

**LANTANA OCEANFRONT CONDOMINIUM  
ASSOCIATION, INC.**

**Financial Statements and Supplementary Information  
with  
Independent Auditors' Report**

December 31, 2022  
(With Comparative Totals for 2021)

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**KMETZ · ELWELL · GRAHAM & ASSOCIATES, PLLC**  
*Certified Public Accountants*

**Independent Auditors' Report**

To the Board of Directors  
Lantana Oceanfront Condominium Association, Inc.  
Indian Harbour Beach, Florida

**Opinion**

We have audited the accompanying financial statements of Lantana Oceanfront Condominium Association, Inc., which comprise the balance sheet as of December 31, 2022, and the related statements 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 Lantana Oceanfront Condominium Association, Inc. as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in conformity 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 our report. We are required to be independent of Lantana Oceanfront Condominium 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.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Lantana Oceanfront Condominium Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditors' 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.

To the Board of Directors  
Lantana Oceanfront Condominium Association, Inc.

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 statement
- 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 Lantana Oceanfront Condominium 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 Lantana Oceanfront Condominium Association, Inc. 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.

#### **Report on Summarized Comparative Information**

We previously audited Lantana Oceanfront Condominium Association's 2021 financial statements and in our report dated June 29, 2022, stated that based on our procedures, we were not aware of any material modifications that should be made to the 2021 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. We are not aware of any modifications that should be made to the summarized comparative information presented herein as of and for the year ended December 31, 2021, for it to be consistent with the audited financial statements from which it has been derived.

#### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating fund revenues and expenses and the schedule of changes in contract liabilities and replacement fund balances on pages 13-15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited", is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. 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 any assurance on it.



To the Board of Directors  
Lantana Oceanfront Condominium Association, Inc.

**Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that information on future major repairs and replacements of common property on page 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of the 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.

*Kmetz, Elwell, Graham & Associates*

Kmetz, Elwell, Graham & Associates, PLLC  
Certified Public Accountants  
Vero Beach, Florida

September 20, 2023



**Lantana Oceanfront Condominium Association, Inc.**

## Balance Sheet

December 31, 2022

(With comparative totals for 2021)

	2022			2021
	Operating Fund	Replacement Fund	Total	Total (memo only)
<b>Assets</b>				
Cash and cash equivalents	\$ 248,023	\$ 293,968	\$ 541,991	\$ 416,763
Assessments receivable	19,469	-	19,469	5,983
Prepaid insurance	205,261	-	205,261	111,935
Prepaid expenses	4,736	-	4,736	-
Deferred special assessment expenses	9,508	-	9,508	-
Interfund borrowings	(143,975)	143,975	-	-
	\$ 343,022	\$ 437,943	\$ 780,965	\$ 534,681
<b>Liabilities and Fund Balance</b>				
Accounts payable and accrued expenses	\$ 7,825	\$ -	\$ 7,825	\$ 8,497
Prepaid assessments	85,435	-	85,435	21,116
Note payable-insurance	166,402	-	166,402	79,094
Deferred insurance claim income	-	-	-	5,262
Contract liabilities - reserves	-	437,943	437,943	301,841
	259,662	437,943	697,605	415,810
<b>Fund Balance</b>	83,360	-	83,360	118,871
	\$ 343,022	\$ 437,943	\$ 780,965	\$ 534,681

See accompanying notes to financial statements.

**Lantana Oceanfront Condominium Association, Inc.**  
Statement of Revenues and Expenses and Changes in Fund Balances  
Year ended December 31, 2022  
(With comparative totals for 2021)

	2022			2021
	Operating Fund	Replacement Fund	Total	Total (memo only)
<b>Revenues</b>				
Regular assessments	\$ 494,591	\$ 106,587	\$ 601,178	\$ 545,861
Special assessments	432,000	-	432,000	(9)
Interest and other income	7,592	1,388	8,980	19,877
	934,183	107,975	1,042,158	565,729
<b>Expenses</b>				
General and administrative	171,190	-	171,190	129,063
Building operations	189,722	-	189,722	166,453
Landscape and grounds	64,507	-	64,507	39,428
Utilities	99,300	-	99,300	99,436
Recreational	12,975	-	12,975	9,629
Special assessment - balconies	432,000	-	432,000	-
Reserve expenses	-	107,975	107,975	114,530
	969,694	107,975	1,077,669	558,539
<b>Excess of revenues over expenses</b>	(35,511)	-	(35,511)	7,190
<b>Fund Balance, beginning of year</b>	118,871	-	118,871	111,681
<b>Fund Balance, end of year</b>	\$ 83,360	\$ -	\$ 83,360	\$ 118,871

See accompanying notes to financial statements.

