

**NUMBER 1 CONDOMINIUM ASSOCIATION -  
PALM GREENS AT VILLA DEL RAY, INC.**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2018**



# Gerstle, Rosen & Goldenberg, P.A.

Certified Public Accountants

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## INDEPENDENT AUDITORS' REPORT

Board of Directors and Unit Owners  
Number 1 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 1 Condominium Association - Palm Greens at Villa Del Ray, Inc., which comprise the balance sheet as of December 31, 2018, 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.

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In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Number 1 Condominium Association - Palm Greens at Villa Del Ray, Inc., as of December 31, 2018, 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.

#### **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.

#### **Report on Supplementary Information**

Our audit was performed 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 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, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Boca Raton, Florida  
June 13, 2019

**NUMBER 1 CONDOMINIUM ASSOCIATION -  
PALM GREENS AT VILLA DEL RAY, INC.**

**BALANCE SHEET**

**December 31, 2018**

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 685,649	\$ 228,445	\$ 914,094
Certificates of Deposit		742,571	742,571
Accounts Receivable, Net of Allowance For Uncollectible Accounts of \$ 17,086	16,198		16,198
Prepaid Insurance	793		793
Prepaid Expenses	9,301		9,301
PG Community Association	35,000		35,000
Legal Retainer Golf Course	2,500		2,500
<b>TOTAL ASSETS</b>	<b>\$ 749,441</b>	<b>\$ 971,016</b>	<b>\$ 1,720,457</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts Payable	\$ 101,015	\$	\$ 101,015
Accrued Expenses	4,200		4,200
Prepaid Maintenance Fees	14,787		14,787
Deferred Cable Incentive	59,850		59,850
<b>TOTAL LIABILITIES</b>	<b>179,852</b>		<b>179,852</b>
Fund Balances	<b>569,589</b>	<b>971,016</b>	<b>1,540,605</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 749,441</b>	<b>\$ 971,016</b>	<b>\$ 1,720,457</b>

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

**NUMBER 1 CONDOMINIUM ASSOCIATION -  
PALM GREENS AT VILLA DEL RAY, INC.**

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

Year Ended December 31, 2018

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Maintenance Fees	\$ 2,528,065	\$ 361,152	\$ 2,889,217
Legal Fee Recovery	2,281		2,281
Interest Income	1,465	12,873	14,338
Resales	8,000		8,000
Leases	3,600		3,600
Late Fees	3,273		3,273
Pressure Cleaning	1,820		1,820
Estoppel Fees	11,850		11,850
Condo Questionnaire	3,300		3,300
Cable Incentive Income	9,975		9,975
Miscellaneous Income	2,113		2,113
<b>TOTAL REVENUES</b>	<u>2,575,742</u>	<u>374,025</u>	<u>2,949,767</u>
<b>EXPENSES</b>			
General & Administrative	17,037		17,037
Office Expense	15,355		15,355
Insurance	436,565		436,565
Grounds & Facilities	279,496		279,496
Personnel Expenses	377,493		377,493
Utilities	715,830		715,830
Repairs & Maintenance	123,467		123,467
Vehicle Expenses	4,738		4,738
Contingency & Recreation	484,641		484,641
Reserve Expenses		345,534	345,534
<b>TOTAL EXPENSES</b>	<u>2,454,622</u>	<u>345,534</u>	<u>2,800,156</u>
<b>EXCESS REVENUES (EXPENSES)</b>	121,120	28,491	149,611
<b>FUND BALANCES - BEGINNING</b>	597,388	793,606	1,390,994
<b>INTERFUND TRANSFER</b>	(148,919)	148,919	0
<b>FUND BALANCES - ENDING</b>	<u>\$ 569,589</u>	<u>\$ 971,016</u>	<u>\$ 1,540,605</u>

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

**NUMBER 1 CONDOMINIUM ASSOCIATION -  
PALM GREENS AT VILLA DEL RAY, INC.**

**STATEMENT OF CASH FLOWS**

**Year Ended December 31, 2018**

	<u>OPERATING FUND</u>	<u>REPLACEMENT FUND</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>EXCESS REVENUES (EXPENSES)</b>	\$ 121,120	\$ 28,491	\$ 149,611
<b>ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
<b>DECREASE (INCREASE) IN ASSETS:</b>			
Unit Owner Receivable - Net of Allowance	(3,595)		(3,595)
Prepaid Insurance	378,438		378,438
Prepaid Expenses	(114)		(114)
PG Community Association	(30,000)		(30,000)
<b>INCREASE (DECREASE) IN LIABILITIES:</b>			
Accounts Payable	29,144		29,144
Accrued Expenses	4,200		4,200
Prepaid Maintenance Fees	(29,744)		(29,744)
Deferred Cable Incentive	(9,975)		(9,975)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>459,474</u>	<u>28,491</u>	<u>487,965</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Certificates of Deposit		(151,606)	(151,606)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<u>0</u>	<u>(151,606)</u>	<u>(151,606)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Interfund Transfer	(148,919)	148,919	0
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<u>(148,919)</u>	<u>148,919</u>	<u>0</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	310,555	25,804	336,359
<b>CASH AND CASH EQUIVALENTS</b>			
<b>AT BEGINNING OF PERIOD</b>	<u>375,094</u>	<u>202,641</u>	<u>577,735</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 685,649</u>	<u>\$ 228,445</u>	<u>\$ 914,094</u>

