GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED

DECEMBER 31, 2025 AND 2024

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GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

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

INDEPENDENT AUDITOR'S REPORT

Opinion

I have audited the accompanying financial statements of Grenelefe Association of Condominium Owners No. 1, Inc. (a Florida Corporation, Common Interest Realty Association), which comprise the balance sheets as of December 31, 2025 and 2024, 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 Grenelefe Condominium Association #1, Inc. as December 31, 2025 and 2024, 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 Grenelefe 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 Grenelefe 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 on 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 preform 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

June 9, 2026

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

BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025			2024
ASSETS	**OPERATING FUND**	**RESERVE FUND**	**TOTAL**	**TOTAL**
Cash and cash equivalents - Note A	329,472	670,970	1,000,442	$ 1,063,527
Assessment receivable - Note C	246,242		246,242	242,844
Other receivables	109		109	109
Prepaid expenses	249,274		249,274	91,931
Certificates of deposit reserves		472,107	472,107	453,895
Investment in securities - Note J	40,665	-	40,665	35,686
Furniture and equipment (Net of depreciation) - Note G	267,219	-	267,219	234,891
Deposits	10,350	-	10,350	10,350
TOTAL ASSETS	$ 1,143,331	$ 1,143,077	$ 2,286,408	$ 2,133,233
LIABILITIES				
Accounts payable and accrued expenses	28,443	16,423	44,866	74,616
Deferred tax liability -unrealized gains	3,149	-	3,149	3,149
Prepaid and deferred assessments	58,304	-	58,304	38,002
TOTAL LIABILITIES	89,896	16,423	106,319	115,767
FUND BALANCE				
Fund balance	1,025,119	1,126,654	2,151,773	1,994,128
Other comprehensive income (loss) - Note J	28,316	-	28,316	23,338
TOTAL FUND BALANCE	1,053,435	1,126,654	2,180,089	2,017,466
TOTAL LIABILITIES AND FUND BALANCE	$ 1,143,331	$ 1,143,077	$ 2,286,408	$ 2,133,233

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, 2025 AND 2024

	2025			2024
	OPERATING FUND	RESERVE FUNDS	TOTAL	TOTAL
REVENUE				
Exempt Function				
Assessments	$ 2,609,607	$ 742,939	$ 3,352,546	$ 3,072,866
Other exempt function income	34,292	20,930	55,222	23,148
Interest and dividends	1,952	22,286	24,238	18,952
Maintenance fee finance charges	26,445	-	26,445	4,016
Total exempt function income	2,672,296	786,155	3,458,451	3,118,982
Non exempt Function - Note P				
HVAC net income(loss) - Note P	(14,633)	-	(14,633)	(13,414)
Laundry net income(loss) - Note P	(15,383)	-	(15,383)	48,531
Storage rental net income(loss) - Note P	8,780	-	8,780	12,863
Total non exempt function net income - Note P	(21,236)	-	(21,236)	47,980
TOTAL REVENUE	$ 2,651,060	786,155	3,437,215	3,166,962
EXPENSES				
Operating Payroll expense	315,442	-	315,442	330,884
Insurance	794,663	-	794,663	840,182
Management salaries and temporaries	221,012	-	221,012	204,608
Employee benefits	96,530	-	96,530	79,736
Utilities	126,005	-	126,005	90,003
Vehicle expenses	25,008	-	25,008	20,935
Repairs and maintenance	69,837	-	69,837	42,813
Trash removal	132,974	-	132,974	157,303
Payroll taxes	42,267	-	42,267	40,042
Grounds maintenance and supplies	362,973	-	362,973	351,953
Temporary help maintenance	20,762		20,762	1,156
Office and other	65,386	-	65,386	48,437
HVAC expenses	-		-	1,635
Depreciation	36,291	-	36,291	35,324
Casualty Repairs exceeding deductible	-	-	-	12,000
Staff Recruitment fee	440	-	440	13,750
Accounting and audit	15,000	-	15,000	15,000
Tree Care	46,213	-	46,213	4,700
Uniforms, tools and equipment	7,894	-	7,894	2,765
Irrigation repair	-	-	-	4,806
Pest Control	24,000		24,000	24,965
Bad debt and allowances	104,949	-	104,949	4,396
Director and board meeting expenses	252	-	252	994
Legal Fees	33,836	-	33,836	19,030
Pension	5,877	-	5,877	1,090
Licenses, permits and taxes	6,984	-	6,984	2,953
Loss on Sale of Equipment	758		758	3,892
Fire protection	13,806	-	13,806	9,267
Reserve expenditures - Note B	-	792,551	792,551	609,947
Income tax expense(revenue)	-	-	-	-
TOTAL EXPENDITURES	2,569,159	792,551	3,361,710	2,974,566
REVENUE IN EXCESS (DEFICIT) OF EXPENDITURES	81,901	(6,396)	75,505	192,396
BEGINNING FUND BALANCE	874,015	1,120,113	1,994,128	1,791,170
FUND BALANCE TRANSFERS				
Fixed asset and fund transfers	69,203	12,937	82,140	10,562
TOTAL FUND BALANCE TRANSFERS	69,203	12,937	82,140	10,562
ENDING FUND BALANCE	$ 1,025,119	$ 1,126,654	$ 2,151,773	$ 1,994,128

