

Villa Towers Condominium Association, Inc
 Operating and Reserve Funds
 Selected Information - Substantially All Disclosures Are Not Included
 For the year ended December 31, 2017

Supplementary Schedule of Future Major Repairs and Reserves

The Board of Directors commissioned a reserve study in May 2015, and with the assistance of appropriate vendors, to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates are based on an estimate of the average future replacement costs.

The annual reserve funding in 2017 was \$63,514, which consists of the normal funding, \$332 of allocated interest, and special assessments of \$31,516, for a total of \$95,362. Reserve expenditures in 2017 were \$37,581, and included special assessment expenditures of \$21,910 as shown below.

The following table presents significant information about condominium common property.

| <u>Components</u> | <u>Estimated Remain- ing Useful Lives</u> | <u>Estimated Future Replacement Costs</u> | <u>Year Needed</u> | <u>Balance 12/31/16</u> | <u>2017 Reserve Funding</u> | <u>2017 Reserve Expenses</u> | <u>Balance 12/31/17</u> |
|--------------------|---|---|------------------------|-----------------------------|-------------------------------------|--------------------------------------|-----------------------------|
| Roofing | 2-12 | \$ 84,020 | 2026 | \$ 43,941 | \$ 12,837 | \$ 4,950 | \$ 51,828 |
| Painting | 2 | 157,885 | 2017 | 85,228 | 18,337 | 1,507 | 102,058 |
| Restoration | 1-28 | 749,095 | 2042 | 15,766 | 20,759 | 4,354 | 32,171 |
| Paving | 2-18 | 54,946 | 2032 | 4,104 | 2,750 | | 6,854 |
| Elevators | 7-24 | 445,400 | 2038 | 74,839 | 9,163 | 4,860 | 79,142 |
| Special Assessment | | | | 9,811 | 31,516 | 21,910 | 19,417 |
| | | | | <u>9,811</u> | <u>31,516</u> | <u>21,910</u> | <u>19,417</u> |
| Total | | | | \$ 233,689 | \$ 95,362 | \$ 37,581 | \$291,470 |
| | | | | <u><u>233,689</u></u> | <u><u>95,362</u></u> | <u><u>37,581</u></u> | <u><u>291,470</u></u> |

See independent accountant's compilation report.

Villa Towers Condominium Association, Inc.
Statement of Cash Receipts and Disbursements
Operating and Reserve Funds
Year ended December 31, 2017

| | <u>Operating</u> | <u>Reserve</u> | <u>Total</u> |
|--|------------------|-------------------|-------------------|
| Cash receipts | | | |
| Maintenance assessments | \$326,328 | \$ | \$ 326,328 |
| Rental income | 11,400 | | 11,400 |
| Interest income | | 332 | 332 |
| Other income | 1,045 | 31,516 | 32,561 |
| Transfer to reserve | (63,514) | 63,514 | |
| | <u>275,259</u> | <u>95,362</u> | <u>370,621</u> |
| Cash disbursements | | | |
| Reserve study expense | 900 | | 900 |
| Legal and accounting expense | 8,660 | | 8,660 |
| Alarm expense | 3,858 | | 3,858 |
| Beach cleaning expense | 1,005 | | 1,005 |
| Cable TV expense | 29,788 | | 29,788 |
| Elevator expense | 9,980 | 4,860 | 14,840 |
| Fuel-Gas expense | 13,914 | | 13,914 |
| Electricity expense | 10,863 | | 10,863 |
| Insurance expense | 65,423 | | 65,423 |
| Interest expense | 71 | | 71 |
| Janitorial service | 27,883 | | 27,883 |
| Maintenance and repairs | 33,186 | 10,762 | 43,948 |
| Special Assessment repairs | 7,118 | 21,910 | 29,028 |
| Office expense | 1,813 | 49 | 1,862 |
| Pool maintenance | 5,760 | | 5,760 |
| Taxes and licenses | 469 | | 469 |
| Telephone expense | 4,724 | | 4,724 |
| Water and sewer expense | 38,979 | | 38,979 |
| Federal and state income tax | | | |
| | <u>264,394</u> | <u>37,581</u> | <u>301,975</u> |
| Excess cash receipts over (less than) disbursements | 10,865 | 57,781 | 68,646 |
| Cash beginning of the year | <u>45,306</u> | <u>233,689</u> | <u>278,995</u> |
| Cash end of year | <u>\$ 56,171</u> | <u>\$ 291,470</u> | <u>\$ 347,641</u> |

See independent accountant's compilation report.