

The Parkshore
Condominium Association
Financial Statements
For the Years Ended
December 31, 2009 and 2008

THE PARKSHORE CONDOMINIUM ASSOCIATION

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Picker and Associates

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Independent Auditors' Report

Board of Directors
The ParkShore Condominium Association
Chicago, Illinois

We have audited the accompanying balance sheets of The ParkShore Condominium Association as of December 31, 2009 and 2008, and the related statements of revenue, expenses and changes in fund balance and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The ParkShore Condominium Association as of December 31, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Picker & Associates

April 5, 2010

THE PARKSHORE CONDOMINIUM ASSOCIATION

Balance Sheets
December 31, 2009 and 2008

	2009		2008	
	Operating Fund	Reserve Fund	Total	Total
<u>Assets</u>				
Cash	\$138,683	\$ 414,545	\$ 553,228	\$ 544,810
Garage cash	72,023		72,023	16,858
Certificates of deposit		799,824	799,824	700,083
Assessments receivable, less allowance of \$14,836 in 2009 and \$10,000 in 2008	23,258		23,258	26,396
Accounts receivable - garage	60		60	3,099
Refuse rebate receivable	36,225		36,225	35,608
Interest receivable		5,832	5,832	6,210
Prepaid insurance	43,839		43,839	43,822
Prepaid gas	21,945		21,945	30,690
Interfund loan receivable				19,757
Interfund receivable		<u>275,907</u>	<u>275,907</u>	<u>146,484</u>
Total current assets	<u>336,033</u>	<u>1,496,108</u>	<u>1,832,141</u>	<u>1,573,817</u>
Property and equipment				
Condominium unit	201,358		201,358	201,358
Building equipment and fixtures	177,782		177,782	177,782
Less: Accumulated depreciation	(234,340)		(234,340)	(214,294)
Net property and equipment	<u>144,800</u>		<u>144,800</u>	<u>164,846</u>
Other assets				
Refuse rebate receivable - noncurrent	36,225		36,225	36,225
Certificates of deposit - noncurrent		<u>899,000</u>	<u>899,000</u>	<u>1,099,823</u>
Total other assets	<u>36,225</u>	<u>899,000</u>	<u>935,225</u>	<u>1,136,048</u>
Total assets	<u>\$517,058</u>	<u>\$2,395,108</u>	<u>\$2,912,166</u>	<u>\$2,874,711</u>

The accompanying notes are an integral part of these financial statements

THE PARKSHORE CONDOMINIUM ASSOCIATION

Balance Sheets, cont'd
December 31, 2009 and 2008

	2009			2008
	Operating Fund	Reserve Fund	Total	Total
<u>Liabilities and Fund Balance</u>				
Accounts payable	\$ 88,037	\$ 224,502	\$ 312,539	\$ 98,621
Accrued payroll	60,799		60,799	63,902
Accrued expenses	37,792		37,792	77,027
Prepaid assessments	54,523		54,523	49,657
Interfund loan payable				19,757
Interfund payable	<u>275,907</u>		<u>275,907</u>	<u>146,484</u>
Total current liabilities	<u>517,058</u>	<u>224,502</u>	<u>741,560</u>	<u>455,448</u>
Fund balance		<u>2,170,606</u>	<u>2,170,606</u>	<u>2,419,263</u>
Total liabilities and fund balance	<u>\$517,058</u>	<u>\$2,395,108</u>	<u>\$2,912,166</u>	<u>\$2,874,711</u>

The accompanying notes are an integral part of these financial statements

THE PARKSHORE CONDOMINIUM ASSOCIATION

Statements of Revenue, Expenses and Changes in Fund Balance
For the Years Ended December 31, 2009 and 2008