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, 2025 AND 2024

	2025			2024
	OPERATING FUND	RESERVE FUND	TOTAL	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES				
Excess (deficit) of revenue over expenses	$ 81,901	$ (6,396)	$ 75,505	$ 192,396
Adjustment to reconcile excess of expenditures over revenue to net cash provided by operating activities:				
Depreciation expense	36,291	-	36,291	35,324
Fixed asset scrapped	-		-	8,898
Loss (gain) on fixed asset disposal	758		758	3,892
Bad debt allowances	(9,303)		(9,303)	(7,325)
(Increase) Decrease in				
Assessments and notes receivable-net	(3,398)	-	(3,398)	(130,678)
Other receivables	-	-	-	(24)
Prepaid expenses	(157,343)	-	(157,343)	(37,124)
Investment in securities - Note I	(4,979)		(4,979)	581
Increase (Decrease) in				
Accounts payable and accrued expenses	(33,974)	4,224	(29,750)	(12,963)
Prepaid assessments	20,302		20,302	(394,755)
Deferred tax liability unrealized gains	-		-	-
Other comprehensive	4,978	-	4,978	(581)
Net cash provided (used) by operating activities	(64,767)	(2,172)	(66,939)	(342,359)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(60,274)	-	(60,274)	(25,998)
Proceeds from sales of assets	200	-	200	15,050
Fund Balance transfers	69,203	12,937	82,140	12,946
Net cash provided (used) by investing activities	9,129	12,937	22,066	1,998
NET CHANGE IN CASH	(55,638)	10,765	(44,873)	(340,361)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	385,110	1,132,312	1,517,422	1,857,783
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 329,472	$ 1,143,077	$ 1,472,549	$ 1,517,422
SUPPLEMENTAL DISCLOSURES				
Income taxes paid				$ -
Interest expense paid				$ -

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

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.

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, 2025, 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:

COMPONENT	BALANCE 01/01/25	FUNDING DURING YEAR	INTEREST & OTHER INCOME	TRANSFERS AND PRIOR YEAR ADJ	CURRENT CHARGES TO FUND	BALANCE 12/31/2025
Capital						
Multi-unit building	$ 132,126	$ 297,000	8,342	$ -	$ (285,369)	$ 152,099
Lakeloft building	141,663	36,218		-	(29,413)	148,468
Laundry room equip	224,103		3,345	-	-	227,448
Multi-unit roof	142,010	295,120	2,120	29,413	(317,447)	151,216
Parking lot	208,459		3,112	-	-	211,571
Special projects	-			133,880	-	133,880
Landscaping	131,911		1,969	(133,880)	-	-
Equipment	123,365	-	2,042	-	(45,721)	79,686
	1,103,637	628,338	20,930	29,413	(677,950)	$ 1,104,368
Non capital						-
Building Painting	-	114,601			(114,601)	-
Unallocated interest	16,476	-	22,286	(16,476)	-	22,286
TOTALS	$ 1,120,113	$ 742,939	$ 43,216	$ 12,937	$ (792,551)	$ 1,126,654

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 2025

Accounts receivable	259,197
Less: allowance for doubtful	(12,955)
Net	$ 246,242

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 2025.

