

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Audited Financial Statements
Year Ended July 31, 2025

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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 July 31, 2025, and the related statement of revenues, expenses and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of July 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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.

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.

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.

Auditors' Responsibility for the Audit of the Financial Statements (Continued)

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, 2024 financial statements, and our report dated October 26, 2024 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, 2024, 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.

November 4, 2025
Milwaukee, Wisconsin

REGENCY HOUSE CONDOMINIUM ASSOCIATION

Milwaukee, Wisconsin

Balance Sheet - Assets

July 31, 2025

(With Summarized Comparative Financial Information as of July 31, 2024)

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>2025 Total</u>	<u>2024 Total</u>
Current Assets:				
Cash and cash equivalents	\$ 137,559	\$ 1,020,316	\$ 1,157,875	\$ 1,397,753
Trade receivables, net of allowance for credit losses of \$0 for 2024 and 2025	3,339	---	3,339	5,016
Current portion of special assessment receivable	---	14,677	14,677	18,071
Prepaid expenses	8,144	7,118	15,262	63,657
Due from other funds	30,287	---	30,287	45,355
Total current assets	<u>179,329</u>	<u>1,042,111</u>	<u>1,221,440</u>	<u>1,529,852</u>
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	145,204
Accumulated depreciation	---	(181,530)	(181,530)	(142,374)
Net capital assets	<u>---</u>	<u>125,229</u>	<u>125,229</u>	<u>159,281</u>
Other Assets:				
Non-current special assessments receivable	---	30,254	30,254	45,176
Total Assets	<u>\$ 179,329</u>	<u>\$ 1,197,594</u>	<u>\$ 1,376,923</u>	<u>\$ 1,734,309</u>

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

July 31, 2025

(With Summarized Comparative Financial Information as of July 31, 2024)

	Operating Fund	Reserve Fund	2025 Total	2024 Total
Current Liabilities:				
Accounts payable	\$ 30,050	\$ ---	\$ 30,050	\$ 429,756
Accrued vacation and payroll withholdings	28,950	---	28,950	32,007
Due to other funds	---	30,287	30,287	45,355
Current portion of long-term debt	---	10,784	10,784	20,429
Prepaid charges	37,913	---	37,913	37,485
Members' deposits	28,325	---	28,325	28,325
Deferred revenue - special assessment	---	---	---	24,004
Total current liabilities	<u>125,238</u>	<u>41,071</u>	<u>166,309</u>	<u>617,361</u>
Other Liabilities:				
Long-term debt	---	37,945	37,945	48,725
Total liabilities	<u>125,238</u>	<u>79,016</u>	<u>204,254</u>	<u>666,086</u>
Fund Balance:				
Undesignated	54,091	---	54,091	54,091
Designated:				
Property and equipment	---	125,229	125,229	159,281
Reserve for future replacement of major systems	---	993,349	993,349	854,851
Total fund balance	<u>54,091</u>	<u>1,118,578</u>	<u>1,172,669</u>	<u>1,068,223</u>
Total Liabilities and Fund Balance	<u>\$ 179,329</u>	<u>\$ 1,197,594</u>	<u>\$ 1,376,923</u>	<u>\$ 1,734,309</u>

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
Year Ended July 31, 2025
(With Summarized Comparative Financial Information as of July 31, 2024)

