

PROMENADES EAST
CONDOMINIUM ASSOCIATION, INC.

PORT CHARLOTTE, FLORIDA

FINANCIAL REPORT

DECEMBER 31, 2021

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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, 2021**, 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

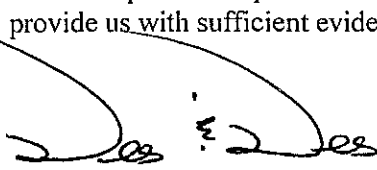
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Promenades East Condominium Association, Inc.** as of **December 31, 2021**, and the results of its operations and cash flows for the year then ended in conformity with accounting 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 3, 2022

FINANCIAL REPORT

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
BALANCE SHEET
DECEMBER 31, 2021

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total (Memo Only)</u>
<u>ASSETS</u>			
<u>Current Assets</u>			
Cash	\$ 110,766	\$ 338,634	\$ 449,400
Cash - Escrow	23,000	-0-	23,000
Assessments receivable	25,039	-0-	25,039
Prepaid insurance	<u>18,471</u>	<u>-0-</u>	<u>18,471</u>
Total Current Assets	<u>177,276</u>	<u>338,634</u>	<u>515,910</u>
<u>Property and Equipment</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Assets	<u>\$ 177,276</u>	<u>\$ 338,634</u>	<u>\$ 515,910</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Current Liabilities</u>			
Payroll taxes payable	\$ 2,664	\$ -0-	\$ 2,664
Prepaid assessment	14,889	-0-	14,889
Security and key deposits	25,020	-0-	25,020
Contract liabilities (assessments received in advance – restricted fund)	-0-	338,634	338,634
Contract liabilities (assessments received in advance – special assessment)	<u>85,774</u>	<u>-0-</u>	<u>85,774</u>
Total Current Liabilities	<u>128,347</u>	<u>338,634</u>	<u>466,981</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>652</u>	<u>-0-</u>	<u>652</u>
Total Fund Balances	<u>48,929</u>	<u>-0-</u>	<u>48,929</u>
Total Liabilities and Fund Balances	<u>\$ 177,276</u>	<u>\$ 338,634</u>	<u>\$ 515,910</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, 2021

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
<u>Revenues:</u>			
Assessments	\$ 435,946	\$ 25,950	\$ 461,896
Special assessment	15,235	-0-	15,235
Interest	56	4,152	4,208
Other revenue	<u>4,815</u>	<u>-0-</u>	<u>4,815</u>
Total Revenues	<u>456,052</u>	<u>30,102</u>	<u>486,154</u>
<u>Expenses:</u>			
Salaries:			
Manager	71,890	-0-	71,890
Janitorial	22,034	-0-	22,034
Maintenance	19,175	-0-	19,175
Payroll taxes	9,688	-0-	9,688
Temporary employee	5,004	-0-	5,004
Accounting	6,260	-0-	6,260
Janitorial service	1,912	-0-	1,912
Bank charges	393	-0-	393
Legal	1,317	-0-	1,317
Recreation	30	-0-	30
Background checks	1,718	-0-	1,718
Insurance:			
General	50,131	-0-	50,131
Flood	2,087	-0-	2,087
Employee health	10,084	-0-	10,084
Workers compensation	2,083	-0-	2,083
Postage, stationary and supplies	799	-0-	799
Buildings repairs	15,782	-0-	15,782
Inspection fees and license	686	-0-	686
State unit tax	588	-0-	588
Telephone	3,144	-0-	3,144
Water/Sewer	131,666	-0-	131,666
Electric	29,463	-0-	29,463
Lawn contract	13,630	-0-	13,630
Spraying/fertilizing lawn	270	-0-	270
Air conditioner repair	2,576	-0-	2,576
Hardware	108	-0-	108
Waste management	790	-0-	790
Small tools	231	-0-	231
Employee recognition	316	-0-	316
Diesel fuel – fire pump	421	-0-	421

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, 2021

	<u>Unrestricted</u> <u>Fund</u>	<u>Restricted</u> <u>Fund</u>	<u>Total</u> <u>(Memo Only)</u>
Exit lighting service	376	-0-	376
Fire alarm service - inspection - repair	2,715	-0-	2,715
Outside services	4,747	-0-	4,747
Irrigation repair	12,992	-0-	12,992
Outside pest control	1,770	-0-	1,770
Computer software	357	-0-	357
Work clothes	225	-0-	225
Janitorial supplies	1,529	-0-	1,529
Paint, lamps and hardware	2,932	-0-	2,932
Fire extinguisher service	544	-0-	544
Annual backflow water inspection	170	-0-	170
Diesel and fire pump inspection	1,150	-0-	1,150
Gasoline for errands	1,560	-0-	1,560
Miscellaneous/contingencies	1,926	-0-	1,926
Mulch	5,360	-0-	5,360
Elevator maintenance	5,788	-0-	5,788
Sprinkler repair and inspection	1,210	-0-	1,210
Inside pest control	1,000	-0-	1,000
Pool and spa service	7,026	-0-	7,026
Pool and spa filters and repairs	3,729	-0-	3,729
Plants	2,310	-0-	2,310
Tree trimming	5,480	-0-	5,480
Fire pump	-0-	1,445	1,445
Air conditioner	-0-	20,522	20,552
Roof	-0-	1,236	1,236
Pool/Spa Pump/Heater	-0-	4,725	4,725
Carpet cleaning	3,503	-0-	3,503
Pool Furniture	-0-	2,174	2,174
Total Expenses	<u>472,675</u>	<u>30,102</u>	<u>502,777</u>
Net Excess (Deficit)	<u>\$ (16,623)</u>	<u>\$ -0-</u>	<u>\$ (16,623)</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, 2021

