

**GRENELEFE ASSOCIATION OF
CONDOMINIUM OWNERS NO. 1, INC.
FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023**

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GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

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To the Board of Directors
Greenelefe Association of
Condominium Owners No. 1, Inc.
Haines City, Florida 33844

INDEPENDENT AUDITOR'S REPORT

Opinion

I have audited the accompanying financial statements of Greenelefe Association of Condominium Owners No. 1, Inc. (a Florida Corporation, Common Interest Realty Association), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly in all material respects, the financial position of Greenelefe Condominium Association #1, Inc. as December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in conformity with accounting principals generally accepted in the United States of America.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statement section of my report. I am required to be independent of Greenelefe Association of Condominium Owners #1, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Greenelefe Condominium Owner's #1, Inc.'s ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibility

My objective is 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 my 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.

Auditor's Responsibility - Continued

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

- * Exercise professional judgement 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 Grenelefe Condominium Association #1, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grenelefe Association of Condominium Owner's #s, Inc. ability to continue as a going concern for a reasonable period of time.

I am 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 I identify during the audit.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Schedule 1 - Future Major Repairs and Replacements and Schedule 2 -Operating and Reserves Actual vs. Budget on pages 12-13 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because of the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Doane CPA Firm

Doane CPA Firm LLC
Clermont, Florida

May 28, 2025

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS, NO. 1, INC.**BALANCE SHEETS****DECEMBER 31, 2024 AND 2023**

	<u>----- 2024 -----</u>			<u>2023</u>
<u>ASSETS</u>	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>	<u>TOTAL</u>	<u>TOTAL</u>
Cash and cash equivalents - Note A	385,110	678,417	1,063,527	\$ 1,417,885
Assessment receivable - Note C	242,844		242,844	104,841
Other receivables	109		109	85
Prepaid expenses	91,931		91,931	54,807
Certificates of deposit reserves	-	453,895	453,895	439,898
Investment in securities - Note J	35,686	-	35,686	36,267
Furniture and equipment (Net of depreciation) - Note G	234,891	-	234,891	274,441
Deposits	<u>10,350</u>	<u>-</u>	<u>10,350</u>	<u>10,350</u>
TOTAL ASSETS	<u>\$ 1,000,921</u>	<u>\$ 1,132,312</u>	<u>\$ 2,133,233</u>	<u>\$ 2,338,574</u>
<u>LIABILITIES</u>				
Accounts payable and accrued expenses	62,417	12,199	74,616	87,579
Deferred tax liability -unrealized gains	3,149	-	3,149	3,149
Prepaid and deferred assessments	<u>38,002</u>	<u>-</u>	<u>38,002</u>	<u>432,757</u>
TOTAL LIABILITIES	<u>103,568</u>	<u>12,199</u>	<u>115,767</u>	<u>523,485</u>
FUND BALANCE				
Fund balance	874,015	1,120,113	1,994,128	1,791,170
Other comprehensive income (loss) - Note J	23,338	-	23,338	23,919
TOTAL FUND BALANCE	897,353	1,120,113	2,017,466	1,815,089
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,000,921</u>	<u>\$ 1,132,312</u>	<u>\$ 2,133,233</u>	<u>\$ 2,338,574</u>

See independent auditor's report and notes to financial statements.

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS, NO. 1, INC.

