

Strathmore Riverside Villas Association, Inc.  
Financial Statements and Supplementary Information  
December 31, 2022

Miller & Company, LLP  
2831 Ringling Boulevard Suite 204-B  
Sarasota, Florida 34237

Strathmore Riverside Villas Association, Inc.

Index

	<u>Page</u>
Independent Auditor's Report	1 - 3
Balance Sheet as of December 31, 2022	4
Statement of Revenues, Expenses, and Changes in Fund Balances for the Year Ended December 31, 2022	5
Statement of Cash Flows for the Year Ended December 31, 2022	6
Notes to Financial Statements	7 - 12
Supplementary Schedule of Operating Fund Expenses for the Year Ended December 31, 2022	13 - 14
Supplementary Schedule of Replacement Fund Activity for the Year Ended December 31, 2022	15
Supplementary Information about Future Major Repairs and Replacements as of December 31, 2022	16

**MILLER & COMPANY, LLP**  
CERTIFIED PUBLIC ACCOUNTANTS

2831 RINGLING BOULEVARD, SUITE 204-B  
SARASOTA, FL 34237

TEL: (941) 366-5646  
FAX: (941) 365-0224

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
of Strathmore Riverside Villas Association, Inc.

**Opinion**

We have audited the accompanying financial statements of Strathmore Riverside Villas Association, Inc., which comprise the balance sheet as of December 31, 2022, and the related statements of revenues, 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 Strathmore Riverside Villas Association, Inc. 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 Strathmore Riverside Villas 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 Strathmore Riverside Villas Association, Inc.'s ability to continue as a going concern within one year after the date that financial statements are available to be issued.

**Auditor's Responsibility 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 Strathmore Riverside Villas 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 Strathmore Riverside Villas 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.

### **Future Major Repairs and Replacements**

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. We have not applied procedures to determine whether the funds designated for future major repairs and replacements as discussed in Note 4 are adequate to meet such future costs because that determination is outside the scope of our audit. Our opinion is not modified with respect to that matter.

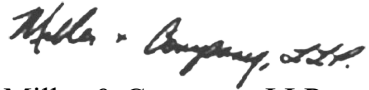
### **Disclaimer of Opinion on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary schedule of operating fund expenses and the supplementary schedule of replacement fund activity on pages 13-15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information 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.

### **Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the supplementary information about future major repairs and replacements on page 16 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Miller & Company, LLP  
Certified Public Accountants  
Sarasota, Florida  
September 6, 2023

Strathmore Riverside Villas Association, Inc.

Balance Sheet

December 31, 2022

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Insurance Claim Fund</u>	<u>Total</u>
<b>Assets</b>				
Cash	\$ 496,299	\$ 473,851	\$ 270,000	\$ 1,240,150
Certificates of deposit	-	255,195	-	255,195
Assessments receivable, net	16,339	-	-	16,339
Prepaid insurance	228,997	-	-	228,997
Prepaid expenses	1,194	-	-	1,194
Deposits	900	-	-	900
Insurance claim proceeds receivable	-	-	5,970,065	5,970,065
Interfund receivable (payable)	26,598	(26,598)	-	-
	<u>\$ 770,327</u>	<u>\$ 702,448</u>	<u>\$ 6,240,065</u>	<u>\$ 7,712,840</u>
<b>Liabilities and Fund (Deficit) Balances</b>				
Accounts payable and accrued expenses	\$ 43,899	\$ -	\$ 8,772,696	\$ 8,816,595
Deferred cable incentive	33,700	-	-	33,700
Assessments received in advance	78,792	-	-	78,792
Security deposits	1,900	-	-	1,900
Contract liabilities - replacement fund	-	696,273	-	696,273
	<u>158,291</u>	<u>696,273</u>	<u>8,772,696</u>	<u>9,627,260</u>
Fund (deficit) balances	<u>612,036</u>	<u>6,175</u>	<u>(2,532,631)</u>	<u>(1,914,420)</u>
Total liabilities and fund (deficit) balances	<u>\$ 770,327</u>	<u>\$ 702,448</u>	<u>\$ 6,240,065</u>	<u>\$ 7,712,840</u>

See independent auditor's report and accompanying notes.

