

SEA COAST MANAGEMENT NO. 3, INC.

**AUDITED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
AND SUPPLEMENTARY INFORMATION**

For the year ended December 31, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of
Sea Coast Management No. 3, Inc.
New Smyrna Beach, Florida

Opinion

We have audited the accompanying financial statements of Sea Coast Management No. 3, Inc., which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sea Coast Management No. 3, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sea Coast Management No. 3, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sea Coast Management No. 3, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Sea Coast Management No. 3, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sea Coast Management No. 3, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on future repairs and replacements on page 11 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.

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 fund revenues and expenses - budget and actual on page 12 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 (except for the budget information, which was compiled from information that is the representation of management without audit or review, on which we do not express an opinion or provide any assurance) 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.

Keston & Grogan, LLC

Daytona Beach, Florida
February 9, 2024

SEA COAST MANAGEMENT NO. 3, INC.

Balance Sheet
December 31, 2023

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Special Assessment Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ -	\$ 658,263	\$ 469,963	\$ 1,128,226
Assessments receivable	11,188	-	10,895	22,083
Accounts receivable	8,376	-	-	8,376
Prepaid expenses	4,298	-	-	4,298
Equipment, net	-	-	-	-
Utility deposits	1,769	-	-	1,769
Due from other fund	29,387	-	172,053	201,440
	<u>\$ 55,018</u>	<u>\$ 658,263</u>	<u>\$ 652,911</u>	<u>\$ 1,366,192</u>
LIABILITIES AND FUND BALANCE				
Accounts payable and accrued expenses	\$ 21,132	\$ -	\$ -	\$ 21,132
Cash overdraft	2,581	-	-	2,581
Assessments paid in advance	9,084	-	15,845	24,929
Deferred cable revenue	12,949	-	-	12,949
Due to other fund	-	201,440	-	201,440
Notes payable	-	-	229,749	229,749
Deferred assessments	-	-	407,317	407,317
Contract liabilities	-	456,823	-	456,823
	<u>45,746</u>	<u>658,263</u>	<u>652,911</u>	<u>1,356,920</u>
Fund balance	<u>9,272</u>	<u>-</u>	<u>-</u>	<u>9,272</u>
	<u>\$ 55,018</u>	<u>\$ 658,263</u>	<u>\$ 652,911</u>	<u>\$ 1,366,192</u>

The accompanying Independent Auditors' Report and notes should be read with these financial statements.

SEA COAST MANAGEMENT NO. 3, INC.
Statement of Revenues, Expenses and
Changes in Fund Balance
For the year ended December 31, 2023

	Operating Fund	Replacement Fund	Special Assessment Fund	Total
Revenues:				
Members' assessments	\$ 490,747	\$ 54,963	\$ 564,499	\$ 1,110,209
Laundry income	15,987	-	-	15,987
Interest and other income	7,565	1,989	4,170	13,724
	<u>514,299</u>	<u>56,952</u>	<u>568,669</u>	<u>1,139,920</u>
Expenses:				
Insurance	186,124	-	-	186,124
Leased employees	132,251	-	-	132,251
Utilities	90,838	-	-	90,838
Building repairs and replacements	51,267	56,952	461,347	569,566
Pool maintenance	23,991	-	-	23,991
Management fees	21,312	-	-	21,312
Grounds maintenance	14,719	-	-	14,719
Administrative	12,855	-	13,913	26,768
Elevator repairs and maintenance	11,687	-	-	11,687
Professional fees	10,242	-	-	10,242
Taxes, fees, and licenses	976	-	-	976
Security	575	-	-	575
Interest expense	-	-	5,671	5,671
	<u>556,837</u>	<u>56,952</u>	<u>480,931</u>	<u>1,094,720</u>
Excess (deficit) of revenues over expenses	(42,538)	-	87,738	45,200
Fund balance (deficit), beginning of year	<u>51,810</u>	<u>-</u>	<u>(87,738)</u>	<u>(35,928)</u>
Fund balance, end of year	<u>\$ 9,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,272</u>

The accompanying Independent Auditors' Report and notes should be read with these financial statements.

SEA COAST MANAGEMENT NO. 3, INC.