**Lantana Oceanfront Condominium Association, Inc.**  
Statement of Cash Flows  
Year ended December 31, 2022  
(With comparative totals for 2021)

	2022			2021
	Operating Fund	Replacement Fund	Total	Total (memo only)
<b>Cash flows from operating activities:</b>				
Assessments collected	\$ 977,424	\$ 242,689	\$ 1,220,113	\$ 661,384
Interest and other income received	7,592	1,388	8,980	19,877
Cash paid for expenditures	(995,890)	(107,975)	(1,103,865)	(565,886)
<b>Net cash provided by (used for) operating activities</b>	<b>(10,874)</b>	<b>136,102</b>	<b>125,228</b>	<b>115,375</b>
<b>Cash flows from financing activities:</b>				
Interfund borrowings	141,075	(141,075)	-	-
<b>Net cash provided by (used for) financing activities</b>	<b>141,075</b>	<b>(141,075)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash</b>	<b>130,201</b>	<b>(4,973)</b>	<b>125,228</b>	<b>115,375</b>
<b>Cash, beginning of year</b>	<b>117,822</b>	<b>298,941</b>	<b>416,763</b>	<b>301,388</b>
<b>Cash, end of year</b>	<b>\$ 248,023</b>	<b>\$ 293,968</b>	<b>\$ 541,991</b>	<b>\$ 416,763</b>
<b>Reconciliation of excess of revenues over expenses to net cash provided by (used for) operating activities:</b>				
Excess of revenues over expenses	\$ (35,511)	\$ -	\$ (35,511)	\$ 7,190
Adjustments:				
(Increase) decrease in:				
Assessments receivable	(13,486)	-	(13,486)	1,063
Prepaid insurance	(93,326)	-	(93,326)	(19,041)
Prepaid expenses	(4,736)	-	(4,736)	1,246
Deferred special assessment expenses	(9,508)	-	(9,508)	-
Increase (decrease) in:				
Accounts payable	(672)	-	(672)	(2,939)
Prepaid assessments	64,319	-	64,319	2,063
Insurance payable	87,308	-	87,308	16,531
Deferred insurance claim income	(5,262)	-	(5,262)	(3,144)
Contract Liabilities	-	136,102	136,102	112,406
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (10,874)</b>	<b>\$ 136,102</b>	<b>\$ 125,228</b>	<b>\$ 115,375</b>

See accompanying notes to financial statements.

**Lantana Oceanfront Condominium Association, Inc.**

Notes to Financial Statements

For the year ended December 31, 2022

**Note 1 – Nature of Organization**

Lantana Oceanfront Condominium Association, Inc. (the Association) was incorporated under the laws of the State of Florida on July 16, 1997 under Chapter 617 of the Florida Statutes as a not-for-profit organization. The Association is responsible for the preservation and maintenance of the common property in accordance with the terms of the Florida Statutes in Chapter 718. The Association is located in Indian Harbour Beach, Florida and consists of 96 residential units.

**Note 2 – Summary of Significant Accounting Policies**

**Basis of Accounting**

The Association prepares its financial statements on the accrual basis of accounting.

**Fund Accounting**

The Association presents separate funds based on its different funding policies for operations and capital replacements.

The operating fund reflects the operating assessments paid by unit owners to meet the regular, recurring costs of operations. Expenditures of this fund are limited to those connected with the day-to-day operations and the replacements, major repairs and the purchase of additional commonly owned assets for which no replacement fund component has been established. Assessments are calculated equally for each unit owner.

