

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1
Balance Sheet	3
Statement of Revenues, Expenses, and Changes In Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6-10
Schedule of Operating Fund Revenues and Expenses - Actual vs. Budget	12
Schedule of Detailed Operating Expenses - Actual vs. Budget	13-15
Supplementary Information on Future Major Repairs And Replacements	16



JOE A. CATARINEAU, CPA
CONNIE F. CATARINEAU, CPA

Email: accountants@catarineaucpa.com
www.catarineaucpa.com

8000 S.W. 117th AVENUE, SUITE 204 • MIAMI, FLORIDA 33183 • PHONE (305) 596-7883 • FAX (305) 596-4577

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Unit Owners
Condominium Association of Parker Plaza Estates, Inc.
Hallandale, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Condominium Association of Parker Plaza Estates, Inc., which comprises the balance sheet as of September 30, 2013, and the related statements of revenues and expenses, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Condominium Association of Parker Plaza Estates, Inc., as of September 30, 2013, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 on page 16 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 assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provides any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Schedule of Operating Fund Revenues and Expenses – Actual vs. Budget on pages 12-15 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Catarineau & Givens, P.A.

Catarineau & Givens, P.A.

Miami, Florida 33183

December 23, 2013

Condominium Association of Parker Plaza Estates, Inc.
Balance Sheet
September 30, 2013

<u>ASSETS</u>	<u>OPERATING</u>	<u>SPECIAL ASSESSMENT</u>	<u>TOTAL</u>
CURRENT ASSETS			
Cash and cash equivalents	\$ 1,472,554	\$ 401	\$ 1,472,955
Assessments receivable from members, net of Cash, escrow	406,025	-	406,025
allowance for doubtful accounts of \$125,000	83,859	2,448	86,307
Prepaid insurance	550,772	-	550,772
Other current assets	3,150	-	3,150
Total Current Assets	<u>2,516,360</u>	<u>2,849</u>	<u>2,519,209</u>
Property and equipment, net of accumulated depreciation (Note 6)	1,040,095	-	1,040,095
OTHER ASSETS			
Closing costs, net of accumulated amortization of \$2,487	3,915	-	3,915
Utility deposits	18,160	-	18,160
Total Other Assets	<u>22,075</u>	<u>-</u>	<u>22,075</u>
TOTAL ASSETS	\$ <u>3,578,530</u>	\$ <u>2,849</u>	\$ <u>3,581,379</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$ 131,152	\$ -	\$ 131,152
Insurance contract payable	441,001	-	441,001
Current portion of notes payable	240,000	-	240,000
Accrued interest payable	89,104	-	89,104
Accrued payroll	8,240	-	8,240
Escrow - contractors	22,800	-	22,800
Escrow - rentals	105,435	-	105,435
Escrow - maintenance	274,787	-	274,787
Prepaid maintenance assessments	21,807	-	21,807
Total Current Liabilities	<u>1,334,326</u>	<u>-</u>	<u>1,334,326</u>
LONG-TERM LIABILITIES			
Notes payable, net of current portion	<u>9,387,536</u>	<u>-</u>	<u>9,387,536</u>
Total Long-term Liabilities	<u>9,387,536</u>	<u>-</u>	<u>9,387,536</u>
TOTAL LIABILITIES	10,721,862	-	10,721,862
Commitments and Contingencies (Note 3)			
FUND BALANCE (DEFICIT)	<u>(7,143,332)</u>	<u>2,849</u>	<u>(7,140,483)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>3,578,530</u>	\$ <u>2,849</u>	\$ <u>3,581,379</u>

See accompanying notes to financial statements

Condominium Association of Parker Plaza Estates, Inc.
Statement of Revenues, Expenses and
Changes in Fund Balances
For the Year Ended September 30, 2013

