

**CRYSTAL TOWER CONDOMINIUM
ASSOCIATION, INC.**

FINANCIAL STATEMENTS

DECEMBER 31, 2022

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Crystal Tower Condominium Association, Inc.
Gulf Shores, AL

OPINION

We have audited the accompanying financial statements of Crystal Tower 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 Crystal Tower Condominium Association, Inc. as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

BASIS FOR OPINION

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crystal Tower Condominium Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 5 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.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Crystal Tower Condominium Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Crystal Tower Condominium Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Crystal Tower Condominium 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.

REPORT ON COMPARATIVE INFORMATION

We have previously audited Crystal Tower Condominium Association, Inc.'s December 31, 2021 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated, April 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

DISCLAIMER OF OPINION ON REQUIRED SUPPLEMENTARY INFORMATION

Accounting principles generally accepted in the United States of America require that Supplementary Information on Future Major Repairs and Replacements on pages 11-12 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, 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.



Grant, Sanders & Taylor, P.C.
Gulf Shores, Alabama
July 6, 2023

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC.

BALANCE SHEET
DECEMBER 31, 2022

	2022			2021
	Operating Fund	Reserve Fund	Total	Total for comparison only
Assets				
Cash	\$ 40,036	\$ 2,059,789	\$ 2,099,825	581,034
Certificates of deposit	10,236	-	10,236	10,236
Deposits	155	-	155	177
Assessments receivable	29,970	-	29,970	22,569
Prepaid expenses	-	-	-	2,996
Prepaid income tax - state	-	-	-	5,994
Prepaid insurance	225,427	-	225,427	173,873
Total Assets	<u>\$ 305,824</u>	<u>\$ 2,059,789</u>	<u>\$ 2,365,613</u>	<u>\$ 796,879</u>
Liabilities				
Accounts payable	\$ 43,106	\$ -	\$ 43,106	\$ 67,905
Prepaid assessments	42,930	-	42,930	35,739
Income tax payable - Federal	34,148	-	34,148	8,500
Income tax payable - state	6,665	-	6,665	-
Note payable - insurance	118,865	-	118,865	98,271
Deferred revenue - contract liability	-	2,032,847	2,032,847	501,189
Total Liabilities	<u>245,714</u>	<u>2,032,847</u>	<u>2,278,561</u>	<u>711,604</u>
Fund balance				
Capital contribution	211,820	-	211,820	211,820
Fund balance (deficit)	(151,710)	26,942	(124,768)	(126,545)
Total Fund Balance (deficit)	<u>60,110</u>	<u>26,942</u>	<u>87,052</u>	<u>85,275</u>
Total Liabilities and Fund Balance	<u>\$ 305,824</u>	<u>\$ 2,059,789</u>	<u>\$ 2,365,613</u>	<u>\$ 796,879</u>

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022			2021
	Operating Fund	Reserve Fund	Total	Total for comparison only
Revenues				
Regular assessment	\$ 1,223,767	\$ -	\$ 1,223,767	\$ 1,149,088
Replacement reserve recognized	-	835,814	835,814	-
Special assessment - Hurricane Sally	-	-	-	1,873,000
Special assessment - budget shortfalls	282,467	-	282,467	-
Insurance proceeds	-	-	-	648,000
Interest income	222	3,465	3,687	945
Late charges	1,600	-	1,600	2,100
Vending	3,430	-	3,430	2,753
Beach commission	15,727	-	15,727	22,433
Parking passes	283,451	-	283,451	157,701
Miscellaneous	4	-	4	78
Total Revenues	<u>1,810,668</u>	<u>839,279</u>	<u>2,649,947</u>	<u>3,856,098</u>
Expenses				
Accounting fees	12,300	-	12,300	-
Bank charges	392	-	392	2,021
Contract labor	54,157	-	54,157	74,898
Exterminating	5,325	-	5,325	5,175
Fire protection	9,463	-	9,463	7,236
Furniture and equipment	-	-	-	3,020
Hurricane Sally repairs	52,880	-	52,880	802,498
Income tax - Federal	33,193	-	33,193	22,921
Income tax - state	8,681	-	8,681	5,994
Income tax - penalty	1,400	-	1,400	9
Insurance	472,667	-	472,667	332,901
Interest	12,598	-	12,598	17,155
Landscaping	26,203	-	26,203	17,725
Legal fees	1,910	-	1,910	4,824
Management fees	45,500	-	45,500	42,000
Office expense	7,134	-	7,134	1,494
Registration certificates	8,147	-	8,147	2,817
Pool supplies and maintenance	80,478	-	80,478	79,662
Payroll expenses	240,746	-	240,746	177,536
Postage and printing	357	-	357	242
Repairs and maintenance	239,717	835,814	1,075,531	675,714
Security	80,062	-	80,062	61,907
Supplies	57,942	-	57,942	36,076
Taxes and licenses	1,175	-	1,175	1,571
Utilities	359,929	-	359,929	357,351
Total Expenses	<u>1,812,356</u>	<u>835,814</u>	<u>2,648,170</u>	<u>2,732,747</u>
Excess Revenues Over (Under) Expenses	(1,688)	3,465	1,777	1,123,351
Fund Balance (Deficit) - Beginning of Year	<u>(150,022)</u>	<u>23,477</u>	<u>(126,545)</u>	<u>(1,249,896)</u>
Fund Balance (Deficit) - End of Year	<u>\$ (151,710)</u>	<u>\$ 26,942</u>	<u>\$ (124,768)</u>	<u>\$ (126,545)</u>