The replacement fund is composed of all capital assessments paid by unit owners to fund future replacements and major repairs of certain commonly owned assets. Expenditures from this fund are restricted to those items for which assessments were levied.

All assessments receivable and prepaid assessments are deemed due to or from the operating fund. The Association's policy is to fund fully within the replacement funds each month without regard to underpayments or overpayments by members to the operating fund.

**Member Assessments**

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of property owners whose assessments are ninety days or more delinquent. Any excess operating funds at year-end are retained by the Association for use in future operating periods.

**Common Property and Equipment**

Ownership of commonly owned assets is vested directly or indirectly in the unit owners and these assets are not deemed to be severable. As a result, commonly owned assets are not reflected in the Association's financial statements. The Association's policy is to expense property in the year it is purchased.

**Accounting 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. Actual results could differ from those estimates.



**Lantana Oceanfront Condominium Association, Inc.**

Notes to Financial Statements (continued)

**Note 2 – Summary of Significant Accounting Policies** (continued)

**Fair Value of Financial Instruments**

The financial position of the Association at December 31, 2022, includes certain financial instruments that may have a fair value that is different from the value currently reflected in the financial statements. In reviewing the financial statements of the Association, certain assumptions and methods were used to determine the fair value of each category of financial instruments for which it is practicable to estimate that value.

The carrying amounts of the Association's financial instruments generally approximate their fair values at December 31, 2022.

**Subsequent Events**

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

**Note 3 – Cash Balances**

Financial instruments which potentially subject the Association to a concentration of credit risk include cash held at financial institutions, which may exceed FDIC insurance limits or be subject to risks associated within the underlying securities. The FDIC deposit insurance limit for cash is currently \$250,000 per depositor, per insured institution. As of December 31, 2022, the Association has deposits held at one financial institution which exceeded the FDIC insurance limit by \$337,127. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its cash balances.

**Note 4 – Income Taxes**

Associations may elect to be taxed under Internal Revenue Code ("IRC") Section 277, which applies to certain membership organizations, or under IRC Section 528, which applies specifically to homeowner associations as that term is defined for tax purposes. For the year ended December 31, 2022, the Association was taxed under the provisions of IRC Section 528 (Federal Form 1120-H). Under IRC Section 277, the Association is required to separate membership income and expenses from non-membership income and expenses. Each component is taxed separately; however, net membership income is exempt from taxation if certain elections are made.

The Association's federal income tax returns for 2019, 2020, 2021 and 2022 are subject to examination by the IRS, generally for three years after they were filed. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

**Note 5 – Note Payable**

On December 17, 2021, the Association incurred a short term note payable to First Insurance Funding Corporation to finance its annual insurance coverage for 2022. The total financed coverage was equal to \$86,456 at a 4.04% annual rate of interest. This note required a down payment of \$7,362, and 11 monthly installments equal to \$7,362. In December 2021, the Association made the down payment of principal, and the remaining 11 payments were due beginning January 31, 2022. The total interest expense recognized in 2022 in relation to the note totaled \$1,611.



**Lantana Oceanfront Condominium Association, Inc.**

Notes to Financial Statements (continued)

**Note 5 – Note Payable** (continued)

On December 30, 2022, the Association incurred a short term note payable to First Insurance Funding Corporation for routine insurance coverage in the amount of \$181,501 at a 7.229% annual rate of interest. The Association made the required down payment of principal of \$15,680, and the remaining note balance of \$165,821 is payable in 11 monthly installments of \$15,680 beginning January 31, 2023.

**Note 6 – Future Major Repairs and Replacements**

Florida Statutes require the Association to accumulate funds for future major repairs and replacements. Accumulated funds are accounted for separately, are held in separate, interest-bearing accounts, and generally are not available for expenditures for normal operations.

In connection with preparing the budget, the Board of Directors contracted with Sedgwick Valuation Services to conduct a study to estimate the remaining useful lives and the replacement costs of the components of common property. The reserve study report was issued September 25, 2018. When applicable, estimates were obtained from licensed contractors who inspected the property. The table included in the unaudited supplementary information on future major repairs and replacements is based on the study.

