

**Le Ciel Venetian Tower Association, Inc.**

**Financial Statements**

December 31, 2019

**Le Ciel Venetian Tower Association, Inc.**

**Financial Statements**

December 31, 2019

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Le Ciel Venetian Tower Association, Inc.  
Naples, Florida

### Report on the Financial Statements

We have audited the accompanying financial statements of Le Ciel Venetian Tower Association, Inc., which comprise the Balance Sheet as of December 31, 2019, and the related Statement of Revenues, Expenses and Changes in Fund Balance, 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.

### Auditors' 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 Le Ciel Venetian Tower Association, Inc. as of December 31, 2019, 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.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information contained in Schedule of Operating Expenses, is presented for purposes of additional analysis, and is 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 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.

*Master And Company, P.A.*

Hollywood, FL

February 19, 2020

# Le Ciel Venetian Tower Association, Inc.

## Balance Sheet

December 31, 2019

	Operating Fund	Replacement Fund	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,120,276	\$ 369,784	\$ 1,490,060
Certificates of Deposit	-	300,000	300,000
Assessments Receivable	44	-	44
Prepaid Insurance	24,136	-	24,136
Prepaid Expenses	<u>3,680</u>	<u>-</u>	<u>3,680</u>
Total Assets	<u>\$ 1,148,136</u>	<u>\$ 669,784</u>	<u>\$ 1,817,920</u>
<b>Liabilities and Fund Balance</b>			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 45,241	\$ -	\$ 45,241
Prepaid Assessments	5,866	-	5,866
Deferred Special Assessment	928,473	-	928,473
Guest Suite Deposits	200	-	200
Deferred Maintenance Assessments Income	<u>-</u>	<u>601,607</u>	<u>601,607</u>
Total Liabilities	979,780	601,607	1,581,387
Fund Balance	<u>168,356</u>	<u>68,177</u>	<u>236,533</u>
Total Liabilities and Fund Balance	<u>\$ 1,148,136</u>	<u>\$ 669,784</u>	<u>\$ 1,817,920</u>

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

**Le Ciel Venetian Tower Association, Inc.**  
**Statement of Revenues, Expenses and Changes in Fund Balance**  
For the Year Ended December 31, 2019

	Operating Fund	Replacement Fund	Total
<b>Revenues</b>			
Maintenance Assessments	\$ 1,435,592	\$ 105,302	\$ 1,540,894
Special Assessment - 2015	36,648	-	36,648
Special Assessments - 2019	1,662,527	-	1,662,527
Cable Assessments	73,500	-	73,500
Guest Suite	18,808	-	18,808
Interest	375	7,832	8,207
Interest - Special Assessment	32,898	-	32,898
Other	<u>10,119</u>	<u>-</u>	<u>10,119</u>
Total Revenues	<u>3,270,467</u>	<u>113,134</u>	<u>3,383,601</u>
<b>Expenses</b>			
Administration	51,053	-	51,053
Building Maintenance	105,328	-	105,328
Insurance	245,977	-	245,977
Landscaping	38,838	-	38,838
Other	106,656	-	106,656
Personnel	625,784	-	625,784
Recreation	37,139	-	37,139
Social and Holiday	10,772	-	10,772
Special Assessment - 2019	1,695,425	-	1,695,425
Utilities	222,612	-	222,612
Reserve Expenditures	<u>-</u>	<u>105,302</u>	<u>105,302</u>
Total Expenses	<u>3,139,584</u>	<u>105,302</u>	<u>3,244,886</u>
<b>Excess of Revenues Over Expenses</b>	130,883	7,832	138,715
<b>Fund Balance - Beginning of Year</b>	95,941	268,787	364,728
<b>Prior Period Adjustment</b>	-	(266,910)	(266,910)
<b>Transfers</b>	<u>(58,468)</u>	<u>58,468</u>	<u>-</u>
<b>Fund Balance - End of Year</b>	<u>\$ 168,356</u>	<u>\$ 68,177</u>	<u>\$ 236,533</u>

