

Tom S. Thorsen, CPA, PA

Certified Public Accountant

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Management

Villa Towers Condominium Association, Inc.
3640 North Ocean Drive
Singer Island, Florida

Management is responsible for the accompanying financial statement of Villa Towers Condominium Association, Inc. (a common interest realty corporation), operating, special assessment and reserve funds, which comprise the statement of cash receipts and disbursements for the year ended December 31, 2018, and for determining that the cash basis of accounting is an acceptable financial reporting framework. I have performed a compilation engagement in accordance with Statement on Standards for Accounting and Review Services promulgated by the Accounting and Review Committee of the American Institute of Certified Public Accountants (AICPA). I did not audit or review the financial statement nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

The financial statement is prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

With the exception of the attached Supplementary Schedule of Future Major Repairs and Reserves, management has elected to omit substantially all financial statement disclosures ordinarily included in the financial statements prepared in accordance with the cash basis of accounting. The supplementary schedule is not a required part of the basic financial statements, but is required by the State of Florida and Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statement in an appropriate operational, economic, or historical context. The required supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the required supplementary information, and accordingly I do not express an opinion or any other form of assurance on the supplementary schedule. If the other omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Association's cash receipts and disbursements. Accordingly, the financial statements are not designed for those who are not informed about such matters.



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March 7, 2019

Villa Towers Condominium Association, Inc.
Statement of Cash Receipts and Disbursements
Operating and Reserve Funds
Year ended December 31, 2018

	Operating	Special Assess't	Reserve	Total
Cash receipts				
Maintenance assessments	\$332,208			\$ 332,208
Rental income	8550			8,550
Interest income			639	639
Other income	1,983	272	2,883	5,138
Transfer to reserve	(75,636)		75,636	
Total receipts	<u>267,105</u>	<u>272</u>	<u>79,158</u>	<u>346,535</u>
Cash disbursements				
Reserve study expense	2,300			2300
Legal and accounting expense	7,528			7,528
Alarm expense	6,717			6,717
Beach cleaning expense	930			930
Cable TV expense	34,410			34,410
Elevator expense	16,424		3,927	20,351
Fuel-Gas expense	13,586			13,586
Electricity expense	10,680			10,680
Insurance expense	63,011			63,011
Interest expense				
Janitorial service	29,217			29,217
Maintenance and repairs	33,698		56,233	89,931
Special Assessment repairs		19,435		19,435
Office expense	1,148			1,148
Pool maintenance	4,167			4,167
Taxes and licenses	1,304			1,304
Telephone expense	6,096			6,096
Water and sewer expense	45,724			45,724
Federal and state income tax	629			629
Total disbursements	<u>277,569</u>	<u>19,435</u>	<u>60,160</u>	<u>357,164</u>
Excess cash receipts over (less than) disbursements	(10,464)	(19,163)	18,998	(10,629)
Cash beginning of the year	<u>56,171</u>	<u>20,821</u>	<u>270,649</u>	<u>347,641</u>
Cash end of year	<u>\$ 45,707</u>	<u>\$ 1,658</u>	<u>\$ 289,647</u>	<u>\$ 337,012</u>

See independent accountant's compilation report.

Villa Towers Condominium Association, Inc
 Operating and Reserve Funds
 Selected Information - Substantially All Disclosures Are Not Included
 For the year ended December 31, 2018

Supplementary Schedule of Future Major Repairs and Reserves

The Board of Directors commissioned a reserve study in December 2018, 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 2018 was \$79,158, which consists of the normal funding of \$75,636, \$639 of allocated interest, and other income of \$2,883. Reserve expenditures in 2018 were \$60,160, and special assessment expenditures were \$19,435 as shown below.

The following table presents significant information about condominium common property.

<u>Components</u>	Estimated Remain- ing Useful Lives	Estimated Future Replacement Costs	Year Needed	Balance 12/31/17	2018 Reserve Funding	2018 Reserve Expenses	Balance 12/31/18
Roofing	0-3	\$ 87,877	2022	\$ 52,994	\$ 15,000		\$ 67,994
Painting	1-9	174,248	2018	104,000	10,008		114,008
Restoration	0-28	886,904	2041	26,576	46,158	56,233	16,501
Paving	0-18	60,455	2031	7,104	3,000		10,104
Elevators	3-19	489,630	2039	79,975	4,992	3,927	81,040
Total Reserves				270,649	79,158	60,160	289,647
Special Assessment				20,821	272	19,435	1,658
Total				<u>\$ 291,470</u>	<u>\$ 79,430</u>	<u>\$ 79,595</u>	<u>\$291,305</u>

See independent accountant's compilation report.