

Park Tower Condominium Association

Financial Statements

For the Years Ended
February 28, 2026 and 2025

PARK TOWER CONDOMINIUM ASSOCIATION

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-3
Balance Sheets, February 28, 2026 and 2025	4-5
Statements of Revenue, Expenses and Changes in Fund Balances For the Years Ended February 28, 2026 and 2025	6
Statements of Cash Flows For the Years Ended February 28, 2026 and 2025	7-8
Notes to Financial Statements	9-16
Schedules of Operating Revenue and Expenses - Budget and Actual For the Years Ended February 28, 2026 and 2025	17-21
Supplementary Information on Future Major Repairs and Replacements	22-26



PICKER AND ASSOCIATES, LLC

CPA'S AND CONSULTANTS

SERVING CLIENTS NATIONWIDE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Park Tower Condominium Association
Chicago, Illinois

Opinion

We have audited the accompanying financial statements of Park Tower Condominium Association, which comprise the balance sheets as of February 28, 2026, and the related statements of revenues, expenses, and changes in fund balances 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 Park Tower Condominium Association as of February 28, 2026, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Report on Summarized Comparative Information

We have previously audited the Park Tower Condominium Association's 2025 financial statements, and our report dated May 30, 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 February 28, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Park Tower Condominium 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 Park Tower Condominium Association's ability to continue as a going concern for a reasonable period of time.

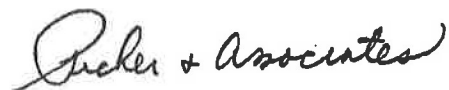
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of operating revenue and expenses – budget and actual, on pages 17-21, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of the Association's management. The information has not been subjected to the auditing procedures applied in the audits of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that supplementary information on future major repairs and replacements on pages 22-26, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Buffalo Grove, Illinois
September 2, 2026

PARK TOWER CONDOMINIUM ASSOCIATION

Balance Sheets February 28, 2026 and 2025

	2026			2025
	Operating Fund	Reserve Fund	Total	Total
<u>Assets</u>				
Current assets				
Cash	\$ 1,738,406	\$ 1,722,248	\$ 3,460,654	\$2,797,832
Certificates of deposit	266,157	3,699,565	3,965,722	3,405,618
Investments		477,109	477,109	470,502
Assessments receivable, less allowance of \$38,319 in 2026 and \$154,000 in 2025	191,756		191,756	146,965
Scavenger receivable	52,476		52,476	52,476
Other receivable	208,662		208,662	15,000
Prepaid expense	6,060		6,060	139,913
Interfund receivable	220,000		220,000	220,985
Total current assets	2,683,517	5,898,922	8,582,439	7,249,291
Property and equipment				
Condominium unit	502,218		502,218	502,218
Fitness equipment	154,424		154,424	154,424
Accumulated depreciation	(456,417)		(456,417)	(452,333)
Net property and equipment	200,225		200,225	204,309
Scavenger receivable, noncurrent	-		-	-
Total assets	\$ 2,883,742	\$ 5,898,922	\$ 8,782,664	\$7,453,600

The accompanying notes are an integral part of these financial statements

PARK TOWER CONDOMINIUM ASSOCIATION

Balance Sheets, cont'd
February 28, 2026 and 2025

	2026			2025
	Operating Fund	Reserve Fund	Total	Total
<u>Liabilities and Fund Balances</u>				
Current liabilities				
Accounts payable	\$ 494,438	\$ 65,891	\$ 560,329	\$ 347,876
Accrued payroll	114,561		114,561	111,032
Accrued expenses	29,098		29,098	31,754
Prepaid assessments	51,129		51,129	99,267
Prepaid health club memberships	93,000		93,000	67,000
Security deposits	48,278		48,278	48,278
Interfund payable		220,000	220,000	220,985
Total liabilities	830,504	285,891	1,116,395	926,192
Fund balances	2,053,238	5,613,031	7,666,269	6,527,408
Total liabilities and fund balances	<u>\$2,883,742</u>	<u>\$5,898,922</u>	<u>\$ 8,782,664</u>	<u>\$7,453,600</u>

The accompanying notes are an integral part of these financial statements

PARK TOWER CONDOMINIUM ASSOCIATION

Statements of Revenue, Expenses and Changes in Fund Balances For the Years Ended February 28, 2026 and 2025

