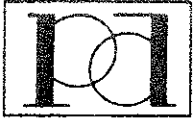


The Parkshore
Condominium Association
Financial Statements
For the Years Ended
December 31, 2010 and 2009

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, 2010 and 2009, 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, 2010 and 2009, 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 6, 2011

THE PARKSHORE CONDOMINIUM ASSOCIATION

Balance Sheets
December 31, 2010 and 2009

	2010		2009
	Operating Fund	Reserve Fund	Total
<u>Assets</u>	Fund	Fund	Total
Cash	\$ 99,941	\$ 487,882	\$ 587,823
Garage cash	53,849		53,849
Certificates of deposit		700,000	700,000
Assessments receivable, net of allowance of \$41,037 in 2010 and \$14,836 in 2009	11,660		11,660
Accounts receivable - garage	250		250
Refuse rebate receivable	36,225		36,225
Interest receivable		4,295	4,295
Prepaid insurance	44,517		44,517
Prepaid gas	32,266		32,266
Interfund receivable	_____	237,369	237,369
 Total current assets	278,708	1,429,546	1,708,254
 Property and equipment			
Condominium unit	201,358		201,358
Building equipment and fixtures	177,782		177,782
Less: Accumulated depreciation	(254,386)	_____	(234,340)
 Net property and equipment	124,754	_____	124,754
 Other assets			
Refuse rebate receivable, noncurrent	72,450		72,450
Certificates of deposit, noncurrent	_____	1,001,566	1,001,566
 Total other assets	72,450	1,001,566	1,074,016
 Total assets	\$475,912	\$2,431,112	\$2,907,024

The accompanying notes are an integral part of these financial statements

THE PARKSHORE CONDOMINIUM ASSOCIATION

Balance Sheets, cont'd
December 31, 2010 and 2009

	2010		2009
	Operating Fund	Reserve Fund	Total
<u>Liabilities and Fund Balance</u>			
Accounts payable	\$ 86,779	\$ 43,427	\$ 130,206
Accrued payroll	62,989		62,989
Accrued expenses	41,140		41,140
Prepaid assessments	47,635		47,635
Interfund payable	<u>237,369</u>		<u>237,369</u>
Total current liabilities	<u>475,912</u>	<u>43,427</u>	<u>519,339</u>
Fund balance		<u>2,387,685</u>	<u>2,387,685</u>
Total liabilities and fund balance	<u>\$475,912</u>	<u>\$2,431,112</u>	<u>\$2,907,024</u>
			<u>\$2,912,166</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, 2010 and 2009

	2010		2009	
	Operating Fund	Reserve Fund	Total	Total
Revenue				
Assessments	\$3,580,378	\$ —	\$3,580,378	\$3,473,572
Commercial rent	68,912		68,912	77,912
Interest income		56,327	56,327	75,771
Other revenue	306,514		306,514	274,361
Parking garage revenue	278,416		278,416	363,501
Total revenue	4,234,220	56,327	4,290,547	4,265,117
Expenses				
Administrative	177,819		177,819	176,290
Payroll	1,385,165		1,385,165	1,355,497
Utilities	767,712		767,712	785,639
Building	291,906		291,906	285,511
Maintenance	306,257		306,257	306,965
Other	203,867		203,867	179,679
Parking garage expenses	604,125		604,125	623,866
Major repairs and replacements		336,617	336,617	800,327
Total expenses	3,736,851	336,617	4,073,468	4,513,774
Excess (deficit) of revenue over expenses	497,369	(280,290)	217,079	(248,657)
Monthly capital contributions	(300,000)	300,000		
Transfer of excess operating income	(197,369)	197,369		
Fund balance, beginning of year		2,170,606	2,170,606	2,419,263
Fund balance, end of year	\$ —	\$2,387,685	\$2,387,685	\$2,170,606

