

Condominium Association of Parker Plaza Estates, Inc.

Financial Statements

September 30, 2018

Condominium Association of Parker Plaza Estates, Inc.

Financial Statements

September 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Condominium Association of Parker Plaza Estates, Inc.
Hallandale Beach, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Condominium Association of Parker Plaza Estates, Inc., which comprise the Balance Sheet as of September 30, 2018, and the related Statement of Revenues, Expenses and Changes in Fund Balance (Deficit), 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.

Auditors' 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, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information contained in Schedule of Operating Expenses, is presented for purposes of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of the 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.

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, 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.

Master And Company, P.A.

Davie, FL

February 7, 2019

Condominium Association of Parker Plaza Estates, Inc.

Balance Sheet September 30, 2018

	Operating Fund	Replacement Fund	Total
Assets			
Cash and Cash Equivalents	\$ 833,769	\$ -	\$ 833,769
Cash - Escrow	931,019	-	931,019
Cash - Special Assessment	1,067,409	-	1,067,409
Assessments Receivable, net	16,701	-	16,701
Unbilled Special Assessment Receivable	1,405,439	-	1,405,439
Prepaid Insurance	363,858	-	363,858
Prepaid Expense	16,279	-	16,279
2014 Special Assessment Escrow	133,296	-	133,296
Land	975,000	-	975,000
Other Assets	<u>4,784</u>	<u>-</u>	<u>4,784</u>
Total Assets	<u>\$ 5,747,554</u>	<u>\$ -</u>	<u>\$ 5,747,554</u>
Liabilities and Fund Balance (Deficit)			
Liabilities			
Accounts Payable and Accrued Expenses	\$ 273,910	\$ -	\$ 273,910
Accrued Special Assessment	240,000	-	240,000
Prepaid Assessments	155,831	-	155,831
Security Deposits	931,019	-	931,019
Deferred 2017 Special Assessment Income	2,447,530	-	2,447,530
Deferred Cable Income	108,333	-	108,333
Deferred Insurance Claim	29,738	-	29,738
Insurance Loan Payable	318,376	-	318,376
Line of Credit Payable	134,051	-	134,051
Loan Payable	5,265,256	-	5,265,256
Settlement Payable	<u>21,500</u>	<u>-</u>	<u>21,500</u>
Total Liabilities	9,925,544	-	9,925,544
Fund Balance (Deficit)	<u>(4,177,990)</u>	<u>-</u>	<u>(4,177,990)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 5,747,554</u>	<u>\$ -</u>	<u>\$ 5,747,554</u>

The accompanying notes are an integral part of these financial statements.

Condominium Association of Parker Plaza Estates, Inc.
Statement of Revenues, Expenses and Changes in Fund Balance (Deficit)
For the Year Ended September 30, 2018

	Operating Fund	Replacement Fund	Total
Revenues			
Maintenance Assessments	\$ 4,702,540	\$ -	\$ 4,702,540
2014 Special Assessments	195,070	-	195,070
2017 Special Assessments	1,877,224	-	1,877,224
Cable	18,571	-	18,571
Application and Estoppel Fees	12,163	-	12,163
Fobs Keys	6,324	-	6,324
Interest	361	-	361
Late Fees	4,000	-	4,000
Laundry	8,641	-	8,641
Legal Fees	5,388	-	5,388
Parking - Contractor	7,966	-	7,966
Parking - Monthly	15,505	-	15,505
Parking - Stickers	23,295	-	23,295
Parking - Valet	12,951	-	12,951
Rental Income	8,860	-	8,860
Repairs and Work Orders	5,282	-	5,282
Storage	35,335	-	35,335
Other Income	<u>19,466</u>	-	<u>19,466</u>
Total Revenues	<u>6,958,942</u>	-	<u>6,958,942</u>
Expenses			
2014 Special Assessment Expense	256,403	-	256,403
2017 Special Assessment Expense	1,877,224	-	1,877,224
Administrative and General	621,907	-	621,907
Contracts	824,225	-	824,225
Loan and Insurance Interest	212,761	-	212,761
Operational Capital Improvements	353,261	-	353,261
Parts and Supplies	138,473	-	138,473
Payroll	848,522	-	848,522
Repairs and Maintenance	101,223	-	101,223
Utilities	<u>966,111</u>	-	<u>966,111</u>
Total Expenses	<u>6,200,110</u>	-	<u>6,200,110</u>
Excess of Revenues Over Expenses	758,832	-	758,832
Fund Balance (Deficit) - Beginning of Year	<u>(4,936,822)</u>	-	<u>(4,936,822)</u>
Fund Balance (Deficit) - End of Year	<u>\$ (4,177,990)</u>	<u>\$ -</u>	<u>\$ (4,177,990)</u>

The accompanying notes are an integral part of these financial statements.

