

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2023



Gerstle, Rosen & Goldenberg, P.A.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Directors and Unit Owners
High Point of Delray Beach Condominium Association Section 2, Inc.

Dear Members:

Opinion

We have audited the accompanying financial statements of High Point of Delray Beach Condominium Association Section 2, Inc., which comprise the balance sheet as of December 31, 2023, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of High Point of Delray Beach Condominium Association Section 2, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of High Point of Delray Beach Condominium Association Section 2, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Effect of Adopting New Accounting Standard

As discussed in Note 3 to the financial statements, as of January 1, 2023, the Association adopted Financial Accounting Standards Board ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which supersedes accounting standards that currently exist under GAAP and provides a methodology for measuring credit losses that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The standard also requires Association's to disclose additional information, including expanded credit quality disclosures. The Association will be required to apply the expected credit loss model for accounts receivable, loans, and other financial instruments. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about High Point of Delray Beach Condominium Association Section 2, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 High Point of Delray Beach Condominium Association Section 2, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about High Point of Delray Beach Condominium Association Section 2, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 performed for the purpose of forming an opinion on the financial statements as a whole. The Detailed Statement of Operating Revenues and Expenses Budget Comparison is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of 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 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.

Gerstle, Rosen & Goldenberg, P.A.

Gerstle, Rosen & Goldenberg, P.A.
Certified Public Accountants
Boca Raton, Florida

November 8, 2024

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

BALANCE SHEET

December 31, 2023

	OPERATING FUND	REPLACEMENT FUND	TOTAL
ASSETS			
Cash and Cash Equivalents	\$ 335,063	\$ 1,222,053	\$ 1,557,116
Certificate of Deposit		508,337	508,337
Accounts Receivable, Net of Allowance For Credit Losses of \$ 2,956	21,140		21,140
Accounts Receivable - Blue Stream	41,400		41,400
Prepaid Insurance	151,793		151,793
Due To/From Funds	7,080	(7,080)	
TOTAL ASSETS	\$ 556,476	\$ 1,723,310	\$ 2,279,786
LIABILITIES AND FUND BALANCES			
Accrued Expenses	\$ 3,000	\$	\$ 3,000
Prepaid Maintenance Fees	44,157		44,157
Deferred Cable Income	80,730		80,730
Contract Liability - Deferred Reserves		1,628,842	1,628,842
TOTAL LIABILITIES	127,887	1,628,842	1,756,729
Fund Balances	428,589	94,468	523,057
TOTAL LIABILITIES AND FUND BALANCES	\$ 556,476	\$ 1,723,310	\$ 2,279,786

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES**

Year Ended December 31, 2023

	OPERATING FUND	REPLACEMENT FUND	TOTAL
REVENUES			
Maintenance Fees	\$ 1,121,354	\$ 38,925	\$ 1,160,279
Special Assessment	300,012		300,012
Interest Income	2,986	25,434	28,420
Late Fees	2,275		2,275
Admin Fees	7,900		7,900
Laundry Income	4,500		4,500
Cable Income	2,070		2,070
Miscellaneous Income	400		400
TOTAL REVENUES	1,441,497	64,359	1,505,856
EXPENSES			
Insurance	443,924		443,924
Landscaping	102,639		102,639
Maintenance	106,300		106,300
Administrative	29,562		29,562
Office	2,214		2,214
Admin Services	108,796		108,796
Pool	9,675		9,675
Professional Fees	18,376		18,376
Utilities	394,329		394,329
Payroll Taxes	9,021		9,021
Reserve Expenditures		38,925	38,925
TOTAL EXPENSES	1,224,836	38,925	1,263,761
EXCESS REVENUES (EXPENSES)	216,661	25,434	242,095
FUND BALANCES - BEGINNING	211,928	69,034	280,962
FUND BALANCES - ENDING	\$ 428,589	\$ 94,468	\$ 523,057

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

STATEMENT OF CASH FLOWS

Year Ended December 31, 2023

	OPERATING FUND	REPLACEMENT FUND	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
EXCESS REVENUES (EXPENSES)	\$ 216,661	\$ 25,434	\$ 242,095
ADJUSTMENTS TO RECONCILE EXCESS REVENUES (EXPENSES) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
DECREASE (INCREASE) IN ASSETS:			
Accounts Receivable - Net of Allowance	(6,116)		(6,116)
Accounts Receivable - Blue Stream	(41,400)		(41,400)
Prepaid Insurance	(117,696)		(117,696)
Due To/From Funds	1,958	(1,958)	
INCREASE (DECREASE) IN LIABILITIES:			
Accrued Expenses	(1,300)		(1,300)
Payroll Taxes Payable	(256)		(256)
Prepaid Maintenance Fees	20,520		20,520
Deferred Cable Income	80,730		80,730
Contract Liability - Deferred Reserves		222,075	222,075
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	153,101	245,551	398,652
CASH FLOWS FROM INVESTING ACTIVITIES:			
Certificate of Deposit		(508,337)	(508,337)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	0	(508,337)	(508,337)
NET INCREASE (DECREASE) IN CASH	153,101	(262,786)	(109,685)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	181,962	1,484,839	1,666,801
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 335,063	\$ 1,222,053	\$ 1,557,116