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, 2010 and 2009

	2010		2009
	Operating Fund	Reserve Fund	Total
Cash flows from operating activities			
Excess (deficit) of revenue over expenses	\$497,369	(\$280,290)	\$217,079
Adjustments to reconcile excess (deficit) of revenue over expenses to net cash provided by (used in) operating activities			
Depreciation	20,046		20,046
Bad debt expense	26,201		26,201
(Increase) decrease in assets:			
Assessments receivable	(14,603)		(14,603)
Accounts receivable - garage	(190)		(190)
Refuse rebate receivable	(36,225)		(36,225)
Interest receivable		1,537	1,537
Prepaid insurance	(678)		(678)
Prepaid gas	(10,321)		(10,321)
Increase (decrease) in liabilities:			
Accounts payable	(1,258)	(181,075)	(182,333)
Accrued payroll	2,190		2,190
Accrued expenses	3,348		3,348
Prepaid assessments	(6,888)		(6,888)
Net cash provided by (used in) operating activities	<u>478,991</u>	<u>(459,828)</u>	<u>19,163</u>
Cash flows from investing activities			
Net certificate of deposit activity		(2,742)	(2,742)
Net cash provided by (used in) investing activities		<u>(2,742)</u>	<u>101,082</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, 2010 and 2009

	2010		2009	
	Operating Fund	Reserve Fund	Total	Total
Cash flows from financing activities				
Interfund borrowings	(38,538)	38,538		
Interfund transfers	(497,369)	497,369		
Net cash provided by (used in) financing activities	(535,907)	535,907		
Net increase (decrease) in cash	(56,916)	73,337	16,421	63,583
Cash, beginning of year	<u>210,706</u>	<u>414,545</u>	<u>625,251</u>	<u>561,668</u>
Cash, end of year	<u>\$153,790</u>	<u>\$487,882</u>	<u>\$641,672</u>	<u>\$625,251</u>
<u>Cash Breakdown per Balance Sheets</u>				
Cash - operating and reserve	\$ 99,941	\$487,882	\$587,823	\$553,228
Garage cash	<u>53,849</u>		<u>53,849</u>	<u>72,023</u>
Total cash	<u>\$153,790</u>	<u>\$487,882</u>	<u>\$641,672</u>	<u>\$625,251</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 unit owners collectively administer, manage, operate and control the condominium property. The property is located in Chicago, Illinois and consists of 483 residential units.

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 for the years ended December 31, 2010 and 2009.

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

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

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 6, 2011, 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, under Internal Revenue Code Section 528, for the years ended December 31, 2010 and 2009. Under that election, exempt function income is not subject to income tax and the Association is generally taxed only on nonexempt function income, to the extent it exceeds nonexempt expenses. An analysis of net nonexempt function income indicates there was no income tax due for the years ended December 31, 2010 and 2009. The Association has state net operating loss carryforwards, amounting to approximately \$1,272,000, expiring in various years through 2022, to offset against future state taxable income. A federal net operating loss carryforward of approximately \$21,000 (which arose in 1996 when the Association filed as a regular corporation) is available at December 31, 2010 and expires in 2011. No deferred tax assets, relating to the net operating losses, are recorded in the financial statements as the Association believes that it is not probable that all state net operating losses carried forward will be utilized.

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 3 - Income taxes, cont'd

The Association adopted the accounting for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken on its income tax returns. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate and the Association has no material unrecognized income tax positions. The Association's tax filings are subject to audit by various taxing authorities. At December 31, 2010, the Association is no longer subject to examination by federal and state taxing authorities for the periods ending before 2007.

Note 4 - Major repairs and replacements

Major repairs and replacements for the years ended December 31, 2010 and 2009 were as follows:

	<u>2010</u>	<u>2009</u>
Building facade	\$155,020	\$ 437
Circle drive project	52,020	
Club room	46,437	26,409
Receiving dock	17,550	18,052
Doors	12,416	
Corridor project	9,750	2,300
Stairwell project	9,000	4,300
Plumbing project	8,690	14,950
Landscape project	4,703	
Domestic pumps	4,675	2,685
Boiler project	4,650	39,827
Laundry room upgrade	4,409	
Facade inspection	3,400	
Energy management system	2,444	
Roof project	1,410	384,050
Miscellaneous	43	129
Fire safety system		97,000
Pool liner		54,810
Pump room plumbing		38,968
Security system		37,800
Driveway project		13,510
Garage project		12,825
Pump room gates		12,141
Library renovations		11,756
Elevator cab upgrade		9,168
HVAC replacement		7,895
Exercise equipment		6,345
Pressure valve repairs		4,970
	<u> </u>	<u> </u>
Total major repairs and replacements	<u>\$336,617</u>	<u>\$800,327</u>

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 5 - Interfund balances

The Association approved to transfer the 2010 and 2009 excess operating income to the reserve fund. This resulted in a balance of \$237,369 and \$275,895 due from the operating fund to the reserve fund at December 31, 2010 and 2009, respectively.

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 \$2,387,685 and \$2,170,606 at December 31, 2010 and 2009, 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.

Note 7 - Commercial leases

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

The existing market lease that expired on October 1, 2008 was renewed on a month-to-month basis. Monthly rentals were \$3,000, which resulted in payments totaling \$36,000 in 2009. In January 2010, a lease was executed with monthly rentals of \$1,500 that expired September 20, 2010. A new lease was executed commencing on October 1, 2010, with monthly rentals of \$1,500. The lease term is five years with renewal options for two additional terms of five years each. Rental payments totaled \$18,000 in 2010.

THE PARKSHORE CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 7 - Commercial leases, cont'd

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 2010 and 2009.

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 2010 and 2009.

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 in 2010 and 2009.

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, 2010 through May 31, 2011 and includes monthly rentals of \$1,500. Rental payments totaled \$18,000 in 2010 and 2009.

Note 8 - Commitments

The Association has executed contracts for various projects to be completed in 2011, as follows:

Clubhouse room refurbishment	\$52,800
Garage membrane	50,000
Laundry room upgrade	21,550
Mechanical system audit	12,000

Only minor costs associated with these projects had been incurred as of December 31, 2010. The Association anticipates the completion of these projects in 2011, with related payments from current reserves funds.



Picker and Associates

CPA's and Consultants

Ralph Picker, Managing Principal

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Independent Auditors' Report on Supplementary Information

Board of Directors
The ParkShore Condominium Association
Chicago, Illinois

We have audited the financial statements of The ParkShore Condominium Association as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated April 6, 2011, which contained an unqualified opinion on those financial statements and appears on page one. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of operating revenue and expenses - budget and actual, on pages 13-16 and the schedules of garage revenue and expenses - budget and actual on page 17, which are the responsibility of the Association's management, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements, on pages 18-20, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Picker & Associates

April 6, 2011

THE PARKSHORE CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual
For the Years Ended December 31, 2010 and 2009

	<u>2010</u>		<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue			
Assessments	<u>\$3,580,378</u>	<u>\$3,580,378</u>	<u>\$3,473,572</u>
Commercial rent	<u>68,880</u>	<u>68,912</u>	<u>77,912</u>
Other revenue			
Refuse reimbursements	36,225	36,225	35,140
Maintenance income	12,000	16,347	15,235
Late fees	6,000	8,490	6,110
Cable TV revenue	151,050	151,050	138,795
Laundry income	12,000	10,641	10,752
Locks and keys	5,000	7,468	7,495
Resident reimbursements	38,000	54,008	43,469
Labor charge income	12,000	13,368	11,619
Lockout fees	2,000	2,350	2,815
Miscellaneous income	<u>2,500</u>	<u>6,567</u>	<u>2,931</u>
Total other revenue	<u>276,775</u>	<u>306,514</u>	<u>274,361</u>
Parking garage revenue	<u>324,700</u>	<u>278,416</u>	<u>363,501</u>
Total operating revenue	<u>\$4,250,733</u>	<u>\$4,234,220</u>	<u>\$4,189,346</u>
Expenses			
Administrative			
Advertising	\$ 300	\$ 156	\$ 213
Office supplies	7,000	6,927	7,652
Office equipment	500		97
Copier expense	3,600	1,202	2,423
Postage	10,000	8,860	9,324
Printing	5,000	4,452	3,858
Telephone	17,500	18,052	17,375
Management fee	82,560	82,560	80,160
Audit fee	8,950	10,000	8,750
Legal expense	5,000	2,859	2,619

