

**PELICAN LANDING CONDOMINIUM ASSOCIATION
OF CHARLOTTE COUNTY, INC.**

ENGLEWOOD, FLORIDA

FINANCIAL STATEMENTS
AND
INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

YEAR ENDED DECEMBER 31, 2023

**PELICAN LANDING CONDOMINIUM ASSOCIATION
OF CHARLOTTE COUNTY, INC.**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Board of Directors and Management
Pelican Landing Condominium Association of Charlotte County, Inc.
Englewood, FL

Management is responsible for the accompanying financial statements of **Pelican Landing Condominium Association of Charlotte County, Inc**, which comprise the balance sheet as of **December 31, 2023**, 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 accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The supplementary information contained in the Schedule of Operating Expenses and Schedule of Changes in Replacement Fund Balances is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement; however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on it.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have not audited, reviewed, or compiled the required supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on it.



Kenneth F. Kandefer
Certified Public Accountant
March 15, 2024

PELICAN LANDING CONDOMINIUM ASSOCIATION OF CHARLOTTE COUNTY, INC
BALANCE SHEET
DECEMBER 31, 2023

(See Independent Accountant's Compilation Report)

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Operating Checking Funds	\$ 115,288	\$ -	\$ 115,288
Money Market Funds	-	308,426	308,426
Certificate of Deposit	25,000	225,000	250,000
Accounts Receivable	260	-	260
Prepaid Expenses	123,023	-	123,023
Due To/ From	(145,631)	145,631	-
	117,940	679,057	796,997
TOTAL ASSETS	117,940	679,057	796,997
 LIABILITIES AND FUND BALANCES			
Accounts Payable	6,474	-	6,474
Prepaid Assessments	35,985	-	35,985
Building B Sunset Project Funds	1,460	-	1,460
Accrued Expenses	3,185	-	3,185
Insurance Loans Payable	42,914	-	42,914
BB&T Elevator Loan	-	204,581	204,581
Contract Liabilities - Replacement	-	536,234	536,234
	90,018	740,815	830,833
TOTAL LIABILITIES	90,018	740,815	830,833
 Fund Balances	27,922	(61,758)	(33,836)
 TOTAL LIABILITIES AND FUND BALANCES	\$ 117,940	\$ 679,057	\$ 796,997

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

PELICAN LANDING CONDOMINIUM ASSOCIATION OF CHARLOTTE COUNTY, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCES
YEAR ENDED DECEMBER 31, 2023

(See Independent Accountant's Compilation Report)

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Member Assessments	\$ 592,316	\$ 58,940	\$ 651,256
Special Assessment	336,000	-	336,000
Sea Turtle Conservancy Grant	9,143	-	9,143
Miscellaneous Income	595	-	595
Interest	413	7,129	7,542
TOTAL REVENUES	938,467	66,069	1,004,536
EXPENSES			
Utilities	90,600	-	90,600
Grounds	51,917	-	51,917
Building	31,162	-	31,162
Pool	13,335	-	13,335
Payroll	45,985	-	45,985
Administration	35,742	-	35,742
Insurance	271,438	-	271,438
Special Assessment	43,622	-	43,622
Loan Interest	8,317	-	8,317
Reserve Expense	-	240,261	240,261
TOTAL EXPENSES	592,118	240,261	832,379
EXCESS (DEFICIT)			
REVENUES OVER EXPENSES	346,349	(174,192)	172,157
BEGINNING FUND BALANCES	24,839	(230,832)	(205,993)
TRANSFER	(343,266)	343,266	-
ENDING FUND BALANCES	\$ 27,922	\$ (61,758)	\$ (33,836)

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

PELICAN LANDING CONDOMINIUM ASSOCIATION OF CHARLOTTE COUNTRY, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

(See Independent Accountant's Compilation Report)

