

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**



**Mark R. Gerstle, C.P.A.**  
mgerstle@grgcpa.com

**Robert N. Rosen, C.P.A.**  
rrosen@grgcpa.com

**Brian K. Goldenberg, Partner**  
bgoldenberg@grgcpa.com

**INDEPENDENT AUDITORS' REPORT**

Board of Directors and Unit Owners  
Number One Condominium Association Palm Greens at Villa Del Ray, Inc.

Dear Members:

**Report on the Financial Statements**

We have audited the accompanying financial statements of Number One Condominium Association Palm Greens at Villa Del Ray, Inc., which comprise 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Number One Condominium Association Palm Greens at Villa Del Ray, Inc., as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**AVENTURA**  
2630 N.E. 203rd Street  
Suite 104  
Aventura, Florida 33180  
Phone: 305-937-0116  
Fax: 305-937-0128

**BOCA RATON**  
3835 N.W. Boca Raton Blvd.  
Suite 100  
Boca Raton, Florida 33431  
Phone: 561-447-4000  
Fax: 561-447-4004

**FT. MYERS**  
8211 College Parkway  
Suite 130  
Fort Myers, Florida 33919  
Phone: 239-672-4364  
Fax: 239-672-4367

**NAPLES**  
999 Vanderbilt Beach Road  
Suite 200  
Naples, Florida 34108  
Phone: 239-262-1773  
Fax: 239-263-0166

**ORLANDO**  
111 North Orange Avenue  
Suite 800  
Orlando, Florida 32801  
Phone: 407-564-2812  
Fax: 407-564-2057

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Detailed Statement of Operating Revenues and Expenses Budget Comparison is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## Disclaimer of Opinion on Required Supplementary Information On Future Major Repairs and Replacements

Accounting principles generally accepted in the United States of America require that the Supplementary Information on Future Major Repairs and Replacements 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, 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.

*Gerstle, Rosen & Goldenberg, P.A.*

GERSTLE, ROSEN & GOLDENBERG, P.A.  
Certified Public Accountants  
Boca Raton, Florida

April 26, 2018

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**BALANCE SHEET**

**December 31, 2017**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 375,094	\$ 202,641	\$ 577,735
Certificates of Deposit		590,965	590,965
Unit Owner Receivable	32,603		32,603
Allowance for Uncollectible	(20,000)		(20,000)
Prepaid Expenses	9,187		9,187
PG Community Association	5,000		5,000
Legal Retainer Golf Course	2,500		2,500
Prepaid Insurance	379,231		379,231
	<u>783,615</u>	<u>793,606</u>	<u>1,577,221</u>
<b>TOTAL ASSETS</b>	<b>\$ 783,615</b>	<b>\$ 793,606</b>	<b>\$ 1,577,221</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts Payable	\$ 71,871	\$	\$ 71,871
Prepaid Maintenance Fees	44,531		44,531
Deferred Cable Incentive	69,825		69,825
	<u>186,227</u>	<u>793,606</u>	<u>1,390,994</u>
<b>TOTAL LIABILITIES</b>	<b>186,227</b>	<b>793,606</b>	<b>1,390,994</b>
Fund Balances	<u>597,388</u>	<u>793,606</u>	<u>1,390,994</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 783,615</b>	<b>\$ 793,606</b>	<b>\$ 1,577,221</b>

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND BALANCES**

**Year Ended December 31, 2017**

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Maintenance Fees	\$ 2,569,104	\$ 303,696	\$ 2,872,800
Legal Fee Recovery	750		750
Interest Income	1,700	7,162	8,862
Resales	6,750		6,750
Leases	3,800		3,800
Late Fees	4,770		4,770
Pressure Cleaning	1,420		1,420
Prior Year Surplus Rollover	70,000		70,000
Estoppel Fees	10,050		10,050
Condo Questionnaire	2,200		2,200
Cable Incentive Income	9,975		9,975
Miscellaneous Income	280		280
<b>TOTAL REVENUES</b>	<u>2,680,799</u>	<u>310,858</u>	<u>2,991,657</u>
<b>EXPENSES</b>			
General & Administrative	41,401		41,401
Office Expense	14,834		14,834
Insurance	457,478		457,478
Grounds & Facilities	384,029		384,029
Personnel Expenses	357,770		357,770
Utilities	699,353		699,353
Repairs & Maintenance	115,938		115,938
Vehicle Expenses	4,230		4,230
Contingency & Recreation	456,847		456,847
Reserve Expenses		176,924	176,924
<b>TOTAL EXPENSES</b>	<u>2,531,880</u>	<u>176,924</u>	<u>2,708,804</u>
<b>EXCESS REVENUES (EXPENSES)</b>	148,919	133,934	282,853
<b>FUND BALANCES - BEGINNING</b>	617,355	560,786	1,178,141
<b>INTERFUND TRANSFER</b>	(98,886)	98,886	0
<b>SURPLUS ROLLOVER</b>	(70,000)		(70,000)
<b>FUND BALANCES - ENDING</b>	<u>\$ 597,388</u>	<u>\$ 793,606</u>	<u>\$ 1,390,994</u>