	2026			2025
	Operating Fund	Reserve Fund	Total	Total
Revenue				
Assessments	\$6,572,998	\$ -	\$6,572,998	\$6,332,366
Garage revenue	1,141,677		1,141,677	1,050,515
Interest income	45,276	219,080	264,356	277,469
Other revenue	1,629,063		1,629,063	1,320,103
Total revenue	9,389,014	219,080	9,608,094	8,980,453
Expenses				
Administrative	939,012		939,012	917,264
Payroll	2,210,188		2,210,188	2,170,827
Utilities	1,215,037		1,215,037	1,228,544
Building services	107,551		107,551	105,689
Contracts	972,927		972,927	911,011
Repairs and maintenance	734,892		734,892	462,316
Recreational services	60,025		60,025	43,492
Garage	762,353		762,353	699,856
Major repairs and replacements		1,467,248	1,467,248	2,372,790
Total expenses	7,001,985	1,467,248	8,469,233	8,911,789
Excess (deficit) of revenue over expenses	2,387,029	(1,248,168)	1,138,861	68,664
Monthly transfers	(2,112,700)	2,112,700		
Fund balances, beginning of year	1,778,909	4,748,499	6,527,408	6,458,744
Fund balances, end of year	<u>\$2,053,238</u>	<u>\$5,613,031</u>	<u>\$7,666,269</u>	<u>\$6,527,408</u>

The accompanying notes are an integral part of these financial statements

PARK TOWER CONDOMINIUM ASSOCIATION

Statements of Cash Flows For the Years Ended February 28, 2026 and 2025

	2026			2025
	Operating Fund	Reserve Fund	Total	Total
Cash flows from operating activities:				
Excess (deficit) of revenue over	\$ 2,387,029	\$ (1,248,168)	\$ 1,138,861	\$ 68,664
Adjustments to reconcile excess (deficit) of revenue over expenses to net cash provided by (used in) operating activities				
Bad debt expense (recovery)	(115,681)		(115,681)	19,000
Depreciation	4,084		4,084	32,802
(Increase) decrease in assets:				
Assessments receivable	70,890		70,890	74,184
Other receivables	(193,662)		(193,662)	(1,000)
Prepaid expense	133,853		133,853	(4,905)
Increase (decrease) in liabilities:				
Accounts payable	244,261	(31,808)	212,453	(45,398)
Accrued payroll	3,529		3,529	12,889
Accrued expenses	(2,656)		(2,656)	2,206
Prepaid assessment	(48,138)		(48,138)	26,650
Prepaid health club memberships	26,000		26,000	(2,000)
Net cash provided by (used in) operating activities	<u>2,509,509</u>	<u>(1,279,976)</u>	<u>1,229,533</u>	<u>183,092</u>

The accompanying notes are an integral part of these financial statements

PARK TOWER CONDOMINIUM ASSOCIATION

Statements of Cash Flows, cont'd For the Years Ended February 28, 2026 and 2025

	2026			2025
	Operating Fund	Reserve Fund	Total	Total
Cash flows from investing activities				
Purchase of fitness equipment				(12,358)
Net sale (purchase) of investments		(6,607)	(6,607)	1,552,892
Certificate of deposit activity	(10,736)	(549,368)	(560,104)	(1,556,418)
Net cash provided by (used in) investing activities	(10,736)	(555,975)	(566,711)	(15,884)
Cash flows from financing activities				
Net interfund transfers	(2,111,715)	2,111,715		
Net increase in cash	387,058	275,764	662,822	167,208
Cash, beginning of year	1,351,348	1,446,484	2,797,832	2,630,624
Cash, end of year	\$ 1,738,406	\$ 1,722,248	\$ 3,460,654	\$ 2,797,832

The accompanying notes are an integral part of these financial statements

PARK TOWER CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 1 - Nature of activities

The Park Tower Condominium Association was incorporated on April 3, 1979 and is a not-for-profit corporation, organized under the laws of the State of Illinois as provided in the Illinois Condominium Property Act. Its operation is subject to the terms and conditions of the bylaws and Declaration of Condominium Ownership. The Association serves as a means through which unit owners collectively administer, manage, operate and control the condominium property. The property consists of 725 residential units and 16 commercial units and a parking garage, under the condominium form of use and ownership.

Note 2 - Summary of significant accounting policies

Basis of accounting

The financial statements reflect the assets, liabilities, revenue and expenses of the Association on the accrual basis of accounting. These financial statements segregate funds as either operating or reserve. The operating fund is used to account for financial resources available for the general operations of the Association. The reserve fund is used to accumulate financial resources designated for future major repairs and replacement.