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>----- 2024 -----</u>			<u>2023</u>
	<u>OPERATING FUND</u>	<u>RESERVE FUNDS</u>	<u>TOTAL</u>	<u>TOTAL</u>
REVENUE				
Exempt Function				
Assessments	\$ 2,408,700	\$ 664,166	\$ 3,072,866	\$ 2,821,944
Other exempt function income	5,988	17,160	23,148	33,516
Interest and dividends	2,476	16,476	18,952	12,376
Maintenance fee finance charges	<u>4,016</u>	<u>-</u>	<u>4,016</u>	<u>9,138</u>
Total exempt function income	<u>2,421,180</u>	<u>697,802</u>	<u>3,118,982</u>	<u>2,876,974</u>
Non exempt Function - Note P				
HVAC net income(loss) - Note P	(13,414)	-	(13,414)	13,478
Laundry net income(loss) - Note P	48,531	-	48,531	(19,807)
Interior pest control fees net income(loss) - Note P	-	-	-	4,241
Storage rental net income(loss) - Note P	<u>12,863</u>	<u>-</u>	<u>12,863</u>	<u>12,590</u>
Total non exempt function net income - Note P	<u>47,980</u>	<u>-</u>	<u>47,980</u>	<u>10,502</u>
TOTAL REVENUE	<u>\$ 2,469,160</u>	<u>697,802</u>	<u>3,166,962</u>	<u>2,887,476</u>
EXPENSES				
Operating Payroll expense	330,884	-	330,884	397,473
Insurance	840,182	-	840,182	741,036
Management salaries and temporaries	204,608	-	204,608	186,250
Employee benefits	79,736	-	79,736	108,704
Utilities	90,003	-	90,003	101,900
Vehicle expenses	20,935	-	20,935	19,717
Repairs and maintenance	42,813	-	42,813	9,336
Trash removal	157,303	-	157,303	140,217
Payroll taxes	40,042	-	40,042	44,234
Grounds maintenance and supplies	351,953	-	351,953	378,191
Temporary help maintenance	1,156	-	1,156	64,803
Office and other	48,437	-	48,437	61,330
HVAC expenses	1,635	-	1,635	1,611
Depreciation	35,324	-	35,324	47,710
Casualty Repairs exceeding deductible	12,000	-	12,000	9,370
Staff Recruitment fee	13,750	-	13,750	22,500
Accounting and audit	15,000	-	15,000	15,000
Tree Care	4,700	-	4,700	17,279
Uniforms, tools and equipment	2,765	-	2,765	9,472
Irrigation repair	4,806	-	4,806	10,320
Pest Control	24,965	-	24,965	-
Bad debt and allowances	4,396	-	4,396	15,147
Director and board meeting expenses	994	-	994	3,150
Legal Fees	19,030	-	19,030	20,708
Pension	1,090	-	1,090	7,663
Licenses, permits and taxes	2,953	-	2,953	3,532
Loss on Sale of Equipment	3,892	-	3,892	-
Fire protection	9,267	-	9,267	11,811
Reserve expenditures - Note B	-	609,947	609,947	286,897
Income tax expense(revenue)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>2,364,619</u>	<u>609,947</u>	<u>2,974,566</u>	<u>2,735,361</u>
REVENUE IN EXCESS (DEFICIT) OF EXPENDITURES	<u>104,541</u>	<u>87,855</u>	<u>192,396</u>	<u>152,115</u>
BEGINNING FUND BALANCE	<u>758,912</u>	<u>1,032,258</u>	<u>1,791,170</u>	<u>1,662,573</u>
FUND BALANCE TRANSFERS				
Fixed asset fund transfers	<u>10,562</u>	<u>-</u>	<u>10,562</u>	<u>(23,518)</u>
TOTAL FUND BALANCE TRANSFERS	<u>10,562</u>	<u>-</u>	<u>10,562</u>	<u>(23,518)</u>
ENDING FUND BALANCE	<u>\$ 874,015</u>	<u>\$ 1,120,113</u>	<u>\$ 1,994,128</u>	<u>\$ 1,791,170</u>

See independent auditor's report and notes to financial statements.

