

THE GALLEON
CONDOMINIUM APARTMENTS, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

December 31, 2018

Charles A. Krblich, P.A.
Certified Public Accountants

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Charles A. Krblich, P.A.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Board of Governors and Unit Owners of
The Galleon Condominium Apartments, Inc.

We have audited the accompanying financial statements of The Galleon Condominium Apartments, Inc. (the "Association"), which comprise the balance sheet as of December 31, 2018, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 The Galleon Condominium Apartments, Inc. as of December 31, 2018, 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.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Supplementary Information on Future Major Repairs and Replacements (Unaudited) 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.



Fort Lauderdale, Florida
March 19, 2019

The Galleon Condominium Apartments, Inc.

BALANCE SHEET

December 31, 2018

	FUNDS			
	Operating	Reserve	Special Assessment	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 644,226	\$ 19,545	\$ 493,007	\$ 1,156,778
Certificates of deposit	-	200,000	-	200,000
Accounts receivable	1,625	-	9,622	11,247
Prepaid insurance	58,690	-	-	58,690
Prepaid expenses	17,102	-	-	17,102
Due to/from other funds	234,559	842	(235,401)	-
Total current assets	956,202	220,387	267,228	1,443,817
Deposits, etc.	250	-	-	250
Total assets	\$ 956,452	\$ 220,387	\$ 267,228	\$ 1,444,067
LIABILITIES AND FUND BALANCES				
Current liabilities				
Assessments collected in advance	\$ 219,856	\$ -	\$ 157,804	\$ 377,660
Deferred revenues	15,348	-	-	15,348
Accounts payable and accrued expenses	27,561	-	-	27,561
Deferred special assessment revenue	-	-	107,676	107,676
Security deposit	1,725	-	-	1,725
Total current liabilities	264,490	-	265,480	529,970
Commitments and contingencies	-	-	-	-
Fund balances	691,962	220,387	1,748	914,097
Total liabilities and fund balances	\$ 956,452	\$ 220,387	\$ 267,228	\$ 1,444,067

See accompanying notes to the financial statements.

The Galleon Condominium Apartments, Inc.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES

Year ended December 31, 2018

	FUNDS			
	Operating	Reserve	Special Assessment	Total
Revenues:				
Maintenance assessments	\$ 1,701,544	\$ 100,025	\$ 237,046	\$ 2,038,615
Interest income	499	1,591	1,748	3,838
In-house maintenance	15,519	-	-	15,519
Rental income	91,152	-	-	91,152
Miscellaneous	23,967	-	-	23,967
Total revenues	1,832,681	101,616	238,794	2,173,091
Expenses:				
Payroll and related costs	709,567	-	-	709,567
Administrative	80,274	-	-	80,274
Contracted services	240,342	-	-	240,342
Repairs and maintenance	169,494	-	-	169,494
Contingencies	177,803	-	-	177,803
Insurance	313,912	-	-	313,912
Utilities	234,030	-	-	234,030
Elevator modernization	-	-	237,046	237,046
Total expenses	1,925,422	-	237,046	2,162,468
Excess (deficiency) of revenues over expenses	(92,741)	101,616	1,748	10,623
Fund balances at beginning of year	784,703	118,771	-	903,474
Interfund transfers	-	-	-	-
Fund balances at end of year	\$ 691,962	\$ 220,387	\$ 1,748	\$ 914,097

See accompanying notes to the financial statements.

The Galleon Condominium Apartments, Inc.