Statement of Cash Flows

For the year ended December 31, 2023

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Special Assessment Fund</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from members' assessments	\$ 465,759	\$ 193,500	\$ 952,307	\$ 1,611,566
Cash received from interest and other income	36,501	1,989	4,170	42,660
Cash paid to vendors for services and goods	<u>(553,115)</u>	<u>(56,952)</u>	<u>(480,931)</u>	<u>(1,090,998)</u>
Net cash provided by (used in) operating activities	<u>(50,855)</u>	<u>138,537</u>	<u>475,546</u>	<u>563,228</u>
Cash flows from financing activities:				
Cash proceeds from notes payable	-	-	255,413	255,413
Repayment of notes payable	-	-	<u>(25,664)</u>	<u>(25,664)</u>
Net cash provided by financing activities	<u>-</u>	<u>-</u>	<u>229,749</u>	<u>229,749</u>
Cash flows from investing activities:				
Interfund borrowing	<u>5,330</u>	<u>253,938</u>	<u>(259,268)</u>	<u>-</u>
Net cash provided by (used in) investing activities	<u>5,330</u>	<u>253,938</u>	<u>(259,268)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(45,525)	392,475	446,027	792,977
Cash and cash equivalents, beginning of year	42,944	265,788	23,936	332,668
Cash and cash equivalents, end of year	<u>\$ (2,581)</u>	<u>\$ 658,263</u>	<u>\$ 469,963</u>	<u>\$ 1,125,645</u>
Reconciliation of Excess (Deficit) of Revenue over Expenses to Net Cash Provided by (Used) in Operating Activities.				
Excess (deficit) of revenues over expenses	\$ (42,538)	\$ -	\$ 87,738	\$ 45,200
Adjustments to reconcile excess (deficit) of revenues over expenses to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Assessments receivable	(2,836)	-	(10,895)	(13,731)
Accounts receivable	(8,376)	-	-	(8,376)
Prepaid expenses	561	-	-	561
Increase (decrease) in:				
Accounts payable and accrued expenses	11,537	-	-	11,537
Assessments paid in advance	(22,152)	-	(8,614)	(30,766)
Deferred cable revenue	12,949	-	-	12,949
Deferred assessments	-	-	407,317	407,317
Contract liabilities	-	138,537	-	138,537
Net cash provided by (used in) operating activities	<u>\$ (50,855)</u>	<u>\$ 138,537</u>	<u>\$ 475,546</u>	<u>\$ 563,228</u>

The accompanying Independent Auditors' Report and notes should be read with
these financial statements.

SEA COAST MANAGEMENT No. 3, INC.
Notes to Financial Statements
December 31, 2023

1. Organization:

Sea Coast Management No. 3, Inc. (the Association) was incorporated on April 21, 1972 as a not-for-profit corporation pursuant to Chapter 718 of the Florida Statutes. The primary purpose of the Association is to maintain and protect the property owned in common by members of The Sea Coast III Condominium. The Association consists of eighty-five residential units located in New Smyrna Beach, Florida. Common property of the Association includes a lobby, swimming pool, parking lot and social rooms.

Policy decisions in regard to normal everyday operations of the Association are formulated by the Board of Directors, who are elected by the general membership. Major policy decisions, as outlined in the documents of the Association, are referred to the general Association membership.

2. Summary of Significant Accounting Policies:

The Association prepares its financial statements on the accrual basis. The financial statements are presented as separate funds based upon the different funding policies for operations and capital replacement.

Fund Accounting:

The Operating Fund reflects the operating assessments paid by unit owners to meet the regular, recurring costs of operation. Expenditures of this fund are limited to those connected with the day-to-day functions of the Association.

The Replacement Fund is composed of all capital assessments paid by the unit owners to fund future replacements, major repairs, and purchases of additional commonly owned assets. Expenditures from this fund are restricted to those items for which the assessments were paid and those which are approved by the Board of Directors.

The Special Assessment Fund was established to keep special assessments designated for specific projects separate from operating funds. Disbursements from this fund may only be used for the designated purposes of the special assessment without a majority vote of the membership.

Cash and Cash Equivalents:

Cash and cash equivalents include all funds invested in checking and money market accounts with an original maturity of ninety days or less. The Association has deposits at banks that are federally insured up to \$250,000 under FDIC protection and privately insured for amounts in excess of FDIC up to \$1,000,000. At December 31, 2023, all of the Association's funds were fully insured.

Common Owned Property:

Real and personal property acquired by the Association from the developer and major replacements or improvements made by the Association are capitalized on the financial statements of the Association when ownership of these commonly owned assets is vested directly in the Association and may be sold. Assets vested directly or indirectly in the unit owners deemed not to be severable are not capitalized on the financial statements.

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 the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

SEA COAST MANAGEMENT No. 3, INC.

Notes to Financial Statements

December 31, 2023

2. Summary of Significant Accounting Policies: (Continued)

Assessments:

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions and major repairs and replacements. The allocation of assessments is based on the unit's square footage and location. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments is satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's Declaration provides for various collection remedies for delinquent assessments including the filing of liens, foreclosing on the unit owner and obtaining judgment on other assets of the unit owner. Assessments paid in advance at the balance sheet date represent fees paid in advance by unit owners. These fees are not recorded as income until they are earned.

Allowance for Doubtful Accounts:

The Association provides an allowance for accounts receivable it believes it may not collect in full. Management has made an assessment of uncollectible receivables and determined that an allowance for uncollectible accounts was not needed as of December 31, 2023.