Strathmore Riverside Villas Association, Inc.  
Statement of Revenue, Expenses, and Change in Fund Balances  
Year Ended December 31, 2022

	Operating Fund	Replacement Fund	Insurance Claim Fund	Total
<b>Revenues</b>				
Member assessments	\$ 1,458,732	\$ 145,832	\$ -	\$ 1,604,564
Hurricane insurance proceeds	-	-	6,240,065	6,240,065
Special assessments	391,118	-	-	391,118
Marina slip fee	34,650	-	-	34,650
Creek house income	17,424	-	-	17,424
Recovery of bad debt	12,161	-	-	12,161
Other income	10,484	-	-	10,484
Interest earned	1,804	2,411	-	4,215
Total revenues	<u>1,926,373</u>	<u>148,243</u>	<u>6,240,065</u>	<u>8,314,681</u>
<b>Expenses</b>				
Administration and insurance	759,009	-	-	759,009
Utilities	481,216	-	-	481,216
Grounds	217,654	-	-	217,654
Payroll	134,188	-	-	134,188
Building maintenance	33,891	-	-	33,891
Recreation facilities	21,801	-	-	21,801
Catastrophic and hurricane repairs	51,763	-	8,772,696	8,824,459
Replacements	-	162,991	-	162,991
Total expenses	<u>1,699,522</u>	<u>162,991</u>	<u>8,772,696</u>	<u>10,635,209</u>
Excess (deficiency) of revenues over expenses	226,851	(14,748)	(2,532,631)	(2,320,528)
Interfund transfers	(600)	600	-	-
Fund balances, beginning of year	<u>385,785</u>	<u>20,323</u>	<u>-</u>	<u>406,108</u>
Fund (deficit) balances, end of year	<u>\$ 612,036</u>	<u>\$ 6,175</u>	<u>\$ (2,532,631)</u>	<u>\$ (1,914,420)</u>

See independent auditor's report and accompanying notes.

Strathmore Riverside Villas Association, Inc.  
Statement of Cash Flows  
Year Ended December 31, 2022

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Insurance Claim Fund</u>	<u>Total</u>
Cash flows from operating activities				
Excess (deficiency) of revenues over expenses	\$ 226,851	\$ (14,748)	\$ (2,532,631)	\$ (2,320,528)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities				
Provision for doubtful accounts	(1,447)	-	-	(1,447)
Changes in operating assets and liabilities				
Assessments receivable	(13,710)	-	-	(13,710)
Prepaid insurance	(61,702)	-	-	(61,702)
Prepaid expenses	1,455	-	-	1,455
Insurance claim proceeds receivable	-	-	(5,970,065)	(5,970,065)
Accounts payable and accrued expenses	(9,021)	-	8,772,696	8,763,675
Deferred cable incentive	33,700	-	-	33,700
Assessments received in advance	3,669	-	-	3,669
Contract liabilities - replacement fund	-	100,974	-	100,974
Net cash provided by operating activities	<u>179,795</u>	<u>86,226</u>	<u>270,000</u>	<u>536,021</u>
Cash flows from investing activities				
Reinvested interest	-	(968)	-	(968)
Net cash used in investing activities	<u>-</u>	<u>(968)</u>	<u>-</u>	<u>(968)</u>
Cash flows from financing activities				
Interfund transfers	(600)	600	-	-
Interfund borrowing	(35,806)	35,806	-	-
Net cash provided by (used in) financing activities	<u>(36,406)</u>	<u>36,406</u>	<u>-</u>	<u>-</u>
Net increase in cash	143,389	121,664	270,000	535,053
Cash, beginning of year	<u>352,910</u>	<u>352,187</u>	<u>-</u>	<u>705,097</u>
Cash, end of year	<u>\$ 496,299</u>	<u>\$ 473,851</u>	<u>\$ 270,000</u>	<u>\$ 1,240,150</u>

See independent auditor's report and accompanying notes.



