

**PROMENADES EAST**  
**CONDOMINIUM ASSOCIATION, INC.**

**PORT CHARLOTTE, FLORIDA**

**FINANCIAL REPORT**

**DECEMBER 31, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

**The Board of Directors  
Promenades East Condominium Association, Inc.  
Port Charlotte, Florida**

We have audited the accompanying financial statements of **Promenades East Condominium Association, Inc.**, which comprise of the balance sheet as of **December 31, 2018**, 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.

### **Management's Responsibility 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. According, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

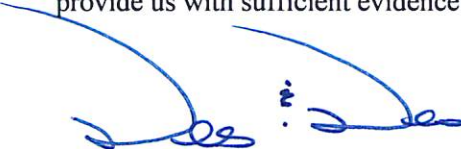
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Promenades East Condominium Association, Inc.** as of **December 31, 2018**, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statement of Actual Receipts and Disbursements to Budget-Unrestricted Fund Only, which is the responsibility of the Association's management, is presented for the purposes of additional analysis, and is not a required part of the financial statements. Such information, except for that portion marked "unaudited", was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited" 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 Supplementary Information on Future Major Repairs and Replacements on page 16 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 Standard 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.



DEES & DEES, C.P.A.'s, P.A.  
Port Charlotte, Florida  
February 4, 2019

**FINANCIAL REPORT**

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**BALANCE SHEET**  
**DECEMBER 31, 2018**

<u>ASSETS</u>	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total (Memo Only)</u>
<u>Current Assets</u>			
Cash	\$ 61,169	\$ 413,141	\$ 474,310
Cash - Escrow	22,500	-0-	22,500
Condominium fees receivable	857	-0-	857
Prepaid insurance	<u>29,663</u>	<u>-0-</u>	<u>29,663</u>
Total Current Assets	<u>114,189</u>	<u>413,141</u>	<u>527,330</u>
<u>Common Property and Equipment</u>			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	<u>\$ 114,189</u>	<u>\$ 413,141</u>	<u>\$ 527,330</u>

**LIABILITIES AND FUND BALANCES**

<u>Current Liabilities</u>			
Payroll taxes payable	\$ 1,751	\$ -0-	\$ 1,751
Prepaid assessment	16,397	-0-	16,397
Security and key deposits	<u>24,806</u>	<u>-0-</u>	<u>24,806</u>
Total Current Liabilities	<u>42,954</u>	<u>-0-</u>	<u>42,954</u>
<u>Fund Balances</u>			
Owners' capital contributions	44,692	-0-	44,692
Developer capital contribution	3,585	-0-	3,585
Restricted fund balance	-0-	413,141	413,141
Unrestricted fund balance	<u>22,958</u>	<u>-0-</u>	<u>22,958</u>
Total Fund Balances	<u>71,235</u>	<u>413,141</u>	<u>484,376</u>
Total Liabilities and Fund Balances	<u>\$ 114,189</u>	<u>\$ 413,141</u>	<u>\$ 527,330</u>

Read Independent Auditors' Report  
The accompanying notes are an integral part of this statement.

