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

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2020**



**Gerstle, Rosen & Goldenberg, P.A.**  
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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, 2020, and the related statements of revenues, expenses and changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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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## Opinion

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, 2020, 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 15, 2021

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

**BALANCE SHEET**

**December 31, 2020**

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 465,544	\$ 516,182	\$ 981,726
Certificates of Deposit		929,515	929,515
Accounts Receivable, Net of Allowance For Uncollectible Accounts of \$ 873	11,567		11,567
Prepaid Insurance	234,882		234,882
Prepaid Expenses	1,225		1,225
PG Community Association Receivable	15,000		15,000
Legal Retainer Golf Course Receivable	2,500		2,500
Prepaid Taxes		2,974	2,974
<b>TOTAL ASSETS</b>	<b>\$ 730,718</b>	<b>\$ 1,448,671</b>	<b>\$ 2,179,389</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts Payable	\$ 74,207	\$	\$ 74,207
Accrued Expenses	6,300	75,000	81,300
Prepaid Maintenance Fees	13,318		13,318
Deferred Cable Incentive	39,900		39,900
Contract Liability - Deferred Reserves		1,293,193	1,293,193
<b>TOTAL LIABILITIES</b>	<b>133,725</b>	<b>1,368,193</b>	<b>1,501,918</b>
Fund Balances	596,993	80,478	677,471
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 730,718</b>	<b>\$ 1,448,671</b>	<b>\$ 2,179,389</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, 2020**

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUES</b>			
Maintenance Fees	\$ 2,610,144	\$ 189,563	\$ 2,799,707
Bad Debt Recovery	7,995		7,995
Interest Income	970	16,544	17,514
Resales	5,300		5,300
Leases	2,800		2,800
Late Fees	1,502		1,502
Pressure Cleaning	3,675		3,675
Prior Year Surplus Rollover	45,000		45,000
Estoppel Fees	8,100		8,100
Condo Questionnaire	2,400		2,400
Cable Incentive Income	9,975		9,975
Impact Mitigation 13th Floor		250,000	250,000
Miscellaneous Income	390		390
	<u>2,698,251</u>	<u>456,107</u>	<u>3,154,358</u>
<b>TOTAL REVENUES</b>			
<b>EXPENSES</b>			
General & Administrative	14,420		14,420
Office Expense	17,289		17,289
Insurance	497,468		497,468
Grounds & Facilities	382,363		382,363
Personnel Expenses	398,668		398,668
Utilities	736,792		736,792
Repairs & Maintenance	77,515		77,515
Vehicle Expenses	4,420		4,420
Contingency & Recreation	484,272		484,272
Reserve Expenses		439,563	439,563
	<u>2,613,207</u>	<u>439,563</u>	<u>3,052,770</u>
<b>TOTAL EXPENSES</b>			
<b>EXCESS REVENUES (EXPENSES)</b>	85,044	16,544	101,588
<b>FUND BALANCES - BEGINNING</b>	556,949	63,934	620,883
<b>SURPLUS ROLLOVER</b>	(45,000)		(45,000)
<b>FUND BALANCES - ENDING</b>	<u>\$ 596,993</u>	<u>\$ 80,478</u>	<u>\$ 677,471</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, 2020

