
PELICAN COVE CONDOMINIUM ASSOCIATION, INC.

SARASOTA, FLORIDA

**INDEPENDENT AUDITORS REPORT,
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2022

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.

SARASOTA, FLORIDA

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YEAR ENDED DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Pelican Cove Condominium Association, Inc.
Sarasota, Florida

Opinion

We have audited the accompanying financial statements of Pelican Cove Condominium Association, Inc., which comprise the balance sheet as of December 31, 2022, and the related statements of revenues, expenses, and changes in fund balance 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 the Association as of December 31, 2022, 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 our report. We are required to be independent of the Association 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 the Association'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 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.
- 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 the Association'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 the Association's ability to continue as a going concern for a reasonable period of time.

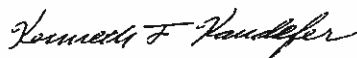
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 Expenses-Operating Fund and the Analysis of Contract Liabilities and Replacement Fund are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Major Repairs and Replacements be presented to supplement the basic financial statements. Such information 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.



Kenneth F. Kandefer
Certified Public Accountant
Sarasota, Florida

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
BALANCE SHEET
DECEMBER 31, 2022

	<u>OPERATING FUND</u>	<u>INSURANCE</u>		<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
		<u>INSURANCE RENEWAL</u>	<u>INSURANCE LOSS</u>		
Cash	\$ 68,880	\$ -	\$ -	\$ 307,079	\$ 375,959
Certificates of Deposits	560,299	-	-	2,072,735	2,633,034
Restricted Cash - Legacy	117,087	-	-	-	117,087
Assessments Receivable (Net)	18,201	-	-	-	18,201
Prepaid Insurance	1,454,298	-	-	-	1,454,298
Property and Equipment	482,390	-	-	-	482,390
Less Accumulated Depreciation	(397,061)	-	-	-	(397,061)
Due Between Funds	<u>(1,165,521)</u>	<u>984,230</u>	<u>296,157</u>	<u>(114,866)</u>	<u>-</u>
Total Assets	<u>1,138,573</u>	<u>984,230</u>	<u>296,157</u>	<u>2,264,948</u>	<u>4,683,908</u>
Accounts Payable	185,119	-	-	-	185,119
Accrued Expenses	151,222	-	-	-	151,222
Prepaid Assessments	38,829	-	-	-	38,829
Deferred Revenue	110,368	-	-	-	110,368
Contract Liability	-	-	-	2,264,948	2,264,948
Total Liabilities	<u>485,538</u>	<u>-</u>	<u>-</u>	<u>2,264,948</u>	<u>2,750,486</u>
Fund Balances	<u>653,035</u>	<u>984,230</u>	<u>296,157</u>	<u>-</u>	<u>1,933,422</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,138,573</u>	<u>\$ 984,230</u>	<u>\$ 296,157</u>	<u>\$ 2,264,948</u>	<u>\$ 4,683,908</u>

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

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2022

	OPERATING FUND	INSURANCE		REPLACEMENT FUND	TOTAL
		INSURANCE RENEWAL	INSURANCE LOSS		
REVENUES					
Maintenance Fees	\$ 4,961,250	\$ -	\$ -	\$ 656,137	\$ 5,617,387
Harbor Slip Fees	62,612	-	-	-	62,612
Real Estate Application Fees	57,095	-	-	-	57,095
Other Revenue	50,409	-	-	-	50,409
Kayak Rack Rental	37,563	-	-	-	37,563
Interest	9,806	-	-	8,115	17,921
TOTAL REVENUES	5,178,735	-	-	664,252	5,842,987
EXPENSES					
Administrative	573,538	-	-	-	573,538
Gate House	208,869	-	-	-	208,869
Maintenance	1,077,240	-	-	-	1,077,240
Service and Utility	861,676	-	-	-	861,676
Grounds	707,407	-	-	-	707,407
Insurance	1,554,664	4,500	474,843	-	2,034,007
Depreciation	29,256	-	-	-	29,256
Board Designated Expenses	151,480	-	-	-	151,480
Replacement	-	-	-	657,602	657,602
TOTAL EXPENSES	5,164,130	4,500	474,843	657,602	6,301,075
EXCESS (DEFICIENCY) OF REVENUES					
OVER EXPENSES	14,605	(4,500)	(474,843)	6,650	(458,088)
Fund Balances at Beginning of Year	661,044	988,730	771,000	-	2,420,774
Prior Year Adjustments	(20,600)	-	-	-	(20,600)
Change in Investment Values	(2,014)	-	-	(6,650)	(8,664)
Fund Balances at End of Year	\$ 653,035	\$ 984,230	\$ 296,157	\$ -	\$ 1,933,422

