

PROMENADES EAST
CONDOMINIUM ASSOCIATION, INC.

PORT CHARLOTTE, FLORIDA

FINANCIAL REPORT

DECEMBER 31, 2016

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-2
Financial Report	
Balance Sheet	3
Statement of Revenue and Expenses	4-5
Statement of Changes in Fund Balances	6
Statement of Cash Flows	7-8
Notes to Financial Statements	9-13
Supplementary Information	
Statement of Actual Receipts and Disbursements to Budget - Unrestricted Fund Only	14-15
Supplementary Information on Future Major Repairs and Replacements	16

Fred B. Dees, C.P.A.
Fred B. Dees, Jr., C.P.A.

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, 2016**, 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

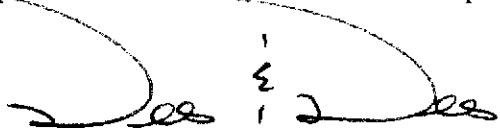
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Promenades East Condominium Association, Inc.** as of **December 31, 2016**, and the results of its operations and cash flows for the year then ended in conformity with accounting 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
January 24, 2017

FINANCIAL REPORT

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
BALANCE SHEET
DECEMBER 31, 2016

<u>ASSETS</u>	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total (Memo Only)</u>
<u>Current Assets</u>			
Cash	\$ 63,996	\$ 531,830	\$ 595,826
Cash - Escrow	23,500	-0-	23,500
Condominium fees receivable	3,973	-0-	3,973
Prepaid insurance	<u>36,520</u>	<u>-0-</u>	<u>36,520</u>
Total Current Assets	<u>127,989</u>	<u>531,830</u>	<u>659,819</u>
<u>Common Property and Equipment</u>			
(Note 2)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
 Total Assets	 <u>\$ 127,989</u>	 <u>\$ 531,830</u>	 <u>\$ 659,819</u>

LIABILITIES AND FUND BALANCES

<u>Current Liabilities</u>			
Payroll taxes payable	\$ 2,505	\$ -0-	\$ 2,505
Prepaid assessment	17,328	-0-	17,328
Security and key deposits	<u>26,070</u>	<u>-0-</u>	<u>26,070</u>
Total Current Liabilities	<u>45,903</u>	<u>-0-</u>	<u>45,903</u>
<u>Fund Balances</u>			
Owners' capital contributions (Note 3)	44,692	-0-	44,692
Developer capital contribution (Note 4)	3,585	-0-	3,585
Restricted fund balance (Note 5)	-0-	531,830	531,830
Unrestricted fund balance	<u>33,809</u>	<u>-0-</u>	<u>33,809</u>
Total Fund Balances	<u>82,086</u>	<u>531,830</u>	<u>613,916</u>
 Total Liabilities and Fund Balances	 <u>\$ 127,989</u>	 <u>\$ 531,830</u>	 <u>\$ 659,819</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, 2016

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
<u>Revenues:</u>			
Assessments	\$ 357,951	\$ 55,723	\$ 413,674
Interest	206	656	862
Other	8,960	-0-	8,960
Total Revenues	<u>367,117</u>	<u>56,379</u>	<u>423,496</u>
<u>Expenses:</u>			
Salaries:			
Manager	63,099	-0-	63,099
Maintenance	16,651	-0-	16,651
Janitorial	15,370	-0-	15,370
Payroll taxes	7,791	-0-	7,791
Unemployment tax	20	-0-	20
Accounting	6,120	-0-	6,120
Employee recognition	315	-0-	315
Bank charges	44	-0-	44
Legal	1,589	-0-	1,589
Recreation	575	-0-	575
Background checks	871	-0-	871
Insurance:			
General	48,382	-0-	48,382
Flood	1,525	-0-	1,525
Employee health	6,050	-0-	6,050
Workers compensation	2,990	-0-	2,990
Postage, stationary and supplies	596	-0-	596
Gasoline for errands	330	-0-	330
Miscellaneous	701	-0-	701
Inspection fees and license	611	-0-	611
State unit tax	588	-0-	588
Telephone	3,254	-0-	3,254
Water/Sewer	98,653	-0-	98,653
Electric	31,309	-0-	31,309
Lawn contract	12,700	-0-	12,700
Spraying/fertilizing lawn	60	-0-	60
Air conditioner repair	1,377	-0-	1,377
Temporary employee	460	-0-	460
Waste management	641	-0-	641
Small tools	344	-0-	344
Move in/out supervision	200	-0-	200