STATEMENT OF CASH FLOWS

Year ended December 31, 2018

	FUNDS			
	Operating	Reserve	Special Assessment	Total
Cash flows from operating activities:				
Cash collected from unit owners and others	\$ 2,023,712	\$ 100,387	\$ 492,904	\$ 2,617,003
Interest received	499	1,591	1,748	3,838
Cash paid to employees and suppliers	(2,020,387)	-	(237,046)	(2,257,433)
Income taxes (paid) refunded	-	-	-	-
Interest paid	-	-	-	-
Net cash provided by operating activities	3,824	101,978	257,606	363,408
Cash flows from investing activities:				
Purchase of certificates of deposit	-	(200,000)	-	(200,000)
Net cash used in investing activities	-	(200,000)	-	(200,000)
Cash flows from financing activities:				
Due to/from other funds, net change	(248,469)	13,068	235,401	-
Net cash provided by (used in) financing activities	(248,469)	13,068	235,401	-
Net increase (decrease) in cash	(244,645)	(84,954)	493,007	163,408
Cash and cash equivalents at beginning of year	888,871	104,499	-	993,370
Cash and cash equivalents at end of year	\$ 644,226	\$ 19,545	\$ 493,007	\$ 1,156,778
Reconciliation of excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
Excess (deficiency) of revenues over expenses	\$ (92,741)	\$ 101,616	\$ 1,748	\$ 10,623
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided by operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	11,282	362	(9,622)	2,022
Prepaid insurance	(47,012)	-	-	(47,012)
Prepaid expenses	(3,723)	-	-	(3,723)
Increase (decrease) in:				
Assessments collected in advance	183,917	-	157,804	341,721
Deferred revenues	(3,669)	-	-	(3,669)
Accounts payable and accrued expenses	(44,230)	-	-	(44,230)
Deferred special assessment revenue	-	-	107,676	107,676
Net cash provided by operating activities	\$ 3,824	\$ 101,978	\$ 257,606	\$ 363,408

See accompanying notes to the financial statements.

The Galleon Condominium Apartments, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE A – NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

The Galleon Condominium Apartments, Inc. (referred to as the "Condominium Association" or the "Association") was organized in 1967 as a corporation not-for-profit under Chapter 617 of the Florida Statutes. The Association was formed to administer the operations and management and to maintain and preserve the common property of The Galleon Condominium Apartments, Inc., located in Fort Lauderdale, Florida, which consists of 214 residential units.

A summary of the significant accounting policies consistently applied in the preparation of the financial statements follows.

Basis of Accounting and Reporting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as outlined in the Financial Accounting Standards Board *Accounting Standards Codification* ("ASC"). Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred. The Association presents its financial statements as separate funds based on its different funding policies for operation, deferred maintenance, major repairs and betterments, and special assessments. It is the policy of the Association to allocate to each fund interest earned on its cash accounts.

The Operating Fund reflects the operating assessments paid by unit owners to meet the regular recurring costs of operation. Expenses of the fund are limited to those connected with the day-to-day operation.

The Reserve Fund was established to comply with Section 718.112(2)(f)2 of the Florida Statutes, which covers major maintenance (roof replacement, building painting and pavement resurfacing) and reflects regular assessments paid by owners and designated for these purposes. Expenses of the fund are limited to those connected with the designated purpose.

The Special Assessments Fund reflects special assessments paid by unit owners to meet certain improvements and replacements.

Property, Equipment and Depreciation

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association.

The Galleon Condominium Apartments, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE A – CONTINUED

Property, Equipment and Depreciation – continued

Other real and personal common area property is not capitalized on the Association's financial statements but charged to expense in the appropriate fund.

Member Assessments

Prior to the beginning of the year, the Condominium Association approved a proposed budget, which sets forth the estimated operating expenses. Each unit owner was required to pay a quarterly maintenance assessment based upon the Association governing documents. The Association's policy is to retain legal counsel and place liens on the properties of the unit owners whose assessments are thirty days or more delinquent. Any excess assessments at year-end are retained by the Association for use in future years. The unit owners have prepaid \$219,856 of the 2019 assessment.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all unrestricted highly liquid investments with a partial maturity of three months or less to be cash equivalents. These include cash on deposit, cash on hand and money market funds.

Income Taxes

The Condominium Association makes an election each year to file either as a regular corporation or as a qualifying homeowners' association under Section 528 of the Internal Revenue Code. The Association's income tax filings are subject to audit by various taxing authorities. The Association's open audit periods are 2015 - 2018. In evaluating the Association's tax provisions and accruals, future taxable income, and the reversal of temporary differences, interpretations and tax planning strategies are considered. The Association believes their estimates are appropriate based on current facts and circumstances. The Association's policy on statement of revenues, expenses, and changes in fund balances classification of interest and penalties related to income tax obligations, if any, is to include such items as part of interest expense and other expense, respectively.

