

PROMENADES EAST
CONDOMINIUM ASSOCIATION, INC.

PORT CHARLOTTE, FLORIDA

FINANCIAL REPORT

DECEMBER 31, 2020

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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, 2020**, 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

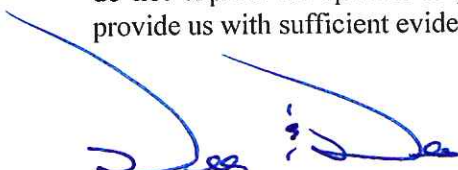
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Promenades East Condominium Association, Inc.** as of **December 31, 2020**, and the results of its operations and cash flows for the year then ended in conformity with accounting 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 15 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, 2021

FINANCIAL REPORT

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
BALANCE SHEET
DECEMBER 31, 2020

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total (Memo Only)</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash	\$ 58,975	\$ 327,270	\$ 386,245
Cash - Escrow	23,000	-0-	23,000
Assessments receivable	2,671	-0-	2,671
Prepaid insurance	<u>32,884</u>	<u>-0-</u>	<u>32,884</u>
Total Current Assets	<u>117,530</u>	<u>327,270</u>	<u>444,800</u>
<u>Property and Equipment</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	<u>\$ 117,530</u>	<u>\$ 327,270</u>	<u>\$ 444,800</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Current Liabilities</u>			
Payroll taxes payable	\$ 2,107	\$ -0-	\$ 2,107
Prepaid assessment	24,766	-0-	24,766
Security and key deposits	25,105	-0-	25,105
Contract liabilities (assessments received in advance -- restricted fund)	<u>-0-</u>	<u>327,270</u>	<u>327,270</u>
Total Current Liabilities	<u>51,978</u>	<u>327,270</u>	<u>379,248</u>
<u>Fund Balances</u>			
Owners' capital contributions	44,692	-0-	44,692
Developer capital contribution	3,585	-0-	3,585
Unrestricted fund balance	<u>17,275</u>	<u>-0-</u>	<u>17,275</u>
Total Fund Balances	<u>65,552</u>	<u>-0-</u>	<u>65,552</u>
Total Liabilities and Fund Balances	<u>\$ 117,530</u>	<u>\$ 327,270</u>	<u>\$ 444,800</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, 2020

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
<u>Revenues:</u>			
Assessments	\$ 424,227	\$ 26,244	\$ 450,471
Interest	254	287	541
Other revenue	<u>28,724</u>	<u>-0-</u>	<u>28,724</u>
Total Revenues	<u>453,205</u>	<u>26,531</u>	<u>479,736</u>
<u>Expenses:</u>			
Salaries:			
Manager	72,238	-0-	72,238
Janitorial	20,749	-0-	20,749
Payroll taxes	7,790	-0-	7,790
Temporary employee	29,526	-0-	29,526
Accounting	6,115	-0-	6,115
Janitorial service	1,679	-0-	1,679
Bank charges	228	-0-	228
Legal	2,362	-0-	2,362
Recreation	257	-0-	257
Background checks	1,353	-0-	1,353
Insurance:			
General	40,329	-0-	40,329
Flood	1,942	-0-	1,942
Employee health	7,200	-0-	7,200
Workers compensation	1,841	-0-	1,841
Postage, stationary and supplies	646	-0-	646
Buildings repairs	29,347	-0-	29,347
Inspection fees and license	611	-0-	611
State unit tax	588	-0-	588
Telephone	3,481	-0-	3,481
Water/Sewer	124,053	-0-	124,053
Electric	28,838	-0-	28,838
Lawn contract	21,980	-0-	21,980
Spraying/fertilizing lawn	200	-0-	200
Air conditioner repair	2,488	-0-	2,488
Hardware	593	-0-	593
Waste management	857	-0-	857
Small tools	243	-0-	243
Employee recognition	210	-0-	210
Diesel fuel – fire pump	290	-0-	290

