

EXCELSIOR BEACH TO BAY OWNERS ASSOCIATION, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Sarasota, Florida

We have reviewed the accompanying consolidated financial statements of Excelsior Beach to Bay Owners Association, Inc. and Subsidiary, which comprise the consolidated balance sheet as of December 31, 2022, and the related consolidated statements of revenues, expenses, and changes in fund balances and cash flows for the year ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Excelsior Beach to Bay Owners Association, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The schedule of revenues and expenses – actual and budget and the schedule of changes in contract liabilities are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic consolidated financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that certain information about future major repairs and replacements of common property be presented to supplement the basic consolidated financial statements. Such information is presented for purposes of additional analysis and, although not a required part of the basic consolidated financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. Management has presented required supplementary information about future major repairs and replacements. We have not audited, reviewed, or compiled the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on it.

Pellegrino & McFarland, P.A.

Pellegrino & McFarland, P.A.
Sarasota, Florida
March 27, 2023

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Consolidated Balance Sheet
December 31, 2022

	Operating Fund	Replacement Fund	Rental Fund	Eliminations	Total
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 397,719	\$ 428,112	\$ 1,422,639	\$ -	\$ 2,248,470
Assessments receivable	21,779	-	-	-	21,779
Special assessments receivable	-	12,415	-	-	12,415
Due from operating	-	207,610	-	-	207,610
Prepaid insurance and expenses	179,044	-	-	-	179,044
Total Current Assets	598,542	648,137	1,422,639	-	2,669,318
Property and Equipment, net	5,750	-	-	-	5,750
Other Assets					
Utility deposit	330	-	-	-	330
Investment in subsidiary	500	-	-	(500)	-
TOTAL ASSETS	\$ 605,122	\$ 648,137	\$ 1,422,639	\$ (500)	\$ 2,675,398

The notes to the consolidated financial statements are an integral part of this statement.

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Consolidated Balance Sheet - Continued
December 31, 2022

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Rental Fund</u>	<u>Eliminations</u>	<u>Total</u>
TOTAL LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts payable	\$ 7,420	\$ -	\$ -	\$ -	7,420
Prepaid assessments	215,667	-	-	-	215,667
Deferred revenue	11,585	-	-	-	11,585
Prepaid rents	-	-	1,397,841	-	1,397,841
Due to replacement	207,610	-	-	-	207,610
Contract liabilities	-	648,137	-	-	648,137
	<u>442,282</u>	<u>648,137</u>	<u>1,397,841</u>	<u>-</u>	<u>2,488,260</u>
Total Current Liabilities	442,282	648,137	1,397,841	-	2,488,260
TOTAL LIABILITIES	<u>442,282</u>	<u>648,137</u>	<u>1,397,841</u>	<u>-</u>	<u>2,488,260</u>
FUND BALANCES					
Capital stock	-	-	500	(500)	-
Fund balance	162,840	-	24,298	-	187,138
	<u>162,840</u>	<u>-</u>	<u>24,798</u>	<u>(500)</u>	<u>187,138</u>
TOTAL FUND BALANCES	<u>162,840</u>	<u>-</u>	<u>24,798</u>	<u>(500)</u>	<u>187,138</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 605,122</u>	<u>\$ 648,137</u>	<u>\$ 1,422,639</u>	<u>\$ (500)</u>	<u>\$ 2,675,398</u>

The notes to the consolidated financial statements are an integral part of this statement.