	<u>OPERATING</u>	<u>SPECIAL ASSESSMENT</u>	<u>TOTAL</u>
OPERATING REVENUES			
Member assessments	\$ 4,344,371	\$ -	\$ 4,344,371
Fees and charges	142,806	-	142,806
Parking	87,693	-	87,693
Miscellaneous income	26,253	-	26,253
Repairs / work orders	13,701	-	13,701
Rental income	21,600	-	21,600
Laundry income	11,606	-	11,606
Application fees	6,695	-	6,695
Late fees	4,075	25	4,100
Recovery of bad debt	56,589	1,521	58,110
Interest income	4,147	-	4,147
Insurance proceeds	273,495	-	273,495
Recovered income	350,004	-	350,004
Total Operating Revenues	<u>5,343,035</u>	<u>1,546</u>	<u>5,344,581</u>
OPERATING EXPENSES			
Fixed contracts	1,048,944	-	1,048,944
Utilities	939,985	-	939,985
Administrative	1,091,101	-	1,091,101
Interest expense	531,292	-	531,292
Special assessment	-	8,726	8,726
Special project	320,706	-	320,706
Salaries and related expenses	466,604	-	466,604
Building operations	251,072	-	251,072
Depreciation and amortization	30,837	-	30,837
Total Operating Expenses	<u>4,680,541</u>	<u>8,726</u>	<u>4,689,267</u>
EXCESS (DEFICIT) OF OPERATING REVENUES OVER OPERATING EXPENSES	662,494	(7,180)	655,314
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	<u>(7,805,826)</u>	<u>10,029</u>	<u>(7,795,797)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (7,143,332)</u>	<u>\$ 2,849</u>	<u>\$ (7,140,483)</u>

See accompanying notes to financial statements

Condominium Association of Parker Plaza Estates, Inc.
Statement of Cash Flows
For the Year Ended September 30, 2013

	<u>OPERATING</u>	<u>SPECIAL ASSESSMENT</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of operating revenues over expenses (Deficit of operating expenses over revenues)	\$ 662,494	\$ (7,180)	\$ 655,314
Adjustments to reconcile excess of operating revenues over expenses to net cash provided by operating activities:			
Depreciation	30,653	-	30,653
Amortization	184	-	184
Changes in operating assets and liabilities			
Decrease (increase) in:			
Assessments receivable	22,815	2,920	25,735
Other current assets	11,485	-	11,485
Prepaid insurance	(9,720)	-	(9,720)
Increase (decrease) in:			
Accounts payable and accrued expenses	(5,435)	-	(5,435)
Accrued interest payable	(1,162)	-	(1,162)
Prepaid maintenance	(5,531)	-	(5,531)
Accrued payroll	(731)	-	(731)
Escrow contractors	2,750	-	2,750
Escrow maintenance	165,731	-	165,731
Escrow rentals	(6,055)	-	(6,055)
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES	867,478	(4,260)	863,218
CASH FLOWS FROM FINANCING ACTIVITIES			
Net advances and repayments of notes payable	(230,792)	-	(230,792)
Insurance contract payable	7,053	-	7,053
Due from Special Assessment (Due to Operating)	13,804	(13,804)	-
NET CASH USED BY FINANCING ACTIVITIES	(209,935)	(13,804)	(223,739)
NET INCREASE (DECREASE) IN CASH	657,543	(18,064)	639,479
CASH & CASH EQUIVALENTS - BEGINNING OF YEAR	1,221,036	18,465	1,239,501
CASH & CASH EQUIVALENTS - END OF YEAR	\$ 1,878,579	\$ 401	\$ 1,878,980

See accompanying notes to financial statements

Condominium Association of Parker Plaza Estates, Inc.
Notes to Financial Statements
September 30, 2013

NOTE 1 - Nature of Activities

Condominium Association of Parker Plaza Estates, Inc., "the Association", is a statutory association incorporated in the State of Florida in 1970. The Association is responsible for the operation and maintenance of the common property within the development. The development consists of 520 residential units located in Hallandale, Florida.

NOTE 2 -Significant Accounting Policies

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. Financial resources are classified for 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. The membership had voted not to fund any replacements for the year.

Special Assessment (Restricted) Fund: This fund is used to accumulate monies from special assessments designated for specific purposes.

Basis of Presentation

The Association's financial statements are presented utilizing the accrual method of accounting. Under this accounting method, assessments are recorded as revenues when billed, and expenses are recorded when they are incurred.

Property and Equipment

Real property and common areas are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property to which it has title at cost. Real property not directly associated with unit owners is recognized as assets by the Association when it has title to the property or generates significant cash flows from members or nonmembers on the basis of usage.

Condominium Association of Parker Plaza Estates, Inc.
Notes to Financial Statements
September 30, 2013

NOTE 2 - Significant Accounting Policies (Continued)

Property and Equipment (continued)

Depreciation is computed utilizing the straight-line method over the following estimated useful lives of the assets:

Recreational facility	39 years
Property and equipment	5-7 years

Member Assessments

Assessments are levied against the unit owners for their proportionate share of the common expenses and reserves for capital replacements and deferred maintenance as determined by the budget established by the Board of Directors. Assessments are payable quarterly. Assessments receivable at the balance sheet date represents fees due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are delinquent. Any excess assessments at year-end are retained by the Association for use in the succeeding year.