The Accompanying Notes Are An Integral Part Of This Financial Statement.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

1. ORGANIZATION

High Point of Delray Beach Condominium Association Section 2, Inc. is a statutory condominium association incorporated on June 6, 1971, in the State of Florida. The Association is responsible for the operation and maintenance of the common property of High Point of Delray Beach Condominium Association Section 2, Inc. and consists of 276 units located in Delray Beach, Florida.

2. DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through November 8, 2024, the date that the financial statements were available to be issued.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Association uses the accrual method of accounting, i.e., revenues are recognized as earned and expenses are recorded in the period in which they are incurred.

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.

Replacement 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 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.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments plus late fees and other charges, if applicable, from association members. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent according to its collection policy. The balances of assessments receivable as of the beginning and end of the year are \$15,024 and \$21,140, respectively.

The Association treats uncollectible assessments and other charges as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include closely monitoring of outstanding assessment balances by management, member payment history of outstanding assessment balances, and susceptibility to factors outside the Association's control. In the event that the Association does not prevail against homeowners with delinquent assessments, an allowance for credit losses of \$2,956 has been established as of the date of the Balance Sheet.

Contract Liability (Assessments received in advance - Replacement Fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance – Replacement Fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments. The balances of contract liability (assessments received in advance – Replacement Fund) as of the beginning and end of the year are \$1,406,767 and \$1,628,842, respectively. (See Note #4)

Cash and Cash Equivalents

For presentation purposes, cash and cash equivalents consists of checking and money market accounts.

Certificates of Deposit

The Association holds certificates of deposit totaling \$508,337, bearing various interest rates. These certificates have original maturities of greater than 90 days, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Real property and common area property 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 owners in common and not by the Association. Capital Expenditures are charged to the designated funds. Generally, personal property purchased by the Association is expensed.

Use of Estimates

The Association uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Fair Value Measurement

Under FASB ASC 820, *Fair Value Measurements and Disclosures*, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

The Association has determined that there was no material difference between the carrying value and fair value of its financial assets and liabilities at December 31, 2023; therefore, no adjustment for the effect of FASB ASC 820 was made to the Association's financial statements at December 31, 2023.

Adoption of FASB ASU 2016-13 and Related Standards

Effective January 1, 2023, the Association adopted FASB ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses on certain financial instruments. The Association adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Association's financial statements but did change how the allowance for credit losses is determined.

4. FUTURE MAJOR REPAIRS AND REPLACEMENTS

Florida Statutes provide that each proposed budget include provisions for reserves for capital improvements and deferred maintenance. These accounts, if adopted, are restricted to their intended purpose unless modified by a qualified unit owner vote. In addition, any special assessments adopted are also restricted to their specific purpose.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2023

4. FUTURE MAJOR REPAIRS AND REPLACEMENTS (Continued)

The approved budget includes provisions for reserves for capital improvements and deferred maintenance. At a duly constituted meeting, the Association elected to partially waive reserve funding for the current fiscal year based on a study conducted by an independent reserve study specialist in August, 2022 to estimate the remaining useful lives and the replacement costs of the common property components, as disclosed in the Supplementary Information. Actual expenditures, however, may vary from the estimated amounts, and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, the Association has the right to increase regular assessments levy special assessments, or delay major repairs and replacements until funds are available.

The balance of the Replacement Fund at December 31, 2023, consists of the following:

COMPONENTS	BALANCE 12/31/2022	INTEREST/ ASSESSMENTS	PRIOR PERIOD ADJUSTMENT	EXPENDITURES	BALANCE 12/31/2023
Roofing	\$1,046,350	\$210,000	\$0	(\$3,000)	\$1,253,350
Paving	286,199	24,000	0	0	310,199
Painting	(19,149)	21,000	0	0	1,851
Pool	45,947	6,000	0	(35,925)	16,022
Water Services	47,420	0	0	0	47,420
SUB-TOTAL CONTRACT LIABILITY - DEFERRED RESERVES	1,406,767	261,000	0	(38,925)	1,628,842
Fund Balance - Unallocated Interest	69,034	25,434	0	0	94,468
TOTAL LIABILITIES AND FUND BALANCE	\$1,475,801	\$286,434	\$0	(\$38,925)	\$1,723,310

The Association does not allocate interest earned on the replacements fund to specific replacement components as earned, but does so periodically depending on projected requirements.

