

## 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](mailto:accountants@catarineaucpa.com)  
[www.catarineaucpa.com](http://www.catarineaucpa.com)

---

8000 S.W. 117<sup>th</sup> 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, 2014, 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, 2014, 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  
January 8, 2015

**Condominium Association of Parker Plaza Estates, Inc.**  
**Balance Sheet**  
**September 30, 2014**

<u>ASSETS</u>	<u>OPERATING</u>	<u>SPECIAL ASSESSMENT</u>	<u>TOTAL</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 1,797,684	\$ 401	\$ 1,798,085
Cash, escrow	541,823	-	541,823
Assessments receivable from members, net of allowance for doubtful accounts of \$125,000	41,816	-	41,816
Prepaid expenses	746,892	-	746,892
Other current assets	1,350	-	1,350
Total Current Assets	3,129,565	401	3,129,966
Property and equipment, net of accumulated depreciation (Note 6)	1,011,796	-	1,011,796
<b>OTHER ASSETS</b>			
Closing costs, net of accumulated amortization of \$2,671	3,731	-	3,731
Utility deposits	18,160	-	18,160
Total Other Assets	21,891	-	21,891
<b>TOTAL ASSETS</b>	<b>\$ 4,163,252</b>	<b>\$ 401</b>	<b>\$ 4,163,653</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 384,509	\$ -	\$ 384,509
Insurance contract payable	415,665	-	415,665
Current portion of notes payable	260,000	-	260,000
Accrued interest payable	85,909	-	85,909
Accrued payroll	8,047	-	8,047
Escrow deposits	536,560	-	536,560
Prepaid maintenance assessments	28,839	-	28,839
Total Current Liabilities	1,719,529	-	1,719,529
<b>LONG-TERM LIABILITIES</b>			
Notes payable, net of current portion	9,123,973	-	9,123,973
Total Long-term Liabilities	9,123,973	-	9,123,973
<b>TOTAL LIABILITIES</b>	10,843,502	-	10,843,502
Commitments and Contingencies (Note 3)			
<b>FUND BALANCE (DEFICIT)</b>	(6,680,250)	401	(6,679,849)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 4,163,252</b>	<b>\$ 401</b>	<b>\$ 4,163,653</b>

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, 2014**

	<u>OPERATING</u>	<u>SPECIAL ASSESSMENT</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Member assessments	\$ 4,702,540	\$ -	\$ 4,702,540
Fees and charges	103,175	-	103,175
Parking	83,824	-	83,824
Miscellaneous income	52,957	-	52,957
Repairs / work orders	3,914	-	3,914
Rental income	23,150	-	23,150
Laundry income	10,710	-	10,710
Application fees	5,600	-	5,600
Late fees	4,025	-	4,025
Interest income	3,881	-	3,881
Regency developer settlement (legal fees)	30,000	-	30,000
Total Operating Revenues	<u>5,023,776</u>	<u>-</u>	<u>5,023,776</u>
<b>OPERATING EXPENSES</b>			
Fixed contracts	1,090,341	-	1,090,341
Utilities	922,090	-	922,090
Administrative	1,130,599	2,448	1,133,047
Interest expense	517,018	-	517,018
Special projects	108,010	-	108,010
Salaries and related expenses	440,296	-	440,296
Building maintenance	323,856	-	323,856
Depreciation and amortization	28,484	-	28,484
Total Operating Expenses	<u>4,560,694</u>	<u>2,448</u>	<u>4,563,142</u>
<b>EXCESS (DEFICIT) OF OPERATING REVENUES OVER OPERATING EXPENSES</b>			
	463,082	(2,448)	460,634
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>			
	<u>(7,143,332)</u>	<u>2,849</u>	<u>(7,140,483)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>			
	<u>\$ (6,680,250)</u>	<u>\$ 401</u>	<u>\$ (6,679,849)</u>

**Condominium Association of Parker Plaza Estates, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2014**

	<u>OPERATING</u>	<u>SPECIAL ASSESSMENT</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Excess of operating revenues over expenses (Deficit of operating expenses over revenues)	\$ 463,082	\$ (2,448)	\$ 460,634
Adjustments to reconcile excess of operating revenues over expenses to net cash provided by operating activities:			
Depreciation	28,300	-	28,300
Amortization	184	-	184
Changes in operating assets and liabilities			
Decrease (increase) in:			
Assessments receivable	42,043	2,448	44,491
Other current assets	1,800	-	1,800
Prepaid insurance	(196,120)	-	(196,120)
Increase (decrease) in:			
Accounts payable and accrued expenses	253,357	-	253,357
Accrued interest payable	(3,195)	-	(3,195)
Prepaid maintenance	7,032	-	7,032
Accrued payroll	(193)	-	(193)
Escrow deposits	<u>133,538</u>	<u>-</u>	<u>133,538</u>
<b>NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES</b>	<b>729,828</b>	<b>-</b>	<b>729,828</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net advances and repayments of notes payable	(243,564)	-	(243,564)
Insurance contract payable	<u>(25,336)</u>	<u>-</u>	<u>(25,336)</u>
<b>NET CASH USED BY FINANCING ACTIVITIES</b>	<b><u>(268,900)</u></b>	<b><u>-</u></b>	<b><u>(268,900)</u></b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>460,928</b>	<b>-</b>	<b>460,928</b>
<b>CASH &amp; CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b><u>1,878,579</u></b>	<b><u>401</u></b>	<b><u>1,878,980</u></b>
<b>CASH &amp; CASH EQUIVALENTS - END OF YEAR</b>	<b><u>\$ 2,339,507</u></b>	<b><u>\$ 401</u></b>	<b><u>\$ 2,339,908</u></b>