The board reviewed the delinquent receivables and has established an allowance for doubtful accounts in the amount of \$125,000 as of September 30, 2013, which includes a \$1,900 allowance for doubtful accounts against the special assessment receivables.

Income Taxes

The Association is subject to filing federal tax returns. A homeowners' association may elect to be taxed as a regular corporation or as a homeowners' association, depending upon which method results in the lower tax. An Association that elects to be taxed as a regular corporation is subject to filing state income tax returns. If the Association elects to be taxed as a regular corporation, the excess of revenues from members over related expenditures is subject to taxation, unless such excess is returned to the unit owners or is applied to the following year's assessments. If the Association elects to be taxed as a homeowners' association, it is generally taxed only on non-membership income, such as interest income. Membership income is exempt from taxation if certain elections are made. The Association has elected to be taxed as a homeowner's association.

The Association evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of September 30, 2013, the Association does not believe that it has taken any positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease in the next year. The Association did not have any uncertain tax positions and thus has not recognized any interest or penalties in its operating expenses.

The federal income tax returns of the Association for 2012, 2011 and 2010 are subject to examination by federal authorities, generally for three years after they have been filed.

Condominium Association of Parker Plaza Estates, Inc.
Notes to Financial Statements
September 30, 2013

NOTE 2 - Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Association had various accounts in financial institutions that are insured by the FDIC. The amounts exceeding federally insured limits as of September 30, 2013 are approximately \$1,013,000.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at September 30, 2013 and revenues and expenses during the year then ended. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

NOTE 3 - Commitments and Contingencies

The Association is subject to legal matters, which may arise, primarily in the ordinary course of business. The Association does not anticipate any losses with respect to such existing or pending matters at September 30, 2013.

The Association's insurance policies have high-deductibles on windstorm and hail coverage.

NOTE 4 - Supplemental Disclosures of Cash Flow Information

Cash paid for interest (loan and insurance financing interest) and income taxes for the year ended September 30, 2013 are as follows:

Interest	\$538,182
	<hr/>
Income taxes	\$ 0
	<hr/>

NOTE 5 - Subsequent Event

The Company has evaluated subsequent events through December 23, 2013, which is the date the financial statements were available to be issued.

Condominium Association of Parker Plaza Estates, Inc.
Notes to Financial Statements
September 30, 2013

NOTE 6 - Property and Equipment

Property and equipment as of September 30, 2013 were as follows:

Recreational facility	\$ 975,000
Recreational facility (Land)	975,000
Equipment	<u>68,948</u>
	2,018,948
Less accumulated depreciation	<u>978,853</u>
Property and equipment, net of accumulated depreciation	<u><u>\$ 1,040,095</u></u>

Depreciation expense for the year ended September 30, 2013 was \$30,653.

NOTE 7 - Note Payable - Long Term

The note is payable in quarterly installments of \$190,811.36 including interest. The interest rate is fixed for the first five years and is determined by adding the margin (265 basis points) to the index (5 Year US SWAP) and rounding to the next highest eighth percent, then to adjust every five years, until paid in full. The loan is collateralized by first position assignment and a pledge to the Bank of the Association's future income including its right to receive general and any special assessments associated with capital projects.

	\$ 9,627,536
Less: Current maturities of note payable	<u>240,000</u>
Long-term note payable	<u><u>\$ 9,387,536</u></u>

Principal maturities of the note for the next five years are as follows:

For the year ending September 30,

	2013	240,000
	2014	260,000
	2015	280,000
	2016	300,000
	2017	325,000
	2018 and thereafter	<u>8,222,536</u>
		<u><u>\$ 9,627,536</u></u>

Interest expense on this note for the year ended September 30, 2013 was \$ 531,292.

Condominium Association of Parker Plaza Estates, Inc.
Notes to Financial Statements
September 30, 2013

NOTE 8 - Operating Lease

The Association also leases equipment under several non-cancelable operating leases with unrelated parties which expire in November, 2018. The total amounts paid during the year ended September 30, 2013, was \$3,622

The following is a schedule of future minimum payments required under the above non-cancelable leases:

For the Year Ending September 30,	
2014	\$ 2,967
2015	2,967
2016	2,967
2017	2,448
2018	379
Total	<u>\$ 11,728</u>

NOTE 9 - Future Major Repairs and Replacements

At a duly constituted meeting, the Association elected to waive budgeted reserve funding for the year ended September 30, 2013, as they have in all prior years, and accordingly no reserves are shown on the financial statements. If funds are needed as major repairs and replacements occur, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments or it may delay major repairs and replacements until funds are available.

