

**BOCA WEST MASTER ASSOCIATION,  
INC.**

***Financial Statements***

***For the year ended  
September 30, 2025***

**HAFER**

***Certified Public Accountants and Consultants***

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## 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, 2025, and the related statement of revenues and expenses and changes in fund balances (deficit) 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, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for 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.
- 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.

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

- 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  
January 6, 2026

**BOCA WEST MASTER ASSOCIATION, INC.**  
**BALANCE SHEET**  
**September 30, 2025**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 3,724,841	\$ 312,755	\$ 4,037,596
U.S. treasury bills (Note 2)	1,826,548	622,414	2,448,962
Assessments receivable, net (Note 3)	5,474	-	5,474
Other receivables (Note 4)	129,169	-	129,169
Prepaid expenses and other assets	374,549	-	374,549
Property and equipment, net (Note 5)	6,943,351	-	6,943,351
Investment in LLC (Note 17)	609,303	-	609,303
Utility deposits	1,175	-	1,175
Operating lease right-of-use asset (Note 8)	125,957	-	125,957
Fair value of interest rate swap (Notes 9 and 10)	497,227	-	497,227
Due (to) from funds (Note 14)	550,409	(550,409)	-
	<u>550,409</u>	<u>(550,409)</u>	<u>-</u>
<b>Total assets</b>	<u><u>\$ 14,788,003</u></u>	<u><u>\$ 384,760</u></u>	<u><u>\$ 15,172,763</u></u>
<b>Liabilities and fund balances (deficit)</b>			
Commitments and contingencies (Notes 7 and 11)			
Accounts payable and accrued expenses	\$ 733,220	\$ 649,383	\$ 1,382,603
Income taxes payable	26,420	-	26,420
Prepaid assessments	2,150	-	2,150
Operating lease liabilities (Note 8)	125,957	-	125,957
Note payable (Note 10)	5,323,600	-	5,323,600
Refundable deposits	4,000	-	4,000
Deferred revenue:			
Cable (Note 11)	734,733	-	734,733
Reserves (Note 13)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	6,950,080	649,383	7,599,463
Fund balances (deficit)	<u>7,837,923</u>	<u>(264,623)</u>	<u>7,573,300</u>
<b>Total liabilities and fund balances (deficit)</b>	<u><u>\$ 14,788,003</u></u>	<u><u>\$ 384,760</u></u>	<u><u>\$ 15,172,763</u></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 (DEFICIT)**  
*For the year ended September 30, 2025*

	<b>Operating Fund</b>	<b>Replacement Fund</b>	<b>Total Funds</b>
<b>Revenues</b>			
Maintenance assessments	\$ 7,747,320	\$ 3,489,284	\$ 11,236,604
Cable assessments	5,311,332	-	5,311,332
Emergency medical response	916,920	-	916,920
Security services revenue	590,772	-	590,772
BWCC cost sharing agreement (Note 16)	460,000	40,000	500,000
Transponder sales	54,638	-	54,638
Rental income	97,181	-	97,181
Alarm monitoring royalty	37,990	-	37,990
Cell tower income	47,928	-	47,928
Road median maintenance income	30,231	-	30,231
Interest income and investment earnings, net	261,085	92,434	353,519
Other income	283,352	-	283,352
	<u>15,838,749</u>	<u>3,621,718</u>	<u>19,460,467</u>
<b>Expenses</b>			
Security expenses (Page 18)	3,582,245	-	3,582,245
Landscape and maintenance (Pages 19 - 20)	4,340,404	-	4,340,404
General and administrative (Page 21)	2,122,807	-	2,122,807
Emergency medical response (Page 22)	917,138	-	917,138
Transponders	34,926	-	34,926
Cable expense (Note 11)	4,917,712	-	4,917,712
Loss on investment in LLC (Note 17)	255,497	-	255,497
Major repairs and replacements	-	544,293	544,293
	<u>16,170,729</u>	<u>544,293</u>	<u>16,715,022</u>
Excess (deficiency) of revenues over expenses before depreciation	(331,980)	3,077,425	2,745,445
Depreciation expense	(219,424)	-	(219,424)
Excess (deficiency) of revenues over expenses	(551,404)	3,077,425	2,526,021
<b>Other comprehensive loss:</b>			
Change in fair value of interest rate swap	(43,018)	-	(43,018)
<b>Comprehensive income (loss)</b>	<u>(594,422)</u>	<u>3,077,425</u>	<u>2,483,003</u>
Fund balances, beginning	2,277,355	1,212,942	3,490,297
Capital contributions (Note 18)	-	1,600,000	1,600,000
Interfund transfers (Note 13)	6,154,990	(6,154,990)	-
<b>Fund balances (deficit), ending</b>	<u><u>\$ 7,837,923</u></u>	<u><u>\$ (264,623)</u></u>	<u><u>\$ 7,573,300</u></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, 2025*