**Condominium Association of Parker Plaza Estates, Inc.**  
**Notes to Financial Statements**  
**September 30, 2014**

***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, 2014**

***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, 2014.

**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, 2014, 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 2013, 2012 and 2011 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, 2014**

***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, 2014 are approximately \$1,089,000.

**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, 2014 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, 2014.

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, 2014 are as follows:

Interest	\$517,018
	=====
Income taxes	\$ 0
	=====

***NOTE 5 - Subsequent Event***

The Company has evaluated subsequent events through January 8, 2015, 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, 2014**

***NOTE 6 - Property and Equipment***

Property and equipment as of September 30, 2014 were as follows:

Recreational facility	\$ 975,000
Recreational facility (Land)	975,000
Equipment	68,948
	2,018,948
Less accumulated depreciation	1,007,152
	\$ 1,011,796

Depreciation expense for the year ended September 30, 2014 was \$28,300.

***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.

	\$ 9,383,973
Less: Current maturities of note payable	260,000
	\$ 9,123,973

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

For the year ending September 30,

	260,000
	280,000
	300,000
	325,000
	350,000
2020 and thereafter	7,868,973
	\$ 9,383,973

Interest expense on this note for the year ended September 30, 2014 was \$ 516,487.

**Condominium Association of Parker Plaza Estates, Inc.**  
**Notes to Financial Statements**  
**September 30, 2014**

***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, 2014, was \$3,145.

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

For the Year Ending September 30,	
2015	\$ 2,967
2016	2,967
2017	2,448
2018	379
2019	<u>-</u>
Total	<u><u>\$ 8,761</u></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, 2014, 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 owners 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 projects have been completed and \$401 remains available.

# 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, 2014**

	Actual	Budget (Unaudited)	Variance
<b>Operating Revenues</b>			
Member assessments	\$ 4,702,540	\$ 4,702,540	\$ -
Fees and charges	103,175	74,200	28,975
Parking	83,824	88,200	(4,376)
Miscellaneous income	52,957	4,000	48,957
Repairs / work orders	3,914	6,400	(2,486)
Rental income	23,150	25,200	(2,050)
Laundry income	10,710	12,000	(1,290)
Application fees	5,600	7,000	(1,400)
Late fees	4,025	4,700	(675)
Recovery of bad debt	-	50,000	(50,000)
Interest income	3,881	4,000	(119)
Regency developer settlement (legal fees)	30,000	-	30,000
	5,023,776	4,978,240	45,536
<b>Operating Expenses</b>			
Building maintenance	323,856	226,100	97,756
Salaries and related expenses	440,296	561,500	(121,204)
Administrative	1,130,599	1,136,840	(6,241)
Fixed contracts	1,090,341	1,065,800	24,541
Utilities	922,090	943,000	(20,910)
Special projects	108,010	55,000	53,010
Interest expense	517,018	520,000	(2,982)
Depreciation and amortization	28,484	-	28,484
	4,560,694	4,508,240	52,454
Excess of Operating Revenues over Operating Expenses	\$ 463,082	\$ 470,000	\$ (6,918)

