

**CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.**  
NAPLES, FLORIDA  
FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2020



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Calais at Pelican Bay Condominium Association, Inc.

We have audited the accompanying financial statements of Calais at Pelican Bay Condominium Association, Inc., which comprise the balance sheet as of March 31, 2020, and the related statements of revenue, expenses and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Calais at Pelican Bay Condominium Association, Inc. as of March 31, 2020, and the results of its operations and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

To the Board of Directors of  
Calais at Pelican Bay Condominium Association, Inc.

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

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on page 14 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, which 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating fund revenue and expenses - budget to actual, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information, except for the portion marked "unaudited," 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. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



MYERS, BRETT HOLTZ & COMPANY, PA  
Fort Myers, Florida  
October 22, 2020

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
BALANCE SHEET  
MARCH 31, 2020

	Operating Fund	Replacement Fund	Total
<b>Assets</b>			
Cash	\$ 524,400	\$ 203,104	\$ 727,504
Certificates of deposit	-	800,000	800,000
Accounts receivable - members	200	-	200
Prepaid insurance	32,888	-	32,888
Total assets	\$ 557,488	\$ 1,003,104	\$ 1,560,592
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts payable and accrued expenses	\$ 6,869	\$ -	\$ 6,869
Social committee funds	3	-	3
Assessments received in advance	180,736	-	180,736
Contract liability	-	1,003,104	1,003,104
Total liabilities	187,608	1,003,104	1,190,712
Fund balance	369,880	-	369,880
Total liabilities and fund balance	\$ 557,488	\$ 1,003,104	\$ 1,560,592

Read Independent Auditor's Report.  
The accompanying notes are an integral  
part of the financial statements.

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED MARCH 31, 2020

	Operating Fund	Replacement Fund	Total
Revenue			
Maintenance fees	\$ 676,216	\$ 443,679	\$ 1,119,895
Interest	1,419	10,845	12,264
Late fees and interest	1,185	-	1,185
Other	1,825	-	1,825
	<u>680,645</u>	<u>454,524</u>	<u>1,135,169</u>
Total revenue			
Expenses			
Utilities	84,484	-	84,484
Building	211,747	-	211,747
Grounds	134,595	-	134,595
Administration	374,986	-	374,986
Replacement	-	464,542	464,542
	<u>805,812</u>	<u>464,542</u>	<u>1,270,354</u>
Total expenses			
Deficiency of revenue over expenses	(125,167)	(10,018)	(135,185)
Fund balance, beginning of year	<u>495,047</u>	<u>10,018</u>	<u>505,065</u>
Fund balance, end of year	<u>\$ 369,880</u>	<u>\$ -</u>	<u>\$ 369,880</u>

Read Independent Auditor's Report.  
The accompanying notes are an integral  
part of the financial statements.

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2020

	Operating Fund	Replacement Fund	Total
Cash Flows From Operating Activities			
Deficiency of revenue over expenses	\$ (125,167)	\$ (10,018)	\$ (135,185)
Adjustments to reconcile deficiency of revenue over expenses to net cash used by operating activities:			
Changes in:			
Accounts receivable - members	(200)	-	(200)
Prepaid insurance	(3,744)	-	(3,744)
Accounts payable and accrued expenses	(23,947)	-	(23,947)
Assessments received in advance	33,734	-	33,734
Contract liability	-	(198,680)	(198,680)
	(119,324)	(208,698)	(328,022)
Net cash used by operating activities			
Cash Flows From Investing Activities			
Purchases of certificates of deposit	-	(1,400,000)	(1,400,000)
Proceeds from redemption of certificates of deposit	-	1,120,000	1,120,000
	-	(280,000)	(280,000)
Net cash used by investing activities			
Net decrease	(119,324)	(488,698)	(608,022)
Cash, beginning of year	643,724	691,802	1,335,526
Cash, end of year	\$ 524,400	\$ 203,104	\$ 727,504
 Supplemental Information			
Income tax paid	\$ 2,605	\$ -	\$ 2,605
Penalty paid	\$ 8	\$ -	\$ 8

Read Independent Auditor's Report.  
The accompanying notes are an integral  
part of the financial statements.