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
<b>Cash flows from operating activities</b>			
Comprehensive income (loss)	\$ (594,422)	\$ 3,077,425	\$ 2,483,003
<u>Adjustments to reconcile comprehensive income (loss) to net cash (used) provided by operating activities:</u>			
Depreciation expense	219,424	-	219,424
Provision for credit losses	173	-	173
Change in fair value of interest rate swap	43,018	-	43,018
Loss on investment in LLC	255,497	-	255,497
Disposal of asset	11,677	-	11,677
<u>Changes in assets and liabilities:</u>			
Assessments receivable	(404)	-	(404)
Other receivables	4,618	-	4,618
Prepaid expenses and other assets	(191,570)	-	(191,570)
Operating lease right-of-use asset	29,914	-	29,914
Utility deposits	(200)	-	(200)
Accounts payable and accrued expenses	(544,518)	649,383	104,865
Income taxes payable	(88,750)	-	(88,750)
Prepaid assessments	(493)	-	(493)
Operating lease liabilities	(29,914)	-	(29,914)
Deferred revenue:			
Cable	(152,014)	-	(152,014)
Reserves	-	(3,489,284)	(3,489,284)
Net cash (used) provided by operating activities	<u>(1,037,964)</u>	<u>237,524</u>	<u>(800,440)</u>
<b>Cash flows from investing activities</b>			
Purchases of property and equipment	(6,154,990)	-	(6,154,990)
Purchases of U.S. T-bills	(1,824,589)	(626,441)	(2,451,030)
Proceeds from sales of CDs and U.S. T-bills	1,112,392	3,640,130	4,752,522
Net cash (used) provided by investing activities	<u>(6,867,187)</u>	<u>3,013,689</u>	<u>(3,853,498)</u>
<b>Cash flows from financing activities</b>			
Principal payments on note payable	(318,800)	-	(318,800)
Capital contributions	-	1,600,000	1,600,000
Interfund borrowings	(751,843)	751,843	-
Interfund transfers	6,154,990	(6,154,990)	-
Net cash provided (used) by financing activities	<u>5,084,347</u>	<u>(3,803,147)</u>	<u>1,281,200</u>
<b>Net (decrease) in cash and cash equivalents</b>	<u>(2,820,804)</u>	<u>(551,934)</u>	<u>(3,372,738)</u>
Cash and cash equivalents, beginning	<u>6,545,645</u>	<u>864,689</u>	<u>7,410,334</u>
<b>Cash and cash equivalents, ending</b>	<u><u>\$ 3,724,841</u></u>	<u><u>\$ 312,755</u></u>	<u><u>\$ 4,037,596</u></u>

**Supplemental disclosures of cash flow information (Note 15)**

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

**BOCA WEST MASTER ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*September 30, 2025*

**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.

U.S. Treasury bills (T-bills)

T-bills consist of those with original maturities of more than 90 days. T-bills are carried at cost plus any interest earned and reinvested. 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. T-bills have varying maturity dates and varying interest rates. At September 30, 2025, the total T-bills are \$2,448,962.



**BOCA WEST MASTER ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**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, 2025, inventories consist of the following:

Gasoline	\$ 56,702
Transponders	3,614
	<u>\$ 60,316</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, 2025**

**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 revenue

The Association recognizes revenue from members as the related performance obligations are satisfied. Deferred 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)

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 2025, the Association elected to be taxed under §277. Under this election, membership income is exempt from tax if certain elections are made, and the Association is generally only taxed on its non-membership income, such as interest income, at regular federal and state corporate income tax rates. For the year ended September 30, 2025, the Association has recorded income taxes in the amount of \$26,420. 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, 2025**

**NOTE 2: Summary of significant accounting policies (continued)**

Lease obligations

The Association has operating leases related to various office equipment and vehicles. The Association does not have any finance leases. The Association determines if an arrangement is a lease at inception. The Association's leases do not contain any material non-lease components. 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. 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 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, 2025:

Assessments receivable	\$ 6,097
Less: allowance for credit losses	(623)
	<u>\$ 5,474</u>