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF REVENUE AND EXPENSES**  
**FOR YEAR ENDED DECEMBER 31, 2018**

	<u>Unrestricted</u> <u>Fund</u>	<u>Special</u> <u>Assessment</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
<b><u>Revenues:</u></b>				
Assessments	\$ 393,001	\$ -0-	\$ 37,541	\$ 430,542
Special assessment	-0-	150,000	-0-	150,000
Interest	119	-0-	3,462	3,581
Other	6,566	-0-	38,058	44,624
Total Revenues	<u>399,686</u>	<u>\$ 150,000</u>	<u>79,061</u>	<u>628,747</u>
<b><u>Expenses:</u></b>				
<b>Salaries:</b>				
Manager	67,199	-0-	-0-	67,199
Janitorial	31,586	-0-	-0-	31,586
Payroll taxes	8,154	-0-	-0-	8,154
Temporary employee	5,212	-0-	-0-	5,212
Accounting	6,115	-0-	-0-	6,115
Janitorial service	3,295	-0-	-0-	3,295
Bank charges	114	-0-	-0-	114
Legal	202	-0-	-0-	202
Recreation	388	-0-	-0-	388
Background checks	1,432	-0-	-0-	1,432
<b>Insurance:</b>				
General	32,123	-0-	-0-	32,123
Flood	1,799	-0-	-0-	1,799
Employee health	7,200	-0-	-0-	7,200
Workers compensation	3,185	-0-	-0-	3,185
Postage, stationary and supplies	733	-0-	-0-	733
Buildings repairs	13,172	-0-	-0-	13,172
Building leak repairs	883	150,000	-0-	150,883
Inspection fees and license	611	-0-	-0-	611
State unit tax	588	-0-	-0-	588
Telephone	3,659	-0-	-0-	3,659
Water/Sewer	106,192	-0-	-0-	106,192
Electric	30,315	-0-	-0-	30,315
Lawn contract	13,200	-0-	-0-	13,200
Spraying/fertilizing lawn	86	-0-	-0-	86
Air conditioner repair	1,044	-0-	-0-	1,044
Hardware	592	-0-	-0-	592
Waste management	708	-0-	-0-	708
Small tools	336	-0-	-0-	336
Carpet cleaning	3,060	-0-	-0-	3,060
Employee recognition	310	-0-	-0-	310

Read Independent Auditors' Report

The accompanying notes are an integral part of this statement.

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF REVENUE AND EXPENSES (CONT.)**  
**FOR YEAR ENDED DECEMBER 31, 2018**

	Unrestricted	Special	Restricted	Total
	<u>Fund</u>	<u>Assessment</u>	<u>Fund</u>	<u>(Memo Only)</u>
Office equipment - other	\$ 227	\$ -0-	\$ -0-	\$ 227
Training and education	99	-0-	-0-	99
Exit lighting service	251	-0-	-0-	251
Fire alarm service - inspection - repair	2,327	-0-	-0-	2,327
Outside services	7,744	-0-	-0-	7,744
Irrigation repair	867	-0-	-0-	867
Outside pest control	2,495	-0-	-0-	2,495
Computer software	479	-0-	-0-	479
Work clothes	126	-0-	-0-	126
Office equipment - repair	970	-0-	-0-	970
Janitorial supplies	958	-0-	-0-	958
Paint, lamps and hardware	1,505	-0-	-0-	1,505
Fire extinguisher service	778	-0-	-0-	778
Annual backflow water inspection	170	-0-	-0-	170
Diesel and fire pump inspection	680	-0-	-0-	680
Gasoline for errands	330	-0-	-0-	330
Miscellaneous/contingencies	1,272	-0-	-0-	1,272
Mulch	2,000	-0-	-0-	2,000
Elevator maintenance	5,821	-0-	-0-	5,821
Sprinkler repair and inspection	1,150	-0-	-0-	1,150
Inside pest control	1,667	-0-	-0-	1,667
Pool and spa service	7,462	-0-	-0-	7,462
Pool and spa filters and service	1,881	-0-	-0-	1,881
Plants	1,064	-0-	-0-	1,064
Tree trimming	3,090	-0-	-0-	3,090
Equipment rental and repair	200	-0-	-0-	200
Pool furniture	-0-	-0-	389	389
Roof	-0-	-0-	27,625	27,625
Building painting	-0-	-0-	41,336	41,336
Parking lot	-0-	-0-	600	600
Air conditioner	-0-	-0-	36,599	36,599
	<u>389,106</u>	<u>150,000</u>	<u>106,549</u>	<u>645,655</u>
Total Expenses				
Net Excess (Deficit)	<u>\$ 10,580</u>	<u>\$ -0-</u>	<u>\$ (27,488)</u>	<u>\$ (16,908)</u>

Read Independent Auditors' Report  
The accompanying notes are an integral part of this statement.