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, 2014**

	Actual	Budget (Unaudited)	Variance
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Administrative</b>			
Accounting	\$ 22,665	\$ 20,000	\$ 2,665
Annual fee	2,080	3,000	(920)
Application screening	3,572	4,800	(1,228)
Bad debt expense	50,703	127,000	(76,297)
Bank charges	838	1,500	(662)
Computer expenses	473	2,000	(1,527)
Consulting expenses	7,425	-	7,425
Election expenses	2,288	4,500	(2,212)
Employee gas	2,146	200	1,946
Insurance - all risk	846,247	817,500	28,747
Insurance - claims deductible	450	11,000	(10,550)
Legal fees	146,235	65,000	81,235
Licenses/fees/permits	4,482	6,300	(1,818)
Maintenance fees	10,060	44,000	(33,940)
New hire fees	1,262	340	922
Office (computer software)	13,347	10,000	3,347
Office (kitchen)	2,216	3,100	(884)
Office (supplies)	9,734	7,800	1,934
Postage and deliveries	1,942	2,800	(858)
Radios	2,434	2,000	434
Unit expenses - Parker owned	-	4,000	(4,000)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Administrative Expenses</b>	<b>1,130,599</b>	<b>1,136,840</b>	<b>(6,241)</b>
<b>Building Maintenance</b>			
Chiller repairs	4,142	3,300	842
Cleaning supplies	2,376	1,200	1,176
Cleaning supplies (paper)	520	450	70
Compactor container	475	3,500	(3,025)
Compactors	-	1,500	(1,500)
Compactor repairs	3,441	2,000	1,441
Electrical room	-	500	(500)
Elevator repair	1,587	10,000	(8,413)
Fire alarm maintenance	5,200	4,400	800
Gym maintenance	2,129	3,700	(1,571)
Landscaping	8,019	7,000	1,019
Outside contractors	166,866	111,000	55,866
Parts and supplies	96,725	53,000	43,725
Pool maintenance	32,039	24,100	7,939
Uniforms	337	450	(113)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Building Maintenance</b>	<b>323,856</b>	<b>226,100</b>	<b>97,756</b>

**Condominium Association of Parker Plaza Estates, Inc.**  
**Statement of Detailed Operating Expenses**  
**Actual vs. Budget**  
**For the Year Ended September 30, 2014**

	Actual	Budget (Unaudited)	Variance
<b>Fixed Contracts</b>			
Chillers	27,000	27,000	-
Copier	2,672	4,500	(1,828)
Elevator	28,800	28,800	-
Fire alarm	294	1,000	(706)
Housekeeping	174,763	178,000	(3,237)
Landscaping	19,200	19,200	-
Maintenance contract	263,722	228,000	35,722
Pest control	7,554	5,500	2,054
Security/contract	361,337	363,000	(1,663)
Valet/contract	145,588	146,000	(412)
Waste removal	55,331	60,000	(4,669)
Water treatment	4,080	4,800	(720)
<b>Total Fixed Contracts</b>	<b>1,090,341</b>	<b>1,065,800</b>	<b>24,541</b>
<b>Salaries and Payroll Costs</b>			
Employee health insurance	27,728	27,100	628
Holiday fund	8,783	8,000	783
Payroll - Maintenance	164,255	200,000	(35,745)
Payroll - Administration	134,063	200,000	(65,937)
Payroll - Pool	36,299	35,000	1,299
Payroll - Contractor control	24,107	30,000	(5,893)
Payroll taxes	32,303	41,400	(9,097)
Special events	2,585	3,000	(415)
Workers compensation insurance	10,173	17,000	(6,827)
<b>Total Salaries and Payroll Costs</b>	<b>440,296</b>	<b>561,500</b>	<b>(121,204)</b>
<b>Special Projects</b>			
Fire Alarm/Soffits	(701)	-	(701)
Reheat/outside air repair	85,803	-	85,803
Repair concrete on building walls	15,670	25,000	(9,330)
Electrical roof top	7,238	25,000	(17,762)
Pool deck repair	-	5,000	(5,000)
<b>Total Special Projects</b>	<b>108,010</b>	<b>55,000</b>	<b>53,010</b>

**Condominium Association of Parker Plaza Estates, Inc.**  
**Statement of Detailed Operating Expenses**  
**Actual vs. Budget**  
**For the Year Ended September 30, 2014**

	Actual	Budget (Unaudited)	Variance
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Utilities			
Cable	186,043	204,000	(17,957)
Electricity	321,998	300,000	21,998
Gas	27,028	44,000	(16,972)
Gas - transportation	14,332	18,000	(3,668)
Telephone	6,468	6,000	468
Water and sewer	<u>366,221</u>	<u>371,000</u>	<u>(4,779)</u>
Total Utilities	922,090	943,000	(20,910)
Loan Interest (Budget includes principal)	517,018	520,000	(2,982)
Depreciation & Amortization	<u>28,484</u>	<u>-</u>	<u>28,484</u>
<b>TOTAL EXPENSES</b>	4,560,694	4,508,240	52,454
<b>DEBT SERVICE</b>			
Repayment to Parker Plaza (Special Projects)	226,000	226,000	-
Principal repayment on note	<u>243,563</u>	<u>244,000</u>	<u>(437)</u>
<b>NET DISBURSEMENTS</b>	<u>\$ 5,030,257</u>	<u>\$ 4,978,240</u>	<u>\$ 52,017</u>



**Condominium Association of Parker Plaza Estates, Inc.**  
**Supplementary Information on**  
**Future Major Repairs and Replacements**  
**September 30, 2014**

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	\$ -
Roof	5	450,000	-
Emergency generator	9	200,000	-
A/C tower	4	200,000	-
A/C chillers	6	1,250,000	-
Compactors	1	150,000	-
Elevators	7	1,500,000	-
Carpets	5	350,000	-
Paving	3	<u>500,000</u>	<u>-</u>
		<u>\$ 4,850,000</u>	<u>\$ -</u>