	<u>Owner's Capital Contribution</u>	<u>Developer Capital Contribution</u>	<u>Unrestricted Fund Balance</u>	<u>Total (Memo Only)</u>
Balance - January 1, 2021	\$ 44,692	\$ 3,585	\$ 17,275	\$ 65,552
Net Excess (Deficit)	<u>-0-</u>	<u>-0-</u>	<u>(16,623)</u>	<u>(16,623)</u>
Balance - December 31, 2021	<u>\$ 44,692</u>	<u>\$ 3,585</u>	<u>\$ 652</u>	<u>\$ 48,929</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, 2021

	<u>Unrestricted Fund</u>	<u>Restricted Fund</u>	<u>Total (Memo Only)</u>
Cash Flows from Operating Activities:			
Net Excess (Deficit)	\$ (16,623)	\$ -0-	\$ (16,623)
Adjustments to reconcile net income to net cash provided by operating activities:			
Decrease (increase) in accounts receivable	(22,368)	-0-	(22,368)
Decrease (increase) in prepaid insurance	14,413	-0-	14,413
(Decrease) increase in payroll taxes payable	557	-0-	557
(Decrease) increase in prepaid assessments	(9,877)	-0-	(9,877)
(Decrease) increase in security and key deposits	(85)	-0-	(85)
(Decrease) increase in contract liability – (assessments received in advance – restricted fund)	-0-	11,364	11,364
(Decrease) increase in contract liability – (assessments received in advance – special assessment)	<u>85,774</u>	<u>-0-</u>	<u>85,774</u>
Net Cash Provided (Used) By Operating Activities	<u>51,791</u>	<u>11,364</u>	<u>63,155</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>51,971</u>	<u>11,364</u>	<u>63,155</u>
Cash and cash equivalents - Beginning of year	<u>58,975</u>	<u>327,270</u>	<u>386,245</u>
Cash and Cash Equivalents - End of Year	<u>\$ 110,776</u>	<u>\$ 338,634</u>	<u>\$ 449,400</u>

Supplemental Disclosure:

Income Taxes Paid	<u>\$ -0-</u>
Interest Paid	<u>\$ -0-</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, 2021

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, 2021

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 \$338,634 and \$304,481, respectively.

Special Assessment/Contract Liabilities (assessments received in advance-special assessment)

On October 26, 2021 the Board passed a Special Assessment for a total of \$101,009. The funds are to be used for insurance increases, irrigation repairs, building repairs, reserves shortfall, and entry system reserves. The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-special assessment) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to the special assessment. The balance of contract liabilities (assessments received in advance-special assessment) as of December 31, 2021 is \$85,774.

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, 2021 consisted of homeowners of the Association.

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Note 2 Property and Equipment

Property and equipment are comprised of the following at December 31, 2021:

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, 2021 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>

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 \$338,634 and are presented on the accompanying balance sheet as a contract liability (assessments received in advance-restricted fund) at December 31, 2021, 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 July 2021 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.

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Note 5 Future Major Repairs and Replacements (Cont.)

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	\$ 1,236
Pump	1,445
Pool/Spa pump/Heater	4,725
Air conditioner	20,522
Pool furniture	<u>2,174</u>
Total	<u>\$ 30,102</u>

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, 2021. 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.

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
NOTES TO FINANCIAL STATEMENTS (CONT.)
DECEMBER 31, 2021

Note 8 Income Taxes (Cont.)

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 2020, 2019, and 2018 remain open to examination by the Internal Revenue Service; state income tax returns for 2020, 2019, and 2018 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, 2021, the Association had no significant concentration of credit risk.

Note 10 Fair Value Measurement

The Association uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of investments in debt and equity securities if held as available-for-sale on a recurring basis. FASB ASC 820-10 defines fair value, establishes a consistent framework for measuring fair value, and expands disclosure requirements for fair value measurements. The carrying amounts reflected in the balance sheet for cash, cash equivalents, condominium fees receivable and accounts payable approximate the respective fair values due to the short maturities of those instruments.