**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR YEAR ENDED DECEMBER 31, 2018**

	<u>Owners' Capital Contribution</u>	<u>Developer Capital Contribution</u>	<u>Restricted Fund Balance</u>	<u>Unrestricted Fund Balance</u>	<u>Total (Memo Only)</u>
Balance - January 1, 2018	\$ 44,692	\$ 3,585	\$ 440,629	\$ 12,378	\$ 501,284
Net Excess (Deficit)	<u>-0-</u>	<u>-0-</u>	<u>(27,488)</u>	<u>10,580</u>	<u>(16,908)</u>
Balance - December 31, 2018	<u>\$ 44,692</u>	<u>\$ 3,585</u>	<u>\$ 413,141</u>	<u>\$ 22,958</u>	<u>\$ 484,376</u>

Read Independent Auditors' Report  
The accompanying notes are an integral part of this statement.

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED DECEMBER 31, 2018**

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
Cash Flows from Operating Activities:			
Cash received from members and other	\$ 395,831	\$ 75,599	\$ 471,430
Cash paid to suppliers and employees	(390,521)	(106,549)	(497,070)
Interest	<u>119</u>	<u>3,462</u>	<u>3,581</u>
Net Cash Provided (Used) By Operating Activities	<u>5,429</u>	<u>(27,488)</u>	<u>(22,059)</u>
Cash Flows from Investing Activities:			
Net Cash Provided (Used) By Investing Activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Cash Flows from Financing Activities:			
Net Cash Provided (Used) By Financing Activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	5,429	(27,488)	(22,059)
Cash and cash equivalents - Beginning of year	<u>55,740</u>	<u>440,629</u>	<u>496,369</u>
Cash and Cash Equivalents - End of Year	<u>\$ 61,169</u>	<u>\$ 413,141</u>	<u>\$ 474,310</u>

Supplemental Disclosure:

Income Taxes Paid      \$ -0-

Interest Paid              \$ -0-

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF CASH FLOWS (CONT.)**  
**FOR YEAR ENDED DECEMBER 31, 2018**

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
Reconciliation of Net Income to Net Cash Provided by Operating Activities:			
Net Excess (Deficit)	\$ 10,580	\$ (27,488)	\$ (16,908)
Adjustments to reconcile net income to net cash provided by operating activities:			
Decrease (increase) in escrow	(500)	-0-	(500)
Decrease (increase) in accounts receivable	11,185	-0-	11,185
Decrease (increase) in prepaid insurance	(675)	-0-	(675)
(Decrease) increase in payroll taxes payable	(476)	-0-	(476)
(Decrease) increase in prepaid assessments	(14,921)	-0-	(14,921)
(Decrease) increase in security and key deposits	<u>236</u>	<u>-0-</u>	<u>236</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 5,429</u>	<u>\$ (27,488)</u>	<u>\$ (22,059)</u>

Read Independent Auditors' Report  
The accompanying notes are an integral part of this statement.

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

Note 1 Nature of Business and Significant Accounting Policies

Nature of Business

**Promenades East Condominium Association, Inc.** is a not-for-profit corporation organized under the laws of the State of Florida. The Association operates Promenades East Condominium, which consists of 147 units located in Port Charlotte, Florida.

Promenades East Condominium was declared such October 12, 1982, pursuant to the filing of its condominium documents. The first unit was closed on October 18, 1982.

Significant Accounting Policies

A summary of the significant accounting policies followed by the Association is set forth below:

General Accounting Policies

The Association uses the fund method of accounting, which requires that funds, such as unrestricted operating funds and restricted funds for future repairs and replacements, be classified separately for accounting and reporting purposes.

Fund accounting is helpful in segregating funds having restrictions on their use. Disbursements from the unrestricted fund are generally at the discretion of the Board of Directors. Disbursements from the restricted fund may be made only for their designated purposes.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Association considers all highly liquid debt instruments purchased to be cash equivalent. Certificates of Deposit held in the Restricted Fund are considered cash equivalents.

Condominium Fees Receivable

The Association considers any unpaid assessment delinquent ten days after the due date. The Association may record a claim of lien against the condominium owner to obtain the amount due. All receivables are considered collectable.