See independent auditors' report and accompanying notes. 4

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	2022			2021
	Operating Fund	Reserve Fund	Total	Total for comparison only
Cash Flows From Operating Activities				
Excess of revenues over (under) expenses	\$ (1,688)	\$ 3,465	\$ 1,777	\$ 1,123,351
Adjustments to reconcile excess revenues over (under) expenses to net cash provided (used) by operating activities:				
(Increase) decrease in:				
Deposits	-	22	22	-
Assessments receivable	(7,401)	-	(7,401)	(13,487)
Prepaid expenses	2,996	-	2,996	-
Prepaid insurance	(51,554)	-	(51,554)	(72,739)
Prepaid income tax - state	5,994	-	5,994	(5,994)
Increase (decrease) in:				
Accounts payable	(24,801)	-	(24,801)	(308,388)
Prepaid assessments	7,191	-	7,191	(227,512)
Income tax payable - Federal	25,648	-	25,648	(13,052)
Income tax payable - state	6,665	-	6,665	(8,222)
Due to / due from	(499,889)	499,889	-	-
Deferred revenue - contract liability	-	1,531,659	1,531,659	75,000
Total Adjustments	(535,150)	2,031,570	1,496,419	(574,394)
Net Cash Provided (Used) by Operating Activities	(536,838)	2,035,035	1,498,196	548,957
Cash Flows From Financing Activities				
Payment of line of credit	-	-	-	(400,000)
Proceeds from insurance note payable	390,126	-	390,126	322,950
Payments of insurance note payable	(369,531)	-	(369,531)	(274,156)
Net Cash (Used) by Financing Activities	20,595	-	20,595	(351,206)
NET INCREASE (DECREASE) IN CASH	(516,244)	2,035,035	1,518,791	197,751
CASH AT BEGINNING OF YEAR	556,280	24,754	581,034	383,283
CASH AT END OF YEAR	\$ 40,036	\$ 2,059,789	\$ 2,099,825	\$ 581,034
<u>Supplemental Disclosures</u>				
Noncash Investing and Financing Activities: None				
Cash Paid During the Year for:				
Interest	\$ 12,598	\$ -	\$ 12,598	\$ 17,155
Income taxes	\$ 3,567	\$ -	\$ 3,567	\$ 56,183

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: ORGANIZATION

Crystal Tower Condominium Association, Inc. (The "Association") was incorporated on August 24, 2006, in the State of Alabama as an association of owners of fees or undivided fee interests in any unit in Crystal Tower, a condominium located in Gulf Shores, Alabama consisting of 170 residential units. The corporation issued no shares of stock of any kind or nature and is, therefore, an association of members formed for the specific purpose of providing maintenance, preservation and architectural control of the condominium known as Crystal Tower. The corporation does not contemplate pecuniary gain or profit to the members.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Association uses the fund method of accounting on the accrual basis to account for the restrictions of expenditures resulting from actions of the Board of Directors or the Association's voting membership. The financial statements presented herein reflect the financial position and results of operations and cash flows of the Association's operating and restricted reserve funds.

Operating Fund

Revenues consist of monthly assessments from the property owners, late charges thereon and any special assessments declared by the Board. Other revenues consist of interest, and other sundry amounts received in the normal course of the Association's operations. Disbursements are made for normal operating expenses and acquisition of equipment and such other items as required for maintenance of common property.

Reserve Fund

The monies in the reserve fund are restricted as to use and disbursements from the reserve fund may be made only with the approval of the Board. Reserve fund monies are maintained in an account separate from operating funds.

