

**THE PRESIDENT OF PALM BEACH - A
CONDOMINIUM, INC.**

Financial Statements

***For the year ended
March 31, 2021***

HAFER

Certified Public Accountants and Consultants

251 Royal Palm Way; Suite 350

Palm Beach, Florida 33480

T: (561) 655-8700 F: (561) 655-6964

cpa@haferco.com

CONTENTS

Independent Auditor's Report	1
Financial Statements	
Balance Sheet	2
Statement of Revenues and Expenses and Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to Financial Statements	5
Independent Auditor's Report on Supplementary Information	11
Supplementary Information	
Schedule of Operating Expenses Compared to Budget	12
Schedule of Future Major Repairs and Replacements (Unaudited)	14

HAFER

Certified Public Accountants and Consultants

251 ROYAL PALM WAY, SUITE 350

PALM BEACH, FLORIDA 33480

TELEPHONE (561) 655-8700

FACSIMILE (561) 655-6964

WWW.HAFERCPAs.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, Inc.

We have audited the accompanying financial statements of THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, Inc. ("the Association"), which comprise the balance sheet as of March 31, 2021, and the related statement of revenues and expenses and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

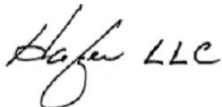
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, Inc. as of March 31, 2021, 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.



Palm Beach, Florida
August 17, 2021

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
BALANCE SHEET
March 31, 2021

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Assets			
Cash and cash equivalents	\$ 425,620	\$ 251,018	\$ 676,638
Assessments receivable (Note 3)	15,418	-	15,418
Prepaid expenses	156,030	-	156,030
Utility deposits	735	-	735
Due from (to) funds (Note 10)	47,158	(47,158)	-
Total assets	<u>\$ 644,961</u>	<u>\$ 203,860</u>	<u>\$ 848,821</u>
Liabilities and fund balances			
Accounts payable and accrued expenses	\$ 58,032	\$ -	\$ 58,032
Insurance payable (Note 6)	141,495	-	141,495
Prepaid assessments	34,314	-	34,314
Deferred special assessment revenue (Note 8)	67,467	-	67,467
Note payable (Note 7)	66,630	-	66,630
Refundable deposits	16,700	-	16,700
Contract liabilities (Note 11)	-	203,860	203,860
Total liabilities	384,638	203,860	588,498
Fund balances	<u>260,323</u>	<u>-</u>	<u>260,323</u>
Total liabilities and fund balances	<u>\$ 644,961</u>	<u>\$ 203,860</u>	<u>\$ 848,821</u>

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

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN FUND BALANCES
For the year ended March 31, 2021

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Revenues			
Maintenance assessments	\$ 830,135	\$ 262,975	\$ 1,093,110
Special assessments (Note 8)	77,339	-	77,339
Rental income	15,000	-	15,000
Interest income	-	73	73
Other income	8,545	-	8,545
	<u>931,019</u>	<u>263,048</u>	<u>1,194,067</u>
Total revenues			
Expenses			
Administration	190,741	-	190,741
Building operations and maintenance	41,025	-	41,025
Landscaping	15,981	-	15,981
Payroll and related expenses	502,460	-	502,460
Pool, driveway and dock	8,530	-	8,530
Supplies	5,021	-	5,021
Utilities	69,397	-	69,397
Special assessments (Note 8)	69,825	-	69,825
Major repairs and replacements	-	263,048	263,048
	<u>902,980</u>	<u>263,048</u>	<u>1,166,028</u>
Total expenses			
Excess of revenues over expenses	28,039	-	28,039
Fund balances, beginning	<u>232,284</u>	<u>-</u>	<u>232,284</u>
Fund balances, ending	<u>\$ 260,323</u>	<u>\$ -</u>	<u>\$ 260,323</u>

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

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
STATEMENT OF CASH FLOWS
For the year ended March 31, 2021

	Operating Fund	Replacement Fund	Total Funds
Cash flows from operating activities			
Excess of revenues over expenses	\$ 28,039	\$ -	\$ 28,039
<u>Adjustments to reconcile excess of revenues over expenses to net cash provided (used) by operating activities:</u>			
<u>Changes in assets and liabilities:</u>			
Assessments receivable	(5,305)	-	(5,305)
Prepaid expenses	(3,598)	-	(3,598)
Accounts payable and accrued expenses	33,274	-	33,274
Prepaid assessments	4,942	-	4,942
Deferred special assessment revenue	59,953	-	59,953
Refundable deposits	5,000	-	5,000
Contract liabilities	-	(29,050)	(29,050)
Net cash provided (used) by operating activities	122,305	(29,050)	93,255
Cash flows from financing activities			
Proceeds from insurance payable	166,743	-	166,743
Payments on insurance payable	(161,728)	-	(161,728)
Proceeds from note payable	66,630	-	66,630
Interfund borrowing	(69,426)	69,426	-
Net cash provided by financing activities	2,219	69,426	71,645
Net increase in cash and cash equivalents	124,524	40,376	164,900
Cash and cash equivalents, beginning	301,096	210,642	511,738
Cash and cash equivalents, ending	\$ 425,620	\$ 251,018	\$ 676,638

