



**FINANCIAL
MANAGEMENT**

TURKS AND CAICOS ISLANDS

The Proprietors, Strata Plan No. 25

Agreed Upon Procedures Report

www.wbfinancial.tc

WB Financial Management Ltd.

PO Box 137, The Regent Village, Unit H205
Grace Bay Road, Providenciales
Turks and Caicos Islands
British West Indies

Tel: +1 (649) 941-7299
Tel: +1 (649) 946-5084
Fax: +1 (649) 941-7498

info@wbfinancial.tc



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Background and scope of work

The Sands at Grace Bay (the Resort) is a luxury condominium resort located in the Turks & Caicos Islands. The Resort offers both short and long-term accommodation and is governed by The Proprietors, Strata Plan 25 (The Strata). The Resorts Proprietors can opt in or out of the Resort managed rental pool program. Effective June 2021, Oceanside Marketing Corporation Ltd (OSM or Management) was appointed as the management company for the Resorts operations for a period of 15 years commencing January 1, 2022.

WB Financial Management Ltd (WB or WB Financial) have been engaged by The Strata to provide consulting services, the scope of which have been outlined in the signed engagement letter dated May 28, 2024, and as detailed below:

The services

The work to be completed and the report to be provided will include the following:

1. Inventory
 - Obtain a detailed listing of inventory items as of December 31, 2023 and 2022.
 - Understand and document the processes surrounding inventory including frequency of inventory counts, locations inventory is held, etc.
2. Purchasing process:
 - Obtain and document the controls surrounding the purchasing process.
 - Review the general ledger and select a sample of 10 transactions to ensure that:
 - Purchases have a valid approved purchase order.
 - The invoice has been correctly recorded in the general ledger.
 - Appropriate checks have been made to ensure that on delivery, items ordered are correctly checked off against the purchase order and received.
 - The payment amount is correct and has been appropriately approved.
 - ExCO approval has been sought where required as per the management agreement.
 - Make a reasonableness assessment on the purchase order and if consideration appears to have been made in relation to existing inventory on hand.
3. Strata fees:
 - Obtain a detailed listing of monthly strata fees charged and reconcile the totals into financial statements.
 - Obtain a listing of the square footage of all strata properties and reconcile the amounts.
 - Investigate any variances from standard monthly rates charged on any unit.
 - Document the strata fees charged in relation to all OSM properties such as Hemingway's restaurant, reception areas, basement, gymnasium, etc.
4. Review of expenses charged directly to Strata owners:
 - Perform a review of the following expenses which are charged directly to owners water, electricity, and cable.
 - Document the processes surrounding the allocations to owners, OSM, and the Strata, noting any markups identified in the amount charged.
 - Ensure OSM is allocated their appropriate share of these costs i.e. utilities costs incurred relating to Hemingway's restaurant, reception areas, etc.

Due to budget constraints, we have agreed to remove the following areas for testing from our original engagement letter, which will be tested in subsequent periods:

1. Inventory

- Understand the nature of the inventory and the need for this to be kept on hand and if replacement inventory may be problematic to source, i.e. tile inventory.
- Perform a physical inspection of the locations of inventory held and make an assessment as to if physical inventory on hand is reasonable versus the detailed listing of inventory provided.
- Inspect a sample of physical inventory on hand and make a reasonableness judgement call if items appear to be potentially damaged, obsolete, etc.

2. Review of expenses charged directly to Strata owners:

- Perform a review of expenses which are charged directly to owners such, insurance and internet.
- Document the processes surrounding the allocations to owners, OSM, and the Strata, noting any markups identified in the amount charged.
- Ensure OSM is allocated their appropriate share of these costs i.e. utilities costs incurred relating to Hemingway's restaurant, reception areas, etc.

For this engagement, our primary points of contact were Tom Mothorpe, member of the Executive Committee of the Strata and Lincon Martin, the Financial Controller of The Proprietors, Stata Plan No. 25 and Oceanside Marketing Corporation Ltd.

A detailed analysis of each procedure and related conclusions can be found in the body of the Report. This report is to be utilized by the Strata to better understand the matters described above in the scope of the engagement. This Report is to be used exclusively as described above and is not to be distributed, in whole or in part, to any third party without WB's express written consent.

This report outlines the factual information and assumptions that were used to prepare the analysis, the methodologies that were considered and used in arriving at the conclusions put forward.

The appendices to the Report outline the sources of information used in its preparation. WB has relied on the written representation from the Management of the Strata that the information contained in these reports presented is materially accurate, complete, and fairly stated, and therefore is an appropriate basis for the Report.

The sources of information used to prepare this Report, including the people interviewed, are disclosed throughout the Report.

Limitation of Liability

Our role is advisory only. The Strata is responsible for evaluating and accepting the adequacy of the scope of services as detailed in the scope of work. OSM, as the appointed resort management company is responsible for the primary day to day management functions of the Strata, which includes the establishment and maintenance of internal controls. Our responsibility, based on information provided by OSM is to provide a statement of factual findings to the Strata which is limited to the procedures as detailed in the scope of work.

The procedures performed consists of testing procedures limited to the areas as outlined in the scope of work. Our examination excludes audit procedures such as verification of assets, liabilities and transactions and is substantially less in scope than an audit performed in accordance with International Standards on Auditing and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on our procedures performed.

We performed our procedures related to the fiscal year of the Strata from January 1, 2023 to December 31, 2023.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through September 30, 2024. Accordingly, changes in circumstances after this date could affect the findings outlined in this report.

This information is strictly confidential and has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with, the Strata. This report should not be copied or disclosed to any third party or otherwise be quoted or referred to, in whole or in part, without the prior written consent of WB Financial.

Summary of Work Performed

1. Inventory

a) Inventory summary

We obtained the detailed inventory listings for December 31, 2023 and 2022. The 2023 and 2022 inventory was compared in summary form as detailed in the table below.

Inventory class	2023	2022	Variance	
Uniforms Inventory	1,986	7,460	(5,474)	-73%
P&B Supplies Inventory	30,870	28,666	2,204	8%
P&B Chemicals Inventory	3,124	6,550	(3,425)	-52%
Sewage Treatment Plant Inventory	1,965	3,805	(1,840)	-48%
Engineering Inventory	250,739	257,977	(7,238)	-3%
Grounds Inventory	35,290	33,695	1,596	5%
Hurricane Supplies Inventory	38,433	43,541	(5,107)	-12%
	362,407	381,693	(19,285)	-5%

Overall, the above table would indicate that inventory values have slightly decreased from the prior year.

The underlying detailed inventory listings files are managed in Excel manually based upon the inventory counts. Inventory counts are performed on a monthly basis with each month's listings contained in a separate Excel file. There appears to have been updates in the presentation of the files from 2022 to 2023. As such it is difficult to perform a straight comparison of 2023 inventory line items versus 2022 inventory line items.

