

PROMENADES EAST
CONDOMINIUM ASSOCIATION, INC.

PORT CHARLOTTE, FLORIDA

FINANCIAL REPORT

DECEMBER 31, 2017

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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, 2017**, 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

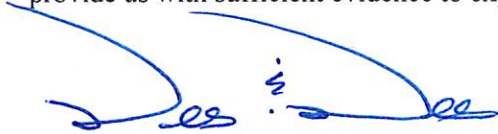
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Promenades East Condominium Association, Inc.** as of **December 31, 2017**, and the results of its operations and cash flows for the year then ended in conformity with accounting 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 1, 2018

FINANCIAL REPORT

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
BALANCE SHEET
DECEMBER 31, 2017

<u>ASSETS</u>	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
<u>Current Assets</u>			
Cash	\$ 55,740	\$ 440,629	\$ 496,369
Cash - Escrow	22,000	-0-	22,000
Condominium fees receivable	12,042	-0-	12,042
Prepaid insurance	<u>28,988</u>	<u>-0-</u>	<u>28,988</u>
Total Current Assets	<u>118,770</u>	<u>440,629</u>	<u>559,399</u>
<u>Common Property and Equipment</u> (Note 2)			
	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	<u>\$ 118,770</u>	<u>\$ 440,629</u>	<u>\$ 559,399</u>

LIABILITIES AND FUND BALANCES

<u>Current Liabilities</u>			
Payroll taxes payable	\$ 2,227	\$ -0-	\$ 2,227
Prepaid assessment	31,318	-0-	31,318
Security and key deposits	<u>24,570</u>	<u>-0-</u>	<u>24,570</u>
Total Current Liabilities	<u>58,115</u>	<u>-0-</u>	<u>58,115</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-	440,629	440,629
Unrestricted fund balance	<u>12,378</u>	<u>-0-</u>	<u>12,378</u>
Total Fund Balances	<u>60,655</u>	<u>440,629</u>	<u>501,284</u>
Total Liabilities and Fund Balances	<u>\$ 118,770</u>	<u>\$ 440,629</u>	<u>\$ 559,399</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, 2017

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
<u>Revenues:</u>			
Assessments	\$ 380,190	\$ 33,484	\$ 413,674
Interest	147	2,346	2,493
Other	<u>10,599</u>	<u>10,448</u>	<u>21,047</u>
Total Revenues	<u>390,936</u>	<u>46,278</u>	<u>437,214</u>
<u>Expenses:</u>			
Salaries:			
Manager	65,162	-0-	65,162
Maintenance	16,931	-0-	16,931
Janitorial	16,598	-0-	16,598
Payroll taxes	8,239	-0-	8,239
Unemployment tax	21	-0-	21
Accounting	6,120	-0-	6,120
Janitorial service	250	-0-	250
Bank charges	481	-0-	481
Legal	2,082	-0-	2,082
Recreation	400	-0-	400
Background checks	1,317	-0-	1,317
Insurance:			
General	39,570	-0-	39,570
Flood	1,799	-0-	1,799
Employee health	7,000	-0-	7,000
Workers compensation	3,000	-0-	3,000
Postage, stationery and supplies	691	-0-	691
Gasoline for errands	360	-0-	360
Miscellaneous	5,432	-0-	5,432
Inspection fees and license	611	-0-	611
State unit tax	588	-0-	588
Telephone	3,791	-0-	3,791
Water/Sewer	105,727	-0-	105,727
Electric	32,262	-0-	32,262
Lawn contract	13,100	-0-	13,100
Spraying/fertilizing lawn	78	-0-	78
Air conditioner repair	2,597	-0-	2,597
Hardware	832	-0-	832
Waste management	743	-0-	743
Small tools	68	-0-	68
Move in/out supervision	150	-0-	150

