

**Harbour Mansion Condominium Association, Inc.**  
**Financial Statements**  
**December 31, 2015**



**Harbour Mansion Condominium Association, Inc.**  
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**December 31, 2015**

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## **Independent Auditors' Report**

### **To the Board of Trustees and Unit Owners of**

### **Harbour Mansion Condominium Association, Inc.**

We have audited the accompanying financial statements of Harbour Mansion Condominium Association, Inc. (the "Association") which comprise the balance sheet as of December 31, 2015 and the related statements of revenues and expenses, changes in fund balances, and cash flows for the year then ended, and the related notes to the financial statements.

### ***The Board of Trustees' Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider 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 the Board, 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 Association as of December 31, 2015, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on page 15 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 the Board about the methods of preparing the information and comparing the information for consistency with their 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. Although our opinion on the basic financial statements is not affected, the results of the limited procedures have raised doubts about whether material modifications should be made to the required supplementary information for it to be presented in accordance with guidelines established by the Financial Accounting Standards Board. The information on future major repairs and replacements is based on a schedule prepared in 2009. Due to the age of the study, we have doubts as to whether material modifications should be made to estimated costs and/or useful lives.

## **Report on Other Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information shown on pages 16 through 19 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of the Board 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 portions marked "unaudited" on which we express no opinion, 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.



East Brunswick, New Jersey  
August 29, 2016

**Harbour Mansion Condominium Association, Inc.**  
**Balance Sheet**  
**December 31, 2015**

	Total	Operating Fund	Deferred Maintenance Fund	Replacement Fund
<b>Assets</b>				
Cash and cash equivalents	\$ 350,568	\$ 67,195	\$ 33,373	\$ 250,000
Money market mutual funds	61,073	-	-	61,073
Assessments receivable, net of allowance for doubtful accounts of \$118,500	34,618	34,618	-	-
Special assessment receivable	40,857	40,857	-	-
Prepaid expenses	76,734	76,734	-	-
Due from funds	218,298	218,298	-	-
<b>Total Assets</b>	<b>\$ 782,148</b>	<b>\$ 437,702</b>	<b>\$ 33,373</b>	<b>\$ 311,073</b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 66,511	\$ 66,511	\$ -	\$ -
Assessments received in advance	43,175	43,175	-	-
Security deposits	322,982	322,982	-	-
Due to funds	218,298	-	107,170	111,128
<b>Total Liabilities</b>	650,966	432,668	107,170	111,128
<b>Commitments</b>				
<b>Fund Balances</b>	131,182	5,034	(73,797)	199,945
<b>Total Liabilities and Fund Balances</b>	<b>\$ 782,148</b>	<b>\$ 437,702</b>	<b>\$ 33,373</b>	<b>\$ 311,073</b>

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

**Harbour Mansion Condominium Association, Inc.**  
**Statement of Revenues and Expenses**  
**For the Year Ended December 31, 2015**

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	Total	Operating Fund	Deferred Maintenance Fund	Façade Project Fund	Replacement Fund
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues</b>					
Maintenance assessments	\$ 1,258,371	\$ 1,048,371	\$ 10,000	\$ -	\$ 200,000
Façade project payoff	61,212	-	-	61,212	-
Garage fees	42,330	42,330	-	-	-
Special assessment	40,857	40,857	-	-	-
Legal fee reimbursements	20,249	20,249	-	-	-
Working capital contributions	18,539	18,539	-	-	-
Clubroom rental income	15,585	15,585	-	-	-
Insurance claim proceeds	7,784	7,784	-	-	-
Laundry income	7,589	7,589	-	-	-
Other income	2,525	2,525	-	-	-
Membership fees	1,650	1,650	-	-	-
Late charges	800	800	-	-	-
Township reimbursement	309	309	-	-	-
Investment income	85	49	-	-	36
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total Revenues</b>	<u>1,477,885</u>	<u>1,206,637</u>	<u>10,000</u>	<u>61,212</u>	<u>200,036</u>

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

**Harbour Mansion Condominium Association, Inc.**  
**Statement of Revenues and Expenses**  
**For the Year Ended December 31, 2015**

