

**BOCA WEST MASTER ASSOCIATION,
INC.**

Financial Statements

***For the year ended
September 30, 2023***

HAFER

Certified Public Accountants and Consultants

251 Royal Palm Way; Suite 350

Palm Beach, Florida 33480

T: (561) 655-8700 F: (561) 655-6964

cpa@haferco.com

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Certified Public Accountants and Consultants

251 ROYAL PALM WAY, SUITE 350

PALM BEACH, FLORIDA 33480

TELEPHONE (561) 655-8700

FACSIMILE (561) 655-6964

WWW.HAFERCPAS.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
BOCA WEST MASTER ASSOCIATION, Inc.

Opinion

We have audited the accompanying financial statements of BOCA WEST MASTER ASSOCIATION, Inc. ("the Association"), which comprise the balance sheet as of September 30, 2023, and the related statement of revenues and 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, the financial statements referred to above present fairly, in all material respects, the financial position of BOCA WEST MASTER ASSOCIATION, Inc. as of September 30, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Association changed its method of accounting related to leases in 2022 as required by the provisions of FASB Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. Our opinion is not modified with respect to that matter.

Basis for Opinion

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 this report. We are required to be independent of BOCA WEST MASTER 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 audit opinion.

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 BOCA WEST MASTER 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, including omissions, 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.

BOCA WEST MASTER ASSOCIATION, Inc.
Independent Auditor's Report (Continued)

- 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 BOCA WEST MASTER 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 BOCA WEST MASTER 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.



Palm Beach, Florida
December 20, 2023

BOCA WEST MASTER ASSOCIATION, INC.
BALANCE SHEET
September 30, 2023

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Assets			
Cash and cash equivalents	\$ 190,260	\$ 512,527	\$ 702,787
Treasury bills (Note 2)	6,111,718	3,409,748	9,521,466
Assessments receivable, net (Note 3)	18,411	-	18,411
Other receivables (Note 4)	134,944	-	134,944
Prepaid expenses and other assets	267,629	-	267,629
Property and equipment, net (Note 5)	1,034,550	-	1,034,550
Investment in LLC (Note 17)	845,481	-	845,481
Utility deposits	2,400	-	2,400
Operating lease right-of-use asset (Note 8)	191,965	-	191,965
Fair value of interest rate swap (Note 9)	960,320	-	960,320
Due (to) from funds (Note 14)	(140,406)	140,406	-
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 9,617,272</u>	<u>\$ 4,062,681</u>	<u>\$ 13,679,953</u>
 Liabilities and fund balances			
Commitments and contingencies (Notes 7 and 11)			
Accounts payable and accrued expenses	\$ 633,184	\$ 14,261	\$ 647,445
Prepaid assessments	10,036	-	10,036
Operating lease liabilities (Note 8)	191,965	-	191,965
Note payable (Note 10)	5,949,200	-	5,949,200
Deferred cable revenue (Note 11)	370,475	-	370,475
Refundable deposits	4,000	-	4,000
Deferred reserve revenue (Note 15)	-	3,489,284	3,489,284
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	7,158,860	3,503,545	10,662,405
Fund balances	<u>2,458,412</u>	<u>559,136</u>	<u>3,017,548</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 9,617,272</u>	<u>\$ 4,062,681</u>	<u>\$ 13,679,953</u>

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

BOCA WEST MASTER ASSOCIATION, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
For the year ended September 30, 2023

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Revenues			
Maintenance assessments	\$ 6,933,897	\$ 756,109	\$ 7,690,006
Cable assessments	4,775,585	-	4,775,585
Emergency medical response	685,060	-	685,060
Security services revenue	526,799	-	526,799
BWCC cost sharing agreement (Note 16)	460,000	40,000	500,000
Cable royalty and incentive income (Note 11)	325,132	-	325,132
Transponder sales	67,015	-	67,015
Rental income	141,555	-	141,555
Alarm monitoring royalty	44,250	-	44,250
Cell tower income	43,966	-	43,966
Road median maintenance income	28,219	-	28,219
Interest income and investment earnings, net	3,088	140,408	143,496
Other income	363,141	-	363,141
	<u>14,397,707</u>	<u>936,517</u>	<u>15,334,224</u>
Expenses			
Security expenses (Page 18)	3,302,479	-	3,302,479
Landscape and maintenance (Pages 19-20)	3,920,064	-	3,920,064
General and administrative (Page 21)	1,712,923	-	1,712,923
Emergency medical response (Page 22)	690,523	-	690,523
Transponders	31,336	-	31,336
Cable expense (Note 11)	4,776,226	-	4,776,226
Loss on investment in LLC (Note 17)	41,607	-	41,607
Major repairs and replacements	-	1,059,463	1,059,463
	<u>14,475,158</u>	<u>1,059,463</u>	<u>15,534,621</u>
Deficiency of revenues over expenses before depreciation	(77,451)	(122,946)	(200,397)
Depreciation expense	<u>(205,182)</u>	<u>-</u>	<u>(205,182)</u>
Deficiency of revenues over expenses	(282,633)	(122,946)	(405,579)
Other comprehensive income:			
Change in fair value of interest rate swap	<u>960,320</u>	<u>-</u>	<u>960,320</u>
Comprehensive income (loss)	677,687	(122,946)	554,741
Fund balances, beginning	1,954,589	508,218	2,462,807
Interfund transfers (Note 11)	<u>(173,864)</u>	<u>173,864</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,458,412</u>	<u>\$ 559,136</u>	<u>\$ 3,017,548</u>