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, 2010 and 2009

	2010		2009
	Budget	Actual	Actual
Administrative, cont'd			
Professional fees	30,000	13,828	13,271
Employee training expense	1,500	2,265	4,757
Board meeting expense	3,500	2,110	2,460
Children's exploratory committee	1,500	868	1,254
Dues and subscriptions	800	664	664
Social committee	19,000	19,220	17,655
Licenses and permits	<u>6,000</u>	<u>3,796</u>	<u>3,758</u>
Total administrative	<u>202,710</u>	<u>177,819</u>	<u>176,290</u>
Payroll			
Office salaries	230,000	226,216	210,343
Maintenance payroll	569,548	561,351	554,484
Doormen payroll	312,280	279,801	279,463
Payroll taxes	116,183	95,686	95,464
Payroll processing fee	6,500	5,980	5,543
Association unit	7,500	7,166	6,952
Administrative employee benefits	27,000	31,945	25,087
Employee union benefits	<u>184,292</u>	<u>177,020</u>	<u>178,161</u>
Total payroll	<u>1,453,303</u>	<u>1,385,165</u>	<u>1,355,497</u>
Utilities			
Electricity	515,439	472,523	452,513
Water and sewer	85,500	83,448	74,380
Gas - natural	<u>249,954</u>	<u>211,741</u>	<u>258,746</u>
Total utilities	<u>850,893</u>	<u>767,712</u>	<u>785,639</u>
Building			
Doormen uniforms	1,000	501	923
Exterminating contract	3,000	2,136	2,100
Refuse expense	38,000	35,696	38,430
Cable and master antenna	151,050	153,558	144,739

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, 2010 and 2009

	<u>2010</u>		<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Building, cont'd			
Health club expenses	8,000	6,830	6,880
Security contract	1,200	1,142	1,186
Security equipment	4,500	1,329	665
Elevator maintenance contract	73,600	69,455	68,758
Common area repairs	10,000	4,453	5,330
Snow removal	1,500	1,303	1,180
Fire prevention	<u>18,000</u>	<u>15,503</u>	<u>15,320</u>
Total building	<u>309,850</u>	<u>291,906</u>	<u>285,511</u>
Maintenance			
Maintenance supplies	20,000	19,998	17,507
Landscape contract	24,480	25,894	18,923
Carpet cleaning	19,500	11,550	19,801
Light bulbs	8,000	5,527	7,947
Loading dock	4,000	7,163	9,053
Metal maintenance	12,000	3,256	1,140
Window washing contract	25,320	21,025	11,100
Common area maintenance	8,000	6,627	6,085
Plant rental	14,000	12,631	12,638
Keys and locks	8,000	7,908	16,066
Cleaning supplies	10,000	12,268	8,591
Electrical repairs	5,000	5,897	4,082
HVAC repairs	30,000	52,690	58,001
HVAC maintenance contract	44,000	44,370	41,823
Air conditioning service	12,000	12,612	12,504
Plumbing and sewer repairs	18,500	24,697	15,554
Roof repairs	800	615	750
Windows and glass	15,000	800	16,649
Building interior	10,000	4,227	7,804
Recreational facilities	3,800	4,426	2,060
Pool repairs and maintenance	9,600	8,783	8,385
Maintenance uniforms	10,000	9,461	10,502
Garage door repair	<u>5,000</u>	<u>3,832</u>	
Total maintenance	<u>317,000</u>	<u>306,257</u>	<u>306,965</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, 2010 and 2009