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

**NUMBER 1 CONDOMINIUM ASSOCIATION -  
PALM GREENS AT VILLA DEL RAY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2018**

**1. ORGANIZATION**

Number 1 Condominium Association - Palm Greens at Villa Del Ray, Inc. is a statutory condominium association incorporated on November 20, 1973, in the State of Florida. The Association is responsible for the operation and maintenance of the common property of Number 1 Condominium Association - Palm Greens at Villa Del Ray, Inc. and consists of 684 units located in Delray Beach, Florida.

**2. DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 13, 2019, the date that the financial statements were available to be issued.

**3. 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.

Cash and Cash Equivalents

For presentation purposes, cash and cash equivalents consists of checking and money market accounts.

Certificates of Deposit

The Association holds certificates of deposit totaling \$742,571, 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 1 CONDOMINIUM ASSOCIATION –  
PALM GREENS AT VILLA DEL RAY, INC.

NOTES TO FINANCIAL STATEMENTS  
Continued

December 31, 2018

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Member Assessments

Association members are subject to quarterly 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 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 owners whose assessments are delinquent according to its collection policy. Any assessments at year end are retained by the Association for use in the succeeding year.

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.

Property and Equipment

Real property and common area property 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. Generally, personal property purchased by the Association is expensed.

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.

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, 2018; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2018.



**NUMBER 1 CONDOMINIUM ASSOCIATION –  
PALM GREENS AT VILLA DEL RAY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2018**

**4. FUTURE MAJOR REPAIRS AND REPLACEMENTS**

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.

At a duly constituted meeting, the Association elected to partially waive reserve funding for the current fiscal year based on a study performed by an original engineer's study in October, 2016 to estimate the remaining useful lives and the replacement costs of the common property components, as disclosed in the Supplementary information. Actual expenditures, however, 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 future needs. If additional funds are needed, the Association has the right to increase regular assessments levy special assessments, or delay major repairs and replacements until funds are available.

The balance of the Replacement Fund at December 31, 2018, consists of the following:

COMPONENTS	BALANCE 12/31/17	INTEREST/ ASSESSMENTS	TRANSFERS	EXPENDITURES	BALANCE 12/31/2018
Emergency	\$100,000	\$0	\$0	\$0	\$100,000
Pooled	663,100	361,152	148,919	(345,534)	827,637
Interest	30,506	12,873			43,379
<b>TOTAL</b>	<b>\$793,606</b>	<b>\$374,025</b>	<b>\$148,919</b>	<b>(\$345,534)</b>	<b>\$971,016</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 \$148,919 from the Operating Fund Surplus to the Pooled Replacement Fund component.

The Pooled expenses consist of painting and roofing.

**NUMBER 1 CONDOMINIUM ASSOCIATION –  
PALM GREENS AT VILLA DEL RAY, INC.**

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2018**

**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 2018 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 2015.

**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, 2018, the remaining balance is \$59,850.

NUMBER 1 CONDOMINIUM ASSOCIATION –  
PALM GREENS AT VILLA DEL RAY, INC.

NOTES TO FINANCIAL STATEMENTS  
Continued

December 31, 2018

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 1 CONDOMINIUM ASSOCIATION –  
PALM GREENS AT VILLA DEL RAY, INC.**

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

**December 31, 2018  
(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. 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>	<u>2019 REQUIRED FUNDING</u>
Site and Grounds	2 - 13 Years	\$1,311,000	
Building Exteriors	0 - 17 Years	4,001,350	
Mechanical, Electrical & Plumbing	0 - 12 Years	65,000	
Pooled			\$445,200
		<u>5,377,350</u>	<u>445,200</u>
<b>TOTAL</b>		<u><u>\$5,377,350</u></u>	<u><u>\$445,200</u></u>

The Association elected to partially fund the Pooled Reserves \$377,568 in 2019.

See independent auditors' report.