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2017**

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
EXCESS REVENUES (EXPENSES)	\$ 148,919	\$ 133,934	\$ 282,853
<b>ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Prior Year Surplus Rollover	(70,000)		(70,000)
<b>DECREASE (INCREASE) IN ASSETS:</b>			
Unit Owner Receivable - Net of Allowance	(1,358)		(1,358)
Prepaid Expenses	(4,807)		(4,807)
PG Community Association	(5,000)		(5,000)
Legal Retainer Golf Course	(2,500)		(2,500)
Prepaid Insurance	23,292		23,292
<b>INCREASE (DECREASE) IN LIABILITIES:</b>			
Accounts Payable	24,221		24,221
Prepaid Maintenance Fees	(37,914)		(37,914)
Deferred Cable Incentive	(9,975)		(9,975)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>64,878</u>	<u>133,934</u>	<u>198,812</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Certificates of Deposit		(311,446)	(311,446)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>0</u>	<u>(311,446)</u>	<u>(311,446)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Interfund Transfer	(98,886)	98,886	0
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<u>(98,886)</u>	<u>98,886</u>	<u>0</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(34,008)	(78,626)	(112,634)
<b>CASH AND CASH EQUIVALENTS</b>			
AT BEGINNING OF PERIOD	<u>409,102</u>	<u>281,267</u>	<u>690,369</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 375,094</u>	<u>\$ 202,641</u>	<u>\$ 577,735</u>

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2017**

**1. ORGANIZATION**

Number One Condominium Association Palm Greens at Villa Del Ray, Inc. is a not-for-profit; non Stock Corporation organized pursuant to Chapter 718 of the Florida Statutes. The Association was formed to maintain and protect the common areas owned by the individual unit owners in common, and consists of 684 units located in Delray Beach, Florida.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned and expenses are recorded in the period in which they are incurred.

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. 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.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Certificates of Deposit

The Association holds certificates of deposit totaling \$590,965, with various interest rates. These certificates have original maturities of greater than 90 days, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2017**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Capitalization and Depreciation Policy

Real property and common area 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 owners in common and not by the Association. Capital Expenditures are charged to the designated funds.

Subsequent Events

The subsequent events have been evaluated through April 26, 2018 the date the financial statements were available to be issued. As of that date, there are no subsequent events to be reported.

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2017; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2017.

**3. MAINTENANCE ASSESSMENTS / ACCOUNTS RECEIVABLE**

The Association Declaration provides that each owner is chargeable for their proportionate share of common expenses based upon the budget adopted. The Association has lien rights in the event of delinquent assessments, which can be exercised through foreclosure proceedings.

Accounts receivable are recorded at the original billing amount plus late fees, if applicable. Management determines the allowance for doubtful accounts by identifying troubled accounts through periodic review of accounts receivable aging schedules. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received.



**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2017**

**4. REPLACEMENT FUND**

Florida Statutes provide that each proposed budget include provisions for reserves for capital improvements and deferred maintenance. These accounts, if adopted, are restricted to their intended purpose unless modified by a qualified unit owner vote. In addition, any special assessments adopted are also restricted to their specific purpose.

The approved budget includes provisions for reserves for capital improvements and deferred maintenance. The funds are being accumulated based on estimates of future needs for repairs and replacements of common property components as disclosed in the supplementary information. Actual expenditures may vary from the estimated future expenditures, 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 replacements until funds are available.

The balance at December 31, 2017, consists of the following:

COMPONENTS	BALANCE 12/31/16	INTEREST/ ASSESSMENTS	TRANSFERS	EXPENDITURES	BALANCE 12/31/2017
Emergency	\$500,000	\$0	(\$400,000)	\$0	\$100,000
Pooled	37,442	303,696	498,886	(176,924)	663,100
Interest	23,344	7,162			30,506
<b>TOTAL</b>	<b>\$560,786</b>	<b>\$310,858</b>	<b>\$98,886</b>	<b>(\$176,924)</b>	<b>\$793,606</b>

The Association does not allocate interest earned on the replacements fund to specific replacement components as earned, but does so periodically depending on projected requirements.

