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REGENCY HOUSE CONDOMINIUM ASSOCIATION

Milwaukee, Wisconsin

Audited Financial Statements

Seven Months Ended February 28, 2026

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Seven Months Ended February 28, 2026

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RPB CPAs

Independent Auditors' Report

To the Board of Directors and Members
Regency House Condominium Association
Milwaukee, Wisconsin

Opinion

We have audited the accompanying financial statements of Regency House Condominium Association ("Association"), which comprise the balance sheet as of February 28, 2026, and the related statement of revenues, expenses and changes in fund balance and cash flows for the seven-month period 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 the Association as of February 28, 2026, and the results of its operations and cash flows for the seven-month period 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association 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.

Emphasis of Matter

As discussed in Note 10 to the financial statements, the previously issued financial statements have been restated for a correction of an error.

As discussed in Note 1 to the financial statements, the Association elected to change its fiscal year-end from July 31 to February 28, resulting in a seven-month reporting period for the current year. Our opinion is not modified with respect to this 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.

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 the Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' Responsibility 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 auditors' 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 the Association'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 the Association'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.

Report on Summarized Comparative Information

We have previously audited Regency House Condominium Association's July 31, 2025 financial statements, and our report dated November 4, 2025 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended July 31, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The other supplementary information contained on pages 14-15, which is the responsibility of the Association's management, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or 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, that information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements on common property on page 16 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.

Reilly, Penner + Benton LLP

May 12, 2026
Milwaukee, Wisconsin

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Balance Sheet - Assets
February 28, 2026
(With Summarized Comparative Financial Information as of July 31, 2025)

	Operating Fund	Reserve Fund	2026 Total	Restated 2025 Total
Current Assets:				
Cash and cash equivalents	$ 315,891	$ 863,079	$ 1,178,970	$ 1,157,875
Trade receivables, net of allowance for credit losses of $0 for 2026 and 2025	4,990	---	4,990	3,339
Insurance receivable	182,946	---	182,946	---
Current portion of special assessment receivable	---	8,631	8,631	14,667
Prepaid expenses	26,233	---	26,233	40,146
Due from other funds	---	169,621	169,621	30,287
Total current assets	530,060	1,041,331	1,571,391	1,246,314
Capital Assets:				
Garage equipment	---	11,176	11,176	11,176
Office furniture and fixtures	---	145,275	145,275	145,275
Equipment	---	150,308	150,308	150,308
Accumulated depreciation	---	(204,307)	(204,307)	(181,530)
Net capital assets	---	102,452	102,452	125,229
Other Assets:				
Non-current special assessments receivable	---	27,101	27,101	30,264
Total Assets	$ 530,060	$ 1,170,884	$ 1,700,944	$ 1,401,807

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

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Balance Sheet - Liabilities and Fund Balance
February 28, 2026
(With Summarized Comparative Financial Information as of July 31, 2025)

	Operating Fund	Reserve Fund	2026 Total	Restated 2025 Total
Current Liabilities:				
Accounts payable	$ 189,184	$ 17,097	$ 206,281	$ 30,050
Accrued vacation and payroll withholdings	40,043	---	40,043	28,950
Due to other funds	169,621	---	169,621	30,287
Current portion of long-term debt	---	6,240	6,240	10,784
Prepaid charges	48,796	---	48,796	37,913
Members' deposits	28,325	---	28,325	28,325
Total current liabilities	475,969	23,337	499,306	166,309
Other Liabilities:				
Long-term debt	---	34,283	34,283	37,945
Total liabilities	475,969	57,620	533,589	204,254
Fund Balance:				
Undesignated	54,091	---	54,091	78,975
Designated:				
Property and equipment	---	102,452	102,452	125,229
Reserve for future replacement of major systems	---	1,010,812	1,010,812	993,349
Total fund balance	54,091	1,113,264	1,167,355	1,197,553
Total Liabilities and Fund Balance	$ 530,060	$ 1,170,884	$ 1,700,944	$ 1,401,807

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

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Statement of Revenues, Expenses and Changes in Fund Balance
For the Seven Months Ended February 28, 2026
(With Summarized Comparative Information for the Year Ended July 31, 2025)