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

# Le Ciel Venetian Tower Association, Inc.

## Statement of Cash Flows

For the Year Ended December 31, 2019

	Operating Fund	Replacement Fund	Total
<b>Cash Flows from Operating Activities</b>			
Excess of Revenues Over Expenses	\$ 130,883	\$ 7,832	\$ 138,715
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:			
Decrease in:			
Assessments Receivable	218	-	218
Prepaid Insurance	1,169	-	1,169
Prepaid Expenses	3,706	-	3,706
Increase (Decrease) in:			
Accounts Payable and Accrued Expenses	(63,663)	(12,150)	(75,813)
Prepaid Assessments	(140,518)	-	(140,518)
Deferred Special Assessment	928,473	-	928,473
Guest Suite Deposits	200	-	200
Deferred Maintenance Assessments Income	<u>-</u>	<u>334,697</u>	<u>334,697</u>
Net Cash Provided by Operating Activities	<u>860,468</u>	<u>330,379</u>	<u>1,190,847</u>
<b>Cash Flows from Investing Activities</b>			
Purchase of Certificates of Deposit	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Net Cash (Used in) Investing Activities	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
<b>Cash Flows from Financing Activities</b>			
Interfund Transfers	(58,468)	58,468	-
Repayments of long-term borrowings	<u>(43,266)</u>	<u>-</u>	<u>(43,266)</u>
Net Cash Provided by (Used in) Financing Activities	<u>(101,734)</u>	<u>58,468</u>	<u>(43,266)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	758,734	288,847	1,047,581
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>361,542</u>	<u>80,937</u>	<u>442,479</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 1,120,276</u>	<u>\$ 369,784</u>	<u>\$ 1,490,060</u>
<b>Supplemental Cash Flow Disclosure:</b>			
Cash Paid for Interest	\$ 869	\$ -	\$ 869

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

# Le Ciel Venetian Tower Association, Inc.

## Notes to the Financial Statements

December 31, 2019

### NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization – Le Ciel Venetian Tower Association, Inc. (Association) is a statutory condominium association incorporated as a not-for-profit corporation in the State of Florida in 1992 for the purposes of maintaining and preserving the common property. The Association consists of 86 residential condominium units and 2 guest suites.
2. Fund Accounting – The Association uses fund accounting which requires that funds such as the operating fund and the fund designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors and property manager. Disbursements from the replacement fund may be made only for their designated purposes.
3. Use of Estimates in the Preparation of Financial Statement – 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 reporting period. Actual results could differ from those estimates.
4. Member Assessments – Member assessments are billed quarterly based upon their proportionate share of ownership and based upon estimates of amounts necessary to provide funds for the Association's operating expenses and future major repairs and replacements. Maintenance assessment income 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 maintenance fees are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement reserve fund assessments are satisfied when these funds are expended for their designated purpose. Any excess assessments at year end are retained by the Association for reduction of member assessments in future years. Assessments received in advance of the period for which they are assessed are reported as prepaid assessments on the balance sheet. Assessments receivable represents the outstanding balance due from the unit owners and are stated at the amounts expected to be collected. It is the Association's policy to retain legal counsel and place liens on the units of members whose assessments are delinquent. As of December 31, 2019, no allowance for doubtful accounts has been established.
5. Deferred Maintenance Assessments Liability – The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (deferred maintenance assessments income - replacement reserve fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve maintenance fees.
6. Interest Income – The Board of Directors' policy is to allocate to the operating and replacement funds all interest earned on their respective cash accounts.
7. Income Taxes – For tax year 2019, the Association plans to elect to file as a homeowners' association in accordance with Internal Revenue Service Code section 528. Under this section, the Association excludes from taxation exempt function income, which generally consists of revenue from assessments to owners. The Association's investment income and other nonexempt income are subject to tax at a rate of 30%, net of any applicable expenses.
8. Concentration of Credit Risk – Financial instruments which potentially subject the Association to concentrations of credit risk are primarily cash and cash equivalents and assessments receivable. The Federal Deposit Insurance Corporation ("FDIC") insures institutions up to \$250,000 per depositor. As of December 31, 2019, the Association's uninsured cash balances total \$1,170,085. The association has not experienced any losses related to these cash balances.



# Le Ciel Venetian Tower Association, Inc.

## Notes to the Financial Statements

December 31, 2019

### NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

9. Recognition of Assets – 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.
10. Cash and Cash Equivalents – For purposes of the December 31, 2019 balance sheet and statement of cash flows for the year then ended, the Association considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.
11. Fair Value of Financial Instruments – The carrying values of financial instruments, including cash, accounts receivable, accounts payable, and accrued expenses approximate fair value due to the short maturity of these instruments. The carrying value of short and long-term debt approximate fair value based on discounting the projected cash flows using market rates available for similar maturities. None of the financial instruments are held for trading purposes.
12. Comprehensive Income - ASC 220 (formerly SFAS No. 130) requires “a full set of general-purpose financial statements to be expanded to include the reporting of comprehensive income.” Comprehensive income is comprised of two components, net income and other comprehensive income. For the year ended December 31, 2019, there were no items that qualify as comprehensive income.