The Board of Directors elected to transfer the \$98,886 from the Operating Fund Surplus to the Pooled Replacement Fund component and \$400,000 from the Emergency Replacement Fund component to the Pooled Replacement Fund component.

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2017**

**5. INCOME TAXES**

The Association is subject to federal and state taxation and has essentially two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments (Section 277 of the Internal Revenue Code). The other method enables the Association to elect to exclude from taxation "exempt function income," (Section 528 of the Internal Revenue Code), which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different rates.

The Association will file its 2017 federal income tax return on Form 1120H under Section 528 of the Internal Revenue Code.

There is no current year provision for income taxes.

The Association has evaluated its tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC").

The Association has no income tax returns under examination by the Internal Revenue Service. The Association believes it is no longer subject to income tax examinations for years prior to 2014.

**6. COMMITMENTS**

The Association has various contract services to maintain the common property including cable television service, lawn maintenance, pest control and an obligation to the Master Association as a result of mandatory membership. These contracts have different expiration dates and renewal terms.

**7. DEFERRED CABLE INCENTIVE INCOME**

As of January 2013, the Board of Directors entered into a new 12 year contract with Comcast Cable. Comcast Cable paid the Association \$119,700 as a signing incentive for the contract.

The Association elected to recognize this income over the life (12 years) of the cable contract starting in 2013 at a rate of \$9,975 per year. The unrecognized portion of this income is reflected on the balance sheet as Deferred Cable Incentive. As of December 31, 2017, the remaining balance is \$69,825.

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2017**

**8. CONTINGENCIES**

Insurance Deductible

The current property insurance policy contains a deductible for hurricane damage. Should the Association incur an uninsured loss, the Association has the right to increase maintenance fees, pass a special assessment or delay repairs until funds are available.

Legal

The Association is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business. As of the date of this report, management believes that there are no claims or complaints of which it is currently aware that will materially affect its business, financial position, or future operating results.

## **SUPPLEMENTARY INFORMATION**

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**SUPPLEMENTARY INFORMATION ON  
FUTURE MAJOR REPAIRS AND REPLACEMENTS**

**December 31, 2017  
(Unaudited)**

The Association has conducted an independent study (2016) to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on estimates from historical experience. Actual expenditures may vary from these estimated amounts and the variance may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs. If additional 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 presents significant information about the components of common property:

<u>COMPONENTS</u>	<u>ESTIMATED REMAINING USEFUL LIVES</u>	<u>ESTIMATED CURRENT REPLACEMENT COSTS</u>
Site and Grounds	3 - 14 Years	\$1,311,000
Building Exteriors	0 - 18 Years	4,001,350
Mechanical, Electrical & Plumbing	1 - 13 Years	65,000
		<hr/>
TOTAL		<u><u>\$5,377,350</u></u>

The Association elected to partially fund the Pooled Reserves \$361,152 in 2018.

See independent auditors' report.

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**SUPPLEMENTARY INFORMATION**

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES  
BUDGET COMPARISON**

**Year Ended December 31, 2017**

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<b><u>REVENUES:</u></b>			
Maintenance Fees	\$2,569,104	\$2,569,104	\$0
Legal Fee Recovery	750	0	750
Interest Income	1,700	0	1,700
Resales	6,750	0	6,750
Leases	3,800	0	3,800
Late Fee Income	4,770	0	4,770
Pressure Cleaning	1,420	0	1,420
Prior Year Surplus Rollover	70,000	70,000	0
Estoppel Fees	10,050	0	10,050
Condo Questionnaire	2,200	0	2,200
Cable Incentive Income	9,975	0	9,975
Miscellaneous Income	280	0	280
<b>Total Revenues</b>	<u>2,680,799</u>	<u>2,639,104</u>	<u>41,695</u>
<b><u>EXPENSES:</u></b>			
<b><u>GENERAL &amp; ADMINISTRATIVE</u></b>			
Accounting Fees	6,200	6,000	(200)
Bad Debt Expense	17,193	0	(17,193)
Bank Fees	310	250	(60)
Dues & Subscriptions	0	105	105
Fee & Permits	2,858	2,800	(58)
Legal Fees	14,840	6,000	(8,840)
Taxes	0	100	100
<b>TOTAL GENERAL &amp; ADMINISTRATIVE</b>	<u>41,401</u>	<u>15,255</u>	<u>(26,146)</u>
<b><u>OFFICE EXPENSE</u></b>			
Answering Service	1,243	1,800	557
Burglar Alarm	1,261	1,300	39
First Aid Supplies	0	100	100
Computer Support	1,592	2,000	408
Misc. Office Expense	1,232	500	(732)
Office Equipment	0	480	480
Office Furniture	789	0	(789)
Office Supplies	3,920	1,500	(2,420)
Postage & Mailing	2,200	2,000	(200)
Printing & Reproduction	2,597	2,500	(97)
<b>TOTAL OFFICE EXPENSE</b>	<u>14,834</u>	<u>12,180</u>	<u>(2,654)</u>

See independent auditors' report.