Supplemental disclosures of cash flow information (Note 12)

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

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 1: Organization

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, Inc. ("the Association") was incorporated under the laws of the State of Florida as a not-for-profit corporation on November 11, 1970. The Association is responsible for maintaining and preserving the common property of the Association in accordance with the terms of Chapter 718, Florida Statutes ("FS §718") and the provisions of its governing documents. The Association consists of 94 residential units located in Palm Beach, Florida.

NOTE 2: Summary of significant accounting policies

Fund accounting

The Association prepares its financial statements on the accrual basis of accounting and presents them using fund accounting, using separate funds for operations and future major repairs and replacements. Disbursements from the operating fund are generally for the day-to-day operations and non-recurring unanticipated expenditures of the Association and are made at the discretion of the Board of Directors. Disbursements from the replacement fund generally are made only for designated purposes.

Estimates

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. Accordingly, actual results could differ from those estimates.

Short-term financial instruments

The carrying amount of the Association's financial instruments, which include cash and cash equivalents, assessments receivable, prepaid expenses, accounts payable and accrued expenses, prepaid assessments, and other assets and liabilities, approximate their fair values due to their short-term maturities.

Cash and cash equivalents

Cash and cash equivalents include all monies in banks including money market funds. Cash equivalents include highly liquid securities, including certificates of deposit, with original maturities of 90 days or less.

Owners' assessments and allowance for uncollectible accounts

Quarterly assessments to owners are based upon a share of the budgeted operating expenses and future major repairs and replacements. The Association retains excess operating funds at the end of the year for use in future operating periods. Assessments receivable at the balance sheet date represent fees due from owners. Assessments paid in advance are included on the balance sheet as prepaid assessments. The Association's policy is to retain legal counsel and place liens or foreclose on units of members whose assessments are delinquent. When necessary, the Association's estimate of the allowance for uncollectible accounts is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of reported amounts.

Property and equipment

Common property of the Association is accounted for in accordance with ASC 972-360 and prevalent industry practices. As such, real property and common area acquired from the developer and related improvements to such property are not reflected on the Association financial statements because those assets are owned by the unit owners in common, and not by the Association. The Association capitalizes, at cost, certain personal and real property which it purchases. Capitalized property and equipment are depreciated over the estimated useful lives of the assets using the straight-line method of depreciation.

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 2: Summary of significant accounting policies (continued)

Revenue recognition

Revenue is recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the considerations we expect to be entitled to in exchange for those goods or services. The Association derives its revenue from operating assessments, reserve assessments, special assessments, and other ancillary sources. The Association has applied FASB ASC 606-10-10-4 since all contracts with its customers have similar characteristics and the Association expects that the effects on the financial statements of applying this guidance would not differ materially from applying the guidance to the individual contracts.

The Association has identified the following performance obligations:

- *Operating assessments* – the performance obligation is the maintenance and management of the common area property and is met on a periodic basis throughout the year. Operating assessments revenue is recognized on a periodic basis, as billed, and it is probable it will be collected.
- *Reserve assessments* – the performance obligation is the expenditure of the assessed funds for the intended purpose. Reserve assessments revenue is recognized when the related expenditures are made.
- *Special assessment revenue* – the performance obligation is the purpose for which the special assessment was levied. Special assessment revenue is recognized as the purpose of the special assessment is satisfied.
- *Other ancillary revenues* – the performance obligation is delivery of the underlying services. Revenue is recognized as the services are rendered.

In evaluating whether collectability of an amount of consideration is probable, the Association must consider the customer's (owner's) ability and intention to pay that amount of consideration when it is due. In instances where the Association's collection of fees is not probable (delinquent owners, foreclosures, etc.), it cannot recognize revenue.

Contract liabilities

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of the performance obligations.

Interest earned

Interest earned by each fund is allocated to the appropriate fund. Income taxes on the interest earned are paid from the operating fund.