Note 12 Subsequent Events

Promenades East Condominium Association, Inc.'s management has performed subsequent events procedures through February 3, 2022, 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, 2021

	<u>Actual</u>	<u>Budget</u> (Unaudited)	<u>Variance</u> (Unaudited)
<u>Receipts:</u>			
Assessments	\$ 473,260	\$ 473,260	\$ -0-
Less: Restricted reserves	<u>37,314</u>	<u>37,314</u>	<u>-0-</u>
Net Fees	435,946	435,946	-0-
Special assessment	15,235	-0-	15,235
Interest	56	1,000	(944)
Other revenue	<u>4,815</u>	<u>4,400</u>	<u>415</u>
Total Receipts	<u>456,052</u>	<u>441,346</u>	<u>14,706</u>
<u>Disbursements:</u>			
Salaries:			
Manager	71,890	76,282	4,392
Maintenance	19,175	25,200	6,025
Janitorial	22,034	20,320	(1,714)
Clerical	-0-	200	200
Payroll taxes	9,688	7,456	(2,232)
Unemployment tax	-0-	100	100
Accounting	6,260	6,400	140
Employee recognition	316	350	34
Bank charges	393	200	(193)
Legal	1,317	1,500	183
Recreation	30	1,000	970
Background checks	1,718	1,200	(518)
Temporary employee	5,004	-0-	(5,004)
Insurance:			
General	50,131	45,123	(5,008)
Flood	2,087	2,100	13
Employee health	10,084	7,200	(2,884)
Workers compensation	2,083	1,800	(283)
Postage, stationary and supplies	799	800	1
Gasoline for errands	1,560	360	(1,200)
Miscellaneous	1,926	1,800	(126)
Inspection fees and license	686	611	(75)
State unit tax	588	588	-0-
Telephone	3,144	3,955	811
Water/Sewer	131,666	128,104	(3,562)
Electric	29,463	27,200	(2,263)
Lawn contract	13,630	14,400	770
Spraying/fertilizing lawn	270	200	(70)
Air conditioner repair	2,576	2,400	(176)
Tree trimming	5,480	4,200	(1,280)
Waste management	790	1,000	210
Small tools	231	300	69

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, 2021

Disbursements (continued):

Equipment rental and repair	-0-	200	200
Office equipment repair	-0-	400	400
Office equipment other	-0-	200	200
Bad debts	-0-	1,000	1,000
Diesel Fuel – Fire pump	421	450	29
Training and education	-0-	200	200
Exit lighting service	376	250	(126)
Fire alarm service – inspection - repair	2,715	2,800	85
Outside services	4,747	2,500	(2,247)
Irrigation repair	12,992	1,400	(11,592)
Outside pest control	1,770	1,600	(170)
Computer software	357	360	3
Work clothes	225	240	15
Hardware	108	600	492
Janitorial service	1,912	3,200	1,288
Janitorial supplies	1,529	1,200	(329)
Paint, lamps and hardware	2,932	1,800	(1,132)
Fire extinguisher service	544	360	(184)
Annual backflow water inspection	170	140	(30)
Diesel and fire pump inspection	1,150	1,600	450
Building repairs	15,782	11,747	(4,035)
Mulch	5,360	2,500	(2,860)
Elevator maintenance	5,788	6,000	212
Sprinkler repair and inspection	1,210	1,200	(10)
Inside Pest control	1,000	1,300	300
Pool and spa service	7,026	7,600	574
Pool and spa filters and repairs	3,729	2,250	(1,479)
Plants	2,310	800	(1,510)
Advertising	-0-	200	200
Federal tax	-0-	100	100
Carpet cleaning	<u>3,503</u>	<u>4,800</u>	<u>1,297</u>
 Total Disbursements	 <u>472,675</u>	 <u>441,346</u>	 <u>(31,329)</u>
 Net Excess (Deficit)	 <u>\$ (16,623)</u>	 <u>\$ -0-</u>	 <u>\$ (16,623)</u>

PROMENADES EAST CONDOMINIUM ASSOCIATION, INC.
PORT CHARLOTTE, FLORIDA
SUPPLEMENTARY INFORMATION ON FUTURE
MAJOR REPAIRS AND REPLACEMENTS
FOR YEAR ENDED DECEMBER 31, 2021
(UNAUDITED)

An independent engineer conducted a study in July 2021 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	4	\$ 120,000	\$ -0-
Building painting	5	160,000	-0-
Parking lot	5	12,000	-0-
Pool/Spa	7	30,000	-0-
Pool furniture	7	5,000	-0-
Elevator	13	80,000	-0-
Air conditioners	8	56,000	-0-
Generator	6	56,000	-0-
Fire pump	11	80,000	-0-
Spa/pool heaters	1	14,000	-0-
Fire panel	11	95,000	-0-
Carpet replacement	7	90,000	-0-
Totals		<u>\$ 798,000</u>	<u>\$ 338,634</u>