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2020

**NOTE 1 - THE ASSOCIATION**

Calais at Pelican Bay Condominium Association, Inc. (the "Association") was incorporated on August 4, 1989, under the laws of Florida as a corporation not-for-profit, to operate and manage Calais at Pelican Bay (the "Condominium"), consisting of 131 residential units, located in Naples, Florida. The owners of all units in the Condominium are the only members.

**NOTE 2 - DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through October 22, 2020, the date that the financial statements were available to be issued.

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Fund Accounting

The Association prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and presents them as separate funds based on its different funding policies for operations and major repairs and replacements.

The operating fund reflects the operating portion of the quarterly assessments billed to the members to meet the various day-to-day expenditures incurred in the administration and operation of the Condominium and recreational facilities.

The replacement fund is composed of the portion of the quarterly assessments designated in the budget to fund future major repairs and replacements, as further described in Note 7.

Accounts Receivable

Accounts receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from members. Accounts receivable are generally considered delinquent when the payment is not received on or before the due date. As of March 31, 2020, the Association had delinquent assessments of \$200. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control. The balances of accounts receivable as of the beginning and end of the year are \$0 and \$200, respectively.

Property and Equipment

The Association follows prevalent industry practice, as contained in ASC Subtopic 972-360, "Real Estate - Common Interest Realty Associations - Property, Plant and Equipment" in accounting for the common property of the Association, which it is responsible to preserve and maintain. Property is capitalized only if the Association has title or other evidence of ownership of the property, and either the Association can dispose of the property or the property is used by the Association to generate significant cash flow from members on the basis of usage or from nonmembers.

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2020

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment (Continued)

Property associated with the units is not capitalized. Property not directly associated with the units consists of a clubhouse, pool, parking areas and grounds. These items are not capitalized as they do not meet the capitalization criteria, since ownership of the commonly owned assets is vested in the members, those assets are not titled in the Association's name and disposition of those assets by the Board is restricted. Additions and improvements to common property are accounted for as major repair and replacement expenditures in the replacement fund.

Contract Liability

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to the replacement fund assessments. The balance of contract liability as of the beginning and end of the year are \$1,201,784 and \$1,003,104, respectively.

Income Taxes

The Association can elect to file its income tax return as a Homeowners' Association, in accordance with Internal Revenue Code Section 528. Under that section, the Association is not taxed on uniform assessments to members and other income received from Association members solely as a function of their membership in the Association. The effect of the election is to tax the Association only on its "non-exempt function" income, reduced by a specific \$100 deduction at a flat 30% rate. If such election is not made, the Association's net income is subject to tax at statutory corporate rates.

Management has analyzed its various federal filing positions and believes that the Association's income tax filing positions and deductions are well documented, supported and contain no uncertain tax positions. Additionally, management believes that no accruals for tax liabilities, interest or penalties are required. Therefore, no reserves for uncertain income tax positions have been recorded. Further, no interest or penalties have been included since no reserves were recorded. When applicable, such interest and penalties will be reported as income tax expense. The Association's federal income tax returns remain subject to examination by the Internal Revenue Service for three years from the date of filing.

The Association has elected to be taxed as a Homeowners' Association, which has resulted in an income tax liability of \$2,960 for the year ended March 31, 2020. There is no state income tax imposed on the Association.

Fair Value of Financial Instruments

Substantially all of the Association's assets and liabilities, excluding prepaid insurance, assessments received in advance and contract liability, are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument.

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2020

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition

Association members are subject to quarterly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. Any excess assessments at year-end are retained by the Association for use in the succeeding year.

Late fees and interest revenue is recognized when billed.

Cash Flows

The Association considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

The Association invests in federally insured certificates of deposit which are held-to-maturity. As a result, certificates of deposit are carried at amortized cost plus accrued interest. Subsequent write ups or write downs to fair value to recognize unrealized gains or losses are not recorded.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 4 - CONCENTRATION OF CREDIT RISK**

The Association maintains cash balances and certificates of deposit at various financial institutions. Accounts and certificates of deposit at each commercial banking institution are insured by the Federal Deposit Insurance Corporation (the "FDIC") up to \$250,000. As of March 31, 2020, the uninsured balance was \$281,184, based on the bank statement balances, less the FDIC insurance.

**NOTE 5 - ASSESSMENTS RECEIVED IN ADVANCE**

Assessments received in advance consisted of future year assessments of \$180,736 received by the Association prior to April 1, 2020.