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**SUPPLEMENTARY INFORMATION**

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES  
BUDGET COMPARISON**

**Year Ended December 31, 2017**

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<b><u>EXPENSES(Continued):</u></b>			
<i><u>INSURANCE</u></i>			
Employee Health Insurance	52,998	54,660	1,662
Insurance Expense	388,727	465,000	76,273
Vehicle Insurance	3,602	3,300	(302)
Worker's Compensation	12,151	11,500	(651)
<b>TOTAL INSURANCE</b>	<b>457,478</b>	<b>534,460</b>	<b>76,982</b>
<i><u>GROUNDS &amp; FACILITIES</u></i>			
Fire Extinguishers	4,030	3,500	(530)
Grounds Maintenance	64,208	10,000	(54,208)
Landscape Contract	204,226	261,800	57,574
Pest Control	62,346	58,000	(4,346)
Pest Control - Termites	11,910	0	(11,910)
Pressure Cleaning	4,975	0	(4,975)
Tree Trimming	32,334	14,000	(18,334)
<b>TOTAL GROUNDS &amp; FACILITIES</b>	<b>384,029</b>	<b>347,300</b>	<b>(36,729)</b>
<i><u>PERSONNEL EXPENSES</u></i>			
Payroll and Payroll Taxes	355,954	445,000	89,046
Payroll Processing Fee	1,816	2,000	184
<b>TOTAL PERSONNEL EXPENSES</b>	<b>357,770</b>	<b>447,000</b>	<b>89,230</b>
<i><u>UTILITIES</u></i>			
Cable	367,364	365,420	(1,944)
Electric	39,734	40,000	266
Telephone	2,377	2,500	123
Trash Bags - Units	4,099	4,500	401
Dumpster - Trash Removal	7,706	10,000	2,294
Water & Sewer	278,073	283,000	4,927
<b>TOTAL UTILITIES</b>	<b>699,353</b>	<b>705,420</b>	<b>6,067</b>

See independent auditors' report.

**NUMBER ONE CONDOMINIUM ASSOCIATION  
PALM GREENS AT VILLA DEL RAY, INC.**

**SUPPLEMENTARY INFORMATION**

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES  
BUDGET COMPARISON**

**Year Ended December 31, 2017**

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<b><u>EXPENSES(Continued):</u></b>			
<b><u>REPAIRS &amp; MAINTENANCE</u></b>			
Building & Drywall Repairs	0	6,000	6,000
Electrical Repairs	10,097	10,000	(97)
Gutter Repairs & Installation	569	1,000	431
Irrigation Pump Repairs	4,700	0	(4,700)
Plumbing Repairs	29,084	25,000	(4,084)
Roof Repairs	47,370	45,000	(2,370)
Tool & Hardware Repairs	1,652	500	(1,152)
Miscellaneous Repairs & Maintenance	971	2,000	1,029
Maintenance Supplies	13,035	12,000	(1,035)
Sprinkler Parts & Supplies	4,979	6,000	1,021
Tools	248	500	252
Uniforms	3,233	3,600	367
<b>TOTAL REPAIRS &amp; MAINTENANCE</b>	<u>115,938</u>	<u>111,600</u>	<u>(4,338)</u>
<b><u>VEHICLE EXPENSES</u></b>			
Fuel / Oil	1,795	2,000	205
Golf Cart Repair / Maintenance	2,345	2,500	155
Truck Repair / Maintenance	90	500	410
<b>TOTAL VEHICLE EXPENSES</b>	<u>4,230</u>	<u>5,000</u>	<u>770</u>
<b><u>CONTINGENCY &amp; RECREATION</u></b>			
Contingency Fund	1,960	6,000	4,040
Recreation Condo Monthly Fee	454,887	454,889	2
<b>TOTAL CONTINGENCY &amp; RECREATION</b>	<u>456,847</u>	<u>460,889</u>	<u>4,042</u>
Total Operating Expenses	<u>2,531,880</u>	<u>2,639,104</u>	<u>107,224</u>
Excess Operating Revenues (Expenses)	<u>\$148,919</u>	<u>\$0</u>	<u>\$148,919</u>

See independent auditors' report.