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
EXCESS REVENUES (EXPENSES)	\$ 85,044	\$ 16,544	\$ 101,588
<b>ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Prior Year Surplus Rollover	(45,000)		(45,000)
<b>DECREASE (INCREASE) IN ASSETS:</b>			
Accounts Receivable - Net of Allowance	(2,531)		(2,531)
Prepaid Insurance	(233,992)		(233,992)
Prepaid Expenses	48		48
PG Community Association Receivable	25,000		25,000
Prepaid Taxes		(2,974)	(2,974)
<b>INCREASE (DECREASE) IN LIABILITIES:</b>			
Accounts Payable	37,126		37,126
Accrued Expenses	2,000	75,000	77,000
Prepaid Maintenance Fees	(15,684)		(15,684)
Deferred Cable Incentive	(9,975)		(9,975)
Contract Liability - Deferred Reserves		155,173	155,173
<b>NET CASH PROVIDED BY (USED IN)     OPERATING ACTIVITIES</b>	<b>(157,964)</b>	<b>243,743</b>	<b>85,779</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Certificates of Deposit		(70,194)	(70,194)
<b>NET CASH PROVIDED BY (USED IN)     INVESTING ACTIVITIES</b>	<b>0</b>	<b>(70,194)</b>	<b>(70,194)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(157,964)</b>	<b>173,549</b>	<b>15,585</b>
<b>CASH AND CASH EQUIVALENTS</b>			
<b>AT BEGINNING OF PERIOD</b>	<b>623,508</b>	<b>342,633</b>	<b>966,141</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 465,544</b>	<b>\$ 516,182</b>	<b>\$ 981,726</b>

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, 2020**

**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 15, 2021, 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 \$929,515, 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.

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.

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

NOTES TO FINANCIAL STATEMENTS  
Continued

December 31, 2020

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Member Assessments

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 are 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 plus late fees, if applicable 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. Management determines the allowance for doubtful accounts by identifying troubled accounts through periodic review of accounts receivable aging schedules. No allowance for uncollectible accounts is deemed necessary. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control. The balances of assessments receivable as of the beginning and end of the year are \$9,036 and \$11,567, respectively.

Contract Liability (Assessments received in advance - Replacement Fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance - Replacement 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 liability (assessments received in advance - Replacement Fund) as of the beginning and end of the year are \$1,138,020 and \$1,290,219, respectively (See Note 4).

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, 2020; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2020.



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

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2020**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Prepaid Insurance and Insurance Payable

Prepaid insurance of \$234,882, as presented on the Balance Sheet, is shown net of the related financing agreement insurance payable of \$271,701.

**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 independent reserve study specialist in September, 2019 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 Association has adopted the pooling method which allows the Association to utilize all available replacement funds for future projects rather than only using funds designated for each individual replacement component.

The balance of the Replacement Fund at December 31, 2020, consists of the following:

COMPONENTS	BALANCE 12/31/2019	INTEREST/ ASSESSMENTS	IMPACT MITIGATION 13TH FLOOR	EXPENDITURES	BALANCE 12/31/2020
Roofing	\$0	\$0	\$0	\$0	\$0
Paving	0				0
Painting	0				0
Emergency	100,000				100,000
Pooled	1,038,020	344,736	250,000	(442,537)	1,190,219
SUB-TOTAL CONTRACT LIABILITY - DEFERRED RESERVES	1,138,020				1,290,219
Fund Balance - Unallocated Interest	63,934	16,544			80,478
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$1,201,954</b>	<b>\$361,280</b>	<b>\$250,000</b>	<b>(\$442,537)</b>	<b>\$1,370,697</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.

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

**NOTES TO FINANCIAL STATEMENTS  
Continued**

**December 31, 2020**

**4. FUTURE MAJOR REPAIRS AND REPLACEMENTS (Continued)**

The Association received \$250,000 per the agreement from 13<sup>th</sup> Floor Home for the development of Delray Trails (see Note 8) and elected to record it in the Pooled Replacement Fund component.

The Pooled expenses consist of painting, irrigation, roofing and income tax on the 13<sup>th</sup> Floor Home income.

**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 2020 federal income tax return on Form 1120H under Section 528 of the Internal Revenue Code.

For the current year ended, income taxes paid were \$75,000 of which \$72,026 is the current year provision and \$2,974 is prepaid 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 2017.

**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, 2020, the remaining balance is \$39,900.

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

NOTES TO FINANCIAL STATEMENTS  
Continued

December 31, 2020

8. PG COMMUNITY ASSOCIATION AND LEGAL RETAINER GOLF COURSE RECEIVABLES

On June 17, 2017, the Board of Directors of Palm Greens Condominium 1 Association, the Palm Greens Condominium 2 Association and the Palm Greens Recreation Association incorporated the Palm Greens Community Association ("PGCA"). The purpose of the PGCA is negotiating, dealing and consulting with the owners of and/or developers of the adjacent golf course for the purpose of protecting the values of the Member residents' homes and quality of life of the residents of the Palm Greens community. The PGCA by-laws require that the PGCA submit a report and make a recommendation to the Members as to whether the Members should support a proposed development plan or other proposal for the use of the Golf Course property.