Strathmore Riverside Villas Association, Inc.  
Notes to Financial Statements  
Year Ended December 31, 2022

Note 1-Nature of Organization

The Association is a not-for-profit corporation organized in 1983 to provide an entity pursuant to Florida Statute 718 for the administration, maintenance, operation, and management of Strathmore Riverside Villas, a condominium, located in Sarasota, Florida. Strathmore Riverside Villas Association, Inc. consists of 336 residential condominium units.

Assessments against the owners of the condominium units, which are the principal source of revenue, are based on the estimated amounts required to protect and maintain the property owned by the owners in common of Strathmore Riverside Villas Association, Inc. and are allocated equally among the units. Common property expenses include building exteriors, paving, elevators, and recreational areas.

All policy decisions are formulated by the Board of Directors. Certain major decisions are referred to the general membership before action is taken. Assessments are determined annually by the Board of Directors based upon maintenance and other operating requirements of the Association.

Note 2-Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the fund method of accounting on the accrual basis. The accrual basis of accounting recognizes revenues when earned and expenses when the obligations are incurred.

The fund method of accounting requires funds such as operating funds and funds for future major repairs and replacements, to be classified separately for accounting and reporting purposes.

Fund accounting is helpful in segregating funds having restrictions on their use. Disbursements from the operating fund are generally made at the discretion of the Board of Directors. Disbursements from the replacement fund may be made only for repair and replacement of the common element.

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association. During 2022, special assessment activity was recorded in the operating fund.

Replacement Fund -This fund is used to account for financials resources, including assessments paid by unit owners to fund future replacements, major repairs and purchases of additional commonly owned assets. Expenditures from this fund are restricted to those items for which assessments were levied.

Strathmore Riverside Villas Association, Inc.  
Notes to Financial Statements  
Year Ended December 31, 2022

Note 2-Summary of Significant Accounting Policies (Continued)

Insurance Claim Fund -This fund is used to account for financials resources related to hurricane insurance claim activity.

Commonly Owned Assets

The Association has the responsibility to preserve and maintain the commonly owned assets. The commonly owned assets include property that is directly associated with the unit which includes property without which the units could not be occupied and exterior property that is normally part of freestanding units. Commonly owned assets also include the property that is not directly associated with the unit and is not necessary for the primary use of the unit, although individual unit owners may benefit from its use.

The Association's policy is not to capitalize and depreciate the commonly owned assets as ownership is vested directly or indirectly to the unit owners and these assets are not deemed to be severable. In addition, the Association directly expenses any purchases of personal property such as furnishings.

Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessments revenue is recognized as the related performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when the funds are expended for their designated purpose. Any excess operating assessments at year end are retained by the Association for use in the succeeding year.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from owners. The Association treats uncollectible assessments as variable consideration. Methods, inputs and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control. The Association's policy is to retain legal counsel to collect delinquent assessments. A provision for doubtful accounts of \$14,713 was deemed necessary at December 31, 2022. Revenue from member assessments is reported net of amounts deemed uncollectible from owners.

Contract Liabilities – Replacement Fund

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 performance obligations related to the replacement fund assessments.

Strathmore Riverside Villas Association, Inc.  
Notes to Financial Statements  
Year Ended December 31, 2022

Note 2-Summary of Significant Accounting Policies (Continued)

Contract Liabilities – Replacement Fund (Continued)

During the current period, the Association assessed and received \$246,806 for the replacement fund. The balances of contract liabilities – replacement fund as of the beginning and end of the year are \$595,299 and \$696,273, respectively.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) 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.

Estimates and assumptions include the valuation of Association's commonly owned assets for obtaining insurance coverage and the estimated costs, useful lives, and the timing of repairs and replacement for components in replacement fund.

