

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**NATIVE SUN CONDOMINIUM
ASSOCIATION, INC.**

December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members
Native Sun Condominium Association, Inc.
Lauderdale-By-The-Sea, Florida

We have audited the accompanying financial statements of Native Sun Condominium Association, Inc. which comprise the balance sheet as of December 31, 2020, and the related statements of revenues, expenses, and changes in fund balance 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 from 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. Accordingly, 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 Native Sun Condominium Association, Inc. as of December 31, 2020, and the results of its operations and its 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 Schedule of Revenues and Expenses – Operating Fund Budget Comparison on pages 12-13 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association’s management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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.

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 11 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 Standards Board, which 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.

Parks & Company, LLC

Coconut Creek, Florida
May 24, 2021

BALANCE SHEET

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

December 31, 2020

ASSETS

	Operating Fund	Replacement Fund	Total
Cash and Cash Equivalents	\$ 378,359	\$ 463,556	\$ 841,915
Assessments Receivable - Owners, net of allowance for doubtful accounts of \$143,773	431,318	-	431,318
Prepaid Insurance	26,625	-	26,625
Inventory - Foreclosed Unit Weeks	40,500	-	40,500
Utility Deposits	3,950	-	3,950
TOTAL ASSETS	<u>\$ 880,752</u>	<u>\$ 463,556</u>	<u>\$ 1,344,308</u>

LIABILITIES AND FUND BALANCE

Accounts Payable and Accrued Expenses	\$ 27,599	\$ 7,895	\$ 35,494
Property Taxes Payable	54,721	-	54,721
Prepaid Assessments	221,953	-	221,953
Prepaid Rentals	145,946	-	145,946
TOTAL LIABILITIES	450,219	7,895	458,114
Fund Balance	430,533	455,661	886,194
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 880,752</u>	<u>\$ 463,556</u>	<u>\$ 1,344,308</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

For the Year Ended December 31, 2020

	Operating Fund	Replacement Fund	Total
<u>REVENUES</u>			
Member Assessments	\$ 864,741	\$ 250,884	\$ 1,115,625
Rental Income	50,506	-	50,506
Property Taxes	49,301	-	49,301
Interest	7	868	875
Late Payment Penalties and Interest	4,935	-	4,935
Other	12,650	-	12,650
PPP Forgiveness of Debt	96,092	-	96,092
TOTAL REVENUES	<u>1,078,232</u>	<u>251,752</u>	<u>1,329,984</u>
<u>EXPENSES</u>			
Administrative	366,008	196	366,204
Grounds Maintenance	31,017	-	31,017
Insurance and Taxes	219,258	-	219,258
Maid and Cleaning	126,043	-	126,043
Maintenance and Repairs	169,280	-	169,280
Utilities	111,497	-	111,497
Reserve Expenditures	<u>-</u>	<u>289,884</u>	<u>289,884</u>
TOTAL EXPENSES	<u>1,023,103</u>	<u>290,080</u>	<u>1,313,183</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	<u>55,129</u>	<u>(38,328)</u>	<u>16,801</u>
FUND BALANCE - BEGINNING OF YEAR	455,135	414,258	869,393
INTERFUND TRANSFER	<u>(79,731)</u>	<u>79,731</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 430,533</u>	<u>\$ 455,661</u>	<u>\$ 886,194</u>

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

For the Year Ended December 31, 2020

	Operating Fund	Replacement Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Excess (deficit) of revenues over expenses	\$ 55,129	\$ (38,328)	\$ 16,801
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash provided by (used in) operating activities:			
Bad debt expense	81,465	-	81,465
(Increase) decrease in:			
Assessments Receivable - Owners	(149,251)	-	(149,251)
Prepaid Insurance	10,162	-	10,162
Increase (decrease) in:			
Accounts Payable and Accrued Expenses	(11,218)	7,895	(3,323)
Prepaid Assessments	133,108	-	133,108
Prepaid Rentals	(49,172)	-	(49,172)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>70,223</u>	<u>(30,433)</u>	<u>39,790</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Interfund Transfer	<u>(79,731)</u>	<u>79,731</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>(79,731)</u>	<u>79,731</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(9,508)	49,298	39,790
Cash and cash equivalents, beginning of year	<u>387,867</u>	<u>414,258</u>	<u>802,125</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 378,359</u>	<u>\$ 463,556</u>	<u>\$ 841,915</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

December 31, 2020

NOTE A - NATURE OF ORGANIZATION

Native Sun Condominium Association, Inc. ("Association") is a statutory condominium association incorporated as a not-for-profit Association in the State of Florida on April 16, 1980. The Association is responsible for the operation and maintenance of the common property of Native Sun Condominium, located in Lauderdale-By-The-Sea, Florida. The Association is comprised of 35 apartment units, which are divided into 1,785 timesharing weeks.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Accounting - The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting on the accrual basis. 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.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Accounts Receivable - Owners - Owners are subject to annual assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from owners. The Association has lien rights in the event of delinquent assessments, which can be exercised through foreclosure proceedings.

