

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.

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ALPERIN & BERNER
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Strathmore Court Homeowners' Association, Inc.
Coram, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Strathmore Court Homeowners' Association, Inc., which comprise the comparative statements of assets, liabilities and fund balances as of December 31, 2018 and 2017, and the related comparative statements of revenues, expenses and changes in funds balances and comparative statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Comparative Financial Statements

Management is responsible for the preparation and fair presentation of these comparative 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 comparative 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 comparative 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 comparative financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the comparative financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the comparative 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 comparative 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 comparative 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 comparative financial statements referred to above present fairly, in all material respects, the financial position of Strathmore Court Homeowners' Association, Inc., as of December 31, 2018, and 2017, 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.

Other Matter

The financial statements of the Strathmore Court Homeowners' Association, Inc., as of December 31, 2017, were audited by other auditors whose report dated March 6, 2018 expressed an unmodified opinion on those statements.

Management has omitted the presentation of the estimates of future costs of major repairs and replacements that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by the missing information.

Alperin & Berner

Alperin & Berner
Certified Public Accountants
Smithtown, New York

March 15, 2019

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCES
DECEMBER 31, 2018 and 2017

| | 2018 | | | 2017 | | |
|---------------------------------------------------------|-------------------|--------------------------------------|---------------------|--------------------|--------------------------------------|-------------------|
| | Operating Fund | Reserve Fund | Total | Operating Fund | Reserve Fund | Total |
| | | ASSETS | | | ASSETS | |
| Assets: | | | | | | |
| Cash and cash equivalents | \$ 118,208 | \$ - | \$ 118,208 | \$ 79,900 | \$ - | \$ 79,900 |
| Cash - money market, common area funds | - | 137,551 | 137,551 | - | 85,845 | 85,845 |
| Cash - money market, capital improvement funds | - | 44,635 | 44,635 | - | 53,887 | 53,887 |
| Mutual fund investments, common area funds | - | 429,013 | 429,013 | - | 427,249 | 427,249 |
| Mutual fund investments, capital improvement fund | - | 73,791 | 73,791 | - | 73,363 | 73,363 |
| Homeowners' receivables (net of allowance) | 36,166 | - | 36,166 | 25,944 | - | 25,944 |
| Prepaid expenses | 4,281 | - | 4,281 | 7,103 | - | 7,103 |
| Due from operating fund | - | 131,997 | 131,997 | - | 181,997 | 181,997 |
| Total current assets | \$ 158,655 | \$ 816,987 | \$ 975,642 | \$ 112,947 | \$ 822,341 | \$ 935,288 |
| Fixed assets - furniture, fixtures and equipment | \$ - | \$ 151,000 | \$ 151,000 | \$ - | \$ 143,548 | \$ 143,548 |
| Less - accumulated depreciation | - | (104,330) | (104,330) | - | (99,408) | (99,408) |
| Total fixed assets | \$ - | \$ 46,670 | \$ 46,670 | \$ - | \$ 44,140 | \$ 44,140 |
| Total assets | \$ 158,655 | \$ 863,657 | \$ 1,022,312 | \$ 112,947 | \$ 866,481 | \$ 979,428 |
| | | LIABILITIES AND FUND BALANCES | | | LIABILITIES AND FUND BALANCES | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 17,059 | \$ - | \$ 17,059 | \$ 20,835 | \$ - | \$ 20,835 |
| Common charges paid in advance | 13,779 | - | 13,779 | 6,508 | - | 6,508 |
| Due to reserve fund | 131,997 | - | 131,997 | 181,997 | - | 181,997 |
| Total current liabilities | \$ 162,835 | \$ - | \$ 162,835 | \$ 209,340 | \$ - | \$ 209,340 |
| Commitments and contingencies | | | | | | |
| Fund Balances | | | | | | |
| Operating fund | \$ (4,180) | \$ - | \$ (4,180) | \$ (96,393) | \$ - | \$ (96,393) |
| Reserve fund | - | 863,657 | 863,657 | - | 866,481 | 866,481 |
| Total fund balance | \$ (4,180) | \$ 863,657 | \$ 859,477 | \$ (96,393) | \$ 866,481 | \$ 770,088 |
| Total liabilities and fund balances | \$ 158,655 | \$ 863,657 | \$ 1,022,312 | \$ 112,947 | \$ 866,481 | \$ 979,428 |

