

THE STRATFORD AT PELICAN BAY
CONDOMINIUM ASSOCIATION, INC.

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

Scullin \$ Associates
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THE STRATFORD AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.

DECEMBER 31, 2012

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Stratford at Pelican Bay Condominium Association, Inc.
Naples, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of The Stratford at Pelican Bay Condominium Association, Inc., which comprise the balance sheet as of December 31, 2012, and the related statements of revenues, 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 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 Association'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 Association'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 that we obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Stratford at Pelican Bay Condominium Association, Inc. as of December 31, 2012, 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.

Report on Summarized Comparative Information

We have previously audited The Stratford at Pelican Bay Condominium Association, Inc.'s 2011 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 29, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Scullin & Associates

Scullin and Associates
February 28, 2013

The Stratford at Pelican Bay Condominium Association, Inc.
Balance Sheets
December 31, 2012
With Comparative Totals for 2011

ASSETS

	Operating Fund	Replacement Fund	Totals	2011 Totals
<u>Assets</u>				
Cash	\$ 308,146.34	\$ 401,516.68	\$ 709,663.02	\$ 893,440.14
Assessments Receivable	4,776.00	-	4,776.00	200.00
Other Receivables	-	750.00	750.00	-
Interfund Accounts	(780.25)	780.25	-	-
Prepaid Insurance	91,998.83	-	91,998.83	100,498.74
Prepaid Expenses	130,544.00	-	130,544.00	-
Prepaid Income Tax	1,800.00	-	1,800.00	3,916.00
Utility Deposits	50.00	-	50.00	-
Property & Equipment (Net)	16,404.51	-	16,404.51	18,307.51
Total Assets	\$ 552,939.43	\$ 403,046.93	\$ 955,986.36	\$1,016,362.39

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>				
Accounts Payable	\$ 29,123.27	\$ 3,765.38	\$ 32,888.65	\$ 298,712.87
Accrued Expenses	20,920.67	-	20,920.67	-
Prepaid Assessments	210,972.00	-	210,972.00	225,684.00
Deferred PB Assessment	128,952.00	-	128,952.00	-
Total Liabilities	389,967.94	3,765.38	393,733.32	524,396.87
Fund Balances	162,971.49	399,281.55	562,253.04	491,965.52
Total Liabilities and Fund Balances	\$ 552,939.43	\$ 403,046.93	\$ 955,986.36	\$1,016,362.39

See accompanying auditor's report and notes.

The Stratford at Pelican Bay Condominium Association, Inc.
Statements of Revenues and Expenses
Year Ended December 31, 2012
With Comparative Totals for 2011

	Operating Fund	Replacement Fund	Totals	2011 Totals
<u>Revenues</u>				
Assessments	\$ 963,900.00	\$ 231,012.00	\$ 1,194,912.00	\$ 1,150,200.00
PelicanBay Foundation	122,880.00	-	122,880.00	119,200.00
Special Assessment-Phase One	-	4,898.00	4,898.00	481,535.60
Late Fees	25.00	-	25.00	25.00
Application Fees	1,600.00	-	1,600.00	1,700.00
Miscellaneous Income	9,451.43	-	9,451.43	4,966.96
Interest Income	308.73	706.20	1,014.93	5,642.31
Total Revenues	1,098,165.16	236,616.20	1,334,781.36	1,769,874.58
<u>Expenses</u>				
Inside Maintenance	101,534.40	-	101,534.40	96,034.16
Outside Maintenance	90,654.14	-	90,654.14	63,266.96
Payroll Expenses	240,761.41	-	240,761.41	235,397.67
Utilities	85,740.27	-	85,740.27	90,378.52
Other Expenses	25,144.31	-	25,144.31	7,173.70
Insurance	261,422.18	-	261,422.18	282,375.71
Professional Services	154,418.51	-	154,418.51	91,678.96
Office Expenses	15,595.98	-	15,595.98	20,431.27
Pelican Bay Foundation	122,880.00	-	122,880.00	119,200.00
Replacement Expenses	-	166,342.64	166,342.64	910,604.90
Total Expenses	1,098,151.20	166,342.64	1,264,493.84	1,916,541.85
Excess Revenues (Expenses)	\$ 13.96	\$ 70,273.56	\$ 70,287.52	\$ (146,667.27)

See accompanying auditor's report and notes.