At December 31, 2020, the Association had delinquent assessments of \$143,773. The Association provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Association has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

The annual assessment for a unit to meet common expenses is based on the owner's proportionate share of expenses based on the adopted budget.

Revenue Recognition - In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). This guidance outlines a single, comprehensive model for accounting for revenue from contracts with customers. We adopted the standard on January 1, 2020. Our revenue is generated substantially all from assessments from owners charged annually for services rendered on an ongoing basis throughout the year.

We have analyzed the provisions of FASB Topic 606, *Revenue from Contracts with Customers*, and have concluded that no changes are necessary to conform to the new standard. Our revenue contains a single delivery element and revenue is recognized at a single point in time when ownership, risks and rewards transfer.

NOTES TO FINANCIAL STATEMENTS

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

December 31, 2020

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of 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, 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. Accordingly, actual results could differ from those estimates.

Cash Equivalents - The Association considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment – Ownership of the real property is vested directly or indirectly in the unit-week owners, and those assets are not deemed to be severable. As a result, commonly owned assets are not capitalized in the Association's financial statements. The acquisition of certain personal property, including interior furnishings and equipment are recorded through the Replacement Fund and are not capitalized.

Income Taxes – In 2020, the Association plans to elect to file as a homeowners' association in accordance with Internal Revenue Service Code section 528. Under this section, the Association excludes from taxation exempt function income, which generally consists of revenue from assessments to owners. The Association's investment income and other nonexempt income are subject to tax at a rate of 32%, net of any applicable expenses. There is no current year provision for income taxes.

Interest Income – The Board of Director's policy is to allocate to the operating and replacement funds all interest earned on their respective cash accounts.

Concentration of Credit Risk – The Association maintains its cash balances at several financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to \$250,000. The Association has not incurred losses related to these investments and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value of Financial Instruments – The carrying amounts of cash, receivables, and payables approximate their fair values due to their short-term maturities.

NOTE C - FUTURE MAJOR REPAIRS AND REPLACEMENTS

In accordance with Florida Statutes, the Association's governing documents require funds to be accumulated for future major repairs and replacements if not waived at an annual meeting in which a majority of the owners agree. Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

The Association's management conducted an informal reserve study in 2020 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future estimated replacement costs. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on that study.

NOTES TO FINANCIAL STATEMENTS

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

December 31, 2020

NOTE C - FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)

The Association is funding for major repairs and replacements over the remaining useful lives of the components based on the study's estimates of future replacement costs and considering amounts previously accumulated in the replacement fund.

Funds are being accumulated in the replacement fund based on estimated future costs for repairs and replacements of common property components. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the replacement 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 to increase regular assessments, pass special assessments, or delay major repairs and replacement until funds are available.

The schedule of changes to the replacement fund for future major repairs and replacements for the year ended December 31, 2020 was as follows:

<u>Components</u>	Balance 1/1/2020	Assessment Allocations	Expenditures	Interest	Interfund Transfers	Balance 12/31/2020
Elevator	\$ 21,963	\$ 10,035	\$ (8)	\$ -	\$ -	\$ 31,990
Façade Repair & Paint	(561)	20,071	(16)	-	-	19,494
Furniture, Fixtures	178,167	155,547	(290,005)	-	79,731	123,440
Parking Lot	26,098	5,018	(4)	-	-	31,112
Pool	8,074	7,527	(6)	-	-	15,595
Reserve	50,000	-	-	-	-	50,000
Roof	105,839	50,177	(39)	-	-	155,977
Telephone	19,610	2,509	(2)	-	-	22,117
Unallocated interest	5,068	-	-	868	-	5,936
TOTALS	<u>\$ 414,258</u>	<u>\$ 250,884</u>	<u>\$ (290,080)</u>	<u>\$ 868</u>	<u>\$79,731</u>	<u>\$ 455,661</u>

NOTE D - INVENTORY OF FORECLOSED UNIT-WEEKS

As of December 31, 2020, the Association had title to 34 unit-weeks. These unit-weeks are valued at their current estimated fair market value which is estimated to be approximately \$1,200 per unit week.