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, 2020

	Unrestricted Fund	Restricted Fund	Total (Memo Only)
Training and education	199	-0-	199
Exit lighting service	185	-0-	185
Fire alarm service - inspection - repair	4,726	-0-	4,726
Outside services	2,213	-0-	2,213
Irrigation repair	559	-0-	559
Outside pest control	1,900	-0-	1,900
Computer software	421	-0-	421
L.P. Gas - generator	752	-0-	752
Office equipment - repair	88	-0-	88
Janitorial supplies	1,875	-0-	1,875
Paint, lamps and hardware	2,348	-0-	2,348
Fire extinguisher service	261	-0-	261
Annual backflow water inspection	95	-0-	95
Diesel and fire pump inspection	1,723	-0-	1,723
Gasoline for repairs	360	-0-	360
Miscellaneous/contingencies	1,292	-0-	1,292
Mulch	2,400	-0-	2,400
Elevator maintenance	5,519	-0-	5,519
Sprinkler repair and inspection	2,017	-0-	2,017
Inside pest control	120	-0-	120
Pool and spa service	6,591	-0-	6,591
Pool and spa filters and repairs	2,708	-0-	2,708
Gardener	54	-0-	54
Tree trimming	4,108	-0-	4,108
Fire system	-0-	2,064	2,064
Parking lot	-0-	9,520	9,520
Roof	-0-	2,966	2,966
Building painting	-0-	2,843	2,843
Carpet replacement	-0-	5,799	5,799
Pool	-0-	3,339	3,339
Total Expenses	<u>450,548</u>	<u>26,531</u>	<u>477,079</u>
Net Excess (Deficit)	<u>\$ 2,657</u>	<u>\$ -0-</u>	<u>\$ 2,657</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, 2020

	<u>Owner's Capital Contribution</u>	<u>Developer Capital Contribution</u>	<u>Unrestricted Fund Balance</u>	<u>Total (Memo Only)</u>
Balance - January 1, 2020	\$ 44,692	\$ 3,585	\$ 14,618	\$ 62,895
Net Excess (Deficit)	<u>-0-</u>	<u>-0-</u>	<u>2,657</u>	<u>2,657</u>
Balance - December 31, 2020	<u>\$ 44,692</u>	<u>\$ 3,585</u>	<u>\$ 17,275</u>	<u>\$ 65,552</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, 2020

	Unrestricted Fund	Restricted Fund	Total (Memo Only)
Cash Flows from Operating Activities:			
Net Excess (Deficit)	\$ 2,657	\$ -0-	\$ 2,657
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	(936)	-0-	(936)
Decrease (increase) in prepaid insurance	(4,831)	-0-	(4,831)
(Decrease) increase in payroll taxes payable	(1,104)	-0-	(1,104)
(Decrease) increase in prepaid assessments	4,176	-0-	4,176
(Decrease) increase in security and key deposits	780	-0-	780
(Decrease) increase in contract liability – (assessments received in advance – restricted fund	-0-	22,789	22,789
Net Cash Provided (Used) By Operating Activities	(258)	22,789	22,531
Net Increase (Decrease) in Cash and Cash Equivalents	(258)	22,789	22,531
Cash and cash equivalents - Beginning of year	59,233	304,481	363,714
Cash and Cash Equivalents - End of Year	\$ 58,975	\$ 327,270	\$ 386,245

Supplemental Disclosure:

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

Interest Paid **\$ 133**

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 retain legal counsel and place liens on the properties of homeowners whose assessments are ten days or more 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, 2020

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 \$304,481 and \$327,270, 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, 2020 consisted of homeowners of the Association.

Note 2 Property and Equipment

Property and equipment are comprised of the following at December 31, 2020:

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>

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

Note 3 Owners' Capital Contribution

At December 31, 2020 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.	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 \$327,270 and are presented on the accompanying balance sheet as a contract liability (assessments received in advance-restricted fund) at December 31, 2020, 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 study in August 2019 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.

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	\$ 2,966
Building painting	2,843
Pool	3,339
Parking lot	9,520
Carpet replacement	5,799
Fire system	2,064
Total	<u>\$ 26,531</u>

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

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, 2020. 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 2019, 2018, and 2017 remain open to examination by the Internal Revenue Service; state income tax returns for 2019, 2018, and 2017 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, 2020, the Association had no significant concentration of credit risk.

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2020

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 Paycheck Protection Program

Small Business Administration (SBA) implemented the Paycheck Protection Program under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The loan amount was calculated based on the average monthly payroll for 2019 on a annualized basis. The loan was extended through Centennial Bank. The loan was forgiven on December 30, 2020 by the SBA and recognized as revenue during the year.

Total	\$ 20,804
Forgiven	<u>(20,804)</u>
Amount Due	<u><u>\$ -0-</u></u>

Note 12 Subsequent Events

Promenades East Condominium Association, Inc.'s management has performed subsequent events procedures through February 1, 2021, which is the date the financial statements were available to be issued. Other than the following there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein except as follows.

In March 2020, the World Health Organization ("WHO") declared the coronavirus (COVID 19), a global pandemic and public health emergency. The WHO has recommended containment and mitigation measures worldwide and domestically, self-isolation and shelter-in place requirements have been or are being put in place.