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS, NO. 1, INC.**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>----- 2024 -----</u>			<u>2023</u>
	<u>OPERATING FUND</u>	<u>RESERVE FUND</u>	<u>TOTAL</u>	<u>TOTAL</u>
CASH FLOW FROM OPERATING ACTIVITIES				
Excess (deficit) of revenue over expenses	\$ 104,541	\$ 87,855	\$ 192,396	\$ 152,115
Adjustment to reconcile excess of expenditures over revenue to net cash provided by operating activities:				
Depreciation expense	35,324	-	35,324	47,710
Fixed asset scrapped	8,898		8,898	-
Loss (gain) on fixed asset disposal	2,934	958	3,892	(18,054)
Bad debt allowances	(7,325)		(7,325)	10,491
(Increase) Decrease in				
Assessments and notes receivable-net	(130,678)	-	(130,678)	(93,642)
Other receivables	(24)	-	(24)	1,111
Prepaid expenses	(37,124)	-	(37,124)	(21,441)
Investment in securities - Note I	581		581	2,420
Increase (Decrease) in				
Accounts payable and accrued expenses	(21,168)	8,205	(12,963)	(78,772)
Prepaid assessments	(394,755)	-	(394,755)	(48,138)
Deferred tax liability unrealized gains	-		-	(1)
Other comprehensive	(581)	-	(581)	(2,420)
Net cash provided (used) by operating activities	<u>(439,377)</u>	<u>97,018</u>	<u>(342,359)</u>	<u>(48,621)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(9,990)	(16,008)	(25,998)	(4,162)
Proceeds from sales of assets	-	15,050	15,050	27,300
Fund Balance transfers	<u>12,946</u>	<u>-</u>	<u>12,946</u>	<u>(23,518)</u>
Net cash provided (used) by investing activities	<u>2,956</u>	<u>(958)</u>	<u>1,998</u>	<u>(380)</u>
NET CHANGE IN CASH	(436,421)	96,060	(340,361)	(49,001)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>821,531</u>	<u>1,036,252</u>	<u>1,857,783</u>	<u>1,906,784</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 385,110</u>	<u>\$ 1,132,312</u>	<u>\$ 1,517,422</u>	<u>\$ 1,857,783</u>
SUPPLEMENTAL DISCLOSURES				
Income taxes paid				<u><u>\$ -</u></u>
Interest expense paid				<u><u>\$ -</u></u>

See independent auditor's report and notes to financial statements.

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS, NO. 1, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Grenelefe Association of Condominium Owners No. 1, Inc., ("The Association"), a multi-condominium, is incorporated in the State of Florida on April 3, 1974. The Association is responsible for the operation and maintenance of the common property within the development including 220 acres of landscaping. The development consists of 781 residential units as part of 116 separate buildings and 34 lakelofts located in Polk County, Florida. The Association also provides, for a nominal fee, heating ventilation and air conditioning (HVAC) services and laundry services. Such Services are not part of the Association's tax exempt function.

Financial Statements

The accompanying financial statements were prepared pursuant to the requirements of Florida Statutes and generally accepted accounting principles in the United States of America.

Fund Accounting

The Association presents its financial statements on the accrual basis using fund accounting. The financial statements are therefore segregated into funds based upon different funding policies established for operating and capital expenditures.

The Operating Fund reflects the maintenance assessments paid by unit owners to meet the regular, recurring costs of operations. Expenditures from this fund are limited to those connected with daily operations.

The Reserve Fund is composed of capital assessments paid by unit owners to fund future replacements and major repairs. Expenditures from this fund are designated to those items for which assessments were specifically collected. Interest earned on reserve funds remains in the Reserve Fund and is allocated to the components based on their respective balances.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Real and Common Area Property

The Association capitalizes all property and equipment to which it holds title or has other evidence of ownership. Real and common area property acquired from the developer is not capitalized in the Association's financial statements, as it is owned by the individual unit owners in common and not by the Association. As a result, improvements made to the real property and common areas are expensed as incurred.

Prior Year Reclassification

Amounts from the previous years may have been combined or restated for comparison purposes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS, NO. 1, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE A - (Cont'd)

Concentrations of Risk

The Association maintains cash balances at several banks. Deposits at banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2024, the Association had no balances over this threshold due to sweep account transfers.

Fund Transfers

As reserve fund cash is disbursed for Board approved capital expenditures, the assets are capitalized in the operating fund and the related reserve fund balances are transferred to the operating fund in accordance with industry practice.

NOTE B - RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents, as well as Florida Statutes, require funds to be accumulated for the future major repairs and replacements. The funds are segregated and are generally not available for expenditures for normal operations.

Estimates were based on professional judgment, which may include contractor estimates for major components. The Association is funding for major repairs and replacements over the remaining useful lives, and considering amounts previously accumulated in the reserve fund.

Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the reserve fund may not be adequate to meet future needs. If additional funds are needed, however, The Association has the right to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

Interest earned on reserve funds is allocated to the individual replacement funds based upon their relative value to the total.

The following table presents significant information about the components of common property:

<u>COMPONENT</u>	<u>BALANCE</u> <u>01/01/2024</u>	<u>FUNDING</u> <u>DURING</u> <u>YEAR</u>	<u>INTEREST</u> <u>& OTHER</u> <u>INCOME</u>	<u>TRANSFERS</u> <u>AND PRIOR</u> <u>YEAR ADJ</u>	<u>CURRENT</u> <u>CHARGES</u> <u>TO FUND</u>	<u>BALANCE</u> <u>12/31/2024</u>
<u>Capital</u>						
Multi-unit building	\$ 132,528	\$ 270,000	3,105	\$ -	\$ (273,508)	\$ 133,421
Lakeloft building	138,972	31,002	1,359	(27,989)	(1,678)	143,023
Laundry room equip	221,934		2,169			226,271
Multi-unit roof	55,874	268,291	546	27,989	(210,690)	142,556
Parking lot	206,443		2,016			210,477
Landscaping	130,635		1,276			133,188
Equipment	135,885	-	16,677		(29,198)	124,692
	<u>1,022,271</u>	<u>569,293</u>	<u>27,147</u>		<u>(515,074)</u>	<u>\$ 1,103,637</u>
<u>Non capital</u>						-
Building Painting	-	94,873			(94,873)	-
Unallocated interest	9,987	-	16,476	(9,987)	-	16,476
TOTALS	\$ 1,032,258	\$ 664,166	\$ 43,623	\$ (9,987)	\$ (609,947)	\$ 1,120,113

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE C - MEMBER ASSESSMENTS

Association members are subjected to 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 fees due from unit owners. It is The Association's policy to retain legal counsel and place liens on the property of delinquent homeowners. Assessments that have been deemed to be uncollectible as of the report date have been charged to bad debts. Components of accounts receivable are as follows for 2024

Accounts receivable	254,020
Less: allowance for doubtful	<u>(11,176)</u>
Net	<u>\$ 242,844</u>

NOTE D - FORECLOSED PROPERTIES

The Association acquires properties in transactions for "deed in lieu of foreclosure". Expenses associated with the properties are capitalized and listed as "other investments" in these financial statements.

The Association did not own or foreclose on any remaining foreclosed properties during 2024.

NOTE E - AMENDMENTS TO BYLAWS AND COVENANTS

The Association amended the bylaws in a duly authorized meeting of the board of directors on June, 19, 2024.

The following is an excerpt from the amendments. A complete narrative is available upon request.

Changed wording for Section 1.2 as follows:

"Corporate Purpose: The Association has been organized for the purpose of administering 778 Condominiums pursuant to Chapter 718 of Florida Statutes, as may be amended from time to time, called the Condominium Act in the By-Laws, such constructed as par of GRENELEFE STAGE 1 DEVELOPMENT and whose respective Declarations of Condominium will cover certain lands located in Polk County, Florida."

Section 3.1

"Management of the Affairs. The affairs of the Association shall be managed by a Board of Directors consisting of five (5) members.

Section 3.14

Eliminated - See 3.15

Section 3.15

Director's expenses. Travel expenses and other expenses incurred performing the duties as directors shall be reimbursed subject to approval by the Board of Directors.

Section 6.13 Assessments. Assessments against the apartment owners for their share of the items of the budget shall be made for the fiscal year at least thirty (30) days preceding the beginning of each month of the said fiscal year. If an annual assessment is not made as required, an assessment shall be presumed to have been made in the amount of the last prior assessment, and monthly annual installments on such assessments shall be due upon each installment payment date until changed by an amended assessment.

Section 6.14

Payments of monthly assessments shall be made at the office of the Association. Payments made in the form of checks shall be made to the order of the Association. Payments of regular assessments are due on the first day of each month and if ten or more days late, are subject to charges as provided in the Declarations of Condominium. Such charges may not be waived by the Manager.