The Galleon Condominium Apartments, Inc.
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE A – CONTINUED

Fair Value of Financial Instruments

The Association's financial instruments are cash, accounts receivable, deferred revenues and accounts payable and accrued expenses. The recorded values of cash, accounts receivable, deferred revenues and accounts payable and accrued expenses approximate their fair value based on their short-term nature.

Allowance for Doubtful Accounts

The Association provides for estimated losses on accounts receivable based on prior bad debt experience and a review of existing receivables. Based on these factors, there is no allowance for doubtful accounts at December 31, 2018.

Date of Management Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 19, 2019. That date is the date the financial statements were available to be issued.

NOTE B – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2018, consisted of the following:

Special assessments	\$ 9,622
Work orders, due from owners	1,420
Late fees	180
Owner's miscellaneous	25
Total accounts receivable	<u>\$ 11,247</u>

NOTE C – DEFERRED REVENUES

At December 31, 2018, deferred revenues consisted of the following:

Operating Fund	
Comcast compensation agreement (see Note G)	\$ 9,477
Prepaid rent	5,871
Total deferred revenues	<u>\$ 15,348</u>
Special Assessment Fund	
Deferred special assessment revenue (see Note E)	<u>\$ 107,676</u>

The Galleon Condominium Apartments, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE D – INCOME TAXES

Condominium associations may elect to be taxed as regular corporations or as homeowners' associations. The Association anticipates electing taxation as a homeowners' association for the year ended December 31, 2018. Under that election, the Association is taxed on its nonexempt function income, such as interest earnings, at a flat rate of 30%. Exempt function income, which consists primarily of member assessments, is not taxable. Non-exempt function income may be offset by non-exempt function expenses. Utilizing the homeowners' association method of tax filing for the year ended December 31, 2018, the Association has recorded an income tax liability of \$1,011. The Association will use \$1,011 of unused general business credit carryforward to offset the liability resulting in no tax due. The Association has \$146 remaining of unused general business credit carryforward from the credit for small employer health insurance premiums which will begin expiring in 2030.

NOTE E – SPECIAL ASSESSMENTS

In July, 2018 the Board of Governor's approved a \$1,000,000 special assessment for the modernization of the four elevators. The special assessment is payable in six quarterly installments beginning September 1, 2018. For the year ended December 31, 2018, the Association billed \$344,722 of the special assessment. Expenses incurred and revenue recognized in 2018 totaled \$237,046. The unspent revenue of \$107,676 has been deferred to 2019. At December 31, 2018 unit owners have prepaid \$157,804 of the special assessment.

NOTE F – FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's major repairs and replacements fund is utilized to accumulate funds for future major repairs and replacements by an allocation of the maintenance fees assessment charged to each unit owner specifically designated for the fund in the annual budget. Deductions from the fund are recorded as costs, as incurred, which are determined by the Board to meet the objective for which the fund was established. Such assessments shall be for items including, but not limited to, roof replacement, building painting, pavement resurfacing, and for any other item for which the deferred maintenance expense or replacement cost exceeds \$10,000.

In 2018, the Association engaged an independent specialist to estimate the remaining useful lives and the current replacement costs of the components of common property and to recommend a funding policy. The Board of Governors has adopted pooled reserves. At a membership meeting held on February 1, 2018 the members voted to partially fund reserves for 2018 in the amount of \$100,025. Actual expenditures, however, 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 Galleon Condominium Apartments, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE F – CONTINUED

however, the Association has the right, subject to Board approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

Additions to the reserve fund included \$1,591 of interest income. The following table is an analysis of the activity in the major repairs and replacements fund for the year ended December 31, 2018.

Reserve Fund	Balance 1/1/2018	Additions	Expenses & Interfund Transfers	Balance 12/31/2018
Pooled	\$ 118,771	\$ 101,616	\$ -	\$ 220,387

Florida Statute requires that replacement funds be accounted for separately and be fully funded. The due to/from other funds reflects an amount of \$842 by which the reserves are under-funded; the Association intends to make the necessary transfer.

NOTE G – COMMITMENTS AND CONTINGENCIES

Maintenance Contracts and Service Agreements

The Association enters into various maintenance contracts and service agreements to cover landscaping, janitorial, elevator, and other miscellaneous items. The contracts and agreements are subject to various terms and expiration dates.