Condominium Association of Parker Plaza Estates, Inc.

Statement of Cash Flows

For the Year Ended September 30, 2018

	Operating Fund	Replacement Fund	Total
Cash Flows from Operating Activities			
Excess of Revenues Over Expenses	\$ 758,832	\$ -	\$ 758,832
Adjustments to Reconcile Excess of Revenues Over Expenses to Net Cash Provided by Operating Activities:			
Bad Debt	7,533	-	7,533
Decrease (Increase) in:			
Assessments Receivable, net	(17,209)	-	(17,209)
Unbilled Special Assessment Receivable	(1,381,439)	-	(1,381,439)
Prepaid Insurance	(11,848)	-	(11,848)
Prepaid Expense	(2,281)	-	(2,281)
2014 Special Assessment Escrow	(133,296)	-	(133,296)
Cable Incentive Receivable	130,000	-	130,000
Insurance Claim Receivable	28,831	-	28,831
Unbilled Special Assessment	3,010,260	-	3,010,260
Increase (Decrease) in:			
Accounts Payable and Accrued Expenses	82,345	-	82,345
Accrued Special Assessment	240,000	-	240,000
Prepaid Assessments	128,387	-	128,387
Security Deposits	(996)	-	(996)
Deferred 2014 Special Assessment Income	(195,070)	-	(195,070)
Deferred 2017 Special Assessment Income	(2,006,869)	-	(2,006,869)
Deferred Cable Income	(18,572)	-	(18,572)
Deferred Insurance Claim	29,738	-	29,738
Insurance Loan Payable	10,367	-	10,367
Settlement Payable	<u>(90,000)</u>	<u>-</u>	<u>(90,000)</u>
Net Cash Provided by Operating Activities	<u>568,713</u>	<u>-</u>	<u>568,713</u>
Cash Flows from Financing Activities			
Repayments of long-term borrowings	<u>(489,965)</u>	<u>-</u>	<u>(489,965)</u>
Net Cash (Used in) Financing Activities	<u>(489,965)</u>	<u>-</u>	<u>(489,965)</u>
Net Increase in Cash and Cash Equivalents	78,748	-	78,748
Cash and Cash Equivalents - Beginning of Year	<u>2,753,449</u>	<u>-</u>	<u>2,753,449</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,832,197</u>	<u>\$ -</u>	<u>\$ 2,832,197</u>
Supplemental Cash Flow Disclosure:			
Cash Paid for Interest	\$ 205,792	\$ -	\$ 205,792

The accompanying notes are an integral part of these financial statements.

Condominium Association of Parker Plaza Estates, Inc.