NOTE E - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through May 24, 2021, the date that the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

December 31, 2020

NOTE F - PREPAID ASSESSMENTS

Assessments received in advance consisted of 2021 maintenance fees totaling \$221,953 received by the Association prior to January 1, 2021.

NOTE G - LITIGATION

The Association occasionally has litigation arising from normal operations. In management's opinion, the outcome of any such litigation will not materially affect the Association's financial condition. Nevertheless, due to uncertainties in the settlement process, it is at least reasonably possible that management's view of the outcome will change in the near term.

NOTE H - ASSOCIATION INSURANCE DEDUCTIBLE

Common property of the Corporation is located in South Florida, an area proven geographically prone to hurricanes. The Corporation's insurance policies define deductibles and exclusions which will yield uncovered costs if common property damage claims occur. If additional funds are needed to replace or repair association property, the Corporation has the right, subject to governing documents, to increase regular assessments, pass special assessments, borrow funds or delay major repairs and replacements until funds are available.

The insurance policy for windstorm coverage renewed April, 2020. The deductible amount for named hurricane storms is estimated at \$104,618, which represents approximately 2% of the insured value of the buildings and contents, which is estimated to be \$5,230,916.

NOTE I - INCOME TAXES

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Association's management believes it is no longer subject to income tax examinations for years prior to 2017.

NOTE J - PROPERTY TAX ASSESSMENTS

Property taxes are assessed as part of the annual maintenance assessments and are allocated to unit weeks based on their proportionate share of the unit's real estate tax assessment. Payments received from the unit owners are paid annually to the Broward County, Florida property appraiser. The property taxes are paid subsequent to year-end on behalf of all unit owners by the March 31 due date, regardless of delinquency. Property taxes for 2020 were billed with the 2020 maintenance assessments.

NOTES TO FINANCIAL STATEMENTS

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

December 31, 2020

NOTE K - NOTE PAYABLE

The Association was granted a loan (the "Loan") from Bank of America in the aggregate amount of \$96,092 pursuant to the Paycheck Protection Program (the "PPP") under the CARES Act, which was enacted March 27, 2020. The Loan, which was in the form of a Note dated May 4, 2020 matures on May 4, 2022 and bears interest at a rate of 1.00% per annum. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the Loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred before February 15, 2020. The Company used the entire Loan amount for qualifying expenses. Under the terms of the PPP, as described in the CARES Act, the Loan was fully forgiven on December 17, 2020.

NOTE L - SUBSEQUENT EVENT

In February 2021, the Board passed a special assessment of \$500 per unit week which is due by May 2021. The owners have the option of paying it in two installments of \$275 each with the first installment due May 2021 and the second installment due by January 2022. The funds are to be used for structural repairs required by the 40-Year Recertification.

SUPPLEMENTARY INFORMATION

SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
(UNAUDITED)

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

December 31, 2020

The Association's management conducted an informal study in 2020 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates below were based on those future estimated replacement costs and managements estimates. Actual expenditures may vary from estimated future expenditures and the variations may be material. If funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The following information is based on the study and presents significant information about the components of common property.

<u>Components</u>	<u>Estimated Current Replacement Cost</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated</u>					<u>Balance 12/31/2020</u>
			<u>Balance 1/1/2020</u>	<u>Assessment Allocations</u>	<u>Expenditures</u>	<u>Interest</u>	<u>Transfers</u>	
Elevator	\$ 70,000	9	\$ 21,963	\$ 10,035	\$ (8)	\$ -	\$ -	\$ 31,990
Façade Repair & Pain	90,000	0	(561)	20,071	(16)	-	-	19,494
Furniture and Fixtures	576,000	6	178,167	155,547	(290,005)	-	79,731	123,440
Parking Lot	25,000	4	26,098	5,018	(4)	-	-	31,112
Pool	28,000	0	8,074	7,527	(6)	-	-	15,595
Reserve	-	0	50,000	-	-	-	-	50,000
Roof	186,000	9	105,839	50,177	(39)	-	-	155,977
Telephone	18,000	4	19,610	2,509	(2)	-	-	22,117
Unallocated interest	-		5,068	-	-	868	-	5,936
	<u>\$ 993,000</u>		<u>\$ 414,258</u>	<u>\$ 250,884</u>	<u>\$ (290,080)</u>	<u>\$ 868</u>	<u>\$ 79,731</u>	<u>\$ 455,661</u>