Given the manual nature of how the inventory listings are maintained, and the volume of inventory items on hand, the preparation of each month's inventory file could be time consuming with the potential for undetected user data input error either with individual quantities of items on hand or the calculation of unit costs. However, given the value of the inventory and the Strata operations, a more advanced inventory management system would not be financially justifiable.

b) Procedure for additions/withdrawals to/from inventory

Purchases which are to be used over a period of time or and are not immediately fully utilized, are coded to their relevant inventory account.

The monthly inventory counts act as the basis adjusting the general ledger for the effects of the utilization inventory for any month. The inventory counts are performed, entered into the spreadsheet and totaled. Inventory totals are then compared against the month end general ledger account. Entries are then passed to align the general ledger with the inventory listing. The variances are allocated as detailed in the table below.

		GL Account	GL Account description	Allocation
Maintenance/Engineering				
	Dr	561017-22	Supplies Engineering	50%
	Dr	565009-22	Electrical & Mechanical Equipment	35%
	Dr	565013-22	Plumbing	15%
	Cr	123058-01	Engineering Inventory	100%
Grounds				
	Dr	563008-22	Grounds & Landscaping	100%
	Cr	123059-01	Ground Inventory	100%
P&B Supplies				
	Dr	565040-38	Swimming pool supplies	100%
	Cr	123022-01	P&B Supplies Inventory	
Hurricane supplies				
	Dr	Various depending on the nature		100%
	Cr	124010-01	Hurricane supplies inventory	100%

We enquired as to how maintenance/engineering percentage allocation was arrived at, and we were advised 'the allocation is based on general historical consumption' and has been applied consistently for a number of years.

c) Comparison of detailed inventory listings to the general ledger

The December 2023 inventory listings were reviewed in detail and have been compared to the general ledger balances as detailed in the table below.

Inventory class	Amount per Inventory listing	Amount per GL	Difference	
Uniforms Inventory	1,986.15	1,986.15	-	13 line items all under \$1,000
P&B Supplies Inventory	30,869.58	30,869.58	-	See a) below
P&B Chemicals Inventory	3,124.42	3,124.42	-	See d) below
Sewage Treatment Plant Inventory	1,964.83	1,964.83	-	See c) below
Engineering Inventory	250,738.97	250,738.97	-	See b) below
Grounds Inventory	35,290.04	35,290.04	-	See e) below
Hurricane Supplies Inventory	38,433.37	38,433.37	-	See f) below
	362,407.36	362,407.36		

No variances were noted between the inventory listings and the general ledger. This was to be expected as the general ledger balances are manually adjusted to the inventory listing on a monthly basis.

As previously mentioned, a number of the inventory listings are large files containing in some cases, hundreds of line items of inventory. For the purposes of this report, we have chosen to focus on the largest extended cost value inventory line items. Therefore, based on the inventory listings provided we have summarized all individual inventory items which exceed \$1,000.

d) P&B Supplies inventory

The P&B supplies inventory listing is as follows:

CPS#	Description	Closing / Physical	Unit Cost	Closing Inventory Value
Ws046	Tropitone Fabric (F1000) (1183)	150	61.24	9,185.57
Ws045	Hayward H400FDP Pool Heater	1.5	4,421.27	6,631.90
Ws024	Pool Umbrella Base - Brown Jordan	11	305.95	3,365.45
Ws050	Wire Shroud (H39790001)	47	59.97	2,818.51
Ws049	Hobie Wave Main	1	1,000.60	1,000.60
	Other items less than \$1,000 (19 line items)			7,867.55
	Total P&B Supplies Inventory			30,869.58

The highest value item on the list is Tropitone Fabric which relates to outdoor furniture fabric. As of December 2022, this item had a quantity of 30 yards for a total value of \$1,762. The increase in the inventory of this item was due to a purchase which has been verified as part of our purchases testing in section 2 of this report.

The second highest item on the listing is Hayward Pool Heater. The quantity of this unit appeared unusual given it is 1.5 units and therefore we selected this item to obtain further explanations. In the prior year there was 1 unit held at a value of \$3,640. We were advised the quantity of 1.5 units is correct as parts from one of the heaters were used to repair an existing heater which was required in an emergency. We were further advised that the remaining unused parts from the heater are still considered usable.

e) Engineering inventory

The Engineering inventory listing is as follows:

	Description	Unit	Closing/ Physical	Unit Cost	Closing Inventory Value
M289	Hydromatic S3HRC300M6-2 Submersible Sewage Pump 3HP,200V, 3PH,3450RPM,4" Impeller w/ 35' Cord	Each	3	6481.065	19,443.20
M270	9x11" Waterproof Sand Paper 120 Grit	Each	250	47.6595	11,914.88
M290	Max-E-Pro Pentair Pump (348153-INT 3HP 208-230V) 60 HZ 1PH replaced with Pentair intelli-flo XF 3HP var speed 230V	Each	4	2821.5	11,286.00
M284	Goulds 2HP 2" Submersible Sewage Pump, 230V, 1PH (WS1012BHF) has 220 plug in	Each	5	1934.18	9,670.90
M285	Goulds 2HP 2" Submersible Sewage Pump, 230V, 1PH (WS2012BHF)	Each	5	1934.18	9,670.90
M271	9x11" Waterproof Sand Paper 220 Grit	Each	220	42.6105	9,374.31
M026	Super Strut Pipe Clean Assembly #703-1-1/2 50 per box	Box	24	360	8,640.00
M117	Insulated French Door Glass Grills (Entrance Door Frame)	Each	8	832.2588	6,658.07
M201	Sylvania Halogen PAR20 35w medium base N00794 120V14464-2	Each	587	10.95	6,427.65
M030	Kohler Lavatory Faucet (Polished Chrome) K-10272-4-CP	Each	10	357.2703	3,572.70
M291	Sta-rite Max-E-Pro 3HP 1 Phase Model: P6E6H-209L replaced w/ intelli-flo XF	Each	2	1533.12	3,066.24
M286	Hayward Super 1.5HP 115V/230V 1PH Pool Pump (SP2610X15)	Each	4	738.13	2,952.52
M050	Dog Waste Depot commercial grade Dog waste bags	box	50	58.5	2,925.00
M210	Transformer Burial green metal box - KLV525/526 & KLV530/531	Each	4	693.0282	2,772.11
M227	SATCO 7W S9400	Each	210	13.05	2,740.50
M156	912956 2 Ton R22 RK147ET-002-S7	Each	3	899.88	2,699.64
M308	Dauer LED 8W Par20 Dimmable	Each	71	37.5	2,662.50
M307	Satco S21273 5.5W Dimmable	Each	197	13.305	2,621.09
M256	Side Table Glass 22-1/4X34-1/4	Each	28	84.15	2,356.20
M132	Traditional Tourist Model Safety Deposit Box	Each	7	334.5957	2,342.17
M293	Wayne 3/4 HP Submersible Cast iron /stainless steel pump with integrated vertical float switch	Each	8	290.67	2,325.36
M158	2 Ton R410A	Each	2	1136.637	2,273.27
M240	Pentair intellibrite 5G White pool light for inground pools, 12V,LED,300w, 100, cord	Each	3	747.1296	2,241.39
M173	Freon Gas (cylinders) R22 - 30lbs	Each	1	2175	2,175.00
M265	9x11" Aluminum Oxide Sand Paper 80 Grit	Each	125	16.677	2,084.63
M295	Goulds GT20 Irrigation Pump 2HP/230V/1PH/60HZ	Each	2	1031.25	2,062.50
M248	30 Gallon Lowboy Water Heater	Each	4	512.091	2,048.36
M193	Whirlpool Refrigerator Handles (Chrome SS)	Each	24	84	2,016.00
M262	3'0"X6'8" HM Door & Frame (33 1/2)	Each	4	503.37	2,013.48
M161	5 Ton R410A	Each	1	1958.0328	1,958.03
M118	Replacement Sliding Glass Door Rollers	Each	143	13.2498	1,894.72
M254	1-1/2' x 50" Double Jacket Mill Hose, Male x Female Aluminum Cam Fittings	Each	8	232.56	1,860.48
M047	AR - 20000 - P(22005604) P Filter Kit	Each	4	460.44	1,841.76
M162	Comp-Interlink 3-Ton 2.5T 230V 104530-06	Each	1	1800	1,800.00
M101	PGT Window Sweep Lock white	Each	107	16.5	1,765.50
M119	Duracord Rope Hammock	Each	6	284.7636	1,708.58
M160	4 Ton R410A	Each	1	1644.1074	1,644.11
M004	Kohler Highline Two-piece pressure toilet	Each	3	535.5	1,606.50
M167	5 Ton R410A Air Handler	Each	1	1596.6621	1,596.66
M282	Flo-Tec 3/4 HP Sump Pump (FPSC4550A)	Each	5	315.35	1,576.75