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<u>Cash Flows From Operating Activities</u>			
Member Dues and Donations Collected	\$ 889,001	\$ 205,684	\$ 1,094,685
Other Income	9,738	-	9,738
Interest Received	413	7,129	7,542
Paid for Expenditures	(796,517)	(42,626)	(839,143)
Cash Paid for Interest	(8,317)	-	(8,317)
Cash Paid for Taxes	-	-	-
Total Cash Flows From Operating Activities	<u>94,318</u>	<u>170,187</u>	<u>264,505</u>
<u>Cash Flows From Financing Activities</u>			
Payments on Short Term Debt	(37,090)	-	(37,090)
Payments on Long Term Debt	-	(26,049)	(26,049)
Total Cash Flows From Financing Activities	<u>(37,090)</u>	<u>(26,049)</u>	<u>(63,139)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>57,228</u>	<u>144,138</u>	<u>201,366</u>
Cash and Cash Equivalents, Beginning of year	<u>83,060</u>	<u>389,288</u>	<u>472,348</u>
Cash and Cash Equivalents, End of year	<u><u>140,288</u></u>	<u><u>533,426</u></u>	<u><u>673,714</u></u>
RECONCILIATION OF EXCESS (DEFICIT) OF REVENUES OVER EXPENSES TO NET CASH PROVIDED (USED BY) OPERATING ACTIVITIES:			
Excess (Deficit) Revenues over Expenses	<u>346,349</u>	<u>(174,192)</u>	<u>172,157</u>
(Increase) Decrease in Operating Assets:			
Contract Liability	-	146,744	146,744
Assessments Receivable	(127)	-	(127)
Prepaid Expenses	(15,539)	-	(15,539)
Due to/from	145,631	(145,631)	-
Accounts Payable	458	-	458
Transfers/PP Adjustments	(343,266)	343,266	-
Prepaid Assessments	(39,188)	-	(39,188)
	<u>(252,031)</u>	<u>344,379</u>	<u>92,348</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 94,318</u></u>	<u><u>\$ 170,187</u></u>	<u><u>\$ 264,505</u></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 LANDING CONDOMINIUM ASSOCIATION OF CHARLOTTE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(See Independent Accountant's Compilation Report)

NOTE 1 – NATURE OF ORGANIZATION

Pelican Landing Condominium Association of Charlotte County, Inc. ("the Association") is a not-for-profit association located in Englewood, Florida, incorporated in the State of Florida on May 6, 1980. The Association is responsible for the operation and maintenance of the common property of the Association which consists of 84 units.

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:

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.

Cash Equivalents

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

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.

Allocation of Income and Expenses

The allocation of income and expenses to Association members is based on the governing documents, which state that Association members equally share the income and expenses of the Association.

PELICAN LANDING CONDOMINIUM ASSOCIATION OF CHARLOTTE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(See Independent Accountant's Compilation Report)

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

Property and Equipment

The Association's policy is to expense immaterial acquisitions of personal property and equipment at the time the acquisition occurs. Future acquisitions of material personal property may be capitalized.

NOTE 3 – INTEREST EARNED

The Association's policy is to allocate interest income earned on monies to the fund in which the principal money belongs.

NOTE 4 – UNINSURED CASH BALANCES

The Association maintains its cash balances at a local financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2023, the Association had \$-0- in uninsured funds.

NOTE 5 - PROVISION FOR INCOME TAXES

The Association qualifies as a tax-exempt homeowner's association under Internal Revenue Code Section 528 for the year end. 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.

NOTE 6 – UNCERTAINTY IN INCOME TAXES

The Association evaluates its uncertain tax position in compliance with requirements established by the financial standards board. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. Management has determined that there are no probable liabilities related to the current Association tax position.

PELICAN LANDING CONDOMINIUM ASSOCIATION OF CHARLOTTE COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(See Independent Accountant's Compilation Report)

NOTE 7 – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds would be held in a separate interest-bearing account and generally would not be available for expenditures for normal operations.

The estimate of remaining useful lives and replacement costs of the components of common property has been determined by the Association. The Association may fund for major repairs and replacements over the estimated useful lives of the components based on the estimates of current replacement costs, considering amounts previously accumulated for these purposes.

Actual expenditures may vary from the estimated future expenditures to be funded, and the variations may be material. Therefore, any 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, borrow funds or delay major repairs and replacements until funds are available.

NOTE 8 – DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through the date that the financial statements were available to be issued.

NOTE 9 – SPECIAL ASSESSMENT

There was a special assessment in 2023 for hurricane damages. The assessment received was \$336,000. The association had been making repairs and paying for repairs from their buildings reserve in the amount of \$271,747 and this amount was transferred back to their reserves. The remainder of the expenses were \$43,622. With all the repairs completed the board transferred the remaining balance of \$20,631 to their buildings reserve.

NOTE 10 – SENATE BILL 4D – BUILDING SAFETY

In 2022, the Florida legislature passed Senate Bill 4D regarding condominium building safety laws. Among other things, the new law mandates "Milestone inspections" of condominium buildings. The requirements for the inspection vary based on the characteristics of the structure. The new law also requires a "structural integrity reserve study" to be performed at least every ten years and members cannot waive mandatory funding of reserves for structural integrity components, regardless of a membership vote. The new law takes effect immediately; however, the legislature has provided a two-year period for compliance with many of the requirements. The impact of this new law on the Association and its future financial position and results of operations is not presently determinable.