	Operating Fund	Reserve Fund	2026 Total	Restated 2025 Total
Revenues:				
Association dues/assessments	$ 1,093,225	$ 1,003	$ 1,094,228	$ 1,856,514
Garage fees	122,360	---	122,360	203,585
Laundry income	8,171	---	8,171	10,381
Resident parking	22,355	---	22,355	37,827
Guest parking	3,145	---	3,145	4,060
Investment income	---	14,367	14,367	21,314
Miscellaneous revenue	24,032	---	24,032	33,977
Total revenues	1,273,288	15,370	1,288,658	2,167,658
Expenses:				
Operating	810,755	---	810,755	1,303,220
Administrative	70,505	---	70,505	72,851
Maintenance and repairs	169,932	---	169,932	299,122
Depreciation expense	---	22,777	22,777	39,156
Capital expenses	---	215,134	215,134	284,148
Interest expense	---	976	976	2,248
Repairs and maintenance	---	3,777	3,777	38,583
Total expenses	1,051,192	242,664	1,293,856	2,039,328
Excess (deficit) of revenues over (under) expenses	222,096	(227,294)	(5,198)	128,330
Special Items:				
Insurance proceeds for water damages	239,838	---	239,838	1,000
Owner reimbursement for deductible	25,000	---	25,000	---
Mitigation and reconstruction	(289,838)	---	(289,838)	---
Total special items	(25,000)	---	(25,000)	1,000
Transfers:				
Reserve transfer	(221,980)	221,980	---	---
Change in Fund Balance	(24,884)	(5,314)	(30,198)	129,330
Fund Balance - beginning of period	78,975	1,118,578	1,197,553	1,068,223
Fund Balance - end of period	$ 54,091	$ 1,113,264	$ 1,167,355	$ 1,197,553

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

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Statement of Cash Flows

For the Seven Months Ended February 28, 2026
(With Summarized Comparative Information for the Year Ended July 31, 2025)

	Operating Fund	Reserve Fund	2026 Total	2025 Total
Cash Flows from Operating Activities:				
Change in fund balance	$ (24,884)	$ (5,314)	$ (30,198)	$ 129,330
Adjustments to reconcile change in fund balance to net cash provided (used) by operating activities:				
Depreciation	---	22,777	22,777	39,156
Interfund transfers	199,908	(199,908)	---	---
Change in operating assets/liabilities:				
Trade receivables	(1,651)	---	(1,651)	1,677
Insurance receivable	(182,946)	---	(182,946)	---
Special assessments receivable	---	9,199	9,199	18,316
Prepaid expenses	6,795	7,118	13,913	23,511
Accounts payable	159,134	17,097	176,231	(399,706)
Accrued wages and benefits	11,093	---	11,093	(3,057)
Prepaid charges	10,883	---	10,883	428
Deferred revenue - special assessment	---	---	---	(24,004)
Net cash provided (used) by operating activities	178,332	(149,031)	29,301	(214,349)
Cash Flow from Investing Activities:				
Purchase of capital assets	---	---	---	(5,104)
Net cash used by investing activities	---	---	---	(5,104)
Cash Flow from Financing Activities:				
Payments on long-term debt	---	(8,206)	(8,206)	(20,425)
Net cash used by financing activities	---	(8,206)	(8,206)	(20,425)
Net increase (decrease) in cash and cash equivalents	178,332	(157,237)	21,095	(239,878)
Cash and cash equivalents - beginning of period	137,559	1,020,316	1,157,875	1,397,753
Cash and cash equivalents - end of period	$ 315,891	$ 863,079	$ 1,178,970	$ 1,157,875
Supplemental information:				
Interest paid	$ ---	$ 976	$ 976	$ 2,248

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

Notes to Financial Statements
February 28, 2026

1. Nature of Operations

The Regency House Condominium Association ("Association") was incorporated in 1974 in the state of Wisconsin. The Association is responsible for operating and maintaining the common property of Regency House Condominium. Regency House Condominium Association consists of 200 residential units occupying a 27-story high rise at 929 North Astor Street in Milwaukee, Wisconsin.

The purpose of the Association is to execute, on behalf of all unit owners, the rights, powers, and obligations vested in the Association pursuant to the Declaration of Condominium, including electing the Board of Directors, managing and maintaining all of the common areas and other structural elements, collecting the fees and assessments and enforcing lien rights, and general operating and management of the condominium property.

The individual condominium owners each have an undivided interest in the general common areas commensurate with their interest. Regency House Condominium Association has no property transferred to it.