	Description	Unit	Closing/ Physical	Unit Cost	Closing Inventory Value
M163	Copeland 2-Ton ZP20K5E-PFV-830 1.5T R410A 230V	Each	2	757.35	1,514.70
M288	Hayward Tristar 1-1/2 HP Energy Efficient Full Rated Pump	Each	1	1508	1,508.00
M268	9x11" Waterproof Sand Paper 60 Grit (4 per pack)	Each	176	8.1855	1,440.65
M226	SATCO 13W S9486	Each	71	19.8	1,405.80
M115	52" Hunter Air Sea Ceiling Fan, White	Each	5	274.176	1,370.88
M107	Charcoal Screen 48" x 100' (4 foot height)	Roll	7	189.9036	1,329.33
M205	Cooper Lighting Lumiere - PDR11413 -231-35MR11-12-NB2-MO3	Each	25	49.8543	1,246.36
M159	3 Ton R410A	Each	1	1232.1702	1,232.17
M122	36" Connecting Door Threshold (Local Purchase)	Each	39	30.5541	1,191.61
M102	AA Batteries	Each	408	2.907	1,186.06
M283	Flotec Jet Pump 1HP 115/230V SW UL #4032- shallow well	Each	2	566.09	1,132.18
M164	2 Ton R410A Air Handler Evaporator Coil	Each	2	553	1,106.00
M213	Wiremold Walker Infloor System 118ADP PVC Adjusting ring	Each	86	12.467	1,072.16
M246	20 Gallon Lowboy Water Heater 240V 300W	Each	3	345.8259	1,037.48
	Other items less than \$1,000 (231 line items)				70,675.94
	Total Engineering Inventory				250,738.96

From the above engineering inventory listing we noted that items exceeding \$1,000 in value account for 72% of the total engineering inventory.

From a review of the inventory listing, we noted the following items which appear unusually high in value:

- Sandpaper 120 grit - \$11,914.88
- Sandpaper 220 grit - \$9,374.31
- Dog waste bags - \$2,925

The above items did not appear on the 2022 inventory listing provided. Therefore, these items should represent purchases made in the year. As such we requested the invoice documentation to support these purchases. OSM was not able to provide any supporting documents for these amounts. We were advised that these items appear to relate to count errors in whereby at some stage they were removed from the inventory listings. The items then appear to have been located and then added to the inventory listing in 2023. Whilst we have not been able to verify this, based on our own research, it would appear that a unit costing error has been made in respect of these items. As such we would recommend that management perform a thorough review of the inventory listing and make the necessary corrections.

Initial OSM response comment emailed directly to Tom Morthorpe

We (OSM) have double checked the mentioned high value of Sandpaper and dog waste bags and can confirm the stated quantities are in inventory and therefore correct. Agreed however these are huge quantities.

Subsequent OSM response comment made verbally at the AGM and provided by Tom Morthorpe

OSM has stated during the most recent budget meeting in December that Management will investigate how the ~\$25,000 overstatement of sandpaper occurred and propose a correcting journal entry accordingly.

Comparison of 2023 engineering inventory items versus 2022

Given engineering inventory contains the majority of the overall inventory held by the Strata, we attempted to compare 2023 inventory items versus 2022 inventory items. As previously noted, given the volume of inventory and that the files for 2023 and 2022 are separately contained, it was difficult to perform a straight comparison of inventory. However, using a VLOOKUP formula we were able to compare the below line items.

	Description	Closing/ Physical	Unit Cost	Closing Inventory Value	2022 Inventory Value
M289	Hydromatic S3HRC300M6-2 Submersible Sewage Pump 3HP,200V, 3PH,3450RPM	3	6,481.07	19,443.20	19,443.20
M285	Goulds 2HP 2" Submersible Sewage Pump, 230V, 1PH (WS2012BHF)	5	1,934.18	9,670.90	5,982.28
M284	Goulds 2HP 2" Submersible Sewage Pump, 230V, 1PH (WS1012BHF) has 220 plug in	5	1,934.18	9,670.90	5,254.77
M117	Insulated French Door Glass Grills (Entrance Door Frame)	8	832.26	6,658.07	5,749.66
M030	Kohler Lavatory Faucet (Polished Chrome) K-10272-4-CP	10	357.27	3,572.70	5,994.20
M286	Hayward Super 1.5HP 115V/230V 1PH Pool Pump (SP2610X15)	4	738.13	2,952.52	2,703.75
M132	Traditional Tourist Model Safety Deposit Box	7	334.60	2,342.17	2,972.00
M293	Wayne 3/4 HP Submersible Cast iron /stainless steel pump with integrated valve	8	290.67	2,325.36	3,022.95
M158	2 Ton R410A	2	1,136.64	2,273.27	1,121.78
M295	Goulds GT20 Irrigation Pump 2HP/230V/1PH/60HZ	2	1,031.25	2,062.50	1,918.85
M262	3'0"X6'8" HM Door & Frame (33 1/2)	4	503.37	2,013.48	3,477.53
M161	5 Ton R410A	1	1,958.03	1,958.03	3,864.88
M118	Replacement Sliding Glass Door Rollers	143	13.25	1,894.72	1,019.97
M160	4 Ton R410A	1	1,644.11	1,644.11	1,622.62
M004	Kohler Highline Two-piece pressure toilet	3	535.50	1,606.50	1,585.50
M167	5 Ton R410A Air Handler	1	1,596.66	1,596.66	3,151.58
M163	Copeland 2-Ton ZP20K5E-PFV-830 1.5T R410A 230V	2	757.35	1,514.70	1,494.90
M288	Hayward Tristar 1-1/2 HP Energy Efficient Full Rated Pump	1	1,508.00	1,508.00	1,980.81
M115	52" Hunter Air Sea Ceiling Fan, White	5	274.18	1,370.88	2,435.33
M159	3 Ton R410A	1	1,232.17	1,232.17	1,216.06
				77,310.85	76,012.62