The accompanying footnotes and independent auditor's report are an integral part of these financial statements

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

| | 2018 | | 2017 | |
|----------------------------------------------|---------------------|-------------------|-------------------|-------------------|
| | Operating Fund | Reserve Fund | Operating Fund | Reserve Fund |
| Revenues: | | | | |
| Homeowners' common charges | \$ 916,163 | \$ 99,000 | \$ 837,348 | \$ 85,800 |
| Finance and late charges | - | - | 19,575 | - |
| Interest and dividend income | - | 16,617 | - | 15,262 |
| Legal fee recovery | 64,145 | - | 26,308 | - |
| Clubhouse rental and other income | 33,528 | - | 7,037 | - |
| Total Revenues | \$ 1,013,836 | \$ 115,617 | \$ 890,268 | \$ 101,062 |
| | | | | |
| | | | | |
| Operating expenses: | | | | |
| Community maintenance | \$ 529,015 | \$ 4,430 | \$ 518,773 | \$ - |
| Clubhouse | 65,067 | 492 | 56,759 | - |
| Pool and recreation | 47,536 | - | 47,125 | - |
| General and administrative | 280,005 | - | 229,869 | - |
| Total Expenses | \$ 921,623 | \$ 4,922 | \$ 852,526 | \$ - |
| | | | | |
| | | | | |
| Excess of Revenues over Expenses | | | | |
| Before Major Repairs and Replacements | \$ 92,213 | \$ 110,695 | \$ 37,742 | \$ 101,062 |
| | | | | |
| Major Repairs and Replacements | | | | |
| Clubhouse and tennis court renovations | - | - | - | 10,485 |
| Siding project | - | - | - | 60,000 |
| Sealing project | - | 91,727 | - | - |
| Fire alarm | - | 8,765 | - | - |
| Net Income | \$ 92,213 | \$ 10,203 | \$ 37,742 | \$ 30,577 |
| Unrealized loss | - | (13,027) | - | (5,821) |
| Comprehensive Income (Loss) | \$ 92,213 | \$ (2,824) | \$ 37,742 | \$ 24,756 |
| Beginning Fund Balance | (96,393) | 866,481 | (134,135) | 841,725 |
| Ending Fund Balance | \$ (4,180) | \$ 863,657 | \$ (96,393) | \$ 866,481 |

The accompanying footnotes and independent auditor's report are an integral part of these financial statements

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

| | 2018 | | | 2017 | | |
|-----------------------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | Operating Fund | Reserve Fund | Total | Operating Fund | Reserve Fund | Total |
| Cash flows from operating activities: | | | | | | |
| Comprehensive income (loss) | \$ 92,213 | \$ (2,824) | \$ 89,389 | \$ 37,742 | \$ 24,756 | \$ 62,498 |
| Adjustments to reconcile comprehensive income (loss) to net cash provided by operating activities: | | | | | | |
| Depreciation | - | 4,922 | 4,922 | - | 7,833 | 7,833 |
| Changes in assets and liabilities: | | | | | | |
| Change in homeowners' receivables (net of allowance) | (10,222) | - | (10,222) | 17,393 | - | 17,393 |
| Change in prepaid expenses | 2,822 | - | 2,822 | (2,983) | - | (2,983) |
| Change in due from operating fund | - | 50,000 | 50,000 | - | (1,855) | (1,855) |
| Change in accounts payable | (3,776) | - | (3,776) | 9,899 | - | 9,899 |
| Change in common charges paid in advance | 7,271 | - | 7,271 | (1,501) | - | (1,501) |
| Change in due to reserve fund | (50,000) | - | (50,000) | 1,855 | - | 1,855 |
| Net cash provided by operating activities | <u>\$ 38,308</u> | <u>\$ 52,098</u> | <u>\$ 90,406</u> | <u>\$ 62,405</u> | <u>\$ 30,734</u> | <u>\$ 93,139</u> |
| Cash flows used in investing activities: | | | | | | |
| Purchase of equipment | - | (7,452) | (7,452) | - | (5,980) | (5,980) |
| Net cash used in investing activities | <u>\$ -</u> | <u>\$ (7,452)</u> | <u>\$ (7,452)</u> | <u>\$ -</u> | <u>\$ (5,980)</u> | <u>\$ (5,980)</u> |
| Increase (decrease) in cash | <u>\$ 38,308</u> | <u>\$ 44,646</u> | <u>\$ 82,954</u> | <u>\$ 62,405</u> | <u>\$ 24,754</u> | <u>\$ 87,159</u> |
| Cash and cash equivalents - beginning of year | <u>79,900</u> | <u>640,344</u> | <u>720,244</u> | <u>17,495</u> | <u>615,590</u> | <u>633,085</u> |
| Cash and cash equivalents - end of year | <u>\$ 118,208</u> | <u>\$ 684,990</u> | <u>\$ 803,198</u> | <u>\$ 79,900</u> | <u>\$ 640,344</u> | <u>\$ 720,244</u> |
| Supplemental Information: | | | | | | |
| Income taxes | <u>\$ 3,519</u> | <u>\$ -</u> | <u>\$ 3,519</u> | <u>\$ 4,337</u> | <u>\$ -</u> | <u>\$ 4,337</u> |