Fair Value of Financial Instruments

Professional standards require disclosure of an estimate of fair value of certain financial instruments. The Association's significant financial instruments are cash, certificates of deposit, assessments receivable, and accrued expenses. For these financial instruments, which carrying values approximates fair value.

Note 3-Member Assessments

The Association bills its maintenance fees in advance on a monthly basis. Maintenance fees received in advance for 2023 amounted to \$78,792.

Monthly assessments to owners were \$423 in 2022. Of that amount, \$62 was designated to the replacement fund.

Note 4-Future Major Repairs and Replacements

The Board of Directors conducted a study while preparing the 2023 budget to estimate the remaining useful lives and the replacement costs of the components of common property. The table included in the unaudited supplementary information about future major repairs and replacements is based on the study.

Strathmore Riverside Villas Association, Inc.  
Notes to Financial Statements  
Year Ended December 31, 2022

Note 4-Future Major Repairs and Replacements (Continued)

The Association is funding for major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs and considering amounts previously accumulated in the replacement fund utilizing the straight-line method. The funding requirement of \$279,254 has been included in the 2023 budget.

Accumulated funds are held in a separate bank account and generally are not available for expenditures for normal operations.

Funds are currently being accumulated in the replacement fund based on estimates of future needs for repairs and replacements of common property components. Actual expenditures may vary from the estimated future expenditures, and the variations may be material. Amounts are based on normal operations and without the effect of potential catastrophic occurrences. 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, subject to Florida Statutes, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Note 5-Income Taxes

The Association is classified as a nonexempt membership organization for both federal and state income tax purposes for the year ended December 31, 2022. The Association is subject to specific rulings and regulations applicable to nonexempt membership organizations. In general, the Association is required to separate its taxable income and deductions into membership transactions, non-membership transactions, and capital transactions.

The Association has an option for income tax purposes to elect on an annual basis to be taxed as a regular corporation under Section 277 of the Internal Revenue Code whereby non-exempt function income is taxed at regular corporate rates, or to be taxed at a special corporate rate of 30% on its net, non-function income, less \$100 exclusion, in accordance with Section 528 of the Internal Revenue Code. For 2022, the Association has elected to file under section 528, and incurred no income tax expense.

The Association's income tax returns are subject to examination, by the applicable taxing authorities, generally for three years after the returns are filed. Currently, there are no audits in progress for any tax periods.

Strathmore Riverside Villas Association, Inc.  
Notes to Financial Statements  
Year Ended December 31, 2022

Note 6-Contingent Liability

The Association's current windstorm insurance policy effective contains a 5% hurricane deductible clause. Based on the insured \$54.5 million valuation of the property, the first \$2.7 million of damages caused by a named storm would be the responsibility of the Association.

Note 7-Concentrations of Credit Risk for Cash Deposits

The Association maintains its cash balances at a financial institution located in southwest Florida. Accounts at commercial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2022, the bank balances exceeded the FDIC limit and may be at risk. The Association has not experienced any losses on such accounts.

Note 8-Interfund Receivable (Payable)

As of December 31, 2022, the Association's Replacement Fund owed the Operating Fund the sum of \$26,598.

Note 9- Special Assessment

In August 2022, a special assessment was approved in the amount of \$1,164 per villa totaling \$391,118 to fund the unexpected insurance premiums. Owners had the option to pay in full by September 15, 2022 or pay in three equal installments of \$388 due on September 15, 2022, October 15, 2022 and November 15, 2022. The Association recognized the full amount of special assessment as revenue during 2022 therefore no deferred special assessment as of December 31, 2022.

Note 10-Commitments - Cable Services

The Association's current bulk service agreement with a cable communications provider for television for the neighborhood ended effective January 15, 2023. Expenses related to this agreement for the year ended December 31, 2022 were \$179,912.