Notes to the Financial Statements

September 30, 2018

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization – Condominium Association of Parker Plaza Estates, Inc. is a statutory condominium association incorporated as a not-for-profit corporation in the State of Florida in August 13, 1970. The Association is responsible for the operation and maintenance of the common property of Condominium Association of Parker Plaza Estates and is located in Hallandale Beach, Florida. The Association consists of 520 residential units, 9 recreational common area units, 3 commercial rental units and 1 unit serving as the Association office.
2. Fund Accounting – The Association uses fund accounting which requires that funds such as the operating fund and the fund designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. Disbursements from the operating fund are generally at the discretion of the Board of Directors and property manager. Disbursements from the replacement fund may be made only for their designated purposes.
3. Use of Estimates in the Preparation of Financial Statement – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
4. Member Assessments – Member assessments are billed quarterly based upon their proportionate share of ownership and are recognized as revenue on a pro rata basis over the period covered by the billing. Member assessments are based upon estimates of amounts necessary to provide funds for the Association's operating expenses and future major repairs and replacements. Assessments receivable from members are reported at the outstanding balance due from the members. It is the Association's policy to retain legal counsel and place liens on the units of members whose assessments are delinquent. Any excess assessments at year end are retained by the Association for reduction of member assessments in future years. As of September 30, 2018, an allowance for doubtful accounts of \$71,392 has been established.
5. Interest Income – The Board of Directors' policy is to allocate to the operating and replacement funds all interest earned on their respective cash accounts.
6. Income Taxes – In 2018, the Association plans to elect to file as a homeowners' association in accordance with Internal Revenue Service Code section 528. Under this section, the Association excludes from taxation exempt function income, which generally consists of revenue from assessments to owners. The Association's investment income and other nonexempt income are subject to tax at a rate of 30%, net of any applicable expenses.
7. Concentration of Credit Risk – The Association maintains its cash balances at one financial institution. Accounts are secured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2018, the Association's uninsured cash balances total \$2,680,244. The Association has not incurred losses related to these investments.
8. Recognition of Assets – Real property and common areas 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 individual unit owners in common and not by the Association. The Association capitalizes property to which it has title valued over \$1,000 or generates cash flow and depreciates using the straight-line method.
9. Cash and Cash Equivalents – For purposes of the September 30, 2018 balance sheet and statement of cash flows for the year then ended, the Association considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents.
10. Fair Value of Financial Instruments – The carrying amounts of cash, receivables, and payables approximate their fair values due to their short-term maturities.

Condominium Association of Parker Plaza Estates, Inc.

Notes to the Financial Statements

September 30, 2018

NOTE A – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

11. Comprehensive Income – ASC 220 (formerly SFAS No. 130) requires “a full set of general-purpose financial statements to be expanded to include the reporting of comprehensive income.” Comprehensive income is comprised of two components, net income and other comprehensive income. For the year ended September 30, 2018, there were no items that qualify as comprehensive income.

12. Revenue Recognition – Regular assessments to members are recognized as revenue during the period for which they are assessed. Assessments received in advance of this period are reported as prepaid assessments on the balance sheet.

NOTE B – REPLACEMENT FUND

The Association's governing documents and Florida Statutes require that funds be accumulated for future major repairs and replacements. Florida Statutes requires the Association to calculate this replacement fund assessment by utilizing a formula based upon the estimated remaining useful lives and estimated replacement costs of the common property. Accumulated funds are to be held in separate savings accounts not available for expenditures for normal operations.

The Board of Directors had a reserve study conducted by professional engineers in December 2016 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future estimated replacement costs. The table included in the unaudited supplementary information on Future Major Repairs and Replacements is based on the study.

At the annual meeting, a majority of owners voted not to include funding for future major repairs and replacements in the annual budget for the year ended September 30, 2018. For that reason, and because actual expenditures may vary from estimated future expenditures and the variations may be material, amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. 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 effect on future assessments has not been determined at this time.

The activity in the replacement fund was as follows:

Components	Balance 10/1/2017	Additions	Expenditures	Transfers	Balance 9/30/2018
Common Area Interiors	\$ -	\$ -	\$ -	\$ -	\$ -
Mechanical and Electrical	-	-	-	-	-
Painting and Waterproofing	-	-	-	-	-
Pavement	-	-	-	-	-
Pool and Spa	-	-	-	-	-
Roofs	-	-	-	-	-
Security	-	-	-	-	-
Site Improvements	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Condominium Association of Parker Plaza Estates, Inc.

Notes to the Financial Statements

September 30, 2018

NOTE C – SPECIAL ASSESSMENTS

2014 Assessment

At a meeting in December 2014, the Association voted to restrict \$1,375,000 of a settlement received from the Developer, GBP Regency, LLC, to fund a special assessment. Therefore, the revenue related to the settlement income will be recognized to the extent of the expense amount incurred for the special assessment. Additionally, at a meeting in November 2014, the Association voted to transfer a remaining balance on a previous special assessment of \$400 to the new 2014 special assessment.

The special assessment consists of modernizing six traction elevators and the replacement of the security and surveillance system. Subsequently, at a meeting in March 2015, the Association voted to include the replacement of the Association's water heaters.

During 2018, the Association incurred special assessment expenditures of \$256,403. Additionally, the Association transferred \$133,296 to be held in an escrow account with their attorney, to be applied to the accrued elevator modernization expense of \$240,000, refer to Note J. As of September 30, 2018, the remaining deferred balance of \$195,070 has been recognized in income. Project costs totaled \$1,436,733, resulting in a net \$61,333 net special assessment deficit.