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

BOCA WEST MASTER ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
For the year ended September 30, 2023

	Operating Fund	Replacement Fund	Total Funds
Cash flows from operating activities			
Comprehensive income (loss)	\$ 677,687	\$ (122,946)	\$ 554,741
<u>Adjustments to reconcile comprehensive income (loss) to net cash (used) by operating activities:</u>			
Depreciation expense	205,182	-	205,182
Provision for credit losses	(1,162)	-	(1,162)
Change in fair value of interest swap	(960,320)	-	(960,320)
Loss on investment in LLC	41,607	-	41,607
<u>Changes in assets and liabilities:</u>			
Assessments receivable	29,338	-	29,338
Other receivables	(83,141)	-	(83,141)
Prepaid expenses and other assets	4,884	-	4,884
Operating lease right-of-use asset	35,989	-	35,989
Utility deposits	(1,600)	-	(1,600)
Accounts payable and accrued expenses	(141,093)	14,261	(126,832)
Prepaid assessments	5,558	-	5,558
Operating lease liabilities	(35,989)	-	(35,989)
Deferred cable revenue	(74,800)	-	(74,800)
Deferred reserve revenue	-	(146,328)	(146,328)
Net cash (used) by operating activities	(297,860)	(255,013)	(552,873)
Cash flows from investing activities			
Purchases of property and equipment	(34,762)	-	(34,762)
Investment contributions to LLC	(584,200)	-	(584,200)
Purchases of CD's and treasury bills	(6,111,719)	(3,409,745)	(9,521,464)
Proceeds from sales of CD's and treasury bills	92,150	2,925,895	3,018,045
Net cash (used) by investing activities	(6,638,531)	(483,850)	(7,122,381)
Cash flows from financing activities			
Proceeds from note payable	6,000,000	-	6,000,000
Payments on note payable	(50,800)	-	(50,800)
Interfund borrowings	133,367	(133,367)	-
Interfund transfers	(173,864)	173,864	-
Net cash provided by financing activities	5,908,703	40,497	5,949,200
Net (decrease) in cash and cash equivalents	(1,027,688)	(698,366)	(1,726,054)
Cash and cash equivalents, beginning	1,217,948	1,210,893	2,428,841
Cash and cash equivalents, ending	\$ 190,260	\$ 512,527	\$ 702,787
Supplemental disclosures of cash flow information:			
Cash paid for interest			\$ 44,169

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

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 1: Organization

BOCA WEST MASTER ASSOCIATION, Inc. (“the Association”) was incorporated under the law of the State of Florida as a not-for-profit corporation on September 18, 1972. The Association is responsible for maintaining and preserving the common property of the Association in accordance with the terms of Chapter 720, Florida Statutes (“FS §720”) and the provisions of its governing documents. The common property consists of roadways, entrance features, administrative facilities, gatehouses, a tot lot, nature preserves, paths, maintenance facilities, and other areas. The Association consists of 3,379 residential housing units, located within 54 villages, Boca West Country Club, Inc. (“the Club”) and commercial property located in Boca Raton, Florida.

The Association is also 50% owner of Boca West Community Advisors, LLC (see Note 16).

NOTE 2: Summary of significant accounting policies

Fund accounting

The Association prepares its financial statements on the accrual basis of accounting and presents them using fund accounting, using separate funds for operations and future major repairs and replacements. Disbursements from the operating fund are generally for the day-to-day operations and non-recurring unanticipated expenditures of the Association and are made at the discretion of the Board of Directors. Disbursements from the replacement fund generally are made only for designated purposes.

Estimates

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. Accordingly, actual results could differ from those estimates.

Short-term financial instruments

The carrying amount of the Association’s financial instruments, which include cash and cash equivalents, assessments receivable, prepaid expenses and other assets, accounts payable and accrued expenses, and other assets and liabilities, approximate their fair values due to their short-term maturities.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks including money market funds. Cash equivalents include highly liquid securities, including certificates of deposit, with original maturities of 90 days or less.

Treasury bills

Treasury bills (T-bills) consist of those with original maturities of 90 days or more. T-bills are carried at historical cost due to the Association’s ability and intent to hold the instruments until maturity; accordingly, unrealized changes in market value are not reflected in these financial statements. The Association, at least annually, assesses for any other-than-temporary impairment, and as of the date of these financial statements, the Association does not believe any impairment exists. The T-bills have varying maturity dates and varying interest rates. At September 30, 2023, the total T-bills are \$9,521,466.

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 2: Summary of significant accounting policies (continued)

Owners' assessments and allowance for credit losses

Monthly assessments to member villages are based upon a share of the budgeted operating expenses and future major repairs and replacements. The Association retains excess operating funds at the end of the year for use in future operating periods. Assessments receivable at the balance sheet date represent fees due from member villages. Assessments and other amounts paid in advance are included on the balance sheet as prepaid assessments. The Association's policy regarding collection of delinquent assessments that are not subject to a Village Forbearance Agreement is to seek advice from legal counsel as deemed necessary by management. During 2020, the Association amended its governing documents to clarify that each member village, as well as each owner of a lot within such member village, is jointly liable for the unpaid assessment pertaining to such owner's lot within such village. The Association's estimate of its allowance for credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of reported amounts.