Under Chapter 718.112 of the Florida Statutes, these reserves are for, but not limited to, roof replacement, painting of the building, and pavement resurfacing. When the funds are required for major repairs and replacements, the Association plans to borrow, assess special assessments, or delay repairs and replacements until funds are available. The effect on future assessments has not been determined.

NOTE 10 - Special Assessment

On July 6, 2011, the Association approved a special assessment for the emergency generator, water wells, and fire alarm for a total of \$782,676. The Association allowed the unit owner to pay the special assessment in two installments, half due on August 1, 2011 and the second half to be paid by November 1, 2011. The special assessment receivable balance was \$4,348 as of September 30, 2013 and an allowance for uncollectible special assessments was established in the amount of \$1,900 as of September 30, 2013.

Supplementary Information

Condominium Association of Parker Plaza Estates, Inc.
Schedule of Operating Fund Revenues and Expenses
Actual vs. Budget
For the Year Ended September 30, 2013

	Actual	Budget (Unaudited)	Variance
Operating Revenues			
Member assessments	\$ 4,344,371	\$ 4,344,308	\$ 63
Fees and charges	142,806	108,700	34,106
Parking	87,693	93,000	(5,307)
Miscellaneous income	26,253	3,800	22,453
Repairs / work orders	13,701	14,380	(679)
Rental income	21,600	35,000	(13,400)
Laundry income	11,606	12,500	(894)
Application fees	6,695	7,000	(305)
Late fees	4,075	10,000	(5,925)
Recovery of bad debt	56,589	80,000	(23,411)
Interest income	4,147	3,000	1,147
Recovered income	350,004	-	350,004
Insurance settlement	273,495	-	273,495
	5,343,035	4,711,688	631,347
Operating Expenses			
Building maintenance	251,072	242,628	8,444
Salaries and related expenses	466,604	462,500	4,104
Administration expenses	1,091,101	1,118,827	(27,726)
Fixed contracts	1,048,944	978,100	70,844
Utilities	939,985	960,200	(20,215)
Special projects	320,706	-	320,706
Loan interest	531,292	532,639	(1,347)
Depreciation and amortization	30,837	-	30,837
	4,680,541	4,294,894	385,647
Excess of Operating Revenues over Operating Expenses	\$ 662,494	\$ 416,794	\$ 245,700

See independent auditor's report

Condominium Association of Parker Plaza Estates, Inc.
Statement of Detailed Operating Expenses
Actual vs. Budget
For the Year Ended September 30, 2013

	Actual	Budget (Unaudited)	Variance
	<u> </u>	<u> </u>	<u> </u>
Administrative			
Accounting	\$ 16,365	\$ 38,000	\$ (21,635)
Annual fee	2,080	2,800	(720)
Application screening	3,862	4,000	(138)
Bad debt expense	91,439	70,000	21,439
Bank charges	1,261	2,000	(739)
Computer expenses	9,334	6,000	3,334
Consulting expenses	3,750	-	3,750
Election expenses	1,578	5,000	(3,422)
Employee gas	211	800	(589)
Insurance - all risk	805,751	802,339	3,412
Insurance - claims deductible	7,500	2,000	5,500
Legal fees	114,650	107,500	7,150
Licenses/fees/permits	5,182	5,000	182
Maintenance fees	9,748	35,000	(25,252)
New hire fees	325	5,000	(4,675)
Office (computer software)	7,943	5,000	2,943
Office (kitchen)	2,670	2,500	170
Office (supplies)	2,946	15,188	(12,242)
Postage and deliveries	3,319	3,800	(481)
Radios	1,155	2,000	(845)
Taxes	-	2,400	(2,400)
Unit expenses - Parker owned	32	2,500	(2,468)
	<u> </u>	<u> </u>	<u> </u>
Total Administrative Expenses	1,091,101	1,118,827	(27,726)
Building Maintenance			
Chiller repairs	\$ 4,047	\$ 20,000	\$ (15,953)
Cleaning supplies	1,124	2,500	(1,376)
Cleaning supplies (paper)	649	1,250	(601)
Compactor container	3,494	2,500	994
Compactors	-	1,500	(1,500)
Compactor repairs	1,123	1,500	(377)
Electrical room	-	2,500	(2,500)
Elevator repair	6,790	17,000	(10,210)
Fire alarm maintenance	3,033	900	2,133
Gym maintenance	2,811	3,600	(789)
Landscaping	5,426	4,000	1,426
Outside contractors	138,801	71,900	66,901
Parts and supplies	62,348	51,500	10,848
Pool maintenance	20,972	61,278	(40,306)
Uniforms	454	700	(246)
	<u> </u>	<u> </u>	<u> </u>
Total Building Maintenance	251,072	242,628	8,444