Properties

The Association recognizes purchased property and equipment to which it has title at cost and at fair market value for those assets contributed to the Association. Depreciation is provided over the assets estimated useful lives (ranging from five to ten years) using the straight line method.

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2018**

Note 1 Nature of Business and Significant Accounting Policies (Cont.)

Significant Accounting Policies (Cont.)

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

Assessments

The Board of Directors shall from time to time, and at least annually, prepare a budget for the condominium, determine the amount of assessments payable by the unit owners to meet the common expenses of the condominium and allocate and assess such expenses among the unit owners in accordance with the provisions of the condominium declaration and the bylaws.

Management

The Association's Board of Directors for the period ended December 31, 2018 consisted of homeowners of the Association.

Date of Management Review:

The Association has evaluated subsequent events and transactions after December 31, 2018 through February 4, 2019, the date the financial statements were available to be issued.

Note 2 Property, Plant and Equipment

Property, plant and equipment are comprised of the following at December 31, 2018:

Common property improvements	\$ 2,113
Equipment	<u>1,067</u>
	3,180
Less: Accumulated depreciation	<u>(3,180)</u>
Remaining Basis	<u><u>\$ -0-</u></u>

Note 3 Owners' Capital Contribution

At December 31, 2018 owners' capital contribution consisted of:

Unit owners at closing made a capital contribution to the Association equal to twice their monthly assessment.	\$ 29,706
Owners indirectly paid for all furniture and fixtures in the common areas. These assets were recorded as owners' capital.	<u>14,986</u>
	<u><u>\$ 44,692</u></u>

Read Independent Auditors' Report

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2018**

Note 4 Developer Capital Contribution

The developer funded the Association \$2,085 in excess of the developer's obligations at June 15, 1982. The developer has contributed these funds as contributed capital to the Association. The developer contributed an additional \$1,500 in contributed capital during 1985.

Note 5 Restricted Fund Balance

Pursuant to the Florida Condominium Act and the Association's governing documents, the Association is required to accumulate funds for future major repairs and replacements. Accumulated funds, which aggregate approximately \$413,141 at December 31, 2018, are held in separate accounts and are not available for expenditures for normal operations. It is the Association's policy that interest earned on such funds is allocated to various reserve fund accounts. The Association engaged an independent engineer who conducted a study in July, 2016 to estimate the remaining useful lives and the replacement cost of common property components.

Funds are accumulated in the restricted fund based on current 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. Therefore, amounts accumulated in the restricted 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 membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Detail for these restricted fund balances are as follows:

<u>Reserve</u>	<u>Balance January 1, 2018</u>	<u>Member Assess- ments</u>	<u>Other Contri- butions</u>	<u>Interest</u>	<u>(Expenses)</u>	<u>Balance December 31, 2018</u>
Roof	\$ 79,663	\$ 2,125	\$ 38,058	\$ 196	\$ (27,625)	\$ 92,417
Building painting	74,159	16,200	-0-	1,495	(41,336)	50,518
Parking lot	3,662	2,000	-0-	184	(600)	5,246
Pool/Spa	19,457	800	-0-	74	-0-	20,331
Carpet replacement	3,342	7,273	-0-	670	-0-	11,285
Pool furniture	4,507	133	-0-	12	(389)	4,263
Elevator	37,046	2,087	-0-	192	-0-	39,325
Air conditioners	53,840	-0-	-0-	-0-	(36,599)	17,241
Generator	40,386	1,610	-0-	149	-0-	42,145
Fire pump	47,837	2,200	-0-	203	-0-	50,240
Spa/Pool heaters	12,572	1,000	-0-	92	-0-	13,664
Fire Panel	64,158	2,113	-0-	195	-0-	66,466
Total	<u>\$ 440,629</u>	<u>\$ 37,541</u>	<u>\$ 38,058</u>	<u>\$ 3,462</u>	<u>\$(106,549)</u>	<u>\$ 413,141</u>

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2018**

**Note 6 Compensated Absences**

The Association provides for all compensated absences as they are incurred. Any liability for uncompensated absences is immaterial.