NOTE E - 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, 2025 the Association's tax years remaining subject to examination are 2022-2024.

NOTE F - FURNITURE AND EQUIPMENT

The cost of furniture and equipment as of December 31, 2025, consists of the following:

Office Building	$ 38,034
Lighting	238,075
Maintenance equipment	251,496
Laundry equipment	183,200
Office equipment	20,527
Total	731,332
Less accumulated depreciation	(464,113)
Net furniture and equipment	$ 267,219

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 $35,775.

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 G - LONG-TERM CONTRACTS

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

The Association is self managed.

NOTE H - INSURANCES

The Association was covered for Property, General Liability, Directors and Officers, policies through Palomar Insurance Services, Kinsale Insurance and Wilshire Insurance Company.

The Association also maintained an excess Liability policy with a limit of $5,000,000 for each occurrence through Houston Specialty Insurance and Richmond National Insurance.

The Association was covered for employee theft through the Hartford Fire and Insurance, with a $1,000,000 Limit.

The Association was covered for Worker's Compensation Insurance through Berkshire Hathaway and Disability policies through WestGuard Insurance.

Vehicle insurance was maintained through Franklin Insurance Services.

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

NOTE I - 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:

	2025	2024
Market value of securities held for sale	$ 40,665	$ 35,686
Unrealized holding gain (loss)	$ 28,317	$ 23,338

NOTE J - 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 $1,788,516 in 2025.

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 $97,328 and $61,142 for 2025 and 2024, 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. There were no reimbursed expenses for 2025.

NOTE K - CONTINGENCIES AND LOSSES

The Association documents require insurance proceeds to be placed in a separate account. There were no insurance proceeds escrowed for 2025.

Uninsured casualty repairs and co-pays were $0 during 2025.

NOTE L- 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 and administrative costs for the year ended December 31, 2025 were $5,877.

NOTE M - 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 N - LITIGATION

There are two litigation matters pending as of December 31, 2025, as follows:

Universal Property & Casualty Insurance Company a/s/o Eloy Rodriguez and Alice Rodriguez v. Grenelefe Association of Condominium Owners No 1, Inc, 2025-CA-003282 (Polk County) (Universal Case"). On August 20, 2025, Plaintiff filed a subrogation suit against the Association alleging damages in the amount of $64966.04, exclusive of costs and pre-judgment interest, related to alleged water intrusion in a unit. The Association plans to contest the matter vigorously and anticipates a low likelihood of an unfavorable outcome. In the event of an unfavorable outcome, the range of potential loss is $64,966 to $80,000.

Janae W Tew V. Grenelefe Association of Condominium Owners' #1, Inc, Cesar P. Galo, and Ana M. Galo, 2025-CC-005721("Tew Case"). The Plaintiff filed a claim against the Association, Cesar Galo, and Ana Galo, alleging that a backup in the main drain stack caused water intrusion resulting in damages and the Association failed to repair the insulation and drywall in Plaintiff's unit. The Association plans to contest the matter vigorously and anticipates a low likelihood of an unfavorable outcome. In the event of an unfavorable outcome, the range of potential loss is $30,000 to $50,000.

