

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

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FINANCIAL STATEMENTS

DECEMBER 31, 2014



**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Americano Beach Lodge Resort Condominium Association, Inc.  
Daytona Beach, Florida

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Americano Beach Lodge Resort Condominium Association, Inc. (the "Association"), which comprise the statement of financial position as of December 31, 2014, and the related statements of revenues and 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 Americano Beach Lodge Resort Condominium Association, Inc. as of December 31, 2014 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  
Americano Beach Lodge Resort Condominium Association, Inc.  
Page Two

### **Emphasis of Matter**

As discussed in NOTES 1, 2 and 3 to the financial statements, the Association had numerous significant transactions with Americano Beach Resort Limited Partnership (the "Developer") who owned approximately 24% of the timeshare unit weeks as of December 31, 2014. Additionally, the Association relies on the Developer to fund its operations and cash flow needs throughout the year in order to meet its obligations. The Developer has committed to continue to fund the Association's cash flow needs through February 2016. The auditor's opinion is not modified with respect to the matter emphasized.

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

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Replacement Fund Components 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, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Monison, Brown, Ariz & Fena*

Fort Lauderdale, Florida  
February 27, 2015

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

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STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014

**ASSETS**

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	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 221,219	\$ 595,122	\$ 816,341
Real estate tax escrow account	219,658	-	219,658
Prepaid expenses and other assets	60,430	31,300	91,730
TOTAL ASSETS	<u>\$ 501,307</u>	<u>\$ 626,422</u>	<u>\$ 1,127,729</u>

**LIABILITIES AND FUND BALANCES**

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LIABILITIES

Accounts payable and other liabilities	\$ 118,075	\$ -	\$ 118,075
Deferred assessment real estate taxes	219,658	-	219,658
Deferred assessment revenue	1,069,798	141,987	1,211,785
TOTAL LIABILITIES	1,407,531	141,987	1,549,518

FUND BALANCES

	<u>(906,224)</u>	<u>484,435</u>	<u>(421,789)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 501,307</u>	<u>\$ 626,422</u>	<u>\$ 1,127,729</u>

The accompanying notes are an integral part of these financial statements.

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

STATEMENT OF REVENUES AND EXPENSES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Maintenance fees and other assessments	\$ 3,357,266	\$ 750,400	\$ 4,107,666
Other income	76,587	-	76,587
Interest income	747	29	776
TOTAL REVENUES	<u>3,434,600</u>	<u>750,429</u>	<u>4,185,029</u>
<b>EXPENSES</b>			
Administrative and general	2,005,011	-	2,005,011
Housekeeping	437,012	-	437,012
Repairs and maintenance	590,313	655,435	1,245,748
Utilities	436,012	-	436,012
TOTAL EXPENSES	<u>3,468,348</u>	<u>655,435</u>	<u>4,123,783</u>
(DEFICIT) EXCESS OF REVENUES OVER EXPENSES	(33,748)	94,994	61,246
FUND BALANCES, JANUARY 1, 2014	<u>(872,476)</u>	<u>389,441</u>	<u>(483,035)</u>
FUND BALANCES, DECEMBER 31, 2014	<u><b>\$ (906,224)</b></u>	<u><b>\$ 484,435</b></u>	<u><b>\$ (421,789)</b></u>

The accompanying notes are an integral part of these financial statements.

