

PROMENADES EAST
CONDOMINIUM ASSOCIATION, INC.

PORT CHARLOTTE, FLORIDA

FINANCIAL REPORT

DECEMBER 31, 2012

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, 2012**, 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, 2012**, 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 5, 2013

FINANCIAL REPORT

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
BALANCE SHEET
DECEMBER 31, 2012

<u>ASSETS</u>	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total (Memo Only)</u>
<u>Current Assets</u>			
Cash	\$ 70,143	\$ 632,705	\$ 702,848
Cash - Escrow	21,500	-0-	21,500
Condominium fees receivable	15,544	-0-	15,544
Prepaid insurance	<u>64,820</u>	<u>-0-</u>	<u>64,820</u>
Total Current Assets	<u>172,007</u>	<u>632,705</u>	<u>804,712</u>
<u>Common Property and Equipment</u> (Note 2)			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
 Total Assets	 <u>\$ 172,007</u>	 <u>\$ 632,705</u>	 <u>\$ 804,712</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Current Liabilities</u>			
Accounts payable	\$ 375	\$ -0-	\$ 375
Payroll taxes – payable	1,740	-0-	1,740
Prepaid assessment	21,117	-0-	21,117
Security and key deposits	<u>21,657</u>	<u>-0-</u>	<u>21,657</u>
Total Current Liabilities	<u>44,889</u>	<u>-0-</u>	<u>44,889</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-	632,705	632,705
Unrestricted fund balance	<u>78,841</u>	<u>-0-</u>	<u>78,841</u>
Total Fund Balances	<u>127,118</u>	<u>632,705</u>	<u>759,823</u>
 Total Liabilities and Fund Balances	 <u>\$ 172,007</u>	 <u>\$ 632,705</u>	 <u>\$ 804,712</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, 2012

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
<u>Revenues:</u>			
Assessments	\$ 389,134	\$ 24,540	\$ 413,674
Interest	-0-	4,670	4,670
Insurance Revenue	1,172	-0-	1,172
Other	<u>17,575</u>	<u>-0-</u>	<u>17,575</u>
Total Revenues	<u>407,881</u>	<u>29,210</u>	<u>437,091</u>
<u>Expenses:</u>			
Salaries:			
Manager	55,563	-0-	55,563
Maintenance	12,206	-0-	12,206
Janitorial	7,192	-0-	7,192
Clerical	130	-0-	130
Payroll taxes	7,406	-0-	7,406
Temporary employee	10,620	-0-	10,620
Accounting	6,075	-0-	6,075
Employee recognition	312	-0-	312
Bank charges	40	-0-	40
Recreation	662	-0-	662
Background checks	1,200	-0-	1,200
Insurance:			
General and flood	70,140	-0-	70,140
Employee health	4,800	-0-	4,800
Workers compensation	2,418	-0-	2,418
Postage, stationary and supplies	1,094	-0-	1,094
Gasoline for errands	1,260	-0-	1,260
Miscellaneous	1,543	-0-	1,543
Legal	16,576	-0-	16,576
Inspection fees and license	953	-0-	953
State unit tax	588	-0-	588
Telephone	3,762	-0-	3,762
Water/Sewer	91,010	-0-	91,010
Electric	26,646	-0-	26,646
Lawn contract	12,139	-0-	12,139
Air conditioner repair	995	-0-	995
Waste management	716	-0-	716
Small tools	240	-0-	240
Move in/out supervision	850	-0-	850
Elevator	-0-	3,340	3,340
Brokerage expense	26	-0-	26
Advertising	179	-0-	179
Janitorial services	300	-0-	300

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, 2012

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
LP gas generator	179	-0-	179
Training and education	35	-0-	35
Exit lighting service	173	-0-	173
Fire alarm service	3,867	-0-	3,867
Outside services	27,378	-0-	27,378
Irrigation repair	974	-0-	974
Outside pest control	1,850	-0-	1,850
Computer software	336	-0-	336
Work clothes	141	-0-	141
Hardware	636	-0-	636
Janitorial supplies	298	-0-	298
Paint, lamps and hardware	3,727	-0-	3,727
Fire extinguishers	893	-0-	893
Pool and spa chemicals	2,958	-0-	2,958
Diesel and fire pump inspection	1,388	-0-	1,388
Building Repairs	8,207	-0-	8,207
Spraying and fertilizing	45	-0-	45
Mulch	2,769	-0-	2,769
Parking lot	-0-	12,600	12,600
Elevator maintenance	5,293	-0-	5,293
Fire sprinkler repair	805	-0-	805
Pest control – Units	4,608	-0-	4,608
Pool and spa service	5,829	-0-	5,829
Water pump inspection	235	-0-	235
Pool and spa repairs	1,616	-0-	1,616
Corporate tax	2,452	-0-	2,452
Plants	624	-0-	624
Pool	-0-	5,831	5,831
Pool furniture	-0-	858	858
Roof	-0-	4,235	4,235
Diesel equipment	-0-	6,220	6,220
	<u>414,957</u>	<u>33,084</u>	<u>448,041</u>
 Total Expenses	 <u>414,957</u>	 <u>33,084</u>	 <u>448,041</u>
 Net Excess (Deficit)	 <u>\$ (7,076)</u>	 <u>\$ (3,874)</u>	 <u>\$ (10,950)</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, 2012