	2009		2008	
	Operating Fund	Reserve Fund	Total	Total
Revenue				
Assessments	\$3,473,572	\$ -	\$3,473,572	\$3,369,694
Commercial rent	77,912		77,912	86,912
Interest income		75,771	75,771	103,559
Other revenue	274,361		274,361	270,731
Parking garage revenue	363,501		363,501	301,521
Total revenue	<u>4,189,346</u>	<u>75,771</u>	<u>4,265,117</u>	<u>4,132,417</u>
Expenses				
Administrative	176,290		176,290	173,143
Payroll	1,355,497		1,355,497	1,284,528
Utilities	785,639		785,639	860,349
Building	285,511		285,511	295,772
Maintenance	306,965		306,965	304,995
Other	179,679		179,679	187,082
Parking garage expenses	623,866		623,866	576,381
Major repairs and replacements		<u>800,327</u>	<u>800,327</u>	<u>1,034,477</u>
Total expenses	<u>3,713,447</u>	<u>800,327</u>	<u>4,513,774</u>	<u>4,716,727</u>
Excess (deficit) of revenue over expenses	475,899	(724,556)	(248,657)	(584,310)
Monthly capital contributions	(200,004)	200,004		
Transfer of excess operating income	(275,895)	275,895		
Fund balance, beginning of year		<u>2,419,263</u>	<u>2,419,263</u>	<u>3,003,573</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$2,170,606</u>	<u>\$2,170,606</u>	<u>\$2,419,263</u>

The accompanying notes are an integral part of these financial statements

THE PARKSHORE CONDOMINIUM ASSOCIATION

Statements of Cash Flows
For the Years Ended December 31, 2009 and 2008

	2009			2008
	Operating Fund	Reserve Fund	Total	Total
Cash flows from operating activities				
Excess (deficit) of revenue over expenses	\$475,899	(\$724,556)	(\$248,657)	(\$584,310)
Adjustments to reconcile excess (deficit) of revenue over expenses to net cash provided by (used in) operating activities:				
Depreciation	20,046		20,046	23,152
Bad debt expense	4,836		4,836	2,300
(Increase) decrease in assets:				
Assessments receivable	(1,698)		(1,698)	(14,861)
Accounts receivable - garage	3,039		3,039	(3,099)
Refuse rebate receivable	(617)		(617)	26,336
Interest receivable		378	378	3,113
Prepaid insurance	(17)		(17)	5,659
Prepaid gas	8,745		8,745	4,440
Deposit				43,572
Increase (decrease) in liabilities:				
Accounts payable	(5,904)	219,822	213,918	2,003
Accrued payroll	(3,103)		(3,103)	19,272
Accrued expenses	(39,235)		(39,235)	6,040
Prepaid assessments	4,866		4,866	72
Net cash provided by (used in) operating activities	<u>466,857</u>	<u>(504,356)</u>	<u>(37,499)</u>	<u>(466,311)</u>
Cash flows from investing activities				
Net certificate of deposit activity		<u>101,082</u>	<u>101,082</u>	<u>289,141</u>
Net cash provided by investing activities		<u>101,082</u>	<u>101,082</u>	<u>289,141</u>

The accompanying notes are an integral part of these financial statements

THE PARKSHORE CONDOMINIUM ASSOCIATION

Statements of Cash Flows, cont'd
For the Years Ended December 31, 2009 and 2008

	2009			2008
	Operating Fund	Reserve Fund	Total	Total
Cash flows from financing activities				
Interfund borrowings	129,423	(129,423)		
Principal payments on interfund loan	(19,757)	19,757		
Interfund transfers	(475,899)	475,899		
Net cash provided by (used from) financing activities	(366,233)	366,233		
Net increase (decrease) in cash	100,624	(37,041)	63,583	(177,170)
Cash, beginning of year	110,082	451,586	561,668	738,838
Cash, end of year	<u>\$210,706</u>	<u>\$414,545</u>	<u>\$625,251</u>	<u>\$561,668</u>
<u>Cash Breakdown per Balance Sheets</u>				
Cash	\$138,683	\$414,545	\$553,228	\$544,810
Garage cash	<u>72,023</u>		<u>72,023</u>	<u>16,858</u>
Total cash	<u>\$210,706</u>	<u>\$414,545</u>	<u>\$625,251</u>	<u>\$561,668</u>
<u>Supplemental Cash Flow Information</u>				
Cash paid for interest	<u>(\$ 173)</u>	<u>\$ 173</u>	<u>\$</u>	<u>\$</u>

