

PROMENADES EAST
CONDOMINIUM ASSOCIATION, INC.

PORT CHARLOTTE, FLORIDA

FINANCIAL REPORT

DECEMBER 31, 2024

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DEES & DEES

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Fred B. Dees, C.P.A. (1930 – 2020)
Fred B. Dees, Jr., C.P.A.

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of **Promenades East Condominium Association, Inc.**, which comprise of the balance sheet as of **December 31, 2024**, 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.

In our opinion, the financial statements present fairly, in all respects, the financial position of **Promenades East Condominium Association, Inc.** as of **December 31, 2024**, and the changes in fund balances and its cash flows for the year then ended in accordance 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 **Promenades East 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 opinions.

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; and for 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 the **Promenades East Condominium Association, Inc.**'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's 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 auditor's 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 **Promenades East 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 no conditions or events, considered 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supporting information shown on pages 13 through 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the financial statements. This 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, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,



DEES & DEES, C.P.A.'s, P.A.
Port Charlotte, Florida
February 20, 2025

FINANCIAL REPORT

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
STATEMENT OF REVENUE AND EXPENSES
FOR YEAR ENDED DECEMBER 31, 2024

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
<u>Revenues:</u>			
Assessments	\$ 532,408	\$ 8,390	\$ 540,798
Hurricane Insurance	225,693	-0-	225,693
Interest	1,159	10,017	11,176
Other revenue	<u>12,163</u>	<u>-0-</u>	<u>12,163</u>
Total Revenues	<u>771,423</u>	<u>18,407</u>	<u>789,830</u>
<u>Expenses:</u>			
Salaries:			
Manager	84,902	-0-	84,902
Janitorial	20,273	-0-	20,273
Maintenance	38,258	-0-	38,258
Payroll taxes	11,026	-0-	11,026
Unemployment tax	167	-0-	167
Work clothes	180	-0-	180
Accounting	6,130	-0-	6,130
Janitorial service	394	-0-	394
Legal	1,867	-0-	1,867
Bank charges	267	-0-	267
Recreation	708	-0-	708
Background checks	948	-0-	948
Insurance:			
General	167,073	-0-	167,073
Workers compensation	2,718	-0-	2,718
Postage, stationary and supplies	637	-0-	637
Buildings repairs	14,161	-0-	14,161
Inspection fees and license	511	-0-	511
State unit tax	588	-0-	588
Telephone	2,756	-0-	2,756
Water/Sewer	149,108	-0-	149,108
Electric	34,317	-0-	34,317
Lawn contract	18,000	-0-	18,000
Air conditioner repair	3,556	-0-	3,556
Hardware	139	-0-	139
Waste management	885	-0-	885
Small tools	101	-0-	101
Employee recognition	315	-0-	315
Training/education	75	-0-	75
Office equipment - Other	160	-0-	160
Diesel Fuel – Fire pump	460	-0-	460

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, 2024

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
Exit lighting service	469	-0-	469
Fire alarm service - inspection - repair	4,576	-0-	4,576
Outside services	3,972	-0-	3,972
Irrigation repair	150	-0-	150
Outside pest control	1,765	-0-	1,765
Computer software	873	-0-	873
LP Gas - generator	400	-0-	400
Janitorial supplies	1,204	-0-	1,204
Paint, lamps and hardware	2,427	-0-	2,427
Fire extinguisher service	1,239	-0-	1,239
Annual backflow water inspection	198	-0-	198
Diesel and fire pump inspection	1,931	-0-	1,931
Gasoline for errands	420	-0-	420
Miscellaneous/contingencies	2,392	-0-	2,392
Mulch	4,500	-0-	4,500
Elevator maintenance	8,128	-0-	8,128
Sprinkler repair and inspection	3,324	-0-	3,324
Spraying/fertilize lawn	43	-0-	43
Inside pest control	1,038	-0-	1,038
Pool and spa service	6,900	-0-	6,900
Pool and spa filters and repairs	6,707	5,452	12,159
Plants	737	-0-	737
Tree trimming	6,950	-0-	6,950
Carpet cleaning	3,410	-0-	3,410
Roof	-0-	9,103	9,103
Building painting	-0-	450	450
Hurricane expense	17,120	-0-	17,120
Air conditioner	-0-	3,402	3,402
Total Expenses	<u>641,553</u>	<u>18,407</u>	<u>659,960</u>
Net Excess (Deficit)	<u>\$ 129,870</u>	<u>\$ -0-</u>	<u>\$ 129,870</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, 2024

	<u>Owner's Capital Contribution</u>	<u>Developer Capital Contribution</u>	<u>Unrestricted Fund Balance</u>	<u>Total (Memo Only)</u>
Balance - January 1, 2024	\$ 44,692	\$ 3,585	\$ 48,749	\$ 97,026
Net Excess (Deficit)	<u>-0-</u>	<u>-0-</u>	<u>129,870</u>	<u>129,870</u>
Balance - December 31, 2024	<u>\$ 44,692</u>	<u>\$ 3,585</u>	<u>\$ 178,619</u>	<u>\$ 226,896</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, 2024