	<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, 2012	\$ 44,692	\$ 3,585	\$ 636,579	\$ 85,917	\$ 770,773
Net excess (Deficit)	<u>-0-</u>	<u>-0-</u>	<u>(3,874)</u>	<u>(7,076)</u>	<u>(10,950)</u>
Balance - December 31, 2012	<u>\$ 44,692</u>	<u>\$ 3,585</u>	<u>\$ 632,705</u>	<u>\$ 78,841</u>	<u>\$ 759,823</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, 2012

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total (Memo Only)</u>
Cash Flows from Operating Activities:			
Cash received from members and other	\$ 419,872	\$ 24,540	\$ 444,412
Cash paid to suppliers and employees	(419,027)	(33,084)	(452,111)
Interest	<u>-0-</u>	<u>4,670</u>	<u>4,670</u>
 Net Cash Provided (Used) By Operating Activities	 <u>845</u>	 <u>(3,874)</u>	 <u>(3,029)</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	 845	 (3,874)	 (3,029)
 Cash and cash equivalents - Beginning of year	 <u>69,298</u>	 <u>636,579</u>	 <u>705,877</u>
 Cash and Cash Equivalents - End of Year	 <u>\$ 70,143</u>	 <u>\$ 632,705</u>	 <u>\$ 702,848</u>

Supplemental Disclosure:

Income Taxes Paid **\$1,957**

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, 2012

	<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)	\$ (7,076)	\$ (3,874)	\$ (10,950)
Adjustments to reconcile net income to net cash provided by operating activities:			
Decrease (increase) in escrow	(2,000)	-0-	(2,000)
Decrease (increase) in accounts receivable	14,252	-0-	14,252
Decrease (increase) in prepaid insurance	(4,644)	-0-	(4,644)
(Decrease) increase in payables	169	-0-	169
(Decrease) increase in payroll taxes payable	45	-0-	45
(Decrease) increase in prepaid assessments	(2,261)	-0-	(2,261)
(Decrease) increase in security and key deposits	1,865	-0-	1,865
Decrease (increase) in prepaid taxes	<u>495</u>	<u>-0-</u>	<u>495</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ 845</u>	<u>\$ (3,874)</u>	<u>\$ (3,029)</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, 2012

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, 2012

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, 2012 consisted of homeowners of the Association.

Date of Management Review :

The Association has evaluated subsequent events and transactions after December 31, 2012 through February 5, 2013, 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, 2012:

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, 2012 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>

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2012

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 \$632,705 at December 31, 2012, 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, 2011 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, 2012</u>	<u>Member Assess- ments</u>	<u>Interest and Other</u>	<u>(Expenses)</u>	<u>Balance December 31, 2012</u>
Roof	\$ 227,761	\$ 6,299	\$ 1,198	\$ (4,235)	\$ 231,023
Building painting	101,177	4,004	762	-0-	105,943
Parking lot	16,171	823	156	(12,600)	4,550
Pool/Spa	16,864	464	88	(1,831)	15,585
Carpet replacement	49,103	2,303	439	-0-	51,845
Pool furniture	8,110	-0-	-0-	(858)	7,252
Elevator	45,719	1,408	268	(3,340)	44,055
Air conditioners	51,459	1,528	291	(6,220)	47,058
Generator	32,392	928	177	-0-	33,497
Fire pump	36,874	1,313	250	-0-	38,437
Spa/Pool heaters	5,486	3,089	588	(4,000)	5,163
Fire Panel	45,463	2,381	453	-0-	48,297
Total	<u>\$ 636,579</u>	<u>\$ 24,540</u>	<u>\$ 4,670</u>	<u>\$ (33,084)</u>	<u>\$ 632,705</u>

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2012

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, 2012. 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 2011, 2010, and 2009 remain open to examination by the Internal Revenue Service; state income tax returns for 2011, 2010, and 2009 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 several financial institutions located in Charlotte County, Florida. Accounts at each institution are secured by the Federal Deposit Insurance Company (FDIC) up to \$250,000. At December 31, 2012, the Association had no significant concentration of credit risk.