Change in Fiscal Year-End

During the current period, the Association elected to change its fiscal year-end from July 31 to February 28. Consequently, the accompanying financial statements are presented for the seven-month transition period beginning August 1, 2025, and ending February 28, 2026. As a result of this change, the amounts presented in the statement of revenues, expenses and changes in fund balance and statement of cash flows for the seven months ended February 28, 2026, are not directly comparable to prior or future full twelve-month fiscal years.

2. Significant Accounting Policies

A. Basis of Presentation

The accounts of the Association are maintained, and the accompanying financial statements have been prepared using the accrual basis of accounting.

B. Fund Accounting

The Association's governing documents present certain guidelines for governing its financial activities. To ensure recognition of restrictions and limitations on the use of financial resources, the Association maintains its accounts using fund accounting. Fund accounting requires that funds, such as operating funds and funds designated for future major repairs and replacements, be classified separately for accounting and reporting purposes. The financial statements are reported in two self-balancing funds. The two funds are as follows:

Operating Fund

This fund is used to account for financial resources used in the general operations of the Association.

Reserve Fund

This fund is used to account for financial resources that are designated for major repairs and replacements. This fund includes general reserve fund resources.

C. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Association considers all petty cash, savings, checking, money market and certificates of deposit to be cash and cash equivalents.

2. Significant Accounting Policies (Continued)

D. Capital Assets

Real property, common areas and related improvements to such property are not recorded in the Association's financial statements. Those properties are owned by the individual unit owners in common and not by the Association. Common property and equipment with a cost greater than $3,500 acquired by the Association are stated at cost and are depreciated over the estimated useful lives of the assets using the straight-line method of depreciation. Expenditures for maintenance and repairs which do not extend the life of the applicable asset are charged to expense. Depreciation expense for the seven-month period ended February 28, 2026 was $22,777.

E. Revenue Recognition

The Association's primary source of revenue consists of regular dues and assessments levied against condominium owners. For operating fund assessments, garage fees, and resident parking, the Association's performance obligations are satisfied over time as daily management and maintenance are continuously provided to the members.

A portion of the Association dues and assessments is allocated to the reserve fund. The performance obligation for these assessments is to accumulate funds for future major repairs and replacements; therefore, this revenue is recognized at a point in time when the funds are transferred. Revenue from laundry services, guest parking, and miscellaneous sources is also recognized at a point in time when the specific service or transaction occurs. Special assessments are recognized over time as the specific, related repair expenses are incurred.

In the following table, revenue is disaggregated by timing of satisfaction or performance obligations for the seven-month period ended February 28, 2026:

Satisfied over time:		
Association dues/assessments (operating fund)	$	1,017,193
Garage fees		122,360
Resident parking		22,355
Total satisfied over time	$	1,161,908
Satisfied at a point in time:		
Association dues/assessments (reserve fund)	$	77,034
Laundry		8,171
Guest parking		3,145
Miscellaneous revenue		24,032
Total satisfied at a point in time	$	112,382

2. Significant Accounting Policies (Continued)

F. Receivables and Contract Balances

Trade receivables and special assessment receivables are recorded at their contract value.

The Association estimates expected credit losses on receivables based on historical credit loss experience, current economic conditions, and reasonable and supportable forecasts that affect collectability. The Association has determined that no allowance for credit losses is necessary for the seven-month period ended February 28, 2026, based on management's review of outstanding balances, historical collection information, and existing economic conditions.

The credit risk profile of receivables is categorized based on credit quality indicators. The Association uses this information to determine appropriate allowances for expected credit losses. The determination of expected credit losses involves significant judgments and estimates. Changes in economic conditions or owner payment behavior may impact the allowance for credit losses.

The Association writes off receivables when there is information indicating the debtor is facing significant financial difficulty and there is no reasonable possibility of recovery. If any recoveries are made from accounts previously written off, they are recognized in income or as an offset to credit loss expense in the year of recovery, in accordance with the Association's accounting policy election. No receivables were written off during the seven-month period ended February 28, 2026.

The opening and closing balances of the Association's receivables are as follows:

	August 1, 2025	February 28, 2026
Trade Receivables	$ 3,339	$ 4,989
Special assessment receivable	44,931	35,732
Total receivables	$ 48,270	$ 40,721

G. Use of Estimates

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

H. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended July 31, 2025, from which the summarized information was derived.