Insurance Risk

The Association carries property insurance with a maximum deductible of three percent or approximately \$1,490,000 per calendar year on damage from named storms.

Lease Agreements

The Association has entered into a lease agreement for the office copier. Rent expense for the year ended December 31, 2018 was \$4,258. Future payments under the agreement are as follows:

2019	\$3,024
2020	\$3,024
2021	\$3,024

The Galleon Condominium Apartments, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE G – CONTINUED

Bulk cable contract

On August 8, 2014, the Association entered into a non-cancelable contract for bulk cable services to the building. The agreement is for seven years, with automatic renewal periods of six months, unless either party chooses not to renew and provides a minimum of sixty days' notice prior to the end of the then current term. As a part of the agreement the Association entered into a compensation agreement, under which the vendor paid the Association a per unit compensation of \$120 for a total of \$25,680. In the event that the Association terminates the agreement without cause, it will be liable to repay a portion of the per unit compensation based upon the number of years remaining on the contract. This amount has been deferred and will be earned ratably over the seven year term. The unearned balance at December 31, 2018, is \$9,477. Future minimum payments under this agreement, net of the per unit compensation and excluding taxes and approved rate increases are as follows:

2019	\$ 83,515
2020	\$ 83,515
2021	\$ 48,717

Concentration of Credit Risk

Financial instruments which potentially subject the Association to concentrations of credit risk are primarily cash and cash equivalents and unit owner receivables. The Association invests its excess cash in both deposits and high quality short-term liquid money market instruments with major financial institutions and the carrying value approximates fair value. Deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2018, the Association had approximately \$658,000 in excess of federally insured amounts (FDIC). The Galleon Condominium Apartments, Inc. has not experienced losses related to these investments. The Association has assessed its significant credit risk on unit owner receivables and believes that all outstanding amounts will be collected.

Legal Matters

The Association is engaged in legal proceedings incidental to its normal business activities. In the opinion of management, none of these proceedings are material in relation to the Association's financial position.

The Galleon Condominium Apartments, Inc.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

NOTE H – RENTAL INCOME

The Association has entered into a lease with Verizon Wireless Personal Communication LP to rent the rooftop space of the building. The lease term was amended and renewed in November, 2014, for a period of five years, with provisions for four, five year extensions. Annual rent under this agreement is \$35,652.

The Association entered into a lease with T-Mobile South LLC to rent the rooftop space of the building. The lease commenced on June 26, 2015 and continues for a period of five years, with provisions for five, five year extensions, unless cancelled in writing prior to the expiration date. Rent for each of the renewal terms shall be an amount equal to one hundred fifteen percent of the immediately preceding term. Annual rent under the initial term is \$34,800.

The Association rents apartment 109, owned by the Association and known as the "manager's apartment". The Association entered into a one-year lease beginning June 24, 2017; the rental has continued on a month to month basis. Rental revenue recorded in 2018 under this agreement is \$20,700.

REQUIRED AND OTHER SUPPLEMENTARY INFORMATION

The Galleon Condominium Apartments, Inc.

Supplementary Information on Future Major Repairs and Replacements (Unaudited)
(Required Supplementary Information)

December 31, 2018

An independent study was conducted in June, 2018 to determine the estimated replacement costs, useful lives and estimated remaining useful lives of the components of the reserve for replacement and to recommend a funding policy. The information in the table below presents the component funding model based on this study using an assumed inflation rate of 3% and interest rate of 2%. Actual expenditures may differ from these estimated amounts and the variations may be material. The unit owners have voted to partially fund of the reserve for replacement for 2018. If additional funds are needed, the Association has the right to increase regular assessments, pass special assessments or delay major repairs and replacements until funds are available.

The following table presents the significant information about the components of common property.

