

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

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2021



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:

Opinion

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, 2021, 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.

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, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Number 1 Condominium Association - Palm Greens at Villa Del Ray, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Number 1 Condominium Association - Palm Greens at Villa Del Ray, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Number 1 Condominium Association - Palm Greens at Villa Del Ray, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Number 1 Condominium Association - Palm Greens at Villa Del Ray, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Disclaimer of Opinion on Required Supplementary Information

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 is the responsibility of management and, 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.

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.

Genette, Rosen & Goldenberg, P.A.

Boca Raton, Florida
August 30, 2022

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

BALANCE SHEET

December 31, 2021

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 222,560	\$ 584,934	\$ 807,494
Certificates of Deposit		932,718	932,718
Accounts Receivable, Net of Allowance For Uncollectible Accounts of \$ 3,988	10,217		10,217
Prepaid Insurance	529,098		529,098
Prepaid Expenses	7,331		7,331
PG Community Association Receivable	18,000		18,000
Legal Retainer Golf Course Receivable	2,500		2,500
Prepaid Taxes		4,096	4,096
TOTAL ASSETS	\$ 789,706	\$ 1,521,748	\$ 2,311,454
LIABILITIES AND FUND BALANCES			
Accounts Payable	\$ 19,220	\$	\$ 19,220
Accrued Expenses	4,400		4,400
Prepaid Maintenance Fees	56,060		56,060
Deferred Cable Incentive	29,925		29,925
Contract Liability - Deferred Reserves		1,437,850	1,437,850
TOTAL LIABILITIES	109,605	1,437,850	1,547,455
Fund Balances	680,101	83,898	763,999
TOTAL LIABILITIES AND FUND BALANCES	\$ 789,706	\$ 1,521,748	\$ 2,311,454

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, 2021

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Maintenance Fees	\$ 2,749,880	\$ 101,583	\$ 2,851,263
Bad Debts	(8,000)		(8,000)
Legal Fee Recovery	59		59
Interest Income	795	3,420	4,215
Resales	8,300		8,300
Leases	3,150		3,150
Late Fees	2,711		2,711
Pressure Cleaning	1,475		1,475
Prior Year Surplus Rollover	50,000		50,000
Estoppel Fees	12,100		12,100
Condo Questionnaire	3,200		3,200
Cable Incentive Income	9,975		9,975
Impact Mitigation 13th Floor		250,000	250,000
Miscellaneous Income	490		490
	<u>2,833,935</u>	<u>355,003</u>	<u>3,188,938</u>
TOTAL REVENUES			
EXPENSES			
General & Administrative	16,114		16,114
Office Expense	23,576		23,576
Insurance	582,470		582,470
Grounds & Facilities	307,565		307,565
Personnel Expenses	409,594		409,594
Utilities	787,496		787,496
Repairs & Maintenance	83,154		83,154
Vehicle Expenses	3,486		3,486
Contingency & Recreation	487,372		487,372
Reserve Expenses		351,583	351,583
	<u>2,700,827</u>	<u>351,583</u>	<u>3,052,410</u>
TOTAL EXPENSES			
EXCESS REVENUES (OVER EXPENSES)	133,108	3,420	136,528
FUND BALANCES - BEGINNING	596,993	80,478	677,471
SURPLUS ROLLOVER	(50,000)		(50,000)
FUND BALANCES - ENDING	<u>\$ 680,101</u>	<u>\$ 83,898</u>	<u>\$ 763,999</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, 2021