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2020

**NOTE 6 - PELICAN BAY FEES**

Each unit owner in the Association is automatically a member of Pelican Bay Foundation, Inc. (the "Foundation"). The Foundation is responsible for the operation and maintenance of the common areas within the Pelican Bay development. The Foundation also provides cable television to the Association. Fees payable to the Foundation are not considered common expenses of the Association, but are collected by the Association and remitted to the Foundation on behalf of the members. The amount collected by the Association and remitted to the Foundation during the year ended March 31, 2020, was \$318,068.

**NOTE 7 - FUTURE MAJOR REPAIRS AND REPLACEMENTS**

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate \$1,003,104, and are presented on the accompanying balance sheet as a contract liability as of March 31, 2020, are held in separate accounts and are generally not available for operating purposes. The Association's policy is to retain interest income earned on such funds in the replacement fund and apply toward current year expenditures.

The Association has calculated funding for major repairs and replacements over the estimated useful lives of the components based on estimates of current replacement costs, and considering amounts previously accumulated in the replacement fund, in accordance with Florida Statutes. The calculated funding is based on estimates of future needs for repairs and replacements of common property components, based on a study provided by an independent appraiser. As provided by Florida Statutes, the members have adopted the pooling method for replacement funding.

The 2020/2021 proposed budgeted funding is \$273,600, as shown in the unaudited supplementary information. The components' actual replacement costs, useful lives, and investment income may vary from the estimated amounts and the variation may be material. If additional funds are needed, the Association has the right, subject to the Board's approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

**NOTE 8 - CONTINGENCY**

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its option during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

**NOTE 9 - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION**

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, *Real Estate - Common Interest Realty Associations, Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 MARCH 31, 2020

**NOTE 9 - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION (Continued)**

The Association adopted the requirements of new guidance as of April 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of April 1, 2019. Adoption of the new guidance resulted in changes to the accounting policies for assessment revenue and contract liabilities related to the replacement fund, as previously described.

The adoption of the new revenue recognition guidance resulted in the following change to fund balance as of April 1, 2019:

Fund balance, as previously reported, at March 31, 2019	\$ 1,211,802
Adjustment for effects of Topic 606	(1,201,784)
Fund balance, as adjusted, at March 31, 2019	\$ 10,018

The effect of the adoption is an increase in 2020 assessments by \$198,680 and a recording of a contract liability as of March 31, 2020, of \$1,003,104. The Association has no customer contract modifications that had an effect on the Association's transition to the new guidance.

The modified retrospective method of transition requires the effect of applying the new guidance on each item included in the 2019 financial statements be disclosed.

Following are the line items from the balance sheet as of March 31, 2020, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the balances reported under the new guidance:

	Amounts That Would Have Been Reported	Effects of Applying Topic 606 Guidance	As Reported
<u>Liabilities</u>			
Contract liability	\$ -	\$ 1,003,104	\$ 1,003,104
 <u>Fund balance</u>			
Ending fund balance	\$ 1,372,984	\$ (1,003,104)	\$ 369,880

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2020

**NOTE 9 - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION (Continued)**

The following are the line items from the statement of revenue, expenses, and changes in fund balance and the statement of cash flows for the year ended March 31, 2020, that were affected, the amounts that would have been reported under the former guidance, the effects of applying the new guidance, and the amounts reported under the new guidance:

	Amounts That Would Have Been Reported	Effects of Applying Topic 606 Guidance	As Reported
<u>Revenue</u>			
Maintenance fees	\$ 921,215	\$ 198,680	\$ 1,119,895
Deficiency of revenue over expenses	\$ (333,865)	\$ 198,680	\$ (135,185)
<u>Cash Flows</u>			
Deficiency of revenue over expenses	\$ (333,865)	\$ 198,680	\$ (135,185)
Decrease in contract liability	\$ -	\$ (198,680)	\$ (198,680)

**SUPPLEMENTARY INFORMATION**

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
 SUPPLEMENTARY INFORMATION ON  
 FUTURE MAJOR REPAIRS AND REPLACEMENTS  
 MARCH 31, 2020  
 (Unaudited)

An independent appraiser conducted a study during 2019, to estimate the remaining lives and the replacement costs of the components of common property. The following table is based on the study and presents significant information about the components of common property. Amounts are based on normal operation and without the effect of potential catastrophic occurrences.