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

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	<u>OPERATING</u>	<u>REPLACEMENT</u>	<u>TOTAL</u>
<u>Cash Flows From Operating Activities</u>			
Member Assessments	\$ 4,917,498	\$ 553,603	\$ 5,471,101
Interest Received	9,806	8,115	17,921
Other Income Received	232,495	-	232,495
Cash Paid for Expenditures	(5,966,312)	(649,310)	(6,615,622)
Income Taxes Paid	-	-	-
Interest Paid	-	-	-
	<u>(806,513)</u>	<u>(87,592)</u>	<u>(894,105)</u>
Net Cash Provided (Used) by Operations			
	<u>(806,513)</u>	<u>(87,592)</u>	<u>(894,105)</u>
Net Increase (Decrease) in Cash and Cash Equivalents			
	<u>(806,513)</u>	<u>(87,592)</u>	<u>(894,105)</u>
Cash and Cash Equivalents, Beginning of Year			
	<u>1,552,779</u>	<u>2,467,406</u>	<u>4,020,185</u>
Cash and Cash Equivalents, End of Year			
	<u>\$ 746,266</u>	<u>\$ 2,379,814</u>	<u>\$ 3,126,080</u>

Cash and cash equivalents reflected in these financial statements include money market funds, standard checking and savings accounts.

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

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

**RECONCILIATION OF EXCESS (DEFICIT)
OF REVENUES OVER EXPENSES TO
NET CASH PROVIDED BY OPERATING
ACTIVITIES:**

	<u>OPERATING</u>	<u>REPLACEMENT</u>	<u>TOTAL</u>
Excess (Deficit) Revenues			
Over Expenses	\$ (464,738)	\$ 6,650	\$ (458,088)
Depreciation	29,256	-	29,256
Change in Investments	(2,014)	(6,650)	(8,664)
Prior Period Adjustment	(20,600)	-	(20,600)
Total	<u>(458,096)</u>	<u>-</u>	<u>(458,096)</u>
(Increase) Decrease in:			
Accounts Receivable	(14,192)	-	(14,192)
Prepaid Expenses	(412,440)	-	(412,440)
Due Between Funds	(14,942)	14,942	-
Increase (Decrease) in:			
Payables	47,101	-	47,101
Contract Liability	-	(102,534)	(102,534)
Accrued Expenses	50,800	-	50,800
Deferred Revenue	24,816	-	24,816
Prepaid Maintenance Fees	<u>(29,560)</u>	<u>-</u>	<u>(29,560)</u>
Total Adjustments	<u>(348,417)</u>	<u>(87,592)</u>	<u>(436,009)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (806,513)</u>	<u>\$ (87,592)</u>	<u>\$ (894,105)</u>

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

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
SARASOTA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 - NATURE OF ORGANIZATION

Pelican Cove Condominium Association, Inc. ("the Association") is a statutory condominium association incorporated in the State of Florida on July 24, 1973. The Association is responsible for the operation and maintenance of the common property of Pelican Cove Condominium. Pelican Cove Condominium consists of 731 residential units located on approximately 75 acres in Sarasota, Florida.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting, and prepares its financial statements on the accrual basis of accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

General Fund -- This fund is used to account for financial resources available for the general operations of the Association.

Insurance Funds -- These funds are used to account for financial resources available for insurance renewal and insurance loss needs of the Association. These funds are a designated part of the operating fund.

Replacement Fund -- This fund is used to accumulate financial resources designated for future major repairs and replacements.

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. Accounts receivable at the balance sheet date represent fees due from owners. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent. Management establishes an allowance for doubtful accounts based on amounts expected to be uncollectible at the balance sheet date. As of December 31, 2022, an allowance of \$4,059 has been established for accounts expected to be uncollectible. Revenue from maintenance fees is recognized in the period for which it applies, and payments received in advance are deferred to the appropriate future period. For the year ended December 31, 2022, assessments totaled \$5,514,828. Of this amount, \$553,603 was designated for the Replacement Fund. Revenues from special assessments for a particular purpose are recognized as revenue when the related costs are incurred.

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
SARASOTA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Allocation of Income and Expenses

The allocation of income and expenses to Association members, as indicated in the condominium documents, is based on the various square footages of the units, with twenty-nine different sizes and allocation rates currently being used.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Tax

The Association qualifies as a tax-exempt homeowner's association under Internal Revenue Code Section 528 for the year ended December 31, 2022. Under that section, the Association is not taxed on income and expenses related to its exempt purpose, which is the acquisition, construction, management, maintenance and care of Association property. Net nonexempt function income, which includes earned interest and revenues received from non-members, is taxed at 30% by the federal government.

Property and Equipment

Real property and common areas acquired by the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property to which it has title at cost.