**NOTE 4: Other receivables**

The Association's other receivables were as follows at September 30, 2025:

Cable royalties and door fees	\$ 118,655
Alarm monitoring royalty	3,180
Other	7,334
	<u>\$ 129,169</u>

**BOCA WEST MASTER ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 5: Property and equipment, net**

A schedule of property, equipment, and accumulated depreciation was as follows at September 30, 2025:

Land	\$ 283,016
Gatehouse and gatehouse improvements	2,237,886
Administrative facilities	238,995
Landscape and maintenance equipment	800,142
Security equipment	82,876
Vehicles	230,078
Fountain, pumps, and related	140,635
Radio	21,867
Benches	2,007
Lighting	4,685,259
Administrative building	1,368,587
	<hr/> 10,091,348
Less: accumulated depreciation	(3,147,997)
	<hr/> <b>\$ 6,943,351</b>

For the year ended September 30, 2025, depreciation expense was \$219,424.

**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, 2025, the Association has uninsured deposits in the amount of \$3,874,627, of which \$652,728 is related to cash and \$3,221,899 is related to money market funds, which are backed by T-bills. The Association has not experienced any losses related to these uninsured amounts and does not believe it is exposed to any significant risks.

**NOTE 7: Commitments and contingencies**

Insurance windstorm

In the event of a loss due to a hurricane the Association would be responsible for a deductible of 7.5% of the total insured value of the property 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, 2025**

**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, 2024, the operating lease costs, excluding sales tax, were \$70,700.

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

Weighted-average remaining lease term (years)	2.1
Weighted-average discount rate	2.57%

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

2026	66,601
2027	58,400
2028	5,794
2029	2,507
2030	1,880
Total undiscounted cash flows	135,182
Less: imputed interest	(9,225)
Present value of lease liabilities	<u>\$ 125,957</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	\$ 29,914

**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, 2025:

Description	Fair Value at September 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Interest rate swap	\$ 497,227	\$ -	\$ 497,227	\$ -

**BOCA WEST MASTER ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**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 based on the Wall Street Journal Prime Rate (7.25% at September 30, 2025), 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, 2025, the outstanding balance was \$5,323,600.

Future estimated minimum principal maturities are as follows:

2026	\$ 338,744
2027	361,790
2028	386,404
2029	412,693
2030	440,770
Thereafter	3,383,199
	<u>\$ 5,323,600</u>

For the year ended September 30, 2025, the Association incurred and paid interest on the note in the amount of \$206,379.

At September 30, 2025, the Association is in compliance with its debt service financial covenants.

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, 2024, and a maturity date of July 1, 2032. At September 30, 2025, the fair value of the interest rate swap is an asset of \$497,227.

**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 an incentive of \$300 per unit, or \$1,047,600 upon contract signing and an additional \$300 per unit at the start of the seventh year of the contract. The Association is amortizing the incentive over the life of the contract as a reduction of cable expense.

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; the amount is being amortized over the life of the contract; the remaining unamortized amount is included as a component of prepaid expenses and other assets on the accompanying *Balance Sheet*.

**BOCA WEST MASTER ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 11: Cable contract (continued)**

During the year ended September 30, 2025, the Association received the second installment of \$1,047,600 per the contract for the beginning of the seventh year (see above). At October 1, 2023, the Association recorded a prior period adjustment in the amount of \$537,997 in order to amortize the full incentive over the full term of the contract. At September 30, 2025, the remaining balance of \$734,733 is recorded as deferred cable revenue and will be recognized as a reduction of cable expense over the remaining term 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, 2025, the cable royalty was \$252,471; the Association has recognized the amount as a reduction of cable expense.

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, 2025, cable expense, net of the aforementioned reductions, under the contract was \$4,917,712.

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

2026	\$ 5,290,449
2027	5,501,923
2028	5,721,867
2029	5,950,678
2030	5,123,121
	<u>\$ 27,588,038</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, 2025, the Association made total matching contributions to the plan of \$70,055.

**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, 2025*

**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, 2025, the Association did not fund reserves via maintenance assessment. For the year ending September 30, 2026, the Association is not funding reserves via maintenance assessment.