Cash and cash equivalents

For the purposes of reporting cash flows, the Association defined cash equivalents as those highly liquid investments purchased with an original maturity of three months or less.

Member assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent amounts due from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are significantly delinquent. Any excess operating assessments at year end are retained by the Association for use in future years, as allowed by the condominium declaration governing document.

PARK TOWER CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 2 - Summary of significant accounting policies, cont'd

Property and equipment

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. However, the Association has the responsibility to preserve and maintain the common property. Assets acquired by the Association, including the engineer's unit and commercial property, are recorded at cost and depreciated over the estimated useful lives (7 years to 39 years) using the straight-line method. Depreciation expense was \$4,084 and \$32,802 for the years ended February 28, 2026 and 2025, respectively.

Maintenance, repairs and improvements

Consistent with the nature of the organization, normal operating expenses incurred for repairs and improvements to the common elements are included in operating fund. Major repairs and replacements resulting from actions of the Board of Directors are included in expenses of the reserve fund.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of management's review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through September 2, 2026, the date that the financial statements were available to be issued.

PARK TOWER CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 2 - Summary of significant accounting policies, cont'd

Revenue recognition

Accounting principles generally accepted in the United States of America ("U.S. GAAP") prescribe rules regarding the recognition, measurement, presentation and disclosure of revenue and related contract acquisition and fulfillment costs. It is the position of the Association, that amounts assessed from unit owners in accordance with the annual budget constitute transactions between the Association and the Association's members in their capacity as unit owners of the Association and not in the capacity of a customer of the Association. Under the terms of the Association's declaration of condominium ownership, the Association's membership is exclusive to and mandatory for all unit owners. The unit owners have unlimited responsibility to provide funds to the Association and collectively bear all the risks and are entitled to all the benefits of the Association.

Assessments from unit owners made for the purpose of funding the current year's operating budget are allocated as increases in the Association's operating fund and assessments from unit owners made to accumulate funds for the purpose of repairing and replacing the property's common elements are allocated as increases in the Association's reserve fund. Neither of these types of assessments represents revenue from contracts with customers and, thus, such membership assessments are not covered by the rules cited in the previous paragraph.

Note 3 - Income taxes

Condominium associations may elect to be taxed as regular corporations or as homeowners' associations. The Association elected to be taxed as a regular corporation, under Internal Revenue Code Section 277, for the years ended February 28, 2026 and 2025. Under that election, membership income is exempt from taxation if certain elections are made, and the Association is generally taxed only on its non-membership income, net of related expenses, at regular federal and state corporate rates. An analysis of non-membership income indicates there was no income tax due for the years ended February 28, 2026 and 2025. The Association has federal and state net operating loss carry forwards, amounting to approximately \$927,000, and \$380,000, respectively, expiring in various years through 2044, to offset against future federal and state taxable income. No deferred tax assets, relating to the net operating losses, are recorded in the financial statements as the Association believes that it is not probable that all net operating losses carried forward will be utilized.

PARK TOWER CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 3 - Income taxes, cont'd

The Association adopted the accounting for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken on its income tax returns. In evaluating the Association's tax provisions and accruals, the Association believes that its estimates are appropriate and the Association has no material unrecognized income tax positions. The Association's tax filings are subject to audit by various taxing authorities. At February 28, 2026, the Association is no longer subject to examination by federal and state taxing authorities for the years ending before 2023.

Note 4 - Future major repairs and replacements

The Association's governing documents require funds to be accumulated for future major repairs and replacements. These funds are held in separate bank accounts and are generally not available for operating purposes. It is the Association's policy to allocate interest earned on such funds to the reserve fund. The reserve fund balance was \$5,613,031 and \$4,748,499 at February 28, 2026 and 2025, respectively.

The Association engaged an independent engineer who conducted a study in June 2024 to estimate the remaining useful lives and the replacement costs of the common property components. The Association is funding for such major repairs and replacements over the estimated useful lives of the components, considering amounts previously accumulated in the replacement fund. Actual expenses, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, the Association has the right to increase regular assessments, to levy special assessments, to borrow funds, or it may delay major repairs and replacements until funds are available.

