



MORELAND COURTS
Sophisticated Living in an Architectural Landmark

Management Financial Report July 2026

Profit and Loss Statement

Net operating loss for July was \$(5,209), \$17,529 favorable to budget.

- Total income for July was \$271,088, \$2,502 favorable to budget.
- Total expenses for July were \$276,297, \$15,027 under budget. The main contributors of the variance in expenses relative to budget were:
 - Lower net wages and employee benefits of \$15,471 due to changes in management staffing.

Net operating income for July year-to-date was \$18,345, \$106,485 favorable to budget.

- Total income was \$1,876,403, \$3,694 unfavorable to budget.
- Total expenses were \$1,858,058, \$110,179 under budget. The main contributors of lower expenses relative to budget were:
 - Lower net wages and employee benefits of \$117,049 due to changes in staffing and the result of the first pay period of 2026 being paid in 2025. Part of this variance will reverse in December when there will be three payrolls.
 - Higher net utilities by \$31,151 due to higher water and sewer costs due to dripping of faucets during extremely cold weather and higher heating cost due to colder temperatures later in the season.

In reviewing the Association's financial statements as we move further into the second half of the year, the following should be considered:

- The year-to-date favorable variance of \$106,485 is overstated because payroll is currently one pay period behind until the end of the year in comparison to budget. The approximate impact of this timing difference is \$49,500 in wages and benefits. After adjusting for this timing difference, the Association's actual favorable variance is approximately \$57,000.
- The contingency expense recorded year-to-date is related entirely to the anticipated sale of the CVS Parking Lot. If the transaction closes in 2026, these costs will be offset against the sale proceeds that are transferred to the Reserve account and will not ultimately be reflected as an operating expense.
- The Association has utilized very little of its budgeted allowance for uncollectible accounts during the first seven months of the year. It is anticipated that any foreclosure or sheriff's sale proceedings related to delinquent accounts will not occur until 2027. As we approach the end of the year, we will assess whether to create an allowance for doubtful accounts.



MORELAND COURTS
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Capital Expense and Capital Reserve Spending

Budgeted capital expense related to income is \$200,000 and is collected monthly from owners. Budgeted capital reserve related income is \$725,000 and is also collected monthly from owners.

In July \$31,566 was spent on annual capital expenses and \$20,710 was spent on capital reserve. Year-to-date, \$86,737 was spent on annual capital expense and \$188,453 was spent on capital reserve.

Based on current projections, the Association expects to spend approximately \$195,000 of the budgeted annual capital expenditures by year-end. The Association expects to spend approximately \$725,000 of the budgeted capital reserve expenditures by year-end which includes approximately \$380,000 of the expense related to the elevator loan debt.

For more details on categories of expense/spending, see page 9 of the financial packet.

Balance Sheet and Liquidity

Our ability to fund operations, capital expenses and reserve expenses are a function of cash on hand, accounts receivable (A/R) from Owners and additional income to be assessed to Owners for the remainder of the year.

At the end of July, cash was \$546,395, of which \$48,204 was operational cash, \$96,087 annual capital cash, \$296,279 capital reserve cash and with the remainder loan escrow.

There was an inter-account transfer from Reserve fund to operations in the amount of \$59,375. This will be reversed when we ultimately collect on our A/R balances and/or register a surplus in 2026.

At the end of July, net accounts receivable was \$42,873, of which \$87,026 are accounts receivable from owners. One owner is currently more than 12 months delinquent. This account has entered into the foreclosure process. A second owner was on a payment plan while renting their unit. However, the rental has since ended, and the owner is now non-compliant. This account has also entered into the foreclosure process. Additionally, one-unit owners have reached the 60-day past-due threshold. The owner has been contacted and advised that a lien filing is in process. Details regarding the aging of our accounts receivable can be found on page 10 of the financial packet.