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	Total	Operating Fund	Deferred Maintenance Fund	Façade Project Fund	Replacement Fund
<b>Expenses</b>					
General and administrative	309,512	309,512	-	-	-
Building and grounds maintenance	359,144	359,144	-	-	-
Payroll	271,905	271,905	-	-	-
Utilities	312,454	312,454	-	-	-
Façade project fund expenditures	26,831	-	-	26,831	-
Replacement fund expenditures	200,248	-	-	-	200,248
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	1,480,094	1,253,015	-	26,831	200,248
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Excess (Deficiency) of Revenues over Expenses</b>	<u>\$ (2,209)</u>	<u>\$ (46,378)</u>	<u>\$ 10,000</u>	<u>\$ 34,381</u>	<u>\$ (212)</u>

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

**Harbour Mansion Condominium Association, Inc.**  
**Statement of Changes in Fund Balances**  
**For the Year Ended December 31, 2015**

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	<u>Total</u>	<u>Operating Fund</u>	<u>Deferred Maintenance Fund</u>	<u>Façade Project Fund</u>	<u>Replacement Fund</u>
Fund Balances - Beginning of Year	\$ 133,391	\$ 235,243	\$ (123,797)	\$ (178,212)	\$ 200,157
Excess (Deficiency) of Revenues over Expenses	(2,209)	(46,378)	10,000	34,381	(212)
Interfund Transfer	<u>-</u>	<u>(183,831)</u>	<u>40,000</u>	<u>143,831</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 131,182</u>	<u>\$ 5,034</u>	<u>\$ (73,797)</u>	<u>\$ -</u>	<u>\$ 199,945</u>

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



**Harbour Mansion Condominium Association, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2015**

	Total	Operating Fund	Deferred Maintenance Fund	Façade Project Fund	Replacement Fund
<b>Cash Flows from Operating Activities</b>					
Excess (deficiency) of revenues over expenses	\$ (2,209)	\$ (46,378)	\$ 10,000	\$ 34,381	\$ (212)
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by (used in) operating activities					
Bad debt expense	16,499	16,499	-	-	-
Capitalized loan costs written off	17,567	-	-	17,567	-
Changes in assets and liabilities					
Assessments receivable	(2,136)	(2,136)	-	-	-
Special assessment receivable	(40,857)	(40,857)	-	-	-
Prepaid expenses	3,749	3,749	-	-	-
Special assessment receivable - bulkheads	20,659	-	-	-	20,659
Accounts payable and accrued expenses	(119,849)	4,908	-	-	(124,757)
Assessments received in advance	(35,087)	(35,087)	-	-	-
Deferred insurance claim proceeds	(4,100)	(4,100)	-	-	-
Security deposits	16,003	16,003	-	-	-
Deferred income	(3,624)	(3,624)	-	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(133,385)</b>	<b>(91,023)</b>	<b>10,000</b>	<b>51,948</b>	<b>(104,310)</b>

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

**Harbour Mansion Condominium Association, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2015**

	Total	Operating Fund	Deferred Maintenance Fund	Façade Project Fund	Replacement Fund
<b>Cash Flows from Investing Activities</b>					
Net activity in money market mutual funds	(61,073)	-	-	-	(61,073)
<b>Cash Flows from Financing Activities</b>					
Interfund transfer	-	(183,831)	40,000	143,831	-
Change in interfund balances	-	85,302	(20,869)	(15,361)	(49,072)
Repayment of construction loan	(802,970)	-	-	(802,970)	-
<b>Net Cash Provided by (Used in) Financing Activities</b>	(802,970)	(98,529)	19,131	(674,500)	(49,072)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(997,428)	(189,552)	29,131	(622,552)	(214,455)
<b>Cash and Cash Equivalents - Beginning of Year</b>	1,347,996	256,747	4,242	622,552	464,455
<b>Cash and Cash Equivalents - End of Year</b>	\$ 350,568	\$ 67,195	\$ 33,373	\$ -	\$ 250,000
<b>Supplemental Disclosure</b>					
Cash Paid During the Year for Interest	\$ 3,828				

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

**Harbour Mansion Condominium Association, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2015**

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**Note 1 Nature of Organization**

