



VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2020

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

DECEMBER 31, 2020

I N D E X

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
BALANCE SHEET	2
STATEMENT OF REVENUES, EXPENSES AND COMPREHENSIVE INCOME	3
STATEMENT OF CHANGES IN MEMBERS' EQUITY (DEFICIT)	4
STATEMENT OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS	6 - 13
SUPPLEMENTAL INFORMATION:	
INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION	14
SCHEDULE OF OPERATING EXPENSES	15

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Valley Forge Towers South Condominium Association
King of Prussia, Pennsylvania

We have audited the accompanying financial statements of Valley Forge Towers South Condominium Association, which comprise the balance sheet as of December 31, 2020 and the related statements of revenues, expenses and comprehensive income (loss), changes in members' equity and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Valley Forge Towers South Condominium Association as of December 31, 2020, 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.

Omission of Required Supplementary Information about Future Major Repairs and Replacements

Management has omitted supplementary information about future major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

Borislow Factor & Kaufmann, LLC

October 5, 2021

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

BALANCE SHEET

DECEMBER 31, 2020

ASSETS

	<u>Operating Fund</u>	<u>Capital Reserve Fund</u>	<u>Total</u>
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 251,610	\$ 107,257	\$ 358,867
Marketable Securities	-	313,992	313,992
Assessments and Other Receivables, Net	50,740	110	50,850
Prepaid Expenses	1,595	-	1,595
Due from Operating Fund	<u>-</u>	<u>442,845</u>	<u>442,845</u>
Total Current Assets	<u>303,945</u>	<u>864,204</u>	<u>1,168,149</u>
CONDOMINIUM UNITS, EQUIPMENT, FURNITURE AND IMPROVEMENTS -			
Net of Accumulated Depreciation of \$62,929	<u>288,348</u>	<u>-</u>	<u>288,348</u>
TOTAL ASSETS	<u>\$ 592,293</u>	<u>\$ 864,204</u>	<u>\$ 1,456,497</u>

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

CURRENT LIABILITIES:			
Accounts Payable and Accrued Expenses	\$ 191,781	\$ -	\$ 191,781
Deferred Revenue	28,256	-	28,256
Due to Capital Reserve Fund	<u>442,845</u>	<u>-</u>	<u>442,845</u>
Total Current Liabilities	<u>662,882</u>	<u>-</u>	<u>662,882</u>
Contract Liabilities	<u>-</u>	<u>811,147</u>	<u>811,147</u>
TOTAL LIABILITIES	<u>662,882</u>	<u>811,147</u>	<u>1,474,029</u>
MEMBERS' EQUITY (DEFICIT):			
Members' Equity (Deficit)	(70,589)	33,060	(37,529)
Accumulated Other Comprehensive Income	<u>-</u>	<u>19,997</u>	<u>19,997</u>
Total Members' Equity (Deficit)	<u>(70,589)</u>	<u>53,057</u>	<u>(17,532)</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	<u>\$ 592,293</u>	<u>\$ 864,204</u>	<u>\$ 1,456,497</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

STATEMENT OF REVENUES, EXPENSES AND COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2020

	<u>Operating Fund</u>	<u>Capital Reserve Fund</u>	<u>Total</u>
REVENUES:			
Member Assessments	\$2,295,297	\$ -	\$2,295,297
Work Order Income	6,061	-	6,061
Move In Fees and Miscellaneous Income	3,592	-	3,592
Allocation from Operating Fund	-	172,837	172,837
Investment Income	-	11,551	11,551
	<u>2,304,950</u>	<u>184,388</u>	<u>2,489,338</u>
Total Revenues			
EXPENSES:			
Operating Expenses	2,297,102	-	2,297,102
Depreciation	7,400	-	7,400
Major Repairs and Replacements	-	172,837	172,837
	<u>2,304,502</u>	<u>172,837</u>	<u>2,477,339</u>
Total Expenses			
EXCESS OF REVENUES OVER EXPENSES	448	11,551	11,999
OTHER COMPREHENSIVE INCOME - Unrealized Gain on Marketable Securities	-	7,147	7,147
	<u>448</u>	<u>18,698</u>	<u>19,146</u>
COMPREHENSIVE INCOME			

The Accompanying Notes Are an Integral Part of These Financial Statements

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

STATEMENT OF CHANGES IN MEMBERS' EQUITY (DEFICIT)