Florida Statute allows commingling of operating and replacement funds if the replacement funds are accounted for separately and fully funded.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2023

5. SPECIAL ASSESSMENT

On July 24, 2023, the Board of Directors approved a special assessment in the amount of \$300,012 billed in accordance with each owners' respective percentage of common ownership. The special assessment provided funding for increased insurance costs for the current year. Association members had the option to pay their share of the special assessment in full on September 15, 2023 or in two (2) equal installments commencing on September 15, 2023.

6. INCOME TAXES

The Association is subject to federal and state taxation and has essentially two methods to determine the amount of tax, if any, it must pay. Under one method, the excess of revenues from members over related expenditures is subject to taxation unless such excess is returned to the unit owners or applied to the following year's assessments (Section 277 of the Internal Revenue Code). The other method enables the Association to elect to exclude from taxation "exempt function income," (Section 528 of the Internal Revenue Code), which generally consists of revenue from unit owner assessments. Under either method, the Association may be subject to tax on investment income and other non-exempt income, but at different rates.

The Association will file its 2023 federal income tax return on Form 1120H under Section 528 of the Internal Revenue Code.

There is no current year provision for income taxes.

The Association has evaluated its tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the Income Taxes Topic of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC").

The Association has no income tax returns under examination by the Internal Revenue Service. The Association believes it is no longer subject to income tax examinations for years prior to 2020.

7. CONCENTRATION OF CREDIT RISK

As of December 31, 2023, the Association maintained cash and cash equivalent balances which exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Association has not experienced any losses related to these cash balances and believes it is not exposed to any significant risk on these accounts.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

**NOTES TO FINANCIAL STATEMENTS
Continued**

December 31, 2023

8. COMMITMENTS

The Association has various contract services to maintain the common property including cable television service, common area landscaping, pool service, trash service, and pest control. These contracts have different expiration dates and renewal terms.

9. DEFERRED CABLE INCENTIVE INCOME

As of October 1, 2023, the Board of Directors entered into a new 10-year contract with Blue Stream Communication, LLC, paid the Association \$82,800 as a signing incentive for the contract.

The Association elected to recognize this income over the life (10 years) of the cable contract starting in October 1, 2023 at a rate of \$8,280 per year. The unrecognized portion of this income is reflected on the balance sheet as Deferred Cable Incentive. As of December 31, 2023, the remaining balance is \$80,730.

10. CONTINGENCIES

Insurance Deductible

The current property insurance policy contains a deductible for hurricane damage. Should the Association incur an uninsured loss, the Association has the right to increase maintenance fees, pass a special assessment or delay repairs until funds are available.

Legal

The Association is from time-to-time subject to complaints and claims, including litigation, arising in the ordinary course of business. As of the date of this report, management believes that there are no claims or complaints of which it is currently aware that will materially affect its business, financial position, or future operating results.

SUPPLEMENTARY INFORMATION

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

**SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS**

**December 31, 2023
(Unaudited)**

The Association **has** conducted an independent reserve study (2022) to estimate the remaining useful lives and the replacement costs of the components of common property. Replacement costs were based on estimates from historical experience. Actual expenditures may vary from these estimated amounts and the variance may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet all future needs. 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 presents significant information about the components of common property:

<u>COMPONENTS</u>	<u>ESTIMATED REMAINING USEFUL LIVES</u>	<u>ESTIMATED CURRENT REPLACEMENT COSTS</u>	<u>2024 FUNDING REQUIREMENT</u>
Clubhouse	0-36 Years	\$264,970	
Exterior Building	4-14 Years	2,515,750	
Pool Facility	0-17 Year	189,555	
Property Site	0-21 Years	886,038	
		<hr/>	<hr/> 264,960
TOTAL		<hr/> <u>\$3,856,313</u>	<hr/> <u>\$264,960</u>

The Board of Directors approved the 2024 budget funding the reserves for \$378,000.