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Consolidated Statement of Revenues, Expenses, and Changes in Fund Balances
For the Year Ended December 31, 2022

	Operating Fund	Replacement Fund	Rental Fund	Total
REVENUES				
Assessments	\$ 1,301,696	\$ 482,036	\$ -	\$ 1,783,732
Special assessments	-	861,782	-	861,782
Rental income	-	-	358,165	358,165
Other income	2,729	-	77,912	80,641
Interest income	-	1,976	121	2,097
	<u>1,304,425</u>	<u>1,345,794</u>	<u>436,198</u>	<u>3,086,417</u>
TOTAL REVENUES				
EXPENSES				
Building maintenance	93,189	-	16,800	109,989
General & administrative	51,773	-	50,156	101,929
Grounds maintenance	215,449	-	-	215,449
Insurance	517,365	-	2,456	519,821
Payroll expenses	159,094	-	205,286	364,380
Rental expenses	-	-	126,603	126,603
Utilities	263,586	-	16,760	280,346
Replacement expenditures	-	1,345,794	-	1,345,794
	<u>1,300,456</u>	<u>1,345,794</u>	<u>418,061</u>	<u>3,064,311</u>
TOTAL EXPENSES				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	3,969	-	18,137	22,106
BEGINNING FUND BALANCES	158,871	-	41,915	200,786
Prior period adjustment	-	-	(35,754)	(35,754)
BEGINNING FUND BALANCES, RESTATED	<u>158,871</u>	<u>-</u>	<u>6,161</u>	<u>165,032</u>
ENDING FUND BALANCES	<u>\$ 162,840</u>	<u>\$ -</u>	<u>\$ 24,298</u>	<u>\$ 187,138</u>

The notes to the consolidated financial statements are an integral part of this statement.

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2022

	Operating Fund	Replacement Fund	Rental Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from assessments	\$ 1,472,746	\$ 314,504	\$ -	\$ 1,787,250
Cash received from special assessments	-	958,836	-	958,836
Cash received from rental operations	-	-	358,165	358,165
Cash received from other sources	2,729	-	77,912	80,641
Interest received	-	1,976	121	2,097
Cash paid to suppliers and employees	<u>(1,323,599)</u>	<u>(1,345,794)</u>	<u>(270,841)</u>	<u>(2,940,234)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	151,876	(70,478)	165,357	246,755
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Interfund payables, net of repayments	<u>137,401</u>	<u>(137,401)</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>137,401</u>	<u>(137,401)</u>	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	289,277	(207,879)	165,357	246,755
CASH AT BEGINNING OF YEAR	<u>108,442</u>	<u>635,991</u>	<u>1,257,282</u>	<u>2,001,715</u>
CASH AT END OF YEAR	<u>\$ 397,719</u>	<u>\$ 428,112</u>	<u>\$ 1,422,639</u>	<u>\$ 2,248,470</u>

The notes to the consolidated financial statements are an integral part of this statement.

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Consolidated Statement of Cash Flows - Continued
For the Year Ended December 31, 2022

	Operating Fund	Replacement Fund	Rental Fund	Total
RECONCILIATION OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	\$ 3,969	\$ -	\$ 18,137	\$ 22,106
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities				
Depreciation	3,221	-	-	3,221
Prior period adjustment	-	-	(35,754)	(35,754)
(Increase) decrease in operating assets:				
Assessments receivable	(11,825)	-	-	(11,825)
Special assessments receivable	-	97,054	-	97,054
Prepaid insurance and expenses	(39,686)	-	-	(39,686)
Increase (decrease) in operating liabilities:				
Accounts payable	1,737	-	(35,036)	(33,299)
Prepaid assessments	182,875	-	-	182,875
Deferred revenue	11,585	-	-	11,585
Prepaid rents	-	-	218,010	218,010
Contract liabilities	-	(167,532)	-	(167,532)
Total adjustments	<u>147,907</u>	<u>(70,478)</u>	<u>147,220</u>	<u>224,649</u>
NET CASH PROVIDED BY (USED) BY OPERATING ACTIVITIES	<u>\$ 151,876</u>	<u>\$ (70,478)</u>	<u>\$ 165,357</u>	<u>\$ 246,755</u>

The notes to the consolidated financial statements are an integral part of this statement.

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2022

NOTE A – ORGANIZATION

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary (the “Association”) was incorporated as a not-for-profit corporation on February 15, 1979 in the State of Florida, for the purpose of operating and maintaining the common property of Excelsior Beach to Bay Condominiums. The Association membership consists of one hundred sixty six (166) condominium units located in Sarasota, Florida.