YEAR ENDED DECEMBER 31, 2020

	<u>Operating Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Fund Balances</u>	<u>Accumulated Other Comprehensive Income</u>
MEMBERS' EQUITY (DEFICIT) AT BEGINNING OF YEAR	\$ (71,037)	\$ 21,509	\$ (49,528)	\$ 12,850
EXCESS OF REVENUES OVER EXPENSES	448	11,551	11,999	-
OTHER COMPREHENSIVE INCOME:				
Unrealized Gain on Marketable Securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,147</u>
MEMBERS' EQUITY (DEFICIT) AT END OF YEAR	<u>\$ (70,589)</u>	<u>\$ 33,060</u>	<u>\$ (37,529)</u>	<u>\$ 19,997</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

	<u>Operating Fund</u>	<u>Capital Reserve Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Excess of Revenues over Expenses	\$ 448	\$ 11,551	\$ 11,999
Adjustments to Reconcile Excess of Revenues over Expenses to Net Cash Provided (Used) by Operating Activities:			
Depreciation	7,400	-	7,400
Unrealized Gain on Marketable Securities	-	7,147	7,147
(Increase) Decrease in:			
Assessments and Other Receivables, Net	9,031	(110)	8,921
Prepaid Expenses	146,412	229	146,641
Due from Operating Fund	-	(255,068)	(255,068)
Increase (Decrease) in:			
Accounts Payable and Accrued Expenses	51,971	(39,620)	12,351
Deferred Revenue	(10,901)	-	(10,901)
Due to Capital Reserve Fund	255,068	-	255,068
Contract Liabilities	-	34,065	34,065
	<u> </u>	<u> </u>	<u> </u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	459,429	(241,806)	217,623
CASH FLOWS FROM INVESTING ACTIVITIES:			
Sale of Marketable Securities	-	349,063	349,063
Purchase of Fixed Assets	(256,055)	-	(256,055)
	<u> </u>	<u> </u>	<u> </u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(256,055)	349,063	93,008
INCREASE IN CASH	203,374	107,257	310,631
CASH AT BEGINNING OF YEAR	<u>48,236</u>	<u>-</u>	<u>48,236</u>
CASH AT END OF YEAR	<u>\$251,610</u>	<u>\$107,257</u>	<u>\$358,867</u>

The Accompanying Notes Are an Integral Part of These Financial Statements

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES:

A. Nature of Operations

Valley Forge Towers South Condominium Association (the Association) is a statutory condominium association incorporated in the Commonwealth of Pennsylvania on September 23, 1982. The Association is responsible for the operation and maintenance of the common property of Valley Forge Towers South Condominium. Valley Forge Towers South Condominium consists of 274 residential and commercial units located in King of Prussia, Pennsylvania.

B. Basis of Accounting

The financial statements are presented on the accrual basis of accounting.

C. Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

D. Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purposes.

Operating Fund

This fund is used to account for financial resources available for the general operations of the Association.

Capital Reserve Fund

This fund is used to accumulate financial resources designated for future major repairs and replacements.

(Continued)

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2020

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

E. Cash and Cash Equivalents

Cash equivalents include cash on hand and in banks. The Association also considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Member 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. Assessments receivable at the balance sheet date represent fees due from unit owners, reduced by the valuation allowance of \$14,003 that reflects management's best estimate of the amounts that will not be collected. Amounts collected but not billed are recorded as deferred revenue.

G. Property and Equipment

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.

Depreciation of property and equipment is provided utilizing both the straight-line and accelerated methods over the estimated useful lives of the respective assets as follows:

Equipment and Furniture	5 – 7 years
Condominium Units and Improvements	39 years

H. Fair Value of Financial Instruments

The Association's financial instruments consist of cash, investments, short-term receivables and payables. The carrying value of all such instruments, considering the terms, approximates fair value at December 31, 2020.

(Continued)

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2020

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED):

I. Impairment of Long-Lived Assets

The Association assesses whether there has been impairment in the value of its long-lived assets whenever events or change in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount to the future net cash flows, undiscounted and without interest, expected to be generated by the asset. If such assets are considered to be impaired, the amount of impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported as the lower of carrying amount or fair value, less costs to sell.

Management believes no impairment in the net carrying values of the property and equipment has occurred for the year presented.

J. 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 or has received payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The change in contract liabilities for the year ended December 31, 2020 is as follows:

Balance - January 1, 2020	\$ 777,082
2020 Capital Reserve Contributions	206,902
2020 Capital Reserve Expenditures	<u>(172,837)</u>
Balance - December 31, 2020	<u>\$ 811,147</u>

The reduction in contract liabilities of \$172,837 is recognized as “Allocation from Operating Fund” in the Statement of Revenues, Expenses and Comprehensive Income for the year ended December 31, 2020.

K. Revenue Recognition

Assessments are billed on the first of each month and revenue is recognized when billed. Capital Reserve assessment income is not recognized as revenue until the performance obligation related to the capital expense has been satisfied.