I. Subsequent Events

Management of the Association has evaluated all subsequent events through May 12, 2026, for possible inclusion as a disclosure in the notes to the financial statements. The Association has identified no subsequent events that require disclosure in the notes to the financial statements.

3. Special Assessments

The Association is required by law to repair common elements of the condominium. The Board identifies certain capital projects which must be undertaken to maintain the quality of the condominium building. In February 2021, the members of the Association approved an improvement project that includes upgrades and replacement to the common hallways and other common elements. The project was funded with a $990,000 special assessment.

The special assessments were due in full by May 1, 2021, or owners were able to finance the entire amount or a portion of the special assessment over a 5-year or 10-year period through the Association. The Association is charging interest at a rate of 3.75%. As of February 28, 2026, the financed portion of the special assessment that was outstanding was $35,732. The following is a maturity schedule of the special assessment amounts financed for the years ended February 28:

2027	$	8,631
2028		6,002
2029		6,231
2030		6,469
2031		6,716
2032		1,683
Total	$	35,732

4. Long-Term Debt

During the fiscal year ended July 31, 2022, the Association financed its special assessment receivable through two notes payable. Both loans accrue interest at 3.75% and are collateralized by the assets of the Association.

- **Improvement Loan #1:** Originated with a balance of $68,388 and a maturity date of January 14, 2027. This loan was paid in full during the seven-month period ended February 28, 2026.
- **Improvement Loan #2:** Originated with a balance of $63,730 and a maturity date of January 14, 2032. As of February 28, 2026, the outstanding balance is $40,523.

Total interest expense for the seven-month period ended February 28, 2026, was $976. Future scheduled principal payments for the remaining note payable for the years ending February 28 are as follows:

2027	$	6,240
2028		6,478
2029		6,725
2030		6,982
2031		7,248
2032		6,850
Total	$	40,523

5. Maintenance Assessment Revenue

By resolution of the Association, excess revenues over expenses from the operating fund are refunded to Association members at the end of each fiscal year. Concurrent with this resolution, the Board of Directors is authorized to propose a reserve assessment which is equal to the amount of the refund previously approved. This reserve assessment is reported as assessments in the Reserve Fund. The reserve assessment is based on a vote of the members for the year ended February 28, 2026.

6. Water Damage and Insurance Claim

During the fiscal year, the Association incurred water damage to common areas requiring emergency mitigation and repairs. For the year ended February 28, 2026, the Association recognized $289,838 in expenses, $239,838 in realizable insurance recoveries, and $25,000 in owner chargeback income related to the insurance deductible.

7. Reserve for Future Replacement of Major Systems

The Association's by-laws require that a reserve fund be maintained for contingencies. The Board of Directors has maintained such a fund and has accumulated funds for future major repairs and replacements.

Superior Reserve Engineering & Consulting conducted a study as of February 16, 2026, to estimate the remaining useful lives and future replacement costs of the components of common property.

The Association's Board of Directors, in funding for major repairs and replacements, gives consideration to the study's estimates of future replacement costs and considers amounts previously accumulated in the reserve fund when establishing current funding levels. Accordingly, a funding requirement has been included in the budget. To date, the Association's funding level for future major repairs and replacements has been less than determined in the reserve study.

Funds are being accumulated in the major repair and replacement fund after taking into account, but not necessarily fully funding for, estimated future costs for repairs and replacements of common property components. Actual expenditures and investment income may vary from the estimated amounts, and the variations may be material.

8. Income Taxes

The Association received a determination letter from the State of Wisconsin indicating that it is not subject to state income or franchise taxes.

For federal income tax purposes, the Association can elect to be taxed as a corporation or a homeowner's association each year. For the year ended July 31, 2025, the Association filed as a homeowner's association and intends to do so for the seven-month period ended February 28, 2026. When the Association files as a homeowner's association, the Association is not taxed on dues, fees or assessments from unit owners. However, the Association is taxed on nonexempt function income, which includes interest income, less a portion of allocated Association expenses.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association, and has concluded that as of February 28, 2026, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management has determined that it is no longer subject to income tax examinations for years prior to 2022.

9. Concentrations of Credit Risk

The Association maintains its cash balances at a number of financial institutions, which, at times, may exceed federally insured limits. The Association has not experienced any losses with these accounts. Management has determined that the Association is not exposed to any significant credit risk on cash.

Deposits in each local and area bank are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of $250,000 for interest bearing and noninterest bearing accounts.