**Note 7 Commonly Owned Assets**

Commonly owned assets primarily include the land, buildings and other recreational areas within the development. These assets are not owned by the Association. The ownership of these assets vests with the unit owners and these assets are not deemed to be severable. As a result, commonly owned assets are not capitalized in the Association's financial statements. Replacements, major repairs and the purchase of additional commonly owned assets are not capitalized as assets. These assets are accounted for as expenditures in the Unrestricted and Restricted Funds at the time of the expenditure.

**Note 8 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, 2018. It does not qualify as an 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 membership transactions, non-membership transactions, and capital transactions.

For federal tax purposes, the Association is taxed on all net income from non-membership activities reduced only by losses from non-membership activities for which a profit motive exists. Non-membership 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 graduated tax rates of 15% to 39% that are applied to net taxable income.

For state income tax purposes, the Association also is taxed on all net income from non-membership activities reduced only by losses from non-membership activities for which a profit motive exists. Non-membership income may not be offset by membership losses. Any net membership income is not subject to taxation. The tax rate that is applied to net taxable income is 5.5%.

The Association's tax filings are subject to audit by various taxing authorities. The Association's federal income tax returns for 2017, 2016, and 2015 remain open to examination by the Internal Revenue Service; state income tax returns for 2017, 2016, and 2015 are open to examination. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate based on current facts and circumstances.

**Note 9 Concentrations of Credit Risk**

The Association maintains its cash balances at various financial institutions located throughout the area. Accounts at each institution are secured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. At December 31, 2018, the Association had no significant concentration of credit risk.

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2018**

**Note 10 Fair Value Measurement**

The Association uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of investments in debt and equity securities if held as available-for-sale on a recurring basis. FASB ASC 820-10 defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure requirements for fair value measurements. The carrying amounts reflected in the balance sheet for cash, cash equivalents, condominium fees receivable and accounts payable approximate the respective fair values due to the short maturities of those instruments.

**Note 11 Special Assessment**

On April 23, 2018, the Board of Directors unanimously voted to level a special assessment in the amount of \$150,000.19 effective May 1, 2018 with a due date of August 1, 2018. The special assessment was to be used to fund the building water leaks project. All funds were collected and expended for this project during the year ended December 31, 2018.



**SUPPLEMENTARY INFORMATION**

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF ACTUAL RECEIPTS AND DISBURSEMENTS TO BUDGET**  
**UNRESTRICTED FUND ONLY**  
**FOR YEAR ENDED DECEMBER 31, 2018**

	<u>Actual</u>	<u>Budget</u> (Unaudited)	<u>Variance</u> (Unaudited)
<b><u>Receipts:</u></b>			
Assessments	\$ 430,542	\$ 430,542	\$ -0-
Less: Restricted reserves	<u>37,541</u>	<u>37,541</u>	<u>-0-</u>
Net Fees	393,001	393,001	-0-
Interest	119	2,600	(2,481)
Other	<u>6,566</u>	<u>5,300</u>	<u>1,266</u>
Total Receipts	<u>399,686</u>	<u>400,901</u>	<u>(1,215)</u>
<b><u>Disbursements:</u></b>			
<b>Salaries:</b>			
Manager	67,199	68,636	1,437
Janitorial	31,586	36,200	4,614
Clerical	-0-	200	200
Payroll taxes	8,154	7,176	(978)
Unemployment tax	-0-	200	200
Accounting	6,115	6,400	285
Employee recognition	310	335	25
Bank charges	114	210	96
Legal	202	1,400	1,198
Recreation	388	825	437
Background checks	1,432	1,200	(232)
Temporary employee	5,212	-0-	(5,212)
<b>Insurance:</b>			
General	32,123	31,606	(517)
Flood	1,799	1,800	1
Employee health	7,200	7,200	-0-
Workers compensation	3,185	3,307	122
Postage, stationary and supplies	733	860	127
Gasoline for errands	330	360	30
Miscellaneous	1,272	1,800	528
Inspection fees and license	611	612	1
State unit tax	588	588	-0-
Telephone	3,659	3,620	(39)
Water/Sewer	106,192	102,361	(3,831)
Electric	30,315	31,313	998
Lawn contract	13,200	13,200	-0-
Spraying/fertilizing lawn	86	110	24
Air conditioner repair	1,044	2,600	1,556
Tree trimming	3,090	3,900	810
Waste management	708	1,350	642
Small tools	336	450	114
Move in/out supervision	-0-	300	300