The Stratford at Pelican Bay Condominium Association, Inc.
Statements of Changes in Fund Balances
Year Ended December 31, 2012
With Comparative Totals for 2011

	Operating Fund	Replacement Fund	Totals	2011 Totals
Fund Balances-Beginning of Year	\$ 162,957.53	\$ 329,007.99	\$ 491,965.52	\$ 477,597.01
Excess Revenue (Expenses)	13.96	70,273.56	70,287.52	(146,667.27)
Permanent Transfers	-	-	-	161,035.78
Fund Balances-End of Year	\$ 162,971.49	\$ 399,281.55	\$ 562,253.04	\$ 491,965.52

See accompanying auditor's report and notes.

The Stratford at Pelican Bay Condominium Association, Inc.
Statements of Cash Flows
Year Ended December 31, 2012
With Comparative Totals for 2011

	Operating Fund	Replacement Fund	Totals	2011 Totals
<u>Cash Flows from Operating Activities:</u>				
Member Assessments Collected	\$ 1,196,444.00	\$ 235,160.00	\$ 1,431,604.00	\$ 1,836,055.86
Special Assessments Collected				
Interest Received	308.73	706.20	1,014.93	8,142.04
Other Cash Received	11,076.43	-	11,076.43	13,296.67
Cash Paid for Operating Expenses	(1,198,190.22)	-	(1,198,190.22)	(998,900.78)
Cash Paid for Replacement Expenses	-	(429,282.26)	(429,282.26)	(910,604.90)
Net Cash Provided by (Used in) Operating Activities:	<u>9,638.94</u>	<u>(193,416.06)</u>	<u>(183,777.12)</u>	<u>(52,011.11)</u>
<u>Cash Flows from Investing Activities:</u>				
Redemption of Certificates of Deposit	-	-	-	300,000.00
Interfund Transfers	780.25	(780.25)	-	-
Net Cash Provided by (Used in) Investing Activities	<u>780.25</u>	<u>(780.25)</u>	<u>-</u>	<u>300,000.00</u>
<u>Cash Flows from Financing Activities</u>				
Net Change in Cash & Cash Equivalents	10,419.19	(194,196.31)	(183,777.12)	247,988.89
Cash and Cash Equivalents at Beginning of Year	297,727.15	595,712.99	893,440.14	645,451.25
Cash and Cash Equivalents at End of Year	<u>\$ 308,146.34</u>	<u>\$ 401,516.68</u>	<u>\$ 709,663.02</u>	<u>\$ 893,440.14</u>

Reconciliation of Net Income to Net Cash Provided by (Used in) Operating Activities

Excess Revenues (Expenses)	\$ 13.96	\$ 70,273.56	\$ 70,287.52	\$ (146,667.27)
Adjustments to Reconcile Excess Revenues (Expenses) to Cash Provided by (Used in) Operating Activities:				
Depreciation	1,903.00	-	1,903.00	1,908.00
(Increase) Decrease in Assets:				
Assessments Receivable	(4,576.00)	-	(4,576.00)	3,088.29
Other Receivables	-	(750.00)	(750.00)	9,741.97
Prepaid Expenses	(119,928.09)	-	(119,928.09)	11,609.43
Interest Receivable	-	-	-	2,499.73
Utility Deposit	(50.00)	-	(50.00)	
Increase (Decrease) in Liabilities:				
Accounts Payable	(2,884.60)	(262,939.62)	(265,824.22)	(6,481.26)
Accrued Expenses	20,920.67	-	20,920.67	-
Prepaid Assessments	114,240.00	-	114,240.00	72,290.00
Net Cash Provided by (Used in) Operating Activities	<u>\$ 9,638.94</u>	<u>\$ (193,416.06)</u>	<u>\$ (183,777.12)</u>	<u>\$ (52,011.11)</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Net cash paid (received) during the year for:

Income taxes:

Federal	\$ -	\$ -
State	\$ -	\$ -
Interest	\$ -	\$ -

See accompanying auditor's report and notes.