10. Commitments

The Association signed various repair and maintenance contracts during the seven-month period ended February 28, 2026 totaling approximately $64,000. The work is expected to be completed during the year ended February 28, 2027.

11. Restatement

It was determined that prepaid expenses were understated for the year ended July 31, 2025.

Accordingly, the accompanying financial statements for the year ended July 31, 2025, have been restated to correct this error. The effect of the restatement is as follows:

	Originally Stated	Adjustment	As Restated
Balance Sheet			
Prepaid expenses	$ 8,144	$ 24,884	$ 33,028
Total current assets	1,221,430	24,884	1,246,314
Total assets	1,376,923	24,884	1,401,807
Fund balance – undesignated	54,091	24,884	78,975
Total fund balance	1,172,669	24,884	1,197,553
Statement of Revenues, Expenses and Changes in Fund Balance			
Operating	$ 1,328,104	$ (24,884)	$ 1,303,220
Total expenses	2,064,212	(24,884)	2,039,328
Change in fund balance	104,446	24,884	129,330
Fund balance, end of year	1,172,669	24,884	1,197,553
Statement of Cash Flows			
Change in fund balance	$ 104,446	$ 24,884	$ 129,330
Change in prepaid expenses	48,395	(24,884)	23,511

OTHER SUPPLEMENTARY INFORMATION

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Schedule of Revenue and Expense - Comparison with Budget
For the Seven Months Ended February 28, 2026

	Actual				
	Operating Fund	Reserve Fund	Total	Budget	Over (Under) Budget
Revenue:					
Association dues/assessments	$ 1,093,225	$ 1,003	$ 1,094,228	$ 1,094,257	$ (29)
Garage rent	122,360	---	122,360	113,750	8,610
Laundry income	8,171	---	8,171	4,958	3,213
Resident parking	22,355	---	22,355	22,167	188
Guest parking	3,145	---	3,145	1,750	1,395
Investment income	---	14,367	14,367	10,500	3,867
Miscellaneous revenue	24,032	---	24,032	17,652	6,380
Total revenue	1,273,288	15,370	1,288,658	1,265,034	23,624
Operating expense:					
Wages	394,605	---	394,605	370,417	24,188
Payroll taxes	30,829	---	30,829	29,575	1,254
401(k)	7,111	---	7,111	6,417	694
Health insurance	32,674	---	32,674	29,167	3,507
Steam	97,497	---	97,497	90,417	7,080
Water and sewer	35,380	---	35,380	37,917	(2,537)
Electric	81,714	---	81,714	70,000	11,714
Telephone	---	---	---	5,250	(5,250)
Insurance	123,522	---	123,522	99,162	24,360
Uniforms	245	---	245	933	(688)
Employee benefits	2,233	---	2,233	9,625	(7,392)
Office contractors	2,850	---	2,850	9,625	(6,775)
TV and subscriptions	2,095	---	2,095	9,625	(7,530)
Total operating expense	810,755	---	810,755	768,130	42,625
Administrative expense:					
Legal fees	---	---	---	875	(875)
Accounting services	30,301	---	30,301	24,500	5,801
Office supplies	8,361	---	8,361	875	7,486
Photocopier maintenance and usage	1,475	---	1,475	1,050	425
Membership functions	340	---	340	583	(243)
Bank charges	188	---	188	292	(104)
Sales tax	11,714	---	11,714	10,558	1,156
Fees, permits and inspections	4,954	---	4,954	1,167	3,787
Employment related expenses	574	---	574	2,333	(1,759)
Postage and mailing supplies	60	---	60	2,567	(2,507)
Computer and internet services	5,880	---	5,880	2,917	2,963
Miscellaneous administrative expense	716	---	716	1,750	(1,034)
Travel	5,942	---	5,942	4,667	1,275
Total administrative expense	70,505	---	70,505	54,134	16,371

See Independent Auditors' Report.