PELICAN LANDING CONDOMINIUM ASSOCIATION OF CHARLOTTE COUNTY, INC.
SCHEDULE OF OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 2023

(See Independent Accountant's Compilation Report)

UTILITIES EXPENSE	
Water/Sewer	\$ 59,746
Electricity	24,648
WiFi (Clubhouse)	524
Telephone	5,682
Total Utilities	90,600
 GROUNDS EXPENSE	
Lawn Maint/Landscaping	19,753
Landscape: Other	13,958
Landscape: Palm/Mangrove	2,300
Sea Turtle Conservancy	15,906
Total Grounds	51,917
 BUILDING EXPENSE	
Pest Control	3,982
Fire Alarm Maintenance	1,154
Building Maintenance	13,380
Elevator Maintenance	12,646
Total Building	31,162
 POOL EXPENSE	
Pool Maintenance	7,935
Pool/Spa Contract	5,400
Total Pool	13,335
 PAYROLL EXPENSE	
Taxes	3,313
Wages	42,672
Total Payroll	45,985
 ADMINISTRATIVE EXPENSES	
Fees, Dues & Licenses	1,498
Legal	5,502
Accounting	2,510
Management Fees	19,188
Office Expenses	7,044
Total Administrative	35,742
 INSURANCE EXPENSE	
Flood	72,028
Gen/Wind/Umbr/WC	199,410
Total Insurance	271,438
 DEBT SERVICE - LOAN REPAYMENT	
	8,317
 TOTAL EXPENSES	 \$ 548,496

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

PELICAN LANDING CONDOMINIUM ASSOCIATION OF CHARLOTTE COUNTY, INC
SCHEDULE OF CHANGES IN CONTRACT LIABILITIES AND REPLACEMENT FUND
DECEMBER 31, 2023

(See Independent Accountant's Compilation Report)

CONTRACT LIABILITIES

Reserve Item	Beginning Balance	Assessments and Other	Revenue Recognized	Expenses	Transfers	YTD Allocation	Ending Balance
Roofs	\$ 46,321	\$ 17,299	\$ -	\$ -	\$ -	\$ -	\$ 63,620
Tennis Court	9,711	3,289	(12,734)	-	-	-	266
Paint	68,135	15,084	-	-	-	-	83,219
Paving	69,854	25,117	-	-	-	-	94,971
Elevator	(42)	31,554	(31,512)	-	-	-	-
Pool & Spa	3,102	3,215	-	-	-	-	6,317
Deck/Dock/Seawall	192,450	29,126	(6)	-	-	-	221,570
Buildings	(41)	81,000	(14,688)	-	-	-	66,271
Total	\$ 389,490	\$ 205,684	\$ (58,940)	\$ -	\$ -	\$ -	\$ 536,234

REPLACEMENT FUND

Roofs	\$ 16	\$ -	\$ -	\$ -	\$ 138	\$ -	\$ 154
Tennis Court	-	-	12,734	(12,734)	-	-	-
Paint	30	-	-	-	202	-	232
Paving	29	-	-	-	208	-	237
Elevator	(127,377)	-	31,512	-	306	26,049	(69,510)
Pool & Spa	-	-	-	-	-	-	-
Deck/Dock/Seawall	16,655	-	6	(17,282)	621	-	-
Buildings	(121,660)	-	14,688	(210,245)	-	317,217	-
Interest	1,475	7,129	-	-	(1,475)	-	7,129
Total	\$ (230,832)	\$ 7,129	\$ 58,940	\$ (240,261)	\$ -	\$ 343,266	\$ (61,758)

The accompanying notes are an integral part of these financial statements

**PELICAN LANDING CONDOMINIUM ASSOCIATION OF CHARLOTTE COUNTY, INC.
 SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
 YEAR ENDED DECEMBER 31, 2023**

(UNAUDITED)

The Association and Management used estimates to evaluate and establish a funding plan for the Replacement Fund. The Association and Management made estimates of replacement costs; remaining useful lives and the timing of future expenditures. The following table summarizes significant information that was prepared using the Straight Line Method.

<u>Components</u>	<u>Estimated Life Expectancy</u>	<u>Remaining Estimated Useful Life (Years)</u>	<u>Estimated Replacement Costs</u>	<u>2024 Fully Funded Requirement</u>
Pool & Spa	20	18	\$ 64,300	\$ 3,221
Roof	35	31	623,900	18,069
Painting	10	3	133,600	16,716
Paving	8	1	100,000	4,793
Tennis	7	7	13,000	1,857
Deck, Dock & Seawall	UNKNOWN	1	250,000	30,000
Elevators	20	16	668,400	31,820
Buildings	0	0	-	120,000
TOTAL RESERVES			<u>\$ 1,853,200</u>	<u>\$ 226,476</u>