Inventories

Inventories, consisting of gasoline and transponders and are valued at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. Inventory is included as a component of prepaid expenses and other assets on the accompanying *Balance Sheet*. At September 30, 2023, inventories consist of the following:

Gasoline	\$ 46,562
Transponders	4,164
	<u>\$ 50,726</u>

Property and equipment

Common property of the Association is accounted for in accordance with ASC 972-360 and prevalent industry practices. Common areas owned by the Association are reserved for the use of the owners and/or are required to be maintained as common areas under the Declaration and/or governmental restrictions; therefore, the sale of such common areas for revenue is remote. Accordingly, such common areas are not recorded in the financial records of the Association. The Association capitalizes, at cost, certain personal and real property which it purchases. Capitalized property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method of depreciation.

Revenue recognition

Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the considerations we expect to be entitled to in exchange for those goods or services. The Association derives its revenue from operating assessments (including: cable assessments, emergency medical response, security services, and BWCC cost sharing), reserve assessments, and other ancillary sources. The Association has applied FASB ASC 606-10-10-4 since all contracts with its customers have similar characteristics and the Association expects that the effects on the financial statements of applying this guidance would not differ materially from applying the guidance to the individual contracts.

The Association has identified the following performance obligations:

- *Operating assessments (including: cable assessments, emergency medical response, security services, and BWCC cost sharing)* – the performance obligation is the maintenance and management of the common area property and is met on a periodic basis throughout the year. Operating assessments revenue is recognized on a periodic basis, as billed, and it is probable it will be collected.

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 2: Summary of significant accounting policies (continued)

Revenue recognition (continued)

- *Reserve assessments* – the performance obligation is the expenditure of the assessed funds for the intended purpose. Reserve assessments revenue is recognized when the related expenditures are recognized, except for those related to capitalized property and equipment. Reserve assessments revenue related to capitalized property and equipment is recognized when the expenditures are made and the property and equipment is placed in service.
- *Other ancillary revenues* – the performance obligation is delivery of the underlying services. Revenue is recognized as the services are rendered.

In evaluating whether collectability of an amount of consideration is probable, the Association must consider the customer's (owner's) ability and intention to pay that amount of consideration when it is due. In instances where the Association's collection of fees is not probable (delinquent owners, foreclosures, etc.), it cannot recognize revenue.

Deferred reserves revenue

The Association recognizes revenue from members as the related performance obligations are satisfied. A deferred reserves revenue is recorded when the Association has the right to receive payment in advance of the satisfaction of the performance obligations.

Interest earned

Interest earned by each fund is allocated to the appropriate fund. Income taxes on the interest earned are paid from the operating fund.

Compensated absences

Employees of the Association are entitled to paid vacations, sick days, and other time off depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Association's policy is to recognize the costs of compensated absences when paid to employees.

Taxes collected and remitted to governmental authorities

The Association collects and remits sales and other statutory taxes related to certain revenues. These taxes are excluded from revenues and reported on a net basis.

Income taxes (Form 1120-H)

The Association makes a yearly election to be taxed either under Internal Revenue Code ("IRC") §528 as a homeowners' association or under IRC §277 as a regular corporation. For the year ended September 30, 2023, the Association elected to be taxed under §528. Under this election, the Association is generally taxed only on non-exempt function income, such as interest earnings, at applicable rates. From time to time, certain temporary differences may arise between financial and taxable income, the overall effects of which are not material to the financial statements taken as whole. As such, the Association has not recorded deferred income taxes at the balance sheet date. The Association's policy on income statement classification of interest and penalties related to income tax obligations is to include such items as part of income tax expense. The Association's tax filings are generally subject to examination by taxing authorities for three years after the returns are filed.

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 2: Summary of significant accounting policies (continued)

Lease obligations

On October 1, 2022, the Association adopted Accounting Standards Update No. 2016-02, *Leases (Topic 842)* using the modified retrospective transition approach by applying the new standard to all leases existing at the date of initial application.

The Association elected the package of practical expedients permitted under the transition guidance, which allowed the Association to carryforward its historical lease classifications, its assessments on whether a contract was or contains a lease, and initial direct costs for any leases that existed prior to October 1, 2022. The Association also elected to keep leases with an initial term of 12 months or less off the balance sheet and recognize the associated lease payments in the *Statement of Revenues and Expenses and Changes in Fund balances* on a straight-line basis over the lease term.

Upon adoption, the Association recognized total right-of-use (ROU) assets of \$227,954, with corresponding lease liabilities of \$227,954 on the balance sheet. The adoption did not impact beginning fund balances.

Under *Topic 842*, the Association determines if an arrangement is a lease at inception. For leases with a lease term greater than 12 months, ROU assets and lease liabilities are recognized at the commencement date based on the present value of the remaining lease payments over the lease term. ROU assets represent the Association's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. Since the rates implicit in the Association's leases are not readily determinable, the Association uses a risk-free discount rate, determined using a period comparable to that of the lease term, for all its leases.

The Association has various operating leases related to a mailing system and tractor equipment. The Association does not have any finance leases. The Association's leases do not contain any material non-lease components. The Association's leases do not contain any variable payments. Certain leases may include renewal options, which can be exercised at the sole discretion of the Association, and only lease options that the Association believes are reasonably certain to be exercised are included in the measurement of the lease assets and liabilities.

Operating leases are included as operating lease ROU assets and operating lease liabilities on the balance sheet. When applicable, finance leases are included as property and equipment, net and finance lease liabilities on the balance sheet. Operating lease costs are recognized on a straight-line basis over the lease terms. When applicable, finance lease assets are amortized on a straight-line basis over the shorter of the estimated useful life or the lease terms.