The accompanying notes to financial statements and accountants' report are an integral part of this report

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 1. Nature of Organization

Strathmore Court Homeowners' Association, Inc. (the "Association") was organized under Section 402 of the Not-For-Profit Corporation Law on May 23, 1973. The Association provides certain services to 440 residential units within the community, including maintenance of clubhouse, grounds, and related facilities. This was accomplished in 2018 and 2017 through the use of a management company. Common charges are assessed on homeowners through the Association to pay for the common area costs.

Note 2. Summary of Significant Accounting Policies

Fund Accounting

The Association's governing documents provide certain guidelines for governing its financial activities. 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. The operating fund derives its revenue from common charges made on a monthly basis to all unit owners. All expenses related to management, maintenance of common area grounds, operations of the clubhouse, recreation facilities, and activities of the Association are paid from this fund.

Reserve Fund – This fund represents expendable resources, including principal and income, which have been restricted for specific purposes by the Board of Directors. These funds must be used in accordance with Board of Directors directives and restrictions. The reserve fund is subdivided into two funds; a common area fund and a capital improvements fund.

The purpose of the reserve is to provide funding for major future repairs and replacements and for unexpected contingencies of a capital nature. It is planned that the Reserve Fund will derive its revenue principally from a general allocation from the Operating Fund, and interest earned thereon, are kept in separate bank and/or investment accounts.

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 reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Association considers all short-term investments with an original maturity of three months or less to be cash equivalents.

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 thirty days or more delinquent. Any excess assessments at year-end are retained by the Association for use in the succeeding year.

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 2. Summary of Significant Accounting Policies (continued):

Long-lived Assets

Accounting Standard Codification 360-10 "Accounting for the Impairment of Long-lived Assets and Long-lived Assets to be Disposed of" requires long-lived assets to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Management believes that no impairment has occurred.

Furniture, Fixtures and Equipment

Furniture, fixtures and equipment are stated at cost less accumulated depreciation. Depreciation of real and personal property is computed using the straight-line method over their estimated useful lives of 5 to 10 years. Equipment and improvements that constitute part of the commonly owned properties are charged directly to operations or to the reserve fund.

Income Taxes

Homeowners' associations may be taxed either as homeowners' associations or as regular Corporation. For the year ended December 31, 2018, the Association has elected to be taxed as a Homeowners Association under Section 528 of the Internal Revenue Code. This election allows the Association to take advantage of certain tax benefits.

The Financial Accounting Standards Board ("FASB") issued the Accounting Standards Codification (ASC) to serve as the single source of authoritative Generally Accepted Accounting Principles ("GAAP").

FASB released FASB Interpretation No 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48") which is now recognized as ASC740. ASC 740 provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Association's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained upon examination by the applicable tax authority.

Tax positions that are not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year; and are applied to all open tax years as of the effective date.

Based on its continued analysis, the Board of Directors has determined that the adoption of ASC 740 is not applicable to the Association's financial statements as there are no positions taken that would require recording a tax expense. However, the Board of Director's conclusions regarding ASC 740 may be subject to review and adjustment at a later date based on the on-going analysis of tax laws, regulations and interpretations thereof and other factors.