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS, NO. 1, INC.

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE F - FEDERAL INCOME TAXES

Condominium associations may elect to be taxed as regular corporations or as homeowner's associations. With either election, The Association is generally taxed only on its non-membership income, such as interest earnings.

Under Federal and State income tax laws, an entity's tax returns are subject to examination by the applicable authorities. The time period during which a return may be selected by a taxing authority for examination generally ends at the latter of the three years after the initial due date of the return or three years after the return is filed. At December 31, 2024 the Association's tax years remaining subject to examination are 2020-2023.

NOTE G - FURNITURE AND EQUIPMENT

The cost of furniture and equipment as of December 31, 2024, consists of the following:

Office Building	\$ 38,034
Lighting	238,075
Maintenance equipment	198,891
Laundry equipment	183,200
Office equipment	12,213
Total	670,413
Less accumulated depreciation	(435,522)
Net furniture and equipment	<u>\$ 234,891</u>

Depreciation is provided on a straight-line basis over the estimated useful lives ranging from three to seven (3-7) years. Depreciation expense for the year is \$35,324.

It is the Association's policy to expense assets with no "scrap" value at the end of their depreciable life and have a purchase price of less than \$1,000.

NOTE H - LONG-TERM CONTRACTS

The Association has entered into long-term service contracts for pest control, refuse, telephone, Grounds Maintenance, internet, copier, and uniforms.

The Association is self managed.

NOTE I - INSURANCES

The Association was covered for Property, General Liability, Directors and Officers, and ERISA bonding policies through Franklin Street Insurance Services.

The Association also maintains an umbrella policy with a limit of \$10,000,000 for each occurrence.

The Association was covered for Worker's Compensation Insurance through Franklin and Disability policies through Guardian Insurance.

Vehicle insurance was maintained through Franklin Insurance Services and through reimbursements to employees who use their vehicles for Association business.

The Association's board of directors analyzes and approves insurance expenditures annually. Copies of policy documents are available upon request.

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE J - INVESTMENT IN SECURITIES

Statement on Financial Accounting Standards No. 115 requires unrealized holding gains and losses on securities available for sale to be disclosed as a part of comprehensive income in the fund balance section of the balance sheet. The unrealized holding gains and losses are as follows:

	<u>2024</u>	<u>2023</u>
Market value of securities held for sale	<u>\$ 35,686</u>	<u>\$ 36,267</u>
Unrealized holding gain (loss)	<u>\$ 23,338</u>	<u>\$ 23,919</u>

NOTE K - RELATED PARTY TRANSACTIONS

ALYA Grenelefe, LLC owns 417 of the 781 residential units and has 494 of the 913 votes. The Resort pays monthly assessments on all the units owned. The total assessments paid by ALYA were \$1,640,554 in 2024.

ALYA also has 3 of the 5 seats on the board of directors.

Grenewater Grenelefe, Inc. ("The Utility") provides water and sewer service to the common areas. The Utility and The Resort are both owned by Grenelefe Resorts LLC. The total expense to operations for water and sewer service was \$61,142 and \$75,207 for 2024 and 2023, respectively. Accounts payable and accrued expenses to The Utility were \$0 and \$9,954 for 2024 and 2023, respectively.

Travel expenses and other expenses incurred by the Board of Directors for attendance at meetings is reimbursed according to the policy set by the Board of Directors. Directors' and board meeting expenses totaled \$0 and \$3,150 for the years ending December 31, 2024 and 2023, respectively.

During 2024, Lennox Henry, the Association's building manager, left the employment of the Association and became a contractor doing business as Nox Contractors, LLC. Since then, the Association has contracted with him to handle all the preventative maintenance rather than performing those tasks in-house.

NOTE L - CONTINGENCIES AND LOSSES

The Association documents require insurance proceeds to be placed in a separate account. There were no insurance proceeds escrowed for 2024.

Uninsured casualty repairs and co-pays were \$12,000 during 2024.