Components	Average Estimated Useful Lives	Average Estimated Remaining Useful Lives	Estimated Current Replacement Costs	2021 Proposed Budgeted Funding
Roofs	2 - 30 years	1 - 23 years	\$ 1,792,274	
Painting and waterproofing	7 years	0 years	272,225	
Paving	4 - 30 years	0 - 15 years	589,894	
Elevators	15 - 30 years	1 - 2 years	509,086	
Mechanical and electrical	5 - 35 years	0 - 23 years	578,745	
Building components	2 - 33 years	0 - 22 years	1,060,143	
Miscellaneous site improvements	2 - 30 years	0 - 15 years	169,044	
Furniture, fixtures and equipment	3 - 20 years	1 - 2 years	59,579	
			<u>\$ 5,030,990</u>	<u>\$ 273,600</u>

Estimated current replacement costs are based on the assumption that the rate of investment income earned on replacement funds will be 1.5% and the rate of inflation 3%.

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
SCHEDULE OF OPERATING FUND REVENUE AND EXPENSES -  
BUDGET TO ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2020

	Budget <i>(Unaudited)</i>	Actual	Variance
<b>Revenue</b>			
Maintenance fees	\$ 676,150	\$ 676,216	\$ 66
Interest	-	1,419	1,419
Late fees and interest	-	1,185	1,185
Other	-	1,825	1,825
	<u>676,150</u>	<u>680,645</u>	<u>4,495</u>
<b>Expenses</b>			
<b>Utilities</b>			
Electricity	19,000	18,482	518
Water and sewer	43,000	43,144	(144)
Refuse removal and recycling	12,500	12,352	148
Telephone	8,200	9,748	(1,548)
Cell phone	1,000	758	242
Cable television	400	-	400
Total utilities	<u>84,100</u>	<u>84,484</u>	<u>(384)</u>
<b>Building</b>			
Building maintenance	59,000	39,444	19,556
Roof repairs	10,000	49,536	(39,536)
Fountain replacement	-	47,065	(47,065)
Exercise room	500	-	500
Janitorial and building supplies	5,000	8,474	(3,474)
Elevator	42,000	44,685	(2,685)
Emergency systems	5,000	7,288	(2,288)
Fire equipment	2,000	2,436	(436)
Pool maintenance	6,000	9,312	(3,312)
Pool heat	3,500	3,507	(7)
Total building	<u>133,000</u>	<u>211,747</u>	<u>(78,747)</u>
<b>Grounds</b>			
Landscape contract	40,000	37,400	2,600
Fertilizer and exterminator	10,000	11,696	(1,696)
Sod, plantings, and rocks	20,000	23,937	(3,937)
Mulch	7,000	9,834	(2,834)
Sprinkler system	3,000	30,646	(27,646)
Tree trimming	15,000	13,780	1,220
Grounds maintenance	6,000	6,000	-
Lake maintenance	1,500	1,302	198
Total grounds	<u>102,500</u>	<u>134,595</u>	<u>(32,095)</u>

CALAIS AT PELICAN BAY CONDOMINIUM ASSOCIATION, INC.  
SCHEDULE OF OPERATING FUND REVENUE AND EXPENSES -  
BUDGET TO ACTUAL (CONTINUED)  
FOR THE YEAR ENDED MARCH 31, 2020

	<u>Budget</u> <i>(Unaudited)</i>	<u>Actual</u>	<u>Variance</u>
Administration			
Management fee	23,000	21,610	1,390
Office	5,900	7,110	(1,210)
Applications	1,000	900	100
Social activities	500	330	170
Legal	1,000	350	650
Accounting	5,800	5,607	193
Consulting fees	1,000	(180)	1,180
Fees to division	600	585	15
Licenses	750	750	-
Taxes	-	8	(8)
Insurance	180,000	195,080	(15,080)
Site personnel	137,000	142,836	(5,836)
Total administration	<u>356,550</u>	<u>374,986</u>	<u>(18,436)</u>
Total operating fund expenses	<u>676,150</u>	<u>805,812</u>	<u>(129,662)</u>
Deficiency of revenue over expenses	<u>\$ -</u>	<u>\$ (125,167)</u>	<u>\$ (125,167)</u>

Read Independent Auditor's Report.