The accompanying notes are an integral part of these financial statements

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 1 - Nature of activities

The ParkShore Condominium Association is a not-for-profit corporation, incorporated on June 28, 1995, organized under the laws of the State of Illinois as provided in the Condominium Property Act, and is subject to the terms and conditions of the Condominium Declaration of Ownership. The Association serves as a means through which 483 unit owners, who own the real estate and improvements located in Chicago, Illinois, under the condominium form of use and ownership, collectively administer, manage, operate and control the condominium property.

Note 2 - Summary of significant accounting policies

Basis of accounting

The financial statements reflect the assets, liabilities, revenue and expenses of the Association on the accrual basis of accounting. 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 purpose:

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

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

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. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly delinquent. Any excess assessments at year end are retained by the Association for use in future years.

Property and equipment

Real property and common areas acquired from the developer and related improvements to such property are not reflected on the Association's financial statements. Those properties are owned by the individual unit owners in common and not by the Association. The Association has the responsibility to maintain and preserve the common property. The Association's policy is to capitalize real and personal property at cost and depreciate it using accelerated and straight line methods over the estimated useful life of the assets. Depreciation expense totaled \$20,046 and \$23,152 for the years ended December 31, 2009 and 2008, respectively.

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 2 - Summary of significant accounting policies, cont'd

In May, 1998, the Association purchased a commercial unit within the building for \$201,358. The operating fund borrowed reserve funds to finance the purchase, which is reflected in the interfund loan at December 31, 2009 and 2008 (see Note 5). The commercial unit is currently being used as the building management office.

Maintenance, repairs and improvements

Consistent with the nature of the organization, expenses made for furnishing, improvements and equipment used for the maintenance and operating of the common elements are included in operating fund expenses. Major capital improvements resulting from actions of the Board of Directors are included in expenses of the reserve fund.

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.

Date of management's review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through April 5, 2010, the date that the financial statements were available to be issued.

Note 3 - Income taxes

Condominium associations may elect to be taxed as regular corporations or as homeowners' associations. The Association elected to be taxed as a homeowners' association in accordance with Internal Revenue Code Section 528 for the years ended December 31, 2009 and 2008. Pursuant thereto, the Association's "exempt function income" (consisting of the excess of common area maintenance assessments over related expenses) is not subject to income tax, and nonexempt income (interest, garage income, commercial income, etc., net of related expenses) is subject to income taxes. An analysis of operations indicates there was no income tax due for the years ended December 31, 2009 and 2008.

State net operating loss carryforwards of approximately \$1,047,000 are available at December 31, 2009 and will expire from 2011 through 2022. A federal net operating loss carryforward of \$21,333 (which arose in 1996 when the Association filed as a regular corporation) is available at December 31, 2009 and expires in 2011. No deferred tax assets or valuation accounts are recognized, as the Association believes that it is not probable that net operating losses carried forward will be utilized.

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 4 - Major repairs and replacements

Reserve fund expenses for major repairs and replacements for the years ended December 31, 2009 and 2008 were as follows:

	<u>2009</u>	<u>2008</u>
Roof project	\$384,050	\$ -
Fire safety system	97,000	
Pool liner	54,810	
Boiler project	39,827	100
Pump room plumbing	38,968	
Security system	37,800	
Club room	26,409	
Receiving dock	18,052	6,491
Plumbing project	14,950	9,220
Driveway project	13,510	
Garage project	12,825	
Pump room gates	12,141	
Library renovations	11,756	11,124
Elevator cab upgrade	9,168	
HVAC replacement	7,895	
Exercise equipment	6,345	10,363
Pressure valve repairs	4,970	10,000
Stairwell project	4,300	
Domestic pumps	2,685	
Corridor project	2,300	840,797
Building facade	437	29,609
Miscellaneous	129	6,433
Facade inspection		38,000
Lobby doors		25,879
Whirlpool and pool equipment		20,755
Association unit remodel		12,999
Garage doors		8,225
Damper project		<u>4,482</u>
 Total major repairs and replacements	 <u>\$800,327</u>	 <u>\$1,034,477</u>