Note 5 – Lease agreements

The Association entered into various lease agreements throughout the years with different lease terms, renewal terms and rent payments. For the year ended February 28, 2026, the Association recorded laundry room income of \$98,264, antenna fees income of \$102,008 and commercial rent income of \$26,916.

PARK TOWER CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 6 - Major repairs and replacements

Major repairs and replacement expenses for the years ended February 28, 2026 and February 28, 2025 were as follows:

	2026	2025
Riser	\$ 504,606	\$ 5,300
HVAC	378,992	1,286,683
Security	166,508	27,109
Elevator repairs	137,072	143,240
Hallway Remodeling	98,802	439,343
Plumbing	94,062	204,293
Other	55,800	12,000
Concrete	17,155	
Roof	8,350	
Pool	5,901	19,045
Seal coating		211,960
Garage equipment repair		23,817
Total	<u>\$1,467,248</u>	<u>\$2,372,790</u>

Note 7 - Investments

The Association held investments in U.S. Government Securities totaling \$477,109 and \$470,502 at February 28, 2026 and 2025, respectively. The Association has the ability and intent to hold these investments to maturity and has classified these securities as held-to-maturity investments. These securities are purchased at either a premium or discount to the market at the time of purchase. U.S. Treasury Bills are recorded using the interest method, which interest is earned over the life of the security and is the difference between the face value and the purchase price. U.S. Treasury Notes are recorded at amortized cost which approximates fair value, and pay interest semi-annually.

PARK TOWER CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 8 – Fair value measurements

The Association measures certain financial assets and liabilities at fair value in accordance with the Fair Value Measurements and Disclosure topic of the FASB Accounting Standards Codification, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This topic also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. The three levels within the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.
- Level 2 Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
 - If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value.

PARK TOWER CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 8 – Fair value measurements, cont’d

U.S. Treasury debt securities: valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth by level, within fair value hierarchy, the Association’s assets at fair value as of February 28, 2026 and 2025, respectively.

Assets at Fair Value as of February 28, 2026				
	Level 1	Level 2	Level 3	Total
U.S. Treasury securities	\$ 477,109	\$ -	\$ -	\$ 477,109
Total investment	<u>\$ 477,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 477,109</u>

Assets at Fair Value as of February 28, 2025				
	Level 1	Level 2	Level 3	Total
U.S. Treasury securities	\$ 470,502	\$ -	\$ -	\$ 470,502
Total investment	<u>\$ 470,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 470,502</u>

Note 9 - Pension plan

The Association participates in multiemployer pension plans through collective bargaining agreements to cover union employees. Multiemployer defined benefit plans have potential risks that differ from single-employer defined benefit plans. Some potential risks are the Association’s contributions may be used to provide benefits to employees of other participating employers. The Association may become obligated for other participating employers’ unfunded obligations and if the Association withdraws from a plan, the Association may be required to pay the plan a withdrawal liability which is based on the underfunded status of the plan.

PARK TOWER CONDOMINIUM ASSOCIATION

Notes to Financial Statements

Note 9 - Pension plan, cont'd

The following summarizes the status of the multiemployer pension plans through which the Association participates as of the most current date available:

Pension Fund	EIN/Plan Number	Pension Protection		FP/RP Status Pending/ Implemented	Association Contributions		Surcharge Imposed	Collective Bargaining Agreement Exp. Date
		Act Zone	Status		2026	2025		
A	51-6055057-001	N/A	Green	Not Applicable	\$ 70,300	\$ 68,352	No	11/30/2026
B	36-6102397-001	N/A	Green	Not Applicable	\$ 19,540	\$ 18,552	No	11/30/2025
C	36-6102397-001	N/A	Green	Not Applicable	\$ 165,500	\$ 160,776	Unknown	10/30/2027

The red zone are plans that are less than 65% funded, the yellow zone are plans that are less than 80% funded and the green zone are plans that are at least 80% funded.

The SEIU Local No. 1 Health and Pension Fund (A) collects contributions for the janitors. The SEIU National Industrial Pension Fund (B) collects contributions for the door and receiving room staff. The Teamsters Local No. 727 Pension Fund (C) collects contributions for the garage staff. Contributions made by the Association for the above pension plans were less than 5% of the total plan contributions in 2026 and 2025.

Note 10 - Subsequent events

In March 2026, the Association entered into a contract with a vendor for \$47,535 for the temperature riser expansion compensator replacement. This contract was completed in 2026.