Assessments Receivable

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association has the right to levy liens on members' property to ensure payments of assessments due the Association. Any excess assessments at year end are retained by the Association for use in the succeeding year. As of December 31, 2022, no amounts are considered to be uncollectible.

Property, Equipment, and Depreciation

Real property and common areas acquired by the original homeowners from the developer are not capitalized on the Association financial statements, as they are owned by the individual owners and not the Association. Common areas are restricted to use by Association members, their tenants and guests. Replacements and improvements to the real property and common areas are not capitalized, as the improvements would also belong to the owners and not the Association.

Reclassification

Certain 2021 amounts have been reclassified to agree with 2022 presentation.

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

For the purposes of the Statement of Cash Flows, the Association considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

Deferred Revenues - Contract Liability

The Association previously implemented the Financial Accounting Standards Board's Accounting Standards Update 2014-09 *Revenue from Contracts with Customers (Topic 606)*. This revenue standard requires the performance obligation to be met before the revenue is recognized. Performance obligation is defined as future payments for reserve projects. Deferred Revenues - Contract Liability (Reserves) represents the unused portion of reserve assessments as of December 31, 2022. The Association has the following Deferred Revenues - Contract Liabilities:

	December 31, 2021 Contract Liability	Reserve Funding	Reserve Expenditures	December 31, 2022 Contract Liability
Beginning balance	\$ 501,189	\$ -	\$ -	\$ 501,189
Special assessment	-	570,082	-	570,082
Insurance proceeds	-	1,797,390	(835,814)	961,576
	<u>\$ 501,189</u>	<u>\$ 2,367,472</u>	<u>\$ (835,814)</u>	<u>\$ 2,032,847</u>

NOTE 3: OWNERS' ASSESSMENTS

Monthly assessments to unit owners for the operations of the common elements were \$600 per unit. The annual budget and owners' assessments are determined and approved by the Board of Directors. On August 24, 2022, the Board levied an increase in the monthly assessments from \$600 to \$700. This change will go into effect on January 1, 2023.

Bad debt expense is recorded when a receivable is deemed uncollectible. A receivable is deemed uncollectible after foreclosure or lawsuit settlement. Alabama law allows for the collection of six months' regular assessments. Special assessments are not eligible. No bad debt was recorded during the year.

NOTE 4: SPECIAL ASSESSMENT

In March 2022, the Board levied a special assessment in the amount of \$5,000 per unit for a total of \$852,550. Owners were given the option to pay in 2 installments of \$2,500. The assessment funded budget shortfalls for insurance, repairs, and operating expenses. The assessment was due in May and July 2022. As of December 31, 2022, \$570,082 of special assessment is recorded as deferred revenue – contract liability and the remaining amount is recognized in the operating fund.

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5: RESERVE FUND

In 2018, a study was completed to estimate the useful lives and the replacement costs of the components of common property. The table in the unaudited supplementary information on future major repairs and replacements is based on the estimate. The reserve funds are held in separate interest bearing accounts and generally are not available for expenditures for normal operations.

Actual future major repairs and replacements may vary from estimated future expenditures and the variations may be material. Amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. When funds are needed for those purposes, the Association has a right, subject to membership approval, to increase regular assessments, approve special assessments, or delay major repairs and replacements until funds are available.

In March 2023, the Board signed an agreement with Dreux Isaac & Associates, Inc. to update the reserve study. The updated reserve study is expected to be completed by September 2023.

NOTE 6: INCOME TAXES

The Association is classified as a nonexempt membership organization for both Federal and state income tax purposes. It does not qualify as a tax-exempt organization. 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 member transactions, nonmember transactions, and capital transactions.

For Federal tax purposes, the Association is taxed on all net income from nonmember activities reduced only by losses from nonmembership activities for which a profit motive exists. Nonmembership income may not be offset by membership losses, and any excess membership deductions may only be carried forward to offset membership income of future tax periods. Any net membership income not applied to the subsequent tax year is subject to taxation. The Association files form 1120, which has a tax rate of 21% that is applied to net taxable income. Federal income tax expense for the year ended December 31, 2022 was \$33,193.

For state income tax purposes, the Association is taxed on all net income from nonmembership activities reduced only by losses from nonmembership activities for which a profit motive exist. Nonmembership income may not be offset by membership losses. Any net membership income not applied to the subsequent tax year is subject to taxation. The tax rate that is applied to net taxable income is 6.5%. State income tax expense for the year ended December 31, 2022 was \$8,681.

The Association is subject to examinations by tax authorities for tax years 2019 through 2021. As of December 31, 2022, there are no active examinations.