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>2025 Total</u>	<u>2024 Total</u>
Revenues:				
Association dues/assessments	\$ 1,809,247	\$ 47,267	\$ 1,856,514	\$ 1,838,347
Garage fees	203,585	---	203,585	198,750
Laundry income	10,381	---	10,381	8,371
Resident parking	37,827	---	37,827	37,655
Guest parking	4,060	---	4,060	4,015
Investment income	---	21,314	21,314	23,584
Miscellaneous revenue	33,977	---	33,977	30,235
Total revenues	2,099,077	68,581	2,167,658	2,140,957
Expenses:				
Operating	1,328,104	---	1,328,104	1,268,978
Administrative	72,851	---	72,851	102,897
Maintenance and repairs	299,122	---	299,122	281,917
Depreciation expense	---	39,156	39,156	39,481
Capital expenses	---	284,148	284,148	554,925
Interest expense	---	2,248	2,248	---
Repairs and maintenance	---	38,583	38,583	3,005
Total expenses	1,700,077	364,135	2,064,212	2,251,203
Excess (deficit) of revenues over (under) expenses	399,000	(295,554)	103,446	(110,246)
Special Items:				
Insurance proceeds for water damages	1,000	---	1,000	---
Transfers:				
Reserve transfer	(400,000)	400,000	---	---
Change in Fund Balance	---	104,446	104,446	(110,246)
Fund Balance - beginning of year	54,091	1,014,132	1,068,223	1,178,469
Fund Balance - end of year	\$ 54,091	\$ 1,118,578	\$ 1,172,669	\$ 1,068,223

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

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Statement of Cash Flows

Year Ended July 31, 2025

(With Summarized Comparative Financial Information as of July 31, 2024)

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>2025 Total</u>	<u>2024 Total</u>
Cash Flows from Operating Activities:				
Change in fund balance	\$ ---	\$ 104,446	\$ 104,446	\$ (110,246)
Adjustments to reconcile change in fund balance to net cash provided (used) by operating activities:				
Depreciation	---	39,156	39,156	39,481
Interfund transfers	15,068	(15,068)	---	---
Change in operating assets/liabilities:				
Trade receivables	1,677	---	1,677	3,269
Special assessments receivable	---	18,316	18,316	20,625
Prepaid expenses	28,663	19,732	48,395	(26,850)
Accounts payable	(26,569)	(373,137)	(399,706)	159,572
Accrued wages and benefits	(3,057)	---	(3,057)	(8,392)
Prepaid charges	428	---	428	609
Members' deposits	---	---	---	-
Deferred revenue - special assessment	---	(24,004)	(24,004)	3,123
Net cash provided (used) by operating activities	<u>16,210</u>	<u>(230,559)</u>	<u>(214,349)</u>	<u>81,191</u>
Cash Flow from Investing Activities:				
Purchase of capital assets	---	(5,103)	(5,103)	(916)
Net cash used by investing activities	<u>---</u>	<u>(5,103)</u>	<u>(5,103)</u>	<u>(916)</u>
Cash Flow from Financing Activities:				
Payments on long-term debt	---	(20,425)	(20,425)	(19,668)
Net cash used by financing activities	<u>---</u>	<u>(20,425)</u>	<u>(20,425)</u>	<u>(19,668)</u>
Net increase (decrease) in cash and cash equivalents	<u>16,210</u>	<u>(256,087)</u>	<u>(239,877)</u>	<u>60,607</u>
Cash and cash equivalents - beginning of year	<u>121,349</u>	<u>1,276,404</u>	<u>1,397,753</u>	<u>1,337,146</u>
Cash and cash equivalents - end of year	<u><u>\$ 137,559</u></u>	<u><u>\$ 1,020,317</u></u>	<u><u>\$ 1,157,876</u></u>	<u><u>\$ 1,397,753</u></u>
Supplemental information:				
Interest paid	<u><u>\$ ---</u></u>	<u><u>\$ 2,248</u></u>	<u><u>\$ 2,248</u></u>	<u><u>\$ 3,005</u></u>

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

REGENCY HOUSE CONDOMINIUM ASSOCIATION

Milwaukee, Wisconsin

Notes to Financial Statements

July 31, 2025

1. General

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.

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.

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 year ended July 31, 2025 was \$39,156.

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Notes to Financial Statements (Continued)
July 31, 2025

2. Significant Accounting Policies (Continued)

E. Revenue Recognition

Most of the revenue in the operating fund is from dues and assessments received from condominium owners. The Association recognizes revenue over time with garage fees and resident parking. Revenue is recognized at a point in time by providing laundry services and guest parking. Miscellaneous revenue and insurance proceeds are also satisfied at a point in time.