See independent auditors' report.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

SUPPLEMENTARY INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
BUDGET COMPARISON**

Year Ended December 31, 2023

	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>REVENUES:</u>			
Maintenance Fees	\$1,121,354	\$1,121,760	(\$406)
Special Assessment	300,012	0	300,012
Interest Income	2,986	100	2,886
Late Fees	2,275	1,700	575
Admin Fees	7,900	6,000	1,900
Laundry Income	4,500	4,500	0
Cable Income	2,070	0	2,070
Miscellaneous Income	400	40	360
Total Revenues	<u>1,441,497</u>	<u>1,134,100</u>	<u>307,397</u>
<u>EXPENSES:</u>			
<u>INSURANCE</u>			
Insurance Premiums	441,622	330,000	(111,622)
WC Premium	2,302	0	(2,302)
TOTAL INSURANCE	<u>443,924</u>	<u>330,000</u>	<u>(113,924)</u>
<u>LANDSCAPING</u>			
Contract Lawn/Fert Service	71,200	69,000	(2,200)
Tree Trimming	31,439	25,000	(6,439)
Landscaping Trees Plants	0	2,500	2,500
TOTAL LANDSCAPING	<u>102,639</u>	<u>96,500</u>	<u>(6,139)</u>
<u>MAINTENANCE</u>			
625 C Expenses	448	0	(448)
Operating Funds/Painting Cost	25,000	50,000	25,000
Bldgs and Common Cost	37,049	33,000	(4,049)
Clubhouse	14,934	6,000	(8,934)
Water Area, Sprinklers, Plub	10,917	4,000	(6,917)
Pest Control	10,252	8,000	(2,252)
Building Repairs	7,700	10,000	2,300
TOTAL MAINTENANCE	<u>106,300</u>	<u>111,000</u>	<u>4,700</u>

See independent auditors' report.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

SUPPLEMENTARY INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
BUDGET COMPARISON**

Year Ended December 31, 2023

<u>EXPENSES(Continued):</u>	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<u>ADMINISTRATIVE</u>			
License, Taxes & Fees	11,594	5,000	(6,594)
Bad Debt Units Fees	9,500	6,000	(3,500)
Bank Service Charges	951	100	(851)
Credit Reports	1,190	1,000	(190)
General Expenses	4,337	1,000	(3,337)
Phone & Internet	548	1,000	452
Computer Equipment & Repairs	1,442	500	(942)
Election Expense	0	1,000	1,000
TOTAL ADMINISTRATIVE	29,562	15,600	(13,962)
<u>OFFICE</u>			
Office Supplies	369	1,000	631
Postage & Election	690	1,000	310
Printing	1,155	1,000	(155)
TOTAL OFFICE	2,214	3,000	786
<u>ADMIN SERVICES</u>			
Clubhouse	13,566	16,000	2,434
Maintenance	54,077	54,000	(77)
Office Staff	38,818	37,000	(1,818)
Payroll Fee	2,335	2,000	(335)
TOTAL ADMIN SERVICES	108,796	109,000	204
<u>POOL</u>			
Pool Contract	3,918	6,000	2,082
Pool Supplies & Repairs	5,757	2,500	(3,257)
TOTAL POOL	9,675	8,500	(1,175)
<u>PROFESSIONAL FEES</u>			
Reserve Study	1,875	0	(1,875)
Accounting	4,800	4,300	(500)
Legal	11,701	12,000	299
Document Update	0	6,000	6,000
TOTAL PROFESSIONAL FEES	18,376	22,300	3,924

See independent auditors' report.

**HIGH POINT OF DELRAY BEACH
CONDOMINIUM ASSOCIATION SECTION 2, INC.**

SUPPLEMENTARY INFORMATION

**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES
BUDGET COMPARISON**

Year Ended December 31, 2023

<u>EXPENSES(Continued):</u>	<u>ACTUAL</u>	<u>BUDGET (Unaudited)</u>	<u>VARIANCE</u>
<i>UTILITIES</i>			
Cable TV	146,783	202,000	55,217
Electric	58,066	50,000	(8,066)
Water, Sewer, Garbage	189,480	174,000	(15,480)
<i>TOTAL UTILITIES</i>	<u>394,329</u>	<u>426,000</u>	<u>31,671</u>
<i>PAYROLL TAXES</i>			
Federal Payroll Taxes	8,210	8,000	(210)
FL UCT-State Payroll Taxes	811	4,200	3,389
<i>TOTAL PAYROLL TAXES</i>	<u>9,021</u>	<u>12,200</u>	<u>3,179</u>
Total Operating Expenses	<u>1,224,836</u>	<u>1,134,100</u>	<u>(90,736)</u>
Excess Operating Revenues (Expenses)	<u>\$216,661</u>	<u>\$0</u>	<u>\$216,661</u>

See independent auditors' report.