NOTE M - PENSION PLAN

The Association established a 401(k) pension plan during 2016. The Grenelefe Association of Condominium owners, No.1, Inc. 401(k) P/S Plan (the Plan) adoption agreement was established to include all eligible employees who have reached the age of 21 and upon completion of 1,000 hours of eligible service. Readers should refer to the Plan Adoption agreement for more informative details. Employer portion of pension administrative costs for the year ended December 31, 2024 were \$1,090. There were no employer contributions during 2024.

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2024

NOTE N - MATERIAL CONCENTRATION OF RISK OF REVENUE

The Association receives assessment revenue from ALYA Grenelefe LLC, which represents an amount of approximately 50% of The Association's total revenue. Although management believes there is no near term indications of loss, this amount could be detrimental to the Association's operations.

NOTE O - LITIGATION

The Association is party to a litigation with settlement amounts in excess of \$50,000. On March 20, 2023, Virtus Capital Advisors, LLC filed a suit in the Circuit Court alleging damages against the Association related to a building fire caused by a grill in use on the patio of one of the private units. The Association denies any liability for the damages. The claim is covered by the Association's insurance.

The Association is party to a litigation with settlement amounts in excess of \$30,000 with Alya Grenelefe LLC. On January 2, 2024, the Circuit court entered a final judgment for Defendant (the Association) and this matter was on appeal with the Sixth District Court of Appeals and subsequently settled during 2024.

NOTE P - UNRELATED BUSINESS INCOME/(LOSS) (Unrelated to tax exempt purpose)

The Association provides services for members' and long term renters' convenience. Such services are unrelated to the Association's tax exempt purpose. Income and related expenses are as follows for 2024:

	<u>Revenue</u>	<u>Expenses</u> <u>(includes Interest and Depreciation)</u>	<u>Net income(loss)</u>
Laundry machines	\$ 159,425	\$ 110,894	\$ 48,531
HVAC services	\$ 25,829	\$ 39,243	\$ (13,414)
Storage and other	\$ 13,804	\$ 941	\$ 12,863
Total	<u>\$ 199,058</u>	<u>\$ 151,078</u>	<u>\$ 47,980</u>

NOTE Q - OTHER ITEMS

The Association is exempt from the separate unit recordkeeping requirements for a multi-condominium CIRA (Common Interest Realty Association) due to "grandfather" rules for CIRAS' filing their initial condominium declaration prior to January 1, 1977.

The Association has adopted ASC 606 revenue recognition standards as required by Generally Accepted Accounting Principles in the United States of America. Revenue is disclosed as "exempt function" and "non exempt function" and segregated in these financial statements.

NOTE R - SUBSEQUENT EVENTS

The Association has evaluated events and transactions for potential recognition of disclosure in the financial statements through May 28, 2025, the date the financial statements were available to be issued and determined the following are material:

Management reports that Treehouse LLC (Feltrim), who owns 19 units, filed for bankruptcy in November, 2024. The amount of \$104,949 due to the Association at that time became uncollectible and was subsequently written off as "bad debt" on April 1, 2025.

The State of Florida has adopted HRB 913 for Condominium Associations. The board is in the process of reviewing the Association for compliance.

SUPPLEMENTARY INFORMATION

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS #1, INC.

**FUTURE MAJOR REPAIRS AND REPLACEMENTS- Schedule 1
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

Section 718.112(2)(f) of the Florida Statutes and Rule 61B-22.005 of the Florida Administrative Code require ALL Florida condominium associations to fund reserve accounts for deferred property maintenance and replacement projects. Specifically, a reserve account must be established for roofing replacement, property painting, asphalt paving, and any other project that has an anticipated cost of greater than \$10,000.