Moreland Courts Condominium Association
Balance Sheet
As of July 31, 2026

	Amount as of 7/31/2026	Amount as of 12/31/2025	\$ Change
ASSETS			
Cash			
1007 Capital Reserve	296,279	334,133	(37,854)
1013 NCB Loan Escrow Account	105,825	105,323	503
1015 Operating	47,804	73,848	(26,044)
1018 Annual Capital	96,087	47,856	48,230
1040 Petty Cash	400	400	-
Total Cash	546,395	561,560	(15,166)
Accounts Receivable			
1200 Accounts Receivable			
1201 Accounts Receivable-Other	22,342	3,488	18,854
1200 Other Accounts Receivable	42,873	28,262	14,611
1200 Total Accounts Receivable	65,215	31,750	33,466
Total Accounts Receivable	65,215	31,750	33,466
Other Current Asset			
1300 PREPAID EXPENSES			
1310 Employee Advances	27,138	19,600	7,538
1320 Prepaid Elevator Inspections	15,578	19,511	(3,933)
1325 Prepaid Maintenance Contract	5,265	2,913	2,352
1330 Prepaid Hospitalization	6,694	-	6,694
1340 Prepaid Insurance	38,507	46,734	(8,227)
1350 Prepaid Legal Fees	1,850	2,725	(875)
1360 Prepaid Taxes	1,912	-	1,912
1370 Prepaid Workers Comp	400	400	-
1300 Other PREPAID EXPENSES	3,139	3,139	-
1300 Total PREPAID EXPENSES	100,483	95,022	5,460
Total Other Current Asset	100,483	95,022	5,460
Fixed Asset			
1700 Furniture & Fixtures	34,890	34,890	-
1750 A/D - Furniture & Fixtures	(34,890)	(34,890)	-
1775 Machinery & Equipment	88,602	86,349	2,253
1776 A/D - Machinery & Equipment	(76,518)	(72,555)	(3,963)
1800 Automobile & Trucks	32,058	32,058	-
1850 A/D - Automobile & Trucks	(32,058)	(32,058)	-
1860 4X2 Cub Cadet	21,384	21,384	-
1865 A/D - 4X2 Cub Cadet	(21,384)	(21,384)	-
Total Fixed Asset	12,084	13,794	(1,710)
Other Asset			
1215 Note Receivable - Guest Suite	35,481	35,481	-
1600 Deposit Workers Compensation	0	0	-
1650 UPS Deposit	180	180	-
1900 Accrued Interest	213,385	213,385	-
Total Other Asset	249,047	249,047	-
TOTAL ASSETS	973,223	951,173	22,051

Moreland Courts Condominium Association

Balance Sheet

As of July 31, 2026

LIABILITIES & EQUITY

Liabilities

Accounts Payable

2000 A/P - Operational	25,538	77,977	(52,440)
2020 A/P - Annual Capital	18,000	(302)	18,302
2030 A/P - Capital Reserve	(21,215)	3,800	(25,015)

Total Accounts Payable	22,322	81,475	(59,153)
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Other Current Liability

2100 Security Deposits	5,378	5,878	(500)
2320 Accrued Payroll	5,805	25,629	(19,824)
2400 Christmas Fund Payable	6,723	1,046	5,677
2576 Deferred Revenue - Capital	37,161	37,161	-
2410 Centennial Celebration	165	165	-
2415 Centennial History Project Fund Payable	1,341	1,341	-
2405 Centennial Tree Donation	70	70	-
2425 Champagne Celebration Fund	107	107	-

Total Other Current Liability	56,750	71,396	(14,647)
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Long Term Liability

2485 NCB Elevator Rehab Loan	885,918	1,076,168	(190,250)
2500 NCB Loan Payable 60 Month	213,193	213,320	(126)
2700 Due To/From Moreland TCP-MstrPL	33,740	32,027	1,713

Total Long Term Liability	1,132,851	1,321,515	(188,663)
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Total Liabilities	1,211,923	1,474,386	(262,464)
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Equity

3200 Owners Equity	(523,214)	(828,480)	305,266
3900 Net Income	284,514	305,266	(20,752)

Total Equity	(238,699)	(523,214)	284,514
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TOTAL LIABILITIES & EQUITY	973,223	951,173	22,051
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Moreland Courts Condominium Association, Inc.
Statement of Equity
As of July 31, 2026