NOTE 3: Assessments receivable, net

The Association's assessments receivable was as follows at September 30, 2023:

Assessments receivable	\$ 20,162
Less: allowance for credit losses	(1,751)
	\$ 18,411

NOTE 4: Other receivables

The Association's other receivables were as follows at September 30, 2023:

Hotwire	\$ 125,999
ADT	7,698
Fuels tax credit	1,247
	\$ 134,944

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 5: Property and equipment, net

A schedule of property, equipment, and accumulated depreciation was as follows at September 30, 2023:

Land	\$ 283,016
Gatehouse and gatehouse improvements	2,237,886
Administrative facilities	238,995
Landscape and maintenance equipment	673,180
Security equipment	82,876
Vehicles	160,440
Fountain, pumps, and related	140,635
Radio	9,609
Benches	2,007
	3,828,644
Less: accumulated depreciation	(2,794,094)
	\$ 1,034,550

For the year ended September 30, 2023, depreciation expense was \$205,182.

NOTE 6: Concentration of credit risk

The Association maintains its cash in bank at various financial institutions whereby are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At September 30, 2023, the Association has uninsured deposits in the amount of \$614,769, of which \$102,242 is related to cash and \$512,527, is related to money market funds, which are backed by United States Treasury obligations (T-bills). The Association has not experienced any losses related to this uninsured amount and does not believe it is exposed to any significant risks.

NOTE 7: Commitments and contingencies

Insurance windstorm deductible

In the event of a loss due to a hurricane the Association would be responsible for a deductible of \$303,000 for a named storm per occurrence under the provisions of the hurricane loss insurance contract.

Litigation

The Association, from time-to-time, may become party to various legal actions normally associated with homeowners associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

Cable contract (see Note 11)

Other commitments and contingencies

The Association has contracted with various 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 and have varying expiration dates and renewal terms.

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 8: Leases

The Association is party to various operating leases as discussed in Note 2 with various terms ranging from 36 to 63 months. The Association does not have any finance leases. The Association's leases provides for minimum lease payments and do not include variable payments. The lease agreements do not include any material residual value guarantees or restrictive covenants. For the year ended September 30, 2023, the operating lease costs, excluding sales tax, were \$76,026.

Weighted-average remaining lease term and discount rates are as follows:

Weighted-average remaining lease term (years)	3.2
Weighted-average discount rate	2.78%

The following is a schedule of future payments of lease liabilities as of September 30, 2023:

2023 / 2024	\$ 70,700
2024 / 2025	56,007
2025 / 2026	43,433
2026 / 2027	32,299
Total undiscounted cash flows	202,439
Less: imputed interest	(10,474)
Present value of lease liabilities	<u>\$ 191,965</u>

Supplemental cash flow information related to leases:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows for operating leases, excluding sales tax	\$ 35,989

NOTE 9: Fair value measurements

FASB ASC 820, *Fair Value Measurement*, established a fair value hierarchy that categorizes the inputs to valuation methods, used to measure fair value, into three unique levels, they are:

Level 1 inputs – are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Club can access at the measurement date. Level 1 inputs are given the highest precedence.

Level 2 inputs – are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. An example of a Level 2 input would be quoted prices in active markets for similar, but not identical, assets or liabilities.

Level 3 inputs – are unobservable for the asset or liability. Level 3 inputs are given the lowest precedence.

The following schedule details the fair value of the Association's asset, by level, at September 30, 2023:

Description	Fair Value at September 30, 2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap	<u>\$ 960,320</u>	<u>\$ -</u>	<u>\$ 960,320</u>	<u>\$ -</u>

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 9: Fair value measurements (continued)

The Associations' fair value measurement for interest rate swap agreement is based on Wall Street Journal Prime Rate. The Wall Street Journal Prime Rate swap rate is observable at commonly quoted intervals for the full term of the swap and, therefore, is considered a Level 2 input (see Note 10).

NOTE 10: Note payable

On March 3, 2022, the Association obtained a non-revolving line of credit in the amount of \$6,000,000 to fund a front entrance project. The note bears a variable interest rate is based on the Wall Street Journal Prime Rate (8.50% at September 30, 2023), with a floor of zero percent. Interest only payments were made up to July 2023, at which time the line of credit converted to a term loan. Monthly installments of principal interest began August 1, 2023, with all outstanding principal and interest payable in full on July 1, 2032. The loan note is collateralized by security interest in the Association's general and maintenance assessments. At September 30, 2023, the outstanding balance was \$5,949,200.

Future estimated minimum principal maturities are as follows:

2024	\$ 315,645
2025	340,487
2026	367,285
2027	396,192
2028 and thereafter	4,529,591
	<u>\$ 5,949,200</u>

For the year ended September 30, 2023, the Association incurred and paid interest on the note in the amount of \$44,169.

At September 30, 2023, the Association is in compliance with its debt coverage ratio.

In conjunction with the non-revolving line of credit, the Association entered into an interest rate swap contract that fixes the interest rate at 4.59%. The interest rate swap had an initial notional amount of \$6,000,000, an effective date of July 3, 2023, and has a maturity date of July 1, 2032.

At September 30, 2023, the fair value of the interest rate swap is an asset of \$960,320.

NOTE 11: Cable contract

On April 14, 2016, the Association entered into a bulk cable contract with its cable provider. The initial term of the contract is for a period of 12 years, effective July 31, 2018. After expiration of the initial term, the contract automatically renews for additional two-year terms; either party may elect out of the renewal term by providing 90 days written notice prior to the expiration of the current term.