Compensated absences

Employees of the Association are entitled to paid vacations, sick days, and other time off depending on job classification, length of service, and other factors. It is impractical to estimate the amount of compensation for future absences and, accordingly, no liability has been recorded in the accompanying financial statements. The Association's policy is to recognize the costs of compensated absences when paid to employees.

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 2: Summary of significant accounting policies (continued)

Income taxes (Form 1120-H)

The Association makes a yearly election to be taxed either under Internal Revenue Code ("IRC") §528 as a homeowners' association or under IRC §277 as a regular corporation. For the year ended March 31, 2021, the Association elected to be taxed under §528. Under this election, the Association is generally taxed only on non-exempt function income, such as interest earnings, at applicable rates. From time to time, certain temporary differences may arise between financial and taxable income, the overall effects of which are not material to the financial statements taken as whole. As such, the Association has not recorded deferred income taxes at March 31, 2021. The Association's policy on income statement classification of interest and penalties related to income tax obligations is to include such items as part of income tax expense. The Association's tax filings are generally subject to examination by taxing authorities for three years after the returns are filed.

Recently issued accounting pronouncements, not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard will affect all entities that lease assets and will require lessees to recognize a lease liability and a right-of-use asset for all leases (except short-term leases that have a duration of less than one year) as of the date on which the lessor makes the underlying asset available to the lessee. For non-public entities, such as the Association, the new standard is effective for annual periods beginning after December 15, 2021. While the Association expects the adoption of this standard to result in an increase to its reported assets and liabilities, the Association has not yet determined the full impact that the adoption of this standard will have on its financial statements and related disclosures.

NOTE 3: Assessments receivable, net

The Association's assessments receivable was as follows at March 31, 2021:

Assessments receivable	\$ 15,418
Less: allowance for doubtful accounts	-
	<u>\$ 15,418</u>

NOTE 4: Concentration of credit risk

The Association maintains its cash and cash equivalents at various financial institutions whereby deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At March 31, 2021, the Association had uninsured deposits in the amount of \$345,466.

NOTE 5: Commitments and contingencies

Insurance windstorm deductible

In the event of a loss due to a hurricane the Association would be responsible for a deductible of 3% of the total insured value of the property under the provisions of the hurricane loss insurance contract.

Litigation

The Association, from time-to-time, may become party to various legal actions normally associated with condominium associations, such as the collection of delinquent assessments and covenant compliance matters, the aggregate effect of which, in management's opinion, would not be material to the future financial condition of the Association.

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 5: Commitments and contingencies (continued)

Other commitments and contingencies

The Association has contracted with various vendors for various services to maintain the common property related to certain administration, building operations and maintenance, landscaping, pool, driveway and dock, and supplies expenses. These contracts are approved, as necessary, by the Board of Directors and have varying expiration dates and renewal terms.

NOTE 6: Insurance payable

During the year ended March 31, 2021, the Association financed its insurance premiums. The total amount financed was \$141,840 and is payable in monthly and quarterly installments, including interest, through February 2022. The financing is secured by any unearned premiums or other sums which may become collectible under the terms of the agreement. At March 31, 2021, the outstanding balance, including accrued interest, was \$141,495.

NOTE 7: Note payable

During the year ended March 31, 2021, the Association entered into a loan agreement with Small Business Administration under the Paycheck Protection Program in the amount of \$66,630. The note bears a stated interest rate of 0.98% per annum and is payable in monthly installments commencing upon the expiration of the deferral period, with all outstanding principal and any accrued interest payable in full on May 8, 2026. At March 31, 2021, the outstanding balance on the note payable was \$66,630.

NOTE 8: Special assessments

On May 3, 2017, the Association approved a special assessment in the amount of \$380,000 (\$376,982 billed due to rounding) to provide funding for the Presidents Club build-out project costs. During the year ended March 31, 2018, the Association expended \$350,943 towards its designated purposes. During the year ended March 31, 2019, the Association expended an additional \$18,525 towards its designated purposes. During the years ended March 31, 2021 and 2020, the Association had no expenditures related to the special assessment. For the year ended March 31, 2021, the Association recognized the remaining balance of \$7,514.

On June 16, 2020, the Association approved a special assessment in the amount of \$137,292 for the purpose of boardwalk construction, boardwalk landscaping, boardwalk rail cabling, storm sewers replacement, and center elevator piston replacement. For the year ended March 31, 2021, the Association expended and recognized \$69,825. Therefore, at March 31, 2021, the Association recorded deferred special assessment revenue in the amount of \$67,467 until expended towards its designated purposes.