	<u>Operational</u>	<u>Guest Suite</u>	<u>Annual Capital</u>	<u>Reserve Fund</u>	<u>Total</u>
Balance January 1, 2026	618,511	4,751	(15,874)	(1,130,601)	(523,214)
Income	1,867,639	8,225	116,667	422,918	2,415,449
Interest	538			1,776	2,314
Operational Expenditures	1,845,155	12,902			(1,858,058)
Capital Expenditures			86,737		(86,737)
Reserve Fund Expenditures				188,453	(188,453)
Transfer to Reserve Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Current Balance	<u>641,533</u>	<u>74</u>	<u>14,055</u>	<u>(894,361)</u>	<u>(238,699)</u>

	<u>Operational</u>	<u>Guest Suite</u>	<u>Annual Capital</u>	<u>Reserve Fund</u>	<u>Total</u>
Balance January 1, 2026	618,511	4,751	(15,874)	(1,130,601)	(523,214)
Net Change	<u>23,022</u>	<u>(4,677)</u>	<u>29,929</u>	<u>236,240</u>	<u>284,514</u>
Current Balance	<u>641,533</u>	<u>74</u>	<u>14,055</u>	<u>(894,361)</u>	<u>(238,699)</u>

Moreland Courts Condominium Association, Inc.
Statement of Cash Flows
July 1 through July 31, 2026

	<u>Operational</u>	<u>Loan Escrow</u>	<u>Annual Capital</u>	<u>Reserve Fund</u>	<u>Total</u>
Cash Flows From Operations:					
Net Income	22,484				22,484
Guest Suite Net Income	(4,677)				(4,677)
Capital Assessment			116,667	422,918	539,584
Interest Income	35	503		1,776	2,314
Add:					0
Depreciation	3,963				3,963
Due to/from funds	60,417			(60,416)	1
Changes in Working Capital:					0
					0
Assets - (increase)/decrease:					0
Accounts Receivable - Owners, net	(33,466)				(33,466)
Prepaid Expenses	(5,460)				(5,460)
Assets - Equipment and Real Property	(2,253)				(2,253)
Other assets					0
Accounts Receivable - 2003 Spec Assess					0
Elevator Mod Loan Funding					0
					0
Liabilities - increase/(decrease):					0
Accounts Payable - Operational	(52,440)				(52,440)
Accounts Payable - Capital			18,302		18,302
Accounts Payable - Reserve				(25,015)	(25,015)
Accrued Payroll & Related Taxes	(19,824)				(19,824)
Security Deposits	(500)				(500)
Accrued Water & Sewer					0
Christmas Fund Payable	5,677				5,677
Accrued Natural Gas					0
Accrued Other Expenses					0
Deferred Interest Assessment					0
Deferred Revenue					0
Debt Service payments					0
Default Contingency					0
Elevator Acceleration - NCB Loan				(188,663)	(188,663)
Funds held for Debt Payoff NCB					0
Net Cash provided/(used) by activities	(26,044)	503	134,968	150,599	260,026
Capital expenditures			(86,737)	(188,453)	(275,191)
Cash Transfer - Year End Surplus					0
Net increase/(decrease) in Cash	(26,044)	503	48,231	(37,854)	(15,165)
Balance January 1, 2026	74,248	105,323	47,856	334,133	561,560
Balance July 31, 2026	<u>48,203</u>	<u>105,825</u>	<u>96,087</u>	<u>296,279</u>	<u>546,395</u>
bal sheet	48,204	105,825	96,087	296,279	546,395