Condominium Association of Parker Plaza Estates, Inc.
Statement of Detailed Operating Expenses
Actual vs. Budget
For the Year Ended September 30, 2013

	Actual	Budget (Unaudited)	Variance
Fixed Contracts			
Chillers	\$ 22,716	\$ 6,000	\$ 16,716
Copier	3,209	6,500	(3,291)
Elevator	28,800	28,800	-
Fire alarm	-	1,000	(1,000)
Housekeeping	166,090	132,000	34,090
Landscaping	17,764	15,000	2,764
Maintenance contract	229,973	240,000	(10,027)
Pest control	5,634	4,500	1,134
Security/contract	350,861	332,000	18,861
Telephone	(121)	1,500	(1,621)
Valet/contract	151,237	146,000	5,237
Waste removal	68,701	60,000	8,701
Water treatment	4,080	4,800	(720)
Total Fixed Contracts	1,048,944	978,100	70,844
Salaries and Payroll Costs			
Employee health insurance	24,209	20,000	4,209
Holiday fund	7,748	8,000	(252)
Payroll - Maintenance	162,761	105,000	57,761
Payroll - Housekeeping	-	22,000	(22,000)
Payroll - Administration	154,222	170,000	(15,778)
Payroll - Pool	33,800	40,000	(6,200)
Payroll - Contractor control	30,562	30,000	562
Payroll taxes	35,511	43,500	(7,989)
Special events	4,401	8,000	(3,599)
Workers compensation insurance	13,390	16,000	(2,610)
Total Salaries and Payroll Costs	466,604	462,500	4,104
Special Projects			
Fire Alarm/Soffits	\$ 148,404	\$ -	\$ 148,404
Rear parking lot repair	-	20,000	(20,000)
Camera	-	10,000	(10,000)
Sewer and drain relining	111,792	-	111,792
Reheat/outside air repair	11,284	-	11,284
Repair concrete on building walls	12,938	20,000	(7,062)
Roof repairs	227	7,500	(7,273)
Electric revision	28,848	8,000	20,848
Non-contracted supervisory services	-	5,000	(5,000)
Pool deck repair	7,213	15,689	(8,476)
Total Special Projects	320,706	86,189	234,517

See independent auditor's report

Condominium Association of Parker Plaza Estates, Inc.
Statement of Detailed Operating Expenses
Actual vs. Budget
For the Year Ended September 30, 2013

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance</u>
Utilities			
Cable	\$ 194,986	\$ 175,000	\$ 19,986
Electricity	302,997	330,000	(27,003)
Gas	38,665	40,000	(1,335)
Gas - transportation	16,549	20,000	(3,451)
Telephone	6,149	5,200	949
Water and sewer	<u>380,639</u>	<u>390,000</u>	<u>(9,361)</u>
Total Utilities	939,985	960,200	(20,215)
Loan Interest (Budget includes principal)	531,292	532,639	(1,347)
Depreciation & Amortization	<u>30,837</u>	<u>-</u>	<u>30,837</u>
TOTAL EXPENSES	4,680,541	4,381,083	299,458
DEBT SERVICE			
Repayment to Parker Plaza (Alarm System)	100,000	100,000	-
Principal repayment on note	<u>230,792</u>	<u>230,605</u>	<u>187</u>
NET EXPENSES	<u>\$ 5,011,333</u>	<u>\$ 4,711,688</u>	<u>\$ 299,645</u>

Condominium Association of Parker Plaza Estates, Inc.
Supplementary Information on
Future Major Repairs and Replacements
September 30, 2013

The Association's board of directors had estimated 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. As repairs and replacements are necessary, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

The schedule below presents significant information based on the Association's board of directors estimates about the components of common property:

Components	Estimated Remaining Useful Lives (Yrs)	Estimated Replacement Cost	Reserves Held for Future Replacement Costs
Exterior painting	2	\$ 250,000	\$ 0
Roof	5	450,000	0
Emergency generator	9	200,000	0
A/C tower	4	200,000	0
A/C chillers	6	1,250,000	0
Compactors	1	150,000	0
Elevators	7	1,500,000	0
Carpets	5	350,000	0
Paving	3	<u>500,000</u>	<u>0</u>
		<u>\$ 4,850,000</u>	<u>\$ 0</u>