	<u>2010</u>		<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other			
Workers compensation insurance	34,000	35,344	33,211
Real estate taxes	7,000	6,546	5,749
Property insurance	114,851	115,730	115,665
Interest on interfund note payable			173
Depreciation expense		20,046	20,046
Bad debt expense	<u>10,000</u>	<u>26,201</u>	<u>4,835</u>
 Total other	 <u>165,851</u>	 <u>203,867</u>	 <u>179,679</u>
 Parking garage expenses	 <u>651,126</u>	 <u>604,125</u>	 <u>623,866</u>
 Total operating expenses	 <u>\$3,950,733</u>	 <u>\$3,736,851</u>	 <u>\$3,713,447</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, 2010 and 2009

	<u>2010</u>		<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Parking garage revenue			
Transient parking	\$163,000	\$120,662	\$161,598
Car wash income	14,700	10,754	13,923
Garage valet assessments	147,000	147,000	147,000
Parking tax refund			40,980
	<u>324,700</u>	<u>278,416</u>	<u>363,501</u>
Parking garage expenses			
Salaries and wages	399,700	379,683	385,907
Payroll taxes	43,600	40,138	39,475
Health, welfare and pension	118,500	102,660	107,807
Workers compensation insurance	34,200	32,276	32,524
Uniforms	7,600	6,723	7,361
Supplies	3,800	1,952	3,849
Printing		3,692	2,613
Repairs and maintenance	8,400	2,217	7,416
Liability insurance	3,680	600	600
Telephone	3,700	5,057	3,634
Licenses and permits			2,341
Data processing and postage	2,900	2,899	2,100
Accounting fees	2,400	1,800	1,800
Auto damages	5,000	6,168	6,811
Management fees	16,346	16,346	15,870
Bank charges	800	868	809
Garage remotes			2,612
General expenses	<u>500</u>	<u>1,046</u>	<u>337</u>
	<u>651,126</u>	<u>604,125</u>	<u>623,866</u>
(Deficit) of revenue over expenses	<u>(\$326,426)</u>	<u>(\$325,709)</u>	<u>(\$260,365)</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									\$ 40,000	\$ 525,000
Driveways and Sidewalks		\$ 90,000								\$ 25,000
Landscaping		\$ 5,000								
Critical Exam			\$ 47,000		\$ 12,000		\$ 47,000		\$ 12,000	
Exterior Walls			\$ 35,000		\$ 55,000		\$ 225,000			
Exterior Doors, Windows, Perimeter Caulking			\$ 150,000	\$ 205,000						
Balconies/ Railings	\$ 20,000					\$ 60,000	\$ 10,000			
Roofs							\$ 55,000			
INTERIOR										\$ 45,000
Main Lobby & Mailbox Areas				\$ 5,000						\$ 40,000
Elevator Cab Interiors			\$ 40,000		\$ 15,000					\$ 20,000
Library Room	\$ 11,000	\$ 11,000					\$ 16,000		\$ 7,000	\$ 15,000
Club Room	\$ 11,000	\$ 11,000				\$ 48,000				
Swimming Pool	\$ 30,000	\$ 8,000				\$ 30,000				\$ 8,000
Fitness Room, Saunas and Spas	\$ 15,000	\$ 15,000		\$ 18,000			\$ 8,000			
Management Office & Engineer's Apartment		\$ 24,000							\$ 16,000	
Residential Corridors		\$ 850,000						\$ 7,000		
Service Areas, Service & Garage Corridors		\$ 7,000						\$ 5,000		
Laundry Room							\$ 35,000			
Storage Areas										
SERVICES						\$ 20,000				
Elevator Equipment					\$ 380,000					
Garage				\$ 10,000			\$ 8,000		\$ 20,000	
Overhead Service Doors						\$ 20,000				
Stairwells										
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		\$ 35,000								
Energy Management System		\$ 10,000	\$ 25,000							
Pumps	\$ 5,000				\$ 5,000					
Sanitary Sewer, Grease Separator										
Electrical										
Emergency Generator										
Life Safety - Fire Protection System				\$ 85,000						
Fire Detection										
Trash Chute and Compactor										
RESERVE EXPENDITURES	\$ 92,000	\$ 1,087,000	\$ 302,000	\$ 708,000	\$ 112,000	\$ 163,000	\$ 421,000	\$ 5,000	\$ 115,000	\$ 1,018,000
LOAN PAYMENT										
LOAN AMOUNT										
SPECIAL ASSESSMENT										
RESERVE CONTRIBUTION	\$ 253,360	\$ 253,360	\$ 266,028	\$ 279,329	\$ 293,296	\$ 307,961	\$ 323,359	\$ 339,527	\$ 356,503	\$ 374,328
PREVIOUS YEAR RESERVE BALANCE	\$ 2,413,869	\$ 2,447,106	\$ 1,613,466	\$ 1,577,494	\$ 1,148,824	\$ 1,330,120	\$ 1,475,080	\$ 1,377,439	\$ 1,711,966	\$ 1,953,469
YEAR END RESERVES	\$ 2,447,106	\$ 1,613,466	\$ 1,577,494	\$ 1,148,824	\$ 1,330,120	\$ 1,475,080	\$ 1,377,439	\$ 1,711,966	\$ 1,953,469	\$ 1,309,797