NOTE 9: Future major repairs and replacements

The Association's governing documents and FS §718 require that the Association's annual budget include budgeted assessments for future major repairs and replacements (reserves), unless waived in whole or in part by a vote of the owners in accordance with the governing documents and Florida law. Accumulated funds are held in separate interest-bearing accounts and are generally not available for operating purposes.

Reserve funds are accumulated based on estimated current costs of the components of common property. Actual expenditures 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 all future needs for major repairs and replacements. If additional funds are needed, the Association may increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 9: Future major repairs and replacements (continued)

During 2016, the Board of Directors contracted with a reserve specialist to conduct an independent study to estimate the useful lives, the remaining useful lives, and replacement costs of the common property components. The schedule included in the required supplementary information on future major repairs and replacements is based upon this study.

For the year ended March 31, 2021, the Association's unit owners voted to partially fund reserves in the amount of \$233,925. For the year ending March 31, 2022, the Association is partially funding reserves in the amount of \$233,925. For the year ending March 31, 2022, the Association cannot ascertain whether or not a unit owner vote took place to partially fund reserves; this may be in violation of Florida Statutes.

Components of the replacement fund are as follows:

	Contract Liabilities and Fund Balance, April 1, 2020	Additions	Interest Income	Expenses	Transfers	Contract Liabilities and Fund Balance, March 31, 2021
Pooled reserves	\$ 232,910	\$ 233,925	\$ 73	\$ 263,048	\$ -	\$ 203,860

Details of expenses:

Air conditioning	\$ 357
Dock & seawall	2,059
Door	4,123
Electrical	10,411
Elevator	26,681
Fire alarm systems	3,387
Interiors	41,496
Mechanical	3,205
Pool	17,264
Service charge	5
Storm drains	154,060
	<u>\$ 263,048</u>

A reconciliation of the table above to the balance sheet replacement fund reporting is as follows:

Contract liabilities	\$ 203,860
Fund balance	-
	<u>\$ 203,860</u>

NOTE 10: Interfund borrowings

At March 31, 2021, the Association's replacement fund owed its operating fund \$47,158. This interfund borrowing was for investment purposes and was therefore permitted under FS §718.

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2021

NOTE 11: Contract liabilities

A schedule of contract liabilities at March 31, 2021 is as follows:

Contract liabilities, beginning	\$ 232,910
Plus: amounts assessed	233,925
Less: amounts recognized as performance obligations have been satisfied	<u>(262,975)</u>
Contract liabilities, ending	<u>\$ 203,860</u>

NOTE 12: Supplemental disclosures of cash flow information

Non-cash financing activities for the year ended March 31, 2021 were as follows:

Cost of insurance coverage acquired via financing agreements	\$ 166,743
Cash paid related to financing agreements (down payments)	<u>(24,903)</u>
Liabilities assumed	<u>\$ 141,840</u>

NOTE 13: Subsequent events

Management has evaluated subsequent events through August 17, 2021, the date the financial statements were available to be issued.

HAFER

Certified Public Accountants and Consultants

251 ROYAL PALM WAY, SUITE 350

PALM BEACH, FLORIDA 33480

TELEPHONE (561) 655-8700

FACSIMILE (561) 655-6964

WWW.HAFERCPAS.COM

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, Inc.

Report on the Financial Statements

We have audited the financial statements of THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, Inc. ("the Association") as of and for the year ended March 31, 2021, and our report thereon dated August 17, 2021, which expressed an unmodified opinion on those financial statements, appears on Page 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating expenses compared to budget on Pages 12 and 13, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited," 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. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Future Major Repairs and Replacements on Page 14 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, 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.



Palm Beach, Florida
August 17, 2021

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET
For the year ended March 31, 2021