	OPERATING FUND	REPLACEMENT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
EXCESS REVENUES (EXPENSES)	\$ 133,108	\$ 3,420	\$ 136,528
ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Prior Year Surplus Rollover	(50,000)		(50,000)
DECREASE (INCREASE) IN ASSETS:			
Accounts Receivable - Net of Allowance	1,350		1,350
Prepaid Insurance	(294,216)		(294,216)
Prepaid Expenses	(6,106)		(6,106)
PG Community Association Receivable	(3,000)		(3,000)
Prepaid Taxes		(1,122)	(1,122)
INCREASE (DECREASE) IN LIABILITIES:			
Accounts Payable	(54,987)		(54,987)
Accrued Expenses	(1,900)	(75,000)	(76,900)
Prepaid Maintenance Fees	42,742		42,742
Deferred Cable Incentive	(9,975)		(9,975)
Contract Liability - Deferred Reserves		144,657	144,657
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(242,984)	71,955	(171,029)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Certificates of Deposit		(3,203)	(3,203)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	0	(3,203)	(3,203)
NET INCREASE (DECREASE) IN CASH	(242,984)	68,752	(174,232)
CASH AND CASH EQUIVALENTS			
AT BEGINNING OF PERIOD	465,544	516,182	981,726
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 222,560	\$ 584,934	\$ 807,494

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, 2021

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 August 30, 2022, 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 \$932,718, 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, 2021

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. 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 \$11,567 and \$10,217, 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 \$1,293,193 and \$1,437,850, 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, 2021; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2021.

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

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2021

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 (updated September 2021) 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, 2021, consists of the following:

COMPONENTS	BALANCE 12/31/2020	INTEREST/ ASSESSMENTS	IMPACT MITIGATION 13TH FLOOR	EXPENDITURES	BALANCE 12/31/2021
Roofing	\$0	\$0	\$0	\$0	\$0
Paving	0				0
Painting	0				0
Emergency	100,000				100,000
Pooled	1,193,193	246,240	250,000	(351,583)	1,337,850
SUB-TOTAL CONTRACT LIABILITY - DEFERRED RESERVES	1,293,193				1,437,850
Fund Balance - Unallocated Interest	80,478	3,420			83,898
TOTAL LIABILITIES AND FUND BALANCE	\$1,373,671	\$249,660	\$250,000	(\$351,583)	\$1,521,748

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 Association received \$250,000 per the agreement from 13th 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 13th Floor Home Income.

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

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2021

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 2021 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 \$73,878 is the current year provision and the remaining \$1,122 will be added to the \$2,974 of prepaid taxes from 2020. The total prepaid taxes as of December 31, 2021 is \$4,096, which will be refunded to the Association.

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 2018.

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, 2021, the remaining balance is \$29,925.

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

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2021

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 13th 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 (13th 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 and the final \$250,000 from the developer in 2021.

As of December 31, 2021, the Association has contributed \$18,000 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.

SUPPLEMENTARY INFORMATION

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

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

**December 31, 2021
(Unaudited)**

The Association has conducted an independent study (September 2021) 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>2022 REQUIRED FUNDING</u>
Site and Grounds	0 - 10 Years	\$1,457,550	
Building Exteriors	0 - 19 Years	4,893,950	
Mechanical, Electrical & Plumbing	0 - 49 Years	237,100	
Pooled			\$448,500
TOTAL		\$6,588,600	\$448,500

The Association elected to partially fund the Pooled Reserves \$300,000 in 2022.

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, 2021

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>REVENUES:</u>			
Maintenance Fees	\$2,749,680	\$2,749,680	\$0
Bad Debts	(8,000)	(8,000)	0
Legal Fee Recovery	59	0	59
Interest Income	795	0	795
Resales	8,300	0	8,300
Leases	3,150	0	3,150
Late Fees	2,711	0	2,711
Pressure Cleaning	1,475	0	1,475
Prior Year Surplus	50,000	50,000	0
Estoppel Fees	12,100	0	12,100
Condo Questionnaire	3,200	0	3,200
Cable Incentive Income	9,975	0	9,975
Miscellaneous Income	490	0	490
Total Revenues	<u>2,833,935</u>	<u>2,791,680</u>	<u>42,255</u>
<u>EXPENSES:</u>			
<u>GENERAL & ADMINISTRATIVE</u>			
Accounting Fees	6,400	6,300	(100)
Bank Fees	433	350	(83)
Dues & Subscriptions	0	100	100
Fee & Permits	2,859	3,000	141
Legal Fees	6,422	7,000	578
TOTAL GENERAL & ADMINISTRATIVE	<u>16,114</u>	<u>16,750</u>	<u>636</u>
<u>OFFICE EXPENSE</u>			
Answering Service	1,270	2,000	730
Burglar Alarm	1,262	1,400	138
First Aid Supplies	0	50	50
Computer Support	6,828	7,500	672
Misc. Office Expense	440	800	360
Contract Office Support	1,342	0	(1,342)
Office Equipment	5,030	5,000	(30)
Office Furniture	100	250	150
Office Supplies	2,261	4,000	1,739
Postage & Mailing	1,921	2,500	579
Printing & Reproduction	3,122	2,500	(622)
TOTAL OFFICE EXPENSE	<u>23,576</u>	<u>26,000</u>	<u>2,424</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, 2021