THE STRATFORD AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 1- Organization

The Stratford at Pelican Bay Condominium Association, Inc., a not for profit Florida Corporation, is a statutory condominium association which filed its articles of incorporation on May 8, 1981. The Association was formed to provide an entity pursuant to the Florida Homeowners Act for the operation of The Stratford at Pelican Bay, a condominium, consisting of eighty-one (81) residential units located in Naples, Collier County, Florida.

Note 2 - Summary of Significant Accounting Policies

Accrual Basis - The financial statements have been prepared using the accrual method of accounting and pursuant to the requirements of Rule 61B-22.006 of the Florida Administrative Code and as required by generally accepted accounting principles. The accrual method of accounting recognizes revenues when earned and expenses as incurred.

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, this 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 purpose:

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

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

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Association considers all bank and similar deposits, demand accounts, money market funds and short term investments with an original maturity of three months or less to be cash.

Assessments Receivable - The Association carries its assessments receivable at cost less an allowance for doubtful accounts. On a periodic basis, the Association evaluates its receivables and establishes an allowance for doubtful accounts, based on a history of past write-offs, collections, and current credit conditions. At that time, the Association determines if an assessment receivable should be written-off. As of December 31, 2012, no allowance for uncollectible accounts was established.

THE STRATFORD AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 2 - Summary of Significant Accounting Policies- continued

Prepaid Insurance - As of December 31, 2012, the amount of \$91,998.83 was paid in advance. This amount will be considered an expense in the next year.

Property and Equipment - Real property and common areas acquired from the Developer and related improvements to such property, and personal 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.

Accounts Payable - As of December 31, 2012, \$29,123.27 of current operating fund expenses generated by the Association were payable. These amounts were included in expenses as of December 31, 2012.

Prepaid Assessments - Member fees for next year of \$210,972.00 were received in advance as of December 31, 2012. These funds will not be included into income until next year.

Taxes - Condominium Associations may be taxed either as homeowners associations or as regular corporations. For the year ended December 31, 2012, the Association elected to be taxed as a homeowners association. As a Condominium Association, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income, such as interest earnings, at current federal and state corporate rates.

Subsequent Events - Subsequent events have been evaluated through the date of the auditor's report.

Note 3 - Member Assessments

The annual budget and owners' quarterly assessments are determined and approved by the Board of Directors for operating expenses and major repairs and replacements. The December 31, 2012 assessments were as follows:

# Units	Total 81	Qtr 1 81	Qtr 2 81	Qtr 3 81	Qtr 4 81
Operating Assessments	\$ 963,900.00	\$240,975.00	\$240,975.00	\$240,975.00	\$240,975.00
Replacement Assessments	231,012.00	57,753.00	57,753.00	57,753.00	57,753.00
	<u>\$1,194,912.00</u>	<u>\$298,728.00</u>	<u>\$298,728.00</u>	<u>\$298,728.00</u>	<u>\$298,728.00</u>
Quarterly Per Unit:					
Operating Assessments	\$ 11,900.00	\$ 2,975.00	\$ 2,975.00	\$ 2,975.00	\$ 2,975.00
Replacement Assessments	2,852.00	713.00	713.00	713.00	713.00
	<u>\$ 14,752.00</u>	<u>\$ 3,688.00</u>	<u>\$ 3,688.00</u>	<u>\$ 3,688.00</u>	<u>\$ 3,688.00</u>

THE STRATFORD AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 4 – Special Assessments

During 2011, the Board of Directors established a Long Range Planning Committee. As a result, plans were approved for certain renovations that would be completed in three phases. Phase One was completed in 2011 and consisted primarily of hallway renovations, and the Board approved a special assessment of \$5,000 per unit totaling \$405,000.00 that was reported as Special Assessment – Phase One income on the 2011 Statement of Revenues and Expenses.