Read Independent Auditors' Report on Supplementary  
Information and Accompanying Notes to Financial Statements.

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**STATEMENT OF ACTUAL RECEIPTS AND DISBURSEMENTS TO BUDGET**  
**UNRESTRICTED FUND ONLY (CONT.)**  
**FOR YEAR ENDED DECEMBER 31, 2018**

Disbursements (continued):

Equipment rental and repair	200	200	-0-
Office equipment repair	970	1,500	530
Office equipment other	227	200	(27)
Bad debts	-0-	1,000	1,000
Diesel Fuel – Fire pump	-0-	450	450
Training and education	99	180	81
Exit lighting service	251	200	(51)
Fire alarm service – inspection - repair	2,327	4,200	1,873
Outside services	7,744	6,500	(1,244)
Irrigation repair	867	1,200	333
Outside pest control	2,495	3,000	505
Computer software	479	400	(79)
Work clothes	126	250	124
Hardware	592	400	(192)
Janitorial service	3,295	4,100	805
Janitorial supplies	958	600	(358)
Paint, lamps and hardware	1,505	2,200	695
Fire extinguisher service	778	520	(258)
Annual backflow water inspection	170	200	30
Diesel and fire pump inspection	680	1,280	600
Building repairs	13,172	13,575	403
Building leak repairs	883	-0-	(883)
Mulch	2,000	3,400	1,400
Elevator maintenance	5,821	5,852	31
Sprinkler repair and inspection	1,150	1,200	50
Inside Pest control	1,667	3,351	1,684
Pool and spa service	7,462	7,120	(342)
Pool and spa filters and repairs	1,881	2,250	369
Plants	1,064	1,200	136
Advertising	-0-	180	180
LP Gas Generator	-0-	250	250
Federal tax	-0-	100	100
Payroll expense	-0-	224	224
Carpet cleaning	3,060	3,500	440
	<u>389,106</u>	<u>400,901</u>	<u>11,795</u>
Total Disbursements	<u>389,106</u>	<u>400,901</u>	<u>11,795</u>
Net Excess (Deficit)	<u>\$ 10,580</u>	<u>\$ -0-</u>	<u>\$ 10,580</u>

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Information and Accompanying Notes to Financial Statements.

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**SUPPLEMENTARY INFORMATION ON FUTURE**  
**MAJOR REPAIRS AND REPLACEMENTS**  
**FOR YEAR ENDED DECEMBER 31, 2018**  
**(UNAUDITED)**

An independent engineer conducted a study in July 2016 to estimate the remaining useful lives and the 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 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>Components of Fund Balances at 12/31/18</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>2019 Statutory Funding Requirement</u>
Roof	\$ 92,417	7	\$ 120,000	\$ 3,429
Building painting	50,518	8	150,000	9,500
Parking lot	5,246	4	14,000	2,250
Pool/Spa	20,331	1	20,000	200
Pool furniture	4,263	5	5,000	80
Elevator	39,325	14	80,000	2,929
Air conditioners	17,241	1	56,000	2,000
Generator	42,145	9	56,000	1,578
Fire pump	50,240	14	80,000	2,157
Spa/pool heaters	13,664	1	14,000	600
Fire panel	66,466	14	95,000	2,071
Carpet replacement	11,285	10	90,000	8,000
Totals	<b><u>\$ 413,141</u></b>		<b><u>\$ 780,000</u></b>	<b><u>\$ 34,794</u></b>