The Association is funding for major repairs and replacements over the remaining useful lives of common property components based on the study's estimates of current replacement costs, inflation, and considering amounts previously accumulated in the replacement fund. Accordingly, the association collected \$242,689 in reserve assessments for the year ended December 31, 2022, and have included the funding requirement of \$254,962 in the Association's 2023 budget.

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

**Note 7 - Special Assessments**

Occasionally, the Association undertakes projects that have not been adequately provided for in the operating budget or by accumulated replacement funds. Such projects are funded by special assessments adopted by the Association's Board of Directors.

At the February 16, 2022 meeting, the Board approved a special assessment in the amount of \$576,000 a balcony remediation project. Individual owner assessments of \$6,000 were payable in twelve (12) monthly installments of \$500 beginning April 1, 2022. The Association recognized \$432,000 in special assessment revenue and incurred \$441,508 in related expenses for the year ended December 31, 2022. The excess expenditures over revenues, totaling \$9,508, have been capitalized as deferred special assessment expenses and will be recognized in the subsequent period as the project is ongoing.

On December 21, 2022, the Association approved a special assessment in the amount of \$288,000 to fund the additional, unexpected costs required to complete the balcony restoration project. Individual owner assessments of \$3,000 are payable in six (6) monthly installments of \$500 beginning April 1, 2023.

**Lantana Oceanfront Condominium Association, Inc.**  
Notes to Financial Statements (continued)

**Note 8 – Interfund Borrowings**

During the year, certain special assessment expenses were paid from the replacement fund and certain major repairs and replacements were paid from the operating fund. The net effect of these transactions resulted in an interfund borrowing balance of \$143,975 being due to the replacement fund as of December 31, 2022.

**Note 9 – Revenue Recognition**

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of the performance obligations related to replacement reserve assessments. The balances of contract liabilities as of the beginning and end of the year are \$301,841 and \$449,893 respectively. The effects of the performance obligation approach under ASC 606 results in the following adjustments to income, expenses, and cash flows:

	Amounts That Would Have Been Reported	Effects of Applying ASC 606	As Reported
<b>Revenue</b>			
Reserve assessments, net	\$ 242,689	\$ (136,102)	\$ 106,587
Excess of revenues over expenses	\$ 136,102	\$ (136,102)	\$ -
<b>Cash Flows</b>			
Excess of revenues over expenses	\$ 136,102	\$ (136,102)	\$ -
Increase in contract liabilities	\$ -	\$ 136,102	\$ 136,102

**Note 10 – Contingencies**

The Association is a party to various legal actions normally associated with condominium associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in the opinion of management, would not be material to the future financial condition of the Association.

**Note 11 – Risks and Uncertainties**

The Association maintains property and flood insurance, but upon a major natural disaster could have exposure up to the amount of the insurance deductibles. These amounts have not been separately stated in the financial statements.

New Florida Statutes 718.103 (25) and 718.112 (2) have been implemented which will disallow the Association to continue waiving the full funding of structure-related reserve items, effective December 31, 2024. The Statutes also require Associations to obtain a structural integrity reserve study (SIRS) which must be completed at least every 10 years after the condominium’s creation for each building on the condominium property that is three stories or higher in height which includes, at a minimum, a study of specific items as related to the structural integrity and safety of the building.