### NOTE B – REPLACEMENT FUND

The Association's governing documents and Florida statutes require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

The Board of Directors had a reserve study update conducted by professional engineers in December 2019 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future estimated replacement costs. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on the study.

The Association is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of future replacement costs and considering amounts previously accumulated in the replacement fund. Accordingly, the funding requirement of \$450,000 has been included in the 2020 budget to partially fund the replacement fund.

Funds are being accumulated in the replacement fund based on estimated future costs for repairs and replacements of common property components. Actual expenditures and investment income may vary from the estimated amounts, 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.

The Association adopted the pooling method to accumulate funds for future major repairs and replacements.

# Le Ciel Venetian Tower Association, Inc.

## Notes to the Financial Statements

December 31, 2019

### NOTE B – REPLACEMENT FUND (continued)

The activity in the replacement fund was as follows:

Components	Balance 1/1/2019	Additions	Expenditures	Transfers	Balance 12/31/2019
Pooled	\$ 268,787	\$ 447,831	\$ (105,302)	\$ 58,468	\$ 669,784
<b>Total</b>	<b>\$ 268,787</b>	<b>\$ 447,831</b>	<b>\$ (105,302)</b>	<b>\$ 58,468</b>	<b>\$ 669,784</b>

#### Detail of pooled replacement fund expenditures:

Elevator	\$ 53,761
Fire Alarm Systems	14,100
Fitness Room	18,200
Mechanical	994
Painting	7,625
Trial Repairs - WJE Engineers	3,053
Trial Repairs - Miscellaneous	4,719
Windows	2,850
<b>Total</b>	<b>\$ 105,302</b>

### NOTE C – FUND BALANCE TRANSFER

The Association transferred the 2018 operating fund excess of revenues over expenditures of \$58,468 to the reserve replacement fund during the audit year to be used for future projects. The board does not intend to repay the balance transfer and has, therefore, reflected \$58,468 as a transfer from the operating fund to the reserve replacement fund.

### NOTE D – CHANGES IN ACCOUNTING POLICIES

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, Revenue from Contracts with Customers, in the Account Standards Codifications (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ADC 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 to which the Association expects to be entitled in exchange for those goods and services.

The Association adopted the new requirements of ASC Topic 606 with a date of initial application 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 balances. The new guidance has been applied 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 the Association's accounting policies for member assessments and deferred maintenance assessment liability related to the replacement fund, as previously described.

The adoption of the new revenue recognition guidance resulted in a \$266,910 prior period adjustment to decrease the opening replacement fund balance and increase the opening balance of deferred maintenance assessments income liability at January 1, 2019.

# Le Ciel Venetian Tower Association, Inc.

## Notes to the Financial Statements

December 31, 2019

### NOTE D – CHANGES IN ACCOUNTING POLICIES (continued)

The effect of the adoption is a decrease in the 2019 replacement reserve fund maintenance fees by \$342,529 and recording of a contract liability (deferred maintenance assessment income –replacement reserve fund) at December 31, 2019, of \$601,607. The Association has no customer contract modifications that had an effect on the Association’s transition to the new guidance.

The modified retrospective method so 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:

	Replacement Fund			Total		
	Amounts That Would Have Been	Effects of Applying Guidance	As Reported in the Financial Statements	Amounts That Would Have Been	Effects of Applying Guidance	As Reported in the Financial Statements
<b>Liabilities:</b>						
Deferred Maintenance Assessments Income	\$ -	\$ 601,607	\$ 601,607	\$ -	\$ 601,607	\$ 601,607
Total Liabilities	<u>\$ -</u>	<u>\$ 601,607</u>	<u>\$ 601,607</u>	<u>\$ 979,392</u>	<u>\$ 601,607</u>	<u>\$ 1,580,999</u>
<b>Fund Balance, at December 31, 2019:</b>	\$ 669,784	\$ (601,607)	\$ 68,177	\$ 838,528	\$ (601,607)	\$ 236,921

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 affected, 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:

	Replacement Fund			Total		
	Amounts That Would Have Been Reported	Effects of Applying Guidance	As Reported in the Financial Statements	Amounts That Would Have Been Reported	Effects of Applying Guidance	As Reported in the Financial Statements
<b>Revenues:</b>						
Maintenance Assessments	\$ 447,831	\$ (342,529)	\$ 105,302	\$ 1,883,423	\$ (342,529)	\$ 1,540,894
Total Revenues	<u>\$ 455,663</u>	<u>\$ (342,529)</u>	<u>\$ 113,134</u>	<u>\$ 3,726,190</u>	<u>\$ (342,529)</u>	<u>\$ 3,383,661</u>
<b>Excess (Deficiency) of Revenues over Expenses</b>	\$ 350,361	\$ (342,529)	\$ 7,832	\$ 481,304	\$ (342,529)	\$ 138,775
<b>Cash Flows from Operating Activities:</b>						
Excess (Deficiency) of Revenues over Expenses	\$ 350,361	\$ (342,529)	\$ 7,832	\$ 481,304	\$ (342,529)	\$ 138,775
Increase (Decrease) in:						
Deferred Maintenance Assessments Income	\$ -	\$ 342,529	\$ 342,529	\$ -	\$ 342,529	\$ 342,529

Except for the changes above, the Association has consistently applied the accounting policies to the period presented in these financial statements.

