GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS NO. 1, INC.

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED

DECEMBER 31, 2023 AND 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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

August 25, 2024

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

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	- - - - - - - - 2023- - - - - - - -			2022
ASSETS	OPERATING FUND	RESERVE FUND	TOTAL	TOTAL
Cash and cash equivalents - Note A	821,531	596,354	1,417,885	$ 1,462,998
Assessment receivable - Note C	104,841		104,841	21,690
Other receivables	85		85	1,196
Prepaid expenses	54,807		54,807	33,366
Certificates of deposit reserves	-	439,898	439,898	443,786
Investment in securities - Note I	36,267	-	36,267	38,687
Furniture and equipment				-
(Net of depreciation) - Note F	274,441	-	274,441	327,234
Deposits	10,350	-	10,350	10,350
TOTAL ASSETS	$ 1,302,322	$ 1,036,252	$ 2,338,574	$ 2,339,307
LIABILITIES				
Accounts payable and accrued expenses	83,585	3,994	87,579	166,351
Deferred tax liability -unrealized gains	3,149	-	3,149	3,149
Prepaid and deferred assessments	432,757	-	432,757	480,895
TOTAL LIABILITIES	519,491	3,994	523,485	650,395
FUND BALANCE				
Fund balance	758,912	1,032,258	1,791,170	1,662,573
Other comprehensive income (loss) - Note I	23,919	-	23,919	26,339
TOTAL FUND BALANCE	782,831	1,032,258	1,815,089	1,688,912
TOTAL LIABILITIES AND FUND BALANCE	$ 1,302,322	$ 1,036,252	$ 2,338,574	$ 2,339,307

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, 2023 AND 2022

	2023			2022
	OPERATING FUND	RESERVE FUNDS	TOTAL	TOTAL
REVENUE - Note P				
Exempt Function				
Assessments	$ 2,365,469	$ 456,475	$ 2,821,944	$ 2,628,536
Other exempt function income	4,740	28,776	33,516	9,208
Interest and dividends	2,389	9,987	12,376	4,503
Maintenance fee finance charges	9,138	-	9,138	8,551
Total exempt function income	2,381,736	495,238	2,876,974	2,650,798
Non exempt Function				
HVAC net income(loss) - Note O	13,478	-	13,478	(1,901)
Laundry net income(loss) - Note O	(19,807)	-	(19,807)	(10,001)
Interior pest control fees net income(loss) - Note O	4,241	-	4,241	1,750
Storage rental net income(loss) - Note O	12,590	-	12,590	12,620
Total non exempt function net income - Note O	10,502	-	10,502	2,468
TOTAL REVENUE	$ 2,392,238	495,238	2,887,476	2,653,266
EXPENSES				
Operating Payroll expense	397,473	-	397,473	505,238
Insurance	741,036	-	741,036	480,982
Management salaries and temporaries	186,250	-	186,250	202,263
Employee benefits	108,704	-	108,704	143,891
Utilities	101,900	-	101,900	80,715
Vehicle expenses	19,717	-	19,717	33,150
Repairs and maintenance	9,336	-	9,336	44,182
Trash removal	140,217	-	140,217	148,057
Payroll taxes	44,234	-	44,234	53,557
Grounds maintenance and supplies	378,191	-	378,191	278,453
Temporary help maintenance	64,803		64,803	18,639
Office and other	61,330	-	61,330	46,305
HVAC expenses	1,611		1,611	-
Depreciation	47,710	-	47,710	49,160
Casualty Repairs not exceeding deductible	9,370	-	9,370	13,406
Staff Recruitment fee	22,500	-	22,500	-
Accounting and audit	15,000	-	15,000	15,000
Tree Care	17,279	-	17,279	43,700
Uniforms, tools and equipment	9,472	-	9,472	8,917
Irrigation repair	10,320	-	10,320	9,715
Bad debt and allowances	15,147	-	15,147	-
Director and board meeting expenses	3,150	-	3,150	8,096
Legal and professional	20,708	-	20,708	44,497
Pension	7,663	-	7,663	8,935
Licenses, permits and taxes	3,532	-	3,532	2,524
Fire protection	11,811	-	11,811	2,743
Reserve expenditures - Note B	-	286,897	286,897	559,418
Income tax expense(revenue)	-	-	-	-
TOTAL EXPENDITURES	2,448,464	286,897	2,735,361	2,801,543
REVENUE IN EXCESS (DEFICIT) OF EXPENDITURES	(56,226)	208,341	152,115	(148,277)
BEGINNING FUND BALANCE	838,656	823,917	1,662,573	1,722,916
FUND BALANCE TRANSFERS				
Fixed asset fund transfers	(23,518)	-	(23,518)	87,934
TOTAL FUND BALANCE TRANSFERS	(23,518)	-	(23,518)	87,934
ENDING FUND BALANCE	$ 758,912	$ 1,032,258	$ 1,791,170	$ 1,662,573