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 5 - Interfund balances

Interfund receivable (payable)

The Association approved to transfer the 2009 and 2008 excess operating income to the reserve fund. This resulted in a balance of \$275,895 and \$146,484 due from the operating fund to the reserve fund at December 31, 2009 and 2008, respectively.

Interfund loan receivable (payable)

On January 27, 2004 the Association approved an interfund loan in the amount of \$232,405 which represents operating expenses paid by the reserve fund over a period years not previously repaid due to cash flow considerations. The effective date of this note is February 22, 2004 and provides for an interest rate of 3.5% and a term of sixty-three monthly installments with one final payment. The balance of the interfund loan totaled \$19,757 at December 31, 2008 and was paid in full in 2009.

Note 6 - Future major repairs and replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. These funds are held in separate money market accounts and certificates of deposit and such funds are to be used for the replacement of common areas only. Accordingly, these funds are not to be used in the course of normal operations. It is the Association's policy to allocate interest earned on such funds to the reserve fund. Reserve fund balances totaled \$2,170,606 and \$2,419,263 at December 31, 2009 and 2008, respectively.

The Association engaged an independent engineer who conducted a study in 2006 to estimate the remaining useful lives and the replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the reserve fund. Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the reserve fund may not be adequate to meet future needs. If additional funds are needed, the Association has the right to increase regular assessments, to levy special assessments, or it may delay major repairs and replacements until funds are available.

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 7 - Commercial leases

The Association, as lessor, has entered into leases with several commercial entities, as follows:

The existing market lease expired on October 1, 2008 and was renewed on a month-to-month basis. Monthly rentals are \$3,000, which resulted in payments totaling \$36,000 in 2009 and 2008. A new one year lease was executed commencing January 1, 2010, with monthly rentals of \$1,500.

A new lease with the cleaners was executed commencing on January 1, 2009. This lease has a term of five years, with monthly rentals of \$500. Rental payments totaled \$6,000 in 2009 and 2008.

The Association has entered into a lease agreement with a telecommunications company to use the roof of the building for an antenna. The current agreement commenced in 2006 and has a four year term with automatic renewal for four additional terms of four years each. Monthly rentals are \$743 over the life of the agreement. Rental payments totaled \$8,912 in 2009 and 2008.

A lease with the spa was executed commencing on June 1, 2008, with monthly rentals of \$1,500. The lease term is five years with incremental monthly rental increases commencing in the third year of the lease. Rental payments totaled \$18,000 and \$25,500 in 2009 and 2008, respectively.

The Association executed a lease with a tenant to rent unit 101, formally the engineer unit. This lease is for the term from June 1, 2009 through May 31, 2010 and includes monthly rentals of \$1,500. The tenant paid the annual rent of \$18,000 up front in 2008. Rental payments totaled \$18,000 in 2009 and 2008.

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 8 - Commitments

The Association has executed contracts for various projects to be completed in 2010, as follows:

Clubhouse kitchen remodeling	\$65,000
Concourse heat exchangers	37,390
Corridor tile stock and repairs	10,000
Roof consultant services	11,700
Service room and chute room painting	17,550
Energy management system	5,000
Stairwell concrete repairs	9,000

Only minor costs of these projects had been incurred as of December 31, 2009. The Association anticipates the completion of these projects in 2010, with related funding from current reserves.