The Palm Greens Community Association has an approved agreement with 13<sup>th</sup> Floor Home for the development of Delray Trails. The agreement provides the residents of Palm Greens with a payment of \$1 million dollars for infrastructure issues afflicting the community, divided in half by each Condominium Association. The developer (13<sup>th</sup> Floor Homes) will build a state of the art recreation campus that includes a clubhouse with amenities for all residents. Delray Trails and the two Condominium Associations would share the monthly recreation expenses. It also includes a reimbursement of attorney fees up to \$150,000 spent in negotiations and implementation of the agreement. The Association has received \$250,000 from the developer during 2020.

As of December 31, 2020, the Association has contributed \$15,000 in legal fees and \$2,500 in legal retainer for the golf course for these negotiations and has created these receivables until reimbursed.

9. 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.

COVID-19

In December 2019, a novel strain of coronavirus ("COVID-19") was reported to have surfaced in China. The World Health Organization has declared COVID-19 to constitute a "Public Health Emergency of International Concern" and characterized COVID-19 as a pandemic. The U.S. government has also implemented enhanced screenings, quarantine requirements, and travel restrictions in connection with the COVID-19 outbreak. The spread of this virus began causing business disruptions domestically beginning in January 2020 that are anticipated to continue for the near future. The Association may be impacted but the extent of the impact on the Association's operational and financial performance will depend on future developments, including the duration and spread of the outbreak, related travel restrictions and the impact of the COVID-19 pandemic on overall demand for the Association's services. As of the date of this report, the impact cannot be predicted.

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## **SUPPLEMENTARY INFORMATION**

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

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

**December 31, 2020  
(Unaudited)**

The Association has conducted an independent study (2019) 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>2021 REQUIRED FUNDING</u>
Site and Grounds	0 - 11 Years	\$1,387,550	
Building Exteriors	0 - 18 Years	4,765,450	
Mechanical, Electrical & Plumbing	0 - 10 Years	181,500	
Pooled			\$490,955
		<u>6,334,500</u>	<u>\$490,955</u>
<b>TOTAL</b>		<u>\$6,334,500</u>	<u>\$490,955</u>

The Association elected to partially fund the Pooled Reserves \$246,240 in 2021.

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, 2020**

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<b><u>REVENUES:</u></b>			
Maintenance Fees	\$2,610,144	\$2,610,144	\$0
Bad Debts	0	(10,000)	10,000
Bad Debt Recovery	7,995	0	7,995
Interest Income	970	0	970
Resales	5,300	0	5,300
Leases	2,800	0	2,800
Late Fees	1,502	0	1,502
Pressure Cleaning	3,675	0	3,675
Prior Year Surplus	45,000	45,000	0
Estoppel Fees	8,100	0	8,100
Condo Questionnaire	2,400	0	2,400
Cable Incentive Income	9,975	0	9,975
Miscellaneous Income	390	0	390
<b>Total Revenues</b>	<u>2,698,251</u>	<u>2,645,144</u>	<u>53,107</u>
<b><u>EXPENSES:</u></b>			
<b><u>GENERAL &amp; ADMINISTRATIVE</u></b>			
Accounting Fees	6,300	6,300	0
Bank Fees	365	300	(65)
Dues & Subscriptions	0	100	100
Fee & Permits	2,822	3,000	178
Legal Fees	4,933	6,000	1,067
<b>TOTAL GENERAL &amp; ADMINISTRATIVE</b>	<u>14,420</u>	<u>15,700</u>	<u>1,280</u>
<b><u>OFFICE EXPENSE</u></b>			
Answering Service	2,046	1,600	(446)
Burglar Alarm	1,237	1,400	163
First Aid Supplies	0	50	50
Computer Support	4,789	3,500	(1,289)
Misc. Office Expense	692	300	(392)
Office Equipment	629	1,000	371
Office Furniture	0	250	250
Office Supplies	4,302	2,500	(1,802)
Postage & Mailing	1,932	1,500	(432)
Printing & Reproduction	1,662	1,600	(62)
<b>TOTAL OFFICE EXPENSE</b>	<u>17,289</u>	<u>13,700</u>	<u>(3,589)</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, 2020**