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2012

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, 2012

	<u>Actual</u>	<u>Budget</u> (Unaudited)	<u>Variance</u> (Unaudited)
<u>Receipts:</u>			
Assessments	\$ 413,674	\$ 413,674	\$ -0-
Less: Restricted reserves	<u>24,540</u>	<u>24,540</u>	<u>-0-</u>
Net Fees	389,134	389,134	-0-
Interest	-0-	6,700	(6,700)
Insurance revenue	1,172	145	1,027
Other	<u>17,575</u>	<u>6,675</u>	<u>10,900</u>
Total Receipts	<u>407,881</u>	<u>402,654</u>	<u>5,227</u>
<u>Disbursements:</u>			
Salaries:			
Manager	55,563	56,727	(1,164)
Maintenance	12,206	13,825	(1,619)
Janitorial	7,192	16,750	(9,558)
Clerical	130	800	(670)
Miscellaneous payroll	-0-	2,476	(2,476)
Payroll taxes	7,406	6,945	461
Temporary employee	10,620	-0-	10,620
Accounting	6,075	6,230	(155)
Employee recognition	312	435	(123)
Bank charges	40	270	(230)
Move in/out supervision	850	600	250
Recreation	662	800	(138)
Background checks	1,200	1,920	(720)
Diesel fuel – fire pump	-0-	250	(250)
Insurance:			
General and flood	70,140	72,935	(2,795)
Employee health	4,800	4,800	-0-
Workers compensation	2,418	2,392	26
Postage, stationary and supplies	1,094	1,640	(546)
Gasoline for errands	1,260	1,260	-0-
Miscellaneous	1,543	1,028	515
Legal	16,576	7,845	8,731
Inspection fees and license	953	1,200	(247)
Corporate registration – unit tax	588	648	(60)
Telephone	3,762	2,922	840
Water/Sewer	91,010	90,877	133
Electric	26,646	26,913	(267)
Lawn contract	12,139	12,000	139
Spraying and fertilizing	45	420	(375)
Office equipment	-0-	200	(200)
Tree trimming	-0-	400	(400)
Waste management	716	720	(4)
Brokerage expense	26	-0-	26

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, 2012

Outside pest control	1,850	3,000	(1,150)
Fire alarm service	3,867	2,630	1,237
Exit lighting service	173	200	(27)
Small tools	240	450	(210)
Janitorial services	300	300	-0-
Air conditioner repair	995	1,200	(205)
Outside services	27,378	7,534	19,844
Irrigation repair	974	1,200	(226)
LP gas generator	179	250	(71)
Computer software	336	650	(314)
Work clothes	141	195	(54)
Office equipment repairs	-0-	2,468	(2,468)
Advertising	179	300	(121)
Corporate tax	2,452	-0-	2,452
Bad debts	-0-	5,361	(5,361)
Hardware	636	1,400	(764)
Janitorial supplies	298	400	(102)
Paint, lamps and hardware	3,727	3,787	(60)
Fire extinguishers	893	1,020	(127)
Equipment rental and repair	-0-	600	(600)
Diesel and fire pump inspection	1,388	875	513
Building Repairs	8,207	7,768	439
Training and education	35	225	(190)
Water pump inspection	235	280	(45)
Elevator maintenance	5,293	5,852	(559)
Fire sprinkler repair	805	800	5
Pest control – Units	4,608	3,351	1,257
Pool and spa chemicals	2,958	-0-	2,958
Pool and spa service	5,829	7,280	(1,451)
Pool and spa repairs	1,616	2,750	(1,134)
Plants	624	900	(276)
Mulch	2,769	3,400	(631)
Total Disbursements	<u>414,957</u>	<u>402,654</u>	<u>12,303</u>
Net Excess (Deficit)	<u>\$ (7,076)</u>	<u>\$ -0-</u>	<u>\$ (7,076)</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, 2012
(UNAUDITED)

An independent engineer conducted a study in July 2011 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 12/31/12</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>2013 Statutory Funding Requirement</u>
Roof	\$ 231,023	13	\$ 315,000	\$ 6,178
Building painting	105,943	7	110,000	-0-
Parking lot	4,550	4	20,000	2,408
Pool/Spa	15,585	6	20,000	758
Pool furniture	7,252	2	5,000	-0-
Elevator	44,055	20	80,000	1,355
Air conditioners	47,058	4	45,000	3,075
Generator	33,497	15	47,000	916
Fire pump	38,437	20	73,000	1,324
Spa/pool heaters	5,163	7	16,000	1,643
Fire panel	48,297	20	95,000	2,363
Carpet replacement	51,845	4	60,000	2,161
Totals	<u>\$ 632,705</u>		<u>\$ 886,000</u>	<u>\$ 22,181</u>