During 2012, the Board approved a plan to consolidate Phases 2 and 3, consisting of several projects not to exceed \$2,700,000.00. In 2012, the Association entered into a loan agreement with a bank to borrow up to \$2,300,000.00 during 2013 to finance the projects, with the remaining costs to be paid from existing cash in the Replacements Fund. The project engineering and design began in 2012, and expenses paid during 2012 are reported as Replacement Fund expenses on the Statement of Revenues and Expenses. Members will be assessed for the projects, and have the option to make a full payment of \$27,500.00 early in 2014, or finance the assessment for up to seven (7) years at an interest rate of 4.45%.

Note 5 - Future Major Repairs and Replacements

The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in a money market account, checking accounts and certificates of deposits and are normally unavailable for general operating expenses. The property manager and Board of Directors obtained estimates of remaining useful lives and the replacement costs of the components of common property during 2012 from an independent contractor. The table included in the supplementary information on future major repairs and replacements is based on these estimates. All interest earned in this fund is kept in this fund.

The Board is funding for major repairs and replacements over the remaining useful lives of the components based on the estimates of future replacement costs and considering amounts accumulated in the replacement fund. Accordingly, the funding requirement of \$214,860.00 has been included in the 2013 budget.

Funds are being accumulated in the replacement fund based on the percentage of estimates of current costs for repairs and replacements of common property components. An independent study has not been made by us to determine the adequacy of the funding program. Actual expenditures and investment income 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 major repairs and replacements. If additional funds are needed, the Association has the right, subject to certain membership approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

THE STRATFORD AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012

Note 6 - Uninsured Cash Balances

The Association maintains its cash balances at various federally insured banks located in Naples, Florida. Accounts at an institution are insured by the Federal Deposit Insurance Corporation up to \$250,000.00. There were no uninsured balances at December 31, 2012.

Note 7 – Income Taxes

Federal and state income taxes consist of the following:

	2012	
	Federal Taxes	State Taxes
Provision	\$ -	\$ -
Overpayments from prior year	2,116.00	1,800.00
Cash payments for this year	-	-
Cash refunds during year	(2,116.00)	-
Balance - Prepaid (Liability)	<u>\$ -</u>	<u>\$ 1,800.00</u>

	2011	
	Federal Taxes	State Taxes
Provision	\$ -	\$ -
Overpayments from prior year	2,116.00	1,800.00
Cash payments for this year	-	-
Cash refunds during year	-	-
Balance - Prepaid (Liability)	<u>\$ 2,116.00</u>	<u>\$ 1,800.00</u>

Note 8 – Property & Equipment

Property and equipment consist of the following:

	2012	2011
Exercise Equipment	\$ 15,045.10	\$ 15,045.10
Manager's Apartment	38,013.00	38,013.00
Office Equipment	7,737.46	7,737.46
Office Furniture	573.00	573.00
	<u>61,368.56</u>	<u>61,368.56</u>
Less Accumulated depreciation	(44,964.05)	(43,061.05)
	<u>\$ 16,404.51</u>	<u>\$ 18,307.51</u>

Depreciation expense charged to operations was \$1,903.00 and \$1,908.00 for December 31, 2012 and 2011, respectively.

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Independent Accountant's Report on Supplementary Information

Report on Supplementary Information

The audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Changes in Replacement Fund Balances and the Schedules of Operating Expenses are presented for the purpose 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. That information has been subjected to the auditing procedures applied during 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 taken as a whole.

Disclaimer of Opinion on required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying supplementary information on future major repairs and replacements on page 12 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 the 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.

Scullin & Associates

Scullin & Associates
February 28, 2013

The Stratford at Pelican Bay Condominium Association, Inc.
Schedule I – Supplementary Information on Future Major Repairs & Replacements
December 31, 2012

The restricted assessments are based on an estimate of expected future replacement or repair costs. We did not analyze or attempt to determine the adequacy of the estimated remaining useful lives and the replacements costs of the components of common property.