Note 11 – Commitment

During the year ended February 28, 2026, the Association entered into a contract for the BAS upgrade totaling \$200,300. As of the date of these financial statements, a total of \$115,500 has been completed. The remaining contract is supposed to be completed in 2026.

SUPPLEMENTARY INFORMATION

PARK TOWER CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual For the Years Ended February 28, 2026 and 2025 (Unaudited)

	2026		2025
	Budget	Actual	Actual
Revenue			
Assessments	<u>\$6,572,900</u>	<u>\$6,572,998</u>	<u>\$6,332,366</u>
Garage revenue			
Parking	401,900	388,802	375,680
Valet parking	247,500	258,355	241,913
Commercial parking	185,800	240,742	198,614
Tandem parking	101,800	100,965	95,160
Reserve parking	79,900	74,880	75,600
Guest parking	38,100	37,345	33,551
Miscellaneous garage revenue	19,100	34,350	23,916
Cash sales	<u>10,000</u>	<u>6,238</u>	<u>6,081</u>
Total garage revenue	<u>1,084,100</u>	<u>1,141,677</u>	<u>1,050,515</u>
Interest income	<u>43,800</u>	<u>45,276</u>	<u>58,378</u>
Other revenue			
Cable	524,700	521,294	493,193
Service recoveries	178,600	469,055	174,775
Fines	54,000	99,100	75,750
Laundry	96,400	98,264	96,043
Health club	156,400	142,813	157,777
Transfers fees	64,200	51,000	54,150
Commercial rent	26,900	26,916	46,916
Rent	24,300	24,325	23,465
Late fees	28,600	20,553	19,905
Bike fees	16,400	13,340	11,144
Lockout fees	7,200	9,060	7,535

PARK TOWER CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual, cont'd For the Years Ended February 28, 2026 and 2025 (Unaudited)

	2026		2025
	Budget	Actual	Actual
Other revenue, cont'd			
Antenna fees	120,000	102,008	120,446
Miscellaneous revenue	46,900	51,335	39,004
Total other revenue	1,344,600	1,629,063	1,320,103
Total operating revenue	<u>\$9,045,400</u>	<u>\$9,389,014</u>	<u>\$ 8,761,362</u>
Expenses			
Administrative			
Insurance	\$ 563,100	\$ 570,718	\$ 505,814
Management fee	130,200	129,820	127,624
Bad debts expense (recovery)	30,000		71,503
Legal fees	24,000	54,831	24,511
Association owned commercial unit	48,300	47,867	46,115
Depreciation		4,084	32,802
Real estate taxes	30,300	36,957	31,073
Professional fees	23,600	18,792	18,056
Office expenses	21,800	18,789	16,546
Miscellaneous administrative	11,500	14,018	13,877
Telephone	10,100	9,296	8,327
Association owned mgmt office	7,300	7,215	6,951
Office equipment	8,400	9,544	6,552
Audit fees	6,100	6,100	5,800
Training	6,700	10,981	1,713
Total administrative	<u>921,400</u>	<u>939,012</u>	<u>917,264</u>

PARK TOWER CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual, cont'd
For the Years Ended February 28, 2026 and 2025
(Unaudited)

	2026		2025
	Budget	Actual	Actual
Payroll			
Janitor	992,700	971,434	990,858
Employee benefits	430,100	447,157	414,116
Office salaries	307,000	293,529	278,592
Doormen	270,400	258,293	246,384
Payroll taxes	134,600	131,688	133,637
Health club and pool	76,900	80,561	79,760
Workers compensation	23,800	27,526	27,480
Total payroll	2,235,500	2,210,188	2,170,827
Utilities			
Gas	585,500	425,695	460,278
Water	397,700	348,152	364,088
Electricity	523,900	441,190	404,178
Total utilities	1,507,100	1,215,037	1,228,544
Building services			
Exterminating	50,700	51,505	50,570
Association owned engineer unit	22,600	22,385	21,566
Cleaning supplies	20,000	19,284	18,424
Licenses and permits	7,500	3,385	2,582
Maintenance supplies	9,400	5,834	8,718
Light bulbs	6,600	5,158	3,829
Total building services	116,800	107,551	105,689

PARK TOWER CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual, cont'd For the Years Ended February 28, 2026 and 2025 (Unaudited)