Components of the replacement fund are as follows:

	Deferred Revenue and Fund Balance, October 1, 2024	Additions <sup>1</sup>	Interest Income	Expenses	Transfers <sup>2</sup>	Deferred Revenue and Fund Balance (Deficit), September 30, 2025
Pooled reserves	<u>\$ 4,702,226</u>	<u>\$ 1,640,000</u>	<u>\$ 92,434</u>	<u>\$ 544,293</u>	<u>\$ (6,154,990)</u>	<u>\$ (264,623)</u>

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

Deferred revenue	\$ -
Fund balance (deficit)	(264,623)
	<u>\$ (264,623)</u>

A schedule of deferred reserves revenue at September 30, 2025 is as follows:

Deferred revenue, beginning	\$ 3,489,284
Plus: amounts assessed	-
Less: amounts recognized	<u>(3,489,284)</u>
Deferred revenue, ending	<u>\$ -</u>

<sup>1</sup> Consists of \$1,600,000 of capital contributions (see Note 18) and \$40,000 from BWCC (see Note 16).

<sup>2</sup> The Association recorded a transfer to the operating fund for purchases of property and equipment using replacement fund funds in the amount of \$6,154,990, of which \$6,105,501 is related to the lighting and administrative building projects.



**BOCA WEST MASTER ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
*September 30, 2025*

**NOTE 13: Future major repairs and replacements (continued)**

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, 2025, the Association's replacement fund owed its operating fund \$550,409.

**NOTE 15: Supplemental disclosures of cash flow information**

Cash paid for interest	<u>\$ 206,379</u>
Cash paid for income taxes	<u>\$ 115,170</u>
Non-cash investing activities during September 30, 2025 were as follows:	
Purchases of property and equipment	\$ 6,105,501
Cash paid to vendors	<u>(5,456,118)</u>
Liabilities assumed (included in accounts payable)	<u>\$ 649,383</u>

**NOTE 16: Boca West Country Club, Inc. ("BWCC" or "the Club") 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 expand 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 (recorded in reserves).
- \$239,000 for lake maintenance annually.
- \$221,000 for security services provided by the Palm Beach Country Sheriff's office annually.

**BOCA WEST MASTER ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**September 30, 2025**

**NOTE 17: Boca West Community Advisors, LLC**

On February 1, 2019, the Association and 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 owns 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, 2025, the Association made capital contributions to the LLC in the amount of \$0. 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, 2025, the LLC reported a loss in the amount of \$510,994, of which \$255,497 is allocated to the Association.

At September 30, 2025, the Association has recorded an Investment in LLC in the amount of \$609,303, which is calculated as follows:

Investment in LLC, beginning	\$ 864,800
Add: capital contributed to LLC	-
Less: loss on investment in LLC	<u>(255,497)</u>
Investment in LLC, ending	<u>\$ 609,303</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, and continuing 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. At the option of the LLC, the lease is renewable for an additional five-year term ending May 31, 2031.

**NOTE 18: Capital contributions**

On May 23, 2023, the Association voted on and approved to begin collecting capital contributions beginning October 2023. For the year ended September 30, 2025, the Association collected capital contributions in the amount of \$1,600,000.

**NOTE 19: Subsequent events**

Management has evaluated subsequent events through January 6, 2026, the date the financial statements were available to be issued.



## **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, 2025, and our report thereon dated January 6, 2026, 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  
January 6, 2026

**BOCA WEST MASTER ASSOCIATION, INC.**  
**SCHEDULE OF SECURITY EXPENSES COMPARED TO BUDGET**  
*For the year ended September 30, 2025*

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Security expenses</b>			
401(k) contribution	\$ 22,384	\$ 20,730	\$ (1,654)
Alarm monitoring / fire inspection	675	500	(175)
Computer maintenance and replacement	15,376	12,000	(3,376)
Contingency	5,240	2,500	(2,740)
Dues, licenses, screening, etc.	7,275	3,000	(4,275)
Electricity	14,183	12,500	(1,683)
Employee benefits - annuity	1,000	1,000	-
Employee benefits - health	251,550	273,392	21,842
Incentive pay / bonus pay	34,721	35,195	474
Janitorial supplies	6,456	6,000	(456)
Office and copier expenses	9,228	6,000	(3,228)
Office/gatehouse provisions	11,597	15,000	3,403
Overtime wages	98,256	125,000	26,744
Payroll taxes	169,847	179,728	9,881
PBSO contract services	658,031	658,031	-
Pest control	639	750	111
Radio repairs and maintenance	-	1,000	1,000
Repairs and maintenance - gate houses	10,933	5,000	(5,933)
Repairs and maintenance - gates and CCTV	41,959	30,000	(11,959)
Repairs and maintenance - painting	6,686	5,000	(1,686)
Repairs and maintenance - plumbing and electrical	7,170	5,000	(2,170)
Salaries and wages	2,109,748	2,144,008	34,260
Security equipment, storm prep, misc.	1,787	3,000	1,213
Security software and hardware lease	34,612	35,200	588
Telephone	11,248	22,500	11,252
Uniforms	16,424	16,000	(424)
Vehicle fuel	15,931	15,000	(931)
Vehicle leasing payments	13,236	10,764	(2,472)
Vehicle maintenance	5,383	6,500	1,117
Water and sewer	670	1,500	830
<b>Total security expenses</b>	<u><u>\$ 3,582,245</u></u>	<u><u>\$ 3,651,798</u></u>	<u><u>\$ 69,553</u></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, 2025*