Excelsior Real Estate Corporation of Siesta Key (the “Realty Company”) was incorporated on March 25, 1993, in the State of Florida. The Realty Company oversees and accounts for all real estate activity of Excelsior Beach to Bay Condominiums. The Realty Company is a wholly owned subsidiary of the Association.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of Excelsior Beach to Bay Owners Association, Inc. and Subsidiary's significant accounting policies consistently applied in the preparation of the accompanying consolidated financial statements follows:

1. Basis for Presentation

The accompanying consolidated financial statements are prepared using the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

2. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Excelsior Beach to Bay Condominiums, Inc. and its wholly owned subsidiary, Excelsior Real Estate Corporation of Siesta Key, collectively known as the Association. All significant intercompany transactions have been eliminated in consolidation. The activity of Excelsior Real Estate Corporation of Siesta Key is presented in the rental fund.

3. Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2022

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. 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. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

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

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

Rental Fund – This fund is used to handle the rental operations as an agent for the Association owners. A management fee is paid to the Realty Company for this service.

5. Cash and Cash Equivalents

The Association considers investments with an original maturity of three months or less to be cash equivalents for purposes of the statement of cash flows.

6. Investments

Investments in certificates of deposit are recorded at fair value. Investments with a maturity of one year or less from the balance sheet date are recorded as current assets. Investments with a maturity greater than one year from the balance sheet date are recorded as noncurrent assets.

7. Property and Equipment

The Association capitalizes personal property that can be resold and disposed, and real property that is not directly associated with the units. The Association expenses any property that does not meet these criteria. Property and equipment that are capitalized by the Association are recorded at cost, and depreciated over the estimated useful life using the straight-line method.

8. Contract Liabilities

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement member assessments. The balances of contract liabilities as of the beginning and end of the year are \$815,669 and \$648,137, respectively.

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2022

9. Assessments

Association members are subject to annual assessments, which are collected quarterly, to provide funds for the Association's operating expenses and to accumulate funds designated for future major repairs and replacements. The 2022 quarterly assessments to owners of the Association ranged from \$1,751 to \$1,984 per unit owner.

Assessments receivable from owners are reported at the outstanding balance due from owners, net of any allowance for doubtful accounts. The Association provides for doubtful accounts based on experience and analysis of individual accounts. When specific accounts are determined to be uncollectible, they are written off by charging the allowance and crediting the receivable. Since management considers all receivables to be collectible as of December 31, 2022, no allowance has been established at this time.

10. Leases

The Association calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases. Lease payments for leases with a term of 12 months or less are expensed on a straight-line basis over the term of the lease with no lease asset or liability recognized.

11. Income Tax

The Association is taxed as a regular corporation under Internal Revenue Code Section 277 for the year ended December 31, 2022. Under that Section, 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. No federal or state taxes are due for 2022.

The Association's tax filings are subject to audit by various taxing authorities. The Association's federal income tax returns for 2021, 2020, and 2019 remain open to examination by the Internal Revenue Service. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

The Realty Company is taxed as a regular corporation under the Internal Revenue Code and Florida Statutes. No federal or state taxes are due for 2022.

12. Rental and Sales Commissions

The Association has a rental management program whereby certain management services are provided by the Association to participating unit owners in connection with tenant occupied units. Respectively, rental commissions are paid to the Realty Company for such services. Further, the Realty Company assists in sales of owners' units, receiving sales commissions for services rendered.