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
Cash Flows from Operating Activities:			
Net Excess (Deficit)	\$ 129,870	\$ -0-	\$ 129,870
Adjustments to reconcile net income to net cash provided by operating activities:			
Decrease (increase) in escrow	500	-0-	500
Decrease (increase) in accounts receivable	715	-0-	715
Decrease (increase) in prepaid insurance	3,246	-0-	3,246
(Decrease) increase in payroll taxes payable	(1,344)	-0-	(1,344)
(Decrease) increase in prepaid assessments	8,617	-0-	8,617
(Decrease) increase in security and key deposits	(500)	-0-	(500)
(Decrease) increase in contract liability – (assessments received in advance – restricted fund)	-0-	51,568	51,568
(Decrease) increase in contract liability – (assessments received in advance – special assessment)			
- Storm Damage	<u>-0-</u>	<u>(4,166)</u>	<u>(4,166)</u>
Net Cash Provided (Used) By Operating Activities	<u>141,104</u>	<u>47,402</u>	<u>188,506</u>
Cash Flows from Investing Activities:			
Expenditures for construction in progress - Hurricane	<u>(3,962)</u>	<u>-0-</u>	<u>(3,962)</u>
Net Cash Provided (Used) in Investing Activities	<u>(3,962)</u>	<u>-0-</u>	<u>(3,962)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>137,142</u>	<u>47,202</u>	<u>184,544</u>
Cash and cash equivalents - Beginning of year	<u>53,607</u>	<u>449,602</u>	<u>503,209</u>
Cash and Cash Equivalents - End of Year	<u>\$ 190,749</u>	<u>\$ 497,004</u>	<u>\$ 687,753</u>

Supplemental Disclosure:

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

Interest Paid **\$ -0-**

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

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:

Fund Accounting

The Association's governing documents provide certain guidelines for its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose;

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

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

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.

Assessments Receivable

Association members are subject to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association's policy is to consider legal counsel and place liens on the properties of homeowners whose assessments are sixty days delinquent. It is the opinion of the board of directors that the Association will ultimately prevail against homeowners with delinquent assessments and, accordingly, no allowance for uncollected accounts s deemed necessary.

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2024

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

Significant Accounting Policies (Cont.)

Property and Equipment

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight line method.

Contract Liabilities (assessments received in advance-restricted fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-restricted fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The balances of contract liabilities (assessments received in advance-restricted fund) as of the beginning and end of the year are \$445,436 and \$497,004, respectively.

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, 2024 consisted of homeowners of the Association.

Note 2 Property and Equipment

Property and equipment are comprised of the following at December 31, 2024:

Common property improvements	\$ 2,113
Equipment	1,067
Construction in progress - Hurricane	<u>3,962</u>
	7,142
Less: Accumulated depreciation	<u>(3,180)</u>
Remaining Basis	<u>\$ 3,962</u>

Read Independent Auditors' Report

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2024

Note 3 Owners' Capital Contribution

At December 31, 4owners' 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.	14,986
	<u>\$ 44,692</u>

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 Future Major Repairs and Replacements

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 \$497,004 and are presented on the accompanying balance sheet as a contract liability (assessments received in advance-restricted fund) at December 31, 2024, 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 the reserve fund account. The Association engaged an independent engineer who conducted a Structural Integrity Reserve Study per F.S. 718.112(2)(f)[2] on November 22, 2024 to provide their opinion of recommendations of the Association's common elements, components or items. The study provides a reserve funding schedule with recommended annual reserve amounts to achieve the estimated replacement cost of each required item by the end of the useful life.

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 to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Effective for 2019, the Association began using the pooled method to account for restricted funds and therefore has not allocated the accumulated restricted balance or the budgeted restricted contributions, if any, to the components of common property that make up the total reserves. The pooled method requires annual contributions to provide sufficient funds to meet all expenditures when due. The components of and the expenditures from the pooled restricted funds are as follows:

<u>Component</u>	<u>Pooled Restricted Fund Expenditures</u>
Roof	\$ 9,103
Building painting	450
Pool/spa pump/heater	5,452
Air conditioner	<u>3,402</u>
Total	<u>\$ 18,407</u>

Read Independent Auditors' Report

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2024

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, 2024. 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 2023, 2022, and 2021 remain open to examination by the Internal Revenue Service; state income tax returns for 2023, 2022, and 2021 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, 2024, the Association had no significant concentration of credit risk.

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2024

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 12 Subsequent Events

Promenades East Condominium Association, Inc.'s management has performed subsequent events procedures through February 20, 2025 which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein.