From a review of the above we noted the following:

- The highest value item is the sewage pump which is held at the same value as 2022 and as such there does not appear to have been any movement on this item in FY2023.
- The second and third highest value items on the listing are Gould's sewage pumps. These pumps are separate and distinct. Both pumps had a unit cost of \$1,934.18 and a quantity of 5 which equates to a total inventory value for each pump of \$9,670.90. Given the large value of these items and that the cost and quantities of the two pumps are identical, these were selected for further testing.

From the 2022 listing both pumps had a quantity of 2 items. In order to validate the variance, we obtained supporting purchase invoices which confirmed 3 units of both pumps were purchased during the year at a cost of at unit costs of \$1,901.25 and \$1,705 respectively. There are small unidentified differences to the unit costs applied on the inventory listing which we have not investigated further.

We enquired as to why an additional quantity of 3 of each pump was purchased when there were already 2 units on hand. We were advised that a quantity of 5 is considered to the par value quantity on hand required for these items.

f) Sewage treatment plant inventory

The sewage treatment plant inventory listing is as follows:

Description	Closing/ Physical	Unit Cost	Closing Inventory Value
Diaphragm Repair Kits HP-200-PC	5	277.2972	1,386.49
Bio Flow Block 5lb.	6	96.39	578.34
			<u>1,964.83</u>

Given the value of the inventory we do not have any specific comments to make on this category.

g) P&B Chemical Inventory

The P&B chemical inventory listing is as follows:

CPS#	Description	Closing/ Physical	Unit Cost	Closing Inventory Value
Ws010	Cover Free Liquid Solar Blanket	45	36.5364	1,644.14
	Other items less than \$1,000 (6 line items)			1,480.29
	Total P&B Chemical inventory			<u>3,124.43</u>

Given the value of the inventory we do not have any specific comments to make on this category.

h) Grounds inventory

The ground inventory listing is as follows:

Description	Closing/ Physical	Unit Cost	Closing Inventory Value
Pole Saw, Notch Sentei Telescoping 21'L	4	660.195	2,640.78
Professional Lesco Turf Fertilizer 14-14-14	32	71.98	2,303.36
Slug Fest (2.5 Gal)	6	313.65	1,881.90
Edger - STIHL gas (blade)	3	604.35	1,813.05
Rain Bird Black/blue Nozzle Screen Filter	1250	1.071	1,338.75
Rain Bird 10H 10' Radius Half Circle Nozzle	600	2.0043	1,202.58
20-20-20 Fertilizer - Helena Promate Turf 50#	18	62.22	1,119.96
Ranger Pro 2.5 gal	6	172.125	1,032.75
Other items less than \$1,000 (71 line items)			21,956.91
Total grounds inventory			35,290.04

Based on a review of the grounds inventory, we note in general that these are items which would typically be purchased and consumed on a fairly regular basis. As such we do not consider there are no particular high value items of inventory to query in this category.

i) Hurricane supplies inventory

The hurricane supplies inventory listing is as follows:

CPS#	Description	Closing/ Physical	Unit Cost	Closing Inventory Value
Hurr093	Plywood	116	52.99	6,146.84
Hurr107	50 X 80 Blue Tarp	8	620.31	4,962.48
Hurr082	Sternos	1517	1.75	2,654.75
Hurr128	115v 50 ft cord Submersible Pump	1	1883.25	1,883.25
Hurr135	Reuseable Ponchoes 50"L,52"-80" Chest Condor yellow/Green PVC	48	35.02	1,680.96
Hurr090	18" Gas Chain Saw	3	424.82	1,274.46
Hurr052	Light Sticks, Chemlight Green 12hr 6"L (500 per Case)	500	2.23	1,115.00
	Other items less than \$1,000 (127 line items)			18,715.63
	Total hurricane inventory			38,433.37

From the above listing we note that the highest value item being plywood has approximately the same quantity as the prior year however the unit cost has increased from \$29.88 to \$52.99 a piece.

Additionally, we noted that the next highest item on the listing, being the 50 x 80 Blue Tarp had effectively doubled from the prior year as an additional four pieces appear to have been purchased in the year.

We have not sought to validate these movements however we can request further information from OSM if required.

Nothing further.

2. Purchasing process

Based on explanations provided by OSM, the purchasing process which is outlined below:

- Need for purchase is identified.
- Cost is obtained
- PO is created, approved by GM and VP
- ExCo approval is sought if items were not previously approved during budget
- Order is placed with supplier
- Order is received on location, review for pricing, quality and quantity based on PO.
- Invoice and PO are submitted for payment to accounting
- Invoice is posted to identified/approved charged code
- Payment is made by cheque or wire, once payment is approved.

From a review of the general ledger provided for FY2023, we and selected a sample of 10 transactions and agreed them to their respective supporting documents. The results of this test is detailed on the following table.

	Date	Vendor	Inv number	Description of items	GL Account description	GL Account	Amount	Agreed to invoice	Valid purchase order	Correctly recorded
1	12/31/2023	Tropitone Furniture	755459	Fabric	P&B Supplies inventory	123022-01	7,498.48	Yes	Not provided	Yes
2	3/1/2023	Uni-Source Supply International Inc	103150	Light bulbs	Engineering inventory	123058-01	7,265.00	Yes	Yes	Yes
3	8/11/2023	MV Distri Corp 3HP 208-30v 60Hz	708	4 Paintair pump	Engineering inventory	123058-01	6,207.64	Yes	Yes	Yes
4	12/31/2023	Asmayda Furniture Group	Proposal	Light bulbs	Engineering inventory	123058-01	8,917.08	Yes	Yes	Yes
5	11/1/2023	AIB Hotel & Restaurant Supply	51031	Charges for pool service as per contract	P&B Maint	565043-38	3,600.00	Yes	N/a - contracted amount	Yes
6	10/31/2023	Uni-Source Supply International Inc	103801	Light bulbs	Supplies engineering	561017-22	2,195.01	Yes	Not provided	Yes
7	5/6/2023	Building Materials Ltd	414867/1	Hinges, screw, level, tape, bit board	Supplies engineering	561017-22	459.62	Yes	Yes	Yes
8	6/12/2023	Hemmingways Restaurant	N/a	Paper towels, toilet common area	Cleaning supplies	561006-02	400.00	Yes	N/a	Yes
9	11/30/2023	Room Doors - Replacement & Installation			Major Reserve Fund	276004-01	25,546.60	See comment below		
10	10/31/2023	R Frederick Manchester	61223	Tennis Court - 50% on contract of \$15,722	Major Reserve Fund	276004-01	7,861.00	Yes	Agreed to proposal	Yes

We were not provided with the supporting documents for the Room Doors, however, based on discussions with the Strata, we note this was approved.