July 2026

TOTAL INCOME

EXPENSE	July 2026	Budget	Under/(Over) Budget	Jan-July 2026	Budget	Under/(Over) Budget	Annual Budget
4999 Uncollectible Accounts Expense	-	4,167	4,167	1,851	29,167	27,316	50,000
5000 WAGES							
5020 WAGES:Housekeeping Wages (4)	16,745	20,531	3,786	96,577	109,501	12,924	177,941
5040 WAGES:SwitchBoard (3)	7,768	8,021	253	37,503	42,779	5,276	69,514
5100 WAGES:Garage/Valet Wages (6)	22,944	23,023	79	118,160	122,791	4,631	199,536
5320 WAGES:Management Staff	32,335	44,537	12,202	198,425	237,534	39,109	385,989
5440 WAGES:Security Wages	36,436	36,034	(402)	170,171	192,179	22,008	312,294
5480 WAGES:Maintenance Wages (5)	26,748	22,960	(3,788)	123,292	125,619	2,327	203,319
5000 Total WAGES	142,974	155,106	12,132	744,126	830,403	86,277	1,348,593
5500 EMPLOYEE BENEFITS							
5520 Hospitalization	16,975	18,646	1,671	107,053	130,523	23,470	223,753
5600 Total Payroll Taxes	10,775	13,029	2,254	62,838	69,754	6,916	113,282
5700 EMPLOYEE BENEFITS:Workers Compensation	1,678	1,125	(553)	6,628	7,875	1,247	13,500
5900 EMPLOYEE BENEFITS:Uniforms	366	333	(33)	3,194	2,333	(861)	4,000
5500 Total EMPLOYEE BENEFITS	29,794	33,133	3,339	179,712	210,485	30,773	354,535
6000 UTILITIES							
6020 Electricity-Common Area	5,100	5,100	(0)	33,633	35,400	1,767	60,000
6120 Natural Gas-Heating	613	550	(63)	168,141	161,150	(6,991)	231,506
6140 Natural Gas-Hot Water & Dryers	2,477	3,197	720	22,488	22,376	(112)	38,359
6200 Water	7,380	5,167	(2,213)	45,704	36,167	(9,537)	62,000
6300 Sewer	13,176	10,613	(2,563)	90,571	74,293	(16,278)	127,360
6000 Total UTILITIES	28,746	24,627	(4,119)	360,537	329,386	(31,151)	519,225

	July 2026	Budget	Under/(Over) Budget	Jan-July 2026	Budget	Under/(Over) Budget	Annual Budget
6500 MAINT & REPAIRS							
6520 Electrical Maint & Repairs	-	250	250	175	1,750	1,575	3,000
6540 Plumbing Maint & Repairs	608	2,500	1,892	16,675	17,500	825	30,000
6580 Boiler Maint & Repairs (Heating	2,453	500	(1,953)	24,798	24,500	(298)	35,000
6590 Garage Supplies (Car Wash)	465	71	(394)	1,057	496	(571)	850
6600 Housekeeping Supplies	161	667	506	3,854	4,667	813	8,000
6605 Keys & Locks	-	92	92	236	642	405	1,100
6610 De-Icing Agent	-	400	400	3,709	2,800	(909)	4,800
6620 Vehicle and Fuel	148	417	269	1,848	2,917	1,069	5,000
6640 Total Maint, Supplies, Cleaning	2,443	2,083	(360)	13,562	14,583	1,021	25,000
6680 Interior Paint Supplies	1,094	417	(677)	2,457	2,917	459	5,000
6700 Misc. Contractor Repairs	219	250	31	5,634	1,750	(3,884)	3,000
6720 Roof Repairs	-	-	-	778	-	(778)	-
6740 Suite Owner Repairs	858	583	(274)	11,100	4,083	(7,017)	7,000
6800 Carpet Cleaning/Repairs	-	375	375	3,647	2,625	(1,022)	4,500
6820 Misc. Equipment and Repair	-	396	396	1,531	2,771	1,240	4,750
6830 Dryers	-	133	133	1,405	933	(472)	1,600
6900 Tools/Equipment	1,790	875	(915)	4,902	6,125	1,223	10,500
6500 Total MAINT & REPAIRS	10,238	10,008	(229)	97,380	91,059	(6,321)	149,100
6950 Major Repairs	-	1,500	1,500	11,716	18,000	6,284	25,000
7000 CONTRACTED SERVICES							
7100 Landscaping	5,843	5,000	(843)	36,631	35,000	(1,631)	60,000
7110 Landscaping - Addtl'	1,169	-	(1,169)	9,758	-	(9,758)	-
7120 Landscaping - Irrigation	792	750	(42)	3,003	5,250	2,247	9,000
7130 Landscaping - Fertilization	329	292	(37)	4,960	2,042	(2,919)	3,500
7200 Security/Fire Safety	-	1,600	1,600	4,012	11,310	7,298	12,560
7300 Exterminating	289	292	2	2,151	2,042	(109)	3,500
7400 Waste Removal & Recycling	2,870	2,188	(683)	15,968	15,313	(656)	26,250
7410 Waste Removal - Additional	-	-	-	625	-	(625)	-
7500 Cable TV/Internet	11,487	11,439	(48)	80,573	80,071	(502)	137,265
7600 Elevator	7,933	8,379	446	50,075	58,652	8,577	100,547
7610 Elevator - Additional	2,904	-	(2,904)	5,155	-	(5,155)	-
7800 Window Cleaning	-	-	-	1,870	1,950	80	3,900
7850 Boiler Maintenance	(402)	783	1,185	4,900	5,483	583	9,400
7000 Total CONTRACTED SERVICES	33,216	30,722	(2,494)	219,683	217,113	(2,570)	365,922