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, 2024

	<u>Actual</u>	<u>Budget</u> (Unaudited)	<u>Variance</u> (Unaudited)
<u>Receipts:</u>			
Assessments	\$ 588,199	\$ 588,199	\$ -0-
Less: Restricted reserves	<u>(55,791)</u>	<u>(55,727)</u>	<u>64</u>
Net Fees	532,408	532,472	(64)
Hurricane insurance	225,693	-0-	225,693
Interest	1,159	3,000	(1,841)
Other revenue	<u>12,163</u>	<u>7,350</u>	<u>4,813</u>
Total Receipts	<u>771,423</u>	<u>542,822</u>	<u>228,601</u>
<u>Disbursements:</u>			
Salaries:			
Manager	84,902	84,469	(433)
Maintenance	38,258	36,400	(1,858)
Janitorial	20,273	26,208	5,935
Clerical	-0-	200	200
Payroll taxes	11,026	10,400	(626)
Unemployment tax	167	800	633
Accounting	6,130	6,500	370
Employee recognition	315	350	35
Bank charges	267	500	233
Legal	1,867	2,400	533
Recreation	708	1,200	492
Background checks	948	1,800	852
Temporary employee	-0-	1,000	1,000
Insurance:			
General	167,073	80,000	(87,073)
Flood	-0-	2,450	2,450
Workers compensation	2,718	2,780	62
Postage, stationary and supplies	637	900	263
Gasoline for errands	420	720	300
Miscellaneous	2,392	2,000	(392)
Inspection fees and license	511	700	189
State unit tax	588	588	-0-
Telephone	2,756	4,100	1,344
Water/Sewer	149,108	145,027	(4,081)
Electric	34,317	38,400	4,083
Lawn contract	18,000	18,000	-0-
Spraying/fertilizing lawn	43	300	257
Air conditioner repair	3,556	2,600	(956)
Tree trimming	6,950	5,400	(1,550)
Waste management	885	900	15
Small tools	101	300	199
LP Fuel for generator	400	300	(100)

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, 2024

Disbursements (continued):

Equipment rental and repair	-0-	200	200
Office equipment repair	-0-	1,200	1,200
Office equipment other	160	200	40
Bad debts	-0-	1,000	1,000
Diesel Fuel – Fire pump	460	450	(10)
Training and education	75	200	125
Exit lighting service	469	400	(69)
Fire alarm service – inspection - repair	4,576	2,500	(2,076)
Outside services	3,972	3,600	(372)
Irrigation repair	150	1,200	1,050
Outside pest control	1,765	1,800	35
Computer software	873	1,200	327
Work clothes	180	300	120
Hardware	139	900	761
Janitorial service	394	1,200	806
Janitorial supplies	1,204	1,200	(4)
Paint, lamps and hardware	2,427	3,200	773
Fire extinguisher service	1,239	500	(739)
Annual backflow water inspection	198	280	82
Diesel and fire pump inspection	1,931	3,200	1,269
Building repairs	14,161	9,000	(5,161)
Mulch	4,500	3,400	(1,100)
Elevator maintenance	8,128	6,800	(1,328)
Sprinkler repair and inspection	3,324	2,500	(824)
Inside Pest control	1,038	1,300	262
Pool and spa service	6,900	8,400	1,500
Pool and spa filters and repairs	6,707	3,600	(3,107)
Plants	737	1,200	463
Advertising	-0-	200	200
Hurricane expense	17,120	-0-	(17,120)
Carpet cleaning	3,410	4,000	590
	<u>641,553</u>	<u>542,822</u>	<u>(98,731)</u>
Total Disbursements	<u>641,553</u>	<u>542,822</u>	<u>(98,731)</u>
Net Excess (Deficit)	<u>\$ 129,870</u>	<u>\$ -0-</u>	<u>\$ 129,870</u>

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
FOR YEAR ENDED DECEMBER 31, 2024
(UNAUDITED)

An independent engineer conducted a Structural Integrity Reserve Study per F.S. 718.112(2)(f)[2] on November 22, 2024 to provide their opinion of recommendations of 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. The study used a fixed rate of 3% for inflation on contributions and expenditures. .

The following table is based on the study and updates provided to the Board to present significant information about the components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Restricted Fund Contract Liabilities December 31, 2023</u>
Roof	10	\$ 220,000	\$ -0-
Building painting	8	220,000	-0-
Parking lot	6	20,000	-0-
Pool/Spa resurface	4	30,000	-0-
Pool furniture	4	5,000	-0-
Elevator	10	80,000	-0-
Air conditioners	9	56,000	-0-
Generator	8	56,000	-0-
Fire pump	8	80,000	-0-
Spa/pool heaters	6	14,000	-0-
Fire panel	8	95,000	-0-
Carpet replacement	12	140,000	-0-
Security system	3	25,000	-0-
Structural repairs	10	250,000	-0-
Totals		<u>\$1,291,000</u>	<u>\$ 497,004</u>