3. Strata Fees

We have been advised that Strata fees are calculated at a rate of \$94.07 per unit entitlement. A unit entitlement is calculated by reference to the square footage of each unit. In order to calculate unit entitlement, the square footage is divided by 100 and then the amount is rounded to the nearest whole number.

As an example, unit 1103 has a square footage of 1277 which results in the unit having 13 entitlements as it is rounded up to the nearest whole number.

Strata fees are recorded in GL account 320032-35. An extract from the account for the month of December 2023 is shown below.

Account Number/ Year/ Prd.	Source	Doc. Date	Description/ Reference	Posting Seq.	Batch-Entry	Debits	Credits	Net Change
12	GL-JE	12/31/2023	Monthly Strata Fees OSM Admin & Hem	3553	3604-1		5,130.89	
12	GL-JE	1/15/2024	551-Strata Fees - OPERA TRIAL BALANCE	3587	3623-1		119,694.14	
Net Change and Ending Balance for Fiscal Period 12:								-124,825.03

The first posting of \$5,130.89 relates to the Strata fees on OSM properties. The breakdown of this charge is detailed below:

Unit number	Sq ftg	Entitlements	Per entitlements	Total	WB Entitlement recalculation	WB Strata fees recalculated
Sands Admin Office	1482	14	93.29	1306.06	15	1411.05
Sands Front Office	1482	14	93.29	1306.06	15	1411.05
Sand Laundry	1587	15	93.29	1399.35	16	1505.12
Hemmingways	1270	12	93.29	1119.48	13	1222.91
Total				5130.95		5550.13
Amount per general ledger				5130.89		
Difference				0.06		

From the above analysis provided we noted that the Strata fees charged were \$93.29 versus \$94.07 as initially advised. We have been further advised that the difference is due to rounding differences after years of strata fee percentage increases.

Additionally, based on the above table we noted that all four OSM properties had been rounded down in their unit entitlement whereas it would appear they should have been rounded up. As such based our calculations rounding the unit entitlement up rather than down and applying

We further confirmed with OSM that the above-listed properties are the only ones on which strata fees are assessed. As such other areas such as the basement, gymnasium and any other similar areas are not subject to any strata fees paid by OSM.

Finally, in respect of the square footage of individual units, an original file was provided detailing the square footage on which we performed our entitlements recalculation. We noted differences which were queried with OSM, and we were provided with an amended file and advised that the original file provided was not the correction version. The differences in the square footage on the OSM properties from the original file and the revised file are as follows:

Unit number	Sq ftg original schedule	Sq ftg revised schedule	Difference
Sands Admin Office	1,427	1,482	(55)
Sands Front Office	1,427	1,482	(55)
Sand Laundry	1,470	1,587	(117)
Hemmingways	1,525	1,270	255

The second general ledger posting of \$119,694.14 as detailed on the previous page, relates to the strata fees charged per unit. We have obtained a listing of the strata fees per unit of the which analyses this amount.

Additionally, based on the amended square footage file provided, we have recalculated the entitlements and strata fees based on a rate of \$94.07 per entitlement.

The results of our testing are detailed on the following two pages. No significant variances were noted.

OSM response comment

There is some confusion in the report about the original and revised schedule, but can management can confirm the calculated fees per entitlement are correct.

There is however a small difference for the lots held by the Management Co (Sands Admin Office, Sands Front Office, Sands Laundry and Hemmingway’s) which equate to \$42.72 per month. Not considering this material, but we will correct however going forward.

WB entitlement recalculation is incorrect as they have made assumption. We need, however, to use the entitlement as specified in the registered Strata Plan which are

- 1. Sands Admin Office 14
- 2. Sand Front Office 14
- 3. Sands Laundry 15
- 4. Hemmingway’s 12

Other areas mentioned by WB (such as basement, gymnasium and any other similar areas) are not subject to strata fees. All basements having a significant sq. ft. and have according the Strata Plan only 1 entitlement each. As some of these areas are used by Strata for inventory space, gym, etc. no strata fees on the 1 entitlement are being raised and Strata Corp in return is not paying any rent for usage

Unit number	K number	Sq ftg	WB Entitlement			WB Strata fees		
			Entitlements	Recalculation	Difference	Strata fees	recalculation	Difference
1101	96	1,033	10	10	-	940.99	940.70	0.29
1102	97	611	6	6	-	565.11	564.42	0.69
1103	98	1,277	13	13	-	1,222.90	1,222.91	(0.01)
1104	99	1,277	13	13	-	1,222.90	1,222.91	(0.01)
1105	100	611	6	6	-	565.11	564.42	0.69
1106	101	1,033	10	10	-	940.99	940.70	0.29
1201	102	1,033	10	10	-	940.99	940.70	0.29
1202	103	611	6	6	-	565.11	564.42	0.69
1203	104	1,277	13	13	-	1,222.90	1,222.91	(0.01)
1204	105	1,277	13	13	-	1,222.90	1,222.91	(0.01)
1205	106	611	6	6	-	565.11	564.42	0.69
1206	107	1,033	10	10	-	940.99	940.70	0.29
1301	108	1,033	10	10	-	940.99	940.70	0.29
1302	109	611	6	6	-	565.11	564.42	0.69
1303	110	1,277	13	13	-	1,222.90	1,222.91	(0.01)
1304	111	1,277	13	13	-	1,222.90	1,222.91	(0.01)
1305	112	611	6	6	-	565.11	564.42	0.69
1306	113	1,033	10	10	-	940.99	940.70	0.29
2101	34	1,033	10	10	-	935.01	940.70	(5.69)
2102	33	611	6	6	-	565.11	564.42	0.69
2103	32	1,277	13	13	-	1,222.90	1,222.91	(0.01)
2104	31	611	6	6	-	565.11	564.42	0.69
2105	30	1,033	10	10	-	940.99	940.70	0.29
2201	39	1,033	10	10	-	940.99	940.70	0.29
2202	38	611	6	6	-	565.11	564.42	0.69
2203	37	1,277	13	13	-	1,222.90	1,222.91	(0.01)
2204	36	611	6	6	-	565.11	564.42	0.69
2205	35	1,033	10	10	-	940.99	940.70	0.29
2301	44	1,033	10	10	-	940.99	940.70	0.29
2302	43	611	6	6	-	565.11	564.42	0.69
2303	42	1,277	13	13	-	1,222.90	1,222.91	(0.01)
2304	41	611	6	6	-	565.11	564.42	0.69
2305	40	1,033	10	10	-	940.99	940.70	0.29
3101	1	1,821	18	18	-	1,694.04	1,693.26	0.78
3103	2	1,782	18	18	-	1,694.04	1,693.26	0.78
3106	3	2,637	26	26	-	2,447.09	2,445.82	1.27
3107	4	2,637	26	26	-	2,447.09	2,445.82	1.27
3110	5	1,782	18	18	-	1,694.04	1,693.26	0.78
3112	6	1,821	18	18	-	1,694.04	1,693.26	0.78
3113	7	1,003	10	10	-	940.99	940.70	0.29
3114	8	978	10	10	-	940.99	940.70	0.29
3115	9	1,591	16	16	-	1,506.10	1,505.12	0.98
3201	10	1,821	18	18	-	1,694.04	1,693.26	0.78
3203	11	1,782	18	18	-	1,694.04	1,693.26	0.78
3206	12	2,637	26	26	-	2,447.09	2,445.82	1.27
3207	13	2,637	26	26	-	2,447.09	2,445.82	1.27
3209	14	1,782	18	18	-	1,694.04	1,693.26	0.78
3212	15	1,821	18	18	-	1,694.04	1,693.26	0.78
3213	16	1,003	10	10	-	940.99	940.70	0.29
3214	17	978	10	10	-	940.99	940.70	0.29
3215	18	1,591	16	16	-	1,506.10	1,505.12	0.98
3301	19	1,821	18	18	-	1,694.04	1,693.26	0.78
3303	20	1,782	18	18	-	1,694.04	1,693.26	0.78