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, 2017

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
	<u>Fund</u>	<u>Fund</u>	<u>(Memo Only)</u>
Office equipment - other	30	-0-	30
Diesel Fuel - Fire pump	371	-0-	371
Training and education	25	-0-	25
Exit lighting service	255	-0-	255
Fire alarm service - inspection - repair	5,113	-0-	5,113
Outside services	7,101	-0-	7,101
Irrigation repair	709	-0-	709
Outside pest control	4,895	-0-	4,895
Computer software	312	-0-	312
Work clothes	210	-0-	210
Office equipment - repair	2,591	-0-	2,591
LP Gas - generator	56	-0-	56
Janitorial supplies	1,097	-0-	1,097
Paint, lamps and hardware	3,399	-0-	3,399
Fire extinguisher service	390	-0-	390
Annual backflow water inspection	170	-0-	170
Diesel and fire pump inspection	529	-0-	529
Building Repairs	15,622	-0-	15,622
Mulch	2,400	-0-	2,400
Elevator maintenance	6,267	-0-	6,267
Sprinkler repair and inspection	1,150	-0-	1,150
Inside pest control	3,405	-0-	3,405
Pool and spa service	6,889	-0-	6,889
Pool and spa filters and repairs	4,793	-0-	4,793
Plants	590	-0-	590
Tree trimming	7,819	-0-	7,819
Equipment rental and repair	179	-0-	179
Pool furniture	-0-	160	160
Roof	-0-	24,274	24,274
Building painting	-0-	2,200	2,200
Parking Lot	-0-	9,381	9,381
Carpet replacement	-0-	88,968	88,968
Elevator	-0-	12,496	12,496
Total Expenses	<u>412,367</u>	<u>137,479</u>	<u>549,846</u>
Net Excess (Deficit)	<u>\$ (21,431)</u>	<u>\$ (91,201)</u>	<u>\$ (112,632)</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, 2017

	<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, 2017	\$ 44,692	\$ 3,585	\$ 531,830	\$ 33,809	\$ 613,916
Net Excess (Deficit)	<u>-0-</u>	<u>-0-</u>	<u>(91,201)</u>	<u>(21,431)</u>	<u>(112,632)</u>
Balance - December 31, 2017	<u>\$ 44,692</u>	<u>\$ 3,585</u>	<u>\$ 440,629</u>	<u>\$ 12,378</u>	<u>\$ 501,284</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, 2017

	<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	\$ 396,710	\$ 43,932	\$ 440,642
Cash paid to suppliers and employees	(405,113)	(137,479)	(542,592)
Interest	<u>147</u>	<u>2,346</u>	<u>2,493</u>
Net Cash Provided (Used) By Operating Activities	<u>(8,256)</u>	<u>(91,201)</u>	<u>(99,457)</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	(8,256)	(91,201)	(99,457)
Cash and cash equivalents - Beginning of year	<u>63,996</u>	<u>531,830</u>	<u>595,826</u>
Cash and Cash Equivalents - End of Year	<u>\$ 55,740</u>	<u>\$ 440,629</u>	<u>\$ 496,369</u>

Supplemental Disclosure:

Income Taxes Paid \$ -0-

Interest Paid \$ -0-

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
STATEMENT OF CASH FLOWS (CONT.)
FOR YEAR ENDED DECEMBER 31, 2017

	<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)	\$ (21,431)	\$ (91,201)	\$ (112,632)
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	(8,069)	-0-	(8,069)
Decrease (increase) in prepaid insurance	7,532	-0-	7,532
(Decrease) increase in payroll taxes payable	(278)	-0-	(278)
(Decrease) increase in prepaid assessments	13,990	-0-	13,990
(Decrease) increase in security and key deposits	<u>(1,500)</u>	<u>-0-</u>	<u>(1,500)</u>
Net Cash Provided (Used) By Operating Activities	<u>\$ (8,256)</u>	<u>\$ (91,201)</u>	<u>\$ (99,457)</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, 2017

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, 2017

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, 2017 consisted of homeowners of the Association.

Date of Management Review:

The Association has evaluated subsequent events and transactions after December 31, 2017 through February 1, 2018, 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, 2017:

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, 2017 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, 2017

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 \$440,629 at December 31, 2017, 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, 2017</u>	<u>Member Assess- ments</u>	<u>Other Contri- butions</u>	<u>Interest</u>	<u>(Expenses)</u>	<u>Balance December 31, 2017</u>
Roof	\$ 100,666	\$ 3,057	\$ -0-	\$ 214	\$ (24,274)	\$ 79,663
Building painting	56,276	18,768	-0-	1,315	(2,200)	74,159
Parking lot	12,881	151	-0-	11	(9,381)	3,662
Pool/Spa	18,830	586	-0-	41	-0-	19,457
Carpet replacement	79,927	1,808	10,448	127	(88,968)	3,342
Pool furniture	4,595	67	-0-	5	(160)	4,507
Elevator	47,360	2,039	-0-	143	(12,496)	37,046
Air conditioners	53,840	-0-	-0-	-0-	-0-	53,840
Generator	38,702	1,574	-0-	110	-0-	40,386
Fire pump	45,530	2,156	-0-	151	-0-	47,837
Spa/Pool heaters	11,225	1,259	-0-	88	-0-	12,572
Fire Panel	61,998	2,019	-0-	141	-0-	64,158
Total	<u>\$ 531,830</u>	<u>\$ 33,484</u>	<u>\$ 10,448</u>	<u>\$ 2,346</u>	<u>\$(137,479)</u>	<u>\$ 440,629</u>

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2017

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, 2017. 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 2016, 2015, and 2014 remain open to examination by the Internal Revenue Service; state income tax returns for 2016, 2015, and 2014 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, 2017, the Association had no significant concentration of credit risk.