**SUPPLEMENTARY INFORMATION**

**Lantana Oceanfront Condominium Association, Inc.**  
Schedule of Operating Fund Revenues and Expenses

Year ended December 31,	2022			2021
	Actual	Budget	Variance Favorable (Unfavorable)	Actual
		(Unaudited)	(Unaudited)	
<b>Revenues</b>				
Regular assessments	\$ 494,591	\$ 494,592	\$ (1)	\$ 449,820
Special assessments	432,000	-	432,000	-
Interest and other income	7,592	464	7,128	1,388
	934,183	495,056	439,127	451,208
<b>Expenses</b>				
<b>General and Administrative:</b>				
Professional fees	9,607	8,700	(907)	7,168
Licenses and fees	1,148	2,700	1,552	2,838
Insurance	115,324	101,100	(14,224)	94,389
Management fees	22,349	21,132	(1,217)	21,027
Office supplies and expenses	2,845	2,900	55	2,989
Other misc expense	19,917	1,000	(18,917)	652
	171,190	137,532	(33,658)	129,063
<b>Building Operations:</b>				
Repairs and maintenance	86,031	71,800	(14,231)	53,243
Maintenance supplies	11,564	8,000	(3,564)	9,064
Roof repairs	-	2,000	2,000	6,500
Janitorial services and supplies	46,329	43,740	(2,589)	42,394
Elevator contract and repair	18,082	14,500	(3,582)	18,081
Pest control	3,756	4,004	248	4,494
Fire prevention systems	23,960	26,200	2,240	35,861
	189,722	170,244	(19,478)	169,637
<b>Landscape and Grounds:</b>				
Grounds maintenance	36,270	27,500	(8,770)	20,394
Landscape improvements	5,411	5,000	(411)	-
Dune trimming	10,000	15,900	5,900	5,900
Fertilization and pest control	1,126	4,500	3,374	4,192
Irrigation repairs and maintenance	355	6,500	6,145	1,310
Plants, shrubs, trees	11,345	6,800	(4,545)	4,448
	64,507	66,200	1,693	36,244



**Lantana Oceanfront Condominium Association, Inc.**  
Schedule of Operating Fund Revenues and Expenses (continued)

Year ended December 31,	2022			2021
	Actual	Budget	Variance Favorable (Unfavorable)	Actual
		(Unaudited)	(Unaudited)	
<b>Recreational:</b>				
Pool service	8,475	9,600	1,125	8,800
Pool supplies	4,500	1,200	(3,300)	829
	12,975	10,800	(2,175)	9,629
<b>Utilities:</b>				
Electricity, Gas, Phone lines	28,165	28,800	635	25,717
Water and sewer	53,269	62,520	9,251	56,250
Trash removal	17,866	18,960	1,094	17,469
	99,300	110,280	10,980	99,436
<b>Special Assessment - Balconies</b>	432,000	-	(432,000)	9
<b>Total expenses</b>	969,694	495,056	(474,638)	444,018
<b>Excess (deficit) of revenues over expenses</b>	\$ (35,511)	\$ -	\$ (35,511)	\$ 7,190



**Lantana Oceanfront Condominium Association, Inc.**  
 Schedule of Changes in Contract Liabilities & Replacement Fund Balances  
 Year ended December 31, 2022

Component	Beginning Contract Liabilities	Increases	Decreases	Transfers	Ending Contract Liabilities
Pooled Reserves	\$ 265,769	\$ 242,689	\$ 102,950	\$ (8,768)	\$ 396,740
Catastrophic Loss Reserves	36,072	-	5,000	10,131	41,203
	\$ 301,841	\$ 242,689	\$ 107,950	\$ 1,363	\$ 437,943

  

Component	Beginning Fund Balance	Increases	Decreases	Transfers	Ending Fund Balance
Unallocated interest	\$ -	\$ 1,388	\$ 25	\$ (1,363)	\$ -
	\$ -	\$ 1,388	\$ 25	\$ (1,363)	\$ -

  

Total Contract Liabilities and Fund Balance	\$ 301,841	\$ 244,077	\$ 107,975	\$ -	\$ 437,943
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**Lantana Oceanfront Condominium Association, Inc.**  
 Supplementary Information on Future Major  
 Repairs and Replacements (Unaudited)

In connection with preparing the budget, the Board of Directors conducted a study to estimate the remaining useful lives and the replacement costs of the components of common property. When applicable, estimates were obtained from licensed contractors who inspected the property. The following table is based on the study and presents significant information about the components of common property:

Component	Estimated Remaining Useful Lives	Estimated Current Replacement Costs	2023 Funding Requirement	Components of Contract Liabilities & Fund Balance 12/31/2022
Pooled reserves	0-27 years	\$ 2,638,794	\$ 254,962	\$ 396,740
Catastrophic loss reserves	n/a	-	-	41,203
		\$ 2,638,794	\$ 254,962	\$ 437,943