	2026		2025
	Budget	Actual	Actual
Contracts			
Cable	524,700	516,528	497,674
Security	120,900	133,073	106,964
Elevator contract	123,400	117,668	124,835
Landscaping	53,500	55,905	48,613
Trash removal	42,400	44,956	48,027
HVAC contract	38,700	39,459	35,830
Window washing	31,000	31,525	20,990
Metal maintenance	17,500	16,763	14,039
Uniforms	16,500	11,606	8,105
Plants	6,400	5,444	5,934
Total contracts	975,000	972,927	911,011
Repairs and maintenance			
Resident reimbursed repairs	82,400	361,381	121,619
Building repairs	78,500	91,262	79,836
HVAC repairs	90,300	117,083	121,047
Fire safety	32,400	29,848	40,539
Plumbing repairs	27,900	18,735	6,016
Electrical repairs	10,500	2,043	12,489
Security equipment	11,500	17,299	13,979
Moving fees security	15,500	12,750	18,140
Roof repairs	9,900	11,735	10,155
Filters	7,700	6,310	6,031
Lock and keys	14,700	15,852	21,624
Window repairs	4,200	38,854	469
Equipment maintenance	8,500	5,406	6,436
Snow removal	5,000	4,834	2,436
Floor repairs	3,600	1,500	1,500
Total repairs and maintenance	402,600	734,892	462,316

PARK TOWER CONDOMINIUM ASSOCIATION

Schedules of Operating Revenue and Expenses - Budget and Actual, cont'd For the Years Ended February 28, 2026 and 2025 (Unaudited)

	<u>2026</u>		<u>2025</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreational services			
Pool expenses	13,600	28,456	14,182
Health club	19,900	20,132	18,861
Social activities	<u>12,400</u>	<u>11,437</u>	<u>10,449</u>
Total recreational services	<u>45,900</u>	<u>60,025</u>	<u>43,492</u>
Garage			
Payroll	412,700	415,183	404,665
Employee benefits	180,800	161,018	174,699
Parking tax	51,500	71,001	53,052
Payroll tax	33,600	34,218	32,700
Maintenance expense	11,300	19,488	15,049
Miscellaneous garage	19,800	31,227	10,549
Workers comp	6,200	5,942	5,628
Garage repairs	8,500	14,224	382
Parking expenses	<u>4,000</u>	<u>10,052</u>	<u>3,132</u>
Total garage	<u>728,400</u>	<u>762,353</u>	<u>699,856</u>
Total operating expenses	<u><u>\$6,932,700</u></u>	<u><u>\$7,001,985</u></u>	<u><u>\$6,538,999</u></u>

PARK TOWER CONDOMINIUM ASSOCIATION

Supplementary Information on Future Major Repairs and Replacements (Unaudited)

An independent engineer conducted a study in June 2024, to estimate the current replacement costs and remaining useful lives of the Association's common area property components. The study's estimated future replacement costs are based on the June 2024 costs, plus an annual 3.5% inflation increase between the date of the study and date the component will require repair or replacement. The study's recommended funding plan considers the future replacement costs, over a thirty-year period, and estimates a 4.8% annual rate of return on funds invested for future major repairs and replacements. The Board of Directors has not designated the amount of current reserve funds accumulated for each component.

The following information is based on the June 2024 study and presents the estimated future replacement costs of the common area components and the estimated remaining useful lives of the components as of the date of the study. Certain improvements included below may have been completed since the study was conducted.

Building Components & Systems	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Cost
Exterior Building Elements		
Lighting system, main roof level (proposed)	19	\$ 60,000
Roofs, tower, main and mechanical penthouse, modified bitumen	12	659,200
Roof, lobby canopy, thermoplastic	6	36,000
Roofs, 2nd floor walkway, (Incl. gutter system), thermoplastic	15	66,600
Roofs, 2nd floor walkway, racquetball court and exercise room	2	94,600
Roof, 2nd floor, center/east, thermoplastic	12	101,400
Roof, 2nd floor, northwest, thermoplastic	5	351,500
Roof, 2nd floor, southwest, thermoplastic	10	81,900
Roof, 2nd floor, concrete, waterproof coating and repairs	0	225,000
Roof, 2nd floor, sun deck, planters	12	287,500
Roof, 2nd floor, sun deck, wood decking (Incl. pergolas, siding), repairs/paint	9	49,000
Roof, 2nd floor, sun deck, wood decking (Incl. pergolas, siding), replacement	3	375,000
Roof, 2nd floor, sun deck, steel railings (Incl. east of pool enclosure)	1	88,400
Roof, 2nd floor, membrane (beneath decking and pavers)	3	148,200
Roof, pool enclosure, inspections, sealants and repairs	9	61,100
Walls, concrete, mechanical penthouse, repairs and coating	3	84,000
Walls, curtain wall, inspections and infiltration remediation (2027 is evaluation)	0	42,000
Walls, curtain wall, inspections, extensive sealants and capital repairs	6	4,263,000