A schedule of the fund for major repairs and replacements is as follows:

Common Area Component	Estimated Future Replacement	Estimated Useful Life	Estimated Remaining Life	2013 Funding Requirement	Ending Fund Balance
Fire Sprinkler System	\$ 335,327.40	10-40	10-22		
Interior Common Areas	419,780.73	10-25	0-23		
Mechanical Equipment	711,309.10	10-40	0-18		
Painting & Waterproofing	537,532.20	10-25	3-7		
Pavement	57,748.00	4-25	0-2		
Plumbing	162,000.00	20	10		
Pool & Spa	153,898.60	1-24	0-14		
Roof	285,231.90	30	23		
Shutters	37,765.00	25	17		
Site Improvements	204,682.35	1-25	0-8		
Structural & Concrete	520,000.00	1-20	1-12		
	<u>\$ 3,425,275.28</u>			<u>\$ 214,860.00</u>	<u>\$ 399,281.55</u>

The Stratford at Pelican Bay Condominium Association, Inc.
Schedule II – Supplementary Information of Changes in Replacement Fund Balances
December 31, 2012

Common Area Component	2012					Ending Fund Balance
	Beginning Fund Balance	Allocations to Fund	Interest	Expenses	Transfers / Adjustments	
Fire Sprinkler System						
Interior Common Areas						
Mechanical Equipment						
Painting & Waterproofing						
Pavement						
Plumbing						
Pool & Spa						
Roof						
Shutters						
Site Improvements						
Structural & Concrete						
Subtotal	\$ 329,007.99	\$ 235,910.00	\$ 706.20	(233,083.02)	\$ -	\$ 332,541.17
Hurricane Wilma-adjustment				266,705.00		
Phase 1				(67,802.26)		
Phase 2 & 3				(132,162.36)		
	<u>\$ 329,007.99</u>	<u>\$ 235,910.00</u>	<u>\$ 706.20</u>	<u>\$ (166,342.64)</u>	<u>\$ -</u>	<u>\$ 399,281.55</u>

Common Area Component	2011					Ending Fund Balance
	Beginning Fund Balance	Allocations to Fund	Interest	Expenses	Transfers / Adjustments	
Fire Sprinkler System						
Interior Common Areas						
Mechanical Equipment						
Painting & Waterproofing						
Pavement						
Plumbing						
Pool & Spa						
Roof						
Shutters						
Site Improvements						
Structural & Concrete						
Subtotal	\$ 365,212.96	\$ 708,335.60	\$ 5,028.55	\$ (429,069.30)	\$ 161,035.78	\$ 810,543.59
Hurricane Wilma-adjustment				-		
Phase 1				(481,535.60)		
Phase 2 & 3				-		
	<u>\$ 365,212.96</u>	<u>\$ 708,335.60</u>	<u>\$ 5,028.55</u>	<u>\$ (910,604.90)</u>	<u>\$ 161,035.78</u>	<u>\$ 329,007.99</u>

The Stratford at Pelican Bay Condominium Association, Inc.
Schedules of Operating Fund Expenses
December 31, 2012

<u>INSIDE MAINTENANCE</u>	<u>2012</u>	<u>2011</u>
Pest Control	\$ 2,090.00	\$ 1,980.00
Painting (Touch-up)	445.04	2,940.31
A/C Service Contract	12,137.00	12,028.00
Cleaning Supplies	2,533.59	4,607.75
Lighting Supplies	1,274.15	1,116.31
Inside Repairs & Supplies	17,338.97	12,399.89
Elevator	19,939.79	18,389.66
Fire Alarm System	12,894.12	9,997.70
Mechanicals	17,079.87	15,363.82
Association Unit	384.44	1,540.92
Security System	3,013.54	1,379.06
Carpet & Floor Cleaning	679.15	609.31
Gym Accessories	11,724.74	13,681.43
	<u>\$ 101,534.40</u>	<u>\$ 96,034.16</u>