Activity on the special assessment was as follows for the year ended September 30, 2018.

Amount allocated from Developer Settlement	\$ 1,375,000
Balance transferred from prior Special Assessment	400
Special Assessment expense incurred for the year ended:	
September 30, 2015	(709,710)
September 30, 2016	(318,634)
September 30, 2017	(151,986)
September 30, 2018	(16,403)
Pending elevator modernization, refer to Note J	<u>(240,000)</u>
Net Special Assessment Deficit at September 30, 2018	<u>\$ (61,333)</u>

2017 Assessment

On May 4, 2017, the Association assessed \$4,550,000 to fund the concrete repair of the exterior of the building, including balconies, tile removal and waterproofing balcony floors, painting the exterior of the building, repair and refinish of the pool and jacuzzi and replacement of damaged portions of the upper deck. The assessment began on August 1, 2017 and is billed through August 1, 2019.

Unit owners had the option of paying the special assessment with a onetime payment in full or nine [9] quarterly installments. As of September 31, 2018, there are four [4] quarterly installments remaining with the last installment due on August 1, 2019. The unbilled special assessment receivable, as of September 30, 2018, was \$1,405,439.

The total cumulative special assessment billing, including unbilled special assessment, late fees and other miscellaneous charges, totals \$4,554,245. As of September 31, 2018, special assessment expenditures totaled \$2,106,715 with the remaining balance of \$2,447,530 included in deferred revenue.

NOTE D – LAND

The Association capitalized a recreational building and the associated land. These assets were depreciated using the straight-line method. As of September 30, 2018, the recreational building was fully depreciated, and the associated land value is \$975,000.

Condominium Association of Parker Plaza Estates, Inc.

Notes to the Financial Statements

September 30, 2018

NOTE E – LINE OF CREDIT

The Association has available a line of credit with a financial institution for \$2,000,000 with a commitment amount of \$1,504,359. The unpaid principal balance under the loan is secured by assessments receivable and bears interest at the LIBOR Daily Floating Rate plus 170 basis points. Interest payments are due quarterly. The loan documents contain debt service coverage and liquidity covenants. At September 30, 2018, the Association met all requirements of the covenants and the balance outstanding was \$134,051 and available borrowings under the line of credit commitment amount were \$1,307,308.

NOTE F – NOTE PAYABLE

February 2, 2015, the Association borrowed \$7,000,000 from Bank of America. The loan is being amortized over twelve [12] years at an interest rate of 3.64% and paid with equal quarterly installments of \$181,153.

As of September 30, 2018, the loan balance is \$5,265,256.

Maturities of the debt for each of the next five years are as follows:

2019	\$ 537,540
2020	557,668
2021	578,551
2022	600,215
2023	622,690
Thereafter	<u>2,368,592</u>
	<u>\$ 5,265,256</u>

Interest expense was \$205,792 for the year ended September 30, 2018.

NOTE G – CABLE REBATE

During August 2017, the Association entered into a seven [7] year Services Agreement with a Company. As consideration, the Association received a per unit fee of \$250 (total \$130,000). As of September 30, 2018, \$18,571 has been recorded as cable income and \$108,333 as deferred cable income, to be recognized as revenue during the term of agreement.

NOTE H – SETTLEMENT PAYABLE

During 2017, the Association settled litigation with US Alliance Management Corporation. Due to a signed confidentiality agreement between the parties, specific settlement details will not be disclosed. If there is a need for further information, the Board of Directors requests inquiries be directed to the Association's management office or to an officer of the Board.

NOTE I – INSURANCE CLAIM

During the fiscal year ended September 30, 2018, the building was damaged by Hurricane Irma. The Association received insurance proceeds of \$29,738. As of September 30, 2018, the proceeds have been included in deferred income, to be recognized when the related repairs of the common property damage have been completed.

Condominium Association of Parker Plaza Estates, Inc.

Notes to the Financial Statements

September 30, 2018

NOTE J – CONTINGENCIES

Insurance

The insurance policy for windstorm coverage renewed June 6, 2018. The deductible amount for named hurricane storms is estimated at \$1,795,566, which represents 2% of the insured value of the residential buildings, which is estimated to be \$89,708,203.