Picker and Associates

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Independent Auditors' Report on Supplementary Information

Board of Directors
The ParkShore Condominium Association
Chicago, Illinois

Our report on our audits of the basic financial statements of The ParkShore Condominium Association for the years ended December 31, 2009 and 2008 appears on page 1. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of operating revenue and expenses - budget and actual on pages 14 through 17 and the schedules of garage revenue and expenses - budget and actual on page 18 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information (except for the budget information, which was compiled without audit or review from information that is the representation of management, on which we do not express an opinion or any other form of assurance), has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplementary information on future major repairs and replacements on pages 19 through 21 is also not a required part of the basic financial statements of The ParkShore Condominium Association but is supplementary information required by the American Institute of Certified Public Accountants. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Picker + Associates

April 5, 2010

THE PARKSHORE CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual
For the Years Ended December 31, 2009 and 2008

	2009		2008
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Assessments	<u>\$3,473,571</u>	<u>\$3,473,572</u>	<u>\$3,369,694</u>
Commercial rent	<u>86,880</u>	<u>77,912</u>	<u>86,912</u>
Other revenue			
Refuse reimbursements	36,225	35,140	38,253
Maintenance income	12,000	15,235	11,629
Late fees	6,000	6,110	7,058
Cable TV revenue	138,903	138,795	135,375
Laundry income	10,000	10,752	11,337
Locks and keys	5,000	7,495	5,093
Resident reimbursements	38,000	43,469	40,662
Labor charge income	12,000	11,619	11,094
Lockout fees	1,000	2,815	2,920
Balcony charge			2,600
Miscellaneous income	<u>2,500</u>	<u>2,931</u>	<u>4,710</u>
Total other revenue	<u>261,628</u>	<u>274,361</u>	<u>270,731</u>
Parking garage revenue	<u>304,400</u>	<u>363,501</u>	<u>301,521</u>
Total operating revenue	<u>\$4,126,479</u>	<u>\$4,189,346</u>	<u>\$4,028,858</u>
Expenses			
Administrative			
Advertising	\$ 600	\$ 213	\$ 227
Office supplies	8,000	7,652	6,637
Office equipment	500	97	684
Copier expense	3,600	2,423	2,501
Postage	9,000	9,324	8,214
Printing	6,000	3,858	4,056

See Independent Auditors' Report on Supplementary Information

THE PARKSHORE CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual, cont'd
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>		<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Administrative, cont'd			
Telephone	16,000	17,375	16,780
Management fee	80,160	80,160	80,160
Audit fee	8,750	8,750	8,600
Legal expense	6,000	2,619	5,183
Professional fees	10,000	13,271	4,325
Employee training expense	4,250	4,757	2,323
Board meeting expense	3,000	2,460	3,253
Children's exploratory committee	1,500	1,254	1,672
Dues and subscriptions	800	664	659
Social committee	19,000	17,655	24,047
Licenses and permits	<u>6,000</u>	<u>3,758</u>	<u>3,822</u>
Total administrative	<u>183,160</u>	<u>176,290</u>	<u>173,143</u>
Payroll			
Office salaries	228,000	210,343	180,055
Maintenance payroll and assistants	557,541	554,484	514,876
Doormen payroll	304,694	279,463	290,981
Pool payroll	3,848		3,360
Payroll taxes	126,399	95,464	93,331
Payroll processing fee	6,500	5,543	5,307
Association unit	6,904	6,952	6,744
Administrative employee benefits	27,000	25,087	18,853
Employee benefits	<u>183,804</u>	<u>178,161</u>	<u>171,021</u>
Total payroll	<u>1,444,690</u>	<u>1,355,497</u>	<u>1,284,528</u>
Utilities			
Electricity	522,891	452,513	462,458
Water and sewer	75,000	74,380	72,625
Gas - natural	<u>325,373</u>	<u>258,746</u>	<u>325,266</u>
Total utilities	<u>923,264</u>	<u>785,639</u>	<u>860,349</u>