Depreciation

It is the Association's policy to capitalize property and equipment over \$3,000. Lesser amounts are expensed. Purchased property and equipment are carried at cost. The Association's property and equipment are depreciated using the straight-line method over estimated useful lives of 3 to 10 years.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Association considers all highly liquid investment instruments with an original maturity of three months or less when purchased to be cash equivalents.

**PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
SARASOTA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Allocation of Income and Expenses

The Allocation of income and expenses to Association members, as indicated in the condominium documents, is based on the various square footages of the units, with twenty-nine different sizes and allocation rates currently being used.

NOTE 3 – INCOME TAXES

As stated in Note 2, the Association is taxed on any non-membership income. For the year ended December 31, 2022, taxable non-membership income before allowable deductions was \$17,921. After allowable deductions, the income tax provision for 2022 was -0-.

NOTE 4 – RESTRICTED CASH-LEGACY

Restricted cash represents bequests and other donations by owners which are to be used for specific purposes as determined by the donor.

NOTE 5 – UNINSURED CASH BALANCES

The Association maintains its cash balances at several financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Funds are invested according to the Association's bylaws in primary bank accounts insured by the FDIC and in sweep accounts that are invested in Government Agency Bonds. The Association had \$63,738 in uninsured cash balances at December 31, 2022.

NOTE 6 – PENSION PLAN

The Association maintains a 401(k) profit-sharing plan. Employees may contribute amounts as prescribed by IRS guidelines. The Association matches 50% of employee contributions, up to a maximum of 8% of their annual salary. Pension expense for 2022 totaled \$67,573.

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
SARASOTA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 7 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's bylaws and Florida Statutes require that the Association prepare its annual budget with calculations of estimates of future costs for the repair and/or replacement of certain common property. These calculations provide the basis for the establishment and ratable funding of reserves over a period of time. The budget must include amounts representing full funding of reserves; however, the membership may vote to reduce or eliminate the funding of these amounts as called for in the budget. This vote must be at a duly called meeting before the budget is in place and is valid for one year only.

The Board of Directors annually reviews the major components of common property. As part of the review, an update of the study was conducted in July 2021 to estimate the remaining lives and replacement costs of each of the components of common property. The estimates were originally obtained from specialists who inspected the property. The table included in the unaudited supplementary information on future major repairs and replacements is based on this study.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on estimates of current replacement costs. The Association allocates interest earned on replacement funds to the individual components. Amounts previously accumulated are considered in determining the annual funding requirement. The calculation performed by the Association for 2022 called for full funding of reserves of \$553,603 and this amount was included in the amounts assessed for 2022. The calculation performed by the Association for 2023 called for full funding of reserves of \$655,060 and this amount is included in the amounts assessed for 2023.

Actual expenditures may vary from the estimated replacement costs. These variances could be material. Consequently, the amounts accumulated in this fund may not be adequate to fund the major repair or replacement. If additional funds are needed, the Association may increase regular assessments, pass a special assessment or delay the repair or replacement.

NOTE 8 – CONTINGENT LIABILITY

The Association's current windstorm insurance policy contains a 5% deductible clause. Based on the \$103,404,644 insured valuation of the buildings and carports, the first 5%, or \$5,169,232 would be the responsibility of the Association.

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
SARASOTA, FLORIDA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 9 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 5, 2023, which is the date the financial statements were available to be issued.

NOTE 10 – PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost and consist of the following:

Office Equipment	\$ 108,711
Equipment	<u>373,679</u>
	482,390
Less accumulated depreciation	<u>397,061</u>
Total	<u>\$ 85,329</u>

NOTE 11 – SOLAR ARRAY CONTRACTS

Pelican Cove Condominium Association members desired to reduce their carbon footprint per the 2020 Unit Owner Survey. With the Federal Government offering a 26% federal income tax credit to individual taxpayers who invest in the installation of solar panels, a group of interested Pelican Cove owners offered to finance two solar array projects to take advantage of the tax credit enabling the Association to reduce electricity costs over the 25-year span of the projects.

The Maintenance Building solar array project was financed by four residents and requires semi-annual payments of \$6,236.96 for five years. The first of the payments was made in December 2021. Expense for 2022 was \$12,473.90.

The Pavilion Building solar array project is not active as yet but a contract for \$132,532 has been signed by eight residents who will finance the project. It will require semi-annual payments of \$6,626.60 for 10 years.