Components	Useful Life (Years)	Remaining Useful Lives (Years)	Estimated Current Replacement Costs	Amount of annual funding required to fully fund component	Component Balance 12/31/2018
Painting	8	1	\$ 500,000	\$ -	\$ -
Pool equipment	25	1	80,000	-	-
Pool refinish	7	-	10,000	-	-
Interior furnishings	10	-	280,000	-	-
Common area air handlers	12	2	77,000	-	-
Elevator cabs	15	-	80,000	-	-
Elevator equipment	20	4	1,050,000	-	-
Fire alarm	15	5	16,000	-	-
Fire pump	25	-	42,000	-	-
Generator	25	23	75,000	-	-
HVAC tower	25	13	230,000	-	-
Security system	10	4	10,000	-	-
Balcony railings	12	1	200,000	-	-
Balcony restoration	15	7	105,000	-	-
Concrete restoration	40	-	400,000	-	-
Electronic key system	15	8	150,000	-	-
Roof	25	2	560,000	-	-
Pavers	25	13	57,000	-	-
Planters	15	8	16,000	-	-
Pool deck	25	-	25,000	-	-
Pooled reserves			-	3,269,419	220,387
			<u>\$ 3,963,000</u>	<u>\$ 3,269,419</u>	<u>\$ 220,387</u>

Charles A. Krblich, P.A.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT
ON OTHER SUPPLEMENTARY INFORMATION

To the Board of Governors and Unit Owners of
The Galleon Condominium Apartments, Inc.

We have audited the financial statements of The Galleon Condominium Apartments, Inc. as of and for the year ended December 31, 2018, and our report thereon dated March 19, 2019, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Supplementary Schedule of Expenses – Operating Fund (Unaudited), which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information 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.

Handwritten signature of Charles A. Krblich, P.A. in blue ink.

Fort Lauderdale, Florida
March 19, 2019

The Galleon Condominium Apartments, Inc.

Supplementary Schedule of Expenses - Operating Fund (Unaudited)

Year ended December 31, 2018

Payroll and related costs:

Administrative	\$	104,444
Security		222,567
Maintenance		165,967
Housekeeping		116,157
Payroll taxes		50,159
Fees and expenses		5,425
Health, dental and life insurance		33,141
Uniforms		11,707
Total payroll and related costs	\$	<u>709,567</u>

Administrative:

Office expense	\$	4,404
Printing and postage		2,638
Screening		1,863
Legal		14,825
Accounting		9,265
Bad debt		155
Miscellaneous		39,587
Computer software and maintenance		500
Board meeting expense		117
Fees and permits		3,670
Professional fees		3,250
Total administrative	\$	<u>80,274</u>

Contracted services:

Cable	\$	103,320
PC Support		6,322
Web hosting		2,419
Internet services		1,719
Odor control trash		1,919
Pool and fountain service		4,800
Trash		19,950
Water treatment cooling tower		4,541
Elevator		24,284
Pest control		14,215
Postage meter		1,351
Copier lease		4,258
Generator		541
Interior plant maintenance - lobby		2,018
Air conditioner		13,200

The Galleon Condominium Apartments, Inc.

Supplementary Schedule of Expenses - Operating Fund (Unaudited)

Year ended December 31, 2018

Contracted services - continued:

Fire alarm/life safety	8,214
Floor maintenance	3,560
Landscape maintenance	15,498
Beach cleaning	3,953
Beach patrol	4,260
Total contracted services	\$ <u>240,342</u>

Repairs and maintenance:

Repairs and maintenance	\$ 36,699
Air conditioning	1,342
Paint supplies	4,184
Elevator	49
Electrical	160
Electrical: fire safety	19,212
Pool supplies and repairs	11,146
Janitorial supplies	8,026
Plumbing supplies	7,393
Signage	673
Tools, hardware and equipment	6,014
Outdoor furniture	31,071
Trash chutes	1,696
Landscape extras	14,690
Lighting supplies	4,951
Security	10,860
Generator	6,522
Fitness equipment and supplies	4,806
Total repairs and maintenance	\$ <u>169,494</u>

Contingencies:

Concrete restoration	\$ 134,965
External fire doors - phase 1	153
Electrical equipment/wiring access	34,800
Electrical panel short	5,000
Roof repair	2,885
Total contingencies	\$ <u>177,803</u>

The Galleon Condominium Apartments, Inc.

Supplementary Schedule of Expenses - Operating Fund (Unaudited)

Year ended December 31, 2018

Insurance:

Building	\$	300,419
Workers compensation		13,493
Total insurance	\$	<u>313,912</u>

Utilities:

Electricity	\$	95,507
Water and sewer		122,572
Telephone		6,135
Gas/fuel		9,816
Total utilities	\$	<u>234,030</u>