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from:			
Assessments and other receipts	\$ 3,601,569	\$ 778,834	\$ 4,380,403
Interest income	747	29	776
Cash paid for:			
Services and other expenses	<u>(3,430,344)</u>	<u>(593,616)</u>	<u>(4,023,960)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>171,972</u>	<u>185,247</u>	<u>357,219</u>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Note payable - collateralized loan (NOTE 5)	<u>(49,960)</u>	-	<u>(49,960)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(49,960)</u>	-	<u>(49,960)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	122,012	185,247	307,259
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>99,207</u>	<u>409,875</u>	<u>509,082</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><b>\$ 221,219</b></u>	<u><b>\$ 595,122</b></u>	<u><b>\$ 816,341</b></u>
<b>RECONCILIATION OF (DEFICIT) EXCESS OF REVENUES OVER EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>			
(Deficit) excess of revenues over expenses	<u>\$ (33,748)</u>	<u>\$ 94,994</u>	<u>\$ 61,246</u>
Adjustments to reconcile (deficit) excess of revenues over expenses to net cash provided by operating activities:			
Changes in assets:			
Real estate tax escrow account	142,461	-	142,461
Prepaid expenses and other assets	(7,258)	61,819	54,561
Changes in liabilities:			
Accounts payable and other liabilities	45,262	-	45,262
Deferred assessments	<u>25,255</u>	<u>28,434</u>	<u>53,689</u>
TOTAL ADJUSTMENTS	<u>205,720</u>	<u>90,253</u>	<u>295,973</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><b>\$ 171,972</b></u>	<u><b>\$ 185,247</b></u>	<u><b>\$ 357,219</b></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>			
Cash paid during the year for income taxes			<u><b>\$ 1,184</b></u>

The accompanying notes are an integral part of these financial statements.

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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**The Association**

The Americano Beach Lodge Resort Condominium Association, Inc. (the "Association") was organized in 1992 as a not-for-profit corporation under the Condominium Act and Florida Real Estate Time-Share Act (Chapters 718 and 721, Florida Statutes). The purpose of the Association is to manage, operate and maintain the common property of the Americano Beach Lodge Resort Condominium (the "Resort") located in Daytona Beach, Florida.

The affairs of the Association are managed and conducted by the Board of Directors. The directors are elected by the membership of the Association in accordance with the Association's Articles of Incorporation, bylaws and the Florida Condominium Act.

**Management's Plan to Reduce Deficit**

As of December 31, 2014, the Association's financial statements reflected a deficit within the operating fund of approximately \$906,000. This deficit was caused primarily as a result of the Association not collecting on past outstanding maintenance fee assessments plus continued operating deficits. The Association exhausted all of its efforts in accordance with the Florida Statutes in attempting to collect outstanding maintenance fees prior to writing off the respective maintenance fee receivables.

In order to overcome the operating deficit, management of the Association anticipates generating surpluses in future years by reducing maintenance expenses and by raising maintenance fee revenues.

From time to time throughout the year, the Americano Beach Resort Limited Partnership (the "Developer") provides the Association with short term borrowing as well as advances of the next year maintenance fee assessment so that the Association can meet its cash flow and operational needs. The Developer has committed to fund the cash flow needs of the Association through March 31, 2016.

**The Resort**

The Resort consists of 163 units and a recreation area containing a swimming pool and deck, jacuzzi, beachfront area for additional recreational activities, basketball court, deli, health club and spa facilities. The lounge, health club and spa facilities represent property which has been retained by the Developer. However, members of the Association are entitled to the unlimited use of these facilities during their stay at the Resort. In addition, members of the Association also become members of the health club and spa, pursuant to the terms of the unit-week purchase contracts.

Each unit is subdivided into 52 fixed unit-weeks representing approximately 8,500 unit-weeks. As of December 31, 2014, the Association held title to approximately 230 unit-weeks. There is no value associated with the inventory held by the Association.

On December 31, 2032, the time-share plan shall terminate; however, the Board of Directors shall have the authority to organize a meeting of all owners for the purpose of continuation of the time-share.

**The Developer**

At December 31, 2014, the Developer owned approximately 2,000 unit weeks or approximately 24% of the total unit weeks. The Developer maintains marketing and sales facilities on site at the Resort.

**Basis of Presentation**

The Association prepares its financial statements on the accrual basis of accounting. Under this accounting method, annual assessments are recorded as receivables when billed and the revenue is deferred until earned in the proper accounting period. Expenses are recorded when they are incurred.

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**Fund Accounting**

The Association's governing documents provide certain guidelines for managing its financial activities. Financial resources are classified for 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 repairs and replacements.

**Cash and Cash Equivalents**

The Association defines cash equivalents as short-term, liquid investments that mature within three months of their purchase date.

**Real Estate Tax Escrow Account**

The real estate tax escrow account is utilized to collect money needed to pay annual property taxes billed by Volusia County on the individual unit-weeks. No revenue or expense is reflected on the Association's financial statements for real estate tax. Real estate tax assessments are collected and maintained in a separate bank account.