NOTE 7: UNINSURED DEPOSITS

The Association's bank accounts are insured up to \$250,000 at each financial institution by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2022, the Association had \$1,796,859 at South State Bank in excess of FDIC coverage.

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 8: LINE OF CREDIT

In 2022, the Association established a \$750,000 line of credit with South State Bank. The line of credit bears interest at a variable rate based on the WSJ Prime Rate with a floor rate of 7.5%. As of December 31, 2022, there was no outstanding balance.

NOTE 9: FANNIE MAE/FREDDIE MAC REPLACEMENT RESERVE REQUIREMENTS

As a result of the mortgage loan crisis during 2009 and 2010, mortgage underwriters Fannie Mae and Freddie Mac published new regulations in the *Single-Family Seller/Service Guide (Fannie Mae Part B4-2.2-06 Lender Full Review: Additional Eligibility Requirements for Established Condo Projects and Freddie Mac Chapter 42: Special Warranties for Condominiums)*. One of these regulations states that in order to conform with a Full Project Review, the association must budget 10% of its annual operating revenues as designated replacement reserves for capital expenditures and deferred maintenance, as well as adequate funding for insurance deductibles. If the association does not meet this standard and the individual loan applications do not meet the requirements for a “Streamlined Review” (generally >20% down payment), then the borrower may not be eligible for a Fannie Mae/Freddie Mac backed mortgage loan.

Based on the current year calculation, the Association budgeted 20% of its operating revenues for future replacement reserves.

NOTE 10: NOTE PAYABLE - INSURANCE

The Association financed insurance premiums in the amount of \$390,126 with AFCO Credit Corporation. The Association grants the lender a security interest in any unearned premiums or other sums that may become payable under the scheduled policies. The outstanding balance on the loan as of December 31, 2022 was \$118,865.

NOTE 11: INSURANCE PROCEEDS

In 2022, the Association received insurance proceeds of \$1,797,390 for the insurance claim associated with damage to the Association’s buildings and grounds caused by Hurricane Sally. As of December 31, 2022, \$835,814 has been recognized as revenue and the unspent insurance funds of \$967,576 are recorded as deferred revenue – contract liability.

NOTE 12: CONSTRUCTION COMMITMENT

In November 2021, the Association’s Board entered into a contract with C-Sharpe Co, LLC in the amount of \$473,243 to repair and recoat the south pool house and gazebo. In April 2022, the Board approved a change order to increase the total contract amount to \$537,582. All work related to this project was completed as of December 31, 2022.

In October 2022, the Association’s Board entered into a contract with C-Sharpe Co, LLC in the amount of \$926,026 to repair and recoat the North Elevator Tower and the East and North Elevations. In December 2022, the Board approved a change order to increase the total contract amount to \$1,444,634. As of December 31, 2022, the total amount of the repairs completed was \$117,452.

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 13: SUBSEQUENT EVENTS

The Association has evaluated events and transactions that occurred between December 31, 2022, and July 6, 2023, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

In March 2023, the Association entered into a contract in the amount of \$71,313 with A-1 Hurricane Fence Industries to replace the fence.

In May 2023, the Association declared a special assessment in the amount of \$816,000 to fund insurance premiums. Assessments are due in 4 equal installments for a total of \$4,800 per unit.

REQUIRED SUPPLEMENTARY INFORMATION

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC
SCHEDULE OF FUTURE MAJOR
REPAIRS AND REPLACEMENTS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022

In 2018, the Association's management company conducted a study to estimate the useful lives and the replacement costs of the components of common property. Estimated replacement costs are based on the actual construction costs and do not take into account the effects of inflation.