Legal

The Association is periodically subject to complaints and claims, including litigation, arising in the ordinary course of business. Except for the claims listed below, as of September 30, 2018, management believes that none of the claims and complaints of which it is currently aware will materially affect its business, financial position, or future operating results, although no assurance can be given with respect to the ultimate outcome of such claims or the occurrence of any future claims:

Mary Legon v. Condominium Association of Parker Plaza Estates, Inc.

In August 2014, a lawsuit was filed against the Association for the alleged failure to maintain the common elements which allegedly caused water damage to a unit within the condominium. On April 1, 2016, the complaint was amended against the association to include breach of the Declaration of Condominium and Florida's Condominium Act. Litigation has stagnated and the outcome cannot be predicted at this time.

Condominium Association of Parker Plaza Estates, Inc. v. Continental Glass Systems, Inc.

In October 2017, the Association filed a lawsuit against Continental Glass Systems, Inc., Nibor Enterprises, Inc., Xcel Engineering Corp., and Sifang Zhao for breach of contract and negligence in connect with the installation of impact-resistant windows and doors in 2006 through 2008. Mediation is scheduled for February 28, 2019. If medication is unsuccessful the claims will be perused with litigation. The outcome of such proceedings cannot be predicted at this time.

Condominium Association of Parker Plaza Estates, Inc. adv. Premier Elevator Company, Inc.

In January 2018, the Association serviced Premier Elevator Company, Inc. with a Notice of Claim of certain defects arising out of work performed under contracted dated October 27, 2014 related to the 2014 special assessment, refer to Note C. Many defects listed on the Notice of Claim were addressed with the remaining dispute related to the below average reliability of the elevator and the replacement of the hoistway doors. Settlement negotiations are currently underway. Resolution is expected with further repair work and out-of-pocket costs to the Association are estimated at \$240,000.

Shale David Gold, et al. v. Condominium Association of Parker Plaza Estates, Inc.

In August 2018, tenants within the Association filed a slip-and-fall lawsuit again the Association. The Association's commercial general liability insurance was notified immediately and agreed to undertake the Association's defense, subject to standard reservation of rights. The tenant's deposition is scheduled to take place February 12, 2019. There is insurance coverage in this case and the Associations expected to have no out-of-pocket costs. The outcome of this case cannot be predicted at this time.

Ruth Kertesz v. St. Johns Insurance Company, et al.

In December 2018, a unit owner served the Association with a Summons, Amended Complaint, First Set of Interrogatories, and First Request for Production in relation to damages sustained after Hurricane Irma. The unit owner's claim against the Association alleges the Association negligently maintained the property, specifically related to the sliding glass doors and/or windows. The Associations commercial general liability insurance carrier has agreed to undertake the Association's defense, subject to their standard reservation of rights. Insurance coverage is present in this case, thus out-of-pocket costs are not anticipated. In the event the Association does incur costs, it is estimated the amount will be negligible in comparison to the overall settlement.

Condominium Association of Parker Plaza Estates, Inc.
Notes to the Financial Statements
September 30, 2018

NOTE K – COMMITMENTS

The Association has entered into several contracts with various services providers to maintain the common property. These contracts include, but are not limited to, security and housekeeping services, pool cleaning, landscape and maintenance of common area grounds, and water service. Each contract differs in expiration, renewal and terms.

NOTE L – DATE OF MANAGEMENT’S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 7, 2018 the date that the financial statements were available to be issued.

NOTE M – UNCERTAINTIES FOR INCOME TAXES

Under federal and state income tax laws, an entity’s income tax returns are subject to examination by the applicable taxing authorities. The Association has no income tax returns under examination by the Internal Revenue Service. However, the Association’s Federal Income tax returns for 2016, 2017 and 2018 are subject to examination, generally for three years after they are filed.

Supplementary Information

Condominium Association of Parker Plaza Estates, Inc.