At this point, the Association cannot reasonably estimate the length or severity of this pandemic, or the extent to which this disruption may impact the Association's financial statements and future results of operations. The Association will continue to monitor and evaluate the nature and extent of the impact on their ongoing activities and the potential effect on the future contributions or funding and expenses, financial condition and liquidity.

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, 2020

	<u>Actual</u>	<u>Budget</u> (Unaudited)	<u>Variance</u> (Unaudited)
<u>Receipts:</u>			
Assessments	\$ 473,260	\$ 473,260	\$ -0-
Less: Restricted reserves	49,033	39,386	9,647
Net Fees	424,227	433,874	(9,647)
Interest	254	300	(46)
Other revenue	28,724	4,100	24,624
Total Receipts	<u>453,205</u>	<u>438,274</u>	<u>14,931</u>
<u>Disbursements:</u>			
Salaries:			
Manager	72,238	74,590	2,352
Janitorial	20,749	19,320	(1,429)
Clerical	-0-	200	200
Payroll taxes	7,790	7,236	(554)
Unemployment tax	-0-	100	100
Accounting	6,115	6,400	285
Employee recognition	210	350	140
Bank charges	228	200	(28)
Legal	2,362	1,500	(862)
Recreation	257	1,000	743
Background checks	1,353	1,500	147
Temporary employee	29,526	23,200	(6,326)
Insurance:			
General	40,329	40,000	(329)
Flood	1,942	1,800	(142)
Employee health	7,200	7,200	-0-
Workers compensation	1,841	1,800	(41)
Postage, stationary and supplies	646	900	254
Gasoline for errands	360	360	-0-
Miscellaneous	1,292	1,800	508
Inspection fees and license	611	611	-0-
State unit tax	588	588	-0-
Telephone	3,481	3,955	474
Water/Sewer	124,053	128,104	4,051
Electric	28,838	30,000	1,162
Lawn contract	21,980	14,400	(7,580)
Spraying/fertilizing lawn	200	120	(80)
Air conditioner repair	2,488	2,600	112
Tree trimming	4,108	4,200	92
Waste management	857	900	43
Small tools	243	360	117

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, 2020

Disbursements (continued):

Equipment rental and repair	-0-	200	200
Office equipment repair	88	400	312
Office equipment other	-0-	200	200
Bad debts	-0-	1,000	1,000
Diesel Fuel – Fire pump	290	450	160
Training and education	199	200	1
Exit lighting service	185	450	265
Fire alarm service – inspection - repair	4,726	2,800	(1,926)
Outside services	2,213	3,000	787
Irrigation repair	559	1,600	1,041
Outside pest control	1,900	2,200	300
Computer software	421	360	(61)
Work clothes	-0-	240	240
Hardware	593	600	7
Janitorial service	1,679	4,200	2,521
Janitorial supplies	1,875	1,200	(675)
Paint, lamps and hardware	2,348	2,200	(148)
Fire extinguisher service	261	360	99
Annual backflow water inspection	95	140	45
Diesel and fire pump inspection	1,723	1,600	(123)
Building repairs	29,347	13,200	(16,147)
Mulch	2,400	2,500	100
Elevator maintenance	5,519	6,000	481
Sprinkler repair and inspection	2,017	1,200	(817)
Inside Pest control	120	1,800	1,680
Pool and spa service	6,591	7,200	609
Pool and spa filters and repairs	2,708	2,350	(358)
Plants	-0-	960	960
Advertising	-0-	200	200
LP Gas Generator	752	250	(502)
Federal tax	-0-	100	100
Payroll expense	-0-	220	220
Carpet cleaning	-0-	3,600	3,600
Gardener	54	-0-	(54)
	<u>450,548</u>	<u>438,274</u>	<u>(12,274)</u>
Total Disbursements			
Net Excess (Deficit)	<u>\$ 2,657</u>	<u>\$ -0-</u>	<u>\$ 2,657</u>

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
FOR YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

An independent engineer conducted a study in August 2019 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>Estimated Remaining Useful Lives (Years)</u>	<u>Estimated Current Replacement Costs</u>	<u>Restricted Fund Contract Liabilities December 31, 2020</u>
Roof	6	\$ 120,000	\$ -0-
Building painting	7	220,000	-0-
Parking lot	3	14,000	-0-
Pool/Spa	9	30,000	-0-
Pool furniture	5	5,000	-0-
Elevator	14	80,000	-0-
Air conditioners	10	56,000	-0-
Generator	8	56,000	-0-
Fire pump	13	80,000	-0-
Spa/pool heaters	2	14,000	-0-
Fire panel	13	95,000	-0-
Carpet replacement	9	90,000	-0-
Totals		<u>\$ 860,000</u>	<u>\$ 327,270</u>