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2022

NOTE C – CONCENTRATION OF RISK

The Association maintains its cash balances at several financial institutions located in Sarasota, Florida and Oshkosh, Wisconsin. Accounts are secured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The bank account balances are categorized at December 31, 2022, as follows:

Amount insured by FDIC	\$	969,851
Uninsured		<u>1,299,077</u>
Total bank balances	\$	<u><u>2,268,928</u></u>

NOTE D – FUTURE MAJOR REPAIRS AND REPLACEMENTS

Florida Statutes require the accumulation of funds to finance estimated future major repairs and replacements unless waived by a majority vote of the membership annually. The members elected to fully fund future needs for major repairs and replacements using the straight-line funding method. Accumulated funds, in aggregate, of \$648,137 at December 31, 2022, are to be held in separate interest bearing accounts and generally will not be available for expenditures for operating expenses.

The Association board conducted an informal reserve study in 2021 to update estimate the remaining useful lives of the components of common property and estimates of the costs of major repairs and replacements that may be required in the future. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study.

Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts designated for future repairs and replacements may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

NOTE E – PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2022 follows:

	<u>Association</u>	<u>Realty Company</u>	<u>Total</u>
Furniture and fixtures	\$ 18,045	\$ -	\$ 18,045
Improvements	47,356	-	47,356
Machinery and equipment	37,914	-	37,914
Computer software	-	1,541	1,541
Reservation software	-	7,311	7,311
Less: Accumulated depreciation	<u>(97,565)</u>	<u>(8,852)</u>	<u>(106,417)</u>
Property and equipment, net	\$ <u>5,750</u>	\$ <u>-</u>	\$ <u>5,750</u>

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2022

NOTE F – SPECIAL ASSESSMENTS

The Association levied special assessments for painting and improving the buildings within the Association during the year. The special assessments for these improvements were calculated based off of the difference between the estimated replacement cost and the remaining balance in the corresponding reserve categories for each building. Below is a summary of the special assessments:

<u>Levy Date</u>	<u>Due Date</u>	<u>Building</u>	<u>Amount</u>	<u>Per Unit</u>	<u>Units</u>
04/08/22	06/01/22	North Villa	16,820	4,205	4
04/08/22	06/01/22	South Villa	5,648	1,412	4
05/13/22	07/01/22	Building # 5 – Levy 2	26,528	829	32
05/13/22	07/01/22	Building # 4	162,880	5,090	32
09/07/22	11/01/22	Building # 4 – Levy 2	96,096	3,003	32
09/07/22	11/01/22	Building # 3	134,904	6,132	22
07/01/22	08/12/22	Building # 2	81,246	3,693	22
11/10/22	12/01/22	Building # 1	56,680	2,834	20
01/12/22	03/11/22	Gulf Building – Levy 2	90,150	3,005	30
04/08/22	06/01/22	Gulf Building – Levy 3	190,830	6,361	30

As of December 31, 2022, the improvement projects were complete.

NOTE G – RELATED COMPANY

Stock was issued to the Association in the amount of \$500 for the only issued and outstanding shares of the Realty Company. Income and expenses related to the Realty Company are separate from that of the Association. Likewise, any expenses incurred by the Realty Company are to be paid by the Realty Company.

NOTE H – COMMITMENTS

The Association entered into a contract with D&D Painting & Restoration that began on May 1, 2021 for \$572,305. The project was completed as of December 31, 2022.

The Association entered into a contract with DecoCrete Services LLC that began on December 9, 2021 for \$257,670. The project was completed as of December 31, 2022.

NOTE I – CONTINGENT LIABILITY

The Association's current windstorm insurance policy contains a 5% hurricane deductible clause. Based on an insured valuation of \$78,461,561, the first 5%, or \$3,923,078 in damages caused by a named storm would be the responsibility of the Association.

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2022

NOTE J – PRIOR PERIOD ADJUSTMENT

Subsequent to the date of the consolidated financial statements, the Realty Company's management transferred funds from the rental operating account to the rental escrow account. The transfer represented the amount needed to correct the underfunding of the escrow, which arose due to accounting errors in prior periods. Management was aware of this issue, and worked with the rental software company to correct these errors and reconcile the escrow.

An adjustment was made to the beginning fund balance of the rental fund to account for the underfunding of the escrow. This adjustment resulted in a decrease in the beginning fund balance of \$35,754. The beginning fund balance of the rental fund has been restated to reflect this change.