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, 2016

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
Office equipment - other	143	-0-	143
Diesel Fuel - Fire pump	281	-0-	281
Training and education	124	-0-	124
Exit lighting service	195	-0-	195
Fire alarm service - inspection - repair	3,385	-0-	3,385
Outside services	4,887	-0-	4,887
Irrigation repair	974	-0-	974
Outside pest control	2,830	-0-	2,830
Computer software	400	-0-	400
Work clothes	150	-0-	150
Office equipment - repair	2,055	-0-	2,055
LP Gas - generator	65	-0-	65
Janitorial supplies	521	-0-	521
Paint, lamps and hardware	1,838	-0-	1,838
Fire extinguisher service	389	-0-	389
Annual backflow water inspection	170	-0-	170
Diesel and fire pump inspection	1,088	-0-	1,088
Building Repairs	8,573	-0-	8,573
Mulch	2,200	-0-	2,200
Elevator maintenance	5,688	-0-	5,688
Sprinkler repair and inspection	850	-0-	850
Inside pest control	3,306	-0-	3,306
Pool and spa service	6,314	-0-	6,314
Pool and spa filters and repairs	4,859	-0-	4,859
Plants	1,148	-0-	1,148
Bad debts	4,319	-0-	4,319
Equipment rental and repair	362	-0-	362
Roof	-0-	13,850	13,850
Parking Lot	-0-	969	969
Air conditioner	-0-	300	300
Total Expenses	<u>380,330</u>	<u>15,119</u>	<u>395,449</u>
Net Excess (Deficit)	<u>\$ (13,213)</u>	<u>\$ 41,260</u>	<u>\$ 28,047</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, 2016

	<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, 2016	\$ 44,692	\$ 3,585	\$ 490,570	\$ 47,022	\$ 585,869
Net excess (Deficit)	<u>-0-</u>	<u>-0-</u>	<u>41,260</u>	<u>(13,213)</u>	<u>28,047</u>
Balance - December 31, 2016	<u>\$ 44,692</u>	<u>\$ 3,585</u>	<u>\$ 531,830</u>	<u>\$ 33,809</u>	<u>\$ 613,916</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, 2016

	<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	\$ 372,591	\$ 55,723	\$ 428,314
Cash paid to suppliers and employees	(374,908)	(15,119)	(390,027)
Interest	<u>206</u>	<u>656</u>	<u>862</u>
Net Cash Provided (Used) By Operating Activities	<u>(2,111)</u>	<u>41,260</u>	<u>39,149</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	(2,111)	41,260	31,149
Cash and cash equivalents - Beginning of year	<u>66,107</u>	<u>490,570</u>	<u>556,677</u>
Cash and Cash Equivalents - End of Year	<u>\$ 63,996</u>	<u>\$ 531,830</u>	<u>\$ 595,826</u>

Supplemental Disclosure:

Income Taxes Paid **\$ -0-**

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 (CONT.)
FOR YEAR ENDED DECEMBER 31, 2016

	<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)	\$ (13,213)	\$ 41,260	\$ 28,047
Adjustments to reconcile net income to net cash provided by operating activities:			
Decrease (increase) in escrow	1,500	-0-	1,500
Decrease (increase) in accounts receivable	4,359	-0-	4,359
Decrease (increase) in prepaid insurance	5,011	-0-	5,011
(Decrease) increase in payables	(229)	-0-	(229)
(Decrease) increase in payroll taxes payable	680	-0-	680
(Decrease) increase in prepaid assessments	1,321	-0-	1,321
(Decrease) increase in security and key deposits	<u>(1,540)</u>	<u>-0-</u>	<u>(1,540)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (2,111)</u>	<u>\$ 41,260</u>	<u>\$ 39,149</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, 2016

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, 2016

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, 2016 consisted of homeowners of the Association.

Date of Management Review:

The Association has evaluated subsequent events and transactions after December 31, 2016 through January 24, 2017, 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, 2016:

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, 2016 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, 2016

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 \$531,830 at December 31, 2016, 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, 2016</u>	<u>Member Assess- ments</u>	<u>Interest and Other</u>	<u>(Expenses)</u>	<u>Balance December 31, 2016</u>
Roof	\$ 112,535	\$ 1,944	\$ 37	\$ (13,850)	\$ 100,666
Building painting	38,164	17,770	342	-0-	56,276
Parking lot	13,440	402	8	(969)	12,881
Pool/Spa	18,309	511	10	-0-	18,830
Carpet replacement	51,756	28,049	122	-0-	79,927
Pool furniture	4,595	-0-	-0-	-0-	4,595
Elevator	45,544	1,782	34	-0-	47,360
Air conditioners	54,140	-0-	-0-	(300)	53,840
Generator	37,952	736	14	-0-	38,702
Fire pump	43,809	1,688	33	-0-	45,530
Spa/Pool heaters	10,396	813	16	-0-	11,225
Fire Panel	59,930	2,028	40	-0-	61,998
Total	<u>\$ 490,570</u>	<u>\$ 55,723</u>	<u>\$ 656</u>	<u>\$ (15,119)</u>	<u>\$ 531,830</u>

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

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, 2016. 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 2015, 2014, and 2013 remain open to examination by the Internal Revenue Service; state income tax returns for 2015, 2014, and 2013 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, 2016, the Association had no significant concentration of credit risk.