PARK TOWER CONDOMINIUM ASSOCIATION

Supplementary Information on Future Major Repairs and Replacements, cont'd (Unaudited)

Building Components & Systems	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Cost
Exterior Building Elements, cont'd		
Walls, masonry, inspections and systematic repairs	2	138,000
Walls, metal siding, racquetball court, exercise room and mall atrium	8	220,000
Windows and doors, lobby, party room and aerobic exercise room	6	559,000
Windows and doors, 2nd floor walkway and weight exercise room	5	252,000
Windows and doors, pool	4	251,600
Windows and doors, mall (entrances)	4	60,000
Windows and doors, mall, skylight	5	89,000
Interior Building Elements		
Hallway renovation project, near term, remaining cost	0	300,000
Elevator cab finishes, traction, passenger (near term includes limited at 5-8)	0	100,000
Elevator cab finishes, traction, service	17	46,000
Elevator cab finishes, hydraulic, garage/mail	9	44,000
Exercise equipment, cardiovascular	2	59,000
Exercise equipment, strength training	5	77,000
Exercise rooms, renovations	2	72,000
Floor coverings, carpet, hallways	11	582,800
Floor coating, 2nd floor walkway and pool area (replace with epoxy)	11	39,200
Floor coverings, vinyl, service elevator foyers/trash areas, residential floors	23	93,600
Light fixtures, hallways	20	235,600
Lobby, renovation	4	200,000
Mailboxes (residential)	4	123,760
Mall, corridors, renovations (furniture is near term)	1	132,000
Mall, market, renovations	2	97,000
Mall, office, renovations	6	41,000
Mall, rest rooms, renovations	11	50,000
Paint finishes, hallways (Incl. elevator foyer wall coverings)	11	374,000
Party room, renovations, phased (including kitchen)	2 to 11	96,000
Rest/locker rooms, 2nd floor, renovations	12	66,000
Signage (near term is lower levels)	1	85,000
Wall repairs, fiber line installation	0	124,000

PARK TOWER CONDOMINIUM ASSOCIATION

Supplementary Information on Future Major Repairs and Replacements, cont'd (Unaudited)

Building Components & Systems	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Cost
Building Services Elements		
Air handling units, residential corridors, total replacement	13	780,000
Air handling unit, lobby, total replacement (Incl return air fan)	13	245,000
Air handling unit, mall corridors (replacement)	2	130,000
Air handling units, party room, laundry room and basement (replacement)	2	186,000
Air handling unit, pool, (Incl. return air fan) (replacement)	2	137,000
Air handling unit, racquetball court, rooftop unit (near term remaining)	0	25,000
Air handling unit, elevator room, low rise	1	26,000
Boilers, building heat, 29, 291-MBH	9	2,500,000
Boilers, building heat, feed water system (tank and pumps)	9	76,000
Boilers, domestic hot water, residential, high zone, 800-MBH	6	208,000
Boilers, domestic hot water, residential, low zone, 1,255-MBH	9	183,000
Boilers, domestic hot water, commercial, 660-MBH	1	70,000
Building automation system	1	167,000
Chillers, 600-tons, capital repairs	1	142,000
Chillers, 600-tons, replacement	10	1,520,000
Cooling tower, residential, 1,051-tons, capital repairs (liner, fill, baffles)	13	80,000
Cooling tower, residential, 1,051-tons, replacement	18	720,000
Cooling tower, commercial, replacement	24	90,000
Electrical system, main panels	15	650,000
Elevators, hydraulic, garage/mail, pumps and controls	10	190,000
Elevators, hydraulic, garage/mail, cylinders	21	128,000
Elevator, hydraulic, refuse, controls	25	156,000
Elevator, hydraulic, refuse, pump and cylinder	17	78,000
Elevators, traction, passenger, controls and equipment	7	1,960,000
Elevators, traction, service, controls and equipment	8	1,100,000
Exhaust fans, main kitchen and rest room (near term is rest room components)	0	198,000
Expansion tanks (main building heating and cooling system)	9	252,000
Heat exchangers, building heating, main	9	370,000
Heat exchangers, remaining (pool air handler, fin tubes, low level)	9	183,000
Life safety system, control panels (Incl. detectors)	12	95,000