**NUMBER 1 CONDOMINIUM ASSOCIATION -  
PALM GREENS AT VILLA DEL RAY, INC.**

**SUPPLEMENTARY INFORMATION**

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

Year Ended December 31, 2018

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<b><u>REVENUES:</u></b>			
Maintenance Fees	\$2,528,065	\$2,528,064	\$1
Legal Fee Recovery	2,281	0	2,281
Interest Income	1,465	0	1,465
Resales	8,000	0	8,000
Leases	3,600	0	3,600
Late Fees	3,273	0	3,273
Pressure Cleaning	1,820	0	1,820
Estoppel Fees	11,850	0	11,850
Condo Questionnaire	3,300	0	3,300
Cable Incentive Income	9,975	0	9,975
Miscellaneous Income	2,113	0	2,113
Total Revenues	<u>2,575,742</u>	<u>2,528,064</u>	<u>47,678</u>
<b><u>EXPENSES:</u></b>			
<b><u>GENERAL &amp; ADMINISTRATIVE</u></b>			
Accounting Fees	6,200	6,200	0
Bad Debt Expense	0	13,500	13,500
Bank Fees	246	300	54
Dues & Subscriptions	105	100	(5)
Fee & Permits	2,797	3,000	203
Legal Fees	7,689	15,000	7,311
TOTAL GENERAL & ADMINISTRATIVE	<u>17,037</u>	<u>38,100</u>	<u>21,063</u>
<b><u>OFFICE EXPENSE</u></b>			
Answering Service	1,516	1,800	284
Burglar Alarm	1,262	1,500	238
First Aid Supplies	208	100	(108)
Computer Support	5,033	5,000	(33)
Misc. Office Expense	292	1,000	708
Office Equipment	1,384	1,000	(384)
Office Furniture	354	1,000	646
Office Supplies	2,096	2,692	596
Postage & Mailing	1,330	2,500	1,170
Printing & Reproduction	1,880	3,000	1,120
TOTAL OFFICE EXPENSE	<u>15,355</u>	<u>19,592</u>	<u>4,237</u>

See independent auditors' report.

**NUMBER 1 CONDOMINIUM ASSOCIATION -  
PALM GREENS AT VILLA DEL RAY, INC.**

**SUPPLEMENTARY INFORMATION**

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

**Year Ended December 31, 2018**

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<b><u>EXPENSES(Continued):</u></b>			
<b><u>INSURANCE</u></b>			
Employee Health Insurance	59,357	60,500	1,143
Insurance Expense	366,559	400,500	33,941
Vehicle Insurance	3,318	3,800	482
Worker's Compensation	7,331	13,500	6,169
<b>TOTAL INSURANCE</b>	<u>436,565</u>	<u>478,300</u>	<u>41,735</u>
<b><u>GROUNDS &amp; FACILITIES</u></b>			
Fire Extinguishers	4,315	4,000	(315)
Grounds Maintenance	3,587	10,000	6,413
Landscape Contract	177,105	174,800	(2,305)
Pest Control	72,310	60,000	(12,310)
Pest Control - Termites	14,889	15,000	111
Pressure Cleaning	3,500	5,000	1,500
Tree Trimming	3,790	8,000	4,210
<b>TOTAL GROUNDS &amp; FACILITIES</b>	<u>279,496</u>	<u>276,800</u>	<u>(2,696)</u>
<b><u>PERSONNEL EXPENSES</u></b>			
Gross Wages	347,653	355,000	7,347
Payroll Processing Fee	1,810	2,200	390
Payroll Taxes	28,030	35,000	6,970
<b>TOTAL PERSONNEL EXPENSES</b>	<u>377,493</u>	<u>392,200</u>	<u>14,707</u>
<b><u>UTILITIES</u></b>			
Cable	382,002	383,500	1,498
Electric	38,232	42,000	3,768
Telephone	2,488	3,500	1,012
Trash Bags - Units	4,721	4,500	(221)
Dumpster - Trash Removal	8,281	10,000	1,719
Water & Sewer	280,106	283,000	2,894
<b>TOTAL UTILITIES</b>	<u>715,830</u>	<u>726,500</u>	<u>10,670</u>

See independent auditors' report.

**NUMBER 1 CONDOMINIUM ASSOCIATION -  
PALM GREENS AT VILLA DEL RAY, INC.**

**SUPPLEMENTARY INFORMATION**

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

Year Ended December 31, 2018

	<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	1,604	4,000	2,396
Electrical Repairs	29,642	8,000	(21,642)
Gutter Repairs & Installation	2,413	1,000	(1,413)
Irrigation Pump Repairs	0	6,000	6,000
Plumbing Repairs	47,239	25,000	(22,239)
Roof Repairs	24,905	35,000	10,095
Tool & Hardware Repairs	466	500	34
Miscellaneous Repairs & Maintenance	457	1,000	543
Maintenance Supplies	9,023	10,500	1,477
Sprinkler Parts & Supplies	4,297	7,000	2,703
Uniforms	3,421	3,800	379
<b>TOTAL REPAIRS &amp; MAINTENANCE</b>	<u>123,467</u>	<u>101,800</u>	<u>(21,667)</u>
<b><u>VEHICLE EXPENSES</u></b>			
Fuel / Oil	2,050	2,000	(50)
Golf Cart Repair / Maintenance	2,619	2,000	(619)
Truck Repair / Maintenance	69	500	431
<b>TOTAL VEHICLE EXPENSES</b>	<u>4,738</u>	<u>4,500</u>	<u>(238)</u>
<b><u>CONTINGENCY &amp; RECREATION</u></b>			
Contingency Fund	369	6,000	5,631
Recreation Condo Monthly Fee	484,272	484,272	0
<b>TOTAL CONTINGENCY &amp; RECREATION</b>	<u>484,641</u>	<u>490,272</u>	<u>5,631</u>
Total Operating Expenses	<u>2,454,622</u>	<u>2,528,064</u>	<u>73,442</u>
Excess Operating Revenues (Expenses)	<u>\$121,120</u>	<u>\$0</u>	<u>\$121,120</u>

See independent auditors' report.