The Association entered into a bulk service agreement with a cable communications provider to provide television services for the neighborhood on October 15, 2022 which will become effective on January 15, 2023. The initial term of the agreement is for five years and two months ending March 14, 2023. The agreement automatically renews for successive periods of two years and may be terminated with a 60-day notice from either party of intent not to renew at the end of the then current term. The service provider is entitled to increase the bulk services fees 4% per year.

Strathmore Riverside Villas Association, Inc.  
Notes to Financial Statements  
Year Ended December 31, 2022

Note 10-Commitments - Cable Services (Continued)

Future payments under this agreement excluding tax, fees and possible increases are as follows:

Year ended December 31,	Amount
2023	\$ 148,280
2024	161,760
2025	161,760
2026	161,760
2027	161,760
2028	161,760
3-months 2029	<u>40,440</u>
	<u>\$ 997,520</u>

As a marketing incentive to enter into the contract, the service provider paid the Association \$100 per unit totaling \$33,700. The incentive revenue is being recognized by the Association over the term of the contract.

Note 11-Hurricane Ian

In September 2022, the Association sustained property damage as a result of Hurricane Ian. The Association has filed an insurance claim and recorded \$6,240,065, with \$5,970,065 showing as insurance claim proceeds receivable on the accompany balance sheet. Expenses recorded for the losses are \$8,772,696 which are showing as accrued expenses on the balance sheet. The Association has an open insurance claim and repairs are ongoing.

Note 12-Subsequent Events

Management has evaluated the events and transactions that have occurred through September 6, 2023, the date the financial statements were available to be issued and noted no items requiring adjustment of the financial statements or additional disclosure.

## Supplementary Information

Strathmore Riverside Villas Association, Inc.  
 Supplementary Schedule of Operating Fund Expenses  
 Year Ended December 31, 2022

Administration and insurance	
Insurance - property	\$ 639,820
Insurance - flood	24,700
Legal/professional	41,498
Accounting services	5,000
Fees, dues, licenses	1,904
Property tax	4,377
Advertising	1,925
Management fee	20,338
Telephone	7,443
Office supplies, postage, etc.	10,916
Bank service charge	1,088
	<u>759,009</u>
Utilities	
Water	99,556
Sewer	194,845
Electric	6,580
Electric-maintenance shed	323
Cable TV	179,912
	<u>481,216</u>
Grounds	
Grounds contract	167,580
Lawn & grounds supplies	1,587
Mulch/ground cover	11,213
Plants/shrubs/trees	1,759
Sod replacement	8,400
Tree trimming	10,000
Sprinkler/irrigation contract	17,115
	<u>217,654</u>
Payroll	
Contract services	65,513
Contract labor	45,847
Contract service taxes/insurance	22,828
	<u>134,188</u>



Strathmore Riverside Villas Association, Inc.  
 Supplementary Schedule of Operating Fund Expenses Continued  
 Year Ended December 31, 2022

<b>Building Maintenance</b>	
General maintenance	6,936
Termite control	2,646
Creekhouse expense	1,269
A/C service/maintenance	439
Creek maintenance	11,600
Pool contract/supplies/repairs	11,001
	33,891
 <b>Recreation Facilities</b>	
Pool heat	127
Recreation utilities	12,316
Pest service	767
Facility maintenance/supply	8,205
Exercise equipment maintenance	386
	21,801
 <b>Catastrophic and hurricane repairs</b>	
Catastrophic expenses	51,763
	51,763
<b>Total operating fund expenses</b>	<b>\$ 1,699,522</b>

Strathmore Riverside Villas Association, Inc.  
 Supplementary Schedule of Changes in Replacement Fund Balances  
 Year Ended December 31, 2022

The Association's policy is to recognize replacement fund interest income as received.  
 Expenditures from replacement fund interest are made at the discretion of the Board of Directors.