Note 3. Concentration of Credit Risk

The Association has concentrated its credit risk for cash by maintaining deposits in various financial institutions, which may at times exceed amounts covered by insurance provided by the U.S. Federal Insurance Corporation (the "FDIC"). The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 4. Fair Value Measurements and Disclosure

FASB ASC 820 provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 inputs are unobservable and are typically based on the Association's own assumptions, including situations where there is little, if any, market activity.

The following tables present the Association's financial assets measured at fair value on a recurring basis as of December 31, 2018 and 2017 classified by fair value hierarchy:

| <u>Asset Category</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|-----------------------|--------------------|----------------|----------------|-------------------|
| | <u>2018</u> | | | |
| Short term bond fund | \$ <u>502,804</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>502,804</u> |
| | <u>2017</u> | | | |
| Short term bond fund | \$ <u>500,612</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>500,612</u> |

Note 5. Assessments Receivable

Assessments receivable consists of delinquent amounts due from residents at the balance sheet date. As of December 31, 2018 and 2017, assessments receivable were \$223,470 and \$162,895, respectively. There is an allowance for doubtful accounts of \$187,304 and \$136,951 for December 31, 2018 and 2017 respectively.

December 2018 and 2017, prepaid maintenance fees were \$13,779 and \$6,508, respectively.

Note 6. Furniture, Fixtures and Equipment

The details of furniture, fixtures and equipment as of December 31, are as follows:

| | | |
|-----------------------------------|--------------------|--------------------|
| | <u>2018</u> | <u>2017</u> |
| Furniture, fixtures and equipment | \$ 151,000 | \$ 143,548 |
| Less: accumulated depreciation | <u>104,330</u> | <u>99,408</u> |
| | \$ <u>46,670</u> | \$ <u>44,140</u> |

Depreciation expense for 2018 and 2017 was \$4,922 and \$7,833, respectively.

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

Note 7. Common charges

Common charges:

Common charges are based on an annual budget as adopted by the Board of Directors. Excess common charges at the end of the year are retained by the Association for use in the succeeding year or years.

There is a \$10 fee increase scheduled for the 2019 common charges.

Common fund contributions were \$78,000 and \$66,000 for December 31, 2018 and 2017, respectively.

Project fund contributions were \$21,000 and \$19,800 for December 31, 2018 and 2017, respectively.

Note 8. Future Repairs and Replacements

The Association has accumulated funds for future repairs and replacements in separate investment accounts. These funds are not restricted and may be used for operations. If additional funds are needed to meet future repairs or replacement costs, the Board of Directors has the right to increase regular common charges, pass special assessments, borrow funds or delay the major repair or replacement until the funds are available.

The Board of Directors has not conducted a study to determine the remaining useful lives of the components of common property and estimates of costs of major repairs and replacements that may be required in the future. Rather, cost estimates are obtained from contractors as needed. The effect on future assessments has not been determined at this time.

Note 9. Interfund Transfers

Amounts included in inter-fund transfers represent amounts actually transferred between funds, in addition to amounts paid or received by one fund on behalf of another fund, for which the monies may not actually be transferred.

Note 10. Commitments and Contingencies

At December 31, 2018 the Association was obligated under the following annual contracts:

| | |
|------------------------|--------------------|
| Management contract | \$ 60,000 per year |
| Landscape contract | 175,000 per year |
| Lawn chemical contract | 50,000 per year |
| Pool contract | 47,000 per year |
| Audit contract | 5,800 per year |

Note 10. Subsequent Events

The Financial Accounting Standards Board (FASB) issued guidance in ASC 855 establishing general standards for accounting and disclosure of events occurring subsequent to the date of the statement of assets, liabilities and fund balances. The Association has evaluated subsequent events through March 15, 2019 the date on which the financial statements were available to be issued.

ALPERIN & BERNER

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

The Board of Directors
Strathmore Court Homeowners' Association, Inc.
Coram, New York

We have audited the financial statements of Strathmore Court Homeowners' Association, Inc. as of and for the years ended December 2018 and 2017, and our report thereon dated March 15, 2019, which expressed an unmodified opinion on those financial statements appears on pages one and two. Our audit was performed for the purposes of forming an opinion on the financial statements as a whole. The Supplementary Information on the Schedule of Community Maintenance Expenses, Clubhouse Expenses, Pool and Recreation Expenses and General and Administrative Expenses for the years ended December 31, 2018 and 2017, 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 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 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.