	<b>Actual</b>	<b>Budget (Unaudited)</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Landscape and maintenance expenses</b>			
401(k) contribution	\$ 34,200	\$ 32,523	\$ (1,677)
Alarm monitoring / fire inspection	1,667	2,200	533
Algae control	124,500	135,200	10,700
Capital asset disposal	11,676	-	(11,676)
Computer system maintenance	11,137	12,000	863
Contingency	4,002	8,000	3,998
Diesel fuel	17,328	24,000	6,672
Dues, licenses, screening, etc.	2,359	3,000	641
Electricity - irrigation pump station	57,217	62,000	4,783
Electricity - L/M building	8,011	8,000	(11)
Electricity - lake pump / fountain / waterfall	74,221	77,000	2,779
Electricity - street lights	153,363	155,000	1,637
Employee benefits - annuity	966	960	(6)
Employee benefits - health	228,996	231,857	2,861
Fertilizers	28,463	30,000	1,537
Ground supplies	28,054	29,000	946
Herbicides and insecticides	30,288	30,000	(288)
Iguana program	50,000	50,000	-
Incentive pay / bonus pay	43,285	43,055	(230)
Irrigation	48,617	45,000	(3,617)
Janitorial service	87,217	56,000	(31,217)
Janitorial supplies	12,270	16,500	4,230
Lake maintenance	310,536	310,540	4
Lake maintenance - non-contract	27,468	40,000	12,532
Office and copier expenses	7,038	8,800	1,762
Office provisions	9,109	6,500	(2,609)
Overtime wages	1,143	500	(643)
Payroll taxes	145,913	150,560	4,647
Pest control	3,732	5,000	1,268
Plants, seed and sod	129,471	125,000	(4,471)
Radio repairs and maintenance	124	2,000	1,876
Reclaimed water expense	102,566	96,000	(6,566)
Repairs and maintenance - building	10,863	10,000	(863)
Repairs and maintenance - hardware and other	9,260	15,000	5,740
Repairs and maintenance - lake pump and fountain	37,960	41,000	3,040
Repairs and maintenance - landscape lights	8,387	7,500	(887)
Repairs and maintenance - mowers	46,719	45,000	(1,719)
Repairs and maintenance - painting	13,596	20,000	6,404
Repairs and maintenance - plumbing and electrical	5,536	6,000	464
Repairs and maintenance - roads and paths	139,423	85,000	(54,423)
Repairs and maintenance - signs	8,091	500	(7,591)
Safety equipment	5,942	6,000	58
Salaries and wages	1,901,918	1,886,701	(15,217)
Telephone	5,558	3,000	(2,558)
Tools and small equipment	14,040	18,000	3,960
Subtotal forwarded to next page	<u>\$ 4,002,230</u>	<u>\$ 3,939,896</u>	<u>\$ (62,334)</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, 2025*

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Landscape and maintenance expenses</b>			
Subtotal forwarded from previous page	\$ 4,002,230	\$ 3,939,896	\$ (62,334)
Trash disposal and removal	47,864	50,000	2,136
Tree pruning / nature preserve	229,705	201,250	(28,455)
Uniforms	20,016	17,000	(3,016)
Vehicle fuel	23,727	24,000	273
Vehicle maintenance	12,757	11,000	(1,757)
Water and sewer	3,620	3,500	(120)
Waterfall and fountain treatment	485	5,500	5,015
<b>Total landscape and maintenance</b>	<u>\$ 4,340,404</u>	<u>\$ 4,252,146</u>	<u>\$ (88,258)</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, 2025*