NOTE K – NEW ACCOUNTING GUIDANCE IMPLEMENTATION

As of January 1, 2022, the Association changed its accounting method for leases as a result of implementing the requirements in the Financial Accounting Standard Board's Accounting Standards Codification (ASC) 942, *Leases*, using the modified retrospective transition method. There was no cumulative effect adjustment to the Association's balance sheet as of January 1, 2022.

The new lease guidance requires the recognition of a right-of-use asset and a lease liability for operating leases. The Association elected the package of practical expedients, which allowed, among other things, for not reassessing the lease classification or initial direct costs for existing leases. The Association has not elected the hindsight practical expedient.

Adoption of the new guidance did not have a significant impact to the statement of revenues, expenses, and changes in fund balances or cash flows for the year ended December 31, 2022.

NOTE L – EVALUATION OF SUBSEQUENT EVENTS

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary have evaluated subsequent events through March 27, 2023, the date on which the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Schedule of Revenues and Expenses - Actual and Budget
For the Year Ended December 31, 2022

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Favorable (Unfavorable)</u>
REVENUES			
Assessments	\$ 1,301,696	\$ 1,299,200	\$ 2,496
Other income	2,729	-	2,729
TOTAL REVENUES	1,304,425	1,299,200	5,225
EXPENSES			
Building maintenance	93,189	128,000	34,811
Depreciation	3,221	-	(3,221)
General & administrative	48,552	57,100	8,548
Grounds maintenance	215,449	156,000	(59,449)
Insurance	517,365	492,500	(24,865)
Payroll expenses	159,094	198,600	39,506
Utilities	263,586	267,000	3,414
TOTAL EXPENSES	1,300,456	1,299,200	(1,256)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 3,969	\$ -	\$ 3,969

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
Schedule of Changes in Contract Liabilities
For the Year Ended December 31, 2022

Building	Beginning Balance	Additions			Reductions	Ending Balance
		Regular Assessments	Special Assessments	Interest Income	Expenditures and Other Removals	
Building 1	\$ 130,663	\$ 38,000	\$ 56,680	\$ 316	\$ (140,843)	\$ 84,816
Building 2	145,122	41,800	81,246	356	(162,565)	105,959
Building 3	128,421	41,800	134,904	316	(219,036)	86,405
Building 4	216,062	60,800	258,976	514	(422,071)	114,281
Building 5	111,541	60,800	26,528	277	(66,305)	132,841
Gulf Building	60,688	57,000	280,980	157	(309,033)	89,792
North Villa	11,502	7,152	16,820	20	(16,751)	18,743
South Villa	11,670	7,152	5,648	20	(9,190)	15,300
Total	<u>\$ 815,669</u>	<u>\$ 314,504</u>	<u>\$ 861,782</u>	<u>\$ 1,976</u>	<u>\$ (1,345,794)</u>	<u>\$ 648,137</u>

Excelsior Beach to Bay Owners Association, Inc. and Subsidiary
 Supplementary Information on Future Major Repairs and Replacements
 (Unaudited)
 For the Year Ended December 31, 2022

The Association's board of directors had a study conducted in 2021 to estimate the remaining useful lives and replacement costs of the components of common property. Replacement costs were based on the estimated costs to repair or replace the common property components at the date of the study. Estimated current replacement costs 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 Association accounts for future major repairs and replacements using the pooled method. The following information is based on the study and presents significant information about the components of common property.

Component	Estimated Remaining Useful Life (Years)	Estimated Current Replacement Cost
Roofing	15	\$ 672,000
Painting	10	550,000
Alarm system	1	105,000
Elevators	18	560,000
Carports	10	564,875
Pools	10	111,752
Paving	7	223,220
Pumps & equipment	0	107,900
Tennis court renovation	4	41,998
Major repairs	0	1,474,769
TOTAL		<u>\$ 4,411,514</u>