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2020

2. UNINSURED CASH BALANCES:

The Association maintains its cash balances at several financial institutions. Accounts at each institution are secured by the Federal Deposit Insurance Corporation up to \$250,000. At times, such balances may be in excess of the \$250,000 Federal Deposit Insurance Corporation insurance limit.

3. CONDOMINIUM UNITS, EQUIPMENT, FURNITURE AND IMPROVEMENTS:

The following is the common property owned:

Equipment	\$ 35,025
Furniture	6,331
Garages and Storage Unit	53,866
Condominium Units	<u>256,055</u>
	351,277
Accumulated Depreciation	<u>62,929</u>
	<u>\$ 288,348</u>

Depreciation expense for the year ended December 31, 2020 was \$7,400.

4. PURCHASE OF CONDOMINIUM UNITS:

In January 2020, the Association purchased commercial units 115 and 116 for \$256,055 (including all related settlement costs), using Capital Reserve funds. The Association intends to keep both units and has plans to convert one into a game room for the homeowners' use and one into a lounge for the maintenance staff. The member assessments and the other costs of maintaining these units will be absorbed by the homeowners through an increase in their monthly member assessments. The Association's board will be discussing plans to replenish the Capital Reserve Fund for the cost to purchase these units.

5. FAIR VALUE MEASUREMENT OF MARKETABLE SECURITIES:

As defined in the FASB's guidance on fair value measurements, fair value is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants. The FASB defines a fair value hierarchy, which prioritizes inputs, or valuation techniques by level. The valuation hierarchy is based upon transparency of inputs into the valuation of the fair value of the assets or liability at the measurements date.

(Continued)

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2020

5. FAIR VALUE MEASUREMENT OF MARKETABLE SECURITIES (CONTINUED):

These three levels are defined as follows:

Level 1- Represented by quoted prices that are available in an active market.

Level 2 - Represented by assets and liability similar to Level 1 where quoted prices are not available, but observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows.

Level 3 - Represented by financial instruments where this is limited activity or unobservable markets prices and pricing models significant to determining the fair value measurement including the reporting entity's own assumption about the market risk.

The Association investments are in short-term mutual and bond funds with Vanguard. These investments are reported at fair value based on Level 1 inputs.

The following accumulated unrealized gains are reflected as a component of fund balances at December 31, 2020:

Market Value of Marketable Securities	\$ 313,992
Cost	<u>304,124</u>
Accumulated Unrealized Income	<u>\$ 9,868</u>

6. COMMITMENTS:

In August 2019, the Association and Comcast of Southeast Pennsylvania, LLC entered into a contract to provide cable television and other premium services. The contract expires in March 2023.

7. RETIREMENT PLAN:

The Association sponsors a salary reduction simplified employee pension plan. A salary reduction of up to 5% is allowed for eligible employees, a portion of which is matched by the Association. The retirement contribution for the year ended December 31, 2020 was \$10,155.

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2020

8. INCOME TAXES:

The Association has elected to be taxed as an organization under Section 277 of the Internal Revenue Code. Under this code section, all income is taxed at corporate rates or the Association may make an election to pay income tax on nonexempt function income only, such as interest income, dividend income and capital gains, at a flat rate of 30%. The method used is the one that results in lesser tax. For the year ended December 31, 2020, income tax expense was \$119.

The Association's income tax filings are subject to audit by various taxing authorities. The Association's open audit periods are 2018 through 2020, and it believes their current tax positions are appropriate based on current facts and circumstances

9. FUTURE MAJOR REPAIRS AND REPLACEMENTS (RESERVE FOR REPLACEMENTS):

Reserve for replacements is determined by Council and funded by the members' monthly assessments. In order to budget proper additions to the reserve for the replacements (as required in the by-laws), Council engaged an outside engineering firm in 2003 to estimate the remaining useful lives of the structural and mechanical components of the common property. The information for the plan was supplied by a variety of sources, including published data, local contractors, and the Association.

Accumulated cash and marketable securities in the reserve for replacement fund, which are designated for future major repairs and replacements, totaled \$421,249 at December 31, 2020, and are held in separate accounts, which generally are not available for operating purposes. These funds have not been allocated to specific components of common property, but are available in total to fund reserve expenditures. It is the Association's policy that interest earned on funds designated for future major repairs and replacements is used for reserve purposes.

Actual expenditures may vary from the estimated amounts, and these variations may be material. Therefore, amounts designated for future major repairs and replacements may not be adequate to meet future needs. If the reserves are deemed to be inadequate for any reason, Council may, at any time, levy additional assessments.