Harbour Mansion Condominium Association, Inc. (the "Association"), located in Long Branch, New Jersey, is a New Jersey corporation, subject to the provisions of the Condominium Act of the State of New Jersey. The Association also is subject to the provisions of the hotel and multiple dwelling law, which has no financial statement disclosure impact. The purposes of the Association are to provide for the preservation of the values and amenities in the community and for the maintenance of the common facilities. The Association consists of 115 residential units and an indoor garage. Recreation facilities include an indoor swimming pool, exercise room, beach area and cabanas. During the year ended, December 31, 2015, the Association amended its bylaws and transferred ownerships of unit windows from the common elements of the Association to the unit owners. All maintenance, repairs, and replacements of windows are now the responsibility of each individual unit owner.

**Note 2 Summary of Significant Accounting Policies**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board of Trustees (the "Board") to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Fund Accounting**

The Association's legal document (i.e., Master Deed and By-laws) provide certain guidelines to govern the Association's financial activities. In order to ensure observance of limitations and restrictions placed on the use of resources available to the Association by such documents, the accounts of the Association are maintained in accordance with the principles of fund accounting.

The assets, liabilities and fund balances of the Association are reported in the following fund groups:

**Operating Fund**

This fund represents the portion of expendable funds that is available for the general annual expenditures of the Association.

**Deferred Maintenance Fund**

The purpose of this fund is to accumulate sufficient amounts which will allow the Association to have the necessary resources to perform other maintenance services which occur less frequently than annually. In addition, this fund is utilized for expenses that cost less than \$10,000, that are allocated to this fund by the Board.

**Note 2      Summary of Significant Accounting Policies (Continued)**

**Fund Accounting (Continued)**

**Façade Project Fund**

The purpose of this fund is track the income and expenses relating to the façade project (See Note 6).

**Replacement Fund**

The purpose of the replacement fund is to accumulate funds for future major repairs and replacements of the Association's common property as determined by the Board with a cost of greater than \$10,000.

**Cash and Cash Equivalents**

Cash and cash equivalents are held in bank deposit accounts and money market funds which, at times, may exceed federally insured limits.

**Recognition of Assets**

The Association's property and other common elements are owned by the unit owners in condominium form pursuant to the Master Deed wherein each of the individual unit owners hold legal title to an undivided interest in property constituting the common elements. The use and disposition of these properties are restricted or governed by the Association's legal documents. Accordingly, no amounts related to these common elements are included on the accompanying balance sheet of the Association. The common elements primarily consist of portions of the building and the improvements on the land, not comprising the individual units.

**Maintenance Assessments, Garage Fees and Assessments Receivable**

The Association's members are subject to monthly assessments based upon the annual budget and as determined by the Board. The Association retains excess operating funds at the end of the operating year, if any, for use in future operating periods, or as otherwise specified by the Association's governing documents. A portion of the monthly assessments to owners are allocated to the replacement fund and deferred maintenance fund.

On a periodic basis, the Board evaluates the assessments receivable and estimates an allowance for doubtful accounts, based on the current legal status of past due accounts.

**Investment Income Earned**

The Board's policy is to retain investment income earned on all replacement and deferred maintenance fund interest bearing cash accounts and investments in the respective funds.

**Subsequent Events**

The Board has evaluated subsequent events and transactions for potential recognition or disclosure through the date of the auditors' report, which is the date the financial statements were available to be issued.

**Harbour Mansion Condominium Association, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2015**

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**Note 3      Prepaid Expenses**

Prepaid expenses consisted of the following at December 31, 2015:

Insurance	\$ 76,530
Federal income taxes	<u>204</u>
Total	<u>\$ 76,734</u>

**Note 4      Income Taxes**

Under the Internal Revenue Code, associations may be taxed as a regular corporation or as a condominium management association, which is based on an annual election and meeting certain criteria. If the criteria are met, the Association may select either method in any year. A method selected in one year affects only that year and the Association is free to select either method in future years.

For the year ended December 31, 2015, the Association expects to be taxed as a regular corporation and therefore not taxed as a condominium management association. No income taxes have been provided since there are sufficient non-membership expenses to offset non-membership income. The Association evaluates its tax provisions and accruals and believes that they are appropriate based on current facts and circumstances. The prior three years federal tax returns as filed remain open for examination by the Internal Revenue Service.