# Le Ciel Venetian Tower Association, Inc.

## Notes to the Financial Statements

December 31, 2019

### NOTE E – SPECIAL ASSESSMENTS

#### 2015 Renovation

In April of 2015, a special assessment in the amount of \$705,197 was approved to finance renovations to the building interior. Unit owners were given the option to pay the assessment in one of two ways; onetime payment in full or equal quarterly payments for five years. Assessments previously recognized through 2018 totaled \$660,670. As of December 31, 2019, special assessment revenues related to the renovation special assessment totaled \$36,647, and loan interest expense totaled \$869. A total of sixteen [16] owners continue to make quarterly assessment payments.

#### 2019 Exterior Repair & Hopper Windows

During January 2019, a special assessment in the amount of \$2,300,000 was approved to fund exterior repairs, sealing and painting of the building. Additionally, each unit will be assessed \$1,000 per hopper window, representing the direct cost of repairing each window. The total assessment to owners, including amounts for hopper windows is \$2,591,000, due in a onetime payment April 1, 2019. For the year ended December 31, 2019, the special assessment earned \$32,898 of interest and incurred expenditures of \$1,695,425. The remaining balance of \$928,473 has been included in deferred income, to be recognized when the related expenditures have been incurred.

### NOTE F – CERTIFICATES OF DEPOSIT

At December 31, 2019, the Association had \$300,000 in certificate of deposits with varying maturity dates. It is the intent of the Association to hold the certificates until maturity. If any certificate was to be liquidated prior to maturity, it would be subject to market fluctuations and possible early withdrawal penalties.

### NOTE G – CREDIT CARDS

The Association maintains active credit cards. All cash back earned is deposited into the operating bank account and used for Association purchases. The credit card active at December 31, 2019 consisted of:

<u>Provider</u>	<u>Credit Limit</u>	<u>12/31/2019</u>	
		<u>Balance</u>	
Home Depot	\$ 4,000	\$	-
Visa	36,000		4,203
<b>Total</b>	<b>\$ 40,000</b>	<b>\$</b>	<b>4,203</b>

### NOTE H – CONTINGENCIES

#### Insurance

Common property of the Association is located in South Florida, an area proven geographically prone to hurricanes. The Association's insurance policies define deductibles and exclusions which will yield uncovered costs if common property damage claims occur. If additional funds are needed to replace or repair association property, the Association has the right, subject to governing documents, to increase regular assessments, pass special assessments, borrow funds or delay repairs and replacements until funds are available.

#### Legal

The Association is periodically subject to complaints and claims, including litigation, arising in the ordinary course of business. Management believes that none of the claims and complaints of which it is currently aware will materially affect its business, financial position, or future operating results.

# **Le Ciel Venetian Tower Association, Inc.**

## **Notes to the Financial Statements**

December 31, 2019

### **NOTE I – FINANCING**

#### Loan Payable

The Association obtained a loan from a financial institution during August 2015 in the amount of \$270,780 as part of the renovation project. The loan required interest only payments at a fixed rate of 3.25% through December 2016, then beginning March 2017, twenty [20] quarterly payments of principal and interest of \$11,475 with a maturity date of December 2020. The loan is secured by the quarterly assessments and special assessments, refer to Note E. During 2019, the Association made advance payments and as of December 31, 2019, the loan was paid in full. Interest expense was \$869 for the year ended December 31, 2019.

#### Line of Credit

On December 24, 2019, the Association renewed a revolving line of credit in the amount of \$210,780, with an interest rate of 3.25%, from a financial institution. As of December 31, 2019, there is no balance payable on the line of credit.

### **NOTE J – UNCERTAINTIES FOR INCOME TAXES**

Under federal and state income tax laws, an entity's income tax returns are subject to examination by the applicable taxing authorities. The Association has no income tax returns under examination by the Internal Revenue Service. However, the Association's Federal Income tax returns for 2017, 2018 and 2019 are subject to examination, generally for three years after they are filed.

### **NOTE K – DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 19, 2020, the date that the financial statements were available to be issued.