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Schedule of Revenues and Expenses - Comparison with Budget
For the Seven Months Ended February 28, 2026
(Continued)

	Actual				
	Operating Fund	Reserve Fund	Total	Budget	Over (Under) Budget
Maintenance and Repair Expense:					
Electrical repairs, maintenance and supplies	$ 56	$ ---	$ 56	$ 3,792	$ (3,736)
Light bulbs	731	---	731	1,458	(727)
Elevator maintenance and interior	12,527	---	12,527	18,667	(6,140)
Equipment repairs and maintenance	10,297	---	10,297	3,792	6,505
Filter replacements	6,131	---	6,131	3,792	2,339
HVAC repairs and maintenance	35,669	---	35,669	26,250	9,419
Preventative maintenance contract	7,879	---	7,879	8,750	(871)
Exterminating	432	---	432	875	(443)
Fire monitor, repairs and inspections	12,169	---	12,169	5,833	6,336
Flowers and holiday decorations	---	---	---	875	(875)
Garage repairs and maintenance	5,193	---	5,193	2,333	2,860
Garage claims and damages	---	---	---	2,917	(2,917)
Furniture and accessories	1,727	---	1,727	875	852
Landscaping service	11,452	---	11,452	20,417	(8,965)
Plumbing	12,579	---	12,579	10,208	2,371
Pool maintenance and inspection	2,078	---	2,078	4,375	(2,297)
Window cleaning	6,196	---	6,196	7,583	(1,387)
Snow removal	2,757	---	2,757	1,050	1,707
Cleaning supplies and carpet cleaning	21,314	---	21,314	21,292	22
Paint supplies	(63)	---	(63)	583	(646)
Refuse removal	6,700	---	6,700	7,583	(883)
Security equipment	10,085	---	10,085	5,833	4,252
Hardware and supplies	1,152	---	1,152	1,458	(306)
Hardware for resale to owners	1,164	---	1,164	2,625	(1,461)
Miscellaneous	865	---	865	2,042	(1,177)
Exterior building, roof and grounds repair	842	---	842	2,917	(2,075)
Total maintenance and repair expenses	169,932	---	169,932	168,175	1,757
Other Operating Expense:					
Depreciation expense	---	22,777	22,777	---	22,777
Interest expense	---	976	976	---	976
Repairs and maintenance	---	3,777	3,777	---	3,777
Total other operating expense	---	27,530	27,530	---	27,530
Total Budgeted Expense	1,051,192	27,530	1,078,722	990,439	88,283
Revenue over (under) budgeted expense	$ 222,096	$ (12,160)	$ 209,936	$ 274,595	$ (64,659)
Total Expense:					
Total budgeted expense (above)	$ 1,051,192	$ 27,530	$ 1,078,722		
Capital Expense:					
Miscellaneous projects	---	80,064	80,064		
Carpet and flooring	---	16,628	16,628		
Façade repair	---	73,728	73,728		
Garage	---	8,620	8,620		
Plumbing	---	24,714	24,714		
Windows and doors	---	11,380	11,380		
Total capital expenses	---	215,134	215,134		
Total Expense	$ 1,051,192	$ 242,664	$ 1,293,856		
Special Items:					
Insurance proceeds for water damages	239,838	---	239,838		
Owner reimbursement for deductible	25,000	---	25,000		
Mitigation and reconstruction	(289,838)	---	(289,838)		
Total special items	(25,000)	---	(25,000)		
Reserve Transfer:					
Reserve transfer	221,980	(221,980)	---		

See Independent Auditors' Report.

REQUIRED SUPPLEMENTARY INFORMATION

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Future Major Repairs and Replacements (Unaudited)
Seven Months Ended February 28, 2026

Superior Reserve Engineering & Consulting conducted a study as of February 16, 2026 to estimate the remaining useful lives of components of common property. The estimates were based on future estimated replacement and/or significant repair costs. In the table below, the "Estimated Remaining Useful Lives" column indicates the projected timeframe during which significant repairs or replacements may be necessary or prudent. Funding requirements consider an annual inflation rate of 1.6% and a 1.2% annual rate of return on invested reserves for future major repairs and replacements.

The following table is based on the February 16, 2026 reserve study and presents significant information about the components of common property, estimated for 30 years.

Components	**Estimated Remaining Useful Lives (until repair/replacement)**	**Estimated Future Repair or Replacement Costs**
Balconies	4 to 14	$ 403,100
Façade	1 to 9	674,000
Roof	2 to 5	530,880
Windows/Doors	13 to 40	1,855,800
Interior (Floor, Paint, Lights, etc.)	2 to 24	136,740
Building Services (HVAC, Electrical, Security, etc.)	1 to 32	9,702,500
Property Site Elements (Concrete, Lights Landscape, Plaza Deck)	1 to 28	1,162,600
Pool Elements	1 to 22	447,000
Garage Elements	3 to 24	675,200