**Member Assessments, Receivable, Real Estate Taxes and Deferred Assessment Revenue**

Based upon a budget established by the Board of Directors, assessments are levied against the unit-week owners based on their proportionate share of common expenses and funds for future repairs and replacements. Special assessments may also be imposed from time to time as deemed appropriate by the Board of Directors. The Association charges interest on past due member assessments.

Interest earned on funds held in money market accounts for future repairs and replacements are allocated in proportion to the budgeted category as established by the Board of Directors.

The Association bills its members in advance for the subsequent year's maintenance fees and real estate taxes. This total billing is reflected as deferred revenue until it is earned in the subsequent period.

**Prepaid Expenses and Other Assets**

Prepaid expenses and other assets primarily represent amounts paid in advance for insurance that benefits future periods.

**Property and Equipment**

Real property and personal property within the individual time-share unit and common areas acquired from the Developer and related improvements to such property are not recorded in the Association's financial statements because these assets are owned by the individual unit-week owners in common and not by the Association.

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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**Management 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 amounts of assets and liabilities, disclosures of contingent assets and liabilities at December 31, 2014 and revenues and expenses during the year then ended. The actual outcome could differ from the estimates made.

**Credit Risk**

The Association maintains its cash in bank deposit accounts at a financial institution. The balances, at times, may exceed the federally insured limits. Additionally, money market funds with a fair market value of \$301,783 at December 31, 2014 are held in a brokerage account, which is insured by the Security Insurance Protection Corporation.

**Subsequent Events**

The Association has evaluated subsequent events through February 27, 2015 which is the date the financial statements were available to be issued.

**2. DEVELOPER'S PRIVILEGES AND RESPONSIBILITIES**

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Until all unit-weeks have been sold, the Developer shall have the right to use and transact, on the property, any business necessary to consummate the sale, resale and rental of all the unit-weeks owned by the Developer. The Developer operates as a resort hotel with respect to the unsold unit-weeks and reserves the right to continue resort hotel operations with respect to unsold units in the Resort.

As of December 31, 2014, the Developer owned approximately 2,000 unit-weeks. The number of unit-weeks owned by the Developer fluctuates throughout the year. Approximately \$1,044,000 of the 2014 revenue was received from the Developer.

The Developer also operates the Association's lounge, health club and spa facilities and shall have the right to continue to transact business necessary to continue these offerings during the period of sale, resale and rental of all the unit weeks owned by the Developer.

**3. RELATED PARTY ACTIVITY**

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At December 31, 2014, the Developer prepaid maintenance fees for 2015 of approximately \$384,000. These fees are due to the Association on January 1, 2015 for the units owned by the Developer and are reflected on the Statement of Financial Position within the caption "Deferred assessment revenue."

The Association utilizes Daytona Americano Management Company ("DAMCO") as the management company for the Association. DAMCO is controlled and owned by members of the Developer. The management fees charged by DAMCO were \$307,260 for the year ended December 31, 2014 and are reported within the caption "Administrative and general" in the Statement of Revenues and Expenses and Changes in Fund Balances. The Association also utilizes the management company to process payroll for some of its employees. The agreement calls for a 60 day notice of termination.

Additionally, the President of the Association's Board of Directors is the general manager of DAMCO and the Developer.

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**4. MAINTENANCE FEES ASSESSMENTS AND RECEIVABLES**

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Association members are subject to an annual maintenance fee to provide funds for the Association's operating expenses, future capital acquisitions and major repairs and replacements. Maintenance fees assessments billed in 2013 for 2014 that were not collected by December 31, 2014 were written-off to bad debt expense.

The Association has the right to place a lien against any unit-week owner to secure the payment of maintenance fees assessments and charges levied against the unit-week owner. Failure of a unit-week owner to make these payments to the Association may result in foreclosure of the lien. A lien against an owner of unit weeks in a unit committed to interval ownership shall be limited to the unit weeks owned by such owner and shall not encumber the property, real or personal, of any other owners of unit weeks in the unit.