NOTE O - 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:

	Revenue	Expenses (includes Interest and Depreciation)	Net income(loss)
Laundry machines	$ 111,182	$ 126,565	$ (15,383)
HVAC services	$ 23,253	$ 37,886	$ (14,633)
Storage and other	$ 8,780	$ -	$ 8,780
Total	$ 143,215	$ 164,451	$ (21,236)

NOTE P - 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 Q - SUBSEQUENT EVENTS

The Association has evaluated events and transactions for potential recognition of disclosure in the financial statements through June 9, 2026, the date the financial statements were available to be issued and determined the following are material:

Management has been informed that the cost of Water will be increasing significantly. A hearing was held before the Public Utility Commission on January 6 to consider a request by Grenelefe Utilities for this significant rate increase. Their request was approved, resulting in rates equaling between two and five times the previous rates, depending on the typs of service. The new rates went into effect May 1, 2026, and the budget was revised at that time to reflect the increased amounts.

SUPPLEMENTARY INFORMATION

FUTURE MAJOR REPAIRS AND REPLACEMENTS- Schedule 1
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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 LIFE	ACTUAL BALANCE PER BOOKS: 12/31/2025	12/31/2024
Balance per books:			
Multi-unit building	0-36	$ 152,099	$ 132,126
Lakeloft building	0-29	148,468	141,663
Laundry room equipment	0-20	227,448	224,103
Multi-unit roofing	13-27	151,216	142,010
Parking lot	0-27	211,571	208,459
Landscaping	0-18	-	131,911
Equipment	0-36	79,686	123,365
Unallocated interest	N/A	22,286	16,476
TOTAL		$ 992,774	$ 1,120,113

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, 2025

	AUDITED ACTUAL		COMPILED BUDGET	COMPILED FAVORABLE UNFAVORABLE
REVENUES				
Assessments	$ 3,352,546		$ 3,073,856	$ 278,690
HVAC net income(loss) - Note P	(14,633)		(2,646)	11,987
Laundry net income(loss) - Note P	(15,383)		78,682	94,065
Storage rental net income(loss) - Note P	8,780		15,120	6,340
Other exempt function income	55,222		-	(55,222)
Interest and dividends	24,238		2,380	(21,858)
Gain(loss) on fixed asset and investments	(758)		-	758
Maintenance fee finance charges	26,445		6,000	(20,445)
TOTAL REVENUE	$ 3,436,457		3,173,392	$ 263,065
EXPENSES				
Reserve expenditures - Note B	$ 792,551	*	$ 609,945	$ (182,606)
Payroll expense	315,442		348,624	33,182
Insurance	794,663		950,425	155,762
Management salaries and temporaries	221,012		170,532	(50,480)
Employee benefits	96,530		87,705	(8,825)
Utilities	126,005		89,099	(36,906)
HVAC expenses	-		102	102
Bad debt and allowances	104,949		-	(104,949)
Grounds maintenance and supplies	362,973		399,538	36,565
Temporary help maintenance	20,762		-	(20,762)
Trash removal	132,974		144,000	11,026
Payroll taxes	42,267		40,261	(2,006)
Casualty repairs not exceeding deductible	-		5,000	5,000
Staff recruitment fee	440		-	(440)
Repairs and maintenance	69,837		155,048	85,211
Office and other	65,386		53,739	(11,647)
Vehicle expenses	25,008		16,900	(8,108)
Pest Control	24,000		26,000	2,000
Legal and settlements	33,836		15,000	(18,836)
Depreciation	36,291		-	(36,291)
Tree Care	46,213		10,000	(36,213)
Accounting and audit	15,000		15,000	-
Irrigation repair	-		12,000	12,000
Uniforms, tools and equipment	7,894		8,740	846
Director and board meeting expenses	252		750	498
Pension	5,877		3,770	(2,107)
Licenses, permits and taxes	6,984		3,714	(3,270)
Fire protection	13,806		7,500	(6,306)
TOTAL EXPENDITURES	$ 3,360,952		$ 3,173,392	$ (187,560)
REVENUE IN EXCESS (DEFICIT) OF EXPENDITURES	$ 75,505		$ -	$ 75,505

*** 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 SECTON 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.