Unit number	K number	Sq ftg	WB Entitlement			WB Strata fees		
			Entitlements	Recalculation	Difference	Strata fees	recalculation	Difference
3306	21	2,637	26	26	-	2,447.09	2,445.82	1.27
3307	22	2,637	26	26	-	2,447.09	2,445.82	1.27
3310	23	1,782	18	18	-	1,694.04	1,693.26	0.78
3312	24	1,821	18	18	-	1,694.04	1,693.26	0.78
3313	25	1,003	10	10	-	940.99	940.70	0.29
3314	26	978	10	10	-	940.99	940.70	0.29
3315	27	1,591	16	16	-	1,506.10	1,505.12	0.98
4101	46	1,716	17	17	-	1,598.78	1,599.19	(0.41)
4102	47	1,668	17	17	-	1,598.78	1,599.19	(0.41)
4103	48	1,104	11	11	-	1,034.96	1,034.77	0.19
4104	49	1,279	13	13	-	1,222.90	1,222.91	(0.01)
4105	50	1,297	13	13	-	1,222.90	1,222.91	(0.01)
4201	51	1,716	17	17	-	1,598.78	1,599.19	(0.41)
4202	52	1,668	17	17	-	1,598.78	1,599.19	(0.41)
4203	53	1,104	11	11	-	1,034.96	1,034.77	0.19
4204	54	1,279	13	13	-	1,222.90	1,222.91	(0.01)
4205	55	1,297	13	13	-	1,222.90	1,222.91	(0.01)
4301	56	1,716	17	17	-	1,598.78	1,599.19	(0.41)
4302	57	1,668	17	17	-	1,598.78	1,599.19	(0.41)
4303	58	1,104	11	11	-	1,034.96	1,034.77	0.19
4304	59	1,279	13	13	-	1,222.90	1,222.91	(0.01)
4305	60	1,297	13	13	-	1,222.90	1,222.91	(0.01)
5101	64	1,033	10	10	-	940.99	940.70	0.29
5102	65	611	6	6	-	565.11	564.42	0.69
5103	66	1,277	13	13	-	1,222.90	1,222.91	(0.01)
5104	67	611	6	6	-	565.11	564.42	0.69
5105	68	1,033	10	10	-	940.99	940.70	0.29
5201	69	1,033	10	10	-	940.99	940.70	0.29
5202	70	611	6	6	-	565.11	564.42	0.69
5203	71	1,277	13	13	-	1,222.90	1,222.91	(0.01)
5204	72	611	6	6	-	565.11	564.42	0.69
5205	73	1,033	10	10	-	940.99	940.70	0.29
5301	74	1,033	10	10	-	940.99	940.70	0.29
5302	75	611	6	6	-	565.11	564.42	0.69
5303	76	1,277	13	13	-	1,222.90	1,222.91	(0.01)
5304	77	611	6	6	-	565.11	564.42	0.69
5305	78	1,033	10	10	-	940.99	940.70	0.29
6101	80	1,033	10	10	-	940.99	940.70	0.29
6102	81	611	6	6	-	565.11	564.42	0.69
6103	82	1,277	13	13	-	1,222.90	1,222.91	(0.01)
6104	83	611	6	6	-	565.11	564.42	0.69
6105	84	1,033	10	10	-	940.99	940.70	0.29
6201	85	1,033	10	10	-	940.99	940.70	0.29
6202	86	611	6	6	-	565.11	564.42	0.69
6203	87	1,277	13	13	-	1,222.90	1,222.91	(0.01)
6204	88	611	6	6	-	565.11	564.42	0.69
6205	89	1,033	10	10	-	940.99	940.70	0.29
6301	90	1,033	10	10	-	940.99	940.70	0.29
6302	91	611	6	6	-	565.11	564.42	0.69
6303	92	1,277	13	13	-	1,222.90	1,222.91	(0.01)
6304	93	611	6	6	-	565.11	564.42	0.69
6305	94	1,033	10	10	-	940.99	940.70	0.29
						119,694.14	119,657.04	37.10

4. Review of expenses charged directly to Strata owners

Electricity

Electricity is supplied to the entire property on one account with Fortis TCI. Individual proprietor units, resort areas and strata common areas are sub-metered. Monthly sub-meter bills are calculated using the Fortis rates charged as per the monthly invoice plus a markup of 10% is applied. All accounts including the resort and common area accounts are subject to the 10% markup.

Given the 10% markup this typically results in a surplus to the benefit of the Strata. The below extract from GL account 320015-35 'Income from Power' shows the entries passed to this account for the month of August 2023. The underlying Fortis bill is expensed to this account which is offset by the charges billed to proprietors, OSM and common areas resulting in a surplus for the month of \$7,359.39.

Account Number/Year/Prd.	Source	Doc. Date	Description/Reference	Posting Seq.	Batch-Entry	Debits	Credits	Net Change
08	AP-IN	8/31/2023	FORTIS TCI 6504578-FORTIS TCI	3303	3339-1	81,058.80		
08	GL-JE	8/31/2023	Income Power	3293	3329-1		24,463.19	
08	GL-JE	9/11/2023	Reclass Electricity Charges - 08	3307	3343-1		63,955.00	
Net Change and Ending Balance for Fiscal Period 08:								-7,359.39

The above listed charge of \$81,058.80 was correctly agreed to the Fortis TCI invoice for the month of August 2023.