**5. NOTE PAYABLE – COLLATERALIZED LOAN**

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During 2013, the Association opened a board approved line of credit with a financial institution in the amount of \$150,000. The line of credit was collateralized by the Association's securities reserve funds, which is located within "Cash and cash equivalents" in the Statement of Financial Position. The line of credit was closed and paid in full, which included any interest accumulated, during the year ended December 31, 2014.

**6. INCOME TAXES**

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The Association follows the provisions of an accounting standard, which clarifies the accounting for uncertainty in income taxes recognized in an Association's financial statements in accordance with existing accounting guidance on income taxes, and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This standard also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

The Association is incorporated under the provisions of the not-for-profit corporation's Condominium Act (NOTE 1). Condominium associations may be taxed either as homeowners' associations or as regular corporations. As a homeowners' association it is taxed on its nonexempt function income, such as interest earnings and is not taxed on its exempt function income, which consists primarily of member assessments. However, as a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income, such as interest earnings, at regular federal and state corporate rates.

The Association is taxed as a homeowners' association. The amount of income tax for the year ended December 31, 2014 is not material to these financial statements and has been funded throughout the year and recorded as an expense. Annual dues, voted and approved by the owners, to be used for a specific capital improvement of the common elements of the Association are not included in the income of the Association because the Association owns none of the property benefited. These funds are segregated in the Replacement Fund.

Regular annual dues for operating and non-capital reserve items paid by owners, including the Developer, are recognized as revenue to the Association for services rendered. Other receipts, such as interest, are also recognized as revenue to the Association. The excess of unrelated business revenue over expenses, net of transfers to reserves, is subject to income tax. The income taxes related to unrelated business income are not material to these financial statements.

The Association recognizes and measures tax positions taken or expected to be taken in its tax return based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**6. INCOME TAXES (CONTINUED)**

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The U.S. Federal jurisdiction and Florida are the major tax jurisdictions where the Association files income tax returns. The Association is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2011.

**7. REAL ESTATE TAXES**

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The Association assesses its owners, including the Developer, and collects as an agent for local taxing authorities, real estate taxes on the units as well as the individual owners' respective undivided interest in the Association's common elements. Real estate taxes are assessed on an annual basis by Volusia County.

In connection with the Association's billing for annual maintenance fees, the Association makes a good faith estimate of the real estate taxes expected to be assessed by the taxing authority and includes this amount, on a per unit week basis, in each member's annual billing statement. Funds collected from the Association's ownership, including the Developer, for these taxes are placed in a real estate tax escrow account and are maintained by an independent escrow agent. At December 31, 2014, the escrow account had a balance of \$219,658 which is reflected as an asset called "Real estate tax escrow account" on the Statement of Financial Position.

**8. FUTURE MAJOR REPAIRS AND REPLACEMENTS**

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Florida Statutes and the Declaration of Condominiums require the Association to accumulate funds for future major capital repairs and replacements. Accordingly, a portion of annual maintenance assessments are segregated to fund future major capital repairs and replacements and are not available to be expended for normal operations. Cash collected for replacements are maintained in a separate bank account.

The Board of Directors annually approves the budgeted amounts needed to fund the major repairs and replacements of common property. The unit-week owners are funding these repairs and replacements over the remaining useful lives of the components by taking into consideration an independent reserve study performed in 2012 and management's estimate of certain reserve line items not included in the independent study. The estimates were based on future estimated replacement costs. Funding requirements do not consider inflation or interest on amounts funded for future major repairs and replacements. Actual expenditures may vary from management's estimate of future expenditures and these variations may be material.

If additional funds are needed, the Association has the right, subject to the approval of the Board of Directors, to increase regular assessments, levy special assessments or delay major repairs and replacements until appropriate funds are available.