Association dues assessments revenue in the reserve fund is based on transfers of funds from the operating fund. The revenue is recognized at the time of the transfer as the performance obligation is to save funds for future repairs and replacements. Special assessments are recognized as expenses are incurred.

In the following table, revenue is disaggregated by timing of satisfaction or performance obligations for the year ended July 31, 2025:

Satisfied over time:

Association dues/assessments (operating fund)	\$ 1,809,247
Garage fees	203,585
Resident parking	<u>37,827</u>
Total satisfied over time	<u>\$ 2,050,659</u>

Satisfied at a point in time:

Association dues/assessments (reserve fund)	\$ 47,267
Laundry	10,381
Guest parking	4,060
Miscellaneous revenue	<u>33,977</u>
Total satisfied at a point in time	<u>\$ 95,685</u>

F. Trade Receivables

Trade receivables are recorded at contract value.

The Association estimates expected credit losses on trade receivables based on historical credit loss experience, current economic conditions, and reasonable and supportable forecasts that affect the collectability of the trade receivables. The Association has determined that no allowance for credit loss on trade receivables is necessary for the year ending July 31, 2025, based on management's review of outstanding receivables, historical collection information, and existing economic conditions.

The credit risk profile of trade 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 customer payment behavior may impact the allowance for credit losses.

The Association writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. No receivables were written off for the year ending July 31, 2025.

The Organization had trade receivable balances as follows:

	<u>August 1, 2024</u>		<u>July 31, 2025</u>
Trade Receivables	\$ <u>5,016</u>	\$	<u>3,339</u>

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Notes to Financial Statements (Continued)
July 31, 2025

2. Significant Accounting Policies (Continued)

G. Contract Balances

The timing of revenue recognition, billings and cash collections results in billed accounts receivable (contract assets) and advances and deposits (contract liabilities) on the Balance Sheet. Contract assets include special assessments that have not yet been received. Contract liabilities include special assessment funds not yet expended. The balances of contract assets and contract liabilities at the beginning and end of the year are as follows:

	<u>August 1, 2024</u>	<u>July 31, 2025</u>
Contract Asset:		
Special assessment receivable	\$ 63,247	\$ 44,931
Contract Liability:		
Deferred revenue – special assessment	\$ 24,004	\$ ---

H. 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.

I. 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, 2024, from which the summarized information was derived.

J. Subsequent Events

Management of the Association has evaluated all subsequent events through November 4, 2025, 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.

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Notes to Financial Statements (Continued)
July 31, 2025

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 is being 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 July 31, 2025, the financed portion of the special assessment that was outstanding was \$44,931. The following is a maturity schedule of the special assessment amounts financed for the years ended July 31:

2026	\$	14,677
2027		5,873
2028		6,097
2029		6,329
2030		6,571
2031		5,384
Total	\$	<u><u>44,931</u></u>

4. Long-Term Debt

During the year ended July 31, 2022, the Association financed their special assessment receivable with two notes payable. Improvement loan #1 had an original balance of \$68,388 with a maturity date of January 14, 2027. As of July 31, 2025, improvement loan #1 has an outstanding balance of \$4,681. Improvement loan #2 had an original balance of \$63,730 with a maturity date of January 14, 2032. As of July 31, 2025, improvement loan #2 has an outstanding balance of \$44,048. Both loans accrue interest at 3.75% and are collateralized by the assets of the Association. Total interest expense was \$2,248 for the year ended. Combined future minimum payments for the two notes payable for years ended July 31 are as follows:

2026	\$	10,784
2027		6,338
2028		6,580
2029		6,831
2030		7,092
2031 - 2032		11,104
Total	\$	<u><u>48,729</u></u>

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 July 31, 2025.

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Notes to Financial Statements (Continued)
July 31, 2025

6. 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.