The entry referenced 'Reclass Electricity charges -08' for \$63,955 relates to the charges to proprietors for the month. This amount has been agreed to the Excel electricity reading file provided.

The entry above referenced 'Income Power' for \$24,463.19 refers to the Resort and OSM charges for the month and is analyzed on the following page.

Resort			
Pool (90%)			
House Building 2 (90%)		1,267.74	Expensed to Swimming pool utilities GL ac 565042-38
Treatment Plant		1,695.35	Expensed to Treatment Plant - Power GL ac 563012-22
Gym		3,405.97	Expensed to Electricity GL ac 570001-21
Public Area			
House Building 1	83.26		
House Building 2 (10%)	140.86		
House Building 3	233.04		
House Building 4	594.68		
House Building 5	534.08		
Basement maintenance	804.56		
Public Area	4,450.47		
House Building 6	587.78		
Basement maintenance (50%)	279.88	7,708.61	Expensed to Electricity GL ac 570001-21
		14,077.66	
OSM			
Hemingways		3,910.61	
Sand Dollar - Convenience Store		220.73	
Laundry		302.02	
Power - OSM			
Spa & Lounge	19.67		
Front Office Housing	4617.48		
Basement maintenance (50%)	279.88	4,917.03	
Front Office Housing - Unit 119		204.47	
Housekeeping Housing			
Front Office Housing - Unit 119	204.47		
Unit 118 (1/3)	208.74	413.21	
		9,968.06	Charged to Intercompany OSM GL ac 201052-01
Other			
Unit 118 2/3 split Nikki (HSK) Kenmarley (SC), Kirkland (Sands Maint)		417.47	Charged to Intercompany OSM GL ac 201052-01
Total		24,463.20	

There appears to be a minor error in the spreadsheet provided where the charge relating to Unit 119 is duplicated in both 'Front Office Housing' category and 'Housekeeping Housing'.

From the above analysis, we note a laundry electricity cost of \$302.02. The following section relating to water expense details charges for laundry of \$351.39 and \$3,003.11. The combined total of \$3,354.50 would indicate significant use of the laundry machines whereas the associated electricity

cost would appear to be comparatively low. We would recommend that OSM investigate this area further to ensure the charges are correct.

OSM response comment

We have reviewed the alleged duplicated posting for unit 119 (on page 19) and can confirm our calculation is correct as this contains 2 rooms.

Water

Water is supplied to the entire property on one account with Provo Water Company Ltd. Individual proprietor units, resort areas and strata common areas are sub-metered. Monthly sub-meter bills are ordinarily calculated using the Provo Water rates charged as per the monthly invoice plus a markup of 10% is applied. For the current financial year a markup of 40% is being applied as explained below. All accounts, including the resort and common area accounts, are subject to the markup.

Given the markup this typically results in a surplus to the benefit of the Strata. The below extract from GL account 320015-35 'Income from Power' shows the entries passed to this account for the month of August 2023. The underlying Provo Water bill is expensed to this account which is offset by the charges billed to proprietors, OSM and common areas resulting in a surplus for the month of \$1,571.46.

Account Number/ Year/ Prd.	Source	Doc. Date	Description/ Reference	Posting Seq.	Batch-Entry	Debits	Credits	Net Change
08	AP-IN	9/2/2023	Provo Water Company B230901031022315-Provo Water Company	3303	3339-3	22,887.13		
08	GL-JE	8/31/2023	Income Water	3293	3329-1		7,628.03	
08	GL-JE	9/11/2023	Reclass Water Charges - 08	3307	3343-1		19,501.00	
08	GL-JE	8/31/2023	Monthly Water Leak Consumption Recovery	3312	3348-1	5,813.36		
Net Change and Ending Balance for Fiscal Period 08:								1,571.46

The above listed charge of \$22,887.13 was correctly agreed to the Provo Water Company Ltd invoice for the month of August 2023.

The leak consumption recovery relates to a prior year water repair which was initially paid for by OSM and is being reimbursed by the Strata over a period of time by a mechanism of increasing the markup on water from 10% to 40%. The 30% effective increase on monthly water charges is reimbursed to OSM as recalculated below.

OSM water charges	7,628.03
Proprietors water charges	19,501.00
Total charges with 40% markup	27,129.03
Total water charges without markup (/140 * 100)	19,377.88
30% recovery on net amount	5,813.36

Based on the review of the general ledger it was noted that OSM were fully reimbursed for the water repair in December 2023. We have been further advised that water charges have now reverted back to the ordinary markup of 10%.

The charges to proprietors are represented by the credit amount of \$19,501. We obtained the water readings file however we were unable to agree the amount the Excel water readings file provided. The underlying system report was then provided which details the charges per unit. This report was compared against the water readings file, and it was noted that there were approximately 15 units which were not included in the billing amount of \$19,501. This was queried and we were advised there were queries relating to the readings for these units and that they were billed in the subsequent month.

The line item referenced 'income water' for \$7,628.03 relates to the water charges for OSM properties and the resort common areas. The analysis of this amount is as follows:

Resort			
Building 1 - Maid Room	29.54		
Building 1 - HB Basement	202.69		
Building 2 - Wash room	15.28		
Building 3 - House	193.01		
Building 4 - House	93.19		
Building 5 - House	30.05		
Gym	310.14		
Building 1 - P. House Bath	55.51		
Hemming / Bathroom 50%	339.68	1,269.09	Charged to water expense ac 201052-01
OSM			
Hemming / Bathroom 50%	339.68		
Hemmingways	1,223.25		
Laundry	351.39		
Laundry 1	3,003.11		
Front Office	304.03		
Spa	1,000.00		
Pool & beach / Maint Mike Valdez	58.31		
Front Office Housing / SC Chef	20.88		
Housekeeping Housing / Nikki	58.31	6,358.96	Charged to Intercompany OSM GL ac 201052-01
		7,628.05	

Cable tv

From trial balance we noted that transactions relating to Cable television and internet are contained within account 320017-35 which details income from the year of \$17,907.

The general ledger activity for this account was reviewed and we noted that the revenues billed to unit owners and the underlying cable tv expense are both charged to the same general ledger account as shown below using December 2023 as an example.

Account Number/ Year/ Prd.	Source	Doc. Date	Description/ Reference	Posting Seq.	Batch-Entry	Debits	Credits	Net Change
12	AP-IN	12/4/2023	Digicel 002-501864-DEC 2023-Digicel	3488	3524-6	6,466.00		
12	AP-IN	12/4/2023	Digicel 002-501864-DEC 2023-Digicel	3488	3524-6	5.00		
12	GL-JE	12/31/2023	Monthly Cable Hemingways	3553	3604-1		50.00	
12	GL-JE	1/15/2024	559-Cable TV & Equipment - OPERA TRIAL BA	3587	3623-1		7,575.00	
12	GL-JE	1/15/2024	559-Cable TV & Equipment - OPERA TRIAL BA	3587	3623-1		75.00	
Net Change and Ending Balance for Fiscal Period 12:								-1,229.00

The supporting documents relating to the above December transactions were provided.