Income Taxes:

Condominium associations may be taxed as either a homeowners' association or a regular corporation. The Association elected to be taxed as a homeowners' association in accordance with Internal Revenue Code, Section 528, for the current year. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings, at a rate of 30%. Exempt function income, which consists primarily of member assessments, is not taxable. For the year ended December 31, 2023, the Association's deductions for tax purposes exceeded any taxable income, therefore, no income tax expense was incurred.

The Association files income tax returns in the U.S. federal jurisdiction. With a few exceptions, the Association is no longer subject to federal income tax examinations by taxing authorities for tax years before 2020.

Contract Liabilities (Assessments received in advance-replacement fund):

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments.

Subsequent Events:

The Association has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 9, 2024, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

SEA COAST MANAGEMENT No. 3, INC.
Notes to Financial Statements
December 31, 2023

3. Property and Equipment:

Property and equipment and their respective lives at December 31, 2023 are as follows:

		Lives
Computer equipment	\$ 5,202	5 years
Maintenance equipment	566	5 years
Laundry equipment	19,123	5 years
	24,891	
Less accumulated depreciation	(24,891)	
	\$ -	

4. Windstorm Insurance:

The current insured value of the Association's building is \$13,065,384. The Association's current insurance policy contains a deductible of five percent (5%) of the insured value for any named hurricane damage. The deductible was approximately \$653,269 for the current policy year, which ended on January 1, 2024. Other deductibles apply to the basic insurance coverage as well.

5. Special Assessments:

In November 2022, the Board of Directors levied a special assessment for concrete restoration repair overruns in the amount of \$169,000. The assessment is payable on February 1, 2023. Each owner was assessed in the same manner as regular assessments based on unit square footage and location. The Association expended \$87,737 on the project during the year ended December 31, 2022. The remaining balance of \$81,263 is recorded as deferred assessments on the balance sheet and will be taken into income as the related expenditures are incurred.

In January 2023, the Board of Directors levied a special assessment for hurricane repairs in the amount of \$1,000,000. The assessment is payable on March 1, 2023 if paid in full or starting on July 1, 2023 if making payments. For the year ended December 31, 2023, there are twenty unit owners that are paying their assessments monthly through August 2028. Each owner was assessed in the same manner as regular assessments based on unit square footage and location. For the year ended December 31, 2023, The Association billed assessments in the amount of \$802,815. During the year ended December 31, 2023, the Association earned \$4,170 in interest income. During the year ended December 31, 2023, the Association expended \$480,931 on hurricane repairs. The remaining balance of \$326,054 is recorded as deferred assessments on the balance sheet and will be taken into income as the related expenditures are incurred.

6. Notes Payable:

In July 2023, the Association entered into a loan with Valley National Bank for \$255,413 to help cover the cost of financing the repairs to the Association's property. The loan is collateralized by a secured interest in the property of the Association. The note has a sixty-month term, has monthly payments of \$5,304 including interest at 5.75%, and matures in August 2028. The loan may be prepaid at any time prior to maturity with no prepayment penalties. Interest expense incurred for the year ended December 31, 2023 was \$5,671. The remaining balance at December 31, 2023 is \$229,749.

SEA COAST MANAGEMENT No. 3, INC.
Notes to Financial Statements
December 31, 2023

7. Related Parties:

The Association shares common areas, including the office, clubhouse, ocean deck, and pool area, as well as Management with Sea Coast Management No. 2, Inc. Expenses relating to the common areas and management are split evenly (50%) between the Associations.

8. Replacement Reserves:

Florida Statutes and the Association's documents require funds to be accumulated for future major repairs and replacements. The Association's current policy is to assess each unit owner a monthly assessment to meet all future replacement and major repair costs. These funds are held in separate accounts and are generally not available for operating purposes. It is the Association's policy to allocate interest earned to the pooled reserve fund.

The Association is funding for its future major repairs and replacements based on a cash flow projection that takes into consideration estimates of the remaining useful lives of the components of the pooled reserve account, estimated current replacement costs, anticipated interest earnings on accumulated funds, future projected cash outflows, and amounts previously accumulated in the replacement fund. In 2023, the Association had a reserve study performed by a professional firm that determined the components, estimated total useful and remaining lives, and projected future replacement costs. In connection with the preparation of the Association's annual budget for 2023, management and the Board of Directors updated the useful and remaining lives and the replacement costs of the common property components.

Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, 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.