Reserve Advisors, Inc. conducted a study as of September 6, 2017, 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.

7. 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, 2024, the Association filed as a homeowner's association and intends to do so for the year ended July 31, 2025. 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 July 31, 2025, 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 2021.

8. 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.

REGENCY HOUSE CONDOMINIUM ASSOCIATION

Milwaukee, Wisconsin

Notes to Financial Statements (Continued)

July 31, 2025

9. Commitments

The Association signed the following contract during the year ended July 31, 2025, for work to be completed during the year ended July 31, 2026:

<u>Contract purpose</u>	<u>Original contract amount</u>	<u>Remaining contract amount at 7/31/2025</u>
North and east facades	\$ 69,115	\$ 46,077

OTHER SUPPLEMENTARY INFORMATION

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Schedule of Revenue and Expense - Comparison with Budget
Year Ended July 31, 2025

	<u>Actual</u>				<u>Over (Under)</u>
	<u>Operating</u>	<u>Reserve</u>	<u>Total</u>	<u>Budget</u>	<u>Budget</u>
	<u>Fund</u>	<u>Fund</u>			
Revenue:					
Association dues/assessments	\$ 1,809,247	\$ 47,267	\$ 1,856,514	\$ 1,851,368	\$ 5,146
Garage rent	203,585	---	203,585	195,000	8,585
Laundry income	10,381	---	10,381	7,000	3,381
Resident parking	37,827	---	37,827	36,000	1,827
Guest parking	4,060	---	4,060	3,500	560
Investment income	---	21,314	21,314	1,092	20,222
Miscellaneous revenue	33,977	---	33,977	28,300	5,677
Reserve transfer	---	400,000	400,000	---	400,000
Total revenue	2,099,077	468,581	2,567,658	2,122,260	445,398
Operating expense:					
Wages	642,359	---	642,359	597,500	44,859
Payroll taxes	52,630	---	52,630	48,500	4,130
401(k)	10,839	---	10,839	10,500	339
Health insurance	45,431	---	45,431	75,000	(29,569)
Steam	138,774	---	138,774	150,000	(11,226)
Water and sewer	59,872	---	59,872	70,000	(10,128)
Electric	138,576	---	138,576	117,000	21,576
Telephone	9,070	---	9,070	5,000	4,070
Insurance	184,666	---	184,666	160,000	24,666
Uniforms	1,660	---	1,660	1,200	460
Employee benefits	6,979	---	6,979	3,000	3,979
Office contractors	31,900	---	31,900	3,000	28,900
TV and subscriptions	4,204	---	4,204	3,000	1,204
Miscellaneous expenses	1,144	---	1,144	---	1,144
Total operating expense	1,328,104	---	1,328,104	1,243,700	84,404
Administrative expense:					
Legal fees	---	---	---	6,500	(6,500)
Accounting services	22,682	---	22,682	40,000	(17,318)
Office supplies	5,839	---	5,839	2,500	3,339
Photocopier maintenance and usage	2,021	---	2,021	2,000	21
Professional dues and consultants	2,101	---	2,101	2,500	(399)
Bank charges	377	---	377	600	(223)
Sales tax	19,901	---	19,901	15,250	4,651
Fees, permits and inspections	676	---	676	4,500	(3,824)
Employment related expenses	4,325	---	4,325	3,500	825
Postage and mailing supplies	4,065	---	4,065	5,000	(935)
Computer and internet services	2,746	---	2,746	5,000	(2,254)
Miscellaneous administrative expense	790	---	790	1,000	(210)
Travel	7,328	---	7,328	7,500	(172)
Total administrative expense	72,851	---	72,851	96,850	(23,999)

See Independent Auditors' Report.