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>EXPENSES(Continued):</u>			
<u>INSURANCE</u>			
Employee Health Insurance	66,635	67,000	365
Insurance Expense	505,696	537,358	31,662
Vehicle Insurance	3,999	3,800	(199)
Worker's Compensation	6,140	7,000	860
TOTAL INSURANCE	<u>582,470</u>	<u>615,158</u>	<u>32,688</u>
<u>GROUNDS & FACILITIES</u>			
Fire Extinguishers	2,762	3,500	738
Grounds Maintenance	8,870	10,000	1,130
Landscape Contract	252,000	252,000	0
Pest Control	8,748	62,000	53,252
Pest Control - Termites	4,220	8,000	3,780
Pressure Cleaning	0	3,500	3,500
Tree Trimming	30,965	30,000	(965)
TOTAL GROUNDS & FACILITIES	<u>307,565</u>	<u>369,000</u>	<u>61,435</u>
<u>PERSONNEL EXPENSES</u>			
Gross Wages	378,306	380,000	1,694
Payroll Processing Fee	1,955	2,000	45
Payroll Taxes	29,333	30,000	667
TOTAL PERSONNEL EXPENSES	<u>409,594</u>	<u>412,000</u>	<u>2,406</u>
<u>UTILITIES</u>			
Cable	429,978	430,500	522
Electric	33,459	29,000	(4,459)
Telephone	3,086	3,000	(86)
Dumpster - Trash Removal	9,178	10,000	822
Water & Sewer	311,795	313,000	1,205
TOTAL UTILITIES	<u>787,496</u>	<u>785,500</u>	<u>(1,996)</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, 2021

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>EXPENSES(Continued):</u>			
<u>REPAIRS & MAINTENANCE</u>			
Building & Drywall Repairs	7,335	3,000	(4,335)
Electrical Repairs	3,305	10,000	6,695
Gutter Repairs & Installation	3,552	1,500	(2,052)
Irrigation Pump Repairs	0	2,000	2,000
Plumbing Repairs	28,290	20,000	(8,290)
Roof Repairs	14,680	12,500	(2,180)
Miscellaneous Repairs & Maintenance	1,464	1,500	36
Maintenance Supplies	11,038	10,000	(1,038)
Sprinkler Parts & Supplies	9,298	7,000	(2,298)
Uniforms	4,192	4,500	308
TOTAL REPAIRS & MAINTENANCE	83,154	72,000	(11,154)
<u>VEHICLE EXPENSES</u>			
Fuel / Oil	2,171	2,000	(171)
Golf Cart Repair / Maintenance	1,101	2,500	1,399
Truck Repair / Maintenance	214	1,500	1,286
TOTAL VEHICLE EXPENSES	3,486	6,000	2,514
<u>CONTINGENCY & RECREATION</u>			
Contingency Fund	3,100	5,000	1,900
Recreation Condo Monthly Fee	484,272	484,272	0
TOTAL CONTINGENCY & RECREATION	487,372	489,272	1,900
 Total Operating Expenses	 2,700,827	 2,791,680	 90,853
Excess Operating Revenues (Expenses)	\$133,108	\$0	\$133,108

See independent auditors' report.