As consideration for entering into a 12-year contract, the cable provider agreed to pay the Association \$300 per unit, or \$1,013,700 upon contract signing *and* an additional \$300 per unit at the start of the seventh year of the contract. The Association engaged a consultant to assist in the negotiations with the cable provider. As compensation for their services, the consultant was paid \$150,000, resulting in a net amount to the Association totaling \$863,700. The Association is amortizing the revenue over the life of the contract. The Association began revenue recognition prior to the effective date of the contract in order to fund various costs related to the contract negotiation project.

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 11: Cable contract (continued)

In August 2022, the Association received an additional \$33,900 for the Akoya sub-division and has the same terms of the contract as stated above. At September 30, 2022, the Association recognized \$16,950, related to the years 2017 through 2022. For the year ended September 30, 2022, the Association has recognized \$88,925 (\$71,975 from original contract and \$16,950 for the Akoya portion) as a component of cable royalty and incentive income.

For the year ended September 30, 2023, the Association has recognized \$74,800 as a component of cable royalty and incentive income. At September 30, 2023, the remaining balance of \$370,475 is recorded as deferred cable revenue and will be recognized over the remaining life of the contract.

Additionally, the cable provider also agreed to pay the Association a 5% revenue share for bulk and retail residential services (video, internet, phone, retail security only) with a \$250,000 per year (using an August 1 through July 31 window) guarantee, as long as the cable provider is the bulk service provider for cable and internet service and has exclusive marketing rights. The revenue share is to be paid quarterly within 60 days of the end of each quarter. The aforementioned revenue sharing began in August 2018. For the year ended September 30, 2023, cable royalty revenue was \$250,332.

Under the terms of the contract, each member sub-Association (or village) was permitted to choose either single bulk (video only) or double bulk (video and internet). Once a sub-Association chooses double bulk, it shall continue to have double bulk for the remainder of the contract; a sub-Association that chose single bulk may upgrade to double bulk at the anniversary of any year during the term of the contract with 60 days advance notice. The contract also allows for annual increases of 4% on each and every anniversary date during the contract term.

For the year ended September 30, 2023, cable expense under the contract was \$4,776,226.

The future estimated expected expenses to be incurred under the contract (excluding the effects of renewals) are as follows for the years ended September 30:

2024	\$ 4,891,306
2025	5,087,043
2026	5,290,449
2027	5,501,923
2028	5,721,867
Thereafter (2029-2030)	11,073,799
	<u>\$ 37,566,387</u>

NOTE 12: Retirement plan

The Association provides a retirement plan under IRC §401(k) to eligible employees over age 18 with three months of service. The Association matches 50% of the first 4% of employee contributions, not to exceed 2%. For the year ended September 30, 2023, the Association made total matching contributions to the plan of \$59,946.

NOTE 13: Future major repairs and replacements

The Association is not required to establish statutory reserves under FS §720. The Association is voluntarily accumulating funds for future major repairs and replacements (non-statutory reserves). Accumulated funds are held in separate interest-bearing accounts and are used at the discretion of the Board of Directors, generally not for operating purposes.

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 13: Future major repairs and replacements (continued)

Reserve funds are accumulated based on estimated current costs and estimated useful life of the components of common property. Actual expenditures may vary from the estimated amounts and the variations may be material. Accordingly, amounts accumulated in the replacement fund may or may not be adequate to meet all future needs for major repairs and replacements. If additional funds are needed, the Association may increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

During 2023, the Board of Directors contracted with a reserve specialist to conduct an independent study to estimate the useful lives, the remaining useful lives, and replacement costs of the common property components. The schedule included in the required supplementary information on future major repairs and replacements is based upon this study.

For the year ended September 30, 2023, the Association voluntarily funded reserves in the amount of \$609,781. For the year ending September 30, 2024, the Association is not funding reserves.

Components of the replacement fund are as follows:

	Deferred Reserves Revenue and Fund Balance, October 1, 2022	Additions	Interest Income	Expenses	Transfers	Deferred Reserves Revenue and Fund Balance, September 30, 2023
Paving / pavers	\$ 340,494	\$ 195,740	\$ -	\$ 337,326	\$ -	\$ 198,908
General reserves	620,336	-	-	211,917 ¹	-	408,419
Lake bank restore	554,545	150,000 ²	-	236,623	-	467,922
Storm recovery	575,000	-	-	-	-	575,000
Other paint/roof/gates	246,722	61,812	-	78,396	-	230,138
Irrigation/lake pumps	721,351	65,580	-	5,873	-	781,058
Signage	42,692	25,000	-	26,541	-	41,151
Nature preserve walk	99,515	14,936	-	-	-	114,451
Maint. replacements	288,061	136,713	-	-	(34,762) ³	390,012
Streetlights	617,520	-	-	162,787	208,626 ⁴	663,359
Interest	37,594	-	140,408	-	-	178,002
	<u>\$ 4,143,830</u>	<u>\$ 649,781</u>	<u>\$ 140,408</u>	<u>\$ 1,059,463</u>	<u>173,864</u>	<u>\$ 4,048,420</u>

¹ Of the \$211,917 expenses in the general reserve component \$201,767 are related to the front entrance project.

² Includes \$110,000 in budgeted funding and \$40,000 from the Club (see Note 15).

³ The Association transferred \$34,762 from the replacement fund to the operating fund for purchases of property and equipment using replacement fund funds; the transfer is to fund future depreciation expense in the operating fund.

⁴ The Association transferred \$208,626 from the operating fund to the streetlight's component.