**THE PARKSHORE CONDOMINIUM ASSOCIATION
ANNUAL EXPENDITURE SCHEDULE**

BUILDING COMPONENTS	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
EXTERIOR										
Main Entrance		\$ 15,000					\$ 40,000	\$ 80,000		
Driveways and Sidewalks										
Landscaping					\$ 47,000		\$ 12,000		\$ 47,000	
Critical Exam	\$ 47,000		\$ 12,000		\$ 47,000		\$ 12,000		\$ 47,000	
Exterior Walls	\$ 435,000	\$ 435,000		\$ 200,000	\$ 25,000					
Exterior Doors, Windows, Perimeter Caulking			\$ 150,000	\$ 150,000		\$ 60,000			\$ 10,000	
Balconies/ Railings	\$ 60,000									
Roofs										
INTERIOR							\$ 10,000			
Main Lobby & Mailbox Areas	\$ 19,000						\$ 40,000		\$ 15,000	
Elevator Cab Interiors		\$ 23,000		\$ 16,000		\$ 22,000				\$ 45,000
Library Room						\$ 55,000				
Club Room						\$ 30,000				
Swimming Pool	\$ 30,000					\$ 8,000			\$ 8,000	
Fitness Room, Saunas and Spas			\$ 8,000	\$ 10,000		\$ 8,000				
Management Office & Engineer's Apartment	\$ 25,000					\$ 16,000				
Residential Corridors		\$ 960,000					\$ 7,000			
Service Areas, Service & Garage Corridors		\$ 7,000					\$ 5,000			
Laundry Room							\$ 5,000			
Storage Areas										
SERVICES					\$ 20,000					
Elevator Equipment				\$ 350,000						
Garage		\$ 8,000		\$ 10,000			\$ 8,000		\$ 20,000	
Overhead Service Doors						\$ 20,000				
Stairwells	\$ 20,000				\$ 550,000					
Boilers										
Domestic Hot Water System			\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
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					\$ 35,000	\$ 35,000				
Ventilation										
Energy Management System					\$ 5,000					
Pumps										
Sanitary Sewer, Grease Separator										
Electrical										
Emergency Generator										
Life Safety - Fire Protection System										
Fire Detection										
Trash Chute and Compactor	\$ 10,000									
RESERVE EXPENDITURES	\$ 651,000	\$ 1,453,000	\$ 175,000	\$ 741,000	\$ 687,000	\$ 251,000	\$ 132,000	\$ 85,000	\$ 105,000	\$ 50,000
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	\$ 1,309,797	\$ 1,033,125	\$ (45,547)	\$ 153,781	\$ (212,891)	\$ (525,563)	\$ (402,235)	\$ (159,907)	\$ 129,421	\$ 398,749
YEAR END RESERVES	\$ 1,033,125	\$ (45,547)	\$ 153,781	\$ (212,891)	\$ (525,563)	\$ (402,235)	\$ (159,907)	\$ 129,421	\$ 398,749	\$ 723,077