### **NOTE L – COMMITMENTS**

The Association has contracted with several vendors for various services to maintain the common property related to certain administration and building operations and maintenance expenses. These contracts are approved, as necessary, by the Board of Directors. Each contract has varying expiration dates, renewals and terms.

## Supplementary Information

# Le Ciel Venetian Tower Association, Inc.

## Schedule of Operating Expenses

For the Year Ended December 31, 2019

### Administration

Accounting	\$ 12,163
Cell Phone Allowance	1,171
Employee Training	4,002
Guest Suite Expenses	5,513
Legal Fees	8,844
Licenses, Permits and Fees	1,220
Loan Interest	869
Office Equipment	2,872
Office Operations	8,526
Postage and Supplies	204
Telephone	<u>5,669</u>
Total Administration	<u>51,053</u>

### Building Maintenance

Air Conditioner Repair	11,172
Carpet and Marble	1,375
Cooling Towers	11,534
Electrical	5,783
Elevators	4,878
Emergency Systems	18,710
Garage and Automatic	2,162
Generator	3,724
Housekeeping Supplies	5,162
Maintenance Supplies	16,976
Other Building Maintenance	5,523
Painting and Drywall	1,550
Pest Control	3,028
Plumbing	8,236
Window and Shutter Cleaning	<u>5,515</u>
Total Building Maintenance	<u>105,328</u>

# Le Ciel Venetian Tower Association, Inc.

## Schedule of Operating Expenses For the Year Ended December 31, 2019

### Insurance

Casualty and Liability	199,680
Excess Flood	30,452
Flood	<u>15,845</u>
Total Insurance	<u>245,977</u>

### Landscaping

Commons Area "r"	8,358
Interior Plants	3,915
Irrigation	1,769
Landscape Contract	11,233
Replacement Planting	<u>13,563</u>
Total Landscaping	<u>38,838</u>

### Other

Contingency Expense	24,041
Deferred Building Maintenance	<u>82,615</u>
Total Other	<u>106,656</u>

### Personnel

Employee Benefits	42,524
Taxes and Fees	73,213
Total Wages	493,494
Uniforms	1,365
Year End Bonus Fund	<u>15,188</u>
Total Personnel	<u>625,784</u>

### Recreation

Exercise Equipment	1,089
Swimming Pool	12,647
Tennis Court	<u>23,403</u>
Total Recreation	<u>37,139</u>



# Le Ciel Venetian Tower Association, Inc.

## Schedule of Operating Expenses

For the Year Ended December 31, 2019

### Social and Holiday

Holiday Decorations	8,044
Social Committee	<u>2,728</u>
Total Social and Holiday	<u>10,772</u>

### Special Assessment - 2019

Additional Staff	14,815
Bidding and Negotiation	11,470
Bond	27,289
Construction Observations	55,361
Construction Service	14,510
Construction Service - Original Bid	1,068,077
Consulting Time	40,494
Contingency	72,589
Hopper Windows	250,606
LCVT Project Costs	1,612
Landscaping	1,240
Legal	2,896
Miscellaneous	7,017
Mockup and Review	11,284
Owner's Representative	105,000
PT Pockets	7,229
Water Testing	<u>3,936</u>
Total Special Assessment - 2019	<u>1,695,425</u>

### Utilities

Cable Television	71,281
Electric	91,146
Natural Gas	1,022
Trash	15,232
Water and Sewer	<u>43,931</u>
Total Utilities	<u>222,612</u>
	<u>2,623,898</u>

<b>Total Operating Expenses</b>	<b><u>\$ 5,763,482</u></b>
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**Le Ciel Venetian Tower Association, Inc.**  
**Supplementary Information on Future Major Repairs and Replacements**  
December 31, 2019  
(Unaudited)

The board of directors had a reserve study update conducted by professional engineers during December 2018 to estimate the remaining useful lives and the replacement cost of the components of common property. The following table is based on those estimates and presents significant information about the components of common property:

Component	Estimated Remaining Useful Life	Estimated Replacement Cost	Funds Set Aside as of 12/31/2019
Fire Safety and Security	1-8	\$ 443,391	\$ -
Interior Renovations	1-19	1,505,488	-
Mechanical and Electrical	0-40	1,711,483	-
Painting and Waterproofing	0	1,499,840	-
Pavement	2	200,000	-
Plumbing	1-18	630,000	-
Pool and Spa	6-13	182,624	-
Roofing	6-21	1,671,790	-
Pooled		<u>-</u>	<u>669,784</u>
<b>Total</b>		<u>\$ 7,844,616</u>	<u>\$ 669,784</u>