The Association is incorporated pursuant to Title 15A of the New Jersey Statutes and, therefore, is not liable for New Jersey corporation business income tax.

**Note 5      Security Deposits**

Each member of the Association must maintain at all times the equivalent of three month's current maintenance fees as security against non-payment of future assessments.

In 2000, the Board approved the allocation of these deposits to establish the replacement fund. Accordingly, \$182,800 of deposits as of January 1, 2000 had been recorded as revenue to the replacement fund in that year (See Note 8). Deposits received at closings subsequent to January 1, 2000 have been recorded as a liability as security against non-payment of future assessments.

**Harbour Mansion Condominium Association, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2015**

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**Note 6 Construction Loan/Façade Project Funding from Resales/Interfund Transfer**

During 2009, the Association obtained a construction loan from TD Bank. The loan was taken to facilitate payment of the renovations to the building's façade. The construction loan was interest only until October 17, 2012, and converted to a non-revolving fixed loan on October 17, 2012 in the amount of approximately \$1,594,000 for a period of 10 years with a fixed interest rate of 5.50%. The construction loan is collateralized by all present and future Association dues, fees and assessments of any kind and assessments receivables of the Association.

The project was completed in 2012 and the loan was being paid through the allocation of maintenance assessments which were originally intended for the replacement fund. Therefore, these funds have been allocated to the façade project fund. Unit owners had the option of paying their portion of the loan upfront or on a monthly basis. If sold, the full amount is due from the unit upon resale. These assessments are recorded as revenue to the façade project fund in the accompanying financial statements. Unit owners who paid off their share of the loan paid lower monthly assessments than unit owners who have not paid off their share. On December 15, 2014, all the unit owners were required to pay off their balance.

During 2010 and 2011 the Association incurred costs to obtain the loan. These costs are recorded as deferred loan costs on the accompanying financial statements and are being amortized over the term of the loan. During the current year the loan was paid off in full and the balance of \$17,567 was written off.

During the year ended, December 31, 2015, the entire loan balance was paid off and therefore, all unit owners who were still paying their monthly amounts were required to pay off their balance. The payoff amount was \$806,798. Therefore, no future principal payments or interest will be incurred. As the loan was paid off and the façade project is complete, the Board approved to close the façade fund. The deficit balance of \$143,831 was transferred to the operating fund to help offset the operating surplus.

**Note 7 Replacement Fund**

Although the Association's documents do not provide that funds be accumulated for future repairs and replacements, as of January 1, 2000 the Association established a replacement fund (See Note 5). Accumulated funds are held in separate savings accounts and are generally not available for expenditures for normal operations.

**Note 7      Replacement Fund (Continued)**

Falcon Engineering, professional consultants, conducted a study in May 2009, effective January 1, 2010 to estimate the remaining useful lives and the replacement costs of the components of common property. The study includes those components with an estimated remaining useful life within the Board-determined useful life guidelines for inclusion in the replacement schedule for purposes of determining annual funding. The estimates were based on the then current estimated replacement costs. The type of study performed was a full study. The table included in the unaudited supplementary information on future major repairs and replacements is based on the study.

The lowest level of funding included in the engineering study utilizes the threshold funding methodology. Threshold funding, based upon a 30 year cash flow analysis, sets a replacement funding goal of keeping the replacement fund balance above a specified dollar amount at its lowest accumulated amount, as specified by the Board, but below the full funding determined level. The 2015 annual recommended funding per the 2009 study is \$376,398 using a threshold level of \$273,004 which is approximately 5% of the estimated replacement cost of the common property which is included in the engineering study referred to above. The funding requirement includes monies allocated for the loan repayment of the façade project. The Board has included \$200,000 as the replacement fund contribution in the 2015 budget. In addition, investment income earned on replacement fund cash and investments was also contributed to the replacement fund.

Amounts accumulated in the replacement fund may not be adequate to meet all future needs for major repairs and replacements. Additionally, replacement fund cash and investment balances may, at times, be less than or more than the fund balance, resulting in an interfund balance. If funds are needed, the Association has the right to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available, if possible. The effect on future assessments is unknown at this time.