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Schedule of Revenues and Expenses - Comparison with Budget
Year Ended July 31, 2025
(Continued)

	<u>Actual</u>				
	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>	<u>Budget</u>	<u>Over (Under) Budget</u>
Maintenance and Repair Expense:					
Electrical repairs, maintenance and supplies	\$ 6,704	\$ ---	\$ 6,704	\$ 2,000	\$ 4,704
Light bulbs	2,334	---	2,334	1,500	834
Elevator maintenance and interior	30,438	---	30,438	25,000	5,438
Equipment repairs and maintenance	3,018	---	3,018	11,500	(8,482)
Filter replacements	5,165	---	5,165	5,000	165
HVAC repairs and maintenance	56,648	---	56,648	35,000	21,648
Preventative maintenance contract	26,744	---	26,744	16,000	10,744
Exterminating	721	---	721	1,500	(779)
Fire monitor, repairs and inspections	9,899	---	9,899	5,000	4,899
Flowers and holiday decorations	98	---	98	2,000	(1,902)
Garage repairs and maintenance	4,507	---	4,507	7,500	(2,993)
Garage claims and damages	3,382	---	3,382	5,000	(1,618)
Furniture and accessories	1,295	---	1,295	5,000	(3,705)
Landscaping service	30,944	---	30,944	35,000	(4,056)
Plumbing	15,673	---	15,673	16,000	(327)
Pool maintenance and inspection	7,132	---	7,132	10,000	(2,868)
Window cleaning	12,084	---	12,084	12,000	84
Snow removal	1,590	---	1,590	2,500	(910)
Cleaning supplies and carpet cleaning	38,078	---	38,078	32,000	6,078
Paint supplies	635	---	635	750	(115)
Refuse removal	12,251	---	12,251	13,500	(1,249)
Security equipment	9,644	---	9,644	5,000	4,644
Hardware and supplies	1,210	---	1,210	2,500	(1,290)
Hardware for resale to owners	4,482	---	4,482	3,000	1,482
Miscellaneous	6,631	---	6,631	5,000	1,631
Exterior building, roof and grounds repair	7,815	---	7,815	2,500	5,315
Total maintenance and repair expenses	299,122	---	299,122	261,750	37,372
Other Operating Expense:					
Depreciation expense	---	39,156	39,156	---	39,156
Interest expense	---	2,248	2,248	---	2,248
Repairs and maintenance	---	38,583	38,583	---	38,583
Total other operating expense	---	79,987	79,987	---	79,987
Total Budgeted Expense	1,700,077	79,987	1,780,064	1,602,300	177,764
Revenue over (under) budgeted expense	\$ 399,000	\$ 388,594	\$ 787,594	\$ 519,960	\$ 267,634
Total Expense:					
Total budgeted expense (above)	\$ 1,700,077	\$ 79,987	\$ 1,780,064		
Capital Expense:					
Miscellaneous projects	---	166,077	166,077		
Façade repair	---	55,355	55,355		
Plumbing	---	62,716	62,716		
Total capital expenses	---	284,148	284,148		
Reserve Transfer:					
Reserve transfer	400,000	---	400,000		
Total Expense	\$ 2,100,077	\$ 364,135	\$ 2,464,212		

See Independent Auditors' Report.

REQUIRED SUPPLEMENTARY INFORMATION

REGENCY HOUSE CONDOMINIUM ASSOCIATION
Milwaukee, Wisconsin

Future Major Repairs and Replacements (Unaudited)
Year Ended July 31, 2025

Reserve Advisors, Inc. conducted a study as of September 6, 2017 to estimate the remaining useful lives and replacement costs 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 September 6, 2017 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	2 to 9	\$ 962,759
Façade	2 to 15	1,246,289
Roof	12	359,320
Windows/Doors	5 to 23	1,411,251
Interior (Floor, Paint, Lights, etc.)	2 to 20	2,099,546
Building Services (HVAC, Electrical, Security, etc.)	1 to 22	8,654,285
Property Site Elements (Concrete, Lights Landscape, Plaza Deck)	2 to 30	1,631,519
Pool Elements	1 to 16	566,375
Garage Elements	7 to 30	1,415,018

See Independent Auditors' Report.