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**9. DISCLOSURE OF BUDGETED REVENUES AND EXPENSES**

As required by the Florida Statutes, the following is a comparison of the Association's 2014 audited revenues and expenses relating to the operating fund as compared to its 2014 budgeted amounts:

	<u>Budget</u>	<u>Results</u>
Maintenance fees and other assessments	\$ 3,357,266	\$ 3,357,266
Other income and interest income	61,648	77,334
<b>TOTAL REVENUES</b>	<u>3,418,914</u>	<u>3,434,600</u>
<b>Rent-recreational &amp; common facilities:</b>		
Management fee	307,255	307,260
General administration	170,985	192,428
Front desk payroll/taxes	331,887	294,170
Housekeeping payroll/taxes	114,597	130,893
Maintenance payroll/taxes	401,962	433,231
<b>Front desk/reservations/night crew:</b>		
Guest relations	12,000	27,520
Computer/office/secretary supplies	8,325	8,811
Equipment rental/copier/postage/print	9,600	9,649
Uniforms/training/miscellaneous	3,800	1,395
Telephone	7,200	9,855
<b>Professional fees:</b>		
Audit and tax expense	24,000	19,096
<b>Housekeeping:</b>		
Equipment rental/repair	7,000	3,477
Cleaning/laundry chemicals	38,000	42,180
Contract cleaning	215,000	185,465
Telephone	600	51
Unit consumables/inventory replacement	16,000	13,478
<b>Maintenance:</b>		
Building maintenance/ supplies	74,934	99,070
Contract plumbing	3,612	3,880
Elevator	16,080	23,146
Fire protection	5,004	10,387
Landscaping	5,100	6,012
Pool maintenance/supplies	40,000	27,820
Pest control	5,840	4,669
Supplies common	12,000	13,802
Telephone	1,800	772
Safety/education/training	5,000	1,645

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2014

**9. DISCLOSURE OF BUDGETED REVENUES AND EXPENSES (CONTINUED)**

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	<u>Budget</u>	<u>Results</u>
Other operating expenses:		
Bad debt expense	875,000	827,827
Bank/credit card fees	38,411	28,044
Equipment rental	7,700	4,742
Insurance and licenses	180,000	179,247
Postage	10,000	8,398
Land sales division fees	20,592	20,592
Administrative office supplies/travel	28,200	27,828
Licenses/fees	6,000	48,006
Printing	5,000	3,955
Telephone	6,000	8,035
Taxes	10,430	5,500
Utilities	394,000	436,012
	<hr/>	<hr/>
TOTAL EXPENSES	3,418,914	3,468,348
	<hr/>	<hr/>
DEFICIT OF REVENUES OVER REVENUES	\$ -	\$ (33,748)

SUPPLEMENTARY INFORMATION

**AMERICANO BEACH LODGE RESORT  
CONDOMINIUM ASSOCIATION, INC.**

SCHEDULE OF CHANGES IN REPLACEMENT FUND COMPONENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Roof	Exterior Painting	Pavement Resurfacing	Furnishings, Furniture & Fixtures	Air Conditioner	Elevator	Pool Deck	Telephone & Computer	Totals
AVERAGE ESTIMATED USEFUL LIFE	15	5	7	5	7	25	5	5	
AVERAGE ESTIMATED REMAINING USEFUL LIVES	12	4	5	4	6	21	2	4	
ESTIMATED CURRENT COST TO REPLACE	\$ 390,000	\$ 120,000	\$ 60,000	\$ 2,984,854	\$ 300,000	\$ 500,000	\$ 80,000	\$ 80,000	\$ 4,514,854
ANNUAL FUNDING REQUIRED	\$ 26,000	\$ 24,000	\$ 8,571	\$ 596,971	\$ 42,858	\$ 20,000	\$ 16,000	\$ 16,000	\$ 750,400
BALANCE AS OF JANUARY 1, 2014	\$ 120,553	\$ 9,876	\$ 31,152	\$ 81,183	\$ 1,636	\$ 113,198	\$ 15,287	\$ 16,556	\$ 389,441
ACTUAL 2014 FUNDING	26,000	24,000	8,571	596,972	42,857	20,000	16,000	16,000	750,400
INTEREST INCOME 2014	2	1	-	19	2	3	1	1	29
ACTUAL EXPENDITURES 2014	(30,840)	-	-	(604,599)	(7,292)	-	(12,287)	(417)	(655,435)
BALANCE DECEMBER 31, 2014	<b>\$ 115,715</b>	<b>\$ 33,877</b>	<b>\$ 39,723</b>	<b>\$ 73,575</b>	<b>\$ 37,203</b>	<b>\$ 133,201</b>	<b>\$ 19,001</b>	<b>\$ 32,140</b>	<b>\$ 484,435</b>