**Note 8      Working Capital Contribution and Membership Fee**

Upon the acquisition of title to a unit, each new member of the Association is assessed a contribution equal to two months of the then current maintenance assessments. Working capital contributions have been recorded as revenue in the operating fund in the accompanying financial statements.

In addition each new member is required to pay a membership fee of \$150. These contributions have been recorded as revenue to the operating fund in the accompanying financial statements.

**Harbour Mansion Condominium Association, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2015**

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**Note 9 Special Assessment/Special Assessment Receivable**

During the year ended December 31, 2015, the Board passed a special assessment totaling approximately \$41,000. The purpose of the special assessment is to pay for the bad debt incurred during the year ended December 31, 2014 as a result of delinquent unit owners with outstanding assessments. The assessment commenced on January 29, 2016 and is due by March 15, 2016. The total assessment of \$40,857 has been recorded as revenue and special assessment receivable in the accompanying financial statements.

**Note 10 Interfund Transfers**

During the year ending December 31, 2015, the Board approved a transfer of \$40,000 from the operating fund to the deferred maintenance fund. The purpose of this transfer was to reduce a portion of the deficit that has accumulated in the deferred maintenance fund.

**Note 11 Association Unit**

During the year ended December 31, 2015, the Association was appointed as a rent receiver for Unit #3D to recover unremitted maintenance assessments. The Association does not hold title to the unit, however as the rent receiver, has been collecting rental income and maintaining the unit. The Association has signed a one year lease effective December 2015 to rent this unit at \$2,100 per month. This income will be used to offset bad debt expense incurred by the prior unit owner's nonpayment of maintenance fees as well as current maintenance assessments related to this unit and costs to maintain the unit. For the year ended December 31, 2015, approximately \$2,100 in rental income has been collected and approximately \$17,000 in expenses has been incurred which includes maintenance fees and expenses related to upkeep of the unit. Maintenance assessments outstanding on this unit at December 31, 2015 are approximately \$82,000, for which a full allowance has been established.



## SUPPLEMENTARY INFORMATION

**Harbour Mansion Condominium Association, Inc.**  
**Schedule of Information on Future Major Repairs and Replacements**  
**December 31, 2015**

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Falcon Engineering LLC, professional engineering consultants, conducted a study in May 2009, effective January 1, 2010 to estimate the remaining useful lives and the replacement costs of the components of common property. The study includes those components with an estimated remaining useful life within the Board-determined useful life guidelines for inclusion in the replacement schedule for purposes of determining annual funding. The estimates were based on the then current estimated replacement costs.

The following table is based on the study and presents significant information about the components of common property.

<u>Components</u>	As of 2009 Study (Unaudited)	
	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Costs
Building	1-28	\$ 3,989,332
Recreation	6-29	421,275
Site-work	1-29	243,678
Miscellaneous	0	200,000
		<hr/>
Total		\$ 4,854,285
		<hr/> <hr/>
Replacement fund balance as of December 31, 2015		\$ 199,945
		<hr/> <hr/>

**Harbour Mansion Condominium Association, Inc.**  
**Schedule of Total Revenues, Operating Expenses and Allocations to Funds**  
**as Compared to Budget**  
**For the Year Ended December 31, 2015**

	Actual	(Unaudited) Budget
<b>Revenues</b>		
Maintenance assessments	\$ 1,258,371	\$ 1,261,095
Façade project payoff	61,212	-
Garage fees	42,330	41,580
Special assessment	40,857	-
Legal fee reimbursements	20,249	2,500
Working capital contributions	18,539	-
Clubroom rental income	15,585	500
Insurance claim proceeds	7,784	-
Laundry income	7,589	6,000
Membership fees	1,650	7,000
Other income	2,525	1,200
Late charges	800	1,000
Township reimbursement	309	300
Investment income	85	1,505
	<u>1,477,885</u>	<u>1,322,680</u>
<b>Operating Expenses</b>		
<b>General and Administrative</b>		
Management fees	94,350	94,000
Insurance	93,911	99,500
Legal fees	56,131	23,000
Engineering	17,934	4,000
Bad debt expense	16,499	1,000
Office expense	12,797	14,500
Payroll processing fees	8,522	10,600
Audit fees	4,900	3,750
Postage	2,144	2,000
Recreation committee	1,782	2,000
Dues and subscriptions	440	400
Bank fees	102	12
Contingency	-	10,500
	<u>309,512</u>	<u>265,262</u>
<b>Total General and Administrative</b>	<u>309,512</u>	<u>265,262</u>