The following is the activity in the replacement fund by component for the year ended December 31, 2022:

	Balance 1/1/22	Additions	Charges	Balance 12/31/22	Allocated Equity and Interest	Total 12/31/22
Contract Liabilities						
Deck resurfacing	\$ 7,089	\$ 1,324	\$ -	\$ 8,413	\$ -	\$ 8,413
Pool structural	13,006	10,498	-	23,504	-	23,504
Pool heater	3,093	2,709	(1,227)	4,575	-	4,575
Exercise equipment	5,231	795	(1,305)	4,721	-	4,721
Maintenance equipment & building	2,846	2,656	-	5,502	-	5,502
Shuffleboard	-	341	-	341	-	341
Fence	9,079	4,647	(8,576)	5,150	-	5,150
Paving	232,069	69,586	-	301,655	-	301,655
Painting	74,861	68,168	(119,300)	23,729	-	23,729
A/C Rec building	12,320	2,738	-	15,058	-	15,058
Clubhouse roof	27,419	5,649	-	33,068	-	33,068
Clubhouse improvements	3,459	4,730	-	8,189	4,144	12,333
Clubhouse sauna/restrooms	-	1,615	-	1,615	-	1,615
Creekhouse projects	-	1,803	(1,375)	428	-	428
Seawall/ satellite docks (common area)	119,386	16,285	(8,999)	126,672	-	126,672
Sewer/water lines	58,794	15,201	(1,942)	72,053	-	72,053
Irrigation repairs and maintenance	-	4,444	(2,254)	2,190	-	2,190
Marina/docks	21,973	32,141	(341)	53,773	-	53,773
Utility carts	4,674	1,476	(513)	5,637	-	5,637
	<u>595,299</u>	<u>246,806</u>	<u>(145,832)</u>	<u>696,273</u>	<u>4,144</u>	<u>700,417</u>
Fund balance						
Equity transfers	17,603	600	(14,059)	4,144	(4,144)	-
Unallocated interest	2,720	2,411	(3,100)	2,031	-	2,031
	<u>20,323</u>	<u>3,011</u>	<u>(17,159)</u>	<u>6,175</u>	<u>(4,144)</u>	<u>2,031</u>
Total Replacement Fund	<u>\$ 615,622</u>	<u>\$ 249,817</u>	<u>\$ (162,991)</u>	<u>\$ 702,448</u>	<u>\$ -</u>	<u>\$ 702,448</u>

Strathmore Riverside Villas Association, Inc.  
 Supplementary Schedule of Changes in Replacement Fund Balances  
 Year Ended December 31, 2022

The Board of Directors conducted a study to estimate the remaining useful lives and the replacement costs of the components of common property during the preparation of the 2023 budget.

Estimated current replacement costs have not been revised since that date and do not take into account the effects of inflation between the date of the study and the date that the components will require repair or replacement.

The following table is based on the study and presents significant information about the components of common property:

<u>Components</u>	<u>Estimated Remaining Lives (Years)</u>	<u>Estimated Cost to Replace</u>	<u>2023 Funding Requirement</u>
Deck resurfacing	12	\$ 25,515	\$ 1,425
Pool structural	3	57,750	11,415
Pool heater/equipment	13	49,350	3,444
Exercise equipment	5	10,500	1,156
Maintenance equipment & building	1	5,775	275
Shuffleboard	21	7,875	359
Fence	30	158,550	4,899
Paving	4	609,000	76,836
Painting	4	371,534	86,367
A/C Rec building	5	30,188	3,026
Clubhouse roof	11	99,960	6,081
Clubhouse improvements	9	59,010	5,186
Clubhouse sauna/restrooms	12	22,050	1,703
Creekhouse projects	19	44,362	1,972
Seawall/ satellite docks (common area)	15	395,850	18,110
Water lines	5	157,500	16,701
Irrigation system	17	84,000	4,892
Marina docks	4	189,000	33,807
Utility carts	6	15,750	1,600
		<u>\$ 2,393,519</u>	<u>\$ 279,254</u>