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 13: Future major repairs and replacements (continued)

A reconciliation of the table above to the balance sheet replacement fund reporting is as follows:

Deferred reserves revenue	\$ 3,489,284
Fund balance	559,136
	\$ 4,048,420

THE BUDGET OF THE ASSOCIATION DOES NOT PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS FOR CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE THAT MAY RESULT IN SPECIAL ASSESSMENTS REGARDING THOSE ITEMS. OWNERS MAY ELECT TO PROVIDE FOR FULLY FUNDED RESERVE ACCOUNTS UNDER SECTION 720.303(6), FLORIDA STATUTES, UPON OBTAINING THE APPROVAL OF A MAJORITY OF THE TOTAL VOTING INTERESTS OF THE ASSOCIATION BY VOTE OF THE MEMBERS AT A MEETING OR BY WRITTEN CONSENT.

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS. BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS UNDER SECTION 720.303(6), FLORIDA STATUTES, THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THAT STATUTE, NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THAT STATUTE.

NOTE 14: Interfund borrowings

At September 30, 2023, the Association's operating fund owed its replacement fund \$140,406. This interfund borrowing is for investment purposes and is permitted by FS §720.

NOTE 15: Deferred reserves revenue

A schedule of deferred reserve revenue at September 30, 2023 is as follows:

Deferred reserves revenue, beginning	\$ 3,635,612
Plus: amounts assessed	609,781
Less: amounts recognized	(756,109)
Deferred reserves revenue, ending	\$ 3,489,284

NOTE 16: Boca West Country Club, Inc. cost-sharing agreement

During 2013, whereas the Club has an interest in the security provided by the Association is adequate to protect the Club's property, facilities, staff, members and guest, the Club and the Association entered into an agreement whereby the Club will voluntarily expend on responsibilities and services that historically have been performed by the Association in an amount not to exceed \$500,000 annually; the amount is broken down as follows:

- \$40,000 for lake bank restoration annually.
- \$239,000 for lake maintenance annually.
- \$221,000 for security services provided by the Palm Beach Country Sherriff's office annually.

BOCA WEST MASTER ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
September 30, 2023

NOTE 16: Boca West Country Club, Inc. cost-sharing agreement (continued)

For the year ended September 30, 2023, the Association received revenues under this agreement as detailed above.

The original term of the agreement was for one year and it automatically renews for successive one-year periods unless terminated by either party in accordance with the terms of the agreement.

NOTE 17: Boca West Community Advisors, LLC

On February 1, 2019, the Association and Boca West Country Club, Inc (“the Club”) (collectively “the Members”) formed Boca West Community Advisors, LLC (“the LLC”). The purpose of the LLC is the marketing and promotion of the Boca West lifestyle, related to the benefits and values of ownership of a residence in Boca West and membership in the Club, and to enhance property values. The LLC also wholly owned and operates Boca West Realty, LLC, a realty company organized to facilitate the sale of homes located within the Members’ property.

The Association and the Club each have a 50% share of the LLC. During the year ended September 30, 2023, the Association made capital contributions to the LLC in the amount of \$584,200. The Association accounts for its investment in the LLC using the equity method whereby 50% of the LLC’s profits or losses are recognized in the current earnings of the Association at the measurement date. For the year ended September 30, 2023, the LLC incurred losses in the amount of \$83,213, of which \$41,607 is allocated to the Association.

At September 30, 2023, the Association has recorded a net Investment in LLC in the amount of \$845,481, which is calculated as follows:

Investment in LLC, beginning	\$ 302,888
Add: capital contributed to LLC	584,200
Less: loss on investment in LLC	<u>(41,607)</u>
Investment in LLC, ending	<u>\$ 845,481</u>

During February 2021, the LLC, entered into a lease for office space to house the marketing center and Boca West Realty. The lease is for a term of five years, beginning June 1, 2021, until May 31, 2026, or on such earlier date upon which the term lease shall expire, be canceled or terminated pursuant to any of the conditions or covenant of the lease.

NOTE 18: Capital contributions

On May 23, 2023, the Association voted on and approved to begin collecting capital contributions beginning October 2023.

NOTE 19: Subsequent events

Management has evaluated subsequent events through December 20, 2023, the date the financial statements were available to be issued.

HAFER

Certified Public Accountants and Consultants

251 ROYAL PALM WAY, SUITE 350

PALM BEACH, FLORIDA 33480

TELEPHONE (561) 655-8700

FACSIMILE (561) 655-6964

WWW.HAFERCPAS.COM

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
BOCA WEST MASTER ASSOCIATION, Inc.

Report on the Financial Statements

We have audited the financial statements of BOCA WEST MASTER ASSOCIATION, Inc. ("the Association") as of and for the year ended September 30, 2023, and our report thereon dated December 20, 2023, which expressed an unmodified opinion on those financial statements, appears on Page 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of security (Page 18), landscape and maintenance (Pages 19 and 20), general and administrative (Page 21), and emergency medical response (Page 22), expenses compared to budget, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the portion marked "unaudited," 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. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Future Major Repairs and Replacements on Page 23 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.