Schedule of Operating Expenses

For the Year Ended September 30, 2018

Administrative and General

Annual Fee - Dbpr	\$ 2,080
Application and Screening Fees	2,790
Bad Debt	7,533
Bank Charges	1,271
Consulting Fee	1,525
Election Expense	6,347
Employee Gas	1,202
Insurance - All Risk	507,928
Insurance - Claims Deductible	3,000
Internet and Email	3,962
Licenses, Permits and Fees	1,817
Maintenance Fees - Unit 104	10,060
Meeting Catering Expenses	880
New Hire Fees	1,660
Office Expense - Equipment	12,546
Office Expense - Kitchen	1,612
Office Expenses - Soft	9,949
Postage and Delivery	2,176
Professional Fees	42,406
Walkie-talkies or Radios	<u>1,163</u>
Total Administrative and General	<u>621,907</u>

Condominium Association of Parker Plaza Estates, Inc.

Schedule of Operating Expenses For the Year Ended September 30, 2018

Contracts

Chillers	27,945
Copier Rental	3,176
Elevator	19,106
Fire Alarm	5,257
Housekeeping	167,976
Landscaping	17,454
Pest Control	10,858
Security	360,009
Security Overtime	16,607
Valet	146,763
Waste Removal	44,994
Water Treatment	<u>4,080</u>
Total Contracts	<u>824,225</u>

Loan and Insurance Interest

Insurance Interest	6,969
Interest on Loans	<u>205,792</u>
Total Loan and Insurance Interest	<u>212,761</u>

Operational Capital Improvements

Board of Directors Contingency	130,223
Hurricane Damage Repairs	207,255
Window Project	<u>15,783</u>
Total Operational Capital Improvements	<u>353,261</u>

Condominium Association of Parker Plaza Estates, Inc.

Schedule of Operating Expenses

For the Year Ended September 30, 2018

Parts and Supplies

Air Conditioner	9,725
Building and Decks	32,062
Cleaning Supplies	841
Doors	3,220
Electrical	31,588
Key Fobs	3,041
Paint	13,813
Plumbing	3,567
Pool Chemicals and Tank Lease	6,396
Pool Furnishings	1,817
Pool Towel	2,206
Tools and Equipment	25,520
Transponder	3,595
Uniforms	<u>1,082</u>
Total Parts and Supplies	<u>138,473</u>

Payroll

Administration	187,809
Health Insurance	70,683
Holiday Fund	9,306
Maintenance	453,856
Pool	36,739
Special Events	5,999
Taxes	51,210
Workmen's Compensation	<u>32,920</u>
Total Payroll	<u>848,522</u>

Condominium Association of Parker Plaza Estates, Inc.

Schedule of Operating Expenses

For the Year Ended September 30, 2018

Repairs and Maintenance

Air Conditioning	8,522
Annual Equipment Inspections	3,591
Chillers Repair	9,827
Compactor Container and Maintenance	6,697
Doors	275
Electrical	3,182
Elevator Repair	2,696
Equipment	2,959
Fire Alarm System Repairs	4,177
Fire Sprinklers	3,613
Gate Arm	8,804
Gym Maintenance	2,800
Key Fobs	1,750
Landscaping	50
Miscellaneous	18,133
Plumbing	17,656
Pool Equipment - Pumps, Filters	2,829
Pool Repairs	27
Structural and Exterior	183
Water Damage	<u>3,452</u>
Total Repairs and Maintenance	<u>101,223</u>

Utilities

Cable	181,937
Electricity	337,407
Gas Bulk	17,304
Gas Teco	10,650
Telephone	6,241
Water and Sewer	<u>412,572</u>
Total Utilities	<u>966,111</u>

2017 Special Assessment Expense 1,877,224

2014 Special Assessment Expense 256,403

Total Operating Expenses \$ 6,200,110

Condominium Association of Parker Plaza Estates, Inc.
Supplementary Information on Future Major Repairs and Replacements
September 30, 2018
(Unaudited)

The Board of Directors had a reserve study conducted by professional engineers in December 2016 to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future estimated replacement costs. The following table is based on the study and presents significant information about the components of common property:

Component	Estimated Remaining Useful Life	Estimated Replacement Cost	Replacement Fund Balance 9/30/2018
Common Area Interiors	5-18	\$ 1,218,479	\$ -
Mechanical and Electrical	2-26	3,102,220	-
Painting and Waterproofing	0-18	1,341,142	-
Pavement	8-12	71,954	-
Pool and Spa	0-20	973,434	-
Roofs	5	567,600	-
Security	2-11	187,090	-
Site Improvements	5-8	<u>26,500</u>	<u>-</u>
Total		<u>\$ 7,488,419</u>	<u>\$ -</u>