See Independent Auditors' Report on Supplementary Information

THE PARKSHORE CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual, cont'd
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>		<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Building			
Doormen uniforms	1,000	923	961
Exterminating contract	3,000	2,100	2,040
Refuse expense	38,000	38,430	43,824
Cable and master antenna	138,903	144,739	135,392
Health club expenses	8,000	6,880	7,998
Security contract	1,200	1,186	1,142
Security equipment	4,500	665	3,910
Elevator maintenance contract	73,600	68,758	67,252
Common area repairs	10,000	5,330	3,690
Snow removal	1,500	1,180	2,162
Fire prevention	<u>18,000</u>	<u>15,320</u>	<u>27,401</u>
 Total building	 <u>297,703</u>	 <u>285,511</u>	 <u>295,772</u>
 Maintenance			
Maintenance supplies	17,200	17,507	22,671
Landscape contract	26,000	18,923	23,152
Carpet cleaning	19,500	19,801	15,640
Light bulbs	8,000	7,947	9,011
Loading dock	2,000	9,053	
Metal maintenance	12,000	1,140	4,115
Window washing contract	25,320	11,100	20,340
Common area maintenance	7,000	6,085	7,487
Plant rental	14,000	12,638	12,479
Keys and locks	13,000	16,066	16,352
Cleaning supplies	10,000	8,591	10,560
Electrical repairs	8,000	4,082	7,698
HVAC repairs	20,000	58,001	34,119
HVAC maintenance contract	42,000	41,823	40,605
Air conditioning service	12,000	12,504	18,554
Plumbing and sewer repairs	18,500	15,554	23,220
Roof repairs	800	750	
Windows and glass	14,000	16,649	11,711
Building interior	10,000	7,804	5,088

See Independent Auditors' Report on Supplementary Information

THE PARKSHORE CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual, cont'd
For the Years Ended December 31, 2009 and 2008

	2009		2008
	Budget	Actual	Actual
Maintenance, cont'd			
Recreational facilities	1,500	2,060	2,284
Pool repairs and maintenance	9,600	8,385	9,027
Maintenance uniforms	<u>9,000</u>	<u>10,502</u>	<u>10,882</u>
Total maintenance	<u>299,420</u>	<u>306,965</u>	<u>304,995</u>
Other			
Workers compensation insurance	32,600	33,211	33,739
Real estate taxes	6,000	5,749	5,692
Property insurance	115,715	115,665	120,626
Interest on interfund note payable	700	173	1,573
Depreciation expense		20,046	23,152
Bad debt expense		<u>4,835</u>	<u>2,300</u>
Total other	<u>155,015</u>	<u>179,679</u>	<u>187,082</u>
Parking garage expenses	<u>602,850</u>	<u>623,866</u>	<u>576,381</u>
Total operating expenses	<u>\$3,906,102</u>	<u>\$3,713,447</u>	<u>\$3,682,250</u>

See Independent Auditors' Report on Supplementary Information

THE PARKSHORE CONDOMINIUM ASSOCIATION

Schedules of Garage Revenue and Expenses - Budget and Actual
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>		<u>2008</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Parking garage revenue			
Transient parking	\$141,100	\$161,598	\$139,306
Car wash income	16,300	13,923	14,875
Garage valet assessments	147,000	147,000	147,340
Parking tax refund	<u> </u>	<u>40,980</u>	<u> </u>
Total parking garage revenue	<u>304,400</u>	<u>363,501</u>	<u>301,521</u>
Parking garage expenses			
Salaries and wages	370,700	385,907	358,538
Payroll taxes	39,500	39,475	37,905
Health, welfare and pension	107,000	107,807	98,942
Workers compensation insurance	30,000	32,524	28,861
Uniforms	7,200	7,361	6,833
Supplies	3,800	3,849	1,991
Printing	3,000	2,613	3,037
Repairs and maintenance	4,500	7,416	2,700
Liability insurance	3,680	600	2,458
Telephone	3,100	3,634	3,557
Licenses and permits	2,300	2,341	
Data processing and postage	2,100	2,100	2,077
Accounting fees	1,800	1,800	1,800
Auto damages	7,000	6,811	7,844
Management fees	15,870	15,870	15,408
Bank charges	800	809	664
Garage remotes			3,237
General expenses	<u>500</u>	<u>2,949</u>	<u>529</u>
Total parking garage expenses	<u>602,850</u>	<u>623,866</u>	<u>576,381</u>
Excess (deficit) of revenue over expenses	<u>(\$298,450)</u>	<u>(\$260,365)</u>	<u>(\$274,860)</u>