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
<b>General and administrative expense</b>			
401(k) administrative fees	\$ 2,792	\$ 5,000	\$ 2,208
401(k) contribution	13,471	13,954	483
Alarm monitoring / fire inspection	1,071	1,000	(71)
Annual audit	26,650	28,600	1,950
Bad debts	1,973	1,973	-
Computer maintenance and website	77,139	45,000	(32,139)
Consultant fees	3,000	6,500	3,500
Contingency	8,450	25,000	16,550
Dues, licenses, screening, etc.	4,984	8,000	3,016
Electricity	37,610	35,000	(2,610)
Employee benefits - health	100,234	105,038	4,804
General insurance	330,740	342,352	11,612
Holiday lights	81,300	88,000	6,700
Incentive pay / bonus pay	58,869	58,880	11
Income taxes	26,420	-	(26,420)
Janitorial supplies	7,504	9,000	1,496
Meeting expense	12,660	20,000	7,340
Newsletter postage	39,579	52,000	12,421
Office and copier expenses	29,855	21,500	(8,355)
Office provisions	3,971	4,000	29
Other taxes, licenses and fees	4,921	4,500	(421)
Overtime wages	54	-	(54)
Payroll related services	27,973	24,000	(3,973)
Payroll taxes	55,202	65,353	10,151
Pest control	2,540	2,500	(40)
Postage / lease payments	7,335	2,500	(4,835)
Professional fees - legal	86,648	85,000	(1,648)
Repairs and maintenance - building clean and paint	25,338	9,000	(16,338)
Salaries and wages	832,936	778,985	(53,951)
Telephone	5,726	4,200	(1,526)
Trash disposal and removal	14,028	14,000	(28)
Unbudgeted expenses	19,200	-	(19,200)
Vehicle fuel	1,039	1,000	(39)
Vehicle insurance - all departments	61,565	59,400	(2,165)
Vehicle leasing payments	10,702	9,000	(1,702)
Vehicle maintenance	583	500	(83)
Water and sewer	617	1,500	883
Workers comp insurance	98,128	92,675	(5,453)
Subtotal	2,122,807	2,024,910	(97,897)
Joint venture investment	255,497	25,000	(230,497)
<b>Total general and administrative</b>	<u>\$ 2,378,304</u>	<u>\$ 2,049,910</u>	<u>\$ (328,394)</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, 2025*

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Emergency medical response expenses</b>			
Alarm monitoring / fire inspection	\$ 631	\$ 1,000	\$ 369
AMR - rent	42,600	42,600	-
Contingency	-	500	500
Electricity	3,000	3,000	-
Emergency medical services	859,020	859,020	-
General insurance	1,800	1,800	-
Janitorial supplies	4,883	5,500	617
Pest control	618	600	(18)
Repairs and maintenance - replacements	870	1,000	130
Telephone	2,883	900	(1,983)
Water and sewer	833	1,000	167
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total emergency medical response expenses</b>	<u>\$ 917,138</u>	<u>\$ 916,920</u>	<u>\$ (218)</u>

See auditor's report on supplementary information.



**BOCA WEST MASTER ASSOCIATION, INC.**  
**SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)**  
**September 30, 2025**

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 (Deficit) September 30, 2025</u>	<u>Approved Budgeted Funding September 30, 2026</u>
Paving and pavers	20-30	0-23	\$ 2,795,450	\$ -	\$ -
General reserves	10-25	0-8	75,500	-	-
Fuel tank code comp.	30	4-18	175,000	-	-
Lake bank restoration	1	-	150,000	-	-
Roof	25	0-13	117,000	-	-
Irrigation/lake pumps	1-20	0-10	541,000	-	-
Butler house pumps	25	0-6	61,200	-	-
Generators	30	13-21	210,000	-	-
Maint. equipment	1	-	160,000	-	-
Security equipment	10-12	2-3	108,900	-	-
Barrier gate operators	15	0-11	79,500	-	-
Painting – common	7-20	0-3	194,250	-	-
Playground / sport court	5-30	0-21	400,800	-	-
Outfall structure (Jog)	5	-	75,000	-	-
Air conditioning	15	0-8	90,800	-	-
Signage	10-30	0-14	387,850	-	-
Nature preserve walk	20	0-15	205,000	-	-
Vehicles	3	-	50,000	-	-
Maint. replacements	1-40	0-29	818,750	-	-
Culverts	1	-	100,000	-	-
Streetlights	20	0-11	162,000	-	-
Others <sup>3</sup>	3-40	0-22	525,750	-	-
Pooled reserves	-	-	-	(264,623)	-
			<u>\$ 7,483,750</u>	<u>\$ (264,623)</u>	<u>\$ -</u>

<sup>3</sup> 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.