The underlying Digicel expense for the month was agreed to an invoice. The charge for the month was \$6,466 and a late fee of \$5 was noted. From a review of the entries, it would appear that Digicel increased the monthly charge from \$6,100 to \$6,466.

The revenue generated from unit owners for cable is as follows:

Number of units	102
Monthly charge per unit	\$75
Total revenue per month	\$7,650

Additionally, we noted that Hemingway's restaurant is charged a monthly fee for cable TV of \$50. No further OSM charges for Cable tv were identified. The monthly charge of \$75 per unit and \$50 for Hemingway's was in place for the whole of FY2023 and our understanding this arrangement has been in place for a number of years.

Overall, the above entries represented a profit to the Strata for Cable Tv of \$1,229 and the total profit for the year to the Strata appears reasonable.

Nothing further.

Appendix 1

THE SANDS AT GRACE BAY STRATA PLAN NO. 25 Balance Sheet

	As of 12/31/2023	As of 12/31/2022	Variance 2023 vs 2022
Assets			
Cash / Bank			
First Caribbean Operating Account	\$ 12,374	\$ 73,148	\$ (60,774)
Term Deposit-1	502,361	420,249	82,112
Term Deposit-2	-	76,033	(76,033)
	<u>514,735</u>	<u>569,430</u>	<u>(54,695)</u>
Accounts Receivable			
Employee Advances	800	407	393
	<u>800</u>	<u>407</u>	<u>393</u>
Inventory			
Maintenance/Engineering	250,739	257,977	(7,238)
Grounds	35,290	33,895	1,595
Treatment Plant	1,965	3,805	(1,840)
Pool and Beach	33,994	35,215	(1,221)
Uniforms	1,986	7,480	(5,474)
Hurricane Supplies	38,433	43,541	(5,108)
	<u>362,407</u>	<u>381,893</u>	<u>(19,286)</u>
Prepaid Expenses			
Licenses & Fees	-	724	(724)
Supplies	2,433	-	2,433
Water Leak Project	-	21,307	(21,307)
Pipe Replacement Project	4,869	52,037	(47,168)
Insurance	1,210	1,864	(654)
	<u>8,512</u>	<u>75,932</u>	<u>(67,420)</u>
Deposits			
Security Deposit-Power	11,250	11,250	-
Intercompany Account			
Due from (to) Oceanside Corp	95,943	(53,036)	148,979
Total Assets	<u>\$ 993,647</u>	<u>\$ 985,676</u>	<u>\$ 7,971</u>
Liabilities & Equity			
Liabilities			
Accounts Payable-Trade	\$ 89,327	\$ 98,999	\$ (9,672)
Accrued Expenses	21,558	14,877	6,881
NIS Payable	16,160	11,153	5,007
NHIP Payable	16,163	9,168	6,995
Accrued Payroll	-	-	-
Water Leak/Pipe Replacement payable to OSM	-	64,063	(64,063)
Total Liabilities	<u>143,208</u>	<u>198,060</u>	<u>(54,852)</u>
Equity			
Capex Reserve Fund	(2,160)	84,595	(86,755)
Major Reserve Fund	625,556	500,470	125,086
Retained Earnings (Operating Fund)	227,043	202,551	24,492
Total Equity	<u>850,439</u>	<u>787,616</u>	<u>62,823</u>
Total Liabilities & Equity	<u>\$ 993,647</u>	<u>\$ 985,676</u>	<u>\$ 7,971</u>

**Proprietors of Strata Plan # 25
Financial Statement**

December 2023

monthly						variance		SUMMARY STATEMENT	year-to-date				variance			
Actual	%	Budget	%	Last Year	%	to bud	to LY		Actual	%	2023	%	2022	%	to bud	to LY
153,240	100%	153,877	100%	131,952	100%	(637)	21,289	Revenues	1,822,102	100%	1,846,362	100%	1,671,666	100%	(24,260)	150,436
153,240	100%	153,877	100%	131,952	100%	(637)	21,289	TOTAL REVENUES	1,822,102	100%	1,846,362	100%	1,671,666	100%	(24,260)	150,436
93,442	61%	88,512	58%	73,293	56%	4,930	20,149	Payroll & Related	790,229	43%	755,030	41%	649,502	39%	35,199	140,727
32,245	21%	35,848	23%	29,854	23%	(3,603)	2,391	Admin & General	382,497	21%	397,397	22%	385,552	23%	(14,900)	(3,056)
21,072	14%	21,032	14%	30,238	23%	40	(9,166)	Maintenance	239,029	13%	229,786	12%	243,284	15%	9,243	(4,255)
10,716	7%	8,034	5%	12,499	9%	2,682	(1,783)	Grounds & Landscaping	90,054	5%	98,529	5%	104,482	6%	(8,475)	(14,428)
16,761	11%	15,301	10%	10,619	8%	1,460	5,942	Pool & Beach	116,839	6%	146,043	8%	134,385	8%	(29,203)	(17,546)
16,570	11%	19,304	13%	14,407	11%	(2,735)	2,163	Common Areas	178,961	10%	215,271	12%	174,029	10%	(36,310)	4,932
190,805	125%	188,032	122%	171,109	130%	2,774	19,697	TOTAL EXPENSES	1,797,609	99%	1,842,057	100%	1,691,236	101%	(44,448)	106,374
-	0%	-	0%	-	0%	-	-	Insurance Assessment	582,843	32%	591,195	32%	482,583	29%	(8,352)	100,260
-	0%	-	0%	-	0%	-	-	Insurance Expenses	(582,843)	-32%	(591,195)	-32%	(482,583)	-29%	8,352	(100,260)
-	0%	-	0%	-	0%	-	-	Management Fee	-	0%	-	0%	-	0%	-	-
-	0%	-	0%	-	0%	-	-	TOTAL INSURANCE	-	0%	-	0%	0	0%	-	(0)
19,660	13%	19,561	13%	40,409	31%	99	(20,749)	Capex Reserve Assessment	235,917	13%	234,732	13%	276,435	17%	1,184	(40,518)
10,424	7%	10,424	7%	-	0%	0	10,424	Major Reserve Assessment	125,086	7%	125,082	7%	207,826	12%	4	(82,740)
(30,083)	-20%	(29,985)	-19%	(40,409)	-31%	(99)	10,326	Reserve Fund	(361,000)	-20%	(359,814)	-19%	(484,263)	-29%	(1,186)	123,263
-	0%	-	0%	-	0%	-	-	TOTAL RESERVE FUND	2	0%	-	0%	(2)	0%	2	4
(37,565)	-25%	(34,154)	-22%	(39,157)	-30%	(3,411)	1,592	PROFIT / (LOSS)	24,491	1%	4,305	0%	(19,568)	-1%	20,186	44,058