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF EXPENSES - OPERATING FUND
YEAR ENDED DECEMBER 31, 2022

ADMINISTRATIVE EXPENSE	
Management & Admin Salaries	\$ 361,491
Benefits	44,311
Payroll Admin & Taxes	36,621
Employee Recognition	6,299
Applicant Processing	990
Uniforms	3,549
Education/Licenses	4,672
Accounting and Audit	10,200
Legal Fees	5,303
Printing	10,646
PC News Printing and Postage	22,666
Telephone Expense	21,165
Office Supplies	10,140
Fees to Division	2,985
Pool Permits	1,475
Professional Fees	15,507
Office Equipment	6,678
Postage	2,220
Administration Other	6,620
TOTAL ADMINISTRATIVE EXPENSE	<u>573,538</u>
 GATE HOUSE	
Salaries	40,989
Temporary Salaries	152,429
Benefits	9,746
Payroll Admin & Taxes	4,670
Other	1,035
TOTAL GATE HOUSE	<u>\$ 208,869</u>

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

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF EXPENSES - OPERATING FUND
YEAR ENDED DECEMBER 31, 2022

MAINTENANCE EXPENSE

Salaries	\$ 567,403
Temporary Salaries	136
Benefits	129,435
Payroll Admin & Taxes	59,772
Permits and Contractor Fees	14,898
Water Line Service	3,727
Sewer Main Repair and Service	20,070
Tools and Equipment	5,115
Building Supplies	117,853
Housekeeping Supplies	7,078
Pool Supplies	32,411
HVAC Maintenance and Repair	3,394
Electrical Supplies	8,381
Harbor Expense	1,226
Recreational Maintenance	21,624
Building Drainage	2,854
Roof Repair	14,525
Carport Roof Repair	19,369
Pest Control	10,735
Maintenance Other	10,841
Safety Equipment	222
Uninsured Losses	26,171
TOTAL MAINTENANCE EXPENSE	<u>1,077,240</u>

SERVICE AND UTILITY EXPENSE

Cable TV	307,307
Electric	64,564
Water	141,286
Sewer	276,406
Natural Gas	35,105
Garbage	11,325
Termite Service	20,093
Reclaimed Water	5,590
TOTAL SERVICE AND UTILITY EXPENSE	<u>\$ 861,676</u>

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

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
SCHEDULE OF EXPENSES - OPERATING FUND
YEAR ENDED DECEMBER 31, 2022

GROUNDS EXPENSE	
Salaries	\$ 405,762
Temporary Salaries	11,514
Benefits	124,474
Payroll Admin & Taxes	44,061
Tree Trimming and Removal	20,149
Tree Planting	860
Fertilization	2,712
Pond Maintenance	1,510
Irrigation	8,854
Equipment Repair and Supplies	22,738
Sod	2,569
Ornamental Planting	18,753
Rock and Shell	775
Gas and Oil	5,049
Tools and Equipment	3,350
Stepping Stones and Concrete	1,408
Grounds Beautification	2,975
Grounds Other	1,086
Mangrove Trimming	15,730
Solar Array Payments	12,474
Safety Equipment	361
Uninsured Losses	243
TOTAL GROUNDS EXPENSE	<u>707,407</u>
INSURANCE EXPENSE	<u>1,554,664</u>
DEPRECIATION EXPENSE	<u>29,256</u>
BOARD DESIGNATED EXPENSE	<u>151,480</u>
TOTAL OPERATING EXPENSES	<u><u>\$ 5,164,130</u></u>

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

**PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
ANALYSIS OF CONTRACT LIABILITIES - REPLACEMENT FUND
YEAR ENDED DECEMBER 31, 2022**

CONTRACT LIABILITY

Beginning Balance	\$ 2,367,483
Assessments	553,603
Revenue Recognized	(656,137)
Ending Balance	<u>\$ 2,264,949</u>

REPLACEMENT FUND

Beginning Balance	\$ -
Revenue Recognized	656,137
Interest	8,115
Roof	(416,483)
Paint	(158,909)
Roads	(18,313)
Harbor	(3,049)
Common Facilities	(60,848)
Change in Investment Value	(6,650)
Ending Balance	<u>\$ -</u>

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

PELICAN COVE CONDOMINIUM ASSOCIATION, INC.
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENT
YEAR ENDED DECEMBER 31, 2022
(Unaudited)

The Association had a professional study done in August 2022 to estimate the useful lives and replacement costs of the components of common property in accordance with Chapter 718 of the Florida Statutes. The following schedule is based on that study.

<u>COMPONENT</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>
Roofs	1-25	\$ 3,936,098
Paint	1-4	253,350
Roads	3-20	1,313,843
Harbor	1-18	1,410,144
Common Facilities	2-35	<u>3,593,258</u>
TOTAL		<u><u>\$ 10,506,693</u></u>
Reserve Fund Balance December 31, 2022		<u><u>\$ 2,264,948</u></u>
Funding Requirement 2023		<u><u>\$ 655,060</u></u>