The following is a summary of funds at year end budgeted for reserves expenditures:

ESTIMATED REMAINING USEFUL <u>LIFE</u>		ACTUAL <u>BALANCE PER BOOKS:</u>	
		<u>12/31/2024</u>	<u>12/31/2023</u>
Balance per books:			
Multi-unit building	0-36	\$ 133,421	\$ 132,528
Lakeloft building	0-29	143,023	138,972
Laundry room equipment	0-20	226,271	221,934
Multi-unit roofing	13-27	142,556	55,874
Parking lot	0-27	210,477	206,443
Landscaping	0-18	133,188	130,635
Equipment	0-36	124,692	135,885
Unallocated interest	N/A	<u>16,476</u>	<u>9,987</u>
TOTAL		\$ <u>1,130,103</u>	\$ <u>1,032,258</u>

Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore amounts accumulated in the replacement funds may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

See independent auditor's report and notes to financial statements.

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS #1, INC.**OPERATING AND RESERVES FUNDS BUDGET VERSES ACTUAL -
SCHEDULE 2
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>AUDITED ACTUAL</u>	<u>COMPILED BUDGET</u>	<u>COMPILED FAVORABLE UNFAVORABLE</u>
REVENUES			
Assessments	\$ 3,072,866	\$ 3,073,856	\$ (990)
HVAC net income(loss) - Note P	(13,414)	(2,646)	10,768
Laundry net income(loss) - Note P	48,531	78,682	30,151
Interior pest control fees net income(loss) - Note P	-	-	-
Storage rental net income(loss) - Note P	12,863	15,120	2,257
Other exempt function income	23,148	-	(23,148)
Interest and dividends	18,952	2,380	(16,572)
Gain(loss) on fixed asset and investments	(3,892)	-	3,892
Maintenance fee finance charges	4,016	6,000	1,984
TOTAL REVENUE	\$ 3,163,070	3,173,392	\$ (10,322)
EXPENSES			
Reserve expenditures - Note B	\$ 609,947 *	\$ 609,945	\$ (2)
Payroll expense	330,884	348,624	17,740
Insurance	840,182	950,425	110,243
Management salaries and temporaries	204,608	170,532	(34,076)
Employee benefits	79,736	87,705	7,969
Utilities	90,003	89,099	(904)
HVAC expenses	1,635	102	(1,533)
Bad debt and allowances	4,396	-	(4,396)
Grounds maintenance and supplies	351,953	399,538	47,585
Temporary help maintenance	1,156	-	(1,156)
Trash removal	157,303	144,000	(13,303)
Payroll taxes	40,042	40,261	219
Casualty repairs not exceeding deductible	12,000	5,000	(7,000)
Staff recruitment fee	13,750	-	(13,750)
Repairs and maintenance	42,813	155,048	112,235
Office and other	48,437	53,739	5,302
Vehicle expenses	20,935	16,900	(4,035)
Pest Control	24,965	26,000	1,035
Legal and settlements	19,030	15,000	(4,030)
Depreciation	35,324	-	(35,324)
Tree Care	4,700	10,000	5,300
Accounting and audit	15,000	15,000	-
Irrigation repair	4,806	12,000	7,194
Uniforms, tools and equipment	2,765	8,740	5,975
Director and board meeting expenses	994	750	(244)
Pension	1,090	3,770	2,680
Licenses, permits and taxes	2,953	3,714	761
Fire protection	9,267	7,500	(1,767)
TOTAL EXPENDITURES	\$ 2,970,674	\$ 3,173,392	\$ 202,718
REVENUE IN EXCESS (DEFICIT) OF EXPENDITURES	\$ 192,396	\$ -	\$ 192,396

* Reserves expenditures are not budgeted.

THE BUDGET OF THE ASSOCIATION PROVIDES FOR LIMITED VOLUNTARY DEFERRED EXPENDITURE ACCOUNTS, INCLUDING CAPITAL EXPENDITURES AND DEFERRED MAINTENANCE, SUBJECT TO LIMITS ON FUNDING CONTAINED IN OUR GOVERNING DOCUMENTS BECAUSE THE OWNERS HAVE NOT ELECTED TO PROVIDE FOR RESERVE ACCOUNTS UNDER SECTION 720.303(6) FLORIDA STATUTES. THESE FUNDS ARE NOT SUBJECT TO THE RESTRICTIONS ON USE OF SUCH FUNDS SET FORTH IN THE STATUTES. NOR ARE RESERVES CALCULATED IN ACCORDANCE WITH THE STATUTE.