

PROMENADES EAST  
CONDOMINIUM ASSOCIATION, INC.

PORT CHARLOTTE, FLORIDA

FINANCIAL REPORT

DECEMBER 31, 2014

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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, 2014**, 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, 2014**, 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 28, 2015

**FINANCIAL REPORT**

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**BALANCE SHEET**  
**DECEMBER 31, 2014**

<u>ASSETS</u>	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total (Memo Only)</u>
<u>Current Assets</u>			
Cash	\$ 61,118	\$ 616,003	\$ 677,121
Cash - Escrow	23,500	-0-	23,500
Condominium fees receivable	2,670	-0-	2,670
Prepaid insurance	<u>48,288</u>	<u>-0-</u>	<u>48,288</u>
Total Current Assets	<u>135,576</u>	<u>616,003</u>	<u>751,579</u>
<u>Common Property and Equipment</u>			
(Note 2)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	<u>\$ 135,576</u>	<u>\$ 616,003</u>	<u>\$ 751,579</u>

LIABILITIES AND FUND BALANCES

<u>Current Liabilities</u>			
Accounts payable	\$ 249	\$ -0-	\$ 249
Payroll taxes payable	1,743	-0-	1,743
Prepaid assessment	19,032	-0-	19,032
Security and key deposits	<u>26,150</u>	<u>-0-</u>	<u>26,150</u>
Total Current Liabilities	<u>47,174</u>	<u>-0-</u>	<u>47,174</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-	616,003	616,003
Unrestricted fund balance	<u>40,125</u>	<u>-0-</u>	<u>40,125</u>
Total Fund Balances	<u>88,402</u>	<u>616,003</u>	<u>704,405</u>
Total Liabilities and Fund Balances	<u>\$ 135,576</u>	<u>\$ 616,003</u>	<u>\$ 751,579</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, 2014**

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
<b><u>Revenues:</u></b>			
Assessments	\$ 354,680	\$ 58,994	\$ 413,674
Interest	110	1,468	1,578
Other	<u>9,541</u>	<u>-0-</u>	<u>9,541</u>
Total Revenues	<u>364,331</u>	<u>60,462</u>	<u>424,793</u>
 <b><u>Expenses:</u></b>			
<b>Salaries:</b>			
Manager	58,189	-0-	58,189
Maintenance	15,474	-0-	15,474
Janitorial	14,905	-0-	14,905
Clerical	320	-0-	320
Payroll taxes	7,424	-0-	7,424
Unemployment tax	222	-0-	222
Accounting	6,125	-0-	6,125
Employee recognition	300	-0-	300
Bank charges	26	-0-	26
Legal	3,429	-0-	3,429
Recreation	632	-0-	632
Background checks	2,039	-0-	2,039
<b>Insurance:</b>			
General	67,442	-0-	67,442
Flood	1,215	-0-	1,215
Employee health	6,300	-0-	6,300
Workers compensation	2,906	-0-	2,906
Postage, stationary and supplies	756	-0-	756
Gasoline for errands	510	-0-	510
Miscellaneous	872	-0-	872
Inspection fees and license	611	-0-	611
State unit tax	588	-0-	588
Telephone	3,702	-0-	3,702
Water/Sewer	94,765	-0-	94,765
Electric	32,115	-0-	32,115
Lawn contract	12,000	-0-	12,000
Spraying/fertilizing lawn	289	-0-	289
Air conditioner repair	787	-0-	787
Tree trimming	450	-0-	450
Waste management	720	-0-	720
Small tools	100	-0-	100
Move in/out supervision	450	-0-	450

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, 2014**

	Unrestricted <u>Fund</u>	Restricted <u>Fund</u>	Total <u>(Memo Only)</u>
Equipment rental and repair	694	-0-	694
Office equipment repair	1,184	-0-	1,184
Office equipment other	149	-0-	149
Bad debts	9,894	-0-	9,894
Diesel Fuel – Fire pump	300	-0-	300
Training and education	129	-0-	129
Exit lighting service	243	-0-	243
Fire alarm service – inspection - repair	3,352	-0-	3,352
Outside services	4,422	-0-	4,422
Irrigation repair	1,698	-0-	1,698
Outside pest control	3,000	-0-	3,000
Computer software	5	-0-	5
Work clothes	184	-0-	184
Hardware	196	-0-	196
Janitorial service	582	-0-	582
Janitorial supplies	353	-0-	353
Paint, lamps and hardware	3,234	-0-	3,234
Fire extinguisher service	440	-0-	440
Annual backflow water inspection	235	-0-	235
Diesel and fire pump inspection	778	-0-	778
Building Repairs	4,862	-0-	4,862
Mulch	2,200	-0-	2,200
Elevator maintenance	4,710	-0-	4,710
Sprinkler repair and inspection	935	-0-	935
Inside pest control	3,306	-0-	3,306
Pool and spa service	6,760	-0-	6,760
Pool and spa filters and repairs	2,236	-0-	2,236
Plants	1,188	-0-	1,188
Parking lot seal	-0-	1,528	1,528
Roof	-0-	8,208	8,208
Carpet	-0-	3,000	3,000
	<u>392,932</u>	<u>12,736</u>	<u>405,668</u>
Total Expenses			
Net Excess (Deficit)	<u>\$ (28,601)</u>	<u>\$ 47,726</u>	<u>\$ 19,125</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, 2014**