	July 2026	Budget	Under/(Over) Budget	Jan-July 2026	Budget	Under/(Over) Budget	Annual Budget
8000 ADMIN EXPENSES							
8060 Resident Events	250	-	(250)	2,851	-	(2,851)	10,000
8100 Advertising / New Employee Exp	2,040	2,040	-	15,138	14,280	(858)	20,400
8120 ADMIN EXPENSES:Computer Services	1,280	1,208	(71)	7,335	8,458	1,124	14,500
8140 ADMIN EXPENSES: Legal Expense	888	833	(54)	8,959	5,833	(3,126)	10,000
8160 ADMIN EXPENSES: Audit Expense	-	-	-	15,750	15,000	(750)	15,000
8170 ADMIN EXPENSES: Consulting Fees	482	63	(420)	2,282	438	(1,845)	750
8180 ADMIN EXPENSES: Bookkeeping/Accounting E:	609	646	37	5,374	4,521	(853)	7,750
8200 ADMIN EXPENSES:Telephone Expense	932	1,583	652	6,157	11,083	4,926	19,000
8250 ADMIN EXPENSES:Permits	793	-	(793)	961	3,200	2,239	5,000
8300 Total ADMIN EXPENSES:Insurance	17,058	17,313	254	119,408	121,189	1,781	207,752
8400 ADMIN EXPENSES:Other Taxes	-	175	175	-	1,225	1,225	2,100
8440 ADMIN EXPENSES:Payroll Charges	2,397	1,583	(814)	13,006	11,083	(1,923)	19,000
8460 ADMIN EXPENSES:Office Admin & Supplies	1,691	2,167	476	12,943	15,167	2,223	26,000
8461 ADMIN EXPENSES:Bank Service Charge	158	133	(24)	1,002	933	(69)	1,600
8470 Total ADMIN EXPENSES:Postage & Shipping	399	583	184	2,728	4,083	1,356	7,000
8480 ADMIN EXPENSES:Depreciation Expense	591	504	(87)	3,963	3,527	(436)	6,046
8000 Total ADMIN EXPENSES	29,567	28,831	(735)	217,857	220,021	2,164	371,898
8499 Contingency	-	1,667	1,667	12,294	11,667	(627)	20,000
9571 Guest Suite Expense - Other	1,763	1,563	(201)	12,902	10,938	(1,965)	18,750
9560 Total Guest Suite Expenses	1,763	1,563	(201)	12,902	10,938	(1,965)	18,750
TOTAL EXPENSE	276,297	291,323	15,027	1,858,058	1,968,237	110,179	3,223,023
NET OPERATING INCOME(LOSS)	(5,209)	(22,738)	17,529	18,345	(88,140)	106,485	-