Alperin & Berner

Alperin & Berner
Certified Public Accountants
Smithtown, New York

March 15, 2019

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
SUPPLEMENTAL SCHEDULES
DECEMBER 31, 2018 and 2017

| | 2018 | 2017 |
|---------------------------------------|-------------------|-------------------|
| COMMUNITY MAINTENANCE EXPENSES | | |
| Grounds Maintenance: | | |
| Landscape labor contract | \$ 205,000 | \$ 194,170 |
| Strom cleanup | 14,425 | - |
| Depreciation | 4,430 | 6,686 |
| Seed, soil and other supplies | - | 2,507 |
| Chemical contract | 41,543 | 40,246 |
| Grounds/tree removal | 26,396 | 19,118 |
| Other labor | - | 720 |
| Building Maintenance: | | |
| Electric | 66 | 871 |
| Repairs, supplies and small tools | 932 | - |
| Common Areas Maintenance: | | |
| Materials, supplies and other | - | 2,019 |
| Sprinkler, irrigation system | 96,875 | 98,858 |
| Truck, gas and repairs | 2,088 | 1,319 |
| Concrete, paving and sealing | 13,578 | 24,361 |
| Payroll, staff | 58,218 | 59,745 |
| Payroll taxes and related costs | 5,047 | 10,891 |
| Roofing and siding and other repairs | 8,720 | 10,061 |
| Water | 56,127 | 47,201 |
| | \$ 533,445 | \$ 518,773 |

The accompanying footnotes and independent auditor's report are an integral part of these financial statements

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
SUPPLEMENTAL SCHEDULES
DECEMBER 31, 2018 and 2017

| | 2018 | 2017 |
|----------------------------------------|-----------|-----------|
| CLUBHOUSE EXPENSES | | |
| Utilities | | |
| Electric and cable | \$ 16,477 | \$ 14,661 |
| Gas | 9,518 | 5,249 |
| Repairs and maintenance | | |
| Exterminating | 1,375 | 652 |
| Plumbing, heating and air conditioning | 1,251 | 2,528 |
| Snow removal | 5,600 | 3,925 |
| Alarm monitoring and electric | 12,945 | 13,979 |
| Exercise equipment | 2,034 | 1,080 |
| Cleaning supplies | 12,191 | 8,425 |
| Refuse removal | 3,496 | 3,005 |
| Supplies and miscellaneous | 180 | 1,879 |
| Painting | - | 634 |
| Depreciation | 492 | 742 |
| | \$ 65,559 | \$ 56,759 |
| POOL AND RECREATION EXPENSES | | |
| Materials, supplies and other | 46,709 | 43,450 |
| Minor repairs | 174 | 174 |
| Social activity | 597 | - |
| Furniture and equipment | - | 2,358 |
| Committee | 56 | 1,143 |
| | \$ 47,536 | \$ 47,125 |

The accompanying footnotes and independent auditor's report are an integral part of these financial statements

STRATHMORE COURT HOMEOWNERS' ASSOCIATION, INC.
SUPPLEMENTAL SCHEDULES
DECEMBER 31, 2018 and 2017

| | 2018 | 2017 |
|-------------------------------------------------|-------------------|-------------------|
| GENERAL AND ADMINISTRATIVE | | |
| Audit and accounting | \$ 5,800 | \$ 5,800 |
| Auto and travel | 1,573 | 1,575 |
| Bad debt | 69,696 | 59,896 |
| Bank service charges | - | 96 |
| Data processing and supplies | 3,026 | 2,833 |
| Dues and permits | 1,982 | 132 |
| Insurance | 39,835 | 40,744 |
| Legal | 72,852 | 33,710 |
| Management | 66,000 | 66,000 |
| Miscellaneous | 525 | 1,186 |
| Postage | 2,367 | 1,616 |
| Repair and maintenance, equipment and contracts | 2,109 | 3,463 |
| Stationery, printing and office | 9,282 | 7,092 |
| Telephone | 1,439 | 1,339 |
| Income tax | 3,519 | 4,387 |
| | \$ 280,005 | \$ 229,869 |

The accompanying footnotes and independent auditor's report are an integral part of these financial statements