The activity within the replacement fund contract liabilities for the year ended December 31, 2023 is presented as follows:

	Beginning Balance	Funding	Interest Income	Expenditures	Ending Balance
Pooled reserve	\$ 318,286	193,500	1,989	(56,952)	\$ 456,823

Details of transfers and expenditures

Building services	\$ 28,015
Roofing	15,538
Reserve studies	8,325
Pool equipment	3,329
Clubhouse equipment	1,745
	\$ 56,952

SEA COAST MANAGEMENT No. 3, INC.
Notes to Financial Statements
December 31, 2023

8. Replacement Reserves: (Continued)

New mandatory reserve requirements for condominiums:

The State of Florida passed new mandatory reserve requirements and restrictions for condominiums in May 2022 with a beginning effective date of December 31, 2024. The legislation is aimed at protecting the long-term structural safety and integrity of multi-story buildings in the State of Florida. At least every ten years, associations must now complete a so-called Structural Integrity Reserve Study (“SIRS”) for each building in the condominium that is three stories or taller by a licensed engineer or architect.

At a minimum, the SIRS must identify and state the remaining useful life and replacement cost, or deferred maintenance expense of the common areas being visually inspected and based upon such visual inspection, provide a recommended annual reserve amount that should be included in the association’s annual budget for those common areas. Several specific “structural” components of every building must now be visually inspected and evaluated, including the roof, load-bearing walls, foundation, floor, plumbing, electrical systems, waterproofing and fireproofing, windows, and any other item with a deferred maintenance expense or replacement cost exceeding \$10,000 that would “negatively affect” any of the foregoing items if not maintained or replaced.

Not only are associations now legally required to have reserve studies completed, but they will also soon be prohibited from waiving or reducing funding for many of the reserve items in their annual budgets. For decades, condominium associations have been legally required to include reserve accounts in their annual budget. However, associations were permitted, by a majority vote of the unit owners, to waive or only partially fund reserves, irrespective of the particular reserve item. Beginning December 31, 2024, however, unit owners will no longer be legally permitted to make that decision for the structural reserve items required to be listed in the SIRS.

Similarly, effective December 31, 2024, associations will no longer be permitted to use reserve funds collected for the structural items listed in a SIRS for any other purpose, even if a majority of the owners vote to do so

SUPPLEMENTARY INFORMATION

SEA COAST MANAGEMENT NO. 3, INC.
Supplementary Information
on Future Repairs and Replacements
December 31, 2023

The Association is funding for its future repairs and replacements based on a cash flow projection that takes into consideration estimates of the remaining useful lives of the components of the pooled reserve account, estimated current replacement costs, anticipated interest earnings on accumulated funds, future projected cash outflows and amounts previously accumulated in the replacement fund. In 2023, the Association had a reserve study performed by a professional firm that determined the reserve components, estimated total useful and estimated remaining lives and the projected future replacement costs. In conjunction with the preparation of the Association's annual budget for 2024, management and the Board of Directors updated the estimated useful and remaining lives and estimated current costs of the common property components.

The following table presents significant information concerning the replacement fund:

<u>Component</u>	<u>Estimated Useful Life (Years)</u>	<u>Estimated Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>	<u>Contract Liabilities December 31, 2023</u>	<u>2024 Full Funding Requirement</u>	<u>2024 Budgeted Funding</u>
Building Service	5-75	0-30	\$ 725,825	\$ -	\$ -	\$ -
Exterior Building	5-45	1-26	3,152,350	-	-	-
Clubhouse	8-45	1-30	177,033	-	-	-
Pool	3-30	2-6	132,910	-	-	-
Property Site	3-65	1-30	465,331	-	-	-
Pooled reserves			-	456,823	265,000	125,000
			<u>\$ 4,653,449</u>	<u>\$ 456,823</u>	<u>\$ 265,000</u>	<u>\$ 125,000</u>

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 future needs. If additional funds are needed the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or may delay major repairs and replacements until funds are available.

SEA COAST MANAGEMENT NO. 3, INC.
Schedule of Operating Fund Revenues and Expenses
Budget and Actual
For the year ended December 31, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Members' assessments	\$ 490,740	\$ 490,747	\$ 7
Laundry income	20,000	15,987	(4,013)
Interest and other income	1,050	7,565	6,515
	<u>511,790</u>	<u>514,299</u>	<u>2,509</u>
Expenses:			
Insurance	152,000	186,124	(34,124)
Leased employees	112,000	132,251	(20,251)
Utilities	98,720	90,838	7,882
Building repairs and replacements	44,700	51,267	(6,567)
Pool maintenance	21,250	23,991	(2,741)
Management fee	20,800	21,312	(512)
Grounds maintenance	24,000	14,719	9,281
Administrative	8,950	12,855	(3,905)
Elevator repairs and maintenance	9,500	11,687	(2,187)
Professional fees	11,100	10,242	858
Taxes, fees, and licenses	3,770	976	2,794
Security	5,000	575	4,425
	<u>511,790</u>	<u>556,837</u>	<u>(45,047)</u>
Deficit of revenues over expenses	<u>\$ -</u>	<u>\$ (42,538)</u>	<u>\$ (42,538)</u>