	July 2026	Budget	Under/(Over) Budget	Jan-July 2026	Budget	Under/(Over) Budget	Annual Budget
ANNUAL CAPITAL INCOME							
8500 CAPITAL INCOME							
8550 CAPITAL INCOME:Capital Assessment	16,667	16,667	-	116,667	116,667	-	200,000
8500 Total CAPITAL INCOME	16,667	16,667	-	116,667	116,667	-	200,000
OTHER EXPENSE							
8650 Annual Capital Expense							
8815 Annual Capital Expense: Exterior Renovations	3,553	-	(3,553)	3,553	-	(3,553)	
8820 Annual Capital Expense: Gallery Renovations	-	-	-	23,422	-	(23,422)	
8822 Annual Capital Expense:Laundry Room Renovati	-	-	-	10,000	-	(10,000)	
8859 Annual Capital Expense: Back Line Doors	13,387	-	(13,387)	17,844	-	(17,844)	
8860 Annual Capital Expense: Entrances & Lighting	540	-	(540)	13,993	-	(13,993)	
8880 Annual Capital Expense:Landscape Front Entran	-	-	-	2,097	-	(2,097)	
8920 Annual Capital Expense: Electrical Major Repairs	664	-	(664)	664	-	(664)	
8957 Annual Capital Expense: Management Office Impt	-	-	-	1,741	-	(1,741)	
8949 Annual Capital Expense: Building 12 Renovation:	13,423	-	(13,423)	13,423	-	(13,423)	
8650 Other Annual Capital Expense	-	-	-	-	-	-	
8650 Total Annual Capital Expense	31,566	16,667	(14,900)	86,737	116,667	29,929	200,000
NET ANNUAL CAPITAL INCOME (LOSS)	(14,900)	-	(14,900)	29,929	-	29,929	-
RESERVE INCOME							
8575 CAPITAL INCOME:RESERVE FUND	60,417	60,417	0	422,918	422,917	1	725,000
8600 CAPITAL INCOME:Interest Income	251	-	251	1,776	-	1,776	
TOTAL RESERVE INCOME	60,668	60,417	251	424,693	422,917	1,776	725,000
9110 Capital Reserve							
9108 Reserve - Window Restoration/Paining/Repair	-	833	833	-	5,833	5,833	
9107 Reserve - Masonry & Lintel	-	2,500	2,500	-	17,500	17,500	
9106 Reserve - Hot Water Tanks	14,375	-	(14,375)	26,450	-	(26,450)	
9105 Total Reserve - Elevator Rehab	4,073	33,250	29,177	31,056	232,750	201,694	
9116 Reserve - Fire Stairs	-	2,500	2,500	-	17,500	17,500	
9117 Reserve - Back Line Doors	2,263	-	(2,263)	2,263	-	(2,263)	
9118 Reserve - Security System	-	2,083	2,083	12,020	14,583	2,563	
9119 Reserve - West Gallery Floor	-	-	-	750	-	(750)	
9125 Reserve - Grounds Repair & Restoration	-	167	167	2,766	1,167	(1,599)	
9150 Total Reserve - Other	-	208	208	-	1,458	1,458	
9121 Reserve - Major Heating System Repairs	-	2,083	2,083	50,067	14,583	(35,484)	
9123 Reserve - Major Plumbing Repairs	-	4,167	4,167	6,290	29,167	22,877	
9134 Reserve - West Garage Painting	-	4,167	4,167	56,791	29,167	(27,624)	
9110 Other Capital Reserve	-	8,458	8,458	-	59,208	59,208	
9110 Total Capital Reserve	20,710	60,417	39,706	188,453	422,917	234,464	725,000
NET RESERVE INCOME(LOSS)	39,958	0	39,958	236,240	(0)	236,240	-
NET INCOME	19,849	(22,738)	42,587	284,514	(88,140)	372,655	-