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 20167

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, 2017

	<u>Actual</u>	<u>Budget</u> (Unaudited)	<u>Variance</u> (Unaudited)
<u>Receipts:</u>			
Assessments	\$ 413,674	\$ 413,674	\$ -0-
Less: Restricted reserves	<u>33,484</u>	<u>33,484</u>	<u>-0-</u>
Net Fees	380,190	380,190	-0-
Interest	147	850	(703)
Other	<u>10,599</u>	<u>4,600</u>	<u>5,999</u>
Total Receipts	<u>390,936</u>	<u>385,640</u>	<u>5,296</u>
<u>Disbursements:</u>			
Salaries:			
Manager	65,162	65,164	2
Maintenance	16,931	16,834	(97)
Janitorial	16,598	17,038	440
Clerical	-0-	200	200
Payroll taxes	8,239	7,900	(339)
Unemployment tax	21	-0-	(21)
Accounting	6,120	6,600	480
Employee recognition	-0-	335	335
Bank charges	481	210	(271)
Legal	2,082	2,400	318
Recreation	400	825	425
Background checks	1,317	1,200	(117)
Insurance:			
General	39,570	41,606	2,036
Flood	1,799	1,799	-0-
Employee health	7,000	7,200	200
Workers compensation	3,000	2,900	(100)
Postage, stationary and supplies	691	860	169
Gasoline for errands	360	360	-0-
Miscellaneous	5,432	2,200	(3,232)
Inspection fees and license	611	960	349
State unit tax	588	588	-0-
Telephone	3,791	3,620	(171)
Water/Sewer	105,727	100,361	(5,366)
Electric	32,262	29,313	(2,949)
Lawn contract	13,100	13,200	100
Spraying/fertilizing lawn	78	220	142
Air conditioner repair	2,597	1,400	(1,197)
Tree trimming	7,819	400	(7,419)
Waste management	743	740	(3)
Small tools	68	450	382
Move in/out supervision	150	300	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, 2017

Disbursements (continued):

Equipment rental and repair	179	200	21
Office equipment repair	2,591	949	(1,642)
Office equipment other	30	200	170
Bad debts	-0-	1,000	1,000
Diesel Fuel – Fire pump	371	450	79
Training and education	25	-0-	(25)
Exit lighting service	255	250	(5)
Fire alarm service – inspection - repair	5,113	2,400	(2,713)
Outside services	7,101	4,200	(2,901)
Irrigation repair	709	1,200	491
Outside pest control	4,895	3,150	(1,745)
Computer software	312	400	88
Work clothes	210	250	40
Hardware	832	600	(232)
Janitorial service	250	600	350
Janitorial supplies	1,097	500	(597)
Paint, lamps and hardware	3,399	2,500	(899)
Fire extinguisher service	390	520	130
Annual backflow water inspection	170	200	30
Diesel and fire pump inspection	529	1,280	751
Building Repairs	15,622	13,075	(2,547)
Mulch	2,400	2,400	-0-
Elevator maintenance	6,267	5,852	(415)
Sprinkler repair and inspection	1,150	1,650	500
Inside Pest control	3,405	3,351	(54)
Pool and spa service	6,889	7,120	231
Pool and spa filters and repairs	4,793	2,250	(2,543)
Plants	590	1,200	610
Advertising	-0-	180	180
LP Gas Generator	56	250	194
Federal tax	-0-	100	100
Continuing Education	-0-	180	180
	<u>412,367</u>	<u>385,640</u>	<u>(26,727)</u>
Total Disbursements	<u>412,367</u>	<u>385,640</u>	<u>(26,727)</u>
Net Excess (Deficit)	<u>\$ (21,431)</u>	<u>\$ -0-</u>	<u>\$ (21,431)</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, 2017
(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 12/31/17</u>	<u>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>2018 Statutory Funding Requirement</u>
Roof	\$ 79,663	8	\$ 120,000	\$ 2,125
Building painting	74,159	5	150,000	16,200
Parking lot	3,662	5	14,000	2,000
Pool/Spa	19,457	1	20,000	800
Pool furniture	4,507	3	5,000	133
Elevator	37,046	15	80,000	2,087
Air conditioners	53,840	0	50,000	-0-
Generator	40,386	10	56,000	1,610
Fire pump	47,837	15	80,000	2,200
Spa/pool heaters	12,572	2	14,000	1,000
Fire panel	64,158	15	95,000	2,113
Carpet replacement	3,342	11	90,000	7,273
Totals	<u>\$ 440,629</u>		<u>\$ 774,000</u>	<u>\$ 37,541</u>