**Harbour Mansion Condominium Association, Inc.**  
**Schedule of Total Revenues, Operating Expenses and Allocations to Funds**  
**as Compared to Budget**  
**For the Year Ended December 31, 2015**

	Actual	(Unaudited) Budget
<b>Building and Grounds Maintenance</b>		
Supplies	45,108	42,000
Pool and beach expense	34,901	10,000
Cleaning	31,774	6,000
Snow clearing	28,275	10,000
Lobby ceiling	27,710	32,000
Pool and beach management	26,168	16,000
Plumbing repairs	22,163	16,000
Electrical repairs	21,970	15,000
Security	21,330	-
Painting	21,166	3,500
General repairs and maintenance	18,412	23,000
HVAC repairs	12,449	5,000
Elevator repairs	10,177	15,000
Miscellaneous	9,564	1,500
Landscaping improvements	9,327	23,000
Fire system	5,725	2,600
Beach raking	5,000	-
Landscaping	3,210	3,000
Parking lot maintenance	2,500	1,000
Exterminating	963	1,000
Generator	696	1,000
Exercise equipment	374	2,000
Irrigation repairs	182	300
Furniture	-	5,000
Entry gate	-	1,000
Roof repairs	-	1,000
	<b>359,144</b>	<b>235,900</b>
<b>Payroll</b>		
Payroll	230,850	275,000
Payroll taxes	23,296	30,000
Insurance - medical	17,759	30,000
	<b>271,905</b>	<b>335,000</b>
<b>Utilities</b>		
Electricity	140,022	140,000
Gas	131,764	165,000
Water	36,020	35,000
Telephone	4,311	6,500
Sewer	337	-
	<b>312,454</b>	<b>346,500</b>

**Harbour Mansion Condominium Association, Inc.**  
**Schedule of Total Revenues, Operating Expenses and Allocations to Funds**  
**as Compared to Budget**  
**For the Year Ended December 31, 2015**

	<u>Actual</u>	<u>(Unaudited) Budget</u>
<b>Deferred Maintenance Fund</b>		
Maintenance assessments allocated to the deferred maintenance fund	10,000	10,000
Investment income allocated to the deferred maintenance fund	-	3
	<u>10,000</u>	<u>10,003</u>
<b>Façade Project Fund</b>		
Façade project payoff allocated to the façade project fund	61,212	-
	<u>61,212</u>	<u>-</u>
<b>Replacement Fund</b>		
Maintenance assessments allocated to the deferred maintenance fund	200,000	200,000
Investment income allocated to replacement fund	36	1,000
	<u>200,036</u>	<u>201,000</u>
<b>Total Operating Expenses and Allocations to Funds</b>	<u>1,524,263</u>	<u>1,393,665</u>
<b>Deficiency of Revenues over Operating Expenses and Allocations to Funds</b>	<u>\$ (46,378)</u>	(70,985)
<b>Budgeted Surplus Carryover</b>		<u>75,000</u>
<b>Excess of Revenues over Operating Expenses and Allocations to Funds after Budgeted Surplus Carryover</b>		<u>\$ 4,015</u>

**Harbour Mansion Condominium Association, Inc.**  
**Schedules of Façade Project Fund**  
**and Replacement Fund Expenditures**  
**For the Year Ended December 31, 2015**

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**Façade Project Fund Expenditures**

Capitalized loan costs written off	\$ 17,567
Bad Debt	5,436
Interest	<u>3,828</u>
<b>Total Façade Project Fund Expenditures</b>	<b><u>\$ 26,831</u></b>

**Replacement Fund Expenditures**

Interior renovation	\$ 71,663
Hallway carpet refurbishment	66,027
Electrical upgrades	31,320
Elevator refurbishment	13,750
Engineering - bulkhead	8,176
Deck reconstruction	8,089
Miscellaneous	<u>1,223</u>
<b>Total Replacement Fund Expenditures</b>	<b><u>\$ 200,248</u></b>