Palm Beach, Florida
December 20, 2023

BOCA WEST MASTER ASSOCIATION, INC.
SCHEDULE OF SECURITY EXPENSES COMPARED TO BUDGET
For the year ended September 30, 2023

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Security expenses			
401(k) contribution	\$ 19,551	\$ 18,279	\$ (1,272)
Alarm monitoring / fire inspection	1,178	500	(678)
Computer maintenance and replacement	18,326	12,000	(6,326)
Contingency	949	3,000	2,051
Dues, licenses, screening, etc.	2,734	4,000	1,266
Electricity	12,835	12,100	(735)
Employee benefits - annuity	1,000	1,000	-
Employee benefits - health	233,755	254,772	21,017
Incentive pay / bonus pay	34,354	32,000	(2,354)
Janitorial supplies	4,818	6,000	1,182
Office and copier expenses	6,010	6,000	(10)
Office/gatehouse provisions	14,573	10,000	(4,573)
Overtime wages	117,122	100,000	(17,122)
Payroll taxes	156,623	150,375	(6,248)
PBSO contract services	614,293	614,293	-
Pest control	643	750	107
Radio repairs and maintenance	2,389	2,000	(389)
Repairs and maintenance - gate houses	9,474	5,000	(4,474)
Repairs and maintenance - gates and CCTV	61,564	30,000	(31,564)
Repairs and maintenance - painting	111	7,500	7,389
Repairs and maintenance - plumbing and electrical	18,142	7,500	(10,642)
Salaries and wages	1,871,344	1,927,880	56,536
Security equipment, storm prep, misc.	2,364	5,000	2,636
Security software and hardware lease	33,412	34,000	588
Telephone	10,268	8,500	(1,768)
Uniforms	15,182	14,000	(1,182)
Vehicle fuel	13,854	30,000	16,146
Vehicle leasing payments	17,229	18,612	1,383
Vehicle maintenance	7,380	6,500	(880)
Water and sewer	1,002	2,000	998
Total security expenses	<u>\$ 3,302,479</u>	<u>\$ 3,323,561</u>	<u>\$ 21,082</u>

See auditor's report on supplementary information.

BOCA WEST MASTER ASSOCIATION, INC.
SCHEDULE OF LANDSCAPE AND MAINTENANCE EXPENSES COMPARED TO BUDGET
For the year ended September 30, 2023

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Landscape and maintenance expenses			
401(k) contribution	\$ 31,296	\$ 31,863	\$ 567
Alarm monitoring / fire inspection	2,323	2,200	(123)
Algae control	114,273	144,050	29,777
Computer system maintenance	9,147	12,000	2,853
Contingency	5,368	6,500	1,132
Diesel fuel	22,423	40,000	17,577
Dues, licenses, screening, etc.	1,572	4,000	2,428
Electricity - irrigation pump station	57,449	55,000	(2,449)
Electricity - L/M building	8,120	7,370	(750)
Electricity - lake pump / fountain / waterfall	69,486	68,200	(1,286)
Electricity - street lights	179,703	163,900	(15,803)
Employee benefits - annuity	966	966	-
Employee benefits - health	216,374	233,235	16,861
Fertilizers	34,518	40,000	5,482
Ground supplies	32,945	41,500	8,555
Herbicides and insecticides	17,604	30,000	12,396
Iguana program	50,000	50,000	-
Incentive pay / bonus pay	36,750	34,500	(2,250)
Irrigation	47,638	58,500	10,862
Janitorial service	28,917	28,947	30
Janitorial supplies	14,940	15,000	60
Lake maintenance	287,100	287,090	(10)
Lake maintenance - non-contract	49,096	21,500	(27,596)
Office and copier expenses	7,954	8,800	846
Office provisions	6,138	5,000	(1,138)
Overtime wages	275	3,500	3,225
Payroll taxes	130,206	134,059	3,853
Pest control	5,606	4,000	(1,606)
Plants, seed and sod	104,472	110,000	5,528
Radio repairs and maintenance	10,765	1,000	(9,765)
Reclaimed water expense	91,613	90,000	(1,613)
Repairs and maintenance - building	8,941	7,500	(1,441)
Repairs and maintenance - fencing	460	2,500	2,040
Repairs and maintenance - hardware and other	16,377	15,000	(1,377)
Repairs and maintenance - lake pump and fountain	28,500	33,000	4,500
Repairs and maintenance - landscape lights	11,285	10,000	(1,285)
Repairs and maintenance - mowers	42,254	45,000	2,746
Repairs and maintenance - painting	15,433	12,000	(3,433)
Repairs and maintenance - plumbing and electrical	10,416	7,500	(2,916)
Repairs and maintenance - roads and paths	48,493	65,000	16,507
Repairs and maintenance - signs	13,074	13,000	(74)
Safety equipment	6,977	7,000	23
Salaries and wages	1,687,430	1,718,706	31,276
Telephone	2,656	3,500	844
Tools and small equipment	20,643	20,000	(643)
Trash disposal and removal	89,473	80,000	(9,473)
Subtotal forwarded to next page	<u>\$ 3,677,449</u>	<u>\$ 3,772,386</u>	<u>\$ 94,937</u>

See auditor's report on supplementary information.

BOCA WEST MASTER ASSOCIATION, INC.
SCHEDULE OF LANDSCAPE AND MAINTENANCE EXPENSES COMPARED TO BUDGET (CONT'D)
For the year ended September 30, 2023

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Landscape and maintenance expenses			
Subtotal forwarded from previous page	\$ 3,677,449	\$ 3,772,386	\$ 94,937
Tree pruning / nature preserve	187,919	201,250	13,331
Uniforms	14,134	17,000	2,866
Vehicle fuel	21,925	37,500	15,575
Vehicle maintenance	8,198	12,000	3,802
Water and sewer	4,005	3,500	(505)
Waterfall and fountain treatment	6,434	6,600	166
Total landscape and maintenance	<u>\$ 3,920,064</u>	<u>\$ 4,050,236</u>	<u>\$ 130,172</u>

See auditor's report on supplementary information.