SCHEDULE OF REPLACEMENT FUNDS

Description	Amount for Reserve	Estimated Life (In Years)	Annual Cost	Remaining Life	Estimated Contribution as of December 31, 2022
<u>Roof</u>					
Roof, Membrane	\$ 32,900	20	\$ 1,645	18	\$ 32,900
Roof, Metal - Amenity South	10,500	30	350	29	5,250
Roof, Metal - Shelter	3,984	30	132.80	29	1,992
Roof, Metal - Sky Bridge	6,000	30	200	29	3,000
Roof, Metal - Tower North	60,000	30	2,000	29	30,000
Roof, Modified Bitumen	396,000	20	19,800	18	297,000
Roof, Single Ply - Sky Bridge	20,000	20	1,000	18	15,000
<u>Painting & Waterproofing</u>					
Amenity South	10,753	7	1,536	7	10,753
East & West Elevations	254,386	7	36,340.86	7	254,386
Remaining Tower	403,640	7	57,663	5	403,640
Shelter South Pool	1,116	7	159	5	1,116
Sky Bridge	60,000	6	10,000	0	60,000
Interior - Amenity South	695	8	87	7	695
Interior - Tower North	6,816	8	852	7	6,816
Waterproof - Walkways	96,173	15	6,412	0	96,173
Waterproof - Walkways	96,173	5	19,235	0	96,173
<u>Paving</u>					
Asphalt Overlay - Parking Lot	112,548	20	5,627	6	78,784
<u>Elevators</u>					
Elevator - North Tower	36,201	14	2,586	12	36,201
Elevator Modernization	30,000	28	1,071	20	16,071
Elevator Modernization	500,001	28	17,857	23	89,286
Elevator Modernization	500,001	28	17,857	26	500,001
<u>Mechanical & Electrical</u>					
Dehumidifier - Indoor Pool	57,000	10	5,700	6	57,000
Domestic Water Pump	25,000	24	1,042	9	15,625
Fire Alarm System Upgrade	229,160	22	10,416	7	156,245
Fire Pump/Motor/Controller	77,883	40	1,947	38	29,206
Generator, Diesel	110,618	36	3,073	21	46,091
<u>Misc Building Components</u>					
Concrete Restoration Allowance	42,500	7	6,071	6	42,500
Finish, Rubber Tile Floor - Sky Scraper	16,620	10	1,662	8	16,620
Finish, Tile Floor - Sky Bridge	21,646	24	902	22	13,529
Railing, Alum Picket, 42" - Balconies	354,888	36	9,858	21	147,870
Railing, Alum Picket, 42" - Walkways	197,280	36	5,480	21	82,200
Restroom Renovation - Amenity South	18,100	24	754	24	11,313
Trash Chute Intake Door/Throat Plate	45,080	25	1,803	10	27,048

(Continued)

CRYSTAL TOWER CONDOMINIUM ASSOCIATION, INC
SCHEDULE OF FUTURE MAJOR
REPAIRS AND REPLACEMENTS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2022

(Continued)

SCHEDULE OF REPLACEMENT FUNDS

Description	Amount for Reserve	Estimated Life (In Years)	Annual Cost	Remaining Life	Estimated Contribution as of December 31, 2022
<u>Misc Site Improvements</u>					
Deck Structure, Decking & Railing	23,392	20	1,170	5	17,544
Fence, Alum Picket - South Pool	26,957	26	1,037	26	15,552
Fence, Wood Shadowbox - Parking Lot	23,368	14	1,669	0	23,368
Light Bollard - South Pool Deck	17,640	20	882	5	13,230
Light Pole & Double Fixture - Parking Lot	19,368	26	745	11	11,174
Light Pole & Single Fixture - Parking Lot	21,520	26	828	11	12,415
<u>Misc Building Components</u>					
Concrete Restoration	42,500	7	6,071	6	42,500
Rubber Floor - Sky Scraper	16,620	10	1,662	8	16,620
Tile Floor - Sky Bridge	21,646	24	902	22	13,529
Railing - Balconies	354,888	36	9,858	21	147,870
Railing - Walkways	197,280	36	5,480	21	82,200
Restroom Renovation	18,100	24	754	22	11,313
Trash Chute	45,080	25	1,803	10	27,048
<u>Misc Site Improvements</u>					
Decking & Railing	23,392	20	1,170	5	17,544
Fence - South Pool	26,957	26	1,037	26	16,589
Fence - Parking Lot	23,368	14	1,669	0	23,368
Light Bollard - South Pool	17,640	20	882	5	13,230
Light Pole & Double Fixture	19,368	26	745	11	11,174
Light Pole & Single Fixture	21,520	26	828	11	12,415
Pool Deck Brick Pavers	15,343	30	511	15	7,672
Pool Deck Brick Pavers	50,927	30	1,698	15	25,464
Filtration System	12,826	22	583	7	8,745
Filtration System	17,316	22	787	7	11,806
Filtration System	22,445	22	1,020	7	15,303
Aggregate & Tile Trim	11,018	10	1,102	0	11,018
Aggregate & Tile Trim	15,107	10	1,511	0	15,107
Aggregate & Tile Trim	82,005	10	8,201	0	82,005
Retaining Wall	10,935	30	365	15	5,468
<u>Furniture, Fixtures & Equipment</u>					
Furniture, Outdoor	19,602	8	2,450	0	19,602
Furniture Outdoor - Deck	4,740	8	593	0	4,740
Total Estimated	\$ 5,056,530		\$ 309,130		\$ 3,461,022

See independent auditors' report.