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<b><u>EXPENSES(Continued):</u></b>			
<b><u>INSURANCE</u></b>			
Employee Health Insurance	54,233	67,000	12,767
Insurance Expense	433,888	424,772	(9,116)
Vehicle Insurance	3,636	3,700	64
Worker's Compensation	5,711	7,000	1,289
<b>TOTAL INSURANCE</b>	<u>497,468</u>	<u>502,472</u>	<u>5,004</u>
<b><u>GROUNDS &amp; FACILITIES</u></b>			
Fire Extinguishers	2,551	3,500	949
Grounds Maintenance	53,917	10,000	(43,917)
Landscape Contract	252,000	252,000	0
Pest Control	31,100	62,000	30,900
Pest Control - Termites	6,550	8,000	1,450
Pressure Cleaning	3,500	3,500	0
Tree Trimming	32,745	15,000	(17,745)
<b>TOTAL GROUNDS &amp; FACILITIES</b>	<u>382,363</u>	<u>354,000</u>	<u>(28,363)</u>
<b><u>PERSONNEL EXPENSES</u></b>			
Gross Wages	368,373	371,000	2,627
Payroll Processing Fee	1,772	2,000	228
Payroll Taxes	28,523	30,000	1,477
<b>TOTAL PERSONNEL EXPENSES</b>	<u>398,668</u>	<u>403,000</u>	<u>4,332</u>
<b><u>UTILITIES</u></b>			
Cable	413,209	413,500	291
Electric	27,136	32,000	4,864
Telephone	2,956	3,000	44
Dumpster - Trash Removal	9,435	10,000	565
Water & Sewer	284,056	292,000	7,944
<b>TOTAL UTILITIES</b>	<u>736,792</u>	<u>750,500</u>	<u>13,708</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, 2020**

	<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	15,045	3,000	(12,045)
Electrical Repairs	7,372	20,000	12,628
Gutter Repairs & Installation	2,399	1,500	(899)
Irrigation Pump Repairs	0	4,000	4,000
Plumbing Repairs	17,268	30,000	12,732
Roof Repairs	14,110	30,000	15,890
Miscellaneous Repairs & Maintenance	1,356	1,500	144
Maintenance Supplies	11,409	10,000	(1,409)
Sprinkler Parts & Supplies	4,344	7,000	2,656
Uniforms	4,212	4,000	(212)
<b>TOTAL REPAIRS &amp; MAINTENANCE</b>	<u>77,515</u>	<u>111,000</u>	<u>33,485</u>
<b><u>VEHICLE EXPENSES</u></b>			
Fuel / Oil	1,608	2,000	392
Golf Cart Repair / Maintenance	2,408	2,000	(408)
Truck Repair / Maintenance	404	1,500	1,096
<b>TOTAL VEHICLE EXPENSES</b>	<u>4,420</u>	<u>5,500</u>	<u>1,080</u>
<b><u>CONTINGENCY &amp; RECREATION</u></b>			
Contingency Fund	0	5,000	5,000
Recreation Condo Monthly Fee	484,272	484,272	0
<b>TOTAL CONTINGENCY &amp; RECREATION</b>	<u>484,272</u>	<u>489,272</u>	<u>5,000</u>
 Total Operating Expenses	 <u>2,613,207</u>	 <u>2,645,144</u>	 <u>31,937</u>
 Excess Operating Revenues (Expenses)	 <u>\$85,044</u>	 <u>\$0</u>	 <u>\$85,044</u>

See independent auditors' report.