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2020

10. CASUALTY GAIN/LOSS:

In June 2020, the building experienced significant storm damage, including the structure of the roof, the lightning rod system, the heating, ventilation and air conditioning units that were stationed on the roof, and various other structural elements. During 2020, Council and the Management Company worked with consultants to determine the extent of the damage, and to pursue an insurance claim that would maximize its ability to recover the costs of the damage. In October 2020, the Association received notification of the estimated approved insurance claim from its insurer in the amount of \$1,495,502 (includes recoverable depreciation). Initial insurance funds were received in January 2021. As of the date of this report, Council has hired a contractor to replace the roof and other structural components that were damaged for a total estimated contract price of \$1,271,000. Additional costs already incurred or expected to be incurred are estimated to be \$225,000, for a total replacement cost of \$1,496,000.

According to ASC 610-30, *Revenue Recognition – Other Income – Gains and Losses on Involuntary Conversions*, the casualty loss should be recognized in the year in which the loss was incurred. Generally, a full replacement of property requires a write-off of the asset and accumulated depreciation, and the addition of the new asset for the replacement cost. The Association does not consider the building structure or its components fixed assets, as discussed in Note 1G, and should recognize the estimated cost of replacement as a capital reserve expense in 2020. Under ASC 450-30, *Contingencies – Gain Contingencies*, a gain on insurance proceeds can be recognized during the year the amount of the proceeds are fixed and determinable. The Association had a fixed and determinable insurance claim as of December 31, 2020. In consideration of the guidance and the fact that the estimated replacement costs approximate the insurance proceeds, there was no casualty gain or loss to be recognized for this event during 2020.

11. GLOBAL PANDEMIC:

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. The actions taken to mitigate it have had, and are expected to continue to have an adverse impact on the economy, financial markets, public support and the geographical area in which the Association operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Association.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

NOTES TO FINANCIAL STATEMENTS - CONTINUED

DECEMBER 31, 2020

12. SUBSEQUENT EVENTS:

Subsequent events were evaluated through October 5, 2021, which is the date the financial statements were available to be issued. The following significant subsequent events have been identified, which require disclosure in the accompanying financial statements:

As discussed in Note 10, the Association sustained catastrophic damage to its roof and other structural and operational elements located on the roof, as the result of a storm that occurred in June 2020. The replacement project started in July 2021 and is still underway as of the date of our report. To date, the Association has received the initial insurance claim of \$1,177,863 to cover the costs of the repairs. The management company and the Board also expect to spend the additional \$317,639 in recoverable depreciation that will be reimbursed by the insurance Company at the completion of the work.

During 2021, the Association had a capital replacement study performed to identify the building's upcoming capital repair and replacement needs, and to form a capital reserve plan and budget to address those needs over the next decade. As of the date of our report, the Board and the management company have received a draft of the report, but a final report is pending. Information regarding the findings in the study will be available for the year ended December 31, 2021 and will be reported in the financial statements for the year then ended as supplementary information about future major repairs and replacements, which is required under accounting principles generally accepted in the United States of America.

SUPPLEMENTAL INFORMATION

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

We have audited the financial statements of Valley Forge Towers South Condominium Association as of and for the year ended December 31, 2020, and have issued our report thereon dated October 5, 2021, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 5, 2021.

The Schedule of Operating Expenses on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of 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.

Borislow Factor & Kaufmann, LLC

October 5, 2021

VALLEY FORGE TOWERS SOUTH CONDOMINIUM ASSOCIATION

SCHEDULE OF OPERATING EXPENSES

YEAR ENDED DECEMBER 31, 2020

SALARIES AND RELATED EXPENSES:

Salaries	\$ 293,352
Payroll Taxes	25,500
Employee Benefits	38,872
Retirement Contribution	<u>10,155</u>
 TOTAL SALARIES AND RELATED EXPENSES	 <u>367,879</u>

UTILITIES:

Cable Television	243,826
Electricity	290,576
Water and Sewer	<u>200,724</u>
 TOTAL UTILITIES	 <u>735,126</u>

MAINTENANCE:

Building Repairs	53,586
Elevator	38,744
Security Services	259,840
Maintenance Supplies	37,427
Trash Removal	<u>32,545</u>
 TOTAL MAINTENANCE	 <u>422,142</u>

OTHER OPERATING EXPENSES:

Community Association Fees	477,790
Bad Debt Expense	4,052
Insurance	144,161
Management Fees	35,268
Office Expenses	23,961
Payroll Service	8,387
Professional Fees:	
Accounting	23,170
Legal	9,979
Real Estate Taxes	6,327
Service Agreements	34,501
Telephone	<u>4,359</u>
 TOTAL OTHER OPERATING EXPENSES	 <u>771,955</u>

TOTAL OPERATING EXPENSES \$ 2,297,102

This Statement Must Be Read in Conjunction with the Auditors' Report on Supplemental Information Dated October 5, 2021.