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, 2023 AND 2022

	2023			2022
	OPERATING FUND	RESERVE FUND	TOTAL	TOTAL
CASH FLOW FROM OPERATING ACTIVITIES				
Excess (deficit) of revenue over expenses	$ (56,226)	$ 208,341	$ 152,115	$ (148,277)
Adjustment to reconcile excess of expenditures over revenue to net cash provided by operating activities:				
Depreciation expense	47,710	-	47,710	49,160
Loss (gain) on fixed asset disposal	(18,054)	-	(18,054)	983
Bad debt allowances	10,491		10,491	-
(Increase) Decrease in				
Assessments and notes receivable-net	(93,642)	-	(93,642)	45,404
Other receivables	1,111	-	1,111	187
Prepaid expenses	(21,441)	-	(21,441)	57,874
Investment in securities - Note I	2,420		2,420	(5,343)
Increase (Decrease) in				
Accounts payable and accrued expenses	(70,126)	(8,646)	(78,772)	103,128
Prepaid assessments	(48,138)	-	(48,138)	56,595
Deferred tax liability unrealized gains	(1)		(1)	(1)
Deferred insurance proceeds	-		-	(57,478)
Other comprehensive	(2,420)	-	(2,420)	5,343
Net cash provided (used) by operating activities	(248,316)	199,695	(48,621)	107,575
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(4,162)		(4,162)	(30,574)
Proceeds from sales of assets	27,300	-	27,300	400
Fund Balance transfers	(23,518)	-	(23,518)	(87,934)
Net cash provided (used) by investing activities	(380)	-	(380)	(118,108)
NET CHANGE IN CASH	(248,696)	199,695	(49,001)	(10,533)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,070,227	836,557	1,906,784	1,917,317
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 821,531	$ 1,036,252	$ 1,857,783	$ 1,906,784
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.

NOTE A - (Cont'd)

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.

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, 2023, the Association had uninsured balances of $163,846 in Midflorida Bank, $5,068 in Regions Bank, and $308,383 in Bank of America. The Association's bank accounts had amounts throughout the year that exceeded insured limits.

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.

In September, 2021, The Association's Property Manager estimated the remaining useful lives and current replacement costs of common property components. 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.

NOTE B - RESERVE FOR MAJOR REPAIRS AND REPLACEMENTS (Continued)

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

COMPONENT	BALANCE 01/01/2023	FUNDING DURING YEAR	INTEREST & OTHER INCOME	TRANSFERS AND PRIOR YEAR ADJ	CURRENT CHARGES TO FUND	FUND TRANSFER Note A	BALANCE 12/31/2023
Capital							
Multi-unit building	$ 59,628	$ 151,109	209	$ -	$ (78,418)		$ 132,528
Lakeloft building	110,401	28,184	387				138,972
Laundry room equip	238,661		836		(17,563)	-	221,934
Multi-unit roof	11,330	180,000	1,514		(136,970)	-	55,874
Parking lot	205,722		721			-	206,443
Landscaping	75,476	60,000	264		(5,105)	-	130,635
Equipment	119,824	-	27,720		(11,659)	-	135,885
	821,042	419,293			(249,715)		1,022,271
Non capital							-
Building Painting	-	37,182			(37,182)		-
Unallocated interest	2,875	-	9,987	(2,875)	-	-	9,987
TOTALS	$ 823,917	$ 456,475	$ 41,639	$ (2,875)	$ (286,897)	$ -	$ 1,032,258

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 2023:

Accounts receivable	123,342
Less: allowance for doubtful	(18,501)
Net	$ 104,841

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 2023.

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, 2023 the Association's tax years remaining subject to examination are 2020-2023.

NOTE F - FURNITURE AND EQUIPMENT

The cost of furniture and equipment as of December 31, 2023, consists of the following:

Office Building	$ 38,034
Lighting	238,075
Maintenance equipment	243,817
Laundry equipment	183,200
Office equipment	14,227
Total	717,353
Less accumulated depreciation	(442,912)
Net furniture and equipment	$ 274,441

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 $47,710.

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, copier, and uniforms.

The Association is self managed.

NOTE H - INSURANCES

The Association was covered for Property, General Liability, Directors and Officers, and ERISA bonding policies through USI 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 FFVA and Disability policies through Guardian Insurance.

Vehicle insurance was maintained through USI 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.

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:

	2023	2022
Market value of securities held for sale	$ 36,267	$ 38,687
Unrealized holding gain (loss)	$ 23,919	$ 26,339

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 quarterly assessments on all the units owned. The total assessments paid by ALYA were $1,502,784 in 2023.

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

Westgate 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 $75,207 and $72,894 for 2023 and 2022, respectively. Accounts payable and accrued expenses to The Utility were $9,954 and $10,698 for 2023 and 2022, 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 $3,150 and $4,514 for the years ending December 31, 2023 and 2022, respectively. Included in the Board of Directors expenses is compensation of $3,000 paid to the President and $1,350 paid to the Treasurer during 2023.

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 2023.

The Association's attorney's have represented that there were two material litigation matters material to these financial statements. According to attorneys, the likelihood of an unfavorable result in both suits is low. Management has not recorded any amounts for loss contingencies as a result of this determination.