See Independent Auditors' Report on Supplementary Information

THE PARKSHORE CONDOMINIUM ASSOCIATION

Supplementary Information on Future Major Repairs and Replacements (Unaudited)

An independent engineer conducted a study in 2006 to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs are based on current (2006) costs to repair or replace the common property components.

The following information is an excerpt from the study and presents significant information about the components of common property.

The Board of Directors has not designated the current reserve funds accumulated for any specific component.

See Independent Auditors' Report on Supplementary Information

**THE PARKSHORE CONDOMINIUM ASSOCIATION
ANNUAL EXPENDITURE SCHEDULE**

BUILDING COMPONENTS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXTERIOR										
Main Entrance		\$ 20,000								
Driveways and Sidewalks		\$ 90,000	\$ 5,000		\$ 5,000		\$ 5,000		\$ 5,000	\$ 15,000
Landscaping		\$ 4,500								
Critical Exam			\$ 47,000		\$ 12,000		\$ 47,000		\$ 12,000	
Exterior Walls			\$ 25,000		\$ 80,000		\$ 75,000			
Exterior Doors, Windows, Perimeter Caulking				\$ 55,000						
Balconies/ Railings	\$ 20,000					\$ 20,000	\$ 10,000			
Roofs							\$ 55,000			
INTERIOR										
Main Lobby & Mailbox Areas				\$ 5,000						\$ 45,000
Elevator Cab Interiors			\$ 40,000		\$ 15,000					\$ 40,000
Library Room	\$ 11,000	\$ 11,000					\$ 16,000		\$ 7,000	\$ 20,000
Club Room	\$ 11,000	\$ 11,000				\$ 48,000			\$ 15,000	
Swimming Pool	\$ 30,000	\$ 28,000				\$ 30,000				
Fitness Room, Saunas and Spas	\$ 15,000	\$ 20,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Management Office & Engineer's Apartment		\$ 24,000							\$ 16,000	
Residential Corridors		\$ 850,000								
Service Areas, Service & Garage Corridors							\$ 7,000			
Laundry Room							\$ 5,000			
Storage Areas							\$ 35,000			
SERVICES										
Elevator Equipment					\$ 20,000					
Garage			\$ 25,000	\$ 30,000	\$ 25,000		\$ 25,000		\$ 25,000	
Overhead Service Doors				\$ 10,000			\$ 8,000		\$ 20,000	
Stairwells						\$ 20,000				
Boilers										
Domestic Hot Water System		\$ 8,000								
Domestic Plumbing		\$ 13,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Air-Conditioning Equipment										\$ 350,000
Ventilation										
Energy Management System			\$ 25,000							
Pumps	\$ 5,000				\$ 5,000					
Sanitary Sewer, Grease Separator										
Electrical										
Emergency Generator										
Life Safety - Fire Protection System										
Fire Detection				\$ 85,000						
Trash Chute and Compactor										
Miscellaneous Project Expense		\$ 54,100								
RESERVE EXPENDITURES	\$ 92,000	\$ 1,079,500	\$ 177,000	\$ 200,000	\$ 172,000	\$ 128,000	\$ 298,000	\$ 10,000	\$ 110,000	\$ 480,000
LOAN PAYMENT										
LOAN AMOUNT										
SPECIAL ASSESSMENT										
RESERVE CONTRIBUTION	\$ 300,692	\$ 301,960	\$ 317,058	\$ 332,911	\$ 349,556	\$ 367,034	\$ 385,386	\$ 404,655	\$ 424,888	\$ 446,132
PREVIOUS YEAR RESERVE BALANCE	\$ 2,413,869	\$ 2,447,106	\$ 1,669,566	\$ 1,809,624	\$ 1,942,535	\$ 2,120,092	\$ 2,359,126	\$ 2,446,512	\$ 2,841,167	\$ 3,156,055
YEAR END RESERVES	\$ 2,447,106	\$ 1,669,566	\$ 1,809,624	\$ 1,942,535	\$ 2,120,092	\$ 2,359,126	\$ 2,446,512	\$ 2,841,167	\$ 3,156,055	\$ 3,122,188

