Association had outstanding assessments of \$368. 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 and special assessment receivable as of the beginning and end of the year are \$115 and \$368, 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 2023, 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 2021, 2022 and 2023 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, 2023

Note 2 – Summary of Significant Accounting Policies - continued

Property and Equipment

The Association capitalizes personal property to which it has title at cost greater than \$1,000 and with an estimated useful life greater than one year. The Association's property and equipment are depreciated using the straight-line method over the estimated useful lives of five (5) to ten (10) years.

Note 3 – Property and Equipment

Property and equipment consists of the following:

Furniture	\$ 15,276
Machinery and equipment	<u>122,323</u>
Total cost	137,599
Accumulated depreciation	<u>(107,953)</u>
Net property and equipment	<u>\$ 29,646</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 \$574,577 are presented as contract liabilities on the accompanying balance sheet. These funds 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 2024 budget includes full funding of \$125,750. The study includes a 2024 funding contribution of \$125,750.

Florida Statutes requires condominiums to complete a structural integrity reserve study every ten years for each building in an association three stories or higher. Any condominium existing before July 1, 2022 is required to have the study completed by December 31, 2024. The structural integrity reserve study must include all items included in Florida Statutes 718.112(g). Effective December 31, 2024, the membership of the Association will no longer be allowed to waive or partial fund reserves for items required to be included in the structural integrity reserve study or vote to use these reserves, or any interest thereon, for any other purpose other than their intended purpose. This requirement could have a significant effect on future funding requirements of the replacement fund. As of December 31, 2023, the structural integrity reserve study for the Association had been completed.

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.

Bay Tree Club Association, Inc.
Sarasota, Florida

Notes to the Financial Statements
December 31, 2023

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, 2023 there was \$64,357 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.

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 \$30 million, the first 5% or approximately \$1.5 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 – Commitments

Elevator

Effective December 2021, the Association entered into an agreement with a local service provider for elevator services with an initial term of one (1) year. The contract automatically renewed for a three (3) year period during 2022. The contract includes automatic extensions unless either party provides notice as further defined in the agreement. The service provider has the right to increase the fee as further defined in the agreement.

Effective December 22, 2022, the Association entered into a bulk service agreement for cable with a local service provider. The term of the agreement ends on December 22, 2027. The agreement will automatically renew for successive one (1) year periods unless either party provides sixty (60) days written notice prior to the expiration of the term. The service provider has the right to increase the fee up to 5% per year as further defined in the contract.

Based upon current costs, future minimum payments under these agreements are as follows:

December 31,		
	2024	\$ 104,088
	2025	103,485
	2026	96,852
	2027	96,852
	Thereafter	_____ -
	Total	<u>\$ 401,277</u>

Roofing

During the year, the Association contracted with a local vendor for the replacement of cabana roofs. The project is expected to cost \$163,870 and is to be completed in 2024.

Bay Tree Club Association, Inc.
Sarasota, Florida

Notes to the Financial Statements
December 31, 2023

Note 8 – 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 ranged from \$14,834 to \$18,130 based on the size of the unit with various payment options. During the year ended December 31, 2023, \$1,964,228 of the special assessment had been spent. The balance of \$10,308 has been recognized as deferred special assessment on the accompanying balance sheet.

SUPPLEMENTARY INFORMATION

Bay Tree Club Association, Inc.
Sarasota, Florida

Supplementary Schedule of Operating Fund Expenses
Year Ended December 31, 2023

	<u>Operating Fund</u>
Administration	
Insurance	\$ 360,757
Payroll	151,350
Legal and accounting	9,619
Management fee	15,277
Office supplies	4,657
Licences and permits	1,651
Telephone	2,981
Miscellaneous	<u>1,207</u>
Total Administration	<u>547,499</u>
Common Area Maintenance	
Elevator telephone	2,511
Fire alarm	6,354
Elevator maintenance contract	7,833
Elevator repairs	1,170
Interior pest control	8,343
Maintenance and building supplies	4,934
Pool maintenance contract	9,200
Pool supplies and repairs	2,237
Pool fuel	7,855
Building maintenance and repairs	18,958
A/C contract	16,680
Plumbing stacks and inspection	1,220
Janitorial	39,790
Depreciation	16,342
Other	<u>2,306</u>
Total Common Area Maintenance	<u>145,733</u>
Grounds Maintenance	
Landscape maintenance	32,194
Sprinkler and irrigation	4,144
Grounds furniture	1,076
Grounds repairs and fertilizer	5,784
Landscape beautification	6,176
Tree maintenance	14,805
Grounds supplies	<u>5,280</u>
Total Grounds Maintenance	<u>69,459</u>

Continued page 13

Bay Tree Club Association, Inc.
Sarasota, Florida

Supplementary Schedule of Operating Fund Expenses
Year Ended December 31, 2023

	<u>Operating Fund</u>
Utilities	
Water and sewer	69,847
Electricity	19,641
Cable	102,632
Trash	<u>2,700</u>
 Total Utilities	 <u>194,820</u>
 Special assessment	 <u>121,304</u>
 Total Operating Fund Expenses	 <u>\$ 1,078,815</u>

Bay Tree Club Association, Inc.
Sarasota, Florida

Supplementary Schedule of Replacement Fund Activity
Year Ended December 31, 2023

	1/1/23	Member Assessment	Revenue Recognized	Interest	Expenses	12/31/23
Contract liability	<u>\$ 533,754</u>	<u>\$ 123,750</u>	<u>\$ (82,927)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 574,577</u>
Fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,927</u>	<u>\$ 3,427</u>	<u>\$ (86,354)</u>	<u>\$ -</u>

2023 replacement fund expenses consist of the following:

Plumbing	\$ 1,556
Pool	34,298
Grounds	2,798
Docks	4,700
Building Doors	13,364
Fire Alarms	29,138
Irrigation/Well	<u>500</u>
Total expenses	<u>\$ 86,354</u>

Bay Tree Club Association, Inc.
Sarasota, Florida

Supplementary Information on Future Major Repairs and Replacements
December 31, 2023
(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>2024 Funding Requirement</u>
Roofs	16	\$ 472,714	
Painting	5	222,789	
Paving / Resurface	11	156,573	
Paving / Resealing	0	11,255	
Walkways	13	221,377	
Cabana Doors	14	47,762	
Building Doors	14	111,395	
Cabana Roofs	0	212,180	
Kitchen Stacks	35	173,891	
Bathroom Stacks	4	312,966	
Horizontal Lines	0	177,568	
Docks	16	135,061	
Dock Access Fingers	16	25,011	
Pool Equipment / Resurfacing / Heaters	0-25	85,773	
Security Cameras	1	34,778	
Elevator Cabins / Hydraulics	6	353,264	
Fire Equipment	30	61,800	
Grounds / Landscaping	0	6,365	
Grounds / A Grill area	0	7,957	
Grounds / Bay Grill area	22	7,957	
Irrigation / Well	0	25,462	
		<u>\$ 2,863,897</u>	<u>\$ 125,750</u>

Read note 4

Read independent auditor's report