BOCA WEST MASTER ASSOCIATION, INC.
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES COMPARED TO BUDGET
For the year ended September 30, 2023

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
General and administrative expense			
401(k) administrative fees	\$ 3,485	\$ 4,000	\$ 515
401(k) contribution	9,099	12,000	2,901
Alarm monitoring / fire inspection	1,548	1,500	(48)
Annual audit	16,875	16,500	(375)
Bad debts	-	4,032	4,032
Computer maintenance and website	33,942	26,000	(7,942)
Consultant fees	5,808	-	(5,808)
Contingency	14,920	256,000	241,080
Dues, licenses, screening, etc.	3,076	4,000	924
Electricity	34,233	27,500	(6,733)
Employee benefits - annuity	-	2,000	2,000
Employee benefits - health	68,386	79,472	11,086
General insurance	241,845	239,103	(2,742)
Holiday lights	77,619	78,000	381
Incentive pay / bonus pay	20,473	45,250	24,777
Interest expense	44,169	150,000	105,831
Janitorial supplies	5,523	5,000	(523)
Meeting expense	23,328	20,000	(3,328)
Newsletter postage	35,097	50,000	14,903
Office and copier expenses	19,892	15,000	(4,892)
Office provisions	2,252	3,000	748
Other taxes, licenses and fees	4,665	5,000	335
Payroll related services	23,671	15,000	(8,671)
Payroll taxes	47,891	51,714	3,823
Pest control	2,083	2,000	(83)
Postage / lease payments	7,485	5,500	(1,985)
Principal loan payment	-	50,800	50,800
Professional fees - legal	129,060	75,000	(54,060)
Repairs and maintenance - building clean and paint	8,753	9,000	247
Repairs and maintenance - plumbing and electrical	2,189	5,000	2,811
Salaries and wages	678,503	663,000	(15,503)
Telephone	4,180	5,500	1,320
Trash disposal and removal	13,455	14,000	545
Vehicle fuel	1,285	7,500	6,215
Vehicle insurance - all departments	40,849	52,792	11,943
Vehicle leasing payments	8,352	8,352	-
Vehicle maintenance	1,835	1,250	(585)
Water and sewer	148	1,500	1,352
Workers comp insurance	76,949	90,523	13,574
Total general and administrative expenses	<u>1,712,923</u>	<u>2,101,788</u>	<u>388,865</u>
Joint venture investment	<u>\$ 41,607</u>	<u>\$ 250,000</u>	<u>\$ 208,393</u>

See auditor's report on supplementary information.

BOCA WEST MASTER ASSOCIATION, INC.
SCHEDULE OF EMERGENCY MEDICAL RESPONSE EXPENSES COMPARED TO BUDGET
For the year ended September 30, 2023

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Emergency medical response expenses			
Alarm monitoring / fire inspection	\$ 1,178	\$ 1,000	\$ (178)
AMR - rent	42,600	42,600	-
Contingency	446	1,000	554
Electricity	2,750	2,750	-
Emergency medical services	631,210	631,210	-
General insurance	1,800	1,800	-
Janitorial supplies	4,053	1,000	(3,053)
Pest control	600	600	-
Repairs and maintenance - replacements	3,949	1,000	(2,949)
Telephone	737	900	163
Water and sewer	1,200	1,200	-
Total emergency medical response expenses	<u>\$ 690,523</u>	<u>\$ 685,060</u>	<u>\$ (5,463)</u>

See auditor's report on supplementary information.

BOCA WEST MASTER ASSOCIATION, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)
September 30, 2023

The following schedule is based upon a study conducted by an independent consultant in 2023 to estimate the remaining useful lives and replacement costs of the components of common property. The schedule provides information about components of common property.

<u>Component</u>	<u>Estimated Useful Life (years)</u>	<u>Estimated Remaining Life (years)</u>	<u>Estimated Replacement Cost</u>	<u>Deferred Reserves Revenue and Fund Balance September 30, 2023</u>	<u>Approved Budgeted Funding September 30, 2024</u>
Paving and pavers	20-30	0-25	\$ 2,795,450	\$ 198,908	\$ -
General reserves	10-25	2-10	75,500	408,419	-
Fuel tank code comp.	30	6-20	175,000	-	-
Lake bank restoration	1	-	150,000	467,922	-
Storm recovery	-	-	-	575,000	-
Roof	25	15	117,000	230,138	-
Irrigation/lake pumps	1-20	0-12	541,000	781,058	-
Butler house pumps	25	8	61,200	-	-
Generators	30	15-23	210,000	-	-
Maint. equipment	1	-	160,000	-	-
Security equipment	10-12	4-5	108,900	-	-
Barrier gate operators	15	0-13	79,500	-	-
Painting – common	7-20	5	194,250	-	-
Playground / sport court	5-30	1-23	400,800	-	-
Outfall structure (Jog)	5	-	75,000	-	-
Air conditioning	15	0-10	90,800	-	-
Signage	10-30	4-16	387,850	41,151	-
Nature preserve walk	20	17	205,000	114,451	-
Vehicles	3	-	50,000	-	-
Maint. replacements	1-40	1-31	818,750	390,012	-
Culverts	1	-	100,000	-	-
Streetlights	20	13	162,000	663,359	-
Others ⁵	3-40	0-24	525,750	-	-
Interest	-	-	-	178,002	-
			<u>\$ 7,483,750</u>	<u>\$ 4,048,420</u>	<u>\$ -</u>

⁵ Includes: fencing, fountains, deck railings, windows and doors, elevators, bathrooms, and other items shown in the reserves study for which the Association does not already have a segregated reserve component listed above.

See auditor's report on supplementary information.