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Administration			
Background checks	\$ 1,240	\$ 1,500	\$ 260
Bank charges	166	100	(66)
CPA fees	4,900	4,600	(300)
DBPR fees	597	500	(97)
Dues and subscriptions	2,320	2,500	180
Insurance - building	88,579	84,000	(4,579)
Insurance - flood	63,280	57,778	(5,502)
Internet service / DSL	3,381	3,200	(181)
Legal fees	14,071	8,000	(6,071)
Month end accounting fees	3,000	3,000	-
Office equipment	1,342	1,500	158
Office supplies	1,714	3,000	1,286
Postage	837	1,200	363
Professional fees - other	-	1,000	1,000
Technical support	5,314	4,500	(814)
	<u>190,741</u>	<u>176,378</u>	<u>(14,363)</u>
Building operations and maintenance			
Air conditioner maintenance and repair	-	1,000	1,000
Building maintenance	7,483	6,000	(1,483)
Cable TV	3,906	2,665	(1,241)
Contingency	-	5,000	5,000
Door maintenance and repair	2,333	3,000	667
Electrical maintenance and repair	-	500	500
Elevator repair and maintenance	9,536	10,000	464
Entrance mats	3,061	2,500	(561)
Extermination	4,510	5,500	990
Fire alarm monitoring	2,295	3,800	1,505
Fire backflow	575	-	(575)
Laundry room maintenance and repair	-	1,500	1,500
Lobbies center	14	-	(14)
Plumbing maintenance and repair	966	1,000	34
Roof maintenance and repair	1,300	2,000	700
Trash pickup	2,162	2,600	438
Uniforms	2,884	5,000	2,116
	<u>41,025</u>	<u>52,065</u>	<u>11,040</u>
Landscaping			
Grounds maintenance	296	1,000	704
Landscaping plants and supplies	1,565	3,000	1,435
Landscaping tools and equipment	6,134	3,000	(3,134)
Pest and fertilization expense	7,986	7,400	(586)
	<u>\$ 15,981</u>	<u>\$ 14,400</u>	<u>\$ (1,581)</u>

See auditor's report on supplementary information.

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
SCHEDULE OF OPERATING EXPENSES COMPARED TO BUDGET (CONTINUED)
For the year ended March 31, 2021

	<u>Actual</u>	<u>Budget (Unaudited)</u>	<u>Variance Favorable (Unfavorable)</u>
Payroll and related expenses			
Employee benefits	\$ 55,317	\$ 38,500	\$ (16,817)
Other salaries - express	-	3,000	3,000
Payroll processing fees	1,738	1,700	(38)
Payroll tax expense	33,100	35,000	1,900
Salaries and wages	401,020	409,940	8,920
Travel reimbursement	-	400	400
Workers comp insurance	11,285	11,179	(106)
	<u>502,460</u>	<u>499,719</u>	<u>(2,741)</u>
Pool, driveway and dock			
Docks	-	1,000	1,000
Driveway	296	-	(296)
Pool and beach	8,234	7,500	(734)
	<u>8,530</u>	<u>8,500</u>	<u>(30)</u>
Supplies			
Cleaning supplies	3,066	2,000	(1,066)
Common element damage repairs	-	2,000	2,000
Decorating and furnishing	-	500	500
Electric supplies	118	400	282
Hardware	-	3,500	3,500
Lighting supplies	709	700	(9)
Miscellaneous	381	1,500	1,119
Paint and epoxy	721	3,000	2,279
Plumbing supplies	-	1,000	1,000
Tools and equipment	26	1,000	974
	<u>5,021</u>	<u>15,600</u>	<u>10,579</u>
Utilities			
Electricity	14,054	17,000	2,946
Gas and fuel	7,057	6,500	(557)
Telephone	3,252	4,500	1,248
Water	45,034	40,000	(5,034)
	<u>69,397</u>	<u>68,000</u>	<u>(1,397)</u>
Total budgeted expenses	833,155	<u>\$ 834,662</u>	<u>\$ 1,507</u>
Special assessments (Note 8)	<u>69,825</u>		
Total expenses	<u>\$ 902,980</u>		

See auditor's report on supplementary information.

THE PRESIDENT OF PALM BEACH - A CONDOMINIUM, INC.
SCHEDULE OF FUTURE MAJOR REPAIRS AND REPLACEMENTS (UNAUDITED)
March 31, 2021

During 2016, the Board of Directors conducted an independent study to estimate the remaining useful lives and replacement costs of the common property components. The schedule provides information about components of common property.

<u>Component</u>	<u>Estimated Useful Life (years)</u>	<u>Estimated Remaining Life (years)</u>	<u>Estimated Replacement Cost</u>	<u>Contract Liabilities and Fund Balance, March 31, 2021</u>	<u>Approved Budgeted Funding March 31, 2022</u>
Roofing	1-22	0-6	\$ 602,643	\$ -	\$ -
Painting	7-14	0-10	200,550	-	-
Paving	5-25	0-4	124,575	-	-
Elevator	1-32	0-10	340,350	-	-
Air conditioning	13-26	0	29,800	-	-
Pool	3-28	0-7	94,653	-	-
Interiors	10-40	0-17	359,248	-	-
Mechanical	8-32	0-14	265,600	-	-
Seawall and dock	10-60	2-16	1,142,439	-	-
Restoration	14-60	0-54	2,058,350	-	-
Pooled reserves	-	-	-	203,860	233,925
			<u>\$ 5,218,208</u>	<u>\$ 203,860</u>	<u>\$ 233,925</u>

See auditor's report on supplementary information.