PARK TOWER CONDOMINIUM ASSOCIATION

Supplementary Information on Future Major Repairs and Replacements, cont'd (Unaudited)

Building Components & Systems	Estimated Remaining Useful Lives (Years)	Estimated Future Replacement Cost
Building Services Elements, cont'd		
Life safety system, devices (audio fixtures, voice panels at stairwells)	6	215,000
Life safety system, valves at fire standpipes	0	33,000
Light fixtures, exit and emergency (Incl. remote emergency fixtures) (near term is limited)	1	145,700
Pipes, risers, building heating, cooling and condensate, invasive study	1	37,000
Pipes, riser sections, building heating, cooling and condensate, 01/03 Tier (remaining)	0	362,170
Pipes, riser sections, building heating, cooling and condensate, Phased	4 to 11	6,646,800
Pipes, riser sections, domestic hot water, remaining phased	1 to 3	1,785,000
Pipes, riser sections, domestic cold water, waste and vent, phased	12 to 19	7,435,800
Pumps, building cooling, commercial at cooling tower, 7.5-HP (incl. controls, VFDs)	15	42,000
Pump, building cooling, residential, cooling tower, 75-HP (incl. controls)	10	59,000
Pumps, building heating, commercial, 10-HP (incl. Controls)	3	46,000
Pumps, HVAC, residential, fan coil loop/dual temperature, 100-HP (incl. controls, VFDs)	24	216,000
Pumps, building heating, residential, fin tubes, 10-HP (Incl. controls) (2025 is 1)	0	66,000
Pumps, domestic cold water, 30-to 60-HP (incl. controls, VFDs)	13	210,000
Pumps, fire suppression, 40-to 100-HP (incl. controls, jockey pumps)	4	206,000
Pumps, gas booster, 10-HP (Incl. controls)	15	74,000
Pumps, sewage ejection, 10-HP (Incl. controls)	14	34,000
Security system, camera system, phased	2 to 10	87,000
Security system, fob reader system, phased	3 to 10	36,000
Storage tank, domestic hot water, high zone	3	135,000
Trash compactor	14	17,500
Valves, large diameter, phased (fire pumps, main water, main mech.)	3 to 5	288,000
Property side elements		
Asphalt pavement, east and north (shared), total replacement	12	63,000
Concrete, on-grade at site, partial (sidewalks, pavement, curbs)	4	24,000
Fence, steel, east perimeter	1	50,000
Plaza, waterproof membrane and concrete, interim repairs/sealants (incl. circle drive)	1	50,000
Plaza, waterproof membrane and concrete, replacement (incl. circle drive)	18	1,265,000
Plaza, waterproof membrane, planters (except at lobby entrance)	9	177,000
Tractor (Incl. attachments)	2	31,000

PARK TOWER CONDOMINIUM ASSOCIATION

Supplementary Information on Future Major Repairs and Replacements, cont'd (Unaudited)

Building Components & Systems	Remaining Useful Lives (Years)	Future Replacement Cost
Pool Elements		
Hot tub (jacuzzi), insert	4	39,000
Mechanical equipment, phased	2 to 8	68,000
Pool, main/indoor, vinyl liner and repairs	5	163,800
Pool, outdoor, plaster finish and repairs (kiddie pool)	6	35,000
Garage elements		
Concrete, elevated floor, inspections and capital repairs (1P level)	7	170,100
Concrete, on-grade, partial (2P level) (Incl. drain repairs)	5 to 30+	2,142,000
Doors and operators, vehicular	8	60,000
Doors and operators, fire	6	132,000
Exhaust system (fans, louvers and carbon monoxide detectors)	6	135,000
Fire suppression system, heads	0	151,200
Fire suppression system, piping	11	541,800
Light fixtures	10	56,000
Paint finishes	8	165,000
Traffic coating, elevated floor, overlay at drive lanes (1P level)	7	215,800
Traffic coating, elevated floor, total replacement (1P level)	17	567,000
Unit heaters (replacement of remaining original)	9	204,435
Unit heaters (or air handling units) (Near term is remaining original)	6	175,000
Reserve study update with site visit	2	12,000
		\$ 49,197,065