**THE PARKSHORE CONDOMINIUM ASSOCIATION
ANNUAL EXPENDITURE SCHEDULE**

BUILDING COMPONENTS	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXTERIOR										
Main Entrance		\$ 15,000								
Driveways and Sidewalks	\$ 5,000		\$ 5,000		\$ 585,000		\$ 70,000	\$ 15,000	\$ 5,000	
Landscaping										
Critical Exam	\$ 47,000		\$ 12,000		\$ 47,000		\$ 12,000		\$ 47,000	
Exterior Walls	\$ 75,000				\$ 250,000				\$ 75,000	
Exterior Doors, Windows, Perimeter Caulking										
Balconies/ Railings	\$ 20,000					\$ 20,000			\$ 10,000	
Roofs										
INTERIOR										
Main Lobby & Mailbox Areas	\$ 19,000						\$ 10,000			
Elevator Cab Interiors		\$ 23,000					\$ 40,000		\$ 15,000	
Library Room				\$ 16,000		\$ 22,000				\$ 45,000
Club Room						\$ 55,000				
Swimming Pool	\$ 30,000					\$ 30,000				
Fitness Room, Saunas and Spas	\$ 5,000	\$ 5,000	\$ 5,000	\$ 10,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Management Office & Engineer's Apartment	\$ 25,000					\$ 16,000				
Residential Corridors		\$ 960,000								
Service Areas, Service & Garage Corridors		\$ 7,000					\$ 7,000			
Laundry Room							\$ 5,000			
Storage Areas							\$ 5,000			
SERVICES										
Elevator Equipment					\$ 20,000					
Garage	\$ 25,000		\$ 25,000		\$ 25,000		\$ 25,000		\$ 25,000	
Overhead Service Doors		\$ 8,000		\$ 10,000			\$ 8,000		\$ 20,000	
Stairwells	\$ 20,000					\$ 20,000				
Boilers					\$ 550,000					
Domestic Hot Water System										
Domestic Plumbing	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Air-Conditioning Equipment										
Ventilation					\$ 35,000	\$ 35,000				
Energy Management System										
Pumps					\$ 5,000					
Sanitary Sewer, Grease Separator										
Electrical										
Emergency Generator										
Life Safety - Fire Protection System										
Fire Detection										
Trash Chute and Compactor	\$ 10,000									
Miscellaneous Project Expense										
RESERVE EXPENDITURES	\$ 286,000	\$ 1,023,000	\$ 52,000	\$ 41,000	\$ 1,527,000	\$ 208,000	\$ 192,000	\$ 25,000	\$ 207,000	\$ 55,000
LOAN PAYMENT										
SPECIAL ASSESSMENT										
LOAN AMOUNT										
RESERVE CONTRIBUTION	\$ 374,328	\$ 374,328	\$ 374,328	\$ 374,328	\$ 374,328	\$ 374,328	\$ 374,328	\$ 374,328	\$ 374,328	\$ 374,328
PREVIOUS YEAR RESERVE BALANCE	\$ 3,122,188	\$ 3,210,516	\$ 2,561,844	\$ 2,884,172	\$ 3,217,500	\$ 2,064,828	\$ 2,231,156	\$ 2,413,484	\$ 2,762,812	\$ 2,930,140
YEAR END RESERVES	\$ 3,210,516	\$ 2,561,844	\$ 2,884,172	\$ 3,217,500	\$ 2,064,828	\$ 2,231,156	\$ 2,413,484	\$ 2,762,812	\$ 2,930,140	\$ 3,249,468