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2016

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.

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, 2016

	<u>Actual</u>	<u>Budget</u> (Unaudited)	<u>Variance</u> (Unaudited)
<u>Receipts:</u>			
Assessments	\$ 413,674	\$ 413,674	\$ -0-
Less: Restricted reserves	<u>55,723</u>	<u>34,023</u>	<u>21,700</u>
Net Fees	357,951	379,651	(21,700)
Interest	206	1,200	(994)
Other	<u>8,960</u>	<u>8,020</u>	<u>940</u>
Total Receipts	<u>367,117</u>	<u>388,871</u>	<u>(21,754)</u>
<u>Disbursements:</u>			
Salaries:			
Manager	63,099	63,464	365
Maintenance	16,651	16,334	(317)
Janitorial	15,370	16,638	1,268
Clerical	-0-	200	200
Payroll taxes	7,791	7,176	(615)
Payroll expenses	-0-	524	524
Unemployment tax	20	200	180
Accounting	6,120	6,600	480
Employee recognition	315	335	20
Bank charges	44	210	166
Legal	1,589	2,400	811
Recreation	575	825	250
Background checks	871	1,200	329
Insurance:			
General	48,382	49,300	918
Flood	1,525	1,480	(45)
Employee health	6,050	7,200	1,150
Workers compensation	2,990	2,800	(190)
Postage, stationary and supplies	596	660	64
Gasoline for errands	330	360	30
Miscellaneous	701	1,200	499
Inspection fees and license	611	960	349
State unit tax	588	588	-0-
Telephone	3,254	3,620	366
Water/Sewer	98,653	100,949	2,296
Electric	31,309	28,913	(2,396)
Lawn contract	12,700	13,200	500
Spraying/fertilizing lawn	60	220	160
Air conditioner repair	1,377	1,400	23
Tree trimming	-0-	400	400
Waste management	641	740	99
Small tools	344	450	106
Move in/out supervision	200	600	400

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, 2016

Disbursements (continued):

Equipment rental and repair	362	200	(162)
Office equipment repair	2,055	2,256	201
Office equipment other	143	200	57
Bad debts	4,319	1,000	(3,319)
Diesel Fuel – Fire pump	281	450	169
Training and education	124	180	56
Exit lighting service	195	250	55
Fire alarm service – inspection - repair	3,385	3,400	15
Outside services	4,887	5,100	213
Irrigation repair	974	1,200	226
Outside pest control	2,830	3,150	320
Computer software	400	400	-0-
Work clothes	150	250	100
Hardware	-0-	400	400
Janitorial service	-0-	600	600
Janitorial supplies	521	500	(21)
Paint, lamps and hardware	1,838	2,500	662
Fire extinguisher service	389	520	131
Annual backflow water inspection	170	200	30
Diesel and fire pump inspection	1,088	1,280	192
Building Repairs	8,573	9,276	703
Mulch	2,200	2,400	200
Elevator maintenance	5,688	5,852	164
Sprinkler repair and inspection	850	1,050	200
Inside Pest control	3,306	3,351	45
Pool and spa service	6,314	7,280	966
Pool and spa filters and repairs	4,859	2,750	(2,109)
Plants	1,148	1,200	52
Advertising	-0-	180	180
LP Gas Generator	65	250	185
Federal tax	-0-	100	100
Temporary employee	460	-0-	(460)
	<u>380,330</u>	<u>388,871</u>	<u>8,541</u>
Total Disbursements	<u>380,330</u>	<u>388,871</u>	<u>8,541</u>
Net Excess (Deficit)	<u>\$ (13,213)</u>	<u>\$ -0-</u>	<u>\$ (13,213)</u>

Read Independent Auditors' Report on Supplementary
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, 2016
(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 12/31/16</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>2017 Statutory Funding Requirement</u>
Roof	\$ 100,666	9	\$ 135,000	\$ 3,058
Building painting	56,276	5	150,000	18,765
Parking lot	12,881	1	14,000	152
Pool/Spa	18,830	2	20,000	587
Pool furniture	4,595	6	5,000	68
Elevator	47,360	16	80,000	2,041
Air conditioners	53,840	1	45,000	-0-
Generator	38,702	11	56,000	1,573
Fire pump	45,530	16	80,000	2,155
Spa/pool heaters	11,225	3	15,000	1,260
Fire panel	61,998	16	95,000	2,019
Carpet replacement	79,927	1	70,000	1,809
Totals	<u>\$ 531,830</u>		<u>\$ 765,000</u>	<u>\$ 33,487</u>

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