	<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, 2014	\$ 44,692	\$ 3,585	\$ 568,277	\$ 72,286	\$ 688,840
Net excess (Deficit)	-0-	-0-	47,726	(28,601)	19,125
Prior Period Adjustment	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(3,560)</u>	<u>(3,560)</u>
Balance - December 31, 2014	<u>\$ 44,692</u>	<u>\$ 3,585</u>	<u>\$ 616,003</u>	<u>\$ 40,125</u>	<u>\$ 704,405</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, 2014**

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total (Memo Only)</u>
Cash Flows from Operating Activities:			
Cash received from members and other	\$ 378,236	\$ 58,994	\$ 437,230
Cash paid to suppliers and employees	(381,828)	(12,736)	(394,564)
Interest	<u>110</u>	<u>1,468</u>	<u>1,578</u>
 Net Cash Provided (Used) By Operating Activities	 <u>(3,482)</u>	 <u>47,726</u>	 <u>44,244</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	 (3,482)	 47,726	 44,244
 Cash and cash equivalents - Beginning of year	 <u>64,600</u>	 <u>568,277</u>	 <u>632,877</u>
 Cash and Cash Equivalents - End of Year	 <u><b>\$ 61,118</b></u>	 <u><b>\$ 616,003</b></u>	 <u><b>\$ 677,121</b></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, 2014**

	<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)	\$ (28,601)	\$ 47,726	\$ 19,125
Adjustments to reconcile net income to net			
cash provided by operating activities:			
Decrease (increase) in escrow	(1,000)	-0-	(1,000)
Decrease (increase) in accounts receivable	12,371	-0-	12,371
Decrease (increase) in prepaid insurance	6,696	-0-	6,696
(Decrease) increase in payables	(56)	-0-	(56)
(Decrease) increase in payroll taxes payable	1,871	-0-	1,871
(Decrease) increase in prepaid assessments	1,644	-0-	1,644
(Decrease) increase in security and key deposits	<u>3,593</u>	<u>-0-</u>	<u>3,593</u>
Net Cash Provided (Used)			
By Operating Activities	<u>\$ (3,482)</u>	<u>\$ 47,726</u>	<u>\$ 44,244</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, 2014**

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, 2014**

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, 2014 consisted of homeowners of the Association.

Date of Management Review:

The Association has evaluated subsequent events and transactions after December 31, 2014 through January 28, 2015, 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, 2014:

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

Note 3 Owners' Capital Contribution

At December 31, 2014 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>\$ 44,692</u>

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

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 \$616,003 at December 31, 2014, 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, 2014</u>	<u>Member Assess- ments</u>	<u>Interest and Other</u>	<u>(Expenses)</u>	<u>Balance December 31, 2014</u>
Roof	\$ 244,300	\$ 10,826	\$ 269	\$ (8,208)	\$ 247,187
Building painting	614	25,468	633	-0-	26,715
Parking lot	10,100	3,870	95	(1,528)	12,537
Pool/Spa	15,984	1,646	40	-0-	17,670
Carpet replacement	54,131	3,138	77	(3,000)	54,346
Pool furniture	5,210	-0-	-0-	-0-	5,210
Elevator	44,020	3,174	82	-0-	47,276
Air conditioners	54,140	-0-	-0-	-0-	54,140
Generator	35,608	1,505	37	-0-	37,150
Fire pump	41,487	2,944	73	-0-	44,504
Spa/Pool heaters	8,949	2,508	62	-0-	11,519
Fire Panel	53,734	3,915	100	-0-	57,749
Total	<u>\$ 568,277</u>	<u>\$ 58,994</u>	<u>\$ 1,468</u>	<u>\$ (12,736)</u>	<u>\$ 616,003</u>

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

**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, 2014. 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 2013, 2012, and 2011 remain open to examination by the Internal Revenue Service; state income tax returns for 2013, 2012, and 2011 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, 2014, the Association had no significant concentration of credit risk.

**PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.**  
**PORT CHARLOTTE, FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2014**

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 Prior Period Adjustment

A prior period adjustment was made for attorney fees, collection costs, and other fees on a unit for years prior to the current period that were discharged by the court during the foreclosure process

**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, 2014**

	<u>Actual</u>	<u>Budget</u> (Unaudited)	<u>Variance</u> (Unaudited)
<b><u>Receipts:</u></b>			
Assessments	\$ 413,674	\$ 413,674	\$ -0-
Less: Restricted reserves	<u>58,994</u>	<u>34,744</u>	<u>24,250</u>
Net Fees	354,680	378,930	(24,250)
Interest	110	2,500	(2,390)
Other	<u>9,541</u>	<u>4,050</u>	<u>5,491</u>
Total Receipts	<u>364,331</u>	<u>385,480</u>	<u>(21,149)</u>
<b><u>Disbursements:</u></b>			
Salaries:			
Manager	58,189	58,590	(401)
Maintenance	15,474	14,550	924
Janitorial	14,905	14,642	263
Clerical	320	800	(480)
Payroll taxes	7,424	7,213	211
Unemployment tax	222	200	22
Accounting	6,125	6,430	(305)
Employee recognition	300	335	(35)
Bank charges	26	70	(44)
Legal	3,429	4,000	(571)
Recreation	632	800	(168)
Background checks	2,039	1,500	539
Insurance:			
General	67,442	69,850	(2,408)
Flood	1,215	1,480	(265)
Employee health	6,300	5,400	900
Workers compensation	2,906	2,400	506
Postage, stationary and supplies	756	1,200	(444)
Gasoline for errands	510	960	(450)
Miscellaneous	872	1,028	(156)
Inspection fees and license	611	1,400	(789)
State unit tax	588	588	-0-
Telephone	3,702	3,420	282
Water/Sewer	94,765	90,877	3,888
Electric	32,115	26,913	5,202
Lawn contract	12,000	12,000	-0-
Spraying/fertilizing lawn	289	420	(131)
Air conditioner repair	787	1,400	(613)
Tree trimming	450	400	50
Waste management	720	740	(20)
Small tools	100	450	(350)
Move in/out supervision	450	600	(150)

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, 2014**

Disbursements (continued):

Equipment rental and repair	694	600	94
Office equipment repair	1,184	1,256	(72)
Office equipment other	149	200	(51)
Bad debts	9,894	915	8,979
Diesel Fuel – Fire pump	300	450	(150)
Training and education	129	180	(51)
Exit lighting service	243	250	(7)
Fire alarm service – inspection - repair	3,352	2,860	492
Outside services	4,422	5,100	(678)
Irrigation repair	1,698	2,400	(702)
Outside pest control	3,000	3,000	-0-
Computer software	5	300	(295)
Work clothes	184	250	(66)
Hardware	196	400	(204)
Janitorial service	582	500	82
Janitorial supplies	353	400	(47)
Paint, lamps and hardware	3,234	2,800	434
Fire extinguisher service	440	1,020	(580)
Annual backflow water inspection	235	250	(15)
Diesel and fire pump inspection	778	1,280	(502)
Building Repairs	4,862	4,700	162
Mulch	2,200	2,200	-0-
Elevator maintenance	4,710	5,852	(1,142)
Sprinkler repair and inspection	935	1,050	(115)
Inside Pest control	3,306	3,351	(45)
Pool and spa service	6,760	7,280	(520)
Pool and spa filters and repairs	2,236	2,750	(514)
Plants	1,188	1,200	(12)
Advertising	-0-	180	(180)
LP Gas Generator	-0-	250	(250)
Federal Tax	-0-	1,600	(1,600)
	<u>392,932</u>	<u>385,480</u>	<u>7,452</u>
Total Disbursements			
Net Excess (Deficit)	<u>\$ (28,601)</u>	<u>\$ -0-</u>	<u>\$ (28,061)</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, 2014**  
**(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 12/31/14</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>2015 Statutory Funding Requirement</u>
Roof	\$ 247,187	11	\$ 315,000	\$ 6,267
Building painting	26,715	7	120,000	13,571
Parking lot	12,537	2	14,000	861
Pool/Spa	17,670	4	20,000	610
Pool furniture	5,210	7	5,000	-0-
Elevator	47,276	18	80,000	1,830
Air conditioners	54,140	2	45,000	-0-
Generator	37,150	13	47,000	765
Fire pump	44,504	18	73,000	1,594
Spa/pool heaters	11,519	5	16,000	930
Fire panel	57,749	18	95,000	2,084
Carpet replacement	54,346	2	60,000	1,432
Totals	<b><u>\$ 616,003</u></b>		<b><u>\$ 890,000</u></b>	<b><u>\$ 29,944</u></b>

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