Uninsured casualty repairs and co-pays were $9,370 during 2023.

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 costs for the year ended December 31, 2023 were $7,663.

NOTE M - CONCENTRATION OF RISK

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

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 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 2023:

	Revenue	Expenses (includes Interest and Depreciation)	Net income(loss)
Laundry machines	$ 137,796	$ 157,603	$ (19,807)
HVAC services	$ 61,884	$ 48,406	$ 13,478
Interior pest control	$ 22,500	$ 18,259	$ 4,241
Storage and other	$ 17,263	$ 4,673	$ 12,590
Total	$ 239,443	$ 228,941	$ 10,502

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 August 25, 2024, the date the financial statements were available to be issued and determined the following are material:

General manager, Chris Gourdie resigned during 2023. The Association hired a new General Manager, Nasiba Cassidy. Management is currently in the process of analyzing the association's accounting and other fiscal processes. Significant policy changes are highlighted in the Association's newsletter. Other material changes include a change in accounting software, payroll processing, and transfer of all cash accounts to Alliance Association Bank.

SUPPLEMENTARY INFORMATION

GRENELEFE ASSOCIATION OF CONDOMINIUM OWNERS #1, INC.

FUTURE MAJOR REPAIRS AND REPLACEMENTS- Schedule 1
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

In September, 2021, The Association's General Manager estimated the remaining useful lives and current replacement costs of common property components. Estimates were based on professional judgment, which may include contractor estimates for major components. Estimated current replacements costs do not take into account the effects of inflation between the date of the estimate and the date that the components will require repair or replacement.

The following is based on the estimate and presents significant information about the components of common property:

	ESTIMATED REMAINING USEFUL LIFE	YEAR 2021 RECOMMENDED ESTIMATED FULLY FUNDED BALANCE	ACTUAL BALANCE PER BOOKS: 12/31/2023	ACTUAL BALANCE PER BOOKS: 12/31/2022
Reserve Study 2011 Full Funding		$ 9,257,718		
Balance per books:				
Multi-unit building	0-36		$ 132,528	$ 59,628
Lakeloft building	0-29		138,972	110,401
Laundry room equipment	0-20		221,934	238,661
Multi-unit roof	13-27		55,874	11,330
Parking lot	0-27		206,443	205,722
Landscaping	0-18		130,635	75,476
Equipment	0-36		135,885	119,824
Unallocated interest	N/A		9,987	2,875
TOTAL			$ 1,032,258	$ 823,917

Actual expenditures 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, 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, 2023

	AUDITED ACTUAL		COMPILED BUDGET	COMPILED FAVORABLE UNFAVORABLE
REVENUES				
Assessments	$ 2,821,944		$ 2,821,944	$ -
HVAC net income(loss) - Note O	13,478		(2,646)	(16,124)
Laundry net income(loss) - Note O	(19,807)		(918)	18,889
Interior pest control fees net income(loss) - Note O	4,241		-	(4,241)
Storage rental net income(loss) - Note O	12,590		11,520	(1,070)
Other exempt function income	15,462		920	(14,542)
Interest and dividends	12,376		890	(11,486)
Gain(loss) on fixed asset and investments	18,054		-	(18,054)
Maintenance fee finance charges	9,138		6,000	(3,138)
TOTAL REVENUE	$ 2,887,476		2,837,710	$ (49,766)
EXPENSES				
Reserve expenditures - Note B	$ 286,897	*	$ 419,293	$ 132,396
Payroll expense	397,473		512,164	114,691
Insurance	741,036		553,842	(187,194)
Management salaries and temporaries	186,250		205,016	18,766
Employee benefits	108,704		158,887	50,183
Utilities	101,900		84,524	(17,376)
HVAC expenses	1,611		633	(978)
Bad debt and allowances	15,147		-	(15,147)
Grounds maintenance and supplies	378,191		425,085	46,894
Temporary help maintenance	64,803		-	(64,803)
Trash removal	140,217		130,660	(9,557)
Payroll taxes	44,234		55,723	11,489
Casualty repairs not exceeding deductible	9,370		5,000	(4,370)
Staff recruitment fee	22,500		-	(22,500)
Repairs and maintenance	9,336		130,569	121,233
Office and other	61,330		38,700	(22,630)
Vehicle expenses	19,717		22,435	2,718
Legal	20,708		15,000	(5,708)
Depreciation	47,710		-	(47,710)
Tree Care	17,279		25,000	7,721
Accounting and audit	15,000		16,000	1,000
Irrigation repair	10,320		10,000	(320)
Uniforms, tools and equipment	9,472		8,740	(732)
Director and board meeting expenses	3,150		6,150	3,000
Pension	7,663		7,150	(513)
Licenses, permits and taxes	3,532		2,539	(993)
Fire protection	11,811		4,600	(7,211)
TOTAL EXPENDITURES	$ 2,735,361		$ 2,837,710	$ 102,349
REVENUE IN EXCESS (DEFICIT) OF EXPENDITURES	$ 152,115		$ -	$ (152,115)

* Reserves expenditures are not budgeted.