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENSES - OPERATING FUND
BUDGET COMPARISON

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

For the Year Ended December 31, 2020

	Actual	Budget (Unaudited)	<u>Variance</u> Over/(Under)
<u>REVENUES</u>			
Member Assessments - Net	\$ 864,741	\$ 864,741	\$ -
Rental Income	50,506	110,000	(59,494)
Property Taxes	49,301	-	49,301
Foreclosed Units Income	-	3,000	(3,000)
Interest	7	650	(643)
Late Payment Penalties and Interest	4,935	2,000	2,935
Other	12,650	5,775	6,875
PPP Forgiveness of Debt	96,092	-	96,092
TOTAL REVENUES	1,078,232	986,166	89,131
<u>EXPENSES</u>			
Administrative			
Accounting Fees	7,955	8,000	(45)
Admin and Accounting Salaries	148,767	147,500	1,267
Bad Debt Expense	81,465	36,408	45,057
Bank Charges	722	1,000	(278)
Computer Programming	16,347	15,000	1,347
Credit Card Fees	(3,408)	500	(3,908)
Fees and Licenses	5,597	6,500	(903)
Front Desk Salaries	61,792	82,000	(20,208)
Guest Services	1,642	3,000	(1,358)
Office Supplies	9,903	8,000	1,903
Other	1,045	4,500	(3,455)
Postage	4,321	7,500	(3,179)
Printing Expense	3,021	7,000	(3,979)
Professional Fees	26,839	25,800	1,039
	366,008	352,708	13,300
Grounds Maintenance			
Grounds and Landscaping	9,574	2,000	7,574
Lawn Maintenance	8,999	9,000	(1)
Pool Maintenance and Supplies	5,699	19,850	(14,151)
Tree Maintenance	6,745	7,195	(450)
	31,017	38,045	(7,028)
Insurance and Taxes			
Payroll Taxes	33,102	37,500	(4,398)
Property Insurance	86,737	82,892	3,845
Property Taxes	58,042	-	58,042
Sales & Tourist Tax	29,227	-	29,227
Workers Compensation Insurance	12,150	8,747	3,403
	219,258	129,139	90,119

See Independent Auditors' Report.

SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENSES - OPERATING FUND
BUDGET COMPARISON

NATIVE SUN CONDOMINIUM ASSOCIATION, INC.

For the Year Ended December 31, 2020

Maid and Cleaning			
Cleaning Supplies	3,981	6,000	(2,019)
Linen Expenses	5,107	7,500	(2,393)
Maid and Laundry Payroll	113,010	124,500	(11,490)
Paper Products	2,812	5,500	(2,688)
Soap and Laundry Expenses	1,133	2,750	(1,617)
	<u>126,043</u>	<u>146,250</u>	<u>(20,207)</u>
Maintenance and Repairs			
Building Fire Alarm	3,739	6,000	(2,261)
Electrical Expenses	5,095	9,005	(3,910)
Elevator Repairs	7,472	7,400	72
General	51,050	52,050	(1,000)
HVAC Repairs	1,503	5,000	(3,497)
Kitchen Consumable Items	1,013	2,500	(1,487)
Maintenance Payroll	94,647	90,000	4,647
Mileage Expense	92	500	(408)
Pest Control	3,300	3,400	(100)
Plumbing Expenses	1,369	12,570	(11,201)
	<u>169,280</u>	<u>188,425</u>	<u>(19,145)</u>
Utilities			
Cable	10,253	12,000	(1,747)
Electricity	27,800	36,000	(8,200)
Heating Fuel	6,785	13,000	(6,215)
Internet	16,375	14,500	1,875
Rubbish Removal	9,581	10,500	(919)
Telephone	9,845	11,000	(1,155)
Water	30,858	32,000	(1,142)
	<u>111,497</u>	<u>129,000</u>	<u>(17,503)</u>
TOTAL EXPENSES	<u>1,023,103</u>	<u>983,567</u>	<u>39,536</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 55,129</u>	<u>\$ 2,599</u>	<u>\$ 52,530</u>

See Independent Auditors' Report.