<u>OUTSIDE MAINTENANCE</u>	<u>2012</u>	<u>2011</u>
Lights	\$ 3,200.48	\$ 4,433.23
Landscaping Contract	17,400.00	17,400.00
Pool & Spa Repairs	5,722.78	8,565.27
Roof Fans	3,127.99	94.00
Window Washing	8,350.00	8,350.00
Tools & Small Equipment	2,230.47	3,193.32
Landscaping & Irrigation	11,390.86	15,286.68
Pool & Spa Supplies	2,947.51	3,022.55
Outside Repairs	34,260.17	2,545.49
Painting (Touch-up)	2,023.88	376.42
	<u>\$ 90,654.14</u>	<u>\$ 63,266.96</u>

<u>PAYROLL EXPENSES</u>	<u>2012</u>	<u>2011</u>
Managers	\$ 70,000.00	\$ 70,344.46
Maintenance	58,223.59	59,562.66
Medical Insurance	9,358.45	10,589.99
Employee 401(k)	833.40	1,059.69
Hourly Administrative	42,275.37	37,241.00
Housekeeping Contract	34,826.78	33,040.68
Payroll Accrual	9,201.84	8,198.41
FUTA	324.93	281.53
SS& Medicare	13,464.73	12,972.18
SUTA	2,252.32	2,107.07
	<u>\$ 240,761.41</u>	<u>\$ 235,397.67</u>

The Stratford at Pelican Bay Condominium Association, Inc.
Schedules of Operating Fund Expenses
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<u>UTILITIES</u>	<u>2012</u>	<u>2011</u>
Electric	\$ 43,643.23	\$ 47,575.08
Trash & Recycling	10,448.63	9,854.60
Water & Sewer	27,437.24	31,647.31
Cable-Exercise Room	4,211.17	1,301.53
	<u>\$ 85,740.27</u>	<u>\$ 90,378.52</u>

<u>OTHER EXPENSES</u>	<u>2012</u>	<u>2011</u>
Socials	\$ 3,568.77	\$ 3,175.70
Pelican Bay Foundation	1,536.00	1,490.00
Contingency	18,136.54	600.00
Depreciation	1,903.00	1,908.00
	<u>\$ 25,144.31</u>	<u>\$ 7,173.70</u>

<u>INSURANCE</u>	<u>2012</u>	<u>2011</u>
Commercial Flood	\$ 5,614.92	\$ 6,048.85
Directors & Officers	1,403.88	1,403.88
Umbrella	3,782.60	3,878.28
Property	58,389.81	62,892.00
Windstorm	175,091.56	175,316.40
Workers Compensation	770.14	561.00
Workers Compensation (GSI)	3,244.68	4,253.69
Fidelity Bond	1,169.04	1,168.99
Boiler & Machinery	1,598.40	1,589.85
Liability	4,648.95	4,576.03
Excess Flood	5,708.20	20,686.74
	<u>\$ 261,422.18</u>	<u>\$ 282,375.71</u>

<u>PROFESSIONAL SERVICES</u>	<u>2012</u>	<u>2011</u>
Professional Service	\$ (1,282.00)	\$ 39,308.77
Professional Services - Phase 2	86,202.84	0.00
Audit	6,670.00	5,400.00
Legal	16,230.25	2,631.50
Legal Fees-Collections	0.00	(653.00)
License/Fees/Meetings	2,330.33	1,201.88
Division Fee	61.25	450.50
Management Fee	44,205.84	43,339.31
	<u>\$ 154,418.51</u>	<u>\$ 91,678.96</u>

The Stratford at Pelican Bay Condominium Association, Inc.
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<u>OFFICE EXPENSES</u>	<u>2012</u>	<u>2011</u>
Postage & Delivery	\$ 2,138.42	\$ 1,661.43
Office Supplies & Expense	8,174.92	13,278.25
Telephone	4,469.24	4,772.19
Comcast Internet	813.40	719.40
	<u>\$ 15,595.98</u>	<u>\$ 20,431.27</u>

<u>PELICAN BAY FOUNDATION</u>	<u>2012</u>	<u>2011</u>
Pelican Bay Foundation	<u>\$ 122,880.00</u>	<u>\$ 119,200.00</u>